



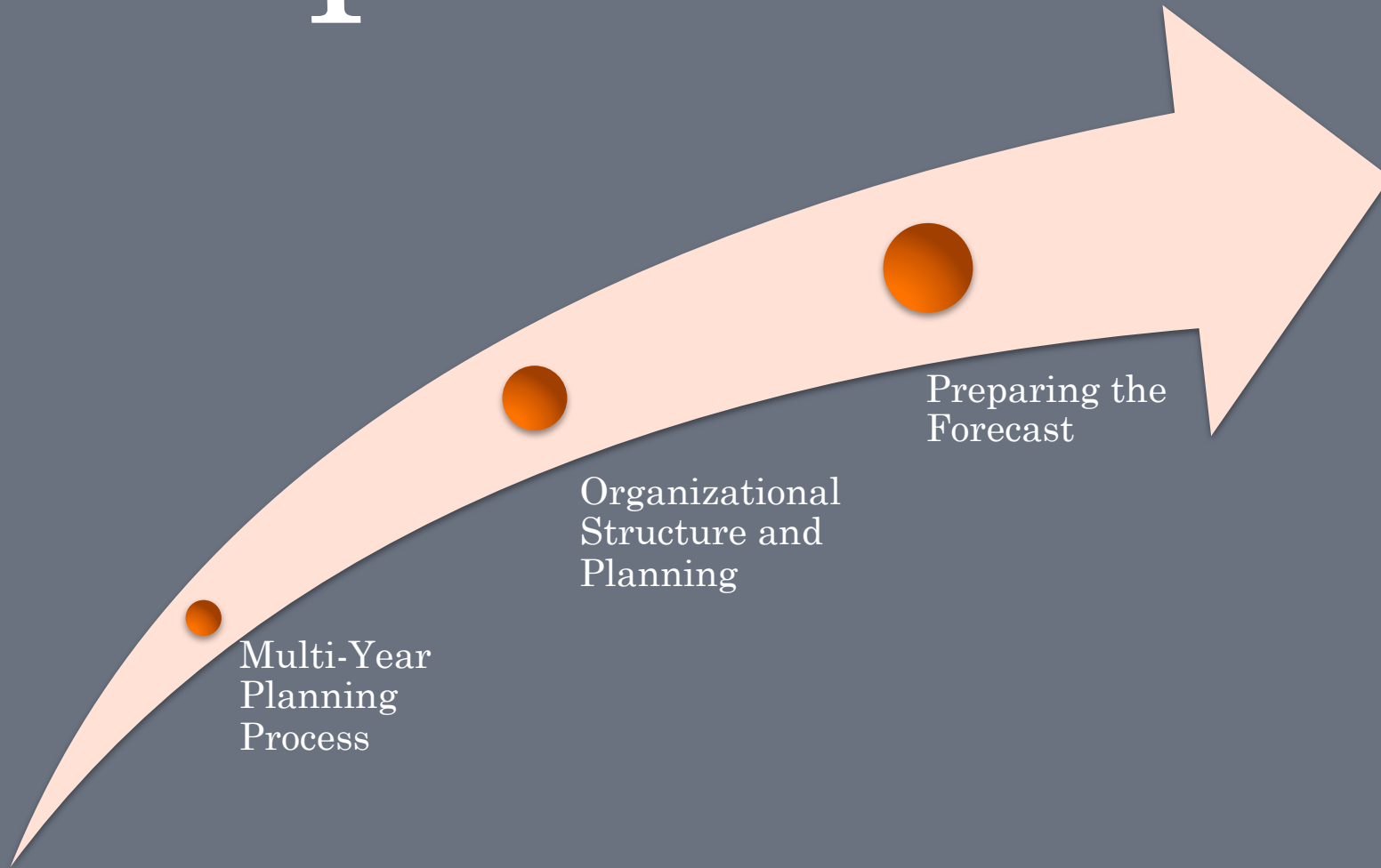
PUTNAM VALLEY SCHOOL DISTRICT

LONG RANGE FINANCIAL PLANNING

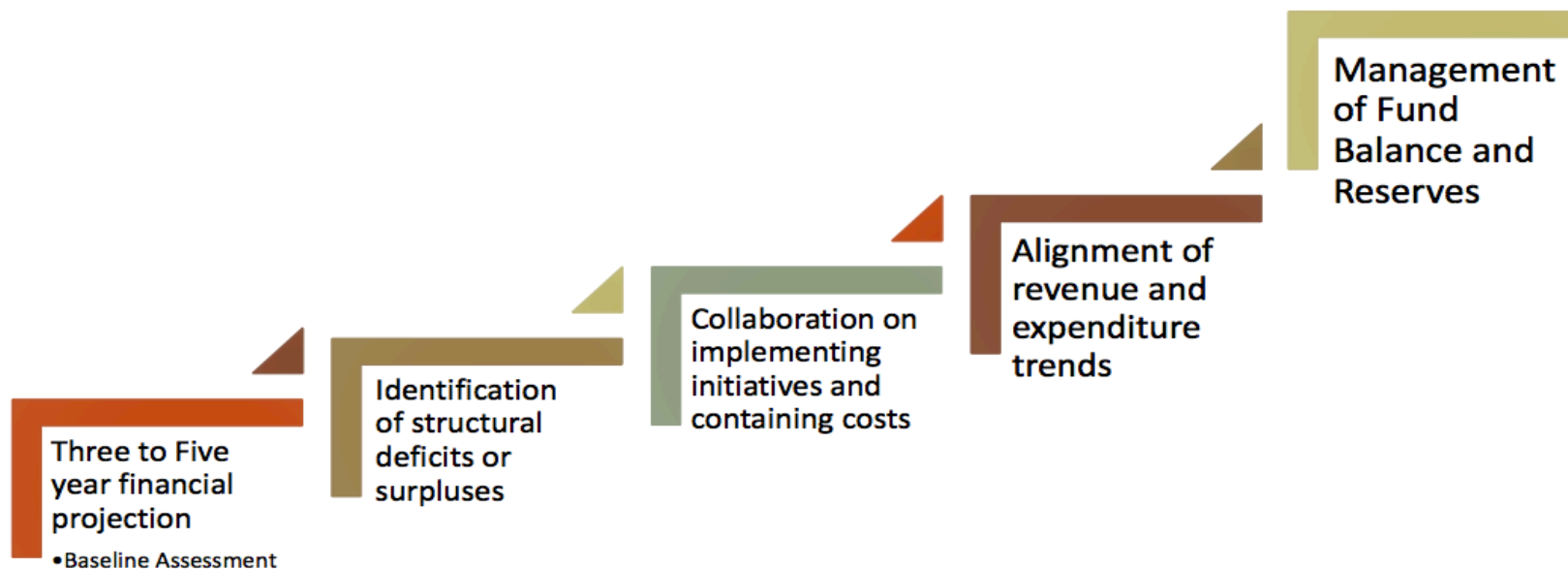
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Topics



MULTI YEAR PLANNING PROCESS



ORGANIZATION STRUCTURE AND PLANNING

Multiple Planning Initiatives

- Instructional Plan
- Technology Plan
- Enrollment Trends
- Staffing Plan
- Capital Plan
- Financial Plan



ORGANIZATIONAL STRUCTURE AND LONG RANGE PLANNING

- How does our organization's structure drive the implementation of multiple or different planning initiatives?
- How do we organize our communications so that we can collaborate? This can provide a great value for strategic planning.
- Continue getting Board and Finance committee (CAC) input.... they serve as contributing forums.



BUDGETING AND INSTRUCTIONAL PLANNING

- Consider and Attempt:
 - Attending instructional meetings.
 - Learning about the instructional program and assessments.
 - Becoming an integral part of the dialogue on instruction.
 - Learning more about master scheduling.
 - Understand instructional challenges and opportunities.



PREPARING THE FORECAST

Insights on preparing the forecast

- Simplicity and transparency by using existing general ledger data.
- Use of historical data that is audited and accurate.
- Flexibility with sufficient level of detail without getting too intricate.
- Use friendly charts and graphs that give me the ease of changing assumptions and efficiencies for a three year projection.
- Keep in mind that the economy is affected by current events . Adjustments in Federal and State aid distributions and retirement system rates/health premiums fluctuating from year to year.



WORKING WITH ASSUMPTIONS-

- Evaluate and discuss reasonableness of cumulative impact of all assumptions.
- Considers impacts of being too aggressive.
- Consider loss of sustainability.
- Consider impacts of being too conservative.
- Consider impacts if there is going to be a loss of an instructional program/staffing.
- Refer to data trends from historical information.
- Understand union contracts and their impact in future years.



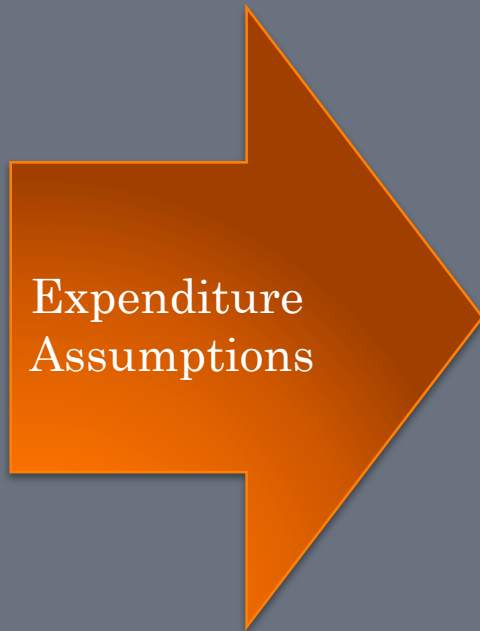
Revenue Assumptions (early predictions)

Taxes= (Tax Cap Driven) debt is declining and the CPI forecasted at around 1%. Financing or completion of projects can impact the cap allowance. Tax Levy has been reduced by an aggregate \$650K over 2 years.

State Aid-50% of our aid is expenditure driven. Expecting a rise in the amount of BOCES aid and building aid due to some projects becoming final over the past 18 months. When building aid rises it is offset by the cap calculation.

Other Sources of revenue-unpredictable interest earnings, Out-of-District Tuitions, building use and some Refunds of prior years expenses

Appropriated Fund Balance= use of EBALR (Employee Benefit and Liability Reserve) for retiring employees and if we need to adjust our current reserves to help support the revenue side of the budget.



General Support- includes District and business functions. Changes in personnel, technology needs. Reductions in energy savings will occur as a result of EPC.

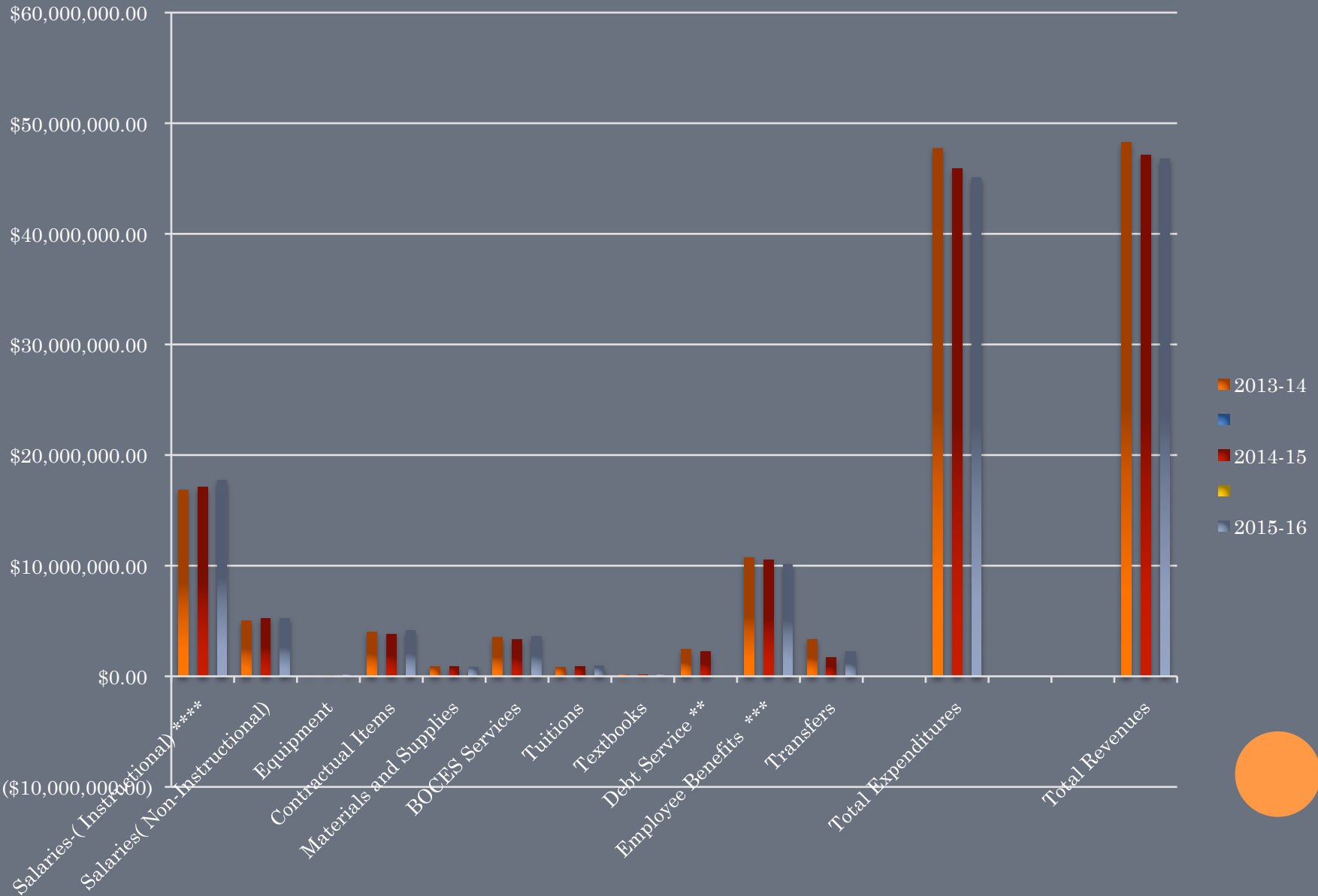
Instruction- Retirements can help reduce salaries in future years. Labor contract considerations.

Transportation- Could be impacted by changing to an early start time at the HS.

Benefits -will be impacted by a reduced Employer contribution rate to the NYSTRS. Health premiums will also increase. Considerations also for any ACA impacts. Debt Service could increase for EPC.



DATA TO ACTION: TREND ANALYSIS



CORRECTIVE ACTIONS NEEDED?

- Even in a well run district financial stress can develop in two or three years.
- Rate of growth in revenues and expenditures must be aligned.
- Are we going to have additional revenue sources?
- It only takes a few years of cumulative deficits for a district to exceed all fund balance and reserves.



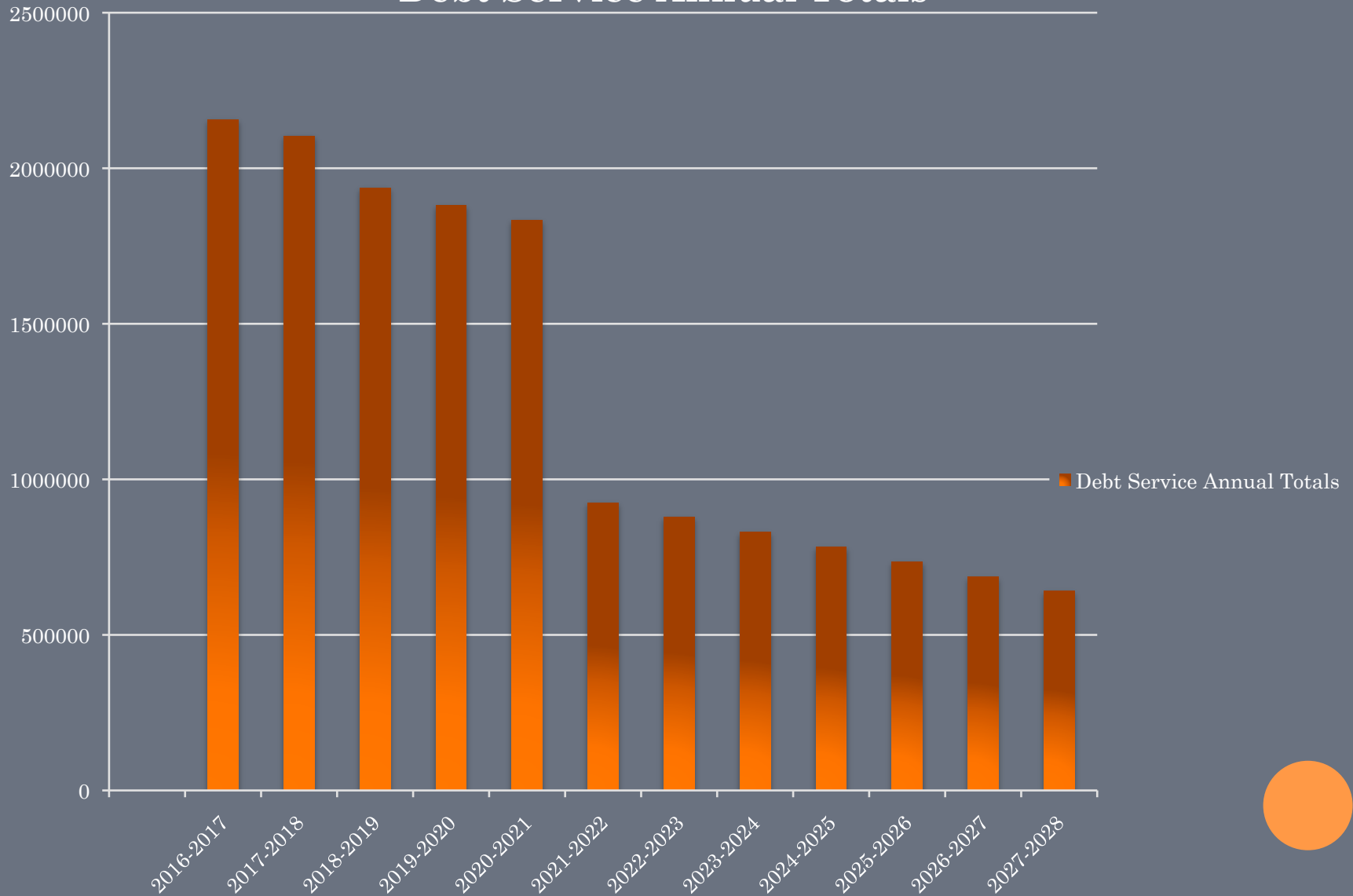
CAPITAL PLANNING OPPORTUNITY

- Capital planning is optimal when the debt schedule shows that debt will decline in a future year. Projects take 2-3 years to be put in motion and with the tax cap still controlling our ability to levy new taxes it is wise to plan projects accordingly in order to keep debt service payments flat.



DATA TO ACTION: CAPITAL PLANNING

Debt Service Annual Totals



DATA TO ACTION: INSTRUCTIONAL PLANNING

- Multi-Year Improvement Plan
 - Possible later Start time for High School-going to a 2 tier transportation system
 - Maintain manageable class sizes
 - Strengthen ties between curriculum and technology
 - Move forward with an EPC project
- Multi-Year Financing Plan
 - Strategies may require considerable collaboration to identify what to give up
 - Allocate available new funds to these initiatives.
 - Reallocation of funds from retirements



FORECAST

- Projected Operating Results
- Revenues
- Expenditures
- Reserves and Fund Balance



PUTNAM VALLEY SCHOOL DISTRICT THREE YEAR OPERATING BUDGET TREND PROJECTION OF REVENUES AND EXPENSES

Estimates in millions	2017	2018	2019	2020	Average % Change
Revenues	46.8	47.4	48.0	48.6	1.2%
Expenses	45.3	45.8	46.6	47.6	1.6%
Excess or (Deficiency)	1.5	1.6	1.3	1.0	.5%

EARLY Assumptions have been made regarding what I know.....
debt service being partially funded by our reserves, as well as increases in
salaries and health premiums, reduced retirement contributions for
teachers, the additional cost for the possibility of adding buses and the
projected principal and interest for the EPC.



DISTRICT EQUITY (FUND BALANCE)-BASED ON ACTUAL LIABILITIES

Unrestricted Reserves at June 30, 2016-\$1.9M or 3.9% of ensuing years budget

Restricted Reserves at June 30, 2016- \$5.2M

Description-Restricted Reserves

Repair Reserve (emergency repairs not part of a Capital Project)	\$ 30,507
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Property Loss and Liability (used for expenditure above the cost of our insurance coverage)	\$ 127,031
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Tax Certiorari (used for assessment reduction liabilities)	\$ 882,941
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Employee Benefit & Accrued Liability (used for active employee cumulative contractual benefits at 6/30)	\$1,898,350
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Retirement Contribution (Possible liability at 6/30 for active non-teaching staff- employer share of contributions to NYS retirement system 2 yrs.)	\$1,812,542
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Capital Reserve (used for future Capital projects)	\$ 500,000
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BENEFITS OF LONG RANGE PLANNING

- Provides clarity and transparency on the impact of trends that the district is experiencing
- Provides the school district with more time to plan for opportunities and challenges.
- Provides information for supporting sustainability and managing change in the district.
- Provides a foundation for supporting district's educational vision.
- Provides a framework to support collaboration between financial and instructional leadership of the district.





Planning

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DISCUSSION?
QUESTIONS?