

SCHOHARIE CENTRAL SCHOOL DISTRICT

Presentation of the Preliminary Budget
for the 2017-18 School Year

PRELIMINARY 2017-18 BUDGET OVERVIEW

Presented on the following slides is the Preliminary Budget for the 2017-18 school year for Schoharie Central School District.

This will be a “big picture” overview of the budget needed to deliver the existing education programs and support services for the children of Schoharie Central School District, at next year’s estimated costs, along with necessary enhancements to the programs, aimed to bring about overall instructional improvement as we continue to strive toward providing the best possible education for the students.

PRELIMINARY 2017-18 BUDGET OBJECTIVE/GOAL

The budget development objective for 2017-18 is: “To sustain the fiscal capacity of the school district in order to adequately provide for the programs and services for our students, not only for next year, but for years well into the future”.

Also, this budget is aimed at meeting a goal of the Board of Education to: *“Maintain financial sensitivity to the needs of property owners in the district and provide fiscal excellence and stability”*.

PRELIMINARY 2017-18 BUDGET HIGHLIGHTS

Total Preliminary 2017-18 Budget of **\$23,572,280**, which would be a \$685,223 (**2.99%**) increase from the voter-approved 2016-17 budget of \$22,887,057.

Major Cost Changes:

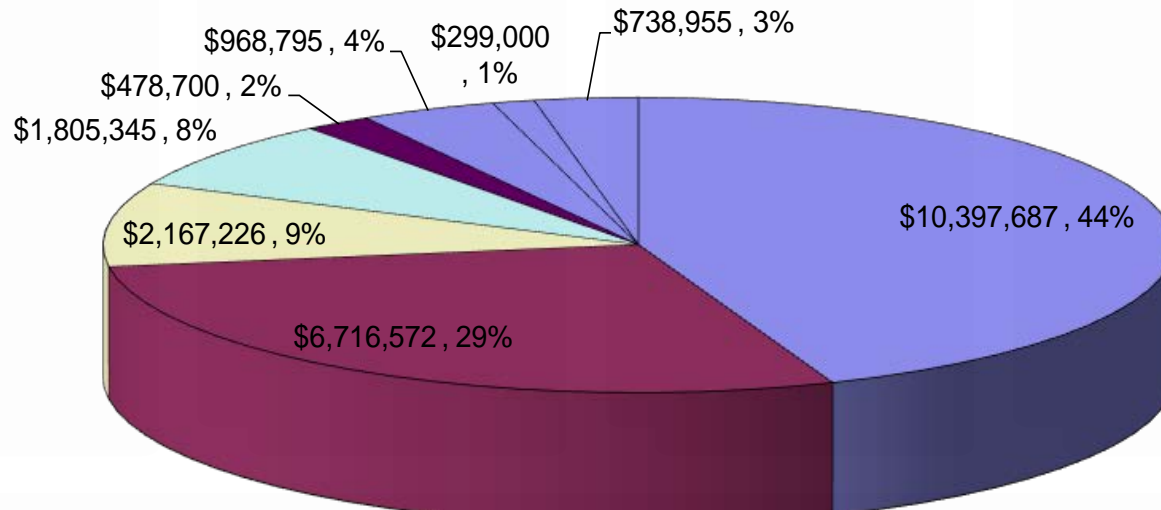
- Employee Salaries: + \$340,256 (including 1.4 FTE additional teacher positions)
- Employee Health Insurance: + \$235,105

The total of the two cost centers listed above are the primary reasons for the overall budget change, representing 84% of the increase.

Preliminary 2017-18 Budget Summary

WHERE THE MONEY GOES

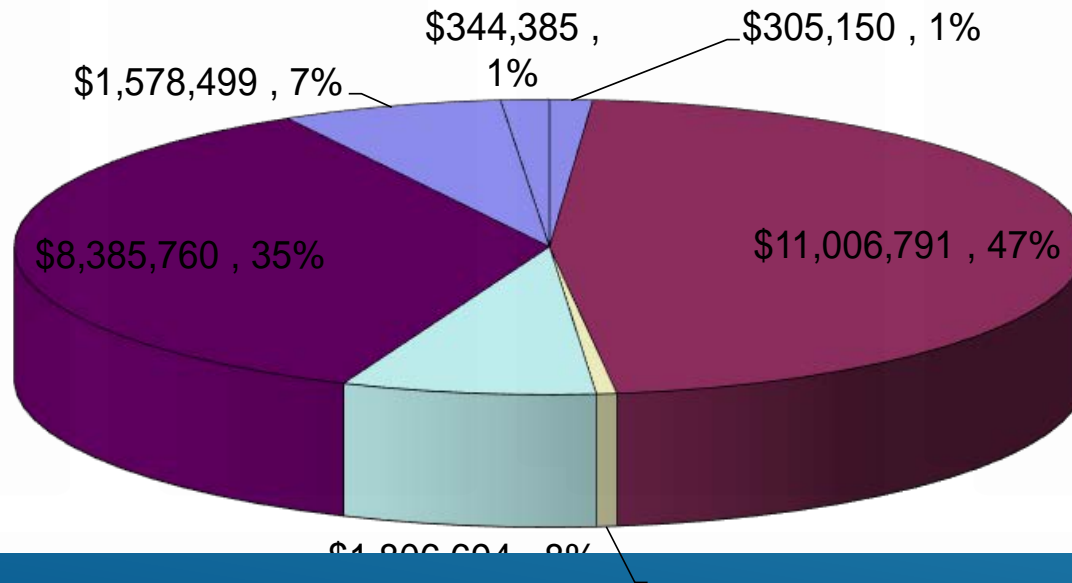
DESCRIPTION	2016-17 Adopted Budget	2017-18 Preliminary Budget	2017-18 \$ Change	2017-18 % Change	2017-18 % Share
Employee Salaries	\$10,057,431	\$10,397,687	\$340,256	3.38%	44.11%
Employee Benefits	\$6,562,467	\$6,716,572	\$154,105	2.35%	28.49%
Debt Service/Fund Transfers	\$2,076,966	\$2,167,226	\$90,260	4.35%	9.19%
BOCES Costs	\$1,551,668	\$1,805,345	\$253,677	16.35%	7.66%
Student Transportation	\$490,150	\$478,700	(\$11,450)	-2.34%	2.03%
Support Services / Operations	\$946,355	\$968,795	\$22,440	2.37%	4.11%
Out-of-district Tuition	\$483,475	\$299,000	(\$184,475)	-38.16%	1.27%
Instructional Programs	\$718,545	\$738,955	\$20,410	2.84%	3.13%
TOTALS	\$22,887,057	\$23,572,280	\$685,223	2.99%	100.00%



Preliminary 2017-18 Budget Summary

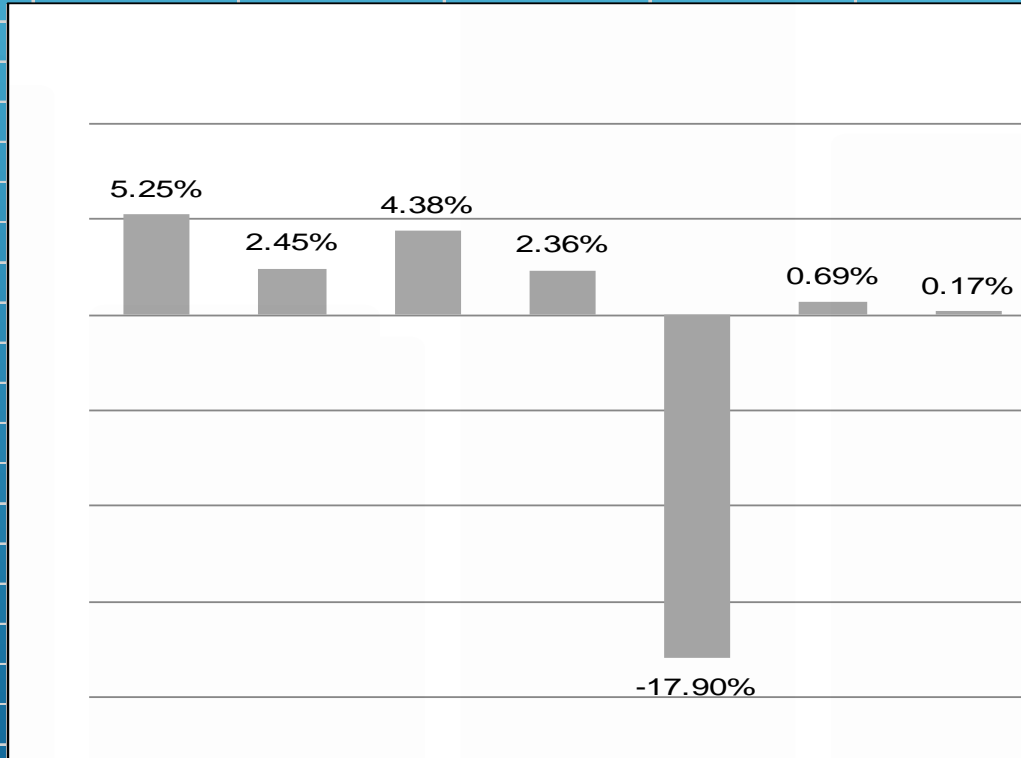
WHERE THE MONEY COMES FROM

DESCRIPTION	2016-17 Adopted Budget	2017-18 Preliminary Budget	2017-18 \$ Change	2017-18 % Change	2017-18 % Share
Miscellaneous Revenues	\$305,591	\$305,150	(\$441)	-0.14%	1.29%
State Aid	\$10,976,872	\$11,006,791	\$29,919	0.27%	46.69%
Medicaid and Transfers	\$58,000	\$145,000	\$87,000	150.00%	0.62%
Payments in Lieu of Taxes	\$1,615,386	\$1,806,694	\$191,308	11.84%	7.66%
Tax Levy and STAR	\$8,352,708	\$8,385,760	\$33,052	0.40%	35.57%
Fund Balance Allocation	\$1,578,499	\$1,578,499	\$0	0.00%	6.70%
Revenue Gap	\$0	\$344,385	\$344,385		1.46%
TOTALS	\$22,887,055	\$23,572,279	\$685,223	2.99%	100.00%



TREND OF TAX LEVY AND TAX RATES

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Levy	5.92%	3.20%	3.15%	2.88%	1.53%	1.31%	-10.24%
Tax Rate	5.25%	2.45%	4.38%	2.36%	-17.90%	0.69%	0.17%
Budget	-1.76%	0.05%	2.68%	2.88%	3.13%	3.25%	2.26%



WHAT IS THE PLAIN ENGLISH "BOTTOM LINE" ?

The Preliminary Budget for 2017-18 would increase appropriations by \$685,223 (2.99%) over 2016-17.

The preliminary estimate is that state aid would increase by \$29,919 (0.29%) over 2016-17. This is based on the Governor's proposal for Foundation Aid, along with calculations for expense-driven aid: Building Aid, Transportation Aid, and BOCES Aid. Please note that the Foundation Aid is increasing by \$98,787 (1.43%).

The Tax Levy Limitation formula would allow a tax levy adjustment of \$33,052 (0.40%).

WHAT IS THE PLAIN ENGLISH "BOTTOM LINE" ? (CONTINUED)

At this point, the Preliminary 2017-18 Budget is out-of-balance by - \$344,385.

This means that:

\$344,385 in budget reductions and additional allocation of available fund balance would be necessary; notwithstanding possible additional state aid provided by pending action of the Legislature and signed into law by the Governor.

WHAT IS THE PLAIN ENGLISH "BOTTOM LINE" ?

(CONTINUED)

The bottom line would have been further impacted by the addition of two teacher positions that were requested: one each for the Elementary and Jr./Sr. High Schools. We were not able to honor these requests because of the present budget gap of \$344,385 for next year. The cost to add these positions would have been about \$100,000.

GOVERNOR'S PROPOSAL HIGHLIGHTS

- ▶ The Foundation Aid Formula would be adjusted to benefit higher-need districts (Schoharie CSD is not a high-need district)
- ▶ The phase-in of the formula to fully fund Foundation Aid that was enacted into law in 2007 would be discontinued (districts in the state are still “owed” \$4.3 billion under present law.).
- ▶ Beginning in 2018-19, districts would only be guaranteed the amount of Foundation Aid that is received during 2017-18. Any additional state aid increase in future years beginning with 2018-19 would be allocated through a method yet to be determined.
- ▶ For the Tax Cap, 2017-18 would be the fourth consecutive year that the limitation is less than 2%.
- ▶ Regarding STAR, the benefit for property owners would be frozen at existing levels, rather than the 2% annual growth factor of recent years, and there would be an income verification requirement for recipients of the Enhanced STAR (owner-occupied residence of taxpayer over 65 years of age).

KEY DATES IN THE BUDGET PROCESS

- ▶ February 27th, Public Forum, 7:00 PM, Elementary School Cafeteria (discussion of Preliminary 2017-18 Budget)
- ▶ March 16th, Board Meeting (Presentation of the Tentative 2017-18 Budget), 7PM, High School Cafeteria
- ▶ April 6th, Possible Board of Education Budget Work Session
- ▶ April 13th, Board Meeting (Consideration of Proposed 2017-18 Budget)
- ▶ May 9th, Board Meeting and Public Hearing on adopted Proposed 2017-18 Budget, 7 PM, High School Cafeteria
- ▶ May 16th, Vote by Public on Proposed 2017-18 Budget, Propositions, Members of the Board of Education, 9AM to 9 PM, lobby at the Jr./Sr. High School Library.

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This has been a presentation of the
Preliminary Budget
for the 2017-18 School Year