

Homer Central School District BOE Presentation

January 26, 2016

Please Note: All Estimated Budget Numbers Are Subject To Change

Governor Cuomo's 2016-17 Executive Budget Proposal

	2015-16	2016-17	Change	% Change
Foundation Aid	\$ 14,605,685.00	\$ 14,790,015.00	\$ 184,330.00	1.26%
BOCES Aid	\$ 1,645,643.00	\$ 1,720,280.00	\$ 74,637.00	4.54%
High Cost/Excessive Cost	\$ 179,713.00	\$ 195,607.00	\$ 15,894.00	8.84%
Private Excess Cost	\$ 112,586.00	\$ 130,142.00	\$ 17,556.00	15.59%
Hardware	\$ 36,773.00	\$ 35,902.00	\$ (871.00)	-2.37%
Software, Library, Textbook	\$ 166,860.00	\$ 164,013.00	\$ (2,847.00)	-1.71%
Transportation	\$ 1,760,047.00	\$ 2,166,935.00	\$ 406,888.00	23.12%
Gap Elimination	\$ (650,742.00)	\$ (650,742.00)		0.00%
GEA Restoration		\$ 292,806.00	\$ 292,806.00	
Building Reorg Incentive	\$ 3,905,994.00	\$ 5,118,603.00	\$1,212,609.00	31.04%
	\$ 21,762,559.00	\$ 23,963,561.00	\$2,201,002.00	10.11%

Impact of the Governor's Proposal:

Regardless of other factors, the Governor's proposal is insufficient to the needs of the Homer Central School district because it:

- Continues its inequitable distribution of Foundation Aid
 - Full distribution of Foundation Aid \$18,103,408
 - Proposed 16-17 Foundation Aid \$14,790,015
 - Difference **\$ 3,313,393**
- Fails miserably to fulfill the constitutional obligation of the State of New York with regard to funding public school districts.

Homer CSD 2016-17 Budget Projections

Revenues

Sources	2013-14 Audited*	2014-15 Audited*	2015-16 Approved Budget	2016-17 Budget Estimates	Notes
New York State Aid	\$19,724,559.00	\$20,011,844.00	\$21,994,651.00	\$23,963,591.00	Governor's Proposal
Local Sources/E-Rate/Misc.	\$652,122.00	\$521,597.00	\$571,000.00	\$571,000.00	No Increase
Tax Levy/STAR	\$15,742,189.00	\$15,963,801.00	\$15,959,640.00	\$15,959,640.00	No Increase to Tax Levy
Reserves	\$2,340,022.00	\$782,254.00	\$290,519.00	\$ -	Amount of Reserves to use?
Medicaid-Federal Sources	\$28,368.00	\$28,210.00	\$35,000.00	\$35,000.00	No Increase
Net Change in Fund Balance	\$800,000.00	\$800,000.00	\$720,000.00	\$720,000.00	No Increase
Audited/Approved Revenue	\$39,287,260.00	\$38,107,706.00	\$39,570,810.00	\$41,249,231.00	Without Reserves
		Change 13-14 to 14-15	Change 14-15 to 15-16	Change 15-16 to 16-17	
		-3.00%	3.84%	4.24%	

Homer CSD 2016-17 Budget Projections

Expenditures

	2013-14 Audited*	2014-15 Audited*	2015-16 Approved Budget	2016-17 Budget Estimates
Audited/Budgeted Expense	\$38,830,491.00	\$39,012,179.00	\$39,570,810.00	\$42,159,742.00
		Change 13-14 to 14-15	Change 14-15 to 15-16	Change 15-16 to 16-17
		0.47%	1.43%	6.54%

2013-14 Increase over budgeted amount was due to \$1,395,028.00 in Interfund Transfers from the Capital Reserve and Debt Service Reserve to the Capital Fund based on Voter and BOE approval as per NYSED Requirements.

2014-15 Increase over budgeted amount was due to \$1,328,453.00 in Interfund Transfers from the Workers Comp Reserve and Debt Service Reserve to the Capital Fund based on Voter and BOE approval as per NYSED Requirements.

16-17 Estimated Expenditures

\$ 42,159,742.00

16-17 Estimated Revenues

-

\$ 41,249,231.00

Potential Gap

\$ 910,511.00

PROPERTY “TAX CAP”

Tax Levy Limit

There is not a 2% tax cap – but a tax levy threshold with a voter approval requirement.

The actual allowable tax levy increase will vary by district.

The formula allows for certain expenses to be exempt from the threshold calculation, thereby affording districts some relief from certain high cost expenditures beyond their control

In effect through at least 2016-17. Thereafter, it remains in effect only as long as NYC rent control laws call for it.

Chapter 97 leaves the current contingency budget requirements/restrictions in place.

http://www.youtube.com/watch?feature=player_embedded&v=N-Eah8115B0

Tax Levy Limit Formula

$$\begin{aligned} & \text{Prior year tax levy} \\ & \quad \times \\ & \quad \text{Tax base growth factor (if any)} \\ & \quad + \\ & \text{Payments in lieu of taxes (PILOTs) receivable during prior year} \\ & \quad - \\ & \text{Taxes levied for exemptions during prior year (not ERS \& TRS)} \\ & \quad = \\ & \quad \text{Adjusted Prior Year Tax Levy} \\ & \quad \times \\ & \quad \text{Allowable levy growth factor (lesser of 2\% or CPI)} \\ & \quad - \\ & \text{Payments in lieu of taxes (PILOTs) receivable in the coming year} \\ & \quad + \\ & \quad \text{Available carryover (if any)} \\ & \quad = \\ & \quad \text{“Tax Levy Limit”} \\ & \quad + \\ & \quad \text{Coming School Year Exemptions} \\ & \quad = \\ & \quad \text{Maximum Allowable Tax Levy} \\ & \text{(requiring simple majority approval of more than 50\% of voters)} \end{aligned}$$

Homer CSD “TAX CAP” & Actual Levy Comparison

Year	Tax Levy Threshold	Actual Tax Levy Increase
2012-13	2.67% \$396,812	2.67% \$396,812
2013-14	4.49% \$684,310	3% \$457,223
2014-15	1.88% \$ 295,364	1.50% \$235,470
2015-16	1.76% \$280,806	0% \$0

Property Tax Levy Growth Factor

The Property Tax Levy Growth factor for school districts will be capped at **0.12 %**, **not 2%**, next year and will create a hardship for school districts and their ability to meet student needs.

Schools will not be able to raise any meaningful new revenue without obtaining a 60 percent supermajority in support of their budget – a very challenging task.

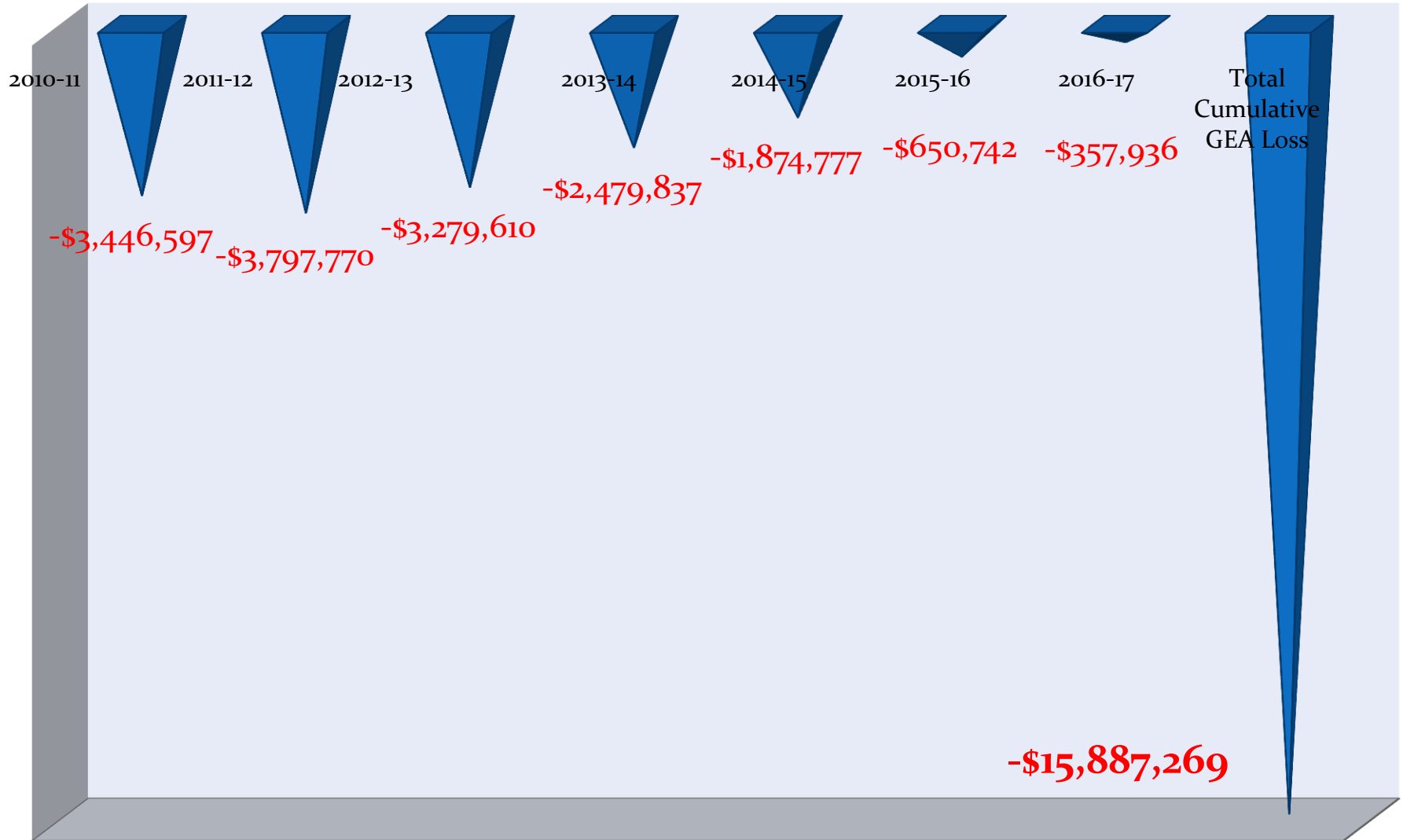
To put this into perspective, the median school tax levy in 2015-16 was slightly less than \$15 million. Under a 0.12 percent tax cap, the levy would generate less than \$18,000 in additional local revenue – not enough to hire a full-time teacher.

The alarmingly low tax cap reinforces the need for significantly more state education aid, beyond that proposed in the Executive Budget.

The Gap Elimination Adjustment

- The Gap Elimination Adjustment (GEA) law was introduced for the 2010-11 fiscal year as a way to help close New York's then \$10 billion budget deficit.
- Under the legislation, a portion of the funding shortfall at the state level is divided among all school districts throughout the state and reflected as a reduction in school district state aid.
- The GEA is a negative number, money that is deducted from the aid originally due to the district based on the state's aid formula.

This chart demonstrates the levels of GAP ELIMINATION ADJUSTMENT (GEA) that withheld New York State Aid from the Homer Central School District between 2010-11 and 2016-17. Homer had a total reduction of \$15,887,269.



Homer CSD Salaries

	2013-14 Actual	2014-15 Actual	2015-16 Budgeted	2016-17 Estimated
Instructional	\$13,644,237.00	\$13,690,709.00	\$14,075,268.00	\$14,497,526.00
Non Instructional	\$1,123,048.00	\$1,138,784.00	\$1,155,139.00	\$1,189,793.00
Co-Curricular/Coaching	\$503,200.00	\$498,644.00	\$514,764.00	\$530,207.00
Transportation	\$1,066,873.00	\$1,004,012.00	\$1,113,357.00	\$1,146,758.00
Operations/Maintenance	\$826,511.00	\$771,858.00	\$819,669.00	\$844,259.00
General Fund Total	\$17,163,869.00	\$17,104,007.00	\$17,678,197.00	\$18,208,543.00
Federal Grant Salaries	\$942,720.00	\$1,178,842.00	\$971,467.00	\$971,467.00
		STLE and Common Core Grants		
Total All Salaries	\$18,106,589.00	\$18,282,849.00	\$18,649,664.00	\$19,180,010.00

Homer CSD Benefits

	2013-14 Actual	2014-15 Actual	2015-16 Budgeted	2016-17 Estimated
TRS	\$2,335,089.71	\$2,522,111.00	\$2,390,000.00	\$2,461,700.00
ERS	\$631,180.00	\$500,913.00	\$610,000.00	\$580,000.00
FICA-Workers Compensation	\$1,412,993.00	\$1,390,310.00	\$1,524,400.00	\$1,570,132.00
Health & Dental Insurance	\$4,280,442.00	\$4,272,481.00	\$4,770,639.00	\$5,103,900.00
TOTAL	\$8,659,704.71	\$8,685,815.00	\$9,295,039.00	\$9,715,732.00
		Change 2015-16 to 2016-17	\$420,693.00	4.53%

Homer CSD Debt Service Overview

	2013-14 Actual	2014-15 Actual	2015-16 Budgeted	2016-17 Estimated
Building Debt	\$4,175,594.00	\$4,196,962.00	\$4,204,550.00	\$5,624,407.00
Bus Debt	\$502,558.00	\$522,731.00	\$384,506.00	\$298,250.00
Total Debt	\$4,678,152.00	\$4,719,693.00	\$4,589,056.00	\$5,922,657.00

**Estimated 2016-17 Increase in Building Debt is due to 21 Million Dollar Capital Project.
Estimated 2016-17 Decrease in Bus Debt is due to Leasing of Buses.**

Homer CSD Reserves

	Budget Year	Budget Year	Budget Year
	2014-15	2015-16	2016-17
Employee Liability Reserve	\$ 1,834,260.37	\$ 1,834,260.37	\$ 1,834,260.37
Reserve for ERS	\$ 1,603,522.18	\$ 1,603,522.18	\$ 1,603,522.18
Reserve for W/C & Unemployment	\$ 2,526,422.84	\$ 1,266,422.84	\$ 1,266,422.84
Capital Reserve	\$ 929,280.00	\$ 250,000.00	\$ 250,000.00
Tax Certiorari Reserve 2012	\$ 11,706.09		
Tax Certiorari Reserve 2013	\$ 200,090.58		
Tax Certiorari Reserve 2014-2015		211,814.32	
Tax Certiorari Reserve 2015-2016			\$200,000.00
	Move to H Fund	Move WC to H Fund	
		\$1,300,000	
		New Fund Established by Voters	

Homer CSD Reserves

	Budget Year	Budget Year	Budget Year
	2014-15	2015-16	2016-17
Mandatory Reserve for Debt Service	\$ 5,798,558	\$5,016,304	\$4,725,785
	\$782,254 Moved to General Fund As Revenue	\$290,519 Moved to General Fund As Revenue	

Debt Service Reserve was funded at \$ 8,311,981.00 in 2009-10.



Questions ?