

Levittown Public Schools

Budget Overview



Presentation to the Board of Education

William J. Pastore

Assistant Superintendent for Business

January 24, 2018

Budget Planning Calendar

December, 2017

- District administrators enter proposed budgets into Finance Manager.
- Budget Builders meet with Central Office to discuss proposed budget.
- Salaries are projected and incorporated into the working budget.
- Preliminary health care and retirement costs are projected and incorporated into the working budget.

January, 2018

- Draft of budget submitted to Superintendent for review/comments/changes.
- January 24, 2018 - Present the First Draft of the 2018-2019 budget, along with the Facilities & Operations Budget, Transportation Budget, Estimated Revenues and Preliminary Tax Cap Calculation.

February, 2018

- Continue to review, update and refine the budget.
- February 7, 2018 - Present the Special Education Budget.
- February 28, 2018 - Present Curriculum and Instruction Budget
- Tax Levy Limit Calculations must be uploaded to Comptroller's Office by March 1st.

Budget Planning Calendar

March, 2018

- Continue to update budget, including staffing and benefits.
- March 7, 2018 – Secondary Staffing and Enrollment, Five-Year Projections and Fund Balance Projection.
- March 14, 2018 – PTA Advisory Committee Presentation on the Budget
- March 28, 2018 - Review the Final Budget and the Board adopts Budget.

April, 2018

- Property Tax Report Cards due to State Education department no later than April 23, 2018.
- Budget Statement and required attachments must be made available to public (copies in the schools, public library and district office) in hard copy and on the website on April 24, 2018.

May, 2018

- Budget Hearing – May 2.
- Budget Notice mailed after Budget Hearing and 6 days prior to Budget Vote.
- Budget Vote – May 15.

Board of Education Goals

Create a budget that maintains and supports our current programs while incorporating the 2017-2018 Board of Education Goal of:

As financial and fiscal security is essential to the future well-being of the district and the community, the Board makes as its goal to develop, in conjunction with the District Administration, a sound budget that is within the tax levy limit.

Procedures & Assumptions

- The overall goal is to provide sustainable financing to sustain the educational programs that supports Success For Every Student.
- The budget presented is the first draft, and we continue to work on refining projections in staffing and benefits which represents about 82% of the budget.
- BOCES still needs to issue their program costs for 2018-2019, but estimates are built into the budget.
- Continue to use all available information in order to budget revenues and expenditures, including prior year data.
- Try to use current information to forecast budgets beyond 2018 – 2019. The purpose is to provide planning for sustainable programs moving into the future and temper future impact on the budget and tax levy.

Procedures & Assumptions

- Stay within Tax Levy Limit.
 - At present, the CPI-U which governs the tax levy is 2.13% but capped at 2%.
 - Levy limit can change as we continue deliberations.
- State Aid is estimated and the actual is still to be determined.

Levittown Public Schools

Major Components of the Spending Plan Increase by Object 2018-2019 Budget

At Tax Cap		Adopted Budget	Proposed Budget	\$	%
		2017-2018	2018-2019	Change	Change
		210,218,722	216,131,206	5,912,484	2.81%
Account Group					
1000-1999	Salaries	123,060,514	124,546,867	1,486,353	
2000-2999	Equipment	2,182,150	1,477,479	(704,672)	
4000-4499	Contractual Services	13,126,191	13,501,925	375,734	
4600-4699					
4500-4599	Materials & Supplies	3,644,438	3,705,004	60,566	
4500-4599					
4700-4799	Tuition & Training	2,314,200	2,480,928	166,728	
4800-4899	Textbooks	1,287,806	1,132,823	(154,983)	
4900-4999	BOCES Services	9,977,669	11,258,456	1,280,787	
6000-6999	Debt Service - Principal	2,554,122	2,645,139	91,017	
7000-7999	Debt Service - Interest	710,767	620,751	(90,016)	
8000-8999	Employee Benefits	49,913,650	52,486,394	2,572,744	
9000-9999	Interfund Transfers	1,447,215	2,275,440	828,225	

Preliminary Expenditure Budget

- Budget-to-Budget increase of 2.81% includes:
 - All positions currently in the 17-18 budget.
 - Staffing implications will be discussed in more detail later in the process.
 - Salaries increased by 1.21%
 - Class sizes remain at the 2017 - 2018 levels.
 - BOCES costs have been reviewed and preliminarily adjusted based on programs and an estimated cost. The current overall BOCES increase is 12.84%.
 - Driven by increases in Special Education, Instruction, State Testing and Computer Instruction
 - Will change as more information is made available from BOCES, and again as the Special Education Department makes placements for students later in the process.
 - Bus purchases & transportation equipment.
 - Bus purchases were reduced by \$595,053 based on analysis of current equipment and utilization
 - Transportation equipment was reduced because the 2017-2018 budget had one-time allocation for bus cameras and GPS beacons.

Preliminary Expenditure Budget

- Budget-to-Budget increase of 2.81%
 - Employee Benefits increases are driven by increases in Employee Retirement System (ERS), Teacher Retirement System (TRS) and Health Insurance:
 - Increases in TRS (\$ 105,205) and ERS (\$267,736) based on estimated rates. It is important to note that the TRS and ERS rates, and therefore costs to the district, are heavily influenced by the stock market and their returns on investments. The retirement system is also influenced by the assumed earning rates that they determine is appropriate. The TRS assumed earning rates decreased for 2018-2019; therefore, the rates charged to schools, increased by about 1%. The rates are not final and will be reviewed when they are final.
 - Health care is estimated at an \$2,226,196 or 9.35% increase. This will be updated if and when additional information becomes available. The increase for January 2018 was about \$270,000 or 13.25%. Most districts are increasing the health insurance code by about 10%. We continue to review this code to get a better understanding of the factors driving the increases.

Preliminary Revenue Budget

- Preliminary information concerning the Property Tax Levy Limit indicates there will likely be a 1.94% increase, including exclusions.
- State Aid likely to be a small to moderate increase. The overriding concern is the Federal Income Tax changes and the impact on residents of New York State. After the State government addresses this issue, we will make the appropriate adjustments to the 2018-2019 budget.

State Aid is Driven by Two Basic Aid Calculations

Formula Aids:

- Wealth and needs driven with local discretion on how money is spent.

Expense Driven Aids:

- Categorical Aid and Grants:
 - Aid package with strings attached and expenditure thresholds.
 - Examples-textbook, software, hardware aids.
- Reimbursement Aid:
 - Wealth driven formulas tied to local district expense.
 - Examples – building, transportation, BOCES and special education.

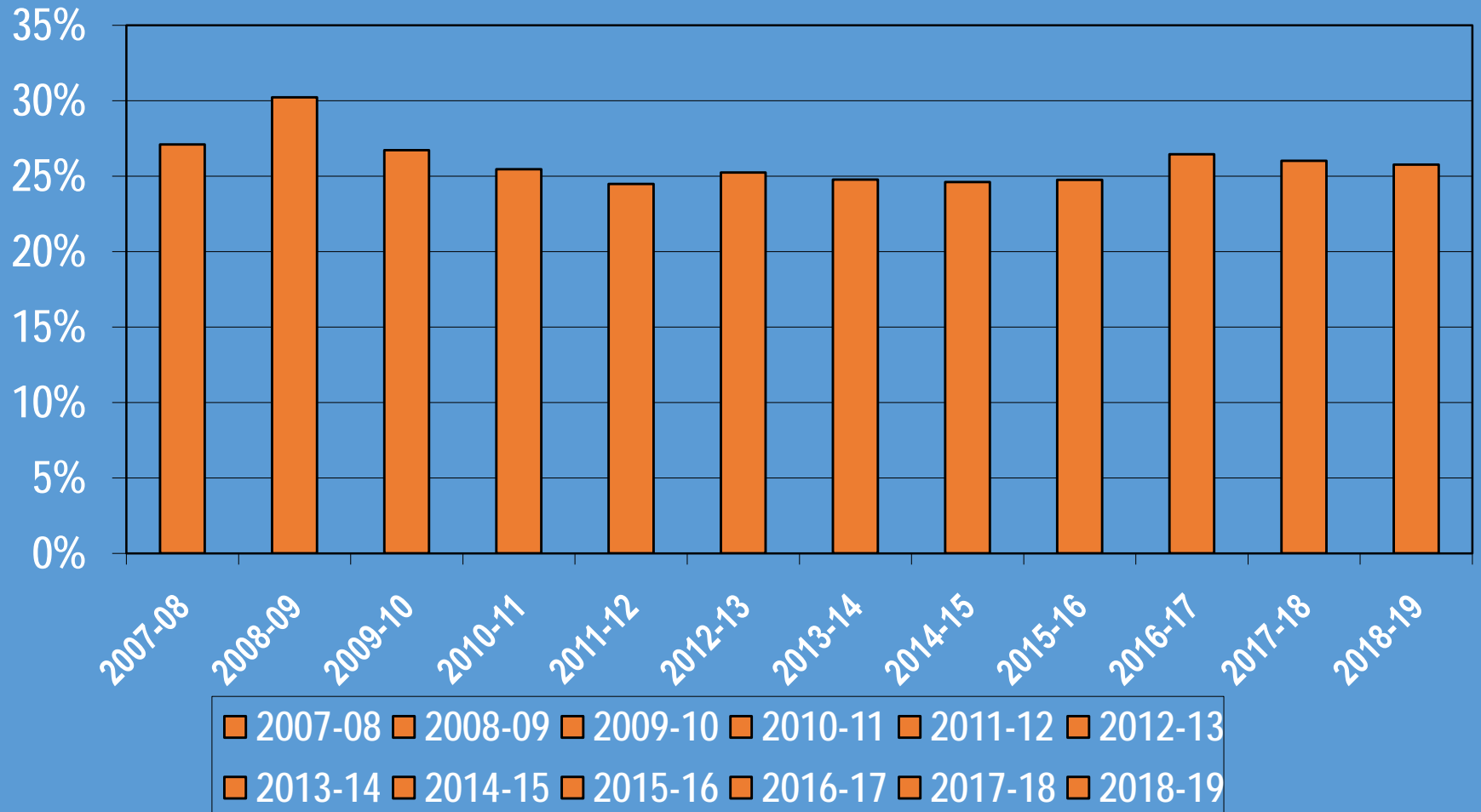
State sources – Formula Aids

	2017 - 2018 Forecast	2018 - 2019 Estimates based on Exec. Budget
Foundation Aid		
Net Foundation Aid	\$ 38,207,738	\$ 38,555,810
Building Aid		
Based on approved projects	\$ 3,651,882	\$ 3,675,000
High Tax Aid		
This number is frozen at the 2008/2009 level.	\$ 4,406,095	\$ 4,406,095

State sources – Categorical Aids


	2017 - 2018 Forecast	2018 - 2019 Estimates based on Exec. Budget
Categorical Aid - Based on BEDS Data (per student):		
Hardware (24.20/student)	\$ 105,286	\$ 105,000
Software (14.98/student)	108,081	108,000
Library (6.25/student)	44,202	45,000
Textbook (58.25/student)	439,089	440,000
	<u>\$ 696,658</u>	<u>\$ 698,000</u>
Reimbursement Aid - Based on Prior Year Expenditures		
Transportation	\$ 3,229,547	\$ 3,230,000
BOCES	2,609,667	2,610,000
Public High Cost Excess Cost Aid	1,900,067	1,800,000
Supplemental Public Excess Cost Aid	208,322	208,322
Private Excess Cost	523,950	520,000
	<u>\$ 8,471,553</u>	<u>\$ 8,368,322</u>
	<u>\$ 55,433,926</u>	<u>\$ 55,703,227</u>

State Aid As A Percent of Budget



Tax Cap Calculation

Tax base growth factor, Allowable Levy (CPI-U) Growth Factor and PILOT (Payment in Lieu of Taxes)

2017/2018 Approved Actual Tax Levy		136,270,739
Tax Base Growth Factor		1.0005
	Based on "brick & mortar" improvements within the community that increase the tax roll. It is set by the County.	136,338,874
PILOTs prior year	+	2,132,120
Capital exclusion prior year	-	878,406
Adjusted Prior Year Tax Levy		137,592,588
Allowable Growth Factor - based on Consumer Price Index (CPI-U) (lesser of 2% or sum of 1 plus inflation factor)		2.000%
Subtotal		140,344,440
Projected PILOTs for next year	-	2,362,095
Allowable Capital Exemption for 2018-2019	+	932,960
Maximum Tax Levy Threshold for 2018-2019		138,915,305
Increase in the Tax Levy (staying within the Tax Cap Rules)	\$ 2,644,566 or	1.94%

Capital Expenditure Exclusions

2017-2018		2018-2019	
Debt Service	3,264,889	Debt Service	3,265,890
Capital Outlay	7,080,000	Capital Outlay	10,600,000
Bus Purchases	722,053	Bus Purchases	364,702
Total Capital Expenditures	11,066,942	Total Capital Expenditures	14,230,592
Other Revenues	6,100,000	Other Rev - Debt Serv & Cap Res	9,000,000
Building Aid:		Building Aid:	
Executive proposal	4,161,063	Building + Bldg Reorg Incentive	4,154,733
Regular Building Aid	(98,299)	Less: Aid for water testing and Remid.	-
Total Building Aid	4,062,764	Total Building Aid	4,154,733
Transportation Aid:		Transportation Aid:	
Total assumed capital exp aidable	251,713	Total assumed capital exp aidable	219,171
Transportation aid ratio	65.2%	Transportation aid ratio	65.2%
Total Aid	164,117	Total Aid	142,899
Building Aid, Trans. Aid & Reserve	10,326,881	Building Aid, Trans. Aid & Reserve	13,297,632
Capital Exclusion	740,061	Capital Exclusion	932,960

Estimated Revenue - Source Summary

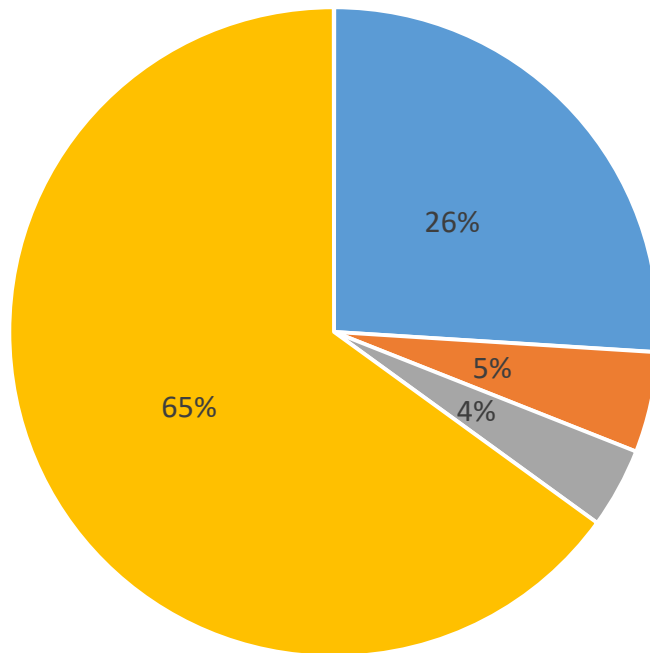
2018 - 2019 Estimated Revenue

Property Taxes (1.94%)	\$ 138,915,305
State Aid	\$ 55,703,227
Reserves/Applied Fund Balance	\$ 13,487,779
Local Revenue (including LIPA PILOT)	<u>\$ 8,024,985</u>
Total Revenue Budget	\$ 216,131,206
Total Percent Increase	2.81%

State aid is still not finalized. If we receive something different than the amount stated above, we will adjust reserves.

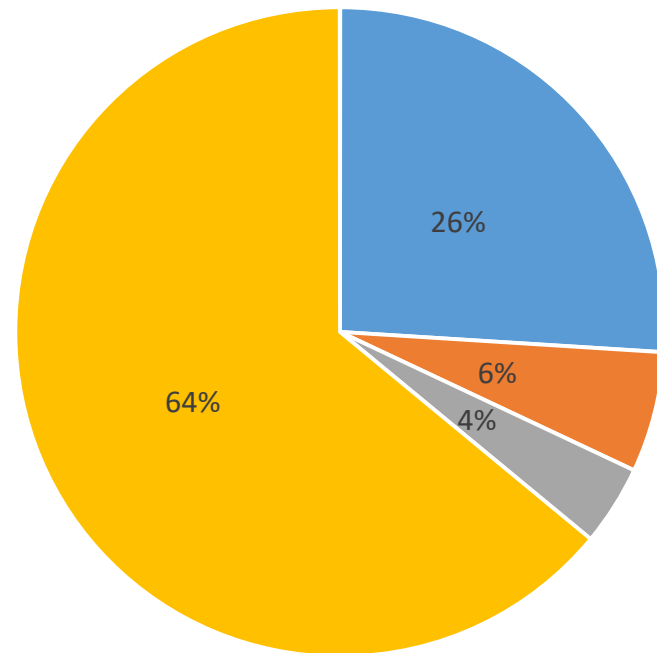
Components of Revenue

2017-2018



■ State Aid ■ Fund Balance
■ Other Revenue ■ Property Taxes

2018-2019



■ State Aid ■ Fund Balance
■ Other Revenue ■ Property Taxes

90% of revenue comes from taxes and state aid



Questions?