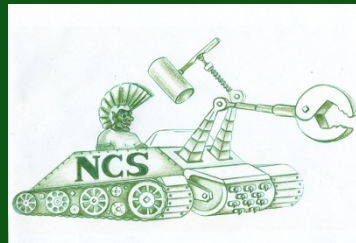


Naples Central School District

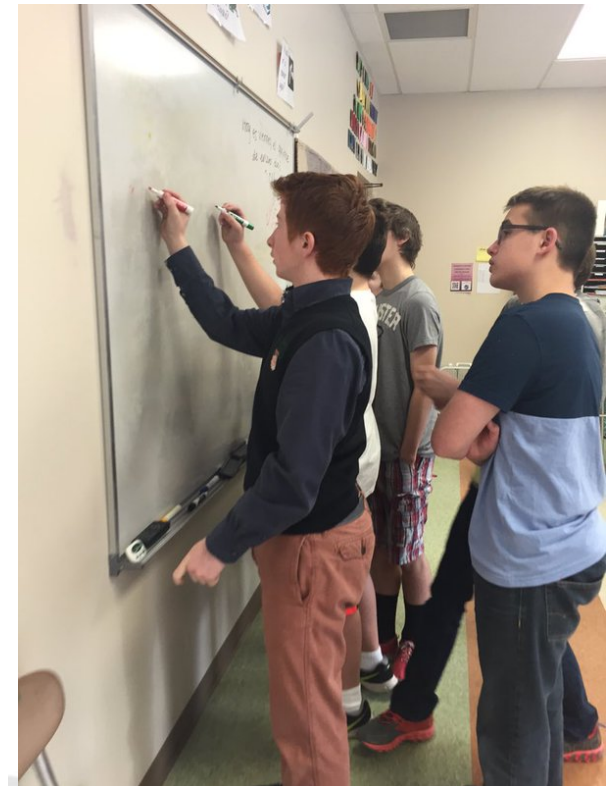
2016-2017 School Budget Update

January 20, 2016

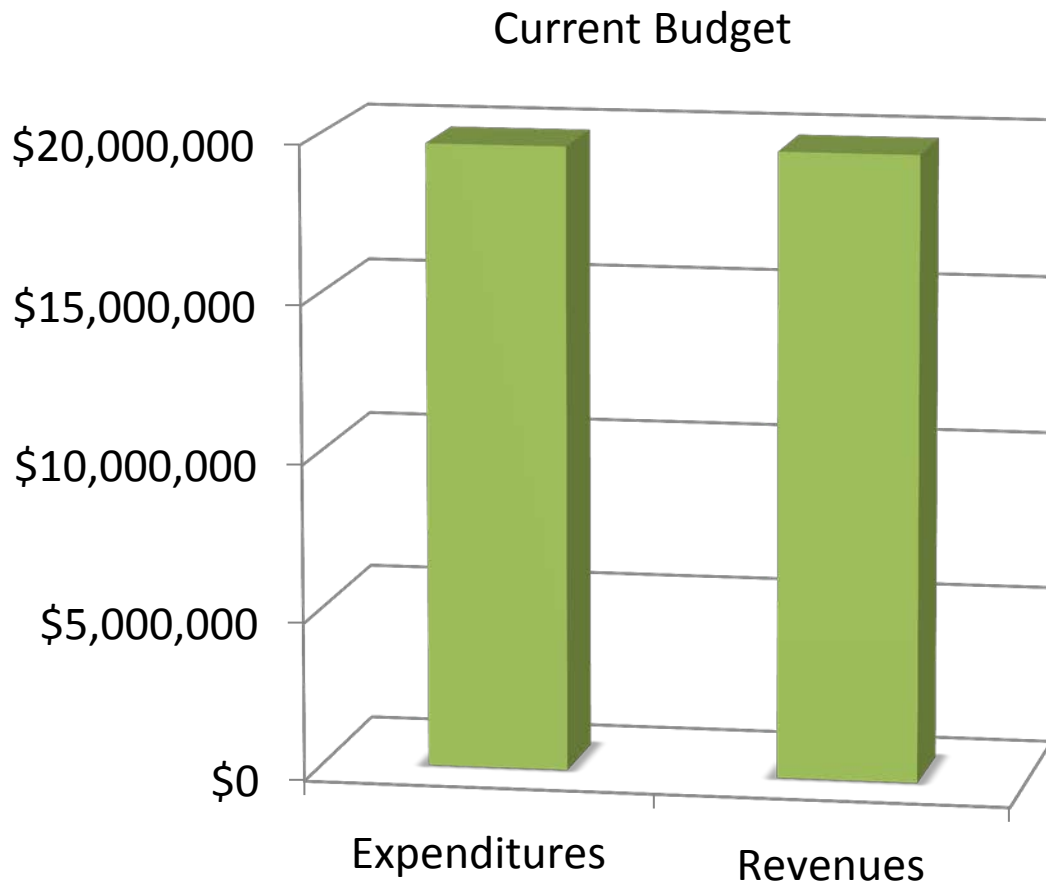


2016-2017 Budget Update

- Budget Process
- State of the State Address
- Pension Rate Updates - TRS
- Debt Service Fund Review
- Tax Cap Update



Current NCSD 2015-16 Budget



Budgeted
Expenditures
=
Budgeted
Revenues

In Naples, this
equates to
\$19,569,425

Budget Process

- December 1st – January 15th, 2016:
 - Teachers and Staff
 - Completed building and department level budget requests
 - Submitted requests to principals and department heads

Budget Process Cont.

- January 16th – February 12th, 2016:
 - District Administration, Department Chairpersons, and Staff
 - Review components of budget
 - Make recommendations to Budget Committee and Board of Education

Budget Process Cont.

- February 2016 – April 2016
 - Budget Committee & Board of Education
 - Will listen to input and feedback from community, staff, parents, and students during public meetings
 - Will maintain focus on “keeping kids first” when making tough decisions
 - Will focus on long range sustainability, taking a conservative approach
 - Reserve Usage
 - Debt Service Usage
 - Will establish proposed budget

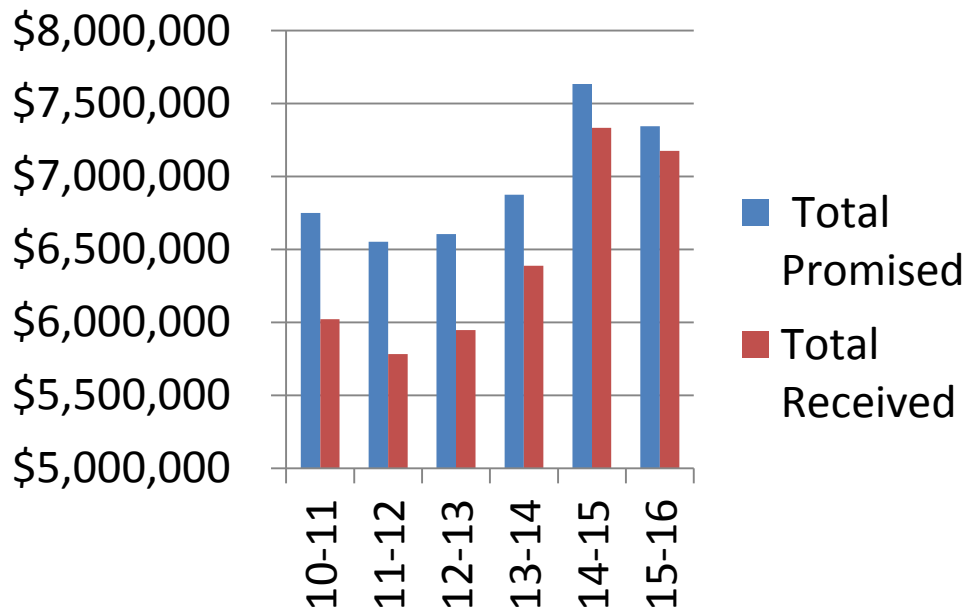
Current & Future Challenges

- New York State Employee and Teacher retirement costs
- Health insurance premium increases
- Uncertainty surrounding further state aid cuts/lack of state aid increases/GEA?
- Property Tax Levy Limit
- New and existing state mandates



Gap Elimination Adjustment

- Starting in 2010, NYS Governor Patterson tried to close a dramatic state budget gap that had been building for many years with a “one time” assessment on school aid called the Gap Elimination Adjustment (GEA).
- On our aid projections that are produced by the state, this is a negative number noting money that is deducted from what is legally due to the district.



YEAR	GEA
2010-11	(\$727,478.00)
2011-12	(\$770,507.00)
2012-13	(\$658,300.00)
2013-14	(\$487,421.00)
2014-15	(\$300,548.00)
2015-16	(\$167,933.00)
TOTAL LOST AID	(\$3,112,187.00)

State of the State

PROGRAMS

2016 State of the State and Budget Address

SHARE 2016 'BUILT TO LEAD'



NAPLES CENTRAL SCHOOL

Governors Current GEA Proposal



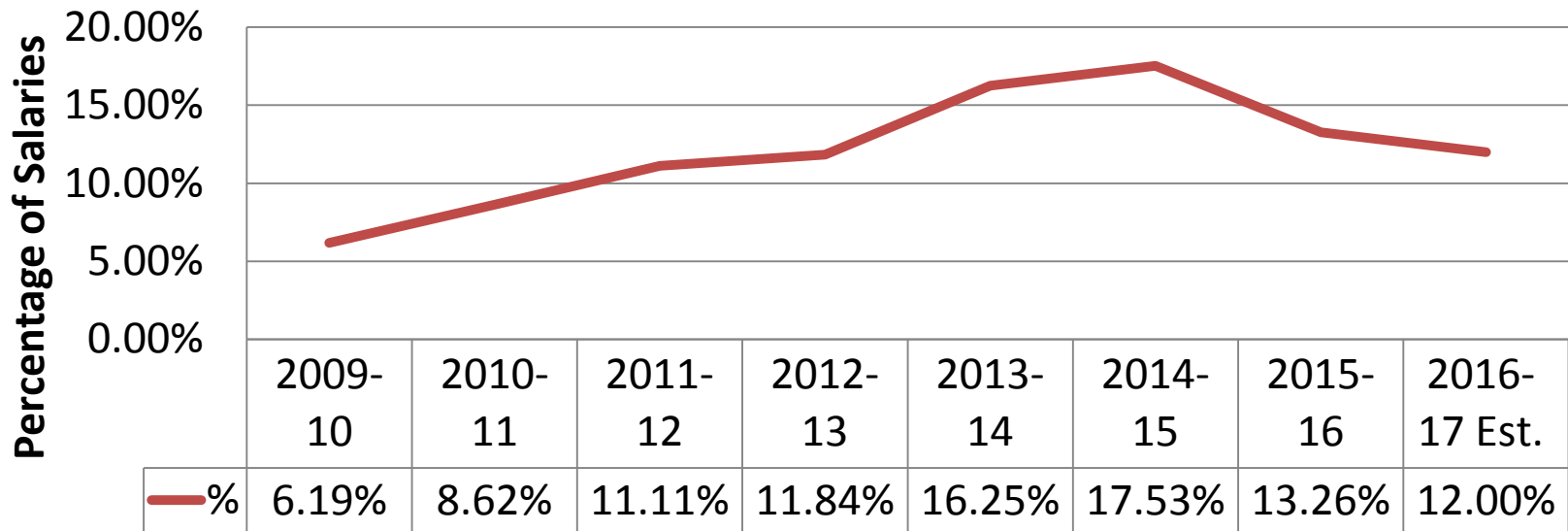
“Your current Gap Elimination Adjustment is
(a reduction in obligated state aid of)
\$167,933”

“I’ll take it down to (a reduction in obligated state aid of) ***\$92,632***, that’s an increase in funding of ***\$75,301***”



Teacher Retirement System

TRS Employer Contribution Rate (ECR) History



- NYS TRS pension system is starting to show a turn around as a result of rebounding economy and new tier additions.
- This will mean a reduction in the cost to the district creating an anticipated savings vs. prior year expense.

Transfer From Debt Service

Anticipate Consistent

Debt Service Fund Use at \$250,000

Details: Debt service funds can only be used to offset costs associated with long term borrowing. For Naples CSD, these funds will be used to offset costs for paying down debt on current and prior capital construction projects. Funds are derived from interest earned on borrowings during previous capital projects.

Property Tax Levy Limit Overview

- The tax levy limit is not a “2% cap”
- The formula allows for certain expenses to be exempt from the cap, therefore allowing the total tax levy increase to be greater, or lower than 2% depending on variables that exist
- These “exclusions” include capital debt increases, pension cost contributions, and increases in PILOT payments
- The law applies to the school district tax levy, not the individual tax bill of resident taxpayers
- The “tax levy limit” will vary district by district
- A tax levy increase above the limit set in law must be approved by 60% of the voters (supermajority).
- A tax levy at the limit, or below must be approved by over 50% of the voters (e.g. a simple majority= 51%)
- Voters are still approving the expenditure budget, not the tax levy

Source: Questar III Boces, State Aid Planning

Property Tax Levy Limit



Tax Levy Limit Before Adjustments and Exclusions	
Tax Levy FYE 2016	\$10,663,031
Tax Cap Reserve Plus Interest from FYE 2015 Used to Reduce 2016	\$0
Total Tax Cap Reserve Amount (including interest earned) from FYE 2016	\$0
Tax Base Growth Factor	1.0095
PILOTs Receivable FYE 06/30/2016	\$87,171
Tort Exclusion Amount Claimed in FYE 06/30/2016	\$0
Capital Levy for FYE 06/30/2016	\$808,741
Allowable Levy Growth Factor	1.0012
PILOTs Receivable FYE 06/30/2017	\$80,697
Available Carryover from FYE 06/30/2016	\$0
Total Levy Limit Before Adjustments/Exclusions	\$9,974,114
Exclusions	
Tax Levy Necessary for Expenditures Resulting from Tort Orders/Judgements Over 5%	\$0
Capital Levy for FYE 06/30/2017	\$812,360
Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial contribution rate (ERS, PFRS) or normal contribution rate (TRS) in excess of 2 percentage points	
Teachers Retirement System	\$0
Employees Retirement System	\$0
Total Exclusions	\$812,360
Tax Levy Limit, Adjusted for Transfers, Plus Exclusions	\$10,786,474
Total Tax Cap Reserve Amount Used to Reduce 2017 Levy	\$0
2017 Proposed Levy, Net of Reserve	
Difference between Tax Levy Limit Plus Exclusions and Proposed Levy	\$10,786,474

- Is not a 2% tax cap
- The District's limit for 16/17 is estimated to be 1.16% increase over the prior year
- Total increase allowed by the tax levy limit = \$123,443
- A 1% increase in the tax levy raises approximately \$106,630
- **ESTIMATED:**
\$10,786,474

Source: Office of the State Comptroller



Questions/Comments?

