



NAPLES
CENTRAL SCHOOL DISTRICT

2018-2019
School Budget
Presentation & Discussion

April 18, 2018

Mission Statement

The Naples Central School District challenges and supports all students to develop their diverse talents and abilities in a safe environment with rigorous opportunities. Students will graduate with the skills and confidence needed to excel in their chosen pursuits.

2018-2019 School Budget Update

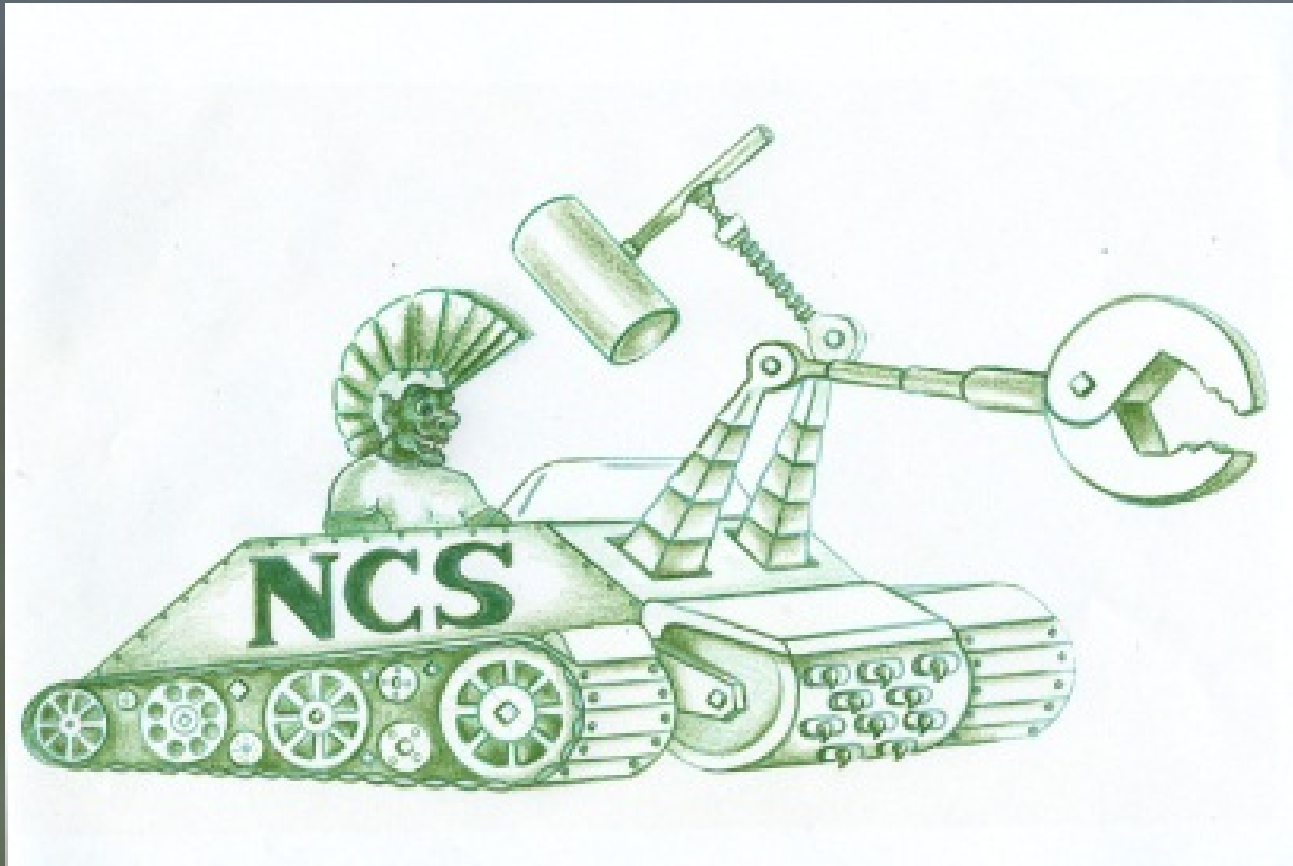
1. Budget Process
2. Revenue Projections
3. Expenditure Proposal
4. Vote Day Information
5. Budget Discussion



Guiding Questions

- Are there items from the presentation that need clarification?
- Does this budget reflect our values and priorities?
- Does this budget demonstrate the prudent use of taxpayer funds?
- Are there additional needs that have not been met in this budget?

1. Budget Process



Budget Process

- Began in December
- Building and Department Level Budgets are complete
- Recommended programmatic changes have been accounted for at this time



2. Revenue Projections



State Aid – Current Status

- State Aid is second largest component that supports our budget at approximately 38%
- State Budget was approved on time (by April 1st)
- Budget proposes \$26 billion total state aid to public education

State Aid – By the numbers

	2017-18 Approved Budget	2018-2019 Est. Budget	Difference	Percentage (Increase/ Decrease)
Foundation Aid	\$4,747,968	\$4,838,179	\$90,211	1.90%
Excess Cost Aid	\$128,233	\$194,880	\$66,647	51.97%
BOCES Aid	\$455,680	\$473,839	\$18,159	3.99%
Textbook/Computer/Software/Library	\$61,006	\$60,444	(\$562)	-0.92%
High Tax Aid	\$258,763	\$258,763	\$0	0.00%
Transportation	\$601,849	\$672,683	\$70,834	11.77%
Building Aid	\$1,287,724	\$ 1,285,211.00	(\$2,513)	-0.20%
**TOTAL	\$7,541,223	\$7,783,999	\$242,776	3.22%

Bullet Aid Request

Approved Funding: \$35,000



Property Tax Levy Limit

- School tax represents the largest support (55%) of the District's budget

- Our wealth ratio impacts this reliance on property taxes

- Capped based on a complex formula that is tied to volatile variables

Property Tax Levy Limit Cont.

- Is not a 2% tax cap
- The District's limit for 18/19 is *estimated to be* 3.21%
- Estimated total increase allowed by the tax levy limit = \$352,839
- A 1% increase in the tax levy raises approximately \$109,947
- ESTIMATED: \$11,347,578



Reserve & Fund Balance Use

Per BOE adopted Reserve and Fund Balance Use Plan:

- Overall reduction of reserves, fund balance, and debt service use of \$200,000.
- These are exhaustible funds that should not be used to balance a budget (if at all possible) long term.

Reserve Use Per BOE Adopted Plan

	Anticipated	Estimated
	2017/18	2018/19
Appropriated Fund Balance	550,000	450,000
Reserves - Retirement	150,000	250,000
Reserves - EBALR	150,000	0

***Note:** Plan is subject to change based on final actual 2018-2019 expenditures and final state budget allocations.

Transfer from Debt Service

Anticipate Reduced Reliance on Debt Service Fund:

Reduction of \$50,000 to total
use of \$200,000

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.

Summary of Revenues

Summary of Revenues & Other Sources of Funding			
	2017-2018	2018-2019	Inc (Dec)
	Budget	Proposed Budget	Over Prior Year
Revenues			
State Aid	7,541,223	7,783,999	242,776
Other Revenue	283,393	272,272	(11,121)
Estimated Tax Levy & STAR Reimbursement	10,994,739	11,347,578	352,839
TOTAL REVENUE	\$ 18,819,355	\$ 19,403,849	\$ 584,494
Other Sources			
Interfund Transfer of Debt Service	250,000	200,000	(50,000)
Appropriated Fund Balance	550,000	450,000	(100,000)
Appropriated Employee Benefit Reserve	150,000	-	(150,000)
Appropriated Retirement Reserve	150,000	250,000	100,000
TOTAL OTHER SOURCES	1,100,000	900,000	(200,000)
TOTAL REVENUE & OTHER SOURCES	\$ 19,919,355	\$ 20,303,849	\$ 384,494

3. Draft Expenditure Projections



Budgetary Program Change Recommendations

Decisions Still Being Fine-tuned, Presently Appropriate to:

- Add 1.0 FTE Special Education/Elementary Level Position (of the 1.93% budget increase, approximately 0.5% is this position).
- 1.0 FTE Bus Driver (added midway through 2017-18)
- Mental Health Supports/Other
- Additional Arts in Education Funding
- Benchmarking Tools (High School & Elementary)
- Clay Target Team
- Cross Country Team
- Other Instructional Software (Newsela/No Red Ink)

Replacement Plans

Existing replacement plans increase operational efficiency and reduce budgetary variability.

○ Existing Replacement Plans:

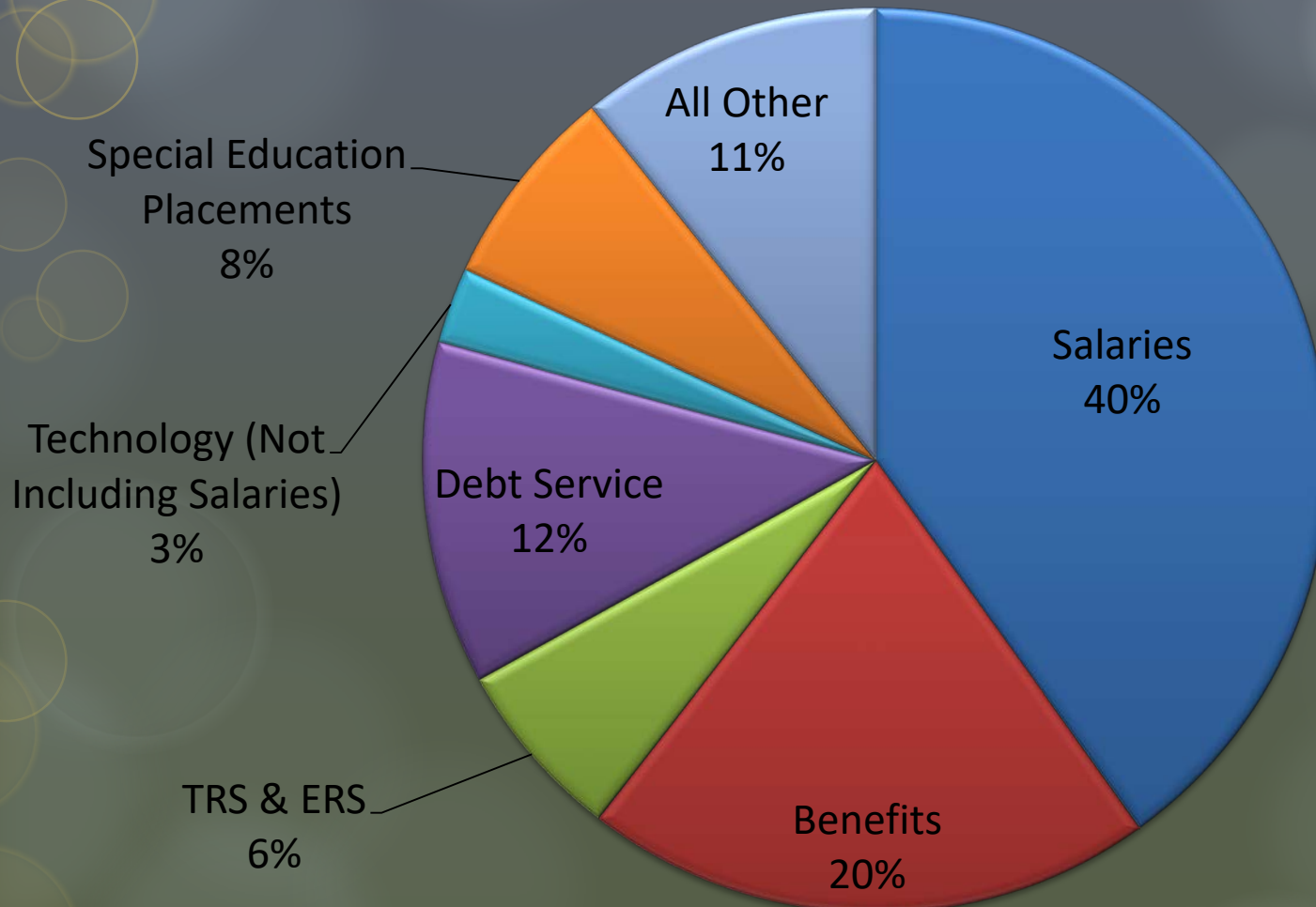
- Buses
- I-Pads/Computer Technology
- Uniforms
- Classroom Furniture
- Maintenance Equipment
- Instrument



2018-2019: Expenditure Updates

- BOCES Special and Occupational Education Cost reduced by approximately \$150,000
- 1:1 Device Plan Fully Implemented increases budget by approximately \$100,000
- Teacher Retirement System Rate increased from 9.8% to 10.6% (projected)
- Employee Retirement System Combined Rate decreased from 15.3% to 14.9% (projected)
- Health Insurance Contribution rate came in at (approximately) a 2.4% increase
- Zero based budgeting for most other areas

Major Budget Categories

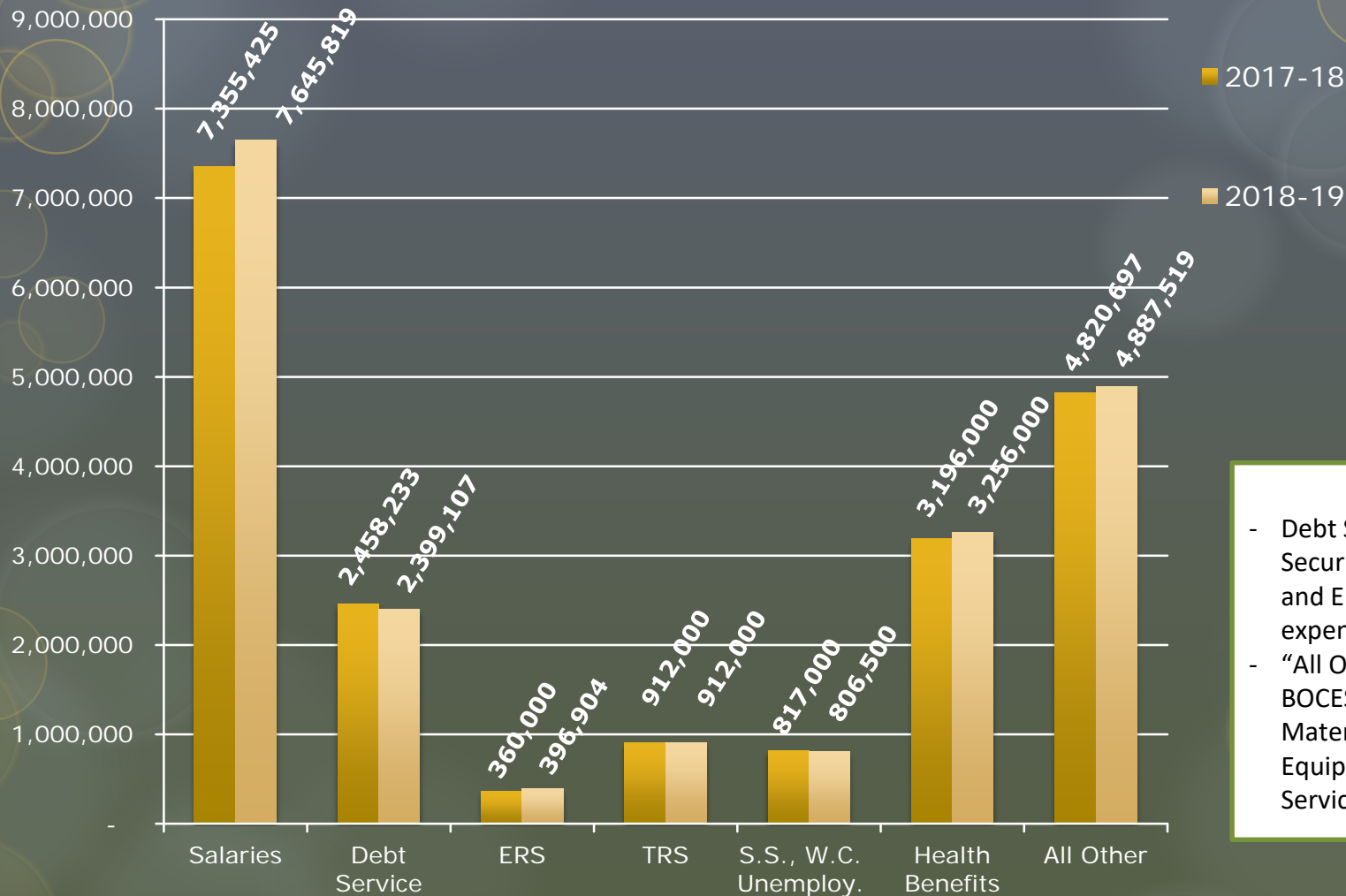


Notes:

¹Personnel costs account for approximately 70% of the budget.

² "All Other" includes heating, electric, books, supplies, contractual agreements, uniforms, etc.

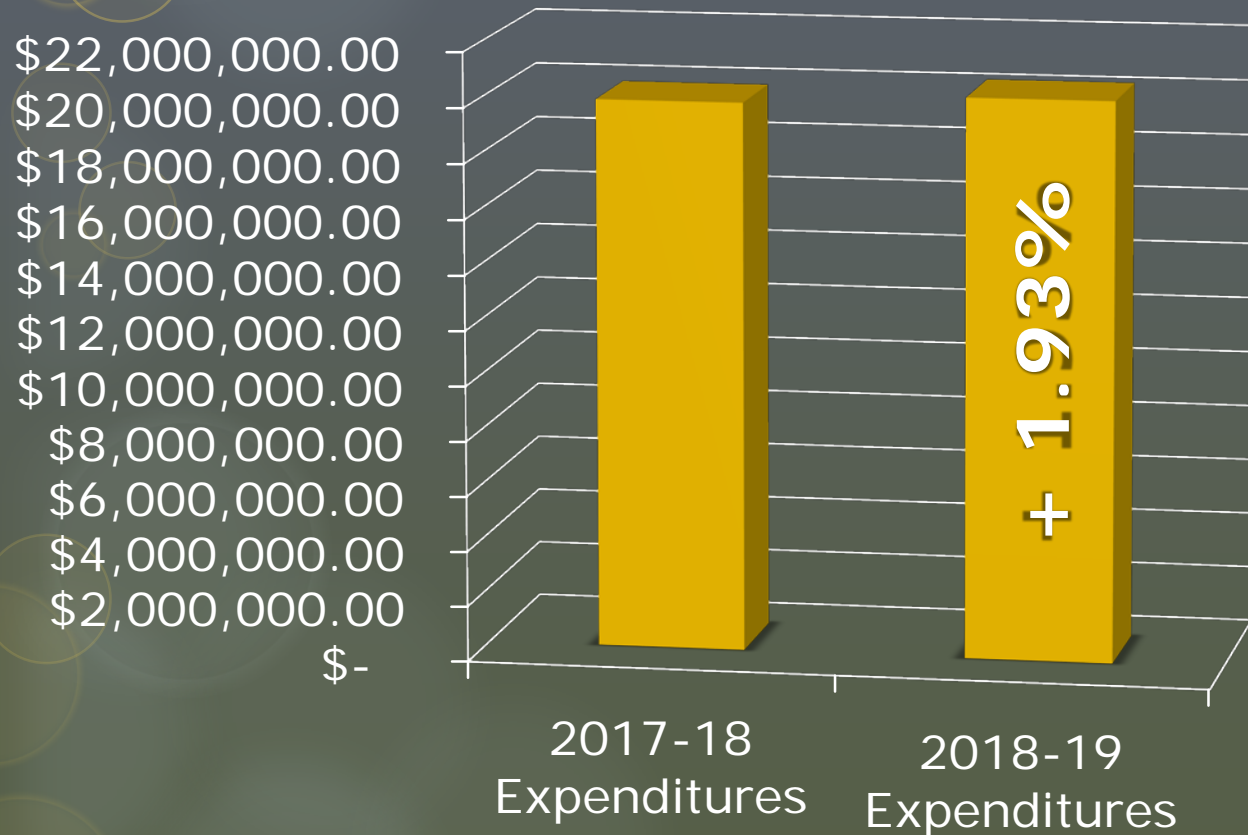
Expenditure Breakdown



Notes:

- Debt Service, Social Security, Salaries, TRS, and ERS are obligated expenditures.
- "All Other" includes BOCES Costs, Insurances, Materials, Supplies, Equipment, and Contract Services

2018-2019 Expenditure Budget



Overall Increase
of **\$384,494**

- + **\$290K** in Salaries
- + **\$0** in TRS
- + **\$37K** in ERS
- + **\$60K** in Medical Benefits
- - **\$10K** in Workers Comp.
- - **\$59K** in Debt Service
- + **\$66K** in BOCES costs, Insurances, materials and supplies

Summary of Proposed Budget

	2017-18	2018-19	\$ Change	% Change
General Support	2,181,757	2,238,683	56,926	2.61%
Instructional Support	9,044,820	9,215,760	170,940	1.89%
Transportation	829,645	958,995	129,350	15.59%
Community Service	2,900	2,900	-	0.00%
Employee Benefits	5,351,000	5,437,404	86,404	1.61%
Debt Service	2,458,233	2,399,107	(59,126)	-2.41%
Interfund Transfers	51,000	51,000	-	0.00%
Total	19,919,355	20,303,849	384,494	1.93%

Explanation of Budget Components

Administrative Component – Includes expenses associated with the operation of the school board, superintendent's office, and business office. Includes salaries and benefits for other school administrators who spend a majority of their time performing administrative duties.

Capital Component – Includes debt service for all facility improvements financed by bonds and notes, court awards and judgments. Includes costs for maintenance and operations of facilities as well as associated salaries and benefits, service contracts, utilities, and supplies. Includes debt service for the purchase of buses.

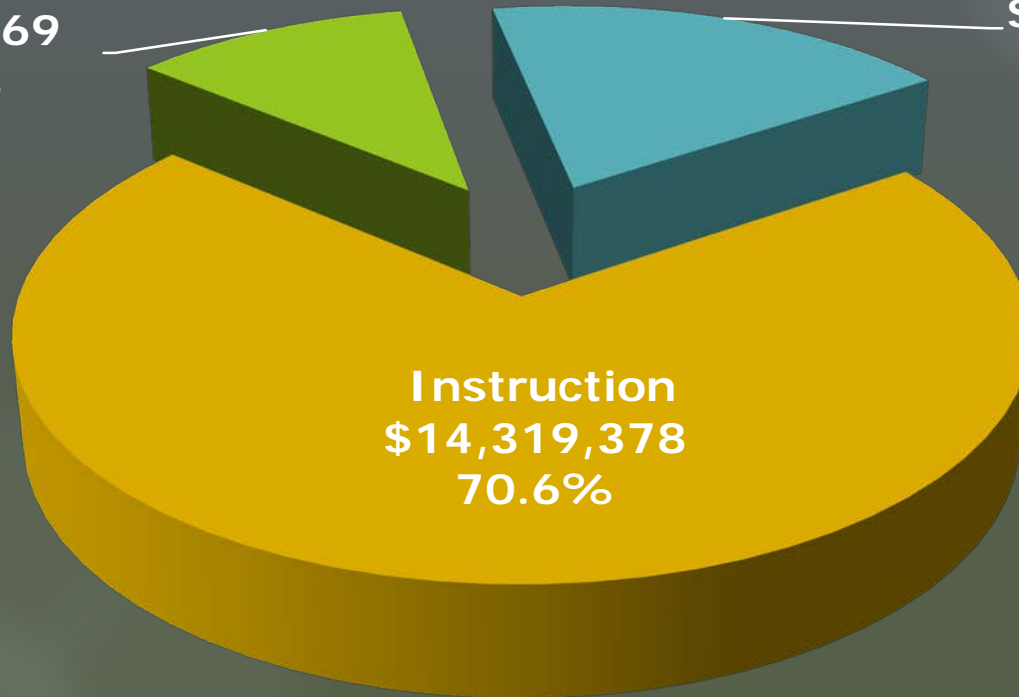
Instructional Component - Includes salaries and benefits of teachers and any school administrator who spends a majority of their time performing teaching duties. Includes all other expenses associated with the instructional program e.g. textbooks, student materials, technology, pupil services, athletics, and extra-curricular. Transportation of students is also incorporated into this component.

Budget Components

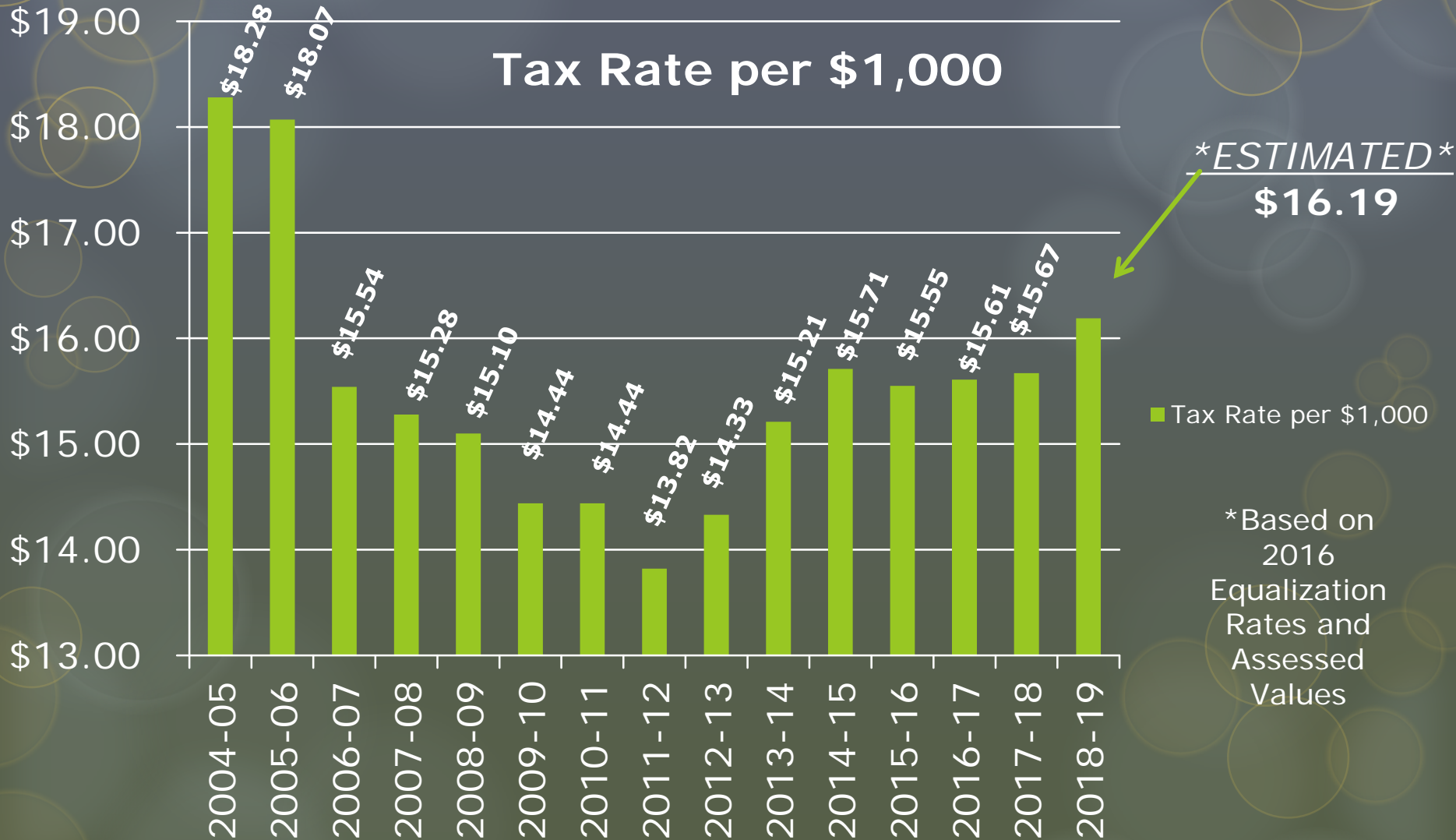
2018-2019 Uses of Education Funding

Administrative
\$2,220,069
10.9%

Capital
\$3,764,402
18.5%



Estimated Tax Rate Impact



Estimated Impact on Property Taxes

Estimate of School Tax Increase for Primary Residential Property

	Tax Bill Last Year	Tax Bill This Year	Increase
Full Value of Property \$70,000			
With Enhanced STAR	\$73.65	\$51.81	(\$21.84)
With Basic STAR	\$626.80	\$647.60	\$20.80
With No STAR	\$1,096.90	\$1,133.30	\$36.40
Full Value of Property \$100,000			
With Enhanced STAR	\$543.75	\$537.51	(\$6.24)
With Basic STAR	\$1,096.90	\$1,133.30	\$36.40
With No STAR	\$1,567.00	\$1,619.00	\$52.00
Full Value of Property \$150,000			
With Enhanced STAR	\$1,327.25	\$1,347.01	\$19.76
With Basic STAR	\$1,880.40	\$1,942.80	\$62.40
With No STAR	\$2,350.50	\$2,428.50	\$78.00
Full Value of Property \$200,000			
With Enhanced STAR	\$2,110.75	\$2,156.51	\$45.76
With Basic STAR	\$2,663.90	\$2,752.30	\$88.40
With No STAR	\$3,134.00	\$3,238.00	\$104.00

***Estimated tax increases are based on 2017 equalization rates and assessed values. The final tax rates will be established when the Board of Education adopts the tax warrant in August 2018.*

**Estimates
Only**

STAR (School Tax Property Relief)

Includes two components:

\$30,000 – Basic Exemption

\$66,800 – Enhanced Exemption (Ontario Only)

- Primary residences qualify for the Basic Exemption for homeowners with less than \$500,000 in income
- Homeowner's of primary residences with at least one person 65 years of age or older with a household income of less than \$86,000 (2017 Income Tax Return) qualify for the Enhanced Exemption
- STAR savings cannot exceed 2% of the previous year's savings
- To qualify for the exemption paperwork must be filed with the Town Assessor by March 1st (Enhanced STAR only)

4. Vote Day Information



Anticipated Propositions

1. Expenditure Budget
2. Creation: Capital Reserve – General
3. Bus Purchase/Use of Capital Reserve – Bus Purchase



School Bus Proposition

Recommendation - Budget to include the following proposed bus purchases to be acquired in accordance with our long term bus replacement plan:

Proposition to include:

- One – 65 Passenger Bus
- One – 24 Passenger Bus
- One – 20 Passenger Van

Estimated Maximum Cost: \$241,171



For every \$1 paid for the purchase of a bus approximately
\$.572 is reimbursed by NYS

School Board Member Election

Three seats are available to fill:

1. The expiring term of Joseph Callaghan (3 year term)
2. The expiring term of Gail Musnicki(3 year term)
3. The expiring term of Maura Sullivan(3 year term)
4. The expiring term of Thomas Hawks (1 year term)

*Candidates Include: All Four Incumbents



Library Board of Trustees Election

One seat is available to fill:

1. The expiring term of Gail Rumsey (5 year term)

*Candidates Include: Chris Abraham & Joseph Moore



Annual Meeting Information

Budget Vote/Board of Education Election

○ Tuesday, May 15, 2018

○ High School Library Media Center

○ 7:00 AM to 8:00 PM



Budget Discussion

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