



**Initial meeting to discuss the
2018-2019
Croton-Harmon UFSD Budget**

December 7, 2017

Presenting the Budget

- September through April - gather information as available; meet with Administrators
- Discuss budget information in light of Mission and Vision, district goals, tax levy cap (December 7th and February 15th)
- Budget Saturday on March 10th
- Budget Adoption by Board of Education on April 5th
- Annual Meeting on May 15th – budget vote, vote for trustees

The budget is not considered final until the Board of Education adopts it on April 5th.

Average Rates of Return at 6/30/2017 used to determine contribution to TRS

Fiscal Year	Market Value Rate of Return
2012 – 2013	13.7%
2013 – 2014	18.2%
2014 – 2015	5.2%
2015 – 2016	2.3%
2016 – 2017	12.5%
5-yr geometric average:	10.2%

Budget Realities

- Additional funds may be needed for possible Affordable Care Act fines
- Consumer Price Index at or near 2% for tax levy cap calculation
- Health insurance increase of 3.75% or \$148,000
- Estimated Teachers' Retirement System contribution rate of 10.5% to 11% (increase from 9.80%) or \$130,000
- Estimated Employees' Retirement System (civil service staff) blended contribution rate of 14.9% down from 15.3% (no impact to the budget)

Inflation and Allowable Levy Growth Factors

Fiscal Year	Inflation Factor (CPI)	Allowable Levy Growth Factor
1/1/18 -12/31/18	1.84%	1.0184
3/01/18 – 2/28/19	1.99%	1.0199
4/01/18 – 3/31/19	2.05%	1.02
6/01/18 – 5/31/19	TBD	TBD
7/01/18 – 6/30/19	TBD	TBD
8/01/18 – 7/31/19	TBD	TBD

Source: NYS Office of the State Comptroller 11/15/17

Current Projected Increases

- ▶ Health Insurance premium increase of 3.75% = \$148,000
- ▶ Contractual obligations = \$133,752
 - ▶ Collective Bargaining Agreements
 - ▶ Currently no Collective Bargaining Agreement for Croton Teachers Association or for the Aides of Croton United for 2018-2019
- ▶ Debt Service = \$55,065
- ▶ Contribution to Teachers Retirement System = \$130,000
- ▶ Clear Gov = \$5,400
- ▶ Livestreaming and ADA website compliance = \$19,200
- ▶ Communications = \$55,000

Total increases to date equal \$546,417



Projected Decreases

- ▶ Special Education budget - TBD

Total decreases to date equal \$

Outstanding Issues

- Retirements
- Amount of State Aid
- Needed for tax levy cap calculation:
 - Consumer Price Index/Allowable Levy Growth Factor
 - School district tax base growth factor
- Class sizes - # of Full Time Equivalents (FTE) needed
- Support Services
- Other curricular needs
- Transfer to School Lunch Fund



Rollover Budget

- Current 2017-2018 budget = \$46,499,826
- Projected increases = \$546,417
- Projected decreases = \$ -----
- Rollover budget = \$47,046,243 (without Collective Bargaining Agreement for CTA or Aides of Croton United)
- Maximum budget under tax levy cap can be \$46,994,026

ANALYSIS OF REVENUE

	2013-14	2014-15	2015-2016	2016-2017	2016-17	2017-18	2018-19
Description	Actual	Actual	Actual	Actual	Projection	Budget	Budget
West.Sales Tax	\$482,617	\$491,470	\$496,489	\$501,661	\$490,000	\$508,500	\$508,500
Ind. Tuitions	\$44,985	\$23,031	\$34,395	\$32,605	\$25,900	\$0	\$0
Cont. Ed.	\$166,730	\$161,276	\$166,831	\$34,490	\$45,580	\$40,000	\$35,000
Int. & Earnings	\$20,326	\$14,709	\$13,330	\$16,071	\$14,000	\$14,000	\$16,100
Rental Cust.Fees	\$52,270	\$59,178	\$66,841	\$75,384	\$50,000	\$50,000	\$50,000
Rent Fees-BOCES	\$23,070	\$23,070	\$0	\$0	\$0	\$0	\$0
Misc., gifts etc.	\$175,996	\$221,440	\$149,291	\$79,721	\$90,000	\$90,000	\$75,000
Ins. Recovery	\$13,663	\$28,299	\$15,594	\$16,284	\$0	\$0	\$10,000
BOCES PY Ref.	\$50,083	\$15,233	\$46,628	\$89,940	\$8,340	\$10,000	\$10,000
Assessment ref.	\$0	\$0	\$0	\$210,606	\$0	\$0	\$0
Medicaid Reimb	\$11,518	\$10,458	\$10,410	\$6,855	\$5,000	\$5,000	\$5,000
Total Non-State Aid	\$1,041,258	\$1,048,164	\$999,809	\$1,063,616	\$728,820	\$717,500	\$709,600
Operating Aid	\$3,404,379	\$3,781,199	\$3,969,817	\$4,737,635	\$4,426,342	\$4,766,697	\$4,766,697
Boces St. Aid	\$489,256	\$532,939	\$571,710	\$677,092	\$610,200	\$601,430	\$601,430
Textbook Aid	\$106,307	\$105,782	\$103,511	\$101,297	\$101,938	\$100,074	\$100,074
Soft/Hardware Aid	\$36,626	\$37,644	\$36,308	\$37,268	\$36,973	\$35,479	\$35,479
Library Mat. Aid	\$10,700	\$10,718	\$10,418	\$10,293	\$10,212	\$10,181	\$10,181
High Tax Aid	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total State Aid:	\$4,147,268	\$4,568,282	\$4,791,764	\$5,663,585	\$5,285,665	\$5,613,861	\$5,613,861
NON-TAX REVENUE	\$5,188,526	\$5,616,446	\$5,791,573	\$6,727,202	\$6,014,485	\$6,331,361	\$6,323,461
Fund Balance	\$1,600,000	\$1,600,000	\$1,300,000	\$926,016	\$926,016	\$1,125,000	\$1,125,000
Debt Service Fund	\$300,000	\$0	\$0	\$0	\$0	\$20,000	\$0
ERS/UI Reserves	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
TOTAL:	\$7,488,526	\$7,616,446	\$7,491,573	\$8,053,218	\$7,340,501	\$7,876,361	\$7,848,461
Taxes	\$32,480,841	\$33,151,769	\$33,590,968	\$33,826,742	\$33,826,742	\$38,623,465	\$39,145,565
STAR	\$4,772,030	\$4,731,852	\$4,900,739	\$4,741,672	\$4,741,672	\$0	\$0
	\$44,741,397	\$45,500,067	\$45,983,280	\$46,621,632	\$45,908,915	\$46,499,826	\$46,994,026
Budgets	\$44,592,809	\$45,400,867	\$46,076,000	\$45,905,975	\$45,906,975	\$46,499,826	

Operating Aid includes Building aid, Transportation aid, Lottery aid, Excess Cost Aid and Foundation aid

Misc. includes reimbursement from Westchester Co. for CPSE

Reserves include \$300,000 ERS and 100,000 UI

Cont. Ed includes Drivers Ed

Tax Levy Cap Calculation

► Current Assumptions

- ❖ Tax base growth factor = 1.0000 (est.)
- ❖ Estimated Allowable levy growth factor = 2.00%
(actual for governments with April 1 budgets = 2.00%) No excludable salaries for Teachers Retirement System or Employees Retirement System

► Information using those assumptions

- ❖ Estimated allowable tax levy increase = 1.35% or \$522,100 above the 2017-2018 tax levy

Est. Tax Levy Cap Calculation 2018-19

Prior year tax levy	38,623,465
Tax base growth factor (est.)	x <u>1.0000</u>
	38,623,465
Prior year PILOT payment	+ <u>0.00</u>
	38,623,465
Prior year exemptions	- <u>2,420,371</u>
Adjusted Prior Year Levy	36,203,094
Allowable growth factor-CPI (est.)	x <u>2.000</u>
	36,927,156
Current year PILOT	- <u>0.00</u>
	36,927,156
Current year exemptions (est.)	+ <u>2,218,409</u>
Tax Levy Limit	39,145,565 (est.)

Tax levy **increases** 1.35% or \$522,100 more than 2017-2018 levy



Essential Questions

- How will our decisions affect our ability to provide children with a quality education?
- What can the community afford?
 - What is a sustainable tax rate?



Options

- Stay within the tax levy cap – 50% majority needed.
- Override the cap – 60% super majority needed.
 - Is a 60% favorable vote realistic?
- What are the next steps if the budget is defeated?
 - If the budget fails two times, the increase to the tax levy is 0%. This would mean a larger budget reduction.