

Budget Hearing

Patchogue-Medford School District

May 4, 2017

Enacted State Budget

- State aid to public schools in New York State will increase by \$1.1 billion;
- Includes a \$700 million dollar increase in Foundation Aid Statewide;
- Community Schools Aid set-aside for some Districts from total Foundation Aid;
- No formula change enacted for expense driven aids— Transportation, Building, Special Education and BOCES Aids;
- The state budget included a provision to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature has 90 days to approve the Executive's plan.

Impact of State Budget on Patchogue-Medford

- Increase in state aid of \$4,821,089 budget to budget;
- Able to sustain programs and services from the current year;
- Expansion of Advanced Placement courses and electives offered at the high school;
- Phase in of a new elementary mathematics program;
- Purchase of fitness stations for the remaining seven buildings;
- Increase in the number of teachers and staff to support programs.

	2016-17	2017-18 Proposed Budget	Change	%
State Aid Budgeted by District	\$ 66,157,205.00	\$ 70,978,294.00	\$ 4,821,089.00	7.29%
State Aid Per Governors Run	\$ 67,216,054.00	\$ 70,872,114.00	\$ 3,656,060.00	5.44%
State Aid Per Legislative Run	\$ 69,507,971.00	\$ 71,117,417.00	\$ 1,609,446.00	2.32%

Property Tax Cap

- Enacted by the Legislators in June 2011;
- Caps the tax *levy* NOT the tax *rate*;
- Tax rate is contingent upon the assessed valuation for the District and the tax levy;
- Assessed valuation increased for the District for the first time in over five years.

PATCHOGUE-MEDFORD UFSD					
Assessed Valuation Summary					
Fiscal Year	Town Year	Assessed Value Net of Exemptions Except STAR	Assessed Value Change Increase (Decrease)	Assessed Value % Change	
2012/2013 Fiscal Year	2012	43,582,762	(429,436)	-0.98%	
2013/2014 Fiscal Year	2013	43,312,750	(270,012)	-0.62%	
2014/2015 Fiscal Year	2014	43,221,376	(91,374)	-0.21%	
2015/2016 Fiscal Year	2015	43,038,303	(183,073)	-0.42%	
2016/2017 Fiscal Year	2016	43,460,186	421,883	0.98%	

Property Tax Cap Factors 2017 - 2018

Factors	Impact 2016-17	Impact 2017-18
Growth	1.0144	1.0181
Consumer Price Index	0.12%	1.26%
Exclusions	\$1,621,330	\$2,188,766

What Does This Mean?

- Tax Levy for 2017-2018 will be increased by 3.60% or \$3,789,266 when compared to 2016-2017 tax levy;
- Proposed tax rate increase of 3.68%, with no assessment decline.

	2016-17	2017-18 Proposed Budget	Change	%	
Budgeted Property Taxes	\$ 105,131,048.00	\$ 108,920,314.00	\$ 3,789,266.00	3.60%	

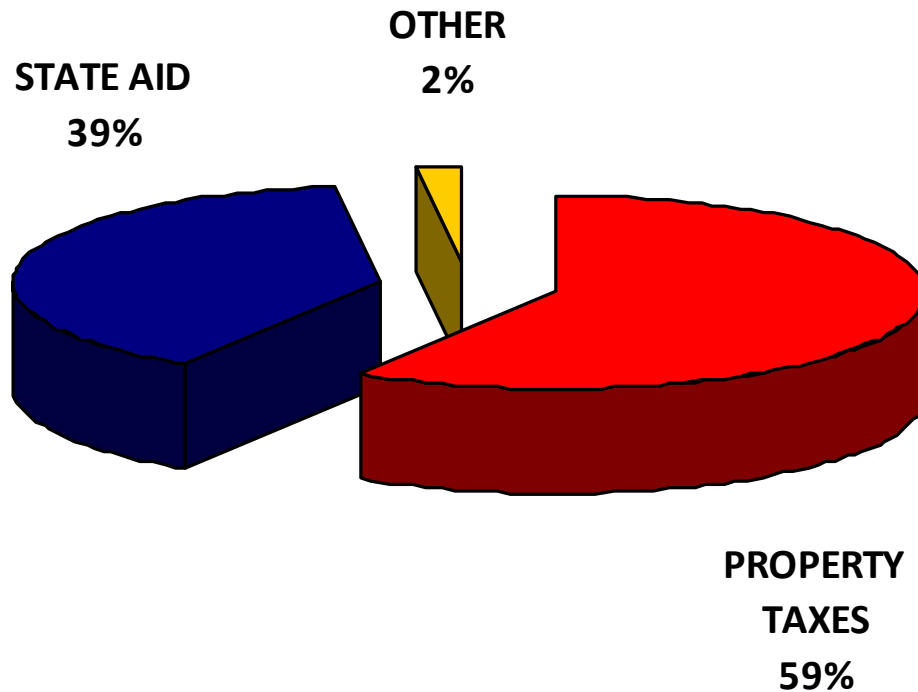
Budget Impacts

- Decline in pension costs for Teachers Retirement System 3.25% budget to budget;
- Increase of fourteen teaching FTEs;
- Addition of fifteen teaching assistants;
- Increase of two clerical positions;
- Increase of one bus driver;
- Replacement of thirteen teachers retiring on 6/30/2017 and being replaced at lower overall costs;
- Purchase of one new bus at a cost of \$125,000.

Budget Impacts Continued

- Community Schools Aid
 - \$323,043 of the 2017-2018 State Aid for the District was “set-aside” for community schools.
 - Districts will use the new funding to provide students and their families with the support students need to ensure readiness to learn a rigorous curriculum; support connections between schools and community organizations that offer enrichment or social/health services; and encourage the use of school sites as community resources.

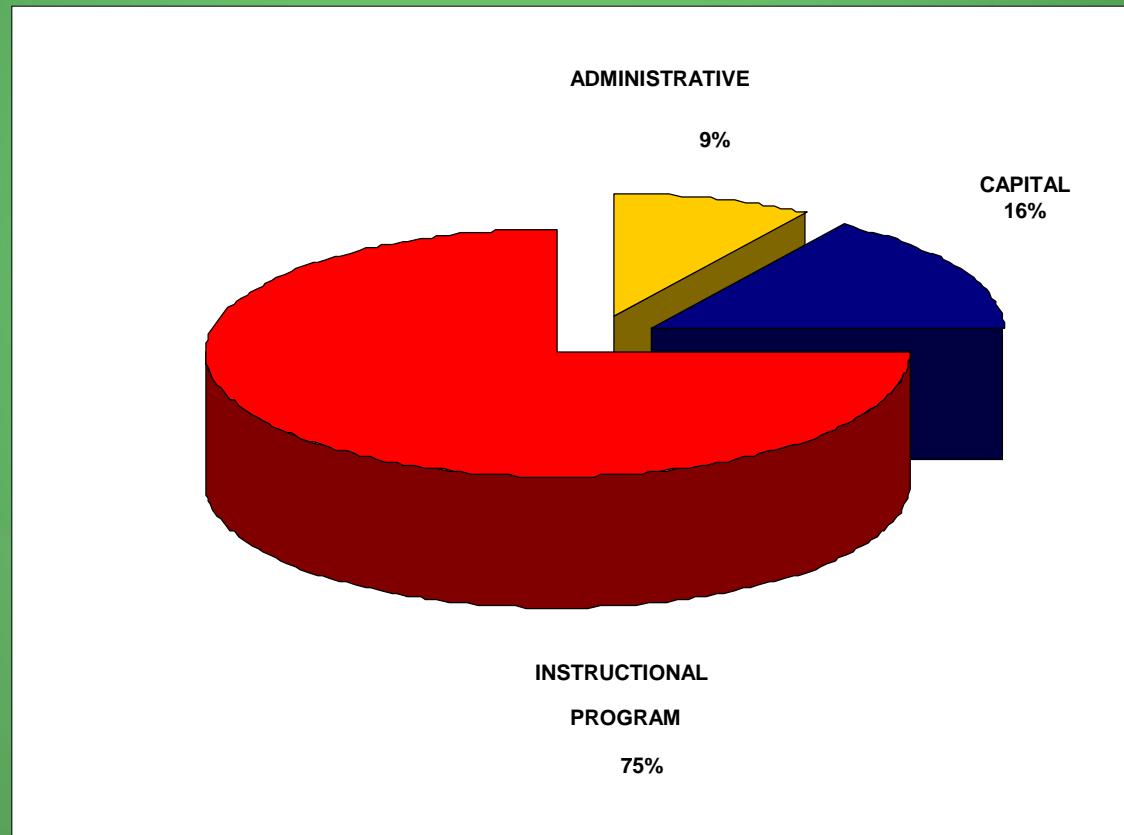
Budget Summary of Revenues



Revenue Summary

	2016-2017 Adopted Budget	2017-2018 Proposed Budget	Increase / (Decrease)
State Aid	\$ 66,157,205	\$ 70,978,294	\$ 4,821,089
Other Sources	\$ 3,681,936	\$ 4,052,460	\$ 370,524
Property Taxes	\$ 105,131,048	\$ 108,920,314	\$ 3,789,266
Appropriated Fund Balance and Reserves	\$ 2,363,642	\$ 0	(\$ 2,363,642)
Total	\$ 177,333,831	\$ 183,951,068	\$ 6,617,237

Budget Summary of Expenditure



Administrative Expenditures

	2016-2017 Adopted Budget	2017-2018 Proposed Budget	Increase / (Decrease)
Board of Education	\$ 187,910	\$ 193,197	\$ 5,287
Central Administrative Support	\$ 2,138,294	\$ 2,233,545	\$ 95,251
Legal Services and Insurance	\$ 1,445,601	\$ 1,404,086	(\$ 41,515)
Other Central Services	\$ 2,578,986	\$ 2,549,933	(\$ 29,530)
Instructional Educational Support	\$ 6,322,782	\$ 6,480,066	\$ 157,284
Employee Benefits	\$ 4,019,596	\$ 4,410,295	\$ 390,699
Total	\$ 16,693,169	\$ 17,271,122	\$ 577,953

Program Expenditures

	2016-2017 Adopted Budget	2017-2018 Proposed Budget	Increase / (Decrease)
General Instruction	\$ 50,082,776	\$ 50,422,323	\$ 339,547
Students with Disabilities Programs	\$ 26,634,448	\$ 27,464,477	\$ 830,029
Occupational Education	\$ 1,456,840	\$ 1,398,100	(\$ 58,740)
Special School	\$ 886,417	\$ 862,962	(\$ 23,455)
Library & Media	\$ 1,435,643	\$ 1,498,631	\$ 62,988
Sub Total	\$ 80,496,124	\$ 81,646,493	\$ 1,150,369

Additional Program Expenditures

	2016-2017 Adopted Budget	2017-2018 Proposed Budget	Increase / (Decrease)
Computer Instruction	\$ 1,398,566	\$ 1,360,323	(\$ 38,243)
Student Support Services	\$ 5,753,643	\$ 6,327,723	\$ 574,080
Extracurricular and Athletics	\$ 1,681,171	\$ 1,816,825	\$ 135,654
Transportation	\$ 9,043,313	\$ 8,987,306	(\$ 56,007)
Employee Benefits	\$ 32,400,193	\$ 35,830,658	\$ 3,430,465
Community Services	\$ 996,457	\$ 1,325,697	\$ 329,240
Total Including Sub Total From Prior Page	\$ 131,769,467	\$ 137,295,025	\$ 5,525,558

Capital Expenditures

	2016-2017 Adopted Budget	2017-2018 Proposed Budget	Increase / (Decrease)
Operations, Maintenance and Security	\$ 12,145,832	\$ 12,347,647	\$ 201,815
Employee Benefits	\$ 3,425,791	\$ 3,779,321	\$ 353,530
Debt Service	\$ 96,667	\$ 250,000	\$ 153,333
Transfers	\$ 13,202,905	\$ 13,007,953	(\$ 194,952)
Total	\$ 28,871,195	\$ 29,384,921	\$ 513,726

Budget and Tax Rate Summary

- Tax rate percentage increase 3.68– 5.80% depending on determination of assessed valuation in August 2017;
- Levy to levy increase 3.60% or \$3,789,266;
- Budget to budget increase 3.73% or \$6,617,237;
- Annual increase in taxes for an average home assessed at \$3,000 - \$266.94 (with no assessment decline);
- District is NOT proposing to pierce the Tax Cap.

What is the Capital Reserve?

- The Capital Reserve allows the District to make capital repairs without incurring borrowing costs. It also significantly increases revenues since the projects return \$0.733 cents in state aid for every dollar spent on authorized projects;
- A Capital Reserve not to exceed \$5 million dollars was approved by the voters of the District in May 2015;
- The District fully funded the Capital Reserve up to the maximum of \$5 million dollars in 2015-16.

What is Proposition 2?

- A voter proposition will be presented on the ballot that will authorize the District to spend the remaining \$3,000,000 million dollars from the Capital Reserve Fund. Last year, the voters authorized the District to spend \$5,000,000 million dollars from the Capital Reserve Fund in order to recoat roofs at the following buildings: Barton, Bay, Canaan, Eagle, Medford, Tremont and Saxton. In addition, the south windows at Medford were authorized to be replaced. After the proposition was approved last May, the District submitted paperwork to the State Education Department in order to ensure that the District received State Aid on the projects.
- After receiving State approval on the projects, the District bid the project and awarded the project to two companies that would ultimately save the District almost three million dollars. The effectuated savings enables the District to recommend additional projects within the confines of the original five million dollar Capital Reserve Fund allocation.
- Proposition #2 seeks authorization from the residents to spend the balance of the funds available in the Capital Reserve Fund.

What Work Will be Done if Proposition 2 Passes?

If the community approves Proposition 2 by a simple majority (over 50%), the following projects will be completed in the following priority order:

- Recoating the roofs at River Elementary School and the High School, renovate the tennis courts at the High School and replace the boys and girls lockers in the locker rooms at Saxton Middle School and South Ocean Middle School.

Other Capital Highlights

- Roof recoating's at Barton, Bay, Canaan, Eagle, Medford, and Tremont Elementary Schools and Saxton Middle School to be completed during July and August 2017;
- Installation of new windows on the south side of Medford Elementary School projected to be completed by the Fall of 2017;
- District wide ADA renovations;
- District wide pavement and curb replacement projects;
- Refinish the High School east gymnasium floor and Oregon Middle School gymnasium floor;
- Replacement of expansion tanks in the High School and Eagle Elementary School.

What Happens if the Budget Fails?

- Board may recommend a re-vote on June 20, 2017 or adopt a contingent budget;
- Contingent budget will require over \$2.2 million in additional cuts to the General Fund budget;
- Equipment purchases will be eliminated from the budget;
- Additional bus driver would not be hired;
- No inter-fund transfers to the Capital Fund or the School Lunch Fund.

Budget Vote

May 16, 2017

7:00 a.m. – 9:00 p.m.