

Budget Hearing

Patchogue-Medford School District
May 5, 2016

Enacted State Budget

- State aid to public schools in New York State will increase by \$1.4 billion (6.1%);
- Includes \$626 million dollar increase in Foundation Aid Statewide;
- Community Schools Aid set-aside for some Districts from their total Foundation Aid;
- Fully restores GAP Elimination Adjustment by \$433.6 million;
- Interest rate recalibration delayed until 2017-18 for affected projects;
- No formula change enacted for expense driven aids– Transportation, Building, Special Education and BOCES Aids.

Impact of State Budget on Patchogue-Medford

- Increase in state aid of \$4,702,725 per legislative budget analysis of March 31, 2016;
- Able to sustain programs and services from the current year;
- Expansion of Advanced Placement courses;
- Increase the number of teachers and staff to support programs.

	2015-16	2016-17 Proposed Budget	Change	%
State Aid Budgeted by District	\$ 61,720,756.00	\$ 66,157,205.00	\$ 4,436,449.00	7.19%
State Aid Per Governors Run	\$ 62,547,758.00	\$ 67,216,054.00	\$ 4,668,296.00	7.46%
State Aid Per Legislative Run	\$ 65,246,326.00	\$ 69,507,971.00	\$ 4,261,645.00	6.53%
State Aid Budgeted	\$ 61,720,756.00	\$ 66,157,205.00		
State Aid Per Legislative Run (W/out UPK)	\$ 64,599,536.00	\$ 68,861,181.00		
State Aid Anticipated Over Budgeted Amount	\$ 2,878,780.00	\$ 2,703,976.00		

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 valuations for the District have declined over the last several years, but by lower amounts.

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%

Property Tax Cap Factors 2016 - 2017

Factors	Impact 2015-16	Impact 2016-17
Growth	1.0027	1.0144
Consumer Price Index	1.62%	0.12%
Exclusions	\$1,647,438	\$1,621,330

What Does This Mean?

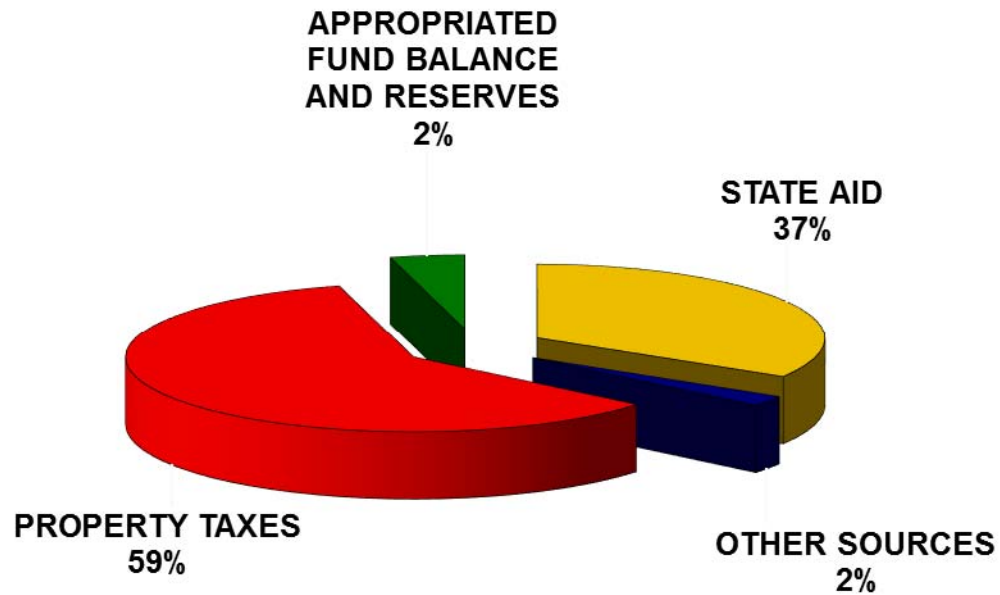
- Tax Levy for 2016-2017 will be increased by 2.40% or \$2,460,838 when compared to 2015-2016 tax levy;
- Proposed tax rate increase of 2.82%, with no assessment decline.

	2015-16	2016-17 Proposed Budget	Change	%	
Budgeted Property Taxes	\$ 103,563,276.00	\$ 105,131,048.00	\$ 1,567,772.00	1.51%	(Budget Brochure)
Property Tax Levy	\$ 102,670,210.00	\$ 105,131,048.00	\$ 2,460,838.00	2.40%	(Newsday)
Property Taxes with Prior Year Reserve	\$ 102,996,349.00	\$ 105,131,048.00	\$ 2,134,699.00	2.07%	(Property Tax Report Card)
Property Taxes Levy with Non-Excludable Propositions, Excluding PY Reserve	\$ 103,093,650.00	\$ 105,131,048.00	\$ 2,037,398.00	1.98%	(Property Tax Report Card)

Budget Impacts

- Decline in pension costs for Teachers Retirement System and Employees' Retirement System of 11.03% and 13.19% budget to budget respectively;
- Increase of ten teaching FTEs;
- Increase of five clerical positions;
- Increase of two technology positions;
- 19 teachers retiring on 6/30/2016 and being replaced at lower overall costs;
- Purchase of one new bus at a cost of \$120,000.

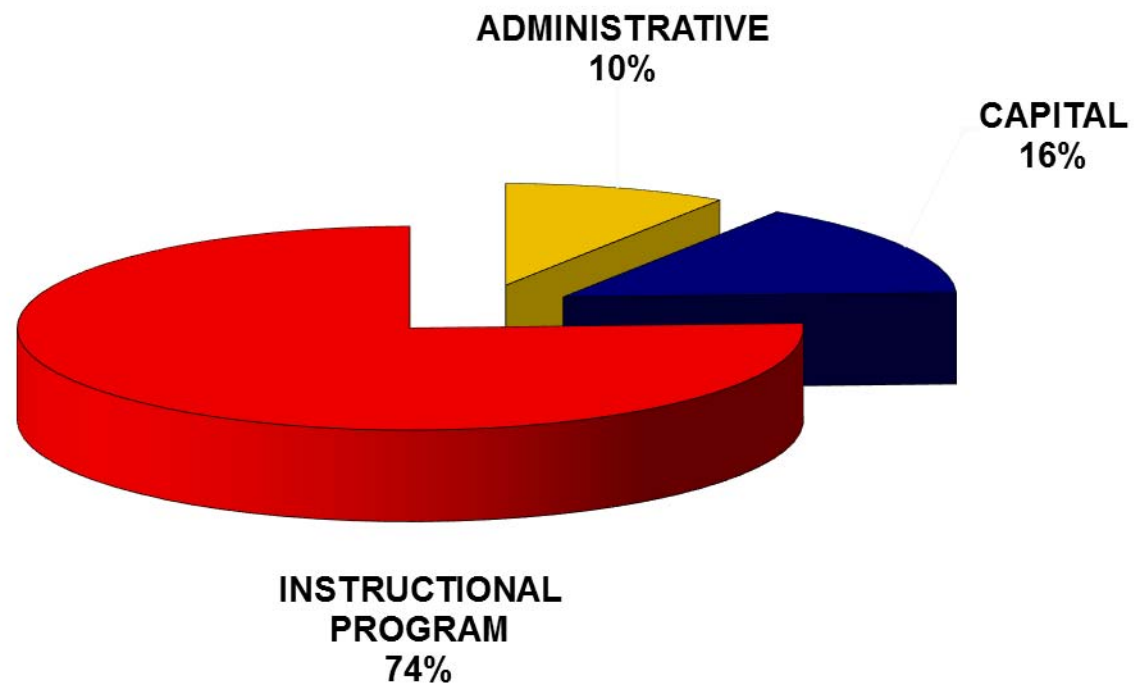
Budget Summary of Revenues



Revenue Summary

	2015-2016 Adopted Budget	2016-2017 Proposed Budget	Increase / (Decrease)
State Aid	\$ 61,720,756	\$ 66,157,205	\$ 4,436,449
Other Sources	\$ 4,121,225	\$ 3,681,936	(\$ 439,289)
Property Taxes	\$ 103,563,276	\$ 105,131,048	\$ 1,567,772
Appropriated Fund Balance and Reserves	\$ 3,663,642	\$ 2,363,642	(\$ 1,300,000)
Total	\$ 173,068,899	\$ 177,333,831	\$ 4,264,932

Budget Summary of Expenditure



Administrative Expenditures

	2015-2016 Adopted Budget	2016-2017 Proposed Budget	Increase / (Decrease)
Board of Education	\$ 182,196	\$	\$
Central Administrative Support	\$ 2,035,838	\$ 187,910 2,138,294	\$ 5,714
Legal Services and Insurance	\$ 1,492,868	\$	(\$102,456)
Other Central Services	\$ 2,458,876	\$ 1,445,601	\$ 47,267 120,110
Instructional Educational Support	\$ 5,923,656	\$ 2,578,986 6,322,782	\$
Employee Benefits	\$ 4,009,863	\$ 4,019,596	\$ 399,126
Total	\$ 16,103,297	\$ 16,693,169	\$ 9,733
			589,872

Program Expenditures

	2015-2016 Adopted Budget	2016-2017 Proposed Budget	Increase / (Decrease)
General Instruction	\$ 49,078,930	\$ 50,082,776	\$ 1,003,846
Students with Disabilities Programs	\$ 26,094,322	\$ 26,634,448	\$
Occupational Education	\$ 1,283,900	\$ 1,456,840	\$ 540,126
Special School	\$ 863,679	\$ 886,417	\$ 22,738
Library & Media	\$ 1,280,484	\$ 1,435,643	\$ 155,159
Sub Total	<u>\$ 78,601,315</u>	<u>\$ 80,496,124</u>	<u>\$ 1,894,809</u>

Additional Program Expenditures

	2015-2016 Adopted Budget	2016-2017 Proposed Budget	Increase / (Decrease)
Computer Instruction	\$	\$	\$
Student Support Services	\$1,305,227	\$ 1,398,566	\$ 93,339
Extracurricular and Athletics	\$ 5,601,300 1,539,284	\$ 5,753,643 1,681,171	\$ 152,343
Transportation	\$	\$	\$
Employee Benefits	\$ 8,055,954	\$ 9,043,313	\$ 141,887
Community Services	33,228,063 \$	\$ 32,400,193	(\$ 987,359)
Total Including Sub Total From Prior Page	<u>967,543</u> \$ <u>129,298,686</u>	<u>996,457</u> \$ <u>131,769,467</u>	<u>28,914</u> <u>2,470,781</u>

Capital Expenditures

	2015-2016 Adopted Budget	2016-2017 Proposed Budget	Increase / (Decrease)
Operations, Maintenance and Security	\$ 11,450,451	\$ 12,145,832	\$
Employee Benefits	\$ 3,398,890	\$ 3,425,791	\$ 695,381
Debt Service	\$	\$ 96,667	\$ 26,901
Transfers	\$ 108,278	\$ 13,202,905	\$ (\$ 11,611)
	<u>12,709,297</u>		
Total	\$ <u>27,666,916</u>	\$ <u>28,871,195</u>	\$ 493,608
			1,204,279

Budget and Tax Rate Summary

- Tax rate percentage increase 2.82– 4.91% depending on determination of assessed valuation in August 2016;
- Levy to levy increase 2.40% or \$2,460,838;
- Budget to budget increase 2.46% or \$4,264,932;
- Annual increase in taxes for an average home assessed at \$3,000 - \$200.74 (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 will be able to fund the Capital Reserve up to the maximum of \$5 million dollars in 2015-16.

What is Proposition 2?

- Proposition 2 seeks to obtain approval from the community to allow the District to spend up to \$5 million dollars on certain capital projects from the Capital Reserve.

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:

- Preparations for roof recoatings at Barton, Bay, Canaan, Eagle, Medford, and Tremont Elementary Schools and Saxton Middle School;
- Preparations for some window replacements at Medford Elementary School.

How Did the District Fund The Capital Reserve?

State Aid Budgeted for 2015/2016:	\$	61,720,756.00
State Aid Projected to be Received for 2015/2016:	\$	<u>64,182,393.00</u>
Difference:	\$	2,461,637.00
Additional Prior Year State Aid to be Received:	\$	<u>2,566,403.00</u>
Total Additional State Aid Revenue Received During the 2015/2016 School Year:	\$	

5,028,040.00

Other Capital Highlights

- Completion of Oregon Middle School roof recoating as part of the remaining funds from Excel Phase II;
- Roof repairs as necessary for all schools;
- Choral risers for all schools as part of the interfund transfers to the Capital Fund.

What Happens if the Budget Fails?

- Board may recommend a re-vote on June 21, 2016 or adopt a contingent budget;
- Contingent budget will require over \$1.7 million in additional cuts to the General Fund budget;
- Equipment purchases will be eliminated from the budget;
- Staff reductions;
- No interfund transfers to the Capital Fund or the School Lunch Fund.

Budget Vote

May 17, 2016

7:00 a.m. – 9:00 p.m.