

Budget Workshop #4

Patchogue-Medford School District

March 18, 2019

Items Included in 2019-2020 Budget

- Superintendent's Whole Child Approach to Learning;
- Implementation of the Redistricting Plan;
- Year 3 of the Five Year Literacy Plan;
- Year 2 of the Special Education Enhancement Five Year Plan;
- Year 2 of the Health, Wellness and Physical Education Five Year Plan;
- Year 1 Implementation for the CTE initiative;
- Year 1 Implementation of the STEM five year plan;
- Staffing increases to support program initiatives;

Items Included in 2019-2020 Budget (continued)

- Continued Implementation of the Five Year Capital Plan:
 - Inter-fund transfer to Capital Fund for CTE Modifications, leasing of portable classrooms at Bay, purchase of new equipment for the weight room at the HS, electric sign for South Ocean and uninvent replacements at South Ocean;
 - Capital Reserve proposed projects to include, window replacements at Oregon , fire alarm upgrade at the High School, gym floor replacement at Medford, electrical upgrade at South Ocean and terrazzo repairs at the High School.
- Increase in Community Schools Set-A-Side to construct a District Wellness Center at the High School.

External Budget Impacts

- Federal funding impacts on state and local agencies remain unclear;
- Tax Cap continues to restrict annual budget levy increases;
- State Aid – increase of approximately \$700,000 projected;
- State Aid - \$311,822 increase in Community Schools Set-A-Side for a total amount of \$950,321.

External Budget Impacts Continued

- Health insurance rates continue to rise (2019 blended rate increase of 3.78%);
- TRS rate 8.86% (down from 10.62%);
- ERS blended rate decrease estimated at .3%;
- CPI increase 2.44%.

Staffing Impacts on Budget

Employee Type	Increase / Decrease	Area of Need
Teachers	14	General and Special Education
Administrators	2	Director of CTE and Director for ENL/Community Support
Teaching Assistants	2	Special Education
Part-Time	1.5	Additions - .50 Library Aide for Literacy plan, .50 Health Aide for South Ocean MS, .50 Science Aide, .50 Clerical Aide for the School Lunch Program, other adjustments (.50)

Budget Adjustments

- The below represents cuts made by function area in order to balance the budget;

Area	Description	Amount
1620-1622	Operation & Maintenance of Plant and Security	\$96,380
1680	Central Data Processing	\$34,849
2010	Curriculum Development and Support	\$55,000
2021	Instructional Supervision – Other	\$168,041
2110-2128	Teaching Regular School	\$196,583
2250	Students with Disabilities	\$258,710
2330-2855	Teaching Special Schools, School Library and Audio Visual, Guidance, Social Work Services, Interscholastic Athletics	\$163,883
5510-5540	Transportation	\$428,443
9010-9075	Employee Benefits	\$173,432
	Total Cuts Made	\$1,575,321

Revenues

DESCRIPTION		2017-2018 ADOPTED BUDGET	2018-2019 ADOPTED BUDGET	2019-2020 PROPOSED BUDGET	\$ INCREASE (DECREASE) BETWEEN 2018- 2019 ADOPTED BUDGET AND 2019- 2020 PROPOSED BUDGET	%	2019-2020 CONTINGENT BUDGET
REVENUE SUMMARY BY MAJOR CATEGORY							
PROPERTY TAXES AND STAR		\$108,920,314.00	\$112,318,127.00	\$115,864,343.00	\$3,546,216.00	3.16%	\$112,299,361.00
OTHER TAX ITEMS		27,755.00	278,210.00	280,377.00	2,167.00	0.78%	280,377.00
CHARGES FOR SERVICES		1,886,332.00	1,801,332.00	1,821,332.00	20,000.00	1.11%	1,821,332.00
USE OF MONEY AND PROPERTY		403,373.00	423,373.00	738,373.00	315,000.00	74.40%	738,373.00
SALE OF PROPERTY AND COMPENSATION FOR LOSS		60,000.00	60,000.00	100,000.00	40,000.00	66.67%	100,000.00
MISCELLANEOUS		1,175,000.00	1,185,000.00	1,635,000.00	450,000.00	37.97%	1,635,000.00
INTERFUND REVENUE		50,000.00	50,000.00	50,000.00	-	0.00%	50,000.00
STATE SOURCES		70,978,294.00	73,851,274.00	74,551,274.00	700,000.00	0.95%	74,551,274.00
FEDERAL SOURCES		450,000.00	500,000.00	600,000.00	100,000.00	20.00%	600,000.00
INTERFUND TRANSFERS		-	-	-	-	0.00%	-
APPROPRIATED FUND BALANCE		-	-	-	-	0.00%	-
		183,951,068.00	190,467,316.00	195,640,699.00	5,173,383.00	2.72%	192,075,717.00
Detail Of Appropriations:		\$ -	\$ -				
Amount appropriated from Unreserved Fund Balance		\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
Amount appropriated from the Retirement Contribution		\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
		\$ -	\$ -	\$ -	\$ -	100.00%	\$ -
Budget to Budget Tax Levy Increase/(Decrease) \$		3,789,266.00	3,397,813.00	3,546,216.00			-18,766.00
Budget to Budget Tax Levy Increase/(Decrease) %		3.60%	3.12%	3.16%			-0.02%

Fund Balance Projection for the 2018-2019 School Year

- Unreserved fund balance – 2.76%;
- **\$2,500,000** projected transfer into the capital reserve. Should the voters approve the proposition on May 21, 2019, funds will be spent on window replacements at Oregon, fire alarm upgrade at High School, gym floor replacement at Medford, electrical upgrade at South Ocean, and terrazzo repairs at the High School.

Purpose of Five Year Financial Plan

- Utilize as a functional tool to guide discussions in budget planning process
- Analyze impact of district forecasts on budget development and multi year planning
- Utilize forecasts in determining the impact of significant decisions on long-term fiscal health
- Forecast future fund balance projections for budget development decisions

What Has Been Accomplished With The District Five Year Plan?

- Balanced budget for the 2017-2018, 2018-2019, and 2019-2020 school years;
- Utilized a Capital Reserve that has saved the district thousands of dollars in interest expense associated with financing capital construction;
- Created a second Capital Reserve to continue to finance future capital construction;
- Increased fund balance reserve levels during years of national, state and local fiscal distress;
- Moody's Upgrade in September 2018
- Leveraged state funding to maximize revenues and minimize expenses.

Factors to Consider in Future Financial Plans

- Uncertainty of federal impacts on state and local governments;
- Implementation of Superintendent's Road to Success Plan;
- Long term contractual commitments;
- Continued funding for Capital Reserve and related capital projects in order to continue improving district infrastructure while controlling debt.

Contingent Budget Impacts

- Requires cuts totaling \$3,564,982;
- Eliminates all equipment purchases from the 2019-2020 budget;
- Removes all inter fund transfers to capital and School Lunch Fund from the 2019-2020 budget.

Budget and Tax Rate Summary

- Tax rate percentage increase 3.26 – 5.37% depending on determination of assessed valuation in August 2019 (last year 3.74-5.86%);
- Levy to levy increase 3.16% or \$3,546,216 (last year 3.12% or \$3,397,813);
- Budget to budget increase 2.72% or \$5,173,383 (last year 3.54% or \$6,516,248);
- Annual increase in taxes for an average home assessed at \$3,000 - \$255.78 (with no assessment decline).

Other Important Information

- The proposed budget does not pierce the Tax Cap;
- The Tax Cap Formula caps the Tax Levy, not the Tax Rate;
- Based on the formula Established by the State, dollar values of levies differ from district to district.

Propositions on the Ballot

- Proposition #2 – Permission to spend up to \$2.5 million dollars on Capital projects as recommended by the District Wide Plant and Facilities Committee and authorized by the Board. Proposed projects include:
 - Window replacements at Oregon Middle School;
 - Fire alarm upgrade at the High School;
 - Gym floor replacement at Medford Elementary School;
 - Electrical upgrade at South Ocean Middle School;
 - Terrazzo floor repairs at the High School.

Next Steps

- Adopt 2019-2020 Budget;
- Approve Proposed Capital Reserve Proposition for the May 2019 Ballot;
- Approve Transfer to Capital Reserve in the amount of \$2.5 million at the April Board Meeting.

■ Questions?