

A blue-tinted photograph of a mare and her foal in a field. The mare is on the left, looking towards the camera, with her foal standing next to her. The background is a field of tall grass.

Horseheads Central School District

Preliminary Budget Update
April 19, 2017

Tonight's Agenda

- **State Budget Update**
- **State Aid Update**
- **Budget Development**
- **Property Tax Cap**
- **Proposed Budget**
- **Budget/Revenue Comparison**
- **Budget History**
- **Property Tax History**
- **Reserve Funds**
- **Propositions**
- **Important Dates**



State Budget Update

- **Total education funding of \$25.8 billion**
- **Increase of \$1.1 billion (4.40%) from prior year**
 - \$700 million in foundation aid
 - \$295 million in expense-based aids
 - \$100 million in targeted initiatives
- **Districts given minimum of 2.7% increase in foundation aid (Horseheads = 2.7%)**
- **Distribution factors – student need, district wealth, enrollment, English Language Learners (ELL students), small city status, sparsity**
- **No changes to address BOCES capital, PILOT property, and negative tax cap issues**

State Aid Update

	2016-17 Budget	2017-18 Estimated Budget	Change from 2016-17
Foundation Aid	\$20,774,449	\$21,343,567	\$569,118
Transportation	\$2,660,900	\$2,370,615	-\$290,285
Building Aid	\$3,172,484	\$3,099,187	-\$73,297
Other Aid Items	\$5,316,107	\$5,391,335	\$75,228
Total	\$31,923,940	\$32,204,704	\$280,764

**Additional
foundation aid
of \$230,528
since 4/6/17**

Budget Development

	Expenditures	Revenues	Gap
Adjusted Baseline as of 4/6/17	\$75,047,683	\$71,103,403	-\$3,944,280
Budget Adjustments	-\$54,084		
State Aid Adjustments		\$230,528	
Adjusted Baseline as of 4/19/17	\$74,993,599	\$71,333,931	-\$3,659,668



Tax Cap Calculation

	2016-17	2017-18
Taxes levied in prior year	\$35,323,835	\$35,307,604
x Tax base growth factor	<u>x 1.0000</u>	<u>x 1.0118</u>
= Adjusted prior year levy amount	\$35,323,835	\$35,724,234
+ PILOTs from prior year	+ \$982,676	+ \$1,042,475
- Capital exemptions from prior year	<u>0</u>	<u>0</u>
= Adjusted levy factors	\$36,306,511	\$36,766,709
x Allowable levy growth factor	<u>x 1.0012</u>	<u>x 1.0126</u>
= Adjusted levy	\$36,350,079	\$37,229,969
- Anticipated budget year PILOTs	<u>- \$1,042,475</u>	<u>- \$1,147,946</u>
= Tax levy limit, before exemptions	\$35,307,604	\$36,082,023

continued

Tax Cap Calculation, continued

	2016-17	2017-18
Tax levy limit, before exemptions	\$35,307,604	\$36,082,023
Capital exemptions current budget year	0	0
ERS exemption amount	0	0
TRS exemption amount	0	0
Maximum allowable tax levy limit	\$35,307,604	\$36,082,023

Proposed property tax levy change from prior year	-\$16,231	\$774,419
	-0.05%	2.19%
Full Value Tax Rate Change	-1.45%	?

Set in August

Budget Adjustments since 2/10/17

	Amount
Salaries	-\$726,221
Building Budgets	-\$207,245
Transportation/Facilities/Technology One-Time Purchases in Current Year	-\$33,000
Computer-Based Testing	-\$75,000
BOCES	-\$91,817
Transportation Budget	-\$50,000
Bus Debt	-\$20,180
ERS/TRS/Social Security	-\$133,776
Health Administration Fee	\$123,768
Other	\$10,160
Total	-\$1,203,311

Revenue Adjustments since 2/10/17

	Amount
Debt Service	\$62,355
PILOT	-\$14,297
Elmira Heights Transportation Contract	-\$79,327
Tuition for Students with Disabilities	\$50,000
Sale of Transportation Equipment	\$50,000
BOCES Room Rental	\$12,800
State Foundation Aid	\$251,737
Total	\$333,268

Updated Budget

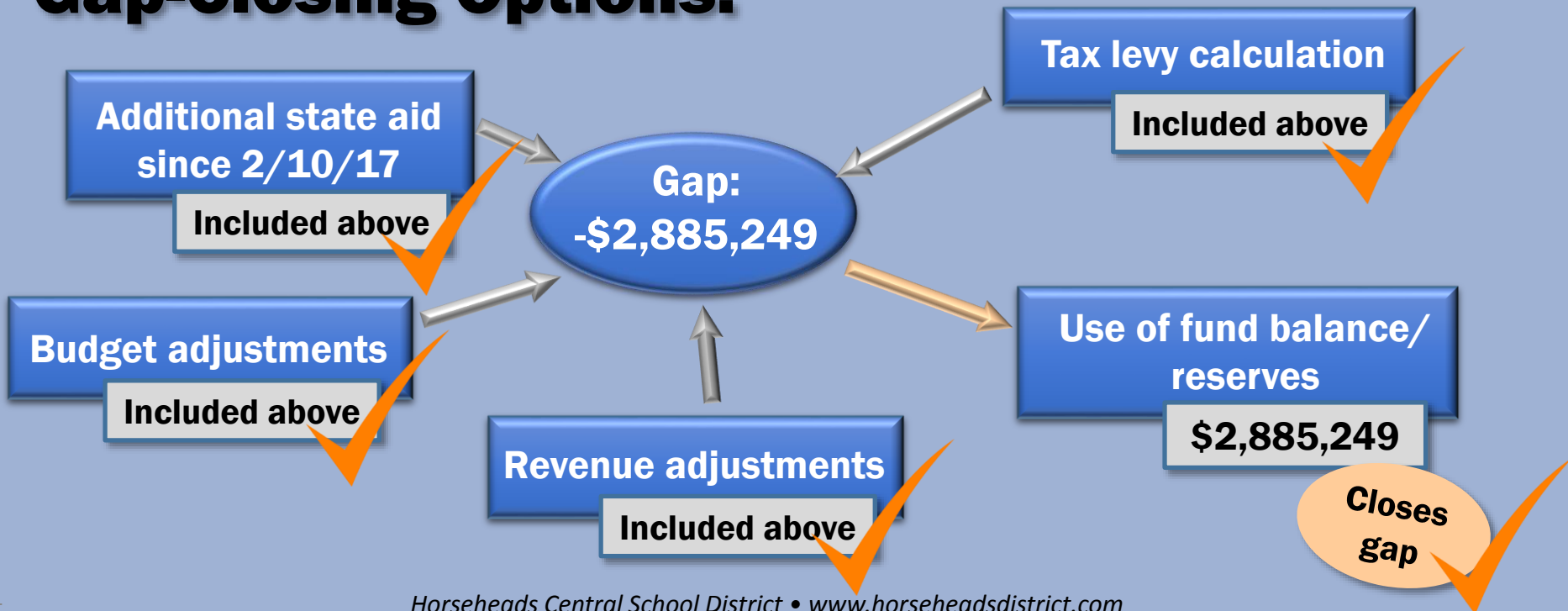
	Expenditures	Revenues	Gap
Baseline as of 2/10/17	\$76,196,910	\$71,000,663	-\$5,196,247
Tax Cap Calculation		\$774,419	
Budget Adjustments	-\$1,203,311		
Revenue Adjustments		\$333,268	
Adjusted Baseline as of 4/19/17	\$74,993,599	\$72,108,350	-\$2,885,249

Gap

Expenditures	\$74,993,599
Revenue	\$72,108,350
Gap	-\$2,885,249

Gap amount does not include the use of reserve funds or fund balance.

Gap-Closing Options:



Budget to Budget Comparison

	2016-17	2017-18	\$ Change	% Change
BOE/Central Admin	\$1,454,530	\$1,453,191	-\$1,339	-0.09%
BOCES	\$11,381,376	\$12,660,418	\$1,279,042	11.24%
Instruction	\$28,708,806	\$29,507,249	\$798,443	2.78%
Facility	\$3,641,442	\$3,726,337	\$84,895	2.33%
Technology	\$419,673	\$328,648	-\$91,025	-21.69%
Transportation	\$2,639,494	\$2,598,923	-\$40,571	-1.54%
Benefits	\$21,922,108	\$20,964,488	-\$957,620	-4.37%
Debt Service	\$2,352,688	\$2,494,345	\$141,657	6.02%
Interfund Transfers	\$1,217,000	\$1,260,000	\$43,000	3.53%
Total	\$73,737,117	\$74,993,599	\$1,256,482	1.70%

Revenue Comparison

	2016-17	2017-18	\$ Change	% Change
Revenue	\$70,851,868	\$72,108,350	\$1,256,482	1.77%
Fund Balance	\$2,500,000	\$2,500,000	0	0%
Reserves	\$385,249	\$385,249	0	0%
Total	\$73,737,117	\$74,993,599	\$1,256,482	1.70%

Budget Facts

This budget...

- **Includes reductions of \$1.2 million**
- **Utilizes \$2.5 million from Fund Balance**
- **Utilizes district cash reserves of \$385,249**
- **Maintains current educational programs**

This budget...

- **Is within New York State's tax levy limit law**
- **Includes a tax levy increase of 2.19%**

Budget History

Year	Budget	\$ Change	% Change
2007-08	\$63,345,680	\$2,949,510	4.88%
2008-09	\$66,480,093	\$3,134,413	4.95%
2009-10	\$68,442,931	\$1,962,838	2.95%
2010-11	\$68,673,809	\$230,878	0.34%
2011-12	\$69,329,181	\$655,372	0.95%
2012-13	\$69,511,671	\$182,490	0.26%
2013-14	\$71,640,654	\$2,128,983	3.06%
2014-15	\$72,284,877	\$644,223	0.90%
2015-16	\$73,641,191	\$1,356,314	1.88%
2016-17	\$73,737,117	\$95,926	0.13%
2017-18	\$74,993,599	\$1,256,482	1.70%

**10-year
average:
2.03%**

Property Tax History

Year	Tax Levy % Change	Tax Rate % Change	Trend - Rate to Levy
2007-08	1.91%	-3.49%	↓
2008-09	1.90%	-4.40%	↓
2009-10	1.72%	-0.78%	↓
2010-11	2.00%	-0.72%	↓
2011-12	4.95%	2.61%	↓
2012-13	3.41%	0.91%	↓
2013-14	2.90%	-1.46%	↓
2014-15	1.72%	-0.88%	↓
2015-16	0.59%	1.16%	↑
2016-17	-0.05%	-1.45%	↓
Ten-Year Average	2.11%	-0.85%	

Year	Tax Levy	% Change	Tax Rate	% Change
2017-18	\$36,082,023	2.19%	?	?

Reserve Funds

Reserve Fund	Balance
<i>Restricted Fund Balance:</i>	
Unemployment Insurance	\$342,102
Retirement Contribution	\$4,211,825
Tax Certiorari	\$999,199
Employee Benefits Accrued Liability	\$1,918,082
Capital Reserve	\$10,000,532
Fuel Island Repairs	<u>\$30,097</u>
	\$17,501,837
<i>Unassigned Fund Balance:</i>	
Unassigned Fund Balance	\$2,949,485
Committed Fund Balance - Transp and Tech	\$2,000,000
Committed Fund Balance - Retirement Incentive	<u>\$683,378</u>
	\$5,632,863
Assigned Appropriated Fund Balance	\$2,500,000

2017-18 Budget Vote/ Board of Education Election

Proposition No. 1 – Adoption of the 2017-18 Budget

SHALL the proposed budget of the Horseheads Central School District for 2017-2018 in the amount of \$74,993,599 be approved in accordance with Section 2022 of the Education Law and that the balance of said budget after applying public monies thereto, be raised by a tax upon the taxable property of said district?

Proposition No. 2 – Purchase of Buses

SHALL the Board of Education of the Horseheads Central School District be authorized to: (1) acquire seven (7) sixty-five passenger school buses and two (2) four-wheel drive transportation vehicles, at a maximum aggregate cost of \$1,100,000; (2) expend such sum for such purpose; (3) levy the necessary tax therefore, to be levied and collected in annual installments in such years and in such amounts as may be determined by the Board of Education taking into account state aid; and (4) in anticipation of the collection of such tax, issue bonds and notes of the District at one time or from time to time in the principal amount not to exceed \$1,100,000, and levy a tax to pay the interest on said obligations when due?

2017-18 Budget Vote/ Board of Education Election

Proposition No. 3 – Increase Capital Reserve Fund

SHALL the Board of Education amend its current capital reserve fund established in 2015 under the provisions of Education Law § 3651 (1) by increasing the ultimate amount of the fund from \$10,000,000 to \$15,000,000 and resetting its 10 year probable term from 2015 to approval of this proposition? The purpose of the fund is for construction, repair and reconstruction of capital improvements and the acquisition of equipment. The source from which funds will be obtained can include any or all of the following: unappropriated fund balances from the general fund as determined by the Board of Education; State Aid related to expenditures from the capital reserve fund; interest income related to investment of monies in the fund; and any other additional monies thereafter authorized by the voters of the District.

2017-18 Budget Vote/ Board of Education Election

Members of the Board of Education

Vote for up to THREE (3) names, or write in the name(s) of someone else you would like on the School Board.

Candidates:

- Warren Conklin**
- Pam Strollo**
- Brian Lynch**

**Budget Vote/
Board of Education
Election**

Tuesday, May 16

7am to 9pm

Big Flats, Ridge Road, High School

Dates

- Thursday, May 4 Public Hearing, Multi-Media Center, 6pm
- Monday, May 8 Board of Education Candidates' Forum, Multi-Media Center, 7pm
- **Tuesday, May 16** **Budget Vote/Board of Education Election, Big Flats/Ridge Road/High School, 7am-9pm**

