



**Peekskill City School District
Educational Plan & Budget
Workshop#2
January 22, 2019**

Ms. Robin Zimmerman, Assistant Superintendent for Business

Agenda

January 22, 2019

Comptroller's Fiscal Stress Report Card

Balancing the Budget

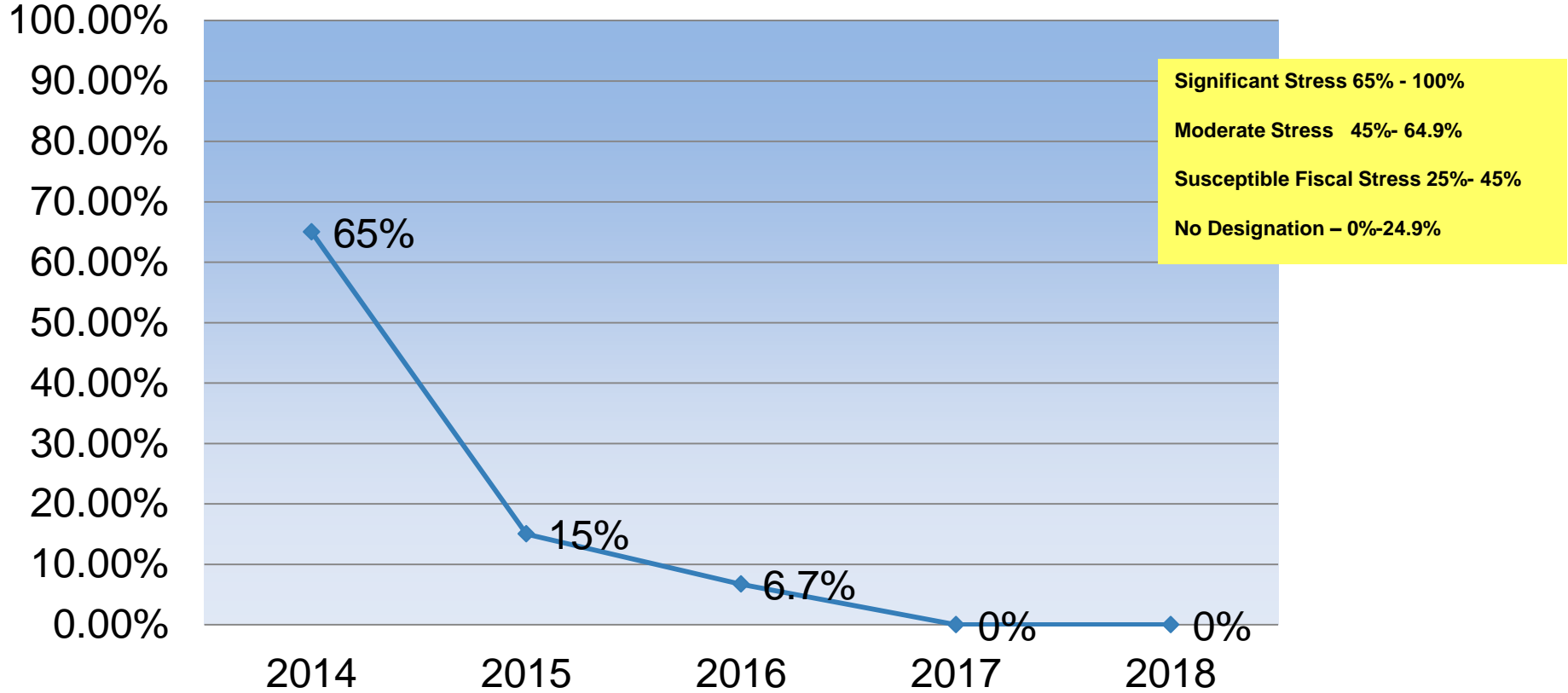
Revenues - Tax Levy Cap, State Aid, Reserves and
Fund Balance

Expenditures

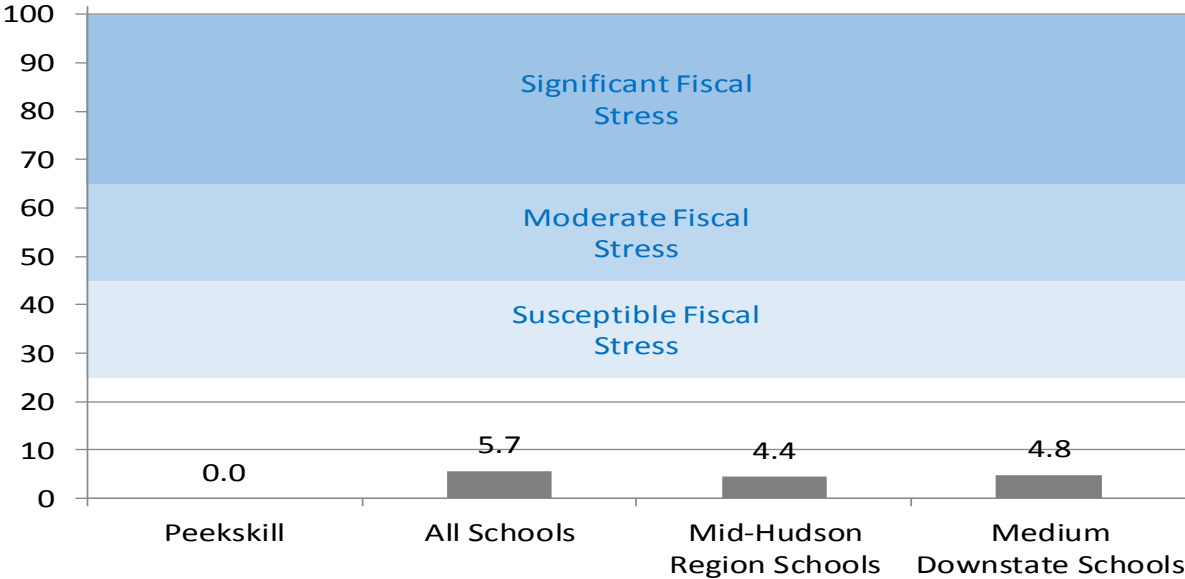
Budget Gap



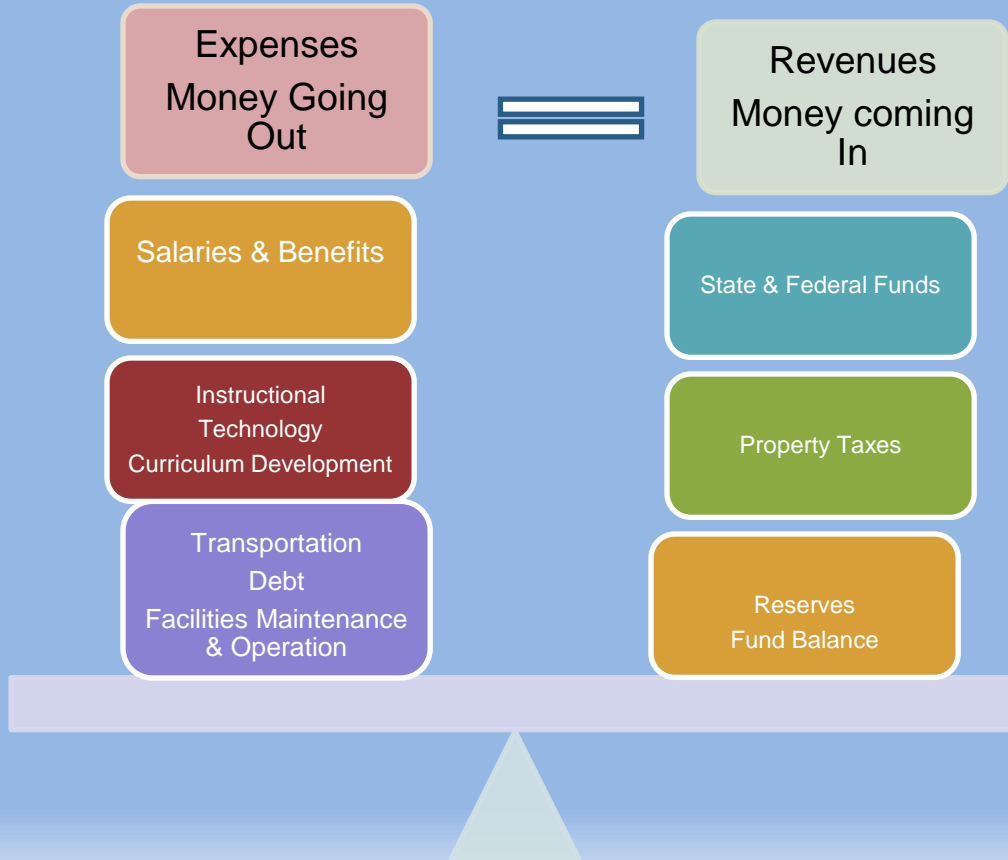
Fiscal Stress Summary



NYS Comptroller's - Fiscal Stress Score Peekskill City School District



Balancing the Budget



Understanding the Property Tax Levy Cap and why the tax levy can increase by more than two percent.

- New York’s property tax levy “cap” has often been referred to as a “2 percent cap” on taxes by some politicians and the media. However, this is incorrect. The law does not restrict any proposed tax levy increase to 2 percent—or any other amount. Instead, the legislation requires each school district in the state to calculate its own “tax levy limit” to determine what level of voter support is necessary for budget approval. The figure “2 percent” (or the rate of inflation) is just one of eight variables that factor into each district’s calculation of its individual tax levy limit as prescribed by law. If the tax levy increase is above the tax levy limit—after accounting for exemptions—the support of a supermajority (60 percent) of voters would be required for budget passage. If the levy is within the limit, a simple majority (50 percent + 1) is needed for budget approval.
- **DEFINITION:** The tax levy is the total dollars that a school district raises from property owners within the district in order to balance its budget. The levy is determined after accounting for all other sources of income, including state aid.

Understanding the property tax levy cap and why the tax levy can increase by more than two percent.

- **DEFINITION:** The tax rate is used to calculate what each property owner will pay in school taxes based on assessed value.
- Essentially, the “tax levy limit” sets a threshold that, if exceeded, requires districts to obtain a higher level of community support to pass a proposed budget. However, the legislation does not place a limit on the taxes a school district could levy to pay for expenses related to specific “excluded” items, including some court orders, some pension costs and local capital expenditures. The costs of these excluded items are added to the “tax levy limit” to come up with the “allowable tax levy” limit. The calculation recognizes that due to their nature, certain expenses should not be subject to a capped CPI-based growth index as our other expenses are capped.
- It is important to note that:
 - Tax levy limits will vary by school district;
 - This law does not limit an individual’s tax bill.

Tax Cap - Let's Learn about the Numbers

- With all the talk of New York's "2 percent tax cap," it may come as a surprise to learn that each school district presents three separate tax levy numbers every year in order to comply with the law. Chances are good that none of those numbers will be exactly 2 percent, too.
- In 2015, none of the state's nearly 700 school districts had a 2 percent "cap." That's because the 2 percent figure is just one part of a complex formula that school districts must use to calculate two of their tax levy numbers, the tax levy limit and the maximum allowable tax levy. These numbers, which establish more of a threshold than a cap, help a district determine its proposed tax levy.

Tax Levy Numbers

The three tax levy numbers under New York state's tax levy "cap"

The tax levy limit tells a school district how much voter support it will need to pass a budget with its proposed tax levy.

The tax levy limit is the highest allowable tax levy (before exclusions) that a school district can propose as part of budget and needs the approval of a simple majority of voters (50% plus 1) to pass the budget.

If a district proposes a budget with a tax levy amount (before exclusion) above this limit, will need the approval of a supermajority (60% plus 1) to pass the budget.

- Tax Levy Limit

The maximum allowable tax levy is the tax levy PLUS certain exclusions. Taxes levied to fund the following expenses are excluded from the tax levy limit:

1. Voter approved capital expenditures
2. Increase in state mandated employer contribution rates NYSTRS and NYSERS systems that exceed two percentage points
3. Court order/judgements resulting from tort actions of any amount that exceeds 5% of the current levy

The district adds these exclusions to its tax levy limit without triggering the need for 60% voter approval

- Maximum Allowable Tax levy

The tax levy called for by a district's proposed budget. By definition, the tax levy is the total amount of money to be raised locally by a school district after factoring in available revenues.

If the district proposed tax levy minus exclusions is less than or equal to the district calculated tax levy limit, the approval of a simple majority of voters.

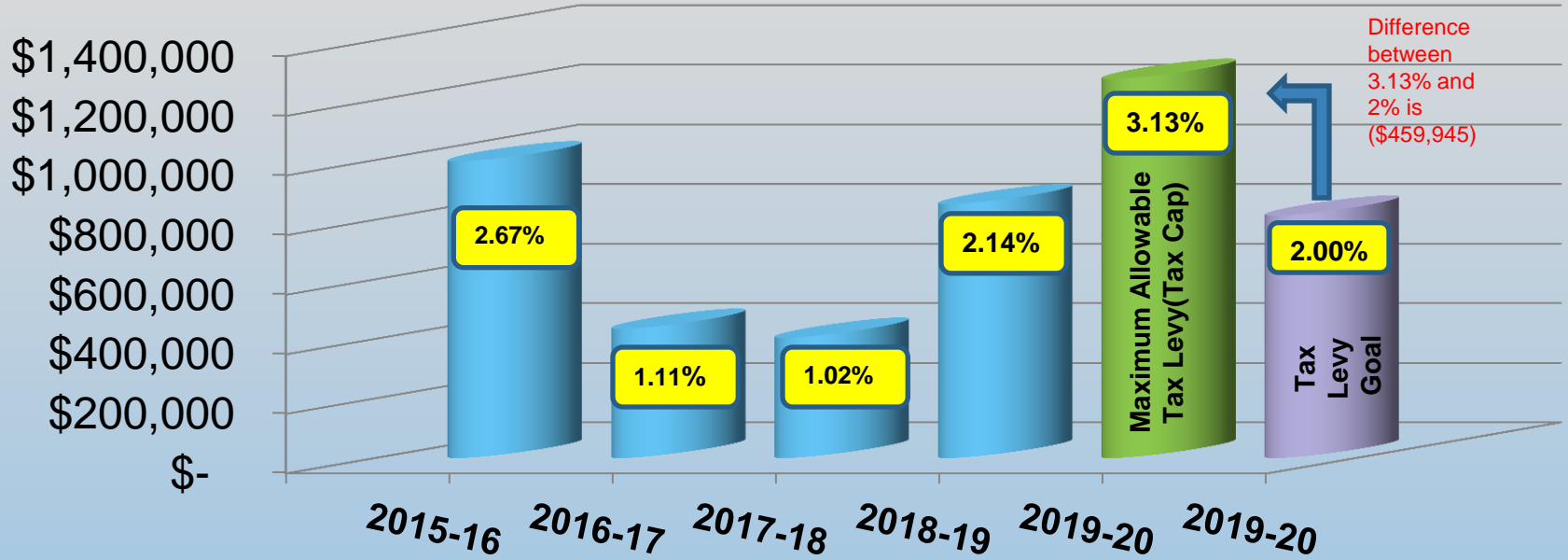
If the proposed tax levy minus exclusions is greater than the district's calculated tax levy limit, 60% voter approval is needed.

- Proposed Tax Levy

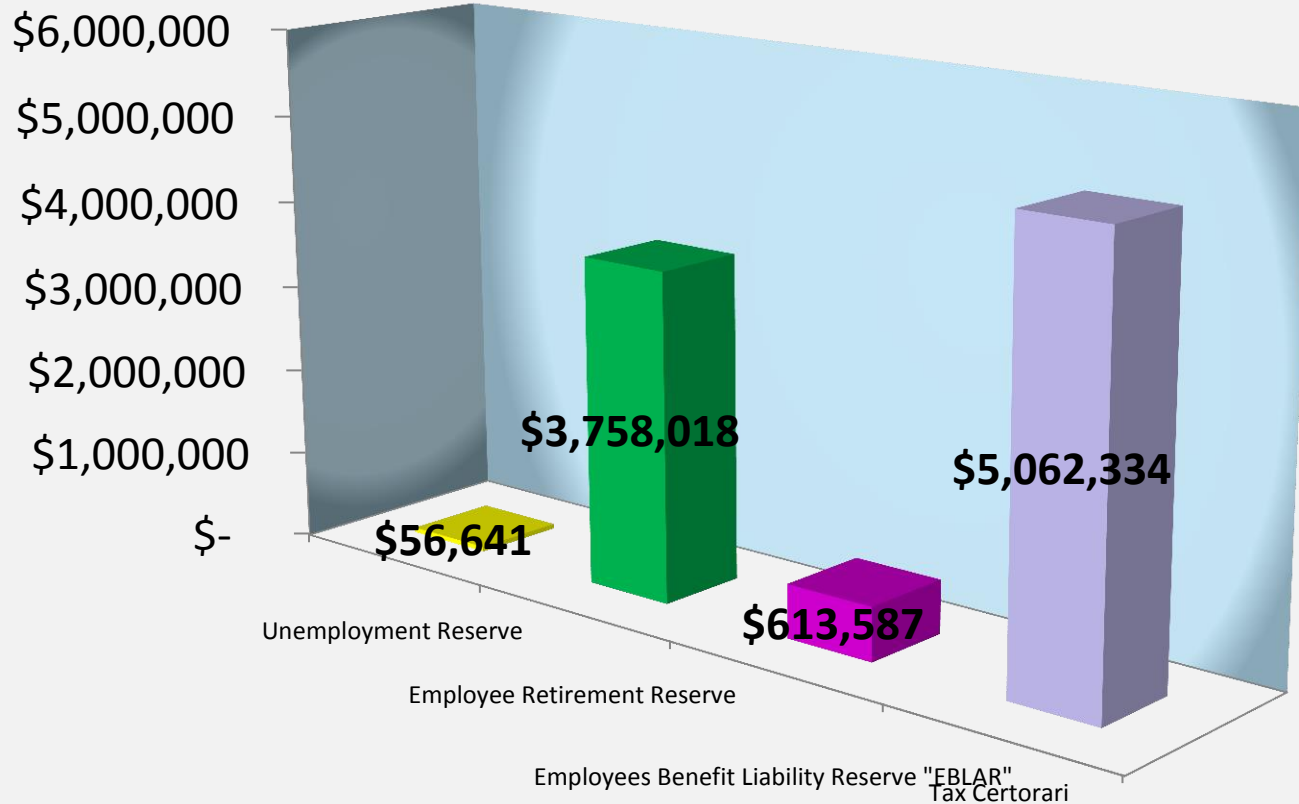
Tax Cap 2019-20

Calculating the Tax Levy Limit & Maximum Allowable Tax Levy for Peekskill CSD School District 2018-19			
Prior Year Tax Levy		\$40,703,164	
Multiplied times the Estimated Tax Base Growth Factor	X	1.0051	
		\$40,910,750	
Add Prior Year Pilot Payments	+	\$3,668,915	
		\$44,579,665	
Subtract Prior Year Capital, Debt & Court Order Exemptions:			
Court Order Judgements Exceeding 5% of Total Tax Levy	-	\$0	
Capital Local, Debt and Lease Expenditures (minus building aid)	-	\$1,598,154	
Resulting Adjusted Prior Year Tax Levy		\$42,981,511	
Multiplied by Allowable Levy Growth Factor (CPI or 2%)	X	1.0200	2% Rate of Inflation
		\$43,841,141.01	
Minus Anticipated Coming Year Pilot Payments	-	-\$3,779,446	
		\$40,061,695	
Estimated Resulting Tax Levy Limit Reportable to Comptroller		\$40,061,695	
Plus Coming School Year Exemptions:			
Court Order Judgements Exceeding 5% of Total Tax Levy	+	\$0	
Est. Capital Local, Debt and Lease Expenditures (minus bldg. aid)	+	\$1,913,586	
Estimated Maximum Allowable Tax Levy		\$41,975,281	3.13% \$1,272,117

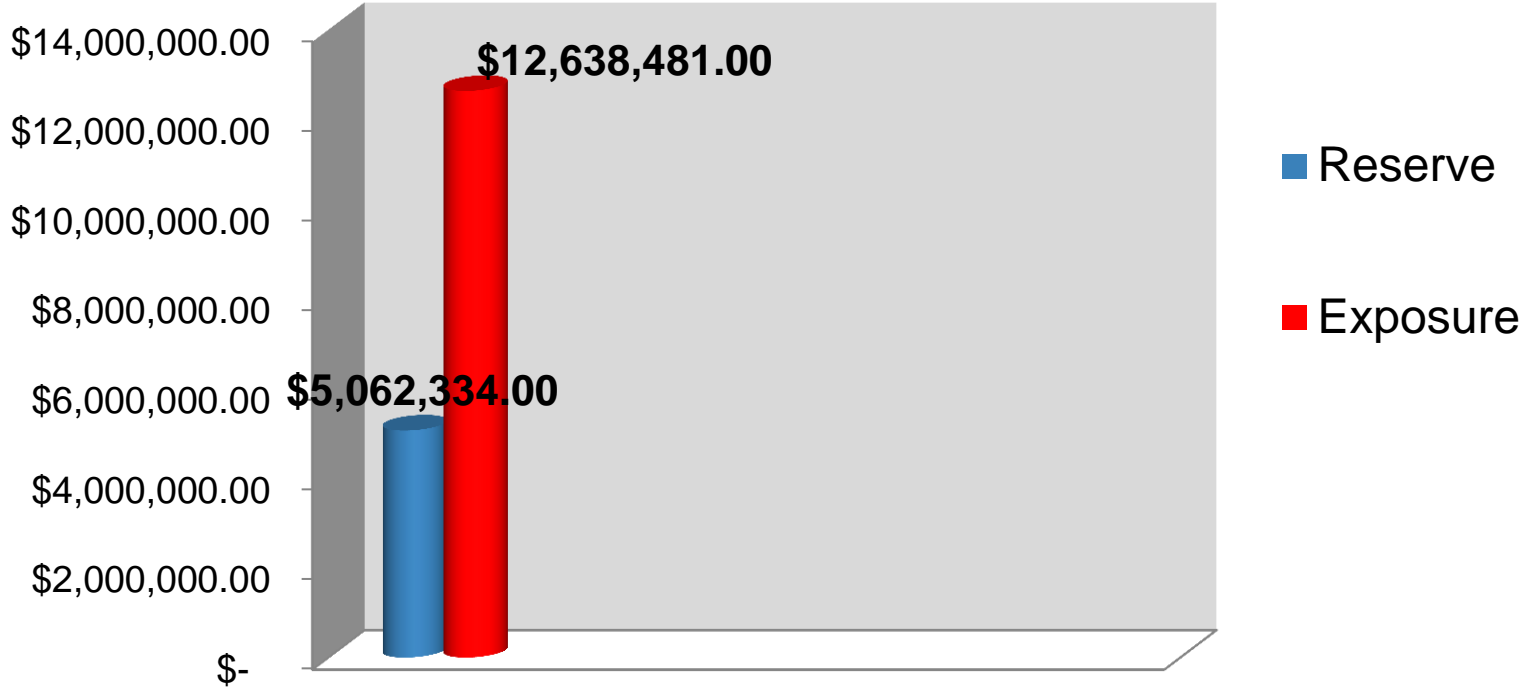
Tax Cap/Levy Increase



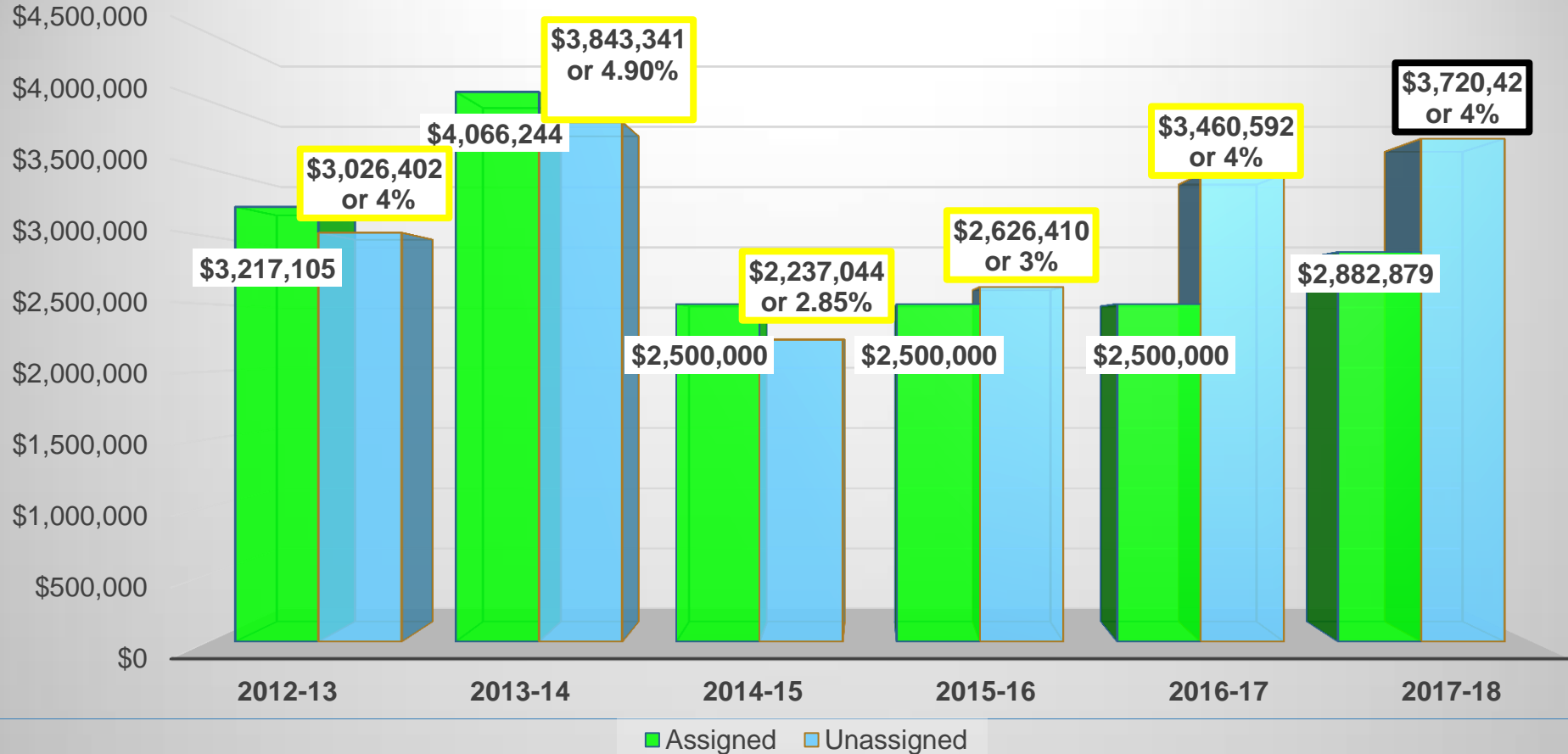
Reserves



Tax Certiorari Reserve



Assigned and Unassigned Fund Balance



State Aid

CATEGORY	Legislative Budget						Governor's Proposal			Legislative Budget	
	3/30/2018						1/15/2019				
			Final								
	18-19	18-19	Inc over Gov	Increase \$	Increase %	18-19 Output	19-20	Increase \$	Increase %	19-20	
FOUNDATION AID	\$ 30,365,832.00	29,904,732	461,100	\$ 1,130,569.00	3.87%	\$ 30,370,187.00	31,023,489	\$ 653,302.00	2.15%	\$ -	
UNIVERSAL PRE K/PRIORITY P	\$ 764,610.00	764,610	0	\$ -	0.00%	\$ 764,610.00	764,610	\$ -	0.00%	\$ -	
PUBLIC HIGH EXCESS COST	\$ 1,992,515.00	2,026,967	(34,452)	\$ 152,378.00	8.28%	\$ 2,061,894.00	1,966,549	\$ (95,345.00)	-4.62%	\$ -	
PRIVATE EXCESS COST	\$ 671,016.00	637,022	33,994	\$ 23,024.00	3.55%	\$ 451,737.00	672,839	\$ 221,102.00	48.94%	\$ -	
HIGH TAX AID	\$ 613,877.00	613,877	0	\$ -	0.00%	\$ 613,877.00	613,877	\$ -	0.00%	\$ -	
BOCES + SPEC SERV	\$ 1,690,020.00	1,740,961	(50,941)	\$ 90,029.00	5.63%	\$ 1,748,579.00	1,931,709	\$ 183,130.00	10.47%	\$ -	
HARDWARE & TECH	\$ 57,678.00	58,747	(1,069)	\$ 564.00	0.99%	\$ 57,526.00	62,290	\$ 4,764.00	8.28%	\$ -	
SW, LIBRARY, TEXTBOOK	\$ 288,348.00	292,831	(4,483)	\$ (1,975.00)	-0.68%	\$ 289,905.00	303,476	\$ 13,571.00	4.68%	\$ -	
TRANS INCL SUMMER	\$ 2,516,360.00	2,516,360	0	\$ 160,537.00	6.81%	\$ 2,330,121.00	2,425,425	\$ 95,304.00	4.09%	\$ -	
								\$ -		\$ -	
FY BUILDING AID REGULAR	\$ 4,083,168.00	4,078,838	4,330	\$ 44,390.00	1.10%	\$ 4,097,576.00	4,110,498	\$ 12,922.00	0.32%	\$ -	
TOTAL	43,043,424	42,634,945	408,479	\$ 1,599,516.00	3.86%	42,786,012	43,874,762	\$ 1,088,750.00	2.54%	0	
BACK OUT UPK/PPK	\$ (764,610.00)	\$ (764,610.00)	0	\$ -	0.00%	\$ (764,610.00)	\$ (764,610.00)	\$ -	0.00%	\$ -	
COMMUNITY SCHOOS SETASIDE						\$ (579,770.00)	(760,318)	\$ (180,548.00)	31.14%		
	42,278,814	41,870,335	408,479	\$ 1,599,516.00	3.78%	42,021,402	43,110,152	\$ 1,088,750.00	2.59%	0	
				3.78%				2.59%			

Foundation Aid History, 2007-08 through 2018-19

661500  ENTER 6- DIGIT BEDS CODE HERE (Don't know it? Click on the "BEDS Code List" tab)

School District: Peekskill

County: Westchester

Enacted State
Budget/School
Year

	Formula Base	Current Year Aid	Full Phase-in Level	
2007-08	\$23,167,570 ⁽¹⁾	\$23,862,597	\$26,075,100	
			\$2,212,503	\$2,212,503
2008-09	\$23,236,428 ⁽¹⁾	\$24,651,525	\$20,354,969	
			(\$4,296,556)	(\$4,296,556)
2009-10	\$23,251,077 ⁽¹⁾	\$24,667,067	\$24,800,866	
			\$133,799	\$133,799
2010-11	\$23,251,077 ⁽¹⁾	\$24,667,067	\$24,338,023	
			(\$329,044)	(\$329,044)
2011-12	\$24,667,067 ⁽²⁾	\$24,667,067	\$22,826,706	
			(\$1,840,361)	(\$1,840,361)
2012-13	\$24,667,067 ⁽³⁾	\$24,815,069	\$23,226,676	
			(\$1,588,393)	(\$1,588,393)
2013-14	\$24,815,069 ⁽⁴⁾	\$24,889,514	\$28,832,088	
			\$3,942,574	\$3,942,574
2014-15	\$24,889,514 ⁽⁵⁾	\$25,413,136	\$37,038,522	
			\$11,625,386	\$11,625,386
2015-16	\$25,416,214 ⁽⁶⁾	\$26,045,299	\$38,657,342	
			\$12,612,043	\$12,612,043
2016-17	\$26,029,131 ⁽⁷⁾	\$27,653,766	\$37,821,795	
			\$10,168,029	\$10,168,029
2017-18	\$27,660,851 ⁽⁸⁾	\$29,224,689	\$42,459,409	
			\$13,234,720	\$13,234,720
2018-19	\$29,235,263 ⁽⁹⁾	\$30,365,832	\$42,417,093	
			\$12,051,261	\$12,051,261
2019-20	\$30,370,187	\$31,023,489	\$46,323,890	
			\$15,300,401	\$15,300,401

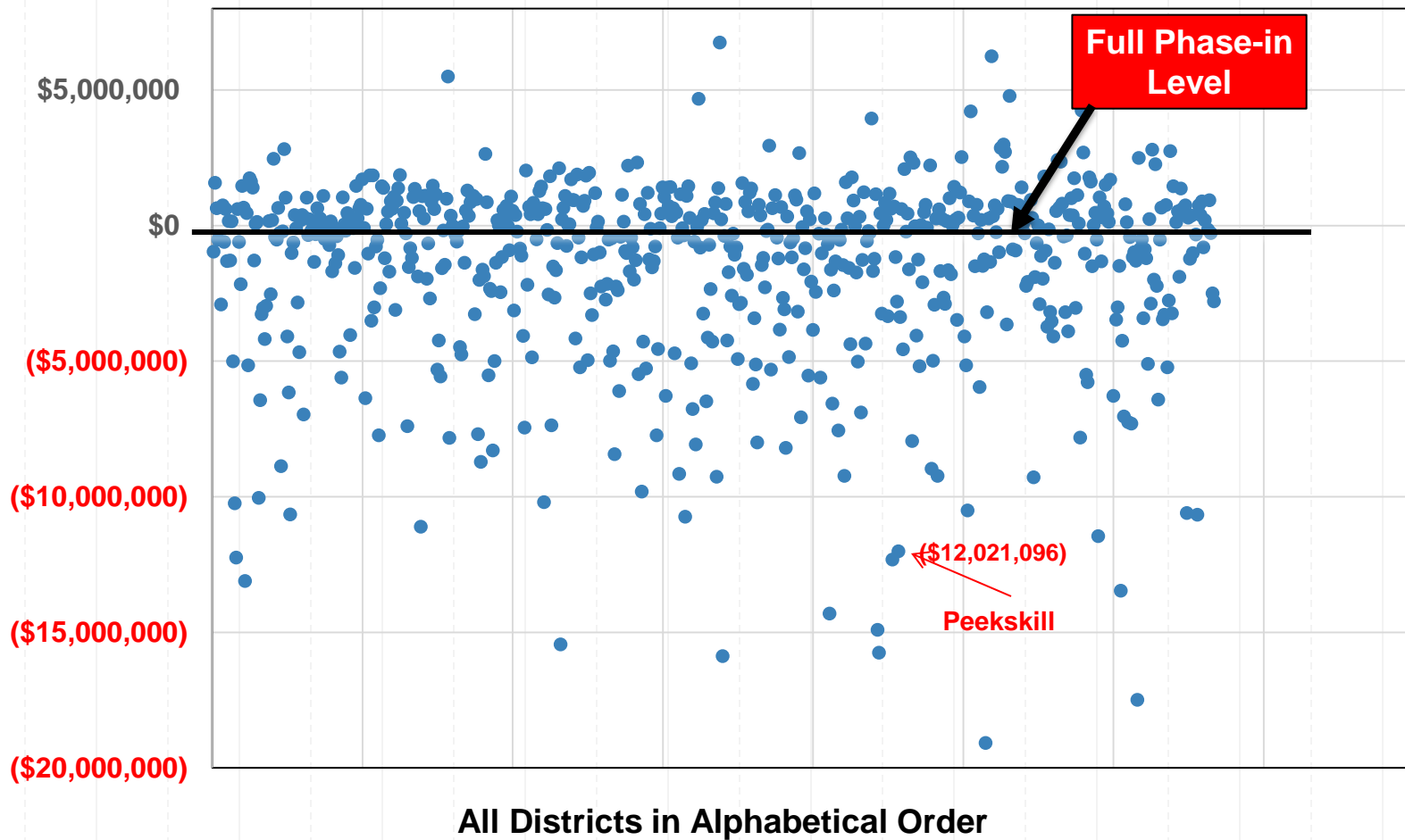
See 'Notes' tab for instructions

State Aid & Financial Planning Service – Questar III BOCES

10 Empire State Boulevard • Castleton, NY 12033 • Phone: 518.477.2635 • Fax: 518.477.4284
<http://sap.questar.org> • Twitter: QIIISAP

\$73,226,362

2018-19 Foundation Aid Difference between Actual Foundation Aid Payable and Full Phase-in by District (Within Ranges)



Budget Gap

Category	2018-19	\$ Inc/Dec	% Inc/Dec	2019-20	\$ Inc/Dec	% Inc/Dec
Budget	\$ 92,988,282	\$ 3,070,796	3.55%	\$ 96,214,045	\$ 3,225,763	3.47%
State Aid	\$ 42,278,814	\$ 2,408,909	6.26%	\$ 43,110,152	\$ 831,338	1.97%
Other Revenue	\$ 7,122,425	\$ 1,334,425	0.00%	\$ 7,122,425	\$ -	0.00%
Reserves	\$ -	\$ -	0.00%	\$ 500,000	\$ 500,000	0.00%
Assigned Fund Balance	\$ 2,882,879	\$ 382,879	15.32%	\$ 2,882,879	\$ -	0.00%
Tax Levy	\$ 40,704,164	\$ 1,691,352	2.00%	\$ 42,598,589	\$ 1,894,425	4.65%
		Tax Levy Limit (Tax Cap)		\$ 41,975,281	\$ 1,271,117	3.12%
		Budget Gap (Over Tax Levy Limit)		\$ (623,308)		

Category	2018-19	\$ Inc/Dec	% Inc/Dec	2019-20	\$ Inc/Dec	% Inc/Dec
Budget	\$ 92,988,282	\$ 3,070,796	3.55%	\$ 96,214,045	\$ 3,225,763	3.47%
State Aid	\$ 42,278,814	\$ 2,408,909	6.26%	\$ 43,110,152	\$ 831,338	1.97%
Other Revenue	\$ 7,122,425	\$ 1,334,425	0.00%	\$ 7,122,425	\$ -	0.00%
Reserves	\$ -	\$ -	0.00%	\$ 500,000	\$ 500,000	0.00%
Assigned Fund Balance	\$ 2,882,879	\$ 382,879	15.32%	\$ 2,882,879	\$ -	0.00%
Tax Levy	\$ 40,704,164	\$ 1,691,352	2.00%	\$ 42,598,589	\$ 1,894,425	4.65%
		Tax Levy Limit (Tax Cap)		\$ 41,518,247	\$ 814,083	2.00%
		Budget Gap (Over Tax Levy Limit)		\$ (1,080,342)		

BUDGET TO BUDGET COMPARISON

ACCOUNT GROUP	2018-19 BUDGET	2019-20 NEW BUDGET	INC/DEC \$	INC/DEC%
1010....BOARD OF EDUCATION	\$18,550.00	\$22,200.00	\$3,650.00	20%
1040....DISTRICT CLERK	\$17,088.00	\$17,088.00	\$0.00	0%
1060....DISTRICT MEETING	\$17,025.00	\$17,025.00	\$0.00	0%
1240....OFFICE OF THE SUPERINTENDE	\$423,508.48	\$433,293.46	\$9,784.98	2%
1310....BUSINESS ADMINISTRATION	\$465,378.07	\$552,175.90	\$86,797.83	19%
1320....AUDITING	\$71,980.00	\$60,000.00	(\$11,980.00)	-17%
1325....TREASURER	\$69,199.36	\$79,227.91	\$10,028.55	14%
1380....FISCAL AGENT FEE	\$26,530.00	\$26,530.00	\$0.00	0%
1420....LEGAL	\$347,900.00	\$310,900.00	(\$37,000.00)	-11%
1430....PERSONNEL	\$408,357.30	\$441,920.82	\$33,563.52	8%
1480....PUBLIC INFORMATION & SERVI	\$177,041.83	\$186,992.30	\$9,950.47	6%
1620....OPERATION OF PLANT	\$3,206,744.00	\$3,279,283.00	\$72,539.00	2%
1621....MAINTENANCE OF PLANT	\$1,483,097.00	\$1,521,597.00	\$38,500.00	3%
1680....CENTRAL DATA PROCESSING	\$50,072.00	\$50,072.00	\$0.00	0%
1910....UNALLOCATED INSURANCE	\$368,410.00	\$386,605.40	\$18,195.40	5%
1920....SCHOOL ASSOCIATION DUES	\$30,090.00	\$30,090.00	\$0.00	0%
1950....ASSESSMENTS ON SCHOOL PRO	\$49,500.00	\$55,000.00	\$5,500.00	11%
1964....REFUND ON REAL PROPERTY TA	\$50,000.00	\$50,000.00	\$0.00	0%
1981....BOCES ADMINISTRATIVE COST	\$367,150.00	\$384,035.00	\$16,885.00	5%
1983....BOCES CAPITAL EXPENSES	\$24,118.00	\$42,056.00	\$17,938.00	74%
2010....CURRICULUM DEVEL & SUPERV	\$697,614.00	\$734,460.47	\$36,846.47	5%
2020....SUPERVISION-REGULAR SCHOC	\$2,849,345.80	\$3,073,774.51	\$224,428.71	8%
2070....INSERVICE TRAINING-INSTRUC	\$11,500.00	\$11,500.00	\$0.00	0%

BUDGET TO BUDGET COMPARISON				
ACCOUNT GROUP	2018-19 BUDGET	2019-20 NEW BUDGET	INC/DEC \$	INC/DEC%
2070....INSERVICE TRAINING-INSTRUCTION	\$11,500.00	\$11,500.00	\$0.00	0%
2110....TEACHING-REGULAR SCHOOL	\$26,988,208.81	\$28,190,380.02	\$1,202,171.21	4%
2250....PROGRAMS-STUDENTS W/ DISABIL	\$14,722,985.73	\$15,249,958.24	\$526,972.51	4%
2280....OCCUPATIONAL EDUCATION	\$1,690,749.00	\$1,619,154.60	(\$71,594.40)	-4%
2610....SCHOOL LIBRARY & AUDIOVISUAL	\$477,701.00	\$447,871.00	(\$29,830.00)	-6%
2630....COMPUTER ASSISTED INSTRUCTION	\$2,238,221.65	\$2,267,819.87	\$29,598.22	1%
2805....ATTENDANCE-REGULAR SCHOOL	\$25,959.00	\$29,156.50	\$3,197.50	12%
2810....GUIDANCE-REGULAR SCHOOL	\$1,231,361.50	\$1,237,968.00	\$6,606.50	1%
2815....HEALTH SERVICES-REGULAR SCHOOL	\$744,392.00	\$754,173.00	\$9,781.00	1%
2820....PSYCHOLOGICAL SRVC-REG SCHOOL	\$962,077.56	\$694,724.00	(\$267,353.56)	-28%
2825....SOCIAL WORK SRVC-REG SCHOOL	\$551,062.00	\$534,880.00	(\$16,182.00)	-3%
2830....AFTER SCHOOL ACTIVITIES PROG.	\$1,431.00	\$1,431.00	\$0.00	0%
2850....CO-CURRICULAR ACTIV-REG SCHL	\$166,223.00	\$166,223.00	\$0.00	0%
2855....INTERSCHOL ATHLETICS-REG SCHL	\$827,970.01	\$822,964.01	(\$5,006.00)	-1%
5510....DISTRICT TRANSPORT	\$256,796.00	\$264,600.00	\$7,804.00	3%
5540....CONTRACT TRANSPORT	\$3,835,564.15	\$4,629,775.60	\$794,211.45	21%
9010....STATE RETIREMENT	\$1,152,844.00	\$934,735.00	(\$218,109.00)	-19%
9020....TEACHERS' RETIREMENT	\$4,175,000.00	\$4,024,516.00	(\$150,484.00)	-4%
9030....SOCIAL SECURITY	\$3,381,329.91	\$3,472,484.00	\$91,154.09	3%
9040....WORKERS' COMPENSATION	\$447,283.00	\$475,416.00	\$28,133.00	6%
9045....LIFE INSURANCE	\$10,404.00	\$10,404.00	\$0.00	0%
9050....UNEMPLOYMENT INSURANCE	\$152,156.23	\$152,156.23	\$0.00	0%
9060....HOSPITAL, MEDICAL & DENTAL INS	\$10,943,936.00	\$11,482,396.00	\$538,460.00	5%
9070....UNION WELFARE BENEFITS	\$547,834.61	\$547,834.61	\$0.00	0%
9901....TRANSFER TO SPECIAL AID	\$5,976,593.00	\$5,987,218.00	\$10,625.00	0%
9950....INTERFUND TRANSFERS	\$250,000.00	\$450,000.00	\$200,000.00	80%
GRAND TOTALS	\$92,988,282.00	\$96,214,065.45	\$3,225,783.45	3.47%

Future Budget Meeting Dates

February 12th - Budget Workshop #3

- Superintendent's Budget Overview
- Operations & Maintenance and Transportation
- Technology

February 28th - Quarterly Conversation with the Superintendent

March 19th - Budget Workshop #4

- Revised Budget "B"
- Curriculum & Instruction
- Special Education