

Peekskill City School District

Educational Plan and Budget

2015-2016

Budget Workshop # 2

December 16, 2014

Budget Workshop # 1: Goals

- **Review Budget Highlights**
 - Budget facts and proposed expenditures
 - Considerations: Program and Operational needs
- **Review Revenue Resources**
 - Property Tax Cap
 - State Aid
 - Review District Fund Balance and Reserves
- **Review Enrollment/Staffing**

The purpose of this budget presentation is to provide the Board of Education with information that outlines our current Educational Plan in the context of the following parameters:

- 1. First draft of the budget is based on offering the same level of programs and staffing that we have today**
- 2. Expense side increases are based on best estimates and assumption “scenarios”**
- 3. Revenue projections based on conservative state aid estimates and other revenue sources**
- 4. Overview of Fund Balance and various reserves**
- 5. Applying the Property Tax Levy Cap in order to ascertain potential impact of the law and the ability to raise taxes to support District programs.**

Budget - Draft #1

Approved 14-15 Budget	\$79,860,305
Proposed Budget	\$82,137,779
Budget to Budget dollar increase	\$2,277,474
Budget to Budget percent increase	2.85%

- **What budget assumptions are incorporated in the 2014-2015 preliminary budget?**

Assumptions:

- **No program or staffing cuts**
- **State aid - Increase of 1.24%**
- **Other revenues - reduction - 1.69%**
- **Assigned Fund Balance - reduction - 0%**
- **TRS Rate - applied rate of 13.50 % Budget increase of \$70,994 or 1.5%**
- **ERS Rate - applied rate of 21.00% Budget increase of \$46,945 or 3.7%**
- **Health Insurance - Rate Increase of 1.5% Budget increase of \$264,065 or 3%**
- **BOCES Reduction of -\$212,389 or -2%**
- **Supplies material – increase of 3% or \$25,344**
- **Equipment - reduction of \$996 or 1%**

14 -15 Budget Facts-Planning for 15-16

Area	Amount
14-15 Approved Budget	\$79,860,305
1 % Budget Increase =	\$ 798,603
14-15 Approved Tax Levy	\$38,016,983
1% Tax Levy increase =	\$ 380,170

Property Tax Levy Impact

What will be the impact of the Property Tax Levy Cap on the 2015-16 rollover budget?

1. Background:

- a. The Property Tax Levy Cap was established under Chapter 97 of the Laws of 2011. It establishes a tax levy limit on all public municipalities and school districts (except the big five cities). The Property Tax Levy Cap legislation in effect to 2016-17.

2. General Regulations:

- a. School district may not adopt a budget that results in a tax levy that exceed the prior year's tax levy by more than 2% or the rate of inflation, whichever is less.
- b. The rate of inflation is the consumer price index.
- c. Schools can override the property tax cap which requires a super majority, 60% voter approval to pass.

Property Tax Levy Impact – cont'd

3. What if the Budget is defeated?

- a. The Board of Education can adopt a contingency budget with a tax levy increase less than or equal to that of the prior year, which means that there must be a 0% tax levy increase.
- b. The Board can prepare a second vote, however, if the voters do not approve the budget, the Board must adopt a budget with a 0% tax levy and contingency restrictions would apply, such as the administrative cap and the removal of non-contingent expenses.

4. What additional factors are calculated in the Property Tax Levy Cap?

- 1. The levy can exceed 2% based on allowable exclusions:
 - a. Pension contribution due to the increased contribution rate over 2 percentage points
 - b. Local portion of capital expenses
 - c. Adjustment on tax base growth
 - d. Payment in lieu of taxes (PILOTS)
 - e. Court Orders/Judgments- arising out of tort actions for any amount that exceeds 5% of total tax levied in prior year
- 2. How will the Property Tax Levy Cap be enforced?
 - a. School districts must report data to OSC, SED, and Tax & Finance by March 1, 2015
 - b. The Office of the State Comptroller will calculate tax Levy limit

What is the Essential Impact of the Property Tax Limit Resolution?

- Limits the amount of tax levy that can be proposed for the vote.
- Districts across the state are now facing “constructing” a plan based on what they can levy and not on what they might need.
- However, “backing” into a budget will compel districts to examine and reevaluate their needs, including the impact of unfunded mandates.

Calculating the Tax Levy Limit & Maximum Allowable Tax Levy for Peekskill CSD School District 2015-16			
Prior Year Tax Levy		\$38,016,983	
Multipled times the Estimated Tax Base Growth Factor	X	1.0013	
		\$38,066,405	
Add Prior Year Pilot Payments	+	\$3,376,786	
		\$41,443,191	
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)	-	\$1,034,376	
Resulting Adjusted Prior Year Tax Levy		\$40,408,815	
Multipled by Allowable Levy Growth Factor (CPI or 2%)	X	1.014648	
		\$41,000,723.00	
Minus Anticipated Coming Year Pilot Payments	-	-\$3,376,786	
		\$37,623,937	
Estimated Resulting Tax Levy Limit Reportable to Comptroller		\$37,623,937	
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)	+	\$1,319,186	
ERS Exemption Est.	+	\$0	
TRS Exemption Est.	+	\$0	
Estimated Maximum Allowable Tax Levy		\$38,943,123	2.44%

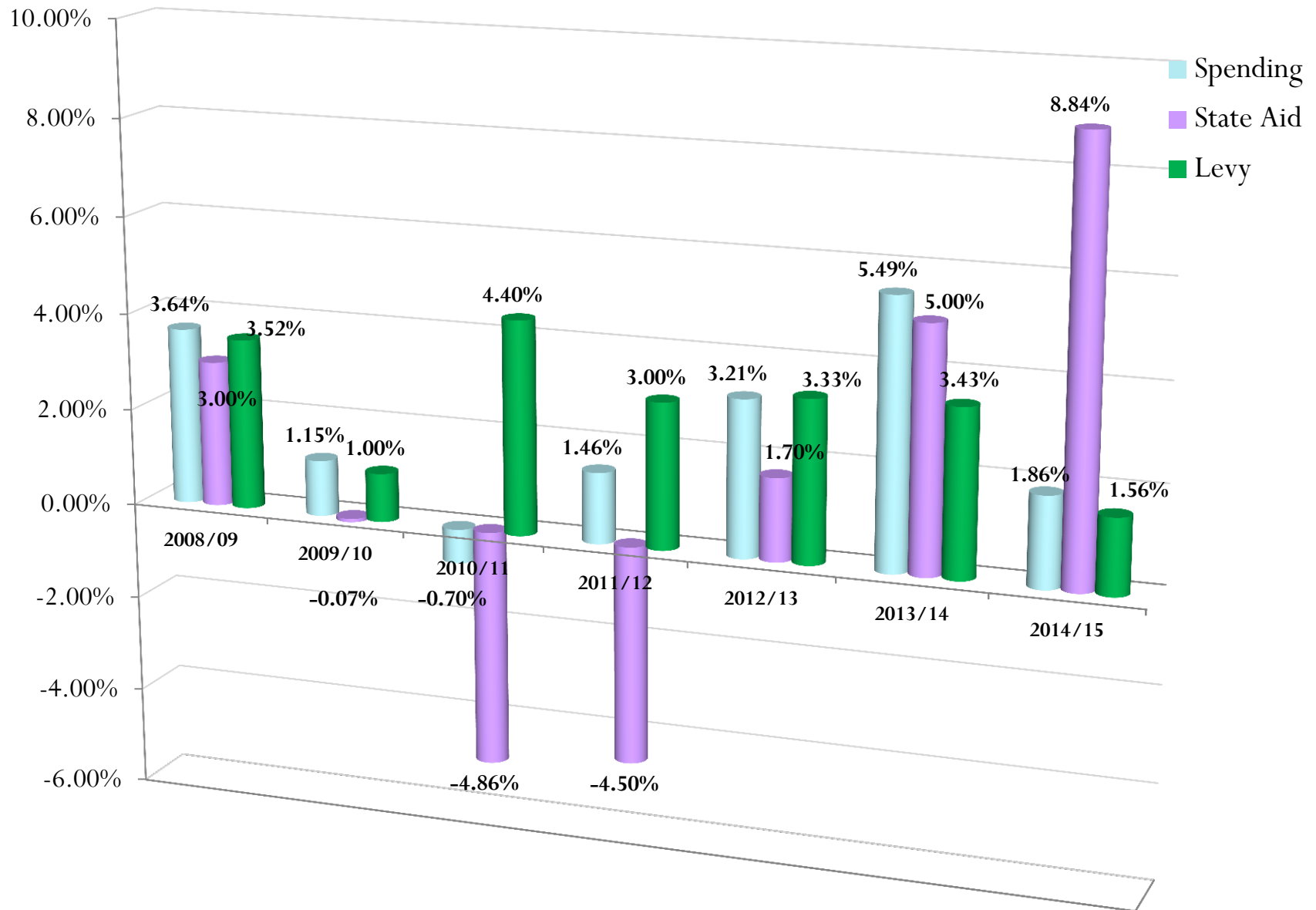
Identifying the Tax Cap Limit/Budget GAP

	2013-14	2014-15	\$ Inc/Dec	% Inc/Dec	2015-16 Budget Workshop#1	\$ Inc/Dec	% Inc/Dec	
Budget	\$ 78,403,666	\$ 79,860,305	\$ 1,456,639	1.86%	\$ 82,137,779	\$ 2,277,474	2.85%	
State Aid	\$ 30,746,249	\$ 33,465,697	\$ 2,719,448	8.84%	\$ 33,880,011	\$ 414,314	1.24%	
Other Revenue	\$ 6,159,887	\$ 5,887,626	\$ (272,261)	-4.42%	\$ 5,788,000	\$ (99,626)	-1.69%	
Reserves	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	
Assigned Fund Balance	\$ 4,066,244	\$ 2,500,000	\$ (1,566,244)	-38.52%	\$ 2,500,000	\$ -	0.00%	
Tax Levy	\$ 37,431,286	\$ 38,016,983	\$ 585,697	1.56%	\$ 39,969,768	\$ 1,952,785	5.14%	
					Tax Levy Limit	\$ 38,943,123	\$ 926,140	2.44%
					Over/Under Tax Levy Limit	\$ (1,026,645)		

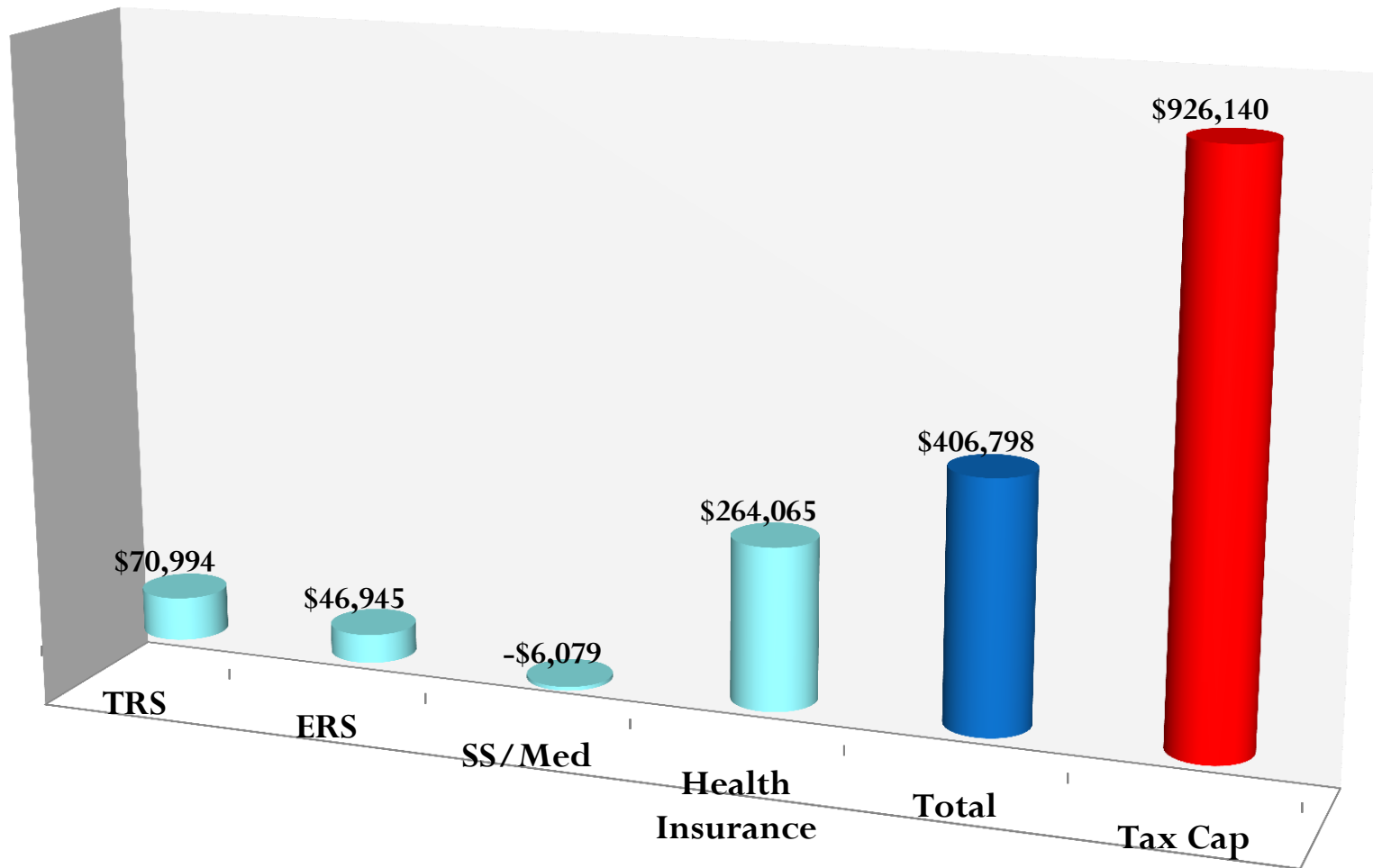
Two Prong Approach to Comply with the Property Tax Cap

- Reduction of Budget Expenditures
- Utilization of Reserves

Peekskill CSD – Levy, Spending and State Aid History



Increase in Employee Benefits Compared to Allowable Increase under the Tax Cap



State Aid and Tax levy as a % of Budget

Category	Budget 2008-09	Budget 2009-10	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14	Draft Budget 2014-15
Spending	\$70,969,571	\$71,788,477	\$70,980,246	\$72,013,090	\$74,325,932	\$78,403,667	\$79,860,305
State Aid	\$32,082,733	\$32,060,563	\$30,100,649	\$28,754,261	\$29,234,914	\$30,746,249	\$33,465,697
State Aid % of Budget	45%	45%	42.4%	40%	39%	39%	42%
Tax Levy	\$32,596,374	32,921,200	\$34,001,633	\$35,020,703	\$36,188,501	\$37,431,286	\$38,016,983
Tax Levy as % of Budget	46%	46%	48%	49%	49%	48%	48%

GAP ELIMINATION ADJUSTMENT “GEA”

5 Year History

BEDS # 661500
School District PEEKSKILL

<i>School Year</i>	<i>GEA</i>	<i>GEA Restoration</i>	<i>Net GEA</i>
2010-11	(3,572,281)	1,212,864	(2,359,417)
2011-12	(4,897,636)	470,204	(4,427,432)
2012-13	(4,427,432)	349,941	(4,077,491)
2013-14	(4,077,491)	690,524	(3,386,967)
2014-15	(3,386,967)	1,324,418	(2,062,549)
<i>Total 5 Year GEA Reduction:</i>			(16,313,856)

Gap Elimination Adjustment

Since the 2009-10 school year, the state has deducted from each school district's state aid allocation an amount now known as the Gap Elimination Adjustment (GEA) to help the state fill its revenue shortfall. The state must stop shifting its costs to local school districts. Districts have been coping with the cumulative impact of five of consecutive years of state aid losses resulting from the GEA. The net impact has been detrimental to students in the form of cuts in personnel, programs and services and the depletion of district reserves.

Fund Balance & Reserve History

	Year End 6/30/2009	Year End 6/30/2010	Year End 6/30/2011	Year End 6/30/2012	Year End 6/30/2013	Year End 6/30/2014
ASSIGNED FUND BALANCE:						
UNEMPLOYMENT INSURANCE RESERVE	\$56,254	\$56,535	\$56,535	\$56,535	\$56,535	\$56,535
RETIREMENT SYSTEM CONTRIB - ERS	\$500,000	\$502,500	\$502,500	\$502,500	\$502,500	\$502,500
TAX CERTIORARI	\$ 1,291,551	\$5,566,589	\$4,785,392	\$0	\$0	\$0
RESERVE FOR REPAIRS	\$ 77,111	\$77,146	\$0	\$0	\$0	\$0
EMPLOYEE BENEFITS RESERVE	\$653,125	\$703,195	\$677,269	\$660,305	\$710,737	\$709,674
ENCUMBRANCES	\$1,347,714	\$1,195,745	\$928,118	\$596,316	\$715,902	\$531,190
ASSIGNED FUND BALANCE	\$2,086,464	\$2,086,464	\$2,801,626	\$3,217,105	\$4,066,244	\$2,500,000
UNASSIGNED FUND BALANCE	\$2,846,704	\$2,839,206	\$2,880,521	\$3,026,402	\$3,843,414	\$2,237,044
TOTAL FUND BALANCE	\$8,858,923	\$13,027,380	\$12,631,961	\$8,059,163	\$9,895,332	\$6,536,943
Unassigned Fund Balance as % of Budget	3.97%	4.00%	4.00%	4.07%	4.90%	2.85%
	\$ 71,788,477	\$ 70,980,246	\$ 72,013,090	\$ 74,325,932	\$ 78,403,667	\$ 78,403,667

Examining Enrollment and FTE

The process of Right Sizing

- Analyze the ratio of building capacity, full time equivalent workforce, and enrollment.
- Build priorities based on student learning needs and what the community values.

Peekskill CSD Enrollment

*Enrollment over time (2010-2014)							PROJECTIONS				
School Year	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Grade	6/18/2010	6/24/2011	6/22/2012	6/21/2013	6/27/2014	11/5/2014					
PRE-K	131	124	145	142	164	153	155	155	155	155	155
K	255	241	234	298	244	297	253	255	255	255	255
1	260	253	230	242	292	236	297	253	255	255	255
2	248	244	242	232	257	286	236	297	253	255	255
3	230	242	249	242	233	258	286	236	297	253	255
4	199	221	245	245	255	236	258	286	236	297	253
5	171	199	220	244	247	262	236	258	286	236	297
UE	7	10	13	12	11	8	8	8	8	8	8
PRE-K to 5	1501	1534	1578	1657	1703	1736	1729	1748	1745	1714	1733
6	194	180	197	216	252	256	262	236	258	286	236
7	189	198	185	202	230	251	256	262	236	258	286
8	197	193	198	184	207	236	251	256	262	236	258
6 to 8	580	571	580	602	689	743	769	754	756	780	780
9	262	277	256	278	210	315	236	251	256	262	236
10	206	213	226	197	253	184	315	236	251	256	262
11	175	155	185	197	161	173	184	315	236	251	256
12	166	206	184	182	221	178	173	184	315	236	251
US	11	12	13	17	28	22	22	22	22	22	22
9 to 12	820	863	864	871	873	872	930	1008	1080	1027	1027
Totals	2901	2968	3022	3130	3265	3351	3428	3510	3581	3521	3540
+/- year to year	0	67	54	108	135	86	77	82	71	(60)	19
ELL Students	452	434	498	543	626	633	651.32	666.9	680.39	668.99	672.6
ELL %	16%	15%	16%	17%	19%	19%	19%	19%	19%	19%	19%
Special Ed. Students	462	503	519	550	547	587	617.04	631.8	644.58	633.78	637.2
Special Ed. %	16%	17%	17%	18%	17%	18%	18%	18%	18%	18%	18%
*information based on Infinite Campus											

K-12 INSTRUCTIONAL/SUPPORT STAFFING

	Uriah	Wood	Oak	Hill	MS	PHS	CAO	TOTALS
ENROLLMENT (November 5, 2014)	153	533	544	506	743	872	0	3351.00
Pre K-6 Elementary	7.00	23.00	21.00	19.00	9.00	0.00	0.00	79.00
Department Chairs	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00
English	0.00	0.00	0.00	0.00	4.00	8.80	0.00	12.80
Theater	0.00	0.00	0.00	0.20	0.20	0.60	0.00	1.00
Foreign Language	0.00	0.00	0.00	0.00	3.40	3.60	0.00	7.00
Math	0.00	0.00	0.00	0.00	5.00	7.80	0.00	12.80
Science	0.00	0.00	0.00	0.00	4.00	11.80	0.00	15.80
Social Studies	0.00	0.00	0.00	0.00	4.40	8.60	0.40	13.40
SPED Self Contained	0.00	2.00	2.00	1.00	1.00	1.00	0.00	7.00
SPED Co-Teach	0.00	2.00	2.00	2.00	5.00	4.00	0.00	15.00
SPED Cons tch/ res room	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
SPED Resource Room	0.00	0.00	0.00	1.00	0.00	1.80	0.00	2.80
SPED Int Co-T/Res Rm	0.00	1.00	0.00	0.00	2.00	0.00	0.00	3.00
SPED PACE	0.00	0.00	0.00	1.00	3.00	3.00	0.00	7.00
Art	0.00	0.90	0.70	0.80	2.00	1.60	0.00	6.00
ESL	0.00	2.50	2.00	1.50	1.40	2.00	0.00	9.40
Health	0.00	0.00	0.00	0.00	1.00	0.10	0.00	1.10
Technology	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Library Media Specialist	0.00	0.00	0.00	1.00	1.00	1.00	0.00	3.00
Music /Chorus/Tech/Band	0.00	0.80	0.80	1.90	2.40	1.60	0.00	7.50
AIS-Reading	0.00	3.00	2.00	2.00	1.00	0.00	0.00	8.00
RTI	0.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00
ISS (Hass's Way)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Phys. Ed	0.00	1.60	1.70	1.40	3.10	3.90	0.00	11.70
Guidance	0.00	0.00	0.00	0.00	2.60	4.00	0.00	6.60
School Psychologist	0.10	0.90	1.00	1.00	2.00	2.00	0.00	7.00
Social Work	0.10	0.90	1.00	1.00	1.00	1.00	0.00	5.00
Speech	0.00	2.60	2.40	1.60	1.00	0.40	0.00	8.00
PT	0.00	0.20	0.20	0.20	0.20	0.20	0.00	1.00
OT	0.00	1.00	0.40	0.20	0.00	0.00	0.00	1.60
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	0.00	6.00
Total Staff	8.20	44.40	39.20	37.80	61.70	70.80	0.40	262.50
Total Pupils per Staff	18.66	12.00	13.88	13.39	12.04	12.32	0.00	12.77
Teaching Assistants								
TA Sp Ed-1.0 = 40 hours	0.00	4.00	3.00	4.00	5.00	6.00	0.00	22.00
TA Reg Ed- 1.0 = 40 hours	0.00	2.00	1.00	1.00	2.00	5.60	0.00	11.60
Total TA Staff	0.00	6.00	4.00	5.00	7.00	11.60	0.00	33.60
Total Teacher Aides	8.00	27.00	7.00	4.00	12.00	6.00	0.00	64.00
Total Staff per Pupil	18.66	10.58	12.59	11.82	10.82	10.58	0.00	11.32

Planning Considerations: 15-16

- Expense Side Reductions/Reallocations:
 - Prioritizing Resources on student learning needs
- Program Response to increases in enrollment and equity
 - Additional Staffing:
 - Literacy/Reading
 - Encore
 - Music
 - .4 Guidance
- Operational needs:
 - Maintaining 500K capital improvement plans
 - Energy Performance Contract
 - Preventive maintenance
 - Technology and Security planning

What's Next?

1. Budget Workshop #3 – January 20, 2015

- Revised Budget B
 - Superintendent presents preliminary Budget “B” to the Board of Education.
 - Summary of major revenues and expenditure components will be examined and discussed, including changes from current operations.
 - Update Budget Gap/Property Tax Cap
 - Capital Project

2. Budget Workshop #4 – February 10, 2015

- Revised Budget C
 - Operations & Maintenance