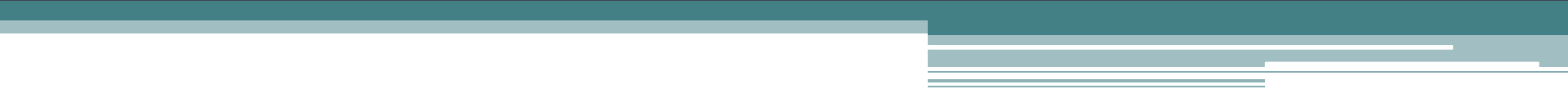


Spackenkill Union Free School District



**2017-2018 Budget Preparation Discussion
December 12, 2016**

Financial Matters – 2016-2017

- **2016-2017 State Aid increased by approximately \$764,158**
- **Tax cap will continue to limit district's resources**
- **Tax cap exclusions will be limited (ERS and TRS)**
- **CPI is anticipated to be restrictive (currently nearing zero)**
- **Federal funding is uncertain**

Spackenkill Budget Overview

■	2015-2016 Total Budget	\$43,434,194
■	2016-2017 Approved Budget	\$44,390,592
■	Budget Increase	\$ 956,398
■	Percentage Budget Increase	2.2%
■	Tax Levy Increase	\$ 267,488
■	Tax Levy Percentage Increase	.947%

Budget Factors

- **A conservative approach will be taken in the estimates for expenses and aid projections (best estimates)**
- **Spending Plan – we are seeking approval to spend up to a certain amount.**
- **We may experience increases in non-homestead valuations due to an increase in commercial property.**

Budget Factors

- **What are the budget assumptions that will guide central office in preparing its preliminary budget?**
- **What are the key elements of the instructional program that this budget will support?**
- **What format will be used to present the budget?**

Budget Format

- **Should the budget be presented in total and reviewed by similar function?**
- **Should the budget be presented by component (i.e. Capital, Administrative and Program)?**
- **We will be prepared to present a rollover budget in January**
- **We will ask the BOE to approve a budget calendar at the next meeting?**
- **What budget areas is the BOE interested in learning more about? We should have presentations in any areas of increase from the prior year?**

2017-2018 Rollover Budget Assumptions

- **Salaries:** Contracts assume current collective bargaining agreements
- **Equipment:** Total funding level same or lower but levels may vary by department
- **Contractual:** No increase in contractual services including utilities
- **BOCES Services:** 3.5% increase in BOCES central services
- **Special Education Tuition:** 6% based on historical increases

2017-2018 Rollover Budget Assumptions

- **Supplies: No increase in funding**
- **Debt Service: ~ same**
- **NYS Teachers' Retirement System (TRS) - 9.50-10.5% of salaries (decrease from 11.72% in 2015-2016)**
- **NYS Employees' Retirement System (ERS)- ~ 15.4% of salaries (weighted average of Tiers 1 - 6)**

FISCAL CONDITION

- **Moody's assigned an Aa2 bond rating to Spackenkill in 2010.**
- **"The rating Aa2 rating is based on the district's well maintained financial operations, low debt levels and a stable tax base."***
- **"Moody's believes the district will maintain its healthy financial position, given strong management practices and a track record of reserves."***
- **Spackenkill has received unqualified external auditor reports in the last five years.**
- **Spackenkill has retained the maximum unappropriated fund balance as allowed by law for the last ten years, currently 4%.**

**Moody's Investor Service*

Moving Forward...

- **Continue to request mandate relief**
- **Seek alternate funding sources – recent grant of \$63,000 for shared service with Town of Poughkeepsie from Dutchess County.**
- **Minimize the negative impact of budget cuts if needed**
- **Continue preventative maintenance**
- **Continue to strategically manage reserves and fund balance**
- **Continue long-range forecasting**
- **Continue to explore cost saving and cost control options**
- **Work with Facilities Committee – identify facilities needs**

Next Steps in Budget Process

- **January 9th** **Budget Discussion**
- **February 6th** **Budget Discussion**
- **February 21st** **Budget Discussion**
- **March 1th** **Budget Discussion/Budget Hearing**
- **March 28th** **Superintendent's Budget Presentation**
- **April 3rd** **Budget Adoption**
- **May 2nd** **Budget Hearing**
- **May 16th** **Budget Vote**

NYS Budget



- STAR Changes –
 - Transition to personal income tax credit for new homeowners.
 - Cuomo – “no change in the amount, only in the claim mechanism” – In reality it moves STAR from an Expenditure item to a Revenue item.
 - Why “the change?” - shift from a direct expense to projected revenue frees up money
 - Currently it’s a 3 billion up front cost each Sept as NYS reimburses school districts.
 - New homeowners – a rebate check each fall for the STAR eligible portion – must claim that money as income the following year.
 - Saves NYS on it’s expenditure side 180 million a year.

Property Tax Relief Credit – June 26, 2015



- Credit against income tax – IF
 - Own property that is STAR eligible
 - Income doesn't exceed \$275,000
 - School district stayed within the tax levy limit.
 - 2016 - Credit \$130 (MCTD) and \$185
 - 2017 sliding scale based upon income and calculated as a percentage of the STAR

	<u>2017</u>	<u>2018</u>	<u>2019</u>
▫ Under \$75,000	28%	60%	85%
▫ 75,000- 150,000	20.5%	42.5%	69%
▫ 150,000- 200,000	13%	25%	35%
▫ 200,000- 275,000	5.5%	7.55%	10%