



North Tonawanda City Schools

Achieving Excellence

2019-20 Budget Study Session

**Board of Education Meeting
January 2, 2019**



The presentation tonight will be the first of several study sessions in the development of the 2019-20 budget.

Meeting Agenda



**Achieving
Excellence**

- I. 2019-20 Budget Review/Update
 - a. Roll over budget (review)
 - b. District overview
 - c. State updates
- II. Debt Service
 - a. Current and future debt
- III. Summary

SECTION I

REVIEW/UPDATES



Major Milestones



**Achieving
Excellence**

- I. January
 - a. BSS # 1 – Roll Over & Debt Service
 - b. Building Level Budget Development
- II. February
 - a. BSS # 2 – Governor’s Proposal Analysis
 - b. Tax Base Growth Factor – est. Levy
- III. March
 - a. BSS # 3 – BOCES, Healthcare, OPEB
 - b. 1st Draft of complete 19-20 Budget
- IV. April
 - a. BSS # 4 – Updates, NYS Adopted, BoE Adoption (tentative)
 - b. Legal Notices and Communication of Budget to the public
- V. May
 - a. Budget Hearing – Newsletter released
 - b. Budget Vote

REVIEW

Budget Builders

- Revenues
- Expenditures
- Mandates
- Fund Balance and Reserves



**Achieving
Excellence**

2019-20 Recommended Budget Goals

- ✓ Stay within the tax cap
- ✓ Allocate resources to support District initiatives and strategic plans
- ✓ Keep pace with Technology
- ✓ Continue to enhance safety and security measures throughout the District
- ✓ Reduce Appropriated Fund Balance amount
- ✓ Additional BOE Directives

Roll-Over Budget

This is the starting point of most school district budgets

- ❖ Answers the question: Based on contractual obligations and other known increases, what will it cost to operate the school district next year with the current staff and program offerings?
- ❖ Next step: From this starting point, staff and program changes, including operational and support items, are projected to mold the budget for the next school year plan.

REVIEW

Financial Benchmark

- **CPI**

- **Tax Levy**



**Achieving
Excellence**

2019-20 Budget Parameters

The proposed 2019-20 budget is projected increase in the range of 2.9%, plus or minus, of the January 2020 consumer price index **levy growth factor:**

CPI – Consumer Price Index: Trending above 2.0%

- ❖ The change in the average annual CPI or 2%, **whichever is less**, is used in the property tax cap calculation as the **Allowable Levy Growth Factor**.
- ❖ Current consumer price index is approximately 2.5%
 - **Approximately \$ 800,000 at 1%**
 - **Approximately \$ 3,200,000 at 4%**

REVIEW

Financial Benchmark

- CPI
- Tax Levy



**Achieving
Excellence**

2019-20 Budget Parameters

The proposed 2019-20 Tax Levy will increase in the range of 0% to 2%:

- Approximately \$ \$300,000 at 1%
- Approximately \$ \$600,000 at 2%

Roll-Over Highlights

Health Premium: increases projected at 4 – 6 % based on continued moderate to high risk of high cost claims (data provided by IH reflects claims through October 2018)

State Aid:– assumption basis 2 % overall increase

- ❖ Foundation Aid and Expense Based Aids (waiting on Gov. Budget)

CPI – Consumer Price Index:

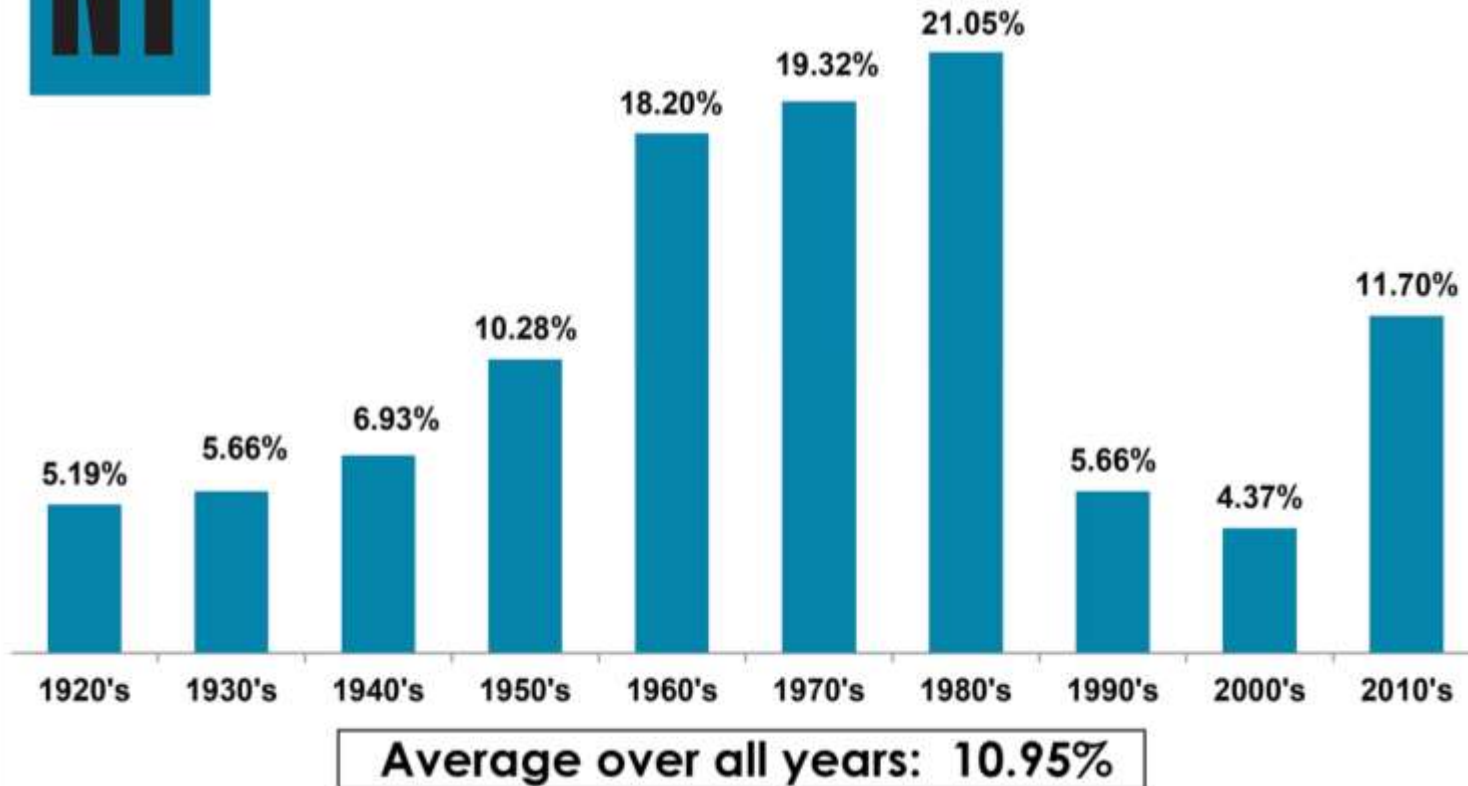
- ❖ The update trend based on 12 month period ending in November - 2.2 %

Allowable Levy Growth Factor likely to be set at 2 %.

Roll-Over Highlights



Average Employer Contribution Rate (ECRs) by Decade



Source: <https://www.nystrs.org/Employers/Employer-Contribution-Rate>

Roll-Over Highlights

TRS and ERS Projections:

❖ TRS est between 8.5 % - 9.5 %, decrease from 10.62 %

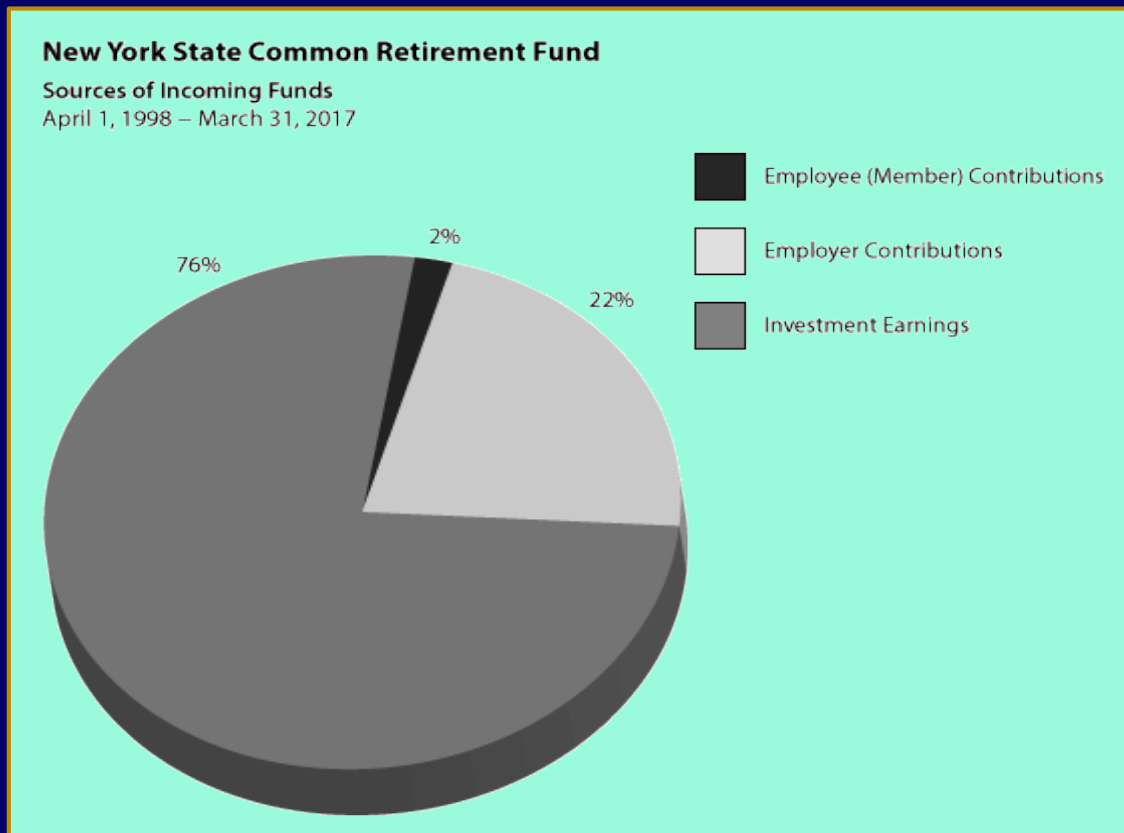
ECR	Applicable to
10.62 %	2018-19 Salaries
9.80 %	2017-18 Salaries
11.72 %	2016-17 Salaries
13.26 %	2015-16 Salaries
17.53 %	2014-15 Salaries
16.25 %	2013-14 Salaries

ACTUARIAL EXPERIENCE AND DATA SUGGESTS THAT MAINTAINING A LEVEL OF APPROXIMATELY 13% IS FISCALLY RESPONSIBLE DUE TO THE FLUXUATION IN THE ECR RELATED TO STOCK MARKET VALUATIONS

Roll-Over Highlights

TRS and ERS Projections:

❖ ERS 16 -17 %, slight increase from 15.9 %



ERS is a blended rate based on tier and type of position in the system.

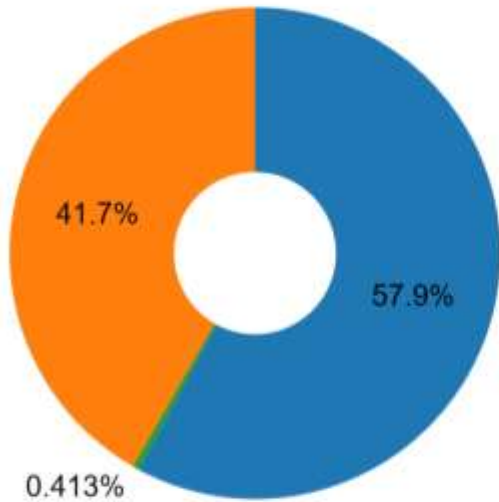
Factors Affecting an Employer's Annual Payment

- Fund Performance
- Number of Employees who are Members
- Higher Salaries

General Fund at a Glance

Historical Revenues

Current Year Revenue by Source



State Local Federal

Revenue History by Source



Local State Federal

State Average Revenues

Local - 58.72%

State - 37.22%

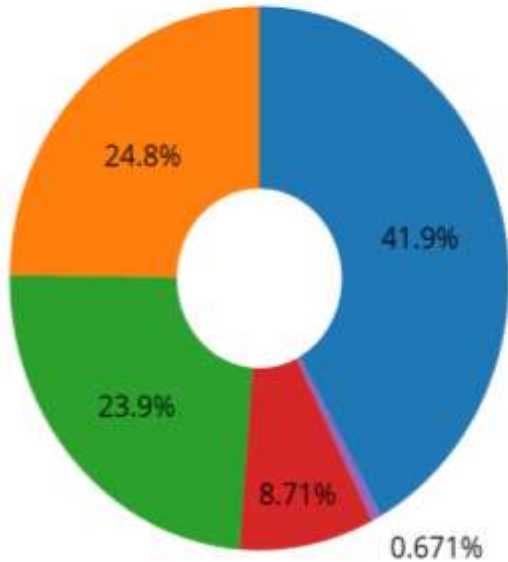
Federal - 4.06%

(Fiscal Year 2017 5Sight Data)

General Fund at a Glance

Historical Expenditures

Current Year Expense by Object



- Salaries
- Contractual, Supplies, Other
- Benefits
- Debt
- Equipment

Expense History by Object



- Salaries
- Equipment
- Debt
- Benefits
- Contractual, Supplies, Other

State Average Expense by Object

- Salaries - 44.75%
- Benefits - 21.00%
- Contractual - 22.53%
- Equipment - 5.68%
- Debt - 6.04%

(Fiscal Year 2017 SSight Data)

SECTION II

DEBT SERVICE SCHEDULES

Districtwide Overview

- Debt Service



**Achieving
Excellence**

	2018-19	2019-20	Final Payment
QZAB Bonds 2016-17.688 million- *	\$1,183,626	\$1,195,000	2031-32
Co-Gen Performance Contract	\$224,786	\$224,786	December 2019
Bond 2015- 19.065 million	\$2,557,100	\$2,549,000	2025-26
Bonds 2014- 9.160 million	\$1,128,600	\$1,112,225	2024-25
BANS-18.787 million (short term) *	\$1,455,769	\$1,859,725	August 2019
Totals	\$6,549,881	\$6,940,736	

* Part off 39.850 PROJECT APPROVED IN 2015

Long Range Facility Planning

FACILITY PLANNING

- ❑ Maintenance Program
- ❑ Capital Outlay
- ❑ SMART Schools Project
- ❑ Capital Projects

HOW DO YOU PAY FOR IT?

- ✓ General Fund Appropriation
- ✓ General Fund Line Item
- ✓ SSBA Reimbursement (BOND)
- ✓ Debt Service (BOND)
- ✓ Capital Reserve

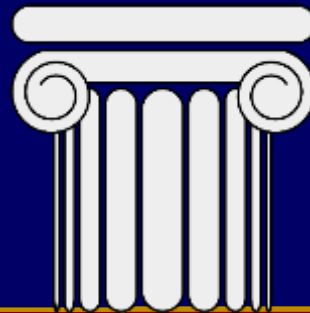
Long Range Facility Planning

Maintenance
Program

Capital
Outlay

SMART
Schools

Capital
Projects



**Building/Technology
Condition Survey**

Foundation of planning as it provides the data on the facilities to set priorities based on rating scale.

SECTION III

SUMMARY AND QUESTIONS

Roll-Over Summary

2018-19 Revenues	\$ 77,887,449	2018-19 Appropriations	\$ 77,887,449
19-20 ASSUMPTION ADJUSTMENTS	\$ 563,317	19-20 ASSUMPTION ADJUSTMENTS	\$ 2,357,620
REVENUE BALANCE	\$ 78,450,766	APPROPRIATION BALANCE	\$ 80,245,069
		BUDGET GAP	\$ 1,794,303
		PERCENTAGE INCREASE	3.03%

Summary

- Look at this as the "Next Gen" Budget with investment focus on
 - Safety and Security
 - Technology Upgrades (facilities)
 - Transportation
 - Instructional Program Resources and Training



Next
GEN

Thank You

