

Levittown Public Schools

Budget Overview



Presentation to the Board of Education

William J. Pastore

Assistant Superintendent for Business

February 28, 2018

Budget Planning Calendar

December, 2017

- District administrators enter proposed budgets into Finance Manager.
- Budget Builders meet with Central Office to discuss proposed budget.
- Salaries are projected and incorporated into the working budget.
- Preliminary health care and retirement costs are projected and incorporated into the working budget.

January, 2018

- Draft of budget submitted to Superintendent for review/comments/changes.
- January 24, 2018 - Present the First Draft of the 2018-2019 budget, along with the Facilities & Operations Budget, Transportation Budget, Estimated Revenues and Preliminary Tax Cap Calculation.

February, 2018

- Continue to review, update and refine the budget.
- February 7, 2018 - Present the Special Education Budget.
- February 28, 2018 - Present Curriculum and Instruction Budget
- Tax Levy Limit Calculations must be uploaded to Comptroller's Office by March 1st.

Budget Planning Calendar

March, 2018

- Continue to update budget, including staffing and benefits.
- March 7, 2018 – Secondary Staffing and Enrollment, Five-Year Projections and Fund Balance Projection.
- March 14, 2018 – PTA Advisory Committee Presentation on the Budget
- March 28, 2018 - Review the Final Budget and the Board adopts Budget.

April, 2018

- Property Tax Report Cards due to State Education department no later than April 23, 2018.
- Budget Statement and required attachments must be made available to public (copies in the schools, public library and district office) in hard copy and on the website on April 24, 2018.

May, 2018

- Budget Hearing – May 2.
- Budget Notice mailed after Budget Hearing and 6 days prior to Budget Vote.
- Budget Vote – May 15.

Board of Education Goals

Create a budget that maintains and supports our current programs while incorporating the 2017-2018 Board of Education Goal of:

As financial and fiscal security is essential to the future well-being of the district and the community, the Board makes as its goal to develop, in conjunction with the District Administration, a sound budget that is within the tax levy limit.

Procedures & Assumptions

- The overall goal is to provide sustainable financing to sustain the educational programs that supports Success For Every Student.
- The budget presented is the first draft, and we continue to work on refining projections in staffing and benefits which represents about 82% of the budget.
- BOCES still needs to issue their program costs for 2018-2019, but estimates are built into the budget.
- Continue to use all available information in order to budget revenues and expenditures, including prior year data.
- Try to use current information to forecast budgets beyond 2018 – 2019. The purpose is to provide planning for sustainable programs moving into the future and temper future impact on the budget and tax levy.

Procedures & Assumptions

- Stay within Tax Levy Limit.
 - At present, the CPI-U which governs the tax levy is 2.13% but capped at 2%.
 - Since the first presentation, the Tax Cap has been adjusted for:
 - An updated Growth Factor from 1.0005 to 1.0035
 - Building aid on the Executive proposal
 - Transportation Aid for bus purchases on the Executive proposal (this is considered “Capital” expenditures for aid purposes).
- State Aid is based on the Governor’s proposal and the final amount is still to be determined.

Levittown Public Schools

Major Components of the Spending Plan Increase by Object 2018-2019 Budget

At Tax Cap		Adopted Budget	Proposed Budget	\$	%
		2017-2018	2018-2019	Change	Change
		210,218,722	215,892,556	5,673,834	2.70%
Account Group					
1000-1999	Salaries	123,060,514	124,349,867	1,289,353	
2000-2999	Equipment	2,182,150	1,350,479	(831,671)	
4000-4499	Contractual Services	13,126,191	13,486,675	360,484	
4600-4699					
4500-4599	Materials & Supplies	3,644,438	3,654,154	9,716	
4500-4599					
4700-4799	Tuition & Training	2,314,200	2,497,433	183,233	
4800-4899	Textbooks	1,287,806	1,123,623	(164,183)	
4900-4999	BOCES Services	9,977,669	11,222,601	1,244,932	
6000-6999	Debt Service - Principal	2,554,122	2,645,139	91,017	
7000-7999	Debt Service - Interest	710,767	620,751	(90,016)	
8000-8999	Employee Benefits	49,913,650	52,539,394	2,625,744	
9000-9999	Interfund Transfers	1,447,215	2,402,440	955,225	

Preliminary Expenditure Budget

- Budget-to-Budget increase of 2.70% includes:
 - All positions currently in the 17-18 budget, subject to change after preliminary scheduling is completed.
 - Staffing implications will be discussed in more detail later in the process.
 - Salaries increased by 1.04%
 - Class sizes remain at the 2017 - 2018 levels.
 - BOCES costs have been reviewed and preliminarily adjusted based on programs and an estimated cost. The current overall BOCES increase is 12.48%.
 - Driven by increases in Special Education, Instruction, State Testing and Computer Instruction
 - Will change as more information is made available from BOCES, and again as the Special Education Department makes placements for students later in the process.
 - Bus purchases & transportation equipment.
 - Bus purchases were reduced by \$722,053 based on analysis of current equipment and utilization. The additional reduction from the January 2018 presentation is a transfer to the Transfer To Capital Code for additional security enhancements.
 - Transportation equipment was reduced because the 2017-2018 budget had one-time allocation for bus cameras and GPS beacons.

Preliminary Expenditure Budget

- Budget-to-Budget increase of 2.70%
 - Employee Benefits increases are driven by increases in Employee Retirement System (ERS), Teacher Retirement System (TRS) and Health Insurance:
 - Increases in TRS (\$ 105,205) and ERS (\$267,736) based on estimated rates. It is important to note that the TRS and ERS rates, and therefore costs to the district, are heavily influenced by the stock market and their returns on investments. The retirement system is also influenced by the assumed earning rates that they determine is appropriate. The TRS assumed earning rates decreased for 2018-2019; therefore, the rates charged to schools, increased by about 1%. The rates are not final and will be reviewed when they are final.
 - Health care is estimated at an \$2,233,796 or 9.35% increase. The increase in the invoice for January 2018 payment was about \$270,000 or 13.25%. Most districts are increasing the health insurance code by about 10%, but our analysis indicates that our current recommendation for next years budget is solid. **The are also increases in the costs for the health insurance incentive, for both the current employees and retirees and the budget has been adjusted based on that information.**

Revenue Budget

- Preliminary information concerning the Property Tax Levy Limit indicates there will likely be a 1.99% increase.
- State Aid likely to be a small to moderate increase. The overriding concern is the Federal Income Tax changes and the impact on residents of New York State. After the State government addresses this issue, we will make the appropriate adjustments to the 2018-2019 budget.

Tax base growth factor, Allowable Levy (CPI-U) Growth Factor and PILOT (Payment in Lieu of Taxes)

2017/2018 Approved Actual Tax Levy		136,270,739
Tax Base Growth Factor		1.0035
	Based on "brick & mortar" improvements within the community that increase the tax roll. It is set by the County.	136,747,687
PILOTs prior year		+ 2,132,120
Capital exclusion prior year		- 740,061
Adjusted Prior Year Tax Levy		138,139,746
Allowable Growth Factor - based on Consumer Price Index (CPI-U) (lesser of 2% or sum of 1 plus inflation factor)		2.000%
Subtotal		140,902,541
Projected PILOTs for next year		- 2,484,254
Allowable Capital Exemption		+ 565,874
Maximum Tax Levy Threshold		138,984,161
Increase in the Tax Levy (staying within the Tax Cap Rules)		\$ 2,713,422 or 1.99%

Capital Expenditure Exclusions

2017-2018		2018-2019	
Debt Service	3,264,889	Debt Service	3,265,890
Capital Outlay	1,080,000	Capital Outlay	10,727,000
Bus Purchases	722,053	Bus Purchases	-
Total Capital Expenditures	5,066,942	Total Capital Expenditures	13,992,890
Other Revenues	100,000	Other Rev - Debt Serv & Cap Res	9,100,000
Building Aid:		Building Aid:	
Executive proposal	4,161,063	Building + Bldg Reorg Incentive	4,108,975
Regular Building Aid	(98,299)	Less: Aid for water testing and Remid.	-
Total Building Aid	4,062,764	Total Building Aid	4,108,975
Transportation Aid:		Transportation Aid:	
Total assumed capital exp aidable	251,713	Total assumed capital exp aidable	326,408
Transportation aid ratio	65.2%	Transportation aid ratio	66.8%
Total Aid	164,117	Total Aid	218,041
Building Aid, Trans. Aid & Reserve	4,326,881	Building Aid, Trans. Aid & Reserve	13,427,016
Capital Exclusion	740,061	Capital Exclusion	565,874

Estimated Revenue - Source Summary

Revised February 28, 2018

2018 - 2019 Estimated Revenue

Property Taxes (1.99%)	\$ 138,984,161
State Aid	\$ 55,703,227
Reserves/Applied Fund Balance	\$ 13,180,183
Local Revenue (including LIPA PILOT)	<u>\$ 8,024,985</u>
Total Revenue Budget	\$ 215,892,556
Total Percent Increase	2.70%

State aid is still not finalized. If we receive something different than the amount stated above, we will adjust reserves.

Recap of Budget Changes

Levittown Public Schools 2018-2019 Draft Proposed Budget		
2017-2018 adopted budget		210,218,722
Roll forward Budget - presented January 24, 2018		
Budget - to - Budget dollar increase		5,912,484
Budget - to - Budget percent increase		2.81%
Budget changes since January 24, 2018		
Changes for February 7, 2018 (second draft)		
Substitute Teachers	A2110.1400	(60,000)
Occupational Education - Teachers Salaries	A2280.1300	(137,000)
(second draft) Total of all changes		(197,000)
New budget amount (second Draft)		
\$ increase over 2017-2018 adopted budget		5,715,484
% increase over 2017-2018 adopted budget		2.72%

Recap of Budget Changes

Levittown Public Schools 2018-2019 Draft Proposed Budget

Budget changes since February 7, 2018

Changes for February 28, 2018 (3rd draft)

BOCES Administrative Costs	A1981.4900	(35,855)
Substitute Teachers	A2110.1400	(140,000)
Health Insurance Incentive - Active Employees	A2110.1910	140,000
Health Insurance Incentive - Retirees	A 9060.8000	53,000
Tuition - Other Districts & Charter Schools	A 2110.4700	20,000
Transportation - School Buses	A 5510.2100	(127,000)
Transfer to Capital Fund	A 9950.9000	127,000
Occ Ed - Contractual	A 2280.4000	(15,250)
Occ Ed - Materials & Supplies	A 2280.4500	(50,850)
Occ Ed - Training & Travel	A 2280.4750	(3,495)
Occ Ed - Textbooks	A 2280.4800	(9,200)

(3rd Draft) Total of all changes		(41,650)
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New budget amount (3rd Draft)		215,892,556
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<i>Third Draft - Dollar Change (+/-)</i>		(41,650)
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\$ increase over 2017-2018 adopted budget		5,673,834
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% increase over 2017-2018 adopted budget		2.70%
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Capital Projects - Planned Initiatives 2018-2019 (From General Fund)

- Camera Upgrades DW
- Security Enhancements DW
- Fire System and Alarm Upgrades
- MacArthur Family and Consumer Science (FACS) Room Renovation
- GC TECH Auto Shop Renovation
- Summit Cafeteria Floor Replacement
- Abbey Lane Cafeteria Ceiling Replacement
- Summit Wall Mats in Gym
- Replace Ceiling in Division Library Hall
- Remove Covers From Hallway Windows at Division Avenue High School
- MacArthur Baseball Field Renovation
- New Baseball Field at Wisdom

Capital Projects - Planned Initiatives 2018-2019 (From Facilities Budget and Approved Capital Reserve)

-  Fence behind Baseball Bleachers at Division & MacArthur
-  Synthetic Turf Replacement at MacArthur
-  Synthetic Turf and Track Replacement at Division
-  New Inclusive Playground at Gardiners (Let All The Children Play)
-  DW Electrical Service Upgrades
-  Northside Cafeteria
-  MacArthur Auditorium Renovation
-  New Bathrooms at MacArthur and Division in Gym Lobbies
-  Basketball Court Summit Lane
-  Air Condition MacArthur Library
-  Traffic Study Improvements
-  Various Site Beautification Work

February 28, 2018 Presentations

Todd Winch will present the budget for
Curriculum and Instruction,
Computer Instruction and Athletics



Questions?