



NAPLES
CENTRAL SCHOOL DISTRICT

2019-2020
School Budget
Presentation & Discussion

April 24, 2019

Mission Statement

The Naples Central School District challenges and supports all students to develop their diverse talents and abilities in a safe environment with rigorous opportunities. Students will graduate with the skills and confidence needed to excel in their chosen pursuits.

2019-2020 School Budget Update

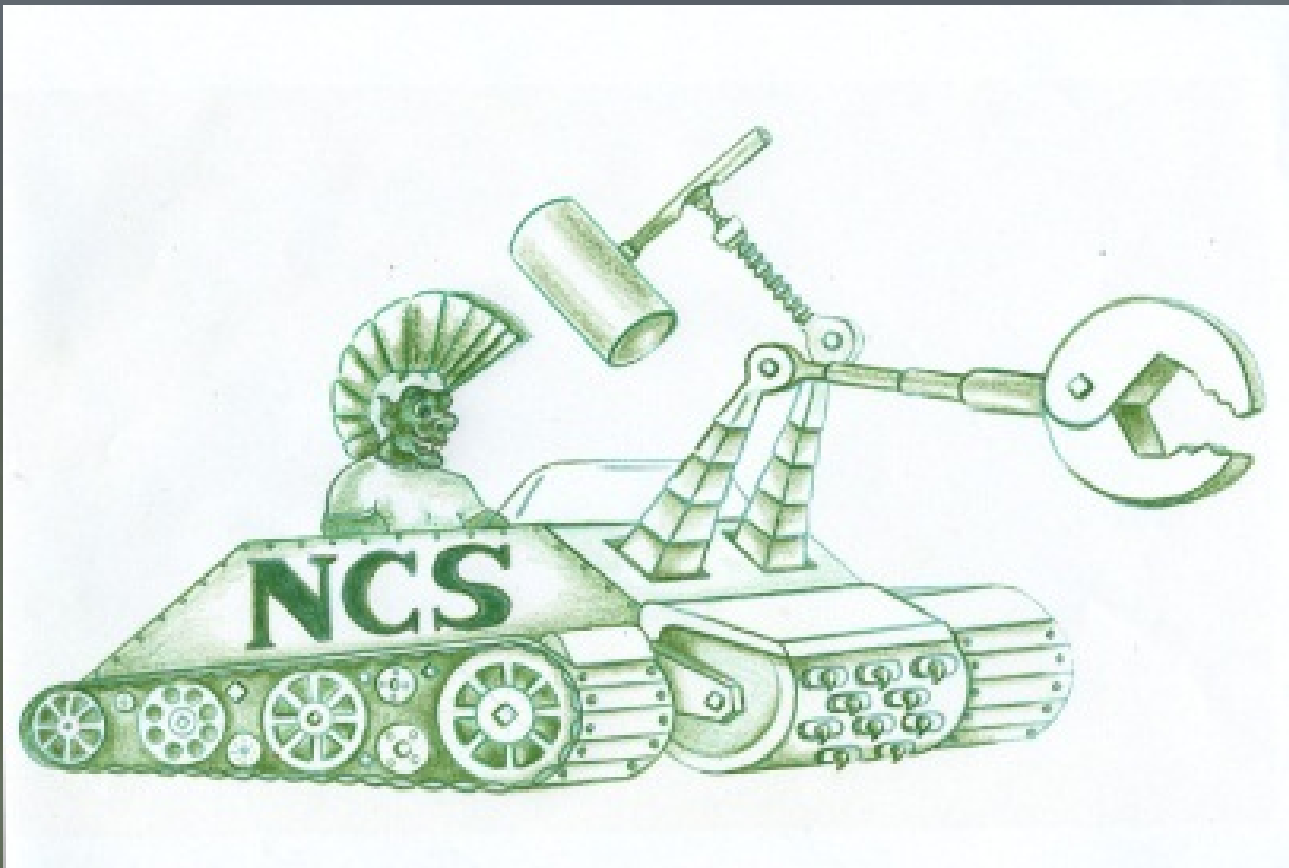
1. Budget Process
2. Revenue Projections
3. Expenditure Proposal
4. Vote Day Information
5. Budget Discussion



Guiding Questions

- Are there items from the presentation that need clarification?
- Does this budget reflect our values and priorities?
- Does this budget demonstrate the prudent use of taxpayer funds?
- Are there additional needs that have not been met in this budget?

1. Budget Process



Budget Process

- Began in December
- Building and Department Level Budgets are complete
- Recommended programmatic changes have been accounted for at this time



2. Revenue Projections



State Aid – Current Status

- State Aid is second largest component that supports our budget at approximately 39%
- State Budget was approved on time (by April 1st)
- Budget proposes \$27 billion total state aid to public education

State Aid – By the numbers

	2018-19 Budgeted Base Year Aid	2019-2020 State Budget	Difference	Percentage (Increase/ Decrease)
Foundation Aid	\$4,838,179	\$4,994,395	\$156,216	3.23%
Excess Cost Aid	\$194,880	\$213,055	\$18,175	9.33%
BOCES Aid	\$473,839	\$482,332	\$8,493	1.79%
Textbook/Computer/Software/Library	\$60,444	\$58,585	(\$1,859)	-3.08%
High Tax Aid	\$258,763	\$258,763	\$0	0.00%
Transportation	\$672,683	\$718,411	\$45,728	6.80%
Building Aid	\$1,285,211	\$1,347,656	\$62,445	4.86%
**TOTAL	\$7,783,999	\$8,073,197	\$289,198	3.72%

Property Tax Levy Limit

- School tax represents the largest support (56%) of the District's budget

- Our wealth ratio impacts this reliance on property taxes

- Capped based on a complex formula that is tied to volatile variables

Property Tax Levy Limit Cont.

- Is not a 2% tax cap
- The District's limit for 19/20 is *estimated to be* 2.99%
- Estimated total increase allowed by the tax levy limit = \$339,158
- A 1% increase in the tax levy raises approximately \$113,476
- ESTIMATED: \$11,686,736



Reserve & Fund Balance Use

Per BOE adopted Reserve and Fund Balance Use Plan:

- Overall reduction of reserves, fund balance, and debt service use of \$200,000.*
- These are exhaustible funds that should not be used to balance a budget (if at all possible) long term.

***Note:** Final 2019-2020 Financial Reserve Plan to be presented in June pending budget vote results.

Reserve Use Per BOE Adopted Plan

	Anticipated 2018/19	Estimated 2019/20
Appropriated Fund Balance	450,000	350,000
Reserves - Retirement	250,000	200,000

***Note:** Plan is subject to change based on final actual 2019-2020 expenditures and final state budget allocations.

Transfer from Debt Service

Anticipate Reduced Reliance on Debt Service Fund:

Reduction of \$50,000 to total
use of \$150,000

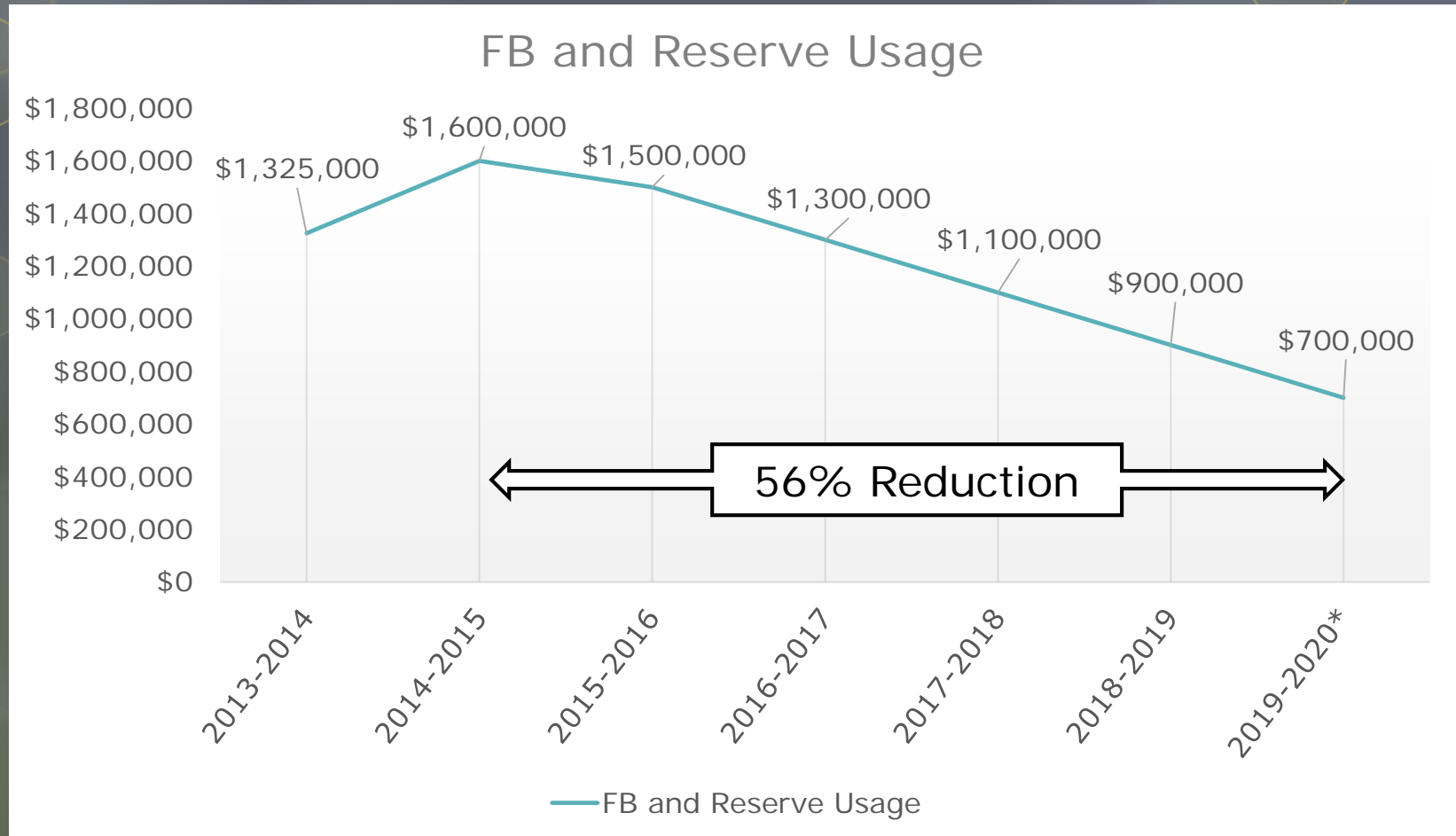
Details: Debt service funds can only be used to offset costs associated with long term borrowing. For Naples CSD, these funds will be used to offset costs for paying down debt on current and prior capital construction projects. Funds are derived from interest earned on borrowings during previous capital projects.

Summary of Revenues

Summary of Revenues & Other Sources of Funding

	2018-2019	2019-2020	Inc (Dec)
	Budget	Proposed Budget	Over Prior Year
Revenues			
State Aid	\$7,783,999	\$8,073,197	289,198
Other Revenue	272,272	239,834	(32,438)
Estimated Tax Levy & STAR Reimbursement	11,347,578	11,686,736	339,158
TOTAL REVENUE	\$ 19,403,849	\$ 19,999,767	\$ 595,918
Other Sources			
Interfund Transfer of Debt Service	200,000	150,000	(50,000)
Appropriated Fund Balance	450,000	350,000	(100,000)
Appropriated Employee Benefit Reserve	-	-	-
Appropriated Retirement Reserve	250,000	200,000	(50,000)
TOTAL OTHER SOURCES	900,000	700,000	(200,000)
TOTAL REVENUE & OTHER SOURCES	\$ 20,303,849	\$ 20,699,767	\$ 395,918

Historical Reserve, Debt Service & Appropriated Fund Balance Use



*Note: Proposed based on final state aid and budget passage

3. Draft Expenditure Projections



Budgetary Program Change Recommendations

Decisions Still Being Fine-tuned, Presently Appropriate to:

- Fund the Family Support Center (FSC)
- Incorporate communications support
- Fund the RISE Program
- Keep a close eye on Elementary School cohort sizes
- Temporarily shift funding for future potential building improvement costs

Replacement Plans

Existing replacement plans increase operational efficiency and reduce budgetary variability

○ Existing Replacement Plans:

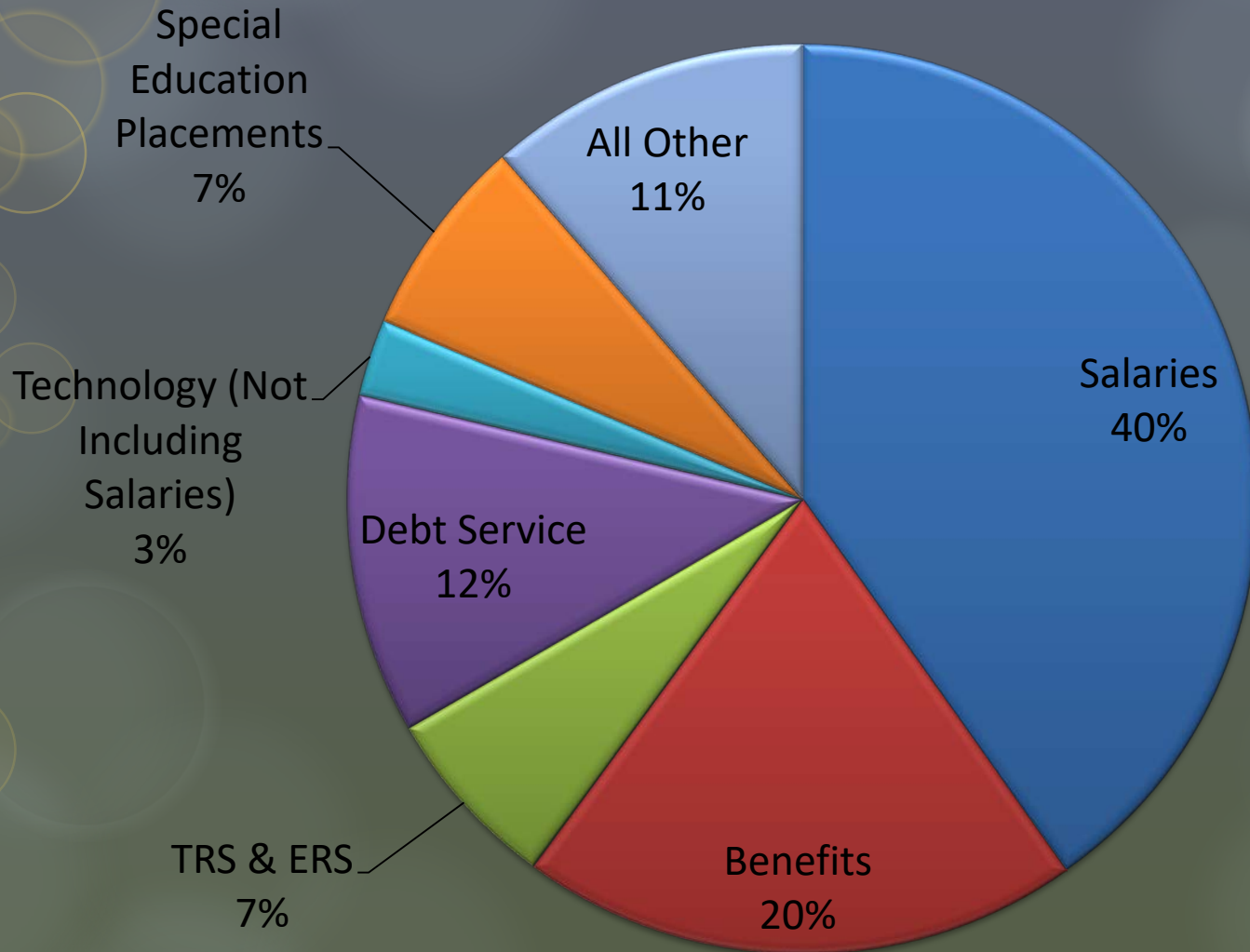
- Buses
- I-Pads/Computer Technology
- Uniforms
- Classroom Furniture
- Maintenance Equipment
- Instrument



2019-2020: Expenditure Updates

- BOCES Special and Occupational Education Cost reduced by approximately \$70,000
- Teacher Retirement System Rate decreased from 10.63% to 9.5% (projected)
- Employee Retirement System Combined Rate increased from 14.9% to 15.0% (projected)
- Health Insurance Contribution rate came in at (approximately) a 1.0% medical plan rate increase
- Zero based budgeting for most other areas

Major Budget Categories

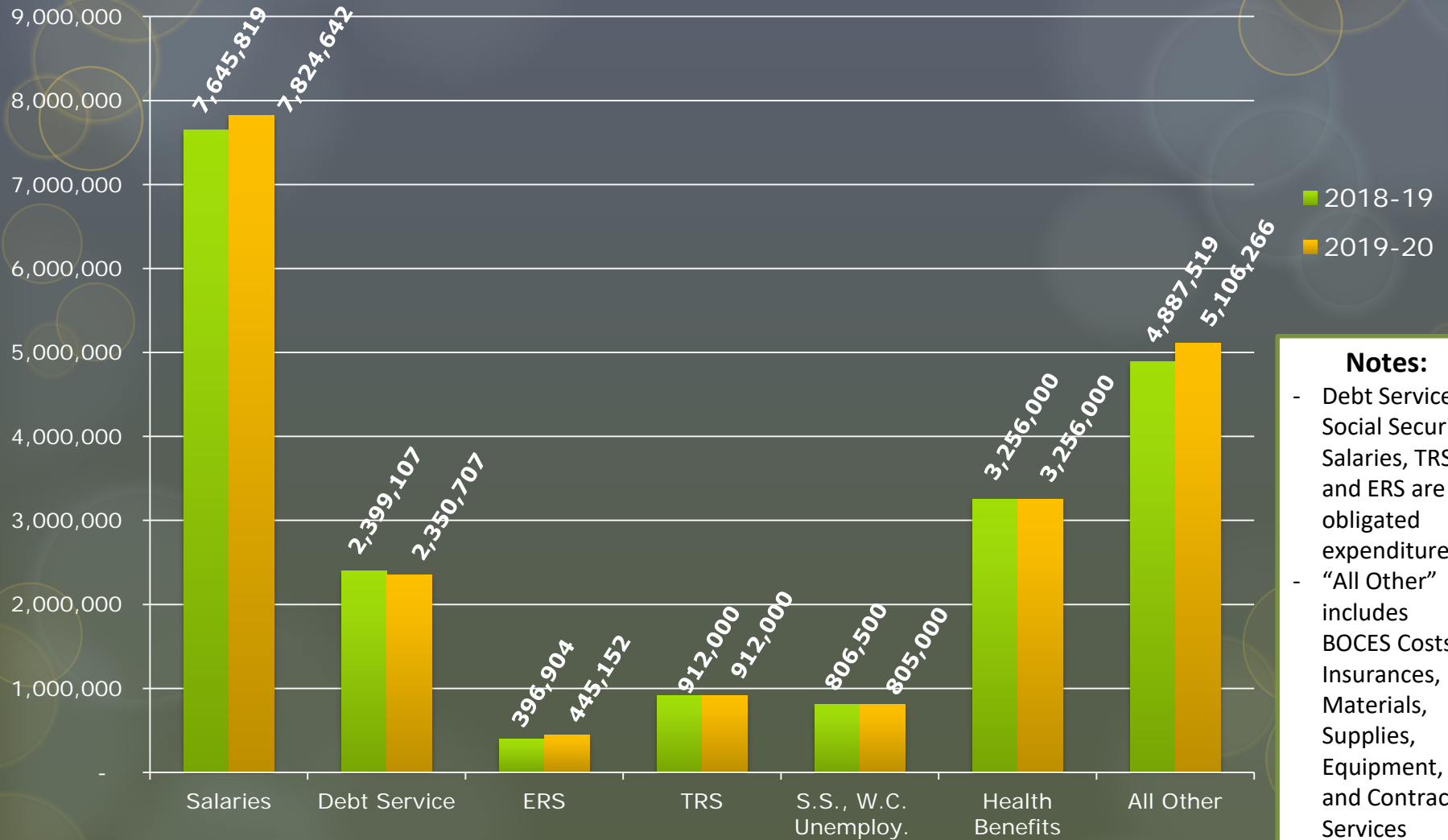


Notes:

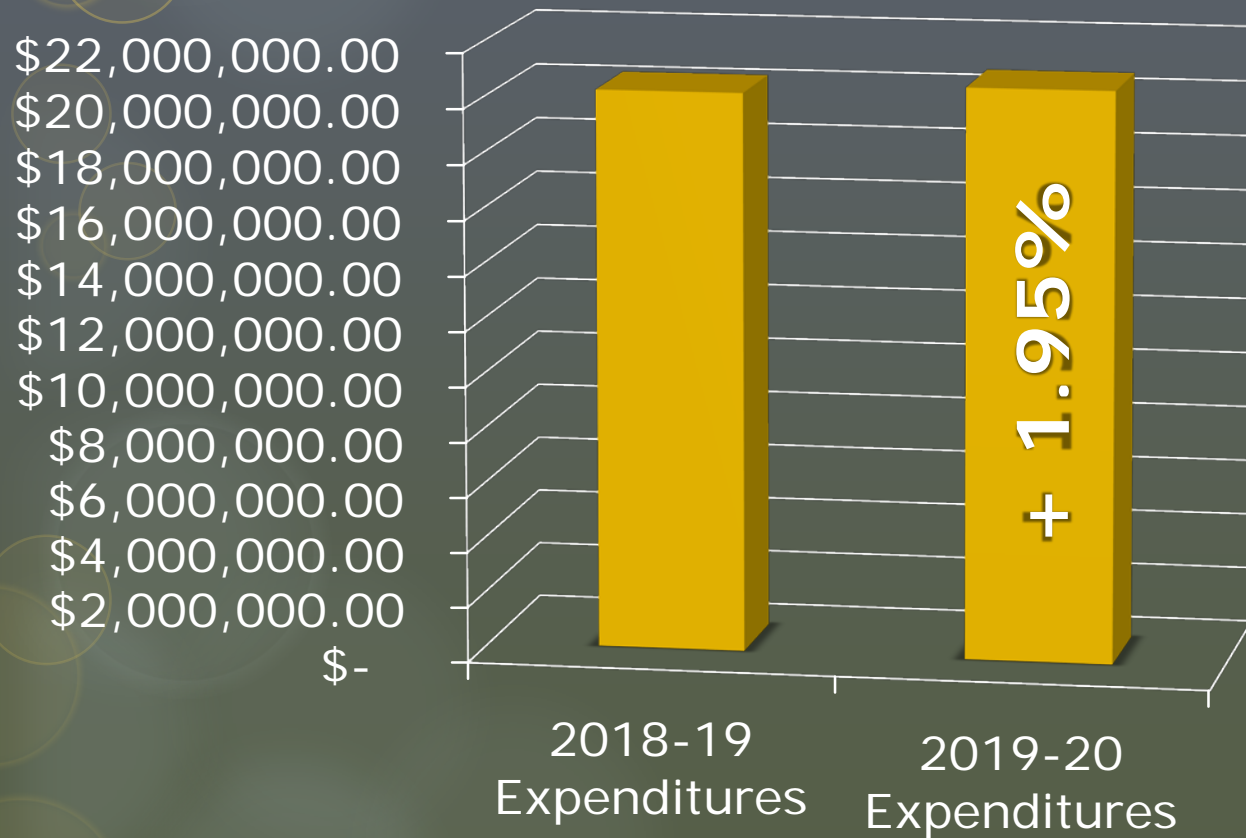
¹ Personnel costs account for approximately 70% of the budget.

² "All Other" includes heating, electric, books, supplies, contractual agreements, uniforms, etc.

Expenditure Breakdown



2019-2020 Expenditure Budget



Overall Increase
of **\$395,918**

- + **\$179K** in Salaries
- + **\$0** in TRS
- + **\$48K** in ERS
- + **\$0** in Medical Benefits
- - **\$48K** in Debt Service
- + **\$217K** in BOCES costs, Insurances, materials and supplies

Summary of Proposed Budget

	2018-19	2019-20	\$ Change	% Change
General Support	2,238,683	2,315,021	76,338	3.41%
Instructional Support	9,215,760	9,316,629	100,869	1.09%
Transportation	958,995	1,079,358	120,363	12.55%
Community Service	2,900	2,900	-	0.00%
Employee Benefits	5,437,404	5,484,152	46,748	0.86%
Debt Service	2,399,107	2,350,707	(48,400)	-2.02%
Interfund Transfers	51,000	151,000	100,000	196.08%
Total	20,303,849	20,699,767	395,918	1.95%

Explanation of Budget Components

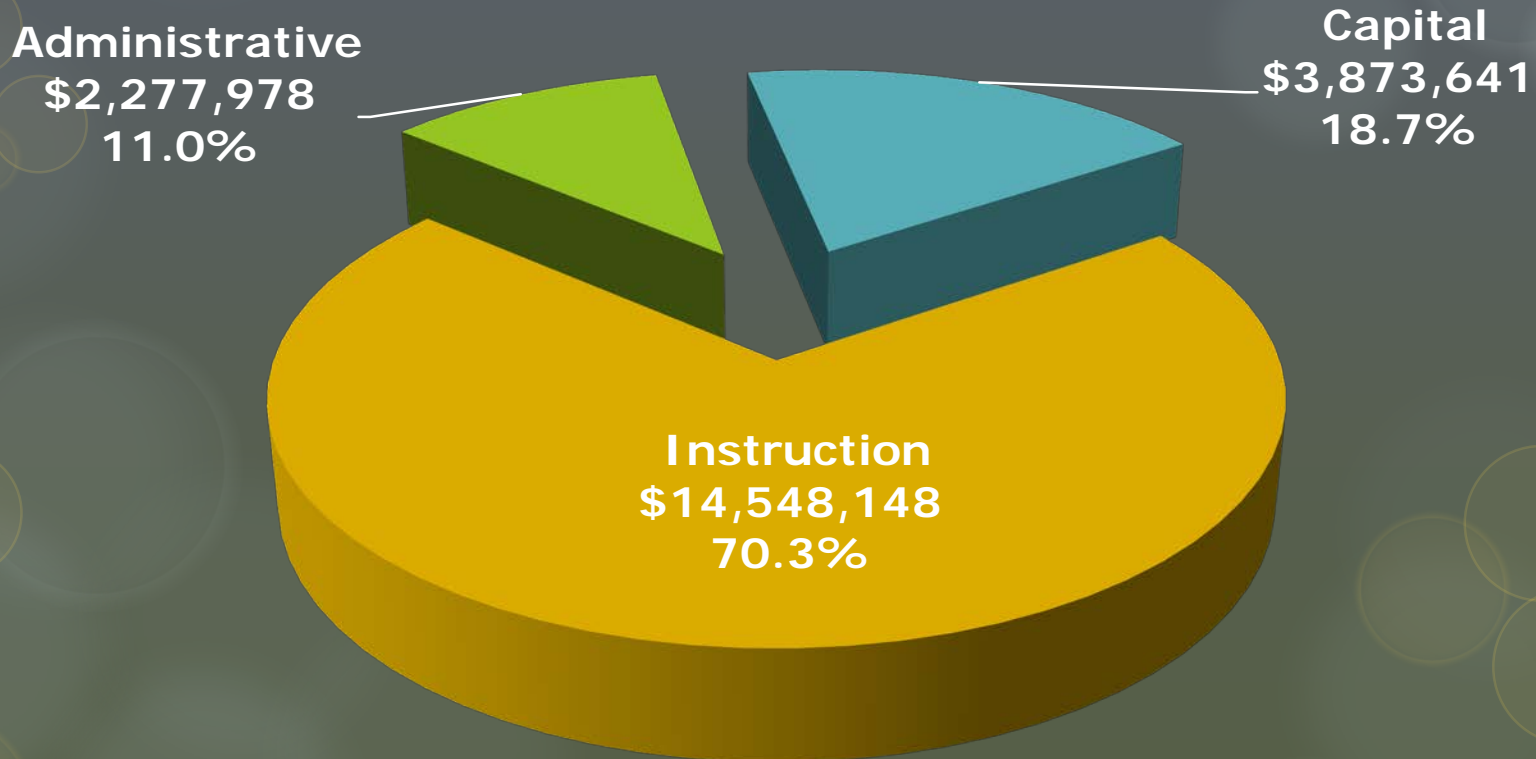
Administrative Component – Includes expenses associated with the operation of the school board, superintendent's office, and business office. Includes salaries and benefits for other school administrators who spend a majority of their time performing administrative duties.

Capital Component – Includes debt service for all facility improvements financed by bonds and notes, court awards and judgments. Includes costs for maintenance and operations of facilities as well as associated salaries and benefits, service contracts, utilities, and supplies. Includes debt service for the purchase of buses.

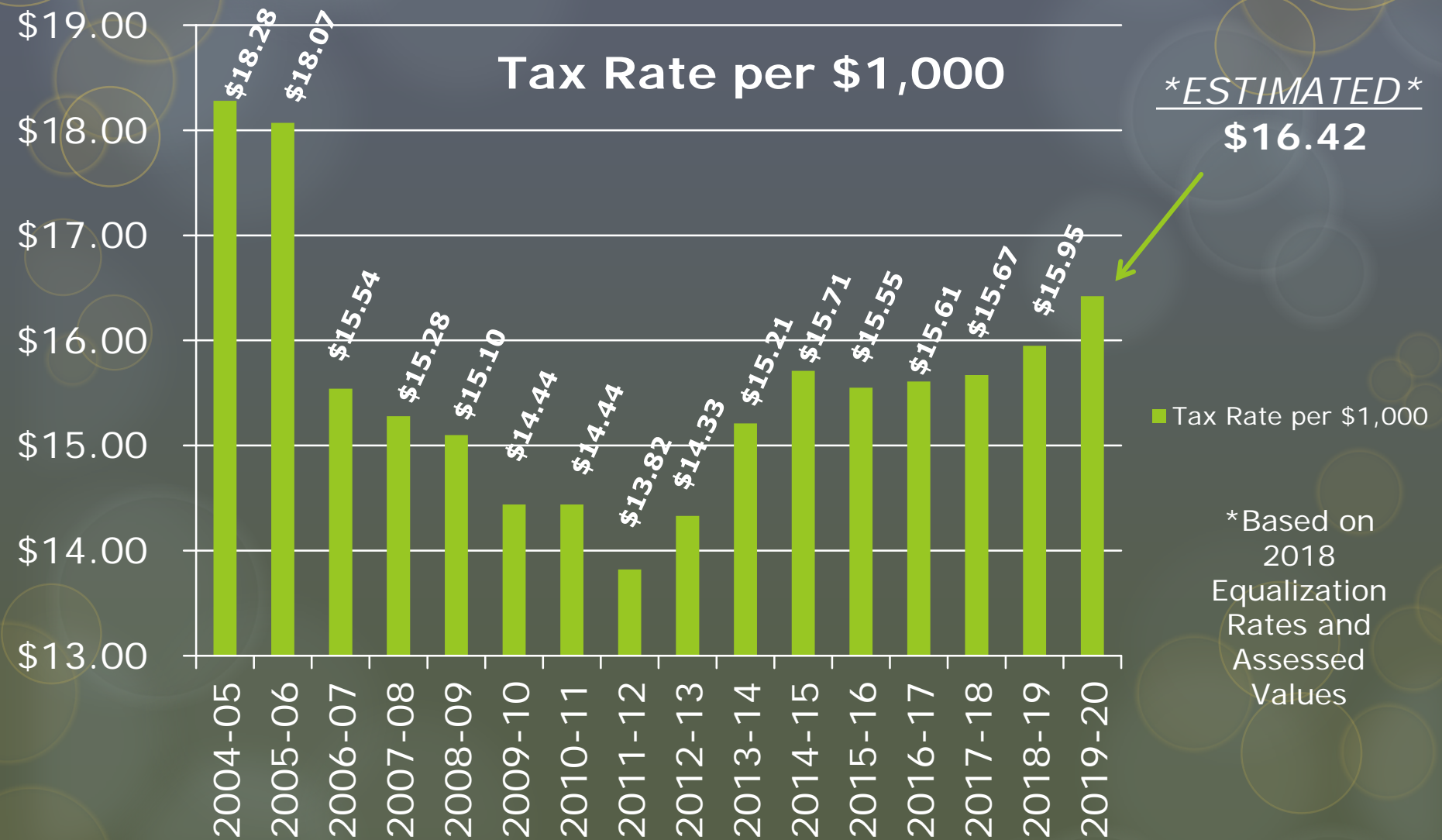
Instructional Component - Includes salaries and benefits of teachers and any school administrator who spends a majority of their time performing teaching duties. Includes all other expenses associated with the instructional program e.g. textbooks, student materials, technology, pupil services, athletics, and extra-curricular. Transportation of students is also incorporated into this component.

Budget Components

2019-2020 Uses of Education Funding



Estimated Tax Rate Impact



Estimated Impact on Property Taxes

Estimate of School Tax Increase for Primary Residential Property			
	Tax Bill Last Year	Tax Bill This Year	Change
Full Value of Property \$70,000			
With Enhanced STAR	\$51.81	\$21.35	(\$30.46)
With Basic STAR	\$647.60	\$656.80	\$9.20
With No STAR	\$1,133.30	\$1,149.40	\$16.10
Full Value of Property \$100,000			
With Enhanced STAR	\$537.51	\$513.95	(\$23.56)
With Basic STAR	\$1,133.30	\$1,149.40	\$16.10
With No STAR	\$1,619.00	\$1,642.00	\$23.00
Full Value of Property \$150,000			
With Enhanced STAR	\$1,347.01	\$1,334.95	(\$12.06)
With Basic STAR	\$1,942.80	\$1,970.40	\$27.60
With No STAR	\$2,428.50	\$2,463.00	\$34.50
Full Value of Property \$200,000			
With Enhanced STAR	\$2,156.51	\$2,155.95	(\$0.56)
With Basic STAR	\$2,752.30	\$2,791.40	\$39.10
With No STAR	\$3,238.00	\$3,284.00	\$46.00

****Estimated tax increases are based on 2018 equalization rates and assessed values. The final tax rates will be established when the Board of Education adopts the tax warrant in August 2019.**

**Estimates
Only**

STAR (School Tax Property Relief)

Includes two components:

\$30,000 – Basic STAR Exemption

\$68,700 – Enhanced STAR Exemption (Ontario Only)

- Primary residences qualify for the Basic Exemption for homeowners with less than ~~\$500,000~~ \$250,000 in income, only available to current exemption holders
- Homeowner's of primary residences with at least one person 65 years of age or older with a household income of less than \$86,300 (2018 Income Tax Return) qualify for the Enhanced STAR Exemption
- STAR savings cannot exceed 2% of the previous year's savings
- To qualify for the exemption paperwork must be filed with the Town Assessor by March 1st (Enhanced STAR only)
- More information: www.tax.ny.gov/star/

4. Vote Day Information



Anticipated Propositions

1. Expenditure Budget
2. Bus Purchase/Use of Capital Reserve – Bus Purchase



School Bus Proposition

Recommendation - Budget to include the following proposed bus purchases to be acquired in accordance with our long term bus replacement plan:

Proposition to include:

Two – 64 Passenger Buses

One – 5 Passenger Bus

Estimated Maximum Cost: \$249,899



For every \$1 paid for the purchase of a bus approximately
\$.572 is reimbursed by NYS

School Board Member Election

Three seats are available to fill:

1. The expiring term of Carter Chapman (3 year term)
2. The expiring term of Brent Gerstner (3 year term)
3. The expiring term of Thomas Hawks (3 year term)

***Candidates Include:** Carter Chapman, Thomas Hawks, and Steven Mark



Library Board of Trustees Election

Two seats available to fill:

1. The expiring term of Carrie Grove (5 year term)
2. The expiring term of Joan Luther (5 year term)

***Candidates Include:** Gerald Bay & Lisa Jensen



Annual Meeting Information

Budget Vote/Board of Education Election

○ Tuesday, May 21, 2019

○ High School Library Media Center

○ 7:00 AM to 8:00 PM



Budget Discussion

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