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Board Workshop #3: 2017-2018 Budget EAST GREENBUSH CENTRAL SCHOOL DISTRICT



Jeffrey P. Simons
Superintendent of Schools
April 13, 2017

CONTROLLING COSTS - EXAMPLES

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- ❑ Restructuring Of Health & Prescription Insurance Plans (\$808,000)
- ❑ Participate In RCG Health Insurance Trust
- ❑ Energy Conservation (\$3.4 Million)
- ❑ Self-Insurance: Dental & Workers Compensation
- ❑ Bus Purchase Reserve
- ❑ Bell Times & Day Care Transportation (\$115K)
- ❑ Cooperative Purchasing: US Communities



MAXIMIZING REVENUES - EXAMPLES

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- ❑ Grants (\$1.3 Million)
- ❑ E-Rate (\$105,880)
- ❑ Energy Conservation (\$930,961 in Refunds)
- ❑ Excess Room Rental (\$115,000)
- ❑ Tuition Students (\$718,605)
- ❑ Verify PILOT Revenues (\$3.7 Million)
- ❑ BOCES Cooperative Services (\$1.3 Million)
- ❑ Medicaid Applications (\$150,409)
- ❑ National Grid Rebates (\$293,462 to date)




RECAP: 2017-2018 BUDGET GOALS

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- ❑ Preserve Programs, Clubs & Activities
- ❑ Promote Student Academic Achievement & Use of Technology District-wide
- ❑ Advocate for Additional Foundation State Aid
- ❑ Adjust Staffing Based On Enrollment
- ❑ Achieve Cost Savings Where Possible
- ❑ Be Fiscally Responsible With School Funds
- ❑ Tax Levy Increase: Below Tax Cap Amount



2017-2018 BUDGET UPDATE

|  | March 22 Preliminary Budget | April 13 Proposed Budget |
|---|-----------------------------------|---------------------------------------|
| Total Budget | \$92.9 M | \$92.2 M |
| Budget Increase | +3.04% | +2.25% |
| Tax Levy | \$55.5 M | \$53.2 M |
| Tax Levy Increase | +8.13% | +3.70% Under Tax Cap |



2017-2018 BUDGET UPDATE

TAX LEVY CHANGES - EXPENSES

| Amount | Category |
|-------------------|---|
| -\$274,752 | Health Insurance Final Rates & Buyout Program |
| -220,000 | Transportation & Maintenance Energy Savings |
| -35,000 | Reduce Cafeteria Subsidy |
| -29,000 | Defer Purchase of One Maintenance Vehicle |
| -52,928 | Adjust BOCES Estimate for Expected Enrollment |
| -82,507 | Defer Additional Staffing |
| -19,000 | Miscellaneous Corrections to Budget Document |
| -\$713,187 | Expense Adjustments (Subtotal) |



2017-2018 BUDGET UPDATE

TAX LEVY CHANGES - REVENUES

| Amount & Tax Levy Impact | Category |
|---|--|
| -\$264,300 | Additional Aid in Final State Budget |
| -359,740 | Anticipated Blue Shield Settlements 15-16/16-17 |
| -40,000 | Anticipated RDS/Medicare Reimbursement |
| -898,700 | Revise Fund Balance Estimate |
| -\$1,562,740 | Revenue/Fund Balance Adjustments (Subtotal) |
| -\$713,187 | Expense Adjustments (Subtotal-Previous Slide) |
| -\$2,275,927 | Total Decrease to Preliminary Tax Levy |



STATE BUDGET COMPARISON LAST YEAR VS. THIS YEAR

| LAST YEAR | THIS YEAR |
|---|--|
| <p>Governor's Budget</p> <ul style="list-style-type: none"> • +\$3,467 Foundation Aid • +\$571,701 GEA Restoration <p>Final State Budget</p> <ul style="list-style-type: none"> • +\$1,231,680 GEA Restoration <p>Total Operating Aid Impact</p> <ul style="list-style-type: none"> • +\$1,806,848 New Aid | <p>Governor's Budget</p> <ul style="list-style-type: none"> • +\$210,940 Foundation Aid • +\$0 GEA Restoration <p>Final State Budget</p> <ul style="list-style-type: none"> • +\$234,148 Foundation Aid <p>Total Operating Aid Impact</p> <ul style="list-style-type: none"> • +\$445,088 New Aid |



MAY 16, 2017 VOTE PROPOSITION #1 - BUDGET

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➤ Enact Proposed Budget Effective July 1, 2017

➤ Resubmit Budget for Second Vote OR

➤ Revise Budget for Presentation to Voters OR

➤ Adopt Contingent Budget Effective July 1, 2017



CONTINGENT BUDGET

- OPTIONAL If Budget Defeated on May 16
 - ▣ Other Option Is Second Budget Vote

- MANDATORY If Budget Defeated on June 20

- No Exclusions Allowed

- Remove Non-Contingent Items Such as Equipment, School Food Service Transfer, Unreimbursed Use of Facilities

- **Total Contingent Reduction = \$1.9 Million**



CONTINGENT BUDGET EXAMPLES - POSSIBLE REDUCTIONS

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- ❑ Administrators
- ❑ Advanced Placement
- ❑ Art
- ❑ CAP, OG, Jump Start
- ❑ **Community Use of Schools**
- ❑ **Equipment**
- ❑ Honors Courses
- ❑ Full Day Kindergarten
- ❑ Library
- ❑ Monitors
- ❑ Music
- ❑ Nursing Services
- ❑ Regents Review
- ❑ **School Food Service Subsidy**
- ❑ School Resource Officer
- ❑ Security Supervisors
- ❑ Small Class Sizes
- ❑ Social Workers
- ❑ Student Assistance Counselor
- ❑ Student Clubs & Sports
- ❑ Technology Support
- ❑ Transportation Special Runs



WHY SHOULD BUSES BE REPLACED?

PROPOSITIONS #2 & #3

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- ❑ **Benefits Of Newer Buses**: Fuel Efficiency, Lower Emissions, Engine Control, Child & Driver Safety Features
- ❑ **Older Buses Wear & Tear**: Body Condition, Mileage, Repair Cost, Breakdowns, Potential To Fail DOT Inspection
- ❑ **Bus Life Expectancy**: 8-10 Years Smaller Bus, 12-15 Years Larger Bus
- ❑ **State Incentives For Replacement**: 60.2% State Aid Of Eligible Costs Over A 5 Year Period
- ❑ **Cost Reduction**: Standardization Of Fleet Means Economical Maintenance And Purchase Of Parts



SCHOOL BUS REPLACEMENTS

PROPOSITION # 2 – BUS PURCHASE RESERVE

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| Bus Type | Quantity | Estimated Cost |
|-----------------|-----------------|-----------------------|
| 66 Passenger | 2 | \$229,026 |
| 28 Passenger | 4 | \$243,708 |
| 22 Passenger | 2 | \$118,352 |
| Total | 8 | \$591,086 |



WHY IS A BUS PURCHASE RESERVE USED?

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- **Specific**: Only Used For Bus Purchases
- **Controlled**: Voter Approval For Withdrawals
- **Flexible**: Board of Education Optional Annual Funding Of \$200,000
- **State Aid**: 60.2% Of Eligible Cost In 5 Years, All State Aid On All Buses Deposited In The Reserve For Future Purchases
- **Cost Reduction**: Borrowing Costs Avoided, Trade-Ins Reduce Amount Actually Spent From The Reserve
- **Time Defined**: 15 Years Or \$5 Million In Deposits Over Time, Whichever Comes First



SCHOOL BUS REPLACEMENTS PROPOSITION #3 – BORROWING

| Bus Type | Quantity | Estimated Cost |
|-----------------|-----------------|-----------------------|
| 66 Passenger | 2 | \$229,026 |
| Total | 2 | \$229,026 |



WHY BORROW FOR BUS PURCHASES?

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- **Reserve Balance Is Limited**
 - ▣ Estimate Of \$606,306 At July 1, 2017
 - ▣ Only Spend Available Funds As Of Beginning Of Year

- **Voter Authorization**

- **State Aid Available:** 60.2% Of Eligible Cost In 5 Years,
All State Aid Deposited In The Reserve For Future Purchases

- **Cost Reduction:** Trade-Ins Reduce Amount Actually Needed To Be Borrowed



MAY 2017 CAPITAL VOTE PROPOSITIONS IN PRIORITY ORDER

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- **Proposition #4 - \$17,206,812 (*Priority 1.1*)**
 - ▣ Classroom Modernization (STEM), Safety and Fire Systems, Roofs
- **Proposition #5 - \$16,946,944 (*Priority 1.2*)**
 - ▣ Plumbing, Electrical, Masonry
- **Proposition #6 - \$5,642,286 (*Priority 1.3*)**
 - ▣ Parking Lots, Turf Field (includes field, track and improved lighting)



PROPOSITION # 4

- That the Board of Education of the East Greenbush Central School District... is hereby authorized to construct improvements to various District buildings and sites, and to expend therefor not to exceed \$17,206,812.....



PROPOSITION #4 BY LOCATION

| | |
|---------------------------|--------------|
| Bell Top | \$1,185,664 |
| Citizen Genet | 3,939,047 |
| DP Sutherland | 1,984,352 |
| Green Meadow | 1,268,661 |
| Red Mill | 2,056,139 |
| Goff | 3,829,882 |
| Columbia | 2,574,606 |
| H-W Transportation Center | 293,466 |
| Building & Grounds Shop | 74,995 |
| Total | \$17,206,812 |



PROPOSITION # 5

- **THAT IN THE EVENT PROPOSITION #4 IS APPROVED**, the Board of Education of the East Greenbush Central School District... is hereby authorized to construct additional improvements to various District buildings and sites, and to expend therefor not to exceed \$16,946,944.....**that if this Proposition #5 is approved, it shall become effective only in the event that Proposition #4 is approved.**



PROPOSITION #5 BY LOCATION

| | |
|---------------------------|--------------|
| Bell Top | \$1,686,743 |
| Citizen Genet | 3,542,443 |
| DP Sutherland | 1,854,690 |
| Green Meadow | 2,946,932 |
| Red Mill | 1,988,693 |
| Goff | 3,626,593 |
| Columbia | 1,248,943 |
| H-W Transportation Center | 45,719 |
| Building & Grounds Shop | 6,188 |
| Total | \$16,946,944 |



PROPOSITION # 6

- **THAT IN THE EVENT PROPOSITIONS #4 AND #5 ARE APPROVED**, the Board of Education of the East Greenbush Central School District... is hereby authorized to construct further improvements to various District buildings and sites, and to expend therefor not to exceed \$5,642,286.....**that if this Proposition #6 is approved, it shall become effective only in the event that Propositions #4 and #5 are approved.**



PROPOSITION #6 BY LOCATION

| | |
|---------------------------|-------------|
| Bell Top | \$362,969 |
| Citizen Genet | 393,249 |
| DP Sutherland | 241,635 |
| Green Meadow | 583,100 |
| Red Mill | 666,594 |
| Goff | 172,838 |
| Columbia | 2,462,900 |
| H-W Transportation Center | 696,438 |
| Building & Grounds Shop | 62,563 |
| Total | \$5,642,286 |



STATE AID FOR CAPITAL PROJECTS

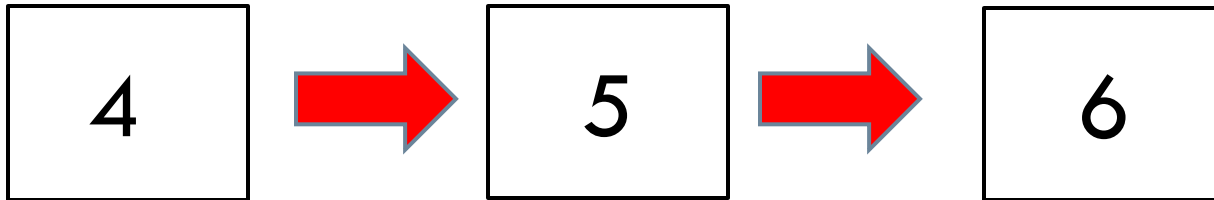
24

72.1% of eligible expenses



PROPOSITIONS = GRADE PROMOTION

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PROPOSITIONS # 4-6 ARE LIKE GRADES 4-6

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- **Grade 4 – Starting Point**
- **Grade 5 does not occur unless successful at Grade 4**
- **Grade 6 does not occur unless successful at Grades 4 & 5**



May 2017 Vote – Financial Impact

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- Financing Plan
 - ▣ First Borrowing Occurs in 2018-2019 Year
 - ▣ First Payment Due in 2019-2020 Year
 - ▣ Long-Term Financing Begins in 2022-2023 Year

- Financial Impact
 - ▣ No Impact in 2017-2018 and 2018-2019 Years
 - ▣ 1.6% of Tax Levy in 2019-2020
 - ▣ 2.7% of Tax Levy in 2020-2021 and 2021-2022
 - ▣ 2.5% of Tax Levy from 2022-2023 to 2036-2037



May 2017 Vote – Financial Impact

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- How Does 1.6% of Levy Relate to Me?
 - ▣ A House with An Assessed Value of \$300,000 Would see An Annual Increase in Taxes of \$83.52 a Year or \$1.61 Per Week

- How Does 2.7% of Levy Relate to Me?
 - ▣ A House with An Assessed Value of \$300,000 Would see An Annual Increase in Taxes of \$140.94 a Year or \$2.71 Per Week

- But Wait.....



May 2017 Vote – Financial Impact

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- Existing Bonds (Debt Obligations) of the School District Mature in 2019-2020
- The Savings in Debt Payments in 2019-2020 from the Old Bonds Should Cover the Net Impact of This Proposed Project
- Therefore, the Net Impact of the Project Over the Life of the New Bonds to the Average Taxpayer Will be Zero



IMPORTANT DATES TO REMEMBER

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- Board Petitions
 - Available: Monday, ***March 27***
 - Due Back: Monday, ***April 17***
 - Location: District Clerk's Office
Citizen Genet Elementary School

- Meet The Candidates Night
 - Wednesday, ***May 10*** At 7:00 p.m.
 - Location: Goff Middle School Cafeteria

