

KENMORE-TOWN OF TONAWANDA  
UNION FREE SCHOOL DISTRICT

# 2016-2017 BUDGET WORKSHOP PRESENTATION

BOARD OF EDUCATION MEETING  
MARCH 1, 2016

*We educate, prepare, and inspire all students to achieve their highest potential.*



# Today's Purpose



**To explain and review  
challenges and considerations  
for 2016-2017 budget decisions  
for Budget Draft 1**

# A Transparent Process

*Budget development began in November and the Board is facilitating complete transparency in critical decision making*

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- Public board meetings, presentations and budget workshops
- Information on website
- Input welcome - feedback, meetings, calls, and community



# The Hard Facts

- 2016-2017 is another difficult budget year for school districts all across New York State – marginal increases in State Aid (GEA, Foundation Aid, contractual costs)
- Huntley PILOT loss adds increased revenue obstacles

Visit [ktufsd.org/budget](http://ktufsd.org/budget) to find out how **you** can advocate on behalf of Ken-Ton schools.



# Building a Budget to Support Our Students' Future

## **Mission:**

We educate, prepare & inspire all to achieve their highest potential.

## **District Goals:**

- All students will achieve mastery in literacy and numeracy. All students who graduate from KTUFSD will be challenged to reach College and Career Readiness expectations in literacy and numeracy.
- The District will achieve financial and capital sustainability.

## **Board Goals:**

- \*Board Composition
- \*Communication – Advocacy

- \*Board Self-Evaluation
- \*Superintendent Evaluation

# Impacting Decisions



- ✓ *State & Federal Aid*  
(Note: increases have historically not kept pace with increases in retirement and health insurance costs)
- ✓ *Property Tax Cap = 4.64% limit*
- ✓ *Aligning Resources for teaching and learning*



Students **first** in every decision!

# Impacting Decisions

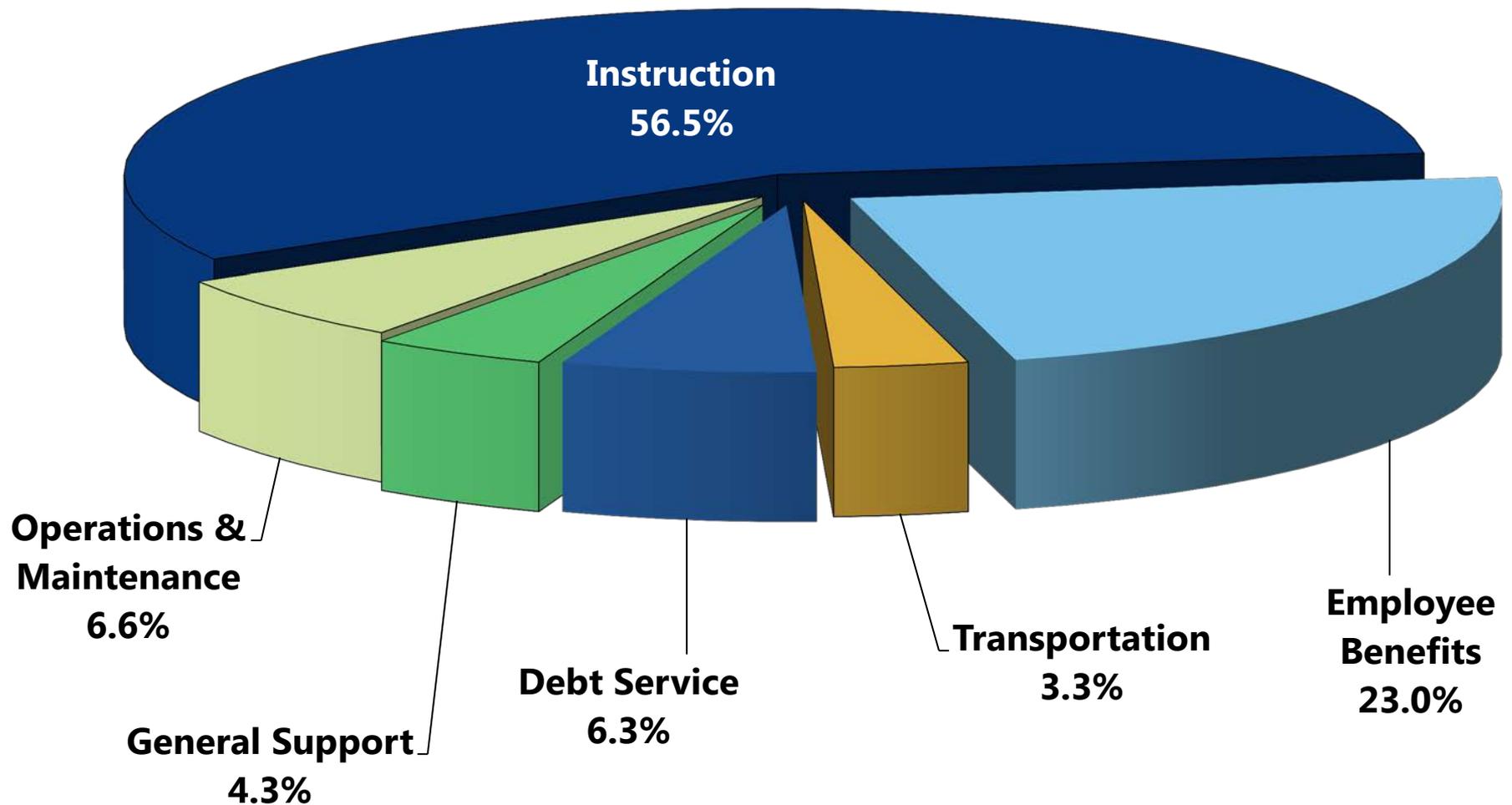
- KTUFSD was just released as a designated Focus District by New York State based on instructional improvements and data
- The District as a whole and schools made progress, including aspirational graduation measures - *75 on Regents English and 80 on a Math Regents*
- Continue focus on teaching and learning – supporting principal and teacher professional development and coaching
- Instructional resources

# Criteria for Decision Making in Budget Development

- District mission statement
- Board and District goals
- NYSED requirements and mandates
- Student achievement data
- Degree of impact on students and core programs for college and career readiness
- Specific impact on number of and needs of students
- Impact on community and taxes



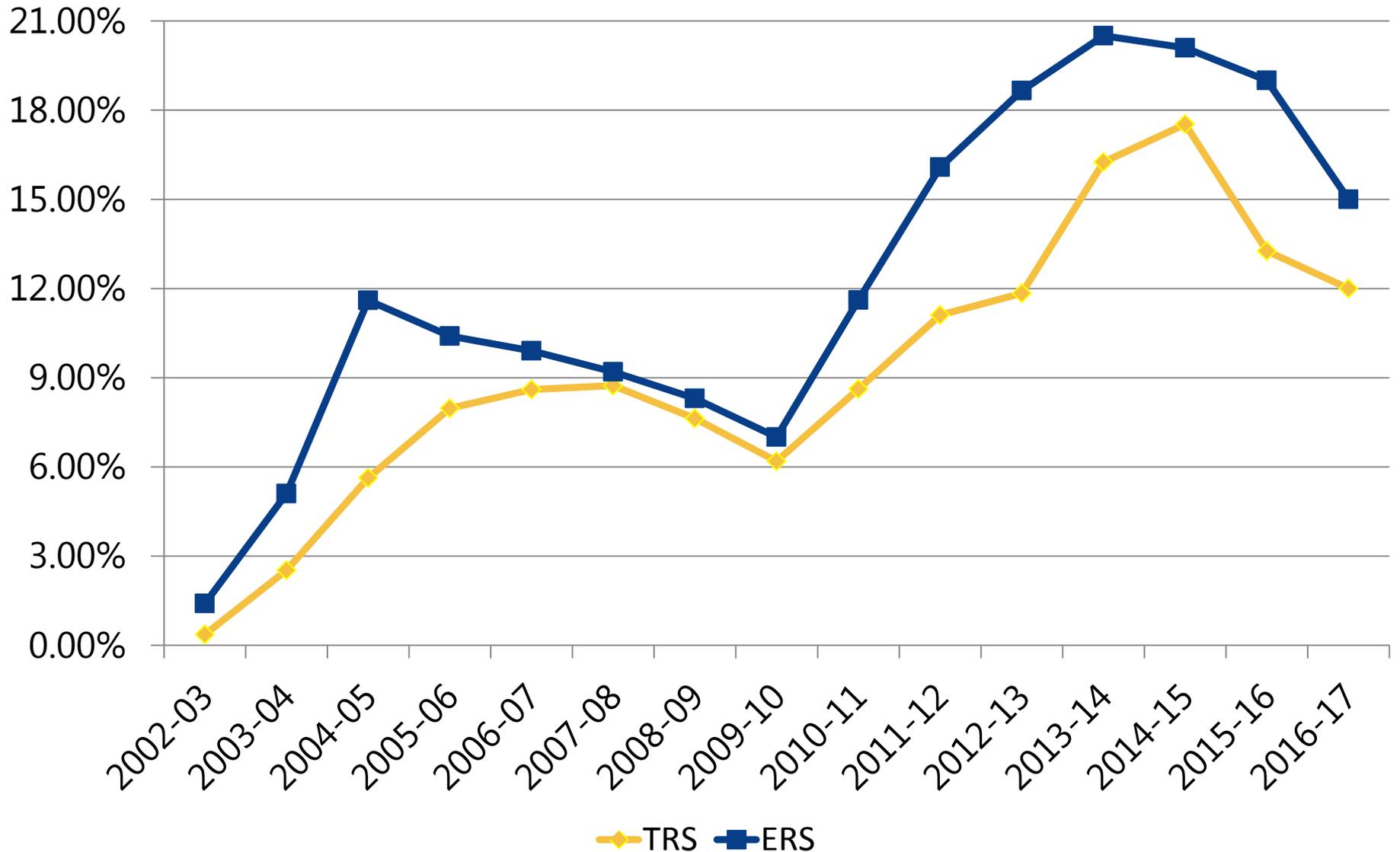
# 2016-17 Expenditures: \$159,691,455



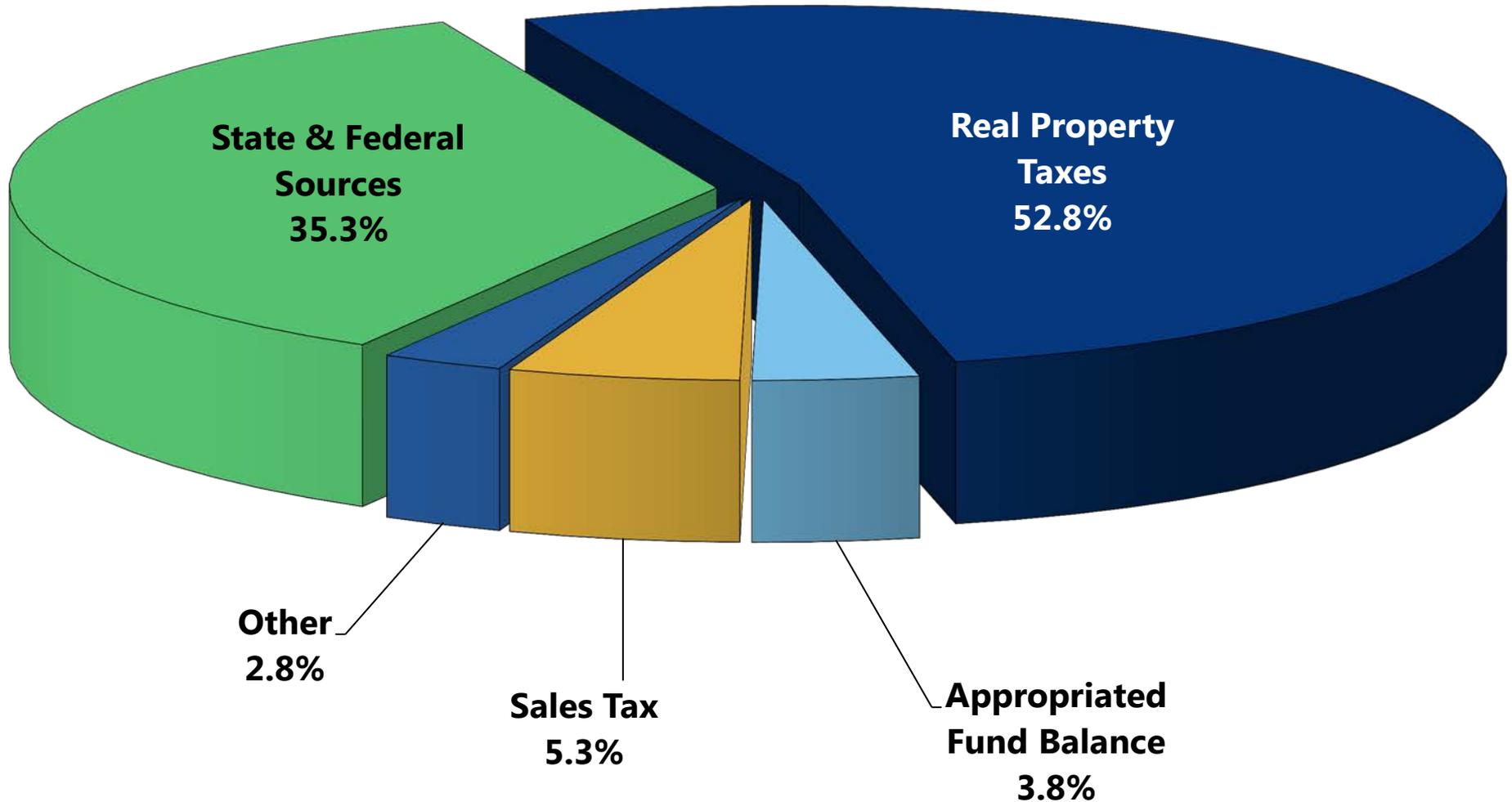
# Highlighted Expenditure Increases

<b>Charter School Tuition</b>	\$ 100,000
<b>Special Education Tuition</b>	\$ 330,495
<b>BOCES Occupational</b>	\$ 500,000
<b>Unemployment</b>	\$ 250,000
<b>Debt Service</b>	\$ 525,680

# Retirement Contribution Increases



# 2016-17 Revenues: \$155,330,396



# Revenue Assumptions

- **Taxes increase to 3.5%**  
((\$2.773 million increase))
- **Fund balance and reserve use decreases to the level in the Long-Term Plan**  
(-\$1.025 million)
- **Medicaid will be reduced**  
(-\$100,000)
- **2.63% increase in state aid**

# Budget Status

## Budget Draft 1

**Total Expenditures: \$ 159,691,455**

**Total Revenues: \$ 155,330,396**

**Current GAP: \$ 4,361,059**

**\*15-16 Draft 1 GAP \$5,000,000**

**\*14-15 Draft 1 GAP \$7,000,000**

# Tax Levy Threshold Calculation: OSC

<b>A.</b>	<b>Total Real Property Tax Levy for Base Year</b>	<b>\$79,236,785</b>
<b>B.</b>	<b>Tax Base Growth Factor (minimum of 1.0)</b>	<b>1.0025</b>
<b>C.</b>	<b>Product of A * B</b>	<b>\$79,434,877</b>
<b>D.</b>	<b>Base Year PILOTS</b>	<b>\$3,993,434</b>
<b>E.</b>	<b>Sum of C + D</b>	<b>\$83,428,311</b>
<b>F.</b>	<b>Base Year Capital Tax Levy</b>	<b>\$1,338,318</b>
<b>G.</b>	<b>Difference of E - F</b>	<b>\$82,089,993</b>
<b>H.</b>	<b>Allowable Levy Growth Factor based on CPI (.12% for 2016-17)</b>	<b>1.0012</b>
<b>I.</b>	<b>Product of G * H</b>	<b>\$82,188,501</b>
<b>J.</b>	<b>Budget Year PILOTS</b>	<b>\$915,462</b>
<b>K.</b>	<b>Difference of I - J</b>	<b>\$81,273,039</b>
<b>L.</b>	<b>Equals Tax Levy Limit</b>	<b>\$81,273,039</b>
<b>M.</b>	<b>Budget Year Torts and Judgments above 5% of Levy</b>	<b>\$0</b>
<b>N.</b>	<b>Budget Year Capital Tax Levy</b>	<b>\$1,637,705</b>
<b>O.</b>	<b>Budget Year Pension Expense above 2% increase in rate</b>	<b>\$0</b>
	<b>Eligible Prior Year Carryover</b>	<b>\$0</b>
<b>P.</b>	<b>Tax Levy Limit Adjusted for Transfers + Exclusions (Sum L-O)</b>	<b>\$82,910,744</b>
<b>W.</b>	<b>Total Tax Levy Percentage Increase</b>	<b>4.64%</b>

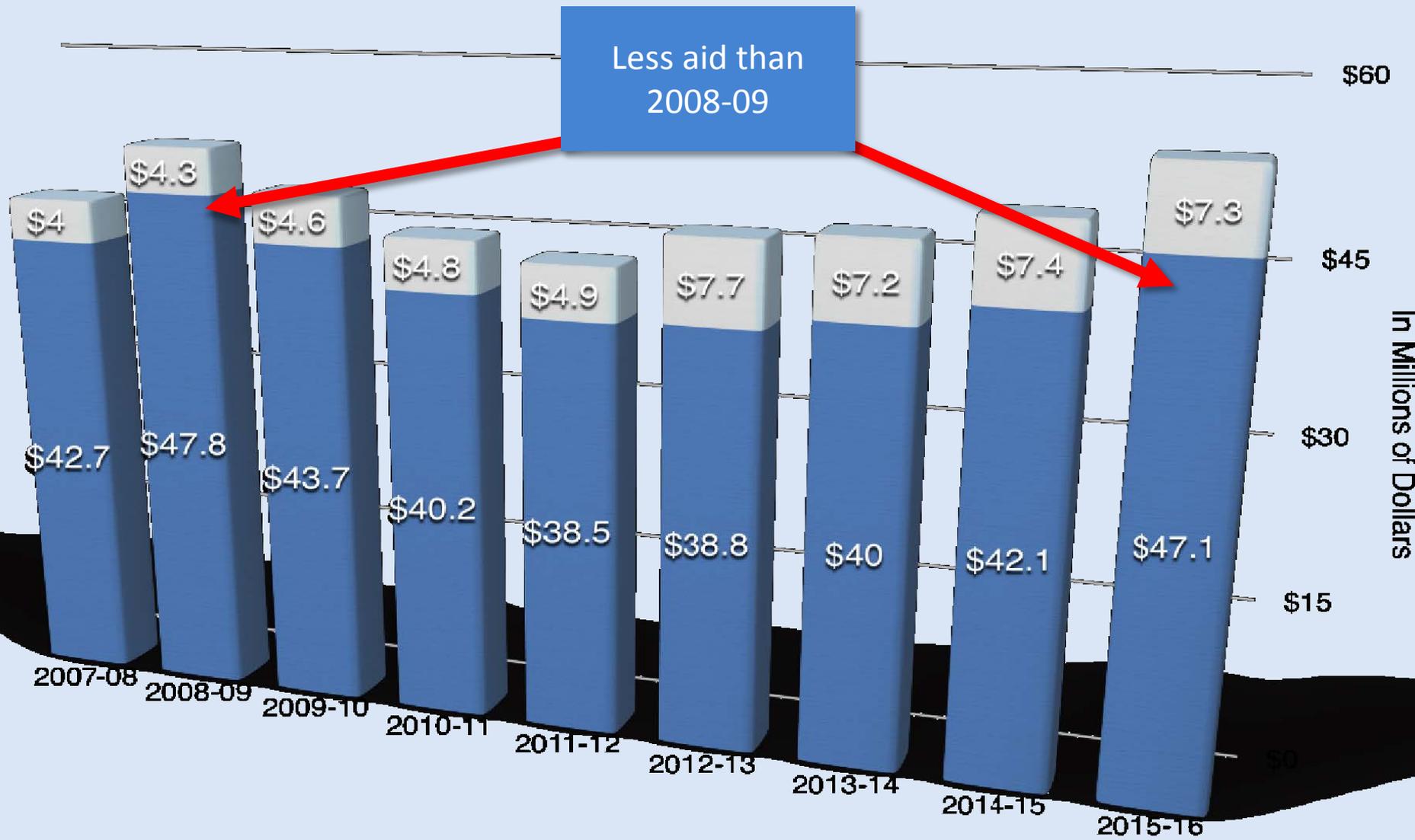
# Revenue Budget Items: Property Tax Cap Calculation

- **2016-17 estimated Tax Levy Cap: \$82,910,744**
- **2014-15 Tax Levy: \$79,236,785**
- **Increase: \$ 3,673,959**
  
- Potential Levy Increase: 4.64% - If factors in the tax rate formula remain the same, the added cost to a taxpayer owning a \$100,000 house (market value) would be approximately \$96
- Potential Levy Increase: 3.5% - If factors in the tax rate formula remain the same, the added cost to a taxpayer owning a \$100,000 house (market value) would be approximately \$72

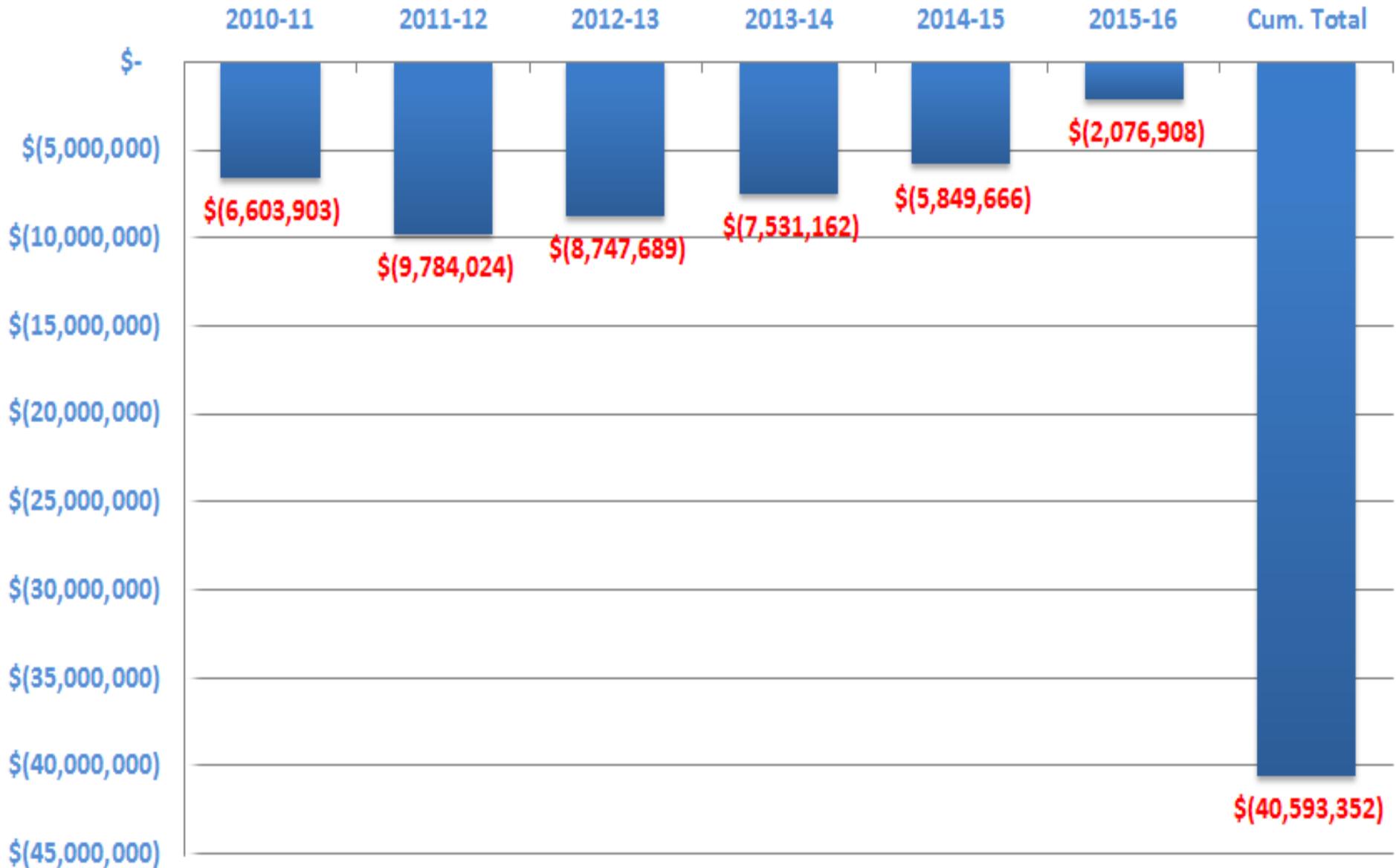
# State Aid Comparison

■ State Aid w/o Building Aid

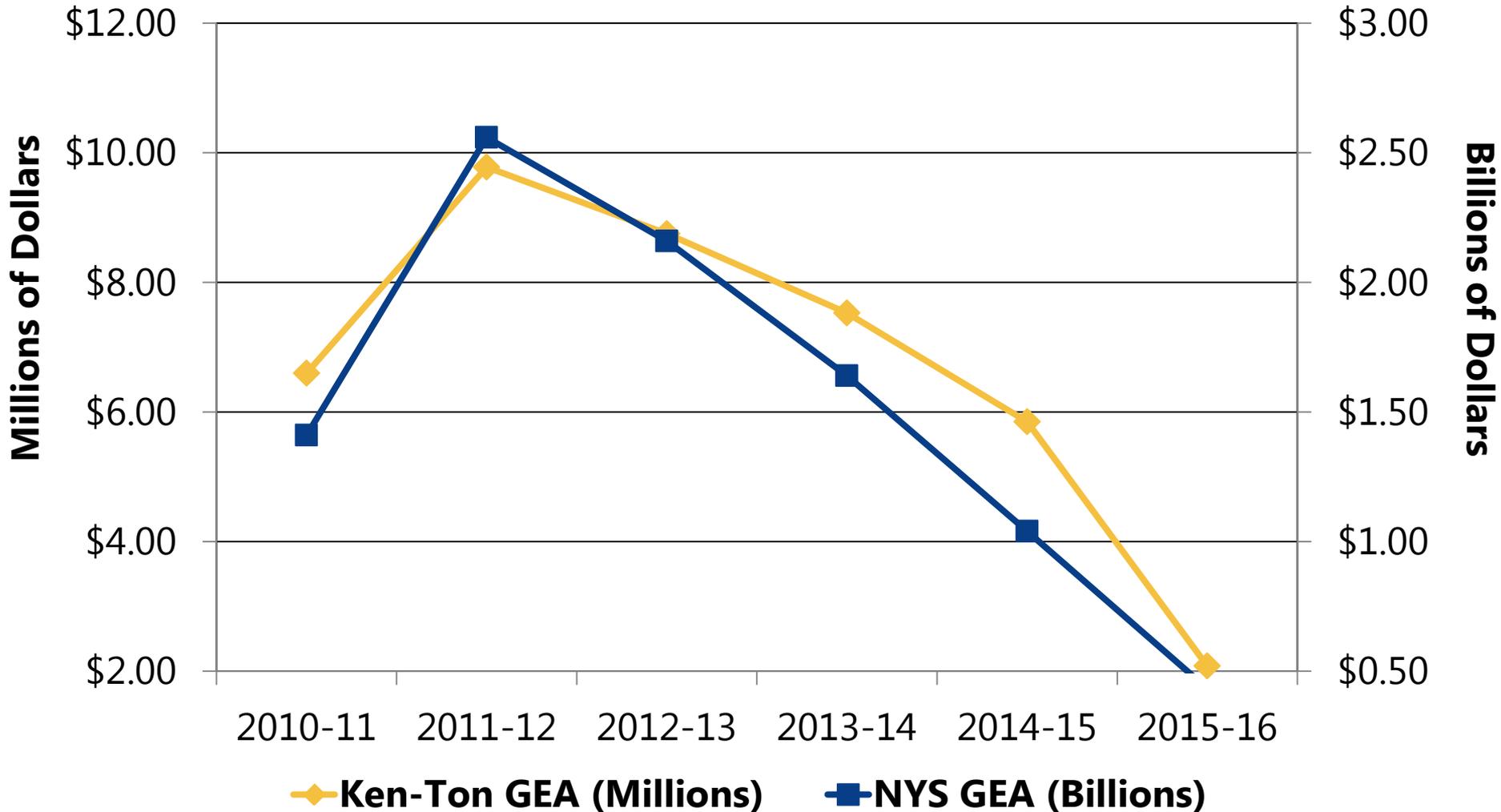
■ Building Aid



# Effect of GEA on Ken-Ton Revenue



# Gap Elimination Adjustment: Ken-Ton & NYS



# State Aid Scenarios

Scenario	Revenue	Expenditures	Deficit/GAP
<b>State Aid Current Projection</b>	\$155,330,396	\$159,691,455	(\$4,361,059)
<b>State Aid with Full GEA Restoration (+1.96%)</b>	\$156,616,017	\$159,691,455	(\$3,075,438)

# Bus Purchase Proposition

<b>Replacement Buses</b>	<b>Cost</b>
Ten - 65 Passenger Buses	\$1,149,678
<b>Total Replacement Buses (10)</b>	<b>\$1,149,678</b>
<b>Consolidation Buses</b>	<b>Cost</b>
Three – 65 Passenger Buses	\$342,058
<b>Proposition Total</b>	<b>\$1,491,737 (30%=\$447,521)</b>

- **70% Aided by New York State**

# Retirements and Consolidation Reductions

Retirements		Consolidation Reductions	
Instructional	23	Instructional	18
Non-Instructional	15	Non-Instructional	32 Full-Time 36 Part-Time
Administration	0	Administration	3

# Veteran's Tax Exemption

- Alternate Veterans Tax Exemption
  - Non-Combat Vet
  - Combat Vet
  - Disabled Combat Vet
- School districts can adopt at different levels
- 4,360 eligible for Alternate Tax Exemption

# Veteran's Tax Exemption

Tax Bill Implications  
Assumes Combat Veteran Exemption

	Level E (18/30/60)	Level A (12/20/40)	Level C (6/10/20)
<b>Non Veteran Rate Change % \$100,000 Value</b>	\$41.67 extra per year 2.02%	\$29.76 extra per year 1.44%	\$15.43 extra per year .75%
<b>Veteran</b>	<b>\$484.64 reduction per year</b>	<b>\$388.90 reduction per year</b>	<b>\$192.47 reduction per year</b>

# Strategies to Close the Budget Gap



## Three ways to close a deficit:

- Raise Taxes
- Reduce Expenditures
- Increase Use Reserves/Fund Balance

# Final Rationale

- Resources need to be allocated to teaching and learning – **our primary obligation**
- Our student achievement results are improving and our faculty/staff need the instructional tools and professional support and development to continue
- Effective teaching is the greatest influence on student achievement followed by principal leadership and the District is committed to continue to support our teachers and leaders
- Our students' futures are dependent upon the opportunities we provide
- District goals:
  - Mastery in literacy and numeracy
  - Financial and capital sustainability



# QUESTIONS?

## Thank you for your support!

More information will be posted at [www.ktufsd.org/budget](http://www.ktufsd.org/budget)



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