

KENMORE-TOWN OF TONAWANDA  
UNION FREE SCHOOL DISTRICT

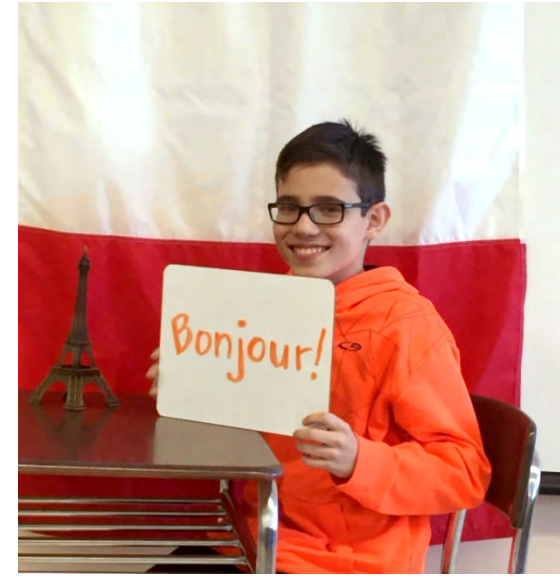
# 2017-18 BUDGET BUDGET WORK SESSION

BOARD OF EDUCATION MEETING  
FEBRUARY 7, 2017

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



# Today's Purpose



Provide an update on  
2017-18 budget development

# Decision Making for Budget Development



# Building a Budget to Support Our Students' Future

## **Mission:**

We educate, prepare and inspire all students 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.

# 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



# Impacting Decisions



- ✓ *State & Federal Aid*  
(Note: increases have historically not kept pace with contractual obligations and health insurance costs)
- ✓ *Property Tax Cap = 0% limit*
- ✓ *Aligning resources for teaching and learning*

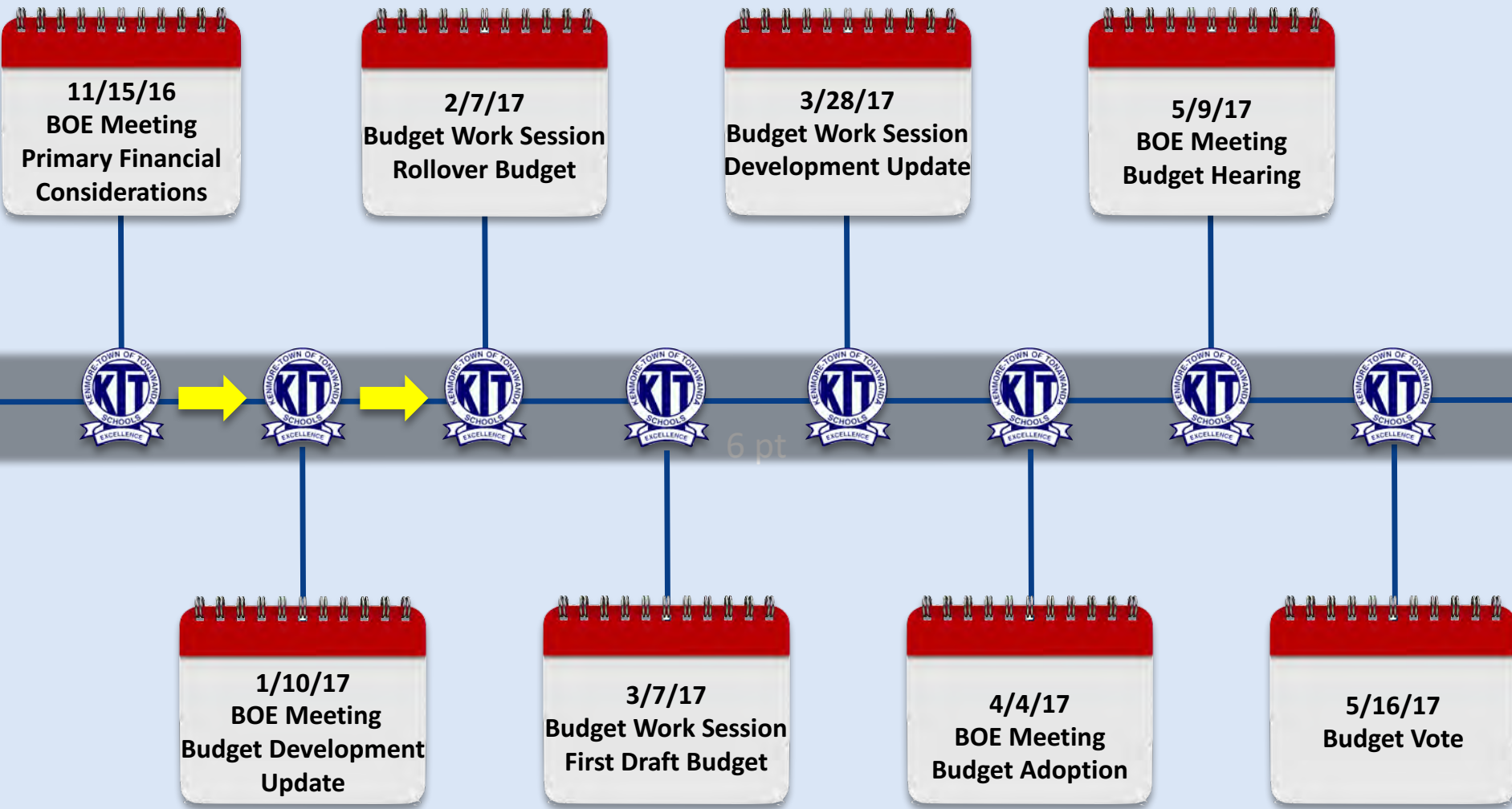


Students **first** in every decision!



# Budget Timeline

# Budget Development Timeline

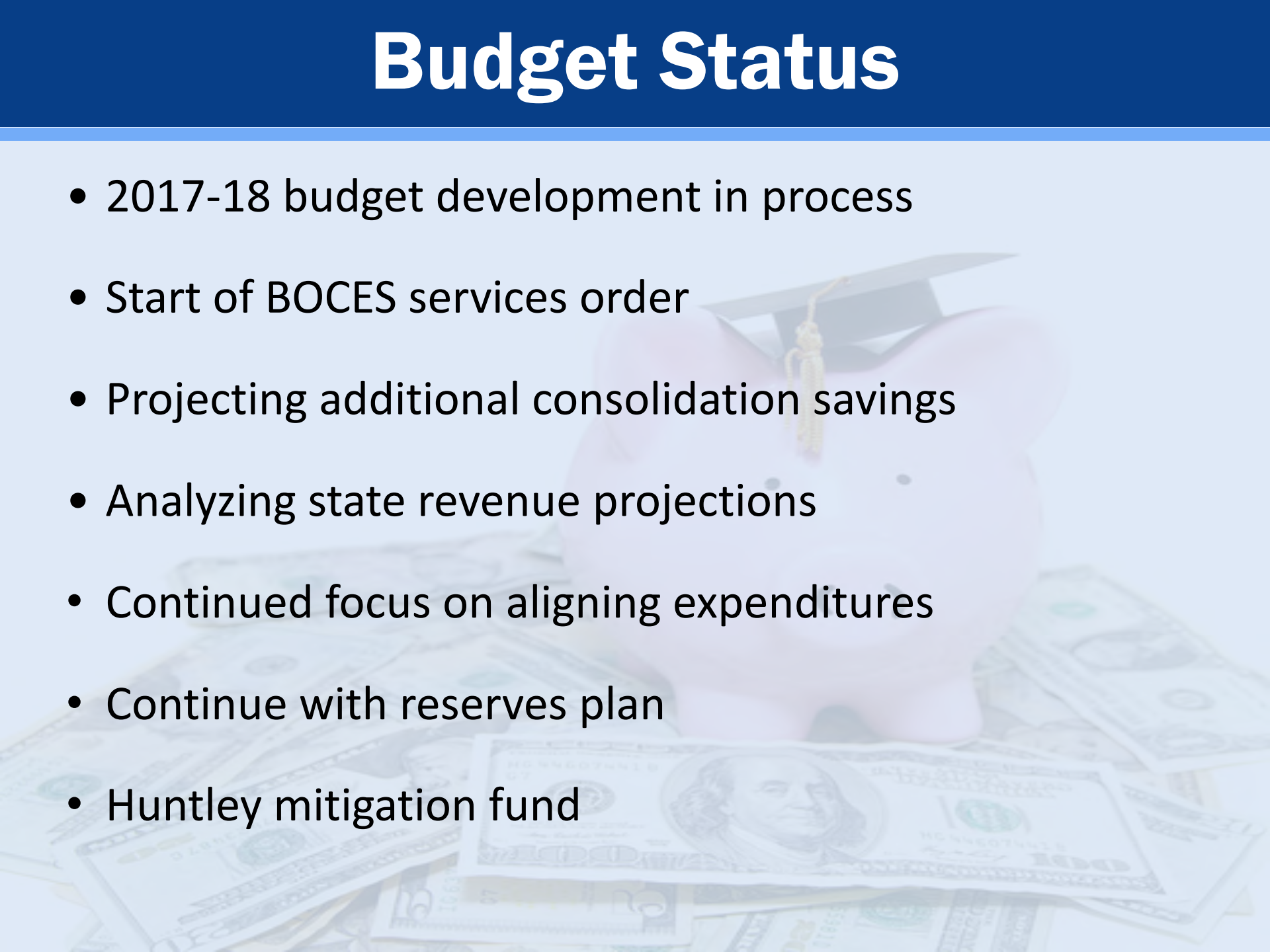




# Budget Status



# Budget Status

- 2017-18 budget development in process
  - Start of BOCES services order
  - Projecting additional consolidation savings
  - Analyzing state revenue projections
  - Continued focus on aligning expenditures
  - Continue with reserves plan
  - Huntley mitigation fund
- 

# Rollover Budget

<b>2016-17 Budget</b>	<b>\$157,110,733</b>	<b>-</b>
Contractual Increases	\$2,308,579	2.74%
<i>Health Insurance</i>	<i>TBD</i>	<i>*6% - 8%</i>
<i>BOCES Services</i>	<i>TBD</i>	<i>*3%</i>
Retirement Contributions, FICA	-\$971,560	Multiple
Debt Service	\$1,386,718	13.79%
Total Increases	<u>\$2,723,737</u>	
<b>2017-18 Budget</b>	<b>\$159,834,470</b>	<b>1.73%</b>

\* Estimated rate increases

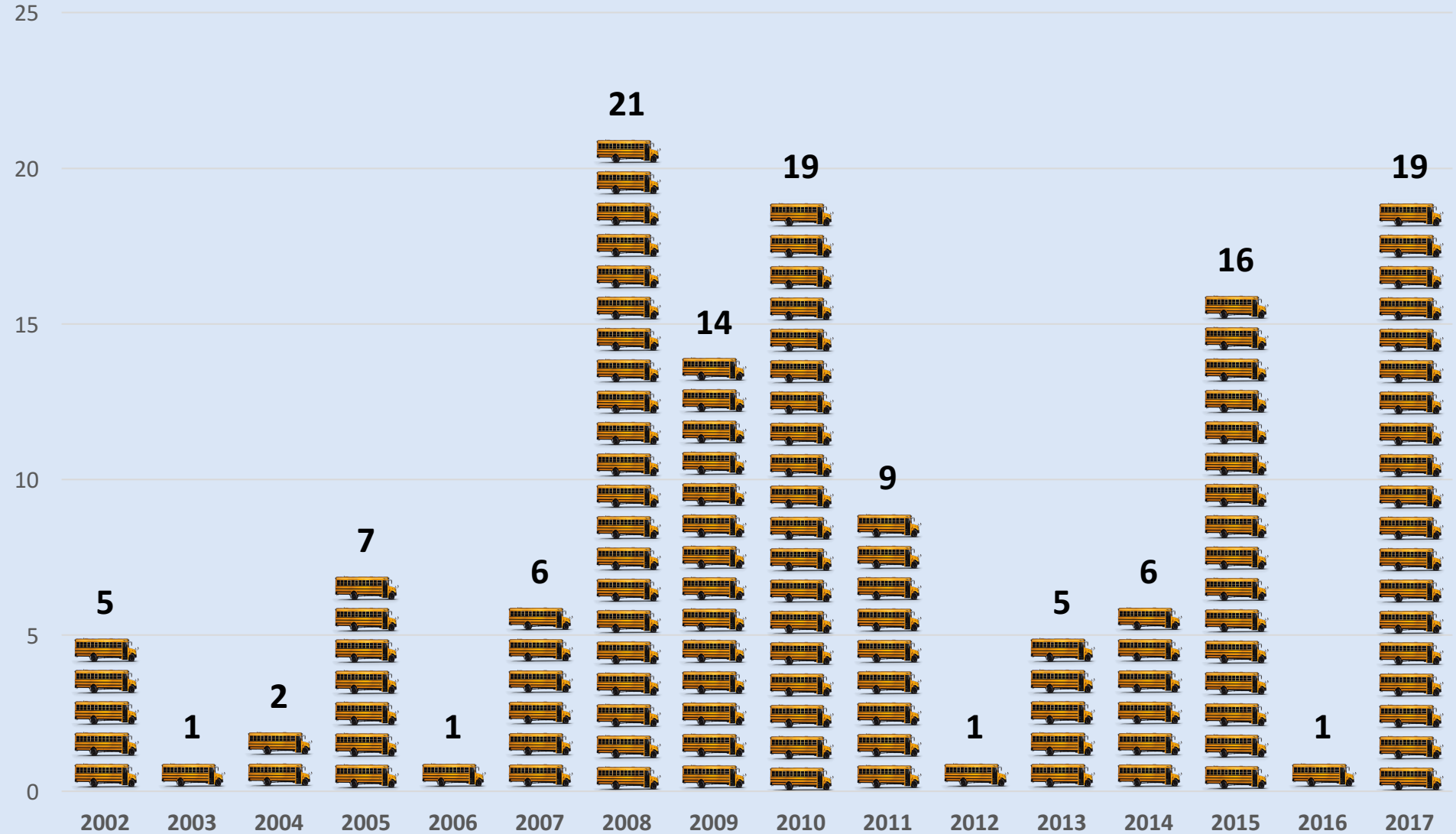
# Debt Service

- \$11.5 million total debt service
- Additional \$1.4 million in P&I payments

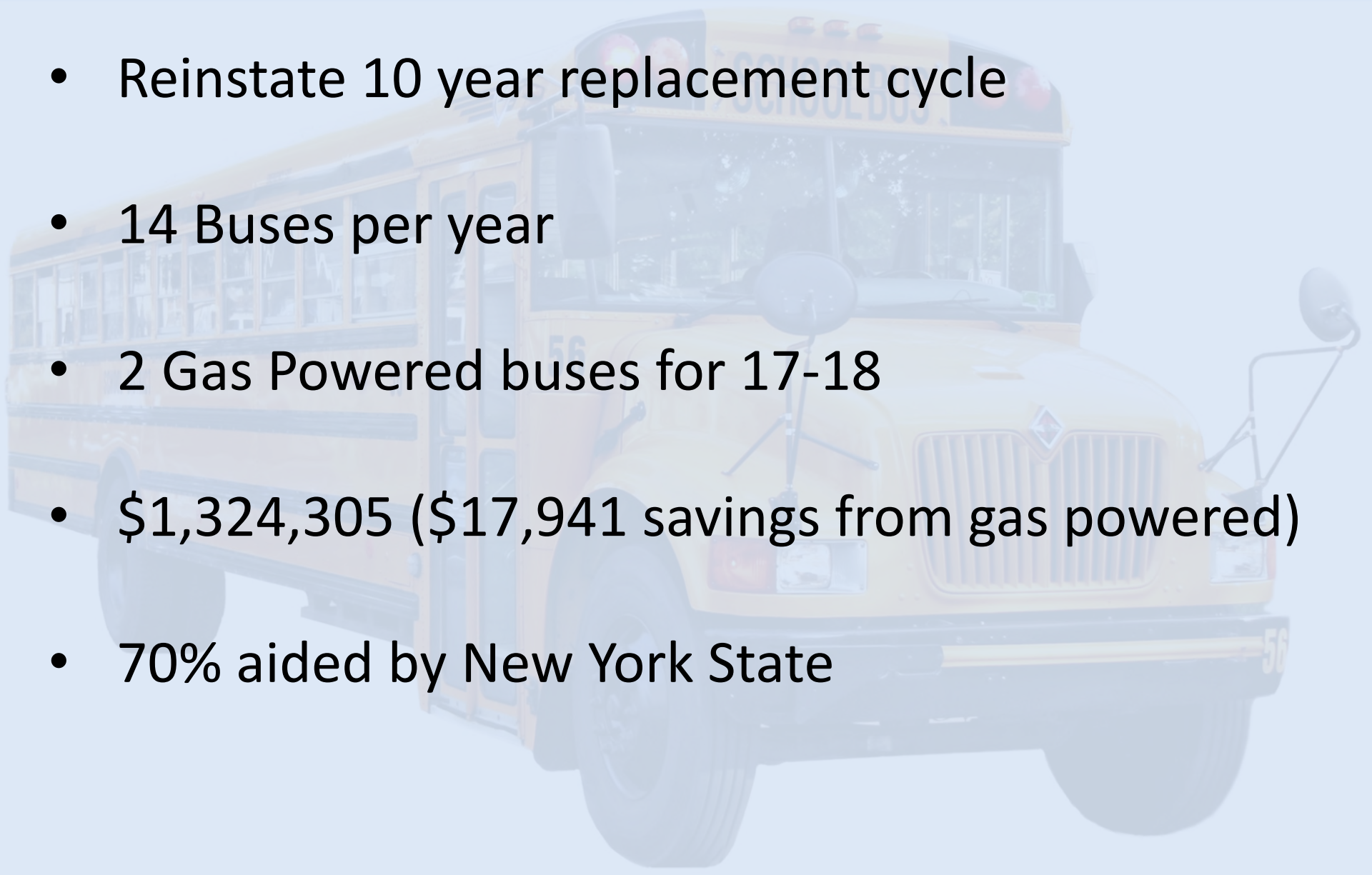


# Transportation

Age of Fleet



# Transportation

- Reinststate 10 year replacement cycle
  - 14 Buses per year
  - 2 Gas Powered buses for 17-18
  - \$1,324,305 (\$17,941 savings from gas powered)
  - 70% aided by New York State
- 

# Tax Levy Limit (Tax Cap)



# Tax Cap – The Formula

## Base Formula

$$\left( \left[ \left( \begin{array}{l} \text{Total taxes} \\ \text{levied for} \\ \text{prior} \\ \text{fiscal} \\ \text{year} \end{array} + \begin{array}{l} \text{Prior year} \\ \text{reserve} \\ \text{offset} \end{array} - \begin{array}{l} \text{Reserve} \\ \text{amount} \\ \text{(including} \\ \text{interest} \\ \text{earned)} \end{array} \right) \times \begin{array}{l} \text{Tax base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right] + \begin{array}{l} \text{PILOTs} \\ \text{receivable in the} \\ \text{prior fiscal year} \end{array} - \begin{array}{l} \text{Capital tax levy} \\ \text{exclusion, prior} \\ \text{fiscal year} \end{array} - \begin{array}{l} \text{Tort exclusion,} \\ \text{prior fiscal} \\ \text{year} \end{array} \right) \\
 \times \begin{array}{l} \text{Allowable levy} \\ \text{growth factor} \\ \text{(1.00 to 1.02)}^2 \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable in} \\ \text{coming fiscal} \\ \text{year} \end{array} + \begin{array}{l} \text{Available} \\ \text{carryover, if} \\ \text{any} \end{array} = \text{Tax Levy Limit}$$

## + Exclusions

$$\begin{array}{l} \text{Tax Levy} \\ \text{Limit} \end{array} + \begin{array}{l} \text{Tax levy necessary for} \\ \text{expenditures resulting} \\ \text{from court} \\ \text{orders/judgments} \\ \text{arising out of tort} \\ \text{actions for any amount} \\ \text{in excess of 5\% of the} \\ \text{total taxes levied in} \\ \text{the prior fiscal year} \end{array} + \begin{array}{l} \text{Capital tax levy} \end{array} + \begin{array}{l} \text{Tax levy necessary to pay} \\ \text{for increases to the system} \\ \text{average actuarial} \\ \text{contribution rate (ERS) or} \\ \text{normal contribution rate} \\ \text{(TRS) of pension funds over} \\ \text{2 percentage points} \end{array} = \begin{array}{l} \text{Tax Levy Limit,} \\ \text{with Exclusions} \\ \text{(if applicable)}^3 \end{array}$$



# Tax Cap – The Formula

<b>A</b>	<b>16-17 Tax Levy</b>	<b>\$82,390,409</b>
B	Tax Base Growth Factor	1.0002
<b>C</b>	<b>A * B</b>	<b>\$82,406,887</b>
D	Base Year PILOTs	\$915,462
<b>E</b>	<b>C + D</b>	<b>\$83,322,349</b>
F	16-17 Capital Tax Levy	\$1,637,705
<b>G</b>	<b>E - F</b>	<b>\$81,684,644</b>
H	Growth Factor (CPI)	1.26%
<b>I</b>	<b>G * H</b>	<b>\$82,713,871</b>
J	17-18 PILOTs	\$1,153,969
<b>K</b>	<b>Levy Before Exclusions (I – J)</b>	<b>\$81,559,902</b>

← Property growth in Town and Village

← CPI or 2%, whichever is lower

← Increase of \$238,507

## 17-18 Exclusions

L	17-18 Capital Tax Levy	\$830,508
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← Local Share (~~\$-830,197~~)

<b>2017-18 Tax Levy Limit</b>	<b>\$82,390,409</b>	<b><u>0%</u></b>
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# State Aid

# State Aid Executive Proposal – Projections

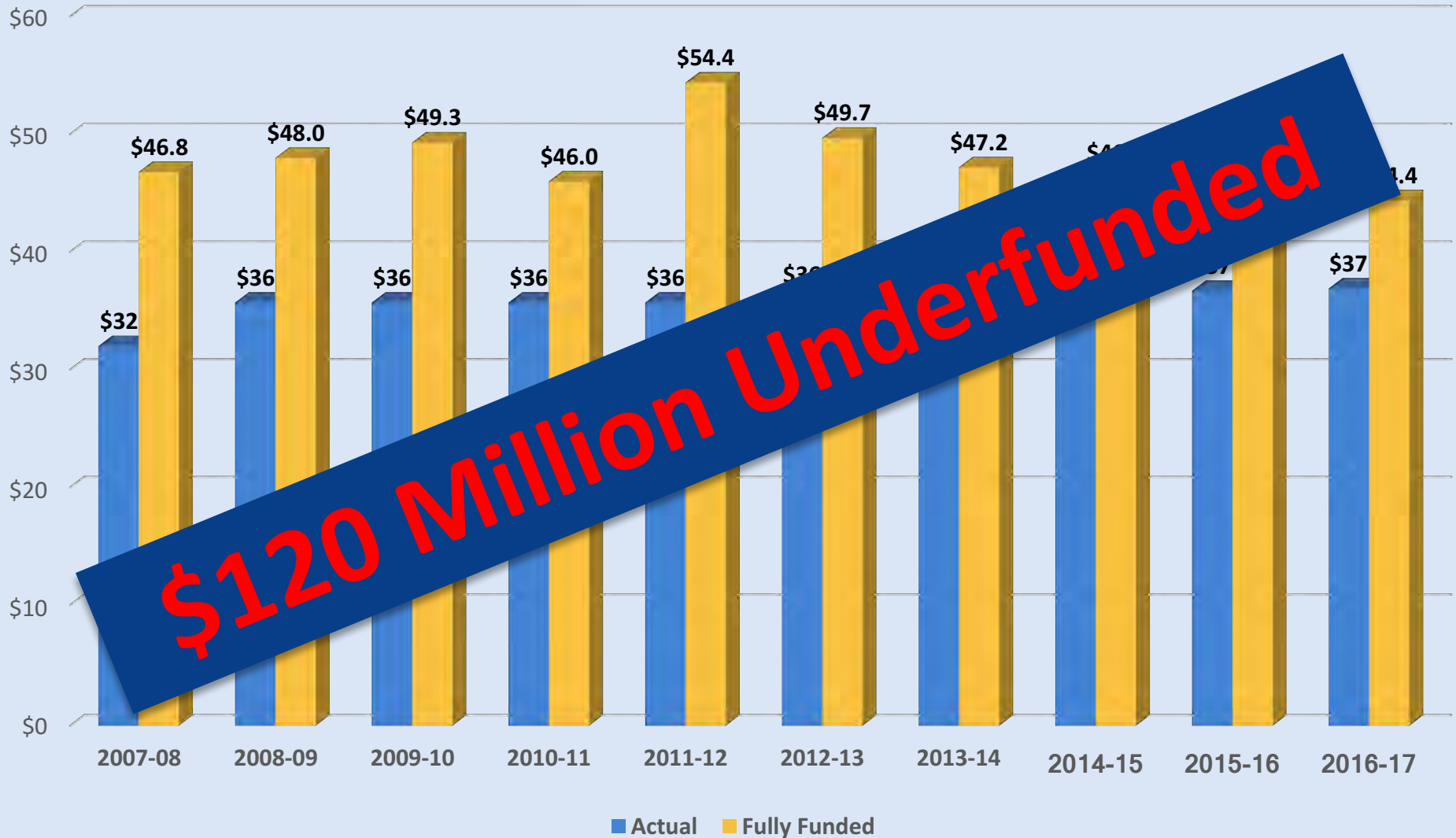
## Ken-Ton Highlights

- Foundation Aid
  - \$543,956 = 1.48%
- Building Aid:  
\$2,627,688 = 34.42%
- Transportation Aid:  
\$596,822 = 14.93%
- BOCES Aid  
-\$675,033 = -20.54%



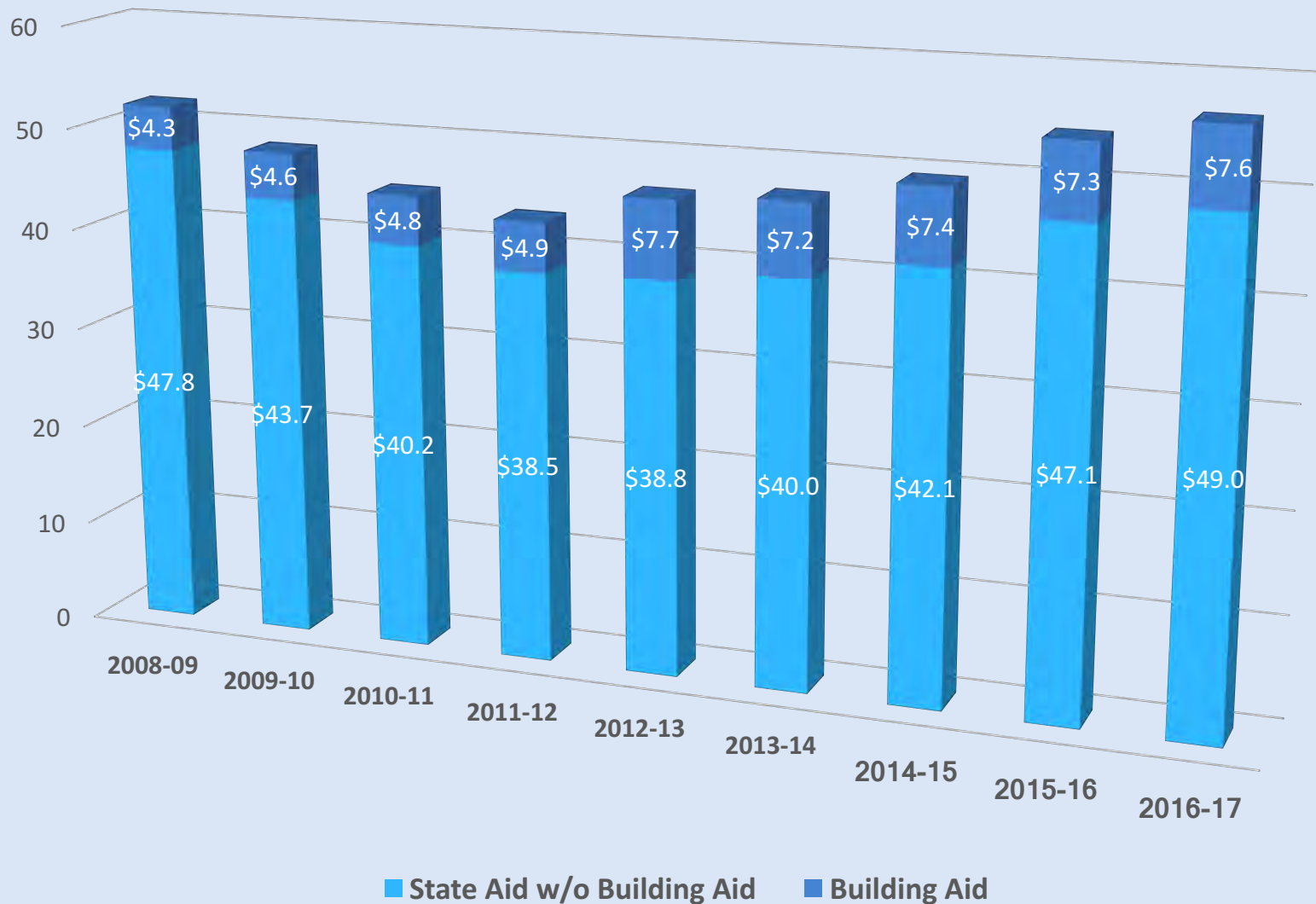
# Foundation Aid Comparison

Ken-Ton Foundation Aid History (In Millions)



# State Aid Comparison

Ken-Ton State Aid History (In Millions)



# Continuing Budget Development



# Continuing Budget Development

- Build BOCES services budget
- Project health care increases
- Finalize all revenue projections
- 3/1/17 – Retirement notification
- Department meetings to identify savings
- Monitor/update fund balance projections
- Align benefit and payroll projections





# QUESTIONS?

## Thank you for your support!

Visit [www.ktufsd.org/budget](http://www.ktufsd.org/budget) for more information



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UNION FREE SCHOOL DISTRICT**

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