

Budget Workshop #5

Patchogue-Medford School District

March 20, 2017

Items Included in 2017-2018 Budget

- District wide radio upgrade
- District wide VOIP telephone upgrade
- Purchase of an additional bus for field trips
- Inter-fund transfer to Capital Fund to address handicap accessibility district wide
- Community Schools Set-A-Side

Additional Items Impacting the 2017-2018 Budget

- Reduction of B.O.C.E.S. Special Education placements
- Staffing increases and reductions
- Introduction of Teaching Assistants to improve support services for Special Education students
- Deficit financing bond to be paid off in April 2017 (no more funding for principal and interest required in 2017-2018)
- Balanced Budget (elimination of appropriated fund balance)

External Budget Impacts

- Federal funding impacts on state and local agencies unclear
- Tax Cap continues to restrict budget levy increases
- State Aid – increase of over 4 million proposed
- State Aid - elimination of GEA
- State Aid - \$323,000 in Community Schools Set-A-Side

External Budget Impacts Continued

- Health insurance rate increase $\approx 11.70\%$
- TRS rate 9.80% (down from 11.72%)
- ERS blended rate increase estimated at 5%
- CPI increase 1.26%
- Assessed valuation for the District has increased over the last several years, which has lowered tax rate percentage increases
- Unfunded mandates continue to be enacted by the state

Staffing Impacts on Budget

Employee Type	Increase/Decrease	Area of Need
Administrator	1	Data
Teachers	14	General and Special Education
Clericals	2	Transportation and Registration
Teaching Assistants	15	Special Education
Monitors	(20) Part time positions	Special Education
Bus driver	1	Transportation

Fund Balance Projection for the 2016-2017 School Year

- Unreserved fund balance – 4%
- \$1,750,000 increase in retirement contribution reserve
- 2,500,000 increase in EBLAR reserve
- Reduction in appropriated fund balance reserve of \$2,055,179
- Actuarial review of reserve levels included in 2017-2018 budget

Purpose of Five Year Financial Plan

- Utilize as a functional tool to guide discussions in budget planning process
- Analyze impact of district forecasts on budget development and multi year planning
- Utilize forecasts in determining the impact of significant decisions on long-term fiscal health
- Forecast future fund balance projections for budget development decisions

What Has Been Accomplished With The District Five Year Plan?

- Balanced budget for the 2017-2018 school year
- Established Capital Reserve that has saved the district thousands of dollars in interest expense associated with financing capital construction
- Increased fund balance reserve levels during years of national, state and local fiscal distress
- Improved Moody's rating
- Improved cash flows, thereby reducing financing notes
- Leveraged state funding to maximize revenues and minimize expenses

Factors to Consider in Future Financial Plans

- Uncertainty of federal impacts on state and local governments
- Implementation of Superintendent's Road to Success Plan
- Long term contractual commitments
- Continued funding for Capital Reserve and related capital projects in order to continue improve district infrastructure while controlling debt

Contingent Budget Impacts

- Requires cuts totaling \$2,248,035
- Eliminates all equipment purchases from the 2017-2018 budget
- Removes all inter fund transfers to capital and School Lunch Fund from the 2017-2018 budget
- Eliminates bus driver

Budget and Tax Rate Summary

- Tax rate percentage increase 3.68 – 5.80% depending on determination of assessed valuation in August 2017
- Levy to levy increase 3.60% or \$3,789,266
- Budget to budget increase 3.73% or \$6,617,237
- Annual increase in taxes for an average home assessed at \$3,000 - \$266.94 (with no assessment decline)

Other Important Information

- The proposed budget does not pierce the Tax Cap
- The Tax Cap Formula caps the Tax Levy, not the Tax Rate
- Based on the formula Established by the State, dollar values of levies differ from district to district

Additional Important Information

- The State reviewed the District's Tax Cap Calculation and reported that it was accurate
- The state has reviewed the 2017-2018 budget details and deemed the appropriations to be reasonable
- Since the district has completed payments on the deficit financing bond from 2007, no more budget reviews are required by the Comptroller's Office

Additional Important Information

- Comptroller's Report on Budget can be found by clicking on the following link:

[NYS Comptroller's Audit – Budget Review – March 2017](#)

- Information associated with Budget Workshop Presentations can be found by clicking on the following link:

[2017-2018 Budget Information](#)

■ Questions?