BUDGET GOALS: 2019 - 2020

• Support District Educational Goals/Student Achievement

• Maintain Current Programs & Offerings

• Engage the Community in the Budget Development Process

• Align Budget with the Goals of the BOE & Superintendent

• Equitable PupilAllocations

• Long Range Fiscal Stability

• Keep Within the Tax Levy Limit (Tax Cap)

• Seek Alternative Funding Opportunities & Maximize the Use of Grant Funds
2018 - 2019 BUDGET HIGHLIGHTS

• Budget Vote Results: YES: 1,528  NO: 583
  72.4% of Voters Approved

• Total General Fund Budget: $175,032,027 (3.21% Increase)

• Revenues to Support Budget: $68,456,029 (3.46% Increase)

  Budgeted State Aid Increase of 2.54%

• Fund Balance Appropriation: $2,000,000
  Plus Allocation from ERS Reserve: $500,000

• 2018-2019 School Tax Levy: $104,075,998 ($2,661,556 increase)

  2.62% - Below the Maximum Allowable Levy of 3.60%
2018 - 2019 SCHOOL TAX RELIEF

• **Alternative Veteran’s Exemption** – Began with School Districts in 2015-2016
  
  • *Number of Eligible Veterans & Savings:*
  
  • 2015-2016: 1,932 Exemptions / Total Savings $684,550
  • 2016-2017: 1,879 Exemptions / Total Savings $677,200
  • 2017-2018: 1,811 Exemptions / Total Savings $665,947
  • 2018-2019: 1,754 Exemptions / Total Savings $635,232

• **Expanded Senior Citizens Tax Exemption**
  
  • *Sliding Scale for Higher Income Level:*
  
  • 2015-2016: (No Sliding Scale) 311 Exemptions / Total Savings $439,407
  • 2016-2017: 513 Exemptions / Total Savings $668,243
  • 2017-2018: 518 Exemptions / Total Savings $698,387
  • 2018-2019: 484 Exemptions / Total Savings $679,609
2018 - 2019 SCHOOL TAX RELIEF

• **STAR Credit** - Homeowners who apply for STAR exemptions after August 2015 will apply directly to NYS and receive a rebate check from the state instead of a STAR reduction on their School Tax bills

• **Property Tax Relief Credit 2018-2019**

  STAR Eligible homeowners will receive a property tax relief credit check if:
  
  • School District complied with Property Tax Cap
  • Homeowner has income of $275,000 or less
  • Have Paid School Taxes in 2018

  • **Average Expected Check 2018:**
    • BASIC STAR: $48 - $400
    • ENHANCED STAR: $362

<table>
<thead>
<tr>
<th>Income (Qualified AGI)</th>
<th>2017-2018 % of BASIC STAR</th>
<th>2018-2019</th>
<th>2019-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$75,000</td>
<td>28%</td>
<td>60%</td>
<td>85%</td>
</tr>
<tr>
<td>$75,000-$150,000</td>
<td>20.50%</td>
<td>42.50%</td>
<td>60%</td>
</tr>
<tr>
<td>$150,001-$200,000</td>
<td>13%</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>$200,001-$275,000</td>
<td>5.50%</td>
<td>7.50%</td>
<td>10%</td>
</tr>
<tr>
<td>Enhanced STAR</td>
<td>12%</td>
<td>26%</td>
<td>34%</td>
</tr>
</tbody>
</table>
BUDGET DEVELOPMENT

• Public Input – Budget Forums

• Review & Assessment of:
  • Programs, Co-Curricular and Interscholastic
  • Staffing Levels, Class Sizes, Building Level Requests
  • Transportation, Facilities
  • BOCES Programs & Other Contracts
  • “Fixed Costs”
    • Salaries – Contractual Obligations
    • Employee Benefits
      • Retirement System Costs
      • Health Insurance
      • Social Security-Workers Compensation
    • Debt Service Payments

• Board of Education Input, Review and Approval
Analyze Prior Year Budget

Include Known Factors-Contracts Agreements

Evaluate School, Dep’t. Needs Enrollment

State Aid Estimates Calculate Tax Cap

Update With New Info-Retirement & Health Insurance Costs

Review & Revise to Meet Budget Goals

Board Adoption

Voter Approval

Administer Monitor

Start
<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Expense Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• State Aid</td>
<td>• Salaries for Staff</td>
</tr>
<tr>
<td>• Interest, Tuition, Misc.</td>
<td>• Employee Benefits</td>
</tr>
<tr>
<td>• PILOTS, Tax Interest</td>
<td>• Students with Disabilities Costs</td>
</tr>
<tr>
<td>• Appropriated Fund Balance</td>
<td>• Debt Service</td>
</tr>
<tr>
<td>• Balance: Tax Levy</td>
<td>• Transportation</td>
</tr>
<tr>
<td></td>
<td>• Texts, Equipment, Supplies, Contractual</td>
</tr>
<tr>
<td></td>
<td>• Operations &amp; Maintenance</td>
</tr>
</tbody>
</table>
REVENUES TO SUPPORT BUDGET

2018-2019

BUDGET APPROPRIATIONS
$ 175,032,027

- Other Revenues $4,133,520 2.4%
- State Aid $64,322,509 36.8%
- Appropriated Fund Balance $2,000,000 1.1%
- School Tax Levy $104,075,998 59.5%
- Appropriated Reserves $500,000 .2%
- Appropriated Reserves $500,000 .2%
MAJOR BUDGET COMPONENTS

- Labor Costs: 74.4%
- BOCES Services: 6.9%
- Equipment, Supplies & Textbooks: 1.4%
- Tuition: 3.9%
- Contractual & Other: 3.6%
- Transportation: 4.2%
- Debt Service: 5.2%
- Transfer to Other Funds: 0.4%
HUMAN RESOURCE COSTS

- Total Salaries: 60.0%
- Health Insurance: 27.9%
- Retirement: 6.8%
- Social Security: 4.6%
- Other Benefits: 0.8%
OTHER DISTRICT FUNDS

1. **Capital Fund:**
   - Voter Approved Projects and Transfers from the General Fund
   - May Extend Beyond 1 Year

2. **School Lunch Fund:**
   - Annual Budget Established – Estimated Revenues & Appropriations
   - Operates as Profit & Loss – Limits to Fund Balance
   - No General Fund Support Required for Several Years

3. **Federal Funds:**
   - Federal and State Grant Funds for Specific Programs
   - Examples: Title I, II, III, IDEA, Universal Pre-K, Summer Handicapped
   - Require Separate Accounting and Reporting

4. **Debt Service Fund:**
   - Separate Accounts for Debt Related Purposes
FISCAL REPORTING AND MONITORING

• Continual Monitoring of Expenses and Revenues to the Budget

• Financial and Budget Reports Provided to the Board Monthly

• Fiscal and Attendance Reporting to NYSED Annually (ST 3)
  • Due September 1
  • Reports all Accounting and Financial Activity and Balances
  • Reports Actual & Projected Attendance and Other Student Enrollment Data
  • Determines State Aid for the Upcoming Year

• Annual Financial Report
  • Examined and Presented by External Auditor
  • Due to NYSED October 15
  • Separate Financial Reports for Extra-Classroom Activity Funds and Federal Funds
AUDIT & FINANCE COMMITTEE

• Committee of the Board of Education
• Guidance by Policy and Charter
• Meets on a Monthly Basis
• Reviews Financial Reports and Recommends Reports to the Board of Education
• Responsible for District Audits
  • Internal Auditor Selection, Audit Topics, Risk Assessment
  • Selecting and Meeting With External Auditor
FUND BALANCE & RESERVE FUND PLAN

• Detailed Description of Fund Balance Classifications

• Listing of Each Type of Fund Balance or Reserve Maintained by the District

• Notes Legal Purposes, Uses of Each Fund

• Includes Financial Activity for the Year, Funding Goals, Year End Balances & Plans for Using

• Presented to the Audit & Finance Committee

• Accepted by the Board of Education

• Will be Updated Annually
FUND BALANCE CLASSIFICATIONS

1. **Unassigned Fund Balance:**
   
   4% of Budgetary Appropriations

2. **Appropriated Fund Balance:** Amount Allocated to Budget
   
   Revenues to Offset Tax Levy

3. **Restricted – Fund Balance in Legal Reserves:**
   
   *Tax Certiorari Reserve*
   
   *Capital Reserve*
   
   *Employees Retirement System Reserve*
   
   *Unemployment Reserve*
   
   *Liability Reserve*
   
   *Property Loss Reserve*
RESERVE FUNDS

**Purpose & Uses:** Legal Reserves are established by board resolution or voter approval and are funded from excess funds at the end of a school budget year – upon Board of Education resolution.

* Targeted toward specific Liabilities
* Reduce future tax levy increases by appropriating toward budget
* Used to avoid large tax swings
* Reduce possibility of Fiscal Stress – maintain Fiscal Stability
* Impacts bond rating for borrowings/financing Capital Projects
RESERVE FUND USES

• **Capital Reserve Funds – Voter Approved 2015, 2018**
  - 10 Year Life - Funded by Unexpended Appropriations or Transfers from Other Reserves up to maximum of $10 Million
  - Recent Capital Reserve Funds Allocated for:
    - Meagher Renovation Project: $4,226,248
    - 2018 Voter Approved Capital Upgrades- JFK, Edson & MC Miller: $5,000,000
  - Capital Reserve Funds Available for Future Projects: $3,831,353

• **Tax Certiorari Reserve Fund**
  - Annually Review and Adjust based on Outstanding Tax Certiorari Petitions and Legal Settlements

• **Employees Retirement Reserve**
  - Used to Offset Retirement System Costs - $500,000 Allocated to 18-19 Budget
BUDGET CONSIDERATIONS: 2019 - 2020

• Fiscal:

  • State Aid Projections (Building Aid for 2nd Century Project)
  • Maximize State Aid/ Foundation Aid Formula Funding by State
  • Tax Levy Limit & Maximum Allowable Tax Levy
  • Fixed Cost Projections & Contractual Obligations
  • State & Federal Mandates
BUDGET CONSIDERATIONS: 2019 - 2020

- New Format(s) and Requirements:
  - NYS School Funding Transparency Report and ESSA Financial Transparency Requirement
  - Per pupil expenditures for each School
  - Kingston CSD required to have 2019/20 budget in “by school” format (NYS) and to report 2018/19 actual expenditures with per pupil/school data in December 2019 (ESSA)
  - Formats and rules not yet fully established
BUDGET CONSIDERATIONS: 2019 - 2020

• **New Format(s) and Requirements (con’t):**
  - **NYS School Funding Transparency Report** and **ESSA Financial Transparency Requirement**

  • Will provide information to enhance:
    - Transparency of financial information
    - Accountability for school improvement efforts
    - Local decision-making
    - Understanding of best practices/Opportunities for improvement/Identification of Under- or Over-spending

• **Potential Value of Examining Per Pupil Information, and by School:**
  - Comparison of spending with District goals
  - Is equity addressed?

• Important for communities to understand what the new data means…and does not mean