



MECHANICVILLE
CITY SCHOOL DISTRICT

2019-2020

Budget Hearing

May 9, 2019



Budget Challenges



- **Property tax cap**
- **Preserving programs**
- **Special education needs**
- **Managing capital project debt**
- **Health insurance increases**



Budget Development



- **NYS budget adopted March 30, 2019**
- **Foundation Aid partially restored**
- **2019-20 Foundation aid increase \$257,546**
- **Foundation aid full phase-in shortfall
\$1,373,754**

How can school budget gaps be eliminated?



Given NYS's property tax cap, schools need a steady, stable and reliable funding stream from the state in order to keep tax levy increases to a minimum and meet student performance expectations.

Schools need more stability and predictability in pension costs. ERS rates went from 1.5% in 2002-03 to 20.9% in 2013-14 (2019-20 rate is 14.6%). TRS rates went from .36% in 2001-02 to 17.53% in 2014-15 (2018-19 rate is estimated at 8.86%).

Mandate relief



Mandates



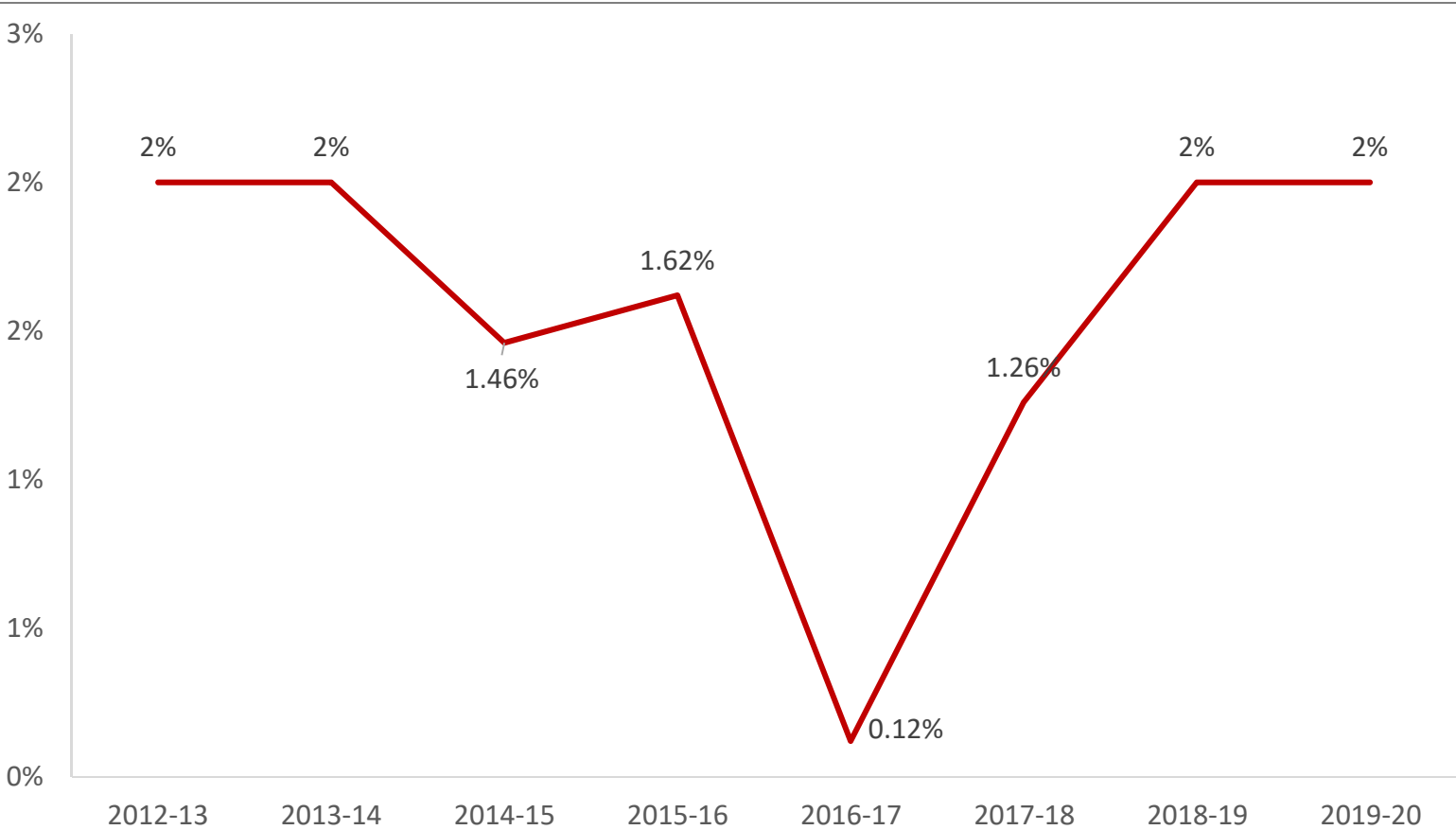
NYS has about 200 mandates that go above and beyond federal requirements.

Study by Regional Educational Advocacy Districts group determined the cost of 94 unfunded state and federal mandates comprise 17 to 20 percent of school district spending - \$5 to \$6 billion statewide.

Mandate Relief Redesign Team established in 2011 (legislators, school administrators, teachers, municipal governments) found consensus difficult among different stakeholders.



Allowable Tax Levy Growth Factors



2019-20 Budget



- **Preserves all academic, extracurricular and athletic programs**
- **One 76 passenger bus (aided at 68.9%)**
- **Funding for current capital project**
- **Lavatory aide at the MS/HS**
- **Stipends for 5 student club advisors**

2019-20 Budget Summary



• Total Proposed Budget	\$28,443,263
• Budget Increase	5.29%
• Tax Levy	\$13,738,535
• Tax Levy Increase	\$479,885
• Tax Levy Percent Increase	3.62%
• Property Tax Cap	5.2%
• Amount Below Cap	\$204,256



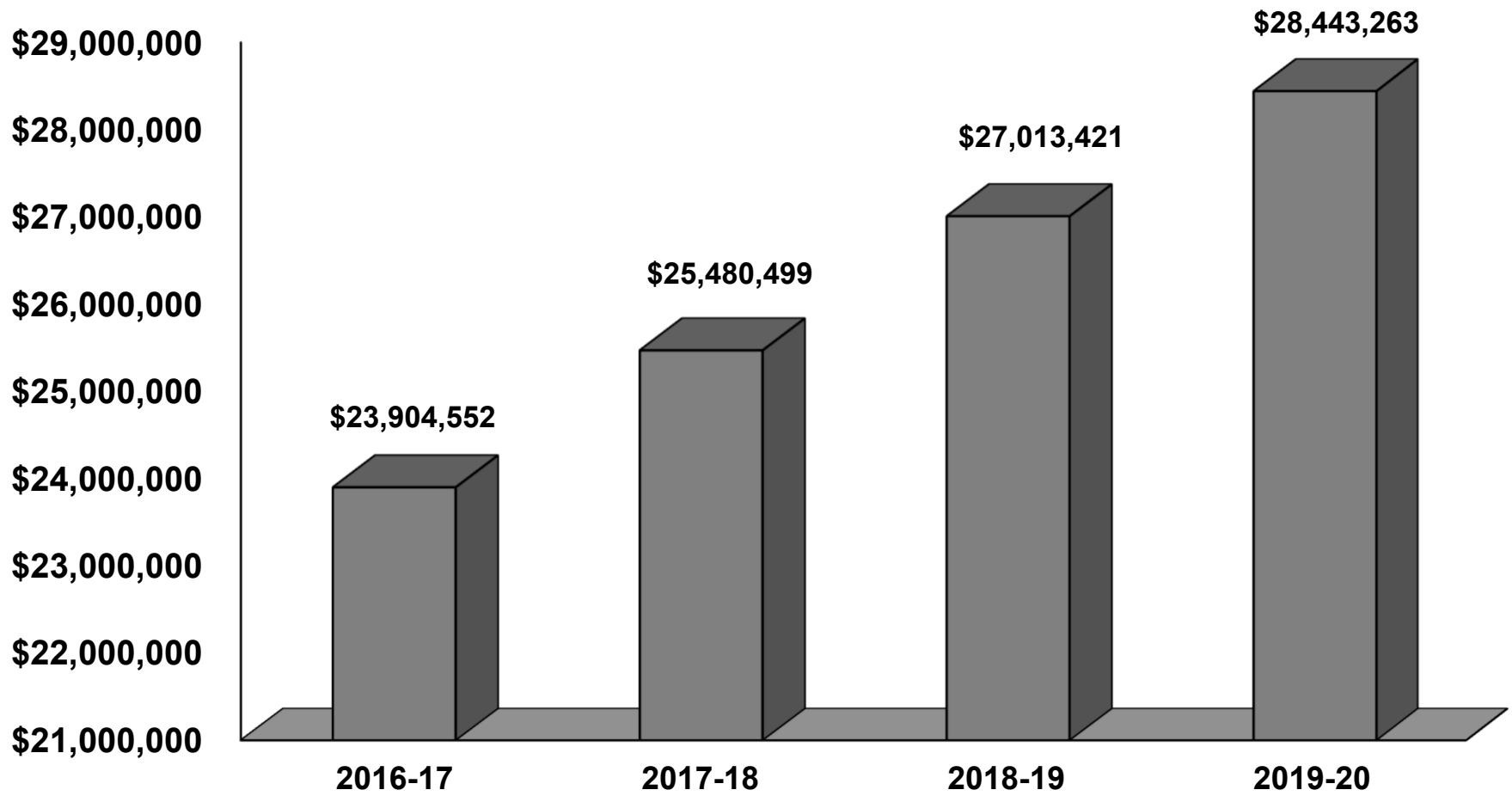
Budget History



2016-17	\$23,904,552	
2017-18	\$25,480,499	+\$1,575,947
2018-19	\$27,013,421	+\$1,532,922
2019-20	\$28,443,263	+\$1,429,842



Budget History



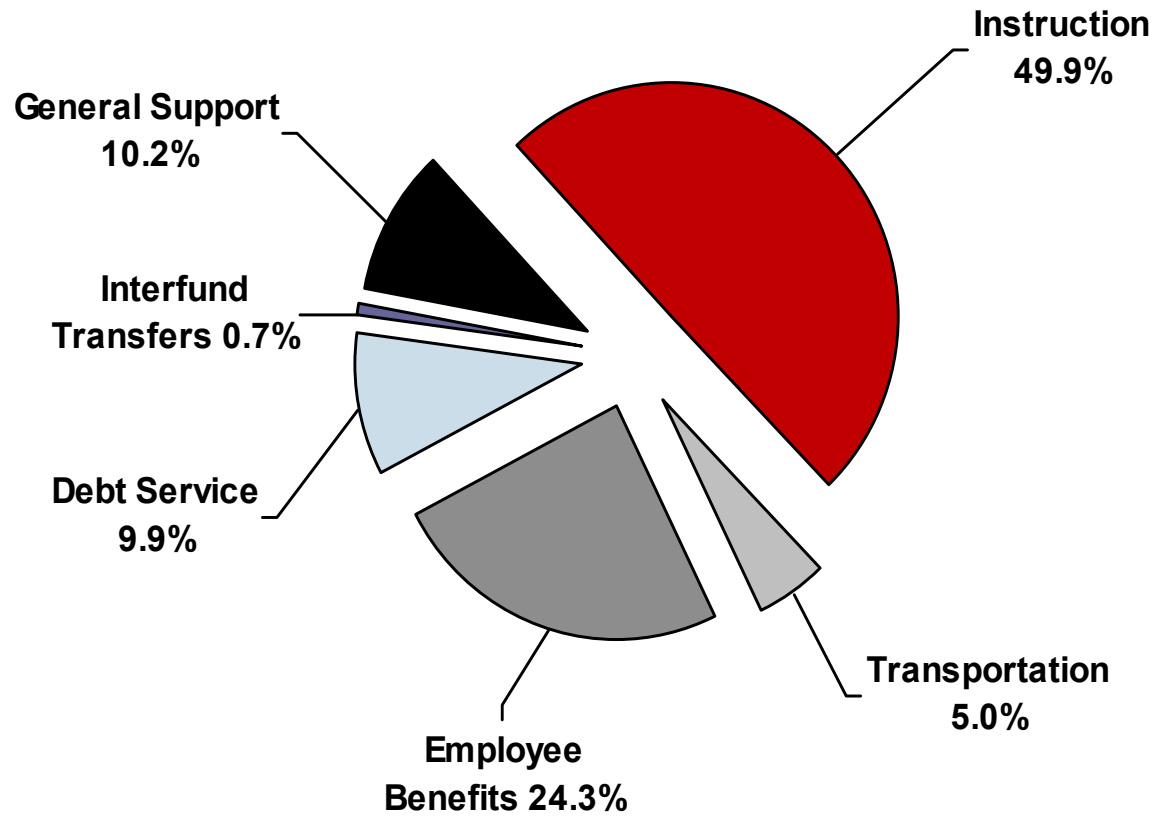
Proposed Budget



	2018-19	2019-20	Difference
General Support	\$3,206,509	\$2,900,389	(\$306,120)
Instruction	\$14,007,397	\$14,179,087	\$171,690
Transportation	\$1,052,519	\$1,435,116	\$382,597
Employee Benefits	\$6,261,024	\$6,911,480	\$650,456
Debt Service	\$2,330,972	\$2,817,191	\$486,219
Interfund Transfers	\$155,000	\$200,000	\$45,000
Total	\$27,013,421	\$28,443,263	\$1,429,842



Expense Categories



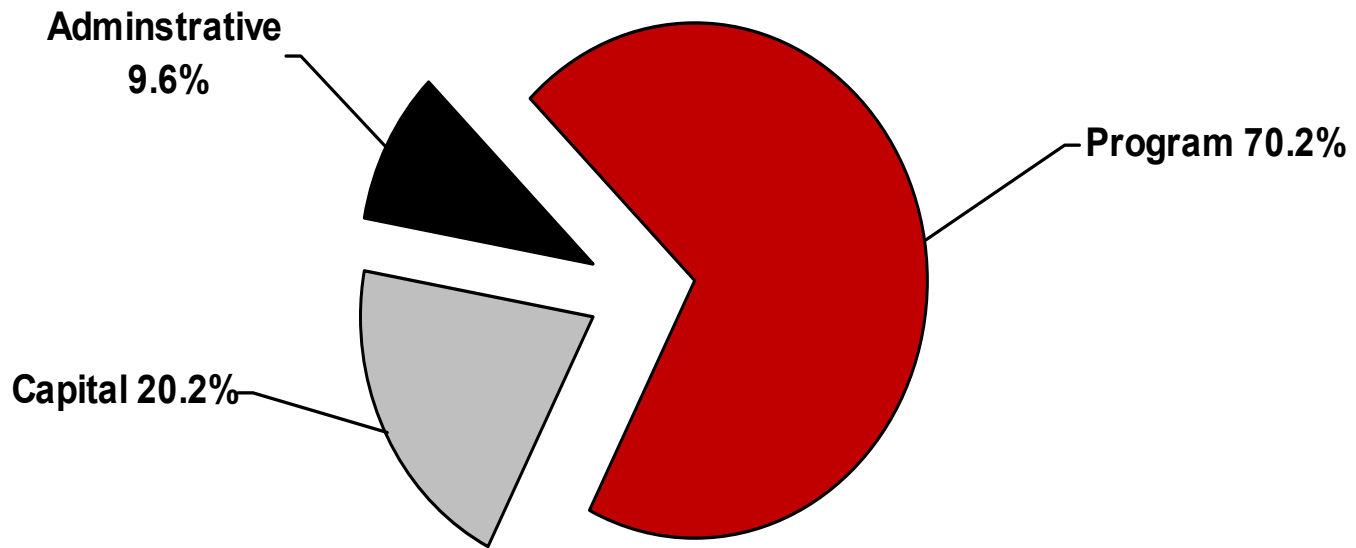
Three-Part Budget



	2018-19	2019-20	% of Total
Program	\$18,923,553	\$19,962,384	70.2%
Administrative	\$2,821,426	\$2,726,892	9.6%
Capital	\$5,268,442	\$5,753,987	20.2%
Total	\$27,013,421	\$28,443,263	100%



Three-Part Budget



2016-17 Expenditures Per Pupil



	Mechanicville CSD	Similar Districts	All NYS Schools
General Education	\$8,148	\$11,548	\$12,692
Special Education	\$26,969	\$32,148	\$32,794

**Source: NYS School Report Card Fiscal Accountability
Summary**



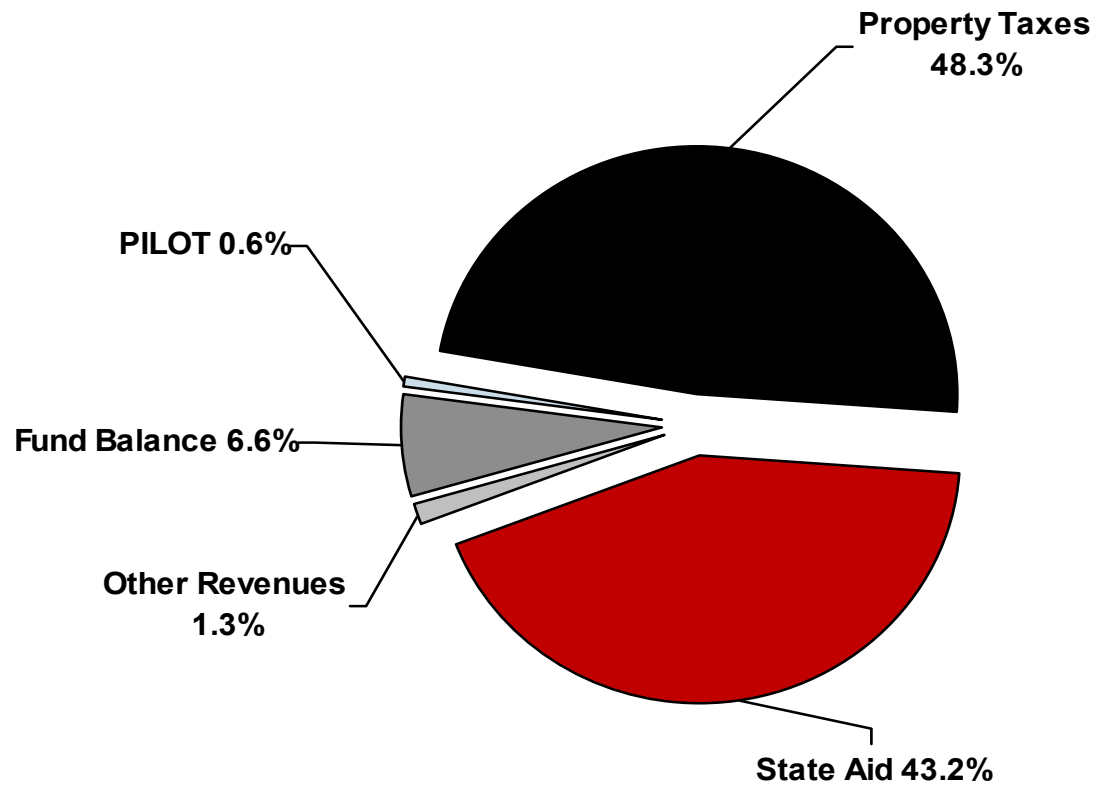
Revenues



	2018-19	2019-20	Difference
Property Taxes	\$13,258,650	\$13,738,535	\$479,885
State Aid	\$11,548,196	\$12,298,528	\$750,332
PILOT	\$185,000	\$160,000	-\$25,000
Fund Balance	\$1,783,000	\$1,883,000	\$100,000
Other Revenue	\$238,575	\$363,200	\$124,625
Total Revenues	\$27,013,421	\$28,443,263	\$1,429,842



Revenues



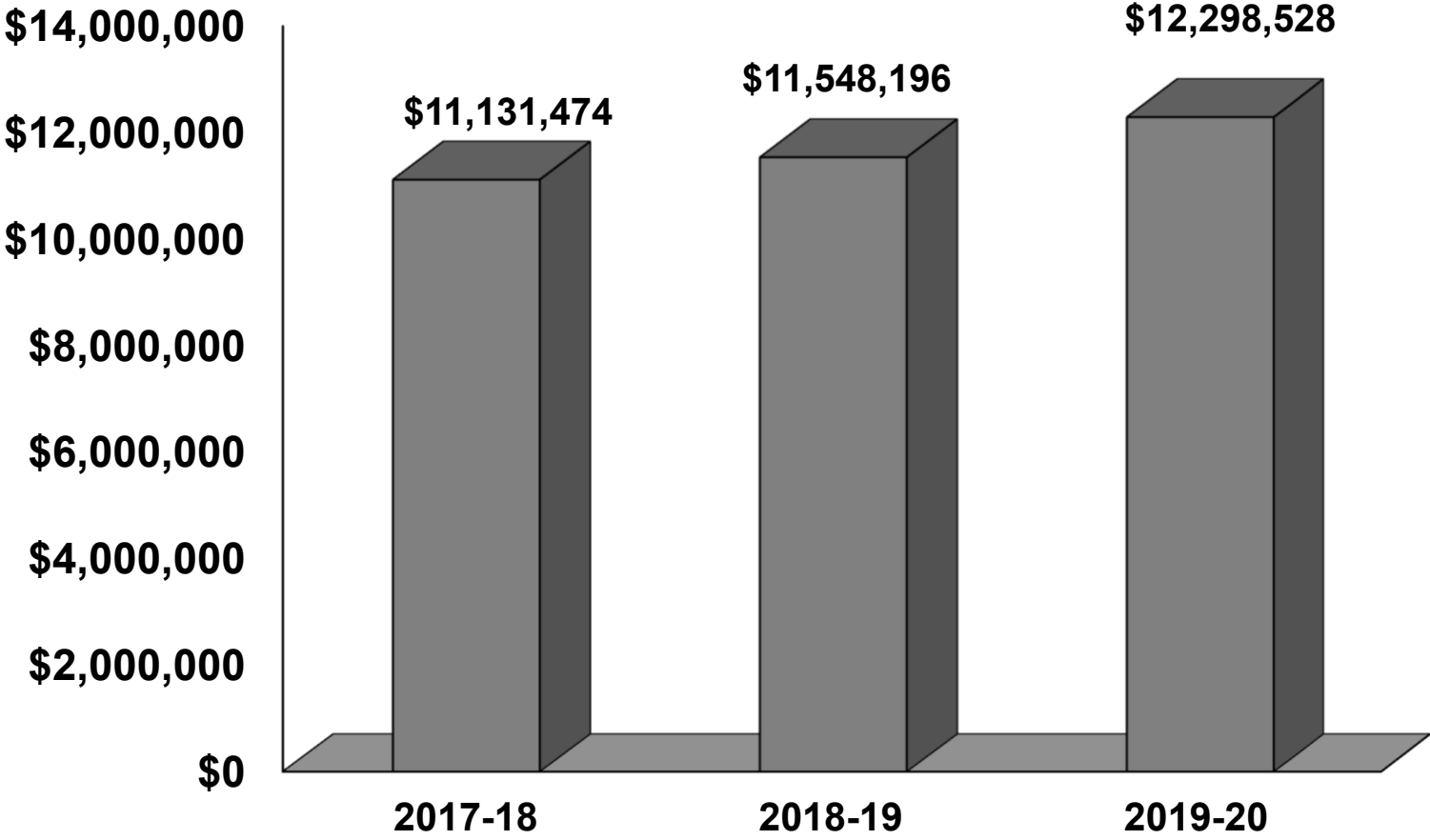
State Aid History



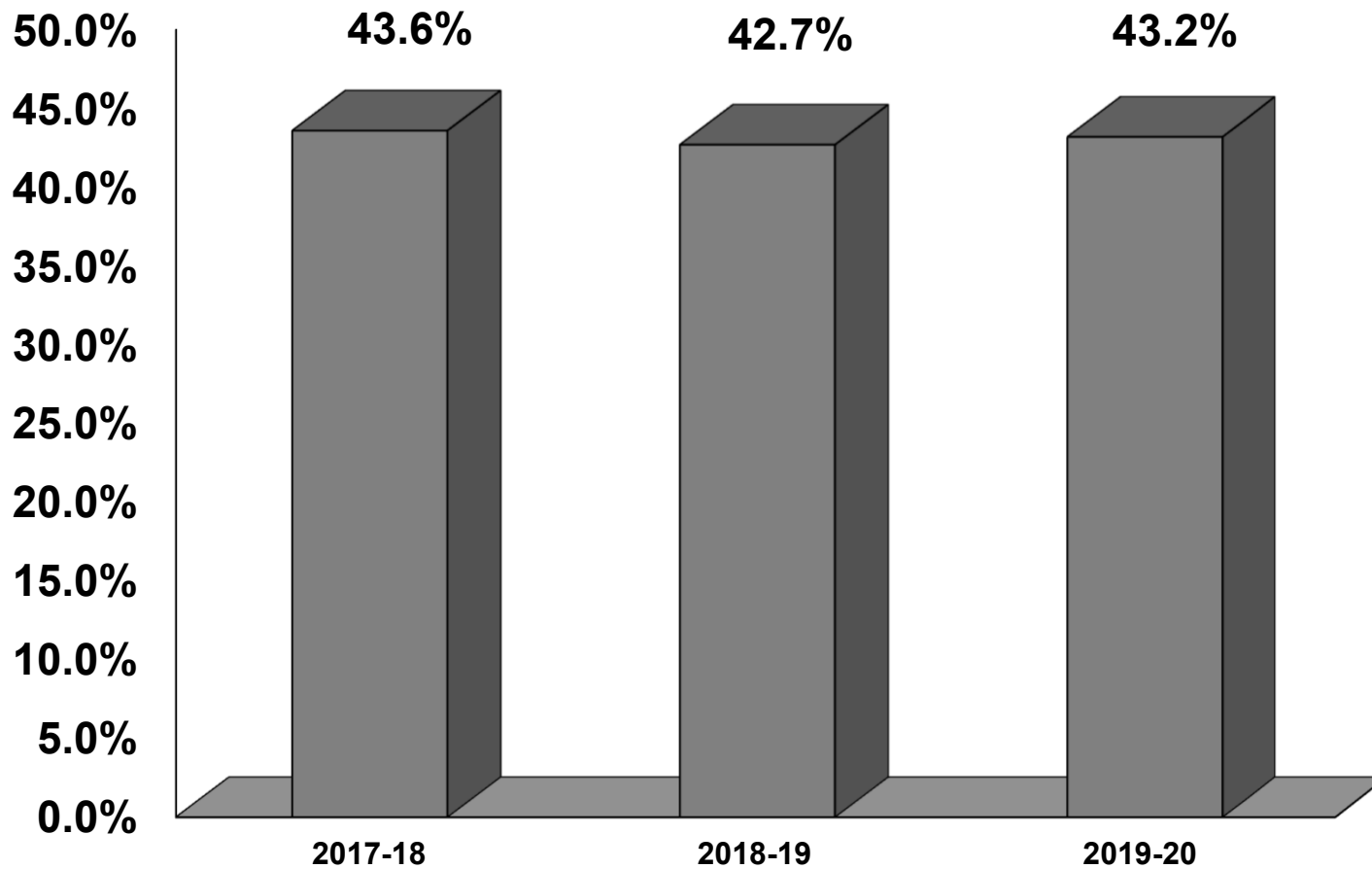
2017-18	\$11,131,474
2018-19	\$11,548,196
2019-20	\$12,298,528



State Aid History



State Aid as a Percent of Budget



Tax Levy



2017-18 Tax Levy Increase	5.2%
2018-19 Tax Levy Increase	3.78%
2019-20 Tax Levy Increase	3.62%



Reserves and Fund Balance

June 30, 2018



Employee Benefits and Accrued Liabilities	\$225,172
Employees Retirement System	\$185,070
Debt	\$603,791
Total Reserves	\$1,014,033
Undesignated Fund Balance	\$5,713,741



2019-20 STAR Exemption Savings



The property tax relief credit directly reduces your property tax burden if you are a qualifying homeowner. If you're eligible for the credit, the state will automatically send you a check.

Recent changes in the law beginning this year:

- **The value of the STAR credit savings may increase by as much as 2% each year, but the value of the STAR exemption savings will not increase.**
- **The income limit for the Basic STAR exemption is now \$250,000.**

If your income is more than \$250,000 you must switch to the STAR credit to continue receiving a STAR benefit.

If your income is \$250,000 or less, you have the option to switch.

To switch to the STAR credit:

- 1. Notify your assessor you wish to withdraw from the STAR exemption.**
- 2. Register for the STAR credit.**



Property Tax Relief Credit

The property tax relief credit directly reduces your property tax burden if you are a qualifying homeowner. If you're eligible for the credit, the state will automatically send you a check.

To be eligible, you must:

Live in a school district that is complying with the NYS property tax cap,

Receive either Basic or Enhanced STAR exemption or credit,

Have an income of \$275,000 or less, and

Have paid school property taxes in 2018.

The amount of the credit is a percentage of the eligible homeowner's STAR savings.

Percentage of Basic STAR savings according to income:

2017 Income:	2019 property tax relief credit will be this percentage of your STAR savings:
\$75,000 or less	85%
\$75,000 to \$150,000	60%
\$150,000 to \$200,000	35%
\$200,000 to \$275,000	10.5%

Enhanced STAR recipients will receive a credit of 34% of enhanced STAR savings.

Income does not impact the amount of the credit for Enhanced STAR recipients.

What happens if the budget is not approved by the public?

If the proposed budget is not approved by the required margin:

- The district may resubmit the original budget or submit a revised budget to the voters on the third Tuesday in June OR
- Adopt a contingency budget that levies a tax no greater than that of the prior year (0% increase in tax levy).

If the resubmitted/revised budget proposal is not approved by the required margin:

- The Board of Education must adopt a budget that levies a tax no greater than that of the prior year (0% increase in tax levy) and the budget would be subject to contingent budget requirements.

Districts will not be allowed to increase the tax levy to the extent necessary to fund items of expenditure excluded from the tax cap

- No growth factor
- No capital, court order/judgments or pension exemptions.

More About Contingency



- **Under a contingency budget, the tax levy can be no greater than the prior year tax levy. No increase in the tax levy is allowed.**
- **All non-contingent items, such as certain equipment and supply purchases, must be removed from the budget.**
- **Administrative expenditure caps would apply.**



MECHANICVILLE
CITY SCHOOL DISTRICT

Budget Vote
Tuesday, May 21st
12 noon to 9 p.m.
High School Gym Lobby

Detailed budget available on District website
www.mechanicville.org