

Putnam Valley School District Possible Budget Constraints and Environmental Factors 2018-19

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February 8, 2018

2018-19 State Aid-increasing by only \$57K- less than .55%

The Legislative branch repeatedly talks about replenishing Foundation Aid. The Hudson Valley only receives 6% of all State aid distributed to NYS so when we hear that we are getting an increase, our region receives the smallest portion that is being handed out statewide.

The CPI (consumer price index) used for the tax cap is 2%, however, all this means is that the local share can increase while the State Share has not increased equally.

Expense Based Aids

- BOCES Aid
- Transportation Aid

2018-19

- Remain fully funded as they have been in the past.

2019-20 (Proposed going forward)

- Proposal to reduce these aids to have a 2% cap. That means it is imperative that the District remains vigilant of Expenditure driven aids in 2018-19 because we receive aid on those expenditures in the following year. More encouragement to control spending which speaks to limited tax cap growth.

NYS STAR Proposals

STAR- Frozen at 18-19 amount.

Enhanced STAR- Make it mandatory for Senior Citizens to apply annually on line to renew their exemption. The District could offer help to senior citizens. Not all senior citizens have family to help them apply.

Possible suggestion: Have a HS finance class work with families to help with the application process.

NYS Proposed Change in Special Education Formulas

Cause:

Lower reimbursements for

Summer Programs:

Currently the Extended School Year Program has an approved expenditure rate reimbursement of 80%.

The formula will change based on a wealth equalized ratio and reimbursement rate could be lowered and range from 25% to 90%. This will cause the local share to increase.



Effect:

Increases the local share

Negotiate with bargaining units to help reduce the cost of the Extended Year program or establish new rates for the program to align with state reimbursements rates.



Impact of the Child Victims Act-

- Increases the Districts liability exposure and the need for an increased Liability Reserve
- Extends the statute of limitations for bringing civil claims in sexually related cases to 3 years from the victims 18th birthday to 50 years from the date of the offense.
- The proposed law also eliminates the need to file a notice of claim before filing a lawsuit against a public entity.

Proposal: Depending on our available balances we may want to increase the reserve for liability

NYS newly proposed mandated Programs

“Respect for Diversity” Program

– Instructional Program for 8th & 9th graders to promote awareness of and respect for diversity.

– School Lunch Program-

Districts will need to develop and submit a plan to the Commissioner ensuring students who have unpaid school meal fees are not treated differently than other students - means no “Alternative Lunches”. The District has decided to implement this plan on its own.

District Budget to Budget Impacts-2018-19

Increase in health premiums of 3.75%	\$	346K
Increase in the Teachers Retirement System Contribution rate of .83%	\$	243K
Natural Contractual Increases-Vendors and Bargaining Units, BOCES, Materials and Supplies	\$	600K
Programmatic Change -Transportation cost	\$	205K
Principal and Interest on new debt	\$	590K

Where can PV look for Positive budget impacts?

Interest Revenue-showing positive trends.

Last minute aid increase?

Possibility of not having to replace retiring staff members.

Waiting for final enrollment, schedules and IEP needs.

Fortunate to have reserves that can help support the budget.

Remain Tax Cap compliant using the 2% CPI to arrive at the allowable level to afford homeowners the refund for another year.

