



2016-2017 Public Input Session

Public Presentation and Input Session
4.21.16

Preliminary Budget Summary

**Preliminary Budget as approved on March 17, 2016,
approved by the County and advertised on April 21, 2016:**

Total Budget 2016-2017:	\$	153,085,082
Total Dollar Increase of Budget:	\$	4,440,867
Total % Increase of Budget:		3.0%
Total Tax Levy (maximum allowable):	\$	143,229,623
Total Dollar Increase of Tax Levy:	\$	5,465,951
Total % Increase of Tax Levy:		4.0%
Tax Levy Increase on Avg Home:	\$	131/year

Preliminary Budget – Tax Impact*

Impact	General Fund Tax Levy	Debt Service Tax Levy	Annual Tax Increase* (includes debt)
Tax levy @ 2% Cap:	\$ 140,518,945	\$3,356,975	\$ 72
Add Healthcare waiver:	\$ 1,460,217		+ \$ 32
Add remaining Banked Cap:	\$ 1,250,460		+ \$ 27
Maximum Permitted Tax Levy:	\$ 143,229,622	\$3,356,975	\$ 131
* Average Home Assessment:	\$ 228,200		

Health Care Waiver

Total Health/Prescription Benefits :	\$	34,912,383
Less:		
Anticipated funds from WEA members for buy-up	\$	- 262,526
Anticipated funds from employee contributions	\$	<u>-5,927,828</u>
TOTAL BUDGETED COSTS:	\$	28,722,029
Total Budgeted Costs for 2015-2016:	\$	26,075,310
Total Costs for 2015-2016 inflated by 2%:	\$	<u>26,596,816</u>
Increase in Costs for 2016-2017:	\$	2,125,212
State Health Benefits percentage increase		7.6%
Calculation: 7.6% - 2.0% = 5.6% of 2015-2016 budgeted costs, not to exceed 15-16 inflated cost		
Health Care Waiver Available	\$	1,460,217

Banked Cap

Description	Generated in 2013-2014	Generated in 2014-2015	Generated in 2015-2016	Total Cap
Cap Available	\$ 1,549,168	\$ 142,180	\$ 0	\$ 1,691,348
Banked Cap Used PY	\$ 440,888	\$ 0	\$ 0	\$ -440,888
<u>Remaining Cap</u>	<u>\$ 1,108,280</u>	<u>\$ 142,180</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cap Available for use in 2016- 2017	\$ 1,108,280	\$ 142,180	\$ 0	\$ 1,250,460

CHANGES TO PRELIMINARY BUDGET

On April 13, 2016, the Insurance Broker noted that the composite ratio of claims to premiums had decreased from 102% to 96%. This allowed the District to reduce its projected 18% increase in medical and prescription benefits to 15%.

Budget Impact:	Medical	- \$ 706,175
	Prescription	<u>- \$ 156,639</u>
Total Reduction:		- \$ 862,814

Offset by reduction in health care waiver available to District (reduces allowable tax levy)	<u>+ \$ 197,821</u>
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NET reduction in expenditures:	\$ 664,993
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Impact of Reducing Tax Levy

The decrease in the benefits automatically reduces the health care waiver, thereby reducing maximum tax levy, as follows:

<u>Assessment</u>	<u>Prior Impact</u>	<u>New Impact</u>
\$228,200	\$131 per year	\$127 per year
\$300,000	\$173 per year	\$167 per year
\$400,000	\$230 per year	\$223 per year
\$500,000	\$288 per year	\$278 per year

Options

The Board has to make a determination on what to do with the NET reduction in expenditures:

1. Reduce the maximum allowable tax levy by the additional \$664,993 OR
2. Make changes to the budget to restore cut or eliminated items, reduce withdrawal from capital reserve, etc. OR
3. Combination of Item 1 and 2

Option 1: Reduce Tax Levy

- If it was determined to decrease the tax levy by the entire remaining \$664,993, it would further *reduce* the annual tax for the average home from \$127/yr to \$112/yr
- However, this option would result in the loss of banked cap in the amount of \$522,813 (\$142,180 of banked cap could be carried for one more budget cycle).

Option 2: Budget revisions

- Restore items to budget that were cut:
 - Environment Center
 - Meadowlands Trip
 - YMCA Camp Trip
- Eliminate Pay-to-Play revenue initiative
- Fund some capital projects in the budget and thereby reduce withdrawal from Capital Reserve Acct
- Add funds to begin working towards *new* educational initiatives such as Language Arts or Next Generation Science Standards (NGSS)

Costs of Items to Consider

Restore Environmental Center	\$ 85,600
Restore Meadowlands Field Trip	\$ 9,350
Restore YMCA Camp	\$ 110,232
Offset by Parent payment (\$35 ea)	\$ - 18,375
Eliminate Pay-to-Play Revenue	\$ 300,000

Capital Reserve Projects

Locker Replacements	\$ 150,000
Bleacher Replacement	\$ 150,000
Girls Softball Field	\$ 150,000
Interior Doors/Hardware	\$ 25,000
Electrical Upgrades	\$ 150,000

Note: Withdrawal from Capital Reserve is currently budgeted at \$965,500, leaving a projected balance of \$257,351

Option 2: Recommendation

Net Amount Saved from Reduction in Benefits, net of reduction in Waiver:	\$ 664,993
Eliminate Pay-to-Play	- \$ 300,000
Restore Environmental Program	- \$ 85,600
Restore YMCA Camp Trip	- \$ 91,857
Restore Meadowlands Field Trip	- \$ <u>9,350</u>
Funds Remaining for Consideration:	\$ 178,186

Option 3: Combination approach

If the remaining \$178,186 is not used and the tax levy is further reduced by this amount, the impact to the budget would be a savings of an additional **\$4 per year** for the average assessed home. (From \$127/yr to \$123/yr)

This would still result in the loss of banked cap in the amount of \$36,006 (\$142,180 of banked cap could be carried for one more budget cycle)

Option 3: Other Considerations

Board could consider using the \$178,186 to:

1. Move \$178,186 of capital projects into the budget and thereby reduce the withdrawal from the Capital Reserve Account
2. Use the \$178,186 to start work on education initiatives such as language arts and/or NGSS
3. Combination of tax levy reduction, along with Items 1 and/or 2

Next Steps

- Tonight – Board will make determination on budget changes from impact of reduction to benefits
- April 28 – Formal Public Hearing on the Advertised Budget, including revisions determined on April 21
- April 28 – Board adopts final budget

Discussion

- QUESTIONS FROM THE BOARD
- PUBLIC INPUT