



#SCSDBudget

2018-19 Proposed Budget

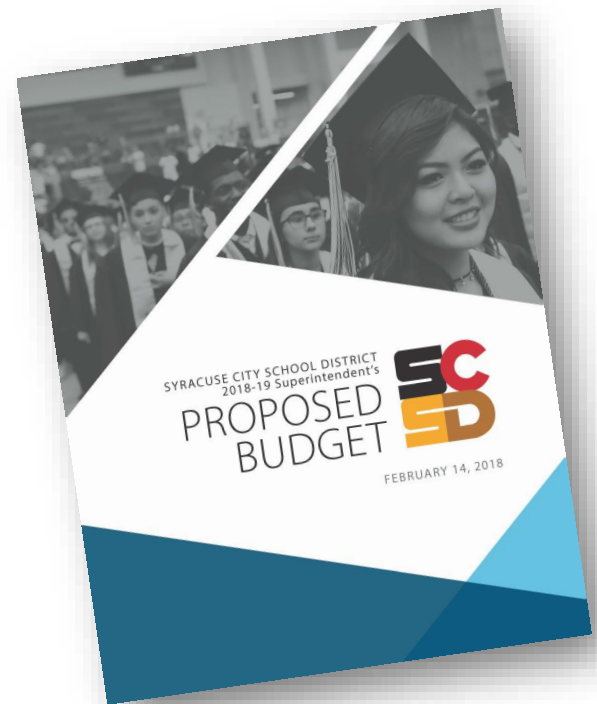
Jaime Alicea
Superintendent of Schools
February 14, 2018

New Budget Book Design



Agenda

- Foundations, Priorities & Focus
- Budget Investments and Spending Plan
- Revenue
 - Governor's State Aid Proposal
 - Legislative Request
 - Fund Balance
- Timeline of Budget Season Events



Foundations, Priorities & Focus



- ✓ District Vision, Mission & Strategic Plan
- ✓ Assurance of Discontinuance
- ✓ Culturally Responsive Education (CRE)
- ✓ Robust Academic and Social-Emotional supports for our children
- ✓ Laser focus on equitable opportunities for students:
 - Early Literacy
 - Attendance
 - Community Schools
 - Family Engagement
 - Career & Technical Education
 - Personalized Learning
- ✓ JSCB Phase II districtwide renovations
- ✓ Task force work on long-term initiatives

Budget Priorities Listening Tour

Student Voices

- Continue to invest in updated technology *but not necessarily more technology*
- Increase Career & Technical Education (CTE) and co-curricular offerings (art, sports, music, robotics, etc)



Community & Parent Voices

- Increase Career & Technical Education opportunities
- Continue and expand Community Schools and include neighborhood students
- Provide more mental health funding in our community

2018-19 Budget Investments

- Chronic Absenteeism Initiative
- Early Literacy
- Special Needs Student Services
- Career & Technical Education
- Family Engagement
- Personalized Learning
- English as a New Language (ENL)
- Fiscal Accountability & Efficiency
- Attract, Recruit & Retain Diverse Staff
- Culturally Responsive Practices
- School Climate & Culture
- Phase-In Schools
- Safe & Healthy Schools
- Community Schools

Expense Assumptions

Staff Assumptions

- ✓ **Position** updates based on enrollment projections, programmatic needs, mid-year position changes and grant funding shifts
- ✓ **Salaries** include wage increase rates for settled contracts
- ✓ **Pension** rate for Teachers (TRS) 10.63% is up from 9.8% last year and non-instructional Staff (ERS) ranges from Tier I of 21.4% to Tier VI of 9.3% consistent with the current budget
- ✓ **Medical** cost estimates based on higher prescription drug co-pays, new HDHP for most new hires and Medicare Advantage / Employer Group Waiver Plan (MA/EGWP) for most Medicare Eligible retirees
- ✓ **Dental** and **Vision** are relatively flat
- ✓ **Workers' Compensation** 2.76% of salaries (no fluctuation)

Expense Assumptions

Non Staff Expense Assumptions

- ✓ **Transportation** contracts include a 2% CPI increase
- ✓ **Supplies & Equipment** include increases based on anticipated Community Schools projected need; and vehicle and school furniture replacements
- ✓ **Utilities** expense reflects natural gas rates based on energy consultants projections
- ✓ **Charter School** expense increase of \$3.5 million for increased rates, expansion at Syracuse Academy of Science and one new charter school
- ✓ **Revenue Anticipation Note (RAN)** borrowing of \$63 million at 1.0% for 11 months
- ✓ **Debt Service** increase reflects debt payments for JSCB Phase II Bond Anticipation Notes

2018-19 Proposed Budget Expense

| Category | 2017-18 Adopted Budget | 2018-19 Proposed Budget | Variance | % Variance |
|-----------------------|------------------------------|-------------------------------|----------------|---------------|
| Salaries | \$ 197.5 | \$ 204.3 | \$ 6.8 | 3.4% |
| Benefits | 95.3 | 100.8 | 5.5 | 5.8% |
| Transportation | 21.2 | 21.7 | 0.5 | 2.4% |
| Charter Tuition | 24.3 | 27.8 | 3.5 | 14.4% |
| Professional Services | 42.9 | 42.9 | - | - |
| Supplies & Equipment | 11.8 | 12.5 | 0.7 | 5.9% |
| Debt & Other | <u>24.6</u> | <u>27.2</u> | <u>2.6</u> | 10.6% |
| Total | \$ 417.6 | \$ 437.2 | \$ 19.6 | 4.7% |

2018-19 Proposed Budget Expense



Key Expense Drivers in 2018-19

| | |
|-------|-----------------------------|
| \$6.0 | Grant Fund Shifts |
| 3.9 | Wage Increases |
| 3.5 | Charter School Tuition |
| 3.1 | Medical Insurance |
| 2.1 | Pension Contributions |
| 1.5 | Interfund (Rate Settlement) |
| 1.3 | New Positions |
| 0.5 | Transportation CPI |



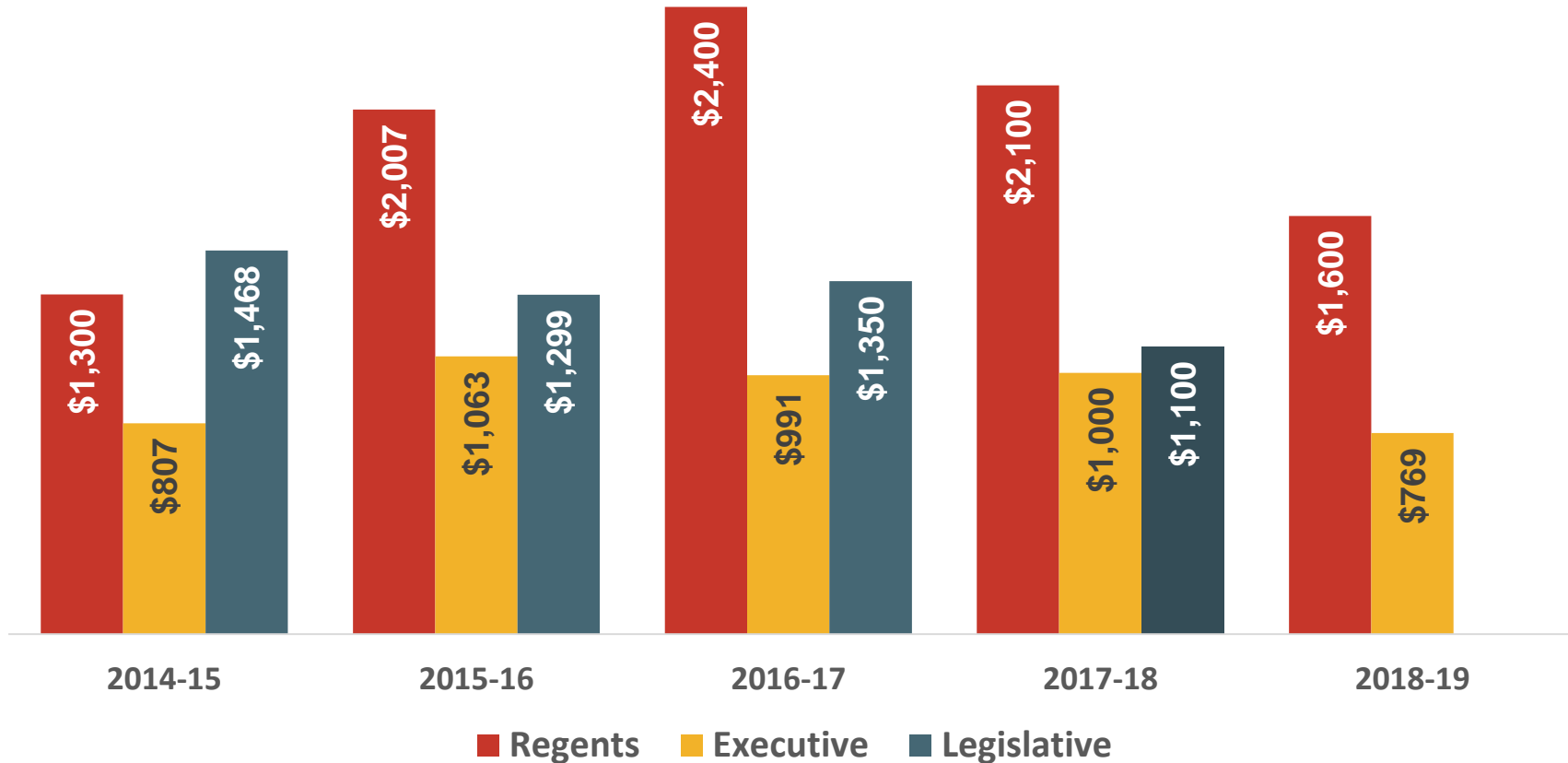
Staffing Full-Time Equivalent Changes (All Funds)

| Category | Change in FTE | Total FTE |
|----------------------------------|---------------|------------|
| Teachers & Instructional Support | 6.0 | 2,080 |
| Assistants & Attendants | 1.0 | 752 |
| Building Leaders & Directors | 0.0 | 177 |
| Operations & Food Service | 5.0 | 418 |
| Nurses & Health Aides | 3.2 | 74 |
| Clerical, Supervisors & Analysts | <u>2.0</u> | <u>309</u> |
| Total FTE Changes | 17.2 | 3,810 |



2018-19 Proposed Budget Revenue

Governor's Executive Budget Proposal



\$ in Millions

Governor's Executive Budget Proposal

What Does This Translate To For Syracuse?

Total increase of \$ 7.8 million

\$ 4.1 million (1.5%) increase in
Foundation Aid

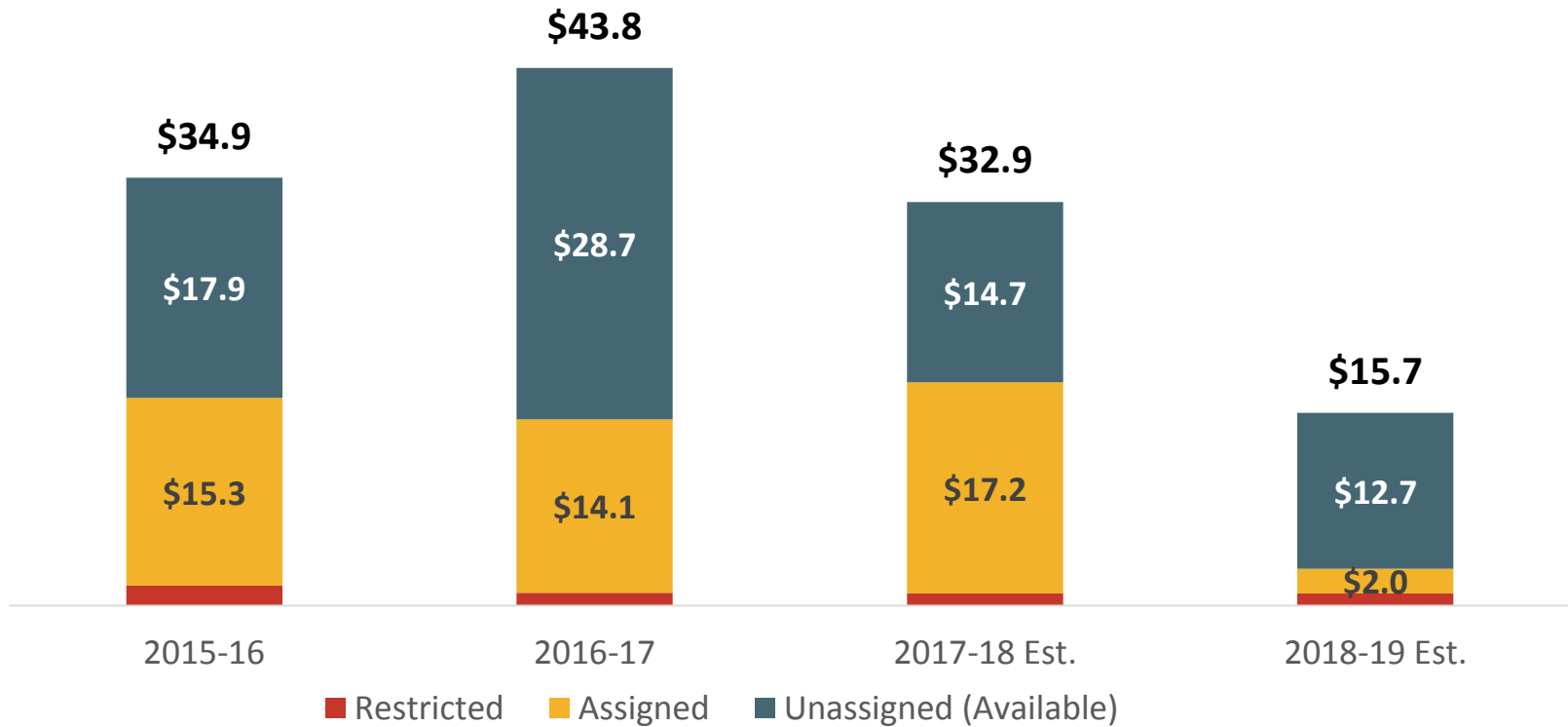
- \$ 1.5 million increase in the
Community Schools Set Aside

\$ 3.7 million in Expense Driven Aid



Fund Balance Projection

Unassigned Fund Balance is available for use in future years.
Projecting \$14.7 million available in June 2018 or 3.5% and
\$12.7 million available in June 2019 or 2.9%



Fund Balance Projection

| Fund Balance | 2017-18 Projection | 2018-19 Projection |
|---|-----------------------|-----------------------|
| Beginning of Year | \$ 43.8 | \$ 32.9 |
| Use of Fund Balance (Prior Year Assigned) | <u>(10.9)</u> | <u>(17.2)</u> |
| Ending Fund Balance | \$32.9 | \$ 15.7 |
| Fund Balance Details: | | |
| Non-Spendable | \$ 1.0 | \$ 1.0 |
| Assigned – JSCB Capitalized Interest | 3.2 | - |
| Assigned – Encumbrances | 2.0 | 2.0 |
| Assigned – Use for Next Year Budget | 12.0 | - |
| Unassigned | <u>14.7</u> | <u>12.7</u> |
| Ending Fund Balance | \$32.9 | \$ 15.7 |
| Unassigned % of Budget | 3.5% | 2.9% |

Total Assigned Fund
Balance of \$17.2 million

Request For Additional State Aid

| | | | | | | | |
|---|--------------|-----------------------------------|-------------|-------------|----------------|-------------------|-------|
| MOD ED: 00798 | DB ED: 00798 | STATE OF NEW YORK | | SA ED: 118 | PY ED: 147 | 01/16/18 PAGE 151 | |
| COUNTY - ALL | | 2018-19 EXECUTIVE BUDGET PROPOSAL | | | | RUN NO. BT181-9 | |
| 2017-18 AND 2018-19 AIDS PAYABLE UNDER SECTION 3609 PLUS OTHER AIDS | | | | | | | |
| DISTRICT CODE | 140600 | 261600 | 421800 | 662300 | TOTAL | | TOTAL |
| DISTRICT NAME | BUFFALO | ROCHESTER | SYRACUSE | YONKERS | NEW YORK CITY | CITY | STATE |
| SEE NOTE BELOW | NA | NA | NA | NA | NA | | |
| 2017-18 BASE YEAR AIDS: | | | | | | | |
| FOUNDATION AID | 511,147,503 | 421,948,812 | 271,731,423 | 195,793,034 | 7,451,928,633 | 17,172,763,848 | |
| FULL DAY K CONVERSION | 0 | 0 | 0 | 0 | 0 | 413,646,751 | |
| UNIVERSAL PRE-KINDERGARTEN | 13,974,542 | 20,794,914 | 7,431,250 | 2,684,250 | 234,863,751 | 904,970,892 | |
| BONES | 0 | 0 | 0 | 0 | 0 | 251,191,015 | |
| SPECIAL SERVICES | 18,527,178 | 10,016,384 | 11,677,002 | 12,540,913 | 183,961,603 | 638,481,379 | |
| HIGH COST EXCESS COST | 2,039,382 | 6,931,339 | 4,646,302 | 1,146,810 | 297,602,732 | 393,330,632 | |
| PRIVATE EXCESS COST | 25,324,153 | 9,709,809 | 757,922 | 9,416,398 | 176,771,716 | 237,053,970 | |
| HARDWARE & TECHNOLOGY | 948,652 | 696,839 | 455,647 | 418,736 | 13,998,538 | 239,760,067 | |
| SOFTWARE, LIBRARY, TEXTBOOK | 3,552,283 | 2,711,691 | 1,787,970 | 2,487,068 | 102,565,639 | 1,811,884,263 | |
| TRANSPORTATION INCL SUMMER | 44,757,071 | 64,403,916 | 18,586,130 | 21,175,239 | 549,229,302 | 2,950,658,920 | |
| BUILDING + BLDG REORG INCENT | 117,114,219 | 51,913,512 | 18,390,510 | 12,270,422 | 1,194,633,730 | 7,341,219 | |
| OPERATING REORG INCENTIVE | 0 | 0 | 0 | 0 | 0 | 38,622,316 | |
| CHARTER SCHOOL TRANSITIONAL | 5,279,611 | 15,155,842 | 2,063,380 | 917,853 | 0 | 28,271,832 | |
| ACADEMIC ENHANCEMENT | 0 | 0 | 2,328,394 | 17,500,000 | 1,200,000 | 223,298,324 | |
| HIGH TAX AID | 0 | 0 | 0 | 0 | 0 | 4,313,167 | |
| SUPPLEMENTAL PUB EXCESS COST | 0 | 0 | 0 | 552,736 | 0 | 0 | |
| TOTAL | 742,664,588 | 604,283,058 | 339,755,930 | 276,905,459 | 10,206,755,644 | 25,116,655,570 | |
| COMMUNITY SCHOOLS SETASIDE | 15,470,904 | 9,942,847 | 11,706,493 | 5,432,503 | 60,485,273 | 150,010,400 | |
| 2018-19 ESTIMATED AIDS: | | | | | | | |
| FOUNDATION AID | 519,023,771 | 428,262,491 | 275,782,646 | 199,749,625 | 7,637,966,903 | 17,510,389,872 | |
| FULL DAY K CONVERSION | 0 | 0 | 0 | 0 | 0 | 415,646,526 | |
| UNIVERSAL PRE-KINDERGARTEN | 13,974,542 | 20,794,914 | 7,431,250 | 4,269,388 | 234,863,751 | 922,410,051 | |
| BONES | 0 | 0 | 0 | 0 | 0 | 249,166,950 | |
| SPECIAL SERVICES | 18,693,656 | 8,559,606 | 12,060,347 | 14,013,934 | 180,836,038 | 626,065,239 | |
| HIGH COST EXCESS COST | 2,212,505 | 9,023,280 | 6,613,140 | 4,934,523 | 275,747,381 | 415,747,736 | |
| PRIVATE EXCESS COST | 26,461,664 | 9,740,308 | 736,244 | 9,418,063 | 184,884,033 | 38,015,716 | |
| HARDWARE & TECHNOLOGY | 988,017 | 712,148 | 472,417 | 432,093 | 13,772,777 | 243,742,607 | |
| SOFTWARE, LIBRARY, TEXTBOOK | 3,714,672 | 2,790,744 | 1,844,628 | 2,492,043 | 103,452,025 | 1,909,090,557 | |
| TRANSPORTATION INCL SUMMER | 42,875,421 | 66,008,356 | 19,601,617 | 23,597,208 | 550,886,283 | 3,126,421,396 | |
| BUILDING + BLDG REORG INCENT | 119,465,416 | 61,215,306 | 17,510,015 | 14,483,593 | 1,271,713,443 | 48,464,267 | |
| OPERATING REORG INCENTIVE | 0 | 0 | 0 | 0 | 0 | 48,464,267 | |
| CHARTER SCHOOL TRANSITIONAL | 11,413,188 | 17,828,580 | 3,160,092 | 1,045,601 | 0 | 28,271,832 | |
| ACADEMIC ENHANCEMENT | 0 | 0 | 2,328,394 | 17,500,000 | 1,200,000 | 223,298,324 | |
| HIGH TAX AID | 0 | 0 | 0 | 0 | 0 | 4,313,167 | |
| SUPPLEMENTAL PUB EXCESS COST | 0 | 0 | 0 | 552,736 | 0 | 0 | |
| TOTAL | 761,822,852 | 624,935,733 | 347,540,790 | 292,488,807 | 10,454,322,634 | 25,768,020,192 | |
| COMMUNITY SCHOOLS SETASIDE | 18,293,427 | 12,203,838 | 13,175,072 | 6,531,467 | 89,498,964 | 200,010,217 | |
| \$ CHG 18-19 MINUS 17-18 | 19,158,264 | 20,652,675 | 7,784,860 | 15,583,348 | 247,566,990 | 651,364,622 | |
| % CHG TOTAL AID | 2.58 | 3.42 | 2.29 | 5.63 | 2.43 | | |
| \$ CHG W/O BLDG, REORG BLDG AID | 16,807,061 | 11,350,881 | 8,665,355 | 13,370,177 | 170,487,277 | 475,602,146 | |
| % CHG W/O BLDG, REORG BLDG AID | 2.69 | 2.05 | 2.70 | 5.05 | 1.89 | | |

NOTE: STATE AID ESTABLISHED BY EXECUTIVE BUDGET FOR 5 DISTRICTS WITH INCOMPLETE DATA.

State Aid Ask - Additional \$12.0 Million

Total Year to Year Increase of \$19.8 Million

New York State Aid for Public Education

\$8.5

Phase-in of Foundation Aid – full phase-in would increase Syracuse City School District’s annual state aid by \$45 million. We are requesting an increase of \$8.5 million over the Governor’s proposal of \$4.1 million for a total Foundation Aid increase of **\$12.6 million**

Firm 3-year Timeline for phase-in of Foundation Aid

Proper Weighting of Student Need – Revisit formula for poverty, disability, enrollment growth, and ELL’s

Career & Technical Education (CTE) – as we continue to grow the CTE program offerings in Syracuse, we need funding increased to include 9th grade students and the amount of funding increased to reflect current costs

\$3.5



Other Legislative Asks & Budget Issues

Eliminate School Budget Reporting & Approval Requirement

Reject 2% Cap on Expense-Driven Aids

- Unpredictability of expense-driven aid severely impacts our ability to plan fiscally responsible budgets and multi-year financial projections
- *Could derail progress on JSCB projects if Building Aid increases are capped*
- The Syracuse Community continues advocating for a pilot program to transport students at 1 mile

Limit Number of Charter School Approvals

- Charter school saturation in Syracuse has increased to over 8% this school year
- Students enrolling in charter schools from every school and every grade level in the District limiting offsetting reductions in existing District programs and classrooms

Continue Community Schools Grant Initiative (\$5.0 million)

- These grant funds have been deployed at 8 district schools. If some portion of this grant funding is not continued in 2018-19, promising community schools initiatives are at risk of discontinuance due to lack of funding

Syracuse State Aid Comparison Year Over Year

| Sources of State Aid | 2017-18 Adopted Budget | 2018-19 Proposed Budget | Variance | % Variance |
|------------------------|------------------------------|-------------------------------|---------------|--------------|
| Foundation Aid | \$ 260.0 | \$ 262.6 | \$ 2.6 | 1.0 % |
| Community Schools | \$ 11.7 | 13.2 | 1.5 | 12.8 % |
| All Other Aids | <u>62.9</u> | <u>63.5</u> | <u>0.6</u> | 1.0 % |
| Total State Aid | \$ 334.6 | \$ 339.3 | \$ 4.7 | 1.4 % |

SCSD 2017-18 Budget Sources

| Revenue Sources | 2017-18 Adopted Budget | 2018-19 Proposed Budget | Variance | % Variance |
|-------------------------------|------------------------------|-------------------------------|--------------------|--------------------|
| State Aid | \$ 334.6 | \$ 339.3 | 4.7 | 1.4% |
| <i>Legislative Ask</i> | | <i>12.0</i> | <i>12.0</i> | <i>5.0%</i> |
| Taxes | 65.3 | 65.3 | - | 0.0% |
| Use of Fund Balance | 8.9 | 12.0 | 3.1 | 35% |
| All Other | <u>8.8</u> | <u>8.6</u> | <u>(0.2)</u> | <u>(2.3%)</u> |
| Total Revenue | \$ 417.6 | \$ 437.2 | \$ 19.6 | 4.7% |

Upcoming Events

| | | |
|------|-----------|-----------------------------------|
| 2/26 | Monday | Public Hearing (Tentative) |
| 3/1 | Thursday | Public Hearing (Tentative) |
| 3/12 | Monday | Community Engagement Forum (WSA) |
| 3/14 | Wednesday | Board Approval of Proposed Budget |
| 3/21 | Wednesday | Quarterly Finance Meeting |
| 3/30 | Friday | State Legislative Aid |
| 4/11 | Wednesday | Board Adoption of Final Budget |
| 5/8 | Tuesday | Back-Up Budget Adoption Date |