



## 2018-2019 Budget Preliminary Information

### *What Are the District's Fiscal Priorities ?*

The most basic goal of budget development and fiscal planning is to provide the best possible program and learning opportunities for our students while being mindful of and fair to our taxpayers. To ensure our budgets are as stable and predictable as possible the Board of Education focuses on the four specific Fiscal Priorities highlighted below. In future documents we will focus on Program Priorities.

#### ◆ **Fiscal Priority #1: Effectively Manage the District's Reserves**

The district's Reserve plan was built to offset costs incurred from buildings projects (such as Project 2021); tax cases against the district; unanticipated increases in expenses or decreases in revenues; and long term employee benefits. We carefully manage these reserves to keep our costs as predictable as possible. This allows us to focus our limited dollars where they should be spent: on student programming and staff training.

#### ◆ **Fiscal Priority #2: Keep Unassigned Fund Balance between 3 and 4%**

The level of our year-end fund balance (the difference between what was budgeted and what was spent) can affect our ability to deal with unexpected revenue shortfalls and expenditure overruns and in turn our ability to provide student programs and services at current levels. A healthy fund balance then — defined as between 3-4% of the previous year's budget — is both a tool to keep our costs and programs predictable and consistent as well as a strong measure of financial health. By law, a NYS schools district's unassigned fund balance may not exceed 4%.

#### ◆ **Fiscal Priority #3: Avoid short term borrowing**

A school district with a low level of cash and short-term investments may have to borrow funds on a short-term basis to pay bills. Short-term borrowing often indicates that a school district has cash management risks or issues. While short-term borrowing has been done at SCS in the past and fills a cash need (until tax payments or state aid payments are received), the cost of borrowing could be avoided by increasing year-end cash on hand. Since the 2014-15 school year, we have not needed to borrow monies to maintain our cash flow which is another sign of good fiscal health.

#### ◆ **Fiscal Priority #4: Effectively Manage the District's Debt Service**

As stewards of the district, we must maintain our facilities while also minimizing the impact on taxpayers. We are mapping an investment plan that will allow us to maintain safe and healthy learning environments in our buildings while also accounting for the changing needs of our learners and the decrease in student enrollment. Project 2021, approved in November of 2017, is the focal point for this work. Additionally, our bus replacement plan has allowed us to have better cost consistency in our transportation budget.

### 2018-19 Budget Dates\*

Board's Budget  
available to public  
◆ April 24

Public Budget Hearing  
◆ May 1

Budget Notice mailed  
to voters  
◆ May 2

District Budget Vote  
◆ May 15

### Property Tax Cap Update

Although commonly referred to as the "2% tax cap," the figure varies by year and by district. For example, the eight-part formula put our 2016-17 tax cap at .09%, whereas our 2017-18 tax cap was 2.38%. The 2018-19 tax cap has not yet been released, but we anticipate that it will be approximately the same as 2017-18.

### Project 2021

On November 14, 2017, voters approved the referendum, which will be submitted to NYSED for approval in early 2018. Local share will be approximately \$12M to be paid over 18 years.