



Long Range Planning

Lewiston-Porter 5 Year Plan

Created August 13, 2017

Benefits of Having a Long Range Plan

Provides:

- ▶ clarity on cost trends - utilities, benefits, contractual costs
- ▶ insight on time needed to plan for long term challenges or opportunities
- ▶ a foundation for supporting educational vision
- ▶ plan for capital improvements to ensure building safety and facilities development
- ▶ plan for allocating resources, and ensuring long term stability
- ▶ Assistance in aligning growth of revenues and expenditures



New Legislative Requirements



Each school district shall:

- ▶ Create Long range plans shall include appropriations, revenues, capital improvement, and reserves
- ▶ Have them Board Approved
- ▶ Post them online by September 1st



5 Year Plan Requirements

- All components must include a list of reasonable assumptions
- 3-5 years prior year data should be included/considered to assess trends
- Appropriations: must include all expenditures including, benefits, and capital component. Codes may be condensed.
- Revenues: must take into account all tax revenues, utilizing the 2% tax cap
- Capital plan: should take into account any critical items noted in the Building Condition Survey, along with programmatic needs
- Reserve plan: must have name of each fund- balance as of close of 3rd quarter and statement of plans for the ensuing year.



Appropriations

- ▶ Assumptions:
 - ▶ Teachers Retirement System - average of last 3 years = 11.59% of salaries
 - ▶ Employees Retirement System - average of last three years = 17.93% of salaries
 - ▶ BOCES costs 2.6% (trend)
 - ▶ Health - assuming going self funded 0% in year one, 6% increase thereafter
 - ▶ Contractual code increases varied by trend (utilities, insurance, transportation)



Appropriations

	14-15 Budget	15-16 Budget	16-17 Budget	17-18 Budget Approved	18-19 Anticipated Budget	19-20 Anticipated Budget	20-21 Anticipated Budget	21-22 Anticipated Budget
Capital	4,315,374	4,411,931	3,908,028	4,550,864	5,196,492	5,438,701	5,433,641	5,420,226
Instructional	30,195,223	30,349,197	32,087,796	33,213,795	33,904,682	34,800,130	35,582,956	36,019,103
Administration	6,710,367	6,946,436	7,095,899	7,117,463	7,316,525	7,568,316	7,812,867	7,894,309
	\$41,220,963	41,707,564	43,091,723	\$44,882,121	\$46,417,699	\$47,807,147	\$48,829,464	\$49,333,638



Appropriations: Cost drivers

14-15 Budget	15-16 Budget	16-17 Budget	17-18 Budget Approved	18-19 Anticipated Budget	19-20 Anticipated Budget	20-21 Anticipated Budget	21-22 Anticipated Budget
Capital	2.24%	-11.42%	16.45%	14.19%	4.66%	-0.09%	-0.25%
Instructional	0.51%	5.73%	3.51%	2.08%	2.64%	2.25%	1.23%
Administration	3.52%	2.15%	0.30%	2.80%	3.44%	3.23%	1.04%

- Un-leveled capital debt
- Contractual increases largely due to increase in minimum wage
- Cost of benefits



Long-term plan for Appropriations

- ▶ Three year average for ERS and TRS is higher than the downward trend we have seen in the last few years. These are stock market driven costs.
- ▶ As we are losing enrollment we may be able to eliminate positions through attrition
- ▶ Based on new retirement language, we should see both an increase in attendance, defraying our substitute cost and some additional breakage in years two or three depending on the unit.
- ▶ Each year we will have to reassess staffing and program to ensure that we are obtaining our goals within the strategic plan and at the same time staying within our budget parameters

Revenues



- ▶ Assumptions:
 - ▶ 2% increase to align with tax cap regulations
 - ▶ Continuation of Greenway and NYPA funding
 - ▶ Pilots decreasing as they expire
 - ▶ Gross receipt tax ending
 - ▶ Minimal 1% increases to State Aid
 - ▶ Continue use of appropriated fund balance to ease burden of having to increase the tax levy
 - ▶ Over time spend down of Designated unappropriated fund balance to offset capital bond and BAN payment increases
 - ▶ Continuation of tuition paying non-resident students

Estimated Revenues

	2014-15 REVENUE	2015-16 REVENUE	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
DESCRIPTION	Actual	Actual	Approved	Estimated	Estimated	Estimated	Estimated	Estimated
REAL PROPERTY TAXES	\$20,259,692.06	\$20,898,482.00	\$25,409,283.00	\$25,797,536.00	\$26,313,486.72	\$26,839,756.45	\$27,376,551.58	\$27,924,082.62
OTHER PAYMENTS IN LIEU OF TAXES	\$369,124.48	\$182,945.18	\$65,338.00	\$54,959.00	\$42,684.00	\$43,324.26	\$43,974.12	\$44,633.74
SCHOOL TAX RELIEF REIMBURSEMENT	\$3,939,922.94	\$4,005,524.47						
INTEREST AND PENALTIES ON REAL PROPERTY	\$48,942.81	\$51,864.24	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
GROSS RECEIPTS TAX	\$119,000.66	\$86,466.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DAY SCHOOL TUITION - RESIDENT(INDIVIDUALS	\$121,989.00	\$82,844.50	\$69,675.00	\$85,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00
CONTINUING EDUCATION TUITION FROM INDIVI	\$0.00	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
ADMISSIONS FROM INDIVIDUALS	\$2,919.00	\$3,163.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
DAY SCHOOL TUITION OTHER DISTRICTS	\$0.00	\$23,691.00	\$30,000.00	\$40,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00
HEALTH SERV FOR OTHER GOVTS OR DIST	\$61,663.55	\$67,778.32	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
INTEREST AND EARNINGS	\$47,828.58	\$6,116.47	\$10,000.00	\$6,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
RENTAL OF REAL PROPERTY INDIVIDUALS	\$18,206.34	\$20,312.59	\$16,000.00	\$14,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
FORFEITURE AND DEPOSITS	\$301.84	\$153.26	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
SALES OF SCRAP AND EXCESS MATERIALS	\$5,309.24	\$906.65	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
SALES OF INSTRUCTIONAL SUPPLIES	\$0.00	\$8,390.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMPENSATION FOR LOSS/PAYMENT FOR CLAIMS	\$143.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REFUND OF PRIOR YEAR EXPENSES - BOCE	\$146,825.32	\$161,111.00	\$120,000.00	\$120,000.00	\$140,000.00	\$140,000.00	\$140,000.00	\$140,000.00
REFUND OF PRIOR YEAR EXPENSES	\$0.00	\$365.00						
GIFTS AND DONATIONS	\$12,000.00	\$0.00						
UNCLASSIFIED REVENUES	\$1,417,701.94	\$1,267,474.39	\$1,450,224.00	\$1,313,000.00	\$1,343,000.00	\$1,343,000.00	\$1,343,000.00	\$1,343,000.00
BASIC FORMULA	\$9,876,852.38	\$12,465,223.73	\$9,203,591.00	\$9,455,769.00	\$9,550,326.69	\$9,645,829.96	\$9,742,288.26	\$9,839,711.14
OTHER EDUCATIONAL STATE AID excess cost	\$9,641.58	\$225.00	\$435,000.00	\$1,170,557.00	\$1,182,262.57	\$1,194,085.20	\$1,206,026.05	\$1,218,086.31
BUILDING AID			\$2,573,341.00	\$3,210,429.00	\$3,335,479.00	\$3,807,810.00	\$3,595,093.00	\$3,595,093.00
Interfund Transfer (smart schools)	\$0.00	\$0.00	\$475,000.00	\$200,000.00				
OTHER STATE AID INCLUDING BUILDING AID	\$3,956,736.89	\$1,884,384.90	\$6,274,400.00	\$7,093,807.00	\$6,918,254.53	\$7,410,931.11	\$7,218,806.74	\$7,239,648.47
MEDICAID ASSISTANCE	\$145,089.97	\$170,665.59	\$198,282.00	\$109,000.00	\$110,930.00	\$110,930.00	\$110,930.00	\$110,930.00
appropriated fund balance			\$400,000.00	\$700,000.00	\$700,000.00	\$700,000.00	\$1,000,000.00	\$700,000.00
Appropriated designated fund balance					\$550,000.00	\$280,000.00	\$303,000.00	

Revenues- Building Aid impact on percentage

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
State Building Aid	\$3,956,736	\$1,884,384	\$6,274,400	\$7,093,807	\$6,918,254	\$7,410,931	\$7,218,806	\$7,239,648
Revenues	\$44,361,897	\$43,101,582	\$49,614,243	\$51,975,928	\$52,841,986	\$53,899,752	\$54,449,407	\$54,836,704
Percent change in revenues		-2.84%	15.11%	4.76%	1.67%	2.00%	1.02%	0.71%



Long term plan for Revenues

- ▶ Begin the level debt approach to capital planning
- ▶ Utilize Capital outlay as a means of improving facilities without to take 100% of the burden off the local tax base
- ▶ Put forth reasonable and responsible tax increases to the community while maintaining the integrity of our programing for students
- ▶ Continue to see out revenue sources outside of the tax base, such as grant funded programs, tuition paying students and other sources of revenue



Long term plan for Reserves and Fund balance plan

- ▶ Use of dedicated reserves and fund balance over time to :
 - ▶ Contain tax increase as low as possible while maintaining program
 - ▶ Maintain facilities in a safe and effective manner
 - ▶ Pay of long term debt without having to increase taxes excessively for work done in prior years



Fund Balance and Reserve Plan

Reserves as of Third quarter of 2016-17 school year					
Reserve for encumbrances approp					\$38,568
Reserve for retirement contributions					\$0
Eblar					\$60,451
Captial Reserve					\$512,580
Repair Reserve					\$170,000
Reserve for bonded debt					\$268,618
Assigned appropriated fund balance					\$400,000
Unassigned fund balance					\$1,311,537
Unassigned Designated fund balance					\$633,000
Insurance fund reserve					\$250,000
Total					\$3,644,754

Reserve Planning - Annual Reserve Funding

Projected Reserve Funding					
	2017-18	2018-19	2019-20	2020-21	2021-22
Reserve for encumbrances	72,712	70,000	70,000	70,000	70,000
Repair Reserve	34,209				
Assigned appropriated fund balance	700,000	700,000	700,000	700,000	1,000,000
Unassigned (designated) Fund balance	400,000	39,000	39,000	50,000	50,000



Reserve and Fund Balance spending plan

Spending plan for reserves and fund balance				2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
A821	Reserve for encumbrances approp			-38568	-\$72,712	-\$70,000	-\$70,000	-\$70,000	-\$70,000
	Reserve for bonded debt			-\$286,618					
A882	Repair Reserve			-\$29,070					
A915	Assigned appropriated fund balance			-\$400,000	-\$700,000	-\$700,000	-\$700,000	-\$1,000,000	-\$700,000
A915	Assigned appropriated fund balance from designated					-\$550,000	-\$280,000	-\$303,000	\$0
A878	Capitla Reserve			-\$500,000					
	fund balance and reserve expenditures			-\$1,254,256	-\$772,712	-\$1,320,000	-\$1,050,000	-\$1,373,000	-\$770,000



Long term plans for reserve and fund balance planning

- ▶ Methodically reduce reserve appropriations in the General fund budget to eliminate funding shortfalls that are projected
- ▶ Careful annual budget and fund balance planning to sustain reserve and fund balances at a levels the protect the fiscal integrity of the District.
- ▶ Planned used of designated unappropriated fund balance to defray unleveled capital expenses in future years



Capital Improvement Plan

- ▶ Derived from items listed in order of priority from the 5 year Building Condition Survey, as well as programmatic needs and community concerns
- ▶ Change in ideology of planning to include smaller projects more regularly to move to a pattern of leveled debt
- ▶ Utilizes capital outlay projects 100K each year to achieve work that would otherwise be accomplished without State Aid alleviating the local community of the majority of the cost burden
- ▶ Takes into account other project and improvement plans such as SmartSchools and Erate.



Capital Improvement Plan and Long term plans

- ▶ See attachment for plan
- ▶ Plans will change as buildings age and found items are discovered.
- ▶ Urgent and emergency items may be changed as safety and program needs are discovered.
- ▶ Repair reserve may be used for some items of urgent nature which in the long run may change the capital improvement plan



Final thoughts on 5 year plan

- ▶ There are many variable that are unknown from year to year such as: ERS, TRS, contractual costs, utilities.
- ▶ Trying to look out 5 years, with so many areas of uncertainty can be frightening, and unrealistic.
- ▶ There will be many changes in the next five years, as governmental offices change priorities change, there are many agendas outside of our control that can impact these numbers both positively and negatively.
- ▶ As we move forward we will keep a careful eye on costs and trends to ensure that we are able to fulfill our goals within the strategic plan and maintain fiscal accountability.

