

**FRONTIER CENTRAL SCHOOL  
DISTRICT**



# FINANCIAL PICTURE

For 2016-2017

November 3, 2015 School Board Meeting

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## Financial Picture for 2016-2017

- ▶ Limited revenue sources (90% of funding comes from two sources)
  - State Aid – unpredictable
  - Property Taxes – limited by tax cap and CPI
- ▶ Committed to contractual obligations
  - Wages; benefit rates
  - BOCES services; outside tuition; vendor contracts
- ▶ Inflationary rate increases to other costs
  - Fuel, utilities and other supplies
- ▶ Fixed debt obligations
  - Capital projects; bus purchases

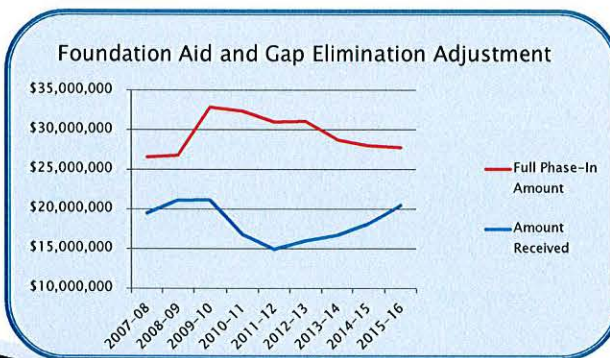
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Unpredictability of state aid:

- ❖ Calculated aids such Transportation Aid, BOCES Aid, Building Aid and Excess Cost Aid (special education) are based on District spending and can be reasonably estimated. (1/3 of total aid)
- ❖ Foundation Aid and Gap Elimination Adjustment (GEA) have been at the discretion of State leaders in recent years and are difficult to predict. (2/3 of total aid)

Foundation Aid, net of GEA is less in 2015-16 than it was in 2008-09



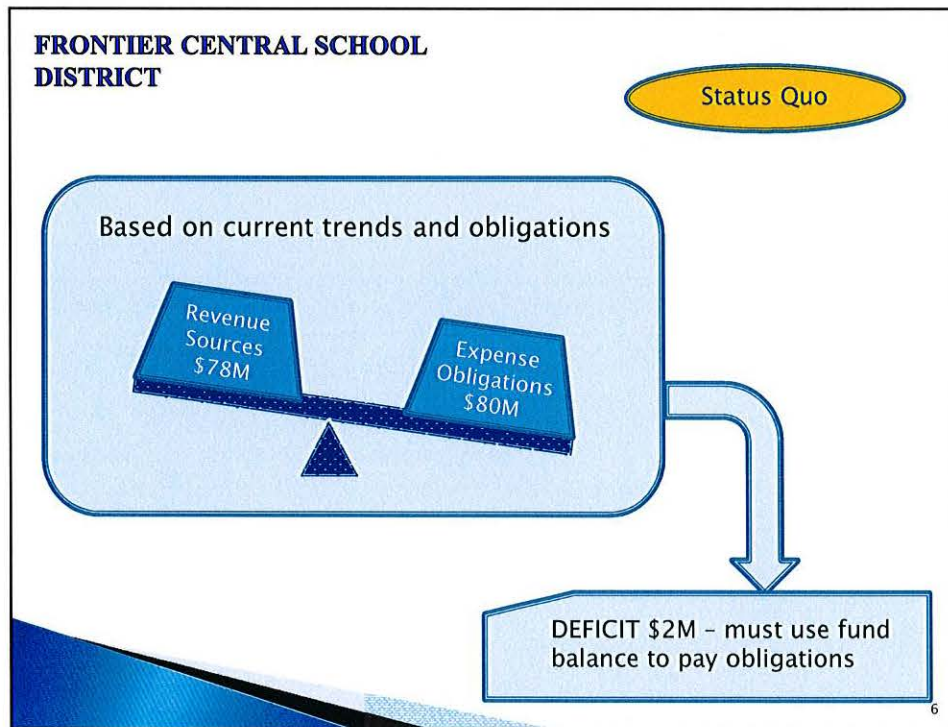
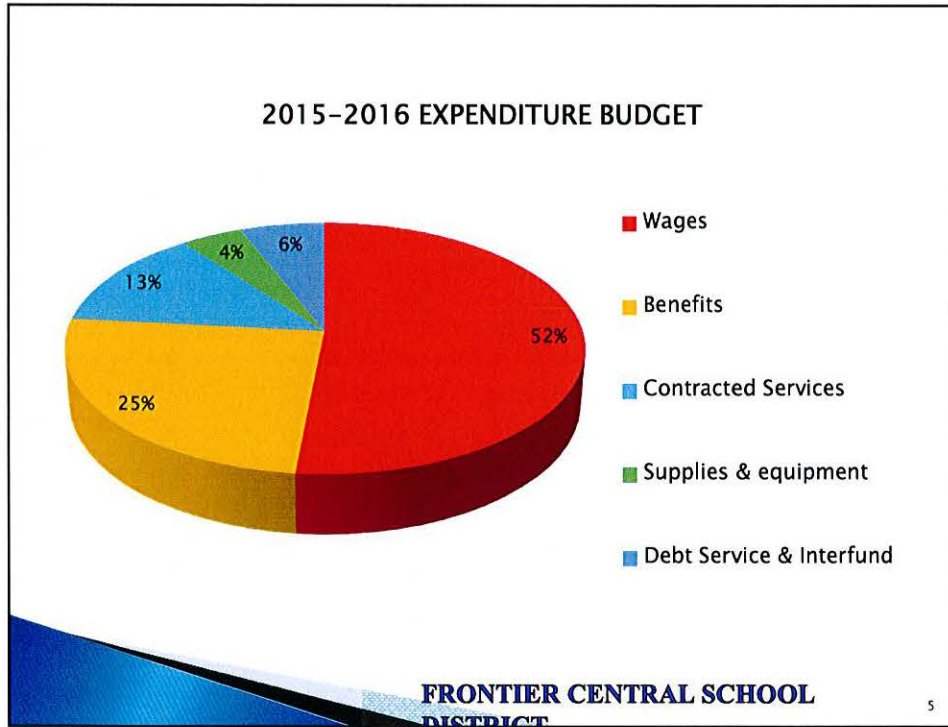
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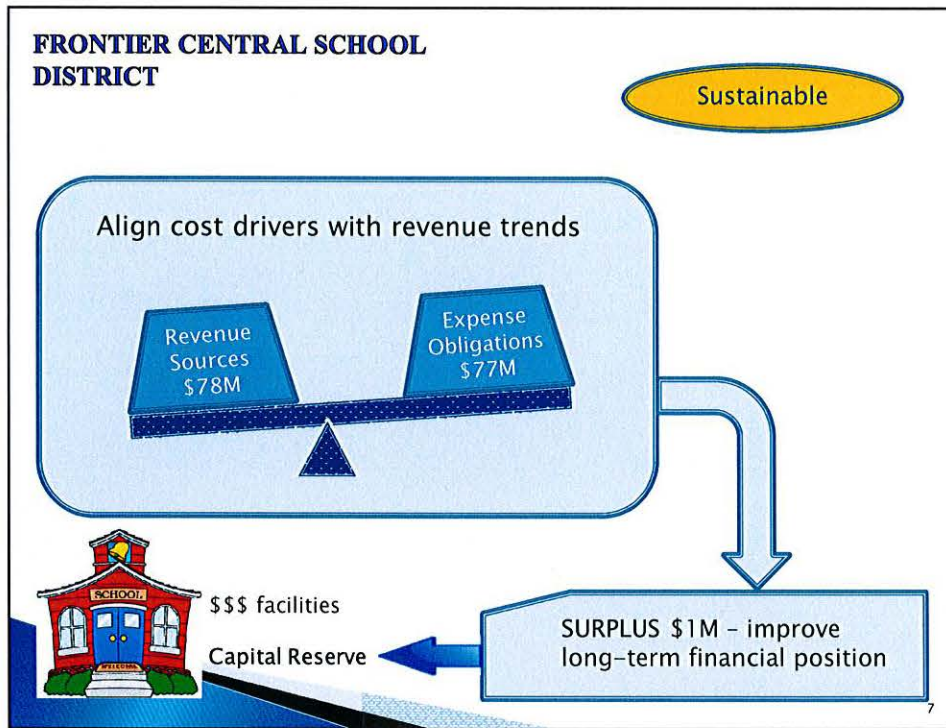
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Limits imposed on property taxes:

- ❖ Property Tax Cap
  - ✓ If we exceed tax cap then our budget needs to be approved by a supermajority of voters and our taxpayers would not be eligible for rebate checks
  - ✓ Calculation starts with an increase over prior year levy of the lesser of 2% or consumer price index (CPI)
  - ✓ CPI is currently estimated to be well below .5% and may cause an allowable levy growth as low as 0%; after 9 months the CPI is .09%
- ❖ Tax Rate
  - ✓ Frontier has one of the lowest full value tax rates in Erie County

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## 2016–2017 Budget Development Process

- ▶ Assess needs and priorities that are focused on student achievement
- ▶ Focus on long-term fiscal stability
- ▶ Negotiate contracts that are financially sustainable and allow for hiring and retaining sufficient enthusiastic and qualified staff
- ▶ Maintain facilities that are safe and conducive to learning
- ▶ Encourage public input and transparency
- ▶ Develop a fund balance plan aimed at improving the financial position of the District