

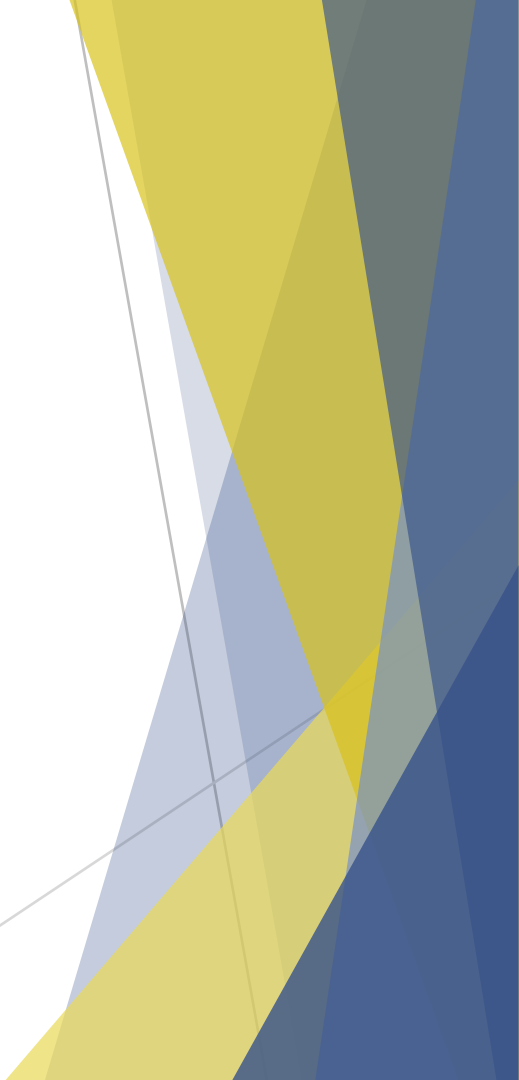
# VCS 2021/22 Budget Presentation

February 25, 2021



VICTOR CENTRAL

SCHOOL DISTRICT



*“The Victor Central School District budget situation is not solved. We continue to be in a perilous financial situation that has been building for years. We will need the collective wisdom of this community to continue to move forward.”*

*June 17, 2020*

# R. Timbs July 2020

- ▶ Need to develop a multi-year, strategic financial plan
- ▶ Need to stabilize spending throughout the year & end budget modifications mid-year
- ▶ Significant concern over lack of Reserves and built-in Fund Balance
- ▶ Revenue Challenges
  - ▶ State Aid
  - ▶ Sales Tax
  - ▶ Local Taxes

# Victor Central School District Financial Philosophy

Offer a high quality, comprehensive education to all children comparable to surrounding districts while balancing the financial needs of our community.

# 2021-22 General Budget Goals

- ▶ Maintain a Comprehensive Education that the VCS District Community expects
  - ▶ Continue to refine what this means
  - ▶ Multi-year Financial Plan
- ▶ Stabilize Reserves and develop consistent budgetary practices
- ▶ Maximize efficiencies in spending
- ▶ Maximize ability to generate aid for future years
- ▶ Continue Transparency with the Community

# Updated Budget Summary

	20/21 Adopted Budget	21/22 Draft Budget 01/28/21	21/22 Draft Budget 02/25/21	Difference 20/21 Adopted Budget 21/22 Draft Budget 02/25/21	% Change
Salaries					
Professional	29,128,840	29,814,173	29,705,350	576,510	1.98%
Support	9,999,865	10,437,271	10,471,039	471,174	4.71%
Equipment	91,730	91,730	91,730	0	0.00%
Contractual	3,504,115	3,581,647	3,581,647	77,532	2.21%
Materials and Supplies	1,491,885	1,568,063	1,568,063	76,178	5.11%

# Updated Budget Summary, Continued

	20/21 Adopted Budget	21/22 Draft Budget 01/28/21	21/22 Draft Budget 02/25/21	Difference 20/21 Adopted Budget 21/22 Draft Budget 02/25/21	% Change
State Aided Instructional Materials					
Hardware	145,000	150,000	150,000	5,000	3.45%
Library Materials	58,620	59,620	59,620	1,000	1.71%
Software	41,200	41,200	41,200	0	0.00%
Textbooks	118,835	118,835	118,835	0	0.00%

# Updated Budget Summary, Continued

	20/21 Adopted Budget	21/22 Draft Budget 01/28/21	21/22 Draft Budget 02/25/21	Difference 20/21 Adopted Budget 21/22 Draft Budget 02/25/21	% Change
Tuition	558,000	622,500	622,500	64,500	11.56%
BOCES					
All Other	5,328,800	5,471,188	5,471,188	142,388	2.67%
Technology	1,096,500	<b>1,260,150</b>	<b>1,438,155</b>	163,650	14.92%
Fringe Benefits	19,333,500	<b>20,943,705</b>	<b>20,986,344</b>	1,652,844	8.55%
Debt Service	7,190,000	8,000,827	8,000,827	810,827	11.28%
Interfund Transfers	170,000	170,000	170,000	0	0.00%



# Updated Budget Summary, Continued

	20/21 Adopted Budget	21/22 Draft Budget 01/28/21	21/22 Draft Budget 02/25/21
Total	78,256,890	82,330,909	82,476,498
Amount above 20/21 Budget		4,074,019	4,219,608
Percent above 20/21 Budget		5.21%	5.39%

# Revenue Update

<b>State Aid</b>	<b>Proposed State Aid 2/25/2021</b>
From 2/11/2021 Presentation	25,218,065
Less: UPK Grant	(543,600)
<b><i>State Aid used for the Budget</i></b>	<b>24,674,465</b>

<b>Tax Levy</b>	<b>Without Using Debt Service</b>	<b>Using Debt Service</b>
2020/2021 Tax Levy	50,210,103	50,210,103
2021/2022 Tax Levy plus Exclusions	52,329,088	52,250,308
<b><i>Tax Levy Increase</i></b>	<b>2,118,985</b>	<b>2,040,205</b>
<b><i>Allowable Tax Levy Limit</i></b>	<b>4.22%</b>	<b>4.06%</b>

<b>Without using Debt Service</b>	<b>2020/2021 Budget</b>	<b>02/25/2021 Proposed</b>	<b>Increase (Decrease)</b>
<i>Expenditures</i>	78,256,980	82,476,498	4,219,608
<i>Revenue</i>			
<i>Other</i>	4,076,752	3,294,469	(782,283)
<i>State Aid</i>	23,441,035	24,674,465	1,233,430
<i>Property Taxes</i>	50,210,103	52,329,088	2,188,985
<i>Appropriated Fund Balance</i>	<u>529,000</u>	<u>529,000</u>	<u>0</u>
<i>Budget Gap (02/25/2021)</i>	0	1,649,476	1,649,476

<b>With using Debt Service</b>	<b>2020/2021 Budget</b>	<b>02/25/2021 Proposed</b>	<b>Increase (Decrease)</b>
<i>Expenditures</i>	78,256,980	82,298,493	4,219,608
<i>Revenue</i>			
<i>Other</i>	4,076,752	3,294,469	(782,283)
<i>State Aid</i>	23,441,035	24,674,465	1,233,430
<i>Property Taxes</i>	50,210,103	52,250,308	2,040,205
<i>Appropriated Fund Balance</i>	<u>529,000</u>	<u>529,000</u>	<u>0</u>
<i>Budget Gap (02/25/2021)</i>	0	1,728,256	1,728,256

# Impact of using the Debt Service Reserve

- ▶ With debt service, we are using \$80,000 from reserves to lower the tax cap, which causes a larger budget deficit of \$80,000, for a total decrease of reserves/savings of \$160,000.
- ▶ Using Debt Service Reserve this year will result in an approximate loss of tax levy revenue of \$2.3 million over the course of 7 years.

# Questions for Tax Cap Submission

- ▶ Do we want to exceed the tax cap? The filing for the Tax Cap Calculation is due to the Comptroller's office by March 1.
- ▶ If we choose not to exceed the cap, what is the Board's recommendation regarding using the debt service reserve to lower the tax levy?

# Propositions

Four potential Propositions to be voted on in May:

1. 2021 Capital Reserve; 10 year, \$10million limit
2. 2021 Technology Reserve; 5 year, \$500,000 limit
3. Bus Purchase Reserve; 5 year, \$1million limit
4. 2021 Equipment Reserve; 5 year, \$250,000 limit

# Propositions

- ▶ The goal of these propositions is to cover the local share of major purchases to protect the tax levy.
  - ▶ The local share is the difference between the debt payments and the amount of aid the district will be receiving.
- ▶ Will work closely with the District Leadership to establish long term replacement plans.

# Next Steps

- ▶ Finalize the Reserve Propositions.
- ▶ Incorporate Staffing Efficiencies
- ▶ Two Public Budget Presentations (March 10th & 25th).
- ▶ BoE Adopts the Budget (April 15th)
- ▶ Budget Vote May 18th.



# Questions?



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