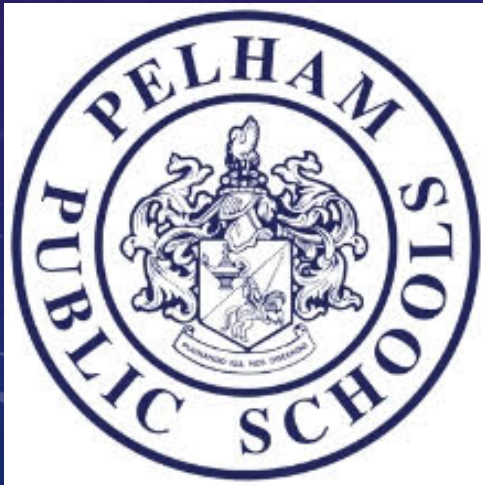


PELHAM PUBLIC SCHOOLS 2022-23 PRELIMINARY BUDGET



SATURDAY, MARCH 5, 2022

BUDGET AT A GLANCE

Total Appropriations	\$83,675,000
Budget-to-Budget Increase	4.23%
Projected Allowable Tax Levy Increase (utilizing \$1,525,000 in Debt Service Fund appropriations)	2.62%
<i>Projected Allowable Tax Levy Increase without use of Debt Service Fund</i>	4.89%
Tax Levy Increase per Proposed Budget	2.62%

BUDGET HIGHLIGHTS

Elementary

- Retaining 1.5FTE interventionists
- Creating counselor position
- Increase ELA Staff Developer to full time
- Expanding 1:1 Chromebook initiative to Kindergarten & 1st grade

BUDGET HIGHLIGHTS

Secondary

- Adding 4 secondary teachers (Math, Social Studies, Technology & Special Education)
 - Special Education teacher added for specialized program needs
 - Math position added to increase math supports (MS)
 - Social Studies to eliminate teacher overages and maintain course offerings
 - Technology position being added to expand STEAM offerings
- Maintaining psychologist (currently Federally funded) and adding a social worker to meet students' social-emotional needs

BUDGET HIGHLIGHTS

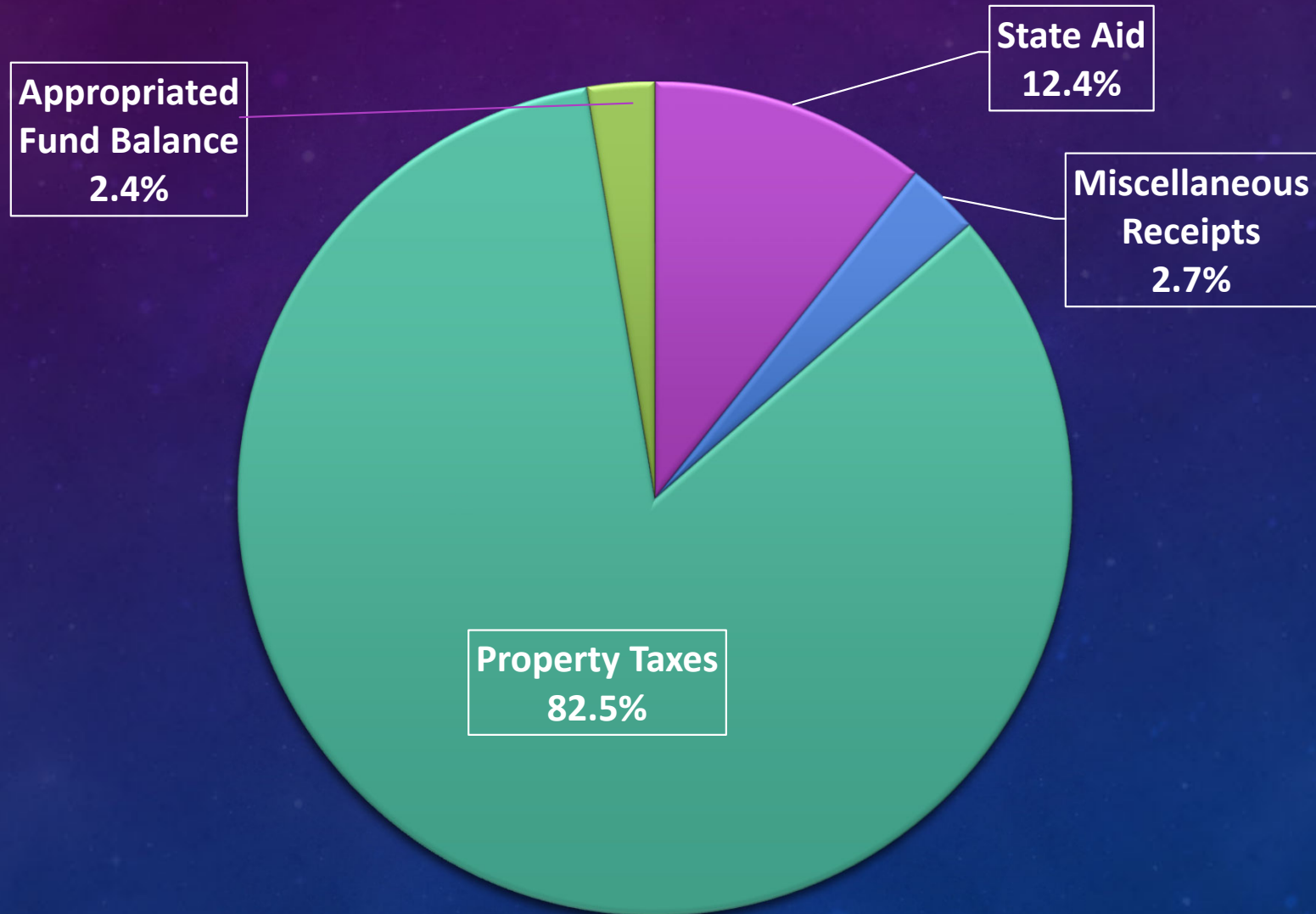
- Administrative restructuring to better align program leadership

Current			Proposed	
Assistant Superint. (AS)-CIP	Curriculum/Instruction	40%	AS-Excellence in Teaching & Learning	100%
	Personnel	60%	Executive Director-HR & Leadership	100%
Total FTE = 1.0			Total FTE = 2.0	

- Creating Coordinator for Diversity, Equity & Inclusion (stipend)
- Adding a network specialist through BOCES to meet continuing technology needs
- Restoration of a custodial position to support Hutchinson School

2022-23 REVENUE BUDGET

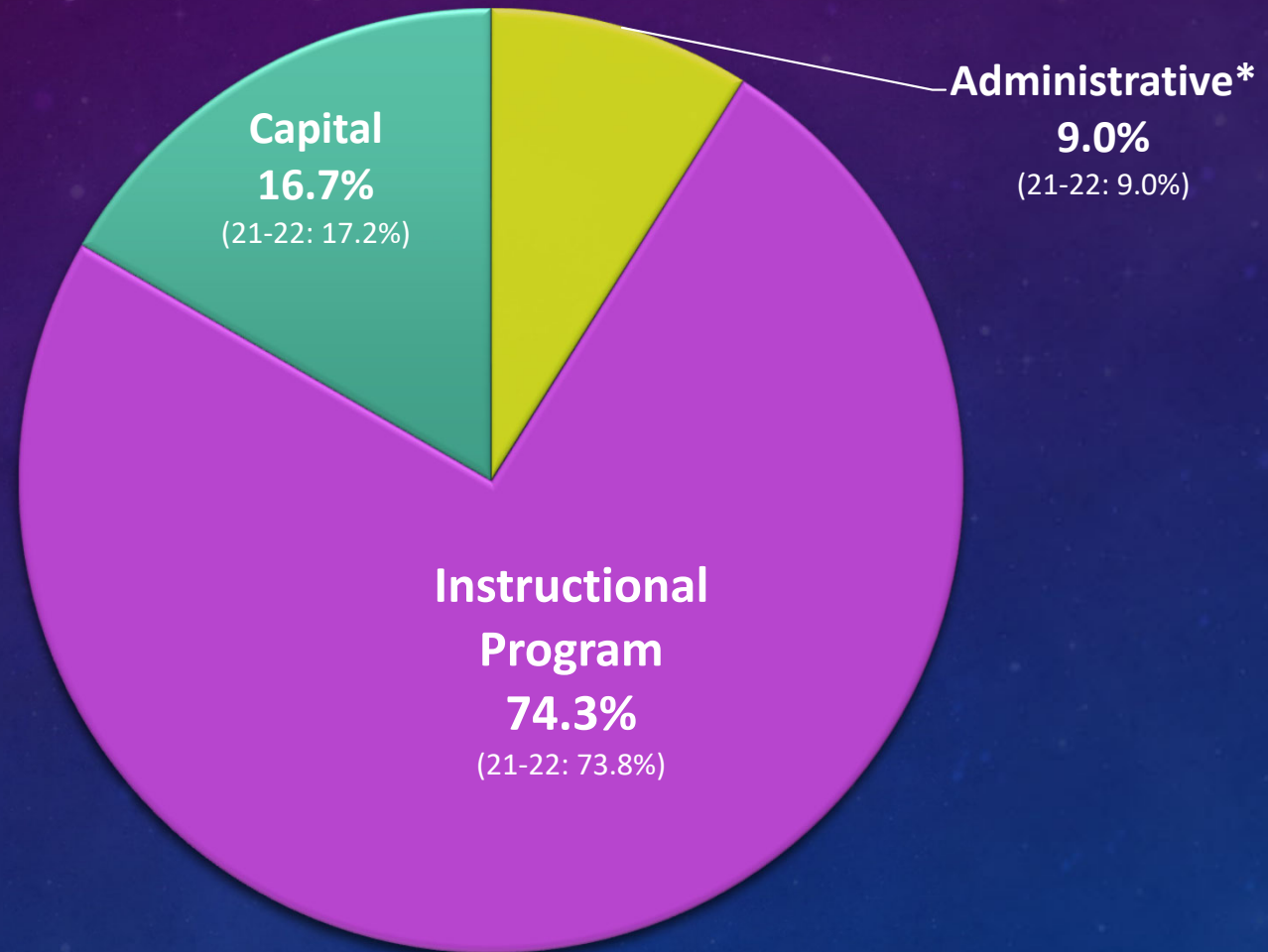
WHERE DOES OUR MONEY COME FROM?



2022-23 EXPENDITURE BUDGET

3 COMPONENT CATEGORIES

WHERE DOES OUR MONEY GO?



*Note: The Administrative portion of the budget cannot exceed 10% of the total budget per NYS law.

Revenue Budget

REVENUE BUDGET

Category	% Total Revenue	2021-22 Adopted Budget	2022-23 Preliminary Budget	Increase (Decrease)	% Change
Property Taxes	82.5%	\$67,271,881	\$69,033,834	\$1,761,953	2.62%
State Aid	12.4%	8,617,933	10,387,822	1,769,889	20.53%
Miscellaneous Receipts	2.7%	2,290,186	2,278,344	(11,842)	(0.52%)
Appropriation-Fund Balance	0.5%	450,000	450,000	-	(0.00%)
Appropriation-Debt Service Reserve	1.9%	1,650,000	1,525,000	(125,000)	(7.58%)
TOTAL REVENUE	100%	\$80,280,000	\$83,675,000	\$3,395,000	4.23%

PROPERTY TAXES



NEW YORK STATE TAX CAP

- 2022-23 is the eleventh year of the tax cap
- Limits tax levy growth to lesser of 2% or CPI, with adjustments for certain exclusions (thus, reference to “2% Tax Cap”)
 - CPI was 4.7% for the measurement period, therefore the cap for 2022-23 is 2.0%
- Allows exclusions for capital expenditures
- Also allows exclusions related to TRS and ERS pension costs in excess of 2 percentage point rate increase from year-to-year
 - Not applicable in 2022-23

TAX LEVY CAP PROVISIONS

BUDGET VOTE PROVISIONS

If Budget is Within the Tax Cap Limit:

- ➡ Need simple majority to pass (50% + 1 voter)

If Budget is Above the Tax Cap Limit:

- ➡ Need a supermajority public vote to pass (60%)

If no Budget is Approved:

- ➡ Board of Education must adopt a Contingency Budget
- ➡ 0% tax levy increase
- ➡ \$1.76 million impact on the budget driving expenditure reductions and/or increased appropriations of fund balance

COMPONENTS OF TAX INCREASE

Operating Budget (Subject to Tax Cap)		
• Growth Factor	0.64%	
• CPI: capped at 2% (applied to levy, less capital exclusions)	1.92%	
Total Operating Budget portion		2.56%
Capital Budget (Exclusion; Not Subject to Cap)		
• Increase in Building Aid, net (reduces local share)	(0.20%)	
• Bond Payments, net	0.08%	
• Use of Debt Service Fund, net	0.18%	
Total Capital Budget Portion		0.06%
Total Tax Levy Increase		2.62%

2022-23 PROPOSED TAX LEVY CALCULATION

NYS Tax Cap Formula Components		Amount	%
2021-22 Tax Levy		\$67,271,881	
x Tax Base Growth Factor		1.0064	0.64%
- Prior Year Exclusions	Capital <i>(includes \$1,650,000 in Debt Service Fund Appropriations)</i>	(3,002,238)	(4.46%)
= Prior Year Tax Levy Limit		64,700,183	
x Allowable Levy Growth Factor (lower of CPI or 2%)		1.02	1.92%
= 2022-23 Tax Levy Limit (before Exclusions)		65,994,187	
+ Current Year Exclusions	Capital <i>(includes \$1,525,000 in Debt Service Fund Appropriations)</i>	3,039,647	4.52%
= 2022-23 Allowable Tax Levy		\$69,033,834	2.62%
2022-23 Proposed Budget Tax Levy		\$69,033,834	2.62%

BUDGETING IN THE TAX CAP ERA

- District must bring expenditures in line with available revenue and reduce reliance on fund balance/reserve appropriations
- District has limited controllable revenue sources:
 - *Property Taxes--subject to cap and taxpayer tolerance/sensitivity*
 - *State Aid--formula driven and subject to political considerations*
- Use of Fund Balance/Reserves can be controlled but *these resources are limited* and the amounts appropriated should be gradually aligned until actual expenditures and actual revenues are balanced

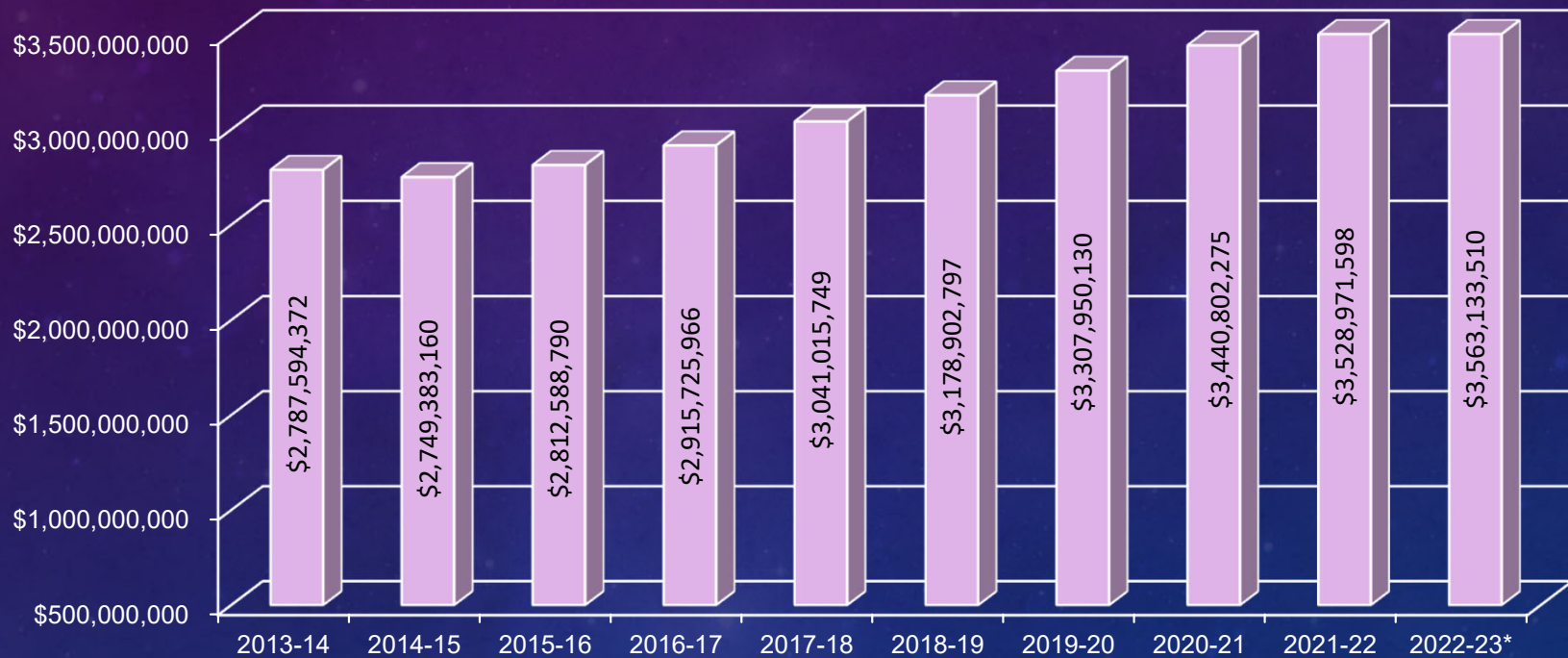
Appropriations of Fund Balance are not “true” revenue sources, rather they are considered “other financing sources” to meet the gap between “true” revenue and expenditures ... usage is like drawing on a savings account

ASSESSED VALUATION

Homestead
&
Non-Homestead

ASSESSED VALUATION

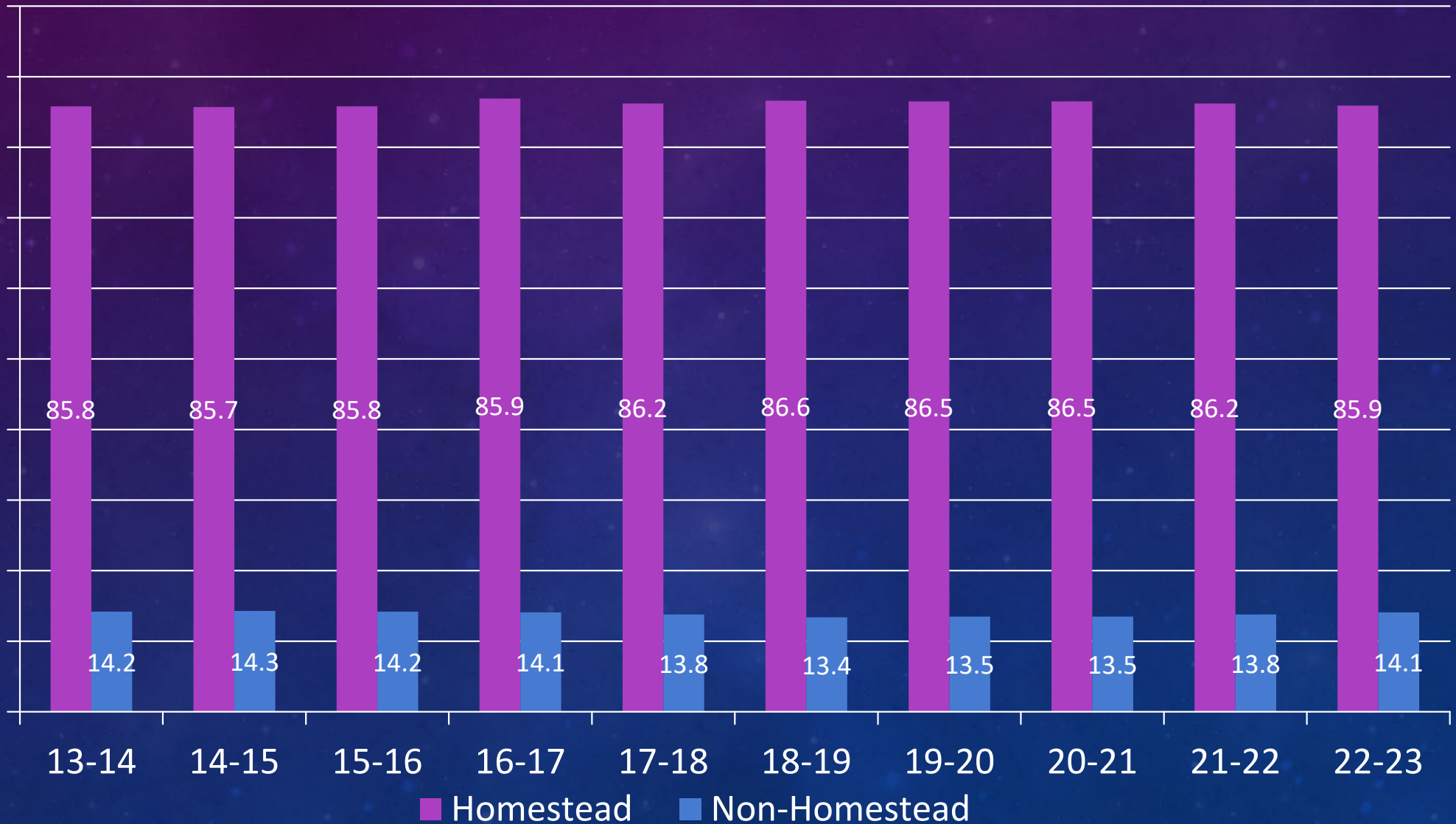
Total Property Value—Homestead & Non-Homestead (Data per Town of Pelham)



*2022-23 valuation as of 2.7.22; subject to change.

ASSESSED VALUATION

PERCENTAGE HOMESTEAD AND NON-HOMESTEAD PROPORTIONS



EFFECT OF SCHOOL TAX INCREASE

Example 1: \$510,000 home assessment – 2021-22 School Taxes (Base Year) = \$9,277

Assessed Value Change	0.00%	0.63%	1.00%
Estimated 2022-23 School Tax	\$9,413	\$9,473	\$9,507
Tax Increase (annual)	\$136	\$195	\$230
Percent Change	1.47%	2.10%	2.48%

Example 2: \$945,000 home assessment* - 2021-22 School Taxes (Base Year) = \$17,190

Assessed Value Change	0.00%	0.63%	1.00%
Estimated 2022-23 School Tax	\$17,442	\$17,552	\$17,617
Tax Increase (annual)	\$252	\$362	\$426
Percent Change	1.47%	2.10%	2.48%

Example 3: \$1,375,000 home assessment - 2021-22 School Taxes (Base Year) = \$25,012

Assessed Value Change	0.00%	0.63%	1.00%
Estimated 2022-23 School Tax	\$25,379	\$25,539	\$26,503
Tax Increase (annual)	\$366	\$526	\$620
Percent Change	1.47%	2.10%	2.48%

**Average homestead taxable value = \$944,404 (per Town of Pelham as of 2.7.22)*

STATE AID

STATE & FEDERAL AID - 12.4% of Revenue Budget

Category	% Total Aid	2021-22 Adopted Budget	2022-23 Preliminary Budget	Increase (Decrease)	% Change
Foundation Aid	50.4%	\$4,348,988	\$5,898,216	\$1,549,228	35.6%
Building Aid	21.8%	1,874,940	2,014,345	139,405	7.4%
BOCES Aid	16.0%	1,382,440	1,476,380	93,940	6.8%
Transportation Aid	5.0%	430,604	452,520	21,916	5.1%
Instructional Materials Aid	2.9%	250,064	251,713	1,649	0.7%
High Tax Aid	1.4%	116,596	116,596	-	-
High Cost Excess Aids (Special Education)	2.5%	214,301	178,052	(36,249)	16.9%
TOTAL STATE AID	100.0%	\$8,617,933	\$10,387,822	\$1,769,889	20.5%

MISCELLANEOUS RECEIPTS



MISCELLANEOUS RECEIPTS – 2.7% of Revenue Budget

Category	2021-22 Adopted Budget	2022-23 Preliminary Budget	Increase (Decrease)	% Change
Tuition	\$1,011,513	\$848,218	(\$163,295)	(16.1%)
Sales Tax	950,000	1,200,000	250,000	26.3%
Refund-Prior Year Expenses, including Arts in Ed	223,563	160,000	(63,563)	28.4%
All Other	105,110	70,126	(34,984)	(33.3%)
TOTAL MISCELLANEOUS RECEIPTS	\$2,290,186	\$2,278,344	(\$11,842)	(0.5%)

MISCELLANEOUS RECEIPTS

- Tuition
 - Includes tuition for regular and special education non-resident students (secondary program only)
- Sales Tax
 - Represents the District's apportionment of NYS sales tax
 - Westchester County increased rate from 3% to 4% effective 8.1.19 (school districts receive 10% of the increase)
- Refund of Prior Year Expenses
 - Includes annual BOCES refund, Arts-in-Education reimbursement from the PTAs & other recapture of prior year expenditures
- All Other Revenues
 - Includes utility payments from Town, interest earnings, rental charges for facility use and any other miscellaneous monies received



APPROPRIATIONS AS OTHER FUNDING SOURCES:

USE OF
FUND BALANCE &
RESERVES

APPROPRIATIONS

2.4% OF REVENUE BUDGET

2022-23 Preliminary Budget includes \$1,975,000 in Appropriated Fund Balance

Source	Amount	Notes
Prior Year Surplus	\$450,000	<ul style="list-style-type: none">• Appropriation of anticipated General Fund fund balance at end of 2021-22 school year; level consistent with prior year
		<ul style="list-style-type: none">• Ongoing practice for most school districts
Debt Service Fund	\$1,525,000	<ul style="list-style-type: none">• Represents a portion of available Debt Service Fund balance utilized to lower tax increase
		<ul style="list-style-type: none">• The planned usage will leave approximately \$575K for use in 2023-24

A NOTE REGARDING RESERVE FUNDS

- NYS recommends that school districts create reserve funds against certain long term liabilities of the school district
- Unlike the private sector, school districts are limited in the amount that can be maintained and the use of such funds

GOAL:

- Maintain reserves against liabilities of the District and support the budget appropriately through a planned utilization of reserves over time

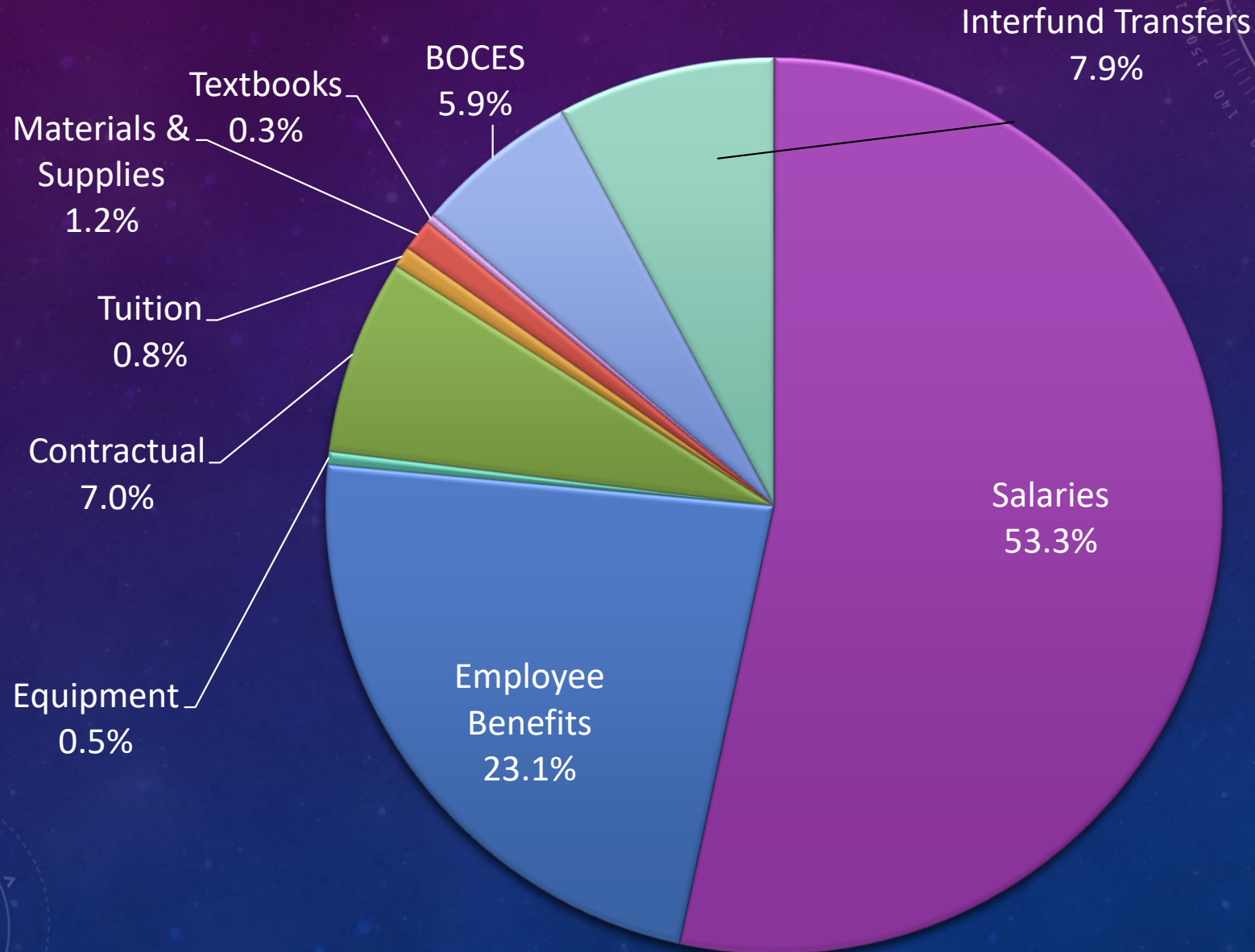
Expenditure Budget

EXPENDITURE BUDGET

Category	% Total Expense	2021-22 Adopted Budget	2022-23 Preliminary Budget	Increase (Decrease)	% Change
Salaries	53.3%	\$43,116,051	\$44,663,717	\$1,547,666	3.59%
Employee Benefits	23.1%	17,916,195	19,325,249	1,409,054	7.86%
Note: Salaries & Employee Benefits together comprise 76% of the Budget					
Contractual	7.0%	5,940,206	5,911,551	(28,655)	(0.48%)
BOCES Services	5.9%	4,685,210	4,943,711	258,501	5.52%
Interfund Transfer-Debt Service Fund	7.9%	6,484,453	6,538,706	54,253	0.84%
Materials & Supplies	1.2%	1,032,325	977,961	(54,364)	(5.27%)
Tuition	0.8%	650,000	635,000	(15,000)	(2.31%)
Textbooks	0.3%	229,060	251,905	22,845	9.97%
Equipment	0.5%	191,500	392,200	200,700	104.80%
Interfund Transfers – Special Aid Fund	0.0%	35,000	35,000	-	-
TOTAL	100%	\$80,280,000	\$83,675,000	\$3,395,000	4.23%

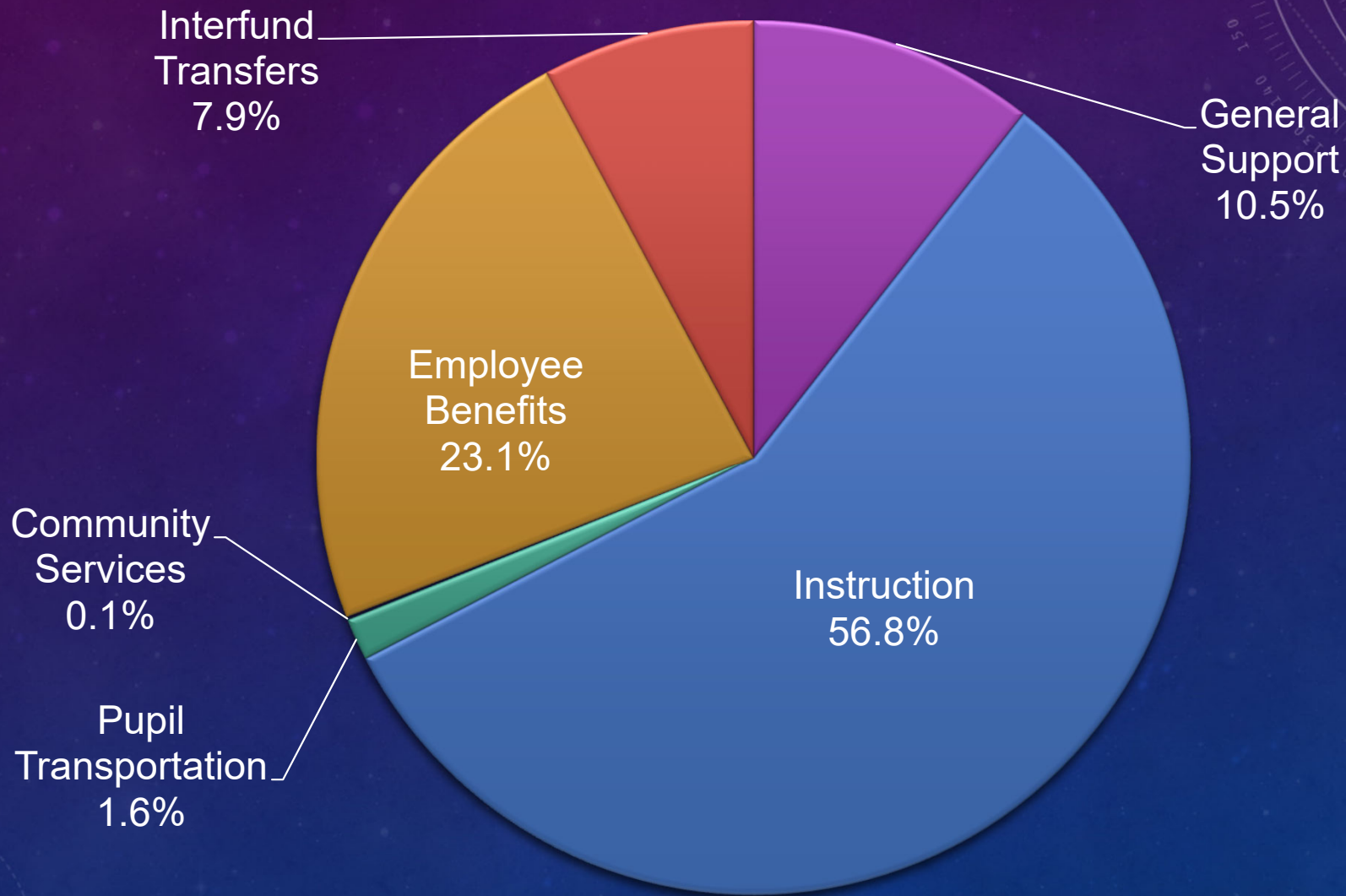
2022-23 EXPENDITURE BUDGET

BY OBJECT CODE



2022-23 EXPENDITURE BUDGET

BY FUNCTION CODE



SUMMARY OF BUDGET TO BUDGET CHANGES

REVENUE & OTHER FINANCING SOURCES		EXPENDITURES	
State & Federal Aid	\$1,769,889	Salaries	\$1,547,666
		Employee Benefits	1,409,054
Property Taxes	1,761,953	BOCES Services	258,501
		Equipment	200,700
		Interfund Transfer-Debt Service	54,253
Miscellaneous Receipts	(11,842)	Textbooks	22,845
		Tuition	(15,000)
Appropriation from Debt Service Fund	(125,000)	Contractual	(28,655)
		Materials & Supplies	(54,364)
TOTAL INCREASE	\$3,395,000	TOTAL INCREASE	\$3,395,000

BUDGET RECAP

Total Appropriations	\$83,675,000
Budget-to-Budget Increase	4.23%
Projected Allowable Tax Levy Increase (utilizing \$1,525,000 in Debt Service Fund appropriations)	2.62%
<i>Projected Allowable Tax Levy Increase without use of Debt Service Fund</i>	4.89%
Tax Levy Increase per Proposed Budget	2.62%

PROPOSED CAPITAL RESERVE

- Creation of a Capital Reserve Fund for infrastructure Improvements, repairs, reconstruction, and renovation of school facilities and athletic fields
- The purpose of the fund is to pay for any expenses for which bonds would otherwise be used
- The Reserve Fund can only be created by proposition and voter approval
- The Reserve Fund is funded by available fund balance at year-end, subject to Board of Education approval
- Prior to use, voter approval is required
- Recommended (but not required) Funding Level: Up to \$10M over a 10-year period.
- Will be on the Board agenda for action on March 23rd

BUDGET SCHEDULE

- Saturday, March 5 – Line-by-Line Budget Review
- Wednesday, March 23 - Regular Board Meeting, Budget Discussion
- Wednesday, April 6 – Regular Board Meeting, Budget Discussion
- Wednesday, April 20 – Board of Education Budget Adoption
- Wednesday, May 4 – State-mandated Public Hearing on budget
- Tuesday, May 17 – BUDGET VOTE and SCHOOL BOARD ELECTION



Questions?

Thank you!