

Highland Falls-Fort Montgomery Central School District

Challenge. Engage. Empower.

2022/23 Budget Draft Overview

March 3, 2022 - BOE Meeting



Agenda

- 2022/2023 Budget Overview
- Expenditures
- Revenue
- Tax Levy Limit Calculation
- Important Budget Dates



Budget Terminology - Review

- Budget
- Budget Calendar
- Budget Year
- Fiscal Year
- Fund Balance
- Maximum Allowable Tax Levy/Tax Levy Limit
- Proposed Budget
- Reserves
- Revenue
- Tax Levy
- Tax Rate



Budget Development Process

- November - February
 - Develop the budget with buildings
 - Review revenues and expenses
- March
 - Proposed 2022/23 Budget Presented
- April
 - Board of Education adopts the budget to present to the taxpayers for consideration in May.



Our Goals

- Providing a Premier Educational Experience for All Students
- Full Transparency in the Budget Development Process
- Maintaining Fiscal Responsibility and Security
- Reviewing Budget/Historical Data



Givens/Variables

Givens

- Expenses that are known
 - i.e. Contractual expenses, retirement system rates, health insurance rates
- Expenses that are expected

Variables

- Revenues
 - i.e. State budget due April 1 and Number of Tuition Students
 - West Point Contract
- Retirements



Additional Items

Included in Draft Budget

- **Capital Outlay Project (100k)**

Not included in Draft Budget

- **Social Worker**
- **Special Education Teacher**



Historic Budget to Budget Changes

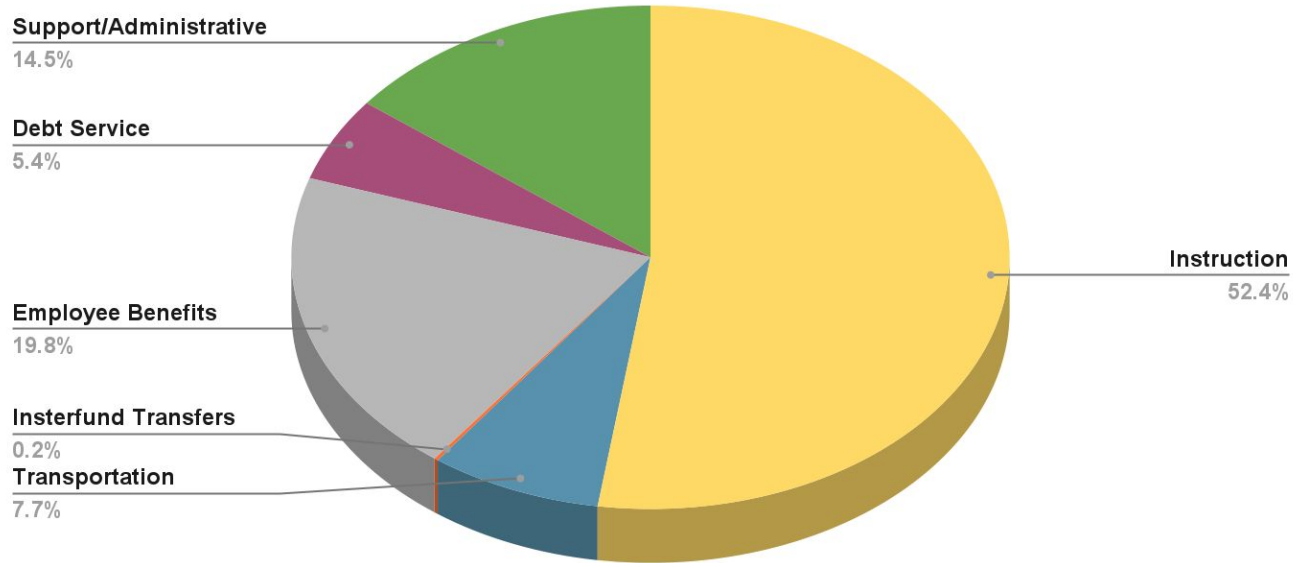
Budget Year	Adopted Budget	% Change
2021-2022	\$34,573,467	3.97%
2020-2021	\$33,251,722	3.63%
2019-2020	\$32,087,219	4.84%
2018-2019	\$30,606,772	2.15%
2017-2018	\$29,759,008	4.23%
2016-2017	\$28,550,987	1.31%
2015-2016	\$28,181,395	2.43%
2014-2015	\$27,512,790	1.20%
2013-2014	\$27,171,625	4.69%
2012-2013	\$25,955,205	5.11%

10 Year
average
change is
3.36%



Appropriations - Chart

Expenses



Appropriations - Rollover Budget

Expenses	2021/2022 Budget	2022/2023 Draft Budget	\$ Change	% Change
Instruction	\$18,099,266.00	\$18,931,165.35	\$831,899.35	4.60%
Employee Benefits	\$6,880,175.00	\$7,171,098.00	\$290,923.00	4.23%
Debt Service	\$1,922,788.00	\$1,952,568.75	\$29,780.75	1.54%
Administrative/General Support	\$4,908,656.00	\$5,245,586.73	\$336,930.73	6.86%
Transportation	\$2,700,582.00	\$2,798,552.66	\$97,970.66	3.62%
Interfund Transfer	\$62,000.00	\$62,000.00	\$0.00	0%
TOTAL	\$34,573,467.00	\$36,160,971.49	\$1,587,504.49	4.59%



Revenue



- Uncertainty remains with revenue
 - State Aid
 - April 1 NYS Legislative Budget Due
 - Garrison Tuition
 - West Point Contract



2% Tax Levy Limit

- **Begin with “prior year” (current year) levy**
- **Apply tax base growth factor – 1.00 for 2022/23**
 - Adjusts for “brick and mortar” development that increases a municipality’s taxable property
- **Remove prior year exclusions**
- **Adjusted prior year levy**
- **Apply Allowable Growth Factor – 1.02 or 2% for 2022/23**
- **Add available carryover**
 - If a local government levies less than the levy limit, up to 1.5 percent of that year’s tax levy limit may be added to the levy limit for the next fiscal year
- **Tax Levy Limit**
- **Add exclusions or exemptions for upcoming year**
 - Pension contributions
 - Court orders or judgments (excludes tax certiorari)
 - Capital expenditures for school districts only
 - Net of building aid
- **Maximum Allowable Tax Levy**



Tax Cap Formula

Tax Levy Limit, Before Adjustments and Exclusions

Real Property Tax Levy FYE 2022	\$11,305,952	
Tax Cap Reserve Offset from FYE 2021 Used to Reduce FYE 2022 Levy	\$0	
Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2022	---	
Tax Base Growth Factor	1.0000	
PILOTs Receivable FYE 2022	---	
Tort Exclusion Amount Claimed in FYE 2022	\$0	
Capital Tax Levy Exclusion FYE2022	\$745,009	
Allowable Levy Growth Factor	1.0200	
PILOTs Receivable FYE 2023	---	
Available Carryover from FYE 2022	---	
Tax Levy Limit Before Adjustments/Exclusions	\$10,772,162	- 4.72%

Exclusions

Tort Exclusion	\$0	
Capital Tax Levy Exclusion FYE2023	\$850,222	
Teachers' Retirement System Exclusion	\$0	
Employees' Retirement System Exclusion	\$0	
Total Exclusions	\$850,222	
Your FYE 2023 Tax Levy Limit, Adjusted for Transfers plus Exclusions	\$11,622,384	Tax Levy Limit 2.80% or \$316,432
Total Tax Cap Reserve Amount Used to Reduce FYE 2023 Levy	---	
FYE 2023 Proposed Levy, Net of Reserve	\$11,305,952	
Difference Between Tax Levy Limit and Proposed Levy	\$316,432	
Do you plan to override the Tax Cap for FYE 2023 ?	No	



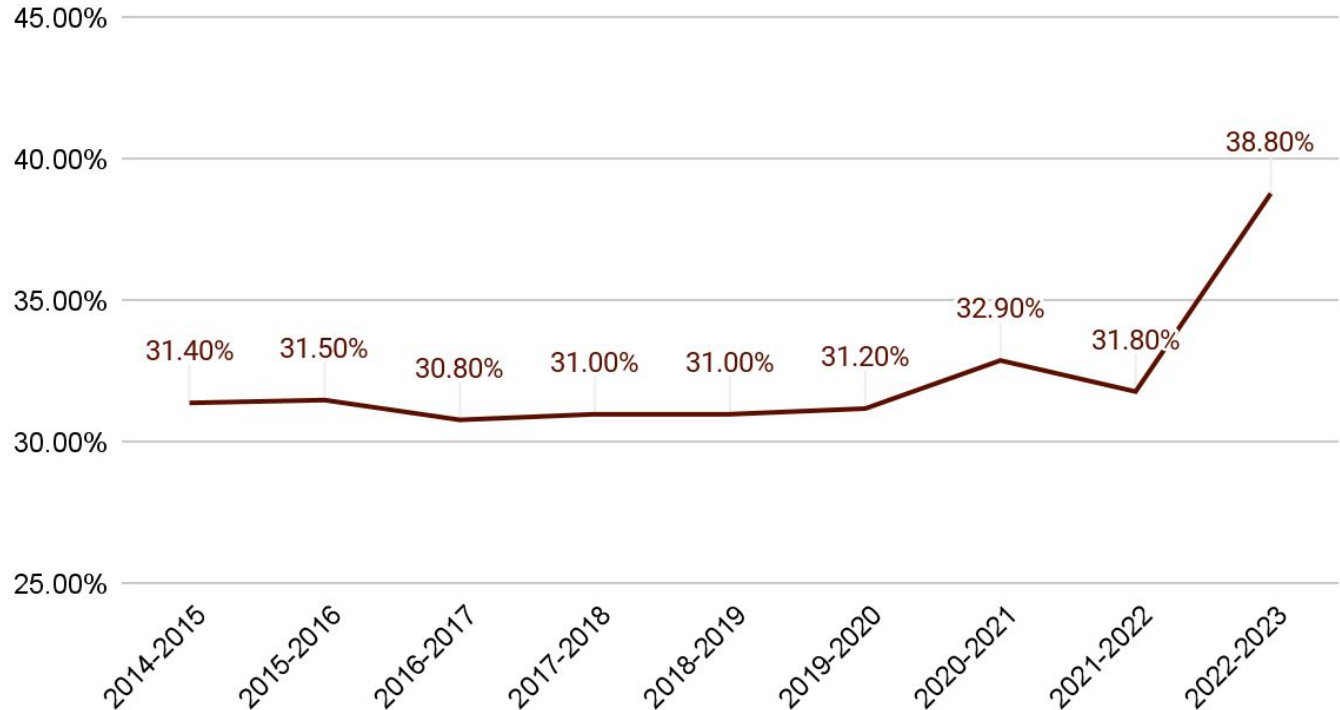
State Aid - Based on Governor's/Executive Budget Proposal

	<u>2021-2022 Budget</u>	<u>2022-2023 Budget</u>	<u>% of Budget</u>	<u>\$ CHG Budget-to-Budget</u>
STATE SOURCES				
Basic Formula Aid	7,551,040	9,185,463		1,634,423
Transportation Aid	1,300,000	1,600,000		300,000
High Tax Aid	317,551	317,551		-
Building Aid	904,068	1,202,347		298,279
BOCES Aid	949,901	1,116,264		166,363
Total Excess Cost Aid (High and Private)	900,000	500,000		(400,000)
Textbook, Software and Library Aid	93,972	96,368		2,396
Computer Hardware	20,751	21,617		866
Other State Aid	-	-		-
COVID-19 Supplemental Stimulus	-	-		-
Net Pandemic Adjustment	-	-		-
	12,037,283	14,039,610	38.8%	2,002,327



State Aid - Percentage of Revenue based on Governors #'s

State Aid as % of Total Revenue



Tuition Revenue

- Garrison
 - \$16,172 per student estimated Non-Resident Tuition rate for 2022-23
- West Point
 - Waiting on DoDEA to award contract



Revenue - Impact Aid

- Compensates School Districts for:
 - Lost Tax Revenue and Development Potential Due to Federal Land Acquisition After 1938 (Section 7002)
 - HFFMCSD – 11,217 acres Highlands; 2,640 acres Woodbury; 13,857 acres
 - Increased School Enrollment from Military Dependents (Section 7003)
- Computation of Impact Aid (7002)
 - Four step process that was simplified in 2013, with the new formula applied retroactively to prior application years 2010, 2011 and 2012
 - HFFMCSD benefited greatly with the formula change by successfully lobbying Congress to retain our “i” payment in the new formula
 - Net Impact to HFFMCSD
 - +\$1.2 million additional Impact Aid annually



Revenue Impact Aid “i” Payment

(i) SPECIAL PAYMENTS.-

(1) IN GENERAL.- For any fiscal year beginning with fiscal year 2000 for which the amount appropriated to carry out this section exceeds the amount so appropriated for fiscal year 1996 and for which subsection (b)(1)(B) applies, the Secretary shall use for the fiscal year involved (not to exceed the amount equal to the difference between (A) the amount appropriated to carry out this section for fiscal year 1997 and (B) the amount appropriated to carry out this section for fiscal year 1996) to increase the payment that would otherwise be made under this section to not more than 50 percent of the maximum amount determined under subsection (b) for any local educational agency described in paragraph (2).

(2) LOCAL EDUCATIONAL AGENCY DESCRIBED.-A local educational agency described in this paragraph is a local education agency that-

(A) received a payment under this section for fiscal year 1996;

(B) serves a school district that contains all or a portion of a United States military academy;

(C) serves a school district in which the local tax assessor has certified that at least 60 percent of the real property is federally owned; and

(D) demonstrates to the satisfaction of the Secretary that such agency’s per-pupil revenue derived from local sources for current expenditures is not less than that revenue for the preceding fiscal year.



Revenue - Impact Aid Formula

Computation of Impact Aid Payment Under Technical Amendment

Steps in Payment Formula

- 1) 90% of the greater, average of 2006-2009 payment or 2009 year payment 2009 Application Year Payment:
\$2,505,215
- 2) HFFMCSD Special rule or "i" payment applied
- 3) Newly eligible districts
- 4) Pro rate remaining funds using new formula

Estimated 2019 Payment for HFFMCSD Under New Methodology (w/o sequestration)

HFFMCSD Foundation Payment at 90%	\$2,254,694
<u>HFFMCSD "i" Payment</u>	<u>\$1,207,000</u>
Total Payment	\$3,461,694



Reserves

- Unassigned Fund Balance: \$7,463,456
- Capital: \$6,251,855
- Unemployment: \$100,000
- Tax Certiorari: \$303,293
- Employee Benefit Accrued Liability: \$422,545
- Teacher Retirement System: \$606,041
- Employee Retirement System: \$400,000



Important Dates

- March 3
 - Board Workshop/Presentation to Review Budget
- March 17
 - Board Workshop/Presentation to Review Budget
- April 7
 - Adoption of the budget by the BOE (deadline 4/22)
- April 18
 - Deadline for submission of Petitions for Board of Education Candidates by 5pm
- April 25
 - Property Tax Report Card Due to SED or day after adoption of budget
- May 4
 - Budget available at each building
- May 5
 - Public Budget Hearing
- May 6
 - Budget Notice mailed
- May 17
 - Budget Vote and School Board Election



Questions??

