



SWEET HOME

"EVERY STUDENT, ONE COMMUNITY, READY FOR THE FUTURE."

2023-24 BUDGET DISCUSSION

Sweet Home Board of Education Budget Study Session #1

Saturday, February 11, 2023

Budget Process & School Board Elections: New York State Important Dates

Detail	Deadline
Final Tax Cap Calculation Due to State	March 1, 2023
School Board Candidate Nominating Petitions Due	April 17, 2022*
Last Day for BOE Adoption of Proposed Budget	April 21, 2023
Property Tax Report Cards Due	April 24, 2023
Public Hearing on Adopted Budget	May 2-9, 2023
Annual Budget Vote & School Board Election	May 16, 2023

* Term of Scott Johnson expires on June 30, 2023.



2023-24 Budget Development Process: Sweet Home Dates

Detail	Date
<u>Budget Development:</u> Update State Aid & Property Tax Cap Calculation, Meet with Administrators & Department Heads to review Budgetary Needs, Initial BOCES participation meeting, Meet with Financial Advisor to review aid projections & debt service	January 2023
<u>Budget Study Session #1:</u> Program Maintenance Budget based on Executive Proposal / Budget Development Objectives & Priorities	February 11, 2023
<u>Budget Study Session #2:</u> Preliminary Budget / Estimated Revenues & Updates	March 7, 2023
<u>Budget Study Session #3:</u> Budget Update Discussion / NYS Budget Completion & Final State Aid runs	April 11, 2023
Budget Hearing / BOE 2023-24 Budget Adoption	April 18, 2023
Public Budget Hearing / "Meet the Candidates" Night	May 2, 2023
Annual Budget Vote & School Board Election	May 16, 2023



Building a Budget



■ Establish Boundaries

- *Programmatic: Sweet Home Core (class sizes, art, music, athletics, AIS, etc)*
- *Fiscal – Create budget that falls BELOW tax cap.*

■ Project Revenue

- *State Aid*
- *Tax Receipts*
- *Other Income*

■ Project Expenses

- *Enrollment / Staffing*
- *Salaries, Benefits & Assumptions*
- *Other Expenses with major budgetary impact*

■ Project the Bottom line & Consider Alternatives / Set priorities

- *What are some potential reductions or additions to the budget based on needs and goals of the Board and District*

2022-23 Budget Snapshot Performance & Challenges



■ Points of Note:

- *BOE approved \$1,533,657 appropriation to Unassigned Fund Balance in August 2022.*
- *Full SHSEA contract was not budgeted for the 2022-23 school year as contract was settled in August*
- *Increase in contracted transportation (~ \$1.8m) was not budgeted for the 22-23 school year*
- *8% + rate of inflation*
- *Budget is performing well*
- *Significant budget transfer to cover increased contracted transportation costs (BOE approval needed over \$50,000)*
- *Goal is to work within current budget and not touch Unassigned Fund Balance – money could be moved into reserves in August*

Program Maintenance Budget



■ Goals for Today's session

- *Present a program maintenance budget with best estimates to date*
- *Pinpoint revenue projections / Tax Cap Discussion / Federal funding sources*
- *Isolate major expenditure increases from present school year*
- *Discuss staffing & impact on next year / possible alternatives*
- *Discuss priorities and next steps*
- *Questions and answers at any time*

A Closer Look: Revenues



■ Four Major Areas that impact revenue side of budget:

- ❖ *State Aid*
- ❖ *Real Property Taxes (Tax Cap) / PILOTs*
- ❖ *Sales Tax*
- ❖ *Use of reserves to close potential budget gaps*

■ New York State promised to fully fund Basic Foundation Aid by 23-24

Foundation Aid 21-22	Foundation Aid 22-23	Foundation Aid 23-24
\$15,973,115	\$17,614,251	\$19,255,927

**Executive Budget 2023 has Sweet Home CSD full funded for Foundation Aid.*

A Closer Look: State Aid



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Year to Year Comparison of State Aid for Budgetary Purposes

Aid Category	2022-23	2023-24
Basic Foundation Aid	\$17,500,000	\$21,675,000*
Excess Costs / Transportation	\$4,555,000	\$5,200,000
Building Aid	\$2,050,000	\$1,625,000**
BOCES Aid	\$1,600,000	\$1,600,000
Textbook Aid	\$210,000	\$219,000
Computer Hardware Aid	\$49,000	\$51,000
Computer Software Aid	\$57,500	\$59,000
Library Aid	\$20,500	\$22,000
TOTAL AID IN BUDGET	\$26,092,000	\$30,451,000

Notes:

1. * - Foundation Aid does include \$430,883 set aside for high impact tutoring – need to learn more about the specifics
2. ** - Building Aid does not include aid from Phase 1 as of yet

Increase in State and Expense driven aids from 2022-23 school year:

\$4,359,000

A Closer Look: Tax Cap



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New York's property tax cap law establishes a tax levy limit for each school district. The tax levy limit allows school districts to increase their property tax levy from one year to the next by 2 percent or the rate of inflation, whichever is less, based on a multi-step formula. School districts are then allowed to take certain exemptions that may boost their tax levy limits to more than 2 percent or the inflation rate.

Inflation Factors and Allowable Levy Growth Factors by Fiscal Year								
Fiscal Year	Fiscal Years Beginning							
	2020		2021		2022		2023	
	Inflation Factor	Allowable Levy Growth Factor	Inflation Factor	Allowable Levy Growth Factor	Inflation Factor	Allowable Levy Growth Factor	Inflation Factor	Allowable Levy Growth Factor
Jan 1 - Dec 31	2.07%	1.0200	1.56%	1.0156	2.30%	1.0200	7.17%	1.0200
Mar 1 - Feb 28	1.90%	1.0190	1.46%	1.0146	3.00%	1.0200	7.69%	1.0200
Apr 1 - Mar 31	1.85%	1.0185	1.43%	1.0143	3.33%	1.0200	7.92%	1.0200
Jun 1 - May 31	1.78%	1.0178	1.31%	1.0131	4.23%	1.0200	8.06%	1.0200
Jul 1 - Jun 30	1.81%	1.0181	1.23%	1.0123	4.70%	1.0200	8.00%	1.0200
Aug 1 - Jul 31	1.89%	1.0189	1.14%	1.0114	5.21%	1.0200	Coming February 2023	
Sep 1 - Aug 31	1.96%	1.0196	1.09%	1.0109	5.72%	1.0200		
Oct 1 - Sep 30	1.93%	1.0193	1.18%	1.0118	6.22%	1.0200		

A Closer Look: Tax Cap

Tax Levy Threshold Calculation-OSC-DRAFT

2/1/2023

A.	Total Real Property Tax Levy for Base Year	\$53,321,588
B.	Tax Base Growth Factor (minimum of 1.0)	1.0221
C.	Product of A * B	\$54,499,995
D.	Base Year PILOTS	\$558,000
E.	Sum of C + D	\$55,057,995
F.	Base Year Capital Tax Levy	\$3,745,712
G.	Difference of E - F	\$51,312,283
H.	Allowable Levy Growth Factor based on CPI	1.0200
I.	Product of G * H	\$52,338,529
J.	Budget Year PILOTS	\$529,000
K.	Difference of I - J	\$51,809,529
L.	Equals Tax Levy Limit	\$51,809,529
M.	Budget Year Torts and Judgements above 5% of Levy	\$0
N.	Budget Year Capital Tax Levy	\$5,323,613
O.	Budget Year Pension Expense above 2% increase in rate	\$0
	Eligible Prior Year Carryover	\$0
P.	Tax Levy Limit Adjusted for Transfers + Exclusions (Sum L-O)	\$57,133,142
W.	Total Tax Levy Percentage Increase	7.15%



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Increase from 22-23:
\$3,811,554 // 7.15%

Why the increase?

- An increase of \$1,425,000 in debt service from current year
- An increase in cost of bus purchases: \$142,000 (\$516,000 / \$658,000)

22-23 District Tax Cap: 4.34%

- \$2,216,029 increase from previous year
- BOE opted to go right to the cap for 22-23 budget

PILOTS down from 22-23
\$558,000 vs. \$529,000

A Closer Look: Sales Tax



Sales Tax by Quarter	2021-22	2022-23
Quarter 1 (September)	\$909,621	\$813,677
Quarter 2 (December)	\$1,175,549	\$1,335,024
Quarter 3 (March)	\$1,177,549	??
Quarter 4 (June)	\$1,648,488	??
TOTAL	\$4,911,207	??

Currently estimating sales tax receipts for 23-24 at \$4,250,000

A Closer Look: Federal Funds



CARES ACT 2 through September 2023

Position	Salary
ENL Teacher	\$45,000
K-8 Literacy Interventionist	\$45,000
School Psychologist	\$50,000

American Rescue Plan through September 2024

Position	Salary
8 Elementary teachers	\$47,300
6 Reading Specialists	\$47,300
4 HS Core Teachers (.8)	\$38,000
8 Teacher Aides	\$25,000

- If these positions are to remain, they must get back into the General Fund
- Positions are currently in budget / use these funds to help build fund balance
- If they remained in grant, provide more flexibility in general fund

A Closer Look: Revenues



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ACCOUNT CODE	ACCOUNT NAME	2019-20 BUDGET	2020-21 BUDGET	AMOUNT CHANGE	PERCENT CHANGE	2021-22 BUDGET	AMOUNT CHANGE	PERCENT CHANGE	2022-23 BUDGET	AMOUNT CHANGE	PERCENT CHANGE	2023-24 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
1001.0	REAL PROPERTY TAXES	\$48,145,272	\$49,532,205	\$1,386,933	2.9%	\$51,105,559	\$1,573,354	3.2%	\$53,321,588	\$2,216,029	4.1%	\$57,133,142	\$3,811,554	7.1%
1040.0	APPROPRIATED FUND BALANCE	\$2,420,000	\$2,420,000	\$0	0.0%	\$2,420,000	\$0	0.0%	\$2,420,000	\$0	0.0%	\$2,420,000	\$0	0.0%
1040.1	USE OF RETIREMENT CONTRIBUTION RESERVE	\$50,000	\$825,000	\$775,000	1550.0%	\$50,000	(\$775,000)	-93.9%	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%
1040.2	USE OF UNEMPLOYMENT RESERVE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
1040.3	USE OF EMPLOYEE BENEFITS LIAB. RESERVE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
1040.4	USE OF WORKERS COMP. RESERVE	\$75,000	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%
1040.5	USE OF TAX CERTIORARI RESERVE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
1040.6	USE OF DEBT SERVICE RESERVE	\$1,210,000	\$900,000	(\$310,000)	-25.6%	\$490,000	(\$410,000)	-45.6%	\$705,000	\$215,000	43.3%	\$800,000	\$95,000	13.5%
1081.0	PAYMENT IN LIEU OF TAXES	\$510,000	\$495,000	(\$15,000)	-2.9%	\$589,000	\$94,000	19.0%	\$558,000	(\$31,000)	-5.3%	\$529,000	(\$29,000)	-5.2%
1120.0	NON-PROP TAXES-SALES TAX	\$3,465,000	\$3,120,000	(\$345,000)	-10.0%	\$3,620,000	\$500,000	16.0%	\$3,900,000	\$280,000	7.1%	\$4,250,000	\$350,000	9.0%
1315.0	COMM ED TUITION & FEES	\$160,000	\$115,000	(\$45,000)	-28.1%	\$115,000	\$0	0.0%	\$115,000	\$0	0.0%	\$95,000	(\$20,000)	-17.4%
2230.0	TUITION-OTH DIST-FOSTER	\$75,000	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%	\$100,000	\$25,000	33.3%
2230.2	TUITION-OTHER DISTRICTS	\$520,000	\$575,000	\$55,000	10.6%	\$575,000	\$0	0.0%	\$575,000	\$0	0.0%	\$300,000	(\$275,000)	-47.8%
2401.0	INTEREST / POTENTIAL FEMA	\$175,000	\$200,000	\$25,000	14.3%	\$220,000	\$20,000	10.0%	\$150,000	(\$70,000)	-31.1%	\$140,000	(\$10,000)	-6.7%
2413.0	RENT REAL PROPERTY-BOCES	\$400,000	\$420,000	\$20,000	5.0%	\$430,000	\$10,000	2.4%	\$440,000	\$10,000	2.3%	\$455,000	\$15,000	3.4%
3101.0	STATE AID-BASIC FORMULA	\$14,875,000	\$15,005,000	\$130,000	0.9%	\$15,966,000	\$961,000	6.4%	\$17,500,000	\$1,534,000	9.1%	\$21,675,000	\$4,175,000	23.9%
3101.0	STATE AID-BUILDING AID	\$2,915,000	\$2,956,000	\$41,000	1.4%	\$2,973,000	\$17,000	0.6%	\$2,050,000	(\$923,000)	-31.0%	\$1,625,000	(\$425,000)	-20.7%
3101.1	ST AID-EXCESS COST	\$4,007,000	\$4,069,000	\$62,000	1.5%	\$4,500,000	\$431,000	10.6%	\$4,555,000	\$55,000	1.2%	\$5,150,000	\$595,000	13.1%
3103.0	BOCES AID	\$1,230,000	\$1,280,000	\$50,000	4.1%	\$1,450,000	\$170,000	13.3%	\$1,600,000	\$150,000	10.1%	\$1,600,000	\$0	0.0%
3104.0	STATE AID-CHAPTER STUDENTS	\$50,000	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%
3260.0	TEXTBOOK AID	\$200,000	\$205,000	\$5,000	2.5%	\$205,000	\$0	0.0%	\$210,000	\$5,000	2.3%	\$219,000	\$9,000	4.3%
3261.0	COMPUTER HARDWARE AID	\$45,000	\$47,000	\$2,000	4.4%	\$45,000	(\$2,000)	-4.4%	\$49,000	\$4,000	8.2%	\$51,000	\$2,000	3.9%
3262.0	COMPUTER SOFTWARE AID	\$51,500	\$56,500	\$5,000	9.7%	\$55,000	(\$1,500)	-2.7%	\$57,500	\$2,500	4.3%	\$59,000	\$1,500	2.6%
3263.0	LIBRARY AID	\$21,500	\$26,500	\$5,000	23.3%	\$20,000	(\$6,500)	-24.5%	\$20,500	\$500	2.3%	\$22,000	\$1,500	7.3%
3289.0	STATE AID-OTHER	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
-----	Other Receipts	\$810,750	\$900,485	\$89,735	11.1%	\$895,000	(\$5,485)	-0.6%	\$875,000	(\$20,000)	-2.2%	\$875,000	\$0	0.0%
	DISTRICT TOTALS	\$81,411,022	\$83,347,690	\$1,936,668	2.38%	\$85,923,559	\$2,575,869	3.1%	\$89,351,588	\$3,428,029	4.1%	\$97,673,142	\$8,321,554	9.3%

2023-24 Revenue: \$97,673,142

Increase: \$8,321,554 // 9.3%

Expenses

■ Know Budgetary Impacts :

- *Collective Bargaining Agreements*
 - SHSEA (Service Employees / Confidentials) – 6.0% Annual Increase
 - SHASA (Administrators & Supervisors) – 4.0% Annual Increase
- *Bus Purchases - \$142,000 Increase*
 - \$516,000 to \$658,000
- *Contracted Transportation*
 - Increase of \$1,400,000
- *Debt Service*
 - Increase of \$1,425,000
- *Safety & Security Guards*
 - Increase of \$75,000



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- Charter School Tuitions
 - Increase of \$225,000 / Special Ed increase of \$70,000
- Legal Services
 - Increase of \$75,000
- Utilities Across the District
 - Increase of \$125,000
- BOCES
 - Increase of \$250,000
- Occupational Education
- Increases in FICA & Workers Comp
 - Increase of \$400,000

Expenses

■ Unknown Budgetary Impacts :

- *Collective Bargaining Agreement*
 - SHEA (Teachers) - 385 members
- *NY 44 Trust Health Insurance*
 - Increase yet to be determined
 - Minimal increase in 2022-23/ Estimate a 3% increase in 23-24 ~ \$310,000
- *BOCES Participation – still finalizing that*
 - Administrative Costs yet to be released
 - Increased 13% in 2022-23, 4% in 2021-22
 - Budgeting for 6% increase ~ \$37K



Program Maintenance Budget 2023-24 Snapshot



Revenue Summary	2022-23	2023-24	2023-24 Percent Increase
Budgeted Revenues	\$89,351,588	\$97,673,142	9.3%
Local Tax Levy	\$53,321,588	\$57,133,142	7.1%

Expenditure Summary	2022-23	2023-24	2023-24 Percent Increase
Budgeted Expenditures	\$89,351,588	\$96,645,888	8.1%

\$1,027,254 23-24 Surplus

Program Maintenance Budget 2023-24 Snapshot & Potential Adds



■ Program Maintenance Budget:

- *Staffing neutral – no additions or subtractions*
 - Three (3) known teacher retirements / New Hires or replaced through attrition?
- *Minimal Increases to material and supply lines across the District*
 - First time those lines increased in number of years
- *Made assumptions about expiring contracts*

■ Additional UPK Classrooms:

- *District looking to add three (3) new UPK classrooms (Glendale, Heritage & Willow Ridge)*
 - Three (3) known teacher retirements / New Hires or replaced through attrition?
 - Each would require a teacher & teacher aide

Program Maintenance Budget 2023-24 Snapshot & Potential Adds



■ Administrative Staffing wishlist:

- *New 8:1:1 Classroom at Willow Ridge (1 teacher and 2 aides)*
- *District wide behavior specialist (BOCES purchase)*
- *Math Specialist - High School*
- *ENL Teacher: .5 Middle School / .5 High School*
- *Counselor – Middle School*
- *Special Education Teacher – Middle School (Potential ALT Program)*
- *Math Interventionist – Middle School*
- *.5 Health / PE teacher – Middle School*
- *.5 Social Worker at Elementary Level (Increase from current .5)*
- *Increase Speech .5 speech to .8 at elementary*
- *Communications Specialist – Conversation with BOCES*

Program Maintenance Budget 2023-24 Snapshot / Tax Rates



Assumptions:

- **Assessed Values remain at 2022 levels**
- Amherst Equalization Rate reduced from 88% to 74%
- Tonawanda Equalization Rate reduced from 33% to 29%
- Rates based on going to full 23-24 cap of \$57,133,142

School Tax on an Average Assessed Value Home				
	Amherst		Tonawanda	
	2022-23	2023-24 *est	2022-23	2023-24 *est
Equalization Rate	74.0%	74.0%	29.0%	29.0%
Assessed Value	\$150,000	\$150,000	\$55,500	\$55,500
Tax Rate	\$15.68	\$16.80	\$40.25	\$43.13
Calculated Tax Bill	\$2,352	\$2,520	\$2,234	\$2,394
Estimated Increase		\$168		\$159

Program Maintenance Budget 2023-24 Snapshot / Tax Rates



Assumptions:

- **Assessed Values remain at 2022 levels**
- Amherst Equalization Rate reduced from 88% to 74%
- Tonawanda Equalization Rate reduced from 33% to 29%
- Rates based on going to balanced budget 23-24 cap of \$56,105,888

School Tax on an Average Assessed Value Home				
	Amherst		Tonawanda	
	2022-23	2023-24 *est	2022-23	2023-24 *est
Equalization Rate	74.0%	74.0%	29.0%	29.0%
Assessed Value	\$150,000	\$150,000	\$55,500	\$55,500
Tax Rate	\$15.68	\$16.50	\$40.25	\$42.36
Calculated Tax Bill	\$2,352	\$2,475	\$2,234	\$2,351
Estimated Increase		\$123		\$117

2023-24 Budget Next Steps / District Work



- Determine if BOE wants to go to Tax Cap
- Prioritize Additional Staffing Needs – get in budget
- Monitor any updates on State Aid (building), Sales tax projections
- Monitor contractual negotiations
- Examine / solidify salaries / work through budget line-by-line
- Determine flexibility with Federal funds v. salary lines
- Finalize BOCES participation numbers
- Information on NY 44 Trust Health contribution increase, if any
- Adjust budget and report back to BOE at March 8 Study Session



2023-24 Budget Discussion

QUESTIONS??

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