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

2022-23 BUDGET DISCUSSION

Sweet Home Board of Education Budget Study Session #1

Saturday, February 12, 2022

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

Detail	Deadline
Final Tax Cap Calculation Due to State	March 1, 2022
School Board Candidate Nominating Petitions Due	April 18, 2022
Last Day for BOE Adoption of Proposed Budget	April 22, 2021
Property Tax Report Cards Due	April 25, 2022
Public Hearing on Adopted Budget	May 3-10, 2022
Annual Budget Vote & School Board Election	May 17, 2022



2022-23 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 2022
<u>Budget Study Session #1:</u> Program Maintenance Budget based on Executive Proposal / Budget Development Objectives & Priorities	February 12, 2021
<u>Budget Study Session #2:</u> Preliminary Budget / Estimated Revenues & Updates	March 8, 2022
<u>Budget Study Session #3:</u> Budget Update Discussion / NYS Budget Completion & Final State Aid runs	April 5, 2022
Budget Hearing / BOE 2021-22 Budget Adoption	April 19, 2022
Public Budget Hearing / "Meet the Candidates" Night	May 3, 2022
Annual Budget Vote & School Board Election	May 17, 2022



Building a Budget



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■ Establish Boundaries

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

■ Project Expenses

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

■ Project Revenue

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

■ 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*

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*
- *Discuss potential for additional proposition to ballot to utilize the Capital Reserve Fund for vehicle & equipment purchases*
- *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 promises 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

**Annual increase of \$1,604,406 each of next 2 school years*

A Closer Look: State Aid



Year to Year Comparison of State Aid for Budgetary Purposes

Aid Category	2021-22	2022-23
Basic Foundation Aid	\$15,966,000	17,500,000
Excess Costs / Transportation	\$4,500,000	\$4,555,000
Building Aid	\$2,973,000	\$2,050,000
BOCES Aid	\$1,450,000	\$1,600,000
Textbook Aid	\$205,000	\$210,000
Computer Hardware Aid	\$45,000	\$49,000
Computer Software Aid	\$55,000	\$57,500
Library Aid	\$20,000	\$20,500
TOTAL AID IN BUDGET	\$25,264,000	\$26,092,000

A Closer Look: Tax Cap



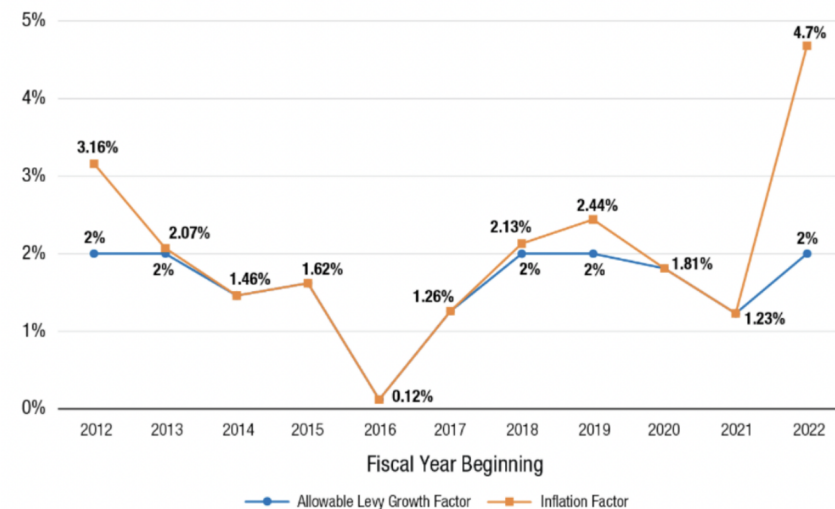
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New York's property tax cap law establishes a tax levy limit for each school district. The tax levy limit allows school districts to increase their property tax levy from one year to the next by 2 percent or the rate of inflation, whichever is less, 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.

Allowable Levy Growth & Inflation Factors

July 1 - June 30 Fiscal Year



Note: Allowable levy growth factor is expressed as a percentage.

A Closer Look: Tax Cap



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Tax Levy Threshold Calculation-OSC-DRAFT		
2/4/22		
A.	Total Real Property Tax Levy for Base Year	\$51,105,559
B.	Tax Base Growth Factor (minimum of 1.0)	1.0109
C.	Product of A * B	\$51,662,610
D.	Base Year PILOTS	\$589,000
E.	Sum of C + D	\$52,251,610
F.	Base Year Capital Tax Levy	\$3,100,751
G.	Difference of E - F	\$49,150,859
H.	Allowable Levy Growth Factor based on CPI	1.0200
I.	Product of G * H	\$50,133,876
J.	Budget Year PILOTS	\$558,000
K.	Difference of I - J	\$49,575,876
L.	Equals Tax Levy Limit	\$49,575,876
M.	Budget Year Torts and Judgements above 5% of Levy	\$0
N.	Budget Year Capital Tax Levy	\$3,870,603
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)	\$53,446,479
W.	Total Tax Levy Percentage Increase	4.58%

Increase from 21-22:

\$2,340,920 // 4.58%

Includes a BOCES Capital Project tax cap exclusion of \$54,137

21-22 District Tax Cap: 3.51%

Did not go right to cap – opted to remove BOCES Capital Project tax cap exclusion of \$167,000

PILOTS down from 21-22

\$589,000 vs \$558,000

A Closer Look: Sales Tax



Sales Tax by Quarter	2020-21	2021-22
Quarter 1 (September)	\$710,079	\$909,621
Quarter 2 (December)	\$1,129,564	\$1,175,549
Quarter 3 (March)	\$1,045,224	??
Quarter 4 (June)	\$1,461,420	??
TOTAL	\$4,346,287	??

Currently estimating sales tax receipts for 22-23 at \$3,750,000

A Closer Look: Federal Funds



CARES ACT 2 through 2023

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

American Rescue Plan through 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 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
REAL PROPERTY TAXES	\$48,145,272	\$49,532,205	\$1,386,933	2.9%	\$51,105,559	\$1,573,354	3.2%	\$53,446,479	\$2,340,920	4.6%
APPROPRIATED FUND BALANCE	\$2,420,000	\$2,420,000	\$0	0.0%	\$2,420,000	\$0	0.0%	\$2,420,000	\$0	0.0%
USE OF RETIREMENT CONTRIBUTION RESERVE	\$50,000	\$825,000	\$775,000	1550.0%	\$50,000	(\$775,000)	-93.9%	\$50,000	\$0	0.0%
USE OF UNEMPLOYMENT RESERVE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
USE OF EMPLOYEE BENEFITS LIAB. RESERVE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
USE OF WORKERS COMP. RESERVE	\$75,000	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%
USE OF TAX CERTIORARI RESERVE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
USE OF DEBT SERVICE RESERVE	\$1,210,000	\$900,000	(\$310,000)	-25.6%	\$490,000	(\$410,000)	-45.6%	\$705,000	\$215,000	43.9%
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%
NON-PROP TAXES-SALES TAX	\$3,465,000	\$3,120,000	(\$345,000)	-10.0%	\$3,620,000	\$500,000	16.0%	\$3,750,000	\$130,000	3.6%
COMM ED TUITION & FEES	\$160,000	\$115,000	(\$45,000)	-28.1%	\$115,000	\$0	0.0%	\$115,000	\$0	0.0%
TUITION-OTH DIST-FOSTER	\$75,000	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%	\$75,000	\$0	0.0%
TUITION-OTHER DISTRICTS	\$520,000	\$575,000	\$55,000	10.6%	\$575,000	\$0	0.0%	\$575,000	\$0	0.0%
INTEREST / POTENTIAL FEMA	\$175,000	\$200,000	\$25,000	14.3%	\$220,000	\$20,000	10.0%	\$150,000	(\$70,000)	-31.8%
RENT REAL PROPERTY-BOCES	\$400,000	\$420,000	\$20,000	5.0%	\$430,000	\$10,000	2.4%	\$440,000	\$10,000	2.3%
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	9.6%
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%
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%
BOCES AID	\$1,230,000	\$1,280,000	\$50,000	4.1%	\$1,450,000	\$170,000	13.3%	\$1,600,000	\$150,000	10.3%
STATE AID-CHAPTER STUDENTS	\$50,000	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%
TEXTBOOK AID	\$200,000	\$205,000	\$5,000	2.5%	\$205,000	\$0	0.0%	\$210,000	\$5,000	2.4%
COMPUTER HARDWARE AID	\$45,000	\$47,000	\$2,000	4.4%	\$45,000	(\$2,000)	-4.4%	\$49,000	\$4,000	8.2%
COMPUTER SOFTWARE AID	\$51,500	\$56,500	\$5,000	9.7%	\$55,000	(\$1,500)	-2.7%	\$57,500	\$2,500	4.5%
LIBRARY AID	\$21,500	\$26,500	\$5,000	23.3%	\$20,000	(\$6,500)	-24.5%	\$20,500	\$500	2.5%
STATE AID-OTHER	\$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%
DISTRICT TOTALS	\$81,411,022	\$83,347,690	\$1,936,668	2.38%	\$85,923,559	\$2,575,869	3.1%	\$89,326,479	\$3,402,920	4.0%

2022-23 Revenue: \$89,326,479

Increase: \$3,402,920 // 4.0%

Expenses

■ Know Budgetary Impacts :

- *Collective Bargaining Agreements*
 - SHEA (Teachers) – 2.0% contractual increase
- *Bus Purchases - \$70,000 Increase*
 - \$495,000 to \$565,000
- *Contracted Transportation*
 - Increase of \$100,0000
- *Tech Purchases*
 - Increase of \$100,000
- *Charter School Tuitions*
 - Increase of \$50,000
- *Legal Services*
 - Increase of \$60,000
- *Tax Certiorari Cases*
 - Increase of \$25,000
- *Special Education Services BOCES*
 - Increase of \$325,000
 - Number of 6:1:1 students jumped from 2 in 20-21 to 5 in 21-22 @ \$55,000 each
 - Related services hearing moved from Supplemental Health to BOCES due to retirement \$85,000
 - OT/PT costs up considerably / Other related services up nearly 75K



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Expenses



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■ Unknown Budgetary Impacts :

- *Collective Bargaining Agreements*
 - SHASA (Administrators & Supervisors) – Contract is up June 30, 2022 / 20 members
 - SHSEA (Service Employees) – Contract is up June 30, 2022 / 345 members
 - *We need to become more competitive in starting salaries*
 - *Struggle to recruit in areas such as cleaners, custodians, food service, aides and bus drivers*
 - *Specter of a considerable amount of bus driver retirements this June*
 - *Potential impact on start / stop times, after school and special runs*
 - *Need to examine all possible solutions*
 - *Could have further impact on contracted transportation*
- *NY 44 Trust Health Insurance*
 - Increase yet to be determined
 - No increase in 21-22 / Estimate a 4% increase in 22-23 ~ \$400,000

Program Maintenance Budget 2022-23 Snapshot



Revenue Summary	2021-22	2022-23	2020-21 Percent Increase
Budgeted Revenues	\$85,923,559	\$89,326,479	4.0%
Local Tax Levy	\$51,105,559	\$53,446,479	4.6%

Expenditure Summary	2021-22	2021-22	2020-21 Percent Increase
Budgeted Expenditures	\$85,923,559	\$89,035,410	4.0%

\$291,069 22-23 Surplus

Program Maintenance Budget 2022-23 Snapshot



■ Program Maintenance Budget:

- No Additional Staff
- No Increases to Equipment, Contractual or Materials / Supply Lines
- Budget for District DEI Initiative

■ Administrative Staffing wishlist:

- Special Education Teacher – Heritage Heights
- Reading Interventionist – Heritage Heights
- Social Worker – High School
- .5 Physical Education Teacher – High School
- ELA Teacher - High School
- Transition Coordinator – High School
- Two (2) Special Education Teachers – Middle School
- Math Specialist – Middle School
- Special Education Teacher Willow Ridge
- Literacy Coach – Willow Ridge
- Intermediate Teacher – Maplemere
- Special Education Teacher – Ready Academy
- Speech Language Pathologist
- .5 social worker – Glendale Elementary

Potential Budgetary Impact:

14.0 new positions @ \$70,000 per
=
\$980,000

Program Maintenance Budget 2022-23 Snapshot



■ Equipment, Contractual & Materials Supply Lines:

- *Strong need to increase transportation parts & tire lines*
- *Strong need to increase Building & Grounds contractual lines*
- *Potential Budget Impact ~ \$100,000*

■ District DEI Initiative

- *Budget expenses for staff development*
- *Potential guest speakers*
- *Materials & supplies*
- *Potential Budget Impact ~ \$50,000*

Total Potential Budgetary Impact:

\$150,000

Program Maintenance Budget 2022-23 Snapshot / Tax Rates



Assumptions:

- ☐ **Assessed Values remain at 2021 levels**
- ☐ Amherst Equalization Rate reduced from 91% to 88%
- ☐ Tonawanda Equalization Rate remained steady at 33%

School Tax on an Average Market Value Home of \$150,000				
	Amherst		Tonawanda	
	2021-22	2022-23 Est.	2021-22	2022-23 Est.
Equalization Rate	88.0%	88.0%	33.0%	33.0%
Assessed Value	\$150,000	\$150,000	\$55,500	\$55,500
Tax Rate	\$14.72	\$15.40	\$39.48	\$41.29
Calculated Tax Bill	\$2,208	\$2,310	\$2,191	\$2,292
Estimated Change in Tax Bill for 2021-22		\$102		\$101

2022-23 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, Sales tax projections, BOCES Capital exclusion**
- **Monitor contractual negotiations**
- **Examine / solidify salaries/ work through budget line-by-line**
- **Prioritize equipment, contractual and supply needs**
- **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**

2022-23 Budget One Last Consideration



■ Capital Reserve Fund

- *RESOLVED, that the Board of Education (the “Board”) of the Sweet Home Central School District, Erie County, New York (the “District”) is hereby authorized to establish a capital improvements reserve fund pursuant to Section 3651 of the Education Law of the State of New York (the “Fund”); that the Fund shall be known as the “Capital Improvements Reserve Fund, 2017” of the District; that the Fund shall be established for the purpose of financing, in whole or in part, the acquisition, construction, reconstruction, expansion, renovation, alteration and improvement of buildings, facilities, sites and real property by the District, including, in all cases, the acquisition of necessary furnishings, equipment, machinery and apparatus; that the ultimate amount of such Fund shall be not greater than \$5,000,000 (plus interest earned thereon); that the probable term of such Fund shall be not longer than fifteen (15) years; and that the permissible sources from which the Board is authorized to appropriate monies to such Fund from time to time shall be (a) unappropriated fund balance of the District, (b) State aid received as reimbursement for expenditures by the District in connection with District capital improvements (whether or not such improvements were financed in whole or in part from the Fund), (c) the proceeds from the sale of unneeded District real or personal property and (d) such other sources as the Board or the voters of the District may direct from time to time*

2022-23 Budget

One Last Consideration



■ Capital Reserve Fund Consideration

- *Amend purpose of Reserve Fund to allow for purchase of vehicles and equipment outside of a Capital Improvement Project*
- *Approve at Board level first*
- *Ask voters to approve change on May ballot*
- *Ask voters to authorize spending out of the reserve to replace District vehicles and equipment*
 - Buildings & Grounds vans, tractors, snow removal equipment, transportation smaller vehicles (Suburbans, mini-vans, etc)
 - Placed an additional \$500,000 in this reserve in August 2021



2022-23 Budget Discussion

QUESTIONS??

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