
Elwood Union Free School District

2019-2020

Budget Workshop #2

Administrative & Capital Component
Tax Cap



Administrative Component

- Expenditures as they relate to the following but not limited to:
 - Auditor Fees
 - Legal Fees
 - Business Office (staffing/supplies/contracts)
 - Superintendent's Office (staffing/supplies/contracts)
 - Curriculum Department (staffing/supplies/contracts)
 - Human Resources (staffing/supplies/contracts)
 - District Wide Insurance Policy
 - Main office of each building (staffing/supplies)



Administrative Component Budget

- Budgeted salaries and benefits reflect adjustments for retiring personnel
 - Employee Retirement increased
 - Teachers Retirement rate increased
 - Health insurance premium increased
- Contractual/Supply adjustments provided based on four-year spending trend
 - Supply expense budget remains flat due to continued utilization of BOCES and New York State contracts, along with Ed-Data Bidding Service.
- Initial projection is for staffing structure to remain consistent with 2019-2020 school year



Capital Component

- Expenditures as they relate to the following but not limited to:
 - Utilities
 - District-wide repairs
 - Buildings & Grounds salaries and benefits
 - Custodial salaries and benefits
 - Equipment and machinery replacement
 - Principal and interest on TANs, Bonds and EPC



Capital Component Budget

- Utilities budget remains flat as we continue to maintain the improvements that have taken place over the last few years. Some of those improvements are:
 - Replacement of Steam Traps at JGHS
 - Replacement of A/C units in HS Faculty room and EMS Guidance area
 - Replaced water-cooled condenser with air-cooled condenser on JGHS cafeteria freezer
 - Staged compressors on Boyd Auditorium
- Unpredictable expenses affecting the Capital Component
 - Fuel costs
 - Snow removal



Year End 2020

- Current challenge exists with rising Technology and Security costs
- Expense spending stopped as of January 3rd to allow for savings within the expenditure lines
- Goal is to fully fund Undesignated Reserve (4% maximum allowed)
- Fund EBALR, TRS and/or ERS Reserve with any additional savings in expenditures



2020-2021 Budget Goals

- Maintain all programs K-12
 - Continue enhancement of PPS, Mental Health Support & Student Wellness & Equity
 - Continue growth of literacy initiatives in Teachers College (K-8); academic vocabulary, phonics and handwriting
 - Continued support for AIS and ENL Population
 - Increase course selection in math, science and humanities
- Maintain fiscal health of district
 - No Fiscal Stress Designation from Comptroller
 - Continue to fund reserves to appropriate levels



Future Capital Savings

- The district successfully negotiated a contract with Johnson Controls for an Energy Performance Contract (EPC). This “project” was approved by NYSED and we anticipate work beginning within the next few months.
- Capital Bond work continues to take place and at this point, all four building roofs have been completed as well as the EMS Chiller replacement. Phase II work scheduled to take place this summer will include renovations at both JGHS and Boyd.
- This ongoing work will contribute to reductions in the repair budget for future years.



Tax Levy

- Tax Levy Cap is established based on the formula from the NYS Office of Comptroller
- Exemptions to the levy calculation include:
 - Capital expenditures (debt) net of building aid
 - Increase in retirement contributions (ERS & TRS) greater than 2%
- Tax levy cap *is not* 2%; The Allowable Growth Factor in the formula is capped at CPI or 2% (whichever is less). This year, the allowable growth factor is 1.81%



Elwood's Allowable Tax Levy Cap

2019-2020 Tax Levy	\$ 47,113,716.00
x Tax Base growth factor	1.0185
	<u>\$ 47,985,319.75</u>
+ PILOT 2019-2020	<u>\$ 281,521.00</u>
	<u>\$ 48,266,840.75</u>
- Prior Year Exemptions (Debt Service)	<u>\$ 1,907,032.50</u>
Adjusted Prior Year Tax Levy	\$ 46,359,808.25
x Allowable Growth Factor	1.0181
	<u>\$ 47,198,920.78</u>
- PILOT for 2020-2021	<u>\$ 323,511.60</u>
	\$ 46,875,409.18
+ Prior Year Carry-over	
Total Levy Limit	\$ 46,875,409.18
+ 2020-2021 Exemptions	
ERS	\$ -
TRS	\$ -
Capital Exclusions	<u>\$ 3,640,270.01</u>
Tax Levy Limit Plus Exclusions	\$ 50,515,679.19
Tax Levy Increase for 20-21 as a percentage	7.221%

Debt	\$ 3,801,863.50
Bldg. Aid	<u>\$ (161,593.49)</u>
Total	\$ 3,640,270.01



Allowable Tax Levy

Allowable Limit for a simple majority vote is **7.221%**
(Subject to change based upon final state aid numbers)

This is equal to a **\$3,401,963** increase in revenue



Tax Levy for 2020-2021

- Why is the levy limit higher this year than in past years?
- Bond & EPC
 - On November 28, 2017, the community approved a Bond referendum of \$34.5m and 20/21 will be the first year we are taking on debt for said Bond.
 - 20/21 will also be the first year we are taking on debt related to the EPC.
 - These expenses are paid through the general fund and are offset by building aid we receive as the projects are completed. However, we will not start receiving aid on these projects until the year following completion of each project. The result of which is a larger capital exclusion.



Tax Levy for 2020-2021

- Additionally, as anticipated, the district's Tax Base Growth factor increased by 1.73% in 2020. This number is a measure of the change in real property value due to physical or quantity changes (construction and capital improvements) of real property in the district. This can mostly be attributed to the addition of the Seasons at Elwood.

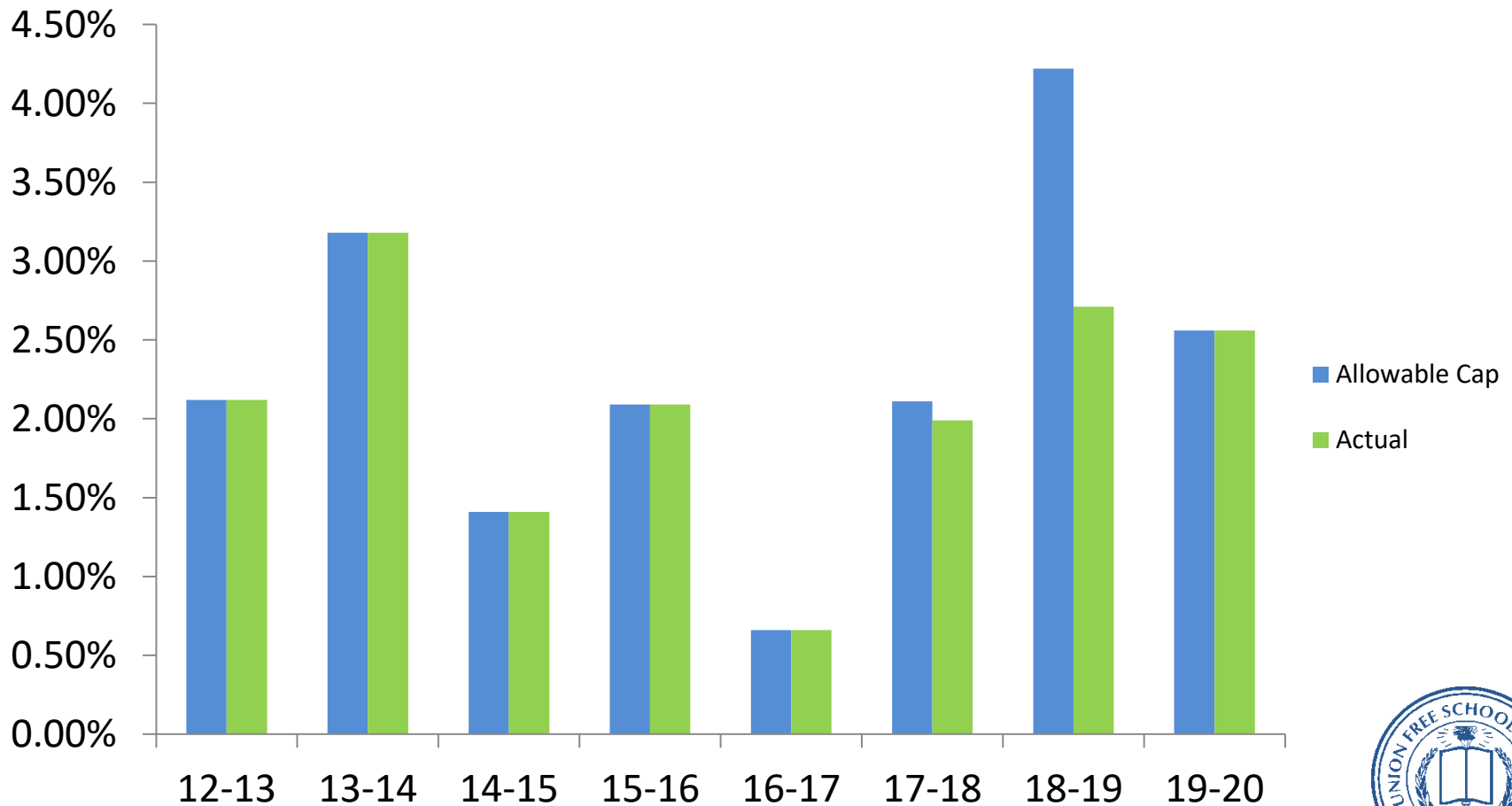


Tax Levy for 2020-2021

- It is recommended that the district maximize revenue when possible.
- The tax levy is set every year. When a district budget is approved below the allowable limit, the base for the following year is set at that lower value, not the allowable limit.
- Misconception of a tax levy limit being 2% for all school districts.
 - All school districts have varying limits based on their own individual calculation.



Tax Levy History Since Tax Cap Implemented



State Aid

- Governor's proposal provides for a 4.75% increase (\$590,000) in state aid for Elwood
- A large portion of our building aid has expired (15 year payout reached), therefore a decrease in this category will continue until aid from the new Bond projects is allocated
- Budgeting based on what we know now:
 - Increase in Foundation and Excess cost aid
 - Decreasing Building Aid
 - Increase in unfunded mandates (EdLaw2D)



Continued work to be done...

- Administration continues to review the budget and adjust as information is received
- Advocate for equitable distribution of aid throughout the region
- Items still for review:
 - BOCES budget
 - Final staffing for 20-21 school year
 - Transportation estimate increase of CPI



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- Next Presentation will be March 5th
 - Items to discuss include:
 - Program Component
 - Estimated Revenues



