



2021-2022 Budget Development



Budget Development Update

March 16, 2021



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Revenue Assumptions

- Property Tax Levy - Tax Cap Calculation is 3.14%, based on Tax Base Growth Factor of 1.0056 and CPI of 1.23%. Increase of \$1.18M mostly due to capital project payments.
- Capital Exclusion - Estimated at \$1.7M, with half year of newest bond aid included.
- State Aid – estimated maintaining levels in all aid categories with the exception of BOCES aid increase of \$386K.
- Miscellaneous Revenues – projected to decrease about 7%, or \$415K, due to decreases in Medicaid reimbursements (\$300K) and Sales Tax revenue (\$180K, or 5%). PILOTs projected to increase (\$35K) with adjustments to Day Tuition/Health Services (\$30K).
- Transfers – maintain transfers from reserves (\$840K) and fund balance (\$704K). Additional transfer of capital project interest earnings (\$220K) used in current year.



Revenue Projections

	Adopted 20/21	Projected 21/22	% Change	Projected 22/23	% Change	Projected 23/24	% Change
Property Tax Levy	\$37,767,990	\$37,211,726		\$37,943,098		\$38,635,196	
Capital Exclusion		\$1,741,160		\$1,187,988		\$1,179,767	
Total Property Tax Levy Allowable	\$37,767,990	\$38,952,886	3.14%	\$39,127,591	0.45%	\$40,291,646	1.76%
State Aid	\$13,001,359	\$13,387,748	2.97%	\$13,588,564	1.50%	\$13,792,393	1.50%
Building Aid	\$4,096,520	\$3,974,749	-2.97%	\$4,806,439	20.92%	\$4,806,439	0.00%
Total State Aid	\$17,097,879	\$17,362,497	1.55%	\$18,395,003	5.95%	\$18,598,832	1.11%
PILOTS	\$400,000	\$435,000	8.75%	\$390,000	-10.34%	\$380,000	-2.56%
County Sales Tax	\$3,600,361	\$3,420,343	-5.00%	\$3,437,445	0.50%	\$3,454,632	0.50%
Community Education	\$78,500	\$78,500	0.00%	\$78,500	0.00%	\$78,500	0.00%
Interest/Penalties Earnings	\$81,000	\$81,000	0.00%	\$81,810	1.00%	\$82,628	1.00%
Other Revenues	\$1,853,270	\$1,583,270	-14.57%	\$1,599,103	1.00%	\$1,615,094	1.00%
Total Misc Revenues	\$6,013,131	\$5,598,113	-6.90%	\$5,586,857	-0.20%	\$5,610,854	0.43%
Transfers	\$840,000	\$840,000	0.00%	\$840,000	0.00%	\$840,000	0.00%
Appropriated Fund Balance	\$704,000	\$704,000	0.00%	\$704,000	0.00%	\$704,000	0.00%
Total Revenue	\$62,423,000	\$63,457,496	1.66%	\$64,653,452	1.88%	\$65,568,648	1.42%



Anticipated Staffing Changes

- Retirements - decrease of approximately \$458K
 - 1 administrator - HS
 - 7 teachers - 1 HS, 4 MS, 1 SDS, 1 WBS
 - 3 nurses - 1 HS, 2 Non Pub
 - 2 support staff - 1 DO, 1 HS

All retirement positions will be rehired.



Anticipated Staffing Changes

- Staffings changes - based on student enrollment and programming needs, increase of approximately \$152K
 - Reduce two ELL 6th assignments - MS / HS
 - Add 1.0 FTE ELL teacher - .6 FTE MS / .4 FTE HS
 - Add technology 6th assignment - MS
 - Reduce two PE TAssts - .5 FTE MS / .5 FTE HS
 - Add 1.0 FTE PE/Health teacher - .8 MS / .2HS
 - Reduce two TAssts - .6 SDS / .6 WBS
 - Add 1.0 FTE PE/Health teacher - SDS
 - Increase Communications Support from three to five days
 - Reduce two COTAs - 1.0 FTE SDS / 1.0 FTE WBS
 - Add 2.0 FTE OTs - 1.0 SDS / 1.0 FTE WBS
 - Add ELA 6th assignment - HS



Expenditure Assumptions

- Personnel – Overall 1.9% increase, about \$566K, in contractual obligations and substitute costs. (Includes recent contract negotiations and proposed staffing changes.)
- Benefits –
 - ERS – projected rate of 16.2% (current is 14.6%), increase of \$78K.
 - TRS – projected rate of 9.8% (current is 9.53%), increase of \$130K.
 - Fica/Med - expected to increase about \$109K due to increased salary expenditures.
 - Health Insurance – budget projected at \$6.9M, reduction from December presentation of \$395K, due to increases in rebates and reduced enrollment.
 - Workers' Compensation – premiums increasing \$24K due to experience rating average of past three years.



Expenditure Assumptions, cont.

- General Support – Projected 0.66% increase of \$15K. Net change include increases in liability insurance premiums and postage expenses along with decrease of \$10K in B&G lines for mandated water testing completed in current year. \$10K moved from BOCES for professional development. Maintain \$100K capital outlay project line.

Increase \$500K contingency line by \$306K with breakage from retirements (offset by fund balance appropriation, yielding no impact to the taxpayers).

- Instruction - Projected 4.4% increase of \$187K due to increased costs for charter tuition (\$64K), the continuation of our grant writer (\$31K) and special education tuition and services expenses (\$180K), and a transfer from Athletic transportation to Athletic materials and supplies to support team needs. A transfer out of technology equipment (-\$100K) into BOCES will help offset IPA payments.



Expenditure Assumptions, cont.

- BOCES – Estimated increase of 13.6% (\$504K) based on updated needs:
 - 20/21 IPA, 2nd payment (+\$218K)
 - 21/22 anticipated IPA, 1st payment (+\$190K)
 - 21/22 BOCES 1st of 3 capital project payments (+\$355K)
 - Special Ed tuition/service increase (+65K)
 - Overall estimated decrease based on enrollment and services (-\$39K)
 - Budget already included funds for technology (-\$155K)
 - Reduce funds for Amplify Science purchased this year (-\$40K)
 - Move Communications Support days to Personnel (-\$80K)
 - Move funds for professional development to General Support (-\$10K)

IMPORTANT NOTE: Anticipated revenue increases in BOCES aid for 20/21 IPA (\$149K) and 1st BOCES Capital Project Payment (\$231K) along with the transfer from our technology budget (\$100K) make our IPA and capital project payments **BUDGET NEUTRAL**.



Expenditure Assumptions, cont.

- Transportation – overall estimated increase of approximately 1.5%, or \$53K as per our two year contract extension with First Student. \$13K in Athletic Transportation moved to Athletics materials and supplies to support team needs.
- Debt Service – Anticipated increase of about 4%, or \$218K, partially offset by anticipated building aid.



Expenditure Projections

	Adopted 20/21	Projected 21/22	% Change	Projected 22/23	% Change	Projected 23/24	% Change
Personnel	\$29,757,182	\$30,323,760	1.90%	\$31,233,473	3.00%	\$32,170,477	3.00%
Benefits	\$13,192,845	\$13,249,391	0.43%	\$13,646,873	3.00%	\$14,056,279	3.00%
General Support	\$2,242,328	\$2,257,188	0.66%	\$2,302,332	2.00%	\$2,348,378	2.00%
Instruction	\$4,251,016	\$4,438,208	4.40%	\$4,571,354	3.00%	\$4,708,495	3.00%
BOCES	\$3,704,412	\$4,208,203	13.60%	\$4,292,367	2.00%	\$4,378,214	2.00%
Transportation	\$3,539,681	\$3,579,624	1.13%	\$3,633,318	1.50%	\$3,687,818	1.50%
Debt Service	\$5,235,536	\$5,453,555	4.16%	\$5,735,047	5.16%	\$5,742,500	0.13%
Contingency	\$500,000	\$806,551	61.31%	\$500,000	-38.01%	\$500,000	0.00%
Total	\$62,423,000	\$64,316,480		\$65,914,764		\$67,592,162	
\$ Change	\$2,280,000	\$1,893,480		\$1,598,284		\$1,677,398	
% Change	3.79%	3.03%		2.49%		2.54%	



Overall Budget Forecast

	Current	Projected	Projected	Projected
	2020-21	2021-22	2022-23	2023-24
Projected Overall Revenues	\$62,423,000	\$63,457,496	\$64,653,452	\$65,568,648
Projected Overall Expenditures	\$62,423,000	\$64,316,480	\$65,914,764	\$67,592,162
Budget Surplus (Gap)	\$0	-\$858,984	-\$1,261,312	-\$2,023,513



Summary

- Revenues projected to increase by approximately \$1M, or 1.66%, in 21/22. Hoping for a better state aid projection in April with the Legislative budget.
- Expenditures projected to increase by approximately \$1.9M, or 3%, due to contractual obligations for **personnel and benefits (\$623K)**, **BOCES (\$503K)**, and debt service (\$218K). **Contingency line is increased \$306K with breakage from retirements.** The remaining increase is due to changes in instruction, transportation and general expenses.
- Overall budget demonstrates a \$859K gap, using current allocations of fund balance (\$704K) and reserves (\$840K).
- Optional gap closers include:
 - increases to state aid,
 - spending reductions,
 - an increased fund balance allocation,
 - levy increase above cap, and/or
 - additional appropriation from reserve(s).



New Capital Reserve

Proposed 2021 Capital Reserve

- Will be used to offset local share of future capital work on our buildings.
- Funded using excess fund balance at year end.
- Proposed maximum funding level - **\$10,000,000**
- Proposed maximum funding term - **Ten (10) years**

No increase to taxes to fund this reserve.

Will be included in legal notices and put before the voters on May 18, 2021.

This was originally planned for 2020, but was pulled due to COVID pandemic.



Areas of concern in the Executive Proposal

- Foundation aid frozen for second year. Levels same as 2019-20. Our costs are not fixed.
- Expense based aids lumped together into “Services Aid”.
 - Multiple aid categories:
 - Transportation aid - offsets costs of mandated transportation of students
 - BOCES aid - provided to encourage Districts to share services and reduce redundancy of efforts and expenses
 - Building aid - offsets costs to maintain facilities need to provide mandated instructional spaces with projects approved by voters and the NYS Department of Education
 - Excess cost aid - State’s share of mandated educational expenses for high needs students
 - Instructional Materials aids - supports for textbooks, software, hardware, and library expenses, mandated purchases required to be shared with non-public schools
 - Will be treated as block grant and no longer expense based. Potential annual increases capped.

WHY IS THIS IMPORTANT?



Areas of concern in the Executive Proposal

Example #1 of potential Transportation Aid changes:

2019-20 expensed based aid	\$2,328,774
2020-21 expensed based aid	<u>\$1,628,774</u>
Anticipated reduction due to Covid	\$ 700,000

If frozen at 2020-21 level, our starting point for aid would be \$1.6M, even though our expenses will return to normal. Loss of over \$700K per year.



Areas of concern in the Executive Proposal

Example #2 of potential Transportation Aid changes:

2021-22 transportation expenses	\$3,579,624	Aid generated	\$2,326,756
2022-23 transportation expenses	<u>\$3,937,586</u>	Aid generated	<u>\$2,559,431</u>
If rebid results in 10% increase	\$ 357,962	Aid increase due	\$ 232,675

If aid increase are lumped and capped at 2% (or worse, CPI), 2022-23 aid: \$2,373,291

Aid received would be \$186,140 less than earned.

That amount would need to be absorbed in budget. This amount would increase year after year.

No consideration in place for:

- Any additional runs that may be needed based on student enrollment and programs
- Transportation contracts that need to be rebid



Areas of concern in the Executive Proposal

- **STAR Payment added to state aid runs.**
 - STAR amounts are determined by our actual homeowners' properties and how they receive their STAR deductions. Revenue is based on actual expenses, not a number capped by the state. Any reduction could increase the amount levied. The STAR program was created to help offset expenses to families.

	Current estimates	If STAR is reduced	Changes
Homeowners pay	\$35,539,140	\$35,952,886	+\$413,746
STAR Payment	<u>\$ 3,413,746</u>	<u>\$ 3,000,000</u>	<u>- \$413,746</u>
Total Tax Levy	\$38,952,886	\$38,952,886	\$0

The District is not harmed, but our community is.

OR

To protect our community, we lower the amount our homeowners pay and absorb the reduction in our budget as another state aid cut.



Areas of concern in the Executive Proposal

Federal Stimulus Funds for Education are being diverted back to NYS to help close state's budget gap.

	FEDERAL DOLLARS	NYS AID DEDUCT
CARES ACT	\$ 467,301	
Non-Pub Schools Share Requirement		-\$ 16,934
Pandemic Adjustment		-\$ 467,301
COVID-19 Stimulus	\$2,891,678	
Local District Funding Adjustment		-\$2,891,678
Third COVID Stimulus payment	\$3,191,000	
<i>Another NYS Aid deduct?</i>		???

WHY IS THIS CRITICAL?



Areas of concern in the Executive Proposal

What happens next year when the federal allocation is gone? The state will still have a budget gap. Will we then face a deduction in our state aid of \$2.9M, or more? If so, how will we absorb that without reducing our programs?

IS A FINANCIAL CLIFF ON THE HORIZON?

To help prepare, we recommend continuing to exceed the 4% unappropriated fund balance limit at the end of the year. The effects of the pandemic and the budget gaps at the state level are not going away in one year. Excess unappropriated fund balance will help us maintain programming and prevent large fluctuations in both budget and programming.

School Year	Current Year Aid	Full Phase-In Level (Total Foundation Aid)	<i>% of Foundation Aid Paid</i>
2007-08	\$5,678,687	\$9,472,786	59.95%
2008-09	\$6,541,204	\$10,246,729	63.84%
2009-10	\$6,522,098	\$11,416,979	57.13%
2010-11	\$6,522,098	\$11,345,351	57.49%
2011-12	\$6,522,098	\$11,634,048	56.06%
2012-13	\$6,612,626	\$11,847,296	55.82%
2013-14	\$6,632,978	\$11,453,080	57.91%
2014-15	\$6,875,899	\$12,269,205	56.04%
2015-16	\$6,933,957	\$11,993,174	57.82%
2016-17	\$6,945,061	\$12,367,170	56.16%
2017-18	\$7,216,110	\$12,201,201	59.14%
2018-19	\$7,540,731	\$12,540,585	60.13%
2019-20	\$7,656,098	\$12,849,493	59.58%



How Do We Compare?



Approximately 92% of districts statewide are receiving a higher percentage of their full Foundation Aid

District 2019-2020	Foundation Paid	Foundation Due	% of School Foundation Paid	Aid Per Pupil
Alden	\$9,583,491	\$8,920,346	107.43%	\$6,116
Amherst	\$7,655,264	\$12,849,493	59.58%	\$2,618
Williamsville	\$25,072,045	\$36,385,103	68.91%	\$2,528
Sweet Home	\$15,005,325	\$16,816,306	89.23%	\$4,537
East Aurora	\$4,715,891	\$6,567,479	71.81%	\$2,614
Cheektowaga	\$9,166,516	\$15,435,285	59.39%	\$4,163
Maryvale	\$11,493,872	\$15,225,464	75.49%	\$4,910
Cleveland Hill	\$9,080,423	\$11,661,721	77.87%	\$6,848
Depew	\$12,894,796	\$13,013,820	99.09%	\$6,974
Sloan	\$10,638,703	\$11,075,126	96.06%	\$8,005
Clarence	\$14,317,125	\$13,970,256	102.48%	\$3,306
Springville-Gr	\$12,961,598	\$12,115,281	106.99%	\$7,602
Eden	\$7,326,660	\$7,515,934	97.48%	\$5,484

District 2019-2020	Foundation Paid	Foundation Due	% of School Foundation Paid	Aid Per Pupil
Iroquois	\$9,476,317	\$8,368,900	113.23%	\$4,286
Evans-Brant	\$21,555,158	\$18,912,541	113.97%	\$9,666
Grand Island	\$11,671,354	\$13,820,014	84.45%	\$4,104
Hamburg	\$16,089,878	\$17,345,418	92.76%	\$4,732
Frontier	\$23,103,917	\$26,889,489	85.92%	\$4,874
Holland	\$6,724,992	\$5,589,904	120.31%	\$7,703
Lackawanna	\$29,185,513	\$38,739,086	75.34%	\$11,026
Lancaster	\$22,194,133	\$29,257,854	75.86%	\$3,915
Akron	\$10,243,531	\$10,721,002	95.55%	\$7,616
North Collins	\$5,206,493	\$5,281,298	98.58%	\$9,102
Orchard Park	\$15,988,880	\$17,097,688	93.51%	\$3,373
Tonawanda	\$13,755,173	\$14,001,863	98.24%	\$7,856
Kenmore	\$39,889,012	\$45,682,032	87.32%	\$5,723
West Seneca	\$34,222,597	\$37,914,352	90.26%	\$5,297

District	3 Year FRPL (K-6)	English Language Learners	Combined Wealth Ratio
Alden	25.4%	9	0.71
Amherst	29.2%	164	1.018
Williamsville	14.1%	390	1.069
Sweet Home	50.0%	170	0.969
East Aurora	12.4%	4	1.064
Cheektowaga	64.4%	94	0.752
Maryvale	53.0%	137	0.657
Cleveland Hill	61.0%	48	0.561
Depew	50.5%	0	0.645
Sloan	60.7%	36	0.59
Clarence	10.2%	26	1.153
Springville-Gr	37.3%	0	0.697
Eden	23.3%	3	0.767

District	3 Year FRPL (K-6)	English Language Learners	Combined Wealth Ratio
Iroquois	19.9%	3	1.075
Evans-Brant	49.5%	1	0.589
Grand Island	24.7%	50	0.857
Hamburg	22.0%	5	0.772
Frontier	31.1%	39	0.766
Holland	34.3%	0	0.821
Lackawanna	88.6%	420	0.342
Lancaster	23.9%	39	0.784
Akron	42.0%	3	0.615
North Collins	41.5%	0	0.605
Orchard Park	12.5%	33	1.07
Tonawanda	53.9%	36	0.579
Kenmore	46.9%	260	0.768
West Seneca	38.5%	50	0.741

- **The amount of Foundation Aid needs to be increased.**
- **The distribution needs to be more equitable.**
- **Expense-Based Aids need to be left alone.**



Questions

Next Budget Update:
April 13, 2021

~Thank you!~