



2021-22 Budget Review Final Draft Proposal

MARCH 23, 2021

AGENDA

- ✓ REVIEW BUDGETARY CHANGES SINCE PREVIOUS DRAFT
- ✓ REVIEW THE PROPOSED 21-22 BALANCED BUDGET
- ✓ FUTURE SCENARIOS OF BUDGETARY INCREASES
- ✓ WHAT COULD CHANGE BEFORE BOE VOTE TO ADOPT 21-22 BUDGET?



LET'S REVIEW

AT OUR LAST FINANCE COMMITTEE MEETING ON 3/2/21 YOU ASKED FOR A BALANCED BUDGET PROPOSAL THAT INCLUDES:

- A TAX LEVY INCREASE OF 6.5% OVER 2020-21
- THE APPROPRIATION OF FUND BALANCE IN THE AMOUNT OF \$135,000
- AN EXPENDITURE REDUCTION OF \$25,301 FROM THE 3/2 DRAFT



EXPENDITURE REDUCTION

OVERALL CHANGE IN EXPENDITURES:

Budget Code	Description	2nd draft	Final proposal	\$ change
1420-400	Legal Services	17,000	10,000	(7,000)
1620-450	Materials and Supplies (Includes COVID)	44,400	34,099	(10,301)
2070-450	Materials and Supplies - Inservice Training	1,500	500	(1,000)
2110-450	Materials and Supplies - Regular Ed	27,945	25,945	(2,000)
2630-220	Technology - Hardware	80,675	75,675	(5,000)

MAJOR OVERALL CHANGE

(25,301)

	2nd draft	Final proposal	\$ change
Total Budget	9,607,486	9,582,185	 (25,301)

2021-22 BALANCED BUDGET SUMMARY

PROPOSED BUDGET = \$ 9,582,185

REVENUES = EXPENSES

- State Aid Estimate \$ 5,453,678
- Other Revenue \$ 239,500
- Appropriate Fund Balance \$ 135,000
- Total Tax Levy \$ 3,754,007
(6.5% increase over 2020-21)
- Administrative \$ 984,229
- Program \$ 6,751,841
- Capital \$ 1,846,115

Historical Tax Levy Rates & Reserve use

	2015-16 Approved	2016-17 Approved	2017-18 Approved	2018-19 Approved	2019-20 Approved	2020-21 Approved
Total Budget	\$ 8,141,946	\$ 8,565,811	\$ 9,050,553	\$ 9,194,773	\$ 9,049,317	\$ 9,463,099
Increase over Prior Year \$		\$ 423,865	\$ 484,742	\$ 144,220	\$ (145,456)	\$ 413,782
Actual Tax Levy Increase %	1.10%	-0.50%	3.70%	4.20%	4.90%	2.90%
Use of Reserves	2015-16 Approved	2016-17 Approved	2017-18 Approved	2018-19 Approved	2019-20 Approved	2020-21 Approved
Unemployment Insurance Reserve	\$ 10,000	\$ 55,079	\$ 50,000			\$ 66,080
Employee Benefit Accrued Liability Reserve EBALR			\$ 50,000	\$ 75,000	\$ -	\$ 178,070
Retirement Contribution Reserve			\$ 150,000	\$ 135,000	\$ -	
Worker's Compensation Reserve			\$ 39,319	\$ 25,000	\$ -	
Gap				\$ 106,713	\$ -	
Debt Service					\$ -	
Total	\$ 10,000	\$ 55,079	\$ 289,319	\$ 341,713	\$ -	\$ 244,150
Use of Fund Balance	2015-16 Approved	2016-17 Approved	2017-18 Approved	2018-19 Approved	2019-20 Approved	2020-21 Approved
Unassigned Fund Balance	\$ 167,788	\$ 300,000	\$ 300,000	\$ 65,000	\$ -	\$ -
Total	\$ 167,788	\$ 300,000	\$ 300,000	\$ 65,000	\$ -	\$ -

IMPORTANT 2021-22 BUDGET FACTS

Use of money from fund balance or reserves as a revenue source will require the use of, at least, this same amount every year from fund balance to meet expenditures.

- \$135,000 every year will need to come out of fund balance (Similarly in current year \$244,150 was appropriated)
- OR raise taxes more to equal \$135K = 3.9% tax increase
- OR State Aid increases equal to or greater than \$135K

IMPORTANT 2021-22 BUDGET FACTS

2021-22 Budget increase = 1.26% - VERY UNUSUAL

Due to health insurance savings from switching plans with current staff and retirees. **1 time savings**

Without these savings the overall budget increase would have been approximately 4%

Health insurance savings maximized over 2020-22. Projections for 2022-23 = regular premium increases of 4.5% annually.

FUTURE TAX LEVY INCREASES

DOLLAR AMOUNT OF 1% BASED ON 21-22 BUDGET

TOTAL BUDGET 21-22 = \$ 9,582,185
1% BUDGET INCREASE = \$ 95,821.85

TOTAL TAX LEVY = \$3,754,007 1% TAX LEVY INCREASE = \$37,540

For every 1% of budget increase = 2.55% tax levy increase

1% budget increase = 2.55% tax levy increase

Normal budget increases to MAINTAIN Program is = 4% per year

4% budget increase = 10.2% tax levy increase

CAN SCHENEVUS CSD EXIST WITHOUT A MERGER ?

YES!!!

BUT is it Realistic and Sustainable?

**Will it provide the best educational experience
and opportunity for our students?**

Will we fulfill our Mission?

FUTURE TAX LEVY INCREASES

DOLLAR AMOUNT OF 1% BASED ON 21-22 BUDGET

TOTAL BUDGET 2021-22 = \$ 9,582,185

x 4% increase = \$ 383,287

If proposed levy is approved

1% tax levy = \$ 37,540

To cover this increase in tax levy revenues alone = 10.21% increase

EXISTING WITHOUT A MERGER?

Based on 21-22 budget to keep Schenevus operational and sustain the current program each year you would need:

- ✓ **135K minimum** from fund balance or another source until no more savings are left.
- ✓ Raise taxes a **minimum of 10%** every year.
Once savings are depleted – taxes would need to increase at least 14% per year.
- This is just to **maintain the current program** and supply budget.

WHAT IF?

We add a teacher to increase HS electives?

- Teacher plus benefits, TRS, FICA = \$85K
- = almost 1% budget increase = 2.55% tax levy increase

We have to do a building project to fix the building?

- 16% of every project = local share with 84% state aid
- \$4,000,000 building project = \$640,000 local share
- 20-year loan = \$32,000/year = approx. 1% tax levy increase

Special Education student moves into the district with **high-cost** program?

- = approx. 1% budget increase = 2.55% tax levy increase

OTHER CONSIDERATIONS – FY 2022-23

- DECLINING ENROLLMENT & DECLINING/STAGNANT ECONOMIC CONDITION OF DISTRICT
- POTENTIAL FUTURE FISCAL CLIFF AS NYS BECOMES RELIABLE ON FEDERAL \$ TO BACKFILL SHORTFALLS (STAR AID)
= **ONE TIME REVENUE INJECTION TO CLOSE GAP AT STATE LEVEL**
At this point not sure if this will increase our aid for 21-22 or keep it the same.

Next Steps in the Process

- April 13th Finance Committee Meeting
- April 20th Present final budget @ BOE meeting at 6:30
Budget must be adopted by this date
- May 11th Budget Hearing @ BOE Meeting - Schenevus CSD Draper Room
- May 18th **Annual School District Budget Vote and School Board Election Vote**
1 seat open – encourage re-election to keep consistency with merger potential
- June 15th Statewide Budget Revote Day - 2nd chance to vote same or different budget
- July 1st Implement 2021-22 Budget

Questions????????

