

BoE Budget Workshop

Pres #3



Curriculum & Instruction
SPED & Technology
Buildings and Grounds
Transportation

February 22, 2021

Agenda



1. Review of unplanned expenses/reductions
2. Preliminary Thoughts
3. Revenue Streams
 - Tax Levy
 - Current look at State Aid
 - Budgeting: One Time vs. Ongoing
4. Two prong approach
5. Discussion from Board
6. Next Steps

Unplanned Expenses/Reductions 20-21

~\$244,000

| One Time | | Ongoing | |
|-------------------------------|------------|--|------------|
| Compressor Failure (Chillers) | ~\$54,000 | All CoVid Related Item Expenses PPE (gloves, masks, visors, gowns), Cleaning materials/tools, Chemicals, filters, meal delivery packaging | ~\$207,185 |
| Recess Equipment & Barriers | ~\$2,265 | Cafeteria - Food & Packaging | ~\$35,000 |
| Temperature Scanners | ~ \$14,365 | 2 Bus Monitors | ~\$28,688 |
| Unplanned Reductions | | 2.5 Custodial subs (1 ES Day, .5 MS Day, 1 MS night shift) | ~ \$60,110 |
| Clubs | ~\$94,785 | Unemployment | TBD |
| Sports | ~\$77,680 | | |
| Chaperones | ~ \$30,000 | NonCoVid Related: | |
| Field Trips | ~ \$22,000 | Custodian | ~ \$41,000 |
| Summer Program | ~ \$19,025 | | |

~\$335,000

One time: reason we need wiggle room

Ongoing: get carried over into next budget (for Covid related items, will depend on NYS guidelines)

Preliminary Thoughts On Additions



Human Resources Work - TBD

21-22 Budget Additions & Eliminations

Current Look at Revenue Streams: Tax Levy

| Roll Yr | Real Property Tax Levy | Tax rate per \$1,000 of Assessed Value | Rate Increase | Levy Increase |
|--------------|------------------------|--|---------------|---------------|
| 20-21 | 16,878,054 | 161.68 | 0.59% | 0.85% |
| 19-20 | 16,735,054 | 160.72 | 1.13% | 1.24% |
| 18-19 | 16,530,565 | 158.92 | 1.42% | 1.75% |

Tax cap calculation authorizes the District to levy from \$16,878,054 up to \$17,407,685. If the District was to levy to the maximum, the increase of \$529,631 would be a 3.41% increase.

Current Look at Revenue Streams: State Aid

- Differences this year:
 - Services Aid
 - Inclusion of STAR as an aid category
 - Local District Funding Adjustment
 - COVID-19 Supplemental Stimulus
 - Look back at GAP Elimination Adjustment - Fiscal Cliff 2008

Revenue Streams: State Aid Run



| | | | | 442111 GREENWOOD LAKE |
|-----------------------------------|--|--|--|--------------------------|
| DISTRICT CODE | | | | |
| DISTRICT NAME | | | | |
| SEE NOTE BELOW | | | | |
| 2020-21 BASE YEAR AIDS: | | | | |
| FOUNDATION AID | | | | 4,616,284 |
| SERVICES AID | | | | 2,112,136 |
| FULL DAY K CONVERSION AID | | | | 0 |
| UNIVERSAL PRE-KINDERGARTEN | | | | 0 |
| PUBLIC EC HIGH COST AID | | | | 35,495 |
| PRIVATE EXCESS COST AID | | | | 55,737 |
| BUILDING + BLDG REORG INCENT | | | | 271,790 |
| OPERATING REORG INCENTIVE | | | | 0 |
| PANDEMIC ADJUSTMENT | | | | -72,284 |
| SUBTOTAL | | | | 7,019,158 |
| STAR PAYMENT | | | | 1,263,257 |
| STATE SUBTOTAL | | | | 8,282,415 |
| FEDERAL CARES ACT RESTORATIO | | | | 72,284 |
| TOTAL AID | | | | 8,354,699 |
| COMMUNITY SCHOOLS SETASIDE | | | | 0 |
| 2021-22 ESTIMATED AIDS: | | | | |
| FOUNDATION AID | | | | 4,616,284 |
| SERVICES AID | | | | 2,378,934 |
| FULL DAY K CONVERSION AID | | | | 0 |
| UNIVERSAL PRE-KINDERGARTEN | | | | 0 |
| PUBLIC EC HIGH COST AID | | | | 43,031 |
| PRIVATE EXCESS COST AID | | | | 22,994 |
| BUILDING + BLDG REORG INCENT | | | | 299,014 |
| OPERATING REORG INCENTIVE | | | | 0 |
| SUBTOTAL | | | | 7,360,257 |
| STAR PAYMENT | | | | 1,192,660 |
| LOCAL DISTRICT FUNDING ADJ. | | | | -453,222 |
| STATE SUBTOTAL | | | | 8,099,695 |
| COVID-19 SUPPL. STIMULUS | | | | 453,222 |
| TOTAL AID | | | | 8,552,917 |
| COMMUNITY SCHOOLS SETASIDE | | | | 0 |
| \$\$\$ CHG SUBTOTAL | | | | 341,099 |
| % CHG SUBTOTAL | | | | 4.86 |
| \$\$\$ CHG STATE SUBTOTAL | | | | -182,720 |
| % CHG STATE SUBTOTAL | | | | -2.20 |
| \$\$\$ CHG TOTAL DISTRICT SUPPORT | | | | 198,218 |
| % CHG TOTAL DISTRICT SUPPORT | | | | 2.37 |

NOTE: STATE AID ESTABLISHED BY EXECUTIVE BUDGET FOR 28 DISTRICTS WITH INCOMPLETE DATA.



Looks similar to gap elimination adjustment 2.0

State Aid Comparision

20-21 Legislative Budget to 20-21 Governor's Projection (Projected current year loss):

| 20-21 Legislative Budget, 4/1/20 | 20-21 Executive Budget 1/19/21 | Increase (Decrease) | % Change |
|----------------------------------|--------------------------------|---------------------|----------|
| 7,355,989 | 7,091,442 | (264,547) | -3.60% |



Services Aid - Consolidation of Expense Based Aids

- BOCES Aid
- Textbook Aid
- Software Aid
- Library Materials Aid
- High Tax Aid
- Computer Hardware and Technology Aid
- Supplemental Public Excess Cost Aid
- Transportation Aid including Summer Transportation Aid
- Special Services Aid
- Academic Enhancement Aid
- Charter School Transitional Aid

Going forward aids would not be expense driven, that is, increased spending would not directly generate additional aid in the following year.

Services Aid

| | 20-21 Legislative Budget, 4/1/20 | 20-21 Executive Budget 1/19/21 | Increase (Decrease) | % Change |
|---------------------------------|---|---|--------------------------------|-----------------|
| BOCES | 566,234 | | | |
| Hardware & Technology | 6,195 | | | |
| Software, Library & Textbook | 56,458 | | | |
| Transportation | 1,308,917 | | | |
| High Tax Aid | 426,016 | | | |
| Supplemental Pub Excess Cost | 16,330 | | | |
| Services Aid | 2,380,150 | 2,112,136 | (268,014) | -11.26% |

Services Aid

- Aid categories would be combined and not separately calculated
- Services Aid would generally be higher than the individual aids in year one (21-22)
 - Services Aid based on budgeted 2020-21 numbers, not actual expenditures
 - Budgeted numbers are generally higher than actual
 - Initial projected increase in services aid from 20-21 to 21-22:

| Governor's Budget 1/19/21 | 20-21 | 21-22 | increase/(decrease) |
|----------------------------------|-----------|-----------|---------------------|
| Services Aid | 2,112,136 | 2,378,934 | 266,798 |

School Tax Relief Program as State Aid?

For the first time, the FY 2022 Executive Budget proposal included the state's STAR Exemption payment to school districts in the Executive School Aid runs. This was included because the Executive Budget proposed to reduce state reimbursement school districts receive through the STAR program statewide by \$1.3 billion for FY 2022. This reduction in STAR payments to schools would be backfilled for FY 2022 by utilizing federal funds allocated through the Coronavirus Relief and Response Supplementary Allocation Act. Utilizing federal funds to supplant current state support to school districts, while assisting districts in their budgeting process for the 2021-2022 school year, poses a threat to school districts' long-term financial health throughout the state. Without additional federal funds in future years, any reductions in STAR Exemption payments would result in a cost shift from the state to local school districts, who would have no way to make up for this lost revenue due to the property tax cap

Brian Cechnicki, Executive Director NYS Association of School Business Officials

STAR as an Aid

State Budget proposal = \$1,938.86 million

- Decrease of \$91.51 million (4.51% decrease)

| Governor's Budget 1/19/21 | 20-21 | 20-22 | increase/(decrease) |
|----------------------------------|-----------|-----------|---------------------|
| STAR Reimbursement | 1,263,257 | 1,192,660 | (70,597) |

In the State budget:

- 419 districts will have STAR Aid reduced by an equal amount to the Federal CRRSA Act Aid they will receive (colloquially - CARES Act)
- 254 districts will have a positive balance left before second aid cut proposed
 - GWL is one of the 254 districts with a positive balance:

| ESSR/GEER I | STAR reduction | increase/(decrease) |
|-------------|----------------|---------------------|
| 72,284 | (70,597) | 1,687 |

Local District Funding Adjustment /COVID-19 Supplemental Stimulus

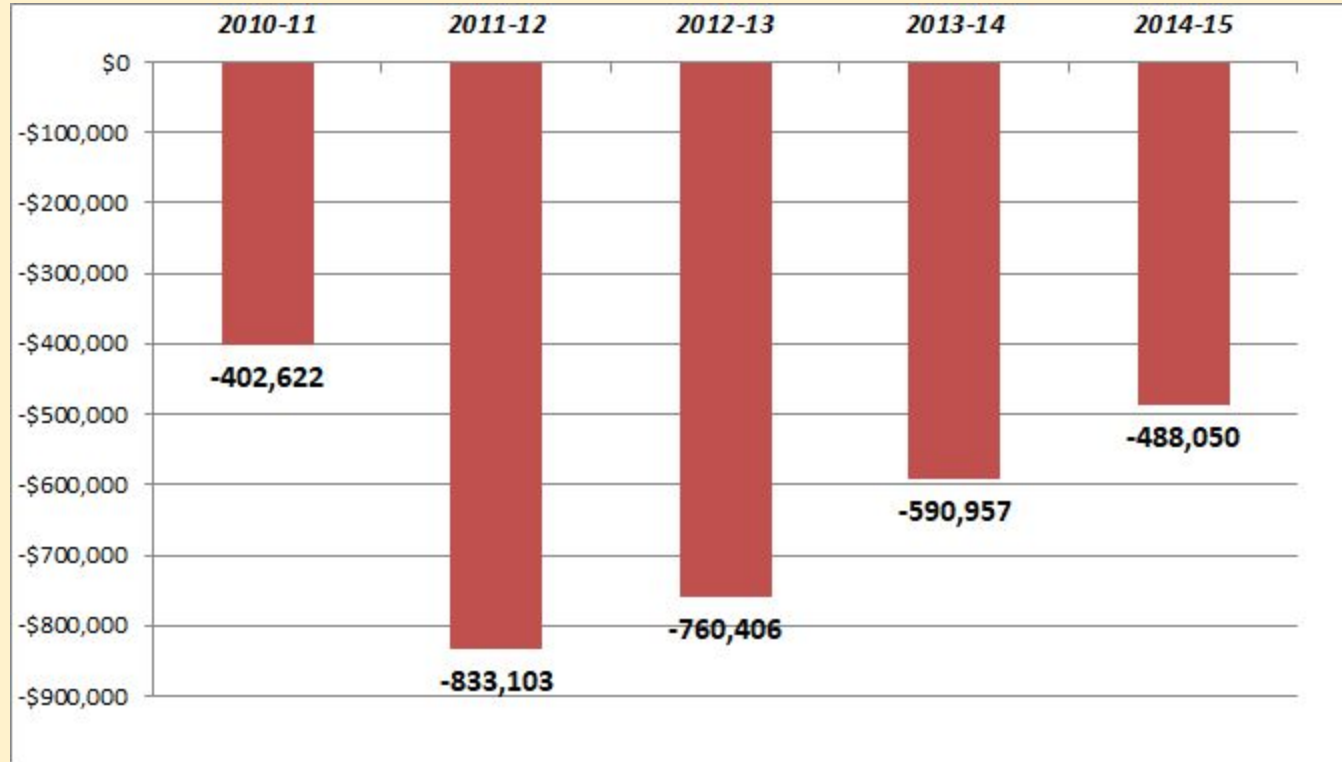
Included in the Executive Budget, the Local District Funding Adjustment would reduce STAR reimbursements to school districts by \$1.35 billion in FY 2022.

- The reduction would not exceed any school district's Federal Coronavirus Response and Relief Supplemental Appropriations Act allocation.
- Note: according to the governor's Executive Budget Financial Plan, the Local District Funding Adjustment recurs in the outyears.

Local District Funding Adjustment **Reduction** of \$453,222

COVID-19 Supplemental Stimulus **Addition** of \$453,222

A History: Gap Elimination Adjustment 2010-2015



Total 5 year reduction from State Aid = = **\$3,075,138**

Carryover Funds

When funds left over at the end of the year, BoE has options.

1. Allocate to General Fund Unassigned Balances:

| Fund Balance , as of 2/22/21 | 2020-21 |
|-------------------------------------|----------------|
| Unassigned 4% | 1,054,411 |
| <i>Over the 4% (Due to COVID)</i> | 2,226,602 |

2. Place funds into Reserves:
i.e. TRS Retirement Contribution Reserve, Capital Reserve, Unemployment Reserve
3. Purchase One time Items:
i.e. Electric Piano, Vex Robotics, MS Sound System, Kitchen replacement equipment

Initial Budget to Budget Comparison

(based upon 1/19/21 aid runs)


Preliminary Assumptions:

- Current State Aid from Governor's projections
- Zero tax levy increase
- Significant Reduction in Interest Earnings (state of the economy)

| Revenues accounts | 2020-21 Original Budget | 2021-22 Proposed Budget | Increase (Decrease) | % Change |
|---------------------------------|-------------------------|-------------------------|---------------------|---------------|
| State Aid | 7,355,989 | 7,360,257 | 4,268 | 0.06% |
| Tax levy | 16,878,054 | 16,878,054 | - | 0.00% |
| Fund Balance Appropriation | 1,736,222 | 1,736,222 | - | 0.00% |
| ERS Reserve | 230,000 | 230,000 | - | 0.00% |
| Interest Earnings | 160,000 | 45,000 | (115,000) | -71.88% |
| Total Estimated Revenues | 26,360,265 | 26,249,533 | (110,732) | -0.42% |



Summary



Federal funding is currently being used to supplant the State's deficit.

“Shell game” - who knows if we will end up winning or losing

We have the 19-20 Unassigned Carryover due to Covid to replace those funds if needed.

As of right now, we are comfortable continuing our rollover budget, which would either be done by full funding or by supplementing from our leftover funds. This would include continuing the Board's goal of a minimum tax levy increase.

Most certainly looking at a gap elimination adjustment .

Also, the Board's levy increase philosophy will need to be a focus of discussion in the upcoming budgeting seasons. Five years down the road will look very different.

Next Steps:



Rollover budget as the basis for the new spending plan

Determine what we can economize on from our existing budget.

| | | |
|----------|---------------|--------------------------------|
| Mar 8 | Committee Mtg | Detail of GWL Budget |
| March 15 | BoE Mtg | BOCES Presentation (tentative) |
| Apr 12 | BoE Workshop | Draft of Budget |
| Apr 19 | BoE Mtg | Final / Adopt Budget |

Thank You!