

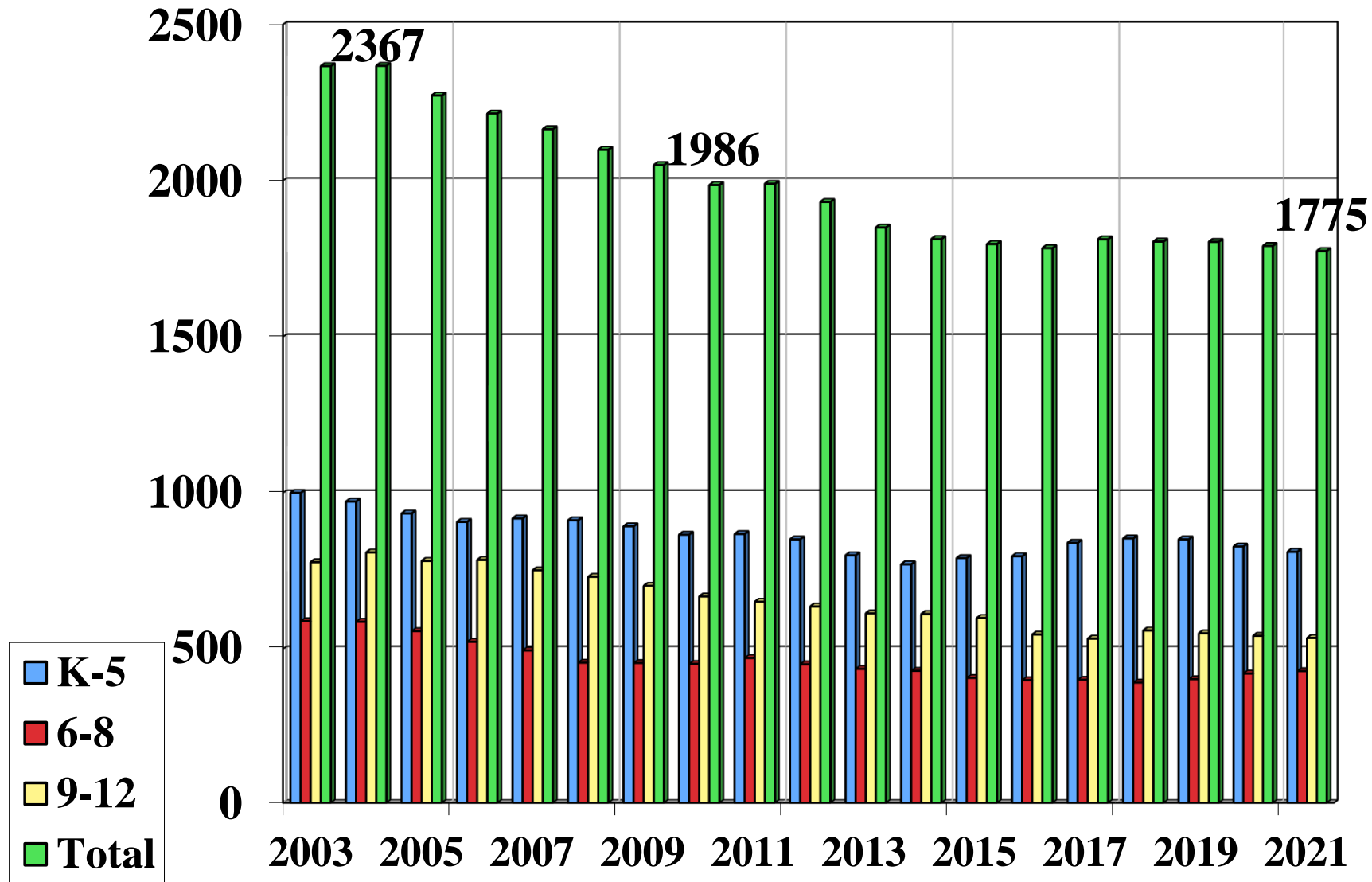
2021 – 2022 Budget Development

Depew Union Free School District

Budget Reductions Since 2010

School Year	Reductions	Enrollment
2010-2011	\$2,018,287	1986
2011-2012	\$1,468,541	1990
2012-2013	\$603,876	1932
2013-2014	\$584,748	1850
2014-2015	\$1,003,668	1813
2015-2016	\$530,376	1797
2016-2017	\$114,758	1803
2017-2018	\$0.00	1812
2018-2019	\$536,402	1805
2019-2020	\$939,700	1804
2020-2021	\$1,084,390	1791
Total	\$8,884,746	
Full Time Equivalents (F.T.Es) (8 % reduction in staffing)	32	-195 (9.8%)

Enrollment:



2021 – 2022 Budget Plan

Major Budget Increases In the Proposed 2021-2022 Budget Plan

(Expenditures For Which There is Minimal or No District Control)

Item	Dollar Amount Increase	Percent Increase
Teachers' Retirement System (TRS)	\$182,643	10.58%
Employees' Retirement System (ERS)	\$51,021	6.12%
Health Insurance (Projected 12/2020)	\$65,000	1.26%
Negotiated Salaries	\$362,296	1.67%
Total Increase	\$660,961	2.25%

Advocacy Landscape for 2021-2022

A Sustainability Agenda:

- **State Aid:** Update and phase-in the Foundation Aid formula.
- **Tax Cap:** Amend the formula to support multi-year planning (Allowing for more exemptions).
- **Mandate Relief:** “Maximizing Resources” to benefit students (“Change your rules or fund your rules”).
- **Reserves:** Introduce legislation for a Health Insurance Reserve for our school district, as a stand alone bill.

School Aid Proposal Key Components :

- Aid runs this year include traditional School Aid plus STAR property tax reimbursements plus federal stimulus aid allocations.
- Foundation Aid would be frozen for the second straight year.
- STAR reimbursements would be cut by the lesser of 2021-22 estimated STAR or the district's 2021-22 federal stimulus funding.

School Aid Proposal Key Components :

- Eleven aid categories would be consolidated (Including, Transportation Aid, BOCES Aid, Charter School Transition Aid, and High Tax Aid) into “Services Aid” and funding would be reduced by 17% from what districts would receive from the current formulas.
- Reductions from the STAR and Services Aid cuts cannot exceed what a district is to receive as 2021-22 federal stimulus funding.
- Other formulas would be funded according to current law

2021 – 2022 Budget Plan

Major Budget Changes In the Proposed 2021-2022 Budget Plan

(Revenue For Which There is Minimal or No District Control)

Item	Change in Dollar Amount	Percent Difference
NYS State Aid	\$52,005	0.25%
Tax Levy (below maximum allowable tax cap)	\$553,238	2.99%
Fund Balance(compared use to current year)	\$749,439	23.06%
Reserves(compared use to current year)	-\$233,739	-14.41%
Total Increase	\$1,120,943	2.54%

Tax Levy

Tax Levy Cap

- Allowable Levy Growth Factor = the lessor of 2% or the inflationary change using the CPI-U – 1.23% (Actual as of 2/1/21). Therefore, the base is 1.23% before exemptions.
- There is a formula to determine each District's Cap.

2020-2021 Tax Levy	\$18,483,284	
Tax Base Growth Factor:	X1.0229	Office of Real Property Tax Services
Tax Base Growth Amount:	+423,267	
2020-2021 PILOTS	+177,258	6 PILOTS
2020-2021 Capital Expense within Local Budget	-\$23,279	Per OSC
Adjusted Current Year Levy	\$19,060,530	
Allowable Levy Growth Factor:	X1.23%	CPI or 2% Max
EST. 2021-2022 PILOTS	-\$182,557	Projected 6 properties
Eligible carry over from prior year	\$0.00	
Tax Levy before Adjustments/Exemptions	\$19,112,418	\$629,134 / 3.4038%

Tax Levy Cap

- Under the law, a District can utilize specific exemptions toward the Tax Levy Cap.
- Depew can not utilize ERS/TRS Pension or Judgments.

Levy Limit BEFORE Exemptions	\$19,112,418	\$629,134 / 3.4038%
2021-2022 Pension (ERS) > 2%	+ \$0.00	ESTIMATED
2021-2022 Pension (TRS) > 2%	+ \$0.00	ESTIMATED
2021-2022 Capital Expense within Local Budget	+ \$165,288	ESTIMATED (BOCES & DUFSD)
2021-2022 Torts/Judgments > 5%	+ \$0.00	ACTUAL
Total Levy Cap Exclusions	\$165,288	ESTIMATED
2021-2022 Total Tax Levy with Exemptions	\$19,277,706	ESTIMATED
2021-2022 Allowable Tax Impact Increase	\$794,422	ESTIMATED
2021-2022 Allowable Tax Levy Increase	4.3%	ESTIMATED Maximum Levy after exemptions
2021-2022 Proposed Tax Levy Increase	2.99%	\$553,238

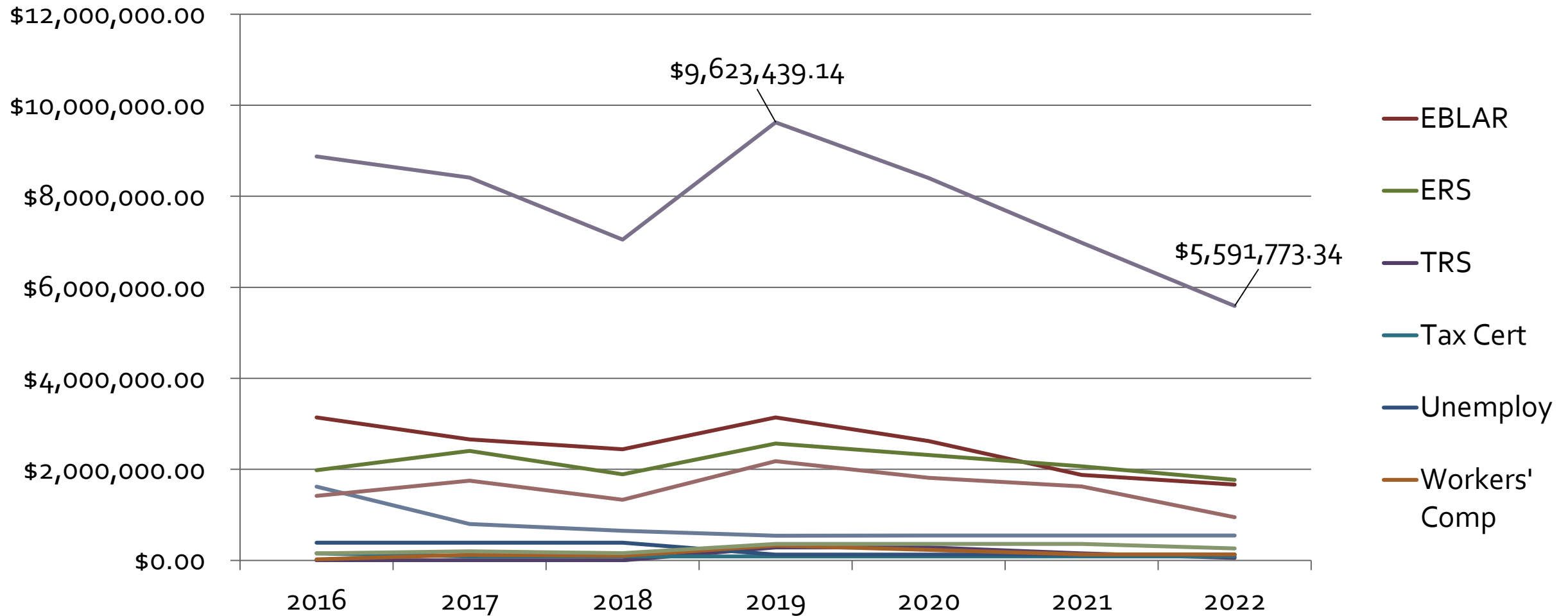
Why not recommend to go above the Tax Levy Cap?

- Climate to go above the cap proves to be a high risk with very few districts being successful in going over the tax levy cap.
- Depew's Combined Wealth Ration (CWR) is approximately **.645**, which is the 7th lowest out of 23 Erie County School Districts.
- Depew's three year average for Free and Reduced Lunch Percentage for Kindergarten through 6th grade is approximately **52%**, which is ranked 4th highest in Erie County.

Use of Reserves

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Employee Benefit Accrued Liability Reserve	\$3,141,680.57	\$2,659,864.50	\$2,442,134.57	\$3,141,592.70	\$2,623,547.68	\$1,876,536.35	-\$213,280
ERS Reserve	\$1,979,490.72	\$2,405,377.19	\$1,888,796.19	\$2,568,957.74	\$2,316,884.33	\$2,067,660.01	-\$300,000
TRS Reserve	\$0.00	\$0.00	\$0.00	\$285,000.00	\$286,601.48	\$155,702.40	-\$100,000
Tax Certiorari Reserve	\$152,301.61	\$86,459.19	\$86,632.11	\$87,735.53	\$88,324.77	\$88,355.88	\$0.00
Unemployment Reserve	\$387,279.62	\$387,557.72	\$388,332.84	\$127,750.81	\$128,608.79	\$128,654.06	\$0.00
Workers' Comp Reserve	\$24,664.91	\$124,682.63	\$100,884.00	\$327,729.98	\$229,525.01	\$129,605.83	\$0.00
Capital Improvement Reserve 2016	\$1,620,270.95	\$800,044.24	\$651,644.33	\$542,831.97	\$546,477.69	\$546,670.09	\$0.00
Capital Reserve for Vehicles & Equipment 2016	\$1,415,537.10	\$1,749,659.10	\$1,329,680.15	\$2,181,311.88	\$1,815,776.67	\$1,623,551.05	-\$674,760
Repair Reserve	\$152,837.07	\$197,922.34	\$158,238.19	\$360,528.53	\$362,949.88	\$363,077.67	-\$100,000
Grand Total All Reserves at Year End	\$8,874,062.54	\$8,411,566.92	\$7,046,342.38	\$9,623,439.14	\$8,398,656.30	\$6,979,813.34	-\$1,388,040

Use of Reserves



2021-2022 Budget Requests

Rank	Program	Amount	Faculty/Staff	Notes
<u>Prioritized Order</u>				
1	Special Education Services	\$297,190		Based on new enrollment, CSE meetings and recommendations.
2	Summer Instructional Programming	\$30,420		This funding will allow for the district to double the amount of enrollment for summer remediation K-12.
3	WellCat Summer Program	\$52,700		This programming was cut last year due to the Pandemic and in past years was supported by the Federal Grant.
4	High School Boiler	\$100,000		This is the last Boiler to replace and all Boilers in the District will be less than three years old. Will utilize the repair reserve for this purchase.
5	Three Floor Scrubbers	\$56,325		Current scrubbers are 10 years old and at end of life with numerous maintenance issues.
6	Rototiller for grass ball diamonds	\$3,000		Currently do not have one and would reduce the amount of maintenance time significantly.
	TOTAL:	\$539,635		

Current 2021-2022 Budget Gap

Draft Budget	Draft Revenues	Budget Shortfall
\$47,643,242	\$46,887,822	\$755,420

Rationale for Reductions:

1. Protect Programming for Students
2. Protect Reasonable Class Size and at the same time adhere to Contractual Limits
3. Maximize District Resources and Efficiencies
4. Review and Evaluate Needs versus Wants
5. Review and Evaluate Budgeting and Spending 3 Year Trends

Vehicle Reserve

- On May 19, 2009 voters approved the establishment of a Vehicle Purchase Reserve Fund and again on December 13, 2016 the voters re-established this fund.
- Excess funds have been placed in this reserve for future purchases of school buses and equipment.
- This reserve fund allows the District to make bus or equipment purchases that do not affect the amount of the current budget proposal or the tax levy.
- The District also receives State Aid for bus purchases in the subsequent years. This aid continues to support the bus replacement program.

Bus Purchasing

Years	Bus Purchase	Total Aid	Interest Received
2016-2017	\$281,719	\$293,380	\$11,661
2017-2018	\$367,326	\$387,840	\$20,514
2018-2019	\$291,901	\$307,180	\$15,279
2019-2020	\$379,797	\$399,660	\$19,863
2020-2021	\$146,844	\$152,718	\$5,874 (Estimated)
2021-2022	\$674,760	\$701,750	\$26,990 (Estimated)
TOTAL	\$2,142,347	\$2,242,528	\$100,181

Bus Purchasing

Vehicle Purchase from Reserve Fund	\$674,760
66-Passenger Buses with Wi-Fi (with luggage compartments for sports equipment)	4
48-Passenger Bus with Wi-Fi	2
Surplused Vehicles <i>with over 459,061 miles</i>	6

Capital Outlay \$100,000 Projects

- In order to continue to address issues outlined in the Building Conditions Survey, in a responsible and sustained manner over a period of time, the District continues to utilize the benefit of the \$100,000 Capital Outlay Project Program, which began with the 2016-2017 budget year.
- A \$100,000 Capital Outlay Project is an opportunity to institute Capital improvement projects that cost no more than \$100,000 and are preferably covered under one trade (i.e. Architectural, Mechanical, Electrical, Plumbing or Civil). A district must show this expenditure in its annual budget plan and will then receive aid in the following aid year. A district may receive aid for a maximum of one such project in an aid year.
- As the district completes these projects on an annual basis, the aid begins to cover 80% of each project.

Capital Outlay \$100,000 Projects

Year	Cost	Aid	Total Cost
1	\$100,000	\$0.00	\$100,000
2	\$100,000	\$80,000	\$20,000
3	\$100,000	\$80,000	\$20,000
4	\$100,000	\$80,000	\$20,000
5	\$100,000	\$80,000	\$20,000
6	\$100,000	\$80,000	\$20,000
7	\$100,000	\$80,000	\$20,000
8	\$100,000	\$80,000	\$20,000
9	\$100,000	\$80,000	\$20,000
10	\$100,000	\$80,000	\$20,000
Total	\$1,000,000	\$720,000	\$280,000

Capital Outlay \$100,000 Projects

- Capital Outlay work being anticipated within the 2021-2022 Budget Plan will include, but not necessarily be limited to modest upgrades and improvements to:
 - Complete the High School Pool upgrades including, a new filter system, further interior finishes, accessories and equipment.

Next Steps

- **March:**
 - Submit the Tax Levy Limit to the Office of the State Comptroller
 - Estimate tax rate
 - Finalized revenue
 - Finalize potential cuts
 - Update the Board of Education on the status of Reserves
- **April:**
 - Publicize the required legal notices
 - Board of Education adopts the Budget, Tax Levy Limit and Proposition Language for the May Vote
 - Prepare Board of Education resolution for the Capital Outlay project and SEQRA reporting
- **May:**
 - Public Hearing: Tuesday, May 11, 2021 at 6:30pm
 - Budget Vote: Tuesday, May 18, 2021 from Noon to 9:00pm in the High School Gymnasium

Questions
