

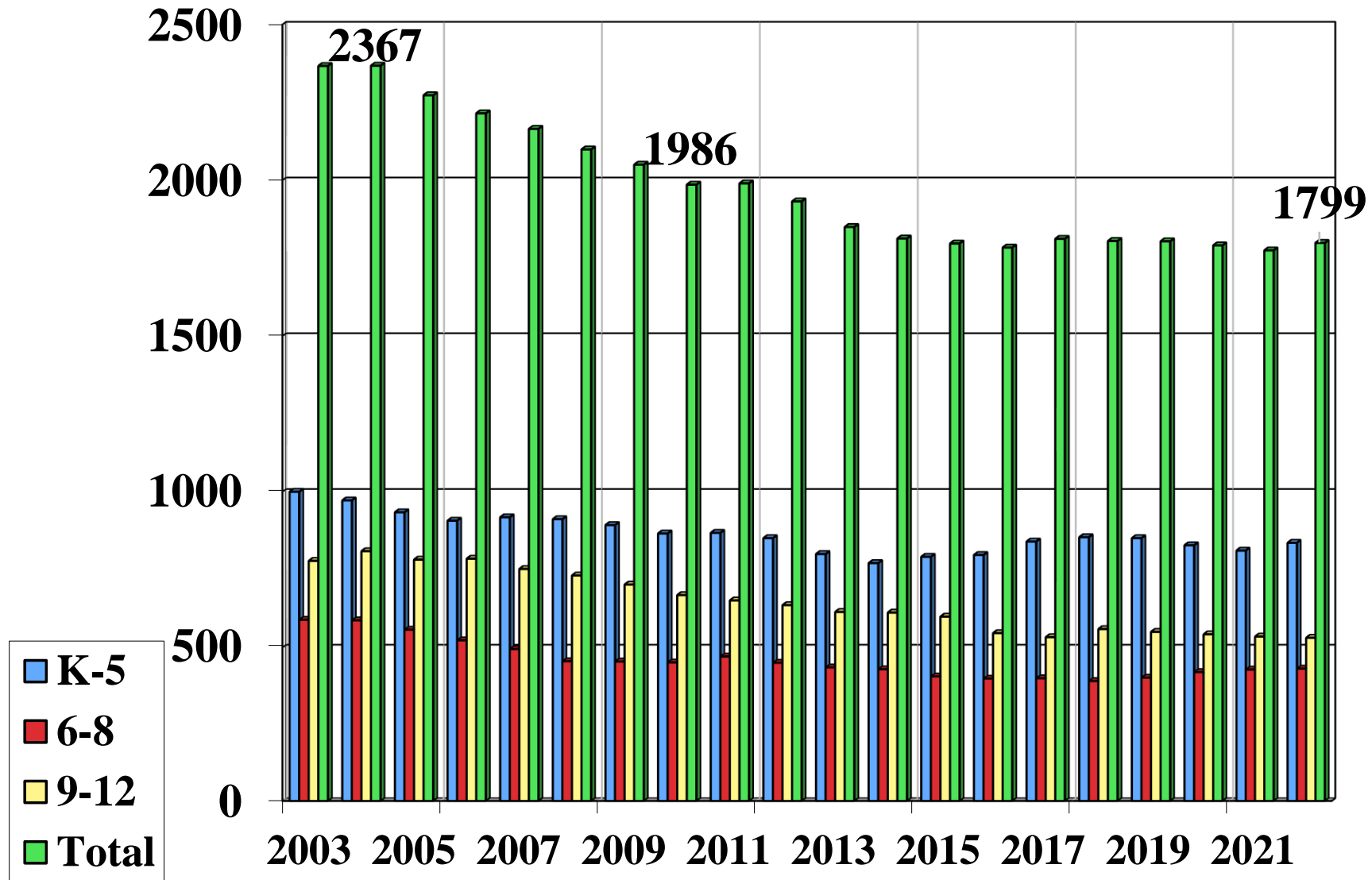
2022 – 2023 Budget Development

# Depew Union Free School District

# Budget Reductions Since 2010

School Year	Reductions	Enrollment
2010-2011	<i>\$2,018,287</i>	<i>1986</i>
2011-2012	<i>\$1,468,541</i>	<i>1990</i>
2012-2013	<i>\$603,876</i>	<i>1932</i>
2013-2014	<i>\$584,748</i>	<i>1850</i>
2014-2015	<i>\$1,003,668</i>	<i>1813</i>
2015-2016	<i>\$530,376</i>	<i>1797</i>
2016-2017	<i>\$114,758</i>	<i>1803</i>
2017-2018	<i>\$0.00</i>	<i>1812</i>
2018-2019	<i>\$536,402</i>	<i>1805</i>
2019-2020	<i>\$939,700</i>	<i>1804</i>
2020-2021	<i>\$1,084,390</i>	<i>1791</i>
2021-2022	<i>\$755,420</i>	<i>1775</i>
Total	<i>\$9,640,166</i>	

# Enrollment:



# 2022 – 2023 Budget Plan

## Major Budget Increases In the Proposed 2022-2023 Budget Plan

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

Item	Dollar Amount Increase	Percent Increase
Teachers' Retirement System (TRS)	\$132,479	7.78%
Employees' Retirement System (ERS)	\$5,717	0.60%
Health Insurance (Verified 02/2022)	\$229,059	4.45%
Negotiated Salaries	\$1,075,468	4.87%
<b>Total Increase</b>	<b>\$1,442,723</b>	<b>4.83%</b>

# Advocacy Landscape for 2022-2023

## A Sustainability Agenda:

- State Aid:** The governor reaffirmed her commitment to fully fund Foundation Aid by 2023-24 in her State of the State address with proposing the highest ever investment in NYS Education of \$31 billion.
- Tax Cap:** Amend the formula to support multi-year planning (Allowing for more exemptions).
- Mandate Relief:** “Maximizing Resources” to benefit students.
- Fund Balance:** The legislature should increase the unrestricted fund balance limit for school districts from 4% to 8%. Municipalities have no limit.
- Capital Outlay Projects:** Increase the limit to a minimum of \$250,000 adjusted by the Building Aid Regional Cost Factor up to a maximum of \$500,000.

# 2022 – 2023 Budget Plan

## Major Budget Changes In the Proposed 2022-2023 Budget Plan

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

Item	Change in Dollar Amount	Percent Difference
NYS State Aid	\$973,125	4.58%
Tax Levy (below maximum allowable tax cap)	\$554,607	2.91%
Fund Balance(compared use to current year)	\$0.00	0.00%
Reserves(compared use to current year)	\$234,762	32.91%
Total Increase	<b>\$1,762,494</b>	3.92%

# Tax Levy

# Tax Levy Cap

- Allowable Levy Growth Factor = the lessor of 2% or the inflationary change using the CPI-U – 4.7% (Actual as of 2/1/22). Therefore, the base is 2.00% before exemptions.
- There is a formula to determine each District's Cap.

<b>2021-2022 Tax Levy</b>	<b>\$19,036,522</b>	
Tax Base Growth Factor:	<b>X1.0280</b>	Office of Real Property Tax Services
Tax Base Growth Amount:	<b>+533,023</b>	
2021-2022 PILOTS	<b>+116,155</b>	6 PILOTS
2021-2022 Capital Expense within Local Budget	<b>-\$165,288</b>	Per OSC
<b>Adjusted Current Year Levy</b>	<b>\$19,520,412</b>	
Allowable Levy Growth Factor:	<b>X2.00%</b>	CPI or 2% Max
EST. 2022-2023 PILOTS	<b>-\$188,478</b>	Projected 6 properties
Eligible carry over from prior year	<b>\$0.00</b>	
<b>Tax Levy before Adjustments/Exemptions</b>	<b>\$19,792,342</b>	<b>\$755,820 / 3.9704%</b>

# 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	\$19,792,342	\$755,820 / 3.9704%
2022-2023 Pension (ERS) > 2%	+ \$0.00	ESTIMATED
2022-2023 Pension (TRS) > 2%	+ \$0.00	ESTIMATED
2022-2023 Capital Expense within Local Budget	+ \$0.00	ESTIMATED
2022-2023 Torts/Judgments > 5%	+ \$0.00	ACTUAL
Total Levy Cap Exclusions	\$0.00	ESTIMATED
2022-2023 Total Tax Levy with Exemptions	\$19,792,342	ESTIMATED
2022-2023 Allowable Tax Impact Increase	\$755,820	ESTIMATED
2022-2023 Allowable Tax Levy Increase	3.97%	ESTIMATED Maximum Levy after exemptions
2022-2023 Proposed Tax Levy Increase	2.91%	\$554,607

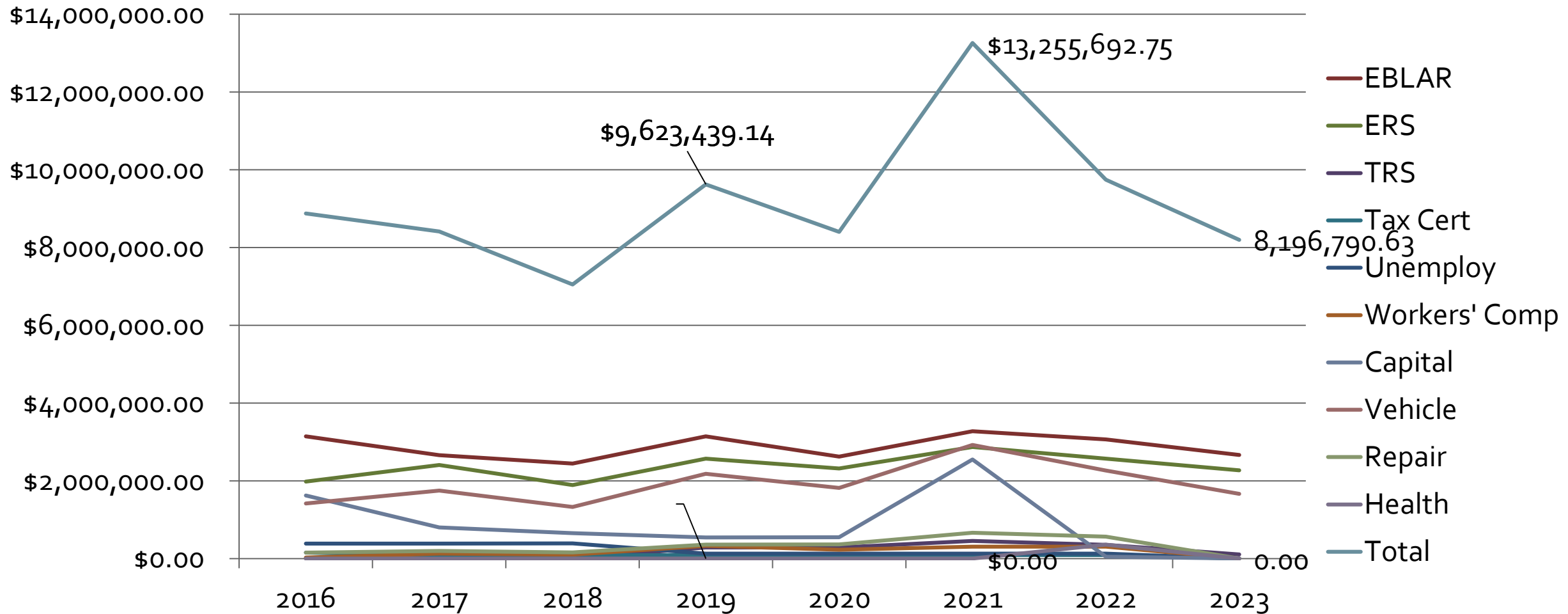
# Why not recommend to go above the Tax Levy Cap?

- 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 7<sup>th</sup> lowest out of 23 Erie County School Districts.
- Depew's three year average for Free and Reduced Lunch Percentage for Kindergarten through 6<sup>th</sup> grade is approximately **52%**, which is ranked 4<sup>th</sup> highest in Erie County.

# Use of Reserves

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Employee Benefit Accrued Liability Reserve</b>	\$2,442,134.57	\$3,141,592.70	\$2,623,547.68	\$3,276,777.53	\$3,064,075.28	<b>\$398,042.00</b>
<b>ERS Reserve</b>	\$1,888,796.19	\$2,568,957.74	\$2,316,884.33	\$2,867,918.08	\$2,568,423.72	<b>\$300,000.00</b>
<b>TRS Reserve</b>	\$0.00	\$285,000.00	\$286,601.48	\$455,723.42	\$355,803.77	<b>\$250,000.00</b>
<b>Tax Certiorari Reserve</b>	\$86,632.11	\$87,735.53	\$88,324.77	\$88,366.75	\$88,382.34	<b>\$0.00</b>
<b>Unemployment Reserve</b>	\$388,332.84	\$127,750.81	\$128,608.79	\$128,669.89	\$128,692.58	<b>\$0.00</b>
<b>Workers' Comp Reserve</b>	\$100,884.00	\$327,729.98	\$229,525.01	\$304,623.14	\$304,676.82	<b>\$0.00</b>
<b>Capital Improvement Reserve 2016</b>	\$651,644.33	\$542,831.97	\$546,477.69	\$2,546,738.98	\$47,185.96	<b>\$0.00</b>
<b>Capital Reserve for Vehicles &amp; Equipment 2016</b>	\$1,329,680.15	\$2,181,311.88	\$1,815,776.67	\$2,923,752.38	\$2,261,672.78	<b>\$596,768.00</b>
<b>Repair Reserve</b>	\$158,238.19	\$360,528.53	\$362,949.88	\$663,122.58	\$563,239.50	<b>\$0.00</b>
<b>Health Reserve</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$359,447.88	<b>\$0.00</b>
<b>Grand Total All Reserves at Year End</b>	\$7,046,342.38	\$9,623,439.14	\$8,398,656.30	\$13,255,692.75	\$9,741,600.63	<b>\$1,544,810.00</b>

# Use of Reserves



# Current 2022-2023 Budget Gap

Draft Budget	Draft Revenues	Budget Shortfall
<b>\$50,212,442</b>	<b>\$49,322,442</b>	<b>\$890,000</b>

# Rationale for Potential 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
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	\$150,910	\$4,066
2021-2022	\$662,584	\$687,763	\$25,179 (Estimated)
2022-2023	\$596,768	\$619,445	\$22,677 (Estimated)
TOTAL	\$2,445,220	\$2,552,798	\$107,578

# Bus Purchasing

<b>Vehicle Purchase from Reserve Fund</b>	<b>\$596,768</b>
<b>66-Passenger Buses with Wi-Fi</b> (with luggage compartments for sports equipment)	<b>3</b>
<b>29-Passenger Bus with Wheelchair Lift and Wi-Fi</b>	<b>1</b>
<b>30-Passenger Bus with Wi-Fi</b>	<b>1</b>
<b>Surplused Vehicles <i>with over 369,145 miles</i></b>	<b>5</b>

# 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 2022-2023 Budget Plan will include, but not necessarily be limited to modest upgrades and improvements to:
  - Interior Door Replacement at Cayuga Heights Elementary.

# Next Steps

- **March:**
  - Submit the Tax Levy Limit to the Office of the State Comptroller
  - Estimate tax rate
  - Finalize 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 10, 2022 at 6:30pm
  - Budget Vote: Tuesday, May 17, 2022 from Noon to 9:00pm in the High School Gymnasium

# Questions

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