



SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

**Board of Education Update
March 24, 2022**



Agenda

- State Budget Negotiations
 - Update of Senate and Assembly Talks
- Foundation Aid Funding
- State Budget Proposals
 - Senate & Assembly Updates
- Revenue Projections
 - 2022-2023 Tax Cap
 - Local Revenue
 - Estimated Revenue to Date
- Budget Factors for 2022-2023
- Budget Breakdown 3/24/2022
- Current Reserve Balances
 - Refunding from 2020-2021
- Expense Projections
- Advocacy Possibilities
- Capital Project Update
- Next Steps
- Questions





2022-2023 NYS Budget Discussions

- Timeline: Expecting an On Time Budget.
- Still some advocacy to be made regarding free school lunch for all students. Federal Government Rejected; however, there is still some legislation and advocacy happening at the state level.
 - See NYSSBA Links to send Letters.
- The Senate and Assembly have Accepted the Governors Budget for foundation aid and expense driven aids.
- Continuing to Crunch Numbers at Spencer-Van Etten.

State Budget

\$216.3 Billion – All funds +1.6%

\$118. Billion – State Operating
Funds Budget +3.1%

\$31.2 Billion State Aid to Schools
increase of 7.1%

Previous Governor always froze
the state budget at 2% or less



State Budget

Education Proposed increase:

\$2.07 Billion Increase 7.1% increase.

\$1.6 Billion in Foundation Aid

\$471 Million in Categorical Aids



Foundation Aid

- We are projecting an increase of \$303,564 in Foundation Aid for the 2022-2023 school year being paid to align with year 2 of the payback.
 - *We are considered fully funded this year with the save harmless protection.*
- There is the potential for a 3rd and final year of Foundation Aid increase in 2023-2024, but early estimates are lower than this years' projected increase.
 - *Senate and Assembly accepted what was presented.*



Expense Driven Aids

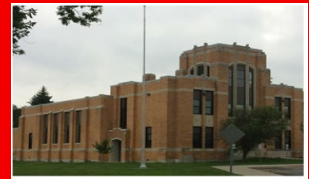
Would Fully Fund for Expense Driven Aids at the November database.

- *Senate and Assembly Accepted with increase of \$100 Million due to timing of the data set pull.*
- *Senate and Assembly rejected Freezing at the November database.*

Capital Outlay

Currently at \$100,000. Was not part of Governors Proposal; however, this has been on an agenda for many years to raise.

Both Senate and Assembly have provided proposals to increase to \$250,000.



New Proposal

Recover from COVID School Program (RECOVS)

**\$100 Million for the 2023 & 2024 School Years to recover from
COVID (\$50 Million Per Year)**

- Address Student Wellbeing
- Learning Loss
- Response to the Trauma created by COVID.

Eligible Costs:

- Mental Health Professionals.
- Expansion of School Based Mental Health Program.
- Expansion of summer, afterschool and extended day program
- **Prioritize highest need district and bring services into the school buildings.** State Funds would seek to **match federal pandemic relief funds** dedicated to these purposes

- *Senate and Assembly each presented changes to this program.*
 - *Senate: Eliminates the Match and allows BOCES to participate.*
 - *Assembly: Allows any funds to be used to match.*



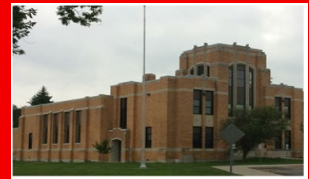
School Lunch

School Meal Administration being moved to Ag and Markets was *rejected by both the Senate and the Assembly.*

No Student Goes Hungry \$5,000,000 initiative was accepted by the Senate and the Assembly.

Advocacy efforts for letter writing were shared by NYSSBA over the weekend to advocate for support.

Currently we are on track to have a very good year in our school lunch fund budget. As we discussed last year, we did not provide any general fund dollars to balance the budget for the department last year, and to date our revenues are over our expenses, and we are building up our fund balance.



Rural Education Initiative

Federal Funding of \$5,000,000

The Rural Education Initiative is designed to **assist rural school districts in using Federal resources more effectively to improve the quality of instruction and student academic achievement.**

It consists of two separate programs – the Small, Rural School Achievement (SRSA) program
Rural and Low-Income Schools (RLIS) program.

- *The Senate and Assembly Accepted these programs. We would see these funds more than likely in Title V allocations.*

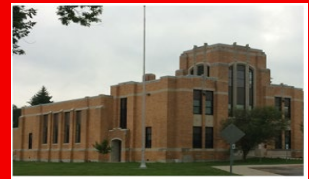


New Proposal Digital Divide

Expansion of Broadband Coverage via ConnectAll Initiative.

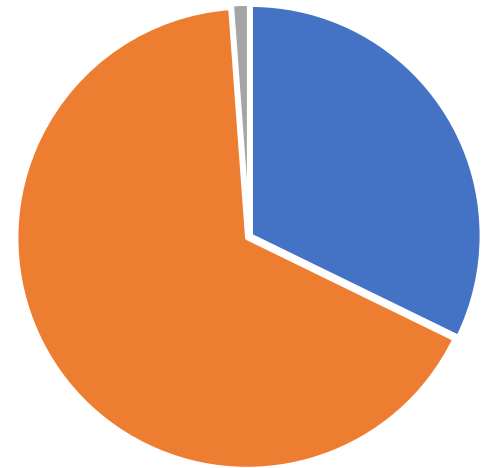
\$1 Billion Investment

- Changes in state approach to building broadband infrastructure in order to streamline the process
- Increase the states' definition of high-speed broadband to at least 100 Mbps download, and 10Mbps Upload
- *Senate and Assembly Rejected and each presented their own initiative.*

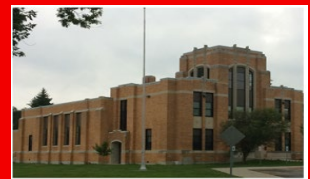


S-VE Revenues

- State Aid
- Property Taxes
- Miscellaneous
- Grants



■ Property Taxes ■ State Aid
■ Interest and Other



Total Proposed Aid Based on Governors' Budget

Executive Budget Proposal	21-22	22-23 proposed	Difference
Foundation	10,018,826.00	10,322,390.00	303,564.00
Community Schools	100,000.00	100,000.00	-
BOCES	1,380,071.00	1,432,863.00	52,792.00
Hardware & Tech	14,822.00	15,062.00	240.00
Software/Library/Textbook	65,211.00	67,213.00	2,002.00
UPK	555,672.00	609,391.00	53,719.00
High Cost Excess Cost	28,881.00	117,853.00	88,972.00
Private Excess Cost	-	35,581.00	35,581.00
Transportation	1,239,811.00	1,328,593.00	88,782.00
Building	2,260,291.00	2,171,289.00	(89,002.00)
	15,663,585.00	16,200,235.00	536,650.00
less UPK	(555,763.00)	(609,391.00)	(53,628.00)
Total	15,107,822.00	15,590,844.00	483,022.00

2021-2022 Levy Limit aka Tax Cap

Tax Levy 20-21		7,009,619
Tax Base Growth Factor	X	<u>1.0054</u>
Subtotal	=	7,047,471
PILOTs receivable prior year	+	198,330
Prior Year Capital Exclusion	-	<u>0</u>
Subtotal	=	7,245,801
Allowable levy growth factor	X	<u>1.0123</u>
Subtotal	=	7,334,924
PILOTs receivable current year	-	<u>189,676</u>
Total levy limit before exclusions	=	7,145,248
Capital tax levy	+	<u>0</u>
Maximum allowable tax levy (1.93%) 2021-2022 Tax Levy	=	7,145,248

2022-2023 Levy Limit aka Tax Cap

Tax Levy 21-22		7,145,248
Tax Base Growth Factor	X	<u>1.0023</u>
Subtotal	=	7,161,682
PILOTs receivable prior year	+	199,217
Prior Year Capital Exclusion	-	<u>0</u>
Subtotal	=	7,360,899
Allowable levy growth factor	X	<u>1.020</u>
Subtotal	=	7,508,117
PILOTs receivable current year	-	<u>199,217</u>
Total levy limit before exclusions	=	7,308,900
Capital tax levy	+	<u>22,560</u>
Maximum allowable tax levy (2.61%) increase of \$186,212	=	7,331,460

Estimated Other Revenue

Interest and Earnings	\$	2,000.00
Interest Property Tax	\$	10,000.00
Admissions	\$	4,800.00
Rental of Real Property	\$	3,500.00
Sale of Surplus Assets	\$	1,000.00
Insurance Recoveries	\$	1,000.00
Gifts and Donations	\$	500.00
Miscellaneous Revenues	\$	275,000.00
Other Unclassified Rev.(Spec)	<u>\$</u>	<u>372,800.00</u>



Estimated Revenue to Date

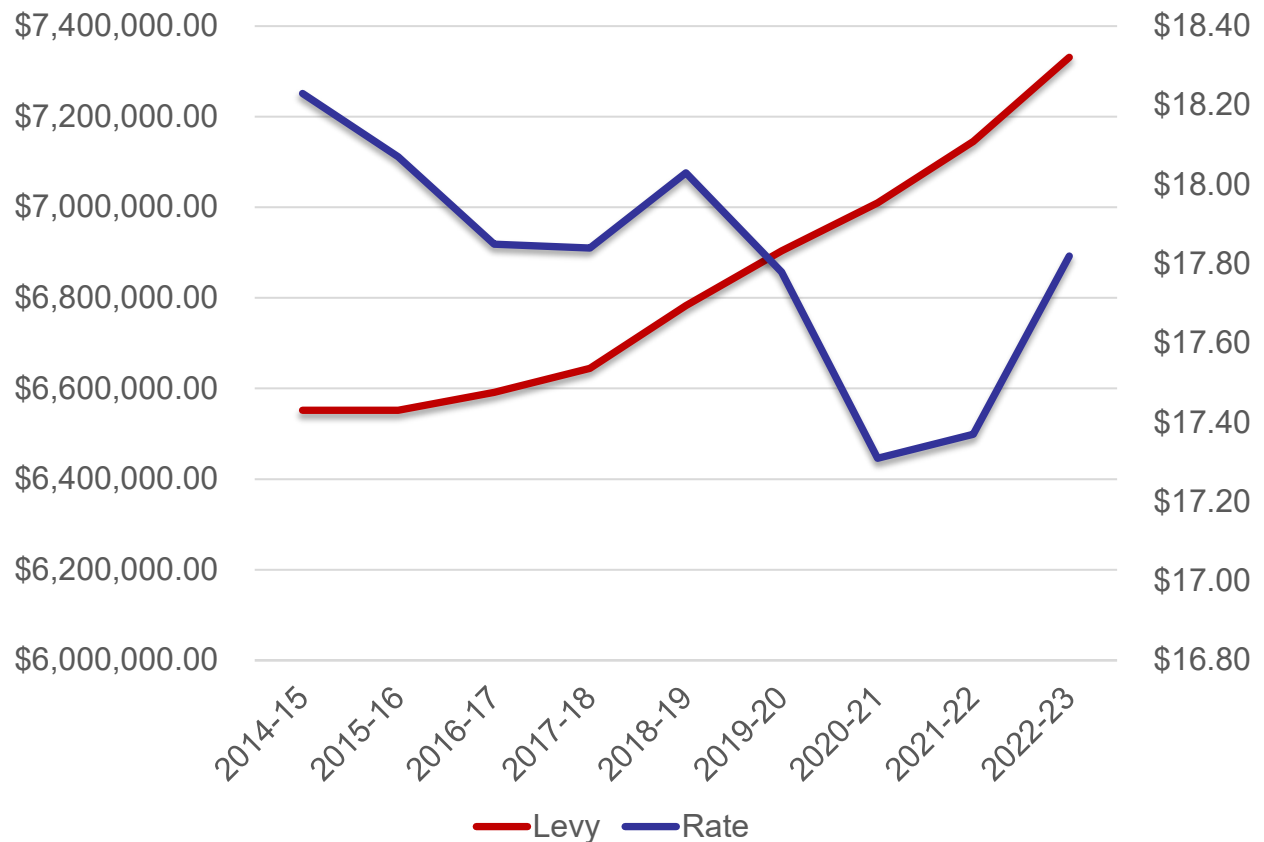
	Budgeted	Estimated
	2021-2022	2022-2023
Property Taxes	\$ 7,145,248	\$ 7,331,460
PILOTS	\$ 189,676	\$ 199,217
State Aid	\$ 15,164,607	\$ 15,590,844
Other Revenues	\$ 372,300	\$ 372,800
	\$ 22,871,831	\$ 23,494,321

Estimated increase: \$ 622,490



Tax Levy vs. Tax Rate

Property Tax Rates per \$1,000 of Assessed Value



Budget Factors for 2022-2023

- Inflation and allowable levy growth factor to calculate the tax levy is 2.0% for the 2022-2023 school year.

Our Projected Tax Cap for is 2.61% which is \$186,212 more revenue.

- Health Insurance Increase for 2022-2023 will be a 8%.
- Property and Liability Insurance will increase by 8%.
- Workers compensation Insurance will increase by 8%.
- TRS Retirement System Rates are increasing:
 - 10.29% TRS, currently 9.8%
- ERS Retirement System Rates are decreasing:
 - 13.1% ERS, currently 18.3% for Tier 3 & 4
 - 11.2% ERS, currently 15.3% Tier 5
 - 8.3% ERS, currently 10.7% Tier 6
 - **Blended Total, 10.9%, currently 14.8%**
- BOCES costs still being analyzed.
- Energy Services:
 - Natural Gas and Electricity was bid in 2021-2022 so we have some minor adjustments in budget figures based on increased usage but nothing substantial.
- Fuel for Vehicles and Heating:
 - Still Waiting for DCMO Bid due to volatile market. Last news I saw is that there was a high of \$125 per barrel for crude oil, down to about \$113.39 as of 2:05 today.



Fuel Volatility

WTI Futures

NYMS: WTI

109.94 ▼ 0.03 (0.027%)

March 22, 9:22 AM EDT

Day

Week

Month

Year

5 Year

Max



High 113.20 on Tue, Mar 22 1:45 AM

Low 95.52 on Wed, Mar 16 8:30 PM

Avg 105.08 for past 1 week

See more on MSN · Data from Refinitiv · Price in USD · Quotes up to 20 mins delayed · Disclaimer





Future Challenges

How do district manage resources in the coming years?

Things to think about:

- Managing Fund Balance
- Managing Grant Funds/ Maximizing Grants
- Use of /creation of Reserves
 - Perhaps create a Workers Comp Reserve.
 - Continue to add funds higher than in the past to other established reserves.
- Can NYS sustain levels of funding?
- One shot expenditures?

Must Adopt the Property Tax Report Card by April 25

2022-23 Budget Breakdown

Projection 3/24/22

Budget Category	2021-22 Adopted Budget	2022-23 Proposed Budget	Dollar Change	Percent Change
General Support	1,371,288	1,413,796	42,508	.96%
Instruction	11,949,838	12,367,094	417,256	3.49%
Census	0	0	0	0%
Student Transportation	952,765	1,072,007	119,242	12.52%
Operations and Maintenance	1,548,696	1,653,247	104,551	6.75%
Benefits	6,236,812	6,488,597	251,785	4.04%
Debt Service	2,264,107	2,340,071	75,964	3.36%
Transfers to Other Funds	0	10,000	10,000	100 %
Totals	24,323,506	25,344,812	1,021,306	4.20%

Note: Above is summarized from a Wincap Report. Wincap summarizes data slightly different than the newsletter summary, but bottom line is the same.

Expenditure 3/24/2022

Actual Budget to Budget Increases

Salaries	↑ \$204,120
Benefits	↑ \$251,785
Materials & Supplies, Equip.	↑ \$128,890
Purchased Services	↑ \$182,470
Debt Service	↑ \$ 75,964
BOCES	↑ <u>\$178,077*</u>
	<u>\$1,021,306</u>



Revenue vs Expenses

\$23,494,321

\$25,344,812

\$ 1,850,491

SHORTFALL



Potential Usage Reserve and Fund Balance

2021-2022 Reserve and Fund Balance Usage

2019-2020 Fund Balance over 4%	\$ 256,400
Fund Balance	\$ 521,719
Reserves	\$ <u>673,556</u>
	<u>\$1,451,675</u>

2022-2023 Potential Reserve and Fund Balance Usage

Fund Balance	\$ 521,719
Reserves	\$ <u>673,556</u>
	<u>\$1,195,275</u>



Shortfall Reconciliation

\$ 1,850,491

\$ 1,195,275

\$ 655,216*

*

Make Note about BOCES Spec Ed



Shared District Staff

Librarian – Currently Posted/Vacant plan to grant fund in 22-23

Occupational Therapist - .8 FTE (BOCES)

Speech Therapist – 1.48 FTE (.48 BOCES)

Psychologist – 1.5 FTE (.5 BOCES)

Tioga County Mental Hygiene – 2

Athletic Director - .5 FTE

Curriculum Coordinator - .8 FTE (BOCES)

Tech Integration Specialist -1.6 FTE (BOCES)

Computer Technology Support - 2 FTE (BOCES)

Computer Technology Coordinator -1 FTE (BOCES)

School Resource Officer – 1 FTE (Contract with Village of Spencer)

Public Information Coordinator -.6 FTE (BOCES)

Grant Funded Position Additions Planned for 2022-2023

Intervention Specialists
Middle School and High School

Intervention Teacher Assistants
Middle School and High School

Districtwide Librarian

Special Education Teacher

Maintain Grant Funded Positions currently in
2021-2022 Budget into 2022-2023
and Special Programs

Budgetary Additions & Decisions Making

- Move Public Information Officer to a BOCES Coser, save benefit costs, generate BOCES aid the rest of this year and into next year.
- Add CASA Trinity Counseling Service, about \$44,000, addition to the Teaching Budget, service is BOCES Aidable due to share with Waverly.
- Discussed adding VAPE Sensors; however, the cost is \$180,000, but can be aided by BOCES (net cost around \$45,000) .
- SRO contract continuing into the 2022-2023 school year.
- Addition of Enginuity Software for credit recovery, distance learning and summer school class options.
- Addition of Raptor Safety Software for Secure Vestibules.
- Addition of a 1.0 Technology Teacher.
- Addition of a 1.0 Science Teacher vacant since last year.

Reserves Balances 1/31/22

Unemployment Reserve	\$200,228
ERS Retirement Contribution Reserve	\$1,716,978
Employee Benefit Liability Reserve	\$ 719,649
Liability Reserve	\$ 100,174
Tax Certiorari Reserve	\$ 50,002
TRS Reserve	\$ 427,881
Capital Building Reserve	\$660,864
GENERAL FUND RESERVE BALANCE	\$3,875,776
Debt Service Reserve	\$ 611,239
Total Reserve Balance	\$ 4,487,015



Refunding of Reserves in 2020-2021

Unemployment Reserve	\$100,000
ERS Retirement Contribution Reserve	\$500,000
Employee Benefit Liability Reserve	\$127,346
Liability Reserve	\$0
Tax Certiorari Reserve	\$ 50,000
TRS Reserve	\$150,000
Capital Building Reserve	\$500,000
GENERAL FUND RESERVE ADDITIONS 6/30/21	\$1,427,345
Unappropriated Fund Balance, 4%, 6/30/21	\$970,940
Projected Unappropriated Fund Balance, 4%, 6/30/22	\$1,013,792



Advocacy

Efforts/Recommendations

Formally Review Current Foundation Aid Formula

- Conduct new costing out study
- Review and adjust the weighting for “high need” students
- Improve Data Collection for measuring student poverty
- Review and update regional cost index
- Review the impact of student based district wealth factors (especially important for rural schools)
- Account for Property Tax in Districts Local Contribution
- Eliminate the use of set asides, or restrictions on the use of operating funds (re: Community Schools)

Environmental Sustainability and Adaptation

- Ensure that transition to zero emission buses is adequately funded and not overly burdensome administratively.
- Support School District access to funds to invest in energy efficient technology and other environmentally sustainable practices in retrofitting or new construction.
 - Getting a lot of support, we should see some type of proposal/deadline for the transition in the 2022-2023 Budget Proposal.

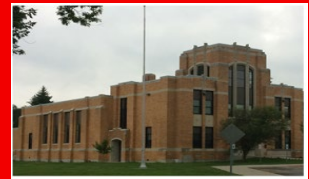
Additional Proposals Advocacy Efforts

- **Revising BOCES Salary Cap & Special Services Aid**
 - No change in aid formula in over 30 years
 - Cost increases absorbed by districts annually
 - Conduct new costing out study
 - **Senate and Assembly Offered their own programs, which were similar to proposal.**
- **Statewide Universal School Meals Program**
 - **\$5,000,000 proposed, Both Senate and Assembly Accepted.**
- **Property Tax Cap Changes** (common sense reforms)
 - Minimum Growth Factor of 2% Annually
 - Prohibit Negative Tax Cap
 - Keep Pilots in the Growth Factor
 - Account for Enrollment Growth
- **Fund Balance Limit Increase**
 - Phasing in approach
 - Current % leaves little room for error. Recommend 6-8%, even 10% (Industry recommendations are 15%)
 - Change is both fiscally responsible and will allow districts to retain more cash on hand to meet future obligations



Capital Project Update

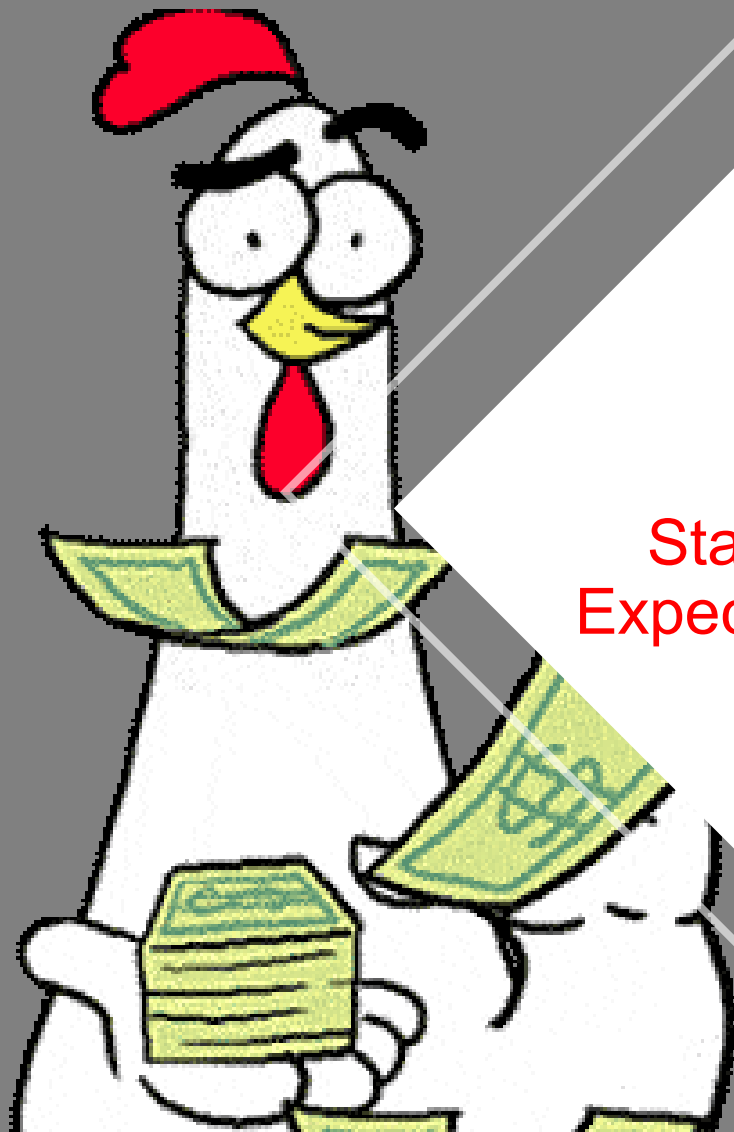
- Voters Approved in March of 2021.
- Design meetings held from March until September 2022.
- Plans submitted to State Education Department on September 24, 2021.
- State Approved Project and Building Permits were Issued on January 19, 2022.
- Bid Packages Prepared in two Projects, A and B.
- Advertisements Ran on January 26, 2022.
- Facility Walk Around on February 1, 2022.
- Bid Opening on February 22, 2022, at 2 pm.
- Descoping to be completed by February 25, 2022.
- Board of Education to Accept Bids on March 3, 2022.
- Office moves and packing nearly complete.
- **Diekow Electric Starting some electrical work on 2nd shift starting this week at the Elementary School.**
- **Agreements with Contractors are being finalized and will be on next Board of Education Meeting to vote on.**
- **Expect all other work to start on April 11, 2022.**



Next Steps

- Will the legislative budget change any of the projections.
 - Foundation Aid is not expected to increase further from the Governors Budget based on current information.
- Determine use of reserves and unappropriated fund balance.
- Finalize Tax Levy.





State Budget
Expected April 1st.



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