



SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

Budget Advisory Committee

02/02/2022

Via Zoom



Agenda

- State Budget Highlights
- Foundation Aid Funding
- Local Revenue Details
- Current Reserve Balances
- Estimated Revenue to Date
- Expense Projections
- Advocacy Possibilities
- Capital Project Update



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



State Budget

Foundation Aid Formula Phase in Year 2 of 3

- 50% of Remaining Phase in Year 2 of 3.
- 3% Minimum
- \$250 Million Set Asides – No increase.



New Proposal

Recover from COVID School Program (RECOVS)

**\$100 Million for the 23 & 24 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

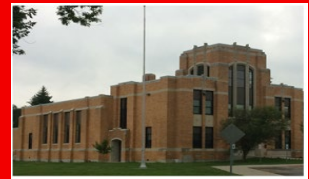


New Proposal Digital Divide

Expansion of Broadband Coverage via ConnectAll Initiative.

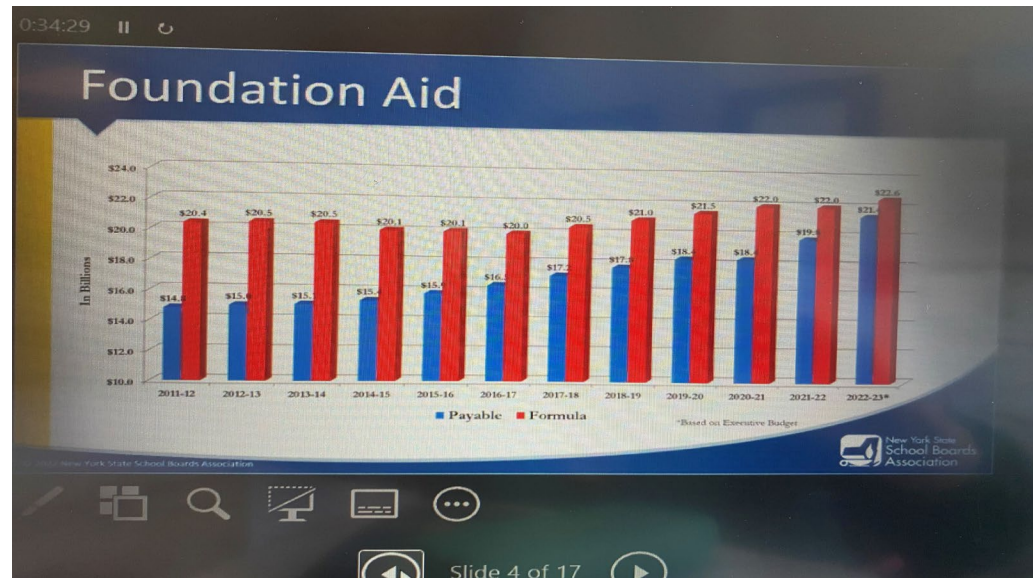
\$1 Billion Investment

- 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



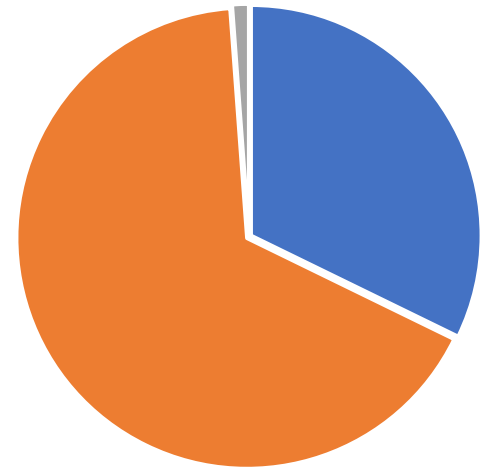
Foundation Aid Gap

- 400 Districts Underfunded
- \$1.5 Billion Payable to Fully Fund; however, that changes regularly due to fluid formula

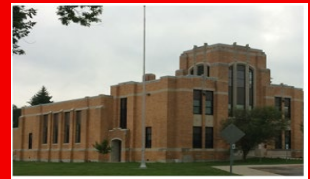


S-VE Revenues

- State Aid
- Property Taxes
- Miscellaneous
- Grants

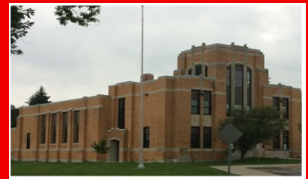


■ Property Taxes ■ State Aid
■ Interest and Other



What is State Aid?

- State Aid is general support for Public Schools provided by the NYS government
- Consists of Foundation Aid, Expense Driven Aids and Grant Programs
- The Budget has proposed a 3.0% increase over 21-22 (over \$1.6 Billion Increase)



Foundation Aid

- According to NYSSBA and ASBO New York Spencer-Van Etten is not fully funded
- 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
- 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 projection



Proposed Aid

- Expense Driven Aids

BOCES

Library

Textbook

Software

Hardware

- Building Aid

- Transportation Aid

- Community Schools Set-aside

- UPK



Basic Foundation Aid

Foundation Aid: The 2021-22 Foundation Aid is equal to: the 2020-21 Foundation Aid base plus the greater of:

- (A) the overall minimum,
- (B) the phase-in increase,
- (C) the minimum increase,**
- or (D) per pupil increase.

\$10,422,390

- A. Overall minimum. The overall minimum ensures Foundation Aid is at least 60 percent phased-in for all districts. This catch-up provision is equal to 60% of total Foundation Aid less the Foundation Aid base.
- B. B. Phase-in increase. This provision phases in Foundation Aid for districts not yet receiving total Foundation Aid. The phase-in percent is multiplied by the difference between total Foundation Aid and the Foundation Aid base. The phase-in percentages are as follows:
 - 49.5 percent for the Rochester, Yonkers, and New York City school districts,
 - 44 percent for the Syracuse and Buffalo City school districts, • 27.28 percent for rural districts with a sparsity factor greater than zero,
 - 27 percent for small city districts, and
 - 26.25 percent for all other districts.
- C. **Minimum increase.** The minimum increase is a 2 percent increase over the 2020-21 Foundation Aid base. **For districts with a sparsity factor greater than zero, the minimum increase is a 3 percent increase.**
- D. Per pupil increase. For districts with a Combined Wealth Ratio for Foundation Aid less than 2.53, this increase is equal to a need adjusted \$300 per pupil. The need adjustment is equal to each district's 3-year average direct certification percent 2 divided by the statewide average of 47.3 percentage.



BOCES Aid

- Aid is based on approved expenditures for administrative, shared services, rental and capital expenditures, plus aid due save harmless.
- Approved expenditures for BOCES Administrative and Shared Services Aids is based on a Salary limit of \$30,000.
- Aid is based on approved 2020-21 administrative and service expenditures and the higher of the millage ratio or the Current AV/2019-20 RWADA Aid Ratio: $(1 - (0.51 * \text{RWADA Wealth Ratio}))$ with a 0.36 minimum and 0.90 maximum.
- Rent and Capital Aids are based on 2021-22 expenditures multiplied by the Current AV/RWADA Aid ratio with a 0.00 minimum and a 0.90 maximum.
- Payable Aid is the sum of these aids including save-harmless.

\$1,432,863

Technology Aid

- Computer Software Aid:
2021-22 Cost of Software up to \$14.98
per student based on Fall 2021 Resident
Public and Non-Public Enrollment

$$\$14.98 \times 852 = \$12,737$$

- Computer Hardware Aid:
2020-21 expenditures or the enrollment for Software Aid
multiplied by \$24.20 times the Current AV/RWADA Aid
Ratio. For the purpose of this estimate, the maximum aid
is shown (enrollment for Software Aid multiplied by
\$24.20 times the Current AV/RWADA Aid Ratio).

\$27,321*

$$812 \times \$24.20 \times .735 = \$14,443$$

Note: Calculation off slightly due to blending of formula for Hardware Aid \$141.



Library and Textbook Aid

Textbook Aid:

2021-22 Cost of Textbooks not to exceed \$58.25 per student based on Fall 2021 Resident Public and Non-Public Enrollment

$$\$58.25 \times 852 = \$49,629$$

\$54,954

Library Materials Aid:

2021-22 Cost of Library Materials not to exceed \$6.25 per student based on Fall 2021 Resident Public and Non-Public Enrollment

$$\$6.25 \times 852 = \$5,325$$



Transportation Aid

- Transportation Aid Ratio = .90
- Based on Non-Allowable Pupil Decimal determined and reported every 3 years

Examples of Aidable Expenditures:

- Salaries for Regular Routes
- Supplies and Materials for the Bus Garage
- Fuel
- Auto parts
- Services related to bus repair
- District share of a Single Health Insurance premium

Examples of Non-Aidable Expenditures:

- District Share of Family Health Insurance Premiums
- Expenses for field trips, athletic trips, staff vehicles, summer transportation for non-disabled students

Note: Transportation Aid should always be reconciled to adjust for funds not spent in the budget. The projection is based on the total operating budget that is reported to the state aid unit. Last year we had a projection of \$1,324,557 in March; however, we will be paid \$1,239,811 according to the state aid unit. If we had budgeted what was projected, our revenue projection would have been short almost \$85,000 in revenue. The district projected \$1,210,000 this year.

\$1,328,593



Building Aid

Building Aid Ratio: .853

Actual Valuation of Taxable Real Property
Resident Weighted Average Daily Attendance



Projected costs based on completed, amortized projects	\$2,376,292
*.853	\$2,026,977

Plus 1967 building reorganization incentive aid	<u>\$ 144,312</u>
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\$2,171,289



Excess Cost Aids

Private Excess Cost

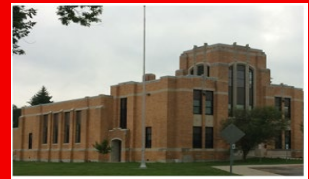
\$ 35,581

Private Excess Cost Aid is for public school students attending private schools for students with disabilities. Net tuition expenditure is multiplied by the Aid Ratio ($1 - (0.15 * CWR)$), with a 0.5 minimum).

High Cost Excess Cost

\$117,853

High Cost Aid expenditures, for students with disabilities attending public schools or BOCES, must exceed the lesser of \$10,000 or four times district 2019-20 Approved Operating Expenditure/TAPU for Expenditure. The aid per pupil equals the allowed expenditure times the Aid Ratio ($1 - (0.51 * CWR)$), with a 0.25 minimum).



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

Total Calculation

Note: All Info. Not Released to Finish the Calculation

Tax Levy 21-22		7,145,248
Tax Base Growth Factor	X	<u>1.01</u>
Subtotal	=	7,183,832
PILOTs receivable prior year	+	199,217
Prior Year Capital Exclusion	-	<u>0</u>
Subtotal	=	7,383,049
Allowable levy growth factor (increase of .77)	X	<u>1.0200</u>
Subtotal	=	7,530,710
PILOTs receivable current year	-	<u>199,217</u>
Total levy limit before exclusions	=	7,331,493
Capital tax levy	+	<u>0</u>
Maximum allowable tax levy (2.61%)	=	7,331,493



Tax Cap Analysis

Increase in CPI

.77%

Tax Cap Last Year

1.93%

Current Projection

2.61%

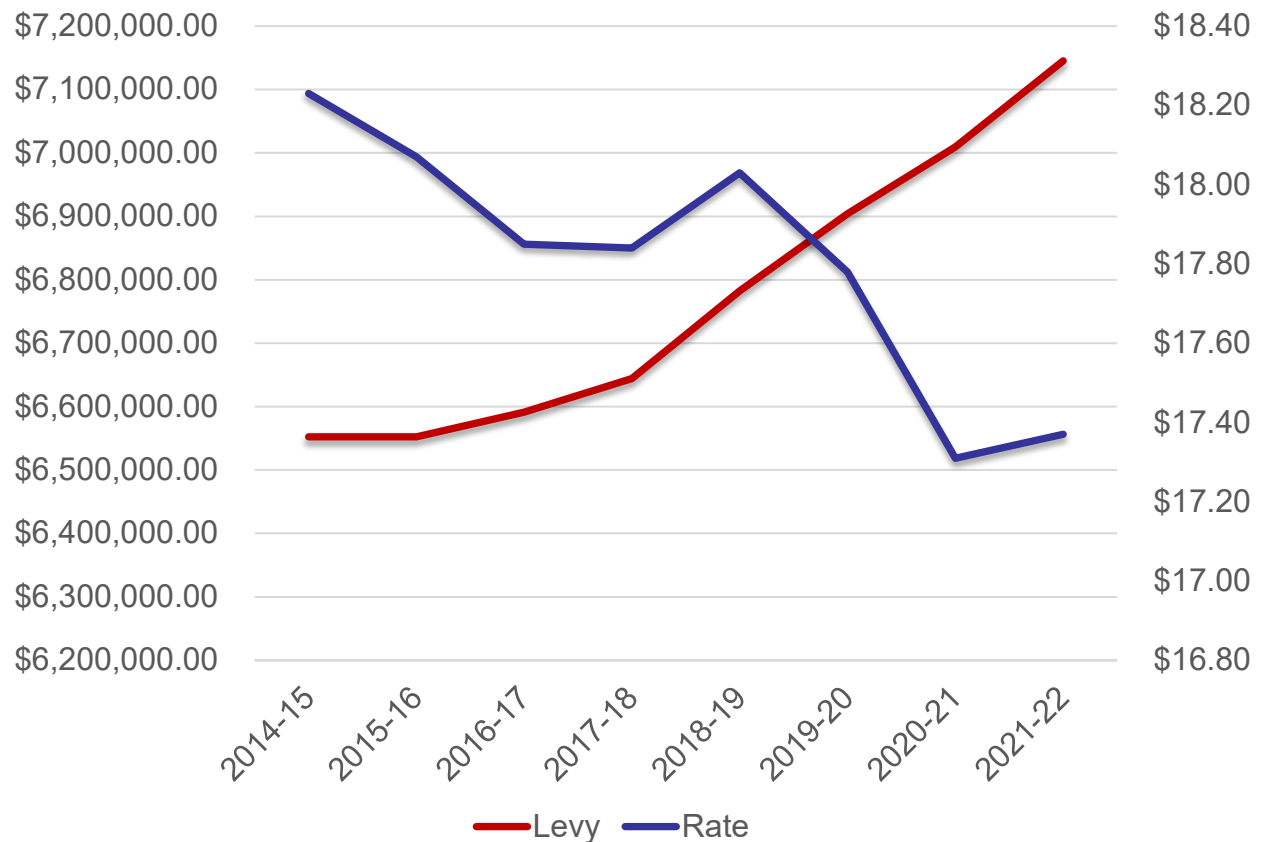
Change Based on CPI

2.70%



Tax Levy vs. Tax Rate

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



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	\$ 7,331,493
PILOTS	\$ 189,676	\$ 199,217
State Aid	\$ 15,164,607	\$ 15,590,844
Other Revenues	\$ 372,300	\$ 372,800
	\$ 22,871,831	\$ 23,494,354

Estimated increase: \$ 622,523



Revenues vs Expenditure Increases

Salaries	↑ \$1,641,194
Additional Staffing	↑ \$ 206,629
Benefits	↑ \$ 600,000
Materials & Supplies	↑ \$ 25,000
Purchased Services	↑ \$ 25,000
BOCES	↑ \$ 290,000
	<hr/>
	\$ 2,787,823
Less: Est Revenue ↑	<hr/>
	622,523
GAP	<hr/>
	\$ 2,165,300



Reserves

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



Unemployment Reserve

- Created in 1997
- Used to reimburse to NYS Unemployment for claims made by employees who have worked at SVE
- Based on actual expenses which vary from year to year

Average Unemployment Expense Over Past 3 Years:
\$18,665

Current reserve balance:
\$200,228.88



Retirement Contribution Reserves

- Created in 2010
- Used to pay employer contribution expenses for the NYS Employees' Retirement System
- Beginning in April 2019, school districts are allowed to establish a sub-fund within the reserve for Teacher's Retirement System contributions

Average Retirement Expense Over Past 3 Years:
\$886,961

Current reserve balance:
\$1,716,978.58



Employee Benefit Liability Reserve

- Created in 2007
- Used to pay for unused, accumulated leave time (sick and vacation) contractually provided to certain groups of employees

Average Employee Benefit Expense Over Past 3 Years:
\$239,883

Current reserve balance:
\$719,648.58



Liability Reserve

- Created in 2018
- Used to pay for property loss and/or liability claims
- Aggregate funding cannot exceed 3% of the annual budget

Average Liability Expense Over Past 3 Years:
\$ 0

Current reserve balance:
\$100,174



Tax Certiorari Reserve

- Created in 2021
- Used to pay for claims on real property tax
- Claim has 4 years to be settled
- Claim filed in 2019 and 2020
- Funds were added to not have a adverse effect to General Fund should the claim be settled and we owe the property owner funds

Average Expense Over Past 3 years:
\$ 0

Current reserve balance:
\$50,002.15



Capital Reserve

- Created in 2020
- Used to offset local share of Borrowing
- District can fund for 10 years
- Maximum of \$3,000,000 may be saved over the 10 years. We have \$1,932,734 left to fully fund, by 2030

Expended \$406,403 for Current Capital Project.

Current reserve balance:
\$660,864



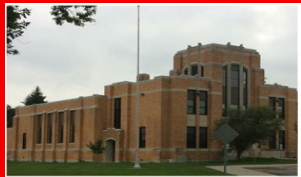
Advocacy Efforts/Recommendations

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



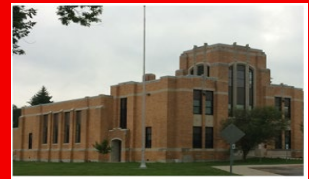
What Was Left Out Advocacy Efforts

- **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
- **Statewide Universal School Meals Program**
- **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**
- **Expect Work to Start on April 11, 2022**



Questions and Comments

Next Meeting:

Monday, February 28, 2022

6:00 pm

Via Zoom

Thank You for Volunteering
to be Part of our Budget Discussions!

Together we Achieve!

