

# BRIGHTON CENTRAL SCHOOL DISTRICT

## Budget Discussion 2021-22



FRENCH ROAD ELEMENTARY SCHOOL



Presented to the  
Board of Education  
February 23, 2021

## Topics for Discussion

1. Update on spending projections
  - a. Reconciliation of BOCES request for services
  - b. Updated staffing projections to account for retirements and grant chargebacks
2. Update on debt services and tax levy impact
3. Impact of Executive Budget and local revenue projections
4. Final Tax Cap computation

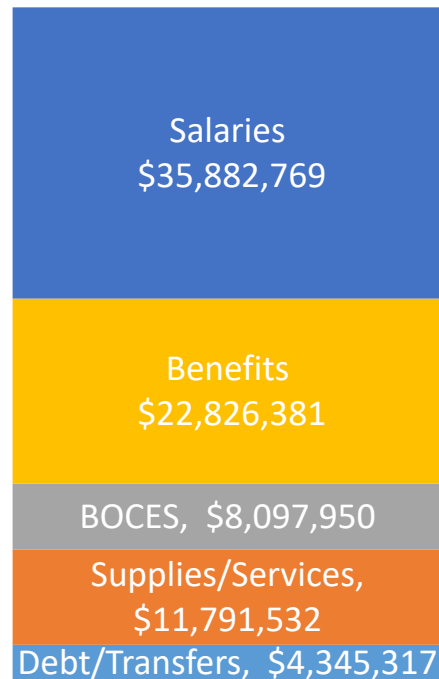
# 2021-22 Budget Development Update

## EXPENDITURES BY OBJECT

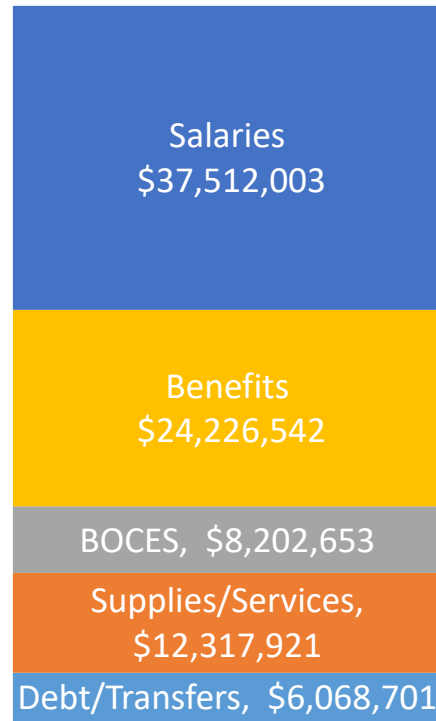
■ Debt/Transfers ■ Supplies/Services ■ BOCES ■ Benefits ■ Salaries

Preliminary Budget = 88.33M +\$5.4M (6.5%)  
(\$3.6M (4.7%) Operations; \$1.7M (2.1%) Capital)

Updated Budget= 87.33M +\$5.4M (5.3%)  
(\$3.4M (4.1%) Operations; \$0.95M (1.1%) Capital)



2020-21 ADOPTED



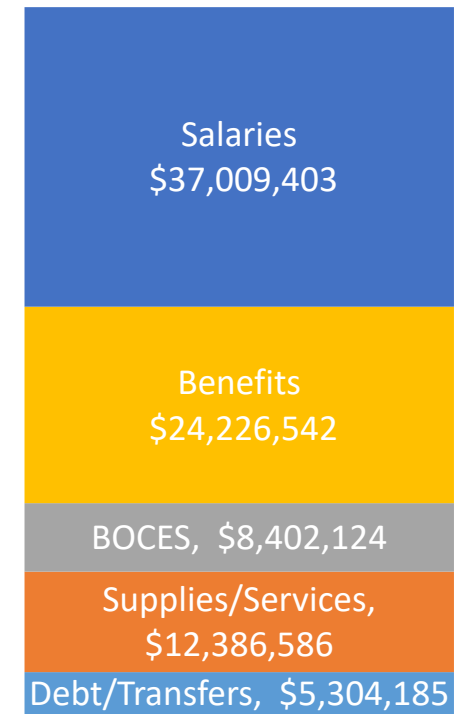
2021-22 PRELIM

Less: \$500K  
Retirements  
Grants

Add: \$200K  
Tech, Occ Ed.

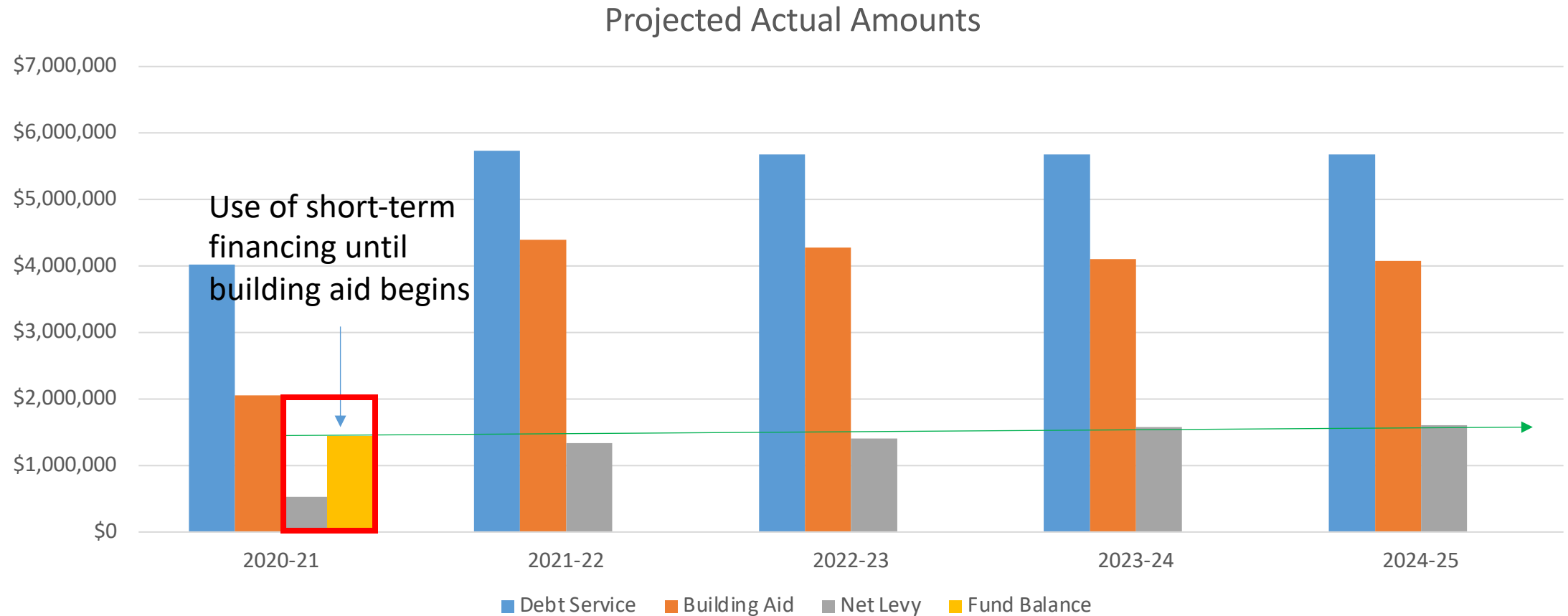
Less: \$766K

Updated Debt Sch.

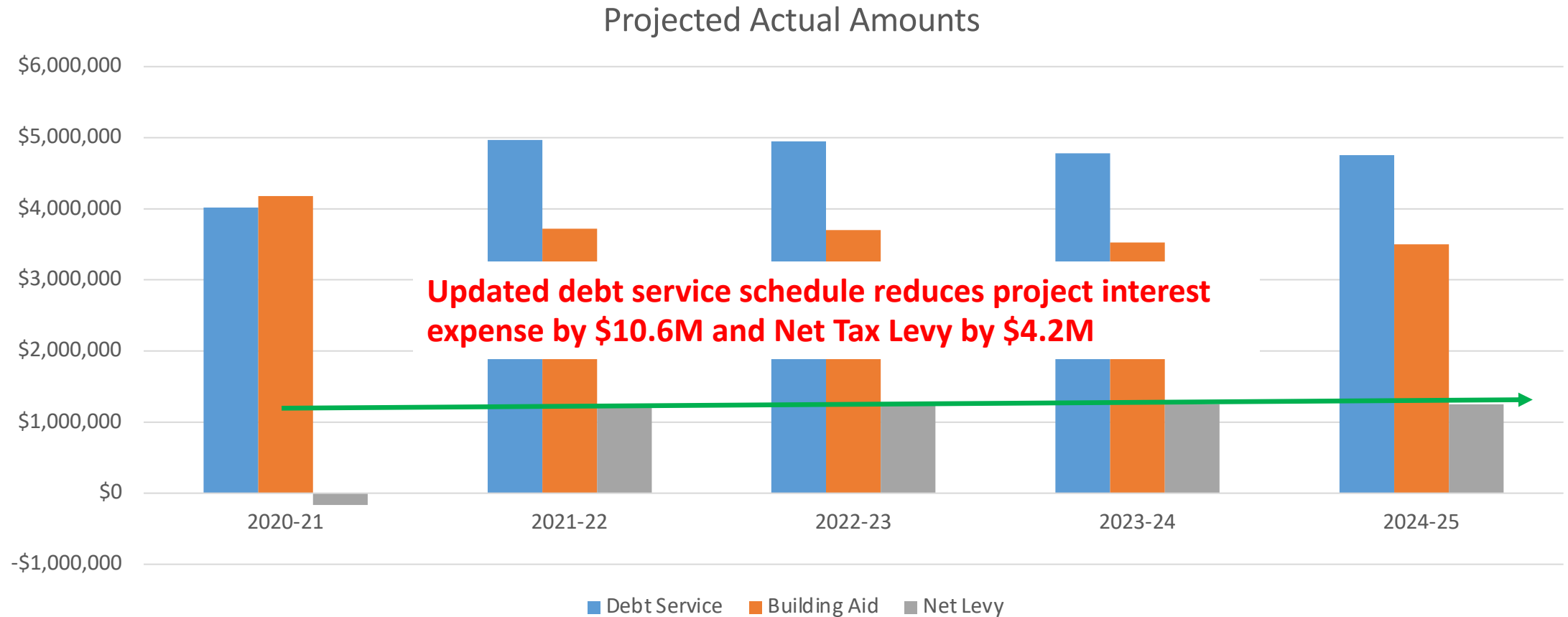


2021-22 UPDATED

# Debt Services – Prior Year Projection



# Debt Services – Current Year Projection

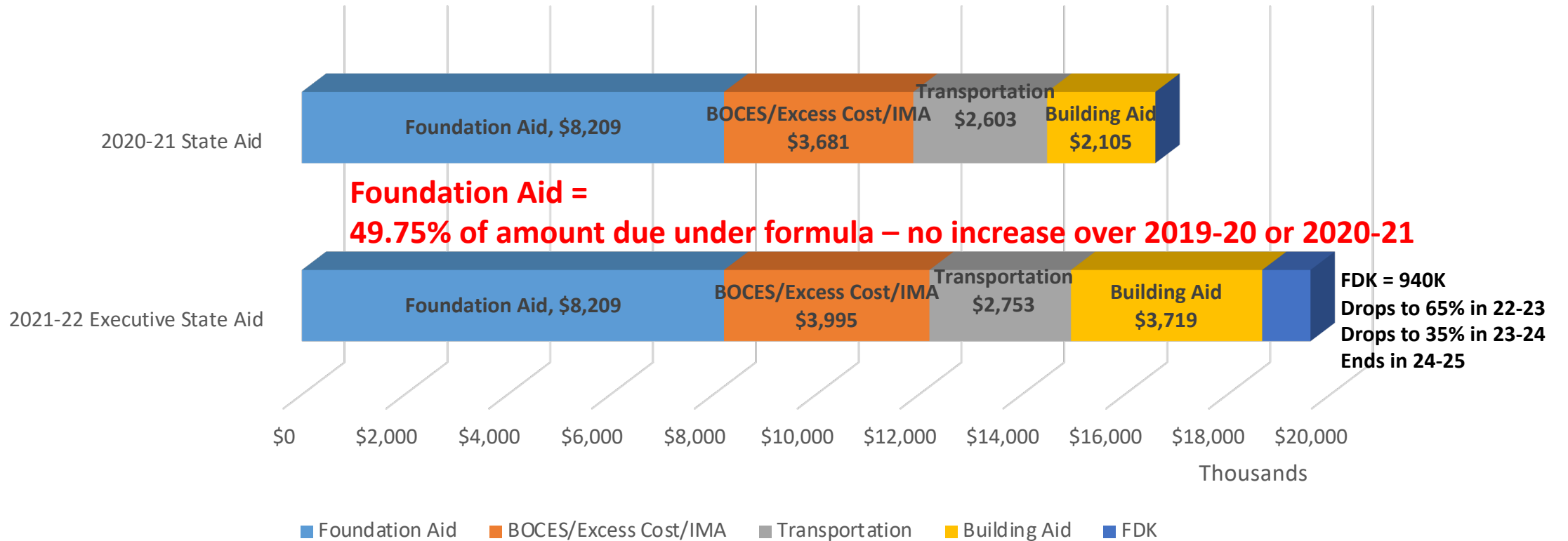


# Estimated Revenues

| SOURCE                             | 2020-21 Adopted     | 2021-22 Prelim      | DIFFERENCE           |                |
|------------------------------------|---------------------|---------------------|----------------------|----------------|
|                                    |                     |                     | \$                   | %              |
| SALES TAX                          | \$3,038,826         | \$3,281,282         | \$242,456            | 7.98%          |
| INVESTMENT INCOME                  | \$10,325            | \$10,325            | \$0                  | 0.00%          |
| RENTAL OF REAL PROPERTY            | \$286,209           | \$285,865           | (\$344)              | -0.12%         |
| CHARGES FOR SERVICES TO NON-PUBLIC | \$1,590,790         | \$1,806,138         | \$215,348            | 13.54%         |
| REFUNDS/RECOVERIES                 | \$595,668           | \$546,562           | (\$49,106)           | -8.24%         |
| STATE & FEDERAL AID                | \$17,274,348        | \$20,375,927        | \$3,101,579          | 17.95%         |
| <b>SUB TOTAL LOCAL SOURCES</b>     | <b>\$22,796,166</b> | <b>\$26,306,099</b> | <b>\$3,509,933</b>   | <b>15.40%</b>  |
| USE OF RESERVES                    | \$1,761,000         | \$465,000           | (\$1,296,000)        | -73.59%        |
| APPROPRIATED FUND BALANCE          | \$2,600,000         | \$2,600,000         | \$0                  | 0.00%          |
| <b>SUB TOTAL FINANCING SOURCES</b> | <b>\$4,361,000</b>  | <b>\$3,065,000</b>  | <b>(\$1,296,000)</b> | <b>-29.72%</b> |
| PROPERTY LEVY                      | \$55,545,890        | \$57,130,930        | \$1,585,040          | 2.85%          |
| PAYMENT IN LIEU OF TAXES           | \$240,893           | \$143,324           | (\$97,569)           | -40.50%        |
| <b>SUB TOTAL PROPERTY TAXES</b>    | <b>\$55,786,783</b> | <b>\$57,274,254</b> | <b>\$1,487,471</b>   | <b>2.67%</b>   |
| <b>TOTAL</b>                       | <b>\$82,943,949</b> | <b>\$86,645,353</b> | <b>\$3,701,404</b>   | <b>4.46%</b>   |

# Executive Budget

Estimated State Aid – Budget Comparison



# Scary Points of Governor's Budget

- Relies on Federal funds and includes “Local District Funding Adjustment” of \$3,256,351 (applied against STAR)
- New rules with STAR:
  - Requiring property owner trying to switch from the basic STAR to the enhanced STAR program and mobile homeowners to give up the exemption in favor of the STAR credit.
  - Requiring any property owner switching from the STAR exemption to the STAR credit program to do so by May 1, 2021 in order to receive the credit on the current school year's tax bill.
    - Those who do not make the change on time will receive the exemption for the current year, and any difference generated by the credit as a check. The current deadline is June 15.
- The Executive Budget is proposing combining eleven aid categories with a new reduction called the *Service Aid Reduction*
  - Aids that are combined would be computed based on the November 2020 School Aid run (“CL212-2”)

Source: Questar III BOCES



# Governor's Budget, Continued

## Service Aid Categories

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

## Proposal

- Aid categories would be combined and not separately calculated in the future
- Going forward aids would not be expense driven
  - **Increased spending would not directly generate additional aid in the following year**
- Requirement to share instructional materials aid with private schools would still be in place
- **No mandate relief**

Source: Questar III BOCES

# What About 2022-23 and Beyond?

42

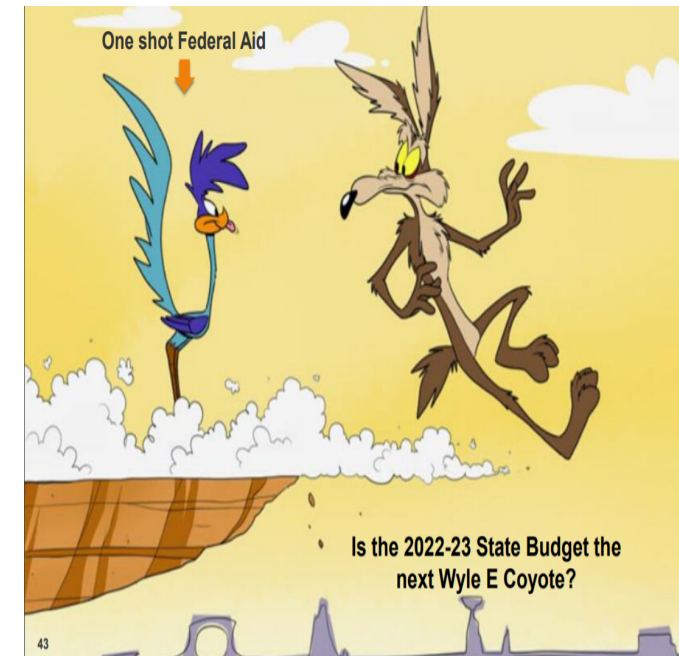
## 2021-22 Proposal

|                                |                       |
|--------------------------------|-----------------------|
| State Aid                      | 26,769,866,846        |
| Local District<br>Funding Adj. | (1,352,361,404)       |
| Net State Aid                  | 25,417,505,442        |
| Federal Aid                    | <u>3,851,881,953</u>  |
| Total                          | <u>29,269,197,395</u> |

If Approved,  
2022-23

State Budget's base  
for School Aid will be:  
**\$25,417,505,442**

Anything above that  
amount would need to  
be School Aid  
increase....



# Budget Gap

|   | <b>2021-22<br/>Preliminary<br/>Budget</b> | <b>\$<br/>Change<br/>from 20-21<br/>Budget</b> | <b>%<br/>Change</b> |
|---|---|--|---------------------|
| A) Total Preliminary Budget Amount  | \$87,328,840                              | \$4,384,891                                    | 5.30%               |
| B) Total Revenues Other Than Real Property Taxes (Excluding Tax Levy)         | 18,240,031                                | 3,412,364                                      | 14.8%               |
| C) Unrestricted Foundation Aid  | 8,209,392                                 | -  | 0.0%                |
| D) Amount of Fund Balance Used for Levy of Tax                                | 3,065,000                                 | -  | 0.0%                |
| D) Non-Property Tax Revenues (B+C+D)  | \$29,514,423                              | 3,412,364                                      |                     |
| <b>E) Total Real Property Tax Levy to be Raised for School Purposes (A-D)</b> | <b>\$57,814,417</b>                       | 4.08%  |                     |
| <b>Property Tax Levy Limit</b>  | \$57,130,930                              | 2.85%  |                     |
| <b>Amount in Excess of Tax Cap Limit</b>                                      | <b>\$683,487</b>                          |  |                     |

# Property Tax Cap Projections

## NY - Tax Cap Calculator FY21

| Tax Levy Limit Before Adjustments and Exclusions                              | 2021                | 2022                | 2023                | 2024                |
|---|---------------------|---------------------|---------------------|---------------------|
| Prior FYE Tax Levy  | \$53,498,730        | \$55,545,849        | \$57,130,930        | \$58,150,773        |
| Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year | \$0                 | \$0                 | \$0                 | \$0                 |
| Total Tax Cap Reserve Amount (including interest earned from Prior FYE)       | \$0                 | \$0                 | \$0                 | \$0                 |
| Tax Base Growth Factor  | 1.0016              | 1.0019              | 1.0018              | 1.0018              |
|   | 2021                | 2022                | 2023                | 2024                |
| PILOTs Receivable from Prior FYE  | \$225,560           | \$240,893           | \$143,324           | \$159,583           |
| Tort Exclusion Amount Claimed in Prior FYE                                    | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Levy for Prior FYE  | \$0                 | \$1,002,895         | \$1,709,730         | \$1,613,150         |
| Adjusted Capital Levy for Prior FYE   | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Levy for Prior FYE used in Calculation                                | \$0                 | \$1,002,895         | \$1,709,730         | \$1,613,150         |
| Allowable Growth Factor   | 1.0181              | 1.0123              | 1.0185              | 1.0200              |
| PILOTs Receivable for Current FYE   | \$240,893           | \$143,324           | \$159,583           | \$169,851           |
| Available Carryover from Prior FYE  | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>TOTAL LEVY LIMIT BEFORE ADJUSTMENTS/EXCLUSIONS</b>                         | <b>\$54,542,954</b> | <b>\$55,421,200</b> | <b>\$56,537,623</b> | <b>\$57,768,064</b> |
| Exclusions  | 2021                | 2022                | 2023                | 2024                |
| Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%    | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Levy for Current FYE  | \$1,002,895         | \$1,709,730         | \$1,613,150         | \$1,458,618         |
| ERS contribution increase greater than 2%                                     | \$0                 | \$0                 | \$0                 | \$0                 |
| TRS contribution increase greater than 2%                                     | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>TOTAL EXCLUSIONS</b>   | <b>\$1,002,895</b>  | <b>\$1,709,730</b>  | <b>\$1,613,150</b>  | <b>\$1,458,618</b>  |
| <b>TAX LEVY LIMIT, ADJUSTED FOR TRANSFERS, PLUS EXCLUSIONS</b>                | <b>\$55,545,849</b> | <b>\$57,130,930</b> | <b>\$58,150,773</b> | <b>\$59,226,682</b> |
|   | 2021                | 2022                | 2023                | 2024                |
| Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy                  | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Proposed Tax Levy \$</b>   | <b>\$55,545,849</b> | <b>\$57,130,930</b> | <b>\$58,150,773</b> | <b>\$59,226,682</b> |
| <b>OR Proposed Tax Levy %</b>   | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        | <b>0.00%</b>        |
| <b>CURRENT FYE PROPOSED LEVY, \$ entry</b>                                    | <b>\$55,545,849</b> | <b>\$57,130,930</b> | <b>\$58,150,773</b> | <b>\$59,226,682</b> |
| <b>CURRENT FYE PROPOSED LEVY, % entry</b>                                     | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          |
| <b>CURRENT FYE PROPOSED LEVY, NET OF RESERVE %</b>                            | <b>3.83%</b>        | <b>2.85%</b>        | <b>1.79%</b>        | <b>1.85%</b>        |
| <b>TAX LEVY LIMIT %</b>   | <b>3.83%</b>        | <b>2.85%</b>        | <b>1.79%</b>        | <b>1.85%</b>        |
| <b>DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY</b>                    | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          |
| <b>YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY</b>                     | <b>\$2,047,119</b>  | <b>\$1,585,081</b>  | <b>\$1,019,843</b>  | <b>\$1,075,909</b>  |

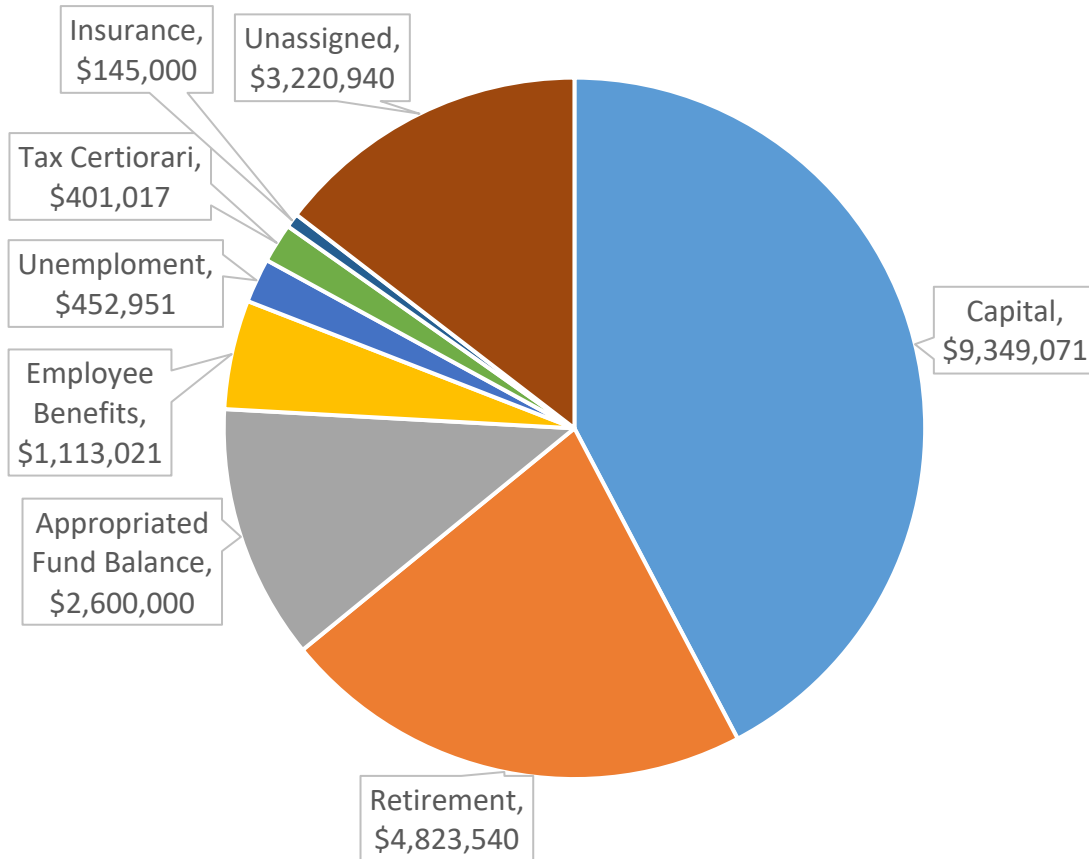
Allowable growth factor allows for \$683,000, or 0.8% increase in spending

# Capital Exclusion

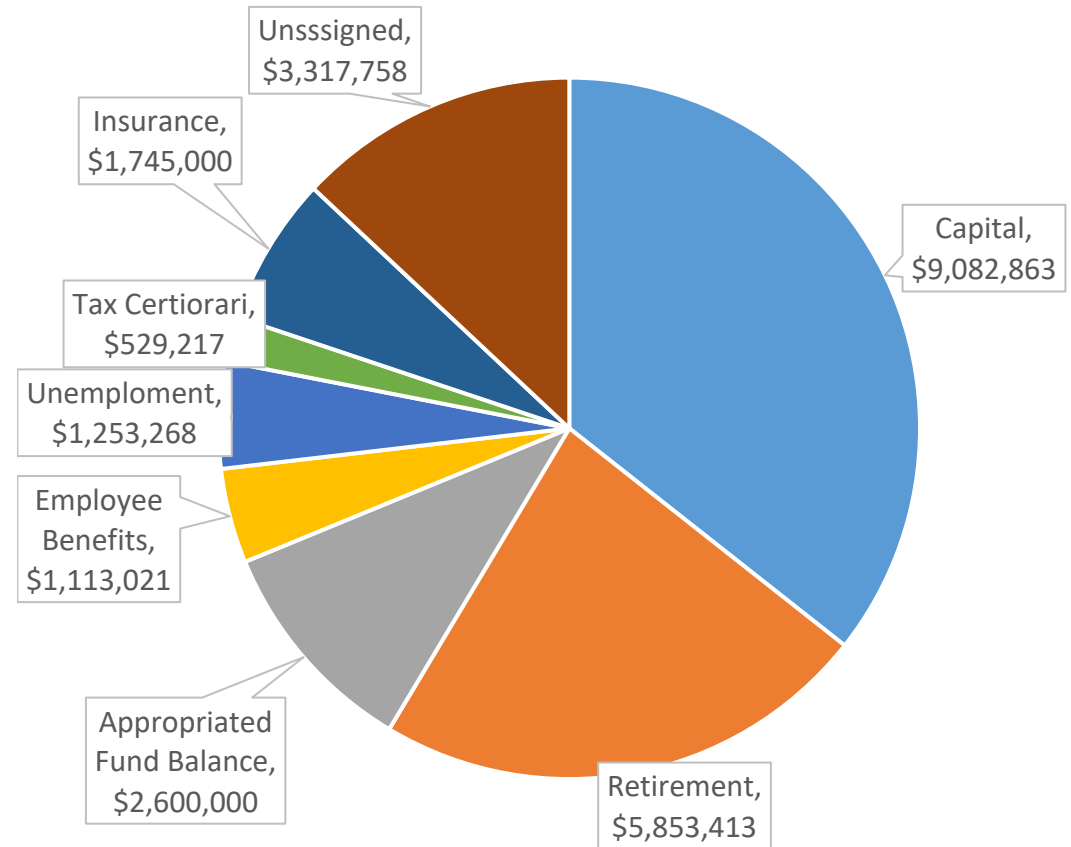
|   |              | 2019-20 Capital Levy | 2020-21 Capital Levy | 21-22            | 22-23            | 23-24            | 24-25            | 25-26            |
|---|--------------|----------------------|----------------------|------------------|------------------|------------------|------------------|------------------|
| Debt Service                              |              | \$1,500,929          | \$4,023,817          | 4,969,185        | 4,951,281        | 4,779,575        | 4,755,250        | 4,282,063        |
| State Aid - BFIP                          |              | -\$84,682            | -\$170,251           | (3,718,750)      | (3,699,773)      | (3,528,224)      | (3,503,032)      | (3,402,944)      |
| State Aid - Non-BFIP                      |              | -\$2,125,827         | -\$1,881,895         |                  |                  |                  |                  |                  |
| Debt Service Offsets                      |              |                      | -\$1,240,000         |                  |                  |                  |                  |                  |
| <b>Net Exclusion</b>                      | <b>A</b>     | <b>-\$709,580</b>    | <b>\$731,671</b>     | <b>1,250,435</b> | <b>1,251,508</b> | <b>1,251,351</b> | <b>1,252,218</b> | <b>879,119</b>   |
| BOCES - Capital                           |              | \$345,244            | \$345,757            | \$336,123        | \$336,123        | \$336,123        | \$336,123        | \$336,123        |
| BOCES 2019 Capital                        |              |                      | \$182,830            | 847,665          | 598,352          | 199,451          |                  |                  |
| BOCES - Facilities Aid                    |              | -\$229,242           | -\$257,363           | -\$725,493       | -\$572,833       | -\$328,307       | -\$206,043       | -\$206,043       |
| <b>Net Exclusion</b>                      | <b>B</b>     | <b>\$116,002</b>     | <b>\$271,224</b>     | <b>\$458,295</b> | <b>\$361,642</b> | <b>\$207,267</b> | <b>\$130,080</b> | <b>\$130,080</b> |
| <b>Total Exclusion - Including BOCES</b>  | <b>A + B</b> | <b>-\$593,578</b>    | <b>\$1,002,895</b>   | <b>1,708,730</b> | <b>1,613,150</b> | <b>1,458,618</b> | <b>1,382,298</b> | <b>1,009,199</b> |
| Effective Exclusion - can not be negative |              | \$0                  | \$1,002,895          |                  |                  |                  |                  |                  |
|   |              |                      |                      |                  |                  |                  |                  |                  |

# Assessment of Financial Condition

**June 30, 2019**



**June 30, 2020**





# Example Strategy to Implement FDK without Spending Reductions

|         | FDK<br>A  | Use of Reserve<br>B | Short-Term<br>Source<br>(A + B) | Funding Cliff | % of Levy | App. Fund Balance | Reserve Balance |
|---------|-----------|---------------------|---------------------------------|---------------|-----------|-------------------|-----------------|
| 2021-22 | \$940,000 | \$650,000           | \$1,590,000                     |               | \$0       | \$3,065,000       | \$5,800,000     |
| 2022-23 | \$611,000 | \$800,000           | \$1,411,000                     | -\$179,000    | 0.31%     | \$3,065,000       | \$5,000,000     |
| 2023-24 | \$329,000 | \$1,000,000         | \$1,329,000                     | -\$82,000     | 0.14%     | \$3,065,000       | \$4,000,000     |
| 2024-25 | \$0       | \$1,000,000         | \$1,000,000                     | -\$329,000    | 0.54%     | \$3,065,000       | \$3,000,000     |
| 2025-26 | \$0       | \$800,000           | \$800,000                       | -\$200,000    | 0.32%     | \$3,065,000       | \$2,200,000     |
| 2026-27 | \$0       | \$600,000           | \$600,000                       | -\$200,000    | 0.32%     | \$3,065,000       | \$1,600,000     |
| 2027-28 | \$0       | \$300,000           | \$300,000                       | -\$300,000    | 0.47%     | \$3,065,000       | \$1,300,000     |
| 2028-29 | \$0       | \$0                 | \$0                             | -\$300,000    | 0.46%     | \$3,065,000       | \$1,300,000     |
|         |           |                     |                                 |               |           |                   |                 |



## Next Steps

- Continue to monitor budget-to-actual projections to analyze assumptions used in preliminary budget
- Collaborate with building principals and department managers to:
  1. Assess opportunities for efficiencies
  2. Evaluate the impact of cost reduction strategies
- Further evaluate use of reserves as short-term financing strategy
- Continue advocacy efforts for additional funding and mandate relief