



Memorandum

To: Dr. Kevin McGowan

From: Lou Alaimo

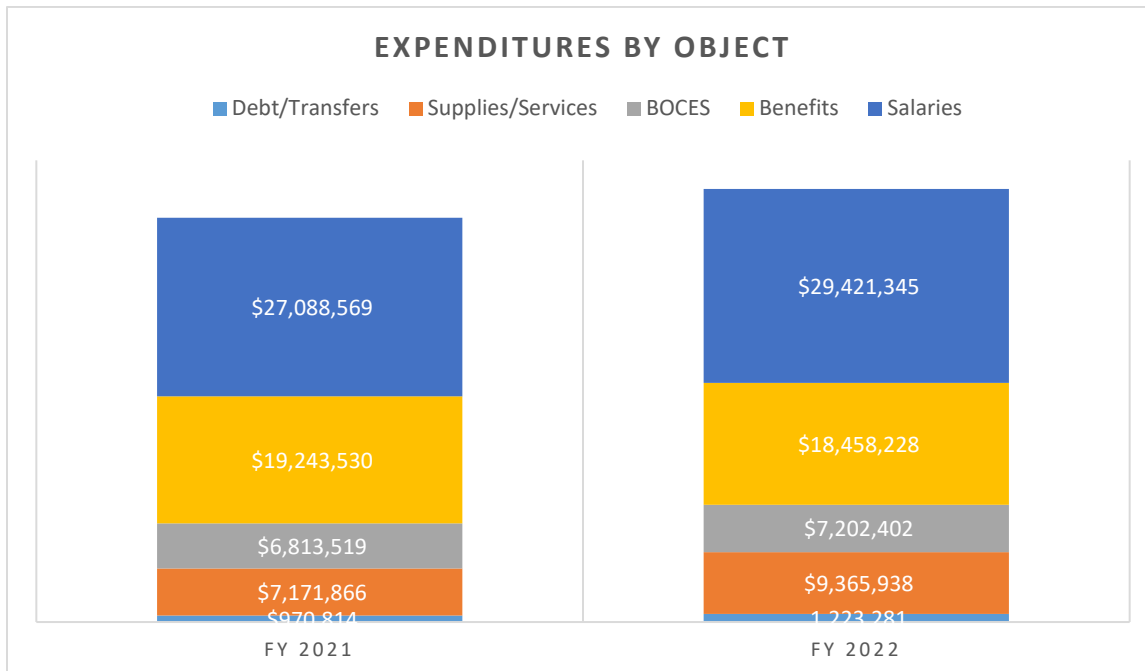
Date: June 29, 2022

Re: Executive Summary: Budget Status Report

The purpose of this memo is to provide an executive summary of the Budget Status Report for the period ending May 31, 2022.

Year-to-Date Expenditures

As of May 31, 2022, YTD expenditures totaled \$65,671,194. Compared to the prior year-to-date expenditures through May 31, 2021, spending is \$4,382,896, or 7.2% greater. The chart below provides a comparison of the major cost drivers:



Salaries and Wages: YTD payroll expense is \$2,332,776 or 8.6% greater than prior year:

Salaries	2021	2022	Change	% Change
Admin	\$ 2,086,902	\$ 2,083,046	\$ (3,856)	-0.2%
Teaching/Supervision	20,077,324	21,812,952	1,735,628	8.6%
Non-Certificated	4,924,343	5,525,347	601,004	12.2%
	<u>\$ 27,088,569</u>	<u>\$ 29,421,345</u>	<u>\$ 2,332,776</u>	<u>8.6%</u>

The change in salaries from prior year is attributable to the following:

- Attrition in administrative salaries and vacancy during summer of 2021, offset by addition of administrative position in January, 2022.
- Increased number of teaching positions due to full-day kindergarten and restoration of certain instructional positions.
- Increase in substitute teacher costs.
- Reopening of schools and afterschool activities increases overtime and supervision costs.
- Less vacancies in custodial maintenance compared to prior year.
- Increase in hourly wages responsive to change in minimum wage and market trends.

Employee Benefits: YTD benefits expense is \$785,302, or 4.1% less than prior year. Health insurance rates increased 6.2% in January 2022, therefore the decrease in expense is related to number of invoices paid-to-date. Pension contributions are greater due to increase in payroll and contribution rates. Payroll taxes are consistent with payroll trends. Other benefits are greater than last year due to increase in Workers' Compensation Premiums and the number of non-elective contributions to health savings accounts (as incentive for opting out of district-sponsored health insurance).

Employee Benefits	2021	2022	Change	% Change
Health Insurances	\$ 14,048,152	\$ 12,560,148	\$ (1,488,004)	-10.6%
Retirement	2,747,396	3,107,678	360,282	13.1%
Payroll Taxes	2,060,311	2,265,190	204,879	9.9%
Other Benefits	387,671	525,212	137,541	35.5%
	<u>\$ 19,243,530</u>	<u>\$ 18,458,228</u>	<u>\$ (785,302)</u>	<u>-4.1%</u>

BOCES: On the subsequent page is a breakdown of the primary BOCES functions subscribed to by the District. The comparison represents a one-month lag based on timing of when invoices were paid. Spending on instructional technology will be less than prior year due to last year's investment to become 1:1 for the hybrid learning model. We expect though that there will be a larger investment in the fourth quarter as the District prepares for 2022-23.

BOCES	2021	2022	Change	% Change
Admin Fees	\$ 584,402	\$ 632,515	\$ 48,113	8.2%
Business/Technology Services	769,419	1,070,584	301,165	39.1%
General Ed/Professional Dev.	494,168	657,347	163,179	33.0%
Special Education	2,912,352	3,507,786	595,434	20.4%
Occ Education	304,426	460,548	156,122	51.3%
Instructional Technology	1,391,902	521,016	(870,886)	-62.6%
Transportation	356,850	352,606	(4,244)	-1.2%
	\$6,813,519	\$ 7,202,402	\$ 388,883	5.7%

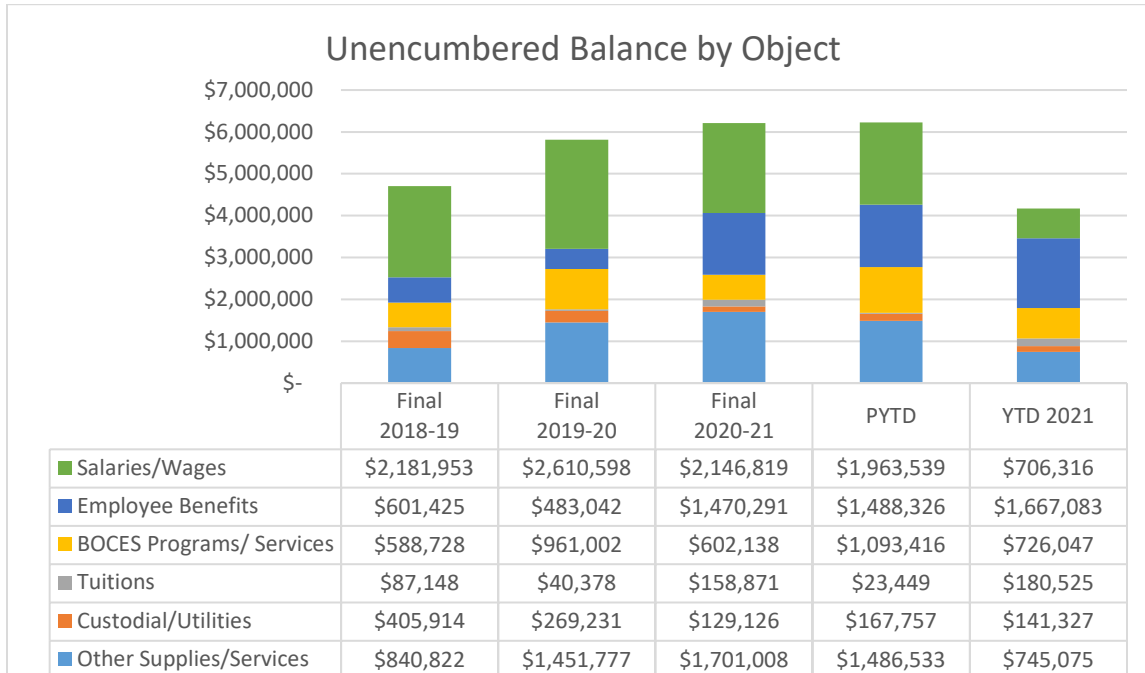
Supplies and Services: YTD expenses on supplies and services total \$2,194,072 greater than prior year and debt/transfers are \$252,467 greater than prior year:

Supplies, Services, Transfers	2021	2022	Change
Legal Fees	\$ 142,979	\$ 268,454	\$ 125,475
Utilities/Custodial	821,370	1,096,963	275,593
Maintenance Projects	303,424	331,359	27,935
Printing/Mailing	79,803	121,253	41,450
Insurances	226,095	224,516	(1,579)
Assessments and Dues	58,170	302,820	244,650
School Supplies and Materials	371,467	476,672	105,205
Charter School Tuitions	220,973	332,160	111,186
Spec Ed. Contracts/Tuitions	1,561,411	1,847,575	286,164
Contract Transportation	2,371,238	3,224,858	853,620
All Other Supplies and Services	1,014,936	1,139,308	124,373
Total	7,171,866	9,365,938	2,194,072
Debt Service/Transfers	970,814	1,223,281	252,467

Notable changes:

1. Legal fees have increased due to pending litigation and independent hearings initiated.
2. Utility rates and delivery charges have increased. In addition, utilization is greater with more activities occurring in the buildings.
3. Assessments and Dues reflects a tax refund related to a COMIDA property.
4. Special education tuitions have increased due to the number of placements outside of the District.
5. Contract transportation has increased due to increased number mandated out-of-District transports that cannot be combined with regular routes.

Unencumbered Balances: The unencumbered balance as of May 31, 2022 is estimated at \$4,166,373. Below is a comparison to prior year projected-to-actual:



Budget Monitoring Notes:

This projection considers activity through June 28th. The Reserve Fund plan document, approved by the Board in June, outlines the administration’s recommendations for disposition of year-end fund balance.