

2022-23 Budget Work Session

APRIL 6, 2022

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Iroquois Vision

Building on tradition to support and encourage all to excel through innovation, inspiration, and inclusivity.

Iroquois Mission

The Iroquois Central School District will provide academically challenging, relevant and purposeful learning experiences in partnership with parents and the community. We are committed to an engaged and inclusive approach that encourages innovation and creativity, preparing students for success in an ever-changing world.

Considerations for the Budget Process

1. We are completely and unwaveringly committed to serving the interests of our students.
2. We are committed to exercising care and good judgment in managing the resources with which we are entrusted.
3. We are committed to conducting our business in an open, objective, and professional manner.
4. We are future-focused planning and committed to constant improvement.

Agenda

Budget Philosophy

Revenues

- Tax Levy
- State Aid

Expenses

Propositions

Next Steps – From February Meeting

Finalize tax cap calculation.

Review budget projections with departments and administrators.

Review current plan for use of reserves/unallocated fund balance.

Evaluate impact of retirements and enrollment changes.

Monitor and adjust State Aid projection.

Review BOCES projected contracts for 2022-23

Budget Philosophy

Planning to protect instructional programs against State aid and tax levy fluctuations.

Concerns:

- Impact of Federal funding in future years
- **Consumer Price Index – 4.70%**
 - State Aid and Tax Cap does not support higher costs driven by CPI
- New State mandates
- State aid distribution philosophy

Reserve Plan

RESERVE	6/30/2021	Inc/Decr	6/30/2022	Use Year 1	Estimated	Planned use			
	Actual	2021-22	Estimated (+ Interest)	2022-23	6/30/2023	Year 2 2023-24	Year 3 2024-25	Year 4 2025-26	Year 5 2026-27
Tax Certiorari	179,205	0	179,205	0	179,205	0	0	0	0
Insurance Reserve	213,974	0	213,974	0	213,974	0	0	0	0
General Capital Reserve 2019	876,799	600,000	1,476,799	0	1,476,799	1,000,000	1,000,000	1,000,000	1,000,000
Res for Repairs 5/18/09	108,103	(43,331)	64,772	0	64,772	0	0	0	0
Res for Repairs 5/15/12	461,273	0	461,273	0	461,273	(100,000)	(125,000)	(125,000)	(100,000)
SUB TOTAL	1,839,354	556,669	2,396,023	0	2,396,023	900,000	875,000	875,000	900,000

Reserve Plan

	6/30/2021	Inc/Decr	6/30/2022	Use Year 1	Estimated	Planned use			
RESERVE	Actual	2021-22	Estimated	2022-23	6/30/2023	Year 2	Year 3	Year 4	Year 5
						2023-24	2024-25	2025-26	2026-27
Unemployment Ins Res	310,402	(5,000)	305,402	(5,000)	300,402	(5,000)	(5,000)	(5,000)	(5,000)
Employee Benefit	1,251,901	(148,691)	1,103,210	(248,691)	854,519	(175,000)	(150,000)	(150,000)	(150,000)
Worker's Comp. Reserve	211,249	(25,000)	186,249	(50,000)	136,249	(40,000)	(30,000)	0	0
Employee Retirement System	504,626	0	504,626	(125,000)	379,626	(100,000)	(100,000)	(50,000)	(50,000)
Teacher Retirement System	250,269	200,000	450,269	0	450,269	50,000	50,000	50,000	
Debt Service	3,375	0	3,375	0	3,375	0	0	0	0
SUB TOTAL	2,531,822	21,309	2,553,131	(428,691)	2,124,440	(270,000)	(235,000)	(155,000)	(205,000)
TOTAL:	4,371,176	577,978	4,949,154	(428,691)	4,520,463	630,000	640,000	720,000	695,000

New York State Office of State Comptroller Fiscal Stress Monitoring System Report

Updated January 2022:

Financial Score:	0	No Designation
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Environmental Score:	0	No Designation
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Summary: At this time, the District is in a good position to provide consistent educational services without going beyond the tax cap limit.

Factors That Impact the Tax Cap Calculation

CPI

PILOT Payments

Identified Exemptions

Tax Base Growth Factor

Tax Cap Factors

CPI – 4.70% for 2022-23 Calculation – Maximum allowed: 2%

PILOT Payments: Increase by \$10,624

Tax Base Growth Factor (1.0064 for 2022-23)

Exclusions:

Local Capital Expenditure Exclusion (Not Applicable)

Retirement System increase over 2 percentage points (Not Applicable)

These factors result in a tax levy that can be below or above 2%

Iroquois CSD - 2022-23 Tax Levy Limit Calculation

Prior Year Tax Levy (2021-22)	\$31,689,268
Multiply by Tax Base Growth Factor (from State Comptroller)	<u>1.0064</u>
	31,892,079
Add PILOTS from Prior Year (2021-22)	119,071
Subtract prior year exemptions (Capital 2021-22)	-\$37,557
Subtract court orders/judgments prior year (2021-22)	<u>0</u>
Adjusted Prior Year (2021-22) Levy	<u><u>\$31,973,593</u></u>

2022-23

Multiplied by Allowable Levy Growth Factor	1.02%	32,613,065
Subtract PILOTS for upcoming year 2022-23		-\$129,695
Add Available Carryover		<u>\$0</u>
"Tax Levy Limit Before Exemptions"		<u><u>\$32,483,370</u></u>
Add upcoming year (2022-23) exemptions - Capital		\$0
Add upcoming year (2022-23) exemptions - Pension		\$0
Add Court Orders/Judgments upcoming year (2022-23)		<u>\$0</u>
Maximum Allowable Tax Levy 2022-23		<u><u>\$32,483,370</u></u>
Allowed \$ Increase to Tax Levy		\$794,102
Allowed % Increase to Tax Levy		2.51%

Tax Levy Increase History

2015-16	3.41%
2016-17	0.81%
2017-18	2.58%
2018-19	2.89%
2019-20	2.77%
2020-21	2.08%
2021-22	1.96%
2022-23	2.51%

Estimated Tax Impact

County	Town	Property Value	Equalized Assessed Property Value	Actual 2021-22 Tax Rate (/\$1,000)	2022-23		
					Estimated Tax Rate (/ \$1,000)	Est. Dollar Tax Increase	Estimated % Increase
Erie	Aurora	\$ 200,000	\$ 58,000.00	47.26	48.44	\$ 68.68	2.51%
Erie	Elma	\$ 200,000	\$ 7,220.00	380.81	390.35	\$ 68.89	2.51%
Erie	Lancaster	\$ 200,000	\$ 200,000.00	13.95	14.30	\$ 69.89	2.51%
Erie	Marilla	\$ 200,000	\$ 64,000.00	43.02	44.10	\$ 68.99	2.51%
Erie	Wales	\$ 200,000	\$ 70,000.00	39.25	40.24	\$ 68.85	2.51%
Wyoming	Bennington	\$ 200,000	\$ 71,000.00	41.75	42.90	\$ 81.54	2.75%

*Does not include STAR subsidies.

*Individual Assessments may vary.

*Estimates are based on 2021-22 equalization rates and property values. They **will change** for 2022-23.

Review of Tax Rates per \$1,000

Year	Projected Increase (Full Value)		August Actual Increase (Full Value)		Equalized Tax Rate
	\$ per 1,000	% per 1,000	\$ per 1,000	% per 1,000	
2016-17	\$0.03	0.81%	-\$0.73	-4.52%	\$15.33
2017-18	\$0.39	2.54%	-\$0.36	-2.40%	\$14.97
2018-19	\$0.43	2.89%	.02	.09%	\$14.99
2019-20	\$0.42	2.77%	.21	1.40%	\$15.20
2020-21	\$0.32	2.08%	-1.37	-9.01%	\$13.83
2021-22	\$0.27	1.96%	-0.15	-0.01%	\$13.68
2022-23	\$0.34	2.51%	?	?	?

- The actual rate increase is typically lower than the projected rate increase.
- Individual tax bills will vary depending on changes in assessed value and equalization rates. As the assessment and equalization changes, individual tax bills may increase or decrease.

State Aid for 2022-23

Included a \$2.1 billion increase to school funding

- \$1.6 billion targets “fully funding” Foundation Aid.
- Additional funds allocated for “strengthening our teacher workforce and supporting student’s mental health”.

Other highlights of Governor’s proposal:

- Requires all bus purchases be zero emissions by 2027 (entire fleet by 2035).
- Continues UPK funding.

Iroquois receives the minimum Foundation Aid Increase: 3%

State Aid – Estimated 1.2% Increase

Even with 3% increase in Foundation Aid, our 22-23 expected State Aid will be very similar to our budgeted State Aid revenue for 2021-22.

Expense based aids are seeing minimal change.

- Transportation aid was reduced this year due to 20-21 expenses being lower.
- Currently, our BOCES aid is forecasted as lower in 22-23 than 21-22.

Federal Funding:

American Recovery Plan

Elementary and Secondary School Emergency Relief (ESSER) 2

Separately accounted for in the “Special Aid Fund” over 2-3 years to address COVID learning loss:

- Provided Response to Intervention staffing
- Provided after school staffing and transportation
- Provided professional development opportunities for staff
- Provided Elementary Literacy Specialists at the three primary schools
- Provided District-wide Behavioral Specialist
- Provided a Social Worker to support the Middle and High School.

Sales Tax

Inflation has impacted consumer spending and does increase sales tax generated in Erie County.

Increasing our estimated payments from Erie County by \$150,000.

2022-23 Estimated Revenues

	<u>2021-22</u>	<u>2022-23</u>	<u>Change</u>	<u>%</u>
State Formula Aid	\$ 14,498,960	\$ 14,693,493	\$ 194,533	1.34%
State Building Aid	\$ 2,076,314	\$ 2,082,109	\$ 5,795	0.28%
Medicaid	\$ 100,000	\$ 120,000	\$ 20,000	20.00%
Appropriated Fund Balance	\$ 1,773,612	\$ 1,773,612	\$ -	0.00%
Erie County Sales Tax	\$ 2,632,882	\$ 2,782,882	\$ 150,000	5.70%
Use of Reserves	\$ 428,691	\$ 428,691	\$ -	0.00%
Other Sources	\$ 608,171	\$ 620,395	\$ 12,224	2.01%
Tax Levy	<u>\$ 31,689,268</u>	<u>\$ 32,483,370</u>	<u>\$ 794,102</u>	<u>2.51%</u>
Totals	\$ 53,807,898	\$ 54,984,552	\$ 1,176,654	2.19%

Expenses

Preliminary 2022-23 Budget Presented Tonight:

All supply codes funded at 2021-22 levels

- Concern: CPI 4.71%

Staffing

- -1.0 FTE Middle School
- 5 teaching staff retirements

Estimated increase to health insurance: 5%

Supports scheduled replacement of 1:1 devices

Capital Outlay Project

2022-23 Budgeted Project for \$100,000:

Middle School grades 5-6 Cafeteria Renovation
- replacement of cafeteria floor and ceiling

To be completed in the summer of 2023.



Retirement Expenses



Teacher Retirement System (TRS) contributions:

9.8% contribution will increase to an estimated 10.29% next year (5% inc.).

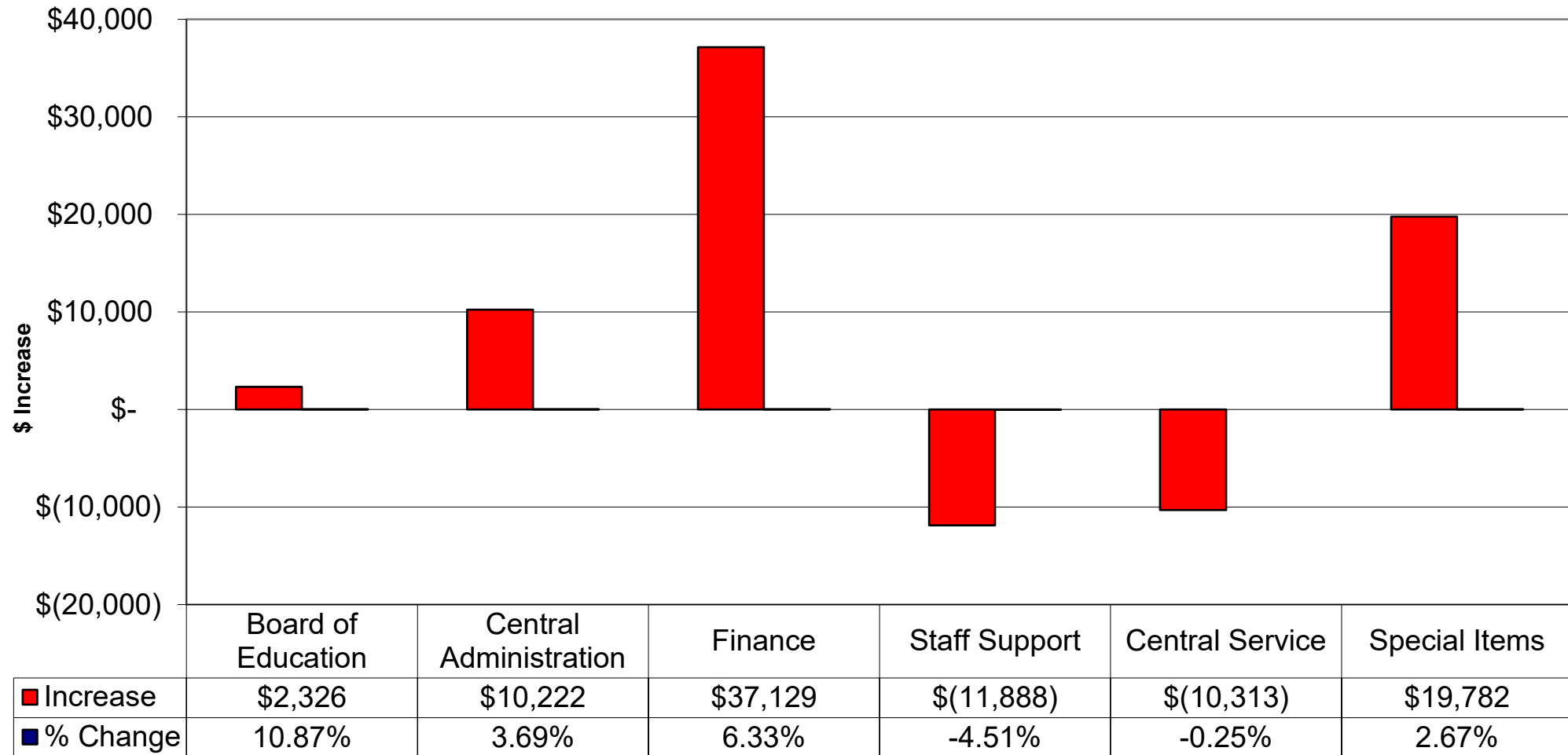
Employee Retirement System (ERS) contribution

2022-23: Anticipating a slight decline on the contribution rate.

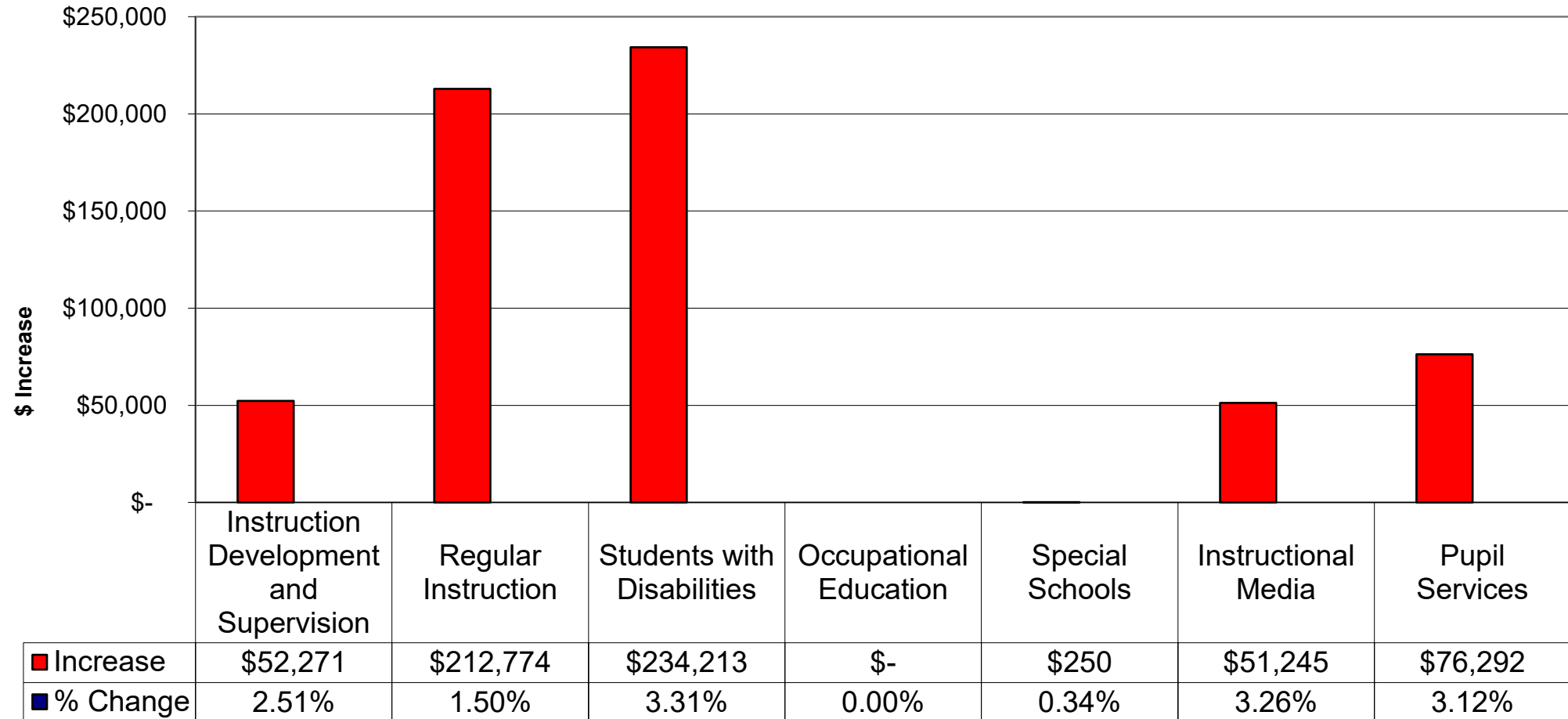
Estimated Expenses

		2021-22	2022-23		
General		\$ 6,007,422	\$ 6,054,680	\$ 47,258	0.79%
Instructional		\$ 28,609,979	\$ 29,237,024	\$ 627,045	2.19%
Transportation		\$ 2,617,535	\$ 2,677,540	\$ 60,005	2.29%
Employee Benefits		\$ 14,072,998	\$ 14,498,332	\$ 425,334	3.02%
Debt/Interfund Transfer		<u>\$ 2,499,964</u>	<u>\$ 2,516,976</u>	<u>\$ 17,012</u>	<u>0.68%</u>
		\$ 53,807,898	\$ 54,984,552	\$ 1,176,654	2.19%

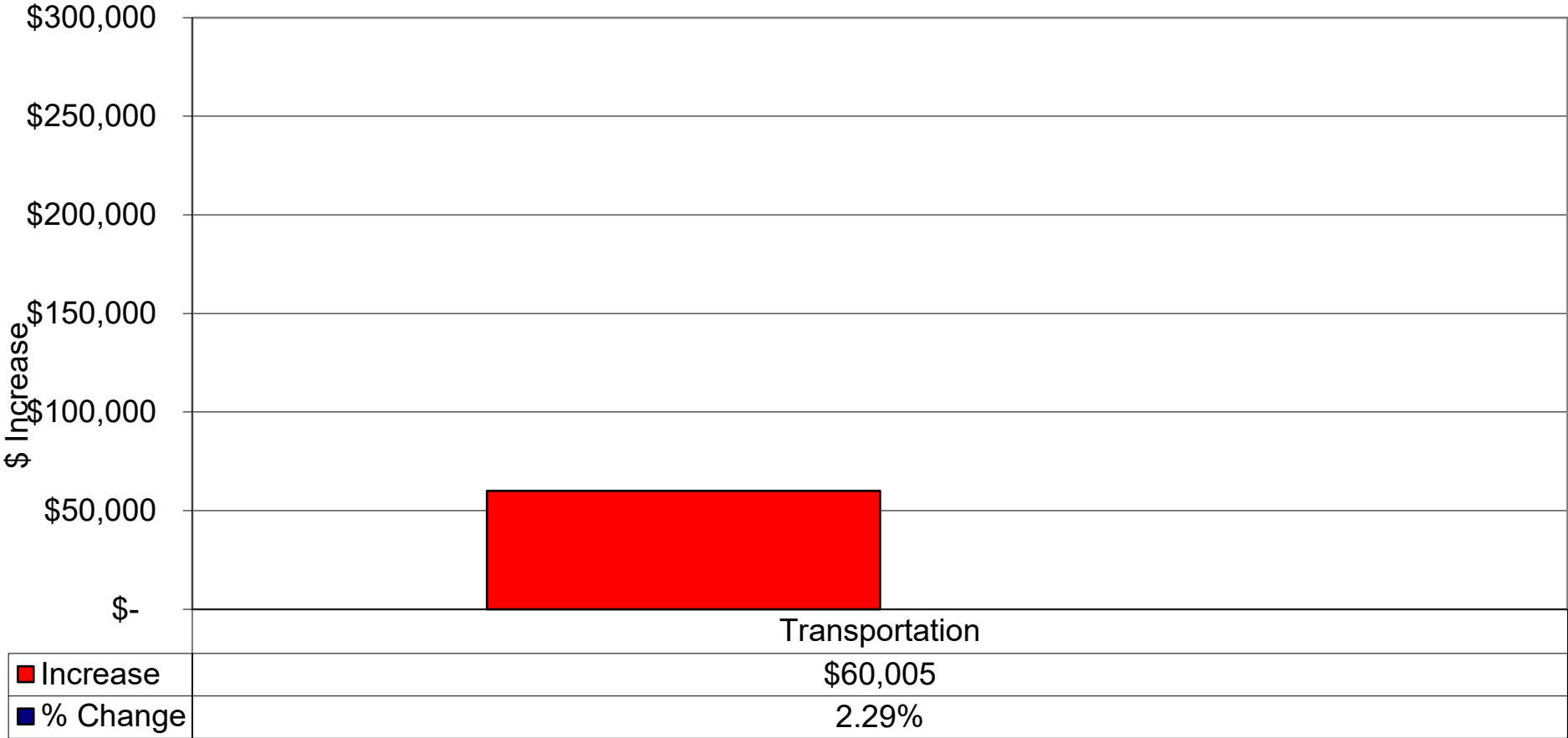
General Support



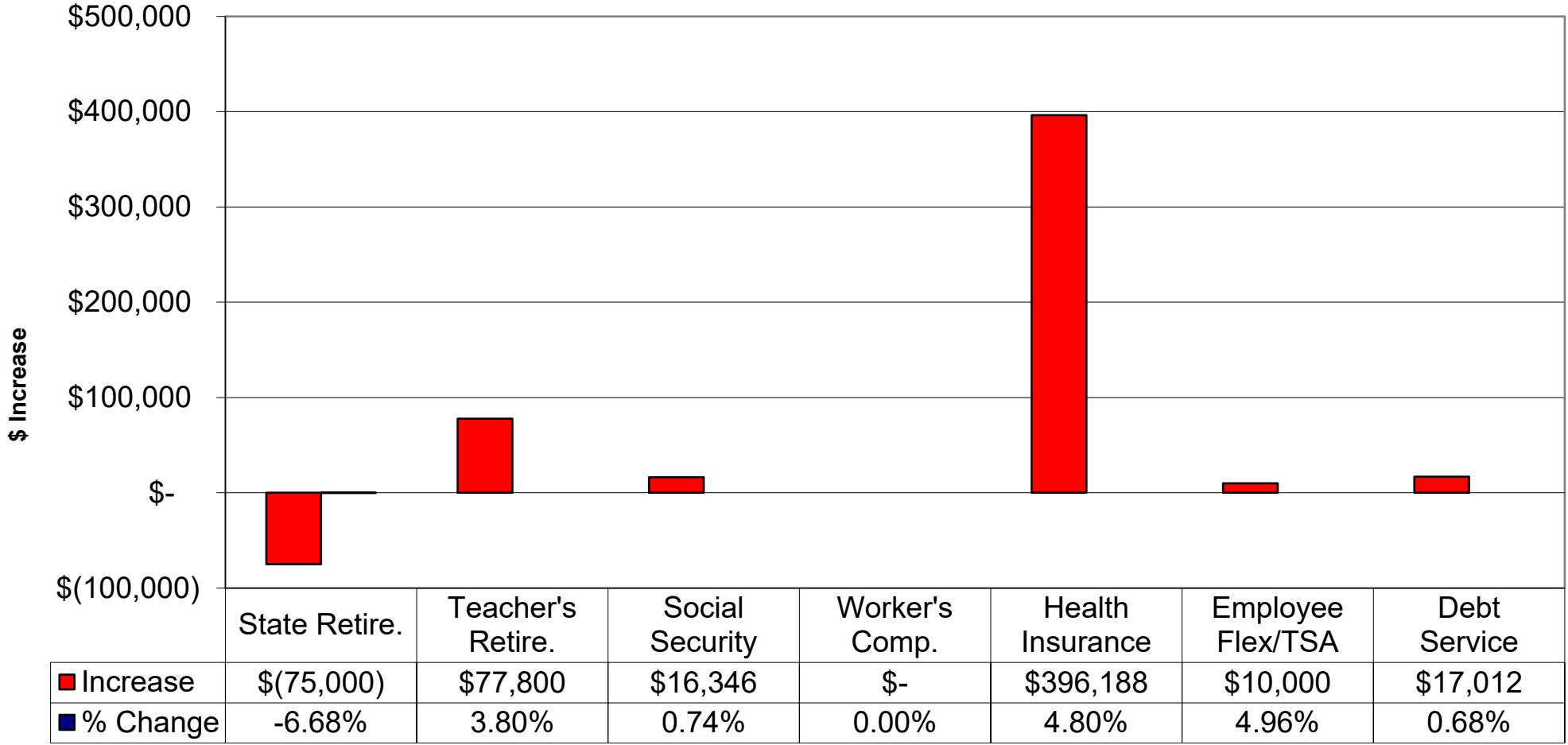
Instructional Support



Transportation



Benefits



Revenue vs Expense

Projected 2022-23 Expenses	\$ 54,984,552
Projected 2022-23 Revenues	\$ <u>54,984,552</u>
Difference	\$ 0

Please remember: It is more than just numbers, the **core mission of providing instruction is our priority.**



Vote: May 17, 2022

Proposition #1

General Fund Budget \$54,984,552

Proposition #2

Vehicle Replacement

Replace obsolete vehicles:

3 Full size diesel buses	\$ 395,669
1 30 passenger cutaway wheelchair equipped	<u>\$ 78,500</u>
Total Cost Not to Exceed:	\$ 474,169

Full size bus price includes estimated trade credit for 4 buses (\$16,000)

A bond would be issued for the purchase price.

Vote: May 17, 2022

Proposition #3

Property Acquisition: Elma Fire Substation



Fire Substation Purchase Opportunity

Proposed purchase price: \$470,000

Built in 2008 on 6 acres

Sq ft: 5,118

Source of Funds: District Fund Balance

- no borrowing or additional tax impact



Fire Substation Purchase Opportunity

What does “no additional tax impact” mean?

- Instead of funds being placed in the Capital Reserve, they will be used for this purchase.

This purchase supports our Facilities Plan from December 2019.

- Support STEM room learning space in the High School
 - Estimated cost: \$880,000 (will not be required with purchase)
- Provides expansion space for planned future Capital Projects
 - Estimated cost: \$1,000,000 (will not be required with purchase)

Estimated off-set expenses by making this purchase: \$1,880,000, meaning that future projects will require less funding and save the District approximately \$1,410,000.

Fire Substation Purchase Opportunity

Immediate Benefits:

- Student safety by providing a space for student evacuation
- Increase instructional space with relocation of back-office operations
- Centralization of Building and Grounds
- Replacement of "temporary" structures from 1960's
- Increased maintenance and care of equipment

Long Term Benefits:

- Reduced future Capital Project costs
- Space for transportation requirements
- Future instructional space opportunities

Vote: May 17, 2022

Proposition #4

At-Large Voting for Members of the Board of Education

Beginning with the 2023-24 School Year

(Board seats in the May 2023 vote)

Current Board seat voting procedure:

Candidates petition for a specific Board member's seat.

The highest vote count, among those petitioning for the seat, wins the position.

- It is possible that with two seats open, one can have multiple candidates, and one can have no candidates.
- It can create indecision by candidates when choosing which seat to petition.
- It is possible that the candidate with the second highest vote count is not elected because the seat they selected to petition for was the same as the individual with the highest vote count.

Vote: May 17, 2022

Proposition #4

At-Large Voting for Members of the Board of Education

Vacancies on the Board will not be considered separate offices.

Nominating petitions shall not be specific to any Board seat.

Example: If two Board seats are open, the candidates with the two highest vote counts are appointed to the two open seats.

Board Members

1 Seat Open for 2022-23

- See the Iroquois CSD website for more information:
www.iroquoiscsd.org/domain/6
- Contact Mrs. Specht, District Clerk for petition information
 - Petitions Due April 18th by 5:00PM

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<http://assembly.state.ny.us/mem/David-DiPietro>

Budget Work Session

~~February 9th at 6:00 p.m.~~

~~April 6th at 6:00 p.m.~~

Budget Hearing

May 10th at 6:30 p.m.

Vote

May 17th 7:30 a.m. to 9:00 p.m.

Questions?

Please contact:

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