

# 2022-23 Budget Work Session

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FEBRUARY 9, 2022

# Iroquois Vision

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

# Iroquois Mission

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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

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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

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Budget Philosophy

Election Results and History

Revenues

- Tax Levy
- State Aid

Expenses

# Budget Philosophy

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

## Concerns:

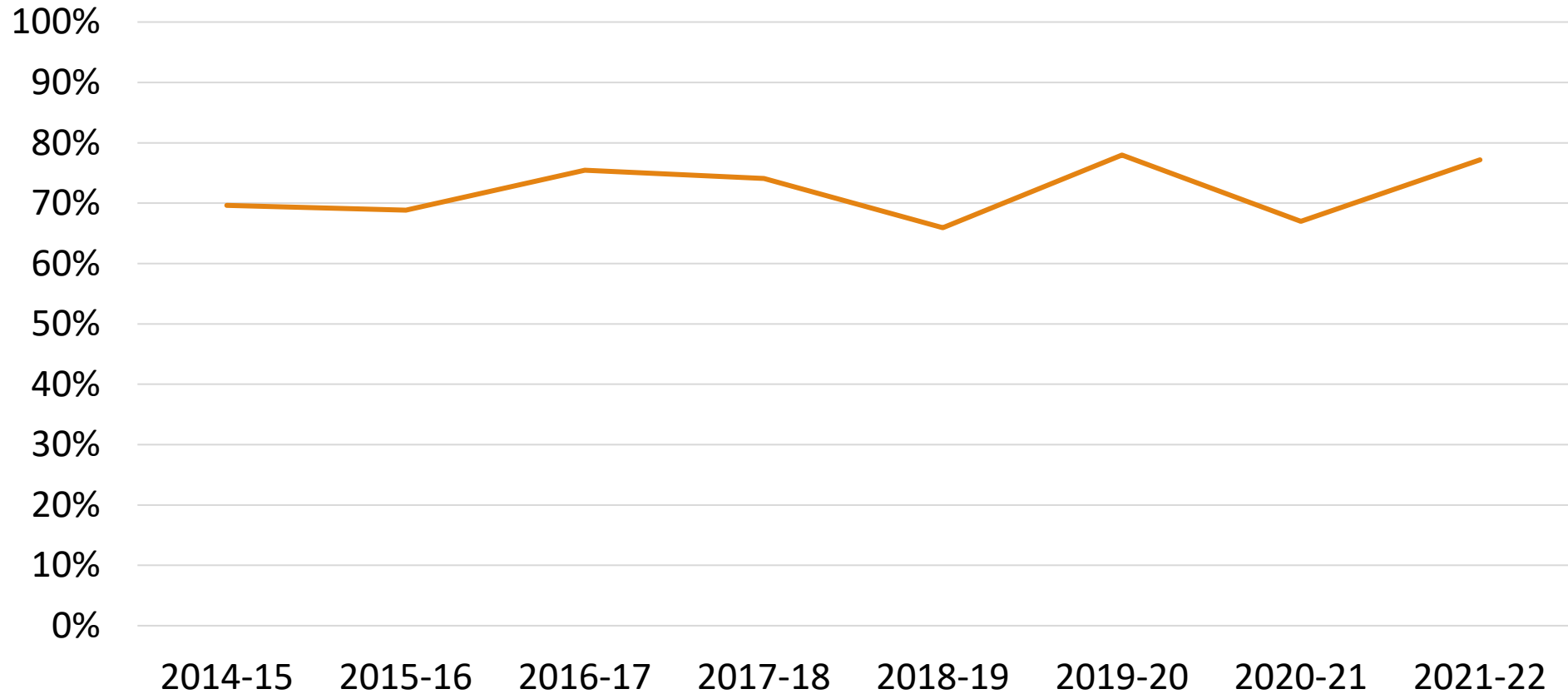
- Impact of Federal funding in future years
- **Consumer Price Index – 4.70%**
  - State Aid and Tax Cap does not support higher costs driven by CPI
- New State mandates
- State aid distribution philosophy

# 2021-22 Vote Results

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	2020-21 Mail in only			2021-22		
	Yes	No	Approval	Yes	No	Approval
<b>Prop 1: Budget</b>	<b>2296</b>	<b>1130</b>	<b>67%</b>	<b>1070</b>	<b>316</b>	<b>77.2%</b>
<b>Prop 2: Transportation</b>	<b>2267</b>	<b>1153</b>	<b>66%</b>	<b>1072</b>	<b>296</b>	<b>78.4%</b>

## Percentage Approval in the May Budget Vote





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

Updated January 2022:

Financial Score: 0 No Designation

Environmental Score: 0 No Designation

Summary: At this time, the District is in a good position to provide consistent educational services without going beyond the tax cap limit.

# 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	
2015-16	\$0.51	3.41%	\$ 0.03	0.21%	\$16.06
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

- 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.

# Factors That Impact the Tax Cap Calculation

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CPI

PILOT Payments

Identified Exemptions

Tax Base Growth Factor

# Tax Cap Factors

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

PILOT Payments: Increase by \$10,624

Tax Base Growth Factor (1.0064 for 2021-22)

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>	
<b>Adjusted Prior Year (2021-22) Levy</b>	<b><u><u>\$31,973,593</u></u></b>	

### 2022-23

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

Preliminary  
Estimate

# State Aid for 2022-23

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The Governor presented the Executive Budget on 1/18/22

- Typically considered a starting point for 2022-23 aid discussions.

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

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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.

We will continue to evaluate the State Aid picture for 22-23 as it moves through the legislature.

# Federal Funding:

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## **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.



# 2022-23 Estimated Revenues

	<u>2020-21</u>	<u>2021-22</u>	<u>Change</u>	<u>%</u>
State Aid/Federal Stimulus	\$ 16,675,274	\$ 16,875,602	\$ 200,328	1.20%
Sales Tax	\$ 2,632,882	\$ 2,632,882	\$ -	0.00%
Fund Balance	\$ 1,773,612	\$ 1,773,612	\$ -	0.00%
Reserves	\$ 428,691	\$ 428,691	\$ -	0.00%
Other Sources	\$ 608,171	\$ 627,895	\$ 19,724	3.24%
Tax Levy	\$ 31,689,268	\$ 32,483,370	\$ 794,102	2.51%
	\$ 53,807,898	\$ 54,822,502	\$ 1,014,154	1.88%

# Expenses

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# Preliminary 2022-23 Budget Presented Tonight:

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All supply codes funded at 2021-22 levels

- Concern: CPI 4.71% vs no increase

Staffing at 2021-22 levels

- Continuing discussions based declining enrollment
- Reviewing impact of retirements

Estimated increase to Health Insurance: 5-6%

Supports scheduled replacement of 1:1 devices

# Capital Outlay Project

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

Middle School grades 5-6 Cafeteria Renovations

To be completed in the summer of 2023.



# Retirement Expenses

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## 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	\$ 6,106,299	\$ 98,877	1.65%
Instructional		\$ 28,609,979	\$ 29,677,011	\$ 1,067,032	3.73%
Transportation		\$ 2,617,535	\$ 2,662,540	\$ 45,005	1.72%
Employee Benefits		\$ 14,072,998	\$ 14,596,296	\$ 523,298	3.72%
Debt/Interfund Transfer		<u>\$ 2,499,964</u>	<u>\$ 2,516,976</u>	<u>\$ 17,012</u>	<u>0.68%</u>
		\$ 53,807,898	\$ 55,559,122	\$ 1,751,224	3.25%

# Revenue vs Expense

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Projected 2022-23 Expenses	\$ 55,559,122
Projected 2022-23 Revenues	\$ <u>54,822,502</u>
Difference	\$ <b>736,620</b>

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



# Next Steps

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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



# Vote: May 17, 2022

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Proposition #1

General Fund Budget

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

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Proposition #3

Property Acquisition

Elma Volunteer Fire Company Station #2

# Fire Substation Purchase Opportunity



# Fire Substation Purchase Opportunity

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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

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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 \$1,400,000.

# Fire Substation Purchase Opportunity

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## **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

# Board Members – 1 Seat Open

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- See the Iroquois CSD website for more information:  
[www.iroquoiscsd.org/domain/6](http://www.iroquoiscsd.org/domain/6)
- Contact Mrs. Specht, District Clerk for petition information

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Budget Work Session

~~February 9<sup>th</sup> at 6:00 p.m.~~

April 6<sup>th</sup> at 6:00 p.m.

Budget Hearing

May 10<sup>th</sup> at 6:30 p.m.

Vote

May 17<sup>th</sup> 7:30 a.m. to 9:00 p.m.

# Questions?

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