

Highland Falls-Fort Montgomery Central School District

Challenge. Engage. Empower.

2022/23 Budget Draft #2

March 17, 2022 - BOE Meeting



Agenda

- 2022/2023 Budget Overview
- Revenue
- Expenditures
- Tax Levy Limit Calculation
- Important Budget Dates



Budget Development Process

- November - February
 - Develop the budget with buildings
 - Review revenues and expenses
- March
 - Proposed 2022/23 Budget Presented
- April
 - Board of Education adopts the budget to present to the taxpayers for consideration in May.



Our Goals

- Full Transparency in the Budget Development Process
- Maintaining Fiscal Responsibility and Security
- Providing a Premier Educational Experience for All Students
- Reviewing Budget/Historical Data



Givens/Variables

Givens

- Expenses that are known
 - i.e. Contractual expenses, retirement system rates, health insurance rates
- Expenses that are expected

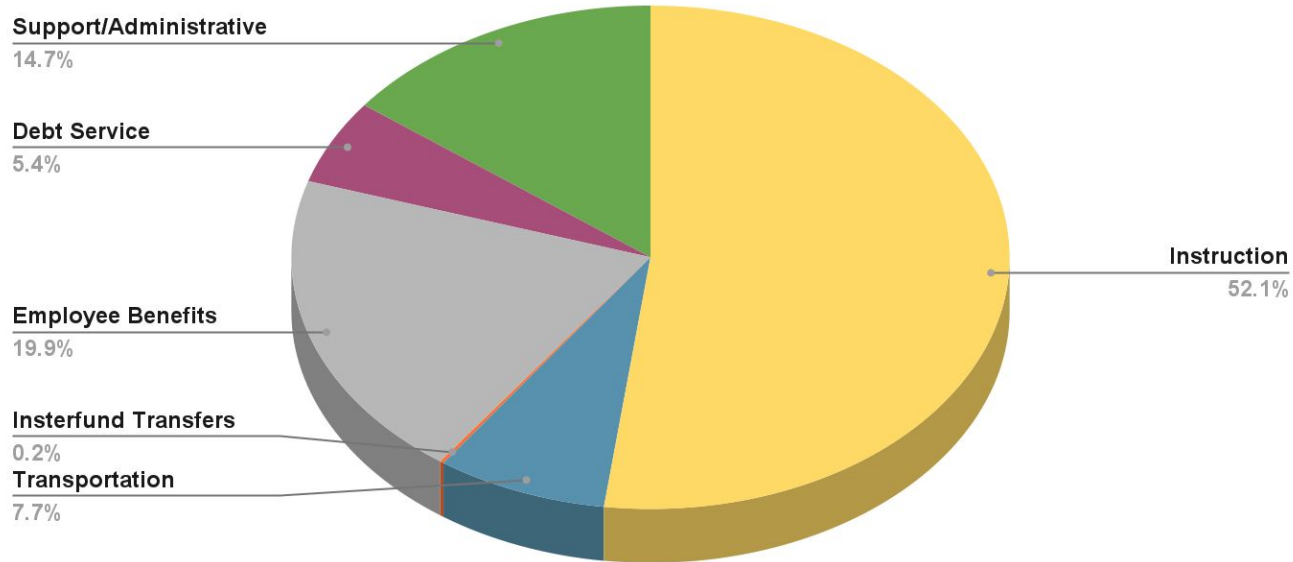
Variables

- Revenues
 - i.e. State budget due April 1 and Number of Tuition Students
- Retirements



Appropriations - Chart

Expenses



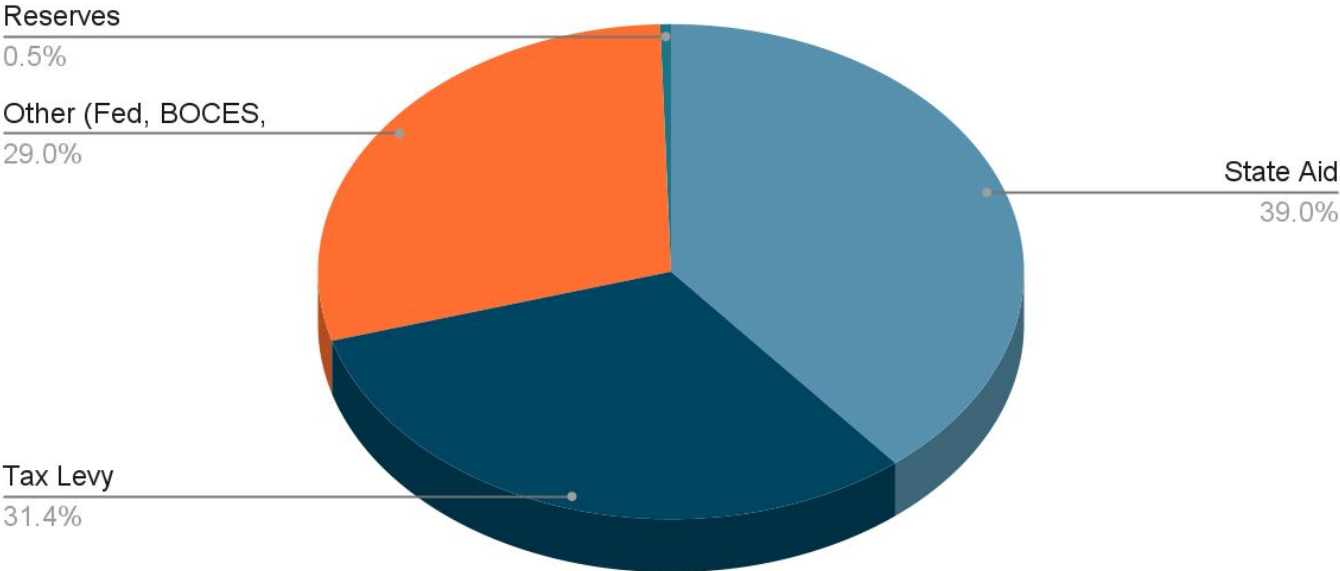
Appropriations - Rollover Budget

| Expenses | 2021/2022 Budget | 2022/2023 Draft Budget | \$ Change | % Change |
|--------------------------------|------------------------|------------------------|-----------------------|--------------|
| Instruction | \$18,099,266.00 | \$18,721,897.84 | \$622,631.84 | 3.40% |
| Employee Benefits | \$6,880,175.00 | \$7,171,098.00 | \$290,923.00 | 4.23% |
| Debt Service | \$1,922,788.00 | \$1,952,568.75 | \$29,780.75 | 1.54% |
| Administrative/General Support | \$4,908,656.00 | \$5,276,136.73 | \$367,480.73 | 7.40% |
| Transportation | \$2,700,582.00 | \$2,770,198.66 | \$97,970.66 | 3.62% |
| Interfund Transfer | \$62,000.00 | \$62,000.00 | \$0.00 | 0% |
| TOTAL | \$34,573,467.00 | \$35,953,899.98 | \$1,380,432.98 | 3.99% |



Revenue - Chart

Revenue Sources



Revenue - Rollover Budget

| Revenues | 2021/2022 Budget | 2022/2023 Draft Budget | \$ Change | % Change |
|-----------------------------------|------------------------|------------------------|-----------------------|--------------|
| State Aid | \$12,037,283 | \$14,039,610 | \$2,002,327 | 16.63% |
| Local Funds (Tax Levy) | \$11,305,952 | \$11,305,952 | \$0.00 | 0% |
| Other Funds (Federal, BOCES, ect) | \$11,230,232 | \$10,431,411.98 | -\$798,821.02 | (7.11%) |
| TRS Reserve | \$0.00 | \$100,000 | \$100,000 | N/A |
| EBLAR Reserve | \$0.00 | \$76,927 | \$76,927 | N/A |
| TOTAL | \$34,573,467.00 | \$35,953,899.98 | \$1,380,432.98 | 3.99% |



2% Tax Levy Limit

- **Begin with “prior year” (current year) levy**
- **Apply tax base growth factor – 1.00 for 2022/23**
 - Adjusts for “brick and mortar” development that increases a municipality’s taxable property
- **Remove prior year exclusions**
- **Adjusted prior year levy**
- **Apply Allowable Growth Factor – 1.02 or 2% for 2022/23**
- **Add available carryover**
 - If a local government levies less than the levy limit, up to 1.5 percent of that year’s tax levy limit may be added to the levy limit for the next fiscal year
- **Tax Levy Limit**
- **Add exclusions or exemptions for upcoming year**
 - Pension contributions
 - Court orders or judgments (excludes tax certiorari)
 - Capital expenditures for school districts only
 - Net of building aid
- **Maximum Allowable Tax Levy**



Tax Cap Formula

Tax Levy Limit, Before Adjustments and Exclusions

| | | |
|--|---------------------|----------------|
| Real Property Tax Levy FYE 2022 | \$11,305,952 | |
| Tax Cap Reserve Offset from FYE 2021 Used to Reduce FYE 2022 Levy | \$0 | |
| Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2022 | --- | |
| Tax Base Growth Factor | 1.0000 | |
| PILOTs Receivable FYE 2022 | --- | |
| Tort Exclusion Amount Claimed in FYE 2022 | \$0 | |
| Capital Tax Levy Exclusion FYE2022 | \$745,009 | |
| Allowable Levy Growth Factor | 1.0200 | |
| PILOTs Receivable FYE 2023 | --- | |
| Available Carryover from FYE 2022 | --- | |
| Tax Levy Limit Before Adjustments/Exclusions | \$10,772,162 | - 4.72% |

Exclusions

| | | |
|---|---------------------|-----------------------|
| Tort Exclusion | \$0 | |
| Capital Tax Levy Exclusion FYE2023 | \$850,222 | |
| Teachers' Retirement System Exclusion | \$0 | |
| Employees' Retirement System Exclusion | \$0 | |
| Total Exclusions | \$850,222 | |
| Your FYE 2023 Tax Levy Limit, Adjusted for Transfers plus Exclusions | \$11,622,384 | Tax Levy Limit |
| Total Tax Cap Reserve Amount Used to Reduce FYE 2023 Levy | --- | 2.80% or |
| FYE 2023 Proposed Levy, Net of Reserve | \$11,305,952 | \$316,432 |
| Difference Between Tax Levy Limit and Proposed Levy | \$316,432 | |
| Do you plan to override the Tax Cap for FYE 2023 ? | No | |



Draft Budget

- Working Budget DRAFT = \$35,953,899.98
- Budget to Budget Change:
 - 3.99%
 - \$1,380,432.98
- Allowable Tax Levy Increase 2.80%
 - Draft Revenue Budget developed with 0% levy increase
- \$176,927 Used from Reserves



Historic Budget to Budget Changes

| Budget Year | Adopted Budget | % Change |
|-------------|----------------|----------|
| 2021-2022 | \$34,573,467 | 3.97% |
| 2020-2021 | \$33,251,722 | 3.63% |
| 2019-2020 | \$32,087,219 | 4.84% |
| 2018-2019 | \$30,606,772 | 2.15% |
| 2017-2018 | \$29,759,008 | 4.23% |
| 2016-2017 | \$28,550,987 | 1.31% |
| 2015-2016 | \$28,181,395 | 2.43% |
| 2014-2015 | \$27,512,790 | 1.20% |
| 2013-2014 | \$27,171,625 | 4.69% |
| 2012-2013 | \$25,955,205 | 5.11% |

10 Year
average
change is
3.36%



Historic Tax Levy Changes

| Budget Year | Tax Levy | % Change |
|-------------|--------------|----------|
| 2021-2022 | \$11,305,952 | 0.00% |
| 2020-2021 | \$11,305,952 | 1.53% |
| 2019-2020 | \$11,135,120 | 2.47% |
| 2018-2019 | \$10,867,114 | 2.39% |
| 2017-2018 | \$10,612,951 | 3.36% |
| 2016-2017 | \$10,267,520 | 3.34% |
| 2015-2016 | \$9,936,021 | 1.44% |
| 2014-2015 | \$9,795,307 | 2.65% |
| 2013-2014 | \$9,542,513 | 1.29% |
| 2012-2013 | \$9,421,319 | 1.18% |



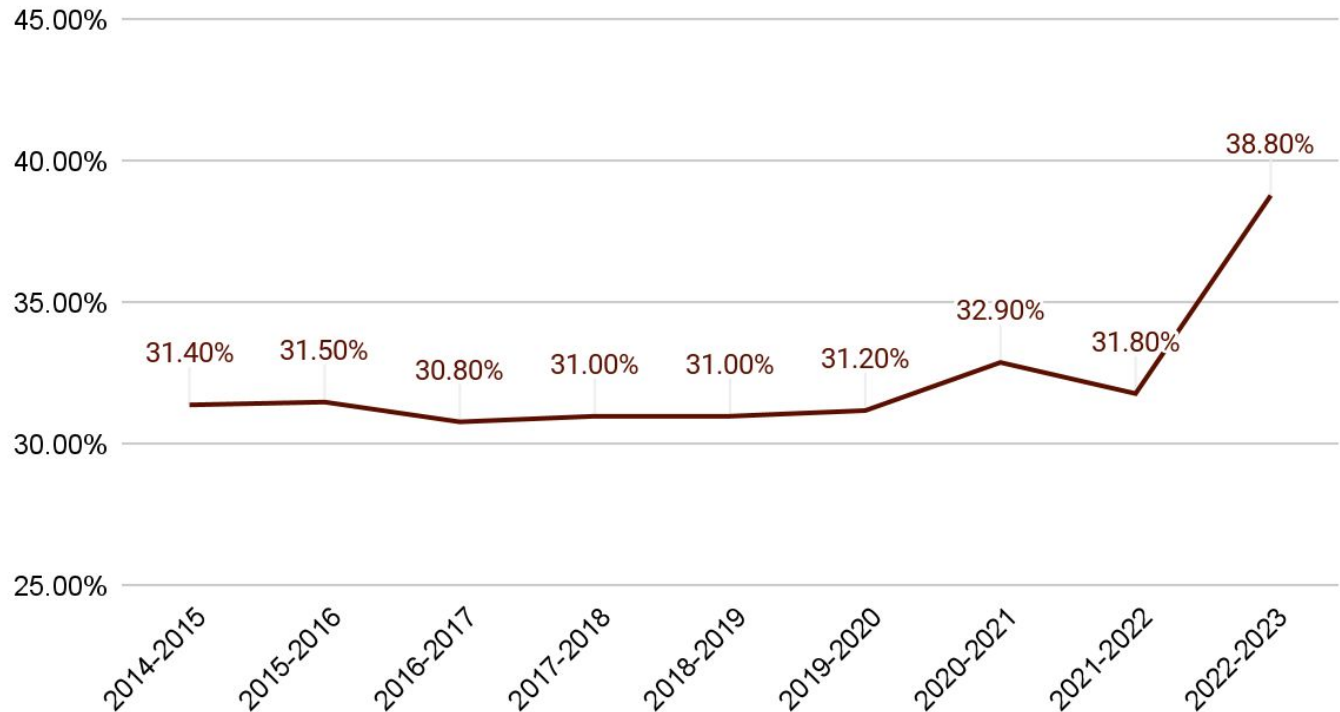
State Aid - Based on Governor's/Executive Budget Proposal

| | <u>2021-2022 Budget</u> | <u>2022-2023 Budget</u> | <u>% of Budget</u> | <u>\$ CHG Budget-to-Budget</u> |
|--|-------------------------|-------------------------|--------------------|--------------------------------|
| STATE SOURCES | | | | |
| Basic Formula Aid | 7,551,040 | 9,185,463 | | 1,634,423 |
| Transportation Aid | 1,300,000 | 1,600,000 | | 300,000 |
| High Tax Aid | 317,551 | 317,551 | | - |
| Building Aid | 904,068 | 1,202,347 | | 298,279 |
| BOCES Aid | 949,901 | 1,116,264 | | 166,363 |
| Total Excess Cost Aid (High and Private) | 900,000 | 500,000 | | (400,000) |
| Textbook, Software and Library Aid | 93,972 | 96,368 | | 2,396 |
| Computer Hardware | 20,751 | 21,617 | | 866 |
| Other State Aid | - | - | | - |
| COVID-19 Supplemental Stimulus | - | - | | - |
| Net Pandemic Adjustment | - | - | | - |
| | 12,037,283 | 14,039,610 | 38.8% | 2,002,327 |



State Aid - Percentage of Revenue

State Aid as % of Total Revenue



Revenue - Impact Aid Formula

Computation of Impact Aid Payment Under Technical Amendment

Steps in Payment Formula

- 1) 90% of the greater, average of 2006-2009 payment or 2009 year payment 2009 Application Year Payment:
\$2,505,215
- 2) HFFM CSD Special rule or "i" payment applied
- 3) Newly eligible districts
- 4) Pro rate remaining funds using new formula

Estimated 2019 Payment for HFFM CSD Under New Methodology (w/o sequestration)

| | |
|------------------------------------|--------------------|
| HFFM CSD Foundation Payment at 90% | \$2,254,694 |
| <u>HFFM CSD "i" Payment</u> | <u>\$1,207,000</u> |
| Total Payment | \$3,461,694 |



Estimated Tax Levy & Rate

2022-2023 Tax levy numbers

- Tax levy \$11,305,952
 - Proposed increase **0.00%**

Estimated 2022-2023 tax rate (per \$1,000 of assessed value)

- \$21.925449*
- Change in rate -\$0.003545 from previous year

* Based on January Assessment data



Reserves

- Unassigned Fund Balance: \$7,463,456
- Capital: \$6,251,855
- Unemployment: \$100,000
- Tax Certiorari: \$303,293
- Employee Benefit Accrued Liability: \$422,545
- Teacher Retirement System: \$606,041
- Employee Retirement System: \$400,000



Budget Overview

Proposed Draft 2022/23 Budget: **\$35,953,899.98**

Tax Levy: **\$11,305,952** which is a **0.00%** change

TRS Reserve Allocation: **\$100,000**

EBLAR Reserve Allocation: **\$76,927**



Important Dates

- ~~March 3~~
 - ~~Board Workshop/Presentation to Review Budget~~
- March 17
 - Board Workshop/Presentation to Review Budget
- April 7
 - Adoption of the budget by the BOE (deadline 4/22)
- April 18
 - Deadline for submission of Petitions for Board of Education Candidates by 5pm
- April 25
 - Property Tax Report Card Due to SED or day after adoption of budget
- May 4
 - Budget available at each building
- May 5
 - Public Budget Hearing
- May 6
 - Budget Notice mailed
- May 17
 - Budget Vote and School Board Election

