

The background is a light blue gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT 2021-22 BUDGET

FINANCE COMMITTEE PRESENTATION

MARCH 18, 2021

AGENDA

- 2021-22 BUDGET INFLUENCERS (UPDATE)
- 2021-22 BUDGET INFLUENCERS (REFRESHER)
- 2021-22 BUDGET GOALS (REFRESHER)
- 2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS
- 2021-22 BUDGET: MOVING FORWARD

2021-22 BUDGET INFLUENCERS (UPDATE)

NYS EXECUTIVE BUDGET:

- FOUNDATION AID WAS HELD FLAT (NO INCREASE)
- STATE AID WAS REDUCED IN TOTAL, BY ~\$718,000 AND WAS RESTORED WITH FEDERAL AID (SEE ILLUSTRATION)
- REDUCTION IN EXPENSE BASED AIDS (BUILDING AID)

MORE TO COME: LEGISLATIVE BUDGET (APRIL 1, 2021):

- GREAT NEWS: CURRENT OUTLOOK IS OPTIMISTIC FOR RECEIVING ADDITIONAL AID
- POTENTIAL WONDERFUL NEWS: SENATOR SCHUMER ANNOUNCED \$2.5 MILLION IN AMERICAN RESCUE PLAN FEDERAL AID TO UPSTATE SCHOOL DISTRICTS – INCLUDING \$918,000 FOR WATERFORD-HALFMOON UFS.
- IT IS “POTENTIAL” WONDERFUL NEWS BECAUSE: WE DO NOT YET HAVE INFORMATION ON WHETHER THIS FEDERAL AID WILL BE OFFSET BY A REDUCTION IN STATE AID (SEE ILLUSTRATION).

2021-22 ESTIMATED AIDS:

FOUNDATION AID	4,531,750
SERVICES AID	1,455,990
FULL DAY K CONVERSION AID	0
UNIVERSAL PRE-KINDERGARTEN	0
PUBLIC EC HIGH COST AID	154,805
PRIVATE EXCESS COST AID	211,236
BUILDING + BLDG REORG INCENT	1,289,412
OPERATING REORG INCENTIVE	0
SUBTOTAL	7,643,193
STAR PAYMENT	1,047,331
LOCAL DISTRICT FUNDING ADJ.	-717,919
STATE SUBTOTAL	7,972,605
COVID-19 SUPPL. STIMULUS	717,919
TOTAL AID	8,690,524
COMMUNITY SCHOOLS SETASIDE	0
\$ CHG SUBTOTAL	-464,775
% CHG SUBTOTAL	-5.73
\$ CHG STATE SUBTOTAL	-1,234,132
% CHG STATE SUBTOTAL	-13.40
\$ CHG TOTAL DISTRICT SUPPORT	-683,002
% CHG TOTAL DISTRICT SUPPORT	-7.28

2021-22 BUDGET INFLUENCERS (REFRESHER)

COVID-19: ADDITIONAL SPENDING FOR HEALTH AND SAFETY

- ENHANCED CLEANING AND SANITIZING (PERSONNEL AND SUPPLIES)
- PURCHASE OF PPE AND ADDITIONAL TECHNOLOGY EQUIPMENT FOR REMOTE LEARNING

APPROPRIATED FUND BALANCE: HISTORIC RELIANCE TO BE REDUCED

- THE DISTRICT HAS HISTORICALLY APPROPRIATED APPROXIMATELY \$1.5 MILLION TO FUND RECURRING EXPENDITURES (APPROXIMATELY 7% OF THE TOTAL BUDGET)
- SHOULD BE USED TO FUND ONLY ONE-TIME COSTS (*SEE FEBRUARY 11, 2021 PRESENTATION*)

MOMENTIVE TAX CERTIORARI SETTLEMENT: SIGNIFICANT TAXPAYER IMPACT

- FOUGHT COLLECTIVELY BY THE TOWN AND DISTRICT & SETTLED IN AUGUST 2020
- REQUIRED THE DISTRICT TO PAY A \$3.6 MILLION TAX REFUND (USING TAX CERTIORARI RESERVE FUNDS)
- REDUCED MOMENTIVE'S ASSESSED VALUE FROM OVER \$200 MILLION TO \$95 MILLION; *THIS IS THE PRIMARY CAUSE OF THE SIGNIFICANT TAX IMPACT ON OUR TAXPAYERS*
- **THE DISTRICT DID NOT COLLECT ADDITIONAL TAX REVENUE DUE TO THIS SETTLEMENT**

21-22 BUDGET INFLUENCERS (REFRESHER)

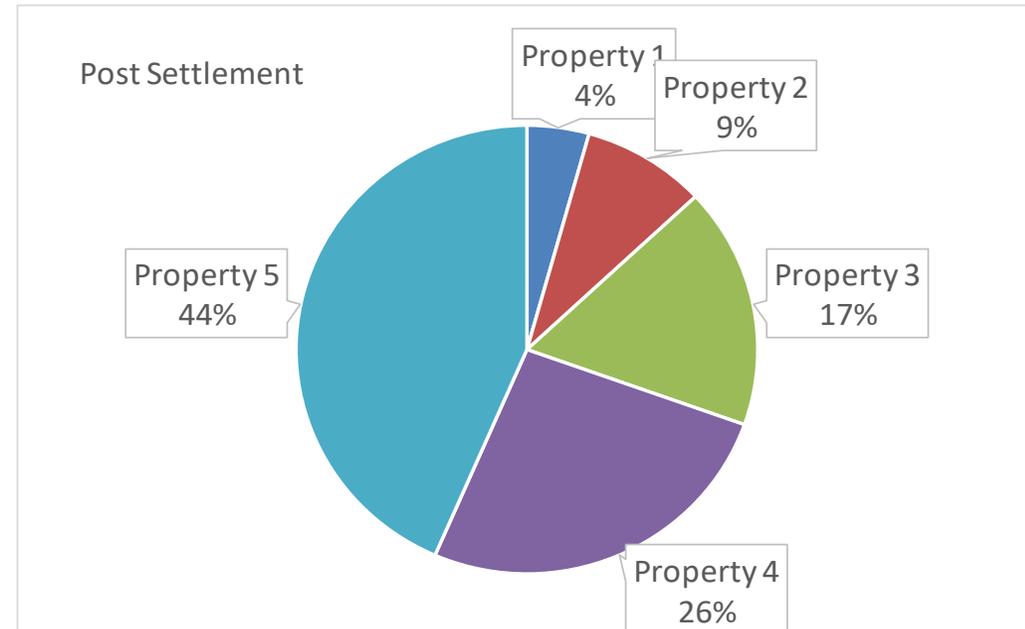
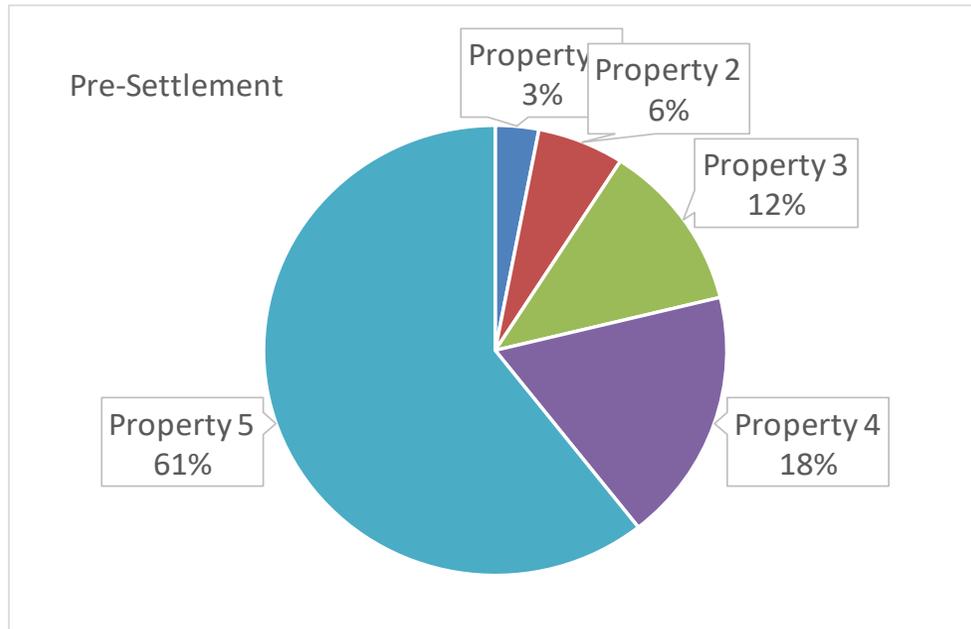
MPM TAX CERTIORARI: WHY DID MY TAXES GO UP SO MUCH?

FOR ILLUSTRATIVE PURPOSES ONLY

VALUES NOT REPRESENTATIVE OF ACTUAL VALUES IN THE WATERFORD-HALFMOON UFSD

Pre-Settlement	Assessed Value	% of Total	Share of Tax Levy
Property 1	\$ 50,000	3%	\$ 351
Property 2	\$ 100,000	6%	\$ 701
Property 3	\$ 200,000	12%	\$ 1,402
Property 4	\$ 300,000	18%	\$ 2,104
Property 5	\$ 1,000,000	61%	\$ 7,012
	\$ 1,650,000		\$ 11,570

Post-Settlement	Assessed Value	% of Total	Share of Tax Levy
Property 1	\$ 50,000	4%	\$ 503
Property 2	\$ 100,000	9%	\$ 1,006
Property 3	\$ 200,000	17%	\$ 2,012
Property 4	\$ 300,000	26%	\$ 3,018
Property 5	\$ 500,000	43%	\$ 5,030
	\$ 1,150,000		\$ 11,570



2021-22 BUDGET GOALS (REFRESHER)

1. PROVIDE IN-PERSON INSTRUCTION TO THE EXTENT POSSIBLE DURING THE PANDEMIC AND SUPPORT STUDENTS STRUGGLING WITH LEARNING UNDER PANDEMIC CONDITIONS
2. PROVIDE IN-PERSON INSTRUCTION IN A SAFE, HEALTHY MANNER AND ENVIRONMENT
3. MAINTAIN SERVICES AND AVOID SERVICE AND STAFF REDUCTIONS IF AT ALL POSSIBLE
4. REDUCE APPROPRIATED FUND BALANCE OVER A PERIOD OF MULTIPLE YEARS TO PROMOTE LONG-TERM FISCAL STABILITY (*SEE SLIDES FROM FEBRUARY 11TH MEETING*)
5. ADOPT A TAX LEVY THAT PLACES AS LITTLE BURDEN ON THE TAXPAYERS AS POSSIBLE AND REMAINS WITHIN THE TAX LEVY LIMIT

2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

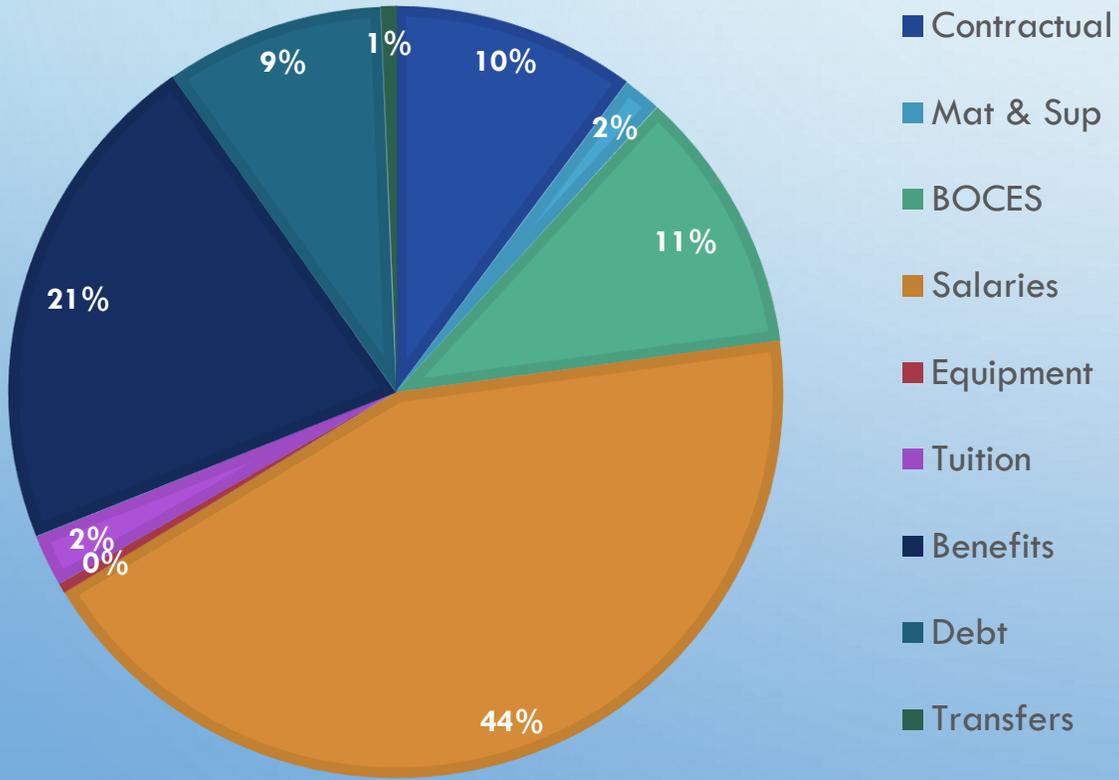
APPROPRIATIONS AS PRESENTED AT 03/04/21 FINANCE COMMITTEE MEETING

Object of Expenditure Analysis	2020-21 Budget	2021-22 Budget	Dollar Change	Percent Change
Contractual	\$2,443,159	\$2,093,389	(\$349,770)	-14.32%
Materials & Supplies	\$357,577	\$329,788	(\$27,790)	-7.77%
BOCES	\$2,419,600	\$2,293,100	(\$126,500)	-5.23%
Salaries	\$9,056,864	\$8,972,900	(\$83,964)	-0.93%
Equipment	\$24,500	\$86,500	\$62,000	253.06%
Tuition	\$393,340	\$445,000	\$51,660	13.13%
Benefits	\$4,420,000	\$4,397,000	(\$23,000)	-0.52%
Debt	\$2,270,420	\$1,883,900	(\$386,520)	-17.02%
Transfers	\$130,600	\$132,000	\$1,400	1.07%
TOTAL	\$21,516,060	\$20,633,577	(\$882,484)	-4.10%

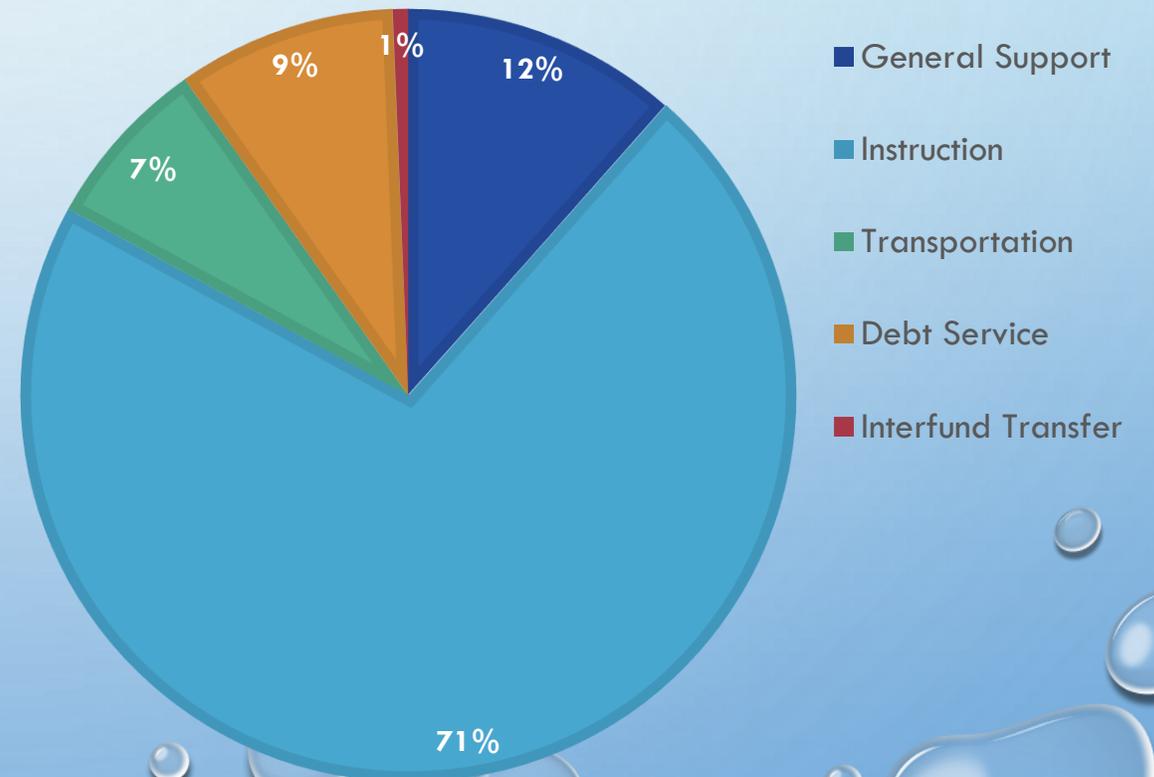
2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

TWO WAYS TO ANALYZE BUDGET APPROPRIATIONS

EXPENDITURE ANALYSIS BY OBJECT



EXPENDITURE ANALYSIS BY FUNCTION



2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

APPROPRIATIONS (30,000 FOOT VIEW)

- THE BUDGET CONTAINS APPROPRIATIONS TO CONTINUE TO OPERATE IN-PERSON AND IN A SAFE, HEALTHY ENVIRONMENT UNDER THE COVID-19 PANDEMIC (I.E., THE BUDGET INCLUDES APPROPRIATIONS FOR CLEANING/SANITIZING PERSONNEL AND SUPPLIES, PPE, ETC.).
- THE BUDGET ALSO INCLUDES APPROPRIATIONS TO FUND SUMMER SCHOOL FOR BOTH ELEMENTARY AND HIGH SCHOOL STUDENTS STRUGGLING WITH LEARNING IN A PANDEMIC ENVIRONMENT.
- AT THIS TIME, NO SERVICES TO STUDENTS HAVE BEEN REDUCED OR ELIMINATED AND NO FACULTY HAVE BEEN REDUCED, WITH THE EXCEPTION OF CURRENTLY VACANT POSITIONS.

BUDGET GOALS

- PROVIDE IN-PERSON INSTRUCTION TO THE EXTENT POSSIBLE DURING THE PANDEMIC AND SUPPORT STUDENTS STRUGGLING WITH LEARNING UNDER PANDEMIC CONDITIONS
- PROVIDE IN-PERSON INSTRUCTION IN A SAFE, HEALTHY MANNER AND ENVIRONMENT
- MAINTAIN SERVICES AND AVOID SERVICE AND STAFF REDUCTIONS IF AT ALL POSSIBLE

2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

LIMITATIONS OF THE 2021-22 BUDGET PRESENTED TO THE FINANCE COMMITTEE ON 03/04/21:

- INCLUDES APPROPRIATIONS TO REPLACE ONLY ONE SCHOOL BUS WHEN TWO BUS LEASES WILL EXPIRE AT THE END OF 2020-21. PURCHASING ONLY ONE BUS EXPOSES THE DISTRICT TO INCREASED CONTRACT TRANSPORTATION COSTS IN 2021-22.
- INCLUDES A 25% REDUCTION FOR MATERIALS AND SUPPLIES TO ALL FUNCTIONS (I.E., INSTRUCTIONAL SUPPLIES, BUILDINGS AND GROUNDS, CENTRAL SERVICES, ETC.). THIS LIMITS THE DISTRICT'S ABILITY TO PROVIDE ADEQUATE INSTRUCTIONAL MATERIALS AND ADEQUATE CARE AND MAINTENANCE OF THE DISTRICT'S FACILITIES AND GROUNDS, ETC.
- THE BUDGET DID NOT INCLUDE APPROPRIATIONS TO FILL A VACANT HEALTH TEACHER POSITION.
- INCLUDES VERY LIMITED APPROPRIATIONS TO PURCHASE EQUIPMENT, INCLUDING REPLACING OLD OUTDATED EQUIPMENT.
- THE BUDGET CONTINUES TO RELY ON A SIGNIFICANT AMOUNT (OVER \$1 MILLION) OF APPROPRIATED FUND BALANCE (A ONE-TIME REVENUE) TO FINANCE RECURRING EXPENDITURES.

2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

HOW CAN WE CORRECT THESE LIMITATIONS?

THE 2021-22 TAX LEVY LIMIT IS ~\$11,803,000

WHICH ALLOWS AN INCREASE OF \$233,000

OR 2% FROM 2020-21

2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

IF WE INCREASE THE TAX LEVY, WE COULD USE THESE FUNDS TO:

	Amount	Cumulative Tax Levy Increase	% Increase in Tax Levy from 2020-21	Tentative ¹ Tax Rate ² Increase	Tentative ¹ Tax on a \$150,000 Home ³	Tentative ¹ Tax Bill Increase for a \$150,000 Home ³
Purchase a Second School Bus	\$55,000	\$55,000	0.48%	\$0.11	\$3,262.08	\$15.48
Restore Reduced Materials & Supplies	\$63,000	\$118,000	1.02%	\$0.23	\$3,279.76	\$33.16
Fill the Vacant Health Teacher Position	\$25,000	\$143,000	1.24%	\$0.27	\$3,286.77	\$40.17
Restore Unfunded Equipment Purchases	\$30,000	\$173,000	1.50%	\$0.33	\$3,295.19	\$48.59
Further Reduce Appropriated Fund Balance	\$50,000	\$223,000	1.93%	\$0.42	\$3,309.22	\$62.62

¹ ASSUMES NO CHANGES ARE MADE TO THE ASSESSMENT ROLL FROM 2020-21 TO 2021-22.

² TAX RATE IS PER \$1,000 OF EQUALIZED ASSESSED VALUE (ASSESSED VALUE WITH EQUALIZATION RATE APPLIED)

³ DOES NOT INCLUDE STAR SAVINGS

2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

IMPORTANT NOTES:

1. ALL TAX LEVY INCREASES PRESENTED ON THE PREVIOUS SLIDE WERE WITHIN THE TAX LEVY LIMIT.
2. IF WE INCREASE THE TAX LEVY BY 1.93% (GREATEST AND FINAL SCENARIO PRESENTED ON THE LAST SLIDE) AND INCREASE APPROPRIATIONS ACCORDINGLY, WE WILL STILL HAVE REDUCED TOTAL APPROPRIATIONS BY NEARLY \$660,000 WHICH STILL REPRESENTS A 3% REDUCTION IN SPENDING.
3. CHANGES IN STATE AID FROM THE EXECUTIVE TO LEGISLATIVE BUDGET MAY FURTHER IMPACT OUR BUDGET.

2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

BUDGET GOALS

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2021-22 BUDGET: MOVING FORWARD

VARIABLES THAT MAY CHANGE THE BUDGET MOVING FORWARD

1. NYS LEGISLATIVE BUDGET (APRIL 1ST)
2. NEW DEVELOPMENTS IN THE COVID-19 PANDEMIC

QUESTIONS TO BE ANSWERED MOVING FORWARD

1. WHAT TAX LEVY INCREASE DO WE WANT TO REQUEST VOTER APPROVAL FOR?
2. IF WE RECEIVE ADDITIONAL STATE AID, HOW WILL THIS AFFECT THE BUDGET?

MEETING SCHEDULE & OTHER IMPORTANT DATES

- FINANCE COMMITTEE MEETINGS

- ✓ FEBRUARY 11, 2021, 6:00 PM
- ✓ MARCH 4, 2021, 6:00 PM
- ✓ MARCH 18, 2021, 6:00 PM
- MARCH 31, 2021, 6:00 PM
- *POSSIBLE NEED FOR MEETING IN EARLY APRIL TO ADDRESS CHANGES MADE TO STATE AID IN THE LEGISLATIVE BUDGET*

- OTHER IMPORTANT DATES:

- ✓ MARCH 1, 2021: TAX CAP FILED
- APRIL 1, 2021: NYS LEGISLATIVE BUDGET
- APRIL 22, 2021: BOE APPROVAL OF BUDGET
- MAY 6, 2021: BUDGET HEARING
- MAY 18, 2021: BUDGET VOTE

QUESTIONS?

