

# **WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT 2021-22 BUDGET**

FINANCE COMMITTEE PRESENTATION

MARCH 31, 2021

# AGENDA

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

# 2021-22 BUDGET INFLUENCERS (REFRESHER)

## 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 (POTENTIALLY 2% INCREASE TO FOUNDATION 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 UFSD.
- 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?

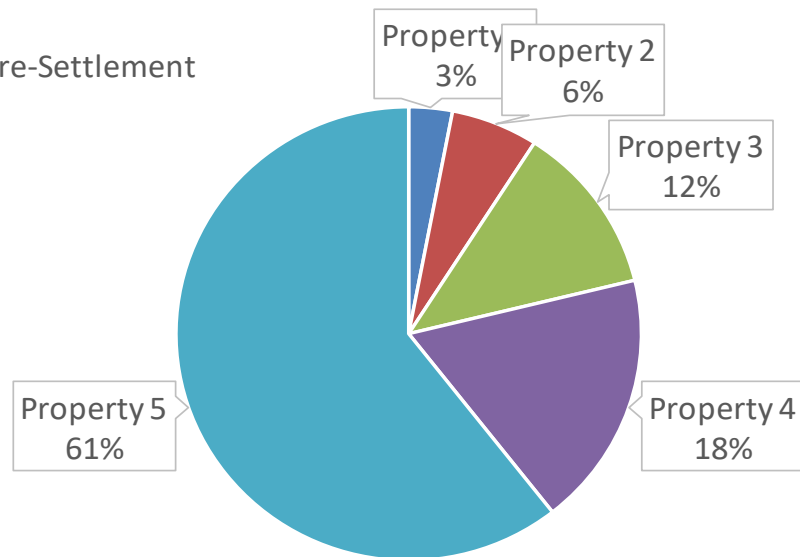
FOR ILLUSTRATIVE PURPOSES ONLY

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

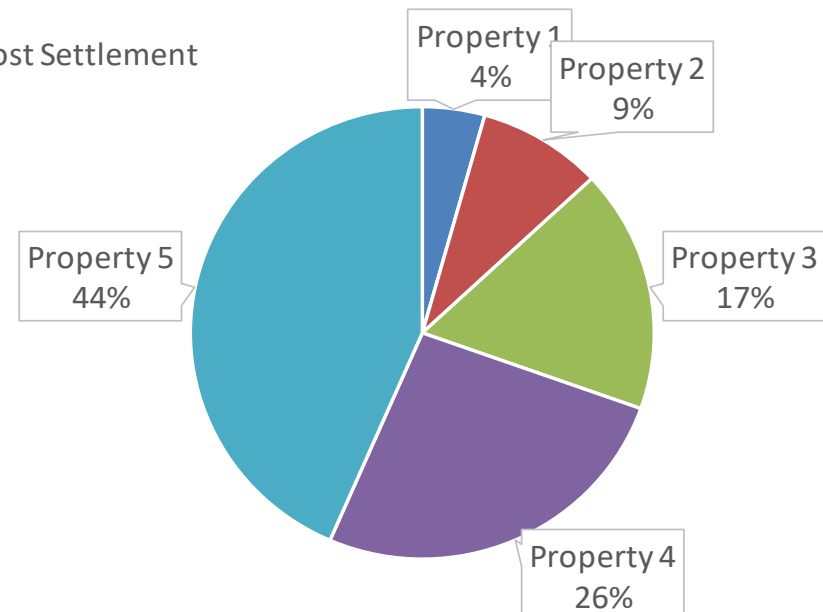
Pre-Settlement	Assessed Value	% of Total	Share of Tax Levy
Property 1	\$ 50,000	3%	\$ 351
Property 2	\$ 100,000	6%	\$ 701
Property 3	\$ 200,000	12%	\$ 1,402
Property 4	\$ 300,000	18%	\$ 2,104
Property 5	\$ 1,000,000	61%	\$ 7,012
	\$ 1,650,000		\$ 11,570

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

Pre-Settlement



Post Settlement



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

## BUDGET HIGHLIGHTS:

- THE DISTRICT DECREASED **APPROPRIATIONS BY 3.66%** FROM THE 2020-21 BUDGET DUE PRIMARILY TO DECREASED:
  - CONTRACT TRANSPORTATION EXPENSES
  - LEGAL FEES (FOR THE MOMENTIVE TAX CERTIORARI CASE)
  - SALARIES AND BENEFITS (DUE TO THE 2020 RETIREMENT INCENTIVE AND NEGOTIATIONS)
  - DEBT PAYMENTS
- THE BUDGET INCLUDES A 1.5% TAX LEVY INCREASE, 0.5% LESS THAN THE 2.0% INCREASE ALLOWED BY THE TAX LEVY LIMIT
- AS OF 03/31: NYS STATE AID IN THE EXECUTIVE BUDGET WAS HELD FLAT AT 2020-21 LEVELS; LEGISLATIVE BUDGET DUE 04/01, POTENTIAL FOR AN INCREASE IN STATE AID IN THE LEGISLATIVE BUDGET
- REDUCED RELIANCE ON APPROPRIATED FUND BALANCE (ONE TIME REVENUE) TO FINANCE RECURRING EXPENDITURES (I.E., SALARIES) – GOOD FOR LONG-TERM FISCAL HEALTH AND STABILITY



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

## BUDGET HIGHLIGHTS CONTINUED:

- THE BUDGET CONTAINS APPROPRIATIONS TO CONTINUE TO OPERATE IN-PERSON AND IN A SAFE, HEALTHY ENVIRONMENT AMID THE COVID-19 PANDEMIC (ADDITIONAL APPROPRIATIONS FOR CLEANING AND SANITATION)
- 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
- THE BUDGET ALSO INCLUDES APPROPRIATIONS TO FUND SUMMER SCHOOL FOR BOTH ELEMENTARY AND HIGH SCHOOL STUDENTS STRUGGLING WITH LEARNING IN A PANDEMIC ENVIRONMENT
- THE BUDGET INCLUDES SEMI-RESTORED EQUIPMENT PURCHASES, INCLUDING THE PURCHASE OF TWO NEW MINI SCHOOL BUSES TO REPLACE TWO BUS LEASES EXPIRING AT THE END OF THE 2020-21 FISCAL YEAR
- A \$100,000 CAPITAL OUTLAY PROJECT IS INCLUDED IN THE BUDGET TO CONTINUE TO ADDRESS BUILDING CONCERNS; THIS PROJECT IS ELIGIBLE FOR APPROXIMATELY 80% COST REIMBURSEMENT VIA NYS BUILDING AID

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

## 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
- ☒ REDUCE APPROPRIATED FUND BALANCE OVER A PERIOD OF MULTIPLE YEARS TO PROMOTE LONG-TERM FISCAL STABILITY
- ☒ 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

## PROPOSED BUDGET WITH A TENTATIVE\* \$0 INCREASE IN STATE AID

<u>Object of Expenditure</u>	<u>2020-21 Budget</u>	<u>2021-22 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
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	\$8,997,900	(\$58,964)	-0.65%
Equipment	\$24,500	\$146,500	\$122,000	497.96%
Tuition	\$393,340	\$445,000	\$51,660	13.13%
Benefits	\$4,420,000	\$4,407,000	(\$13,000)	-0.29%
Debt	\$2,270,420	\$1,883,900	(\$386,520)	-17.02%
Transfers	\$130,600	\$132,000	\$1,400	1.07%
TOTAL	\$21,516,060	\$20,728,577	(\$787,484)	-3.66%

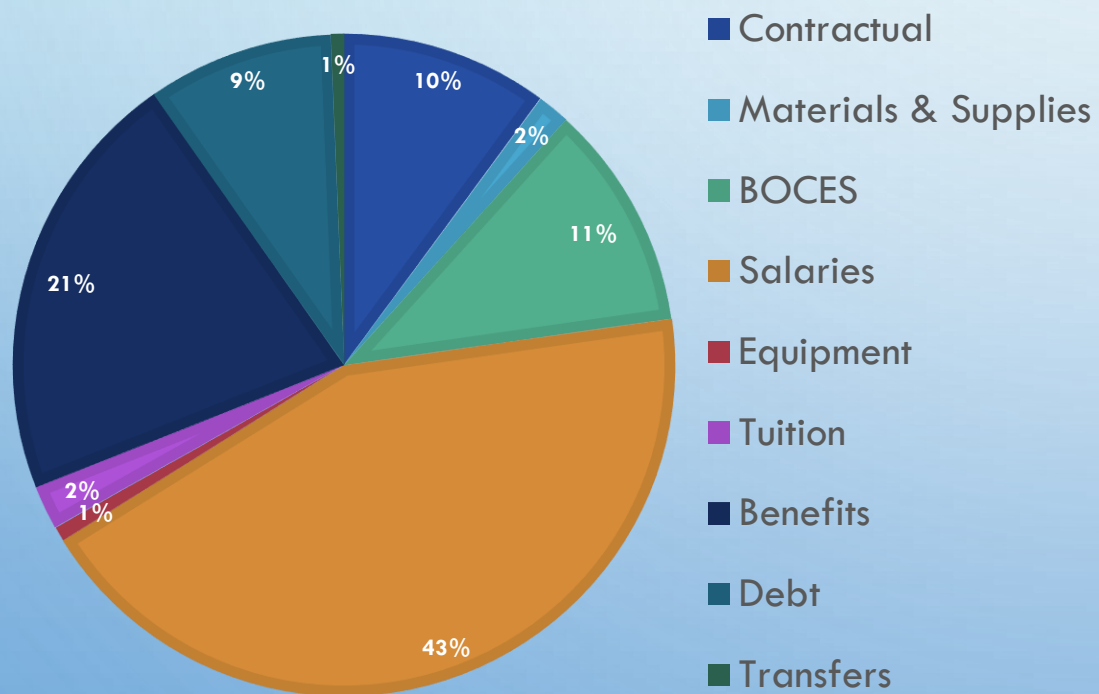
\*STATE AID WILL BE FINALIZED WHEN THE NYS LEGISLATIVE BUDGET IS FINALIZED ON APRIL 1<sup>ST</sup>.

\*\*SEE THE MARCH 4, 2021 FINANCE COMMITTEE PRESENTATION FOR MORE DETAIL ON THE CHANGES IN EACH OBJECT OF EXPENDITURE.

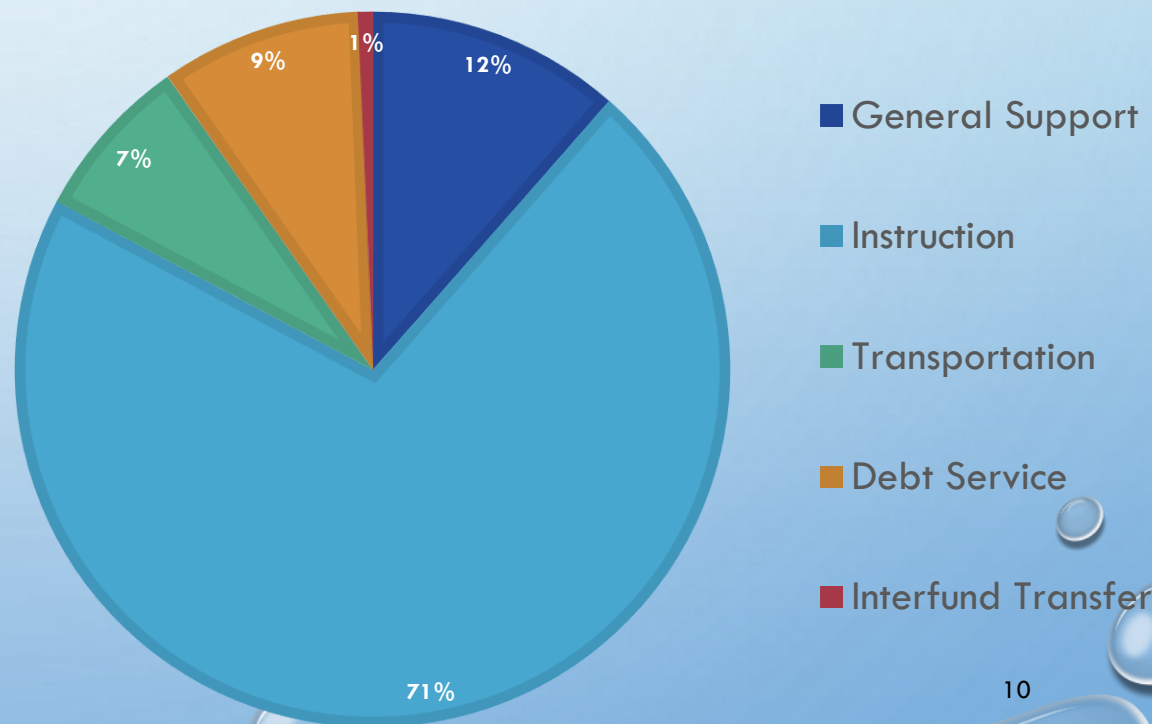
# 2021-22 BUDGET: IMPLEMENTING A STRATEGY TO ACHIEVE OUR GOALS

## TWO WAYS TO ANALYZE BUDGET APPROPRIATIONS

EXPENDITURE ANALYSIS BY OBJECT OF EXPENDITURE



EXPENDITURE ANALYSIS BY FUNCTION OF GOVERNMENT



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

## WHAT HAS CHANGED SINCE THE MARCH 4, 2021 BUDGET PRESENTATION?

### THE DISTRICT ADDED A SECOND SCHOOL BUS PURCHASE TO THE BUDGET

- TWO BUS LEASES ARE EXPIRING AND BOTH BUSES WILL BE REPLACED WITH PURCHASED BUSES
- IN-HOUSE TRANSPORTATION IS GENERALLY MORE COST EFFECTIVE THAN CONTRACT TRANSPORTATION; THIS WILL ASSIST IN COST CONTROL

### JR/SR HIGH SCHOOL HEALTH TEACHER POSITION (0.6 FTE & CURRENTLY VACANT) WAS RESTORED

- HEALTH IS A NYS MANDATED COURSE
- FILLING THE POSITION WITH A CONSISTENT TEACHER RATHER THAN ASSIGNING 6<sup>TH</sup> PERIODS TO SEVERAL TEACHERS WILL ENSURE A MORE CONSISTENT AND BENEFICIAL PROGRAM

### ADDED MODIFIED 7<sup>TH</sup> & 8<sup>TH</sup> MATH CLASS

- MATH, MORE THAN MOST SUBJECTS, BUILDS UPON PREVIOUS LESSONS
- THIS CLASS WILL HELP SUPPORT STUDENTS WHO STRUGGLE WITH CONTENT, INCLUDING THOSE WHO HAVE BEEN IMPACTED BY EDUCATION CHANGES UNDER THE COVID-19 PANDEMIC

### REDUCED APPROPRIATED FUND BALANCE & RESERVES BY \$78,000 TO \$946,577

- THE DISTRICT MUST REDUCE ITS RELIANCE ON APPROPRIATED FUND BALANCE AND RESERVES (ONE TIME REVENUES) TO FINANCE RECURRING EXPENDITURES

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

## PROPOSED BUDGET WITH A TENTATIVE\* \$0 INCREASE IN STATE AID

<u>Revenue Category</u>	<u>2020-21 Budget</u>	<u>2021-22 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Taxes	\$11,570,000	\$11,743,000	\$173,000	1.50%
State Aid	\$7,978,600	\$7,540,000	(\$438,600)	-5.50%
Appropriated Fund Balance & Reserves	\$1,493,960	\$946,577	(\$547,384)	-36.64%
Other	\$473,500	\$499,000	\$25,500	5.39%
Total	\$21,516,060	\$20,728,577	(\$787,484)	-3.66%

\*THE LEGISLATIVE BUDGET IS DUE APRIL 1, 2021 AND WILL INCLUDE FINAL STATE AID FIGURES FOR THE DISTRICT.



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

## HISTORY OF THE TAX LEVY AND TAX LEVY LIMIT AT WHUFSD:

- SINCE THE TAX LEVY LIMIT (TAX CAP) WAS IMPOSED, THE DISTRICT HAS BEEN WITHIN THE TAX LEVY LIMIT EVERY SINGLE YEAR.
- ADDITIONALLY, FOR FOUR OF THE TEN YEARS DURING WHICH THE TAX LEVY LIMIT WAS IMPOSED, THE DISTRICT LEVIED TAXES SIGNIFICANTLY LESS THAN THE TAX LEVY LIMIT.
- ON AVERAGE, THE DISTRICT'S TAX LEVY HAS INCREASED BY LESS THAN 2% ANNUALLY FOR THE LAST 10 YEARS.

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Tax Levy Limit</u>	<u>Amount Under Tax Levy Limit</u>	<u>Levy % Increase from Prior Year</u>
2012-13	\$9,937,219	\$9,937,219	\$0	2.70%
2013-14	\$10,231,769	\$10,345,535	(\$113,766)	2.96%
2014-15	\$10,369,101	\$10,369,101	\$0	1.34%
2015-16	\$10,569,711	\$10,749,892	(\$180,181)	1.93%
2016-17	\$10,617,005	\$10,617,005	\$0	0.45%
2017-18	\$10,828,212	\$10,828,212	\$0	1.99%
2018-19	\$11,062,855	\$11,062,855	\$0	2.17%
2019-20	\$11,261,369	\$11,349,773	(\$88,404)	1.79%
2020-21	\$11,570,000	\$11,570,852	(\$852)	2.74%
2021-22*	*\$11,743,000	\$11,798,072	(\$55,072)	1.50%
<b>Average:</b>				<b>1.95%</b>

\*PROPOSED LEVY

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

## **TENTATIVE TAX IMPACT:**

1. ANALYSIS IS BASED ON 2020-21 ASSESSED VALUES, CHANGES IN ASSESSED VALUE BEFORE THE ASSESSMENT ROLLS ARE FINALIZED (JULY 2021) WILL AFFECT THE TAX RATE. THIS ANALYSIS IS TENTATIVE UNTIL THE ASSESSMENT ROLLS ARE FINALIZED IN JULY OF 2021.
2. THIS ANALYSIS DOES NOT INCLUDE STAR SAVINGS. STAR SAVINGS FOR A \$150,000 PROPERTY ARE ESTIMATED AT \$780.

	Tax Rate Per \$1,000 of Assessed Value				Tax Bill on \$150,000 Home (Excluding STAR Savings)			
	2019-21	2020-21	\$ Increase	% Increase	2019-21	2020-21	\$ Increase	% Increase
Town of Waterford	\$21.64	\$21.97	\$0.32	1.50%	\$3,246.65	\$3,295.19	\$48.55	1.50%
Town of Halfmoon	\$38.14	\$38.71	\$0.57	1.50%	\$3,246.65	\$3,295.19	\$48.55	1.50%

## WHY IS THE TOWN OF HALFMOON'S TAX RATE HIGHER THAN THE TOWN OF WATERFORD'S?

THE TOWN OF HALFMOON IS NOT ASSESSED AT 100% OF FULL MARKET VALUE, INSTEAD RESIDENCES IN THE TOWN OF HALFMOON ARE ASSESSED AT 56.75% (AS OF 2020) OF FULL MARKET VALUE. AS A RESULT, THEY PAY A GREATER TAX RATE ON THEIR ASSESSED VALUE. AFTER APPLYING THE EQUALIZATION RATE TO TOWN OF HALFMOON PROPERTIES ASSESSED VALUE, THEIR EQUALIZED TAX RATE IS THE SAME AS WATERFORD'S. THIS IS WHY THE TAX BILL AMOUNTS ARE THE SAME EVEN THOUGH THE TAX RATES ARE DIFFERENT.

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

## **WHAT IF THE DISTRICT'S STATE AID IS INCREASED IN THE LEGISLATIVE BUDGET?**

BOTH THE SENATE AND ASSEMBLY ARE ADVOCATING FOR 2% INCREASES IN FOUNDATION AID (THIS IS EXCLUSIVE OF THE FEDERAL STIMULUS AID ADDRESSED ON SLIDE 3). THIS AMOUNTS TO APPROXIMATELY \$90,000 FOR WATERFORD-HALFMOON.

1.	RESTORE 25% REDUCTIONS TO ALL MATERIALS & SUPPLIES	\$63,000
2.	FURTHER REDUCE APPROPRIATED FUND BALANCE	<u>\$27,000</u>
		\$90,000

EVEN IF THE DISTRICT RECEIVES THIS ADDITIONAL STATE AID AND INCREASES THE BUDGET BY \$63,000 TO RESTORE REDUCED MATERIALS & SUPPLIES, THE OVERALL BUDGET WILL STILL DECREASE BY 3.4%.

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

## WHAT HAPPENS IF THE VOTERS DO NOT APPROVE OUR BUDGET?

1. THE BOARD OF EDUCATION MAY PROPOSE THE SAME BUDGET A SECOND TIME AND REQUEST A REVOTE, OR
2. THE BOARD MAY REVISE THE BUDGET AND REQUEST A REVOTE, OR
3. THE BOARD MAY MOVE TO ADOPT A CONTINGENCY BUDGET WHICH:
  - MUST HOLD THE TAX LEVY FLAT
  - ELIMINATES MOST EQUIPMENT AND CAPITAL OUTLAYS, INCLUDING SCHOOL BUS PURCHASES AND \$100K PROJECT
  - LIMITS THE ADMINISTRATIVE COMPONENT OF THE BUDGET
  - MAY ALSO INCLUDE THE REDUCTION OF OTHER AREAS SUCH AS ATHLETICS, KINDERGARTEN PROGRAM, STUDENT SUPPORT SERVICES, AND OTHER NON-MANDATED PROGRAMS

IF THE BOARD CHOOSES OPTIONS 1 OR 2 AND THE BUDGET IS VOTED DOWN AGAIN, THE BOARD MUST ADOPT A CONTINGENCY BUDGET.



# 2021-22 BUDGET: FREQUENTLY ASKED QUESTIONS

**Q: IF THE TOTAL BUDGET IS DECREASING, WHY IS THERE A TAX LEVY INCREASE?**

**A:** THE DISTRICT'S BUDGET IS FUNDED WITH A VARIETY OF REVENUE SOURCES. WHEN CERTAIN REVENUES DECLINE, OTHER REVENUES MUST BE INCREASED TO MAKE UP THE REDUCTION AND BALANCE THE BUDGET.

IN 2021-22, THE PROPOSED BUDGET IS DECLINING, BUT STATE AID\* AND APPROPRIATED FUND BALANCE ARE ALSO DECLINING AND AS A RESULT, THE TAX LEVY MUST BE INCREASED TO BALANCE THE BUDGET. HOWEVER, IT MUST BE NOTED THAT THE TAX LEVY INCREASE IS 1.5%, OR 0.5% LESS THAN THE ALLOWABLE TAX LEVY LIMIT INCREASE OF 2.0%.

\*EVEN IF FOUNDATION AID INCREASES \$90,000, OVERALL STATE AID WILL STILL DECREASE BY APPROXIMATELY \$348,000.

# 2021-22 BUDGET: FREQUENTLY ASKED QUESTIONS

**Q: IS THE DISTRICT IS SAVING MONEY FROM BEING OPEN UNDER THE COVID-19 PANDEMIC?**

**A:** THE DISTRICT IS REALIZING SOME SAVINGS FROM OPERATING UNDER THE PANDEMIC (SUCH AS REDUCED TRANSPORTATION COSTS FOR STUDENTS ATTENDING SCHOOLS OUT OF DISTRICT WHO ARE LEARNING VIRTUALLY). HOWEVER THE DISTRICT IS ALSO REALIZING INCREASED COSTS FOR ITEMS SUCH AS ADDITIONAL CLEANING AND SANITIZING SUPPLIES, ADDITIONAL CUSTODIAL PERSONNEL, PPE AND INCREASED SUBSTITUTE COSTS. THE DISTRICT PROJECTS THAT ADDITIONAL COVID-19 EXPENDITURES FOR 2020-21 WILL EXCEED COVID-19 SAVINGS. THE DISTRICT IS INCLUDING APPROXIMATELY \$50,000 IN ADDITIONAL APPROPRIATIONS FOR SUCH COVID-19 RELATED COSTS IN THE 2021-22 BUDGET.

ADDITIONALLY, THE DISTRICT IS SEEING STUDENTS STRUGGLE WITH LEARNING UNDER THE PANDEMIC AND AS A RESULT, PLANS TO PROVIDE ADDITIONAL EDUCATIONAL SUPPORT SERVICES TO STUDENTS IN 2021-22 (I.E., SUMMER SCHOOL, MODIFIED CLASSES, ETC.). THE DISTRICT IS INCLUDING AN ADDITIONAL \$50,000 IN THE 2021-22 BUDGET FOR SUCH COSTS.

# 2021-22 BUDGET: FREQUENTLY ASKED QUESTIONS

**Q: HOW DOES WATERFORD-HALFMOON UFSD COMPARE TO SIMILAR SCHOOL DISTRICTS IN PER-PUPIL SPENDING?**

**A: IN 2018-19 (THE MOST CURRENT DATA ON THE NYSED WEBSITE) PER PUPIL COSTS WERE AS FOLLOWS:**

WATERFORD-HALFMOON UFSD:	\$10,923
SIMILAR DISTRICT GROUP:	\$11,911
ALL SCHOOL DISTRICTS:	\$13,367

[HTTPS://DATA.NYSED.GOV/FISCAL.PHP?YEAR=2019&INSTID=800000038501](https://data.nysed.gov/fiscal.php?year=2019&instid=800000038501)

# 2021-22 BUDGET: FREQUENTLY ASKED QUESTIONS

**Q: WHY WOULD THE TAX RATE INCREASE BE GREATER THAN THE TAX LEVY INCREASE?**

**A:** THE TAX LEVY IS THE TOTAL AMOUNT OF TAX THAT THE DISTRICT NEEDS TO RAISE TO FINANCE OPERATIONS. THIS AMOUNT IS SHARED BY ALL TAXABLE PROPERTIES WITHIN THE DISTRICT. WHEN PROPERTY OWNERS SUCCESSFULLY ARGUE FOR THEIR ASSESSMENT TO BE REDUCED (SUCH AS IN MOMENTIVE'S TAX CERTIORARI CASE – SEE SLIDES 4 & 5), THAT OWNER'S SHARE OF THE TAX LEVY IS REDUCED AND SHIFTED TO THE OTHER PROPERTIES WITHIN THE DISTRICT. THIS WOULD CAUSE TAX RATES TO INCREASE MORE THAN THE TAX LEVY.



# 2021-22 BUDGET: FREQUENTLY ASKED QUESTIONS

**Q: WHY WOULD THE FINAL TAX RATE DIFFER FROM THE RATE PRESENTED PRIOR TO BUDGET ADOPTION?**

**A:** THE TAX RATE PRESENTED PRIOR TO BUDGET ADOPTION IS BASED ON THE PRIOR YEAR'S ASSESSED VALUES. ASSESSMENT ROLLS ARE PUBLISHED ANNUALLY IN JULY FOR USE WHEN LEVYING TAXES IN SEPTEMBER. UPDATED ASSESSMENT VALUES ARE NOT YET AVAILABLE WHEN PRESENTING THE TENTATIVE TAX RATES PRIOR TO BUDGET ADOPTION AND THE BUDGET VOTE. THIS IS THE CASE WITH ALL NYS SCHOOL DISTRICTS.

IN ADDITION, THE WATERFORD PUBLIC LIBRARY'S TAX RATE IS INCLUDED WHEN CALCULATING SCHOOL TAX BILLS AND IS REMITTED TO THE LIBRARY SUBSEQUENT TO COLLECTION. THE WATERFORD-HALFMOON UFSD DOES NOT SET THE WATERFORD PUBLIC LIBRARY'S TAX RATE.

# 2021-22 BUDGET: FREQUENTLY ASKED QUESTIONS

**Q: MY 2020-21 TAXES INCREASED DRAMATICALLY. DID THE SCHOOL COLLECT ADDITIONAL FUNDING FROM THIS INCREASE IN MY TAXES?**

**A:** 2020-21 TAXES INCREASED DRASTICALLY DUE TO THE MOMENTIVE TAX CERTIORARI SETTLEMENT BUT THE DISTRICT DID NOT COLLECT ADDITIONAL FUNDS ASSOCIATED WITH IT. THE DISTRICT'S TAX LEVY FOR 2020-21 REMAINED WITHIN THE TAX LEVY LIMIT AND WAS AN INCREASE OF 2.7% OVER THE 2019-20 TAX LEVY. ALTHOUGH THE TAX LEVY INCREASED ONLY 2.7%, TOTAL EQUALIZED ASSESSED VALUE (THE TAX BASE) FOR THE DISTRICT DECREASED BY NEARLY \$124 MILLION, CAUSING THE TAX RATE, AND THEREFORE TAX BILLS TO INCREASE BY 26%. AGAIN, THE DISTRICT DID NOT COLLECT ADDITIONAL FUNDS FROM THE MOMENTIVE TAX CERTIORARI CASE. SEE THE SEPTEMBER 2020 MOMENTIVE TAX CERTIORARI PRESENTATION AND THE DISTRICT'S WEBSITE FOR FURTHER DETAILS.

# 2021-22 BUDGET: MOVING FORWARD

## VARIABLES THAT MAY CHANGE THE BUDGET MOVING FORWARD

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

## QUESTIONS TO CONSIDER MOVING FORWARD

1. WHAT IF WE RECEIVE MORE THAN A 2% INCREASE IN STATE AID?

# 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?

