

2022-2023
School Budget
Work Session
3-29-22





2022-2023 BUDGET GOAL

**Balance the budget while
maintaining student instructional
and extracurricular programs that
supports our children and the
community.**

Progress Towards Strategic Roadmap (2018-2022)



- ☐ Tax Cap compliant budgets
- ☐ Passage of Capital Bond
- ☐ Identification of Efficiencies
- ☐ Hiring highly qualified staff
- ☐ Right-sizing
- ☐ Favorable contracts
- ☐ Restructuring departments
- ☐ Effective use of Technology
- ☐ Revamp hiring process
- ☐ Enhanced mentoring program
- ☐ Streamlined APPR Evaluation Process

Progress Towards Strategic Roadmap (2018-2022)



- ☐ 9 period day
- ☐ Increased dual credit opportunities
- ☐ Readers/Writers Workshop Literacy Program
- ☐ MS World Language
- ☐ K-5 Literacy Coach
- ☐ Math Coach
- ☐ K-5 STEAM Coach
- ☐ Project Lead the Way
- ☐ Modified Sports
- ☐ MHS Life/MMS Success
- ☐ Substance Abuse Certification Course
- ☐ PSAT Tests for 10th & 11th
- ☐ SAT Prep Course Offering
- ☐ MMS Summer Academy
- ☐ Director of Guidance
- ☐ Expansion of Guidance Programs K-12
- ☐ MHS Elective Fair
- ☐ Elementary Provision of School Counseling Support

- ☐ K-2 Language & Communication Program
- ☐ K-2 Therapeutic Support Program
- ☐ MS & HS Flexible Support Programs
- ☐ Falls Academy
- ☐ High School Academy
- ☐ K-8 Response to Intervention Program
- ☐ DBT STEPS-A
- ☐ Co-Teaching 2.0
- ☐ CPI training
- ☐ Reduction of students placed out-of-district
- ☐ Tuition revenue into PPS programs
- ☐ Technology-4-All Chromebook 1:1 initiative
- ☐ Migration to a "Google District"
- ☐ Instructional technology software expansion
- ☐ Network infrastructure and wireless upgrades/expansion
- ☐ Automated rostering & single password sign-on
- ☐ Implementation of DW SEL Program (RULER)
- ☐ Expanded Management Software Offerings

FISCAL CHALLENGES



- **State Aid Landscape**
- **Tax levy cap formula- CPI limit does not reflect economic reality**
 - **i.e. wage growth, utility cost**
- **Changes in enrollment and Student Needs**
 - **Special Education needs**
 - **Out of District Tuition**
 - **New Enrollment**
 - **Least Restrictive Environment**
 - **English Language Learners**
- **Contractual Obligation**
 - **Increase in Pension Contributions**
 - **Health Insurance Costs**
 - **BOCES Fees**
- **Governmental Mandates without Funding**

PRELIMINARY BUDGET SUMMARY

balanced in compliance with the tax



<u>PROPOSED</u>	2021-2022 Approved Budget	2022-2023 Budget Draft	Budget to Budget (+ / -)
Tax Levy	\$89,755,706	\$92,763,650	\$3,007,944 3.35%
Estimated Other Revenues	\$37,622,700	\$40,247,682	\$2,624,982 6.98%
Proposed Expenditures	\$127,378,406	\$133,011,332	\$ 5,632,926 4.42%

REVENUE SOURCES



Property Tax Levy - 3.35% or \$3,007,944

State Aid - Estimated State Aid is \$34,840,330 reflects an increase in Foundation Aid of \$1,210,356.

Appropriate Fund Balance and Reserves – No Change

	Proposed 2022-23	Approved 2021-22	Dollar (\$) Change	Percent (%) Change
STATE AID	** \$34,840,330	\$32,301,708	\$2,538,622	7.86%
**Includes Tentative Building Aid of \$1,250,000				
INVESTMENT / OTHER	\$1,989,900	\$1,903,540	\$86,360	4.54%
Earnings on investments, refunds of prior years expenses, Medicaid reimbursement, facilities rental, etc.				
ASSIGNED FUND BALANCE / RESERVES	\$3,417,452	\$3,417,452	\$0	0.00%
Amount of fund balance / reserves to be applied to the tax levy.				
TAX LEVY	\$92,763,650	\$89,755,706	\$3,007,944	3.35%
Amount to be collected from property owners after all other revenues are considered.				
TOTAL REVENUE	<u>\$133,011,332</u>	<u>\$127,378,406</u>	<u>\$5,632,926</u>	<u>4.42%</u>

2022-23 BUILDING AID EXCLUSION IMPLICATIONS



Original Tax Levy Limit Calculation - 4.665%.

Proposed Tax Cap - 3.35%

Due To The Application Of The Capital Project Building Aid Estimate.

- **Increasing Building Aid Decreases The Tax Cap**
- **Tentative Calculation Increase**
 - **Phase 1 ~ \$1,000,000**
 - **Energy Performance Contract ~ \$250,000**
- **Factors That Affect The Receipt Of Building Aid:**
 - **Receipt Of Aid Is Dependent On Filing Date Of Final Cost Report**
 - **If FCR Is Delayed, The District Will Ask For An Early Aid Start.**
 - **An Approval For Early Aid Start Is Not Guaranteed.**

PROPERTY TAX LEVY LIMIT



					2022-23
Prior Year Tax Levy	(21-22)				\$ 89,755,706
Tax Base Growth Factor			x		1.0085
					90,518,630
Prior Year PILOTs			+		0
Prior Year Exemptions	(21-22)		-		(1,574,520)
Adjusted Prior Year Tax Levy					88,944,110
Allowable Tax Levy Growth Factor (lesser of 2% or CPI)			x		1.02
					90,722,992
PILOTs in current year			-		0
Available Carryover (if any)					0
Exemptions in current year	(22-23)		+		2,040,658
22-23 Projected Maximum Allowable Tax Levy					\$ 92,763,649.69
% increase					3.35%
\$ increase					\$ 3,007,944

2022-2023 Maximum Allowable Property Tax Levy



up to **3.35%** or \$3,007,944 increase in maximum allowable tax levy.

Reduced from 4.66%

~~~~~

| MAHOPAC CSD                                              |                  |            |               |
|----------------------------------------------------------|------------------|------------|---------------|
| Annual Cost to the Taxpayer per \$400,000 Assessed Value |                  |            |               |
|                                                          |                  |            |               |
| 2022-23 Tax Rate                                         | 2021-22 Tax Rate | Increase   |               |
| \$ 22.79014                                              | \$ 22.03377      | \$ 0.75637 | Carmel        |
| \$ 22.79011                                              | \$ 22.04336      | \$ 0.74675 | Putnam Valley |
| Average Increase per month                               |                  |            | \$25          |

### Parameters and Variables

- ✓ **Tax Base Growth Factor = 1.0085** (21-22 = 1.0056)  
Reflects an increase in taxable real property due to new construction or significant additions to existing properties.
- ✓ **Tax Levy Growth Factor = 1.02** (21-22 = 1.0123)  
Reflects the increase in inflation, as measured by the Consumer Price Index capped at 2%.  
Ten year average is 1.55%.

## THE TAX LEVY CAP BOTTOM LINE



- We shall not exceed the tax levy cap for 2022-2023
- We have not exceeded the Tax Levy Cap since its inception
- Budget increases are limited by the State mandated Property Tax Levy Cap, calculated using the eight step formula
- Current Tax Levy Cap 3.35% reduced from 4.66% (Require 50% approval – Simple Majority)

| AVERAGE TAX LEVY INCREASE                                                    |            |       |       |       |       |       |       |        |
|------------------------------------------------------------------------------|------------|-------|-------|-------|-------|-------|-------|--------|
|                                                                              | 7 Yr. Avg. | 2023  | 2022  | 2021  | 2020  | 2019  | 2018  | 2017   |
| Tax Levy Increase (per year)                                                 |            | 3.35% | 2.03% | 1.66% | 2.10% | 0.89% | 0.00% | -0.12% |
| Average Tax Levy Increase                                                    | 1.42%      |       |       |       |       |       |       |        |
| Estimated Montly Tax Levy Increase Based on 2021 Assessed Value of \$400,000 |            | \$25  |       |       |       |       |       |        |

# EXPEDITURE BUDGET DRIVERS



| DESCRIPTION                                    | PROPOSED<br>2022-2023 | ADOPTED<br>2021-2022 | \$ CHANGE           | % CHANGE     |
|------------------------------------------------|-----------------------|----------------------|---------------------|--------------|
| SALARIES AND BENEFITS                          | \$ 104,691,478        | \$101,586,614        | \$ 3,104,864        | 3.06%        |
| BOCES (inclusive of Special Education Tuition) | \$ 10,406,244         | \$ 9,661,320         | \$ 744,924          | 7.71%        |
| OUT OF DISTRICT TUITION - other than BOCES     | \$ 1,968,196          | \$ 1,650,086         | \$ 318,110          | 19.28%       |
| INSTRUCTIONAL (other than personnel and BOCES) | \$ 5,648,526          | \$ 5,690,611         | \$ (42,085)         | -0.74%       |
| OPERATIONS (other than personnel & BOCES)      | \$ 5,183,481          | \$ 5,182,444         | \$ 1,037            | 0.02%        |
| DEBT SERVICE                                   | \$ 5,113,407          | \$ 3,607,331         | \$ 1,506,076        | 41.75%       |
| <b>TOTAL</b>                                   | <b>\$ 133,011,332</b> | <b>\$127,378,406</b> | <b>\$ 5,632,926</b> | <b>4.42%</b> |
|                                                |                       |                      |                     |              |

## ADJUSTMENT VARIABLES



**Attrition and Breakage** are due to retirements and current enrollment needs. Attrition is when a position is eliminated from the budget. Breakage is the difference between a retiring employees compensation and a new employees compensation. This reduction ensures all current staff can be retained.

**BOCES** – Adjustments to rates and services. Largest reduction is to Out of District Tuition – This was decreased as new information regarding enrollment became available.

**Out of District Tuition** – Private School Placements were also reduced as new enrollment information became available.

**Instruction Expense (Other than Personnel Services)** – Was reviewed and adjusted with Department Chairs, Principals and Directors to reduce proposed expenditures.

**Operations (Other than Personnel Services)** – Was reviewed and adjusted with Administration and Directors to reduce proposed expenditures.

**Debt Service** – Per repayment schedule, increased due to timing of work and receipt of aid.



## BALANCING BUDGET ADJUSTMENTS

| DESCRIPTION                                    | COST TO<br>CONTINUE<br>PROPOSED<br>2022-2023 | ATTRITION             | BREAKAGE            | ADDITIONS/<br>REDUCTIONS | TOTAL<br>BUDGET<br>ADJUSTMENTS | REVISED<br>PROPOSED<br>2022-2023 |
|------------------------------------------------|----------------------------------------------|-----------------------|---------------------|--------------------------|--------------------------------|----------------------------------|
| SALARIES AND BENEFITS                          | \$ 105,944,991                               | \$ (1,449,898)        | \$ (412,494)        | \$ 608,879               | \$ (1,253,513)                 | \$ 104,691,478                   |
| BOCES (inclusive of Special Education Tuition) | \$ 10,558,371                                |                       |                     | \$ (152,127)             | \$ (152,127)                   | \$ 10,406,244                    |
| OUT OF DISTRICT TUITION - other than BOCES     | \$ 2,035,463                                 |                       |                     | \$ (67,267)              | \$ (67,267)                    | \$ 1,968,196                     |
| INSTRUCTIONAL (other than personnel and BOCES) | \$ 5,837,359                                 |                       |                     | \$ (188,833)             | \$ (188,833)                   | \$ 5,648,526                     |
| OPERATIONS (other than personnel & BOCES)      | \$ 5,485,415                                 |                       |                     | \$ (301,934)             | \$ (301,934)                   | \$ 5,183,481                     |
| DEBT SERVICE                                   | \$ 5,113,407                                 |                       |                     |                          |                                | \$ 5,113,407                     |
| <b>TOTAL</b>                                   | <b>\$ 134,975,006</b>                        | <b>\$ (1,449,898)</b> | <b>\$ (412,494)</b> | <b>\$ (101,282)</b>      | <b>\$ (1,963,674)</b>          | <b>\$ 133,011,332</b>            |

# 2022-23 Preliminary Budget Summary



|                                                                                    | Amount               |
|------------------------------------------------------------------------------------|----------------------|
| <b>Proposed Budget (3-29-22)</b>                                                   | <b>\$133,011,332</b> |
| <b>Preliminary Revenues:</b>                                                       |                      |
| Tax Levy (3.35%) Previously 4.66% – Revised Through Estimated Building Aid         | 92,763,650           |
| State Aid                                                                          | 34,840,330           |
| Miscellaneous                                                                      | 1,989,900            |
| <b>Total Preliminary Revenues</b>                                                  | <b>129,593,880</b>   |
| Current Shortfall –<br>without Assigned Fund Balance and Reserves                  | (3,417,452)          |
| Preliminary Assigned Fund Balance                                                  | 3,417,452            |
| <b>Funds Available for District Program Needs –<br/>with Assigned Fund Balance</b> | <b>\$0</b>           |

## USE OF FUND BALANCE



- **What is the fund balance?**
  - End of year difference between expenses & revenue is transferred to fund balance or reserves where appropriate
  - State allows and recommends four percent (4%) of budget to be retained by school districts
- **How is it used?**
  - To cover emergency (unbudgeted) necessities
  - Used for cash flow from July 1 until October (when District receives tax revenue) to pay bills and salaries; reduces interest expense by not needing to borrow via a Tax Anticipation Note (TAN).
- **What are the ramifications for using it?**
  - Not a sustainable source to balance budgets
  - Could lower bond rating, resulting in higher interest rates
  - District could receive “Fiscal Stress” designation from NYS



## USE OF STIMULUS FUNDS



- **Recommended use of Stimulus Funds:**
  - **Considered a “one shot” revenue**
    - **Governor advises against using for operations.**
  - **Stimulus Funds will be applied strategically to ward off a financial cliff.**
  - **ESTIMATED STIMULUS FUND USAGE 2021-2022 ~ \$1.7 million for Summer Program (LEAP), COVID Academy, Virtual Academy, iTutor, Educere (Credit Recovery), PPE.**
  - **FINAL AMOUNT TO BE DETERMINED based on the \$1.2 million decrease in (actual versus budgeted) transportation aid and to compensate for the additional instructional and instruction support positions which were created that were not included in the 2021-2022 budget at an estimated cost of \$ 1,700,000.**

## NEXT STEPS



- **Monitor Albany's progress as they finalize the state's budget, due by April 1, 2022.**
- **Adjustments to contractual items based on revised rates**
- **The Superintendent's Recommended Budget will be presented on April 5, 2022 and will incorporate state aid changes if a state budget is passed on time.**
- **A final budget will be presented for approval and adoption at the April 21<sup>st</sup> BOE meeting**

## ***2022-2023 Budget – Contingency Budget***



**Should the 2022-2023 Proposed Budget be defeated on May 17, the Board of Education usually has two choices.**

- (1) Hold a second budget vote or
- (2) immediately adopt a contingency budget.

**Under a Contingency Budget, the  
2022-2023 Proposed Budget will be  
reduced by \$ **3,007,944****

**This level of budget reductions would have a significant  
negative impact on academics, arts, athletic programs and  
community use of facilities.**

## TRANSPORTATION BUS PROPOSITION 2



**Proposition 2 Total - \$1,160,000**

**6 - 65 Passenger School Buses - \$796,714**

**2 - 36 Passenger School Buses - \$250,365**

**1 - Wheel Chair Bus - \$83,963**

**Cameras and related equipment - \$28,958**

- **A Fleet Replacement Plan is safest, most cost effective and most predictable way to budget.**
- **Bus Purchases on a rotational schedule create:**
  - **Steady State Aid Reimbursement Streams- 56% Aid Ratio**
  - **Predictable Equipment Costs**
  - **Reduced Parts Inventory**
  - **Reduced Repair Costs**
  - **Newer, Safer Equipment**

## *2022-23 Budget Calendar*



- **Tuesday, February 1st: Budget Parameters and Variables**
- **Tuesday, March 1st: Budget Development - Operations**
- **Tuesday, March 8th: Budget Development – Curriculum**
- **Tuesday, March 29th: Budget Development Forum – Superintendent 's Recommendations**
- **Tuesday, April 5th: Superintendent's Proposed Budget**
- **Tuesday, April 21st: Budget Adoption by BOE**
- **Tuesday, May 10th: Budget Hearing**
- **Tuesday, May 17th: Budget Vote & Trustee Election**  
**(Mahopac High School Gymnasium @ 6 am to 9 pm)**

**All meetings are to begin at 7:00 pm unless noted. Location to be determined.**

## 2022-23 Budget – State Aid Advocacy



**Governor Kathy Hochul**

518-474-8390

<https://www.governor.ny.gov/content/governor-contact-form>

**Senator Peter Harckham**

(914) 241-4600

[harckham@nysenate.gov](mailto:harckham@nysenate.gov)

**Assemblyman Kevin Byrne**

845-278-2923

<https://nyassembly.gov/mem/Kevin-M-Byrne/contact/>