

HARPURSVILLE CENTRAL SCHOOL



Budget Development for 2020-2021

Based on the NYS Budget

April 20, 2020



We've had to hit the "reset" button with the budget given the financial implications across NYS as a result of the pandemic.

The current revenue picture for the state and hence school district aid for the 2020-2021 school year has changed significantly since the initial projections that came out of the Governor's office with the Executive budget proposal.

The Legislature has approved the state budget for the next fiscal year and the impact on school aid was significant.



TONIGHT'S TOPICS

- Budget goals
- Projected expenditures
- Projected revenues
 - State aid – Based on 2020-21 NYS Budget
 - Local revenue
 - “Other” revenue
- Summary – comparison of projected revenues and expenditures
- Next steps



BUDGET GOALS

- **Provide an instructional program that meets the educational needs of all students**
- **Maintain the elimination of structural deficits in our budgets**
- **Continue to operate with minimal or no use of reserves**
- **Promote the fiscal health and stability of the school district**
- **Incorporate a capital outlay project**



PROJECTED EXPENDITURES

Developed using:

- Current staff of record
- Known benefit rate changes
 - Moved Medicaid eligible people from the Medicare Supplemental Plan to a more cost effective Medicare Advantage Plan
- Known contractual costs/estimated contractual increases
- Known debt service payments
- BOCES services based on the Final Request for Services
- Historical and market trends; current year projections



WHAT'S CHANGED-EXPENDITURES

- Anticipated expenditures have **decreased by \$31,193** since February 12, 2020
- Non-Instructional Salaries have **increased \$11,229** (related to salary adjustment to some budgeted HSSA positions).
- Equipment budget **lowered by \$26,250**. (Lower Maintenance equipment line and re-align material aid expenditures to match the revenue side.)
- Contractual numbers have **decreased by \$31,400**. (Review transportation costs and some other .400 items).
- BOCES budget **increased \$40,203** from the original budget based on anticipated services for 20-21.
- Debt Service **decreased \$4,975** due to improved rates at the time we borrowed.
- Benefits are **\$20,000 lower** due to lower worker's compensation costs.



PROJECTED EXPENDITURES

| EXPENDITURES | 2019-2020 ORIGINAL BUDGET | 2020-2021 DRAFT BUDGET 2/12/20 | 2020-2021 DRAFT BUDGET 4/20/20 | % INCREASE BUDGET TO BUDGET | \$ INCREASE BUDGET TO BUDGET |
|----------------------------|---------------------------|--------------------------------|--------------------------------|-----------------------------|------------------------------|
| INSTRUCTIONAL SALARIES | \$ 4,676,297.00 | \$4,885,375.00 | \$4,885,375.00 | 4.47% | \$ 209,078.00 |
| NON-INSTRUCTIONAL SALARIES | \$ 1,814,401.00 | 1,915,654.00 | 1,926,883.00 | 6.20% | \$ 112,482.00 |
| EQUIPMENT | \$ 197,919.00 | \$ 69,000.00 | \$ 42,750.00 | -78.40% | (\$ 155,169.00) |
| CONTRACTUAL EXPENSES | \$ 1,755,086.00 | \$ 1,802,125.00 | \$ 1,770,725.00 | 0.89% | \$15,639.00 |
| MATERIALS AND SUPPLIES | \$ 449,710.00 | \$ 473,110.00 | \$ 473,110.00 | 5.20% | \$ 23,400.00 |
| BOCES | \$ 4,475,500.00 | \$ 4,542,630.00 | \$ 4,582,833.00 | 2.40% | \$ 107,333.00 |
| DEBT SERVICE | \$ 1,763,423.00 | \$ 1,831,738.00 | \$ 1,826,763.00 | 3.59% | \$ 63,340.00 |
| BENEFITS | \$ 5,128,895.00 | \$ 5,230,015.00 | \$ 5,210,015.00 | 1.58% | \$ 81,120.00 |
| TRANSFERS | \$ 50,000.00 | \$ 150,000.00 | \$ 150,000.00 | 200.00% | \$ 100,000.00 |
| TOTAL | \$20,311,231.00 | \$ 20,899,647.00 | \$ 20,868,454.00 | 2.74% | \$ 557,223.00 |



PROJECTED EXPENDITURES (benefits)

| EXPENDITURES | 2019-2020 ORIGINAL BUDGET | 2020-2021 DRAFT BUDGET (2/12/20) | 2020-2021 DRAFT BUDGET (4/20/20) | % INCREASE BUDGET TO BUDGET | \$ INCREASE BUDGET TO BUDGET |
|---------------------------|---------------------------|----------------------------------|----------------------------------|-----------------------------|------------------------------|
| STATE RETIREMENT--ERS | \$217,900 | \$238,710 | \$238,710 | 9.55% | \$20,810 |
| TEACHER'S RETIREMENT--TRS | \$429,295 | \$491,629 | \$491,629 | 14.52% | \$62,334 |
| SOCIAL SECURITY | \$514,900 | \$551,976 | \$551,976 | 7.20% | \$37,076 |
| WORKERS COMPENSATION | \$110,000 | \$90,000 | \$70,000 | -36.36% | (\$40,000) |
| UNEMPLOYMENT INSURANCE | \$30,000 | \$30,000 | \$30,000 | 0.00% | \$0 |
| HEALTH & DENTAL INS | \$3,810,800 | \$3,810,000 | \$3,810,000 | 0.00% | \$0 |
| OTHER BENEFITS | \$16,000 | \$16,900 | \$16,900 | 5.63% | \$900 |
| TOTAL | \$5,128,895 | \$5,230,015 | \$5,210,015 | 1.97% | \$81,120 |



PROJECTED REVENUES

Developed using:

- Tax levy limit calculation – Submitted 3/1/20
- NYS Budget 2020-21 for state aid
- Prior year trends/data for other revenues



WHAT'S CHANGED-REVENUES

- We are expecting a **decrease in Revenues of \$339,286** from the original budget projections in February
- Our Tax Levy Limit is **\$5,601 lower** than the initial number projected in February
- The “Other Revenue” is expected to be **\$15,000 lower**. This is directly related to the lowering of interest rates.
- We also received a **reduction in state aid of \$318,685** in anticipated state aid.



PROJECTED REVENUES

| REVENUE | 2019-2020 ORIGINAL BUDGET | 2020-2021 DRAFT BUDGET (2/12/20) | 2020-2021 DRAFT BUDGET (4/20/20) | % INCREASE BUDGET TO BUDGET | \$ INCREASE BUDGET TO BUDGET |
|-----------------------------|---------------------------|----------------------------------|----------------------------------|-----------------------------|------------------------------|
| TAX LEVY | \$4,257,293 | \$4,361,478 | \$4,355,877 | 2.32% | \$98,584 |
| OTHER REVENUE | \$756,755 | \$642,423 | \$627,423 | (17.09%) | (129,332) |
| STATE AID | \$14,797,183 | \$15,232,847 | \$14,914,162 | 0.79% | \$116,979 |
| APPROPRIATED RESERVES | \$0 | \$0 | \$0 | 0.00% | \$0 |
| APPROPRIATED FUND BALANCE | \$500,000 | \$593,000 | \$593,000 | 18.60% | \$93,000 |
| TOTAL REVENUE BUDGET | \$20,311,231 | \$20,824,147 | | 0.88% | \$179,231 |



PROJECTED REVENUES

Tax Levy

| REVENUE | 2019-2020 ORIGINAL BUDGET | 2020-20201 DRAFT BUDGET (4/20/20) | % INCREASE BUDGET TO BUDGET | \$ INCREASE BUDGET TO BUDGET |
|-----------------|----------------------------------|--|------------------------------------|-------------------------------------|
| TAX LEVY | \$4,257,293 | \$4,355,877 | 2.32% | \$98,584 |

NOTES:

- 2.32% is the maximum allowable limit under the tax cap law
 - The district would remain compliant under the law with this levy
- 1% change to the tax levy is approx. \$42,573



PROJECTED REVENUES - “Other” Revenue

| Revenue | 2019-2020 | 2020-2021 |
|--|------------------|------------------|
| Payments in lieu of taxes (PILOT) | \$10,017 | \$10,547 |
| Interest & Penalties on Real Prop Taxes | \$13,000 | \$13,000 |
| Day school tuition from other districts | \$15,000 | \$15,000 |
| Interest and earnings | \$15,000 | \$0 |
| Rental of real property (SUNY Broome) | \$29,000 | \$0 |
| Rental of real property (BOCES) | \$92,876 | \$92,876 |
| Sale of scrap | \$1,000 | \$1,000 |
| Refund of prior year expenses - BOCES | 156,000 | \$158,000 |
| Refunds of prior years expenditures (Health Ins. & CPSE) | \$12,000 | \$12,000 |
| Other unclassified revenues | \$105,362 | \$5,000 |
| Other unclassified revenues-BOCES (after-school/enrich./sub reimburse) | \$257,500 | \$245,000 |
| Medicaid Assistance | \$50,000 | \$75,000 |
| Inter-fund Transfer from Debt Service (premium to offset debt) | \$0 | \$0 |
| TOTAL OTHER REVENUE | \$756,755 | \$627,423 |



PROJECTED REVENUES

“State Aid”

| <u>Type of Aid</u> | <u>2019-20 ORIGINAL BUDGET</u> | <u>2020-2021 DRAFT BUDGET 2/12/20</u> | <u>2020-2021 DRAFT BUDGET 4/20/20</u> | |
|-----------------------------|--------------------------------|---------------------------------------|---------------------------------------|---|
| Foundation Aid | \$10,535,097 | \$12,285,228 | \$10,531,098 | includes \$100,000 of community schools aid |
| Excess Cost Aid | \$448,000 | \$434,000 | \$459,000 | |
| Building Aid | \$1,309,395 | \$1,313,619 | \$1,313,619 | |
| Transportation Aid | \$1,155,558 | \$1,200,000 | \$1,164,000 | |
| BOCES Aid | \$1,276,234 | \$0 | \$1,378,695 | |
| Tuition Aid Handicapped | \$0 | \$0 | \$0 | |
| Instructional Materials Aid | \$72,899 | \$0 | \$67,750 | |
| TOTAL STATE AID | \$14,797,183 | \$15,232,847 | \$14,914,162 | |



SUMMARY...

| Revenues | Expenditures | Budget Gap |
|-----------------|---------------------|-------------------|
| \$20,490,462 | \$20,868,454 | (\$377,992) |



NEXT STEPS

- **Discussion on how to proceed with what is now a significant budget deficit.**
- **Wait to get guidance from NYS on how districts are expected to proceed with the budget calendar (i.e. budget vote date and all other related and required activities).**





THANK YOU!

