Williamsville Central Schools

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LONG RANGE FINANCIAL PLAN

Fall 2019

Prepared by: Thomas Maturski, Assistant Superintendent for Finance & Management Services

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A. INTERPRETATION AND USAGE

The purpose of this five-year long-range financial plan is to support the annual budget development process. Each budget process is unique and this results in many new budget items being considered by the District. This long-range financial plan concentrates on addressing program continuation expenses and does not reflect new district programs or the potential enhancement of existing programs. The objective of this plan is to show how annual budget increases impact future budgets.

B. FINANCIAL BACKGROUND INFORMATION

Financial Operation and Oversight

The Williamsville Central School District operates under the supervision of the New York State Education Department as well as all applicable New York State Municipal Laws. In 2005, New York State enacted the Fiscal Accountability Legislation. This legislation required all school districts to establish an internal audit function, requires all Board of Education members to complete fiscal oversight training and mandates that the New York State Comptroller audit school districts once every five years. The last major provision of these laws requires each school district to establish an audit committee. This committee is responsible for reviewing all district audits. The Williamsville Central School District has fully complied with this law since its inception. The New York State Comptroller audited the District in 2010 and in 2016. In the 2016 audit, they stated that the District's expenditure budget should include more realistic budget estimates. This long-range report explains why the District utilizes a conservative approach to the development of its annual budgets.

Auditing – Internal and External Audits

The Fiscal Accountability Legislation required that all districts establish an internal audit function. The purpose of internal audits are to review the District's internal controls and to verify that safeguards are in place over the District's assets. In response to this item, the District issued a Request for Proposal (RFP) in 2006, 2010, and 2015 to public accounting firms for these services. This law required that the District follow an open RFP process as a means to select an accounting firm for the performance of this internal audit function. Our RFP process has resulted in the Board of Education awarding services to the accounting firm of Freed Maxick to meet this legislative requirement.

In 2012, the internal auditor reviewed the District's budget development process and stated in their report that the District's budget and budget plan were "efficient and well communicated". The report further stated "The long-term financial plan developed by the District appeared to be supported by historical financial information and was well developed and easily understood". The auditor's professional review and positive findings on the District's budget development process provides the reader of this report with a level of assurance that the financial information herein is reasonable and pertinent to the current financial condition of the District.

The District must have an independent external audit firm complete an annual financial audit each year. The purpose of the external audit is to have a professional accounting firm complete an independent review of the District's financial statements. This review assures the Board of Education and the public sector that our financial statements fairly represent our financial condition. The Board of Education appointed the firm of Drescher and Malecki, LLP to complete the annual audit. In October 2019, the auditor stated to the Audit Committee and the Board of Education that the District is financially sound based on their review of the 2018-19 accounting records. Their message to the Board of Education emphasized that even though the District's current financial position is strong, it must recognize the annual uncertainty of New York State Aid as it plans future budgets to avoid fiscal challenges. This long-range plan reviews ongoing financial issues that need to be monitored and acted on appropriately in order to not impact the District's current level of instructional programming.

Government Accounting Standards Board (GASB)

The District's accounting methods must follow all Government Accounting Standards Board (GASB) announcements. All GASB changes are influenced by a variety of external groups including the Internal Revenue Service, Federal Government, American Institute of Certified Public Accountants and Government Accounting Standards Board and Financial Accounting Standards Board. Over the past ten years, there have been some major changes in the District's financial reporting due to the implementation of many different GASB statements. There will continue to be new GASB pronouncements that will require modifications to the District's financial statements. These pronouncements will address such items as pension reporting, post-employment benefit reporting and tax abatement reporting. It is important to state that school districts must comply with these new standards. If the District did not comply with the GASB changes, it would receive an audit finding in the District's Audit Management letter.

Accounting Method

The District utilizes a modified accrual method of accounting for all revenue and expenses. This accounting principle requires that revenues and expenses are recorded in the period (fiscal year) they are received and/or incurred. When this situation spans two different fiscal years, the District must accrue (account for) revenues and expenses related to the prior year in its accounting records. More detailed information on the accounting and budget code requirements for school districts may be found in the New York State Comptroller's "School Districts Accounting and Reporting Manual" which can be viewed at this website link:

https:/www.osc.state.ny.us/localgov/pubs/arm_schools.pdf

C. BUDGET BUILDING PROCESS – BALANCED BUDGETING REQUIREMENT

New York State law requires school districts to have a balanced budget. The definition of a balanced budget is that the expense budget must be fully supported by the revenue budget. Therefore, every expense increase requires an equal increase in the revenue budget or an equal reduction in the expense budget to create a balanced budget.

The District begins the budget development process with a projection of the maximum revenue increase that it may obtain from its tax levy under the tax cap calculation. It then adds all other revenues to obtain a total revenue number. The following revenue sections explain the significant impact of the New York State tax cap on the tax levy.

Impact of Tax Cap

New York State has advertised its tax cap law as a two percent (2%) cap on taxes. Although our residents hear this message, the law does not actually limit the tax levy increase to two percent. The law states that if the consumer price index (CPI) is two percent or greater, a district must use two percent in the tax cap calculation as it pertains to the change in the prior year levy. This two percent limit excludes levy increases for assessment growth and pertinent exclusionary expense calculations that are permitted in the tax cap calculation. The exclusionary items within the tax cap legislation allow school districts to issue tax levy increases that are greater than two percent of the prior year's levy. The exclusionary items include New York State Retirement System payments that are greater than a two percent percentage point increase of the prior year's rates, specific changes in payment in lieu of tax items, debt service changes, and payments for specific legal cases involving tort settlements. It is important to state that the law does not provide exclusions for contractual salary payments, utility/fuel expenses, health insurance increases and additional expenses attributed to New York State mandates that school districts are required to implement each year. If the CPI rate is below two percent, a school district will most likely have a levy increase under the two percent amount unless they have qualifying exceptions that raise their approved tax levy limit or if they wish to exceed the tax cap amount. If a school district's tax levy increase is under the tax cap amount, the District only needs to receive a simple majority of "yes" votes to approve the budget.

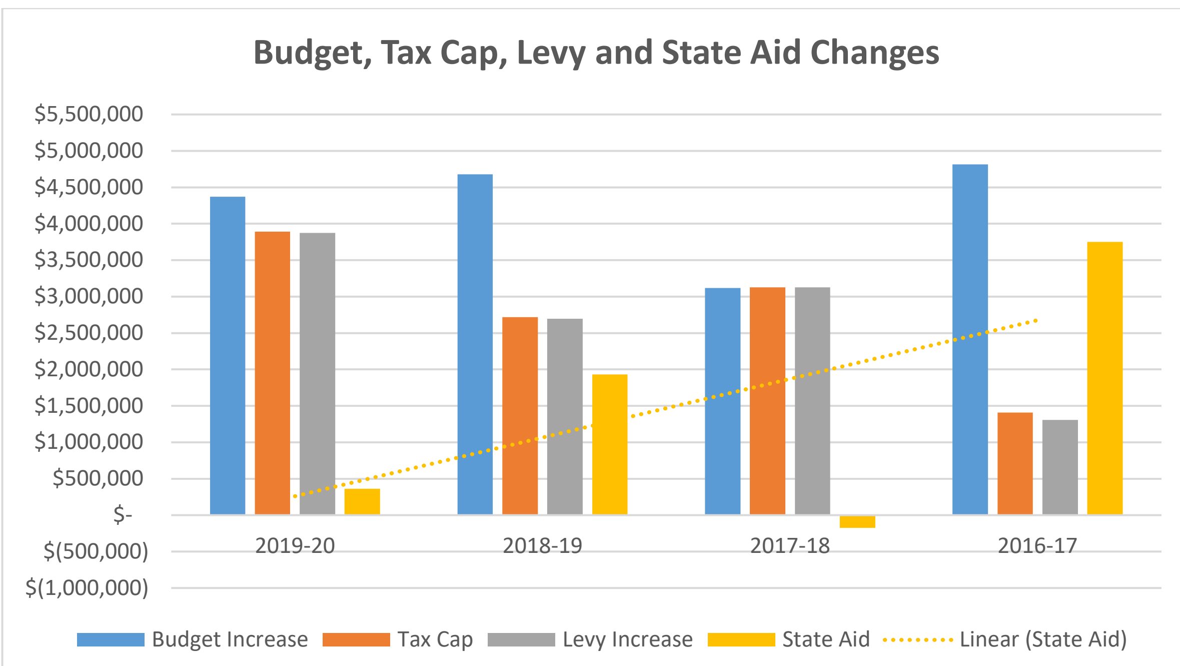
Tax Cap Override (Exceeding the Tax Cap)

The tax cap law provides no limit to a school district on the annual increase amount that they may seek from their tax levy. If a district chooses to exceed the tax cap number, it must receive at least sixty percent (60%) "yes" votes in order to approve the budget.

Tax Cap – (Budget Defeat)

An important change in the budget vote process under the tax cap law is that there are severe budget consequences for a defeated budget. Prior to the tax cap law, a district with a defeated budget could increase their prior year's budget by multiplying it by a calculated increase that considered the CPI rate for that year. Under the new law, after two-budget defeats a District must use the same tax levy that it had in the previous school year. To put this into perspective, the Williamsville Central School District's 2019-2020 tax levy increase was 3.15% equaling $3,875,057. If the District's budget were defeated twice in last year's budget cycle, it would have had to implement a zero increase in the tax levy. This type of situation could quickly result in financial difficulties for the District.

The following chart provides a visual perspective on the correlation between the maximum tax cap levels allowed by law versus the actual District tax levies. The chart also shows actual District budget increases, tax cap limit, levy increases, and State Aid increases.



The important points displayed in this chart are as follows:

1. Since the Tax Cap law has been in effect, the District has remained at or under the allowable increase in each budget year.
2. The chart shows how New York State aid increases can fluctuate significantly in each budget year as well as a linear decreasing pattern of State Aid to the District. It is important to note that the 2016-17 State Aid increase was high due to the State's restoration payment for the GEA State Aid reduction that occurred in 2009-10.
3. The chart shows that the District's budget increases are relatively stable and the four-year average is $4,246,331. If the tax levy increase (tax cap compliant) and increase in State Aid is lower than this number, program decreases are required.
4. The fact that the major revenue increases are approximately equal to the annual budget increase amount means that there is no funding available for new programs unless the District is able to reduce other areas of the budget.

<u>Impact of the Tax Cap on Future Budget Development Cycles</u>

Due to the tax cap law, the District cannot assume that reductions in one planning process will minimize or eliminate required budget reductions in future budget cycles. The opposite is true. The total revenue increase is the driving factor of the budget. If there is a low increase in revenue, this correlates with a need to have a larger expense reduction. The opposite is also true. If the District projects higher revenue estimates, it will be in a better position to minimize the amount of expense reductions that it must implement to balance the budget.

D. REVENUE INFORMATION

Historical State Aid Information

In the 2007-08 school year, New York State implemented a new state aid formula for public school funding. The new formula enacted was Foundation Aid and it replaced previous state aid formulas. The Foundation Aid calculation provided a major change from past formulas in that it estimated state aid amounts to all school districts for a four-year period-of-time. In the formula's second year of implementation, New York State did not meet the state aid amount listed in its multi-year funding plan. The impact to Williamsville was a reduction of almost fifty percent of its estimated State Aid increase amount per the multi-year Foundation Aid plan. Even though this plan is going to be twelve years old, it is still relevant to the state aid equation because there has been recent discussions on the elimination and replacement or restructuring of Foundation aid. The elimination of this aid category is in contrast to other discussions regarding requests to fully fund the aid category. The most recent State level conversation on Foundation seem to indicated that fully funding Foundation Aid is far from becoming a reality.

New York State School Aid Reductions

The Foundation Aid budget reduction occurred eleven years ago in 2009-10. It was referred to as the Deficit Reduction Assessment (DRA). It is important to state that the revenue dollars lost between the 2009-10 school year and the 2016-17 school year were never recouped by the District. Additionally, the reduction in State Aid resulted in a lower base aid amount in each year thereby resulting in lower State Aid increases since the reduction.

What Happened to New York School Aid in 2009-10 and 2010-11

When New York State and other States reduced school aid to school districts the Federal government initiated the American Recovery and Reinvestment Act (ARRA) program to provide additional revenue for K-12 education programs. New York State informed school districts that they could expect to receive an allocation of funds from this program in their 2009-10 and 2010–11 school year budgets. Their plan changed due to the State's fiscal problems. The State used their Federal 2010-11 dollars to pay school districts their aid for the previous 2009-10 school year. Because of this action, the Williamsville School District did not receive the previously promised $4,310,472 in ARRA dollars in the 2010-11 school year. The District received $2,346,817 which was a decrease of $1,963,655 from the original amount. These dollars were permanently lost to the District. To counter the way States allocated the Federal ARRA funds to school districts the Federal government implemented a grant program to districts in the 2010-11 school year. The program was called the Federal Education Jobs Funds. This was a two-year program. The Williamsville Central School District decided not to access these dollars until the 2011-12 school year so that they could partially offset the loss of $2,346,817 in ARRA funding that ended in 2010-11. The District's Federal Education Jobs Fund allocation was $1,964,276 and the difference between the prior year ARRA funding and this one-time Federal funding allocation resulted in a $382,541 revenue budget gap for the 2011-12 school year. For the 2012-13 school year, the Federal Education Jobs Funds program expired resulting in a revenue reduction equal to the $1,964,276. The District's financial plan for the loss of the Federal dollars was to step-down the aid reduction over three years, thereby allowing the district to access other revenues and institute budget reductions to balance its budgets.

The 2016-17 State budget process restored the remaining state aid reduction. This resulted in a large state aid increase of $3,750,736. With the restoration of the DRA or commonly called GEA, it is unlikely that the District will receive a large increase in state aid in future years. This will be an important factor to consider when developing future budgets.

The relevance of this historical state aid information to the development of the 2020-21 budget is that it is important to recognize that if New York State's economy were to falter, there will be an impact to the District's state aid budget. The loss of state aid combined with the New York State tax cap would require the District to reduce the expenditure budget to obtain a balanced budget. The potential for this budgetary situation to occur is the reason why sound financial decisions must be made each year. Sound budget practices require a balance between budgeting too little or too much in the District's budget codes.

Revenue Categories

Revenues are accounted for in specific revenue codes as defined by New York State law and the New York State Comptroller's Office. The District uses approximately forty different revenue codes on an annual basis. Of the forty revenue codes used by the District, there are seven significant categories.

1. State Aid

The Governing bodies of New York State determine the District's annual state aid amount. Each year the State appropriates a portion of its budget to fund public school education. The State creates state aid formulas to allocate education aid to school districts. While the funding formulas have changed over the years, it is important to note that comparative funding levels by the geographic regions of New York State have remained relatively stable over time. This is important information for the community to understand because even when the Legislature and the Governor enact new state aid formulas, they attempt to maintain a stable allocation of state aid dollars throughout each region of the State. This concentrated effort results in minimal changes in the percentage of educational funding amounts to the different state geographic regions. This annual fact shows how political issues, regional cost factors, and educational lobby groups directly affect school funding levels. The importance of State Aid to the District cannot be underestimated. State Aid is a critical revenue that enables the District to maintain its educational programs.

2. Tax Levy

The District's tax levy is the largest source of revenue for the District. New York State law authorizes the Board of Education to issue a tax levy. The original purpose of a school tax levy was to allow school district communities to levy taxes to enhance and support their educational programs. In this long-range plan, each tax levy estimate is within the tax cap law.

3. ***Payment in Lieu of Taxes (PILOT)***

A business or corporation may enter into negotiations with a Local, County or State Industrial Development Agency to obtain a special agreement that removes their building and property from the town's tax roll. Per this agreement, the business follows a reduced property tax payment schedule for the number of years stated in the agreement. The total PILOT payment amounts change each year and are based on the status of all agreements. The school district has little if any control over these agreements. The intent of PILOT agreements is to foster economic development and add jobs to the community. The New York State Comptroller has stated that PILOT agreements do not always fulfil the economic goals that were stated in their applications. When this situation occurs, it transfers a heavier tax levy burden to taxpayers because the PILOT agreements have reduced assessment levels which results in the payment of lower taxes than if they did not have this agreement.

4. ***Interest Earnings***

Interest earning revenue is based upon the amount of funds (available cash) held by the District at any given point in time. The District receives the most interest earning revenue after receipt of the tax levy. Throughout the year, the District completes a cash flow analysis to determine the amount of funds that it may invest each month. It is very important to note that this revenue category fluctuates annually based on the economy and the interest rate markets. Any adjustments made by the Federal Reserve Bank directly impacts interest rates and interest revenue. The daily Federal Funds effective rate in October 2019 was trending at 2.00%. This is down from last year's October rate of 2.25%. This decrease will affect the District's interest revenue in the 2019-20 budget.

5. ***Sales Tax***

The District resides within the County of Erie, which provides for the sharing of sales tax collections with public school districts. The allocation of sales tax revenues is directly correlated to the taxable sales that occur in Erie County each year. The fluctuation that occurs in this revenue is largely dependent on the economic health of the residents of Erie County. External forces may increase or decrease the District's annual revenue based on the total sales tax collections received by the County at various points in time. The District will review 2019 sales tax receipts closely when establishing the 2020-21 sales tax budget in order to identify revenue trends that may occur in the new school year.

6. ***Appropriated Fund Balance***

The Board of Education authorizes the District to save funds from the prior year budget and apply them to reduce future budgets by using appropriated fund balance. If the district spends all of its appropriated fund balance in a school year and it does not have fund balance available for succeeding budget years, it will create a revenue shortfall. In order to mitigate future budget shortfalls, the District must plan budget surpluses and/or have equaling revenue and expenses in each year. This means that the District must end the prior year with a surplus that is equal or greater to the appropriated fund balance amount or have the actual revenues be equal or slightly greater than the actual expenses. Attaining these financial items allows for sustainable future budgets. In the 2019-20 budget, the District's appropriated fund balance is $5,424,000. It is expected that this amount will be appropriated in the 2019-20 budget.

7. Appropriated Reserves

The current 2019-20 budget includes reserve appropriation of $3,780,000. The District's appropriation of reserves in its revenue budget does not create a one-year funding gap because the current appropriated reserve amounts consider a long-range appropriation plan.

There may be a future point in time when reserve appropriations will not be possible at present levels due to the depletion of the reserve balances. To address this financial situation it is the District's goal to slowly decrease reserve appropriations in future budgets. It is important to state that the district has several reserves that must be funded at responsible levels due to their need to support self-insured expense categories. The applicable reserves are workers compensation and unemployment. The reserve balances will fluctuate each year based on actual costs incurred by the District and changes in their estimated future liability amounts. Failure to maintain minimum reserve balances for these accounts would result in a financially deficient situation for the District.

E. <u>EXPENSE INFORMATION</u>

The long-range financial plan attached to this report has been developed by using expense projections that are based on forecasted future increases and decreases in expense categories. The financial projections are developed at a single point in time. This long-range plan will not be updated throughout the annual budget development process.

<u>Development of Long-Range Budget Expenses</u>

Budget information has been compiled by function code (major school expense category) for this analysis. The objective of the analysis is to concentrate on large expense items that may increase within each budget area. These expense items are normally included in the Program Continuation-Required Expense report. The forecast also looks for budget areas that will provide budget savings to the district. All cost savings are researched to determine if they are permanent and if they can be incorporated into the long-range budget plan. These savings are projected in the first forecasted budget year and become part of the base budget that is projected into future budget years.

The long-range budget development process must also consider specific budget increases in general budget areas. Examples of these increases are utility costs for electricity and natural gas. Normally, the District applies the Consumer Price Increase (CPI) rate to general expense items. In this 2019 long-range expense plan, CPI increases have been added to a select number of expenses.

F. LONG-RANGE FORECAST

a) HUMAN RESOURES CATEGORIES

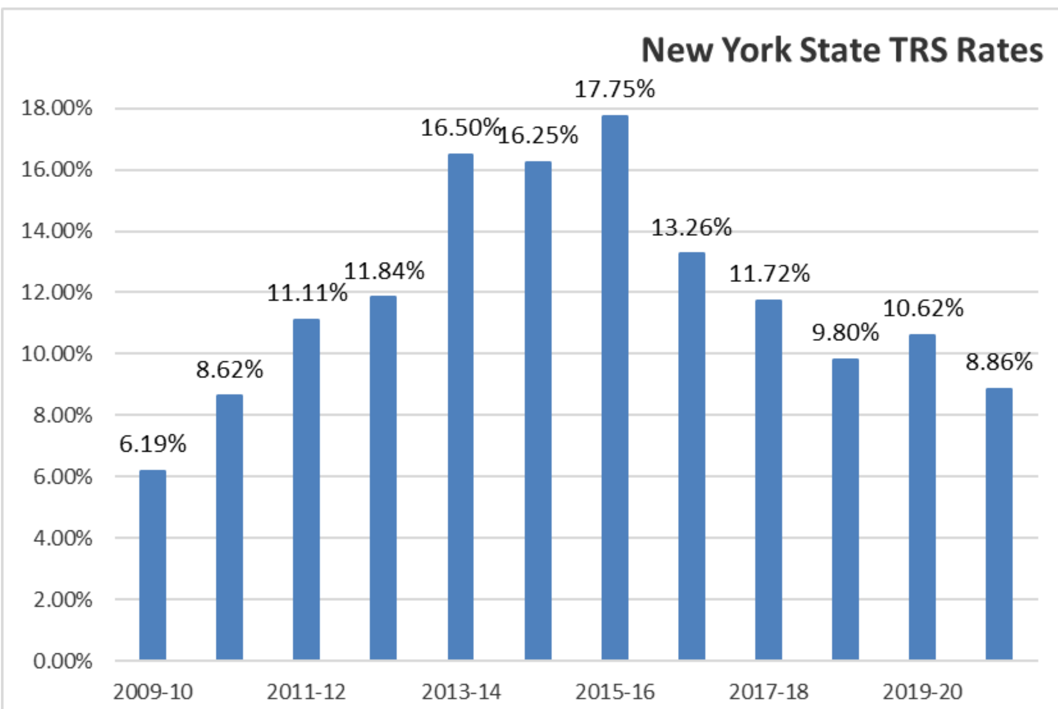
The human resource expense areas have always resulted in the majority of the District's budget increases in the last fourteen years. The chart below provides historical budget information for salary and benefit increases over this period-of-time.

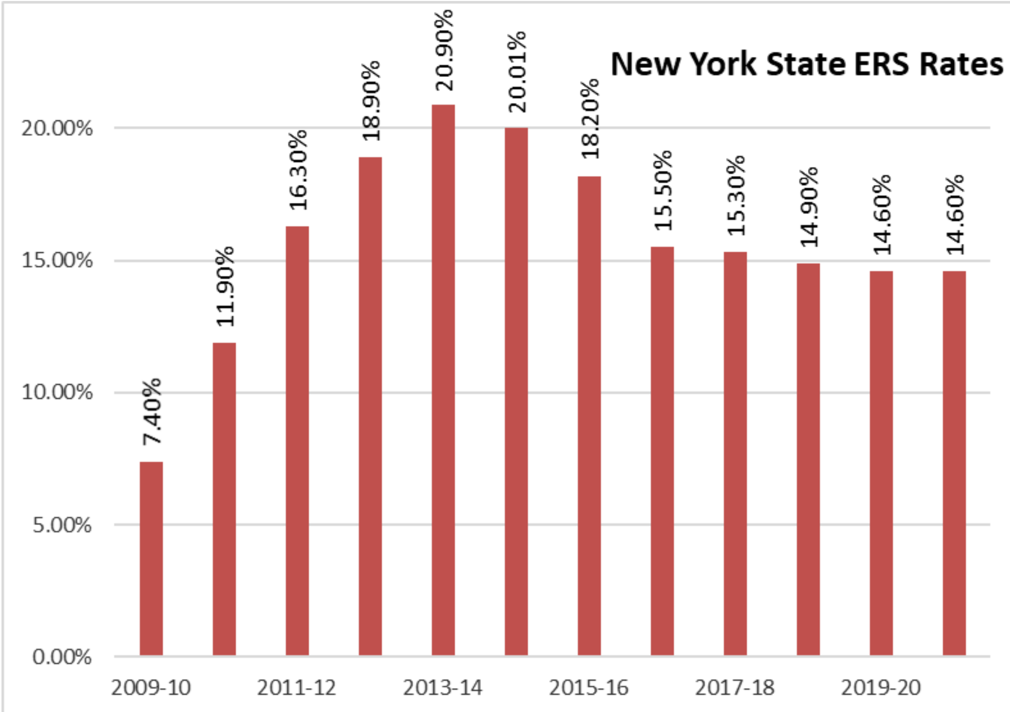
Year	Total Budget	Total Salary	Salary % of Budget	Total Benefits	Benefits % of Budget	Total Salary and Benefits	Salary & Benefits % of Total Budget
2006-07	$ 139,104,702	$ 83,153,060	59.78%	$ 25,332,882	18.21%	$ 108,485,942	77.99%
2007-08	$ 145,255,205	$ 86,282,914	59.40%	$ 27,170,927	18.71%	$ 113,453,841	78.11%
2008-09	$ 151,217,615	$ 88,709,443	58.66%	$ 29,169,844	19.29%	$ 117,879,287	77.95%
2009-10	$ 154,737,216	$ 91,096,686	58.87%	$ 29,867,013	19.30%	$ 120,963,699	78.17%
2010-11	$ 159,291,824	$ 94,183,152	59.13%	$ 31,944,451	20.05%	$ 126,127,603	79.18%
2011-12	$ 161,813,545	$ 91,987,964	56.85%	$ 36,540,480	22.58%	$ 128,528,444	79.43%
2012-13	$ 164,545,249	$ 93,304,071	56.70%	$ 37,741,605	22.94%	$ 131,045,676	79.64%
2013-14	$ 170,003,254	$ 94,744,126	55.73%	$ 41,576,953	24.46%	$ 136,321,079	80.19%
2014-15	$ 173,956,594	$ 96,178,682	55.29%	$ 42,735,177	24.57%	$ 138,913,859	79.86%
2015-16	$ 178,199,516	$ 98,603,454	55.30%	$ 43,560,177	24.40%	$ 142,163,631	79.80%
2016-17	$ 183,015,606	$101,430,863	55.40%	$ 43,441,794	23.70%	$ 144,872,657	79.20%
2017-18	$ 186,135,210	$103,561,252	55.64%	$ 37,513,143	20.15%	$ 141,074,395	75.79%
2018-19	$ 190,815,689	$106,433,397	55.78%	$ 38,912,843	20.39%	$ 145,346,240	76.17%
2019-20	$ 195,184,838	$109,709,698	56.21%	$ 39,212,843	20.09%	$ 148,922,541	76.30%
Percent Change over Fourteen Years			**-3.57%**		**1.88%**		**-1.69%**
Average % of Budget - Fourteen Years			**57.05%**		**21.35%**		**78.41%**

Salaries **-** Although total salary budgets have increased, the salary category has decreased as a percentage of the total budget by 3.57%. The total benefit budget (as a percentage of the total budget) has increased 1.88%. Employee benefit costs have continued to outpace inflation and the information in this table shows that they have increased 54.79% since the 2006-07 school year. During this same period-of-time, salary increased by 31.93%. Benefit increases were 22.86% more than salary. This fact underlines how the value of benefits has changed over this fourteen-year period-of-time. However, in the last three budget years the District has stabilized the benefit increases and salaries are once again increasing at a slightly greater pace than benefits.

Forecasted Salary Increases – The District has projected salary increases according to current labor agreements.

New York State Retirement System





The District is required to fund payments to the New York State Retirement system each year based on employee membership in these systems. The Teachers Retirement System (TRS) is for certified personnel. The Employee Retirement System (ERS) is for noncertified personnel. Each retirement system is independent form the other system. The governing boards of these systems review their performance and they establish contribution rates that are applicable to salaries paid by the school district each year. The rates reflect the investment returns that these funds project to receive in the form of revenue as well the outflow of retirement payments to members. The recent contribution rates for both retirement systems have been decreasing due to strong investment returns from the equity markets. If the investment rate of returns begin to decrease, it is likely that the contribution rates will increase. The charts illustrate the historical rate volatility that has occurred in both retirement systems.

<u>Forecasted Retirement System Payments</u> – There are no budget changes in the forecast.

Health Insurance – The percentage increases in this category are based on the projected health insurance claims that are expected to be paid in the upcoming year. The District's health insurance plan is self-funded, which means that it must pay for the actual expenses incurred by staff for health insurance matters. Additionally, the Williamsville Teachers Association Benefit Trust health insurance plan is also self-funded. The self-funding of health insurance requires that the District budget for catastrophic claims each year. This results in a budget that will be greater than actual expenses to protect itself from the possibility that it will incur a catastrophic claim. This budgeting practice is recommended by the District's health insurance consultant. The District must follow this budget practice because New York State law does not allow a school district to have a reserve fund for medical health insurance.

Forecasted Health Insurance Payments – Due to the uncertainty of future employee illness, it is difficult to project increases for self-funded health insurance plans. The District's health insurance consultant advises the District to utilize health insurance industry data to project future expenses. Based on this information the District is increasing the health insurance budget by 4.0% in the first year, 6.0% in the following two years and 8.0% in the last year of the forecast. The increase information was obtained from the District's Health Insurance consultant.

b) FACILITY UTILITY PAYMENTS

The process for calculating future costs for electricity and natural gas is critical to a five-year long-range financial plan. The District has benefited financially from lower energy costs in recent budgets. The Energy Information Administration (EIA) of the United States Government forecasts natural gas and electricity pricing. The EIA's current outlook for the winter of 2019-20 is stated in the following excerpt:

"Natural gas prices remain comparatively low based on historical prices during the projection period, leading to increased use of this fuel across end-use sectors and increased liquefied natural gas exports."

https://www.eia.gov/outlooks/aeo/

Forecasted Utility Payments - All indicators show that natural gas and electricity rates will be stable in 2019-20. There are no increases to the utility budgets in this long-range forecast.

c) FACILITY CATEGORIES

The ability to maintain fourteen school buildings, two support buildings, school athletic fields and their grounds requires constant maintenance and repairs. The facilities budget includes supplies for all school buildings. This includes cleaning solutions, paper products, pool chemicals, paint, heating system chemicals, plumbing supplies, electrical supplies and mechanical supplies. It also includes contractual expenses for mandated inspections, maintenance, fees and other required work.

Forecasted Facility Budget Increases – Specific supply and contractual service categories are increased by 2.0% to address inflation/cost increases. Presently, the District relies heavily on the repair reserve to address building issues that cannot be supported by their regular budget. If the repair reserve were not available to the Facility department, it would require a substantial budget increase to support the current repairs that are completed in the district. Without such an increase, the facility department would be limited to prioritizing life-safety repairs as the first priority and completing non-essential repairs when funds are available to do so.

d) TRANSPORTATION CATEGORIES

The District uses a private school bus contractor for all of the District's school bus transportation needs. The 2020-21 school year is the second year of a five-year contract with Student Transportation of America. The contractual increase is set each year by the New York State Education Department.

Forecasted Transportation Budget Increases – The contract increase for the 2019-20 school year that was established by the New York State Education Department was 1.5%. This forecast reallocates the current year district school bus budget accounts to the contractor lines and increases the general contract by 2.0% based on the fact that the 2019 CPI is currently over 2.0%.

G. <u>DEVELOPMENT OF THE LONG-RANGE REVENUE BUDGET</u>

The major revenue assumptions that are included in the long-range revenue plan address the District's major funding streams. The items include state aid, federal funding, sales tax receipts, payments in lieu of tax payments, interest earnings and the use of reserves and fund balance appropriations.

A. <u>State Aid</u>

The District's State aid amounts are reviewed at multiple times throughout a school year. Williamsville's state aid allocation is based on formulas created by New York State. Generally, these formulas consider the wealth of the District's community, enrollment and the actual expenses reported to the State from the previous school year.

The District's State Aid payment is the result of multiple aid categories that combine to equal the total aid payment. The major State Aid categories are:

Foundation Aid – This is the largest aid category supporting public school district expenditures in New York State. The underlying principle for this aid is that school districts are expected to provide a minimum local contribution amount toward their educational cost. The State provides a per pupil amount of aid to assist districts with the costs associated with their educational program. The main components of the Foundation aid calculation consider district taxpayer wealth, taxpayer property wealth, number of students who qualify and/or receive free and reduced lunches and school enrollment.

Excess Cost Aid – This aid is for students who are receiving special education services. The amount of aid received is based on the type of services provided to each student.

Transportation Aid – This aid is for qualifying expenses paid by the District that are for school bus operations. Aid is not paid for athletic trips and field trips. There are restrictions on the payment of aid for minimum mileage distances between a school and a student's address.

BOCES (Board of Cooperative Education Services) Aid – The District purchases services from BOCES each school year. The use of BOCES services allows the District to participate in cooperative service sharing programs for specific items that would have a higher cost if they were purchased directly by the district. The State provides aid to the District for a portion of the cost of the BOCES services.

Categorical Aids – Aid is paid for software, textbooks, library supplies, and technology hardware. The State sets a per pupil aid amount for each category. The total aid paid for each category is limited by total student enrollment and the actual expenses incurred in each aid category.

Building Aid - The District receives building aid after it has completed a community approved capital construction project. The State reviews all project expenses and calculates an aid payable amount that is provided to the school district over a fifteen-year period-of-time. The annual building aid amount will fluctuate each year based on changes in the aid payment timelines for each capital project.

<u>Forecasted State Aid</u> – The forecast provides for a two percent (2%) increase in Foundation Aid each year. The increase is approximately $500,000 in each forecasted year. There is also an increase of $100,000 per year for transportation aid. The two percent (2.0%) increase follows the stated maximum increase per the tax cap.

It is important to state in the 2020-21 school year, transportation aid will be reduced by the New York State Education Department due to their recapturing of prior aid paid to the District for past bus purchases. This aid reduction is not recognized in this forecast because it is a one-time event. The District is planning to offset the loss of state aid by utilizing the proceeds it received from the sale of the school buses.

Additionally, state aid categories that are affected by enrollment reductions have been decreased in the forecast.

B. <u>Federal Grant Funding</u>

The District's grants total $4,508,396 in Federal funding for the 2019-20 school year.

<u>Forecasted Federal Grant Funding</u> – This forecast does not consider a scenario where the District loses Federal Grant Funding.

C. <u>Sales Tax</u>

The District is not forecasting changes in sales tax revenue in the forecast.

<u>Forecasted Sales Tax Receipts</u> – No increases are budgeted in this forecast.

D. <u>Interest Earnings</u>

The United States Federal Reserve Bank's interest rate policy impacts the interest rates paid by banks on their deposit balances. In 2019, interest rates have again begun to decrease due to the Federal Reserve Bank reducing the Fed Funds rate. These rates are expected to fall in 2019-20. It is not possible to forecast whether the rates will decrease more in 2020-21 so the forecast is frozen at $475,000.

<u>Forecasted Interest Earnings</u> – Interest earnings do not change in the forecast. This revenue is budgeted at approximately 1.0% interest rate.

*E. **Appropriated Reserves/Fund Balance***

The usage of appropriated reserves and fund balance in school district budgets is difficult for many people to understand because their use normally generates surplus at the end of the fiscal year. The New York State Comptroller's comments on these surpluses further complicates the purpose and relationship for these very important financial items. The term fund balance may be defined as the total amount of revenue that exceeds the total expenses incurred by a district in a fiscal year. Fund balance may be allocated to various reserves and accounts based on New York State laws. When fund balance and reserves are appropriated as a revenue in the operating budget, it is done with an understanding that they are considered temporary revenues. In other words, once expended, there is no guarantee that the District will be able to provide the same amount of revenue from fund balance/reserves in future budgets. With this basic understanding of fund balance, it is important to answer the question as to why the District includes these items in its revenue budget? The use of reserves and fund balance in the District's budget allows total revenues to equal total expenses and creates a balanced budget. As stated elsewhere in this report, at the end of each fiscal year the final revenues are reduced by final expenses. The calculation determines whether it has a surplus or a deficit. If the District has completely expended the appropriated reserve and fund balance amounts, it has created a deficit in its revenue budget for the next budget cycle. At this point in time, the District's choices are to either address this situation by reducing expenses equal to the loss of the fund balance/appropriated reserve revenue or add new revenue from a new source.

The fund balance and reserve plan implemented in the Williamsville budget allows these items to become appropriated as revenues with an understanding that the District will receive expenditure savings that will at least equal these appropriations each year. This process allows the District to meet unexpected expenses while stabilizing the revenue budget. This budgeting practice eliminates a revenue deficit situation from occurring when appropriating fund balance/reserves in its revenue budget. With this information it is important to answer the question: Why are fund balance and reserves appropriated in the budget? In addition to the potential for unexpected expenses due to winter weather, storm damage, and student needs, the District must recognize that it could see a reduction in State Aid during a school year. This situation has occurred in the past, in 2011-12 the District received a State Aid reduction of $7,492,454. The 2019-20 budget allocates $9,204,000 in fund balance and reserves which would be used to offset a loss of aid. The availability and use of these dollars safeguard the continuation of educational programs in the year of an aid reduction and thereby allow the District to complete a detailed financial plan to address the revenue shortage in the subsequent budget.

Forecasted Appropriated Fund Balance and Reserves – The financial plan continues to appropriate reserve amounts to support the revenue budget. The plan reduces the reserve appropriations and the fund balance appropriation by $380,000 over the time-period of the plan. The sustainability of the fund balance and reserve plan must be reviewed annually in order to address changing financial conditions and other economic pressures that are placed on the District's finances.

F. Tax Levy

The tax levy forecast does not exceed the tax cap amount in any year of the forecast.

Forecasted Tax Levy – The 2020-21 tax levy increase is projected to be $2,855,833. The levy does increase marginally over the forecast.

H. WHAT THE FORECAST SHOWS

The revenue forecast shows that total State Aid increases by about 1.36% per year. The forecast utilized a 2% increase in foundation aid. Transportation aid increases were added at $100,000 per year. This reflects aid that will be received on higher operating transportation expenses. Aid for textbook, software, and hardware was reduced to represent declining enrollment. The tax levy is increased at 2.25% each year. Although this amount appears to be over the 2.0% tax cap, it is projected to be under the projected tax cap limit. The total projected revenue for 2020-21 budget year is forecasted at $198,586,719.

The expense forecast considers all of the previously reviewed expense category items. The projected increases in salaries follow current contractual agreements. The projected expenses for 2020-21 is forecasted at $201,092,628.

The 2020-21 forecast projects a budget deficit situation of $2,505,909. To balance the budget the District will need additional revenue or a reduction in the expense budget. The total projected budget increase for the 2020-21 year is projected at $5,907,790. The net budget increase is $3,401,881. This amount represents what the District projects its revenue funding level to be for the 2020-21 budget.

The reduction amount in each year of the forecast is a cumulative number. If the budgets are balanced each year, there will be budget reductions occurring annually to address the deficits. These reductions are to be reduced from the cumulative deficit number in each future year of the forecast to arrive at that year's actual deficit.

The most important concept in this long-range plan is to determine whether future District budgets can be financially stable based on the projected receipt of new revenues against the projected increase in expenses. The closer the required budget reductions are to zero, the closer the district is to having a balanced budget each year. If the budget decreases are relatively small amounts, then the District is in a good financial position to support our education program in the future. It is important to emphasize that the forecast only includes program continuation expenses. The forecast and long-range plan does not include any program enhancements.

I. ANNUAL BUDGET DEVELOPMENT

The District begins the budget development process each year in October when the Board of Education approves the budget development calendar. This calendar is included in the appendix. The budget development process includes a review of historical budget additions/reductions, presentations of the District's financial condition, presentation of appropriated reserves/fund balance, presentation of reserve/fund balance planning, and the presentation of program increase items for a two-year budget cycle.

The District will present the first Program Continuation-Required expense increase report to the Board of Education at the January 2020 meeting. The Program Continuation-Required expense increase report's purpose is to project the expense increases that are associated with maintaining the District's current educational programs. The Board of Education and the Community receive updates to this report throughout the budget development process. A Program Enhancement report is also prepared and it includes expense increases that are for new program initiatives or enhancements to existing programs. When the revenue budget is less than the expenditure budget, it is necessary to prepare a list of potential expense reductions. All three reports are critically important to the development of the proposed budget. In order to comply with New York State law, the Board of Education must finalize and approve a proposed budget in April of each school year. Following this approval, school districts across New York State must vote on their school budgets on the third Tuesday of May each year. Once the budget is approved by the Community, the Board of Education may adopt the budget allowing it to be implemented for use in the next school year.

J. <u>Williamsville's Budgeting Practices</u>

The New York State Comptroller's audit of the District comments on how the District's budget affected fund balance at the end of the fiscal year. The District's budgeting practice was and is directly responsible for protecting instructional programs and employment positions for the District if New York State reduces state aid to the District. If state aid is not reduced to the District and if the District removed the use of reserves and fund balance in its budget, there would be no impact to the District's tax levy. The allocation of fund balance and reserves in the revenue budget do not result in the District over-taxing it's community.

The District must continue to recognize the fiscal reality that State budget reductions will occur in the future. It has happened multiple times in the past and maintaining fund balance is the only available option that will protect the District's core instructional programs. It was reported that the Governor's Office most recent financial plan forecasts a budget deficit of $5.0 Billion dollar for the upcoming 2020-21 State budget. How the State addresses this deficit will be determined in early 2020. The other funding issue that the Williamsville Central School District must be cognizant of is the potential change in the Foundation Aid calculation. This aid is being reviewed and it is possible that changes made to the aid formulas may not benefit the District. The District could potentially see an aid reduction rather than the increases that are projected in this long-range financial plan.

All of the items in this forecast are meant to highlight future budget scenarios. The budget increases are realistic as are the revenue increases. As a result of these items the forecast reflects past, present, and potentially future budget performance. This report may be used as a reference tool during the budget development process.

K. SUMMARY

It is important that the Board of Education, Superintendent, and the Community understand the methodology that supports this long-range plan. There are inherent difficulties in developing a financial report that attempts to project the future revenues and expenses of a school district. This report has highlighted the fact that the District has limited control over the amount of revenue increases it receives each fiscal year. Although the District controls the tax levy, it must adhere to the New York State tax cap calculation. Essentially, the tax cap calculation establishes the District's tax levy each school year.

On the expense side of the budget, we have seen that the greatest budget category is in the area of Human Resources. The ability for the District to control these expenses is limited to making decisions on continuing programs or reducing programs. New labor agreements do provide some opportunity to reduce budgets, however, bargaining units are not easily convinced that they should concede salary and benefit changes to the District. The District does review revenue challenges with bargaining units during contract negotiations and this information will continue to be a focal point of current and future labor-management discussions. The District does obtain cost savings throughout the budget by reviewing all budget categories. These reductions are normally minor compared to the total amount of salary and benefit increases that occur each year.

The purpose of this report is to recognize that there are opportunities to positively impact the 2020-21 budget process while understanding the interrelationship between the current budget cycle and future budgets. This is important because the decisions made during the budget development process do affect future budgets. The District does not want to add an item in one budget cycle only to reduce the same item in the next budget cycle. Additionally, it is important to differentiate between an added expense that will grow over time, salary and benefits, as opposed to the addition of a fixed amount for the purchase of a specific item. Since the forecast does show that reductions must occur to balance future budgets, the District must select budget increases and decreases carefully.

In summary, this long-range plan shows that if the District continues to proactively plan for changes in major expense categories, it will be able to create a balanced budget situation that will protect educational programs, employee employment, facility infrastructure and result in a fiscal equilibrium that will be supported by the Williamsville School District's Community.

WILLIAMSVILLE CSD - 2020-21 (Budget Development) *LONG- RANGE REVENUE PROJECTION*		STATE AID INCREASE	STATE AID INCREASE	STATE AID INCREASE	STATE AID INCREASE
REVENUE CATEGORY	YEAR 1 2019-20	YEAR 2 2020-21	YEAR 3 2021-22	YEAR 4 2022-23	YEAR 5 2023-24
Foundation Aid	$ 24,900,000	$ 25,398,000	$ 25,905,960	$ 26,424,079	$ 26,952,561
-- Building Aid	7,744,481	7,744,481	7,744,481	7,744,481	7,744,481
-- Transportation Aid	5,276,901	5,200,000	5,300,000	5,400,000	5,500,000
-- Excess Cost Aid	1,508,497	1,508,497	1,508,497	1,508,497	1,508,497
BOCES	2,400,000	2,500,000	2,500,000	2,500,000	2,500,000
TEXTBOOK, SOFTWARE, HARDWARE	1,056,440	1,040,000	1,020,000	1,000,000	980,000
TOTAL STATE AID	$ 42,886,319	$ 43,390,978	$ 43,978,938	$ 44,577,057	$ 45,185,539
Projected % Change in State Aid		*2.16%*	*1.36%*	*1.36%*	*1.37%*
Dollar Change in State Aid		*$ 875,289*	*$ 587,960*	*$ 598,119*	*$ 608,482*
TAX ITEMS					
SALES TAX	$ 11,225,000	$ 10,950,000	$ 10,950,000	$ 10,950,000	$ 10,950,000
PROPERTY TAX (Stated as prior year amount)	126,925,908	126,925,908	129,781,741	132,701,830	135,687,621
PILOT	2,700,000	3,200,000	3,200,000	3,200,000	3,200,000
TOTAL TAX ITEMS	$ 140,850,908	$ 141,075,908	$ 143,931,741	$ 146,851,830	$ 149,837,621
OTHER INCOME					
MISCELLANEOUS - (includes fees-charges)	$ 1,290,149	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 1,300,000
INTEREST EARNED	1,000,000	475,000	475,000	475,000	475,000
TUITION	150,000	150,000	150,000	150,000	150,000
SERVICES - BOCES	15,000	15,000	15,000	15,000	15,000
MEDICAID REIMBURSEMENT	325,000	300,000	300,000	300,000	300,000
TOTAL OTHER INCOME	$ 2,780,149	$ 2,240,000	$ 2,240,000	$ 2,240,000	$ 2,240,000
TOTAL REVENUE	$ 186,517,376	$ 186,706,886	$ 190,150,679	$ 193,668,887	$ 197,263,160
Appropriated Reserves	$ 3,780,000	$ 3,700,000	$ 3,650,000	$ 3,650,000	$ 3,600,000
Appropriated Fund Balance	$ 5,424,000	$ 5,324,000	$ 5,324,000	$ 5,224,000	$ 5,224,000
Total Revenue Budget	$ 195,721,376	$ 195,730,886	$ 199,124,679	$ 202,542,887	$ 206,087,160
LEVY INCREASE WITH TAX CAP EXCLUSIONS		$ 2,855,833	$ 2,920,089	$ 2,985,791	$ 3,052,971
TOTAL ESTIMATED LEVY in FORECAST YEAR		$ 129,781,741	$ 132,701,830	$ 135,687,621	$ 138,740,593
PERCENTAGE OF LEVY INCREASE		2.25%	2.25%	2.25%	2.25%
TOTAL REVENUE BUDGET	$ 195,721,376	$ 198,586,719	$ 202,044,768	$ 205,528,678	$ 209,140,132
Projected % Change in Revenue Budget		4.17%	1.74%	1.72%	1.76%
Projected Expense Budgets prior to Reductions		$ 201,092,628	$ 205,814,963	$ 210,393,377	$ 216,547,311

Current Year Reductions Required	$ (2,505,909)	$ (3,770,195)	$ (4,864,698)	$ (7,407,180)
ADJUSTED BUDGET - REVENUE = EXPENSE BUDGET	$ 198,586,719	$ 202,044,768	$ 205,528,678	$ 209,140,132

Williamsville CSD - 2020-21 (Budget Development)
Long-Range Expense Projection

Code No.	Budget Code Description	2019-20 Budget	Year 1 Current 2019-20 Forecast		Year 2 2020-21 Budget	Percent Increase	Year 3 2021-22 Budget	Percent Increase	Year 4 2022-23 Budget	Percent Increase	Year 5 2023-24 Budget	Percent Increase
1010	Board of Ed	88,768	101,268		102,204	15.14%	103,167	0.94%	103,976	0.78%	104,803	0.80%
1060	District Meeting	37,823	57,823		57,823	52.88%	57,823	0.00%	57,823	0.00%	57,823	0.00%
1240	Chief School Admin	344,160	356,160		364,722	5.97%	373,520	2.41%	380,916	1.98%	388,478	1.99%
1310	Bus Administration	421,950	420,950		431,718	2.31%	442,781	2.56%	452,082	2.10%	461,592	2.10%
1320	Auditing	93,000	93,000		93,000	0.00%	93,000	0.00%	93,000	0.00%	93,000	0.00%
1325	Treasurer	62,761	62,761		64,479	2.74%	66,244	2.74%	67,727	2.24%	69,244	2.24%
1330	Tax Collection	15,850	15,850		15,850	0.00%	15,850	0.00%	15,850	0.00%	15,850	0.00%
1345	Purchasing	84,308	84,308		86,517	2.62%	88,787	2.62%	90,695	2.15%	92,646	2.15%
1380	Fiscal Agent	5,500	5,500		5,500	0.00%	5,500	0.00%	5,500	0.00%	5,500	0.00%
1420	Legal	604,110	679,110		679,110	12.41%	679,110	0.00%	679,110	0.00%	679,110	0.00%
1430	Personnel	798,149	778,149		795,397	-0.34%	813,120	2.23%	828,019	1.83%	843,253	1.84%
1460	Records	37,673	36,343		37,257	-1.11%	38,195	2.52%	38,985	2.07%	39,792	2.07%
1480	Public Info	195,591	180,591		184,335	-5.76%	188,181	2.09%	191,415	1.72%	194,721	1.73%
1620	***Operation of Plant***	10,197,590	9,738,821		11,137,321	9.22%	11,289,905	1.37%	11,418,179	1.14%	11,549,340	1.15%
1621	Maint of Plant	3,433,510	3,739,729		4,085,104	18.98%	4,186,727	2.49%	4,282,922	2.30%	4,381,999	2.31%
1660	Central Storeroom	151,682	137,200		149,455	-1.47%	151,772	1.55%	153,720	1.28%	155,712	1.30%
1670	Central Printing	358,165	243,113		254,406	-28.97%	255,734	0.52%	256,850	0.44%	257,992	0.44%
1680	Central Data Proc	1,460,641	1,460,641		1,510,641	3.42%	1,525,641	0.99%	1,540,641	0.98%	1,555,641	0.97%
1910	Insurance	423,855	398,855		408,855	-3.54%	418,855	2.45%	418,855	0.00%	418,855	0.00%
1930	***Judgement/Claims***	736,000	771,000		806,000	9.51%	806,000	0.00%	806,000	0.00%	806,000	0.00%
1950	Assessments	122,600	122,600		122,600	0.00%	122,600	0.00%	122,600	0.00%	122,600	0.00%
1964	***Refund Prop Taxes***	170,000	270,000		270,000	58.82%	270,000	0.00%	270,000	0.00%	270,000	0.00%
1981	Admin Fee-BOCES	979,000	979,000		989,000	1.02%	999,000	1.01%	1,009,000	1.00%	1,019,000	0.99%
1989	Unclassified	5,500	5,500		5,500	0.00%	5,500	0.00%	5,500	0.00%	5,500	0.00%
2010	Curr Development	963,557	984,541		1,006,541	4.46%	1,029,146	2.25%	1,052,373	2.26%	1,071,899	1.86%
2020	***Supervision-Reg***	4,773,360	4,638,298		4,762,048	-0.24%	4,889,201	2.67%	5,019,851	2.67%	5,129,686	2.19%
2040	Supervision-Sp Ed	30,123	29,023		29,814	-1.02%	30,627	2.73%	31,463	2.73%	32,165	2.23%
2060	Research & Planning	384,637	384,637		391,991	1.91%	399,548	1.93%	407,313	1.94%	413,840	1.60%
2070	In Service	617,218	580,948		583,698	-5.43%	586,524	0.48%	589,163	0.45%	591,598	0.41%
2110	***Regular School***	73,265,591	73,060,783		76,651,297	4.62%	78,658,561	2.62%	80,535,506	2.39%	82,289,312	2.18%
2250	Prgm for HC	18,158,216	18,107,503		19,063,198	4.98%	19,505,092	2.32%	19,921,156	2.13%	20,308,851	1.95%
2280	Occ Ed	2,813,881	2,825,623		2,899,488	3.04%	2,940,507	1.41%	2,978,823	1.30%	3,014,169	1.19%
2330	Other Special School	735,880	709,740		739,958	0.55%	756,739	2.27%	772,414	2.07%	786,874	1.87%
2610	School Library	1,582,828	1,528,099		1,595,454	0.80%	1,632,858	2.34%	1,667,797	2.14%	1,700,028	1.93%
2630	Computer Software	3,449,181	3,424,319		3,449,695	0.01%	3,495,579	1.33%	3,541,980	1.33%	3,588,909	1.32%

Williamsville CSD - 2020-21 (Budget Development)
Long-Range Expense Projection

Code No.	Budget Code Description	2019-20 Budget	Year 1 Current 2019-20 Forecast	Year 2 2020-21 Budget	Percent Increase	Year 3 2021-22 Budget	Percent Increase	Year 4 2022-23 Budget	Percent Increase	Year 5 2023-24 Budget	Percent Increase
2805	Attendance	46,675	43,054	43,741	-6.29%	44,122	0.87%	44,478	0.81%	44,807	0.74%
2810	Guidance Reg	3,243,484	3,167,093	3,331,208	2.70%	3,422,346	2.74%	3,507,477	2.49%	3,586,011	2.24%
2815	Health Svcs	1,719,800	1,679,800	1,734,397	0.85%	1,764,717	1.75%	1,793,038	1.60%	1,819,165	1.46%
2820	Pyschology	288,911	250,088	262,550	-9.12%	269,471	2.64%	275,936	2.40%	281,899	2.16%
2825	Special Work	974,288	847,559	886,842	-8.98%	908,658	2.46%	929,035	2.24%	947,833	2.02%
2850	Cocurricular	413,940	389,196	396,886	-4.12%	404,730	1.98%	412,731	1.98%	420,892	1.98%
2855	Interscholastic	1,846,473	1,836,727	1,861,745	0.83%	1,887,264	1.37%	1,913,292	1.38%	1,939,842	1.39%
5510	Transportation	1,846,242	416,256	421,436	-77.17%	426,746	1.26%	431,644	1.15%	436,652	1.16%
5530	Garage Bldg	82,424	81,055	81,646	-0.94%	82,251	0.74%	82,748	0.60%	83,254	0.61%
5540	Contract Transp	7,057,627	8,357,627	8,557,627	21.25%	8,757,627	2.34%	8,957,627	2.28%	9,157,627	2.23%
8060	Civic Activities	-	-	-		-		-		-	
8070	Census Supplies	20,250	19,005	19,005	-6.15%	19,005	0.00%	19,005	0.00%	19,005	0.00%
9010	ERS	3,142,823	2,792,823	2,792,823	-11.14%	2,792,823	0.00%	2,792,823	0.00%	2,792,823	0.00%
9020	***TRS***	8,217,472	7,817,472	7,617,472	-7.30%	7,617,472	0.00%	7,617,472	0.00%	7,617,472	0.00%
9030	***FICA***	7,714,654	7,714,654	7,714,654	0.00%	7,764,654	0.65%	7,814,654	0.64%	7,864,654	0.64%
9040	***Worker's Comp.***	-	-	-		-	0.00%	-	0.00%	-	0.00%
9045	Life Insurance	-	-	-		-	0.00%	-	0.00%	-	0.00%
9050	***Unemployment***	35,000	35,000	35,000	0.00%	35,000	0.00%	35,000	0.00%	35,000	0.00%
9060	Health Insurance	19,487,583	19,087,583	19,851,086	1.87%	21,042,151	6.00%	22,304,681	6.00%	24,089,055	8.00%
9070	Union Welfare	12,000	12,000	12,000	0.00%	12,000	0.00%	12,000	0.00%	12,000	0.00%
9089	Oth Benefits	603,311	603,311	603,311	0.00%	603,311	0.00%	603,311	0.00%	603,311	0.00%
9732	***Bus BANS***	-	-	-		-		-		-	
9770	RANS	7,477,217	7,477,217	7,477,217		7,037,217		6,896,212		7,072,303	
9901	Transfers	2,902,006	2,902,006	2,902,006	0.00%	2,902,006	0.00%	2,902,006	0.00%	2,902,006	0.00%
9950	Transfers Capital	450,000	450,000	660,000	46.67%	1,100,000	66.67%	-	-100.00%	-	#DIV/0!
TOTAL	EXPENSE	$ 195,184,838	$ 192,991,312	$ 201,092,628	3.03%	$ 205,814,963	2.35%	$ 210,393,377	2.22%	$ 216,547,311	2.92%
REVENUE FORECAST				$ 198,586,719		$ 202,044,768		$ 205,528,678		$ 209,140,132	
Current Year Reductions Required				$ (2,505,909)		$ (3,770,195)		$ (4,864,698)		$ (7,407,180)	
Forecasted Budget - Total				$ 198,586,719		$ 202,044,768		$ 205,528,678		$ 209,140,132	
NET BUDGET INCREASE AMOUNT				$ 3,401,881	1.74%	$ 3,458,049	1.74%	$ 3,483,910	1.72%	$ 3,611,453	1.76%

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT
BUDGET DEVELOPMENT CALENDAR for the 2019-2020 SCHOOL YEAR

APPLICABLE SCHOOL YEAR BUDGET – 2020-2021

Budget Fiscal Year (July 1, 2020 – June 30, 2021)

1.	**October 15, 2019** *(Regular Board Meeting)* Review/Adopt Budget Development Calendar
2.	**November 12, 2019** (*Regular Board Meeting*) Overview of District's financial condition based on the 2018-19 audit Review historical budget reductions made in prior budget development cycles
3.	**December 10, 2019** (*Regular Board Meeting*) Distribute the Long-Range Budget Planning report Distribute the Long-range Fund Balance and Reserve planning report
4.	**January 6 – February 28, 2020** District administration develops the BOCES Budget that will pertain to the 2020-2021 school year
5.	**January 14, 2020** (*Regular Board Meeting*) Presentation and review of the Program Continuation report – (Required Expense Increases)
6.	**February 11, 2020** (*Regular Board Meeting and Budget Work Session*) Continued Review of the Program Continuation report—(Required Expense Increases) Review and approve the Tax Cap calculation for the 2020-2021 budget Review initial Revenue estimates for the 2020-2021 budget Discuss Budget Reduction options as needed
7.	**March 10, 2020** (*Regular Board Meeting and Budget Forum)* Presentation of the 2020-2021 Preliminary Budget Continued Review of the Program Continuation report—(Required Expense Increases) Review Budget Reductions options Consider proposition resolutions
8.	**March 31, 2020** (*Budget Work Session*) Final review and discussion of the preliminary 2020-2021 budget Review the impact of the Tax Cap calculation on the 2020-2021 budget Discuss budget reduction options as needed Adoption of proposition resolutions
9.	**April 21, 2020** (*Regular Board Meeting*) Presentation of the 2020-2021 preliminary budget Adopt a 2020-2021 Proposed Budget that will be voted on by the Community in May BOCES Administrative budget vote, vote to endorse BOCES Board members for election
10.	**May 7, 2020** (Special Board Meeting and Budget Hearing) 2020-2021 Public Hearing on the Proposed Budget, PTSA Candidates night
11.	**May 19, 2020** - Vote on 2020-2021 Proposed Budget and School Board Elections
12.	**May 26, 2020** – Planned adoption of 2020-2021 budget if approved by the community on May 19, 2020