



WILLIAMSVILLE CENTRAL SCHOOL DISTRICT



2021-2022 BUDGET DEVELOPMENT DECEMBER 2020

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NEW YORK STATE PUBLIC SCHOOL BUDGET REQUIREMENTS

- New York State **requires** a balanced budget meaning that the Expense budget must equal the Revenue budget
- Each budget (fiscal year) **must be approved** by the Board of Education and passed by the District's Community in a public vote. (Villages, Towns, Counties, and State Budgets are approved by elected officials)
- School districts **must follow applicable State law** regarding the budget process (ex. Tax cap, Public notice, Budget vote)



REVENUE – FACTS ABOUT THE TAX CAP

1. There is **no** tax levy increase **limit** for school districts.
2. If a District chooses to exceed the annual calculated Tax Cap amount, it may do so with the added stipulation that requires a minimum of 60% of the votes for approval (**Super-majority**)
3. Districts whose budgets are defeated by their voters may only choose to have one re-vote
4. After **two** budget vote defeats, there is a mandated **0% levy increase**
5. Discussion on changes to the tax cap for the 2021-22 year



REVENUE – IMPACT OF COVID-19 “SYSTEMIC TO ALL REVENUE CATEGORIES”

Major Revenues

- New York State Aid
- Sales Tax Receipts
- Interest Earnings
- Medicaid
- Tax Levy

Other Revenues

- Tuition-other districts
- Fees and charges
- Admissions
- Health services other districts
- Rentals of equipment
- Charges for use of buildings



LONG-RANGE REVENUE FORECAST

Revenue Factors:

State Aid loss 20% (Governor)

State Aid loss 25% (Higher allocation)

Interest earnings - .009%

Sales tax revenues – 6/20 – (27.96%)

Tax levy – Lower CPI – 1.20%

Other Revenues are decreasing,
school rentals, Medicaid, etc.

Revenue Loss:

=(\$8,473,812)

=(\$10,592,266)

=(\$870,000)

=(\$1,812,000)

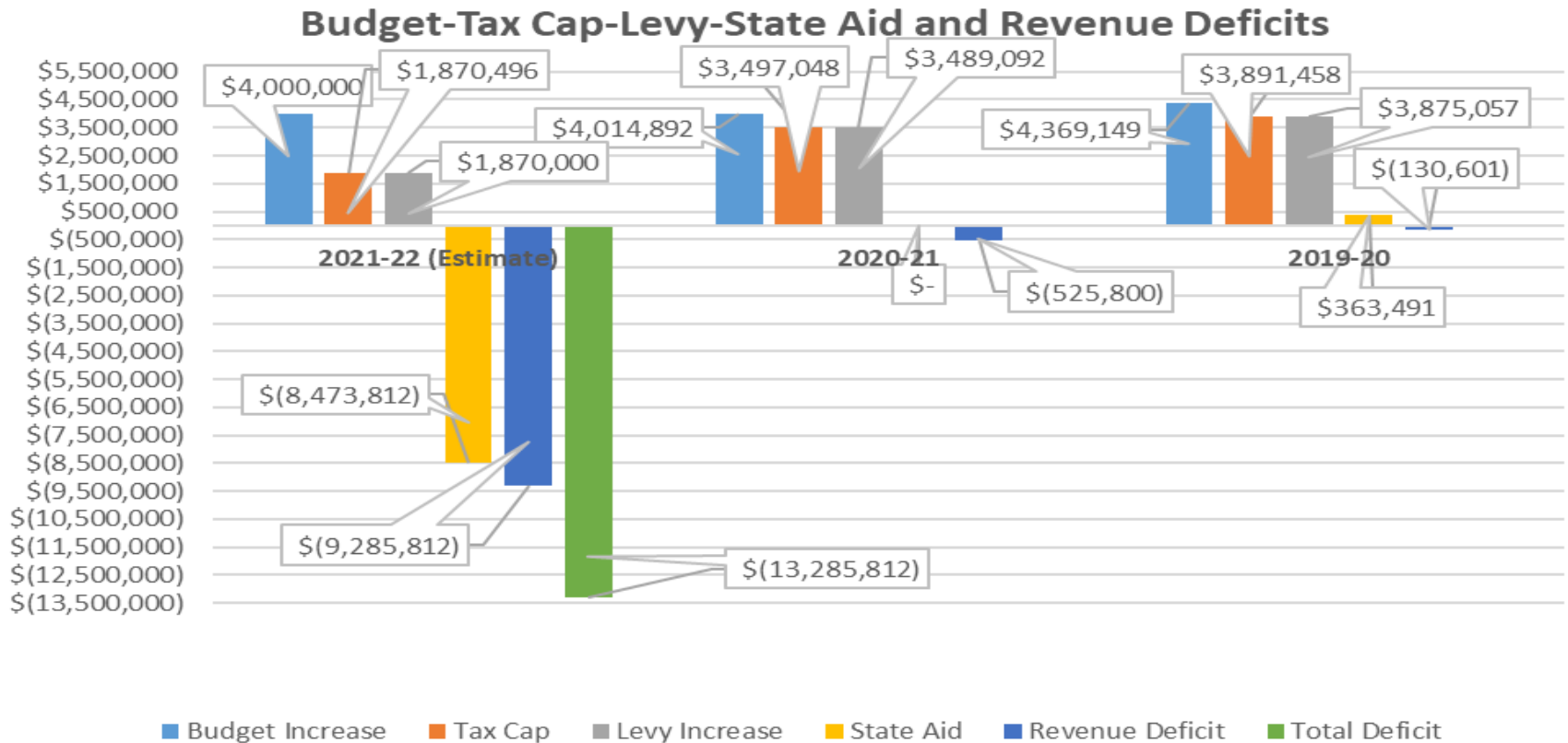
=(\$1,000,000) or more

=(\$786,500)

Revenue budget will determine the
maximum Expense budget for the
2021-22 school year



ILLUSTRATIVE BUDGET SUMMARY



Net revenue deficit for this projection $(-\$8,473,812 - \$1,812,000 - 870,000 + \$1,870,000) = (\$9,285,812)$

Total revenue and expense deficit for this projection $(-\$9,285,812 - \$4,000,000) = (\$13,285,812)$



BASIS FOR LONG-RANGE PLAN MULTIPLE SCENARIOS

Rationale:

1. Governor's statement for a 20% reduction in State Aid
2. New York State discussion on how to equitably distribute State Aid reductions (25% reduction)
3. Potential for greater State Aid reductions based on fund balance (25% reduction)
4. Potential receipt of Federal aid to offset State Aid reduction
5. Uncertainty on budget needs applicable to current COVID-19 environment
6. Economic uncertainty in a post-COVID-19 environment
7. Understanding the serious long-range impact that COVID-19 will have on the District's future budgets thereby affecting educational programs



IMPACT OF REDUCTIONS IN STATE AID, INTEREST, SALES TAX, AND LEVY

Scenario 1 (Governor statement on Aid Loss)

Revenue	2020-21 Budget	Reduction	Reduction Amounts
State Aid	\$42,369,062	20%	\$ (8,473,812)
Interest	\$ 910,000	\$ 40,000	\$ (870,000)
Sales Tax	\$11,325,000	16%	\$ (1,812,000)
Total Revenue Reduction			\$ (11,155,812)
Tax Levy Increase - 1			\$ 1,870,000
Revenue Loss from Scenario 1			\$ (9,285,812)
1 - Estimated levy growth 2.00%			
1 - Estimated CPI growth 1.20%			

Scenario 2 (Higher aid loss allocation due to reserves)

Revenue	2020-21 Budget	Reduction	Reduction Amounts
State Aid	\$42,369,062	25%	\$ (10,592,266)
Interest	\$ 910,000	\$ 40,000	\$ (870,000)
Sales Tax	\$11,325,000	16%	\$ (1,812,000)
Total Revenue Reduction			\$ (13,274,266)
Tax Levy Increase - 1			\$ 1,870,000
Revenue Loss from Scenario 2			\$ (11,404,266)
1 - Estimated levy growth 2.00%			
1 - Estimated CPI growth 1.20%			

Scenario 3 (Higher aid loss allocation due to reserves)

Revenue	2020-21 Budget	Reduction	Reduction Amounts
State Aid	\$42,369,062	25%	\$ (10,592,266)
Interest	\$ 910,000	\$ 40,000	\$ (870,000)
Sales Tax	\$11,325,000	16%	\$ (1,812,000)
Total Revenue Reduction			\$ (13,274,266)
Tax Levy Increase - 1			\$ 1,870,000
Federal Aid			\$ 6,500,000
Revenue Loss from Scenario 3			\$ (4,904,266)
1 - Estimated levy growth 2.00%			
1 - Estimated CPI growth 1.20%			

Summary:

State Aid - decrease

Interest earnings - decrease

Sales Tax - decrease

Tax Levy - increase

Federal Aid Stimulus - increase?



LONG-RANGE REVENUE FORECAST NEW YORK STATE AID

Forecast Year	General State Aid Reduction	Annual Increase	Transportation Increase	Categorical aids
2021-22	-20% or -25%	0%	0%	NA
2022-23	Not reinstated	1%	2%	-2%
2023-24	Not reinstated	1%	2%	-2%
2024-25	Not reinstated	1%	2%	-2%

Plan Point:

The original state aid decrease is reduced by the **estimated future year increases** in the forecast. These increases **do not** come close to restoring the lost aid that is projected in the 2021-22 budget year.



LONG-RANGE REVENUE FORECAST

Forecast Year	Sales Tax	PILOT's	Other Revenues	Reserve and Fund Balance	Tax Levy
2021-22	-\$1,812,000	\$0	-\$1,656,500	\$0	\$1,870,000
2022-23	\$0	\$0	\$0	\$0	\$2,645,700
2023-24	\$0	\$0	\$0	\$0	\$2,698,614
2024-25	\$0	\$0	\$0	\$0	\$2,752,586

Tax Levy - Consumer Price Index (CPI)

Tax Levy (2020-21) – A 2.0% growth factor plus a CPI rate of 1.20%

Tax Levy (2022-23 – 2024-25) –Increased CPI rate to 2.0%

Reserve and Fund Balance – Current appropriation is \$9,704,000. The current plan provides for these funds to be available each year. Fund balance must be created each year to sustain the annual appropriations.



HUMAN RESOURCES – SALARY AND BENEFITS

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%



HUMAN RESOURCE FORECAST INCREASES

Budget Item	Year 21-22	Year 22-23	Year 23-24	Year 24-25
Salaries	2.00%	2.00%	2.00%	2.00%
NYS Retirement (TRS & ERS)	7.00%	4.00%	4.00%	1.00%
Health Insurance	-4.00%	6.00%	6.00%	8.00%
Social Security	1.00%	0.00%	0.00%	0.00%

Health Insurance – This may be the most volatile human resource expense due to the impact that COVID-19 may have on healthcare. Forecasted increases represent pre-COVID-19. Double-digit increases could occur in the future.



OTHER FORECAST INCREASES/DECREASES

Budget Item	Year 21-22	Year 22-23	Year 23-24	Year 24-25
Facilities	(\$100,000)	\$50,000	\$55,000	\$60,000
Supplies and contract services	(\$1,200,000)	(\$350,000)	(\$350,000)	\$0
BOCES – Capital Project (Aidable)	\$0	\$1,064,914	\$824,356	\$0
Contracted Bus Transportation	\$158,000	\$200,000	\$200,000	\$200,000

BOCES Capital Project – The Board of Education approved the District's participation in funding this project on June 18, 2019.



USAGE OF FUND BALANCE AND RESERVES

Williamsville Central School Appropriated Reserve Plan Fund Balance Reserve Plan December 2020	Appropriated Reserves - Projection Current year - 2020-21			
		(Per Audit)	Net	Estimated
	Appropriation	6/30/2020	Change in	Reserve
	Budget 2020-21	Reserve Balances	Reserve Exp/Funding	Balances at 6/30/2021
EMPLOYEE BENEFITS	\$ 600,000	\$ 10,349,667	\$ (300,000)	\$ 10,049,667
WORKERS COMPENSATION	700,000	4,095,862	(250,000)	3,845,862
UNEMPLOYMENT RESERVE	50,000	610,000	(150,000)	460,000
REPAIR RESERVE	330,000	5,070,509	(300,000)	4,770,509
RETIREMENT SYSTEM	2,450,000	11,158,839	-	11,158,839
INSURANCE		1,960,078	-	1,960,078
UNASSIGNED FUND BALANCE		7,965,601		7,965,601
NONSPENDABLE - Ins. Policies		890,000		890,000
Total Appropriated Reserves	\$ 4,130,000	\$ 42,100,556	\$ (1,000,000)	\$ 41,100,556
Appropriated Fund Balance	\$ 4,130,000			
Total Reserves/Fund Balance	5,574,000			
	9,704,000			
	-	Annual State Aid / Other revenue Increase		

Williamsville Central School Appropriated Reserve Plan Fund Balance Reserve Plan December 2020	Appropriated Reserves - Projection Year Five-2024-25 of Reserve Appropriations			
		Estimated	Net	Estimated
		6/30/2024	Change in	Reserve
	Budget 2024-25	Reserve Balances	Reserve Exp/Funding	Balances at 6/30/2025
EMPLOYEE BENEFITS	\$ 600,000	\$ 7,849,667	\$ 500,000	\$ 8,349,667
WORKERS COMPENSATION	700,000	2,020,862	250,000	2,270,862
UNEMPLOYMENT RESERVE	50,000	210,000	-	210,000
REPAIR RESERVE	330,000	2,990,509	(300,000)	2,690,509
RETIREMENT SYSTEM	2,450,000	6,858,839	2,250,000	9,108,839
INSURANCE		1,960,078		1,960,078
UNASSIGNED FUND BALANCE		7,632,350		7,632,350
NONSPENDABLE - Ins. Policies		890,000		890,000
Total Appropriated Reserves	\$ 4,130,000	\$ 30,412,305	\$ 2,700,000	\$ 33,112,305
Appropriated Fund Balance	\$ -			
Total Reserves/Fund Balance	4,130,000			
	5,574,000			
	\$ 9,704,000	Stablized Funding Level		Total
	\$ -	Total Reduction in reserves		\$ -



2021-22 - LONG-RANGE PLAN SCENARIO #1

Scenario 1 (20% State Aid Reduction)

Forecast Summary	2021-22		2022-23		2023-24		2024-25	
Revenue Budget	\$ 189,127,418		\$192,103,846		\$ 195,135,695		\$198,224,049	
Expense Budget	\$ 197,483,812		\$202,132,871		\$ 206,094,476		\$210,582,471	
Current Year Reductions (Total)	\$ (8,356,394)		\$ (10,029,025)		\$ (10,958,781)		\$ (12,358,422)	
Forecasted Balanced Budget	\$ 189,127,418		\$192,103,846		\$ 195,135,695		\$198,224,049	
Projected Budget Change	\$ (10,072,312)	-5.06%	\$ 2,976,428	1.57%	\$ 3,031,849	1.58%	\$ 3,088,354	1.58%
Reductions in Forecast Year	\$ (8,356,394)		\$ (1,672,631)		\$ (929,757)		\$ (1,399,641)	

Scenario 1

Revenue Summary	2021-22		2022-23		2023-24		2024-25	
Revenue Increase for State Aid	\$ (8,620,439)		\$ 330,728		\$ 333,235		\$ 335,768	
Revenue Increase for Tax Levy	\$ 1,870,000		\$ 2,645,700		\$ 2,698,614		\$ 2,752,586	
Revenue State Aid + Tax Levy	\$ (6,750,439)		\$ 2,976,428		\$ 3,031,849		\$ 3,088,354	
Other Revenue Changes	\$ (3,321,873)		\$ -		\$ (0)		\$ 0	
Projected Budget Change	\$ (10,072,312)		\$ 2,976,428		\$ 3,031,849		\$ 3,088,354	



2021-22 - LONG-RANGE PLAN SCENARIO #2

Scenario 2 (25% State Aid Reduction)

Forecast Summary	2021-22		2022-23		2023-24		2024-25	
Revenue Budget	\$ 187,008,964		\$189,985,392		\$ 193,017,241		\$196,105,595	
Expense Budget	\$ 197,483,812		\$202,132,871		\$ 206,094,476		\$210,582,471	
Current Year Reductions (Total)	\$ (10,474,848)		\$ (12,147,479)		\$ (13,077,235)		\$ (14,476,876)	
Forecasted Balanced Budget	\$ 187,008,964		\$189,985,392		\$ 193,017,241		\$196,105,595	
Projected Budget Change	\$ (12,190,766)	-6.12%	\$ 2,976,428	1.59%	\$ 3,031,849	1.60%	\$ 3,088,354	1.60%
Reductions in Forecast Year	\$ (10,474,848)		\$ (1,672,631)		\$ (929,757)		\$ (1,399,641)	

Scenario 2

Revenue Summary	2021-22		2022-23		2023-24		2024-25	
Revenue Increase for State Aid	\$ (10,738,893)		\$ 330,728		\$ 333,235		\$ 335,768	
Revenue Increase for Tax Levy	\$ 1,870,000		\$ 2,645,700		\$ 2,698,614		\$ 2,752,586	
Revenue State Aid + Tax Levy	\$ (8,868,893)		\$ 2,976,428		\$ 3,031,849		\$ 3,088,354	
Other Revenue Changes	\$ (3,321,873)		\$ -		\$ (0)		\$ 0	
Projected Budget Change	\$ (12,190,766)		\$ 2,976,428		\$ 3,031,849		\$ 3,088,354	



2021-22 - LONG-RANGE PLAN SCENARIO #3

Scenario 3 (25% State Aid reduction with Federal Aid-21-22 \$6,500,000, Federal Aid-22-23 \$3,500,000)

Forecast Summary	2021-22		2022-23		2023-24		2024-25	
Revenue Budget	\$ 193,508,964		\$193,485,392		\$ 193,017,241		\$196,105,595	
Expense Budget	\$ 197,483,812		\$202,132,871		\$ 206,094,476		\$210,582,471	
Current Year Reductions (Total)	\$ (3,974,848)		\$ (8,647,479)		\$ (13,077,235)		\$ (14,476,876)	
Forecasted Balanced Budget	\$ 193,508,964		\$193,485,392		\$ 193,017,241		\$196,105,595	
Projected Budget Change	\$ (5,690,766)	-2.86%	\$ (23,572)	-0.01%	\$ (468,151)	-0.24%	\$ 3,088,354	1.60%
Reductions in Forecast Year	\$ (3,974,848)		\$ (4,672,631)		\$ (4,429,757)		\$ (1,399,641)	

Scenario 3

Revenue Summary	2021-22		2022-23		2023-24		2024-25	
Revenue Increase for State Aid	\$ (4,238,893)		\$ (2,669,272)		\$ (3,166,765)		\$ 335,768	
Revenue Increase for Tax Levy	\$ 1,870,000		\$ 2,645,700		\$ 2,698,614		\$ 2,752,586	
Revenue State Aid + Tax Levy	\$ (2,368,893)		\$ (23,572)		\$ (468,151)		\$ 3,088,354	
Other Revenue Changes	\$ (3,321,873)		\$ -		\$ (0)		\$ 0	
Projected Budget Change	\$ (5,690,766)		\$ (23,572)		\$ (468,151)		\$ 3,088,354	



2021-22 - DIFFERENCES IN SCENARIOS

Scenario 1 and 2

- Both scenarios result in a need to implement large expense budget reductions in first year
- Subsequent year budget reductions are the same
- Subsequent year budget reductions are small due to the major expense reduction in first year
- Larger State Aid decrease in scenario two results in lower total budget in final year of forecast

Scenario 3

- Federal aid reduces required budget reductions in first year significantly from other scenarios
- Federal aid ends in year 4, expense reductions are more evenly divided among four years rather than being implemented in one year
- Total budget is greater in this scenario due to the fact that the District has more time to replace the State Aid reduction with four years of levy increases
- Does not eliminate the need for expense reductions



LONG-RANGE PLANNING GOALS

- Recognize the need to reduce the expense budget in all scenarios based on varying Federal Aid scenarios – *Long-Range Planning*
- Upon receipt of Federal Aid, do not postpone expense budget reductions, follow an installment reduction plan to smooth out the reductions – *Long-Range Planning*
- Awareness on the impact of future labor contract settlements on budgets – *Long-Range Planning*
- Awareness that Federal Aid will be temporary, similar to 2010-2012, New York State will likely not be able to restore State Aid to the pre-2020 level in the near future



NEXT STEPS: 2021-22 BUDGET DEVELOPMENT

- December – January – Compile school building administrator's budget requests
- January – Potential information on Federal School Aid
- January – Initial presentation of Budget increases to the Board of Education
- January – Anticipated receipt of the District's 2021-22 Governor's State Aid run
- January – District begins developing the BOCES budget
- February – Complete tax cap calculation