

Forestville Central School District Budget Meeting #2

February 2, 2023

Presentation to the Board of Education by
Kerrie Pelletter & John O'Connor



Agenda

Budget Process

- Review budget process and timeline

Revenue Estimates

- Governor's Budget Proposal

Tax Levy Calculation

Fund Balance Plan

- Federal Funds - Plan to use
- Other Fund Balance Items

Next Steps

- Next Meeting – March 9, 2023 5:30 p.m.



Budget Timeline

Budget Committee Meetings - Guidelines, Revenues, Expenses, Levy, Reserves, Discussion

- January 12
- February 2
- March 9

Board Approval of Budget

- April 19

Budget Hearing

- May 4 – Public Budget Presentation

Annual Meeting (Budget Vote)

- May 16
- Re-vote June 20, if necessary



Proposed Revenue Summary

	2022-23 Revenue Budget	2023-24 Revenue Budget (est.)	\$ Change	% Change
State Aid	\$7,974,866	\$8,475,582	\$500,716	6.3%
Tax Levy	\$4,029,844	\$4,029,844	-	0%
Transfer From Debt Service	\$50,000	\$50,000	-	0%
Other Revenue	\$257,615	\$257,615	-	0%
Total Revenue	\$12,312,325	\$12,778,644	\$466,319	3.8%
Appropriated Fund Balance	\$501,724	\$501,724	-	0%
Use of Reserves	\$694,711	\$444,016	(\$250,695)	-36.1%
Total Budget	\$13,508,760	\$13,724,384	\$215,624	1.6%

State Aid Projections

	2022-2023	2023-24	Change	% Change
Foundation Aid	\$5,116,344	\$5,269,834	\$153,490	2.99%
Transportation Aid	\$744,615	\$774,312	\$29,697	4.0%
Building Aid	\$1,395,917	\$1,402,752	\$6,835	0.5%
BOCES Aid	\$467,547	\$605,317	\$137,770	29.5%
Public Excess Cost Aid	\$137,573	\$119,739	(\$17,834)	-13%
Private Excess Cost Aid	\$41,065	\$70,104	\$29,039	70.7%
Software Aid	\$6,232	\$6,187	(\$45)	-0.7%
Library Materials Aid	\$2,144	\$2,581	\$437	20.4%
Textbook Aid	\$24,407	\$24,232	(\$175)	-0.7%
Hardware & Technology Aid	\$7,143	\$7,146	\$3	0%
Universal Pre-Kindergarten Aid	\$153,091	\$193,378	\$40,287	26.3%
Total	\$8,096,078	\$8,475,582	\$379,504	4.69%

Federal Funds

- We are in the final year of federal funds (ESSER, ARP).
- We have \$427,230 remaining to be used in the 2023-24 year to reallocate from salaries & benefits and to be used toward expenditures.
- Our plan is to use the remaining funds to purchase “one time” approved items.
- Some of the planned items:
 - New tractor
 - Scoreboards
 - Reading series and diagnostic assessment tools
 - STEM and Tech resources
 - Music upgrades



Over the next few years...

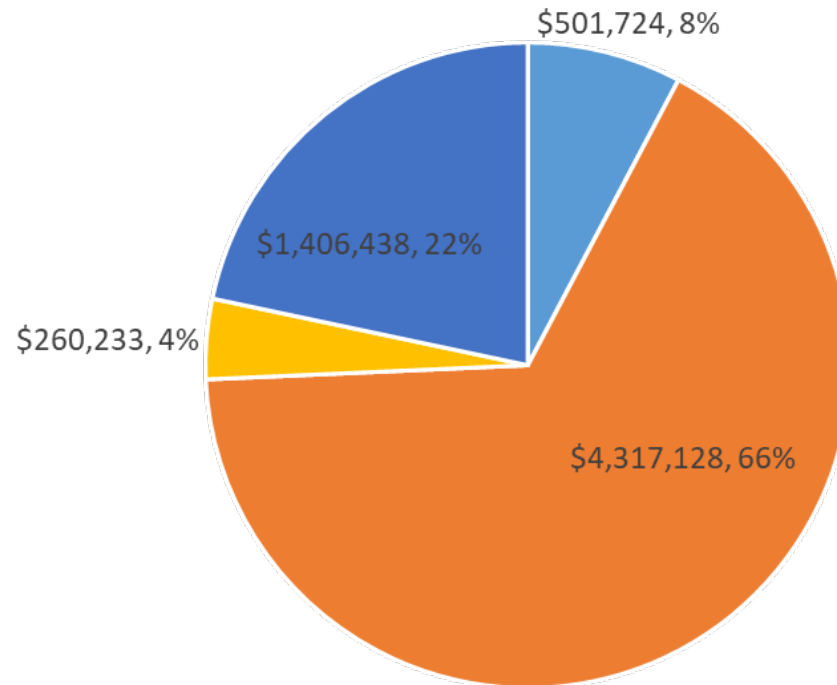
- The goal is to:
 - Decrease fund balance to get closer to the allowable 4%.
 - Continue to ensure that our reserve accounts are properly funded.
 - To monitor efficiency of all line item expenditures.



Components of Fund Balance

As of June 30, 2022

Total Fund Balance \$6,485,523



■ Appropriated ■ Reserves ■ Carryover Encumbrance ■ Unassigned



Fund Balance

- As part of our plan is to reduce excess fund balance (over the 4%) we have a plan to review the following:
 - Staffing needs (Instructional support)
 - Other items that will require annual costs.

Starting Fund Balance	\$1,406,438
Less Federal Funds	(\$427,230)
Total	\$979,208
Allowable 4%	\$540,350
Remaining Balance over 4%	\$438,858



Rollover Budget Summary

	2022-23 Approved Budget	% of Budget	2023-24 Rollover Budget	% of Budget	Increase \$	Increase %
Wages	\$6,325,721	47%	\$6,515,493	47%	\$189,772	3%
Benefits	\$2,741,232	20%	\$2,823,469	21%	\$82,237	3%
Debt Service	\$1,437,310	11%	\$1,437,310	10%	-	0%
Interfund Transfers	\$100,000	1%	\$100,000	1%	-	0%
Other	\$2,904,497	22%	\$2,848,112	21%	(\$56,385)	-1.9%
Total	\$13,508,760	100%	\$13,724,384	100%	\$215,624	1.6%

Tax Levy

- Property Taxes

- The goal is that our tax levy will have a 0% increase over the 2022-23 levy of \$4,029,588
- Due to the fund balance, we believe we can responsibly leave the levy flat, while still meeting the instructional initiatives of our District.



Tax Cap Calculation

- Tax cap - allowable levy growth factor based on CPI of 1.02%
- Tax Growth Factor 1.0102%
- Payment in Lieu of Taxes (P.I.L.O.T.)
- Local taxpayers eligible for rebate if we stay within tax cap
- Consumer Price Index (CPI) a calculating factor
- Maximum Allowable Tax Cap Levy Limit
- No TRS and ERS Exclusions



Tax Cap Calculation

Office of the New York State Comptroller

Thomas P. DiNapoli • State Comptroller



Property Tax Cap

Formula for Determining Tax Levy Limit: School Districts

Base Formula

$$\begin{aligned}
 & \left(\left[\left(\begin{array}{l} \text{Total taxes levied for prior fiscal year} \\ + \\ \text{Prior year reserve offset} \\ - \\ \text{Reserve amount (including interest earned)} \end{array} \right) \times \begin{array}{l} \text{Tax base growth factor}^1 \end{array} \right] + \begin{array}{l} \text{PILOTs receivable in the prior fiscal year} \\ - \\ \text{Capital tax levy exclusion, prior fiscal year} \\ - \\ \text{Tort exclusion, prior fiscal year} \end{array} \right) \\
 & \times \begin{array}{l} \text{Allowable levy growth factor (1.00 to 1.02)^2} \\ - \\ \text{PILOTs receivable in coming fiscal year} \\ + \\ \text{Available carryover, if any} \end{array} = \text{Tax Levy Limit}
 \end{aligned}$$

+ Exclusions

Tax Levy Limit

+ Tax levy necessary for expenditures resulting from court orders/judgments arising out of tort actions for any amount in excess of 5% of the total taxes levied in the prior fiscal year

+ Capital tax levy

+ Tax levy necessary to pay for increases to the system average actuarial contribution rate (ERS) or normal contribution rate (TRS) of pension funds over 2 percentage points

Tax Levy Limit, with Exclusions (if applicable)³



Tax Cap Levy Limit

- Based on Formula:
 - Allowable Tax Levy- \$4,119,463
 - 2.22% (\$89,619) increase over 2023
 - The goal is that our tax levy will have a 0% increase over the 2022-23 levy of \$4,029,588
 - Due to the fund balance, we believe we can responsibly leave the levy flat, while still meeting the instructional initiatives of our District.



Next Meeting - March 9th

Putting it all Together

- Review the full budget picture
 - Revenue
 - Expenses
 - Tax Levy



Questions?

