

Forestville Central School District Budget Meeting #3

March 9, 2023

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



Agenda

Budget Process

- Review budget process and timeline

Revenue Estimates

- Executive Budget Proposal

Tax Levy Calculation

Fund Balance Plan

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

Review Expense Budget

Next Steps

- Board Approval of Budget, April 19th
- Public Hearing, May 4th



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 Budget Summary

	2022-23 Revenue Budget	2023-24 Revenue Budget (est.)	\$ Change	% Change
State Aid	\$7,974,866	\$8,533,804	\$558,938	7.0%
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	\$12,871,263	\$558,938	4.5%
Appropriated Fund Balance	\$501,724	\$501,724	-	0%
Use of Reserved Balance	\$694,711	\$270,860	(\$423,851)	-61.0%
Total Budget	\$13,508,760	\$13,643,847	\$135,087	1.0%

State Aid Projections

	2022-2023	2023-2024	Change	% Change
Foundation Aid	\$5,116,344	\$5,363,654	\$247,310	4.83%
Transportation Aid	\$744,615	\$774,312	\$29,697	3.99%
Building Aid	\$1,395,917	\$1,402,752	\$6,835	0.49%
BOCES Aid	\$467,547	\$567,558	\$100,011	21.39%
Public Excess Cost Aid	\$137,573	\$119,739	(\$17,834)	-12.96%
Private Excess Cost Aid	\$41,065	\$70,698	\$29,633	72.16%
Software Aid	\$6,232	\$6,411	\$179	2.87%
Library Materials Aid	\$2,144	\$2,675	\$531	24.77%
Textbook Aid	\$24,407	\$25,222	\$815	3.34%
Hardware & Technology Aid	\$7,143	\$7,405	\$262	3.67%
Universal Pre-Kindergarten Aid	\$153,091	\$193,378	\$40,287	26.32%
Total	\$8,096,078	\$8,533,804	\$473,324	5.41%

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 w/ Professional Dev
 - Updated supplies & equipment for Science, Tech & Math Departments
 - Music upgrades
 - Technology upgrades & replacement schedule



Over the next few years...

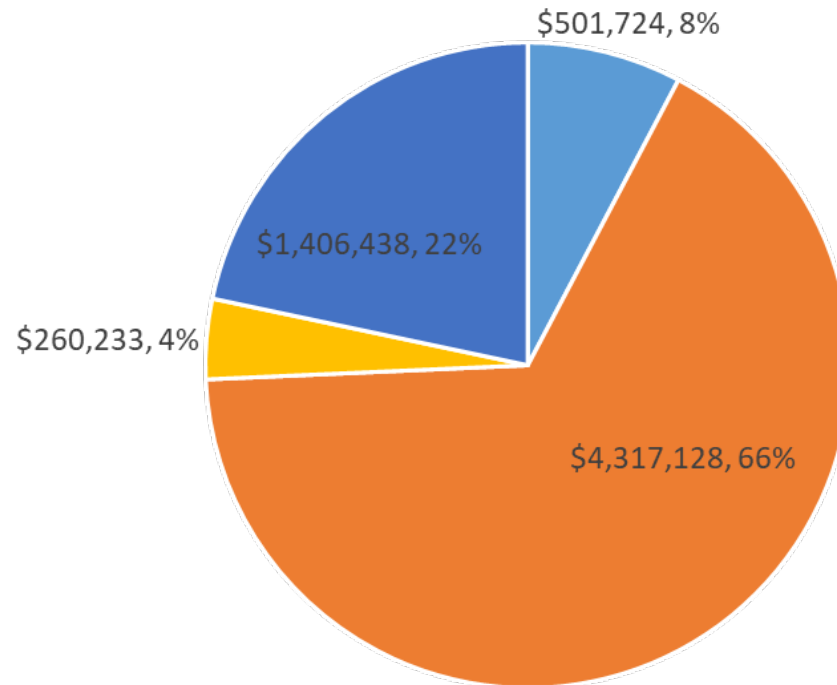
- The goal is to:
 - Decrease fund balance to get closer to the allowable 4%
 - Continue to ensure that our reserve accounts are properly funded
 - To monitor efficiency of all line item expenditures.



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 Planned Spend Down	\$609,069
Allowable 4%	\$545,753



Rollover Budget Summary

	2022-23 Approved Budget	% of Budget	2023-24 Rollover Budget	% of Budget	Increase \$	Increase %
Wages	\$6,325,721	47%	\$5,664,978	42%	\$(660,743)	-10.4%
Benefits	\$2,741,232	20%	\$2,524,947	19%	\$(216,285)	-7.9%
Debt Service	\$1,437,310	11%	\$1,439,515	11%	\$2,205	0.2%
Interfund Transfers	\$202,210	1%	\$185,500	1%	\$(16,710)	-8.3%
Other	\$2,802,287	21%	\$3,828,907	28%	\$1,026,620	36.6%
Total	\$13,508,760	100%	\$13,643,847	100%	\$135,087	1.0%

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

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

+ 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.



Putting it all Together

- **Revenue** - 4.5% increase - Foundation Aid is 4.83% (\$247,310)
- **Expenses** - Expense budget to increase 1.0% (\$135,087)
- **Tax Levy** - Allowable increase is 2.22% (\$89,619), however, we are going out at 0%



Questions

