



2021-22 *Revenues & Reserves*

Board of Education Meeting

February 9, 2021



EAST ROCHESTER UNION FREE SCHOOL DISTRICT

Agenda

- 2021-22 NYS Executive Budget – *Summary*
- State Aid – *1st Run*
- Property Tax Cap
- Other Revenue & Use of Reserves
- The District Reserve Plan



Budget *Components* – 2021-22



- Expenditures

- Salaries
- Benefits
- Debt Service
- BOCES Services
- Contractual & Supplies

- Revenue

- State Aid
- Real Property Tax
- Other (PILOT, Medicaid, Interest)
- Reserves
- Appropriated Fund Balance



State Aid 2021-22



EAST ROCHESTER UNION FREE SCHOOL DISTRICT

2021-22 Executive Budget – *Summary*



Governor Cuomo Has Built Two Versions of His Budget Proposal:

- **Scenario 1:** \$6 Billion in Additional Federal Stimulus. This is the Basis for the School Aid Runs But is **NOT Included** in the Aid Amounts.
- **Scenario 2:** \$15 Billion in Additional Federal Stimulus. Reductions Restored and Schools Would Receive Additional Aid.



2021-22 Executive Budget *Proposal*



- What's Different for Us in 2021-22?

- Introduction of Services Aid
- Inclusion of STAR on the Aid Run
- Pandemic Adjustment & CARES Funding Replaced
- Inclusion of COVID-19 Stimulus Passed in December 2020
- Local District Funding Adjustment



Proposed Services Aid



State Aid Categories

Foundation Aid

Universal Pre-K Aid

Building Aid

High Cost Excess Cost Aid

High Cost Private Excess Cost Aid

BOCES Aid

Hardware & Technology Aid

Software, Library, Textbook Aid

Transportation Aid

High Tax Aid

Formula Based Aids

Services Aid



State Aid	2021-22 State Aid – Governor’s Figures	2021-22 State Aid – Based on Output Reports	\$ Change
Foundation Aid	\$6,603,930	\$6,603,930	\$0
Services Aid	\$2,106,018	\$1,956,084	(\$149,934)
Universal Pre-K	\$156,349	\$117,262	(\$39,087)
Public Excess Cost Aid	\$531,640	\$350,773	(\$180,867)
Private Excess Cost Aid	\$224,239	\$150,150	(\$74,089)
Building Aid	\$1,592,648	\$1,718,866	\$126,218
Local District Funding Adj.	(\$1,264,976)		(\$1,264,976)
Federal COVID-19 Stimulus	\$1,264,976		\$1,264,976
Total	\$11,214,824	\$10,897,065	(\$317,759)

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

For more information email staci.sansoucie@erschools.org

State Aid – *Proceed with Caution!*



- Governor's Budget Based on Assumptions
- Services Aid is Subject to Further Reduction
- Trend of Declining Enrollment in UPK
- STAR is Part of Tax Levy Revenue
- BOCES Aid on Capital Project
- Stimulus Funds Will Go Away Eventually!





Property Tax Cap 2021-2022



EAST ROCHESTER UNION FREE SCHOOL DISTRICT

2021-2022 Tax Levy Limit Calculation		Explanation/Details
Tax Base Growth Factor	1.0027	Rates provided by OSC
Allowable Levy Growth Factor	1.0123	Lesser of CPI (1.23%) or 2%
Prior Year Tax Levy	\$14,724,821	2020-2021 Levy
Prior Year Levy x Tax Base Growth Factor	\$14,764,578	
Add: PILOTS Receivable for prior year	\$ 125,000	Roll 20-21 estimate
Subtract: Prior year Capital Levy	\$ 308,258	
<i>Adjusted</i> Prior year Tax Levy	\$14,581,320	
<i>Adjusted</i> Prior year Tax Levy x Allowable Levy Growth Factor	\$14,760,670	
Less: PILOTS Receivable for Coming Year	\$ 130,000	Assessor validation & rate projected
Available Carryover	\$ 148,316	
Coming Year Local Capital Levy Share	\$ 261,932	Capital Expenses Exceed Aid Generated
2021-2022 Exemptions	\$0	ERS/TRS rate changes – no exemption
Maximum Allowable Levy Limit	<u>\$15,040,919</u>	<u>2.15%</u>

Other Revenue 2021-22



Source	21-22 Proposed Budget Amount	20-21 Adopted Budget Amount
PILOT (Payments In Lieu of Taxes)	\$130,000	\$125,000
Non-Property Tax – Monroe County Sales Tax	\$850,000	\$850,000
Admissions/Student Fees	\$ 5,000	\$ 5,000
Interest & Earnings	\$40,000	\$40,000
Rental of Real Property	\$7,000	\$7,000
Rental of Real Property - BOCES	\$75,000	\$75,000
Miscellaneous – E-Rate; Swim Prog.	\$60,000	\$60,000
Medicaid	\$50,000	\$70,000
BOCES - Surplus	\$100,000	\$100,000
Total Other Revenue	\$1,317,000	\$1,332,000



Use of *Reserves* 2021-22



Source	21-22 Proposed Budget Amount	20-21 Adopted Budget Amount
Mandatory Reserve for Debt	\$0	\$200,000
Capital Reserve for Technology	\$221,000	\$163,100
Capital Reserve for Equipment	\$100,000	\$193,909
Unemployment Reserve	\$50,000	\$15,000
Retirement Contribution Reserve	\$305,858	\$206,665
Workers' Compensation Reserve	\$132,600	\$130,000
Total Use of Reserves	\$809,458	\$908,674



Appropriated Fund Balance 2021-22



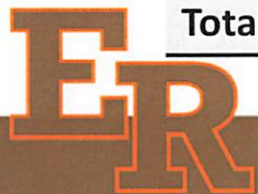
Source	21-22 Proposed Budget Amount	20-21 Adopted Budget Amount
Appropriated Fund Balance	\$400,000	\$1,123,946



Total Revenue 2021-22



Revenue	Tentative Amount	Tentative Detail
State Aid – All Categories	\$10,897,065	Based on 20-21 State Aid Output Reports
Urban-Suburban Transfer Aid	\$331,600	Reflects 20-21 Students
BOCES Rent	\$75,000	Per Lease Agreement
Other Revenues (Medicaid, PILOT, Interest)	\$392,000	Reflects Decrease in Interest Earnings; Medicaid
Monroe County Sales Tax	\$850,000	Same Figure as 20-21
Real Property Tax	\$15,040,919	+2.15%; \$316,098 in Levy
Reserves	\$809,458	Decrease in Use of Debt Reserve
Appropriated Fund Balance	\$400,000	Planned Decrease from 20-21
Total Revenue	\$28,796,042	



Capital *Projects* Reserve Proposition for 2021-22



- Last Authorized in 2014
- Continued use of Capital Reserve to Fund Unaided Items and Keep from Increasing Taxes for a Capital Improvement Project
- **Example of Proposition:**

“RESOLVED, that the Board of Education of the East Rochester Union Free School District be authorized to establish a Capital Reserve Fund in order to defray the cost of Capital Projects and, in order to accomplish the same, said Board is hereby authorized to establish the ultimate amount of such Reserve Fund to be \$5,000,000 with a probable term of twenty years and to appropriate funds of said School District to such Reserve Fund.”



Capital *Technology* Reserve Proposition for 2021-22



- Last Authorized in 2016
- Continued Use of Technology Reserve to Fund District Instructional Technology Initiatives and Keep from Increasing Taxes for These Initiatives.
- **Example of Proposition:**

“RESOLVED, that the Board of Education of the East Rochester Union Free School District be authorized to establish a Capital Technology Reserve Fund in order to defray the cost of Technology and, in order to accomplish the same, said Board is hereby authorized to establish the ultimate amount of such Reserve Fund to be \$2,000,000 with a probable term of twenty years and to appropriate funds of said School District to such Reserve Fund.”





Reserves

The District Reserve Plan



EAST ROCHESTER UNION FREE SCHOOL DISTRICT

District Reserve Plan & Fiscal Stress Update



- Audit Committee – Reserve Plan Review
- Reserve Balances & Uses
- Fiscal/Environmental Stress Update Based on 2020 Data
- Proposition Recommendations for 2021-22
 - Capital Projects Reserve
 - Technology Reserve



OSC Recommendation for the Prudent Use of Reserves



“The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management... Reserve funds can be utilized to help protect the budget against known risks (a potential lawsuit) or unknown risk (a major ice storm).”

Office of the New York State Comptroller – Local Government Management Guide – Reserve Funds, Pg. 2.



Reserve Balances



Name of Reserve	Balance @ 6/30/20	Amount Budgeted 20-21 OR Anticipated to Use	Estimated Balance @ 6/30/21
Unemployment	\$ 1,931,773	\$ 15,000	\$ 1,916,773
Encumbrances	\$ 850,562	\$ 850,562	\$ 0
Workers' Compensation	\$ 1,211,737	\$ 130,000	\$ 1,081,737
Employee Benefit	\$ 310,011		\$ 310,011
Tax Certiorari	\$ 1,941,418		\$ 1,941,418
Capital - Projects	\$ 4,260,441		\$ 4,260,441
Capital - Technology	\$ 1,958,013	\$ 163,100	\$ 1,794,913
Capital - Equipment	\$ 1,090,341	\$ 193,909	\$ 896,432
Insurance	\$ 507,355		\$ 507,355
<u>Retirement Contribution</u>			
• Employee Retirement	\$ 2,443,895	\$ 206,665	\$2,237,230
• Teacher Retirement	\$ 172,295		\$ 172,295
TOTAL	\$16,677,841	\$1,559,236	\$15,118,605



Fund Balance



Type of Fund Balance	Balance @ 6/30/20	Anticipated Balance @ 6/30/21
Appropriated Fund Balance	\$ 1,123,946	\$ 400,000
Undesignated Fund Balance	\$ 1,176,795	4% of 21-22 Budget



Fiscal/Environmental Stress Monitoring



- The State Comptroller evaluates school districts financial condition through The Fiscal Stress Monitoring System each year. It measures based on both financial and environmental indicators.
- **Financial Indicators** include testing critical areas such as year-end fund balance, operating deficits, cash position and reliance on short-term cash-flow debt.
- **Environmental Indicators** for school districts are measured by poverty, class size, teacher turnover, tax base, budget support and percent of English-language learners.



Fiscal/Environmental Stress Monitoring



School District Fiscal Stress Designations	Total Accumulated Points
Significant Fiscal Stress	65-100
Moderate Fiscal Stress	45-64.9
Susceptible to Fiscal Stress	25-44.9
No Designation	0-24.9

School District Environmental Stress Designations	Total Accumulated Points
Significant Environmental Stress	60-100
Moderate Environmental Stress	45-59.9
Susceptible to Environmental Stress	30-44.9
No Designation	0-29.9





What are Our Scores?

Fiscal Year End	Fiscal Score	Designation	Environmental Score	Designation
2017	3.3	No Designation	0	No Designation
2018	3.3	No Designation	8.3	No Designation
2019	3.3	No Designation	13.3	No Designation
2020	0.0	No Designation	5.0	No Designation

- Environmental Indicator(s) – Turnover Rate of All Teachers 12%



Next Steps



- Continue Aligning Budget Initiatives with the District's Vision, Mission, and Core Values
- Continue Budget Discussions with Administrative Cabinet
- Continue Framing the 2021-22 Budget as Information Develops
- *Next* Budget Workshop: [March 2, 2021](#)
- *Next* Board Meeting & Budget Update: [March 16, 2021](#)

