



Budget Development Planning

A Look Ahead at the 2022-2023 Budget

Board of Education Meeting

November 9, 2021



EAST ROCHESTER UNION FREE SCHOOL DISTRICT

2022-2023 Planning & Outlook



- 2022-2023 Budget Calendar & Timeline
- Alignment with District Messaging & Goals
- Topics – Administrative Cabinet & Small Groups
- State Aid & School Tax Revenue
- Salaries, Benefits, Pension, Utilities, BOCES, Debt Service



2022-2023 Budget Calendar & Timeline

SCHOOL BUDGET	DATE
Development & Information Sharing	November 2021 - April 12, 2022
Board of Education Adopts Balanced Budget	April 7, 2022 or April 12, 2022
Property Tax Report Card & Salary Disclosure Filed	April 25, 2022
Budget Documents Available to the Public	May 3, 2022
Public Budget Hearing	May 10, 2022
Annual Budget Vote & Election of Board of Education	May 17, 2022

Foundation of Budget Development



- District Mission, Vision, **Core Values**

- **S**tudents First
- **O**pportunities
- **A**chievement
- **R**esponsibility
- **S**trength



- *Aligning* Budget Practices to Our Guiding Principles & Strategic Goals

- Targeted Academic Success
- Social & Emotional Stability
- Engagement in Education
- Alignment of Support Systems



Administrative Cabinet – *Collaboration*

• Topics for Upcoming Meetings:

- Enrollment Projections and Staffing
- Review “In-District” Programs – *What is Important to be Funded?*
- Building Level Budgets – Process
- Curriculum & Instruction
- Special Education Services
- Athletic Programs
- Instructional Technology
- Summer Programs
- Facilities, Equipment & Safety
- BOCES Programs & Services





State Aid

- Governor announced settlement of Foundation Aid Lawsuit
- Promises to fully fund Foundation Aid by 2023-2024
- If fulfilled, this would mean a historic investment in Foundation Aid at the state level

But...we have to remember...

- The NYS Budget is largely structured on temporary Federal Aid
- We will see less categorical aid due to less expense in the past year





Tax Cap – Property Tax Revenue

- CPI (Consumer Price Index) is Trending Above 2%
- Tax Base Growth – \$770,000 Increase in Assessment in 2021
- Reassessment Plans – Not in 2022, Possibly in 2023
 - ER's Growth Rate is Again Projected at 1.00% for 2022
- Equalization Rate Will Be Impacted
- 1% on the Levy Raises Approximately \$150,000 in Tax Revenue
- Projecting Levy Limit to be **Under 2% for 2022-2023**



Salaries



- Contractual Increases for 2022-23
- Review Enrollment and Staffing Assignments
- Review Potential Eligible Retirements





Benefits – Health Insurance

- **Active Employee Health Plans**

- Increase in Premiums for 2021 = 4.0%
- Increase in Premiums for 2022 = **7.3%**
- Medical Costs Trending 6 – 8%
- Drug Rebates are Projected to Be Less in 2022
- Enrollment Decline in 2021
- Used Portion of Drug Rebates to Keep Rates Down for 2022

- **Retiree Health Plans**

- Increase in Premiums for 2021 = 8.7%
- Increase in Premiums for 2022 = **4.9%**
- Medical Trend 9% – Overall fewer contracts



Benefits – Pensions



- **TRS (Teachers Retirement System)**

- Last Year's Increase was 9.8%
- 2022-2023 Rate Projected to be **10% – 10.5%**
- TRS Retirement Contribution Reserve Offsets Increase

- **ERS (Employees Retirement System)**

- Last Year's Increase was 16.2%
- 2022-2023 Rate Projected to be **17 – 17.5%**
- ERS Retirement Contribution Reserve Offsets Increase



Utilities



- **Gas Bid: 2022-2023**

- 2022-2023 is Year 1 in a 2-Year Bid for Main Service
- Rates Stay Favorable for a 2-Year, Locked-In Rate
- Natural Gas Prices are Trending Up and Will Impact 21-22 Year

- **Electric Bid: 2022-2023**

- Cooperative Bid Process Through BOCES 2
- Bid Opening – 11/4/21 – Contract for Jan – Dec 2022



BOCES



- In September 2020, Monroe #1 BOCES Laid-Off Paras, Drivers, Attendants, Teachers as a Result of the Pandemic
- September 2021, Monroe #1 BOCES has approximately 60 Unfilled Positions
- Some Programs Transitioning Back to Remote Due to Staffing Shortages
- Watching Overall Enrollment in Program Areas
- Transportation Expenses – Less in 2020-21 Due to Hybrid Instruction Model – *Will it continue into 2021-22?*



Debt Service



- Capital Project Debt – Stable until 2024-2025
- \$160,000 Refunding Savings Over Next Six Years
- 2020-21 Capital Project - Final Cost Reports by 12/31/21
- Building Aid – Full Aid on 2020-21 Project starts 2021-22



What's Next?



- Continue Aligning Budget Initiatives with the District's Mission, Vision, Core Values, **Guiding Principles & Goals**
- Start Budget Discussions with Administrative Team
- Update the District Reserve Plan Document
- Continue Framing the 2022-23 Budget as Information Develops
- *Next* Budget Update, **January 11, 2022**

