

A photograph of three horses standing in a row outdoors. The horse in the foreground is a dark brown horse with a white blaze on its face, wearing a dark leather halter with a silver heart-shaped ornament. The horse in the middle is a lighter brown horse with a white blaze, wearing a dark leather halter. The horse in the background is a light-colored horse, possibly a palomino, wearing a brown halter. They are standing on a grassy area with trees in the background.

*Horseheads Central School District*



**Budget Workshop**

**May 11, 2020**



# State Budget Update

- **Schools dismissed March 16 – end of year due to COVID-19 pandemic**
- **Replacement of \$1.1 billion state aid with federal aid (pandemic adjustment)**
- **Foundation aid held flat at 2019-20 levels**
- **Four adjustment periods for potential reductions in state aid**
- **Budget vote and board elections to be held June 9<sup>th</sup> by absentee ballot**



# Tax Levy Limit

- **Implemented in 2011**
- **Limits property tax levy growth to 2% or rate of inflation, whichever is less (requires 50% + 1 approval)**
- **Current inflation rate is 1.81%**
- **Current tax base growth factor is 1.0175, down from last year's 1.0288**
- **District may exceed the maximum allowable tax levy limit by a super majority vote (requires 60% approval)**



# Tax Cap Calculation

	2019-20	2020-21
Taxes levied in prior year	\$37,374,963	\$38,858,749
x Tax base growth factor	<u>x 1.0288</u>	<u>x 1.0175</u>
= Adjusted prior year levy amount	\$38,451,362	\$39,538,777
+ PILOTs from prior year	+ \$949,240	+ \$965,548
- Capital exemptions from prior year	<u>0</u>	<u>- \$1,135,504</u>
= Adjusted levy factors	\$39,400,602	\$39,368,821
x Allowable levy growth factor	<u>x 1.02</u>	<u>x 1.0181</u>
= Adjusted levy	\$40,188,614	\$40,081,397
- Anticipated budget year PILOTs	- \$965,548	- \$1,012,144
+ Allowable carry-over	<u>\$0</u>	<u>+ \$364,317</u>
= Tax levy limit, before exemptions	\$39,223,066	\$39,433,570

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# Tax Cap Calculation, continued

	2019-20	2020-21
Tax levy limit, before exemptions	\$39,223,066	\$39,433,570
+ Capital exemptions current budget year	+ \$1,003,364	+ \$2,053,554
ERS exemption amount	0	0
TRS exemption amount	<u>0</u>	<u>0</u>
Maximum allowable tax levy limit	\$40,226,430	\$41,487,124
Amount levied	\$38,858,749	

Allowable property tax levy change from prior year, based on tax cap calculation	\$2,628,375
	6.76%

# Tax Levy and Tax Rate

Year	Tax Levy	Levy % Change	Tax Rate % Change	Tax Rate per Thousand	\$ Change Per Thousand	\$ Change Per \$100,000
2003-04	\$24,028,785	13.30%	8.56%	\$18.36	\$1.44	\$144.00
2004-05	\$25,664,364	6.80%	3.81%	\$19.06	\$0.70	\$70.00
2005-06	\$26,877,436	4.73%	1.73%	\$19.39	\$0.33	\$33.00
2006-07	\$28,691,593	6.75%	0.05%	\$19.40	\$0.01	\$1.00
2007-08	\$29,238,518	1.91%	-3.45%	\$18.73	(\$0.67)	(\$67.00)
2008-09	\$29,794,417	1.90%	-4.43%	\$17.90	(\$0.83)	(\$83.00)
2009-10	\$30,305,445	1.72%	-0.78%	\$17.76	(\$0.14)	(\$14.00)
2010-11	\$30,911,554	2.00%	-0.68%	\$17.64	(\$0.12)	(\$12.00)
2011-12	\$32,441,675	4.95%	2.61%	\$18.10	\$0.46	\$46.00
2012-13	\$33,548,942	3.41%	0.88%	\$18.26	\$0.16	\$16.00
2013-14	\$34,522,231	2.90%	-1.48%	\$17.99	(\$0.27)	(\$27.00)
2014-15	\$35,114,955	1.72%	-0.83%	\$17.84	(\$0.15)	(\$15.00)
2015-16	\$35,323,835	0.59%	1.12%	\$18.04	\$0.20	\$20.00
2016-17	\$35,307,604	-0.05%	-1.44%	\$17.78	(\$0.26)	(\$26.00)
2017-18	\$36,082,023	2.19%	-1.35%	\$17.54	(\$0.24)	(\$24.00)
2018-19	\$37,374,963	3.58%	2.51%	\$17.98	\$0.44	\$44.00
2019-20	\$38,858,749	3.97%	0.34%	\$18.04	\$0.06	\$6.00

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# Tax Rate Comparison

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<b>Horseheads</b>	<b>\$17.78</b>	<b>\$17.54</b>	<b>\$17.98</b>	<b>\$18.04</b>
<b>Corning</b>	<b>\$23.64</b>	<b>\$24.04</b>	<b>\$24.17</b>	<b>\$23.81</b>
<b>Elmira Heights</b>	<b>\$19.79</b>	<b>\$21.77</b>	<b>\$22.28</b>	<b>\$22.78</b>
<b>Elmira</b>	<b>\$21.86</b>	<b>\$19.90</b>	<b>\$20.09</b>	<b>\$20.60</b>

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# Projected State Aid for 2020-21

	2019-20 Budget	2020-21 Final Budget	\$ Change
Foundation Aid	\$21,964,537	\$21,416,450	-\$548,087
Transportation	\$2,758,033	\$3,000,435	\$242,402
Building Aid	\$3,520,242	\$3,060,959	-\$459,283
BOCES	\$4,814,285	\$4,957,996	\$143,711
Other Aid Items*	\$1,365,860	\$99,617	-\$166,243
Federal Pandemic Adjustment	0	\$548,884	\$548,884
<b>Total</b>	<b>\$34,422,957</b>	<b>\$34,184,341</b>	<b>-\$238,616</b>
<b>Total % increase</b>			<b>-0.7%</b>

\* Other aid items include excess cost aid, instructional materials aid





# Revenue Adjustments

	Expenditures	Revenues	Gap
<b>Baseline Budget as of 3/19/20</b>	<b>\$82,052,040</b>	<b>\$77,158,967</b>	<b>-\$4,893,073</b>
<b>Revenue Adjustments</b>			
<b>Foundation Aid</b>		<b>-\$96,372</b>	
<b>Community Schools</b>		<b>-\$99,201</b>	
<b>Miscellaneous</b>		<b>\$8,094</b>	
<b>Instructional Materials Aid</b>		<b>-\$5,895</b>	
<b>Adjusted Baseline as of 5/11/20</b>	<b>\$82,052,040</b>	<b>\$76,965,593</b>	<b>-\$5,086,447</b>



# Summary of Budgeted Revenues

	Budgeted 2019-20	Budgeted 2020-21
<b>Tax Items</b>	<b>\$39,888,297</b>	<b>\$39,934,893</b>
<b>State Aid</b>	<b>\$34,422,957</b>	<b>\$34,184,341</b>
<b>Other Revenue*</b>	<b>\$2,999,665</b>	<b>\$2,846,359</b>
<b>Appropriated Reserves</b>	<b>\$595,000</b>	<b>?</b>
<b>Fund Balance</b>	<b>\$2,000,000</b>	<b>?</b>
<b>Total Revenue</b>	<b>\$79,905,919</b>	<b>\$76,965,593</b>

**\* Includes items such as interest, admissions, rental income, donations and gifts, and stop-loss insurance payments**



# Budget Adjustments

	Expenditures	Revenues	Gap
<b>Baseline Budget as of 5/11/20</b>	<b>\$82,052,040</b>	<b>\$76,965,593</b>	<b>-\$5,086,447</b>
<b>Budget Adjustments</b>			
<b>Community Schools</b>	<b>-\$99,201</b>		
<b>Salary Adjustments</b>	<b>-\$144,546</b>		
<b>BOCES Adjustments</b>	<b>-\$58,522</b>		
<b>ERS/TRS/Soc Sec</b>	<b>-\$25,873</b>		
<b>Adjusted Baseline as of 5/11/20</b>	<b>\$81,723,898</b>	<b>\$76,965,593</b>	<b>-\$4,758,305</b>



# Summary of Budgeted Expenditures

	Budgeted 2019-20	Budgeted 2020-21	\$ Change	% Change
<b>Salaries</b>	<b>\$34,913,187</b>	<b>\$36,328,152</b>	<b>\$1,414,965</b>	<b>4.05%</b>
<b>Benefits</b>	<b>\$21,138,959</b>	<b>\$21,399,556</b>	<b>\$260,597</b>	<b>1.23%</b>
<b>Debt Service</b>	<b>\$4,131,744</b>	<b>\$4,780,528</b>	<b>\$648,784</b>	<b>15.70%</b>
<b>BOCES Services</b>	<b>\$12,792,155</b>	<b>\$12,266,301</b>	<b>-\$525,854</b>	<b>-4.11%</b>
<b>Equipment/Supplies and Contractual</b>	<b>\$5,669,332</b>	<b>\$5,664,361</b>	<b>-\$4,971</b>	<b>-0.08%</b>
<b>Transfers/Capital Outlay</b>	<b>\$1,260,542</b>	<b>\$1,285,000</b>	<b>\$24,458</b>	<b>1.94%</b>
<b>Total Expenditures</b>	<b>\$79,905,919</b>	<b>\$81,723,159</b>	<b>\$1,817,979</b>	<b>2.28%</b>





# Budget Development

	Expenditures	Revenues	Gap
<b>Baseline Budget as of 3/19/20</b>	<b>\$82,052,040</b>	<b>\$77,158,967</b>	<b>-\$4,893,073</b>
<b>Revenue Adjustments</b>			
<b>Foundation Aid</b>		<b>-\$96,372</b>	
<b>Community Schools</b>		<b>-\$99,201</b>	
<b>Miscellaneous</b>		<b>\$8,094</b>	
<b>Instructional Materials Aid</b>		<b>-\$5,895</b>	
<b>Budget Adjustments</b>			
<b>Course Credit Increases</b>	<b>\$19,162</b>		
<b>Community Schools</b>	<b>-\$99,201</b>		
<b>Salary Adjustments</b>	<b>-\$163,708</b>		
<b>BOCES Adjustments</b>	<b>-\$58,522</b>		
<b>ERS/TRS/Soc Sec</b>	<b>-\$25,873</b>		
<b>Adjusted Baseline as of 5/11/20</b>	<b>\$81,723,898</b>	<b>\$76,965,593</b>	<b>-\$4,758,305</b>

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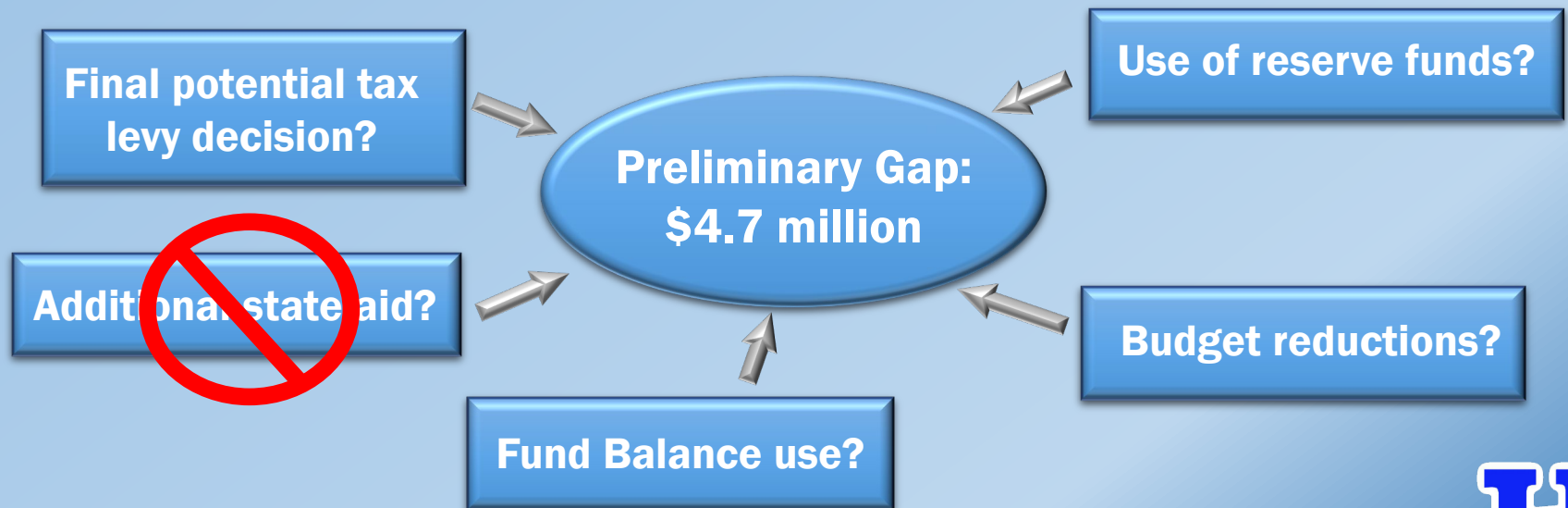
*Excel*

# Preliminary Gap

Expenditures	\$81,723,040
Revenue	\$76,965,593
Gap	-\$4,758,305

Gap amount does not include the use of reserve funds, fund balance, or potential tax levy increase.

## Gap-Closing Options:



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# Reserve/Fund Balance Use Scenario

	Expenditures	Revenues	Gap
<b>Adjusted Baseline Budget</b>	<b>\$81,723,898</b>	<b>\$76,965,593</b>	<b>-\$4,758,305</b>
<b>If following reserves were used...</b>			
<b>ERS</b>		\$438,000	
<b>EBALR</b>		\$150,000	
<b>Unemployment</b>		\$12,200	
<b>Fund Balance</b>		\$2,000,000	
<b>Adjusted Baseline Budget</b>	<b>\$81,723,898</b>	<b>\$79,565,793</b>	<b>-\$2,158,105</b>



# Budget Development

	Expenditures	Revenues	Gap
<b>Adjusted Baseline Budget</b>	<b>\$81,723,898</b>	<b>\$79,565,793</b>	<b>-\$2,158,105</b>
<b>Budget Adjustments</b>			
<b>GPS on Buses (80 buses):</b>	<b>\$62,000</b>		
<b>Increase BOCES Health and Safety Hygienist</b>	<b>\$50,000</b>		
<b>Transportation Service Truck</b>	<b>\$50,000</b>		
<b>Gardner Road Cafeteria Monitor</b>	<b>\$15,000</b>		
<b>Additional Unified Bowling Coach</b>	<b>\$1,300</b>		
<b>Additional Unified Basketball Coach</b>	<b>\$1,300</b>		
<b>Adjusted Baseline as of 5/11/20</b>	<b>\$81,903,498</b>	<b>\$79,565,793</b>	<b>-\$2,337,705</b>





# Current Budget Scenario

- **Levy % Increase** **6.76%**
- **Total Levy** **\$41,487,124**
- **Levy Increase** **\$2,628,375**
- **Use of Carryover** **-\$364,317**
- **Budget Surplus** **\$290,670**

Full Value Tax Rate	
Estimated Maximum Increase	3.84% \$69.00 on \$100,000 full value assessment
Estimated Minimum Increase	1.73% \$31.00 on \$100,000 full value assessment



# Budget Scenario 1

- **Levy % Increase** **5.80%**
- **Total Levy** **\$41,111,137**
- **Levy Increase** **\$2,252,388**
- **Use of Carryover** **-\$364,317**
- **Debt Service Reserve** **\$375,987**
- **Budget Surplus** **\$290,670**

Full Value Tax Rate	
Estimated Maximum Increase	2.90% \$52.00 on \$100,000 full value assessment
Estimated Minimum Increase	0.81% \$15.00 on \$100,000 full value assessment



# Budget Scenario 2

- **Levy % Increase** **5.35%**
- **Total Levy** **\$40,937,124**
- **Levy Increase** **\$2,078,375**
- **Carryover** **-\$364,317**
- **Debt Service Reserve** **\$550,000**
- **Budget Surplus** **\$290,670**

Full Value Tax Rate	
Estimated Maximum Increase	2.46% \$44.00 on \$100,000 full value assessment
Estimated Minimum Increase	0.38% \$7.00 on \$100,000 full value assessment



# Budget Scenario 3

- **Levy % Increase** **4.98%**
- **Total Levy** **\$40,792,807**
- **Levy Increase** **\$1,934,058**
- **Use of Carryover** **-\$300,000**
- **Debt Service Reserve** **\$625,000**
- **Budget Surplus** **\$226,353**

Full Value Tax Rate	
Estimated Maximum Increase	2.09% \$38.00 on \$100,000 full value assessment
Estimated Minimum Increase	0.02% \$0 on \$100,000 full value assessment





# Budget Scenario Comparison

	Current Budget Scenario	Budget Scenario 1	Budget Scenario 2	Budget Scenario 3
Levy % Increase	6.76%	5.80%	5.35%	4.98%
Max Estimated Full Value Tax Rate Increase	3.84% \$69/\$100,000	2.90% \$52/\$100,000	2.46% \$44/\$100,000	2.09% \$38/\$100,000
Min Estimated Full Value Tax Rate Increase	1.73% \$31/\$100,000	0.81% \$15/\$100,000	0.38% \$7/\$100,000	0.02% \$0/\$100,000
Total Levy	\$41,487,124	\$41,111,137	\$40,937,124	\$40,792,807
Levy Increase	\$2,628,375	\$2,252,388	\$2,078,375	\$1,934,058
Use of Carryover	\$364,317	\$364,317	\$364,317	\$300,000
Use of Debt Service Reserve	\$0	\$375,987	\$550,000	\$625,000
Budget Surplus	\$290,670	\$290,670	\$290,670	\$226,353

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# New York State Executive Order

- Due to COVID-19 pandemic, Budget Vote/Board of Education Election to be held by absentee ballot
- District required to mail postcard to all residents immediately with information on how to vote via absentee ballot
- District will mail absentee ballots with postage paid return envelopes
- Public hearing to be held remotely
- Completed absentee ballots must be received by district by 5pm June 9



# Questions/ Discussion

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