

Community Budget Committee

Budget Update

Kimberly Rohring, Deputy Superintendent Business and Finance
February 17, 2022



Agenda

- Budget Process Update
- Rollover Expense Adjustments/Updated Cost Drivers
- Discussion on Community Priorities
- Tax Cap Calculation
- Committee Question Response

Budget Calendar

March 3	Board Meeting (Budget Update)
March 17	Board Meeting (Budget Update, State Aid Update)
March 24	Virtual Community Budget Presentation
April 7	Board Meeting (Superintendent's Proposed Budget)
April 11	Board Meeting (Budget Forum)
April 14	Board Meeting (Budget Adoption)
April 27	Virtual Community Budget Presentation
May 4	Council of Albany Neighborhood Associations (CANA) Budget Presentation
May 5	Budget Hearing
May 6	Budget Newsletter Mailing
May 10	Virtual Community Budget Presentation
May 14	Virtual Community Budget Presentation
May 17	Budget Vote/Board of Education Election

2022-23 Modified Rollover Budget Assumptions

Rollover Budget includes:

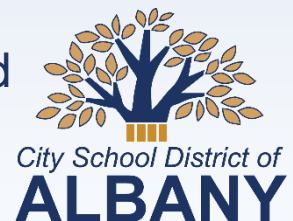
- Continuation of existing programs and services
- Continuation of contractual obligations
- Continuation of operations
- Continuation of staffing and benefits under labor contracts

Modified Rollover Budget includes the above plus:

- Absorption of programs and staffing funded with one-time federal funds

Modified Rollover Budget does NOT include:

- New funding/staffing requests submitted for 2022-23
- Addressing mandates that require more resources
- Other items considered to be essential for programming, health and safety



2022-23 Modified Rollover Budget

Modified Rollover Budget adjustments:

- Renew HVAC Preventive Maintenance Contract
- Funding Pool Maintenance Contract
- Extended Day/Night School funded at 2019-20 level
- Behavior specialist and social worker positions added in 2021-22 (SEL)
- Mandated nursing positions added in 2021-22 to comply with regulatory ratios (supporting students off-site)
- Additional equipment funds for security and maintenance

2022-23 Modified Rollover Budget

Additional Modified Rollover Budget adjustments to maintain current programs and operations:

- Increase for software licenses to build in those previously funded by grants (\$401,667)
- Increase for technology hardware to support Chromebook replacement schedule now that we are a 1:1 district (\$339,322)
- Increase funding for hall monitor and maintenance overtime to support programming and facilities use (\$247,000)

Modified Rollover Adjustments

- **Employees Retirement System employer contribution rate adjustment**
- **Adjustments in positions, including those absorbed from one-time federal dollars**
- **Increase in BOCES expenses based on updated information (rates, tuition)**
- **Summer School moved to grants**
- **Charter School Tuition Rate increase (estimated 5%, Governor's budget is 4.7%)**

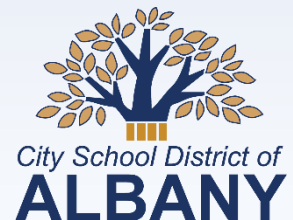
Modified Rollover Expense Budget

Modified Rollover Budget, February 14, 2022

	2021-22 Adopted Budget	2022-23 Modified Rollover Budget	Difference	% Increase
TOTAL	\$ 270,267,867	\$ 287,586,411	\$ 17,318,544	6.41%

The figures above do not include:

1. New funding/staffing requests submitted for 2022-23
2. Additional items needed to address mandates
3. Additional items considered essential for programming, health and safety



Cost-Drivers on the Modified Rollover Budget

	January 24, 2022	February 14, 2022	Difference	
Benefits	\$ 3,551,589	\$ 1,950,883	\$ (1,600,706)	ERS Contribution Rate Dec
Debt Service on Capital Projects	\$ (296,321)	\$ (296,321)	\$ -	
* Salary Expense	\$ 7,596,924	\$ 8,325,842	\$ 728,918	Added 8 SEL positions, 9 CW; approx 83 positions planned to be absorbed from federal dollars
Summer School	\$ 595,630	\$ -	\$ (595,630)	Will be grant funded 2022
BOCES adjustments	\$ 92,500	\$ 207,921	\$ 115,421	Tax Services, Tech Valley
Technology Hardware/Software	\$ 740,989	\$ 740,989	\$ -	
Maintenance Cont Svcs/Supplies	\$ 1,507,550	\$ 1,507,550	\$ -	\$1.4M Cont Svcs; \$55k supplies
Equipment		\$ 319,413	\$ 319,413	Security Radios, Earpieces, cameras; Maintenance snow removal equipment
Charter School Tuition	\$ 2,385,562	\$ 2,272,180	\$ (113,382)	110 Additional Students; 4.7% rate inc
Other Tuition	\$ (221,555)	\$ (221,555)	\$ -	Private and Public placement
Transportation	\$ 396,296	\$ 396,296	\$ -	Contractual increases
Miscellaneous	\$ 1,603,063	\$ 2,115,346	\$ 512,283	\$2.27M Comm Schools Supplies until allocated
TOTAL	\$ 17,952,227	\$ 17,318,544	\$ (633,683)	

* Includes absorption of positions funded in CRRSA/ARP



Governor's Proposed Budget

- State Budget includes:
 - \$2.1 Billion increase in education funding, \$1.6 billion to fund foundation aid increases; \$466M for other programs
 - Year two of a three year path to fully funding Foundation Aid (half of remaining balance due in both 2022-23 and 2023-24)
 - Continues the Community Schools set aside in the foundation aid total (approximately \$4.4M)
 - Fully funds expense based aids (transportation, public and private excess cost, building aid, BOCES aid) (\$464M)
 - Continuation of categorical aids at the same per student allocation (textbooks, software, hardware, library materials)
 - Charter school tuition rate increase of 4.7%
 - New Program - \$100M over two years matching fund for social emotional and academic supports for students – district must match with ARP funds



Revenue Sources

Local	State	Federal	Other
Property Taxes	STAR Reimbursement	Medicaid Assistance	Interest earnings
Tax on Consumer Utilities	Foundation Aid	E-Rate	District Billings for non-resident students
Payment in Lieu of Taxes	Categorical Aid (Building, Transportation, Instructional		Appropriated Fund Balance and Reserves
	BOCES Special Services Aid		Rebates & Refunds

2022-23 Revenue Budget

Revenue Budget February 10, 2022

	2021-22 Budgeted Revenue	2022-23 Revenue based on Governor's Budget Proposal	Difference
Total	\$ 270,267,867	\$ 285,908,203	\$ 15,640,336

Revenue will continue to be reviewed and updated

- 1) Continue use of restricted reserves and appropriated fund balance at \$3M
- 2) Assumes flat property tax levy



Revenue Estimate by Source

	2021-22 Budgeted Revenue	2022-23 Revenue based on Governor's Budget Proposal	Difference	Notes
Local	\$ 132,147,805	\$ 132,140,805	\$ (7,000)	Decreased interest/penalties
State	\$ 128,177,131	\$ 143,507,798	\$ 15,330,667	Increased Foundation Aid
Federal	\$ 620,000	\$ 1,050,000	\$ 430,000	Anticipated increase in Medicaid Reimbursement
Other	\$ 9,322,931	\$ 9,209,600	\$ (113,331)	Reduced tuition and rental billings
Total	\$ 270,267,867	\$ 285,908,203	\$ 15,640,336	

2022-23 Initial Revenue vs Rollover Expense

Budget Comparison February 14, 2022

2022-23 Initial Revenue based on Governor's State Aid Proposal	2022-23 Modified Rollover Budget	Difference
\$ 285,908,203	\$ 287,586,411	\$ (1,678,208)

Budget Variables

- **State Aid (typically not finalized until end of March)**
- **Health Insurance increases (finalized in March)**
- **Tax Cap (finalized late February)**
- **Tax levy (set in early April)**
- **Impact of Retirements**

Discussion – Community Priorities

- **Spring 2021 –**
 - **Social Emotional Learning supports for students**
 - **Academic Acceleration**
 - **HVAC upgrades**
 - **Safety and Security**

- **Priorities Spring 2022?**

Tax Cap Calculation

- **Must be submitted to NYSOSC by March 1st**
- **Calculation is impacted by multiple variables:**
 - **Tax Base Growth Factor (calculated by Department of Taxation & Finance)**
 - **Allowable Levy Growth Factor (calculated by OSC)**
 - **Difference between debt service expense and building aid**
- **Exclusions are also calculated – most common is the Capital Tax Levy Exclusion**
 - **OSC will indicate whether the Teachers Retirement System or Employees Retirement System Exclusions are able to be taken in a particular year – driven by % change in employer contribution year over year**

Tax Cap Calculation 2022-23

Tax Levy Limit, Before Adjustments and Exclusions

✓	Real Property Tax Levy FYE 2022	\$121,259,962
✓	Tax Cap Reserve Offset from FYE 2021 Used to Reduce FYE 2022 Levy	\$0
✓	Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2022	---
✓	Tax Base Growth Factor	1.0022
✓	PILOTs Receivable FYE 2022	\$6,933,843
✓	Tort Exclusion Amount Claimed in FYE 2022	\$0
✓	Capital Tax Levy Exclusion FYE2022	\$5,719,520
✓	Allowable Levy Growth Factor	1.0200
✓	PILOTs Receivable FYE 2023	\$7,366,753
✓	Available Carryover from FYE 2022	---
	Tax Levy Limit Before Adjustments/Exclusions	\$117,829,125

Set by Tax & Finance

Set by OSC

Tax Cap Calculation 2021-22

		Exclusions	
✓	Tort Exclusion		\$0
✓	Capital Tax Levy Exclusion FYE2023		\$6,388,212
✓	Teachers' Retirement System Exclusion		\$0
✓	Employees' Retirement System Exclusion		\$0
	Total Exclusions		\$6,388,212
	Your FYE 2023 Tax Levy Limit, Adjusted for Transfers plus Exclusions		\$124,217,337
✓	Total Tax Cap Reserve Amount Used to Reduce FYE 2023 Levy		---
✓	FYE 2023 Proposed Levy, Net of Reserve		\$124,217,337
	Difference Between Tax Levy Limit and Proposed Levy		\$0
✓	Do you plan to override the Tax Cap for FYE 2023 ?		No

Next Steps

- **Incorporate feedback on community priorities**
- **Continue reviewing projections, budget estimates, and assumptions**
- **Respond to questions**

Committee Question

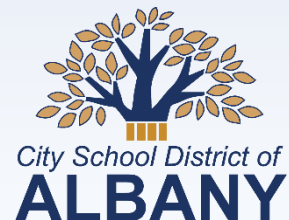
Special Education programming and revenue:

1. Does the district only receive reimbursement for support services (therapies--speech, occupational, physical, etc.) of students who are OPWDD / Medicaid eligible? Do we know how much those non-Medicaid-reimbursable services cost the district?

Medicaid reimbursement applies when the services below are provided, but ONLY if the student is Medicaid Eligible and the parent has signed consent for the district to bill and seek reimbursement for provided services. It is not uncommon for students to move on an off the NYS Medicaid Eligibility List during the course of a year. This happens when a parent's income no longer qualifies a student for services or the parent does not renew or maintain the application for Medicaid. When this happens we are not able to be reimbursed, regardless of consent, as the student is technically not eligible. The district receives notification monthly of eligible students, which include both additions and deletions.

Speech & Language, Occupational Therapy, Physical Therapy, Skilled Nursing, Psychological Counseling, Psychological Evaluations, Speech Evaluations, Physical Therapy Evaluations, Occupational Therapy Evaluations.

It is impossible to identify how much revenue is lost due to eligibility factors (income, application, renewal, etc.) as those solely depend on families applying for the service and qualifying based on the below. NYS prescribes eligibility criteria based on several factors including income.



Committee Question

Special Education programming and revenue:

2. What district programs fall under BOCES?

None of the special education programs provided within a CSDA building would be considered a BOCES program. All special education programs within the district are run and staffed by CSDA.

We sometimes contract with BOCES for itinerant related services to be provided within our district based on student IEP needs, which may include: Teacher of the Deaf, Orientation and Mobility, Deaf and Hard of Hearing Interpreter Services (none of these are Medicaid Billable).

We also, contract with BOCES to send students to programs that are available outside of the CSDA. These programs are housed separate school buildings owned/rented by BOCES, or in another public school buildings where BOCES rents a physical space, staffs the program, and charges tuition to the home district of the student. BOCES does submit Medicaid claims for district reimbursement when a student is eligible.



Committee Question

Revenue:

3. Why is there an anticipated increase of \$430,000 in Medicaid revenue estimate for 2022-23?

This projection is based on anticipated receipts for 2021-22 considering receipts YTC and expected for remainder of the year.

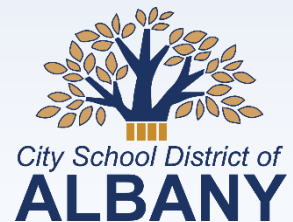
4. Why is there an “increase in BOCES expenses based on updated information” in the modified rollover?

We are continuing to receive updated information from BOCES relative to rate increases for specific services, making adjustments to programs/services we expect to participate in for 2022-23. As information is received updates are made to the modified rollover.

5. What does “reviewing projections, budget estimates and assumptions” mean? What is the process?

This is typical in a budget development process that occurs over several months. The district receives updated cost information from providers, insurance carriers, BOCES, etc. and will reflect that in the modified rollover total both increases and decreases. We also receive updates from the City Assessor’s office around PILOT information, state aid adjustments from NYSED, and rebate information associated with our health insurance from our Third Party Administrator. Business office staff including Deputy Superintendent, District Treasurer and Director of Business Operations are responsible for these updates and reviews. On the Budget Variables slide, we note some of those items that are adjusting as we move through budget development and when they may be finalized.

Some assumptions made this year in the modified rollover are around which programs/positions funded by one-time funds in 2021-22 may be rolled into the general fund for 2022-23. These assumptions are continuing to be reviewed as revenue is updated with the Superintendent and Cabinet, and including in the regular budget updates to the BOE.



Committee Question

BOE Audit Committee:

3. What is the role and responsibilities of the audit committee?

Below is the link to School District Accountability Pursuant to Chapter 263 of the Laws of 2005 that requires school boards of education to establish an Audit Committee. The enacted legislation outlines the role and responsibility of the audit committee, frequency with which they meet, how membership is comprised, etc.

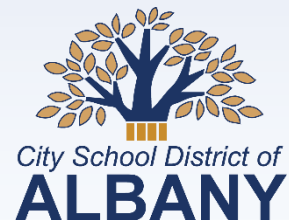
https://www.p12.nysed.gov/mgtserv/accounting/accountability_legislation05.htm

Effective January 1, 2006

The primary role of the audit committee is to assist the board in its oversight role in order to ensure financial accountability. The audit committee's charge should be enumerated in a charter and should include:

- (1) providing recommendations regarding the appointment of the external auditor and internal auditor for the district;
- (2) meeting with the external auditor prior to commencement of the audit;
- (3) reviewing and discussing with the external auditors their risk assessment of the district's fiscal operations;
- (4) receiving and reviewing the draft annual audit report and accompanying draft management letter, working directly with the external auditor, and assisting the trustees or board of education in interpreting such documents;
- (5) making a recommendation to the trustees or board of education on accepting the annual audit report;
- (6) reviewing every corrective action plan developed by the district in response to any findings identified in an audit report or management letter;
- (7) assisting in the oversight of the internal audit function;
- (8) reviewing the findings and recommendations of the external auditor and internal auditor;
- (9) monitoring the school district's implementation of such recommendations; and
- (10) evaluating the performance of the internal audit function.

The Board of Education policies 6650, 6660, 6680, and 6690 address the audit function/committee as well and can be found at: <https://go.boarddocs.com/ny/albany/Board.nsf/Public>



Questions

