

AKRON CSD

Board of Education

2022-23 Budget Update

December 15, 2022

**Political Landscape, Draft
Budget Goals & Guidelines**

Budget Goals

1. Continue the practice of conservative budgeting to maintain instructional programs, staffing levels, facilities upkeep and a healthy level of fund balance.
2. Leverage temporary Federal funding to assist with learning loss, social/emotional health and long-term financial stability of the District.
3. Continue to keep tax increases to a minimum.
4. Work collaboratively with district stakeholders to build the budget while also communicating budgetary needs to the public.

Budget Development

This document and the budget calendar were established by the Board of Education in a strategic effort to guide District Administrators in the budget development process. The development of the 2022-23 Akron Central School District budget, the preparation of preliminary budget information by administration, its deliberation by the Board of Education, its presentation to the public and the budget vote on May 17, 2022 shall be guided by the information herein.

Considerations:

- ▶ State aid– NYS has recently agreed to fully fund Foundation Aid over a 3 year phase in period. Actual numbers are subject to change based on enacted budget language.
- ▶ Akron Central Schools has a SAVE HARMLESS designation as a protection against decreasing enrollment numbers. This means that the district has not incurred a fiscal hold back of the State aid formula despite enrollment trends
- ▶ At the same time, the move to fully funding the formula will not result in a significant year to year increase in State aid for ACS.

Considerations:

- ▶ Tax Cap – CPI is expected to be above 4%; Tax Base Growth Factor is expected to be 2%; we do not anticipate any ERS, TRS or capital exclusions.
- ▶ Contractual Obligations – employment contracts are in place for AAA & AFA bargaining units and most individual contracts. This allows for more reliable estimates for employee wages and benefits. Negotiations with the AEA is expected to be conducted during the budget process requiring appropriate estimations on overall compensation.

Considerations:

- ▶ Market fluctuations and uncertainty are anticipated to have an impact on interest earnings and ERS and TRS rates over the next several years. Anticipate ERS decrease from 16.2% to 11.6% and TRS increase from 9.8 to 10-10.5%.
- ▶ Federal CRRSA and ARP funding will continue to be used for a combination of initiatives to address learning loss and retention of existing staff. This will allow us to leverage this temporary funding for the long-term financial stability of the District.

Considerations:

- ▶ Current financial position of the District – prior decision making has led to a healthy level of fund balance, adequate cash flow, a favorable bond rating and funding available for future capital projects.

Questions & Concerns:

- ▶ What happens when federal stimulus dollars are no longer available to both NYS and school districts?
- ▶ Will the emergence of new variants of COVID-19 affect the stability of NYS' finances?
- ▶ Will the promise to fully fund Foundation Aid carry through to the future?
- ▶ How will this year's budget negotiations look different from the past?

Guidelines for Budget Decisions:

- ▶ The extent to which each of these guidelines is considered will be dependent upon the anticipated gap between expenditures and revenues throughout the budget process.

Educational Program & Services

1. Instructional initiatives - discuss, develop and prioritize throughout the budget process
2. Technology plan - all hardware, software and infrastructure needs included in the budget will be part of a long-term technology plan; plan updates will consider the needs when students are in a remote learning model.
3. Maintenance of facilities and equipment - include an adequate allocation of funds to maintain facilities and equipment in support of health and safety and a learning environment conducive to student achievement; budget will be coordinated with long-term facilities planning; re-assess effective utilization of building space throughout the district; plan for a capital project vote in May, 2022.
4. Transportation- provisions for the ongoing costs of transportation including staffing, maintenance, repair, and fuel costs.

Tax Levy & Fund Balance

1. Tax levy - the goal of the Board of Education is to budget for a tax levy that is within the tax levy limit calculated under NYS Property Tax Cap regulations.
2. Fund Balance - any funding of, or use of, fund balance included in the budget will be consistent with a Fund Balance Plan approved annually by the Board of Education.
3. Reserves - the establishment, funding and use of reserves will be consistent with a Fund Balance Plan approved annually by the Board of Education

Public Involvement & Communication

1. Community and stakeholder input will be solicited and welcomed throughout the budget development process.
2. Public presentations and updates on the budget development process will be provided at Board of Education meetings from December through May
3. Publication of documents- all agendas and presentations from Board of Education meetings will be posted on the District website; complete budget document will be posted on the District website; Budget newsletter will contain descriptive information regarding the 2022-23 budget and will be distributed to all taxpayers

Questions and Comments

THANK YOU!

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