

## **Clarence Bee Article – February 2021**

### **2021-22 School Budget**

The Board of Education started the budget construction process for the 2021-22 school year with two goals; to maintain and enhance the core programs of the district and to exhibit fiscal responsibility with our community's tax dollars. The second public budget study session was conducted on February 22, 2021. The second draft of the budget proposed at that session met both of those goals.

On the expense side of the budget, the current draft increases spending year over year by 1.5 percent. Over seventy-five percent of expenses in the budget are for salaries and benefits, and as expected, those areas represent the majority of the increase. Spending increases in Clarence have traditionally been lower than other school districts. There are a number of factors that have mitigated spending increases over the years. This year, the pension system and health care increases were less than expected. Most items in the proposed budget are increasing at approximately two percent year over year.

There are two major sources of school funding on the revenue side of the budget, property taxes and state school aid. The recommended tax levy increase for 2021-22 is 2.97 percent, which is at the property tax cap number. Tax levy increases in Clarence have been traditionally very low and the estimated increase for 2021-22 on a home valued at \$200,000 is \$54. Clarence has been at or below the tax cap number in every year of its existence. We also anticipate sales tax revenue to be level in 2021-22.

The Executive Budget, which is always the starting point to determine state school aid, is unusual this year. The Governor makes \$2.1 billion in cuts to education aid, however he uses federal stimulus dollars to backfill the cuts as well as increasing the overall aid package. In Clarence, the cuts amount to \$2.8 million, which is backfilled with \$3.9 million in stimulus money, providing enough funding in 2021-22 to balance our budget. The Governor is counting on another federal aid package of at least \$6 billion to make his budget for 2021-22 work.

The Executive Budget raises numerous questions, the most serious of which is – what happens when the federal aid runs out? The use of federal dollars to fill in the gaps of state aid creates a pending "fiscal cliff" if NYS is unable to drastically increase support for schools in 2022-23.

We encourage the community to give us feedback on the budget process. All budget information as well as the absentee ballot application can be found on our website.