



HERKIMER

CENTRAL SCHOOL DISTRICT

BUDGET NEWSLETTER 2021

PROPOSED BUDGET \$26,414,000	
SPENDING CHANGE \$1,239,000 (4.9%)	TAX LEVY CHANGE \$0

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VOTE
May 18, 2021 - noon-8 p.m.
Herkimer Jr./Sr.
High School Library

Proposed budget includes NO tax increase; restores art, in-person Pre-K, music, PE, extracurriculars

On Tuesday, May 18, district residents will vote on a \$26,414,000 proposed budget for the 2021-22 school year. This proposal would increase spending 4.9 percent, or \$1,239,000, and would result in a 0 percent tax levy increase. The 0 percent tax levy increase is, however, above the district's allotted tax levy cap of - 4.67% as defined by the state's tax cap legislation, and therefore, a supermajority of voters (60 percent) is required for budget approval.

Voters will also elect three representatives to the Board of Education, and will vote on the public library budget and library board of trustees.



Technology and instruction go hand-in-hand at Herkimer. Grade 8 science students have been using robots to learn about Newton's Third Law.

Budget Priorities

The budget carries a 0% tax increase while maintaining programs and services for students, and includes the following:

PROGRAM RESTORATIONS

- Music
- Art
- Physical education
- Extracurricular/interscholastic
- In-person full-day Pre-K

ADDITIONS

- Two full-time positions at HES
- Two AIS teachers at Jr./Sr. High School
- Special education teacher at HES
- Expanded community use of facilities

Budget Numbers

REVENUE

- State aid increase of \$1.98 million
- Proposed tax levy of 0 percent increase is above state calculated limit of -4.67%
- Proposal uses \$570,000 from fund balance
- Local taxes would make up about 36% of revenue

SPENDING

- Increased costs for staff salaries and benefits
- Increased BOCES expenses

FEDERAL FUNDING

- Restoring in-person instruction
- Summer programming
- Academic gap closing

Restoring Programs

Herkimer was open for in-person learning during the 2020-21 school year while continuing to offer all sports, and district leaders have continued to look for ways to enhance current programming during the budget development process. The budget proposal would preserve existing programs and restore music, art, physical education, extracurricular/interscholastic programming, and in-person full-day Pre-K. It would also add two full-time elementary positions to maintain class sizes for COVID restrictions.

The main growth in the budget can be attributed to employee salary and benefit increases, pupil transportation costs, and BOCES expenses.

The budget proposal also includes about \$1.1 million for the first year of a five-year contract with Birnie Bus to continue providing transportation services, and a \$100,000 capital outlay project for cameras, computer infrastructure, and control work (e.g. thermostats) at the elementary school. The bid submitted by Birnie Bus was \$1.25 million less than the next bidder.

State aid increased by \$1.98m

For the 2021-22 school year, Herkimer received an \$1.98 million increase in state aid. To help balance the budget, the proposal includes the use of \$570,000 of fund balance.

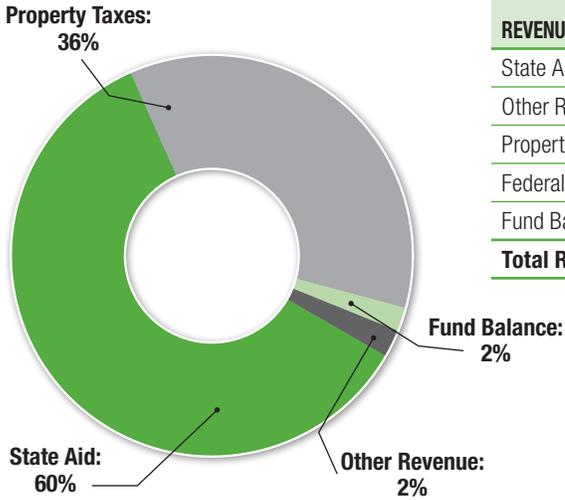
Meanwhile, the district also has three years to spend \$4.8 million in Federal funds, which must be used in specific areas. The district plans to use it for restoring in-person instruction, academic gap closing, social emotional support, summer programming, and expanded school day programs.

District leaders also expected to propose a tax levy limit override this year because of a debt service anomaly (see story on page 2). It was planned for the last several years as a part of a long-term debt service stabilization plan.

"Because of our negative tax levy cap determined by the state, we knew we were going to have to override the cap this year," said Superintendent Robert J. Miller. "However, we're very thankful for a 14.5 percent increase in state aid and additional federal aid which we can use to fill our budget gaps and offer additional programs that will benefit our students."

Projected Revenues

The district's plan for how it will obtain every dollar in the proposed budget



REVENUES	2020-21 BUDGETED	2021-22 PROPOSED	\$ CHANGE '20-'21 TO '21-'22	% CHANGE '20-'21 TO '21-'22
State Aid	\$13,752,000	\$15,741,000	\$1,989,000	14.46%
Other Revenue	\$1,348,000	\$652,000	-\$696,000	-51.63%
Property Taxes	\$9,451,000	\$9,451,000	0	0%
Federal	\$517,000	\$0	-\$517,000	-100%
Fund Balance	\$107,000	\$570,000	\$463,000	432.71%
Total Revenues	\$25,175,000	\$26,414,000	\$1,239,000	4.9%

ESTIMATED TAX IMPACT

Projections are based on last year's tax rates and do not include changes in tax rolls, equalization rates, or rebate programs such as STAR.

	2020-21 tax paid	2021-22 school tax	Estimated 2021-22 school tax	Increase
	\$500	\$1,000	\$1,500	\$2,000
	\$500	\$1,000	\$1,500	\$2,000
	\$0	\$0	\$0	\$0

Budget Q&A

What is the "tax levy limit?" Does Herkimer exceed it?

The tax levy limit is the highest allowable tax levy that a school district can pass with the approval of a simple majority (50% plus one) of voters. The proposed budget includes a tax levy increase of 0% — more than the district's calculated tax levy limit of **-4.67%**. Therefore, a supermajority of voters (60 percent) is required for budget approval. If approved, the tax levy would **NOT increase**, meaning, local school taxes would not go up.

How come the budget is increasing?

The main growth in the budget can be attributed to employee salary and benefit increases, and BOCES expenses.

What is included in the proposed budget?

In addition to maintaining existing programs and services, the proposed budget restores music, art, physical education, extracurricular/interscholastic programming, and in-person full-day Pre-K. At the elementary school, it adds one special education teacher and two full-time positions to maintain class sizes for COVID restrictions. At the Jr./Sr. High School, it adds two academic intervention teachers and continues the college art, agriculture, and STEM programs along with Project Lead the Way with Frankfort-Schuyler.

The district also has three years to spend \$4.8 million in Federal funds, which must be used in specific areas. The districts plans to use it for restoring in-person instruction, academic gap closing, social emotional support, summer programming, and expanded school day programs.

What happens if the budget is voted down?

If the proposed budget is defeated on May 18, the BOE can put the same or a revised budget up for a vote in June, or it can immediately adopt a contingent budget. After two unsuccessful budget votes, Herkimer would have to adopt a contingent budget. A contingent budget would have the same tax levy (of 0 percent) and expenditures as the proposed budget, but would eliminate free public use of school facilities and delay implementation of the cost-saving transportation contract. It would also delay the capital outlay project, which means reducing building aid for 2022-23 by \$93,000 and putting off needed building work at HES.

Why is Herkimer seeking a supermajority?

Each year, New York school districts must calculate their tax levy limits — the total amount of tax revenue each school district may collect without requiring the approval of a supermajority of voters (60 percent or greater). It is a multi-step formula that includes the rate of inflation and seven other factors. This year, Herkimer CSD's calculated limit is -4.67 percent.

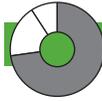
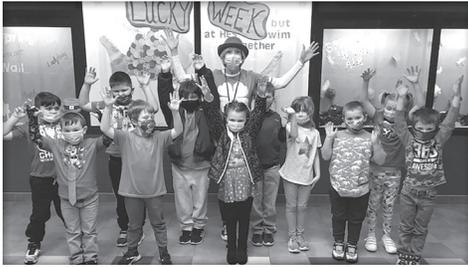
When the cost of everything from bus fuel to health insurance is increasing, how can the tax levy limit be a negative number? The answer is tied to debt service. When taking on major building repairs or renovations, Herkimer school leaders historically pay up front for as much of the project as possible and borrow the remainder.

The state then reimburses the district over time for a percentage of the project costs. This practice provides the district with a predictable flow of building aid to pay debt, replenish reserves and help offset regular operating expenses. Last year, Herkimer CSD retired debt from a previous capital project, which lowered the tax levy limit.

When a district retires debt, it can result in large swings to the limit. District leaders expected this, and has developed a long-range debt service plan to avoid any more irregularities in the future.

Proposed Expenditures

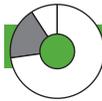
The district's plan for how money will be spent within the proposed budget



Program **\$19,462,000 | 73.68%** (+6.0% change)

Includes expenses for curriculum development, instructional programs, supplies, district transportation, athletic programs, community service, most employee benefits and transfers of funds.

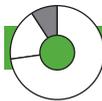
EXPENDITURES	2020-21 BUDGETED	2021-22 PROPOSED	\$ CHANGE '20-'21 TO '21-'22	% CHANGE '20-'21 TO '21-'22
Subtotal	\$18,353,000	\$19,462,000	\$1,141,000	6.0%



Capital **\$4,528,000 | 17.14%** (-0.3% change)

Includes most expenses for plant operations, all maintenance, debt service principal and interest on all building projects.

EXPENDITURES	2020-21 BUDGETED	2021-22 PROPOSED	\$ CHANGE '20-'21 TO '21-'22	% CHANGE '20-'21 TO '21-'22
Subtotal	\$4,542,000	\$4,528,000	-\$14,000	-0.3%



Administrative **\$2,424,000 | 9.18%** (+6.3% change)

Includes expenses for board of education, central administration, finance and legal services, personnel, public information, some plant operations, central services, special items, supervision of regular school and some employee benefits.

EXPENDITURES	2020-21 BUDGETED	2021-22 PROPOSED	\$ CHANGE '20-'21 TO '21-'22	% CHANGE '20-'21 TO '21-'22
Subtotal	\$2,280,000	\$2,424,000	\$144,000	6.3%

	2020-21 BUDGETED	2021-22 PROPOSED	\$ CHANGE	% CHANGE
Total Expenditures	\$25,175,000	\$26,414,000	\$1,239,000	4.9%

CATEGORY	2020-21 APPROVED BUDGET	% OF TOTAL	2021-22 PROPOSED BUDGET	% OF TOTAL	% CHANGE
Payroll	\$8,230,000	33.3%	\$8,820,000	33.4%	7.17%
Benefits	\$5,829,000	23.2%	\$6,071,000	23.0%	4.15%
BOCES	\$4,884,000	19.4%	\$5,157,000	19.5%	5.59%
Contractual	\$2,777,000	11.0%	\$2,970,000	11.2%	6.95%
Debt service	\$2,593,000	10.3%	\$2,548,000	9.6%	-1.74%
Supplies	\$490,000	1.9%	\$481,000	1.8%	-1.84%
Equipment	\$160,000	0.6%	\$160,000	0.6%	0%
Transfer	\$130,000	0.5%	\$125,000	0.5%	-3.85%
Textbooks	\$82,000	0.3%	\$82,000	0.3%	0%
TOTAL	\$25,175,000	100%	\$26,414,000	100%	4.92%



HERKIMER

CENTRAL SCHOOL DISTRICT

801 West German street
Herkimer, NY 13350

Bulk Rate
Non-Profit Org.
US POSTAGE
PAID
Permit #37
Herkimer, NY
13350

Board of Education

Brian Crandall, *President*
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Robert Mihevc
Scott Petucci

Superintendent

Robert J. Miller

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2021 BUDGET NEWSLETTER

#HerkPride



#HerkPride - Herkimer Jr./Sr. HS offers a senior seminar class where students learn life skills such as home/auto repair, and what questions they should ask during a job interview.



#HerkPride - The fifth grade students in Barbara Macri's class completed a persuasive writing project where they came up with an idea for a new doughnut. The Cakery Café then picked a winner and created the doughnut for the class.

*For more #HerkPride, follow us on
Facebook, Twitter and Instagram
[@herkimercsd](https://www.facebook.com/herkimercsd)*

Voter Information

Who can vote?

In order to vote, a person must be at least 18 years old, a United States citizen and a resident of the Herkimer Central School District for at least 30 days prior to the May 18 vote. Voter registration is not required.

When and where is the vote?

The school budget vote will take place from noon - 8 p.m. Tuesday, May 18, in the Herkimer Jr./Sr. High School Library.

Can I vote by absentee ballot?

To vote by absentee ballot, you must fill out an application. Call the district office at (315) 866-2230, ext. 1318 to obtain an application. If you want your absentee ballot mailed to you, your application must be received by 5 p.m. on May 11. If you plan to pick up your ballot, your application must be received by 5 p.m. on May 17.

What exactly am I voting on?

Residents are voting on a proposed \$26,414,000 budget for the 2021-22 school year, which calls for a 4.9% spending decrease and a 0.0% tax levy increase.

Residents will also:

■ ELECT THREE BOE MEMBERS

Three open seats are up for election on the Herkimer Board of Education. Incumbents Brian Crandall and Michele Gilbert are running again along with Samuel Luce and Michael J. Carney. Two seats carry a three-year-term. There is also one vacated seat with a term beginning on May 19, 2021, that runs through June, 30, 2022.

■ VOTE ON LIBRARY BUDGET

School district residents will decide on the Frank J. Basloe Public Library's proposed \$339,832 annual budget. Voters will also consider one candidate for a five-year term on the Library Board of Trustees.

■ How can I learn more?

A budget hearing will be held at 6 p.m. Wednesday, May 5, in the Herkimer Jr./Sr. High School cafeteria. More budget details are available online at herkimercsd.org.



May 18, 2021 – Noon-8 p.m.
Herkimer Jr./Sr. High School Library