



# 2024-25 Draft Budget Review

February 5, 2024



## Our Mission

To **educate, inspire** and **empower** each student to become a creative, engaged and productive citizen.

## Our Vision

We aspire to graduate **all students** prepared to pursue their hopes and dreams.

# Our Strategic Plan

- **Educate:** engaging, challenging curriculum and instruction
- **Support:** support students' social and emotional needs
- **Partner:** collaborate with our community

# Budget Priorities

1. Maintain quality programming for students.
2. Minimize impact on taxpayers.
3. Strategically allocate fund balance.

# Budget Development Work Plan

**January 22, CBC Meeting:** Welcome & overview, the strategic plan, the budget calendar, general budget assumptions, Governor's Executive Budget and school aid proposal, discussion of general gap closing strategies.

**February 5, Board Meeting:** 1st Draft Budget Presentation - Public Session

**February 26, CBC Meeting:** Review 1st Draft Budget, review budget gap, identify & evaluate gap closing strategies, provide feedback to inform the 2nd Draft Budget Presentation.

**March 4 Board Meeting:** 2nd Draft Budget Presentation - Public Session

**March 19, CBC Meeting:** Review 2nd Draft Budget, review budget gap, identify & evaluate gap closing strategies, provide feedback to inform the 3rd Draft Budget Presentation.

**April 8, Board Meeting:** 3rd Draft Budget Presentation - Public Session

**April 24, Board Meeting:** Board of Education to adopt 2024-2025 Proposed Budget

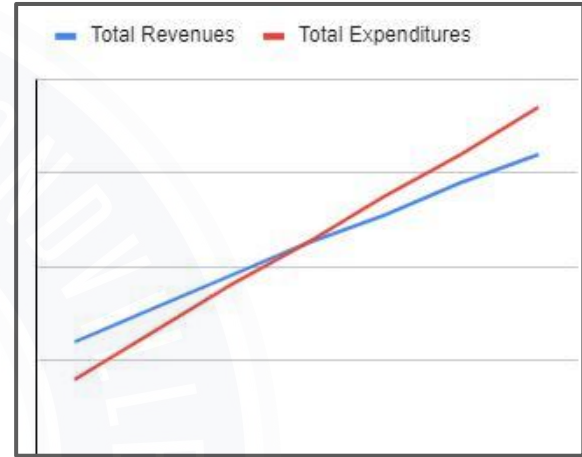
**May 21, Public Vote:** C-RCS community to vote on the Proposed Budget and other propositions.

# Budget Development: *Why is there a Gap?*

Expenditures typically rise at a faster rate than revenues.

Adding to this year's gap:

- \$767,000 in salaries and benefits that were previously covered by federal stimulus funds, which are expiring September 2024 (ARP-ESSER) - currently rolled into the draft General Fund Budget
- Proposed Foundation Aid reduction



# Revenues

**State Aid** (50%) - In a significant departure from historical practice, the Governor proposed rolling back the “save harmless” provision, leading to a *reduction* to our Foundation Aid. We expect reductions in other aid categories as well.

**Tax Levy** (39%) - Limited by Tax Levy Limit (“Tax Cap”) legislation

**Other** (9%) - Charges for services (inc. Special Education tuition), PILOTS, interest, refunds, etc.

**Fund Balance** (~2%) - Fund Balance is built into annual budgets to protect against unanticipated costs. End-of-year excess Fund Balance can be used to fill budget gaps in the following year, but future gaps increase/compound as a result of using “savings” as revenue.

# State Aid Categories

**Foundation Aid:** \$16,132,045 - Formula-based, using enrollment and wealth factors; represents approximately 75% of State Aid for C-RCS.

**Building Aid:** \$1,701,186 - Driven by assumed amortization of past capital projects; offset by corresponding debt payments.

**Transportation Aid:** \$2,075,706 - Driven by prior year expenses. Not all costs are eligible for aid.

**BOCES Aid:** \$1,344,057 - Driven by prior year expenses. Not all expenses are eligible for aid.

**Excess Cost Aid:** \$555,466 - Driven by cost of educating high-cost special education students two years ago.

**Instructional Materials Aid:** \$142,658 - Allocation based on prior year attendance data.

# Governor Hochul's 2024-25 Executive Budget Proposal

- Executive Budget was released on January 16.
- Last year's budget (FY 2024) completed a three-year plan to fully fund Foundation Aid.
  - For the 2023-24 school year, total School Aid increased by \$34.5 billion, statewide.
  - Foundation Aid increases varied widely by district, based on demographics and past Aid levels.
  - C-RCS received a 3.0% increase in Foundation Aid ("full funding").
- Gov. Hochul included surprising changes in Foundation Aid in her FY 2025 Executive Budget Proposal.
  - \$507 million increase in Foundation Aid (statewide) vs. \$927 million increase associated with "full funding".
  - Adjustment of the inflationary factor used to calculate Foundation Aid (2.4% instead of 3.8%)
  - Rollback of "save harmless", a protection that historically guaranteed districts at least as much Foundation Aid as the year before.
  - Wealth-adjustment calculations to redistribute Foundation Aid among districts; 337 districts to see a decline in Foundation Aid and 336 districts to receive an increase in Foundation Aid.



# Expenditures

## Major Cost Drivers:

- Contractual salary increases
- Health insurance premiums
- ERS and TRS Contribution rates
- Tuition for students placed outside the district
- Utilities (volatile)
- Programs/positions previously funded by federal stimulus grants.

## What's included in the first draft budget?

- Salaries and benefits for all existing staff, with estimated replacement salaries for known retirements
- Health insurance for existing retirees and known new retirees
- Flat roll-over amounts for materials & supplies, contractual services, conferences, etc.
- Five new school buses (vs. four in the 2023-24 budget)
- Estimated increases for BOCES services
- Scheduled/planned debt payments

## What's not included?

- After School Programs at Ryder and Radez (these programs were funded by federal stimulus funds). We are currently working with a third party vendor (OCFS oversight) to provide before and after school programming, according to a parent-pay/subsidy model.

# Expenditures - First Draft Budget - Slide 1

<b>General Support and Administration</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Board of Education	\$32,026	\$32,476
Central Administration	\$240,991	\$250,295
Finance	\$369,558	\$394,783
Support Services	\$239,589	\$258,023
Central Services	\$3,614,347	\$3,707,160
Special Items	\$354,491	\$368,893
<b>Subtotal:</b>	<b>\$4,851,002</b>	<b>\$5,011,630</b>

# Expenditures - First Draft Budget - Slide 2

<b>Instruction</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Administration and Curriculum	\$1,331,203	\$1,376,377
Teaching---Regular School	\$9,028,623	\$9,225,357
Teaching---Special Programs	\$7,961,770	\$8,628,675
Teaching---Special Schools	\$50,000	\$46,000
Instructional Media	\$1,125,208	\$1,176,608
Pupil Personnel Services	\$2,065,657	\$2,319,002
<b>Subtotal:</b>	<b>\$21,562,461</b>	<b>\$22,772,020</b>

# Expenditures - First Draft Budget - Slide 3

<b>Transportation</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Transportation Services	\$3,041,928	\$3,140,146
<b>Subtotal:</b>	<b>\$3,041,928</b>	<b>\$3,140,146</b>

<b>Benefits, Debt Service, and Interfund Transfers</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Active Employee Benefits	\$8,851,043	\$9,640,733
Retiree Benefits	\$5,066,726	\$5,595,682
Short-Term Borrowing	\$550,000	\$1,295,163
Debt Service and Interfund Transfers	\$1,429,550	\$848,750
<b>Subtotal:</b>	<b>\$15,897,319</b>	<b>\$17,380,328</b>

# Expenditures - First Draft Budget - Summary

<b>Summary</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Subtotal - General Support & Administration	\$4,851,002	\$5,011,630
Subtotal - Instruction	\$21,562,461	\$22,772,020
Subtotal - Transportation	\$3,041,928	\$3,140,146
Subtotal - Benefits, Debt Service, & Interfund Transfers	\$15,897,319	\$17,380,328
<b>Total:</b>	<b>\$45,352,710</b>	<b>\$48,304,123</b>

## Revenue assumptions in the first draft budget:

- Foundation Aid as proposed by Governor Hochul
- Estimated projections for expense-based aids
- Continuing high interest rates
- Continued enrollment of currently-enrolled non-resident special education students at new, recalculated tuition rates
- Appropriated Fund Balance closer to 2% of budget (“savings” used as revenue)

# Revenues - First Draft Budget - Slide 1

Local Sources	2023-24 Adopted	2024-25 Draft
<b>Real Property Tax Levy</b>	<b>\$17,479,400</b>	<b>\$17,828,988</b>
Property Tax Items	\$825,872	\$841,929
Charges for Services	\$3,020,803	\$3,504,979
Interest Earnings	\$200,000	\$400,000
Use of Property	\$1,000	\$1,000
Refund of Prior Year Expense	\$245,000	\$260,000
<b>Subtotal:</b>	<b>\$21,772,075</b>	<b>\$22,836,896</b>



# Revenues - First Draft Budget - Slide 2

State and Federal Sources	2023-24 Adopted	2023-24 Actual	2024-25 Draft
<b>Foundation Aid</b>	<b>\$16,277,827</b>	<b>\$16,265,896</b>	<b>\$16,132,045</b>
Building Aid	\$1,317,458	\$1,317,457	\$1,701,186
Excess Cost Aid	\$418,809	\$663,349	\$555,466
BOCES Aid	\$1,322,386	\$1,289,739	\$1,344,057
Transportation Aid	\$2,418,580	\$2,319,235	\$2,075,706
Instructional Materials Aid	\$118,326	\$117,124	\$116,960
Hardware and Technology Aid	\$27,249	\$27,072	\$25,698
Incarcerated Youth Aid	\$15,000	unknown	\$15,000
Medicaid	\$80,000	unknown	\$75,000
<b>Subtotal:</b>	<b>\$21,995,635</b>	<b>\$21,999,872</b>	<b>\$22,041,119</b>

# Revenues - First Draft Budget - Slide 3

<b>Other Sources</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Appropriated Reserves	\$0	\$0
One-time Appropriation of Fund Balance (for truck)	\$85,000	\$0
<b>Appropriated Fund Balance</b>	<b>\$1,500,000</b>	<b>\$1,000,000</b>
<b>Subtotal:</b>	<b>\$1,585,000</b>	<b>\$1,000,000</b>

# Revenues - First Draft Budget - Summary

<b>Summary</b>	<b>2023-24 Adopted</b>	<b>2024-25 Draft</b>
Subtotal - Local Sources	\$21,772,075	\$22,836,896
Subtotal - State & Federal Sources	\$21,995,635	\$22,041,119
Subtotal - Other Sources	\$1,585,000	\$1,000,000
<b>Subtotal:</b>	<b>\$45,352,710</b>	<b>\$45,878,015</b>

# Budget Gap - First Draft 2/5/24

	2023-24 Adopted	2024-25 Draft
Total Expenditures	\$45,352,710	\$48,304,123
Total Revenues	\$45,352,710	\$45,878,015
<b>Budget Deficit</b>	<b>\$ -</b>	<b>\$2,426,109</b>

# Closing the Gap

- Evaluate the short-term and long-term use of fund balance as revenue.
- Confirm our tax levy limit and evaluate the impact of a tax levy increase.
- Evaluate all programmatic expenses, inclusive of positions currently funded by federal stimulus grants.
- Identify and evaluate uncomfortable but sustainable programmatic reductions.
- Avoid, wherever possible, programmatic eliminations.
- Meet with staff who would be directly impacted by programmatic reductions under consideration, before those reductions are discussed publicly.
- Make responsible, compassionate, data-driven recommendations and decisions.

# CBC Discussion Topics - Gap Closing Implications

- Balancing programmatic, operational, and financial needs of the District.
- What to do with positions currently funded by ARP-ESSER (Federal Stimulus).
- General approaches to reducing expenses.
- Reducing costs through attrition (retirement/vacancy) vs. elimination of targeted positions.
- Reducing vs. eliminating programs; as required by the need to reduce expenses.
- Most appropriate/responsible use of fund balance as revenue, for the short-term and the long-term benefit of the District and our students.
- Most appropriate use of the local tax levy.

# Next Steps

- Work with administrative team to identify and evaluate potential expense reductions.
- Confirm estimated budget/cost drivers.
- Confirm tax levy calculation and evaluate budgetary impact.
- Confirm fund balance projections and evaluate use of fund balance as revenue.
- Seek feedback from Citizens' Budget Committee on all gap closing strategies
- 2nd Draft Budget Presentation - March 4 Board Meeting
  - Updated budget gap projection
  - More detailed look at specific parts of the budget
  - General review of gap closing strategies under consideration
  - Feedback from Citizens' Budget Committee



**QUESTIONS**

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**COMMENTS**