



Enlarged City School District



Budget 2025-2026

Cortland Enlarged City School District
October 29, 2024

Kristopher Williamson, Business Administrator



Barry Primary



Smith Intermediate



Randall Middle

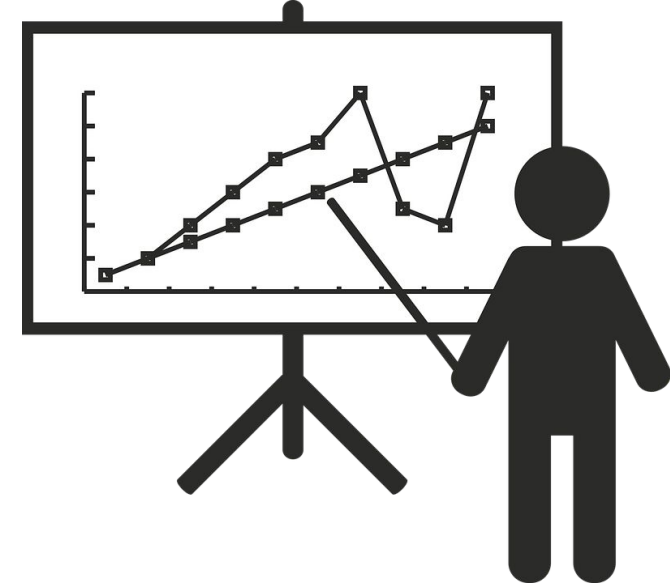


Junior High School



Cortland High School

Budget Presentation #2



- **Long-Range Financial Planning**
 - Long-Range factors to consider
 - Budgeting future expenses
 - Projected revenue budgets
 - Projected revenues vs expenses
- **Reserves Update**
 - Projected use of Reserves
 - Projected balances

Projections through 2027-28 school year (3-year projections)

Long-Range Factors to Consider

- **State Aid Planning**
 - Foundation Aid
 - Rockefeller Study - Recommendations to Governor
 - Expense-Based - easier to budget for - set in Law
 - Building Aid
 - Transportation Aid
 - BOCES Aid
 - High-Cost Aid
 - IMA (Instructional Materials Aid)
- **District Long-Range Expense Factors**
 - Upcoming Negotiations
 - Implementation of State Mandates
 - Zero-Emission Vehicles
 - Water Testing
 - Cooling Initiatives

Multi-Year Budgeting - Expenses

- **Payroll and Benefits Projections**
 - Staffing and Student Enrollment Projections
 - Anticipated Retirements
 - Federal Grants (Title, UPK, 611/619)
 - Health Insurance Premiums
 - TRS/ERS Employer Contribution Rates
- **Debt Service Projections**
 - Future Capital Projects
- **Programmatic Expenses**
 - Curriculum Needs
 - Professional Development Opportunities
 - BOCES Services (Special Education, Enrichment)



Revenue Factors to Consider

- **Tax Levy Increases**

- Tax Levy Limit
- PILOTs

- **State Aid Increases**

- NYS is projecting a deficit for next two years
- Foundation Aid - Uncertainty

- **Miscellaneous Revenues**

- **Fund Balance**

- Difficult to project
- Projected surplus - at least FB/Reserves?

- **Reserves**

- Goal: Use and refund each year
- Balance should be 15-20% of subsequent budget to be considered stable



Revenue Budget Projections

	Budgeted	Budgeted	Budgeted	Projected	Projected	Projected
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Tax Levy/PILOTs	\$ 18,388,459	\$ 18,738,999	\$ 19,482,553	\$ 19,969,617	\$ 20,468,857	\$ 20,980,578
State Aid	\$ 31,741,542	\$ 32,090,698	\$ 33,073,290	\$ 33,470,169	\$ 33,871,811	\$ 34,278,273
Miscellaneous Revenue	\$ 935,150	\$ 935,150	\$ 1,422,307	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000
Fund Balance	\$ 400,000	\$ 740,000	\$ 975,000	\$ 800,000	\$ 750,000	\$ 600,000
Reserves	\$ 100,000	\$ 961,195	\$ 1,182,000	\$ 1,000,000	\$ 900,000	\$ 800,000
TOTALS:	\$ 51,565,151	\$ 53,466,042	\$ 56,135,150	\$ 56,589,786	\$ 57,340,668	\$ 58,008,851
Percent Increase:	1.41%	3.69%	4.99%	0.81%	1.33%	1.17%

Assumptions:

2.5% Tax Increase

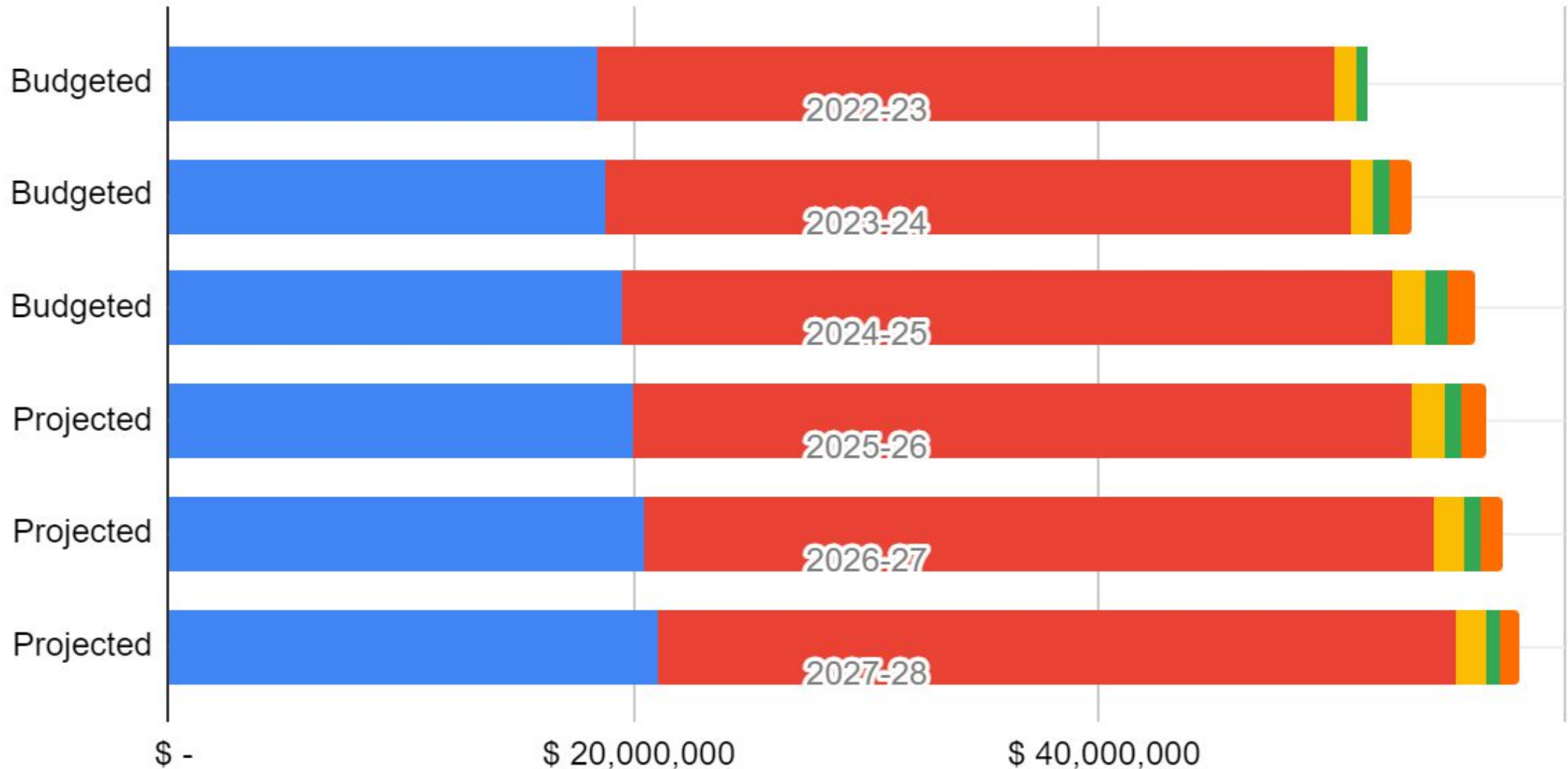
1.2% State Aid Increase

Decrease in Interest rates from NYCLASS Investments (5% → 4%)

Decreased reliance on Fund Balance and Reserves

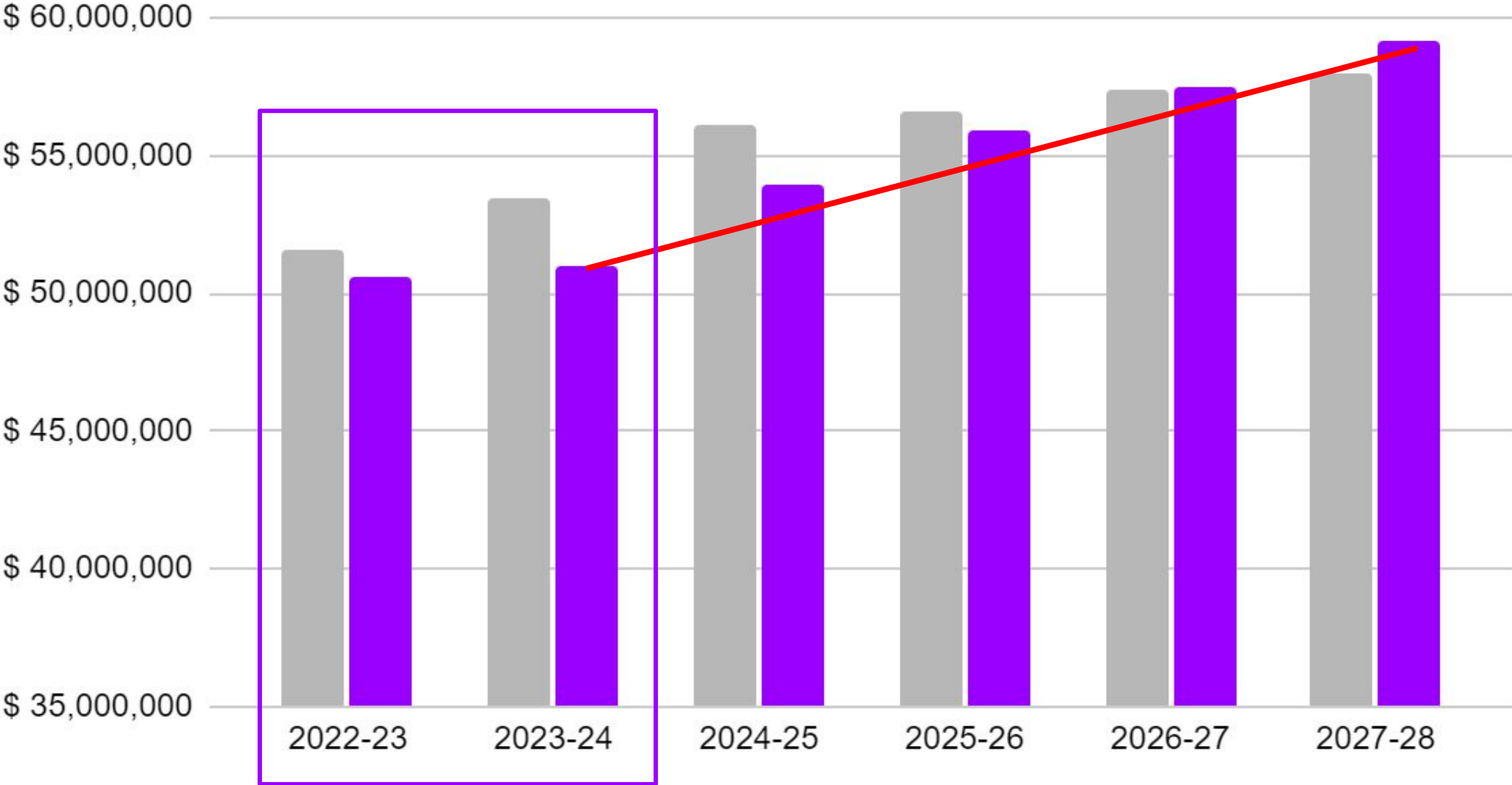
Revenue Sources

■ Tax Levy/PILOTs ■ State Aid ■ Miscellaneous Revenue ■ Fund Balance ■ Reserves



Projected Revenues and Projected Expenses

■ Projected Revenues ■ Projected Expenses



Fund Balance/Reserve Plan Goals

Goal: Reduce reliance on Fund Balance and Reserves.

Goal: Appropriated Fund Balance should be as close to \$0 as possible.

Goal: Reserves should be refunded at a higher rate than used.

Reality: End of Year Fund Balance is difficult to project.



Reserve Use Projections

	2023-24	2024-25	2025-26	2026-27	2027-28
Workers Compensation	\$ (220,000)	\$ (200,000)	\$ (150,000)	\$ (100,000)	\$ (100,000)
Unemployment		\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Retirement (ERS)	\$ (351,195)	\$ (541,000)	\$ (400,000)	\$ (300,000)	\$ (300,000)
Insurance					
Accrued Employee Benefits	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Capital					
Repair	\$ (120,000)	\$ (90,000)	\$ (90,000)	\$ (90,000)	\$ (90,000)
Tax Certiorari					
TRS	\$ (220,000)	\$ (291,000)	\$ (300,000)	\$ (350,000)	\$ (250,000)
Total Reserve Use:	\$ (961,195)	\$ (1,182,000)	\$ (1,000,000)	\$ (900,000)	\$ (800,000)

Reserve Balance Projections

	EOY 2024	EOY 2025	EOY 2026	EOY 2027	EOY 2028
Workers Compensation	\$ 565,203	\$ 581,637	\$ 601,061	\$ 623,609	\$ 647,171
Unemployment	\$ 311,052	\$ 314,599	\$ 318,306	\$ 322,180	\$ 326,228
Retirement (ERS)	\$ 1,370,026	\$ 1,376,332	\$ 1,420,267	\$ 1,570,679	\$ 1,727,860
Insurance	\$ 254,897	\$ 259,617	\$ 371,300	\$ 438,009	\$ 507,719
Accrued Employee Benefits	\$ 632,868	\$ 809,097	\$ 993,256	\$ 1,095,703	\$ 1,152,760
Capital	\$ 3,760,979	\$ 3,930,223	\$ 972,083	\$ 1,015,827	\$ 1,061,539
Repair	\$ 745,928	\$ 775,445	\$ 806,290	\$ 838,523	\$ 872,207
Tax Certiorari	\$ 204,580	\$ 213,786	\$ 223,406	\$ 233,459	\$ 243,965
TRS	\$ 809,354	\$ 891,680	\$ 978,306	\$ 1,006,580	\$ 1,190,626
Total Reserves:	\$ 8,654,887	\$ 9,152,416	\$ 6,684,275	\$ 7,144,569	\$ 7,730,075
Percent of Budget:	15.42%	15.91%	11.33%	11.82%	12.48%

Key Take-Aways

- It is typical for the Expense side of the budget to exceed the Revenue side of the budget early in the budget process
 - Expense and Revenue budgets must match
- Uncertainty with Foundation Aid projections
 - Rockefeller Institute recommendations may influence Governor/Legislature
- It is possible to use and refund reserves over the next few years and keep balances at healthy levels
 - Difficult to predict end of year fund balances



Next Steps in Budget Process

- **Budget Builders meet with their departments/staff**
 - Initial Budget Requests Due December 16
- **Project “Known” Expenses**
 - Payroll and Benefits
 - Debt Service Projections (BANs, Bonds)
 - Contractual Expenses (Utilities, insurance, facilities contracts, etc.)
- **Review Past Budgets**
 - Revenue vs Expenses
 - By category
 - Debt schedule and fixed costs



Questions?

