

Horseheads Central School District



Preliminary Budget

Overview

February 29, 2024

Financial challenges currently facing districts in New York State for the 2024-25 school year



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Comptroller's Fiscal Stress Monitoring System

Horseheads Central School District		Public Scores		
Financial Indicators	Fiscal Stress Financial Indicators	2021	2022	2023
1	Unassigned Fund Balance as a Percentage (%) of Gross Expenditures	0	0	0
2	Total Fund Balance as a Percentage (%) of Gross Expenditures	0	0	0
3	Operating Deficits	0	0	0
4	Cash Ratio - Cash and Investments as a Percentage (%) of Current Liabilities	3.33	10	0
5	Cash as a Percentage (%) of Monthly Gross Expenditures	6.67	10	0
6	% Change in Short-Term Cash-Flow Debt Issuance	0	0	0

Total Points	10.0	20.0	0.0
Score Classification	No Designation	No Designation	No Designation



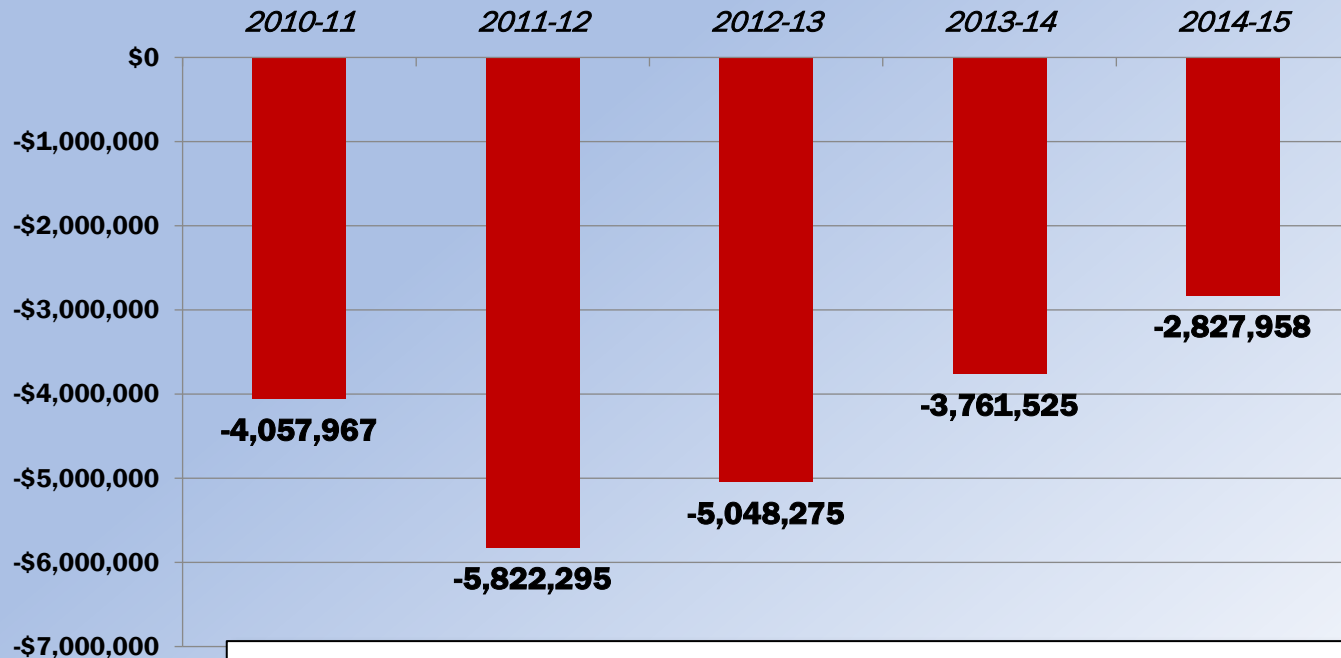
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Remember the Gap Elimination Adjustment

The GEA reduced each school district's annual state aid. It was enacted as a result of the state's financial crisis in the 2010-11 state fiscal year and remained in place for five years.



\$21,518,020 in district revenue loss from state

~ \$4.3 million annual loss of state revenue to HCSD

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Challenges

- **Health insurance**
- **Contractual services**
 - **Supplies**
 - **Utilities**
 - **Labor**
 - **Food**
 - **Etc**
- **Past/ongoing inflation pressures**



Tax on True Rate Comparison

	Horseheads	Corning	Elmira Heights	Elmira
2012-13	\$18.26	\$25.00	\$22.19	?
2013-14	\$17.99	\$25.50	\$22.65	?
2014-15	\$17.84	\$23.69	\$22.50	?
2015-16	\$18.04	\$23.81	\$21.59	?
2016-17	\$17.78	\$23.64	\$21.86	\$19.79
2017-18	\$17.54	\$24.04	\$21.77	\$19.90
2018-19	\$17.98	\$24.17	\$22.28	\$20.09
2019-20	\$18.04	\$23.81	\$22.78	\$20.60
2020-21	\$18.00	\$23.39	\$21.95	\$20.79
2021-22	\$17.32	\$22.86	\$21.65	\$20.88
2022-23	\$16.04	?	\$18.92	?
2023-24	\$16.38	\$20.89	\$18.75	?

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Tax Levy and Tax Rate

Year	Tax Levy	Levy % Change	Tax Rate % Change	Tax Rate per \$1,000	\$ Change per \$1,000	\$ Change per \$100,000
2012-13	\$33,548,942	3.41%	0.88%	\$18.26	\$0.16	\$16.00
2013-14	\$34,522,231	2.90%	-1.48%	\$17.99	-\$0.27	-\$27.00
2014-15	\$35,114,955	1.72%	-0.83%	\$17.84	-\$0.15	-\$15.00
2015-16	\$35,323,835	0.59%	1.12%	\$18.04	\$0.20	\$20.00
2016-17	\$35,307,604	-0.05%	-1.44%	\$17.78	-\$0.26	-\$26.00
2017-18	\$36,082,023	2.19%	-1.35%	\$17.54	-\$0.24	-\$24.00
2018-19	\$37,374,963	3.58%	2.51%	\$17.98	\$0.44	\$44.00
2019-20	\$38,858,749	3.97%	0.34%	\$18.04	\$0.06	\$6.00
2020-21	\$40,792,807	1.31%	-0.22%	\$18.00	-\$0.04	-\$4.00
2021-22	\$40,576,771	-0.53%	-3.78%	\$17.32	-\$0.68	-\$68.00
2022-23	\$41,781,717	2.97%	-7.39%	\$16.04	-\$1.28	-\$128.00
2023-24	\$43,727,924	4.66%	2.11%	\$16.38	\$0.34	\$34.00

Note: In 2006-07, district tax rate was \$19.40

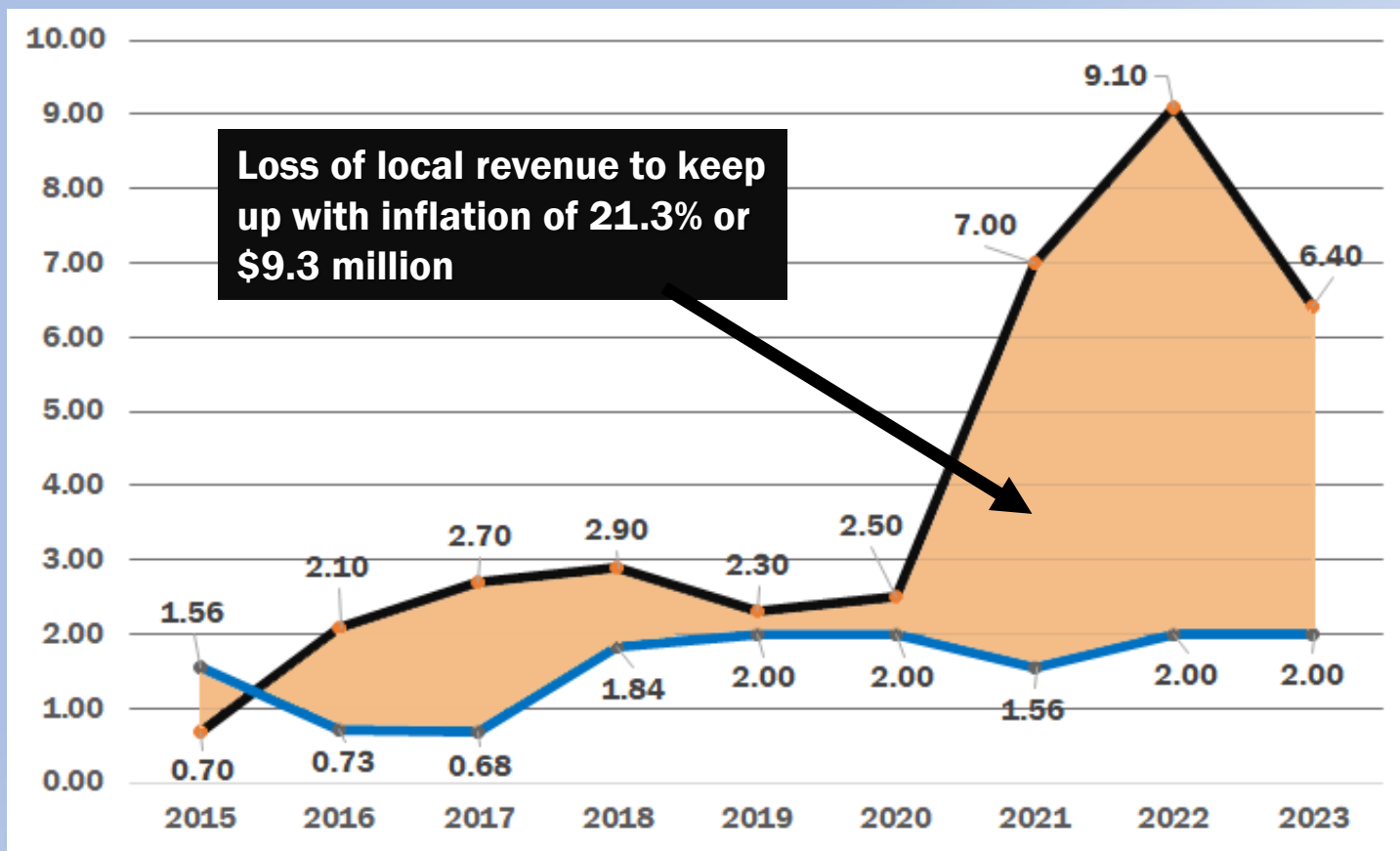
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Challenges

Local Revenue vs Inflation



— US High Inflation Rate

— NYS 2% Levy Limit

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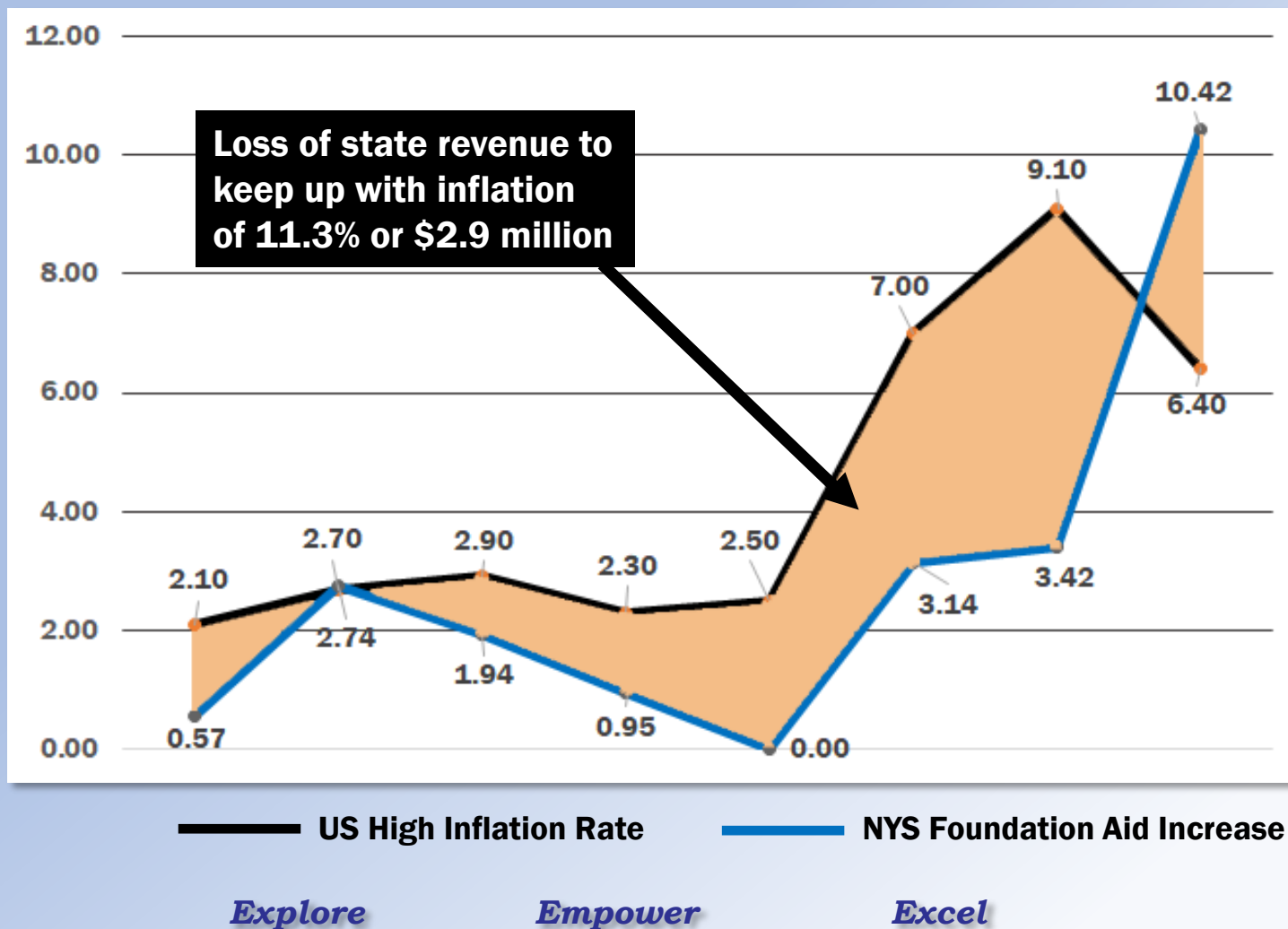
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Challenges

State Foundation Aid vs Inflation



Horseheads Central School District



Preliminary Budget

Overview

February 29, 2024

Student Services/Special Education Department Overview

	Budgeted 2023-24	Budgeted 2024-25
Salaries	\$6,684,942	\$7,111,084
Equipment	\$32,500	\$27,500
Contractual/Conference	\$96,828	\$106,828
Supplies	\$66,076	\$88,094
Tuition	\$169,860	\$169,860
BOCES	\$5,210,864	\$5,926,473
Total	\$12,261,070	\$13,429,839

**Increase of
9.53%**



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Student Services/Special Education Salary/Position Information

Position	FTE	Budgeted 2023-24	Budgeted 2024-25
Administrators/Clerical	6	\$431,755	\$457,025
Teachers	41	\$1,896,868	\$2,120,159
Teaching Assistants/ Teacher Aides	61.50	\$1,429,388	\$1,517,250
Occupational/Physical Therapists	5	\$345,802	\$357,482
School Psychologists	8	\$622,959	\$655,218
School Health Services	20	\$852,843	\$842,959
Speech Therapists	7	\$299,498	\$328,633
Social Workers/Assts	16	\$805,829	\$832,358
Total		\$6,684,942	\$7,111,084

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Athletics Overview

	Budgeted 2023-24	Budgeted 2024-25
Salaries	\$688,192	\$718,663
Contractual	\$70,527	\$70,527
Officials	\$45,299	\$45,299
Supplies	\$27,349	\$27,349
Equipment	\$45,400	\$45,400
BOCES	\$6,202	\$6,513
Total	\$882,969	\$913,751

**Increase of
3.49%**



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Athletics Salary/Position Information

Position	FTE/ Positions	Budgeted 2023-24	Budgeted 2024-25
Director/Clerical	2	\$153,721	\$162,756
Coaches	98	\$406,449	\$426,625
Pool Supervisor/ Lifeguards	27	\$41,000	\$41,000
Timers/Scorers/ Supervisors	53	\$47,321	\$47,321
Stipends		\$39,701	\$40,961
Total		\$688,192	\$718,663

Projected State Aid for 2024-25

	2023-24 Budget	2024-25 Gov's Proposal	\$ Change	% Change
Foundation Aid	\$25,883,674	\$27,121,998	\$1,238,324	4.78%
Transportation	\$4,198,118	\$4,676,957	\$478,839	11.41%
Building Aid	\$7,446,727	\$8,558,930	\$1,112,203	14.94%
BOCES	\$5,066,100	\$5,836,262	\$770,162	15.20%
Other Aid Items*	\$1,196,738	\$1,007,717	- \$189,021	- 15.79%
Total	\$43,791,357	\$47,201,864	\$3,410,507	7.79%

* Other aid items include excess cost aid, instructional materials aid



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Tax Levy Limit

- **Implemented in 2011**
- **Limits property tax levy growth to 2% or rate of inflation, whichever is less (requires 50% + 1 approval)**
- **Allowable rate of inflation is 2%**
- **Current tax base growth factor is 1.0034, down from last year's 1.0047**
- **District may exceed the maximum allowable tax levy limit by a super majority vote (requires 60% approval)**



Tax Cap Calculation

	2023-24	2024-25
Taxes levied in prior year	\$41,781,717	\$43,727,924
x Tax base growth factor	<u>x 1.0047</u>	<u>x 1.0034</u>
= Adjusted prior year levy amount	\$41,978,092	\$43,876,600
+ PILOTs from prior year	+ \$530,360	+ \$596,285
- Capital exclusion from prior year	<u>- \$0</u>	<u>- \$965,589</u>
= Adjusted prior year levy	\$42,508,451	\$43,507,295
x Allowable levy growth factor	<u>x 1.02</u>	<u>x 1.02</u>
= Adjusted levy	\$43,358,620	\$44,377,441
- Anticipated budget year PILOTs	- \$596,285	- \$162,817
+ Allowable carry-over	--	--
= Tax levy limit, before exclusions	\$42,762,335	\$44,214,624

continued...

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Tax Cap Calculation, continued

	2023-24	2024-25
Tax levy limit, before exclusions	\$42,762,335	\$44,214,624
+ Capital exclusions current budget year	+ \$965,589	+ \$6,131,617
ERS exclusion amount	0	+ 10,419
TRS exclusion amount	<u>0</u>	<u>0</u>
Maximum allowable tax levy limit	\$43,727,924	\$50,356,660

Allowable property tax levy change from prior year, based on tax cap calculation	\$6,628,736
	15.16%



Summary of Budgeted Revenues

	Budgeted 2023-24	Budgeted 2024-25	\$ Change
Tax Items	\$44,388,209	\$43,965,741	- \$422,468
State Aid	\$43,791,327	\$47,201,864	\$3,410,537
Other Revenue*	\$3,054,986	\$2,331,968	- \$723,018
Appropriated Reserves	\$950,200		
Debt Service Fund	\$700,000		
Fund Balance	\$1,000,000		
Total Revenue	\$93,884,722	\$93,499,573	- \$385,149

* Includes items such as interest, admissions, rental income, donations and gifts, and stop-loss insurance payments

Summary of Budgeted Expenditures

	Budgeted 2023-24	Budgeted 2024-25	\$ Change	% Change
Salaries	\$40,480,433	\$43,260,084	\$2,779,651	6.87%
Benefits	\$22,811,815	\$26,777,794	\$3,965,979	17.39%
Debt Service	\$8,445,948	\$15,137,563	\$6,691,615	79.23%
BOCES Services	\$14,719,545	\$15,713,929	\$994,384	6.76%
Equipment/Supplies and Contractual	\$5,874,671	\$7,360,613	\$1,485,942	25.29%
Transfers/Capital Outlay	\$1,552,310	\$552,310	- \$1,000,000	- 64.42%
Total Expenditures	\$93,884,722	\$108,802,293	\$14,917,571	15.89%

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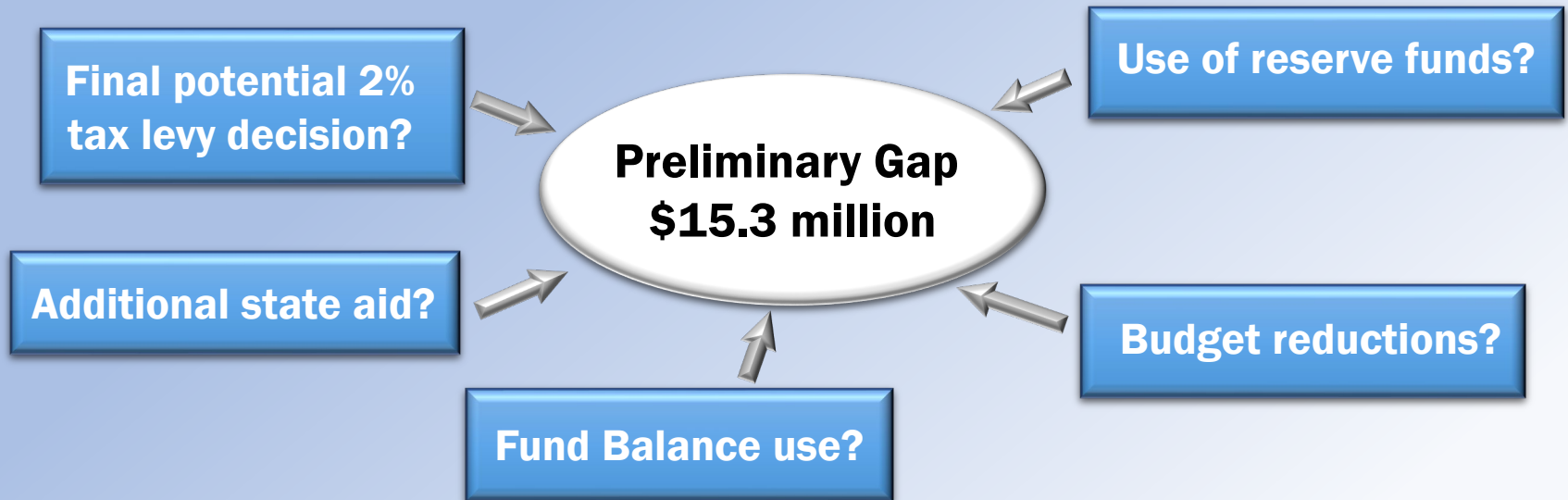
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Preliminary Gap

Expenditures	\$108,802,293
Revenue	\$93,499,573
Gap	- \$15,302,720

Gap amount does not include the use of reserve funds, fund balance, or potential tax levy increase.

Gap-Closing Options:



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Budget Adjustments

BOCES Services:

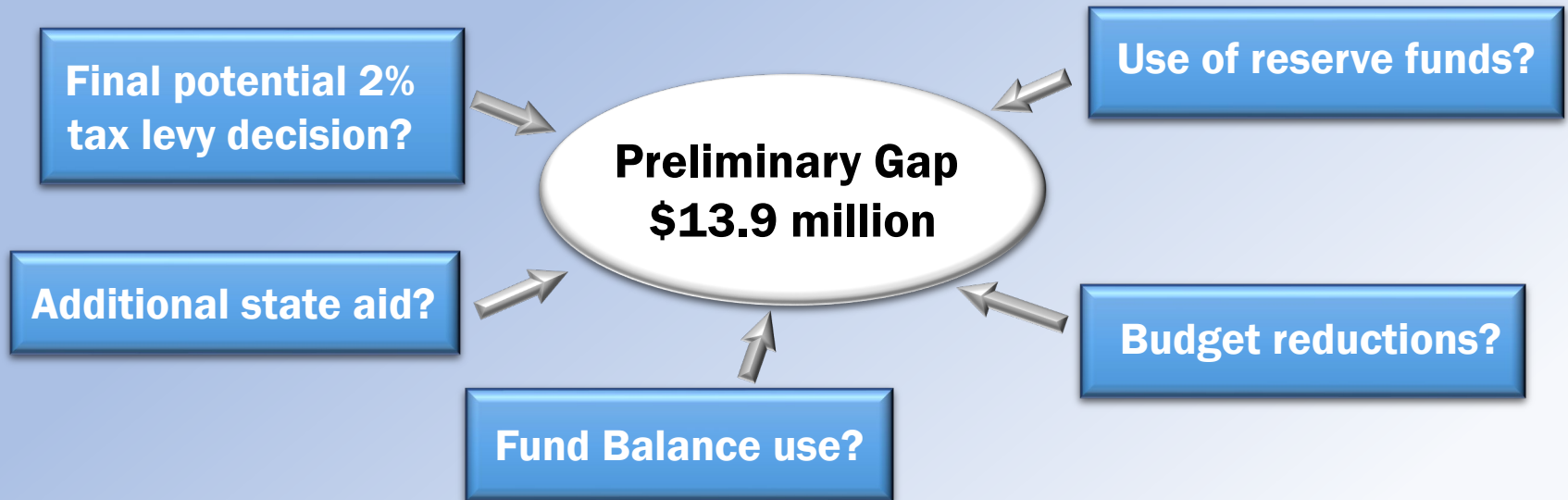
Reduce STEM Academy slots from 8 to 5	- \$48,753
Reduce Middle School Alternative Education slots from 5 to 1	- \$113,336
Remove Navigate Emergency Management Software	- \$5,901
Remove Rapid Responder Emergency Management Software	- \$11,800
Adjust laptop replacement cycle	- \$210,000
Software reductions	- \$25,000
Remove electronic busing engineering study	- \$45,000
Pay school lunch monitors from school lunch fund	- \$261,088
Salary adjustments	- \$50,000
Increase in health insurance contributions	- <u>\$606,833</u>
Total	- \$1,377,711

Preliminary Gap

Expenditures	\$107,424,582
Revenue	\$93,499,573
Gap	- \$13,925,009

Gap amount does not include the use of reserve funds, fund balance, or potential tax levy increase.

Gap-Closing Options:



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Preliminary Gap

Expenditures	\$107,424,582
Revenue	\$100,128,309
Gap	- \$7,296,273

Gap amount does not include the use of reserve funds or fund balance.

Gap-Closing Options:



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Community Input Request

See district website for details

American Rescue Plan (ARP) Proposed Amendment

Unspent money

- Timing of grant cycle
- Change in needs

Movement of unspent money

- Continuation of Summer Learning Academy 2024
- Include more of the costs for added positions
- Additional Tutoring Center costs
- Curriculum work for Summer 2024

Smart Schools Bond Act (SSBA) Proposed Plan

- Remaining balance of \$241,214
- Process requirements for spending
- March 14 board meeting requirement
- Planned spending on 171 laptops and 28 interactive boards

Future budget meetings

All meetings will be live streamed and recorded.

- **Thursday, March 14** **Board of Education Regular Meeting, 6pm,
Multi-Media Center
*Technology and Facilities***
- **Wednesday, March 27** **Board of Education Regular Meeting, 6pm,
Multi-Media Center
*Instructional and District Admin***
- **Thursday, April 11** **Budget Workshop, 6pm (if needed), Multi-
Media Center**
- **Wednesday, April 17** **Special Business Meeting, 7:30am, Hibbard Rd
*BOCES Admin Budget***
- **Wednesday, April 18** **Board of Education Meeting, 6pm
*Budget Adoption***

Horseheads Central School District



Questions