
New Lebanon CSD Budget
Presentation - #3
2024-2025 School Year

MARCH 6, 2024

NLCSD Budget Goals - 2024-2025

1. New Lebanon CSD will maintain a balanced budget while supporting academic excellence and expanding resources for students and staff.
- 2.) Increase fiscal awareness among all stakeholders through communication and professional development.
- 3.) Stay within the tax cap and meet state mandated requirements.

NL 24-25 Budget Calendar:

January 10, 2024 - Facilities and Food Service

February 7, 2024- Instructional Programs and Transportation

March 6, 2024 - Preliminary Full 24-25 Budget Presentation

- Would you like us to schedule a March Budget Workshop?

April 10, 2024 - Budget Workshop - Will Be Needed..

April 17, 2024 - Final Discussion and Adoption of 24-25 school year budget

April 23, 2024 - Special BOE Meeting - Questar III Budget Vote and Election - Time TBD

May 8, 2024 - Public Hearing on Proposed Budget

May 21, 2024 - Public Budget Vote and Board of Education Election

Board of Education Elections:

- Two three year board of education terms will be open at the end of this school year.
 - Bill Buckenroth's term is ending
 - Mike Brutsch's term is ending.
- Please contact Kelly McGivern, Board Clerk if you are interested in running for the New Lebanon School Board.

Expenses over the past 2 years:

2023-2024 Budget:

\$13,808,114

2024-2025 Budget:

\$15,002,246

Budget Increase:

\$1,194,132 (8.6%)

24-25 Draft Budget

State Aid Decrease- Save Harmless

- Typically school districts have been guaranteed at least the same amount of foundation aid as the past school year.
- State aid numbers from January for the 24-25 school year have been reduced as the Governor has proposed an elimination of “Save Harmless.”
- New Lebanon CSD has had small increases in state aid for many years - last year’s increase was \$253,332.
- New Lebanon is projected to have state aid reduced by **\$261,178** compared to the 23-24 school year.
- Building Aid for New Lebanon has also been reduced by **\$52,989**
- If this is approved by congress and legislation this would increase our budget gap to: **\$1,508,299**
- New Lebanon and local school districts are pleading with our legislatures to vote no on the Governor’s proposed budget and reinstate fair state aid.

Why such a large increase in our budget from last school year?

- Increase in Special Education needs of our youngest students.
 - 11 self contained students in our 2 in house self contained programs (If we sent these kids to outside placements it would cost our district over 1 million dollars to service these children)
 - Last year's budget only had one self contained class - we added another one late spring due to an increase in needs and used COVID funds to help with the cost - we now need to budget for this expense
- Increase in ELL Students
 - For many years the District had no students requiring ELL support, we now have 6 that we must program for.
- Large increase in student mental health needs.

Additional Cost Increases

- The district recently learned that we have 5 students in foster care who are attending schools outside of our district.
- No breakage in this budget - no confirmed retirements.
- Increase in employee salaries - **\$620,000 - Estimated**
(This number includes psychologist, half of a SPED teacher for self contained, and hall monitor that were all previously paid out of COVID funds that have expired)
- Increase in health insurance/prescription employer contribution- **\$350,696** projected increase (over a 10% increase).
- Teacher retirement employer contribution - **\$43,819** projected increase
- Employee retirement employer contribution - **\$57,022** projected increase
- Inflation and cost increase - unknown so we have to budget for more
- Debt increase costs - **\$114,632** increase

Revenues

State Aid	2023-24	2024-25	Difference
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Foundation Aid	2,591,363	2,330,185	(261,178)
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Building Aid	558,135	505,146	(52,989)
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Reimbursable Aid	678,282	784,166	105,884
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Total State Aid	3,827,780	3,619,497	(208,283)
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DESCRIPTION	2023-24 Budget	2024-25 Proposed Budget	Difference
Int. & Penalties On Real Prop. Taxes	\$20,000	\$20,000	\$0
Tuition	\$10,000	\$10,000	\$0
Tuition - Out Of State	\$16,394	\$24,000	\$7,606
Use of Property and Interest And Earnings	\$25,000	\$25,000	\$0
Sale Of Equipment	\$4,000	\$4,000	\$0
Refund Prior Year Exp	\$155,000	\$155,000	\$0
Other Unclassified Revenues	\$20,000	\$20,000	\$0
Total Revenue	\$250,394	\$258,000	\$7,606

How Do We Balance the Budget?

The Board's Options:

1. Increase taxes
2. Utilize fund balance
3. Utilize reserves
4. Utilize debt service fund
5. Reduce expenses - Program Reductions
6. Do you want to keep the Capital Outlay Project in the Budget? (\$100,000)

Number 1: Increase of Taxes

Tax Levy Limit Calculation 2024-2025

Prior Year Tax Levy		\$9,040,936
Tax Base Growth Factor	x	<u>1.008</u>
		\$9,113,263.49
Prior Year PILOT	+	<u>\$0</u>
		\$9,113,263.49
Prior Year Exemptions (Capital Expenditures)	-	<u>\$523,153</u>
Adjusted Prior Year Levy		\$8,590,110.49
Allowable Growth Factor (lesser of CPI or 2%)	x	<u>1.02</u>
		\$8,761,912.70
PILOTS for Coming Year	+	\$0
Tax Levy Limit		\$8,761,912.70
Coming School Year Exemptions:		
Capital Exclusion for 2024-25		\$644,133
Maximum Allowable Levy		\$9,407,723.70

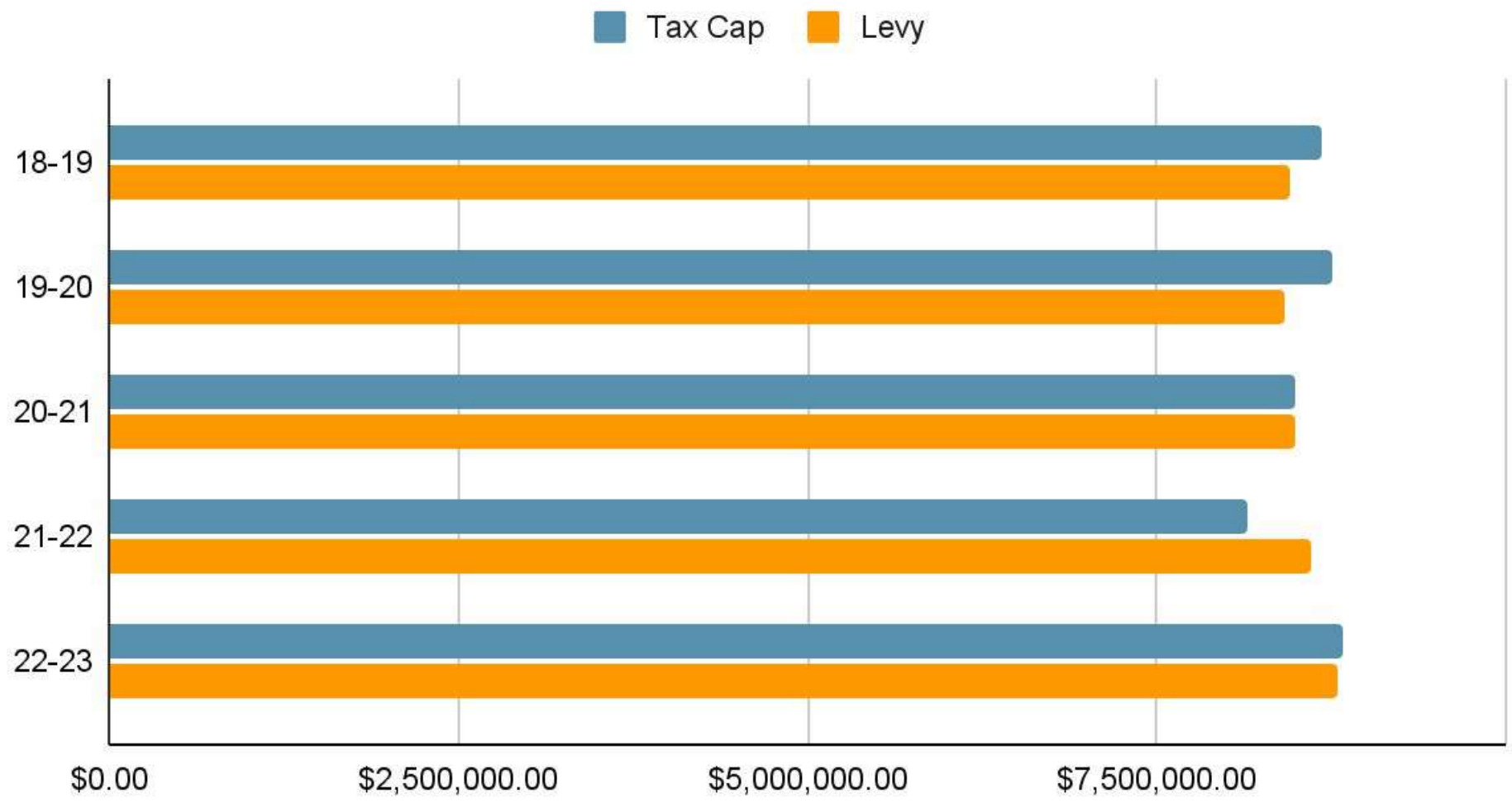
**With
4.06%
Increase
\$366,788**

4.06%

Tax Allowable Increase up to 4.06%

- Each Percentage increase= \$90,409 towards the budget
- 1% increase equals - \$90,409
- 2% increase equals - \$180,819
- 3% increase equals - \$271,228
- 4% increase equals - \$361,637
- 4.06% increase equals- \$366,788

Tax Levy History



- In the last 7 years, the district has left over \$708,514 unclaimed due to not going to the max tax cap.

Number 2: Use of Fund Balance

Use Fund Balance

The District can choose to use any amount of this money to balance the budget.

(It is recommended by our financial planners to use fund balance for non-recurring expenses unless you can plan to use a consistent amount of fund balance in future years)

Fund Balance Estimated Total:

Fund Balance as of 6/30/23 \$552,325

(The 4% allowed by NY)

Excess Fund Balance as of 6/30/23: \$360,762

(Over the 4%)

Total Fund Balance as of 2/29/24: \$913,087

Projected to use fund balance: -\$117,313

(Use of fund balance was decided in last year's budget process)

Projected Grand Total for June 2024

\$795,774

Number 3:
Utilize Reserves

Reserves

Reserve:	Current balance:	Purpose:
Capital Reserve	\$917,060	Fund up to 3 million until May 2025 using year end surplus to use towards capital renovations. Must get separate voter approval to use this reserve.
Workers Comp Reserve	\$109,244	To limit a large cost spike due to a significant claim
Unemployment Reserve	\$80,348	To protect district from a significant number of unemployment claims
ERS Reserve	\$314,886	To protect the district from increased employer contribution rates.
Tax Cert Reserve	\$32,456	To protect the district against payments arising from court judgements to reduce school tax assessments on property within districts boundaries.
Employee Benefits Reserve	\$124,610	Protects district from a large single year payout
Repair Reserve	\$0	To pay for certain repairs to capital improvements or equipment. The type of repairs must not recur annually or at shorter intervals. * use of funds must be voter approved unless it is an emergency board can approve
Total:	\$1,578,604	

Eligible Reserve

1. ERS Reserve - As of February 2024 - total : \$314,886
 - ERS expense in this year's budget is - \$272,000
 - We don't recommend using entire amount - split over several years

1. Employee Benefit Reserve:
 - This can be used to pay out employee's sick time allotment at retirement.
 - 1 person eligible from this year at \$10,000
 - Is this something you would like us to utilize?

The Board could approve a resolution to use the Employee benefits reserve to help pay for the Teacher retirement incentive that is written in the contract.

- Is this something you would like our attorney to write up for the future?

Number 4:
Utilize Debt Service fund

Debt Service Fund

- Funds can be used to pay debt but utilizing this fund will reduce our allowable Tax Cap.
 - In the 24-25 budget the district is planning to spend \$1,127,015 in debt payments.
- District currently has \$265,091 in our debt service fund. (hasn't been touched in years)
- Our financial planner, recommended that we use \$40,000 from this fund to offset the decrease in building aid.
 - The board could decide to use more but this would impact our allowable tax cap. If you go over the tax cap there would be no impact.

Number 5: Reduce Expenses

Reductions = Impact to Programs

- Any reduction in this budget will impact programs, opportunities for our students, and would reduce positions.
- We do not have “extras” in our budget that we could decrease without impacting programs and our student’s opportunities.
- Supplies and equipment lines have already been reduced.

Reduction Considerations:

- Unmandated Services
- Impacts the least number of students
- Cost to maintain the program
- Can we function and serve our students without the service or program?

Three Areas areas of consideration:

- Non-Instructional
- Extra-curricular
- Instructional - (Non Mandated services)

Approximate Reduction Decreases in Each Area:

Non-Instructional: \$200,000

Extra Curricular - \$100,000

Instructional - \$600,000

(Numbers are based on unmandated services available to students and can we maintain services and education of our students)

Any reduction made will have a large impact on our district.

Number 6:
Capital Outlay Project

\$100,000 Capital Outlay Project

- Cancel next years 100k project.
 - This would postpone facility work and reduce future allowable tax cap increases.
- Use left over money from this years project for next years 100k project.
 - Projected to have \$37,000 left over. This would make it more difficult to include \$100,000 projects into future budgets.

Recommend That We Prepare Two Budgets:

1. A budget that has the same amount of foundation aid as last year - with no increase in aid
2. A budget with the projected amount of foundation aid proposed by the Governor in January (waiting for legislative approval)

Budget Comparison

	2023-2024	2024-2025	Difference	% Change
Budget	\$13,832,403	\$15,002,246	\$1,194,132	8.63%
Non Tax Revenue	\$4,156,084	\$3,877,497	-\$278,587	-6.7%
Fund Balance	\$611,094	?	?	?
Levy Amount	\$9,040,936	?	?	?

Budget #1:

w/same Foundation aid as last year

Budget Deficit:
\$1,822,635

Considerations:

- How much Fund Balance?
 - Tax Levy Increase?

	2024-25
Budget	\$15,002,246
Fund Balance	?
Revenue	\$4,138,675
Levy Amount	\$9,040,936 (23-24 amount) 24-25 amount ?

Budget #2:

w/proposed decrease in
foundation aid

Budget Deficit:
\$2,083,813

Considerations:

- How much Fund Balance?
 - Tax Levy Increase?

	2024-25
Budget	\$15,002,246
Fund Balance	?
Revenue	\$3,877,497
Levy Amount	\$9,040,936 (23-24 amount) 24-25 amount ?

Considerations for the Board...

1. Tax Cap:
 - Do you want to go to the allowable tax cap?
 - Do you want to go above the tax cap?
- 2.) How much fund balance do you want to use?
- 3.) Do you want to use any reserves?
- 4.) Do you want to utilize the debt service fund?
- 5.) How much if any do you want to reduce from the budget?
- 6.) Do you want to include the capital outlay project in this budget?

Considerations:

- No decisions have to be made today. The board must decide on and adopt a budget on Wednesday, April 17th - our official April BOE meeting.
- Do you want to Schedule a March Budget Workshop?
- Workshop Scheduled on April 10th.
- What do you want us to prepare for our next budget workshop?