

**MILFORD CENTRAL  
SCHOOL  
BUDGET WORKSHOP**

**FEBRUARY 13, 2024**

# BUDGET TIMELINE

- ▶ **Tuesday, February 13, 2024**
  - ▶ 7pm - BOE Meeting and Budget Workshop–Introduction to the Budget and Revenue Projections and Tax Cap Calculation
  
- ▶ **Tuesday, March 5, 2024**
  - ▶ 7pm - BOE Meeting – Presentation of Budget Draft for Administration, Transportation, Debt Service and Benefits
  
- ▶ **Tuesday, March 19, 2024**
  - ▶ 6pm - Budget Workshop – Expenditures Presentation
  - ▶ 7pm - BOE Meeting – Final Budget Review of Revenues and Expenditures, Tax Projections, Potential Adoption of Budget and Property Tax Report Card
  
- ▶ **Tuesday, May 7, 2024**
  - ▶ 7pm – Budget Hearing
  
- ▶ **Tuesday, May 21, 2024**
  - ▶ **2pm-8pm Annual Meeting - Budget Vote**

# BUDGET DEVELOPMENT

Our school's budget describes the plan for the upcoming year, related to anticipated revenues and expenditures.

The process of budget development includes assessing our district goals and priorities, allocating resources, and educating our public.

# BUDGET BASICS

## ▶ **Balanced Budget**

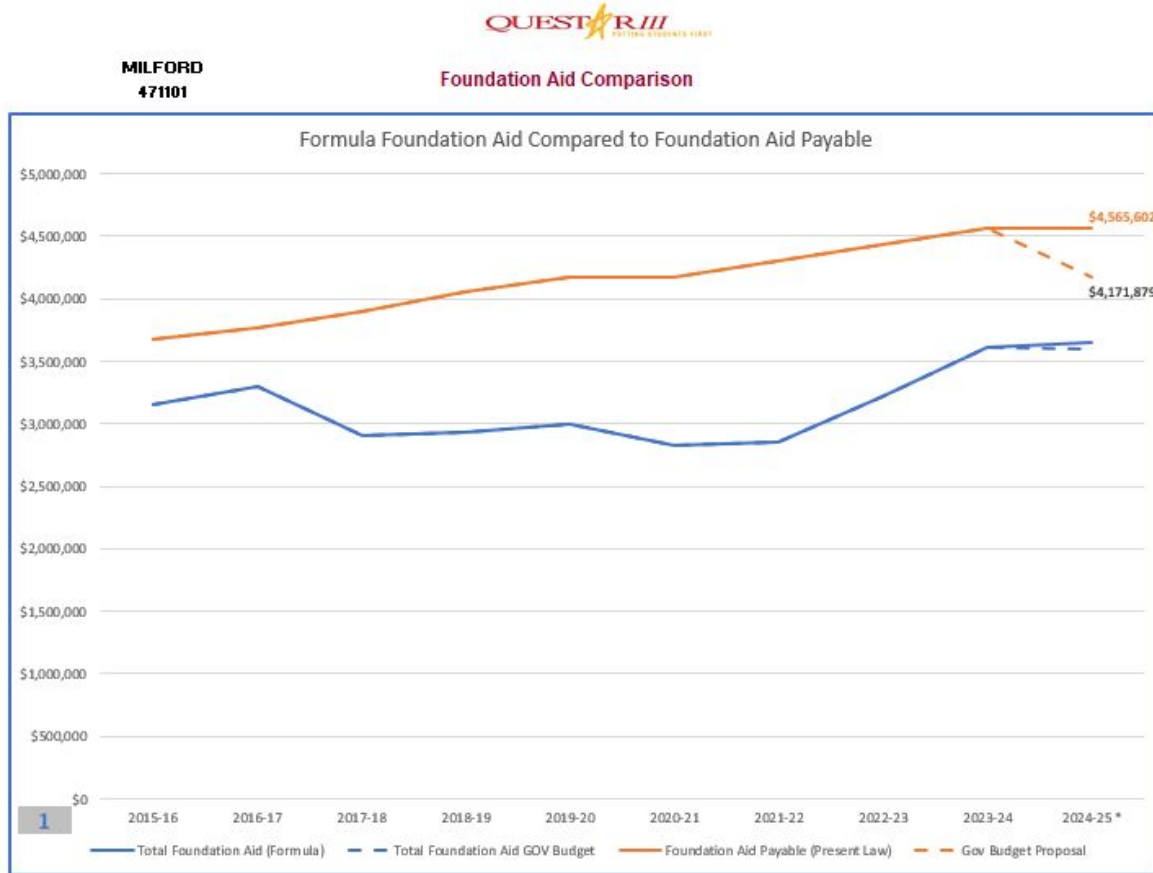
- ▶ Revenues (Income) and Appropriated Fund Balance = Budget (Expenses)

## ▶ **Tax Cap Calculation**

- ▶ To clarify, the law is often referred to as a “2% Tax Cap”. This refers to the Allowable Levy Growth factor (lesser of inflation up to 2%) a part of the calculation not the resulting tax increase from the calculation.
- ▶ A simple majority vote (50%+1 voter approval) is needed if proposed tax levy is at or below the cap

# Foundation Aid in the Governor's Proposal

- ▶ Foundation Aid is the largest pool of State Aid that the district receives. Foundation Aid was set up to run on a formula years ago, however, that formula has not run as planned for many years.



\* 2024-25 is projected data based on what was submitted by the district in the 2023-24 State Aid Claim Forms, ST3, and reflects the Executive Budget Proposal

- ▶ In the Governor's Proposal for the 2024-2025 Milford is projected to see a reduction in Foundation Aid as the "Save Harmless" provision has been eliminated. A "Transition Adjustment" has been added to the the amount the district would have received if the foundation aid formula had run.

## Milford CSD Change in Foundation Aid

District	County	2023-24				2024-25			Save-Harmless		Reduction as	
		Foundation Aid	Proposed Foundation Aid	Change	% Change	Foundation Aid Under Current Law	% Change from 2023-24 Under Current Law	Proposed Change from Current Law	Amount Under Proposal	Reduction in Save-Harmless	% of 2023-24 Total General Fund Expenditures	Tax Levy Increase Equivalent to Reduction
Milford CSD	Otsego	4,565,602	4,171,879	-393,723	-8.6%	4,565,602	0.0%	-393,723	962,649	-393,723	-3.4%	8.6%

## Transition Calculation based on State Sharing Ratio

		Step One			Step Two				Step Three	
School District	2023-24 Foundation Aid	2024-25 Formula Foundation Aid (No Save Harmless)	Calculated Difference	Foundation Aid Base Minus Formula ("Save Harmless")	Foundation Aid State Sharing Ratio (FASSR)	Transition Adjustment % (FASSR with 50% minimum)	Transition Adjustment (Column G X Column I)	2024-25 Executive Budget Foundation Aid (Column D + Column J)	2024-25 Executive Budget Change in Foundation Aid	
471101	MILFORD	\$4,565,602	\$3,602,953	(\$962,649)	\$962,649	0.591	0.591	\$568,926	\$4,171,879	(\$393,723)

# DRAFT

## PROJECTED REVENUES AID RATIOS 23-2024 to 24-2025

TRANSPORTATION AID RATIO – 76.3%

BUILDING AID RATIO – 79%

BOCES AID RATIO – 61%

### AID PROJECTIONS

	BUDGET	BUDGET	NET	%
<u>SOURCE</u>	2023-2024	2024-2025	CHANGE	INC/DEC
FOUNDATION AID	\$4,565,602	\$4,171,879	-\$393,723	-8.62%
SPECIAL EDUCATION AID (PRIVATE & PUBLIC)	\$62,028	\$49,704	-\$12,324	-19.87%
INSTRUCTIONAL MATERIALS AID	\$31,280	\$31,388	\$108	.35%
TRANSPORTATION AID	\$488,464	\$488,101	-\$363	-.07%
BUILDING AID - CAPITAL PROJECTS	\$484,227	\$474,413	-\$9,814	-2.03%
BOCES AID AND REFUND	\$560,009	\$566,508	\$6,499	1.16%

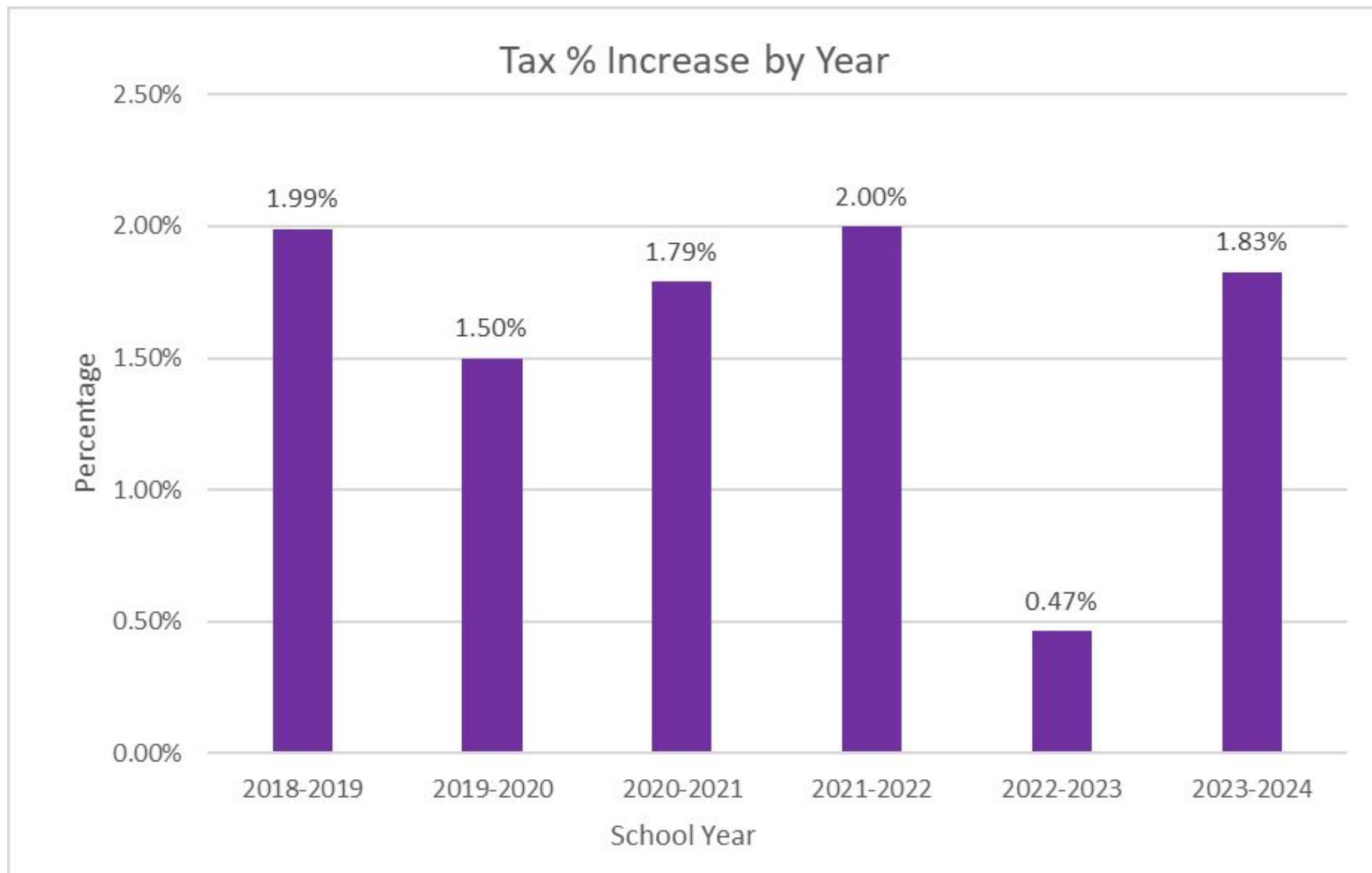
# DRAFT

## PROJECTED REVENUES

### OTHER REVENUE ESTIMATES

	BUDGET	BUDGET	NET	%
<u>SOURCE</u>	2023-2024	2024-2025	CHANGE	INC/DEC
MISCELLANEOUS REVENUE	\$5,000	\$5,000	\$0	0.00%
RESERVE TO REDUCE DEBT	\$15,000	\$30,000	\$15,000	100.00%
INTEREST INCOME ON INVESTMENTS	\$8,000	\$65,000	\$57,000	712.50%
TAX PENALTIES	\$12,000	\$12,000	\$0	0.00%
STUDENT FEES/CHARGES	\$1,200	\$300	-\$900	-75.00%
OUT OF DISTRICT TUITION	\$54,000	\$60,000	\$6,000	11.11%
MEDICAID REIMBURSEMENT	\$15,000	\$15,000	\$0	0.00%
CASEBP SURPLUS DISTRIBUTION	\$40,947	\$40,947	\$0	0.00%
TRANSFER FROM TAX CERTIORARI RESERVE	\$75,000	Undetermined		
TRANSFER FROM EBALR RESERVE	\$20,000	Undetermined		





**For the 2021-2022 school year the tax cap calculation allowed the district to go out with an increase of 2.60%, however, the increase was approved at 2.00%. This left .60% or approx \$25,000 on the table, for which the loss of funds is compounded every year.**

# DRAFT

## TAX CAP CALCULATION WITH CASH BUS PURCHASE AND BOCES CAPITAL AS OF 2-13-2024

	1) Real Property Tax Levy 2023-2024	4,441,668.00
Subtract	2) Tax Cap Reserve Offset from FYE 2023 Used to Reduce FYE 2024 Levy	- 0.00
	<b>sub-total</b>	<b>= 4,441,668.00</b>
Multiply:	3) Tax Base Growth Factor <a href="#">(Provided by Tax and Finance)</a>	x 1.0039
	<b>sub-total</b>	<b>= 4,458,990.51</b>
Add:	4) PILOTS 2023-2024	+ 121,575.00
	<b>sub-total</b>	<b>= 4,580,565.51</b>
Subtract:	5a) Tort Exclusion Amount claimed in FYE 2023-2024 - Value of Claims and judgements>5% of total tax lev	- 0.00
	5b) Capital Tax Levy Exclusion 2023-2024	- 163,350.00
Equals:	<b>sub-total Adjusted Current Year Tax Levy</b>	<b>= 4,417,215.51</b>
Multiply:	6) Allowable Levy Growth Factor (1 + inflation factor, up to 2%) Provided by Dept. of Labor	x 1.02
	<b>sub-total</b>	<b>= 4,505,559.82</b>
Subtract:	7) Projected PILOTS 2024-2025	- 125,756.61
Add:	8) Available Carryover (If any)	+ 0.00

Equals: **TAX LEVY LIMIT Before Adjustments/Exclusions (to be submitted to State Comptroller, Commissioner of Tax & Finance and the Commissioner of Education by March 1st) = 4,379,803.21**

### Calculate Coming Year Exclusions:

Add:	9a) Tort Exclusion - Value of Claims and judgements>5% of total tax levy	+ -
	9b) ERS Employer Contribution Amount	+ 1,580
	9c) TRS Employer Contribution Amount	+ -
	9d) Capital Tax Levy Exclusion 2024-2025	+ 195,774

Equals: **Maximum Allowable Tax Levy Limit for 2024-25 (Adjusted for Transfers plus Exclusions) = 4,577,156.76**  
(requiring a simple majority vote)

2024-25 Projected Allowable Levy =	4,577,156.76
2023-24 Levy =	4,441,668.00
\$ Change =	135,488.76
% change =	3.05040%

## CAPITAL TAX LEVY EXCLUSION

Exclusions	2023-2024	2024-2025
Debt Service	+ \$ 476,100.00	\$ 478,200.00
Capital Outlay	+ \$ 100,000.00	\$ 100,000.00
Building Leases	+	
Total	<u>\$ 576,100.00</u>	<u>\$ 578,200.00</u>
Bus Purchases		
Debt	+ \$ -	\$ -
Cash	+ \$ 160,000.00	\$ 206,000.00
Total	<u>\$ 160,000.00</u>	<u>\$ 206,000.00</u>
BOCES Expenses	+ \$ 31,259.00	\$ 30,515.00
Total	<u>\$ 31,259.00</u>	<u>\$ 30,515.00</u>
	<u>\$ 767,359.00</u>	<u>\$ 814,715.00</u>

**2023-2024 Current Year Capital Local Levy Revenue**

Less

2023-2024 TRANSFERS FROM DEBT SERVICE FUND & OTHER MISCELLANEOUS REVENUE

\$ 15,000.00

2023-2024 BOCES Capital

\$ 19,912.00

**2023-2024 BUILDING AID**

2023-2024 General Formula Aid Output Report (GEN):

Entry 7A: 2023-2024 Regular Building Aid

\$ 473,703.00

Entry 8: 2023-24 Regular Reorganizational Incentive Building Aid (if applicable)

Entry 25A: 2023-24 Total Building Aid Prospective Paid July 2017 (if applicable)

Native American Building Aid (if applicable)

+ \$

**Total 2023-2024 Aid for Buildings**

\$ 473,703.00

**2023-2024 TRANSPORTATION AID**

2023-2024 Transportation Aid Output Report (TRA):

Entry 32: State Share Ratio for Transportation Aid

\$ 0.774

Equipment)

x \$ 123,248.00

**Total 2021-22 Aid for Bus Purchase and Transportation Equipment**

\$ 95,393.95

\$ 589,008.95

**2024-2025 Estimated Capital Local Levy Revenue**

2024-2025 TRANSFERS FROM DEBT SERVICE FUND & OTHER MISCELLANEOUS REVENUE

\$ 30,000.00

2024-2025 BOCES Capital

\$ 18,614.00

**2024-2025 BUILDING AID**

2024-2025 Executive Budget Proposal - BT-171-8:

2024-2025 Building Aid (Adjusted for interest rate recalibration & Ch.97 projects)

\$ 474,413.00

2024-2025 Reorganization Incentive Building Aid

Native American Aid

Less 2024-2025 Building Conditions Survey (BCS) Aid

**Total 2024-2025 Aid for Buildings**

+ \$ 474,413.00

**2024-2025 TRANSPORTATION AID**

2024-2025 Estimated Transportation Aid Output Report (TRA-EST):

Entries 56 through 59: Total Assumed Capital Expense Aidable in 2024-25 (Excluding

\$ 125,707.00

Estimated 2024-25 State Share Ratio for Transportation Aid (from Exec. Budget Proposal)

\$ 0.763

**Total 2024-2025 Aid for Bus Purchase and Transportation Equipment**

x \$ 95,914.44

**Capital Local Levy**

\$ 163,350.05

\$ 195,773.56



# EXPENDITURES

ADMINISTRATIVE	PROGRAM	CAPITAL
<ul style="list-style-type: none"><li>• Board of Education Expenses</li><li>• Salaries, benefits, and office expenses of:<ul style="list-style-type: none"><li>• Superintendent</li><li>• Principal</li><li>• Clerical Support</li><li>• Business Office</li></ul></li><li>• BOCES Administrative Costs</li><li>• Property and Liability Insurance</li><li>• Records Management</li></ul>	<ul style="list-style-type: none"><li>• Salaries and benefits of Teachers, LTAs, Aides, Counselors, Library, School Psychologist, Nurse, Advisors, and Athletic Coaches</li><li>• All Instructional costs such as supplies, equipment, and textbooks</li><li>• Student supplies</li><li>• Instructional Technology salaries, benefits, supplies, hardware and software</li><li>• BOCES Instructional Costs</li><li>• Transportation Operating Costs to include salaries, benefits, and supplies</li></ul>	<ul style="list-style-type: none"><li>• All Building Debt Service</li><li>• All Transportation Capital Expenditures</li><li>• All Facility Costs – custodial salaries &amp; benefits and supplies</li><li>• BOCES Facility Rent and Capital Projects Expenses</li></ul>

# CAPITAL RESERVE - BUSES

- ▶ What is a Capital Reserve for Buses?
  - ▶ A Capital Reserve allows the district to set aside funds to be used towards the purchase of buses in the future. In light of the requirements to purchase electric buses by NYS and the additional cost of these buses and charging stations compared to the current cost of a diesel bus, it would be beneficial for the district to set up a reserve account that could be funded sometime in the future.
  - ▶ At this point in time the BOE is asking the taxpayers for their approval to set up a Capital Reserve account to purchase, it is not a request for additional funds from the taxpayer.

# CAPITAL RESERVE

- ▶ How long will the Capital Reserve be for?
  - ▶ If the district sets up a Capital Reserve for a 10-year timeframe, funds can be added to the reserve fund over the 10-year timeframe as they become available.
- ▶ What dollar amount should the Capital Reserve be established at?
  - ▶ Establishing a Capital Reserve at a certain dollar amount provides the *potential* to fund up to that amount over the life of the reserve. It does not mean it *will* be funded up to that amount.
  - ▶ The reserve cannot be replenished
  - ▶ The BOE will ask the voters to approve the establishment of a Capital Reserve in the amount of \$1 million. A reserve in this amount will allow the district to set aside funds in the reserve to save for future bus purchases.

# BUDGET PROPOSITIONS

- Adoption of the School District Budget
- Election of (2) two members to the Board, each for a three-year term
- Establishment of a Capital Reserve Fund for future bus purchases



# Next Steps

Administration will be working with various departments to determine the needs of the district in order to create a budget with expenditures that meet our needs and are within the parameters of funding available to the district. At the next BOE meeting we will be presenting a portion of the expenditures part of the budget.

We look forward to sharing more information with you at the next Budget Workshop on Tuesday, March 19th and the Budget Hearing on Tuesday, May 7th

## **Regional Workshop for BOE focusing on the Governor's Proposed Budget**

ONC BOCES will be holding a virtual meeting for Board of Education members on February 27, 2024 at 6:30pm.

The webinar aims to clarify the proposal and its repercussions and foster collaborative brainstorming to support district leaders and governance teams as they navigate the budget season.

The link will be sent out as the date gets closer.