



Enlarged City School District



Budget 2024-2025

Cortland Enlarged City School District
March 26, 2024

Kristopher Williamson, Business Administrator



Barry Primary



Smith Intermediate



Randall Middle



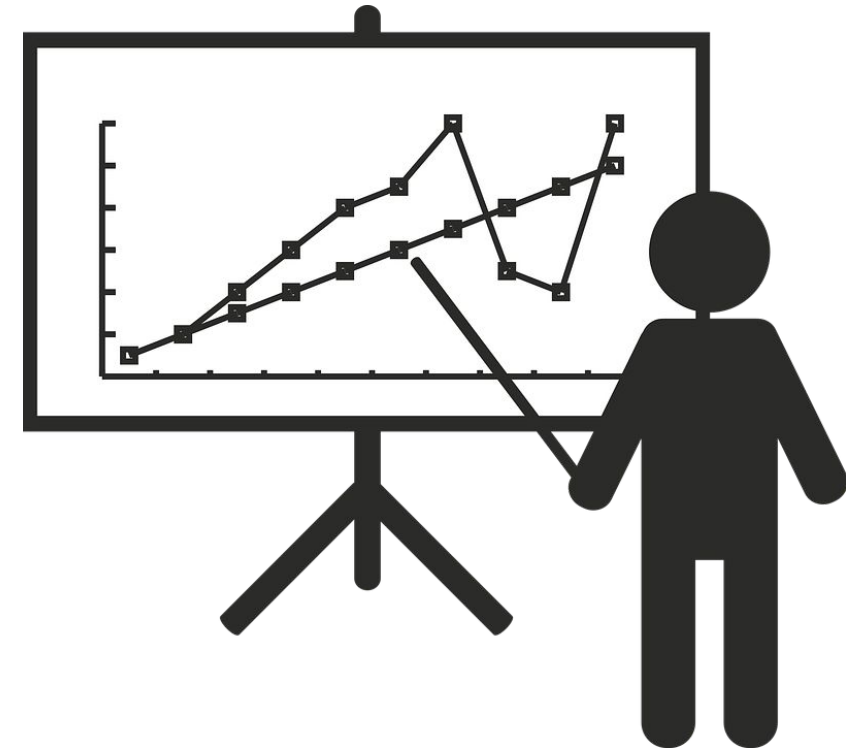
Junior High School



Cortland High School

Budget Presentation #7

- **Draft Revenue Budget**
 - Fund Balance Projections
 - Tax Levy Adjustment
 - State Aid Updates
 - RAN Recommendation
- **Anticipated Assessments and Tax Rates**
 - City of Cortland Assessments
 - Projected Tax Rates
- **Draft Expense Budget**
 - Key variances from 2023-24



Fund Balance Projections

- Regular reviews of Fund Balance projections
- Current projection: \$3,857,000
- Current 4% RPTL Limit: \$2,241,000
- **Current projected excess: \$1,616,000**

Allocating Excess Fund Balance:

- Appropriated Fund Balance for 2024-25: \$1,313,000
- Fund TRS Reserve: \$303,000
- Fund other Reserves: \$0

Tax Levy Adjustment

- Renewed PILOT agreements
 - \$63,434
 - Moved from Tax Levy to PILOTs
 - No effect on total anticipated Local Revenue
 - Tax Levy Limit decreases from 4.41% to 4.07%

	<u>Originally Submitted</u>		<u>Adjustment to OSC</u>
• Tax Levy Limit	\$19,391,863	>	\$19,328,429
• PILOTs	<u>\$90,690</u>	<	<u>\$154,124</u>
• Local Revenues:	\$19,482,553	=	\$19,482,553

Historical Tax Levy Limits

	2021	2022	2023	2024	2025 Adjusted
Tax Base Growth Factor	1.0021	1.0000	1.0000	1.0047	1.0074
Allowable Levy Growth Factor	1.0181	1.0123	1.0200	1.0200	1.0200
PILOTs Received	\$141,000	\$149,600	\$160,600	\$165,730	\$154,124
Levy Limit Before Exclusions	\$17,154,999	\$17,359,136	\$17,698,311	\$18,137,744	\$18,655,611
Total Exclusions	\$596,205	\$748,224	\$529,548	\$435,525	\$672,818
Levy Limit with Exclusions	\$17,751,204	\$18,107,360	\$18,227,859	\$18,573,269	\$19,328,429
Tax Levy for Fiscal Year	\$17,751,200	\$18,107,360	\$18,227,859	\$18,573,269	\$19,328,429
Difference	- \$4	\$0	\$0	\$0	\$0
Percent Increase	1.09%	2.01%	0.67%	1.89%	4.07%

State Aid Updates

- Not much has changed since February

- Both NYS Houses submitted budgets that include 3% Hold-Harmless
- NYS Budget due April 1

- Current Foundation Aid Figures (compared with 23-24)

• Current Law:	\$23,587,352	(+\$259,277)	On-Formula
• Governor's Budget:	\$23,145,420	(-\$182,655)	Hold-Harmless
• House Budgets:	\$24,027,917	(+\$699,842)	Hold-Harmless

- Current Assumptions

- Assume 0% Hold Harmless
- Use current 2023-24 Foundation Aid: \$23,328,075
- Adjust Fund Balance and Reserves based on NYS Final Budget
 - 0% HH: Fund Balance: \$1,313,000 Reserves: \$1,101,000
 - 3% HH: Fund Balance: \$824,000 Reserves: \$890,158

Budgeted Revenue - State Aid

	2023-24 Legislative Aid	Increase	2024-25 Proposed Budget	Budget Adjustments	2024-25 Budgeted Aid As of 3/15/24
Foundation Aid	\$ 23,328,075	\$ (182,655)	\$ 23,145,420	\$ 182,655	\$ 23,328,075
Universal Pre-Kindergarten	\$ 508,644	\$ 321,877	\$ 830,521	\$ (310,521)	\$ 520,000
BOCES	\$ 2,176,557	\$ 310,836	\$ 2,487,393	\$ (87,393)	\$ 2,400,000
High Cost Excess Cost	\$ 708,482	\$ (57,116)	\$ 651,366	\$ (1,366)	\$ 650,000
Private Excess Cost	\$ 180,117	\$ 13,424	\$ 193,541	\$ (3,541)	\$ 190,000
Hardware & Technology	\$ 39,363	\$ (1,586)	\$ 37,777	\$ 0	\$ 37,777
Software, Library, Textbook	\$ 167,064	\$ (3,263)	\$ 163,801	\$ 0	\$ 163,801
Transportation, Including Summer	\$ 1,571,309	\$ 72,056	\$ 1,643,365	\$ (93,365)	\$ 1,550,000
Building	\$ 3,687,703	\$ 104,226	\$ 3,791,929	\$ 611,411	\$ 4,403,340
Charter School Transitional	\$ 167,040	\$ (51,427)	\$ 115,613	\$ (5,613)	\$ 110,000
TOTAL (Excluding UPK)	\$ 32,025,710	\$ 204,495	\$ 32,230,205	\$ 602,788	\$ 32,832,993

RAN Recommendation

- Cash Flow Projections for July 1 - October 15, 2024

- Anticipated Accounts Payable: \$5,000,000
- Anticipated Payroll: \$3,600,000
- Anticipated Cash-on-Hand on 7/1: \$2,000,000
- Anticipated 23-24 Revenue by 9/30: \$2,000,000 (BOCES, Excess High Cost)
- Anticipated Revenue through 9/15: \$210,000 (Miscellaneous)
- Budgeted Reserves \$1,101,000

- Recommendation

- Short-Term \$3,000,000 RAN
 - Anticipated Premium: \$3,500
 - Anticipated Interest: - \$35,625
 - Net Cost to Budget: \$32,125

Cortland City Assessments

- Reassessments completed for City of Cortland Residents
 - Overall 65% Increase in Assessment Values
 - Compared with True Value from 23-24: 20% Increase
- Factors to consider
 - With an increase in assessments, there will be a decrease in tax rate
 - Tax levy is divided proportionally among all district assessments
 - Every property will see a different increase/decrease in their tax bill
 - Tentative Reassessments may change based on challenges by homeowners
 - Actual effect on tax bills will not be known until August
 - Cortlandville, Virgil, Harford, Lapeer, and Dryden are anticipated to realize a decrease in their tax bills for their current assessed values

Effects on Tax Bills - 100K Home

- Tax Bill for 100K Home prior to reassessment and STAR credits
 - FY 2024: \$1,895.88 bill 0.99% increase from FY 23
- Anticipated Change in Tax Rate for Cortland City:
 - FY 2024: \$18.958762 → FY 2025: \$12.542717 *(prediction)*

<u>Assessment Change</u>	<u>24-25 Tax Bill</u>	<u>Change from 23-24</u>
20% Increase	\$1,504.80	20.28% Decrease
50% Increase	\$1,881.00	0.77% Decrease
75% Increase	\$2,194.50	15.49% Increase

Note: These are before STAR credits are applied. \$12.542717 is an anticipated tax rate. It is impossible to predict actual tax rates since they are set in July/August when assessments and equalization rates are finalized.

Draft Expense Budget

- Changes since February

- BOCES Services reduced - Addition of 12:1:3 classroom at Barry
- Updated Payroll projections
- Closed budget gap with Fund Balance and Reserves

- Key Variances (\$2,554,004 increase from 23-24)

• 6.87% Increase in Payroll	+ \$1,459,765	
• 1.06% Increase in Benefits	+ \$160,077	
• 5.64% Increase in BOCES	+ \$445,713	
• Removed BCS from Facilities Budget	- \$250,000	
• 25.14% Increase in Utilities	+ \$170,683	
• 17.01% Decrease in Tuition	- \$165,000	
• 18.07% Increase in Debt Service	+ \$841,125	(Building Aid Offset)
• All other changes	- \$108,359	

Key Take-Aways

- **Budget gap is now closed**
 - \$2,414,000 in Fund Balance and Reserves applied*
- **Assessments are going up in the City of Cortland**
 - Tax Levy Override not recommended
 - Tax on True anticipated to decrease from \$13.84 to \$12.54
- **Uncertainty with NYS Budget Impacts**
 - Assuming 0% increase in Foundation Aid
 - If district is given 3% Hold-Harmless, FB/Reserves can reduce by \$699,842
- **Recommend \$3,000,000 RAN**
 - Anticipated net impact to budget: \$32,125

Anticipated 2025 Local Tax Levy:

4.07% Increase



Next Steps in Budget Process



- PTO/PTA Meetings
- Final Budget Adjustments
 - Final review of all budget lines
 - Review anticipated staffing needs
 - Review and submit Final BOCES Requests (Due April 5)
- Continue to update Revenue Projections based on updates from the Governor's proposed budget

Next Presentation - April 17

- BOCES Budget Adopted (Admin/Rent/Capital)
- Final Draft of 2024-25 Revenue and Expense Budgets
 - Broken down by category
 - Adopted by BOE

Budget Hearing → May 7 at 6pm

Annual Meeting → May 21 from 12pm-9pm



Questions?

