



Enlarged City School District



Budget 2025-2026

Cortland Enlarged City School District
February 25, 2025

Kristopher Williamson, Business Administrator



Barry Primary



Smith Intermediate



Randall Middle



Junior High School



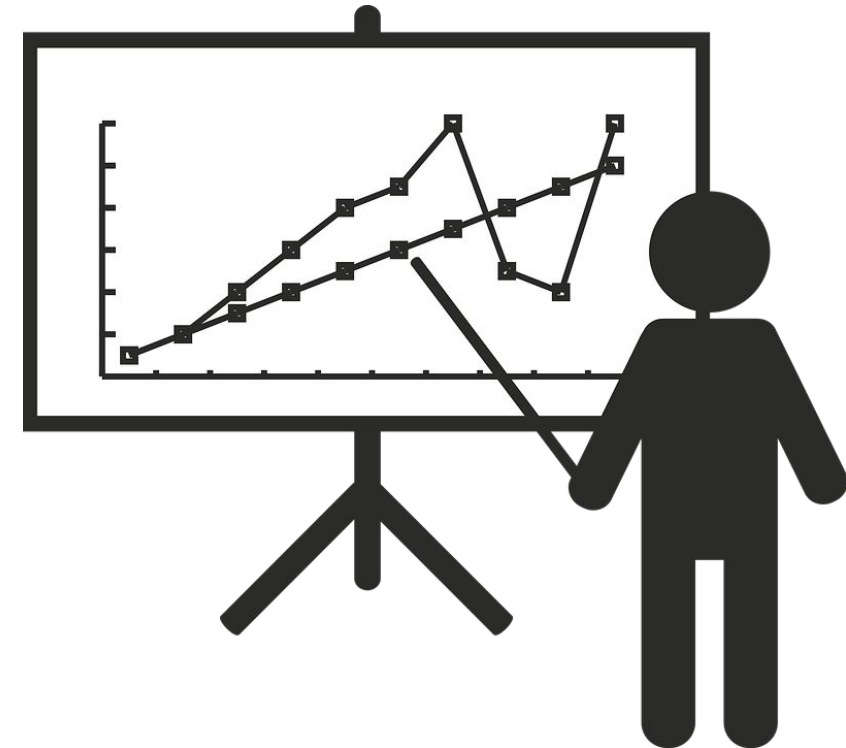
Cortland High School

Budget Presentation #6

- Tax Cap Calculations (Submitted to Comptroller by March 1)
- Long-Term Expense/Revenue Projections
- Current Projected Revenue and Expense Budgets

Goals:

- Provide basic overview of the Tax Cap formula
 - Review 2026 Calculations
- Discuss status of Revenue/Expense Budget
- Review possible solutions to close budget gap



2% Tax Levy Cap Information

Multi-step formula to determine maximum tax levy allowed with a simple majority vote (50% + 1)

Two separate growth factors (Tax Base and 2%)

- Tax Base: Growth of assessments to keep same tax rate
- 2% or CPI: Growth of rising costs
 - Value used is the lower of 2% or CPI

Law allows for additional funds to be added to tax base in addition to the two growth factors (Exclusions)

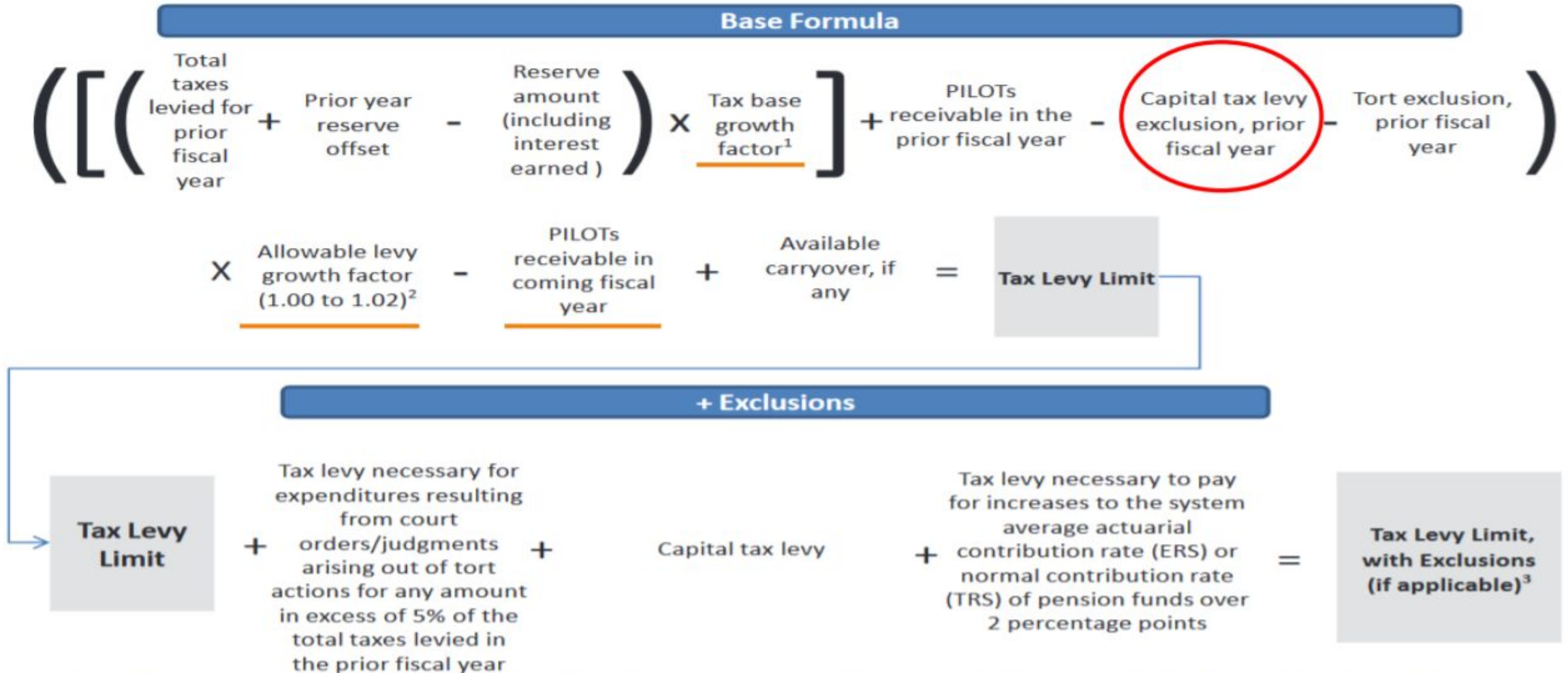
Terminology

Exclusions - Local share of expenses that have either been voter-approved in prior years (principal and interest for Bonds) or other expenses mentioned in the law to be excluded from percent increases

Tax Levy Limit - The total amount of money that taxpayers contribute to the school district that requires a simple majority vote (50% + 1)

PILOT - “Payment In Lieu Of Taxes” - Predetermined tax payment based on an agreed schedule of payments between the district and taxpayer - Is not included in the Tax Levy, but is part of the Local Taxes

2% Tax Levy Cap Formula



Adjustments to Taxpayer Levy for Tax Base Growth in 2024-2025

2024-25 Tax Levy		\$19,328,429
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Add current year Reserve offset	+	\$0
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Subtract Reserve Amount	-	\$0
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Tax Base Growth Factor	x	1.0032*
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*This implies that total relative assessments have increased 0.32%.

Tax Levy Adjustment based on Tax Base Growth		\$19,390,280
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Calculating the Total Local Levy for 2026 Before Exclusions

Tax Levy Adjustment based on Tax Base Growth		\$19,390,280
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Add current year PILOTs	+	\$154,124
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Subtract current year Capital Exclusions	-	\$667,231
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Subtract current year Torts/Judgment Excl.	-	\$0
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(\$18,877,173)

Allowable Levy Growth Factor	x	1.0200*
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*CPI has been between 0.12%-8.00% from 2011-2024. CPI is currently around 2.95%.

Total Local Tax Levy based on 2% Growth Limit		\$19,254,716
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Total Taxpayer Local Levy Limit for 2026 Before Exclusions

Total Local Tax Levy based on 2% Growth Limit	\$19,254,716
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Subtract next year PILOTs	-	\$167,601
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Add allowable carryover	+	\$0
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Total Levy Limit Before Exclusions		\$19,087,115
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For this year (FY24), this number is \$18,655,611, which results in a 2.31% increase over the current year for the Total Levy Limit before Exclusions.

2026 Capital Exclusions

	Capital Projects	Bus Purchases	BOCES Rent and Capital
Debt Service Payments	\$6,316,350	\$592,844	\$126,174
Anticipated Aid/Revenues	\$5,840,398	\$455,400	\$93,012
LOCAL SHARE:	\$475,952	\$137,444	\$33,162

Voter approval was given for Capital Projects and Bus Purchases. The local share of these expenses are added to the tax levy as exclusions.

The local share of BOCES rent and capital is also added to the tax levy as exclusions.

2026 Capital Exclusions

Tort/Judgment Exclusions:	\$0
Capital Tax Exclusion (Capital Projects):	\$475,952
Capital Tax Exclusion (Bus Purchases):	\$137,444
Capital Tax Exclusion (BOCES Rent/Capital):	\$33,162
Tax Levy for pension contributions to ERS:	\$0
Tax Levy for pension contributions to TRS:	\$0
Total Exclusions:	\$646,558

2026 Levy Limit with Exclusions

Total Levy Limit Before Exclusions		\$19,087,115
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Add Total Exclusions	+	\$646,558
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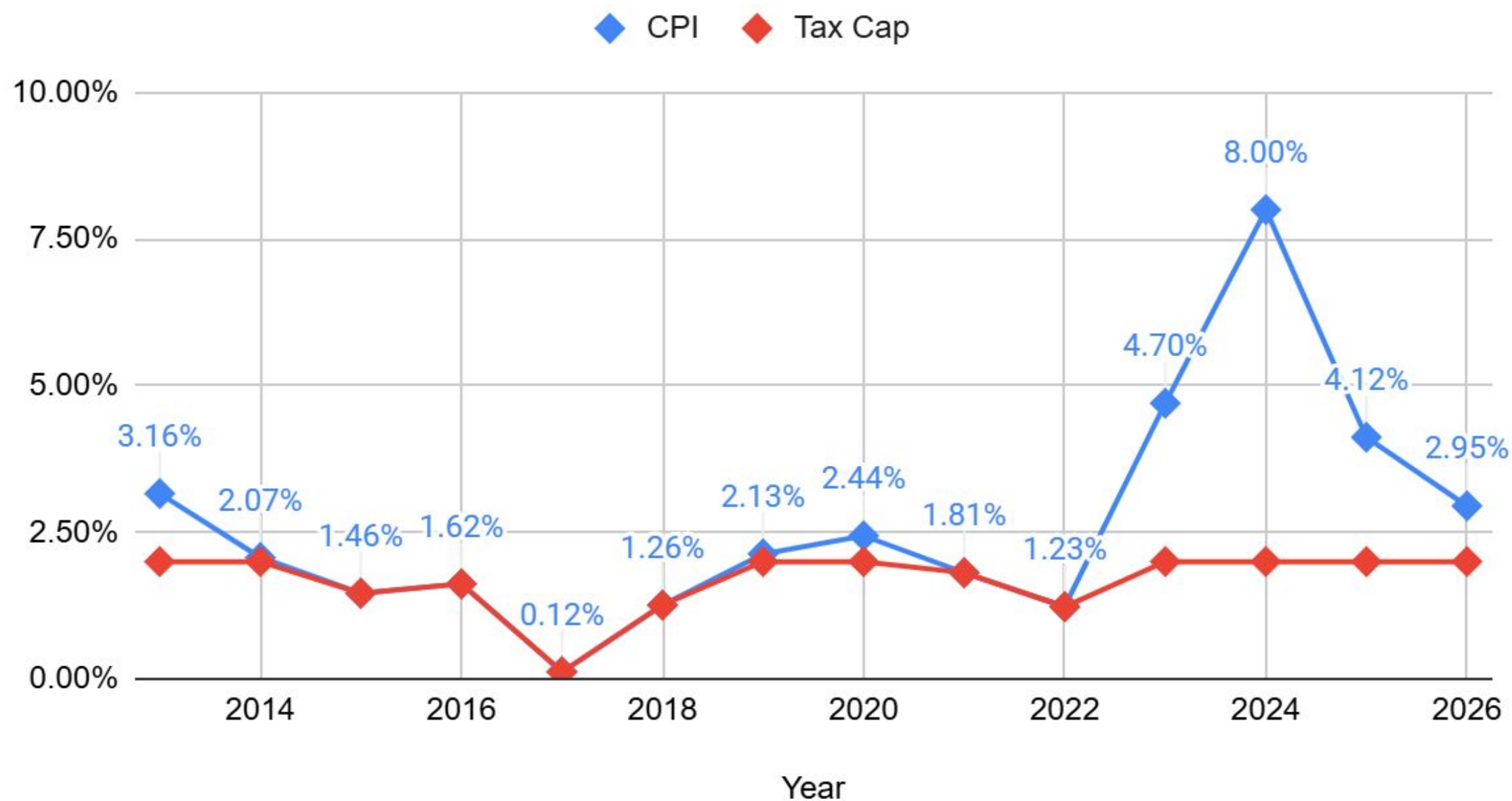
Tax Levy Limit with Exclusions for 2026		\$19,733,673
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This is a 2.10% or \$405,244 increase over the Tax Levy from 2025.

Compared with Previous Years

	2022	2023	2024	2025	2026
Tax Base Growth Factor	1.0000	1.0000	1.0047	1.0074	1.0032
Allowable Levy Growth Factor	1.0123	1.0200	1.0200	1.0200	1.0200
PILOTs Received	\$149,600	\$160,600	\$165,730	\$154,124	\$167,601
Levy Limit Before Exclusions	\$17,359,136	\$17,698,311	\$18,137,744	\$18,655,611	\$19,087,115
Total Exclusions	\$748,224	\$529,548	\$435,525	\$672,818	\$646,558
Levy Limit with Exclusions	\$18,107,360	\$18,227,859	\$18,573,269	\$19,328,429	\$19,733,673
Tax Levy for Fiscal Year	\$18,107,360	\$18,227,859	\$18,573,269	\$19,328,429	\$19,733,673
Difference	\$0	\$0	\$0	\$0	\$0
Percent Increase	2.01%	0.67%	1.89%	4.07%	2.10%

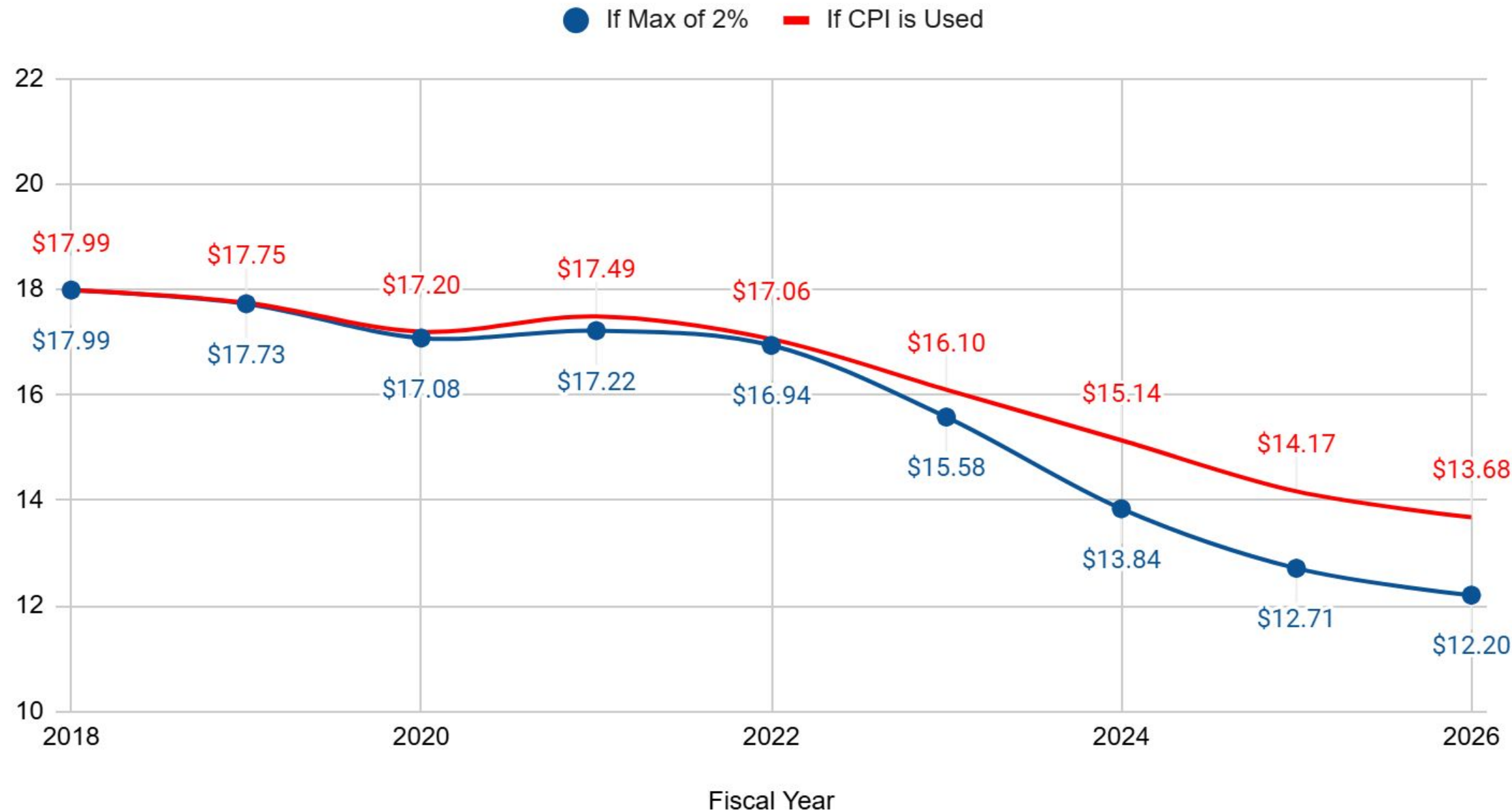
Tax Cap Limitations



A Brief Look at the Effects of the Tax Cap

Year	CPI	Growth Factor Used	Levy from Formula	Levy with CPI	Difference
2018	1.26%	1.26%	\$17,006,932	\$17,006,932	\$0
2019	2.13%	2.00%	\$17,215,372	\$17,236,548	\$21,176
2020	2.44%	2.00%	\$17,559,679	\$17,688,732	\$129,053
2021	1.81%	1.81%	\$17,751,200	\$17,882,869	\$131,669
2022	1.23%	1.23%	\$18,107,360	\$18,240,648	\$133,288
2023	4.70%	2.00%	\$18,227,859	\$18,840,147	\$612,288
2024	8.00%	2.00%	\$18,573,269	\$20,314,323	\$1,741,054
2025	4.12%	2.00%	\$19,328,429	\$21,545,576	\$2,217,147
2026	2.95%	2.00%	\$19,733,673	\$22,131,884	\$2,398,211

Effect on Tax on True if Tax Cap Allowed Higher of 2% or CPI



Key Tax Levy Take-Aways

- Limited by Tax Base Growth Factor (1.0032) and Allowable Levy Growth Factor (1.0200)
 - CPI continues to be above 2%
- Capital Exclusions are leveling off to normal levels
 - Goal: Aim for \$650K - \$700K

Anticipated 2026 Local Tax Levy:

\$19,733,673

Percent Increase over Current Year:

2.10%

*Anticipated Tax Rate on True **Decrease:***

- 4%



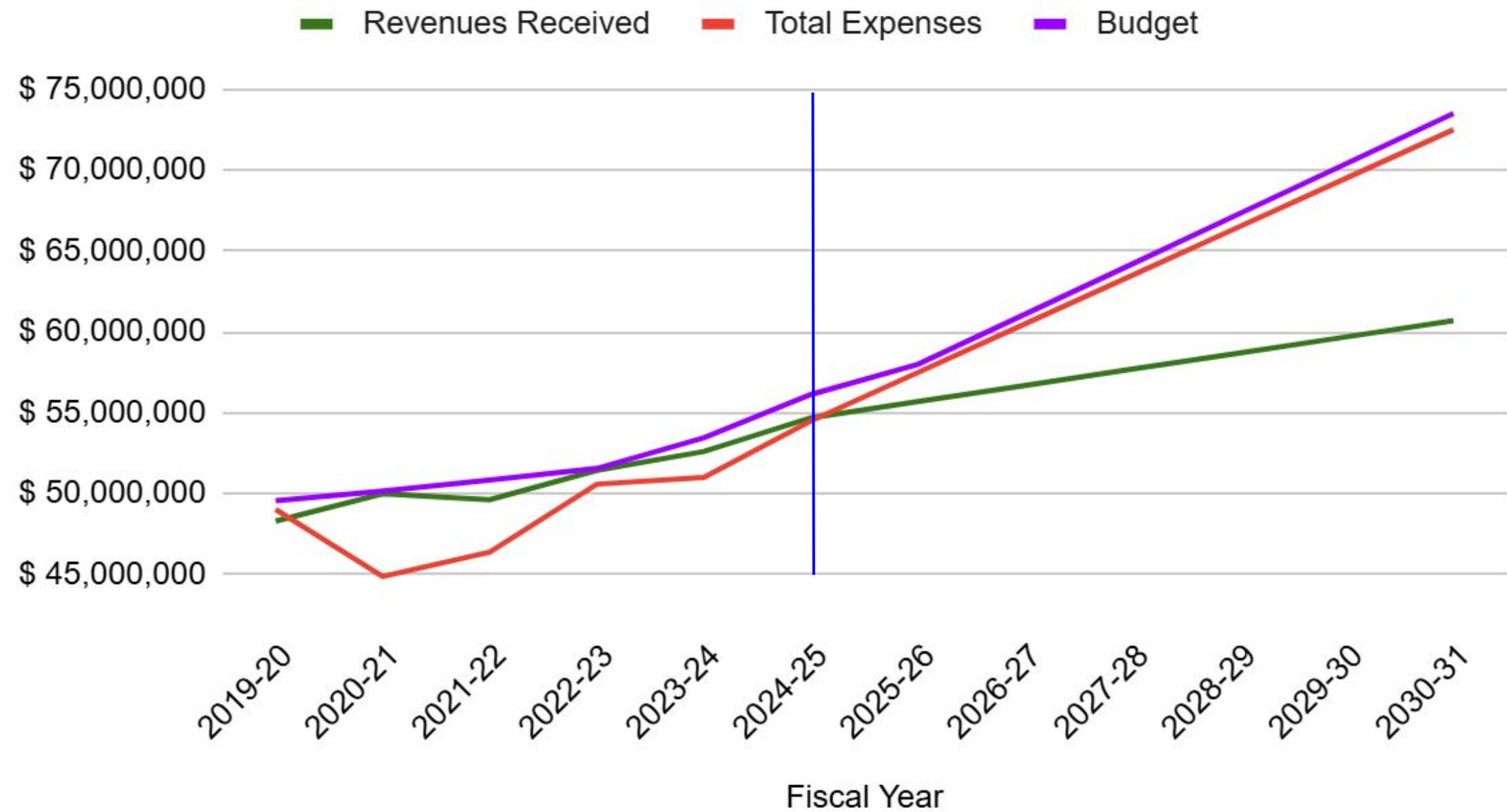
Initial State Aid Projections (Feb 21, 2025)

	2024-25 Legislative Aid	Increase	2025-26 Executive Budget	Budget Adjustments	2025-26 Budgeted Aid As of 2/21/25
Foundation Aid	\$23,328,075	\$466,561	\$23,794,636	\$0	\$23,794,636
Universal Pre-Kindergarten	\$822,340	\$75,503	\$897,843	-\$377,843	\$520,000
BOCES	\$2,344,975	\$493,366	\$2,838,341	-\$38,341	\$2,800,000
High Cost Excess Cost	\$833,554	-\$159,740	\$673,814	-\$3,814	\$670,000
Private Excess Cost	\$155,081	-\$273	\$154,808	-\$4,808	\$150,000
Hardware & Technology	\$23,633	\$13,218	\$36,851	\$0	\$36,851
Software, Library, Textbook	\$132,526	\$28,941	\$161,467	\$0	\$161,467
Transportation, Including Summer	\$1,562,905	\$189,828	\$1,752,733	-\$102,733	\$1,650,000
Building	\$3,710,300	\$7,983	\$3,718,283	\$2,027,335	\$5,745,618
Charter School Transitional	\$115,612	-\$115,612	\$0	\$0	\$0
TOTAL (Excluding UPK)	\$32,206,661	\$924,272	\$33,130,933	\$1,877,639	\$35,008,572

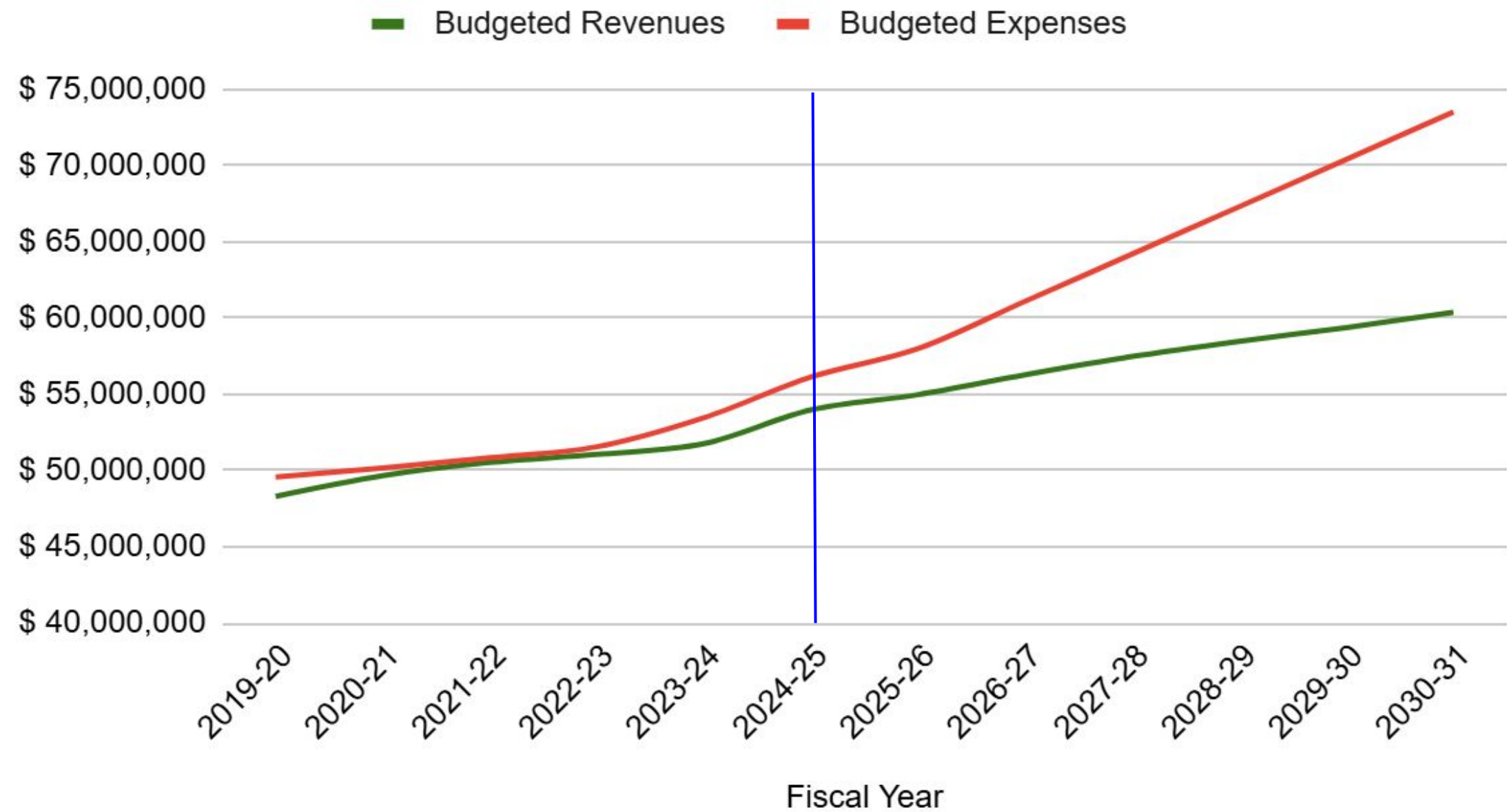
Historical Revenue Projections

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Tax Levy	\$ 17,751,080	\$ 18,107,360	\$ 18,227,859	\$ 18,573,269	\$ 19,328,429	\$ 19,733,673
PILOTs	\$ 141,000	\$ 149,600	\$ 160,600	\$ 165,730	\$ 154,124	\$ 167,601
State Aid	\$ 30,835,771	\$ 31,347,787	\$ 31,741,542	\$ 32,090,698	\$ 33,073,290	\$ 35,008,572
Other Revenues	\$ 942,150	\$ 935,150	\$ 935,150	\$ 935,150	\$ 1,422,307	\$ 1,575,000
TOTAL REVENUES	\$ 49,670,001	\$ 50,539,897	\$ 51,065,151	\$ 51,764,847	\$ 53,978,150	\$ 56,484,846
Appropriated Fund Balance	\$ 500,000	\$ 308,359	\$ 400,000	\$ 740,000	\$ 975,000	\$ TBD
Use of Reserves	\$ 0	\$ 0	\$ 100,000	\$ 961,195	\$ 1,182,000	\$ TBD
TOTAL BUDGET	\$ 50,170,001	\$ 50,848,256	\$ 51,565,151	\$ 53,466,042	\$ 56,135,150	\$ TBD
Unspent from Approved Budget	\$ 5,269,843.68	\$ 4,508,387.78	\$ 1,092,823.61	\$ 2,440,351.72	TBD	TBD
% of Subsequent Budget	10.36%	8.74%	2.04%	4.35%	TBD	TBD

Long-Range Revenue and Expense Projections



Long-Range Budgeted Revenues and Expenses



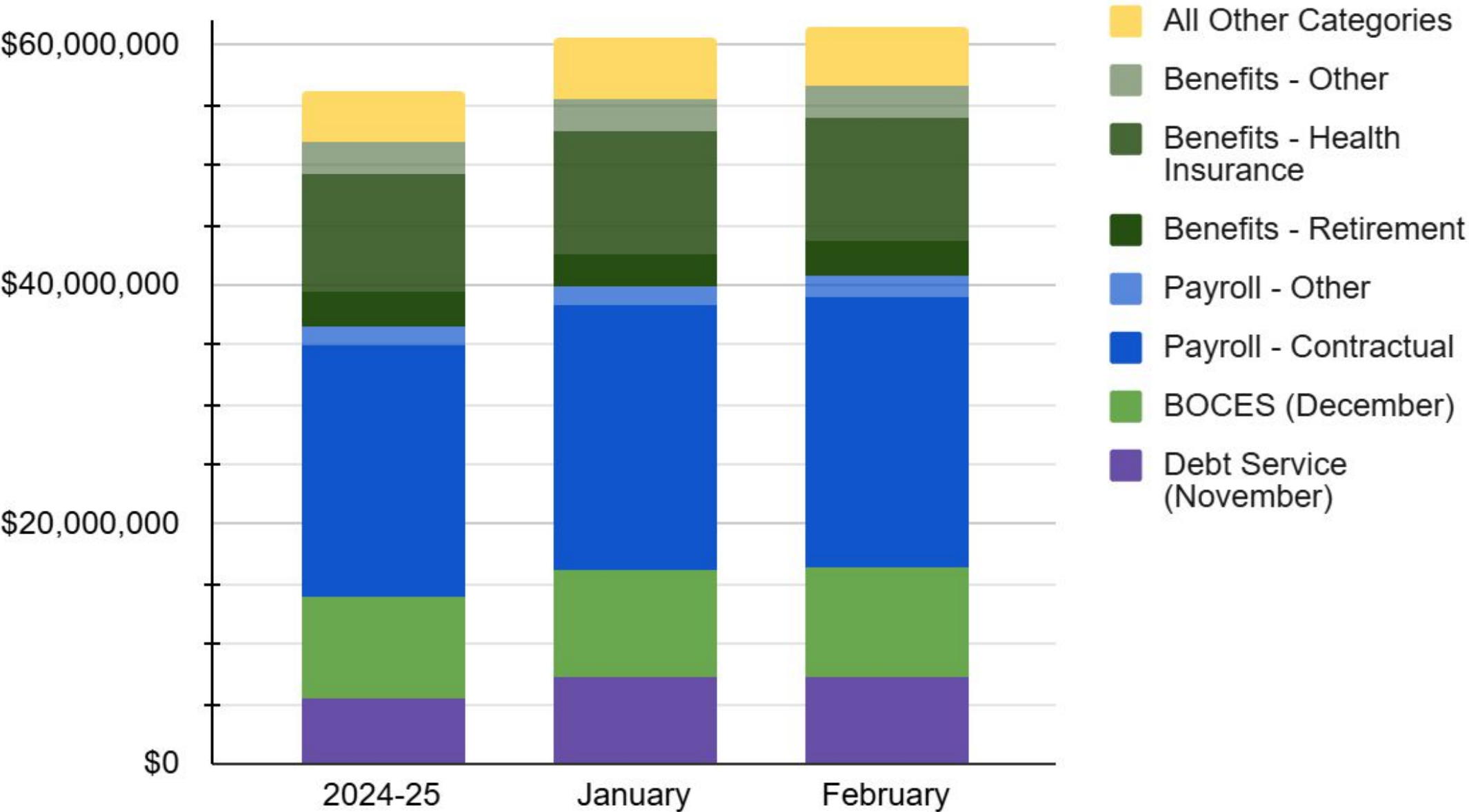
Potential Long-Term Effect on Reserves

	EOY 2023	EOY 2024	EOY 2025	EOY 2026	EOY 2027	EOY 2027
Workers Compensation	\$ 537,465	\$ 565,203	\$ 384,567	\$ 252,270	\$ 139,283	\$ 30,836
Unemployment	\$ 300,148	\$ 311,052	\$ 317,015	\$ 323,294	\$ 329,906	\$ 336,868
Retirement (ERS)	\$ 1,102,314	\$ 1,370,026	\$ 872,983	\$ 182,155	\$ 33,860	\$ -
Insurance	\$ 245,877	\$ 254,897	\$ 110,459	\$ 116,316	\$ 122,483	\$ 128,977
Accrued Employee Benefits	\$ 898,031	\$ 632,868	\$ 613,773	\$ 404,122	\$ 183,354	\$ -
Capital	\$ 3,629,276	\$ 3,760,979	\$ 3,960,397	\$ 3,433,272	\$ 3,615,314	\$ 3,807,008
Repair	\$ 440,990	\$ 745,928	\$ 690,707	\$ 622,028	\$ 549,707	\$ 473,552
Tax Certiorari	\$ 797,297	\$ 204,580	\$ 215,427	\$ 226,850	\$ 238,878	\$ 251,544
TRS	\$ 656,900	\$ 809,354	\$ 745,839	\$ 458,874	\$ 209,345	\$ 200,000
Reserves Applied	\$ (100,000)	\$ (961,195)	\$ (1,182,000)	\$ (1,685,000)	\$ (1,060,000)	\$ (646,559)
Total Reserves:	\$ 8,608,298	\$ 8,654,887	\$ 7,911,167	\$ 6,019,181	\$ 5,422,130	\$ 5,228,785
Percent of Budget:	16.10%	15.42%	13.64%	9.85%	8.45%	7.77%

Progress of 2025-26 Budget

- Current Expense/Revenue Budgets
 - Projected Expenses: \$61,450,180 (9.47% or \$5,315,030 increase)
 - \$913,977 INCREASE since January
 - Projected Revenues: \$56,984,846 (1.51% or \$849,696 increase)
 - \$60,982 INCREASE since January
- Continue to close budget gap
 - Current Budget Gap: **\$4,465,334** (Assumes \$500,000 Fund Balance)
 - Current Foundation Aid Projections assumes Hold Harmless of 2%
 - Includes actual BOCES rates for 2025-26
 - Staffing and BOCES Services will need some closer examination

Current Year Budget and Projected Budget



Staffing Adjustments Since January

- Elementary Staffing increases **\$475,000 increase**
 - Based on projected enrollment of General and Special Ed students
 - Three additional PK-6 sections, Two additional Special Ed teachers

- High School Staffing requests **\$80,000 increase**
 - Backfill retiring ELA teacher with a counselor
 - Add part time Special Education teacher

- IT Department Staffing request **\$85,000 increase**
 - Add Network Administrator

Expense Adjustments Since January

- BOCES Service Projections \$218,552 increase
 - 2025-26 final rates applied
 - Updates to original service requests (cross contracts added)
- Utilities \$11,682 decrease
 - Updated expected expenses based on current year actual costs
 - Incorporated slight increase due to anticipated increase in some charges
- Liability Insurance \$17,300 increase
 - Assume 15% increase in premium costs
- All other net adjustments \$49,807 increase

Revenue Adjustments Since January

- Local Revenue \$3,462 increase
 - \$14,139 decrease from projected Tax Levy
 - \$17,601 increase from projected PILOTs

- Miscellaneous Revenue \$57,250 increase
 - Other Charges for Services
 - Earnings and Interest
 - Other Refunds

- State Aid \$87,200 increase
 - Increase Building Aid to reflect aid to be received \$100K project

Next Steps for Budget Work

- Revenue and Expense Budgets must match
 - Final budget gap will be closed with Fund Balance and Reserve use
 - To keep Fund Balance steady and/or growing, the anticipated surplus must be at least the total Fund Balance and Reserve use
- Expense Budget
 - Focus: Reduce projected expenses by at least \$2-3 million
 - Closer look at staffing (do we backfill vacancies?) and BOCES services
- Revenue Budget
 - Focus: Miscellaneous Revenues: Indirect funding from C-Fund?
 - Not much room to increase projected revenues
 - Regular reviews of projected end-of-year Fund Balance

Unassigned Fund Balance Projections

- Regular reviews of Fund Balance projections
- Current projection: \$2,650,705
- Current 4% RPTL Limit: \$2,320,000 (Assumes \$58 million budget)
- **Current projected excess: \$330,705**
 - This includes \$1,182,000 from Reserves
 - Without Reserves, current FB projection would be: \$1,468,705 (2.53%)

Fund Balance projections will change by EOY

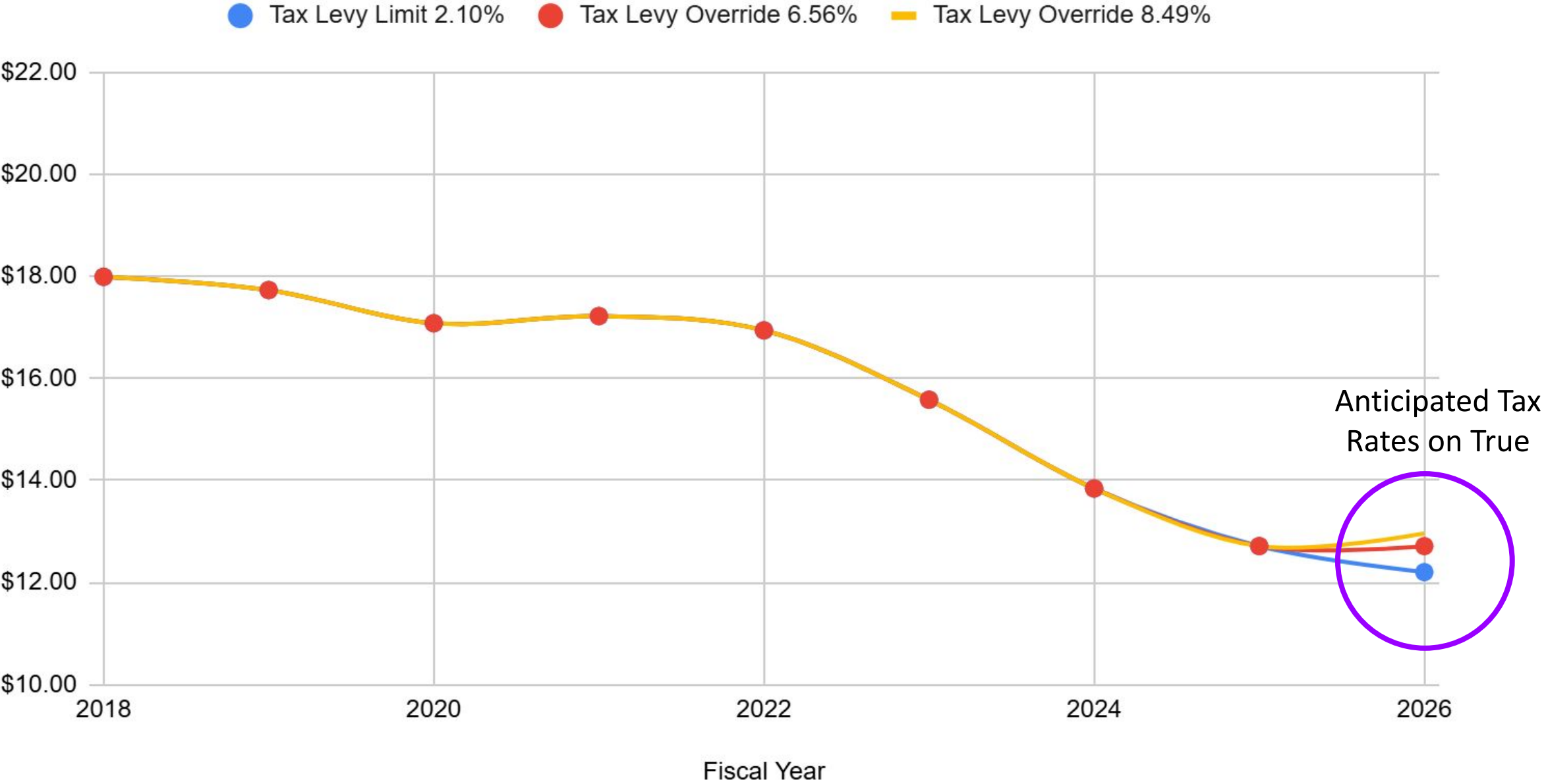
- Unanticipated expenses lower FB projections
- Unanticipated Miscellaneous Revenues can increase FB projections
- Appropriated Fund Balance will lower FB projections
- Final adjustments will be made during annual Audit in July/August

Tax Levy Options

- Current Budget Gap: **\$4,965,334** (With \$0 Appr. Fund Balance)
- **Option A: Current budget - Tax Levy Limit**
 - Tax Levy: \$19,733,673 2.10% Increase (50% + 1)
 - Reserves: \$1,685,000 Maximum allowable from Reserves
 - Fund Balance: \$3,280,334 ← Will be reduced based on expense reductions
- **Option B: Tax Levy Override?**
 - 2024-25 Tax Rate on True: \$12.71
 - 2025-26 Anticipated Tax Rate on True: \$12.20
 - Bring anticipated Tax Rate on True to same as current year?
 - Bring anticipated Tax Rate on True back to 2018-2022 levels? (Phased in?)

■ 2018:	\$17.99	2019:	\$17.73	2020:	\$17.08	2021:	\$17.22
■ 2022:	\$16.94	2023:	\$15.58	2024:	\$13.84	2025:	\$12.71

Historical Tax Rates (per \$1,000 of assessed value)



Options for Tax Levy Override

- Current Budget Gap: **\$4,965,334** (With \$0 Appr. Fund Balance)
- **Option B1: Bring Tax on True back to current year level: \$12.71**
 - Tax Levy: \$20,596,911 6.56% Increase (60% approval needed)
 - Reserves: \$1,685,000 ← Will be reduced based on expense reductions
 - Fund Balance: \$2,417,096 ← Will be reduced based on expense reductions
- **Option B2: Increase Tax on True by 2% from current year level: \$12.96**
 - Tax Levy: \$20,969,901 8.49% Increase (60% approval needed)
 - Reserves: \$1,685,000 ← Will be reduced based on expense reductions
 - Fund Balance: \$2,044,106 ← Will be reduced based on expense reductions

Note: If Tax on True were at 2018 levels (\$18 per thousand), the Total Tax Levy would have been about \$29 million for next year.

Next Presentation - March 25

- Draft Revenue Budget
 - Decision if the district will request a Tax Levy Override
- Draft 2025-26 Budget
 - Broken down by category
 - Proposal for closing the remaining budget gap

April 21

- BOCES Budget Adopted (Admin/Rent/Capital)
- Final Draft of 2025-26 Budget
- BOE Adopts 2025-26 Budget



Questions?

