



Middleburgh CENTRAL SCHOOL DISTRICT

> 2023/2024 Budget Development

- ▶ Budget Workshop #2
 - Budget Review
 - Tax Levy/State Aid Projections

February 1, 2023





Middleburgh CENTRAL SCHOOL DISTRICT

> **2023/2024 Budget Development Agenda**

- ▶ Budget Updates
- ▶ State Aid – Executive Budget Proposal
- ▶ Tax Levy Limit & PILOT
- ▶ Voter Proposition – School Buses
- ▶ Capital Reserve Consideration
- ▶ Budget Development Timeline





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> **Budget Updates – 2023/2024**

▶ Changes/Impact to Budget:

- **Salaries & Benefits**
 - ✓ Changes since January 2023 - ongoing
- **Special Education**
 - ✓ Tuition - based on current/projected placements
 - ✓ Review of Contractual services/obligations
 - ✓ Subject to change – end of March
- **BOCES Services**
 - ✓ Based on current/projected commitments
 - ✓ Release of rates - mid-February
 - ✓ 3% increase all budget lines still intact





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> Budget Updates – 2023/2024

- ▶ Changes/Impact to Budget:
 - Health Insurance Costs
 - ✓ 7% increase for medical – rate now final
 - ✓ Still projecting a 20% Rx increase (final – March)

- ▶ Preliminary Budget as of 2/1/2023:
 - \$24,640,734
 - Increase of \$829,357 or +3.48% from the 22-23 year
 - Rollover Budget was \$24,722,699
(-\$81,965 less since last meeting)





Middleburgh CENTRAL SCHOOL DISTRICT

> Budget Updates – 2023/2024

- ▶ Preliminary Budget as of 2/1/2023:
 - \$24,640,734
 - Increase of \$829,357 or +3.48% from the 22-23 year

BY BUDGET SUMMARY	2022 - 23 Budget	2023-2024 Preliminary Budget	Dollar \$ Change	Percent % Change
Support	2,211,799	2,393,054	181,255	8.19%
Instruction	11,327,040	10,887,941	-439,099	-3.88%
Pupil Transportation	1,371,000	1,409,784	38,784	2.83%
Employee Benefits	6,883,892	7,775,250	891,358	12.95%
Debt Service	1,857,646	2,034,705	177,059	9.53%
Capital Outlay Transfer	100,000	100,000	0	0.00%
Interfund Transfer	60,000	40,000	-20,000	-33.33%
Total	23,811,377	24,640,734	829,357	3.48%





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> Budget Updates – 2023/2024

- ▶ Preliminary Budget as of 2/1/2023:
 - \$24,640,734
 - Increase of \$829,357 or +3.48% from the 22-23 year

Description	2022-2023	2023-2024	Change \$	Change %	% of Budget
Salaries & Benefits	16,522,570	17,327,491	804,921	4.87%	70.32%
Contractual Services/Tuition	2,522,291	2,227,514	-294,777	-11.69%	9.04%
BOCES Services	1,930,615	2,092,144	161,529	8.37%	8.49%
Debt Service	1,857,646	2,034,705	177,059	9.53%	8.26%
Inter-Fund Transfers	160,000	140,000	-20,000	-12.50%	0.57%
Equipment/Materials & Supplies/Textbooks	818,255	818,880	625	0.08%	3.32%
Total	23,811,377	24,640,734	829,357	3.48%	100.00%





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> **Budget Development 2023/2024**

- ▶ Will be realigning the Budget for
 - Budget Requests/requisitions
 - ✓ i.e., software/subscriptions, materials & supplies, contractual
 - BOCES Services
 - ✓ Awaiting rates/commitment forms from BOCES
 - Out-of-district placements (tuition) - *Ongoing*
 - ✓ Actual & anticipated placements
 - Instructional Materials
 - ✓ To reflect maximum state aid
 - Long-Range Plans
 - ✓ To reflect replacements up to 3 years
 - Benefits
 - ✓ Rx once rates are finalized
 - ✓ NYS TRS rate once finalized





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2023/2024 Executive Budget Proposal

- Release of Information – much later than years past
- Need information to complete tax cap calculation



Highlights: Foundation Aid Increase?



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> 2023/2024 Tax Levy Payment in Lieu of Taxes (PILOT) Middleburgh Meadows

As per PILOT Schedule:		Actual Payment Rec'vd for PILOT:	
2022/2023 (Fall 2022 Pymt)		2022/2023 (Fall 2022 Pymt)	
Grocery Store	\$6,250	Grocery Store	\$6,250
Common Area	\$15,000	Common Area	\$15,000
Housing Units^	\$64,000	Housing Units*	\$12,000
Total	\$85,250	Total	\$33,250
Middleburgh CSD Portion	54.60%	Middleburgh CSD Portion	54.60%
School Portion - Anticipated Pymt	\$46,546.50	School Portion - Actual Payment	\$18,154.50
^ As per PILOT agreement, assumption by year 6 32 units would be "constructed but unsold"		*As per PILOT agreement, "additional \$2,000 per year per unit for each unsold unit after Year 5"	
Estimated Revenue for PILOT, 2022/2023 school year		As of September 1st, there were only 6 units "constructed but unsold", not the "much more likely scenario" of 32 units	
PILOT Revenue will be understated by (\$28,391.50)			





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> 2023/2024 Tax Levy Payment in Lieu of Taxes (PILOT) Middleburgh Meadows

PILOTS Receivable

2023	2022	2021	2020	2019	2018
46,546	7,917	7,917	7,917	7,917	0

First year – Housing units \$ part of PILOT – amount used for tax cap calculation

Actual 22/23 year payment, \$18,154.50
6 Units at 9/1/22 “constructed but unsold”

As of 2/1/23 – 3 units “constructed but unsold”, 3 units back on the tax roll (unknown \$) – if other construction not completed by 9/1/23, PILOT would be \$14,878.50.

What \$ do we use for the 2023/2024 year PILOT?





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> 2023/2024 Tax Levy Payment in Lieu of Taxes (PILOT)

- Construction in progress for more units
- TBD – how many “constructed but unsold” units?
 - Current – 3
 - By September 1?

NYS Office of the State Comptroller – *“the [PILOT] amount should be based on a good faith estimate of the amount the district expects to receive”*

****Must document how amount was determined****





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> Budget Development - Revenues

- ▶ Tax Levy
 - Complete tax cap calculation/tax levy limit
 - Finalize tax levy amount for voter approval - April
- ▶ State Aid
 - Review projected expenses for expenditure-driven aids, instructional materials aid categories
 - Await Legislative Budget – March 31st due date
- ▶ Local/Other Revenues
 - Review current/future estimates
- ▶ Fund Balance
 - Monitor to ensure funds available to appropriate for the next school year/to transfer to reserve(s)



Middleburgh CENTRAL SCHOOL DISTRICT

> Voter Propositions

▶ School Bus Purchase

■ As per Bus Replacement Plan

- ✓ Bus Cycle – Safety & Efficiency
- ✓ Every 10 years cycle out – replace every year
- ✓ NYS Contract Pricing
- ✓ 1 60 passenger bus – \$154,805
- ✓ 1 30 passenger bus w/AC - \$103,684
- ✓ 1 Mini Van – cost TBD
- ✓ State Aid Ratio - 77.3%, aid paid over 5 years
 - Example: $\$300,000 \times 77.3 = \$231,900$ → \$46,380/year
 - » Local share, \$68,100 → \$13,620/year





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> Voter Propositions

▶ Capital Reserve Information

- ✓ To minimize tax impact/offset the local share (taxpayer's portion) of the cost
- ✓ Funded with excess fund balance
 - Review FB projection with BOE each year to determine possible deposit amount
- ✓ Benefits taxpayers/district's infrastructure
- ✓ BOE Resolution – to deposit funds into reserve
- ✓ Voter approval – creation of reserve (term/limit/purpose), withdrawal funds from reserve





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> Voter Propositions

▶ Capital Reserve Considerations

- Electric school bus transition (by 2035)
- Future capital project(s)
 - ✓ Example: 10 year, \$4M Limit for future construction, renovation, site work

State aid ratio – 79.8%
(paid over a # of years) - For every \$1 spent, NYS reimburses District \$0.798 - the difference of \$.202 comes from the local share (taxpayers).

- 2 Project cycles (every 5 years, after BCS) – 2028, 2033
- Withdrawal \$2M from Reserve – \$10,000,000 Project
 - » State Share, \$7,980,000 (over 15 years, \$532,000)
 - » Local Share, \$2,020,000 - \$2,000,000 = \$20,000
 - » w/reserve, \$20,000/15 years = \$1,333
 - » w/o reserve, \$2,020,000/15 years = \$134,667





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> Budget Development Presentations

- ▶ February 15 – Budget Workshop #3
 - Budget review & Estimated Revenues

- ▶ March 15 – Budget Workshop #4
 - Discuss Buildings & Grounds/Transportation/General Support/Debt Service budgets, Fund Balance Projection, Budget review

- ▶ March 29 – Budget Workshop #5 (No BOE Mtg)
 - Discuss Instructional/Technology/Athletics budgets, Employee benefits budget, Tentative Budget & Revenue Review





Middleburgh CENTRAL SCHOOL DISTRICT

> Budget Development Presentations

- ▶ April 5 (IF NEEDED) — Budget Workshop #6
 - Review Final Tentative 2023/2024 Budget review for voter approval
- ▶ April 19 – BOE Tentative Budget Adoption
 - Final Tentative 2023/2024 Budget review for voter approval
- ▶ May 3 - Annual Budget Hearing
- ▶ May 16 - Budget Vote / BOE Election

