



# **Short and Long Range Financial Plan**

**November 20, 2024**



# The Purpose for Planning

- Short Term
  - To take an early look at what to expect with the 2025-2026 budget process
- Long Term
  - To study trends so we can make predictions and plans for the future

# Long Range Financial Planning

## Budgets are based on:

- Detailed analysis of individual budgetary accounts
- More conservative-targeted spend out ratio, actual projections, etc...

## Longer term forecasts are based on:

- Trend Analysis-Actual Revenues and Expenses
- Broader Assumptions
- Incrementing Factors
- Most accurate first year-then corrective action

# Long Range Financial Planning

- The long-range financial plan is the foundation for all plans:
  - What is the baseline cost to continue all current programs?
- The long-range financial plan becomes the background for collaborative goal setting for both short and long-term goals.
  - *How can we maintain what we have?*
  - *What do we need to plan for?*
  - *What resources will be needed?*
  - *How can we fund these resources and maintain what we have?*



# Finances are Directly Affected by Student Enrollment and Staffing Levels

- From 2008-2009 to 2024-2025 enrollment has decreased by over **35%**.
- From 2024-25 to 2029-2030 enrollment is projected to decrease by **20%**.

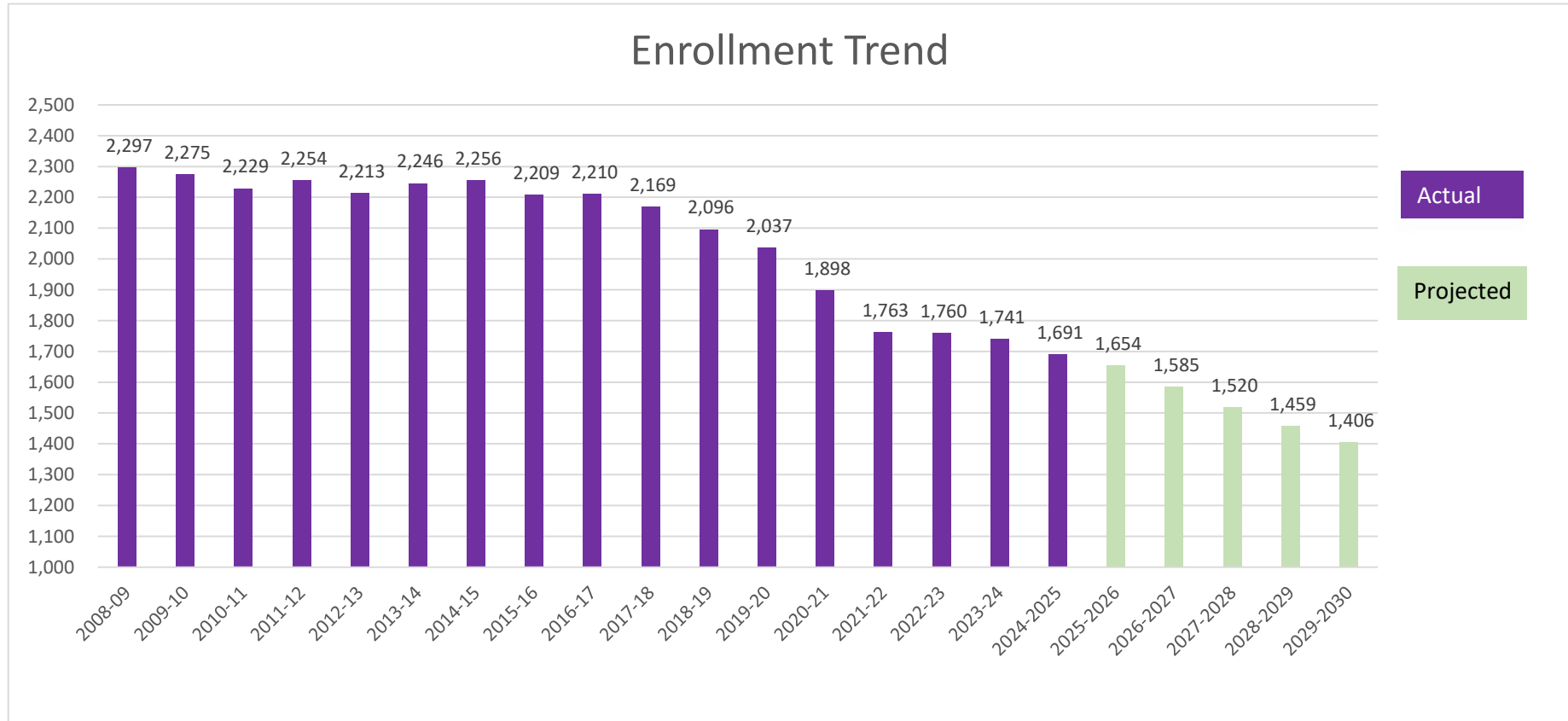
# Enrollment History & Projections

## Enrollment History

Enrollment has been decreasing over the years and is expected to continue to decrease. From 2008-09 to 2024-2025 enrollment has decreased by over 35%.

## Enrollment Projections

Used a 5 year average to determine kindergarten enrollment and grade advanced the enrollment each year. From 2024-25 to 2029-2030 enrollment is projected to decreased by 20%.

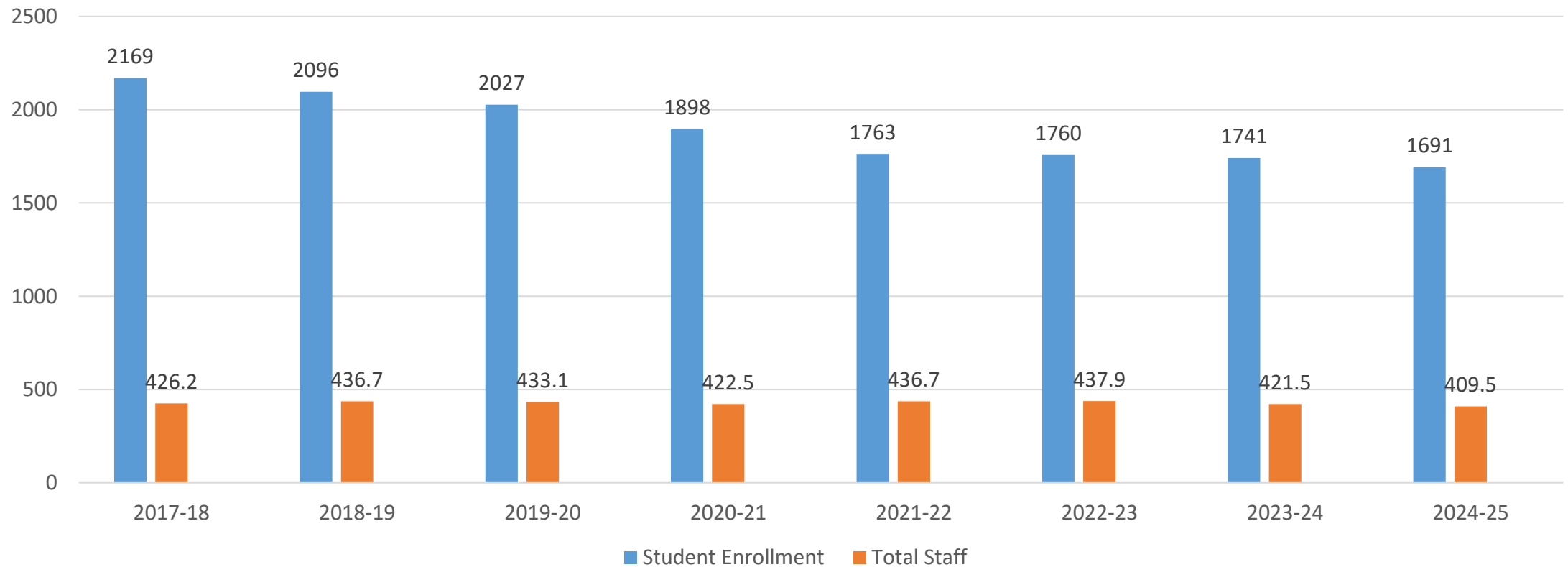


Enrollment figures do not include out of district placements

<b>Grade</b>	<b>Enrollment 2023-2024</b>	<b>Projected Enrollment 2024-2025</b>	<b>Actual Enrollment 2024-2025</b>	<b>Estimated Enrollment 2025-2026</b>
K	94	100	98	100
1	98	94	106	98
2	102	98	99	106
3	124	102	110	99
4	135	124	128	110
5	111	135	134	128
6	132	111	118	134
7	135	132	132	118
8	149	135	139	132
9	158	174*	157	149*
10	167	158	160	157
11	145	167	163	160
12	191	145	147	163
<b>Total</b>	<b>1741</b>	<b>1675</b>	<b>1691</b>	<b>1654</b>

# Here is how staffing levels have corresponded with declining enrollment

Student Enrollment and Staffing vs. School Year

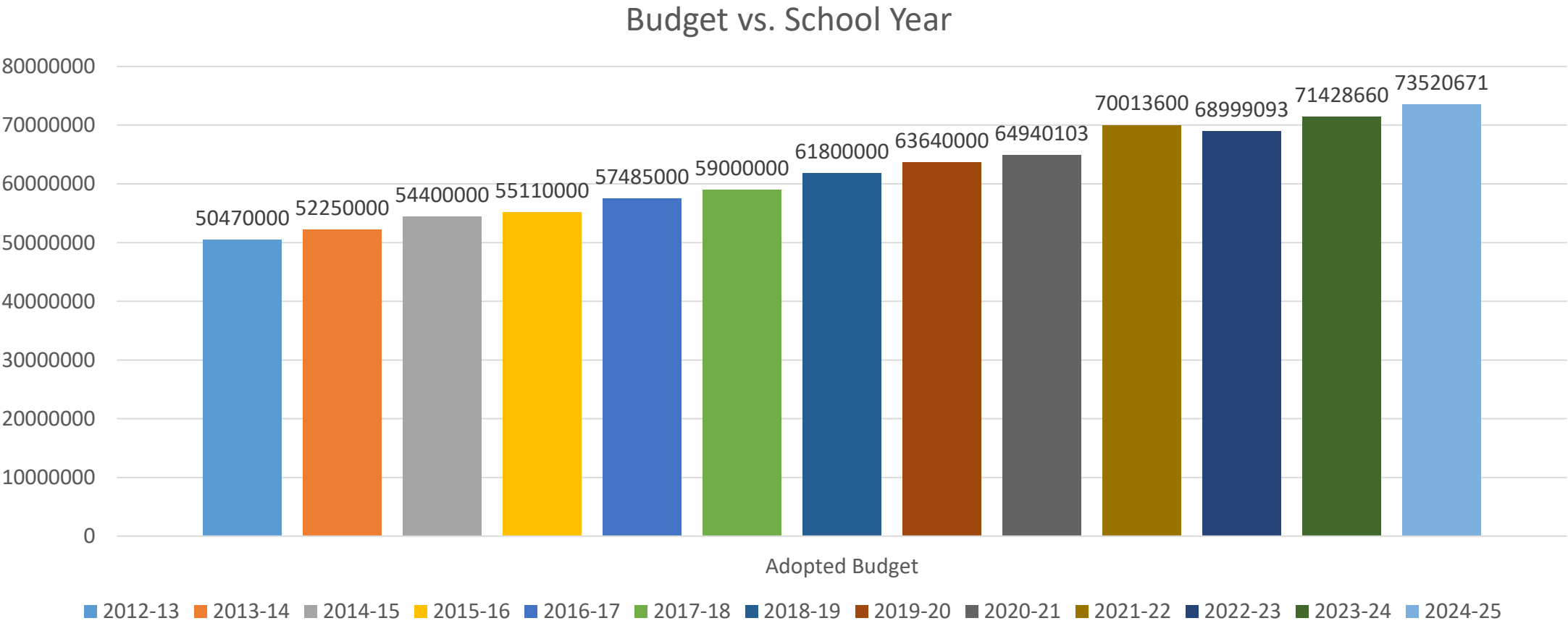




Steps have been taken to adjust to declining enrollment

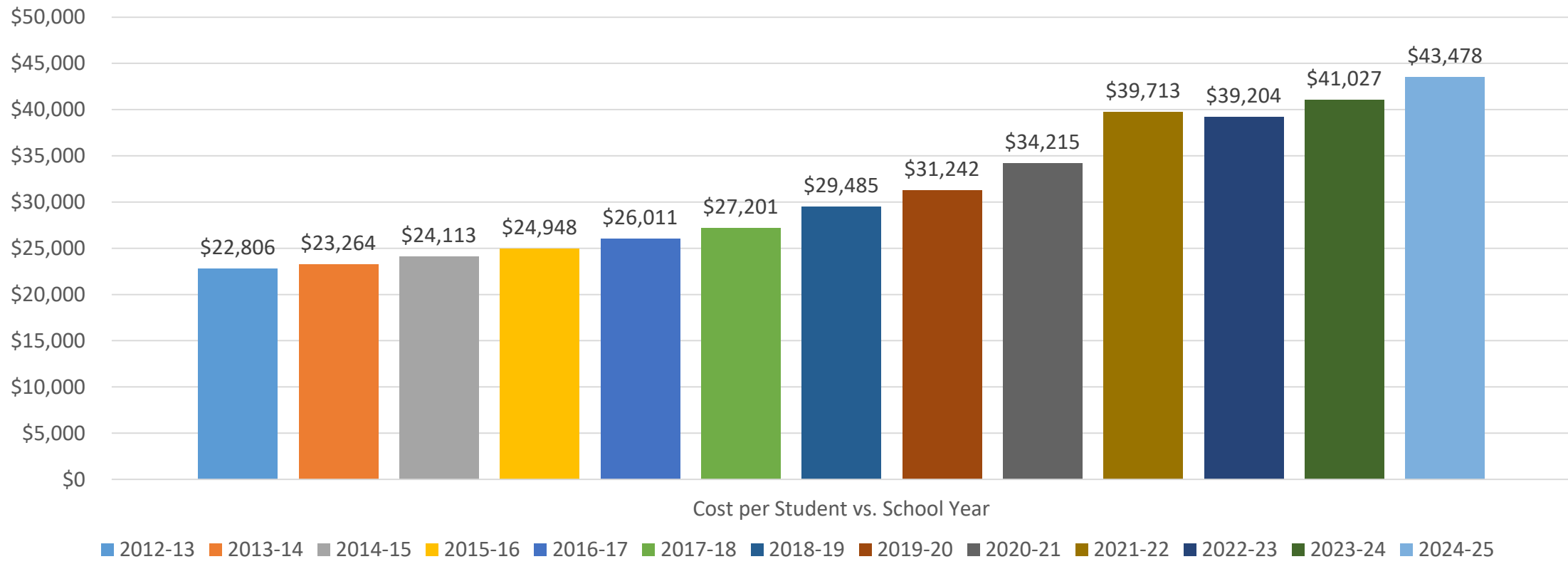
Difficulties remain when trying to balance the budget

# Total Approved Budget vs. School Year



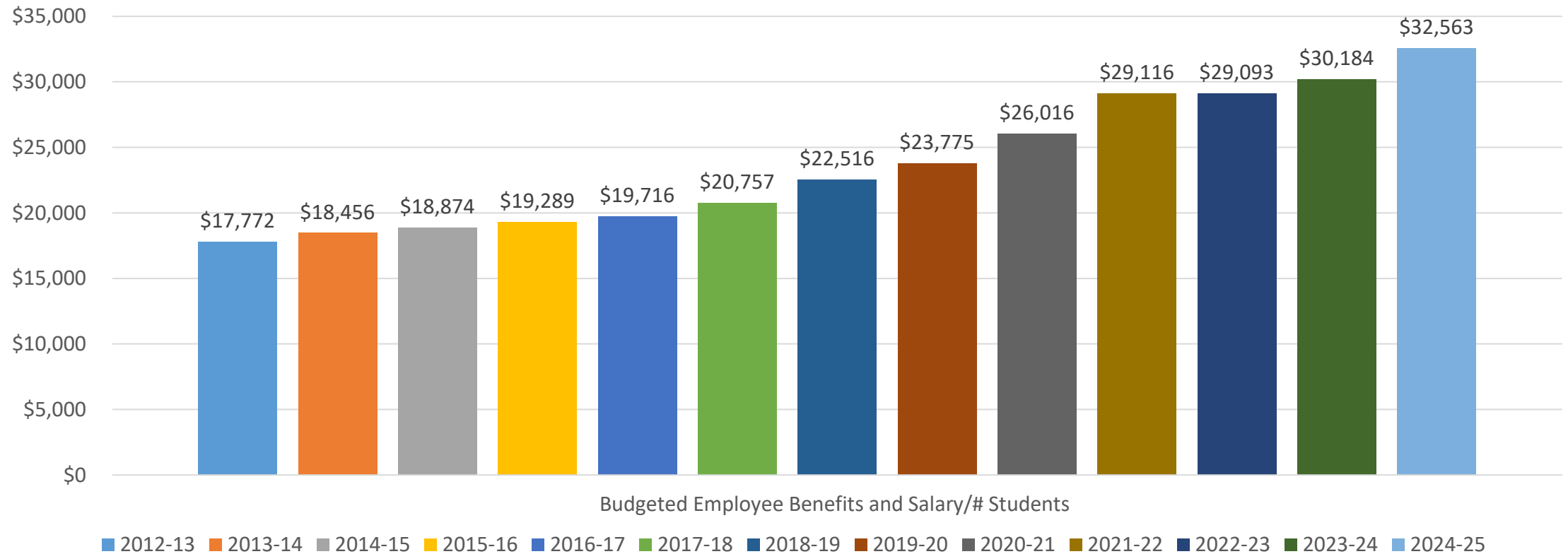
# Total Budget/# Students vs. School Year

Cost per Student vs. School Year



# Budgeted Employee Benefits and Salary/# Students per School Year

Budgeted Employee Benefits and Salary/# Students vs. School Year



# Key Financial Factors

## Revenue

- Property Tax Cap/Tax Levy
- Growth & CPI rates used in the Tax Levy Cap Formula
- State Aid
- Fund Balance

## Expenditures

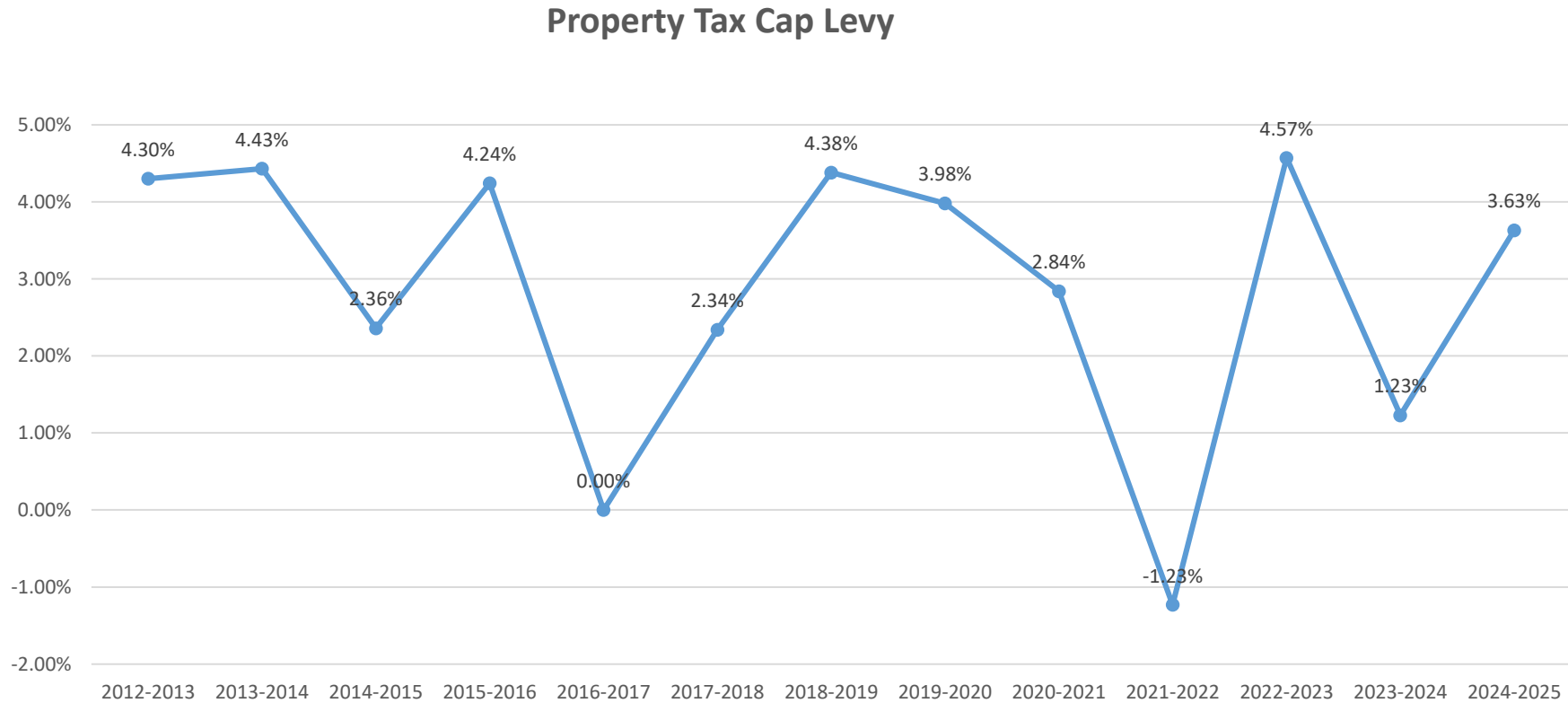
- Salaries
- Employee Retirement Rates(ERS)
- Teacher Retirement Rates(TRS)
- Health Insurance Premiums
- Special Education Expenses

# There are things we don't know yet for 2025-2026

- Salaries and Benefits for Unsettled and Expiring Contracts
- State Foundation Aid Formula and the Rockefeller Institute
- Tax Cap
- BOCES Expenses
- TRS Rate
- Kindergarten Enrollment
- Some Health Insurance Rates

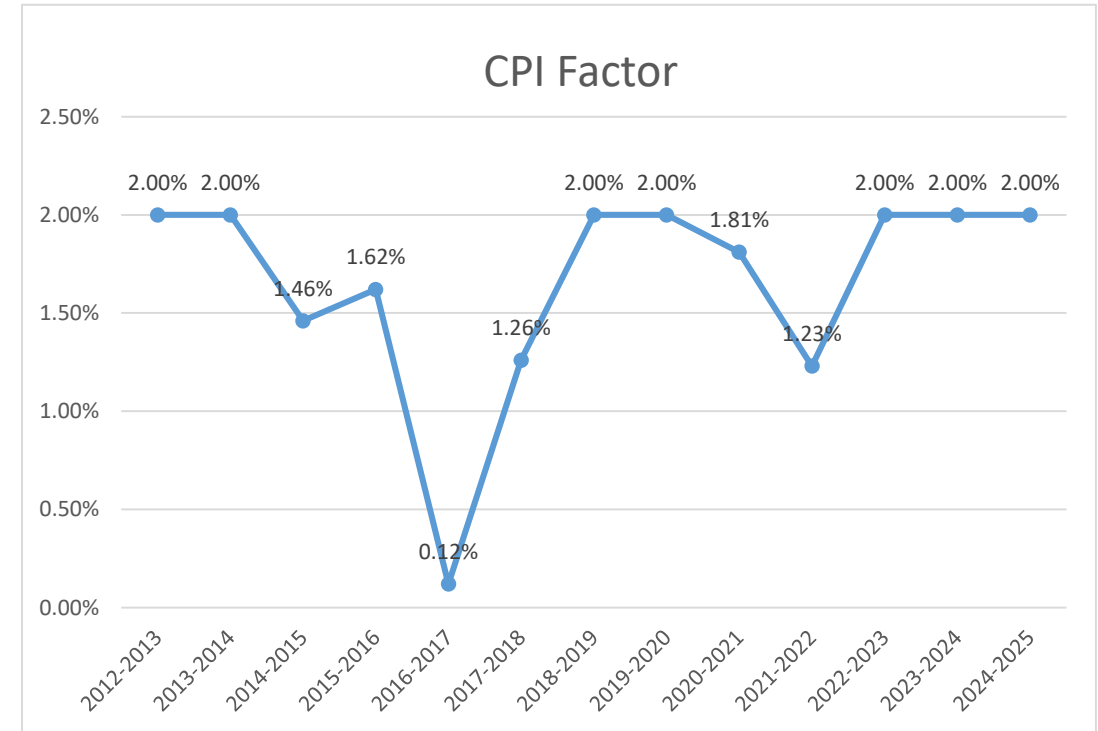
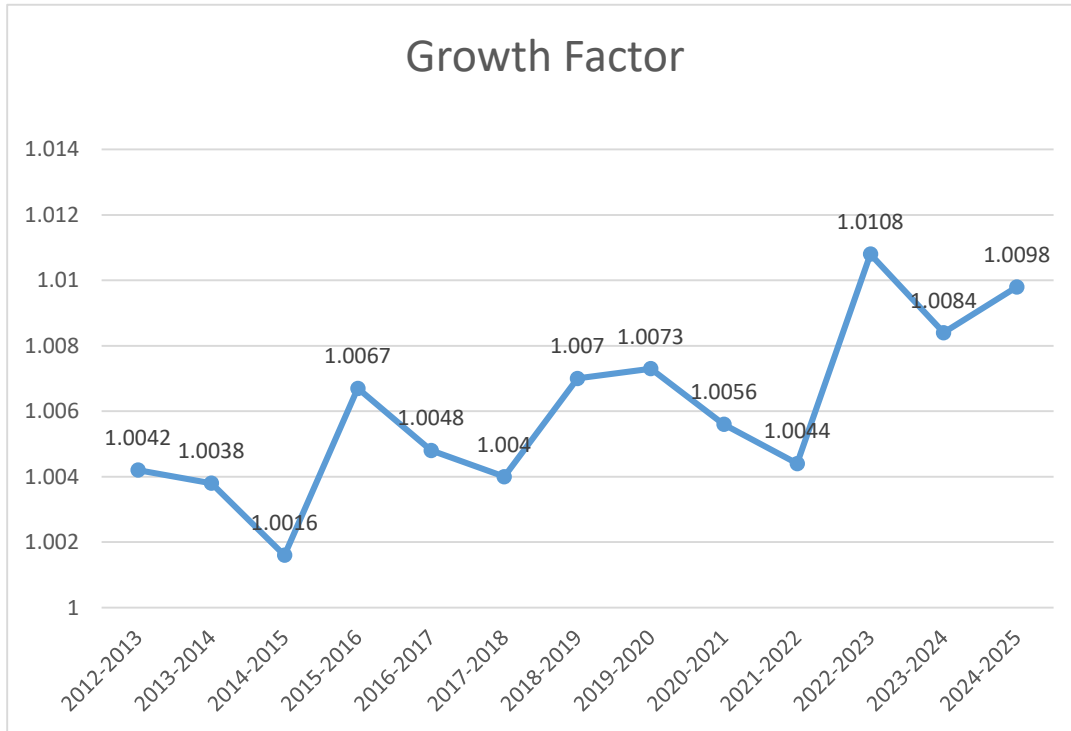
# Property Tax Cap

The Property Tax Cap is a formula that determines the amount we can increase our tax levy. Two key factors in the formula are the growth factor and CPI. CPI is capped at 2%.



# Growth & CPI Factor

used to calculate tax cap



Growth Factor is a percentage by which the full value of the taxable real property in the school district increases due to physical or quantity change, compared with the prior year tax roll (growth in full value due to construction, additions, and improvements to real property).

Growth Factor changes are determined by the Office of the State Comptroller and the Consumer Price Index (CPI) is determined by the U.S. Bureau of Labor Statistics. CPI is capped at 2%.



# ERS and TRS Contribution Rates

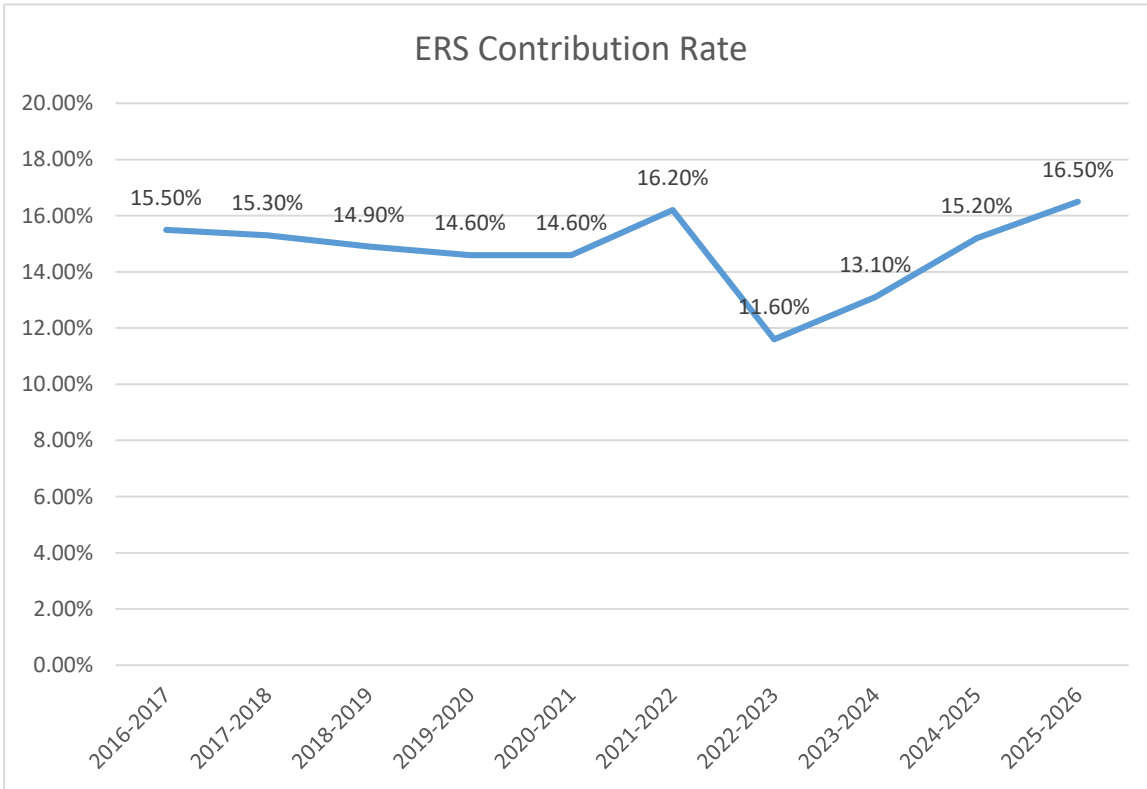
- TRS is the Teacher Retirement System
- ERS is the Employee Retirement System
- Each year the district has to pay these retirement systems a percentage of our total payroll for members in these systems.
- The more employees we have and the more they make, the more our district must pay.

# Estimated Total Salaries for 2025-2026

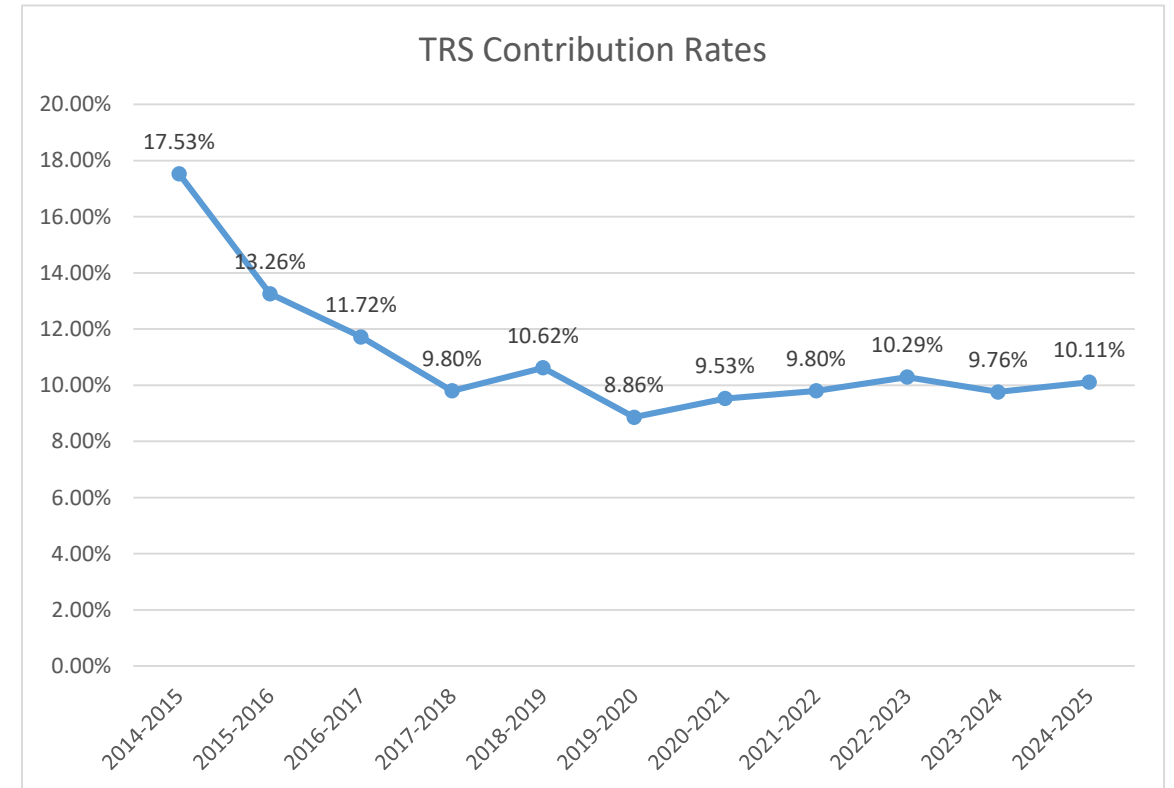
- Certified Instructional Staff      \$24,942,027
- Non-Certified Staff                      \$10,635,463

# ERS and TRS Contribution Rates

### ERS Contribution Rate



### TRS Contribution Rates



The amount of money we pay to the Employee Retirement System(ERS) is determined by multiplying the cost of non-instructional salaries by the ERS rate and the amount of money we pay to the Teacher Retirement System(TRS) is determined by multiplying the cost of instructional salaries by the TRS rate. ERS & TRS rates are determined by each retirement system.

# ERS, TRS, and FICA Contribution Rates

- For 2025-2026
- TRS will cost us 10.11% of \$24,942,027 = **\$2,521,639**
- ERS will cost us 16.50% of \$10,635,463 = **\$1,754,851**
- FICA will cost us 7.65% of \$35,577,490 = **\$2,721,678**

# NPCSD Offers Two Health Insurance Plans for Employees

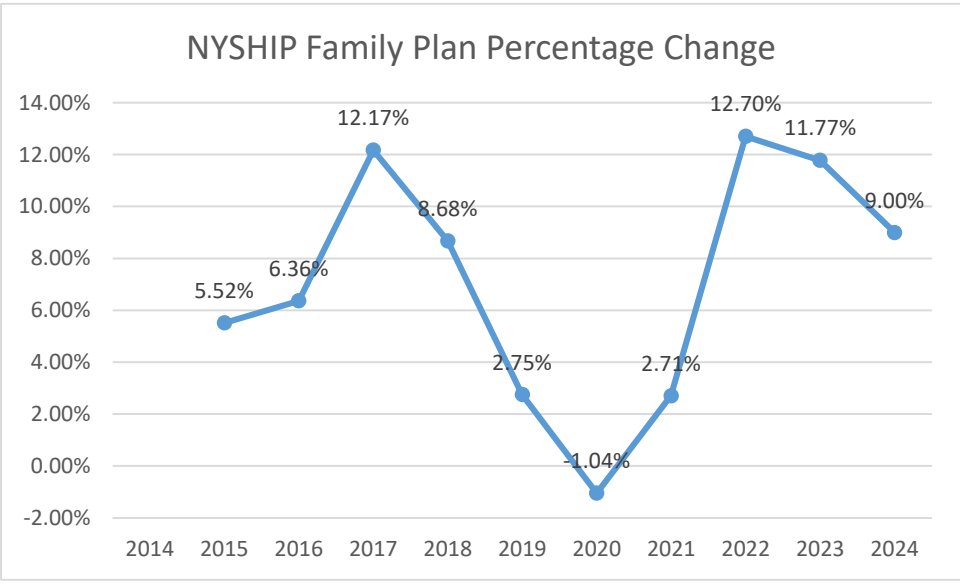
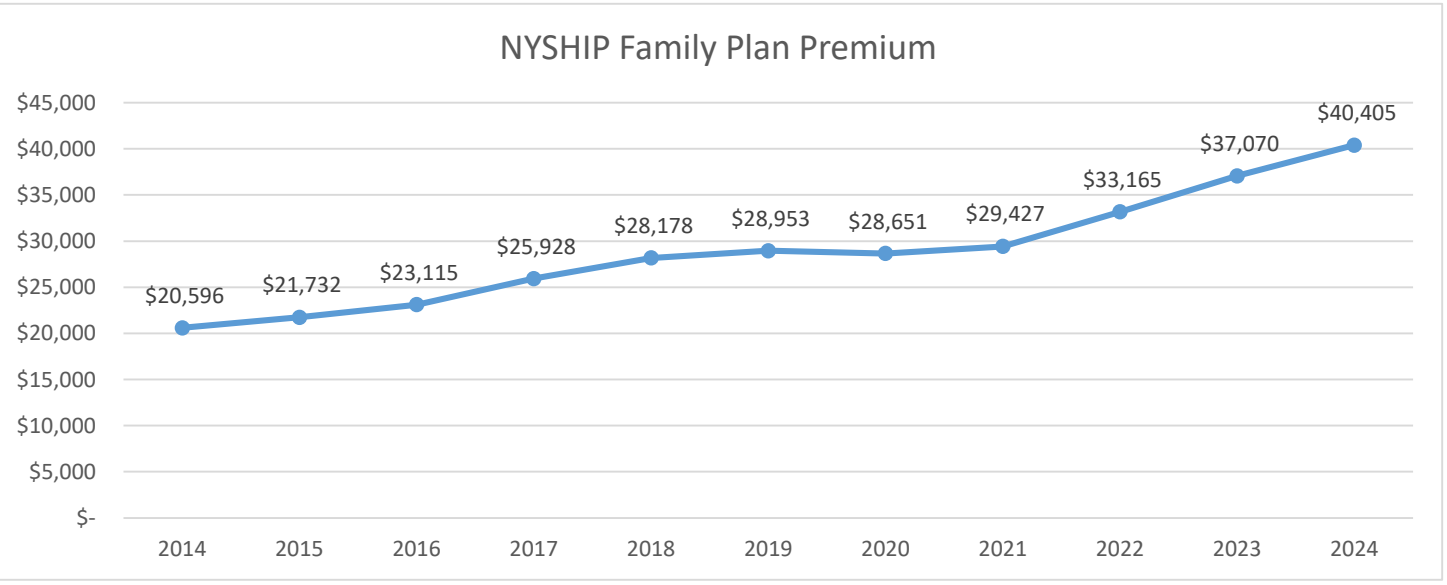
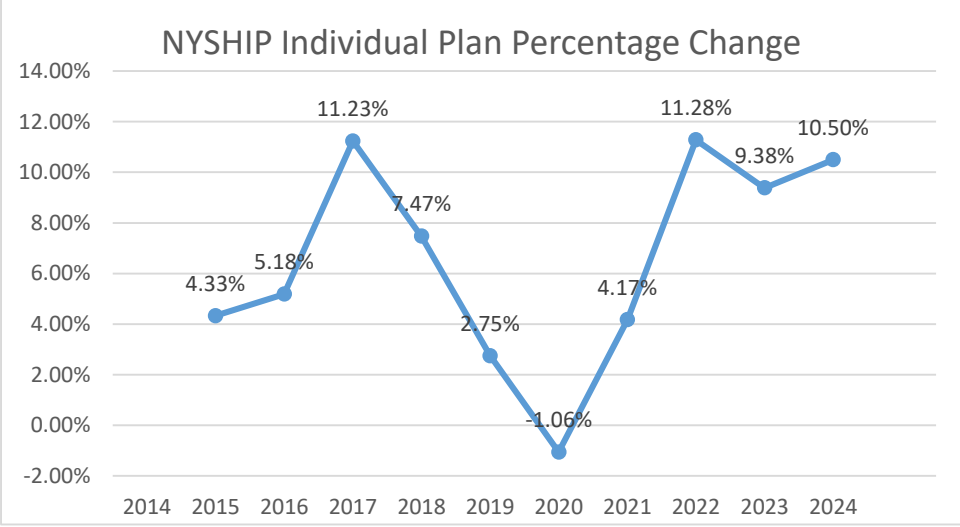
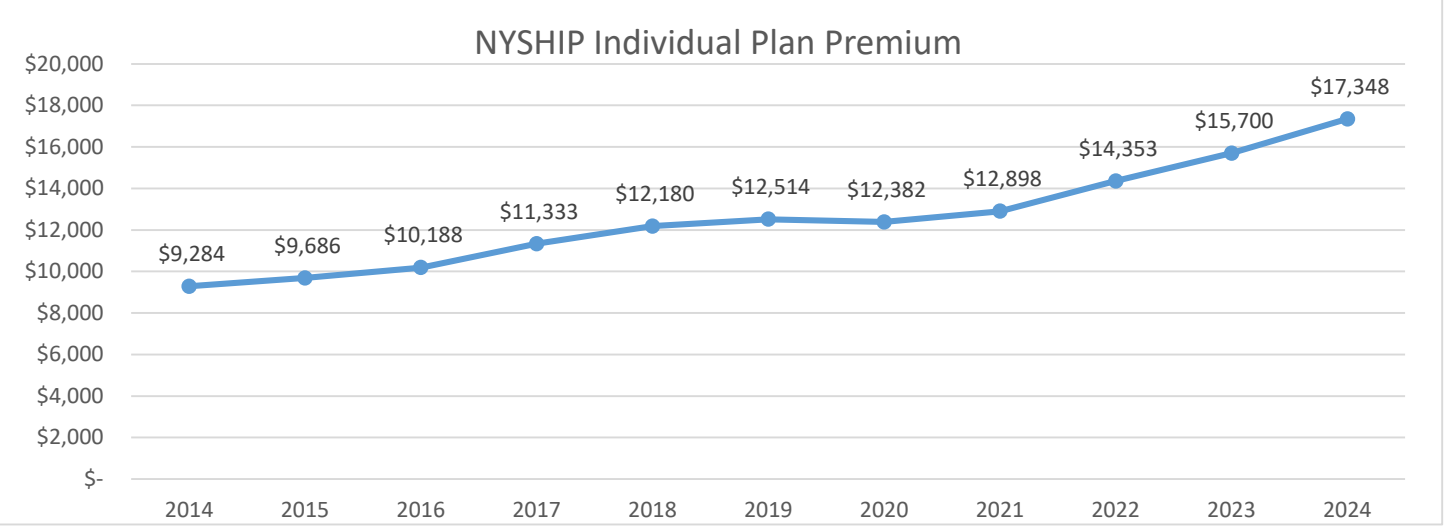
- NYSHIP

- From 2014 to 2024 individual plan increased 87% and family plan increased 96%

- MVP

- From 2014 to 2024 individual plan increased 35% and family plan increased 57%

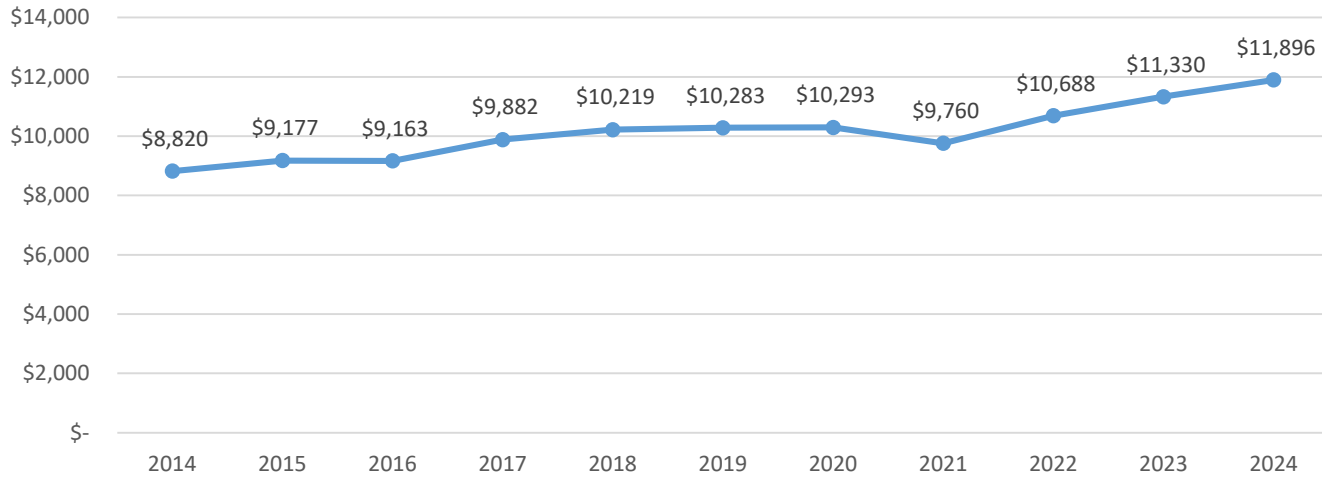
# Health Insurance Rates for NYSHIP



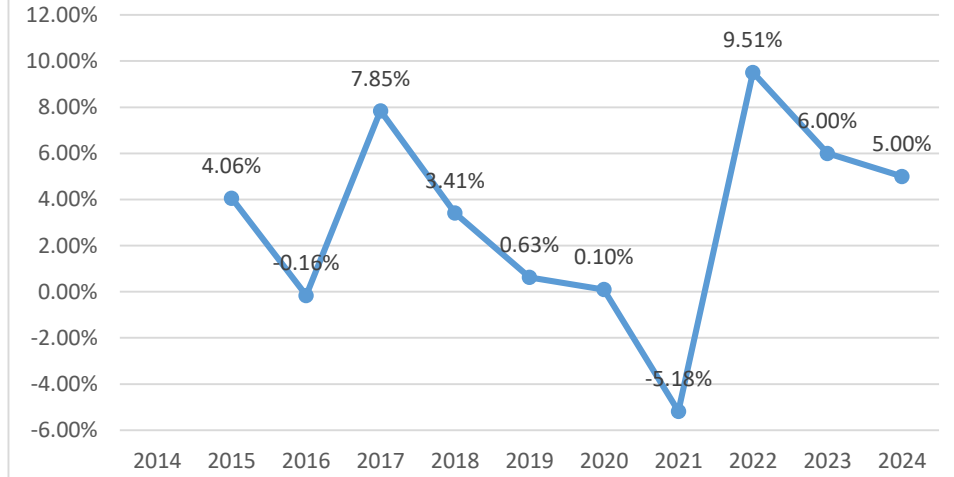
From 2014 to 2024 individual plan increased 87% and family plan increased 96%

# Health Insurance Rates for MVP

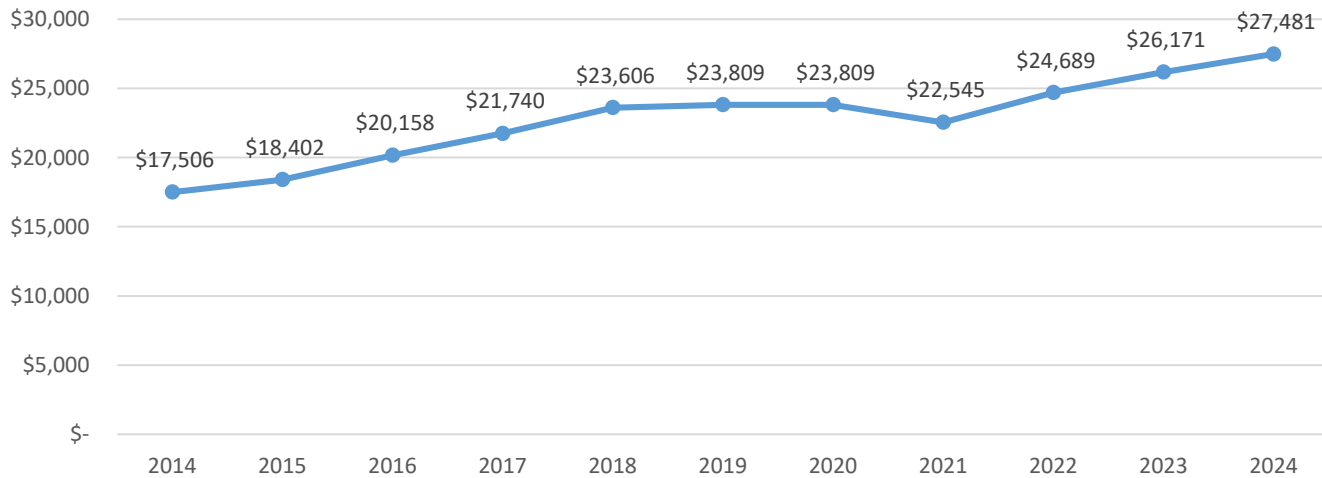
## MVP Individual Premiums



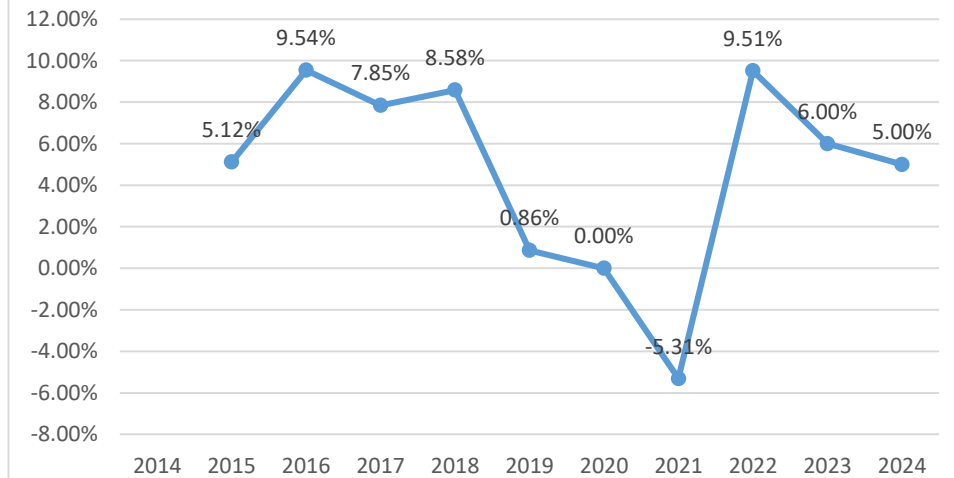
## MVP Individual Plan Percentage Change



## MVP Family Premiums

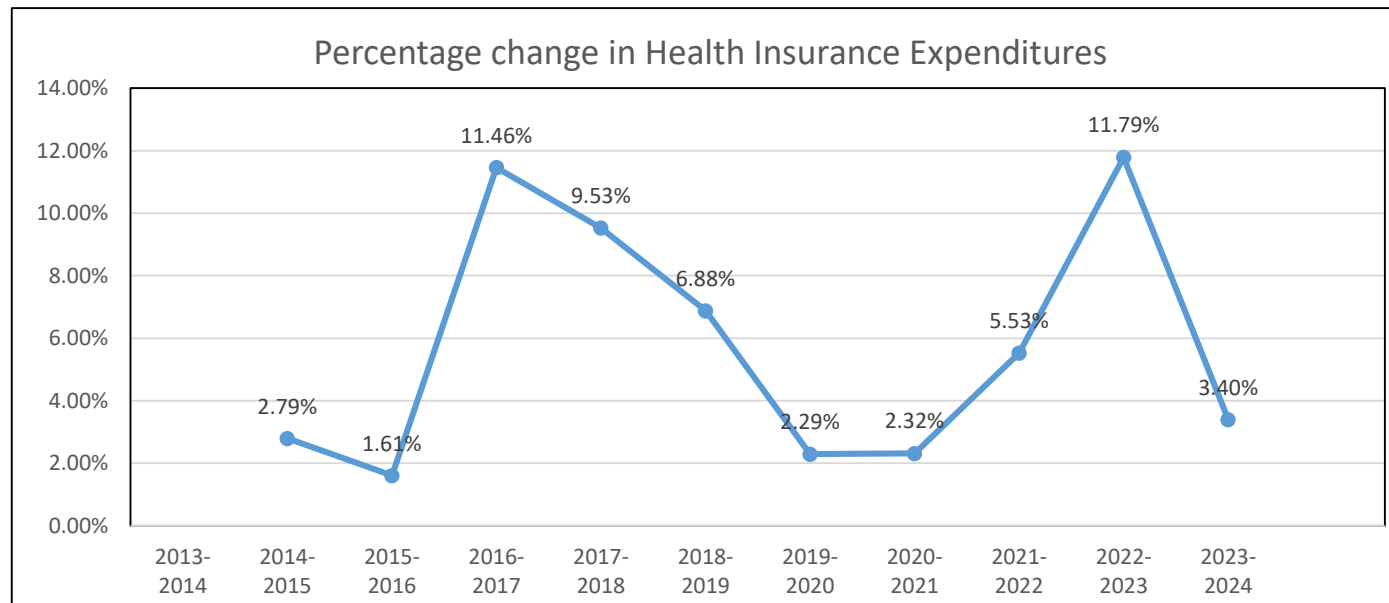
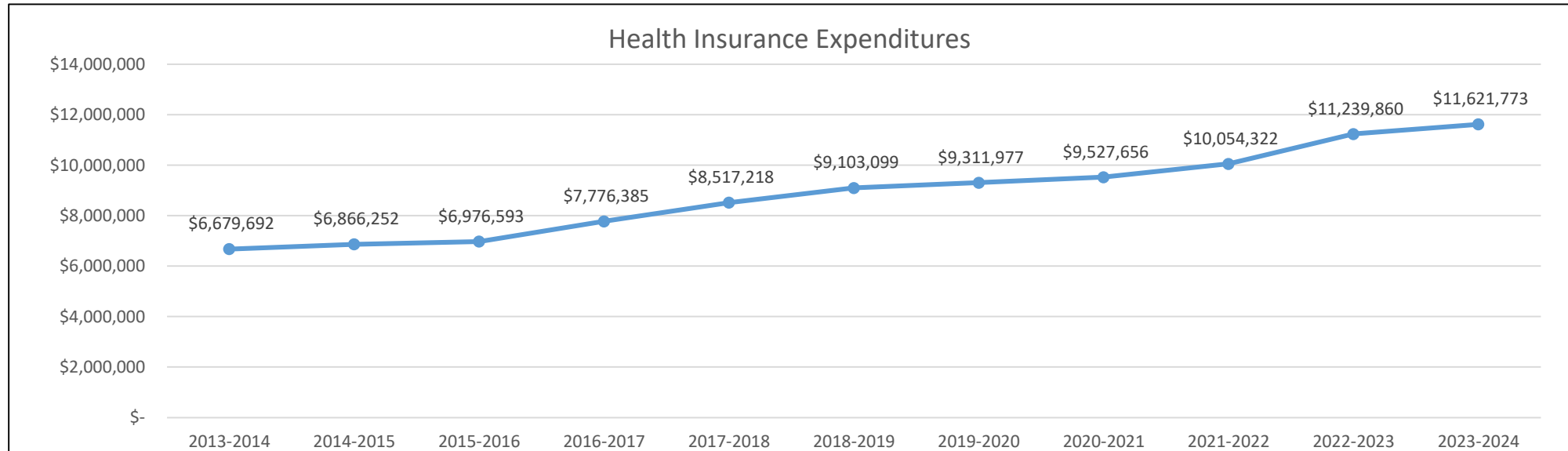


## MVP Family Plan Percentage Change



From 2014 to 2024 individual plan increased 35% and family plan increased 57%

# Health Insurance Expenditures



From 2014 to 2024  
Health Insurance  
costs have increased  
by 74%

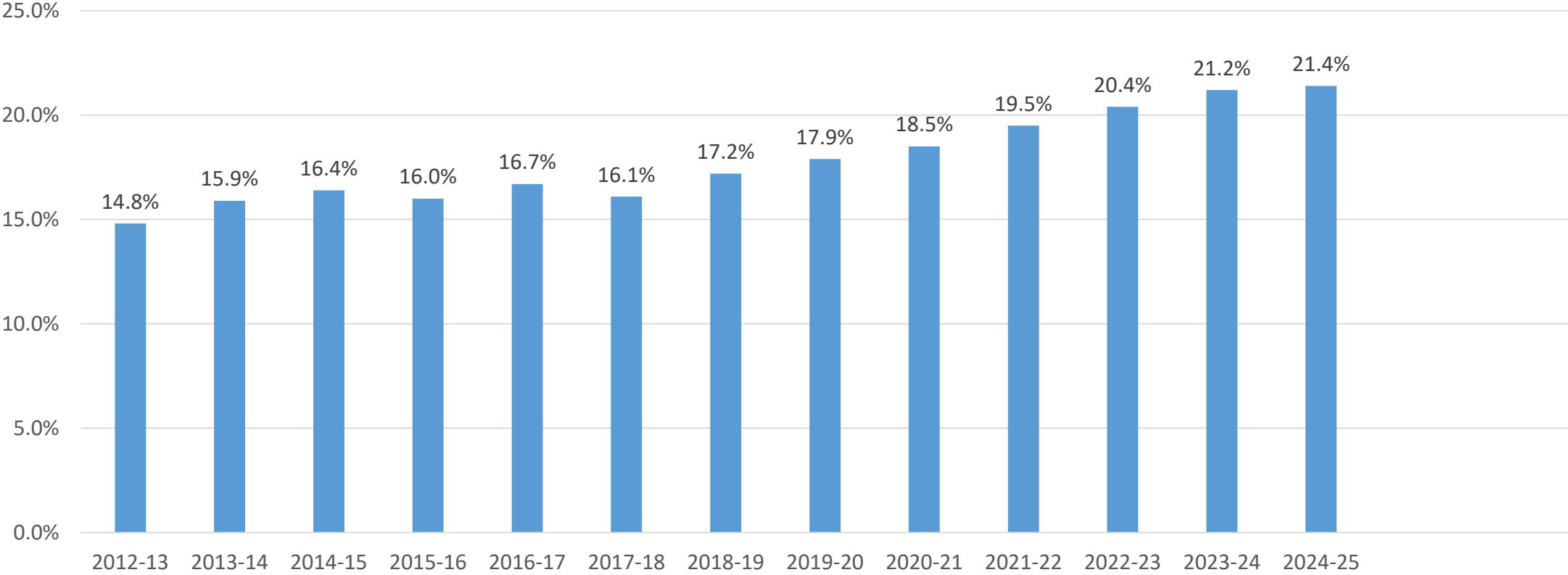


# Health Insurance Increases

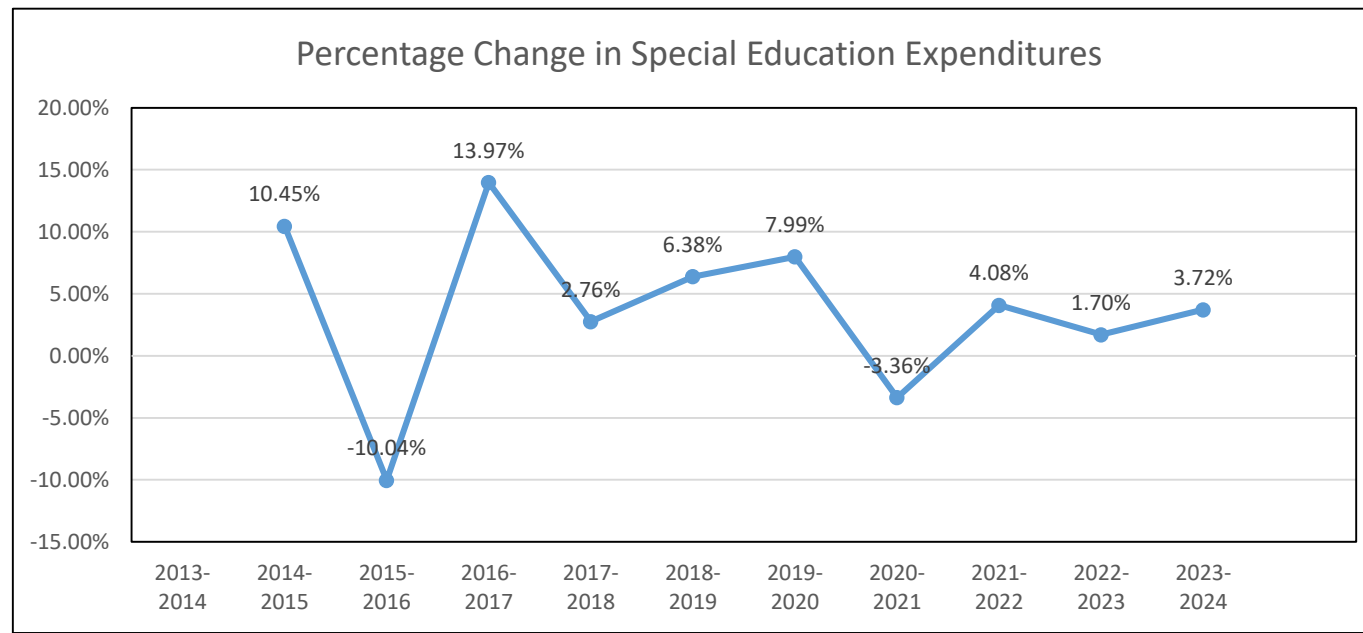
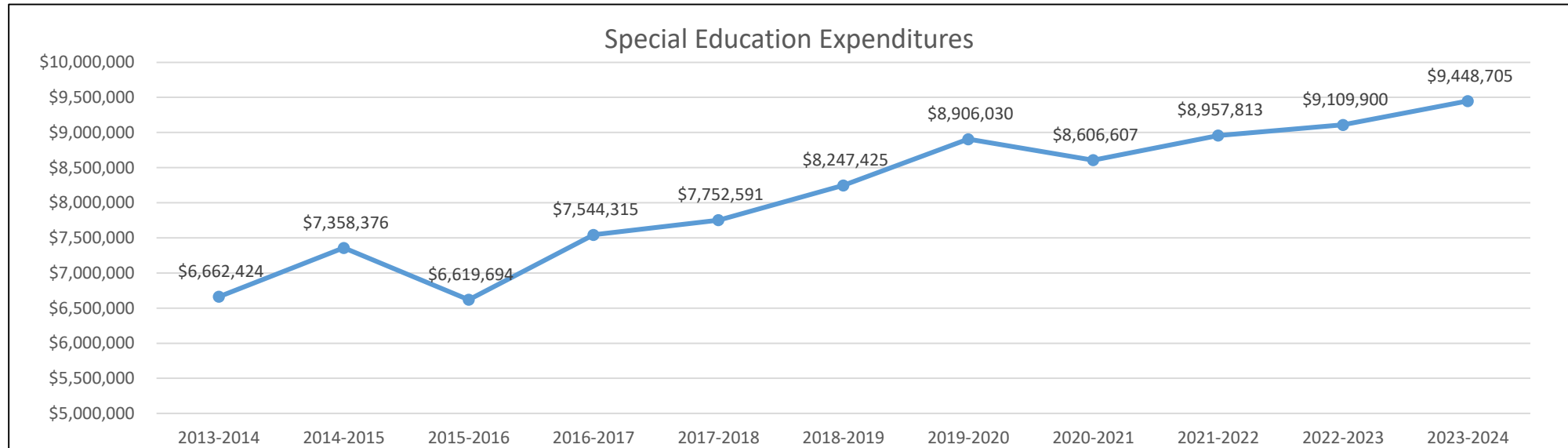
- From 2014 to 2024 Health Insurance costs have increased by 74%
- In 2023-2024 our total expenditure just on employee health insurance was \$11,621,773
- Total budget for 2023-2024 equaled \$71,428,660
- Health Insurance alone equates to 16.3% of our budget

# Special Education Classification Rate

% Rate of Special Education Classification vs. School Year



# Special Education Expenditures



From 2014 to 2024 Special Education costs have increased by 41.8%. The expenditures do not include fringe benefits.

# Special Education Costs as % of Total Budget

- From 2014 to 2024 Special Education costs increased by 41.8%
- In 2023-2024 we spent \$9,448,705 on our special education programs
- Total budget for 2023-2024 equaled \$71,428,660
- Special Education Services alone equates to 13.2% of our budget

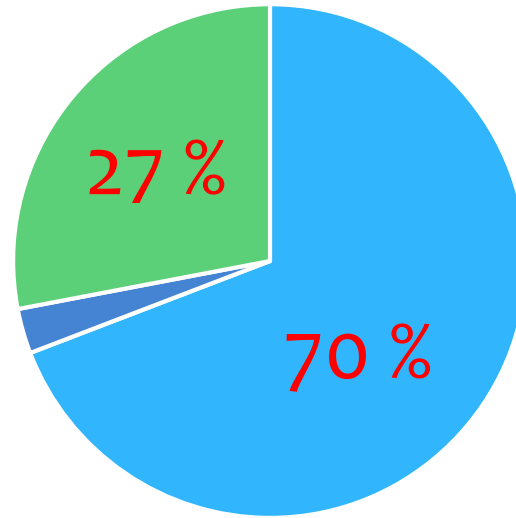
Now Let's Consider the Money Coming in.

## Revenues

### Main Revenues Sources:

- **State aid** = Funds received directly from NYS to support the budget
  - Foundation aid
  - Expenditure driven aids
- **Taxes** = funds collected from the taxpayers and sales tax
  - Restricted by the tax cap formula

# Total Revenue for 2024-2025



■ Tax Levy ■ Other Local ■ State Aid

# Revenue Projections **Assumptions** based on 2024-2025 figures

- Tax Levy increase of 2.5% each year
- State Sources-no change
- Federal Sources-no change
- Interfund Transfer & Other sources a decrease of 1.6%
  - Interest Earnings
  - BOCES Reimbursement
  - PILOTS

# Revenue History & Projections

## Revenue History

Over the past 7 years local sources make up 70% of our revenue and state sources make up 27% of our revenue.

Local sources include tax levy, STAR and payments in lieu of taxes.

State sources include foundation aid, building aid, BOCES aid, transportation aid, and other state funding.

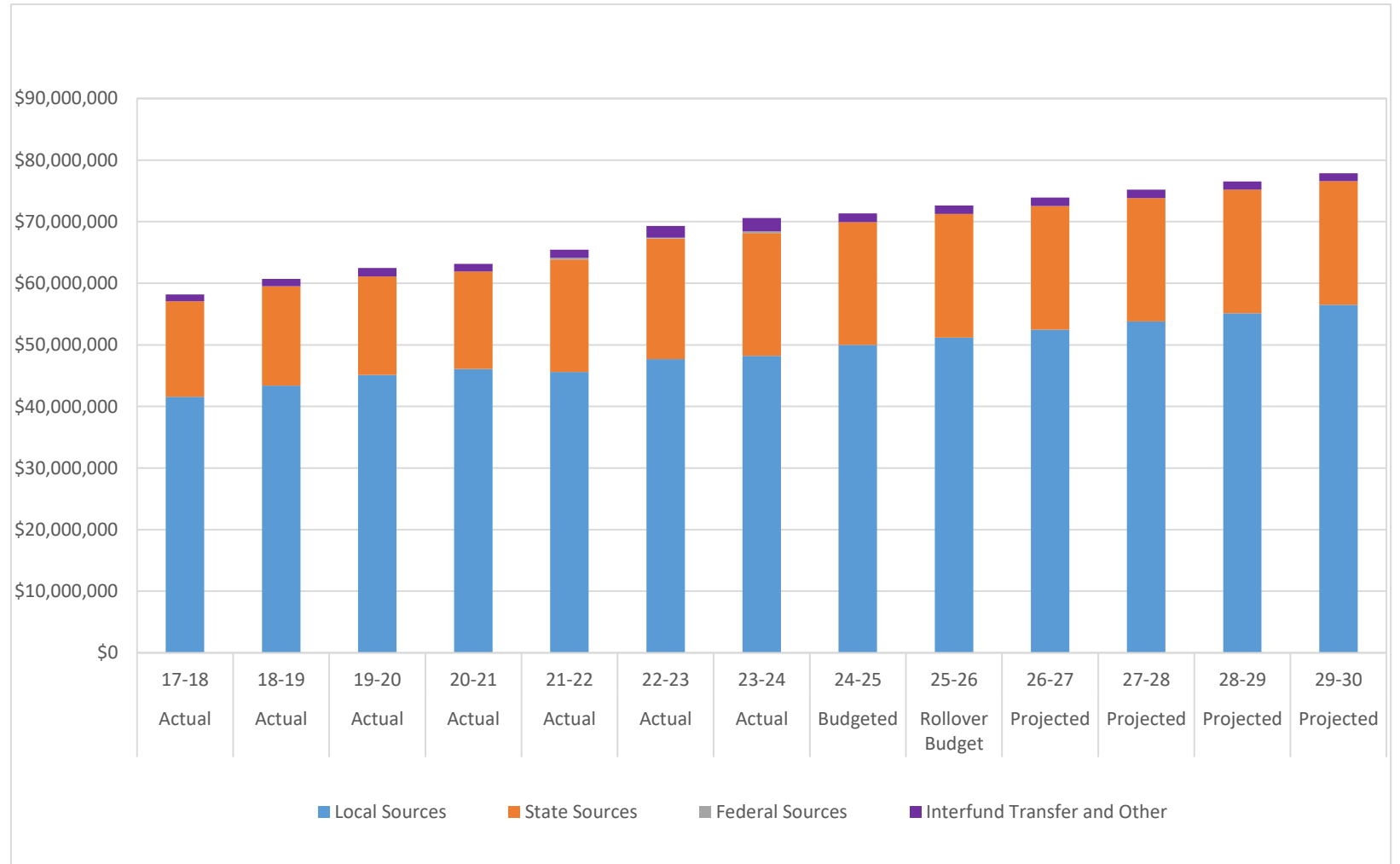
Federal sources is money received from federal sources.

Interfund transfer & Other include interest earnings, BOCES refund, sale of equipment and other miscellaneous sources of funding.

## Revenue Projections

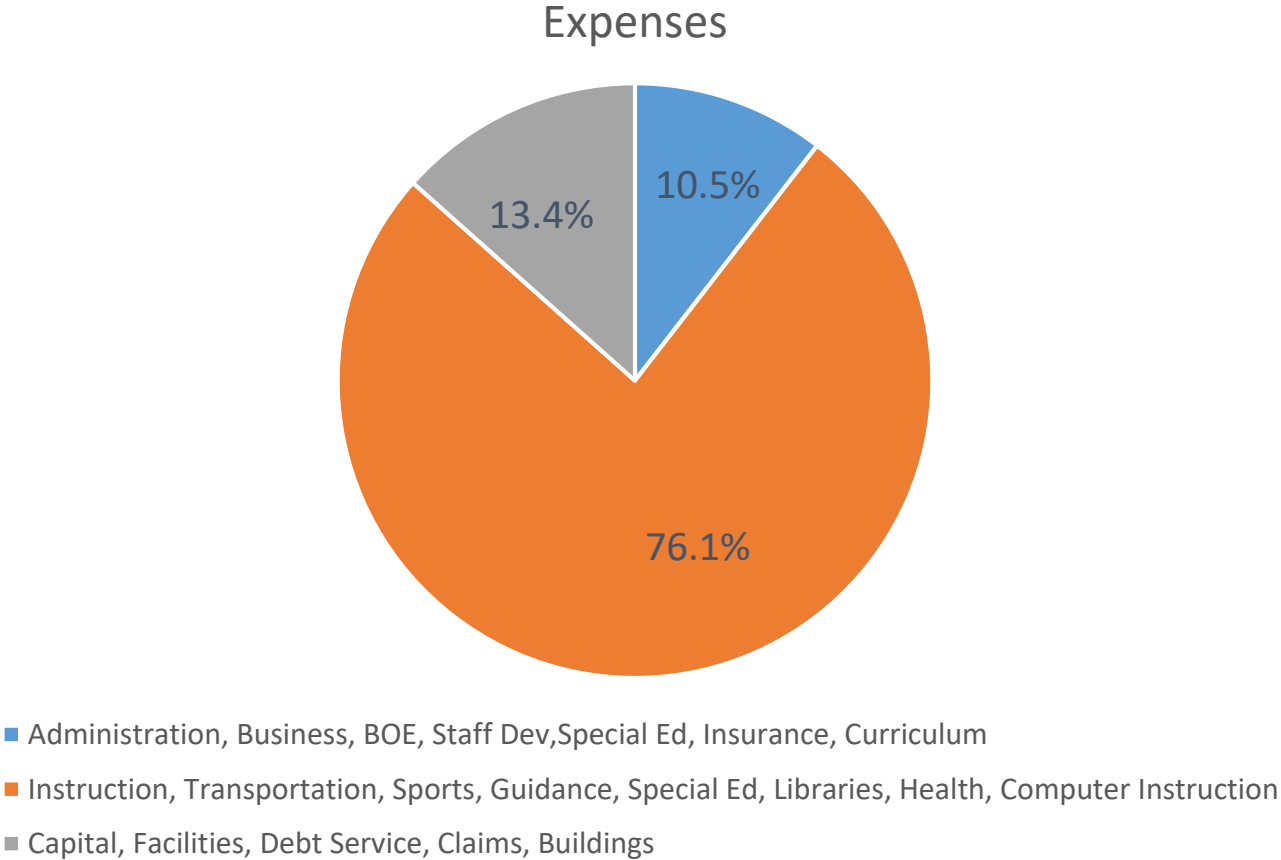
Assumptions based on 2024-2025 figures

- Tax Levy increase of 2.5% each year
- State Sources-no change
- Federal Sources-no change
- Interfund Transfer & Other sources a decrease of 1.6%





# Total Expenditures for 2024-2025



# Predicting Expenditures

- **Assumptions based on 2024-2025 figures**
- Salaries based on union contracts
- Employee Benefits an increase of 6.2%
- Equipment, Contractual & Other an average increase of 1.2%
  - Major changes in BOCES expenses for their capital project
    - The last year we will pay is 2026-2027. Last payment will be \$991,904
  - Ipark (\$184,800 starting in 2025-2026 was included)
- **Debt Service is based on actual expenses and does not include any new capital project expenses.**
- Interfund Transfers has no change

# Expenditure History & Projections

## Expenditure History

Over the past 7 years salary, benefits and debt service make up 80% of our expenses and equipment, contractual, supplies and other make up 20% of our expenses.

Salaries include both instructional and non instructional salaries.

Employee Benefits include ERS, TRS, FICA, benefit trust, health insurance, workers compensation and other employee benefits.

Equipment, Contractual & Other include equipment, supplies contractual and tuitions.

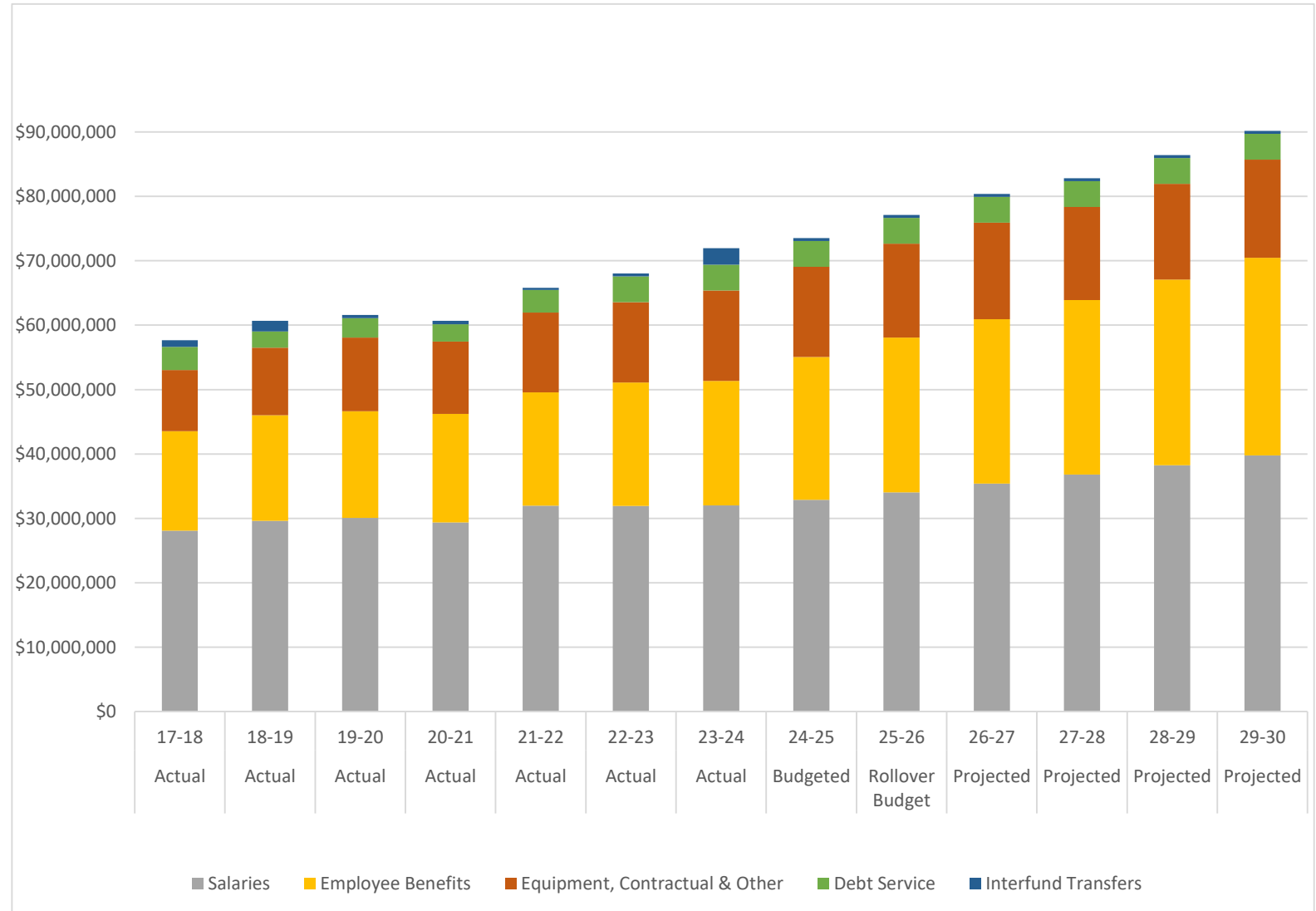
Debt Service is both principal and interest payments as a result of financing capital/building construction projects.

Interfund transfer include money moved to school lunch, capital and special aid funds.

## Expenditure Projections

**Assumptions based on 2024-2025 figures**

- Salaries based on union contracts
- Employee Benefits an increase of 6.2%
- Equipment, Contractual & Other an average increase of 1.2%(major changes in BOCES expenses for their capital project and Ipark were included.)
- Debt Service is based on actual expenses and does not include any new capital project expenses.
- Interfund Transfers has no change

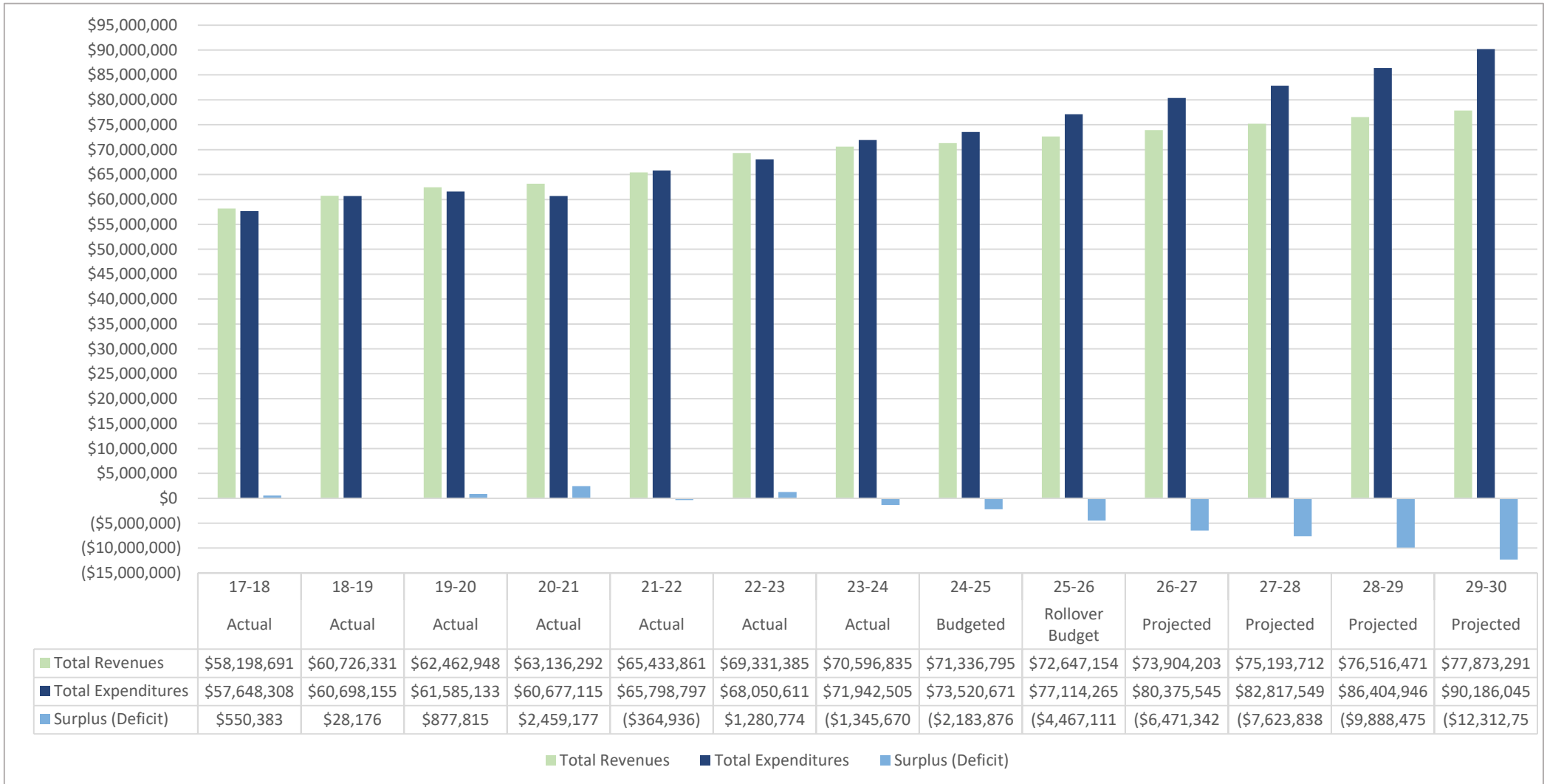


# Expenditures

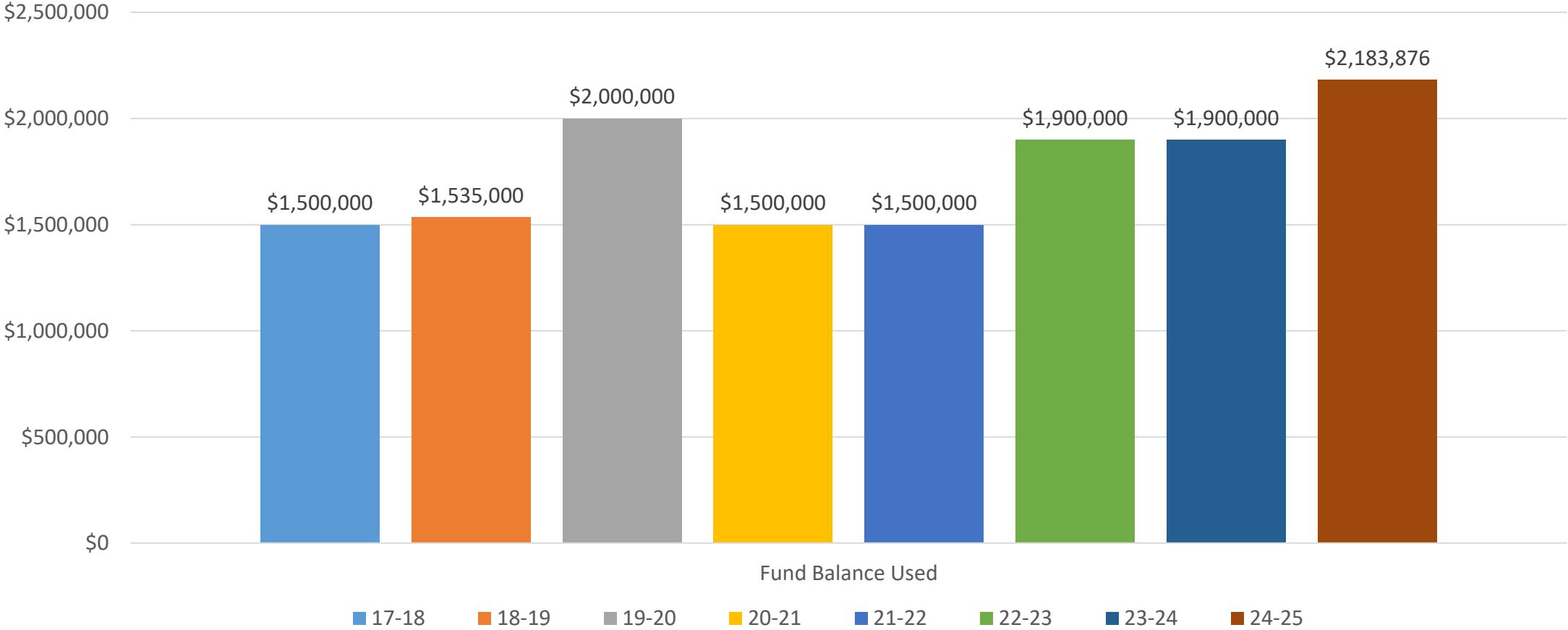
- Over the past 7 years salary, benefits and debt service make up 80% of our expenses and equipment, contractual, supplies and other make up 20% of our expenses.

# Total Revenues, Expenditure and Surplus

This chart shows our total revenues, expenses and surplus. The surplus is the difference between the revenue and expenses. The projection shows our expenses are greater than our revenue resulting in a negative surplus.



# Fund Balance Allocated to Balance the Annual Budget



# Year End Fund Balance

## Fund Balance History

Over the past 7 years fund balance has risen by 33%.

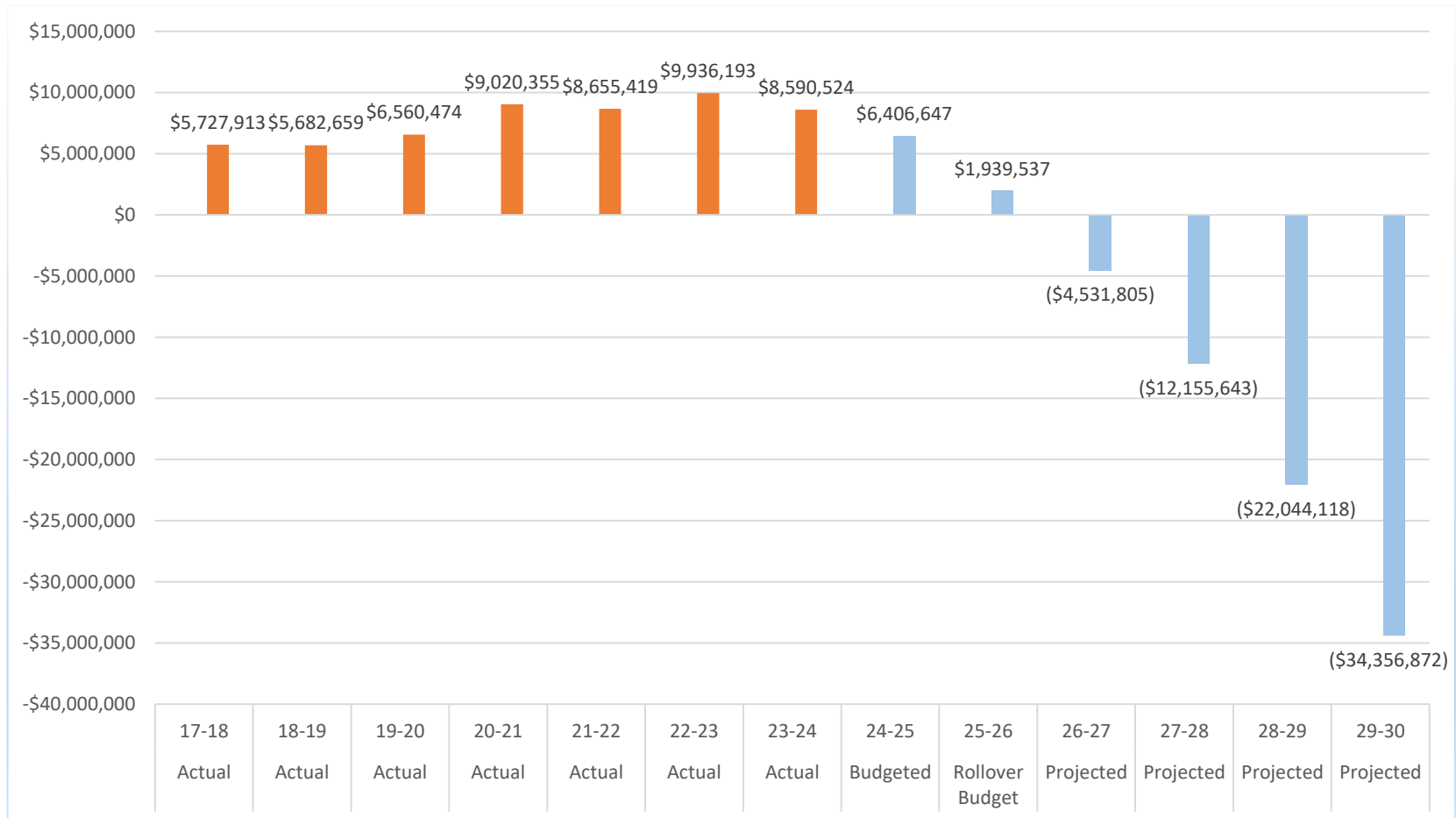
Fund balance include all reserves, carryover encumbrances, appropriated fund balance(used to fund next years budget) and unassigned fund balance(max is 4%).

## Fund Balance Projections

**Assumptions based on 2024-2025 figures**

- We will be applying \$1,900,000 of fund toward the budget each year.
- No change in the reserve amounts

Over the next 6 years our fund balance will go from 8.6 million to negative 34.5 million.



Current Fund Balance = \$8,590,523

- Reserves
- Appropriated
- Unassigned



# Reserves and Appropriated Funds

# Unassigned Fund Balance

- \$2,228,663
- This is 3.03% of the 2024-2025 budget
- The state allows us to have up to 4.00%

# Outlook for 2025-2026 Budget Season

- Estimated Revenue for a Roll-Over Budget \$72,647,154
- Estimated Expenses for a Roll-Over Budget \$77,114,265
- Difference (\$4,467,111)

# Outlook for 2025-2026 Budget Season

- Estimated Revenue for a Roll-Over Budget \$72,647,154
- Estimated Expenses for a Roll-Over Budget \$77,114,265
- Difference (\$4,467,111)
- If we again use \$1,900,000 of fund balance (\$2,567,111)

# Conclusion

- Short and Long range financial planning represents a point in time with many unknowns.
- The plan is a financial forecast and the projections are estimates. Our projections show a deficit each year and continues to increase over time.
- Reductions will be necessary in 2025-2026 to close an estimated \$2.5 million gap and balance the budget.
- Significant long term cost savings must be evaluated to cover expenses in the future

If we do that now, how does it affect the future?

The ***Future***  
depends  
on what we do  
in the ***Present.***

- Mahatma Gandhi