



# Budget Development Planning

*A Look Ahead at the 2023-2024 Budget*

Board of Education Meeting

November 8, 2022



# 2023-2024 Planning & Outlook



- 2023-2024 Budget Calendar & Timeline
- Alignment with District Messaging & Goals
- Topics – Administrative Cabinet & Leadership Groups
- State Aid & School Tax Revenue
- *Forecast Look* – Salaries & Benefits, Utilities, BOCES, Debt Service



# 2023-2024 Budget Calendar & Timeline

SCHOOL BUDGET	DATE
Development & Information Sharing	November 2022 - April 18, 2023
Board of Education Adopts Balanced Budget	April 11, 2023 or April 12, 2023
Property Tax Report Card & Salary Disclosure Filed	April 24, 2023
Budget Documents Available to the Public	May 3, 2023
Public Budget Hearing	May 9, 2023
Annual Budget Vote & Election	May 16, 2023

# *Consistent Approach* to Budget Development



- District Mission, Vision, **Core Values**

- **S**tudents First
- **O**pportunities
- **A**chievement
- **R**esponsibility
- **S**trength



- Budget Practices *Aligned* to Our Guiding Principles & Strategic Goals

- Targeted Academic Success
- Social & Emotional Stability
- Engagement in Education
- Alignment of Support Systems







# State Aid

- Final Year: Foundation Aid Fully Phased in Over 3 Years (2021-22, 2022-23, *2023-24*)
- ER has *Approximately* \$700,000 Remaining to be Fully Funded
- Foundation Aid Factors to Watch:
  - ELL Counts
  - Direct Cert/FRPL %
  - Overall Enrollment

## *Also Remember...*

- The NYS Budget is Largely Structured on *Temporary* Federal Aid
- Could Still See Less Categorical Aid Due to Less Expense





# Tax Cap – Property Tax Revenue

- CPI (Consumer Price Index) is Trending Well Above 2%
- Tax Base Growth – \$3.8 Million
- Reassessment Plans – Not Likely in 2023
  - ER's Growth Rate is Again Projected at 1.02% for 2023
- Equalization Rate Will Be Impacted
- 1% on the Levy Raises Approximately \$152,000 in Tax Revenue
- Projecting Levy Limit to be [Approximately 2% for 2023-2024](#)



# Salaries



- Contractual Obligations for 2023-2024
  - Ongoing Bargaining Unit Negotiations
- Review Enrollment and Staffing Needs
- Review Potential Eligible Retirements





# Benefits – Health Insurance



- **Active Employee Health Plans**

- Increase in Premiums for 2022 = 7.3%
- Increase in Premiums for 2023 = **6.8%**
- Medical Costs Trending 6 – 8%
- Drug Rebates are Projected to Be Less in 2023
- Enrollment Decline in 2022 – Could Be Due to Staffing Vacancies/Younger Employees Still on Parent's Plan.
- Portion of Drug Rebates & Reserve Contingency to Keep Rates Down for 2023

- **Retiree Health Plans**

- Increase in Premiums for 2022 = 4.9%
- Increase in Premiums for 2023 = **10.8%**
- Higher Claims than Predicted for 2022
- Drug Rebates are Projected to be Less in 2023
- Medical Trend 8.5% – Overall fewer contracts



# Benefits – Pensions



- **TRS (Teachers Retirement System)**
  - Last Year's Increase was 10.3%
  - 2023-2024 Rate - **9.5% - 10.0%**
  - TRS Retirement Contribution Reserve Offsets Increase
- **ERS (Employees Retirement System)**
  - Last Year's Increase was 11.6%
  - 2023-2024 Rate Projected to be **13.1%**
  - ERS Retirement Contribution Reserve Offsets Increase



# Utilities



- **Gas Bid: 2023-2024**

- 2023-2024 is Year 2 in a 2-Year Bid for Main Service
- Usage is Back to Normal but Expense is 38%+ Higher than Normal
- Natural Gas Prices are Trending Up - Inflation/Russia-Ukraine War
- RG&E – Proposing Higher Delivery Rates

- **Electric Bid: 2023-2024**

- Cooperative Bid Process Through BOCES 2
- Usage is Back to Normal but Expense is 20%+ Higher than Normal
- Bid Opening – 11/3/22 – Contract for Jan – Dec 2023



# BOCES



- October 2022 – BOCES Still Experiencing Staffing Shortages
- Some Programs are on Pause – Wait Lists
- Watching Overall Enrollment - Uptick in Referrals
- Transportation - Still Struggling to Find Drivers/Monitors



# Debt Service



- Capital Project Debt – Stable until 2024-2025 and 2025-2026
- Early Planning Stages for a Capital Project in Summer of 2025
- *“Maintaining Our Investment”* - Uses Building Conditions Survey (BCS) to Improve Our Campus



# Next Steps



- Continue Aligning Budget Initiatives with the District's Mission, Vision, Core Values, **Guiding Principles & Goals**
- Start Budget Discussions with Administrative Team
- Continue Framing the 2023-24 Budget as Information Develops
- *Next* Budget Update, **January 10, 2023**

