Board of Education Budget Session #1

Budget Development: 2024-2025 School Year
October 11, 2023

Tonight's Agenda

- 2024-2025 Budget Development Timeline
- Fund Balance & Schedule of Reserves
- Retirement Contributions
- Health Insurance Rates
- Considerations for the 2024-2025 Budget
- Considerations for the 2025-2026 Budget or Later

2024-2025 Budget Development Timeline

Date	Meeting Info	Time
10/11/2023	BOE Budget Session	6:30 PM
11/8/2023	BOE Budget Session	6:30 PM
12/13/2023	BOE Budget Session	6:30 PM
1/10/2024	BOE Budget Session	6:30 PM
2/7/2024	BOE Budget Session	6:30 PM
3/13/2024	BOE Budget Session	6:30 PM
3/21/2024	BOE Budget Session	6:30 PM
3/26/2024	Public Budget Forum	6:30 PM
4/10/2024	BOE Adopts Proposed Budget	6:45 PM
5/8/2024	Annual Budget Hearing	6:45 PM
5/21/2024	Budget Vote	7:00 AM - 10:00 PM

Fund Balance

Fund balance is comprised of revenues received in excess of amounts estimated and expenditures that are less than the total amount of appropriations

Important for several reasons:

- Funds unbudgeted expenses, state aid/revenue shortfalls
- Reduces borrowing costs & provides cash flow
- Improves credit rating
- Can be used as a funding source for budget

Fund Balance as of June 30, 2023

- Unappropriated fund balance is limited by §1318 of the Real Property Tax Law to an amount equal to 4% of the upcoming year's budget = $5,400,713
- Remaining fund balance at June 30th used to fund reserve accounts $7,153,435

Schedule of Reserves

G/L Acct	Description	2021-22 Balance	2022-2023 Interest	Expense	FB Allocation	Balance
A814	Workers Comp	$ 11,541,552	$ 163,516	$ (500,000)	$ -	$ 11,205,068
A815	Unemployment	$ 3,037,128	$ 43,029	$ -	$ 910,340	$ 3,990,497
A827-00	ERS	$ 21,344,644	$ 302,401	$ -	$ 2,000,000	$ 23,647,045
A827-01	TRS	$ 4,029,093	$ 57,082	$ -	$ 932,423	$ 5,018,598
A861	Property Loss	$ 1,447,583	$ 20,508	$ -	$ 450,000	$ 1,918,091
A862	Liability Insurance	$ 2,370,324	$ 33,582	$ (139,166)	$ 450,000	$ 2,714,740
A867	EBALR	$ 1,407,331	$ 19,939	$ -	$ -	$ 1,427,270
A882-00	Repair - Athletic	$ 4,499,147	$ 63,742	$ -	$ 350,000	$ 4,912,889
A882-01	Repair - Non-Athletic	$ 4,417,707	$ 62,588	$ -	$ 500,000	$ 4,980,295
A878-17	HW Long Range Capital	$ 18,743,906	$ 113,114	$ (17,209,455)	$ 1,560,672	$ 3,208,237
		$ 72,838,415	**$ 879,501**	**$ (17,848,621)**	**$ 7,153,435**	**$ 63,022,730**

May 2023 Capital Project Vote

Fund Balance Management

- Finding on Year End Audit that the balance of the Workers' Compensation Reserve appears to be higher than total estimated liability claims
- Need to reduce this figure to within the range of our liability
- We have utilized the Workers' Compensation Reserve to fund the $500,000 of the workers' comp expenditures each year to lower the reserve balance
- Consider transferring a portion of the balance to another reserve

Retirement Contributions
Employees' Retirement System

- Contribution rates for the 2024-25 fiscal year were announced on August 31
- Estimated average employer contribution rate will increase from 13.1% to 15.2% of payroll

Retirement Contributions
Teachers' Retirement System

Fall 2025 – will collect contributions based on 2024-25 school year – <u>we anticipate receiving this rate within the next few weeks</u>

To be Collected	ECR	Applicable to
Fall 2024	9.76%	2023-24 School Year Salaries
Fall 2023	10.29%	2022-23 School Year Salaries
Fall 2022	9.80%	2021-22 School Year Salaries
Fall 2021	9.53%	2020-21 School Year Salaries
Fall 2020	8.86%	2019-20 School Year Salaries
Fall 2019	10.62%	2018-19 School Year Salaries
Fall 2018	9.80%	2017-18 School Year Salaries
Fall 2017	11.72%	2016-17 School Year Salaries
Fall 2016	13.26%	2015-16 School Year Salaries
Fall 2015	17.53%	2014-15 School Year Salaries

NYSHIP Health Insurance Premiums

Health premium rates decreased by 2.73% in July 2023

Contract settlements with other bargaining units including CSEA and the Unified Court System led to NYSHIP decreasing the rates for all participating agencies

	Yearly Premiums	
Year	**Family**	**Individual**
2014	$ 20,570.28	$ 9,258.48
2015	$ 21,706.32	$ 9,660.60
2016	$ 23,114.52	$ 10,188.12
2017	$ 25,927.68	$ 11,332.68
2018	$ 28,177.80	$ 12,179.76
2019	$ 28,953.24	$ 12,514.20
2020	$ 28,650.96	$ 12,381.84
2021	$ 29,426.88	$ 12,898.44
2022	$ 33,164.88	$ 14,353.44
2023	$ 37,590.24	$ 15,920.40
2024	***TBD - November 2023***	

Considerations for the 2024-2025 Budget

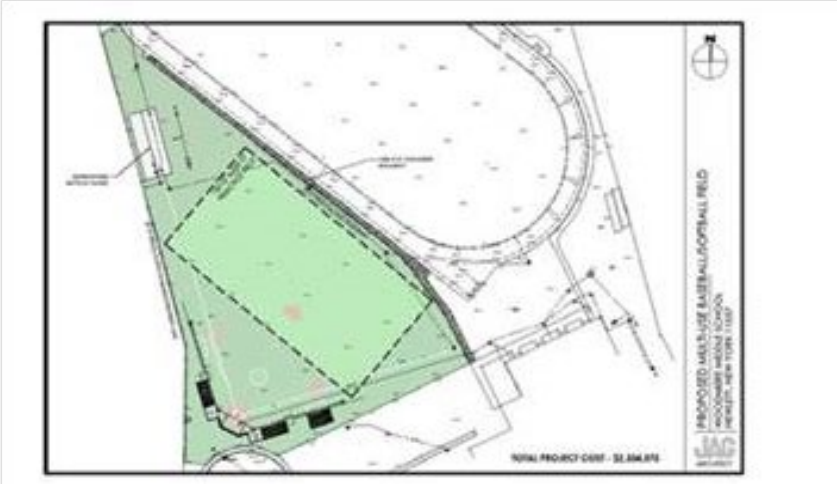
- Creating 2 new reserve accounts
    1. EBALR – we have several contract settlements that allow for the payment of unused days (sick/vacation)
        - can use EBALR to pay for these (difficult to budget!)
        - it is not permissible to fund from our existing EBALR reserve due to BOE action taken in June 2017
    2. Capital Reserve – we have reached the maximum amount of funding allowed in our existing reserve; $17.2 million is being used for upcoming projects – plan/save for future projects?
- Transferring a portion of the Workers' Compensation Reserve into the new reserve accounts to reduce balance in line with projected liabilities; this will eliminate the audit comment on our management letter

Considerations for the 2024-2025 Budget

Utilizing the $4,000,000 transfer to capital for:

- $846,850 for the 5th tennis court at Hewlett HS (discussed during 2023-24 budget process)
- $2,334,375 for the installation of turf on practice field at Woodmere MS (discussed during 2023-24 budget process)
- $818,775 for items on our Building Condition Survey or use toward funding the WMS maintenance building project?





Considerations for the 2025-2026 Budget or later?

- Addition of World Language to our elementary schools
    - Discussed during 2023-24 budget process

- Extending the day at Woodmere Middle School to 9 periods
    - Provide more opportunities for students
    - Prepare students for the transition to HS by enhancing schedules and creating an earlier start time

Questions?

