



**2024-2025 Superintendent's Proposed Budget
Highland Falls-Fort Montgomery Central School District
April 25, 2024**



AGENDA

- Introduction & General Update
- Expenditure Information
- Revenue Information
- Budget Calendar



2023-2024 District Goals

- Provide a premier educational experience for all students
- Maintain Fiscal Responsibility and Security
- Implementation of the Long-Term Strategic Plan



General updates since the last presentation

- Expenditures have been updated to balance the budget
 - Reductions have been made across various areas
 - Staffing reductions have been communicated to affected employees
- Revenue has been updated based on the published '24-'25 Estimated State Aid runs
 - HFFMCSD did see reductions in estimated aid

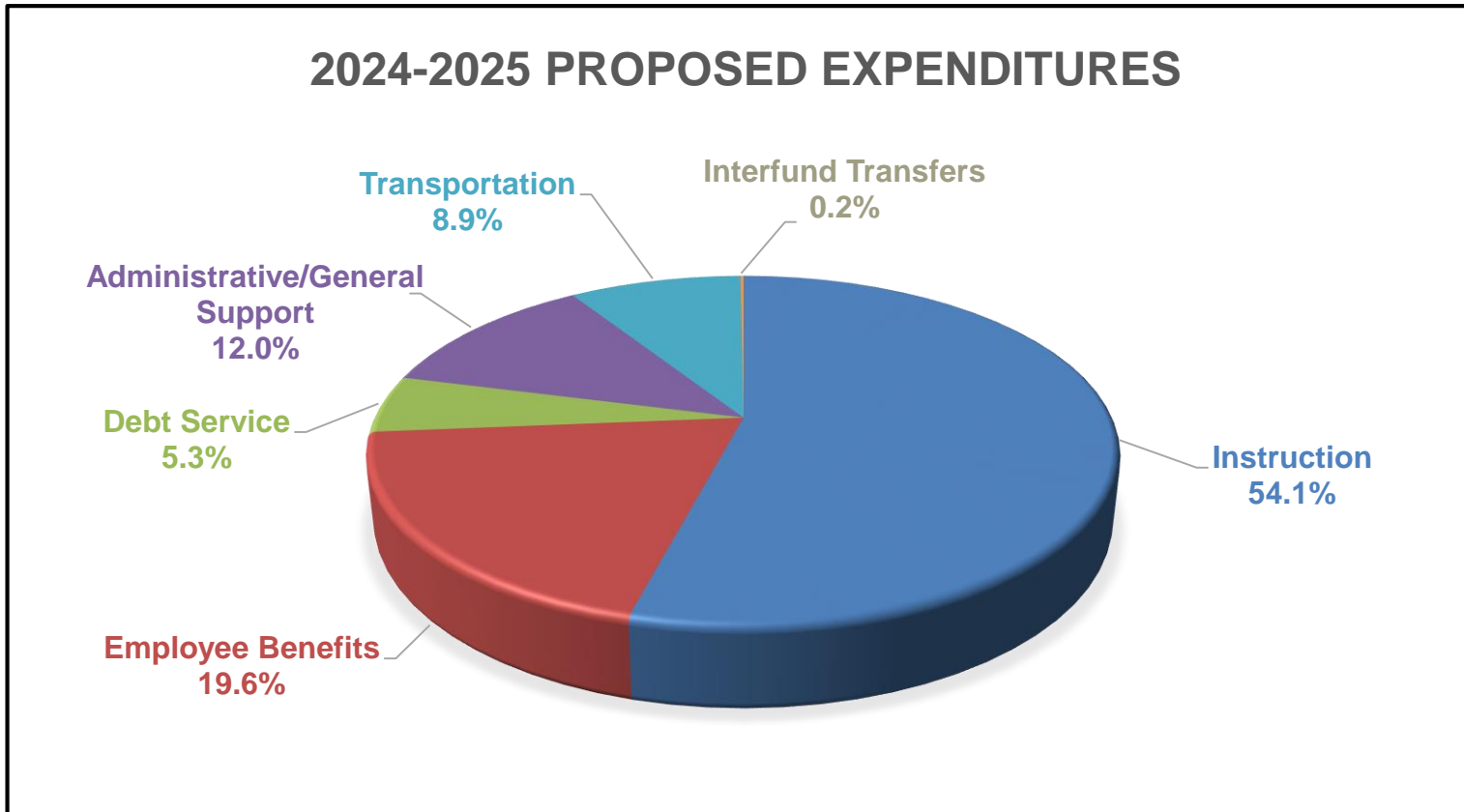


The '24-'25 Proposed Expenditure Budget maximizes resources to provide for our students' needs

- This budget continues to provide programs, support and opportunities for all students in the Highland Falls-Fort Montgomery CSD
- Increased expenditure drivers include:
 - Increases in benefit & new contract costs
 - Increased facility maintenance & operations costs
 - Increases in BOCES Capital Project cost
 - Increases in insurance premiums



Proposed Expenditure Chart





Proposed Expenditure Detail

Expenses	2023-2024 Budget	2024-2025 Proposed Budget	\$ Change	% Change
Instruction	\$21,187,181	\$21,638,088	\$450,907	2.13%
Employee Benefits	\$7,493,422	\$7,831,741	\$338,319	4.51%
Debt Service	\$2,125,859	\$2,125,859	\$0	0.00%
Administrative/General Support	\$4,696,774	\$4,781,867	\$85,093	1.81%
Transportation	\$3,471,040	\$3,555,586	\$84,546	2.44%
Interfund Transfers	\$62,000	\$62,000	\$0	0.00%
TOTAL	\$39,036,276	\$39,995,141	\$958,865	2.46%



Historic Budget to Budget Changes

Budget Year	Adopted Budget	% Change
2023-2024	\$39,036,276	8.57%
2022-2023	\$35,953,900	3.99%
2021-2022	\$34,573,467	3.97%
2020-2021	\$33,251,722	3.63%
2019-2020	\$32,087,219	4.84%
2018-2019	\$30,606,772	2.15%
2017-2018	\$29,759,008	4.23%
2016-2017	\$28,550,987	1.31%
2015-2016	\$28,181,395	2.43%
2014-2015	\$27,512,790	1.20%

- This year's 2.46% budget-to-budget increase is below the 3.24% average over the last 10 years
 - This excludes the '23-'24 one-time 8.57% increase driven by a new transportation contract

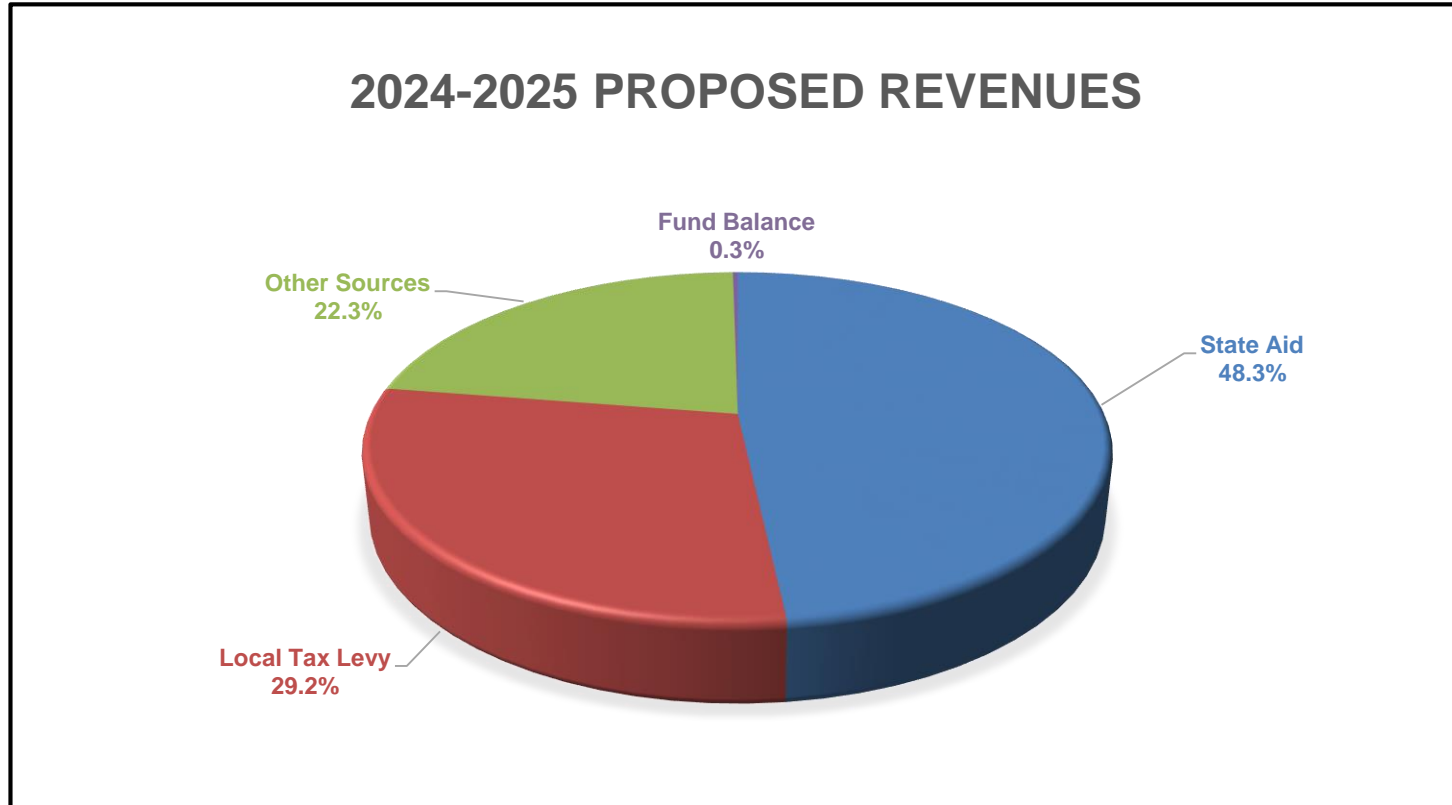


The '24-'25 Proposed Revenue Budget is based on published aid runs & analysis of other revenue streams

- '24-'25 published NY State Aid runs have been incorporated
 - HFFMCSD saw a \$200k reduction in overall aid vs. the Executive Proposal; predominantly in Foundation Aid
 - Expense-based Aid estimates were confirmed
- Non-State Revenue has been conservatively estimated:
 - Federal Impact Aid
 - Tuition paying student enrollment
 - Garrison numbers are known
 - Conservative estimate for West Point students



Proposed Revenue Chart





Proposed Revenue Detail

Revenues	2023-2024 Budget	2024-2025 Proposed Budget	\$ Change	% Change
State Aid	\$18,114,523	\$19,302,020	\$1,187,497	6.56%
Local Tax Levy	\$11,469,172	\$11,688,233	\$219,061	1.91%
Other Sources (Federal, Tuition, etc.)	\$9,402,581	\$8,904,888	(\$497,693)	-5.29%
Reserves/Fund Balance	\$50,000	\$100,000	\$50,000	100.00%
TOTAL	\$39,036,276	\$39,995,141	\$958,865	2.46%

- State Aid estimates project an increase but it is offset by declines in estimated Non-State revenue sources
- Proposed Tax Levy increase of 1.91%
 - Requires a simple majority vote of the budget
- The impact of this increase on an average home with value of \$250,000 is \$105.72/year = \$8.81/month = \$0.29/day



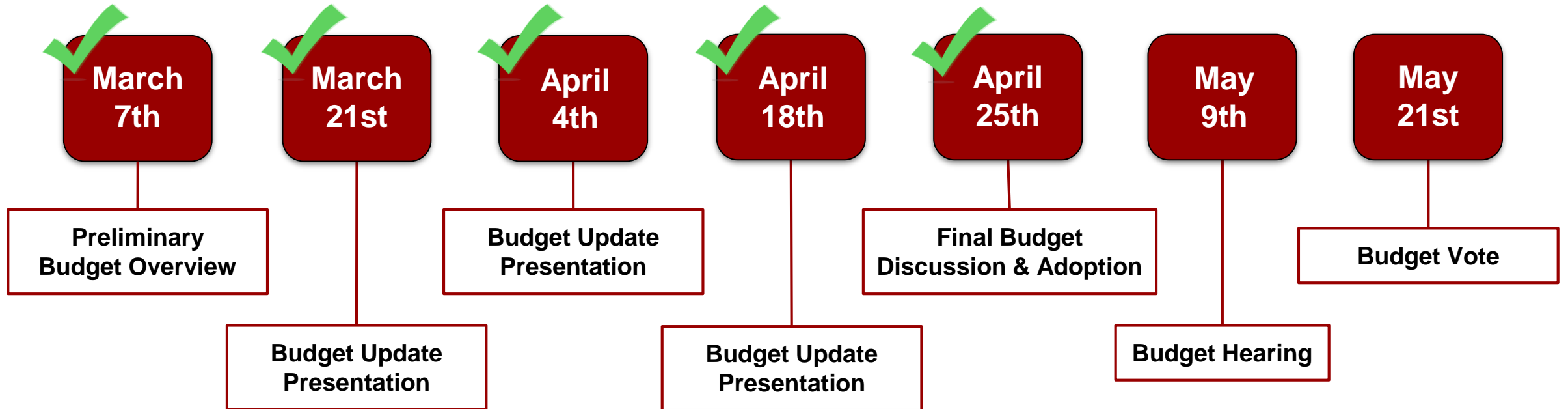
Historic Tax Levy Changes

Budget Year	Tax levy	Tax Levy Increase
2023-2024	\$11,469,172	1.44%
2022-2023	\$11,305,952	0.00%
2021-2022	\$11,305,952	0.00%
2020-2021	\$11,305,952	1.53%
2019-2020	\$11,135,120	2.47%
2018-2019	\$10,867,114	2.39%
2017-2018	\$10,612,951	3.36%
2016-2017	\$10,267,520	3.34%
2015-2016	\$9,936,021	1.44%
2014-2015	\$9,795,307	2.65%

- The '24-'25 proposed 1.91% tax levy change:
 - In line with the 10-year average of 1.86%
 - Below the Pre-COVID 5-year average of 2.60%



Budget Development Calendar



Budget Vote will take place at the Highland Falls Intermediate School on Tuesday, May 21, 2024, 6AM – 9PM.



Thank you



APPENDIX

- Budget Development Process
- Expenditure Backup
- Revenue Backup



Budget Development Process



Budget Development Process

- November - February
 - Develop budgets with Building & Departmental Teams
- March
 - Budget Presentations
- April
 - Board of Education adopts the proposed 2024-2025 budget
 - *Updated adoption date is April 25, 2024*
 - Deadline for adoption is April 26, 2024
- May
 - 2024-2025 Budget Vote on May 21, 2024



Expenditure Backup



The latest view of the expenditures has been achieved by making cuts across various areas

Reduction Areas

- District Large Equipment cut \$110,000
- District-wide Supply/Materials cut \$45,000
- Capital Improvement "Mini-Project" removed entirely = \$100,000
- Prof. Development for Teachers, Administrators & Staff cut \$31,000
- Field Trip Transportation cut \$28,000

Faculty and staff reductions have been made as well



Expenditure Assumptions (early April '24)

- Known Inputs:
 - Settled contractual expenses
 - Retirement system rates
 - Health insurance cost increases
- Anticipated Budgetary Increase Drivers:
 - Increased benefits & new contract costs
 - Increased Facility maintenance & operations costs
 - Salaries currently on grants expiring in 2023-2024
- Unknowns:
 - Open THTA contract
 - Expected insurance premium increase



Revenue Backup



Tax Levy Limit Calculation Overview

1. Start with the “prior year” (current school year) levy
2. Apply tax base growth factor - 1.0014 for 2024-2025
 - This accounts for “brick & mortar” development that increases a municipality’s taxable property
 - Provided by the NYS Dept. of Taxation & Finance
3. Remove prior year exclusions → **This provides the adjusted prior year levy**
4. Apply the allowable growth factor - 2% for 2024-2025
 - This is the max of CPI or 2% (i.e. “The 2% Cap”)
5. Add available carryover → **This provides the Tax Levy Limit before exclusions**
 - If a local government levies less than the levy limit BEFORE exclusions in a given year, up to 1.5% of that year’s tax levy limit may be added to the levy limit the following year. This amount is called the carryover.
6. Add exclusions or exemptions for the upcoming year
7. **The result of this calculation is the Maximum Allowable Tax Levy**
 - The % change of this Maximum Allowable Tax Levy vs. the prior year actual levy is the Tax Levy Limit





Tax Levy Limit Calculation

- Tax Base Growth Factor = 0.14%
- Allowable Levy Growth capped at 2%
- Tax Levy Limit = 1.91%*
- '24-'25 Final Tax Levy increase = 1.91%

Total Real Property Tax Levy for Base Year (2023/24)	\$ 11,469,172
Tax Base Growth Factor (Minimum of 1.0)	1.0014
Adjusted Tax Levy subtotal (C x D)	\$ 11,485,229
Base Year PILOTS	\$ -
Base Year Levy plus PILOTS	\$ 11,485,229
Base year Torts and Judgements > 5%	\$ -
Base year Capital Expenditures (Net of Aid)	\$ 881,331
Total base year Torts and Capital Expenditures	\$ 881,331
Levy less base year Torts and Capital Expenditures (G - J)	\$ 10,603,898
Allowable Levy Growth Factor based on CPI (4.12% for L12 mths)	1.02
Levy including levy Growth Factor	\$ 10,815,976
Budget year PILOT receivables	\$ -
Levy less budget year PILOTS (M - N)	\$ 10,815,976
Eligible Carryover from base year budget	\$ -
Tax Levy Limit - before Exclusions (O + P)	\$ 10,815,976
Total Budget Year Exclusions	\$ 872,694
Total Tax Levy including Exclusions (Q + U)	\$ 11,688,670
Tax Levy % Increase Cap	1.91% *
Tax Levy \$ Increase Cap	\$219,498

* Levy increase up to this amount would require only a simple majority vote



Impact Aid Overview: Background & 7002 Detail

- Impact Aid Compensates School Districts for:
 - Lost Tax Revenue and Development Potential Due to Federal Land acquisition after 1938 (Section 7002)
 - HFFMCSD - 11,217 acres Highlands; 2,640 acres Woodbury; 13,857 acres
 - Increased school enrollment from Military Dependents (Section 7003)
- Computation of Impact Aid (7002)
 - Four step process that was simplified in 2013 with the new formula applied retroactively to prior application years (2010, 2011 and 2012)
 - HFFMCSD benefited greatly with the formula change by successfully lobbying Congress to retain our “i” payment in the new formula resulting in \$1.2 Million in Impact Aid for the district annually.
 - Currently working with Legislative contacts to see if MOE requirement can be removed



Impact Aid Overview: I-Payment Information

(i) SPECIAL PAYMENTS.-

(1) IN GENERAL.- For any fiscal year beginning with fiscal year 2000 for which the amount appropriated to carry out this section exceeds the amount so appropriated for fiscal year 1996 and for which subsection (b)(1)(B) applies, the Secretary shall use for the fiscal year involved (not to exceed the amount equal to the difference between (A) the amount appropriated to carry out this section for fiscal year 1997 and (B) the amount appropriated to carry out this section for fiscal year 1996) to increase the payment that would otherwise be made under this section to not more than 50 percent of the maximum amount determined under subsection (b) for any local educational agency described in paragraph (2).

(2) LOCAL EDUCATIONAL AGENCY DESCRIBED.-A local educational agency described in this paragraph is a local education agency that-

(A) received a payment under this section for fiscal year 1996;

(B) serves a school district that contains all or a portion of a United States military academy;

(C) serves a school district in which the local tax assessor has certified that at least 60 percent of the real property is federally owned; and

(D) demonstrates to the satisfaction of the Secretary that such agency's per-pupil revenue derived from local sources for current expenditures is not less than that revenue for the preceding fiscal year.



Impact Aid Overview: Impact Aid Calculation

Computation of Impact Aid Payment Under Technical Amendment

Steps in Payment Formula

- 1) 90% of the greater, average of 2006-2009 payment or 2009 year payment 2009 Application Year Payment:
\$2,505,215
- 2) HFFMCSD Special rule or "i" payment applied
- 3) Newly eligible districts
- 4) Pro rate remaining funds using new formula

Estimated 2019 Payment for HFFMCSD Under New Methodology (w/o sequestration)

HFFMCSD Foundation Payment at 90%	\$2,254,694
<u>HFFMCSD "i" Payment</u>	<u>\$1,207,000</u>
Total Payment	\$3,461,694