



2024-2025 Budget Update
Highland Falls-Fort Montgomery Central School District
April 18, 2024



AGENDA

- Introduction
- Budget Overview
 - Expenditure Draft
 - Revenue Aid Estimate
 - Tax Levy Cap
- Budget Calendar



2023-2024 District Goals

- Continue to provide a premier educational experience for all students of the Highland Falls-Fort Montgomery CSD
- Maintain Fiscal Responsibility and Security
- Implementation of Long-Term Strategic Plan



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



Budget Overview

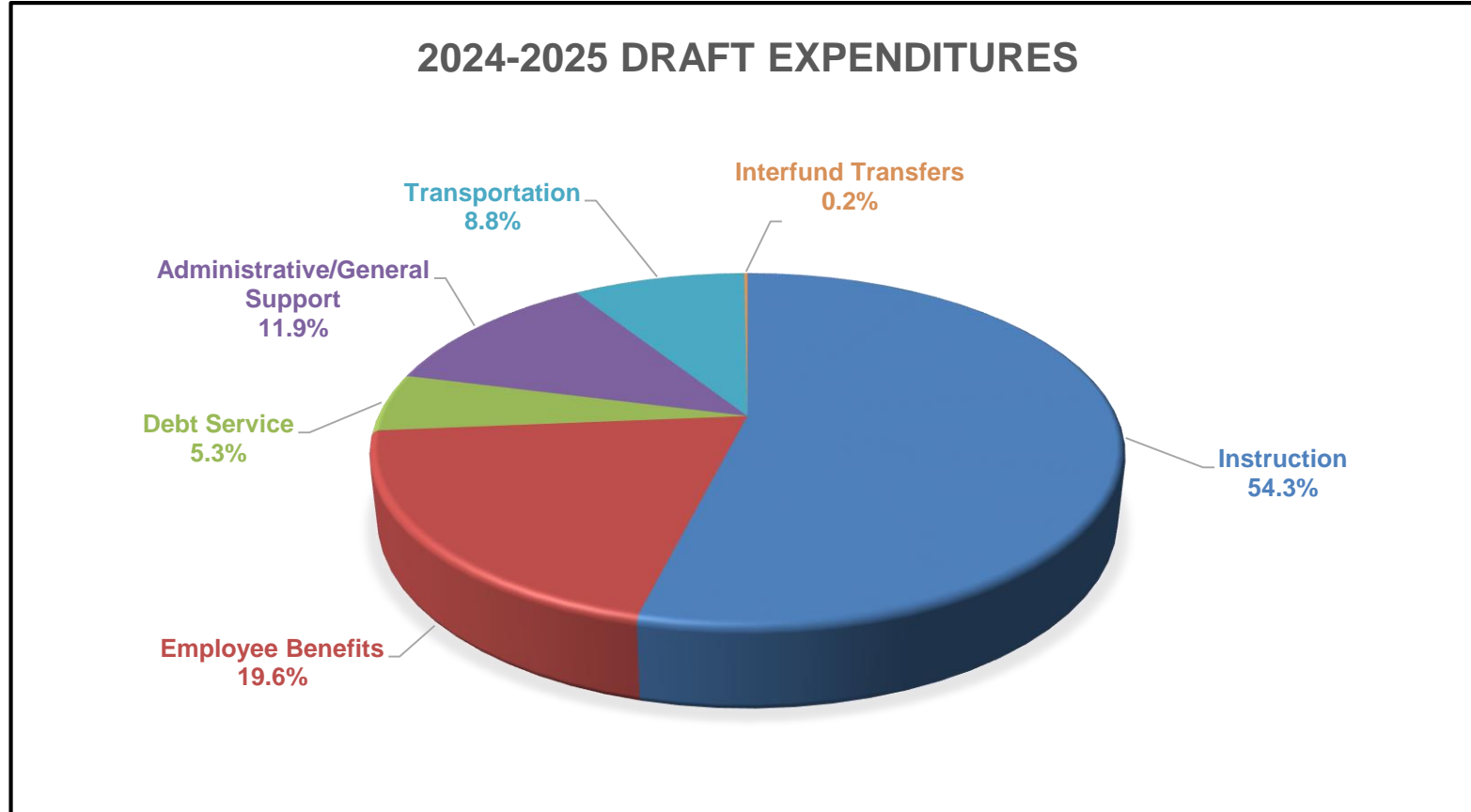


Expenditure Assumptions

- **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



***DRAFT* Expenditure Chart**





***DRAFT* Expenditure Detail**

Expenses (DRAFT)	2023-2024 Budget	2024-2025 Proposed Budget	\$ Change	% Change
Instruction	\$21,187,181	\$21,883,143	\$695,962	3.28%
Employee Benefits	\$7,493,422	\$7,891,742	\$398,320	5.32%
Debt Service	\$2,125,859	\$2,125,859	\$0	0.00%
Administrative/General Support	\$4,696,774	\$4,776,167	\$79,393	1.69%
Transportation	\$3,471,040	\$3,555,585	\$84,545	2.44%
Interfund Transfers	\$62,000	\$62,000	\$0	0.00%
TOTAL	\$39,036,276	\$40,294,497	\$1,258,221	3.22%



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 are still being finalized



Historical 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%

- Excluding the '23 - '24 school year, since 2020 the average budget to budget increase has been 4.11%
- The one-time '23 - '24 8.57% increase was driven by a new transportation contract



Revenue Assumptions

- Legislative Budget has not yet been finalized.
 - *“Conceptual agreement” appears to have been reached in Albany*
 - Aid projections are not yet available
- State Aid:
 - Foundation Aid increases returning to normal
 - An increase is not guaranteed
- Tuition paying student enrollment is not final:
 - West Point enrollment
 - Conservative estimates will be included
- Impact Aid has been conservatively estimated



State Aid - ***DRAFT***

Based on Executive Budget Proposal

		<i>DRAFT</i>	
	<u>2023-2024</u>	<u>2024-2025</u>	<u>\$ CHG</u>
STATE SOURCES			
Basic Formula Aid	12,646,796	13,012,683	365,887
Transportation Aid	2,117,150	2,700,000	582,850
High Tax Aid	317,551	317,551	-
Building Aid	1,235,683	1,291,974	56,291
BOCES Aid	1,143,575	1,384,154	240,579
Total Excess Cost Aid (High and Private)	675,448	500,000	(175,448)
Textbook, Software and Library Aid	91,006	92,807	1,801
Computer Hardware	20,533	20,900	367
	18,247,742	19,320,069	1,072,327

- State Aid numbers will be updated when Legislative Budget is released



Tax Levy Limit Calculation

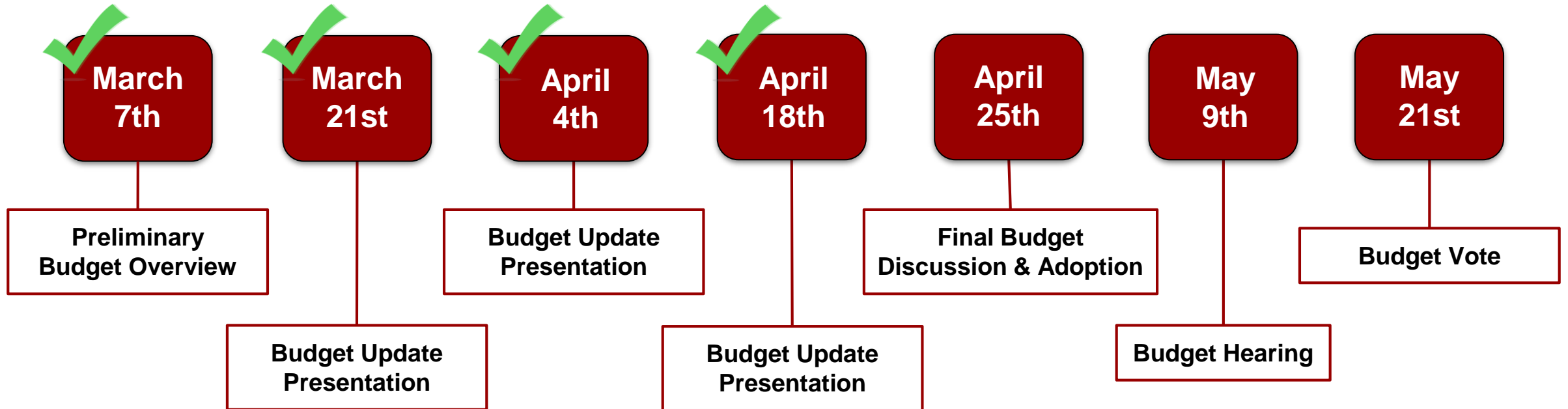
- Tax Base Growth Factor = 0.14%
- Allowable Levy Growth capped at 2%
- Tax Levy Limit = 1.91%*
- ***Final Tax Levy TBD - not final***

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



Budget Development Calendar



Board of Education candidate petitions can be obtained from the District Clerk in the Superintendent's Office at James I. O'Neill High School and are due back to the District Clerk on April 22, 2024.



Thank you



APPENDIX

- Tax Levy Limit Calculation Overview
- Impact Aid Program Details



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





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
 - New Impact to HFFMCSD: +\$1.2 Million additional Impact Aid annually



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