# School Budgeting 101

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WPSBA
WESTCHESTER PUTNAM
SCHOOL BOARDS ASSOCIATION

# Agenda

- Balancing the Budget
- Revenues
- Expenditures
- Timeline
- Budget Vote

# Balancing the Budget

# How do you build a school budget?
# Revenues = Expenditures

Property Taxes

State Aid

Sales Tax

Tuitions

Health Services

Interest

Other




Salaries

Benefits

Operations/Maint

Special Education

Debt Service

Transportation

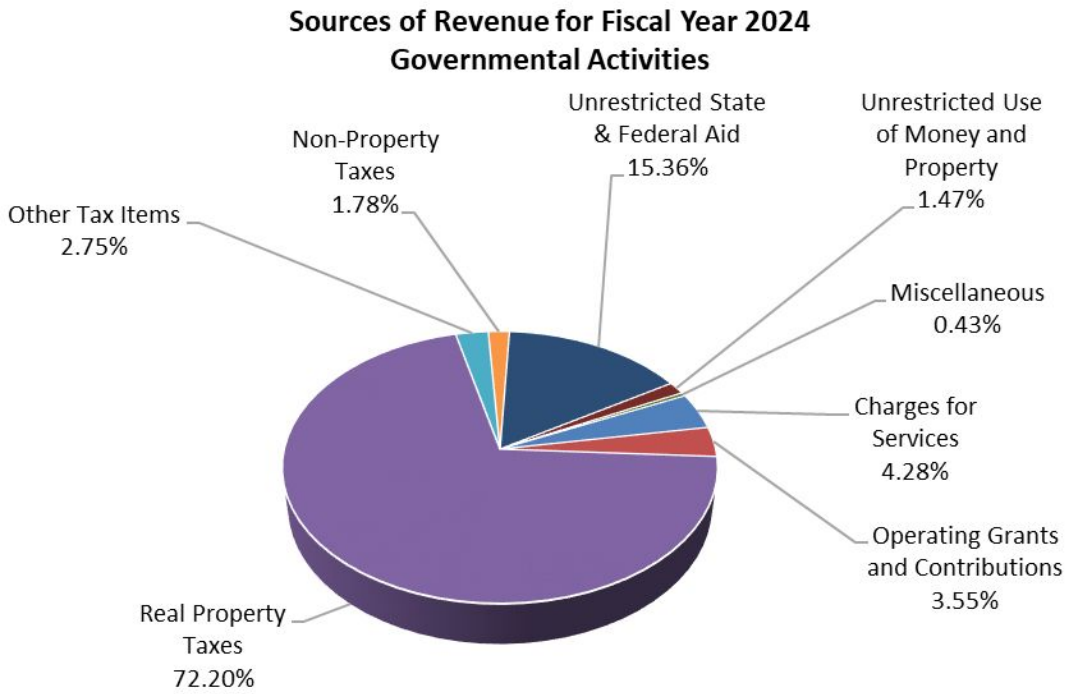
BOCES

# Revenues

# Financial Support for Public Schools

According to the 2023-24 NYS State Aid Handbook, financial support for public schools in New York comes from 3 general sources:

- Locally raised revenues (approximately 55%)
- State formulas and grants (approximately 40%)
- Federal government (approximately 5%)


Sources of Revenue for Fiscal Year 2024
Governmental Activities
Unrestricted State & Federal Aid 15.36%
Unrestricted Use of Money and Property 1.47%
Non-Property Taxes 1.78%
Other Tax Items 2.75%
Miscellaneous 0.43%
Charges for Services 4.28%
Operating Grants and Contributions 3.55%
Real Property Taxes 72.20%

# Locally raised revenues:

Financial support for public schools in New York comes from 3 sources*:

- Local taxes
  - Property taxes
  - Sales tax
- Charges to other governments
  - Tuitions
  - Health services
- Interest earnings
- Misc
- Appropriate reserves

# Local taxes:

Property taxes (including STAR)

- Not all school district's levy taxes, but most do
- Fiscally independent school districts (common, union free, central, & small city) submit their budgets to voters for approval and levy of school taxes (Educ. Law §§ 1608, 1716, 1908, 2022)
- Fiscally dependent school districts do not (Big 5: Buffalo, New York, Rochester, Syracuse & Yonkers). Taxes are levied by the municipal government (Educ. Law § 2576)

Sales tax

- Tax law authorizes counties to allocate a portion of their sales tax revenues to school district and other localities (Tax Law § 126)

Other taxes (uncommon)

- Tax law authorizes certain muni, including school districts under certain limited circumstances to levy non-realt taxes for both educational and general purposes (i.e., taxes on utilities, real estate sales, food and drink in restaurants & bars, vending machines, and admissions to places of amusement (Tax Law §§ 1200-1263)

# Westchester County sales taxes:

See the information below for allocation of the local tax to county, local government and school districts. Localities and school districts' share is determined by the percentage of population in the locality or school district to the whole area.

| Total old local tax | 1½% |
|---|---|
| County share | 45.6% of 1½% |
| Local government share | 40.0% of 1½% |
| Local school district share | 14.4% of 1½% |

| Total new local tax | 1% |
|---|---|
| County share | 70% of 1% |
| Local government share | 20% of 1% |
| Local school district share | 10% of 1% |

Source:
https://finance.westchestergov.com/county-sales-tax

# Charges to other governments:

Tutions

- General education students
- Special educations programs

Health services

- Tax law authorizes counties to allocate a portion of their sales tax revenues to school district and other localities (Tax Law § 126)

Other charges

- Shared services
- Management

# Miscellaneous:

- Admissions
- Rental charges
- Sale of equipment
- Refund of prior year expenses
- Gifts and donations

# State formulas and grants?

## What is State Aid?

State Aid is the mechanism by which New York State fulfills its constitutional requirement to “adequately” fund a “sound basic education” for all students in New York.

Where does state aid come from:

- State General Fund
  - Income taxes
  - Sales taxes
- STAR (School Property Tax Relief)
  - Approximately 10%
  - Was 20% in 2010
- Special Revenue Fund (used to supplant rather than supplement)
  - State lottery, video lottery terminal, commercial gaming, mobile sports wagering
  - Cannabis

# State Aid Categories

In general, there a 3 basic state aid categories:

- Foundation Aid
- Reimbursable Aids
  - Transportation
  - BOCES
  - Building aid
  - High cost/special education
  - Instruction materials (textbook/hardware/software)
- Grants-in-Aid

# Appropriated Reserves

Unassigned fund balance

- 4% fund balance

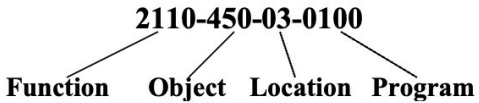
Assigned “Restricted” fund balance

- Retirement reserve
- Tax certiorari reserve
- Unemployment reserve
- Employee accrued benefit liability reserve
- Workers’ compensation reserve
- Capital reserve
- Debt service reserve

# Expenditures

# Expenditures

## Budget Code Explanation



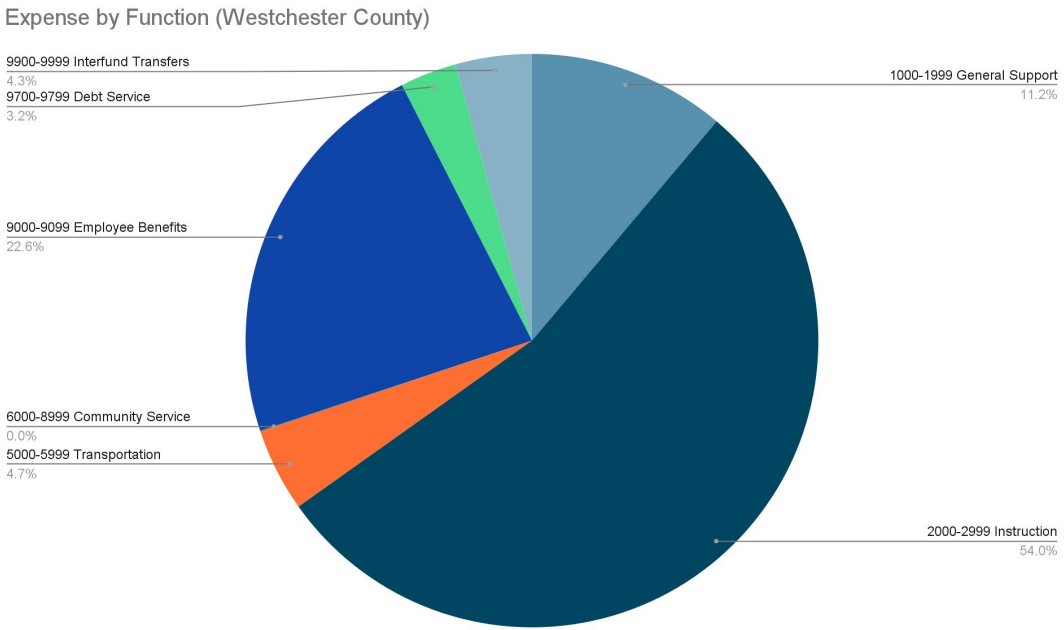

**Function:** The first group of the budget code consisting of four digits. It identifies groups of services aimed at accomplishing certain purposes or ends. Function codes are uniform throughout New York State. Examples include custodial, instruction, interscholastic athletics, and transportation.

**Object:** The second group of the budget code consisting of three digits. It identifies a secondary classification and description of expenditures based on the article purchased or service obtained. Object codes are uniform throughout New York State. Examples include salaries, equipment, materials and supplies, and tuition.

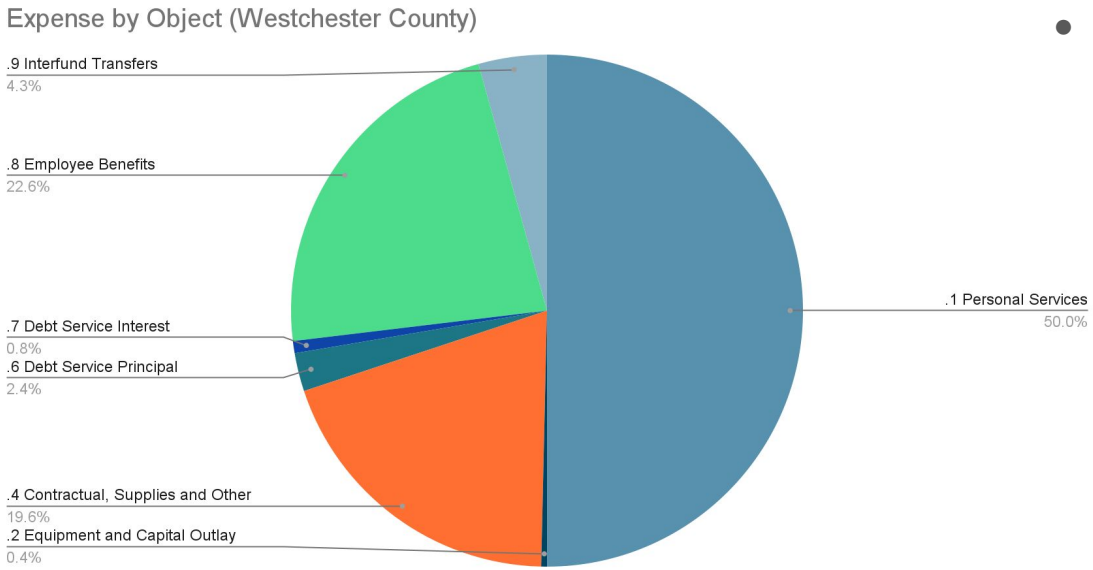
**Location:** The third group of the budget code consisting of two digits. It identifies the building or department that is making the expenditure. Location codes are not standardized in New York State.

**Program:** The fourth group of the budget code consisting of four digits. It identifies groups of expenditures that are not separated out in any of the other budget code categories. Program codes are not standardized in New York State

# Expenditures



# Expenditures




- 72.6% Salary and Benefits

# Expenditures

- Projections:
  - Salaries
    - CBAs/Negotiations
  - Benefits
  - Contracts/Equipment
  - Transportation
    - May CPI (Contracted)
  - Capital Needs/Debt Service
- Prior year performance

# Timeline

# Timeline

- Budget Calendar
- October/November starts the process
- January
  - Executive Budget
- February - March
  - Building/Department Budgets
  - Staffing
- March 1
  - File tax levy limit
- April
  - Adopt Budget
- May
  - Budget & BOE Election Vote



Briarcliff Manor Union Free School District

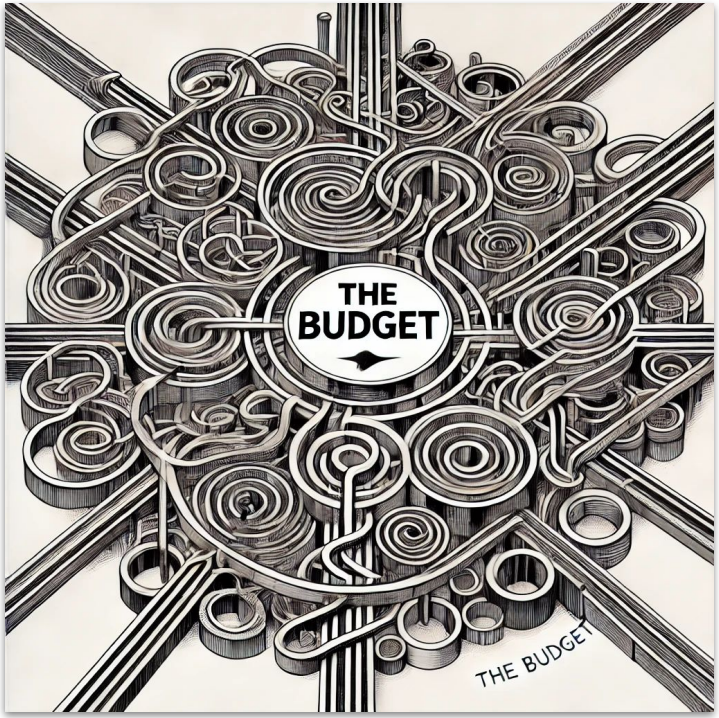
2024-2025 BUDGET DEVELOPMENT CALENDAR

| DATE | |
|---|---|
| November 2023 | Administrative team reviews all staffing for all instructional and non-instructional staff with principals and supervisors. Review budget status for potential increase/decrease. |
| December 2023 | Meet with non-instructional budget supervisors to discuss first budget drafts (Operations & Maintenance, Technology and General Support). Meet with all related departments to discuss requests for 2024-2025 BOCES services. Principals meet with faculty to discuss Instructional Programs and item requests for the 2024-25 Program Budget. Administrators prepare Program, Staff and Facility Reports for review and discussion with the Superintendent. |
| January 18, 2024 | **Budget Work Session & Regular Board of Education Meeting** General Budget overview and General Support review to Board of Education. Current year expense and revenue update used to project fund balance. Presentation of Long Range Financial Plan financial plan based on 2022–23 expenditures. |
| January 2024 | Administrators to review budget with the Superintendent and Assistant Superintendent. |
| February 1, 2024 | **Budget Work Session & Regular Board of Education Meeting** Budget update, discuss Governor's proposed budget with the Board of Education. Athletics Program, Technology Department, Operations and Maintenance and Transportation budget plans to be presented to the Board of Education. |
| February 15, 2024 | **Budget Work Session & Regular Board of Education Meeting** High School, Middle School and Elementary School Program Review presentations. Special Education program presentation. Review of the Tax Levy Limit Calculation. |
| March 1, 2024 | Assistant Superintendent will submit information to calculate Tax Levy Limit on the Office of the State Comptroller's website on or before March 1, 2024. |
| March 7, 2024 | **Budget Work Session & Regular Board of Education Meeting** Presentation of the Superintendent's Recommended Proposed 2024-25 Budget. |
| March 21, 2024 | **Budget Work Session & Regular Board of Education Meeting** Assistant Superintendent will supply the Board of Education with updated information on 2023-24 Employee Benefits costs and review the projected 2024-25 BOCES budget. |
| April 5, 2024 | District Clerk publishes first publication of legal notice, time and location of school election, budget heading and budget vote. (Must advertise four times within seven weeks of the vote with first publication 45 - 49 days before the budget vote.) |

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# Timeline - Who is Involved?

- Board of Education
- Superintendent
- Leadership Cabinet
- Department Leaders
- Drafts/Iterations of Budget Presented to BOE
    - Constant work in progress
    - Things can change day to day, hour to hour



# Budget Vote

# Budget Vote

- Third Tuesday of every May (5/20/25)
- Statewide Vote
- Budget Hearing
  - 7 - 14 days before vote
  - Budget statement must be made available
  - 3-part budget
    - Admin
    - Program
    - Capital
- Failed Vote?
  - 1 revote (June 17, 2025)
  - 2nd attempt failed?
    - Contingency budget

# Contact Information

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