

Phelps-Clifton Springs Central School District
Long-Range Financial Plan
February 10, 2025



Introduction

Fiscal responsibility is one of the most critical aspects to ensuring the success of any school district. By creating and updating a long-range financial plan, the Phelps-Clifton Springs Central School District can have a clearer picture of how the decisions that are made today can affect the District's financial health in the future. The long-range financial plan provides the District with a road map for financial well-being as well as a plan to achieve educational goals by combining financial projections with fiscal budgeting strategies.

The federal stimulus funds due to the COVID-19 pandemic expired in September 2024 and the Foundation Aid formula was fully funded at last during the 2023-24 school year. Now, as we approach the second half of the 2024-25 school year, the Phelps-Clifton Springs Central School District along with several other schools in New York State and across the country are facing new challenges.

A study conducted by the Rockefeller Institute this year has raised several questions and a variety of recommendations regarding the future of this formula. To add to the uncertainty, the Governor has mentioned that while she plans on complying with the hold-harmless provision of foundation aid, many school districts can expect to see a minimal increase in foundation aid at best.

The long-range financial plan takes into account some of the factors listed above along with instructional mandates, salaries, benefits and contractual obligations to name a few.

Key Factors

- All assumptions made are at a single point in time. These factors can and will change over the upcoming years, but provide a basis for financial decision making
- Federal/State grants are not included in these projections
- The forecasts for revenues and expenditures are for four years. The further out we go in this time frame, the less reliable and increasingly speculative the data becomes.

Summary of the Long-Range Forecast

After examining trends from the 2019-20 school year through the 2024-25 school year, certain assumptions and estimates were made based on various revenues and expenditures. Real property taxes and state aid make up more than 90% of the yearly revenue for the Phelps-Clifton Springs School District. The District has estimated that state aid will increase 3% each year and this may be a generous prediction for the future based on literature sent out by many state-wide organizations namely New York State School Boards Association (NYSSBA), New York Association of School Business Officials (ASBO) and the Rural Schools Association of New York (RSA).

On the expenditure side, salaries have been trending at a 3.75% increase each year but certain bargaining units will see higher increases due to shortages in staffing and minimum wage compression. Healthcare in the Finger Lakes Area School Health Plan (FLASHP) has seen increases over the past four years ranging from 10% to as high as 21.9%. The District has benefited from transitioning its Medicare plans to the FLASHP consortium and has a result of receiving a significant discount in rates for Medicare eligible plans, overall increases have been less than 10%.

Over the next four years, if the District were to expense all the appropriated funds then the data predicts that there will be deficits projected beginning in 2026-27 through 2028-29. These deficits will be compounded each year based on the salary and health care increases as depicted in the Long-Range Forecast Table. It is important to note that salary and benefits make up approximately 67% or two-thirds of yearly expenditure.

Phelps-Clifton Springs CSD
Long-Range Forecast

REVENUES	2024-25 BUDGET			2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2025-26 % of Budget	2026-27 % of Budget	2027-28 % of Budget	2028-29 Forecast
Real Property Taxes	15,844,115	2.00%	Estimate	16,160,997	16,484,217	16,813,902	17,150,180	33.39%	33.16%	32.94%	32.72%
PILOTS/Interest/Penalties	57,176	2.00%	Estimate	58,320	59,486	60,676	61,889	0.12%	0.12%	0.12%	0.12%
Charges For Services	25,625	0.00%	1 Year Avg.	25,625	25,625	25,625	25,625	0.05%	0.05%	0.05%	0.05%
Use of Money and Property	582,500	3.00%	Estimate	599,975	617,974	636,513	655,609	1.24%	1.24%	1.25%	1.25%
Other Miscellaneous	150,000	0.00%	1 Year Avg.	150,000	150,000	150,000	150,000	0.31%	0.30%	0.29%	0.29%
State Aid	26,477,078	3.00%	Estimate	28,301,390	29,150,432	30,024,945	30,925,693	58.47%	58.65%	58.83%	59.01%
BOCES Aid	2,000,466	3.00%	Estimate	2,060,480	2,122,294	2,185,963	2,251,542	4.26%	4.27%	4.28%	4.30%
Hard/Soft/Text/Federal Aid	145,998	0.00%	Flat	145,998	145,998	145,998	145,998	0.30%	0.29%	0.29%	0.28%
Transfers and Balances	860,000	5.00%	Flat	903,000	948,150	995,558	1,045,335	1.87%	1.91%	1.95%	1.99%

TOTAL REVENUES	46,142,958			48,405,785	49,704,177	51,039,179	52,411,871	100.00%	100.00%	100.00%	100.00%
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APPROPRIATIONS	2024-25 BUDGET			2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2025-26 % of Budget	2026-27 % of Budget	2027-28 % of Budget	2028-29 Forecast
Salaries	18,393,481	4.00%	Assumption	19,129,220	19,894,389	20,690,165	21,517,771	39.77%	39.66%	39.54%	39.41%
Equipment	394,800	0.00%	Flat	394,800	394,800	394,800	394,800	0.82%	0.79%	0.75%	0.72%
Contractual	2,168,252	5.00%	1 Year Avg.	2,276,665	2,390,498	2,510,023	2,635,524	4.73%	4.77%	4.80%	4.83%
Supplies/Tuition	1,330,778	1.04%	1 Year Avg.	1,344,618	1,358,602	1,372,732	1,387,008	2.80%	2.71%	2.62%	2.54%
Textbooks	211,000	5.00%	Assumption	221,550	232,628	244,259	256,472	0.46%	0.46%	0.47%	0.47%
BOCES Services	8,057,667	3.00%	Assumption	8,299,397	8,548,379	8,804,830	9,068,975	17.25%	17.04%	16.83%	16.61%
Employee Benefits	12,077,499	7.00%	Assumption	12,922,924	13,827,529	14,795,456	15,831,137	26.87%	27.57%	28.28%	28.99%
Debt Service	3,334,481	0.00%	Actual	3,334,481	3,334,481	3,334,481	3,334,481	6.93%	6.65%	6.37%	6.11%
Transfers and Balances	175,000	0.00%	Actual	175,000	175,000	175,000	175,000	0.36%	0.35%	0.33%	0.32%

TOTAL APPROPRIATIONS	46,142,958			48,098,655	50,156,305	52,321,745	54,601,169	100.00%	100.00%	100.00%	100.00%
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				307,130	-452,128	-1,282,565	-2,189,297				
Budget Deficit/Surplus				307,130	(452,128)	(1,282,565)	(2,189,297)				

Full Time Equivalent Change (FTE) vs Enrollment Change and Live Births Chart

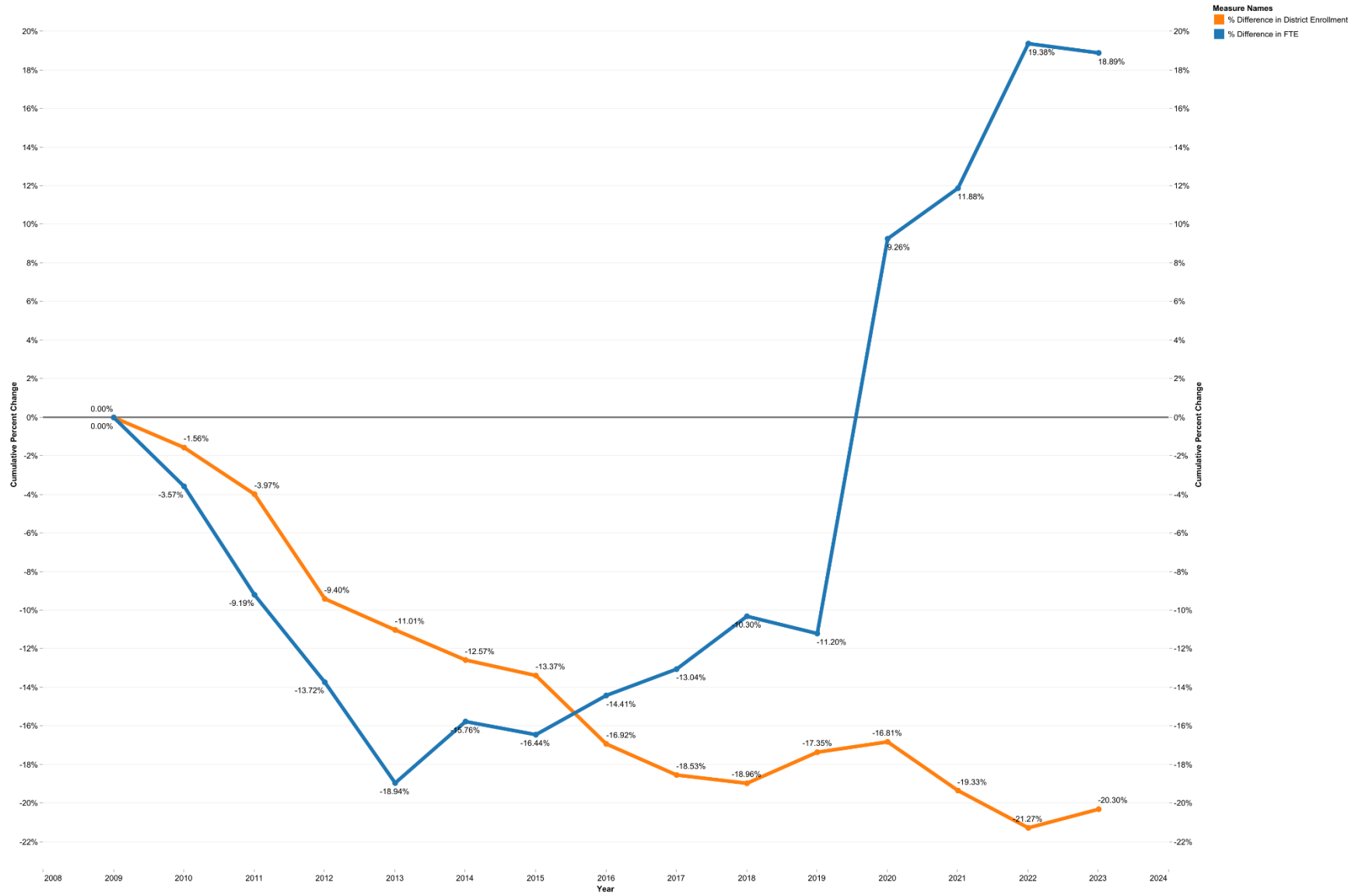
The FTE Change vs Enrollment Change graph below compares the student enrollment (in orange) against the staffing (in blue) since the 2009 school year. The data shows that student enrollment has declined nearly 20% from 2009 through 2023 and while staffing declined between 2009 and 2013 it has been on the rise since 2013 and steadily increased after 2019 due to an influx of Federal stimulus funds.

The Live Births Chart shows the number of live births for families residing in the Phelps-Clifton Springs Central School District and compares it to the kindergarten enrollment for each year when those children will become kindergarten eligible. The data shows that class sizes are trending closer to 100 students compared to 2019 when there were 125 students or 2020 when there were 135 students. If this data continues to project closer to 100 students in future years, the District predicts that in approximately 8 years the K-12 enrollment in the District will be somewhere between 1200 to 1300 students compared to its current enrollment of 1484 students.

FTE Change versus Enrollment Change

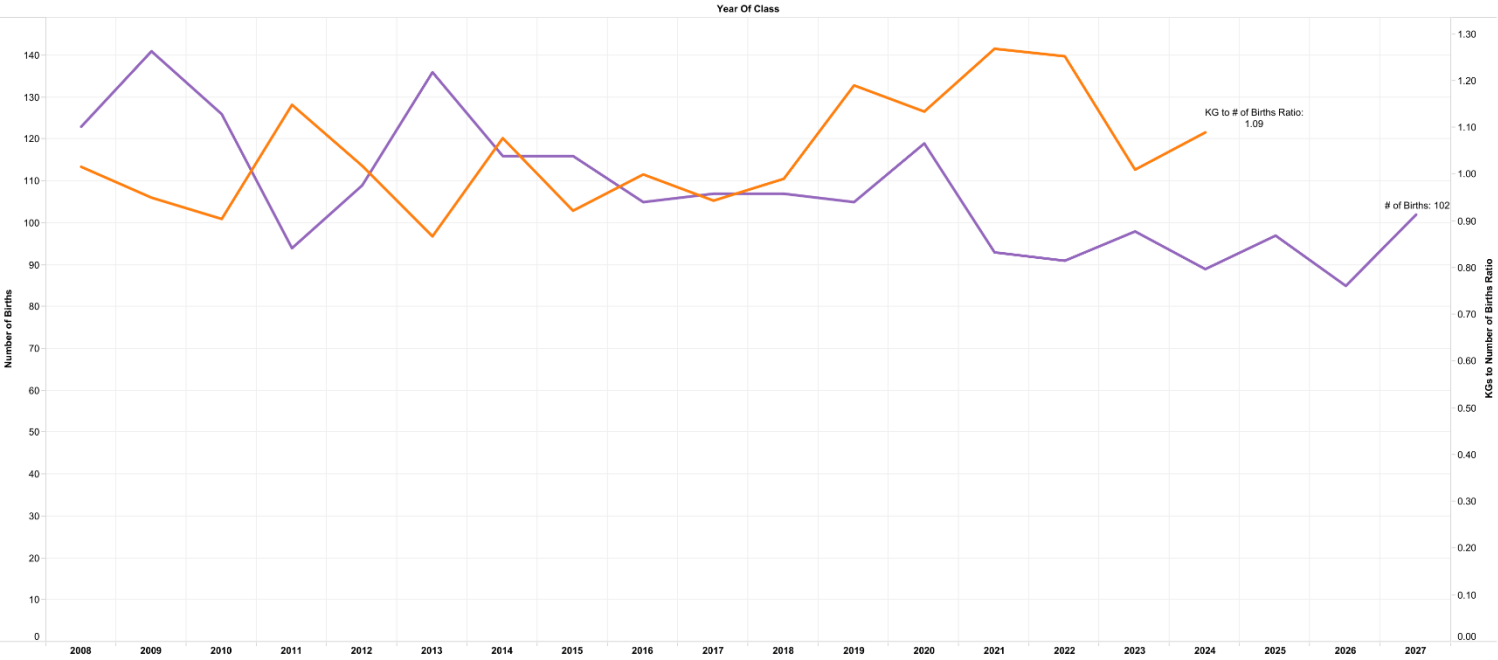
Cumulative Change from Base Year
District: PHELPS-CLIFTON SPRINGS CSD
Position(s): Teacher

Note: NYSED staff reporting requirements for assignments/positions changed in 2020 and data may not align with prior years.
Source: NYSED Salary and Enrollment Records



Live Births Chart
Source: New York State, Department of Health

District		Year Of Class																			District PHELPS-CLIFTON SPRINGS CSD	
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
PHELPS-CLIFTON SPRINGS CSD	KGs to Number of Births Ratio	1.02	0.95	0.90	1.15	1.02	0.87	1.08	0.92	1.00	0.94	0.99	1.19	1.13	1.27	1.25	1.01	1.09				
	Number of Births	123	141	126	94	109	136	116	116	105	107	107	105	119	93	91	98	89	97	85	102	
	KG Enrollment	125	134	114	108	111	118	125	107	105	101	106	125	135	118	114	99	97				



Action Plan

One of the keyways for the District to prevent yearly expenditures from outpacing revenues is to begin a process of right-sizing staffing in instructional areas across the district. Every resignation or retirement presents an opportunity to adjust staffing without having to terminate employment for individuals. There are some instructional areas where staff must be replaced when someone leaves or the impact on instructional programming will be significant. In other areas, the District may be able to absorb that position while still maintaining course offerings and appropriate class sizes.

The District is aware that layoffs due to budgetary constraints can have a significant impact on the climate of the school and employee morale and is committed to exploring other avenues that cause minimal disruptions to student learning during potentially challenging times.