



Pittsford Schools

2025 – 2026

Budget Work Session #1

February 4, 2025



Agenda:

- Budget Guidelines
- School Budget Timeline & Process
- Major Components of Revenue
 - Tax Cap/Tax Levy/State aid
- Executive Budget Highlights
- State Aid – Executive Budget Overview
- Revenue Forecast
- Future Work & Meetings

Financial information prepared for this presentation is preliminary and contains estimates and projections that are subject to change throughout the budget process



Budget Guidelines

Develop a Student based budget focused on:

- Implementation of rigorous, engaging, equitable, and authentic curriculum, instruction, assessments, and resources.
- Maintain excellence while supporting responsive and relevant offerings.
- Providing experiences, both curricular and extracurricular, that support the varied interests and abilities of the whole child.
- Social emotional learning and mental health supports.
- Supporting diverse academic, social, emotional, and mental health needs.



Budget Guidelines

Provide High Quality Professional Learning focused on:

- Tiered supports addressing the range of learners in classroom.
- Curriculum, assessment, grading and instructional practices.
- Equity and Inclusion practices aligned with District goals.
- Social emotional, wellness, and mental health topics.
- Continuous improvement for instructional and non-instructional staff members.



Budget Guidelines

Balance the investment in education with sensitivity to limited community resources by:

- Balancing community expectations for services and programs, with the need to be cognizant of changes in property values, income levels, new state/federal tax laws, and other economic uncertainties.
- Engaging in thoughtful short- and long- range financial planning.
- Collaborating with local partners/districts to share services.
- Sustaining transportation reserve for transition to electric buses/vehicles.
- Planning for the cessation of Federal funds and impact on minimum wage increases.
- Engaging legislators to increase NYS foundation aid.
- Recruiting, hiring, and retaining diverse employees of the highest caliber.
- Seeking cost efficiencies to further mitigate the burdensome and financial impact of underfunded and unfunded mandates.



Budget Guidelines

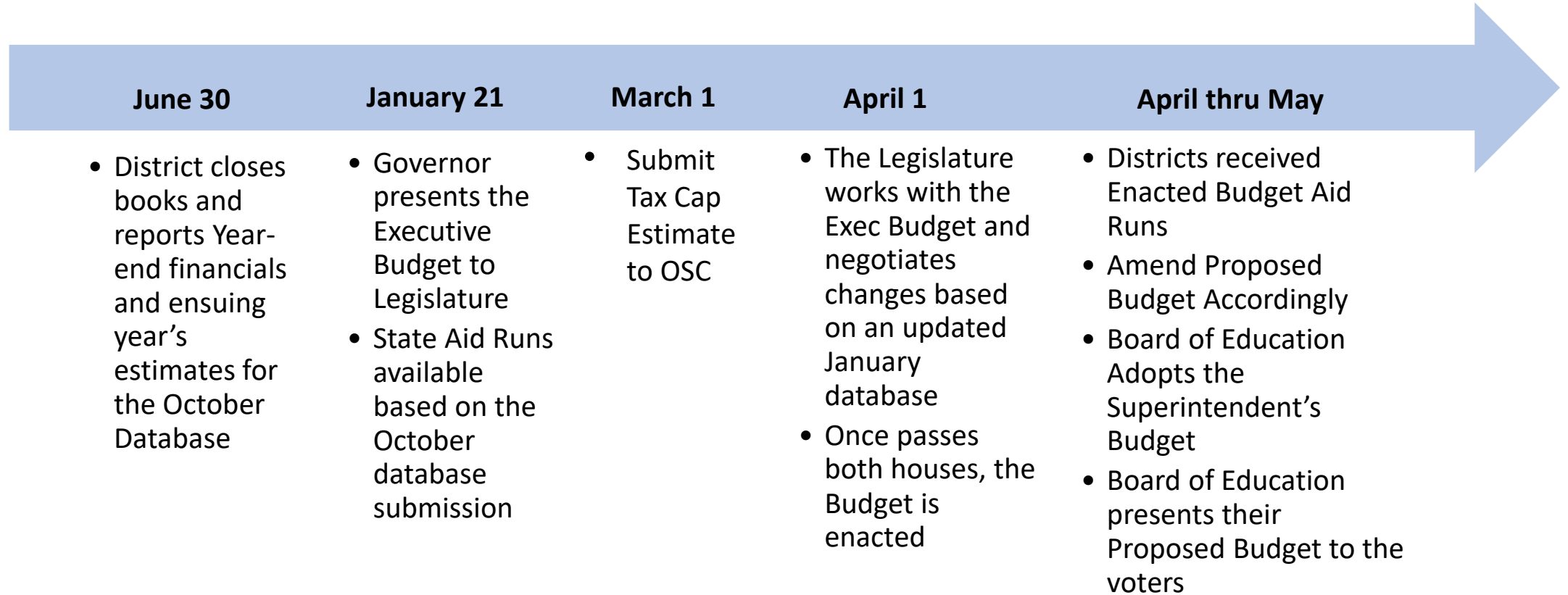
Maintain fiscal stability now and into the future through:

- Financially prudent and sustainable reserve accounts.
- Review and adjust staffing to align with revenue sources.
- Partnerships, shared services, audits.
- Protecting and maintaining our Aa1 bond rating.
- Protecting the community's investment in facilities and infrastructure.
- Advocacy with legislators relative to appropriate levels of funding.
- Implementing research-based sustainability practices.

Meet legal mandates and contractual obligations



School Budget Timeline & Process



School Budget Revenues

Major Sources of Revenue for School Districts:

1. Tax Levy (amount of money collected in taxes)
2. State Aid (provided by New York State)
3. Other Sources (PILOT, county sales tax, interest earnings, gifts, sale of equipment, etc.)



Tax Levy

- The tax levy accounts for 70% of the District's Revenue budget
- Now “capped” by the Property Tax Cap Legislation

“The State Legislature and the Governor enacted legislation that establishes a property tax cap which limits growth in the property tax levy to 2% or the rate of inflation, whichever is less, with some exclusions.”



Calculation of the Property Tax Cap

New York's Tax Levy "Cap" Formula: *How does it add up?*

Although often referred to as a "2 percent tax cap," New York's tax levy "cap" law does not restrict any proposed tax levy increase to 2 percent. Pursuant to the law, each school district must follow an 8-step calculation, outlined below, to calculate its individual "tax levy limit." That limit then determines what level of voter support is required for budget approval.

THE BASE FORMULA

The "quantity change factor," determined by the Dept. of Taxation and Finance for each district by Feb. 1. It's the year-to-year increase in the full value of taxable real property in a school district due to physical or quantity change (e.g., new construction). Increases in full value due solely to assessment changes are not included. This factor will not be less than 1.000, even if a district sees a decrease in its full property value. The commissioner of taxation and finance is authorized to make rules/regulations that may adjust the calculation based on development on tax exempt land.

The amount of the school district's current-year tax levy necessary to pay for court orders or judgments arising out of tort actions. Applies only to the portion that exceeds 5% of the school district's total prior-year tax levy. Tax certioraries do not qualify.

This factor, which accounts for inflationary change, is limited to the lesser of 2% or the change in the consumer price index.

The highest allowable tax levy (before exclusions; see below) that a school district can propose as part of its annual budget and need only a simple majority of voters (50% + 1) to pass the budget. Each school district will calculate and report its own tax levy limit.

PRIOR SCHOOL-YEAR
TAX LEVY

×

TAX BASE
GROWTH FACTOR

+

PILOTS RECEIVED IN
PRIOR SCHOOL YEAR

-

TAX LEVY TO PAY FOR SOME
COURT ORDERS / JUDGMENTS

-

TAX LEVY TO PAY FOR
LOCAL CAPITAL COSTS

×

ALLOWABLE LEVY
GROWTH FACTOR

-

PILOTS RECEIVABLE IN
COMING SCHOOL YEAR

+

AVAILABLE CARRYOVER
(IF ANY)

=

TAX LEVY LIMIT

The total amount of property tax revenue levied by the district for the current school year, adjusted for any excess tax levy that was identified for a previous year, including any interest earned.

The amount of revenue receivable by the school district in the current school year from payments in lieu of taxes, known as PILOTs. Certain commercial property owners (usually large corporations) enter into PILOT agreements to make annual payments instead of paying property taxes for a negotiated period of time.

The amount of the school district's current-year tax levy necessary to pay for construction/renovation of capital facilities/equipment (including debt service and lease expenditures) and transportation capital debt service (e.g., bus lease/purchase). Refers only to the portion paid with local tax dollars and does not include state building or transportation aid received. *The commissioner is authorized to make rules/regulations that may provide for adjustments based on a district's share of additional budgeted capital expenditures made by a BOCES.

The amount of revenue the school district expects to receive in the coming school year from payments in lieu of taxes, or PILOTs.

If a district's current year tax levy was less than its tax levy limit, it must increase the coming year's tax levy limit by that amount or 1.5% of the current year's tax levy limit, whichever is less.

Calculation of the Property Tax Cap

EXCLUSIONS TO BE ADDED

The law excludes certain portions of a school district's tax levy from the calculation above. A district can add these exclusions (described below) to its tax levy limit, increasing the amount of taxes the district is allowed to levy while still needing only a simple majority of voters for budget approval.



TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS

Applies only when the employer contribution rates set by the statewide pension systems (TRS and ERS) increase by more than 2 percentage points from one year to the next. Even with this exclusion, most—if not all—pension costs must be funded within a school district's tax levy limit.



TAX LEVY TO PAY FOR SOME COURT ORDERS/JUDGMENTS

The amount of the school district's coming-year tax levy necessary to pay for court orders or judgments arising out of tort actions. Only the amount that exceeds 5% of the school district's prior-year total tax levy can be excluded from the tax levy limit. Tax certioraries cannot be excluded.



TAX LEVY TO PAY FOR SOME LOCAL CAPITAL COSTS

The amount of the school district's coming-year tax levy necessary to pay for construction/renovation of capital facilities or equipment (including debt service and lease expenditures) and transportation capital debt service. This exclusion refers only to the portion paid with local tax dollars (i.e., does not include state building or transportation aid received). *

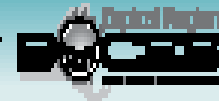


MAXIMUM ALLOWABLE TAX LEVY

The tax levy limit plus exclusions. This is the highest total tax levy that a school district can propose as part of its annual budget for which only the approval of a simple majority of voters (50% +1) is required.



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Tax Levy Limit Calculation Estimate

Subject to change prior to March 1st

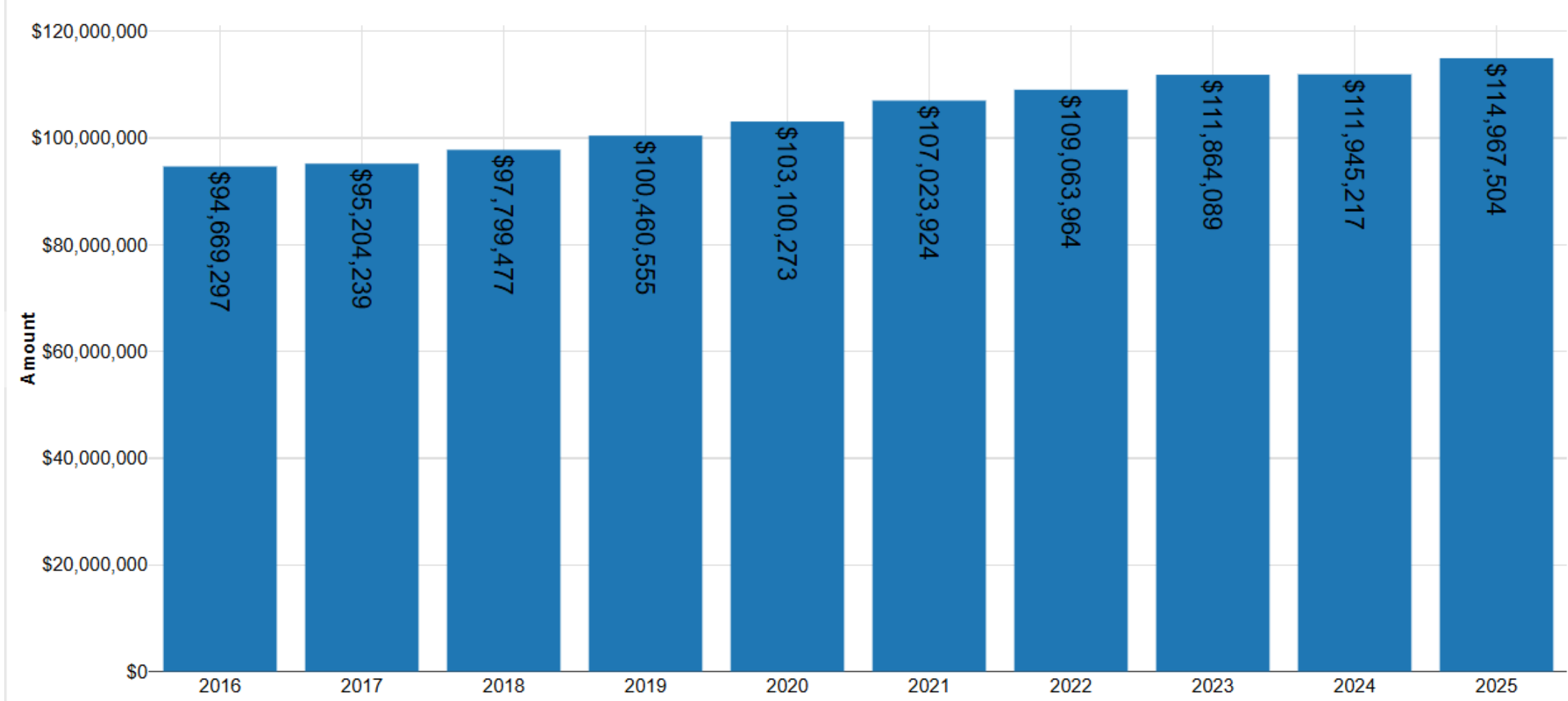
	2024-25 Actual	2025-26 Estimated
Prior Year Tax Levy	111,953,538	114,967,504
Tax Base Growth Factor	x 1.0080	x 1.0050
	112,849,167	115,542,341
Prior year PILOT	+ 80,080	+ 103,966
	112,929,247	115,646,307
Prior Year Exemptions	-2,944,112	-2,863,266
Adjusted Prior Year Levy	109,985,134	112,783,041
Allowable Levy Growth Factor (lesser of CPI or 2%)	x 1.02	x 1.02
Sub-total (Tax Levy Limit)	112,184,837	115,038,702

Tax Levy Limit Calculation Estimate

Subject to change prior to March 1st

	2024-25 Actual	2025-26 Estimated
<i>Tax Levy Limit (from previous slide)</i>	<i>112,184,837</i>	<i>115,038,733</i>
PILOTs for coming year	-103,966	-130,000
Tax Levy Limit (with no carryover)	112,080,871	114,908,702
Coming School Year Exemptions:		
Plus: Debt Service/Capital Transfer/BOCES Capital	+8,155,061	+8,330,236
Less: Building Aid/BOCES Aid/Debt Service Fund	-5,291,795	-5,579,383
“Capital Levy Exclusion”	2,863,266	2,750,853
<i>Plus: Pension Exclusions</i>	<i>+23,367</i>	<i>+0</i>
Maximum Allowable Levy (ESTIMATE)	114,967,504	117,659,555
Maximum Increase in Tax Levy	3,013,965	2,692,051
Tax Cap %	2.69%	2.34%

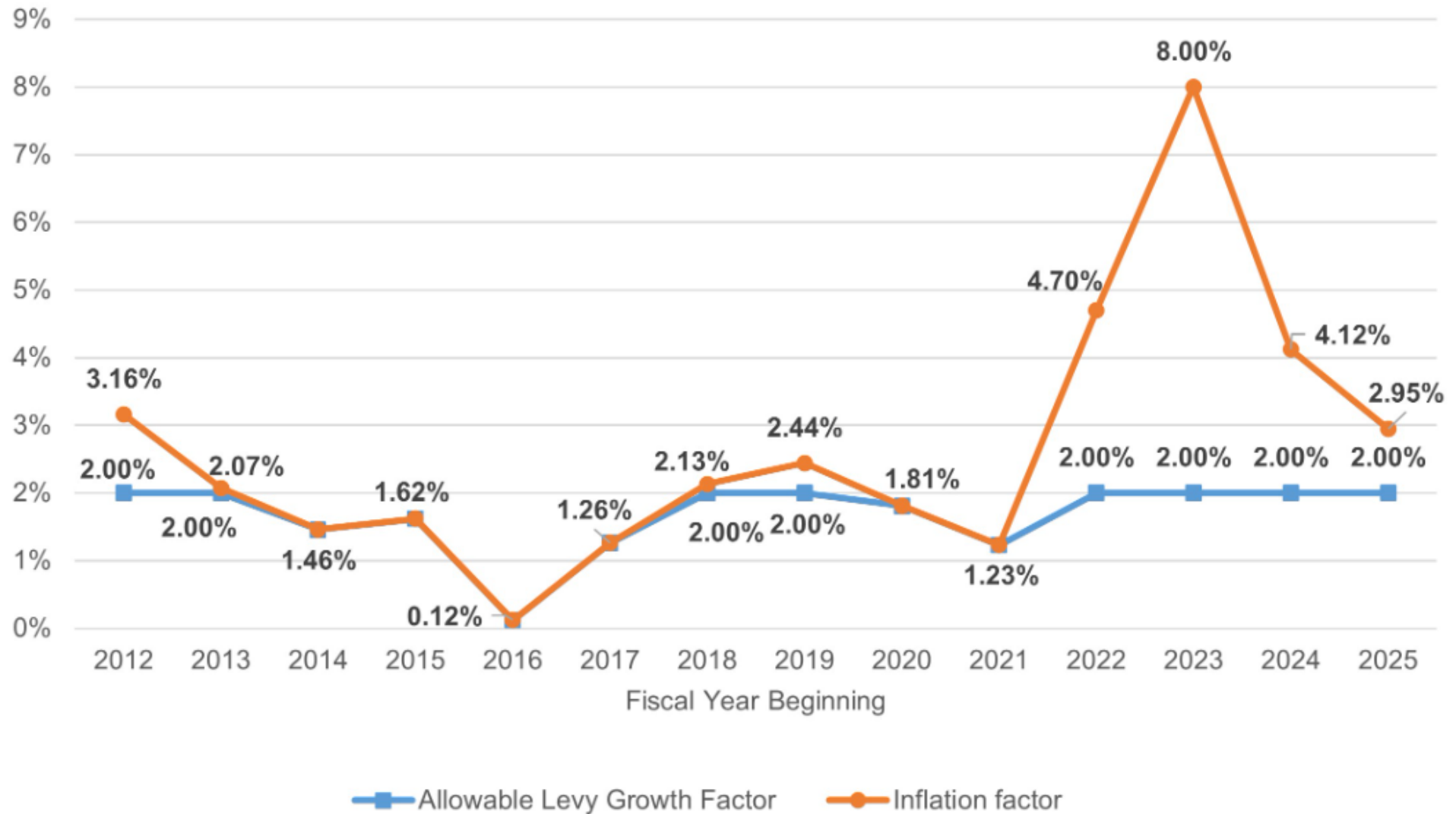
Tax Levy History



Tax Cap inflation factors

Year	Allowable Growth Factors	CPI-U
2013-14	1.02 = 2.00%	2.07%
2014-15	1.0146 = 1.46%	1.46%
2015-16	1.0162 = 1.62%	1.62%
2016-17	1.0012 = 0.12%	0.12%
2017-18	1.0126 = 1.26%	1.26%
2018-19	1.02 = 2.00%	2.13%
2019-20	1.02 = 2.00%	2.44%
2020-21	1.0181 = 1.81%	1.81%
2021-22	1.0123 = 1.23%	1.23%
2022-23	1.02 = 2.00%	4.70%
2023-24	1.02 = 2.00%	8.00%
2024-25	1.02 = 2.00%	4.12%
2025-26	1.02 = 2.00%	2.95%

Tax Cap inflation factors



Tax Cap Forecast

	2025-26	2026-27	2027-28	2028-29	2029-30
Calculated Property Tax Levy Cap	\$ 117,659,555	\$ 120,593,161	\$ 121,222,094	\$ 124,324,719	\$ 127,506,263
Max Levy for simple majority vote	2.34%	2.49%	0.52%	2.56%	2.56%
Increase	\$ 2,691,692	\$ 2,933,963	\$ 628,933	\$ 3,102,625	\$ 3,181,545

This information is for presentation purposes only and contains estimates and projections that are subject to change

Property Tax Cap 2025-2026 Notes

- CPI continues to diminish the revenue power of school districts
- The Capital Exclusion is calculated by adding principal and interest payments for the debt service together and then subtracting the associated building aid that is received
 - The district currently has a BAN for the Capital Project that was voted on in 2023
 - Debt service and building aid is expected to change in 2026-27 based on bonding
 - The tax cap forecast is impacted by the conversion of the BAN to bonds in the capital exclusion in 2027-28 (possible 0.52%)
- The calculation of the tax cap will be finalized by the required March 1st reporting deadline



Highlights of Executive Budget Recommendations

State Budget - 3.6% increase to \$252 billion

- Fiscal Year surplus of \$3.5 billion
- Expected budget gaps of \$4.0 and \$7.4 billion in the next two years

School Aid for 2025-26:

- \$1.69 billion or 4.81% increase in School Aid
 - \$1.55 billion or 4.54% excluding UPK

Foundation Aid Changes:

- CPI – 3.1% increase (no adjustments)
- Replace Census 2000 poverty measures with Small Area Income and Poverty Estimates (SAIPE)
- Replace Free and Reduced lunch counts with economically disadvantaged data
- Minimum increase of 2% for all districts



**2025-26 Executive Budget Estimates of General Support for Public Schools for the
State of New York**

	2024-25	2025-26	Change	%
Foundation Aid	\$24,926,667,873	\$26,390,965,619	\$1,464,297,746	5.87%
Expense-based Aids				
Building Aid	\$3,435,301,357	\$3,327,491,861	(\$107,809,496)	-3.14%
Transportation Aid*	\$2,541,638,034	\$2,676,827,667	\$135,189,633	5.32%
BOCES Aid	\$1,312,781,103	\$1,313,291,172	\$510,069	0.04%
Public High Cost Excess Cost Aid	\$629,480,874	\$631,329,300	\$1,848,426	0.29%
Private Excess Cost Aid	\$475,910,274	\$518,754,246	\$42,843,972	9.00%
Special Services Aid	\$241,959,182	\$245,956,410	\$3,997,228	1.65%
Instructional Materials Aids				
Software Aid	\$41,927,760	\$42,627,783	\$700,023	1.67%
Hardware & Technology Aid	\$33,921,866	\$35,169,362	\$1,247,496	3.68%
Textbook Aid	\$162,039,566	\$165,092,515	\$3,052,949	1.88%
Library Materials Aid	\$17,204,029	\$17,785,370	\$581,341	3.38%
Other Operating Aids				
Academic Enhancement Aid	\$28,271,832	\$28,271,832	\$0	0.00%
Charter School Transitional Aid	\$51,257,010	\$60,624,931	\$9,367,921	18.28%
High Tax Aid	\$223,298,324	\$223,298,324	\$0	0.00%
Supplemental Public Excess Cost Aid	\$4,313,167	\$4,313,167	\$0	0.00%
Aid for Recent Consolidations				
Operating Reorganization Incentive Aid	\$2,365,933	\$1,708,856	(\$657,077)	-27.77%
Building Reorganization Incentive Aid	\$11,435,661	\$7,401,015	(\$4,034,646)	-35.28%
Subtotal	\$34,139,773,845	\$35,690,909,430	\$1,551,135,585	4.54%
Aid for Early Childhood Education				
Full Day Kindergarten Conversion Aid	\$0	\$0	\$0	N/A
Universal Prekindergarten Aid**	\$1,067,980,871	\$1,210,986,413	\$143,005,542	13.39%
Total School Aid	\$35,207,754,716	\$36,901,895,843	\$1,694,141,127	4.81%

*Includes Summer Transportation

**Increases represent actual claims in 2024-25 returning to the maximum grant allocation, and may not reflect actual increase in funds.



Highlights of Executive Budget Recommendations

Distraction Free Learning

- Must include means for parents to contact students during the day
- Creates a new annual reporting requirement effective September 1st, 2026

Dual Enrollment

- Consolidation of early college high program into a college high school opportunity fund

Universal School Meals – \$160 million increase for students not currently eligible

School Aid Database Freeze – (typically rejected)

No changes included for prior year adjustments, zero emission bus implementation, BOCES CTE reimbursement and Capital Outlay Exemption



Executive State Aid Proposal

2025-26 Executive Budget Estimates of General Support for Public Schools for the Pittsford Central School District				
	2024-25	2025-26	Change	%
Foundation Aid	\$21,091,130	\$21,649,228	\$558,098	2.65%
Expense-based Aids				
Building Aid	\$4,299,980	\$4,037,046	(\$262,934)	-6.11%
Transportation Aid*	\$4,265,731	\$5,275,542	\$1,009,811	23.67%
BOCES Aid	\$4,259,362	\$3,395,732	(\$863,630)	-20.28%
Public High Cost Excess Cost Aid	\$483,703	\$683,988	\$200,285	41.41%
Private Excess Cost Aid	\$407,096	\$416,899	\$9,803	2.41%
Special Services Aid	\$0	\$0	\$0	N/A
Instructional Materials Aids				
Software Aid	\$91,513	\$91,753	\$240	0.26%
Hardware & Technology Aid	\$92,547	\$92,937	\$390	0.42%
Textbook Aid	\$346,646	\$346,646	\$0	0.00%
Library Materials Aid	\$38,181	\$38,281	\$100	0.26%
Subtotal	\$35,375,889	\$36,028,052	\$652,163	1.84%
Aid for Early Childhood Education				
Full Day Kindergarten Conversion Aid	\$0	\$0	\$0	N/A
Universal Prekindergarten Aid**	\$0	\$2,019,600	\$2,019,600	N/A
Total School Aid	\$35,375,889	\$38,047,652	\$2,671,763	7.55%
<p>*Includes Summer Transportation</p> <p>**Increases represent actual claims in 2024-25 returning to the maximum grant allocation, and may not reflect actual increase in funds.</p>				

Executive State Aid Proposal

AID CATEGORY	Estimated State Aid 2024-25	Proposed State Aid 2025-26	Difference	% Change
Foundation aid	21,091,130	21,649,228	558,098	2.65%
Universal Pre-K	-	2,019,600	2,019,600	N/A
BOCES	4,259,362	3,395,732	(863,630)	-20.28%
High Cost Excess Cost	483,703	683,988	200,285	41.41%
Private Excess Cost	407,096	416,899	9,803	2.41%
Hardware & Technology	92,547	92,937	390	0.42%
Software, Library, Textbook	476,340	476,680	340	0.07%
Transportation	4,265,731	5,275,542	1,009,811	23.67%
Building Aid	4,299,980	4,037,046	(262,934)	-6.11%
			-	
TOTAL	35,375,889	38,047,652	2,671,763	7.55%
Less Universal Pre-K	35,375,889	36,028,052	1,370,724	1.84%

(Matches State aid information in media)

Budgeted State aid compared to Executive State Aid Proposal

AID CATEGORY	Budgeted State Aid 2024-25	Possible State Aid 2025-26	Difference	% Change
Foundation aid	21,092,291	21,649,228	556,937	2.64%
Universal Pre-K	-	-	-	N/A
BOCES	3,513,073	3,800,000	286,927	8.17%
High Cost Excess Cost	353,527	375,000	21,473	6.07%
Private Excess Cost	366,473	400,000	33,527	9.15%
Hardware & Technology	93,774	92,547	(1,227)	-1.31%
Software, Library, Textbook	481,438	476,680	(4,758)	-0.99%
Transportation	3,782,308	4,782,308	1,000,000	26.44%
Building Aid	4,200,528	4,249,579	49,051	1.17%
TOTAL	33,883,412	35,825,342	1,941,930	5.73%

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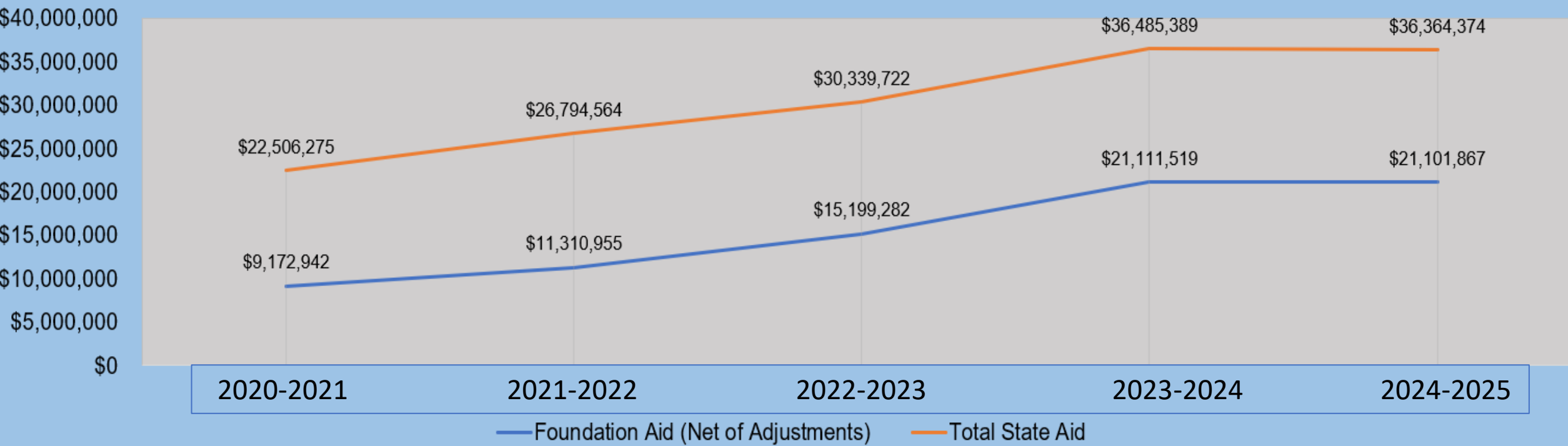
Foundation Aid History

- Governor Hochul announced a renewed commitment to fully fund foundation aid in 2021-22:
- Foundation aid was created in 2007:
 - consolidated about 30 aid categories into one formula;
 - provided a more equitable approach to distributing State aid; and called for more than \$5 billion in new operating aid to be phased in over a four-year period, which would have resulted in full funding by 2011-12. (Financial challenges delayed the full phase-in plan)
- Pittsford received full foundation aid in 2023-24 (waiting since 2012)
 - Estimated \$100 million in lost revenue over the last 10 years
- Pittsford set to receive an increase of **\$556,937** in budgeted foundation aid for 2025-26

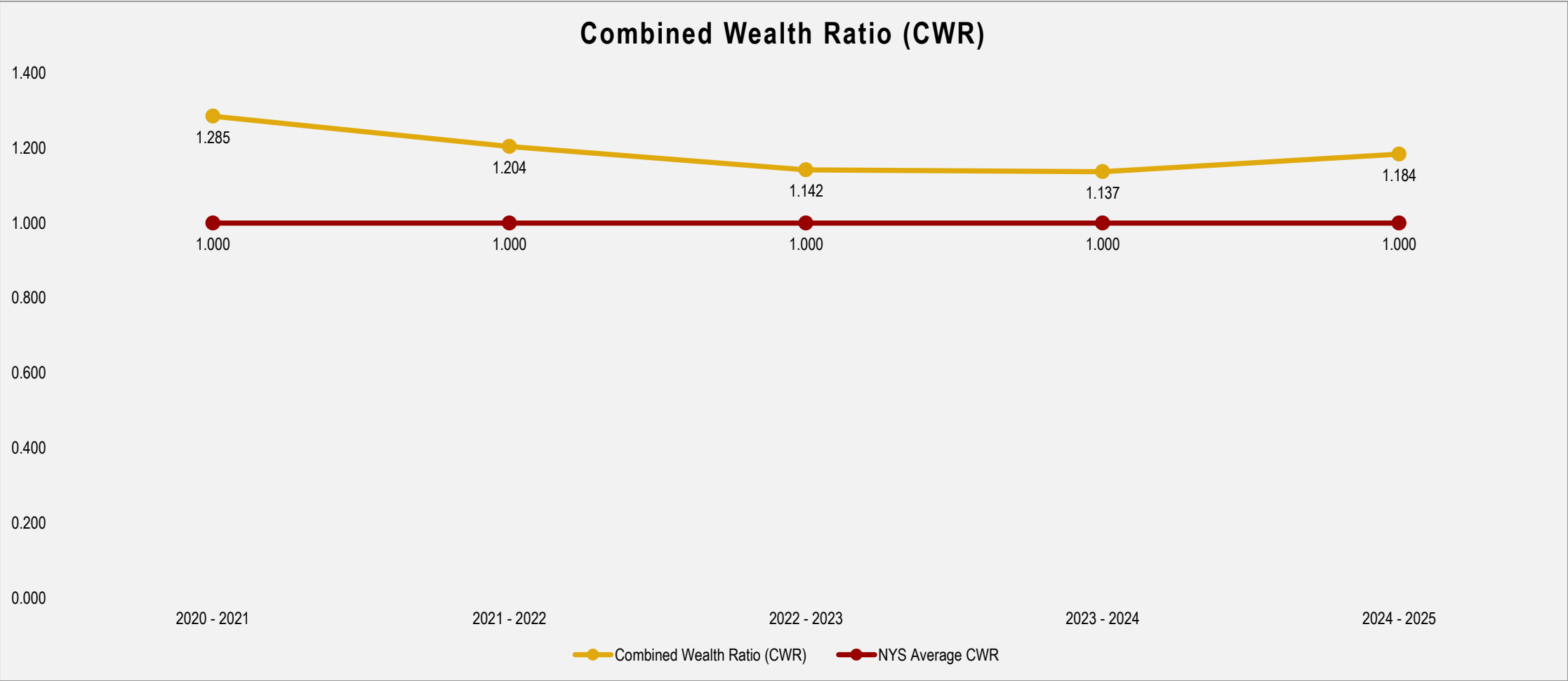


Foundation Aid History

Comparison of Foundation Aid & Total State Aid - BEDS Code: 261401



Pittsford CSD Combined Wealth Ratio



Pittsford CSD Building Aid Ratios

MULTIYEAR STATE AID FACTORS						
Pittsford					BEDS Code	261401
BUILDING AID RATIOS						
	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	
Tier 1: Voter Approval < 07/01/1998 (BLD)						
Tier 1 Selected Building Aid Ratio	0.620	0.624	0.649	0.649	0.649	
Tier 2: Voter Approval between 07/01/1998 - 06/30/2000 (BLD 10)						
Tier 2 Selected Building Aid Ratio (includes Incentive Decimal)	0.720	0.724	0.749	0.749	0.749	
Tier 3: Voter Approval between 07/01/2000 - 06/30/2005 (BLD 3)						
Tier 3 Selected Building Aid Ratio (includes Incentive Decimal)	0.720	0.724	0.749	0.749	0.726	
Tier 4: Voter Approval >= 07/01/2005 (BLD 4)						
Tier 4 Selected Building Aid Ratio (includes Incentive Decimal & HNSBAR)	0.720	0.724	0.749	0.749	0.726	

Early Revenue Forecast for the 2025-26 Budget

	2024-25	2025-26	\$\$ Change	% Change
Real Property Taxes	114,967,504	117,659,555	2,692,051	2.34%
Other Pmts in Lieu of Tax	103,966	130,000	26,034	25.04%
Sales Tax	7,100,000	7,400,000	300,000	4.23%
Charges for services	490,600	490,900	300	0.06%
Interest and Earnings	800,000	1,500,000	700,000	87.50%
Rental/Sale of Scrap	160,241	160,241	-	0.00%
Prior Year Refund	835,000	835,000	-	0.00%
State Sources (Includes Urban-Sub)	35,038,484	36,980,414	1,941,930	5.54%
Medicaid	65,000	65,000		
Sub-Total	159,560,795	165,221,110	5,660,315	3.55%
Appropriated Fund Balance	1,196,992	1,496,992	300,000	25.06%
Reserves	1,040,000	1,340,000	300,000	28.85%
Total Budget	161,797,787	168,058,102	6,260,315	3.87%

Financial information prepared for this presentation is preliminary and contains estimates and projections that are subject to change throughout the budget process

Next Steps of the Budget Process

- Work with budget originators and Board of Education as budgets are refined and presented
- Solidify Tax Cap components (debt service schedule)
- Continue to evaluate staffing
- Make budget adjustments based on replacement plans for technology, transportation, custodial/maintenance
- Evaluate BOCES services
- Adjust State aid based on the Legislative budget
- Review health insurance – 14% increase mid-year
- Monitor State Budget progress and continue advocacy efforts

Upcoming Meetings

February 25 – Board Work Session #2

March 1 – Tax Cap Report to NYS Comptroller

March 11 – Board Work Session #3 (Final)

March 13 – District Planning Team (DPT)

April 3 – District Planning Team (DPT)

April 8 – Board Adopts Superintendent's Budget

May 13 – Public Budget Hearing

May 20 – Budget Vote and Board Election





Board Discussion