

2025-2026 Budget Draft Update



Investing in Students, Strengthening Our Future

March 20, 2025

Mission



The mission of the Highland Falls-Fort Montgomery Schools is to provide enriching, safe and meaningful educational experiences that build a strong foundation for our diverse student body.

Vision



The HFFMCSD is a school community focused on developing students as lifelong learners equipped with critical thinking and problem solving skills necessary to navigate and shape the future.

Core Beliefs



We will consistently and effectively achieve our vision and accomplish our mission if in all of our work we demonstrate the following core beliefs:

- Focus on the needs of each student and create opportunities to ensure equity
- Foster engagement, collaboration and a sense of belonging for all school community members
- Take collective responsibility and make thoughtful decisions based on best practices
- Uplifting all student voices is fundamental to creating a welcoming and nurturing environment
- Promote safety, health and wellness for the developmental growth of our community
- Consistently prioritize efficiency and affordability, while also striving for excellence
- Embrace curiosity, connection and critical thinking

Budget Overview



Budget Development Process



- November - February
 - Develop expenditure budgets with Building & Departmental Teams
 - Governor's Executive Budget projection is released
- March
 - Budget Presentations
 - Refinement of the budget
- April
 - NYS Enacted Budget is due by April 1st
 - Board of Education adopts the proposed 2025-2026 budget
 - Deadline is April 25, 2025 → Target is the April 24th Board Meeting
- May
 - Adopted Budget details are shared with the community
 - 2025-2026 Budget Vote on May 20, 2025

Expenditure Assumptions

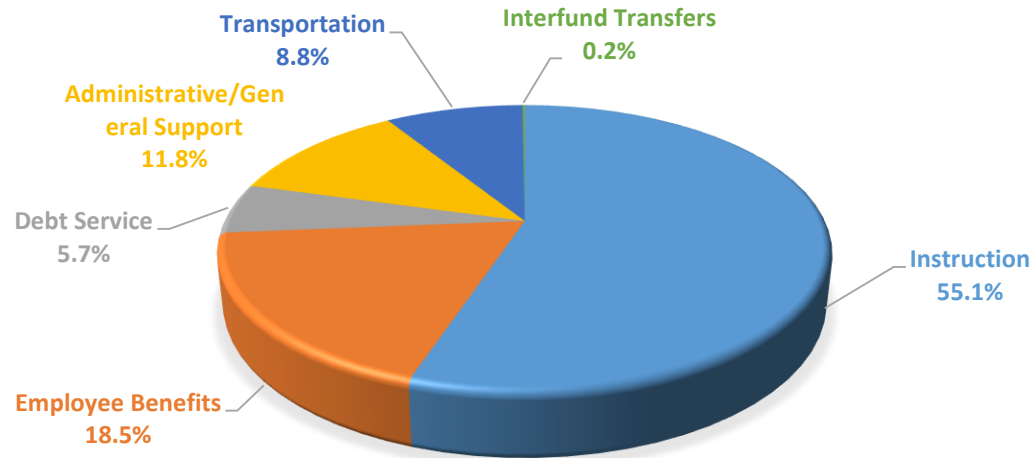


- Known Inputs:
 - Settled contractual expenses
 - Retirement system rates
 - Health insurance cost increases
- Anticipated Budgetary Increase Drivers:
 - New contract costs
 - Facility maintenance & operations costs
- Unknowns:
 - Open contracts

DRAFT Expenditure Chart



2025-2026 DRAFT EXPENDITURES



DRAFT Expenditure Detail



Expenses	2024-2025 Budget	2025-2026 Proposed Budget	\$ Change	% Change
Instruction	\$21,584,483	\$22,764,032	\$1,179,549	5.46%
Employee Benefits	\$7,826,101	\$7,650,356	(\$175,745)	-2.25%
Debt Service	\$2,225,859	\$2,335,859	\$110,000	4.94%
Administrative/General Support	\$4,728,961	\$4,850,914	\$121,953	2.58%
Transportation	\$3,567,735	\$3,619,862	\$52,127	1.46%
Interfund Transfers	\$62,000	\$62,000	\$0	0.00%
TOTAL	\$39,995,139	\$41,283,023	\$1,287,884	3.22%

Historical Budget to Budget Changes



Budget Year	Adopted Budget	% Change
2024-2025	\$39,995,141	2.46%
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%

- Over the last 10 years, the average budget to budget increase = 3.76%

Department Specific Overview



Special Education



- Special Education is a significant portion of the HFFMCSD budget
 - 37% of instructional spend
 - 2nd only to the General Education expenditure
- Increased enrollment of SPED students (+8%) over the last 3 years
 - 17% increase in In-District placements
 - Out-of-District Cost continue to be a large portion of SPED expenditures

Information Technology



- Provide 1-to-1 devices for all students, faculty and staff
- Implemented new hardware & software to sunset legacy systems at end-of-life
 - WiFi access points & back-end wireless network
 - Back-end switches and routers
 - Replaced end-of-life copiers
- Ensures functionality of district operational & back-end systems:
 - Central Office, Business Office & Facility Office software
 - Data and Network security

Athletics Department



- Equipment, Materials/Supplies for Physical Education instruction
- Support for various teams across Modified, JV and Varsity levels
 - Fees for Section participation, Officials, Facility Usage
 - Uniforms, protective gear & equipment
 - Athletic Director and Athletic Trainer salaries & Coaching stipends

Facilities & Transportation



- Facilities:
 - Maintained operations of heating, electrical, and other systems in an inflationary environment
 - Successfully managed cost increases in utilities
 - Preventative maintenance program has extended the life of older systems
- Transportation:
 - New contract in 23-24 drove significant increases in this area of the budget
 - Successfully provided for the transportation needs of district students
 - Accounted for potential in-year changes to transportation costs

Looking Ahead to 2025-2026



- Special Education & Transportation:
 - Budget for potential increases in tuition and transportation due to additional placements
 - 2% increase in Transportation cost in line with new contract (expiring after 27-28 school year)
- Facilities:
 - Maintain current facility maintenance procedures
 - Monitor utility & supply costs in light of uncertainty in US fiscal policy
- Information Technology:
 - Continue 1-to-1 device program
 - Explore opportunity for new phone system carrier to manage costs
- Athletics:
 - Continue to support material & equipment needs of the physical education program & district teams
 - Uniform replacement cycle

Revenue Overview



25-26 Revenue Budgeting Context



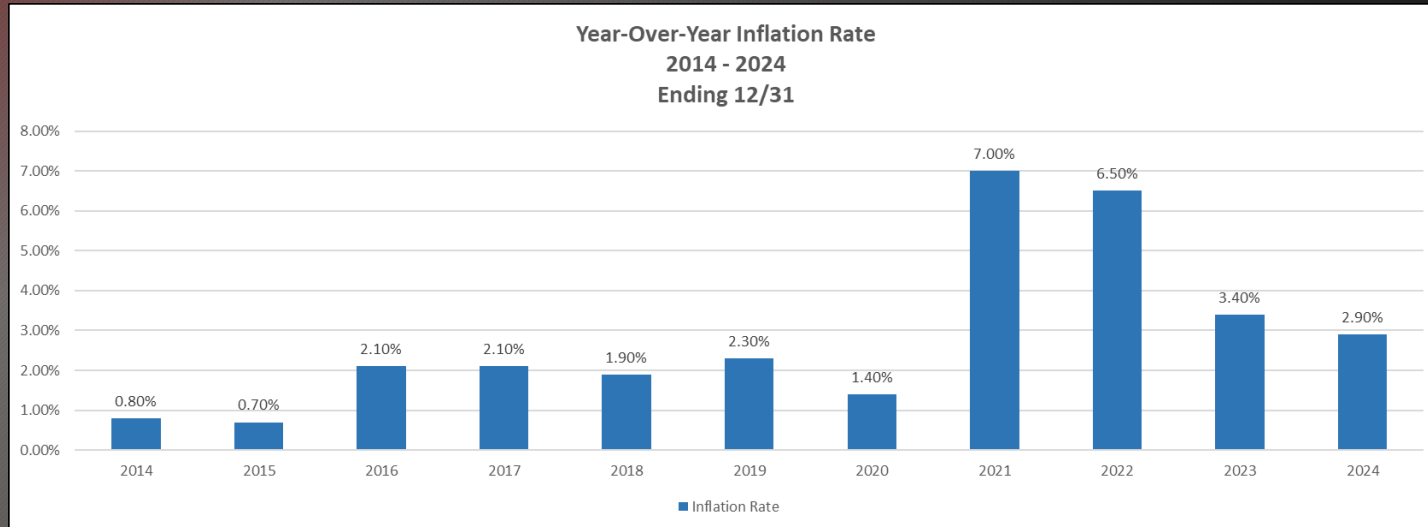
- Factors outside of our control have presented unique challenges
 - Inability to tax more than 7% of district land
 - High rate of inflation
 - Federal Funding Flat over the last 10+ years → Not keeping up with inflation
 - Tuition based revenue has decreased in the last 4 years
- These factors continue to lead to budget constraints across the district.

Taxable Land Impact



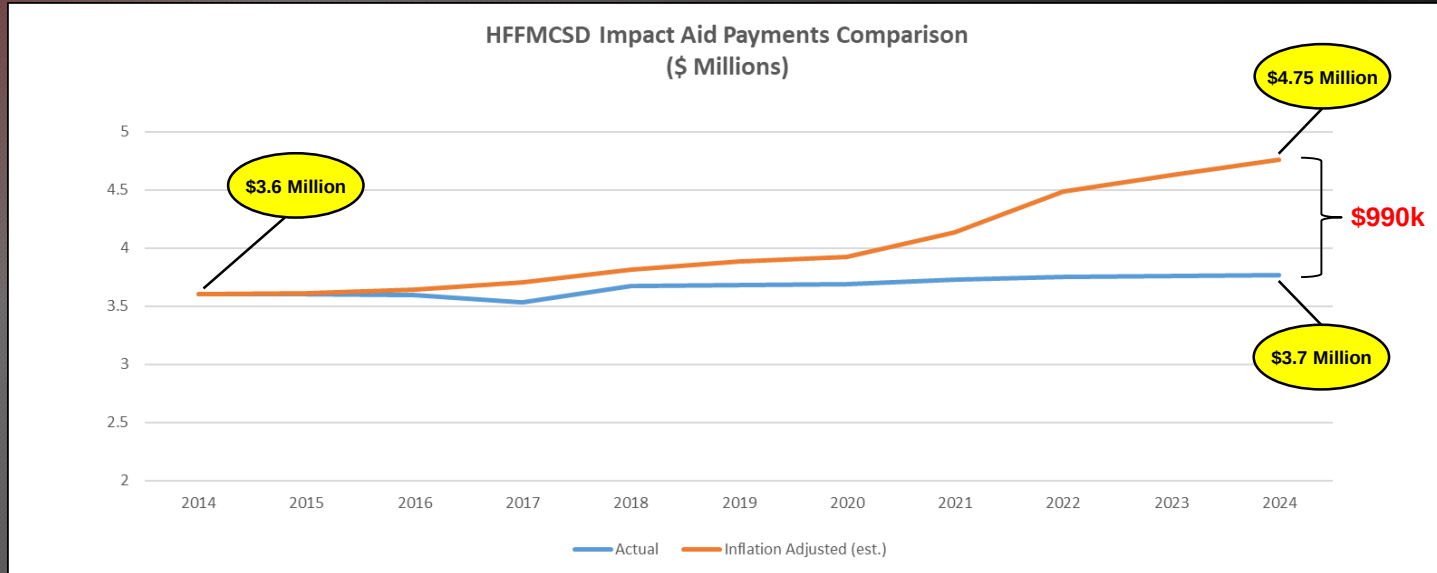
- HFFMCSD can tax 7% of district land
- 23-24: Taxes provided \$11.688 Million = 29.2% of district revenue
- NY State school districts average 56% of revenue from taxes
- If HFFMCSD had the average % of taxes from revenue = \$22.4 Million

Inflation Rate - Last 10 years



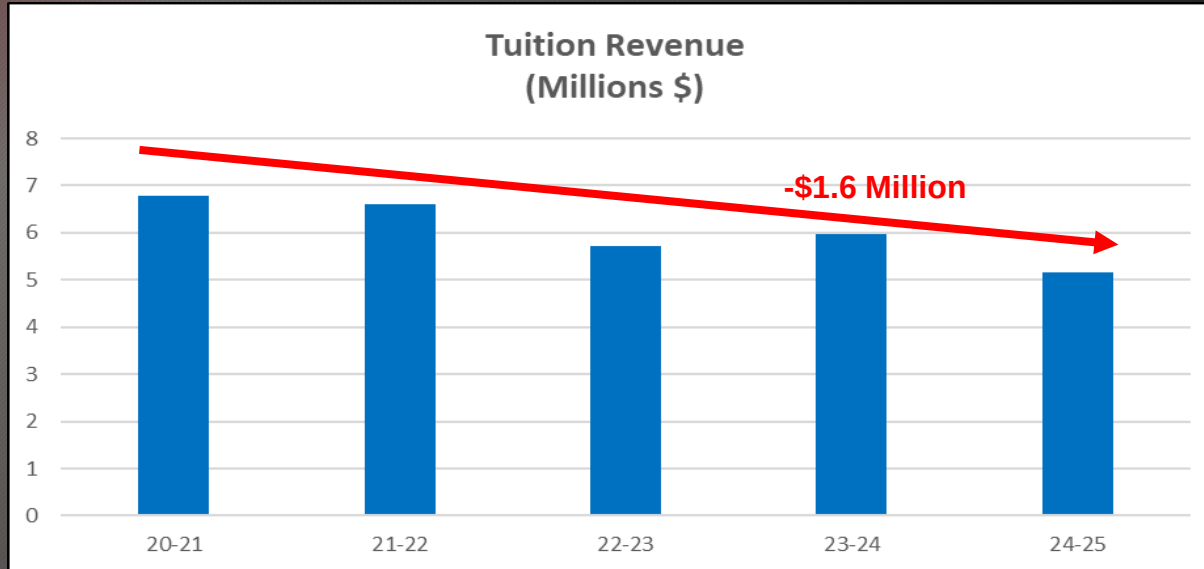
- Post-pandemic, the US Inflation Rate has been at least double what it was pre-pandemic
- While trending down now, prices continue to rise on top of severe increases in 2021 and 2022

Federal Funding of Impact Aid has not kept up with Inflation



- In 2024 alone, there is a gap of over \$990,000 between actuals and the inflation adjusted estimate
 - Additional funds could have been realized by the district in preceding years
- This only accounts for the current Impact Aid funding level, not potential payments if it were fully funded.

Tuition Based Revenue Declining



- Nearly 13% of HFFMCSD revenue in 23-24 was from non-resident tuition
- Contract changes and declining enrollment have driven this down in the last four years

Revenue Factors Summary



- Taxable Land/Tax Revenue
 - 29% of our Revenue = \$11,688,239
 - Average % Revenue: 56% → \$22 Million
- Federal Impact Aid has remained flat the last 10 years
 - \$993,586 in additional funding to HFFMCSD if the program kept up with inflation
 - Full funding of Impact Aid would deliver \$21 Million more annually to HFFMCSD
- Tuition Revenue has declined over last 4 years
 - \$1.6 Million less in 24-25 vs. 20-21
 - Unpredictability in enrollment drives conservative budgeting

Revenue Assumptions



- Uncertainty Remains with Revenue
 - Only a preliminary view available at this time
- State Aid:
 - Foundation Aid: District is on formula => 2% increase vs. prior year
 - Legislative Budget due April 1st, but this is not a set date
- Tuition paying student enrollment is not final:
 - West Point enrollment
- Impact Aid will be estimated conservatively as in prior years

Tax Levy Limit Calculation



- Tax Base Growth Factor = 0.08%
- Allowable Levy Growth capped at 2%
- Tax Levy Limit = 1.92%**
- Final Tax Levy TBD - not final

A. Total Real Property Tax Levy for Base Year (2024/25)	\$ 11,688,233
B. Excess Levy in Reserve	\$ -
C. Tax Levy subtotal (A - B)	\$ 11,688,233
D. Tax Base Growth Factor (Minimum of 1.0)	1.0008
E. Adjusted Tax Levy subtotal (C x D)	\$ 11,697,584
F. Base Year PILOTS	\$ -
G. Base Year Levy plus PILOTS	\$ 11,697,584
H. Base year Torts and Judgements > 5%	\$ -
I. Base year Capital Expenditures (Net of Aid)	\$ 872,694
J. Total base year Torts and Capital Expenditures	\$ 872,694
K. Levy less base year Torts and Capital Expenditures (G - J)	\$ 10,824,890
L. Allowable Levy Growth Factor based on CPI (3.0% for L12 mths*)	1.02
M. Levy including levy Growth Factor	\$ 11,041,387
N. Budget year PILOT receivables	\$ -
O. Levy less budget year PILOTS (M - N)	\$ 11,041,387
P. Eligible Carryover from base year budget	\$ -
Q. Tax Levy Limit - before Exclusions (O + P)	\$ 11,041,387
U. Total Budget Year Exclusions	\$ 870,691
Total Tax Levy including Exclusions (Q + U)	\$ 11,912,078
Tax Levy % Increase Cap	1.92% **
Tax Levy \$ Increase Cap	\$223,845

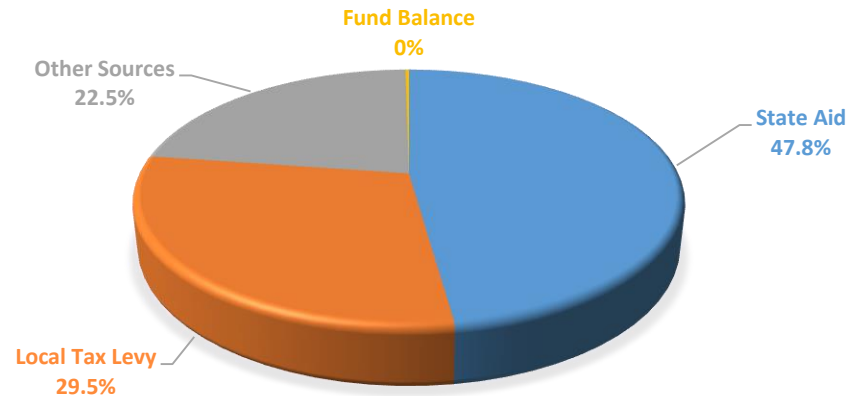
*CPI is as of January 2025, driven by increase in Food and Non-alcoholic Beverages (+3.3%), Housing (+2.1%), Alcohol & Tobacco (+6.1%) and Energy Index (+1.0%)

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

DRAFT Revenue Chart



2025-2026 DRAFT REVENUES



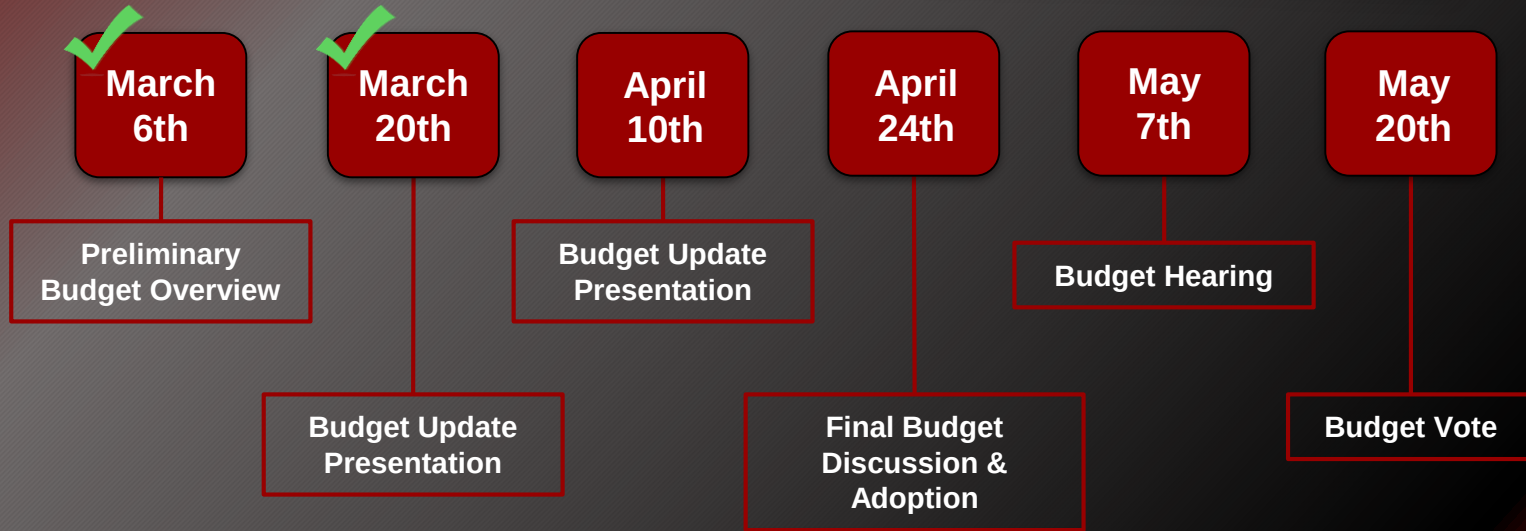
DRAFT Revenue Detail



Revenues	2024-2025 Budget	2025-2026 Proposed Budget	\$ Change	% Change
State Aid	\$19,146,811	\$19,293,929	\$147,118	0.77%
Local Tax Levy	\$11,688,233	\$11,912,647	\$224,414	1.92%
Other Sources (Federal, Tuition, etc.)	\$9,060,097	\$9,072,154	\$12,057	0.13%
Reserves/Fund Balance	\$100,000	\$100,000	\$0	0.00%
TOTAL	\$39,995,141	\$40,378,730	\$383,589	0.96%

- NYS requires a balanced budget from school districts

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 starting March 11, 2025. They will be due back to the District Clerk on April 21, 2025.