



Board of Education Meeting

Wednesday, January 31, 2024

Budget Presentation One: The Budget Process and Long Term Planning

Antonio Santana, Superintendent of Schools

Jennifer Segui, Assistant Superintendent for Finance and Management Services

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South Country Central School District

Budget Presentation One: *Schedule of Budget Meetings and Presentations*



January 31, 2024

- **Review of the Budget Process and Long-Term Planning**

February 7, 2024

- Tax Cap & Revenue Overview

February 29, 2024

- 1000 General Support, Operation & Maintenance, Security, Utilities
- 5000 Transportation
- 9000 Employee Benefits, Debt Service, Fund Transfers & Capital Expenditures

March 6, 2024

- 2000 Curriculum & Instruction

March 20, 2024

- Staffing Analysis

April 3, 2024

- Expenses and Revenues Update

April 17, 2024

- Budget Adoption



May 8, 2024

Budget Hearing

May 21, 2024

BUDGET VOTE & ELECTION

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Budget Presentation One: *Budget Process Timeline*

November / December

Initiate conversations with administrators regarding the budget process, including but not limited to procedures, considerations, and the identification of program needs.

December

Provide training to stakeholders (administration / clerical) on new budgeting process, including the use of the district's financial software to increase accuracy and efficiency.

January

Building and departmental budgets, staffing tables, and new / special program requests are submitted to district office for review by cabinet members.

February

Staffing counts as FTEs, (Full Time Equivalent), are due to district office and meetings are held with the administration to discuss staffing and program requests. (Wants versus Needs)

March

Staffing requests are verified through projected enrollment (Elementary and Middle Schools) and course requests (High School)

April

School budget is finalized, presented to BOE, and adopted.



May

Budget Hearing and vote is held





South Country Central School District

Budget Presentation One: *Administrative Considerations*



1. Assure the budget development process is consistent with Board Priorities.

6. Develop a fiscally responsible and transparent budget, maximizing efficiency and economy, ensuring the district is using its resources to deliver the best educational program and meeting our long range planning goals.

2. Appreciate that public schools in large part are funded by taxpayer dollars.

3. Establish a budget as precisely as possible, allowing for unforeseen contingencies.

4. Collaborate with stakeholders to distinguish between 'wants' and 'needs.'

5. Appreciate both the short term and long term costs associated with programs and staffing.

6. Always focus on decreasing expenditures and increasing revenues, including supplemental revenue from donations and through advocacy with elected officials.

7. Through transparent budgeting, earn the confidence of the Board and the trust of the community.



South Country Central School District

Budget Presentation One: *Budget Process Resources*



Internal Auditors: Nawrocki Smith, LLP

External Auditors: Cullen & Danowski, LLP

Financial Advisors: Fiscal Advisors & Marketing, Inc.

Experienced Superintendents (NYSCOSS, SCSSA, ESBOCES)

Experienced Business Officials (ASBO, ESBOCES)

Stakeholder Input

Community Input

Technology and Software





South Country Central School District



Budget Presentation One: *The Budget Process*

Utilize Various Budgeting Strategies

Roll Over Budget

Fixed Cost Budget

Zero Based Budget

- Have each school / program justify its expenditures

Priority Budget

- Look at district goals and priorities
- Lay out recommendations and costs to reach our objectives



Gather Information

Revenue and Expenditures (Actual versus Budgeted)

Program Needs (Staffing / Equipment / Supplies)

Project Revenue / Expenditures

Calculate Tax Levy

Consult Consult Consult



Propose Budget to the Board of Trustees

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South Country Central School District



Budget Presentation One: **Adopted 2023 / 2024 School Budget**

Description	2023-2024
Tax Levy	\$67,275,993
State Aid	\$57,381,606
PILOTs (Payments In Lieu Of Taxes)	\$7,840,357
Miscellaneous Revenue	\$1,634,044
Subtotal	\$134,132,000
Assigned Fund Balance	\$4,000,000
ERS Contribution Reserve	\$950,000
TRS Contribution Reserve	\$750,000
Workers Comp Reserve	\$500,000
Unemployment Reserve	\$50,000
Employee Benefits Accrued Liability Reserve	\$500,000
Total Revenue:	\$140,882,000
Administrative, General Support (1000s)	\$16,021,561
Instruction (2000s)	\$71,363,775
Transportation (5000s)	\$10,028,488
Benefits, Debt Service, Interfund Transfers (9000s)	\$43,468,176
Total Expenditures:	\$140,882,000

Tax Levy: The contribution made by taxpayers. The tax levy for the current, 2023 / 2024 school year was **2.75%**

Miscellaneous Revenue: Includes, but is not limited to - Day School Tuition, Health Services, Interest and Earnings, Medicaid Reimbursement, E-Rate, Rental Income, and Donations.

Federal Funds: CRRSA and ARP were included in the district's revenue in prior years, however, with the funds ending in the 2024/2025 school year, they were removed in current budget. The remaining funds will be included in the Special Aid Fund and used to offset expenditures.

Reserves: Reserves will be used to offset expenditures in a deliberate manner. Please note that we have not changed the overall use of our reserves, they are just redistributed.



South Country Central School District

Budget Presentation One: Long Term Planning - *Challenges to be Met*



Inflation and the Tax Cap Calculation

Despite the continuous rise in costs, school districts are limited with the amount of revenue that can be raised locally due to the tax cap formula.

Federal Grants Period End Date

Both CRRSA (Coronavirus Response and Relief Supplemental Appropriations) and ARP ESSER (American Rescue Plan Elementary and Secondary School Emergency Relief) funding expires at the end of this current school year.

Differential in Building (State) Aid and Bond Payments

Building aid is decreasing while the the district needs to continue covering bond payments for the next four years.

Decrease in Foundation Aid - **NEW**

*South Country's decrease in Foundation Aid is currently \$676,148 representing a 1.65% drop compared to our current allotment for Foundation Aid. **This is an initial proposal from the Governor and will most likely change. While the proposed decline in Foundation Aid is disheartening, we are hopeful that these figures will change as the Legislature approaches the deadline for submission of the final state budget.***



South Country Central School District



Budget Presentation One: Long Term Planning - *Challenges to be Met - District Reserves Utilization*

The **Assigned Fund Balance** includes an amount appropriated to partially fund the subsequent year's budget.

The **Unassigned Fund Balance** The amount of money the district may keep in the bank without designating it for a specific purpose. The Unassigned Fund Balance is capped at 4% of the next year's General Fund budget.

A **Reserve Fund** is a separate account established by a school district to finance various costs. It can be thought of as a savings account for a specific purpose.

General Municipal Law or Education Law authorizes school districts to establish any of the following reserve funds:

- **Capital Reserve Fund**
- **Employee Benefit Accrued Liability Reserve Fund (EBALR)**
- Insurance Reserve Fund
- Property Loss and Liability Reserve
- Repair Reserve Fund
- Mandatory Reserve for Debt
- **Retirement Contribution Reserve Fund**
 - **TRS District Retirement Contribution Reserve Sub Fund**
- **Unemployment Insurance Reserve Fund**
- **Workers' Compensation Reserve Fund**





South Country Central School District

Budget Presentation One: Long Term Planning - *Reserve Trend and Balances*



	June 2019	June 2020	June 2021	June 2022	June 2023
Workers' Comp	2,727,950	3,054,898	3,112,765	2,616,967	2,630,052
Unemployment	1,037,265	1,352,695	1,356,178	1,343,109	1,328,156
Retirement-ERS	4,029,274	5,089,209	5,652,314	6,159,944	5,690,744
Retirement-TRS	250,000	1,253,719	1,706,947	1,974,880	2,318,323
Employee Benefit Accrued Liab	5,092,024	4,957,954	6,212,921	7,316,407	7,748,598
Capital	2,304,747	2,339,030	2,345,053	5,280,000	4,948,513
Reserves Total	15,441,260	18,047,505	20,386,178	24,691,307	24,664,386
Assigned Fund Balance	3,900,000	4,000,000	4,000,000	4,000,000	4,000,000
Unassigned Fund Balance	5,384,003	5,533,226	5,818,051	5,711,956	5,635,280
Total Fund Balance	\$24,725,263	\$27,580,731	\$30,204,229	\$34,403,263	\$34,299,666

*South Country has been funding its reserves at a reasonable pace and has maintained balances at healthy levels.



South Country Central School District

Budget Presentation One: Long Term Planning - *Reserve Status and Plan*



Reserve	Status	Ending Balance June 30, 2023	Intended Use of the Reserve 2023-2024 School Year
CAPITAL	Partially Funded	4,948,513	\$2,241,000 as per voter approval
WORKERS COMPENSATION	Fully Funded	2,630,052	\$500,000
UNEMPLOYMENT	Fully Funded	1,328,156	\$50,000
EMPLOYEE BENEFIT ACCRUED LIABILITY	Partially Funded	7,748,598	\$500,000
EMPLOYEES' RETIREMENT SYSTEM	Fully Funded	5,690,744	\$950,000
TEACHERS RETIREMENT SYSTEM	Partially Funded	2,318,323	\$750,000

*Fully funded reserves indicate that consistent with guidelines, we are at recommended capacity.

*Partially funded reserves indicates that we have have not yet reached capacity based on guidelines.

*Use of funds in the Capital Reserve requires voter approval. (*Capital projects generate building aid.*)

*New York State requires school districts to submit estimated ending balances as well as the intended use of the reserves for the upcoming school year.



South Country Central School District

Budget Presentation One: Long Term Planning - Five Year Projection Based on Adopted Budget



	REVENUE / EXPENDITURE PROJECTIONS				
	2024	2025	2026	2027	2028
REVENUE					
Local	\$76,400,394	\$77,759,556	\$79,547,110	\$81,269,665	\$83,126,874
State	57,631,606	58,205,422	58,784,976	59,370,326	59,961,529
Federal	100,000	100,000	100,000	100,000	100,000
Use of Reserves	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
TOTAL REVENUE	140,882,000	142,814,978	145,182,086	147,489,991	149,938,403
EXPENDITURES					
Salary and Benefit Costs	94,987,053	98,798,940	101,396,473	104,060,133	106,791,629
Other	42,976,314	43,582,219	43,762,683	43,792,015	41,444,923
TOTAL EXPENDITURES	137,963,367	142,381,159	145,159,155	147,852,148	148,236,553
SURPLUS / DEFICIT	2,918,633	433,819	22,930	(362,157)	1,701,850
BEGINNING FUND BALANCE	37,623,873	40,542,506	40,976,325	40,999,256	40,637,099
PROJECTED YEAR END BALANCE	\$40,542,506	\$40,976,325	\$40,999,256	\$40,637,099	\$42,338,949

Projections were based upon data and forecasts at the time of budget adoption, which are subject to change.

Projections were based on an average 2.5% Tax Levy, starting in 2025. (The Tax Levy for 2024 was 2.75%)

Projections for State aid were based on an average 1% increase annually.

Please note that if Capital Reserves are used, the fund balance would decrease accordingly.

Through the budgetary process, projections will change based current trends.


South Country's Credit Profile

South Country:
AA Rating



Rating Scales

Moody's	S&P/Fitch	
Aaa	AAA	Rated as the highest quality and lowest credit risk.
Aa1	AA+	
Aa2	AA	Rated as high quality and very low credit risk. 
Aa3	AA-	
A1	A+	
A2	A	Rated as upper-medium grade and low credit risk.
A3	A-	
Baa1	BBB+	
Baa2	BBB	Rated as medium grade, with some speculative
Baa3	BBB-	elements and moderate credit risk.

Summary of NYS school credit briefs and a snapshot of the district's current metrics and our financial advisor's characterization of them: 

Credit Profile

US\$35.49 mil sch dist rfdg serial bnds ser 2016

Long Term Rating AA/Stable

South Country Cent Sch Dist GO state credit enhancement (AGM)

Unenhanced Rating AA(SPUR)/Stable

Underlying Rating for Credit Program AA/Stable

South Country Cent Sch Dist SCHSTPR

Long Term Rating AA/Stable

Underlying Rating for Credit Program AA/Stable

Factor	Characterization	Value
Household EBI%	Strong	128
Market Value per Capita	Extremely Strong	136,958
Available General Fund	Strong	8.53%
Overall Net Debt per Capita	Low	1,950
Overall Net Debt as % of market value	Low	1.40%
FMA	Standard	

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Board of Education Meeting

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Questions?