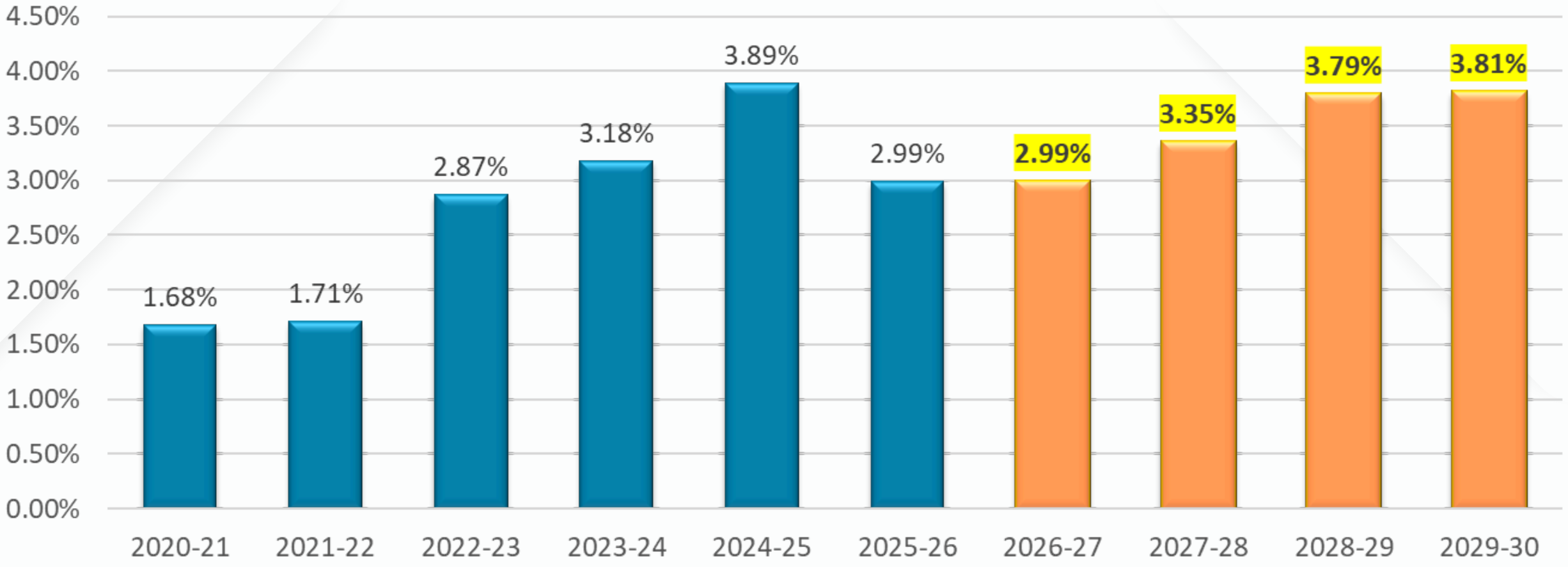
ADMINISTRATIVE & CAPITAL BUDGET

FIVE YEAR PLAN

Eastern Suffolk BOCES

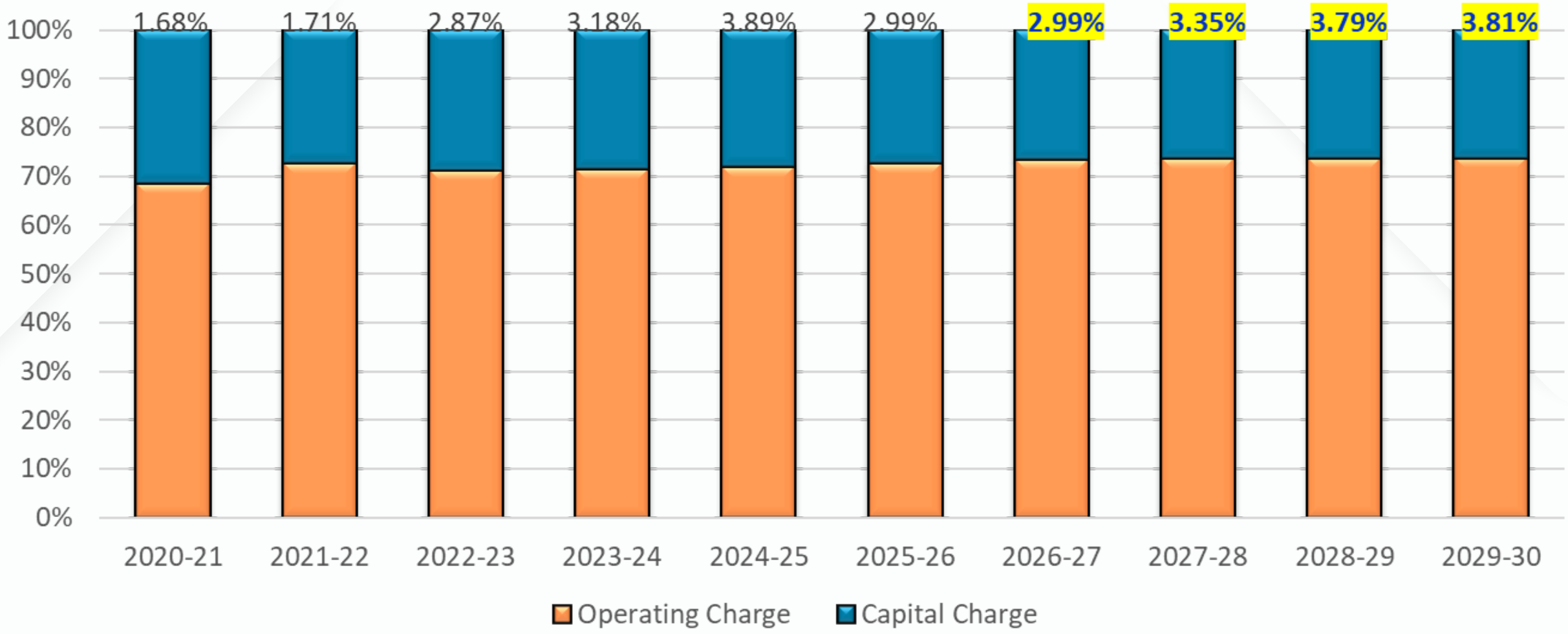
OCTOBER 15, 2025

ADMINISTRATIVE & CAPITAL CHARGE



Average Increase of 2.97% over 10-year period

ADMINISTRATIVE & CAPITAL CHARGE

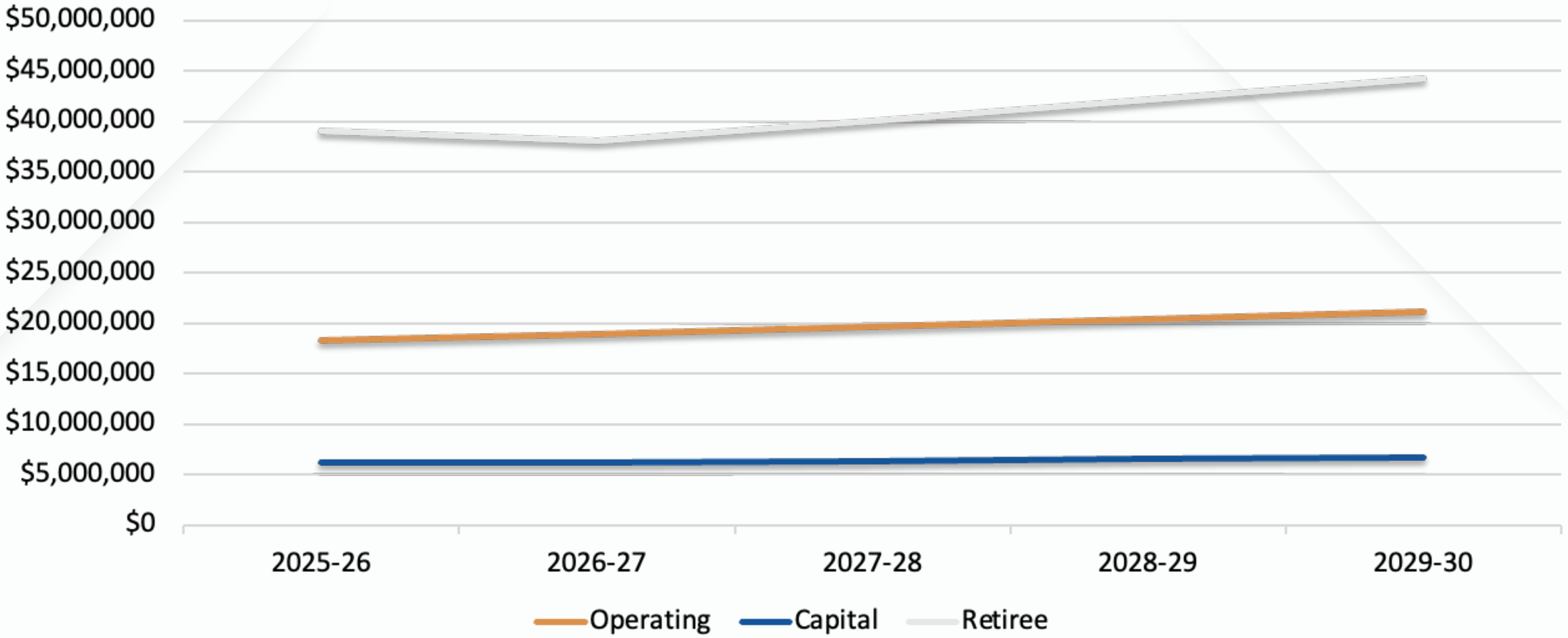


ADMINISTRATIVE & CAPITAL CHARGE

The Agency has been able to keep the administrative and capital charge lower by:

- Partnering with component districts to rent facilities
- Strategic use of reserve funds, including the EBALR reserve for unused sick/vacation days which is 100% funded
- Monitoring cash and maintaining a strong cash flow
- Collective bargaining, including increases in employee health insurance contributions
- Evaluating programs and realigning duties to maximize departmental efficiencies within the Agency

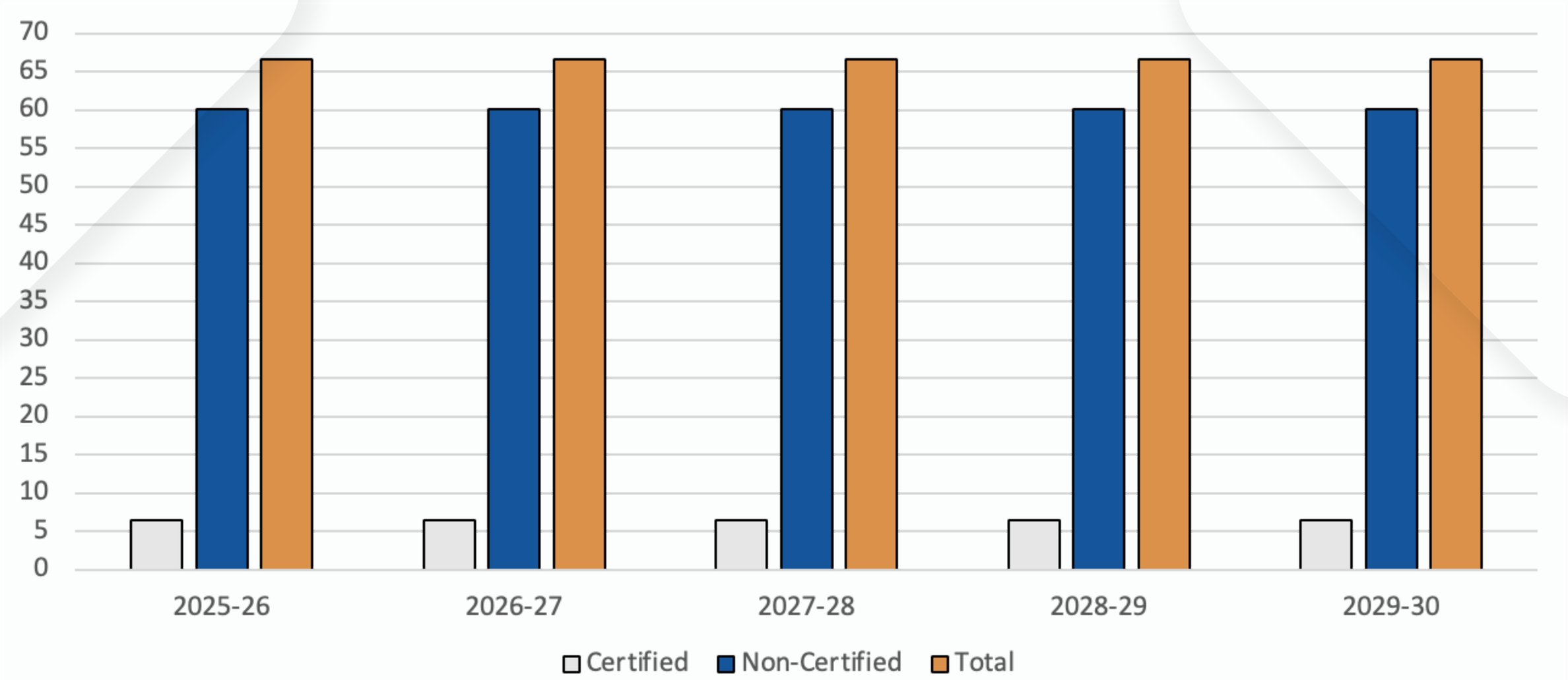
PROJECTED BUDGET COMPONENTS



TOTAL OPEB LIABILITY

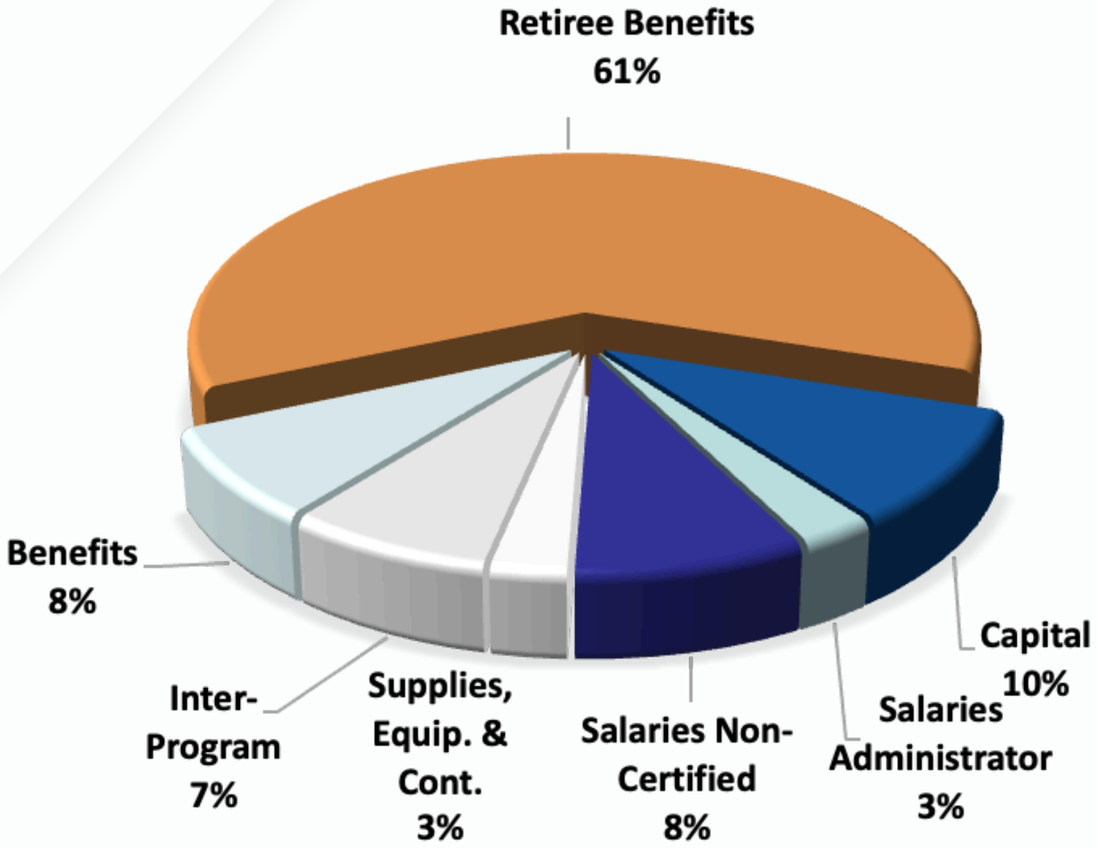
Fiscal Year Ending June 30	2025	2024	2023
Service cost	$28,437,844	$30,012,312	$26,233,561
Interest on total OPEB liability	33,827,331	30,879,457	27,682,705
Effect of plan changes	1,442,060	0	0
Effect of demographic gains or losses	0	22,562,580	0
Effect of assumption changes or inputs	(136,296,255)	(33,957,513)	36,872,233
Benefit payments	(34,039,936)	(32,375,032)	(28,769,025)
Net change in total OPEB liability	(106,628,956)	17,121,804	62,019,474
Total OPEB liability, beginning	849,164,451	832,042,647	770,023,173
Total OPEB liability, ending	742,535,495	849,164,451	832,042,647
Covered payroll	142,144,601	142,144,601	128,000,917
Total OPEB liability as a % of covered payroll	522.38%	597.39%	650.03%

PROJECTED STAFFING

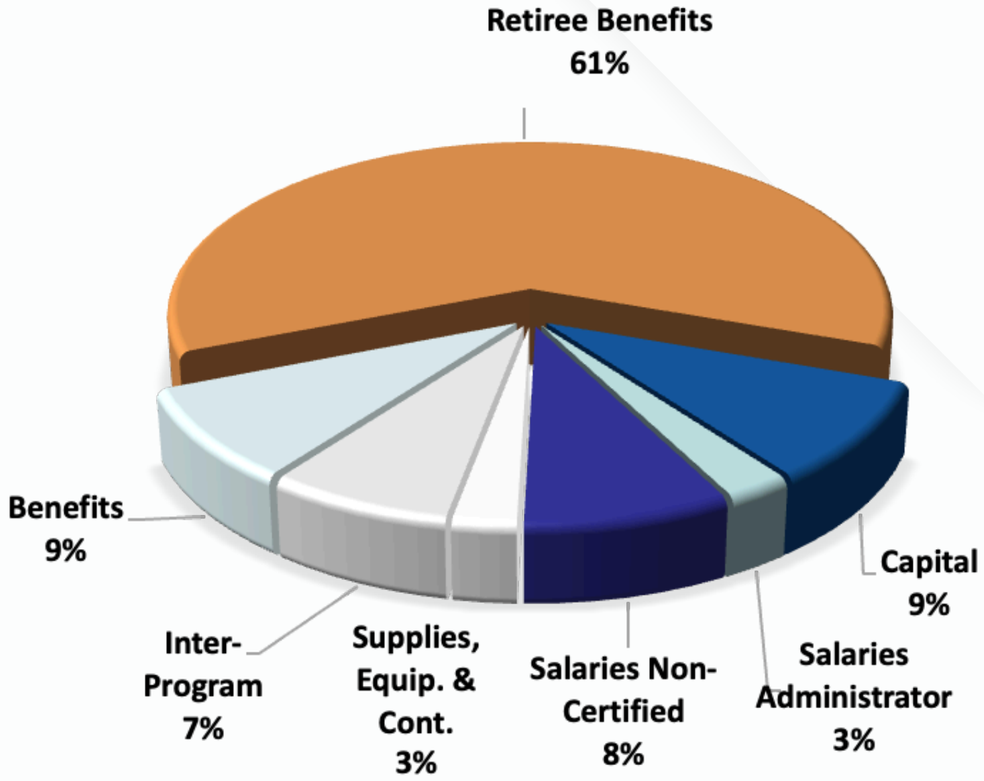


BUDGET COMPARISON

2025-26

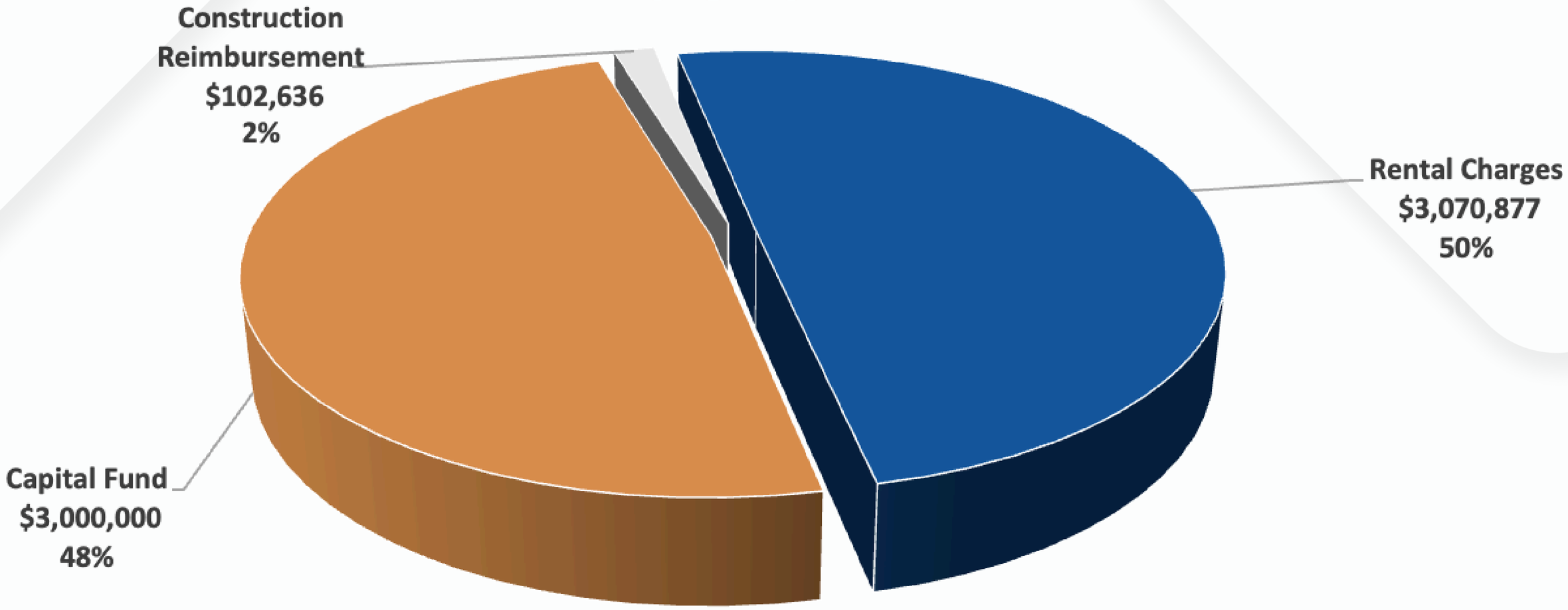


2029-30



CAPITAL BUDGET

2025-26



TOTAL $6,173,513

BUDGET ASSUMPTIONS

- Lease renewals of rental properties will be the lesser of 2% or the CPI-U or based on negotiated agreements*
- Inter-Program charges will increase by 3%
- Staff salary and other contractual costs are projected between 2.5%-3%
- Health insurance will increase by 10%
- Minor increase of employer contributions to ERS and TRS with the continued use of the reserve fund
- Retiree health costs projected to rise between 5.03-6.03% based on the current GASB 75 Post Retirement Report
- Inflation, tariffs, supply chain, labor, politics, global unrest….

BUDGET ASSUMPTIONS

	Staff Changes	Capital Transfer	Rent Changes	Using ERS/TRS Reserves
2025-26 (Base Year)	6.39 - Certified 60.17 - Non-Certified	$3 Million	Same as 24-25	Yes
2026-27	No Changes	No Changes	($8,200)	Yes
2027-28	No Changes	No Changes	$147,000	Yes
2028-29	No Changes	No Changes	$216,000	Yes
2029-30	No Changes	No Changes	$217,000	Yes

BUDGET HIGHLIGHTS

- Maintains a 10-year average rate of 2.97% for component school districts
- Continues the Agency's commitment to Diversity, Equity & Inclusion
- Considers long-term space and security, including future expansion and infrastructure needs
- Employs best practices; favorable audit reports including from the Office of the State Comptroller; and innovation
- Plans to support a changing demographic and regional needs

BUT...WHAT IF???



NEW BUILDING LEASE EXAMPLE

If the Agency were to enter into a new lease for a 65,000 square foot elementary school building…

ESBOCES Provides Building Services

	Square Feet	Rent	Total
2026-27	65,000	$9.25 sq.ft./yr.	$601,250

Increase to Capital Budget/Charge	Increase to Combined Admin/Capital Charge
9.61%	5.65%

District Provides Building Services

	Square Feet	Rent	Total
2026-27	65,000	$22 sq.ft./yr.	$1,430,000

Increase to Capital Budget/Charge	Increase to Combined Admin/Capital Charge
5.66%	4.57%

75% of the lease is charged to O&M when building services are provided by the District.

LONG TERM BORROWING OPTIONS

Unanimous Consent Method

- All component districts must agree on project scope, cost, and allocation
- No voter approval required at district level; BOCES voter approval only needed to purchase/build new facility
- Bonds issued by component districts (individually or jointly)
- Districts may also use a budget appropriation or a capital reserve fund
- Requires early coordination and extensive district discussions

Dormitory Authority (DASNY) Program Method

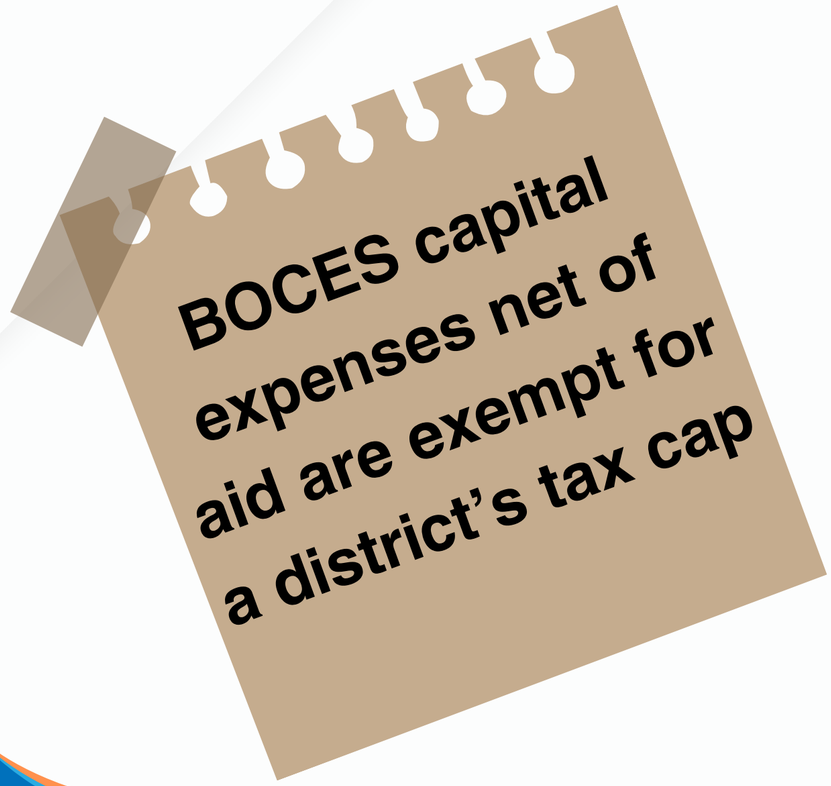
- BOCES applies to Dormitory Authority to construct facilities or finance alterations
- DASNY issues bonds/holds title; BOCES “leases” property until paid off
- BOCES voter approval required
- Preferred for flexibility and reduced district involvement, but less local control

LONG TERM BORROWING EXAMPLE

A	B	C	D	E	F	G	H
Fiscal Year Ending June 30th	Balance Due in Year	Principal Paid June 15th	Coupon per Maturity	Estimated Interest Pd in Year	Total Lease Payment	BOCES Aid Various	Net Tax Effort
2029	$50,000,000	$1,510,000	5.00%	$2,500,000	$4,010,000	$1,848,055	**$2,161,945**
2030	48,490,000	1,590,000	5.00%	2,424,500	4,014,500	1,850,128	**2,164,372**
2031	46,900,000	1,665,000	5.00%	2,345,000	4,010,000	1,848,055	**2,161,945**
2032	45,235,000	1,750,000	5.00%	2,261,750	4,011,750	1,848,861	**2,162,889**
2033	43,485,000	1,840,000	5.00%	2,174,250	4,014,250	1,850,013	**2,164,237**
2034	41,645,000	1,930,000	5.00%	2,082,250	4,012,250	1,849,092	**2,163,158**
2035	39,715,000	2,025,000	5.00%	1,985,750	4,010,750	1,848,400	**2,162,350**
2036	37,690,000	2,130,000	5.00%	1,884,500	4,014,500	1,850,128	**2,164,372**
2037	35,560,000	2,235,000	5.00%	1,778,000	4,013,000	1,849,437	**2,163,563**
2038	33,325,000	2,345,000	5.00%	1,666,250	4,011,250	1,848,631	**2,162,619**
2039	30,980,000	2,465,000	5.00%	1,549,000	4,014,000	1,849,898	**2,164,102**
2040	28,515,000	2,585,000	5.00%	1,425,750	4,010,750	1,848,400	**2,162,350**
2041	25,930,000	2,715,000	5.00%	1,296,500	4,011,500	1,848,746	**2,162,754**
2042	23,215,000	2,850,000	5.00%	1,160,750	4,010,750	1,848,400	**2,162,350**
2043	20,365,000	2,995,000	5.00%	1,018,250	4,013,250	1,849,552	**2,163,698**
2044	17,370,000	3,145,000	5.00%	868,500	4,013,500	1,849,668	**2,163,832**
2045	14,225,000	3,300,000	5.00%	711,250	4,011,250	1,848,631	**2,162,619**
2046	10,925,000	3,465,000	5.00%	546,250	4,011,250	1,848,631	**2,162,619**
2047	7,460,000	3,640,000	5.00%	373,000	4,013,000	1,849,437	**2,163,563**
2048	3,820,000	3,820,000	5.00%	191,000	4,011,000	1,848,515	**2,162,485**
TOTALS		$50,000,000		$30,242,500	$80,242,500	$36,980,679	**$43,261,821**
						Average	**$2,163,091**

LONG TERM BORROWING EXAMPLE

A $4,010,000 increase to the Capital Budget will increase the Capital Charge



Increase to Capital Budget/Charge	Increase to Combined Admin/Capital Charge
64.75%	19.85%

Net with BOCES Aid

Increase to Capital Budget/Charge	Increase to Combined Admin/Capital Charge
36.44%	12.46%

NEXT STEPS...



Eastern Suffolk BOCES
Board and Administration

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Lisa Israel

Vice President
Robert P. Sweeney

Members

Arlene Barresi
Angelo Cassarino
Linda S. Goldsmith
William Hsiang
Kelli Anne Jennings
Susan Lipman
Joseph LoSchiavo
Anne Mackesey
James F. McKenna
Brian O. Mealy
Catherine M. Romano
John Wyche

District Superintendent
Jasmin Varela, Ed.D.

Chief Operating Officer
David Wicks

Associate Superintendent
James J. Stucchio – Management Services

Associate Superintendent
Claudy Damus-Makelele – Educational Services

Assistant Superintendent
Nichelle Rivers, Ed.D. – Human Resources

Directors
Leah Arnold – Career, Technical and Adult Education
Kate Davern – Educational Support Services
Mark Finnerty – Facilities
Katie Fretto– Business Services
Gina Reilly – Special Education
Darlene Roces – Regional Information Center
Jachan Watkis – Diversity, Equity, and Inclusivity
Vacant– Administrative Services

www.esboces.org

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