



Sound Budgeting and Real Time Issues

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Agenda

Sound Budgeting

- Balancing the Budget
- Revenues & Expenditures
- Timeline
- Budget Vote

Real Time Issues

- Economic Uncertainty
- Federal & State Funding
- Compliance & Audit
- Political Landscape



Balancing the Budget

How do you build a school budget?

Revenues = Expenditures

Property Taxes
State Aid
Sales Tax
Tuition
Health Services
Interest
Other



Salaries
Benefits
Operations/Maint
Special Education
Debt Service
Transportation
BOCES



Revenues



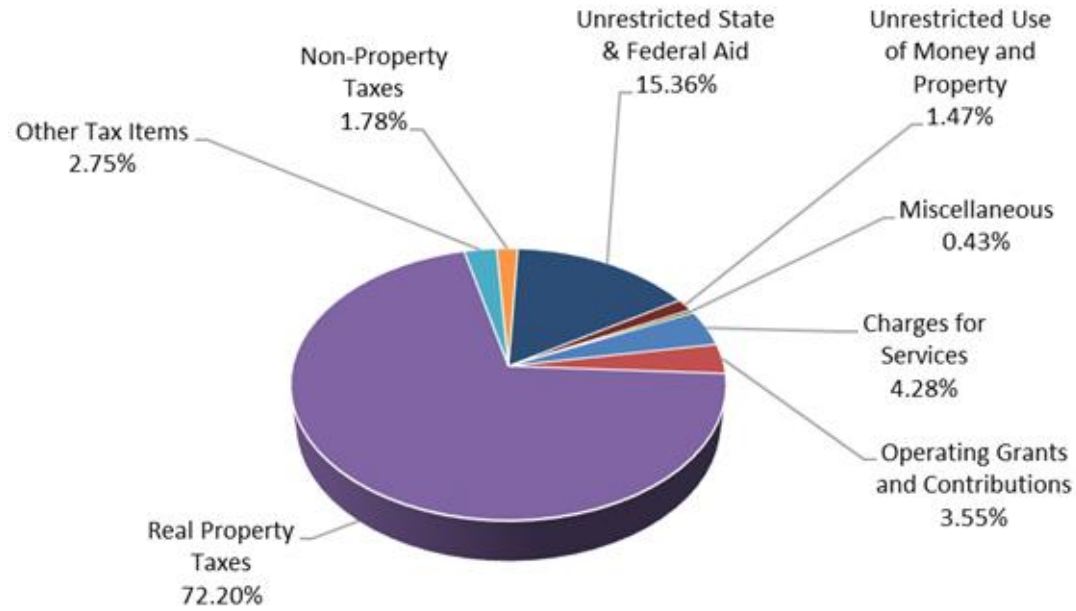
Financial Support for Public Schools

According to the 2023-24 NYS State Aid Handbook, financial support for public schools in New York comes from 3 general sources:

- Locally raised revenues (approximately 55%)
- State formulas and grants (approximately 40%)
- Federal government (approximately 5%)



Sources of Revenue for Fiscal Year 2024 Governmental Activities



Locally raised revenues:



Locally raised financial support :

- Local taxes
 - Property taxes
 - Sales tax
- Charges to other governments
 - Tuitions
 - Health services
- Interest earnings
- Misc
- Appropriated reserves

Local taxes:



Property taxes (including STAR)

- Not all school district's levy taxes, but most do
- Fiscally independent school districts (common, union free, central, & small city) submit their budgets to voters for approval and levy of school taxes (Educ. Law §§ 1608, 1716, 1908, 2022)
- Fiscally dependent school districts do not (Big 5: Buffalo, New York, Rochester, Syracuse & Yonkers). Taxes are levied by the municipal government (Educ. Law § 2576)

Sales tax

- Tax law authorizes counties to allocate a portion of their sales tax revenues to school district and other localities (Tax Law § 126)

Other taxes (uncommon)

- Tax law authorizes certain muni, including school districts under certain limited circumstances to levy non-realt taxes for both educational and general purposes (i.e., taxes on utilities, real estate sales, food and drink in restaurants & bars, vending machines, and admissions to places of amusement (Tax Law §§ 1200-1263)

Westchester County sales taxes:

See the information below for allocation of the local tax to county, local government and school districts. Localities and school districts' share is determined by the percentage of population in the locality or school district to the whole area.

Total old local tax	1½%
County share	45.6% of 1½%
Local government share	40.0% of 1½%
Local school district share	14.4% of 1½%
Total new local tax	1%
County share	70% of 1%
Local government share	20% of 1%
Local school district share	10% of 1%

Source:
<https://finance.westchestergov.com/county-sales-tax>

Charges to other governments:



Tutions

- General education students
- Special educations programs

Health services

- Tax law authorizes counties to allocate a portion of their sales tax revenues to school district and other localities (Tax Law § 126)

Other charges

- Shared services
- Management

Miscellaneous:



- Admissions
- Rental charges
- Sale of equipment
- Refund of prior year expenses
- Gifts and donations

State formulas and grants?



What is State Aid?

State Aid is the mechanism by which New York State fulfills its constitutional requirement to “adequately” fund a “sound basic education” for all students in New York.

Where does state aid come from:

- State General Fund
 - Income taxes
 - Sales taxes
- STAR (School Property Tax Relief)
 - Approximately 10%
 - Was 20% in 2010
- Special Revenue Fund (used to supplant rather than supplement)
 - State lottery, video lottery terminal, commercial gaming, mobile sports wagering
 - Cannabis



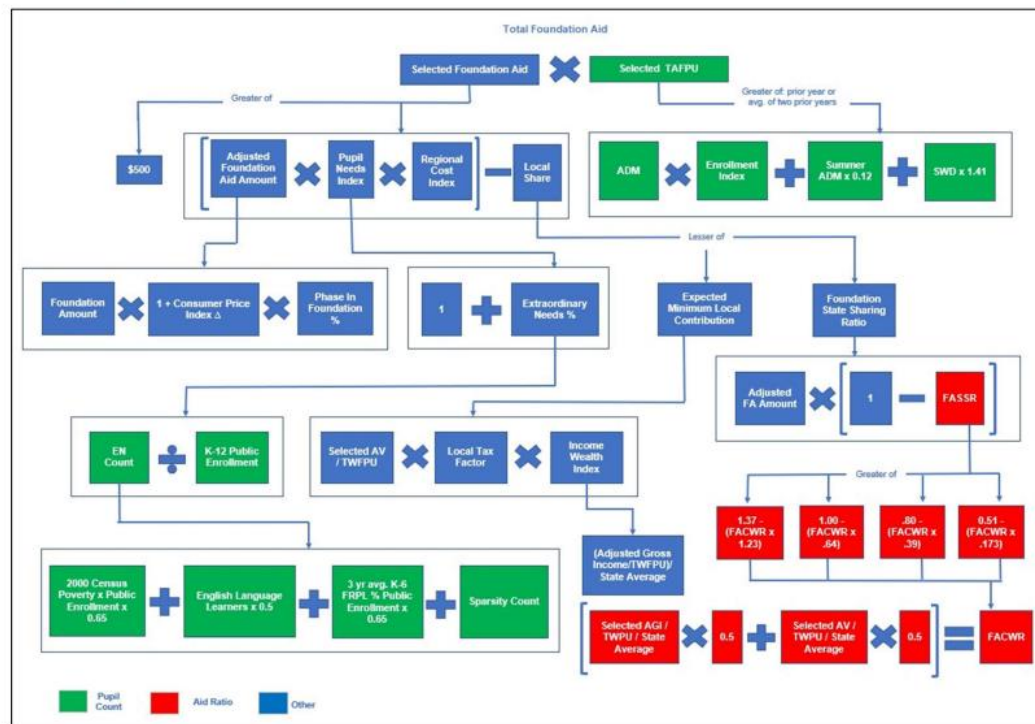
State Aid Categories

In general, there are 3 basic state aid categories:

- Foundation Aid
- Reimbursable Aids
 - Transportation
 - BOCES
 - Building aid
 - High cost/special education
 - Instruction materials (textbook/hardware/software)
- Grants-in-Aid

Total Foundation Aid Calculation

The flow chart below provides a detailed expression of the calculation of Total Foundation Aid:





Appropriated Reserves

Unassigned fund balance

- 4% fund balance

Assigned “Restricted” fund balance

- Retirement reserve
- Tax certiorari reserve
- Unemployment reserve
- Employee accrued benefit liability reserve
- Workers’ compensation reserve
- Capital reserve
- Debt service reserve

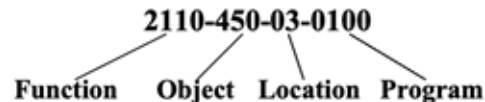


Expenditures



Expenditures

Budget Code Explanation



Function: The first group of the budget code consisting of four digits. It identifies groups of services aimed at accomplishing certain purposes or ends. Function codes are uniform throughout New York State. Examples include custodial, instruction, interscholastic athletics, and transportation.

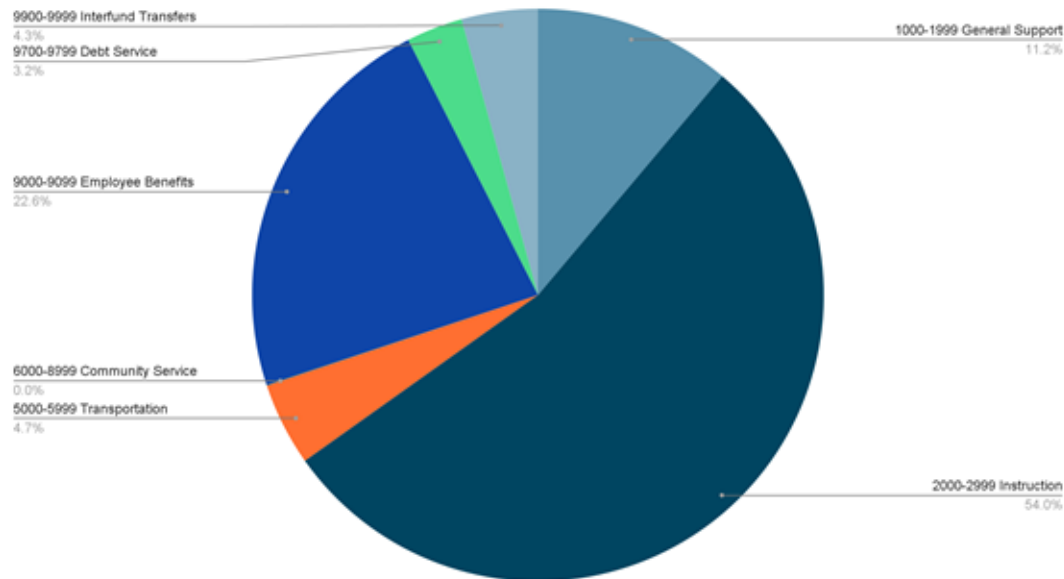
Object: The second group of the budget code consisting of three digits. It identifies a secondary classification and description of expenditures based on the article purchased or service obtained. Object codes are uniform throughout New York State. Examples include salaries, equipment, materials and supplies, and tuition.

Location: The third group of the budget code consisting of two digits. It identifies the building or department that is making the expenditure. Location codes are not standardized in New York State.

Program: The fourth group of the budget code consisting of four digits. It identifies groups of expenditures that are not separated out in any of the other budget code categories. Program codes are not standardized in New York State.

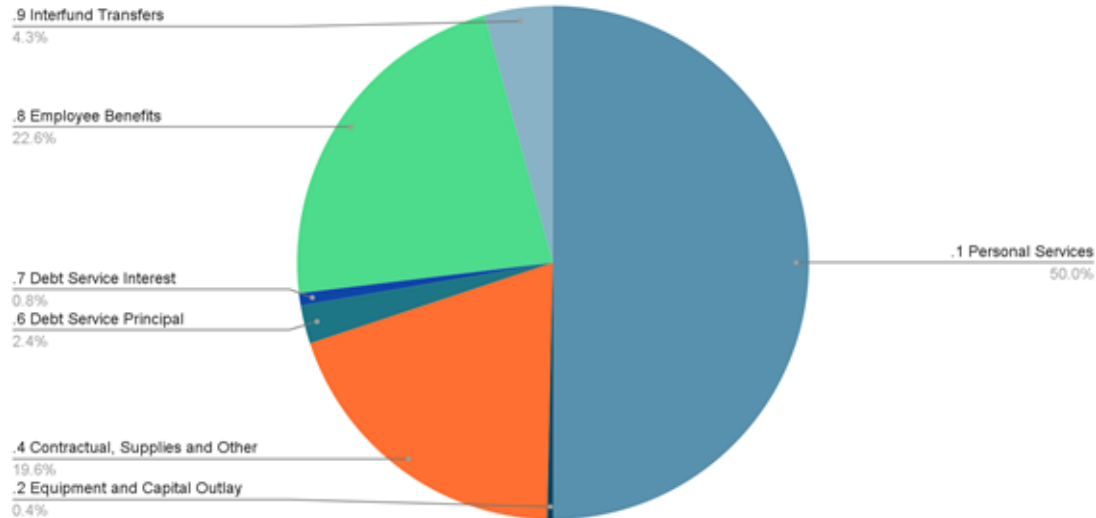
Expenditures

Expense by Function (Westchester County)



Expenditures

Expense by Object (Westchester County)



- 72.6% Salary and Benefits



Expenditures

- Projections:
 - Salaries
 - CBAs/Negotiations
 - Benefits
 - Contracts/Equipment
 - Transportation
 - May CPI (Contracted)
 - Capital Needs/Debt Service
- Prior year performance



Timeline

Timeline

- Budget Calendar
- October/November starts the process
- January
 - Executive Budget
- February - March
 - Building/Department Budgets
 - Staffing
- March 1
 - File tax levy limit
- April
 - Adopt Budget
- May
 - Budget & BOE Election Vote



Briarcliff Manor Union Free School District

2026-2027 BUDGET DEVELOPMENT CALENDAR

DATE

November 2025	Administrative team reviews all staffing for all instructional and non-instructional staff with principals and supervisors. Review budget status for potential increase/decrease.
December 2025	Meet with non-instructional budget supervisors to discuss first budget drafts (Operations & Maintenance, Technology and General Support). Meet with all related departments to discuss requests for 2026-2027 BOCES services. Principals meet with faculty to discuss Instructional Programs and item requests for the 2026-27 Program Budget. Administrators prepare Program, Staff and Facility Reports for review and discussion with the Superintendent.
January 22, 2026	Budget Work Session & Regular Board of Education Meeting General Budget overview and General Support review to Board of Education. Current year expense and revenue update used to project fund balance.
January 2026	Administrators to review budget with the Superintendent and Assistant Superintendent.
February 5, 2026	Budget Work Session & Regular Board of Education Meeting Budget update, discuss Governor's proposed budget with the Board of Education. Athletics Program, Technology Department, Operations and Maintenance and Transportation budget plans to be presented to the Board of Education.
February 26, 2026	Budget Work Session & Regular Board of Education Meeting High School, Middle School, Elementary School Program Review & Fine Arts presentations. Special Education program presentation. Review of the Tax Levy Limit Calculation.
March 1, 2026	Assistant Superintendent will submit information to calculate Tax Levy Limit on the Office of the State Comptroller's website on or before March 1, 2026.
March 12, 2026	Budget Work Session & Regular Board of Education Meeting Presentation of the Superintendent's Recommended Proposed 2026-27 Budget. Presentation of Long Range Financial Plan financial plan based on 2025-26 expenditures.
March 26, 2026	Budget Work Session & Regular Board of Education Meeting Assistant Superintendent will supply the Board of Education with updated information on 2025-26 Employee Benefits costs and review the projected 2026-27 BOCES budget.
April 3, 2026	District Clerk publishes first publication of legal notice, time and location of school election, budget heading and budget vote. (Must advertise four times within seven weeks of the vote with first publication 45 - 49 days before the budget vote.)

Timeline - Who is Involved?

- Board of Education
- Superintendent
- Leadership Cabinet
- Department Leaders
- Drafts/Iterations of Budget Presented to BOE
 - Constant work in progress
 - Things can change day to day, hour to hour





Budget Vote



Budget Vote

- Third Tuesday of every May (5/19/26)
- Statewide Vote
- Budget Hearing
 - 7 - 14 days before vote
 - Budget statement must be made available
 - 3-part budget
 - Admin
 - Program
 - Capital
- Failed Vote?
 - 1 revote (June 16, 2026)
 - 2nd attempt failed?
 - Contingency budget



Real Time Issues

- Economic Uncertainty
- Federal & State Funding
- Compliance & Audit
- Political Landscape

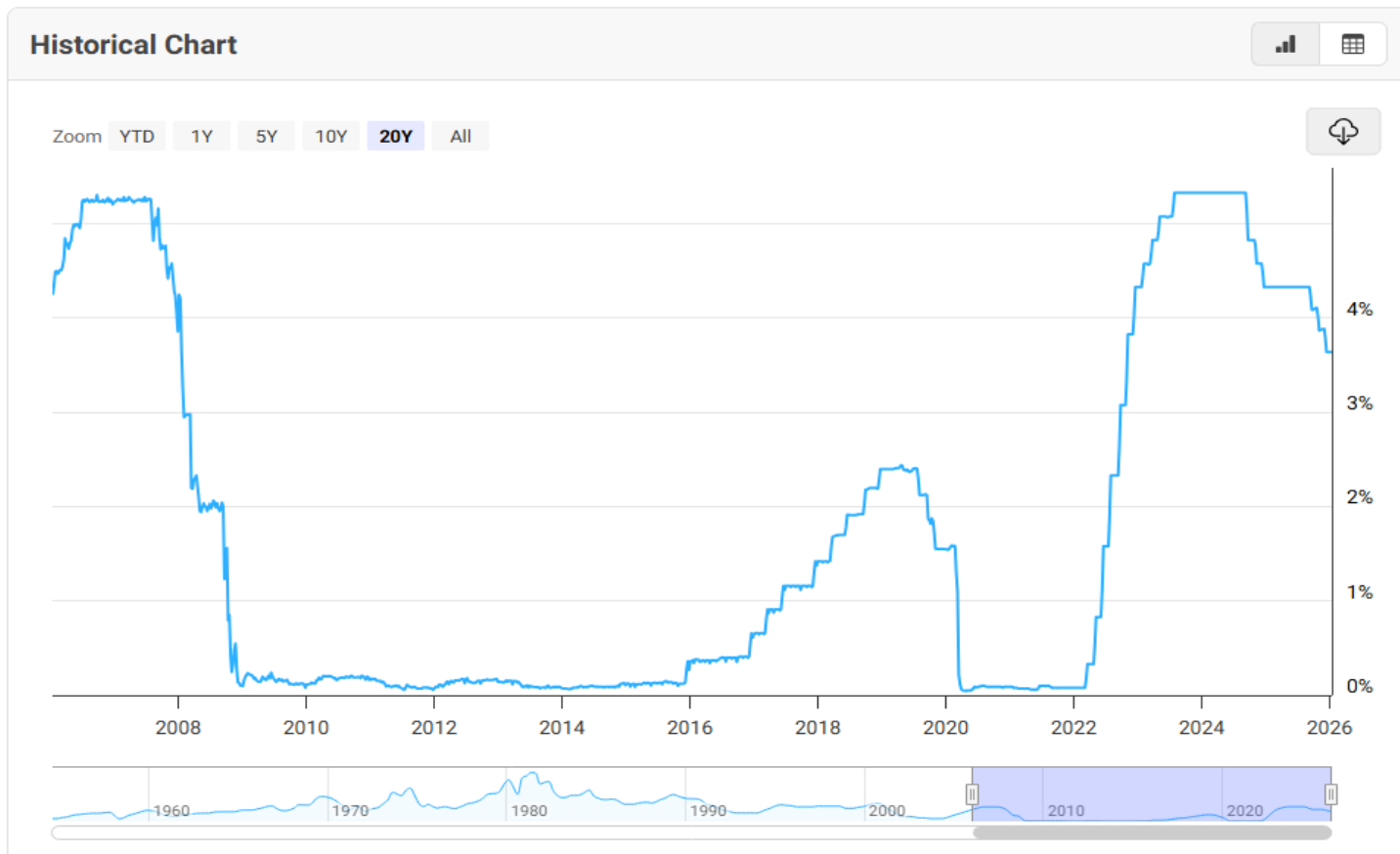


Real Time Issues

Economic Uncertainty

- Effect of Tariffs
- Interest Rates
- Health Care Costs

Federal Interest Rates



Source: [Fed Funds Interest Rate \(1954-2026\)](#)



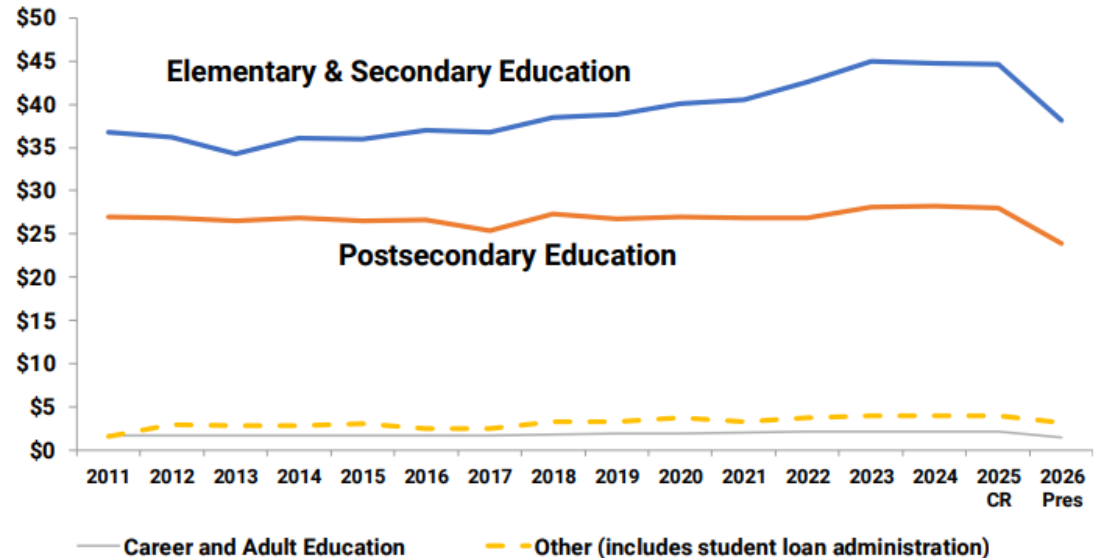
Real Time Issues

Federal & State Funding

- Federal Department of Education
- Impact of Federal Government Shutdown
- Shift of Costs from Federal to State
- 2026 State of the State

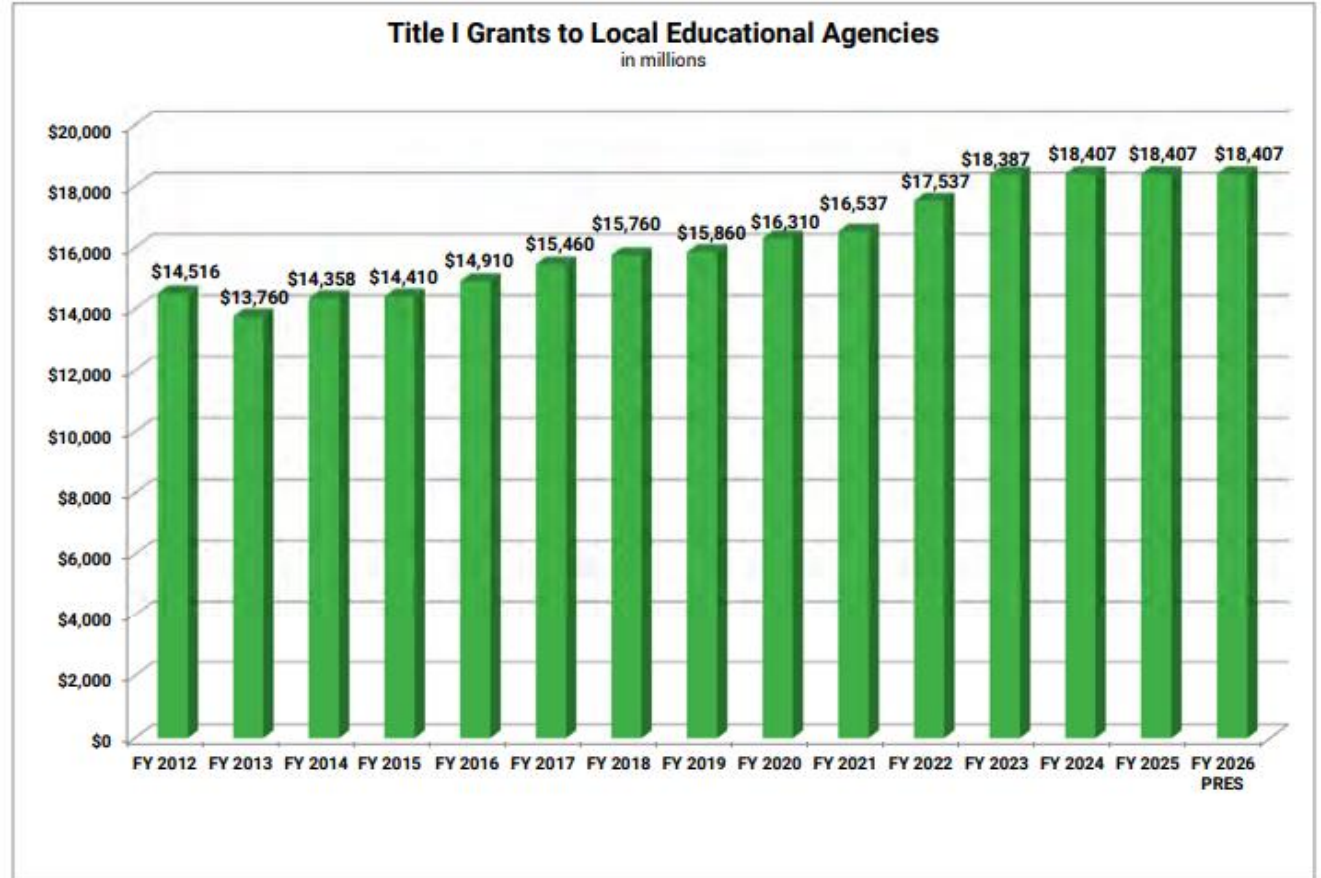
Federal Funding has Barely Increased Over the Last 15 Years Except for K-12 Education

Discretionary nominal dollars, in billions



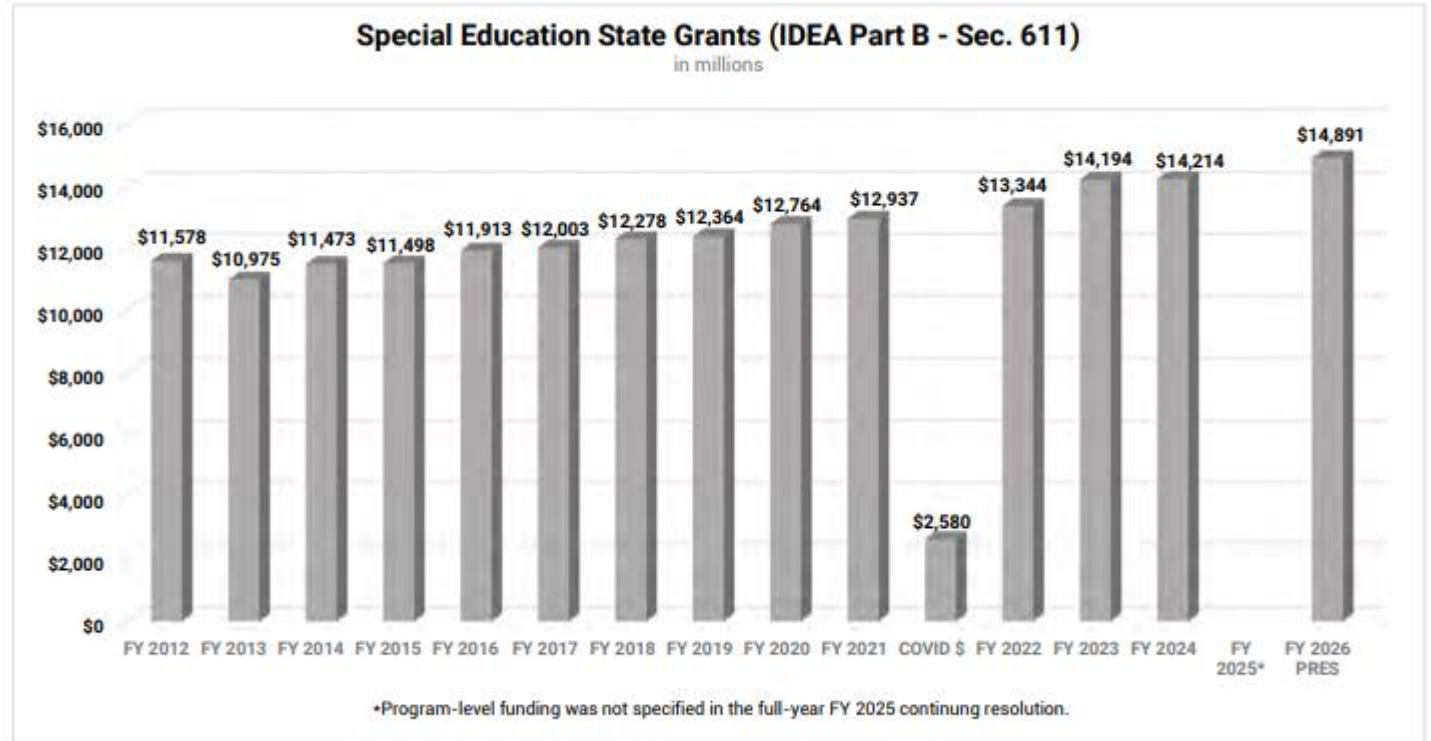
Source: ASBO International Committee for Funding Education FY 2026 Budget Book

Federal Funding



Source: ASBO International
Committee for Funding Education FY
2026 Budget Book

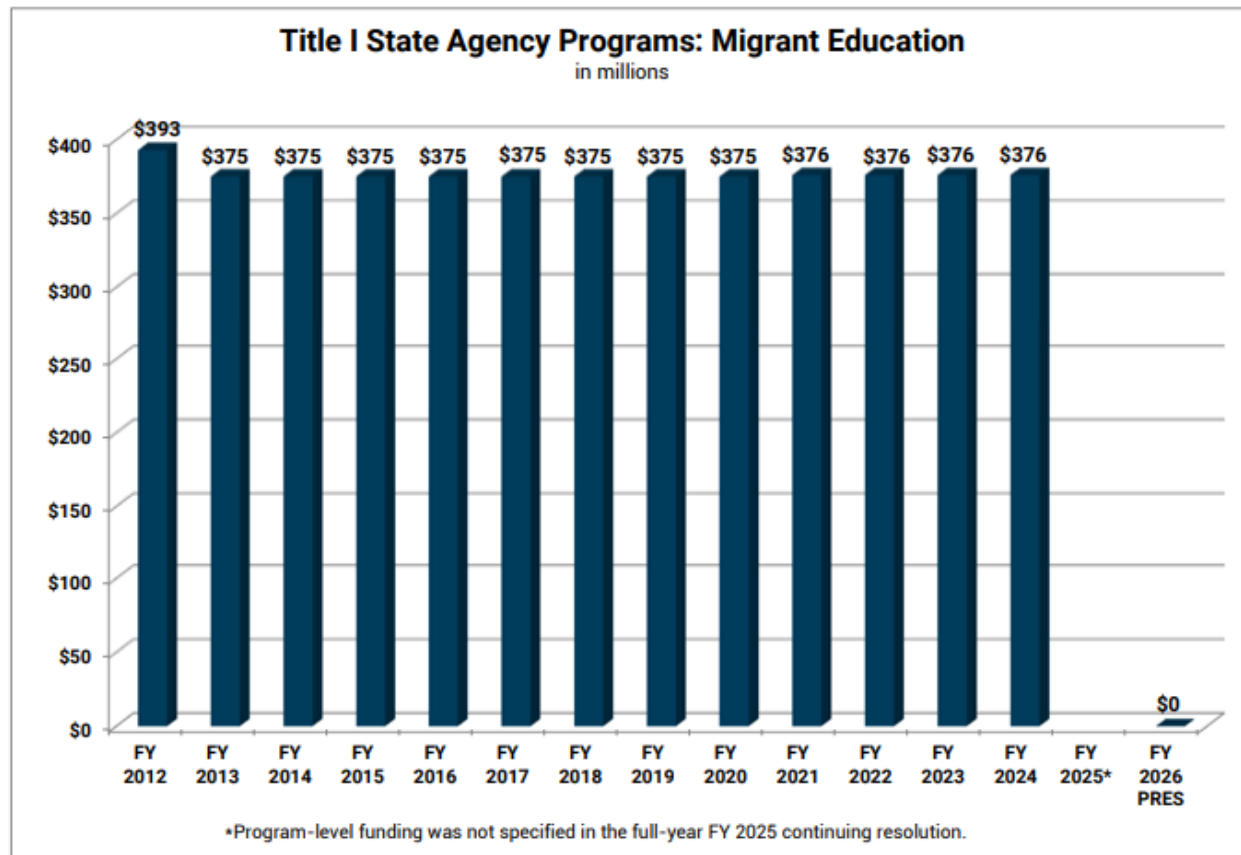
Federal Funding



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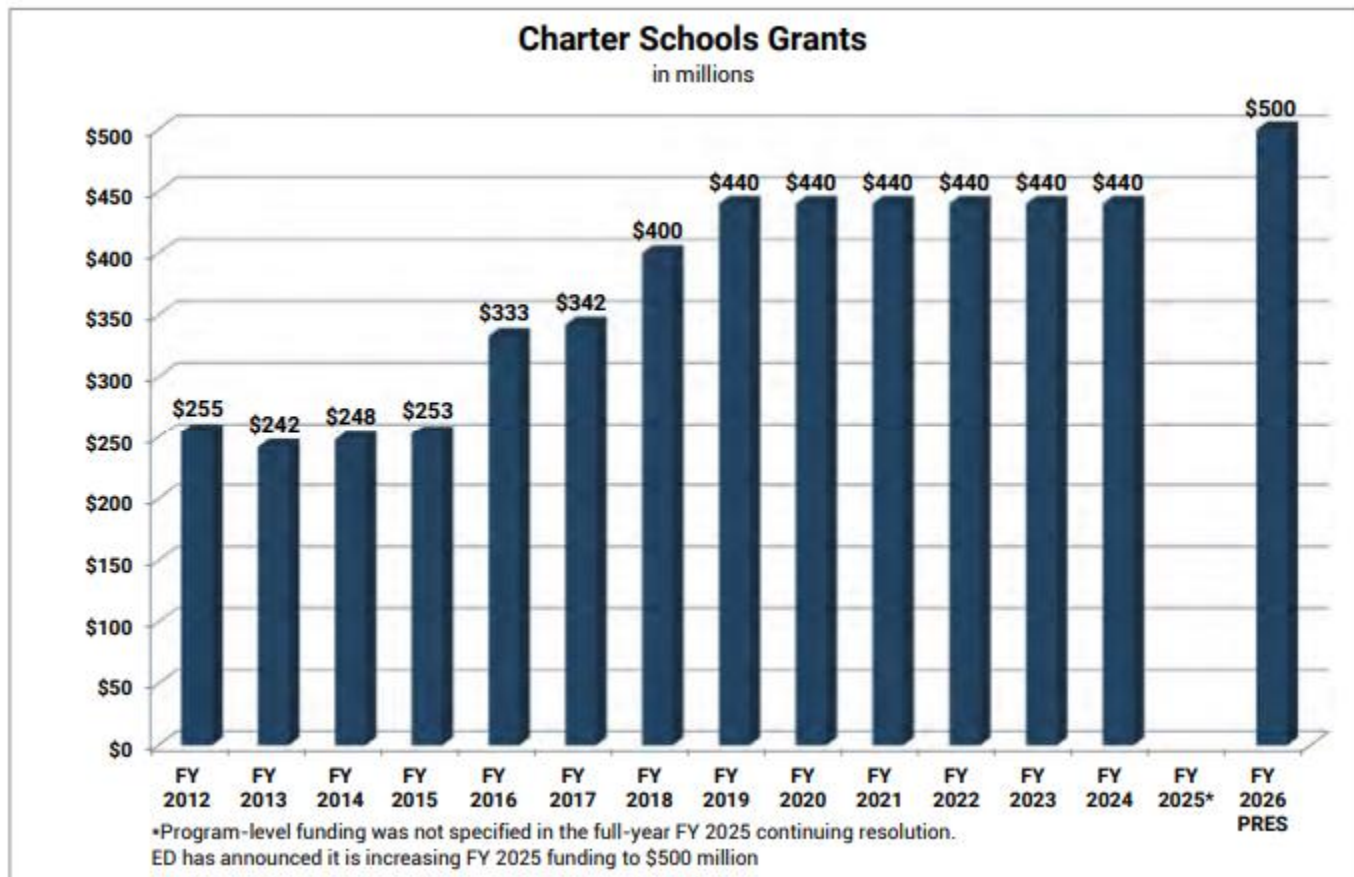
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Federal Funding

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2026 State of the State Priorities



Universal Child Care

Proposals would expand Pre-K, 3K, and child care subsidies to achieve affordable, universal care for children under five.



Lowering Costs for New Yorkers

The governor's affordability agenda includes new steps to reduce energy bills, lower insurance costs, eliminate taxes on tips, and more.



Safer Streets and Communities

New initiatives will help get illegal guns off our streets and take on emerging threats like untraceable 3D-printed guns.



Protecting Our Kids Online

Proposed legislation would protect children from online predators, regulate AI targeting minors, and boost youth mental health support.



Letting New York Build

A series of landmark reforms will cut red tape to help build housing and other critical infrastructure faster and at lower costs.



Defending Fundamental Rights

New initiatives would safeguard due process, protect New Yorkers from federal overreach, and ensure no one is targeted for their identity.



Real Time Issues

Compliance & Audit

- New GASB
- Cell Phone Ban
- Federal & State Reporting
- Claims, Internal, External, & Regulatory



Real Time Issues

Political Landscape

- Washington vs Albany
- Local
 - Tax Levy Pressures
 - Regional Comparisons
- Unions, Stakeholders, and Special Interest Groups



Resources

ASBO International
<https://asbointl.org/>

NYS Association of School Business Officials
<https://www.asbonewyork.org/>

NYS 2026 State of the State
<https://www.governor.ny.gov/programs/2026-state-state>

NYS Education Department
<https://stateaid.nysed.gov/>

Questar III BOCES - State Aid and Financial Planning Service
<https://www.questar.org/services/financial/state-aid-financial-planning/>



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