



Board of Education Meeting

Wednesday, January 22, 2025

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 22, 2025

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

February 5, 2025

- Tax Cap & Revenue Overview

February 26, 2025

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

March 5, 2025

- 2000 Curriculum & Instruction

March 19, 2025

- Staffing Analysis

April 2, 2025

- Expenses and Revenues Update

April 23, 2025

- Budget Adoption



May 7, 2025

Budget Hearing

May 20, 2025

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





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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.





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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





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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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Budget Presentation One: **Adopted 2024 / 2025 School Budget**

Description	2024-2025
Tax Levy	69,094,953
State Aid	56,040,788
PILOTs (Payments In Lieu Of Taxes)	7,517,044
Miscellaneous Revenue	2,155,000
Subtotal	134,807,785
Appropriated Fund Balance	4,000,000
ERS Contribution Reserve	1,050,000
TRS Contribution Reserve	1,750,000
Workers Comp Reserve	650,000
Unemployment Reserve	50,000
Employee Benefits Accrued Liability Reserve (EBALR)	750,000
Total Revenue:	143,057,785
Administrative, General Support (1000s)	17,029,549
Instruction (2000s)	73,814,091
Transportation (5000s)	10,212,264
Benefits, Debt Service, Interfund Transfers (9000s)	42,001,881
Total Expenditures:	143,057,785

Tax Levy: The contribution made by taxpayers. The tax levy for the current, 2024 / 2025 school year was **2.70%**

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

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.

Expenditures: Expenditures represent the maximum amount that can be utilized to operate the school district.





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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. Additionally, consideration needs to be given to the inclusion of the “transfer to capital” line.

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 has expired.

Increases in Health Care, Transportation, and Special Education Costs

School districts across the state are facing similar challenges with rising costs in multiple areas.

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 three years.

Foundation Aid / State Aid

*Looking are the Governor’s **proposed** budget, South Country is scheduled for a two percent increase in state aid, but with the drop in building aid, the net difference in our state aid will actually be **-2.17%** or an overall drop of a little over 1.2 million dollars.*



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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 cover specific expenses. 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**





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

	June 2020	June 2021	June 2022	June 2023	June 2024
Workers' Comp	3,054,898	3,112,765	2,616,967	2,630,052	2,170,818
Unemployment	1,352,695	1,356,178	1,343,109	1,328,156	1,307,180
Retirement-ERS	5,089,209	5,652,314	6,159,944	5,690,744	4,828,951
Retirement-TRS	1,253,719	1,706,947	1,974,880	2,318,323	2,353,098
Employee Benefit Accrued Liab	4,957,954	6,212,921	7,316,407	7,748,598	7,368,701
Capital	2,339,030	2,345,053	5,280,000	4,948,513	4,089,132
Reserves Total	18,047,505	20,386,178	24,691,307	24,664,386	22,117,880
Assigned Fund Balance	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Unassigned Fund Balance	5,533,226	5,818,051	5,711,956	5,635,280	4,755,059
Total Fund Balance	\$27,580,731	\$30,204,229	\$34,403,263	\$34,299,666	\$30,872,939

*South Country has been funding its reserves at a reasonable pace and has maintained balances at healthy levels. As of June 30, 2024, a decrease in total fund balance represents the district's use of reserves. Capital Reserve decreased because voters approved spending for the BHS Auditorium. The other decreases are planned uses of the reserves in line with the district's reserve plan.



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

Reserve	Status	Ending Balance June 30, 2024	Intended Use of the Reserve 2024-2025 School Year
CAPITAL	Partially Funded	4,089,938	\$937,000 as per voter approval
WORKERS COMPENSATION	Fully Funded	2,170,818	\$650,000
UNEMPLOYMENT	Fully Funded	1,307,180	\$50,000
EMPLOYEE BENEFIT ACCRUED LIABILITY	Partially Funded	7,368,701	\$750,000
EMPLOYEES' RETIREMENT SYSTEM	Fully Funded	4,828,951	\$1,050,000
TEACHERS RETIREMENT SYSTEM	Partially Funded	2,353,098	\$1,750,000

*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				
	2025	2026	2027	2028	2029
REVENUE					
Local	\$78,416,997	\$81,550,301	\$83,962,491	\$82,795,646	\$83,520,427
State	56,290,788	55,400,786	56,387,721	57,393,619	58,418,854
Federal	100,000	100,000	100,000	100,000	100,000
TOTAL REVENUE	134,807,785	137,051,087	140,450,212	140,289,265	142,039,281
EXPENDITURES					
Salary and Benefit Costs	94,465,270	96,354,576	98,424,948	99,963,344	101,637,479
Other	41,572,079	41,999,729	42,283,937	40,199,588	39,990,001
TOTAL EXPENDITURES	136,037,349	138,354,305	140,708,884	140,162,932	141,627,480
SURPLUS / DEFICIT	(\$1,229,564)	(\$1,303,218)	(\$258,673)	\$126,332	\$411,801

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

Projections were based on an assumed decrease for the 25-26 school year based on the governor’s position on the correction of the Foundation Aid Formula. Then an assumed average of 1.7%

Decreases in expenditures for the “other” in 2028 and 2029 are due to the decrease in bond payments.

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



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Questions?



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