



Poughkeepsie City School District

2024-25 Budget Development Update

February 21, 2024

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Presentation Agenda



2024-25 Budget Development

- Budget Goals
- Budget Calendar
- Projected State Aid
- Budget Outlook
- Overview of Grants
- Discussion

Budget Goal

Present a fiscally sound 2024-25 budget that addresses the educational program and operational needs of the Community

- Increase budget participation to include:
 - District Administrators
 - Building Leadership
 - Department Heads
 - Staff & Community Stakeholders – Fireside Chat scheduled for April 6th
- Satisfy Regulatory Requirements (Mandates)
- Align Allocation of Financial Resources
 - Strategic Plan
 - Equity at the School Level

Budget Calendar



2/21/2024	Board of Education Meeting / Budget Update
3/01/2024	Submit Tax Cap Levy Limit to NYS Comptroller's Website
3/06/2024	Board of Education Meeting / Budget Update
3/19/2024	Board Meeting / Present Budget Draft
4/2 - 5/11/2024	Four Legal Notices Published (Budget Hearing, Election and Vote)
4/03/2024	Board of Education Meeting <u>Adopt Educational Plan & Budget</u> <small>(Prior to 4/29/24)</small>
4/3 - 4/24/2024	Submit Property Tax Report Card to SED and Local Newspaper <small>(within 24 hours of adoption)</small>
4/23/2024	Board of Education Meeting ~ BOCES Vote (6 PM)
4/24/2024	Budget Available in all Schools and Central Office <small>(Budget Newsletter May 1st)</small>
5/07/2024	Board of Education Meeting ~ Legal Budget Hearing
5/08 - 5/15/2024	6-Day Budget Notice Mailed to Residents
5/21/2024	Vote ~ Board Election & School Budget

2024-25 Projected State Aid

Governor's Aid Run 1/16/2024

State Aid Projections	2024-25 Governor's Run	Governor's Projection for 2023-24	Dollar Increase (Decrease)	Percent Change
Foundation Aid	\$ 78,917,194	\$ 79,522,372	\$ (605,178)	-0.76%
BOCES	2,319,048	2,133,087	185,961	8.72%
High Cost Excess Cost Aid	1,699,781	1,891,771	(191,990)	-10.15%
Private Excess Cost	3,795,058	3,281,356	513,702	15.66%
Hardware & Technology	73,937	75,878	(1,941)	-2.56%
Software, Library & Textbooks	341,151	340,994	157	0.05%
Transportation	4,678,406	4,707,246	(28,840)	-0.61%
Bldg. Aid	2,404,158	1,965,312	438,846	22.33%
Charter School Transitional	243,094	1,106,208	(863,114)	100.00%
Sub Total General Fund	\$ 94,471,827	\$ 95,024,224	\$ (552,397)	-0.58%
*Add: Universal PreK	\$ 3,027,487	\$ 3,867,487	\$ (840,000)	-21.72%
Governor's Run 2-1-2023	\$ 97,499,314	\$ 98,891,711	\$ (1,392,397)	-1.41%

Universal PreK is managed in the Special Aid Fund.

The Community Schools program continues as a set-aside from Foundation Aid

2023-24 Preliminary Revenues

Description	2024-25 Draft Budget	2023-24 Approved Budget	Dollar Change	Percent Change
Real Property Tax	\$ 31,930,311*	\$ 31,930,311	\$ -	0.00%
PILOTS & Other Tax	2,366,000	1,909,000	457,000	23.94%
Miscellaneous Fees	2,002,700	1,527,700	475,000	31.09%
State Aid	94,471,827	98,335,842	(3,864,015)	-3.93%
Federal Aid	225,000	200,000	25,000	12.50%
Interfund Transfers	25,000	55,000	(30,000)	-54.55%
*Appropriated Fund Balance	2,000,000	2,000,000	-	0.00%
Totals	133,020,838	135,957,853	(2,937,015)	-2.16%

**The revenue estimates above represent the earliest stage of budget development. At this time, the estimate for Real Property Tax has been held constant and will be later evaluated as the budget development process proceeds.*

2024-25 Planning for Expenditures

The expense side of the budget will face several cost escalation challenges such as:

- a) Revenues currently projected to decrease 2% in the General Fund before grant impacts.
- b) Expiration of Federal Stimulus funding this September
- c) Elementary schools have improved student achievement levels and will lose “schools in need of improvement” grant funding at the end of this year.
- d) Charter School payments are expected to increase with additional enrollment.
- e) The 2024-25 budget will be impacted by the labor contract settlements for teachers and administrators (Currently in negotiation with CSEA and PPSOPA) .
- f) High inflation impact on contractual services, professional services, BOCES, supplies, etc.
- g) Debt payments increasing as more of the \$98M project is being completed (some off-set with addition State-aid)
- h) Reconfiguration: Determination of cost impact on potential Elementary School reconfiguration.

The expenditure estimates above represent the earliest stage of 2024-25 budget development. It cannot be overstated that the numbers are preliminary and will be adjusted throughout the budget process.

Next Steps In the Budget Process

- Follow State-Aid Developments
- Review Staffing, Salary Estimates and Benefit Costs
- Review Grant Funded Positions
- Review BOCES Budgets
- Review Debt Schedule/Capital Projects to Project Debt Payments
- Continue Reviewing Revenue and Expenditure Projections
- Review School-Level/Department Budgets
- Review Requests for Additional Resources
- Evaluate Program Needs
- Compute Tax Cap
- Develop Contingency Plans for Budget Adjustments
- Incorporate Feedback on the Budget

Note: *The business office staff has already performed preliminary work on these items.*

Fund Balance and Reserves

- Fund Balance and Reserves represent the net worth and savings of the District
- Fund Balance and Reserves represent long-term funds
- Prudent financial management dictates that long-term financial resources be used for singular events (non-recurring) and/or long-term financing
- When long-term funds are utilized for short-term reoccurring items, budget shortfalls will occur in subsequent budget cycles when long-term funds are no longer available.
- Utilizing Fund Balance and Reserve Accounts strategically helps to smooth irregularities in the economic environment and stabilize taxes

Year-End Fund Balance

Fund Balance	2022-23	2021-22	2020-21
Non-Spendable	\$ 1,219,001	\$ 455,471	\$ 357,112
*Restricted (see schedule)	22,198,326	19,233,605	7,563,217
Assigned to Subsequent Year's Budget	2,000,000	1,500,000	\$ -
Assigned as Carryover Encumbrances (Prior Year)	3,598,143	1,238,439	1,683,540
Unassigned	5,438,314	4,446,083	12,600,954
Totals	\$ 34,453,784	\$ 26,873,598	\$22,204,823

Schedule of Restricted Fund Balance

*Schedule of Restricted Fund Balance	2022-23	2021-22	2020-21
Tax Certiorari	\$ 426,698	\$ 428,630	428,548
Unemployment	222,840	222,831	222,784
Liability Claims (for settled labor contracts)	3,228,583	261,939	261,885
Employee Benefits Accrued Liability	1,000,000	1,000,000	
ERS Retirement Contributions	1,000,203	1,000,203	1,000,000
TRS Retirement Contributions	1,320,002	1,320,002	650,000
Future Capital Projects	15,000,000	15,000,000	5,000,000
Totals	\$ 22,198,326	\$ 19,233,605	7,563,217

Discussion

