

WARWICK **VALLEY**
CENTRAL SCHOOL DISTRICT

2024-2025 School Budget

**Presentation: Enrollment Projections and
Projected Revenue Budget, Payroll & Benefits
February 15, 2024**



Enrollment Projections

Small gains are projected in each of the next ten years, with an overall increase of 166 students, or 4.5 percent, expected by 2033.

Enrollment is projected to overall remain stable in the elementary (K - 4) and high school (9 - 12) grades, while a gain of 126 students, or 11.8 percent, is expected in the middle (5 - 8) grades.

Following are the projected peak enrollments through 2033 by grade configuration, and the gains when compared to the current enrollments:

- Elementary (K - 4): 1,321 students in 2029; + 55 students
- Middle (5 - 8): 1,194 students in 2033; + 126 students
- High School (9 - 12): 1,373 students in 2032; + 31 students
- District (K - 12): 3,842 students in 2033; + 166 students



Enrollment Projections (Con't)

Losses through displacement (smaller kindergarten classes replacing larger graduating twelfth grades classes) have occurred in each of the last ten years (losses of 83 - 185 students per year). This trend is expected to continue, with losses of between 64 - 111 students expected each year through 2033, due to this displacement.

On average, the district gains students in transition to grades 1 - 7, while average maintenance is recorded to eighth grade. However, the gains in migration will be minimized by the losses through displacement.

Last year, 122 students (3.2 percent) attended non-public schools. Private school enrollment has declined since 2007, when 376 children, or 7.9 percent of Warwick Valley resident students, attended non-public schools.



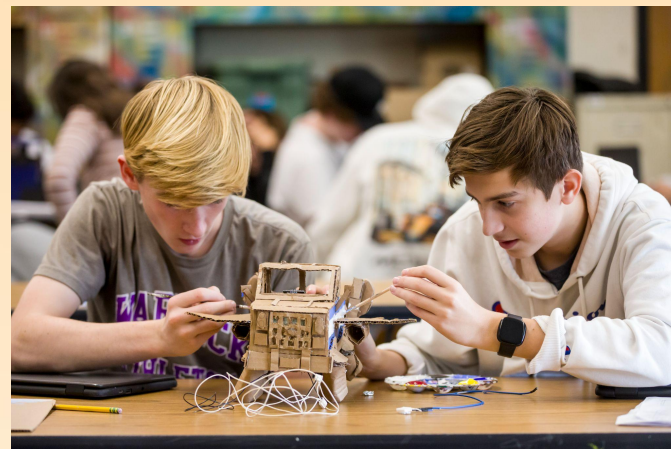
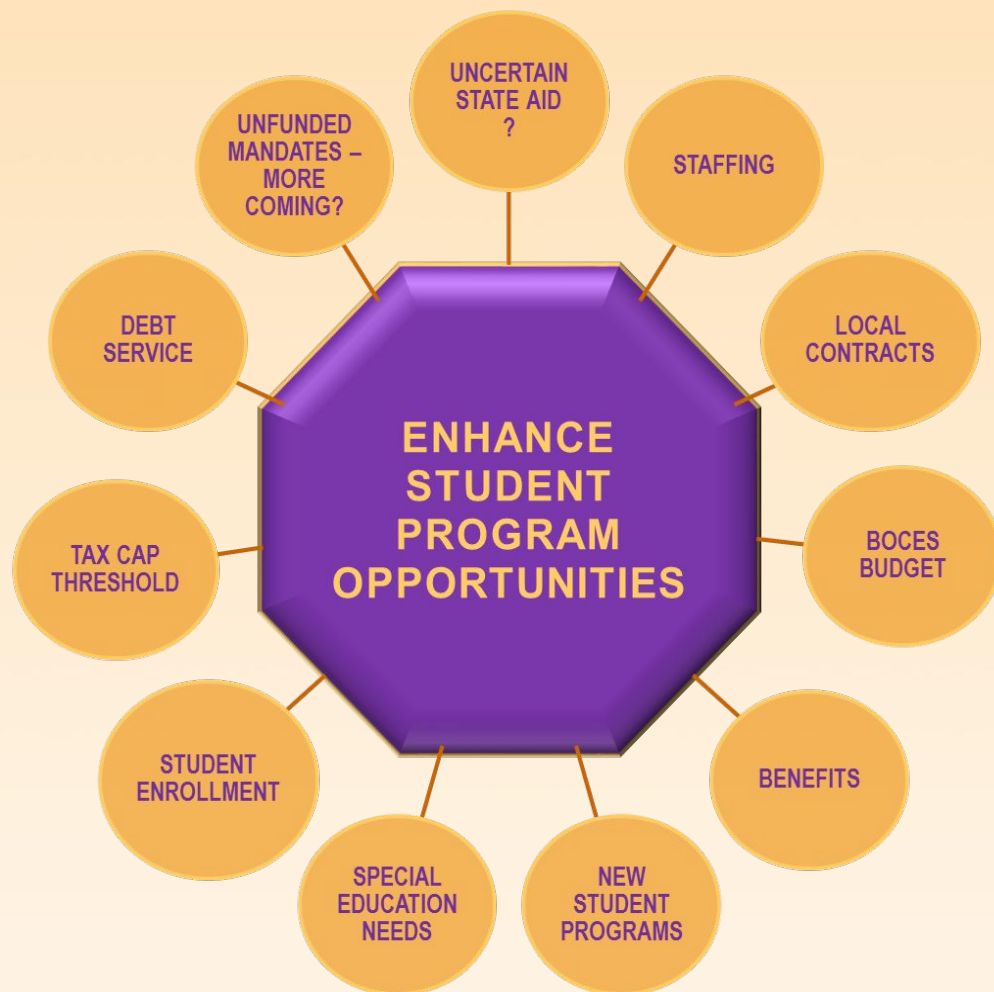
Budget Development Process Goals

Preserve student opportunities Stay within/below the tax cap





Challenges





Challenges (Con't)

Real Property Taxes ("Tax Cap"): The Consumer Price Index for All Urban Consumers (CPI-U) determined by the Federal Bureau of Labor Statistics plays a crucial role in the "Tax Cap" formula. The Allowable Growth Factor (AGF) is determined as the lesser of CPI-U or 2%. For the 2024-2025 fiscal year, with CPI-U standing at 4.12%, the AGF is capped at 2%, consequently limiting the district's tax levy growth.

State Aid: Recent years have witnessed the State's heavy reliance on federal funds, anticipated to be depleted by the 2026-27 fiscal year. In a move seemingly aimed at expenditure control, Governor Hochul has proposed reductionary adjustments to the inflation factor for Foundation Aid and has eliminated the "Save-Harmless" provision.



Challenges (Con't)

State Aid: During the 2023-24 fiscal period, New York State Aid accounted for approximately 32.9% or \$35.8 million of revenue. In contrast, the most similarly-sized districts in our region receive notably higher amounts, with New York State aid constituting at least over 45% of their revenue, amounting to an additional \$15 million dollars or more. Districts with lower wealth indexes receive more state aid. Consequently, a greater portion of the financial burden falls upon local taxpayers.

ERS Pension Contributions: Participating employers in the Employees Retirement System (ERS) are expected to witness a notable increase in the estimated average Employer Contribution Rate (ECR) for the 2024-2025 fiscal year, averaging at 17.9% of covered payroll, up from 12.69% in the previous year.



Challenges (Con't)

TRS Pension Contributions: Actuarial projections for the Teachers' Retirement System (TRS) indicate an estimated Employer Contribution Rate (ECR) of 10.25% for the 2024-2025 fiscal year, reflecting an increase from the current year's rate of 9.76%.

Health Insurance: The OU BOCES Health Benefits Consortium has approved a 3% premium increase for the 2024-2025 fiscal year.



Tax Cap 24-25

2023-24 Tax Levy: \$66,580,963

Current Tax Levy increase: \$2,505,086

2024-25 Tax Levy: \$69,086,049

Percent Change: 3.76%

Driving the increase:

- Inflation 2% cap
- Decrease in Building aid: (\$155,282)
- Increase in Debt Service: \$375,080
- Increase in BOCES Debt Service: \$102,744
- ERS Pension Exclusion: \$10,780

(excess of 2% increase)





Tax Levy

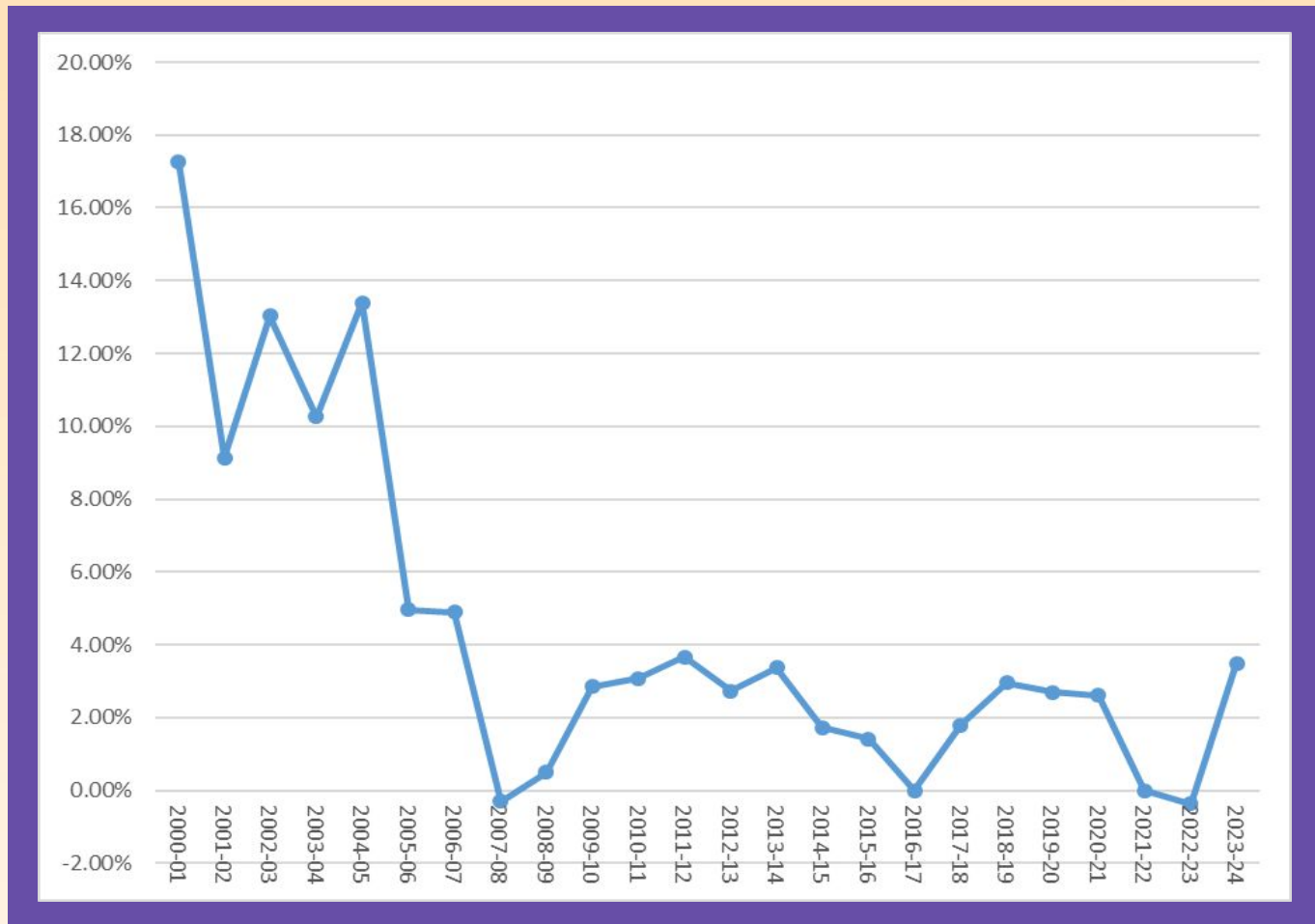
	2023-24	2024-25	Difference	% Increase
School Tax Levy	\$66,154,113	\$68,655,699	\$2,501,586	
Library Bond Levy	\$426,850	\$430,350	\$3,500	
Total	\$66,580,963	\$69,086,049	\$2,505,086	**3.76%

**The maximum percentage increase in the tax levy is set by the tax cap formula, which requires a simple majority vote





Tax Levy History





Tax Levy Percentage Impact

2023-24 Tax Levy	.25% Increase	.50% increase	.75% increase	1.00% increase
\$66,580,963	\$166,452.40	\$332,904.80	\$499,357.22	\$665,809.60





Average Change Per Year

Year	Budget Percent Increase	Tax Levy Percent Increase
Last 5 Years	3.33%	1.68%
Last 8 Years	3.00%	1.65%
Last 10 Years	2.86%	1.63%
Last 20 Years	3.13%	2.77%





Tax Cap Levy History

Budget Year		Actual Tax Levy Increase	Actual Tax Levy % Increase		Allowable Tax Cap Levy Increase	Allowable Tax Cap % Increase		Below Cap Savings
2014-15		\$ 980,844	1.73%		\$1,034,838	1.82%	*	\$53,594
2015-16		\$ 811,102	1.41%		\$811,192	1.41%		\$ 0
2016-17		\$ 0	0%		\$244,846	0.42%	*	\$244,846
2017-18		\$1,051,545	1.80%		\$1,051,545	1.80%		\$ 0
2018-19		\$1,756,174	2.95%		\$1,796,574	3.02%	*	\$40,400
2019-20		\$1,648,633	2.69%		\$1,744,580	2.84%	*	\$95,947
2020-21		\$1,636,339	2.60%		\$1,797,337	2.86%	*	\$160,998
2021-22		\$ 0	0%		\$ 592,645	0.92%	*	\$592,645
2022-23		(\$237,807)	(0.37%)		(\$237,807)	(0.37%)		\$ 0
2023-24		2,246,123	3.49%		2,877,280	4.47%	*	\$631,157
Total		\$9,893,043	1.63%		\$11,712,630	1.92%		\$1,819,587

**Seven out of ten years under the allowable tax cap*



Budget & Tax Levy Change History

Year	Budget Percent Increase	Tax Levy Percent Increase
2023-24	7.28%	3.49%
2022-23	2.75%	(0.37%)
2021-22	4.43%	0%
2020-21	-0.68%	2.60%
2019-20	2.45%	2.69%
2018-19	3.00%	2.95%
2017-18	2.17%	1.80%
2016-17	2.23%	0%
2015-16	2.68%	1.41%
2014-15	1.89%	1.73%





Governor's State Aid Run

	2023-24		2024-25		
		Aid		Executive Budget	Difference
Foundation Aid		\$24,493,090		\$25,502,464	\$1,009,374
Services Aid		\$ 7,160,385	*	\$ 8,046,268	\$ 885,883
Public Excess Cost		\$ 1,657,952		\$ 1,485,471	(\$100,474)
Private Excess Cost		\$ 742,254		\$ 426,353	(\$ 3,305)
Building Aid		\$ 2,703,568		\$ 2,374,154	(\$329,414)
Total		\$36,757,249		\$38,219,313	\$1,462,064
UPK		\$712,799	**	\$1,036,800	\$324,001
Grand Total		\$37,470,048		\$39,256,113	\$1,786,065

* Services Aid includes: Transportation, BOCES, Hardware, Software, Library, Textbook, High Tax Aid and Supplemental Excess Cost.

** The State Aid Projection includes dollars designated for Universal Pre-K.





Revenue Non-tax Sources

2023-24	2024-25	Difference
Revenue	Projection	Increase
\$ 4,226,275	\$ 4,583,934	\$357,659

Success Story

- ★ About 68% (\$3.09M) attributable to:
 - Day Tuition other Districts: \$2,491,974
 - Total Rental/Use of Buildings: \$602,227

Other (Total \$1,489,733)

Payments in Lieu of Taxes, Interest & Penalties, Adult Education, Other Student Charges, Health Services, Revenue from other Districts, Interest & Earnings, Sale of Equipment, Refund of Prior Years Expenses, Miscellaneous, Inter-fund Transfers, Medicaid Reimbursement





Reserve Utilization

Category	2023-24 Revenue	2024-25 Revenue	Difference
Retirement Contribution Reserve (Employees Retirement System (ERS) Reserve)	\$ 400,000	\$ 500,000	\$100,000
Retirement Contribution Reserve (Teachers Retirement System (TRS) Reserve)	\$ 200,000	\$ 300,000	\$100,000
EBALR Reserve (Employees Benefit Accrued Liability Reserve)	\$ 250,000	\$ 300,000	\$ 50,000
Workers Compensation	\$ 50,000	\$ 100,000	\$ 50,000
Debt Service	\$ 110,000	\$ 150,000	\$ 40,000
Unemployment	\$ 25,000	\$ 50,000	\$ 25,000
Total	\$ 1,035,000	\$ 1,400,000	\$365,000



Appropriated Fund Balance

2023-24	2024-25	Difference
Revenue	Projection	Increase /(Decrease)
\$1,400,000	\$1,400,000	\$0

Fund Balance

A fund balance is created when the school district has money left over at the end of its fiscal year from either under spending the budget or taking in additional revenue.

A. Appropriated Fund Balance: Any portion of a district's fund balance from the previous fiscal year that is applied as revenue to the district's following year's budget. This reduces the amount of money that must be generated by taxes.

B. Unappropriated Fund Balance: A school district is permitted to keep up to 4% of its fund balance in an unappropriated fund. This money may be used to pay for emergency repairs and other unforeseen occurrences.





Projected Revenue

Revenue Source	2023-24 Revenue	2024-25 Projected		Difference	
Revenue from Non-Tax Sources	\$4,226,275	\$ 4,583,934		\$ 357,659	
State Aid	\$35,897,941	\$38,219,313		\$2,321,372	
Library Bond Levy	\$ 426,850	\$ 430,350		\$ 3,500	
School Tax	\$66,154,113	\$68,655,699	*	\$2,501,586	
Appropriated Fund Balance	\$ 2,435,000	\$ 2,800,000		\$ 365,000	
Total	\$109,140,179	\$114,689,296	**	\$5,549,117	5.08%

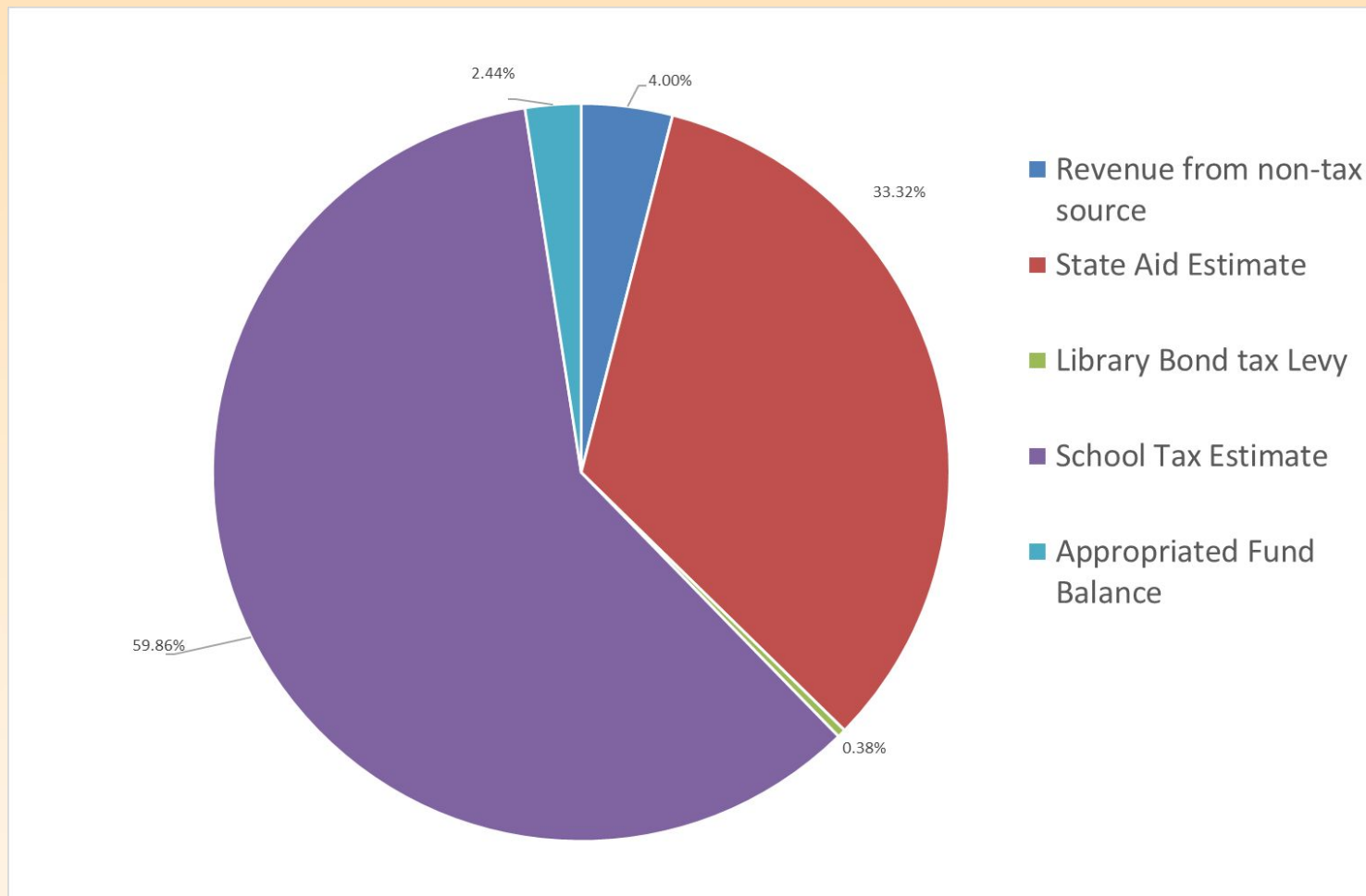


*2024-25 Projected School Tax Revenue contains the highest allowable increase with a simple majority.

**Current CPI = 3.40%



Revenue Sources





Employee Salaries/Benefits

Salaries	2023-24 Budget	2024-25 Estimate	Difference
Salaries	\$53,736,923	\$54,841,451	\$1,104,528
Benefits	\$24,962,365	\$26,756,517	\$ 604,989

Personnel costs, which include salaries and benefits for staff, account for the largest portion of the school's budget, approximately (71%).





Budget Presentations & Updates

- **March 7: Presentation 4 & 5**
 - Transportation
 - Revenue Update with Expenditures
- **March 21: Presentation 6**
 - Budget Update
- **April 4: Presentation 7**
 - Revenue Update & Expenditures
- **April 18: Presentation 8**
 - Overview, Adoption of Budget, & Property Tax Report Card
- **May 9: Presentation 9**
 - Public Hearing on Proposed Budget

