



KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT

2024-25 PRELIMINARY BUDGET



February 13, 2024 Board of Education Meeting



Today's Purpose:

Review the 2024-25 Preliminary Budget



BUDGET DEVELOPMENT TIMELINE

| Description | Date |
|---|------------------------------|
| Budget Calendar | October 10, 2023 |
| Preliminary Financial Considerations | November 14, 2023 |
| Budget Development Update | December 12, 2023 |
| Budget Development Update | January 9, 2024 |
| Budget Work Session - Preliminary Budget | February 13, 2024 |
| Budget Development Update & Work Session | March 12, 2024 |
| Budget Work Session | March 26, 2024 |
| Tentative Budget Adoption | April 16, 2024 |
| Budget Hearing | May 14, 2024 |
| Budget Vote and Election of Trustees | May 21, 2024 |



BUDGET DEVELOPMENT ASSUMPTIONS

Expenditures:

- Health Care Budget
- Debt Service – Actual
 - 2nd year CVA
- BOCES – Service Request Review
- Salaries & Benefits - based on contractual obligations
- Bus Replacement Plan

Revenue:

- Tax Levy Increase - 2%
- Executive Budget Proposal
- Appropriated Fund Balance and Reserves
 - Reserve fund plan & run out over 5 years



EXPENDITURES: LARGEST AREAS OF INCREASE

Salary:

- Contractual salary increases
- Negotiating KTA contract
- Does not include retirements for any bargaining units

Employee Benefits:

- Health Insurance – 5%
 - Current review of expenditures
- Retirement Contributions estimated
 - TRS 10.02%
 - ERS Average 15.2%

Tuition:

- Cost of education some students with disabilities

Contractual

- Insurance increases
- SCIS Class
- Health Services
- Transportation



PRELIMINARY EXPENDITURE BUDGET

| | | |
|-----------------------------------|----------------------|--------------|
| 2023-24 Budget | \$186,035,714 | |
| Contractual Increases | \$5,285,091 | |
| Employee Benefits | \$2,896,519 | |
| BOCES Services | \$768,065 | |
| Debt Service | \$116,980 | |
| Tuition & Payments to Schools | \$1,623,000 | |
| Misc. Cont./M&S/Equip. | \$2,063,688 | |
| Total Increases | \$12,753,343 | |
| Preliminary 2024-25 Budget | \$198,789,057 | 6.86% |



REVENUE BUDGET CONSIDERATIONS

Tax Cap Calculation:

- 2% or rate of inflation (CPI), whichever is lower
 - CPI estimated over maximum of 2%
- Effects of exclusions
 - PILOTs
 - Capital Exclusion & Debt Service Reserve
 - Retirement Exclusion (new)
- Tax Levy Limit: Estimated calculation at 2.71% or up to \$2.5 million

State Aid:

- Executive Budget review



TAX LEVY CALCULATION

| | | |
|------------------------------------|---|--------------|
| A | 23-24 Tax Levy | \$93,331,100 |
| B | Tax Base Growth Factor | 1.0029 |
| C | A * B | \$93,601,760 |
| D | Base Year PILOTs | \$925,000 |
| E | C + D | \$94,526,760 |
| F | Base Capital Tax Levy | \$2,801,050 |
| G | E - F | \$91,725,710 |
| H | Growth Factor (CPI) | 2.0% |
| I | G * H | \$93,560,224 |
| J | 24-25 Estimated PILOTs | \$790,000 |
| K | Levy Before Exclusions (I - J) | \$92,770,224 |
| | 2024-25 Exclusions | |
| L | 2024-25 Capital Tax Levy | \$3,065,638 |
| J | Budget Year Pension Exclusion - ERS average increase > 2% | \$23,850 |
| Estimated 2024-25 Tax Levy Limit | | \$95,859,713 |
| Estimated 2024-25 Tax Levy % Limit | | 2.71% |



Property and
Growth - new
construction &
renovation



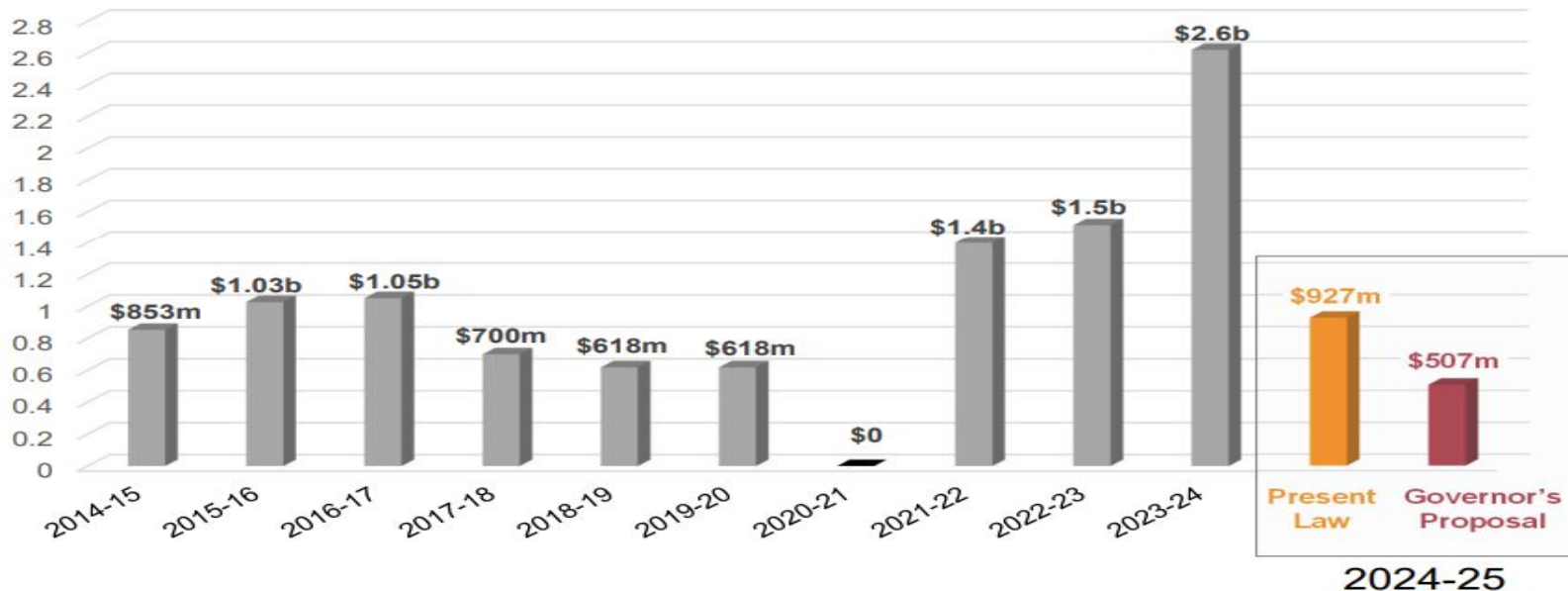
Office of State
Comptroller
reports
Inflation for
2024 6.26%

REVENUE BUDGET CONSIDERATIONS

Foundation Aid Actual and Projected Increases

5

Foundation Aid



EXECUTIVE BUDGET PROPOSAL VS. BUDGET

| Aid Category | Executive Proposal | Budget Assumption 2024-25 | Difference |
|----------------------------|---------------------|------------------------------|------------------|
| Foundation Aid | \$48,312,742 | \$48,070,184 | -\$242,558 |
| BOCES | \$3,742,453 | \$3,642,453 | -\$100,000 |
| Transportation | \$5,652,814 | \$4,652,814 | -\$1,000,000 |
| Hardware Tech | \$165,250 | \$165,250 | - |
| Software, Library Textbook | \$688,682 | \$688,682 | - |
| Charter School | \$135,944 | \$135,944 | - |
| High Excess Cost | \$400,200 | \$400,200 | - |
| Private Excess Cost | \$4,238,531 | \$4,238,531 | - |
| Building | \$7,467,927 | \$8,717,927 | \$1,250,000 |
| Total Aid | \$70,804,543 | \$70,711,985 | -\$92,558 |



REVENUE BUDGET TOTAL

| 2023-24 Revenue | \$186,035,714 | % |
|-----------------------|--------------------|--------|
| Tax Levy | \$1,866,622 | 2.00% |
| Appropriated Reserves | -\$932,413 | -11.6% |
| Rentals | \$150,000 | 2.43% |
| Miscellaneous | -\$210,500 | -4.5% |
| Sales Tax | \$250,000 | 2.44% |
| State Aid | \$1,548,584 | 2.24% |
| Total Increases | <u>\$2,672,293</u> | |
| 2024-25 Revenue | \$188,708,007 | 1.44% |



BUDGET GAP



Estimated Revenue: \$188,708,007
Preliminary Expenditures: \$198,789,057
Budget Gap: \$10,081,050



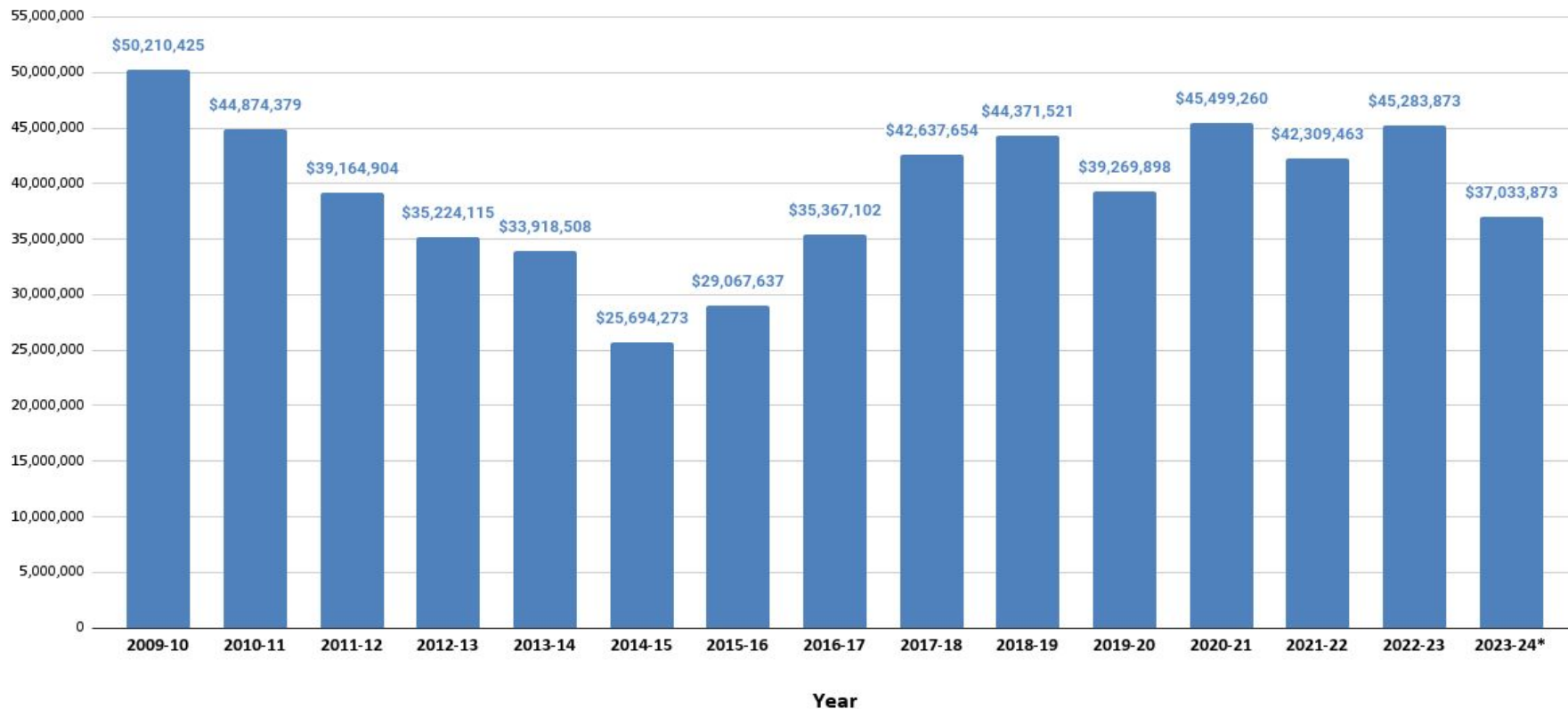
RESERVES AND FUND BALANCE

- Continuous review of reserves
- Matching expenditures with reserve appropriations
- Long Range Financial Plan:
 - 2024-25 Plan completed at September Board meeting
 - Assess optimum levels of reserves



HISTORICAL FUND BALANCE

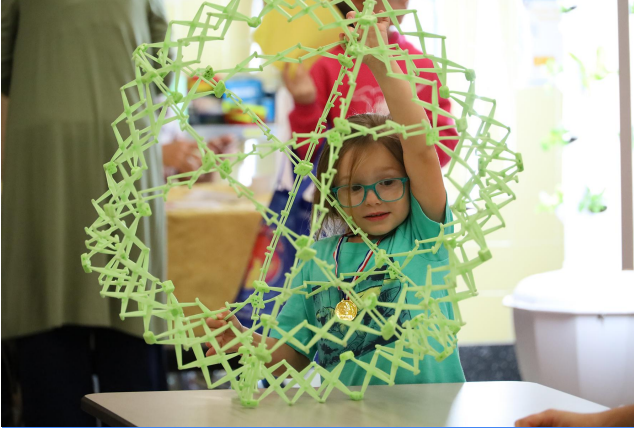
Historical Fund Balance



NEXT STEPS

- Close the budget gap
- Additional Cabinet level budget reviews
 - Reductions list
- Resource allocation
- Monitor current year budget performance
- Programming, Staffing Analysis and Enrollment Projections Review





QUESTIONS?

Thank you for your support!

Visit www.ktufsd.org/budget for more information

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