



KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT

# 2023-24 PRELIMINARY BUDGET



February 13, 2023 Board of Education Meeting



# **Today's Purpose:** Review the 2023-24 preliminary budget



# BUDGET DEVELOPMENT TIMELINE

Description	Date
<del>Budget Calendar</del>	<del>October 11, 2022</del>
<del>Preliminary Financial Considerations</del>	<del>November 8, 2022</del>
<del>Long Range Plan Presentation including Reserve Fund Plan</del>	<del>December 13, 2022</del>
<del>Budget Development Update</del>	<del>January 10, 2023</del>
Budget Work Session	February 13, 2023
Budget Development Update & Work Session	March 14, 2023
Budget Work Session	March 28, 2023
Tentative Budget Adoption	April 11, 2023
Budget Hearing	May 9, 2023
Budget Vote and Election of Trustees	May 16, 2023



# BUDGET DEVELOPMENT ASSUMPTIONS

## Expenditures:

- Health Care Budget - 7% Increase
- Debt Service – Actual
  - Includes CVA
- BOCES – Service Request Review – 3.8%
- Salaries - 2.5-3.5% based on contractual obligations
- Bus Replacement Plan – 10 new buses

## Revenue:

- Tax Levy Increase
- Executive Budget Proposal
- Appropriated Fund Balance and Reserves
- Sales Tax
- Miscellaneous – other nominal increases/decreases



# EXPENDITURES: SALARY & EMPLOYEE BENEFITS

## Salary:

- Contractual increases
- Negotiations two bargaining units for 2023-24:
  - KAA
  - KTSEA
- Waiting for final retirements

## Employee Benefits:

- Health Insurance – 7%
  - Current review of expenditures
- Retirement Contributions estimated
  - TRS 10%
  - ERS Average 16%





# DEBT SERVICE UPDATE

- Increase Child Victims Act Debt - \$2.2 Million
- Increase 2020 Capital Project Debt – Bonding first phases - \$1.77 Million
- Increase Bus BAN - \$260k
- Total Increase approx \$4.2 million



# PRELIMINARY EXPENDITURE BUDGET

<b>2022-23 Budget</b>	<b>\$176,494,282</b>	
Contractual Increases	\$4,757,545	
Employee Benefits	\$2,406,513	
BOCES Services	\$414,461	
Debt Service	\$4,192,568	
Tuition & Payments to Schools	\$1,800,000	
Misc. Cont./M&S/Equip.	\$3,076,826	
<b>Total Increases</b>	<b>\$16,647,913</b>	
<b>Preliminary 2023-24 Budget</b>	<b>\$193,142,195</b>	<b>9.43%</b>



# 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
- Tax Levy Limit: Estimated calculation at 2.67% or up to \$2.4 million

## Other Important Information:

- Waiting on figures from BOCES to finalize calculation
- Built \$2.1 million into budget for revenue





# TAX LEVY CALCULATION

A	22-23 Tax Levy	\$90,898,779
B	Tax Base Growth Factor	1.0017
C	A * B	\$90,106,790
D	Base Year PILOTs	\$893,341
E	C + D	\$91,946,648
F	Base Capital Tax Levy	\$2,170,570
G	E - F	\$89,776,078
H	Growth Factor (CPI)	2.0%
I	G * H	\$91,571,600
J	22-23 Estimated PILOTs	\$925,000
K	Levy Before Exclusions (I - J)	\$90,646,600
	2023-24 Exclusions	
L	2023-24 Capital Tax Levy	\$2,681,252
<b>Estimated 2023-24 Tax Levy Limit</b>		<b>\$93,327,852</b>
<b>2022-23 Tax Levy % Increase</b>		<b>2.67%</b>



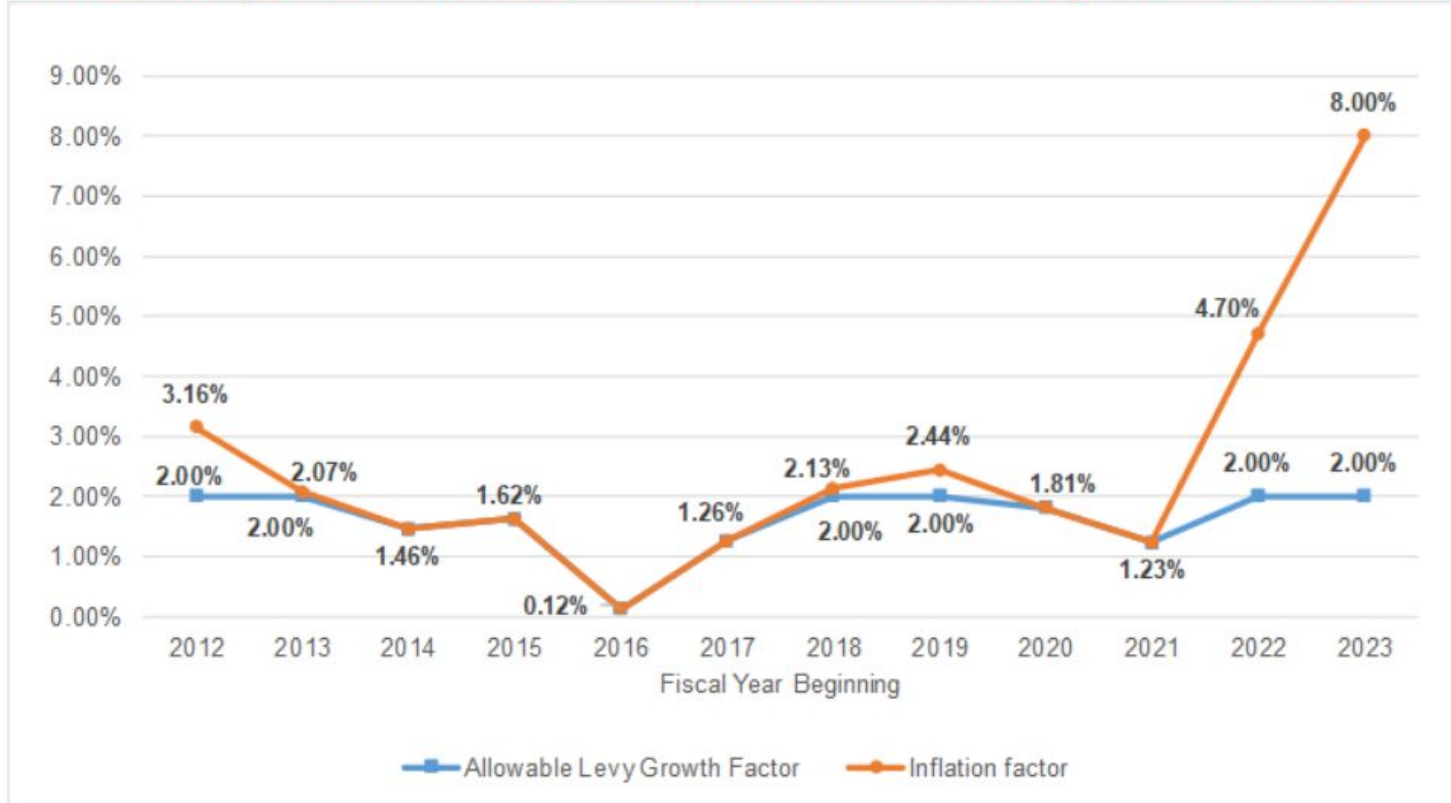
Property and Growth – new construction & renovation



Office of State Comptroller reports Inflation for 2023 at 8.00%



## Allowable Levy Growth and Inflation Factors for Entities with a July 1 - June 30 Fiscal Year



Note: Allowable levy growth factor is expressed as a percentage.



# REVENUE BUDGET CONSIDERATIONS

## Executive Budget Proposal:

- Foundation Aid Funding – Finalize the last year of the phase in for full foundation aid.
  - Proposed Increase for Ken-Ton, \$2.5 million
- UPK Funding – Increase in slots
- High Impact Tutoring - \$142,645 carved out of foundation aid



# EXECUTIVE BUDGET PROPOSAL VS. BUDGET

Aid Category	Executive Proposal	Budget Assumption 2023-24	Difference
Foundation Aid	\$46,478,366	\$45,978,366	-\$500,000
BOCES	\$3,926,670	\$3,826,670	-\$100,000
Transportation	\$5,882,757	\$5,347,187	-\$535,570
Hardware Tech	\$167,241	\$167,241	-
Software, Library Textbook	\$691,944	\$691,944	-
Charter School	\$151,574	\$151,574	-
High Excess Cost	\$219,524	\$219,524	-
Private Excess Cost	\$3,449,095	\$3,449,095	-
Building	\$6,831,800	\$8,831,800	\$2,000,000
<b>Total Aid</b>	<b>\$67,798,971</b>	<b>\$68,663,401</b>	<b>\$864,430</b>



# REVENUE BUDGET TOTAL

<b>2022-23 Revenue</b>	<b>\$176,494,282</b>	<b>-</b>
Tax Levy	\$2,101,221	2.31%
Appropriated Reserves	-\$450,000	-5.84%
Rentals	\$79,600	14.85%
Miscellaneous	-\$82,000	-2.18%
Sales Tax	\$750,000	8.33%
State Aid	\$4,297,098	6.67%
Total Increases	<u>\$6,695,919</u>	
<b>2023-24 Revenue</b>	<b>\$183,190,201</b>	<b>3.8%</b>



# BUDGET GAP

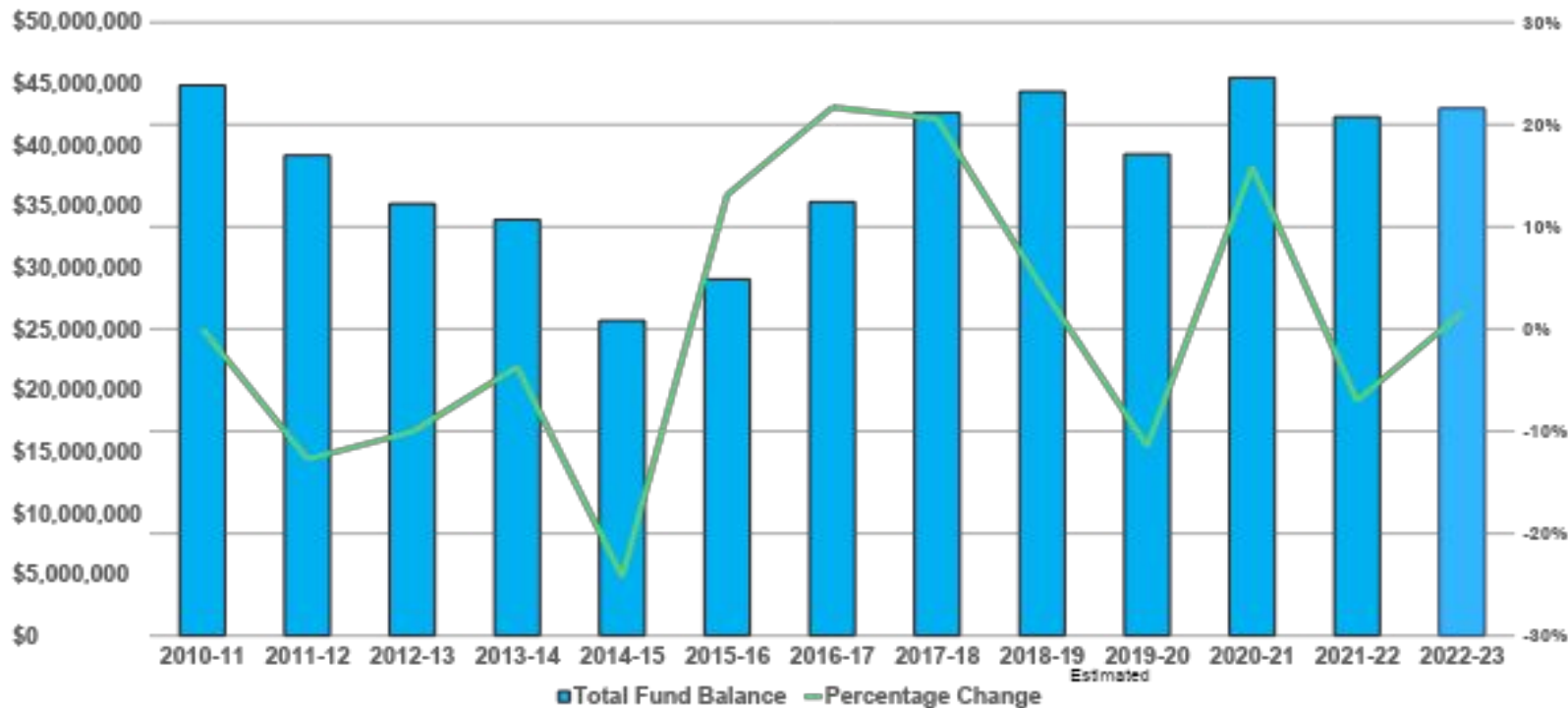


Estimated Revenue: \$183,190,201  
Preliminary Expenditures: \$193,142,195  
**Budget Gap: \$9,951,994**





# HISTORICAL FUND BALANCE



# CONTINUING BUDGET DEVELOPMENT

## Priorities:

- Close the budget gap
  - Investigate efficiencies
  - Staffing Review
  - BOCES Service requests
- Monitor and update fund balance projections





# QUESTIONS?

