



KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT

# 2023-24 PRELIMINARY BUDGET



March 14, 2023 Board of Education Meeting



# Today's Purpose:

Review the first draft 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>
<del>Budget Work Session</del>	<del>February 13, 2023</del>
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 STATUS

## Expenditure reductions:

- Reviewed staffing and retirements
  - Benefits
  - Health insurance
- Review of tuition

## Expenditures pending further review:

- Tuition for out-of-district placements
- Staffing
- Benefits



# PRELIMINARY EXPENDITURE BUDGET

<b>2023-24 Preliminary Budget</b>	<b>\$193,142,195</b>	
Salary and Benefits	(\$1,200,000)	
Equipment	(\$100,000)	
BOCES Services	(\$300,000)	
Contractual	(\$160,000)	
Tuition & Payments to Schools	(\$150,000)	
<b>Total Decreases</b>	<b>(\$1,910,000)</b>	
<b>1st Draft 2023-24 Budget</b>	<b>\$191,232,195</b>	<b>8.35%</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: calculation at 2.9% or up to \$2.6 million





# TAX LEVY CALCULATION

A	22-23 Tax Levy	\$90,898,779
B	Tax Base Growth Factor	1.0017
C	A * B	\$90,153,307
D	Base Year PILOTs	\$975,115
E	C + D	\$92,028,422
F	Base Capital Tax Levy	\$2,170,570
G	E - F	\$89,857,852
H	Growth Factor (CPI)	2.0%
I	G * H	\$91,655,009
J	23-24 Estimated PILOTs	\$925,000
K	Levy Before Exclusions (I - J)	\$90,730,009
	2023-24 Exclusions	
L	2023-24 Capital Tax Levy	\$2,801,050
2023-24 Tax Levy Limit		\$93,531,059
2023-24 Tax Levy Limit 2.90%		\$2,632,280
Budgeted Tax Increase 2.68%		\$2,432,321



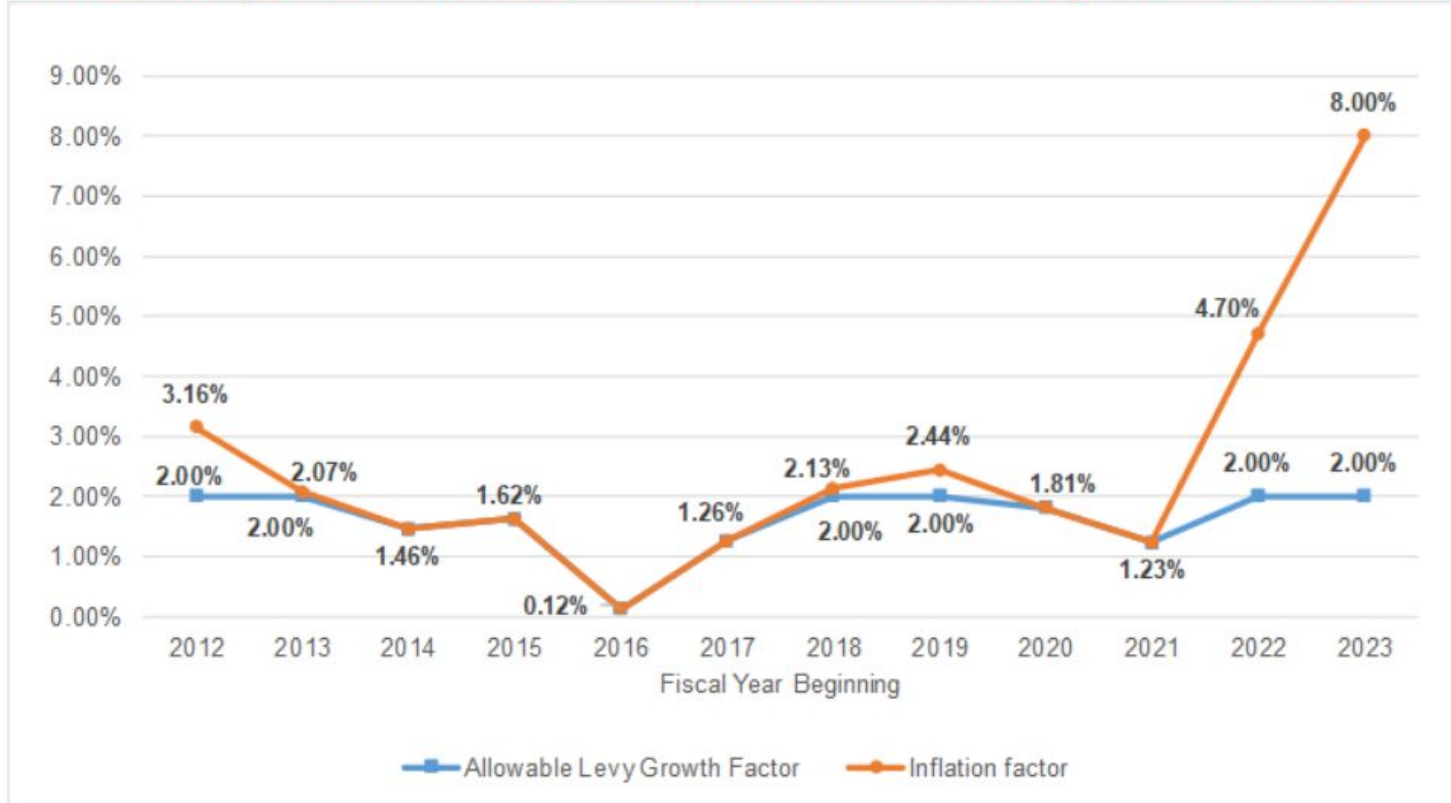
Property and Growth - new construction & renovation



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

## Changes:

- Finalized tax cap calculation
  - Increased PILOTS to actual
- Review of health services billing and increase in sales tax

## Pending further to review:

- Waiting for approval New York State Budget

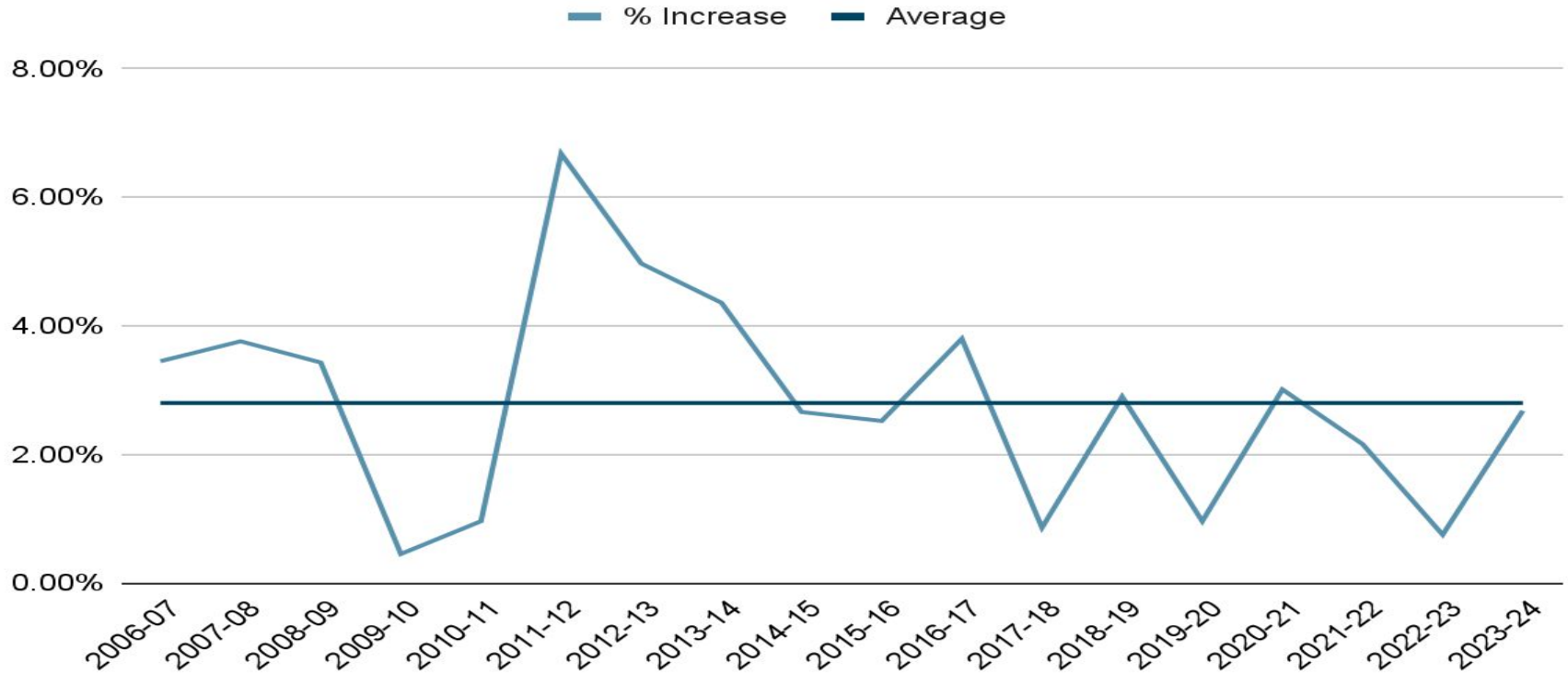


# REVENUE BUDGET TOTAL

<b>Preliminary Revenue Budget</b>	<b>\$183,190,201</b>	<b>-</b>
Tax Levy	\$331,100	
PILOTS	\$35,000	
Health Services for Other Districts	\$200,000	
Sales Tax	\$250,000	
Total Increases	<u>\$6,695,919</u>	
<b>2023-24 Revenue</b>	<b>\$184,006,301</b>	<b>3.8%</b>



# Tax Rate History



# EXPENDITURES: Changes from Preliminary Budget

Item	Amount
2022-23 Tax Levy Increase	1.0%
Proposed 2023-24 Tax Levy Increase	2.68%
Tax Rate 2022-23	\$54.70
Estimated ** Tax Rate 2023-24	\$56.17
Fund Balance & Reserve Fund Usage	\$7,250,000
<b>Per Month Increase \$100,000 Full Market Home</b>	<b>\$3.54</b>

Assumes the same taxable assessed value, equalization and full value tax rate. This is only an estimate. Final assessed values are determined by the Town Assessor and the equalization rate is determined by New York State.



# BUDGET GAP



Estimated Revenue: \$184,006,301  
Preliminary Expenditures: \$191,232,195  
**Budget Gap: \$7,225,894**



# BUS PURCHASE PROPOSITION

- Continue towards 10 year replacement cycle
- 2023-24 Proposition
- 8, 65 Passenger
- 2, Full Size Wheelchair
- Total cost not to exceed: \$ 1,600,000
- 70% aided by New York State
- Total cost to District: \$480,000
- Continue to investigate electric vehicles





# CONTINUING BUDGET DEVELOPMENT

## Priorities:

- Close the budget gap
  - Investigate efficiencies
  - Further staffing review
  - BOCES service requests
- Monitor and update fund balance projections





# QUESTIONS?

