



North Tonawanda City Schools

2024-25 Budget

BUDGET STUDY SESSION #3

Board of Education Meeting
March 6, 2024

Discussion Items

- ❖ Estimated Budget (Revenue & Expenditures)
- ❖ Closing the Budget Gap
- ❖ Tax Cap Calculation
- ❖ Property Tax Levy



Freshman Exploration Night



Estimated Revenue & Rollover Expenditures

State Aid	\$ 44,240,294
Federal Aid	\$ 300,000
Misc. Revenue	\$ 1,933,500
Appropriated Fund Balance	\$ 4,750,000
Use of Reserves	\$ 800,000
Other Tax Item	\$ 371,931
	\$ 52,395,725
2023-24 Property Tax Levy	\$ 30,127,000
% Levy Increase	0.0%
2024-25 Levy Increase	\$ -
2024-25 Property Tax Levy	\$ 30,127,000
Projected Expenditures	\$ 88,188,476
Projected Revenues	\$ 82,522,725
Budget Gap	\$ 5,665,751

Property tax levy increase not taken into consideration at this point.



Closing the Gap

Reductions - Overview

Reductions to the Budget	
Additional Retirement Incentive	\$ 78,800
Staffing Retirements & Reductions	\$ 1,880,402
BOCES Reduction	\$ 967,000
Move to Grant Salaries	\$ 1,072,583
Move to Grant Benefits	\$ 299,595
Building/Department Allocations	\$ 149,300
Utilities	\$ 271,000
Total Reductions to Budget	\$ 4,718,680

- ❖ Staffing retirements & reductions → Covered in Superintendent's presentation
- ❖ Building/Department Allocations → Reduction to materials & supplies, equipment, and contractual expenses
- ❖ Utilities → Savings seen from EPC



Closing the Gap

Reductions – Detail
(Excluding Staffing)

<u>Account</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>Increase (Decrease)</u>
BOCES (excluding technology)	\$8,172,000	\$7,205,000	(\$967,000)
STEM Materials and Supplies	\$90,000	\$60,000	(\$30,000)
Building Allocations	\$455,300	\$364,500	(\$90,800)
Music (Instruments & Repairs)	\$146,500	\$118,000	(\$28,500)
Technology	\$840,500	\$1,147,000	\$306,500*
Utilities	\$1,425,500	\$1,154,500	(\$271,000)

*Previously presented a \$650,000 increase to technology.
Reduced to a \$300k increase.

Property Tax Cap Calculation

2.00%

- Lower of 2.00% or Consumer Price Index (4.1%)



2.039%

- After impact of growth factor in our tax base (1.0039)



2.74%

- Capital Exclusion
- ERS Exclusion when rates increases > 2 percentage points (13.1 → 15.2%)
- 0.1% exclusion of ERS salary base

Maximum Tax Levy Increase is
2.74% or \$825,480

Property Tax Levy Scenarios

2024-25 Levy Scenarios						MAX LEVY
2023-24 Property Tax Levy	\$ 30,127,000	\$30,127,000	\$30,127,000	\$30,127,000	\$30,127,000	\$30,127,000
% Levy Increase	0.0%	1.00%	1.50%	1.75%	2.00%	2.74%
2024-25 Levy Increase	\$ -	\$ 301,270	\$ 451,905	\$ 527,223	\$ 602,540	\$ 825,480
2024-25 Property Tax Levy	\$ 30,127,000	\$30,428,270	\$30,578,905	\$30,654,223	\$30,729,540	\$30,952,480
Budget Gap	\$ 947,071	\$ 645,801	\$ 495,166	\$ 419,848	\$ 344,531	\$ 121,591

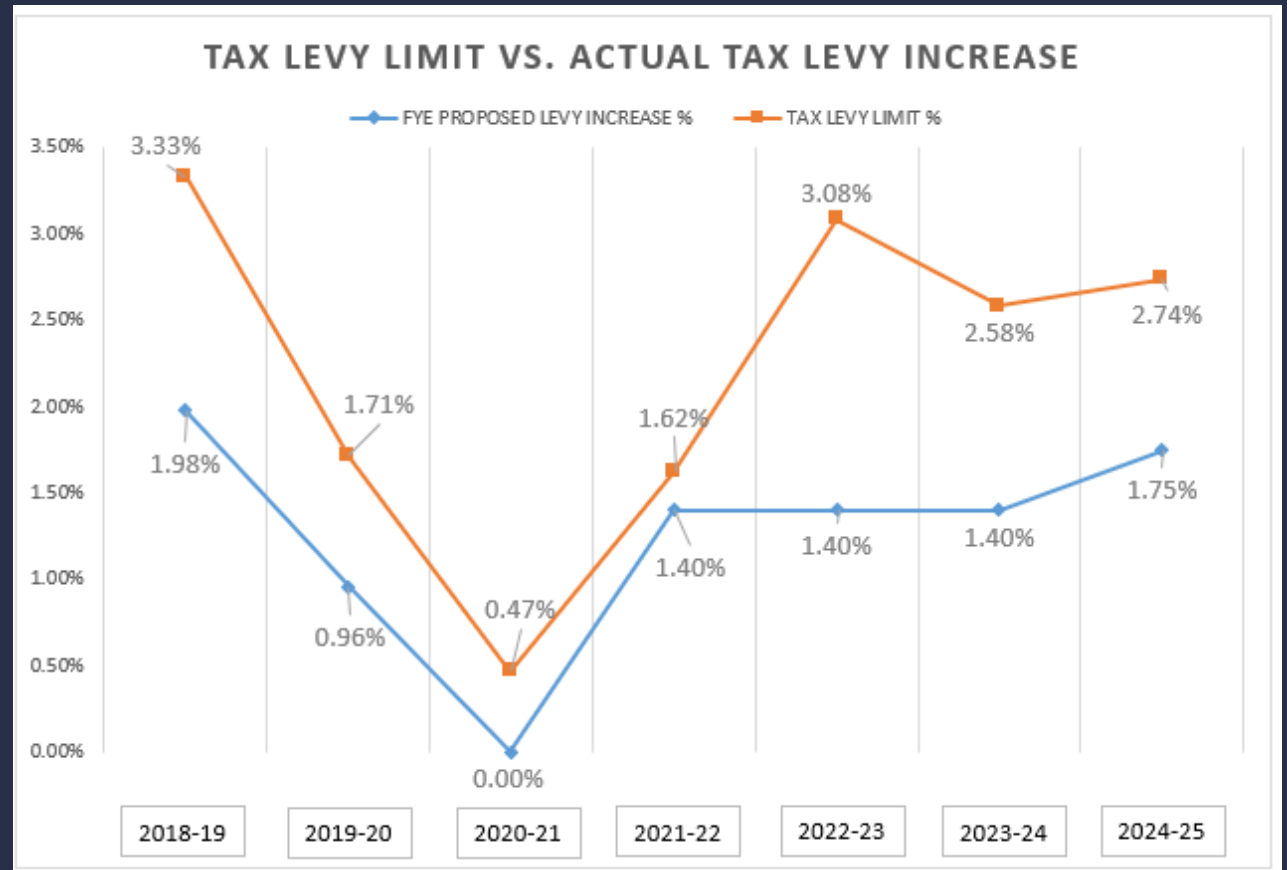
Budget gap review with tax levy increase scenarios → This budget gap is **AFTER** reductions

0%, 1.00%, 1.50%, 1.75%, 2.00%

Max Levy of 2.74%



Property Tax Cap Over the Years



Tax Levy Limit (Tax Cap) vs. Tax Levy Increase in the last 6 fiscal years and projected 24-25.

1.75% for the 2024-2025 school year is still below the estimated tax cap (2.74%).

Property Tax Levy Increase Impact

2024-25 Levy Scenarios						MAX LEVY
2023-24 Property Tax Levy	\$ 30,127,000	\$30,127,000	\$30,127,000	\$30,127,000	\$30,127,000	\$30,127,000
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Current Year Tax Rate	\$ 23.1193	\$ 23.1193	\$ 23.1193	\$ 23.1193	\$ 23.1193	\$ 23.12
Projected Tax Rate	\$ 23.1193	\$ 23.3505	\$ 23.4661	\$ 23.5239	\$ 23.5816	\$ 23.75
Difference	\$ -	\$ 0.23	\$ 0.35	\$ 0.40	\$ 0.46	\$ 0.63
Increase on 100,000 household	\$ -	\$ 23.12	\$ 34.68	\$ 40.46	\$ 46.24	\$ 63.35
Increase on 150,000 household	\$ -	\$ 34.68	\$ 52.02	\$ 60.69	\$ 69.36	\$ 95.02

Tax Levy impact on School Tax Bills at each Tax Levy Scenarios:

0%, 1.00%, 1.50%, 1.75%, 2.00%

****House values reflect assessed value NOT market value**

Next Steps.....

- ❖ FINAL Draft of Complete Budget
- ❖ Adopt Budget for May vote
- ❖ Property Tax Report Card
- ❖ Propositions for legal Ad

Thank You

