



North Tonawanda City Schools

2023-24 Budget

STUDY SESSION #4

Board of Education Meeting
March 29, 2023



The presentation tonight will provide a final draft of the 2023-24 budget. In this session we will also:

- Identify the expense and revenue structure of the budget.**
- Review the measures to balance the budget.**
- Approve the tax levy presented on the Property Tax Report Card.**

Property Tax Report Card

- Needs Board of Education approval
- Details tax levy changes
- Details proposed use of reserves
- Due next business day after BOE approval
- Due no later than April 24th, 2023.
- Must provide PTRC to your newspaper – they decide if they want to publish it or not.



Expenditures

2023 – 24 proposed Expenditure Budget

\$ 85,120,000

\$1,565,000 increase over
2022-23 Budget

Previous year over 21-22
\$1,700,500 or 2.08%

**1.87 % increase
over
2022-23 Budget**



Reserves



Appropriated Fund Balance	\$ 4,750,000	\$
Use of Reserves	\$ 800,000	\$
Other Tax Items	\$ 459,000	\$

Analysis of Reserves

- Usage of Reserves as source of revenue.
- Detailed in Reserve Plan.
- Tax Reduction Measure
- Part of Property Tax Report Card
 - Worker's Comp: \$200,000
 - EBLAR: \$250,000
 - Reserve for Debt: \$350,000



Final Draft

**2023-24 Proposed
Budget Expenditures**

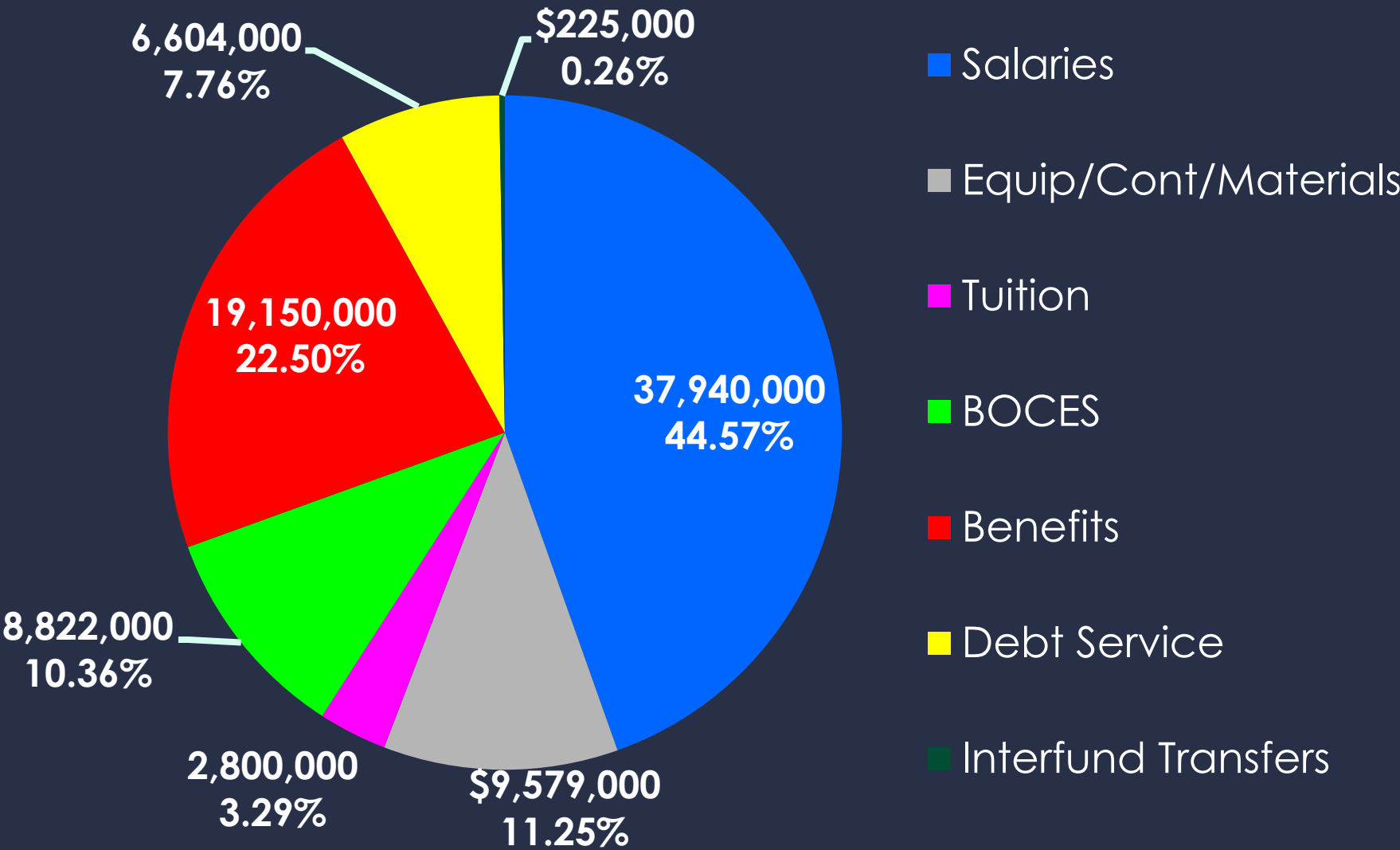


	2023-24	2022-23	Change
Salaries	\$37,940,000	\$36,556,820	\$1,383,180
Equipment	\$1,740,000	\$1,421,500	\$318,500
Contractual	\$6,175,000	\$5,292,800	\$882,200
Materials	\$1,664,000	\$1,166,300	\$497,700
Tuition	\$2,800,000	\$2,711,260	\$88,740
BOCES	\$8,822,000	\$9,459,080	(\$637,080)
Benefits	\$19,150,000	\$19,375,000	(\$225,000)
Debt Service	\$6,604,000	\$6,847,240	(\$243,240)
Transfers	\$225,000	\$725,000	(\$500,000)
Totals	\$85,120,000	\$83,555,000	\$1,565,000



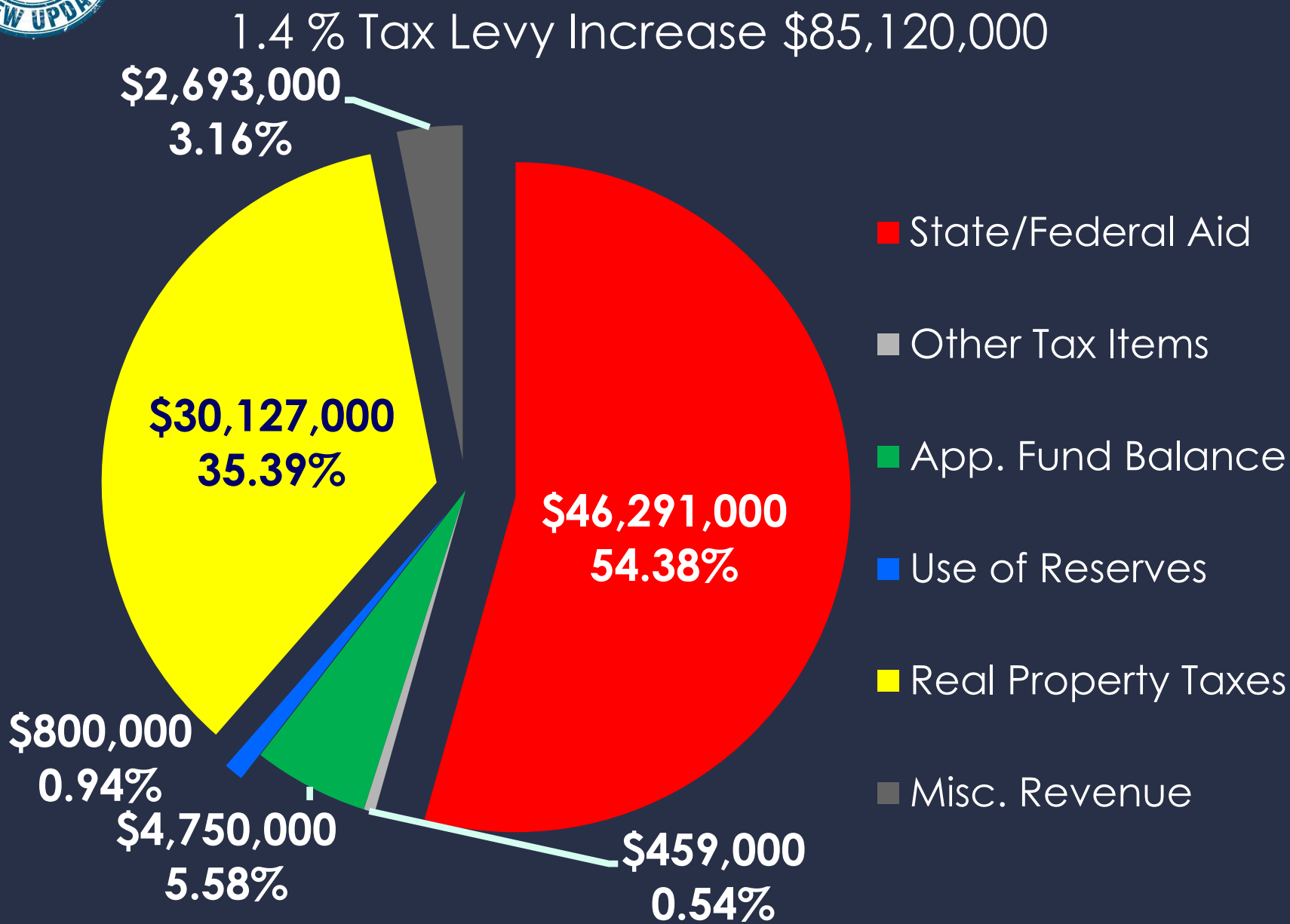
Expenditures

2023 - 24 Proposed Final Draft Budget \$85,120,000





Revenue



What is the most effective tax levy strategy?

- Short-Term Considerations
 - Close the budget gap
 - Impact on the taxpayer
 - Impact on students (programs)
- Long-Term Considerations
 - Revenue stream that supports future budgets
 - State-Aid as a percentage of the budget (unreliable)
 - Impact on the taxpayer
 - Impact on students (programs)

Stability and **Sustainability**

How much tax relief has been budgeted the past five years?

- Tax Levy reductions based on the Tax Cap 5-year projections (not increasing taxes to the legal limit)
 - 2019 - \$ 1,636,197
 - 2020 - \$ 1,859,840
 - 2021 - \$ 382,228
 - 2022 - \$ 2,461,303
- Use of Reserves – reduction of the limit and levy
 - Capital and Debt Reserve \$1,500,000 in 20-21.
 - Debt Reserve in 21-22 \$ 700,000
 - Debt and EBLAR Reserve in 22-23 \$ 875,000

Cumulative Tax Reductions: \$9,414,568

Stability and **Sustainability**

Tax Levy Projections

1.4 % Increase

Tax Cap Calculator Results Report @ 1.4% Levy

	PY BUDGET 2022	PY BUDGET 2023	BUDGET 2024	PROJECTIONS		
				2025	2026	2027
Tax Levy Limit Before Adjustments and Exclusions						
Prior FYE Tax Levy With Prorata Included	\$28,896,343	\$29,300,750	\$29,728,621	\$30,127,000	\$30,578,858	\$31,037,541
Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year	\$0	\$0	\$0	\$0	\$0	\$0
Total Tax Cap Reserve Amount (including interest earned from Prior FYE)	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor	1.0024	1.0037	1.0039	1.0039	1.0039	1.0039
PILOTs Receivable from Prior FYE	\$251,004	\$344,954	\$312,202	\$300,000	\$300,000	\$300,000
Tort Exclusion Amount Claimed in Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Prior FYE	\$225,112	\$361,226	\$534,714	\$607,172	\$600,000	\$600,000
Allowable Growth Factor	1.0123	1.0200	1.0200	1.0200	1.0200	1.0200
PILOTs Receivable for Current FYE	\$344,954	\$312,202	\$344,133	\$300,000	\$300,000	\$300,000
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Total Levy Limit Before Adjustments and Exclusions	\$29,003,229	\$29,668,547	\$29,870,359	\$30,236,070	\$30,706,078	\$31,175,759
Exclusions						
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current FYE	\$361,226	\$534,714	\$607,172	\$600,000	\$600,000	\$600,000
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
Total Exclusions	\$361,226	\$534,714	\$607,172	\$600,000	\$600,000	\$600,000
Tax Levy Limit, Adjusted For Transfers, Plus Exclusions	\$29,364,455	\$30,203,261	\$30,477,531	\$30,836,070	\$31,306,078	\$31,775,759
Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy	\$0	\$0	\$0	\$0	\$0	\$0
Current FYE Proposed Levy, Net of Reserve	\$29,300,750	\$29,711,000	\$30,126,954	\$30,578,858	\$31,037,541	\$31,503,104
OR Current FYE Proposed Levy, Net of Reserve %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2022	2023	2024	2025	2026	2027
CURRENT FYE PROPOSED LEVY, \$ entry	\$29,300,750	\$29,711,000	\$30,126,954	\$30,578,858	\$31,037,541	\$31,503,104
CURRENT FYE PROPOSED LEVY, % entry	\$0	\$0	\$0	\$0	\$0	\$0
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	1.40%	1.40%	1.40%	1.50%	1.50%	1.50%
TAX LEVY LIMIT %	1.62%	3.08%	2.52%	2.35%	2.38%	2.38%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$63,705	\$492,261	\$350,577	\$257,212	\$268,537	\$272,655
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$404,407	\$410,250	\$398,333	\$451,858	\$458,683	\$465,563

Tax Levy Projections

1.4 % Increase

	2022	2023	2024	2025	2026	2027
2027 Revenue Stream						\$ 272,655
2026 Revenue Stream					\$ 268,537	\$ 268,537
2025 Revenue Stream				\$ 257,212	\$ 257,212	\$ 257,212
2024 Revenue Stream			\$ 350,577	\$ 350,577	\$ 350,577	\$ 350,577
2023 Revenue Stream		\$ 492,261	\$ 492,261	\$ 492,261	\$ 492,261	\$ 492,261
2022 Revenue Stream	\$ 63,705	\$ 63,705	\$ 63,705	\$ 63,705	\$ 63,705	\$ 63,705
Total Lost Revenue Stream each year	\$ 63,705	\$ 555,965	\$ 906,542	\$ 1,163,754	\$ 1,432,291	\$ 1,704,946
Estimated Tax Cap Limit Reduction 2022 - 2027						\$5,827,202

- Mixture of reductions and levy to close the gap from both ends.
- **Long term tax reduction estimate = \$5,827,202***

*Based on tax levy and tax cap estimates based on current information.

Long Term Considerations

The budget has \$ 800,000 in reserve usage and \$4,750,000 in fund balance balancing the budget to provide tax relief.

Some Positives

- **Potential Increases in future state aid can relieve this use of reserves and appropriations.**
- **Consistent levy continues to build tax base in a prudent and fiscally responsible manner.**

Federal Funds?

CCRSA and ARP Funding

Big Ideas

- **NOT PART OF GENERAL FUND BUDGET.**
- This sweeping legislation includes additional funds for the Elementary and Secondary School Emergency Relief (ESSER) Fund of \$122.7 billion to remain available through **September 30, 2023 and 2024.**
- Largest of the three federal stimulus funding streams for schools (CARES, CRRSA, and American Rescue Plan).
- SCOPE – address COVID and learning loss
- Tracked in separate fund for grant spending.

Word of Caution

Programs related to the American Rescue Plan will have a limited life. Funding will be available through September 30, 2023 and 2024. Any programs supported by these funds now will be difficult to maintain without creating budget gaps in the future in the general fund budget.

Grants are structured to support not supplant prior funding due to the learning loss during the pandemic along with potential facility upgrades.

Tax Levy And Rates



**Achieving
Excellence**

	22-23	23-24	Change
Tax Levy	\$29,711,000	\$30,127,000	\$ 416,000
Tax Levy Rate	\$ 23.00	\$ 23.33	\$.32
Estimated Impact on Taxes			
Increase on 100,000 household		\$ 32.22/YEAR	Estimated
Increase on 150,000 household		\$ 48.33/YEAR	Estimated
Increase on 200,000 household		\$ 64.43/YEAR	Estimated

**Proposed Tax Levy Rate
Increase 1.4 %**

Star exemptions and credits will impact individual properties based on the information provided the property owners. Actual rate may vary.

ANNUAL BUDGET HEARING

- Tuesday, May 9, 2023
- 7:00 PM



BUDGET



- Tuesday, May 16, 2023
- 11:00 – 8:00 PM
- Fine Arts Center

Thank You

