



**GERMANTOWN CENTRAL  
SCHOOL DISTRICT**

**2024-2025  
Budget Workshop**

March 27, 2024

# Agenda

- Board of Education Elections
- District budget plans prior to January 2024
- Draft budget overview and current estimated deficit
- Major budget lines that attributed to increase in expense
- State Aid and changes to funding formula
- Ways to close the budget gap

# Germantown Board of Education Elections

Two board of education terms are ending June 30, 2024

- Ralph DelPozzo - 3 year term ending
- Lori Crawford - 3 year term ending

If anyone is interested in running for Germantown Board of Education please contact Lisa Shanley, Board Clerk  
[lshanley@germantowncsd.org](mailto:lshanley@germantowncsd.org)

Petitions are due to the District Office on April 22nd by 3:00pm

Information on running for school board can be found:  
<https://www.nyssba.org/member-services/running-for-the-school-board/>

# What we knew prior to starting the budget season

- 2023-2024 is the last year of COVID funding
  - Any recurring expenses supported by COVID funds would need to be moved to general fund expense
    - Summer School Gen Ed & SPED, After School Tutoring, Curriculum Development Est. \$100,000
- Move away from the use of District Fund Balance
  - Fund Balance is used for covering planned expenses above revenue
  - 2021-2022 \$1,200,000 of Fund Balance
  - 2022-2023 \$900,000 of Fund Balance
  - 2023-2024 \$600,000 of Fund Balance
  - 2024-2025 \*Goal\* - Not Utilize Fund Balance

As of June 30th 2023 - Fund Balance \$720,979

# Draft Budget Overview

		\$ Change	% Change
2024-2025 Draft Budget Total Expense	\$17,985,487.65	\$755,436.78	4.38%
2024-2025 Projected Revenue	<u>\$15,495,891</u>	-\$746,659.69	-4.60%
Projected Budget Deficit		-\$2,489,596.65	

# Changes in District Expenses

## Increases to District Budget

- Contractual Salaries - \$350,000
- TRS/ERS District contributions & employer taxes - \$110,000
- Medical plans projected increase of 10%-12% - \$200,000
- McKinney Vento student transportation needs - Sept. - March \$156,497
- Transportation contract costs 12% Increase Sept. - March \$156,497
- COVID recurring grant expenses - \$100,000
- Inflation on general goods

# Changes to Foundation Aid

Save Harmless also known as “Hold Harmless” - This act ensures that the district does not see a reduction in Foundation Aid regardless of reduction in enrollment.

The Governor's proposal removed Save Harmless from the formula

Foundation Aid Formula for annual Inflation - Within the foundation aid formula there is a calculation to account for inflation and in the past was determined by Consumer Price Index (CPI).

\*The Governor's proposal removes current CPI of 3.8% and changes it for a 10 Year average which is 2.4%, reduction to inflation of 1.4%

\*Germantown CSD's Foundation Aid has seen a 3.09% increases over the past three years with an average increase of \$117,245, 2024-2025 was projected to be \$120,821 at 3%

\*The Governor's proposal reduces Germantown Foundation aid by **-\$914,233**, add in projected 3% increase, new Foundation Aid deficit of **-\$1,035,054**

# Changes to State Aid Revenue

	<u>2023-2024</u>	<u>2024-2025</u>	<u>\$ Change</u>
Foundation Aid	\$4,027,375	\$3,113,142	-\$914,233
Universal Pre-K	\$380,000	\$380,000	\$0
BOCES	\$301,799	\$354,734	\$52,935
High Cost Excess Cost	\$20,180	\$27,938	\$7,758
Private Excess Cost	\$74,049	\$81,136	\$7,087
Hardware & Technology	\$2,899	\$1,409	-\$1,490
Software, Library, Textbook	\$38,712	\$37,795	-\$917
Transportation	\$415,559	\$407,387	-\$8,172
Building	\$362,952	\$405,273	\$42,321
High Tax Aid	\$143,067	\$143,067	\$0
<u>Supplemental Pub</u>	<u>\$70</u>	<u>\$70</u>	<u>\$0</u>
<b>Total</b>	<b>\$5,766,662</b>	<b>\$4,951,951</b>	<b>-\$814,711</b>

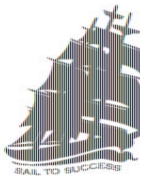


# How can we close a **-\$2,489,596.65** budget gap?

- District Tax Levy
  - The District can choose to increase the tax levy beyond 2%
- Utilize Fund Balance
  - The District can pull from Fund Balance to help close the gap
- Reserves
  - BOE can reallocated fund from reserves if felt to be over funded
  - Use of reserves to support expenses to close the budget gap
- Retirement Incentives
  - Offering GAA, GSA, and GTA members incentives to retire early
- Reduce District Expenses

# 2025 Tax Levy Breakdown

<b>2024 Tax Levy</b>		<b>\$10,340,331</b>
<b>Tax Base Growth Factor</b>	1.0053	
<b>2024 Tax Levy + .53%</b>		<b>\$10,395,135</b>
<b>Capital Tax Levy Exclusion FYE 2024</b>	<u>-\$545,352</u>	
<b>2025 Tax Levy Base</b>		<b>\$9,849,783</b>
<b>Allowable Levy Growth Factor</b>	<b>1.02</b>	
<b>2025 Tax Levy W/ Out Exclusions</b>		<b>\$10,046,778</b>
<b>2025 Bond Due - Building Aid (2025 Tax Levy Exclusion)</b>	\$423,977	
<b>ERS Exclusion</b>	<u>\$919</u>	
<b>2025 Tax Levy</b>		<b>\$10,471,674</b>



Allowable Levy Growth Factor	Increase in Revenue	% Change of 2024
2.0% * Current projection	\$0 * No Additional Increase	1.27%
2.5%	\$49,250	1.75%
3.0%	\$98,498	2.22%
3.5%	\$147,747	2.70%
4.0%	\$196,996	3.18%
4.5%	\$246,245	3.65%
5.0%	\$295,494	4.13%

### Benefits to District

- Assists in closing budget gap
- Builds tax base minimum for future year

### Requirements

- Exceeding 2.0% requires 60% vote pass rate
- Taxpayers forfeit STAR credit \$450,000

# Use of District Fund Balance

The District can choose to use any amount of these funds available to support the budget.

Fund Balance as of 6/30/2023 *4.0% NYS Max Allowance	\$720,979
Total Fund Balance Allocated to be use during 2023-2024 School Year *Est. Usage around \$400,000 during 2023-24 SY	<u>-\$600,000</u>
Projected Available Fund Balance July, 1 2024	\$320,000 - \$120,979

# Use of District Reserves

<u>Reserve Account</u>	<u>Balance as of July 2023</u>	<u>Expenses in 2024-25</u> <u>Budget</u>	<u>Purpose:</u>
Workers" Compensation	\$611,787.00	\$45,000.00	Utilize to cover Workers Comp. Annual Cost
Unemployment	\$398,600.00	\$25,000.00	Cover unemployment cost if we have layoffs
ERS	\$932,006.11	\$100,000.00	Support the Districts required annual contribution to the ERS retirement
TRS	\$110,275.00	\$110,275.00	Support the Districts required annual contribution to the TRS retirement
Benefit Accrued Liability Reserve	\$286,291.00	\$78,500.00	Support cost of retirement incentives. Amount can increase if more employees take incentives to retire
Reserve for Repairs	\$250,000.00	\$20,000.00	Repair cost for HS Gym Roof, Not in Capital Project

# Retirement Incentives

Current GTA Incentive: GTA members that retire at the earliest point without reduction in pension (55 years old & 30 year in system) they are provided \$25,000 incentive in a 403b

## Potential GTA Incentives:

1. GTA members with at least 18 years in District that retire at the end of 2023-24 school year will be provided with medical benefits in retirement
2. GTA members that retire at 55 years old and at least 20 years in District will be provided \$25,000 incentive in a 403b

## GSA Incentive:

GSA members that retire at 55 years old with a minimum of ten years of service receive a \$3,000 Incentive.

# Possible Reduction to District Expenses

Eliminating Unmandated Services

Changes that do not directly impact students, reduce BOCES and Contractual services and move in-house (Parent Square)

Minimum equipment needs

Necessity Vs. Wants

## Possible Reduction to District Expenses - Breakdown

<b>GSA</b>	<b>Savings in Dollars</b>	<b>Program</b>	<b>Savings in Dollars</b>
<i>13.0 FTE</i>	<i>\$347,767 Reduction</i>	<b>Athletics</b>	<i>\$68,000 Reduction</i>
<i>Combine attendance aid and secretary and Hire cleaners instead of custodians</i>	<i>\$46,444 Reduction</i>	<b>Clubs/Stipends</b>	<i>\$25,000 Reduction</i>
<b>GTA</b>		<b>BOCES Services</b>	<i>\$168,000 Reduction</i>
<i>6.0 FTE</i>	<i>\$512,260 Reduction</i>	<b>Security</b>	<i>\$57,100 Reduction</i>
<b>GAA</b>		<b>Equipment</b>	<i>\$25,000 Reduction</i>
<i>1.0 FTE</i>	<i>\$79,682 Reduction</i>		
<b>ManCon</b>			
<i>1.0 FTE</i>	<i>\$36,476 Reduction</i>		
<i>Total Savings</i>			<b>\$1,343,229</b>



