

2024-25 Budget Planning

State Budget Update

Tax Levy, Debt Service
and Bus Proposition

State Update - Proposed Executive Budget

Full Funding of Foundation Aid.....with some caveats

- Changes in the inflation factor used in the formula
 - Instead of using a single year of the Consumer Price Index (CPI), it is proposed to use a 10 year average for CPI, dropping the highest and the lowest year and averaging the rest.
 - Changes the factor for all districts from a 4.1% increase to a 2.4% increase.
 - Impact for Mohonasen is a reduction of approximately \$330,000 based on this methodology.

State Budget Update

Replaces “Save Harmless” with a wealth based
“Transition Adjustment”

- In this plan overfunded districts are proposed to receive a percentage reduction of of the difference between their current funding amount and the 2024-25 formula.
- Would reduce aid for a minimum of 337 (45%) districts in New York State by a total of over \$160 million.

State Budget Update

Does this Transition Adjustment impact Mohonasen?

- Not yet, however, with the current Foundation Aid formula we have seen high volatility over the years so it certainly could moving forward.
- There have been multiple years in the past where this Transition Adjustment would have resulted in less Foundation Aid for Mohonasen.
- Mohonasen has seen increases of over 60% (\$9 million) in the past 3 years due to full funding of the formula, as well as changes in enrollment and wealth factors. If these factors change an “adjustment” could happen in future years.

State Budget Update

Full Funding of Expense Driven (Reimbursable) Aids

- Includes Transportation, Building Aid, Instructional Materials and Special Education Placements

Continued Funding for Universal School Meals

- New York State will continue to fund the remaining portion of the cost for universal school meals under the Community Eligibility Program (CEP)

Tax Levy Limit Calculation

Components

- Consumer Price Index (CPI) - Statewide factor used by all districts
 - 4.1% in 2023, but factor is capped at 2.0%
- Allowable Growth Factor - Local factor specific to Mohonasen
 - 0.45%

Tax Levy Limit Calculation

Components - continued

- Payment in Lieu of Taxes (PILOT)
 - Recently became aware of an additional PILOT payment that will increase the total amount received and decrease the levy calculation for 2024-25
- Capital Exclusion - Net cost of debt payments from building projects and bus purchases, minus the state aid received
 - We do not expect to have any impact on the 2024-25 tax levy from the approved \$48 million capital project

Tax Levy Limit Calculation

Actual Calculation

- We anticipate the calculation to be under 2.0% based on the combination of factors indicated.
- If the calculation is 2.0% the actual impact on a taxpayer would be 1.55% due to the growth factor in the calculation.
- A 1.55% increase in taxes on a \$150,000 full value home would be approximately \$40.00.
- Update to the final calculation at February 26, 2024 BOE meeting.

Projecting 2025-26 and Beyond

\$48 million Capital Project

- Impact would not start until the 2025-26 budget
- District has payments for previous projects ending in 2025-26 and 2027-28 which will reduce the impact on the tax levy
- Will also use Debt Service account and the proceeds from the sale of Remsen Street property to keep the impact of the project under 0.2% (less than \$8/\$150,000 full value home) in any single year, for a total of five years

Projecting CPI (Consumer Price Index)

- Although the CPI has remained over 2% for the past three years, we have had this factor be below 2% in 6 of the 12 years and has been as low as 0.12%
- 1% on the tax levy is approximately \$300,000

Zero Emissions Bus Mandate

Timeline

- No change in the Governor's budget proposal regarding the zero emissions bus mandate
- By 2027 any new school buses need to be zero emissions
- By 2035 the entire bus fleet needs to be zero emissions

Process/Challenges

- Currently involved with Capital Region BOCES to solicit bids to do a feasibility study for our District
- The significantly higher costs of electric buses, the cost of the infrastructure to charge them and the anticipated lack of supply of electric buses are all challenges to meeting this timeline

Bus Proposition

Four 70 Passenger buses with 3-point seatbelts

Proposition Amount	\$700,000
<u>Less Transportation Aid (76.8%)</u>	<u>\$537,600</u>
District/Taxpayer Share over 5 Years	\$162,400
Annual Taxpayer Share	\$32,480

Due to Transportation Debt dropping off there will be a minimal increase in the tax levy in 2025-26 due to bus purchases.

Note: Need for buses is determined by the Mohonasen Bus and Vehicle Replacement/Obsolescence Schedule

Next Steps

February 26, 2024	BOCES, Employee Benefits and General Support
March 1, 2023	Tax Levy Calculation due to State Comptroller
March 11, 2024	Instruction, Revenue and Budget Recap
March 25, 2024	Budget Adoption
April 1, 2024	State Budget Due
May 13, 2024	Budget Hearing and Meet the Candidates
May 21, 2024	Budget Vote