



Carmel Central School District

Budget Update

March 26, 2024



Mission and Vision

Mission:

The Carmel Central School District educates the whole student through partnerships to become lifelong learners in an ever-changing world.

Vision:

We embrace individuality, provide opportunities for students to discover and pursue their passions and ignite a desire to learn.



Budget Timeline



November 21, 2023

Present 2024-25 budget calendar and budget development procedures to the Board of Education.



December 5, 2023

Discussion of BOE budget timeline, presentations, priorities for the 2024-2025 budget at the Board of Education meeting.



January 23, 2024

Present District Demographic data, enrollment projections and vote and voter demographics at the Board of Education meeting.



January 2024

Conduct Community Budget Survey



January 23, 2024

Present 2024-25 budget challenges, unfunded and underfunded mandates, fund balance and reserves, use and impact of fund balance, tax levy, tax rate calculation, tax exempt properties, PILOTs, homes vs. industry, true value tax rate, debt service, and begin department presentations at the Board of Education meeting.

- Presentation about Technology (Interim Supt. & Interim Director)
- Presentation about Facilities & Transportation- (ASB & Directors)



Budget Timeline



January 23, 2024

Present 2024-25 preliminary budget forecast and budget assumptions with rolled over budget, tax levy and tax levy history, proposed budget considerations (ERS,TRS, contractual obligations, utilities, insurance, benefits), and per pupil expenditures at the Board of Education meeting.

- Presentation about Instructional areas- HS (ASI & Principals)



February 6, 2024

Present 2024-25 preliminary budget revenues and revenue sources, estimated maximum allowable tax levy, revenue sources with and without fund balance, tax levy options, contingency budget considerations and results of the January Community Budget Survey at the Board of Education meeting.

- Presentation about Instructional areas- MS & Elementary (ASI & Principals)
- Presentation about Athletics (Interim Supt. & AD)



February 15, 2024

Special BOE Meeting to conduct BOE business.



February 27, 2024

BUDGET WORKSHOP – Long Range Financial Analysis (Dr. Rick Timbs) and initial draft budget based on expected revenues and anticipated expenses.



Budget Timeline



March 12, 2024

Budget Discussion and Presentation at Board of Education Meeting.
Present 2024-25 draft budget expenditures and expected budget revenues, preliminary draft budget inclusions and exclusions, at the Board of Education meeting.
➤ Presentation about special education, ESL, & PPS (ASPP & Chairpersons)



March 19, 2024

Budget Discussion and Presentation at Board of Education Meeting.

March 26, 2024

Budget Discussion and Presentation at Board of Education Meeting.

March 28, 2024

Budget Discussion and Presentation at Board of Education Meeting.

April 16, 2024

Final draft of Budget presented to Board of Education; Board of Education adopts Budget and Property Tax Report Card.

April 23, 2024

Tenure Reception and BOE meeting.

May 7, 2024

Budget Hearing.

May 21, 2024

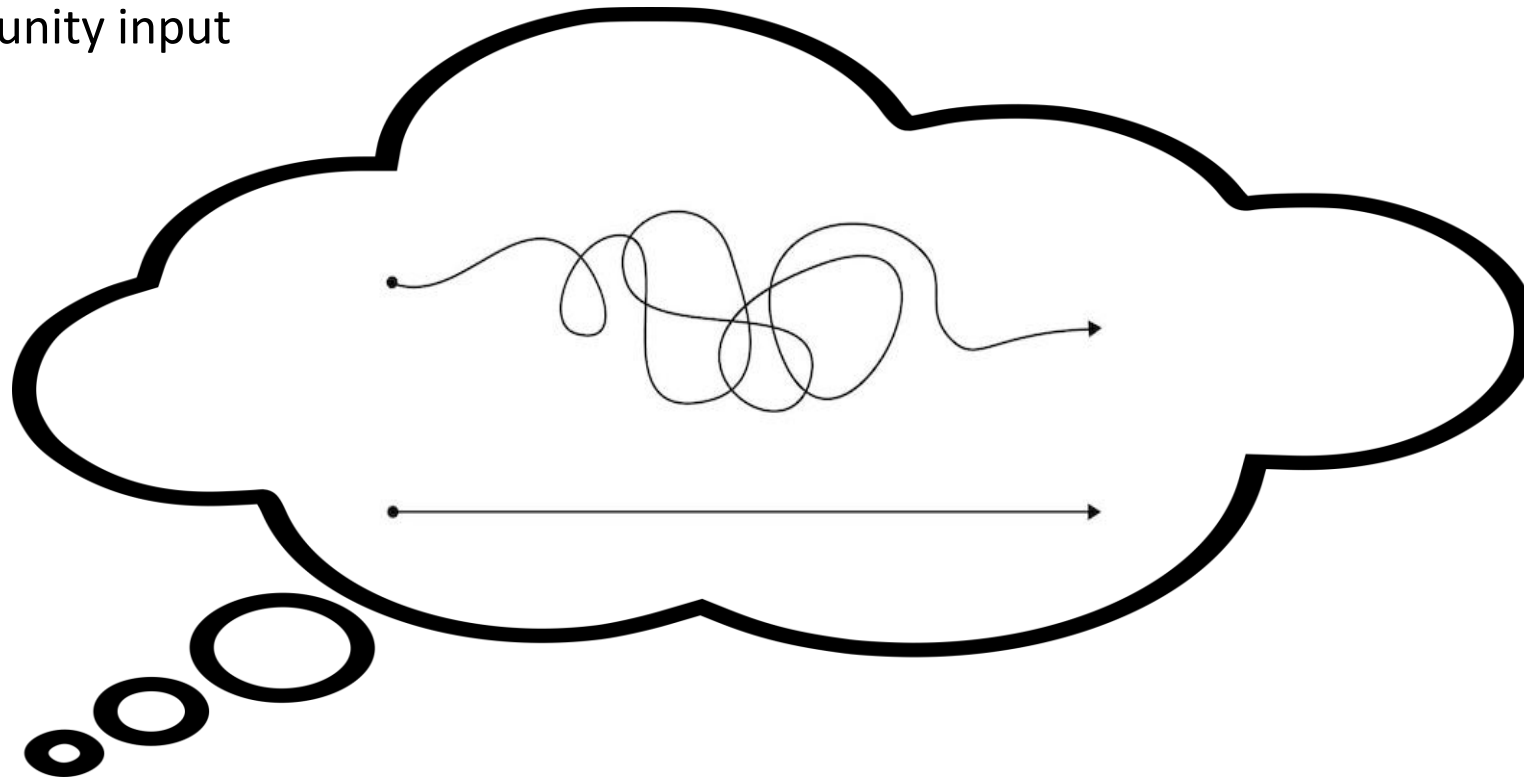
Statewide Annual Meeting / Board Election / Budget Vote Day/Exit Poll



Budget Process

Changes and shifts

- Revenues – State Aid and tax levy
- Expenditures – reductions, attrition, breakage, & efficiencies
- Influence of inflation
- Seek community input





Budget Factors - History

2021 - 2022 school year

\$131,916,386 (Contingent Budget)

- 0.05% tax levy increase over the 2020 – 2021 school year
- 1.05% budget-to-budget increase over the 2020 – 2021 school year
- Eliminate/reduce curriculum work, travel and conferences
- Elimination of transfer to capital
- Elimination of facilities and computer equipment purchases
- Elimination of bus purchases
- Reduction in LHRIC support
- Elimination of 7.0 TAs
- Elimination of 2.0 Teachers
- Elimination of 1.0 Clerical
- Elimination of summer school – moved to grant funding

2022 - 2023 school year

\$134,774,187

- 0.97% tax levy increase over the 2021 – 2022 school year
- 2.17% budget-to-budget increase over the 2021 – 2022 school year
- Breakage with salary/retirements
- Elimination of Continuing Education Program
- Reduction in supplies, transportation, and building and grounds
- Elimination of 9.0 Teachers
- Begin Transportation Bus purchase and lease program
- Purchase small buses and vehicles
- Lease large 66-passenger buses

2023 - 2024 school year

\$140,949,698

- 1.86% tax levy increase over the 2022 – 2023 school year
- 4.58% budget-to-budget increase over the 2022 – 2023 school year
- 1.5 Special Education Teacher
- 1.0 Tech. Instructional Coaches
- 1.5 Nurse
- 0.5 Occupational Therapist
- 0.5 Physical Therapist
- 0.5 Speech Therapist
- 1.0 Bilingual Psychologist - CHS
- 1.0 Student Assistance Counselor
- 0.5 ELL Teacher - Secondary
- Additional Monitors/SESA – Districtwide
- 0.5 Benefits Coordinator
- PD for Staff in DEI
- New Reading Program
- Athletics Additions
- Asbestos Removal Program
- Additional Facilities Equipment – Districtwide
- Allocation for Field Trip Funds – Districtwide
- Continued School Bus Purchase/Lease Program

Instructional shift that reduced 4.5 teaching staff over 3 years.



Budget Factors

1

- Underdelivered State Aid
- Anticipated Foundation Aid to at least align with inflation: 4.12% increase = \$1,077,529

2

- Expiration of COVID Relief Grant Funds (2021 – 2024)
- \$3.8M expired 9/30/23 and \$3.3M set to expire 9/30/24 (Monies applied to 21-22Sy; 22-23Sy; 23-24sy (least impact))

3

- Small Tax Levy Increases
- 2021-2022 = 0.05% 2022-2023 = 0.97% 2023-2024 = 1.86%

4

- Rising Cost of Inflation (Consumer Price Index)
- 2021-2022 = 1.23% 2022-2023 = 4.70% 2023-2024 = 8.00% 2024-2025 = 4.12%

5

- Contractual Obligation Increases
- 8 bargaining units with an average increase of 2%; Step increases range from 2% - 5.25%

6

- Reevaluation of the budget to correct for historic under budgeting in certain lines based on actual expenditures
- We are right sizing in terms of funds and staffing for next year.

7

- Increased Student Needs and Increased Student Learning Opportunities
- Classification rates for IEP/504; Special Education Programming; Diverse and Competitive Student Course Offerings



Revenue Sources – Foundation Aid Forecast & Hold Harmless

Governor Kathy Hochul's 2024-25 executive budget proposal eliminates the "hold harmless" provision for school funding.

Hochul's budget proposal introduced two controversial changes to Foundation Aid. The first would alter how the formula accounts for inflation, shifting to using a *10-year average rate in calculations instead of a single, recent year*. It would also modify a "save harmless" provision that prevented districts that saw enrollment drops from losing money.

"Hold harmless" – hold harmless schools (Carmel) should expect to receive the same amount of foundation aid as the previous year.

Under the hold harmless provision, Carmel would have at least expected to receive approximately **\$321,364** more in foundation aid but instead will be getting **\$33,666** less in foundation aid.

Anticipated Foundation Aid to at least align with inflation: 4.12% increase = **\$1,077,529**



Budget Process – Idea Exploration

- Closing a building **OR** Princeton Plan
 - Requires more planning time.
 - NYSED timelines.
 - Use of professionals.
 - Demographic study.
 - Community input.
 - Future consideration for potential savings and impacts.
 - Selling a building or leasing out spaces.
 - Current and future enrollment trends
 - Impact of COVID and long-range thinking about Pre-K.
 - Explore different models for potential cost savings or potential revenues earned.
 - Costs to retro fit spaces.
- Explore and investing in new Transportation Software - more efficient routing
- Bargaining Unit Givebacks - Conversations are ongoing
- Retirement incentives for other bargaining units – not cost effective.
- Joining a healthcare consortium
 - Explored during the 2022-23Sy – Carmel's current plan is more cost effective.





Current Budget Status and Preliminary Budget

Current 2023 -2024 school year budget:

\$140,949,698

Potential 2024 – 2025 school year budget with *max tax levy* at **3.52%** and **\$1.1M** in appropriated fund balance:

\$145,874,548

New Preliminary 2024 – 2025 school budget(3-19-24):

\$149,591,824 (*\$2,281,590 in reductions made in efficiencies and operational expenses listed at 3/12/24 BOE meeting – post employment benefit line reduction (\$925,000), underspent budget lines, unused sick leave, supplies, materials, salary adjustments, substitutes, contractors, printing, postage, etc. (\$1,356,590)*)

Expenditure gap of New Preliminary 2024 – 2025 budget and Potential 2024 – 2025 budget:

\$149,591,824 - \$145,874,548 = \$3,713,276



Revenue Sources - How the District is funded

Revenue – Source of income financing the operation of the school district.

- **NY State Aid - \$38,524,114 (Projected for 2024 – 2025)**
- **Local Property Tax - \$104,970,634 (3.52% tax levy)**
- **Appropriated Fund Balance - \$1,100,000**
- **Miscellaneous* - \$1,279,800 (Projected for 2024 – 2025)**

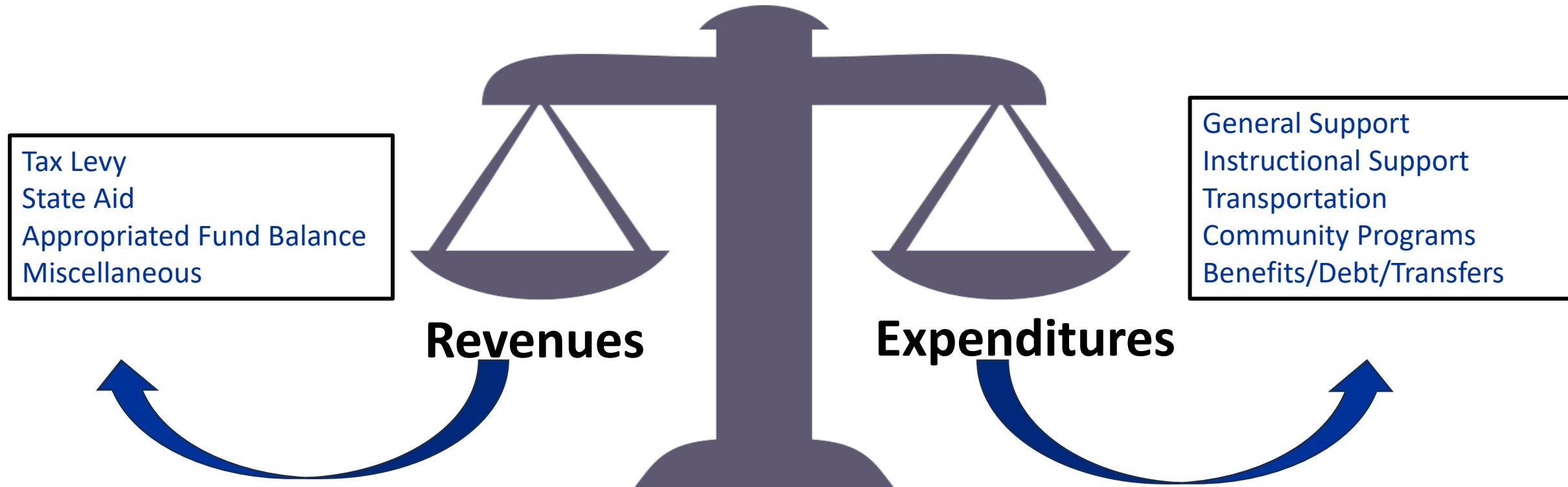
Total = \$145,874,548

***Miscellaneous includes facilities use fees, tuitions, health services agreements, sale of property and BOCES refunds.**



Revenues and Expenditures

In a balanced budget revenues match expenditures.



Based on the current anticipated revenues (Tax Levy, State Aid, Fund Balance and Miscellaneous), Carmel must reduce expenditures.

**THERE IS NO MONEY MISSING FROM THE SCHOOL DISTRICT
CONTINUE TO BALANCE THE PLANNED BUDGET for 2024-2025**



Budget Reductions – District Expenditures

Salaries Redistributed to Grants

5.0 Teaching Assistants	Districtwide		\$1,128,000
9.0 Teachers	Districtwide		\$149,000
			\$979,000

Other District Reductions

2.0 Clerical	District Office	Reduction based on cut and anticipated attrition	\$649,500
1.0 Technology Coach	Districtwide	Reduction based on cut	\$143,500
1.0 Outreach Coordinator	Districtwide	Reduction based on cut	\$160,000
2.0 Float Nurses	Districtwide	Reduction based on attrition	\$88,000
Professional Development Reduction	Districtwide	Reduction based on cut	\$208,000
			\$50,000

District Program Reductions

Overtime	Districtwide	Reduce availability of overtime	\$1,132,700
Field Trips	Districtwide	Reduction based on cut	\$343,000
Equipment	Districtwide	Reduction based on cut	\$65,700
STEAM Supplies	Districtwide	Reduction based on cut	\$90,000
BOCES Programming	Districtwide	Reduction based on cut	\$100,000
Chairpersons/Curriculum Leaders	Districtwide	Reduction based on cut	\$32,000
Travel and Conference	Districtwide	Reduction based on cut	\$275,000
Technology Applications	Districtwide	Reduction based on cut	\$47,000
			\$180,000

TOTAL DISTRICTWIDE REDUCTIONS & REDISTRIBUTIONS**\$2,910,200**



Budget Reductions – Building Expenditures Summary

Carmel High School Reductions

\$1,260,000

3.0 SESA/Monitors	PACE Classes	Reduction based on ability to share staff
6.2 Teaching Staff	Multiple Departments	Reduction based on cuts and anticipated attritions
Business, Science, World Language, Art, Math, Social Studies, ELA		
Clubs and Activities	Building	Reduction based on cut

\$105,000

\$1,055,000

\$100,000

George Fischer Middle School Reductions

\$744,000

2.0 Teaching Staff	Multiple Departments	Reduction based on anticipated attritions
1.0 Clerical	Building	Reduction based on cut
1.0 Music	Building	Reduction based on cut
0.5 Guidance Counselor	Building	Reduction based on cut
Clubs and Activities	Building	Reduction based on cut

\$431,000

\$64,000

\$128,000

\$71,000

\$50,000

TOTAL CHS & GFMS REDUCTIONS**\$2,004,000**



Total Budget Reductions – Expenditures

Salaries Redistributed to Grants	\$1,128,000
District Staffing Reductions	\$649,500
District Program Reductions	\$1,132,700
Carmel High School Reductions	\$1,260,000
George Fischer Middle School Reductions	\$744,000
CTA Retirement Incentive	UNKNOWN
<hr/>	
TOTAL REDUCTIONS	\$4,914,200



Total Reduction – Budget Solution

TOTAL REDUCTIONS

\$4,914,200

GRAND TOTAL REDUCTION

\$4,914,200

New Preliminary 2024 – 2025 school budget(3-19-24):

\$149,591,824

Expenditure gap of New Preliminary 2024 – 2025 budget and Potential 2024 – 2025 budget:

\$149,591,824 - \$145,874,548 (Max Levy) = \$3,713,276

Reduction amount *BELOW max tax levy* = **\$4,914,200 - \$3,713,276 = \$1,200,924**

Estimated Budget:

\$149,591,824 - \$4,914,200 = \$144,677,624

Option A: Based on the current anticipated revenues, **\$1.1M** in allocated fund balance, the tax levy would be **\$103,773,710** which is an **increase** of **2.34%** for a revenue budget of **\$144,677,624**.

Option B: Based on the current anticipated revenues, **NO** allocated fund balance, the tax levy would be **\$104,873,710** which is an **increase** of **3.43%** for a revenue budget of **\$144,677,624**.



Tax Levy Implications

Tax Levy 2.34% - \$1.1M Fund Balance - Taxable Assessed Value at \$100,000							
	2024-2025			2023-2024		\$ Change per Year	% Change per Year
CARMEL	21.399394	\$ 2,140		20.909052	\$ 2,091	\$ 49	2.35%
KENT	31.131644	\$ 3,113		30.418940	\$ 3,042	\$ 71	2.34%
PATTERSON	21.431078	\$ 2,143		20.940737	\$ 2,094	\$ 49	2.34%
PUT. VALLEY	21.431571	\$ 2,143		20.941231	\$ 2,094	\$ 49	2.34%
SOUTHEAST	21.431571	\$ 2,143		20.941231	\$ 2,094	\$ 49	2.34%
E. FISHKILL	21.410898	\$ 2,141		20.920558	\$ 2,092	\$ 49	2.34%

What does this mean for me?

- For a Carmel homeowner with an assessed value of \$500,000 the change is \$245 per year ($\$49 \times 5 = \245)
- For a Kent homeowner with an assessed value of \$500,000 the change is \$355 per year ($\$71 \times 5 = \355)
- For a Patterson homeowner with an assessed value of \$750,000 the change is \$368 per year ($\$49 \times 7.5 = \368)
- For a Put. Valley homeowner with an assessed value of \$350,000 the change is \$172 per year ($\$49 \times 3.5 = \172)
- For a Southeast homeowner with an assessed value of \$600,000 the change is \$294 per year ($\$49 \times 6 = \294)
- For an East Fishkill homeowner with an assessed value of \$450,000 the change is \$221 per year ($\$49 \times 4.5 = \221)

Assumptions: 1. STAR Exemption included 2. No change in Town Assessed Value 3. No change in Equalization Rates



Tax Levy Implications

Tax Levy 3.43% - No Fund Balance - Taxable Assessed Value at \$100,000

	2024-2025			2023-2024		\$ Change per Year	% Change per Year
CARMEL	21.626569	\$ 2,163		20.909052	\$ 2,091	\$ 72	3.43%
KENT	31.461839	\$ 3,146		30.418940	\$ 3,042	\$ 104	3.43%
PATTERSON	21.658252	\$ 2,166		20.940737	\$ 2,094	\$ 72	3.43%
PUT. VALLEY	21.658745	\$ 2,166		20.941231	\$ 2,094	\$ 72	3.43%
SOUTHEAST	21.658745	\$ 2,166		20.941231	\$ 2,094	\$ 72	3.43%
E. FISHKILL	21.638072	\$ 2,164		20.920558	\$ 2,092	\$ 72	3.43%

What does this mean for me?

- For a Carmel homeowner with an assessed value of \$500,000 the change is \$360 per year (\$72 x 5 = \$360)
- For a Kent homeowner with an assessed value of \$500,000 the change is \$520 per year (\$104 x 5 = \$520)
- For a Patterson homeowner with an assessed value of \$750,000 the change is \$540 per year (\$72 x 7.5 = \$540)
- For a Put. Valley homeowner with an assessed value of \$350,000 the change is \$252 per year (\$72 x 3.5 = \$252)
- For a Southeast homeowner with an assessed value of \$600,000 the change is \$432 per year (\$72 x 6 = \$432)
- For an East Fishkill homeowner with an assessed value of \$450,000 the change is \$324 per year (\$72 x 4.5 = \$324)

Assumptions: 1. STAR Exemption included 2. No change in Town Assessed Value 3. No change in Equalization Rates



Not Recommended Budget Reductions – Expenditures

Possible Athletics Reductions

Modified Sports

Freshmen Sports

JV Sports

Varsity Sports

Athletics Transportation – Modified

Athletics Transportation – Freshmen

Athletics Transportation – JV

Athletics Transportation – Varsity

\$1,300,000

\$187,000

\$22,000

\$253,000

\$638,000

\$34,000

\$4,000

\$46,000

\$116,000

Possible Kindergarten Reductions

1.5 Special Education Teacher

10.0 Teachers

\$1,651,000

\$203,000

\$1,448,000

Princeton Model: KES & KPS (REQUIRE STATE APPROVAL)

KPS – Kindergarten, 1st and 2nd Grades

KES – 3rd and 4th Grades, PACE and Special Classes

MPES – Not impacted

5.0 Teaching Staff

3.0 Teaching Assistants

\$880,000

\$700,000

\$180,000

UNKNOWN INDIRECT COSTS – will reduce potential savings

- UNKNOWN

However, may be necessary under a contingent budget!



Other Reductions – Expenditures – Not Recommended



**As a School District – EVERYTHING IMPACTS STUDENTS
Staff, Programs, Buildings and Grounds, Transportation**

Further reductions will impact program and staff.



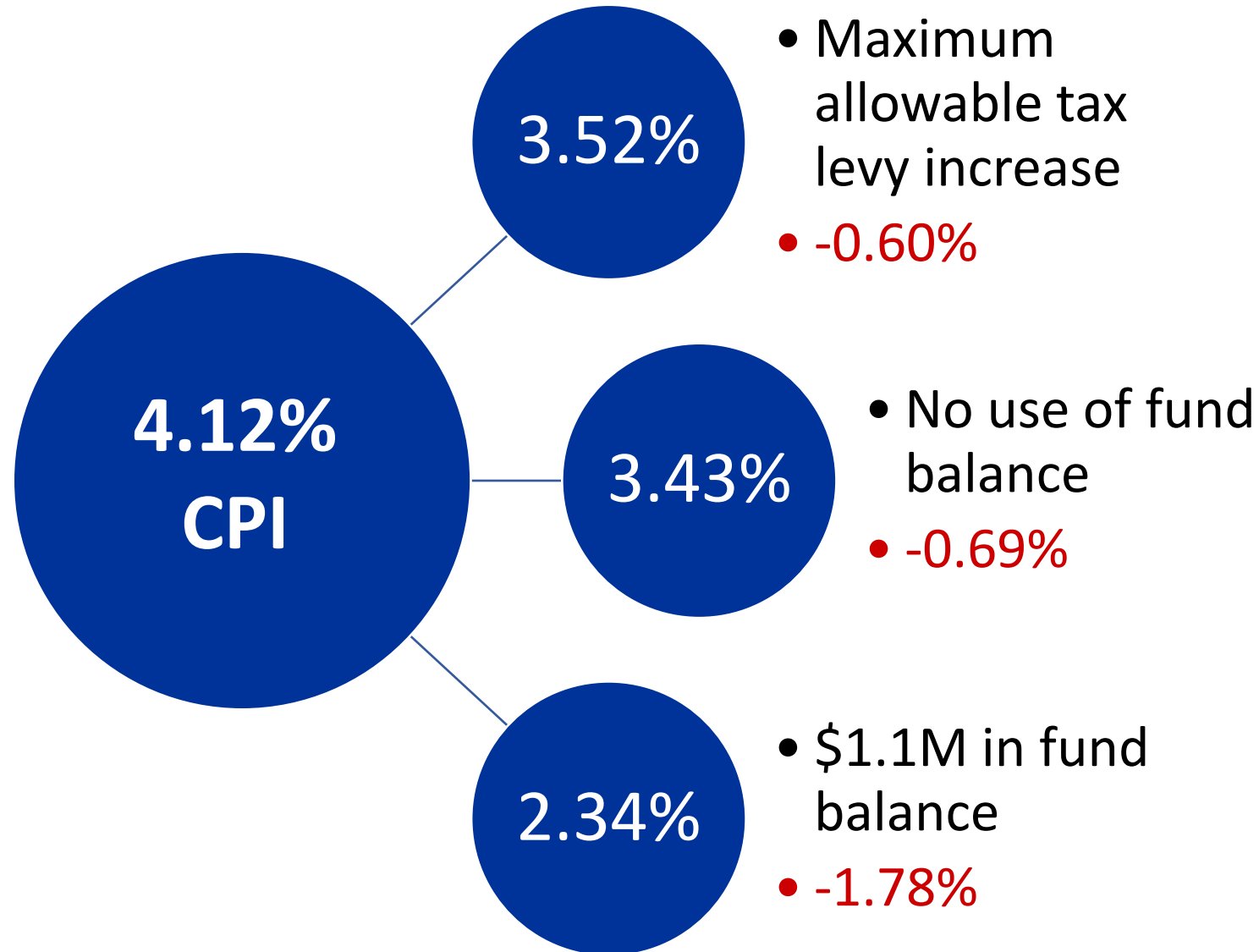
Preliminary vs. Potential Budget Gaps

2024 - 2025 Preliminary Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget
	3.52% Max Tax Levy; \$1.1M Fund Balance	3.00% Tax Levy; \$1.1M Fund Balance	2.5% Tax Levy; \$1.1M Fund Balance	2.00% Tax Levy; \$1.1M Fund Balance	1.50% Tax Levy; \$1.1M Fund Balance	1.00% Tax Levy; \$1.1M Fund Balance	0.50% Tax Levy; \$1.1M Fund Balance	0.00% Tax Levy; \$1.1M Fund Balance
\$ 149,591,824	\$ 145,874,548	\$ 145,345,335	\$ 144,838,338	\$ 144,331,341	\$ 143,824,344	\$ 143,317,346	\$ 142,810,349	\$ 142,303,352
	Necessary reductions based on Preliminary Budget Figure (3-19-24) of \$149,591,824							
	\$ 3,717,276	\$ 4,246,489	\$ 4,753,486	\$ 5,260,483	\$ 5,767,480	\$ 6,274,478	\$ 6,781,475	\$ 7,288,472

2024 - 2025 Preliminary Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget	2024 -2025 Potential Budget
	3.52% Max Tax Levy; No Fund Balance	3.00% Tax Levy; No Fund Balance	2.5% Tax Levy; No Fund Balance	2.00% Tax Levy; No Fund Balance	1.50% Tax Levy; No Fund Balance	1.00% Tax Levy; No Fund Balance	0.50% Tax Levy; No Fund Balance	0.00% Tax Levy; No Fund Balance
\$ 149,591,824	\$ 144,774,548	\$ 144,245,335	\$ 143,738,338	\$ 143,231,341	\$ 142,724,344	\$ 142,217,346	\$ 141,710,349	\$ 141,203,352
	Necessary reductions based on Preliminary Budget Figure (3-19-24) of \$149,591,824							
	\$ 4,817,276	\$ 5,346,489	\$ 5,853,486	\$ 6,360,483	\$ 6,867,480	\$ 7,374,478	\$ 7,881,475	\$ 8,388,472



Inflation Versus Tax Levy





Contingency Budget

What is a contingency budget and why would we need one?

- If the budget vote fails twice, the District must adopt a contingency budget which has many requirements including:
 - All programs face potential impacts
 - No increase to the prior year's tax levy - Tax levy at 0%
 - Expenditure budget cannot increase by more than 120% of CPI
 - No purchases of buses or equipment
 - Capital Outlay project is eliminated (effect on tax cap calculation going forward)
 - Administrative Component of Budget is limited to prior year's % of total budget
 - To the extent aid is specifically designated for the purchase of equipment (computer hardware), such equipment can be considered an ordinary contingent expense.
 - No use of school facilities by outside groups (unless costs are reimbursed)
 - Taylor law must apply to consider ordinary contingent expense
 - Certain field trips are eliminated (unless fully reimbursed)



Contingency Budget

What does a contingency budget mean for Carmel?

Remove Bus Purchase and Lease Program	\$810,000
---------------------------------------	-----------

Remove Transfer to Capital (Asbestos Removal)	\$100,000
---	-----------

Total	\$910,000
-------	-----------

$\$144,677,624 - \$910,000 = \$143,757,624$

\$1.1M Fund Balance Applied =

$\$143,757,624 - \$142,303,352 = \$1,454,272$ in additional cuts/reductions

No Fund Balance Applied =

$\$143,757,624 - \$141,203,352 = \$2,554,272$ in additional cuts/reductions



Capital Project Update: Safety & Security *(UPDATE)*

- WHEN: May 2024 Referendum Vote
- WHAT: \$15,000,000 in debt expiration to fund projects
- WHY: Goal: *Increase safety and security while remaining tax neutral.*
- HOW: Focus areas
 - Door Locks, Cameras, Lockdown System, Visitor Management System, AEDs
 - Greater control of access points
 - Greater surveillance of facilities and grounds
 - Improved response times in emergencies
 - Quote: \$8,828,511 (Cameras = \$271,590; Door Locks = \$8,299,771; Lockdown System Integration = \$80,000; Visitor Management System = \$100,000; AEDs = \$77,150)
 - Intruder Resistant Security Film
 - Delay access into buildings and classrooms
 - Quote: \$2,555,525
 - Replacement of Windows, Emergency Lights & Occupancy Sensors
 - Necessary window replacements = \$219,404
 - Emergency Lights & Occupancy Sensors = \$196,840
- ESTIMATED TOTAL COSTS = \$11,800,280





2024 - 2025 Budget Update

