



Cornwall Central School District

2023-24 Proposed Budget Overview

March 27, 2023

2023-24 Budget – Summary Update

The following provides an overview of the current status of the 2023-24 Budget process:

Meeting Date	Preliminary Expenditures	Preliminary Revenue	Projected Assigned Fund Balance / Reserves	Funds Available For District Needs
3/13/23	\$ 85,803,957	\$ 84,642,337	\$ 2,500,000	\$ 1,338,380
3/27/23	\$ 85,801,614	\$ 84,642,337	\$ 2,500,000	\$ 1,340,723
4/10/23				
4/20/23 (Budget Adoption)				

2023-24 Revenue Projections

*Source:
Governor's Executive
Budget Proposal* →

	2023-24 Revenue Projections	2022-23 Projected Revenue	Budget-to-Budget Increase
State Aid	\$ 32,013,954	\$ 25,930,464	\$ 6,083,490
School Tax Levy	51,474,895	50,965,243	509,652
Miscellaneous	1,153,488	445,471	708,017
TOTAL	\$ 84,642,337	\$ 77,341,178	\$ 7,301,159

State Aid

- ❖ The increase in state aid reflects a \$5,220,751 increase in Foundation Aid, as the state completes fully funding its Foundation Aid obligation in 2023-24.
- ❖ While the final state aid figures will be determined jointly by the Legislature and Governor, both houses accept the executive's proposal to fully fund Foundation Aid.
- ❖ Both houses have rejected the high-impact tutoring Foundation Aid set-aside and propose raising the BOCES aidable salary cap.

2023-24 Revenue Projections

School Tax Levy

- ❖ While the Maximum Allowable Tax Levy is 2.82%, the Tax Levy for 2023-24 currently reflects only a 1% increase.
- ❖ The following reflects the estimated increase in school taxes under the **Proposed Tax Levy increase of 1.00%**. *Note: based on current 2022-23 assessment levels and equalization rates.*

Residence – Fair Market Value	Estimated Tax Increase	
	Tax / Year	Tax / Month
\$250,000	\$ 49	\$ 4
\$350,000	\$ 69	\$ 6
\$450,000	\$ 89	\$ 8

Miscellaneous Revenue

- ❖ 98% of the increase in Miscellaneous Revenue is attributable to the projected increase in interest income, as a result of the favorable interest rate environment.

Open Items:

- ❖ Final state aid figures.

Fund Balances / Reserves

The following reflects the District's various fund balances and reserves over the past three years:

Fund Balance / Reserve	Balance at Year-end		
	6/30/22	6/30/21	6/30/20
Unassigned Fund Balance	\$3,258,064	\$3,065,451	\$2,981,798
Assigned Fund Balance (to reduce Tax Levy)	4,110,420	2,250,000	4,100,000
Tax Certiorari Reserve	812,038	812,038	986,415
ERS Pension Contribution Reserve	918,491	918,491	518,491
TRS Pension Contribution Reserve	1,645,320	1,041,530	638,061
Employee Benefit Accrued Liability Reserve	515,746	515,746	515,746
Unemployment Insurance Reserve	14,848	14,848	14,848
Capital Reserve #1	4,994,592	4,994,592	2,067,169
Capital Reserve #2	300,000	- 0 -	- 0 -
Total	\$16,569,519	\$13,612,696	\$11,822,528

Fund Balances / Reserves

Unassigned Fund Balance

- This is the District's rainy-day fund, which does not have to designate an immediate purpose. NYS limits the Unassigned Fund Balance to 4% of the total budget.
- The current Unassigned Fund Balance of \$3,258,064 reflects the full 4%.

	6/30/22	6/30/21	6/30/20
Unassigned Fund Balance	\$3,258,064	\$3,065,451	\$2,981,798

Assigned Fund Balance

- This is the amount the District uses to help fund the budget (expenditures). In doing so, it reduces the amount of the total tax levy and resulting school tax increase.
- This amount must always be kept to a sustainable and realistic amount each year or the District risks a funding gap in the next year's budget.
- Assigning too much fund balance also impacts the amount that could be dedicated to a reserve account.
- Looking at the District's financial history, a sustainable and realistic amount would be \$2M to \$2.5M per year.

	6/30/22	6/30/21	6/30/20
Assigned Fund Balance	\$4,110,420	\$2,250,000	\$4,100,000

Fund Balances / Reserves

Tax Certiorari Reserve

- This reserve provides funding for school tax refunds the District is ordered to pay upon a taxpayer's successful challenge to their taxable assessed value.
- The projected liability / payout on open challenges is approximately \$1,220,015.
- The projected liability / payout will fluctuate from year to year but the reserve should strive to be fully funded based on the projection at each year end.

	6/30/22	6/30/21	6/30/20
Tax Certiorari Reserve	\$812,038	\$812,038	\$986,415

ERS Pension Contribution Reserve / TRS Pension Contribution Reserve

- These reserves provide funding for future pension obligations for staff who are part of the NYS Teachers' Retirement System (TRS) or NYS Employee's Retirement System (ERS).
- The use of these reserves provide budgetary stability in those years that experience a dramatic increase in the respective employer contribution rate.
- With both retirement funds tied to the volatility of the stock market and global economic picture, a continuous funding strategy to these reserves would favorably position the District for any kind of downturn.

	6/30/22	6/30/21	6/30/20
ERS Pension Contribution Reserve	\$918,491	\$918,491	\$518,491
TRS Pension Contribution Reserve	\$1,645,320	\$1,041,530	\$638,061

Fund Balances / Reserves

Employee Benefit Accrued Liability Reserve

- This reserve provides funding for contractual benefit obligations when staff retire (e.g., unused sick time and unused vacation time).
- Based on the historic level of retirements each year, the current reserve level is deemed adequate.

	6/30/22	6/30/21	6/30/20
Employee Benefit Accrued Liability Reserve	\$515,746	\$515,746	\$515,746

Unemployment Insurance Reserve

- This reserve provides funding for NYS unemployment insurance claims related to former employees.
- The District is required to pay 100% of all unemployment claims paid by NYS.
- Adequate funding of this reserve would total approximately two years of anticipated claims, or \$150,000.

	6/30/22	6/30/21	6/30/20
Unemployment Insurance Reserve	\$14,848	\$14,848	\$14,848

Fund Balances / Reserves

Capital Reserve #1

- A capital reserve provides funding for future capital improvements to District facilities.
- By using a capital reserve a District can reduce / eliminate the local taxpayer share of a capital project that is not covered by building aid – thereby, reducing the school tax impact.
- Capital Reserve #1 was established in 2018 with a maximum funding amount of \$5,000,000. It was subsequently earmarked for a \$23M District-wide capital project approved by taxpayers at the May 20, 2022 Budget Vote.

Capital Reserve #2

- Capital Reserve #2 was established in May 2022 with a maximum funding amount of \$5,000,000.

	6/30/22	6/30/21	6/30/20
Capital Reserve #1	\$4,994,592	\$4,994,592	\$2,067,169
Capital Reserve #2	\$300,000	\$0	\$0

2023-24 Budget Calendar / Agendas

April 10, 2023 -- BOE Budget Session (7 pm @ Cornwall Elementary)

- Review / prioritization of Needs Assessment for 2023-24 Budget inclusion.
- Review any changes to State Aid as per anticipated adopted NYS Budget.

April 20, 2023 -- BOE Budget Session (7 pm – Cornwall Elementary)

- BOE adoption of the 2023-24 Budget.

May 16, 2023

Budget Vote and Board of Education Election
(6 am to 9 pm – Cornwall Middle School Gymnasium)