

# Moravia Central School District 2025-26 Budget

Board Meeting  
January 22, 2025



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# Topics to be Discussed

- Debt Service
  - Next Year Debt Service Cost(s)
    - How does this impact the Tax Cap?
- TRS/ERS Rates
- Health Insurance Rates – Projections
- Rollover Budget
- Projected Expenditures
- Proposed Capital Outlay Project
- Proposed Aid from Governor – To be updated on 1/21/25 once aid runs are released
- Projected Revenues
  - Initial Property Levy Tax Cap Calculation
  - Reserves
    - Current status of each Reserve
    - Liquidity of each Reserve
- Projected Gap Presented



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# Debt Service

- Debt Service – What is it?
  - Payment of principal and interest of general long-term debt
    - Building Projects and Buses
  - Local share is what is used for Tax Levy calculation, as well as annual Capital Outlay



## Debt Service (2025-26)

Project	Principal	Interest	Total
Excel Project – 2007 (refinanced 2019)	\$205,000.00	\$141,000.00	\$346,000.00
BOCES – 2006	\$215,000.00	\$13,325.00	\$228,325.00
CIP – 2014	\$270,000.00	\$119,500.00	\$389,500.00
Buses - 2020	\$75,000.00	\$585.00	\$75,585.00
Buses - 2021	\$75,000.00	\$1,125.00	\$76,125.00
Buses - 2022	\$75,000.00	\$6,656.25	\$81,656.25
Buses - 2023	\$85,000.00	\$12,331.25	\$97,331.25
Buses – 2024	\$68,000.00	\$22,261.19	\$90,261.19
CIP – 2018 Phase I	\$490,000.00	\$347,500.00	\$837,500.00
CIP – 2023 Phase II (BAN)	\$915,000.00	\$1,285,500.00	\$2,200,500.00
<b>Totals</b>	<b>\$2,473,000.00</b>	<b>\$1,949,783.69</b>	<b>\$4,422,783.69</b>



# TRS/ERS Contribution Rates

## TRS – Teacher Retirement System

- Projected rate range 9.5% - 10.0% (9.75%)
- Decrease from 10.11%
- Isn't actually paid by district
  - Deducted from state aid in Sept., Oct., and Nov. payments
  - Budgeted for in line A.9020.800

## ERS – Employee Retirement System

- Projected rate – 16.5%\*
- Increase from 15.2%
- ERS Fiscal year does not align with school fiscal year
  - April/March
  - July/June
- If paid by Dec. 15th, discounted cost savings = \$3,509
- Next year's cost = increase of approximately \$92,111 (\$487,903 - \$395,792)



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# Healthcare Rates

- Preliminary Projections
  - Health Insurance
    - Projected Minimum 10% Increase (\$281,460)
    - Unknown
      - Current employees switching option?
      - Members taking “buyout”
      - New Retirees taking “buyout”



# Healthcare Rates (cont.)

- Plans and Rates

Traditional	Total Annual Cost	# of Participants	Cost per category
Single Active/Retired u/65	\$7,440	38	\$282,720
Family Active/Retired u/65	\$21,084	67	\$1,412,628
Single Retired o/65	\$5,340	78	\$416,520
Family Retired o/65	\$10,560	42	\$443,520
Family Retired 1u/1o 65	\$12,516	5	\$62,580
<b>Totals</b>	<b>\$56,940</b>	<b>230</b>	<b>\$2,617,968</b>



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# Healthcare Rates (cont.)

- Plans and Rates

Modified-Traditional	Total Annual Cost	# of Participants	Cost per category
Single Active/Retired u/65	\$6,144	17	\$104,448
Family Active/Retired u/65	\$17,484	32	\$559,488
Single Retired o/65	\$4,452	3	\$13,356
<b>Totals</b>	<b>\$28,080</b>	<b>52</b>	<b>\$677,292</b>



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# Healthcare Rates (cont.)

- Totals

All Plans	# of Participants	Total Cost	District Cost
Totals	282	\$3,295,260	\$2,777,904

- Figures are approximate
- District share is approximately 84.3%
  - Why?
    - Depends on contractual language, grandfather status, etc.



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# Rollover Budget

- A budget projection which accounts for the same staffing and programs as the current year, adjusted for required contractual increases in salaries and other mandated expenditures.



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# Expenditures - Estimated

## — 3 Main Types of Expenditures

- Administrative
- Program
- Capital



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# Expenditures – Estimated (Administrative)

	2024-25 Adjusted	2025-26 Rollover
Administrative	\$3,215,439	\$3,254,151
<ul style="list-style-type: none"><li>Costs include: Salaries and benefits of certified admin, data processing, supplies, legal fees, insurance, and school board expenses</li></ul>		<ul style="list-style-type: none"><li>Includes contractual increases and estimated increase in health insurance costs.</li></ul>



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# Expenditures – Estimated (Program)

	2024-25 Adjusted	2025-26 Rollover
Program	\$19,963,639	\$20,956,435
<ul style="list-style-type: none"> <li>Costs include: Salaries and benefits of instructional staff, equipment, supplies, contractual costs and transportation operating costs</li> </ul>		<ul style="list-style-type: none"> <li>Includes contractual increases, estimated increase in health insurance costs as well as increase in fuel costs.</li> </ul>



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# Expenditures – Estimated (Capital)

	2024-25 Adjusted	2025-26 Rollover
Capital	\$4,587,404	\$6,676,347
<ul style="list-style-type: none"><li>Costs include: All transportation capital, debt service, custodial and facility costs</li></ul>		<ul style="list-style-type: none"><li>Includes contractual increases and estimated increase in health insurance costs.</li><li>Second BAN (Bond Anticipation Note) Principal and Interest.</li></ul>



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# 2025-26 Capital Outlay Project

- \$100,000 Annual Project for preventative maintenance/stop-gap in conjunction with Capital Projects/EPC
- Current year – Update Bus Garage to Day Automation controls.
- Proposed for 2025-26 – Finalize transition to Day Automation controls (MS/HS)

## Little known facts

- Work must be completed at one site.
- Aid rate is 83.6%
- Aid is paid in full the following year.



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# Expenditures – Estimated (Total)

	2024-25 Adopted/Adjusted	2025-26 Estimate
Administrative	\$3,215,439	\$3,354,151
Program	\$19,963,639	\$20,956,435
Capital	\$4,587,404	\$6,676,347
Total	\$27,766,482	\$30,986,933 <small>\$3,220,451 ~ 11.60%</small>



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# Revenues - Estimated

## — 3 Main Sources of Revenue

- **State Aid** (No control over – Governor's proposal)
- **Local Tax Levy** (We set – Every 1% = \$94,988 - \$96,808)
- **Misc** (We determine – appropriated fund balance and reserves)
  - Other revenues such as appropriated fund balance, use of reserves, refunds, admission fees, charges for use, sale of scrap, etc.



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# Governor's Proposal – 2025-26

- Governor's Executive proposal was released on 1/21/2025
- Appears that some of the recommendations from the Rockefeller Institute have been implemented.
- Moravia is projected to receive \$222,705 year over year, which equates to 2 % increase in Foundation Aid.
  - All other State Aid is expense driven aid (estimates)
- More analysis of the formula is needed to determine which factors have been changed/updated.



# Governor's Proposal (Current Ex. Budget Proposal is estimate based on current formula/law)

Category	2024-25 Adopted State Aid	2024-25 Base Year Aids	Executive Budget Proposal	Notes
Foundation Aid	\$11,469,325	\$11,135,267	\$11,357,972	Increase - \$222,705 or 2%
BOCES	\$2,112,249	\$2,008,524	\$1,816,344	Decrease due to decrease in special ed students.
Public Excess High Cost Aid	\$237,343	\$158,079	\$172,138	Projected increase.
Hardware and Technology	\$14,113	\$13,969	\$13,610	Based on formula Hardware and Tech - \$24.20
Software, Library, and Textbook	\$69,645	\$70,562	\$68,310	Based on formula Textbook - \$58.25 Software - \$14.98 Library - \$6.25
Transportation Aid	\$1,521,317	\$1,561,345	\$1,688,626	Based on estimates from ST-3
Building Aid	\$1,543,318	\$1,541,401	\$1,546,916 (\$1,876,119)	Change due to Project BAN Debt
Total Aid	\$16,967,310	\$16,489,147	\$16,663,916 (\$18,540,035)	Total proposed (Keeping UPK separate)



# Revenues – Estimated (State Aid)

	2024-25 Adopted	2025-26 Estimate
State Aid	\$16,967,310	\$16,663,916 (\$18,540,035)
<ul style="list-style-type: none"> <li>Allocated by wealth and demographic need</li> <li>Not finalized until State budget enacted (April 1)</li> <li>Must use estimates to build budget</li> </ul>	<ul style="list-style-type: none"> <li>Assumed 3% increase in Foundation Aid (didn't occur)</li> <li>Expense driven aids were fairly close to estimates vs. actual</li> </ul>	<ul style="list-style-type: none"> <li>Year to year decrease of \$526,099 w/o expected additional building aid</li> <li>***Actual decrease is \$47,936 based on "actualized" aid vs. adopted</li> <li>Will continue to monitor at State level</li> </ul>



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# Revenues – Estimated (Tax Levy)

	2024-25 Adopted	2025-26 Estimate
Tax Levy	\$9,267,491	\$9,498,828 - \$9,680,828
<ul style="list-style-type: none"> <li>Amount to be raised by district after all other sources of income</li> <li>Used to determine tax rate for property owners</li> <li>Equalization rates are applied for differences in assessment practices</li> </ul>	<ul style="list-style-type: none"> <li>Was a 2.50% increase over prior year</li> </ul>	<ul style="list-style-type: none"> <li>Tax Base Growth Factor increased</li> <li>CPI is 2.95% - Capped at 2.0% for Levy</li> <li>Figure may change when factors and exclusions finalized in February</li> <li>Currently represents an increase of 2.50 – 4.46%</li> </ul>

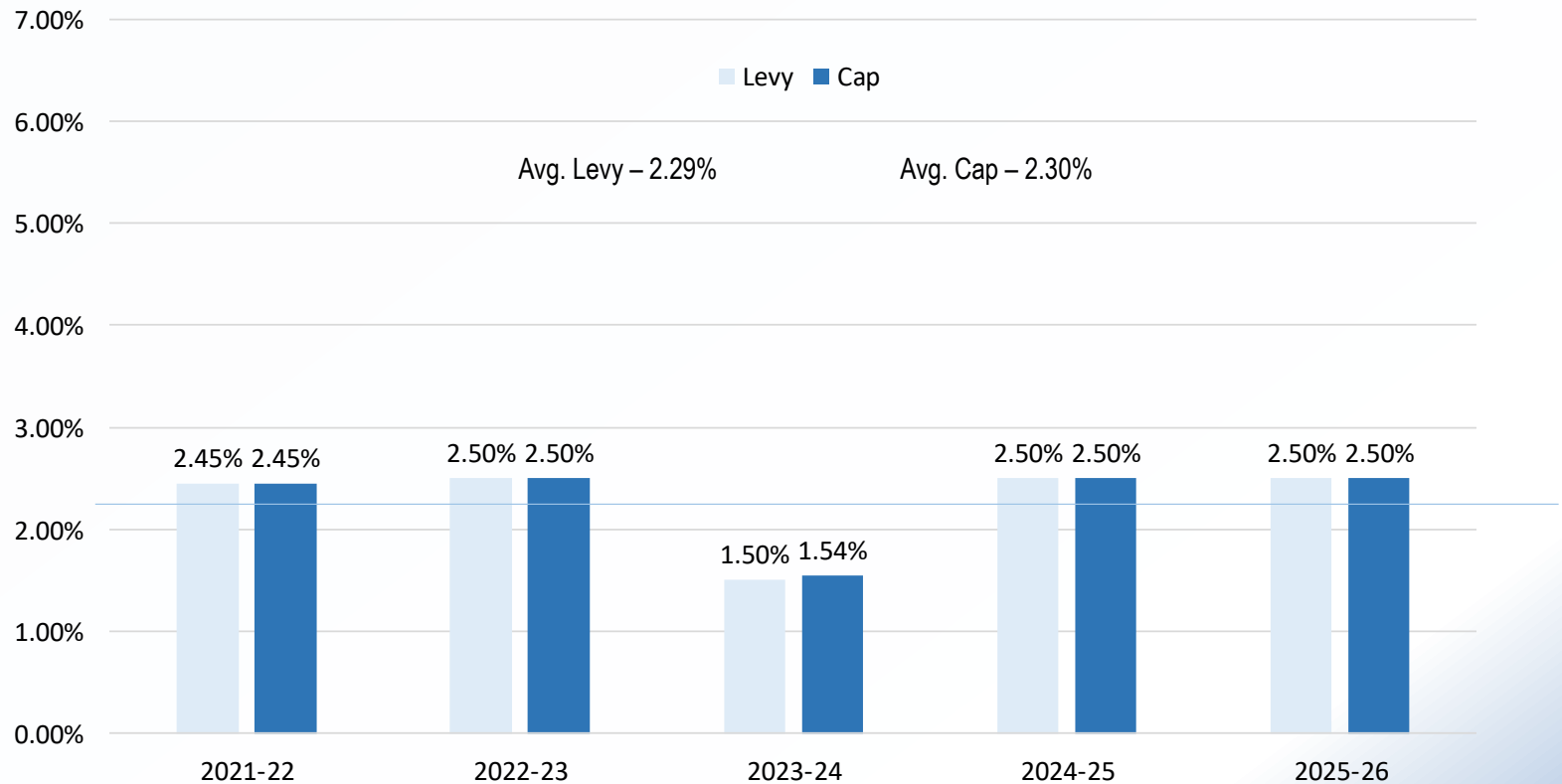


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## Property Tax Levy Cap – Comparison

2024-25 Actual	2025-26 Estimate	<i>As of January 22, 2025</i>
<b>\$9,041,469</b>	<b>\$9,267,491</b>	Prior Year Tax Levy
<i>x1.0015</i>	<i>x1.0056</i>	Multiply by tax base growth factor
\$9,055,031	\$9,319,389	
<b>+16,450</b>	<b>+17,115</b>	PILOT Receivable (add)
\$9,071,481	\$9,336,504	
<b>-601,301</b>	<b>-642,892</b>	Subtract Prior Year Exemptions (Capital Levy, Court Orders)
<b>\$8,470,180</b>	<b>\$8,693,612</b>	Adjusted Prior Year Levy
<i>x1.02</i>	<i>x1.02</i>	Multiply by Allowable Growth Factor (lesser of CPI or 2%)
\$8,639,584	\$8,867,484	
<b>-17,115</b>	<b>-17,457</b>	PILOT (subtract)
<b>\$8,622,469</b>	<b>\$8,850,027</b>	Total Levy Limit before Exclusions
<b>+645,022</b>	<b>+648,801</b>	Capital Exclusions (add)*** <b>Includes BOCES Exclusion and ERS Exclusion</b>
<b>\$9,267,491</b>	<b>\$9,498,828</b>	<b>Maximum Allowable Levy</b>
<b>2.50%</b>	<b>2.50%</b>	***Assumes using \$182,000 from Debt Service Reserve***
<b>\$226,022</b>	<b>\$231,337</b>	Allowable Increase in Dollars

# Tax Levy/Cap History



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# Revenues – Estimated (Misc)

	2024-25 Adopted	2025-26 Estimate
Misc. Revenues	\$1,531,681	\$1,330,000
<ul style="list-style-type: none"> <li>Examples of misc. revenues include: Appropriated Fund Balance, Reserves, BOCES Refund, Admission Fees, Charges for Use, Sale of Scrap, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriated Fund Balance - \$525,000</li> <li>Included ERS Reserve - \$92,538</li> <li>Included Workers Comp Reserve - \$109,143</li> <li>Included Interest Earnings - \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>Assumes Appropriated Fund Balance - \$525,000</li> <li>Assumes Interest Earnings - \$100,000</li> </ul>
		<p>Do we appropriate more Fund Balance? Do we budget to use reserves? I.e ERS</p>



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# Reserves Status

Reserve	Funding Level
Employee Benefit Accrued Liability Reserve	\$381,490
Repair Reserve	\$140,278
Capital Reserve	\$717,067
Mandatory Reserve for Debt Service	**\$1,146,566 – Can use for upcoming debt service (\$182,000)
Retirement Contribution Reserve Fund*	\$1,556,109 (\$92,538) = \$1,463,571
TRS Contribution Reserve Fund*	\$269,941
Workers Compensation Reserve Fund	\$683,514 (\$109,143) = \$574,371
Unemployment Insurance Reserve	\$295,488



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# Revenues – Estimated (Total)

	2024-25 Adopted/Adjusted	2025-26 Estimate
State Aid	\$16,967,310	\$16,663,916 (\$18,540,035)
Tax Levy	\$9,267,491	\$9,498,828
Misc.	\$1,531,681	\$1,330,000
Total	\$27,766,482	\$27,492,744 (\$29,368,863) \$1,602,381 ↑



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# Projected Gap

- Projected Gap

Item	Revenues	Expenditures	Gap
State Aid	\$18,540,035	\$30,986,933	\$12,446,898
Tax Levy – 2.50% (Using DS Reserve)	+\$9,498,828		\$2,948,070
Appropriated Fund Balance + Misc	+\$1,330,000		\$1,618,070
Total	\$29,368,863	\$30,986,933	\$1,618,070



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# Next Steps

- Build from rollover budget and decide on proposed annual expenditures for the future
- Review historical budget categories to see where expenditures have increased/decreased
- Discuss Use of Reserves as sources of revenue
- Tax Cap/Levy Decision
- Review and Discuss Closing the Gap (Scenarios Presented)



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