

Moravia Central School District 2025-26 Budget

Board Meeting
February 12, 2025



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Topics to be Discussed

- Identify the Problem
 - Budget Gap/3-Part Breakdown
- Identify the Factors
 - Revenues
 - Expenditures
- Identify the Variables
 - No Control
 - Some Control
 - Total Control
- Identify the Options
 - Review and Discuss Closing the Gap (Direction from the Board)
- Trends/Historical Data
- Tax Cap/Levy Update-Decision
 - Due to OSC March 1, 2025



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The Problem

- As of today
 - Projected Rollover Expenditures > Projected Revenues (\$1,618,070)
- We need to get to
 - Projected Expenditures = Projected Revenues
- How we operate
 - Real Expenditures < Real Revenues



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The Problem

- With a Projected Gap of (\$1,618,070) and based on our historical 3-Part Budget breakdown, we would need to find savings in the following amounts in each category.
 - Administrative ~ \$178,000
 - Program ~ \$1,132,649
 - Capital ~ \$307,421



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The Factors

- Revenues

- State Aid
- Tax Levy
- Misc.
 - Appropriated Fund Balance, Refunds, etc.

- Expenditures

- Administrative
- Program
- Capital



The Variables

- No Control
 - State Aid (Revenue)
 - Executive Proposal – Moravia receives minimum (Save Harmless) 2% increase over prior year in Foundation Aid = \$222,705
 - Contractual Increases (Expenditure)
 - BOCES rates (Expenditure)
 - Retirement Cost rates, benefits, FICA, etc., (Expenditure)



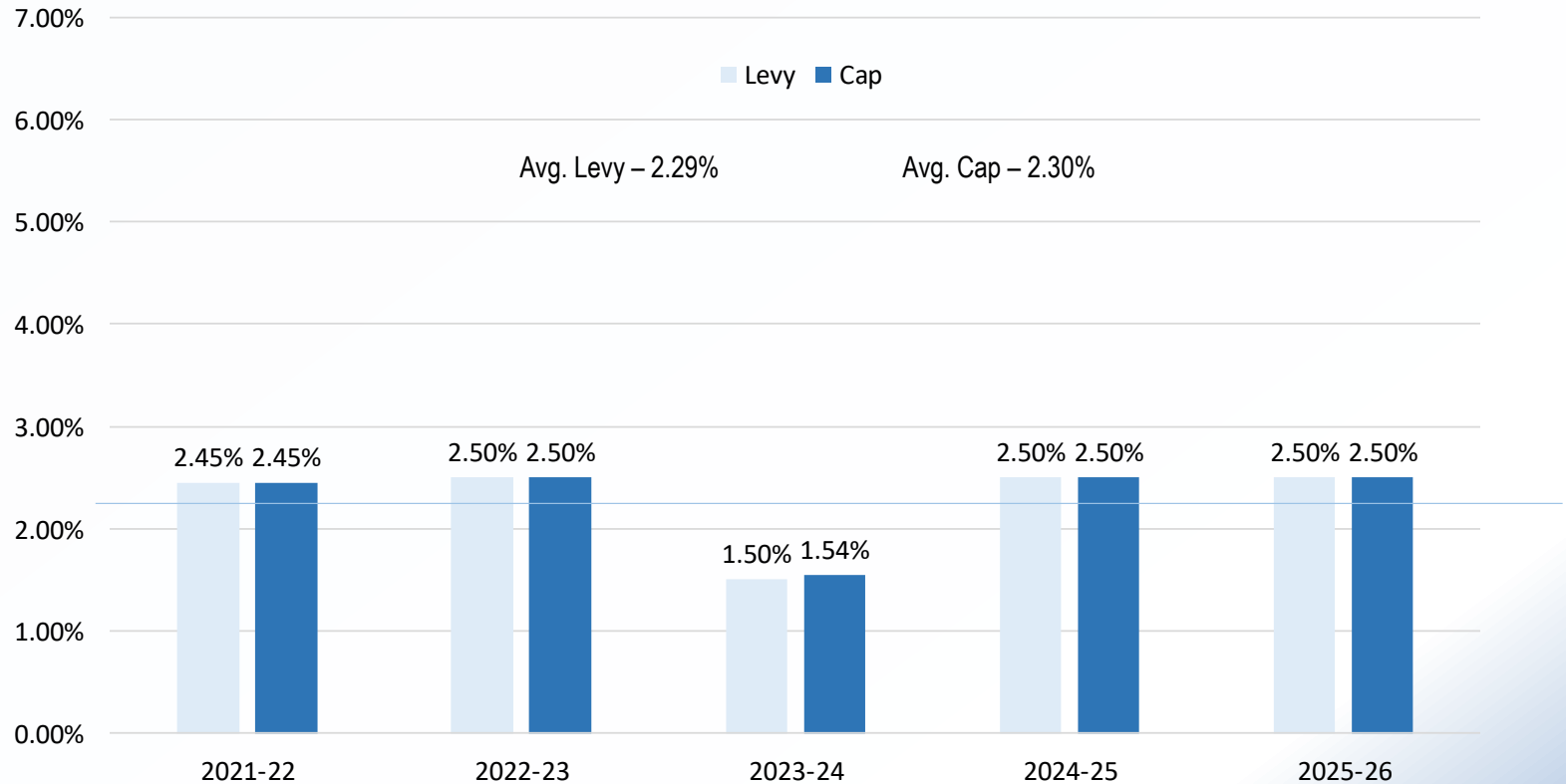
The Variables

- Some Control
 - Tax Levy (Revenue)
 - At limit – requires 50% + 1 vote – Currently 2.50% (\$9,498,828)
 - Under limit – requires 50% + 1 vote
 - Over limit – requires 60% vote
 - Every 1% over prior year's levy raises ~ \$92,674
 - Required to submit Tax Levy Limit to OSC – March 1, 2025



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Tax Levy/Cap History



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The Variables

- Total Control
 - Materials and Supplies (Expenditure)
 - Equipment (Expenditure)
 - Service Contracts (Expenditure)
 - Personnel (Expenditure)
 - Net reduction must include potential unemployment cost
 - Misc. Revenue (Revenue)
 - Appropriated Fund Balance – Have budgeted \$525,000 most recently
 - Use of reserves



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The Options

- Increase Revenues

- Tax Levy
- Misc. Revenues – Appropriated Fund Balance and/or Use of Reserves
- Do we use Retirement Reserve to combat \$92,111 increase in ERS bill? (Potential balance = \$1,463,571)
- Do we use Workers Comp Reserve to pay upcoming contribution cost \$85,467 (decrease of \$23,676 from prior year)? (Potential balance = \$574,371)
 - Caution! – When using fund balance and or reserves as an “annual” revenue source, these will eventually be depleted and compound problem in the future
- Interest earnings – Most likely to remain flat or decrease based on \$100,000 annual earnings

- Decrease Expenditures

- Needs vs Wants
- People over Things
- How Do We Still Provide “World Class” education?

- Combination of Both?

- Direction from Board?
- What level of Revenue(s) should we use?



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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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Possible Outcomes

- Increase Revenues

- If we use fund balance and/or reserves to pay for annual expenditures, we'll face the same problem the following year
 - Use of ERS Reserve - TBD
 - Use of Workers Comp Reserve – TBD
 - Use of Other Reserves - TBD

- Decrease Expenditures

- If we reduce “people”, net savings is reduced by unemployment costs ~ \$13,000 per position (assuming max claim amounts)
- Will review every line item to find efficiencies and determine ROI (Return on Investment)
- As BOCES figures come in, gap will vary up or down

- Recommendation

- Build budget that represents BOE direction of tax levy, fund balance, and reserve use AND State Aid based on Executive Proposal
- Budget Adoption and passage represents allowable spending plan, does not mean we have to spend fully



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Trend Data

- What is Trend Data?
 - A collection of data that shows how a variable changes over time.
- Why are we looking at Trend Data?
 - With tougher budgets now and in the future, we need to identify patterns and efficiencies to make predictions and maximize our ROI (Return on Investment).



Trend Data

	2021	2022	2023	2024	2025
Salaries	\$ 8,926,550.88	\$ 9,168,248.18	\$ 9,882,739.03	\$ 10,610,181.08	\$ 11,360,823.28
Equipment	\$ 379,448.24	\$ 57,444.93	\$ 77,307.74	\$ 61,797.33	\$ 148,237.60
Contractual	\$ 889,424.75	\$ 1,028,184.06	\$ 1,162,066.31	\$ 1,215,805.37	\$ 1,465,536.16
Materials and Supplies	\$ 702,733.94	\$ 782,798.56	\$ 782,088.41	\$ 721,046.49	\$ 1,001,180.06
BOCES	\$ 5,859,520.41	\$ 5,341,499.04	\$ 5,794,310.53	\$ 6,021,880.86	\$ 6,166,376.17
Debt Service	\$ 2,934,964.31	\$ 4,108,380.38	\$ 3,796,571.61	\$ 3,852,622.50	\$ 2,391,935.97
Benefits	\$ 3,854,495.20	\$ 4,299,389.08	\$ 4,230,346.62	\$ 4,497,226.01	\$ 5,052,392.76
Interfund Transfers	\$ 163,879.15	\$ 187,484.00	\$ 156,111.03	\$ 177,514.64	\$ 180,000.00
Total	\$23,711,016.88	\$24,973,428.23	\$25,881,541.28	\$27,158,074.28	\$27,766,482.00

Percentage Increase/Decrease Year to Year

	2021	2022	2023	2024	2025
Salaries	Base Year	2.71%	7.79%	7.36%	7.07%
Equipment	Base Year	-84.86%	34.58%	-20.06%	139.88%
Contractual	Base Year	15.60%	13.02%	4.62%	20.54%
Materials and Supplies	Base Year	11.39%	-0.09%	-7.80%	38.85%
BOCES	Base Year	-8.84%	8.48%	3.93%	2.40%
Debt Service	Base Year	39.98%	-7.59%	1.48%	-37.91%
Benefits	Base Year	11.54%	-1.61%	6.31%	12.34%
Interfund Transfers	Base Year	14.40%	-16.73%	13.71%	1.40%
Total	Base Year	5.32%	3.64%	4.93%	2.24%

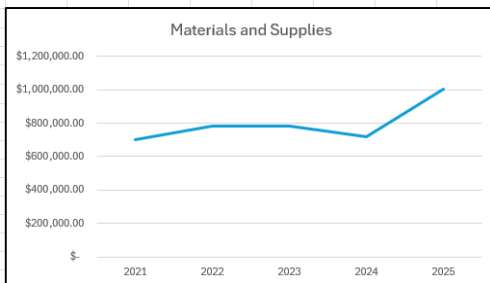
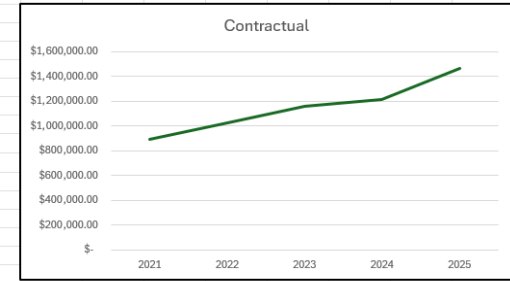
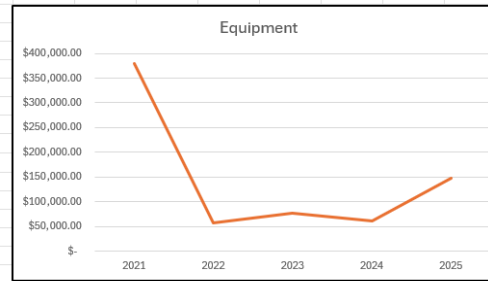
Percentage of Budget Each Year

	2021	2022	2023	2024	2025
Salaries	37.6%	36.7%	38.2%	39.1%	40.9%
Equipment	1.6%	0.2%	0.3%	0.2%	0.5%
Contractual	3.8%	4.1%	4.5%	4.5%	5.3%
Materials and Supplies	3.0%	3.1%	3.0%	2.7%	3.6%
BOCES	24.7%	21.4%	22.4%	22.2%	22.2%
Debt Service	12.4%	16.5%	14.7%	14.2%	8.6%
Benefits	16.3%	17.2%	16.3%	16.6%	18.2%
Interfund Transfers	0.7%	0.8%	0.6%	0.7%	0.6%
Total	100%	100%	100%	100%	100%

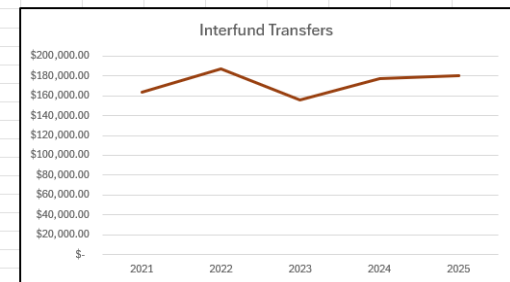
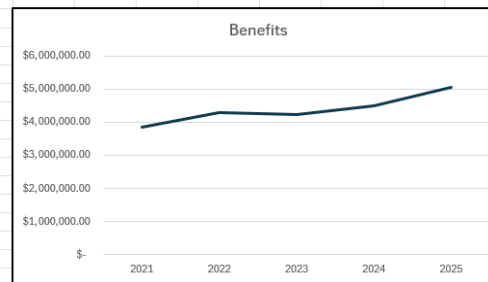
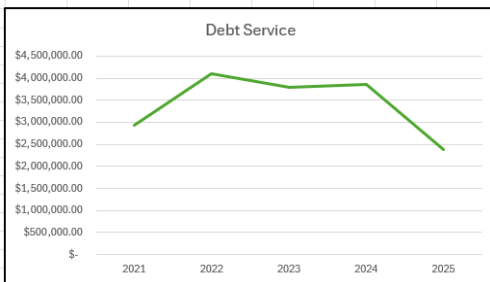
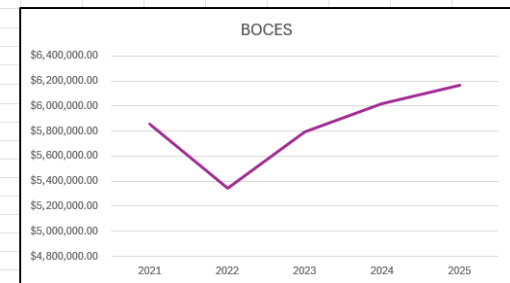


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Trend Data



Historical Trend Data - Moravia CSD
2021-2025



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Next Steps

- Review Changes from prior meeting
 - Health Care (Next Meeting February 26th)
 - BOCES (Final Service Requests are starting to come in)
 - Present Scenario(s) based on Board direction
 - How many?
 - What parameters?
 - Use of Reserves, Tax Levy, etc.



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