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# **Marion CSD 24-25 School Budget: A Story in Three Parts**

**1.22.24**

**Board of Education Meeting**

Mr. Kyle Kellerhouse, SBA intern; Dr. Ellen Lloyd, superintendent; Mr. Rich Walker, SBA

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# AGENDA

## 01. Part 1: Overview of Budget Factors

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Factors impacting the Marion CSD budget outlook and what we planned on for the 24-25 budget.

## 02. Part 2: Executive Budget Impact

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The impact of the executive budget on the Marion CSD 24-25 budget and 25-26 and beyond.

## 03. Part 3: Next Steps

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Our ability to utilize additional funds to close the gap and advocacy options.

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# Part 1

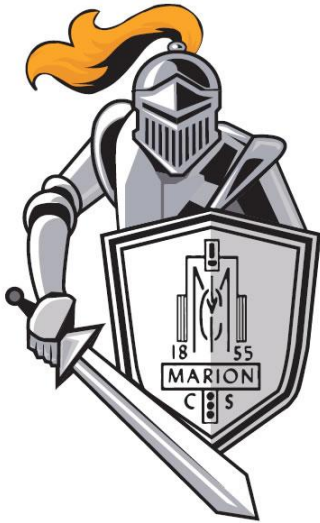
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# Overview of Budget Factors

Factors impacting the Marion CSD budget outlook and what we planned on for the 24-25 budget.

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# Overview of Marion CSD



- Total enrollment PK-12: 597
- One elementary building: grades PK-6
- One junior/senior high building: grades 7-12
- Number of administrators: 8
- Number of teachers: 78
- Number of staff: 102
- Annual budget: \$22M
- Free and Reduced Lunch: 49%
- 85% NYS Regents passing rate - highest in Wayne County

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# Overall Budget Trends



- For several years, Marion has been experiencing expenditures outpacing new revenue
- Foundation Aid has been 0% to 3%
- Contractual obligations have increased
- Inflation has increased dramatically since COVID
- Tax Levy increases have been just over 2%
- Health Care has increased dramatically since 2021
  - 22% in 2022-23
  - 7% in 2023-24
  - 10-14% anticipated for 2024-25

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# Budget Cuts Deferred



- Federal Stimulus money has helped to defer significant budget cuts
  - CCRSA - \$500K spread over 20-21 thru 22-23
  - ARP - \$900K spread over 21-22 thru 23-24
  - ARP State Reserves- \$700K spread over 21-22 thru 23-24
- Medicare premiums were reduced by 50% in 2023
  - \$500K savings

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# Budget Factors for 24-25



- ARP funding ends 2023-24 used to pay for: seven positions, mid-day intervention, after school tutoring and mini-camps
- Foundation Aid will be -13.5% to 0%
- MAA pay will increase by 3%
- MTA pay will increase by 4%
- CSEA pay will increase by 3.75%
- Inflation is 3.4%
- Tax Levy will increase 2% to 2.5%
- Health Care is expected to increase 10% to 14% for 2024-25

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# What we planned for: Budget Gaps for 24-25



- 2% Tax Cap, 0% Foundation Aid, 4% collective bargaining increases, 10% health care increase
  - Leaves a budget gap of **\$2.3M**
  - Use \$1.1M in reserves and appropriation, **need to cut \$1.2M**



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# Part 2

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# Executive Budget Impact

The impact of the executive budget on the Marion CSD 24-25 budget and 25-26 and beyond.

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# Executive Budget Impact for 24-25



- Governor's budget removes "Save Harmless"
- Save Harmless protected schools with declining enrollment (small, rural schools)
- Result = **-13.5%** in Foundation Aid, instead of our estimated 0%
- This is equal to **-\$1.2M in 24-25 and -\$1.7M in 25-26 and beyond**

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# Executive Budget Impact for 24-25



- 2% Tax Cap, -13.5% Foundation Aid, 4% collective bargaining increases, 10% health care increase, inflation
- Leaves a **total budget gap of \$3.5M**
  - Need to cut **additional \$1.2M** over our original budget estimate, **\$2.5M in total cuts**

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# Part 3

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## Next Steps

Our ability to close the gap and advocacy options.

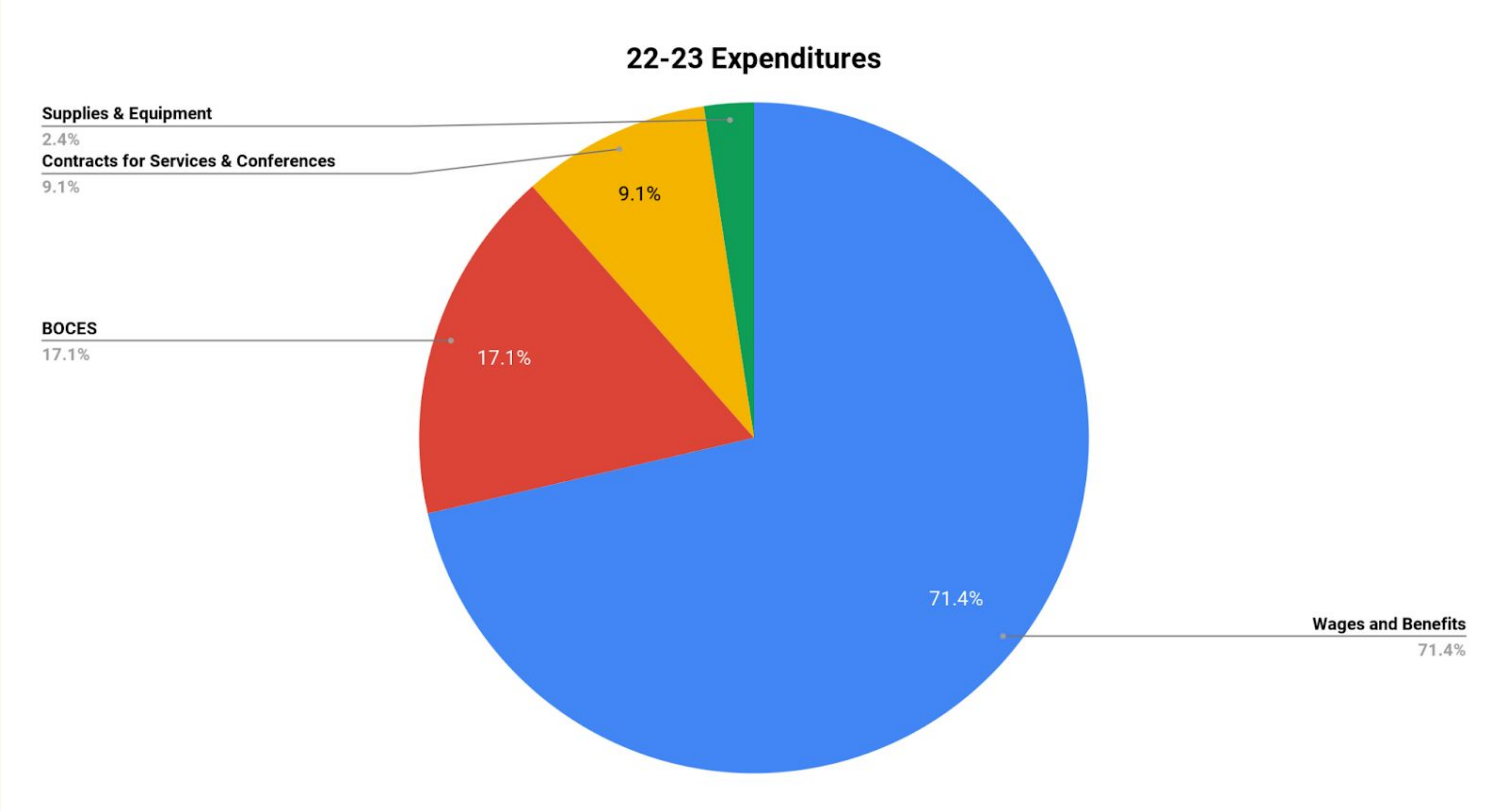
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# Our ability to close the gap



- Cut expenses
- Appropriate money from this year's budget
- Utilize money from reserves, but only specific amounts
- Levy taxes

# Cutting Expenses



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# Appropriating Funds



- Excess fund balance from the 23-24 budget that can be used in the 24-25 budget, instead of that money being put into reserves

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# Use of Reserves



- Employee Retirement System Reserve
- Teacher Retirement System Reserve
- Workers' Compensation Reserve
- Districts can only utilize the amount spent each year in these areas; for Marion that represents about \$800,000 in total
- In our draft budget, we had already planned to use \$1.1M in reserves and appropriated fund balance



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# Levy Taxes



- Can generate revenue through taxes
- Tax cap is set at 2%
- **2% tax** in Marion raises **\$150,000** for the District
- NYS Districts can override the tax cap with a 60% or greater supermajority vote

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# Key Points



- Marion is a small District that does big things for students
- Marion CSD is the largest employer in Marion
- Our students deserve great programming
- Programming for students will be impacted - academic, social emotional and extracurricular
- **We need to advocate for our students and our community!**

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# How you can help: Advocacy!

**Reinstate Save Harmless and fix the school funding formula!**

**Governor Kathy Hochul**

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**Letter templates will be posted at [www.marioncs.org](http://www.marioncs.org).**