The 2023-2025 Tupper Lake CSD Budget

Budget season is upon us, and I'd like to provide some information on the development and the details in this year's process. I feel like it's important for me to make clear where we are as a District financially and how we got here. There is a lot of information floating about, and unfortunately not all of it is fully accurate. I don't think I can blame anyone too harshly for that, the specifics of NYS School Finance are overwhelming when you live in them every day, for those that do a drive-by once a year or so it can easily boggle the mind.

First, here are some important pieces of information intended to put what we do here at TLCSD into context:

District	20	23-24 PPE
Long Lake CSD	\$	51,775.00
Lake Placid CSD	\$	27,622.00
St. Regis Falls CSD	\$	25,331.00
Salmon River CSD	\$	23,602.00
Saranac Lake CSD	\$	22,898.00
Malone CSD	\$	20,500.00
TUPPER LAKE CSD	\$	19,897.00
Chateaugay CSD	\$	19,806.00
Brushton Moira CSD	\$	18,439.00

This is the **Per Pupil Expenditure** (PPE) for all of the districts in the FEH BOCES region. You'll see that Tupper Lake is 7th out of 9 schools... and to be clear, that isn't a number I'm particularly proud of. I am, however, overwhelmingly proud of the work our teachers and staff do given the resources we are provided. We are used to doing more with less, but there are limits to what we can ask them to do effectively.

District	20)23-24 PPE	2024-25 Increase
Long Lake CSD	\$	51,775.00	4.20%
Lake Placid CSD	\$	27,622.00	3.38%
St. Regis Falls CSD	\$	25,331.00	-2.81%
Salmon River CSD	\$	23,602.00	4.80%
Saranac Lake CSD	\$	22,898.00	3.50%
Malone CSD	\$	20,500.00	9.09%
TUPPER LAKE CSD	\$	19,897.00	-2.08%
Chateaugay CSD	\$	19,806.00	7.93%
Brushton Moira CSD	\$	18,439.00	11.11%

The two Districts who spend less than we do are increasing their expenditures significantly in the coming year while ours are decreasing. My concern is that this trend could leave our students falling behind over time. Education is a manpower-based business. Salaries and benefits are, by far, our most significant cost. In the current climate with the teacher shortages that exist, how does a district with fewer resources attract educators in a highly competitive market?

TUPPER LAKE CSD

Here are some questions I think you want answers to:

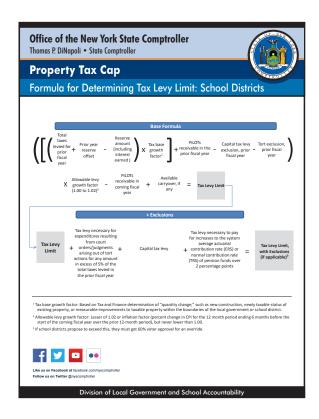
How did we end up with a \$1.7M deficit?

This can be answered in a fairly straightforward manner, but it comes in three parts:

- a. Roughly \$1.1 M in Federal COVID funds that we began receiving in 2021 are set to run out in September. You might have noticed that we haven't replaced many positions that have become vacant in the past year or two if we could help it. Yes, we have replaced a couple... because there is always hope that we will be able to retain the things that we offer kids. But alas, it was not to be. So if you add up all of the positions that have been left vacant from 2022 to today, what appears on paper to be 16 or 17 cuts, actually resulted in roughly 5 or 6 of those "terrible conversations" that every administrator hates having and every teacher hates thinking about. The majority of these positions have been vacant or will become vacant at the end of this year without someone "losing their job" in many cases.
- **b.** A few years ago we proposed a budget with a modest 3.06% tax levy increase and it passed *by a margin of only 8 votes*. In subsequent years, portions of the District's fund balance (roughly \$350,000 in each of two years) were used to offset the tax levy and we did not levy the full tax cap amount available out of fear that a budget with the full levy might not get the support it needed to pass. In an effort to minimize the financial impact on the community, we "left money on the table" as they say in the business office. And now the full impact of those decisions is at our doorstep. We were always going to get to the point we are at right now, but we're there now in one larger step instead of a few smaller steps. You always hope that election cycles will offer up more funding as they sometimes have in the past, but that hasn't happened recently.
- **c.** Voters also approved a Capital Project referendum in October of 2023 to improve, repair, and replace a number of TLCSD's facilities and structures. This year's tax levy includes a portion of that project's previously discussed increase in costs.

Okay, get to the bottom line. What's the impact?

A tax levy increase of 8.75% equates to an increase of (and this is an estimate, since the final property valuation figures aren't approved until August, but we can predict with a reasonable degree of certainty) **roughly \$137 per year, per \$100,000 of home value**. I don't want to minimize that figure, because it hurts everyone who has to pay it. But it's important to remember that schools are buying food, supplies, fuel, paying the electric and heating bill, etc... at the same rate as everyone else. The rising cost of everything is passed on to us as well.



I thought there was a 2% tax cap.

Sort of. There is a tax cap... it is almost never actually 2%. The absurdly complex formula to the left is how we calculate what the actual amount of the tax levy is.

TLCSD's allowable tax cap increase this year is 9.18%. We have opted again not to levy the full amount out of concern for the financial strain on the community. The State of NY assumes that the full amount will be levied, and next year's State Aid will suffer slightly because we are not, but at some point you have to make a decision about what is enough.

I include this calculation not so you can plug in numbers and do the math, but just to point out the complexity of what goes into the calculation.

And what happens if the budget doesn't pass?

We will have some unbearably hard decisions to make. When voters reject a school budget, the Board of Education has three options under the law:

- submit the same budget for a second vote;
- submit a revised budget for a second vote; or
- adopt a contingency budget.

If the budget is rejected a second time, the board *must* adopt a contingent budget. The tax levy under a contingent budget can be no greater than the tax levy of the prior year (that is, no tax levy increase). That would mean looking for an additional \$800,000 in cuts, and there certainly isn't a lot of wiggle room to remove much from where we are now. More cuts would mean we need to start carving away opportunities that round out and make the school experience whole in the name of preserving what we *have* to provide in order to meet legal requirements. Nobody wants that.

I hope this helps to clarify an incredibly complex situation. If you have questions, please reach out, and encourage others to do so as well. The TLCSD Public Budget Hearing will be held on Monday, May 13th at 6pm in the TLMHS Auditorium. Please attend and bring others who have questions as well!!

Overall Budget Proposal	Budget Adopted for the 2023-24 School Year	Budget Proposed for the 2024-25 School Year	Contingency Budget for the 2024-25 School Year *
Total Budgeted Amount, Not Including Separate Propositions	\$ 22,383,780	\$ 21,918,837	\$ 21,083,387
Increase/Decrease for the 2024-25 School Year		\$ (464,943)	\$ (1,300,393)
Percentage Increase/Decrease in Proposed Budget		(2.08) %	(5.80) %
Change in the Consumer Price Index		3.88 %	
A. Proposed Levy to Support the Total Budgeted Amount	\$9,548,000	\$ 10,383,450	
B. Levy to Support Library Debt, if Applicable			
C. Levy for Non-Excludable Propositions, if Applicable **			
D. Total Tax Cap Reserve Amount Used to Reduce Current Year Levy			
E. Total Proposed School Year Tax Levy (A + B + C - D)	\$ 9,548,000	\$ 10,383,450	\$
F. Total Permissible Exclusions	\$ 693,824	\$ 1,328,100	
G. School Tax Levy Limit, <u>Excluding</u> Levy for Permissible Exclusions	\$ 8,854,566	\$ 9,096,503	
H. Total Proposed School Year Tax Levy, $\underline{\text{Excluding}}$ Levy to Support Library Debt and/or Permissible Exclusions (E – B – F + D)	\$ 8,854,176	\$ 9,055,350	
Difference: G – H (Negative Value Requires 60.0% Voter Approval – See Note Below Regarding Separate Propositions) **	\$ 390	\$ 41,153	
Administrative Component	\$ 2,726,546	\$ 2,006,253	\$ 2,006,253
Program Component	\$ 15,864,054	\$ 15,277,007	\$ 14,441,557
Capital Component	\$ 3,793,180	\$ 4,635,577	\$ 4,635,577
In the event that it is necessary to adopt a contingency budget, the district woul removed by education law.	d need to cut an addition	nal \$835,450 including th	ose items required to be

	Under the Budget Proposed for the 2024-25 School Year
Estimated Basic STAR Exemption Savings ¹	\$ 398

The annual budget vote for the fiscal year 2024-25 by the qualified voters of the Tupper Lake Central school district, Franklin County, New York, will be held at Tupper Lake Middle/High school in said district on Tuesday, May 21, 2024 between the hours of 12:00pm and 8:00pm, prevailing time in the Tupper Lake Middle/High School Library, at which time the polls will be opened to vote by voting ballot or machine.

^{1.} The basic school tax relief (STAR) exemption is authorized by section 425 of the Real Property Tax Law.