

# **Akron Central School District Long-Range Financial Plan June 1, 2023**

## **Board of Education**

Ryan Allen  
Heather Cayea  
James Grant  
Phillip Kenline  
Robert Masse  
Kristy Pingitore  
Erik Polkowski

## **Superintendent of Schools**

Patrick D. McCabe

## **District Administrators**

Andrea Kersten, Director of Educational Services  
Timothy Dunham, Director of Special Education  
Cynthia M. Tretter, School Business Administrator

## **Building Level Administrators**

Steven Dimitroff, High School Principal  
Joseph Caprio, Middle School Principal  
Todd Esposito, Elementary Principal  
Kevin Wartinger, Director of Interscholastic Athletics, PE and Health/Wellness  
Mary Fial, Assistant Principal  
Caroline Kos, Assistant Principal

## **District Supervisors**

Kurt Helmich, Director of Facilities I  
Mark Alexander, Director of Transportation  
Sara Alexander & Kathleen Nicholas, Cook Managers  
Paul Kowalski, Director of Technology

The following excerpt was taken from the article *Long Term Financial Planning for Districts* by Shayne Kavanagh, originally published in the November 2007 issue of School Business Affairs:

*Public schools are facing a period of transition. New sources of fiscal distress, demographic shifts such as the aging population and the increasing size of minority groups, and globalization are transforming the education landscape. Each of these transitions has important implications for public education.*

*Long-term financial planning is an indispensable complement to annual budgeting. A long-term financial plan is commonly associated with its most conspicuous technical element: long-range revenue and expenditure projections. However, true financial planning entails much more. A long-term plan articulates the present and future educational needs of the community, the actions the district must take to meet those needs, and how those activities will be funded.*

*With a long-term financial plan serving as an overarching framework, annual budgets can be linked in an integrated program to address long-term issues, such as the need to adapt the curriculum to a changing student body and to the changing world. Further, long-term planning allows a consistent and stable provision of educational programs over time and prevents the initiation of projects or programs that may need to be abandoned later because of the district's inability to finance them.*

*Financial planning is essential to meeting the complex challenges that public schools will face in the coming years. It helps districts create funding strategies for consistent educational programs over a multiyear period.*

*Planning also helps identify and finance long-term strategies to address critical issues that are particular to the district, such as coping with growth, adapting to changing student demographics, or meeting federal or state educational standards. In short, financial planning enables the district to deliver the best value possible to the community and its children.*

## **Global Questions to consider:**

Do we engage in a routine annual financial review process?

Does our review include an updated multi-year financial projection?

How do we use this projection?

Is the format of our financial review process enhancing communication between District stakeholders?

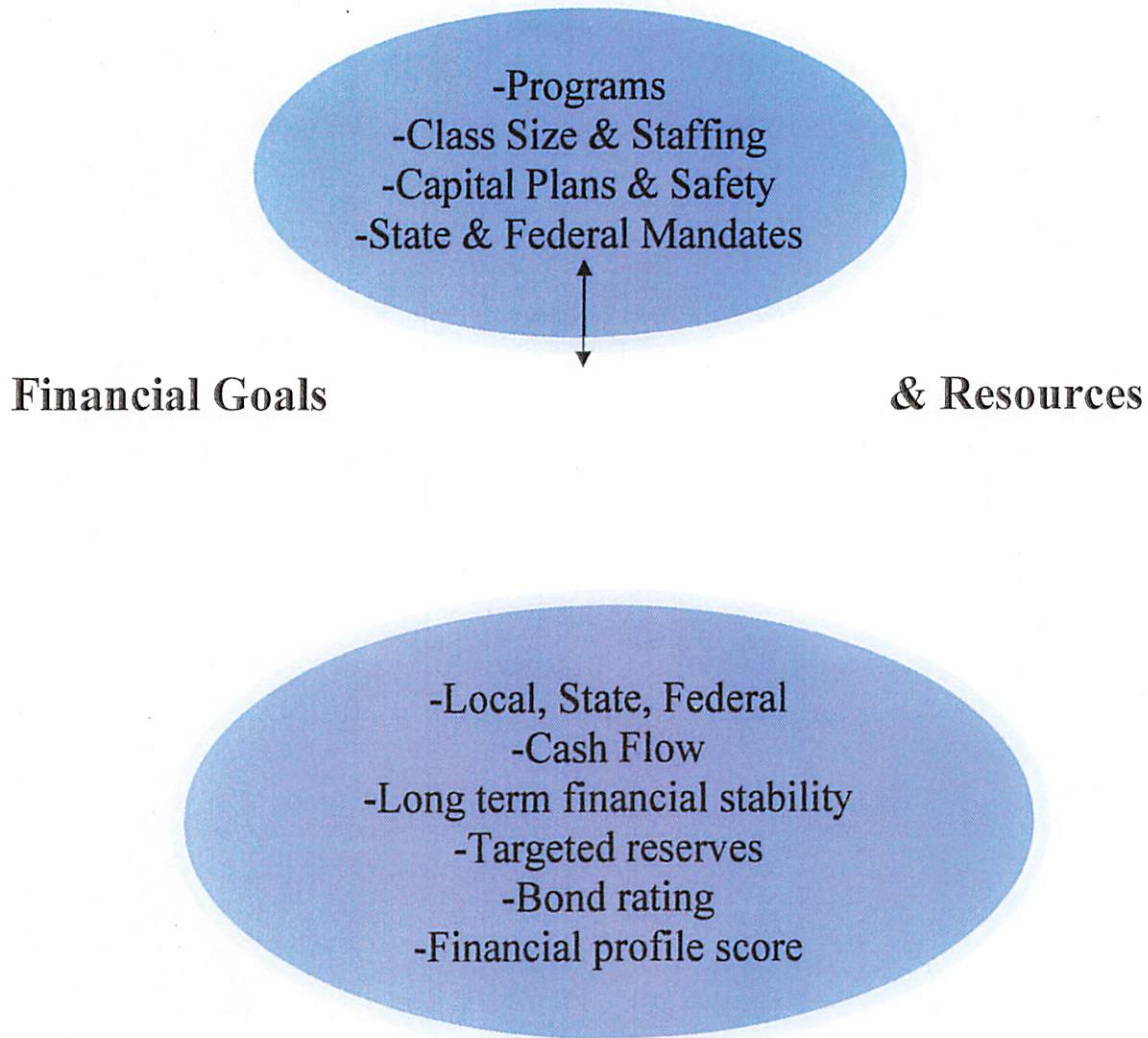
Does our financial review process help align district financial resources with educational goals?

Has the district provided the Board with a summary of district initiatives along with associated outcomes and measures of success?

How do those initiatives become integrated with the financial plan of the district and on what basis does the Board measure results?

# Alignment of Education and Finance

## Educational Goals & Requirements

- 
- Programs
  - Class Size & Staffing
  - Capital Plans & Safety
  - State & Federal Mandates

Financial Goals

& Resources

- Local, State, Federal
- Cash Flow
- Long term financial stability
- Targeted reserves
- Bond rating
- Financial profile score

Do the dollars we spend achieve our educational goals and objectives.....?

## **Overview:**

Until recently, long-term financial plans were generally only required of cities and counties that were already in fiscal crisis and under the management of State-imposed control boards. More recently, however, planning has been actively promoted by the State.

A multiyear financial plan projects revenues and expenditures for several years into the future. Unlike a multiyear budget, it does not authorize expenditures (although it should be linked to the current budget). Instead, it illustrates what will happen to a government's ability to pay for and provide services, given a set of economic assumptions. These projections help policy makers assess expenditure commitments, revenue trends, financial risks and the affordability of new services and capital investments.

The following elements are contained within the plan:

Revenue Projections: These demonstrate trends in existing revenue streams to illustrate the level of available resources given current policy and projected economic assumptions.

Expenditure Projections: These estimate the future costs of current services adjusted for inflation and known obligations (such as collective bargaining increases or lease escalations).

Annual Deficits/Surpluses: Comparisons of projected revenues and expenditures can highlight budget imbalances that often widen in future years.

Reserves/Fund Balances: These reflect the reserves (both dedicated and unspecified) available to school districts to help endure short-run fiscal pressures such as revenue shortfalls or unanticipated expenditures.

## **Akron Analysis:**

Beginning in 2009, the District began using its long range fiscal plan to help project revenues and expenditures and to provide a financial roadmap to the future. From the start, it became clear that with sustained cuts to NYS aid, the growth in district expenditures would outpace the growth of district revenues, resulting in large future general fund deficits.

Projections contained within this long-range financial plan include cost data relating to the 2022 Strategic Plan as developed by stakeholders as well as the technology estimates related to 1:1 device replacements.

## **Understanding Financial Projections**

Projections are a living, breathing element of the financial review and planning process. They are dynamic and subject to constant change. Results are dependent on the quality of the data that is entered into the projection as well as the assumptions utilized within the model.

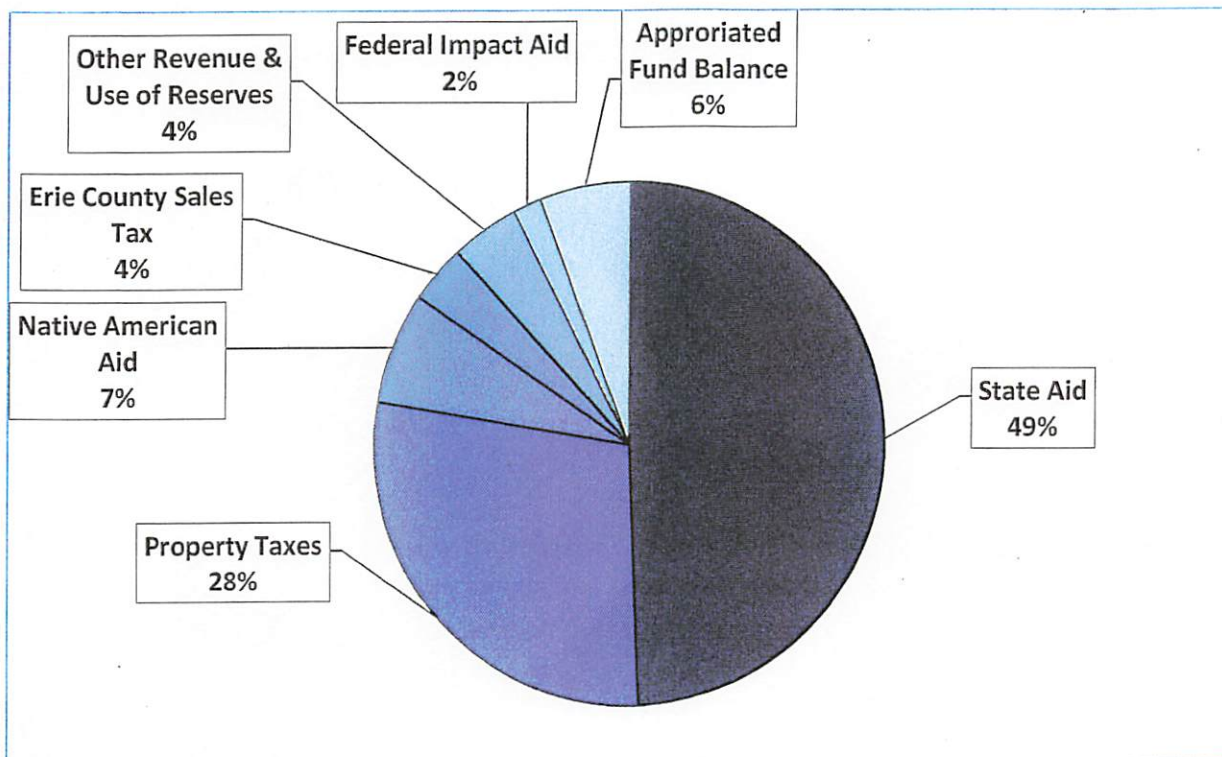
Historical data includes audited financial statement amounts for revenues and expenditures, assessed values for property tax computations, and enrollment data reported to NYS. Current data includes budget details, staffing levels, economic indicators, etc. Future data is based on assumptions that incorporate trends for enrollment and assessments, CPI, state funding for foundation aid as well as categorical and expense based aids, contract and salary agreements, employee benefit costs, building needs, and educational initiatives.

Forecasts are based on accurate budget data with a concentration on known variables.

## Long-Range Financial Plan – General Fund Revenues

2023-24 Budget Projections include the use of \$450,000 in Employee Retirement System reserves and \$500,000 in Teacher Retirement System reserves. In addition, the district plans to use \$2,100,000 in budget savings from previous years to fund expenses in 2023-24. New York State Aid amounts reflect the estimated NYS budget amounts as of April 2023 adjusted for local knowledge of factors not incorporated into the NYS published figures.

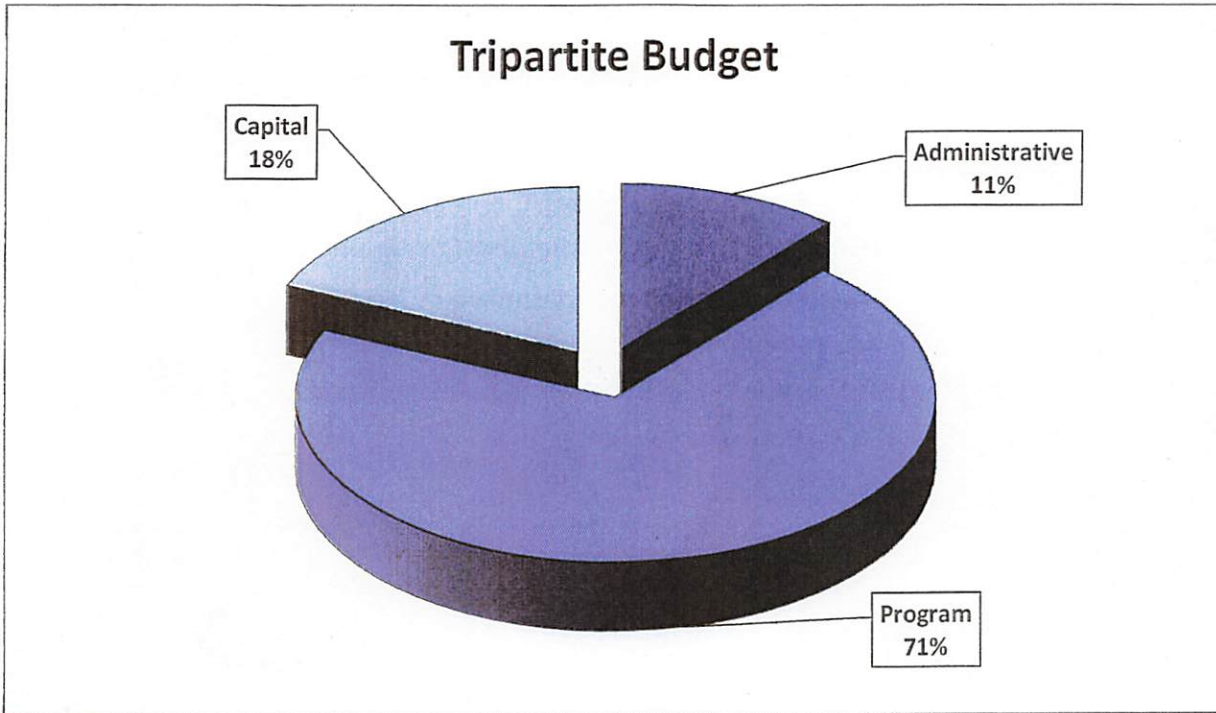
Projected tax revenue amounts include a 1% levy increase, well below the tax levy cap, which was calculated at 16.18%. Remaining projections include a \$100,000 projected increase for Erie County Sales Tax, a \$200,000 increase in our Native American Tuition, and \$137,000 in BOCES refunds and other miscellaneous line items based on prior year collections. Other revenue categories remained relatively stable from previous years. It is important to indicate that the District was notified in March 2016 that NYS processed the Final Cost Report for the 2010 building project. Although the District filed that report on time in 2011, the state did not process that filing until 2016 which resulted in an underpayment of four years of building aid. Akron Central School will receive an additional \$529,892 in building aid as state funds become available for payment. New York State estimates that Akron will receive that payment sometime in 2032.





### **Long-Range Financial Plan – General Fund Expenditures**

Projected expenditures are based on average contractual increases for salaries less an average savings from projected attrition of positions, 3.5% increases in overall employee benefits (health insurance, retirement social security) adjusted for known factors, and modest increases in other expenditure categories. Cost containment continues to be a focus as we continue to work toward targeting resources on prioritized student needs.



### **Long-Range Financial Plan – General**

Projections of annual budget surplus/deficit amounts reflect that projected expenditures will outpace projected revenues. The District will need to monitor and assess these outlying years and adjust their spending plans accordingly to stay within their fiscal means.

Without the benefit of knowing all future variables, it is impossible to predict with clarity the details of upcoming budgets. This financial plan is intended to provide continually updated information to enable decision-makers the opportunity to react appropriately.



## **The Importance of Clear Roles for Stakeholders**

Clear roles for stakeholders allow for an effectively managed, broad base of participation that takes into account stakeholders' central issues so they can be accounted for in the planning process.

**School Board** – The board has ultimate fiduciary responsibility for the district, and must be an integral part of the financial planning process. The board leads in making policy-level decisions, such as articulating a broad, strategic vision; setting program goals; and sponsoring strategies for financial balance.

**Superintendent** – The superintendent implements the board's vision and serves as the leader of the planning process. The superintendent also networks with organizations outside the district to extend planning capabilities.

**School Business Administrator** – The SBA drives the planning process on a day-to-day basis. Given that the focus in schools is naturally on children, the SBA's role in the financial sustainability of the district relates primarily to the programmatic impact on students. The SBA should spread the message that creating value for the community demands the balancing of educational services and programs with the tax burden placed on the community; long-term obligations like debt, pension costs, and facility maintenance; and considerations of how a consistent level of curriculum quality will be maintained over the long term. Public value is created when the district's programs provide educational outcomes that are of value to the public at a level of resource usage that is within the community's willingness to pay.

**Administrators & Supervisors** – Administrators and supervisors support the process by communicating financial planning issues to school staff and their vision for their particular area. Principals often have much closer contact with parents than district-level officials so are vital to effective communication with the public. At the end of the planning process, administrators and supervisors, together with other local officials, will be lead players in implementing the strategies needed to achieve and maintain financial sustainability.

**Teachers** – Teachers can be involved in committees to evaluate programs and anticipate future curriculum changes and create strategies for reaching fiscal balance. During initial revenue and expenditure forecasting, such committees can use teachers' intimate knowledge of students' needs to reveal possible curriculum changes, which would then suggest potential future costs.

Support Staff – Support staff, too, can provide suggestions for reducing costs by participating on committees that focus on issues related directly to their jobs.

Parents – Parents should be asked for feedback on issues central to the future of the district through surveys, specialized focus groups, parent-teacher associations, and similar strategies. This participation is vital to building public trust and confidence in the school.

## **Need for Financial Policies**

Financial policies describe the standards for financial stewardship to which the district will hold itself. An example reads:

*The board seeks to engage in thorough and advanced planning, with broad-based board, staff and community involvement, in order to develop financial plans which will achieve the greatest educational returns in relation to dollars expended.*

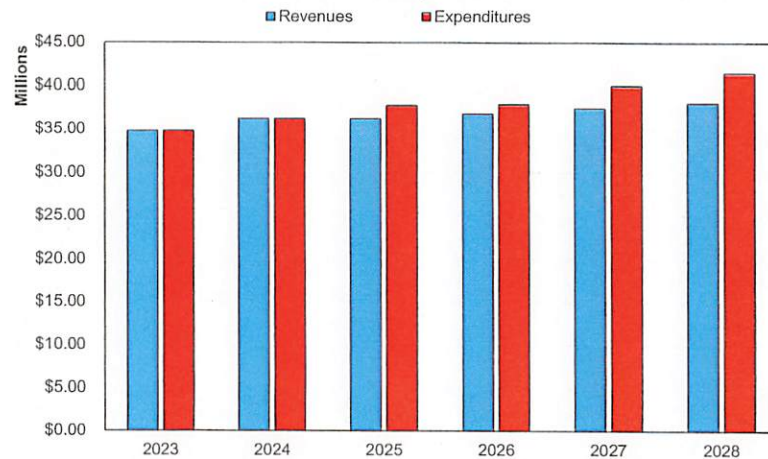
Policies concerning the fund balance level to be maintained, the permissible levels and uses of debt, cost-recovery goals for fee-based programs, and the proper role of grants in funding school activities also provide invaluable guidance when creating long-term financial plans and strategies.

## General (A) Fund | Projection Summary

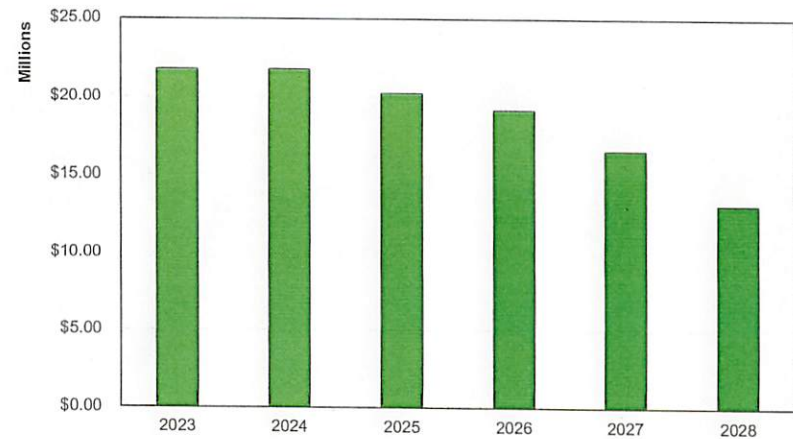
### Akron Central School: 2023 Long Range Financial Plan

	BUDGET		REVENUE / EXPENDITURE PROJECTIONS								
	2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ
<b>REVENUE</b>											
Local	\$14,547,786	\$15,171,775	4.29%	\$15,384,765	1.40%	\$15,602,598	1.42%	\$15,824,863	1.42%	\$16,051,654	1.43%
State	17,441,692	17,860,091	2.40%	18,217,293	2.00%	18,581,639	2.00%	18,953,271	2.00%	19,332,337	2.00%
Federal	125,000	140,000	12.00%	144,200	3.00%	148,526	3.00%	152,982	3.00%	157,571	3.00%
Transfers / Other	2,616,172	3,050,000	16.58%	2,450,000	-19.67%	2,450,000	0.00%	2,450,000	0.00%	2,450,000	0.00%
<b>TOTAL REVENUE</b>	<b>34,730,650</b>	<b>36,221,866</b>	<b>4.29%</b>	<b>36,196,258</b>	<b>-0.07%</b>	<b>36,782,762</b>	<b>1.62%</b>	<b>37,381,116</b>	<b>1.63%</b>	<b>37,991,562</b>	<b>1.63%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	23,055,049	23,864,840	3.51%	24,875,109	4.23%	25,612,899	2.97%	26,509,350	3.50%	27,437,178	3.50%
Other	11,675,601	12,357,026	5.84%	12,838,073	3.89%	12,238,137	-4.67%	13,467,557	10.05%	14,014,512	4.06%
<b>TOTAL EXPENDITURES</b>	<b>34,730,650</b>	<b>36,221,866</b>	<b>4.29%</b>	<b>37,713,182</b>	<b>4.12%</b>	<b>37,851,036</b>	<b>0.37%</b>	<b>39,976,907</b>	<b>5.62%</b>	<b>41,451,690</b>	<b>3.69%</b>
<b>SURPLUS / DEFICIT</b>	<b>0</b>	<b>(0)</b>		<b>(1,516,923)</b>		<b>(1,068,273)</b>		<b>(2,595,791)</b>		<b>(3,460,128)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>21,763,576</b>	<b>21,763,576</b>		<b>21,763,576</b>		<b>20,246,652</b>		<b>19,178,379</b>		<b>16,582,588</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>\$21,763,576</b>	<b>\$21,763,576</b>		<b>\$20,246,652</b>		<b>\$19,178,379</b>		<b>\$16,582,588</b>		<b>\$13,122,460</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>62.66%</b>	<b>60.08%</b>		<b>53.69%</b>		<b>50.67%</b>		<b>41.48%</b>		<b>31.66%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>7.52</b>	<b>7.21</b>		<b>6.44</b>		<b>6.08</b>		<b>4.98</b>		<b>3.80</b>	

**Revenues Vs. Expenditures**



**Year-End Fund Balances**

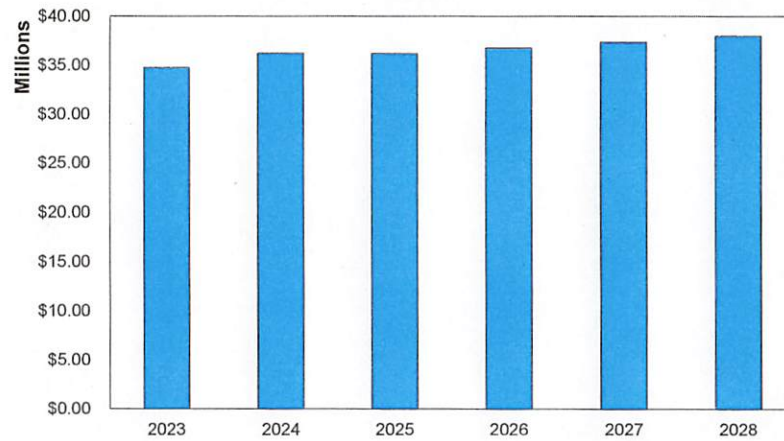


## General (A) Fund | Revenue Projection

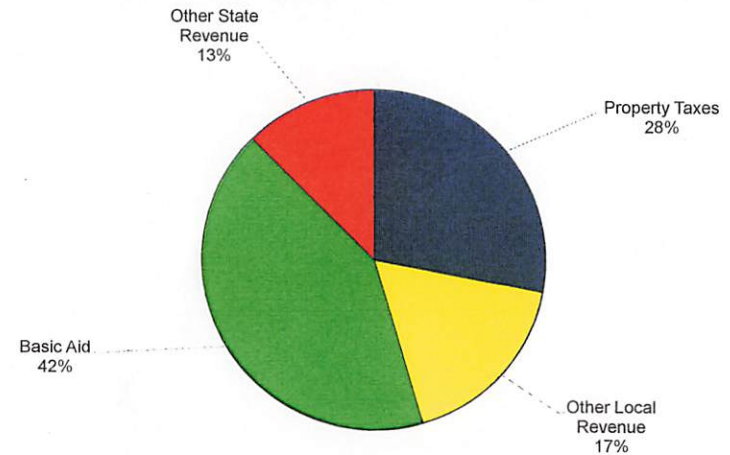
### Akron Central School: 2023 Long Range Financial Plan

	BUDGET 2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ
<b>LOCAL</b>											
Property Taxes	\$8,948,094	\$9,037,575	1.00%	\$9,218,326	2.00%	\$9,402,693	2.00%	\$9,590,747	2.00%	\$9,782,562	2.00%
Other Local Revenue	5,599,692	6,134,200	9.55%	6,166,439	0.53%	6,199,905	0.54%	6,234,116	0.55%	6,269,092	0.56%
<b>TOTAL LOCAL REVENUE</b>	<b>14,547,786</b>	<b>15,171,775</b>	<b>4.29%</b>	<b>15,384,765</b>	<b>1.40%</b>	<b>15,602,598</b>	<b>1.42%</b>	<b>15,824,863</b>	<b>1.42%</b>	<b>16,051,654</b>	<b>1.43%</b>
<b>STATE</b>											
Basic Aid	13,439,713	13,850,820	3.06%	14,127,836	2.00%	14,410,393	2.00%	14,698,601	2.00%	14,992,573	2.00%
Other State Revenue	4,001,979	4,009,271	0.18%	4,089,456	2.00%	4,171,246	2.00%	4,254,670	2.00%	4,339,764	2.00%
<b>TOTAL STATE REVENUE</b>	<b>17,441,692</b>	<b>17,860,091</b>	<b>2.40%</b>	<b>18,217,293</b>	<b>2.00%</b>	<b>18,581,639</b>	<b>2.00%</b>	<b>18,953,271</b>	<b>2.00%</b>	<b>19,332,337</b>	<b>2.00%</b>
<b>TOTAL FEDERAL REVENUE</b>	<b>125,000</b>	<b>140,000</b>	<b>12.00%</b>	<b>144,200</b>	<b>3.00%</b>	<b>148,526</b>	<b>3.00%</b>	<b>152,982</b>	<b>3.00%</b>	<b>157,571</b>	<b>3.00%</b>
<b>OTHER FINANCING SOURCES</b>	<b>2,616,172</b>	<b>3,050,000</b>	<b>16.58%</b>	<b>2,450,000</b>	<b>-19.67%</b>	<b>2,450,000</b>	<b>0.00%</b>	<b>2,450,000</b>	<b>0.00%</b>	<b>2,450,000</b>	<b>0.00%</b>
<b>TOTAL REVENUE</b>	<b>\$34,730,650</b>	<b>\$36,221,866</b>	<b>4.29%</b>	<b>\$36,196,258</b>	<b>-0.07%</b>	<b>\$36,782,762</b>	<b>1.62%</b>	<b>\$37,381,116</b>	<b>1.63%</b>	<b>\$37,991,562</b>	<b>1.63%</b>

Revenue Projection



Current Year Budgeted Revenues by Source



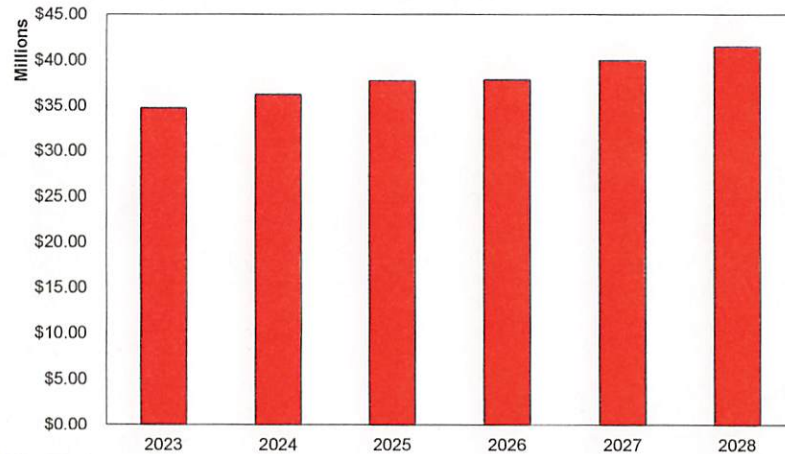


## General (A) Fund | Expenditure Projection

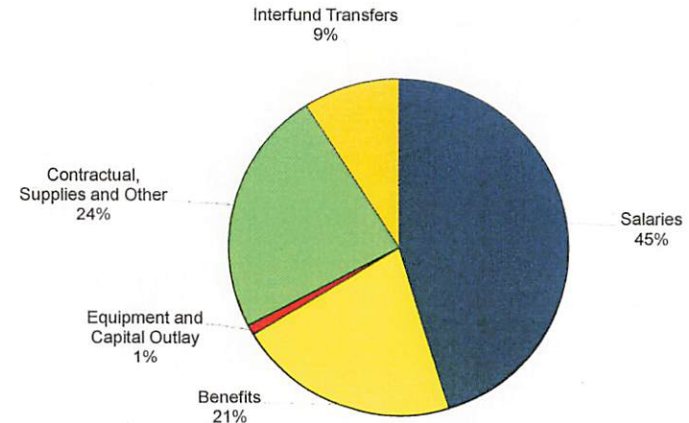
### Akron Central School: 2023 Long Range Financial Plan

	BUDGET	EXPENDITURE PROJECTIONS									
	2023	2024	%\	2025	%\	2026	%\	2027	%\	2028	%\
Salaries	\$15,699,496	\$16,109,115	2.61%	\$16,847,934	4.59%	\$17,304,772	2.71%	\$17,910,439	3.50%	\$18,537,305	3.50%
Benefits	7,355,553	7,755,725	5.44%	8,027,175	3.50%	8,308,127	3.50%	8,598,911	3.50%	8,899,873	3.50%
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>23,055,049</b>	<b>23,864,840</b>	<b>3.51%</b>	<b>24,875,109</b>	<b>4.23%</b>	<b>25,612,899</b>	<b>2.97%</b>	<b>26,509,350</b>	<b>3.50%</b>	<b>27,437,178</b>	<b>3.50%</b>
Equipment and Capital Outlay	325,000	342,218	5.30%	354,196	3.50%	379,978	7.28%	393,277	3.50%	407,042	3.50%
Contractual, Supplies and Other	8,163,019	8,469,216	3.75%	8,959,639	5.79%	9,210,765	2.80%	9,673,142	5.02%	10,006,802	3.45%
Interfund Transfers	3,187,582	3,545,592	11.23%	3,524,238	-0.60%	2,647,394	-24.88%	3,401,138	28.47%	3,600,669	5.87%
<b>TOTAL ALL OTHER</b>	<b>11,675,601</b>	<b>12,357,026</b>	<b>5.84%</b>	<b>12,838,073</b>	<b>3.89%</b>	<b>12,238,137</b>	<b>-4.67%</b>	<b>13,467,557</b>	<b>10.05%</b>	<b>14,014,512</b>	<b>4.06%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$34,730,650</b>	<b>\$36,221,866</b>	<b>4.29%</b>	<b>\$37,713,182</b>	<b>4.12%</b>	<b>\$37,851,036</b>	<b>0.37%</b>	<b>\$39,976,907</b>	<b>5.62%</b>	<b>\$41,451,690</b>	<b>3.69%</b>

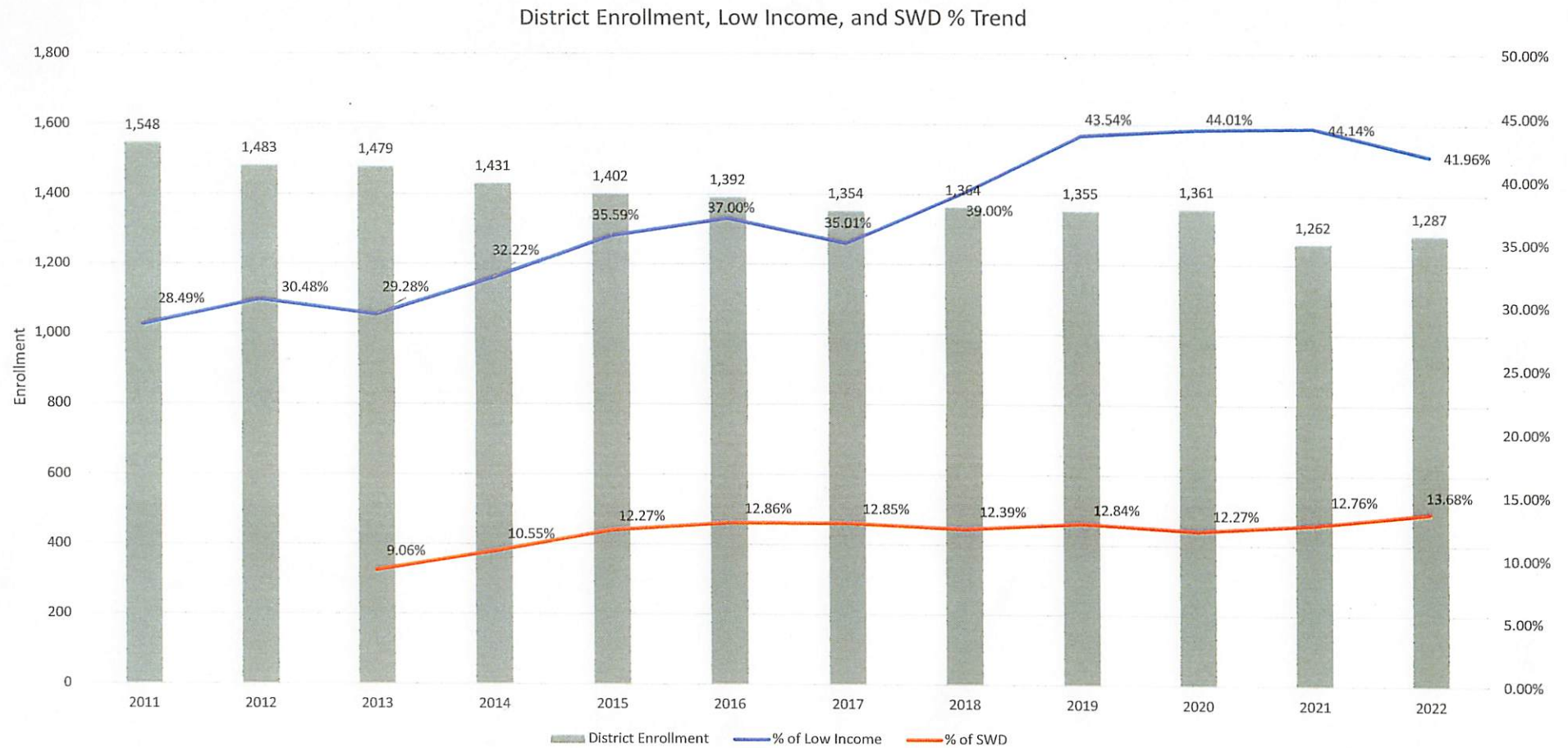
Expenditure Projection



Current Year Budgeted Expenditures by Object

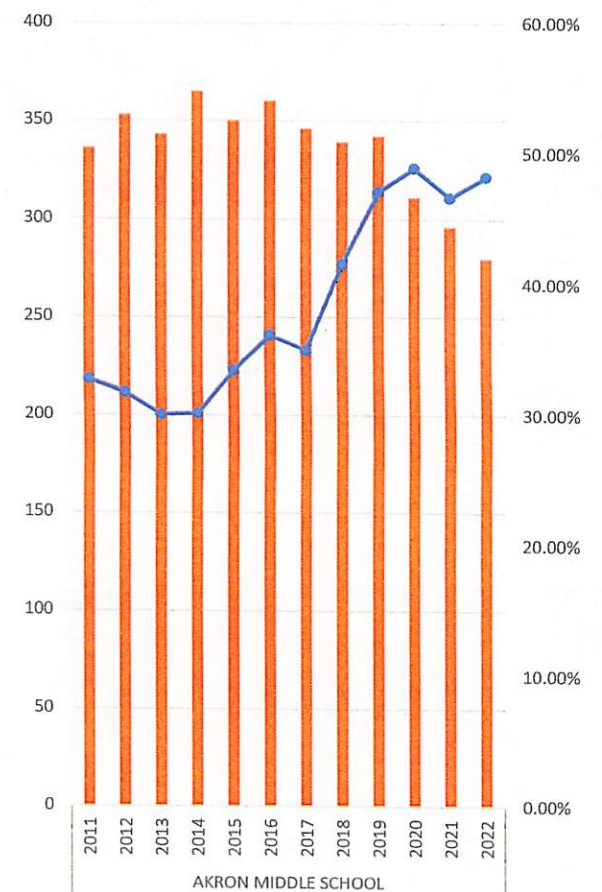
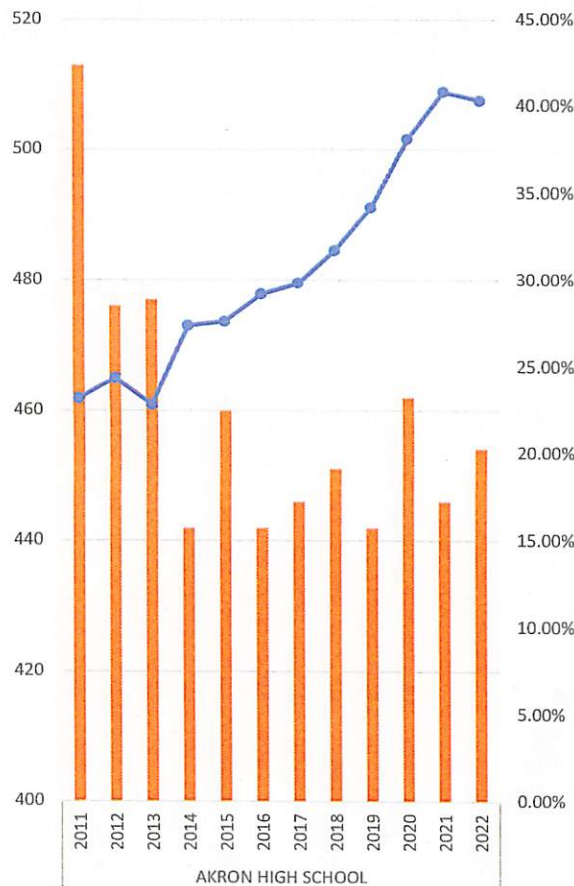
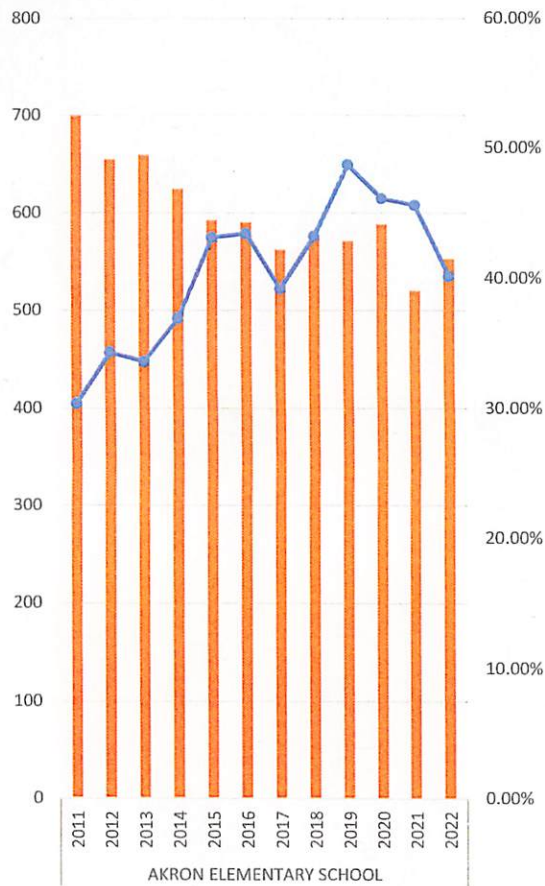


## ENROLLMENT DEMOGRAPHICS DISTRICT ENROLLMENT, % OF LOW INCOME & SWD TRENDS

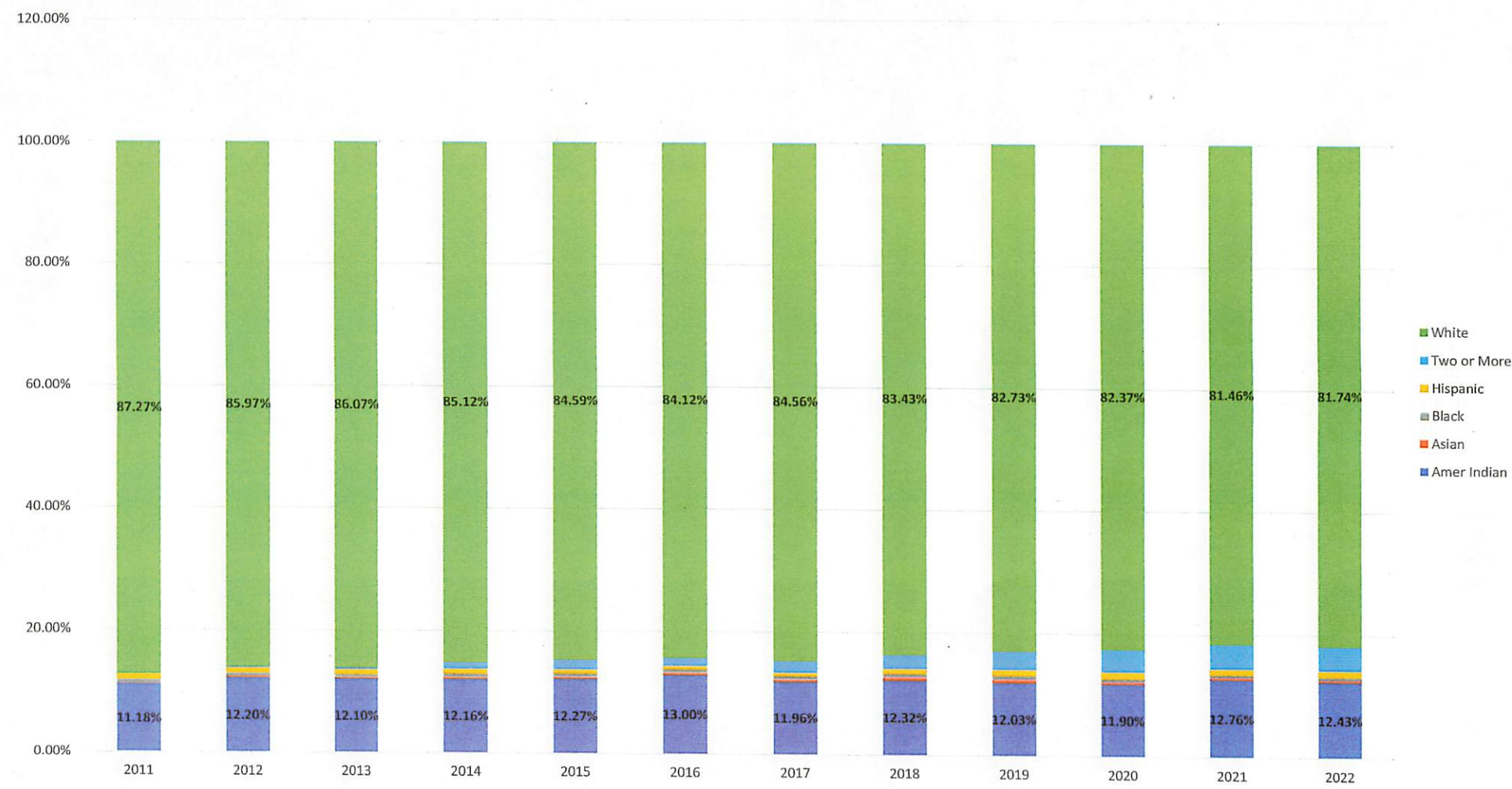




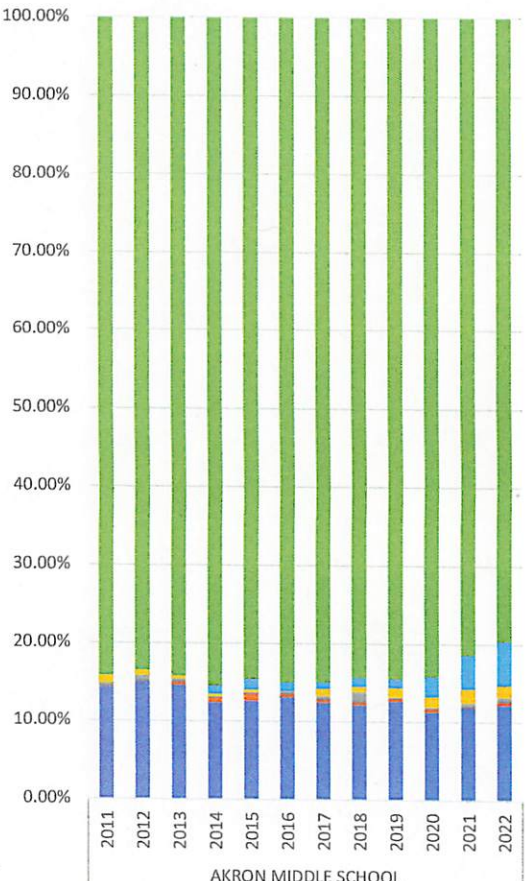
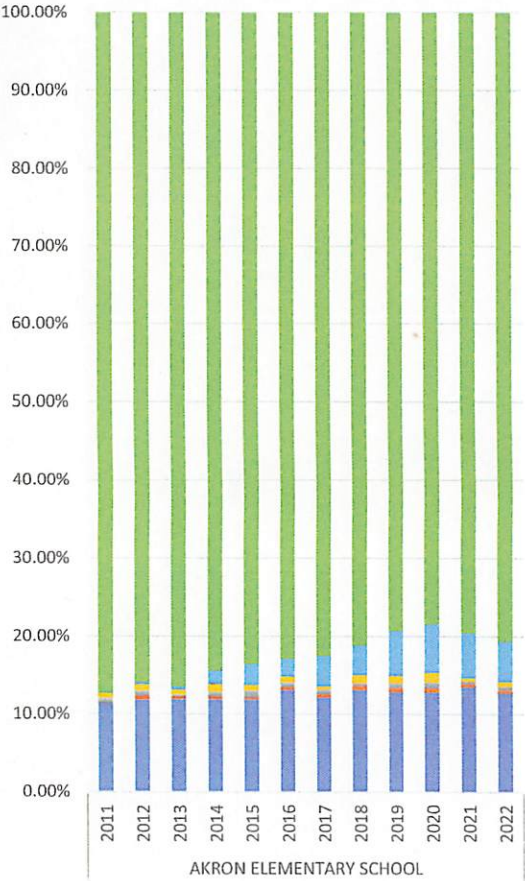
DISTRICT ENROLLMENT - BUILDING BREAKOUT BUILDING LEVEL  
ENROLLMENT, % OF LOW INCOME



DISTRICT RACE ETHNICITY TREND



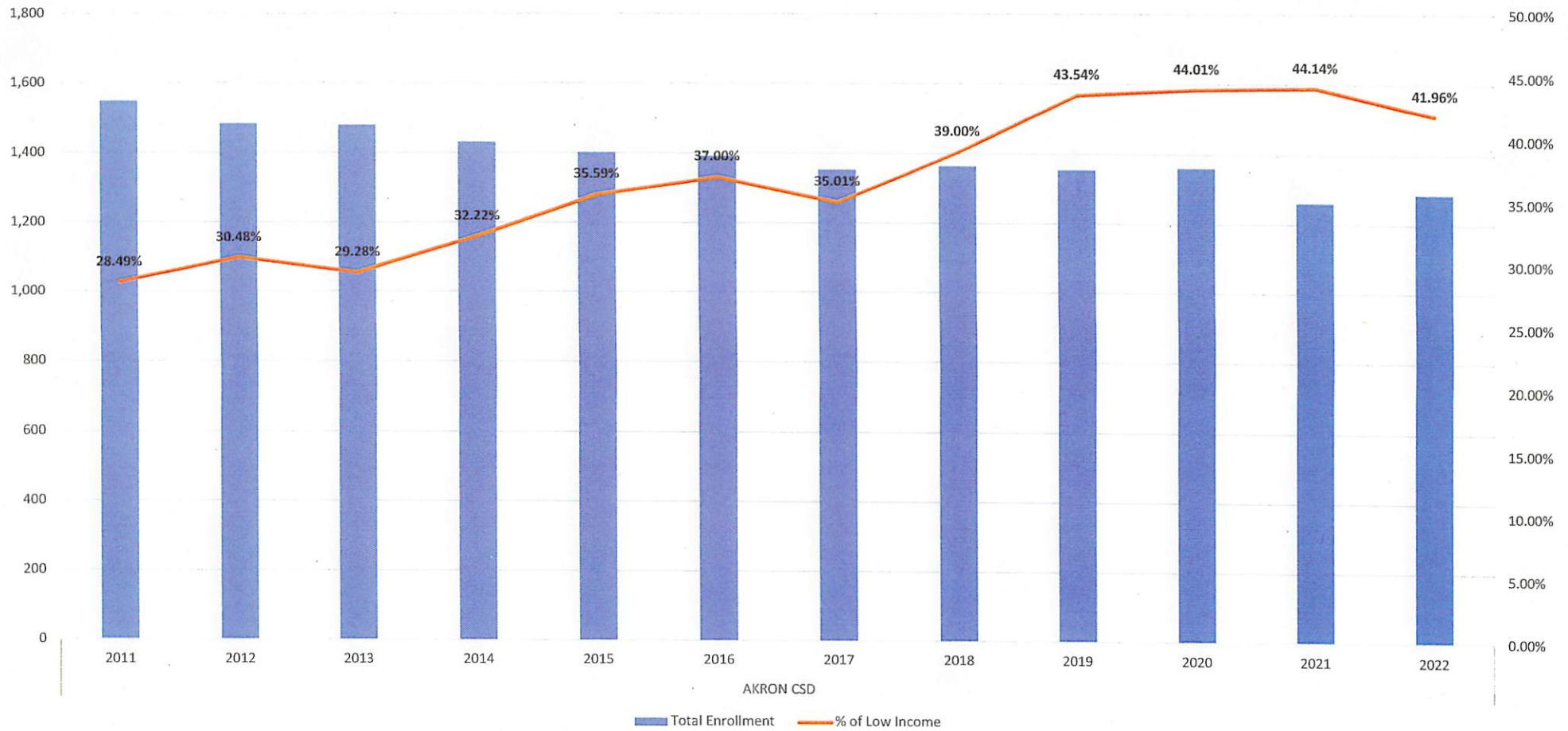
DISTRICT RACE ETHNICITY – BUILDING BREAKOUT



AmerIndian Asian Black Hispanic Two or More White



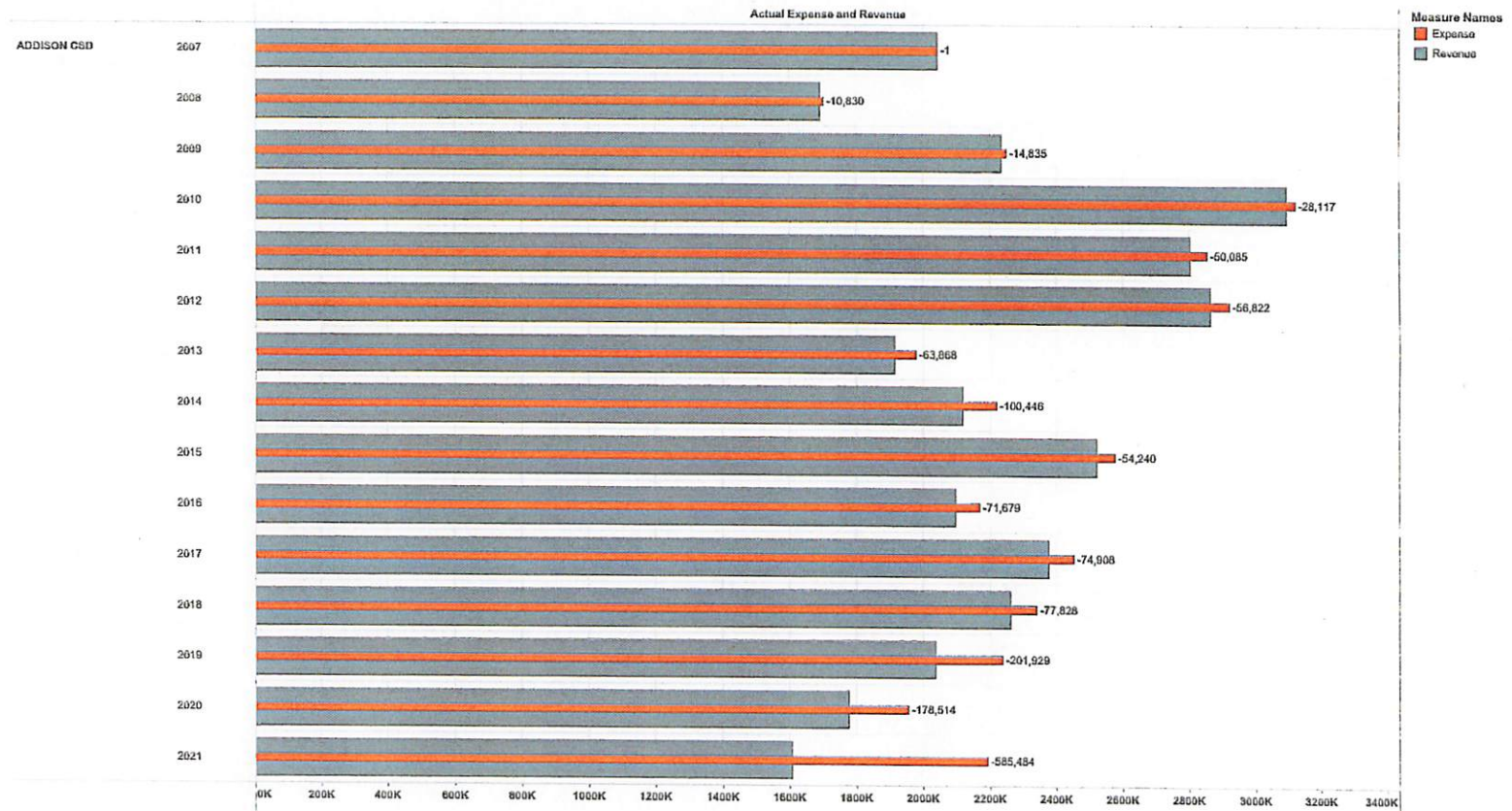
## ASSESSING THE TREND OF HIGHER COST STUDENTS FREE AND REDUCED ENROLLMENT



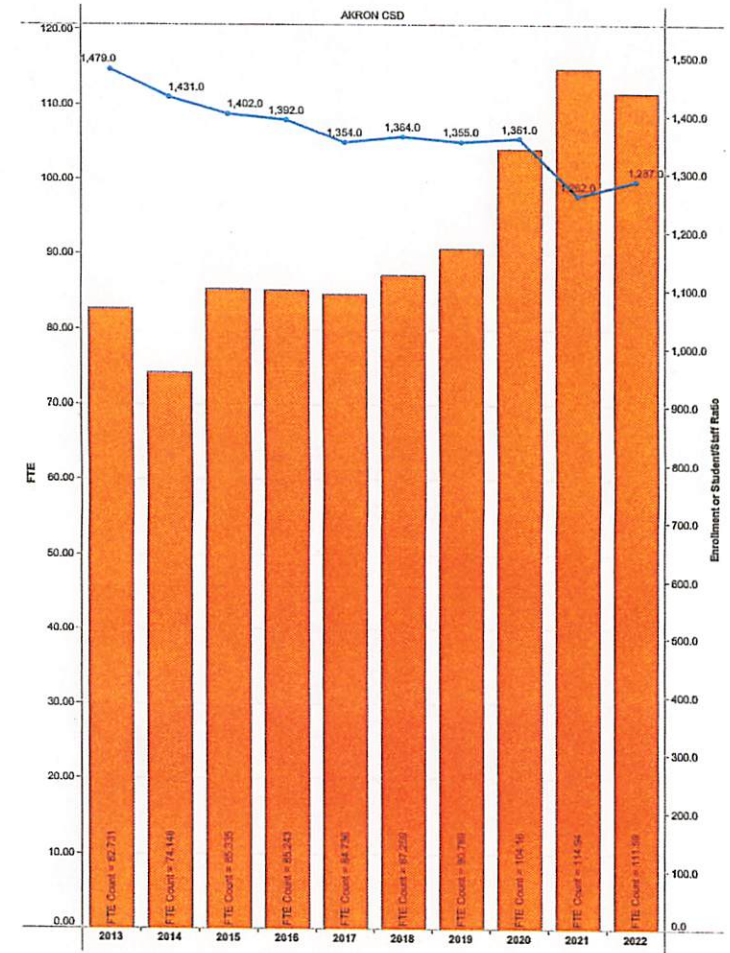
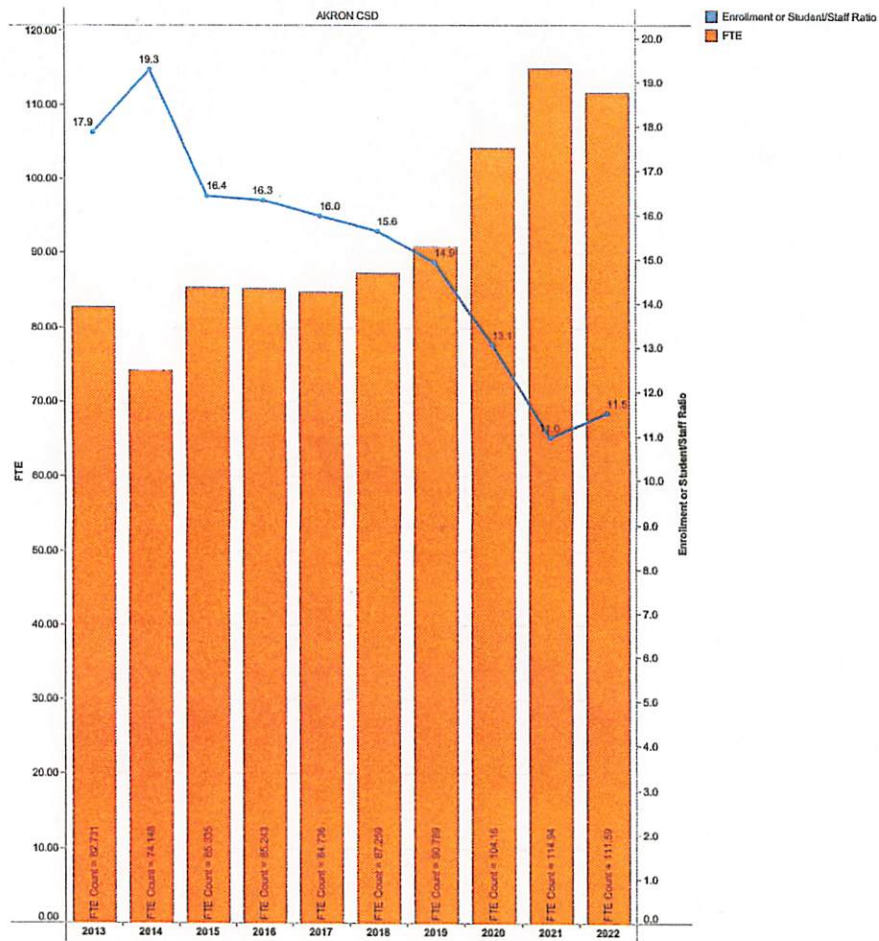
# SPECIAL EDUCATION EVALUATION REVENUE VERSUS EXPENSE HISTORY

## Revenue Versus Expense History Special Education Revenues: Fund F Excluding 2800s & 5000s Expenses: Fund F

Source: NYS ED ST-3 Form. Student count represents Duplicate Combined Adjusted Average Daily Membership (DCAADM) from NYSED Fiscal Profiles. When DCAADM is not available, enrollment is used.



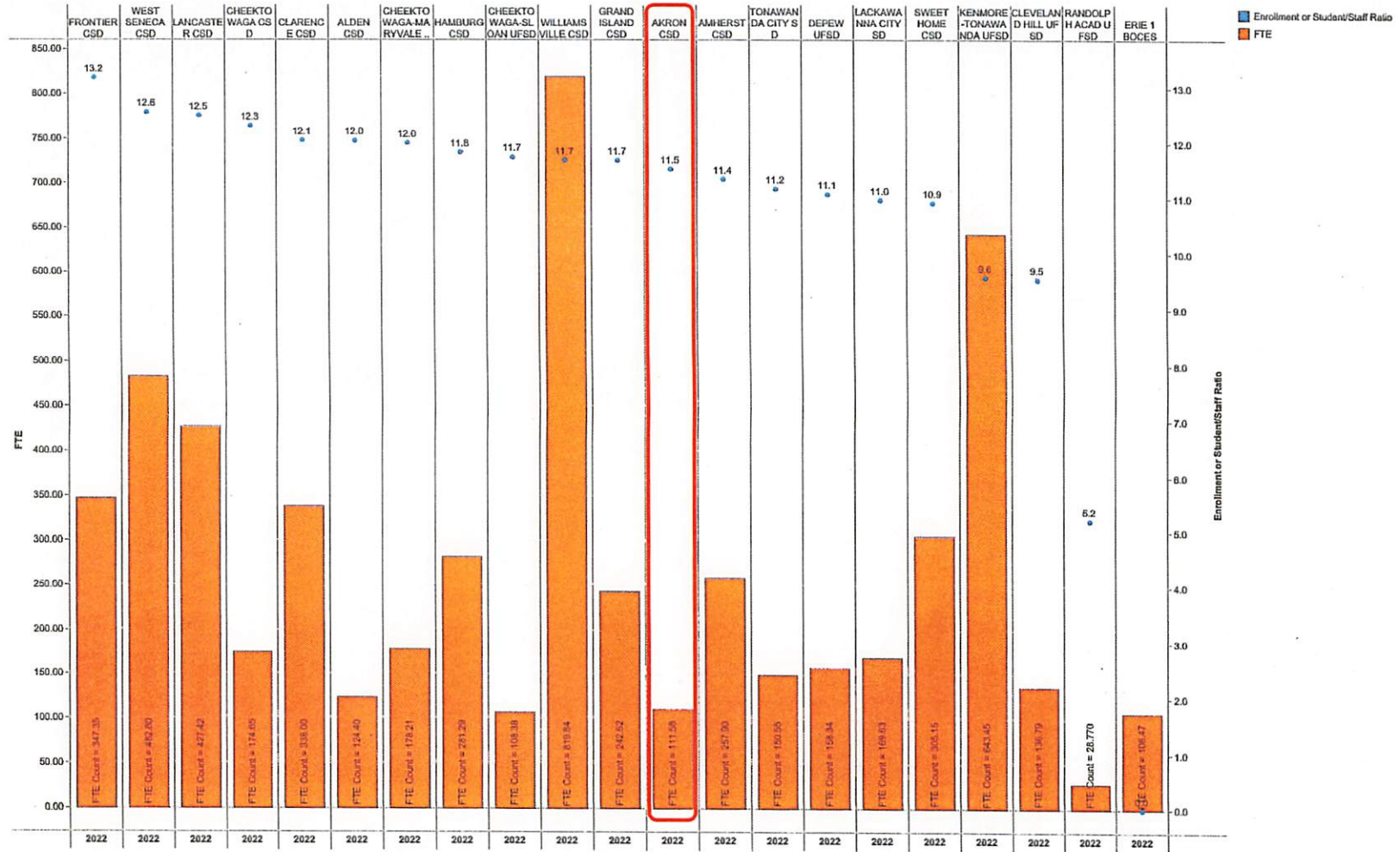
# RESOURCE RATIOS TEACHER FTE WITH STUDENT/STAFF RATIO— TEACHER FTE WITH TOTAL ENROLLMENT



"Teacher" includes: AIS, Special Ed Teacher, Teacher

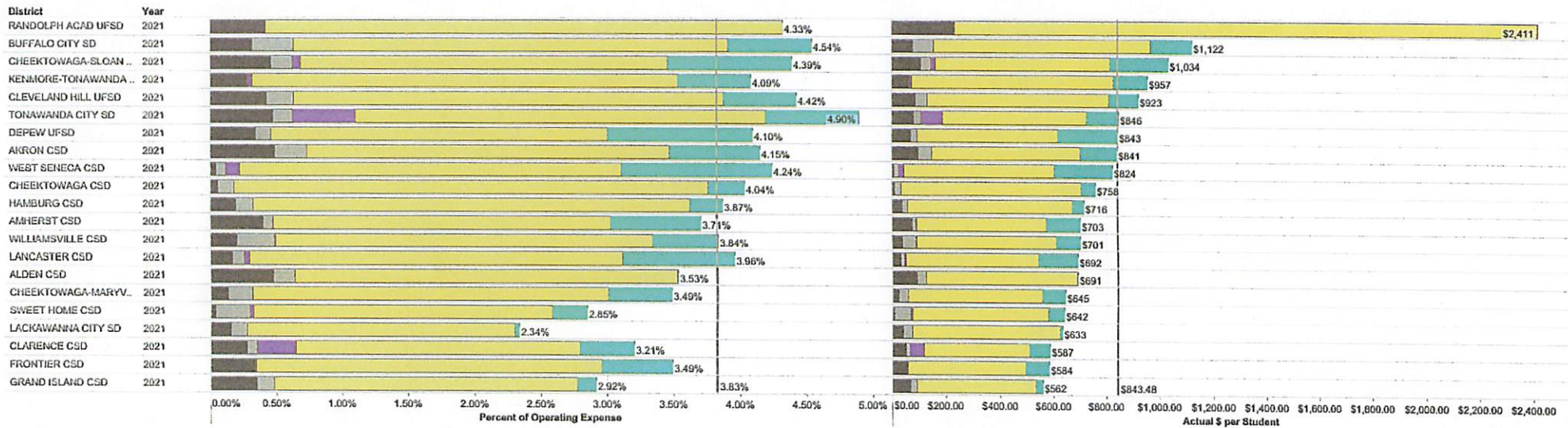


# RESOURCE RATIO COMPARISON TEACHER FTE WITH STUDENT/STAFF RATIO





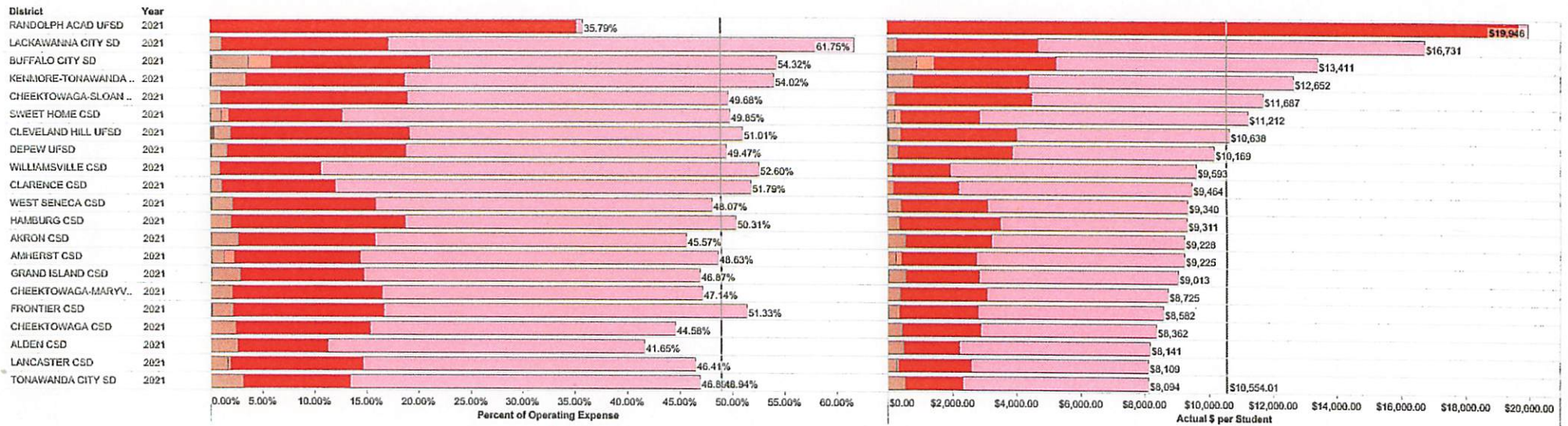
# PER PUPIL EXPENSE COMPARISON INSTRUCTION - ADMINISTRATION & IMPROVEMENT



Display By

- 2010 Curriculum Development and Supervision
- 2020 Supervision - Regular School
- 2040 Supervision - Special Schools
- 2060 Research, Planning and Evaluation
- 2070 Inservice Training - Instruction

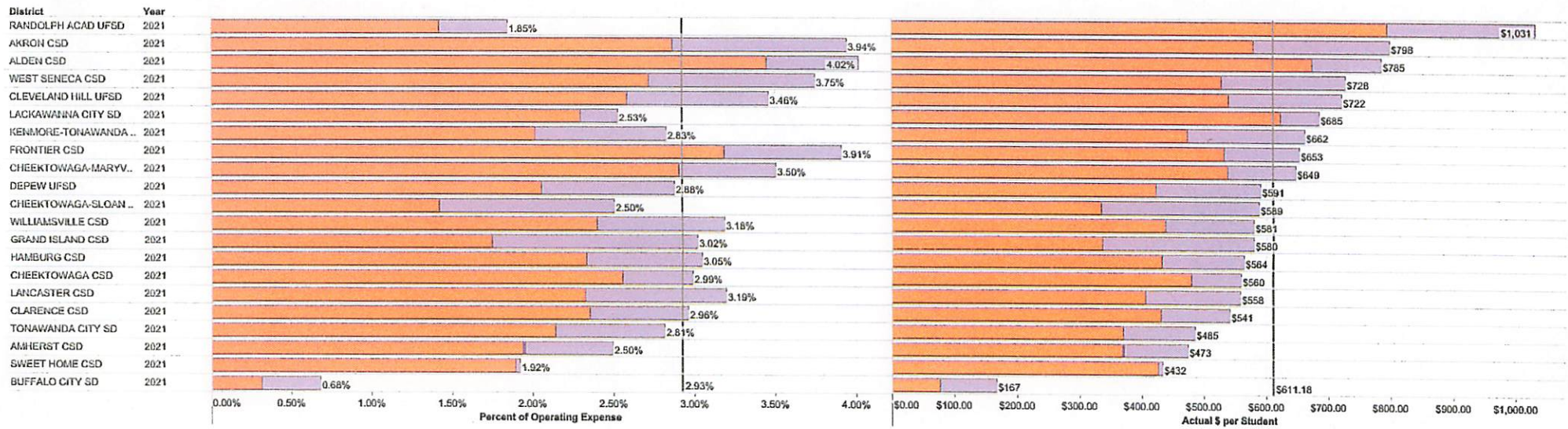
# PER PUPIL EXPENSE COMPARISON INSTRUCTION - TEACHING



Display By

- 2110 Teaching - Regular School
- 2250 Program for Students with Disabilities School Age-School Year
- 2259 Programs for English Language Learners (ELL)
- 2280 Occupational Education (Grades 9-12)
- 2330 Teaching - Special Schools

# PER PUPIL EXPENSE COMPARISON INSTRUCTION - INSTRUCTIONAL MEDIA

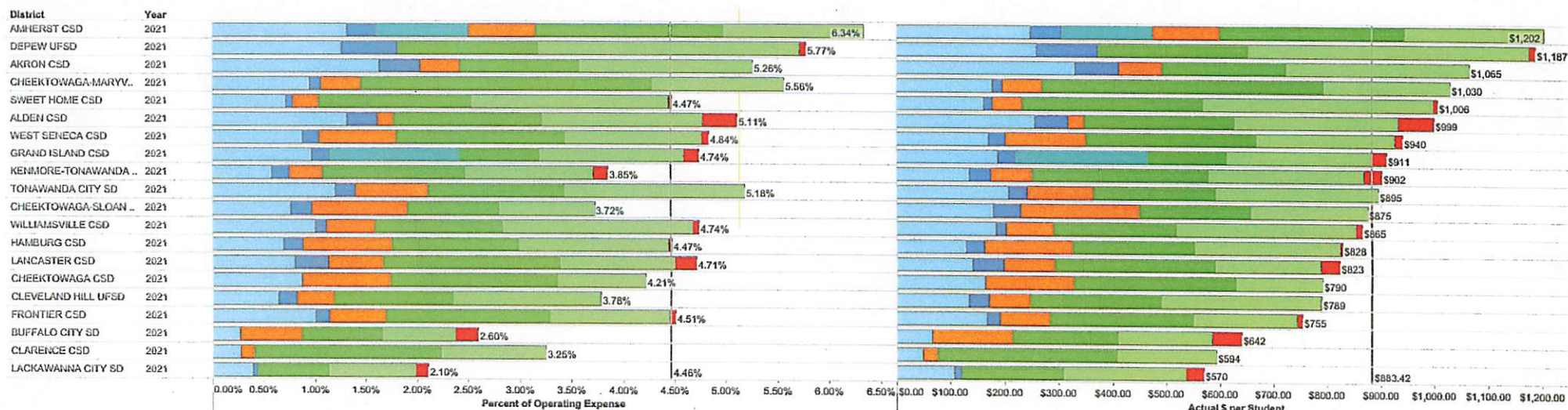


Display By

- 2610 School Library and Audiovisual
- 2620 Educational Television
- 2630 Computer Assisted Instruction



# PER PUPIL EXPENSE COMPARISON INSTRUCTION - PUPIL SERVICES



## Display By

- 2805 Attendance Regular School
- 2810 Guidance - Regular School
- 2815 Health Services - Regular School
- 2820 Psychological Services - Regular School
- 2825 Social Work Services - Regular School
- 2830 Pupil Personnel Services - Special Schools
- 2850 Co-Curricular Activities - Regular Schools
- 2855 Interscholastic Athletics - Regular Schools