Board of Education Budget Session #5

Budget Development: 2024-2025 School Year

February 7, 2024

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Tonight's Agenda

- Budget Challenges
- Transfer to Capital
- Preparing the Budget
- Property Tax Calculation
- Review of the Tax Levy Limit Calculation
- 2024-25 Budget – Second Draft

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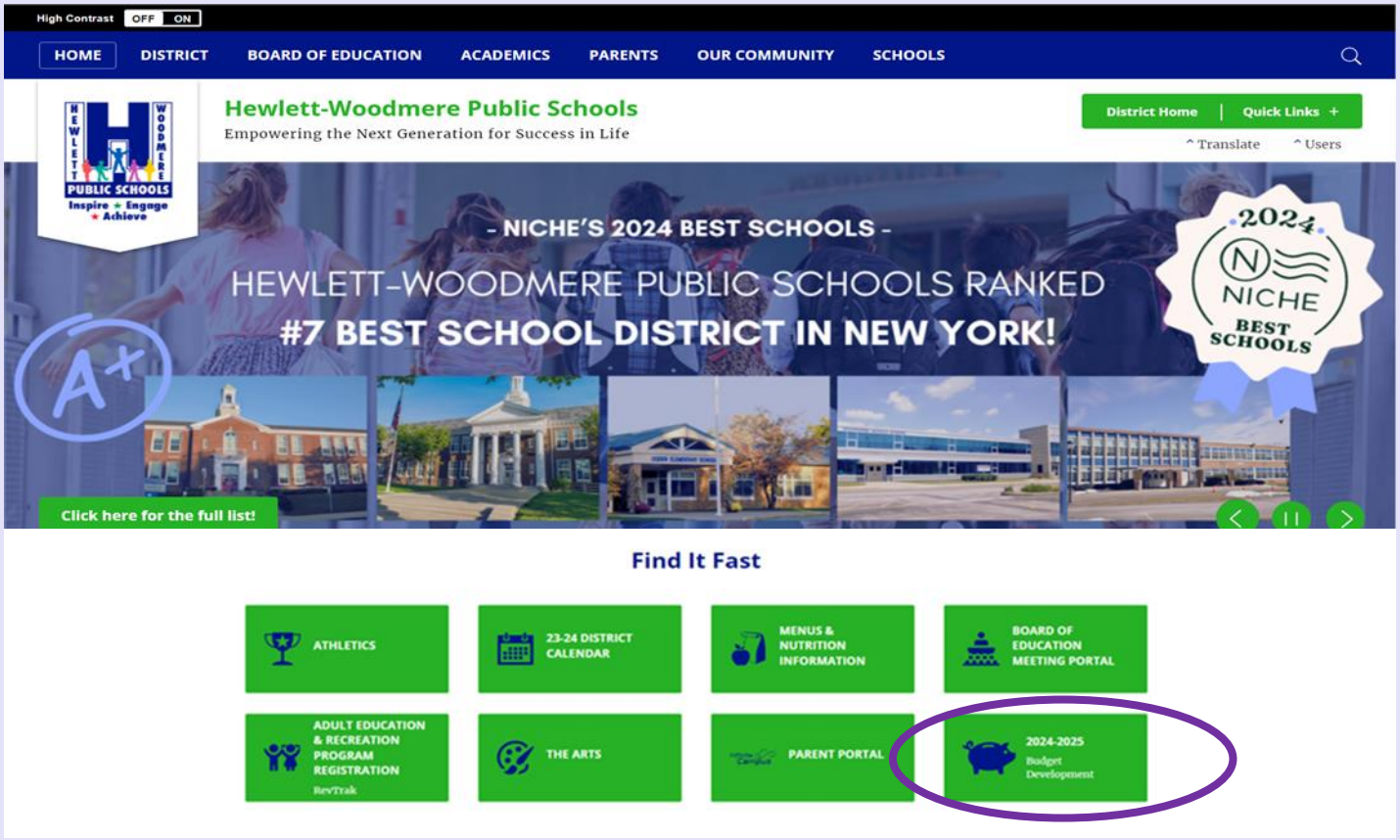
2024-2025
Budget Development Timeline



Date	Meeting Info	Time
10/11/2023	BOE Budget Session	6:30 PM
11/8/2023	BOE Budget Session	6:30 PM
12/13/2023	BOE Budget Session	6:30 PM
1/10/2024	BOE Budget Session	6:30 PM
2/7/2024	BOE Budget Session	6:30 PM
3/13/2024	BOE Budget Session	6:30 PM
3/21/2024	BOE Budget Session	6:30 PM
3/26/2024	Public Budget Forum	6:30 PM
4/10/2024	BOE Adopts Proposed Budget	6:45 PM
5/8/2024	Annual Budget Hearing	6:45 PM
5/21/2024	Budget Vote	7:00 AM - 10:00 PM

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Previous Budget Presentations & Related Information



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Budget Challenges

- Significant health care premium increases for the past 3 years
- 13-17% anticipated increase on insurance premiums with current carrier (NYSIR)
- Request for Proposal for Insurance Services to be released shortly → ??? insurance premium rates for 2024-25
- Van contracts were not renewed → prices received from proposers show increases between 45-50%
- Bid for athletic/field trips will be going out shortly → ??? rates for 2024-25
- Measly increase in state aid projected for 2024-25

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Transfer to Capital

- Updated tennis court costs – HHS
  - Complete reconstruction of 4 existing courts = $913,680
  - Installation of 5th tennis court = $1,170,720
  - Supply/installation of tennis court lighting = $687,960
  - Elimination of parking lot (if adding 5th tennis court) = ($187,000)

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Transfer to Capital (continued)

- Total cost to have 5 new tennis courts with lighting
  - $2,772,360 **WITH** new parking lot
  - $2,585,360 **WITHOUT** new parking lot

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Transfer to Capital (continued)

Transfer to Capital	**$**	**4,000,000**
Installation of turf on softball/baseball field @ WMS	$	(2,335,000)
Balance for Remaining Projects	**$**	**1,665,000**

- Other proposed projects include: reconstruction/addition of 5th tennis court @ HHS, addition of right turn lane @ HHS parking lot/E. Rockaway Road, WMS Maintenance Building and/or Building Condition Survey projects, FECC kitchen
- Need direction on what to include and what should be put forward toward future project planning

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Transfer to Capital (continued)



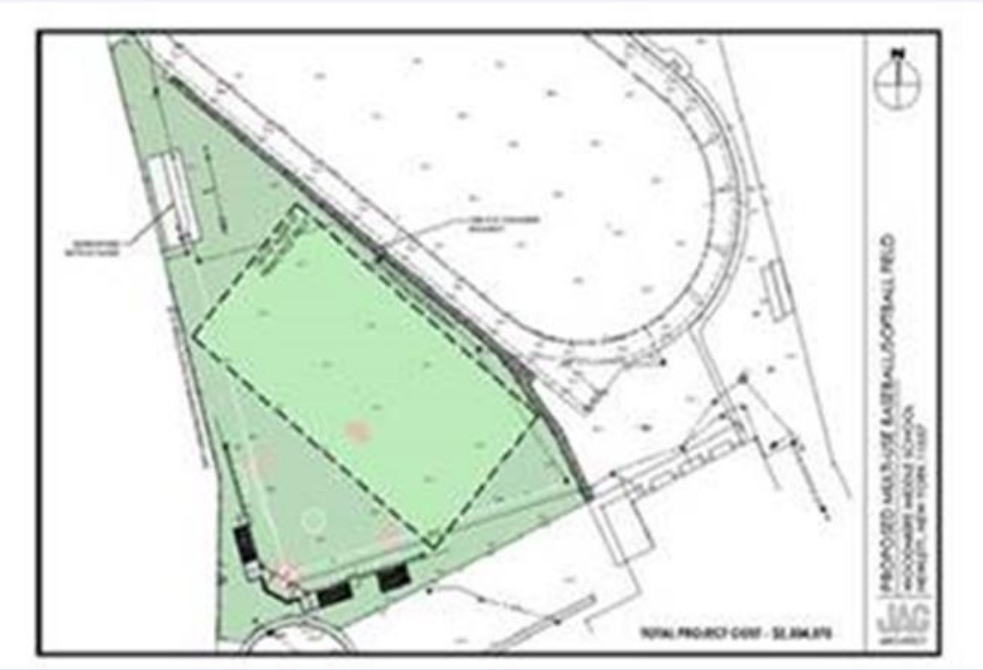
Option 1 or Option 2?

Reconstruction/addition of
5th tennis court at HHS



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Transfer to Capital (continued)



Installation of turf on softball/baseball field at WMS

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Follow-Up from January Budget Meeting

- HES request for Schedule C clubs: adding additional hours and advisors to both Music Theatre Club #1 and Music Theater Club #2 to allow for the clubs to put on a full production. Each club currently staffed with 1 advisor for 12 hours
- BOE feedback: review club at OES to determine how it is being operated
- OES is currently running (1) music theatre workshop club with (1) advisor (14 hours) and (1) coordinator (23 hours)

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Follow-Up from January Budget Meeting (continued)

- Current stipend costs for 2023-24 and budgeted 2024-25:

HES	**2023-24**	**Hours**	**2024-25**	**Hours**
Musical Theater Club #1	$ 555	12	$ 561	12
Musical Theater Club #2	$ 555	12	$ 561	12
OES	**2023-24**	**Hours**	**2024-25**	**Hours**
Theatre Workshop Advisor	$ 648	14	$ 654	14
Theatre Workshop Performance Coordinator	$ 1,064	23	$ 1,075	23

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Follow-Up from January Budget Meeting (continued)

- Proposed changes for 2024-25:

HES	**2024-25**	**Hours**
Music Theater Club #1	$ 1,163	25
Music Theater Club #2	$ 1,163	25
OES	**2024-25**	**Hours**
Theatre Workshop Advisor	$ 930	20
Theatre Workshop Performance Coordinator	$ 1,395	30

- Total number of hours and funds allotted for each building are equalized

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Follow-Up from January Budget Meeting (continued)

- Additional costs (above & beyond what is currently in the 2024-25 budget):
  - OES - $703 (including salary and benefits)
  - HES - $1,419 (including salary and benefits)

- Need BOE feedback

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Items Approved by BOE to be added to 2024-25 Budget

- Increase current Reading TA from (.8) FTE to (1.0) FTE (HES) – *estimated cost $9,758*
- (3) 2.5-hour teacher aides to assist covering lunches for Special Education teacher aides/TAs (HES) – *estimated cost $38,620*
- Add a writing lab at WMS – *addition of (.5) FTE @ estimated cost of $87,602*
- Create new Capital Reserve account & transfer a portion of the Workers' Compensation Reserve into the new reserve account

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Preparing the Budget



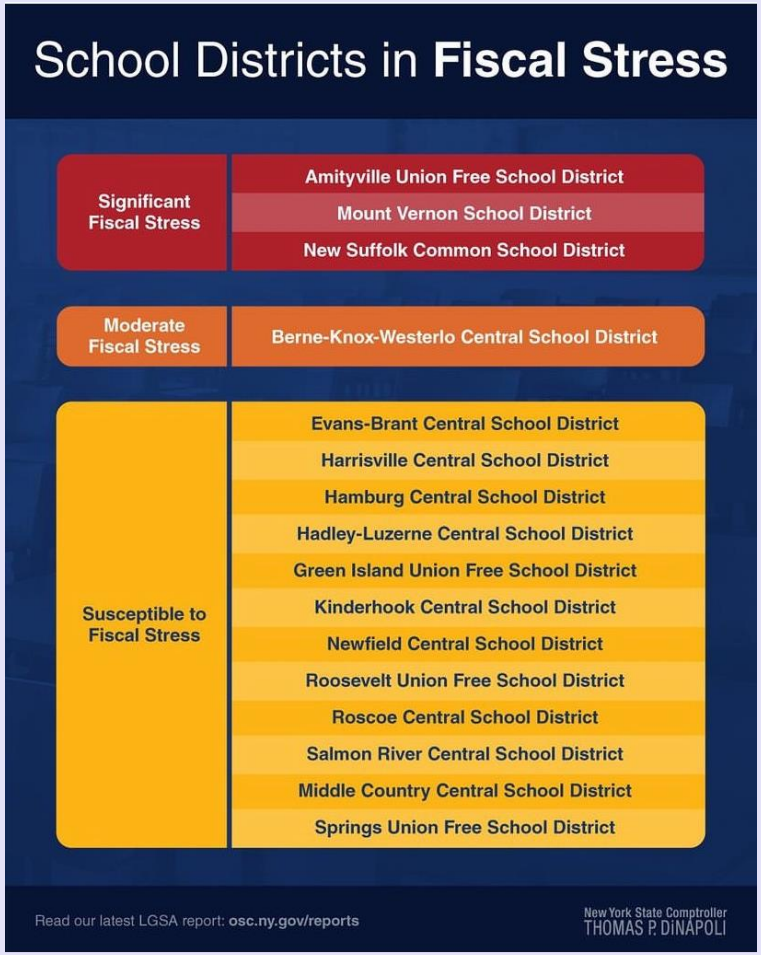
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Budget Design Principles

- Align budget with District's mission and goals
- Ensure health & safety and provide funds to maintain the physical plant
- Respect the fact that property taxes from individual homeowners remain a major source of revenue for the budget
- Reduce potential for tax spikes by maintaining level of appropriated fund balance, as well as money for contingencies
- Utilize, but do not empty, reserves – fiscal challenges confronting the District will not end with the 2024-25 school year
- Preserve programs/instruction to help ensure that students are college and career ready to the greatest extent practicable in this fiscal environment
- Maintain strong financial controls and oversight; promote transparency and maintain long-term District fiscal health

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NYS Comptroller – Fiscal Stress



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NYS Comptroller – Fiscal Stress (continued)

Hewlett-Woodmere Public Schools

	Fiscal Stress Designation		Environmental Stress	
Fiscal Year Ending	Score	Designation	Score	Designation
2021	8.3	No Designation	20.0	No Designation
2022	0.0	No Designation	20.0	No Designation
2023	0.0	No Designation	20.0	No Designation

- Comptroller's office reviews the state aid claim forms submitted by the District to determine fiscal stress
- 3 years of "no designation" on the environmental and fiscal stress designations

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Property Tax Levy Calculation

Proposed Budget

- Sources of Revenue

Property Tax Levy



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Sources of Revenue

1. State Aid
2. Fund Balance Allocation
3. Appropriations from Reserves
4. Property Taxes
5. PILOTs (Payments in Lieu of Taxes)
6. Other Local Revenues

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2024-25 Projected State Aid

State Aid	Governor Jan-24 Budget Proposed 2024-25	Governor Jan-24 Budget Actual 2023-24	Difference
Foundation Aid	$ 11,469,822	$ 11,238,298	$ 231,524
Universal Pre-Kindergarten*	$ 1,444,686	$ 1,144,972	$ 299,714
BOCES	$ 1,952,697	$ 2,260,951	$ (308,254)
High Cost Excess Cost Aid	$ 97,182	$ 98,291	$ (1,109)
Private Excess Cost Aid	$ 73,156	$ 80,801	$ (7,645)
Hardware & Technology	$ 34,263	$ 32,384	$ 1,879
Software, Library & Textbook	$ 377,608	$ 387,868	$ (10,260)
Transportation Incl. Summer	$ 4,733,033	$ 4,267,699	$ 465,334
Building Aid	$ 1,559,892	$ 1,865,527	$ (305,635)
High Tax Aid	$ 229,331	$ 229,331	$ -
Supplemental Pub Excess Cost	$ 4,496	$ 4,496	$ -
Sub Total State Aid	**$ 21,976,166**	**$ 21,610,618**	**$ 365,548**

**Universal Pre-Kindergarten aid must be used solely for the pre-kindergarten program expenditures and cannot be used to offset the general fund tax levy*

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Review of the Tax Levy Limit Calculation



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What is the Tax Levy Limit (tax cap)?

- On June 24, 2011, the property tax cap was signed into law (Chapter 97 of the NYS Laws of 2011).

- The tax cap law establishes a limit on the annual growth of property taxes levied by local governments and school districts.

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Key Components: Calculation of Tax Levy Limit

Tax Base Growth Factor: Decrease from 1.0096% to 1.0042%.

- **Allowable Levy Growth Factor for 2024-25 = 2.0%**
  - CPI for the fiscal year ending 6/30/24 is 4.12%
  - Tax cap formula allows for maximum allowable levy growth of 2%

- **PILOTs**: Payment In Lieu Of Taxes
  - Agreements made with local Industrial Development Agencies (IDAs) by which company makes fixed yearly contribution rather than pay property taxes
  - Provides certainty to business owner that there will not be a reassessment of the property, thereby increasing taxes, during the term of the agreement

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Key Components: Calculation of Tax Levy Limit

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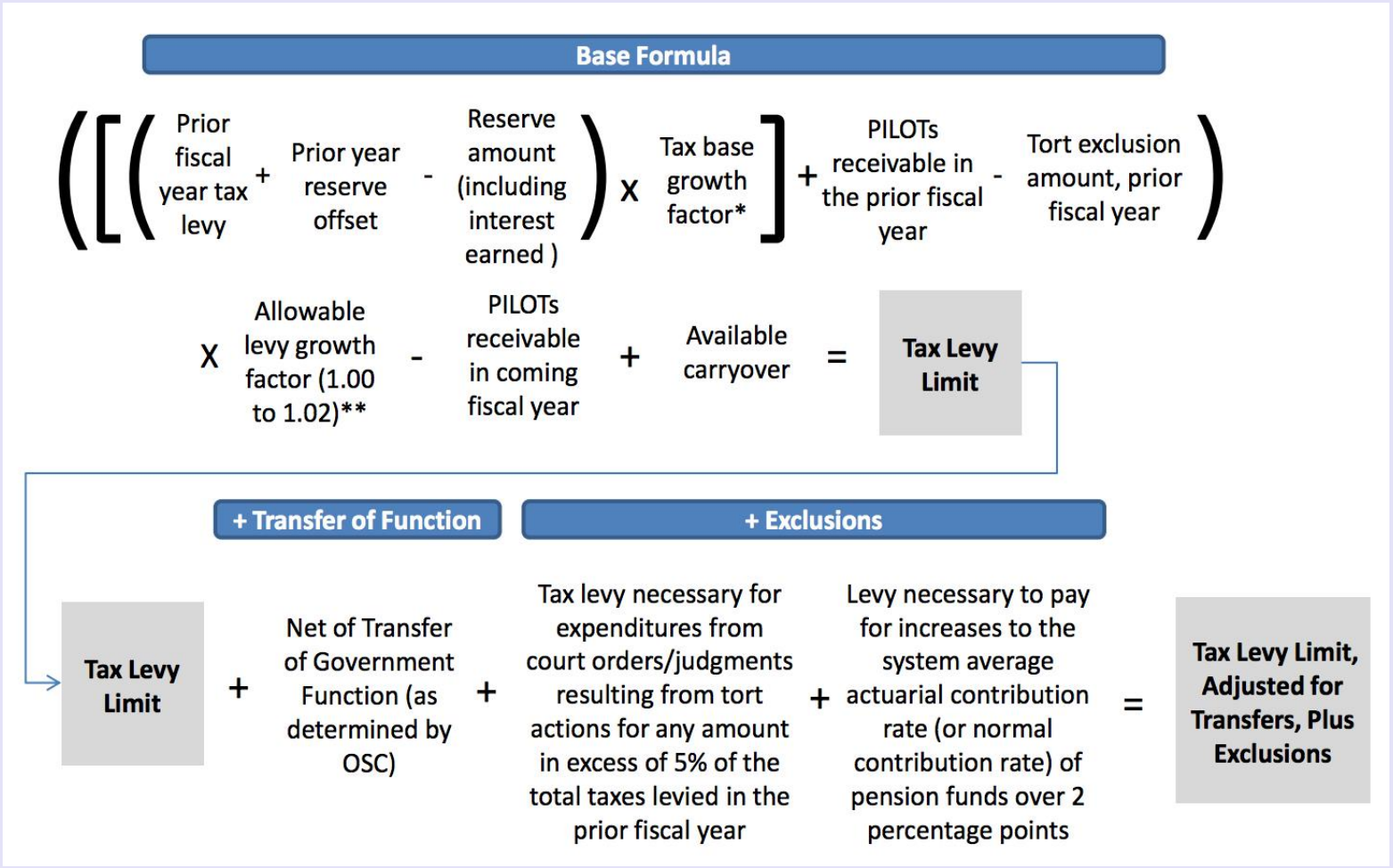
- **<u>Capital Exclusion</u>**
  - Capital Expenditures are exempt from the cap (includes bond debt, bus & truck leases, purchase of new buses, expenditures on capital projects & BOCES Capital Exclusion)

- **<u>Retirement Contributions</u>**
  - ERS/TRS increases greater than 2 percentage points
  - For 2024-25, the ERS rate is 15.2%, which equates to a 2.1% increase over the prior year
  - We are permitted to exclude 0.1% of our ERS salaries from the tax cap calculation

<u>Tax Cap calculation must be submitted to the NYS Comptroller's Office by March 1</u>.

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Tax Levy Limit Calculation



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Tax Levy Limit Calculation

Due March 1st to be submitted on NYS Comptroller's website

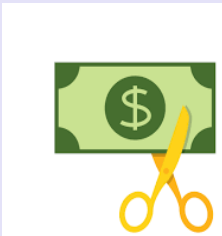
Prior Year Tax Levy		108,577,500
Multiply by: Tax Base Growth Factor	x	1.0042
		109,033,526
Add: Prior Year PILOTS for Fiscal Year Ended 6/30/24		2,567,839
	+	111,601,365
Subtract: 2023/2024 Capital Tax Levy		5,322,636
Adjusted Prior Year Tax Levy		106,278,729
Multiply by: Allowable Levy Growth Factor	x	2.00%
		108,404,303
Subtract: PILOTS for Fiscal Year Ending 6/30/25	-	2,762,784
		105,641,519
Add: Tort Judgments greater than 5% of 2023/2024 tax levy	+	0
Add: ERS contribution increase greater than 2%	+	13,646
Add: TRS contribution increase greater than 2%	+	0
Add: 2024/2025 Capital Tax Levy	+	4,135,938
Allowable tax levy prescribed by Chapter 97 of the Laws of 2011		**109,791,103**
Voter approved tax levy for 2023-24		108,577,500
dollar increase in levy		1,213,603
Allowable Levy % for Hewlett-Woodmere UFSD		1.12%

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2024-25 Budget – Second Draft



Adopted Budget 2023 - 2024	$	135,017,834
Proposed Budget 2024 - 2025	$	139,999,173
Dollar Increase	$	4,981,339
Percentage Increase		3.69%



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Questions?





Budget Vote
Tuesday, May 21, 2024
7:00 AM – 10:00 PM
Woodmere Education Center

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