



Preliminary Budget 2024-2025

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Overview of Presentation



- Budget Goals
- Budget Summary
- Major Factors Affecting the Budget
 - Reduction in State Foundation Increase
- Tax Cap Considerations
- Use of Reserves

Purpose of the Budget



- Ensures that the district has resources necessary to educate all students.
- Embodies the beliefs, values and aspirations of the community for all children, as framed by the *Portrait of a Hastings Learner*.
- Motivates the system to strategically plan.

Annual Budget Goals



- Maintain core programs and resources
- Create opportunities for all students to access higher level and rigorous courses.
- Invest in professional training for all employees
- Maintain facilities

Community Expectations



- High Quality Educators
- Robust Academic Programs
- Variety of Extracurricular Programs
 - Theatre Arts & Music
 - Athletics
 - Student Clubs
- Social-Emotional Well-Being
- Personalized Focus – Class Size
- Well Maintained & Welcoming Facilities
- Safe & Secure Schools

Budget In-Short – Main Point

- Due to significant external cost pressures, Hastings is facing a difficult couple of years with budgets. We are not alone: currently, we are seeing the regional average school budget to budget increase over 4%.
- Nevertheless, we are presenting a strong budget, with a modest year-to-year delta of 3.53% in budget growth.
- Most important, we will continue to provide robust educational, extracurricular and support programs—advancing the growth of all students.

Budget Overview

Budget at a Glance

- Budget to Budget Change – 3.53%
- Legal Tax Levy Cap Growth Limit – 3.19%
- Proposed Tax Levy Increase – (3.55%)*

***Proposed tax rate is negative because of the increased assessed value. Using the levy change is a more accurate way to reflect increase in taxes.**



Major Factors Affecting Expenses

- Enrollment/Class Size
- Programs
- Contractual Obligations
- Pension Costs
- Health Insurance Increases
- State/Federal Mandates
- Increases in cost of utilities, services and supplies

Appropriations



General Support

Board of Education, Central Administration, Finance, Legal, Operations, Maintenance, Insurance

Instruction

Curriculum, Supervision, Teaching, Special Education, Instructional Media, Pupil Services, Technology, Co-curricular, Athletics

Transportation

Undistributed (Employee Benefits and Debt)

Employee Retirement, Social Security, Health Insurance, Debt service

Budget Realities

- Additional mandates without financial relief
- Uncertainty in State Aid funding
 - Foundation Aid reduction proposal
 - Concern of shifting aid to Upstate/NYC/Big 5
- Changes in enrollment beyond trend data
- Special Education services
 - Out-of-District Tuition
 - New Enrollment
 - Least restrictive environment



Preliminary 2024-25 Budget



Year to Year Budget Variances

Without any new initiatives, the following budget variances occur:

- Contractual Increases
- Increase in transportation costs
- BOCES increased cost of services
- 11.0% Increase in Health Insurance
- 8.5% Increase in ERS
- 5% Increase in TRS costs
- Increase cost of utilities and service contracts due to inflation

Total “Push Ahead” Variance = Over 1.6 million dollars

Budget Proposals



- Increase 1.6 FTE Special Education MS \$200,000
- Increase .2 FTE Special Education HS \$20,000
- Additional funding for Theater \$25,000
- Add operational budget funding for positions previously covered under Federal Covid Grants \$125,000
 - .2 FTE Math Interventionist Hillside School
 - .4 FTE DEI Coordinator
 - .2 Math Support MS
 - Summer Learning Support
 - Panorama & STAR -Universal Screener

Total new budget proposals \$370,000

Budget Proposals Continued

- Transfer of \$275k to capital to fund facilities improvements as identified in District's long-range facilities planning.
- Increase of appropriated fund balance and retirement reserve to offset larger liabilities and capital work.
- Continue to prioritize conservative approach of use of reserves to offset potential loss in state funding in the future.

State Aid

State Aid: funds allocated by wealth and demographic need to school districts to support various functions of operation

- Executive Proposal (January)
- Legislative Proposal (February-March)
- Enacted Budget (April)

State Aid-Governor's Budget

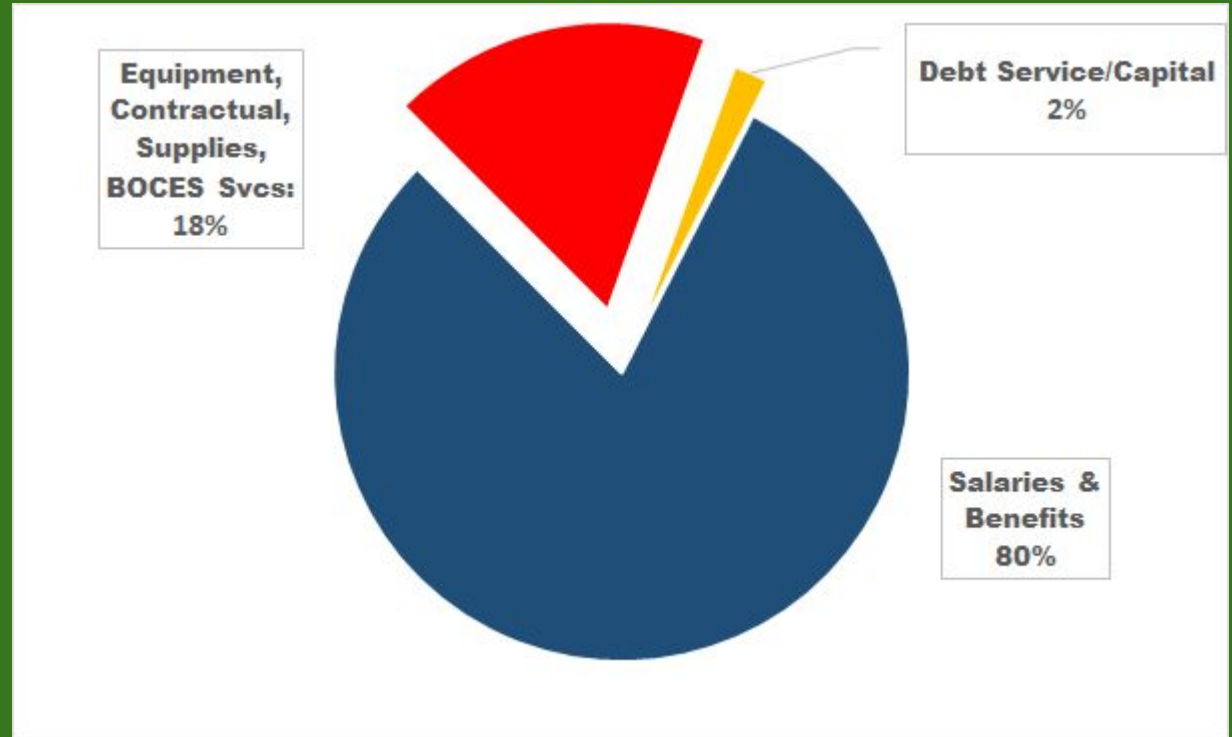
- Governor's proposal includes elimination of hold-harmless
- Shifting of foundation aid funding
- Recommendation to change aid ratios

Salaries & Benefits (80% of Budget)

Like all service organizations, salaries & benefits represent the largest budget expenditures at 80%

Salaries & Benefits are budgeted using a zero-based approach

Each position is evaluated based on class sizes, enrollment, IEPs, and special course offerings



General Support Overview



Description	2023-24 Approved Budget	2024-25 Preliminary Budget	Change	% Variance
Board Of Education	\$67,000	\$84,200	\$17,200	25.67%
Chief School Admin.	\$385,333	\$403,408	\$18,075	4.69%
Finance	\$694,483	\$713,475	\$18,992	2.73%
Legal/Personnel/ Public Info	\$346,300	\$335,500	(\$10,800)	(3.12%)
Operation & Maint.	\$3,123,495	\$3,256,671	\$133,176	4.26%
Security	\$370,000	\$435,500	\$65,500	17.70%
Special Items	\$569,500	\$599,250	\$29,750	5.22%
Total General Support Budget	\$5,556,111	\$5,828,004	\$271,893	4.89%

Changes in General Support

- Increase in monitors and aides to help support behavioral initiatives in the MS -security line
- Increase in night building security
- Historically large increase to general insurance
- Decrease in 1.4 custodial positions
- Cost of utilities outpacing CPI
- Reduction in security consultant contract
- Reduction in BOCES contractual services

Instructional Budget Overview



Description	2023-24 Approved Budget	2024-25 Preliminary Budget	Change	% Variance
Curriculum Office	\$268,567	\$285,310	\$16,743	6.23%
Supervision	\$1,548,097	\$1,574,450	\$26,353	1.70%
Teaching	\$17,171,992	\$17,655,652	\$483,660	2.82%
Special Education	\$8,850,360	\$9,076,943	\$226,583	2.56%
English Language Learners	\$301,334	\$315,803	\$14,469	4.80%
Media/Technology	\$1,731,767	\$1,826,075	\$94,308	5.45%
Guidance	\$1,334,150	\$1,323,900	(\$10,250)	(.77%)
Health	\$502,500	\$526,320	\$23,820	4.74%
Psychologist	\$717,526	\$740,015	\$22,489	3.13%
Co-curricular	\$529,046	\$590,010	\$60,964	11.52%
Athletics	\$949,840	\$984,377	\$34,537	3.64%
Total Instructional Budget	\$33,905,179	\$34,898,855	\$993,676	2.93%

Changes in Instructional Budget

- Increase of 1.8 FTE of Special Education Teachers
- Increase in software costs due to phase out of COVID funding
- Decrease of 2.0 FTE K-6 driven by changes in enrollment
- Decrease .6 FTE Districtwide Specials
- Decrease of 3 Teacher Aides based on individual IEPs
- Decrease of 2 clerical positions due to Districtwide revision of support roles
- Reduction in Technology BOCES support

Transportation Overview



Description	2023-24 Approved Budget	2024-25 Preliminary Budget	Change	% Variance
Trans. Coordinator	\$25,000	\$26,000	\$1,000	4.00%
Bus Monitors	\$28,500	\$34,000	\$5,500	19.30%
In District Busing	\$449,500	\$479,440	\$29,940	6.66%
OOD Busing	\$1,128,875	\$1,133,825	\$4,950	0.44%
Sports	\$171,100	\$176,605	\$5,505	3.22%
Total Transportation	\$1,802,975	\$1,849,870	\$46,895	2.60%

Transportation Highlights

- Increase in In-District Bussing Costs
- Increase in bus monitors

Undistributed Overview



Description	2023-24 Approved Budget	2024-25 Preliminary Budget	Change	% Variance
ERS/TRS Retirement	\$3,430,000	\$3,607,994	\$177,994	5.19%
Social Security	\$2,340,135	\$2,404,545	\$64,410	2.75%
Workers Comp	\$211,000	\$215,000	\$4,000	1.90%
Life/Unemployment	\$17,500	\$16,500	(\$1,000)	(5.71%)
Health Insurance	\$7,468,040	\$8,227,550	\$759,510	10.17%
Employee Assist.	\$6,500	\$8,500	\$2,000	30.77%
Total Employee Benefits	\$13,473,175	\$14,480,089	\$1,006,914	7.47%

Changes in Undistributed

- 11% increase in health insurance premiums
- Increase in ERS and TRS rates
- Decrease in Interfund Transfer

Undistributed Overview



Description	2023-24 Approved Budget	2024-25 Preliminary Budget	Change
Principal 2014 Bond	\$530,000	\$540,000	\$10,000
Principal 2019 Bond	\$830,000	\$870,000	\$40,000
Interest 2014 Bond	\$99,188	\$88,488	(\$10,700)
Interest 2019 Bond	\$661,850	\$620,350	(\$41,500)
Installment PA	\$151,222	\$151,222	\$0
Interfund Capital	\$550,000	\$275,000	
Interfund Special Aid	\$50,000	\$44,000	
Total Debt and Interfund	\$2,872,260	\$2,589,060	(\$283,200)

Revenue Overview 2024-25

Revenue Overview



Revenue	2023-24 Approved Budget	2024-2025 Preliminary Budget	Budget Change
Other Charges - Custodial Fees	\$40,000	\$55,000	\$15,000
Day School Tuition	\$300,000	\$140,000	(\$160,000)
Tuition Other Districts	\$200,000	\$125,000	(\$75,000)
Interest on Deposits & Investments	\$200,000	\$412,500	\$212,500
Solar Rental	\$0	\$35,000	\$35,000
Other Student Fee/Charges(from Individuals)	\$75,000	\$70,000	(\$5,000)
Admissions From Individuals-Theater	\$20,000	\$20,000	\$0
Health Services for Other Districts	\$100,000	\$0	(\$100,000)

Revenue Overview



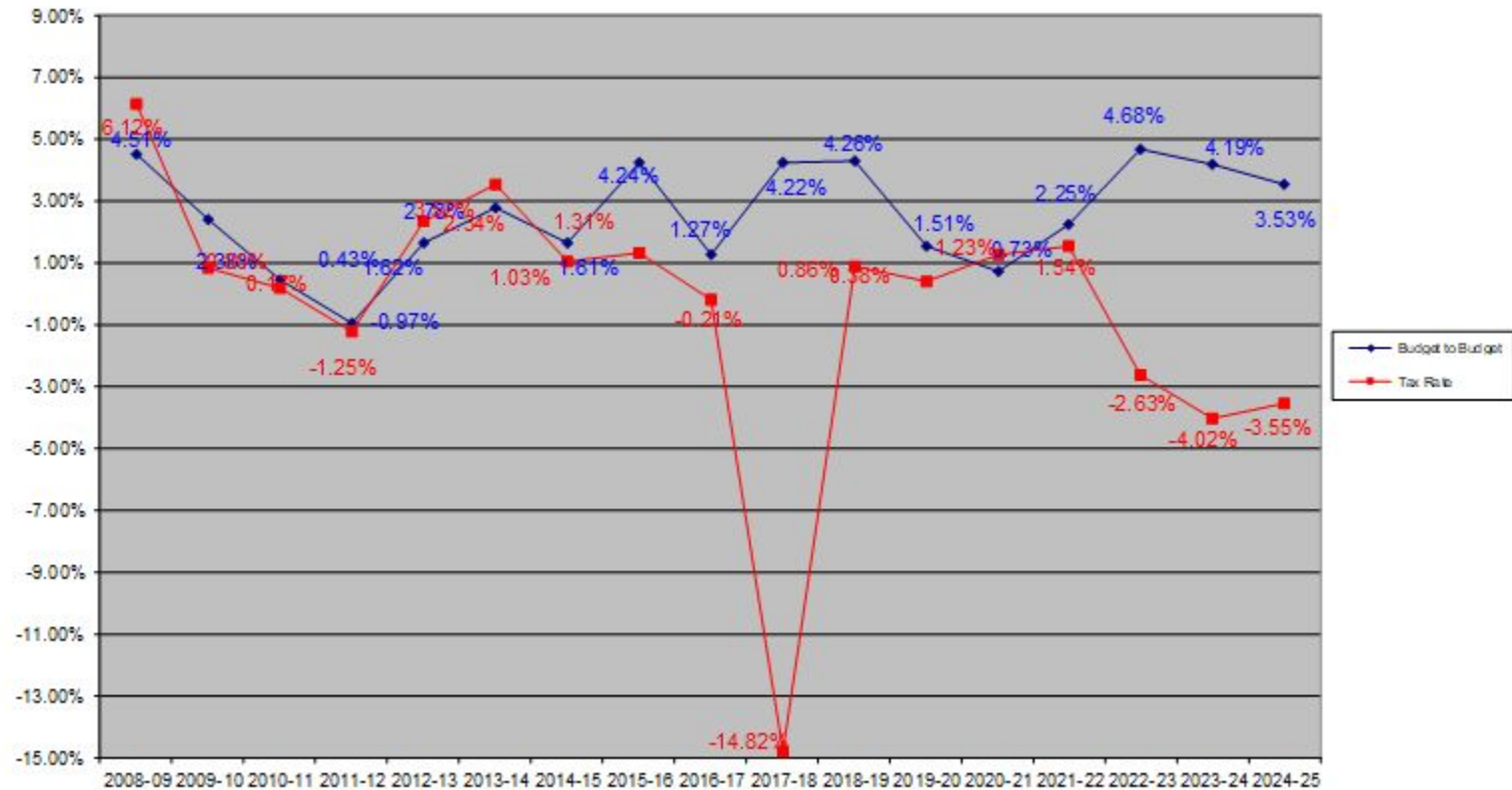
Revenue	2023-24 Approved Budget	2024-2025 Preliminary Budget	Budget Change
Borderline Properties	\$85,000	\$80,000	(\$5,000)
Unclassified Revenues	\$100,000	\$100,000	\$0
Sales Tax	\$825,000	\$825,000	\$0
State Aid -Total	\$7,863,000	\$8,078,000	\$215,000
Transfer from Fund Balance & Reserves	\$1,095,843	\$1,519,843	\$424,000
Amount to be raised by Property Taxes	\$46,696,857	\$48,185,534	\$1,488,677
TOTAL REVENUE	\$57,600,700	\$59,645,877	\$2,045,177

Budget History



Year	Budget	<u>Budget Increase</u>	<u>Tax Rate Per M</u>	Tax Rate Increase
2012-13	\$42,708,466	1.62%	\$748.96	2.34%
2013-14	\$43,895,492	2.78%	\$775.34	3.52%
2014-15	\$44,601,912	1.61%	\$783.31	1.03%
2015-16	\$46,493,447	4.24%	\$793.55	1.31%
2016-17	\$47,082,130	1.27%	\$24.49	-0.21%
2017-18	\$48,454,314	4.22%	\$20.86	-14.82%
2018-19	\$50,518,586	4.26%	\$21.04	0.86%
2019-20	\$51,283,825	1.51%	\$21.12	0.38%
2020-21	\$51,660,159	0.73%	\$21.38	1.23%
2021-22	\$52,823,911	2.25%	\$21.71	1.54%
2022-23	\$55,293,555	4.68%	\$21.14	-2.63%
2023-24	\$57,609,700	4.19%	\$20.29	2.83%
2024-25	\$59,645,877	3.53%	\$19.57	3.19%

Tax Rate & Budget to Budget



Tax Cap Summary

Tax Levy Limit Before Adjustments and Exclusions	
Tax Levy FYE 2024	\$46,696,857
Tax Base Growth Factor	1.0112
PILOTS Receivable FYE 06/30/2024	\$12,000
Capital Levy for FYE 06/30/2024	(\$1,387,916)
Allowable Levy Growth Factor	1.0200
PILOTs Receivable FYE 06/30/2025	(\$13,000)
Total Levy Limit Before Adjustments/Exclusions	\$46,747,825
Exclusions	
Capital Levy for FYE 06/30/25	\$1,432,440
Employees Retirement System	\$5,269
Total Exclusions	\$1,437,709
Tax Levy Limit Adjusted for Transfers, Plus Exclusions	\$48,185,534
Allowable 24-25 Tax Levy Increase Amount	\$1,488,677
Allowable 24-25 Tax Levy Increase Percent	3.19%
2024 Proposed Levy, Net of Reserve	\$48,185,534
Difference between Tax Levy Limit Plus Exclusions and Proposed Levy	\$0

Allowable Growth Factor / CPI

Consumer Price Index for All Urban Consumers (CPI-U) measures the change in the cost of basic goods and services in comparison to the prior year

Allowable Growth Factor is limited to the lesser of 2% or CPI

~~“2% Tax Cap”~~

Can never be greater than 2%

Can never be less than 0%

2024-25 2.0% increase

Tax Base Growth Factor

Derived using a “quantity change factor,” which is calculated by the NYS Department of Taxation and Finance based on information reported by local assessors

Measures “brick & mortar” new construction and/or significant additions to existing properties, which increase the size of the tax base

Can never be less than 0%

Estimated at .112 % for 2024-2025 school year

Tax Cap Challenges

- Tax cap is tied to the levy increase, not the overall increase in the budget.
- Tax cap doesn't take into account that most expenses are increased significantly higher than the average CPI (Consumer Price Index).
- Salary schedules were established in collective bargaining agreements decades before the "Tax Cap" came into existence. Step increases range from 1.86% to 4.82% across the different bargaining units.
- Individual student needs are not factored into the tax cap formula. As an example, if a child with an IEP requires a specialized placement that was not required the previous school year, the expense needs to be absorbed within the tax levy limit.
- Unanticipated expenses including building repairs are not excluded under the current formula.

Important Dates

March 5th and March 19th, 2024 – Superintendent's Budget Presentations

April 17, 2024 – Board Adoption of the 2024-25 Budget

May 21, 2024 – Budget and Trustee Vote: