



Hastings-on-Hudson UFSD Revised Budget 2025-2026 (Instructional)

William McKersie, Ph.D., Superintendent of Schools
Maureen Caraballo, Business Official

March 25, 2025

Important Dates

- January 22, 2025 – Superintendent gives progress report of budget development to the Board ✓
- February 11, 2025 – Superintendent presents budget Overview and Non-Instructional Budget ✓
- March 1, 2025 – Submit information on tax levy cap to State ✓
- March 11, 2025 – Superintendent presents Proposed Instructional Budget ✓
- March 25, 2025 – Budget update and review of final state aid projections ✓
- April 22, 2025 – Board adopts budget
- May 20, 2025 – Budget Vote

Budget at a Glance

- Budget to Budget Change – 4.73%
- Legal Tax Levy Cap Growth Limit – 3.66%
- Proposed Tax Rate Increase – (3.83%)*

***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.**



Budget Overview

Budget Overview



APPROPRIATIONS	ADOPTED BUDGET 2024/25	ESTIMATED END OF YEAR 2024/25	PRELIMINARY BUDGET 2025/26	BUDGET CHANGE	
General Support	\$5,828,003	\$6,227,327	\$5,994,119	\$166,116	2.85%
Instruction	\$34,898,855	\$34,272,730	\$36,409,637	\$1,510,782	4.33%
Pupil Transportation	\$1,849,870	\$1,785,000	\$1,987,920	\$138,050	7.46%
Undistributed	\$17,069,149	\$16,874,560	\$18,074,312	\$1,005,163	5.89%
TOTAL	\$59,645,877	\$59,159,617	\$62,465,988	\$2,820,111	
% BUDGET CHANGE				4.73%	
REVENUES	ADOPTED BUDGET 2024/25	ESTIMATED END OF YEAR 2024/25	PRELIMINARY BUDGET 2025/26	BUDGET CHANGE	
State Aid	\$8,078,000	\$8,525,000	\$8,548,530	\$470,530	5.82%
Misc. Receipts	\$1,862,500	\$2,325,000	\$2,080,500	\$218,000	11.70%
Appropriated Balance	\$554,843	\$554,843	\$400,000	(\$154,843)	(27.91%)
Retirement Reserve	\$850,000	\$850,000	\$1,000,000	\$150,000	17.65%
Reserve for Tax Certiorari	\$115,000	\$115,000	\$215,000	\$100,000	86.96%
Transfer from Capital Reserve	\$0	\$0	\$275,000	\$275,000	0.00%
Property Taxes	\$48,185,534	\$48,185,534	\$49,946,958	\$1,761,424	3.66%
Total Receipts	\$59,645,877	\$60,555,377	\$62,465,988	\$2,820,111	4.73%
% TAX LEVY CHANGE				3.66%	
Assessed Valuation	\$2,458,373,691		\$2,649,661,076 *	\$191,287,385	
Tax Rate	\$19.60		\$18.85	-\$0.75	
Tax Rate Change				-3.83%	

*Assessed valuation is subject to change.

Fiscal Realities & Best Practice

State Level

- State Aid did increase this year but there are concerns about long term funding from State.
- NYS Comptroller is forecasting budget gaps for the next few years.
- NYS Retirement System payments have been higher than previous years.

District Level

- Not going to the full allowable tax cap can create financial cliffs for Districts and long term budgeting gaps.
- Careful management of reserves is critical.

How did we close the budget gap?

- Reduced .4 FTE from Science Proposal
- Allocate an additional \$150k from retirement reserve

Other Budget Considerations-

Budget and Staffing Considerations

Annual Reviews & Potential Impact

- Annual reviews are still in progress and could result in increased staffing needs or additional student services.
- There may be new out-of-district (OOD) placements, requiring transportation and additional budget allocations.

Bond Vote & Financial Implications

- If the bond vote is unsuccessful, the district would need to fund an additional vote next year, adding to expenses.
- Failure to pass the bond would create significant financial strain on the operational budget.
- To cover essential upgrades without bond funding, staffing reductions and other budget cuts may be necessary.

Enrollment & Class Size Impact

- Unexpected student enrollment, especially at Hillside, could lead to larger elementary class sizes.
- Additional staffing may be needed to maintain appropriate student-to-teacher ratios.

Other Budget Considerations-

Out-of-District (OOD) Bussing Requests

- Final decisions on OOD transportation requests will be made by April 1.
- Currently, there are five additional students requesting OOD transportation for next year.
- This number does not include students already scheduled for OOD placements.
- Uncertainty remains about whether the current budget can support these additional transportation costs.

Leave Replacement Budget Constraints

- The budget for leave replacement has been reduced, limiting available funds for substitute coverage.
- If more staff take leave than anticipated, the district may face staffing shortages and operational challenges.

Other Budget Considerations-

Unscheduled Budget Repairs & Financial Risk

- Unforeseen building and infrastructure repairs continue to strain the budget.
- This year alone, the district managed over **\$500,000 in unscheduled repairs** within a tight budget.
- If additional large-scale unforeseen repairs arise, mid-year budget reductions may be necessary to cover costs.

Impact of a Failed Budget & Contingency Budget

- If the budget were to fail and the district were forced to adopt a contingency budget, it would require \$1.7 million in reductions.
- Any budget that results in a reduction of the tax levy would have a devastating financial impact, limiting resources for essential programs, staffing, and services.
- A failed budget would further strain reserves, making it more difficult to respond to unforeseen expenses and future financial challenges. Case in point: The district would be in a much stronger financial position with greater flexibility if the budget had not been voted down three years ago.

Revenue Concerns & Financial Stability

- **Investment Income Impact:** With interest rates projected to be cut, investment income is expected to decline.
 - Four years ago, when rates were at historic lows, revenue from investments was less than **\$40,000**.
 - In recent years, higher rates have generated over **\$500,000**, helping to close budget gaps.
 - A return to lower interest rates will significantly reduce this revenue stream.
- **Tuition Variability:**
 - Tuition revenue from students placed in the district by other schools or parents is difficult to predict.
 - Any shortfall in these projections could create unexpected budget gaps.
- **Long-Term Reserve Management:**
 - As we look ahead, maintaining and replenishing reserves is critical.
 - If reserves are not restored at the same or higher levels, they will be depleted over time, leading to **massive revenue gaps** and financial instability.

Five Year Budget

Five Year Expenditure Projections



		2024-25 Budget	2024-25 Estimated End of Year	2025-26 Projections	2026-27 Projections	2027-28 Projections	2028-29 Projections	2029-30 Projections
Salaries	High	\$32,180,584	\$32,085,000	\$33,849,675	\$35,711,407	\$37,675,535	\$39,747,689	\$41,933,812
	Medium	\$32,180,584	\$32,085,000	\$33,528,825	\$35,037,622	\$36,614,315	\$38,261,959	\$39,983,747
	Low	\$32,180,584	\$32,085,000	\$33,207,975	\$34,370,254	\$35,573,213	\$36,818,275	\$38,106,915
Employee Benefits	High	\$14,480,089	\$14,190,000	\$15,750,900	\$16,932,218	\$17,948,151	\$18,845,558	\$19,787,836
	Medium	\$14,480,089	\$14,190,000	\$15,609,000	\$16,623,585	\$17,454,764	\$18,152,955	\$18,879,073
	Low	\$14,480,089	\$14,190,000	\$15,467,100	\$16,240,455	\$16,890,073	\$17,396,775	\$17,918,679
Transportation ¹		\$1,849,870	\$1,790,000	\$2,075,000	\$2,137,250	\$2,201,368	\$2,267,409	\$2,335,431
Debt Services ²		\$2,272,260	\$2,272,260	\$2,272,260	\$2,272,260	\$2,272,260	\$2,150,000	\$2,100,000
Special Education ³		\$2,708,500	\$2,345,000	\$3,110,000	\$3,203,300	\$3,299,399	\$3,398,381	\$3,500,332
Facilities ⁴		\$1,457,690	\$1,850,000	\$1,498,000	\$1,542,940	\$1,596,943	\$1,644,851	\$1,694,197
BOCES/Technology ⁵		\$2,445,000	\$2,500,000	\$2,585,000	\$2,649,625	\$2,715,866	\$2,783,762	\$2,853,356
Per Pupil Allocation ⁶		\$390,000	\$355,000	\$375,000	\$365,000	\$365,000	\$365,000	\$365,000
Other ⁷		\$1,542,884	\$1,500,000	\$1,578,000	\$1,625,340	\$1,674,100	\$1,724,323	\$1,776,053
Interfund Transfer		\$319,000	\$319,000	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000
Total	High	\$59,645,877	\$59,206,260	\$63,393,835	\$66,639,340	\$69,948,620	\$73,126,973	\$76,546,017
	% Budget			6.28%	5.12%	4.97%	4.54%	4.68%
	Medium	\$59,645,877	\$59,206,260	\$62,931,085	\$65,656,922	\$68,394,015	\$70,948,640	\$73,687,190
	% Budget			5.51%	4.33%	4.17%	3.74%	3.86%
	Low	\$59,645,877	\$59,206,260	\$62,468,335	\$64,606,424	\$66,788,221	\$68,748,777	\$70,849,963
	% Budget			4.73%	3.42%	3.38%	2.94%	3.06%

This is the 5 year expenditure plan I presented in January 2025, as you can see our current budget is almost identical to the projection in the low column.

Five Year Revenues



5 Year Revenue Projections

Revenue Categories	2024-25 Budget	2024-25 EEOY	2025-26 Projections	2026-27 Projections	2027-28 Projections	2028-29 Projections	2029-30 Projections
Other Charges-Custodial Fees	\$55,000	\$65,000	\$60,000	\$60,000	\$60,000	\$65,000	\$65,000
Day School Tuition	\$140,000	\$225,000	\$175,000	\$200,000	\$215,000	\$225,000	\$235,000
Tuition Other Districts	\$125,000	\$130,000	\$125,000	\$125,000	\$250,000	\$250,000	\$250,000
Interest on Deposits and Invest	\$412,500	\$600,000	\$500,000	\$520,000	\$525,000	\$535,000	\$540,000
Borderline Properties	\$80,000	\$90,000	\$80,000	\$81,600	\$83,232	\$84,897	\$86,595
Unclassified Revenues	\$100,000	\$115,000	\$100,000	\$125,000	\$125,000	\$125,000	\$150,000
Sales Tax	\$825,000	\$900,000	\$900,000	\$925,000	\$930,000	\$930,000	\$930,000
State Aid	\$8,078,000	\$8,500,000	\$8,550,000	\$8,678,250	\$8,851,815	\$9,028,851	\$9,209,428
Rental - Solar	\$35,000	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$75,000
Health Services Other Districts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admissions & Trips	\$90,000	\$100,000	\$90,000	\$100,000	\$100,000	\$100,000	\$105,000
Total Revenue Other than Real Prop	\$9,940,500	\$10,775,000	\$10,630,000	\$10,889,850	\$11,215,047	\$11,418,748	\$11,646,023
Transfer from Reserve	\$0		\$0	\$0	\$0	\$0	\$0
Appropriated Fund Balance	\$554,843	\$354,843	\$400,000	\$300,000	\$250,000	\$200,000	\$200,000
Retirement Reserve	\$850,000	\$650,000	\$1,000,000	\$650,000	\$600,000	\$550,000	\$500,000
Reserve for Tax Certiorari	\$115,000	\$100,000	\$215,000	\$300,000	\$250,000	\$250,000	\$250,000
Transfer from Capital Reserve	\$0		\$275,000	\$200,000	\$150,000	\$0	\$0
Property Taxes (Based on tax cap)	\$48,185,534	\$48,185,534	\$49,968,399	\$51,217,609	\$52,498,049	\$53,548,010	\$54,618,970
Estimated increase			\$1,782,865	\$1,249,210	\$1,280,440	\$1,049,961	\$1,070,960
Total Revenue	\$59,645,877	\$60,065,377	\$62,213,399	\$63,357,459	\$64,813,096	\$65,966,758	\$67,214,993
Revenue shortfall Low	\$0		\$254,936	\$1,248,965	\$1,975,125	\$2,782,019	\$3,634,970
Revenue shortfall Medium	\$0		\$717,686	\$2,299,463	\$3,580,919	\$4,981,882	\$6,472,197
Revenue shortfall High	\$0		\$1,180,436	\$3,281,881	\$5,135,524	\$7,160,215	\$9,331,024

Without a override next year will we need to reduce over a million dollars for the budget.

Looking ahead to 2026-27 Budget

- Contractual Increases higher than previous years-over \$1.4 million
- Increase in transportation costs-estimated to be 25% increase when out OOD contract expires (Increase of \$300k)
- Increase in General Insurance Cost
- BOCES increased cost of services
- SWSCHP has already forecast another significant increase for 2026-27 8-10% Increase in Health Insurance (\$800k-\$900k)
- Increase in ERS and TRS-\$250k
- Increase cost of utilities and service contracts due to inflation

Total “Push Ahead” Variance for 2026-27 = Over \$3 million dollars
Keeping at Cap would mean we have over a 2 million dollar shortfall.



Revenue

Revenue Overview



Revenue	2024-25 Approved Budget	2025-2026 Preliminary Budget	Budget Change
Other Charges - Custodial Fees	\$55,000	\$55,000	\$0
Day School Tuition	\$140,000	\$190,000	\$50,000
Tuition Other Districts	\$125,000	\$115,000	(\$10,000)
Interest on Deposits & Investments	\$412,500	\$510,500	\$98,000
Solar Rental	\$35,000	\$40,000	\$5,000
Other Student Fee/Charges(from Individuals)	\$70,000	\$70,000	\$0
Admissions From Individuals-Theater	\$20,000	\$20,000	\$0
Borderline Properties	\$80,000	\$80,000	\$0

Revenue Overview



Revenue	2024-25 Approved Budget	2025-2026 Preliminary Budget	Budget Change
Unclassified Revenues	\$100,000	\$100,000	\$0
Sales Tax	\$825,000	\$900,000	\$75,000
State Aid -Total	\$8,078,000	\$8,548,530	\$470,530
Transfer from Fund Balance & Reserves	\$1,519,843	\$1,890,000	\$370,157
Amount to be raised by Property Taxes	\$48,185,534	\$49,946,958	\$1,761,424
TOTAL REVENUE	\$59,645,877	\$62,465,988	\$2,820,111

Revenue Highlights

- Increase in Interest revenue
- Increase in Out of District Tuition
- Increase in Sales Tax
- Increase in State Aid
- Increase in use of reserves

Tax Cap Summary

Tax Levy Limit Before Adjustments and Exclusions	
Tax Levy FYE 2025	\$48,185,534
Tax Base Growth Factor	1.0172
PILOTS Receivable FYE 06/30/2025	\$13,000
Capital Levy for FYE 06/30/2025	(\$1,432,440)
Allowable Levy Growth Factor	1.0200
PILOTs Receivable FYE 06/30/2026	(\$14,000)
Total Levy Limit Before Adjustments/Exclusions	\$48,532,783
Exclusions	
Capital Levy for FYE 06/30/26	\$1,414,175
Employees Retirement System	\$0
Total Exclusions	\$1,414,175
Tax Levy Limit Adjusted for Transfers, Plus Exclusions	\$49,946,958
Allowable 25-26 Tax Levy Increase Amount	\$1,761,424
Allowable 25-26 Tax Levy Increase Percent	3.66%
2025 Proposed Levy, Net of Reserve	\$49,946,958
Difference between Tax Levy Limit Plus Exclusions and Proposed Levy	\$0



Thank
You