



# West Hempstead UFSD

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***Board of Education***

***2023-2024***

***Budget Development Workshop***

***Non-Instructional Categories***

***March 7, 2023***



# Budget Timeline

- March 7th  
Overview  
Non-Instructional Categories
- March 14<sup>th</sup>  
Instructional Categories  
Revenue/State Aid
- March 28th  
Budget discussion if needed
- April 18<sup>th</sup>  
Budget Discussion and Budget Adoption
- May 2<sup>nd</sup>  
Budget Hearing
- May 16<sup>th</sup>  
Budget Vote  
Secondary School North Gym  
7:00 am – 9:00 pm



# 2023-2024 Proposed Budget

**Total Proposed Budget: \$74,338,684**

- \$3,203,210 Budget-to-Budget Increase
- 4.50% Spending Increase
- 2.43% Tax Levy Increase
  - Within the District's Tax Cap



# Challenges to Budgeting

- The 2% Tax Levy Limit Legislation (“2% Tax Cap”)
- Foundation Aid Not Truly Fully Funded
  - The Executive Budget fully funds the Foundation Aid formula, but does not make up for the past 16 years when the formula was not fully funded.
  - The large increases in Foundation Aid we have seen over the past 2 years will end after 2023-24
  - West Hempstead would receive millions more in additional State Aid if the formula were fully funded and we were paid what has been withheld since the 2007-2008 school year.



# Foundation Aid Comparisons

## Surrounding Districts

School District	2023/24 \$\$ Increase	2023/24 % Increase	Aggregate Increase 2022/23 and 2023/24
Elmont	\$ 4,704,097	19.58%	\$ 4,704,097
Franklin Square	\$ 2,774,788	31.80%	\$ 5,104,742
Garden City	\$ 2,416,122	48.95%	\$ 4,656,069
Hempstead	\$ 34,052,966	24.05%	\$ 64,636,901
Lynbrook	\$ 3,506,605	32.66%	\$ 6,958,736
Malverne	\$ 3,503,121	36.42%	\$ 6,004,968
Rockville Centre	\$ 3,297,727	35.66%	\$ 6,768,380
Sewanhaka	\$ 13,046,066	31.60%	\$ 23,063,182
Valley Stream 13	\$ 3,919,788	34.40%	\$ 3,919,788
Valley Stream 24	\$ 1,931,052	30.22%	\$ 1,931,052
Valley Stream 30	\$ 3,271,756	34.29%	\$ 3,271,756
Valley Stream CHSD	\$ 11,255,125	39.23%	\$ 11,255,125
<b>WEST HEMPSTEAD</b>	<b>\$ 1,308,482</b>	<b>17.10%</b>	<b>\$ 3,146,847</b>
AVERAGE:	\$ 6,845,207	32.00%	\$ 11,186,280.23
WEST HEMPSTEAD	\$ 1,308,482	17.10%	\$ 3,146,847.00
Difference:	\$ (5,536,725)	(14.90%)	\$ (8,039,433)



# Challenges to Budgeting

- Additionally, there are numerous mandates and expenses over which the District has no control.

## These include:

- Health Insurance Premium Increases
  - 12% Increase in Calendar Year 2022 for Active Employees
  - 15% Increase for Calendar Year 2023 for Active Employees
  - Anticipated 12% Increase for Calendar Year 2024
- Pension and Retirement Contributions
  - Teachers Retirement System (TRS)
  - Employees Retirement System (ERS)
- Charter School Funding
- Auditing and Financial Compliance
- Mandated Testing and Scoring
- Response To Intervention/AIS
- Special Education Mandates
- ENL Regulations



# Challenges to Budgeting

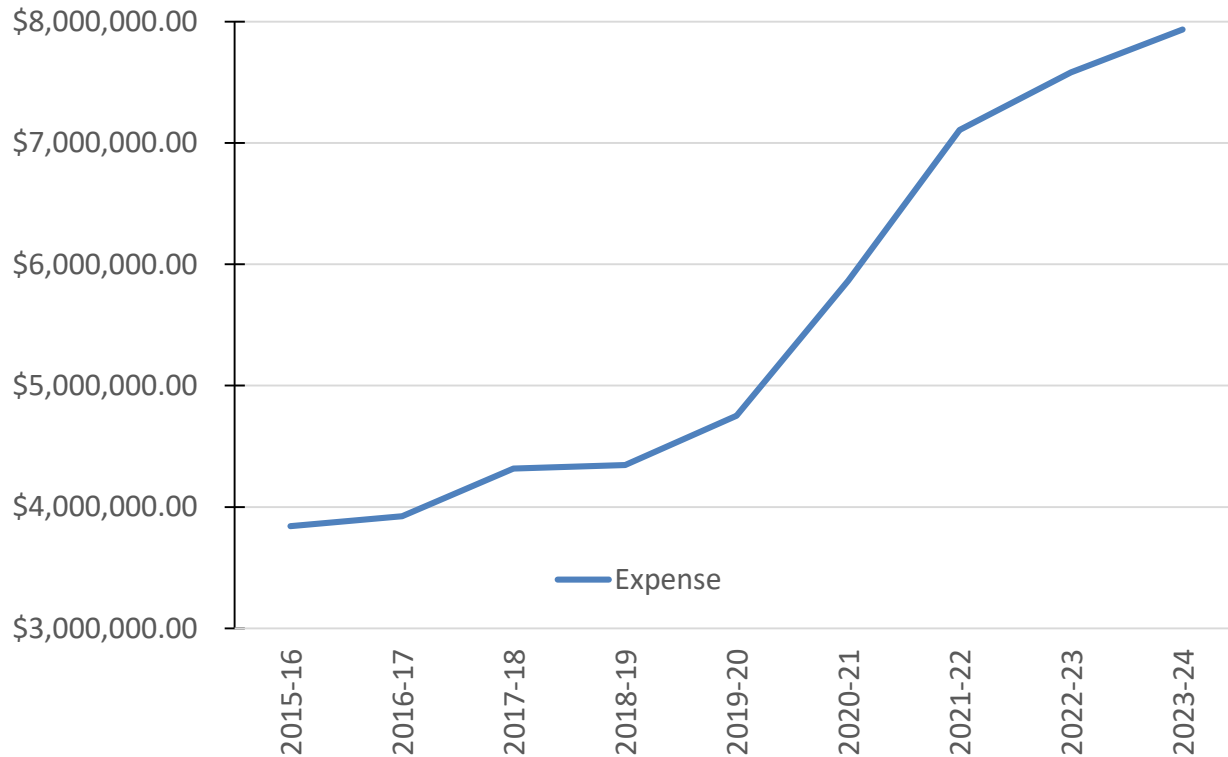
- **Medical Insurance Premiums**
  - \$1.2 million budgeted increase for 2023/24
- **Special Education**
  - \$730,000 budgeted increase for 23/24
- **Facilities**
  - \$525,000 budgeted increase for 23/24
- **Transportation**
  - \$350,000 budgeted increase for 23/24





# Historical Transportation Expenses

## 9-Year Transportation Expense



Transportation Expenses Have Increased 107% Since 2015-16





# Transportation Challenges

- We transport approximately 1,200 students to over 100 schools and approximately 120 routes.
- How We Pay For Bus Contracts
  - Per Vehicle (bus/van)
  - Per Student
    - Flat rate per each student (e.g., \$778 per student)
    - Higher rate for 1<sup>st</sup> student, lower rate for each additional student (e.g., \$6,253 for the 1<sup>st</sup> student; \$329 for each additional student)
- All bus contracts must be competitively bid



## Transportation Contract Challenges

<u>School #</u>	<u>2020-21 Cost Per Month</u>	<u>2021-22 Cost Per Month</u>	<u>2022-23 Cost Per Month</u>
1	\$800/student	\$2,995 1 <sup>st</sup> / \$1,000 addl.	\$3,184 1 <sup>st</sup> / \$1,063 addl.
2	<i>No Students</i>	\$6,500/student	\$7,000/ student
3	<i>No Students</i>	\$6,500/student	\$6,910/ student
4	<i>No Students</i>	\$2,995 1 <sup>st</sup> / \$2,000 addl.	\$3,184 1 <sup>st</sup> / \$2,126 addl.
5	<i>No Students</i>	\$8,200/student \$3,000/nurse	\$8,717/ student \$3,189/nurse



# Preparing for 2023-2024

## *Important Financial Information to Consider...*

- CPI-U (the rate of inflation) for 2022 is **8.0%**
- State Aid Payments
  - The Governor's Executive Budget Proposal estimates combined state and federal aid totaling \$16,343,234 (excluding UPK Funding), an increase of \$1,348,282 over the 2022-2023 state aid projected for West Hempstead.
  - The State Legislators usually recommend a higher amount of state aid in their budget than the Governor and hopefully that will increase funding for West Hempstead.



# Employer Retirement Contributions

## Important Factors in Retirement Contribution Expense

- **Employee Retirement System (ERS).** Employer Mandated Contribution Percentages to the **Employee Retirement System (ERS)** are relatively flat.

*Projected decrease of approximately \$10,000 over current year*

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- **Teacher Retirement System (TRS)**  
Employer Contribution Rate decrease, from 10.3% to 9.8%.

*Projected decrease of approximately \$200,000 over current year*



# The “2% Tax Levy Cap”

**Reminder:** It is not a Property Tax Cap and it is typically not 2%.

- In fact, it is only a threshold controlling the allowable increase to the Tax Levy.
- Controlled by factors such as:
  - ❖ Tax Base Growth Factor (this year 1.0027)
  - ❖ Allowable Levy Growth Factor (Lesser of 2% or CPI-U)
    - This year the CPI-U is **8.0%** , so our allowable tax levy growth factor is the lower 2% amount.
  - ❖ PILOTS
  - ❖ Capital Projects Tax Levy, Including Bond Projects
    - ❖ Includes BOCES Capital Projects



# 2023-2024 Tax Levy Cap

2022-2023 Tax Levy	\$48,524,651
❖ Multiplied by Tax Base Growth Factor (1.0027)	\$48,655,668
❖ Add 2022/23 PILOTs	<u>\$1,482,752</u>
	\$50,138,420
❖ Less 2022/23 Capital Tax Levy Exclusion	<u>(\$1,571,953)</u>
❖ Adjusted Prior Year Levy	\$48,566,467
❖ Multiplied by Allowable Levy Growth Factor (2.0%)	\$49,537,796
❖ Less 2023/24 PILOTs	<u>(\$1,316,198)</u>
❖ 2023/24 Tax Levy Limit (Before Exclusions)	\$48,221,598
❖ Add 2023/24 Capital Tax Levy Exclusion	<u>\$1,480,440</u>
<b>2023-2024 Tax Levy Limit:</b>	<b>\$49,702,038</b>

This amount represents the  
2.43% tax levy increase.  
Within the Tax Levy Cap



# 2023-2024 Proposed Tax Levy Increases Surrounding Districts\*

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<u>School District</u>	<u>Tax Levy Increase</u>
Malverne	1.85%
Rockville Centre	1.99%
Garden City	2.32%
<b>West Hempstead</b>	<b>2.43%</b>
Sewanhaka	2.47%
Lynbrook	2.6%
Oceanside	2.9%
Franklin Square	3.13%

\*Information from Nassau ASBO, NCSSCS, or Comptroller's Office Tax Cap Filings



# Bond Project Borrowing

*To date, we have borrowed \$34.75 million of the voter authorized \$35.6 million to fund Bond projects, using Bond Anticipation Notes (BANs) and Serial Bonds.*

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*We will borrow the remaining voter authorized funds to complete Project C Projects, using Serial Bonds*

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As a result, Bond-related debt service will increase by approximately \$457,000 in 2023-24\*

\*This increase will be offset almost entirely by an increase in Building Aid







# 2023-24 FACILITIES

- **Smart Schools Bond Projects**
  - Security Cameras Districtwide
  - Wireless Door Locks Districtwide
  - Door Ajar Security Systems
- **Federal Stimulus Spending**
  - Unit Ventilators (Summer 2023)
- **Projects Funded From Previous Years' Budgets**
  - High School Exterior Wall
  - High School Kitchen
- **Ongoing service and maintenance of our aging facilities**



# 2022-23 BOND PROJECTS – COMPLETED

## Pre-K Center





# 2022-23 BOND PROJECTS – COMPLETED



Secondary School North  
Gymnasium Extension







# HIGH SCHOOL AUDITORIUM – COMPLETED





# Current Consolidated Budget...

<b>Account Functional Groups</b>	<b>2020-21 Expenses</b>	<b>2021-22 Expenses</b>	<b>2022-23 Budget</b>	<b>2023-24 Proposed Budget</b>
<b>1000 - 1999 GENERAL SUPPORT</b>	\$ 5,805,349	\$ 6,609,432	\$ 6,885,407	\$ 7,563,492
<b>2000 - 2999 INSTRUCTION</b>	\$ 32,576,840	\$ 33,831,918	\$ 36,497,199	\$ 37,280,926
<b>5000 - 5999 TRANSPORTATION</b>	\$ 5,864,525	\$ 7,170,514	\$ 7,581,520	\$ 7,930,018
<b>7000 - 8999 COMMUNITY SERVICES</b>	\$ 5,700	\$ 0	\$ 0	\$ 0
<b>9000 - 9099 EMPLOYEE BENEFITS</b>	\$ 14,404,649	\$ 15,118,034	\$ 16,720,552	\$ 17,652,208
<b>9700 - 9799 DEBT SERVICE</b>	\$ 2,529,613	\$ 3,165,945	\$ 3,290,796	\$ 3,747,040
<b>9900 - 9999 INTERFUND TRANSFERS</b>	\$ 139,105	\$ 230,832	\$ 160,000	\$ 165,000
<b>Grand Totals</b>	<b>\$ 61,325,781</b>	<b>\$ 66,126,675</b>	<b>\$ 71,135,474</b>	<b>\$ 74,338,684</b>



## Non-Instructional Areas

- 1000-1999 – General Support
- 5000-5999 – Transportation
- 7000-7999 – Community Services
- 9000-9099 – Employee Benefits
- 9700-9799 – Debt Service
- 9900-9999 – Interfund Transfers



# 1000-1999 – General Support

ACCOUNT	DESCRIPTION	2020-21 EXPENSES	2021-22 EXPENSES	2022-23 BUDGET	2023-24 DRAFT BUDGET
<b>1010....BOARD OF EDUCATION</b>		<b>\$ 27,868</b>	<b>\$ 26,385</b>	<b>\$ 39,450</b>	<b>\$ 40,900</b>
	<i>NYSSBA Dues, Professional Development, Publications, Misc. Supplies</i>				
<b>1040....DISTRICT CLERK</b>		<b>\$ 10,500</b>	<b>\$ 10,500</b>	<b>\$ 10,500</b>	<b>\$ 58,979</b>
	<i>District Clerk's Salary, Equipment</i>				
<b>1060....DISTRICT MEETING</b>		<b>\$ 29,390</b>	<b>\$ 43,699</b>	<b>\$ 37,250</b>	<b>\$ 39,570</b>
	<i>Voter Machine Rental, Supplies, Public Notices, Election Worker Salaries</i>				
<b>1240....CHIEF SCHOOL ADMINISTRATOR</b>		<b>\$ 329,907</b>	<b>\$ 339,661</b>	<b>\$ 353,338</b>	<b>\$ 335,501</b>
	<i>Superintendent and Secretary Salaries, Professional Meetings, Supplies, Equipment</i>				
<b>1241....CSA TRAVEL ALLOWANCE</b>		<b>\$ 4,800</b>	<b>\$ 4,800</b>	<b>\$ 4,800</b>	<b>\$ 4,800</b>
	<i>Superintendent Annual Travel Allowance</i>				
<b>1310....BUSINESS OFFICE</b>		<b>\$ 596,496</b>	<b>\$ 642,536</b>	<b>\$ 660,052</b>	<b>\$ 704,995</b>
	<i>Business Official and all Office Staff Salaries, Contractual Expenses, Supplies, Equipment</i>				



# 1000-1999 – General Support (Continued)

ACCOUNT	DESCRIPTION	2020-21 EXPENSES	2021-22 EXPENSES	2022-23 BUDGET	2023-24 DRAFT BUDGET
<b>1320....AUDITING</b>		<b>\$ 107,085</b>	<b>\$ 98,269</b>	<b>\$ 112,100</b>	<b>\$ 109,100</b>
	<i>External, Internal, and Claims Auditors, Financial Statement Accountant</i>				
<b>1325....TREASURER</b>		<b>\$ 79,875</b>	<b>\$ 78,075</b>	<b>\$ 85,600</b>	<b>\$ 88,250</b>
	<i>Treasurer's Salary, Bond Counsel, District's Financial Advisor, State Aid Advisor</i>				
<b>1420....LEGAL FEES</b>		<b>\$ 103,750</b>	<b>\$ 106,000</b>	<b>\$ 108,000</b>	<b>\$ 110,000</b>
	<i>General Counsel and Negotiations Annual Retainer</i>				
<b>1430....PERSONNEL/HEARINGS/LITIGATION</b>		<b>\$ 151,601</b>	<b>\$ 175,796</b>	<b>\$ 166,500</b>	<b>\$ 168,000</b>
	<i>Litigation Fees, Superintendent's Hearings Fees, Residency Investigations</i>				
<b>1460....RECORDS MANAGEMENT OFFICER</b>		<b>\$ 4,451</b>	<b>\$ 5,000</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>
	<i>Records Management Officer Salary, Supplies</i>				
<b>1480....PUBLIC INFO AND SERVICE</b>		<b>\$ 63,567</b>	<b>\$ 61,251</b>	<b>\$ 76,450</b>	<b>\$ 77,985</b>
	<i>All District Newspapers - Advertisements/Legal Notices, District Photographer, School Calendar</i>				





# 1000-1999 – General Support (Continued)

ACCOUNT	DESCRIPTION	2020-21 EXPENSES	2021-22 EXPENSES	2022-23 BUDGET	2023-24 DRAFT BUDGET
<b>1620....OPERATION OF PLANT</b>		<b>\$ 2,204,253</b>	<b>\$ 2,653,052</b>	<b>\$ 2,814,341</b>	<b>\$ 3,236,076</b>
	<i>Director of Facilities and all Custodial Staff, Utilities, Supplies, Equipment, Contractual Expenses</i>				
<b>1621....MAINTENANCE OF PLANT</b>		<b>\$ 734,884</b>	<b>\$ 771,650</b>	<b>\$ 1,026,636</b>	<b>\$ 1,128,912</b>
	<i>Maintenance and Groundskeeping Staff, Architect, Supplies, Equipment, Contractual Expenses</i>				
<b>1622....SECURITY</b>		<b>\$ 487,323</b>	<b>\$ 448,547</b>	<b>\$ 435,000</b>	<b>\$ 500,000</b>
	<i>Districtwide Contract Security</i>				
<b>1670....CENTRAL PRINTING AND MAILING</b>		<b>\$ 70,834</b>	<b>\$ 67,882</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
	<i>Copier Equipment Lease Expenses</i>				
<b>1681....DATA PROCESSING</b>		<b>\$ 252,097</b>	<b>\$ 252,769</b>	<b>\$ 271,366</b>	<b>\$ 269,330</b>
	<i>Data Processing Equipment/Software/Supplies, BOCES Data and Testing Related Services</i>				
<b>1910....DISTRICT-WIDE INSURANCE</b>		<b>\$ 290,778</b>	<b>\$ 296,400</b>	<b>\$ 345,900</b>	<b>\$ 346,000</b>
	<i>NYSIR - Liability Insurance, Student Accident Insurance000</i>				
<b>1930....JUDGMENTS &amp; CLAIMS</b>		<b>\$ 0</b>	<b>\$ 276,800</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>1981....ADMINISTRATIVE CHARGES-BOCES</b>		<b>\$ 255,891</b>	<b>\$ 250,359</b>	<b>\$ 257,124</b>	<b>\$ 264,094</b>
	<i>Nassau BOCES Administration Fees</i>				



# 5000-5999 – Transportation

## 7000-7999 – Community Services

ACCOUNT	DESCRIPTION	2020-21 EXPENSES	2021-22 EXPENSES	2022-23 BUDGET	2023-24 DRAFT BUDGET
<b>5510....DISTRICT TRANSPORTATION</b>		<b>\$ 69,277</b>	<b>\$ 65,456</b>	<b>\$ 82,604</b>	<b>\$ 81,304</b>
	<i>Transportation Coordinator Salary, Software, Contractual Services, Supplies</i>				
<b>5540....CONTRACTED TRANSPORTATION</b>		<b>\$ 5,650,561</b>	<b>\$ 6,862,869</b>	<b>\$ 7,248,916</b>	<b>\$ 7,538,714</b>
	<i>Competitively Bid Transportation – In-District/Out of District/Special Ed/Athletics</i>				
<b>5581....BOCES CONTRACTUAL TRANSPORTATION</b>		<b>\$ 144,687</b>	<b>\$ 242,189</b>	<b>\$ 250,000</b>	<b>\$ 310,000</b>
	<i>Transportation Awarded to BOCES after Competitive Bidding</i>				
<b>7310....YOUTH PROGRAM</b>		<b>\$ 5,700</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
	<i>SCOPE Program for Essential Workers</i>				



# 9000-9099 – Employee Benefits

ACCOUNT	DESCRIPTION	2020-21 EXPENSES	2021-22 EXPENSES	2022-23 BUDGET	2023-24 DRAFT BUDGET
<b>9010....EMPLOYEE RETIREMENT SYSTEM</b>		<b>\$ 788,824</b>	<b>\$ 761,331</b>	<b>\$ 875,000</b>	<b>\$ 865,000</b>
	<i>District Contributions to ERS for Civil Service Staff</i>				
<b>9020....TEACHERS RETIREMENT SYSTEM</b>		<b>\$ 2,144,834</b>	<b>\$ 2,283,273</b>	<b>\$ 2,550,000</b>	<b>\$ 2,350,000</b>
	<i>District Contributions to TRS for Certificated Staff</i>				
<b>9030....FICA</b>		<b>\$ 2,047,830</b>	<b>\$ 2,089,238</b>	<b>\$ 2,350,000</b>	<b>\$ 2,335,000</b>
	<i>District Contributions to Social Security and Medicare</i>				
<b>9040....WORKER'S COMPENSATION</b>		<b>\$ 243,316</b>	<b>\$ 243,112</b>	<b>\$ 265,500</b>	<b>\$ 279,000</b>
	<i>Worker's Compensation Premiums</i>				
<b>9045....LIFE INSURANCE</b>		<b>\$ 11,918</b>	<b>\$ 12,226</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
	<i>Life Insurance Premiums</i>				
<b>9050....UNEMPLOYMENT</b>		<b>(\$ 29,270)</b>	<b>\$ 3,699</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
	<i>Unemployment Insurance Payments to NYS</i>				
<b>9055....DISABILITY INSURANCE</b>		<b>\$ 13,311</b>	<b>\$ 13,820</b>	<b>\$ 17,000</b>	<b>\$ 18,000</b>
	<i>Disability Insurance Premiums</i>				
<b>9060....HEALTH INSURANCE</b>		<b>\$ 9,033,255</b>	<b>\$ 9,435,469</b>	<b>\$ 10,318,052</b>	<b>\$ 11,466,708</b>
	<i>District Contributions for Health and Dental Insurance Premiums</i>				
<b>9070....UNION WELFARE BENEFITS</b>		<b>\$ 131,805</b>	<b>\$ 254,958</b>	<b>\$ 230,000</b>	<b>\$ 230,000</b>
	<i>Separation Payments at Retirement per Contract</i>				
<b>9080....HEALTH INSURANCE BUYOUT</b>		<b>\$ 18,826</b>	<b>\$ 20,907</b>	<b>\$ 25,000</b>	<b>\$ 18,500</b>
	<i>Health Ins. Buyout per CBAs</i>				



# 9700-9799 – Debt Service

## 9900-9999 – Interfund Transfers

ACCOUNT	DESCRIPTION	2020-21 EXPENSES	2021-22 EXPENSES	2022-23 BUDGET	2023-24 DRAFT BUDGET
9711....	SERIAL BOND	\$ 1,282,150	\$ 2,227,314	\$ 2,232,600	\$ 2,781,988
9730....	DEBT SERVICE SHORT TERM	\$ 356,250	\$ 68,750	\$ 115,000	\$ 0
	<i>Interest Payment for Bond Anticipation Note</i>				
9760....	TAX ANTICIPATION NOTE	\$ 50,021	\$ 22,289	\$ 95,000	\$ 118,000
	<i>Interest Payment for Annual Tax Anticipation Note (TAN)</i>				
9770....	REVENUE ANTICIPATION/LIBRARY RENT	\$ 585,306	\$ 591,706	\$ 592,307	\$ 597,307
	<i>Principal and Interest Payments on WH Library Bond</i>				
9785....	INSTALLMENT PURCHASE DEBT- STATE AIDED COMPUTER	\$ 255,886	\$ 255,886	\$ 255,889	\$ 249,745
	<i>Principal and Interest Payments on Technology &amp; Grounds Equipment Purchases</i>				
9901....	TRANSFER TO SPECIAL AID	\$ 139,105	\$ 145,832	\$ 160,000	\$ 165,000
	<i>District's Contribution Towards 4408 and 4201 Programs</i>				
9950....	TRANSFER TO CAPITAL	\$ 0	\$ 85,000	\$ 0	\$ 0
	<i>Funds Allocated for School Year Capital Projects</i>				



## Next Steps...

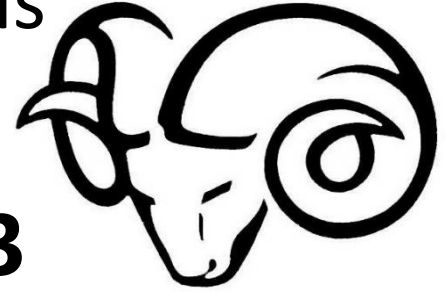
- Keep in mind, these are **preliminary numbers**, and are likely subject to change based upon finalized State Aid projections
- District Administration will keep the Board of Education and the community updated as further information becomes available.



## Continuing the Conversation...

The Next Budget Workshop is  
scheduled for

**Tuesday, March 14, 2023**



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Instructional Budget & Revenue

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Budget Vote

**Tuesday, May 16, 2023**

in the Secondary School North Gym