

**SOUTH HUNTINGTON SCHOOL DISTRICT
BUDGET WORK SESSION
BOARD OF EDUCATION MEETING
MARCH 6, 2024**



**CREATING THE
LEADERS OF TOMORROW**

FISCAL PHILOSOPHY

The district's fiscal approach, as we go through the budget process, is to address student needs while ensuring fiscal sustainability.

Our recommendations are made through a fiscally prudent and responsible lens as we look to the future and set high expectations for both student and district growth.

ACADEMIC PLANS 2024/25

- K - 6 ELA Curriculum Program
- STAR Assessment - AIS Progress Monitoring Tool, Grades K-6
- NYSED Science Investigations, Grades 3-8
- Continue to work with the Curriculum Council, Chairs, and Supervisors to update course curricula to align with State standards and District needs

ACADEMIC PLANS 2024/25

- Continuation of the 9-Period day and robust course offerings to meet the needs of all students
- Maintain and improve Credit Recovery/ALT programming for the High School, Grades 9-12
- Provide additional ENL Courses to promote graduation rates and academic success
- Continuation of discussions related to the Blue Ribbon Commission's findings as more information becomes available from NYSED

WHAT IS THE TAX LEVY LIMIT

The tax levy limit (“cap”) is the tax increase that School Districts are legally permitted to request from the taxpayers.

This formula is sometimes referred to as the “2% Cap”, despite the formula oftentimes allowing for a legal levy greater than 2%.

RECENT TAX LEVY INCREASE HISTORY

2018/19: 2.15%

2019/20: 2.87%

2020/21: 2.33%

2021/22: 0.99%

2022/23: 0.00%

2023/24: 1.50%

(Pre-Covid (18/19 – 20/21) 3-year Average was 2.45%)

TAX LEVY GROWTH HISTORY

2018/19 (2.15%) = \$ 2,416,162

2019/20 (2.87%) = \$ 3,293,745

2020/21 (2.33%) = \$ 2,747,582

2021/22 (0.99%) = \$ 1,191,065

2022/23 (0.00%) = \$ 0

2023/24 (1.50%) = \$ 1,827,481

2024/25 ELIGIBLE TAX LEVY CAP

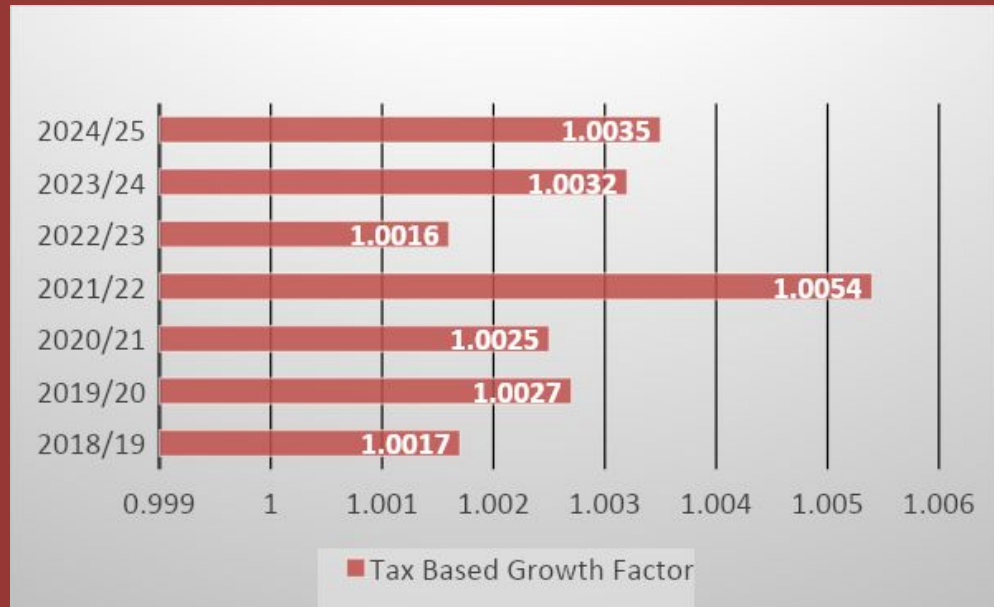
The district's maximum eligible tax levy increase by formula is 3.42%.

*Note: As was the case in prior years; the Board of Education may choose to move forward with a lower tax levy increase.

TAX LEVY FORMULA - TAX BASE GROWTH FACTOR

The growth factor is based on “quantity change,” such as new construction, newly taxable status of existing property, or measurable improvements to taxable property within the boundaries of the local government or school district.

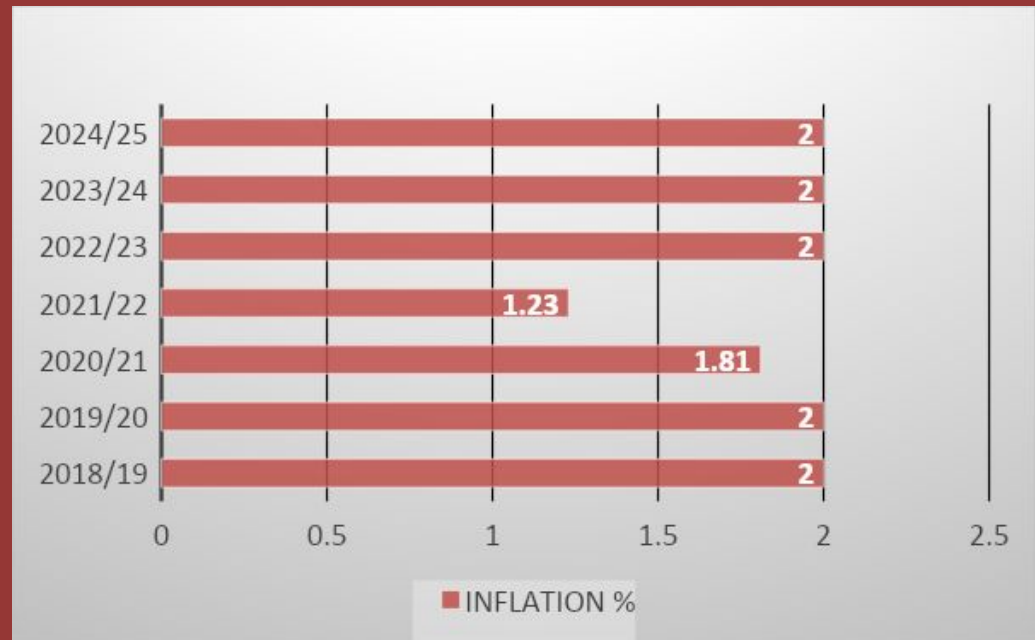
- 2018/19: 1.0017
- 2019/20: 1.0027
- 2020/21: 1.0025
- 2021/22: 1.0054
- 2022/23: 1.0016
- 2023/24: 1.0032
- 2024/25: 1.0035



TAX LEVY FORMULA - INFLATION FACTOR

Within the Tax Levy Formula is a component related to inflation. The allowable tax levy increase is the lesser of 1.02 (2% max) or inflation factor (percent change in CPI for the 12 month period ending December 31). This is where the term 2% Tax Cap comes from

- 2018/19: 2.00%
- 2019/20: 2.00%
- 2020/21: 1.81%
- 2021/22: 1.23%
- 2022/23: 2.00%
- 2023/24: 2.00%
- 2024/25: 2.00%



TAX LEVY FORMULA: EXCLUSIONS

KEY EXCLUSIONS CAN BE:

- Pension increases greater than 2%
- Capital Expenditures Net of Aid
- Debt Service
- Bus Purchases
- Installment Purchases

FUND BALANCE

Fund Balance: Carry-over funds from the current year to be allocated in the subsequent year.

- For 2023/24, we allocated \$2,990,000 in Fund Balance.
- For 2024/25, we are seeking to reduce fund balance reliance for the upcoming school year.

The allowable percentage of Unassigned Fund Balance, which is a fiscal standard auditors hold districts to, is 4%. The district is currently at 3.88% as of June 30, 2023.

RESERVES

Districts are not permitted to use “credit” to cover expenses, therefore, they have a modest cushion in the budget lines to safeguard for emergencies and unforeseen expenses. If the budget is underspent, the money is placed in reserves or fund balance. If the budget allocations are insufficient, either cuts are made or reserves utilized. Reserves can also be utilized to reduce the tax levy during the budget process.

Albany wants school districts to budget to the dollar, without leaving much in reserves, while the auditors and Moody’s Investors Services believe budgeting without that modest cushion is bad fiscal practice.

As we see with the Governor’s proposed State Aid package for the 2024/25 school year, Districts must become more self reliant on having reserves, as the increases in state aid may not always be forthcoming in future years.

5-YEAR HISTORY OF RESERVES

	2018/19	2019/20	2020/21	2021/22	2022/23
Workers Comp.	\$ 2,361,745	\$ 1,952,687	\$ 1,505,195	\$ 927,844	\$ 378,801
Unemployment Ins.	\$ 335,866	\$ 339,057	\$ 339,099	\$ 339,444	\$ 358,087
Insurance	\$ 682,709	\$ 689,194	\$ 689,281	\$ 689,981	\$ 727,877
Employee Retirement System	\$ 5,809,677	\$ 4,184,870	\$ 2,035,395	\$ 1,387,463	\$ 913,667
Teachers Retirement System	\$ 1,000,000	\$ 1,009,500	\$ 1,009,627	\$ 360,652	\$ 30,461
Employee Benefit Accrued Liability (EBLAR)	\$ 9,423,925	\$ 9,893,466	\$ 8,894,707	\$ 8,203,743	\$ 7,654,320
Assigned – Appropriated Carryover Encumbrances	\$ 99,100	\$ 4,040,723	\$ 1,717,259	\$ 1,654,911	\$ 393,128
Assigned – Appropriated Fund Balance	\$ 5,008,041	\$ 5,100,000	\$ 4,500,000	\$ 3,900,000	\$ 2,990,000
Debt Service & Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,521
Unassigned Fund Balance (4% Cap)	\$ 6,834,978	\$ 4,511,177	\$ 5,089,635	\$ 6,781,150	\$ 8,105,679
TOTAL RESERVES	\$ 31,556,041	\$ 31,720,674	\$ 25,780,198	\$ 24,245,188	\$ 21,568,541

USE OF RESERVES

Between June 30, 2019, through June 30, 2023 we have seen a decrease in our reserves of \$9,987,500 approximately 32%.

When the books close this summer, it is estimated that they will be further reduced by an additional \$1.980 million based upon current year allocations.

The district's utilization has been prudent and selective. Reducing this dependency remains a fiscal focus.

STATE AID PROJECTION FOR 2024/25

- **The Governor's Executive Proposal contains \$77,511,519 in total State Aid:**
 - Foundation Aid: \$ 54,879,183
 - Expense Based Aid: \$20,838,121
 - UPK Aid: \$ 1,794,215
- **Our hope is that the final approved State Budget will include the aid which the Governor removed from her Executive Proposal.**
- **As of now South Huntington is looking at a reduction from the November database versus the Governor's Executive Proposal in the amount of \$746,910.**

TRANSPORTATION PLANNING

For 2024/25, the district is currently planning to allocate approximately \$1,255,200 for the purchase of additional buses.



FACILITIES PLANNING FOR 2024/25

Based upon the proposed State Aid, the district is currently planning to allocate approximately \$1,200,000 for buildings and grounds maintenance as well as \$4,000,000 in “Transfer to Capital” for Capital improvement projects.

Potential Capital Projects include:

- WWHS Boilers
- WWHS Science Room Renovations
- Silas Wood Doors
- WWHS Tennis Courts

ENERGY PERFORMANCE CONTRACT

South Huntington closed on our Energy Performance Contract (EPC) last school year, and work began right away. This EPC will help to address many of the district's needed repairs and replacements for facilities items such as boilers, water heaters, HVAC, lighting, controls, and solar arrays.

The following projects are well underway and nearing completion:

- Weatherization
- LED Lighting Upgrades
- Boiler Replacements
- Solar Carports

GOALS FOR 2024/2025

- Continuous strive for excellence
- Provide learning opportunities and meet the academic as well as social-emotional needs of all students
- Close achievement gaps
- Continuity and expansion of programs
- Strengthen community partnerships
- Fiscal sustainability including reducing reserve reliance
- Enhancement of safety measures and the upkeep of facilities & grounds

UPCOMING BUDGET PRESENTATION DATES

March 20, 2024: Budget Work Session/Board of Education Meeting, JKAO

April 16, 2024: Budget Adoption/BOCES Budget Vote/Board of Education Meeting, JKAO

May 7, 2024: Public Hearing of Budget/Board of Education Meeting, JKAO

May 21, 2024

BUDGET/REFERENDUM VOTE & BOARD OF EDUCATION ELECTION

Walt Whitman High School, 2pm - 9pm

Board of Education Meeting, Walt Whitman High School, 7:30 pm