



North Shore Schools

Discovering Your Dreams



THE 2023-2024 PROPOSED BUDGET



Dr. Christopher Zublionis - Superintendent of Schools
February 2, 2023

www.northshoreschools.org

2023-2024 DISTRICT GOALS

- **Remain sensitive to the fiscal pressures faced by residents of the North Shore Community**
- **Reduce costs and seek other revenue sources**
- **Continue to align all instructional programs with the District's Shared Valued Outcomes (SVOs) and strategic plan**
- **Maintain all existing programs and resources while meeting the new and evolving needs of students**
- **Continue to strengthen academic support to bridge learning loss due to the pandemic and academic needs**

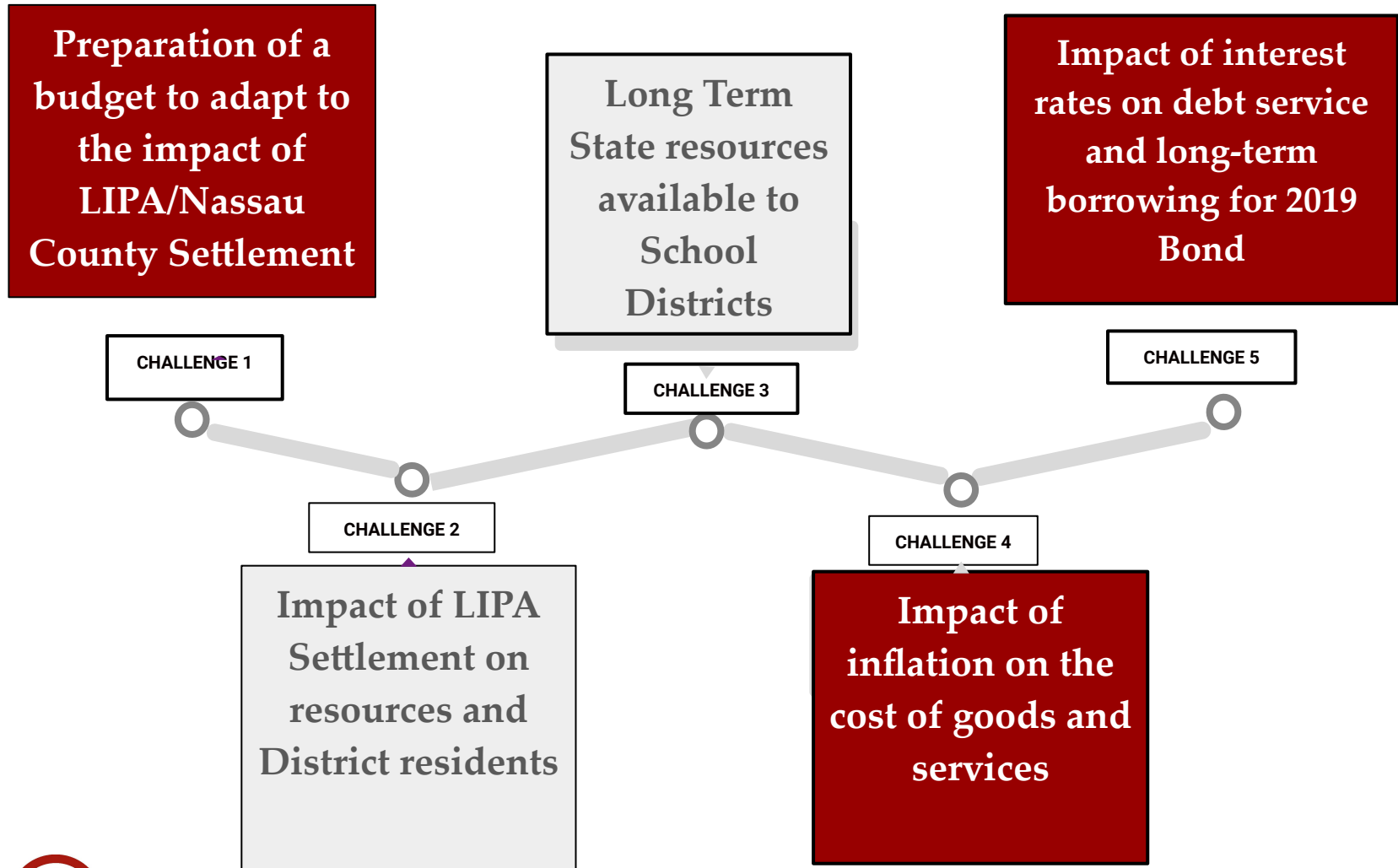


2023-2024 DISTRICT GOALS

- **Continue outdoor learning programs and provide adequate security to protect students when learning inside and outside the classrooms**
- **Provide a strong program of professional development to our faculty and staff to enhance teaching and learning**
- **Continue to provide a robust network infrastructure and technology to support teaching and learning as well as secure the District's data**
- **Maintain our facilities to provide a safe and healthy learning environment for our faculty and staff including Turf Field and Dance Space**
- **Moderate increase in Dance (.1 FTE) and Athletic Trainer (Additional Part Time Trainer)**

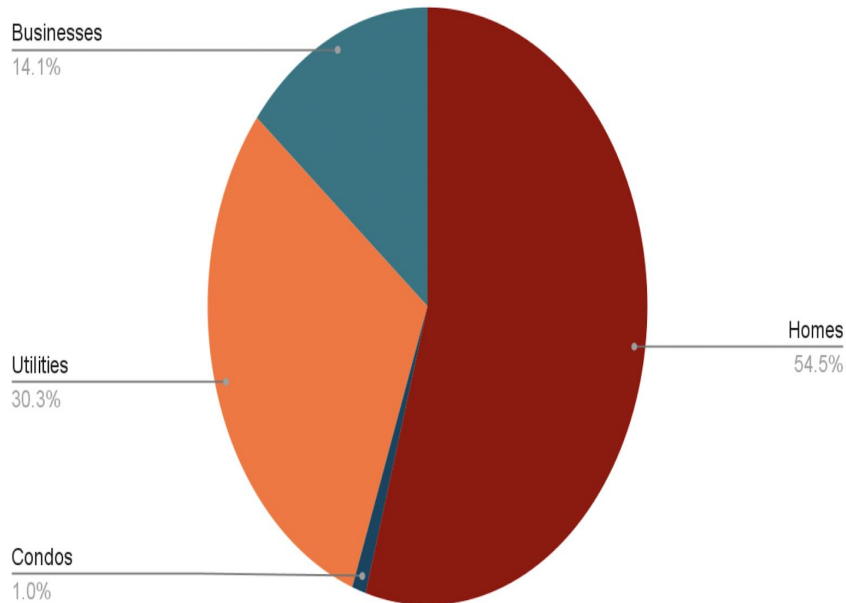


CHALLENGES

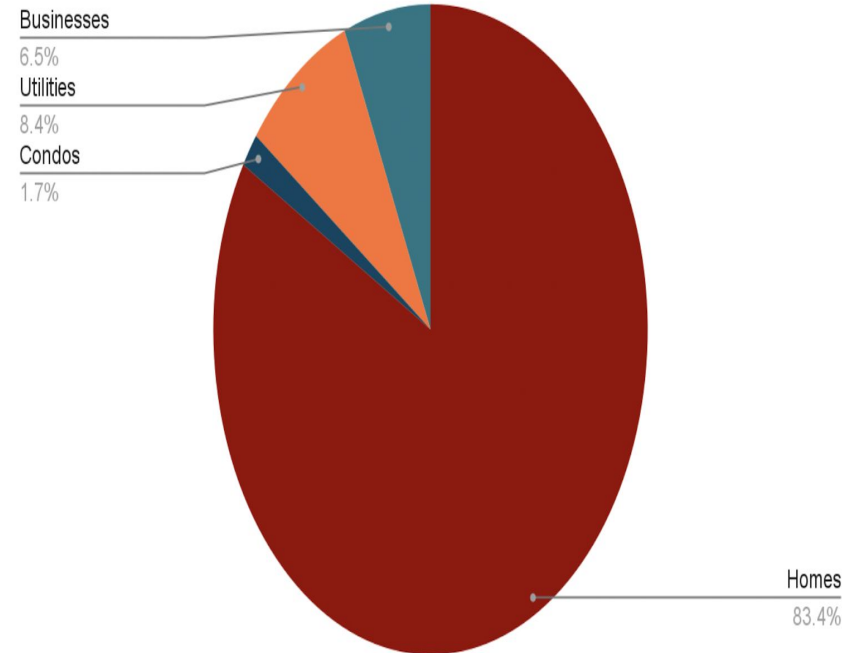


TAX CLASS SHARE - 2001 VS. 2023

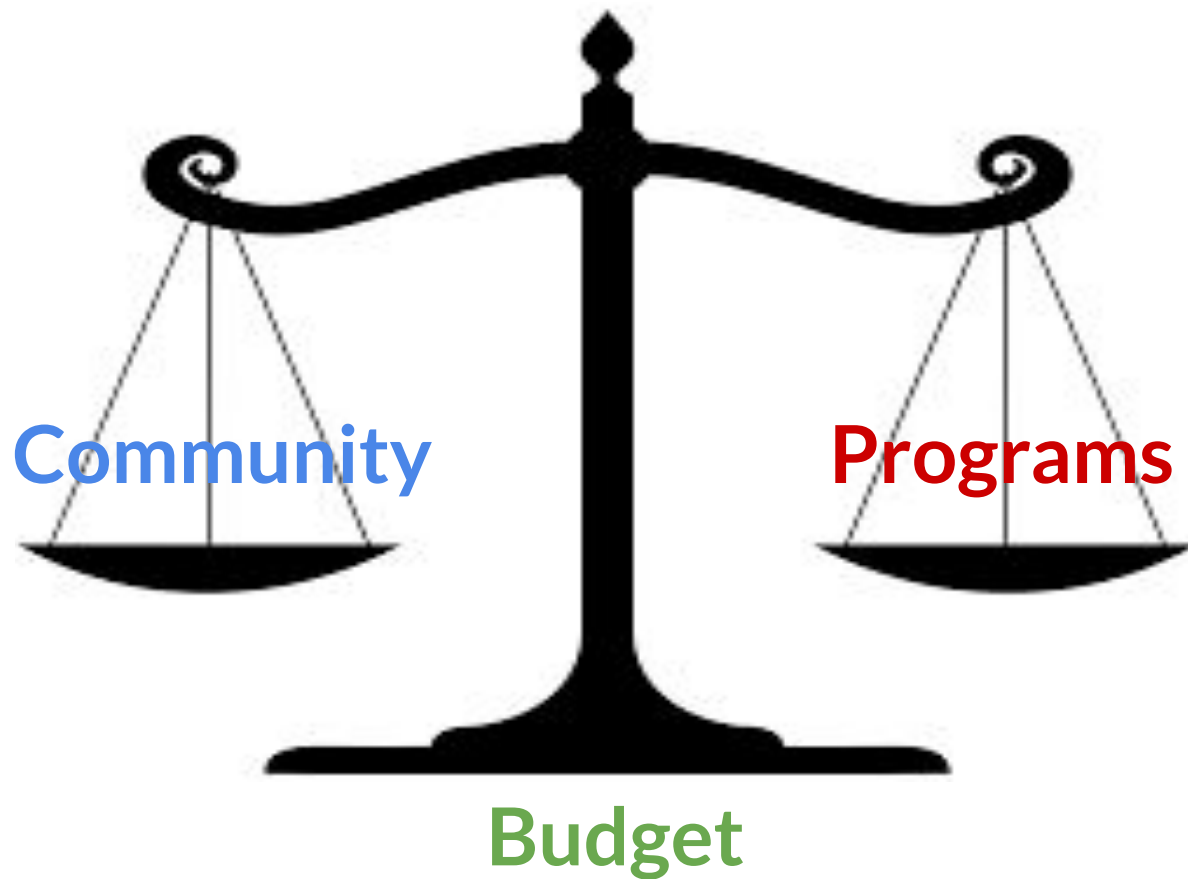
Tax Class Share - 2001



Tax Class Share - 2023



The Big Picture



THE BUDGET DEVELOPMENT PROCESS

- The Superintendent of Schools met with the administrative team to discuss the District's goals and assumptions
- Administrators were eventually asked to formulate zero-based budget proposals based upon:
 - Alignment to the District's SVOs (Shared Valued Outcomes) and Strategic Plan
 - Tie the initiative to prior years' plans to show the progression in student work
- Administrators required to develop course offering and staffing audits
- Incorporate mandated costs and District's obligations under each collective bargaining agreement



THE BUDGET DEVELOPMENT PROCESS

- Review actual expenditures for the past five years
- Review our health and safety protocols and related facilities needs
- Review trends to project health care and other employee benefit costs
- Formulate a budget, write a narrative to tie together the SVOs, Strategic Plan and provide a roadmap for the future of each department



Mountains of Cost



Annual Revenue Loss

2022-2023	(\$3,127,717)
2023-2024	(\$4,972,968)
2024-2025	(\$7,361,638)
2025-2026	(\$7,576,668)
2026-2027	(\$7,655,989)
2027-2028	(\$7,655,989)

Total Loss
(\$38,350,969)



BUDGET PRESSURES & DISTRICT EFFORTS

ORIGINAL BUDGET PRESSURES

\$10.6 MILLION

(APPROXIMATELY)

**REMAINING BUDGET PRESSURES
AFTER DISTRICT EFFICIENCY
FINDING EFFORTS**

\$4.4 MILLION

(APPROXIMATELY)





Mountains of Cost



Approximate Loss of Revenue (3.5 Million)

Loss of LIPA Revenue: \$2.35 Million

Loss of Marcellino/Lavine Grant: \$1.15 Million



Mountains of Cost



Approximate New Costs (Before Efficiency Finding) (7.1 Million)

**Benefits:
\$2.5 Million**

**Debt Service/Fuel/Gas
\$1.0 Million**

**Salaries:
\$2.5 Million**

**Security/Legal/Curriculum
\$0.2 Million**

**Contract Transportation/Special Ed
\$.9 Million**

2023-24 EFFICIENCIES and NEW REVENUES

Initial Cost Saving Efforts

- Flat Departmental and Building Budgets (\$0 Increase)
- Personnel Efficiencies \$2.7 Million
*\$7.1 Million Costs - \$2.7 Million Cuts =
\$4.4 Million Budget Increase*

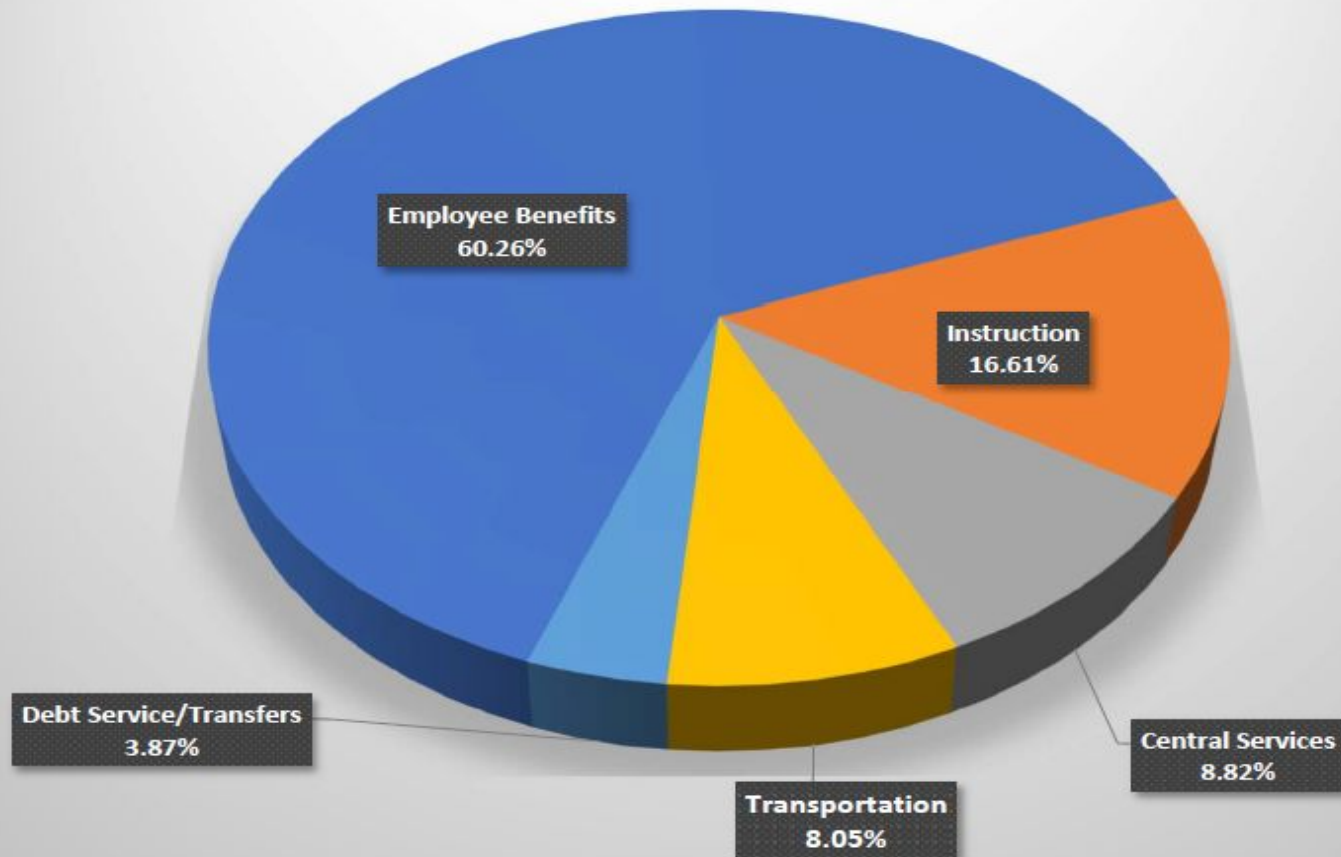
Revenue Efforts

- Foundation Aid/State Aid Increase \$2.5 Million
 - LIPA Settlement Aid \$1.0 Million
 - Interest Income \$0.150 Million
 - Tuition \$0.300 Million
 - Fund Balance (Increased Use) \$0.700 Million
- (\$3.5 Million Revenue Loss - \$4.70 Million New Revenue = - \$1.2 Million)*

*\$4.4 Million Costs - \$1.2 Million Other Revenue =
\$3.2 Million Tax Levy*



2023-24 BUDGET DRIVERS



The above represents 97.61% of the budget increase.



BUDGET DRIVERS -ROLL OVER STAFF CONTRACTS

115,964,181.64	120,354,393.60	4,390,211.96	3.786%
2022-23 Salaries	2023-24 Projected Salaries	Dollar Increase	Percentage Increase
66,606,965.22	68,977,745.00*	2,370,779.78	3.56%
<u>% of Budget Excludes Benefits</u>	<u>% of Budget Excludes Benefits</u>		
<u>57.44%</u>	<u>57.36%</u>		

**Prior to proposed budget cuts to reduce.*



2023-2024 BUDGET DRIVERS

Description	Proposed Budget 2023-2024 Increases	% of Budget Increase
Employee Benefits <i>(Major increases due to Health Insurance (\$2,002,833), ERS & TRS (\$353,345), and Social Security (\$123,263))</i>	2,573,069.72	60.26%
Instruction <i>(Includes Regular and Special Education)</i>	709,093.62	16.61%
Central Services	376,625.63	8.82%
Transportation <i>(Major increases due to contract transportation for special education of \$248,754)</i>	343,537.92	8.05%
Debt Service & Transfers <i>(Includes increase in Debt Service of \$577,058.80 net of reduction in transfers to School Lunch Fund and Capital Projects)</i>	307,058.80	3.87%
Total Budget Increase	4,390,211.96	3.786%



2023-2024 - NEW ITEMS

Description	Proposed Budget 2024 Amount
.1 Dance (FTE) - Position is Already .9	\$9,000
Additional Part Time Athletic Trainer	\$30,000
HS Turf Field and Dance Space Resources	\$350,000*

***Please Note - The Administration is Recommending that this Amount be Used in Combination with a County Grant and Amending the 2016 Capital Reserve**



AT A GLANCE-BUDGET AND TAX LEVY


Budget to Budget Increase

2022-23 Approved Budget	2023-24 Proposed Budget	\$ Increase	% Increase
\$115,964,181.64	\$120,354,393.60	\$4,390,211.96	3.786%
Tax Levy Increase			
85,925,546.11	89,092,027.64	3,166,481.53	3.685%



**The maximum allowable tax levy increase is
\$4,744,917.70 or 5.522%.**

2023-24 MAJOR EXPENDITURES

Description	Approved Budget 2022-23	Proposed Budget 2023-24	\$ Change	% Change From Prior Yr
General Support	10,469,183.62	10,973,147.50	503,963.88	4.81%
Instruction- <i>Includes Regular and Special Education</i>	67,569,172.34	68,231,753.98	662,581.64	0.98%
Pupil Transportation	2,748,188.66	3,091,726.58	343,537.92	12.50%
Community Service	33,500.00	33,500.00	0.00	0.00%
Employee Benefits	29,501,382.63	32,074,452.35	2,573,069.72	8.72%
Interfund Transfers	765,000.00	495,000.00	(270,000.00)	(35.29%)
Debt Service/Tax Anticipation Notes /BANs & EPC	4,877,754.39	5,454,813.19	577,058.80	11.83%
 Total	115,964,181.64	120,354,393.60	4,390,211.96	3.786%

REVENUES AT A GLANCE

- **Split Properties**: refund of school taxes from Roslyn, Locust Valley and Glen Cove School Districts
- **PILOTs**: two LIPA Peaking Stations on Shore Road; one business Pilot and 4 former LILCO (Long Island Lighting Company) properties removed from the district's tax roll in 2015. Direct Payments to be received from LIPA following the settlement between LIPA and Nassau County.
- **State Aid**: estimates based on the Governor's Executive Budget proposal
- **Miscellaneous Revenues**: Adult Education fees, tuition related services, St. Christopher's reimbursement, interest income, refunds, reimbursements and rental of properties
- **Fund Balance**: current year's operations, Bullet Grant from State Senator Gaughran and interfund transfer from ERS and TRS reserves
- **Tax Levy**: school taxes that will be raised to fund the proposed budget



2023-2024 REVENUES AT A GLANCE

Total Budget	2022-23 Adopted Budget 115,964,181.64	2023-24 Proposed Budget 120,234,393.60	\$ Increase 4,390,211.96	% Increase 3.786%
Split Properties	150,000.00	150,000.00	.00	.00%
PILOT 2 Peaking Stations	2,092,511.40	2,195,703.15	103,191.75	4.93%
Business PILOT IDA	32,000.00	32,000.00	.00	00%
Former LILCO Properties and Direct Payments	15,673,137.40	13,883,213.81	(1,789,923.59)	(11.42%)
State Aid	6,372,449.00	8,839,828.00	2,467,379.00	38.72%
Miscellaneous Revenues	2,354,607.73	2,309,000.00	(45,607.63)	(1.93%)
Fund Balance- Current Operations	1,206,965.00	1,292,621.00	85,656.00	7.10%
Fund Balance-Marcellino/Lavine Grant	1,156,965.00	0.00	(1,156,965.00)	100.00%
Fund Balance-LIPA Settlement	0.00	1,000,000.00	1,000,000.00	100.00%
Bullet Grant - Gaughran	1,000,000.00	1,000,000.00	0.00	0.00%.
Fund Balance-From TRS Reserve	0.00	360,000.00	360,000.00	100.00%.
Fund Balance-From ERS Reserve	0.00	200,000.00	200,000.00	100.00%.
Interfund Transfer	0.00	0.00	0.00	0.00%
Subtotal Other Revenues	30,038,635.53	31,262,365.96	1,223,730.43	4.07%
Total Tax Levy-Proposed	*85,925,546.11	89,092,027.64	3,166,481.53	3.685%
Tax Levy Permitted	*86,541,314.10	**90,670,463.81		
OVER (UNDER) TAX CAP	615,767.99	**1,578,436.17		



***Based on adjustments following the LIPA/Nassau County Settlement in May 2022.**

**** As updated following release of State Aid and BOCES Information**

WHAT IS THE TAX CAP?

- **The Tax Cap is the amount by which a School District may increase the overall Tax Levy**
- **Typically referred to as the “2% Tax Cap”**
 - **Based on an allowable growth factor of 2% or the Consumer Price Index, whichever is less (2023-2024 Growth Factor is 2.00%)**
- **Adjusted based on certain items including:**
 - **Changes in Payments in Lieu of Taxes (PILOTs) from the current year to next year.**
 - **Changes from in Capital Expenditures including Debt Service for Capital Expenditure Purposes from the current year to next year.**
 - **Allowance for any portion of the prior year’s maximum tax levy not utilized.**
(Tax Levy for prior year was less than the allowable maximum.)

ESTIMATED MAXIMUM ALLOWABLE TAX LEVY INCREASE

Estimated Maximum Tax Levy Permitted	\$ 90,670,463.81
Less:	
Prior Year's Actual Tax Levy	85,925,546.11
Estimated Maximum Allowable Tax Levy Increase	<hr/> \$ 4,744,917.70 *
Estimated Maximum Tax Cap %	5.5221% *

*

These estimates do not include any available carryover from 2022-2023. Any available carryover would serve to further increase the maximum allowable tax levy.

WHAT IS THE TAX CAP?

The Tax Cap does not refer to the tax on an individual property but total amount of taxes that may be levied on all Classes.

The change in taxes on an individual property is determined by several variables:

- **Tax Levy**
- **Net Assessed Value for all Property Classes**
 - **Value of all of the property within the Districts boundaries, as determined by the County - Provided in October**
- **Adjusted Base Proportions**
 - **Portion of the Levy that will be paid by each Property Class, as determined by the County - Provided in October**
- **Taxable Assessed Value on an Individual Property**

The School Tax Levy Alone Does Not Determine Your School Tax Bill

Neighboring District

Year	2020-2021	2021-2022	2022-2023
Tax Levy	(1.70% Increase in Tax Levy)	(1.98% Increase in Tax Levy)	(2.36% Increase in Tax Levy)
Taxable Value for this House (Determined by County)	602	797	914
Property School Tax	\$17,641.58	\$21,110.00 (19.66%)	\$22,202.71 (5.18%)

The School Tax Levy Alone Does Not Determine Your School Tax Bill

3 Homes in North Shore – Same Block

	2020-21 Taxable Value & Property Tax	2021-2022 Taxable Value & Property Tax	2022-23 Taxable Value & Property Tax
Home 1	725 \$15,102.53	803 \$15,653.23	872 \$16,081.42
Home 2	725 \$15,102.53	770 \$15,009.95	800 \$14,753.60
Home 3	494 \$10,290.55	582 \$11,345.18	653 \$12,042.63

The School Tax Levy Alone Does Not Determine Your School Tax Bill

Question 1 (May) Same for All in NS	Tax Levy (Determined by School)
Question 2 (October) Same for All Homes in NS	Class 1 Share of Levy (Determined by County)
Question 3 (October) Same for All Homes in NS	Assessed Value For Class 1 (Determined by County)
Question 4 (October) Same for All Homes in NS	Tax Rate
Question 5 (Fall) Specific to Each Home	Taxable Value for this House (Determined by County)
Question 6 (Fall) Specific to Each Home	School Tax For This House

The School Tax Levy Alone Does Not Determine Your School Tax Bill

Sample Home in Glenwood Landing

Year	2020-2021	2021-2022	2022-2023
Tax Levy (Determined by School)	91,031,703.77	92,337,256.24	85,925,546.11
Class 1 Share of Levy (Determined by County)	66,048,962.99	68,731,929.21	71,651,018.69
	72.6%	74.43%	83.39%
Assessed Value (Determined by County)	3,170,694	3,525,900	3,885,209
Tax Rate	2,083.1074518	1,949.3442585	1,844.1998536
Taxable Value for this House (Determined by County)	231	312	370
School Tax For This House	\$4,811.73	\$6,080.88	\$6,822.8

TAX LEVY AT A GLANCE

2019-20 Total Levy	2020-21 Total Levy	2021-22 Total Levy	Adjusted 2022-23 Total Levy	PROPOSED 2023-24 Total Levy
88,350,729.79	91,031,703.77	92,337,256.24	*85,925,546.11	*89,092,027.64
% Change from Prior Year	% Change from Prior Year	% Change from Prior Year	% Change from Prior Year	% Change from Prior Year
2.630%	3.034%	1.434%	2.499%**	3.685%

* The adjusted 2022-23 Levy takes into account the changes resulting from the settlement between LIPA and Nassau County.

** Represents the change prior to the any adjustments for the settlement. The levy was reduced following the settlement. The actual change from the prior year was a (6.944%) reduction.



HOW IS THE LEVY DISTRIBUTED?

	2019-20 Total Levy	2020-21 Total Levy	2021-22 Total Levy	2022-23 Total Levy	PROPOSED 2023-24 Total Levy
	88,350,729.79	91,031,703.77	92,337,256.24	85,925,546.11	89,092,027.64
<u>CLASS 1</u> Single Family Homes	72.433%	72.556%	74.436%	83.3873%	?
<u>CLASS 2</u> Coops and Condos	1.507%	1.366%	1.446%	1.7077%	?
<u>CLASS 3</u> Utilities	20.032%	20.077%	17.716%	8.4288%	?
<u>CLASS 4</u> Business and Commercial	6.028%	6.001%	6.402%	6.7617%	?



**Class share of the levy is determined by Nassau County in October every year (this is 2022-23 data)
The adjusted base proportions reflect the change resulting from the LIPA/Nassau County Settlement.*