

2024-2025

Budget Challenges Part I

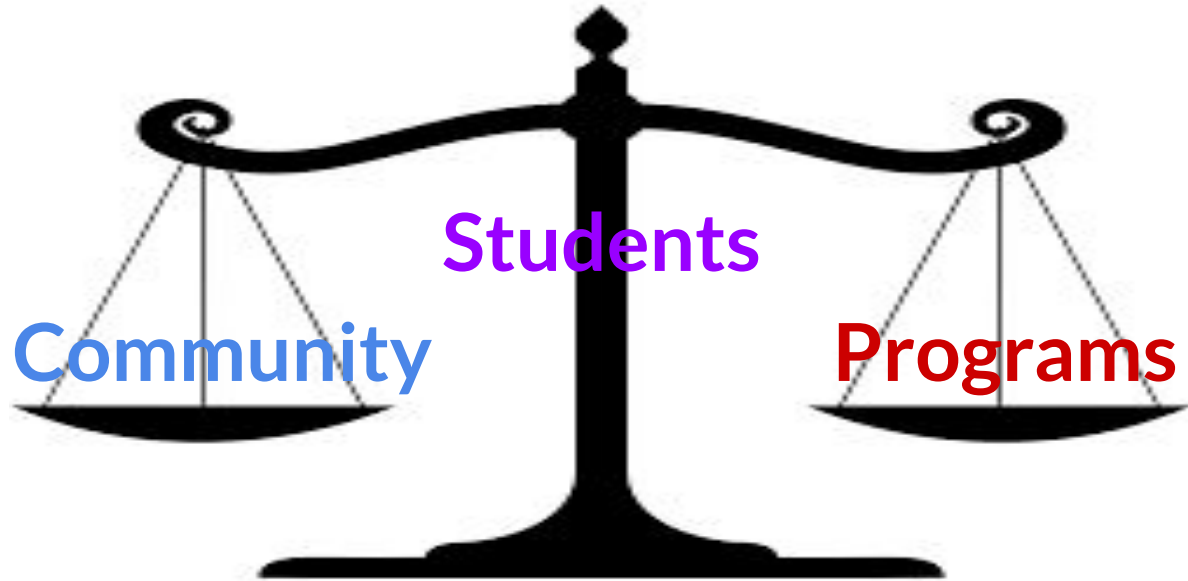
The Road Ahead

September 28, 2023



North Shore Schools
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The Big Picture



Budget Planning Process

Essential Question

How do we create the best possible experience for students while balancing the pressures of revenue loss, rising costs and the impact on taxpayers?



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3 Lenses



Budget Planning Process

Essential Question

How do we create the best possible experience for students while balancing the pressures of revenue loss, rising costs and the impact on taxpayers?




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Our Most Precious Natural Resource

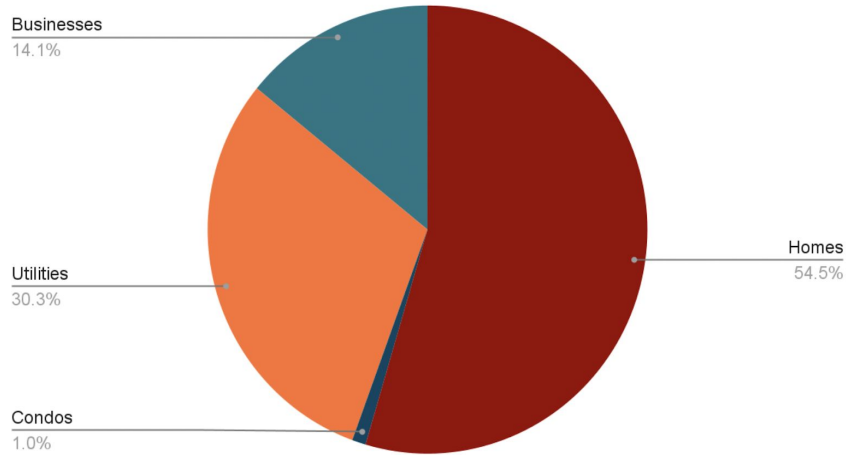


2023-24 MAJOR EXPENDITURES

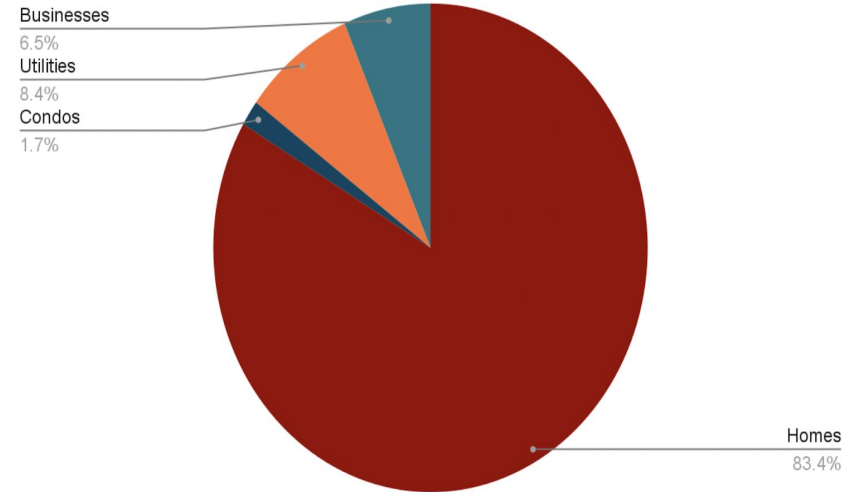
Description	Approved Budget 2022-23	Approved Budget 2023-24	\$ Change	% Change From Prior Yr
General Support	10,469,183.62	10,973,147.50	503,963.88	4.81%
Instruction- <i>Includes Regular and Special Education</i>	67,569,172.34	68,231,753.98	662,581.64	0.98%
Pupil Transportation	2,748,188.66	3,091,726.58	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%

TAX CLASS SHARE - 2001 VS. Today

Tax Class Share - 2001



Tax Class Share - 2023




Continued Impact of Nassau County- LIPA Settlement



- In June 2022, the District received confirmation that the County of Nassau and LIPA had reached an agreement regarding the assessment of LIPA properties within the North Shore Central School District.
- This Agreement removed existing LIPA properties from the Nassau County tax rolls.
- The Agreement called for the current “Tax Revenues” to be converted to “Direct Assessments.”
- “Tax Revenues” which tend to change or increase based on the assessment of the property value and the portion of the taxes being born by each property class (Adjusted Base Proportions)
- “Direct Assessments” are not affected by the property value or adjusted base proportions and decrease each year in accordance with the agreement.

Loss of Revenue Due To Change From Taxes to *Direct Assessments*



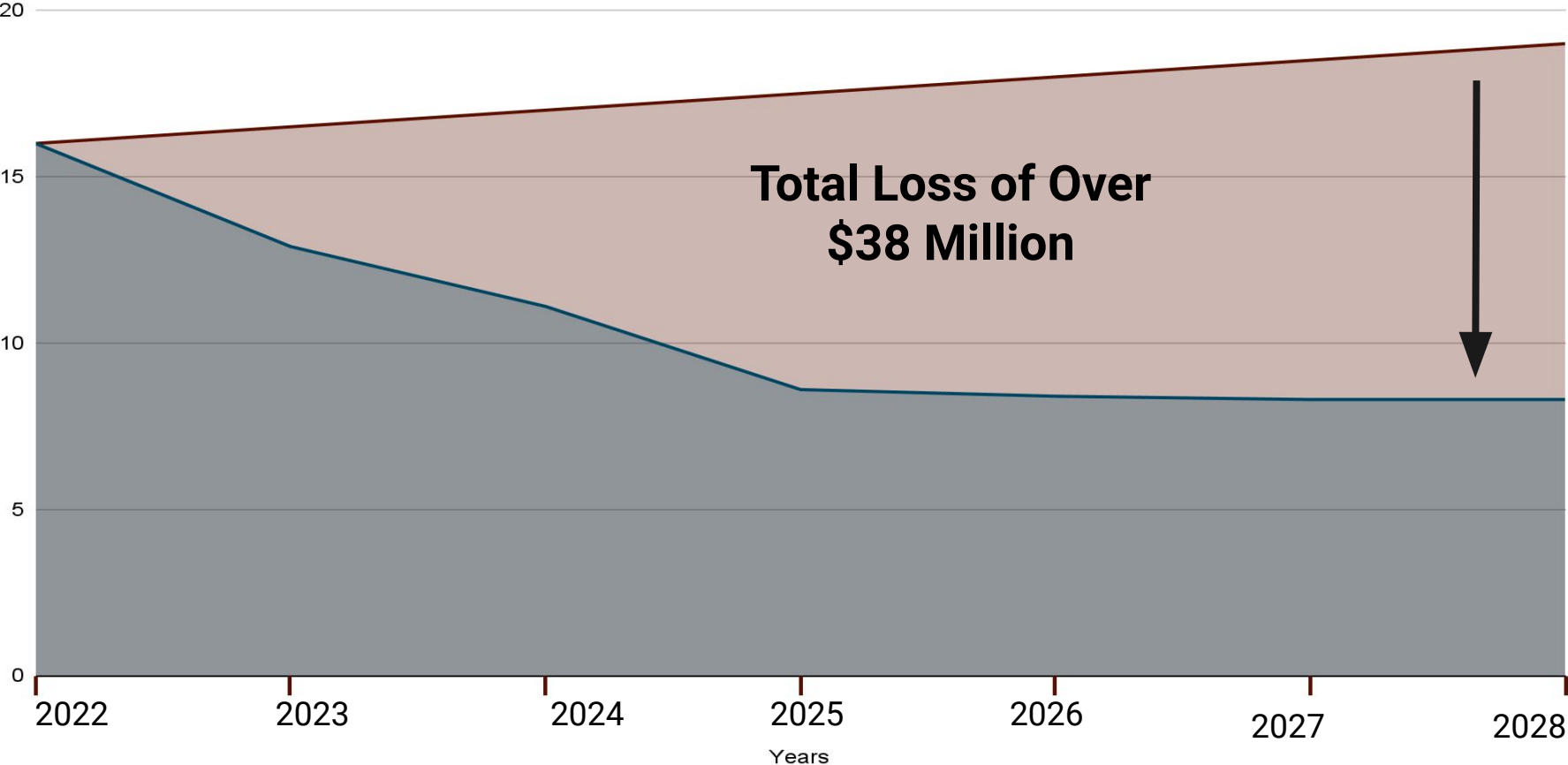
● 2022-2023	(\$ 3,127,717)
● 2023-2024	(\$ 1,845,251)
● 2024-2025	(\$ 2,388,670)*
● 2025-2026	(\$ 215,030)
● 2026-2027	<u>(\$ 79,321)</u>
Total Loss	(\$ 7,655,989)

***The loss in revenue for the 2024-2025 fiscal year represents the 2nd largest loss of revenue for the District, due to the settlement agreement.**



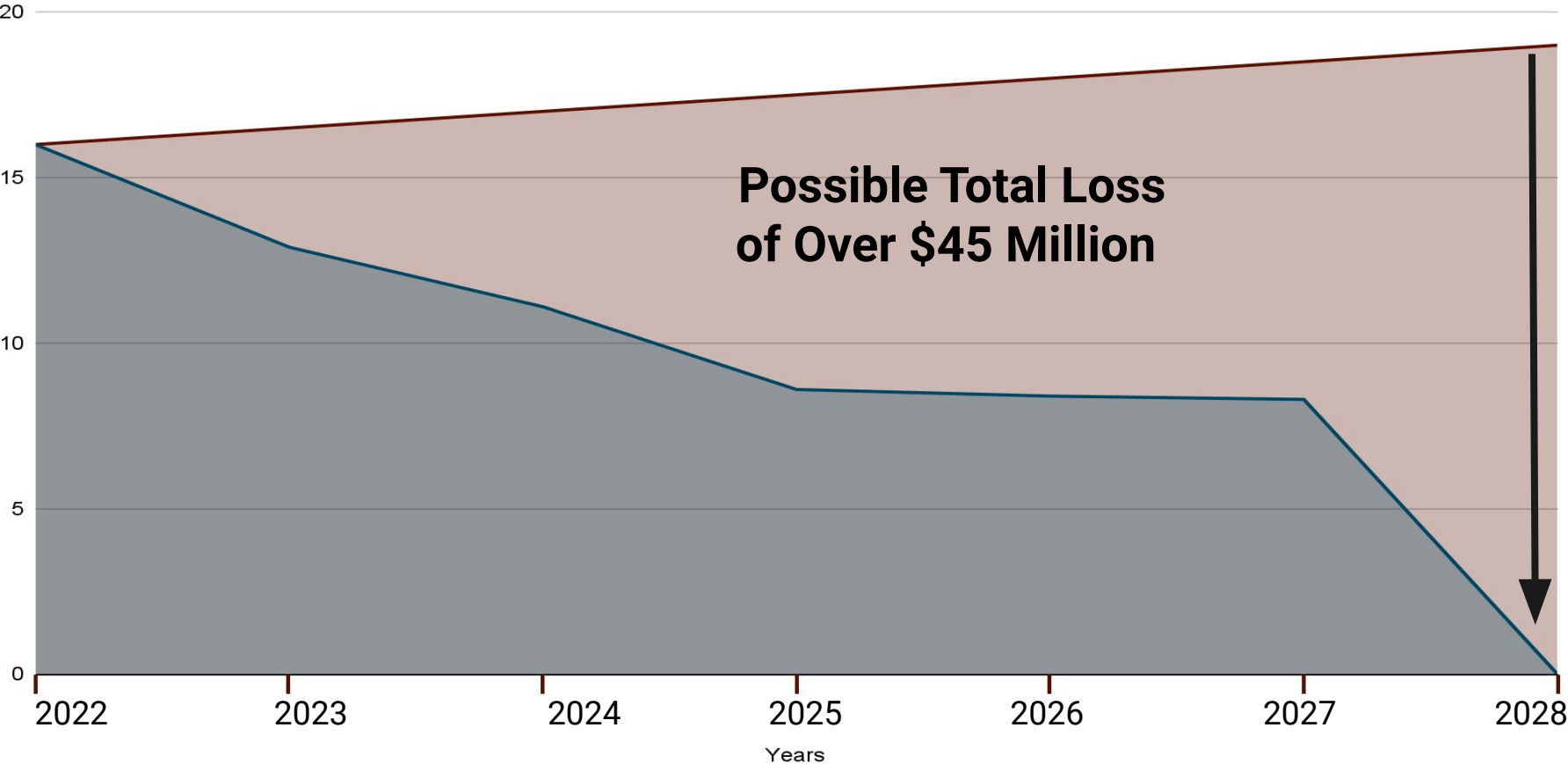
LIPA Taxes vs. LIPA Direct Assessment

Taxes Direct Assessment



LIPA Taxes vs. LIPA Direct Assessment

Taxes Direct Assessment



State Aid

As per the Final New York State Budgets, the State Aid that was apportioned to the North Shore Central School District was as follows:

● 2018-2019	\$ 5,224,136
● 2019-2020	\$ 5,523,391
● 2020-2021	\$ 5,322,877
● 2021-2022	\$ 5,879,774
● 2022-2023	\$ 6,372,449*
● 2023-2024	\$ 8,839,828*

* The District received greater than normal increase in Foundation Aid during the 2022-23 and 2023-24 fiscal years.

*These amounts do not include UPK Aid



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State Aid

2023-24 ESTIMATED AIDS:	5,718,402
FOUNDATION AID	0
FULL DAY K CONVERSION	858,600
UNIVERSAL PRE-KINDERGARTEN	1,123,499
BOCES	0
SPECIAL SERVICES	71,215
HIGH COST EXCESS COST	390,541
PRIVATE EXCESS COST	5,062
HARDWARE & TECHNOLOGY	227,683
SOFTWARE, LIBRARY, TEXTBOOK	473,924
TRANSPORTATION INCL SUMMER	596,942
BUILDING + BLDG REORG INCENT	0
OPERATING REORG INCENTIVE	0
CHARTER SCHOOL TRANSITIONAL	0
ACADEMIC ENHANCEMENT	0
HIGH TAX AID	212,171
SUPPLEMENTAL PUB EXCESS COST	20,389
TOTAL	9,698,428



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Foundation Aid



- The State Education Department had indicated a \$2.7 billion dollar increase in Foundation Aid for School Districts during the 2023-2024 fiscal year
- This was designed to make districts whole for prior aid not received
- This increase was a “catch-up” and district’s are not intended to receive the same increase for 2024-2025



Incoming Deficit (Projected)

- Loss of LIPA Revenue (\$ 2,388,670)
- Loss of Grant Funding (\$ 750,000)
- Year to Year Increase (Salaries) (\$ 1,800,000)
- Year to Year Increase (Health Insurance) (\$700,000)
- Unknowns: Interest Rates, Inflation, Etc ?

Total (Approximate) Minimum Deficit: \$5,638,670.00

2% Tax Levy Increase = \$1.78 Million

New Revenue and Budget Cuts Needed - At least \$4,000,000



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
\$4,774,917.70 or 5.522%**

Revenue Possibilities



**Tuition
Bearing
Programs**

**Interest
Revenue**

**Leasing or
Rental of
Space**

**Grant and
State Aid
Revenue**

**Use of
Reserves**

Fundraising



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Costs, Cuts & Considerations



- Class Sizes and Sections
- Programs
- Retirements & Non-Replacements
- Non-Instructional Budget Cuts
- Flat Budget Mentality

