

Hempstead Public Schools

2022-23 Budget Report

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New York State Monitor

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Chapter 19 of the laws of 2020 created the position of Monitor (“the monitor”) for the Hempstead Union Free School District (HUFSD or “the district”). One of the monitor’s responsibilities is to review the district’s proposed budget to ensure that it is balanced within the context of revenue and expenditure estimates and mandated programs. The monitor is also expected to determine whether the proposed budget, to the greatest extent possible, is consistent with the district academic improvement plan and financial plan agreed to by the Board of Education (“the board”) and approved by the Commissioner of Education (“the commissioner”). This summary report will focus on the process the monitor used to review the proposed budget and his analysis of estimated revenues and expenditures for the 2022–23 school year. The report also will briefly address the status of the 2021–22 school year budget. The monitor concludes that the proposed 2022-23 school year budget is balanced and aligned with the district’s plans and, therefore, he makes no recommendation to the commissioner to direct the district to amend the proposed budget.

As I did last year, the process that I employed in reviewing, analyzing, and critiquing the proposed 2022–23 school year budget was to work with the Superintendent as well as the Assistant Superintendent for Business and his staff as the budget was developed. My goal was to ensure that the proposed budget that was submitted to me on March 1 for my review would meet the requirements of the law and, therefore, obviate the need for me to make any recommendations to the commissioner that she direct the district to make amendments to the budget. That goal has been accomplished, and I conclude that there is nothing contained in the proposed 2022–23 school year budget that would warrant intercession by the commissioner. The proposed budget has been presented to, but not yet adopted by, the board. The budget that the board will adopt later in April may include modifications to the expenditure plan. Revenues in the budget submitted for voter approval will be based on the adopted State budget.

Methodology

One of my first tasks as a monitor was to work to ensure that the 2020–21 school year budget, which had been approved by neither the monitor nor the commissioner, was not overspent. A focus of my work in the 2021–22 school year has been to monitor the implementation of a budget developed by the district and approved by the monitor. As I did for my review of the 2021–22 school year budget, my first order of business in reviewing the proposed 2022–23 school year budget was to focus on revenue and expenditures for both the current school year budget and the proposed 2022–23 school year budget.

Once my analysis of the 2021–22 school year budget was complete, I undertook an analysis of the proposed 2022–23 school year budget. The revenues in the proposed budget are an estimate and may need to be updated when the State budget is adopted. The State Aid estimate in the proposed budget is based on the Governor’s proposal. Estimates for the tax levy, PILOTs (Payments in Lieu of Taxes), applied fund balance, and other miscellaneous revenues were made using the same procedures as used to analyze the 2021–22 school year proposed budget.

Analysis of the proposed spending plan involved a detailed review of the line-by-line budget, for the most part arranged by function and then by two object codes: salaries and contract services. All of the function codes and the two object codes in the proposed budget that were carryovers from the 2021–22 school year budget were updated based on known data (e.g., the Consumer Price Index applied to the transportation contract, employee contracts, formula rates from federal or state agencies) or cost of living or cost of business adjustments based on historical trends or information provided by vendors. In the case of the teachers’ contract, the latest proposal was used to calculate the cost of teacher salaries and benefits.

The 2022–23 school year proposed budget was then reviewed to ensure that, to the greatest extent possible, resources will be available to meet the academic improvement plan’s expectations for the upcoming school year. As was the case with the 2021–22 school year budget, the proposed 2022-23 school year budget provides sufficient resources to implement the recommendations contained in the academic improvement plan. For example, the district in the 2021-22 school

year budget allocated funds for the purchase of both an elementary language arts and a math program. Funding was also allocated to supply each class with the needed materials and to provide each teacher with the training to implement the programs. Funding is allocated in the 2022-23 school year proposed budget to purchase the supplies needed for continued implementation of the language arts and math program as well as provide for continuing training of teachers.

Findings

2021–22 School Year Budget

Projections for revenues and expenditures through the end of the 2021–22 fiscal year clearly indicate that the budget will not be overspent. In fact, the expected fund balance will continue to enable the district to maintain a 4% undesignated balance and return \$2.1 million to district taxpayers. Bills continue to be received, for example from the attorneys and from other districts for health services, which if paid in this fiscal year will not significantly alter the fund balance assumptions built into the 2022–23 school year proposed budget. Treasurer reports to the board have been timely, and cash management has not been a problem.

Projected Revenue for the 2022–23 School Year

- The board has again decided to keep the tax levy unchanged. The tax levy will be \$75,934,370 for the fourth year in a row.
- PILOTs are also projected to be unchanged at \$4,800,000.
- Based on the Governor’s budget proposal, State aid is projected to increase from \$160,735,683 in the 2021–22 school year to \$188,341,009 in the 2022–23 school year. The largest part of this increase results from a commitment by the legislature and the Governor to fully phase in funding of Foundation Aid by the 2023–24 school year
- In the 2021–22 school year, the applied fund balance was \$2.1 million, less than 1% of anticipated revenue. The decision was made to keep that applied fund balance the same for the upcoming fiscal year.
- Other revenue estimates will decrease from \$1.5 to \$1.0 million.

- Total revenue to support the general fund included in this upcoming budget will be \$274,709,957.

Proposed 2022-23 School Year Budget

- SALARIES (Object code 1): During the 2021–22 school year, the district has made sure that all employees are covered by contracts to the extent possible. Confidential employees and central office administrators have individual contracts that include provisions for salary and benefit changes. All other employees are covered by the terms of negotiated bargaining unit contracts. The only unit for which there is no settled replacement agreement is the Hempstead Classroom Teachers Association (HCTA). The district and the HCTA continue to work with a mediator, and proposals currently under consideration were used to project 2022–23 school year salaries and benefits for teachers. All staff who were budgeted for in the 2021–22 school year were moved forward and had their salary adjusted according to the employment group to which they belonged. The proposed budget ensures that there are sufficient funds to cover any contingency associated with replacement of staff who will retire by budgeting the salaries that the retirees would have been paid, thereby likely overestimating replacement costs.

Changes to these accounts also reflect funding for two additional teachers to provide additional Academic Intervention Services (AIS) to students in elementary school Grades K–3 in reading and math. Funding for two additional teachers to provide services to English language learners (ELLs) also is included. Money also is budgeted for additional custodial help (two full-time equivalents) and a Director of Transportation. The overall budget for salaries increased from \$75.4 million to \$82.9 million, a change of \$7.5 million or 10.0%.

CONTRACT SERVICES (Object Code 4): The district continues to rely heavily on contract services, where in other districts either professional or civil service staff do the work. Efforts continue to eliminate or reduce dependence on these services, but progress has been slow. As in the past, there are services provided that appear to be higher in cost than needed.

The “elephant in the room” continues to be the cost of tuition for students attending charter schools. These costs were underbudgeted in the 2021–22 school year by \$3.1 million because the district used an incorrect tuition rate in calculating its estimate. Using the actual tuition rate and the same enrollment projection of 2,790 students, the budget should have been \$58.9 million rather than the budgeted amount of \$55.8 million. This year, the New York State Education Department (NYSED) provided early estimates of the needed information for calculating charter school tuition, which was then used to develop the district’s tuition cost of \$22,600 per student for the 2022-23 school year. Based on numbers provided by the charter schools, total charter enrollment could be as high as 2,972 students in the 2022–23 school year. The amount budgeted for charter school tuition payments in the 2022-23 school year is \$67,167,200.

This school year, the district again was not able to fill all its nursing positions. Although some progress was made, the district needed to contract with nursing agencies to fill gaps. This is an expensive but necessary alternative, and the contracted amount for nursing services remains unchanged at \$.7 million in the projected 2022–23 school year budget. However, the district is continuing to look at ways to attract and retain school nurses, including by raising the salaries for nurses, with the goal of being able to reduce contracted nursing services in future years.

The district paid more than \$29.5 million in the 2021-22 school year to the Nassau Board of Cooperative Educational Services (BOCES) and \$3 million to private special education schools for out-of-district special education placements. The proposed 2022–23 school year budget projects an increase to \$32.3 million and \$3.3 million respectively for these services. Even though there has been a concerted attempt to bring students back to the district, 84 students who registered in the district so far in the 2021–22 school year already had Individualized Education Plans (IEPs), 12 of whom were attending out-of-district special education schools. Within the last month, 36 new referrals were made for students attending charter schools. Other contractual costs associated with special education have also risen,

some significantly. The increase in the proposed 2022–23 school year budget for tutoring, therapy, and evaluations is \$1.1 million.

The proposed 2022–23 school year budget is built on the anticipated June 2021 to June 2022 change in the CPI. Should the legislature and Governor act on the district's request for additional funds to support a reduction in the threshold to provide transportation from 3 miles for secondary school students and 2 miles for primary school students to 1.5 miles for all students, then these projected revenues and expenditures for transportation will be updated.

Fees paid to legal counsel will again likely exceed \$1 million. Even though an attempt will be made this year to more cost effectively secure legal counsel through issuance of a request for proposals (RFP) , as was done last year, \$1.2 million has been budgeted for the 2022–23 school year, an increase of 20%.

Accounting and consulting services continue to be utilized in the Business Office and for buildings and grounds. Consultants will continue for one more year at the same rates of payment, but accounting services will in large part be eliminated when the Business Office is fully staffed by the end of the 2021–22 school year. Accounting services are planned to be gradually phased out during the 2022–23 school year, but it is unknown at this time whether this will result in future cost savings.

Costs for public relations are projected to be the same (\$75,000) in the 2022–23 school year as were budgeted for in the 2021–22 school year. In the 2021-22 school year, the district stopped contracting with a firm for lobbying services.

Copying and copy machines are connected to leasing arrangements or contracts and have known rates that are attached to usage. The rates are not changing for the 2022–23 school year. Since usage can be managed, the projected expenditure for these services remains unchanged (\$.4 million) from the 2021–22 school year budget.

- GENERAL SUPPORT (Function Code 1): The 2022–23 school year proposed budget will continue to include \$50,000 for a second election/referendum (inclusive of ballots, machines, staff and advertising). The district may still have the community vote on a Capital Bond referendum sometime in the fall or winter of the 2022–23 school year.

Increases in cost for the business and personnel offices (from \$3.1 million in the 2021–22 school year to \$3.2 million in the 2022–23 school year) were due primarily to staff pay adjustments. The projected increase in expenditures for buildings and grounds (from \$11.6 to \$12.1 million) also includes the cost of additional custodians.

- INSTRUCTION AND SUPPORT (Function Code 2): As mentioned earlier, salary adjustments account for a good part of the change assignable to instruction, with some notable exceptions, namely staff increases, and monies set aside for a negotiated settlement with the HCTA. Approximately half of the increase to instruction costs is due to an increase in charter school tuition. Based on information provided by the charter schools, enrollment will increase from 2,790 resident students in the 2021–22 school year, or approximately 23% of resident student population, to 2,972 in the 2022–23 school year, or approximately 30% of the resident school population. This increase in charter school enrollment required the projected amount for tuition to be increased from \$55.8 million to \$67.1 million, a year over year increase of \$11.4 million.

Proposed amounts for library, technology, health, psychology and social work services remain unchanged except for adjustments to salaries. Expenditures for these services are projected to increase from \$9.2 million in the 2021–22 school year budget to \$9.6 million in the proposed 2022–23 school year budget.

UNDISTRIBUTED (Function Code 9): The Employee Retirement System (ERS), Teachers' Retirement System (TRS) and the Social Security Administration in regard to Federal Insurance Contributions Act (FICA) taxes all provided the rates that need to be applied to the estimated salaries for

the 2022–23 school year. The projected budget, therefore, reflects these numbers. For medical insurance, half the school year is calculated on the known dollar amount for individual and family plans. For the second half of the school year, health insurance costs were increased by 10%. If covered by another health insurance policy, staff members may instead choose to be paid a contractually negotiated amount for not subscribing to the district sponsored health insurance plan. Cost increases for these declinations were calculated using the same numbers as those applied to health insurance. Expenditures for these services are projected to increase from \$38.2 million in the 2021–22 school year budget to \$41.5 million in the proposed 2022–23 school year budget.

Workers Compensation and unemployment were estimates based on known and anticipated expenses for the 2022–23 school year. Workers Compensation costs need to be studied carefully to find out the root causes for the increases in recent years so that these rising costs can be addressed. Expenditures for these services are projected to remain the same at \$2.5 million in the proposed 2022–23 school year budget.

Dental insurance was increased on the basis of known contractual obligations. Expenditures for these services are projected to increase from \$.4 million in the 2021–22 school year budget to \$.5 million in the proposed 2022–23 school year budget.

Terminal leave payments are difficult to estimate because there are no provisions for persons to notify the district of their intention to retire before the next school year in advance of the budget's development. The budgets for terminal leave remained the same (\$.7 million) in the 2022-23 school year proposed budget as it was in the 2021-22 school year budget.

Debt service related to bonds or current borrowing are based on known calculated costs or advice of counsel. They are also related to and reflect the cash flow needs for the 2022–23 fiscal year. Because of the federal American Rescue Plan (ARP) and Elementary and Secondary School Emergency Relief Fund (ESSER), the amount budgeted for Tax Anticipation Notes (TANs), Revenue Anticipation Notes (RANs) and Bond Anticipation

Notes (BANs) will decline slightly from \$2.6 in the 2021–21 school year budget to \$2.4 million in the proposed 2022–23 school year budget.

Use of ARP and ESSER Funding

The district has been awarded \$35.1 million in ARP and ESSER funds. Plans for the use of ARP and ESSER, including the reserves for learning loss and afterschool funds, were submitted and approved by the monitor earlier in this school year. The preponderance of resources (\$19.1 million) will fund staff assignments that are targeted for work focused on the impact of COVID-19 on the district, its staff, and its students. A significant, but lesser, priority has been on training of staff and the purchase of programs and equipment to supplement what is currently provided by the district. These expenses supplant about \$4.5 million of the general fund. The Assistant Superintendent for Instruction has already commenced the process with the Coordinators of Response to Intervention (RTI), the Humanities, and English Language Learners to review the exact impact these resources are having on students with the understanding that the best of these responses will in three years be competing with programs and services supported by the general fund, and only the most efficacious grant and general fund supported programs will continue. The coordinators are engaged in this effort with the understanding that most, if not all, of these expenditures will not be supported after the federal funding expires.

Services to English Language Learners

For the 2021-22 school year. there is new leadership to coordinate services and programs for ELLs. For the 2021-22 school year two additional English as a New Language staff were hired, and there is funding for two additional staff in the proposed budget for the 2022-23 school year. The Coordinator is also making a concerted effort to recruit bilingual elementary school teachers. Her intent has been to continue expansion of a dual language program for children at the elementary level.

Five Year Budget Projection

	BUDGET		PROJECTION													
	2022	2023	DOLLAR CHG	%%	2024	DOLLAR CHG	%%	2025	DOLLAR CHG	%%	2026	DOLLAR CHG	%%	2027	DOLLAR CHG	%%
REVENUE																
Local	82,234,370	81,734,370	(500,000)	-0.61%	81,734,370	-	0.00%	81,734,370	-	0.00%	81,734,370	-	0.00%	81,734,370	-	0.00%
State	160,735,683	188,341,009	27,605,326	17.17%	215,946,335	27,605,326	14.66%	221,344,993	5,398,658	2.50%	226,878,618	5,533,625	2.50%	232,550,584	5,671,965	2%
Federal	-	0	-	-	-	-	-	0	-	#DIV/0!	-	-	-	-	-	-
Transfers In	4,252,973	4,634,578	381,605	8.97%	-	(4,634,578)	-100.00%	2,807,728	2,807,728	#DIV/0!	9,176,650	6,368,922	226.84%	11,119,712	-	0%
TOTAL REVENUE	247,223,026	274,709,957	27,486,931	11.12%	297,680,705	22,970,748	8.36%	305,887,091	8,206,386	2.76%	317,789,638	11,902,547	3.89%	325,404,666	7,615,027	2.40%
TOTAL REVENUE W/ Unassigned FB	251,223,026															
EXPENDITURES																
Salary and Benefits Costs	116,562,287	127,734,598	11,172,311	9.58%	135,287,718	7,553,120	5.91%	143,103,680	7,815,962	5.78%	150,960,690	7,857,010	5.49%	159,302,609	8,341,919	5.53%
Charter School Cost	55,800,000	67,212,400	11,412,400	20.45%	73,933,640	6,721,240	10.00%	79,108,995	5,175,355	7.00%	84,646,624	5,537,630	7.00%	84,646,624	-	0.00%
Other	74,860,739	79,762,959	4,902,220	6.55%	81,948,876	2,185,917	2.74%	83,674,417	1,725,540	2.11%	82,182,324	(1,492,093)	-1.78%	81,455,432	(726,892)	-0.88%
TOTAL EXPENDITURES	247,223,026	274,709,957	27,486,931	11.12%	291,170,234	16,460,277	5.99%	305,887,091	14,716,857	5.05%	317,789,638	11,902,547	3.89%	325,404,666	7,615,027	2.40%
EXP. w/ Teacher Contract Settlements	251,223,026															
Ind Balance (Sub-Planted (ARP/ESSR))	1,500,000	4,500,000			4,500,000											
SURPLUS/DEFICIT	1,500,000	4,500,000	3,000,000	200.00%	11,010,471	9,510,471	211%	(0)	(11,010,471)	-100%	(0)	(0)	107%	0	-	0.00%
BEGINNING FUND BALANCE	21,795,913	15,042,940	(6,752,973)	-30.98%	14,908,362	(134,578)	-1%	25,918,833	11,010,471	42.47%	23,111,104	(2,807,728)	-10.83%	13,934,454	(9,176,650)	-39.71%
YEAR END BALANCE*	15,042,940	14,908,362	(134,578)	-0.89%	25,918,833	11,010,471	74%	23,111,104	(2,807,728)	-12.15%	13,934,454	(9,176,650)	-39.71%	2,814,743	(11,119,712)	-79.80%
BALANCE AS% OF EXPENDITURES	5.99%	5.43%	(0.01)	-9.37%	8.90%			7.56%			4.38%			0.86%		
BALANCE AS # OF MONTHS OF EXPEND	0.72	0.65	(0.07)	-9.37%	1.07			0.91			0.53			0.10		

	BUDGET		PROJECTION													
	2022	2023	DOLLAR CHG	%%	2024	DOLLAR CHG	%%	2025	DOLLAR CHG	%%	2026	DOLLAR CHG	%%	2027	DOLLAR CHG	%%
GENERAL SUPPORT																
Board of Education	518,994	529,914	10,920	2.10%	529,914	-	0.00%	529,914	-	0.00%	279,914	(250,000)	-47.18%	279,914	-	0.00%
Central Administration	454,868	444,868	(10,000)	(0)	458,214	13,346	3.00%	471,960	13,746	3.00%	486,119	14,159	3.00%	500,703	14,584	3.00%
Finance	2,210,155	2,236,494	26,339	1.19%	2,292,406	55,912	2.50%	2,349,716	57,310	2.50%	2,420,208	70,491	3.00%	2,492,814	72,606	3.00%
Staff	2,787,974	2,747,907	(40,067)	-1.44%	2,816,604	68,698	2.50%	2,887,019	70,415	2.50%	2,959,195	72,175	2.50%	3,033,175	73,980	2.50%
Central Services	16,250,770	17,879,152	1,628,382	10.02%	18,594,318	715,166	4.00%	19,338,091	743,773	4.00%	20,111,614	773,524	4.00%	20,916,079	804,465	4.00%
Special Items	2,305,484	2,340,204	34,720	1.51%	2,398,709	58,505	2.50%	2,458,677	59,968	2.50%	2,520,144	61,467	2.50%	2,583,147	63,004	2.50%
TOTAL GENERAL SUPPORT	24,528,245	26,178,538	1,650,293	6.73%	27,090,166	911,627	3.48%	28,053,378	945,212	3.49%	28,777,194	741,816	2.65%	29,805,832	1,028,638	3.57%
INSTRUCTION																
Administration and Improvement	7,384,597	7,432,199	47,602	0.64%	7,803,809	371,610	5.00%	8,193,999	390,190	5.00%	8,603,699	409,700	5.00%	9,033,884	430,185	5.00%
Teaching	145,379,183	165,585,278	20,206,095	13.90%	175,252,648	9,667,370	5.84%	183,436,563	8,183,915	4.67%	188,974,192	5,537,630	3.02%	188,974,192	-	0.00%
Instructional Media	3,668,326	3,704,200	35,874	0.98%	3,852,368	148,168	4.00%	4,006,463	154,095	4.00%	4,126,657	120,194	3.00%	4,250,456	123,800	3.00%
Pupil Services	8,043,138	8,942,940	899,802	11.19%	9,837,234	894,294	10.00%	10,132,351	295,117	3.00%	10,436,322	303,971	3.00%	10,749,412	313,090	3.00%
TOTAL INSTRUCTION	164,475,244	185,664,617	21,189,373	12.88%	196,746,059	11,081,442	5.97%	205,769,376	9,023,317	4.59%	212,140,870	6,371,494	0	213,007,944	867,074	0.41%
TRANSPORTATION																
District Transportation Services	200,000	385,721	185,721	92.86%	405,007	19,286	5.00%	425,257	20,250	5.00%	446,520	21,263	5.00%	468,846	22,326	5.00%
Garage Building	-	-	-	-	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!
Other	8,687,222	9,111,088	423,866	4.88%	9,566,642	455,554	5.00%	10,044,974	478,332	5.00%	10,547,223	502,249	5.00%	11,074,584	527,361	5.00%
TOTAL TRANSPORTATION	8,887,222	9,496,809	609,587	6.86%	9,971,649	474,840	5.00%	10,470,232	498,582	5.00%	10,993,743	523,512	5.00%	11,543,431	549,687	5.00%
OTHER EXPENDITURES																
Community Service	7,200	7,200	-	0.00%	7,488	288	4.00%	7,488	-	0.00%	7,488	-	0.00%	7,488.00	-	0.00%
Employee Benefits	41,892,639	45,714,647	3,822,008	9.12%	49,371,818	3,657,172	8.00%	53,321,564	3,949,745	8.00%	57,587,289	4,265,725	8.00%	62,194,272	4,606,983	8.00%
Debt Service	6,482,476	6,698,147	215,671	3.33%	7,093,054	394,907	5.00%	7,093,054	-	0.00%	7,093,054	-	0.00%	7,595,699	562,644	8.00%
Interfund Transfer	950,000	950,000	-	0.00%	950,000	-	0.00%	1,250,000	300,000	31.58%	1,250,000	-	0.00%	1,250,000	-	0.00%
TOTAL OTHER EXPENDITURES	49,332,315	53,369,994	4,037,679	8.18%	57,362,361	3,992,367	7.48%	61,612,106	4,249,745	7.41%	65,877,831	4,265,725	6.92%	71,047,458.59	5,169,627	7.85%
TOTAL EXPENDITURES	\$247,223,026	\$274,709,957	\$27,486,931	11.12%	\$291,170,234	\$16,460,277	5.99%	\$305,887,091	\$14,716,857	5.05%	\$317,789,638	\$11,902,547	3.89%	\$325,404,666	\$7,615,027	2.40%

The five year projection of revenues and expenses continues to be a work in progress for the district and, therefore, my review and analysis is based on draft reports. Earlier versions of the five-year projections did not show that expected revenues and expenditures in years three through five would be balanced. These projections have since been revised, and the estimated revenue and expense projections are now balanced. On the revenue side, the district adjusted from 0 to 2.5% its projection for growth of state aid in the third through fifth year and used fund balances to make up remaining revenue shortfalls. The district also continued to assume no increase to the tax levy since the board has kept the rate unchanged for the last four years. Should additional revenues be needed in future years, the district could consider seeking a modest increase in the tax levy, with each 1% increase in the levy expected to raise about \$800,000

On the expenditure side, the district used current contracts and state and federal formulas for projecting salary and benefit increases. These increases averaged about 5.7% per year. It was estimated that charter school tuition would increase about 7% per year but that the numbers of students attending charter schools would stabilize in the last two years when both schools would not be adding any new grades. In the first and second years of the projections, \$4.5 million of federal COVID-19 grant money is used to supplant district expenses. District staff are still refining these projections, but I believe they will be similar to those used in this analysis.

The five year projection shows that there should be sufficient resources available to address the recommendations pertaining to instruction and student support contained in the academic improvement plan. Although the projections do not include resources to expand pupil transportation and remove all portables at the elementary level, both initiatives will be implemented only if the district receives additional revenues to implement them. I conclude, therefore, that the resources needed for academic improvement will continue for the years included in this projection.

Conclusions and Recommendations

2021–22 School Year Budget

At this time, expenditure plans for the balance of the 2021–22 school year should result in at least a balanced budget. Projections of both revenue and expenses through the end of this fiscal year suggest a fund balance of more than \$8 million. Management of expenditures and cash were done effectively.

Efforts to get health providers and legal counsel to submit bills timelier need to continue. It is hoped that in this round of negotiations for new district counsel, a provision will be included in contracts that contains a timeline for the submission of bills to the district.

Estimated Revenue for the 2022–23 School Year

Based on as much known information as possible from the state regarding aid and from the town of Hempstead regarding PILOTs, the estimates for revenue from these sources appear to be accurate.

Estimated Expenditures for the 2022–23 School Year

The proposed expenditure plan appears to be fiscally responsible and aligned with estimated revenues. The additions made to the budget in the 2021–22 school year are sustained in the proposed 2022–23 school year spending plans. The primary goals of the 2021–22 school year budget were increased student support and improved school security. The district will build upon the 2021–22 school year budget by again proposing to fund additional AIS support staff in the 2022–23 school year.

The district uses a finance program to manage its budget and revenue. The proposed 2022–23 school year budget was developed using a spreadsheet environment. It was recommended in last year's report that the district use its finance program to develop the budget. The district did not act on this recommendation. Therefore, It is recommended again that the program be used to develop future budgets.

The proposed 2022–23 school year budget for technology was developed without a Director of Technology, as the position has been vacant since the previous director left at the beginning of the 2021–22 school year and has not yet been replaced. Efforts to replace her have not been successful. The 2022–23 school year budget will have to be examined carefully by a new director to ensure that adequate resources are provided to support development and implementation of a long-term district technology plan

Alignment with Educational Plan

Alignment with the priorities spelled out in the academic improvement plan adopted by the board were a priority in the development of the 2022–23 school year spending plan. The 2021–22 school year saw the return of students to full-time in-person instruction for the first time in almost two years. While many districts last year were able to find ways to have their students attend school in-person five days a week, the HUFSD for a variety of reasons had students come to school only two days per week. Learning loss for district students is real. Including monies for additional AIS staff to complement the resources supported by ARP and ESSER funds is a step in the right direction. Every effort needs to be made to help district students overcome the losses of the last two years. Below are areas from the academic improvement plan to which the district proposes changes in the 2022–23 school year and for which sufficient resources have been provided:

Teaching and Learning

- The district has continued its commitment to have all its elementary schools and the middle school become International Baccalaureate (IB) certified. This has required coordination at both the district and school level. In addition, it has required a commitment to altering instruction and providing exposure to a second language, supporting all students instructionally where needed, and providing technology and media enrichment opportunities. The proposed 2022–23 school year budget provides support for staff to focus on these areas of learning. The proposed budget includes the funding that is necessary

to continue participation in the IB program and to provide the staff development to which the district committed itself last year.

Special Education

- A priority in the 2021–22 school year has been to move more students into less restrictive environments. That process has commenced. However, the district was challenged by the arrival of 84 students with IEPs, many of them already in out-of-district placements. For each of these students a portion of their expense, depending on when they arrived, caused unanticipated adjustments to the 2021-22 budget and significant increases to the special education budget for the 2022-23 school year. For example, the BOCES special education costs increased by just under \$3 million. Should the district be successful in bringing some of these students back to the district, monies can be shifted to staffing to accommodate student needs in a district program.
- Many services are provided by contractors. These include special education services for children who attend charter schools as well as occupational, physical, speech therapy, home tutoring, and outside evaluations for students attending district schools. The budget lines for these services have increased \$1 million in the proposed 2022–23 school year budget. It is recommended again that a study be done during the 2022–23 school year to identify better ways to provide the same service at a reduced cost.

Final Summary and Conclusions

At this time, the estimated revenues and expenditures for the 2022–23 school year are aligned. The next steps are for the spending plan to be adopted by the board and then approved by the voters of Hempstead.

As was the case last year, I am satisfied that the resources are there to move the district ahead in its efforts to improve the academic performance of all its students. With the inclusion of programs supported by federal COVID-19 response

funding, the task at hand is to coordinate the efforts in the district to maximize its effect on the students who participate in all these programs and receive these services. That is no small task. At the same time, along with managing expenditures, the district must look ahead and understand that the support of the federal monies will be there for only two more years, and the district needs to identify the most efficacious of the programs for continued support in the regular school budget.