

Introduction

Chapter 19 of the laws of 2020 created the position of Academic and Fiscal Monitor (“the Monitor”) for the Hempstead Union Free School District (HUFSD or “the District”). One of the responsibilities of the Monitor is to ensure that the District’s proposed budgets are balanced within the context of revenue and expenditure estimates and mandated programs and, to the greatest extent possible, are consistent with the District’s approved Academic Improvement Plan and Financial Plan. This summary report provides findings and recommendations.

levy; state aid; Payments In Lieu Of Taxes (PILOTs); applied fund balance; and other miscellaneous revenues, such as payments by other districts for health services provided to students attending nonpublic schools.

Two sources were used to provide an estimate of enrollment for the 2021-22 school year. The first was the current enrollment by grade within the District, and the second was a set of projections contained in a "Comprehensive Long Range Planning Study" done by Western Suffolk Board Of Cooperative Educational Services (BOCES) in the 2019-20 school year. The District also attempted to determine through meetings with elected representatives and the placement agency used by the Federal government how many unaccompanied minors might be sent to Hempstead from their current location on the border with Mexico. At this time, the best estimates are that as many as 700 children will be coming to Long Island, and the HUFSD should prepare to enroll about 300 children in the 2021-22 school year, mostly at the secondary level. Charter school enrollment may grow by as much as 317 children. Because the charter schools that students from the District attend are expanding by adding secondary grades, most of that growth is anticipated to be in high school enrollment. Based on these factors, it is anticipated that 2021-22 public school enrollment in the District will be very similar to enrollment in the 2020-21 school year.

Analysis of proposed expenditures involved a detailed review of the line-by-line budget arranged by function and then by the object codes for

- Total revenue to support the general fund included in the proposed 2021-22 school year budget will be \$247,223,026.
- The District is also scheduled to receive from Federal sources in response to the pandemic approximately \$35.5 million. At this time, the District is awaiting guidance from the New York State Education Department as to how these funds can be used and when they will be received. Some of these funds will be available for the District's use through September 30, 2023 while others will be available through September 30, 2024. Although not included in this report, the District has already commenced planning for the use of these funds to support an expanded summer school program.

Proposed 2021-22 School Year Budget

- SALARIES (Object code 1): All personnel in the budget for the 2020-21 school year were moved forward and had their salaries adjusted according to the employment group to which they belonged. The contract for teachers has expired. There is a matrix in place from the expired contract. This is used to determine "step and lane" raises. (In each contract there is a matrix that determines the increase in salary each employee receives for each year of service up to a maximum number of years. These are called steps. Staff who pass Civil Service

not to impinge on the District's collective bargaining strategy.

- **CONTRACT SERVICES (Object Code 4)** The District relies heavily on contract services, whereas in other districts either professional or Civil Service staff do such work. In addition, there are services provided that appear to be at a higher cost than needed. The District has not been able to fill all its nursing positions for the past few years and, therefore, needed to contract with nursing agencies to fill the gaps. This is an expensive alternative (\$700,000), and because of the hopefully unique year of health issues, will remain unchanged for the 2021-22 school year. However, the District will look for ways to attract and retain school nurses.

The District paid more than \$28 million to the Nassau BOCES for out-of-district special education placements. Despite six students projected to return to the District in the 2021-22 school year, the anticipated change in tuition and the large number of new referrals necessitated an increase to \$29.5 million for the 2021-22 school year.

There are 164 special education students attending local charter schools. These students are currently served by agencies that provide occupational, physical, and speech therapy as well as resource room instruction. The District will look at ways to have these services provided by District staff.

The District's current transportation contract with its sole provider will increase next year by the June to June change in the CPI, which the District believes will not exceed 2%. Even though there is a new school building opening in September 2021, all regular class students enrolled there will be walkers.

The District's current liability policy is provided through a local broker. A

Expenditures for legal services in recent years have consistently exceeded \$1 million and in one recent year exceeded \$2 million. The projected amount in the 2021-22 school year proposed budget is only minimally reduced. However, the District will issue a 2020-21 budget that is 3.8% (dr)-3.4% v

costs of hiring additional custodial staff necessary for opening a new elementary school building.

The budgeted amount for security includes a significant increase of approximately \$800,000. Major reductions were made last year in security due in part to the reduced numbers of students coming to school each day. In anticipation of a return to full in-person instruction in the 2021-22 school year, many of the staff who were excessed (14 FTE's) last year will be asked to return in fall 2021.

Despite the number of unsettled cases currently being adjudicated, the decision was made to hold the judgements and claimte825 c 0o euth-0.002 Tc 0.007t th

approximately 30% of the District's public school enrollment. These numbers mean that the budget for charter school tuition needed to be increased from \$48.8 million to \$55.8 million dollars, a year over year increase of \$7 million dollars.

Library, technology, health, psychology, and social work services remain unchanged, except for adjustments to salaries and in technology for the placement of the five elementary teachers mentioned above. The increase was from \$8.4 million to \$9.0 million, 80% of which was accounted for by the five teachers.

UNDISTRIBUTED (Function Code 9) Employee's Retirement System (ERS), Teachers' Retirement System (TRS) and Federal Insurance Contributions Act (FICA) (i.e., Social Security and Medicare) amounts are based on information provided by ERS, TRS, and the Federal government regarding the percentage of salaries employers must contribute for the 2021-22 school year. 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%. Staff members who are covered by another health insurance policy may 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. Workers Compensation and unemployment contributions were estimates based on known and anticipated expenses for next school year. Workers compensation costs need to be studied carefully to determine the root causes for the increase of \$400,000 (approximately 25%)

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 upcoming school year. The budget was increased by \$400,000 to approximately \$6.5 million.

Since it appears that the Federal stimulus money will come in the form of grants or reimbursements, the District will need to pay for expenses up front. Adjustments may need to be made to the Tax Anticipation Notes (TANs) and Revenue Anticipation Notes (BANs) in order to ensure sufficient funds to cover the new upfront costs.

enabled the District to bring back and hire additional staff with a focus on increasing student safety and academic performance.

In the future, the overall budgeting calendar needs to be adjusted so that much of the work that had been done in February and March for this proposed budget is completed by the end of January. The Board should be

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Teaching and Learning

- The District has committed all its elementary schools and the middle school to continue on the path to International Baccalaureate (IB) certification. This has required coordination at both the District and building level. In addition, it will require 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. In the proposed 2021-22 school year budget, new and returning staff will be hired to focus on these areas of learning. In addition, a full-time guidance counselor will be hired for the elementary schools. The District has also continued to provide for staff development in the proposed budget. At the elementary schools and the middle school, resources have been included in the proposed budget to meet the requirements of participation in IB while providing the needed support to help students who need it in reading and math.
- At the high school, instructional staff were deemed sufficient to provide every student a schedule of courses that will enable him/her to move to the next grade, graduate in four years, and have the opportunity to participate in college level courses. Coordination of guidance and physical education, health and interscholastic athletics was needed and provided for in this budget by funding Director positions in both areas. A CTE teacher will be hired for both the high school and the middle school to teach courses that were eliminated in the last round of staff reductions.

Special Education

- A priority this year has been to move more students to less restrictive environments. Those special education students currently being served within the District will not need additional staff, and so none was added to the 2021-22 school year proposed budget. However, the District is also

possible, is consistent with the District's approved Academic Improvement Plan and Financial Plan. Consequently, I do not recommend that the Commissioner direct the Board of Education to make any amendments to the plan that the Board of Education has adopted. The next step is to have the budget approved by the voters of the HUFSD.

I am confident that the budget provides the needed resources to improve the academic performance of all students in this District.