

Secondary Program Budget Presentation

February 27, 2024

Rollover Budget

- The rollover budget is the starting point in the formal budget preparation process
- Over the next couple months we will meet with different district administrators to review the needs for 2024-25 while looking for ways to trim down the projected costs
- Please remember that we need to obtain information about projected state aid and other revenue sources before we can determine how much of the budget increase will need to be covered with the tax levy



2024-25 Rollover Budget	2023-24 Actual Budget	\$ Variance	% Variance
\$155,391,467	\$151,631,248	\$3,760,219	2.48%

- The 2024-25 Rollover Budget is the current program at next year’s “rates” (based on information so far and basic cost estimates)
- Staff salaries are projected based on next year’s salary schedule
- Equipment codes remain level while codes for BOCES and Supplies have been increased by 2% to account for likely price increases

Proposed Reductions to cover ~\$3.8 million Gap

- Reduce two districtwide administrative positions
 - One retiring administrator will not be replaced and one grant funded administrator will not be included in the 2024-25 proposed budget upon the end of the grant program
- Reduce one districtwide mechanic position
 - One retiring mechanic will not be replaced
- Reduce one districtwide social worker position
 - One grant funded social worker will not be included in the 2024-25 proposed budget upon the end of the grant program

Proposed Reductions to cover ~\$3.8 million Gap

- Reduce districtwide professional development budget
- Two fewer middle school teacher positions (6th grade), two fewer sections at West (two teaching positions) and one fewer section at East (one teaching position) based on the continual enrollment decline
 - Three retiring elementary school teachers and two retiring middle school teachers will not be replaced

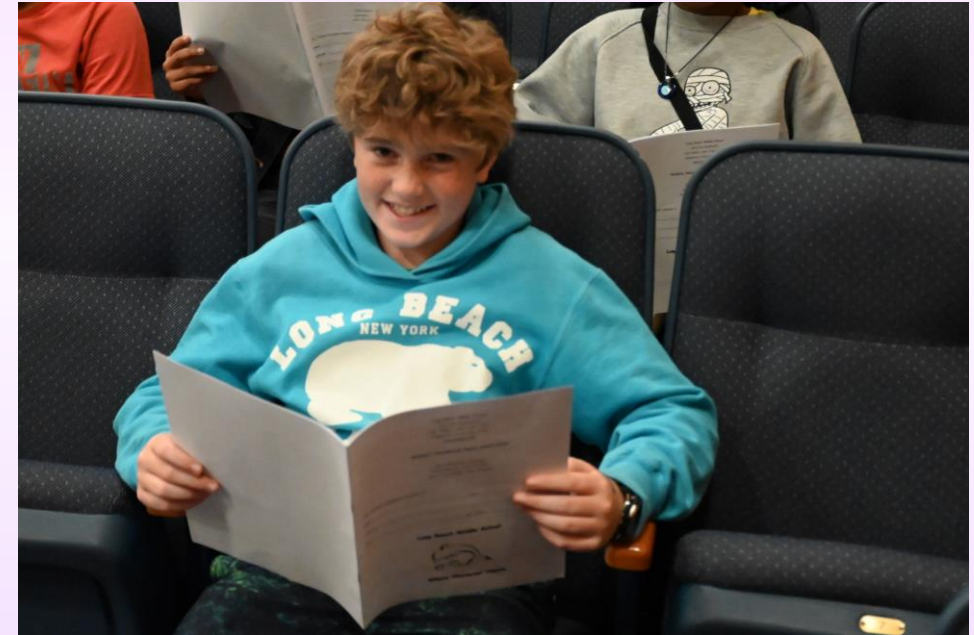
Proposed Reductions to cover ~\$3.8 million Gap

- In light of these proposed reductions, we ask the Board of Education to increase the tax levy to the property tax cap amount of 2.5%
 - The prior slides explain how the district plans to reduce expenditures, this point suggests how we can increase revenue to close the \$3.8M gap



Secondary Program

- Regardless of the Governor's proposed reduction in the district's foundation aid allocation, the following reductions would have been proposed for the middle school based on the projected decline in enrollment **in addition** to the reductions mentioned above:
 - 0.4_{FTE} reduction in ENL
 - 0.4_{FTE} reduction in English
 - 0.4_{FTE} reduction in World Language
 - 1.0_{FTE} clerical support



Secondary Program

- Regardless of the Governor's proposed reduction in the district's foundation aid allocation, the following reduction would have been proposed for the high school based on the projected decline in enrollment **in addition** to the reductions mentioned above:
 - 0.7 FTE reduction in ENL



Governor's Proposed Reduction in Foundation Aid

- In the Governor's state aid proposal released in the middle of January 2024, she included an end to the hold (save) harmless legislation and a modification of the inflation factor
 - The hold harmless framework has been in existence for many years; its removal has never been part of prior year budget negotiations
 - The change in the inflation factor has a relatively minor impact



Governor's Proposed Reduction in Foundation Aid

School Year	Foundation Aid Received	Foundation Aid Formula Level	\$ Variance
2008-09	\$16,130,102	\$6,645,339	\$9,484,763
2017-18	\$17,026,535	\$8,876,669	\$8,149,866
2022-23	\$18,944,671	\$10,093,722	\$8,850,949
2023-24	\$19,513,011	\$10,522,777	\$8,990,234

Note: 2024-25 proposal is **\$15,161,641** (50% of the difference between the current year's foundation aid and formula level)

Governor's Proposed Reduction in Foundation Aid

- Based on the Governor's proposal to eliminate the hold (save) harmless legislation and reduce the district's foundation aid by 50% (the difference between what the district has been receiving and what the formula prescribes), the following is another option for consideration to prepare for this possibility



New Compromise Proposal

- East School remains open until June 2025 to allow for more preparation and transition
- Some additional instructional reductions (not counting those already mentioned with closing the ~\$3.8 million rollover gap)



New Compromise Proposal

- “Borrow” ~\$3 - \$4 million of reserve funds to support current level of programming for one year
- If the proposed foundation aid reduction is restored in the final state budget, then the district can replenish the reserve funds used in 2024-25 at the end of the school year
 - If the reserve funds are not replenished next year, then the district needs to plan to replenish them over the next few years

New Compromise Proposal

- Disadvantages include:
 - Financial risk of depleting reserve funds, especially if they cannot be replenished next year
 - Concern that a prolonged date for closure could be difficult for students (a year of lasts)
 - If many families opt to transfer out of East School prior to the 2024-25 school year, the student population may be so small that the school doesn't have the same feel

Why is the closure of East School an Option?

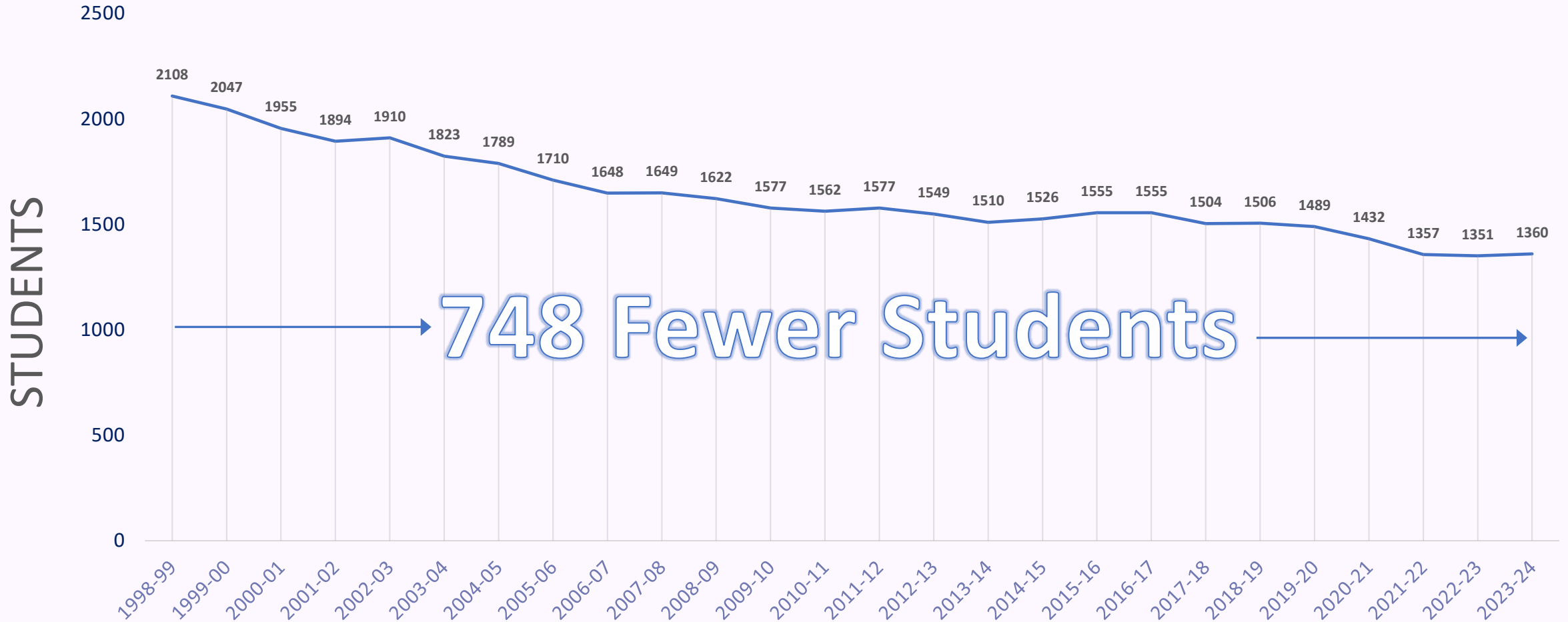
- Enrollment Decline
 - There are 748 fewer K-5 students in 2023-24 than there were in 1998-99
 - New residential construction in the district is not expected to attract a significant number of families with school age children



K-5 Enrollment

Long Beach Public Schools

1998-99 to 2023-24



Why is the closure of East School an Option?

- Size of the Building (Lindell and Lido are significantly larger)
- Condition of the Building
 - The district has spent over \$9M over the past fifteen years but still needs to spend considerable more money to upgrade key facilities
- East School neighborhood students attend other three elementary schools



Why is the closure of East School an Option?

School Year	Capital Project Description	Expenditure Amount
2008-09	School Preservation Plan: Masonry repairs, window and roof replacement, elevator installation	\$5,101,668
2012-13	Superstorm Sandy Restoration: Raise equipment (e.g.: boilers) above base level flood plain	\$2,582,349
2017-18	Window Replacement	\$270,325
2018-19	Door Replacement	\$131,038
2020-21	Crawl Space Ventilation	\$841,969
	~\$300,000 of recent repair costs and new playground	\$300,000
Total		\$9,227,349

Note: The building does not have a mechanical ventilation system and needs an HVAC overhaul

Important Upcoming Dates

- March 12th Transportation and Technology
- March 26th Special Education Program
- April 16th Budget Adoption
- May 14th Budget Hearing
- May 21st Budget Vote & Board Election

Comments / Questions