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# White Plains City School District

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**Long-Range Plan Update**

**2022-23 to 2026-27**

**Finance Committee**

**January 3, 2023**

**Board of Education**

**January 9, 2023**





# Cycle of Planning





# Why is Planning Important?

Turbulent  
economy

State &  
Federal Aid

Tax Cap

Federal Tax  
Code

Tax Certiorari  
Claims

Aging Facilities

Enrollment

Increasing  
students in  
poverty

Increasing ENL  
students

Negotiations

SED Policy  
Changes



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# What it does...

Encourages SDs to be **effective & efficient** in the management of school resources

Encourages the **reallocation of resources** to maximize student outcomes

Critical to maintaining **sound fiscal health**, while maintaining programs for students

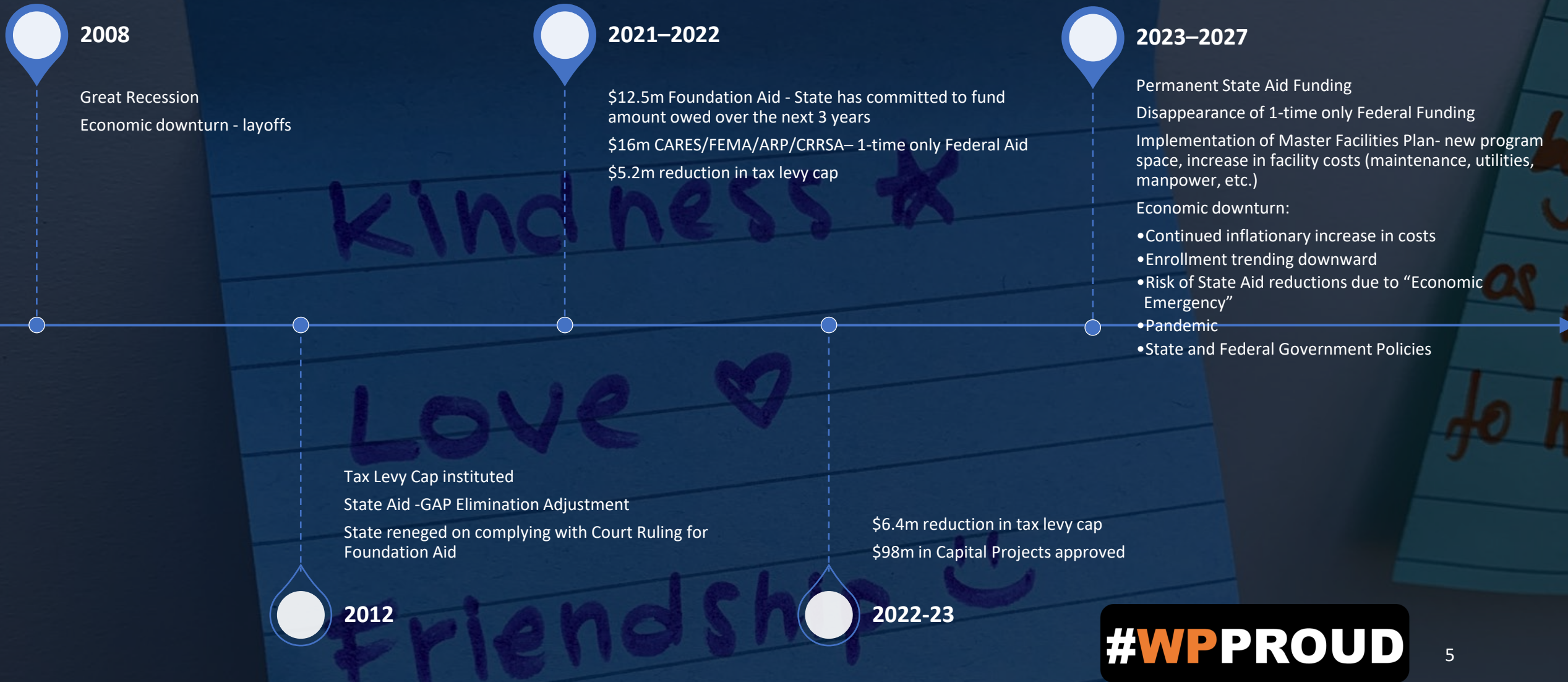
Links to multi-year budgets to show decisions necessary to **maintain programs** and **fiscal stability** over the long-term

Assists administrators & school boards in understanding the **long-term impact of decisions** made today

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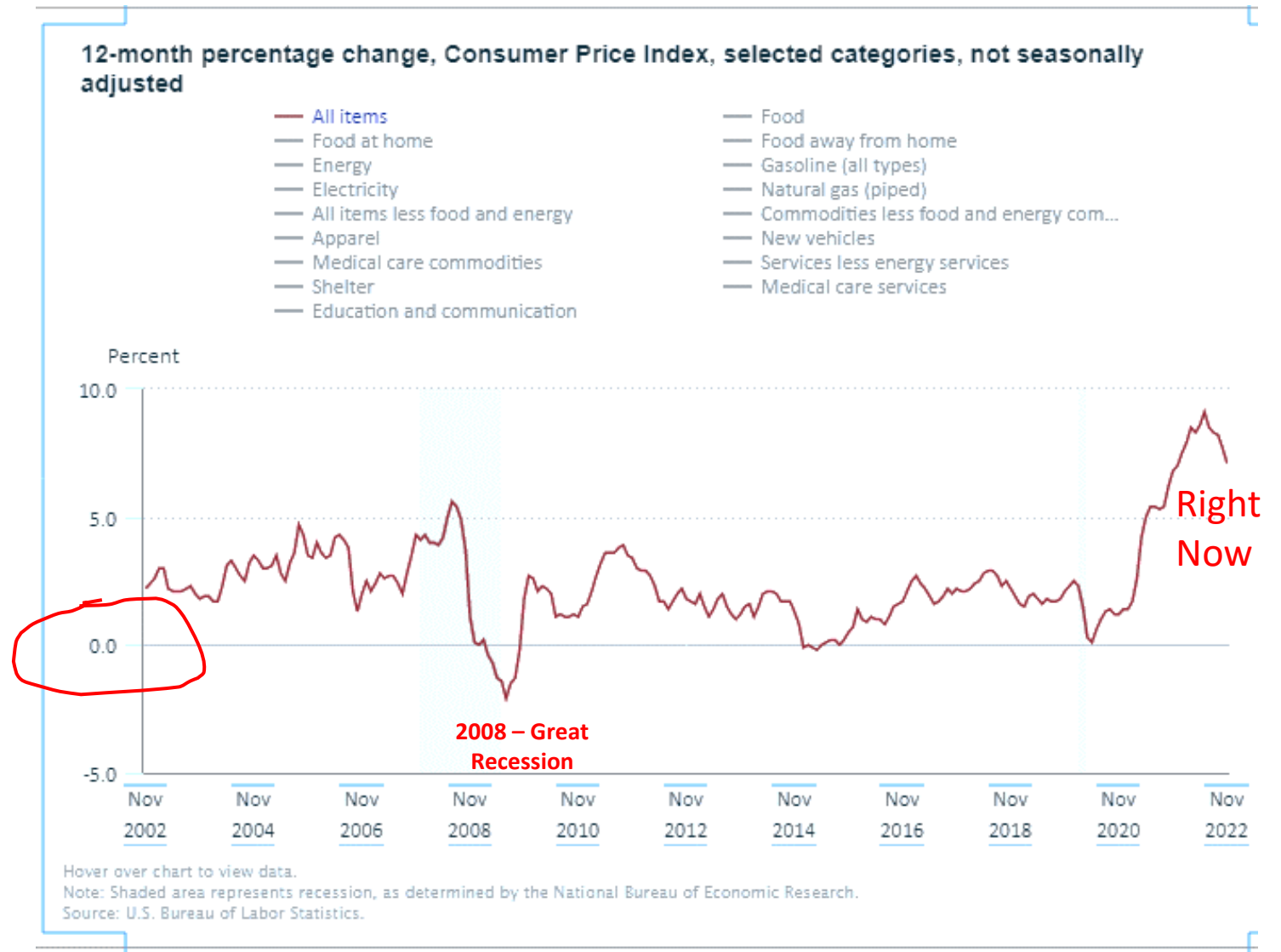
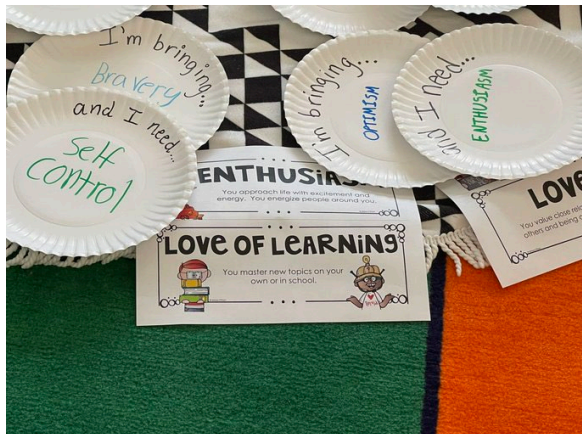


# Economic Status & Outlook

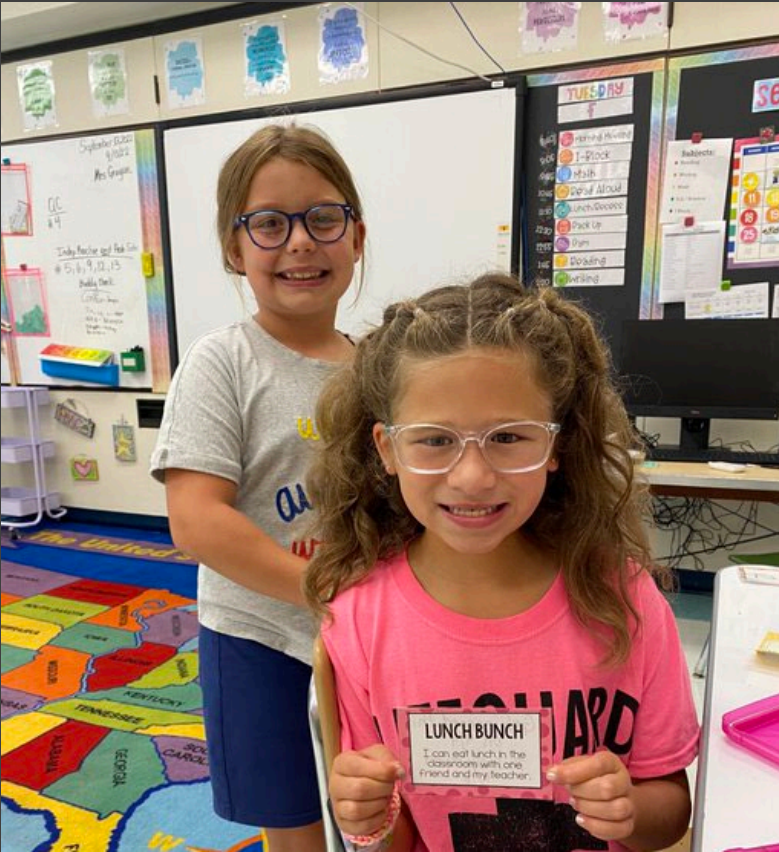


# ECONOMIC OUTLOOK

- ❖ IMPORTANT – inflation will be far in excess of the Tax Levy Limit of 2%
- ❖ Increased pressure on community due to rising cost of fuel oil, gas, electricity, food ... everything!

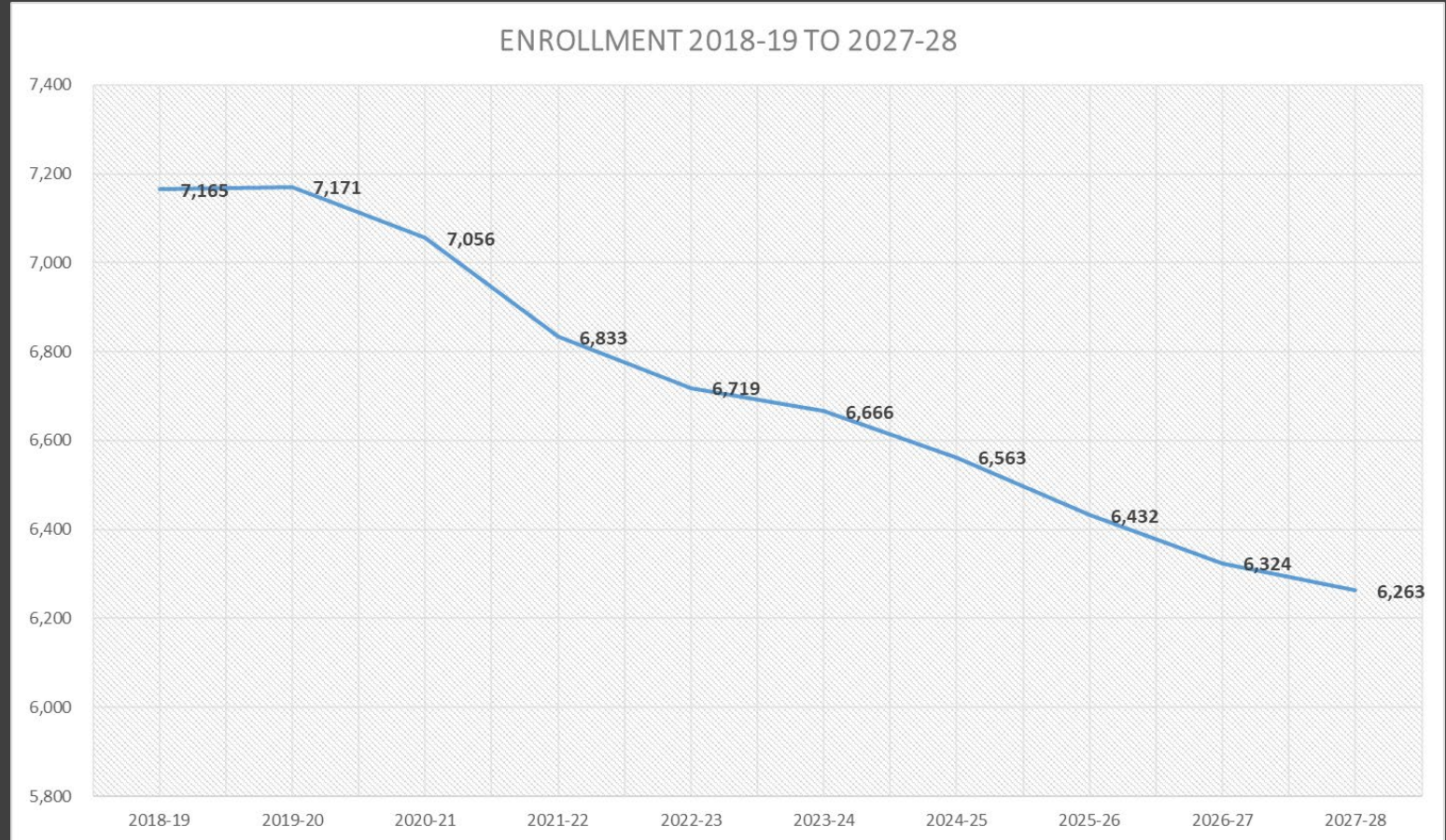






**Enrollment:**  
10-year projected loss of  
students = 902

BEDS Day October 5





# 2017-18 to October 2022 6 Years of Savings Returned to Taxpayers:

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Reduction of  
Tax Levy of \$15.9m

Funded \$55m  
Capital Projects

Funded \$12.6m  
Debt Service Reserve

Funded \$16m  
Tax Certiorari refunds

Early payoff of  
Technology leases  
\$1.2m

Funded \$2.1m in  
Compensated Absences  
to employees, per  
bargaining unit  
agreements

Funded \$16.9m in 1-  
time only expenses

Funded \$1m in pension  
contributions

RETURNED TO  
TAXPAYERS OVER 6  
YEARS ~ \$120M  
(Est. Avg. Annual Savings  
\$1k per 15k avg



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# Continuous Improvement

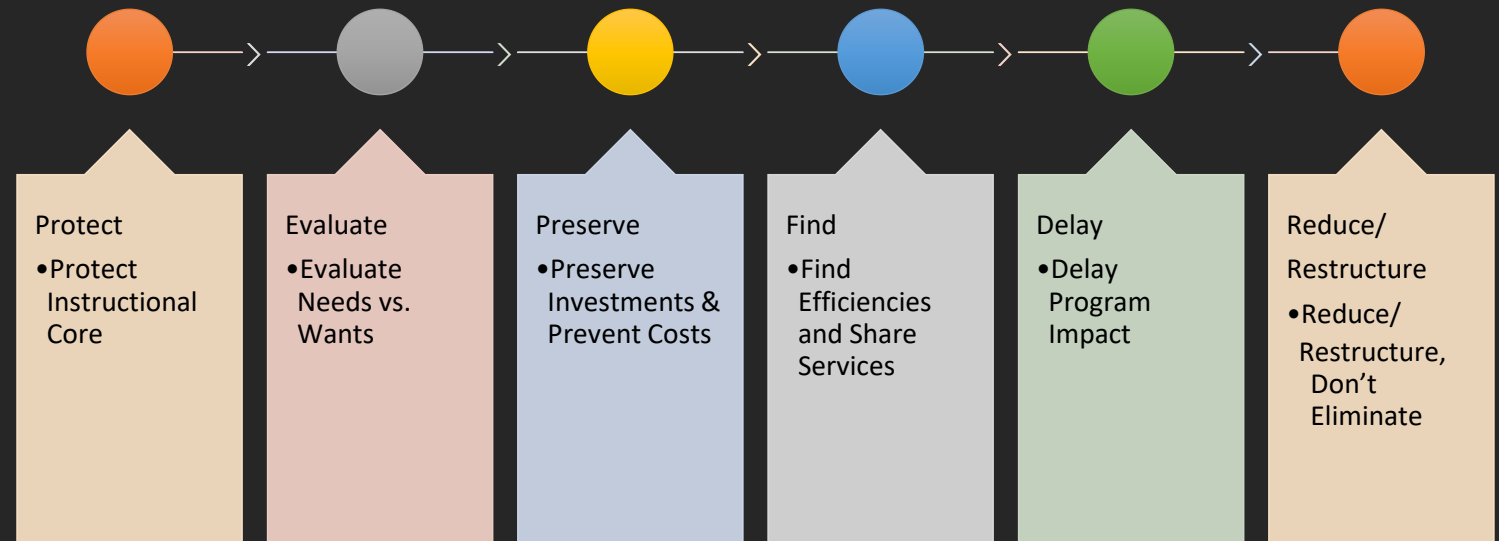
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- On-going curricular and programmatic (can be Regent/SED driven) review, anchored by a protocol and outcome based
- Academic achievement
- Extra-curricular/athletic participation
- Additional programming: after school/summer
- Universal approaches to educational experience
- Staffing and services
- Resource deployment
- Future planning

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# Guiding Principles: Development of Plans



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Conservative  
assumptions have been  
developed to guide  
future decision making

## Financial Landscape

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# Revenue Assumptions

LRP 2022-23 to 2026-27

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# Tax Levy Limit Calculation – Key Factors



Key Factors	Description	2022-23	2023-24	2024-25	2025-26	2026-27
Tax Base Growth Factor	Per NYS Tax & Finance represents physical property added to the Property Tax Rolls	1.0087	1.0124	1.01186 5 yr. avg.	1.01186 5 yr. avg.	1.01186 5 yr. avg.
Allowable Growth Factor	Lesser of CPI or 2%	2.00% CPI 4.70%	2.00% CPI est. 8.00%	2.00%	2.00%	2.00%
PILOTS (Payment in Lieu of Property Taxes)	Per West. Cty. IDA and the CWP	\$4.2m	\$4.7m	\$5.4m	\$6.2m	\$7.4m
Capital Exclusion - Net	Debt Service for Capital Construction less State Building aid less Debt Service Reserve Funds	\$3.8m	\$4.4m	\$4.4m	\$4.4m	\$4.4m

Multi-Year Modeling – Tax Levy Cap		2022-23 Actual	2023-24	2024-25	2025-26	2026-27
BASE FORMULA:						
Prior Year Tax Levy		\$197,235,072	\$197,235,072	\$201,069,322	\$206,934,605	\$212,768,129
Tax Base Growth Factor (from NYS)	x	1.0087	1.0124	1.01186	1.01186	1.01186
Total Tax Levy plus Growth Factor		198,951,017	199,680,787	203,454,005	209,388,850	215,291,559
Prior Year PILOTs (per City WP)	+	3,354,945	4,164,542	4,722,072	5,363,479	6,156,614
Prior Year Capital Tax Levy Exclusion, <i>Net of Building Aid and Debt Service Reserve</i>	-	(4,438,920)	(3,847,493)	(4,368,832)	(4,414,695)	(4,380,357)
Adjusted Prior Year Levy	=	197,867,042	199,997,836	203,807,244	210,337,634	217,067,816
Allowable Growth Factor (Lesser of CPI or 2%)	x	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%
		3,957,341	3,999,957	4,076,145	4,206,753	4,341,356
Current Year PILOTs (per City of WP)	-	(4,164,542)	(4,722,072)	(5,363,479)	(6,156,614)	(7,355,659)
Available Carryover (limited to 1.5% of Tax Limit prior to exclusions of the current year)	+	0	424,769	0	0	0
Tax Levy Limit <u>Before</u> Current Year Exclusions	=	197,659,841	199,700,490	202,519,910	208,387,773	214,053,513
EXCLUSIONS:						
Pension Contribution increase in rates > 2% pts.	+	0	0	0	0	0
Current Year Capital Tax Levy Exclusion, Net of Building Aid and Debt Service Reserve of \$2.1m annually)	+	3,847,493	4,368,832	4,414,695	4,380,357	4,405,212
MAXIMUM ALLOWABLE TAX LEVEY PLUS EXCLUSIONS	=	\$201,507,334	\$204,069,322	\$206,934,605	\$212,768,129	\$218,458,725
REDUCTION IN TAX LEVY	-	(4,272,262)	(3,000,000)	TO BE DETERMINED		
Net Tax Levy	=	\$197,235,072	\$201,069,322	\$206,934,605	\$212,768,129	\$218,458,725
% Increase		0.00%	1.94%	2.92%	2.82%	2.67%





## PRELIMINARY PROJECTIONS

## TAX LEVY INCREASE %

Maximum Allowable Tax Levy

4.49%

Tax Levy with the use of Debt Service Reserve Funds (*reduces Capital Exclusion*)

3.47%

Tax Levy with the Use of Debt Service Reserve and Additional Reduction in Tax Levy

1.94%

## Potential Tax Levy - 2023-24

- Use of Debt Service Reserve of \$2m - reduces Capital Tax Levy Exclusion
- Year 3 of Foundation Aid Phase in of \$5.1m, per State Enacted 2021-22 Budget
- \$2m increase in Foundation Aid due to inflation, total increase in Foundation Aid \$7.3m for 2023-24

Based on these factors – recommendation is to further reduce the tax levy by \$3m

# Other Revenue Assumptions



Expense driven State Aid (Building Aid, BOCES, Transportation, Excess Cost Aid, Instructional Materials) is reimbursed based on the prior year's allowable expense at the average state aid ratios per the final state adopted budget

Local resources (other tax items, interest earnings, tuition, etc.) have been projected to remain flat at the current budget levels

It is probable that there will be additional revenues in subsequent years, but given the economic uncertainty it is advisable to take a conservative approach





# Demographic Data

Annual update - December 2022

Western Suffolk BOCES, Office of Planning & Research

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# Enrollment K-12

Schools	Budget 2022-23	Actual 2022-23	2023-24	2024-25	2025-26	2026-27
Elementary	2,928	2,922	2,887	2,856	2,802	2,757
Secondary	3,769	3,752	3,732	3,660	3,584	3,522
Out of District Placement	59	45	47	47	46	45
Total	6,756	6,719	6,666	6,563	6,432	6,324
Net change		(37)	(53)	(103)	(131)	(108)

# Expenditure Assumptions

LRP 2022-23 to 2026-27

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#### Personnel Costs:

- Reflected in accordance with the existing bargaining unit Agreements

#### Employee Benefits:

- Pension Plan Contributions:
  - Teachers' Retirement System (TRS) – contribution rate for 2023-24 is projected to decrease to 9.50% - 10.00% from 10.29%, subsequent years reflect a 5% increase each year
  - Employees' Retirement System (ERS) – contribution rate for 2023-24 is projected to increase to 13.1% from 11.6%, subsequent years reflect a 5% increase each year
- Health Insurance – composite premium rate has been estimated at 8.00% for 2023-24, subsequent years have been reflected at a similar rate
- Workers Compensation Insurance – projected to increase in 2023-24 by 10% due to increase in claims (loss ratio), similar increase for subsequent years

#### Tax Certiorari Refunds:

- District is self-funded and uses the Tax Certiorari Reserve to refund claims owed
- 2022-23 refunds are estimated at \$3.5m per legal counsel
- Tax Certiorari liability is expected to remain stable at \$62.2m, inclusive of interest earnings, legal counsel will be providing an updated detailed analysis in January

#### Debt Service:

- Annual payments of \$9.9m in principal & interest
- Debt Service Reserve Funds will be used to offset the cost of annual debt service for \$2m 2023-24 through 2025-26, reduction in tax levy to taxpayers
- 2022-23 proposal to use 1-time only funds to transfer into the Debt Service Reserve \$1.1m to support future offsets to debt service, as per the Master Plan/Fiscal Advisor

#### Other Contractual Expenses, i.e., utilities, BOCES, property insurance, pupil transportation, etc.

- Utilities – continue to increase dramatically, with increases reflected at upwards of 20% for 2023-24 and subsequent years at 10% for 2024-25 and then 5% for 2025-26 and 2026-27
- Property Insurance reflects an annual increase of 15% for 2023-24 and subsequent years at 7%
- All other contractual expenses reflect annual increases of 1% to 5%
- Transfer to Capital Projects \$1.5m and Furniture Replacement of \$1m has been projected flat for all years



Summary of LRP  
Financial Forecast  
2022-23 to 2026-27

*LRP forecasts assist in  
guiding future decisions  
and the annual budget  
development process*

Estimated	2022-23	2023-24	2024-25	2025-26	2026-27
	Projected Results 11/22*	Forecast of Projected Budgets based on Projected Results for 2022-23, inclusive of applied assumptions			
Revenues	\$251.5m	\$256.7m	\$264.3m	\$274.3m	\$279.7m
Less:					
Expenditures	\$268.9m	\$255.0m	\$265.8m	\$277.6m	\$284.8m
LRP Instructional & Operational	Reallocation of resource – budget neutral				
1-Time Only	\$3.0m	-	-	-	-
Excess (Deficiency)	(\$20.4m)	\$1.7m	(\$1.5m)	(\$3.3m)	(\$5.1m)
	\$13.6m favorable variance from projected Final Budget of \$279m				

*\*Includes the appropriation of Fund Balance Reserves for self-funded expenses:*

- *Capital Reserve Voter approved Projects of \$24m*
- *Payment of prior year encumbrances of \$6.7m*
- *Payment of Tax Certiorari refunds of \$2.9m*
- *Employee Benefit Accrued Liability payments of \$380k*



# Next Steps – 2023-24 Budget Development

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~~Presentation of LRP to Finance Committee January 3, 2023~~

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~~Presentation to LRP Board of Education January 9, 2023~~

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Instructional Budget Presentation to BOE – February 13, 2023

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Non-Instructional Presentation to BOE February 27, 2023

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Superintendent's Preliminary Budget to Finance Committee March 6, 2023

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Superintendent's Preliminary Budget to Board of Education March 13, 2023

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Thank you!  
QUESTIONS?

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