

The **BUDGET WORKSHOP** of the Board of Education West Hempstead Union Free School District was called to order in the High School Video Conference Room on April 2, 2013 at 8:14 p.m.

PRESENT: Mr. Mariano, who presided, and five other members of the Board: Ms. Brohm, Ms. Lotito, Ms. Rilling, Mr. Schindler and Mr. Trocchia. Also present were Mr. Hogan, Ms. Peluso, Mr. Cunningham, Ms. Girolamo and members of the staff and community.

Mr. Hogan opened the meeting updating residents on the impact of the state budget and some restored aid to the District. He asked that the Board meet again on April 9th to analyze the numbers and staffing needs. Mr. Hogan then turned the meeting over to Mr. Cunningham to explain the changes from last week.

Mr. Cunningham gave a PowerPoint presentation on the 2013-14 Budget Development. Topics covered were: Components of the District Mission; Board of Education Goals; Strategic Plan 2011-14; the decision making process and the budget building process. Since the state has finalized their budget, the District can now re-review and re-analyze major educational components of the 2013-14 Budget, projected revenue budget as of April 2nd and the next steps to finalizing the budget.

Analysis of the NYS Budget provides increased state aid to schools above that proposed by the Governor; enables districts to extend the provisions of approved teacher evaluation plans (APPR); and allows districts to enter into a TRS Stable Contribution Option to address soaring pension costs. Analysis of state aid to West Hempstead included Foundation Aid (\$15,309 – 0.3% over 2012-13), Gap Elimination Adjustment

(reduced by \$100,000 from \$1,621,964 to \$1,521,964) and High Tax Aid (“held harmless” to the 2012-13 level). Total aid increase to West Hempstead, including building aid, is \$105,639 (1.36%). He explained our District received a smaller boost in aid than other districts because the District cut \$1,000,000 in transportation expenses.

Mr. Cunningham then explained to the Board and residents the TRS Stable Contribution Option also referred to as “Pension Smoothing.” He stated the state budget provides NYSTRS with the option of offering a seven-year Stable Contribution Plan. The NYSTRS Board is expected to decide at its April 25th meeting whether to adopt the plan. If they adopt the plan, each district is left to determine if the plan is right for them. He showed a chart of seven years of stable contributions, which included the percentage rate and applicable school year payroll. This option, in actuality, is twelve years and takes liability into the future. Mr. Cunningham then addressed if it will work for West Hempstead or not. He informed the audience that adopting this plan pushes \$469,343 in TRS pension costs out to 2018-19; none of the costs can be re-appropriated to other cost centers, such as staffing, because the deferred costs would otherwise be funded in the current year pensions exclusion on the levy limit calculation and the costs will be higher in 2014-15 with relief coming in 2016-17. Therefore, the deferred TRS pension costs that will begin being repaid in 2018-19 will be over \$1,000,000 before interest. The tax levy limit decreases from 3.55% above 2012-13 to 2.40% above 2012-13; unless the levy limit law is amended in the future, the deferred contribution cannot be used as part of the pension levy exclusion in 2018-19 and beyond; and the deferred contribution will be *on top* of the ECR rate in 2018-19 through 2024-25. The “unknowns” of the “Pension Smoothing” are: What will future ECRs be and what will the deferred contribution

interest rate be? District Administration does not recommend adopting the TRS Stable Contribution Option, and the Board agreed.

Under Budgetary considerations - 1) Under the cap, the District can build \$538,153 back into the proposed 2013-14 budget, 2) District Administration is analyzing course tallies and educational needs to develop a list of recommendations for Board of Education consideration and 3) District Administration asks that the Board of Education meet on April 9th to discuss a list of recommendations. The next steps to finalize the budget are analyzing staffing with respect to class size projections and review programmatic needs with the confines of the revenue budget; continuing to refine the expenditure and revenue picture and discussing final expenditure and revenue recommendations at the proposed April 9th meeting. Budget adoption will take place at the April 16th Business Meeting and May 21st is the Budget Vote.

Residents then had the opportunity to ask their questions.

At 8:45 p.m., upon the motion of Ms. Rilling, seconded by Mr. Schindler and carried by six, the Budget Workshop was adjourned to Executive Session to discuss negotiations and employment records of particular individuals. Ms. Brohm left Executive Session at 10:00 p.m. At 10:50 p.m., upon the motion of Ms. Rilling, seconded by Mr. Trocchia and carried by five, Executive Session ended.

Kathryn Girolamo, District Clerk