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April 7, 2023

Dr. Gina Talbert, Superintendent
Members of the Board of Education
Wyandanch Union Free School District
1445 Dr. Martin Luther King, Jr. Blvd
Wyandanch, NY 11798

Report Number: B23-7-1

Dear Superintendent Talbert and Members of the Board of Education:

Chapter 18 of the Laws of 2020, as amended by Chapter 56 of the Laws of 2020,¹ authorized the Wyandanch Union Free School District (District) to issue serial bonds, subject to the provisions of Local Finance Law (LFL) Section 10.10, in an aggregate principal amount not to exceed \$3.1 million, to liquidate the accumulated deficit in the District's general fund as of June 30, 2019. Under LFL Section 10.10(d), when a school district is authorized by a special or general law to incur debt to liquidate an operating deficit, it must submit to the State Comptroller each year, starting with the fiscal year during which the municipality or school district is authorized to issue the deficit obligations, and for each subsequent fiscal year during which the deficit obligations are outstanding, their proposed budget for the next succeeding fiscal year.

The proposed budget must be submitted no later than 30 days before the date scheduled for the governing board's vote on the adoption of the final budget or the last date on which the budget may be finally adopted, whichever is earlier. The State Comptroller must examine the proposed budget and make recommendations, as deemed appropriate. Recommendations, if any, are made after the examination into the District's estimates of revenues and expenditures.

Our Office has recently completed a review of the District's budget for the 2023-24 fiscal year. The objective of the review was to provide an independent evaluation of the proposed budget. Our review addressed the following question related to the District's budget for the 2023-24 fiscal year:

- Are the significant revenue and expenditure projections in the District's proposed budget reasonable?

¹ Section 42-c of Part A of Ch. 56 L. 2020

Based on the results of our review, we found that the significant revenue projections in the District's budget are reasonable. However, appropriations for health insurance expenditures appear over-estimated and should be reviewed by the Superintendent and Board of Education (Board).

To accomplish our objective in this review, we requested your proposed budget, salary schedules, debt payment schedules and other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and estimates, where appropriate. We identified any significant new or unusually high revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimates were realistic and reasonable.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

The budget package submitted for review for the 2023-24 fiscal year consisted of the following:

- 2023-24 Proposed Budget
- Supplementary Information

The proposed budget submitted to our Office is summarized as follows in Figure 1 and Figure 2:

Figure 1: Revenue Summary - General Fund
\$107,239,846

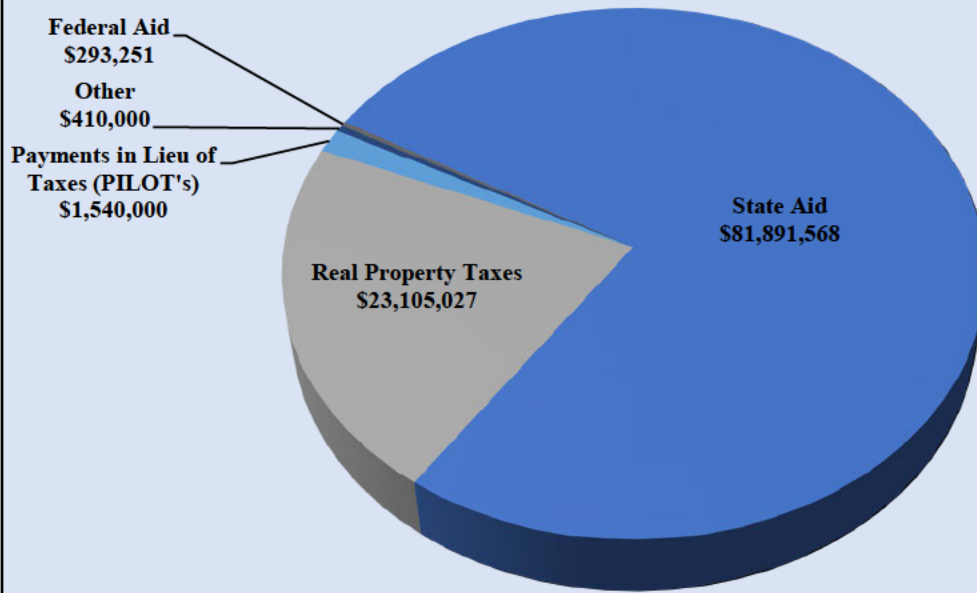
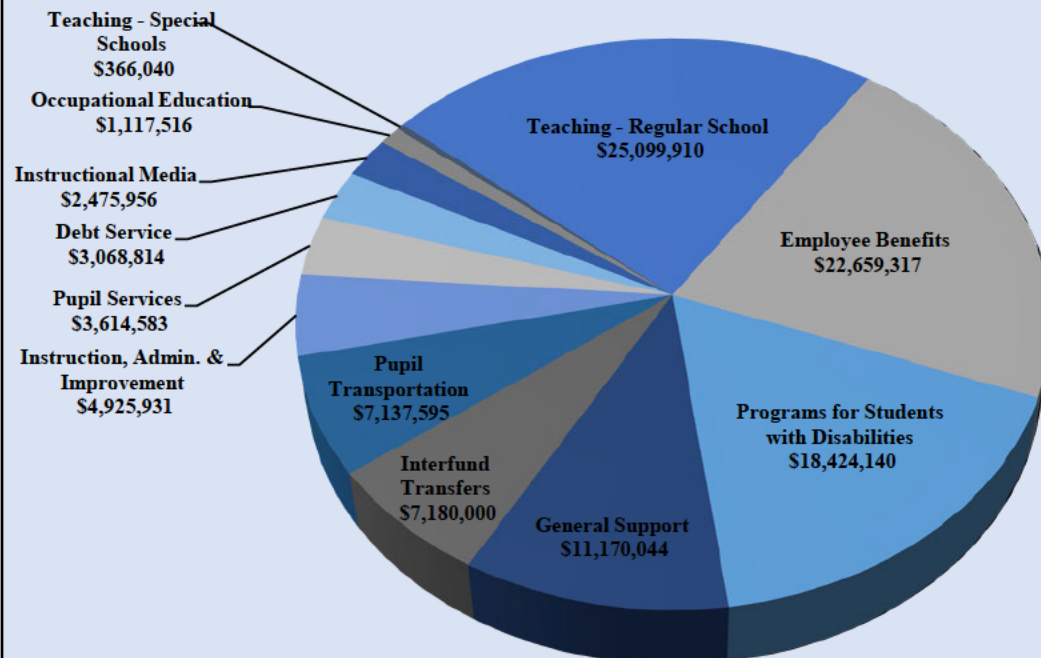


Figure 2: Expenditure Summary - General Fund
\$107,239,846



Our review disclosed the following finding which should be reviewed by the Superintendent and Board, with appropriate action taken as necessary in accordance with the requirements in Local Finance Law Section 10.10.

Health Insurance

The proposed budget includes approximately \$11.3 million in health insurance appropriations, which represents 11 percent of the total proposed budget. This appropriation is \$3.4 million, or 43 percent, more than the \$7.9 million projected expenditure for 2022-23. In addition, the proposed health insurance appropriation is \$3.9 million, or 54 percent, more than the \$7.4 million average health insurance expenditure incurred during the last five years.

Based on documentation provided by District officials, estimated 2023-24 health insurance costs could total \$10.6 million (\$700,000 less than the \$11.3 million appropriation), after including \$1.8 million for the cost of an additional 90 employees. It is unknown if the District will succeed in hiring an additional 90 employees within a one year period and we caution the Board to be mindful of this when adopting the budget.

Tax Cap Compliance

General Municipal Law Section 3-c establishes a tax levy limit on local governments and school districts. The law generally precludes a school district from adopting a budget that requires a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless at least 60 percent of District voters approve a budget that requires a tax levy that exceeds the statutory limit. The District's proposed budget complies with the tax levy limit because it includes a tax levy of \$23,105,027, which is within the limits established by law. In adopting the 2023-24 budget, the Board should be mindful of the legal requirement to maintain the tax levy increase to no more than the tax levy limit as permitted by law, unless it obtains the proper voter approval to override the tax levy limit prior to adopting the budget.

We request that you provide us with a copy of the adopted budget.

We hope that this information is useful as you adopt the upcoming budget for the District. If you have any questions on the scope of our work, please feel free to contact Ira McCracken, Chief Examiner of the Hauppauge Regional Office, at (631) 952-6534.

Sincerely,

Elliott Auerbach
Deputy Comptroller

cc: Richard Snyder, School Business Administrator
Albert Chase, Fiscal Monitor
Jessica Reed, District Clerk
David Wicks, Interim District Superintendent – Western Suffolk BOCES
Michael Flynn, Chief Operating Officer – Western Suffolk BOCES
Hon. Andrea Stewart-Cousins, NYS Senate Majority Leader
Hon. Carl E. Heastie, NYS Assembly Speaker
Hon. Liz Krueger, Chair, NYS Senate Finance Committee
Hon. Shelley Mayer, Chair, NYS Senate Education Committee
Hon. Helene E. Weinstein, Chair, Assembly Ways and Means Committee
Hon. Michael Benedetto, Chair, Assembly Education Committee
Hon. Kimberly Jean-Pierre, NYS Assembly District 11
Robert Megna, Director, Division of the Budget
Sharon Cates-Williams, Executive Deputy Commissioner, State Education Department
Ira McCracken, LGSA Hauppauge Regional Chief of Municipal Audits