



Babylon Union Free School District

2019-2020 Proposed Budget Presentation #1

February 11, 2019

Presented by:

Deputy Superintendent of Schools, Dr. Peter Daly
Superintendent of Schools, Mrs. Linda J. Rozzi



Agenda:

1. Budget Organization
2. A Review of the Current 2018/2019 Operational Budget
3. Goals for the 2019/2020 Proposed Budget
4. A Review of the New York State Property Tax Cap
5. Challenges and Opportunities



Introduction & Opening Remarks:

- ▶ Budget development is a very dynamic process. The Budget document is a work in progress, as some unknown factors still exist at this point in time. Nothing discussed, or any decisions made, are final until the BOE adopts the Budget on April 15th.
- ▶ The budget development process is a collaborative process involving many stakeholders. Our goal is to create a budget that is reflective of the instructional programs we feel enhance opportunities for our students, and yet one which is sensitive to the economic reality of the times.
- ▶ As we move through this process we will be open, honest, transparent yet mindful of the sensitive nature of our discussions.

Topic 1

Budget Organization:

NYS requires a budget and accounting format with three components clearly defined:

- ▶ Administrative Budget
- ▶ Educational Program Budget (Including Special Education costs)
- ▶ Plant Operations & Maintenance Budget (Facilities Operations, Maintenance, Debt Service)

Expenses are broken down to the following expense-driven categories:

- ▶ Salaries
- ▶ Employee Benefits
- ▶ Service and Contractual Expenses
- ▶ Materials and Supplies
- ▶ BOCES Services
- ▶ Debt Service



The Administrative Component :

- ▶ The Board of Education
- ▶ The District Clerk
- ▶ The Central Administration, including the Superintendent's Office
- ▶ Business Administration, Purchasing, Auditing
 - Personnel/Human Resources Management
- ▶ Treasury and Banking



The Program Component:

- ▶ All instructional & non-instructional faculty & staff salaries
- ▶ Textbook, material, and supply expenses
- ▶ BOCES services
- ▶ Special Education costs outside the District
- ▶ Support services (library, guidance, health services, psychologists, social workers, computer technology support)
- ▶ Athletics
- ▶ Co-curricular activities
- ▶ Transportation



The Plant Operations & Maintenance Component:

- ▶ Custodial and Maintenance salaries
- ▶ Maintenance of the buildings
- ▶ Utilities
- ▶ Fuel oil and gas
- ▶ Contracts for maintenance and service
- ▶ Materials and supplies
- ▶ BOCES Health and Safety support
- ▶ Equipment



Topic 2

A Review of the 2018/2019 Voter-Approved Budget:

- ▶ The 2018/2019 voter- approved budget was \$53,035,604
- ▶ The taxpayer portion was \$41,815,264
- ▶ The difference funded by state aid, fund balance and other revenue was \$11,220,340

Non Tax Levy Resources:

- ▶ State aid was \$8,942,352
- ▶ Appropriated fund balance was \$1,600,000
- ▶ Other revenue sources equaled \$677,988



Topic 3

Goals for the 2019/2020 Budget:

- ▶ Maintain and build program opportunities.
- ▶ Create opportunities for collaboration.
- ▶ Continue to enhance the district's new technology infrastructure & implementation of a 1:1 world computing initiative.
- ▶ Design and adopt a budget, inclusive of above, that is educationally sound, fiscally responsible, and stays within the allowable Tax Levy Cap.



Topic 4

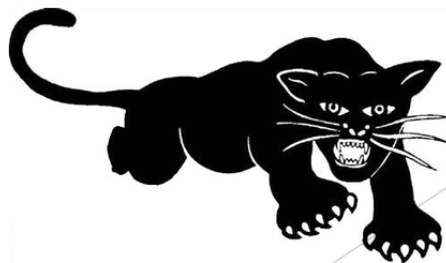
A Review of the New York State Property Tax Levy Cap:

- ▶ The Tax Cap law dictates how much money a municipality can ask taxpayers for from year to year.
- ▶ New York State dictates what the Tax Cap % will be each year.
- ▶ New York State uses the Consumer Price Index (CPI) to set the Tax Cap %.
- ▶ The 2019-2020 school year will be the 8th year of the NY State Property Tax Cap.
- ▶ School districts may not adopt a budget that requires a tax levy that exceeds the prior year's levy by more than 2% or the rate of inflation (otherwise known as the CPI index), whichever is less. However.....

Topic 4

A Review of the New York State Property Tax Levy Cap Continued:

- ▶ *The NYSED Tax Cap formula allows for certain exclusions to the 2% cap (ex. voter approved capital debt). These exclusions, when applied, may result in maximum allowable tax levy above 2%. In this case the budget proposed only requires a simple majority (50%) vote for approval.*
- ▶ A district may propose a budget that results in a tax levy above their maximum levy limit but this must be approved by a “super majority” or a 60% +1 “yes” vote.
- ▶ A contingent budget would require a 0% increase in the tax levy.



Babylon UFSD - Tax Cap Era:

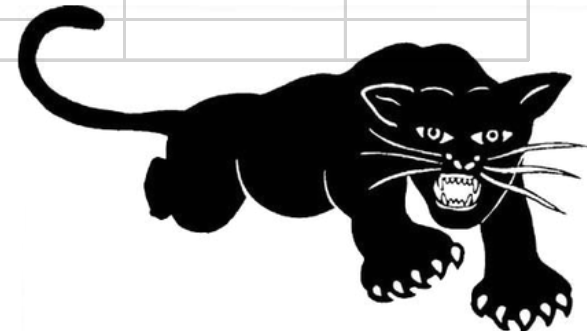
School Year	Budget Inc. %			Tax Levy % Inc.			"Yes" Vote %
	Babylon	Long Island	Suffolk	Babylon	Long Island	Suffolk	
2012-2013	0.38%	2.21%	2.31%	1.39%	2.67%	2.85%	72.70%
2013-2014	2.84%	3.27%	3.31%	*3.11%	3.13%	3.21%	73.10%
2014-2015	1.54%	2.29%	2.24%	1.48%	1.57%	1.64%	68.10%
2015-2016	0.94%	1.69%	1.67%	*2.97%	1.67%	1.90%	74.20%
2016-2017	1.92%	1.89%	2.18%	*1.37%	0.58%	0.95%	78.40%
2017-2018	2.99%	2.34%	2.33%	*3.66%	1.90%	2.22%	75.80%
2018-2019	2.64%	2.84%	2.78%	*3.2%	2.36%	2.53%	71.60%
Average	1.89%	2.36%	2.40%	2.45%	1.98%	2.19%	73.41%
*Tax Levy over 2% (Maximum Allowable Limit) as a result of allowable NYSED Tax Cap Exclusions							

Babylon UFSD - Maximum Allowable Tax Levy:

		2019-2020
Prior Year Tax Levy		\$ 41,815,264
Tax Base Growth Factor per NYORPS		1.0113
		\$ 42,287,776
Prior Year Receivables: (Add)		
18-19 PILOT Funds		19,787
Prior Year Exclusions: (Subtract)		
Bonds (Prin. & Int.) less building aid		\$ 3,200,417
Adj. Prior Year Levy		\$ 39,107,146
Allowable Growth Factor		1.0200
(lesser of CPI or 2%)		
TAX LEVY LIMIT (submitted to comptroller's office by March 1st)		\$ 39,889,289
19-20 PILOT Funds		-21,985
		\$ 39,867,304
Coming Year Exemptions:		
Bonds (Prin. & Int.) less building aid		\$ 2,839,624
PROPERTY TAX LEVY CAP		\$ 42,706,928
Prior Year's Levy		\$ 41,815,264
Amt. Allow. Increase		\$ 891,664
Percent		2.13%

State Aid:

Category	Adopted Budget		Executive Budget		
	2018-2019	2019-2020			
		Total	Diff.	%	
Foundation	5,481,950	5,495,654	13,704	0.25%	
BOCES	1,002,265	1,099,579	97,314		
High Cost Excess	142,129	229,570	87,441		
Private Excess Cost	92,711	146,025	53,314		
Hardware & Technology	14,831	15,249	418		
Software, Library & Textbook	136,127	132,174	-3,953		
Transportation	620,019	698,521	78,502		
High Tax Aid	641,751	641,751	0		
Sub Total	8,131,783	8,458,523	326,740	4.02%	
* Building Aid	354,904	1,407,218	639,776		
Total	8,486,687	9,865,741	1,182,238	13.93%	
* Building Aid adjusted per Chapter 97					



2019-2020 Budget

Key Factors/Challenges:

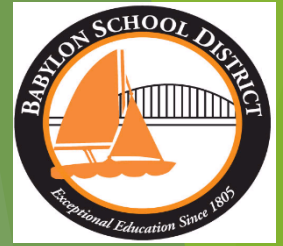
- ▶ State Aid Funding - We await the final dollar amount.
- ▶ Health Care Costs & Retirement Costs (TRS & ERS) - It is ever increasing!
 - ❑ The healthcare premium increase for the 2019/2020 school year is estimated to increase by 3%-5%, approximately \$743,833
 - ❑ TRS- The employer contribution rate for the 2019/2020 school year is estimated to be 8.5%-9.5% or \$176,601
 - ❑ ERS - The employer contribution rate for the 2019/2020 school year is estimated to be 15.8%, or \$ 37,000
- ▶ State Aid- Increase in Foundation Aid is only \$13,704 (.25% of 1%)



Moving Forward:

- ▶ April 1st is the adoption deadline date for the State Budget.
- ▶ The district's adoption date by the BOE is April 15th.
- ▶ The teacher retirement notification deadline date is March 1st.
- ▶ The next budget meeting is scheduled for February 25th.





Future Budget Workshops:

<u>Date</u>	<u>Time</u>	<u>Topic</u>
February 25	7:30 pm	Administration/Plant Operations & Maintenance
March 11	7:30 pm	Athletics & Transportation
March 25	7:30 pm	Instruction, Special Education, Technology
April 15	7:30 pm	Adoption of Budget & the Property Tax Report Card
May 13	7:30 pm	Annual Budget Hearing
May 21	6:00 am- 9:00 pm	Budget Vote and Trustee Election (Babylon Junior~Senior HS East Gymnasium)

