

*SAYVILLE
PUBLIC SCHOOLS*

Continued Review of the
2013-14 Proposed Budget

**Presented by:
John Belmonte
Assistant Superintendent for Business**

April 4, 2013

Status Update

REVENUES



WILL SAYVILLE SCHOOLS
RECEIVE ADDITIONAL STATE
AID????????

Key Parts of NY State's Budget

- The good news is the State finalized their budget increasing School Aid by nearly \$1 billion;
- This is roughly \$110 million more than the Governor proposed;
- Restores 100% of High Tax Aid that was originally reduced by the Governor;
- Also increases monies for other key categorical aid formulas, such as Foundation Aid and Gap Elimination Adjustment;
- Postpones the change in the State-wide interest rate on building aid for one additional year;
- Existing APPR Plans will remain in place if a new one is not approved by the Commissioner by September 1 of the applicable school year – with no loss of State Aid.

What Does This Mean for Sayville School District?

- The finalized State Budget provides for additional aid of \$920,987. This is an increase in 'Total Aid' from .82% to 4.06%;
- Deferral of the State-wide interest rate adjustment on building aid until the 2014-15 school year. This prevented an additional **reduction** of building aid of approximately \$120,000.

What Does This Mean for Sayville School District?

- Even with the additional State aid, we were still 'Over' the 2% levy cap by approximately \$121,000;
- As a result, we revisited our revenue side of the budget;
- We are recommending to add a \$125,000 new revenue line for 'School Age Medicaid Reimbursement';
- While we have not received final confirmation of what the actual Medicaid reimbursement might be, we are comfortable that we should minimally receive \$125,000 for the 2013-14 school year.

2013-14 PROPOSED REVENUE AND TAX RATE SCHEDULE

| | <u>2012-13</u> | <u>2013-14</u> | <u>Difference</u> | <u>Percent</u> |
|---|-------------------|-------------------|-------------------|----------------|
| STATE AID | 22,867,286 | 23,607,272 | 739,986 | 3.24% |
| OTHER INCOME: | | | | |
| Adult Education | 135,000 | 135,000 | 0 | 0.00% |
| Summer School | 5,000 | 5,000 | 0 | 0.00% |
| Trips | 0 | 0 | 0 | 0.00% |
| Admissions | 10,000 | 10,000 | 0 | 0.00% |
| Use of Pool | 98,078 | 98,078 | 0 | 0.00% |
| Custodial Services | 20,000 | 20,000 | 0 | 0.00% |
| Health Services | 125,000 | 125,000 | 0 | 0.00% |
| Interest Income | 50,000 | 50,000 | 0 | 0.00% |
| Rentals/Organizations/Individuals/Gov't | 34,000 | 34,000 | 0 | 0.00% |
| Rentals/BOCES | 347,146 | 354,089 | 6,943 | 2.00% |
| Rentals/Old Jr. High | 334,077 | 340,759 | 6,682 | 2.00% |
| Rentals/Public Library | 1,044,625 | 1,025,125 | (19,500) | -1.87% |
| Sale of Materials | 100 | 100 | 0 | 0.00% |
| Insurance Recoveries | 2,000 | 2,000 | 0 | 0.00% |
| Medicaid Reimbursement - SSEHP Part D | 150,000 | 150,000 | 0 | 0.00% |
| Medicaid Reimbursement - School Age Programs | 0 | 125,000 | 125,000 | 100.00% |
| Fines & Forfeitures | 4,000 | 4,000 | 0 | 0.00% |
| Refunds - BOCES/Prior Year/Other | 10,000 | 10,000 | 0 | 0.00% |
| Misc Income | 60,000 | 60,000 | 0 | 0.00% |
| Tuition - Other Districts/Staff | 56,000 | 56,000 | 0 | 0.00% |
| Commissions | 0 | 0 | 0 | 0.00% |
| TOTAL OTHER INCOME | 2,485,026 | 2,604,151 | 119,125 | 4.79% |
| TOTAL STATE AID & OTHER INCOME | 25,352,312 | 26,211,423 | 859,111 | 3.39% |

2013-14 PROPOSED REVENUE AND TAX RATE SCHEDULE

| | | | | |
|--|-------------------|-------------------|------------------|--------------|
| APPROP. FUND BALANCE | 4,000,000 | 4,000,000 | 0 | 0.00% |
| APPROP. RESERVE FROM TAX RESERVE | 0 | 250,000 | 250,000 | 100.00% |
| APPROP. RESERVE FOR ERS | 52,000 | 1,440,000 | 1,388,000 | 0.00% |
| APPROP. RESERVE FOR UNEMPLOYMENT | 75,000 | 75,000 | 0 | 0.00% |
| APPROP. RESERVE FOR WORKERS COMP | 0 | 150,000 | 150,000 | |
| APPROP. RESERVE FOR DEBT SER - Library | 98,438 | 98,438 | 0 | 0.00% |
| | <u>4,225,438</u> | <u>6,013,438</u> | <u>1,788,000</u> | |
| PROPERTY TAXES* | 56,097,211 | 57,236,356 * | 1,139,145 | 2.03% |
| TOTAL REVENUE/BUDGET | 85,674,961 | 89,461,217 | 3,786,256 | 4.42% |

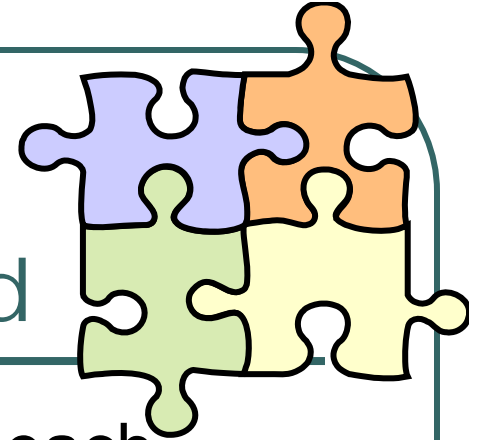
| | 2012/13 | 2013/14 | Difference | Percent |
|-------------------------------|---------------|---------------|--------------|--------------|
| Tax Rate Per \$100 | 17.877 | 18.369 | 0.492 | 2.75% |
| Home Assessed @ 40,000 | 7,151 | 7,348 | 197 | 2.75% |

**Property Taxes also include revenue from STAR repayments.*

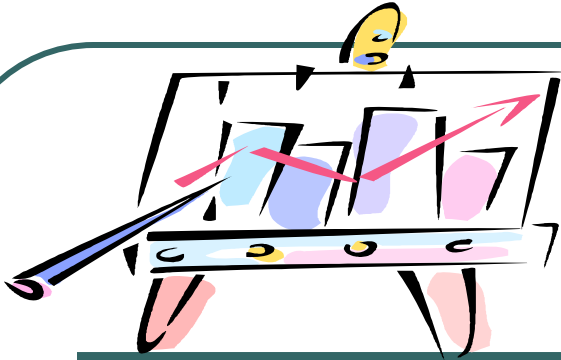
OTHER FACTORS THAT MAY AFFECT SETTING OF THE TAX RATE

- Anticipated receipt of 'Pilot Payments'
 - Project approved by the Town of Islip Industrial Development Agency – agreement expires November 1, 2045,
 - Current project: 96,136 sq ft consisting of approximately 134 assisted living units,
 - Generally, the owner of the development receives a property tax break for a period of 10 years,
 - The owner agrees to pay a sum certain each year in-lieu of taxes – called pilot payments. These Payments would be distributed to the various taxing entities.

Pilot Payments – continued



- Pilot Payments would be distributed each year from the Town to the District,
- These payments are not Tax levy Payments,
- ***For the 2013-14 School Year, we will see a reduction in the Districts overall Assessed Valuation and Base Allocations – with no Pilot Payments,***
- Pilot Payments are expected to begin in the 2014-15 school year.



Setting the 'Tax Rate'

- We know that the 'Tax Rate' is different from the 'Tax Levy';
 - We know that the current project approved by the Town of Islip Industrial Development Agency (the 134 unit assisted living facility), will reduce our Assessed Valuations;
 - We also know that the changes or shifts in the Homestead and Non-Homestead Base Allocations will also affect the final tax rate;
-
- ***Therefore, in computing the Projected 'Tax Rate' of 2.75% for the 2013-14 school year, we assumed a \$100,000 decrease in assessed valuations and a .5% shift in the base allocations from Non-Homestead to Homestead.***

Note: This is a projection. The final tax rate may differ based on the final Assessed Valuations and Base Allocations

DRAFT 5

Status Update:
Two Percent Property Tax Levy Cap

With the additional State aid, anticipated Medicaid revenues and elimination of the State interest rate adjustment:

- ***Our Tax Levy Calculated Cap Percentage is now 2.04%,***
- ***Based on the Draft III Budget, we are currently UNDER our calculated cap by \$3,372;***
- ***Would require a majority vote of 50% .***

2013-14 Property Tax Levy Worksheet

RECONCILIATION WITH TAX LEVY LIMIT

| | | |
|--|----------------|-------------------|
| Tax Levy for 2013-14 Budget: | | 57,236,356 |
| Less: 2013-14 Exemptions: | | |
| Employees Retirement System: | 0 | |
| Teachers Retirement System: | 764,712 | |
| <u>2013-14 Capital Tax levy:</u> | | |
| 2013-14 Debt Service: w/o Library Debt | 4,512,048 | |
| Less: 2013-14 Building Aid: (NY State approved bdgt.) | -3,316,578 | |
| Add: Anticipated 2013-14 Capital Project Expenses: | <u>500,000</u> | <u>2,460,182</u> |
| Proposed Levy Before Exemptions: | | 54,776,174 |
| Tax Levy Limit: | | <u>54,779,546</u> |
| Under/(Excess) Levy Over Cap Formula: | | 3,372 * |

* Requires 50% voter approval

DRAFT 5

PROPOSED 2013-14 BUDGET



| | BUDGET | BUDGET PERCENTAGE INCREASE | PROPOSED INCREASE ON TAX RATE |
|--|--------------|----------------------------------|-------------------------------------|
| 2013-14 Proposed Budget <i>(Draft I)</i> | \$90,355,533 | 5.46% | 5.40% |
| Revised Budget <i>(Draft II)</i> | \$89,461,217 | 4.42% | 3.81% |
| Revised Budget <i>(Draft III)</i> | \$89,461,217 | 4.42% | 2.75% |

WHAT'S NEXT?



- Consider any other changes to the 2013-14 proposed budget,
- Board will need to adopt the final budget at the April 11, 2013 Business Meeting,
- May 14, 2013 Budget Informational Meeting & Public Hearing,
- May 21, 2013 Budget Vote, Annual Meeting & Election of Trustees.