

SETTING THE 2020-21 TAX RATE


September 10, 2020

LOOKING AHEAD: THE FISCAL CHALLENGES

- Re-opening of schools under the challenges of the Covid-19 pandemic has significantly impacted our 2020-21 voter-approved budget;
- Resources budgeted for other purposes have been re-purposed to purchase PPE supplies, technology and equipment to meet the mandated requirements to re-open for in-person and distance learning instruction (to date over \$622,000 spent on COVID-19 related items);
- The State has begun to deduct 20% of District's state aid due to the shortfall of NYS revenue projections (to date \$172,000 deducted from our aid payments);
- There remains uncertainty if these mid-year state aid cuts will become 'permanent reductions' or be restored at a later date.



SETTING OF THE TAX RATE – VARIABLES

- ❖ **Timing:** the District projects a tax rate at budget time without knowing the final Assessed Valuation and Base Allocations of properties,
 - ❖ In August, the District received the final Assessed Valuations and
 - ❖ In September, received the Base Allocations from the Town of Islip.
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ASSESSED VALUATION

This is the fifth consecutive year that we have seen a modest increase in our total Assessed Valuation. Homestead A/V increased by \$892,890 & Non-Homestead A/V decreased by \$335,392:

2020-2021:	281,467,922
2019-2020:	280,910,424
Increase	557,498

BASE ALLOCATIONS

There is also a shift in values from Homestead to Non-Homestead. This will have a positive effect on the Homestead Tax Rate, and a negative effect on the Non-Homestead Tax Rate:

	<u>2020-2021</u>	<u>2019-2020</u>	
HOMESTEAD	75.87610	76.15839	- 0.28229
NON-HOMESTEAD	24.12390	23.84161	+ 0.28229

RECOMMENDATION: LOWERING THE HOMESTEAD PORTION OF THE TAX RATE

What would the 2020-21 actual tax rates be by applying the above A/V and Base Allocations:

<u>Tax Rate</u>	<u>Budget Time</u>	<u>Actual</u>
(H)	+ 1.99%	+ 1.23%
(NH)	+ 1.99%	+ 3.91%

Tax levy remains at \$61,106,560, a \$1,194,244 increase (+1.99%), staying under the Tax Cap by \$11,866 as reported at Budget time.

THREE YEAR TREND OF NON-HOMESTEAD TAX RATE

School-year	Actual Non-Homestead Tax Rate/\$100 of AV	Percentage Change
2018-19	\$29.436	-1.34%
2019-20	\$29.105	-1.12%
2020-21	\$30.243	+3.91%

3 year
Net Change: +1.45%