

MILLER PLACE UNION FREE SCHOOL DISTRICT

Superintendent's Proposed Budget 2024-25

Executive Summary

The management of the budget is a process that continues throughout the entire fiscal year. It is a process that occurs not only in the Business Office, but also extends to each building and every department in the school district. This process results in taxpayer dollars being both efficiently and effectively put to use. The proposed 2024-25 budget was developed with input from the instructional and administrative staffs.

As prescribed within Education Law, a school district's annual appropriations budget is required to be adopted by the Board of Education and voted upon by the public. The budget, as approved and adopted, serves as the authorized financial plan for the fiscal year beginning on July 1, and ending on June 30.

The appropriation budget is comprised of five main functional or categorical sections. They are:

- General Support
- Instruction
- Transportation
- Community Service
- Undistributed

Each of the main functions listed above is composed of sub groups of related units, which further identify services. Control and accountability are achieved through the budget coding structure. Each unit sub group is broken down to identify salaries, equipment, contractual items, and supplies. The Budget Code Overview in section 2 of this book provides a detailed analysis of the budget coding structure. It will be helpful to use this section in identifying a particular type of expenditure, location, building, or program contained within the budget.

In addition to the appropriation side of the proposed budget (also referred to as proposed expenditures), the school district is also required to establish an estimate of funding and/or revenue sources. Projected total revenues must always equal projected total expenditures. Some of the main classifications of revenue sources are:

- State Aid
- STAR Aid
- Investment Income
- Other Miscellaneous Income
- Fund Balance Applied
- Use of Reserve Funds
- Property Tax Levy

Please refer to Section 5 in this book for detailed analyses of revenues.

Executive Summary 2024-25 cont'd.

In the past, budget votes have taken place in May or June, with the Board of Education determining the budget vote date. However, legislation was passed beginning with the 1996-97 school year, requiring all budget votes in Nassau County and Suffolk County school districts to be held on the third Tuesday in May. This legislation was expanded to include all New York State school districts for the 1998-99 school year. Therefore, all New York State school districts will be voting on their 2024-25 budgets on May 21, 2024.

Furthermore, pursuant to a new subdivision added to Section 2007 of the Education Law, which became effective on April 1, 2006, all school district budget re-votes must be held on the third Tuesday in June. Therefore, all New York State school districts whose budgets are defeated on May 21, 2024 and choose to present the voters with a second budget vote, must do so on June 18, 2024.

Normally Suffolk County school districts set their tax levy during the months of August through October. At that time, districts usually have confirmed projected available revenues to fund the adopted budget.

2024-25 Property Tax Levy Cap Overview

New York State Legislature and the Governor enacted legislative amendments that are legally known as Chapter 97 of the Laws of 2011. This amendment established a Property Tax Levy Cap for most municipalities including public K-12 school districts while excluding the “Big 5” city school districts (New York City, Buffalo, Rochester, Syracuse and Yonkers). Regarding school districts, the effective date of these changes in law began with the funding of the 2012-13 school year.

As per this law, the increase in the property tax **levy**, not tax **rate**, is limited to the **lesser of 2% or the rate of inflation**. The law details a specific property tax cap calculation with several formula inclusions and exclusions such as a tax base growth factor, building aid adjustments for voter approved projects, and pension exemptions. Therefore, the increase in a school district’s property tax **levy** may be lesser or greater than 2%. Additionally, regardless of the increase or decrease in the tax **levy**, the actual change in the tax **rate** is subject to the fluctuations of a school district’s assessed value.

The law maintains the requirement for residents to approve budgets through the current public voting process. In order for a budget to be passed by the voters, school districts that present budgets that are within the property tax levy cap still need to pass by a simple majority. School districts that present a budget that exceeds the property tax levy cap, “pierces the cap,” need to pass their budget by a super majority of 60%.

Should the May budget be defeated by the district residents, a Board of Education may elect to present a second budget to the voters in June. This applies to a defeated “within the cap” budget or a “pierced” budget that was not approved by the 60% margin. If the second budget fails, the majority of the current contingency budget laws are still in effect, along with a new provision that requires the property tax levy to be less than or equal to the previous year’s levy. If a Board of Education adopts a contingency budget after one voter defeat, the new provision requiring the property tax levy to be less than or equal to the previous year’s levy is in effect.

Executive Summary 2024-25 cont'd.

The property tax levy cap process is overseen, in part, by the Commissioner of Education, Office of the State Comptroller and Commissioner of Taxation and Finance.

A component of the property tax levy cap includes the allowable growth factor or CPI which remained at 2.00%. Please see the below analysis of the District's tax levy cap history.

**Tax Levy Cap Analysis
2014 to 2025**

Year	Actual CPI	CPI for Cap Calculation	Miller Place Tax Cap Limit % per calculation	Miller Place Actual Tax Levy %
2014-15	1.46%	1.46%	1.51%	1.51%
2015-16	1.62%	1.62%	2.85%	2.85%
2016-17	0.12%	0.12%	-0.14%	-0.14%
2017-18	1.26%	1.26%	0.61%	0.61%
2018-19	2.13%	2.00%	2.80%	2.80%
2019-20	2.44%	2.00%	1.38%	1.38%
2020-21	1.81%	1.81%	1.46%	1.46%
2021-22	1.23%	1.23%	2.42%	2.42%
2022-23	4.70%	2.00%	2.22%	2.22%
2023-24	8.00%	2.00%	2.34%	2.34%
2024-25	4.12%	2.00%	2.11%	2.11%

The following is the current *draft* of the 2024-25 Property Tax Levy Cap calculation as it relates to the proposed 2024-25 budget:

Prior Year (2023-24) Tax Levy	\$ 51,020,162
+ Tax Base Growth Factor (x .0014)	+ 71,428
- BOCES Capital Exclusion	- 70,924
- Debt Service Less Building Aid	- 1,295,097
= Subtotal prior to applying CPI factor	= \$ 49,725,569
+ Allowable Growth Factor - CPI (x 2.00%)	+ 994,511
+ Debt Service Less Building Aid	+ 1,295,096
+ BOCES Capital Exclusion	+ 75,625
+ ERS Cost Exemption	+ 6,296
+ TRS Cost Exemption	+ 0
Total Allowable Tax Levy for 2024-25	= \$ 52,097,098
Total Tax Levy Increase \$	\$ 1,076,936
Total Tax Levy %	2.11%

Executive Summary 2024-25 cont'd.

The following is the current *draft* of the 2024-25 Estimated Revenues as it relates to the proposed 2024-25 budget:

Total Allowable Tax Levy		\$ 52,097,098
+ Projected State Aid	+	25,982,297
+ Tuition, Interest Income, Misc.	+	577,000
+ Unemployment Reserve	+	125,000
+ Workers Comp Reserve	+	191,237
+ ERS Reserve	+	700,000
+ TRS Reserve	+	625,000
+ Fund Balance Applied	+	2,655,101
Total Maximum 2024-25 Budget	=	\$ 82,952,733
Budget Increase \$		\$ 2,588,109
Budget Increase %		3.22%

Please refer to section 5 in this book for the detailed tax levy cap calculation and revenue information.

2024-25 Budget Overview

The proposed 2024-25 budget is \$82,852,733, an *increase* of \$2,588,109 or 3.22% from the current voter approved 2023-24 budget. This proposed budget is within the limitations of the Property Tax Levy Cap calculation already described. The Superintendent’s budget has considered fiscal responsibility by reviewing and maximizing our current resources.

Please refer to section 3 in this book for the detailed budget document for specific funding by budget code.

The Superintendent’s budget proposal includes overall increases and decreases to existing staff and programs. Three new course offerings at Miller Place High School would be funded through a reallocation of existing course sections and staff are as follows: *General Chemistry with Lab, Long Island Environmental Studies, and Sports History*.

The District has continued to schedule and send students to BOCES Occupational Education programs in the afternoon as these students need to take Miller Place classes to meet graduation requirements which are only offered in the morning (not offered multiple times a day) and also due to the travel time required to travel to these sites from our District.

The below chart reflects our BOCES Occupational Education enrollment information:

Occupational Education	2020-21	2021-22	2022-23	2023-24	BOCES Projected 2024-25
Number of Students	47	54	46	41	47

Executive Summary 2024-25 cont'd.

The Superintendent's proposed budget reflects the following elementary class size information:

	2019-20		COVID 2020-21		COVID 2021-22	
Class	Class Sections	Average Class Size	Class Sections	Average Class Size	Class Sections	Average Class Size
Kindergarten	7	20.1	8	18.6	8	18.6
1st Grade	7	22.4	9	15.8	8	18.5
2nd Grade	7	22.3	10	16.1	8	17.1
3rd Grade	7	24.3	10	15.4	8	19.5
4th Grade	6	26.5	11	15.4	8	19.3
5th Grade	6	26.7	10	16.6	8	20.5
6th Grade	8	25.9	8	20.6	8	20.4
Totals	48		66		56	

	COVID 2022-23		2023-24		2024-25 Proposed Budget	
Class	Class Sections	Average Class Size	Class Sections	Average Class Size	Class Sections	Average Class Size
Kindergarten	8	18.9	7	18.6	7	21.4
1st Grade	8	19.0	7	21.1	6	21.7
2nd Grade	7	21.9	7	21.4	7	21.1
3rd Grade	7	20.4	7	22.4	6	25.0
4th Grade	8	19.4	6	25.2	6	26.2
5th Grade	7	22.6	7	23.7	6	25.2
6th Grade	7	24.7	6	27.8	6	27.7
Totals	52		47		44	

As per the negotiated Miller Place Teachers' Union contract, the maximum number of students per elementary class. In the event class size exceed these maximums, the District may provide additional support:

Kindergarten	23	1 st Grade	24	4 th Grade	28
		2 nd Grade	24	5 th Grade	28
		3 rd Grade	28	6 th Grade	28

The Superintendent's proposed budget continues current District funded Co-Curricular Activities and provides independent athletes and combined teams the opportunity to compete inter-scholastically.

The Superintendent's proposed budget does not include a capital projects expenditure as the voters approved a bond issue in October 2021 for air conditioning, air filtration and other District-wide projects. Please see the detailed description in the Transfer to Capital and Capital Projects sections of the Executive Summary.

Executive Summary 2024-25 cont'd.

Salaries & Benefits Overview

The total for salaries and benefits reflects an *increase* of \$1,621,469 or 2.91%, due to contractual increases in salaries and contractual employee benefits. The District has projected savings into the budget from retirements. The District will continue to adjust class sections and courses based on student enrollment as needed. The specific changes are as follows:

Salaries	\$603,031 or 1.65%
Employee Benefits	\$1,018,438 or 5.28%

Employee Contracts:

Below is a listing of all the Miller Place School District bargaining units and the expiration of their contracts, as of the submission of the Superintendent's proposed budget to the Board of Education:

<u>Employee Bargaining Unit:</u>	<u>Contract Expiration Date</u>
1. Miller Place Teachers' Association Chapter of Registered Nurses	6/30/2025
2. Miller Place Teachers' Association	6/30/2025
3. Miller Place Secretarial and Clerical Unit	6/30/2025
4. Miller Place Administrators' Association	6/30/2026
5. Miller Place Operations' Unit	6/30/2027

Retirement Systems:

The District has budgeted the contribution rates as projected by the respective retirement systems as follows:

- The Employees' Retirement System (ERS) is projecting a *rate increase* from 13.10% to 15.20%, ERS is budgeted at \$1,120,080 resulting in a budget line *increase* of \$191,797 or 20.66%.
- The Teachers' Retirement System (TRS) is projecting a *rate increase* from 9.76% to a range of 9.75%-10.25%, resulting in a TRS budget of \$3,143,625 which is a budget line increase of \$91,400 or 2.99%. An historical analysis of TRS Employer Contribution Rates is included in section 10 in this book.

Minimum Wage:

The minimum wage in New York State increased to \$16.00 per hour on December 31, 2023. Moving forward additional increases have been determined by the Director of the Division of Budget, based on economic indices, including the Consumer Price Index.

Federal Insurance Contributions Act (FICA)

The 2024 calendar year social security employer rate remains at 6.20%, with the maximum earnings cap increasing to \$168,600 for each employee. The Medicare employer rate remains at 1.45%, with no maximum salary level. FICA is budgeted at \$2,820,495 which represents an *increase* of \$35,796 or 1.29%.

Life Insurance is budgeted at \$28,000, which represents *no increase* from last year.

Executive Summary 2024-25 cont'd.

Disability Insurance is budgeted at \$30,300, which represents *no increase* from last year.

Unemployment Insurance is budgeted at \$125,000, which represents a *decrease* of \$100,000 from last year. The District is also projecting use of unemployment reserve funding of \$125,000 for 2024-25 which fully offsets this expenditure.

Health Insurance is budgeted at \$12,536,377, which represents an *increase of* \$799,445 or 6.81%. Please note that this is the amount of premium costs for active and retired employees, net of employee and retiree contributions. The health insurance employee rate increased for the individual policies by 10.50% and family policies by 9.00% as of January 1, 2024. This budget line also includes health insurance declination payments to employees and Medicare reimbursement for retirees. Retiree health insurance increased for the individual policies by 18.39% and family policies by 24.92% as of January 1, 2024.

Workers' Compensation is budgeted at \$400,000, which represents *no increase* from last year. The costs budgeted are based on open employee claims and NYS Workers' Compensation Board mandatory fees.

Building Allocations

The building allocations for equipment, contractual, supplies, textbooks, furniture and furnishings, and library books are based on a per pupil basis using the projected enrollment for 2024-25.

The detailed analysis of enrollment and per pupil allocations may be reviewed in sections 8 and 9 respectively in this book.

Enrollment

The following 2024-25 enrollment projection was derived using the cohort survival method and employing five-year average ratios. The cohort survival method is the most common method used to project enrollment and is the method required by the State Education Department when submitting projections for purposes of building aid.

This method is a form of trend analysis that is designed to account for the random inward and outward migration of students as they move from grade to grade and from year to year. The method does not account for non-random conditions such as, significant increases in the annual number of residential construction or re-sales, or a change in Board policy or administrative or instructional practice that either attracts or repels students. The accuracy of the method is dependent upon the identification and continuation of a stable trend.

The detail of the enrollment calculations may be reviewed in section 8 in this book. There are four scenarios incorporating the variables of three and five-year averaging, and kindergarten projections based on averaging and maximum prior year enrollment.

Executive Summary 2024-25 cont'd.

The projected 2024-25 student enrollment, without any adjustments for new construction or programmatic changes is as follows:

<i>School</i>	<i>Actual 2023-24</i>	<i>Projected 2024-25</i>
Andrew Muller Primary School	443	449
Laddie A. Decker Sound Beach School	485	484
North Country Road Middle School	540	535
Miller Place High School	802	763
Out of District	127	129
Totals	2,397	2,360

Equipment & Supplies

Equipment and supplies district wide reflects an *increase* of \$26,315 or 2.18%. The proposed budget continues the current funding for supplies, athletic uniforms, and equipment. The specific analysis of equipment and supplies may be reviewed in section 6 in this book.

Contractual

A large variety of other contractual expenses have been *increased* and *decreased* district wide. Some of the more significant items are described below:

Debt Service reflects an *increase* of \$302,329 or 7.28% due to the principal and interest payments on outstanding serial bonds and interest payments for the annual tax anticipation notes (TAN's). The 2021 bond approval authorized bond issuances upto \$30 million for air conditioning, air filtration and other District-wide projects. The first 2021 Bond of \$5 million was issued in the 2022-23 school year and the first payments will start in the 2023-24 school year. The second 2021 bond of \$15 million is to be issued shortly and the first payments will start in the 2024-25 school year. The debt service schedule for serial bonds is included in section 6 in this book.

Water is budgeted at \$15,100, which represents an *increase* of \$300 from last year based on projected usage.

Electricity is budgeted at \$415,093, which represents an *increase* of \$10,000 from last year based on projected usage and increased delivery charges from the utility.

LP Gas is budgeted at \$80,000, which represents no *increase* from last year based upon projected usage and an increased cost from the utility.

Heating Oil is budgeted at \$436,629, which represents an *increase* of \$20,000 from last year based on projected usage.

Repair & Service – Maintenance is budgeted at \$149,800, which represents no *increase* from last year. In future years, maintenance needs for the new ventilation equipment will need to be considered.

Insurance is budgeted at \$400,000, which represents no *increase* from last year.

Executive Summary 2024-25 cont'd.

Postage is budgeted at \$35,500, which represents *no increase* from last year.

Textbooks are budgeted at \$185,229, which represents a *decrease* of \$29,928 or -13.91%. Textbook funding are budget line allocations which are based on per pupil allocations each year. The District receives a portion of this spending back in the following year in textbook aid.

Therapists are budgeted at \$518,000, which represents an *increase* of \$49,000 or 10.45%. This allocation is for the anticipated services for special education children as determined by the Committee on Special Education (CSE).

Contractual-Special Education is budgeted at \$630,325, which represents an *increase* of \$319,325 or 102.68%. This allocation is for the anticipated services for special education children as determined by the Committee on Special Education (CSE).

Tuition – Special Education is budgeted at \$2,190,073, which represents a *decrease* of \$336,308 or -12.85%. This allocation is for anticipated services for special education children as determined by the Committee on Special Education (CSE).

BOCES is a cooperative agency, not a vendor. Increased participation generally has the effect of decreasing rates and vice-versa. The BOCES budget reflects an *increase* of \$281,294 or 4.33%. Budgeted services include mandated student testing, occupational education, instructional technology, and special education student services. For your reference, a detailed analysis of the BOCES budget may be reviewed in section 6 in this book.

Instructional Software is budgeted at \$68,125, which represents an *increase* of \$10,500 or 18.22%. This budget allocation will maintain existing software agreements and the District receives state aid on these expenditures.

Association Memberships are budgeted at \$59,932, which represents an *increase* of \$453 or 0.76%.

Conferences are budgeted at \$39,836, which represents a *decrease* of \$1,561 or -3.77%.

Student participation fees are budgeted at \$20,175, which represents a *decrease* of \$4,445 or -18.05%. These budget line allocations are based on per pupil allocations.

The detailed analysis of the funding for contractual codes may be reviewed in section 6 in this book.

Transportation Services

Transportation services are budgeted at \$5,735,037 which reflects an *increase* of \$498,238 or 9.51% and is based on the District's contractual transportation rates. This is the first year of the new contract which substantially increased the transportation rates for the district.

Transfer to Capital

The history of funding Transfer to Capital is as follows:

- In prior years, the District made a commitment to fund capital projects at \$200,000 annually.
- During the 2002-03 budget, the funding was reduced by \$25,000 to \$175,000.
- During the 2003-04, 2004-05, and 2005-06 budget, the funding was reduced by \$75,000 to \$100,000.
- In 2006-07 the funding was reduced by another \$15,000 to \$85,000.
- In 2007-08 the funding was reduced by another \$38,500 to \$46,500.
- In 2008-09 through 2010-11 funding remained at \$46,500.
- Inter-fund transfers for capital projects budget was eliminated in the 2011-12 fiscal year.
- During the 2014-15 budget development process, the District resumed the Board's commitment by funding \$100,000 towards future capital projects.
- The District budgeted \$150,000 in 2015-16.
- The District budgeted \$250,000 in 2016-17.
- The District budgeted \$530,000 in 2017-18.
- The District budgeted \$530,000 in 2018-19.
- The District budgeted \$352,335 for 2019-20 for Transfer to Capital fund line of \$280,000 and one-time addition of \$72,335 state building aid for the AMPS playground equipment replacement/asbestos abatement project.
- The District budgeted for 2020-21 totals \$1,353,011 of funding as follows:
 - Transfer to Capital funding of \$352,335
 - Received state building aid of \$792,666 for 2019-20 school year and \$208,010 for 2020-21 school year for the Miller Place High School emergency gym project.
- The District budgeted \$352,335 in 2021-22.
- The District budgeted \$200,000 in 2022-23
- The Superintendent's budget proposal for 2023-24 and 2024-25 does not include Transfer to Capital due to the bond issue project approved by voters in October 2021

The District currently has approximately \$2.5 million in this account with \$850 thousand allocated to a high school project that is currently on hold. This District anticipates additional capital project work, within the next two to three years, to include, but is not limited to: district-wide paving, minor district-wide asbestos removal, elementary and secondary strategic initiatives, and improvements to District fields and buildings. Other unanticipated project needs may arise which would then be added to the project list, as needed.

Capital Projects

The District residents approved a bond issue of \$30 million in October 2021 that will take three to five years to complete. The complexity of the projects, supply chain issues, and state approval delays factor into the completion of these projects.

This bond issue work includes planned capital project work as follows:

- Districtwide – Air quality and ventilation, two access roads
- Miller Place High School – Replacement of the electric transformers, parking lot repaving, locker room showers renovation, art classroom renovation, robotics room creation, access road, emergency power resources
- North Country Road Middle School – replacement of the steam boilers, renovation of family consumer and art classrooms, access road, emergency power resources
- Laddie A. Decker Sound Beach School – repave portions of the parking lots, bus loop, and add additional parking spaces, renovate the art classroom, access road, emergency power resources
- Andrew Muller Primary School – add a new gymnasium, upgrade parking by adding lighting, guard rail and bollards, renovate bathroom door frames, replace sink cabinets, relocate and renovate kindergarten playground, access road.

The District has a secondary list of work in the approved bond issue, if funding allows, that could include possible sidewalk/bus canopies at schools, athletic field work, lockers, tennis courts, kitchen renovations, STEAM labs, lockers, and additional paving work. Any secondary work is dependent on project cost and available funding.

Community Service

The function code community service is budgeted at \$50. The funding in this code is the direct result of various costs associated with responding to subpoenas for information from the U.S Department of Education, the Suffolk County District Attorney's Office, Suffolk County Grand Jury, as well as other municipalities.

Revenues

Under most or ordinary circumstances, revenues are not known at the time a proposed budget is developed; the budget process focuses mainly on expenditures rather than revenues. Please reference section 5 in this book for detailed analysis with reference to projected state aid and other revenues.

Revenue, Assessed Value and Tax Rate

Projections for tax rates are not being calculated as the District is subject to the Property Tax Levy Cap. This cap limits the funds a district can raise by taxes each year for instructional and non-instructional programs. The 2024-25 proposed budget is in compliance with this levy cap. The District has utilized the Governor's estimated state aid projection, and projected changes in other revenue sources to complete the budget.

State Aid

As the Board of Education is aware, all projections relative to state aid are just that, projections. These projections are fluid; changing during the school year, after the fiscal year closes, and finally after actual expenditures have been audited and verified. Education Law requires a school district to conduct an annual audit following the close of each fiscal year, June 30th. Once the audit is completed, school districts are required to file several final annual cost reports with the State Education Department. The State report that affects state aid the greatest is the ST-3. The ST-3, in part, provides the State Aid Department with actual expenditure information, which in many cases, determines the subsequent year's actual state aid.

Beginning with the 2018-19 school year, Education Law §3614—which was passed by the Legislature and became law as Chapter 59 of the Laws of 2018—requires school districts to “annually submit to the commissioner [of the State Education Department] and the director of the budget ... a detailed statement of the total funding allocation for each school in the district for the upcoming school budget year” in a “form developed by the director of the budget, in consultation with the commissioner [of the State Education Department].” The New York State School Funding Transparency Form is the outcome of this process. Based on existing financial information that school districts already report to the State Education Department on a district-wide basis, the form seeks to capture school districts' methodologies and/or rationales for school-level funding determinations, including funding from State, local, and federal sources. In addition, the form surveys school districts' projected centralized district costs, school-level student and staff information, school-level allocations for various programs, and—if applicable—school-level allocations under any locally implemented funding formula. The District was required to file this report for first time for the 2019-20 budget year and annually thereafter.

The District is projected to receive Foundation Aid of \$16,444,973. This second year that Foundation Aid would have been fully funded according to the State's primary education operating aid formula which allocates State funds to school districts based on need, community wealth, and regional cost differences but ***Governor Hochul has proposed reducing this inflationary cost index*** and thereby ***reducing the aid the district would receive by over \$220,000***. This would again begin underfunding the formula as has happened to the District in the past.

Overall projected state aid for 2024-25 is projected at \$25,982,297 which includes a projection for the building aid to be received as well as the restoration of inflationary cost index to the foundation aid formula for the District.

Budget History

Over the past several years, the Board of Education and Administration have continued focusing on controlling costs. Prior year budget increases were as follows:

<u>Fiscal Year</u>	<u>Annual Budget</u>	<u>\$ Increase Over Prior Yr.</u>	<u>% Increase Over Prior Yr.</u>
1999-00	31,076,397	1,699,967	5.79
2000-01	34,296,006	3,219,609	10.36
2001-02	37,515,646	3,219,640	9.39
2002-03	39,110,000	1,594,354	4.25
2003-04	42,892,713	3,782,713	9.67
2004-05	45,783,264	2,890,551	6.74
2005-06	49,588,475	3,805,211	8.31
2006-07	52,397,397	2,808,922	5.66
2007-08	55,583,183	3,185,786	6.08
2008-09	57,778,569	2,195,386	3.95
2009-10	60,085,085	2,306,516	3.99
2010-11	61,884,625	1,799,540	2.99
2011-12	64,252,252	2,367,627	3.83
2012-13	64,954,995	702,743	1.09
2013-14	67,320,399	2,365,404	3.64
2014-15	69,014,259	1,693,860	2.52
2015-16	70,006,880	992,621	1.44
2016-17	70,602,887	596,007	0.85
2017-18	71,190,675	587,788	0.83
2018-19	72,685,864	1,495,189	2.10
2019-20	73,958,607	1,272,743	1.75
2020-21	75,713,895	1,755,288	2.37
2021-22	76,520,451	806,556	1.07
2022-23	77,670,225	1,149,774	1.50
2023-24	80,364,624	2,694,399	3.47
25 Year Average Increase		\$ 2,000,301	4.22%
Proposed 2024-25 Budget Increase		2,588,109	3.22%
26 Year Average Increase		\$ 2,047,779	4.16%

Reserve Funds

School Districts are permitted by NYS to have reserves and up to 4% of its budget as Unassigned Fund Balance. These *Reserves* and *Unassigned Fund Balance* are a School District’s savings accounts. The District is proposing to increase the usage of reserve funds this year to help balance the budget and reduce the impact of inflationary trends on costs districtwide. Unassigned fund balance and reserves can be used to stabilize the District and the tax levy by helping offset unforeseen emergencies or economic issues but reserves can only be used for the designated expense type.

The proposed 2024-25 budget does not specifically allow for the additional funding of reserve funds that are desirable and necessary to the long-term financial health of the school district. The District has budgeted the use of reserve funds in the 2024-25 school year as in past years. Each year strong consideration is given to the replenishment of the reserve funds, to the establishment and specific funding of reserves for post-employment health benefits, to the continued funding of compensated absences reserve and to reviewing all other reserve balances.

Miller Place UFSD has established reserves for EBLAR (Employee Benefit Liability Accrued Reserve), Worker’s Compensation, TRS (Teachers’ Retirement System), ERS (Employees’ Retirement System), Unemployment Insurance and Insurance. The District projected usage of reserves is as follows:

Reserve Type	2023-24 Current Balance	2023-24 Projected Usage	2024-25 Proposed Usage	Projected Balance After Use If No Replenishment
Employee Benefits	4,532,095	-	-	4,532,095
Workers Comp	890,459	75,000	191,237	624,222
TRS	1,683,349	500,000	625,000	558,349
ERS	2,463,160	500,000	700,000	1,263,160
Unemployment	715,473	225,000	125,000	365,473
Insurance	365,177	-	-	365,177
Total Reserves	10,649,712	1,300,000	1,641,237	7,708,475

The requirement from the State Education Department and District auditors is that any resolution for the contribution to reserve funds for each fiscal year must be approved by the Board of Education prior to June 30. The Board of Education has abided by this recommendation for many years. The actual funding of a reserve fund cannot occur without an additional resolution that would be presented to the Board of Education after the annual external audit is completed. The resolutions recommended initially only allow the Board of Education to consider funding reserves after the June 30 deadline. Additionally, only with Board of Education approval, via resolution, can the monies within a reserve fund be spent, and they can only be spent for its intended purpose.

Sustainability of Program Offerings Under the Property Tax Levy Cap

Most communities do not want tax relief to come at a devastating expense to their public school instructional and non-instructional programs. Many school districts may experience the financial pressure to use and over use reserve funds in order to maintain programs. Drawing down on reserve funds without replenishing them has the double negative impact of compromising the District's financial position, as well as using these "one shot revenues" that are not available in subsequent years causing undesirable spikes in the tax rate. The result will most likely be the further decrease of program offerings with an increase in property taxes.

Inflationary pressures continue to make the operating environment challenging for the District to stay within the tax cap and the District will be projecting utilizing additional reserves for the upcoming school year.

These projections are subject to change as additional information becomes available to the District.

Other Documents

In an effort to assist the Board of Education in the budget development process, the following analysis and information is provided in section 10 in this book:

- ❑ Additional Analysis
 - TRS & ERS Employer Contribution Rates
 - Consumer Price Index Data
- ❑ Library Data – Comsewogue and Port Jefferson Public Libraries
- ❑ Voting Results
 - Budgets
 - Bond Issues
- ❑ Brookhaven Town – School Tax Rates, 2005-2024
- ❑ Historical Data Analysis – 1983-2024
 - Financial Statements
 - State Aid
 - Budget vs. State Aid
 - Enrollment
 - Assessed Valuation
 - Tax Rate and Tax Levy
- ❑ Unfunded Mandates
- ❑ Acronym List for Educational Programs