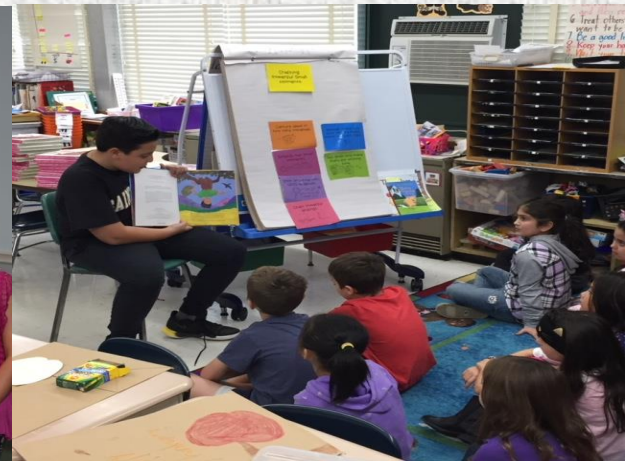


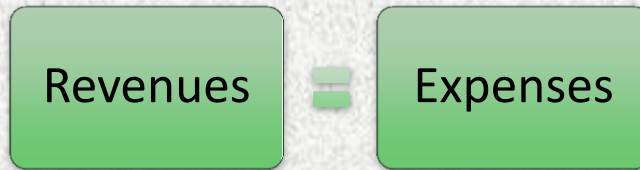


SEAFORD UFSD 2018-19 Budget Development February 15, 2018



2018-19 Budget Goals

1. Balanced Budget



A diagram illustrating a balanced budget. It consists of three rounded rectangular boxes arranged horizontally. The first box on the left is light green and contains the word "Revenues". In the center is a white equals sign (=). The second box on the right is also light green and contains the word "Expenses".

$$\text{Revenues} = \text{Expenses}$$

2. Maintain student programs and services while staying within the Tax Cap

2018-19 Budget Goals (cont'd)

3. Continue to improve financial condition
 - a. Moody's upgrade of our bonds from A1 to Aa3
 - b. Bond refunding of our 2011 bonds resulting in over \$1M of savings
 - c. Proposed establishment of Capital Reserve
-

2018-19 Budget Goals (cont'd)

d. Maintain Financial Transparency

- Financial Statements and Treasurer's Reports are posted on District website
 - Independent Auditor's annual public report
 - Public budget development discussions
 - Various budget documents available on District website
-

2018-19 Budget Goals (cont'd)

4. Enhancements

Expanding AP
Capstone

Continuing
Teachers College
ELA Program

Continuing the
Personal Digital
Learning
Initiative

Science research
program
advancement

Evaluation of
Integrated Co-
Teaching (ICT)

Expand
opportunities for
8th grade Regents
courses

Enhance World
Language
program at MS

Additional
professional
development

Water filtration
system
Ceilings at Manor
& MS

Budget Development Process

- Analyze previous budget trends
 - Estimate various renewal rates
 - Evaluate existing programs
 - Review Administrators' budget requests
 - Central Office reviews "line-by-line"
 - BOE to review budget in public sessions
-

Budget Development Process (cont'd)

- Submit Tax Cap calculation by 3/1/18
 - Budget Adoption – anticipated 4/17/18
 - Budget Hearing – 5/3/18
 - Budget Vote – 5/15/18
-

The Budget Formula

The Board of Education adopts a spending plan, which is voted on by the community, to operate the District.

BEFORE TAX CAP

Identify Education
Priorities

Develop the Budget

Fund the Budget
(includes Tax Levy)

AFTER TAX CAP

Fund the Budget
(includes Tax Levy)

Identify Education
Priorities

Develop the Budget

Tax Cap Legislation

- Tax levy limit (tax cap) is a fixed limitation on the increase of a district's tax levy over the prior year.
 - The tax levy limit is based on a complex multi-step formula:
 - Consumer Price Index (CPI) – measures the rate of inflation and is one of the variables in the tax cap formula. It is capped at 2% or the rate of inflation, whichever is less.
 - Various factors and exclusions may result in a levy higher or lower than 2%.
-

Allowable Tax Levy

School Year	Allowable Tax Levy Growth Factor %	Seaford UFSD Allowable Tax Levy %
2013-14	2.00%	3.59%
2014-15	1.46%	1.55%
2015-16	1.62%	2.28%
2016-17	0.12%	1.16%
2017-18	1.26%	2.02%
2018-19	2.00%	2.69%

Tax Cap Formula

Base Formula

$$\left[\left(\begin{array}{l} \text{Prior} \\ \text{fiscal} \\ \text{year tax} \\ \text{levy} \end{array} \times \begin{array}{l} \text{Tax} \\ \text{base} \\ \text{growth} \\ \text{factor*} \end{array} \right) + \begin{array}{l} \text{PILOTs} \\ \text{receivable} \\ \text{in the prior} \\ \text{fiscal year} \end{array} \right] \times \begin{array}{l} \text{Allowable} \\ \text{levy growth} \\ \text{factor (1.00} \\ \text{to 1.02)**} \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable} \\ \text{in coming} \\ \text{fiscal year} \end{array} = \text{Tax Levy Limit}$$

+ Transfer of Function

Tax Levy Limit

+

Net of Transfer of Government Function (as determined by OSC)

=

Tax Levy Limit, Adjusted for Transfer of Function

+ Exclusions

Tax Levy Limit, Adjusted for Transfer of Function

+

Tax levy necessary for expenditures from court orders/judgments arising from tort actions for any amount in excess of 5% of the total taxes levied in the prior fiscal year

AND

Levy necessary to pay for increases to the system average actuarial contribution rate (or normal contribution rate) of pension funds over 2 percentage points

AND

School districts ONLY: = capital tax levy

Tax Levy Limit, Adjusted for Transfers, Plus Exclusions

Projected Tax Levy Limit %

2017-18 TAX LEVY	\$50,252,558
x	x
TAX BASE GROWTH FACTOR	1.0077
+	+
PRIOR YEAR PILOTS	\$709,087
-	-
TAX LEVY TO PAY FOR LOCAL CAP COSTS	\$1,110,663
x	x
ALLOWABLE LEVY GROWTH FACTOR	1.02
-	-
PILOTS RECEIVABLE IN COMING YEAR	\$686,951
=	=
TAX LEVY LIMIT BEFORE ADDED EXCLUSIONS	\$50,555,734
+	+
TAX LEVY TO PAY FOR LOCAL CAP COSTS	\$1,050,495
=	=
MAXIMUM ALLOWABLE TAX LEVY	\$51,606,229

**2.69%
Increase**

This is Seaford's Allowable "Cap"

Board of Education:

Direction on Tax Levy Limit

Option 1:

Stay within the estimated levy limit?

- Requires simple majority of voters (50% + 1)

OR

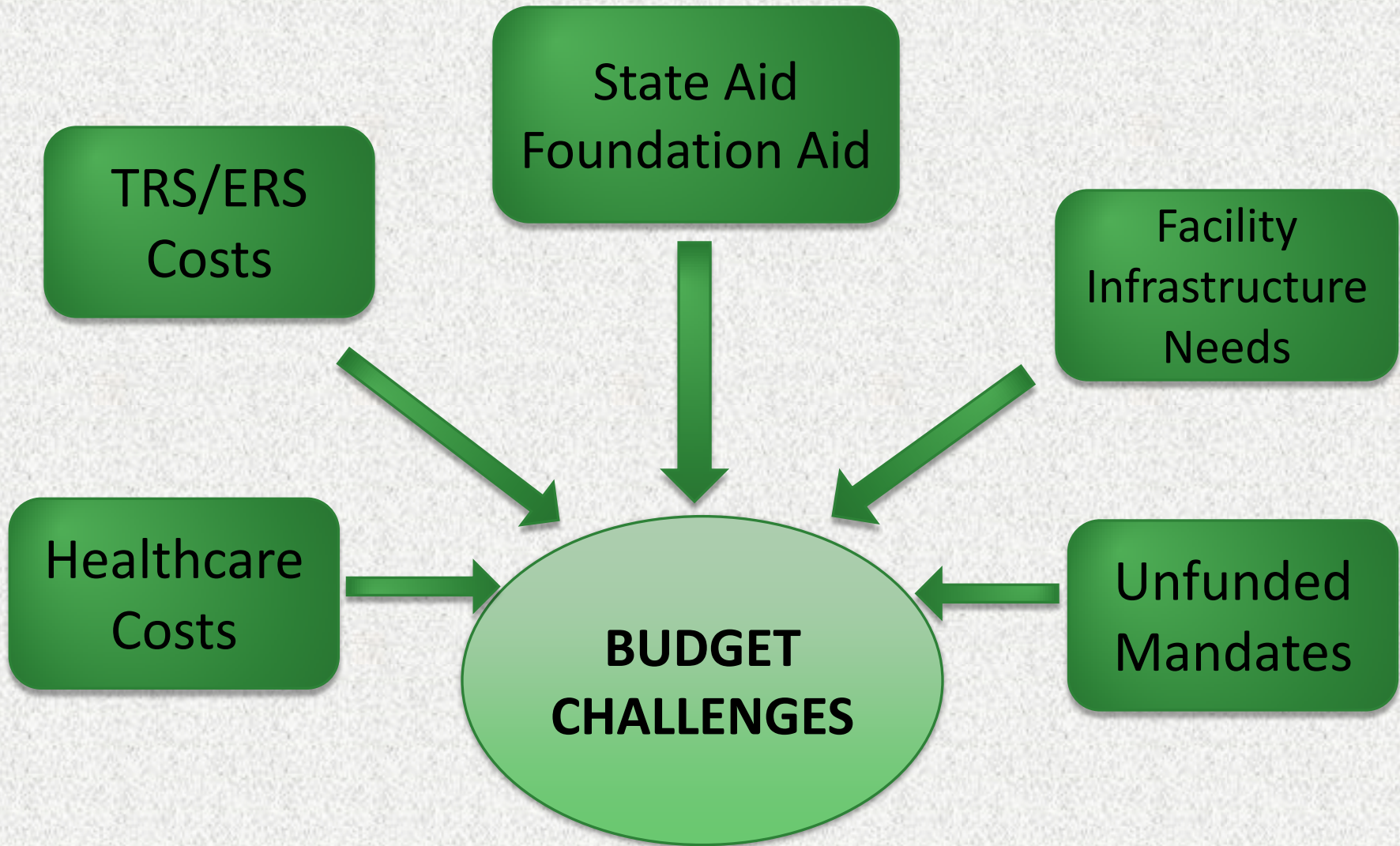
Option 2:

Exceed levy limit?

- Requires 60% super majority voter approval
-

Capital Reserve Proposition

- A capital reserve fund allows a district to set aside money for future construction projects and improvements of facilities.
 - Voter authorization is required for both the establishment of the reserve and payments from the reserve.
 - Capital reserves allow for the timely completion of necessary projects that a district would otherwise have to budget for or borrow funds. **This is with no additional cost to the taxpayers.**
-



Upcoming Meetings

March 1	March 15	April 12
Repair Reserve Hearing at Harbor	<ul style="list-style-type: none">• Curriculum• Technology	<ul style="list-style-type: none">• State Aid• Fund Balance• Revenue
April 17	May 3	May 15
<ul style="list-style-type: none">• Budget Adoption• BOCES Budget Vote	Budget Hearing at HS	Budget Vote and BOE Trustee Election 7am – 9pm



Questions?

Budget Vote

Tuesday May 15, 2018 7AM – 9PM

Manor & Harbor Schools
