

# Seaford Union Free School District 2022-23 Budget

## Budget Development & Tax Levy Limit Calculation



**A LOOK**  
*at the*  
**BUDGET**

Presented by: Rhonda L. Meserole, CPA  
Assistant Superintendent for Business & Operations  
February 16, 2022

# Budget Development Goals for 2022-23



- ▶ Establish a balanced budget within tax cap limits
- ▶ Keep *Fiscal Stress* at a minimal level
- ▶ Prudent spending
- ▶ Secure grants
- ▶ Sustain and enhance all instructional programs
- ▶ Maintain lower class sizes
- ▶ Continue health and safety protocols for in-person instruction for students and staff
- ▶ Maintain and enhance facilities that support current and future programs



# Budget Development Goals for 2022-23



**Sustain financial transparency through meaningful reporting and utilization of the District's website:**

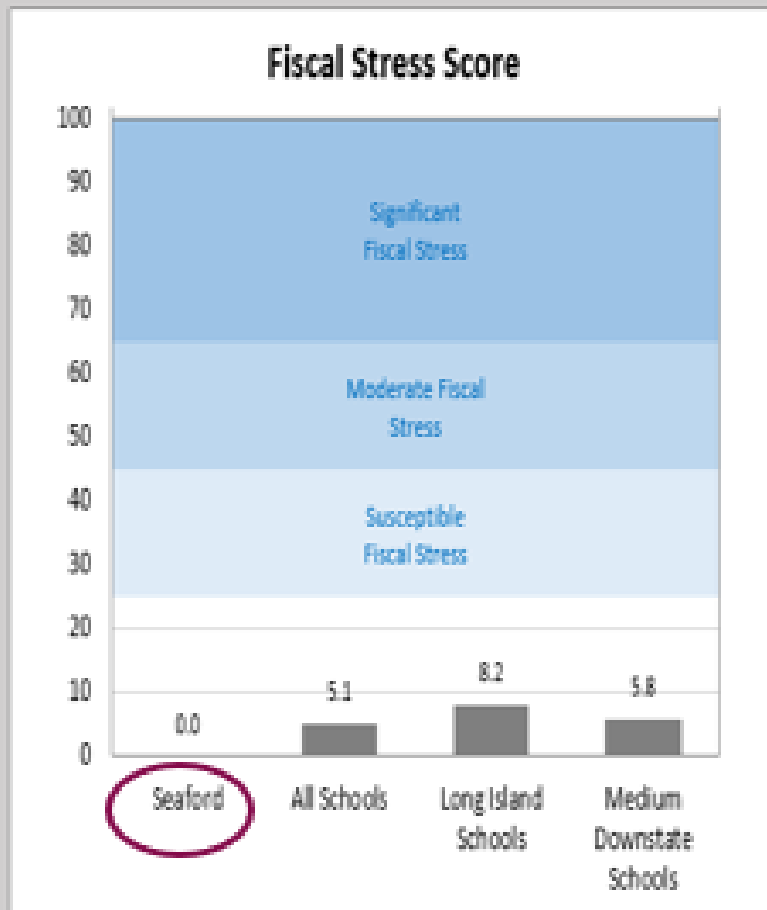
- ❖ **Posting of the District's latest financial reports**
- ❖ **Public budget presentations at Board of Education meetings**



# Budget Development Goals for 2022-23

- ▶ Build a budget that allows for the systematic use of reserves while maintaining a fiscal stress level of “no designation”

Fiscal Stress Score



<u>Classification</u>	<u>Point Range (Out of 100 total pts)</u>
Significant	65 - 100
Moderate	45 - 64.9
Susceptible	25 - 44.9
No Designation	0 - 24.9



# Is a 2% Tax Levy Cap really 2%?

- The components of a tax cap are:
  - Prior Year Tax Levy
  - Tax Base Growth Rate Factor
  - Allowable Levy Growth Factor
  - PILOT's
  - Capital Exclusion (including BOCES Capital Exclusion)
  - Retirement Contributions with an increase greater than 2% over last year
- ▶ By law, the tax cap is limited to the lesser of 2% or the rate of inflation.
- ▶ The allowable tax levy growth factor for the 2022-23 budget is 2.00%, which is based upon the Consumer Price Index. Last year, this factor was 1.23%.
- ▶ A school district's tax cap calculation excludes properties under PILOT agreements, which ignores any growth associated with these properties within the calculation.

# Tax Levy Limit Calculation

## Base Formula

$$\left( \left[ \left( \begin{array}{l} \text{Total taxes} \\ \text{levied for} \\ \text{prior} \\ \text{fiscal} \\ \text{year} \end{array} + \begin{array}{l} \text{Prior year} \\ \text{reserve} \\ \text{offset} \end{array} - \begin{array}{l} \text{Reserve} \\ \text{amount} \\ \text{(including} \\ \text{interest} \\ \text{earned)} \end{array} \right) \times \begin{array}{l} \text{Tax base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right] + \begin{array}{l} \text{PILOTs} \\ \text{receivable in the} \\ \text{prior fiscal year} \end{array} - \begin{array}{l} \text{Capital tax levy} \\ \text{exclusion, prior} \\ \text{fiscal year} \end{array} - \begin{array}{l} \text{Tort exclusion,} \\ \text{prior fiscal} \\ \text{year} \end{array} \right) \\
 \times \begin{array}{l} \text{Allowable levy} \\ \text{growth factor} \\ \text{(1.00 to 1.02)}^2 \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable in} \\ \text{coming fiscal} \\ \text{year} \end{array} + \begin{array}{l} \text{Available} \\ \text{carryover, if} \\ \text{any} \end{array} = \text{Tax Levy Limit}$$

## + Exclusions

$$\text{Tax Levy Limit} + \begin{array}{l} \text{Tax levy necessary for} \\ \text{expenditures resulting} \\ \text{from court} \\ \text{orders/judgments} \\ \text{arising out of tort} \\ \text{actions for any amount} \\ \text{in excess of 5\% of the} \\ \text{total taxes levied in} \\ \text{the prior fiscal year} \end{array} + \text{Capital tax levy} + \begin{array}{l} \text{Tax levy necessary to pay} \\ \text{for increases to the system} \\ \text{average actuarial} \\ \text{contribution rate (ERS) or} \\ \text{normal contribution rate} \\ \text{(TRS) of pension funds over} \\ \text{2 percentage points} \end{array} = \text{Tax Levy Limit,} \\
 \text{with Exclusions} \\
 \text{(if applicable)}^3$$

**Source:** Office of the NYS Comptroller – Property Tax Cap – School Districts – Levy Limit Formula

# Property Tax Cap Calculation

The Proposed Tax Levy for 2022-23 does not pierce the cap and therefore will only need a Simple Majority for Approval

Maximum Allowable Levy Cap = 2.891%

Recommended Tax Levy Cap=2.450%

2022-23 Tax Levy reflects a \$1,391,209 increase over 2021-22

Seaford UFSD - Tax Levy Limit Calculation	
Prior Year Tax Levy	55,871,869
Multiply by: Tax Base Growth Factor	1.0113
	56,503,221
	56,503,221
Add: Prior Year PILOTS 2021-22	675,068
Total	57,178,289
Prior Year Exemptions	
Tort judgments	-
Prior Year Capital Tax Levy (including debt service and EPC (less building aid))	1,150,585
Adjusted Prior Year Tax Levy	56,027,704
Adjusted Prior Year Tax Levy	56,027,704
Allowable Levy Growth Factor	1.0200
(lesser of 2% or sum of 1 plus inflation factor)	57,148,258
	57,148,258
Less: PILOTS for Fiscal Year Ending 6/30/23	768,505
	56,379,753
	56,379,753
Available Carryover	0
Tax Levy Limit	56,379,753
Current Year Exemptions	
1. Tort Judgments greater than 5% of 2021/22 tax levy	0
2. ERS contribution increase greater than 2 percentage points	0
3. TRS contribution increase greater than 2 percentage points	0
4. 2022/2023 Capital Tax Levy (including debt service) (less building aid)	1,107,098
Allowable tax levy prescribed by Chapter 97 of the Laws of 2011	57,486,851
Voter approved tax levy for 2021/2022	55,871,869
dollar increase in levy	1,614,982
Allowable Levy % for Seaford UFSD	2.891%

# Seaford UFSD Allowable Tax Levy

School Year	Seaford UFSD Maximum Allowable Tax Levy %	Seaford UFSD Actual Tax Levy %
2017-18	2.02%	2.02%
2018-19	2.69%	2.69%
2019-20	4.04%	2.98%
2020-21	3.58%	3.58%
2021-22	1.496%	1.496%
<b>2022-23</b>	<b>2.891%</b>	<b>2.450%</b>

Our Residents vote on the District's Tax Levy not the Tax Rate.



# Rising Costs are challenging this year. Benefit Increases >10%

## Teachers Retirement Employer Contribution Rates



**New York State Teachers' Retirement System**

NYSTRS.org

To: Chief School Administrators  
College and University Presidents  
District Contacts  
Employer Secure Area Contacts

**Administrative Bulletin**  
*Issue No. 2021-9*  
*November 2021*

### Estimated Range for the Next Employer Contribution Rate

[Administrative Bulletin 2021-7](#), issued August 2021, informed you that the Retirement Board adopted an Employer Contribution Rate (ECR) of 9.80% of payroll. This ECR is applicable to fiscal year 2021-22 NYSTRS member salaries and will be collected in September, October, and November 2022.

Based on preliminary results from the June 30, 2021 actuarial valuation, we anticipate the ECR for the next year to be **between 10.00% and 10.50%** of member payroll. This ECR will apply to fiscal year 2022-23 NYSTRS member salaries and will be collected in the fall of 2023. An Administrative Bulletin will be provided in February 2022 with a more precise ECR.

The System is revising its actuarial assumptions with this valuation, including lowering its rate of return assumption from 7.10% to 6.95%. Actuarial assumptions are revised to align with more recent experience and expectations. The ECR range provided above is with the new assumptions applied. Note that lowering the assumed rate of return implies a decrease in expected future investment returns and therefore an increase in the required employer contribution.

### History of the Employer Contribution Rate (ECR)

Salary Year	ECR
2005-06	7.97%
2006-07	8.60%
2007-08	8.73%
2008-09	7.63%
2009-10	6.19%
2010-11	8.62%
2011-12	11.11%
2012-13	11.84%
2013-14	16.25%
2014-15	17.53%
2015-16	13.26%
2016-17	11.72%
2017-18	9.80%
2018-19	10.62%
2019-20	8.86%
2020-21	9.53%
2021-22	9.80%
2022-23	10.00% - 10.50%

## Health Insurance Employer Contribution Rates



Introduction Benefits Information Financial Reports Providers/Pharmacies Civil Service Home  
Customer Service FAQ Rates Administrative Guide Contact Us NYSHIP Online Home

The Empire Plan is a unique health insurance plan designed especially for public employees in New York State. Empire Plan benefits include inpatient and outpatient hospital coverage, medical/surgical coverage, Centers of Excellence for transplants, infertility and cancer, home care services, equipment and supplies, mental health and substance abuse coverage and prescription drug coverage.

### 2022 Participating Agency Monthly Empire Plan Premium Rates for Employers

PLAN PRIME
Individual \$1,196.12
Family \$2,763.74
MEDI PRIME
Individual Coverage (1 Medicare primary) \$392.52
Family Coverage (1 Medicare primary) \$1,109.94
Family Coverage (2 or more Medicare primary) \$1,109.94

### 2022 Participating Agency Monthly Excelsior Plan Premium Rates for Employers

PLAN PRIME
Individual \$878.20
Family \$1,680.24
MEDI PRIME
Individual Coverage (1 Medicare primary) \$57.62
Family Coverage (1 Medicare primary) \$295.44
Family Coverage (2 or more Medicare primary) \$199.91

Employers are required to contribute a minimum of 50% of the cost for individual coverage and 35% of the cost for dependent coverage (The dependent coverage cost is the difference between the family premium and the individual premium).

Family coverage for NYSHIP plans is for 2 or more covered members.

Plan Prime rates apply to active employees and retirees who are not Medicare primary.

The assessed administrative fee for the fiscal year ended March 31, 2021 equates to \$19.47 per enrollee.

MediPrime rates apply to Medicare primary enrollees and/or their Medicare primary dependents.

Employers are required by Civil Service Law to reimburse Medicare primary enrollees and their enrolled Medicare primary dependents for their cost of the Medicare Part B Premium.

**Family Plans 12.7% & Individual 11.3%**



These rising costs are eroding any benefit we have derived from additional State Aid

- ▶ Employer contributions for Teachers Retirement
- ▶ Health Insurance costs
- ▶ Transportation costs based upon CPI increases
- ▶ Utilities
- ▶ Cost of Supplies

**The School Budget Vote will be Proposition #1 on the ballot**

## NO Impact on Tax Cap Calculation

### Anticipated Capital Project utilizing the District's Capital Reserve

#### Proposition #2 on Ballot

The Seaford Residents will be asked to vote on the use of the District's Capital Reserve for an up to amount of \$4.5 million to construct a Baseball, Softball & Multi-purpose Field to Turf Conversion at the HS. Additional items within this project include outfield fencing and the creation of a new natural Softball Field and Backstop at the SW location.



## 2022-23 Capital Projects

If the residents approve Proposition #2 in May, the District will construct Dugouts at the new turf fields.

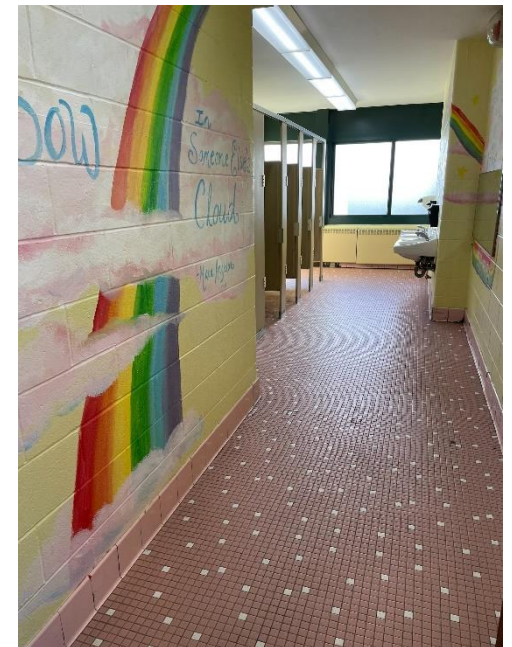
If the residents do not approve Proposition #2, the funds set aside for the Dugouts will be used to continue the work on additional bathroom upgrades as per the last Building Condition Survey - namely at Seaford HS.



## 2022-23 Capital Projects outside of Proposition #2

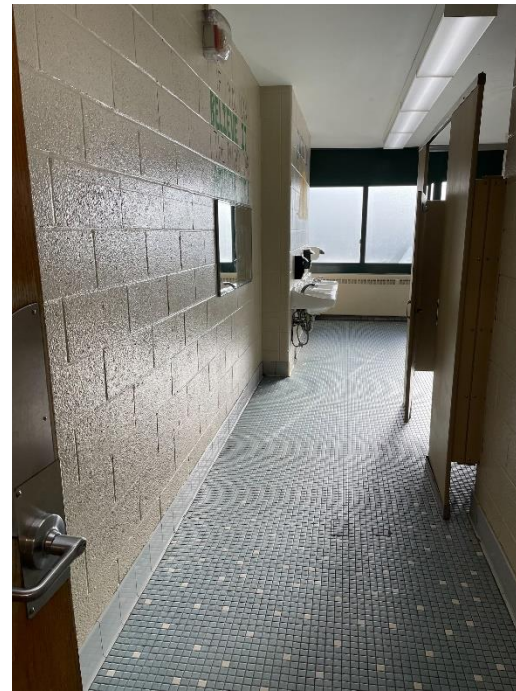
Installation of three classroom  
bathrooms at the Manor for a  
UPK Program to be run during  
the 2023-24 School Year.

Girls' Bathroom Renovations  
at Harbor Elementary School



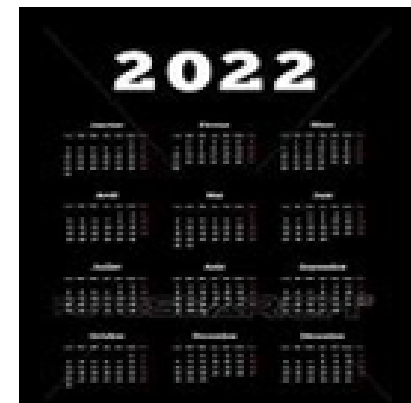
# Anticipated Capital Projects

## Boy's Bathroom Renovations at Harbor Elementary School



# Budget Development 2022-23 Budget Calendar

- ❖ **December 2021 through January 2022:** Administrators present their budgets to Central Office for review
- ❖ **February 2022 through April 2022:** BOE Budget Presentations
- ❖ **March 1, 2022:** Submit 2022-23 Tax Levy limit to NYS OSC
- ❖ **April 6, 2022:** Budget Adoption
- ❖ **May 4, 2022:** Budget Hearing
- ❖ **May 17, 2022:** Budget Vote & Trustee Election



# Upcoming Budget Presentations

- ▶ **March 9, 2022: Curriculum Highlights & Enhancements**
- ▶ **March 23, 2022: Anticipated Expenses & Revenues**
- ▶ **April 6, 2022: BOCES Budget Vote and BOE Budget Adoption**







**Thank you**

**Board of Education and  
Seaford Community  
for supporting our schools**

**Questions?**

Budget Vote

Tuesday, May 17, 2022

7AM - 9PM

**Location:** Manor & Harbor  
Elementary Schools