

Board of Education

2025-2026

Preparing for the Annual Budgetary Process

Presentation #1

**Preliminary Tax Cap Calculation &
Other Key Metrics**

An Initial Conversation

February 11, 2025

Kenneth R. Bossert, Ed.D., Superintendent of Schools

John J. O'Keefe, Deputy Superintendent

Brian C. Ernst, School Business Administrator



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Budget Timeline

- **March 12, 2025 – Budget Development Presentation # 2**
 - ✦ 7:30 PM at E.M. Baker Elementary School
- **March 25, 2025 – Budget Development Presentation # 3**
 - ✦ 7:30 PM at E.M. Baker Elementary School
- **April 22, 2025 – Budget Development Presentation # 4 and Formal Budget Adoption**
 - ✦ 7:30 PM at E.M. Baker Elementary School
- **May 12, 2025 – Official Budget Hearing**
 - ✦ 7:30 PM at E.M. Baker Elementary School
- **May 20, 2025 – Annual Election and Budget Vote**
 - ✦ 6:00 AM – 9:00 PM at E.M. Baker, Lakeville, Saddle Rock, or South High School

Residents who are unsure of their polling location can use the online Poll Place Finder tool on the District website (www.greatneck.k12.ny.us/voting) or call the District Clerk on school days from 8:00 AM – 3:00 PM (516-441-4007)



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Guiding Principles

Budget development is a collaborative process focused on supporting the District's Mission Statement:

- ★ *"The Great Neck Public School District provides an innovative and collaborative educational environment that supports academic excellence and the social and emotional growth of all students so that they may become lifelong learners and compassionate, productive members of a diverse, global society."*

Additionally, we are dedicated to maintaining our:

- ★ Excellent *"Return on Investment"*
- ★ Long tradition of *"High Achievement"*
- ★ History of *"Sound Fiscal Management"*
- ★ Commitment to *"Continuous Improvement"*

"The Race for Excellence has No Finish Line"



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2024-2025 Budget Recap

Voter Approved Budget: \$281,995,500

➤ **\$9,857,200 Budget-to-Budget Increase**

❖ **3.62% Budget-to-Budget Increase**

▪ **3.26% Tax Levy Increase**

- ★ Tax Cap Compliant
- ★ Fiscally Responsible
- ★ Supports Programmatic Needs
- ★ Social and Emotional Supports for all Students
- ★ Maintains Optimal Class Sizes Across all Grades

Challenges to Budgeting

➤ The 2% Tax Levy Limit Legislation (“2% Tax Cap”)

- ❖ Although, the **cost of inflation was 2.95%** this past year, the **Allowable Levy Growth Factor is limited to 2.0%**
 - ❑ Over the past four years inflation has **averaged 4.94% annually**, with a cumulative total of **19.77%**

➤ Additionally, there are numerous mandates and expenses related to students, staff, and operations over which the District has no control

Examples include:

- ❖ Special Education Mandates
- ❖ McKinney-Vento Act Related Costs
- ❖ Auditing and Financial Compliance
- ❖ Pension and Retirement Contributions – TRS/ERS
- ❖ Academic Supports for English Language Learners (ELL)
- ❖ Employee & Retiree Health Insurance Premium Increases

Preparing for 2025-2026

An Update on Fund Balance and Reserves...

Great Neck's Fund Balance & Reserves	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Employee Retirement System Reserve	\$ 23,487,548	\$ 21,802,919	\$ 26,081,299	\$ 24,083,495
Teacher Retirement System - ERS Sub Reserve	\$ 5,536,876	\$ 4,012,098	\$ 4,238,547	\$ 2,608,089
Unemployment Reserve	\$ 2,406,736	\$ 2,409,143	\$ 2,505,509	\$ 2,605,729
Employee Benefit Accrued Liability Reserve	\$ 12,035,201	\$ 13,015,090	\$ 15,235,694	\$ 17,027,363
Workers' Compensation Reserve	\$ 13,518,541	\$ 12,432,060	\$ 11,829,342	\$ 11,016,939
Capital Reserve – 2024	N/A	N/A	N/A	\$ 9,223,536
Assigned Unappropriated Fund Balance	\$ 1,036,191	\$ 1,980,834	\$ 499,911	\$ 670,998
Assigned Appropriated Fund Balance	\$ 3,184,205	\$ 8,614,076	\$ 4,175,007	\$ 4,099,419
Unassigned Fund Balance *	\$ 10,087,787	\$ 10,457,308	\$ 10,885,415	\$ 11,279,820
Nonspendable - Prepaids/LT Receivables	\$ -	\$ -	\$ -	\$ 87,362
Total Fund Balance/Reserves	\$ 71,293,085	\$ 74,723,528	\$ 75,450,724	\$ 82,702,750

*In total, the voters authorized utilization of **\$12,998,207** from fund balance and reserves as a revenue source for the 2024-2025 school year budget*

✦ Assigned Appropriated Fund Balance	\$4,099,419
✦ TRS Reserve	2,400,000
✦ ERS Reserve	3,888,788
✦ Workers' Compensation Reserve	1,400,000
✦ Employee Benefit Accrued Liability Reserve	1,150,000
✦ Unemployment Reserve	60,000

\$12,998,207



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*Unassigned Fund Balance represents the District's "Rainy Day" resources. It equates to 4% of the budget, or about 14 days of operating revenue.

Maintaining Fiscal Stability

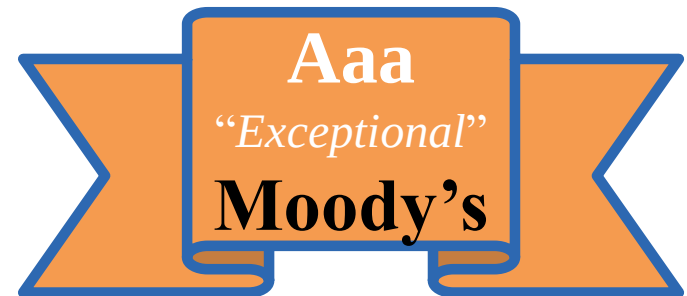
The State Comptroller's Office (OSC) created the **"Fiscal Stress Monitoring System"** in 2013 to objectively identify issues with **budgetary solvency**.

In other words ... *"The ability to generate enough revenue to meet expenditures."*

Annually, the system analyzes Great Neck's financial information to determine a **"Stress Score"** from **0 – 100**.

The higher the score, the greater the level of fiscal stress.

Year	Great Neck's Designation	Score*
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	6.7
2020	No Designation	10.0
2019	No Designation	6.7
2018	No Designation	3.3
2017	No Designation	0.0
2016	No Designation	20.0
2015	No Designation	0.0
2014	No Designation	6.7
2013	No Designation	6.7



Office of the NEW YORK STATE COMPTROLLER	
 NYS Comptroller THOMAS P. DiNAPOLI	
*Point Range (0 to 100 Total Points)	
No Designation	0.0 - 24.9
Susceptible Fiscal Stress	25.0 - 44.9
Moderate Fiscal Stress	45.0 - 64.9
Significant Fiscal Stress 65 - 100	65.0 - 100

Governor's State Aid Proposal

EXECUTIVE PROPOSED BUDGET AID CATEGORY	2024-25 <u>ADOPTED</u> STATE BUDGET	2024-25 <u>MID-YEAR</u> AID REVISION	2025-26 <u>PROPOSED</u> STATE BUDGET	CHANGE FROM PRIOR YEAR ADOPTED
FOUNDATION AID	\$ 9,046,163	\$ 9,076,571	\$ 9,258,102	\$ 211,939
UNIVERSAL PRE-KINDERGARTEN *	\$ 1,334,724	\$ 590,882	\$ 1,334,724	\$ -
BOCES	\$ 1,327,351	\$ 1,392,800	\$ 1,518,906	\$ 191,555
HIGH COST EXCESS COST	\$ 289,601	\$ 241,941	\$ 513,214	\$ 223,613
PRIVATE EXCESS COST	\$ 654,174	\$ 754,395	\$ 707,571	\$ 53,397
SOFTWARE, LIBRARY, TEXTBOOK	\$ 685,858	\$ 685,974	\$ 692,299	\$ 6,441
TRANSPORTATION INCL SUMMER	\$ 786,105	\$ 788,189	\$ 832,407	\$ 46,302
BUILDING AID	\$ 711,750	\$ 736,287	\$ 624,928	\$ (86,822)
HIGH TAX AID	\$ 452,843	\$ 452,843	\$ 452,843	\$ -
SUPPLEMENTAL PUBLIC EXCESS COST	\$ 33,711	\$ 33,711	\$ 33,711	\$ -
TOTAL AID	\$ 15,322,280	\$ 14,753,593	\$ 15,968,705	\$ 646,425
as of Jan 21 2025			Change from Prior Year Adopted:	\$ 646,425
			Percent Increase:	4.22%

This proposal is preliminary and will be finalized with the adoption of the State Budget in early April

** Universal Pre-Kindergarten Aid is not utilized as a revenue source in the General Fund budget*



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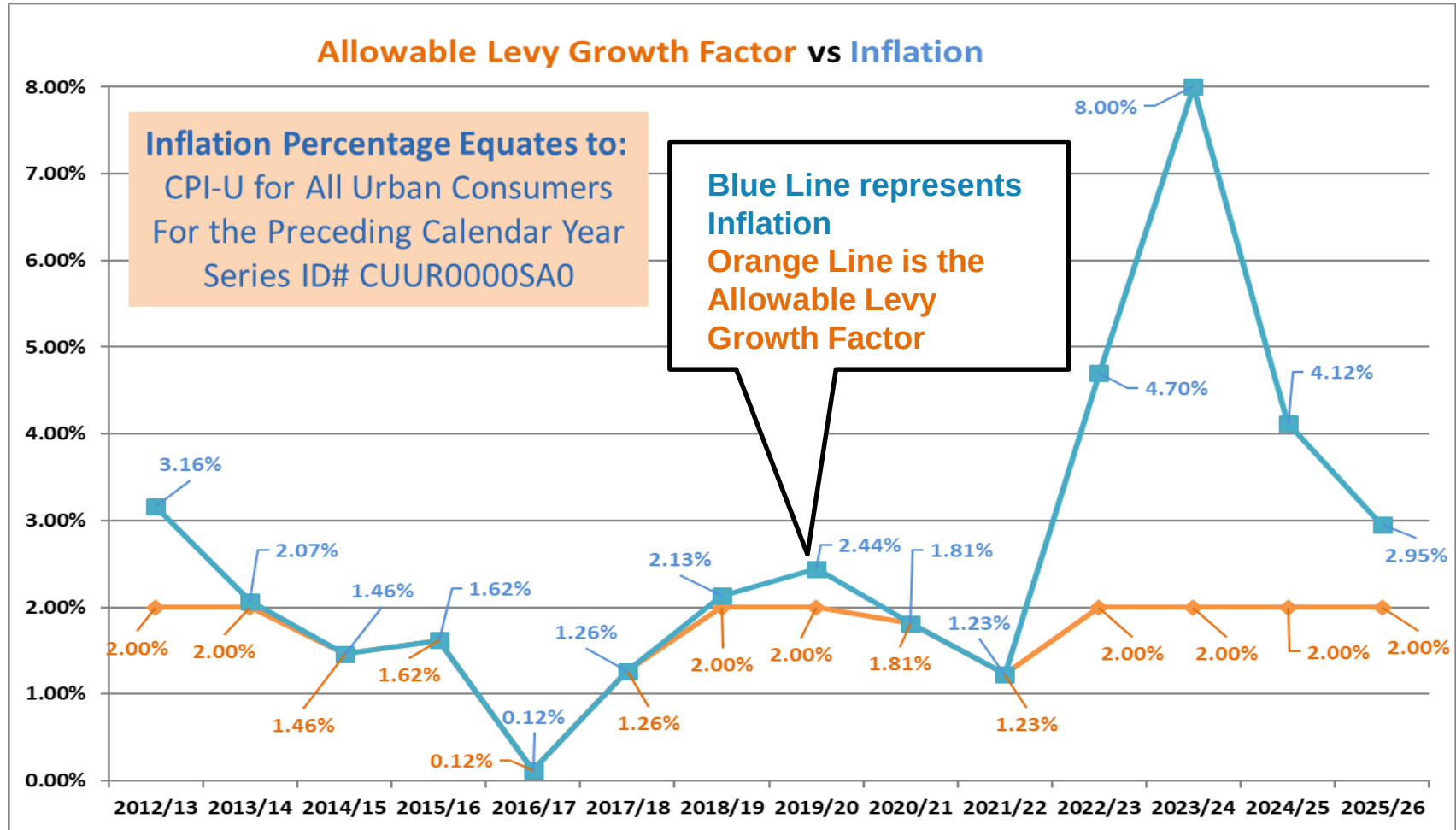
The “2% Tax Cap”

Reminder: It is not a Property Tax Increase Cap,
and it is typically not 2%

- In fact, it is only one component of the formula controlling the allowable increase to the Tax Levy
- Tax Cap formula factors include:
 - ★ **Tax Base Growth Factor** (this year 1.0015)
 - ★ **Allowable Levy Growth Factor**
 - Lesser of **2.00%** or CPI-U, which was **2.95%** in 2024
 - ★ **PILOTS** (Payments in Lieu of Taxes)
 - ★ **Capital Tax Levy** (Includes: Capital Projects, Building Aid & Debt Payments)
 - ★ **TRS and/or ERS Exclusions** (NONE for 2025/26)

Allowable Levy Growth Factor

This is the component publicized as the “2% Cap”



The Capital Tax Levy

Variables That Impact the District's Capital Tax Levy

- ✓ New Capital Projects
 - ✓ Debt Service Payable
 - ✓ School Bus Purchases
 - ✓ Changes in Building & Transportation Equipment Aid
-

2025/26 POTENTIAL Capital Expenditures*:

- **Various Projects District-Wide** **\$10,540,000**
 - This budgeted amount is an initial placeholder for discussion purposes. Includes items, such as:
 - ✓ Full renovation of the South High School Auditorium
 - ✓ Install exhaust and dust collection system in Robotics Lab at SHS
 - ✓ Replace domestic hot water storage system at SHS/SMS
 - ✓ Replace public announcement system and pedestrian footbridge at JFK
 - ✓ Replace 1998 section of roofing at Lakeville Elementary
 - ✓ Full renovation of two bathrooms in south building at Village School
 - ✓ Replace one heating system boiler at Cumberland Community Education building
- **Three School Buses - One 30-Passenger and Two-Handicapped** **340,000**
\$10,880,000

*(*Final proposed project budget will impact the finalized Tax Cap Calculation)*



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Debt Service Payable

Date	Principal	Interest	Total P+I
06/30/2026	\$ 2,540,000	\$ 1,761,025	\$ 4,301,025
06/30/2027	\$ 2,670,000	\$ 1,634,025	\$ 4,304,025
06/30/2028	\$ 2,805,000	\$ 1,500,525	\$ 4,305,525
06/30/2029	\$ 2,940,000	\$ 1,360,275	\$ 4,300,275
06/30/2030	\$ 3,070,000	\$ 1,234,625	\$ 4,304,625
06/30/2031	\$ 3,190,000	\$ 1,109,025	\$ 4,299,025
06/30/2032	\$ 3,320,000	\$ 981,425	\$ 4,301,425
06/30/2033	\$ 3,440,000	\$ 859,725	\$ 4,299,725
06/30/2034	\$ 3,560,000	\$ 739,825	\$ 4,299,825
06/30/2035	\$ 3,675,000	\$ 620,825	\$ 4,295,825
06/30/2036	\$ 3,775,000	\$ 524,438	\$ 4,299,438
06/30/2037	\$ 3,880,000	\$ 422,644	\$ 4,302,644
06/30/2038	\$ 3,975,000	\$ 317,881	\$ 4,292,881
06/30/2039	\$ 4,085,000	\$ 206,819	\$ 4,291,819
06/30/2040	\$ 1,725,000	\$ 92,544	\$ 1,817,544
06/30/2041	\$ 1,160,000	\$ 49,200	\$ 1,209,200
06/30/2042	\$ 440,000	\$ 17,600	\$ 457,600
Total	\$ 50,250,000	\$ 13,432,425	\$ 63,682,425

As a reminder, the
community
authorized a
Bond Referendum
on
May 16, 2017

Bond Issuances Related to 2017 Bond Proposition	
2019 Bonds	\$ 31,220,000
2020 Bonds	\$ 8,535,000
2021 Bonds	\$ 11,210,000
2022 Bonds	\$ 6,221,000
TOTAL	\$ 57,186,000



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Projected 2025/26 Tax Levy*

2024/2025 Tax Levy	\$ 236,985,206
✦ Tax Base Growth Factor (1.0015)	355,478
✦ Allowable Levy Growth (2.00%)	4,609,916
✦ TRS/ERS Exclusions (NONE)	0
✦ Change in PILOTs (PILOTS Estimated to <u>INCREASE</u> in 2025/26 by \$94.6K. This <u>DECREASES</u> the Levy by \$94.6K. This variable can change <u>annually</u>.)	(-94,634)
✦ <u>Change in Capital Tax Levy</u>	<u>2,366,112</u>
✦ <u>2025/2026 Potential Tax Levy</u>	<u>\$ 244,222,078</u>

This Represents a **\$ 7,236,872** or a **3.05%** Increase to the Tax Levy and is
Within the “**2% Tax Cap**” Only Requiring a Simple Majority Vote.

***The Capital Tax Levy, and therefore the Tax Levy, are still subject to change once finalized State Building Aid numbers are released and if there are changes to proposed Capital Expenditures.**



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Proposed Use of Capital Reserve

For the Board of Education's Consideration:

A recommendation from Administration to the Board of Education to authorize a proposition to appear on the May 20th ballot to ask the voters to allow utilization of the **Capital Reserve Fund – 2024** for two purposes:

- **Phase I:** Installation of a synthetic playing field surface with storm drainage improvements at North MS, as well as several other site improvements, including:
 - Resurfacing of the running track and installation of new track & field events
 - Installation of a new “home” grandstand, with press box
 - Full renovation of public restrooms, as well as connection to sewer system
 - Construction of storage building, with an adjoining concession stand
 - Addition of new pedestrian walkways for access from both sides of the venue
 - Installation of a dark sky compliant playing field lighting system
- Full renovation of Room 21 at North MS - Convert from a former shop classroom into a multi-purpose meeting room. (No longer needed as a shop classroom with addition of STEM labs last summer)
 - New flooring, ceiling, and lighting
 - New unit ventilator system (HVAC) with heating and cooling capabilities
 - New emergency egress door to exterior (necessary for place of assembly)
 - New furnishings, as well as instructional technology and AV equipment



Proposed Use of Capital Reserve



PLEASE NOTE: This is a conceptual rendering purely for discussion purposes *



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* Any use of the Capital Reserve requires voter approval of a ballot proposition, which is still under consideration

Proposed Use of Capital Reserve

Frequently Asked Questions:

- **Why is the field improvement project being called Phase I?**
 - If voters approve this project for 2025/26, it is anticipated that the Administration would present the Board of Education with a recommendation for 2026/27 to authorize a proposition asking the voters to allow utilization of the Capital Reserve to fund a **Phase II project for similar improvements at the South HS/MS campus**, pending the availability of sufficient funds in the reserve.
- **Could South HS/MS Athletes utilize the new north field on occasion until there are field improvements on the south campus?**
 - Yes, subject only to potential scheduling conflicts.
- **How would the project be funded?**
 - Through utilization of existing funds in the Capital Reserve, at **no additional cost** to the taxpayers. Approval of the proposition **does not** increase the tax levy.
- **What is the breakdown of the estimated total cost of \$ 8,868,019?**
 - \$ 8,459,019 for all the proposed athletic field improvements.
 - \$409,000 for the full renovation of NMS room 21, including furnishings, IT, and A/V equipment.
 - ✓ The project will generate approximately **\$886,800 in Building Aid** (10%), once the project is completed, payable over a fifteen year period.
- **What are the next steps?**
 - Prior to April 21st, the Board of Education must consider if they will authorize Administration to place these proposed projects on the May 20th ballot.

Other Resources to Explore

Please feel free to visit the

“2025-26 Budget Information”

page on the GNPS website for some helpful guides

www.greatneck.k12.ny.us/budget25-26

Here you will also find all budget materials and public presentations



GLOSSARY OF TERMS	
TERM	DEFINITION
ACADEMIC INTERVENTION SERVICES (AIS)	Services provided to students who are at risk of not achieving the state learning standards in English language arts, mathematics, social studies, and/or science.
ACCOUNTING	the process of recording financial transactions during a specific period, which usually spans 12 months.
ADULT BASIC EDUCATION	Education to achieve citizenship, a high school diploma, or job training to become more marketable to prospective employers.
AMERICAN RESCUE PLAN (ARP)	A federal grant the learning loss experienced on account of the Covid-19 Pandemic.
APPROPRIATED FUND BALANCE	The amount of fund balance and/or reserves used as a revenue source to fund the following years budget and/or outstanding purchase orders at year end.
APPROPRIATION	another term for an estimated expenditure.
ASSESSED VALUE	The fraction of market value real property is valued at and appears on the assessment roll by an assessing authority, such as the Nassau County Assessor.
ASSESSMENT ROLL	All of the taxable real property in an assessment jurisdiction.
ASSOCIATION OF SUPERVISORS AND ADMINISTRATORS OF THE GREAT NECK EDUCATIONAL STAFF, INC. (SAGES)	The bargaining unit that represents the Great Neck Public Schools' principals, assistant principals, directors and supervisors.
AUDIT OPINIONS	The opinion an independent auditor arrives at after an examination of a district's financial records. The types of audit opinions include: • Unmodified – the district's records are fairly stated in all material respects or that the district's financial figures and records can be relied upon to be correct. • Qualified – the district's records, except for the effect of any adjustment that might have been necessary to accurately perform auditing procedures, present fairly in all material respects the figures listed in the financial statements/reports. • Adverse – the district's records have some material issues. • Disclaimer – the district's records are not complete and/or accurate enough for an auditor to be able to form an opinion, therefore no opinion is given.

Continuing the Conversation...

The Remaining Presentations are Scheduled for:

- **March 12, 2025 – Budget Development Presentation # 2**
 - ✦ 7:30 PM at E.M. Baker Elementary School
 - **March 25, 2025 – Budget Development Presentation # 3**
 - ✦ 7:30 PM at E.M. Baker Elementary School
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-

Budget Vote & Trustee Election – Tuesday, May 20th

6:00 AM – 9:00 PM

E.M. Baker, Lakeville, Saddle Rock, or South High School



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