



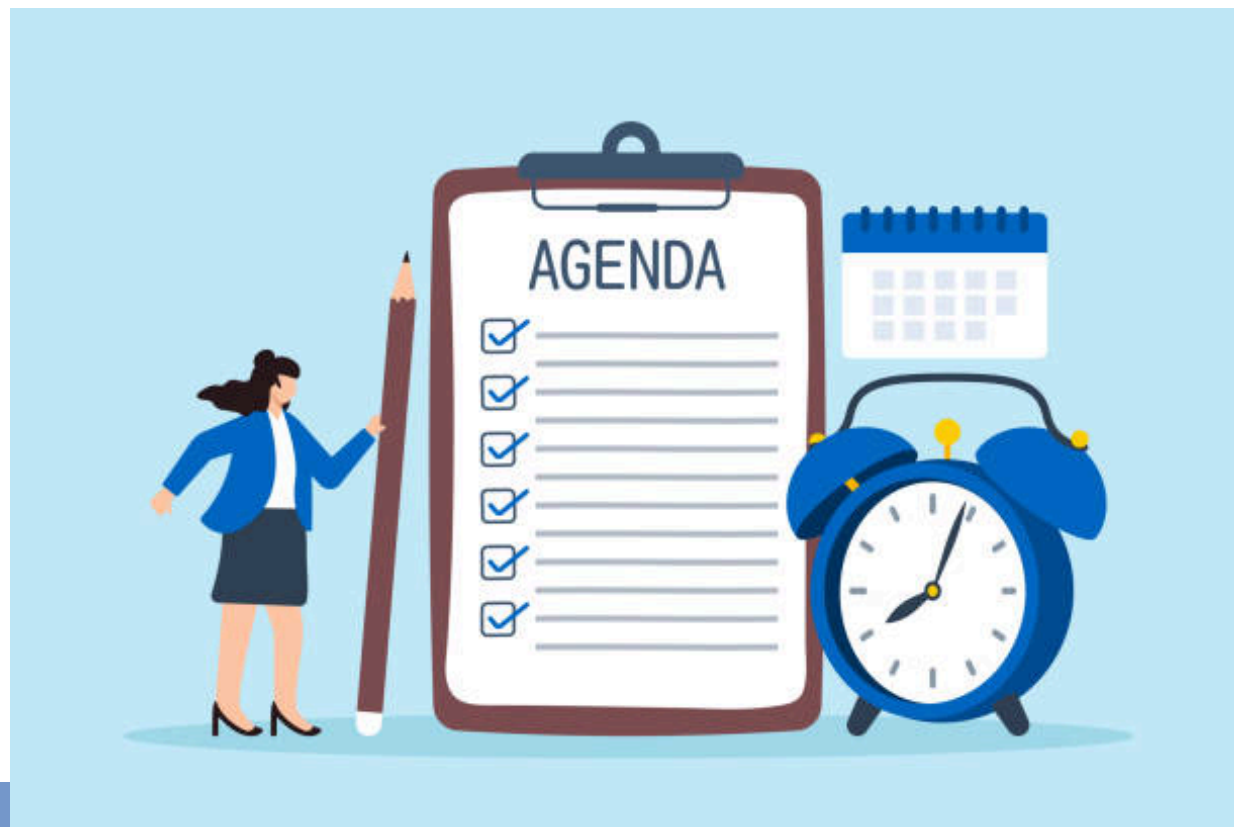
NORTH MERRICK
UNION FREE SCHOOL DISTRICT
—Nurturing Young Minds—

BUDGET ADVISORY COMMITTEE

MEETING #1

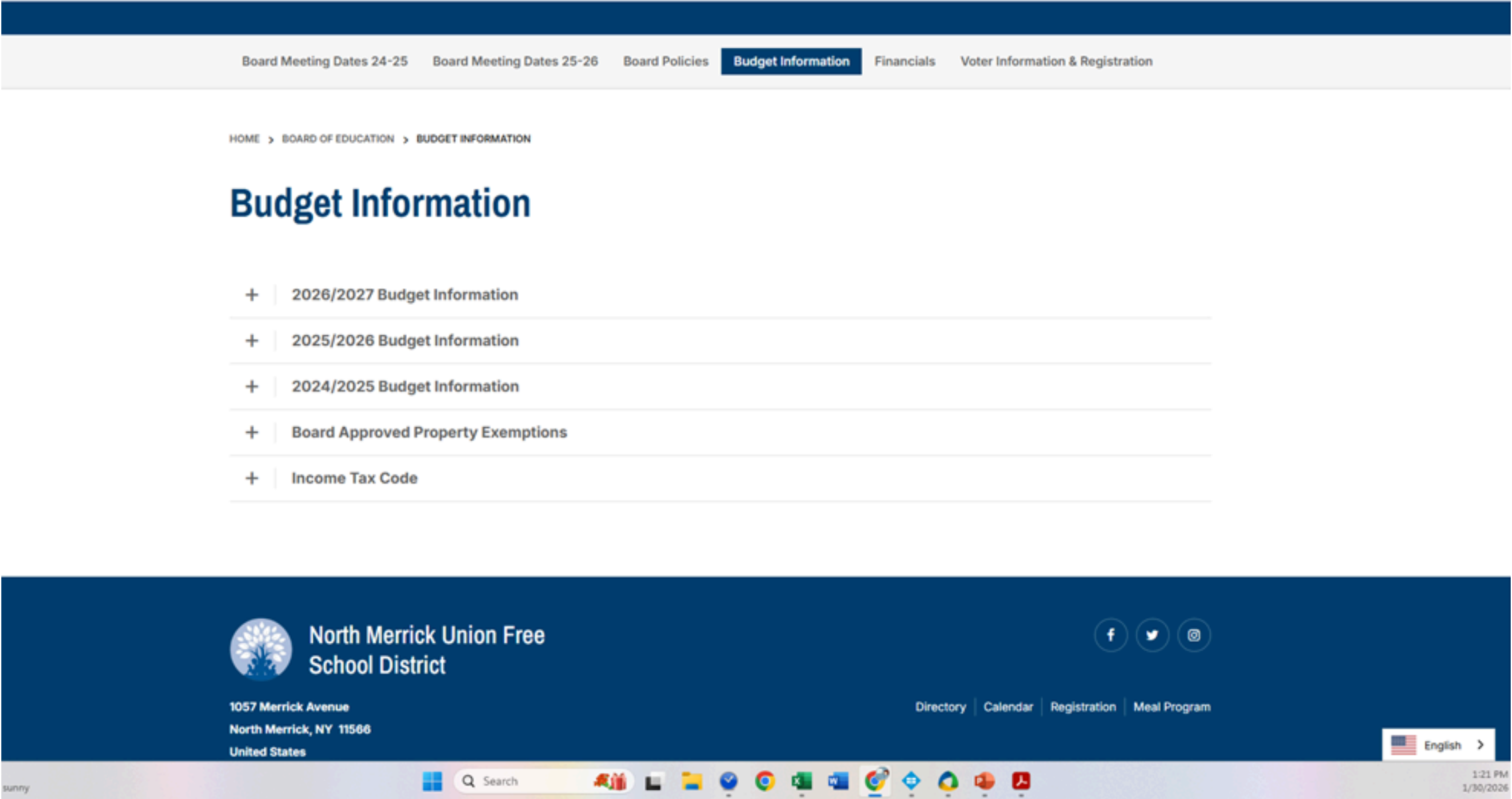
2026-2027 Budget Development
February 10, 2026

TONIGHT'S AGENDA



- 2026-2027 Budget Development Timeline
- Budget Development Process
- Expenditure & Revenue Budget
- Sources of Revenue
- 2026-2027 Tax Levy Limit Calculation
- Budget Considerations & Constraints

BUDGET INFORMATION



All budget information and presentations can be located on the District's website:
www.nmerrickschools.org

From the Main Menu: Board of Education → Budget Information

2026-2027 BUDGET DEVELOPMENT TIMELINE

- ✓ Tuesday, February 10: Budget Advisory Committee Meeting #1 (6:15 PM at HDF)
- ✓ Tuesday, March 10: Budget Advisory Committee Meeting #2 (6:15 PM at HDF)
- ✓ Tuesday, April 14: Presentation of 2026-27 Proposed Budget, Contingency Budget & Property Tax Report Card; Anticipated adoption of the 2026-27 budget and approval of the Property Tax Report Card (7:00 PM at HDF)
- ✓ Tuesday, May 5: Budget Hearing (7:00 PM at HDF)
- ✓ Tuesday, May 19: Budget Vote (6:30 AM - 9:30 PM @ North Merrick Public Library)



BUDGET DEVELOPMENT PROCESS

1

November 2025:

Budget forms sent to all budget builders.

2

December 2025 -

February 2026:

Building/department budgets submitted for review.
Meetings with administrators to review budgets.

3

February 2026 -

April 2026:

BOE and Budget Advisory Committee review of budget; Board adopts proposed budget April 14.

2026-2027 BUDGET

Expenditure Budget

The expenditure budget outlines the planned expenditures for the upcoming school year.

Revenue Budget

The revenue budget identifies the funding sources used to support the costs set forth in the expenditure budget.



SOURCES OF REVENUE

- 1.State Aid
- 2.Fund Balance Allocation
- 3.Appropriations from Reserves
- 4.PILOTs (Payments in Lieu of Taxes)
- 5.Other Local Revenues
- 6.Property Taxes



NYS EXECUTIVE BUDGET PROPOSAL 2026-2027

January 2026 - State Aid Projection			
Category	Proposed Budget 2026-27	Budget Actual 2025-26	Difference
Foundation Aid	\$9,749,148	\$9,205,844	\$543,304
Universal Pre-Kindergarten	\$1,070,000	\$630,799	\$439,201
BOCES Aid	\$1,485,836	\$1,002,028	\$483,808
High Cost Excess Cost Aid	\$126,050	\$111,006	\$15,044
Private Excess Cost Aid	\$149,452	\$93,959	\$55,493
Hardware & Technology Aid	\$22,550	\$21,517	\$1,033
Software, Library & Textbook Aid	\$100,967	\$101,127	(\$160)
Transportation Aid	\$527,268	\$481,974	\$45,294
Building Aid	\$1,093,129	\$1,065,441	\$27,688
High Tax Aid	\$620,873	\$620,873	\$0
Supplemental Pub Excess Cost Aid	\$7,831	\$7,831	\$0
Total State Aid Projected	\$14,953,104	\$13,342,399	\$1,610,705

Total State Aid
increase = 12.07%

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High Tax Aid	\$620,873	\$620,873	\$0
Supplemental Pub Excess Cost Aid	\$7,831	\$7,831	\$0
Total State Aid Projected	\$13,883,104	\$12,711,600	\$1,171,504

WITHOUT
INCLUDING
UPK \$:
INCREASE =
9.2%



FUND BALANCE & RESERVE FUNDS

Fund balance and reserve funds may be used to moderate tax levy growth by providing a supplemental source of revenue.

What are fund balance & reserve funds?

Fund balance represents the excess of actual revenues over estimated revenues and actual expenditures below the total amount appropriated.

Reserve funds provide a legally authorized means of setting aside resources to finance future infrastructure, equipment, and other requirements.



PILOTS (PAYMENT IN LIEU OF TAXES)

- Agreements made with local Industrial Development Agencies (IDAs) by which company makes fixed yearly contribution rather than pay property taxes.
- Provides certainty to the business owner that there will not be a reassessment of the property, thereby increasing taxes, during the term of the agreement.
- Used to encourage new businesses and development within communities.

Other Local Sources

- Interest earnings from the district's investments and bank accounts
- Tuition charged to other school districts (summer and school year)
- Fees billed to other municipalities
- Gifts and donations
- Health Services fees charged to other school districts
- Facility Use charges

PROPERTY TAXES

- Property taxes are the primary local revenue source for school districts in New York State
- Property Tax Levy Calculation:



$$\begin{array}{r} \text{Proposed Budget} \\ - \text{All sources of other revenue} \\ \hline \text{Property Tax Levy} \end{array}$$

REVIEW OF THE TAX LEVY LIMIT CALCULATION

What is the tax levy limit (tax cap)?



On June 24, 2011, the property tax cap was signed into law (Chapter 97 of the NYS Laws of 2011).

The tax cap law establishes a limit on the annual growth of property taxes levied by local governments and school districts.

KEY COMPONENTS OF THE TAX LEVY LIMIT CALCULATION

1. **Tax Base Growth Factor**: measures the increase in the full value of taxable real property due to physical changes, such as new construction, improvements, or additions
2. **Allowable Levy Growth Factor**: the lesser of CPI or 2%
3. **PILOTs**: property owner makes negotiated payments to local governments instead of paying traditional property taxes
4. **Capital Exclusion**: Capital expenditures are exempt from the cap (includes bond debt, expenditures on capital projects, BOCES Capital Exclusion, purchase of new buses and bus/truck leases)
5. **Retirement Contributions**: ERS/TRS increases greater than 2% would allow for an exemption

TAX LEVY LIMIT CALCULATION

Base Formula

$$\left(\left[\left(\begin{array}{c} \text{Prior} \\ \text{fiscal} \\ \text{year tax} \\ \text{levy} \end{array} + \begin{array}{c} \text{Prior year} \\ \text{reserve} \\ \text{offset} \end{array} - \begin{array}{c} \text{Reserve} \\ \text{amount} \\ \text{(including} \\ \text{interest} \\ \text{earned)} \end{array} \right) \times \begin{array}{c} \text{Tax base} \\ \text{growth} \\ \text{factor*} \end{array} \right] + \begin{array}{c} \text{PILOTs} \\ \text{receivable in} \\ \text{the prior fiscal} \\ \text{year} \end{array} - \begin{array}{c} \text{Tort exclusion} \\ \text{amount, prior} \\ \text{fiscal year} \end{array} \right) \\
 \times \begin{array}{c} \text{Allowable} \\ \text{levy growth} \\ \text{factor (1.00} \\ \text{to 1.02)**} \end{array} - \begin{array}{c} \text{PILOTs} \\ \text{receivable} \\ \text{in coming} \\ \text{fiscal year} \end{array} + \begin{array}{c} \text{Available} \\ \text{carryover} \end{array} = \text{Tax Levy Limit}$$

+ Transfer of Function

+ Exclusions

Tax Levy Limit

+

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

+

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

+

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

=

**Tax Levy Limit,
Adjusted for
Transfers, Plus
Exclusions**

NORTH MERRICK UFSD - TAX LEVY LIMIT CALCULATION

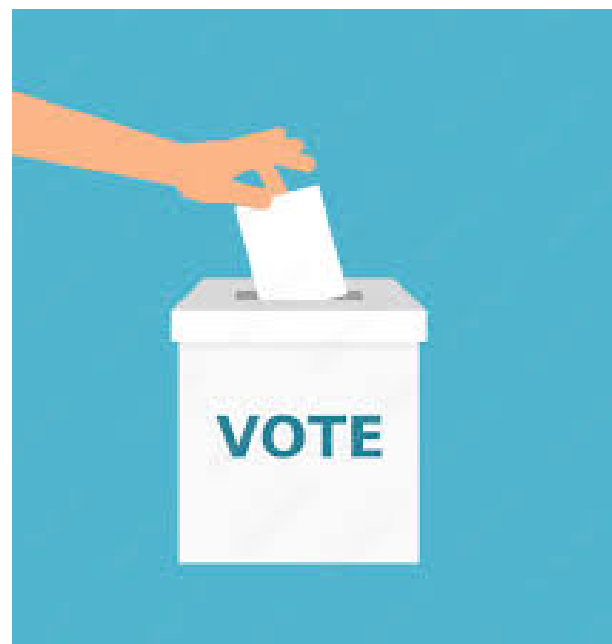
Prior Year Tax Levy		26,894,878
<u>Multiply by:</u> Tax Base Growth Factor	X	1.0073
		27,091,211
<u>Add:</u> Prior Year PILOTS for Fiscal Year Ended 6/30/26	+	291,696
		27,382,907
<u>Subtract:</u> 2025/2026 Capital Tax Levy	-	408,633
Adjusted Prior Year Tax Levy		26,974,274
<u>Multiply by:</u> Allowable Levy Growth Factor	X	2.00%
		27,513,759
<u>Subtract:</u> PILOTS for Fiscal Year Ending 6/30/26	-	326,540
		27,187,219
<u>Add:</u> Tort Judgments greater than 5% of 2025/2026 tax levy	+	0
<u>Add:</u> ERS contribution increase greater than 2%	+	0
<u>Add:</u> TRS contribution increase greater than 2%	+	0
<u>Add:</u> 2026/2027 Capital Tax Levy	+	389,332
Allowable tax levy prescribed by Chapter 97 of the Laws of 2011		<u>27,576,551</u>
Allowable levy increase \$		\$681,673
Allowable levy increase %		2.53%

BUDGET CONSIDERATIONS & CONSTRAINTS

There are a number of items that will impact the budget for the upcoming year:

- Increases in insurance premiums (health, liability)
- CSE meetings (will impact placements and support services to students)
- Transportation costs
- BOCES rates for 2026/27
- State aid allocation and state budget initiatives
- NMFA contract expires 6/30/26

QUESTIONS?



Budget Vote

Tuesday, May 19, 2026

6:30 AM - 9:30 PM

North Merrick Public Library