2019-2020 BUDGET PRIORITIES

- Maintain successful educational programs and opportunities for our students
- Expand opportunities for student success and learning
- Continue to focus on the social, emotional, physical & intellectual development of all students
- Advantage and continue district capacity building
- Navigate the above while operating in year seven of the property tax levy cap.
2019-2020
BUDGET SNAPSHOT

Proposed Budget
$116,000,109
Increase of $2,648,781 or 2.34%

Proposed Tax Levy
$86,870,169
Increase of $2,105,784 or 2.48%

THE BUDGET IS IN COMPLIANCE WITH THE TAX LEVY CAP
HOW IS THE BUDGET, OR SPENDING PLAN, FUNDED?

- **Property Taxes**
  - Taxes levied by a governing authority of the jurisdiction in which the property is located

- **State Aid**
  - Funds provided to districts based upon various formulas and areas of prior year district spending

- **PILOTS**
  - Payments in Lieu of Taxes – made to compensate a local government for some or all of tax revenue lost due to tax exempt ownership or use of a particular piece of real property

- **Other Revenue**
  - Revenue sources that are locally specific such as building rental income, interest, tuition from other districts etc.

- **Reserves**
  - Funds that are saved for a specific purpose (think, savings account)

- **Fund Balance**
  - Funds remaining from budget savings
SO, THE PROPOSED TAX LEVY AND RECOMMENDED BUDGET ARE TAX CAP COMPLIANT?

Simply stated, YES.

<table>
<thead>
<tr>
<th></th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Levy</td>
<td>$ 84,764,385</td>
<td>$ 86,870,169</td>
<td>2.48%</td>
</tr>
<tr>
<td>State Aid</td>
<td>16,492,200</td>
<td>16,593,911</td>
<td>0.62%</td>
</tr>
<tr>
<td>PILOTS*</td>
<td>5,459,791</td>
<td>6,021,026</td>
<td>10.28%</td>
</tr>
<tr>
<td>Other</td>
<td>1,360,152</td>
<td>1,330,003</td>
<td>-2.22%</td>
</tr>
<tr>
<td>Reserves</td>
<td>900,000</td>
<td>900,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>4,374,800</td>
<td>4,285,000</td>
<td>-2.05%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$113,351,328</td>
<td>$116,000,109</td>
<td>2.34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Budget</td>
<td>$113,351,328</td>
<td>$116,000,109</td>
<td>2.34%</td>
</tr>
</tbody>
</table>

*projection as of 2/21/2019
PROPERTY TAX CAP

- Although the law is often referred to as a “2 percent tax cap,” it does not in fact restrict any proposed tax levy increase to 2 percent.

- The 2 percent we hear about is just one part of a complex 8 step formula

- School districts must use the formula to calculate two of their tax levy numbers, the tax levy limit and the maximum allowable tax levy.
2019-20 TAX LEVY CALCULATION  (AS OF 2/21/2019)

2018-2019 Tax Levy

$84,764,385

X

Tax Base Growth Factor

1.0011

+ 

2018-2019 PILOTS

$6,325,328

- 

Tax Levy to Pay for Capital & Debt Service

$2,054,217

X

Allowable Levy Growth Factor

2%

- 

2019-2020 PILOTS (estimated)

$6,021,206

= 

Tax Levy Limit Before Added Exclusions

$84,890,106

+ 

Tax Levy to Pay for Capital & Debt Service

$1,980,063

= 

Allowable Tax Levy for 2019-2020

$86,870,169
BUDGET AT A GLANCE
PROPOSITION #1

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current 2018-19 Budget</td>
<td>$113,351,328</td>
<td></td>
</tr>
<tr>
<td>Proposed 2019-20 Budget</td>
<td>$116,000,109</td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>$2,648,781</td>
<td>2.34%</td>
</tr>
<tr>
<td>Proposed 2019-2020 Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three Part Components</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Component</td>
<td>$12,760,012</td>
<td>11%</td>
</tr>
<tr>
<td>Program Component</td>
<td>$84,680,080</td>
<td>73%</td>
</tr>
<tr>
<td>Capital Component</td>
<td>$18,560,017</td>
<td>16%</td>
</tr>
<tr>
<td>Total Proposed 2019-20 Budget</td>
<td>$116,000,109</td>
<td></td>
</tr>
</tbody>
</table>
## BUDGET DRIVERS

<table>
<thead>
<tr>
<th>Budget Driver Description</th>
<th>2019-2020</th>
<th>Change ($)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Districtwide Salaries &amp; Salary Related Taxes</td>
<td>$ 65,018,293</td>
<td>$ 2,637,603</td>
<td>4.23%</td>
</tr>
<tr>
<td>Teachers' Retirement System (TRS)</td>
<td>$ 4,377,280</td>
<td>$(822,061)</td>
<td>-15.81%</td>
</tr>
<tr>
<td>Employees' Retirement System (ERS)</td>
<td>$ 1,848,278</td>
<td>$ 189,013</td>
<td>11.39%</td>
</tr>
<tr>
<td>Health Insurance (Health Insurance, Benefit Trust)</td>
<td>$ 13,152,917</td>
<td>$(85,982)</td>
<td>-0.65%</td>
</tr>
<tr>
<td>Other Benefits (Workers' Comp., Life Ins., Disability,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment)</td>
<td>$ 1,374,856</td>
<td>$ 117,496</td>
<td>9.34%</td>
</tr>
<tr>
<td>Utilities (Oil, Gas, Electric, Water)</td>
<td>$ 1,656,680</td>
<td>$ 22,580</td>
<td>1.38%</td>
</tr>
<tr>
<td>Buildings, Grounds &amp; Capital Maintenance</td>
<td>$ 2,243,151</td>
<td>$(80,368)</td>
<td>-3.46%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$ 6,765,304</td>
<td>$ 165,271</td>
<td>2.50%</td>
</tr>
<tr>
<td>Pupil Personnel Services (non salary)</td>
<td>$ 5,853,849</td>
<td>$(65,944)</td>
<td>-1.11%</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>$ 772,997</td>
<td>$ 5,979</td>
<td>0.78%</td>
</tr>
<tr>
<td>Debt Service (Bonds, TANs, EPC)</td>
<td>$ 4,839,525</td>
<td>$ 336,396</td>
<td>7.47%</td>
</tr>
<tr>
<td>Security</td>
<td>$ 802,339</td>
<td>$ 144,469</td>
<td>21.96%</td>
</tr>
<tr>
<td>Technology Equipment &amp; Support</td>
<td>$ 2,879,447</td>
<td>$ 71,721</td>
<td>2.55%</td>
</tr>
<tr>
<td><strong>Total Budget Drivers:</strong></td>
<td>$ 111,584,916</td>
<td>$ 2,636,173</td>
<td>2.42%</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td>$ 4,415,192</td>
<td>$ 12,607</td>
<td>0.29%</td>
</tr>
<tr>
<td><strong>Total Budget:</strong></td>
<td>$ 116,000,108</td>
<td>$ 2,648,780</td>
<td>2.34%</td>
</tr>
</tbody>
</table>
CAPITAL PROJECTS

HOW DO SCHOOL DISTRICTS FUND LARGE CAPITAL PROJECTS?

- Borrow funds and bond
- Establish Capital Reserves
WHAT IS A CAPITAL RESERVE & HOW IS IT FUNDED?

- Enables the district to set aside funds for future capital projects.

- Establishing such a reserve fund does not require raising additional taxes; voter authorization is required to fund and expend.

- The funds are to be transferred from monies remaining in the general fund and/or from existing reserves.
Capital Reserves in Summary

2009 Capital Reserve
- Established by the voters on May 19, 2009
- Enables the district to save up to fifteen million dollars ($15M) over fifteen years for the following types of capital work:
  - District Wide: roofing, windows, asphalt, masonry
  - Elementary Schools: Heating & Ventilation

2016 Capital Reserve
- Established by the voters on May 17, 2016
- Enables the district to save up to twenty million dollars ($20M) over twenty years for the following types of capital work:
PROPOSITION #2 -

2016 Capital Reserve

Expenditure of no more than two million nine hundred seventy five thousand dollars ($2,975,000) from the 2016 Capital Reserve Fund established by the voters on May 17, 2016 to finance the supply and install of the following:

- Roof Replacement at Pines Elementary School
- District Wide Bathroom Reconstruction (continued)
BUDGET PRESENTATION TIMELINE

Board Meeting Budget Presentation:
- April 16: Budget Adoption, 8:00pm
  - Adoption of Budget & Property Tax Report Card

PTA Meeting Budget Presentations:
- April 30: Pines PTA Meeting, 7:30pm-8:30pm
- May 13: Bretton Woods PTA Meeting, 7pm-8pm
- May 15: Forest Brook PTA Meeting, 7pm-8pm
- May 1: Middle School PTA Meeting, 7:30pm-8:30pm
- May 13: SEPTA Meeting, HS, 7pm-8pm
The recommended budget...

- Maintains the district’s educational programs while also providing new opportunities for student growth
- Coherently builds on the program and project foundations laid in prior budgets and
- Continues the tradition of fiscal responsibility, presenting a budget that falls within the allowable tax cap levy
WHERE AND WHEN?

- Vote May 21, 2019
  - 6am-10 pm
  - Whiporwil

- Info available on district website
  
  www.hauppauge.k12.ny.us
What are your questions?

Thank You