

Bethpage Union Free School District 2017-18 Budget

Budget Hearing

May 2, 2017

Accountability

- NYS Comptroller's Auditors issued report on district business practices in July 2015
 - Positive report with no major findings
- January 2017 NYS Comptroller issued Fiscal Stress Test for all districts- Bethpage had the best possible score- ZERO (Second year in a row)
- February 2017- Moody's reaffirmed our excellent Aa2 rating

Special thanks to

Joe Marchesiello

for his years of service as our
Assistant Superintendent for Business.

We wish him well in his retirement!

The Number One Question Asked

- If the district had a LESS THAN ZERO percent tax levy increase, why did my taxes go up?
 - District informed Nassau County that our tax levy would decrease by **0.17%** (\$106,000 less than the year before)
 - Taxes in Nassau County have many variables
 - Assessed valuation of home
 - Changes in Adjusted Base Proportions
 - Tax certs filed by neighbors
 - Taxes went up because of Nassau County, not Bethpage School District



Tax Cap Definition

Tax Cap Legislation

What is the property tax cap?

- The law states that schools and municipalities have a cap on their tax levy. The cap starts at 2% (or less if inflation is lower) and then lists items that are excluded and can cause the cap to increase. **The starting point for the cap this year statewide is 1.26%**
- Exclusions include costs of capital improvement projects, litigation, and extremely high pension costs. It is a long mathematical formula that takes into account changes in PILOT payments (for businesses that have moved into Bethpage and received tax incentives).
- Districts can exceed the cap if they get 60% of the community to support a higher tax levy.
- If the proposed budget is defeated twice, contingency now requires a zero percent increase in the tax levy.



Tax Cap Formula

2017-18 Tax Cap Formula as it applies to Bethpage

Prior Fiscal Year Tax Levy	\$61,993,934
multiplied by Growth Factor	1.0000
Sub-Total	\$61,993,934
Add Prior Year Budgeted PILOTS Revenue	6,514,484
Less Prior Year Exemptions (except Pension)	(596,946)
Sub-Total	\$67,921,472
multiplied by Allowable Levy Growth Factor	1.0126
Sub-Total	\$67,777,283
Less Budgeted PILOTS Revenue	-7,484,336
Tax Levy Limit	\$61,302,947
ERS Exclusion	-
TRS Exclusion	-
Torts/Settlements	-
Capital Tax Levy	624,108
Tax Cap Levy Limit Plus Exclusions	\$ 61,927,055
Tax Levy DECREASE	-0.1079%



2017-18 Budget

State Aid

- **District will receive additional \$688,000 in state aid for 2017-18**
- **Governor has gained power to cut school aid in the middle of the year **if** the federal government cuts aid to NYS**
- **We are grateful to our state legislators**

Pension Costs

- Pension Costs related to stock market averages over past five years
 - Teacher Retirement System (TRS) contributions going DOWN this year- \$464,000 DECREASE
- Second year in a row that pension costs have decreased

Debt

- We retired \$2.9 million in debt over the past three years
- Savings of \$430,000 a year in debt payments (Principal and Interest)
- Moody's notes our low debt as one reason (of many) for our positive rating

Salary Costs

- Clerical and Custodial members agreed to a ZERO percent increase next year

Additional Savings

- **Significant Energy Savings as a result of:**
 - **Energy Efficiencies implemented**
 - **New lighting, new boilers, dual fuel, electronic controls, insulation**
 - **Lower cost of fuel (natural gas)**
- **Significant savings in Transportation as a result of consolidating routes**

**The 2017-18 budget contains great
news for the taxpayers in
Bethpage!**

2017-18 Budget

- **Budget to Budget increase of 1.7%**
 - \$83,569,427
- **Tax Levy Cap of -0.11%**
 - 0.28% less than two years ago

Four Year History of Bethpage Tax Levy

- 2014-15 0.78%
- 2015-16 0.00%
- 2016-17 -0.17%
- 2017-18 -0.11%

(In addition we paid off \$2.9 million in debt over the past three years)

New Budgetary Items

- Two new teachers at Charles Campagne due to enrollment
- Three Science TA's for new STEM Labs
 - One TA for each elementary school
- Return of 7th Grade Sports at JFK
- Redefining the Transportation Entry Points
 - No longer using the gate entrance at CBS, KL and CC
 - Measurement will be to the front/rear entrance
 - Early bus for clubs/extra help for all K-8 students who already receive transportation
- New Course at BHS:
 - Advanced Placement Capstone
- Partnership with Composite Prototype Center
 - Cutting Edge Course for BHS students
- Expansion of Chromebook Initiative to Grade 12
- Continuation of Elementary Drama Program
- Additional funds for capital projects
 - BHS Wrestling Room Egress

The NO CUT Budget

- What we have as of right now is a budget that contains **NO CUTS**
 - No change in class size policy
 - No change in school configuration
 - No cuts in staff (other than those related to decreased enrollments)
 - No cuts in sports (in fact, an increase)
 - No cuts in extracurricular programs
 - No cuts in transportation (in fact, an improvement)
 - No cuts to summer programs

“STRAIGHT TALK” Budget Format ...

THREE PART COMPONENT BUDGET

Chapter 436 of the laws of 1997 require school districts to divide their annual budget into three components. Below is a summary as prescribed the uniform system of accounting for school districts.

How Your Dollars are Spent – Percent of Total Budget

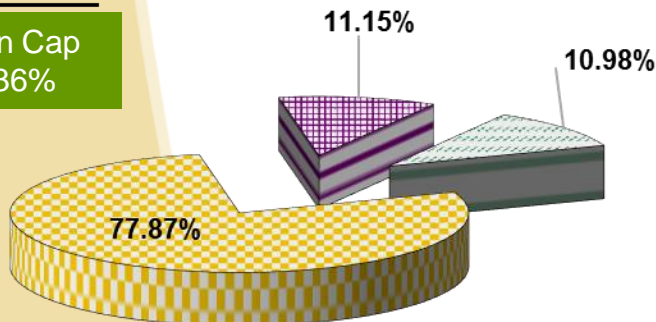
Administration – This category includes salaries and benefits for district and school administrators and central office staff; expenses of the curriculum, business, personnel, pupil personnel offices; Board of Education; Legal Services, Public Information, Instructional services center, Insurance and BOCES administrative costs.

Program – This category includes salaries, supplies and pupil services involved in instruction and transportation of our K-12 students.

Capital – This category includes all interfund transfers for capital expenditures, bus purchase, debt service, utilities, salaries, benefits and supplies for the security and maintenance of school buildings and grounds.

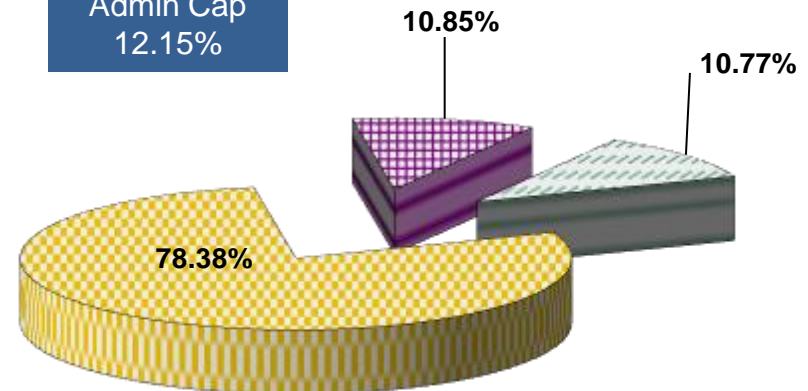
2016-2017

Admin Cap
12.36%



2017-2018

Admin Cap
12.15%



*NOTE: The Administrative Component of a Contingency Budget must not exceed the lesser of the percent of the Administrative Component comprised in the prior year's budget (exclusive of Capital Component) or the percent of which the Administrative Component had comprised in the last defeated budget.

Three Propositions

Date of Vote: May 16, 2017

Proposition One: The Budget

Budget to Budget increase of 1.7%

Tax Levy of -0.11%

Second Proposition

- Provide Tax Exemptions to Volunteer Firefighters and Volunteer EMT's
- Non-Binding Resolution
- Board of Ed getting public's input
- Understanding that everyone else's taxes will have to go up to pay for the exemptions
- Anticipated that approval of this proposition would cost all other taxpayers in Bethpage about **\$9.34** per year

Correction to Newsletter

▶ PROPOSITION #2*: FIREFIGHTERS & VOLUNTEER AMBULANCE EXEMPTION

The Board of Education is seeking public input on whether to provide a 10% tax exemption to eligible volunteer firefighters and ambulance workers. This exemption would also provide a lifetime exemption of 10% to those with 20 years or more of service, which could be extended to an eligible un-remarried spouse of a deceased lifetime member. The exemption, if approved by voters, would take effect in the 2018-19 school year.

Public input is being sought, as providing a tax break to the volunteers would form a redistribution of the tax burden to other Bethpage School District taxpayers who are not receiving the exemption.

Third Proposition

- Provide Tax Exemptions to Veterans
 - Alternative Veterans
 - Cold War Veterans
 - Gold Star Families
- Non-Binding Resolution
- Board of Ed getting public's sentiment
- Understanding that everyone else's taxes will have to go up to pay for the exemptions
- Because Veterans have options, it is hard to determine the exact cost
 - It could cost as little as **\$44.06** or as much as **\$124.10**

Democracy in Action

May 16 around 4:30PM

Budget & Trustee Vote

May 16

7AM to 9PM at BHS Gym



Questions?