

# **Bethpage Union Free School District 2017-18 Budget**

## **Overview**

# Overview

- **Accountability**
- **Tax Cap**
- **Overview of 2017-18 Budget and Tax Levy for Bethpage**

# 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

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



# “Property Tax Freeze”

- Last year, all municipalities that stayed within their Tax Levy Cap limits enabled their residents to receive a property tax refund from NYS
- Difference between last year’s tax bill and the prior year’s tax bill
- Bethpage was under the tax levy limit and all residents should receive a check

# Tax Cap and Refunds

- You can make the argument that the Tax Refund has not worked to the advantage of Bethpage residents
- We have had three low tax levy increases over the past three years (0.78%, 0.0% and -0.17%) resulting in comparatively low refunds for Bethpage
- Other Nassau residents saw much bigger refunds because their school taxes went up so much the past two years



# **2017-18 Budget**

# State Aid Questions

- **State Budget Deadline: April 1**
- **Lots of political discord in Albany right now**
- **Senator Marcellino: “Record increase” coming**
- **We do not believe the State Budget will be on time**

# 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!**

# Budget as of Today

- Right now we have a Budget to Budget increase of 2.2%
- Tax Levy Cap of **-0.11%**
- Still waiting for:
  - Final enrollment numbers for Kindergarten
  - Private/Parochial Transportation Requests
  - Vocational Placement Requests
- We will use funds from our Reserves (the amount will depend on our state aid number)

# 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

- Three Science TA's for new STEM Labs
  - One TA for each elementary school
- Return of 7<sup>th</sup> 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
- 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- If funding permits, Possible Floor Tile Replacement/Asbestos Abatement

# 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

# Smart School Bond

- **NYS voters approved a \$2 billion bond issue to improve technology in schools or build capacity for Pre-K program**
- **Bethpage to receive \$1.1 million over a few years**
- **Bethpage has spent the first \$430,000 on backbone infrastructure and Chromebooks**
- **Some funds will be spent on the STEM Labs**

# Three Propositions

**Date of Vote: May 16, 2017**

# Proposition One: The Budget

**Budget to Budget increase of 2.2%**

**Tax Levy of -0.11%**

**Once we know final State Aid numbers  
the Board can decide how much to use  
from Reserves**



# BUDGET DETAIL ... 2017-2018



## COMPARISON – BUDGET TO BUDGET

### GENERAL FUND APPROPRIATIONS BY FUNCTION CODE

BUDGET CATEGORY	VOTER'S APPR	PROPOSED	\$ INCREASE	2016-17 vs 2017-18
	BUDGET REV #3 2016-2017	BUDGET REV #2 2017-2018		% INCREASE
GENERAL SUPPORT (1000's)	\$9,192,268	\$8,892,430	(\$299,838)	-3.26%
INSTRUCTION (2000's)	\$48,664,522	\$50,196,886	\$1,532,364	3.15%
TRANSPORTATION (5000's)	\$3,625,780	\$3,452,367	(\$173,413)	-4.78%
COMMUNITY SERVICES (8000's)	\$37,454	\$11,855	(\$25,599)	-68.35%
UNDISTRIBUTED (9000's) (Transfer Cafeteria, Special Aid & Capital Projects / Debt Service / Health Benefits / Lease-Purchase)	\$20,631,559	\$21,414,710	\$783,151	3.80%
<b>TOTAL GENERAL FUND BUDGET</b>	<b>\$82,151,583</b>	<b>\$83,968,248</b>	<b>\$1,816,665</b>	<b>2.211%</b>

**BETHPAGE PUBLIC SCHOOLS  
PRELIMINARY PLANNING FOR 2017-2018  
COMPARATIVE OF POSITIONS - SUMMARY**

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<b>2014-15 VOTER'S BUDGET APPROVED</b>	<b>\$80,364,954</b>		
<b>2015-16 VOTER'S BUDGET APPROVED</b>	<b>\$81,203,591</b>		<b>1.044%</b>
<b>2016-17 VOTER'S BUDGET APPROVED (Baseline for Comparison to 2017-18 Budget)</b>	<b>\$82,151,583</b>		<b>1.167%</b>
<b>2017-18 PARAMETRIC EST (R.O.M.) (1/31/17)</b>	<b>\$83,603,226</b>	<b>1.767%</b>	
<b>2017-18 PROPOSED DRAFT BUDGET - (2/3/17) Version #1</b>	<b>\$83,410,438</b>	<b>1.532%</b>	
<b>2017-18 SUPERINTENDENT'S PROPOSED BUDGET REV #2 (2/24/17)</b>	<b>\$83,968,248</b>		<b>2.211%</b>

# Second 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

# Third 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



**Questions?**