

Bethpage Union Free School District 2018-19 Budget

Overview

Overview

- **Accountability**
- **Tax Cap**
- **Overview of 2018-19 Budget and Tax Levy for Bethpage**

Financial Accountability

- **July 2015-** NYS Comptroller's Auditors issued very positive report on district business practices with no major findings
- **January 2018-** NYS Comptroller issued Fiscal Stress Test for all districts- Bethpage had the best possible score- ZERO (Third year in a row)
- **February 2017-** Moody's reaffirmed our excellent Aa2 rating

Academic Accountability

Long Island's Reward Schools

Nassau

- John F. Kennedy High School, Bellmore
- Bethpage High School
- W. Tresper Clarke High School, Westbury
- Garden City High School
- Great Neck South High School
- Herricks High School
- Jericho Senior High School
- Locust Valley High School
- Lynbrook High School
- Manhasset High School
- North Shore High School, Glen Head
- Plainview-Old Bethpage JFK High School
- South Side High School, Rockville Centre
- Roslyn High School

- Syosset High School
- Wantagh High School

Suffolk

- Bayport-Blue Point High School
- Half Hollow Hills High School East, Dix Hills
- Half Hollow Hills High School West, Dix Hills
- Harborfields High School, Greenlawn
- Mount Sinai High School
- Earl L. Vandermeulen High School, Port Jefferson
- Sayville High School
- Smithtown High School West

Source: State Education Department

Result of great work going on in all our schools!

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 **0.11%** (\$66,000 less than prior year)
 - 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

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)

Federal Tax Legislation

- Board of Education asked us to be mindful of new tax legislation restricting deductions for state and local taxes
- Paramount concern

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 2%**
- 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

2018-19 Tax Cap Formula for Bethpage

Prior Fiscal Year Tax Levy	\$61,927,055
multiplied by Growth Factor	1.0020
Sub-Total	\$62,050,909
Add Prior Year Budgeted PILOTS Revenue	7,474,336
Less Prior Year Exemptions (except Pension)	(624,108)
Sub-Total	\$ 68,901,137
multiplied by Allowable Levy Growth Factor	1.0200
Sub-Total	\$ 70,279,159
Less Budgeted PILOTS Revenue	(6,787,444)
Tax Levy Limit	\$ 63,491,715
ERS Exclusion	-
TRS Exclusion	-
Torts/Settlements	-
Capital Tax Levy	\$ 884,784
Tax Cap Levy Limit Plus Exclusions	\$ 64,376,499

Allowable Tax Levy Increase **\$2,449,445**
3.9554%



2018-19 Budget

Salary Costs

- **All Bethpage unions have presented very realistic requests**

Savings

- We retired \$2.9 million in debt over the past four 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

Additional Savings

- **Six Teacher/One Superintendent Retirements**
 - Teachers are being replaced with new teachers making lower salary
- OR
- Positions being eliminated due to lower enrollment
- Overall Net Savings of \$600,000

Additional Savings

- Last year we had a Health & Safety Emergency construction project in the budget (a second egress to the BHS Wrestling Room)
- This budget reduced the capital project code back to prior level (savings of \$210,000)

Pension Costs

- **Pension Costs related to stock market averages over past five years**
- **However, like many Pension Systems, NYS is recalibrating future returns- Result is a 10% increase in district contributions for next year**
 - **Teacher Retirement System (TRS) contributions going UP this year- \$359,000 increase**

**Even though the
Allowable Tax Levy is 3.95%
Bethpage will be below that**

Budget

Budget to Budget increase of 1.99%

Tax Levy Increase of 2.9%

(\$600,000 less than permitted under Tax Cap Law)

*We will use funds from our Reserves
to help balance the budget*

Tax Cap Levy and Altice (Cablevision)

- Altice challenged their assessment
- The Assessment Review Commission awarded them a significant reduction- The valuation dropped from \$310,000 to \$240,000 translating into a savings for them of \$500,000
- That caused the Tax Levy to increase by 0.82%
- If it were not for the Altice challenge, the tax levy would be 2.08% (rather than 2.9%)

Five Year History of Bethpage Tax Levy

- 2014-15 0.78%
- 2015-16 0.00%
- 2016-17 -0.17%
- 2017-18 -0.11%
- 2018-19 2.9%

Other Important Instructional Items

- STEM Labs will be OPEN for business in September!
- New ELA Series for K-5
- Additional Westech Security Guard at Elementary/Middle Schools
- New Course at BHS:
 - Advanced Placement Capstone Seminar
 - Financial Literacy
- BHS Baseball Field completely renovated
- Funding for capital projects/environmental testing
- Replacement Bus (district owns one bus)
- Standardized Transportation Measuring Points
- Replenishment of Chromebook Initiative
- Support for K-12 Drama Program & 21st Century Program
- Continued funding of all Middle School Sports at JFK

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
 - No cuts in extracurricular programs
 - No cuts in transportation
 - 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.

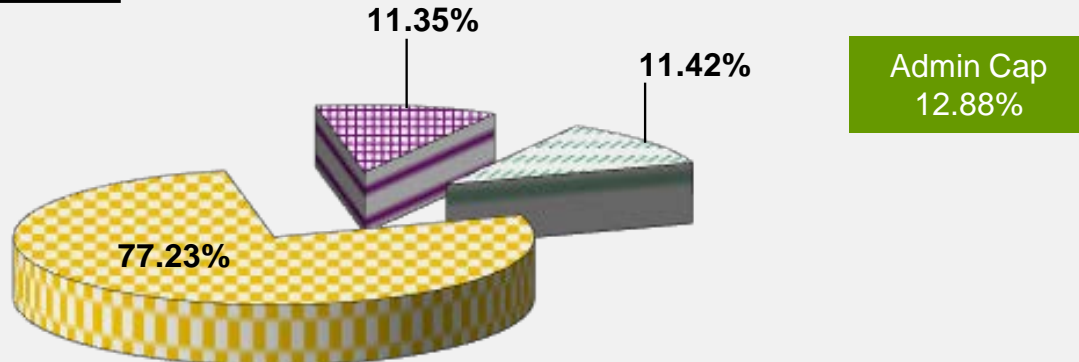
How Your Dollars are Spent – Percent of Total Budget

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.

2018-2019



*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.



Proposition Two

Capital Reserve Fund Expenditure

- In light of the shootings in Parkland, Florida, the Board and Administration reviewed security enhancements with input from residents, teachers and security consultants
- The Capital Reserve is the appropriate source for this type of expenditure- Long-term investments
- Spending from the Capital Reserve does not cost taxpayers anything- The funds are already set aside

Capital Reserve Fund Expenditure

Vestibules	\$ 862,000
Technology*	\$ 482,000
Doors	\$1,000,000
Lighting at JFK Parking Lot	\$ 280,000
HVAC at BHS	\$ 330,000
Total=	\$2,954,000

*Technology Includes:

- Automatic Door Closing with one Panic Button
- Panic Button
- Exterior Blue Lights indicating Lockdown
- Visitor Management Software
- Additional and/or replacement wiring
- Replacement servers
- Additional or replacement switches
- Additional or replacement WiFi



Summary

Proposition One: The Budget

Budget to Budget increase of 1.99%

Tax Levy of 2.9%
(well below the cap of 3.95%)

Proposition Two: Capital Reserve

**Permission from the voters to spend
\$2.95 million from the
Capital Reserve Fund to enhance
Security**

(**NOTE:** Capital Reserve Fund currently has \$6 million and those funds are solely to be used for building improvement projects)

Voting Information

- **Tuesday May 15**
 - 7AM to 9PM
 - Bethpage High School Gym
 - Last day for continuous registration is May 10
- **Democracy in Action Starts at 4:30PM**
- **Residents will be voting on:**
 - 2018-19 Budget
 - Proposition Two
 - Three Trustee Seats



Questions?