

# PROPOSED BUDGET 2024-2025



Property Tax Levy &  
Revenue Budget  
Employee Benefits

March 26, 2024



Property Tax  
Legislation  
&  
Tax Cap  
Calculation

# Property Tax Cap Summary of Legislation

- NYS has a property tax cap, not necessarily a 2% cap
- The law creates a formula to determine a “tax levy limit” (one of those steps includes adjusting the levy by the **lesser of CPI or 2%**)
- The law does allow districts to levy an additional amount for certain expenditures - (*exemptions*)
- An override of the levy is also permitted – (*However, requires supermajority 60%*)

# Option to Override the Tax Cap

- If the proposed tax levy does not exceed the tax levy limit, more than 50% of votes must be in the affirmative – (*simple majority*)
- If the proposed tax levy exceeds the tax levy limit (override the cap), that budget must be approved by 60% of the votes cast
- If that budget does not pass, the school board may adopt a final budget with no growth in the tax levy from the prior year or resubmit the original or a revised budget for a second vote attempt
- If a resubmitted budget is defeated, the district **must** adopt a final budget with a tax levy that is no greater than the levy of the prior year (0% incr.)

# Exemptions from the Tax Levy Limit

- Tax levy necessary for expenditures for employer contributions caused by the growth in the “system average actuarial contribution rate” for ERS and the “normal contribution rate” for TRS in excess of 2 percentage points

## 2024-25: Pension Exemptions

- No TRS Exemption: TRS Employer Contribution Rate increase of 0.26% from 9.76% in 2023-24 to 10.02% in 2024-25
- ERS Exemption of **0.10%**: ERS Employer Contribution Rate increase of 2.10% from 13.10% in 2023-24 to 15.20% in 2024-25
- Tax levy necessary to support the local portion of capital expenditures “Capital Exclusion” (next slide)

# Capital Exclusion

## 2023-24 Capital Tax Levy

Prior Year Exclusion:

Total Excluded

Capital Expense \$12,526,482

Less Capital Revenue:

Building Aids \$5,013,790

**2023-24 Capital**

**Levy Exemption \$7,512,692**

## 2024-25 Capital Tax Levy

Coming Year Exclusion:

Total Excluded

Capital Expense \$12,416,086

Less Capital Revenue:

Building Aids \$3,679,131

**2024-25 Capital**

**Levy Exemption \$8,736,955**

\*Includes BOCES Capital Exclusion and adjustments to Building Aid (Water testing & remediation aid, Security camera aid)

# Tax Cap Formula

$$\begin{aligned} & \text{Prior year tax levy} \\ & \quad \times \\ & \text{Tax base growth factor} \\ & \quad + \\ & \text{PILOTs Receivable 23-24} \\ & \quad - \\ & \text{Capital Expense Exemption} \\ & \quad = \\ & \text{“Adjusted prior year tax levy”} \\ & \quad \times \\ & \text{Allowable levy growth factor (CPI)} \\ & \quad - \\ & \text{PILOTs Receivable 24-25} \\ & \quad + \\ & \text{Capital Expense Exemption} \\ & \quad + \\ & \text{Pension Exemptions} \\ & \quad + \\ & \text{Available carryover, if any} \\ & \quad = \\ & \text{“Tax Levy Limit”} \end{aligned}$$

# Maximum Allowable Tax Levy

Prior Year Tax Levy	213,302,727
Tax Base Growth Factor	x 1.0037
Subtotal	214,091,947
Plus: 2023-24 PILOT Receivable	967,151
Less: Prior Year 2023-24 Capital Levy Exclusion	-7,512,692
Adjusted Prior Year Levy	207,546,406
Allowable Growth Factor (lesser of CPI or 2%)	x 1.0200
Tax Levy Limit Before Exclusions	211,697,334
Less: 2024-25 PILOT Receivable	-1,056,401
Plus: Coming Year 2024-25 Capital Levy Exclusion	8,736,955
Plus: ERS exemption (contribution rate increase in excess of 2.0%)	28,833
<b>Maximum Allowable Levy (Simple Majority)</b>	<b>219,406,721</b>
<b>Percent Levy Increase</b>	<b>2.86%</b>



# Tax Information – at Tax Levy Limit

SMITHTOWN CSD	2023-2024	2024-2025
Tax Levy	213,302,727	219,406,721
Tax Levy % Increase	2.83%	2.86%
Assessed Valuation*	119,785,030	119,785,030
<b><u>Tax Rate:</u></b>		
Tax Rate (per \$100 of AV)	178.07	183.17
\$ Change (per \$100 of AV)	4.28	5.10
Tax Rate % Change	2.46%	2.86%
School Tax for AV \$6000	10,684.28	10,990.02
Increase in Taxes AV \$6000	256.60	305.75


\* Assumes total Assessed Valuation remains same. District receives actual 2024-25 figure in September 2024 from Assessor's Office

# Contingency

If the budget vote fails twice, the tax levy must be a 0% increase (remain the same as 2023-2024)

This would result in a loss of approximately \$6.1 million in revenue

Under a contingency budget for the 2024-2025 fiscal year, the District may increase its use of reserves and/or assigned fund balance or make expenditure reductions as necessary



**OTHER REVENUES**  
State Aid &  
Reserves

# 2024-25 State Aid (Executive Proposal)

ESTIMATED AIDS:	Final State Budget? 2024-25	Final State Budget 2023-24	\$ Change
Foundation Aid	32,232,093	33,047,379	-815,286
BOCES	4,408,375	3,893,593	514,782
High Cost Excess Cost	808,406	949,801	-141,395
Private Excess Cost	1,066,884	881,063	185,821
Hardware & Technology	78,317	92,938	-14,621
Software, Library, Textbook	664,529	685,486	-20,957
Transportation	6,715,516	6,661,142	54,374
High Tax Aid	1,934,010	1,934,010	0
Building & Bldg Reorg	3,566,519	4,887,635	-1,321,116
<b>SUBTOTAL</b>	<b>51,474,649</b>	<b>53,033,047</b>	<b>-1,558,398</b>

# Additional State Aid in Final State Budget?

Final State Budget “due” by April 1. However, expectation is State budget may not be finalized on time

Potential increases to current Executive State Aid Proposal:

- Reinstatement of “Save Harmless” Provision ( $\approx +\$815\text{K}$ )
- Due minimum increase in addition to “Save Harmless” (3%:  $\approx +\$990\text{K}$ )
- Actual inflation rate vs. Executive Proposal’s “average change in inflation rate over the past 10 years, excluding highest and lowest years”
  - February database: 4.1% CPI vs. November 3.8% CPI

# 2024-25 Revenue Outlook – Reserves

District is currently proposing utilizing the following reserves to offset associated expenditures (assuming no increase in state aid):

- \$4,050,000 of Employees' Retirement System Reserve (ERS)  
*Reserve - 80% funded as of June 30, 2023*
- \$3,175,000 of Teachers' Retirement System Reserve (TRS)  
*Reserve - 75% funded as of June 30, 2023*
- \$770,000 of Employee Benefit Accrued Liability Reserve (EBALR)  
*Reserve - 54% funded as of June 30, 2023*
- \$450,000 of Dental Insurance Reserve  
*Reserve - 53% funded as of June 30, 2023*

# 2024-25 Proposed Revenue Budget

REVENUES	2024-2025	2023-2024	Change
Local	7,850,217	5,949,347	1,900,870
State Aid	51,474,649	53,033,047	-1,558,398
Assigned Fund Balance	1,500,000	1,500,000	0
EBAL Reserve	770,000	770,000	0
Dental Reserve	450,000	250,000	200,000
ERS Reserve	4,050,000	2,650,000	1,400,000
TRS Reserve	3,175,000	2,000,000	1,175,000
Payment-in-lieu-of-taxes (PILOTs)	1,056,401	967,151	89,250
Federal (Medicaid)	220,000	220,000	0
Tax Levy	219,406,721	213,302,727	6,103,994
<b>TOTAL</b>	<b>289,952,988</b>	<b>280,642,272</b>	<b>9,310,716</b>



EXPENDITURES  
Employee  
Benefits



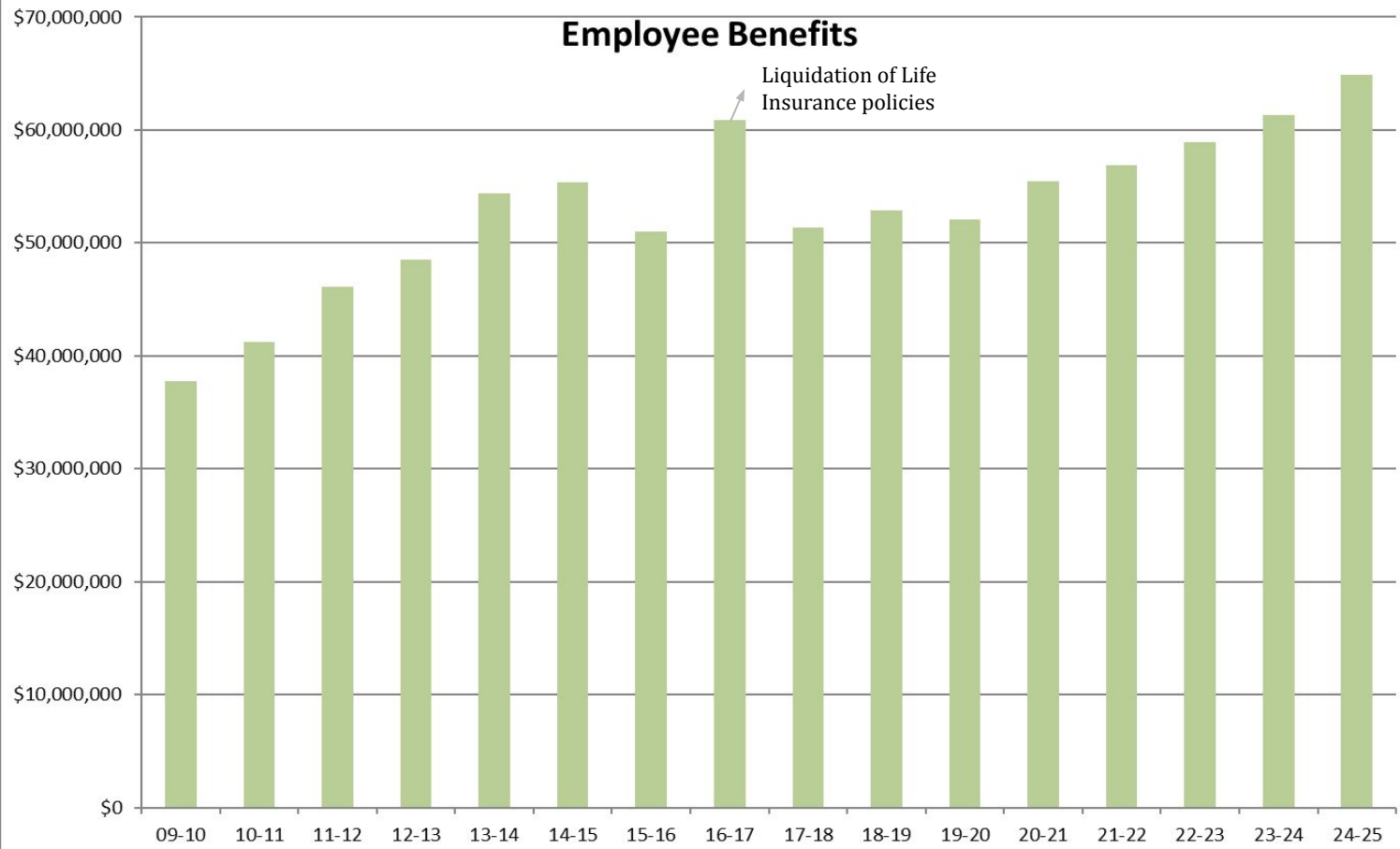
# Employee Benefits

<b>9000 Employee Benefits</b>	<b>Proposed Budget 2024-25</b>	<b>Adopted Budget 2023-24</b>	<b>Dollar Change</b>	<b>Percent Change</b>	<b>Actual Expenditure 2022-23</b>	<b>Actual Expenditure 2021-22</b>	<b>Actual Expenditure 2020-21</b>
BOCES Health Ins Mgmt	24,000	24,000	0	0.00%	22,170	24,000	21,432
Employees Retire (ERS)	4,439,503	3,773,818	665,685	17.64%	3,279,932	3,772,442	4,005,415
Teachers Retire (TRS)	11,448,755	10,987,085	461,670	4.20%	11,146,592	10,337,447	9,797,793
Social Security/Medicare	10,717,998	10,509,230	208,768	1.99%	10,169,437	9,915,038	9,724,428
Life Ins SSAA/SSEA	85,000	73,000	12,000	16.44%	78,831	75,028	68,667
Ins-Retirement Incentive	510,000	510,000	0	0.00%	540,000	560,000	530,000
Disability Ins - SSEA	55,000	55,000	0	0.00%	55,000	55,000	55,000
Unemployment Ins	65,000	120,000	-55,000	-45.83%	42,253	3,255	0

# Employee Benefits (continued)

9000 Employee Benefits	Proposed Budget 2024-25	Adopted Budget 2023-24	Dollar Change	Percent Change	Actual Expenditure 2022-23	Actual Expenditure 2021-22	Actual Expenditure 2020-21
Health Insurance - HMO	75,685	76,216	-531	-0.70%	68,455	99,229	105,666
SSEA Welfare Fund	200,000	200,000	0	0.00%	200,000	200,000	200,000
STA Benefits Trust	375,000	385,000	-10,000	-2.60%	395,000	363,400	354,000
Workers Comp Ins	950,000	950,000	0	0.00%	1,042,933	1,135,056	1,449,513
Health Insurance - SSEHP	35,009,437	32,727,678	2,281,759	6.97%	30,369,800	29,427,813	28,223,685
Dental Insurance	950,000	900,000	50,000	5.56%	908,931	894,900	915,247
<b>Total Employee Benefits</b>	<b>64,905,378</b>	<b>61,291,027</b>	<b>3,614,351</b>	<b>5.90%</b>	<b>58,319,334</b>	<b>56,862,633</b>	<b>55,450,846</b>

# Employee Benefits History



# 2024-25 Proposed Expense Budget

<b>EXPENDITURES</b>	<b>2024-2025</b>	<b>2023-2024</b>	<b>Change</b>
Total Salary	144,935,737	142,339,496	2,596,241
Total Benefits	64,881,378	61,267,027	3,614,351
Transfer to Other Funds	675,000	600,000	75,000
Equipment	765,000	765,000	0
Contractual	23,711,522	21,259,644	2,451,878
Transportation	19,028,832	18,361,489	667,343
BOCES Services	18,059,281	17,904,585	154,696
Supplies	4,293,487	4,128,298	165,189
Debt & Interest	13,602,751	14,016,733	-413,982
<b>TOTAL</b>	<b>289,952,988</b>	<b>280,642,272</b>	<b>9,310,716</b>

# Additional State Aid in Final State Budget?

If the Final State Budget includes additional State Aid, any increase in aid will result in a corresponding decrease in other revenue sources (no change in total budget/expenditure budget)

- Option 1: Reduce level of appropriated reserves (recommended for long term fiscal health)
- Option 2: Reduce tax levy below cap

# Capital Proposition #2

## OVERVIEW

The Capital Reserve fund allowed the district to set aside existing cash to pay for future capital projects

\$2.513 million  
Capital  
Construction  
Projects



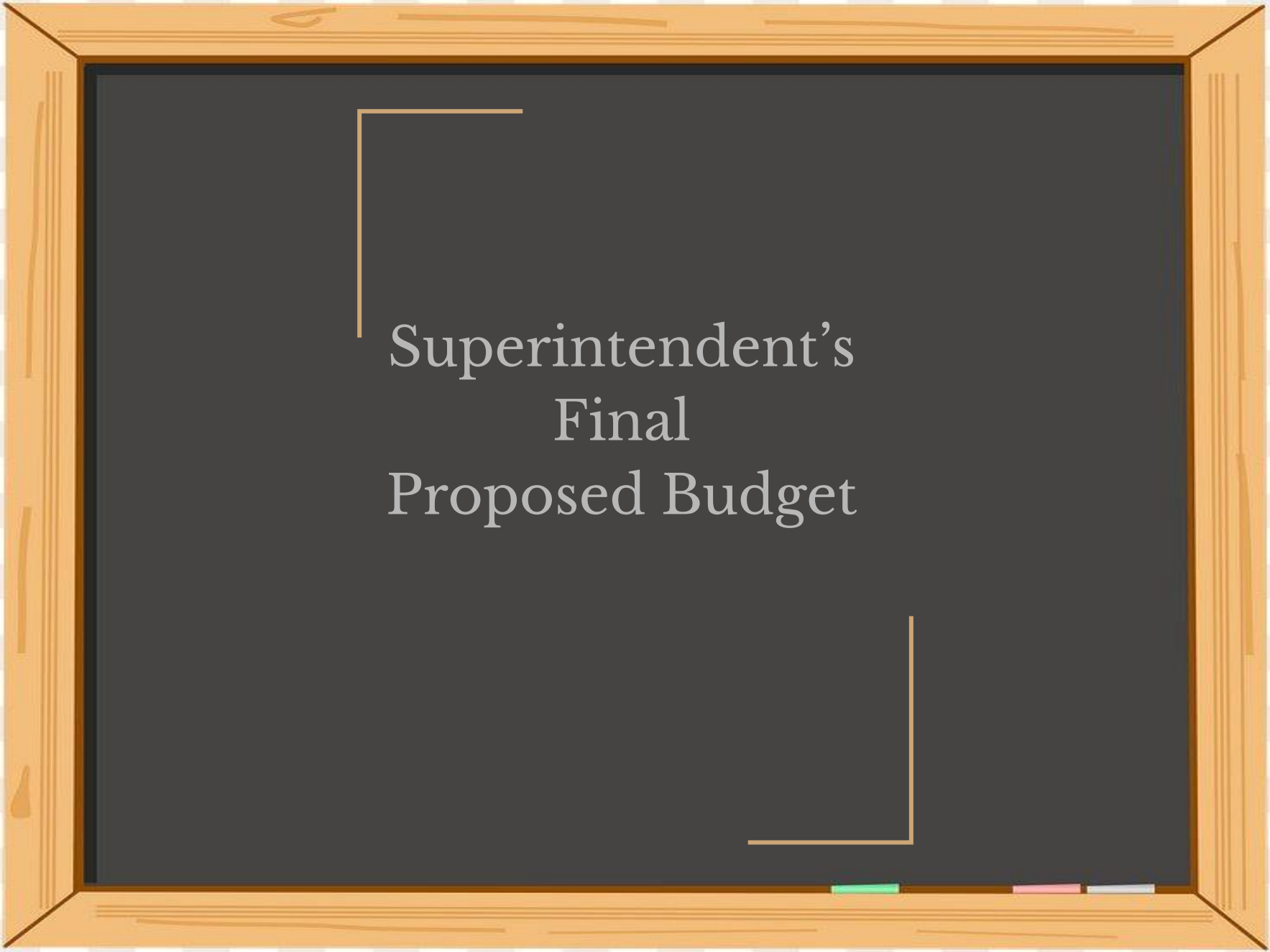
The cost of these projects are paid from the proceeds from the Capital Reserve and not by levying additional taxes

For this upcoming May 21, 2024 proposition, the voters will be asked to approve \$2.513 million of the Capital Reserve to pay for the capital projects listed below (next slide)

# Capital Proposition #2

Proposition to expend funds from the Capital Reserve for the following capital construction projects:

- High School East Field Lighting
- High School East Boiler Replacements (2)

A blackboard with a wooden frame. The text "Superintendent's Final Proposed Budget" is written in the center. There are two L-shaped lines on the board, one in the top-left and one in the bottom-right. At the bottom of the board, there are three pieces of chalk: a green one, a pink one, and a white one.

Superintendent's  
Final  
Proposed Budget



# 2024-25 Superintendent's Budget Highlights

## **Final Proposed Budget:**

**\$289,952,988** (3.32% Budget incr)

- Maintains all current student academic, extracurricular, and athletic programming
  - Strong Core Academic Programs
  - Comprehensive Special Area & Support Programs
  - Professional Development
- Focus on elementary class size
- Maintains the district's commitment to technology

# 2024-25 Superintendent's Budget Highlights

## **Final Proposed Budget:**

**\$289,952,988** (3.32% Budget incr)

## Summer Learning Opportunities

- Summer CAMP Academy for Middle School
- Summer ENL Enrichment Program
- Summer Bridge Program
- Extended School Year Program
- Summer Skills Program



# Questions?

Budget Adoption 4-16-2024

Budget Hearing 5-14-2024

Budget Vote 5-21-2024