



PROPOSED BUDGET 2023-2024

Property Tax Levy &
Proposed Revenue Budget
Employee Benefits
Superintendent's Final Proposed Budget

Smithtown Central School District
March 21, 2023

PROPERTY TAX LEVY

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

2023-24: No Pension Exemptions

- TRS Employer Contribution Rate decrease of 0.53% from 10.29% in 2022-23 to 9.76% in 2023-24
 - ERS Employer Contribution Rate increase of 1.50% from 11.60% in 2022-23 to 13.10% in 2023-24
- Tax levy necessary to support the local portion of capital expenditures (Capital Exclusion)

Capital Exclusion

2022-23 Capital Tax Levy

Prior Year Exclusion:

Total Excluded

Capital Expense \$12,264,084

Less Capital Revenue:

Building Aids \$5,899,536

2022-23 Capital

Levy Exemption \$6,364,548

2023-24 Capital Tax Levy

Coming 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

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

Tax Cap Formula

$$\begin{aligned} & \text{Prior year tax levy} \\ & \quad \times \\ & \text{Tax base growth factor} \\ & \quad + \\ & \text{PILOTs Receivable 22-23} \\ & \quad - \\ & \text{Capital Expense Exemption} \\ & \quad = \\ & \text{“Adjusted prior year tax levy”} \\ & \quad \times \\ & \text{Allowable levy growth factor (CPI)} \\ & \quad - \\ & \text{PILOTs Receivable 23-24} \\ & \quad + \\ & \text{Capital Expense Exemption} \\ & \quad + \\ & \text{Pension Exemptions} \\ & \quad + \\ & \text{Available carryover, if any} \\ & \quad = \\ & \text{“Tax Levy Limit”} \end{aligned}$$

Maximum Allowable Tax Levy Requiring Simple Majority (50% +1)

Prior Year Tax Levy	207,439,293
Tax Base Growth Factor	x 1.0035
Subtotal	208,165,331
Plus: 2022-23 PILOT Receivable	902,341
Less: Prior Year 2022-23 Capital Levy Exclusion	-6,364,548
Adjusted Prior Year Levy	202,703,124
Allowable Growth Factor (lesser of CPI or 2%)	x 1.0200
Tax Levy Limit Before Exclusions	206,757,186
Less: 2023-24 PILOT Receivable	-967,151
Plus: Coming Year 2023-24 Capital Levy Exclusion	7,512,692
Maximum Allowable Levy (Simple Majority)	213,302,727
Percent Levy Increase	2.827%

Tax Information – at Tax Levy Limit

SMITHTOWN CSD	2022-2023	2023-2024
Tax Levy	207,439,293	213,302,727
Tax Levy % Increase	1.20%	2.83%
Assessed Valuation*	119,358,896	119,358,896
<u>Tax Rate:</u>		
Tax Rate (per \$100 of AV)	173.79	178.71
\$ Change (per \$100 of AV)	1.81	4.91
Tax Rate % Change	1.05%	2.83%
School Tax for AV \$6000	10,427.67	10,722.42
Increase in Taxes AV \$6000	108.84	294.75

* Assumes total Assessed Valuation remains same. District receives actual 2023-24 figure in September 2023 from Assessor's Office

Contingency

If the budget vote fails twice, the tax levy must be a 0% increase (remain the same as 2022-2023)

This would result in a loss of \$5.863 million in revenue

Under a contingency budget for the 2023-2024 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

2023-24 State Aid

ESTIMATED AIDS:	Final State Budget? 2023-24	Final State Budget 2022-23	\$ Change
Foundation Aid	33,047,379	29,278,016	3,769,363
BOCES	3,893,593	3,053,130	840,463
High Cost Excess Cost	949,801	812,032	137,769
Private Excess Cost	881,063	842,152	38,911
Hardware & Technology	92,938	87,491	5,447
Software, Library, Textbook	685,486	693,781	-8,295
Transportation	6,661,142	6,297,980	363,162
High Tax Aid	1,934,010	1,934,010	0
Building & Bldg Reorg	4,887,635	5,733,124	-845,489
SUBTOTAL	53,033,047	48,731,716	4,301,331

* State Budget not final - however all aids are updated using the February database based on current law, which will become the basis for the final 2023-24 Enacted Budget.

2023-24 State Aid

Foundation Aid:

Section 10-d of part A of chapter 56 of the laws of 2021 requires school districts receiving a foundation aid increase of more than 10% or \$10,000,000 to create plans on how these funds will be used to address student performance and need

- Smithtown CSD received a \$3,769,363 increase for 2023-24 (12.87%)
- Funding appropriations are included in the 2023-24 budget
- Plan for funding use must be posted
- Submit plan to NYSED by July 1, 2023

2023-24 State Aid

Foundation Aid: Required Plan

Increase allows district to:

- Retain full PPS staffing (psychologists, social workers, counselors)
- Maintain commitment to lower K -5 class sizes
- Continue summer learning opportunities
- Implement High Impact Tutoring (Executive Budget Proposal)
- Provide Chromebook replacements for Grades 3, 4, 5, & 6
- Secondary Regents/FLACS Review Academy
- Providing Supports for Students at Risk of Not Meeting State Standards
 - ◆ TAs
 - ◆ Tutors

2023-24 Revenue Outlook – Reserves

District is proposing utilizing the following reserves to offset associated expenditures:

- \$2,650,000 of Employees' Retirement System Reserve (ERS)
Reserve - 90% funded as of June 30, 2022
- \$ 2,000,000 of Teachers' Retirement System Reserve (TRS)
Reserve - 70% funded as of June 30, 2022
- \$ 770,000 of Employee Benefit Accrued Liability Reserve (EBALR)
Reserve - 58% funded as of June 30, 2022
- \$ 250,000 of Dental Insurance Reserve
Reserve - 45% funded as of June 30, 2022

2023-24 Proposed Revenue Budget

REVENUES	2023-2024	2022-2023	Change
Local	5,949,347	4,226,744	1,722,603
State Aid	53,033,047	48,731,716	4,301,331
Assigned Fund Balance	1,500,000	1,500,000	0
EBAL Reserve	770,000	770,000	0
Workers Compensation Reserve	0	740,000	-740,000
Dental Reserve	250,000	0	250,000
ERS Reserve	2,650,000	2,626,788	23,212
TRS Reserve	2,000,000	650,000	1,350,000
Payment-in-lieu-of-taxes (PILOTs)	967,151	902,341	64,810
Federal (Medicaid)	220,000	200,000	20,000
Tax Levy	213,302,727	207,439,293	5,863,434
TOTAL	280,642,272	267,786,882	12,855,390

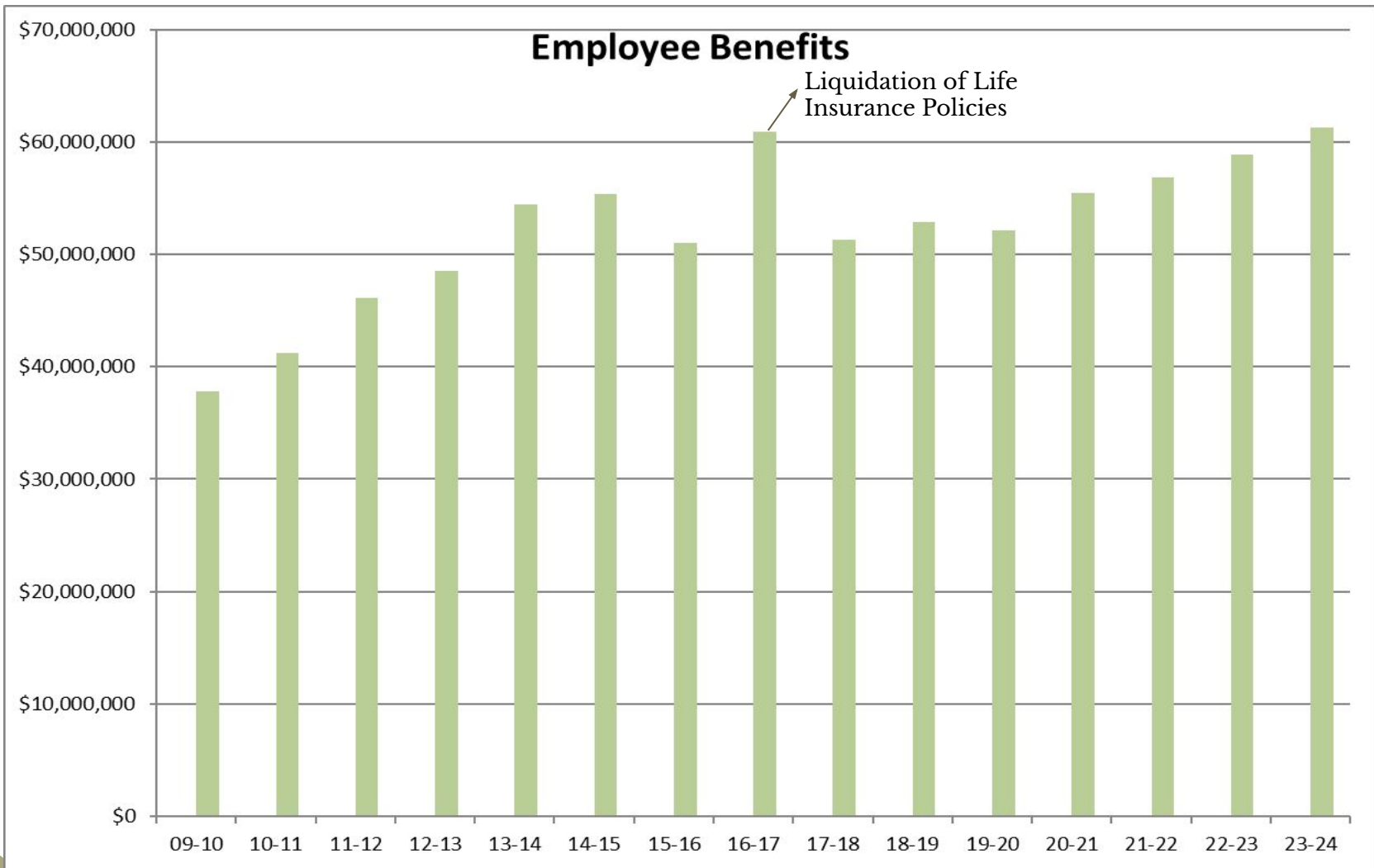
EXPENDITURES

Employee Benefits

Employee Benefits

Description	Proposed	Adopted			Actual	Actual	Actual
	Budget	Budget			Expenditure	Expenditure	Expenditure
9000 Employee Benefits	2023-24	2022-23	\$ Change	% Change	2021-22	2020-21	2019-20
BOCES Health Insurance Mgmt	24,000	24,000	0	0.00%	24,000	21,432	21,315
Employee Retire	3,773,818	3,145,035	628,783	19.99%	3,772,442	4,005,415	3,795,547
Teacher Retire	10,987,085	11,174,700	-187,615	-1.68%	10,337,442	9,797,793	8,861,306
Social Security/Medicare	10,509,230	10,228,813	280,417	2.74%	9,915,038	9,724,428	9,470,834
Life Ins SSAA/SSEA	73,000	73,000	0	0.00%	75,028	68,667	68,120
Insurance - Retire Incent	510,000	530,000	-20,000	-3.77%	560,000	530,000	410,000
Disability Ins - SSEA	55,000	55,000	0	0.00%	55,000	55,000	55,000
Unemployment Ins	120,000	30,000	90,000	300.00%	3,255	0	14,644
Health Ins	76,216	103,320	-27,104	-26.23%	99,229	105,666	146,461
SSEA Welfare Fund	200,000	200,000	0	0.00%	200,000	200,000	200,000
STA Benefit Trust	385,000	381,500	3,500	0.92%	363,400	354,000	356,400
Wrkrs Comp Ins	950,000	950,000	0	0.00%	1,135,056	1,449,513	942,405
Health Insurance	32,727,678	31,088,308	1,639,370	5.27%	29,427,813	28,223,685	27,069,999
Dental Insurance	900,000	900,000	0	0.00%	894,900	915,247	697,910
Subtotal of Employee Benefits	61,291,027	58,883,676	2,407,351	4.09%	56,862,608	55,450,846	52,109,941

Employee Benefits History



2023-24 Proposed Expense Budget

EXPENDITURES	2023-2024	2022-2023	Change
Total Salary	142,339,496	138,590,585	3,748,911
Total Benefits	61,267,027	58,859,676	2,407,351
Transfer to Other Funds	600,000	590,000	10,000
Equipment	765,000	765,000	0
Contractual	21,259,644	19,464,517	1,795,127
Transportation	18,361,489	17,551,281	810,208
BOCES Services	17,904,585	15,383,018	2,521,567
Supplies	4,128,298	4,075,130	53,168
Debt & Interest	14,016,733	12,507,675	1,509,058
TOTAL	280,642,272	267,786,882	12,855,390

SUPERINTENDENT'S PROPOSED BUDGET

Superintendent's Final
Proposed Budget

2023-24 Superintendent's Budget Highlights

Final Proposed Budget: \$280,642,272 (4.80% Budget incr)

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

2023-24 Superintendent's Budget Highlights

Final Proposed Budget: \$280,642,272 (4.80% Budget incr)

Summer Learning Opportunities

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

Questions?

Budget Adoption 4-11-23

Budget Hearing 5-9-23

Budget Vote 5-16-23