

PROPOSED BUDGET 2026-2027



Property Tax Levy &
Revenue Budget
Employee Benefits

March 24, 2026



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

2026-27: Pension Exemptions

- No TRS Exemption: TRS Employer Contribution Rate decreasing from 9.59% in 2025-26 to 8.24% in 2026-27
- No ERS Exemption: ERS Employer Contribution Rate increasing from 16.50% in 2025-26 to 17.60% in 2026-27
- Tax levy necessary to support the local portion of capital expenditures “Capital Exclusion” (next slide)

Capital Exclusion

2026-27 Capital Tax Levy

Coming Year Exclusion:

Total Excluded

Capital Expense \$12,516,429

Less Capital Revenue:

Building Aids \$3,153,716

2026-27 Capital

Levy Exemption \$9,362,713

2025-26 Capital Tax Levy

Prior Year Exclusion:

Total Excluded

Capital Expense \$12,580,467

Less Capital Revenue:

Building Aids \$2,879,217

2025-26 Capital

Levy Exemption \$9,701,250

Tax Cap Formula

$$\begin{aligned} & \text{Prior year tax levy} \\ & \quad \times \\ & \text{Tax base growth factor} \\ & \quad + \\ & \text{PILOTs Receivable 25-26} \\ & \quad - \\ & \text{Capital Expense Exemption} \\ & \quad = \\ & \text{“Adjusted prior year tax levy”} \\ & \quad \times \\ & \text{Allowable levy growth factor (CPI)} \\ & \quad - \\ & \text{PILOTs Receivable 26-27} \\ & \quad + \\ & \text{Capital Expense Exemption} \\ & \quad + \\ & \text{Pension Exemptions} \\ & \quad + \\ & \text{Available carryover, if any} \\ & \quad = \\ & \text{“Tax Levy Limit”} \end{aligned}$$

Maximum Allowable Tax Levy

Prior Year Tax Levy	225,253,356
Tax Base Growth Factor	x 1.0027
Subtotal	225,861,540
Plus: 2025-26 PILOT Receivable	1,147,107
Less: Prior Year 2025-26 Capital Levy Exclusion	-9,701,250
Adjusted Prior Year Levy	217,307,397
Allowable Growth Factor (lesser of CPI or 2%)	x 1.0200
Tax Levy Limit Before Exclusions	221,653,545
Less: 2026-27 PILOT Receivable	-1,595,306
Plus: Coming Year 2026-27 Capital Levy Exclusion	9,362,713
Maximum Allowable Levy (Simple Majority)	229,420,952
Percent Levy Increase	1.85%

Tax Information – at Tax Levy Limit

SMITHTOWN CSD	2026-2027	2025-2026
Tax Levy	229,420,952	225,253,356
Tax Levy % Increase	1.85%	2.66%
Assessed Valuation*	119,591,853	119,591,853
<u>Tax Rate:</u>		
Tax Rate (per \$100 of AV)	191.84	188.35
\$ Change (per \$100 of AV)	3.48	5.43
Tax Rate % Change	1.85%	2.97%
School Tax for AV \$6000	11,510.20	11,301.11
Increase in Taxes AV \$6000	209.09	325.51


* Assumes total Assessed Valuation remains same. District receives actual 2026-27 figure around September 2026 from Assessor's Office

Contingency

If the budget vote fails twice, the tax levy must be a 0% increase (remain the same as 2025-2026)

This would result in a loss of approximately \$4.17 million in revenue

Under a contingency budget for the 2026-2027 fiscal year, the District may increase its use of reserves and/or assigned fund balance and make expenditure reductions as necessary



OTHER REVENUES
State Aid &
Reserves

2026-27 State Aid (February Database)

ESTIMATED AIDS:	Final State Budget? 2026-27	Final State Budget 2025-26	\$ Change
Foundation Aid	34,045,510	33,708,426	337,084
BOCES	4,397,926	4,065,808	332,118
High Cost Excess Cost	1,062,920	1,029,736	33,184
Private Excess Cost	1,395,161	1,143,058	252,103
Hardware & Technology	59,901	70,004	-10,103
Software, Library, Textbook	637,254	653,573	-16,319
Transportation	6,108,510	6,128,998	-20,488
High Tax Aid	1,934,010	1,934,010	0
Building & Bldg Reorg	2,997,975	2,716,394	281,581
SUBTOTAL	52,639,167	51,450,007	1,189,160

Additional Foundation 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:

- Increase Foundation Aid due minimum increase (currently 1%)

Recommendation if the Final State Budget includes additional State Aid:

- Corresponding decrease in the level of appropriated reserves (preserve long term fiscal health)
- No changes to the expenditure budget

2026-27 Revenue Outlook – Reserves

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

- \$3,470,000 of Employees' Retirement System Reserve (ERS)
Reserve - 50% funded as of June 30, 2025
- \$2,545,000 of Teachers' Retirement System Reserve (TRS)
Reserve - 59% funded as of June 30, 2025
- \$770,000 of Employee Benefit Accrued Liability Reserve (EBALR)
Reserve - 48% funded as of June 30, 2025
- \$400,000 of Dental Insurance Reserve
Reserve - 36% funded as of June 30, 2025

2026-27 Proposed Revenue Budget

REVENUES	2026-2027	2025-2026	Change
Local	7,770,049	7,762,985	7,064
State Aid	52,639,167	51,450,007	1,189,160
Assigned Fund Balance	1,500,000	1,500,000	0
EBAL Reserve	770,000	770,000	0
Workers' Compensation Reserve	0	400,000	-400,000
Dental Reserve	400,000	0	400,000
ERS Reserve	3,470,000	3,650,000	-180,000
TRS Reserve	2,545,000	2,725,000	-180,000
Payment-in-lieu-of-taxes (PILOTs)	1,595,306	1,147,107	448,199
Federal (Medicaid)	340,000	340,000	0
Tax Levy	229,420,952	225,253,356	4,167,596
TOTAL	300,450,474	294,998,455	5,452,019

A blackboard with a wooden frame. The text "EXPENDITURES" is written in white, and "Employee Benefits" is written in grey below it. 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: green, pink, and white.

EXPENDITURES
Employee
Benefits

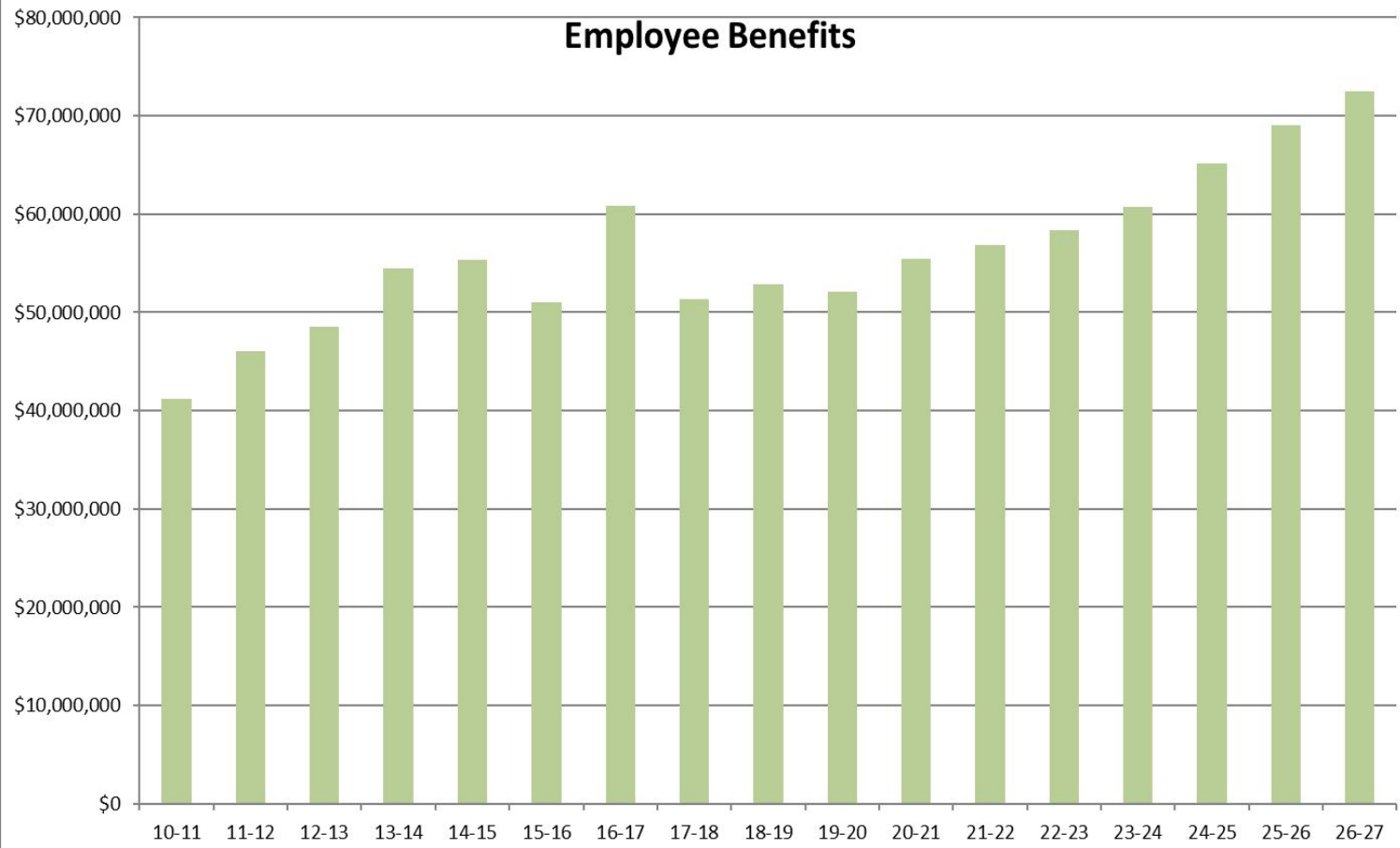
Employee Benefits

9000 Employee Benefits	Proposed Budget 2026-27	Adopted Budget 2025-26	Dollar Change	Percent Change	Actual Expenditure 2024-25	Actual Expenditure 2023-24	Actual Expenditure 2022-23
BOCES Health Ins Mgmt	25,000	25,000	0	0.00%	23,915	23,159	22,170
Employees Retire (ERS)	5,496,925	4,954,872	542,053	10.94%	4,320,282	3,734,493	3,279,932
Teachers Retire (TRS)	9,291,729	10,712,887	-1,421,158	-13.27%	11,408,125	10,803,270	11,146,592
Social Security/Medicare	10,683,301	10,572,138	111,163	1.05%	10,605,096	10,423,833	10,169,437
Life Ins SSAA/SSEA	90,000	85,000	5,000	5.88%	84,204	83,072	78,831
Ins-Retirement Incentive	320,000	510,000	-190,000	-37.25%	510,000	510,000	540,000
Disability Ins - SSEA	55,000	55,000	0	0.00%	55,000	55,000	55,000
Unemployment Ins	120,000	265,000	-145,,000	-54.72%	77,237	20,828	42,253

Employee Benefits (continued)

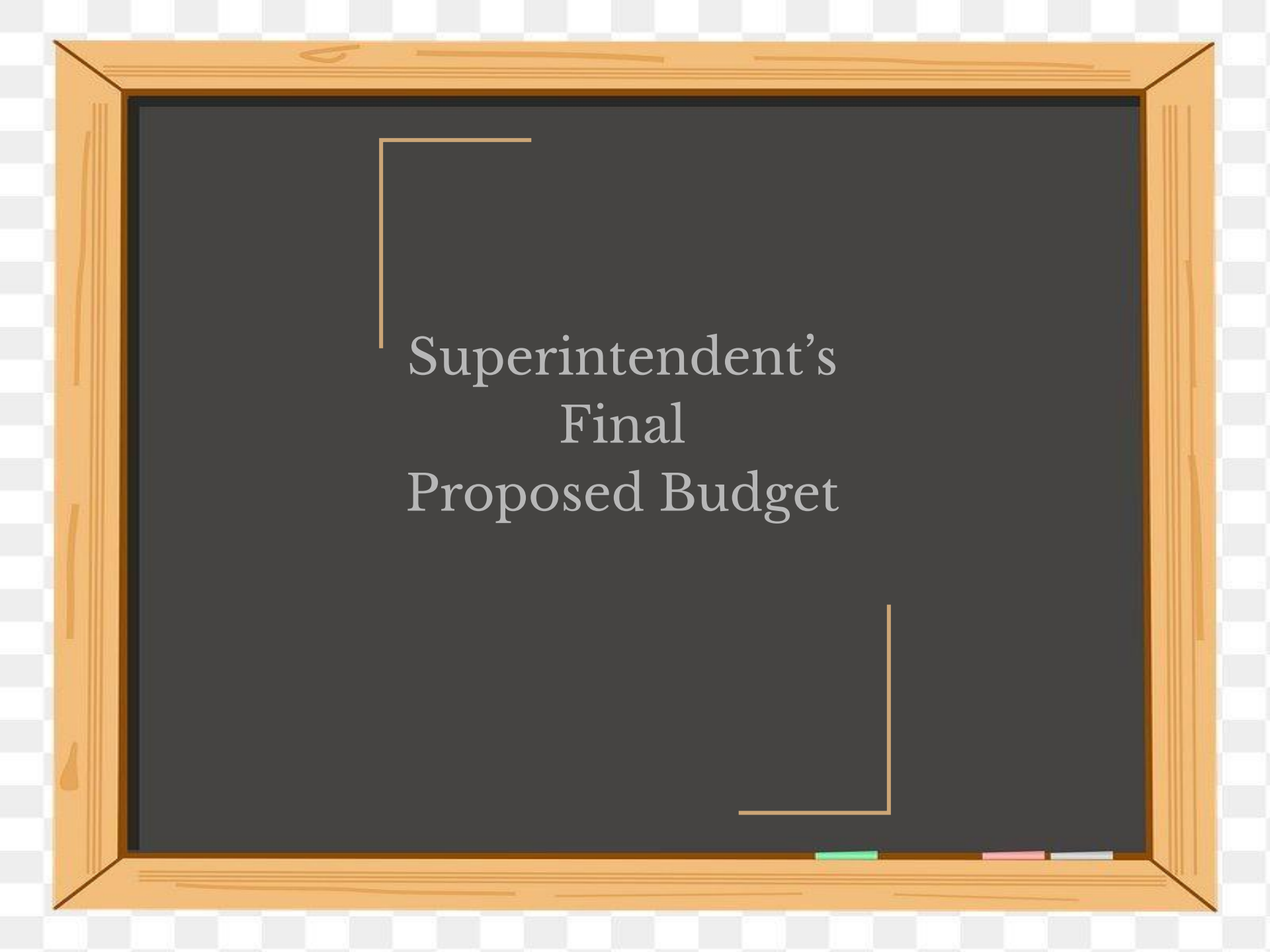
9000 Employee Benefits	Proposed Budget 2026-27	Adopted Budget 2025-26	Dollar Change	Percent Change	Actual Expenditure 2024-25	Actual Expenditure 2023-24	Actual Expenditure 2022-23
Health Insurance - HMO	44,704	68,253	-23,549	-34.50%	60,744	52,091	68,455
SSEA Welfare Fund	200,000	200,000	0	0.00%	200,000	200,000	200,000
STA Benefits Trust	350,000	365,000	-15,000	-4.11%	367,200	375,800	395,000
Workers Comp Ins	1,100,000	1,000,000	100,000	10.00%	1,517,525	1,406,562	1,042,933
Health Insurance - SSEHP	43,681,292	39,276,624	4,404,668	11.21%	34,911,982	32,107,860	30,369,800
Dental Insurance	975,000	950,000	25,000	2.63%	971,739	965,439	908,931
Total Employee Benefits	72,432,951	69,039,774	3,393,177	4.91%	65,113,049	60,761,407	58,319,334

Employee Benefits History



2026-27 Proposed Expense Budget

EXPENDITURES	2026-2027	2025-2026	Change
Total Salary	143,882,845	142,385,695	1,497,150
Total Benefits	72,407,951	69,014,774	3,393,177
Transfer to Other Funds	900,000	900,000	0
Equipment	765,000	765,000	0
Contractual	24,347,831	23,822,073	525,758
Transportation	21,637,842	21,001,014	636,828
BOCES Services	18,926,956	19,435,431	-508,475
Supplies	4,007,816	4,144,044	-136,228
Debt & Interest	13,574,233	13,530,424	43,809
TOTAL	300,450,474	294,998,455	5,452,019



Superintendent's
Final
Proposed Budget

2026-27 Superintendent's Budget Highlights

Final Proposed Budget:

\$300,450,474 (1.85% Budget incr)

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

2026-27 Superintendent's Budget Highlights

Final Proposed Budget:

\$300,450,474 (1.85% Budget incr)

Summer Learning Opportunities

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

Questions?

Budget Adoption 4-14-2026

Budget Hearing 5-12-2026

Budget Vote 5-19-2026