



Board of Education  
2014-2015 School Year Budget  
December 16th, 2013

## Rollover Budget

2013-14 Budget \$39,321,267

2014-15 Rollover Budget \$40,250,000

Increase \$ 928,733

2.4% budget increase  
1.6% tax levy increase

Main Drivers of Increase

Teachers Retirement System  
Contractual Salary Increases

\*\*\*\* Budget is predicated on current tax assessment levels.



## 2014-2015 Budget Assumptions

- Medical Insurance 4% Increase- As set by NYSHIP but offset by prior year conservative estimate
- District Liability Insurance - 5% Increase - As set by NYSIR
- Teachers Retirement System - 16% Increase as per TRS
- Utilities - 3% Increase - As set by Market
- Transportation - 2.5% Increase - As set by Suffolk Transportation
- BOCES Transportation - 2.5% Increase - As set by Suffolk BOCES
- BOCES Services - 2.5% Increase - As set by Suffolk BOCES
- Dental Insurance 2% - As set by JJ Stanis but offset by prior year conservative estimate
- Supplies/Contractual- To remain flat
- State Aid increase 1%



In 2012-2013 \$740,000 of one time construction projects were included.

In 2014-2015 \$200,000 of reserve funds to be used for building improvements

In 2014-2015 \$100,000 of reserve funds to be used for equipment and textbook purchases

How will the district maintain program and account for other increases? Reduction of Equipment purchasing allocations and prior year conservative budgeting of benefits enable an expense freeze on the benefit expense lines for 2014/2015

What is maintained?

- Current Curriculum
- Current Staffing Levels



- Final Tax Cap figures (February)
- Teachers Retirement Rate (February)
- State Aid Allocations (March)
- Private School Transportation requests (April)
- Committee on Special Education decisions (June)
- Settlement of Labor Union Contracts (ongoing)



## Budget Summary: Tax Cap

**Tax Levy** - The total amount of property taxes a school district must collect to balance its budget, after accounting for all other revenue sources including state aid. The tax levy is the basis for determining the tax rate for each of the cities, towns or villages that make up a school district.

**Tax Rate** - The tax bill continue to be calculated by using a property's assessed value (as determined by the local town assessor) and the tax rate—or the amount paid in taxes per \$1,000 of assessed value. The tax rate is the total school tax levy divided by the total assessed value of property in the school district (as determined by Town of Brookhaven).

Inflation looks to be 1.6% so Tax Levy Cap will be 1.6%

Tax cap is on the total tax levy and not on individual home owner. Grievances and Tax Reassessments effect individual tax rates and not the tax levy.

Tax Rate is the proportionate amount that the home owners pay of the total Tax Levy



- ❑ LIPA proposal (Summer of 2013) would be a freeze of the LIPA 2014/2015 tax payment at the 2013/2014 level. Starting in 2015/2016 there would be a 67% step down over 10 years. Negotiations are ongoing and no settlement has been reached.
  - If the payment freeze portion of proposal is not accepted, then a 1.6% increase would see the district school tax rate increase from 140 to 142.5.
  - If the payment freeze portion of the proposal is accepted, then a 1.6% increase would see the district school tax rate increase from 140 to 145



## Next Steps

- Board of Education provides guidance on total budget figure.

Administrative Directive - Develop the following Tax Levy Scenarios:

1.6% (estimated cap/current rollover)

1%

0%

- Superintendent and administration make proposed changes.
- Budget Advisory Committee receives Board of Education and District Recommendations.





## Port Jefferson Status of Restricted Reserve Balances

	June 30, 2011	June 30, 2012	June 30, 2013
RESTRICTED RESERVES			
Compensated Absences	\$2,202,027	\$2,216,962	\$2,228,730
Suffolk County Tax Act	\$505,000	\$1,018,501	\$1,018,501
Employees Retirement System	\$859,431	\$1,265,260	\$1,971,976
Workers Compensation	\$624,147	\$928,380	\$1,530,711
Unemployment	\$336,331	\$638,612	\$1,342,002
UNRESTRICTED RESERVES (4% Maximum)	\$1,486,667	\$1,495,782	\$1,572,853
	\$6,013,603	\$7,563,497	\$9,664,773



## Unrestricted Fund Balance

- NY law allows for an undesignated fund balance for districts not to exceed 4% of the budget.
- Undesignated means the district has discretion on what the funds can be expended on.
- Primary use is to make up for revenue shortfalls and emergency expenditures as authorized by the Board of Education.
- 4% of 2013/14 budget (\$39,321,267) is \$1,572,853. At June 2013 undesignated balance was \$1,572,853.

