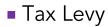


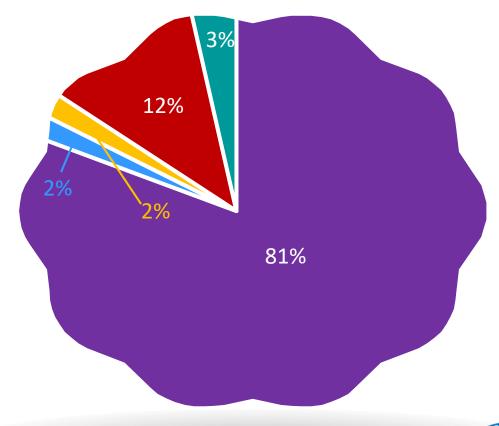
2020-2021 Budget Development

Board of Education Meeting March 2, 2020

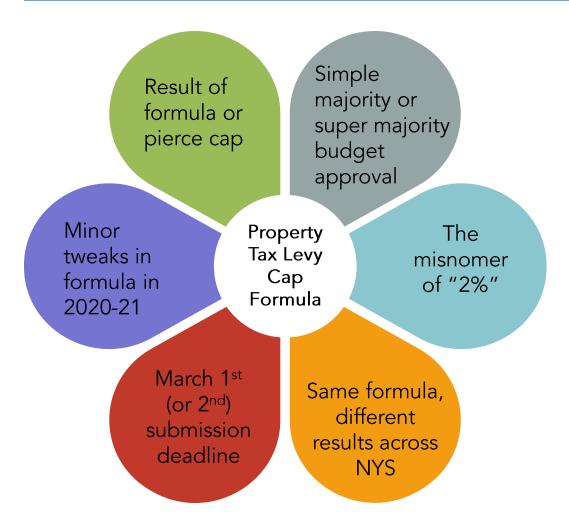
Revenue Overview



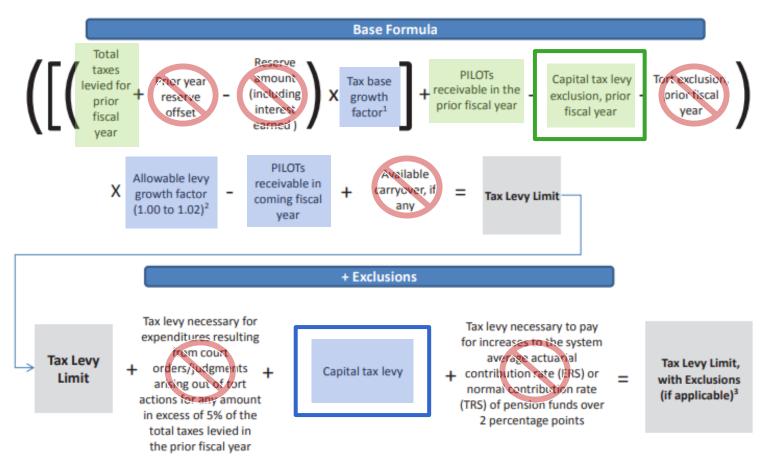
- PILOTs
- Miscellaneous
- State Aid
- Reserves & Fund Balance



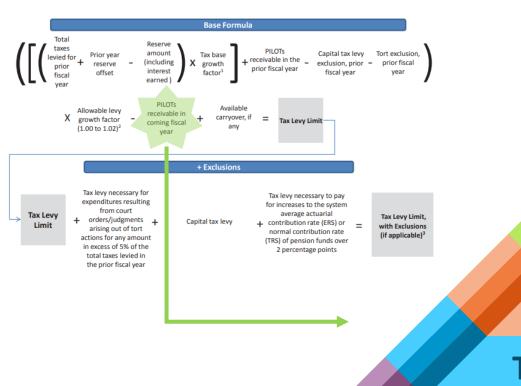










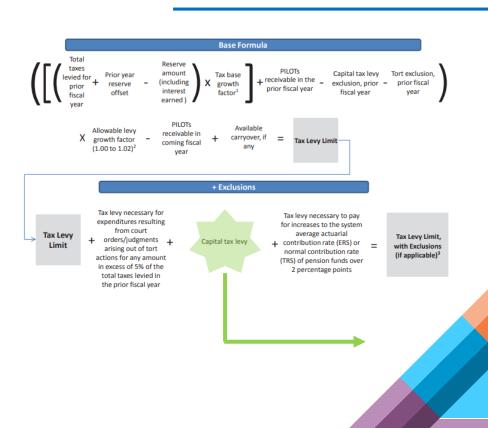


Babylon IDA

Suffolk IDA

Town of Huntington

RISK: Lack of Predictability of Receipts



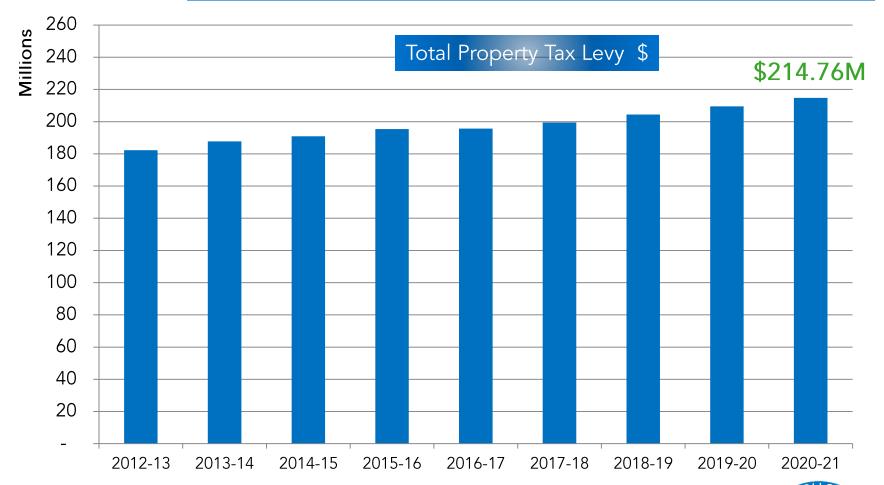
Actual Capital Expenses

Debt Service less Building Aid

Bus Purchases less Transportation Aid

BOCES capital & rent less BOCES aid





2020-21 data point is estimated



Equalization Rate

Homeowner Exemptions and Grievances

T of H vs T of B proportional shares

Total Assessed Values

Levy Cap ≠ Tax Cap

Tax Levy is NOT Tax Rate

Tread carefully when referring to tax levy versus tax rate



Revenues: State Aid

Jan

State Aid Estimate

Governor released his proposed State
Aid package for school districts in mid-January. As these are the only figures we have, these become the best figures to utilize, hoping that the State-approved budget will not result in less Aid than proposed by

Early April

State Budget

NYS is expected to release its State-approved budget, including Aid figures for schools, by April 1st.

Mid May

Budget Vote

Schools are required to put the budget which was adopted by the BOE in mid-April to vote by residents the third Tuesday in May.

Mid April

Budget Adoption

Boards of Education are required to adopt their next fiscal year's school budget.



Budget Prep

As we officially

"close out" the

prior fiscal year,

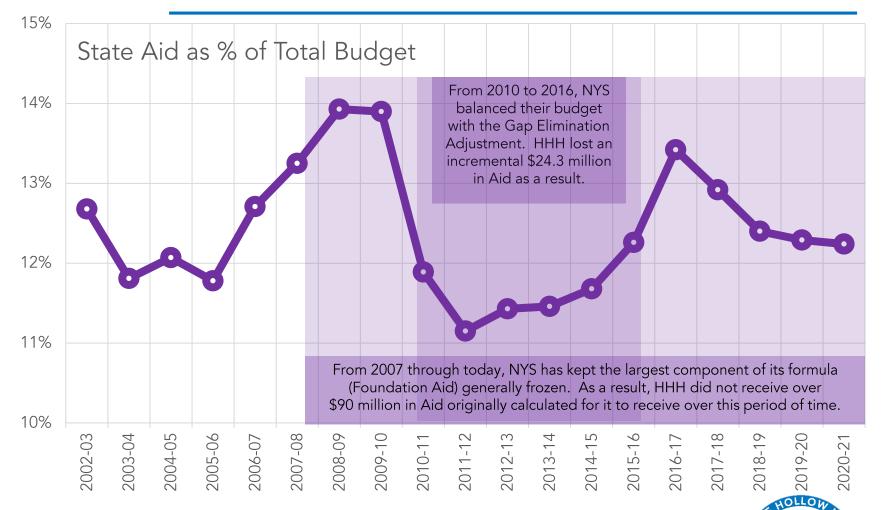
we are already

working on the

following fiscal

year's budget.

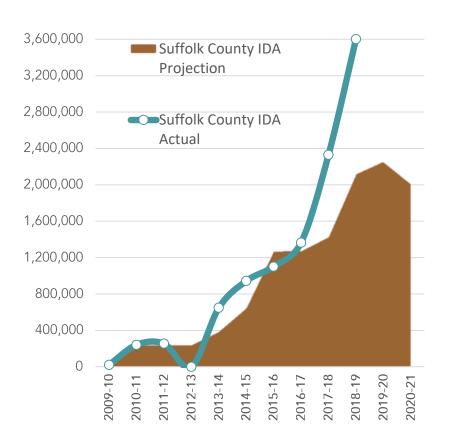
Revenues: State Aid



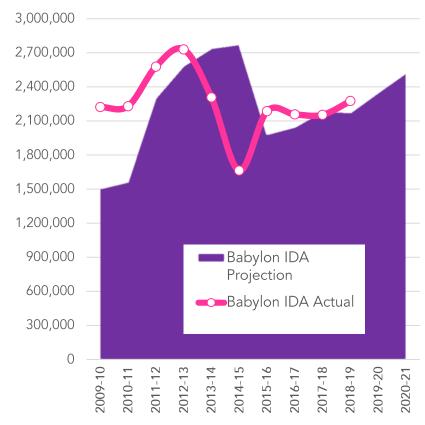
2019-20 and 2020-21 data points are estimated

Revenues: PILOTs

Suffolk County IDA* PILOTs



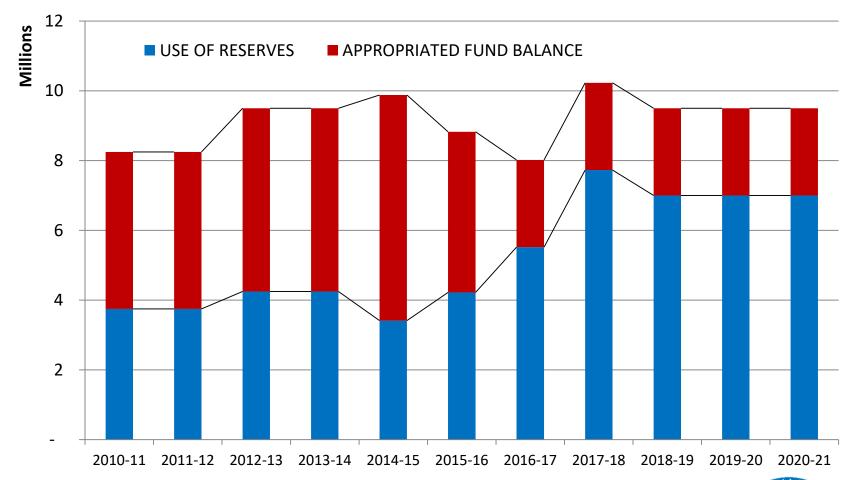
Babylon IDA PILOTs



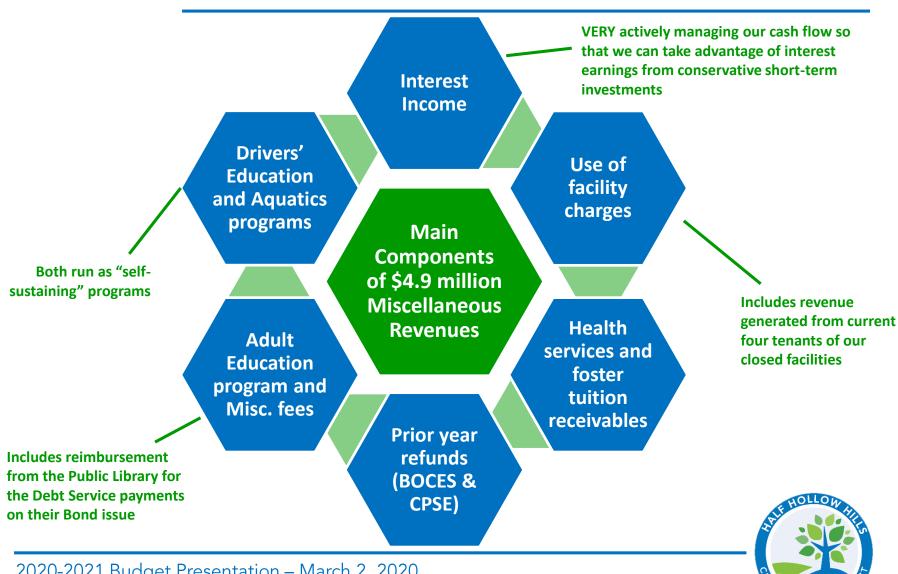


^{*}For the purposes of this chart, Town of Huntington PILOTs included here.

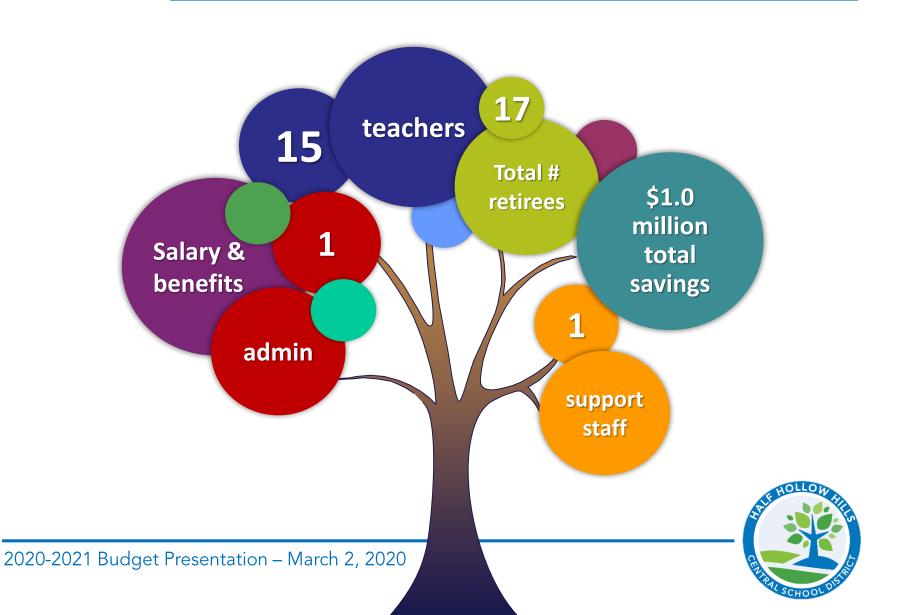
Revenues: Reserves & Fund Balance



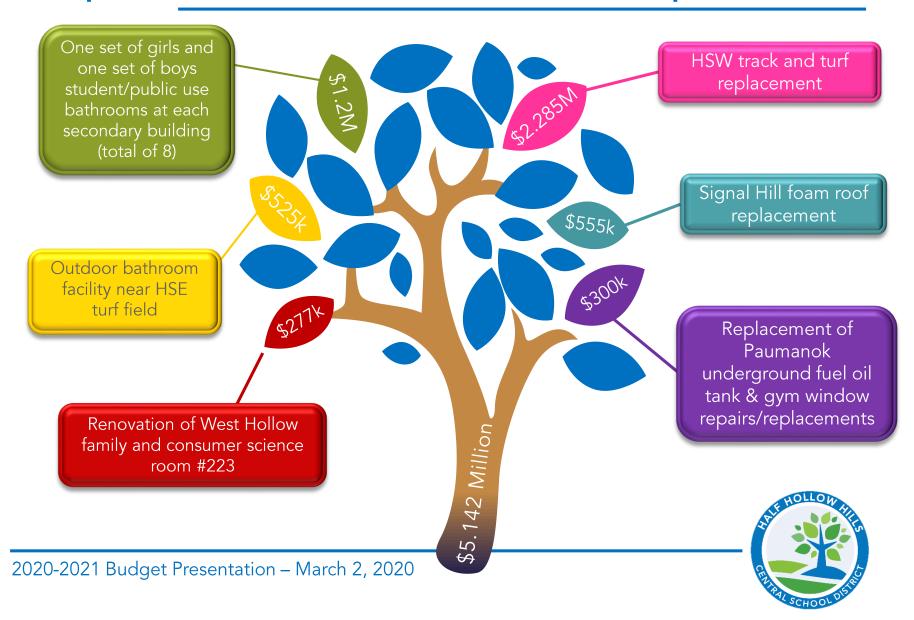
Revenue: Miscellaneous



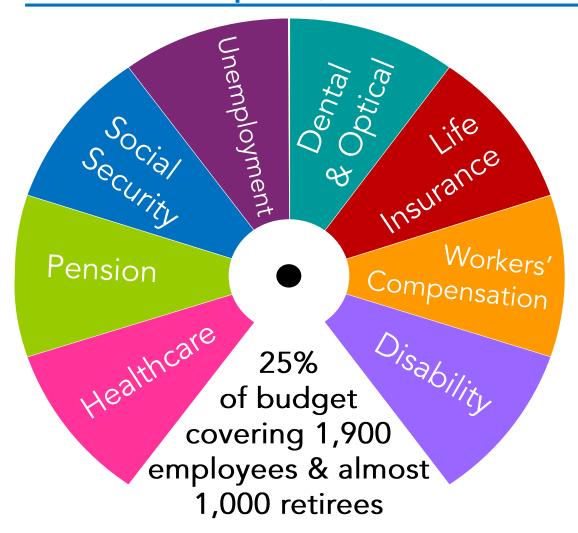
Expense Reductions: Retirees



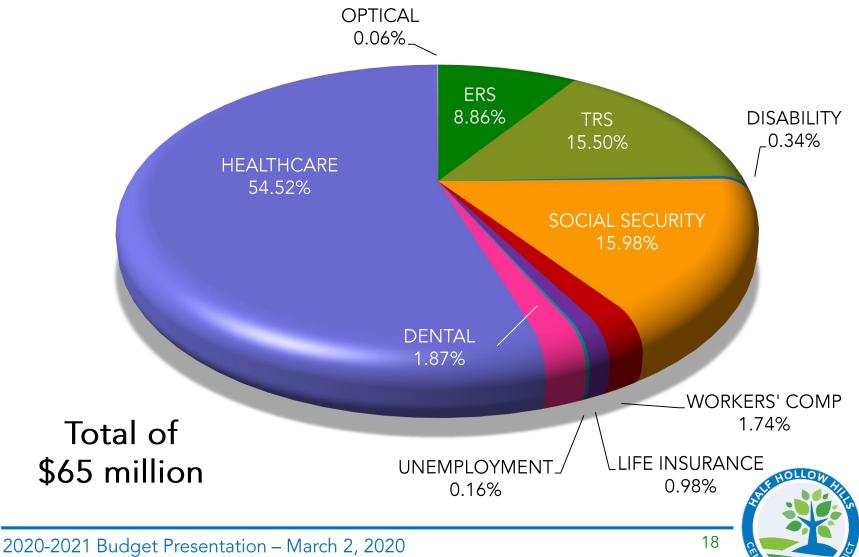
Expenses: Transfer to Capital



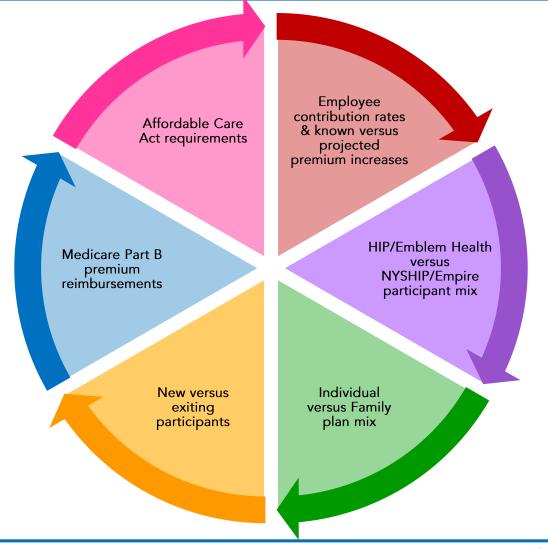
Expenses: Employee Benefits



Expenses: Employee Benefits

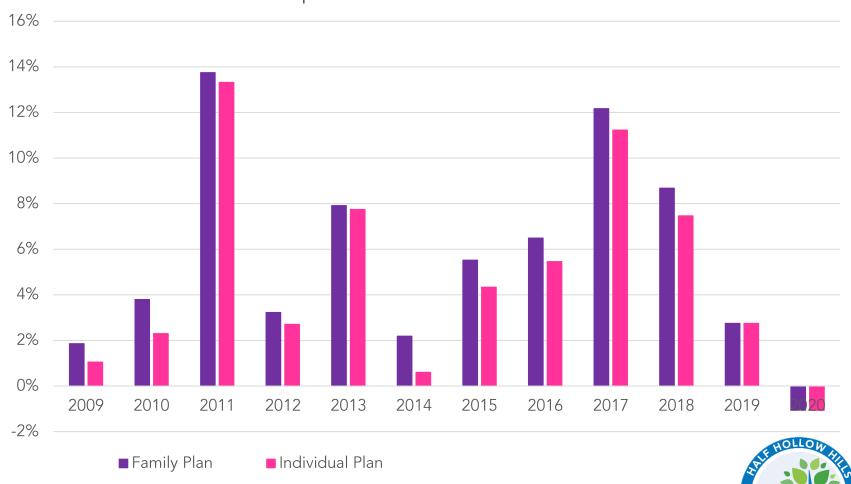


Healthcare Expenses – Key Drivers



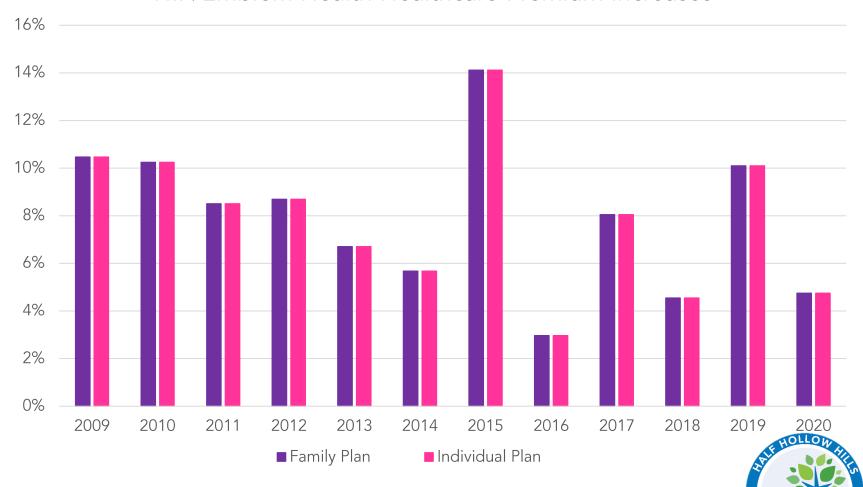
Healthcare Expenses

NYSHIP/Empire Healthcare Premium Increases

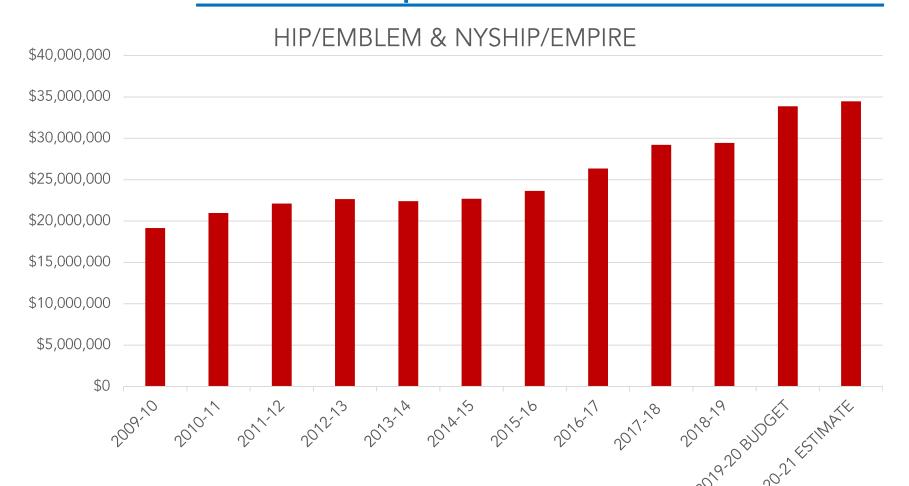


Healthcare Expenses

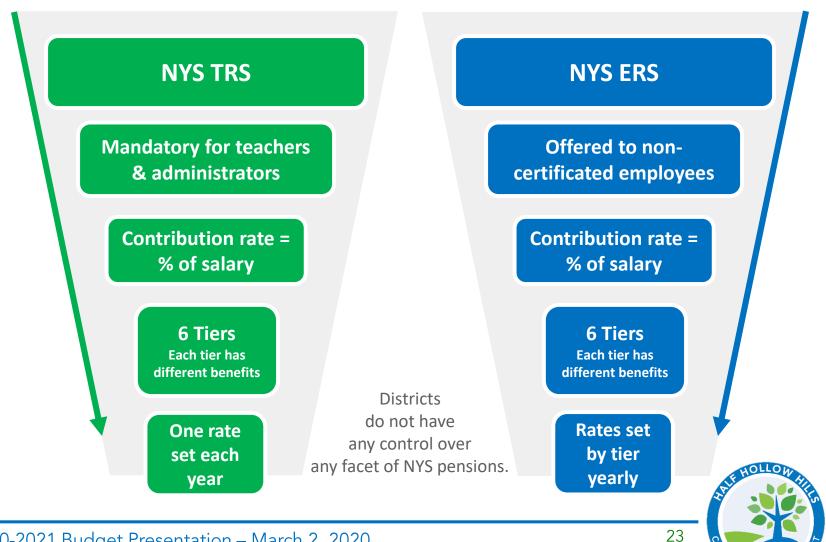
HIP/Emblem Health Healthcare Premium Increases



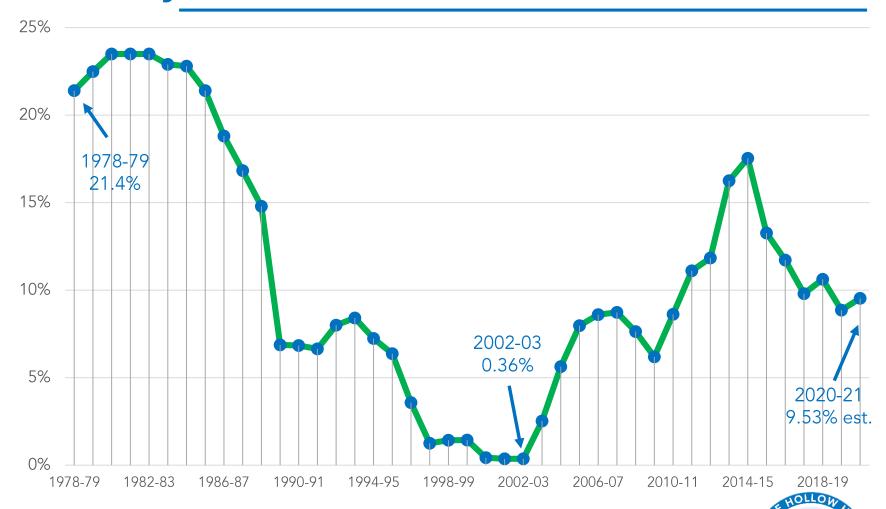
Healthcare Expenses



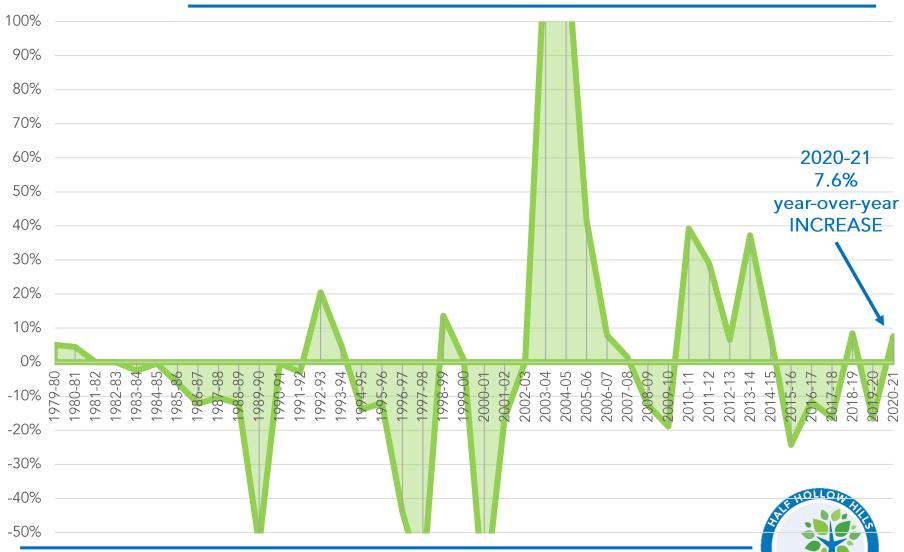
Pension Expenses



History of TRS Contribution Rates



History of TRS Rates – Yearly Spikes



TRS Rates – A Warning



New York State Teachers' Retirement System

NYSTRS.org

To: Chief School Administrators College and University Presidents District Contacts Employer Secure Area Contacts

Estimated Employer Contribution Rate Applicable to 2019-20 Payroll

In an effort to assist you with 2019-20 budget preparations, we recommend you use an <u>estimated</u> employer contribution rate (ECR) of **8.86%** for 2019-20 payroll. This projected rate is consistent with <u>Administrative Bulletin 2018-9</u>, issued in November 2018, in which we estimated a rate of between 8.50% and 9.50%.

Although an estimated ECR of 8.86% represents a decrease from the current school year's ECR of 10.62%, investment returns are a major component in the calculation of future ECRs. As you are aware, stock market indices globally have experienced downturns. Tepid investment returns will result in higher future ECRs. You may wish to consider this scenario as you develop your operating budgets.

The funds associated with the estimated ECR of 8.86% will be collected in the fall of 2020. We send this alert well in advance to assist with your planning. The Retirement Board will adopt the 2019-20 ECR at its July 31, 2019 meeting and an Administrative Bulletin formalizing the rate will be issued soon thereafter.

In general, the ECR is adopted each July/August and the contributions associated with the particular rate are collected 13 to 15 months later. Except for those employers required to pay directly, contributions are deducted annually from State Aid apportioned in September, October and November of the year following the year in which the ECR is adopted by the Boart.

If you have any additional questions, please call John Cardillo, Manager of Public Information, at (518) 447-4743.

Administrative Bulletin

Issue No. 2019-1 February 2019

> History of the Employer Contribution Rate (ECR)

Payroll Year	ECR	
1985-86	21.40%	
1986-87	18.80%	
1987-88	16.83%	
1988-89	14.79%	
1989-90	6.87%	
1990-91	6.84%	
1991-92	6.64%	
1992-93	8.00%	
1993-94	8.41%	
1994-95	7.24%	
1995-96	6.37%	
1996-97	3.57%	
1997-98	1.25%	
1998-99	1.42%	
1999-00	1.43%	
2000-01	0.43%	
2001-02	0.36%	
2002-03	0.36%	
2003-04	2.52%	
2004-05	5.63%	
2005-06	7.97%	
2006-07	8.60%	
2007-08	8.73%	
2008-09	7.63%	
2009-10	6.19%	
2010-11	8.62%	
2011-12	11.11%	
2012-13	11.84%	
2013-14	16.25%	
2014-15	17.53%	
2015-16	13.26%	
2016-17	11.72%	
2017-18	9.80%	
2018-19	10.62%	
2019-20	8.86%*	
	*estimated	

Although an estimated ECR of 8.86% represents a decrease from the current school year's ECR of 10.62%, investment returns are a major component in the calculation of future ECRs. As you are aware, stock market indices globally have experienced downturns. Tepid investment returns will result in higher future ECRs. You may wish to consider this scenario as you develop your operating budgets.

Last year's 16.6% rate
DECREASE turned into this
year's 7.6% rate INCREASE –
a swing of over
24 percentage points

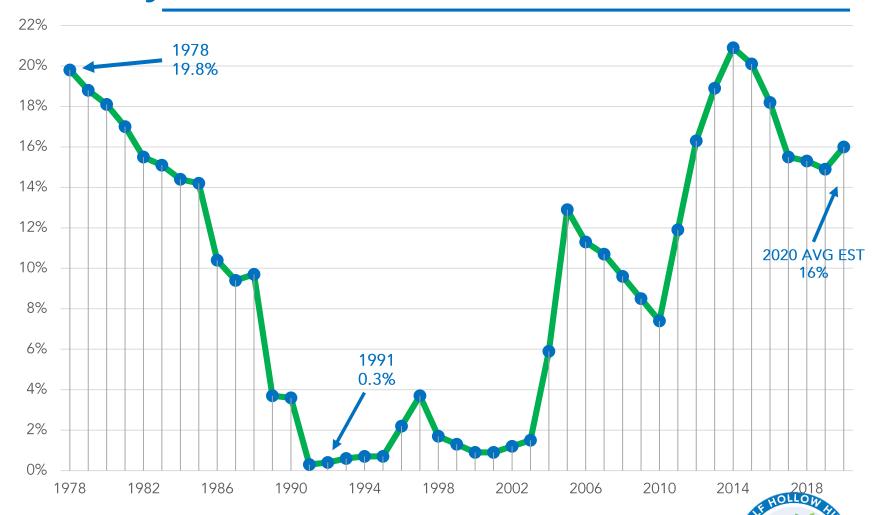


TRS Expenses

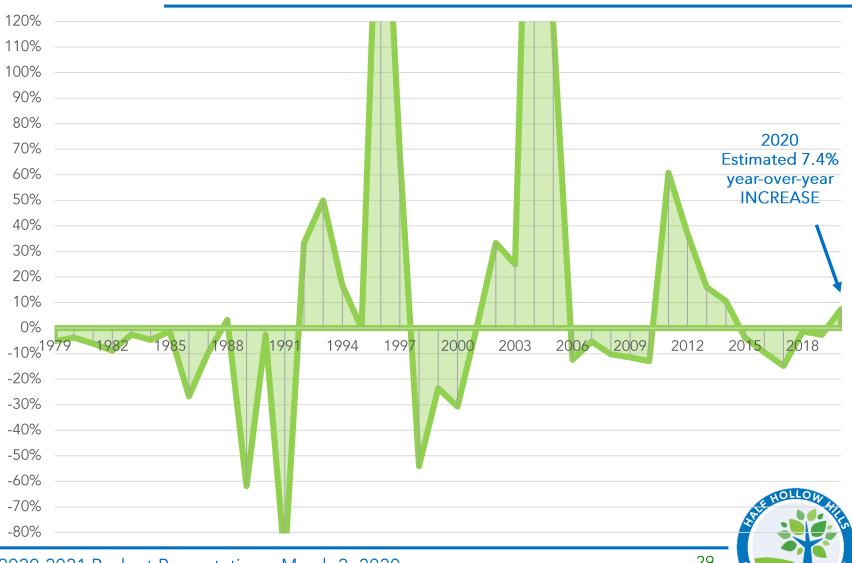




History of ERS Contribution Rates



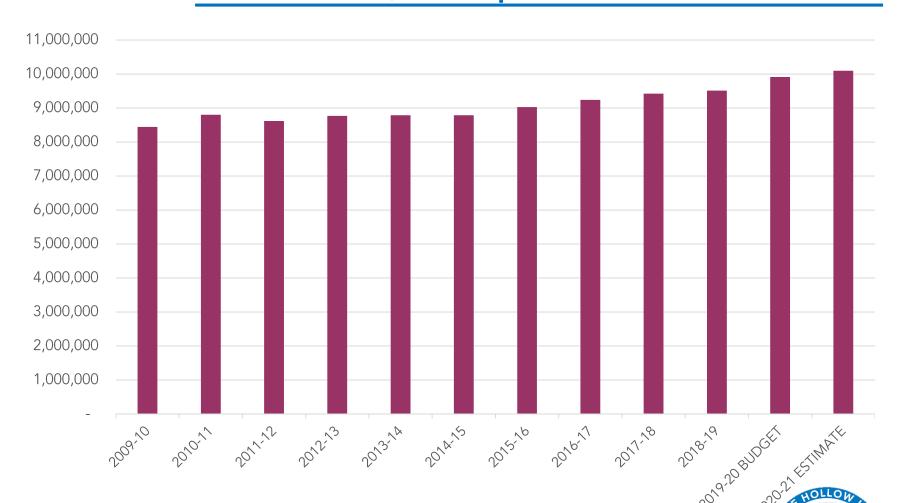
History of ERS Rates – Yearly Spikes



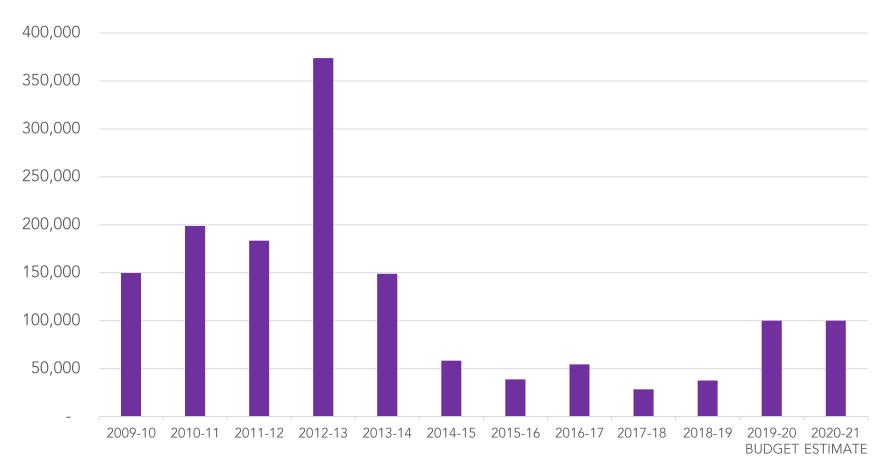
ERS Expenses



Social Security Expenses

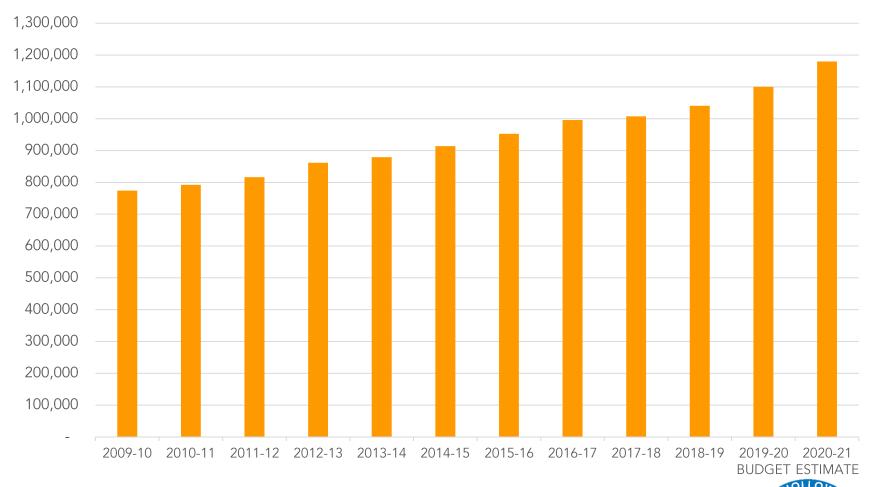


Unemployment Expenses

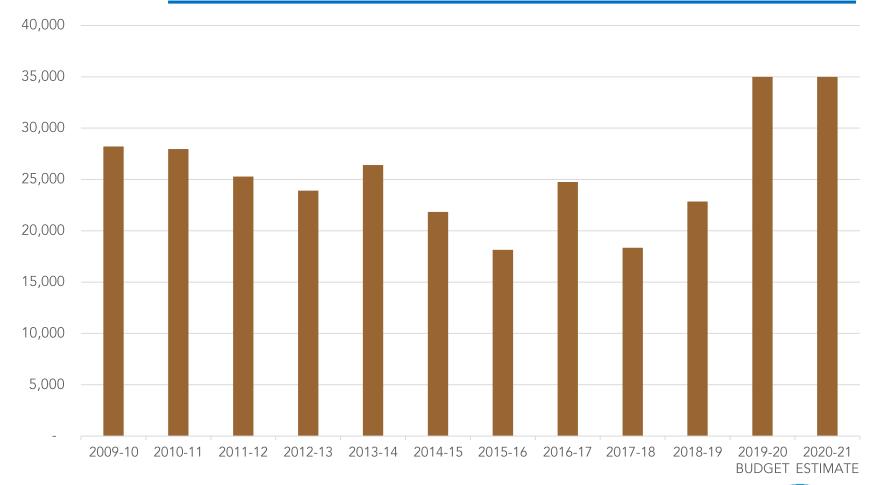




Dental Expenses

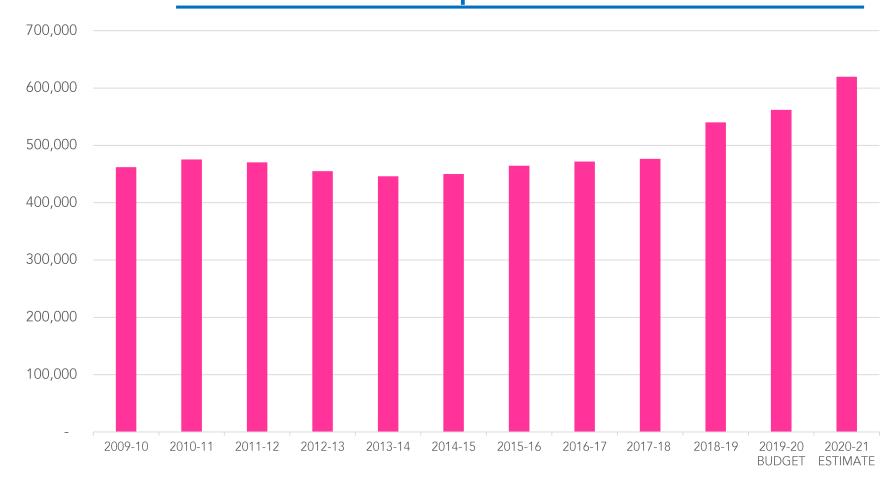


Optical Expenses





Life Insurance Expenses



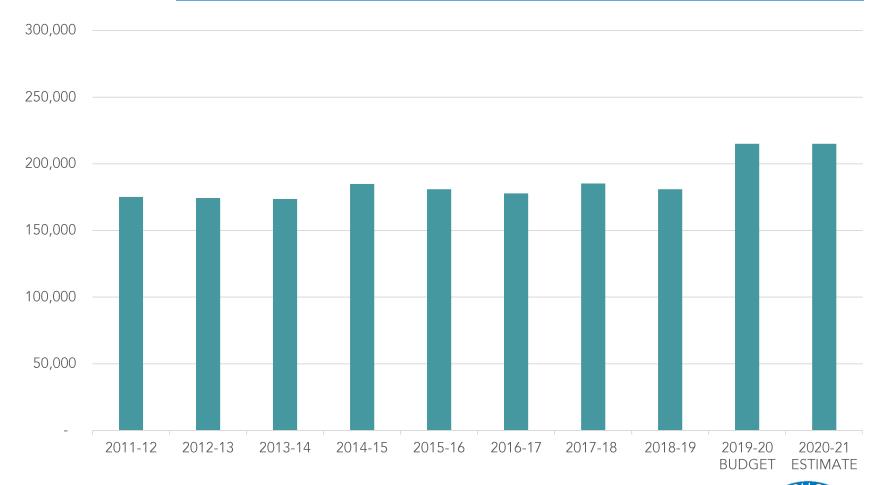


Workers' Compensation Expenses





Disability Expenses





What's to come...

Continuation...

2020-21 school year budget development work continues with the finalization of all revenues and expenditures.

State Budget

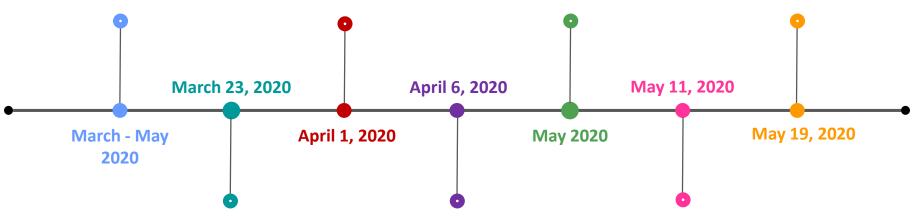
Anticipated release of the State budget which would shed light on the final anticipated level of State Aid to be received by HHH for 2020-21.

Community Outreach

Various opportunities to meet with PTA to discuss 2020-21 proposed budget.

Budget Vote

The third Tuesday in May represents the uniform vote day for school district budgets and Board of Education trustee elections.



Budget Presentation

Second Board of Education budget presentation to be held at Fran Greenspan Administration Center.

Budget Adoption

As required by law, Board of Education must adopt the proposed 2020-21 budget before it can be presented to residents for a vote.

Budget Hearing

As required by law, approximately one week before the budget vote, a presentation will be provided at a Board Meeting to share a summary of the 2020-21 proposed budget.