

2026-2027 BUDGET DEVELOPMENT

BUDGET PLANNING SESSION #3: BUDGET OVERVIEW

Presentation to the Board of Education: February 25, 2026
Mr. Michael Fabiano, Assistant Superintendent for Business and Finance



Mr. Fabiano and central administration spend time with Salk students to sample cafeteria offerings this year.

Purpose Statement:

To work with the Board of Education & District Administration to develop a responsible and efficient budget that maintains existing programs, safeguards District assets, supports a safe and healthy learning environment, and ensures Success for Every Student while remaining within the Tax Levy Limit.

LEVITTOWN PUBLIC SCHOOLS BUDGET DEVELOPMENT PROCESS

NOV/DEC '25



Internal development of budget, including administrative meetings, salary projections, and determination of other contractual obligations

JANUARY '26



January 7:
26-27 Budget Process presentation

- January 21:
- First Budget presented to the Board
 - Transportation Presentation

FEBRUARY '26



February 4:
• Second Budget
• Curriculum & Instruction and Facilities presentations

- February 25:
- State Aid
 - Reserves
 - Fund Balance

MARCH '26



March 11:
• Third Budget
• Special Education presentation and PTA Advisory presentation

- March 25
- Staffing and Enrollment presentation
 - Budget Adoption

APRIL/MAY '26



April 22:
BOCES Budget Vote

May 6:
Public Budget Hearing

May 19:
Budget Vote



Tonight's Agenda



- **Review of State Comptroller's Exit Conference**

- **Revenues:**

- Tax Levy Limit Calculation - currently 2.56%
- Proposed Tax Levy Under the Cap and Under 2%
- Executive Budget State Aid Package for School Districts
- Proposed Increase in Pre-Kindergarten Funding



- **Fund Balance:**

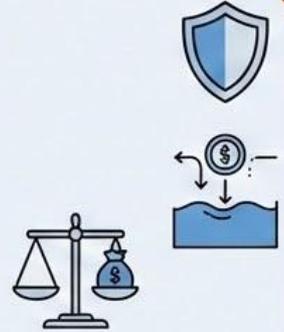
- 2025-26 Operating Surplus Projection (\$6M-\$8M)
- 2025-26 Proposed Appropriation for Voter Approved Capital Projects (\$10M)
- 2026-27 Proposed Appropriated Fund Balance (\$6M)

- **Reserves:**

- Review of Policy #5512: Annual Report of All Reserve Funds
- Proposed Board of Education Approved Transfer from the Unemployment Insurance Reserve to a Voter Approved Capital Projects Expenditure referendum
- Proposed Use of the Tax Stabilization Reserve

- **Appropriated Fund Balance:**

- Review of the Historic Trend of Appropriated Fund Balance (AFB)
- Board Adoption of the Use of Reserves and AFB in Proposed 2026-27 Budget



NYSOSC Exit Conference Findings



AUDIT PERIOD (6 SCHOOL YEARS)



Audit covered the period **July 1, 2019**
through **June 30, 2025**.

July 1, 2019 → June 30, 2025



TIMELINE & REPORTING

**Field Work
Began**
(Oct 2024)

**Initial Draft
Expected**
(Sep 2026)

**Final
Publication**
(3-6 months later
- 2027?)



A CLEAN AUDIT

Audit was **comprehensive** and the exit conference discussion was **free from** any control deficiencies, accounting discrepancies, or other noncompliance issues.



NYSOSC Exit Conference Findings



AUDIT REPORT FOCUS

Audit Report will focus on the **budgetary** surpluses generated over this 6-year period.

DISTRICT'S CONSERVATIVE FISCAL DEFENSE



1. Pandemic Grants (Nonrecurring)

A large portion of the surpluses were generated in the **early years** from the pandemic grants.



2. Voter Approved Capital Projects

The surpluses were transferred to voter approved **Capital Reserves** which allowed the District to finance over **\$140M** in **building** infrastructure and athletic facilities projects.



3. Interest Savings & Debt-Free Future

Financing these projects without additional debt ultimately saved the taxpayers **nearly \$30M** in interest payments, and just a few months from today the District will be free from general obligation debt – no Bonds outstanding!



Revenues: Tax Levy Limit Calculations

2026-27 Property Tax Cap Variables		
2025-26 Voter Approved Tax Levy		\$163,476,094
Multiplied by the Tax Base Growth Factor		1.0040
Plus 2025-26 PILOT Payments		2,678,705
Less 2025-26 Capital Exclusions		(2,395,543)
Multiplied by Allowable Levy Growth Factor		2.00%
Less Projected 2025-26 PILOT Payments		(2,718,705)
Plus 2025-26 Capital and ERS Exclusions		2,678,705
2025-26 Tax Levy Limit		\$167,661,424
Tax Levy Limit Increase/(Decrease)		4,185,330
Tax Levy Limit as a Percentage of Prior Year		2.56%



Revenues: Governor's Proposed Budget

- **Foundation Aid:** approximately two-thirds of school districts across the State will receive the minimum proposed increase of 1%, no new recommendations from the Rockefeller Institute Study were incorporated into the Governor's proposed budget.



Revenues: Governor's Proposed Budget

- **Universal Pre-K:** Governor proposed to consolidate existing UPK funding and increase per pupil funding to \$10,000 per year, but would also mandate districts to provide full day pre-k to all families that request it by the 2028-29 school year. Construction costs to expand UPK space within a district would still not be eligible for building aid.



Revenues: Governor's Proposed Budget

	2025-26	2026-27		
	Legislative	Executive	Dollar	Percent
	Adopted Budget	Proposed Budget	Variance	Change
Foundation Aid	65,897,311	72,243,634	6,346,323	9.63%
Universal Pre-Kindergarten	1,999,203	3,400,000	1,400,797	70.07%
BOCES	5,773,926	6,647,517	873,591	15.13%
High Cost Excess Cost	2,517,042	2,282,947	(234,095)	-9.30%
Private Excess Cost	1,651,075	1,640,875	(10,200)	-0.62%
Hardware and Technology	120,233	130,098	9,865	8.20%
Software, Library, Textbook	585,092	605,688	20,596	3.52%
Transportation Including Summer	6,716,329	8,172,048	1,455,719	21.67%
Building and Building Reorg Incentive	2,084,788	2,224,593	139,805	6.71%
High Tax Aid	4,406,095	4,406,095	0	0.00%
Supplemental Public Excess Cost	208,322	208,322	0	0.00%
Grand Totals	91,959,416	101,961,817	10,002,401	10.88%



Fund Balance

- Levittown UFSD closed the fiscal year 2024-25 with \$10,964,839 in Unassigned Fund Balance
- The unassigned fund balance represents 4% of the subsequent year's budget is within the legal limit
- 2025-26 Fund Balance projection indicates an operating surplus of between \$6M-\$8M

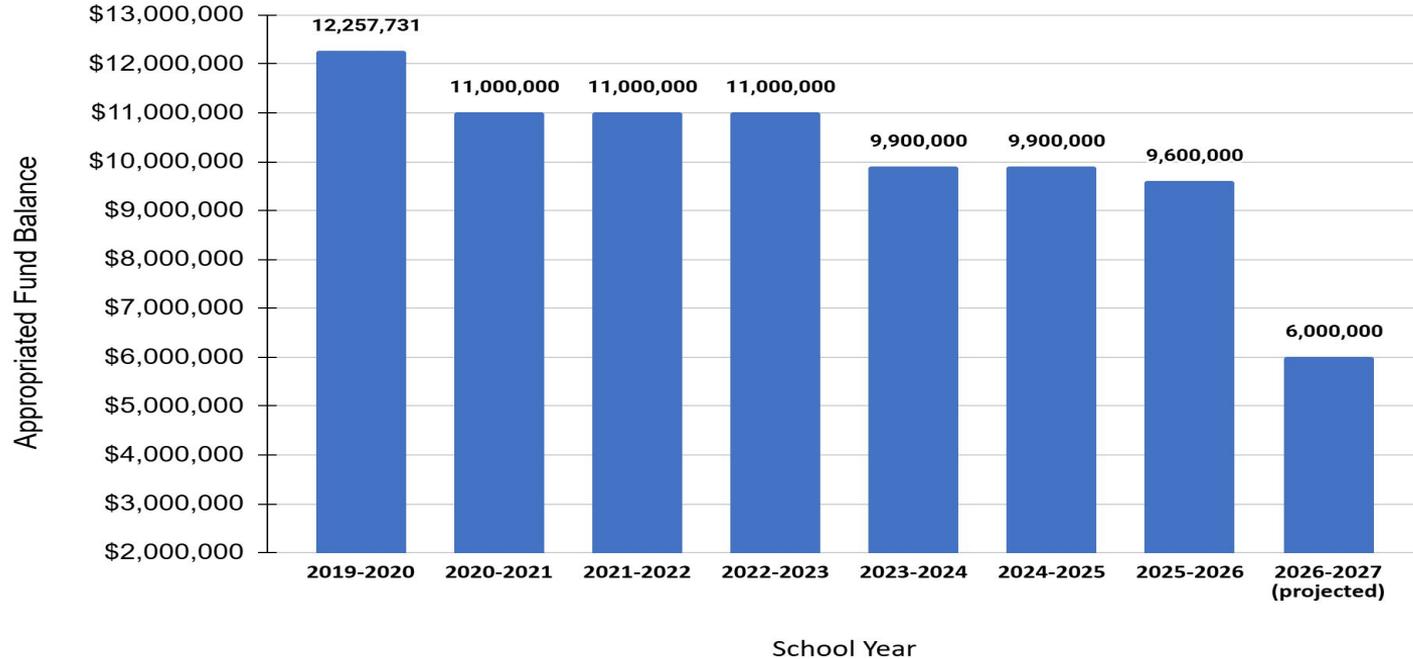


Appropriated Fund Balance

- Review of the historic trend of Appropriated Fund Balance (AFB)
- Proposed decrease for 2026-27 of \$3.6M in AFB from \$9.6M to \$6.0M
- The \$3.6M reduction will be appropriated as part of the May 19, 2026 **Capital Reserve Expenditure** Proposition
- Board Adoption of the Use of Reserves and AFB in the Proposed 2026-27 Budget



Appropriated Fund Balance Trend



Current Reserve Categories

- a. Workers' Compensation Reserve
- b. Retirement Contribution Reserves
- c. Employee Benefit Accrued Liability Reserve
- d. Unemployment Insurance
- e. Capital Reserves
- f. Tax Stabilization Reserve *New*



Reserves

Annual Report: Reserves Funds (initial draft provided to the Board of Education February 25, 2026)

- a. Type and description of the reserve fund
- b. Possible uses of each reserve
- c. Optimal funding level of each reserve
- d. Interest earned by each reserve
- e. Capital gains or losses from the sale of investments
- f. Total amount and date of each withdrawal
- g. Projected needs for the reserve fund in the upcoming fiscal year



Revenues

Tax Levy Limit Calculation



Proposed Tax Levy TBD



Effort to keep it under 2%

Executive Budget State Aid Package



For School Districts

Proposed Increase in Pre-Kindergarten Funding

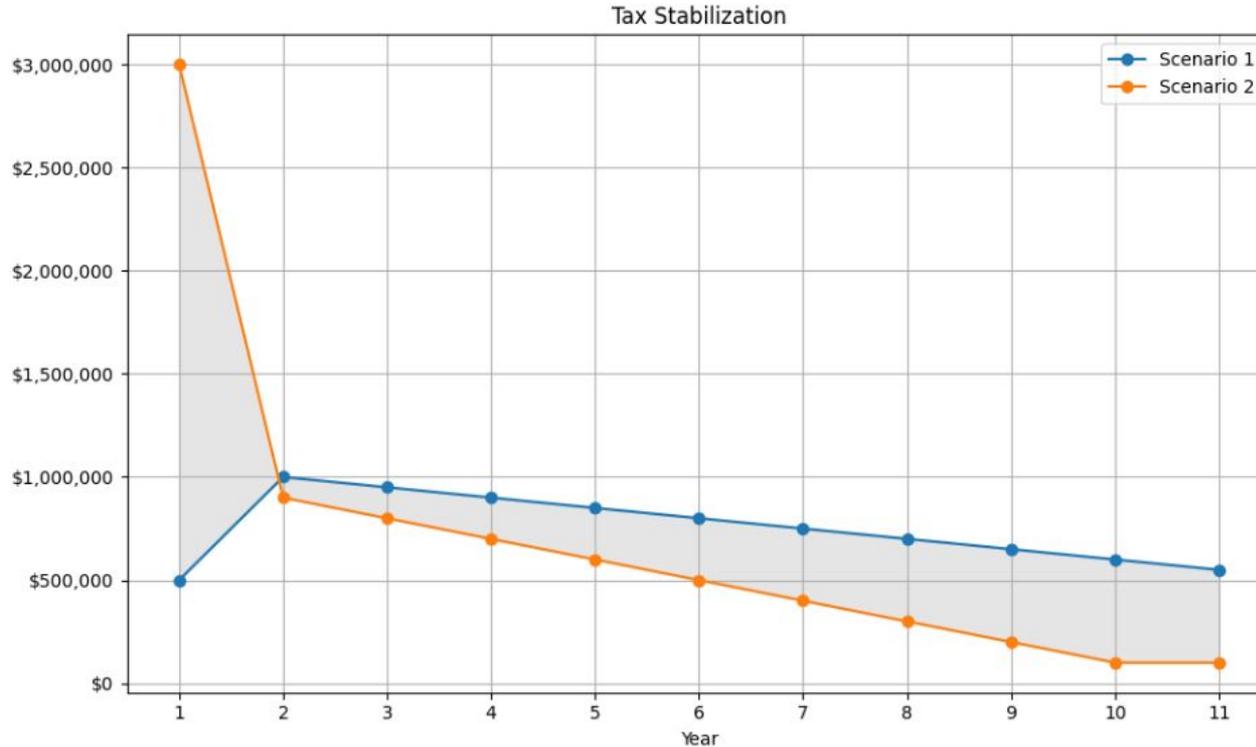


Reserves

- All reserve balances are within legal authorizations
- The 2025-26 Budget includes the application, or use of, \$3.21M in Reserves
- The 2024-25 Budget includes an application, or use of \$2.95M in Operating Reserves
- Based on the current usage, and ability to regenerate reserves, the District maintains a strong financial position as evidenced by it's Aa2 Bond Rating
- **Included on the May 19, 2026 Budget Ballot will be a Capital Reserve Expenditure Proposition funded from the 2023 Capital Reserve and 2025-26 Appropriated Fund Balance**



Use of the Tax Stabilization Reserve



**NEXT BUDGET UPDATE:
MARCH 11, 2026**



Summary of Changes

<i>Iteration</i>	<i>Amount</i>	<i>Change from 25-26</i>	<i>% Change</i>
Current 25-26 Budget	\$274,346,775	N/A	N/A
26-27 Proposed Budget dated 1/21/26	\$290,290,989	\$15,944,214	5.81%
26-27 Proposed Budget dated 2/4/26	\$289,342,830	\$14,996,055	5.47%





NYSOSC Exit Conference Findings

- Audit covered the period July 1, 2019 through June 30, 2025 - 6 school years
- Field work began in October 2024, initial draft of the report is anticipated around September 2026 with a final publication 3-6 months after a comment period - 2027?
- Audit was comprehensive and the exit conference discussion was free from any control deficiencies, accounting discrepancies, or other noncompliance issues



NYSOSC Exit Conference Findings

- Audit Report will focus on the budgetary surpluses generated over this 6-year period
- District will defend our conservative fiscal budgeting practices noting three very important points:
 - a. A large portion of the surpluses were generated in the early years from the pandemic grants (nonrecurring)
 - b. The surpluses were transferred to voter approved Capital Reserves which allowed the District to finance over \$140M in building infrastructure and athletic facilities projects
 - c. Financing these projects without additional debt ultimately saved the taxpayers nearly \$30M in interest payments, and just a few months from today the District will be free from general obligation debt - no Bonds outstanding!



ASBO New York Advocacy Day in Albany

- **Foundation Aid:** approximately two-thirds of school districts across the State will receive the minimum proposed increase of 1%, no new recommendations from the Rockefeller Institute Study were incorporated into the Governor's proposed budget.
- **Universal Pre-K:** Governor proposed to consolidate existing UPK funding and increase per pupil funding to \$10,000 per year, but would also mandate districts to provide full day pre-k to all families that request it by the 2028-29 school year. Construction costs to expand UPK space within a district would still not be eligible for building aid.

ASBO New York Advocacy Day in Albany

- **Zero-Emission Bus Transition:** provisions have been made to extend the purchase deadline from 2027 to 2029 and possibly 2031 but as of now no extension has been proposed to the 2035 deadline.
- **Support Local Efficiencies:** extend the current “piggyback” contract authorization for 5 additional years to 2031, reject the requirement that Nassau and Suffolk schools use a Project Labor Agreements, this requirement is not the same across the State.