

MEMORANDUM

**TO:** Robert Parry  
Interim Superintendent of Schools

**FROM:** Bruce H. Singer  
Associate Superintendent

**DATE:** October 15, 2009

**RE:** **ESTABLISHMENT OF THE TAX LEVY 2009/10  
PROJECTION VS. ACTUAL**

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Due to our conservative budgeting practices, the actual weighted tax rate increase is .32%. Attached is the 2009/10 tax rate calculation. It should be noted that the actual assessed valuations from the three towns are lower than projected. This information was just received this past week.

During the 2009/10 Budget development, we used a three year average to project a decrease of \$1,760,000 of assessed value. The actual assessed valuation has decreased by \$6,468,000. Due to the housing crisis, the decrease is greater than anticipated.

The result of this change from the projected taxes to actual taxes is as follows:

|            | Budgeted<br>2009/10<br><u>Tax increase/Decrease</u> | Actual<br>2009/10<br><u>Tax Increase/Decrease</u> | Actual Tax Change<br><u>Increase/Decrease</u> |
|------------|---|---|---|
| Brookhaven | \$30.10   | \$48.65   | +18.65  |
| Islip      | -(48.00)  | -(32.00)  | -(16.00)                                      |
| Smithtown  | -(43.20)  | -(23.40)  | -(19.80)                                      |

Both Islip and Smithtown shall have a tax decrease while the average Brookhaven resident would have a \$48.00 annual tax increase which is \$18.00 greater than projected.

It must be noted that one of the requirements for the receipt of the Federal ARRA funds (\$22 million over two years) is that school districts will be required to demonstrate maintenance of local tax levy effort. Therefore, if the 2009/10 tax levy is further reduced, this action may put the District's eligibility for federal fiscal stabilization funds in jeopardy.

In summary, due to the actual assessed valuation which is lower than projected, it is recommended that the Board of Education approve the attached resolution.

In the event you have any questions or concerns, please do not hesitate to contact me.

BHS:cmc