

# TAX LEVY CAP

March 20, 2012

# In Brief...

- NYS has a property tax levy cap, not a “2% cap”
  - The law does not restrict any proposed tax levy increase to 2%
- The law creates an 8 step formula to determine “tax levy limit”
  - Adjusts tax levy to reflect local growth in tax base and rate of inflation (max 2%)
- Sets a **higher threshold for voter approval** of budgets IF proposed tax levy increase exceeds the “tax levy limit” plus exemptions
  - BOEs can present a budget that requires a levy that exceeds the cap but will need 60% voter approval
- The actual allowable tax levy increase will vary by district
  - The formula allows for certain expenses to be exempt from the cap therefore allowing the total tax levy increase to be greater than the “perceived” cap
- The property tax levy cap limits the school district levy NOT the individual tax bill of resident taxpayers
  - Assessments and equalization rates will still impact tax rates
- Voters are approving the budget (spending plan) not the tax levy
- If voters reject the budget (contingent), the tax levy can be no **greater than that of the prior year (0% increase tax levy)**
  - the budget would be subject to contingent budget requirements.

# Maximum Allowable Levy – Averill Park

Prior year tax levy	25,711,763
Tax base growth factor	<u>x 1.0070</u>
	25,891,745
Prior year PILOT	<u>+0</u>
	25,891,745
Prior year exemptions (capital levy, court orders)	<u>-0</u>
<b>Adjusted Prior Year Levy</b>	<b>25,891,745</b>
Allowable Growth Factor (lesser of CPI or 2%)	<u>x 1.02</u>
	26,409,580
PILOTs for coming year	<u>-0</u>
	= 26,409,580
Available Carryover	<u>+0</u>
<b>TAX LEVY LIMIT</b>	<b>=26,409,580</b>
Capital Exemption	+ 276,597
ERS Exemption	<u>+ 40,235</u>
<b>Maximum Allowable Levy</b>	<b>\$26,726,412</b>
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Levy Increase	\$1,014,649
	+3.95%

# AVERILL PARK CENTRAL SCHOOL DISTRICT



MARCH 20, 2012

# UPDATE

- Key Communicators
  - FAQ
- Community Forum – March 14<sup>th</sup>
  - Online Survey
  - Tax Levy Cap Information
  - Budget Brochures
- Budget Presentations

# BUDGET SCENARIOS

## Items To Consider

- For discussion purposes only
- Each scenario represents one way of getting there
- This is a work in progress
- All reductions and/or eliminations will impact more than one area

# BUDGET SCENARIOS

## Items To Consider *(continued)*

- Try to protect the instructional day but need to consider outside the school day
- Reduce but not eliminate as best as we can
- Feedback from forums
- Remember last year

# TOP PRIORITIES

Elementary	Kindergarten (30) School Nurse (13) Class Size (21)
Middle School	Band, Orchestra, Chorus(11)
High School	Band/Orchestra/Chorus (15) Electives (44) Advanced Placement (11) Interscholastic Athletics (21)
District-wide Services	None



# 8% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>ELEMENTARY SCHOOL</b>		
Class Size	2.00	\$142,726
Library Media Specialists	1.50	\$120,205
Remedial Services	1.00	\$71,636
Special Area Subjects	1.00	\$60,202

# 8% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>MIDDLE SCHOOL</b>		
LOTE	1.00	\$72,000
Literacy	1.00	\$73,000
Orchestra	1.00	\$59,000
Special Education	1.00	\$73,205
Geometry	0.20	\$8,000
Earth Science	0.20	\$10,000
Substance Abuse	1.00	\$34,800

# 8% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>HIGH SCHOOL</b>		
Guidance	1.00	\$72,564
Substance Abuse	1.00	\$34,800
Special Education	1.00	\$73,205
Music	1.00	\$88,500
Math	0.40	\$15,670
<b>LOTE</b>	<b>2.00</b>	<b>\$144,000</b>
Social Studies	1.00	\$63,324

# 8% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>DISTRICTWIDE</b>		
Extra Curricular		\$70,000
O & M	5.00	\$102,951
Clerical (HS & MS)	1.50	\$46,875
Monitors (HS & MS)	1.40	\$35,221
Administrative (AP)	1.00	\$114,652
Tech Support	1.00	\$30,000
Data Coach	1.00	\$42,210
Clerical (DO)	1.00	\$22,000
School Psychologist	1.00	\$92,440

# FTE REDUCTION/ELIMINATION

8 %

- Instructional – 18.3
  - Administrative – 1.0
  - Non-Instructional – 9.9
  - Related Services – 2.0
- Total – 31.2

Total Reduction \$1,773,186

# 3.95% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>ELEMENTARY SCHOOL</b>		
Class Size	1.00	\$60,202
Library Media Specialists	1.50	\$120,205
Remedial Services	2.00	\$143,272
Special Area Subjects	2.40	\$142,257
Kindergarten (Half Day)	3.00	\$209,088

# 3.95% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>MIDDLE SCHOOL</b>		
LOTE	1.00	\$72,000
Literacy	1.00	\$73,000
Orchestra	1.00	\$59,000
Special Education	1.00	\$73,205
Geometry	0.20	\$8,000
Earth Science	0.20	\$10,000
Substance Abuse	1.00	\$34,800
Guidance	1.00	\$72,564

# 3.95% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>HIGH SCHOOL</b>		
Guidance	1.00	\$72,564
Substance Abuse	1.00	\$34,800
Special Education	1.00	\$73,205
Music	1.00	\$88,500
Math	0.40	\$15,670
<b>LOTE</b>	2.00	\$144,000
Social Studies	1.00	\$63,324



# 3.95% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>DISTRICTWIDE</b>		
Extra Curricular		\$70,000
O & M	5.00	\$102,951
Clerical (HS & MS)	1.50	\$46,875
Monitors (HS & MS)	1.40	\$35,221
Administrative (AP & DW)	2.00	\$233,157
Tech Support	1.00	\$30,000

# 3.95% BUDGET SCENARIO

<b>AREA FOR REDUCTION OR ELIMINATION</b>	<b>FTE</b>	<b>SAVINGS</b>
<b>DISTRICTWIDE</b> <i>(continued)</i>		
Data Coach	1.00	\$42,210
Clerical (DO)	1.00	\$22,000
School Psychologist	1.50	\$138,440
Interscholastic Athletics		\$524,007

# FTE REDUCTION/ELIMINATION

3.95%

- Instructional – 24.2
- Administrative – 2.0
- Non-Instructional - 9.9
- Related Services – 2.0

Total – 38.1

Total Reduction - \$2,814,517

# NEXT STEPS

- Continue lobbying efforts
- Continue to pursue savings opportunities (Collective Bargaining/Retirements)
- Respond to online survey
- Develop other budget scenarios