



***TUXEDO UNION
FREE SCHOOL
DISTRICT***

***Board of Education Workshop #1
Proposed 2012-13 Budget - General
Support & Transportation
March 15, 2012***

The Tax Cap

- ❖ **Enacted June 24, 2011 Program bill originated with Governor.**
- ❖ **Establishes a Tax Levy Limit on all local governments and school districts (excl. NYC).**
- ❖ **Cap begins with 2012-13 school year.**
- ❖ **Leaves the current contingency budget requirements/restrictions in place.**

The Tax Cap

- ❖ **Not really a cap, rather sets the % of voter approval necessary to pass the budget.**
- ❖ **Budget passage needs 50% voter approval if levy is below calculated limit.**
- ❖ **Levy greater than calculated limit passage requires 60% of the qualified voters present and voting.**
- ❖ **Tax levy limit calculated by each district and will vary by district.**

Tax Levy Limit Example

Prior year tax levy	10,162,886
Tax base growth factor	x 1.00
	10,162,886
Prior year PILOT	+ 338,669
	10,513,924
Prior year exemptions (capital levy, court orders)	-977,970
Adjusted Prior Year Levy	9,523,585
Allowable Growth Factor (lesser of CPI or 2%)	x 1.02
	9,714,057
PILOT for coming year	- 329,819
	9,384,238
Available Carryover	+ 0
TAX LEVY LIMIT =	9,384,238

Maximum Allowable Levy

“Tax Levy Limit”

+

Dollars attributable to exemptions

=

**Maximum Allowable Tax Levy
(with a simple majority vote)**

Exemptions

- ❖ **Capital Tax Levy – Tax levy necessary to support capital local expenditures.**
- ❖ **Capital Local Expenditures – Tax levy associated with budgeted expenditures including debt service and lease expenditures.**
- ❖ **Court Orders/Judgments – arising out of tort actions.**
- ❖ **Pension Costs – applies only to contribution rates that increased more than 2% over prior year.**

Maximum Allowable Levy

Example

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Prior year exemptions (capital levy, court orders)	-977,970
Adjusted Prior Year Levy	9,523,585
Allowable Growth Factor (lesser of CPI or 2%)	x 1.02
	9,714,057
PILOTs for coming year	- 329,819
	9,384,238
Available Carryover	+ 0
TAX LEVY LIMIT =	9,384,238
Exemptions(capital levy)	+956,595
(ERS/TRS pension costs)	+ 12,087
Maximum Allowable Levy	10,352,920
	1.87%

Voter Threshold

2012-13 Proposed Budget
Less Estimated State Aid
Less Appropriated Fund
 Balance & Reserves
Less Other Revenue

2012-13 Proposed Tax Levy

2012 -13 “Tax Levy Limit”
Plus 2012 -13
 Exemptions

2012 -13 “Maximum Allowable Levy”

16,519,011 Proposed 12/13
 Budget
845,596 State Aid
600,000 Appropriated
 Fund Balance
4,607,826 Other Revenue

\$10,465,589
2.98%

9,383,852 Tax Levy Limit
956,595 Capital
12,087 Pensions

\$10,352,920
1.87%

Differential of \$112,669

What happens if the budget is not approved by the public?

If the proposed budget is not approved by the required margin:

- ❖ the district may resubmit the original budget or submit a revised budget to the voters on the third Tuesday in June

OR

- ❖ adopt a contingency budget that levies a tax no greater than that of the prior year (0% increase in tax levy).

If the resubmitted/revised budget proposal is not approved by the required margin:

- ❖ the Board of Education must adopt a budget that levies a tax no greater than that of the prior year (0% increase tax levy) and the budget would be subject to contingent budget requirements.
- * Districts will not be allowed to increase the tax levy to fund items excluded from the tax cap

In Brief...

NYS has a property tax cap, NOT a 2% cap. The property tax cap limits the school district levy NOT the individual tax bill of resident taxpayers.

❖ **The law doesn't cap tax increase; it sets a new threshold for voter approval based on the tax increase.**

❖ **The formula allows for certain expenses to be exempt from the cap so the total tax levy increase can be greater than the perceived cap**

❖ **BOEs can present a budget that "overrides" the cap but will need 60% voter approval.**

❖ **Voters are approving the budget (spending plan) NOT the tax levy.**

Budget Calendar 2012/13

Workshops

- * March 15, 2012 - Regular Board of Education Meeting , Work Session #1, General Support & Transportation.**

- * March 22, 2012 - Work Session #2 & #3 - Instructional, Undistributed, and Supplemental Needs, if necessary.**
- * March 29, 2012 - Work Session #4 - Anticipated Revenues & 3-Part Budget.**
- * April 19, 2012 –Regular Board of Education Meeting, Adoption of Budget and Property Tax Report Card.**



Budget Calendar 2012/13

Adoption...Vote

- * April 23, 2012 - Property Tax Report Card to NYSED.**
- * May 1, 2012 - Budget available to residents.**
- * May 4, 2012 - Proposed Budget to residents -("About Your Schools").**
- * May 8, 2012 - Budget Hearing, GGM Multipurpose Room.**
- * May 9, 2012 - School Budget 6-Day Notice mailed to residents.**
- * May 15, 2012 - BOE Election & Budget Vote GGM Multipurpose Room 2 p.m. – 9 p.m.**



Budget Work Session

#1

Part I - General Support

Operations & Maintenance
Board of Education
Central Administration
Finance – Auditing, Tax Collection
Staff – Legal, Personnel
Special Items - Insurance



General Support
2012-13

Total General Support

\$1,997,921

-.46%

Decrease of \$9,190

General Support 2012-13

Main changes in this category due to :



Operations & Maintenance

Auto Floor Scrubber

Z-Track Lawn Mower

Tailgate Sander

Plow Pump Replacement

Double Tier Chair Caddy

Unallocated Insurance

**Reclassification of Transportation
Insurance**



MTA Payroll

**April 2012, school districts are no
longer required to pay .0034%**

Reduction in expenditure \$29,598.



Budget Work Session

#1

Part IV - Transportation

District Operated

Contracted



Transportation *2012-2013*

Total Transportation

\$792,502

-.38%

Decrease of \$3,008

Transportation 2012-13

Main changes in this category due to :

Salaries

3 Additional Part-time drivers:

2 - cover retirement of Full-time driver in Fall 2011

1 - additional Special Education/Parochial School Run

Radio Upgrades

Eagle Valley Fire House new repeater

6% State Aid received

Gasoline/Diesel Fuel

Rising fuel costs

Municipal Agreement w/ Town of Tuxedo

Contracted Transportation

Current ability to do all runs in-house with current transportation policy in place





Questions?

***Next Meeting Thursday,
March 22, 2012 – Workshop #2 & #3
Instructional, Undistributed, &
Supplemental Needs, if necessary.
GGM Multipurpose Room
7:00 pm***