

***TUXEDO UNION  
FREE SCHOOL  
DISTRICT***

***Public Hearing***

***May 13, 2014***

***7 p.m.***

***GGM Multipurpose Room***

# *Part I - General Support*

*Operations & Maintenance*

*Board of Education*

*Central Administration*

*Finance – Auditing, Tax Collection*

*Staff – Legal, Personnel*

*Special Items – Insurance*

*Total General Support*

*\$1,875,239*

*(6.61%)*

*Decrease of (\$132,645)*

# *General Support* *2014-15*

- ▶ **Absorption of Stipends**
- ▶ **RFP External Auditor**
- ▶ **Equipment Reduction in Operations & Maintenance**
  - ▶ **Loss of 1.0 FTE in Operations & Maintenance**
- ▶ **Tightening of Appropriations versus Expenditures**

# *Part II - Instruction*

*Supervision*

*In-service Training*

*Teaching Regular School*

*Special Education*

*Occupational Education*

*Special Schools*

*Instructional Support*

*Pupil Personnel Services*

*Total Instruction*

**\$8,167,903**

**(9.16%)**

**Decrease of \$823,277**

# *Instruction 2014-15*

## **Salaries/Personnel**

- ▶ **Reduction of faculty & staff due to enrollment - 10 FTEs**
- ▶ **Changes in Step and credit level - can occur in September & January**
- ▶ **Tuxedo Administrator Union contract expired 6/30/13, Tuxedo Teachers Union and Tuxedo Employees Union contracts expire 6/30/14**

## **STEM**

### **(Science, Technology, Engineering, Mathematics)**

- ▶ **2<sup>nd</sup> year – 9<sup>th</sup> & 10<sup>th</sup> grades**
- ▶ **Additional Electives**
- ▶ **Curriculum and Materials**
- ▶ **Professional Development**

## **Textbooks/Supplies**

- ▶ **New Approach – Textbooks, library books, software, and supplies**

## **Other**

- ▶ **Reduction of 2-College Level Chinese Classes due to low enrollment**
- ▶ **Loss of Clubs: SADD, Jazz Ensemble, Interact, Odyssey of the Mind (I team), GGM Saturday Basketball, and Safe School Ambassadors**
- ▶ **Cut Technology Equipment**
- ▶ **Reduction of 1 Copy Machine – end of contract**

# Enrollment Trends

(as of 5/5/14)

	Tuxedo		GWL	Total
	K-8	9-12		
▶ 2011-2012	233	85	312	630
▶ 2012-2013	201	96	276	573
▶ Change	-32	+11	-36	-57
▶ 2013-2014	189	88	237	514
▶ Change	-12	-8	-39	-59
▶ Projected 2014-2015	174	95	203	472
▶ Change	-15	+7	-34	-42
<b>3 Year Comparison</b>	<b>-59</b>	<b>+10</b>	<b>-109</b>	<b>-158</b>

# *Part III - Transportation*

*District Operated*

*Contract*

*Total Transportation*

*\$830,245*

*4.28%*

*Increase of \$34,087*

# *Transportation*

## *2014-15*

- ▶ **Additional Part-Time Driver Salaries – due to Special Education and Private School Runs**
  - ▶ **Increase in Repairs – Aging Fleet**
  - ▶ **Additional Appropriation for Cooperative Transportation through OU BOCES**
- ▶ **Fuel Costs – Municipal Agreement w/ Town of Tuxedo**



# *Part IV - Undistributed*

*Benefits  
Debt Service  
Inter-fund Transfers*

*Total Undistributed  
\$5,059,313  
1.75%  
Increase of \$86,966*

# *Undistributed 2014-15*

## **Employees Retirement System (ERS)**

## **Teachers Retirement System (TRS)**

- ❖ **Payroll Driven**
- ❖ **ERS Reserve - Depleted**
- ❖ **Rates are set by the State**
  - ❖ **Currently ERS-20.10%**
  - ❖ **TRS- 17.53%**

## **Unemployment**

- ❖ **Increase to cover loss of FTEs**

## **Health Insurance & Workers Compensation**

- ❖ **Self Funded – Orange-Ulster Health Plan & Orange-Ulster School Districts Workers' Compensation**
  - ❖ **Health Insurance Increase 5%**
  - ❖ **Contractual Obligation TTA**
  - ❖ **New Appropriation for Affordable Care Act**
- ❖ **Workers' Compensation based on payroll and experience rating**

# *Proposed 2014-15 Budget*

<i>General Support</i>	<i>\$1,875,239</i>
<i>Instructional</i>	<i>\$8,167,903</i>
<i>Transportation</i>	<i>\$830,245</i>
<i>Undistributed</i>	<i><u>\$5,059,313</u></i>

***Total Proposed 2014-15 Budget***  
***\$15,932,700***

# *3-Part Budget 2014/15*

## **Component Appropriations:**

### ▶ **Program - \$11,843,052**

▶ **In-service training, Teaching-regular school, Special Education, Occupational Education, Library/AV, Technology, Guidance, Health Services, Pupil Personnel Services, Co-curricular activities, Interscholastic sports, Transportation, and the benefits for personnel associated with above.**

### ▶ **Administrative - \$1,773,916**

▶ **Board of Education, District Clerk, District Meetings, Chief School Admin., Business Administration, Auditing, Treasurer, Tax Collector, Purchasing, Legal, Records Mgmt, Public Information, Curriculum development & supervision, Supervision-regular school, Central printing & mailing, Insurance, and the benefits for personnel associated with above.**

### ▶ **Capital - \$2,315,732**

▶ **Operations and Maintenance, School bus purchases, Debt service, Inter-fund transfers, Tax Certioraris, and the benefits for personnel associated with above.**

# REVENUES 2014-15

	<u>2013/14</u>	<u>2014/15</u>	<u>% Change</u>
State Aid-Governor's Proposal	\$844,545	\$840,361	-0.5%
Greenwood Lake Revenue	\$3,673,142	\$2,548,944	-30.6%
Interest and Earnings	\$40,000	\$40,000	0.0%
Inter-fund Transfers	\$30,000	\$30,000	0.0%
Tax Penalties/Interest	\$14,000	\$14,000	0.0%
Health Services Other Districts	\$35,000	\$35,000	0.0%
PILOT Agreements	\$342,819	\$341,850	-0.3%
Fund Balance	\$800,000	\$600,000	-25.0%
Tax Levy (including STAR)	<u>\$10,988,063</u>	<u>\$11,482,545</u>	4.50%
Total Estimated Revenue	\$16,767,569	\$15,932,700	-4.98%

# *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 began in the 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*

<b>Prior year tax levy</b>	<b>10,988,063</b>
<b>Tax base growth factor</b>	<b>x 1.0039</b>
	<b>11,030,914</b>
<b>Prior year PILOT</b>	<b>+ 347,381</b>
	<b>11,378,297</b>
<b>Prior year exemptions (capital levy, court orders)</b>	<b>- 862,827</b>
<b>Adjusted Prior Year Levy</b>	<b>10,515,470</b>
<b>Allowable Growth Factor (lesser of CPI or 2%)</b>	<b>x 1.0146</b>
	<b>10,668,996</b>
<b>PILOT for coming year</b>	<b>- 341,850</b>
	<b>10,327,146</b>
<b>Available Carryover</b>	<b>+ 0</b>
<b>TAX LEVY LIMIT =</b>	<b>10,327,146</b>



# *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**

# *Contribution Rates for 2014*

<b>Retirement System</b>	<b>2013 Bill</b>	<b>2014 Bill</b>	<b>Difference</b>	<b>Excludable Portion</b>
<b>ERS (Dec)</b>	<b>20.90%</b>	<b>20.10%</b>	<b>-.80%</b>	<b>0.00%</b>
<b>TRS (Fall)</b>	<b>16.25%</b>	<b>17.53%</b>	<b>1.28%</b>	<b>0.00%</b>

# Maximum Allowable Levy

**2013/14**

**2014/15**

<b>Prior year tax levy</b>	<b>10,495,565</b>	<b>10,988,063</b>
<b>Tax base growth factor</b>	<b>→ x 1.0048</b>	<b>→ x 1.0039</b>
	<b>11,030,944</b>	<b>11,030,914</b>
<b>Prior year PILOT</b>	<b>+ 346,268</b>	<b>+ 347,381</b>
	<b>10,892,212</b>	<b>11,378,297</b>
<b>Prior year exemptions (capital levy, court orders)</b>	<b>- 870,874</b>	<b>- 862,827</b>
<b>Adjusted Prior Year Levy</b>	<b>10,021,338</b>	<b>10,515,470</b>
<b>Allowable Growth Factor (lesser of CPI or 2%)</b>	<b>→ x 1.02</b>	<b>→ x 1.0146</b>
	<b>10,221,765</b>	<b>10,668,996</b>
<b>PILOTs for coming year</b>	<b>- 342,819</b>	<b>- 341,850</b>
	<b>9,878,946</b>	<b>10,327,146</b>
<b>Available Carryover</b>	<b>+ 0</b>	<b>+ 0</b>
<b>TAX LEVY LIMIT =</b>	<b>9,878,946</b>	<b>10,327,146</b>
<b>Exemptions (capital levy)</b>	<b>→ + 862,827</b>	<b>→ + 814,798</b>
<b>(ERS/TRS pension costs)</b>	<b>→ + 156,133</b>	<b>→ + 0</b>
<b>Maximum Allowable Levy</b>	<b>10,897,906</b>	<b>11,141,944</b>
	<b>3.83%</b>	<b>1.40%</b>

# Voter Threshold

**2014-15 Proposed Budget**  
**Less** Estimated State Aid  
**Less** Appropriated Fund  
Balance & Reserves  
**Less** Other Revenue

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**2014-15 Proposed Tax Levy**

**15,932,700** Proposed 14/15  
Budget  
**840,361** State Aid  
**600,000** Appropriated  
Fund Balance  
**4,450,155** Other Revenue

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**\$11,482,545**

**4.50%**

**2014 -15 “Tax Levy Limit”**  
**Plus** 2014 -15  
Exemptions

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**2014 -15 “Maximum  
Allowable Levy”**

**10,327,146** Tax Levy Limit  
**814,798** Capital  
**+0** Pensions

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**\$11,141,944**

**1.40%**

**Differential of \$340,601**

# *Reserve for Excess Tax Levy*

**Monies over collected from the tax payers during the 2013/14 tax collection period, above the 60% approved Property Tax Cap of 4.99%.**

**Proposed 2014/15 Tax Levy, with 60% voter approval =  
\$11,482,545**

**Less Reserve for Excess Tax Levy (2013/14) =  
\$237,002**

**Amount to be collected from the tax payers Fall 2014 =  
\$11,245,543**

# *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, unless going over cap**



# *Real Property Tax Freeze Credit-April 2014*

## **2014/15:**

- ❖ **District must stay within tax levy cap**
- ❖ **Homeowner must be eligible for STAR exemption**
- ❖ **The credit will be equal to the greater of:**
  - ❖ **.0146 x school taxes paid in 2013/14 OR the amount 2014/15 taxes exceed 2013/14 taxes**
  - ❖ **Taxpayers will receive a check from NYS Taxation and Finance for the value of the credit in the Fall of 2014**

## **2015/16:**

- ❖ **District must stay within tax levy cap**
- ❖ **Must have state approved government efficiency plan which demonstrates 3 year savings and efficiencies of at least 1% per year**
- ❖ **Past efficiencies will be considered**
- ❖ **Plans may include initiatives through BOCES, with other districts or an individual district plan**

# *Real Property Tax Freeze Credit-April 2014*

***2013/14 tax bill for \$75,000 Assessed Value,  
or \$450,000 Market Value home =  
\$5,806.05***

***The greater of...***

$$***\$5,806.05 \times .0146 = \$84.77***$$

***OR***

$$***2013/14 Tax bill = \$5,806.05***$$

$$***2014/15 Tax bill = \$5,763.06  
(\$42.99)***$$

# *Tax Cap Comparison*

- ▶ **Current Proposed Budget has a tax levy of 4.50% or is \$340,601 above cap**
- ▶ **Requires 60% of the qualified voters present and voting**
- ▶ **Tax bill at proposed 2014/15 budget for \$75,000 Assessed Value, or \$450,000 Market Value Home = \$5,939.23**
- ▶ **Maximum allowable levy amount for district is 1.40%**
- ▶ **50% voter approval required**
- ▶ **Tax bill 2014/15 at cap for \$75,000 Assessed Value, or \$450,000 Market Value Home = \$5,763.06**

**Differential of \$176 or approximately 48¢/day**

# *Proposed Taxes 2014/15 Compared to 2013/14*

**2013/14 Tax bill  
for \$75,000  
Assessed Value, or  
\$450,000 Market  
Value home =  
\$5,806.05**

**Tax bill at proposed  
2014/15 budget  
\$75,000 Assessed  
Value, or \$450,000  
Market Value home =  
\$5,939.23**

**Differential of \$133 or approximately 36¢/day**

# *Questions?*

***Budget Vote and Board of Education  
Election***

***Tuesday May 20, 2014***

***GGM Multipurpose Room***

***2:00 p.m. - 9:00 p.m.***