



***TUXEDO UNION
FREE SCHOOL
DISTRICT***

***Budget Work Session #2 & 3
Proposed 2012-13 Budget –
Instruction, Community Service
and Undistributed
March 22, 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

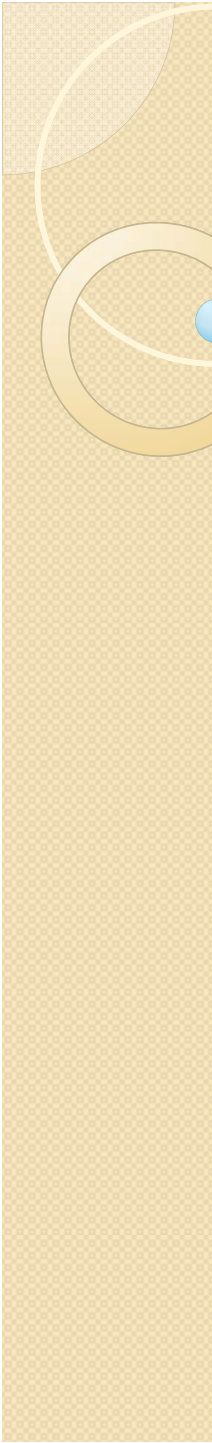
- ❖ adopt a contingency budget that levies a tax no greater than that of the prior year (0% increase in tax levy).

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 Work Session

#2 & 3

Part II - Instruction

Supervision

In-service Training

Teaching Regular School

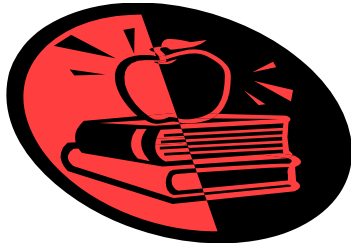
Special Education

Occupational Education

Special Schools

Instructional Support

Pupil Personnel Services



Instruction 2012-2013



Total Instruction =

\$9,005,761

.82%

Increase of \$73,623

Instruction 2012-13

Main changes in this category due to :



Salaries/Personnel

- Increase of 2 positions from .8 to full-time.
- Reduction of teachers from GGM to HS due to enrollment.
- Reclassification of teacher from GGM to HS, if possible.
- Changes in Step and credit level - can occur in September & January.
- Contractual increase in Club and Sports stipends.

Textbooks/Supplies

- Teacher folders
- Grants




Equipment

- Electronic Balance, 2-Axis Force Platform, Cellos (2), Music Chairs, Double Bass, Indoor Training Bike, Storage Unit.
- Instructional Technology – Update computer hardware per the Technology Plan.

Other

- APPR
- Anti-Bullying Legislation – Olweus
- VHS – 10 seats; 5 per semester.
- College Level Chinese





Budget Work Session
#2 & 3

Part IV - Undistributed

Benefits
Debt Service
Inter-fund Transfers

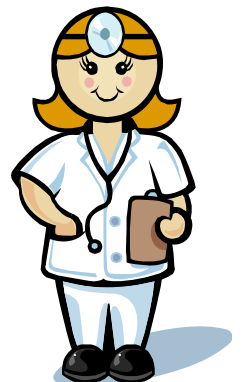
Undistributed 2012-13

Total Undistributed =

\$4,722,827

.18%

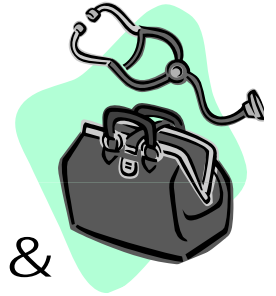
Increase of \$8,283



Undistributed 2012-13



Main changes in this category due to :



Employees Retirement System (ERS)

Teachers Retirement System (TRS)

- ❖ Payroll Driven
- ❖ ERS Reserve
- ❖ Rates are set by the State
 - ❖ Currently ERS-18.90%
 - TRS-11.11%

Health Insurance & Workers Compensation

- ❖ Self Funded – Orange-Ulster Health Plan & Orange-Ulster School Districts Workers' Compensation.
- ❖ Workers' Compensation based on payroll and experience rating.

Debt Service

- ❖ Energy Performance Contract – 4th of 15 annual payments.





Questions?

Budget Work Session #4
Proposed 2012-13 Budget –
3-Part Budget and Revenues
March 29, 2012
GGM Multipurpose Room
7 p.m.