
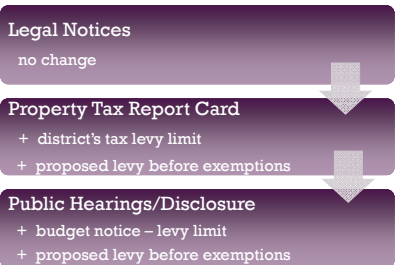


LEVY CAP
Unlocking the Mystery



Property Levy Cap
Begins with 2012-2013 school year budget
In effect through at least 2016-2017

Does the budget process change?



- Legal Notices**
no change
- Property Tax Report Card**
 - + district's tax levy limit
 - + proposed levy before exemptions
- Public Hearings/Disclosure**
 - + budget notice – levy limit
 - + proposed levy before exemptions

+ Budget Options

- Option 1
 - Levy @/below limit
 - Before exemptions
 - Simple majority
 - (50% + 1)
- Option 2
 - Levy above limit
 - Before exemptions
 - Ballot statement
 - Exceeds limit
 - Super majority
 - (60%)

+ Failure to Approve




- Resubmit original budget
 - Vote on the 3rd Tuesday of June
- Resubmit revised budget
 - Vote on the 3rd Tuesday of June
- Adopt Contingency Budget
 - 0% increase in tax levy

+ Resubmitted budget
NOT APPROVED by VOTER MAJORITIES

- Board of Education must adopt a CONTINGENT budget
 - 0% increase in tax levy
 - NO growth factor
 - No capital, court order/judgments factor
 - No pension exemptions
 - Administrative cap in effect
 - Non-contingent expenses removed

+ Information to be Reported
 on or before March 1st to
 Comptroller, Tax and Finance, SED

- Information needed to calculate tax levy limit:
 - Prior year tax levy
 - Tax base growth factor
 - Prior year PILOTS
 - Prior year exemptions
 - NOT pension exemptions
 - Current year PILOTS
 - Available carryover



+ Cap Calculation in Error??
 Tax levy exceeds the maximum allowable tax levy??
 excess collected must be placed in reserve
 excess collected + interest earned must be used to offset next year's levy

MAXIMUM ALLOWABLE LEVY	CALCULATION
Prior year tax levy	\$ 26,108,094
Tax base growth factor	x 1.01 (estimate)
Adjusted prior year tax levy	\$ 26,369,175
Prior year PILOT	292,686
Prior year exemptions	N/A
Adjusted prior year levy	\$ 26,661,861
Allowable growth factor (lesser CPI or 2%)	X 1.02 (estimate)
Adjusted for CPI prior year levy	\$ 27,195,098
PILOTS for coming year	(292,686)
Tax Levy Limit before carryover	\$ 26,902,412
Available carryover	N/A
Tax Levy Limit	\$ 26,902,412
Coming year exemptions/Pension	667,883
Maximum Allowable Levy	\$ 27,570,295

ILLUSTRATION ONLY

ROLLOVER BUDGET	CALCULATION
Budget 2011-2012	\$ 59,289,833
Projected salary contract increases	722,385
Projected retirement contribution increase	787,303
Projected health insurance increase	113,885
Projected social security increase	55,262
Projected debt service increase	1,098,158
2012-2012 Projected Rollover Budget	\$ 62,066,823

ILLUSTRATION ONLY

All projections expected to change as more accurate data is provided.

Revenue budget developed on all revenue except tax levy limit and building Aid being "same as last year".

Shortfall with Rollover Budget	CALCULATION
Tax Levy Limit Calculated	\$ 27,870,295
State Aid	26,113,228
State Building Aid	2,287,561
Tuition	1,900,000
BOCES Refund	350,000
PILOT	292,686
Penalty & Interest/Taxes	240,000
All Other Revenue	519,000
Fund Balance	1,125,000
SHORTFALL	1,669,053
Total Revenue Budget	\$ 62,066,823

ILLUSTRATION ONLY

Projections developed to illustrate the financial concerns facing the 2011-2012 budget process.

+ How will the levy cap impact individual tax bills?

- The new law applies to the tax levy, not to tax rates or individual tax bills.
 - Assessments are still in place
 - Equalization rates are still in place
 - Tax levy will be allocated based on the same previous model

+ Will levy cap legislation affect all school district's equally?

NO

- Tax levy limits will severely restrict the ability for poorer districts to generate the revenues needed to sustain core educational programs

+ Is the levy cap legislation legal?
Simple Majority versus 60% Super Majority

- Places more power in the hands of the minority

LEGAL DEBATE/ACTION is ONGOING

+ Failure of State to Address Root Cause of Rising Costs

- State has only paid lip service to concerns
 - STILL NO mandate relief
 - Will NOT become a legitimate partner in helping to reduce cost drivers
 - No action to address skyrocketing pension increases
 - No action to address Taylor law concerns
 - No action to address Wick's law

+ Summary



- Governor imposed a LEVY Cap not a TAX Cap
- Poorer districts will be negatively impacted more than wealthier counterparts
- District will work through the cap and make the best decisions about educational opportunities
 - The decisions will be DIFFICULT!!!
