

A group of approximately 25 children, mostly young boys and girls, are posing in a gymnasium. They are wearing white t-shirts with a wolf head logo and the text 'CAL-MUM'. In the center, a person is wearing a large, grey and white mascot costume of a wolf's head with red eyes. The children are arranged in several rows, some standing and some kneeling or sitting on the floor. Many of the children are making 'V' hand gestures. The background shows a basketball hoop and backboard, a scoreboard on the left, and a red padded wall. The floor is polished wood. In the foreground, there are several colorful balloons (green, orange, blue, pink, yellow) scattered on the floor.

2024-25 School Budget Development DRAFT Tax Cap Presentation

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Understanding the Tax Cap Formula

January 1, 2012, the Governor put into law the Tax Cap Formula which “limits the annual growth of property taxes levied by local governments and school districts to **2 percent** or the rate of inflation, whichever is less”.

Due to this language, constituents have the misconception that each school districts tax cap is at exactly 2%.

Many factors go into the calculation of this formula such as; current and subsequent year PILOT's, the rate of inflation or 2% whichever is lower, the tax base growth factor, current and subsequent year debt exclusions, NYS pension contribution increases that exceed 2%, Tort exclusions and carryover.

Understanding the Tax Cap Formula (continued)

PILOT's - See District presentation on PILOT's given 2/13/2024

Rate of Inflation - Each January, the rate of inflation is determined for fiscal years beginning July 1

Tax Base Growth Factor - This factor is based on actual physical changes to taxable property such as new construction of homes, stores and offices. This does not include changes in the assessed value of existing, unchanged taxable properties.

Debt Exclusions - Debt compared to aid. We receive roughly 84% back in building aid on Capital Projects and roughly 74% back in transportation aid for buses.

Understanding the Tax Cap Formula (continued)

Pension Increases - If any of the pension systems (ERS or TRS) increase by more than 2% in a given year, an exclusion is given to allow districts to increase taxes more to offset this charge.

Tort Exclusions - Districts can increase their tax levy for costs resulting from court orders or judgments against the local government. This adjustment can only be made for costs that exceed 5 percent of the total prior year's tax levy.

Carryover - To have carryover, a district must have an actual tax levy less than the Tax Levy Limit (before exclusions). The Available Carryover Amount is the lessor of:

- 1) 1.5% of the 2023-24 Tax Levy Limit (before exclusions), or
- 2) The difference between the 2023-24 Tax Levy Limit (before exclusions) and the actual amount levied in 2023-24

Understanding the Tax Cap Formula (continued)

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Carryover Calculation #1

$$\$7,610,541 \times 1.5\% = \$114,158$$

Carryover Calculation #2

$$\$7,610,541 - \$7,718,926 = (\$108,385)$$

District's have to take the lessor of these two numbers, however, it can't be less than 0.

How the Tax Cap Formula Affects the Vote?

If Districts put out to vote a tax levy increase that is within (at or under) the tax cap, a simple majority is required to pass the budget. This simple majority is 50% plus 1 vote.

The tax cap formula is not absolute. Districts can vote to a tax levy increase that is greater than the tax cap formula. In this case, a super majority is required to pass the budget. This super majority is at least 60%.

Tax Cap



Caledonia-Mumford
Central School District

2024-2025 Budget Development New York State Tax Cap



Prior Year Tax Levy	\$7,718,926
Tax Base Growth Factor	<u>x 1.0018</u>
	\$7,732,820
Prior Year PILOT (payment in lieu of taxes)	<u>+ \$53,645</u>
	\$7,786,465
Prior Year Exclusions (capital levy court orders)	<u>- \$110,964</u>
Adjusted Prior Year Levy	= \$7,675,501
Allowable Growth Factor	<u>x \$1.0200</u>
	\$7,829,011
PILOTS from coming year	<u>- \$94,346</u>
Tax Levy Limit	= \$7,734,665
Coming Year Exclusions	<u>+ \$181,573</u>
Tax Levy Limit	= \$7,916,238
Available Carryover	<u>+ 0</u>
Maximum Allowable Levy (50% +1)	= \$7,916,238
	\$197,312

HOME OF CHAMPIONS



Caledonia-Mumford
Central School District

Questions