

# SAYVILLE PUBLIC SCHOOLS

## Introduction to the 2012-13 Proposed Budget

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# Introduction to the 2012-13 Budget

- Overview of the expenditure side of the budget
- Overview of the revenue side of the budget
- Overview of the 2% Property Tax Cap and what it really means for districts

# PROPOSED 2012-2013 BUDGET



	<b>BUDGET</b>	<b>BUDGET PERCENTAGE INCREASE</b>	<b>PROPOSED INCREASE ON TAX RATE</b>
<b>2012-13 Proposed Budget</b>	<b>\$85,674,961</b>	<b>4.76%</b>	<b>4.77%</b>

# What's New In The Proposed Budget

- **New Programs:**
  - Addition of a Special Education Life Skills Program
    - New Staffing: 2.0 fte Teachers; 10.0 fte Aides and 1.0 fte Speech
    - Some students will be brought back into District which will help off-set program costs
    - Once established, we have the potential to tuition in students into available openings within the program

# Other Staffing Modifications To Draft 1

- Provision for 1.0 ESL teacher
  - Based on student needs and SED requirement
- Retirements:
  - Teachers 11.0 fte
  - Nurses 2.0 fte
  - Grounds 1.0 fte
- Reduced 2.0 Elementary fte's through attrition
- Reduced 1.0 Nurse fte through attrition
- Provision for moving one 10 month clerical to 12 month position based on need

# **SAYVILLE PUBLIC SCHOOLS**

## **PROPOSED 2012 - 2013 BUDGET SUMMARY**

	<u>2011-12 CURRENT BUDGET</u>	<u>2012-13 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Salaries	40,065,317	41,674,446	1,609,129	4.02%
Fringe Benefits	19,019,986	20,157,913	1,137,927	5.98%
Total Salary & Benefits:	<u>59,085,303</u>	<u>61,832,359</u>	<u>2,747,056</u>	<u>4.65%</u>
Debt Service	5,452,154	6,054,723	602,569	11.05%
Contractual Expenditures (4000 object codes)	5,787,989	5,289,156	(498,833)	-8.62%
BOCES	6,378,812	6,764,184	385,372	6.04%
Supplies	1,288,038	1,304,140	16,102	1.25%
Textbooks/Workbooks	231,117	231,117	0	0.00%
Transportation	3,274,399	3,412,904	138,505	4.23%
Transfers to:				
Capital Fund	0	500,000	500,000	0.00%
Special Aided Fund	150,000	150,000	0	0.00%
Equipment	131,588	136,378	4,790	3.64%
<b>TOTAL GENERAL FUND BDGT:</b>	<u><u>81,779,400</u></u>	<u><u>85,674,961</u></u>	<u><u>3,895,561</u></u>	<u><u>4.76%</u></u>

# Sayville Public Schools

## Projected Revenue and Tax Rate Schedule for 2012-13

	<u>2011-12</u>	<u>2012-13</u>	<u>Difference</u>	<u>Percent</u>
STATE AID	21,241,638	21,626,638	385,000	1.81%
MTA Tax	139,559	0	(139,559)	-100.00%
<u>OTHER INCOME:</u>				
Adult Education	135,000	135,000	0	0.00%
Summer School	5,000	5,000	0	0.00%
Trips	0	0	0	0.00%
Admissions	10,000	10,000	0	0.00%
Use of Pool	98,078	98,078	0	0.00%
Custodial Services	20,000	20,000	0	0.00%
Health Services	125,000	125,000	0	0.00%
Interest Income	95,000	50,000	(45,000)	-47.37%
Rentals/Organizations/Individuals/Gov't	34,000	34,000	0	0.00%
Rentals/BOCES	337,035	347,146	10,111	3.00%
Rentals/Old Jr. High	325,832	334,077	8,245	2.53%
Rentals/Public Library	1,038,313	1,044,625	6,312	0.61%
Sale of Materials	100	100	0	0.00%
Insurance Recoveries	2,000	2,000	0	0.00%
Medicaid Reimbursement - SSEHP Part D	150,000	150,000	0	0.00%
Fines & Forfeitures	4,000	4,000	0	0.00%
Refunds - BOCES/Prior Year/Other	10,000	10,000	0	0.00%
Misc Income	60,000	60,000	0	0.00%
Tuition - Other Districts/Staff	56,000	56,000	0	0.00%
Commissions	0	0	0	0.00%
<b>TOTAL OTHER INCOME</b>	<b>2,505,358</b>	<b>2,485,026</b>	<b>(20,332)</b>	<b>-0.81%</b>
<b>TOTAL OTHER INCOME / STATE AID / MTA TAX</b>	<b>23,886,555</b>	<b>24,111,664</b>	<b>225,109</b>	<b>0.94%</b>
APPROP. FUND BALANCE	2,500,000	3,500,000	1,000,000	40.00%
APPROP. FUND BALANCE - Garfield Phase II	0	500,000	500,000	100.00%
APPROP. RESERVE FOR ERS	330,000	52,000	(278,000)	0.00%
APPROP. RESERVE FOR UNEMPLOYMENT	150,000	75,000	(75,000)	0.00%
APPROP. RESERVE FOR DEBT SERVICE	92,125	0	(92,125)	-100.00%
	<b>3,072,125</b>	<b>4,127,000</b>	<b>1,054,875</b>	
<b>PROPERTY TAXES*</b>	<b>54,820,720</b>	<b>57,436,297*</b>	<b>2,615,577</b>	<b>4.77%</b>
<b>TOTAL REVENUE/BUDGET</b>	<b>81,779,400</b>	<b>85,674,961</b>	<b>3,895,561</b>	<b>4.76%</b>

	<u>2010/11</u>	<u>2011/12</u>	<u>Difference</u>	<u>Percent</u>
Tax Rate Per \$100	17.320	18.146	0.826	4.77%
Home Assessed @ 40,000	6,928	7,258	331	4.77%

\*Property Taxes also include revenue from STAR repayments.

# Transportation Referendum



- Earlier in the school year, the District formed a Transportation Committee to evaluate the current Busing Policy  
(K-2 one half mile, 3-5 one mile, 6-12 one and a half miles)
- The study concluded that based on decreasing student enrollment trends and the ability to increase student capacities on our existing contracted bus fleet, we are able to standardize transportation for grades K-5 to one-half mile at no additional cost
- A 'no cost' Referendum to change the current Transportation Policy to K-5 to one-half mile will be presented to the community in May with the Budget Referendum (grades 6-12 will remain one and a half miles)



# Understanding NY's Property Tax Levy Cap

***Although the new law has been referred to as a “2 percent Tax cap,” it does not in fact restrict any proposed tax levy increase to 2 percent!***

# Understanding NY's Property Tax Levy Cap

This is a 'spending limit' on the  
District's Tax Levy - **NOT** - Tax  
Rate!





# Understanding NY's Property Tax Levy Cap

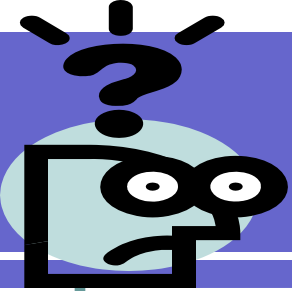
- So what is the difference?
  - Simply stated – a district's 'tax levy' is the additional pot of money needed to fund a portion of the voter approved budget, after accounting for all other revenue sources including state aid. It is only one of several revenue sources.
  - A district's 'tax rate' is used to assess the taxes needed over the entire community. The 'tax rate' is affected by the community's assessed valuation and base allocations (ratio between residential and commercial properties).

Based on these variables, the change in the tax rate is usually different from the change in the tax levy.

# Understanding NY's Property Tax Levy Cap

Q: Does the new tax cap law mean school tax levies can't increase by more than 2 percent?

A: No, the law does not prohibit tax levy increases greater than 2 percent. Every district must calculate its own 'tax levy limit'. Two percent (or the rate of inflation, if less) is just one of eight factors in this calculation!



# Understanding NY's Property Tax Levy Cap

Q: *Why is it called a 2 percent tax cap if a district's calculation of the formula can exceed the 2 percent spending limit and still be within the cap?*

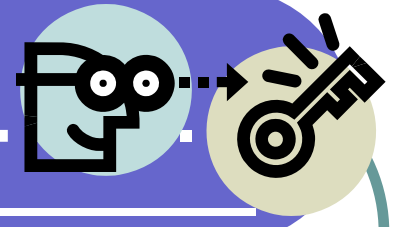
A: Because, the formula to calculate the 2 percent spending limit is based on eight factors; and one factor provides for the 'exclusion' of certain expenses from the tax levy limit calculation. The following are some of the relevant exemptions:

- ❖ Voter-approved local capital expenditures, including debt service less building aid
- ❖ Increases in State-mandated employer contribution rates for TRS and ERS that exceed 2 percentage points

A second factor is a 'Tax Base Growth Factor' issued by NYS Department of Taxation and Finance.

(year to year increase in the full value of taxable real property due to new construction, additions and improvements)

Therefore.....the facts are..



**The ‘*exclusions*’ and ‘*Tax Base Growth Factor*’ have the effect on the formula of raising the final Adjusted Tax Levy Limit above 2 percent.**

**Therefore, based on the prescribed formula, the calculation permits districts to be over 2 percent, but still be within the cap as defined by law, and requires the budget to pass with a simple majority of votes ( 50% or more)**

# Other Key Elements of the Law

- The law allows communities of local school districts to override the annual spending cap.
- If override is approved, it is good for that fiscal year only.
- An override must be approved by at least 60% of budget voters
- If a district proposes a budget that requires a tax levy (before exemptions) above its 'Tax Levy Limit' it must include a statement on the ballot

# Other Key Elements of the Law

- School district residents will still vote on the Proposed Budget on the third Tuesday in May
- Should the budget fail, the Board has the option of putting up the same or a revised budget for a revote, or adopt a contingent budget
- If the budget fails twice, the district must adopt a contingent budget with a '**ZERO**' percent increase on the current tax levy!



# DISCLOSURE

THE VARIOUS STATE AGENCIES HAVE NOT YET FINALIZED SEVERAL OF THE FORMULA GUIDELINES FOR DETERMINING THE PROPERTY TAX LEVY CAP.

THEREFORE, THE INFORMATION PRESENTED HERE ON THE CALCULATION OF THE PROPERTY TAX LEVY CAP MAY CHANGE.

AS ADDITIONAL INFORMATION BECOMES AVAILABLE WE WILL UPDATE YOU ON THE DISTRICT'S WEBSITE AT [www.sayville.k12.ny.us](http://www.sayville.k12.ny.us)

# Draft 2012-13 Property Tax Levy Worksheet

## Tax levy Limit (Cap) Before Adjustments and Exclusions

Prior Year Tax Levy: 54,820,720

Tax Base Growth Factor: X 1.0010  
54,875,541

← Actual data received from NYS Dept Tax & Finance

Plus: Prior Year PILOT Payments: + 0

Sayville does not currently receive any PILOT Payments

54,875,541

### Prior Year Exemptions:

Capital levy: 2011-12 Debt Service 5,132,153  
Less: 2011-12 Bld Aid: (GEN Report 1/5/2012) 3,043,365 - 2,088,788

**DRAFT**

Adjusted prior Year Tax Levy: 52,786,753

Allowable Levy Growth Factor: 1.02

Projected at 2%.

53,842,488

Less: PILOT Payments for coming year: - 0

Sayville does not currently receive any PILOT Payments

**Tax Levy Limit: 53,842,488**

### Exclusions:

Tax levy necessary for expenditures arising out of tort orders/judgements over 5% FYE 2011 tax levy: 0

Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial or normal contributions rate in excess of 2 percentage points:

Employers Retirement System: + 51,876

Teachers Retirement System: + 0

← As 1/12/11 SED believes there will be no exclusion for TRS

### 2012-13 Capital Tax levy:

2012-13 Debt Service: 5,734,722

Less: 2012-13 Building Aid: (estimated) 3,040,000

Add: 2012-13 Transfer to Capital 500,000 + 3,194,722

← The Office of the State Comptroller & State Ed are still trying to figure out the intent of the legislation for this specific exclusion category.

**TOTAL ADJUSTED TAX LEVY LIMIT: 57,089,086**

54,820,720 4.14%

## RECONCILIATION WITH TAX LEVY LIMIT

Tax Levy for 2012-13 Budget:		57,436,297
<b>Less: 2012-13 Exemptions:</b>		
Employers Retirement System:	51,876	
Teachers Retirement System:	0	
<u>2012-13 Capital Tax levy:</u>		
2012-13 Debt Service:	5,734,722	
<b>Less: 2012-13 Building Aid (estimated)</b>	-3,040,000	
Add 2012-13 Transfer to Capital	500,000	3,246,598
Proposed Levy Before Exemptions:		54,189,699
<b>Tax Levy Limit:</b>		53,842,488
Under/(Excess) Levy Over Cap Formula:		<b>-347,211 *</b>

*\* Requires 60% voter approval*

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# Important Points to Remember!



- The Board of Education and Administration encourage your involvement in the budget process!
- You will probably hear many talking points over and over again.....  
.....this is because these are critical issues that will change education as we know it!