

Tentative Budget

Presented to the Board of Education
March 24, 2022



H O M E O F T H E
GOLDEN EAGLES

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BUDGET PRIORITIES & GOALS

Budget Priorities

1. Fiscal Stability and Sustainability
2. Maintain & Expand Core Programs
3. Assess Staff & Student Needs and Wants
4. Health and Safety of Students and Faculty
5. Safe, Open, & Attractive Facilities



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2022-23 Budget Goals



- 1. Creating well-rounded students by maintaining and expanding existing core programs**
- 2. Building programs around staff and student wants and needs to provide individual student success each academic year.**
- 3. Create safe, open, attractive facilities for staff, students, and the community**



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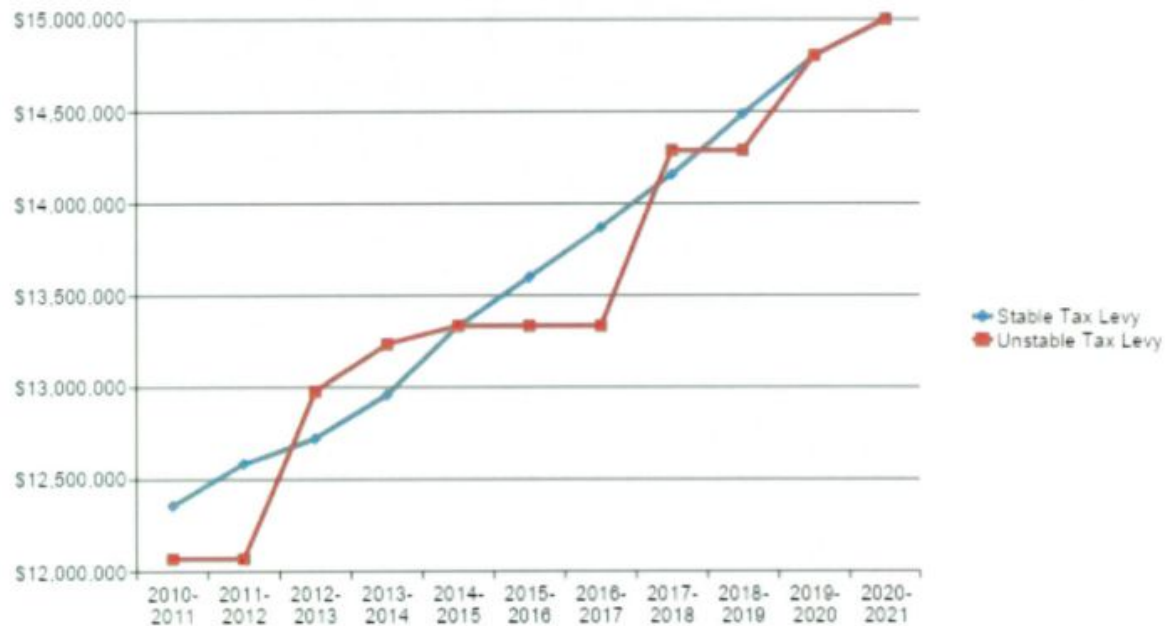
TAX LEVY & TAXES

A TAX LEVY IS:

The total amount of property taxes a school district must collect to balance its budget, after accounting for all other revenue sources including state aid.

The tax levy is the **basis** for determining the tax rate for each of the cities, towns or villages that make up a school district. Tax Levy increases does not necessarily equal tax rate increases. Exemptions, evaluations, and equalization affects the tax rate.

Managing the Tax Levy



A history of low taxes catches up to Johnstown

District points to history of small levy increases as forging budget crisis

Zachary Matson @zacharydmatson | June 8, 2019

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Residents arrive to vote at Johnstown High School on May 21.

PHOTOGRAPHER: ERICA MILLER

“While it may be politically appealing, limited levy growth can compound over time and force districts into budget crisis once they are hit with unexpected cost increases or other challenges” - Michael Borges, ASBO

“It is prudent to have steady increases in your levy each year. That way, when you face a financial bump in the road down the line, you have the resources to address it and not resort to catastrophic cuts to programs.” - Michael Borges, ASBO



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**TAX LEVY
LIMIT
(TAX CAP)**



If the proposed tax levy is more than its limit, that district will need a super majority to approve its budget.

The Tax Levy Limit is:

A calculated tax levy amount (according to a state formula) that is the highest allowable amount (before exclusions) that a school district can propose for which only the approval of a simple majority of voters (50 percent plus one) is required.

Despite its name, it does not set a limit on the tax levy that a school district (or municipality) can propose.

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

No, the law does not prohibit tax levy increases greater than 2 percent.

Despite how it's been described by some politicians and the media, the legislation signed into law in June 2011 requires each district to calculate its own tax levy limit. **Two percent (or the rate of inflation, if less) is just one of eight factors in this calculation.** The law also establishes a higher threshold of voter approval for a budget to pass if a district's proposed tax levy increase (before exclusions outlined in the law) exceeds its individual tax levy limit.

What is a tax levy limit?

For school districts, the tax levy limit is the highest allowable tax levy (before exclusions) that a school district can propose as part of its annual budget for which only the approval of a simple majority of voters (more than 50 percent) is required.

Any proposed tax levy amount above this limit will require budget approval by a supermajority (60 percent or more) of voters.

Essentially, the tax levy limit sets a threshold requiring districts to obtain a higher level of community support for a proposed tax levy above a certain amount.

However, the 2011 legislation does not place a limit on any taxes a school district would levy to pay for expenditures related to specific “exempt” items, including some court orders, some pension costs and local capital expenditures. These items are then added to the tax levy limit to arrive at the maximum “allowable” tax levy limit.

How is the tax levy limit determined for school districts?

The law dictates an eight-step formula that each school district must use to calculate its individual tax levy limit.

In particular, the calculation adjusts a district's tax levy to reflect growth in the local tax base (if any) and the rate of inflation or 2 percent (whichever is lower).

THE BASE FORMULA

PRIOR SCHOOL-YEAR
TAX LEVY

×

TAX BASE
GROWTH FACTOR

+

PILOTS RECEIVED IN
PRIOR SCHOOL YEAR

-

TAX LEVY TO PAY FOR SOME
COURT ORDERS / JUDGMENTS

-

TAX LEVY TO PAY FOR
LOCAL CAPITAL COSTS

×

ALLOWABLE LEVY
GROWTH FACTOR

-

PILOTS RECEIVABLE IN
COMING SCHOOL YEAR

+

AVAILABLE CARRYOVER
(IF ANY)

=

TAX LEVY LIMIT

	Tax Cap		
Tax Levy Limit Before Adjustments and Exclusions	2020-21	2021-22	2022-23
Prior FYE Tax Levy	\$10,832,597	\$11,048,166	\$11,129,922
Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year	\$0	\$0	\$0
Total Tax Cap Reserve Amount (including interest earned from Prior FYE)	\$0	\$0	\$0
Tax Base Growth Factor	1.0087	1.0063	1.0065
	2020-21	2021-22	2022-23
PILOTS Receivable from Prior FYE	\$56,157	\$56,157	\$49,939
Tort Exclusion Amount Claimed in Prior FYE	\$0	\$0	\$0
Capital Levy for Prior FYE	\$522,668	\$695,174	\$578,535
Allowable Growth Factor	1.0181	1.0123	1.0200
PILOTS Receivable for Current FYE	\$56,157	\$49,939	\$50,000
Available Carryover from Prior FYE	\$0	\$0	\$0
TOTAL LEVY LIMIT BEFORE ADJUSTMENTS/EXCLUSIONS	\$10,593,505	\$10,557,702	\$10,837,144
Exclusions	2020-21	2021-22	2022-23
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0
Capital Levy for Current FYE	\$695,174	\$578,535	\$635,350
ERS contribution increase greater than 2%	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0
TOTAL EXCLUSIONS	\$695,174	\$578,535	\$635,350
TAX LEVY LIMIT, ADJUSTED FOR TRANSFERS, PLUS EXCLUSIONS	\$11,288,679	\$11,136,237	\$11,472,494
TAX LEVY LIMIT INCREASE \$		\$88,071	\$342,572
	2020-21	2021-22	2022-23
Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy	\$0	\$0	\$0
Proposed Tax Levy \$	\$11,048,166	\$11,129,922	\$11,472,494
OR Proposed Tax Levy %	1.99%	0.74%	3.08%
	2020-21	2021-22	2022-23
CURRENT FYE PROPOSED LEVY, \$ entry	\$11,048,166	\$11,129,922	\$11,472,494
CURRENT FYE PROPOSED LEVY, % entry	\$11,048,166	\$11,129,922	\$11,472,494
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	1.99%	0.74%	3.08%
TAX LEVY LIMIT %	4.21%	0.79%	3.08%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$240,513	\$6,315	\$72,494
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$215,569	\$81,756	\$342,572
	2020-21	2021-22	2022-23
Proposed Levy	\$11,048,166	\$11,129,922	\$11,472,494
PILOTS	\$56,157	\$49,939	\$50,000
BUDGET YEAR Capital Exclusion Calculation			
Capital Debt	\$ 3,054,646	\$ 2,404,000	\$ 2,508,807
Transportation Capital Debt		\$ 92,813	
Transportation Capital Cash Purchasing		\$ 272,171	\$ 300,000
Capital Cash Purchases/Capital Outlay		\$ 100,000	\$ 100,000
BOCES Rent & Capital		\$ 37,677	\$ 38,949
Less: BLD Aid	\$ 2,359,472	\$ 2,043,621	\$ 2,122,322
Less: BLD Aid on Capital Outlay		\$ 78,700	
Less: Trans Aid on Capital		\$ 186,740	\$ 169,207
Less: BOCES Aid on Rent & Capital		\$ 19,065	\$ 20,877
TOTAL BUDGET YEAR CAPITAL EXCLUSION	\$695,174	\$578,535	\$635,350

What will the property tax cap law mean for MY tax bill?

It's important to remember that the tax cap law only determines how much voter support is needed to pass a budget. It does not impose a universal 2 percent cap—or any other specific amount—on taxes.

It applies to the tax levy, not to tax rates or individual bills. Keep in mind, there are several factors that dictate how an individual's school tax bill is calculated after a school district sets the final tax levy—including changes in property values and equalization rates—none of which are within the district's control. This calculation process did not change under New York's property tax cap law.

What will the property tax cap law mean for MY tax bill?

Tax bills continue to be calculated by using a property's assessed value (as determined by the local town assessor) and the tax rate—or the amount paid in taxes per \$1,000 of assessed value. Tax rates are not solely determined by the tax levy approved by voters; they are often adjusted by the state using equalization rates, designed to equally distribute the tax burden across municipalities within a district.

Tax bills can also be affected by STAR or other exclusions for which individual taxpayers may qualify.

Property Tax Levy Limit

2022-23 Allowable Levy Limit:
\$11,472,494 (3.4%)

2021-22 Levy: \$11,129,922

Proposed Levy 2022-23

\$11,400,000

Change from 2021-22

2.4%

\$270,078





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TENTATIVE BUDGET



2022-23 Budget Development

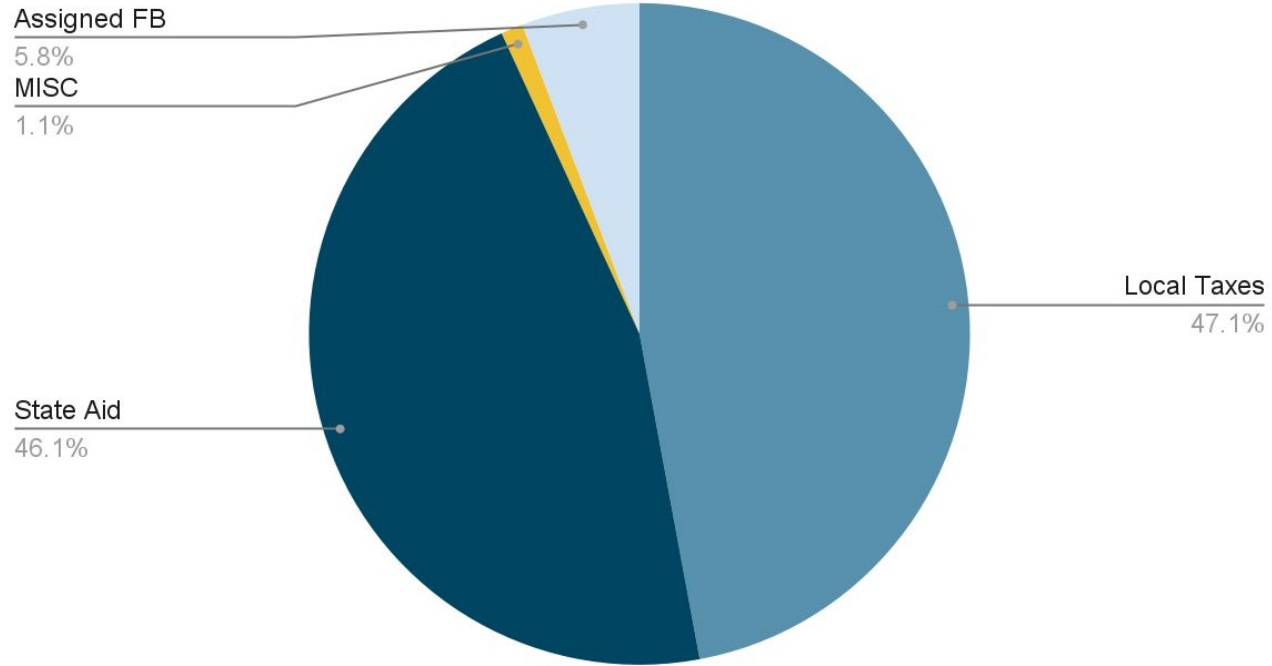
- Revenue: \$24,249,590
- 3% increase from 2021-22

Revenue Estimates

March 24, 2022

	2021-22	% Change	2022-23 Est.
Local Taxes	\$11,129,922	2.4%	\$11,400,000
State Aid	\$10,703,849	4.2%	\$11,154,500
Misc. (inc. Medicaid)	\$295,090	0%	\$295,090
Assigned Fund Balance	\$1,323,386	5%	\$1,400,000
REVENUES	\$23,452,247	3%	\$24,249,590

Revenues



Foundation Aid

Based on a formula that is regularly recalculated

Expense Driven Aid

Building, Transportation, BOCES, Excess Costs

Enrollment Driven Aid

Textbook, Software, Hardware, Library



2022-23 Budget Development

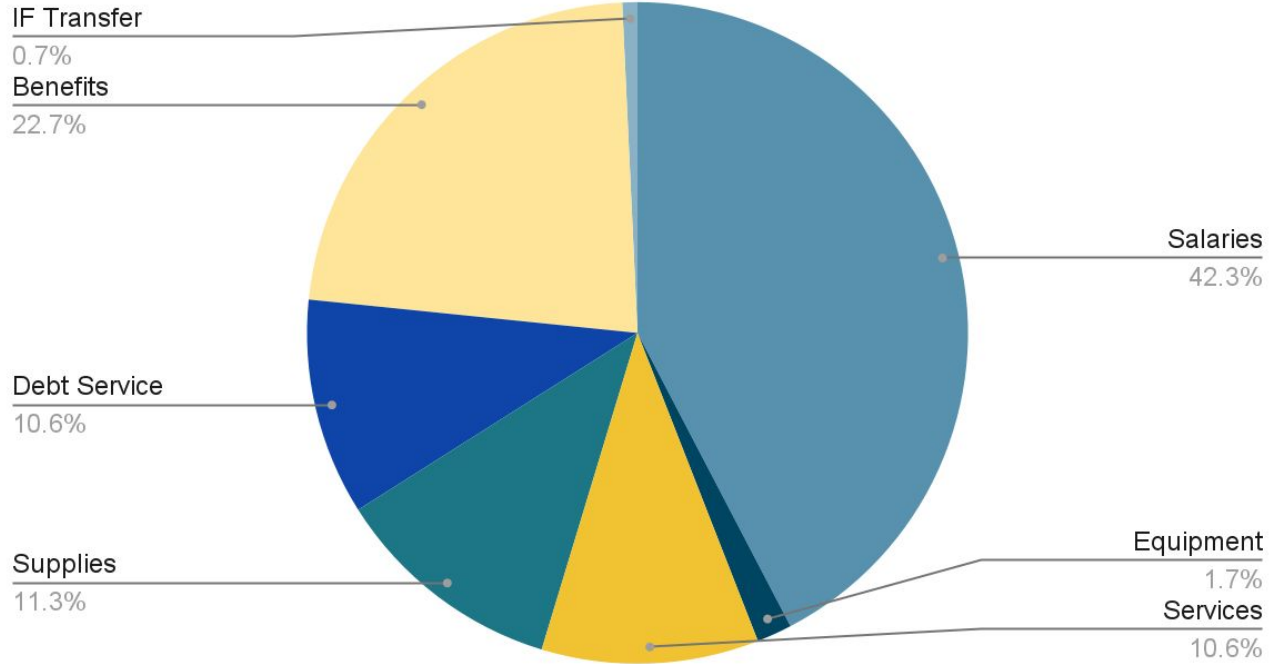
- Expenditures: \$24,249,590
- 3% increase from 2021-22

Expenditure Estimates

March 24, 2022

	2021-22	% Change	2022-23 Est.
Salaries	\$9,967,991	3%	\$10,309,501
Equipment	\$398,200	5%	\$420,101
Services	\$2,489,886	4%	\$2,585,542
Supplies	\$2,610,445	5%	\$2,761,409
Debt Service	\$2,679,813	-4%	\$2,577,807
Benefits	\$5,125,912	7%	\$5,515,230
Interfund Transfer	\$180,000	0%	\$180,000
EXPENDITURES	\$23,452,247	3%	\$24,249,590

Expenditures





2022-23 Tentative Budget Recap

Revenues
\$24,249,590

**Balanced
Budget**

Expenditures
\$24,249,590

→ Tax Cap: 2.4% (\$270,078)

→ 3% increase

Major Factors Impacting Budget

State Aid

Awaiting Legislative Budget

Federal Aid

Long Term Impacts

Supply Costs

Increases & availability

Employee Benefits

Increases - Health Insurance, Retirement, Retiree Benefits

COVID Expenses





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Next Steps...

Budget Development Calendar

Review of Tentative
Budget



Adopt Final Budget
and Propositions



Budget Vote



03.24.22

03.29.22

04.21.22

05.05.22

05.17.22

1st Legal Notice
Published



Public Hearing

