



Board of Education Meeting

Explanation of Tax Levy

February 27, 2014



2% Levy Cap

If you simply multiplied this year's levy:

77,906,690 by 2%

you would get a levy increase of \$1,558,133

It's not that easy.....



Part One of the Formula

(Adjusted prior year tax levy)

$$\left[\left(\begin{array}{c} \text{Prior Year Tax} \\ \text{Levy} \end{array} \times \begin{array}{c} \text{Tax Base} \\ \text{Growth} \end{array} \right) + \begin{array}{c} \text{Prior Year} \\ \text{PILOTS} \end{array} - \begin{array}{c} \text{Tort} \\ \text{Exemption} \end{array} - \begin{array}{c} \text{Capital Expense} \\ \text{Exemption} \end{array} \right]$$

$$\left[\left(77,906,690 \times 1.0008 \right) = 77,969,015 + \begin{array}{c} \text{Prior Year} \\ \text{PILOTS} \end{array} - \begin{array}{c} \text{Tort} \\ \text{Exemption} \end{array} - \begin{array}{c} \text{Capital Expense} \\ \text{Exemption} \end{array} \right]$$

Supplied annually by the State Taxation and Finance Department. This numerical value adjusts the tax levy limit to reflect an increase in the full value of taxable real property in a district due to new growth or significant additions to existing properties.



Capital Expense Exemption

- Debt in budget 1,957,557
- Bus leases 445,000
- Energy performance contracts 316,286
- Sub-Total 2,718,843

MINUS

- Building Aid and Transportation Aid **-582,015**
- Total 2,136,828



Complete Part One of Formula

$$\left[\left(77,906,690 \times 1.0008 \right) = 77,969,015 + 0 - 0 - 2,136,828 \right]$$

= An adjusted prior year tax levy of 75,832,187



Formula for Determining the Levy Cap

(Adjusted prior year tax levy)

$$\begin{array}{r}
 \left[\begin{array}{c} 75,832,187 \end{array} \right] \\
 \times \\
 1.46 = 76,939,337 - \text{Coming Year PILOTS} + \text{Tort} + \text{Capital} + \text{Pension} + \text{Carryover} = \text{Levy Cap}
 \end{array}$$

Capital Expense Exemption

• Debt in budget	1,957,557
• Bus leases	445,000
• Energy performance contracts	<u>316,286</u>
• Sub-Total	2,718,843
Minus	
• Building Aid and Transportation Aid	-612,939*
• Total	2,105,904

*Estimated per Governor's proposed Budget



Formula for Determining the Levy Cap

(Adjusted prior year tax levy)

$$\begin{array}{r}
 \left[\begin{array}{c} 75,832,187 \end{array} \right] \\
 \times \\
 1.46\% = 77,045,502 \quad - \quad \text{Coming Year PILOTS} \quad + \quad \begin{array}{c} \text{Tort} \\ + \\ 2,105,904 \\ + \\ \text{Pension} \end{array} \quad + \quad \text{Carryover} = 79,045,241
 \end{array}$$



- New Levy 79,045,241
- Old levy 77,906,690
- Increase in levy 1,138,551 or 1.46%



- Present calculation of a “roll over” budget is 87,570,000 or a 1.65% budget to budget increase;
 - This is an increase of 1,550,000.
- Major drivers-
 - Pensions- \$ 400,000
 - Salaries- \$ 400,000 *This is a 1.0% increase from 2013-14
 - Special Ed-\$ 300,000