



SACHEM

CENTRAL
SCHOOL
DISTRICT

Board of Education 2017-2018

Tax Cap – An Initial Conversation January 18, 2017

Kenneth E. Graham, Ed.D., Superintendent of Schools

John J. O'Keefe, Assistant Superintendent for Business

Ron Sacks, School Business Administrator



Budget Timeline

- February 1, 2017 - Budget Development Meeting #1
- February 15, 2017 - Budget Development Meeting #2
- March 8, 2017 - Budget Development Meeting #3
- March 22, 2017 - Budget Development Meeting #4
- April 5, 2017 - Budget Development Meeting #5
- April 19, 2017 - Budget Adoption Meeting
- May 3, 2017 - Public Hearing
- May 16, 2017 - Annual Election and Budget Vote



Preparing for 2017-2018

Important Financial Information to Consider ...

- CPI-U for 2017-2018 is **1.26%**
 - This is the **4th Year** in a Row **Below 2%**.

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- 2017-2018 ... **1.26%**
 - 2016-2017 ... **0.12%**
 - 2015-2016 ... **1.62%**
 - 2014-2015 ... **1.46%**
 - 2013-2014 ... **2.00%**
 - 2012-2013 ... **2.00%**



The “2% Tax Cap”

- **Reminder:** It is not a Property Tax Cap and it is typically not 2%.
 - In fact, it is only a threshold controlling the allowable increase to the Tax Levy.
 - Controlled by factors such as:
 - ❖ **Tax Base Growth Factor** (this year 1.0024)
 - ❖ **Allowable Levy Growth Factor** (Lesser of 2% or CPI-U)
 - ❖ **PILOTS** (Payments in Lieu of Taxes)
 - ❖ **Capital Tax Levy** (Includes Current Year Projects and Debt Payments)
 - ❖ **TRS and/or ERS Exclusions** (None for 2017 / 2018)



2017/2018 Tax Levy Cap

| | |
|--|---------------------------|
| 2016 / 2017 Tax Levy | \$ 171,070,969 |
| ❖ Tax Base Growth Factor <small>(1.0024)</small> | 410,570 |
| ❖ Allowable Levy Growth <small>(1.26%)</small> | 2,157,405 |
| ❖ TRS/ERS Exclusion | 0 |
| ❖ Change in PILOTs | 0 |
| ❖ <u>Change in Capital Tax Levy</u> | <u>"To Be Determined"</u> |
| 2017/2018 Initial Levy Increase | \$ 2,567,975 |



The Capital Tax Levy

Includes Proposed Projects and Existing Debt Payments

- Savings on Bonds Refunded in 2016 \$ (714,362)
 - New Energy Performance Contract \$1,816,227
 - Net Change in Capital Tax Levy **\$1,101,865**
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Other Items That Impact the Capital Tax Levy

- Capital Projects
- School Bus Purchases
- Changes in Building Aid



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Continuing the Conversation ...

The First Budget Workshop is
Scheduled for
Wednesday, February 1, 2017

Additional Discussions
February 15th , March 8th & 22nd , April 5th

Budget Vote
Tuesday, May 16, 2017
At your local Elementary School

We are Sachem!