



Enlarged City School District



# Budget 2021-22

Cortland Enlarged City School District  
February 23, 2021

# 2%??? What does that mean??

Q:

**Does the tax cap mean my annual property tax can't increase more than 2 percent?**

A:

**Not necessarily.** New York's property tax cap law establishes a tax levy limit for each school district. The tax levy limit allows school districts to increase their property tax levy from one year to the next by 2 percent or the rate of inflation, whichever is less, **based on a multi-step formula.** School districts are then allowed to take certain exemptions that may boost their tax levy limits to more than 2 percent or the inflation rate.

If a school district's proposed tax levy increase is within its limit, a simple majority of voters is needed for budget approval. If a school district's proposed tax levy increase exceeds the tax levy limit, a supermajority of voters – 60 percent or more – would be required for budget passage.

Q:

**Does the tax levy indicate how much my taxes will rise?**

A:

**No.** The tax levy is the amount of money **the school district can raise** through property taxes. The amount an individual will pay to contribute to the levied amount is the tax rate. **Tax rates paid by individual taxpayers may differ greatly from one household to another, based on such things as equalization rates and assessed property values, and may exceed 2 percent.**

# Tax Levy Limit Formula

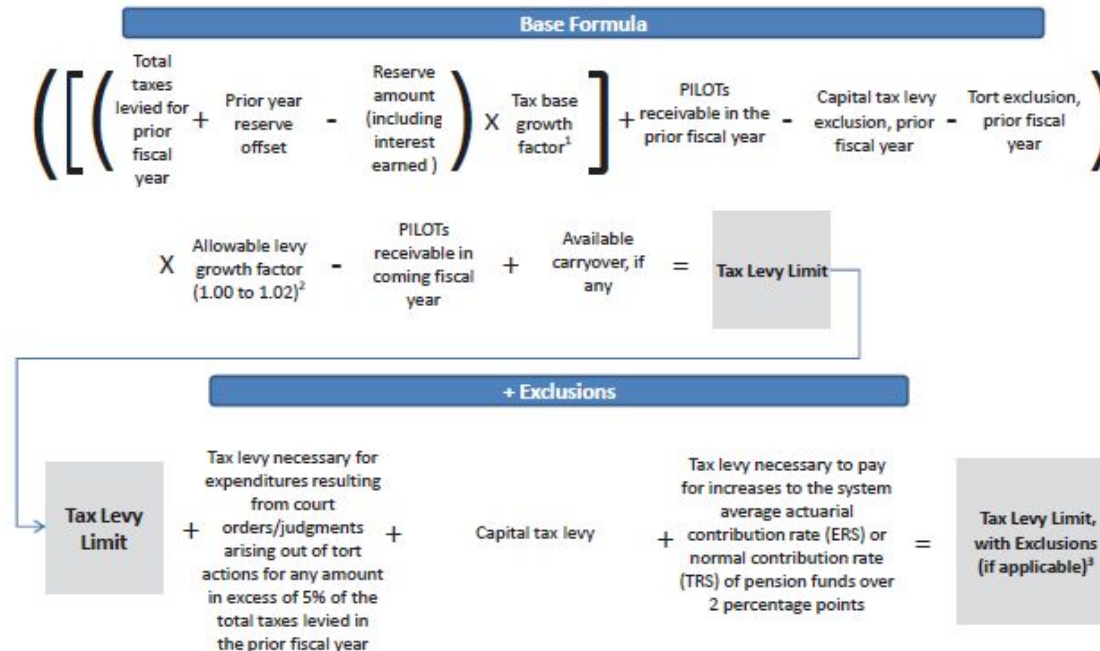
Office of the New York State Comptroller

Thomas P. DiNapoli • State Comptroller



## Property Tax Cap

### Formula for Determining Tax Levy Limit: School Districts



<sup>1</sup> Tax base growth factor: Based on Tax and Finance determination of "quantity change," such as new construction, newly taxable status of existing property, or measurable improvements to taxable property within the boundaries of the local government or school district.

<sup>2</sup> Allowable levy growth factor: Lesser of 1.02 or inflation factor (percent change in CPI for the 12 month period ending 6 months before the start of the coming fiscal year over the prior 12-month period), but never lower than 1.00.

<sup>3</sup> If school districts propose to exceed this, they must get 60% voter approval for an override.

# Tax Levy Calculation - Recommended

CORTLAND CITY SCHOOL DISTRICT								
Tax Levy Calculation								
	<u>ESTIMATED</u> 2023-2024	<u>ESTIMATED</u> 2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Tax Base Growth Factor	1.0000	1.0000	1.0000	1.0021	1.0022	1.0027	1.0026	1.0064
Allowable Levy Growth Factor (lesser of 2% or CPI)	0.0123	0.0123	0.0123	0.0181	0.0200	0.0200	0.0126	0.0012
Prior Year Tax Levy ( <i>actual tax levy from prior year</i> )	18,373,148	18,107,664	17,751,200	17,559,679	17,215,372	17,006,932	17,006,932	17,006,932
Prior Year Adjusted Tax Levy ( <i>calculation</i> )	18,373,148	18,107,664	17,751,200	17,559,679	17,215,372	17,006,932	17,006,932	17,006,932
Prior Year Adjusted Levy X Tax Base Growth Factor ( <i>calculation</i> )	18,373,148	18,107,664	17,751,200	17,596,554	17,253,246	17,052,851	17,051,150	17,115,776
Add Pilots Receivable in 2020 - 2021 ( <i>PILOTS estimated last year</i> )	149,600	149,600	141,000	145,000	145,000	120,000	150,000	100,000
2020-2021 Local Capital Levy Share From last years tax cap calc	798,654	748,528	596,205	753,047	745,625	883,883	1,160,073	1,230,382
Adjusted Prior Year Tax Levy ( <i>calculation</i> )	17,724,093	17,508,736	17,295,995	16,988,507	16,652,621	16,288,968	16,041,077	15,985,394
Adjusted Tax Levy X Allowable Levy Growth Factor (2% or CPI) ( <i>calculation</i> )	17,942,100	17,724,093	17,508,736	17,295,999	16,985,673	16,614,747	16,243,195	16,004,577
Remove Pilots Receivable in 2021/22 (anticipated upcoming PILOTS)	149,600	149,600	149,600	141,000	145,000	145,000	120,000	150,000
<b>Tax Levy Limit (<i>calculation</i>)</b>	<b>17,792,500</b>	<b>17,574,493</b>	<b>17,359,136</b>	<b>17,154,999</b>	<b>16,840,673</b>	<b>16,469,747</b>	<b>16,123,195</b>	<b>15,854,577</b>
Add Current Year Exemptions:								
2021 - 2022 Local Capital Levy Share	689,714	798,654	748,528	596,205	753,046	745,625	883,883	1,160,073
<b>Tax Levy Threshold (<i>calculation</i>)</b>	<b>\$ 18,482,214</b>	<b>\$ 18,373,148</b>	<b>\$ 18,107,664</b>	<b>\$ 17,751,204</b>	<b>\$ 17,593,720</b>	<b>\$ 17,215,372</b>	<b>\$ 17,007,078</b>	<b>\$ 17,014,650</b>
Allowable Increase in Dollars ( <i>calculation</i> )	\$ 109,066	\$ 265,483	\$ 356,464	\$ 191,525	\$ 378,348	\$ 208,440	\$ 146	\$ 7,718
Allowable Increase in % ( <i>calculation</i> )	0.59%	1.47%	2.01%	1.09%	2.20%	1.23%	0.0009%	0.0454%
<b>2021 - 2022 PROPOSED LEVY (<i>what you are ACTUALLY going to levy</i>)</b>	<b>18,482,214</b>	<b>18,373,148</b>	<b>18,107,664</b>	<b>17,751,200</b>	<b>17,559,679</b>	<b>17,215,372</b>	<b>17,006,932</b>	<b>17,006,932</b>
* Actual Increase in Dollars ( <i>calculation</i> )	109,066	265,483	356,464	191,521	344,307	208,440	-	-
Actual Increase in % ( <i>calculation</i> )	0.59%	1.47%	2.01%	1.09%	2.00%	1.23%	0.00%	0.00%
<b>Difference between Allowable and Actual (<i>calculation</i>)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4)</b>	<b>(\$34,041)</b>	<b>\$0</b>	<b>(\$146)</b>	<b>(\$7,718)</b>

\*Utilize Debt Service to level out/stabilize our tax levy

# Tax Levy Calculation - Recommended

<b>Cortland City School District</b>	
<b>Local Capital Levy Exclusion Calculation</b>	
<b>2021-22</b>	
<b>General Fund:</b>	
Debt service payments (principal + interest)	\$ 4,673,783
Capital Outlay	\$ 100,000
RAN Payments	\$ 61,000
School Bus purchases	\$ 398,304
BOCES Rent and Capital Expenses	\$ 117,269
Lease payments on school buses	\$ -
Energy Performance Contract payments	\$ -
Lease payments on school facilities	\$ -
Interfund transfers to Debt Service Fund to make debt payments related to capital projects	\$ -
<b>Total:</b>	<b>\$ 5,350,356</b>
<b>Minus:</b>	
Building aid on capital projects to be received for the year	\$ 3,829,122
Transportation Aid on capital transportation purchases to be received for the year	\$ 421,933
Bus Purchases paid for with funds held in a capital reserve or insurance proceeds	\$ -
Aid on BOCES Rent and Capital Expenses	\$ 88,773
Capital project expenses paid for with funds held in a capital reserve	\$ -
Capital project expenses paid for with EXCEL Funds	\$ -
Transfers from the Debt Service Fund to the General Fund to make debt payments	\$ 262,000
<b>Total:</b>	<b>\$ 4,601,828</b>
<b>Local Capital Levy Exclusion Amount</b>	<b>\$ 748,528</b>

Potential use of Debt Service

# Tax Levy Calculation - Without Using Debt Service

Cortland City School District	
Local Capital Levy Exclusion Calculation	
2021-22	
<b>General Fund:</b>	
Debt service payments (principal + interest)	\$ 4,673,783
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Aid on BOCES Rent and Capital Expenses	\$ 88,773
Capital project expenses paid for with funds held in a capital reserve	\$ -
Capital project expenses paid for with EXCEL Funds	\$ -
Transfers from the Debt Service Fund to the General Fund to make debt payments	\$ -
<b>Total:</b>	<b>\$ 4,339,828</b>
<b>Local Capital Levy Exclusion Amount</b>	<b>\$ 1,010,528</b>

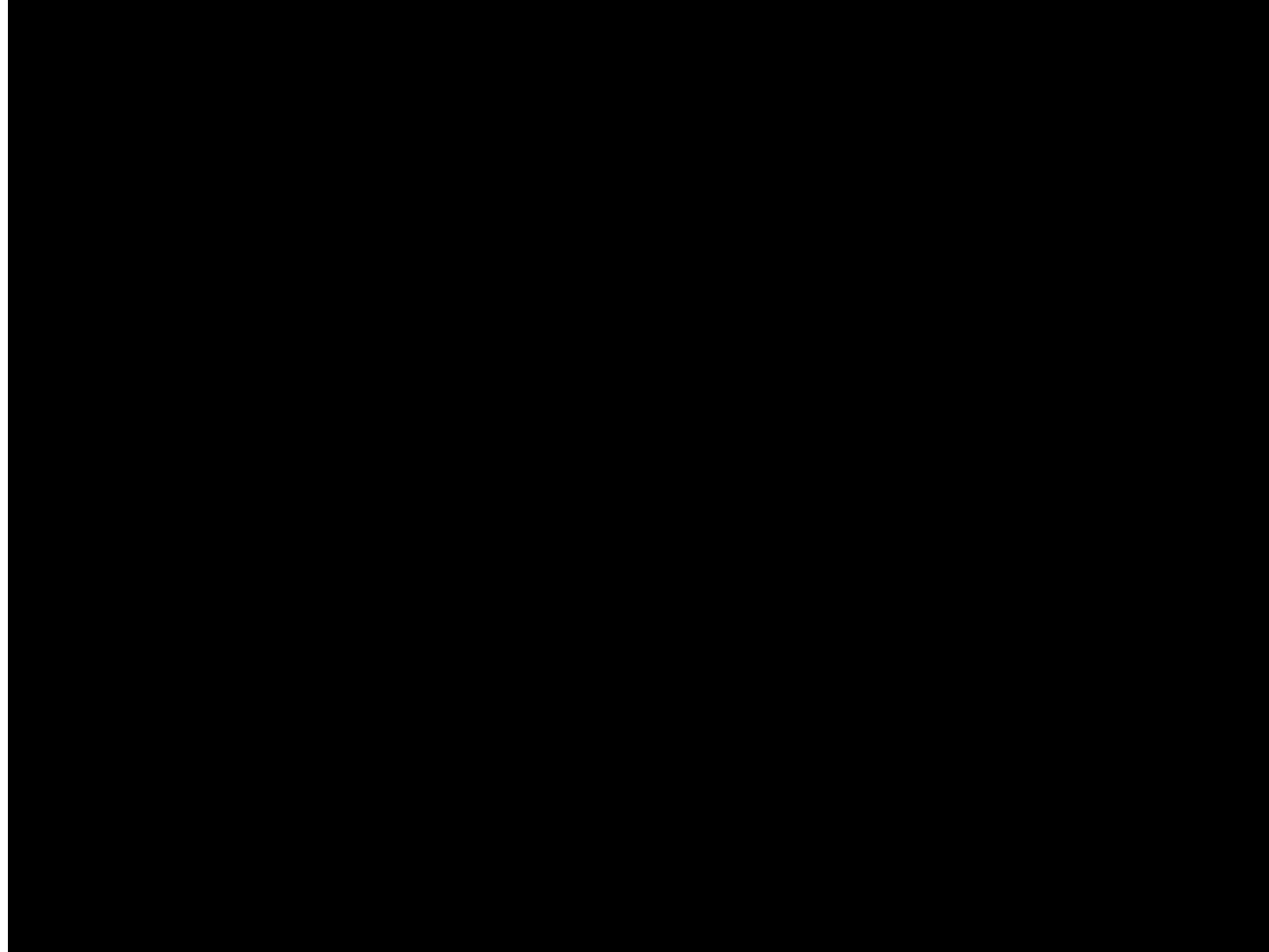
 No use of Debt Service

# Tax Levy Calculation - Without Using Debt Service

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Add Current Year Exemptions:								
2021 - 2022 Local Capital Levy Share (from capital exclusion sheet in this workbook)	689,714	798,654	1,010,528	596,205	753,046	745,625	883,883	1,160,073
<b>Tax Levy Threshold <i>(calculation)</i></b>	<b>\$ 18,482,214</b>	<b>\$ 18,373,148</b>	<b>\$ 18,369,664</b>	<b>\$ 17,751,204</b>	<b>\$ 17,593,720</b>	<b>\$ 17,215,372</b>	<b>\$ 17,007,078</b>	<b>\$ 17,014,650</b>
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Actual Increase in Dollars <i>(calculation)</i>	109,066	3,483	618,464	191,521	344,307	208,440	-	-
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Difference between Allowable and Actual <i>(calculation)</i>	\$0	\$0	\$0	(\$4)	(\$34,041)	\$0	(\$146)	(\$7,718)

# Tax Levy Video

Here is a video about the tax levy...



# Next steps

- Continue to review staffing information as it becomes available
- Health insurance rates will be known in March
- Benefit rates to be recalculated as staffing becomes known
- ~~Finalize Tax Cap Calculation~~
- Put together a budget projection

**Thank you for taking the time  
to view this presentation!**

