



Enlarged City School District



Budget 2023-2024

Cortland Enlarged City School District
February 7, 2023

Kristopher Williamson, Business Administrator



Barry Primary



Smith Intermediate



Randall Middle



Junior High School



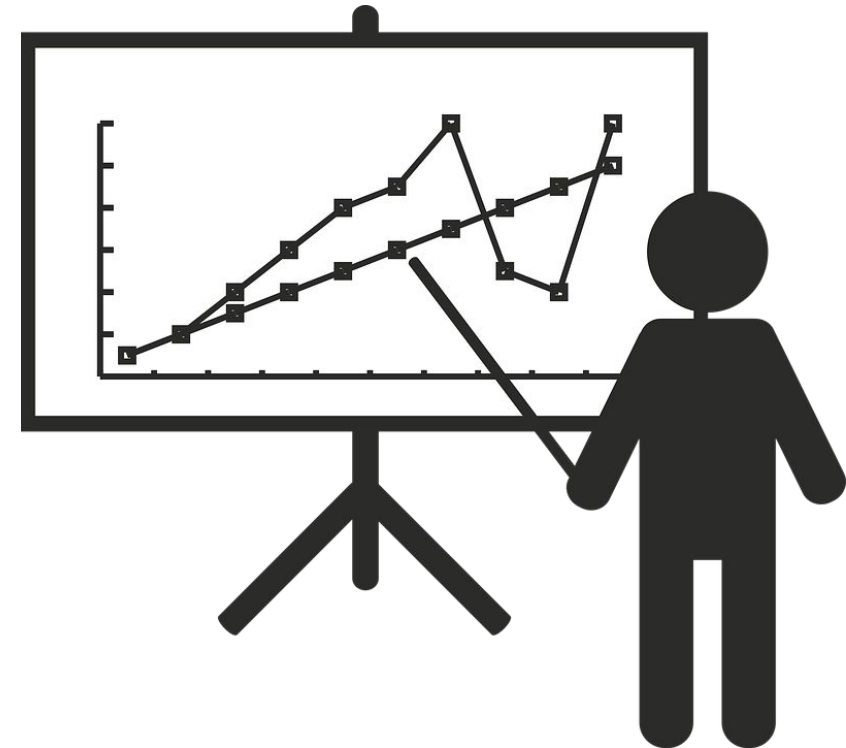
Cortland High School

Budget Presentation #6

- Tax Cap Calculations (Submitted to Comptroller by March 1)
- Initial State Aid Projections

Goals:

- Provide basic overview of the Tax Cap formula
- Review 2024 Calculations
- Discuss impacts to Cortland ECSD
- Review historical information about Tax Cap



2% Tax Levy Cap Information

Multi-step formula to determine maximum tax levy allowed with a simple majority vote (50% + 1)

Two separate growth factors (Tax Base and 2%)

- Reminder: **2% is just ONE of the factors** in this calculation
 - Value used is the lower value of 2% or CPI
- Tax Base: Growth of assessments to keep same tax rate

Law allows for additional funds to be added to tax base in addition to the two growth factors (Exclusions)

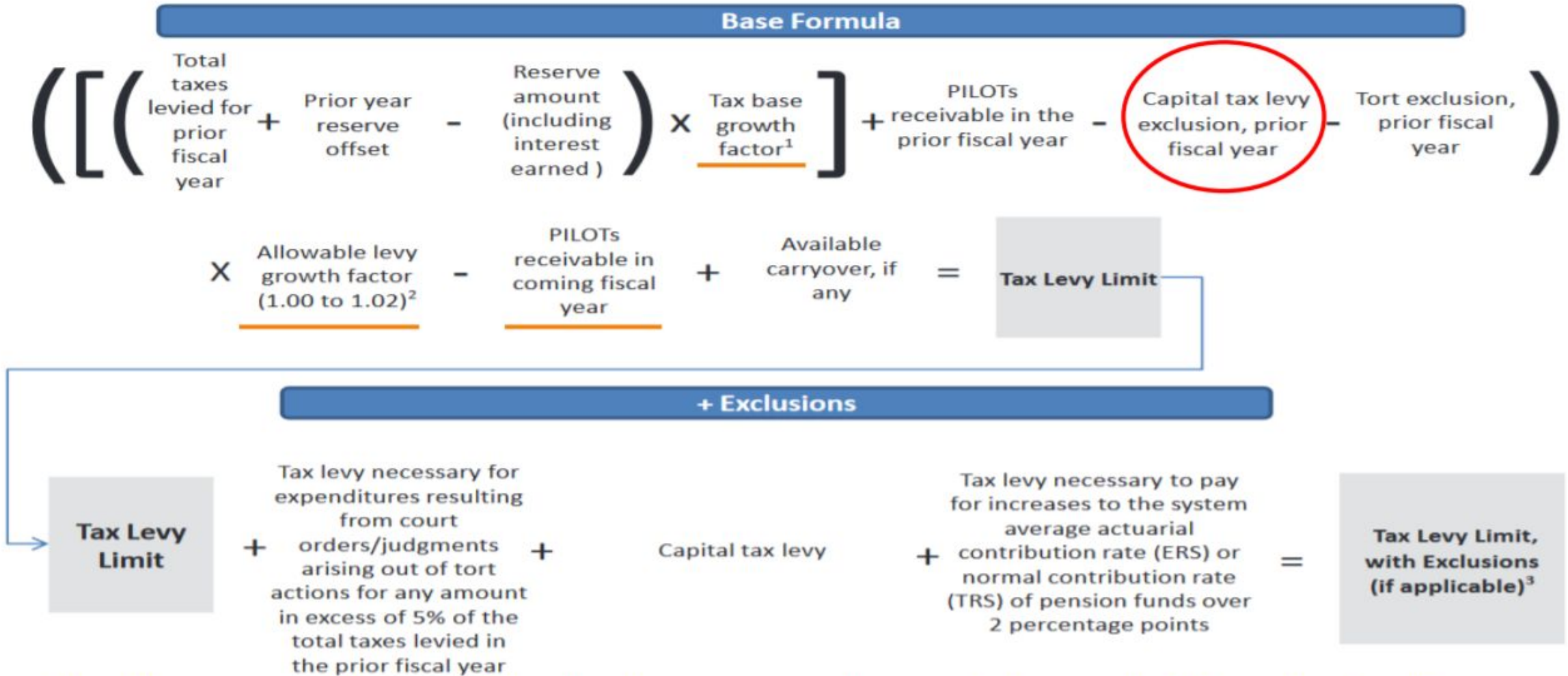
Terminology

Exclusions - Local share of expenses that have either been voter-approved in prior years (principal and interest for Bonds) or other expenses mentioned in the law to be excluded from percent increases

Tax Levy Limit - The total amount of money that taxpayers contribute to the school district that requires a simple majority vote (50% + 1)

PILOT - “Payment In Lieu Of Taxes” - Predetermined tax payment based on an agreed schedule of payments between the district and taxpayer - Is not included in the Tax Levy, but is part of the Local Taxes

2% Tax Levy Cap Formula



Overall Breakdown of Formula

1. Adjust current year* taxpayer levy for Tax Base growth (addition of new properties/businesses)
2. Add PILOTs to taxpayer levy and subtract current year* exclusions to obtain total Local Levy amount
 - a. Represents the total adjusted local levy amount before exclusions for 2023
3. Apply lesser of 2% or CPI to total Local Levy amount to account for Levy Increases for 2024
 - a. Represents the total local levy amount before exclusions for 2024
4. Subtract PILOTs to obtain taxpayer levy before exclusions
5. Add exclusions to obtain the total taxpayer levy for 2024

*Current Year is listed as “prior year” in the formula

Adjustments to Taxpayer Levy for Tax Base Growth in 2022-2023

2022-23 Tax Levy		\$18,227,859
Add current year Reserve offset	+	\$0
Subtract Reserve Amount	-	\$0
Tax Base Growth Factor	x	1.0047*
*This implies that total relative assessments have increased 0.47%.		
Tax Levy Adjustment based on Tax Base Growth		\$18,313,530

Calculating the Total Local Levy for 2024 before Exclusions

Tax Levy Adjustment based on Tax Base Growth		\$18,313,530
Add current year PILOTs	+	\$160,600
Subtract current year Capital Exclusions	-	\$529,548
Subtract current year Torts/Judgment Excl.	-	\$0
		(\$17,944,582)
Allowable Levy Growth Factor	x	1.0200*
Total Local Tax Levy based on 2% Growth Limit		\$18,303,474

*CPI has been between 0.12%-2.47% from 2011-2021. It is currently around 8%

Total Taxpayer Local Levy Limit for 2024 Before Exclusions

Total Local Tax Levy based on 2% Growth Limit		\$18,303,474
Subtract next year PILOTs	-	\$165,730
Add allowable carryover	+	\$0
Total Levy Limit Before Exclusions		\$18,137,744

For this year (FY23), this number is \$17,698,311, which results in a 2.48% increase over the current year for the Total Levy Limit before Exclusions.

2024 Capital Exclusions

	Capital Projects	Bus Purchases	BOCES Rent and Capital
Debt Service Payments	\$4,029,450	\$533,767	\$122,703
Anticipated Aid	\$3,777,316	\$380,961	\$92,118
LOCAL SHARE:	\$252,134	\$152,806	\$30,585

Voter approval was given for Capital Projects and Bus Purchases. The local share of these expenses are added to the tax levy as exclusions.

The local share of BOCES rent and capital is also added to the tax levy as exclusions.

2024 Capital Exclusions

Tort/Judgment Exclusions:	\$0
Capital Tax Exclusion (Capital Projects):	\$252,134
Capital Tax Exclusion (Bus Purchases):	\$152,806
Capital Tax Exclusion (BOCES Rent/Capital):	\$30,585
Tax Levy for pension contributions to ERS:	\$0
Tax Levy for pension contributions to TRS:	\$0
Total Exclusions:	\$435,525

2024 Levy Limit with Exclusions

Total Levy Limit Before Exclusions \$18,137,744

Add Total Exclusions + \$435,525

Tax Levy Limit with Exclusions for 2024 \$18,573,269

This is a 1.89% increase over the Tax Levy for 2023.

Compared with Previous Years

	2020	2021	2022	2023	2024
Tax Base Growth Factor	1.0022	1.0021	1.0000	1.0000	1.0047
Allowable Levy Growth Factor	1.0200	1.0181	1.0123	1.0200	1.0200
PILOTs Received	\$145,000	\$141,000	\$149,600	\$160,600	\$165,730
Levy Limit Before Exclusions	\$16,840,673	\$17,154,999	\$17,359,136	\$17,698,311	\$18,137,744
Total Exclusions	\$753,047	\$596,205	\$748,224	\$529,548	\$435,525
Levy Limit with Exclusions	\$17,593,720	\$17,751,204	\$18,107,360	\$18,227,859	\$18,573,269
Tax Levy for Fiscal Year	\$17,559,679	\$17,751,200	\$18,107,360	\$18,227,859	\$18,573,269
Difference	- \$34,041	- \$4	\$0	\$0	\$0
Percent Increase	2.00%	1.09%	2.01%	0.67%	1.89%

Tax Cap Limitations



Impacts of Not Going Up to Tax Cap

Year	To Cap?	Actual Levy	Below Cap	Levy = Cap	Difference	Total Not Levied	Actual Inc	To Cap Inc
2013-2014	NO	\$ 16,162,674	\$ (289,310)	\$ 16,451,984	\$ 289,310	\$ 289,310	2.90%	4.74%
2014-2015	NO	\$ 16,631,392	\$ (595,043)	\$ 17,520,938	\$ 889,546	\$ 1,178,856	2.90%	6.50%
2015-2016	YES	\$ 17,006,932	\$ 0	\$ 17,914,866	\$ 907,934	\$ 2,086,790	2.26%	2.25%
2016-2017	NO	\$ 17,006,932	\$ (7,718)	\$ 17,929,491	\$ 922,559	\$ 3,009,349	0.00%	0.08%
2017-2018	NO	\$ 17,006,932	\$ (146)	\$ 17,943,690	\$ 936,758	\$ 3,946,107	0.00%	0.08%
2018-2019	YES	\$ 17,215,372	\$ 0	\$ 18,173,445	\$ 958,073	\$ 4,904,180	1.23%	1.28%
2019-2020	NO	\$ 17,559,679	\$ (34,041)	\$ 18,573,105	\$ 1,013,426	\$ 5,917,606	2.00%	2.20%
2020-2021	NO	\$ 17,751,200	\$ (4)	\$ 18,785,140	\$ 1,033,940	\$ 6,951,546	1.09%	1.14%
2021-2022	YES	\$ 18,107,360	\$ 0	\$ 19,154,017	\$ 1,046,657	\$ 7,998,203	2.01%	1.96%
2022-2023	YES	\$ 18,227,859	\$ 0	\$ 19,295,449	\$ 1,067,590	\$ 9,065,793	0.67%	0.74%
2023-2024	YES	\$ 18,573,269	\$ 0	\$ 19,665,560	\$ 1,092,291	\$ 10,158,084	1.89%	1.92%

Note: If the 2022-23 levy was \$19,295,449, the tax rate would have been \$16.81 on true, compared to \$15.58 on true.

Initial State Aid Projections (Feb 1, 2023)

	2022-23 Legislative Aid Run	<i>Change to Anticipated Aid Run</i>	2022-23 Anticipated Aid Run	<i>Change from Legislative</i>	2023-24 Budgeted Aid As of 2/1/23
Foundation Aid	\$22,648,617	\$ 0	\$22,648,617	3.00%	\$23,328,078
Universal Pre-Kindergarten	\$637,666	\$ (275,440)	\$362,226	30.24%	\$830,521
BOCES	\$2,373,621	\$ (265,984)	\$2,107,637	(0.72)%	\$2,356,414
High Cost Excess Cost	\$918,100	\$ (150,511)	\$767,589	(19.41)%	\$739,857
Private Excess Cost	\$187,058	\$ 30,417	\$217,475	1.63%	\$190,104
Hardware & Technology	\$39,612	\$ 1	\$39,613	0.44%	\$39,785
Software, Library, Textbook	\$172,373	\$ (24,313)	\$148,060	(2.73)%	\$167,669
Transportation, Including Summer	\$1,267,677	\$ 297,015	\$1,564,692	35.91%	\$1,722,843
Building	\$3,719,967	\$ (117,101)	\$3,602,866	1.36%	\$3,770,522
Charter School Transitional	\$198,986	\$ 18,089	\$217,075	(16.05)%	\$167,040
TOTAL (Excluding UPK)	\$31,526,011	\$ (212,387)	\$31,313,624	3.41%	\$32,482,312

Historical Revenue Projections

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Tax Levy	\$ 17,215,372	\$ 17,559,679	\$ 17,751,080	\$ 18,107,360	\$ 18,227,859	\$ 18,573,269
PILOTs	\$ 145,000	\$ 145,000	\$ 141,000	\$ 149,600	\$ 160,600	\$ 165,730
State Aid	\$ 28,929,978	\$ 29,702,387	\$ 30,835,771	\$ 31,347,787	\$ 31,741,542	\$ 32,090,698
Other Revenues	\$ 910,650	\$ 905,650	\$ 942,150	\$ 935,150	\$ 935,150	\$ 935,150
TOTAL REVENUES	\$ 47,201,000	\$ 48,312,716	\$ 49,670,001	\$ 50,539,897	\$ 51,065,151	\$ 51,764,847
Appropriated Fund Balance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 308,359	\$ 400,000	\$ TBD
Use of Reserves	\$ 1,875,887	\$ 764,171	\$ 0	\$ 0	\$ 100,000	\$ TBD
TOTAL BUDGET	\$ 49,576,887	\$ 49,576,887	\$ 50,170,001	\$ 50,848,256	\$ 51,565,151	\$ TBD
Available Balance Year End	\$ 125,697.98	\$ 539,289.03	\$ 5,269,843.68	\$ 4,508,387.78	TBD	
% of Subsequent Budget	0.25%	1.07%	10.36%	8.74%	TBD	

Key Take-Aways

- Limited by Tax Base Growth Factor (1.0047) and Allowable Levy Growth Factor (1.0200)
 - Highest that CPI has been since the inception of the Tax Cap
- PILOTs increasing this year
- Capital Exclusions are going down, becoming more steady
- Not going to the Tax Cap has an exponential effect on future levies

Anticipated 2024 Local Tax Levy: \$18,573,269

Percent Increase over Current Year: 1.89%



Next Steps in Budget Process

- Continue to close budget gap
 - Currently \$3.2 million
- Continue to update Revenue Projections



Next Presentation - March 14

- Updated Revenue Budget
- Operations & Maintenance Budget
- Transportation Budget
- Instructional Budget
- Special Education Budget

BOE Budget Workshop March 14 - 5:30-6:30



Questions?

