



2024-25 Tax Cap & Initial Budget Projections

February 12, 2024

It's a great day to be a

Bobcat



Terms

Assessed Value: the value the assessor places on properties within the district

Example: total assessed values in Lansing CSD is: \$1,194,694,162

Tax Levy: The total amount in taxes the district will collect from tax payers

Example: Lansing CSD Tax levy = \$22,768,332

COMBINED Levy: The Tax Levy PLUS the amount in PILOTS based on tax rate

Example: \$22,768,332 + 137,880 = \$22,906,212

Tax Rate = combined tax levy DIVIDED BY combined assessed values

Example: $\$22,906,212 \div \$1,194,694,162 = \$.0191732$ OR \$19.1732 per thousand dollar value of a home

Tax Bill = total assessed value of the home MULTIPLIED BY the tax rate

Example: $\$.0191732 \times \$100,000 \text{ assessed home} = \$1,917.33$

***Examples are from a PRIOR year**



Terms

PILOT = Payment In Lieu of Taxes: Reduced set value or set payment.

Capital Levy Exclusion: tax levy necessary to support Capital Local Expenditures in the prior school year. Total debt service expenses after building and transportation aid.

Tax Base Growth Factor: a measure of the change in real property value due to physical or quantity changes (construction and capital improvements) of real property in the district

Allowable Levy Growth Factor: lesser of CPI (consumer price index) or 2%

Allowable Carryover: the amount by which the tax levy for the prior school year was below the applicable tax levy limit (not including permissible exclusions) if any, but no more than an amount that equals one and one-half percent of the tax levy limit (not including permissible exclusions) for such school year



Tax Cap

- Enacted June 24, 2011
- Establishes a Tax Levy Limit on all local governments and most school districts (excluding the Big 5)



Tax Cap Formula

Start with: Current Year Tax Levy

x Tax Base Growth Factor (per NYS - different for each school dist.)

+ Current Year PILOTS

- Current Year Capital Exclusions

x CPI (up to 2%)

= Adjusted Levy

- Projected PILOTS

+ Available Carryover (if any)

+ ERS/TRS Exclusions (if applicable)

+ Projected Capital Exclusions

= **MAXIMUM ALLOWABLE TAX LEVY**

<https://www.youtube.com/watch?v=AEqU8nYXXXs>



Tax Cap Calculator

| | Current Yr 2024 | Projected 2025 |
|--|---------------------|---------------------|
| Tax Levy Limit (Cap) Before Exclusions | | |
| Tax Levy Prior Year | \$22,245,753 | \$22,768,332 |
| Prior Year Reserve Offset | \$0 | \$0 |
| Reserve Amount | \$0 | \$0 |
| Tax Base Growth Factor | 1.0168 | 1.0201 |
| PILOTs Receivable Prior Year | \$167,600 | \$157,963 |
| Tort/ Judgement Exclusion Prior Year | \$0 | \$0 |
| Capital Tax Levy for Prior Year | \$1,010,499 | \$714,535 |
| Allowable Levy Growth Factor | 1.0200 | 1.0200 |
| PILOTS Receivable Current FYE | \$157,963 | \$165,000 |
| Available Carryover from Prior FYE | \$0 | \$0 |
| Total Levy Limit Before Exclusions | \$22,054,151 | \$22,957,792 |
| Exclusions | | |
| Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5% | \$0 | \$0 |
| Capital Levy for Current Year | \$714,535 | \$754,261 |
| ERS contribution increase greater than 2% | \$0 | \$3,381 |
| TRS contribution increase greater than 2% | \$0 | \$0 |
| Total Exclusions | \$714,535 | \$757,642 |
| Tax Levy Limit, Adjusted For Transfers, Plus Exclusions | \$22,768,686 | \$23,715,434 |
| TAX LEVY LIMIT % | 2.35% | 4.16% |
| DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY | \$354 | \$23,715,434 |
| YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY | \$522,579 | \$947,068 |





Capital Exclusion Calculation

| Projected 2025 | |
|---|--------------------|
| Capital Levy Exclusion Calculation | |
| Debt service payments for capital projects (principal + interest) | \$2,417,674 |
| Debt service payments for bus purchases (principal + interest) | \$350,000 |
| Project expenses paid for with local funds (Capital Fund H522) | \$100,000 |
| Total | <u>\$2,867,674</u> |
| Capital Levy Revenue | |
| Building aid on capital projects to be received for the year | \$1,819,035 |
| Transportation Aid on capital transportation purchases | \$108,678 |
| Transfers from the Debt Service Fund to the General Fund | \$100,000 |
| Aid on Capital Outlay | \$71,200 |
| BOCES Aid on Capital Expenses | \$14,500 |
| Total | <u>\$2,113,413</u> |
| 2025 | |
| Total Local Capital Levy Exclusion Amount | \$754,261 |





Assumptions

Assumptions built into Tax Cap Calculation:

1. Assessed values remain flat
 - a. Impacts the tax rate
 - b. Impacts PILOT payment
 - i. most PILOTs are a set value
 - ii. PILOT payment determined by final tax rate
 - c. Minor impact on tax cap
2. Projected Building Aid
 - a. Impacts Capital Levy Exclusion Calculation



Tax Cap & Budget

Tax Levy Limit

- Over vs under cap?
- Impacts total revenue budget
- Long term implications
 - Not meeting the cap - limits the amount a district is able to raise for all future years
 - Available carryover is unusual



Impact on Tax Rate??

Too soon to know ...

Depends on Total Assessed Values

Final Tax Roll - July 1



Next Steps

1. Continue to refine expense projections.
 - a. Building level meetings
 - b. Department meetings
 - c. Adjust for position changes through attrition
 - i. Salaries
 - ii. Benefits
 - d. Submit BOCES Final Service Requests (due Feb 28th)
2. On time State Budget? April 1st deadline
 - a. More concrete State Aid projections
3. Assessed Values Estimate from Tompkins Co. Department of Assessment
 - a. Mid March: rough conservative estimate

We

our

STUDENTS

