



STILLWATER

CENTRAL SCHOOL DISTRICT

Stillwater Community Budget Forum

February 16, 2012



Budget factors/challenges for 2012-13

- NYS property tax levy “cap”
- Flat state aid in recent years
- Fundamental flaw in school funding formula
- Lack of substantial mandate relief
- Economic climate
- Community expectations



Tax levy limit

What is it?

What does it mean for Stillwater?



Property Tax Cap Chapter 97 of the Laws of 2011

- Not really a “cap”
- Sets a higher threshold for voter approval of budgets if proposed tax levy increase exceeds the “tax levy limit”
 - 60% or more (supermajority) vs. 50% + 1 (simple majority)
- “Tax levy limit” calculated and will vary by district
- “Tax levy limit” is NOT a limit — just a threshold for what level of voter support is required



Tax levy cap

- Stillwater will be “penalized” because of how GlobalFoundries PILOT is calculated into tax levy cap formula
- Stillwater’s “cap” or threshold will be substantially below its current levy (total amount of taxes to be raised by the school district after considering all other revenue sources, including state aid)
- In order for district to collect same amount as last year (0 % increase), the district will need 60% voter approval



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Projected Stillwater Tax Levy Limit Calculation

Calculation with 12-13 PILOT as is

Hypothetical calculation with smaller growth in PILOT (2% growth)

11-12 Levy	\$8,476,648.00
Multiply by Tax Base Growth Factor	1.0085
<i>Subtotal</i>	\$8,548,700
Add 11-12 PILOTS	\$1,551,500
<i>Subtotal</i>	\$10,100,200
Subtract 11-12 Capital Local Levy	(\$241,280)
<i>Subtotal</i>	\$9,858,920
Multiply by Allowable Levy Growth Factor	1.02
<i>Subtotal</i>	\$10,056,098
Subtract 12-13 PILOTS	(\$2,200,000.00)
TAX LEVY LIMIT for 12-13	(-7.4%) \$7,856,098
Add ERS exclusion	\$13,200
Add capital local levy exclusion	\$251,278
MAXIMUM ALLOWABLE LEVY LIMIT	(-4.1%) \$8,126,545

11-12 Levy	\$8,476,648.00
Multiply by Tax Base Growth Factor	1.0085
<i>Subtotal</i>	\$8,548,700
Add 11-12 PILOTS	\$1,551,500
<i>Subtotal</i>	\$10,100,200
Subtract 11-12 Capital Local Levy	(\$241,280)
<i>Subtotal</i>	\$9,858,920
Multiply by Allowable Levy Growth Factor	1.02
<i>Subtotal</i>	\$10,056,098
Subtract 12-13 PILOTS	(\$1,582,530)
TAX LEVY LIMIT for 12-13	(+0.12%) \$8,120,576
Add ERS exclusion	\$13,200
Add capital local levy exclusion	\$251,278
MAXIMUM ALLOWABLE LEVY LIMIT	(+3.2%) \$8,738,046



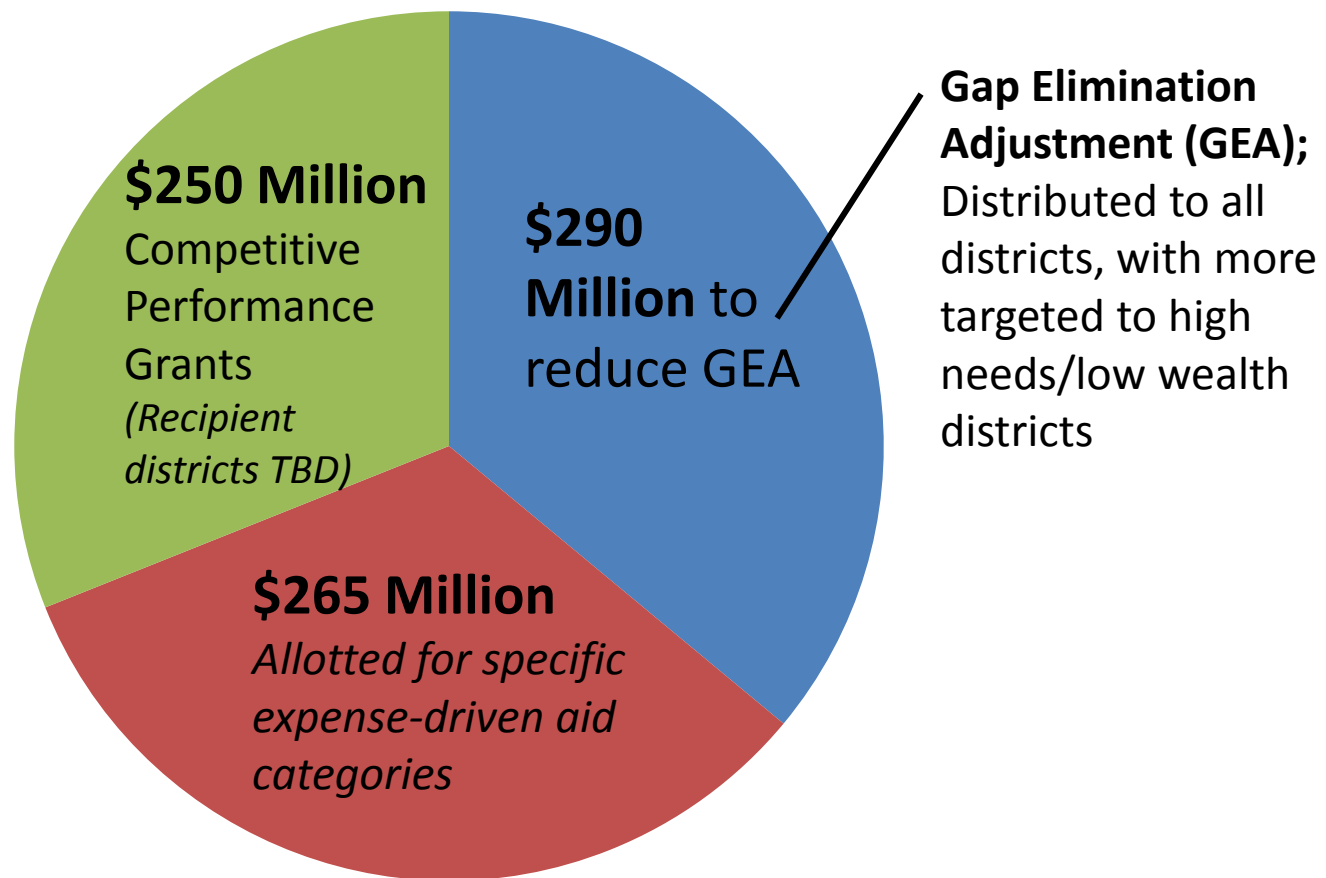
Other factors affecting 2012-13 budget

- The loss of \$500,000 in Federal Education Jobs money
- Increases in the state-mandated district retirement contributions
- Contractual salary increases
- Increases in other contractual areas, such as health insurance
- Increasing energy costs



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How is the 4% increase, or \$805 million, in total state education funding being distributed?





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Stillwater State Aid Runs

2011-12 BASE YEAR AIDS		2012-13 ESTIMATED AIDS	INC/DEC	
6,253,194	FOUNDATION AID	6,253,194	-	
-	FULL DAY K CONVERSION	-	-	
58,000	UNIVERSAL PREKINDERGARTEN	58,000	-	
622,612	BOCES & SPECIAL SERVICES	710,216	87,604	
41,631	HIGH COST EXCESS COST	126,332	84,701	
161,071	PRIVATE EXCESS COST	228,581	67,510	
18,409	HARDWARE & TECHNOLOGY	18,966	557	
101,442	SOFTWARE, LIBRARY, TEXTBOOK	101,203	(239)	
998,133	TRANSPORTATION INCL SUMMER	1,063,602	65,469	
-	OPERATING REORG INCENTIVE	-	-	
-	CHARTER SCHOOL TRANSITIONAL	-	-	
-	ACADEMIC ENHANCEMENT	-	-	
-	HIGH TAX AID	-	-	
-	SUPPLEMENTAL PUB EXCESS COST	-	-	
(1,718,323)	GAP ELIMINATION ADJUSTMENT	(1,612,901)	105,422	3.95%
2,771,645	BUILDING & BLDG REORG INCENT	2,727,864	(43,781)	
9,307,814	TOTAL	9,675,057	367,243	



State Aid

In Gov. Cuomo's budget proposal, every district is getting a restoration of some of its Gap Elimination Adjustment (a decrease in the decrease, so to speak).

How much for Stillwater?

\$105,422 (+3.95%)

Stillwater's total 2011-12 budget:

\$21,307,371



Expenditures

2011-12 Budget: \$21,307,371

2012-13 Budget (Starting Point): \$22,162,163

Budget-to-Budget Increase: 4.012%



**With all of these factors,
what is Stillwater's budget
shortfall at its tax levy threshold?**

Approximately \$2 Million

- This assumes no use of fund balance or debt service transfer
- This assumes a 4.1 reduction in the tax levy (Stillwater's tax levy threshold)



How can Stillwater close this gap?

Three-pronged approach:

- Exceed the tax levy threshold (60% voter approval)
 - Would be necessary for a minimal increase in levy or even to maintain it at its current level
- Reductions in spending
- Use of fund balance and/or debt service transfer



What if we don't exceed our tax levy threshold?

The entire 2 million budget gap would have to come from reductions in the budget, use of fund balance and/or debt service



What would that mean for Stillwater?

- Reductions to staff
- Reductions to Schedule B (after school clubs)
- Reductions to interscholastic athletics
- Elimination and/or reduction of summer school
- Elimination and/or reduction of field trips
- Reductions to University in the HS/Advanced Placement classes
- Reductions to gifted and talented programs
- Elimination of Alternative Academy
- Elimination of Youth Court
- Elimination and/or reduction to professional development for staff
- Reductions to equipment/supplies



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Questions?



Next Steps

- Contact your elected representatives
- Budget survey on www.scsd.org
- 2nd Community Budget Forum on Tuesday, March 6
- Early April: Adoption of budget proposal
- May 15, 2012: Annual Budget Vote & BOE Election