

Oneonta City School District  
Preliminary 2022-2023  
Budget Development Status  
As of 02/15/2022

On the Expenditure Side

**Salaries & Benefits** consistently make up approximately 70% of our Budget (\$29.5M).

- Salary Increases for settled contracts = 3%
- TRS Increase from 9.8% to 10.29%.
- ERS decrease from 16.2% to 11.6%
- Anticipated Health Insurance Decrease = 0.6%

Health insurance is showing a slight increase as we account for the decreased refund in 2022-2023.

Anticipated Retirements are built in.

Workers Comp is up as we have had some significant claims.

Slight decrease in Unemployment as we have increased the reserve.

**Transportation** down slightly. Based on 3% increase on current routes and billing methodology.

**BOCES** Updated costs are built in. There is a \$25,000 increase to the administrative budget.

→ **Liability Insurance** may increase. We have had several bus accidents.

**We continue to fund new positions through the grant but will need to decide how to absorb them long term.**

We anticipate **utility cost increases**. Currently bidding as our contract runs out in December.

On the Revenue Side

Foundation Aid increase is \$318K. We anticipate a little more. This is still not fully funded for Oneonta.

Tax Cap is 0.53% or \$118,003

Currently short funded by approximately \$600K but we dropped the fund balance contribution from \$1M to \$500K.

### Other Notes

**Building Budget requests came in yesterday and have not been reflected yet. We have a meeting on March 10<sup>th</sup> to discuss requests and priorities.**

Still need to get budget requests from Buildings and Grounds and IT Department.

### Notes from Executive Budget Proposal

- 19% focused on education. We should not expect a huge change when the legislative budget comes out.
- Transportation Aid Penalty Forgiveness-Forgive penalties back to 2013-2014. If it hasn't been deducted yet, it will not be.
- Special ed tuition rates for private placements (ex. Springbrook, Rome, Pathfinder) would increase by 11%.
- NYS Revenues-Largest portion is Federal Grants (40%) followed by Personal Income Tax (23%). Personal Income tax is projected to go down 28% and grants to go down 14.8%.
- Revenue increases in other areas were from mobile betting legalization, vacation rental property taxes and marijuana revenues.
- State planning for future with large increases to Rainy Day funds.
- Actual valuation of property plays a part in distribution of state aid. Actual valuation is currently on a three year lag.
- RWADA also considered in Building, Transportation and BOCES Aid. Declining enrollment can impact aid ratios.
- Aid ratios change annually

### FOUNDATION AID

Created in 2007 and has always been based on political negotiations, not formula. Currently running formula but with a three year phase in.

Foundation Aid formula is based on over 70 data points and is recalculated on a regular basis.

Executive Budget used current CPI of 3.3% in calculation. Enacted budget will recalculate at 4.7%.

Uses poverty counts from 2000 census.

Successful school study has not been updated since 2012 due to NYS testing

Free & reduced lunch counts are limited by Community Eligibility Provision and "free" meals.

Most of the factors are out of our control.

ONEONTA CITY SCHOOL DISTRICT  
FINANCIAL MEMORANDUM #2022-02

February 16, 2022

TO: THOMAS F. BRINDLEY  
SUPERINTENDENT OF SCHOOLS

FROM: LISA J. WEEKS  
BUSINESS MANAGER

DATE: February 16, 2022

RE: FINANCIAL MEMORANDUM #2022-02

1. Treasurer's Report Action Item (To Accept)

*Resolved, upon the recommendation of the Superintendent, to accept the Treasurer's Monthly Report for the period ending January 31, 2022, as presented.*

2. Letter of Intent for the Purchase of Buses in 2022-2023 Action Item (To Approve)

*Resolved, upon the recommendation of the Superintendent, that the following letter of intent shall be sent to Matthews Buses Inc. Upon acceptance by the Board of Education, the proposition for the purchase of two school buses, (1) 66 passenger bus and (1) 30 passenger bus as presented.*

Does not include  
trade in of  
\$ 2000 + 1,500 = 3,500

2950 last rept  
for 2 buses at  
auction

3. Extra Classroom Activities – Quarterly Report Action Item (To Accept)

*Resolved, upon the recommendation of the Superintendent, to accept the Quarterly Report dated July 1, 2021 - December 31, 2021 for Extra Classroom Activities, as presented.*

4. Claims Audit Report Action Item (To Approve)

*Resolved, upon the recommendation of the Superintendent, to approve Claims Audit Report for the period of October 1, 2021-December 31, 2022, as presented.*

5. Film COOP Film Student Award Action Item (To Approve)

*Resolved, upon the recommendation of the Superintendent, to approve the Scholarship Establishment Agreement for the Film Coop Scholarship, as presented.*

New scholarship  
\$500.-

6. TRANE U.S. Inc. Service Agreement Action Item (To Approve)

*Resolved, upon the recommendation of the Superintendent, to approve as presented, the service agreement with TRANE U.S. Inc, for service of the POOLPAK compressor/condenser in the amount of \$1,950.00 for the period of five months.*

7. Donation Action Item (To Accept)

*Resolved, upon the recommendation of the Superintendent, to accept the following donation:*

From: Oneonta Rotary Club  
Item: Little Libraries  
For: Elementary Schools

BOOK BOXES

# The “Property Tax Cap”

**Is it really 2%?**

# What is it really?

- Maximum Allowable Levy-Limits the annual growth of property taxes levied by local taxing entities to 2% or the rate of inflation, whichever is less:
  - Subject to certain exemptions and allowances which could result in an “allowable levy” greater than or less than 2%.
  - Can be overridden by a Supermajority, which means at least 60% of district voters.

# In Summary

## THE CAP IS NOT ABSOLUTE

- ***School Budgets within the allowable levy limits still need to be approved by a simple majority (50% plus one) of voters.*** If voters defeat the budget twice or the district decides to implement a contingency budget after one defeat, the maximum allowable tax levy is FROZEN at the amount levied the prior year (i.e. 0% increase).
- ***The “Cap” will seldom be exactly 2% after exemptions and allowances are applied.*** These factors will vary from year to year and in each taxing jurisdiction. Examples of variances and allowances are debt service payments less aid received and retirement system costs that exceed 2% of covered payroll.
- ***Cap can be exceeded by a Supermajority*** or at least 60% of the voters.
- If you don't levy the “maximum” allowable, a district ***can carryover the unused tax levy growth to the following budget year.***

# What factors go into the calculation?

- Inflation or the Consumer Price Index (CPI).
- Growth Factor-provided by NYS. This is a quantity change in taxable property values in the base year.
- Tort settlements or awards exceeding 5% of the tax levy in the base year.
- Capital Costs-Debt Service, principal and interest payments, for voter approved projects or borrowing for capital purchases (ex. buses) less State Capital Transportation & Building Aid.
- Pension cost increases exceeding 2% of covered payroll.
- Carryover from prior year.
- PILOT payments-Payment in lieu of taxes.



# Other things to keep in mind

- A district cannot circumvent the cap by having the public vote on a separate referendum for specific programs, such as athletics or music.
- The district sets the levy TOTAL. Other factors may affect your individual tax bill, such as reassessment, equalization rate, a town's apportionment of the total levy or STAR exemption changes.

## 2022-2023 Maximum Tax Levy Calculation

2021-22 Tax Levy	\$22,176,861
X Tax Base Growth Factor	<u>x 1.0000</u>
SUBTOTAL	\$22,176,861
Plus 2021-22 PILOTS (estimate)	<u>+ 479,762</u>
SUBTOTAL	\$22,656,623
Subtract: Claims/Judgments	0
Local Share of 2021-22 Capital Exp	<u>- 984,426</u>
=Adjusted 2021-2022 Tax Levy	\$21,672,197

## 2022-2023 Projected Tax Levy Threshold

Adjusted 2021-22 Tax Levy	\$21,672,197
X Allowable Levy Growth Factor	<u>x 1.02</u>
SUBTOTAL	\$22,105,641
Less Projected 2022-23 PILOTS	- 564,765
Plus Available Carryover	<u>0</u>
2022-2023 Tax Levy Limit	\$21,540,876

\*Now add 2022-2023 Applicable Exemptions\*

## 2022-2023 Projected Tax Levy Threshold

2022-23 TAX LEVY LIMIT	\$21,540,876
ADD: Claims/Judgments > 5%	+ 0
ERS Employer Contribution	+ 0
TRS Employer Contribution	+ 0
Local Share of Capital Exp.	+ <u>753,988</u>
SUBTOTAL	\$ 22,294,864
Less: Erroneous Levy from Prior Year	- <u>0</u>
2022-23 MAXIMUM TAX LEVY THRESHOLD	\$ 22,294,864

# Change from 2021-2022

2022-23 Maximum Levy Threshold	\$22,294,864
2021-22 Tax Levy	<u>22,176,861</u>

\$ Change	\$ 118,003
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% Change	0.532%
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# Tax Cap History

## Maximum Allowable Levy

## Actual Levy

2012-2013	1.8%	• 1.8%
2013-2014	4.5%	• 2.7%
2014-2015	1.7%	• 1.7%
2015-2016	1.5%	• 1.5%
2016-2017	0.7%	• 0.7%
2017-2018	2.5%	• 2.0%
2018-2019	1.8%	• 1.8%
2019-2020	2.34%	• 2.34%
2020-2021	2.28%	• 2.28%
2021-2022	0.39%	• 0.39%
2022-2023	0.53%	• 0.53%