

To: Susan Swartz, Superintendent  
From: Drew Giaquinto, Business Administrator  
Subject: Tax Cap Calculation  
Date: February 7, 2023

The maximum allowable tax levy cap for 2023-24 is \$32,914,719, an increase of \$1,367,368 from the 2022/23 tax levy of \$31,547,351. The tax levy is allowed to increase by \$1,367,368, which is 4.33% and can be approved by a simple majority vote on the May 2023 proposition. The district is allowed to go out with the revised or same budget if the first proposition is defeated or go directly to a contingent budget. A second defeated budget requires the district to go to a contingent budget which maintains the tax levy at the 2022-23 amount.

The tax cap calculation is a formula based on the consumer price index (CPI) change or 2%, whichever is less, or the growth factor. **The growth factor** is at 2% for 2023-24 as the CPI was 8%. The formula then takes into consideration the prior year PILOTS (payment in lieu of taxes) vs. the new budget for PILOTS. The district's PILOTS are decreasing by \$65,180 (Target \$136,000 PILOT moving to tax rolls in 23/24). The decrease gives you more room under the tax cap formula.

Another key component of the tax cap formula is **the capital exclusion** calculation. This is the net debt service of the district from the prior year compared to the new budget year. Basically, this is the building aid for each of our state aided projects related to the debt service we have on the books (principal and interest). Our capital exclusion increases in the 23/24 calculation as we have the debt and related building aid coming on the books for the \$12.8 million project and not applying \$500,000 from the debt service reserve to the budget in 2023-24. The debt service reserve was utilized over the past several budgets as a strategic plan to cover the loss of building aid on the 2002 bonds,

despite having debt service remaining. The net change in the capital exclusion is \$433,737 above the growth factor of 2%.

We are required to submit the district's decision to override the Tax Cap for 2023/24 by March 1, 2023. We may change our position up to the time the board adopts the budget for the May proposition. I have attached the analysis to support the calculation.

# Tax Cap Form

Scotia-Glenville Central School District (420633100200)  
 Fiscal Year Ending: 06/30/2024

## Summary

### Tax Levy Limit, Before Adjustments and Exclusions

✓	Real Property Tax Levy FYE 2023	\$31,547,351
✓	Tax Cap Reserve Offset from FYE 2022 Used to Reduce FYE 2023 Levy	\$0
✓	Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2023	---
✓	Tax Base Growth Factor	1.0071
✓	PILOTs Receivable FYE 2023	\$1,338,398
✓	Tort Exclusion Amount Claimed in FYE 2023	\$0
✓	Capital Tax Levy Exclusion FYE2023	\$886,518
✓	Allowable Levy Growth Factor	1.0200
✓	PILOTs Receivable FYE 2024	\$1,273,218
✓	Available Carryover from FYE 2023	---
	<b>Tax Levy Limit Before Adjustments/Exclusions</b>	<b>\$31,594,464</b>
	<b>Exclusions</b>	
✓	Tort Exclusion	\$0
✓	Capital Tax Levy Exclusion FYE2024	\$1,320,255
✓	Teachers' Retirement System Exclusion	\$0
✓	Employees' Retirement System Exclusion	\$0
	<b>Total Exclusions</b>	<b>\$1,320,255</b>
	<b>Your FYE 2024 Tax Levy Limit, Adjusted for Transfers plus Exclusions</b>	<b>\$32,914,719</b>
✓	Total Tax Cap Reserve Amount Used to Reduce FYE 2024 Levy	---
✓	FYE 2024 Proposed Levy, Net of Reserve	\$32,914,719
	<b>Difference Between Tax Levy Limit and Proposed Levy</b>	<b>\$0</b>
✓	Do you plan to override the Tax Cap for FYE 2024 ?	No

## History

Date and Time	Status Changed To	User
03/01/2022 10:17:11 AM	Form was created (Form Status set to: Unsubmitted)	Sheri Tyrell

