

# HUDSON CITY SCHOOL DISTRICT

## 2018-19 Budget Workshop Recap & Tax Levy



**Presented By:**  
**Sharifa Carbon**  
**School Business Administrator**  
**March 26, 2018**

# Superintendent

Dr. Maria J. Suttmeier



## Board of Education

Carrie Otty - President

Maria McLaughlin - Vice President

Sage Carter

Linda Hopkins

Willette Jones

Lucinda Segar

Sumayyah Shabazz

# Expense Savings & Cost Avoidance Measures 2016 - Present

- ❑ Bond refinance in May 2016 – Savings of \$2.3M over 12 years
- ❑ Re-established banking relationship with NYCLASS cooperative – Increased Interest Income
- ❑ Joined 2 new purchasing cooperatives to increase savings opportunities
- ❑ Health insurance negotiations to manage rising health insurance costs
- ❑ Renegotiated equipment contracts to save the District money on operations
- ❑ Reduced Workers' Compensation deficit by half

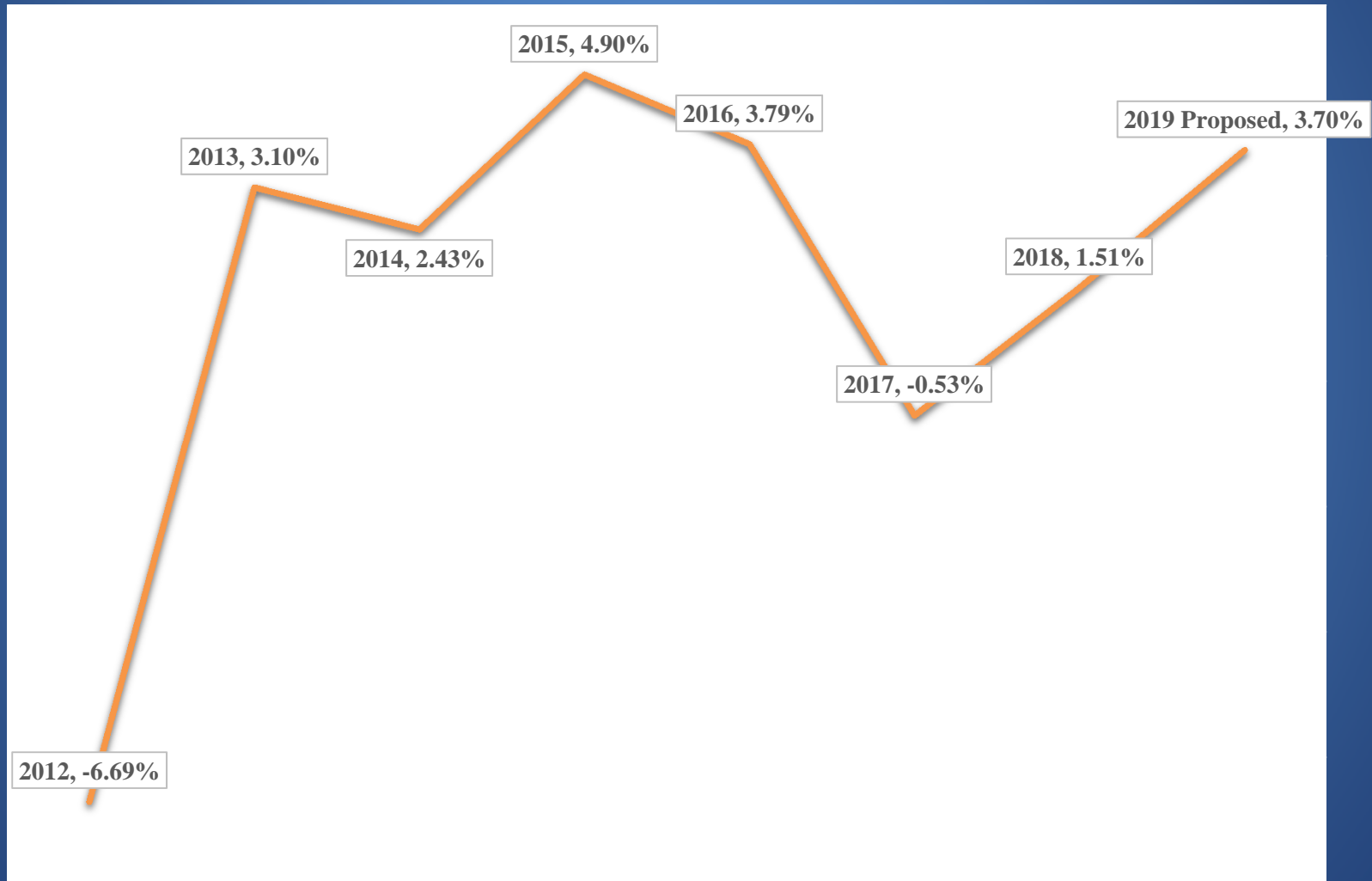
# Current Budget Considerations

## Revenue & Operations

- ❑ New York State Tax Cap Law
- ❑ State Aid Proposals & Recent Legislation
  - Governor's current proposals could cost the District approx. \$280K
- ❑ Reserve Planning
- ❑ 2018-19 Credit to Employees for CVS Prescription Premiums
- ❑ Loss of Questar BOCES rental income (\$100K)

# Hudson City School District

## State Aid Trend 2012 - 2019 Proposed



# Current Budget Considerations

## Program & Instruction

- ❑ Maintaining necessary academic supports without previous funding for being an “in-focus” district
- ❑ Strategic investments are needed to support Vision 2020 goals of social-emotional support and academic achievement
- ❑ Progression to “Destination Graduation to Occupation”
- ❑ Special Education – Increased needs of our younger students
- ❑ English Language Learners - Programming and Support
- ❑ **MATH, MATH, MATH!!!**



# 2018-19 Proposed Program & Instruction Investments

- STEAM
- Math
- Progression to “Destination Graduation to Occupation” (AVID)
- Special Education
- 6<sup>th</sup> Grade Teacher – Class Sizes
- Camp Invention – Enrichment Opportunity
- **Safety**

# RECAP: Maximum Allowable Levy

## Tax Cap Calculation

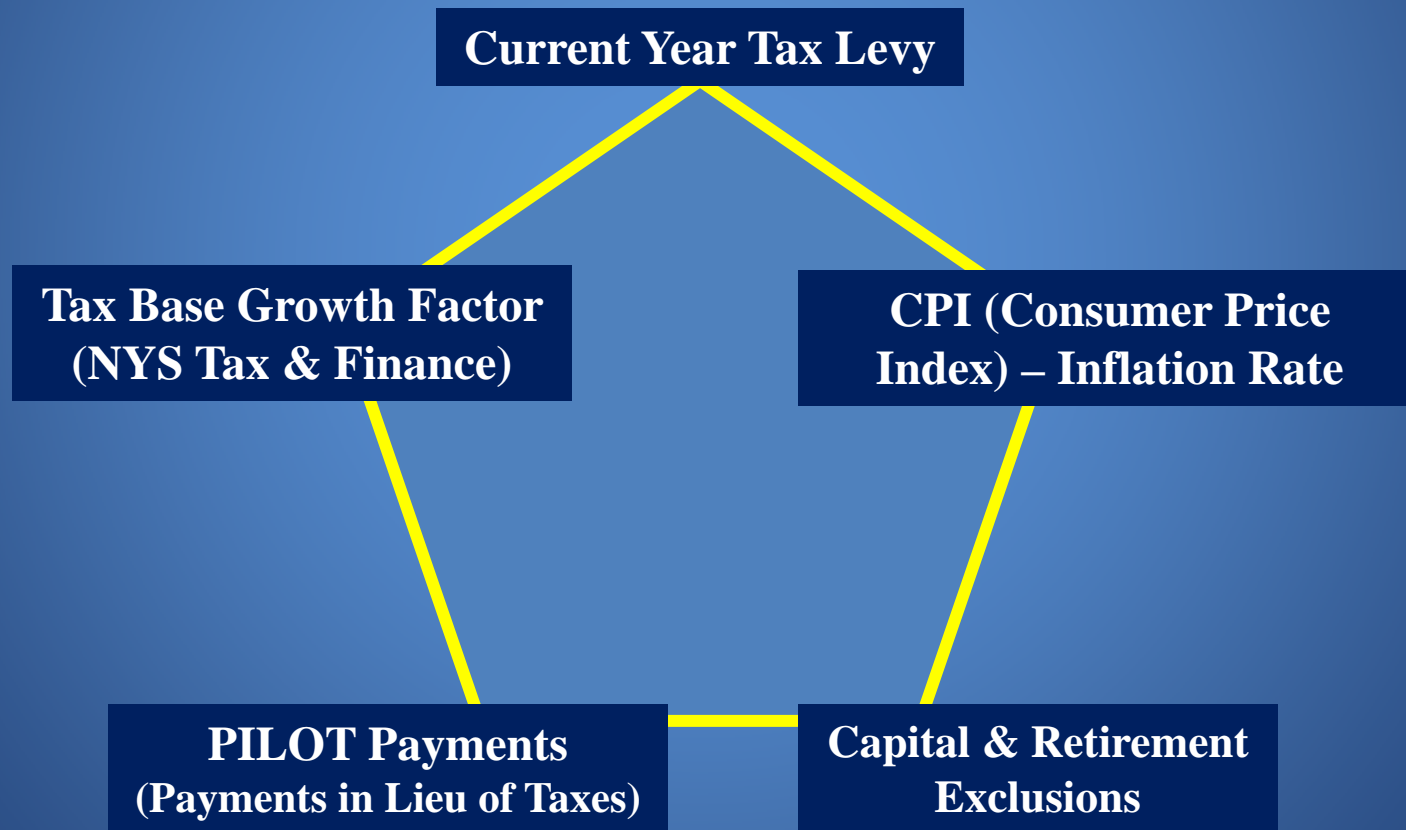
<b>Prior Year Tax Levy</b>		<b>\$22,411,833</b>	
	x		
Tax Base Growth Factor		1.0183	
	+		
Payments In Lieu of Taxes Receivable in 2017-18		\$143,030	
	-		
Taxes Levied For Exemptions in 2017-18		\$565,434	
	=		
Adjusted Prior Year Tax Levy		\$22,399,566	
	X		
<b>Allowable Levy Growth Factor (<u>Lesser of 2% or CPI</u>)</b>		<b>1.02</b>	
	-		
Payments In Lieu of Taxes Receivable in 2018-19		\$145,000	
	+		
Available Carryover (If Any)		0	
	=		
<b>“TAX LEVY LIMIT”</b>		<b>\$22,702,557</b>	
	+		
Coming School Year Exemptions		\$571,301	
	=		
<b>“MAXIMUM ALLOWABLE TAX LEVY”</b>		<b>\$23,273,858</b>	<b>3.85%</b>

This is the **ONLY** place where 2% is seen in the entire calculation.



# Tax Cap Calculation: 5 Key Factors

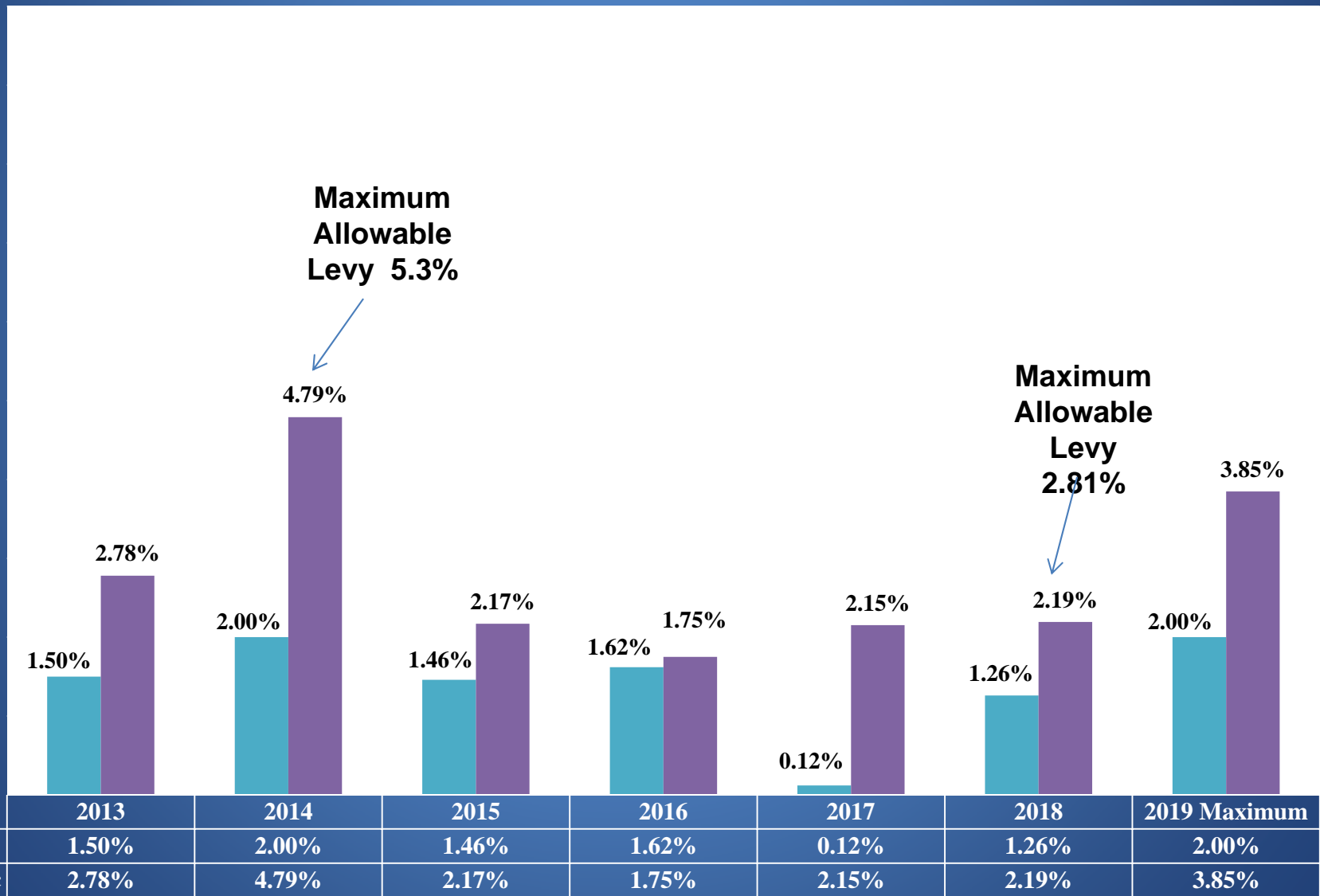
2018-19 Maximum Allowable Levy = 3.85%



# Hudson City School District

## Inflation (CPI) Trend vs. Maximum Allowable Levy

### Year 1 of Tax Cap (2013) - 2019 Proposed



# Tax Levy Limit: Impact of CPI / Growth Factor

## How Would Tax Cap Look With 2017-18 CPI of 1.26%?

<b>Prior Year Tax Levy</b>		<b>\$22,411,833</b>
	x	
Tax Base Growth Factor (Set by NYS Tax & Finance)		1.0183
	+	
PILOTS Receivable During Prior Year		\$143,030
	-	
Taxes Levied For Exemptions During Prior Year		\$565,434
	=	
Adjusted Prior Year Tax Levy		\$22,399,566
	x	
<b>Allowable Levy Growth Factor (<u>Lesser of 2% or CPI</u>)</b>		<b>1.0126</b>
	-	
PILOTS Receivable In The Coming Year		\$145,000
	+	
Available Carryover, If Any		\$0
	=	
<b>“TAX LEVY LIMIT”</b>		<b>\$22,536,800</b>
	+	
Coming School Year Exemptions		\$571,301
	=	
<b>“MAXIMUM ALLOWABLE TAX LEVY”</b>		<b>\$23,108,101</b>

CPI is the **ONLY** factor of the formula changed for this example

**Difference = \$166K**

**3.11%**

## How would a tax levy increase affect an individual tax bill with an assessed value of \$100,000?

	<b>Tax Paid</b>	<b>3.25% Levy</b>		<b>3.5% Levy</b>		<b>3.85% Levy</b>	
	<b>2017-18</b>	<b>Increase</b>	<b>Difference</b>	<b>Increase</b>	<b>Difference</b>	<b>Increase</b>	<b>Difference</b>
<b>Hudson</b>	\$1,755.57	\$1,812.63	\$57.06	\$1,817.02	\$61.45	\$1,823.16	\$67.59
<b>Claverack</b>	\$1,772.47	\$1,830.07	\$57.61	\$1,834.50	\$62.04	\$1,840.71	\$68.24
<b>Ghent</b>	\$1,772.45	\$1,830.06	\$57.60	\$1,834.49	\$62.04	\$1,840.69	\$68.24
<b>Greenport</b>	\$1,772.45	\$1,830.06	\$57.60	\$1,834.49	\$62.04	\$1,840.69	\$68.24
<b>Livingston</b>	\$1,905.86	\$1,967.80	\$61.94	\$1,972.57	\$66.71	\$1,979.24	\$73.38
<b>Stockport</b>	\$1,969.40	\$2,033.40	\$64.01	\$2,038.32	\$68.93	\$2,045.22	\$75.82
<b>Taghkanic</b>	\$1,579.02	\$1,630.34	\$51.32	\$1,634.29	\$55.27	\$1,639.81	\$60.79

*Assumptions:*

- *No STAR exemptions*
- *No change in assessed values*
- *No change in full values*
- *No change in equalization rates*

# How would a tax levy increase affect an individual tax bill with an assessed value of \$200,000?

	<b>Tax Paid</b>	<b>3.25% Levy</b>		<b>3.5% Levy</b>		<b>3.85% Levy</b>	
	<b>2017-18</b>	<b>Increase</b>	<b>Difference</b>	<b>Increase</b>	<b>Difference</b>	<b>Increase</b>	<b>Difference</b>
<b>Hudson</b>	\$3,588.04	\$3,704.65	\$116.61	\$3,713.62	\$125.58	\$3,726.18	\$138.14
<b>Claverack</b>	\$3,622.56	\$3,740.30	\$117.73	\$3,749.35	\$126.79	\$3,762.03	\$139.47
<b>Ghent</b>	\$3,622.54	\$3,740.28	\$117.73	\$3,749.33	\$126.79	\$3,762.01	\$139.47
<b>Greenport</b>	\$3,622.54	\$3,740.28	\$117.73	\$3,749.33	\$126.79	\$3,762.01	\$139.47
<b>Livingston</b>	\$3,895.20	\$4,021.80	\$126.59	\$4,031.54	\$136.33	\$4,045.17	\$149.97
<b>Stockport</b>	\$4,025.05	\$4,155.86	\$130.81	\$4,165.93	\$140.88	\$4,180.01	\$154.96
<b>Taghkanic</b>	\$3,227.20	\$3,332.08	\$104.88	\$3,340.15	\$112.95	\$3,351.45	\$124.25

*Assumptions:*

- No STAR exemptions
- No change in assessed values
- No change in full values
- No change in equalization rates

# How would a tax levy increase affect an individual tax bill with an assessed value of \$300,000?

	<b>Tax Paid</b>	<b>3.25% Levy</b>		<b>3.5% Levy</b>		<b>3.85% Levy</b>	
	<b>2017-18</b>	<b>Increase</b>	<b>Difference</b>	<b>Increase</b>	<b>Difference</b>	<b>Increase</b>	<b>Difference</b>
<b>Hudson</b>	\$ 5,382.06	\$5,556.98	\$174.92	\$5,570.43	\$188.37	\$5,589.27	\$207.21
<b>Claverack</b>	\$ 5,433.85	\$5,610.45	\$176.60	\$5,624.03	\$190.18	\$5,643.05	\$209.20
<b>Ghent</b>	\$ 5,433.81	\$5,610.41	\$176.60	\$5,624.00	\$190.18	\$5,643.02	\$209.20
<b>Greenport</b>	\$ 5,433.81	\$5,610.41	\$176.60	\$5,624.00	\$190.18	\$5,643.02	\$209.20
<b>Livingston</b>	\$ 5,842.81	\$6,032.70	\$189.89	\$6,047.31	\$204.50	\$6,067.76	\$224.95
<b>Stockport</b>	\$ 6,037.58	\$6,233.80	\$196.22	\$6,248.89	\$211.32	\$6,270.02	\$232.45
<b>Taghkanic</b>	\$ 4,840.80	\$4,998.13	\$157.33	\$5,010.23	\$169.43	\$5,027.17	\$186.37

### *Assumptions:*

- *No STAR exemptions*
- *No change in assessed values*
- *No change in full values*
- *No change in equalization rates*



# QUESTIONS?

