

East Rockaway Public Schools

BAC # 2 – Feb. 2, 2012



What is the Adjusted Base Proportion and how does it affect the amount of taxes each resident pays?

- There are 4 classes of property in Nassau County:
 - CLASS I RESIDENTIAL PROPERTIES
 - CLASS II CONDOMINIUMS AND CO-OPS
 - CLASS III UTILITIES
 - CLASS IV COMMERCIAL PROPERTIES



What is the Adjusted Base Proportion and how does it affect the amount of taxes each resident pays?

- **The ABP is the mechanism used to shift the tax levy from one class to another**
- **For many years Nassau County assessed commercial property more heavily than it did residential property**



What is the Adjusted Base Proportion and how does it affect the amount of taxes each resident pays?

- In the reassessment, all types of property were reassessed using new formulas ‘adjusting’ (shifting) the base proportion from Class IV Commercial to Class I Residential
- Each year there is a shift of the portion of the tax levy from commercial to residential, though not as much as in years past

What is the Adjusted Base Proportion and how does it affect the amount of taxes each resident pays?

CLASS	2010/2011	ASSESSED VALUE	TOTAL TAX LEVY	TAX RATE
	BASE PROP	A/O April '10	East Rockaway	PER 100
1	73.23576	2,550,981	18,866,342	739.572
2	7.43821	435,454	1,916,165	440.038
3	5.17541	301,296	1,333,243	442.503
4	14.15062	831,553	3,645,356	438.379
TOTAL	100.00	4,119,284	25,761,107	

What happens to the tax rate if there is a shift in the ABP?

CLASS	2010/2011	ASSESSED	TOTAL TAX	TAX RATE
	BASE PROP	VALUE	LEVY	PER 100
		A/O April '10	East Rockaway	
1	74.23576	2,550,981	19,123,954	749.671
2	7.43821	435,454	1,916,165	440.038
3	5.17541	301,296	1,333,243	442.503
4	13.15062	831,553	3,387,745	407.400
TOTAL	100.00	4,119,284	25,761,107	

What happens to the tax rate if the assessed value is lowered?

CLASS	ASSESSED VALUE		TOTAL TAX LEVY East Rockaway	TAX RATE PER 100
	2010/2011 BASE PROP	A/O Oct. 2011 ACTUAL		
1	73.23576	2,385,476	18,715,313	784.553
2	7.43821	376,812	1,937,168	514.094
3	5.17541	343,067	1,498,817	436.888
4	14.15062	756,476	3,609,809	477.187
TOTAL	100.00	3,861,831	25,761,107	

What are Tax Certioraris?

- Certioraris are proceedings initiated by taxpayers to challenge their property tax assessments.
- Since 1940, under the ‘County Guaranty’, the county has paid back all refunds due to property owners caused by assessment errors made by the County.

What are Tax Certioraris?

- In an attempt to balance the County budget, the County is shifting the responsibility of refunding successful certioraris to school districts
- The County has not communicated to districts what their liability may be
- Districts will have to create and fund a reserve to pay successful certioraris. This liability **WILL NOT** be exempt from the 2% tax cap



What are Tax Certioraris?

- Will districts be responsible for their own assessments? (additional personnel?)
- Will districts require legal representation to defend claims?
- What happens if there is a large reduction in property taxes for a commercial property?
- Where will all this money come from?

What is the Tax Base Growth Factor?

- Under Chapter 97 of the New York State Laws of 2011, the tax levy limit can be adjusted based on any change in the school district's property tax base.
- The factor shows the percentage by which the value of taxable property in a school district has changed.
- The factor is calculated and provided to school districts by the State Commissioner of Taxation and Finance for each upcoming school year.

PILOT Receivable

- Payments in Lieu of Taxes are negotiated by an IDA (Industrial Development Agency) with a commercial developer as an incentive for investing in a community.
- The developer agrees to make payments to the local taxing jurisdictions (school district) in lieu of real estate taxes. PILOT agreements typically have a period of between 10 and 20 years and can typically require the purchaser to pay fixed amounts according to a set schedule.
- PILOT revenues are included in the annual preparation of the school district's budget as if they were tax dollars.



Available Carry Over

- Chapter 97 permits a school district that does not levy an amount up to the full cap in any one year to carry over any unused tax levy up to 1.5 % above the cap to be reserved.
- The carry over is only allowed in the following year.

Consumer Price Index

- The Allowable Levy Growth Factor used in the Tax Cap calculation uses the annual average of the non-seasonally adjusted national CPI for all Urban Consumers (CPI-U).
- The CPI-U for 2011 was 3.2%, making the Allowable Levy Growth Factor for the 2012-2013 Tax Cap calculation 2%

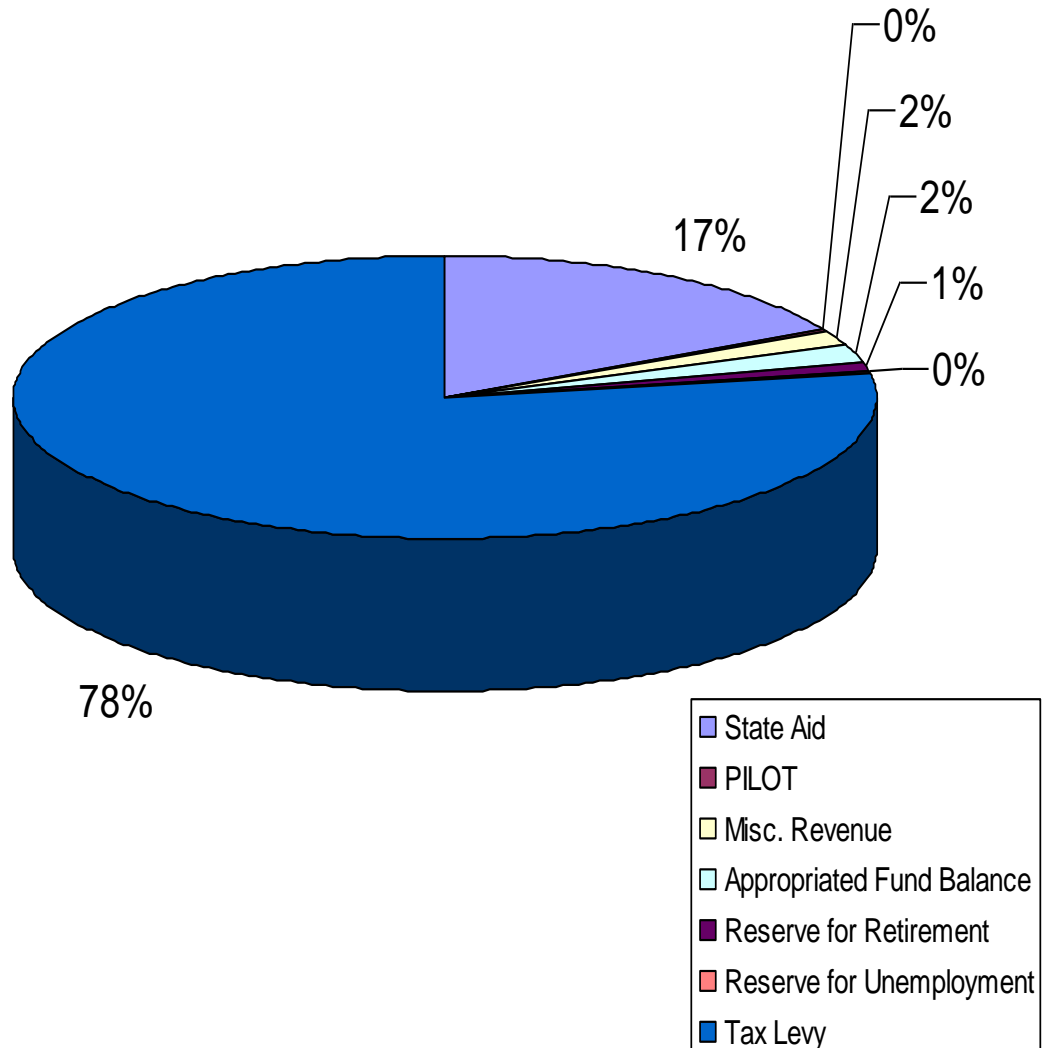
Do projects funded by the Capital Reserve increase the Tax Levy?

- In May 2008, voters approved the establishment of two Capital Reserve Funds:
 - Technology Improvements
 - Building Improvements and Repairs.
- These funds are separate from the budget, similar to savings accounts
- Use of the Capital Reserves **has no impact** on the tax levy
- 2012-2013 will be the third year the District will be proposing projects to be funded by the Capital Reserve

What are the sources of revenue in the budget? (2011-2012 data)

State Aid	\$ 5,807,822
PILOT	\$ 88,000
Misc. Revenue	\$ 614,000
Appropriated Fund Balance	\$ 760,000
Reserve for Retirement	\$ 300,000
Reserve for Unemployment	\$ 17,000
Tax Levy	\$ 26,731,137

East Rockaway State Aid 2011-2012



TAX LEVY LIMIT

$$\begin{aligned} & \text{Prior year tax levy} \\ & \quad \times \\ & \text{Tax base growth factor} \\ & \quad + \\ & \text{PILOT receivables prior year} \\ & \quad - \\ & \text{Taxes levied for exemptions during the prior year (capital levy and} \\ & \quad \text{court orders, not ERS \& TRS)} \\ & \quad = \\ & \quad \mathbf{ADJUSTED PRIOR YEAR TAX LEVY} \\ & \quad \times \\ & \text{Allowable levy growth factor (lesser of 2\% or CPI)} \\ & \quad - \\ & \quad \text{PILOT receivables coming year} \\ & \quad + \\ & \text{Available carryover, if any (none for 12-13)} \\ & \quad = \\ & \quad \mathbf{TAX LEVY LIMIT} \end{aligned}$$

TAX LEVY LIMIT 2012-2013

Prior Year Tax Levy	\$ 26,731,137		
x Tax Base Growth Factor	.0018		
Subtotal	\$26,779,253		
Add: PILOT Receivables	\$ 16,000		
Minus: Capital Levy 2011-2012	\$ 1,001,029		
ADJUSTED PRIOR YEAR TAX LEVY	\$ 25,794,224		
Allowable Growth Factor	1.02%		
Minus: PILOT Receivables	\$ 16,000		
Carryover	- 0 -		
TAX LEVY LIMIT	\$ 26,294,109		
2012-2013 YEAR EXEMPTIONS			
Add: Capital Levy 2012-2013	\$ 1,020,137		
ERS Deduction	\$ 26,361		
TRS Deduction	\$ - 0 -		
MAXIMUM ALLOWABLE TAX LEVY	\$ 27,340,607	\$ 609.470	2.28%

2012-2013 Revenue Projection and 2% Tax Levy Cap

Category	Estimated Revenue 2011-2012	Estimated Revenue 2012-2013	Maximum Allowable Tax Levy	Variance	% change
Real Property Taxes	26,731,137	28,609,359	27,340,607	\$ (1,268,752)	-4.75%
Payments in Lieu Of Taxes(PILOTs)	88,000	16,000			
Total Taxes	\$ 26,819,137	\$ 28,625,359			
Misc. Revenue	\$ 614,000	\$ 617,350		0.55%	
			Variance	% change	
State Aid	6,655,736	6,612,070	\$ (43,666)	-0.66%	
Gap Elimination & Federal Restoration Aid	-847,914	-825,690	\$ 22,224	-2.62%	
Total State Aid	5,807,822	5,786,380	\$ (21,442)	-0.37%	
Total Revenue Budget	\$ 6,509,822	\$ 6,419,730			
Appropriated Fund Balance	\$ 760,000	\$ 760,000			
TOTAL REVENUE	\$ 7,269,822	\$ 7,179,730			
Reserve for Retirement Contribution	300,000	300,000			
Reserve for Unemployment Insurance	\$ 17,000	\$ 17,000			
TOTAL REVENUE WITH RESERVES	\$ 7,586,822	\$ 7,496,730			34,317,959
Expenditure Budget	34,317,959	36,106,089		\$ 1,788,130	5.21%
Difference (Levy)	\$ 26,731,137	\$ 28,609,359	\$ 1,878,222		

What has the District done to reduce taxes?

Workers Compensation 7/1/09 - 6/30/10	\$ 44,420.00
Renegotiated Xerox Leases - anticipated annual savings	\$ 5,160.00
Special Education Students returned to district	\$ 500,000.00
Decreased transportation expenditures SE students returned to district	\$ 260,000.00
Consolidated bus runs private school transportation	\$30,000.00
Cooperative BOCES bid for 5 year Building Conditions Survey (2010-2011)	\$ 5,238.00
Energy Performance Contract (\$1,199,262 over 18 years)	\$ 66,625.66
Refinanced 2001 Serial Bond (\$164,610 over 7 years)	\$ 23,515.00
Consolidated Administrative Positions Est. Annual Savings	\$ 475,000.00

Chairpersons also teach more than 50% of the day:

- English and Social Studies
- Special Education (SE)
- Math and Science

Superintendent of Schools / Certificated Personnel

Director of Finance & Operations / Purchasing Agent / Non-Certificated Personnel / Transportation Sup.

Director of Pupil Personnel Services / ESL Chair / Reading Chair

Director of Curriculum / Instruction / Technology / Assessment / Professional Development

Director of Physical Education, Health, Athletics, Home and Careers / Supervisor of Nurses / .4 Teacher

H.S. Principal / Supervisor of Fine Arts

H.S. AP 1 / Chairperson of Business / Chairperson of Technology

H.S. AP 2 / Chairperson of Second Language

Elementary Principal 1 / K-6 Coordinator of Math and Science

Elementary Principal 2 / K-6 Coordinator of ELA and Social Studies

No Public Relations Office

OTHER COOPERATIVES AND CONSORTIUMS

Joined BOCES BO-TIE Fiber Optic Network for Telephone and Internet Efficiencies

Participate in the New York State 21st Century Demonstration Grant

School Districts partnering with BOCES to consolidate services and reduce expenditures

1 of 14 Districts in a consortium to share transportation expenditures

Partner with the Village of Lynbrook to reduce cost of fuel

Regularly review contracts and conduct RFPs when necessary