



MONROE-WOODBURY CENTRAL SCHOOL DISTRICT 2017-2018 PROPOSED BUDGET OVERVIEW

On Tuesday, May 16, M-W residents will vote on a proposed budget of \$171,202,208 for the 2017-18 school year. The proposed budget allows Monroe-Woodbury to preserve its educational programs and personnel for the next year.

The proposed budget includes a spending increase of 3.87%, or \$6.38 million compared to the 2016-17 budget. The tax levy would be increased by 3.85% from a budgeted \$112,154,152 in 2016-17 to a proposed \$116,474,300 for 2017-18 - an increase that is below the district's legal limit as defined by New York's tax levy cap legislation.**see below*

Residents will also vote on a bus proposition and capital reserve fund proposition. And they will elect three school board candidates.

QUESTIONS & ANSWERS

Q: Does the proposed budget exceed the allowable tax cap levy?

A: No, the proposed budget's tax levy – \$116,474,300 – is less than the allotted maximum allowable levy for 2017-2018. This means that a simple majority of voters (more than 50 percent) is needed to pass the budget. The Property Tax Cap Levy Growth Factor is 1.26% - below the 2 percent threshold; however, the tax base growth factor of 1.03 (+3%) results in an increase to maximum allowable levy of 3.85%. As a result, the district's "2%" cap is actually 3.85%, which is very helpful in contending with some of the budget challenges the district is facing this year.

Q: Why does the district need a capital reserve fund?

A: Due to growing need for capital improvements, the district is seeking voter approval to establish a capital reserve fund. Voter approval is required to establish the fund and spend from the fund. When capital reserve funds are paired with building aid, projects costing millions of dollars can be undertaken with minimal impact to the local taxpayer.

Q: Where does the money for the capital reserve fund come from?

A: The maximum contribution limit MW is proposing is \$40 million with a term of 15 years. Funds added to the capital reserve will come from **potential** annual surpluses, available at the end of a fiscal year. There is no obligation to make contributions to the reserve or guarantee that surplus funds will be available.

The district's building condition survey, required by the state every five years, and the long range facility plan projects future capital costs to be in the \$50 to \$100 million dollar range. A capital reserve fund is like a savings account which is ultimately used to make the "down payment" on capital projects.

Q: What budget challenges is the district facing this year?

A: There are several factors to consider when creating the budget for the 2017-18 school year:

- An 18 percent increase in health insurance premiums for the OU Health Plan. This equates to 3.37 million of a total budget-to-budget increase of \$6.38 million (~53%) or 2.05% of the total 3.87% budget to budget increase.
- As mentioned above, the Property Tax Cap Levy Growth Factor is 1.26%, which is below the 2 percent threshold.
- Overall budget-to-budget increase in state aid is projected to be \$1.7 million or 3.54%.

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