

# School Districts Propose Levy Increases of 2.2 Percent



June 03, 2020

ASBO  
NEW YORK

ASSOCIATION  
OF SCHOOL  
BUSINESS OFFICIALS

# Summary

In budgets approved by boards of education, independent school districts propose an overall spending increase of 1.8 percent and a levy increase of 2.2 percent. School districts built their 2020-21 school budgets in an uncertain fiscal climate, as the enacted state budget froze Foundation Aid and there is the potential for significant mid-year state aid cuts. In recent year, voters have approved 99 to 100 percent of budgets in either the May or June budget votes. With only one scheduled vote this year, districts whose budgets that are defeated in the June 9 vote will likely have to adopt incredibly punitive contingency budgets, which result in much deeper cuts and long-term financial and educational harm.

## Introduction

On June 2, the New York State Education Department released Property Tax Report Card data for the 2020-21 school year. This information reflects budgets approved by boards of education, other than for the Big Five city school districts. These board-approved budgets will be voted on by communities across the state through absentee ballots that must be received by districts on by 5 PM on June 9. No second vote is currently scheduled, so school districts whose budgets are defeated will be forced to adopt punitive contingency budgets. This brief note looks at statewide data, proposed tax cap overrides, and regional trends.

## Levies and Budgets

Under the Property Tax Cap law, school district levy increases are calculated based on a growth factor, which is limited to the increase in the Consumer Price Index (CPI) in the previous year or two percent, whichever is less. Because the final CPI change for 2019 was 1.81 percent, the inflation factor for 2020-21 budgets is less than two percent for the fifth time in the last seven years. This growth factor is then combined with district-specific data to determine a district’s individual tax cap.

Figure 1. Recent Allowable Levy Growth

Statewide	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Allowable Levy Growth Factor	1.46%	1.62%	0.12%	1.26%	2.0%	2.0%	1.81%

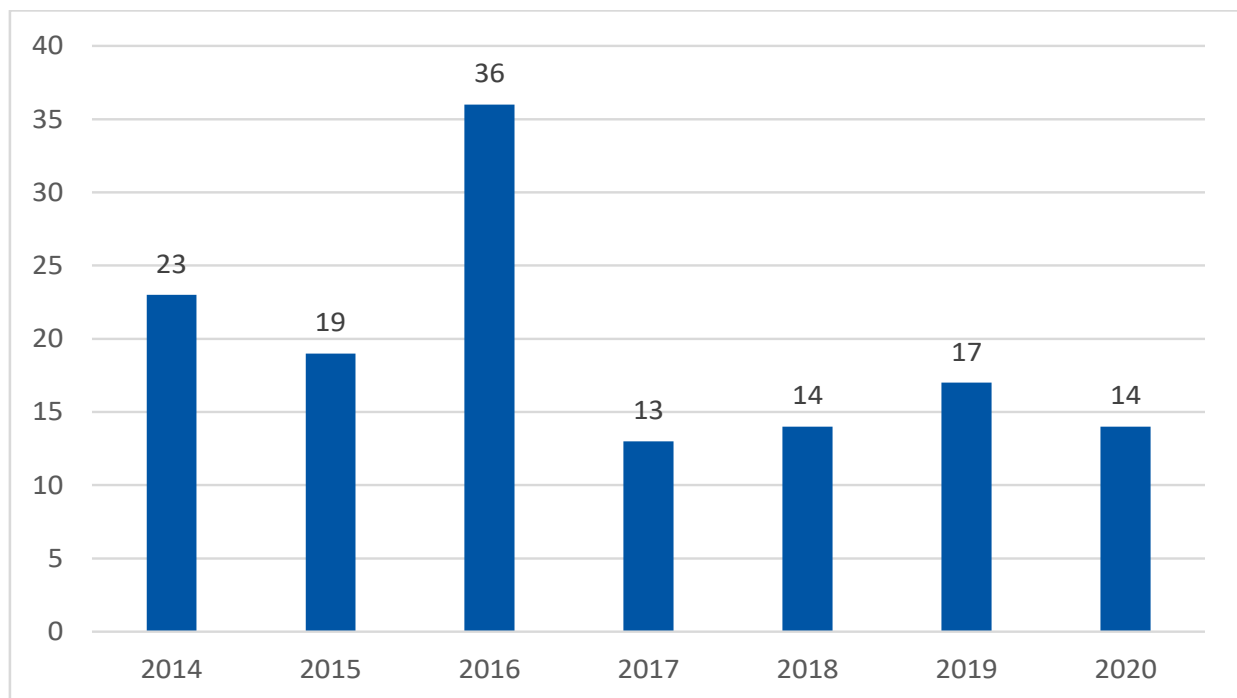
## Overrides

Ninety-eight percent of school districts have proposed 2020-21 budgets that stay within the tax cap. There are 14 districts whose property tax report card filings indicated they will be asking their voters to override the cap, which are listed in Figure 2. Four districts in the Mohawk Valley region are looking to override the tax cap, while all other state regions have one to two districts with overrides, other than the Central and Western regions which have none. Overriding the tax cap requires a 60 percent or greater approval rate in the school budget vote. While the vast majority of proposed budgets are below their respective tax caps, Figure 3 shows that approximately 15 districts a year propose overrides.

Figure 2. School Districts Proposing to Override the Tax Cap for 2020-21

District	Region
Alexandria	North Country
Arkport	Southern Tier
Central Valley	Mohawk Valley
Dolgeville	Mohawk Valley
Dover	Hudson Valley
Fort Edward	Capital District
Johnstown	Mohawk Valley
Northern Adirondack	North Country
Northville	Mohawk Valley
Rensselaer	Capital District
Sherburne-Earlville	Southern Tier
Victor	Finger Lakes
Wainscott Common	Long Island
Wyandanch	Long Island

Figure 3. The number of Tax Cap Override Attempts in the First School District Vote—2012-2019 actual and 2020



## Negative Tax Caps

Some school districts face a negative tax cap, which happens when the maximum allowable levy is lower than the previous year's levy. Many factors can lead to negative tax caps, including changes in capital exclusions, local property tax base, or local payments in lieu of taxes (PILOTs). For 2020-21, 13 districts face a negative tax cap; six of these districts are proposing to override the tax cap. Figure 4 includes specifics on the school districts facing a negative tax cap for the 2020-21 school year.

Figure 4. Negative Tax Caps (highlighted districts proposing overrides)

School District	Region	Tax Cap
Batavia City	Finger Lakes	-0.04%
Central Valley	Mohawk Valley	-9.1%
Chester	Hudson Valley	-0.01%
Dover	Hudson Valley	-6.3%
Indian River	North Country	-0.2%
Johnstown	Mohawk Valley	-2.0%
Margaretville	Southern Tier	-4.6%
Mt Morris	Finger Lakes	-0.3%
Northville	Mohawk Valley	-4.3%
Piseco Common	Mohawk Valley	-5.0%
Rensselaer	Capital District	-3.3%
Salmon River	North Country	-4.5%
Sherburne-Earlville	Southern Tier	-10.0%

## Regionalization

Figure 5 shows the regional breakdown of spending and levy increases. The smallest spending increase is in the North Country, where the overall proposed increase is 0.3 percent. The largest increase is in the Finger Lakes, 2.3 percent. The Mohawk Valley and Southern Tier have the lowest combined proposed levy increase at 1.9 percent. The largest is in the Finger Lakes, 2.9 percent.

Figure 5. 2020-21 Spending and Levy Increases by Region

Region	Total Proposed Spending Increase	Total Proposed Tax Levy Increase
Capital District	1.9%	2.2%
Central New York	1.8%	2.4%
Finger Lakes	2.3%	2.9%
Hudson Valley	1.9%	2.0%
Long Island	1.8%	2.1%
Mohawk Valley	1.2%	1.9%
North Country	0.3%	2.7%
Southern Tier	1.4%	1.9%
Western Region	2.0%	2.4%
Statewide	1.8%	2.2%

## Conclusion

School districts designed their 2020-21 budgets in a climate of great fiscal challenge and uncertainty about what education in the 2020-21 school year will look like. At the same time that schools are stepping up to provide meals to students and their families, coordinate childcare for essential workers, and develop online learning strategies, the state is considering enormous mid-year aid cuts. Because there is only one vote scheduled for 2020-21 school budgets, it is important that communities support their public schools.

A recent ASBO analysis documents the economic footprint of spending on public education. In the 2018-19 school year, school districts were responsible for 635,000 full-time jobs statewide. School districts directly employed the equivalent of 384,000 full-time positions and another 251,000 full-time jobs are indirectly linked with companies supplying goods and materials to school districts as well employee spending. Total payroll for these jobs statewide is \$47 billion. Public education's economic footprint generates \$2.6 billion in state income tax and \$1.1 billion in sales tax.

The following staff contributed to the writing and production of this report:

Dr. Andrew Van Alstyne, Ph.D., *Director of Education and Research*

---

A publication of the Association of School Business Officials of New York  
© 2020 ASBO New York. All Rights Reserved.

Contact: Michael Borges, Executive Director  
Association of School Business Officials of New York (ASBO New York)  
453 New Karner Road, Albany, NY 12205 | 518-434-2281 | [www.asbonewyork.org](http://www.asbonewyork.org)