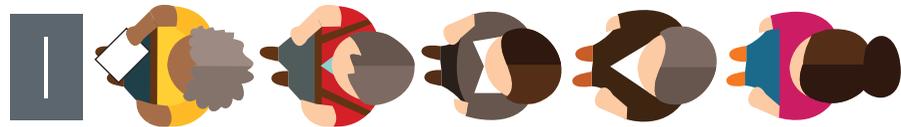
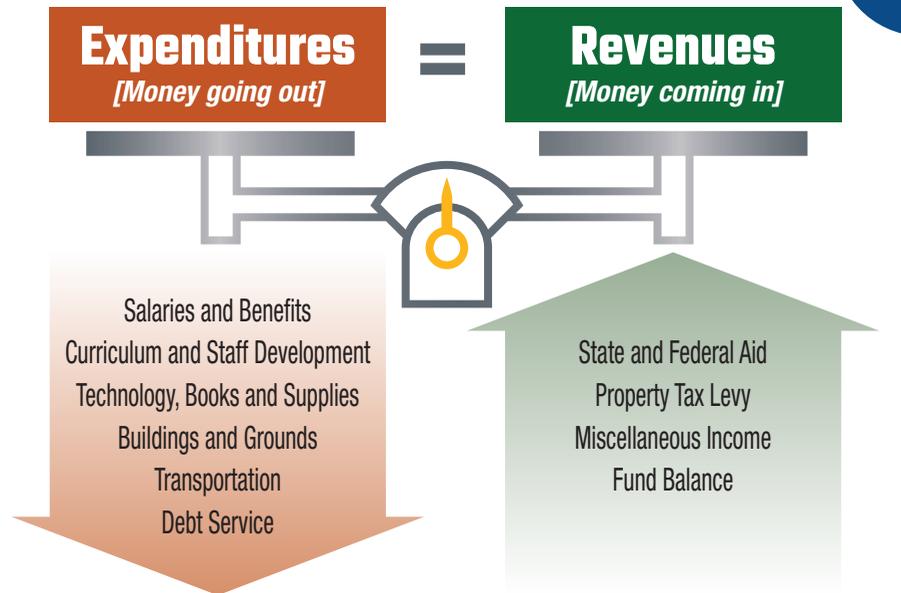


School Budget 101

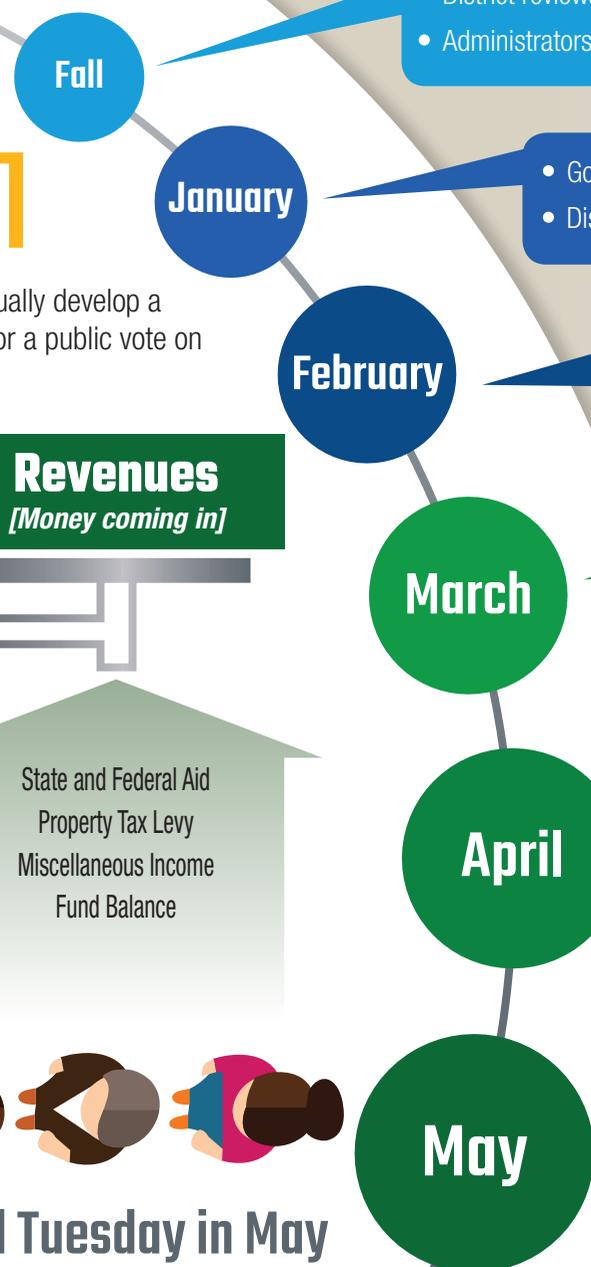
In New York state, local school boards must annually develop a balanced school budget proposal and put it up for a public vote on the third Tuesday in May.

Each school district is unique, but budget development generally follows this timeline.



Budget Vote Day: Third Tuesday in May

Voting on the school district budget is a **special opportunity**. It is one of the few government spending plans on which residents can vote.



Fall

- District reviews long-range goals, enrollment projections.
- Administrators begin discussing budget priorities.

January

- Governor proposes Executive Budget. District reviews preliminary state aid projections.
- District estimates health care/retirement costs and other major cost drivers.

February

- District presents preliminary budget information and identifies potential challenges, adjustments and/or additions to the budget based on cost estimates and projected revenue.

March

- By March 1, the District must submit its calculated maximum allowable **tax levy** ¹ under the state's **property tax cap**. ²
- Board of Education (BOE) reviews potential budget options in various areas such as instruction, transportation, special education, facilities, athletics, etc.

April

- BOE discussions continue on budget options and priority issues such as legislative actions and state aid, the local tax levy and use of **fund balance**, ³ instructional programming needs and staffing in all areas.
- By April 1, the New York State Legislature must adopt a state budget. District updates its state aid projection.
- BOE adopts school budget proposal.

May

- The board of education holds its annual budget hearing.
- The third Tuesday in May is **BUDGET VOTE DAY** ⁴
- Budget information is mailed to all voters.

¹ The property **tax levy** is the total amount of property taxes the school district collects. The **tax rate** is the dollar amount per \$1,000 of assessed property value a property owner pays in taxes.

² Every year, school districts are required to calculate a "maximum allowable tax levy" under the **property tax cap** law. Exceeding that maximum, or cap, requires approval by a supermajority of voters (60% or more).

³ **Fund balance** is akin to a district savings account, with funds added when budgeted expenses come in less than expected or when additional revenue is received. It can be used to help balance the budget or saved for future needs.

⁴ If vote fails, the school district has **two choices** – resubmit the same budget or a revised budget for revote on the third Tuesday in June OR adopt a contingent budget.



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