

### **What is the Property Tax Cap?**

The Property Tax Cap is a New York State law that limits how much a school district can increase its property tax levy (the total amount raised through property taxes) each year.

### **What is the levy limit?**

The tax levy limit for Hoosic Valley for the 2026-27 school year is 3%.

### **What is the proposed tax levy increase?**

The proposed budget includes a tax levy increase of 8.5% which exceeds the levy limit and will require a 60% super majority approval by the voters.

### **How much will my taxes increase?**

The impact is more modest than the percentage may suggest. The proposed increase equates to approximately \$0.92 per \$1,000 of taxable assessed value. For example, a home with a taxable assessed value of \$100,000 would see an increase of approximately \$92 annually, or about \$7.67 per month.

### **Why is it necessary to increase taxes?**

Over the past decade, our district has made a deliberate effort to minimize the impact on taxpayers. Since the 2014–15 school year, the total tax levy increase has been just 2.71%, an average (.23% per year) that is significantly below inflation over that same period. While this approach has helped ease the burden on our community, it has also meant that revenues have not kept pace with rising costs.

State aid, which is a critical revenue source, has not kept pace with these increases. For the upcoming year, **Foundation Aid is projected to increase by just 1%, or \$90,105**. This modest increase does not come close to offsetting the rising costs required to operate our schools and maintain the programs and services our students rely on.

At the same time, the district is facing **increasing fixed expenses** that are largely outside of our control. These include employee benefits, contractual obligations, transportation, and utilities. Like many households, we are experiencing higher costs across the board.

### **Has the District considered reducing expenditures?**

Over the last several years, the district has taken significant steps to control costs, including reductions to staffing and programs wherever possible. The reductions include the following:

**2023–24:** 2 Elementary Teachers (1 grant-funded), 1 Science Teacher, 1 Counselor (grant-funded), 1 Math Teacher (grant-funded). The district also joined purchasing cooperatives for supplies and the electricity supply costs that have resulted in reduced expenditures.

**2024–25:** 1 Elementary Teacher, 1 Counselor (grant-funded), 2 Teaching Assistants; elimination of the distance learning program

**2025–26:** MTSS Coordinator, 2 Jr./Sr. High School Teachers, 3 Elementary Teachers, 2 Teaching Assistants; elimination of freshman basketball stipend, Newsela software, summer enrichment program, and curriculum stipends.

**2026–27:** 1 Elementary Teacher and 1 Teaching Assistant.

These decisions were not made lightly and were carefully considered to minimize the impact on students. At this point, however, there are no remaining areas to reduce without making significant cuts to the core programs and services our students rely upon every day.

### **What steps have been taken to maximize revenue?**

The District has taken several steps to ensure revenues are maximized wherever possible:

- Implemented cash flow management practices to optimize interest earnings
- Utilized Questar III BOCES for all eligible purchases and services to maximize BOCES aid reimbursement

It is important to note that school districts have limited revenue sources. For the 2026–27 budget, the majority of the District’s revenue is derived from State Aid (54.70%) and property taxes (39.70%).

### **Why are reserve funds not being used to balance the budget?**

In recent years, the district has relied on reserve funds to help bridge budget gaps and avoid larger tax increases. While this has been a responsible short-term strategy, it is **not sustainable** as a long-term solution. Reserve funds are intended for one-time or emergency expenditure, not to support ongoing, recurring costs. Continued reliance on these funds would weaken the district’s financial position and limit our ability to respond to unforeseen challenges in the future.

### **What is the Three-Part Budget?**

New York State requires school districts to present their budget in three categories:

1. Program
  - Instruction (teachers, aides, supplies)
  - Transportation
  - Student services (guidance, health, athletics)
2. Capital
  - Facilities and maintenance
  - Custodial services
  - Utilities
  - Debt service (building projects)
3. Administrative
  - District and school administration
  - Business office
  - Legal and auditing services

### **When is the budget hearing?**

The budget hearing is May 7, 2026 at 6:00 pm in the High School Multi-Purpose room

**When is the budget vote?**

The budget vote is May 19, 2026 from noon until 8:00 pm in the High School Multi-Purpose room.

**What happens if the budget vote does not pass with the required 60% super majority?**

The Board of Education will have to decide between a second vote on a budget or the adoption of a Contingency Budget

**What is a Contingency Budget?**

A Contingency Budget is implemented if voters reject the proposed school budget. Under contingency the district must adopt a budget with a 0% tax levy increase. Certain expenditures are restricted, including: New equipment purchases, Non-essential capital projects, etc.

**What is the True Tax Rate?**

The True Tax Rate is the actual tax rate adjusted for differences in property values across municipalities within the district. It ensures taxpayers in different towns pay a fair share and is calculated using the equalization rate.

**What is the Equalization Rate?**

The Equalization Rate is set by New York State and reflects how close a municipality's assessed property values are to full market value. 100% equalization rate = properties are assessed at full market value, below 100% = properties are assessed at a percentage of market value. The equalization rate is used to adjust tax rates fairly across towns to ensure equitable distribution of the tax burden.

**What is Taxable Assessed Value?**

Taxable Assessed Value is the total value of all taxable property in the school district. The taxable assessed value is determined by local assessors, is used to calculate the tax rate and is affected by property value changes, new construction and exemptions (STAR, etc.)