

## **Board of Education Meeting Question – March 22, 2016**

**What is Banked CAP? Is it money that the district has collected that will be lost if we fail to use it?**

Banked CAP represents revenue that could have been raised by the school district, by increasing taxes in a previous budget year, but which was not charged to the taxpayer at that time. So if in a previous budgetary year, the district did not increase the tax levy to the permissible 2% CAP, the State would allow the school district to “save” the ability to raise that amount of revenue for up to three years. After that time the district loses the ability to seek that past revenue through an increase in taxes.

In next year’s proposed budget, the Board of Education has banked cap in the amount of \$707,345. This represents eligible tax levy not utilized in the 2015-2016 budget. This amount also represents the amount of money that can be included in the tax levy of a future budget. In order for the district to collect this revenue, it must include it as a tax increase in a Board of Education approved district budget, for either the 2017-2018 or 2018-2019 school years.