

## Recent Tax History

A review of the recent history of local school tax assessment in Bound Brook shows that real estate taxes for operation of the schools have not changed substantially since 2006/2007. While our budget has increased modestly, taxes as proposed in the 2011/2012 budget are actually less than those in the 2006/2007 budget. Increases in the budget are primarily due to increased revenues from state and federal sources during that same period. Revenue from federal programs increased almost 500K and state funding increased 1.2 million dollars during that six year period. This is how we were able to support our program without substantially raising taxes.

Last year the state made several moves which placed the pattern described above in jeopardy. The state took back the majority of reserve money the district had accumulated over several years and reduced their support for Bound Brook public schools by over \$1,000,000. The budget put out for a vote in April 2010 had a 0% increase in taxes. Unfortunately that budget was defeated and the borough reduced the budget by an additional \$212,000. This coupled with losses in various revenue categories resulted in the district approving a budget that was over a million dollars less than the previous year's budget.

While salaries, health care costs and the cost of operations all increased, we were required to operate in the current year with less money. You may wonder how, did we manage this feat. The answer is we cut programs, services and staff to cover the gap. This resulted in larger class sizes, fewer services and deferred maintenance. Every program in the district saw some reduction.

As we entered this budget year the prospect of substantial improvement is slim. While we did receive a modest 1% increase from the state, that increase does not cover the growth in operational expenses incurred from year to year. Without the modest 2% tax increase proposed in the 2011/2012 budget, we will be forced to have another round of cuts and reductions. The 2% tax increase will add \$19 to the average 2011/2012 school tax bill in Bound Brook.

# TAX HISTORY

YEAR	TAX LEVY	CHANGE
2006/07	\$12,706,817	
2007/08	\$12,399,921	-\$306,896
2008/09	\$12,450,740	\$50,819
2009/10	\$12,633,422	\$182,682
2010/11	\$12,429,898	-\$203,524
2011/12	\$12,694,170	\$264,272

