



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE/MUNICIPAL AFFAIRS

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April 8, 2008

William Sequino
Town Manager
Town of East Greenwich
East Greenwich, RI 02818

Dear Bill,

You have asked for assistance in clarifying amounts that may be requested by and appropriated to School Committees from town funds.

There is no obligation on the part of a Town Council or FTM to appropriate a certain amount. Rather, the statutory limitation provided for in 16-2-21 references limitations on what the School Committee can request from "municipal funds (exclusive of state and federal aid)", not on the obligation of the town to appropriate (whether it be more or less than what was officially requested). For the FY 2009 budget, the School Committee may request up to 5% from "municipal funds".

The substance of the tax cap as provided for in Section 44-5-2 of the RI General Laws limits the maximum property tax levy. For the FY 2009 budget, the town is limited to a tax levy increasing 5%. We have notified you and the finance director that for FY 2009 (tax year 2008) the maximum levy for East Greenwich will be \$39,612,489, an increase of 5% or \$1,886,309 over the FY 2008 levy of \$37,726,180. There is no cap on spending by the town. The cap only applies to the property tax levy.

I hope this communication is responsive to your request.

Sincerely,

Peder Schaefer
Chief Budget Analyst