

THE SPECIAL BUDGET EDITION

2010-2011

NEWS FROM CANAJOHARIE CENTRAL SCHOOL

Ensuring opportunity in tough times

Canajoharie Central School District residents will vote May 18 on a proposed \$18,894,140 budget for the 2010-11 school year.

This is a difficult year to develop a budget. New York State's fiscal problems have seriously impacted school districts such as Canajoharie which are heavily dependent on the State for revenue. Regardless of the State's fiscal woes, the Board of Education is committed to presenting a budget to district residents that does not ask them to shoulder the entire burden caused by the loss of revenue. In addition, the proposed budget must favorably position the district to address yet further cuts in school aid when federal stimulus monies expire in 2011-12. The proposed budget

outlined in this newsletter does just that while preserving the foundation of our educational programs.

The proposed budget is an increase of .48 percent over the 2009-10 budget. The impact on the tax levy is hard to predict at this time because we do not know if the state legislature will restore any of the \$428,651 in aid cuts, nor will we know how much fund balance we will have at the end of the fiscal year to apply against taxes. We can say this with confidence.

The tax levy will not increase by more than 4.0 percent. Hopefully, it will be less. The district will leave no stone unturned in searching for savings and efficiencies while maintaining the best programs for our children.

Q & A on page 2



Budget Vote

on Tuesday, May 18

Residents of the Canajoharie Central School District will go to the polls on Tuesday, May 18 to vote on next year's proposed \$18,894,140 school budget. Voters will also elect two candidates to serve on the Board of Education. Please take the time to read about the proposed school budget and vote on Tuesday, May 18. Polls are open from noon to 9 p.m. in the lobby of the high school. By law, all voters must be U.S. citizens, age 18 or older and residents of the district for at least 30 days prior to the vote. Advanced registration is not required.

Proposed budget questions and answers

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How is the school district doing in the recession?

Three years ago, our district faced a \$651,000 deficit. At that time, we embarked on a course to return to fiscal security. Over the next two years, that deficit fell to \$312,000, then to \$80,000. This year, we expect to have a fund balance.

The cuts we made, the taxes you paid, and the policies we followed now leave us in a better position to address the problems that currently face all school districts.

Are there staff reductions in the proposed budget?

Slightly less than three positions are eliminated in the budget. Reorganizing staff and shuffling responsibilities results in one middle school teacher being laid off.

One elementary teaching position has been eliminated. As a consequence, next year's third grade will have three sections instead of four.

A half-time BOCES Home & Careers position in the middle school will be eliminated. That class will be taught by current staff.

A half-time remedial education position in the elementary school will be eliminated. Again, existing staff will fill the role.

A one-day-per-week BOCES guidance counselor in the high school will be eliminated. Staff from Catholic Charities will provide some of those services.

These changes do not reflect the possibility of teacher retirements. Should the retirements come in the appropriate areas, these cuts would not result in people losing their jobs.

What other cost-saving measures have been taken?

Canajoharie contracted with the central business office at ONC BOCES to handle routine business functions

such as payroll, bills, and bookkeeping. This consolidation of services saves the district about \$150,000 each year.

The district continues leasing buses instead of purchasing them. This will save \$200,000 over the next five years.

Canajoharie buys energy, supplies, and services jointly with other school districts and municipalities to secure better pricing.

Our schools reduced field trips and froze all unnecessary spending.

The district is exploring every opportunity to save money and reduce expenses.

How will the proposed budget impact taxes?

The proposed budget will increase the overall tax levy by no more than 4.0 percent. Property tax rates will vary among the eight townships in the district based on assessments and equalization rates.

Does this mean my taxes will go up four percent?

Not necessarily. Many things will impact our tax levy making it hard to project a definite figure. Accordingly, we project "no more than four percent" as the worst-case scenario with hopes that the increase will be less. At this point, the legislature is considering returning some of the state aid that was cut in the governor's proposed budget. As the end of the fiscal year approaches, we will have a clearer picture of our fund balance. In addition we have new properties that will begin paying a full share of property taxes. Funds from any of these sources could lessen the tax burden.

If the cost of living is not rising, why are taxes increasing at all?

If we had received the same amount of State aid as we did in the past, we would not have to raise taxes. But, we lost aid and certain expenses rose despite the economy. On their own, these increases would result in a significantly higher budget if not offset by steps to reduce staff and expenses.



What happened to the federal stimulus money?

We received our federal stimulus money as promised in 2009-10. Unfortunately, the state's fiscal problems forced it to use a portion of the 2010-11 fiscal funds to avoid making mid-year cuts to our promised aid. As a result, there is less federal money available for 2010-11.

What are we getting for our investment?

We continue to be an area leader. Our test scores are among the top in the region. Our students are accepted into some of the nation's finest universities. Our school continues to be recognized for its art, music, and athletic programs.

What happens in the future?

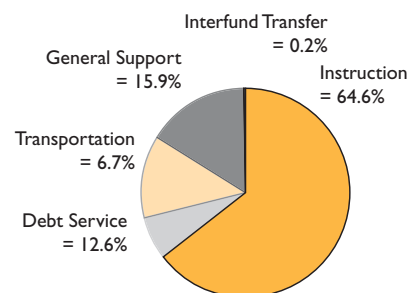
The future remains a challenge. We cannot expect any increases in government funding. In fact, we anticipate operating with less state aid than we received three years ago. Over the next year, we will continue our efforts to contain costs, improve efficiencies, and look for new ways to provide the quality of education we have come to expect in Canajoharie. The road ahead is uncertain and is likely to be rocky. With the same commitment and support that helped us to this point, however, we will come out the other side of this recession stronger and better prepared to tackle our most important challenge—to prepare today's children to become tomorrow's leaders.



The budget at a glance

EXPENDITURES

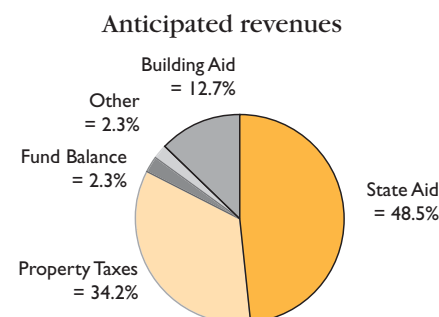
	2009-10 Budget	2010-11 Proposed Budget	Percent Change
General Support	\$2,970,834	\$3,001,563	1.03%
Instruction	12,196,728	12,210,870	0.01%
Pupil Transportation	1,186,239	1,268,256	6.91%
Debt Service	2,414,841	2,378,951	-1.48%
Interfund Transfers	34,500	34,500	0%
TOTAL	\$18,803,142	\$18,894,140	0.48%



Proposed expenses

REVENUES

	2009-10 Budget	2010-11 Proposed Budget	Percent Change
State Aid	\$9,539,716	\$9,163,103	-3.95%
State Aid - Building Aid	2,331,220	2,399,746	2.94%
Property Taxes	6,216,752	6,465,422	4.00%
Fund Balance	71,294	434,762	609.82%
Other	644,160	431,107	-33.07%
TOTAL	\$18,803,142	\$18,894,140	0.48%



Required format

School districts are required to provide information in the format below.

	Budget adopted for 2009-10	Budget proposed for 2010-11	Contingency budget for 2010-11
Total budgeted amount	\$18,803,142	\$18,894,140	\$18,847,252
Budget increase for 2010-11 school year	--	\$90,998	\$44,110
Percentage increase	--	0.48%	0.23%
Consumer Price Index increase	--	-0.40%	-0.40%
Resulting estimated property tax levy for 2010-11	--	\$6,465,422	\$6,418,534

BUDGETS ARE COMPRISED OF THREE PARTS:


	Administrative component	Program component	Capital component
2009-10	\$1,658,089	13,195,160	3,949,893
2010-11	\$1,656,301	13,348,439	3,889,400
2010-11 (contingency)	\$1,650,413	13,328,439	3,868,400


Administrative—includes the salaries and benefits of administrators and non-program clerical staff. Also, school board costs, curriculum development, staff development, tax collections, legal and auditing costs, central printing, central data processing, general insurance, BOCES administrative costs, research, planning, and evaluation.

Program—includes the salaries and benefits of all teachers and staff delivering pupil services (health, guidance, library and athletics). Also, textbooks, instructional materials, equipment, extracurricular activities, BOCES program costs, and all costs of the transportation program.


Capital—includes the salaries and benefits of maintenance and custodial staff, plus debt service, bus purchases, utilities, fire insurance, tax certiorari, and other court-ordered expenses.

What happens if voters don't approve the 2010-11 budget?

 **Under state law, school boards can submit a budget to voters a maximum of two times.**
If the budget is defeated the first time, the Board of Education may adopt a contingency budget or it may put another budget up for public vote. If the budget is defeated by voters a second time, the board must adopt a contingency budget, which would put a cap on new spending. Based upon a formula, this year's spending cap is 0.0 percent. *(Some exclusions are allowed.)* The Board of Education would be required to cut the proposed budget by \$46,888 to meet the spending cap.

 **If a contingency budget is adopted, the state's spending cap would be put in place.**

- Certain equipment and supply purchases must be eliminated.
- Non-school related use of buildings could be cut.
- Transportation for non-league athletic events may be eliminated.
- Transportation for Canajoharie village students may be eliminated.
- Additional instructional and non-instructional staff positions may be removed.

 **If a contingency budget is put in place, under state law there can be no more votes on a budget for this year.**

The STAR program continues

The recently adopted state budget contains changes to the New York State School Tax Relief (STAR) Program.

- The Basic and Enhanced Star exemptions remain in place. Basic STAR is available to all homeowners, while Enhanced STAR is available for seniors age 65+. These programs exempt a portion of a taxpayer's primary residence's assessed value when calculating school taxes, thus reducing the property owner's annual school tax bill. For questions about the STAR program, including how to apply, contact your local assessor.
- The Middle Class STAR Rebate Program has been eliminated in the new state budget. This program provided a rebate check to homeowners who receive the STAR exemption on their property tax bills.

Basic STAR Exemption Impact

Estimated Basic STAR Exemption savings based on a hypothetical home within the school district with a full assessed value of \$100,000.

	Proposed budget
2010-11	
Basic STAR tax savings	\$586

In addition to STAR savings, both BASIC and Enhanced STAR recipients will receive a rebate check this fall.

Published by the Canajoharie Central School Board of Education

To: Residents of the
Canajoharie Central
School District


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CANAJOHARIE CENTRAL SCHOOL
Canajoharie, New York 13317

**member
board
school
elect one
Voters will**

for two five-year
terms on the
Canajoharie
Board of
Education

Dr. Mark Brody
and Rachael
Mason are vying



REMEMBER TO VOTE ON

TUESDAY, May 18

Polls open noon to 9 p.m.

Canajoharie High School