

# THE SPECIAL BUDGET EDITION

2009-2010

NEWS FROM CANAJOHARIE CENTRAL SCHOOL

## Ensuring opportunity in a tough economy

Canajoharie Central School District residents will vote May 19 on a proposed \$18,803,142 budget for the 2009-10 school year. The spending plan addresses three goals: Keep any increase to the tax levy to no more than four percent; position the district favorably to address the ongoing fiscal crisis after 2009-10; and maintain the strength of the instructional program.

“Developing the budget presented many difficult challenges in the present economy. The state’s fiscal woes create a real burden for small, rural school districts. But we have not left any rock unturned in searching for ways to contain costs,” said District Superintendent Richard Rose.

The proposed budget will result

in a tax levy increase of four percent. The major reasons for the increase in spending are the accounting for the state’s share of the first payment for our recent construction and rising special education costs.

Changes in state funding, the federal stimulus package, and the first of our EXCEL construction project payments make this budget especially confusing. The following question and answer section addresses some of the more commonly asked questions.

Q & A on page 2



# Budget Vote

on Tuesday, May 19

Residents of the Canajoharie Central School District will go to the polls on Tuesday, May 19 to vote on next year’s proposed \$18,803,142 school budget. Voters will also elect a candidate to serve on the Board of Education. Please take the time to read about the proposed school budget and vote on Tuesday, May 19. 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.

### **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.

### **Are there staff reductions in the proposed budget?**

Five positions are eliminated or reduced in the budget.

One elementary teaching position has been eliminated. Next year's third grade will have three sections instead of the usual four. An elementary teacher will be retiring, so no one will lose his or her job.

A Spanish teacher will be reduced from full time to half time. Coincidentally, the Fonda Fultonville School District also reduced a Spanish teaching position from full time to half time. Because Fonda's teacher is retiring, they will share the Canajoharie teacher. Fonda will reimburse our district for half of the salary and benefits.

A half-time high school math position will be eliminated. The teacher in that position will be retiring.

A high school business education position will be reduced from full time to half time.

A custodian position recently vacated by a retiring employee, will not be filled and is eliminated in the proposed budget.

These staff cuts amount to about \$250,000.

### **What other cost-saving measures have been taken?**

Canajoharie joined with three other school districts to form a central business office at HFM 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 will be leasing buses instead of purchasing them. This will yield tremendous savings in the short term—over \$200,000 next year—

and an additional \$200,000 more than the next five years.

Canajoharie joined with several other school districts and municipalities to purchase energy in larger quantities and save money. As a member of an energy-buying consortium, our natural gas and electric rates will be less than they were three years ago. We are also working jointly with other schools to purchase supplies such as paper in larger quantities to secure better pricing. The district is also soliciting bids for such things such copiers and phone and Internet service.

### **What expenditures are going up?**

The largest part of the increase, \$652,063, is to pay the state's share of the first bond payment for our recent building project. It is important to remember that this money is offset by additional state aid earmarked for this purpose, so it does not effect taxes.

There are also additional expenses for special education placements in the proposed budget that amount to \$238,976. These are for special programs, usually at another facility, for students with severe learning disabilities. They are very expensive programs, but also aided by the state although not in their entirety.

Absent the above factors, both of which we cannot eliminate or reduce, the proposed budget would have been 1.32 percent more than the present year.

### **How does the federal stimulus money help us?**

Without the stimulus money, we would have received \$387,000 less in state aid than what we received in 2008-09. The federal stimulus money merely restores state aid; it does not include previously promised adjustments to offset rising costs. Other stimulus funds we will receive are specifically targeted to certain programs such as special education and low-income students and are not available for general expenses.

### **What happens next year?**

The future remains a challenge. We know that we will not receive additional

state aid in the 2010-11 school year—meaning that we will be operating on the same basic aid we received in 2008-09. This will place added pressure on us to control expenses. However, the proposed budget is part of our long-term plan to ride out these difficult times and to position us favorably to address shortfalls in 2010-11.

### **What are we getting for our investment?**

Despite what you may hear in the national press, New York schools rank among the best in the nation. The latest data shows that we are second only to Massachusetts in preparing students for a successful future.

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.

### **Where are we heading?**

While we remain committed to our mission of teaching and learning, we realize that things cannot remain as usual at school during this downturn in the economy. We are equally committed to finding ways to accomplish our mission without overburdening the residents of our community and are willing to sacrifice just like everyone else. We have left no rock unturned in searching for ways to contain costs. And we are not finished. We will continue to look for savings. At the same time, we must ensure that our children are not lost in the economic crisis we are facing. The crisis will end, but today's children still need to be prepared to become tomorrow's leaders and given an equal chance to compete for college and jobs with students from around our country and the world.

### **Are there future building projects and expenses we will have to face?**

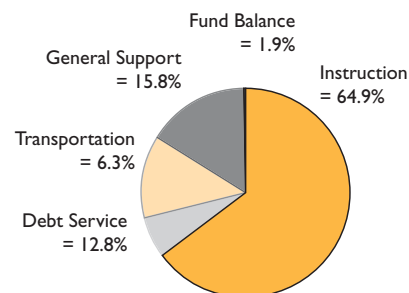
With our last project, we have addressed our building needs for many years to come.



# The budget at a glance

## EXPENDITURES

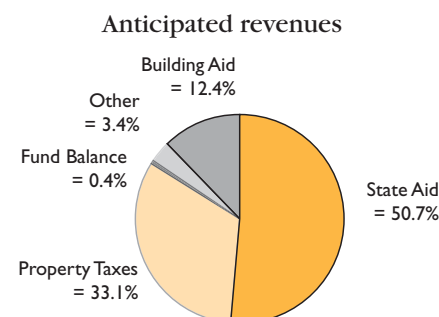
	2008-09 Budget	2009-10 Proposed Budget	Percent Change
General Support	\$2,958,171	\$2,970,834	0.40%
Instruction	11,668,412	12,196,728	4.52%
Pupil Transportation	1,250,571	1,186,239	-5.42%
Debt Service	1,762,778	2,414,841	36.99%
Interfund Transfers	38,000	34,500	-0.07%
<b>TOTAL</b>	<b>\$17,677,932</b>	<b>\$18,803,142</b>	<b>6.37%</b>



Proposed expenses

## REVENUES

	2008-09 Budget	2009-10 Proposed Budget	Percent Change
State Aid	\$9,260,686	\$9,539,716	3.01%
State Aid - Building Aid	1,545,496	2,331,220	50.84%
Property Taxes	5,977,646	6,216,752	4.00%
Fund Balance	230,878	71,294	-70.09%
Other	663,226	644,160	-2.87%
<b>TOTAL</b>	<b>\$17,677,932</b>	<b>\$18,803,142</b>	<b>6.37%</b>



### Required format

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

	Budget adopted for 2008-09	Budget proposed for 2009-10	Contingency budget for 2009-10
Total budgeted amount	\$17,677,932	\$18,803,142	\$18,732,865
Budget increase for 2009-10 school year	--	\$1,125,210	\$1,054,933
Percentage increase	--	6.37	5.97
Consumer Price Index increase	--	3.80	3.80
Resulting estimated property tax levy for 2009-10	--	\$6,216,752	\$6,146,475

### BUDGETS ARE COMPRISED OF THREE PARTS:


	Administrative component	Program component	Capital component
Administrative component	\$1,666,530	\$1,658,089	\$1,655,259
Program component	12,577,025	13,195,160	13,131,362
Capital component	3,438,377	3,949,893	3,946,244

**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 2009-10 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 4.0 percent. *(Some exclusions are allowed.)* Canajoharie Central School District's proposed budget increase for 2009-10 is below this year's contingent budget spending cap of 4 percent. However, the state would still require the district to cut specific expenses under a contingent budget.

 **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
2009-10	
Basic STAR tax savings	\$573

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

Canajoharie Central School District  
To: Residents of the  
Canajoharie Central  
School District

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Canajoharie, New York 13317

**REMEMBER TO VOTE ON**  
**TUESDAY, May 19**  
Polls open noon to 9 p.m.  
Canajoharie High School

**Voters will**  
is vying for a  
five-year term  
on the  
school  
board  
member

Incumbent  
Eric Trahan  
is vying for a  
five-year term  
on the  
school  
board  
member

