

THE SPECIAL BUDGET EDITION

2011-2012

NEWS FROM CANAJOHARIE CENTRAL SCHOOL

Budgeting for the future success of our students

Canajoharie Central School District residents will vote May 17 on a proposed \$18,823,340 budget for the 2011-12 school year.

The proposal calls for the district to spend \$70,800 less than it did in 2010-11.

Canajoharie is in better financial shape than many districts and is positioned to get through the next few years, Superintendent Richard Rose said. Despite that positive news, a loss of state aid will require cuts to staff and programs. Like many rural districts, Canajoharie is heavily dependent on the state for revenue, and for the 2011-12 fiscal year, the district will receive \$661,201 less in state aid than the current year. Over two years, the district's state aid fell \$1,090,535.

The Board of Education worked to present a budget that does not pass the entire loss of revenue onto the taxpayers. Instead, the proposal uses designated reserves, fund balance, and staff cuts to partially compensate for the loss of revenue. "We're making cuts because of the economy, but they're further justified because of declining enrollment," said Mr. Rose. "We have still tried to preserve the foundation of our educational programs."

Under the proposed budget, the



tax levy will increase by no more than four percent — hopefully it will be less. The district will continue to search for savings and efficiencies as we continue to prepare our students to be future leaders.

[Q & A on page 2](#)

Budget Vote

on Tuesday, May 17

Residents of the Canajoharie Central School District will go to the polls on Tuesday, May 17, to vote on next year's proposed \$18,823,340 school budget. Voters will also elect one candidate to serve a five-year term on the Board of Education. Please take the time to read about the proposed school budget and vote on Tuesday, May 17. 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. Advance registration is not required.

Proposed budget questions and answers

How is the school district doing in this tough economy?

Four years ago, our district faced a \$651,000 deficit. At that time, we embarked on a course to return to fiscal security. 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. We now have a fund balance and it cannot come at a better time because school aid in New York State was cut by \$1.3 billion in 2011-12. Our district's state aid was reduced by \$661,201 from 2010-11 to 2011-12. And last year, we saw a reduction of \$429,334 from the previous year.

Are there staff reductions in the proposed budget?

Eight teaching positions — six full-time and two part-time are eliminated in the budget. Two elementary teachers resulting in one fewer section in grades two and three. Due to declining enrollment, class sizes will not significantly increase.

One high school science teacher.

One middle school social studies teacher. That class will be taught by current staff.

One half-time secondary music teacher and one half-time high school business teacher.

One elementary remedial reading teacher. Existing staff will fill the role.

One middle school special education teacher. Existing staff will fill that role.

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.

Will sports be affected?

We regard sports as an arena to teach important life lessons. Like all areas, from academics to the arts, we have reduced our sports budget. There will be fewer contests at the JV level and some teams will be eliminated.

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 to lease buses instead of purchasing them. This enables the district to pay for buses from a reserve fund rather than having to raise taxes.

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 four 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. We project the tax levy (the total amount the district raises in taxes) will increase by no more than four percent — the worst-case scenario with hopes that the increase will be less. How that increase impacts the tax rates within each of our eight municipalities will depend on changes in individual and town-wide assessments and local equalization rates.

Why are taxes rising faster than the cost of living?

The steps we have taken to reduce staff and expenses have actually lowered our expenditures. We will spend \$70,800 less in 2011-12 than we did last year. We could not, however, fully offset the loss of state aid— even by cutting staff and programs and using of an additional \$367,392 in fund balance. Had we received the same



amount of state aid as we did in the past, we would not have to raise taxes.

What happened to the federal jobs funds?

The state of New York didn't release the federal education jobs funds to districts until after the beginning of the 2010-11 fiscal year. We have \$265,000 left over from that which will be applied to 2011-12 budget. This is the last of any anticipated federal monies.

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. Students who graduate from Canajoharie Central School are prepared for college, the workplace, and life.

What happens in the future?

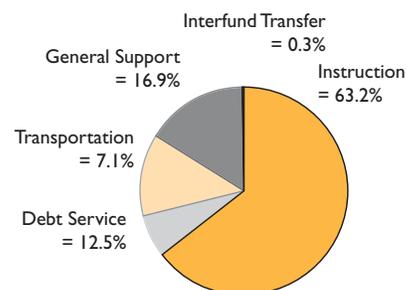
We do not expect any additional increases in government aid. In fact, we anticipate operating with less state aid than we received in any of the past three years. Also, there is a real possibility the state will adopt a two percent property tax cap in the near future. Despite those factors, we will continue our efforts to contain costs, improve efficiencies, and look for new ways to provide the same quality education residents have come to expect in Canajoharie.



The budget at a glance

EXPENDITURES

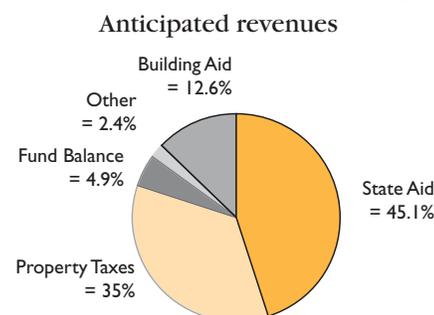
	2010-11 Budget	2011-12 Proposed Budget	Percent Change
General Support	\$3,001,563	\$3,187,399	6.2%
Instruction	12,210,870	11,903,987	-2.5%
Pupil Transportation	1,268,256	1,328,003	4.7%
Debt Service	2,378,951	2,353,951	1.1%
Interfund Transfers	34,500	50,000	44.9%
TOTAL	\$18,894,140	\$18,823,340	-0.37%



Proposed expenses

REVENUES

	2010-11 Budget	2011-12 Proposed Budget	Percent Change
State Aid	\$9,163,103	\$8,491,668	-7.33%
State Aid - Building Aid	2,399,746	2,363,052	-1.53%
Property Taxes	6,341,087	6,594,731	4%
Fund Balance	559,097	926,489	65.71%
Other	431,107	447,400	3.78%
TOTAL	\$18,894,140	\$18,823,340	-0.37%



Required format

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

	Budget adopted for 2010-11	Budget proposed for 2011-12	Contingency budget for 2011-12
Total budgeted amount	\$18,894,140	\$18,823,340	\$18,796,833
Budget increase for 2011-12 school year	--	-\$70,800	-\$97,307
Percentage increase	--	-0.37%	-0.52%
Consumer Price Index increase	--	1.6%	--
Resulting estimated property tax levy for 2011-12	--	\$ 6,594,731	\$6,497,424

BUDGETS ARE COMPRISED OF THREE PARTS:

Administrative component	\$1,656,301	\$1,656,654	\$1,651,066
Program component	13,348,439	13,280,627	13,267,727
Capital component	3,889,400	3,886,059	3,878,040

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 2011-12 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 1.92 percent. *(Some exclusions are allowed.)* The Board of Education would be required to cut the proposed budget by \$26,507 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 New York State School Tax Relief Program (STAR) provides New York homeowners with partial exemptions from school property taxes. If you earn less than \$500,000 and own and live in your home, you are probably eligible for the STAR exemption.

- 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.

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
2011-12	
Basic STAR tax savings	\$561

As part of the STAR program, you will receive a school property tax bill or other notice that will state the amount of the STAR exemption and your tax savings.

Published by the Canajoharie Central School Board of Education

To: Residents of the
Canajoharie Central
School District

CANAJOHARIE CENTRAL SCHOOL
Canajoharie, New York 13317

Nonprofit Org.
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**REMEMBER TO VOTE ON
TUESDAY, May 17**

Polls open noon to 9 p.m.
Canajoharie High School

**Voters will
elect one
school
board
member**
on the
Canajoharie
Board of
Education

Dr. Carol A. Balle is running
unopposed for
a five-year term

