

Schoharie

CENTRAL SCHOOL DISTRICT NEWSLETTER



MAY 2011 • SPECIAL BUDGET EDITION • LEARNING IS THE MISSION



BUDGET VOTE Tuesday, May 17, 2011

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Polls are open 9 a.m. to
9 p.m. in the High School
library lobby.



Schoharie High School students Dallas Wright and Tyler Schultz work together to construct the set for the recent school musical "Hairspray."

VOTER INFORMATION

Who is eligible to vote?

Anyone who is a U.S. citizen, 18 years or older, and a resident of the Schoharie Central School District for at least 30 days prior to the vote. Registration is not required.

Proposed 2011-12 budget goes before voters May 17

Schoharie Central School District residents will go to the polls on Tuesday, May 17 to vote on a proposed \$19,897,592 budget for the 2011-12 school year.

The proposed budget reflects a \$9,584—or 0.05 percent—increase from the current school year's budget.

Huge loss in state aid makes budget development process difficult

Like many districts in New York, Schoharie's state aid was significantly reduced. In fact, school leaders had to build the 2011-12 school budget with \$911,000 less in state aid. Couple that with last year's state aid cut of \$882,000 and the district has experienced a two-year loss in state aid of \$1.793 million.

"The 2011-12 budget development process was one of the most difficult ones I've been through," explains Superintendent Brian Sherman.

The second straight year of significant decreases in state aid along with years of budget trimming left school officials with little choice but to cut teaching and support staff positions.

"This is the last thing any school district leader wants to do," says Sherman. "But even with all the districtwide trimming that we did, at the end of the day we still had to fill a gap left in our budget from the loss in state aid."

The result is a 3.75 percent tax levy increase.

Other factors besides cuts to state aid that are driving the proposed budget are employee benefit costs that are rising faster than the cost of living, health care costs that have increased between five and eight percent, and state-mandated pension fund contributions that also have sharply increased.

Balancing the proposed budget

In order to balance the increase in costs and the decrease in state aid against the local share—or residents' school taxes—while adequately sustaining the quality education at Schoharie, district officials had to make significant changes in staffing levels.

Four teachers and four support staff are retiring at the end of the school year. Six of these positions will not be filled

Bus purchase on ballot

A proposition for the vote on May 17 would authorize Schoharie Central School District to purchase replacement vehicles:

Two 66-passenger buses and two 28-passenger buses at a purchase cost not to exceed \$300,000.

If approved, the district will receive approximately 80 percent of the borrowing amount in state aid over a five-year period.

The resulting net cost on the borrowing principal is about \$60,000—or \$12,000 per year for the five years of the payments. The district will also receive state aid on the interest cost.

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Maintaining academic programs, holding the line on property taxes

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in the next school year. An additional four teaching and three support staff positions have been cut or reduced to half-time in an effort to hold the line on a potentially high tax increase.

In order to build the 2011-12 proposed budget, school administrators examined the current year's budget to determine how much additional cost would be needed to carry forward the same programs and staff into the 2011-12 school year. The estimate to do that was an additional \$879,000.

After meeting several times between February and April, the board and school officials trimmed more than \$869,000 from the initial cost estimate to arrive at the 2011-12 proposed budget—which is less than \$10,000 over the current year's budget.

"It's no secret that the loss of many good people from our teaching and

support staff ranks means that it will be a challenge to maintain the current quality of instruction provided to our students," says Sherman. "However, we have the utmost confidence that our faculty and staff who are in place for the next school year have the knowledge and experience to ensure that the educational programs for Schoharie's children will be delivered."

Sherman stresses that the primary goal of the proposed budget is to properly fund the education of every student in the district. "If approved by residents, this budget will maintain a safe building environment as well as continue the district's focus to improve upon student literacy, math and science knowledge," says Sherman. "In our budget, the academic success of our students is our real bottom line."

What else is on the ballot?

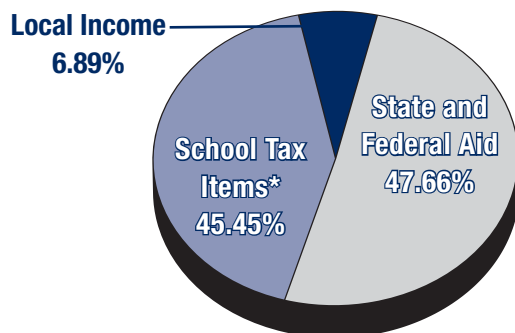
In addition to voting on the 2011-12 school budget, voters will also elect two members to the seven member board (see candidate profiles on pages 6-7) and decide on a proposition to purchase four replacement school buses at a cost not to exceed \$300,000 (see sidebar).

What is the impact of this proposed budget on the tax rate?

At this time, the tentative tax assessment roll is not available and equalization rates are preliminary and won't be known until the NY State Office of Real Property Services (ORPS) announces them in August. Those factors have a significant impact on the tax rates. Another factor impacting the amount of taxes a resident could pay is the STAR program. STAR has the effect of reducing the assessment on owner-occupied primary residences. For many taxpayers, this represents a significant benefit. Also, senior citizens (age 65 and older) can qualify for the enhanced STAR assessment reduction.

Where does the money come from?

DESCRIPTION	2010-11 BUDGETED	2011-12 PROPOSED BUDGET	2011-12 CHANGE
Local Income			
Interest and other Income	\$373,000	\$373,000	\$0
Appropriated Fund Balance	\$1,118,018	\$1,238,018	\$120,000
State and Federal Aid			
State Aid	\$9,469,625	\$8,558,247	(911,378)
Federal Aid	\$25,000	\$500,000	475,000
School Tax Items*	\$8,902,365	\$9,228,327	\$325,962
Total Revenue	\$19,888,008	\$19,897,592	9,584



* The School Tax Items figure includes the school tax levy and payments in lieu of taxes.

Cost-saving measures on tap

Schoharie Central School District officials constantly search for ways to increase non-tax revenues and operate school programs more efficiently, resulting in cost savings. Efforts over the past few school years include:

Health care. All employees realize the value and cost of their health care. An example of this is when district leaders switched to self-funding (instead of paying insurance premiums) for medical prescriptions. This initiative saves nearly \$100,000 each year. Meanwhile, there is a continuing effort to explore other ways to curb rising health care costs. Being a member of a health insurance consortium saves nearly \$125,000 a year in premiums.

Workers' Compensation. Schoharie, with other area schools, formed a plan to self-fund Workers' Compensation costs instead of paying the high cost of premiums. This saves nearly \$80,000 a year.

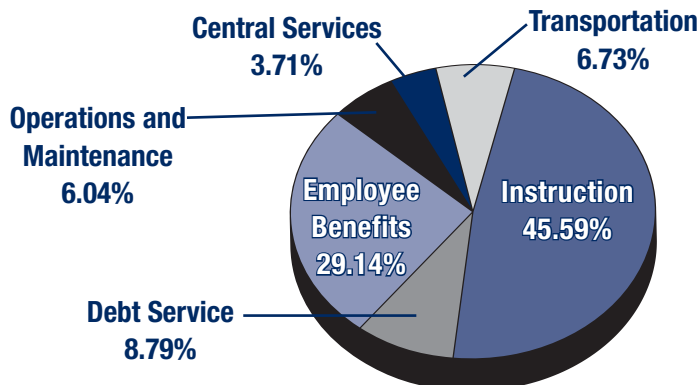
Energy Management. District officials embarked on a conservation program designed to reduce energy usage, which has generated significant savings. Additionally, school administrators entered into a contract for lower electricity prices through a municipal energy group. Together, this results in nearly \$95,000 in savings each year.

Special Education Services. Throughout the year the special education department reviews and evaluates students to determine if they are getting the appropriate education for the cost. In the past, some students who were placed in private schools or BOCES programs were brought back to the district to receive a quality education at a lower cost. This is a win-win situation for students and taxpayers, alike. There is also a continual effort to review the educational plans of all students with disabilities to ensure all costs are accounted for on state aid claim reports. These initiatives save nearly \$60,000 a year as well as generate an additional \$75,000 in state aid.

The total of the above cost-savings initiatives and revenue enhancements amount to approximately \$535,000—an amount that is approximately equal to 6.3 percent of the current tax levy.

Where does the money go?*

DESCRIPTION	2010-11 BUDGETED	2011-12 PROPOSED BUDGET	2011-12 CHANGE
Central Services	\$716,871	\$737,542	\$20,671
Operations & Maintenance	\$1,160,403	\$1,201,734	\$41,331
Instruction	\$9,428,983	\$9,072,765	(356,218)
Transportation	\$1,330,605	\$1,338,565	\$7,960
Employee Benefits	\$5,394,822	\$5,798,112	\$403,290
Debt Service/Other	\$1,856,324	\$1,748,874	(107,450)
Total Expenses	\$19,888,008	\$19,897,592	\$9,584



* Turn to pages 4-5 for a more detailed breakdown of budget appropriations.

Bus proposition

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What would happen if the bus proposition is voted down?

If the proposition is defeated, district officials would have to spend at least \$15,000 to repair the existing buses during the 2011-12 school year, which would be an unplanned expense in the proposed budget.

Furthermore, those repairs have to be made to meet New York State Department of Transportation requirements. Future repairs for these buses would also be likely because they have high mileage and other wear and tear conditions. This would result in additional costs.

If district officials were to wait one more year to request these new buses, according to manufacturers, the purchase price per 66-passenger bus will increase by approximately \$5,000 due to the emissions system and other requirements.

District officials will trade-in vehicles that the new buses would replace in order to reduce the overall purchase price of the new buses.

Why does the district purchase buses on a regular basis?

This proposition is part of an ongoing bus replacement plan designed to keep the district's fleet in safe, working order. The bus replacement schedule is based on each vehicle's mileage, age, repair history and condition. Older buses can be traded in toward the purchase of new buses to help reduce the cost.

Budget Q&A

Why is it important to review the information about the board election and budget vote?

Voting on local issues, such as school budgets and members of the board of education, is one way for a member of the community to make an impact on the quality of education that students receive. It is essential for voters to have appropriate details to make an informed decision in the voting booth.

What is it, specifically, that voters are considering when they vote on the budget?

Voters are authorizing the total dollar amount of appropriations for the day-to-day operations involved in providing education for all Schoharie CSD students during the 2011-12 school year.

What happens if voters do not approve the proposed budget?

If the board of education declares a contingency budget, expenses may not be made for the following, per New York State Education Law: purchases of equipment and furniture; use of school facilities by non-school related organizations, unless facilities use charges are paid; non-mandatory repairs and maintenance to school facilities, such as painting; and the purchase of personal supplies for students, such as pens, pencils, notebooks and writing paper.

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Where does the money go?

Central Services: 3.71% of total budget

	Adopted Budget 2010-2011 (\$)	Proposed Budget 2011-2012 (\$)	Percent Change
Board of Education	3,980	3,550	
District Clerk	7,302	6,935	
District Meeting	1,300	1,875	
Central Administration	192,455	185,715	
Finance	204,398	231,595	
Auditing	32,850	31,250	
Treasurer	12,272	12,833	
Tax Collector	6,257	6,434	
Fiscal Agent Fees	1,500	2,300	
Legal	59,000	47,000	
Records Management	3,122	2,186	
Personnel	2,500	2,650	
Public Information	8,200	25,100	
Central Printing and Mailing	9,300	11,700	
Central Data Processing	16,610	17,150	
Insurance	55,000	56,700	
Association Dues	800	800	
Property Tax Refunds	2,500	3,500	
Administrative Charge - BOCES	97,525	88,269	
Total Central Services	\$716,871	\$737,542	2.88%

Operations & Maintenance: 6.04% of total budget

Operations of Plant	1,035,578	1,061,777	
Maintenance of Plant	124,825	139,957	
Total Operations & Maintenance	\$1,160,403	\$1,201,734	3.56%

Instruction: 45.59% of total budget

Supervision Regular Day	498,301	470,947	
In-service Training	11,800	10,500	
Teaching Regular School	5,124,148	4,690,498	
Special Education	2,279,740	2,309,814	
Occupational Education	387,550	416,224	
Summer School, Driver Ed, Tutors	23,200	28,400	
School Library	200,381	222,092	
Educational Television-AV	8,350	3,350	
Computer Assisted Instruction	178,635	170,474	
Attendance	570	700	
Guidance	254,915	267,055	
Health Services	87,820	87,650	
Psychological Services	43,000	76,000	
Social Work Services	137,800	158,350	
Co-Curricular Activities	46,585	34,985	
Interscholastic Athletics	146,188	125,726	
Total Instruction	\$9,428,983	\$9,072,765	-3.78%

Transportation: 6.73% of total budget

	Adopted Budget 2009-2010 (\$)	Proposed Budget 2010-2011 (\$)	Percent Change
District Transportation	1,197,055	1,192,065	
Garage Building	133,550	138,800	
Contract Transportation	0	7,700	
BOCES Transportation	0	0	
Total Transportation	\$1,330,605	\$1,338,565	0.60%

Employee Benefits: 29.14% of total budget

NYS Employees Retirement	159,267	301,800	
NYS Teachers Retirement	759,000	869,900	
Social Security	754,214	735,841	
Worker Compensation	71,000	69,600	
Life Insurance	6,500	4,625	
Unemployment Insurance	113,830	63,850	
Disability Insurance	3,400	2,9600	
Hospital Medical Dental	3,527,611	3,749,536	
Total Employee Benefits	\$5,394,822	\$5,798,112	7.48%

Debt Service/Interfund Transfers: 8.79% of total budget

Debt Service - School Construction	1,544,557	1,441,206	
Serial Bonds - Buses	257,465	262,298	
Bond Anticipation Note (Interest)	0	0	
Installment Purchase	12,925	0	
Other Debt	7,055	0	
Transfers	34,322	45,370	
Total Debt Service/Interfund Transfers	\$1,856,324	\$1,748,874	-5.79%

Total Expenditures	\$19,888,008	\$19,897,592	0.05%
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What taxpayers need to know about revenues

State aid is not keeping pace with rising costs. Two years ago the state provided 51.4 percent of the district's total revenues; next year it will drop to 43.1 percent, leaving local taxpayers to shoulder more of the cost of operating the schools. For the first time, the local tax levy share of the budget will be more than state aid.

A stagnant tax base. Many area schools realize growth in their tax base every year. The construction of new homes and businesses in those districts usually generates enough new tax revenue to offset the changes in state aid. That is not the case at Schoharie where the tax base has seen only minimal growth in the past few years.

Limited commercial property. Schoharie CSD serves an almost entirely residential and rural community with none of the malls, large businesses and industrial complexes from which other districts draw taxes. In fact, this limited commercial wealth is one of the main reasons why Schoharie CSD is defined by New York State as a district with less than average property wealth. As a result, Schoharie CSD relies on the state for more aid than districts with greater property wealth, and is therefore more vulnerable when state aid does not keep pace with rising costs.

Budget Q&A

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What factors impacted the proposed budget in comparison to the previous year's budget?

The national and state economic conditions are still recovering from the 2008-09 recession causing the state to once again drastically reduce education aid. The state budget results in Schoharie CSD getting \$911,000 less in state aid in the 2011-12 school year than was budgeted for in 2010-11. This state aid loss is in addition to a decrease of \$882,000 in 2010-11 from the 2009-10 school year.

What impact does the capital project debt service payment have on tax rates?

The debt for previous capital project payments has a small impact on the 2011-12 tax rates. Any local share of the cost that is not covered by state aid for building projects is mostly accounted for by interest earned on investments from bond proceeds.

Who developed the budget and what were some of the considerations that were taken into account?

District administrators developed a draft budget, as they are required to do. The draft budget was reviewed and fine-tuned by the board of education. The budget development participants were aware of their responsibility to propose a financial plan that maintains and enhances the Schoharie CSD educational plan, while keeping in mind the impact on the local taxpayer.

Budget Q&A

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Why does the district use BOCES services?

BOCES exists to provide shared services to districts that otherwise would be more expensive if a single district had to provide them alone. These include services in such areas as special education, career and technical education, health and safety service, and special student services. BOCES expenses are reimbursed by state aid by about 70 percent in the year following expenditure.

What are the employee fringe benefits and are they mandatory?

Schoharie CSD employees who work regular schedules in permanent positions may be eligible for health insurance coverage. Employees pay five percent toward individual plans. Employees electing family coverage must pay 15 percent of the total cost. By federal law, the district is required to pay 7.65 percent of an employee's salary to the U.S. government in the form of Social Security/Medicare payroll taxes. Also, the SCSD, per state law, is required to pay a portion of an employee's salary into the state retirement system, and to provide workers' compensation insurance coverage.

School board candidates on the ballot

The six candidates listed below and on page 7 have filed petitions for the two open seats on the Schoharie Central School District Board of Education. They are listed in the order that they will appear on the May 17 ballot.

Board members do not receive a salary, and open seats are for three-year terms. The two candidates with the most votes on May 17 will each serve a term from July 1, 2011 through June 30, 2014.



Wanda Colyer is seeking her first term on the board. She and her husband, Rick (a former board member), reside in Schoharie. Their four daughters attended Schoharie CSD. Colyer attended SUNY Cortland, earned a master's from The College of St. Rose and is certified in elementary education, physical education, special education, reading and health. She is a retired teacher and was very active in school organizations. Colyer is a past member of The Capital District Adult Education Professional Development Consortium and is a current member of the Schoharie Zoning Board and the Schoharie Colonial Association. She also started the current Schoharie PTO and student government.



Todd Cipperly is a past board member and is seeking another term on the board. He and his wife, Sara Jane, reside in Central Bridge with their three children—Kathryn, a 7th-grader; Alexander, a 4th-grader; and Bridget, a 3rd-grader. Cipperly graduated from SUNY Cobleskill and owns his own business in rental properties and mortgages. He is an active member of the community where he is the treasurer for the Schoharie Masonic Lodge, the Central Bridge Fire Commissioner, the FFA and the Lutheran Cemetery Association. He is also a chairperson for the Boy Scouts and is involved in the Presbyterian Church.



James Bleau is seeking his first term on the Schoharie Board of Education. He and his wife, Amber, live in the Town of Wright with their two daughters: Alexis, who attends Schoharie Middle School and Alyssia, who attends the elementary school. Bleau earned his college degrees from SUNY Cobleskill and The College of Saint Rose. He is an operations supervisor for the Hannaford Distribution Center. Bleau also is a member of the wrestling booster and the SCS all-sports booster. In the past he coached for system soccer, Schoharie Little League and Cobleskill Youth Wrestling.



Pamela Newell is seeking her second term on the Schoharie Board of Education where she previously served a two-year term. She's a lifelong resident of Schoharie and a 1986 SCS High School graduate. She and her husband, Chad, live in Esperance with their three children, Jonathon, Courtney, and Jacob. Newell is a customer service representative II for the Schoharie County Department of Motor Vehicles. In the past, Newell served as president of the Schoharie Elementary PTO and currently serves on the Schoharie Recreational Committee.

School board candidates, continued



Linda Isles is seeking her second term on the board where she is the current vice president. She and her husband, Keith, have lived in Schoharie since 1984 with their three children—who are all Schoharie graduates. Isles has a psychology degree from Plattsburgh University and earned her master's from The College of Saint Rose. She is a program director of the vocational services program at the Schoharie County ARC. In the past she has served on the board of directors of the Schoharie County Child Development Council and was a trustee for the Schoharie Free Library.

**NO PHOTO
AVAILABLE**

Paul Stoddard, a SCS alumni and past board member, is seeking another term on the board. He and his wife, Darcene, live in Central Bridge. Their two children graduated from SCS. Stoddard is a safety officer for the Stamford Central School District where he is responsible for mentoring students, overseeing disciplinary actions for grades K-12, and meeting with parents to address concerns. Stoddard is also a member of the Child Study Team, Safety Team and Crisis Team. He is a Navy veteran and an active member of the American Legion.

Why the cost of education continues to climb

It is not uncommon for the following question to be asked: “Why does the cost of public education seem to increase more than the average cost of living?”

The answer is twofold: mandates and contracts.

The federal and state governments lay down a multitude of requirements that appear in law and regulations of the commissioner of education. These requirements dictate the basic curriculum, which leads into requirements on how many students can be taught by one teacher during a class period. Negotiated employment contracts then are set through the collective bargaining process.

About three-fourths of the school budget is devoted to employee salaries and associated fringe benefits (which are also mandatory). For the past several years, health insurance benefits have increased by more than eight percent a year. The budget for health insurance is set at \$3.7 million for next year (18.6 percent of the entire budget). Also, the district has experienced a significant increase in retired employee pension costs, which are about 5.8 percent of the entire budget.

Of course, school operations are subject to the same costs that impact businesses and homes. For example, the recent spikes in the price of heating oil and diesel fuel and gasoline for school buses have negatively affected the finances of the district.

“We are aware of the burden the rising costs place on our taxpayers and have taken bold steps to improve our cost-effective measures,” says Business Administrator Robert Bonaker. “The board has authorized an energy conservation program that aims to avoid nearly \$1 million in costs over the next 10 years.”

Another area of considerable cost is the employee self-funded medical prescription program.

“Costs in this area have recently increased each year by about 10 percent,” says Bonaker. “To that end we’ve instituted improved management methods with a goal of saving about \$100,000 a year.”

Voter information

How can I vote by absentee ballot?

Qualified district residents who are unable to go to the polls on May 17 can cast their votes by absentee ballot. For an application, call the district clerk at 295-6652 or stop in at the elementary school office. If the ballot is to be mailed, the application for the ballot must be received by May 10. If the ballot is to be delivered in person, the application must be received by May 16. All completed ballots must be received by the district clerk no later than 5 p.m. on May 17.

Where do I park?

Voter parking is available and will be specifically designated in the main high school parking lot. The parking area and school entrances are handicap accessible. If anyone needs additional assistance, please call 295-6652 to make arrangements with school personnel.

What if I have questions?

For further information, please call the superintendent's office at 295-6679 or the business office at 295-6673.



Schoharie

Central School District

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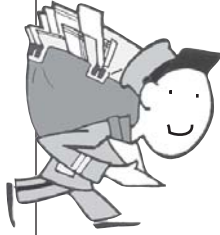
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RURAL ROUTE/STAR ROUTE BOX HOLDER



.....
Brian D. Sherman

Superintendent of Schools

*Produced in cooperation with the Capital
Region BOCES Communications Service.*

School districts are required by state law to mail this "School District Budget Notice" to all households within the district.

THREE-PART BUDGET

Program Budget: The salaries and benefits of all certified faculty and staff, teacher aides, monitors, and nurses. Also included is: in-service training, library costs, transportation, co-curricular programs, and interscholastic athletics.

Capital Budget: Debt service on building additions and renovations, bus purchases, tax certiorari and court-ordered costs, and operations/maintenance costs—including staff.

Administrative Budget: The salaries and benefits of all professional staff members who spend 50 percent or more of their time in administration, finance and supervision. Also included is: clerical staff; public information; curriculum development and supervision; research, planning and evaluation; legal services; and school board-related costs.

Schoharie Central School District Budget Notice

Overall Budget Proposal

	Budget adopted for the 2010-11 school year	Budget proposed for the 2011-12 school year	Contingency budget* for the 2011-12 school year
Total budget amount	\$19,888,008	\$19,897,592	\$19,866,952
Increase/decrease for the 2011-12 school year		\$9,584	-\$21,416
Percentage increase (decrease) in each proposed budget		0.05%	-0.11%
Change in the consumer price index		1.6%	
Resulting est. property tax levy for the 2011-12 school year		\$8,754,652	\$8,723,652
1. Administrative component	\$1,569,721	\$1,569,364	\$1,554,364
2. Program component	\$14,787,192	\$14,834,942	\$14,818,942
3. Capital component	\$3,531,094	\$3,493,286	\$3,493,286

* A contingency budget is limited by law to an increase cap of 120 percent of the consumer price index or 4 percent, whichever is less, excluding certain budget categories. While the proposed budget is under the cap, should it be defeated appropriations to subsidize the food service program (\$16,000) and for equipment (\$15,000) will have to be deleted from a contingency budget.

Basic STAR Exemption Impact

Estimated Basic STAR* exemption savings based on an owner-occupied home within the school district with a full-value assessment of one hundred thousand dollars (\$100,000).

Schoharie Central School District	Budget adopted for the 2010-11 school year	Budget proposed for the 2011-12 school year
Basic STAR tax savings	\$592.61	\$591.85

* The basic school tax relief (STAR) exemption is authorized by section 425 of the Real Property Tax Law.

The annual budget vote for the fiscal year 2011-12 by the qualified voters of the Schoharie Central School District, New York, will be held in the lobby by the high school library, in said district on Tuesday, May 17, 2011, between the hours of 9:00 AM and 9:00 PM, at which time the polls will be open to vote by ballot or machine.

If you would like additional information about the budget, please call the superintendent's office at 295-6679 or the business office at 295-6673.