

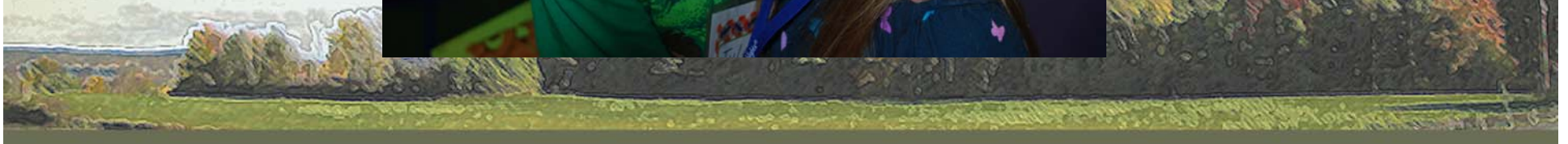


# Duanesburg

Central School District

**Long-Term Planning Forum**

**January 24, 2012**





## Why are we here and what is different this year?

- Continued decline in state aid revenue
- Federal ARRA funds are exhausted
- New statewide tax levy “cap”
- Continued declining enrollment
- Continued rising costs  
(contracts, health insurance, energy, fuel)
- New mandates (Common Core, APPR)



What if we cut \$1 million from our \$14 million budget?

- This is what a bare-bones budget could look like:
  - ✓ No sports or clubs
  - ✓ No kindergarten
  - ✓ No music or art teachers in grades K-6
  - ✓ Limited music, art and technology classes in grades 7-12
  - ✓ No AP or UHS classes

*This would be an irresponsible option for students.*



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## Recent state aid history

- Experienced a steady decline in state aid

School Year	Total State Aid	% Change
2009-10	\$7.2 million	-5.5%
2010-11	\$6.8 million	-5.6%
2011-12	\$5.9 million	-13.5%
2012-13	\$5.8 million	-1%*

- *Based on Executive budget proposal released on Jan. 17, 2012*

In 2008-09, state aid was 52 percent of revenues.

In 2011-12, state aid is 44 percent of revenues.



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## Major cost drivers in recent years

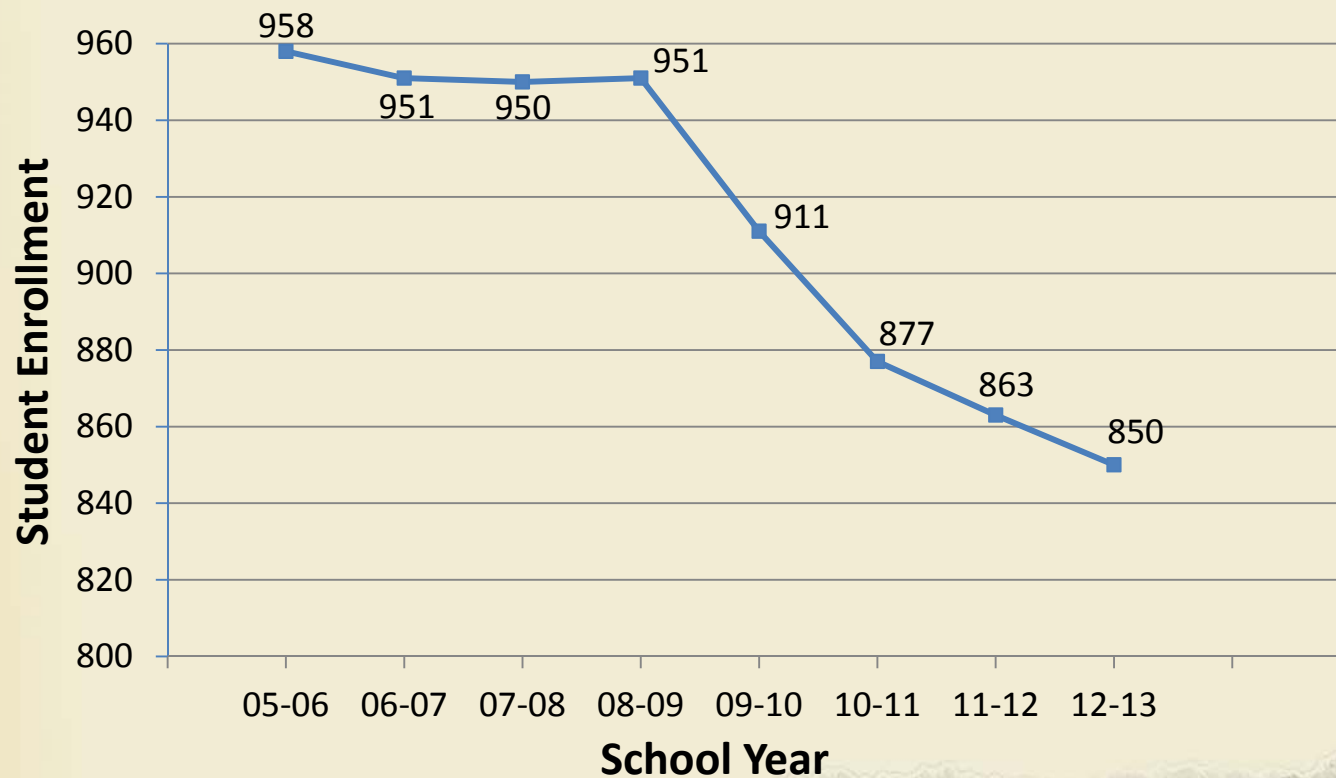
- Salaries: 30 to 40% increase in the past nine years
- Health insurance premiums: nearly doubled in the last nine years
- Retirement costs: risen 10 percent in nine years, from 2.5% contribution to 12.5%
- Additional unfunded mandates



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## Declining enrollment





## Recent budget history

- Minimal spending increase, followed by two years of spending decreases

Budget Year	Total Budget	Spending Increase
2008-09	\$14,821,497	+5.8%
2009-10	\$14,864,913	+0.3%
2010-11	\$14,616,629	-1.4%
2011-12	\$14,069,135	-3.75%



## Recent budget history

- **Made substantial cuts**

- Eliminated 14 staff positions (instructional and non-instructional)
- Reduced 6 staff positions to part-time
- Eliminated non-aidable software, equipment, textbooks
- Eliminated summer programs
- Reduced out-of-district tuition costs
- Reduced field trips, clubs, summer services
- Reduced transportation costs, cut scrimmage travel
- Reduced all department supply budgets



## Recent budget history

- Cost savings

- ✓ Participate in consortiums  
(healthcare, energy, purchasing, workers' compensation)
- ✓ Share transportation services
- ✓ Run in-district programs
- ✓ Retirement incentives
- ✓ Restructured employee healthcare benefits



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## Five-year budget projection

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditures	\$14,069K	\$14,531K	\$14,876K	\$15,327K	\$15,717K	\$16,203K
Revenue						
Tax Levy	\$7,175K	\$7,389K	\$7,612K	\$7,840K	\$8,075K	\$8,317K
State Aid	\$5,804K	\$5,859K	\$5,915K	\$5,971K	\$6,028K	\$6,085K
Misc	\$384K	\$200K	\$200K	\$200K	\$200K	\$200K
Total Rev.	\$13,693K	\$13,449K	\$13,726K	\$14,011K	\$14,303K	\$14,602K
Exp. over Rev.	<b>(-\$522K)</b>	<b>(-\$1,083K)</b>	<b>(-\$1,150K)</b>	<b>(-\$1,317K)</b>	<b>(-\$1,414K)</b>	<b>(-\$1,601K)</b>



## Budgetary challenges for 2012-13 and beyond

- Rising costs and loss of state aid revenue create budget gap each year
  - ✓ Gap to close for 2012-13 budget: \$1 million
- New tax levy “cap” places restrictions on tax levy increases

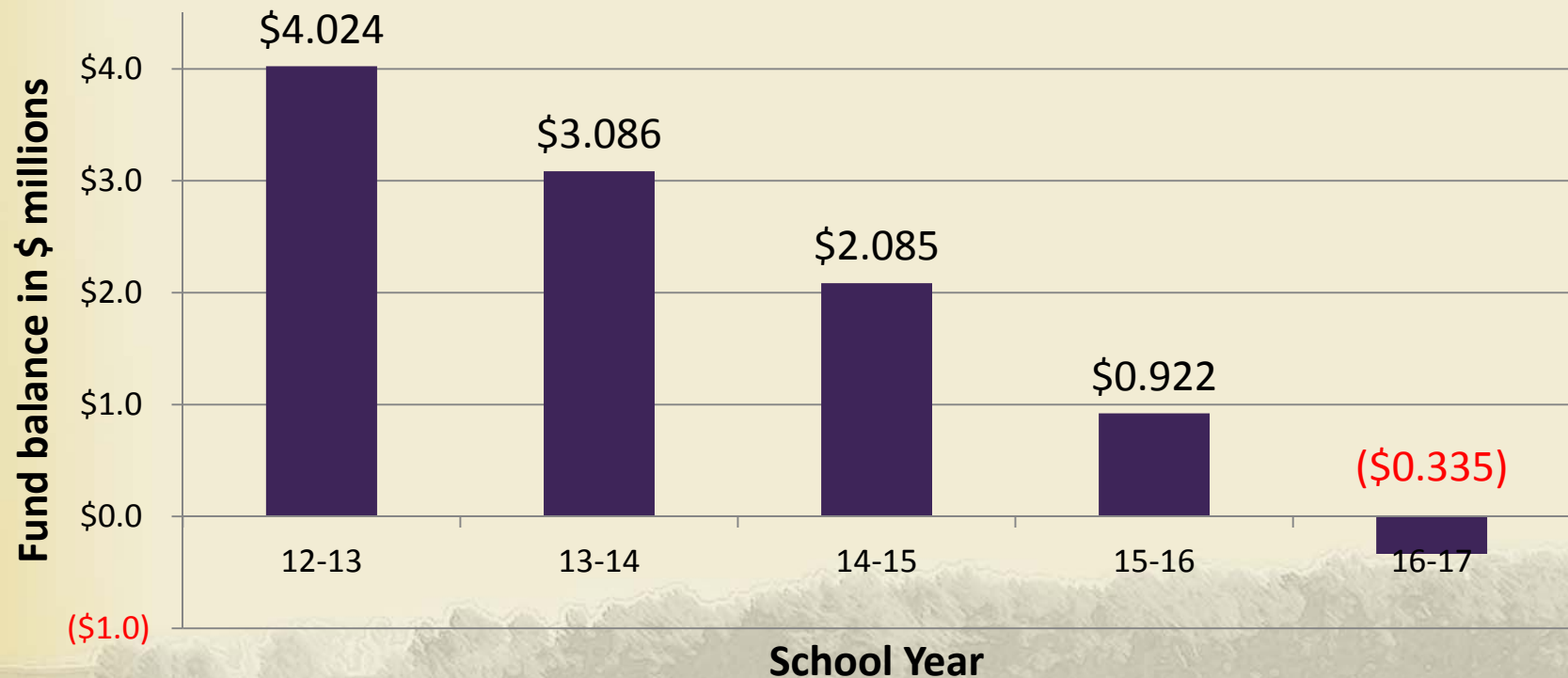


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## Budgetary challenges for 2012-13 and beyond

- Dwindling fund balance reserve





## Tax levy “cap”

- Limits the levy, NOT individual tax bills
- 8-step formula determines “tax levy limit”
- “Tax levy limit” sets a higher threshold for voter approval *IF* district exceeds tax levy limit—60 vs. 50 percent



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## Tax levy "cap"

- DCS's "tax levy limit" is projected to be closer to 3 percent (at this point).
- This allows for an estimated revenue increase of only \$210,000.
- If budget isn't approved, contingency rules are more stringent. A 0% increase means NO additional revenue.



## What if we do nothing?

- Raise taxes 18 percent
- Cut \$1 million in expenses
  - ✓ Eliminate kindergarten
  - ✓ Eliminate sports, extracurricular clubs
  - ✓ Eliminate K-6 music and arts program and reduce music, art and technology offerings in grades 7-12
  - ✓ Eliminate Advanced Placement, UHS classes



## What are our other options?

- Investigate sharing more services with other districts
- Send our students to another district's high school
- Merge our district with one or more area school districts
  - ✓ Requires long-term studies that involve the community. Merger is put to a public vote.
- Encourage tax base, community growth with town



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## Parameters for decision making

- What's in the best interest of Duanesburg students?
- What matters most to the Duanesburg community?
- Long-term process that needs community input & involvement





## Gathering information

- Applying for a study of sharing central office and/or transportation with all other Schenectady County Schools
- Applying for a grant to fund a feasibility study with neighboring districts (Middleburgh, Schoharie, BKW, Jefferson, Cobleskill)
- Possible study with Mohonasen and Schalmont School Districts



## Need community involvement

- Beginning stages requires involvement
- Attend future forums
- Stay informed
- Community decision making is key



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Thank you

Please proceed to your assigned room  
for the small-group discussion

