

# SPECIAL UPDATE REGARDING BUDGET PROCESS

## Below is an Overview of the Budget Information Presented During the District's March 1, 2011 Board of Education Meeting

The Three Village Central School District commenced this year's budget development season with an overview presentation during a special meeting of the Board of Education held on Tuesday, March 1, 2011. As widely speculated, this year's budget process will be much more difficult than last year's and will include many cuts to programs and services throughout the District. With a "rollover" budget (one that maintains all programs and services at current levels and accounts for contractual and operational cost increases), the District would be facing a \$13 million budget-to-budget increase, or a 10.9% tax levy increase, for the 2011-2012 school year. As increases of this magnitude are clearly unrealistic and unsustainable for the 2011-2012 school year or in the years ahead, the Board of Education will be working over the next two months to examine all expenditure items and reduce costs across the board.

In order to reach the Board of Education's goal of developing a budget carrying an approximate 3% tax levy increase, more than \$9.7 million will need to be cut from the presented rollover budget. As more than two thirds of the District's operating budget is contractually driven and mandated by State regulations, the majority of the reductions will need to be made to the programs and services delivered districtwide.

As these decisions will be difficult ones, the Board of Education and administrative team encourage members of the community to become involved in the process by attending the Board meetings held each Tuesday in March and on April 12. Following each Board meeting, an overview of the actions taken and information discussed will be posted to the District's website, [www.threevillagecsd.org](http://www.threevillagecsd.org).

### Fast Facts About the Budget to Date

- The District is anticipating a \$1.4 million decrease in state aid. Ten years ago state aid accounted for 31% of the budget; in 2011-2012 it will be reduced to approximately 20%.
  - In order to reach the Board of Education's goal of delivering a proposed budget that carries a 3% tax levy increase, approximately \$9.7 million in reductions will need to be made.
  - Every 1% increase on the tax levy equates to approximately \$1.25 million in spending.
  - The District is working with its bargaining units to negotiate contract adjustments.
  - With a proposed tax cap on the horizon, Superintendent Lederer has enacted a mandate relief campaign, details of which can be found on the District's website.
  - The major factors increasing this year's budget, which are believed to affect the District's budget in future years, include:
    - Retirement system costs (\$3.6 million increase)
    - Health insurance and other benefits (\$2 million)
    - Special education tuition (\$1 million)
    - Debt service due to bond work (\$800,000)
- These increases represent more than 50% of the rollover budget increase.