

SPECIAL UPDATE REGARDING BUDGET PROCESS

Below is an Overview of the Budget Information Presented During the District's April 5, 2011 Board of Education Meeting

As the budget planning process continued on Tuesday, April 5, the Board of Education and administration heard from many community members, parents, and current as well as past students about their desire to maintain many of the programs and services included in the proposed cuts. While no formal decision has been made with respect to any of the cuts included on the continually updated list, the Board and administration assured residents that they understood their concerns for the items mentioned and were still in the process of working to maintain the items included in the reduction list.

As they worked to identify possible areas of reduction in order to reach the potential \$7 million in cuts mentioned at the last meeting, the Board discussed whether their previous target of a 3% tax levy was cutting too deep into the budget and would put them in a worse position next year, should the Governor's proposed tax cap be put into place. With support from all members present, the Board voted to increase their previously directed tax levy goal of 3% to 3.8%, which raises approximately \$1 million in additional revenue.

In addition to freeing up \$1 million by increasing the tax levy increase, the Board approved several action items that called for contractual concessions and retirement incentive agreements with several of the District's bargaining units. Interim Superintendent of Schools, Neil Lederer, and members of the Board thanked the units for their collaborative work this year in helping to protect programs for students by making these concessions. Mr. Lederer noted that the approved items will yield significant savings for the District next year. He also mentioned that he is continuing to work with each of the District's other bargaining units regarding contractual concessions.

Where do we stand with respect to cuts?

At the start of the budget process, the District was faced with a \$9.7 million budget deficit and the need to make significant and dramatic cuts to programs and services. Through the use of alternate revenue sources and negotiations, the total amount of reductions currently stands at approximately \$3.7 million. This is due to the following:

- The Board voted to increase the fund balance and reserve allocation by **\$1.5 million**
- The District will be utilizing the **\$1.2 million** federal jobs fund it received from the Federal Government earlier in the year
- The District's State Aid allocation increased by **\$500,000** over the projected amount
- An approved teachers' retirement incentive will yield a **\$1.6 million** savings
- Increasing the target tax levy to 3.8% translates to **\$1 million** in revenue
- Contractual concessions by the administrators' association and clerical unit will save **\$250,000**

It is anticipated that the Board will adopt a proposed 2011-2012 school budget during their next meeting, Tuesday, April 12, 2011. The meeting will begin at 8:00 p.m. at the North Country Administrative Center.