

SPECIAL UPDATE REGARDING BUDGET PROCESS

Below is an Overview of the Budget Information Presented During the District's March 15, 2011 Board of Education Meeting

As the Board of Education and administration continue to grapple with the notion of a \$9.7 million budget gap (which represents the difference between a rollover budget and a budget carrying a tax levy increase close to the Board's 3% goal), discussions during the March 15th Board meeting focused on revenue sources and potential programmatic cuts. Below is an overview of the items mentioned:

Allocating Additional Reserves

In addition to the \$4.8 million fund balance and reserve allocation currently in place, the Board approved **increasing this amount by \$1.5 million** in order to further offset tax increases for the 2011-2012 school year. With this addition, the District will be utilizing a total of \$6.3 million in fund balance and reserves. As noted previously, while this type of appropriation is fiscally responsible and will aid in increasing revenue for next year, it is a one-time allocation and, as such, the funds will need to be generated again next year.

In addition to the \$1.5 million increase in fund balance and reserves, the District will also be utilizing the **\$1.2 million federal jobs fund** it received earlier in the year. This additional revenue source is also a one-time allotment and, as directed by the government, must be applied to the 2011-2012 budget or the funds will be rescinded.

Where do we stand?

With the revenue increases noted above, the gap between the rollover budget and a budget carrying an approximate 3% tax levy increase is now \$6.95 million. While the Board of Education has expressed an interest in exploring a budget that carries a slightly higher tax levy increase than its previously discussed 3% goal, in order to present a budget close to that target, significant cuts to programs and services will need to be made districtwide.

Discussing Program Reductions

The Board and administration have begun their initial discussion of several proposed reductions (a detailed list can be found on the budget page of the District website). The proposed list was divided into Level 1 and Level 2 cuts, as well as cuts that would only occur if the District was forced to operate under a contingency budget. Among those discussed in length was the possible phase-out of the District's IG program, the possible elimination of the student government classes at the secondary level, a 20% reduction in co-curricular activities at the secondary level, and reallocating resources to maximize class size across the board.

While this was the first public discussion of specific program reductions, no decision was made on any of the items presented and the Board requested additional information on the impact these reductions would have on students. Superintendent of Schools, Neil Lederer, explained that the administration would revise the list of recommendations based on the thoughts shared. Further deliberation will occur at the next Board of Education meeting scheduled for Tuesday, March 22, 8:00pm at the North Country Administrative Center.