

the  
great  
plains

# Shenendehowa

## Central Schools

Faced with large reductions in state aid...

### Shen maintains its commitment to excellence by controlling costs

For the past three years, Shen has worked to maintain academic achievement gains while constructing tighter and tighter budgets. During this time, spending has increased an average of less than one percent, 0.9% in 2009-10, 0.22% in 2010-11 and 1.72% is proposed for 2011-12 due to drastic steps to reduce \$5.8 million in expenditures.

The proposed budget is \$150,307,073, which is already \$72,925 below the state contingent budget limit. It is estimated that the overall tax rate will increase 3.51% for district residents. For a property with a market value of \$250,000, the increase is approximately \$145 more.

#### Decreasing aid and increasing external costs

For the past three years, the district has experienced a 15.89% reduction in state aid. This includes flat state aid in 2009-2010 and a reduction of \$4.9 million in state aid for 2010-2011 through a Gap Elimination Adjustment (GEA). For 2011-12, the GEA reduction in state aid is \$6.9 million, even after the legislature restored \$1.1 million in aid to Shen.

In 2011-12, pension and health insurance are expected to increase a total of \$5.1 million:

- The state-mandated contribution to the Employee Retirement System (ERS) and contribution to the Teacher Retirement System (TRS) is expected to increase by \$2.5 million.

- Health, dental and prescription drug costs are expected to increase by \$2.6 million.

The district has taken major steps to reduce health care costs by changing plan designs and will continue to assertively pursue reductions in costs through collective bargaining negotiations as contracts expire.

#### Preserving quality programs and services to students

A very deliberate and proactive process has been engaged using four fundamental principles as the factors for crucial decision making:

- Preserving quality programs and services for students, through innovative practices
- Ensuring financial sustainability for future years.
- Doing things more effectively and efficiently while lowering costs.
- Being mindful of the impact on taxpayers.

While the budget picture is grim, the district has not lost focus of its primary mission that all students develop and demonstrate the knowledge, skills, abilities and character needed to compete in an increasingly global society and economy.

#### Define our future through innovative practices

The district's commitment to achievement continues to lead to innovations and reform of practices and programs, such as:

- changing the core curriculum for ELA, math and science to meet new state and national standards;
- integrating instructional technology;
- implementing the STEM (science-technology-engineering-math) course option;

On average, spending has increased less than one percent (0.946%) over the past three years

0.9% in 2009-10

0.22% in 2010-11

1.72% proposed for 2011-12.

#### 2011-12 Budget

Total Budget:	\$150,307,073
Spending increase:	1.72%
Projected tax rate increase:	3.51%

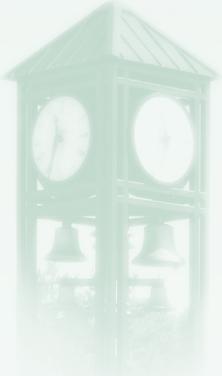
A property valued at \$250,000 would see their property tax bill increase about \$145.

#### Bus Purchase Proposition

Acquire 19 buses to replace aging buses	
Total Cost:	\$1,771,262

remember to vote... ■

Tuesday, May 17, 2011, 7a.m.-9 p.m.  
The gym in Gowana Middle School



**“This is about more than reductions and balancing a budget... this is about vision and upholding the integrity of our commitment to provide quality programs and services to our children.”**

*Dr. L. Oliver Robinson,  
Superintendent*

**Vote May 17  
7 a.m. - 9 p.m.  
Gowana Gym**

**• 2011-12  
School Budget**

**• Bus Resolution**

**• Two seats on  
the Board of  
Education**

**Absentee ballots  
are available at  
the district office  
by contacting the  
district clerk at  
881-0623**

- revamping of the program of studies to ensure all courses are aligned with 21st century skills;
- developing a rigorous continuum of special education services;
- providing safety nets to respond to student needs (RTI/AIS)
- researching and piloting alternative instructional delivery methods (on-line learning, project-based) and
- collecting and analyzing data to improve instruction and evaluate program effectiveness.

### Sustain the fund balance for future years

Sound fiscal management means avoiding a financial structural deficit. Careful use of reserve funds becomes critical to mitigate the tax impact from year to year. The district must also be prepared for unanticipated or emergency situations.

Shen has always used its reserves in a thoughtful manner to help the district get through difficult times. These funds help to stabilize the tax levy impact, pay for tax claims, defray increases in state-mandated employee retirement system costs, and cover unanticipated and emergency expenses.

For the past three years, Shen has used more and more of its fund balance to off-set decreases in state aid and minimize the tax impact. However, this has become unsustainable. NYS law allows districts to carry a fund balance of 4% of the subsequent year's budget. The projected fund balance for Shen by the end of: 2010-2011 will be 2.82%, 2011-2012 it is forecasted to be 1.62% and 2012-13 it is forecasted to be 0.50%.

The bottom line is that totally depleting the fund balance would not be a sound financial decision and will translate into a large burden on taxpayers or major cuts to programs the following year when those funds are not available. “We simply cannot predict what the new school year may bring with regard to our facilities, student needs or, quite frankly, the state’s continued fiscal crisis,” said Dr. L. Oliver Robinson. “Once depleted, the reserve is gone.”

After analyzing feedback from parents, staff, and the community, the school board has proposed using \$3.25 million in fund balance to reduce the impact on taxpayers as well as \$750,000 from the retirement reserve to offset mandated pension cost increases.

### Look for ways to do things more effectively and efficiently while lowering costs

More than 70 positions are proposed to be reduced from the budget. As a way to minimize layoffs, the district assertively pursued negotiated concessions through a Board of Education resolution requesting a salary freeze from all employees. A retirement incentive was also offered for instructional staff. All administrators and management confidential staff (district office clerical) agreed to a 0% salary freeze for next year and more than 40 people retired from all employee groups.

Another focus of containing costs is to improve operations by doing things more effectively and efficiently. The district applied for and received a NYSERDA grant for \$243,525 to

install solar panels to help control energy costs. Further, the district has engaged in aggressive energy management protocols. For example, by installing power-saving software on computers, it is expected that this will save more than \$20,000 a year.

### Be mindful of the tax impact

For the past several years, the district has tried to provide a relatively flat or incremental progression of the tax impact. The majority of the school budget is funded by property taxes and state aid. When state aid

### Sustaining financial viability for future years through fund balance

NYS law allows schools to carry a fund balance of 4%. The projected fund balance by the end of:

- 2010-2011 will be 2.82%
- 2011-2012 it is forecasted to be 1.62%
- 2012-13 it is forecasted to be 0.50%.

goes down, the district has three options: raise property taxes, use fund balance or cut expenditures.

In 2009, Clifton Park residents saw a decrease in the tax rate. In 2010, Waterford, Ballston, and Stillwater saw reductions in tax rates and Halfmoon saw less than a one percent increase in the tax rate. The district knows that it could take time before the overall economy stabilizes. Therefore it is indeed a necessity to make strategic reductions in the budget to minimize the impact on property taxpayers moving forward. To that end, the district has contained more than \$5.8 million in expenses and will use \$3.25 million in fund balance to reduce the tax impact as well as \$750,000 from the retirement reserve to offset mandated pension cost increases.