

The average citizen is facing a challenging financial situation in America. It seems that the cost of essentials is going up on a daily basis. Newspapers tell about the rising cost of gasoline, health insurance, mortgage payments, taxes, groceries, and clothing among other things. People's paychecks are remaining fairly flat while many people are out of work. It is about the balance between revenue and expenses. Many household budgets are under scrutiny. People are looking for ways to stretch a dollar. At first, people try easy things like turning off the lights, lowering the thermostat, or not ordering out for food as much. If that doesn't work, larger reductions are made like driving less, going down to one car, not going out to dinner or a movie, staying local for vacations or not traveling at all. This appears to be life as we know it in tight financial times.

School districts are facing the same issues. The North Tonawanda School District is looking at this very issue now. The money that the district has to pay its employees, deliver instruction, operate the buildings, and provide for the performing arts, sports, and other school related activities is the money from the budget that taxpayers vote upon each spring. The district cannot spend above this amount. Like a family looking at its household budget, the Superintendent is looking at the upcoming revenues and the costs for the next school year. The issue at hand is that there is a 4.3 million dollar gap from last year's budget figure and what is expected to be the cost for the upcoming school year. The shortfall has been created by mandated increases in salary, health benefits, utilities, and a loss of 1.6 million dollars in stimulus funds from the Federal Government.

Under Governor Cuomo's initiative and with the State legislators' approval, school districts are being limited to a property tax cap increase of approximately 2%. Raising the school tax to the cap limit will bring approximately \$500,000 in tax revenue. That still leaves a budget gap of 3.8 million dollars. The Superintendent and Board of Education are looking at ways of increasing revenues and reducing costs to fill this gap. Some ways suggested have included the closing of Gilmore Elementary School and transferring students to other buildings. This proposal is estimated to reduce costs by \$500,000 to \$950,000. Additionally, the district plans to use reserve funds to offset the loss of revenue in an amount projected to be between \$500,000 and \$750,000. Many school districts have these reserves but each reserve has their own set of rules based on state laws and/or regulations, on how they can be used. North Tonawanda is also having a conversation with its employees concerning possible contract concessions as another way to reduce costs.

The North Tonawanda School District is looking at and discussing many options to deal with the financial challenges it faces. It is important to realize that any decision will have to be approved by the Board of Education. As options become clearer, the Board of Education will present a responsible budget for public input. This then will be put to a public vote of the residents of the community on May 15, 2012.