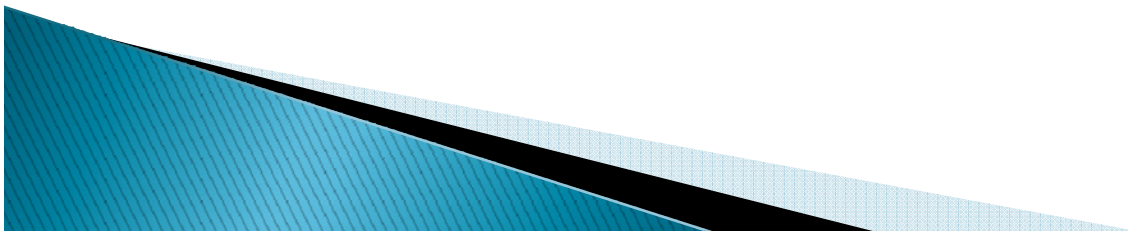


NORTH TONAWANDA CITY SCHOOL DISTRICT

▶ MARCH 13, 2012

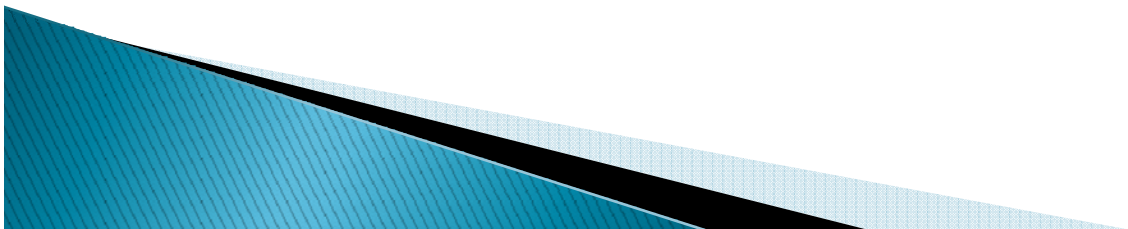


Appropriation Analysis

▶ Budget 3/6/2012	\$67,027,616	
▶ Budget Increase	\$2,551,476	3.96%
▶ Tax Levy	\$29,892,416	
▶ Tax Levy Increase	\$4,357,931	17.07%

Tax Levy History

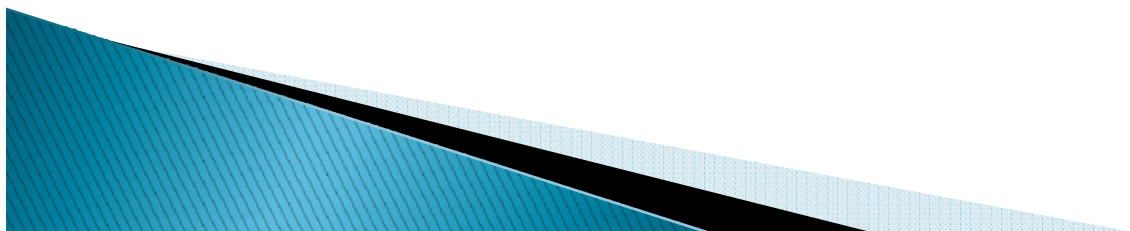
<u>Year</u>	<u>%</u>	<u>True Value Tax Rate</u>	<u>Percent Change</u>
▶ 2006	4.90	\$22.35	0.98
▶ 2007	1.11	\$21.93	(1.84)
▶ 2008	2.46	\$22.18	1.12
▶ 2009	2.35	\$22.68	2.25
▶ 2010	0.99	\$20.22	(10.86)
▶ 2011	0.00	\$20.25	0.14
▶ 2012	1.33	\$20.52	0.27
▶ 2013	EST. BASED ON ADOPTED BUDGET		



Fund Balance History

<u>Year</u>	<u>Fund Balance</u>	<u>Appropriated</u>	<u>Unapprop/%</u>
▶ 2005	\$4,024,294	\$3,000,000	1.81
▶ 2006	\$3,658,688	\$2,500,000	1.97
▶ 2007	\$4,627,358	\$2,800,000	3.00
▶ 2008	\$5,588,844	\$3,042,000	4.00
▶ 2009	\$7,691,664	\$3,000,000	7.29
▶ 2010	\$4,947,986	\$2,481,934	4.00
▶ 2011	\$3,952,887	\$3,467,024	0.75
▶ 2012 ESTIMATE BASED ON ADOPTED BUDGET	-A-		

- ▶ *Unappropriated Fund Balance Maximum of 4% of Budget*
- ▶ *(A) Are current estimates project a fund balance of \$3,746,717. We currently propose appropriating \$3,707,385 for the 2012-13 budget.*



Reasons for Shortfall

▶ Revenues

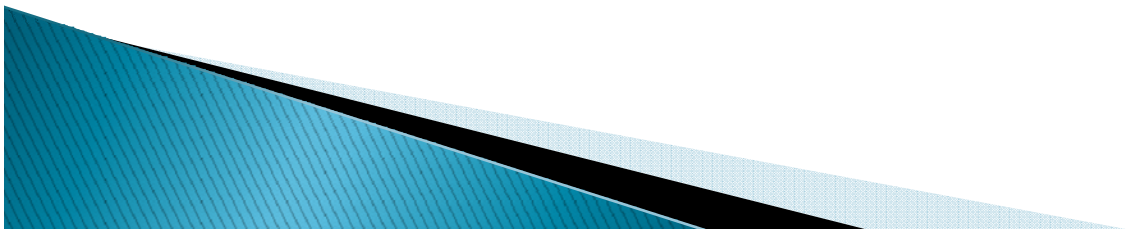
- ▶ Federal Jobs Funds
 - \$1.6 million
- ▶ State Aid
 - Regular & Building aid \$600K

▶ Expenses

- ▶ Payroll
 - Federal Grants \$300 K
 - Contract \$1,000,000
- ▶ Benefits:
 - State Mandated retirement costs \$220 K
 - Health Insurance: \$600 K
 - Other \$60 K
- ▶ BOCES
 - Technology, sharing of services, other \$300 K

Proposal to Decrease Gap #1

- ▶ Closing of Gilmore Elementary School.
- ▶
- ▶ This results in projected staff reductions of 4.8 teachers, 1 administrator and 6 support staff. Additional savings in utilities will also occur. The total savings is currently projected to be \$558,500. This keeps smaller class sizes at the grade 1 and 2 level.

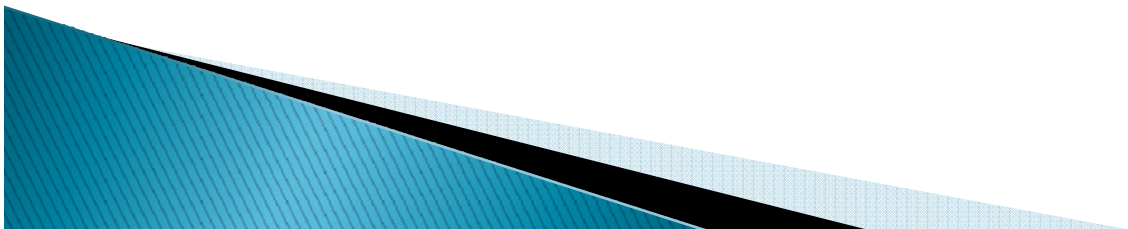


Proposal to Decrease Gap #2

- ▶ Use of additional Reserves



- ▶ It is proposed that the district start using reserves that are currently in the districts financial statements in a manner which will help limit reductions this year and in the future. By using \$850,000 out of these reserves the district will have the ability to sustain this level of allocation for at least three years. The district will also review the levels each year to see if additional funds can be used in the future.

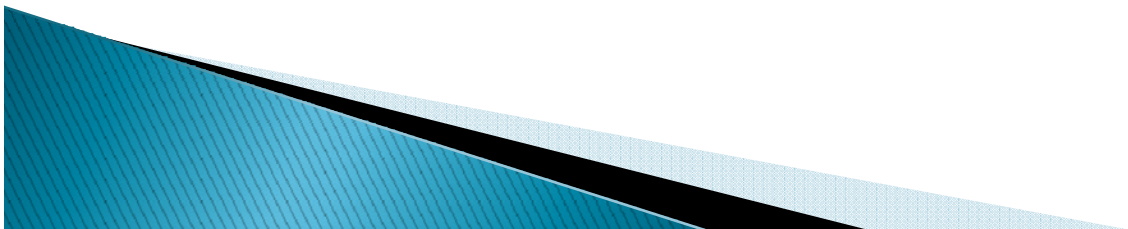


Proposal to Decrease Gap #3

- ▶ Concessions from Unions

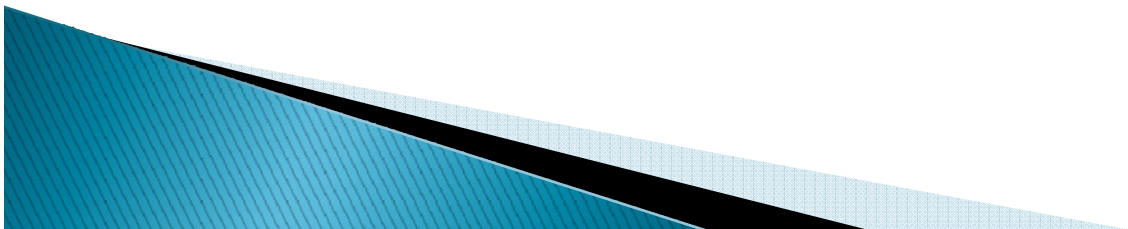


- ▶ No amount has been proposed at this time. We are currently communicating with all groups looking for opportunities to reduce costs. Any concessions received will be used to bring programs back as long as we stay at or below the Tax cap threshold.



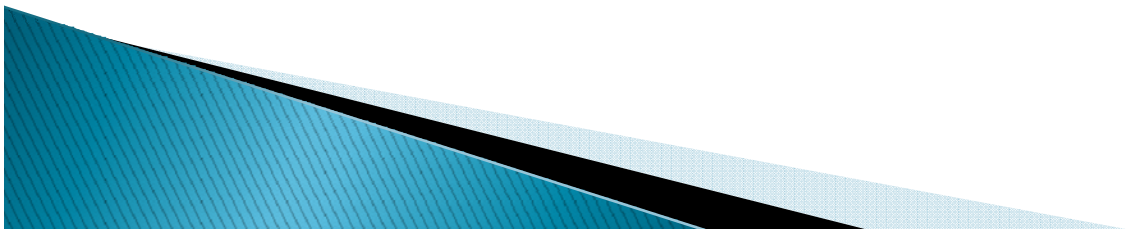
Proposal to Decrease Gap #4

- ▶ Retirement Incentive for teaching staff
- ▶
- ▶ Over the past couple years we have offered an incentive for teachers to retire to help close our budget gap. We again will be offering an incentive of up to \$20,000 if the teacher meets certain criteria. The projected savings will be \$500,000.



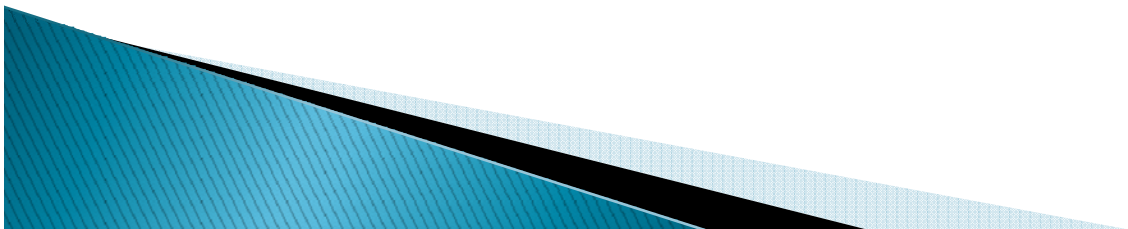
Proposal to Decrease Gap #5

- ▶ Use Tax Cap Threshold to maximum.
- ▶
- ▶ If the BOE agrees it is the business office interpretation of the Tax Cap threshold that the maximum amount that can be raised under this legislation is \$631,210.



Additional Reductions ES Instructional–Staff

▶ Music ES	–1.0	\$50,000
▶ Gifted/Talented	–1.6	\$80,000

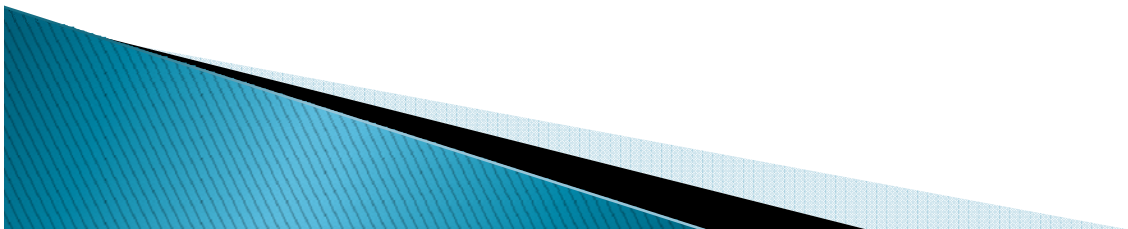


Possible Reductions

Other

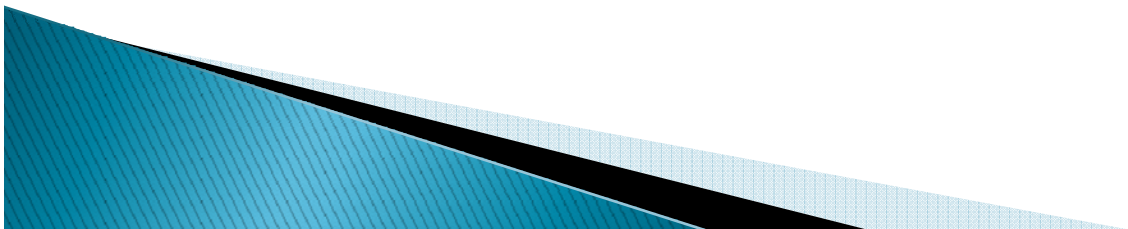
- ▶ Clerical Retired (1)* Fill \$---0--
- ▶ Clerical Ret (1) Unfilled \$53,000
- ▶ Laborer/Grounds(1) \$60,000
- ▶ Cust. In Charge(1) \$25,000

* Transfer from Gilmore, balance of savings is reflected in Gilmore closing.



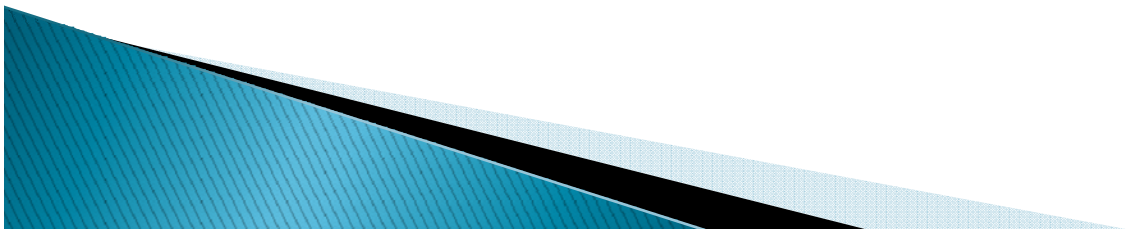
Additional Reductions– Instructional

- ▶ **High School Reduction of 8.6 Teachers–**
Principal will give details of these reductions at the March 27, 2012 board meeting. (\$430,000)
- ▶ **Middle School Reduction of 2.5 Teachers–**
The reductions proposed are 2 foreign language teachers and .4 gifted teacher. (\$268,000)



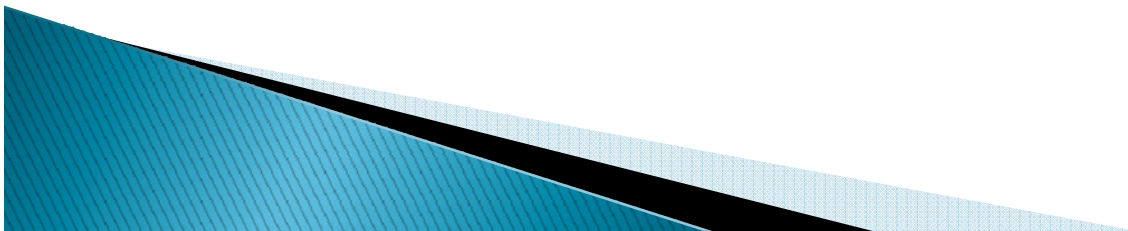
Revenue Enhancements

- ▶ **Rental income** \$20,000
- ▶ **Alternative Education program**– Continue reviewing feasibility of proposal.
- ▶ **Sale of Buildings/Land**
 - (Gilmore/Grant) *Possible sale of buildings or land to be considered at time of annual vote
- **Additional State Aid** \$80,000



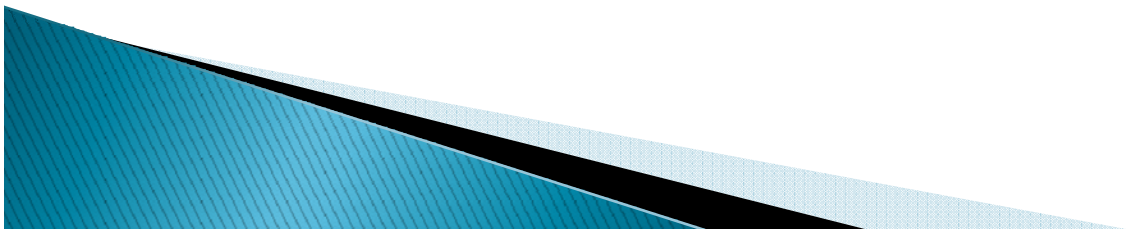
Tax Cap Threshold

- ▶ The Law: Effective for this year governments across the state are required to adopt budgets within the the tax cap threshold. If they want to present a budget that exceeds the threshold they must get a super majority approval of the voters (60%) for the budget to be enacted.



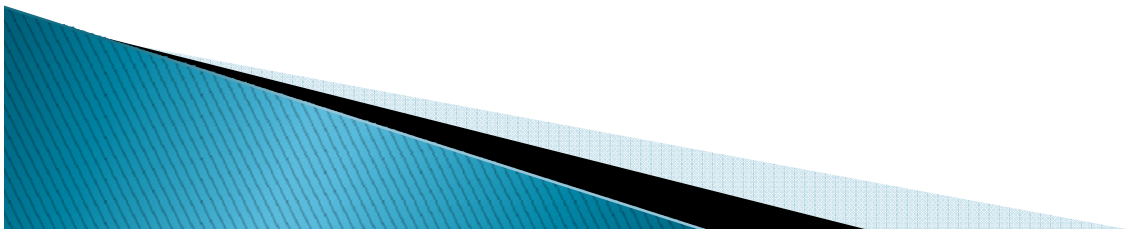
Continued

- ▶ The calculation for the tax cap threshold for the North Tonawanda School District (based on prior year tax revenue) will be in the 2% to 2.5% range and will generate between \$510,000 to \$630,000.



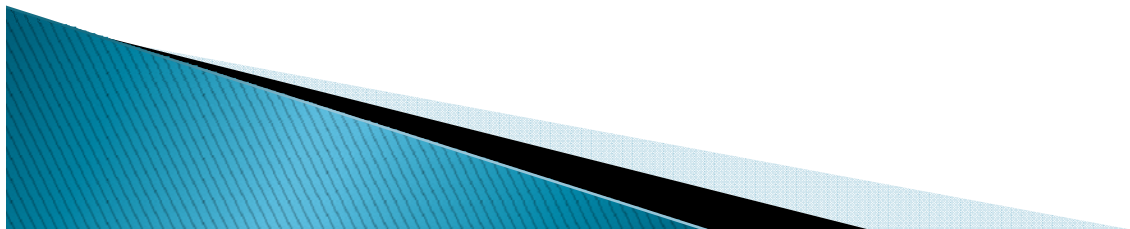
Summary

1.	Options 1,2,4,5	\$2,539,710
2.	Revenue/Reduction Prev	\$ 368,000
3.	Reductions HS	\$ 430,000
4.	Reductions MS	<u>\$ 268,000</u>
	<u>Totals</u>	<u>\$3,605,710</u>
	<u>Target</u>	<u>\$4,357,931</u>
	<u>Shortfall</u>	<u>\$ 752,221</u>



Effect on your house–Tax Cap

▶ <u>House Value</u>	<u>En</u>	<u>Star</u>	<u>None</u>
▶ (in 000)			(in dollars)
▶ 50,000	\$0	\$10	\$25
▶ 75,000	\$8	\$23	\$38
▶ 100,000	\$20	\$36	\$51
▶ Tax Rate/000 (2011–12)			\$20.51611
▶ Tax Rate/000(2012–13)			\$21.02326
▶ Increase			\$.50715



Questions