

Keeping Current with

Stillwater

Central School District

June 2012
Special Budget
Revote Issue

Budget at-a-glance

Tuesday, June 19

Polls Open noon-9pm
Stillwater MS Gym
(Note: This is where
budget votes have been
held in years past)

Proposed Budget
\$21,106,661

Spending Decrease
0.94%

**Estimated Tax Levy
Increase**
1.49%

More budget information
available at:
www.scsd.org/budget

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Revised budget up for vote on June 19

Tax levy increase cut in half; 60 percent approval still required

On Tuesday, June 19, residents of the Stillwater Central School District will vote on a revised budget proposal of \$21,106,661 for the 2012-13 school year.

The revised budget proposal is \$135,077 less than the original proposal that was defeated in May, and decreases spending over the current year by \$200,710 or 0.94 percent.

If voters approve the revised spending plan, the tax levy—the total amount of money a school district can raise

through property taxes—would increase by 1.49 percent. As with the defeated budget proposal, this proposed tax levy increase exceeds the district's allowable tax levy limit set by the new state tax "cap" law, and requires 60 percent voter approval to pass. The district will set the tax rate, which is the amount residents pay per \$1,000 of home value, in August. For estimated school tax rates, see p. 2.

The revised budget proposal reflects a \$123,000 savings in borrowing costs, the deletion of an \$11,020 fund set aside for unexpected field trip costs, and the elimination of the Math Club at the middle school. This is on top of the more than \$65,000 in net reductions that were part of the budget that was defeated in May. (*Details on p. 2*)

If the revised budget is defeated on June 19, the district would be forced to adopt a contingent budget. Under contingency, the district would have to cut spending by another \$126,338 to meet the prior year's tax levy, as the law states. This could include cutting an additional staff position and making reductions to clubs and sports. (*More on p. 2*)

"There is no easy answer to the challenge of how to provide the quality of education our children deserve at a price the community can afford," Superintendent Dr. Stanley Maziejka said. "I encourage everyone in the community to come out to express your choice, whatever it may be, at the polls on June 19."

Even though a majority of voters supported the original budget proposal, the approval rate of 56 percent did not reach the 60 percent approval threshold required by the new state tax levy "cap" law.

Refinancing saved district \$123,000

After a school district has paid into a capital project bond for 10 years, it can "call their bonds" or try to refinance for a lower interest rate.

Stillwater was able to do this with the capital project that was approved by voters in 2000. The district received a lower interest rate—and in turn, saved \$123,000—for the same term of the original bond.

"This cost reduction is due to some excellent work by the business office, along with a bit of good luck in the timing of the refinancing," said Board of Education President, Timothy Ryan. "It's great that we were able to get this important savings for the district."

Did the Board of Education make further cuts from the first budget?

To arrive at the revised budget, the Board eliminated an additional \$135,077 from the budget proposal that was defeated in May. The new changes include:

- The use of \$123,000 the district saved from obtaining lower interest rates on the remaining debt from the capital bond project approved by voters in 2000. This was due to a favorable interest rate environment and the district's improved bond rating. The results of this lengthy process were not final before the original budget proposal was completed. The revised budget reflects these savings.
- The district will use \$11,020 of field trip overage money that is set aside for unexpected/unplanned field trips each year.
- The elimination of the Middle School Math Club (saving \$642) due to low enrollment.

What was changed in the first budget?

The original budget proposal reflected \$175,663 in reductions, which included the elimination of one special education teacher, one middle school teacher, and one elementary counseling position. Other cuts included elementary summer school, the Middle School Newbury Book Club, and shifting University in the High School tuition costs to the students enrolled in the program.

In addition, the original budget included approximately \$110,000 in new spending to fund the addition of one behavior specialist and one literacy specialist. These amounts include salaries and benefits.

All of these budget changes – the reductions and additions – are still included in the revised budget proposal to go before voters on June 19.

Estimated Tax Rates

Actual tax rates are set in August, based on final property assessments provided by the towns, and on equalization rates for each town, which are provided by the state Office of Real Property Services. However, the school district has estimated the true value tax rate for each of the four towns within the district. This is the estimated tax rate that a property owner with full-value assessment and an equalization rate of 1.0 would pay per \$1,000 of assessed value.

| Town of: | 2009 Rate Per \$1,000 Assessed Value | 2010 Rate Per \$1,000 Assessed Value | 2011 Rate Per \$1,000 Assessed Value | 2012 Rate Per \$1,000 Assessed Value |
|--------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Stillwater | \$12.40 | \$12.81 | \$12.96 | \$13.15 |
| Saratoga | \$17.64 | \$18.44 | \$19.34 | \$19.63 |
| Easton | \$578.99 | \$624.27 | \$644.77 | \$654.36 |
| Schaghticoke | \$49.08 | \$51.80 | \$54.66 | \$55.48 |

What if the June 19 budget proposal is not approved by at least 60 percent of voters?

The new state tax levy cap law has added a new requirement to existing state rules about contingent budgets—specifically, that a school district's tax levy cannot increase at all under a contingent budget. In other words, Stillwater would have to eliminate another \$126,338 from its revised budget if the proposal is approved by less than 60 percent on June 19.

To do this, the Board of Education would consider cutting: an additional staff position (1.0 FTE), which may lead to an increase in class size at the elementary level; some non-mandated courses, such as art, music or library; and field trips. Additional reductions to clubs and sports would also be considered (e.g., combining modified sports teams).

Previous rules for contingent budgets are still in effect. In particular, the district would need to charge outside groups for public use of school buildings and grounds and eliminate money for furniture and equipment.

All public schools in NY State are required to report appropriations in three categories: program, capital and administrative. The following data shows how Stillwater's budget breaks down under this formula. To view detailed line-by-line expenditures and revenues, visit www.scsd.org/budget.

The three-part budget

Program Budget

- ◇ 2012-13: \$13,802,384
- ◇ 2011-12: \$13,970,419

Capital Budget

- ◇ 2012-13: \$5,068,854
- ◇ 2011-12: \$5,157,787

Administrative Budget

- ◇ 2012-13: \$2,235,423
- ◇ 2011-12: \$2,179,165

School District Budget Notice

Overall Budget Proposal

| | Budget Adopted for the 2011-2012 School Year | Budget Proposed for the 2012-2013 School Year | Contingent Budget for the 2012-2013 School Year* |
|--|--|---|--|
| Total budgeted amount | \$21,307,371 | \$21,106,661 | \$20,980,625 |
| Increase/decrease for the 2012-2013 school year | | (\$200,710) | (\$326,746) |
| Percentage increase (decrease) in each proposed budget | | (0.94%) | (1.53%) |
| Change in the Consumer Price Index | | 3.2% | |
| School Tax Levy Limit | | \$7,836,769 | |
| Proposed School Year Tax Levy (without permissible exclusions to the School Tax Levy Limit) | | \$8,338,490 | \$8,476,648 |
| Total Permissible Exclusions | | \$264,193 | |
| Proposed School Year Tax Levy (including permissible exclusions to the School Tax Levy Limit) | \$8,476,648 | \$8,602,683 | \$8,476,648 |
| Administrative component | \$2,179,165 | \$2,235,423 | \$2,141,423 |
| Program component | \$13,970,419 | \$13,802,384 | \$13,826,932 |
| Capital component | \$5,157,787 | \$5,068,854 | \$5,012,270 |
| *Under the state's tax levy cap law, if the revised budget proposal is approved by less than 60 percent of voters, the district is required to revert to the 2011-2012 tax levy. The district could fund this through additional revenue, use of the fund balance or appropriation reductions. The above assumes appropriation reductions. | | | |

Estimated Basic STAR Exemption Savings¹

| | |
|--|--|
| ¹ The basic school tax relief (STAR) exemption is authorized by section 425 of the Real Property Tax Law. | Budget Proposed for the 2012-13 School Year |
| Basic STAR tax savings | \$465 |

The annual budget re-vote for the fiscal year 2012-2013 by the qualified voters of the Stillwater Central School District, Saratoga County, New York, will be held at the Stillwater MS Gym, in said district on Tuesday, June 19, 2012, between the hours of 12:00 Noon and 9:00 p.m., prevailing time in the Stillwater MS Gym, at which time the polls will be opened to vote by voting ballot or machine.

Stillwater

Central School District

1068 Hudson Avenue
Stillwater, NY 12170

Board of Education

Timothy Ryan, *President*
Lawrence D'Alberto, *Vice President*
Pamela Bisailon
John Butler
Susan Kardash
Valerie Masterson
John Murphy
Jay Peacock
Andrew Roy

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Why does Stillwater need to get 60 percent voter approval again?

New York's property tax levy "cap," signed into law in June 2011, requires each school district in the state to calculate its own tax levy limit to determine what level of voter support is necessary for budget approval. This calculation can be found on our website at www.scsd.org/budget.

To determine its tax levy limit, Stillwater started with its current-year tax levy and then followed an eight-step calculation to adjust for tax base growth, inflation and other factors as prescribed by the law. One of those factors is payments in lieu of taxes (or PILOT).

In one of the first steps of the calculation, districts must add any PILOTS payments from the current year.

Later in the formula, districts must subtract any estimated PILOT payments they expect to receive in the coming year.

Because the GlobalFoundries PILOT payment is rising significantly from the current year to next year (approximately \$600,000 more), the formula results in a tax levy limit for Stillwater of -4.43 percent. This means that a tax levy increase of *any amount* would require approval by a supermajority of voters (at least 60 percent). Thus, the revised budget proposal—with an estimated tax levy increase of 1.49 percent—will need 60 percent of voter approval to pass.

School Budget Vote

Tuesday, June 19, 2012

Polls open noon to 9 p.m.

Stillwater Middle School Gym

(Note: This is a different location than the May 2012 budget vote. The Middle School Gym is where budget votes have been held in years past.)

Voter qualifications

To vote, you must be:

- A resident of the school district for at least 30 days prior to the vote;
- 18 years of age or older;
- A citizen of the United States; and
- Registered with either the school district or the county Board of Elections

Ballot propositions

- 2012-2013 Budget: \$21,106,661

Absentee ballots

Absentee ballots are available for registered voters who are unable to vote in person. You must request an application for an absentee ballot at least seven (7) days before the election. Call School District Clerk Mary Sgambati at 373-6100, ext. 30022, for assistance.

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