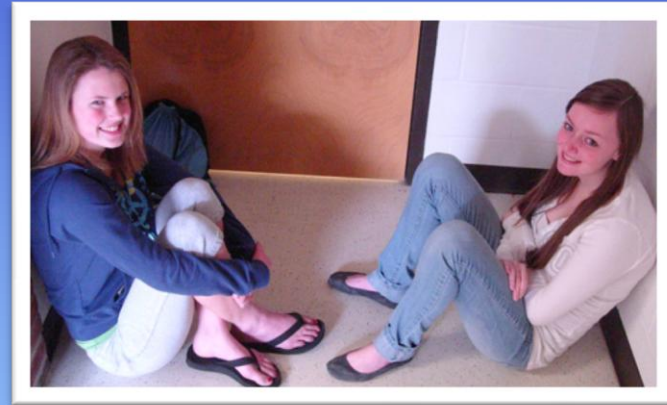


Horseheads Central School District 2010-11 Proposed School Budget



The Mission of the Horseheads Central School Community is to provide a quality education for all within a nurturing environment which promotes excellence, growth, and a sense of civic responsibility.

April/May 2010

Background...

- 2010-11 budget planning and development began in October 2009 with the development of a five-year budget forecast.
- The Board of Education presented the five-year budget forecast in October 2009.
- The Governor announced his proposed budget in January, with a \$3,741,427 million cut—11.66%—in state aid to Horseheads for 2010-11.
- The district held staff meetings on the five-year budget forecast and reserve funds in February.
- The Legislature did not meet the April 1 budget deadline.
- We are in the second year of challenging financial times. This has become a three- to five-year challenge.



State-wide picture

- Governor Paterson's budget proposes a \$1.4 billion cut in state aid to districts.
- The state school boards association (NYSSBA) and superintendents council (NYSCOSS) estimate 20,000 school positions could be lost state-wide next year.
- A NYSSBA/NYSCOSS survey of school districts found:
 - 79% of districts anticipate increasing class sizes.
 - 70% expect to reduce electives.
 - 67% may cut back extracurricular activities, including athletics.
 - 65% expect to trim or eliminate field trips.
 - 54% plan to defer equipment, textbook, and library purchases
 - 50% plan to eliminate or reduce summer school
 - 40% anticipate scaling back other forms of extra help for students.



Additionally...

As the current school year draws to a close, the district is dealing with the following:

Estimated health insurance program deficit
as of 6/30/10:

- \$1,000,000

Estimated interest earnings deficit as of 6/30/10:

- \$ 250,000

State aid currently being withheld:

- \$3,306,420

State aid amount due to the district by June 30:

- \$5,447,737

Proposed freeze in 2009-10 state aid for special
education based upon the Governor's
January 19 estimates:

- \$ 176,381



The 2010-11 proposed budget...

- Uses the Governor's budget proposal with a \$3.7 million cut in state aid.
- Uses \$2.9 million from reserves.
- Results in a proposed spending increase of 0.34%. (A rollover budget would have resulted in a 4.6% spending increase.)
- Results in a proposed tax levy increase of 2.0%.
- Assumes \$153,627 in savings as a result of the state's retirement incentive (attrition).
- Includes anticipated restoration of state aid; withdrawal of funds from Employee Benefit Accrued Liability Reserve (EBALR); carry-over of general fund revenue (BOCES aid and energy); and/or additional reductions of a total of \$1,144,901.



Budget development

Feb/Mar 2010-11 Projected Budget **\$71,634,341**

Used 2009-10 budget and factored in
historical and inflationary trends (↑4.6%)

2009-10 School Budget **- \$68,442,931**

2010-11 Maximum Revenues **- \$65,628,908**

Using Governor's proposed budget,
2%↑ tax levy, and \$1 million of reserves)

Total Deficit **\$6,005,433**



Deficit reduction plan overview

Additional Utilization of Reserves	- 1,900,000
Proposed Reductions/Savings	- 2,806,905
55/25 NYS Retirement Incentive Savings (attrition)	- 153,627
Anticipated Restoration of State Aid, Withdrawal of funds from Employee Benefit Accrued Liability Reserve (EBALR), Carryover of General Fund Revenue (BOCES Aid & Energy), and/or Additional Reductions	- <u>1,144,901</u>
Total	- <u>\$6,005,433</u>

Cost-savings

- **Eliminate 17 positions through attrition (retirements and resignations):**
 - 14 instructional positions (four elementary classroom positions, two music positions, two secondary social studies positions, two technology positions, one special education position, one foreign language position, one librarian position, and one teaching assistant position)
 - 3 non-instructional positions (two cleaning positions and one maintenance position)



Savings of \$1,262,870

Program/office modifications

- Change garbage collection service
- Lower heat from 3:30pm-6am
- Eliminate food purchases and water coolers (not drinking fountains)
- Eliminate BOCES GED program and middle/high school Alternative Education program.
- Eliminate attendance teacher.
- Eliminate Middle/Intermediate School community resource officer.
- Eliminate outsourced tutoring for students on out-of-school suspension.
- Reduce technology expenditures and substitutes.
- Reduce funds for debt service, property tax refunds, legal services, and strategic plan.
- Reduce contingencies for BOCES, insurance, and federal programs.
- Not fund intramurals and assistant coaches for varsity outdoor track, JV football and boys lacrosse, modified girls swimming and outdoor track.
- Not fund grade 3 and grade 5 chairpersons, high school social studies chairperson, district-wide library coordinator, and intermediate school AV coordinator (will be vacant through attrition).



Savings of \$1,544,035

Total reductions/savings

Eliminated positions -\$1,262,870

Program and Service Modifications -\$1,544,035

Total Savings -\$2,806,905



As of today, this budget scenario would result in no layoffs of district personnel in 2010-11 due to budget constraints. It would also result in no new programs or services in 2010-11.



Note: If these program modifications and position eliminations were not made, the \$6,005,433 deficit would require a 19.4% increase in the property tax levy.



2010-11 Budget Proposal

Total Proposed Budget:	\$68,673,809
Spending Increase:	0.34% (+\$230,878)
Tax Levy Increase:	2%
Estimated Ave. Tax Rate Increase:	2%



Five-Year Budget Forecast:

Budget Gap Projections (in millions of dollars)

based on a 0.34% budget increase for 2010-11
and 2.95% increase thereafter

School Year	Budget Increase (0.340% for 2010-11; 2.95% thereafter)	Maximum Anticipated Revenues	Total Budget Gap
2009-10	\$68.4	\$68.4	\$0
2010-11	\$68.6	\$65.6	\$3.0
2011-12	\$70.6	\$64.4	\$6.2
2012-13	\$72.7	\$64.4	\$8.3
2013-14	\$74.8	\$65.8	\$9.0
2014-15	\$77.0	\$66.8	\$10.2

Ten-year staffing and enrollment information

School Year	Employee Counts	Student Enrollment
2000-01	703	4504
2001-02	695	4550
2002-03	715	4462
2003-04	707	4368
2004-05	720	4339
2005-06	728	4336
2006-07	736	4333
2007-08	759	4314
2008-09	761	4342
2009-10	749	4408
2010-11	732	4408 (est.)

Budget and tax history

(percent increase/decrease)

The tax levy is the amount of money that the District needs to raise from the taxpayers in order to support the school programs after reviewing all other revenue sources. This is the only figure that the District controls in setting the tax rate.

*The tax rate is determined by the apportionment process using the local assessor's property values and the NYS Real Property's equalization rates, which are finalized in early August. The Horseheads district includes seven municipalities, each with its own reassessment schedule and equalization rate.

	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Spending	6.09%	8.94%	4.3%	3.47%	8.32%	4.81%	4.7%	4.95%	2.95%	0.34%
Tax Levy	10.14%	7.78%	13.29%	6.81%	4.73%	6.75%	1.91%	1.91%	1.72%	2.00%
Tax Rate	0.99%	3.43%	8.57%	3.81%	1.74%	0.05%	-3.49%	-4.4%	-.078%	2.00%* (est)

Estimated average tax rate

- The districts is made up of all or part of seven towns and villages: Horseheads, Big Flats, Catlin, Erin, Veteran, Cayuta, and Baldwin.
- Tax rate is calculated based on assessed value in each municipality and each municipality's equalization rate, which is calculated by the state and not final until August.
- This is why we refer to “estimated average tax rate.”
- Current average tax rate: \$17.76 per \$1,000 of assessed valuation.
- Estimated average tax rate for 2010-11: \$18.12 per \$1000.
- School taxes are figured on a property's current assessment.
- The towns of Big Flats and Horseheads reassess parts of the towns each year. This year, Veteran conducted a major reassessment of property.



Tax impact

Based on a hypothetical district home worth \$100,000 and no increase in assessment

	2009-10	2010-11 Proposed	Total Increase	Monthly Increase
Average annual tax	\$1,776	\$1,812	\$36	\$3.00
Average annual tax with STAR	\$1,243	\$1,268	\$25	\$2.08
Average annual tax with Enhanced STAR	\$532	\$543	\$11	\$0.92

Tax rate comparison and history

Per \$1000 of assessed value
(does not include STAR reduction)

Year	Horseheads	Elmira	Elmira Heights	Corning-Painted Post
2005-06	\$19.39	\$21.77	\$22.01	\$22.71
2006-07	\$19.40	\$21.37	\$21.76	\$23.49
2007-08	\$18.72	\$20.56	\$21.27	\$23.42
2008-09	\$17.90	\$19.80	\$21.09	\$22.07
2009-10	\$17.76	\$19.21	\$20.26	\$22.83

Budget Vote/ School Board Election

Tuesday, May 18, 2010
7am-9pm
Big Flats, Ridge Road, High School



Horseheads Central School District Budget Notice

As required by the State of New York

Should the district go to a contingency budget, the district must cut non-contingent items from the budget. In a contingent budget, there would be no purchase of new equipment, including buses, no capital expenditures, except in emergency situations, no non-essential maintenance, and outside organizations would have to pay for facilities use.

Overall Budget Proposal:

	Budget Adopted for 2009-10 School Year	Budget Proposed for 2010-11 School Year	Contingency Budget for 2010-11 School Year
Total Budgeted Amount	\$68,442,931	\$68,673,809	\$67,257,737
Projected Increase/Decrease for the 2010-11 School Year		\$230,878	-\$1,185,194
Percentage Increase/Decrease in Each Proposed Budget		0.34%	-1.73%
Change in the Consumer Price Index		-0.40%	-0.40%
Resulting Estimated Property Tax Levy	\$30,305,445	\$30,911,554	\$29,120,251
Program/Instructional Component	\$48,405,686	\$48,490,646	\$48,222,021
Capital Component	\$10,512,773	\$10,522,521	\$9,617,773
Administrative Component	\$9,524,472	\$9,660,642	\$9,417,943

Basic STAR Exemption Impact:

This is the estimated Basic STAR Exemption savings based on a hypothetical home within the school district with a Full Value of \$100,000 (one hundred thousand dollars):

	Budget Proposed for 2010-11 School Year
Basic STAR tax savings	\$543.45
School tax	\$35.21
Net Basic STAR tax savings	\$508.24

Annual Budget Vote:

The annual budget vote for the fiscal year 2010-11, by the qualified voters of the Horseheads Central School District, Chemung County and Schuyler County, New York, will be held on **Tuesday, May 18, 2010** between the hours of **7:00 a.m. and 9:00 p.m.**, prevailing time in the Horseheads High School, Ridge Road Elementary School, and Big Flats Elementary School, at which time the polls will be opened to vote by voting ballot or machine.

**Questions about the budget, the budget vote
May 18, or your voting location?
Call 739-5601, x4260.**

Absentee Ballots

The district mails absentee ballots to voters listed as “permanently disabled” by the Chemung County Board of Elections.

Other registered voters who cannot get to the polls on May 18 due to illness or travel may also vote by using an absentee ballot.

Applications for absentee ballots are available in the district’s Business Office, South Wing of the High School from 8 a.m. to 3:30 p.m. Voters can complete their absentee ballot at that time.

Voters may visit the Business Office and complete an absentee ballot up to May 18.

Questions? Call 739-5601, x4260.

Horseheads Central School District 2010-11 Proposed School Budget

Comparative Expenditures

Description	2009-10 Budget	2010-11 Proposed	Dollar Change	Percent Change
Instructional Program	\$48,405,686	\$48,490,646	\$84,960	0.18%
Capital Program	\$10,512,773	\$10,522,521	\$9,748	0.09%
Administrative Program	\$9,524,472	\$9,660,642	\$136,170	1.43%
Total Expenditures	\$68,442,931	\$68,673,809	\$230,878	0.34%

Comparative Revenues

Description	2009-10 Budget	2010-11 Proposed	Dollar Change	Percent Change
Real Property Tax/STAR	\$30,305,445	\$30,911,554	\$606,109	2.0%
State Aid	\$31,209,696	\$27,966,630	-\$3,243,066	-10.4%
Unres-Desig Fund Balance	\$1,000,000	\$2,900,000	\$1,900,000	190%
Capital Fund Transfer	\$173,000	\$173,000	\$0	0%
Tax Reduction Reserve	\$150,000	\$150,000	\$0	0%
Anticipated Revenues*	\$0	\$1,144,901	\$1,144,901	100%
Other*	\$4,609,790	\$4,432,724	-\$177,066	-3.8%
Fund Balance	\$995,000	\$995,000	\$0	0%
Total Revenues	\$68,442,931	\$68,673,809	\$230,878	0.34%

*"Other" includes interest, rental fees, tax penalties, reserves, donations and gifts, and gate receipts.

* Anticipated Revenues include additional state aid, revenue carry-over, use of funds from the Employee Benefit Accrued Liability Reserve, and/or further reductions.

Estimated Average Tax Rate*

	2009-10 Budget	2010-11 Projected	Dollar Change	Percent Change
Estimated Average Tax Rate Per \$1,000 of Assessed Valuation	\$17.76	\$18.12	\$0.36	2.00%

*This figure is based on estimated assessments and equalization rates. If there has been housing growth in the district this year, the tax rate may be less than what is estimated at this time. Municipalities issue initial assessments on May 1. The state issues final equalization rates in July or August. Actual increases will vary from town to town.

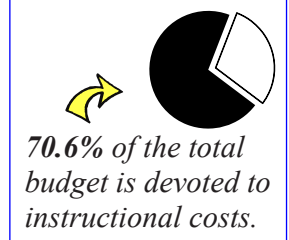
Please note that if your home gets reassessed this year at a higher level, your tax increase may be higher. Additionally, equalization rates are set by the state and are meant to "equalize" housing values from town to town. If the state determines that your home has a higher value than a similar home in another town in the district, your tax increase may be higher. If the state determines that your home has a lower value than a similar home in another town, your tax increase may be lower. Homes are assessed by the assessor in the township; the district does not have any part in determining housing assessments.

Proposition 1

Proposed School Budget for 2010-11

Expenditures - Instructional

Instructional expenditures refer to all expenditures necessary for the instruction and transportation of our PreK-12 students. These expenditures include salaries and benefits of teachers, teaching assistants, teacher aides, guidance counselors, school nurses, social workers, school psychologists, monitors, and any other positions involved in the teaching or transporting of students. Each budget line below, with the exception of Total Benefits, includes salaries, materials and supplies, and contractual items such as conferences, repairs, and service contracts for that particular area of the budget, as well as other costs associated with that particular area. This part of the budget is also referred to as the program component.



Description	2009-10 Budget	2010-11 Proposed	Dollar Change
Teaching	\$20,952,930	\$19,505,175	-\$1,447,755
Special Education	6,130,340	6,069,790	-60,550
Occupational Education	584,883	515,324	-69,559
Library	771,218	750,152	-21,066
Computer Assisted Instruction	269,790	271,659	1,869
Attendance	201,050	133,422	-67,628
Guidance	829,246	837,455	8,209
Health Services	472,017	480,504	8,487
Psychological Services	498,058	535,971	37,913
Social Worker Services	351,414	337,182	-14,232
Co-Curricular	175,453	161,328	-14,125
Athletics	527,964	533,600	5,636
Inservice Training	142,193	140,976	-1,217
Transportation Services	2,610,916	2,599,100	-11,816
Total Benefits	13,888,214	15,619,008	1,730,794
Total Instructional	\$48,405,686	\$48,490,646	\$84,960

Key Elements

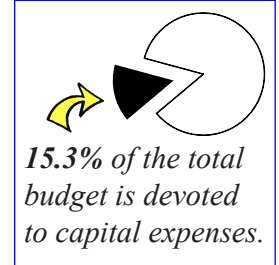
- The Instructional portion of the proposed budget includes the elimination of 14 instructional positions that will be open due to retirements and resignations. These positions are in several budget lines, including Teaching, Special Education, Occupational Education, and Library.
- The decrease in the Teaching line also includes the elimination of the community resource officer at the Middle/Intermediate School complex.
- The decrease in the Teaching line is also due to the defunding of five teacher leader positions (through attrition). Teacher leaders include elementary grade level chairs, secondary department chairs, and middle school academic team leaders.
- The Teaching decrease also includes the elimination of the BOCES-operated GED and Alternative Education programs.
- The decrease in the Co-Curricular line includes the elimination of K-12 intramurals, and the decrease in the Athletic line includes the defunding of five assistant coach positions.
- The increase in the Benefits line is due to a 9.6% increase in health insurance premiums and increases in the state-mandated district contribution to the two state retirement systems. The contribution to the Teachers Retirement System (TRS) has increased 26.5%, and the contribution to the Employees Retirement System (ERS) has increased 18.3%.

Proposition 1

Proposed School Budget for 2010-11

Expenditures - Capital

The capital component includes all costs related to the operations, maintenance, financing, and debt service for our district's buildings, buses, and other large equipment. This component also includes funds for court-ordered judgments in tax certiorari proceedings and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repair of school facilities. Salaries and benefits are included in the Operation of Plant and Maintenance lines.



Description	2009-10 Budget	2010-11 Proposed	Dollar Change
Operation of Plant	\$2,790,318	\$2,704,712	-\$85,606
Maintenance	1,659,834	1,648,388	-11,446
Tax Refund	72,000	50,000	-22,000
Bus Purchase Financing	590,898	607,010	16,112
Capital Construction Financing	0	0	0
Revenue Anticipation Note	50,000	50,000	0
Transfer - Special Aid	40,000	64,000	24,000
Transfer - Debt Service Fund	3,328,094	3,303,038	-25,056
Transfer - Capital Fund	800,000	800,000	0
Total Benefits	1,181,629	1,295,373	113,744
Total Capital	\$10,512,773	\$10,522,521	\$9,748

Key Elements

- The decrease in Operation of Plant is due to the elimination of two cleaning positions and energy reductions, which include decreasing building temperatures from 3:30pm to 6am.
- The Maintenance line decrease includes the elimination of one position.
- The decrease in the Tax Refund line is because of a slight decrease in tax claims.
- The Debt Service decrease is the result of a decrease in the debt payment from the amortization schedule of the debt.
- The increase in the Benefits line is due to a 9.6% increase in health insurance premiums and increases in the state-mandated district contribution to the two state retirement systems. The contribution to the Employees Retirement System (ERS) has increased 18.3%.

Facilities Facts

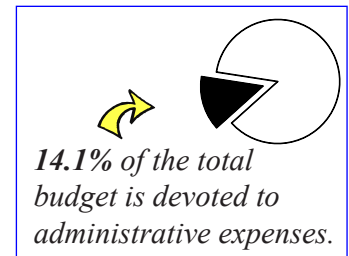
- Since enrolling in the Energy Management program in 1997, the district has avoided more than \$4 million in energy costs, an annual savings of more than \$300,000. In the year-long period between February 1, 2009 and January 31, 2010, the total cost avoidance was \$471,500.
- This year, the district received the Platinum Safety Excellence Award from Utica Mutual Insurance Company for safety efforts. This is the highest level the company awards to districts.
- Big Flats, Ridge Road, and the Intermediate/Middle School complex have prequalified by the state with the Energy Star® Building Label based on energy usage. The remaining schools are ineligible because of the type of meters they possess.
- The district's building maintenance program has been recognized as one of the best in the state. Most district buildings are more than 50 years old. The Middle/Intermediate complex is 40 years old.

Proposition 1

Proposed School Budget for 2010-11

Expenditures - Administrative

The administrative component refers to all expenditures related to the operation of the district, including all school offices; the board of education; administrative offices such as the superintendent's office, business office, and human resources; legal fees; the district's portion of the GST BOCES administrative budget; and salaries and benefits of all certified school administrators, supervisors and their support staffs. Salaries for the employees in the Administrative area included in the following budget lines: Superintendent's Office, Business Administration, Tax Collection, Human Resources, Public Information, Curriculum, School Offices, and Research, Planning, and Evaluation.



Description	2009-10 Budget	2010-11 Proposed	Dollar Change
Board of Education	\$49,248	\$34,737	-\$14,511
District Meeting	10,400	10,755	355
Superintendent's Office	269,888	306,469	36,581
Administrators/Supervisors	1,845,627	1,917,766	72,139
Business Administration	570,419	598,387	27,968
Auditing	30,000	32,500	2,500
Tax Collection	47,479	40,421	-7,058
Fiscal Agent Fees	9,250	9,250	0
Legal	85,000	77,000	-8,000
Human Resources	402,807	391,945	-10,862
Public Information	83,864	91,075	7,211
Print Shop	272,541	277,022	4,481
Central Data Processing	1,422,027	1,539,179	117,152
Insurance	212,300	230,915	18,615
Association Dues	11,500	11,700	200
BOCES Administration	1,376,756	1,428,446	51,690
Curriculum	74,941	130,255	55,314
School Offices	536,356	558,762	22,406
Research, Planning, and Evaluation	83,915	103,914	19,999
Census	11,000	11,000	0
Total Benefits	2,119,154	1,859,144	-260,010
Total Administrative	\$9,524,472	\$9,660,642	\$136,170

Key Elements

- The decrease in the Board of Education line is a reduction for the ten-year Strategic Plan.
- The increase in the Superintendent's Office, Business Administration, Human Resources, Public Information, and Curriculum is due in part to a change in IRS reporting for taxable benefits. These benefits are taxable, so they must be in the salary lines for these positions.
- The increase in the Curriculum line is also due to the recoding of the central registrar position from the Special Education budget line in the Instructional component.
- The increase in the Central Data Processing line is due to upgrades to BOCES computer services, a new student management system, and new state assessment scoring procedures.
- The increase in the Benefits line is due to a 9.6% increase in health insurance premiums and increases in the state-mandated district contribution to the two state retirement systems. The contribution to the TRS (teachers) has increased 26.5%, and the contribution to the ERS (employees) has increased 18.3%.

Budget Vote/School Board Election

May 18, 2010

7 a.m. - 9 p.m.

Big Flats, Ridge Road, High School

Proposition 1: 2010-11 Proposed School Budget

Total Proposed Budget:	\$68,673,809
Spending Increase:	0.34% (+\$230,878)
Tax Levy Increase:	2.0%
Estimated Ave. Tax Rate Increase:	2.0%

Proposition 2: Bus Purchase

The second proposition on the May 18 ballot involves the purchase of six 65-passenger school buses, two 42-passenger school buses, and two vans for transporting students. The new vehicles would replace those that are ten years old or older and have 120,000-150,000 miles. The purchase would not exceed \$895,000. The vehicles would be delivered in the 2011-12 school year. Reserving the buses a year ahead of delivery will allow the district to secure the current year's pricing for the vehicles. The district will finance the purchase through a five-year serial bond. The state will reimburse the district approximately 79.5% of the cost in the year following the expenditure. This proposition would result in no new taxpayer dollars. The new bus bonds would replace those the district will pay off.

Board of Education Candidates

Three residents are running for three seats:

Michael Buck (incumbent)
Ruth Miller
Jim Jacobus (incumbent)

The Chemung County League of Women Voters will sponsor a Meet the Candidates event Thursday, May 13, at 7pm in the Horseheads High School Multi-Media Center.

You are eligible to vote if...

- You are registered to vote in general elections
- You have been a district resident for at least 30 days prior to the vote
- You are at least 18 years of age
- You are a United States citizen

Questions about the budget or polling places?

Call 739-5601, x4260.