

Budget Edition

Rambling Reporter

May 2016

Residents to vote on 2016/17 proposed budget May 17

Southern Cayuga Central School District residents will vote on a \$17,141,654 budget proposal for the 2016-17 school year on Tuesday, May 17, from **7 am to 9 pm** in the **District Office** (through the door near the greenhouse). Voters will also select from among three candidates for three open seats on the SCCS Board of Education and consider three additional propositions: the purchase of school buses, creation of a capital reserve and taxpayer support for the Aurora Free Library and the Hazard Library.

The SCCS Board of Education has worked throughout the winter analyzing projected expenditures and anticipated revenues. The operating budget includes a decrease in retirement costs and increases of contractual obligations, such as negotiated salaries and benefits. The district will receive additional state aid revenue with the restoration of the GEA (see page 4), along with an increase in building aid as a result of the recent capital project. A majority of the additional revenue will be used to fund a capital reserve and to make an additional debt payment.

The proposed budget calls for a projected tax levy increase of 1.6 percent. This increase is below the district's maximum allowable tax levy increase of 1.9 percent, which will allow the district to secure a budget approval with a majority vote of 50 percent plus one (see page 2). Next year, this would mean an estimated \$23 increase in the school tax bill for a property assessed at \$100,000.



The solar panels are up and running!

Proposition I: 2016-17 Budget

Proposed Budget

\$17,141,654

Budget Change

\$744,542

Tax Levy Increase

+ \$124,002
+ 1.60 %

Vote Day Details

Tuesday, May 17
7:00 am to 9:00 pm
District Office

PLEASE NOTE

Voting May 17
7:00 am to 9:00 pm
in the
**DISTRICT
OFFICE**

(enter at door near greenhouse)

A Look Inside

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Q & A

What is a “tax levy limit” and is SCCS below its limit?

The tax levy limit is the highest allowable tax levy a school district can propose for which only the approval of a simple majority of voters (50 percent plus one) is required. The limit is calculated using a multi-step formula that takes into account any allowable exclusions (such as pension costs and capital expenditures). Any proposed tax levy above this limit requires budget approval by a super majority of voters (60 percent). The SCCS Board of Education has proposed a budget that includes a tax levy below its limit, partly in response to concerns shared by community members at public meetings. This would require passage by a simple majority of voters.

How is the tax levy different from a tax rate?

The tax levy is the total amount of money the district raises from local taxpayers while the tax rate is the amount of tax residents pay per \$1,000 of property value. In 2016/17 the school tax levy would increase by 1.6 percent. The impact on school tax bills is projected to be an additional \$23 next year for a property assessed at \$100,000; Southern Cayuga tax rates continue to be the lowest in Cayuga County.

With the tax levy limit, does the public still vote on a school budget?

Yes, residents will still vote on a proposed school budget on May 17.

Proposition II: Bus Purchases

On May 17, voters will consider a proposition for \$349,214 to purchase two 66-passenger and one 48-passenger buses.

If the proposition is approved, the district will borrow \$221,564 for the purchase, due to trade-in discounts for older, higher mileage buses. The bus purchases are also eligible for about \$142,870 in state aid reimbursement.

The cost of the proposition is already included in the debt service calculation for 2016/17, so it does not increase the proposed budget.

The proposed bus purchases are part of an ongoing five-year bus replacement plan designed to ensure our students are transported on buses that meet the latest safety standards. The plan also preserves the resale value of buses traded in and provides coverage of all buses under a five-year warranty for parts and service, reducing parts purchases and expenses.

Proposition III: Capital Reserve

The Board of Education proposes a proposition to create a Capital Reserve Fund to help finance the cost of the district’s next capital project. The fund will help offset the local share of capital construction costs so the project does not lead to increased taxes.

The intention of the fund is to help pay for the coming replacement of the Emily Howland Elementary roof, as well as other infrastructure repairs that need to be addressed. The fund will have a maximum term of five (5) years and will be funded yearly by amounts determined appropriate by the Board of Education.

With this vote, voters are authorizing the School District to create the fund, defining the amount up to \$800,000 to be placed into the fund over the course of the next five (5) years, and the term of the fund.

Proposition IV: Libraries

The trustees of the Aurora Free Library are seeking a \$6,000 budget increase to help balance revenue losses and secure funds for maintaining library property and materials.

The annual library tax levy would increase from \$82,650 to \$88,650 per year for support of the two libraries’ operations. The school district has a legal obligation to put this proposition before the voters when an increase is requested. It is separate from the budget proposition. The entire \$6,000 increase will go to the Aurora Library, with the Hazard Library support to remain at \$40,500.

If not approved by the voters, the amount raised would remain at the current annual level of \$82,650.

Board of Education Candidates

On May 17 voters will vote for candidates for three open seats on the Southern Cayuga Central School District Board of Education. Candidates are Matthew Bennett, Susan Gloss and Ann LaFave.

The school board is made up of seven non-paid citizens elected to serve overlapping terms of three years each. Together they establish district policies, develop an annual budget proposal, approve or disapprove the superintendent's recommendations on personnel matters and contracts and act as a communication link between residents and the superintendent.

To learn more about the school board, visit www.southerncayuga.org, click on District in the drop-down menu and then click on Board of Education.



Matthew Bennett is running for a first term on the Board. Matt, wife Jodi and their three children live in the town of Scipio. He attended SUNY Morrisville and is employed at NYSEG. He has been a youth sports coach for ten years and is a member of the CCYO steering committee. Mr. Bennett graduated from SCCS and would like to become involved in the Board of Education process.

Susan Gloss is seeking a third term on the Board. A district resident for 14 years, she holds a bachelor's degree from SUC at Geneseo and a master's degree from the University of Buffalo. She volunteers at King Ferry Food Pantry, the Cayuga Lake Watershed, Emily Howland Elementary and for the Hazard Library book sale. She and husband John have three children and live in King Ferry.



Ann LaFave is running for a third term on the Board where she has served two terms as president. Ann graduated from SUNY Cobleskill and Cornell University. She is employed as CALS Director of Student Services at Cornell. She volunteers with the United Church of Genoa, the Genoa Fire Department Ladies Auxiliary, NYS FFA and SCCS FFA. Ann's son is a 2015 SCCS graduate attending college and her daughter is an SCCS 8th grader.

Q & A

What happens if the budget is defeated?

If the proposed budget is defeated in May, the SCCS Board of Education can put another budget -- revised or not -- up for a vote in June or immediately adopt a contingent budget. If the budget is defeated twice, SCCS would have to adopt a contingent budget, with a zero percent tax levy increase, which could mean an additional \$376,207 in reductions to programs and services (see page 4).

What is a STAR exemption and how does it reduce my school taxes?

Community members who own a home can significantly reduce their school property taxes through a School Tax Relief (STAR) exemption, which is paid for through state taxes. Homeowners must apply through their town assessor's office to be eligible for this tax break. Learn more at www.tax.ny.gov/pit/property/star/index.htm.

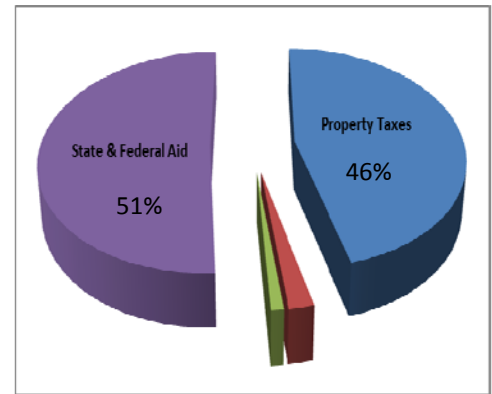
How is my tax bill calculated?

Individual tax bills are calculated using:

- The assessed value of each property
- Any applicable exemptions (e.g. STAR)
- The current school tax rate

Where does the money come from?

	Approved	Proposed	Percent
	2015-16 (\$)	2016-17 (\$)	Change
State and Federal Aid	\$8,024,290	\$8,683,818	8.22%
Appropriated Fund Balance	\$357,368	\$357,368	0.00%
Miscellaneous Revenue	\$245,330	\$226,342	-7.74%
Property Tax Levy	\$7,750,124	\$7,874,126	1.60%
Total Revenue	\$16,377,112	\$17,141,654	2.08%



■ Appropriated Fund Balance 2%
■ Miscellaneous 1%

The NYS GEA (Gap Elimination Adjustment)

Under the GEA legislation, a portion of the state's funding was withheld from school districts throughout the state, leaving holes in school budgets. Since the implementation in the 2010/11 school year, SCCS has lost more than \$6.7 million in state aid. Over the last few years, SCCS has seen partial repayments. However, the governor's 2016/17 budget eliminates it entirely. With the final restoration amount of \$564K, the district is able to balance the budget with very little impact on taxpayers. Within this budget, the district will begin funding the capital reserve as well as make an additional debt service payment to allow us to begin preparing for our next capital project.

Under contingency, there would be \$376,207 worth of reductions in programs and services

If the proposed budget is defeated by voters, the SCCS Board of Education, as in the past, will have the option of putting the same or a revised budget up for a revote, or adopting a contingent budget. If voters reject the budget twice, the district must adopt a contingent budget.

More significantly, under the law, if SCCS adopts a contingent budget, the district would have to keep its 2016/17 tax levy the same as or less than its 2015/16 tax levy; in effect a 0 percent tax levy increase. In other words, the district would have to levy the same amount of taxes as in 2015/16 – or less – without any adjustments for contractual obligations or other costs, whether or not they are mandated.

Adopting a contingent budget would prohibit SCCS from spending any money in certain areas, including community use of school facilities (unless all costs are reimbursed to the district); new equipment purchases; non-essential maintenance; capital expenditures (except in emergencies); salary increases for non-instructional, non-unionized employees; and certain field trips and student supplies. Contingency rules also cap the growth of the administrative component of the budget.

Where does the \$17,141,654 go?

INSTRUCTION: 48.1% of proposed budget

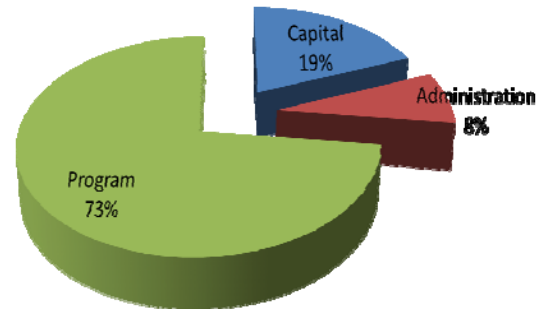
	<u>2015/16</u>	<u>2016/17</u>
Teaching, Regular School	\$3,912,081	\$4,006,572
Occupational Education	\$402,852	\$330,330
Special Education	\$1,826,932	\$2,060,111
Staff Development	\$12,000	\$12,000
Teaching, Administration	\$366,044	\$410,145
Library	\$144,243	\$147,709
Technology	\$591,540	\$661,180
Guidance	\$248,800	\$249,702
Health Services	\$93,367	\$91,801
Psychological Services	\$33,825	\$33,325
Co-curricular Activities	\$75,000	\$84,000
Athletics	\$142,602	\$147,240
Community	<u>\$15,200</u>	<u>\$15,200</u>
Total	\$7,864,486	\$8,249,315
Percent Change		4.89%

EMPLOYEE BENEFITS: 23.2% of proposed budget

	<u>2015/16</u>	<u>2016/17</u>
Health Insurance	\$2,132,668	\$2,175,404
Teachers' Retirement	\$695,955	\$650,000
Employees' Retirement	\$275,000	\$225,000
Social Security	\$505,000	\$508,000
Workers' Compensation	\$200,000	\$170,000
Unemployment	\$35,000	\$15,000
Dental & Vision	\$14,832	\$14,832
Other Benefits	<u>\$125,000</u>	<u>\$211,693</u>
Total	\$3,983,455	\$3,969,929
Percent Change		-0.34%

OPERATIONS/MAINTENANCE: 6.3% of proposed budget

	<u>2015/16</u>	<u>2016/17</u>
Custodial Services	\$844,687	\$790,790
Maintenance	<u>\$339,898</u>	<u>\$282,000</u>
Total	\$1,184,585	\$1,072,790
Percent Change		-9.44%



DEBT SERVICE/TRANSFERS: 11.8% of proposed budget

	<u>2015/16</u>	<u>2016/17</u>
Construction	\$1,130,770	\$1,392,405
Buses	\$334,550	\$320,813
Interfund Transfer*	<u>\$108,000</u>	<u>\$308,000*</u>
Total	\$1,573,320	\$2,021,218
Percent Change		28.47%

*Includes transfer of \$200,000 to fund capital reserve

TRANSPORTATION: 5.7% of proposed budget

	<u>2015/16</u>	<u>2016/17</u>
Transportation	\$914,069	\$955,498
Garage	<u>\$34,700</u>	<u>\$25,700</u>
Total	\$948,769	\$981,198
Percent Change		3.42%

DISTRICT SUPPORT: 4.9% of proposed budget

	<u>2015/16</u>	<u>2016/17</u>
Board of Education	\$23,981	\$23,868
Central Administration	\$182,624	\$190,336
Business Administration	\$280,368	\$276,150
Auditing	\$19,000	\$19,000
Treasurer	\$50,114	\$52,931
Tax Collection	\$9,185	\$8,000
Legal Services	\$66,253	\$68,055
Personnel	\$30,650	\$30,650
Insurance	\$75,500	\$80,500
BOCES Administration/Capital	<u>\$104,822</u>	<u>\$97,714</u>
Total	\$842,497	\$847,204
Percent Change		0.56%

Q & A

What exactly will I see on the ballot on May 17?

Proposition I — School Budget

Shall the following resolution be adopted, to wit:

RESOLVED that the Board of Education of the Southern Cayuga Central School District, Counties of Cayuga and Tompkins, New York, be and hereby is authorized to expend the sum of \$17,141,654 and levy the necessary tax therefore.

Proposition II — Bus Purchases

Shall the following resolution be adopted, to wit:

RESOLVED that the Board of Education of the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York, is hereby authorized to purchase school buses, and that the maximum estimated cost not exceeding \$349,214, or so much thereof as may be necessary, shall be raised by the levy of a tax upon the taxable property of said District and collected in annual installments as provided by Section 416 of the Education Law; and, in anticipation of such tax, obligations of said School District shall be issued.

Proposition #3 – Capital Reserve

Shall the following resolution be adopted, to-wit:

RESOLVED, that the Board of Education of the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York, is hereby authorized to establish a capital reserve fund to be used to finance in whole or in part the cost of acquisition, construction or reconstruction of District buildings and grounds and of other capital projects in accordance with Education Law section 3651, in an ultimate amount not to exceed \$800,000; (i.e. the elementary school roof and other infrastructure needs as identified by the Board). The fund shall have a probable term of five (5) years. The Board of Education is further authorized to pay into the fund (1) by June 30, 2016, an amount not to exceed \$100,000; (2) in the 2016-17 school year and annually thereafter funds of the District in an amount determined by the Board not to exceed \$200,000 per year; (3) state aid reimbursement to the District on account of capital projects to the extent determined appropriate by the Board for the purposes of the fund; and (4) such other monies as the voters may direct.

Proposition IV — Library Proposition

Shall the following resolution be adopted, to wit:

RESOLVED that the Board of Education of the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York, is hereby authorized to raise the tax levy from \$82,650 to \$88,650 for the support and operation of the Aurora Free Library (\$48,150) and the Hazard Library (\$40,500). If not approved by the voters, the amount raised will remain at the current annual level of \$82,650.

Capital Reserve

What is a capital reserve fund?

A capital reserve fund allows the district to set aside money for future construction projects and major purchases. It can be likened to a savings account. The fund is established with voter approval, which is also required to make expenditures from the fund.

Will my taxes go up due to the establishment of a capital reserve fund?

No, taxes would not increase due to the establishment of a capital reserve fund. We believe that through responsible, conservative fiscal management we will be able to direct funds into this reserve over the course of its five-year duration.

Why establish a capital reserve fund now?

The fund can only be established with voter approval; therefore its establishment must be placed on a ballot. Asking the voters to decide on this proposition at the May 17 election saves the district and taxpayers from having to finance a separate referendum at a later date. When the district needs to fund a major construction project in the future, it will be better prepared to do so.

Didn't the district just approve a building project? Why would we need to build more?

There are still areas within the district that need to be renovated and/or will need replacement in the future, such as the roof on Emily Howland Elementary. Saving for such projects now will help to offset any required funding in the future.

How will it be funded?

Once the reserve is created, the Board of Education will direct funds into the reserve by resolution at a regularly scheduled public meeting. These funds consist of unexpended fund balance at the end of the school/fiscal year or through the transfer of unexpended funds from other reserve accounts.

Why do we need this?

A capital reserve is a savings account for monies to be used only for capital project costs. Voters must approve its establishment, its capacity, its duration and the future distribution of funds. The term of the fund will be five years, with a maximum amount not to exceed eight hundred thousand dollars. The funds can be used to offset the local share of capital construction costs so such projects do not lead to increased taxes.



School districts are required by state law to mail this information to all households within the district. For more budget information, call the District Office at 315 364-7211.

DEFINITIONS

The state requires school districts to present their annual budgets in three parts: program, administrative and capital.

ADMINISTRATIVE: The administrative portion of the budget provides for the majority of the instructional support services in the district. It includes salaries and benefits of all professional staff members who spend 50 percent or more of their time in administration and supervision; salaries and benefits of clerical staff for administrators; curriculum development and supervision; research, planning and evaluation; central data processing; tax collection; most legal services; and school board costs.

PROGRAM: The program portion of the budget is associated with providing instruction and support services to 700 SCCS students. It includes salaries and benefits of all teachers, guidance counselors, nurses, social workers, aides and monitors. It also includes costs for transportation, co-curricular and interscholastic athletics, in-service training, library and health.

CAPITAL: The capital portion of the budget is associated with operating and maintaining the district's 191,400 square feet of buildings and 104.6 acres of grounds. It includes debt service on buildings; leases; school bus purchases; tax certiorari and court-ordered costs; and salaries and benefits of all custodial staff.

SCHOOL BUDGET NOTICE	Budget Adopted for the 2015/16 School Year	Budget Proposed for the 2016/17 School Year	Contingency Budget for the 2016/17 School Year*
Total budgeted amount, not including separate propositions	\$16,397,112	\$17,141,654	\$16,765,447
Increase or decrease for 2016/17 school year		\$744,542	\$376,207
Percentage increase/decrease in proposed budget		4.54	2.20%
Change in the consumer price index		0.12%	
A. Proposed tax levy to support the total budgeted amount	\$7,750,124	\$7,874,126	
B. Levy to support library debt, if applicable	\$0	0	
C. Levy for non-excludable propositions, if applicable**	\$0	\$0	
D. Total tax cap reserve amount used to reduce current year levy	\$0	\$0	
E. Total proposed school year tax levy (A+B+C-D)	\$7,750,124	\$7,874,126	\$7,750,124
F. Permissible exclusions to the school tax levy limit	\$398,578	\$532,569	
G. School tax levy limit, excluding levy for permissible exclusions	\$7,381,401	\$7,366,671	
H. Total proposed tax levy for school purposes, excluding permissible exclusions and levy for library debt, plus prior year tax cap reserve (E-B-F+D)	\$7,351,546	\$7,341,557	
I. Difference (G-H); negative value requires 60% voter approval; see note below regarding separate propositions**	\$29,855	\$25,114	
1. Administrative Component	\$1,351,208	\$1,398,768	\$1,386,668
2. Program Component	\$12,109,006	\$12,466,400	\$12,418,293
3. Capital Component	\$2,936,898	\$3,276,486	\$2,960,486

* Pursuant to Section 2023 of the Education Law, if the proposed budget is defeated in May, the SCCS Board of Education can put another budget – the same or revised – up for a vote in June or immediately adopt a contingent budget. After two unsuccessful votes, the district must adopt a contingent budget. Contingency would mean further reducing the proposed budget by \$376,207, resulting in additional reductions for programs and services.

Separate Propositions that are not included in the Total Budgeted Amount: (Tax Levy associated with educational or transportation services propositions are not eligible for exclusion and may affect voter approval requirements.)

Description	Amount
Bus Purchases	\$349,214
Capital Reserve	\$200,000
Library Proposition	\$88,650

Under the budget proposed for the 2016/17 school year: Estimated Basic STAR Exemption Savings	\$420
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¹ The basic school tax relief (STAR) exemption is authorized by section 425 of the Real Property Tax Law.

The annual budget vote for the fiscal year 2016/17 by the qualified voters of the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York, will be held on Tuesday, May 17, 2016, between the hours of 7:00 am and 9:00 pm, prevailing time, **in the district office**, 2384 State Route 34B, Aurora, at which time the polls will be open to vote by voting machine.



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Vote Day Details

What exactly will I be voting on?

- * Budget; \$17,141,654
- * Buses; \$349,214
- * Capital Reserve; create & authorize
- * Libraries; \$88,650

When and where is the vote?

Tuesday, May 17, from 7:00 am till 9:00 pm
in the SCCS district office.

Who is eligible to vote?

American citizens at least 18 years of age and who have lived in the district for at least 30 days prior to the vote.

Do I need to pre-register to vote?

No, pre-registration is not required.

How do I vote by absentee ballot?

Obtain an application at the district office or by calling 315-364-7211. The application must be returned by May 10 if the absentee ballot is to be mailed to the voter or by May 16 if it will be picked up by the voter. Absentee ballots must be returned no later than 5:00 pm on May 17.

**The Budget Hearing is scheduled for
Monday, May 9, 7:00 pm, HS Library.**



First harvest from the greenhouse!