

From the Superintendent

The development of the 2005-2006 budget has been completed with the adoption of a spending plan by the Board of Education on April 26, 2005. This year the budget process was less daunting than in years past as the district has moved to firmer financial ground and is able to anticipate increases in expenditures more accurately. In addition, the State passed a timely budget for the first time in 20 years and provided additional revenues to school districts across the state.

Included for your information is a summary of the expenses and revenues for the 2005-2006 spending plan. As you can see, this year's budget includes a 7% increase in spending. There are several major items that account for this increase that warrant explanation. First, the district realized a 10% increase in health insurance (\$171,000), a 9% increase in payments to the retirement systems (\$109,000), and a 3.5% increase in contractual salaries (\$260,000). The district has very little control over these costs as they are either set by a third party or part of the collective bargaining agreements with employees. In addition, there are several other items included in the budget that we feel are necessary to continue to provide the best education possible for our students. These items include the purchase of two new buses (\$123,000), tax certiorari payments (\$55,000), and summer school for grades K-8 (\$27,000).

There are two staffing increases worthy of mention. First, although we have a decline in enrollment, the number of our students participating in music, district-wide, has increased tremendously. We are finding it difficult to continue to maintain our excellence in this area with current staffing levels. We are proposing the addition of a full-time music teacher who will work with all grade levels and help us meet the ever-demanding needs of our students (\$55,000 including benefits). Secondly, the use of our facilities by community groups continues to grow. As a result, many times we are pulling our custodians and cleaners from their normal tasks to prepare the facility for extend-hour use. This is a community facility, and we are pleased that so many organizations make use of it; but we need to insure it is maintained on a daily basis. We are proposing that we increase the hours of one of our part-time positions to create a full-time floater who will assist in this capacity (\$28,000 including benefits). There are some other minor spending increases contained in the budget. Details about these can be found in the budget packet or by attending the Public Hearing on May 10.

In terms of revenue, the district is in much better shape than a year ago. There are several factors that contribute to this situation. First, as mentioned above, the State passed a budget that included significant increases to state aid. In Ticonderoga our state aid rose 10% from the previous year providing us with \$468,865 in additional revenue. We also are fortunate to have two other sources of revenue that help offset the amount to be raised by taxes. The first is a return of approximately \$165,000 to the taxpayers from revenue collected last year from a large parcel of state owned land in Hague that was erroneously omitted from the tax rolls. As a result, more taxes were collected from residents than necessary. In discussing a solution with the town, the best scenario was to return this money in the form of revenue to offset the tax levy of the 2005-2006 school year. This is seen under the "Assessment Correction" line in the revenue listings.

Secondly, International Paper Company has made a donation, in lieu of taxes, to the school as a gesture of good will for the reduction in their assessment. The district

believes these funds were intended to offset the tax impact of the reduction and is therefore using it to reduce the tax levy. We greatly appreciate the generosity of International Paper for this as well as the support they provide in other areas of our program. This is listed under the “International Paper” line of the revenue listings. **While these two revenue sources are a tremendous help to this year’s budget, please be aware they are one time revenue sources and will not be part of future budgets.**

Based on the information presented above, the final tax impact for the 2005-2006 school year will be a 2.9% increase in the tax levy if the budget is approved by the voters. Budget packets are now available at district office, in all three buildings, and at the Hague and Ticonderoga Community Centers. A Public Hearing on the budget will be held on May 10, with the budget vote scheduled for May 17. Polls will be open from 12:00 noon to 8:00 p.m. at both the Hague Community Center, and in the Lobby of Ticonderoga High School. If there are any questions or concerns regarding the budget, please contact the business office.

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Difference</u>
Expenditures	\$13,329,899	\$14,264,656	7.01% (\$934,757)
Revenues			
State Aid	\$ 4,575,323	\$ 5,044,188	10.2% (\$468,865)
Tax Levy	7,954,576	8,185,468	2.9% (\$230,892)
Other	800,000	800,000	0%
Assessment Correction	-0-	165,000	N/A
International Paper	-0-	<u>70,000</u>	<u>N/A</u>
Total	\$13,329,899	\$14,264,656	

7.01% increase in spending will result in a 2.9% increase in the Tax Levy

John McDonald, Superintendent TCS