

Superintendent's message

District prepares for yet another difficult budget year in 2011-12

Dear Mount Markham residents,

Last year, reductions in state education aid forced our district to make painful cuts to staffing and programs. Unfortunately, the budget preparation process for the coming 2011-12 school year is shaping up to be even more agonizing.

There's no denying that New York state faces an enormous financial shortfall. Because public education makes up one of the largest shares of state spending, state education aid reductions are not only inevitable but necessary to bridge the gap between state revenues and expenditures.

The Mount Markham Board of Education acknowledges and accepts this as true and, once again, stands ready to make difficult decisions and choices in our budget.

What kinds of choices? If the state Legislature approves the governor's proposed budget without major changes to education aid, here are some possibilities:

- Eliminating entire programs of study, such as computer instruction, elementary school art and music, high school elective courses and driver's education.
- Eliminating student activities, such as athletics, drama and theater, and field trips.
- Closing our Leonardsville building.
- Further reducing the workforce.
- Eliminating this newsletter, which helps keep you informed about our programs and budgets.

While those and other cuts are on the table, we also have the option of using a portion of our fund balance (savings) to help offset them. However, for poor urban and rural districts like ours, that's a one-year fix with no way to replace that revenue the following year.

Potential program and workforce reductions would create a curriculum void of subjects long thought to be important to a child's education and a community's vitality. We've asked our area state legislators how we can stand before this community and suggest that our children don't need or deserve art, music, athletics, drama, and elective courses, when we know schools in more affluent areas of the state will continue to offer a buffet of such course work.

How will our rural community children ever hope to compete with their peers statewide, to say nothing of the children worldwide? Certainly, this Empire State cannot accept such disparity or injustice!

Problems affecting us

A year ago, the board of education faced a similar state aid reduction as it prepared our 2010-11 budget, although that reduction was proportionally less than what's before us for the coming year. This school year, we lost \$1.01 million in state aid.

To compensate, we reduced our workforce by 17 positions and decreased our budget by one percent from the previous year. Even so, we needed a tax levy increase of 3.95 percent to close the revenue gap.

Next year, we're slated to lose another \$1.11 million, along with a \$67,256 drop in federal aid.

Our concern with the governor's budget proposal for next year is not that it includes education aid reductions; rather, it's about how those reductions are applied to districts across the state. It's not done equitably from one district to another, and this is where the financial problems begin to snowball.

The state aid formula uses a district income wealth index that's baselined at 0.65. Many urban and rural school districts actually are poorer than that baseline figure connotes. Still, they receive aid as if they had greater wealth at the 0.65 baseline, which means they don't get as much aid as they really need. Since our index is only 0.40, we're one of those districts.

An oversimplified example is to say that although you have only \$1 in your piggy bank, we're going to treat you as if you have \$2. Therefore, you'll get less aid than you really need. For Herkimer County school districts and some others in the state, that's essentially how the formula works.

Since we have a small taxpayer base compared to wealthier districts, we have limited money from tax revenue to finance our programs and staffing. State aid usually helps make up the difference, but with proposed cuts to that aid and the aid formula wealth index set too low to begin with, we would be hit especially hard next year.

On top of that, our enrollments are expected to continue declining, which also will result in less state aid. We have 1,216 students this year, down from 1,245 last year. Next year, that figure is projected to drop to 1,185.

Furthermore, if the Legislature approves the governor's proposal to cap local property tax increases at 2 percent, we could not begin to raise enough tax money to cover projected cost increases in future years.

Wealthier districts are in a much better position to absorb state aid cuts than districts like ours, as the example below shows:

| | <u>Herkimer County schools</u> | <u>Rockland County schools</u> |
|--|--------------------------------|--------------------------------|
| Proposed aid cut | \$7,416,987 | \$22,165,798 |
| Tax levy increase needed to offset aid cut | 13.3% | 3.03% |
| Amount a 1% tax levy increase would raise | \$556,567 | \$7,318,085 |

Clearly, districts like ours cannot increase the tax levy to such extremes, even without a cap on tax increases. So, we face budget decisions that include program cuts, staffing reductions or the use of fund balance money.

These are very real conversations that are occurring not only at Mount Markham but in urban and rural school communities statewide. The gap between districts with means and those

without is widening, and no level of state education regulation mandate relief will bridge it. Only a recalculation of the state aid formula will alter the course we're on.

What can we do about it?

In the past month, the board and I have met with our area state legislators to share these concerns and push for a change in that formula. While they acknowledge the funding inequity that affects the rural schools they represent, for years it's been an uphill battle to get the full Legislature to make needed changes.

We'll continue to meet with our representatives at least three more times in the next six weeks. District staff, parents and residents can support our efforts for change by personalizing, signing and mailing those representatives the template letter [on website].

The Legislature's deadline for approving a final state budget is April 1. The board of education must have the final district budget proposal ready to adopt at its April 12 meeting. The public vote on that budget will be May 17.

We expect the face of education to be dramatically different in the coming years. Facets of that change could be exciting and provide great opportunities for children.

The question remains, however, will those opportunities be available to children in our rural communities? Or will the continued inequitable funding stream widen the divide between school communities across our state and leave children in rural and poor urban districts at a disadvantage?

The board and I will continue to raise our concerns with state legislators. In the meantime, we'll work to develop a budget that compensates for the funding decline while supporting our educational programs to the best of our ability.

We appreciate your continued support throughout this painstaking process and welcome your comments and involvement.

Sincerely,

Superintendent Casey Barduhn