

Peru Central School District

Community Conversation

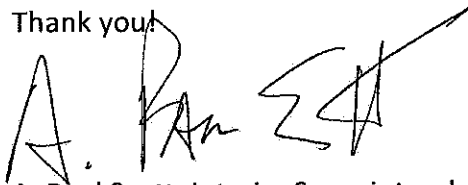
January 23, 2012 at 6 PM

Exhibits for Participants

Welcome! Attached are the following documents associated with tonight's 'Community Conversation' on school budget development factors. This packet is intended for members of the school community attending tonight's conversation.

Exhibit	Description
1	Early forecast of driving factors for winter 2012 budget development
2	Thinking outside the 'box': launch pad for generating suggestions
3	Three-page summary report on 2011-2012 budget reductions
4	Fund Balance 'Q&A', January 23, 2012 edition
5	Peru CSD K-12 Student Enrollment, years 2004-2011 plus projections
6	Peru CSD average class sizes compared with statewide averages
7	Peru CSD capacity to increase average class sizes to statewide averages
8	Peru CSD preliminary forecasted enrollment for 2012-2013 by grade level
9	Peru CSD early forecast for average class sizes & class sections, grades K-6
10	Property tax levy 'cap' information sheet

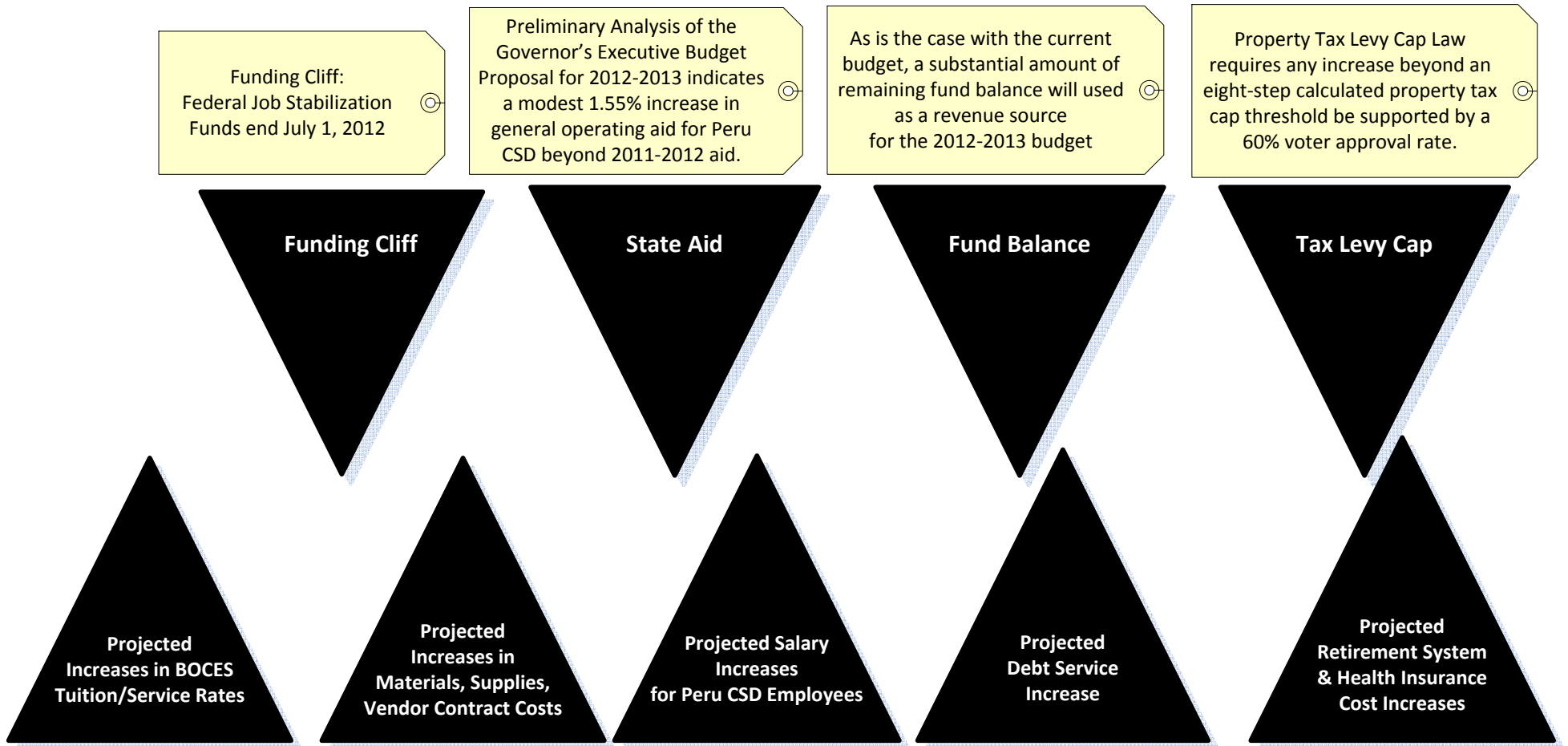
Thank you!



A. Paul Scott, Interim Superintendent of Schools

SUPERINTENDENT'S EARLY FORECAST OF DRIVING FACTORS

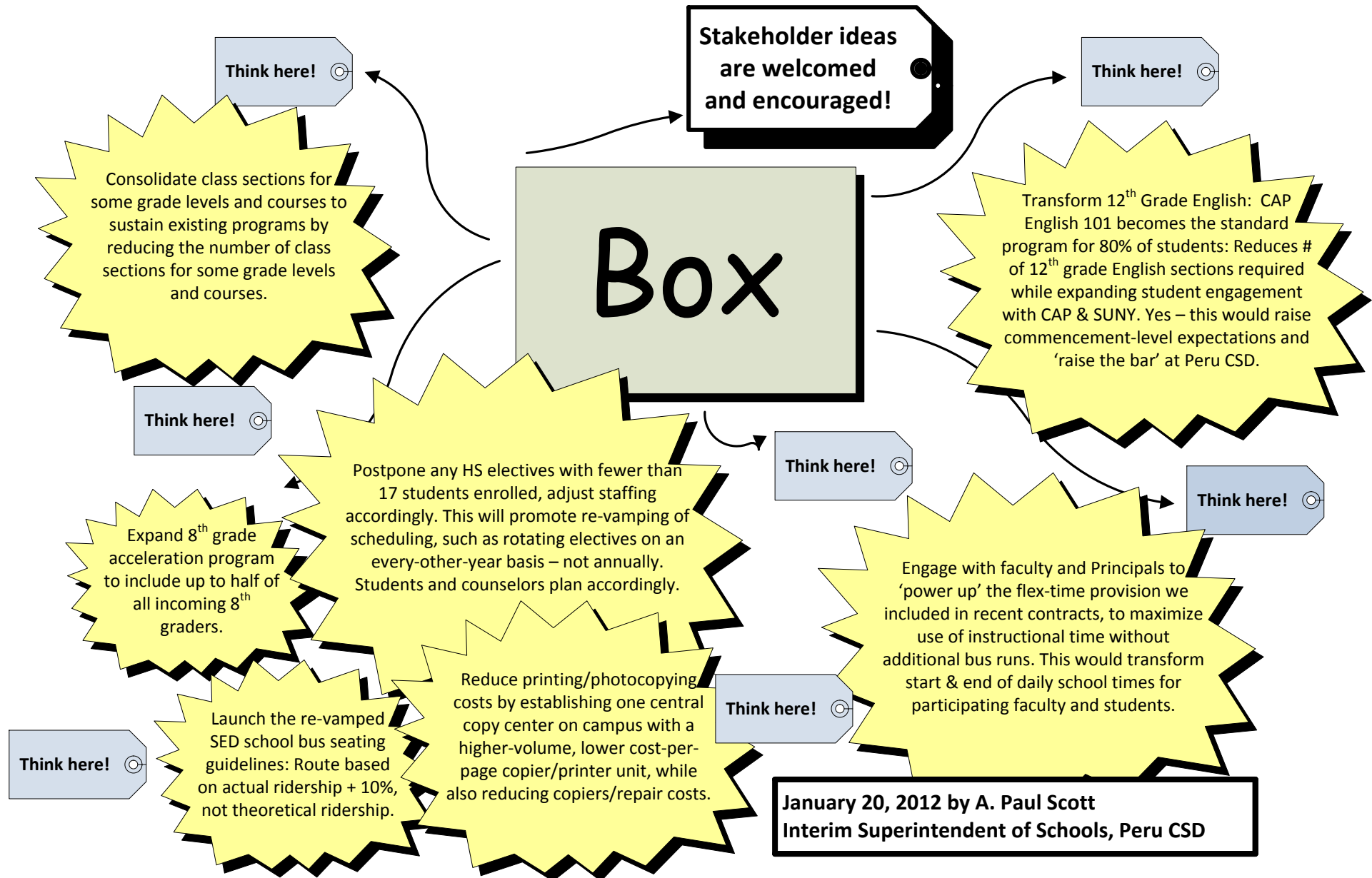
FOR WINTER/SPRING 2012 BOARD AND STAKEHOLDER BUDGET DEVELOPMENT DISCUSSIONS



January 20, 2012 by A. Paul Scott
Interim Superintendent of Schools, Peru CSD

THINKING OUTSIDE THE BOX FOR COST REDUCTIONS

WHILE CONSOLIDATING, RE-VAMPING, STREAMLINING AND TRANSFORMING K-12 PROGRAMS



Item ID	Specific Reduction	Impact on Programs or Operations	Category	Grade Spans Impacted	FTE	Estimated Cost Reduction
1	BOCES Special Education Services	Send fewer students to specialized BOCES settings by expanding the range of special placement classrooms offered on our campus.	Instruction	K-12	NA	\$300,000
2	Materials, Supplies and Contractual Services	Cross-campus reduction of materials, supplies and contractual services as part of responding to the \$2.62M cut in state aid.	All Areas	Cross-campus	NA	\$50,000
3	1.0 FTE Teaching Assignment	Modest increase in class size for K-6 developmental classrooms. This particular assignment is anticipated to be via attrition.	Instruction	K-6	1.0	\$62,000
4	1.0 FTE Teaching Assignment	Modest increase in class size for K-6 developmental classrooms.	Instruction	K-6	1.0	\$62,000
5	0.4 FTE Math Teacher	Based on more efficient scheduling of high school and middle school class sections in mathematics. This particular assignment is anticipated to be via attrition.	Instruction	6-12	0.4	\$17,000
6	1.0 FTE Academic Intervention Services	Re-establish staffing patterns across campus for providing academic intervention services, in the midst of a \$2.62M cut in state aid. This reduction of a full-time Reading teacher is forecasted to be via attrition.	Instruction	K-6	1.0	\$98,000
7	0.2 FTE Physical Education Teacher	Offer one less physical education class section per day in grades 9-12, based on more efficient scheduling of high school class sections.	Instruction	9-12	0.2	\$8,500
8	2.0 FTE Teaching Assistants	Two fewer teaching assistants across campus.	Instruction	K-12	2.0	\$80,000
9	1.0 FTE Custodial	One less full-time custodial assignment, likely via attrition.	Operations	TBA	1.0	\$35,000
10	2.0 FTE Teacher Aides	Two fewer teacher aides across campus.	Instruction	K-12	2.0	\$50,000
11	1.0 FTE Bus Driver	Continued consolidation of bus runs.	Operations	K-12	1.0	\$30,000
12	1.0 FTE Business Office	Projected retirement of an individual within Business Office.	Administrative	K-12	1.0	\$45,000

Item ID	Specific Reduction	Impact on Programs or Operations	Category	Grade Spans Impacted	FTE	Estimated Cost Reduction
13	1.0 FTE Clerical	Projected retirement in combination with reassignment.	Administrative	Cross-campus	1.0	\$40,000
14	Building Substitutes	Reduce two building substitutes per grade span, which will reduce costs \$80 per day across campus [reflecting the \$10 differential between building substitutes and per-diem substitutes for the 180 days of the school year.	Instructional	K-12	2.0	\$14,400
15	0.5 FTE Part-time Clerical	Eliminate this particular part-time clerical assignment.	Administrative	K-5	0.5	\$12,000
16	2.0 FTE Teacher Aides	Associated with Elementary Grades Teacher Aide Assignments	Administrative	K-5	2.0	\$54,600
17	1.0 FTE Aide	Associated with a particular middle-high school aide position.	Instructional	6-12	1.0	\$40,000
18	0.4 FTE Teacher of Spanish	Reduction of a full-time position in Spanish from full-time to part-time, resulting from more efficient scheduling of middle and high school Spanish class sections. Forecasted to be accomplished via attrition.	Instructional	6-12	0.4	\$17,000
19	1.0 FTE Clerical	A particular clerical assignment.	Administrative	6-12	1.0	\$40,000
20	2 Positions	Two monitor positions currently at 12.5 hours per week.	Administrative	6-12	2.0	\$6,000
21	0.5 FTE Clerical	Reduction of a particular clerical position from full-time to half-time	Administrative	6-12	0.5	\$12,000
22	Field Trips	Funding for customary annual field trips is removed from the 2011-2012 budget. Use of 'virtual' field trips can substitute for such trips during the 2011-2012 school year. This includes the fees associated with field trip venues and the costs associated with school bus transportation to and from the field trip venue.	Instructional	K-12	NA	\$15,000
23	Additional Materials, Supplies and Contractual Services	Additional cross-campus reduction of materials, supplies and contractual services as part of responding to the \$2.62M cut in state aid.	All Areas	Cross-campus	NA	\$25,000

Status Report on 2011-2012 Cost Reductions

Item ID	Specific Reduction	Impact on Programs or Operations	Category	Grade Spans Impacted	FTE	Estimated Cost Reduction
24	Legal Services	Reduced budget to reflect reduced expenditures in recent years.	Legal	K-12	NA	\$15,000
25	Buildings & Grounds	Reduce anticipated expenditures through more efficient scheduling of essential work, further reductions in overtime and greater efficiencies to reflect diminishing resources.	Operations	Cross-campus	NA	\$19,000
26	Central Printing & Mailing	Reduce frequency of Community Report from four editions annually to two editions annually. Other updates via Web site and a to-be-established email listserv for any and all interested district residents and employees.	Administrative	Cross-campus	NA	\$2,500
Totals					15.4	\$1,150,000

Fund Balance 'Q & A'

January 23, 2012

Most of New York State's villages, towns, counties and school districts have monies budgeted for what the State refers to as authorized, unrestricted **'fund balance'**.

Is 'fund balance' a 'shock absorber'? Yes. Use of fund balance can help the school district 'absorb' the shock of unanticipated substantial increases in costs or inadequate state aid to maintain programs, as was experienced in recent years.

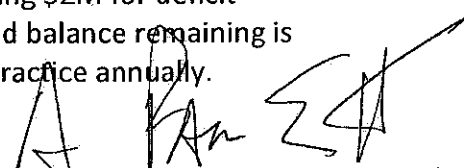
How much 'fund balance' is a school district authorized to have? Four percent [4%] unrestricted fund balance. During most of this past decade, Peru CSD has strived to maintain its fund balance, as part of strengthening fiscal accountability and increasing fiscal stability for the school community.

Is 'fund balance also the 'emergency fund'? Yes. Fund balance may be used to pay for urgent repairs, replacement of vital equipment that breaks down, unforeseen changes in student enrollment requiring additional resources, and unforeseen increases in energy costs. During the past six years, the fund balance was used in response energy price spikes, the state-mandated purchase of graphing calculators for middle & high school students, and when we needed to add class sections due to increased student enrollment at particular grade levels.

Is Peru CSD using some 'fund balance' this school year? Yes. Peru CSD is expecting to have used \$1.5M of fund balance this school year, as part of responding to a \$2.62M cut in state aid. The intent: Help keep cuts to student programs and support operations be smaller than the cuts would otherwise have been this school year.

What about the 2012-2013 school year? Striving to keep some 'fund balance' in the coming years will be a challenge, yet an important part of fiscal stewardship. The school board recently forecasted it may allocate \$2M of 'fund balance' for 2012-2013.

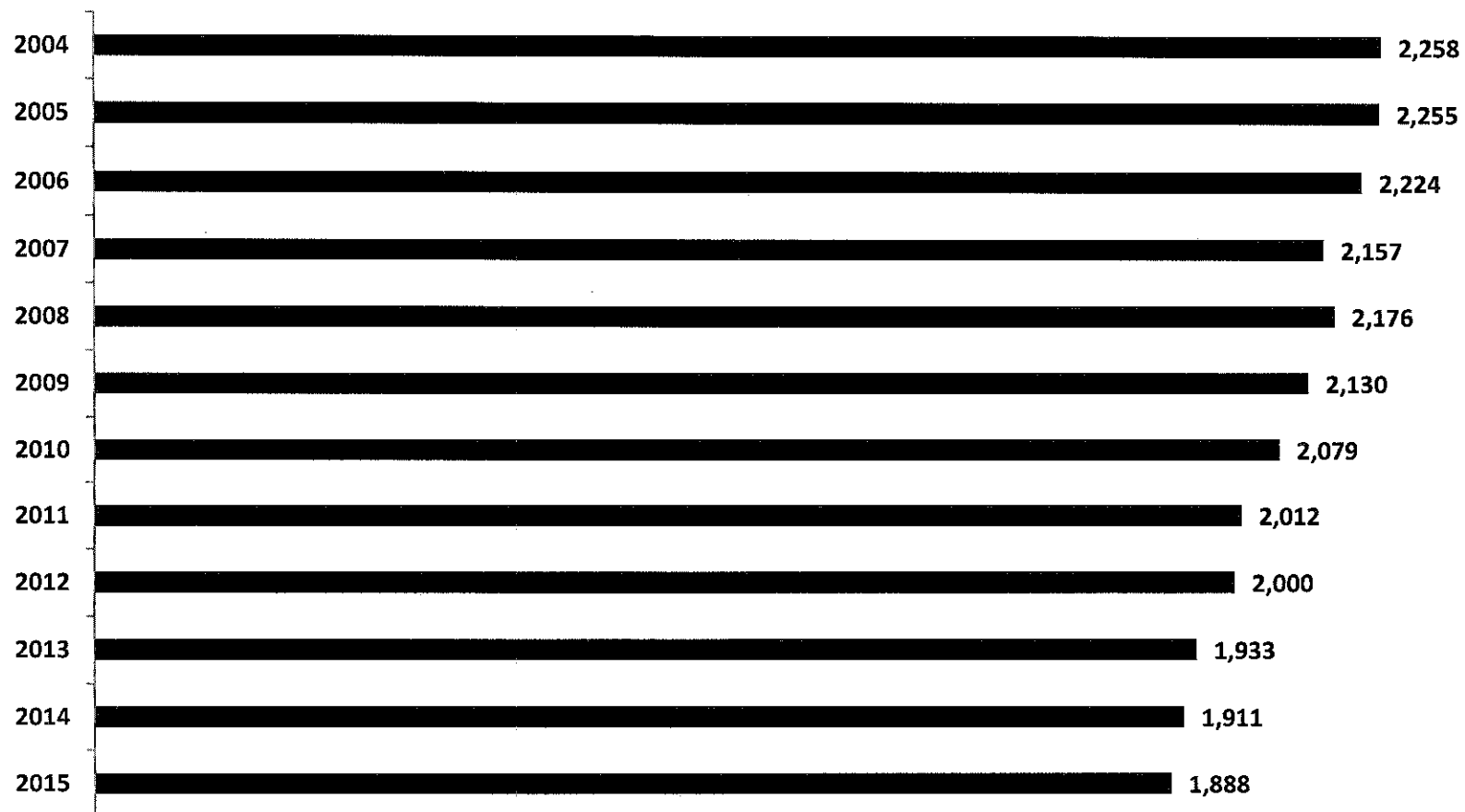
Can the Board allocate \$2M annually in subsequent school year? No. Like many of the State's rural school districts which rely heavily on state aid for revenues, Peru CSD has been 'deficit spending' the past two school years. After allocating \$2M for deficit spending during the 2012-2013 school year, the amount of fund balance remaining is forecasted to be roughly \$2.5M: insufficient to continue that practice annually.


A. Paul Scott, Interim Superintendent of Schools

Peru CSD Student Enrollment Summary of January 23, 2012

Actual K-12 Enrollment Totals for each October - Years 2004 thru 2011

Projected K-12 Enrollment Years 2012 thru 2015, forecasted Fall 2011 by FACTS, Inc.

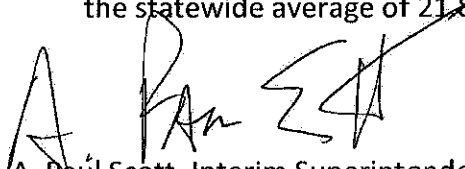


Class Sizes Report Cross-Campus Snapshots Friday, January 20, 2012

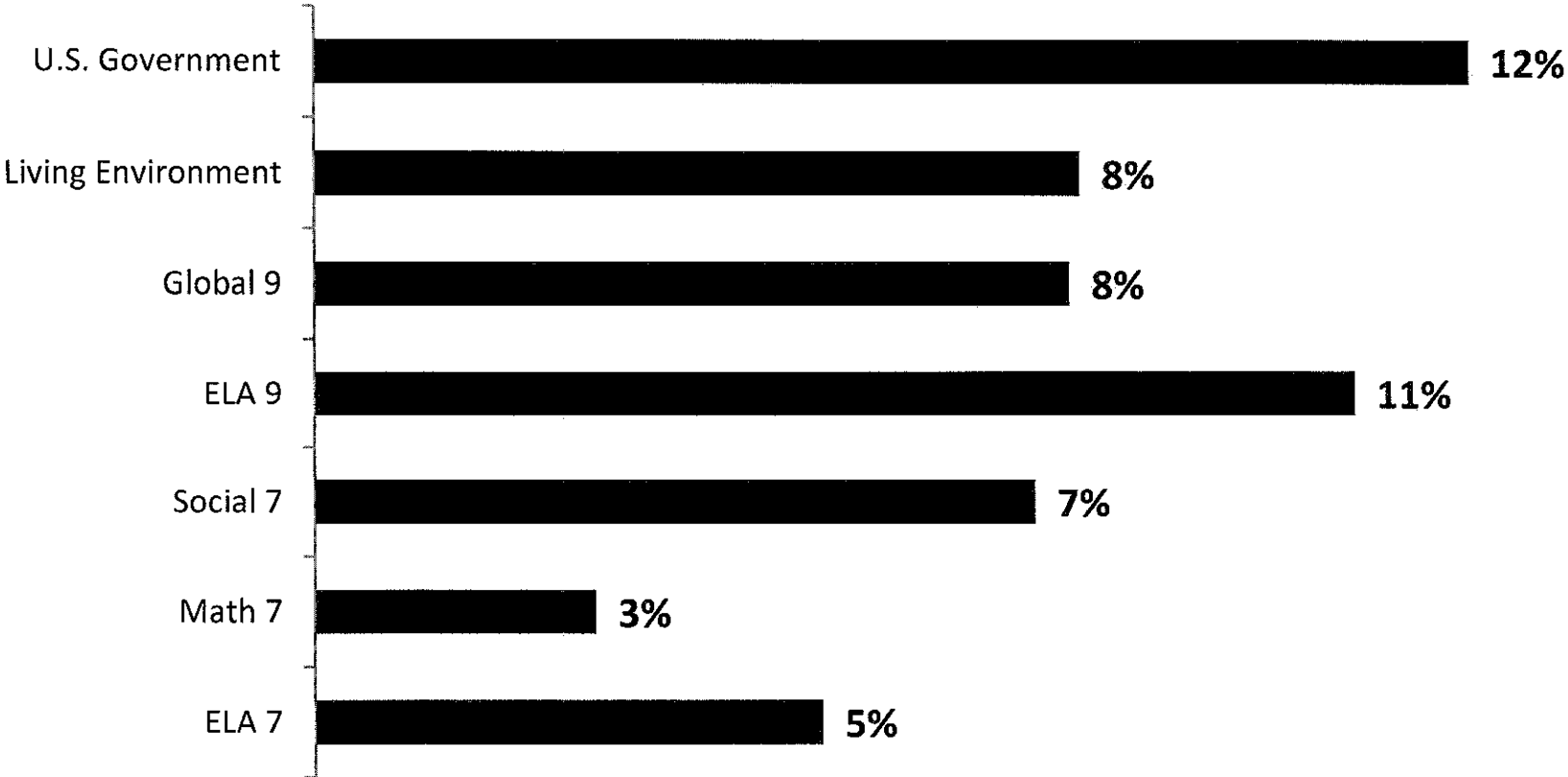
This report focuses on Peru CSD class sizes, compared with statewide [*outside of New York City*] total data on class sizes reported for the 2010-2011 school year by the New York State Education Department to the Legislature.

Executive Summary

- A. The average Peru CSD **kindergarten** class section is 18.6 students, **96.4%** of the statewide average for kindergarten, which is 19.3 students per section.
- B. The average Peru CSD **grades 1-6** class section is 21.7 students, **102.7%** of the statewide average for grades 1-6 class sections, which is 21.1 students per section.
- C. The average Peru CSD **grade 7 ELA** class section is 19.9 students, **94.8%** of the statewide average for grade 7 ELA, which is 21.0 students per section.
- D. The average Peru CSD **grade 7 mathematics** class section is 20.1 students, **97.1%** of the statewide average for grade 7 mathematics, which is 20.7 students per section.
- E. The average Peru CSD **grade 7 social studies** class section is 19.9 students, **92.6%** of the statewide average for grade 7 mathematics, which is 21.5 students per section.
- F. The average Peru CSD **grade 9 ELA** class section is 19.1 students, **89.3%** of the statewide average for grade 9 ELA, which is 21.4 students per section.
- G. The average Peru CSD **grade 11 ELA** class section is 21.4 students, **101.9%** of the statewide average for grade 11 ELA, which is 21.0 students per section.
- H. The average Peru CSD **grade 9 Global History & Geography** class section is 20.1 students, which is **92.2%** of the statewide average of 21.8 students per section.
- I. The average Peru CSD **living environment [biology]** class section is 19.8 students, **92.1%** of the statewide average for living environment [biology], which is 21.5 students.
- J. The average Peru CSD **U.S. History & Government** class section is 19.2 students, **88.1%** of the statewide average of 21.8 students per section per section.


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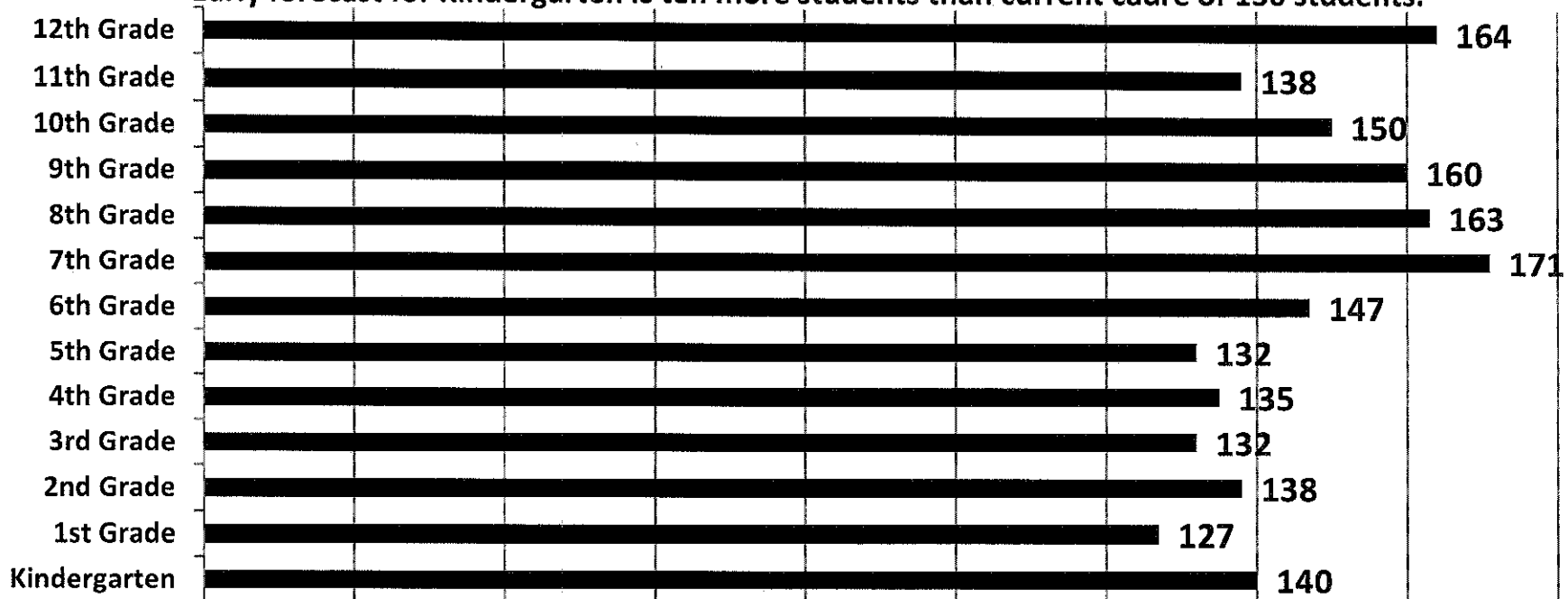
**Peru CSD Capacity to Increase Average Class Size
to Match Statewide Class Size Averages [not including NYC]
by Grade Level or Course within Contract Parameters
January 20, 2012 Preliminary Report**



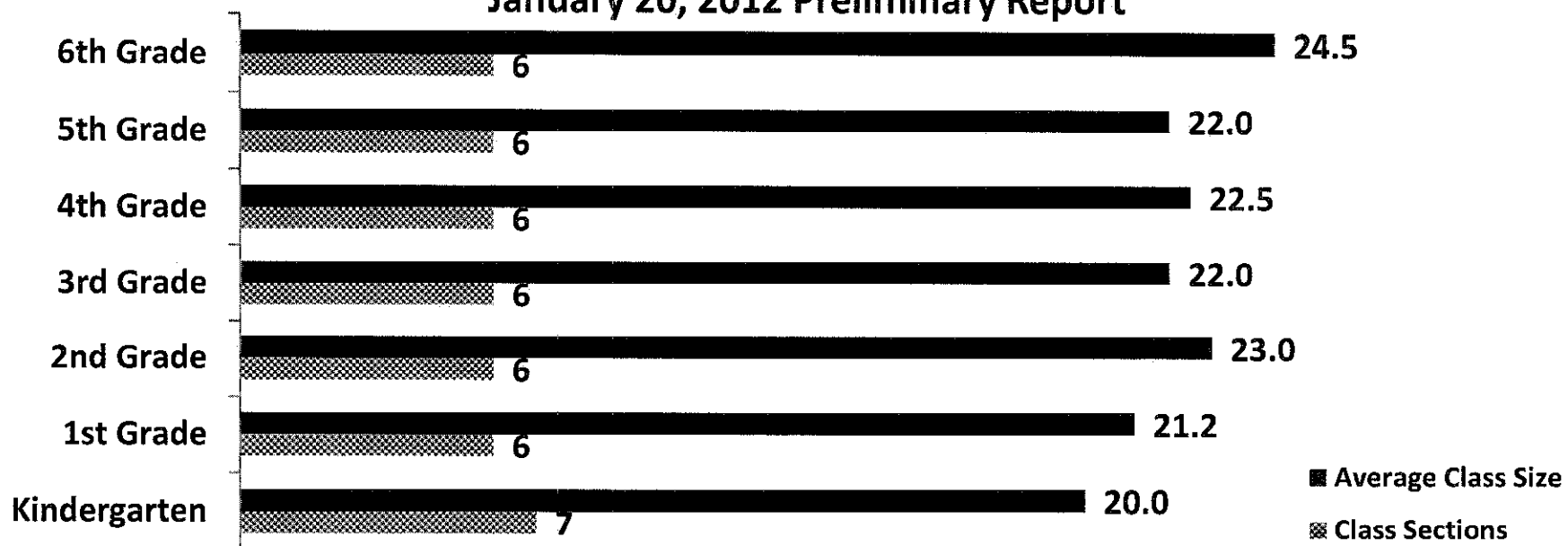
Peru CSD Preliminary Fall 2012 Enrollment Forecast

of On-Campus Students, Grades K-12: January 20, 2012 Snapshot Report

Early forecast for Kindergarten is ten more students than current cadre of 130 students.



**Peru CSD Early Forecast of Average Class Sizes
for Grades K-6 September 2012
based on Projected Fall 2011 Enrollment
January 20, 2012 Preliminary Report**



Property Tax Levy Cap Information Sheet

Information Source: Capital Region BOCES Communication Service and Questar III's State Aid Planning and Communication Service

Tax Levy Limit

Although the new law has been referred to as a “2 percent tax cap” it does not restrict any proposed tax levy to two percent (2%). The law dictates an eight-step formula that each school district must use to calculate its individual “tax levy limit.” The calculation adjusts a district’s tax levy to reflect growth in the local tax base (if any) and the rate of inflation or 2 percent (whichever is lower).

Certain Exemptions

There are certain expenses that are “exempt” from the “tax levy limit” calculation. These exemptions include:

- Voter-approved local capital expenditures.
- Increases in the state-mandated employer contribution rates for teacher and employee pensions that exceed two percentage points.
- Court order/judgments resulting from tort actions of any amount that exceeds 5 percent of a district’s current levy.

Impact on Individual Tax Bills

The impact remains to be seen. The new law applies to the tax levy, not to tax rates or individual tax bills. An individual’s school tax bill is calculated after a school district sets the final tax levy and is impacted by a number of factors beyond the control of the school district. For example, the assessed value of the property and the individual exemptions which individual taxpayers may qualify for.

Budget Vote

School district residents will still vote on proposed school budgets on the third Tuesday in May. If the tax levy (before exemptions) is at or below the “tax levy limit,” a simple majority (more than 50 percentage) is needed for budget approval. However, if the proposed tax levy exceeds the district’s “tax levy limit” a supermajority (over 60 percentage) approval rate is required.

If Budget Is Not Approved

If a proposed budget is defeated by voters, the school district can put forth the same budget for a revote, revise the budget and revote, or adopt a contingent budget. However, under the new law, a district that adopts a contingent budget may not increase its current tax levy by any amount – which would impose, in effect, a **zero percent cap**.