

PERU CENTRAL SCHOOL DISTRICT

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Dr. Thomas Palmer
Superintendent of Schools

Mr. Randolph B Sapp
School Business Administrator

6/2/20

Dear Peru Central School District,

We had the Board of Education's annual budget hearing on Monday, June 1, 2020 to go over the Board adopted budget for the 2020-2021 school year. In the meeting we discussed the adjustment in voting for the budget this year with the absentee ballots. This was a directive from the Governor's Office and the district is complying with the order. We understand it is different and if you need additional ballots for your household, please contact Sheri Provost, the District Clerk at (518) 643-6002.

A number of happenings are occurring in society that has a direct effect on School Districts and our ability to function as an organization. The "normal" life we all once existed in has changed dramatically since the COVID-19 virus was introduced to America and the widespread since that time. The uncertainty regarding the public health threat of the coronavirus and the resulting economic impact represents the biggest factors moving forward with the ability for school districts to fund programs to its respective communities.

What has been happening at the Peru Central School District during this time? We have been working diligently on making sure our students are getting instruction remotely. Breakfast and Lunch are being prepared on a daily basis and being delivered to 800 students per day (1600 meals between breakfast and lunch). We are constantly staying abreast of the political happenings in Albany as those policies and orders have a direct effect on our district, now and in the future.

Capital Project Phase 3:

This was the third phase of our building project that was going to encompass the conversion of the wrestling room into two floors, one floor for wrestling practice and a large space for physical education classes that could engage in aerobic activity and the first floor was going to encompass cardiovascular equipment that would be used by physical education classes, sports and the general public. Air Conditioning was going to be put into the school auditorium. These were the two largest components of the project and because of the timing, the uncertainty of lead times on materials and whether the labor would be available, the third phase has been put on hold. We

will start up the bidding process again this fall with an anticipated start date for those projects spring of 2021. The roadway that will connect the back of the school with the middle school parking lot will occur this summer and will be ready to use in the fall.

High School Graduation:

I understand some of our families are struggling with the plan that has been put in place for graduation this year. This has been a horrible finish to our class of 2020's senior year. They were robbed of their final spring of being physically surrounded by peers and teachers actively engaged in preparing them for their life beyond Peru High School. In my 31 years of education I would have never thought that we would have finished a school year in this fashion. We want our students to feel as they completed something special and have an opportunity to celebrate it with their families. However, we cannot forgo the safety of our community during this challenging time.

COVID 19 has forced us to make changes to how we as a school district celebrate the efforts of our graduates. There are a great number of models that have been done and are going to be done throughout the country, the State and the North Country. We have put together a commencement that blends the virtual experience with the live experience to create a ceremony that has been endorsed by the Clinton County Health Department as a great plan that has all of the elements needed for the safety of our students and their families. It is our number one priority to keep our graduates, their families, as well as our faculty and staff, safe during this trying and dangerous time. We have put safety first while celebrating our Senior Class of 2020. We are going to make every effort to make this a joyous ceremony that memorializes your child's accomplishment of graduating High School in the Safest Environment. We will be having a Superintendent's Virtual Town Meeting to discuss this more on Thursday, June 4, at 7:00 pm. More information will follow on our website.

Elementary Kindergarten/UPK Graduation

Mrs. Rawson and the Teachers felt it was important to have a closing ceremony for our youngest learners in bringing closure to a very strange ending to a school year. Families of UPK and K as they have earlier, K-12 in picking up personal belongings in the past several weeks will do the same to receive their diploma. Teachers will bring their diploma to the car and maintain appropriate distancing through the process. No one will get out of the car, a picture will be taken by district staff and the families will continue to drive through the parking lot and vacate the premise.

The Budget 2020-2021

There is a potential for further reductions through the course of the 2020-2021 school year. The enacted budget that was passed this year for next year's revenue stream has an amendment to the State Finance Law. This amendment allows the Director of the Budget to adjust or reduce any General Fund or Special Revenue appropriation related cash disbursement by any amount needed to maintain a balanced budget for the 2020-2021 State Fiscal Year. Basically, we are on a month to month analysis of the State Revenues and if they decrease or do not meet the threshold, School District's State Aid can be adjusted based on the State's performance.

We are starting this school year budget process looking at a no increase in Foundation Aid and an extremely modest increase in the school district's budget (less than 1%). A roll over budget from the 2019-2020 school year with contractual responsibilities and normal cost increases in a budget, we closed a gap of \$256,868 in a conservative budget plan to balance expenditures and revenues.

According to the Comptroller (2020), the Enacted Budget includes over \$29.5 billion for local governments (outside New York City) and school districts through a variety of programs. While the Budget held most aid programs flat at prior year levels, the current economic and revenue uncertainty along with the budget reduction flexibility provided to the Executive leave open the possibility of **significant mid-year budget actions to reduce State funding for most local assistance**. The Enacted Budget includes a Pandemic Adjustment which reduces State aid to school districts by \$1.1 billion. However, School Aid estimates prepared by the State Education Department based on the Budget anticipate that this reduction for each district will be fully offset by new federal funding from the Education Stabilization Fund established in the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020.

At this time, the following are a list of initial reductions that were proposed to the Board of Education for the proposed 2020-2021 Budget:

1. Elimination of a nursing position through attrition. The district will still have one nurse per building to provide service to our students.
2. Elimination of the Library Aide/Typist position through attrition.
3. Elimination of the School Resource Officer Position through the Sheriff's Office.
4. Change in program, decreasing one special education teaching position.

Significant additional reductions will be necessary if the State reduces revenues from the projected amounts and if there is no Federal stimulus money given to the states to support education.

Clarifying Language and Definitions:

There are a number of definitions that should be clarified for understanding as we are entering a very difficult budget season that are important in understanding taxes and the role of school districts in this process.

Towns determine assessed values and equalization rates for their respective homeowners in their towns.

- **Taxable assessment:** Your property's taxable assessment in the assessed value of our property as determined by your **LOCAL ASSESSOR** minus any exemptions that have been granted to you.
- **Equalization Rate:** measure of municipality's level of assessment. Most of the state's more than 700 school districts distribute their taxes among segments of several municipalities, many of which have different levels of assessment. The number of

municipal segments in a school district ranges from one to as many as fifteen.

For example:

- Equalization rate = 100
 - Town is assessing property at 100% of market value
 - Most likely a reassessment was conducted in recent years
 - Your property's assessment should be roughly its market value (the price for which you could sell your property)
- Equalization rate < 100
 - Overall property in the town is assessed less than market value
 - The lower the equalization rate, the longer it has probably been since the last reassessment
 - Equalization rate of 43 means overall property in the town is assessed at 43% of market value
- Equalization rate > 100
 - Overall property in the town is assessed higher than market value
 - Property values may have decreased since the last reassessment, but assessments were not adjusted downward
- **Property Tax Cap Legislation:** Under this law, the growth in property tax levy was capped at 2% or the Consumer Price Index (CPI), whichever is less, with certain limited exceptions and adjustments. This is the percentage the Board of Education agrees upon to give direction to the Superintendent to increase the tax levy from the preceding school year in an effort to balance a budget with reoccurring increases in costs. The allowable amount of increase the Board will ask the school community to approve through the budget vote. For example: The Real Property Tax Levy for the 2019-2020 school year was \$17,771,196, to 2020-2021 is being asked to approve \$18,142,246 a 2.09% increase or \$371,050 from the preceding year. The tax levy with the revenues the state provides the district with makes up the vast majority of school district's revenues.

In summary, the only monetary amount the School District can ask the voting community to approve is the TAX LEVY. The school district has no control over the assessment of your property or the equalization rates. We are the by-product of those but are not involved in either of those processes. If you have any questions, please feel free to contact my office at (518) 643-6002.

Thank you,

Thomas Palmer Ed.D.