



# An eye on the bottom line

The third Tuesday in May is an important day for school districts across the state. That is the day residents vote on school budgets for the ensuing year. Those budgets serve as blueprints for the educational programs a community can provide for its children.

Canajoharie residents have reason to be proud of the district's accomplishments to date. Beautiful new facilities provide a safe, clean and modern learning environment. More importantly, our programs have fostered an educational system that leads the area, as evidenced by scores on state achievement tests and awards. For the third year in a row, East Hill Elementary has earned the distinction of being named to the State Education Commissioner's list of Most Improved Schools for improvement on the state's fourth grade English-language arts test. For the second time, the school made the same list for improvement on the grade 4 math test.

## Mandatory costs are rising

Canajoharie's proposed 2004-05 budget calls for a 4.24 percent increase in spending as compared to the previous budget. Most of this increase is in two areas: the rising cost of health insurance and increased payments to the state retirement systems. Health insurance premiums are expected to cost an additional \$346,096 next year, while mandatory retirement contributions are expected to increase an additional \$280,572.



### Without these mandatory cost

increases, Canajoharie's proposed

2004-05 spending plan would have

decreased slightly from last year's

budget - instead of increasing

by 4.24 percent.

At this point, school officials can not project the actual tax rates that would result from the proposed 2004-05 budget, because the state budget has not yet been adopted. Thus, school districts across New York have had to estimate state aid revenues. Canajoharie's 2004-05 budget is based on Gov. Pataki's proposed state budget that he sent to legislators for consideration. The budget they adopt could be different.

Based on information available at press time, school officials are projecting local taxes will rise by no more than 7.9 percent. *(From 1992 to 2003, the district has averaged annual tax increases of 2.89 percent, including three years when there was no increase in taxes.)*

## Cost-cutting measures

To help minimize the impact on local taxes, the proposed budget does not include any additional spending for facilities maintenance, or for any program or staffing changes. In addition, the district expects to spend \$97,533 less for special education services next year because of changes in student enrollment.

The 2004-05 budget calls for offsetting some taxes by using \$93,000 of the \$123,000 the district received for sale of the old high school building. The remaining \$30,000 will be kept in a reserve for tax reduction fund for future years.

## Additional expenses

For the first time, the district's school lunch program will not be self-funding in 2004-05. Approximately \$44,000 will be needed from the district's general fund budget to pay for rising costs.

Also included in the budget is \$206,044 to purchase two new school buses and one van. This is part of the 10-year plan the district has followed for replacing older vehicles. State aid covers approximately 90 percent of these transportation costs.

**The annual budget vote for the 2005-06 fiscal year by the qualified voters of Canajoharie Central School District will be held at the high school on Tuesday, May 17, 2005, between the hours of noon and 9 p.m.**

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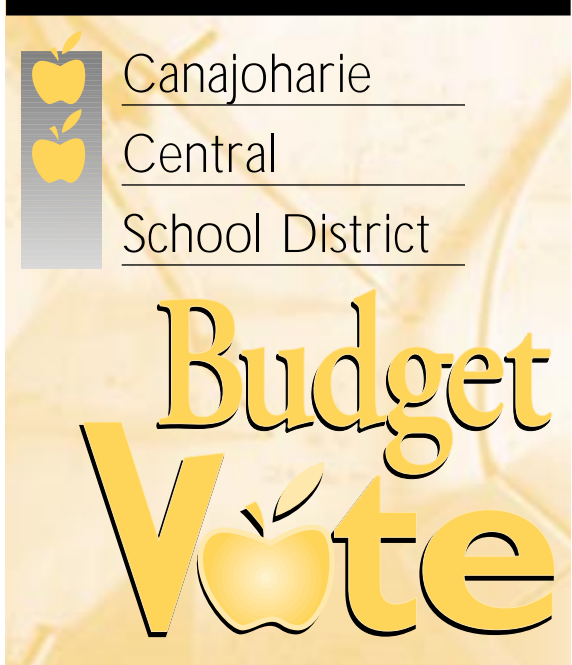


**To: Residents of the  
Canajoharie Central  
School District**

**REMEMBER TO VOTE  
ON TUESDAY, May 17th**  
Polls open 12 noon to 9 p.m.  
Canajoharie High School

**Voters will  
elect one  
school  
board  
member**

Incumbent Eric Trahan is being challenged by Carol Baile for a five-year term on the Canajoharie Board of Education.



**Tuesday, May 17th**

# Budget Vote

on Tuesday, May 17th

Residents of the Canajoharie Central School District will go to the polls on

Tuesday, May 17 to vote on next year's proposed school budget.

Voters will also elect a candidate to serve on the board of education.

Please take the time to read about the proposed school budget and vote on Tuesday, May 17.

Polls are open from noon to 9 p.m. in the lobby of the new high school.

By law, all voters must be U.S. citizens, age 18 or older and residents of the district for at

least 30 days prior to the vote.

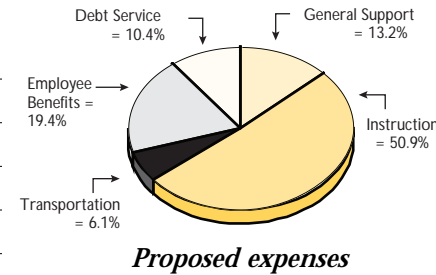
Advanced registration is not required.



## The budget at a glance

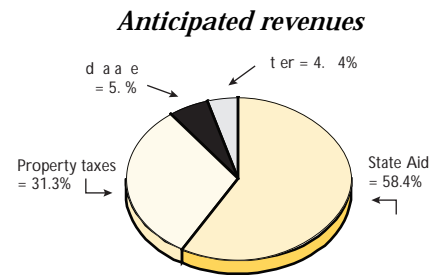
### EXPENDITURES

	2004-05 Budget	2005-06 Proposed Budget
General Support	\$2,004,701	\$xx
Instruction	7,760,331	xx
Pupil Transportation	929,349	xx
Employee Benefits	2,955,862	xx
Debt Service	1,585,402	xx
<b>TOTAL</b>	<b>15,235,645</b>	<b>\$xxx</b>



### REVENUES

	2004-05 Budget	2005-06 Proposed Budget
State Aid	\$8,899,223	\$xx
Property Taxes	4,772,524	xx
Fund Balance	898,042	xx
Other	665,856	xx
<b>TOTAL</b>	<b>\$15,235,645</b>	<b>\$xx</b>



**Required format**

School districts are required to provide information in the format below.

	Budget adopted for 2004-05	Budget proposed for 2005-06	Contingency budget for 2005-06
Total budgeted amount	\$15,235,645		\$14,815,141
Budget increase for 2005-06 school year	--	\$xxx	\$xx
Percentage increase	--	xx%	xx%
Consumer Price Index increase	--	2.70%	2.70%
Resulting estimated property tax levy for 2005-06	--	\$xx	\$xx
<b>BUDGETS ARE COMPRISED OF THREE PARTS:</b>			
Administrative component	\$1,367,291	\$xx	\$xx
Program component	10,777,518	xx	xx
Capital component	3,090,836	xx	xx

## What happens if voters don't approve the 2005-06 budget?

**Under state law, school boards can submit a budget to voters a maximum of two times.**

If the budget is defeated the first time, the Board of Education may adopt a contingency budget or it may put another budget up for public vote. If the budget is defeated by voters a second time, the board **must** adopt a contingency budget, which would put a cap on new spending. Based upon a formula, this year's spending cap is 3.24 percent. *(Some exclusions are allowed.)*

**If a contingency budget is adopted, the state's spending cap would be put in place.**

- Equipment purchases may be eliminated
- Non-school related use of buildings could be cut
- Transportation for non-league athletic events may be eliminated
- Some interscholastic sports programs and related transportation may be cut
- Additional instructional and non-instructional staff positions may be removed

**If a contingency budget is put in place, under state law there can be no more votes on a budget for this year.**

## Basic STAR Exemption Impact:

*Estimated Basic STAR Exemption savings based on a hypothetical home within the school district with a full value of \$100,000*

	Adopted Budget 2004-05	Proposed budget 2005-06
Basic STAR tax savings	\$600	\$600
School tax increase/decrease	\$9	\$9
Net Basic STAR tax savings	\$591	\$591