

Lakeland Central School District
Administration Building
1086 East Main Street
Shrub Oak, New York 10588

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TO: LAKELAND RESIDENT

SPECIAL 2014-2015 BUDGET EDITION

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FOCUS on LAKELAND

May 2014



Budget Goals

- Maintain district programs
- Be fiscally responsible
- Stay below state mandated tax cap levy
- Maintain appropriate class sizes and staffing
- Respect the district's taxpayers and the current economic climate

Programs Maintained; Districtwide Tax Levy Below NY State Tax Cap

The Lakeland Central School District Board of Education has approved a proposed 2014-2015 budget of \$161,174,165. This represents a 0.50% increase in the budget from the current school year's approved spending plan. The proposal also includes a district wide tax levy increase of 0.50%, the lowest increase in 17 years. This increase is below the state-mandated allowable tax levy increase (1.29%) for Lakeland.

The Board of Education and administration began public meetings on the budget in January and finished in April with the adoption of the budget by the board. As in previous years, the Board of Education and administration's goals were to balance the needs of our students with the fiscal responsibility to our community. Again this year, the process included a program-by-program budget review and continued cost-saving measures districtwide.

As the budget was developed, the Board of Education and administration sought to continue offering a full range of instructional, co-curricular, and extra-curricular opportunities to our students without reductions, while being mindful of the financial impact on our community. We believe we have accomplished this task.

This is the third year of the New York State imposed cap on tax levy increases for school districts' budgets. Here in Lakeland, we have, again, developed a budget this year that will keep the districtwide tax levy increase under our calculated tax cap.

The district also utilized \$2.1 million from its retirement fund reserve previously created to help meet any large changes in pension costs. Retirement and benefits costs were factors in the preparation of the new budget. The district also continues to work with its health insurance provider to reduce costs. Additionally, the district achieves savings annually through its participation in a cooperative bidding program for many of its purchases.

While the district did receive an increase in state aid for the coming school year, the total state aid received remains below levels from previous years. Other factors that continue to affect the preparation of the budget include: state, federal, and local code requirements, costs related to unfunded mandates, and utility cost increases.

Please remember to **VOTE on Tuesday, May 20, 2014**, at the Van Cortlandville Elementary School, Route 6, Mohegan Lake, from 7:00 a.m. to 9:00 p.m.

For more information on the budget or to see a line-by-line copy of the budget, go to our web site at www.lakelandschools.org

Sincerely,

Dr. George E. Stone
Superintendent of Schools

Elizabeth Kogler, President
Board of Education

What is the State Mandated Tax Cap?

The cap on tax levy increases, adopted in June 2011, continues this year. It places restrictions on how much school districts (and municipalities) may increase their districtwide tax levies. The actual amount is determined by each district according to a complex formula outlined in the state law, and can vary up or down from two percent.

Due to several factors in the state mandated formula, including the cost of living index, the allowable tax levy increase for Lakeland this year is 1.29%. Through careful budgeting, however, the district was able to keep the tax levy increase below that figure at 0.5%, the lowest in many years.

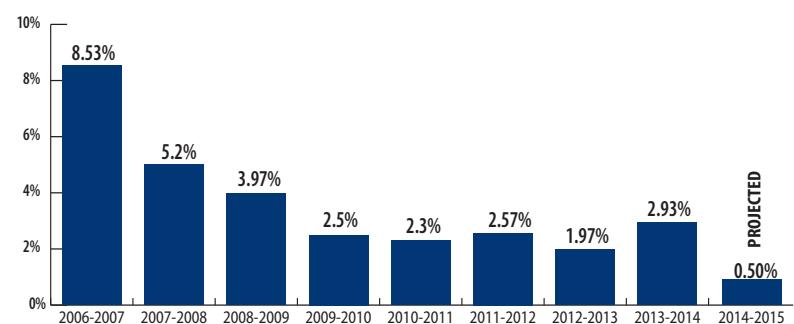
The law applies to the tax levy, not to individual town rates on tax bills. Tax bills combine a property's assessed value (as determined by the local town assessor) equalization rates (determined by the State) and the school tax levy in the calculation that determines the individual town tax rates. The equalization rates are designed to equally distribute the tax burden across municipalities within a district. Tax bills can also be affected by STAR or other exemptions.

A report by NYS Office of Real Property Tax Services reported that, although the tax rates varied between towns, tax bills for homeowners in each town, based upon the assessed value of the homes, were similar.

If a school budget is rejected by voters, a school district has the option of bringing the same or a revised budget up for a revote, or adopting a contingency budget.

If a proposed budget is defeated twice by voters, the district must adopt a contingency budget and the districtwide tax levy cannot exceed the current levy. In addition, certain existing contingent budget restrictions remain in effect that prohibit spending in specific areas including community use of buildings, the purchase of uniforms, certain salary increases and new equipment purchases. A contingency budget would require cuts of approximately \$600,000.

History of Districtwide Tax Levy Changes



TENTATIVE TAX RATES

The Lakeland Central School District Board of Education and Administration continue to focus their efforts to control increases in district expenses.

Tax assessments for Putnam County will not be finalized until August, so the District can only provide ESTIMATES of the town rates based on current information.

The following tax rate figures are tentative and actual rates may vary from those listed below.

Tentative Tax Rate Changes by Town

TOWN	2014-2015
Yorktown	2.5%
Cortlandt	-1.7%
Somers	0.6%
Carmel	2.3%
Philipstown	7.0%
Putnam Valley	4.0%

Lakeland Central School District Annual School District Budget • 2014-2015 School Year

The following information is included as required by New York State.

	Budget Adopted for the 2013-2014 School Year	Budget Proposed for the 2014-2015 School Year	Contingency Budget for 2014-15 School Year
Total Budgeted Amount	\$160,364,916	\$161,174,165	\$160,556,565
Increase/Decrease for the 2014-2015 school year		\$809,249	\$191,649
Percentage increase (decrease) in proposed budget		0.50%	0.12%
Change in the Consumer Price Index		1.46%	
Total Proposed School Year Tax Levy, Including Levy to Support Library Debt, if applicable	\$111,361,730	\$111,918,539	\$111,300,939
Total Permissible Exclusions	\$3,510,161	\$1,635,953	
A. Proposed School Year Tax Levy Not Including Levy for Permissible Exclusions or Levy to Support Library Debt (if applicable)	\$107,851,569	\$110,282,586	
B. School Tax Levy Limit, Not Including Levy for Permissible Exclusions	\$107,896,778	\$111,165,433	
Difference A-B (Positive Value Requires 60.0% Voter Approval)	\$(-45,209)	\$(-882,847)	
Administrative component	\$13,351,932	\$12,983,215	\$12,983,215
Program component	\$126,466,626	\$127,935,541	\$127,887,941
Capital component	\$20,546,358	\$20,255,409	\$19,685,409

* Assumptions made in projecting a contingency budget for the 2014-15 school year, should the proposed budget be defeated pursuant to Section 2023 of the Education Law twice.

Increase in Class Size Elimination of Interscholastic Sports Reduction in Transportation Services

Reduction in Instructional Program Elimination of Co-Curricular Activities, including clubs and trips

Elimination of Purchase of Supplies & Equipment Elimination of Improvements to Facilities

Estimated Basic STAR exemption savings¹: Under the Budget Proposed for the 2014-2015 School Year \$2,049

The annual budget vote for the fiscal year 2014-15 by the qualified voters of the Lakeland Central School District, Westchester and Putnam Counties, New York, will be held at Van Cortlandtville Elementary School in said district on Tuesday, May 20, 2014 between the hours of 7:00am and 9:00pm, prevailing time, at which time the polls will be opened to vote by voting ballot or machine.

¹ The basic school tax relief (STAR) exemption is authorized by section 425 of the Real Property Tax Law.

Lakeland Central School District Maintains Programs Districtwide

In developing the budget for 2014-15, the district sought to maintain all programs while always being mindful of the impact of the economy, expenses, and taxes on the residents of the district. In a process that began in January, all areas of the district were examined for efficiencies, changes, and/or reductions.

In 2014-15, the district will be able to maintain all programs while operating more efficiently in certain areas. Although no staffing reductions are being made, the district has reduced staffing by 14 positions during the past three years on all levels - administrative, teaching and support staff.

The budget maintains recommended class sizes and continues offering 20 Advanced Placement programs. It also continues the district's award-winning Science Research, music, art, and debate programs.

The district's commitment to technology and its use in the classroom remains a high priority with the use of SmartBoard, laptops and Ipads to enhance the education of our students.

The district's tutoring and mentoring programs provide opportunities for our students to receive additional assistance.

Existing middle and high school interscholastic and co-curricular programs will continue and all facilities and grounds will remain available for use by students and community groups without additional fees.

Lakeland also continues to work with its health insurance provider to reduce costs. Additionally, the district achieves savings annually through its participation in a cooperative bidding program for many of its purchases. In terms of benefits, many employees now contribute 15% of the cost of their health insurance while many new employees contribute 20%.

Employee bargaining units have also cooperatively assisted in keeping spending increases lower through their contract settlements.

As in past years, the district implemented a mid-year freeze on expenditures and overtime. Strict limitations continued to be placed on attendance at conferences, field trips, and equipment purchases.

**For more information on the budget,
go to the district web site,
www.lakelandschools.org**

Success Abounds in the Lakeland Central School District

- More than 150 students have been named National Merit Scholarship finalists, semi-finalists and commended students during the past twelve years. In 2014, two district students were named finalists in the prestigious competition.
- The Lakeland High School Field Hockey team won its fifth consecutive, and its eighth overall, New York State Field Hockey Championship.
- The Walter Panas High School Boys Basketball team won the Section One Championship and competed in the New York State Regional Tournament.
- Two district gymnasts and a bowler qualified for the NY State Championships in their sports.
- From 2013-2014, more than 25 teams from Lakeland and Walter Panas high schools were designated by New York State as scholar athlete award winners for achieving a team academic average of 90 or better.
- District students continue to be accepted and attend many of the country's leading

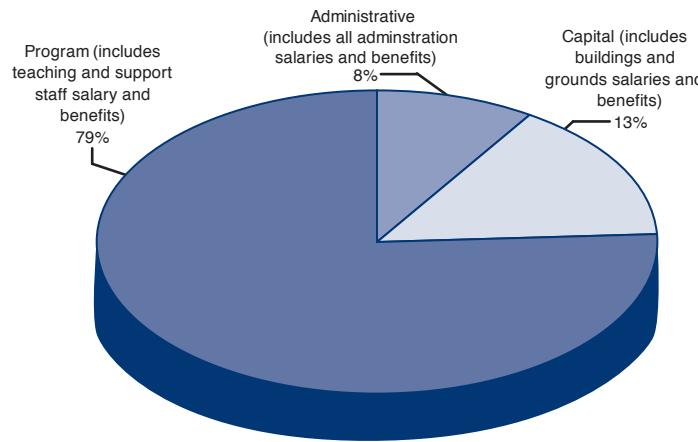
- colleges and universities including: American University, Carnegie Mellon University, Colgate University, Columbia University, Cornell University, Georgetown University, Harvard University, Johns Hopkins University, Massachusetts Institute of Technology, Princeton University, Rensselaer Polytechnic Institute, SUNY-Binghamton, and Yale University.
- Students at the middle school and high schools held successful blood drives throughout the year. Through student-run blood drives, the district continues to help collect urgently needed blood during the year, continuing a long-standing Lakeland tradition of giving.
- In 2014, the District continued its successful participation in the Destination Imagination Tournament as two elementary teams qualified for the Global Finals. In 2013, a team from Walter Panas HS finished fourth in the Global competition.
- In 2013, Lakeland Copper Beech Middle School was redesignated as a School to Watch. Through the Schools to Watch®

initiative, the National Forum identifies schools across the United States that are well on their way to meeting the Forum's criteria for high performance. The school was first selected in 2010.

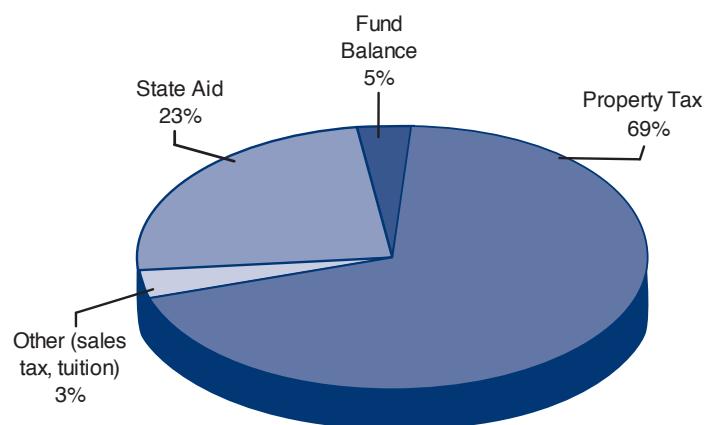
- District student musicians are recognized each year with both All State and Area All State designation in chorus, jazz band and orchestra.
- A Lakeland Copper Beech Middle School teacher has been named a semifinalist in the NY State Teacher of the Year competition.
- The District has an extensive sports program for special needs students with participation in the Pioneer League and Backyard Sports programs.
- The Districtwide Debate team continues the long-standing tradition of success with more than 79 awards earned in competitions throughout the country.



Proposed 2014-2015 Expenditures



Proposed 2014-2015 Revenues



PLEASE REMEMBER TO VOTE

SCHOOL BUDGET VOTE TUESDAY, MAY 20, 2014 Van Cortlandtville E.S., Route 6, Mohegan Lake

WHEN AND WHERE IS THE VOTE?

The Lakeland Board of Education will hold its 2014-2015 budget vote and school board trustee election on Tuesday, May 20, 2014, 7:00 a.m. – 9:00 p.m. at the Van Cortlandtville Elementary School, Route 6, Mohegan Lake.

WHO CAN VOTE?

To be eligible to vote in the school district, you must be:

- A citizen of the United States
- 18 years of age or older
- A Lakeland School District resident for at least 30 days
- Currently registered to vote

NOTE: If you are currently registered to vote in the general governmental elections, you can vote in the school district election.

PROPOSITIONS ON THE BALLOT

PROPOSITION #1 (Budget): RESOLVED, that the sum of \$161,174,165 shall be appropriated to meet the estimated expenditures for school purposes for the school year 2014-2015 and that the Board of Education be authorized to levy taxes to meet the same.

Proposition #2 (Bus Purchase): RESOLVED, that the Board of Education of the Lakeland Central School District of Shrub Oak, in the County of Westchester, New York (the "District"), is hereby authorized to purchase various vehicles and equipment for use by the District, and to expend therefor, including preliminary costs and costs incidental thereto and to the financing thereof, an amount not to exceed the estimated total cost of \$970,284.

THREE TRUSTEE POSITIONS OPEN

In addition to the propositions above voters will select members of the Board of Education. There are three, three-year terms open beginning July 1, 2014. The Board of Education is an unpaid, volunteer position. There are nine positions on the Lakeland Board of Education.

BUDGET QUESTIONS AND ANSWERS

Q: What are unfunded mandates and how do they impact the budget?

A: The state and federal government continue to legislate unfunded or underfunded mandates. An unfunded mandate occurs when the state or federal government passes legislation, but does not provide funding to pay for the new requirements. These requirements cover many areas in the budget and cost the district millions of dollars. Some of the areas include: testing and scoring, special education, auditing, staff development, monitoring for reports, staff development, transportation, and health, safety, and security.

Q: The Tax Cap is 1.29%, why did that change from last year's rate?

A: New York State legislation sets out a formula for determining the maximum allowable districtwide tax levy. This formula includes exempting a portion of pension costs as well as debt service.

Q: Is the STAR tax reduction plan still in effect?

A: Yes. The New York State Legislature has continued STAR (School Tax Relief Program) which provides a partial exemption from school property taxes. All New Yorkers who own their own homes are eligible for a STAR exemption on their primary residence.

Q: What is meant by a budget-to-budget increase, tax levy, and the tax rate?

A: Budget-to-budget is the amount that the budget increases or decreases from one year to the next. The tax levy is the amount of money that the district needs from local taxpayers to meet the demands of the budget. The tax rate is the amount that each household will pay per \$1,000 of assessed value. Individual town tax rates will vary according to assessments and equalization rates.

Q: What is the District's current financial condition?

A: The financial status of the district has improved during the past six years. Our fiscal condition has resulted in an improved Moody's Investment rating to Aa2, which is considered a good rating for a school district. The most recent independent financial audit provided the district with a positive report. Due to the efforts of the current administration and Board of Education, the district ended the 2013-2014 school year with adequate surplus and reserves to keep the district in excellent financial

shape. A number of financial audits by outside firms help ensure the district is appropriately collecting and expending public funds.

Q: What is a fund balance?

A: Fund balance is the net difference between the cost of running the district and the revenue we receive. When revenues are greater than expenditures, the balance is positive.

Q: Why is a fund balance needed?

A: Just as an individual or family sets aside money for unforeseen expenses, school districts must set aside sufficient funds to pay for emergency repairs or unexpected cost overruns in utilities, fuel and other items we cannot control or predict. Fund balance is also used to negate the impact of variations in state aid and to offset tax increases due to state or local factors.

Q: What happens if a budget is not passed on the first try?

A: The Lakeland School Board may put up a revised budget before the voters again in June or simply adopt a contingency budget. A second budget defeat would require the adoption of a contingency budget. Under the new "tax cap" legislation, a twice-defeated budget means districts must adopt a contingency budget with a tax levy not exceeding current year levels.

Q: What is the Bus Purchase Proposition?

A: The district is seeking to replace a number of high-mileage vehicles. The proposition would purchase three 29-passenger school buses, three 19-passenger vans, and six 66-passenger school buses. The vehicles being replaced are costly to maintain given their age and high mileage. The vans have between 130,000 and 145,000 miles while the full-sized buses have an average of 110,000 miles. The vehicles range in age from eight years (vans) to 10 years (buses). Also included is a boom lift for use by the Buildings and Grounds Department.

The total cost of this year's proposition will be \$970,284. Lakeland receives 57% state aid on the purchase of the school buses. However, there will be no cost in the 2014-2015 budget. The district did not purchase vehicles in the 2013-2014 school year.