

PROPOSITION NO. 1

2012-2013 Budget

The budget of \$37,432,575 for the Depew Union Free School District, Erie County, New York, for the fiscal year commencing July 1, 2012, and ending June 30, 2013 as presented by the Board of Education, is hereby approved and adopted and the required funds therefore are hereby appropriated and the necessary real property taxes required shall be raised by a tax on the taxable property in said District to be levied and collected as required by law.

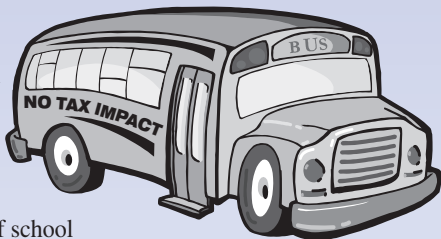
PROPOSITION NO. 2

Expenditure from Vehicle Purchase Reserve Fund

The Board of Education of the Depew Union Free School District shall be authorized to expend a total of \$380,338 from the District’s Vehicle Purchase Reserve Fund to purchase three 66-passenger school buses and one 28-passenger school bus with three wheelchair capacity to be used in the transportation program of the District, which is the cumulative net cost for the purchase of the four school buses after application of a \$15,100 allowance for the trade-in of seven existing school buses.

Vehicle Purchase Reserve Fund

You may be wondering why the District is stating that for the purchase of four school buses under Proposition No. 2 there will not be any impact on the taxpayer’s tax rate. The reason is, on May 19, 2009 voters approved the establishment of a Vehicle Purchase Reserve Fund, whereby, excess funds from that year’s budget were placed in reserve for the future purchase of school buses. This allows the District to make bus purchases that do not affect the amount of the current budget proposal or is part of the tax levy.



Reserve funds can be thought of as savings accounts for a specific purpose. Funds deposited into reserves may be used over a certain period of time in accordance with laws governing schools. One of the District’s budget goals was to plan for our future by finding ways to stabilize the current and future tax rate increases for our community in the years ahead. In tough economic times, these reserves can help offset some of the cost increases in certain areas. This particular Reserve must have the approval of the voters in order to be established and voters must approve each purchase made from the account.

The District also receives State Aid for these purchases in the following years. The State amortizes the cost over five years and that amount becomes part of the overall State Aid the District receives. Once received, these funds can then be placed back in our Reserve account to further support the bus expenditures for future years.



Voter Qualifications

- 18 years old
- U.S. resident
- Resident of the school district for a period of 30 days immediately prior to the vote date



Proposed Budget is Available

Copies of the District’s proposed budget are available in the District Office at 591 Terrace Blvd. For further information or questions, we encourage residents to call Business Administrator Susan Arena at 686-5110 or Superintendent Jeffrey Rabey at 686-5104.

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DEPEW UFSD
591 Terrace Boulevard
Depew, New York 14043

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Michael Fusani, Trustee
Patrick Law, Trustee
David Sheff, Trustee

Jeffrey R. Rabey
Superintendent of Schools

	Budget Adopted for the 2011-12 School Year	Budget Proposed for the 2012-13 School Year	Contingency Budget for the 2012-13 School Year*
Total Budgeted Amount without Buses	\$37,872,147	\$37,432,575	\$37,158,242
Decrease for the 2012-13 school year		<\$439,572>	<\$713,905>
Percentage of decrease in each proposed budget		<1.16%>	<1.89%>
Change in the consumer price index		3.2%	
School Tax Levy Limit		\$16,166,549	
Proposed School Year Tax Levy (without permissible exclusions to the Tax Levy Limit)		\$16,017,383	\$15,836,104
Total Permissible Exclusions		\$93,054	
Proposed School Year Tax Levy (including permissible exclusions to the Tax Levy Limit)	\$15,836,104	\$16,110,437	\$15,836,104
Administrative component	\$4,090,582	\$4,256,271	\$4,164,334
Program component	\$26,738,321	\$27,125,295	\$26,956,599
Capital component	\$7,043,244	\$6,051,009	\$6,037,309
*The proposed 2012-13 budget is currently below the District's calculated Tax Levy Cap, thereby, needing approval of a simple majority of voters (50% plus 1). If the District had to enact a Contingency Budget, an additional \$274,333 of budget cuts would be needed.			

Depew Union Free School District
Budget Notice
Overall Budget Proposal

Estimated Basic STAR Exemption Savings¹	Budget Proposed for the 2012-13 School Year
	\$627

The annual budget vote for the fiscal year 2012-13 by the qualified voters of the Depew Union Free School District, Erie County, New York, will be held at Cayuga Heights Elementary School in said district on Tuesday, May 15, 2012 between the hours of 12:00 p.m. and 9 p.m., prevailing time in the Cayuga Heights Elementary School, at which time the polls will be opened to vote by voting ballot or machine.

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

Depew Union Free School District

District Newsletter



Budget Newsletter 2012

Budget Vote & Election

Tuesday • May 15, 2012
Noon - 9 p.m.

Cayuga Heights
Elementary School
1780 Como Park Blvd.
Depew, NY 14043

Message from the Superintendent



Through these uncertain times, more than ever, the commitment of the Depew Union Free School District is to provide the Depew School-Community with the necessary information needed to make an informed decision on Tuesday, May 15, 2012, when voting will take place in the Library at the Cayuga Heights Elementary School.

The proposed budget balances the needs of both the taxpayers of the Depew School-Community and our children through the maintenance of a quality educational program and at the same time, demonstrates current and future fiscal responsibility.

As this budget was developed there were several critical factors that impacted its creation, most importantly was the significant reduction of \$930,509 in Federal and State Aid (\$82,066 in State aid and \$848,443 in Federal Jobs Money) and the newly enacted Tax Levy Cap. Several adjustments needed to be made to the initial budget proposal in order to bring a responsible budget to the Depew School-Community. The adjustments included \$603,876 in reductions to the budget plan and the responsible utilization of an additional \$169,068 from the fund balance and reserves, which is a 6.08% increase from the previous year.

The proposed 2012-2013 school budget includes a reduction in spending of 1.16% from last year’s school budget, for a total budget of \$37,432,575, resulting in a 1.73% tax levy increase, which is under the mandated tax levy cap, with exemptions, of 2.67%.

This fiscal plan upholds the goals of the Board of Education and maintains the current elementary class sizes on the average of 20 to 24; continues to support last year’s redeployment plan, which directly addresses our achievement and graduation rate goals; continues the implementation of the regular instructional program; maintains current transportation services; maintains current student support programs, specifically providing literacy support, mandated Academic Intervention Services and counseling services. Furthermore, it maintains the current interscholastic athletic and current co-curricular programs; the availability of the facilities for community use and appropriates well-planned reserves to address significant reductions in Federal and State Aid, while still considering the District’s fiscal future.

If the budget vote is unsuccessful on May 15, the Board of Education may choose to adopt a revised budget, which would then go to the voters for a second vote. If, however, the budget is defeated a second time, the District would be forced to implement a contingency budget, which would force a further reduction of \$274,333 and thus impact all new classroom equipment in the proposed budget, salary increases for non-unionized employees and the prohibition of facility use by the public without full reimbursement of expenses to the District.

This responsible budget plan preserves the instructional program during a time of fiscal crisis and I now hope that you can make an informed decision on May 15.

Sincerely,

Jeffrey R. Rabey
Superintendent

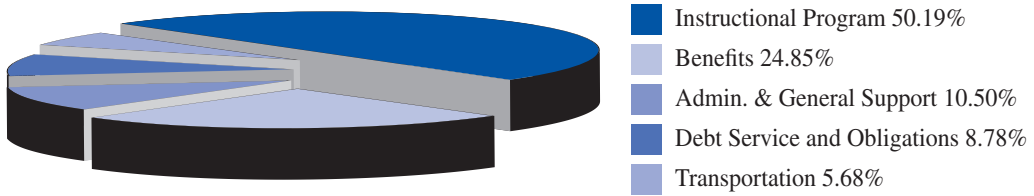


Click the Budget icon at www.depewschools.org for more information on the budget and election.

Budget Revenues and Expenditures

Budgeted Expenditures

	Current 2011-12	Proposed 2012-13	Dollar Change
Administration & General Support	\$3,961,653	\$3,932,056	-\$29,597
Instructional	\$18,814,940	\$18,780,257	-\$34,683
Transportation	\$2,082,728	\$2,127,412	\$44,684
Benefits	\$8,778,233	\$9,304,923	\$526,690
Debt Service	\$4,234,593	\$3,287,927	-\$946,666
Total	\$37,872,147	\$37,432,575	-\$439,572



Expenditure Highlights

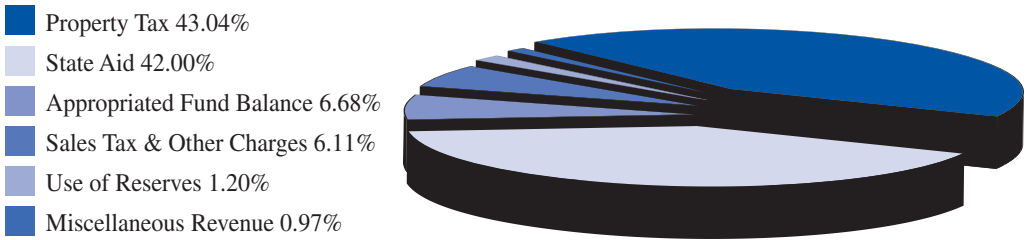
Programs preserved: The presented budget maintains all music programs including fourth-grade music, elementary gifted and talented program, all extra-curricular clubs and activities, T.O. S. A. literacy coach, after-school bus runs, department and grade level chairpersons, educational professional development, and intramural programs. We were also able to preserve the District’s redeployment plan set forth in our 2011-12 budget which includes: elementary math remediation, at-risk school counselor 7-12, elementary keyboarding, high school literacy support and elementary school counselors.

Concessions made: A total of 6.5 positions have been cut in the proposed budget. The effect of these cuts were elementary sixth-grade average class size up to 24, elementary fifth-grade average class size up to 23, a reduction of .5 position in elementary music to incorporate the state-mandated physical education requirements, average high school science classes up to 23, reduction of 1.0 in high school mathematics and utilization of other teachers to cover the Academic Achievement Center, high school English language arts average class sizes up to 18, middle/high school languages other than English and English as a second language class sizes up to 21 and a .5 clerical reduction in the high school attendance office.

These reductions are in line with right-sizing our classrooms due to our decline in student population.

Budgeted Revenues

	Current 2011-12	Proposed 2012-13	Dollar Change
State Aid	\$15,908,800	\$15,722,595	-\$186,205
Sales Tax & Other Charges	\$2,162,500	\$2,287,925	\$125,425
Appropriated Fund Balance	\$2,600,000	\$2,500,000	-\$100,000
Use of Reserves	\$180,000	\$449,068	\$269,068
Miscellaneous Revenue	\$1,184,743	\$362,550	-\$822,193
Tax Levy	\$15,836,104	\$16,110,437	\$274,333
Total	\$37,872,147	\$37,432,575	-\$439,572



Revenue Highlights

- Overall, the District’s total State Aid is still \$930,509 less than last year, mainly due to the loss of Federal Jobs Fund monies. In the Governor’s final budget, we receive an increase of \$272,932 from the previous state aid projections. At this time, we are planning to use half of the additional state aid to lower our tax levy further, thus resulting in a lower tax rate to our community. The remaining state aid will be used to lower the amount of reserves needed for the 2012-13 budgeted revenues.
- 2012-13 is the first year of the new Tax Cap. The initial calculation of Depew UFSD Tax Cap showed our allowable tax levy increase to be 2.67%. Through tough budgetary decisions, we initially reduced the budget to include a tax levy increase of 2.63%. Now with the infusion of additional state aid, half of those funds will be used to lower the proposed levy and tax rate further. We are now proposing a 2012-13 tax levy increase of 1.73%, totalling \$16,110,437.

A Rich History of Fiscal Responsibility

TAX LEVY

School Year	2008-09	2009-10	2010-11	2011-12	2012-13 Est.
Tax Levy	\$14,932,054	\$15,015,413	\$15,386,844	\$15,836,104	\$16,110,437
Dollar Change	\$215,591	\$83,359	\$371,431	\$449,260	374,333
Percent Change	1.46%	0.56%	2.47%	2.92%	1.73%

BUDGET

School Year	2008-09	2009-10	2010-11	2011-12	2012-13 Est.
Budget	\$36,500,083	\$39,114,740	\$37,790,309	\$37,872,147	\$37,432,575
Dollar Change	\$215,591	\$2,614,657	(\$1,324,431)	\$81,838	(\$439,572)
Percent Change	1.46%	7.16%	-3.39%	0.22%	-1.16%

TAX RATE (per thousand of assessed valuation)

School Year	2008-09	2009-10	2010-11	2011-12	2012-13 Est.
Cheektowaga	\$ 32.08	\$31.85	\$32.66	\$33.06	\$33.98
	0.00%	-0.72%	2.54%	1.22%	2.82%
Lancaster	\$21.39	\$21.47	\$20.25	\$20.50	\$21.07
	2.84%	0.37%	-5.68%	1.23%	2.82%

Estimated Dollar Change in Homeowners Tax Bill

\$55.94
Cheektowaga

34.68
Lancaster

(Based on \$60,000 assessed valuation)

The formula to calculate a school tax bill is on the budget web pages at www.depewschools.org.

Factors that Alter Tax Rates & Why

There are several factors that dictate how an individual’s school tax bill is calculated after a school district sets the final tax levy—none of which are within the district’s control. (This calculation process did not change under New York’s property tax cap law.)

Assessment Totals:

Tax bills continue to be calculated by using a property’s assessed value (as determined by the local town assessor) and the tax rate—or the amount paid in taxes per \$1,000 of assessed value.

Equalization Rates:

Tax rates are not solely determined by the tax levy approved by voters; they are often adjusted by the state using equalization rates, designed to equally distribute the tax burden across municipalities within a district. Tax bills can also be affected by STAR or other exemptions for which individual taxpayers may qualify. The equalization rate for Lancaster is 100% and for Cheektowaga, 62%.

The actual tax rate will not be finalized until August 2012.

Understanding the Tax Levy Cap

With the implementation of the State’s Tax Levy Cap came a lot of new terminology and questions on how school districts are to calculate the amount. It may surprise you to learn that each school district in the state will present three different tax levy numbers, as part of their compliance with the new legislation, on the School Budget Notice located on the back page.

The following is a list of questions and answers to explain the new tax levy terminology.

What is the Tax Levy Limit?

Essentially, the tax levy limit tells a school district how much community support it will need to pass a budget with its proposed tax levy. For school districts, the tax levy limit is the highest allowable tax levy (tax levy plus certain exclusions) that a school district can propose as part of its annual budget and need the approval of only a simple majority of voters (50% plus 1) to pass the budget. If a district proposes a budget with a tax levy amount above this limit, it will need the approval of a super majority of voters (60%) to pass the budget. Depew’s 2012-13 proposed budget is under the allowable tax cap which means a simple majority of voters (50% plus 1) is needed to approve the budget. For Depew, the tax levy limit is \$16,166,549.

What are the Permissible Exclusions?

The maximum allowable tax levy is the tax levy limit PLUS certain exclusions. Taxes levied to fund the following expenses are then included in the tax levy limit:

- Voter-approved local capital expenditures. (For Depew = \$69,298)
- Increases in the state-mandated employer contribution rates for teacher and employee pension systems that exceed two percentage points. (For Depew = \$23,756)
- Court orders/judgments resulting from tort actions of any amount that exceeds 5% of a district’s current levy. (For Depew = \$0)

A school district adds these exclusions to its tax levy limit without triggering the need for 60% voter approval. For Depew the permissible exclusions that can be added to the tax levy limit is \$93,054.

What is the Proposed Tax Levy?

The third tax levy number is arguably the most important. It’s the tax levy called for by a school district’s proposed budget. By definition, the tax levy is the total amount of money to be raised locally by a municipality (i.e., school district) after factoring in all other available revenues.

If a school district’s proposed tax levy minus exclusions is less than or equal to the district’s calculated tax levy limit, the district will need the approval of a simple majority of voters to pass its budget. If the proposed tax levy minus exclusions is greater than the district’s calculated tax levy limit, 60% voter approval is needed.

For Depew: Tax levy limit of \$16,166,549. Proposed levy of \$16,110,437 less exclusions of \$93,054 equals \$16,017,383 (which is less than the tax levy limit) so a simple majority of votes is needed to pass the budget.

FOR MORE INFORMATION ON TAX LEVY CAP, VISIT WWW.DEPEWSCHOOLS.ORG.

Does the new tax cap law mean school tax levies can’t increase by more than 2 percent?

No, the law does not prohibit tax levy increases greater than 2 percent. Despite how it’s been described by some politicians and the media, the legislation signed into law in June requires every district to calculate its own “tax levy limit.” Two percent (or the rate of inflation, if less) is just one of eight factors in this complicated calculation. The law also establishes a higher threshold of voter approval for a budget to pass if a district’s proposed tax levy increase (before exemptions outlined in the law) exceeds its individual “tax levy limit.”

How is the “tax levy limit” determined for school districts?

The law dictates an eight-step formula that each school district must use to calculate its individual “tax levy limit.” In particular, 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).

Is the public still voting on school district budgets?

Yes, school district residents will still vote on a proposed budget on May 15, 2012.

What happens if the budget is not approved by voters?

If a proposed budget is not approved by voters, a school district—as in the past—has the option of putting the same or a revised budget up for a revote, or adopting a contingent budget. If a proposed budget is defeated twice by voters, a district must adopt a contingent budget. Certain existing contingent budget requirements remain in effect that prohibit spending in specific areas including community use of buildings, certain salary increases and new equipment purchases. More significantly, under the new law, a district that adopts a contingent budget may not increase its current tax levy by any amount. For Depew, a contingency budget would require additional cuts of \$274,333 which would affect student programs. Also, under a contingency budget there would be no community use of our facilities without full reimbursement of building and personnel expenses.