

P.O. Box 387
Katonah, NY 10536

Board of Education

Charles Day, *President*
Marjorie Schiff, *Vice President*
Janet Harckham
Jeff Holbrook
Richard Stone
Stephanie Tobin
Peter Treyz
Jacob Goldstein, *Student Representative*

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Voter Information

Budget Vote and Board of Education Election: May 20, 2014, 6 a.m.-9 p.m.

- Increase Miller Elementary School
- Katonah Elementary School
- Lewisboro Elementary School
- Meadow Pond Elementary School

Election of two school board members

Voter Qualifications:

An individual must:

- Be a U.S. citizen, 18 years of age or older; and
- Have resided in the School District for 30 days preceding the day of the vote.

Voter Registration

Individuals may register at any of the schools in the District or in the District Office between the hours of 9 a.m.-3 p.m. on regular school/business days. Registration is open through Thursday, May 15, 2014. All voters registered with Westchester County are automatically registered with the school district. A special registration will take place at the District Office on Saturday, May 10, 2014 between the hours of 9 a.m.-3 p.m.

Absentee Ballots

Absentee ballots are permitted in all school board elections and/or referenda. Absentee ballots may be cast by a qualified voter who is:

- A patient in a hospital or who is unable to vote because of illness or physical disability.
- Out of the county of residence on election day because of business, vacation, or studies.

A two-page application form can be obtained from the District Clerk or each school building secretary, and may also be downloaded from the School District website, www.klschooldistrict.org, and returned to the District Clerk.

Applications, if they are mailed, must be received by the District Clerk by Tuesday, May 13, 2014. Applications, if delivered personally, must be received by the District Clerk no later than 5 p.m. on Monday, May 19, 2014. Once the District Clerk receives the application, an absentee ballot will be mailed to the address specified on the application. Absentee ballots must be received by the District Clerk no later than 5 p.m. on Tuesday, May 20, 2014.

Additional Information

For additional information, please contact Kimberly Monzon, District Clerk, at 763-7020 or by email at kmonzon@klschools.org



Proposed Budget *highlights*

✓ Spending and Tax Levy **DECREASE**

The proposed budget results in a spending **decrease** of nearly \$3.72 million from the current budget and a tax levy that is \$5.7 million **BELOW** the calculated tax levy cap. This extraordinary and unprecedented level of spending and tax reduction occurred due to three primary initiatives: significant changes in all labor contracts, which includes significant savings due to the transition to a premium-based health insurance plan; staff attrition; and the closure of Lewisboro Elementary School. The budget will also utilize \$2.7 million in fund balance and \$750,000 in reserves to offset the tax levy, as it has in the current school year.

✓ Full-Day Kindergarten

This budget includes funds to transition from half-day to full-day kindergarten. Up to nine sections of full-day kindergarten are anticipated to accommodate the projected enrollment.

✓ Preservation of Programs and Class Sizes

While many school districts in New York State are being forced to make significant cuts, this budget does not necessitate significant program reductions. Programs and courses will be maintained.

Budget:
\$111,162,832

Budget-to-budget change:
3.24% DECREASE

Tax levy:
\$98,960,110

Taxy Levy Change:
3.72% DECREASE

Budget Vote and School Board Election

Tuesday May 20, 6 a.m.-9 p.m. at your local elementary school

A MESSAGE FROM *Your BOE President*

Dear Katonah-Lewisboro Community Members,

The Board of Education is pleased to report that the proposed 2014-15 budget reflects the first budget-to-budget decrease in over 25 years. This will result in significantly decreased spending and a decrease in the tax levy this year.

Constraints imposed by the tax cap as well as costly unfunded mandates have placed public school districts in a precarious financial situation. Against this backdrop we are doing more than saving taxpayers money – we are refining our priorities and actually enhancing our educational program.

The proposed budget reflects the diligent efforts and determination of the Board of Education and Administration in finding efficiencies that do not impact programs. Many public school districts are at or nearing the point of seeking a tax cap override, and we have done everything possible to avoid that path. After careful consideration of our options, this budget alleviates the tax burden and increases opportunities for our children.

As explained further in this publication, the budget decrease was attained through significant savings realized in the new teachers' contract, redistricting with the closure of Lewisboro Elementary School, continued attrition related to the decreasing enrollment,

and transitioning health care plans. The resulting tax levy is actually \$5.7 million lower than the District's calculated limit.

While this budget sustains class sizes and existing programs, it also includes the implementation of full-day kindergarten. We are enthusiastic about the prospect of enhancing learning for our kindergarteners and building the framework for achievement in the later grades. Additionally, the two 'no tax impact' propositions that are described below will enable us to maintain sufficient facilities and resources for our students.

We appreciate the efforts of our administrators and staff, who helped to identify possibilities within this budget, and whose dedicated efforts support the District's students every day. We also thank members of the community who have shared input throughout the year. Your support has helped to make the District one to be proud of.

Sincerely,

Charles Day

Katonah-Lewisboro Board of Education President

Propositions 2 & 3

NO FINANCIAL IMPACT TO TAXPAYERS

The recommended budget includes two additional propositions (the budget is the first). Propositions #2 and #3 both call for transfers from the District's general fund and would have NO IMPACT ON TAXES if approved.

Proposition #2: Bus replacement

The Board and District seek the community's approval to transfer \$872,500 from the general fund to the capital fund for the purchase of five 75-passenger school buses, one wheelchair-accessible van, and a 4x4 utility vehicle. These are replacement buses, not additions. This proposition is part of the District's ongoing bus replacement schedule which is necessary as many of the buses have outlived their useful lives.

Proposition #3: Track and Field replacement

This proposition calls for the transfer of \$1,620,000 from the general fund to the capital fund for the replacement of the turf field at the John Jay campus as well as renovation/replacement of the school's track and storm drainage system. The aging field (pictured, right) and track (pictured, left) have gone through their life cycles; due to wear and tear, turf fields typically last approximately eight years. Through consistent patching and care, the contest field has far surpassed this, having lasted for 11 years. The track is approximately 18 years old, and cracks in the foundation have led to grass growing through in certain areas, as well as water between layers, making the surface slick at times. The time has come to replace both in order to provide adequate and safe athletic facilities for students and teams. The storm drainage work is required by the State.



Questions & Answers

What does the proposed budget include?

In addition to maintaining and in some cases enhancing current programs and courses, the proposed 2014-15 budget includes the transition from half-day kindergarten to full-day kindergarten as well as preservation of desirable class sizes and increased staffing where necessary. The approval of two additional propositions explained on page 2 of this publication would allow for turf field and track replacement, as well as bus replacements, through the transfer of funds with no impact to taxpayers.

How was a decrease made possible?

Several efficiencies were made in order to achieve a budget-to-budget decrease. The District's transition from a self-funded health insurance plan to one that is premium-based accounts for the greatest amount of savings, reducing expenses by more than \$3.4 million. The closure of Lewisboro Elementary School, as well as continued attrition associated with declining student enrollment, also significantly lowered costs.

What is the tax levy, what is the tax levy cap, and what does the tax freeze mean for our District?

The estimated tax levy in the proposed 2014-15 budget is \$98,960,110 which represents a 3.72% **DECREASE** from the current year's tax levy of \$102,781,072. This is also \$5.7 million **LOWER** than the District's 2014-15 calculated tax cap limit of \$104,633,938. Although the tax levy will actually decrease, STAR-eligible District homeowners will still be eligible for the new NYS-adopted Tax Freeze Credit. It is our understanding that this credit will be equal to the homeowner's prior year school taxes multiplied by the allowable levy growth factor - which for school districts this year is 1.46%. NYS will issue all credits directly to eligible property owners.

What are the major budget drivers? Retirement system costs continue to comprise over 9.4% of the entire budget. Other significant budget drivers include debt service, special education out-of-district placements, and NYS mandated intervention services for students.

What happens if the budget is not approved by voters?

If the budget is defeated, the District may present the budget to the voters for reconsideration in June in the same or amended (lower/higher) form. If the Board of Education does decide to place the budget before the community a second time and if it is defeated both times (or after the first defeat in the event the Board decides not to place the budget before the voters a second time), the Board of Education must adopt a "contingent" budget. Based upon prior opinions of the State Education Department, a "contingent budget" would be calculated by subtracting "non-contingent" items from the last proposed and defeated budget.

If the community did not approve the budget proposed for consideration on May 20, 2014, and the Board of Education decided to immediately adopt a "contingent" budget, rather than placing the same or amended budget before the voters for reconsideration in June, the following "non-contingent" items would need to be removed from the budget proposed on May 20, 2014:

- Funds budgeted to support community use of facilities - recreational basketball currently charged no fee for use of facilities
- Equipment purchases of a non-health and/or safety nature - including full day kindergarten equipment
- Certain salary increases for non-unionized staff
- Funds utilized to make capital improvements

See "Budget Notice Katonah Lewisboro School District" located on page 6 of this document for additional information.

Are there any Board seats up for election?

Yes, there are two seats up for election this year; those of Board members Charles Day and Janet Harckham.

Full-Day Kindergarten: Supporting Early Instruction

Full-day kindergarten will support the District's academic program and provide students with an enriching early learning experience that promotes exploration and personal growth while addressing the Common Core Learning Standards. With higher academic demands being placed on students throughout the state, the District believes that the transition to full-day kindergarten will be beneficial to children, better preparing them for the years ahead. Students will learn the fundamentals of literacy, math, and science concepts; develop analytical and critical thinking skills; and experience art, physical education, and library media in various settings. Up to nine sections of full-day kindergarten are anticipated to accommodate the projected enrollment.



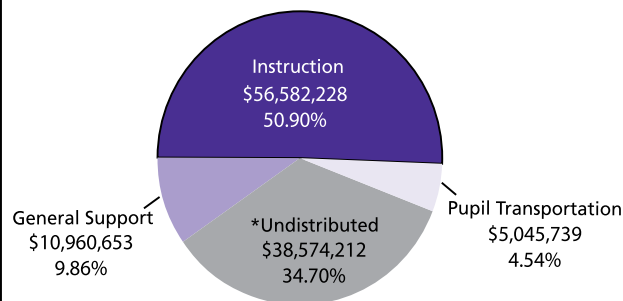
Tax Rate Projection Summary

| | BUDGET 2013-14 | PROPOSED BUDGET 2014-15 | DOLLAR DIFFERENCE | % CHANGE FROM PREVIOUS YEAR |
|--|----------------------|-------------------------------|----------------------|---|
| TOTAL EXPENDITURES | \$114,879,543 | \$111,162,832 | \$(3,716,711) | -3.24% |
| TOTAL REVENUE OTHER THAN PROPERTY TAXES | \$12,098,471 | \$12,202,722 | \$104,251 | 0.86% |
| AMOUNT TO BE RAISED BY TAX LEVY | \$102,781,072 | \$98,960,110 | \$(3,820,962) | -3.72% |

| Tax Rates | 2013-14 Rate/\$1,000 of Assessed Value | 2014-15 Estimated Rate/\$1,000 of Assessed Value | % Change from previous year |
|--------------------|--|--|--------------------------------|
| Bedford | \$218.2198 | \$193.3607 | -11.39% |
| Lewisboro | \$200.5515 | \$203.8880 | 1.66% |
| North Salem | \$210.2493 | \$198.5726 | -5.55% |
| Pound Ridge | \$126.7753 | \$120.7712 | -4.74% |

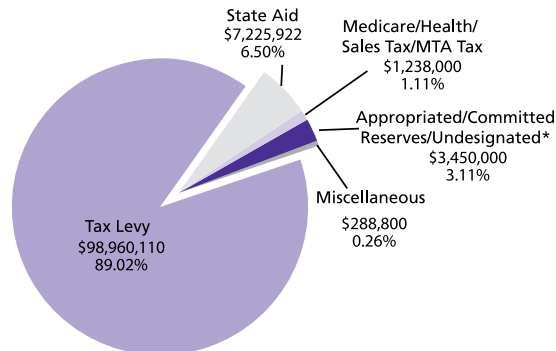
PROPOSED EXPENDITURE BUDGET

\$111,162,832



* The term "Undistributed" is used in General Municipal Law to categorize expenses such as benefits, debt service, and interfund transfers that are not distributed to specific educational programs.

PROPOSED REVENUE BUDGET



* The term "Undesignated" is used in General Municipal Law to categorize expenses such as benefits, debt service, and interfund transfers that are not distributed to specific educational programs.

Budget Notice Katonah-Lewisboro School District

Overall Budget Proposal

| | Budget Adopted for the 2013-14 School Year | Budget Proposed for the 2014-15 School Year | Contingency Budget for the 2014-15 School Year |
|---|---|--|---|
| Total Budgeted Amount , Not Including Separate Proposition | \$114,879,543 | \$111,162,832 | \$110,345,491 |
| Increase/Decrease for the 2013-14 school year | | \$(3,716,711) | \$(4,534,052) |
| Percentage Increase/Decrease in Proposed Budget | | -3.24% | -3.95% |
| Change in the Consumer Price Index | | 1.46% | |
| Total Proposed School Year Tax Levy, Including Levy to Support Library Debt, if applicable | \$ 102,781,072 | \$ 98,960,110 | \$ 98,142,769 |
| Total Permissible Exclusions | \$ 6,290,765 | \$ 5,454,313 | |
| A. Proposed School Year Tax Levy, Not Including Levy for Permissible Exclusions or Levy to Support Library Debt | \$ 96,490,307 | \$ 93,505,797 | |
| B. School Tax Levy Limit, Not Including Levy for Permissible Exclusions | \$ 96,882,564 | \$ 99,205,014 | |
| Difference: A - B (Positive Value Requires 60.0% Voter Approval - See Note Below Regarding Separate Propositions) | \$ (392,257) | \$ (5,699,217) | |
| Administrative component | \$ 13,744,643 | \$ 13,002,217 | \$ 12,989,002 |
| Program component | \$ 84,782,469 | \$ 81,834,905 | \$ 81,667,186 |
| Capital component | \$ 16,352,431 | \$ 16,325,710 | \$ 15,689,303 |

* Assuming "revenues other than tax levy," remain as presented in the original budget, a contingent budget would require \$817,341 of reductions to the general fund budget. This would necessitate elimination of the following: \$17,000 for community use of facilities, \$178,055 for instructional, operations and maintenance, and transportation equipment purchases, \$22,286 of budgeted salary adjustments and \$600,000 for reductions to budgeted capital expenditures. If necessary, the actual cuts to the proposed budget in the amount of \$817,341 would be made by the Administration and the Board of Education pursuant to Section 2023 of Education Law.

| Description | Amount |
|--|-------------|
| Bus Replacement Proposition #2 (to be funded through use of surplus) – replacement of 5 large buses and one wheelchair accessible van and one utility vehicle | \$ 872,500 |
| Track and Field Replacement #3 (to be funded through use of surplus) – replacement of turf field at John Jay High School and renovate/replace the track at John Jay High School. Includes renovation of the storm drainage system. | \$1,620,000 |

Under the Budget Proposed for the 2014-15 School Year

Estimated Basic STAR Exemption Savings¹

\$ 1,641

The annual budget vote for the fiscal year 2014-2015 by the qualified voters of the Katonah Lewisboro Union Free School District, Westchester County, New York, will be held at each of the District's four elementary schools in said District on Tuesday, May 20, 2014 at between the hours of 6:00 am and 9:00 pm, 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.

Points of Pride:

Highlights from the 2013-14 School Year

John Jay High School hosted the Westchester Rockland – Junior Science and Humanities Symposium, where students competed in presentations of their research.

Increase Miller Elementary School students experienced a workshop focusing on disability awareness during the school's annual "Differences Day" event. The goal was to help develop positive attitudes and foster tolerance and compassion for people with differences.

The John Jay High School Theater Workshop presented "Rent" as its spring musical. The fall drama included two full-length, one-act plays: Tom Stoppard's "The Real Inspector Hound" and Eugene Ionesco's "The Bald Soprano." John Jay Middle School students performed James W. Rodgers' "It's a Wonderful Life" in the fall.

The John Jay Middle School MathCounts team went to the regional chapter competition, where they placed second out of 19 schools and qualified for the state competition. One student additionally won the countdown quizzing round against 12 competitors.

Katonah Elementary School celebrated the 100th day of school with a number of events and activities centered around the number 100. Students visited centers featuring the 100 theme as it relates to a variety of educational subject areas.

John Jay High School's select vocal jazz ensemble placed third out of 17 groups in their division at the Berklee High School Jazz Festival. Thirty-eight students represented the school and performed three pieces.



John Jay High School's Model U.N. team traveled to the University of Pennsylvania for one of the most challenging competitions in the nation. Two of the team's partnership pairs and one individual student earned awards.

Lewisboro Elementary School made the alphabet fun for kindergarteners, explaining the connection between "Q" and "U" by marrying the two letters in a special event that helped children understand and remember the common letter pairing.

John Jay High School and John Jay Middle School were named Reward Schools by the New York State Education Department based on their ability to make yearly progress.

Seventeen John Jay Middle School students earned awards at the school's annual Science Fair, where they featured their projects.

Three John Jay High School students were recognized as National Merit Semifinalists. Two students who were distinguished as National Hispanic Recognition Program Scholars, one was named a National Achievement Program Scholar, and eleven students were named National Merit Commended Students. All of these honors were based on the students' impressive PSAT/NMSQT scores.

Children's author Laurence Pringle visited and inspired the students at Meadow Pond Elementary School. After discussing his books and the writing process, the author asked the students to write their own lead sentences of a non-fiction piece.

John Jay High School students received several recognitions in the Scholastic Art Awards regional competition, including two Silver Key Awards and one Gold Key Award.

John Jay High School students were featured in a number of art and photography shows. One student's drawing won an award at Concordia College's StArt 2014 Regional High School Art Exhibition, and four students won awards at the Lewisboro Land Trust photography show.

Members of the John Jay High School Student Activities Council led a 26 Acts of Kindness Campaign in honor of those who lost their lives in the Newtown, Connecticut tragedy.

John Jay High School honored 10 students for going above and beyond in demonstrating good character during the bi-annual Student of the Semester Breakfast.

2014-15 EXPENDITURE CHART

| ITEM | BUDGET 2013-14 | PROPOSED BUDGET 2014-15 | DOLLAR DIFFERENCE | % DIFFERENCE | % OF TOTAL BUDGET |
|--|----------------------|----------------------------|----------------------|-----------------|----------------------|
| Board of Education | \$67,434 | \$99,960 | \$32,526 | 48.23% | 0.09% |
| District Clerk & Voting | \$58,758 | \$61,568 | \$2,810 | 4.78% | 0.06% |
| Central Administration | \$412,397 | \$416,264 | \$3,867 | 0.94% | 0.37% |
| Finance | \$1,064,001 | \$1,024,477 | \$(39,524) | -3.71% | 0.92% |
| Personnel Services | \$467,459 | \$442,626 | \$(24,833) | -5.31% | 0.40% |
| Legal Services | | | | | |
| Attorney Fees for General Counsel, Labor Counsel and CSE Litigation | \$519,078 | \$553,471 | \$34,393 | 6.63% | 0.50% |
| Public Information | \$55,500 | \$47,852 | \$(7,648) | -13.78% | 0.04% |
| Operations and Maintenance | | | | | |
| Buildings and Grounds | \$6,782,403 | \$6,724,167 | \$(58,236) | -0.86% | 6.05% |
| Printing, Mailing, Data Processing, Records Management, Warehouse | \$660,115 | \$710,255 | \$50,140 | 7.60% | 0.64% |
| Insurance | \$179,418 | \$182,481 | \$3,063 | 1.71% | 0.16% |
| Tax Certioraris/Judgments and Claims | \$50,000 | \$50,000 | \$0 | 0.00% | 0.04% |
| Special Items | | | | | |
| BOCES Administration/Capital MTA Tax | \$825,255 | \$647,532 | \$(177,723) | -21.54% | 0.58% |
| SUBTOTAL | \$11,141,818 | \$10,960,653 | \$(181,165) | -1.63% | 9.86% |
| Curriculum Development | \$433,439 | \$527,708 | \$94,269 | 21.75% | 0.47% |
| Building & Department Supervision | \$4,471,163 | \$4,423,802 | \$(47,361) | -1.06% | 3.98% |
| Research Planning & Staff Development | \$556,685 | \$355,237 | \$(201,448) | -36.19% | 0.32% |
| Teaching - Regular School | \$31,801,200 | \$31,196,890 | \$(604,310) | -1.90% | 28.06% |
| Special Education Program | \$10,719,183 | \$11,283,840 | \$564,657 | 5.27% | 10.15% |
| Adult Ed/Drivers Ed | \$6,388 | \$6,388 | \$0 | 0.00% | 0.01% |
| School Library/Audio-Visual/Ed. Television | \$1,123,328 | \$1,054,713 | \$(68,615) | -6.11% | .095% |
| Instructional Computer Software/Hardware | \$2,235,151 | \$2,392,980 | \$157,829 | 7.06% | 2.15% |
| Co-curricular Activities | \$372,572 | \$379,000 | \$6,428 | 1.73% | 0.34% |
| Interscholastic Sports | \$869,697 | \$872,663 | \$2,966 | 0.34% | 0.79% |
| Other Pupil Services | \$4,231,310 | \$4,089,007 | \$(142,303) | -3.36% | 3.68% |
| SUBTOTAL | \$56,820,116 | \$56,582,228 | \$(237,888) | -0.42% | 50.90% |
| Pupil Transportation/Recreation | \$4,979,162 | \$5,045,739 | \$66,577 | 1.34% | 4.54% |
| SUBTOTAL | \$4,979,162 | \$5,045,739 | \$66,577 | 1.34% | 4.54% |
| Employee Benefits | \$34,963,797 | \$31,259,517 | \$(3,704,280) | -10.59% | 28.12% |
| Debt Service | \$6,444,650 | \$6,584,695 | \$140,045 | 2.17% | 5.92% |
| Interfund Transfer | \$530,000 | \$730,000 | \$200,000 | 37.74% | 0.66% |
| SUBTOTAL | \$41,938,447 | \$38,574,212 | \$(3,364,235) | -8.02% | 34.70% |
| GRAND TOTAL | \$114,879,543 | \$111,162,832 | \$(3,716,711) | -3.24% | 100.00% |



2014-15 REVENUES

| | BUDGET 2013-14 | PROPOSED BUDGET 2014-15 | DOLLAR DIFFERENCE | % DIFFERENCE | % OF TOTAL BUDGET |
|--|----------------------|----------------------------|----------------------|-----------------|----------------------|
| State Aid | \$6,875,866 | \$7,225,922 | \$350,056 | | |
| SUBTOTAL | \$6,875,866 | \$7,225,922 | \$350,056 | 5.09% | 6.50% |
| Medicare/Health/Sales Tax/ MTA Tax | | | | | |
| Medicare Part D Reimbursement | \$250,000 | \$0 | \$(250,000) | | |
| Refunds from BOCES | \$135,000 | \$150,000 | \$15,000 | | |
| Health Services | \$200,000 | \$180,000 | \$(20,000) | | |
| Westchester County Sales Tax | \$830,000 | \$908,000 | \$78,000 | | |
| SUBTOTAL | \$1,415,000 | \$1,238,000 | \$(177,000) | -12.51% | 1.11% |
| Miscellaneous | | | | | |
| Earnings on Investments | \$150,000 | \$150,000 | \$0 | | |
| Insurance Refunds | \$95,500 | \$15,000 | \$(80,500) | | |
| Other | \$104,500 | \$123,800 | \$19,300 | | |
| SUBTOTAL | \$350,000 | \$288,800 | \$(61,200) | -17.49% | 0.26% |
| Appropriated/Committed Reserves/Undesignated | | | | | |
| Appropriation of Committed Reserves Applied to Tax Reduction | \$753,593 | \$750,000 | \$(3,593) | | |
| Appropriated and Use of Undesignated Fund Balance | \$2,704,012 | \$2,700,000 | \$(4,012) | | |
| SUBTOTAL | \$3,457,605 | \$3,450,000 | \$(7,605) | -0.22% | 3.11% |
| Total Revenue Other Than Real Property Tax | | | | | |
| Real Property Tax | \$12,098,471 | \$12,202,722 | \$104,251 | 0.86% | 10.98% |
| Tax Levy | \$102,981,072 | \$98,960,110 | \$(3,820,962) | -3.72% | 89.02% |
| GRAND TOTAL | \$114,879,543 | \$111,162,832 | \$(3,716,711) | -3.24% | 100.00% |