



2016-17 Budget Development Process Frequently Asked Questions

How are NYS public schools funded?

Public schools in New York State raise revenue from 3 sources: Local Sources (property taxes, interest, donations, etc.), State Aid, and Federal Aid. On average in New York State, school budget revenues consist of 54.5% from Local Sources, 35.8% from State Aid, 5.6% from STAR, and 4.2% from Federal Aid.¹

Rhinebeck is considered by New York State as a “wealthy” or “low need” school district. Compared to the State average above, our school budget revenues consist of 80.7% from Local Sources, 10.4% from State Aid, 6.9% from STAR, and 2.0% from Federal Aid.

What is the Property Tax Levy Cap?

The tax levy cap limits school districts’ ability to raise revenue beyond a formula based upon an overall tax levy growth rate of 2% or the rate of inflation, *whichever is less*. This year, the CPI is an unprecedented 0.12%. School districts must remain at or below the levy limit unless 60 percent of the voters approve additional spending over the cap.

Why is RCSD facing a significant anticipated budget gap?

Because of the extremely low tax levy limit this year, all schools in New York are struggling to balance revenues with expenditures. Like most school districts, Rhinebeck experiences annual expenditure increases including health care and pension costs. Most importantly, the school district has experienced an unexpected increase in mandated special education costs. With this year’s tax levy limit, Rhinebeck is struggling to balance its mandated expenditures with its limited revenues.

How will RCSD close this gap?

District Administrators are reviewing their budgets and making difficult decisions about how to maintain our excellent educational program while meeting the restrictions of a challenging budget cycle. The Board of Education reviewed and discussed the Administrators’ suggested cuts in depth at their annual Budget workshop on March 12 in the BMS/RHS Library.

Doesn’t the school district have a fund balance for unanticipated expenditures?

As with all local governments, Rhinebeck is allowed to maintain a limited fund balance. These monies amount to the difference between what is budgeted and what is ultimately spent in a school year. The state allows school districts to maintain a fund balance that is no more than 4% of the total annual budget.

In years past, the district has used some of this money to offset the tax levy. Due to the number of high-need special education placements in 2015-16, the district was forced to use fund balance monies to meet these unexpected costs. As a result, we are left with a 1.7% fund balance. To use any of the fund balance this year would severely limit our ability to pay for any unforeseen expenses in the coming year.

¹ “The Education Dollar: A Look at Spending and Funding Trends,” New York State Association of School Business Officials, September 2015. [http://www.nysasbo.org/uploads/files/1442244064_Spending%202015%20\(5\).pdf](http://www.nysasbo.org/uploads/files/1442244064_Spending%202015%20(5).pdf)

Governor Cuomo pledged an additional \$991 million for education this year. Doesn't that help Rhinebeck?

Due to Rhinebeck's "wealthy" or "low need" status, the Governor's aid formula reduces our total aid by \$4,800 (most of this decrease due to the reduction of building aid for completed bond payments) for the 2016-17 school year. The trustees of the Board of Education have been lobbying our legislators for full funding of State Foundation Aid and the restoration of Gap Elimination Aid, but there is likely to be no further information before the state budget is adopted on April 1, 2016.

What can I do as a taxpayer to ensure fair funding for Rhinebeck schools?

It would be helpful for residents of our school district to contact our local area legislators and Governor Cuomo, whom they elected, as well as legislative majority leaders Senator Flanagan and Assembly Member Heastie, before April 1, 2016 to make their opinions known to the State's elected decision-makers.

Contact information for our elected officials is listed below:

Senator Sue Serino
District Office - telephone: (845) 229-0106
4254 Albany Post Road, Hyde Park, NY 12538
serino@nysenate.gov

Assembly Member Kevin Cahill (representing the Towns of Rhinebeck and Red Hook)
District Office – telephone: (845) 338-9610
Governor Clinton Building - Suite G-4, Albany Avenue, Kingston, NY 12401
cahillk@assembly.state.ny.us

Assembly Member Didi Barrett (representing the Towns of Clinton, Milan, Stanford, Hyde Park)
District Office – telephone: (845) 454-1703
12 Raymond Avenue Suite 105, Poughkeepsie, NY 12603
BarrettD@assembly.state.ny.us

The Honorable Andrew Cuomo, Governor of New York State
telephone: (518) 474-8390; fax: (518) 474-1513
New York State Capital Bldg., Albany, NY 12224

Senator John J. Flanagan, Senate President
Albany Office – telephone: (518) 455-2071; fax (518) 426-6904:
Room 330, State Capitol Building, Albany, NY 12247
flanagan@nysenate.gov

Assemblyman Carl E. Heastie, Assembly Speaker
Albany Office – telephone: (518) 455-3791; fax: (518) 455-4812
LOB 932, Albany, NY 12248
speaker@assembly.state.ny.us

For all other questions relating to the 2016-17 school budget development process,
please send an email to our dedicated link at BudgetInfo@rhinebeckcsd.org