

NEW YORK STATE LOCAL SCHOOL BUDGET NOTICE

New York State law requires that each school district mail a *School Budget Notice* to all qualified voters of the District after its Annual Budget Hearing, but no later than six days prior to its Annual Budget Vote. This notice needs to follow a specific format and can not include any additional information other than that stipulated by New York State. While a copy of this notification is presented for your review, we would like to further identify the dollar cost differential between the budget as adopted by the Board of Education on May 13th and the realities of a contingency budget if the community declines to approve a school budget for the 2003-2004 year.

Overall Budget Proposal	Budget Adopted for The 2002-2003 School Year	Budget Proposed for the 2003-2004 School Year	Contingency Budget for the 2003-2004 School Year
Total budget amount	\$ 26,948,073	\$ 29,292,556	\$ 29,023,075
Increase/decrease for the 2003-2004 school year		\$ 2,344,483	\$ 2,075,002
Percent increase (decrease) in each proposed budget		8.7%	7.7%
Change in the consumer price index		1.6%	
Resulting est. property tax levy for the 2003-2004 school year		\$ 25,564,756	\$ 25,295,275
Administrative component	\$ 2,538,560	\$ 2,782,401	\$ 2,682,401
Program component	\$ 20,305,904	\$ 22,249,655	\$ 22,080,174
Capital component	\$ 4,103,609	\$ 4,260,500	\$ 4,260,500

Estimated Basic STAR Exemption Savings Based on a Hypothetical Home Within the School District with a Full Value of One Hundred Thousand Dollars (\$100,000)

	Budget Adopted for the 2002-2003 School Year	Budget Proposed for the 2003-2004 School Year
Basic STAR tax savings	\$ 1,404	\$ 1,550
School tax increase/decrease	\$ 116	\$ 160
Net Basic STAR Tax savings	\$ 1,288	\$ 1,390

The annual budget vote for the fiscal year 2003-2004 by the qualified voters of the Valhalla Union Free School District, Westchester County, New York, will be held at the Kensico School, Virginia Rd. School and No. Castle Comm. Ctr. in said district on Tuesday, June 3, 2003 between the hours of 6:00am - 8:00am and 2:00pm - 9:00pm prevailing time, at which time the polls will be opened to vote by voting ballot or machine.

WHAT IS A CONTINGENCY BUDGET?

After certain expenditure categories are excluded, the overall increase in a contingency budget cannot exceed the lesser of 4% or 120% times the average CPI for 2002 (1.6%); the contingent budget cap for 2003-2004 is thus 1.92%. Debt services and expenditures due to projected increases in enrollment, delivery of the instructional program and safety are added to that figure to arrive at the contingency budget. The Board of Education may hold no more than two budget votes before the District would be required to operate under the contingency budget. The District would have to cut programs currently supported to exist within the constraints of a contingency budget as it would still have to satisfy its debt service, contractual and state mandated obligations.