



March 16, 2004 Referendum Facts

Approved Planned Reductions for 2004-05

The Board of Education has taken the following steps to restore the district to financial health and preserve the acclaimed quality of Cary District 26 education:

- Maintained existing permanent budget cuts of \$600,000 – Tier 1
- Identified an additional \$1.38 million in reductions/fee increases to be implemented in 2004-05 school year
- Proposed \$.70 referendum

What is included in the \$1.38 million in upcoming budget reductions?

The goal of the Board of Education and District 26 is to minimize cuts in programs, staff, and services while maximizing overall reductions. Forthcoming reductions include the following:

- Elimination of 15.5 teaching positions (6% reduction)
- Reduction of 16 educational support staff (8% reduction)
- Elimination of 3 of 17 administrative positions (18% reduction)

Overall, the district budget has been trimmed by nearly \$2 million dollars. For a complete list of budget reductions visit the District 26 website at www.cary26.org and click on the "Referendum" link.

What Happens if the Referendum is Unsuccessful?

Pending the successful passage of a referendum, no additional cuts would be required. However, if the referendum does NOT pass on March 16, 2004, the Board of Education and District 26 Administration have identified Tier 3 cuts, which will be implemented for the 2004-05 school year affecting the entire district.

- One small elementary school will be closed: (Briargate, Maplewood, or Oak Knoll)
- Class sizes will increase by 1-3 students in grades K-1 and 3-5 students grades 2-4
- Redistricting of students throughout the Cary attendance area will occur
- Some students may be walking who are currently bussed
- Other students will be bussed who are currently walking
- Eleven additional teachers will lose positions for a total of 26.3 teachers from across all levels for a total of 10.6% reduction in teaching staff
- Two additional administrative positions will be eliminated or restructured for a total of 29% reduction
- An additional 5 Educational Support Personnel (ESP) will lose positions for a total reduction of 22 or 10.5 % of the ESP workforce
- Overall District 26 will reduce approximately 53 employees – a total of 11% of its current employees
- Band may cost over \$300.00 per student
- Extracurricular activities will increase in cost

Tier 2 Budget Reductions To be Implemented in 2004-05 School Year Approved by Board of Education 1/28/2004		
1	Reduce portion of salaries of 3 retiring administrators	\$112,260
2	Reduce portion of salary of retiring bookkeeper & hiring of new bookkeeper	\$27,750
3	Reduce one administrator (curriculum/assistant principal)	\$100,583
4	Curriculum Travel/Dues	\$3,200
5	Reduce one Administration Center office secretary	\$31,160
6	Reduce one Special Education Administrator	\$63,500
7	Reduce Custodial Costs at Administration Center	\$8,225
8	Reduce Maintenance	\$17,737
9	Staff Recognition – Administration Center	\$2,500
10	Science Managers	\$6,360
11	Supplies, Supplemental, Consumables	\$12,210
12	Elimination of 7 Learning Center Aides	\$74,630
13	Reduce Night-time Custodial Services by 25% - 5	\$104,280
14	Reduce Private Special Education facility expenses	\$15,000
15	Reduce Supervisors to lunch time only	\$17,347
16	Reduce 1 Technology Assistant position	\$26,180
17	Increase Registration Fees \$20.00 and portion of technology fee	\$107,500
18	Implement fees for Extra-curricular and in-house sports	\$50,000
19	Eliminate 3 Gifted Resource Teacher positions	\$120,000
20	Eliminate 1 Junior High Band/Chorus Teacher position	\$40,000
21	Eliminate 4 Junior High core teaching positions	\$160,000
22	Eliminate 2 Prairie Hill classroom teacher positions	\$80,000
23	Eliminate 3 elementary teacher positions	\$120,000
24	Reduce 1.5 Special Education Certified positions	\$60,000
25	Eliminate 2 Learning Disability Teacher Aide positions	\$21,735
Tier 2 Total		\$1,382,157

Tier 3 Budget Reductions for 2004-05 School Year If March 16, 2004 Referendum is Unsuccessful Approved by Board of Education 2/9/2004		
26	Investigate leasing Administration Center and school to determine the most financially feasible plan	\$25,520
27	Close one small elementary school (Briargate, Maplewood, Oak Knoll)	\$516,340
28	Replace Junior High Assistant Principal with Dean of Students	\$24,210
29	Develop cost recovery model for Extra-curricular Activities/Sports	\$130,000
30	Develop cost recovery model for Grades 5-6 Band	\$96,100
31	Develop cost recovery model for Grades 7-8 Band	\$80,000
32	Eliminate 2 Gifted Resource Teachers' Positions	\$80,000
Total Tier 3		\$952,170

District 26 FACTS

- Students score 23 percentage points higher than the state average on state achievement tests
- District 26 ranks first in McHenry County on state achievement tests
- District 26 spends \$1565 less per student than the state average for total operating expense
- Teachers' & administrators' salaries are below state average
- 63% percent of District 26 teachers have masters degrees as compared to a 46% state average
- District 26 received the Bright Star Award in 2002 for outstanding achievement test scores, while being financially efficient
- The Board of Education has reduced \$600,000 from current budget and \$1.38 million for 2004-05 for a total of almost \$2 million
- District 26 total revenues have risen 5.6% per year during the past 5 years with increasing student population, staff, and an additional school
- District 26 spends only 2.8% of their total expenditures on general administration
- District 26 receives 1.4% of education funds from the federal government and 36.4% from the state. The District relies on 62.2% of funding from local sources
- State revenue has declined the last three years while costs have increased
- On March 16th District 26 is asking residents to increase property taxes by 70 cents over two years in the education operating fund – 40 cents in Year 1 and 30 cents in Year 2
- District 26 has not had an Education/Operating fund referendum since 1985
- District 26 has lost almost \$7 million in revenue due to the state legislated tax cap, enacted in 1991

Referendum

District 26 is requesting voter approval of a \$.70 referendum on March 16, 2004, to be phased in over a two-year period (\$.40 the first year and an additional \$.30 the next).

70 cent Education Rate Increase over Two Years

Property Value	\$.40 Tax Increase Year 1	\$.30 Tax Increase Year 2	Total \$ Impact Year 2
\$150,000	\$199.98	\$149.99	\$349.97
\$225,000	\$299.97	\$224.98	\$524.95*
\$300,000	\$399.96	\$299.97	\$699.93
\$425,000	\$566.61	\$424.96	\$991.57

*For the average homeowner in Cary the cost is approximately \$1.40 per day.

District 26 Teachers and Administrators Agree to Salary Freeze

Both the Cary 26 Board of Education and the Cary Education Association (CEA) are pleased to announce that a two year contract agreement has been reached. The contract will take effect for the 2004-05 school year. This agreement will help to significantly reduce the district's \$3.6 million budget deficit.

Details include:

- Salary freeze in Year 1
- Freeze on extra-duty pay and stipends in both years
- Year 2 base salary will increase by ½ of the Consumer Price Index (CPI) or 1.2%, whichever is higher
- The 3.2% longevity increase in Year 2 will be restored
- Year 1 individual insurance costs will be covered by the District. Actual Year 1 costs will be used to determine a cap on insurance spending in Year 2
- Teacher Retirement System (TRS) contributions will increase between 1.5% and 2.5% in Year 1

The depth of this agreement will have a very positive impact on the financial health of the district. This agreement will help the Teachers and the Board to move forward and help restore the community's confidence in the willingness of both groups to collaboratively address issues of mutual concern. Administrators previously agreed to a one year salary freeze for 2004-05.