

Chapter 5 Student Transportation

This chapter will present an overview of the transportation operation in each of the two study districts. It is important to keep in mind that the location and organization of the schools, as well as geographic factors, are major determinants in how the student transportation routing is arranged.

Crown Point Central School District

Crown Point conducts its own transportation program and maintains its own transportation fleet. The district has a full-time transportation supervisor. The table below summarizes the current transportation fleet the district owns. The district has been purchasing or leasing buses as needed. In the 2013-14 school year, a large, 66-passenger bus and a smaller 24 passenger handicapped accessible bus will be leased. As table 5.1 illustrates, this has permitted the district to keep its fleet in good condition.

Table 5.1 Crown Point Bus Fleet					
Bus #	Year	Miles	Make	Capacity	Condition
51	2001	93,077	Freightliner	66	Poor
54	2005	82,332	International	66	Good
55	2007	77,859	International	59	Good
56	2008	68,474	Ford	30	Good
57	2009	51,165	International	65	Good
58	2009	20,875	Ford	30	Good
59	2011	17,614	International	65	Excellent
60	2013	3,250	International	65	Excellent

Crown Point has a relatively new transportation facility that serves the district well. All school buses are stored inside in the bus garage.

Crown Point regular daily bus runs are presented in table 5.2. The district has a single bus run schedule with all children from grades Pre-K to Grade 12 riding together. The longest student bus ride is 60 minutes.

Crown Point's practice based on their policy for school bus scheduling and routing is to transport every student with no limitation based on distance from school.

**Table 5.2
Regular Bus Runs for Crown Point**

Bus #	A.M. Run Starts	A.M. Run Ends	P.M. Run Starts	P. M. Run Ends	Minutes	# of Passengers	Miles Covered
54	7:20 am	8:00 am	2:30 pm	3:00 pm	30	40	19/20
55	7:15 am	8:00 am	2:30 pm	3:00 pm	30	33	18/19
57	7:00 am	8:00 am	2:30 pm	3:30 pm	55	40	22/22
59	7:20 am	8:00 am	2:30 pm	3:00 pm	30	41	16/16
60	7:00 am	8:05 am	2:30 pm	3:35 pm	55	45	25/26

Crown Point also transports students to out-of-district locations including BOCES and St. Mary’s in Ticonderoga. Transportation to St. Mary’s is shared with the Moriah Central School District. The district offers late bus runs Tuesday through Thursday at 3:05 for students who stay for activities or extra help.

Ticonderoga Central School District

Ticonderoga also conducts its own transportation program and does its own fleet maintenance. The following table (5.3) summarizes the current fleet. Ticonderoga has tried to adhere to a replacement schedule that replaces 10% of their fleet each year but has not been able to continue this for the past two years. However, both Crown Point and Ticonderoga have been effective at maintaining a relatively new bus fleet. This is an important consideration in a possible merger since one district will not feel like it is inheriting a sub-standard bus fleet should a merger occur. The district keeps 14 of its 20 buses inside at its transportation facility.

Bus #	Year	Miles	Model	Make	Capacity	Condition
77	1998	127,700	Big Bus	International	48	Poor
82	2001	88,300	Big Bus	International	66	Fair
84	2002	87,600	Big Bus	International	66	Fair
85	2003	88,400	Big Bus	International	66	Fair
86	2003	91,100	Big Bus	International	66	Fair
90	2006	61,000	Big Bus	International	66	Good
91	2006	58,400	Big Bus	International	66	Good
94	2007	58,400	Big Bus	International	66	Good
96	2008	59,000	Big Bus	International	66	Good
97	2008	51,000	Big Bus	International	66	Good
98	2008	53,000	HC Small	Ford	8 + 3 wc	Good
99	2009	54,300	Big Bus	International	66	Good
100	2010	35,600	Big Bus	International	66	Good
101	2010	33,500	Big Bus	International	66	Good
102	2010	51,000	Mini-Van	Dodge	7	Good
103	2010	34,200	Small Bus	GMC	24	Good
104	2011	28,300	Small Bus	GMC	24	Good
105	2011	22,800	Small Bus	GMC	24	Good
106	2012	21,000	Big Bus	International	66	Good
107	2012	17,100	Mini-Van	Dodge	7	Good

Like Crown Point, Ticonderoga transports a large number of its students to and from school daily. Unlike Crown Point, all students are not bused. Ticonderoga's policy on busing indicates that the district will bus K – 5th grade students who live ½ mile or more from the school or nearest bus stop; 6th – 8th graders who live 6/10 mile or more from the school or nearest bus stop; and high school students who live 1 mile or more from the school or nearest bus stop. No student rides more than 60 minutes each way on the bus. Table 5.4 summarizes the beginning and ending time of each bus run.

Unlike Crown Point, Ticonderoga only has late bus runs for students from the Putnam School District (paid for by the Putnam School District) and students that reside in Hague (paid for by the Town of Hague). Neither district has athletic runs currently after practices.

**Table 5.4
Regular Bus Runs for Ticonderoga**

Route #	A.M. Run Starts	A.M. Run Ends	P.M. Run Starts	P. M. Run Ends	Minutes	# of Passengers	Daily Miles Covered
1	6:59 am	7:45 am	2:40 pm	3:40 pm	45/60	38	64
2	6:58 am	7:45 am	2:40 pm	3:37 pm	45/50	20	77
3	7:02 am	7:45 am	2:40 pm	3:25 pm	40/45	70	41
4	7:07 am	7:45 am	2:40 pm	3:35 pm	40/50	39	33
5	7:05 am	7:45 am	2:40 pm	3:30 pm	45/50	53	45
6	7:09 am	7:45 am	2:40 pm	3:35 pm	45/55	35	52
7	7:02 am	7:45 am	2:40 pm	3:32 pm	40/50	42	38
8	7:09 am	7:45 am	2:40 pm	3:35 pm	45/50	48	36
9	7:09 am	7:45 am	2:40 pm	3:25 pm	35/40	50	28
10	7:09 am	7:45 am	2:40 pm	3:35 pm	40/45	48	31

An important consideration for parents when a merger is being considered is how long their children, particularly the young ones, will have to be on a bus to get to and from school each day. While this can be influenced by many variables (location of schools, number of bus routes, etc.), the state recommends that one hour should be the maximum desired time students should be on a bus going to or from school. Table 5.5 presents an overview of the distances between the various school buildings in Crown Point and Ticonderoga as a way to view possible riding times for students. Keep in mind for later discussion that the distance between the Crown Point School and the Ticonderoga Middle and High Schools is approximately 10 miles.

Conversations with the transportation directors of the two districts has revealed that at present, the longest a youngster is on a regular in-district daily bus run in both Crown Point and Ticonderoga is 60 minutes or less to get to or from school.

Table 5.5 Distances Between School Buildings (Google Maps)			
	Crown Point School	Ticonderoga Elementary/Middle School	Ticonderoga High School
Crown Point School		10.1 miles 15 minutes	9.6 miles 16 minutes
Ticonderoga Elementary/Middle School	10.1 miles 15 minutes		1.2 miles 3 minutes
Ticonderoga High School	9.6 miles 16 minutes	1.2 miles 3 minutes	

The transportation supervisors from Crown Point and Ticonderoga have conferred and concluded that, following a merger of the districts, and with both current bus garages remaining open, it would be feasible to develop bus routes that would ensure no student would be on a regular day, in-district bus run for longer than one hour. The basic routing plan would be remain a single trip busing pattern with Pre-K – 12th grade students being on the same buses.

The elementary attendance areas would remain as they are at present. Bus routes for students from the Crown Point area would be similar to what they were prior to the merger. Students from the Crown Point area would be picked up at times similar to their current pick up time. Elementary students would arrive at the Crown Point school by 7:45. All 6th-12th grade students, with the exception of those attending BOCES programs in Mineville, would then be taken to either the Middle School or High School in Ticonderoga. Students attending BOCES would be transported from Crown Point to Mineville.

It will be up to the new board of education to establish a number of transportation policies including those that govern students who walk to school versus riding a school bus, after school late bus runs (for extra help, clubs and athletics), and other critical policies to make this transportation plan work.

The proposed transportation routing plan described above will not require the new district to purchase any new buses. Runs for the Crown Point to Ticonderoga routes will likely add approximately 720 additional hours for drivers that under the current Crown Point contract might add approximately \$10,000 to the current costs for drivers. This

cost will be eligible for approximately 50% transportation aid from the state resulting in a cost to local taxpayers of approximately \$5,000.

Additional costs may also be incurred if the new school board decides to provide athletic runs to ensure that students, wherever in the district they live, will be able to participate in athletics. It is estimated that this cost would be approximately \$60,000. These costs are not eligible for state transportation aid.

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Chapter 6 Staffing

Education is a labor-intensive business. School districts routinely spend 70-75% of their operating budgets on salaries and fringe benefits for the people who work in their schools. As school districts contemplate a merger, consideration of the staffing needs of the merged district is important. This chapter of the report examines the current staffing in both districts as well as the staffing implications should a merger occur. This analysis examines teaching, administrative, and support staff.

In a school district merger by centralization, as opposed to an annexation, a new board of education is elected to serve the newly created school district. One of the functions of the new board of education would be to recognize newly configured bargaining units and an appropriate bargaining agent to represent the instructional and support staff in the district. It is also possible that the administrative and supervisory group could organize as well. The board and the unions would bargain new collective bargaining agreements which would set forth the terms and conditions of employment for the employees of the merged school district. The existing contracts would remain in place until a successor agreement is negotiated.

The teacher contracts from both districts have been analyzed. The Crown Point contract expires on June 30, 2013 and the Ticonderoga teacher contract expires on June 30, 2014. Since the writing of this study, Crown Point has negotiated a new contract that expires on June 30, 2016.

Table 6.1 that follows is a comparison of the major provisions in the teacher contracts. Not every clause was compared. This analysis looked only at the major provisions in the contracts. In providing this review of the collective bargaining agreements and noting their many similarities, we recognize that there are important differences in these contract provisions. However, it is our opinion that negotiation of these matters for the successor agreement in a merged school district could be accomplished without major difficulty.

Table 6.1 Teacher Contract Comparison-2012-13		
Item	Crown Point	Ticonderoga
Duration	July 1, 2010-June 30, 2013	July 1, 2008-June 30, 2014
Recognition	Full time teachers, librarians, guidance counselors, and teaching assistants	All full time and part time (50% or more) teachers, counselors, nurse teachers, librarians, and teaching assistants
Grievance Procedure	Binding arbitration	Advisory arbitration; if the board rejects 1 advisory arbitration award, any further awards become binding
Health Insurance	BOCES Health Insurance Consortium-Plan B; 93%-Family; 93%-Individual	BOCES Health Insurance Consortium-Plan B; 90%-Family; 90%-Individual
Health Insurance Buyout	\$2,500	
Health Reimbursement Account	\$750-Family; \$250-Individual	Reimbursement once employee reaches in \$250 prescription expenses; I-\$200 deductible, \$100 co-insurance; F-\$625 deductible, \$1,1000 co-insurance
Sick Leave	12 days/ year cumulative to 200 days	14 days/year cumulative to 200 days
Sick Leave Bank		Yes
Sick Leave Payment		Each year, district pays into teacher's 403b according to the number of sick days taken during the year: 0 days taken-\$400 1 day taken-\$300 2 days taken-\$200 3 days taken-\$100 4 or more days taken-\$0 Teachers do not accumulate any sick days in the year they are compensated
Personal Leave	4 days/year, non-cumulative; up to 2 unused days may be converted to sick leave; up to 2 unused days can be paid at the rate of \$50/day	3 days/year; days are not cumulative and will be deducted from sick leave
Sabbatical	Yes, may be granted for a full year at half pay	Yes, may be granted for a full year at half pay

Course Reimbursement	\$33/ approved graduate hour	\$65/ credit hour
Masters Degree	\$500	\$1,200
Association Business		President of the association gets 6 days off per year for association business
Work Day	6 hours & 55 minutes	7 hours & 15 minutes; on Fridays and the day before holidays, teachers can leave when the buses leave
Work Year	Unused snow days are used to extend vacation periods	Maximum of 180 days; unused snow days over 180 days are added to the Memorial Day vacation or the spring vacation.
Teaching Load		6 assignments and activity period
Class Size		Study halls in the high school are limited to 45 students in actual attendance
Employment Conditions	No teacher shall suffer loss of employment due to the merger of Crown Point with any other district	No tenured teacher shall suffer loss of employment for 1 year after a merger or annexation of the district.
Termination Payments	Within 3 years of TRS retirement eligibility, with 15 years of continuous service, 50% of the teacher's daily salary rate times half the number of accumulated sick days	Within the 1 st and 6 th years of eligibility, benefit paid into 403(b) account as follows: -15-20 yrs of service-70% of B-1 salary X number of accumulated sick days/400; -21-25 yrs of service-80% of B-1 salary X number of accumulated sick days/400; -26-30 yrs of service-90% of B-1 salary X number of accumulated sick days/400; -30+ yrs of service-100% of B-1 salary X number of accumulated sick days/400;
Retiree Health Insurance	50%-Individual; 50%-Family; Staff member must have at least 15 years of continuous service; Staff member receives 1/200 th of final salary for each accumulated sick day, applied to the staff member's cost of the insurance premiums	With at least 15 years of service at retirement, retirees pays the same co-pay as active employees at the time of their retirement; effective date of retirement: 1998-2003-0% co-pay 2003-2004-5% co-pay 2004-2014-10% co-pay

Aside from the salary schedules, the teacher contracts are fairly similar. The composition of the bargaining units, the grievance procedures, the leave articles, the insurance provisions, and the work day/ work year provisions are much more alike than different. Again, the reader should be reminded that there are differences in the contract language that will have to be negotiated. However, with most of the provisions, there is reason to believe that these negotiations will not be overly complicated.

There are two significant clauses in the teacher contracts that will have a major impact on the process of merging. These clauses are as follows:

Crown Point-No teacher in the bargaining unit shall suffer loss of employment due to the merger or annexation of the Crown Point Central School District with any other district(s).

Ticonderoga-No tenured teacher in the bargaining unit shall suffer loss of employment due to the merger or annexation of the Ticonderoga Central School District with any other district(s) from the date of annexation to one year after the date of implementation of that annexation.

When two school districts merge through centralization, teachers from both school districts are considered employees of the newly merged school district with the seniority and tenure rights that they possessed in the previous district. In merged districts, efficiencies often result from the combination of middle and high school classes. This can mean that fewer teachers are needed and savings are realized. However, the two contract clauses cited above will mean that any future staff savings will only occur through attrition.

Both districts have a traditional teacher salary schedule/grid that is structured with years of service (steps) and payment for graduate hours taken (columns). Determining a staff member's years of service and graduate hours will identify an intersection on this salary grid that will allow one to identify the salary paid to that individual. The comparison of the salary schedules on the Bachelors, Masters, and Masters + 30 graduate hours columns for the two districts follows as table 6.2.

Table 6.2 Teacher Salary Schedule Comparison-2012-13		
	Crown Point	Ticonderoga
B-Step 1	36,000	39,501
B-Step 5	39,422	44,438
B-Step 10	44,815	52,295
B-Step 15	49,138	59,009
B-Step 20	56,061	65,723
B-Step 25	62,989	72,437
B-Top Step	64,378 (26)	80,069 (30)
M-Step 1	37,490	42,651
M-Step 5	40,912	47,588
M-Step 10	46,305	55,445
M-Step 15	50,628	62,159
M-Step 20	57,551	68,873
M-Step 25	64,479	75,587
M-Top Step	65,868 (26)	83,219 (30)
M+30-Step 1	38,480	44,601
M+30-Step 5	41,902	49,538
M+30-Step 10	47,295	57,395
M+30-Step 15	51,618	64,109
M+30-Step 20	58,541	70,823
M+30-Step 25	65,469	77,537
M+30-Top Step	66,858 (26)	85,169 (30)
() is the highest step in that column		

As can be seen from table 6.2 above, the salary schedules for the two districts are quite different. In every case, the salary paid to teachers in Ticonderoga is higher than the salary paid to teachers in Crown Point where these teachers have the same number of years of experience and the same number of graduate credits.

In addition to the salary schedules, a comparison was made of the average salaries paid to the teaching staffs. It should be noted that there is not necessarily a direct relationship between the salary schedules and the average teacher salaries. This may be true because one staff may have a more senior staff or a staff who has taken more graduate courses, both of which would result in a staff with a higher average salary whether or not the salary schedule was higher. However, in this case, both the salary schedule and the average teacher salary are higher in Ticonderoga. The average teacher salaries are shown in table 6.3 that follows.

Table 6.3 Teacher Salary Comparisons-2012-13		
	Crown Point	Ticonderoga
# of FTE Teachers	26.8	90
Teacher Payroll	\$1,302,415	\$5,164,401
Average Teacher Salary	\$48,598	\$57,382

There is no state statute or regulation that determines the level at which the successor teacher agreement must be negotiated with respect to salary. Labor and management are free to negotiate a salary schedule that is similar to, higher than, or lower than the existing salary schedule in either district. However, in districts that have merged in New York State, there has traditionally been a “leveling up” process that takes place with regard to teacher salaries. That is, teachers in the lower paying of the merged districts have their salaries “leveled up” to the higher district salary schedule. In some cases this happens in the first year of the new contract. In other cases, this salary and benefit “leveling up” happens over a period of years.

In discussing the concept of leveling up teacher salaries, it is clear and it must be remembered that there is no requirement to level up any salaries. It is also clear that in past mergers in the state, merged districts have consistently used some formula across some time line for leveling up teacher salaries. Having acknowledged this parameter for leveling up, we are most cognizant of the fact that previous leveling up of salaries has taken place in an economic environment that was very different than the one that school districts face today. There have been only three mergers in the past ten years so the history of leveling up practices in this challenging economy is fairly thin. However, because we have estimated cost savings due this merger in a conservative manner, we

have included the cost of leveling up teacher salaries as occurring completely in the first year of the merger.

In analyzing the cost of “leveling up” teachers, the Crown Point teachers have been “leveled up” to the Ticonderoga salary schedule. In calculating the cost of leveling up the Crown Point teachers to the Ticonderoga schedule, the step and degree level was determined for each Crown Point teacher. Using this information, each teacher was then placed on the Ticonderoga salary schedule according to that step and education level. In-service hours, payments for Masters degrees, and longevity payments were not included in the analysis. The result of this exercise was that moving the Crown Point teaching staff to the Ticonderoga salary schedule would result in a payroll of \$1,548,778. This is \$246,363 higher than Crown Point’s existing payroll of \$1,302,415.

In addition to leveling up teacher salaries, the assumption is also made that the salaries of teaching assistants in Crown Point would be leveled up to the teaching assistant salary schedule in Ticonderoga. There are four teaching assistants in Crown Point. They are placed on the teaching assistant salary schedule in Crown Point according to their number of years of experience. In order to determine the cost of leveling up the salaries of teaching assistants, each teaching assistant was placed on the Ticonderoga salary schedule according to that step. The result of this calculation was that moving the Crown Point teaching assistants to the Ticonderoga salary schedule would result in a payroll of \$96,467. This is \$16,803 higher than Crown Point’s existing payroll of \$79,664.

In addition to the salary impact, we have estimated the increase in fringe benefits due to leveling up to be approximately 25%, using 16% for teacher retirement system costs, 7% for social security, and 2% for workers compensation. This adds another \$61,591 for teachers and \$4,201 for teaching assistants for increased fringe benefit costs. As a result, the total cost of salaries and related fringe benefits for leveling up the Crown Point teachers and teaching assistants to the Ticonderoga salary schedules is \$328,958. This can be illustrated in table 6.4 that follows.

Table 6.4 Cost to Level Up Teacher (27) & Teaching Assistant (4) Salaries	
2012-13 Crown Point teacher payroll	\$1,302,415
Payroll of 2012-13 Crown Point teachers placed on Ticonderoga salary schedule	\$1,548,778
Salary cost of leveling up Crown Point teachers to Ticonderoga salary schedule	\$246,363
Fringe benefits estimated at 25% (7%-FICA, 2% Workers Comp, 16% TRS)	\$61,591
Total cost of salaries and benefits to level up teacher salaries	\$307,954
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2012-13 Crown Point teaching assistant payroll	\$79,664
Payroll of 2012-13 Crown Point teaching assistants placed on Ticonderoga salary schedule	\$96,467
Salary cost of leveling up Crown Point teaching assistants to Ticonderoga salary schedule	\$16,803
Fringe benefits estimated at 25% (7%-FICA, 2% Workers Comp, 16% TRS)	\$4,201
Total cost of salaries and benefits to level up teaching assistant salaries	\$21,004
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Total cost to level up Crown Point teacher and teaching assistant salaries to the Ticonderoga salary schedules	\$328,958

Stipends for coaches were next examined. Crown Point and Ticonderoga have maintained a fairly comprehensive set of athletic offerings for their students, given that both districts are relatively small districts. Table 6.5 that follows shows the stipends that are paid to the coaches in these sports.

**Table 6.5
Coaching Stipends-2012-13**

Sport	Crown Point	Ticonderoga
Director of Athletics	\$6,506-7,310 (5)	\$10,775
Baseball, Varsity	\$2,720-3,056 (5)	\$5,034
Baseball, JV		\$4,279
Baseball, Modified	\$2,279-2,561 (5)	\$3,020
Basketball, Varsity Boys	\$3,338-3,750 (5)	\$6,554
Basketball, JV Boys		\$5,570
Basketball, Freshman Boys		\$4,587
Basketball, Modified Boys	\$2,279-2,561 (5)	\$3,932
Basketball, Varsity Girls	\$3,338-3,750 (5)	\$6,554
Basketball, JV Girls		\$5,570
Basketball, Freshman Girls		\$4,587
Basketball, Modified Girls	\$2,279-2,561 (5)	\$3,932
Bowling		\$3,138
Cheerleading	\$2,042-2,296 (5)	
Cross Country, Varsity		\$5,113
Cross Country, Assistant		\$3,835
Cross Country, Modified		\$3,068
Football, Varsity		\$6,180
Football, Assistant (4)		\$4,636
Football, JV (2)		\$5,253
Football, Modified		\$3,708
Golf	\$1,892-2,125 (5)	\$3,008
Gymnastics, High School		\$5,351
Gymnastics, Assistant		\$4,008
Indoor Track		\$4,106
Indoor Track, Assistant		\$3,087
Soccer, Varsity Boys	\$2,720-3,056 (5)	\$5,949
Soccer, JV Boys		\$5,057
Soccer, Freshman Boys		\$3,639
Soccer, Modified Boys	\$2,279-2,561 (5)	\$2,729
Soccer, Varsity Girls	\$2,720-3,056 (5)	\$5,949
Soccer, JV Girls		\$5,057
Soccer, Freshman Girls		\$3,639
Soccer, Modified Girls	\$2,279-2,561 (5)	\$2,729
Softball, Varsity	\$2,720-3,056 (5)	\$5,034
Softball, JV		\$4,279
Softball, Modified	\$2,279-2,561 (5)	\$3,020
Track		\$5,113
Track, Assistant		\$3,835

() is the number of years to go from the bottom step to the top step: Crown Point has increments after 1, 3, and 5 years

The merging of inter-scholastic athletic programs in a merged school district is an activity that is often met with mixed emotions. On the positive side, economies can be realized through the elimination of duplicate coaching positions as sports teams are consolidated. In addition, there are often opportunities to create additional sports teams in which the students can participate. In particular, it is noted that there are no junior varsity teams in Crown Point in the traditional sports of baseball, basketball, soccer, and softball. On the other hand, the competition for the students to compete on a meaningful basis also increases. This usually results in fewer students having meaningful playing time in a number of the traditional sports.

Based on the data in table 6.5, we believe that the stipends paid to coaches are similar enough and of little enough overall consequence that, should the districts merge, negotiating coaching stipends would not present a major obstacle. The number of athletic teams that the merged district would sponsor would, in all probability, change. Savings could be realized by the combination of some of the current teams and the resultant reduction in the number of coaches needed. On the other hand, there may be new athletic teams created by the merged district resulting in the need for more coaches.

We have calculated the savings that might accrue to the merged district should a merger occur. Duplicate sports at all levels have been identified for Crown Point and Ticonderoga. These sports/responsibilities include the following:

- Director of athletics
- Varsity and modified baseball
- Varsity and modified boys basketball
- Varsity and modified girls basketball
- Golf
- Varsity and modified boys soccer
- Varsity and modified girls soccer
- Varsity and modified softball

Coaching stipends for all of these duplicate sports have been identified. In all cases, the stipend paid to the coach in Crown Point is lower than the stipend paid to the coach of the corresponding sport in Ticonderoga. To conservatively estimate the potential savings from eliminating these duplicate sports, the lowest stipend that could possibly be paid to a coach in Crown Point for each sport was identified. Identification of these savings across all duplicate sports totaled \$39,628. An allowance of \$15,000 was then

made in order to fund the start up of new athletic teams. Given this data, it is reasonable to assume that an annual savings of \$24,628 could accrue to a merged school district by consolidating athletic teams.

In addition to interscholastic athletics, we also examined the other extra-curricular activities available to students of both districts and have developed Table 6.6 as follows to show the stipends paid to the club advisors:

Table 6.6		
Stipends for Clubs/Co-Curricular Activities/Advisors-2012-13		
Activity	Crown Point	Ticonderoga
Academic Bowl	\$980	
Academic/Athletic Study Hall		\$2,280
Accompanist		\$2,286
Band Director	\$1,098	
Chorus Director	\$980	
Department Chair-Base +/2 members		\$2,582 + \$424
District Newsletter Editor		\$3,524
Elementary School Play Director		\$1,607
Extra Class Accounts Treasurer		\$3,567
FBLA		\$1,080
FCCLA	\$980	
FHA/HERO		\$1,390
French Club		\$1,418
Jazz Ensemble Director-High School		\$4,807
Journalism	\$980	
Key Club		\$2,976
National Honor Society	\$980	\$3,044
Natural Helpers		\$1,633
News Coordinator	\$809	
Newspaper Advisor		\$1,080
Night Shadows		\$1,829
Outing Club		\$1,353
Photo Club		\$1,661
Quiz Bowl	\$980	
SADD	\$980	\$1,390
School Play-3 Acts	\$1,783	\$3,328
School Play-1 Act	\$905	\$1,607
Spanish Club		\$1,418
Student Council-Middle School		\$1,931
Student Council-High School		\$2,205
Student Council	\$980	
Technology Group-Middle School		\$1,438

Track and Field Starter		\$65
Varsity Club	\$980	
Yearbook Advisor	\$1,345	
Yearbook-Middle School		\$2,066
Yearbook-High School		\$4,319
Youth in Government		\$1,754
Grade 9 Advisor	\$724	\$2,313
Grade 10 Advisor	\$724	\$2,313
Grade 11 Advisor	\$980	\$3,227
Grade 12 Advisor	\$980	\$3,227

Given the large and complex nature of a school district, the stipends paid to advisors of clubs and other extra-curricular activities are fairly insignificant. While there are clearly differences in the stipends above, we believe that, should a merger occur, negotiating equitable stipends for advisors of extra-curricular activities would not be terribly difficult to accomplish. In addition, there would appear to be opportunities to reduce costs which are currently incurred by the two study districts by reducing the number of advisors that are necessary should some of these activities be merged. It is also very common for merged districts to add extra-curricular activities should student interest indicate. This is a fairly easy thing to do. For these reasons, no additional costs or savings are included in this study for extra-curricular activities.

As mentioned earlier, staffing has a significant impact on the cost of operating schools. A merger study is not the venue for doing a position-by-position staffing analysis. Whether a merged school district should have one fewer teacher aide, one fewer cleaner, or one more bus monitor is well beyond the scope of this study. However, there are some areas that can be identified as centers for cost savings should a merger occur. These areas will now be discussed.

We turn first to the analysis of the administrators currently employed by both districts. Both districts have a superintendent of schools as their chief executive officer. In Crown Point, the K-12 building principal, the treasurer, the head custodian, the cook manager, the transportation supervisor, the athletic director, the school psychologist, the nurse, and the speech therapist all report to the superintendent. This is not unusual in a very small school district where a very flat organizational chart has a large number of people reporting to the superintendent. In Ticonderoga, the two building principals, the

business administrator, the head bus driver, the supervisor of operations and maintenance, and the technology coordinator all report to the superintendent. The cafeteria manager reports to the business administrator.

The superintendent in Crown Point currently has a contract that commenced on August 26, 2012 and will expire on August 25, 2017. Her contract states that if a merger occurs, the board will make every reasonable effort to ensure that she is appointed as the superintendent in the merged district. If she is not appointed as the superintendent, the board will make every reasonable effort to see that she is appointed to a position in the merged district that is consistent with her professional background. In either case, she is entitled to the salary, benefits, and rights that are a part of her current contract. The superintendent in Ticonderoga is currently serving under a contract that expires on July 1, 2017. If a merger were to occur between Crown Point and Ticonderoga, it would likely occur on July 1, 2015.

When two school districts merge, the new board of education is obligated to honor the terms of the superintendent contracts that are in place at the time of the merger. Assuming a July 1, 2015 merger, both superintendents will have two years left on their agreements. Obviously, the merged district will have only one superintendent. This new superintendent may be one of the existing superintendents or it might be another individual. While there is no obligation for the new board of education to hire either of the currently sitting superintendents, often a new board will offer the position to one of the incumbents. In this case, the second superintendent often serves in another administrative position upon the merger of the districts, finds a position in another district, or retires. However, regardless of who is chosen for the position and what changes in title may occur, the terms of each of the current superintendent's contracts who are employed at the time of the merger must be honored should either or both of the current superintendents choose to continue to work for the merged district.

In both districts, all of the administrative, supervisory, and superintendent's office positions in both districts are full time with the exception of the CSE chair in Crown Point that is a 60% position. The administrators are not organized for purposes of collective bargaining in either district. Current administrative staffing patterns in the two study districts may be seen in Table 6.7 that follows.

Table 6.7	
Administrative/Supervisory/Superintendent's Office Positions for 2012-13	
Crown Point	Ticonderoga
Superintendent	Superintendent
	Business Administrator
CSE Chair (.6)	CSE Chair
K-12 Principal	High School Principal
	K-8 Principal
Cook/Manager	Cook Manager
Head Custodian	Supervisor of Operations & Maintenance
Head Bus Driver	Head Bus Driver
	Technology Coordinator
Superintendent's Secretary	Superintendent's Secretary/District Clerk
TOTAL OF 6.6 POSITIONS	TOTAL OF 10 POSITIONS

Given the current administrative staffing levels for the two districts in 2012-13, table 6.8 that follows provides the cost for the districts to employ these individuals.

Table 6.8			
Administrative/Supervisory/Superintendent's Office Salaries and Benefits-2012-13			
	Crown Point	Ticonderoga	Total
Number of Staff	6.6	10	16.6
Total Salaries	\$333,339	\$704,039	\$1,037,378
Cost of fringe benefits estimated @ 37%	\$123,335	\$260,494	\$383,830
Total cost of administrative salaries and fringe benefits	\$456,674	\$964,533	\$1,421,208

Administrative staffing for a merged district would be at the discretion of the new board of education. However, it is reasonable to assume that fewer administrators would be needed in a merged district. In considering how many administrators might be hired by the board in the merged district, we examined the administrative staffing patterns in other school districts of approximately 1,000 students with similar building configurations. While Ticonderoga currently has a K-8 principal, we have provided for the hiring of a middle school principal and an elementary school principal given the additional students from Crown point who would be attending the middle school as well as the additional responsibilities for administrators with the new APPR, common core, and other new state initiatives. For purposes of this study only, we assume that the

administrative staffing in the merged district would be as shown in the following table 6.9.

Table 6.9 Administrative Positions in a Merged District	
Position	Full Time Equivalent
Superintendent	1.0
Business Manager	1.0
CSE Chair	1.0
High School Principal	1.0
Middle School Principal	1.0
Elementary School Principal	2.0
Technology Coordinator	1.0
Head Cook	1.0
Transportation Supervisor	1.0
Superintendent of Buildings & Grounds	1.0
Superintendent's Secretary/District Clerk	1.0
TOTAL	12.0

Table 6.9 above shows total of twelve administrators compared with the current number of 16.6. This means that a 1.0 superintendent position, a 0.6 CSE chair position, a 1.0 transportation supervisor, a 1.0 cook manager, a 1.0 head custodian, and a 1.0 superintendent's secretary's position could be eliminated. Adding the elementary school principal position would result in a net reduction of 4.6 positions. Using the average salaries from the incumbents in these positions and estimating fringe benefits at 37%, we estimate the potential savings from these reductions to be \$202,694 for administrative salaries and fringe benefits. This is illustrated in table 6.10 that follows.

Table 6.10 Administrative/Supervisory Salaries and Benefits-2012-13				
	Crown Point	Ticonderoga	Total	Merged District
Number of Staff	6.6	10	16.6	12
Total Salaries	\$333,339	\$704,039	\$1,037,378	\$889,426
Cost of fringe benefits estimated @ 37%	\$123,335	\$260,494	\$383,830	\$329,088
Total cost of administrative salaries and fringe benefits	\$456,674	\$964,533	\$1,421,208	\$1,218,514
Administrative/Supervisory Savings in Merged District				\$202,694

With respect to support staff, both districts have one recognized bargaining unit represented by the New York State United Teachers. The support staff contract in Crown Point expires on June 30, 2014 while the support staff contract in Ticonderoga expires on June 30, 2014. Table 6.11 which follows compares the major provisions of these contracts.

Table 6.11 Support Staff Contract Comparison-2012-13		
Item	Crown Point	Ticonderoga
Duration	July 1, 2011-June 30, 2014	July 1, 2010-June 30, 2014
Recognition	All clerical, food service, teacher aide, school monitor, custodial, cleaning, and transportation staff	All full and part time mechanic, bus driver, cafeteria, secretarial, operations & maintenance, aide and clerk positions
Grievance Procedure	Binding arbitration	Advisory arbitration; if the board rejects 1 advisory arbitration award, any further awards become binding
Association Business		President or designee gets 3 days/year
Eligibility for Benefits	Health insurance is available only to full time employees; part time is defined as working half or less than the normal work week	20 hours or more per week
Health Insurance	BOCES Health Insurance Consortium-Plan B; 100%-Individual; 100%-Family	BOCES Health Insurance Consortium-Plan B; 90%-Individual; 90%-Family
Health Reimbursement Account		Reimbursement once employee reaches \$250 in expenses

Health Insurance Opt-out	\$2,500	\$350; employees not eligible for health insurance receive \$150/year
Life Insurance	District provides a \$5,000 policy	District provides a \$5,000 policy
Retiree Health Insurance	District applies unused sick days to the cost of retiree health insurance premiums	
Sick Leave	14 days/year, cumulative to 200 days	14 days/year, cumulative to 200 days
Family Illness Leave		5 days/year, non-cumulative
Personal Leave	3 days/year; unused days may be credited to unused sick days or the employee may be compensated for the unused days	3 days/year, non-cumulative; personal days are deducted from sick leave
Sick Leave Bank		Yes
Sick Leave Buy Back		For employees who have at least 28 accumulated sick days, district pays employees according to the number of sick days taken during the year: 0 days taken-\$250 1 day taken-\$200 2 days taken-\$150 3 days taken-\$100 4 or more days taken-\$0 Teachers do not accumulate any sick days in the year they are compensated
Vacation	1 year of service-1 week; 2-7 years of service-2 weeks; 8-10 years of service-3 weeks; 11+ years of service-4 weeks	First year-1 day/26 days worked; 2 years of service-2 weeks; 7 years of service-3 weeks; 17 years of service-4 weeks
Longevity Payment	\$300 after 10 consecutive years of service for 12 month staff	\$750 after 5 consecutive years of service; \$750 after 10 consecutive years of service
Paid Holidays	14	13
Retirement Payment		After 30 years of service, 5 days pay upon retirement; employees who do not use their unused sick leave for additional retirement service credit will be compensated for up to 75 unused sick days at \$50/day
Retiree Health Insurance	50%-Individual; 50%-Family; Staff member must have at least 15 years of continuous service; Staff member receives 1/200 th of final salary for each accumulated sick day, applied to the staff member's cost of the insurance premiums	With at least 15 years of service at retirement, retirees pays the same co-pay as active employees at the time of their retirement; effective date of retirement: 1998-2003-0% co-pay 2003-2004-5% co-pay

		2004-2014-10% co-pay
Retirement Plan	75-i	41-j

Once again, we find that there are differences in the collective bargaining agreements with the support staff unions. However, from the big picture perspective, there do not seem to be any differences that are so significant that concern should be raised. We believe that if a merger were to occur, a single collective bargaining agreement could be negotiated without major difficulties that would cover all support staff in the merged district.

In addition to the comparison of the contract language, salaries paid to the support staff in both districts were also analyzed. The comparisons for support staff are not as clear as they are for teaching and administrative personnel. The two districts are both under the jurisdiction of the same civil service commission yet, for many of their positions, the districts use different titles for these staff. Realizing these limitations in comparing salaries, the following table 6.12 is presented to depict this salary information for the districts.

Table 6.12		
Support Staff Salaries-2012-13		
	Crown Point	Ticonderoga (Days/year)
Bus Driver	\$6,952-11,610 (25)	\$25.23-36.08 (20) (180)
Bus Monitor	\$8,222	
Mechanic-40 hrs/wk	\$20,447-33,619 (25)	\$29,278-41,833 (20) (260)
Assistant Mechanic-30/40 hrs/wk		\$18,907-27,012 (20) (180/80)
Garage Helper		\$10.80-12.12 (9)
Maintenance Person-40 hrs/wk		\$23,454-26,689 (9) (260)
Custodian-40 hrs/wk	\$16,124-32,998 (30)	\$22,868-32,673 (20) (260)
Cleaner	\$15,619-23,503 (19)	\$19,529-27,690 (20) (260)
Groundskeeper-40 hrs/wk		\$32,081-46,151 (19) (260)
Groundskeeper/Cleaner-40 hrs/wk		\$21,684-24,199 (8) (260)
Teacher Aide-31.7/30 hrs/wk	\$13,845	\$9,839-13,983 (20) (180)
Computer Aide-32.5 hrs/wk		\$11,433-16,125 (20) (180)
Data Entry Machine Operator-35 hrs/wk		\$16,900-20,503 (12) (190)
Office Clerk-32.5 hrs/wk		\$11,920-16,819 (20) (190)

Library Clerk-35 hrs/wk		\$14,063-20,095 (20) (190)
Senior Clerk-35/30 hrs/wk		\$18,571-26,535 (20) (190/20)
School Secretary-35/30 hrs/wk		\$18,799-26,862 (20) (190/20)
Stenographer-35/30 hrs/wk		\$19,429-27,542 (20) (190/20)
Cafeteria Staff-30 hrs/wk	\$8,071-18,752 (25)	
Lunch Monitor-30 hrs/wk	\$5,297	
Cafeteria Clerk-30 hrs/wk		\$9,346-10,813 (10) (180)
Cashier-30 hrs/wk	\$6,923	
Lead Cook-32.5 hrs/wk		\$12,431-17,618 (20) (180)
Baker-32.5 hrs/wk		\$11,148-15,928 (20) (180)
Food Service Helper-27.5 hrs/wk		\$9,567-13,584 (20) (180)
School Nurse	\$22,818-31,679 (17)	
Study Hall Monitor-31.2 hrs/wk		\$10,717-15,649 (20) (180)

While it is difficult to make exact comparisons between the salaries for some of the support staff, it is clear that there are discrepancies in the wages paid for some positions. While the title of teacher aide is compensated similarly both districts, there is a discrepancy in the wages for bus drivers, custodians, and cleaners. Table 6.13 that follows shows the cost of leveling up salaries and benefits for these positions.

Table 6.13					
Cost to Level Up Support Staff Salaries					
Title	Average or Comparable Salary/Rate in Crown Point	Average or Comparable Salary/Rate in Ticonderoga	Difference in Rate	Number of Crown Point Staff	Annual Cost to Level Up Salaries
Bus Driver	\$15.24	\$30.66	\$15.42	6	\$49,962
Custodian	\$29,131	\$32,673	\$3,542	2	\$7,084
Cleaner	\$15,259	\$19,529	\$4,270	1	\$4,270
Total Cost to Level Up Support Staff Salaries					\$61,316
Additional Cost of Fringe Benefits @ 25%					\$15,329
Total Cost of Salaries and Benefits to Level Up Support Staff Salaries					\$76,645

The major fringe benefit cost in Crown Point and Ticonderoga is for health insurance. Both districts offer health insurance options for their staff. In addition, the sharing of premium costs varies between districts. Both districts are members of the BOCES health insurance consortium and both districts participate in Plan B. As a result, the coverage available to the employees of both district are the same.

In addition to having the same health insurance plans for their employees, the districts pay very similar percentages of the premium costs for these staff. Crown point pays 93% of the premium for the teaching staff and 100% of the premium for support staff. Ticonderoga pays 90% of the health insurance premium for all staff.

It is clear that health insurance coverage is an expensive fringe benefit in both districts. Many districts have been successful in slowly negotiating down the percentage of the premiums that are paid by the district, a trend that has been evidenced generally in schools over the past decade. It is our opinion that it would be very difficult to predict the financial impact that a merger would have on the cost of health insurance premiums. The unions will undoubtedly argue for the lowest possible premium cost. This would have the effect of slightly raising costs in the merged district. On the other hand, the trend in health insurance coverage in schools has been to increase deductibles, increase co-pays on prescription drug coverage, and increase the amount of the premium that is paid by the employee. This would have the effect of reducing costs in the merged district. For these reasons, we believe that the cost of health insurance for the merged district would not have a material effect on the costs associated with merging the two districts.

It is clear from this chapter that staff costs have a major impact on the cost of running school districts. We have examined, from a big picture perspective, the staff cost implications of merging the two study school districts. These analyses can be summarized as shown in table 6.14 that follows.

Table 6.14 Staff Cost Savings From Merging Districts-2012-13		
Area	Cost Savings	Cost Increase
Leveling up of teacher & teaching assistant salaries		\$328,958
Eliminate duplicate coaching positions	\$24,628	
Net reduction of 4.6 administrative staff	\$202,694	
Leveling up of support staff salaries		\$76,645
<i>Total</i>	<i>\$227,322</i>	<i>\$405,603</i>
NET COST INCREASE		
		\$178,281

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Chapter 7

Fiscal Condition of the Districts

In addition to enhancing educational opportunities for students, a second major consideration in any discussion of possible district consolidation involves finances. Therefore, this section of the report will provide an overview of the financial condition of each study district and offer insight into the potential financial ramifications should a merger occur.

As Table 7.1 below illustrates, the residents of both Crown Point and Ticonderoga consistently support annual spending plans put forth by their respective boards of education.

Table 7.1 Budget Vote History									
	Crown Point					Ticonderoga			
Year	YES	NO	Total	% YES		YES	NO	Total	% YES
2000	222	25	247	89.9		366	177	543	67.4
2001	97	19	116	83.6		363	220	583	62.3
2002	111	39	150	74.0		315	105	420	75.0
2003	174	32	206	84.5		444	323	767	57.9
2004	130	40	170	76.5		442	345	787	56.2
2005	152	30	182	83.5		358	249	607	59.0
2006	159	31	190	83.7		362	196	558	65.7
2007	120	28	148	81.1		382	169	551	69.3
2008	175	46	221	79.2		428	230	658	65.0
2009	192	23	215	89.3		444	162	606	73.3
2010	135	30	165	81.8		421/509	521/474	951/983	44.3/51.8
2011	138	86	224	61.6		443/545	499/542	942/1087	47.0/50.1
2012	95	18	113	84.1		562	416	978	57.5
2013	97	10	107	90.6		550	382	932	59.0

Over the past fourteen years, the budget vote has passed on the first vote every year in Crown Point. In Ticonderoga, the budget passed on the first vote in twelve of the fourteen years and on the second vote in the other two years. This is a commendable

record of support for school district spending plans that has been shown by both communities.

In examining each of the district's general fund balance sheets (Table 7.2), we find some very interesting information. The first observation is that both districts are within the 4% allowable limit for their unassigned fund balances. Crown Point has an unassigned fund balance of \$209,997 that represents 3.4% of its 2012-13 budget of \$6,135,688. Ticonderoga has an unassigned fund balance of \$384,362 that represents 2.2% of its 2012-13 budget of \$17,849,824. While it is admirable that both districts are complying with the state limitation on unassigned fund balance, it must also be noted that the unassigned fund balance for each district has been declining in recent years. In addition, these balances are less than many other school districts have accumulated.

Recent changes in regulations governing school district accounting (Generally Accepted Accounting Principles Statement Number 54) have altered terminology that was used to describe fund balances in previous years. The following explains the new language for fund balances when reading any district's balance sheet.

- Non-spendable – consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.
- Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

- Unassigned – represents the residual classification for the government’s general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Section 1318 of the real property tax law caps school district undesignated fund balances at 4% of the subsequent year’s budget. Crown Point and Ticonderoga have both complied with this undesignated fund balance requirement as of June 30, 2012.

Table 7.2			
District General Fund Balance Sheets as of June 30, 2012			
BALANCE SHEET: as of June 30, 2012	Crown Point	Ticonderoga	Combined
ASSETS:			
Unrestricted/Restricted Cash	464,975	1,422,623	1,887,598
Accounts receivable	92,922	33,462	126,384
Due from other funds	102,868	922,507	1,025,375
Due from other governments	-	93,560	93,560
State and federal aid	347,851	174,467	522,318
Inventories	-	-	-
Deferred Expenditures	-	-	-
Total Assets	1,008,616	2,646,619	3,655,235
LIABILITIES & FUND BALANCE			
LIABILITIES:			
Accounts payable	6,145	109,248	115,393
Bonds payable	-	1,100,000	1,100,000
Due to other governments	44,264	-	44,264
Due to E.R.S.	15,765	78,902	94,667
Due to T.R.S.	209,770	782,528	992,298
Retainage payable	-	-	-
Deferred Revenue	-	-	-
Total Liabilities	275,944	2,070,678	2,346,622

BALANCE SHEET: as of June 30, 2012	Crown Point	Ticonderoga	Combined
FUND BALANCES			
Nonspendable	-	-	-
Restricted			
Worker's Compensation Reserve	-	-	-
Unemployment Reserve	61,263	10,000	71,263
Reserve-Retirement Contributions	-	-	-
Liability	-	-	-
Insurance Reserve	-	-	-
Reserve for Tax Certiorari	-	-	-
Reserve for Employee Benefits & Accrued Liabilities	-	-	-
Capital Reserve	14,483	-	14,483
Transportation	-	-	-
Total Restricted Fund Balance	75,746	10,000	85,746
Assigned			
Appropriated For Taxes	-	-	-
Encumbrances	-	181,578	181,578
Assigned Fund Balance	-	-	-
Total Assigned Fund Balance	446,929	181,578	628,507
Unassigned			
Reserve for Tax Reduction	-	-	-
Unassigned Fund Balance	209,997	384,362	594,359
Total Unassigned Fund Balance	209,997	384,362	594,359
Total Fund Balance	732,672	575,940	1,308,612
Total Liabilities & Fund Balance	1,008,616	2,646,618	3,655,234

The other significant observation that should be made about the balance sheet shown in table 7.2 above deals with the restricted fund balance for each district. The restricted fund balance categories are often referred to as reserve accounts. These accounts are similar to an individual's savings accounts. These reserves, which usually can only be used for the purpose designated, are the safety nets that school districts have for future significant potential expenses.

It is significant to note that neither district has established significant reserve accounts. Crown Point has an unemployment reserve of \$61,263 and a capital reserve of

\$14,483 for a total of \$75,746. Ticonderoga has only an unemployment reserve of \$10,000. Neither district has reserved any funds for workers compensation, retirement contributions, liability, insurance, tax certiorari, employee benefits and accrued liabilities, or transportation. While there is nothing inappropriate or illegal about these reserve accounts, the lack of reserve accounts/safety nets for the future demands close scrutiny of future budgets for these districts.

Regional Boards of Cooperative Educational Services (BOCES) provide services to school districts within their geographic region. Both districts are components of the Clinton-Essex BOCES that is headquartered in Plattsburgh but has a career and technical education center in Mineville. This BOCES provide educational programs such as Career and Technical Education (CTE), alternative education and special education. Administrative support services and professional development are also provided by BOCES on a cooperative basis. As an incentive for districts to cooperate and share services through BCOES, the state provides a financial incentive to school districts in the form of BOCES aid. The BOCES aid ratio for Crown Point is 65.7% and for Ticonderoga it is 36.0%. The following table provides an overview of some of the administrative and program costs that are part of the service contract that each district has with BOCES.

Service Area	Crown Point	Ticonderoga
Administrative Budget	47,343	153,518
Capital Budget	5,714	18,528
Career & Technical Education	139,678	199,571
12:1:1 Special Education	74,166	74,316
Speech A La Carte	9,388	18,776
Counseling A La Carte	15,096	18,115
One On One Aide A La Carte	65,928	32,964
Special Education-Autism	51,080	0
Speech A La Carte	11,735	0
One On One Aide A La Carte	32,964	0
Special Education Plain	110,715	83,036
Counseling A La Carte	18,115	16,605
Itinerant Speech & Hearing	0	55,575
Itinerant OT/PT	40,615	18,886

Itinerant Library Media Specialist	15,323	0
CAI-Albany BOCES	0	22,825
Computer Services-Albany BOCES	0	95,800
Health/WC Insurance Consortium	4,069	13,468
Employer Relations	10,717	15,424
Other	62,200	81,684
TOTAL CONTRACT	714,846	919,091

Table 7.4 that follows shows the history of each district's total restricted and unassigned fund balance over the past several years. This too is a measure of a district's overall fiscal health. If the fund balance has remained stable or increased over time, it typically means that there have been sufficient resources to stabilize the fiscal condition of the district for the future. However in this case, neither districts' fund balances have increased. Crown Point's fund balance is more than the \$10,202 it had in 2008-09 but less than the \$378,921 in 2009-10 and \$543,805 in 2010-11. Ticonderoga's fund balance did increase by approximately \$38,000 from 2010-11 to 2011-12 but is still far less than the \$1,356,374 the district had in 2008-09.

Table 7.4 Analysis of Total (Restricted & Unassigned) Fund Balance		
June 30th of Fiscal Year	Crown Point	Ticonderoga
2008-2009	\$10,202	\$1,356,374
2009-2010	\$378,921	\$978,512
2010-2011	\$543,805	\$346,513
2011-2012	\$285,743	\$394,362

We have also reviewed the report of the independent auditor for the school year ending June 30, 2012. Crown Point's auditor is Patrick R. Ida, Certified Public Accountant from Ticonderoga. Ticonderoga's auditor is Lawrence J. Ringer, Certified Public Accountant from Glens Falls. These audits examine the financial health of the districts as well as the practices that the school districts employ to securely manage their funds.

The audit from Crown Point identified the following issues:

- a. The district does not have an appropriate level of segregation of duties due to financial constraints and limited staff. This issue can be

mitigated through the active involvement of the superintendent and awareness of the risks by the board.

- b. The district has a negative balance in the capital fund as a result of short term financing. This is not unusual for a capital project in the earlier stages. The state aid will generate the revenue to eliminate this deficit.

The Ticonderoga audit identified the following issues:

- a. The district needs to update its accounting for fixed assets. The district has begun a process to implement stronger control over fixed assets and update the documentation.
- b. As a cost cutting measure, the district had an internal risk assessment performed every other year. New York mandates that the internal risk assessment be performed on an annual basis.
- c. The district's separation of duties is limited due to its size.

It must be noted that school districts have never faced the types of financial challenges that they now confront. Even the best-managed school districts that have set aside significant reserves continue to be challenged with minimal increases or cuts in state aid and large increases in pension and health care costs. State and federal monies continue to decline. Districts are being forced to eliminate programs and downsize staff. Fund balances are being depleted to finance recurring expenses without being replenished. Studies across the state are projecting the year in which school districts will run out of money. School districts in New York State are facing very turbulent financial futures. These are the very real challenges that are facing Crown Point and Ticonderoga. The financial future for all school districts will be very challenging.

One measure of a district's fiscal condition and its financial commitment to provide a high quality education for its students is the amount of money spent annually. Table 7.5 examines the total approved operating expenses for both districts for the past five years. Approved operating expenses are those expenses used for the day-to-day operation of the school, excluding certain expenses. Not included are: capital outlay and debt service for building construction, transportation of pupils, expenditures made to purchase services from a BOCES, or tuition payments to other districts. Monies received

as federal aid revenue and State aid for special programs are also deducted from total annual expenditures when computing approved operating expenses. It is important to note that this amount spent is affected by a number of variables such as regional costs, unique equipment purchases, bus purchases, etc.

Table 7.5 Total Approved Operating Expenses			
Year	Crown Point	Ticonderoga	If Combined
2007-2008	4,915,778	13,010,846	17,926,624
2008-2009	5,145,468	13,340,357	18,485,825
2009-2010	4,921,520	13,154,843	18,076,363
2010-2011	4,888,855	14,122,659	19,011,514
2011-2012	4,680,181	14,448,812	19,128,993
2012-2013	4,692,647	14,159,262	18,851,909

Table 7.5 above shows that the approved operating expenses for both districts have remained relatively flat over the six year period shown. Crown Point has actually decreased its expenses by 5.82% while Ticonderoga has increased its expenses by 8.82% or less than 1.5% per year. This is fairly consistent with school spending across all of New York State as salaries, fringe benefits, and utility costs have increased dramatically for school districts yet state aid has either remained constant or has been declining. In many cases, these increased costs have been offset by program and staff cuts.

In order to compare school spending between the two districts in a more equitable fashion, Table 7.6 is presented to examine the approved operating expenses per student.

Table 7.6 Approved Operating Expenses Per Student			
Year	Crown Point	Ticonderoga	If Combined
2007-2008	18,907	14,188	15,231
2008-2009	21,002	14,500	15,868
2009-2010	19,608	15,458	16,403
2010-2011	20,286	16,384	17,236
2011-2012	19,420	17,772	18,149
2012-2013	18,475	17,502	17,735

As the table shows, over the past six years, Crown Point's approved operating expenses per pupil have surpassed that of Ticonderoga each year. For example, in

2007-08 Crown Point spent \$18,907 per student as compared to Ticonderoga at \$14,188; in 2012-13 Crown Point was outspending Ticonderoga by \$973 per student. It is not at all unusual to find a smaller district having higher per student costs than a larger district simply because of economies of scale. Given this analysis, however, with the range of operating expenses per pupil in school districts across the state, the spending levels of these two districts are fairly similar.

State aid to schools is driven in part by the amount of property wealth in a district and the amount of personal income behind each student as compared with the state average. These wealth indices are weighted equally and are called the combined wealth ratio. The average district in the state has a combined wealth ratio of 1.0. The combined wealth ratio for Crown Point is .666 and for Ticonderoga, it is 1.253. Because Crown Point's combined wealth ratio is less than one, Crown Point is less wealthy than the average school district in New York State. Conversely, Ticonderoga with a combined wealth ratio greater than one means that it is wealthier than the average school district in New York State. Comparing the two districts, Ticonderoga's combined wealth ratio is nearly double that of Crown Point.

Theoretically, state aid to education in New York is designed to help less wealthy districts derive more fiscal equity with those districts that have greater fiscal capacity. To some degree this occurs. However, the system is not perfect. In fact, small rural school districts are not able to spend the same amount of money on the education of their children as most other districts in the state. It is important however to examine how much state support each district receives since most small, rural districts are highly dependent on fiscal support from the state. The table below illustrates the state aid that Crown Point and Ticonderoga have received over the past five years.

Table 7.7 Total State Aid			
Year	Crown Point	Ticonderoga	If Combined
2008-09	\$4,189,251	\$6,392,885	\$10,582,136
2009-10	\$4,064,749	\$5,819,462	\$9,884,211
2010-11	\$4,121,727	\$6,444,842	\$10,566,569
2011-12	\$3,898,013	\$6,276,093	\$10,174,106
2012-13	\$3,940,760	\$6,401,215	\$10,341,975

As can be seen from table 7.7, Ticonderoga has received more state aid than Crown Point in every year. This is primarily due to the fact that Ticonderoga is a larger district than Crown Point and has a much larger budget. We also see that state aid has decreased for Crown Point since 2008-09 by 5.93% and increased for Ticonderoga by only 0.13%. This points out the major challenge faced by school districts very clearly. While utility, salary, and fringe benefits have been increasing steadily over the past five years, state support for education has either declined or remained stagnant.

Once again, it is important to examine the amount of state aid received per student in order to get a more accurate comparison between the two districts. Table 7.8 provides these data.

Table 7.8 State Aid Per Student			
Year	Crown Point	Ticonderoga	If Combined
2008-09	\$17,099	\$6,949	\$9,083
2009-10	\$16,194	\$6,838	\$8,969
2010-11	\$17,103	\$7,477	\$9,580
2011-12	\$16,174	\$7,720	\$9,653
2012-13	\$15,515	\$7,913	\$9,729

In examining these figures we see that even though Ticonderoga has received more state aid than Crown Point (Table 7.7), Crown Point receives significantly more state aid per student than does Ticonderoga. This is consistent with the purpose of state aid which is to equalize financial resources for districts. Crown Point being the less wealthy district receives more state aid per student than does Ticonderoga, the wealthier district. Again, however, we see the problem that inadequate state aid is causing for school districts. Over the five year period studied, state aid per student has decreased in

Crown Point by 9.26% and increased in Ticonderoga by only 7.11% or less than 1.5% per year.

For purposes of this study, we will examine the property wealth of the two districts and illustrate that information in table 7.9 as follows:

Table 7.9			
Full Value Property Wealth			
Year	Crown Point	Ticonderoga	If Combined
2008-09	\$137,337,402	\$1,139,820,991	\$1,277,158,393
2009-10	\$138,356,778	\$1,167,255,334	\$1,305,612,112
2010-11	\$138,389,111	\$1,142,894,076	\$1,281,283,187
2011-12	\$137,910,506	\$1,120,135,728	\$1,258,046,234
2012-13	\$138,482,179	\$1,081,056,563	\$1,219,538,742

In looking at the full value property wealth, we see that Ticonderoga has significantly more wealth than does Crown Point. This is consistent with Ticonderoga having a higher Combined Wealth Ratio when compared with Crown Point. It is also clear that the property wealth in these two districts is stagnant. The property wealth in Crown Point has increased by only 0.83% in five years while the property wealth in Ticonderoga has actually decreased by 5.16% over the same five-year period.

We now look at the property value per enrolled student in the following table 7.10.

Table 7.10			
Full Value Property Wealth Per Enrolled Student			
Year	Crown Point	Ticonderoga	If Combined
2008-09	\$560,561	\$1,238,936	\$1,096,273
2009-10	\$551,222	\$1,371,628	\$1,184,766
2010-11	\$574,229	\$1,325,863	\$1,104,518
2011-12	\$572,243	\$1,377,780	\$1,176,844
2012-13	\$545,205	\$1,336,287	\$1,147,261

Table 7.10 shows that there is considerably more property wealth per student in Ticonderoga than there is in Crown Point. Again, this is consistent with Ticonderoga being the wealthier district. It should also be noted that the property wealth per student decreased in Crown Point by 2.74% and increased in Ticonderoga by 7.86%. The larger increase in Ticonderoga is due in part to the declining student enrollment in the district.

We now look at the property tax levy for each of the districts in the following, table 7.11.

Table 7.11 Total Property Tax Levy					
Year	Crown Point	Increase from Previous Year	Ticonderoga	Increase from Previous Year	If Combined
2008-09	\$1,375,000	-	\$8,895,869	-	\$10,270,869
2009-10	\$1,463,755	6.45%	\$9,145,204	2.80%	\$10,608,959
2010-11	\$1,463,755	0.00%	\$9,581,358	4.77%	\$11,045,113
2011-12	\$1,489,000	1.72%	\$9,961,958	3.97%	\$11,450,958
2012-13	\$1,515,355	1.77%	\$10,316,732	3.56%	\$11,832,087

While the tax levy remained constant in Crown Point from 2009-10 to 2010-11, the levy increased for both districts in every other year. Over the five-year period shown, the local property tax levy increase by 10.2% in Crown Point and by 16.0% in Ticonderoga.

Table 7.12 shows the tax levy per student for the two districts.

Table 7.12 Property Tax Levy Per Enrolled Student			
Year	Crown Point	Ticonderoga	If Combined
2008-09	5,612	9,669	8,816
2009-10	5,832	10,746	9,627
2010-11	6,074	11,115	10,014
2011-12	6,178	12,253	10,864
2012-13	5,966	12,752	11,131

In looking at the tax levy per student, we notice that, with the exception of 2011-12 to 2012-13 in Crown Point, the tax levy per enrolled student for both districts has increased each year. Over the five-year period studied, the levy per student has increased by 6.31% in Crown Point and by 31.89% in Ticonderoga.

Finally, with respect to taxes, we examine the true value tax rates of both districts in the following table 7.13. True value tax rates are the only way to compare one district with another because of assessment practices. These tax rates are not necessarily the same rates that a property owner would see on a school tax bill in either district. However, true tax rates are valid for comparison purposes across districts.

Table 7.13		
Tax Rates Per Thousand on True Value		
Year	Crown Point	Ticonderoga
2008-09	\$10.01	\$7.80
2009-10	\$10.58	\$7.83
2010-11	\$10.58	\$8.38
2011-12	\$10.80	\$8.89
2012-13	\$10.94	\$9.54

As can be seen from the table above, both districts have increased their true value tax rate over the past five years. The tax rate in Crown Point has increased by 9.29% while Ticonderoga has increased its tax rate by 22.31%. If the districts had merged on July 1, 2012, the combined tax rate for 2012-13 would have been \$9.70 per thousand with all other things remaining the same (i.e., no additional incentive aid used to reduce taxes).

It is important for each district to know the extent of capital debt the other district would bring to a merger if it were to occur. The following tables (7.14 and 7.15) show the schedule of indebtedness each of the districts currently holds. Crown Point has \$3,279,304 in principal and interest payments due over the 13-year period shown. However, because of the way that the debt was structured and refinanced, the district will actually have a surplus of state aid equal to \$216,036 that will be received through 2033.

**Table 7.14
Crown Point Building Debt Estimates Based on Current Data**

Year Ending June 30	Principal	Interest	Annual Total Principal + Interest	Amortized Building Aid	Estimated Local Share
2013	229,999	98,003	328,002	335,140	(7,138)
2014	235,000	89,726	324,726	324,813	(87)
2015	240,000	80,945	320,945	324,813	(3,868)
2016	245,000	71,929	316,929	324,813	(7,884)
2017	265,000	62,540	327,540	324,813	2,727
2018	270,000	52,254	322,254	324,813	(2,559)
2019	280,000	41,501	321,501	313,324	8,177
2020	290,000	30,183	320,183	313,324	6,859
2021	120,000	20,300	140,300	313,324	(173,024)
2022	125,000	16,013	141,013	149,732	(8,720)
2023	130,000	11,550	141,550	149,732	(8,182)
2024	130,000	7,000	137,000	149,732	(12,732)
2025	135,000	2,363	137,363	129,759	7,604
2026	0	0	0	2,151	(2,151)
2027	0	0	0	2,151	(2,151)
2028	0	0	0	2,151	(2,151)
2029	0	0	0	2,151	(2,151)
2030	0	0	0	2,151	(2,151)
2031	0	0	0	2,151	(2,151)
2032	0	0	0	2,151	(2,151)
2033	0	0	0	2,151	(2,151)
TOTAL	2,694,999	584,305	3,279,304	3,495,340	(216,036)

Ticonderoga has \$35,111,300 in principal and interest payments due over the 18-year period shown. After receiving state building aid, the district's local share for this debt will be \$19,362,507 through 2030.

**Table 7.15
Ticonderoga Building Debt Estimates Based on Current Data**

Year Ending June 30	Principal	Interest	Annual Total Principal + Interest	Amortized Building Aid	Estimated Local Share
2013	1,555,000	1,112,422	2,667,422	1,245,716	1,421,705
2014	1,625,000	1,057,276	2,682,276	1,245,716	1,436,560
2015	1,680,000	990,881	2,670,881	1,245,716	1,425,165
2016	1,765,000	921,636	2,686,636	1,245,716	1,440,920
2017	1,705,000	848,459	2,553,459	1,157,786	1,395,673
2018	1,780,000	774,588	2,554,588	1,157,786	1,396,803
2019	1,855,000	697,067	2,552,067	1,157,786	1,394,281
2020	1,935,000	615,877	2,550,877	1,157,786	1,393,091
2021	2,010,000	530,983	2,540,983	1,157,786	1,383,197
2022	1,540,000	454,258	1,994,258	831,574	1,162,683
2023	1,550,000	386,617	1,936,617	811,032	1,125,585
2024	1,420,000	316,644	1,736,644	811,032	925,612
2025	1,490,000	245,644	1,735,644	811,032	924,612
2026	680,000	171,144	851,144	342,466	508,678
2027	715,000	137,144	852,144	342,466	509,678
2028	745,000	105,863	850,863	342,466	508,397
2029	775,000	72,338	847,338	342,466	504,872
2030	810,000	37,463	847,463	342,466	504,997
TOTAL	25,635,000	9,476,300	35,111,300	15,748,793	19,362,507

The current building aid ratio for Crown Point is .883 while the building aid ratio for Ticonderoga is .544. This means that the state reimburses Crown Point \$0.883 and Ticonderoga \$0.544 on every dollar spent for approved building project expenses. When school districts merge, two state financial incentives exist. For new construction, the state will enhance the higher of the former district's building aid ratio by an additional 30%, up to a maximum of 95% of all approved capital costs or up to 98% for high needs districts. This means that any new approved capital construction in a merged district would be aided at the maximum 98% for a high needs district (.883 building aid ratio of Crown Point X 30% added to its 88.3% current aid percentage=98% cap). This incentive exists for a period of ten years from the official date of the merger.

The second financial incentive for facilities that the state provides for merged districts pertains to existing capital debt. In this situation, the state will determine the total capital debt of the merged district and will pay state aid at the higher of the two previous districts' building aid ratios. This means that the capital debt that the state is now aiding at Ticonderoga's current building aid ratios would be aided at Crown Point's higher current building aid rates if the two districts merged. Table 7.16 shows the history of building aid ratios for both study districts.

Table 7.16 Building Aid Ratios		
Voter Approval Date	Crown Point	Ticonderoga
prior to 7/1/98	.846	.523
on or after 7/1/1998 but prior to 6/30/2000	.946	.623
on or after 7/1/2000 but prior to 6/30/2005	.846	.523
on or after 7/1/2005	.883	.544

As can be seen in table 7.16 above, the state building aid ratio for Crown Point has always been higher than the building aid ratio in Ticonderoga. Again, this is to be expected since Crown Point is less wealthy than Ticonderoga. Should the districts decide to merge, Ticonderoga's capital debt would be aided at the higher Crown Point rate according to the schedule in Table 7.16, depending on the date of the project approval. Table 7.17 that follows shows the additional state aid that would be paid on Ticonderoga's debt if the districts were to merge. From this table, it can be seen that the state would pay an additional \$9,794,586 in state aid on the debt that Ticonderoga is currently paying off if Crown Point and Ticonderoga were to merge.

Table 7.17 Ticonderoga's Additional Building Aid After Merger Based on Current Data					
Year Ending June 30	Principal	Interest	Annual Total Principal + Interest	Revised Amortized Building Aid	Additional Aid
2013	1,555,000	1,112,422	2,667,422	2,019,578	773,861
2014	1,625,000	1,057,276	2,682,276	2,019,578	773,861
2015	1,680,000	990,881	2,670,881	2,019,578	773,861
2016	1,765,000	921,636	2,686,636	2,019,578	773,861
2017	1,705,000	848,459	2,553,459	1,877,342	719,556
2018	1,780,000	774,588	2,554,588	1,877,342	719,556
2019	1,855,000	697,067	2,552,067	1,877,342	719,556
2020	1,935,000	615,877	2,550,877	1,877,342	719,556
2021	2,010,000	530,983	2,540,983	1,877,342	719,556
2022	1,540,000	454,258	1,994,258	1,349,665	518,091
2023	1,550,000	386,617	1,936,617	1,316,436	505,404
2024	1,420,000	316,644	1,736,644	1,316,436	505,404
2025	1,490,000	245,644	1,735,644	1,316,436	505,404
2026	680,000	171,144	851,144	555,877	213,412
2027	715,000	137,144	852,144	555,877	213,412
2028	745,000	105,863	850,863	555,877	213,412
2029	775,000	72,338	847,338	555,877	213,412
2030	810,000	37,463	847,463	555,877	213,412
TOTAL	25,635,000	9,476,300	35,111,300	25,543,378	9,794,586

Table 7.18 that follows shows the impact of the two districts' capital debt if the districts remain separate or if the districts decide to merge. If the districts decide not to merge, the residents of Crown Point will have a net positive amount of building aid equal to \$216,036 that they will receive by 2033. Again assuming no merger, the residents of Ticonderoga will be paying off the local share of their capital debt in the amount of \$19,362,507 through 2030. On the other hand, if there is a merger, the residents of the combined Crown Point/Ticonderoga merged school district will be paying the local share of the capital debt of both districts in the amount of \$9,351,885 until 2033.

Table 7.18 Building Obligation of Merged District Based On Current Data				
Year Ending June 30	Crown Point Building Obligations- No Merger	Ticonderoga Building Obligations-No Merger	Ticonderoga Building Obligations With Merger	Merged District Building Obligations
2013	(7,138)	1,421,705	647,844	640,706
2014	(87)	1,436,560	662,699	662,612
2015	(3,868)	1,425,165	651,304	647,436
2016	(7,884)	1,440,920	667,059	659,175
2017	2,727	1,395,673	676,117	678,844
2018	(2,559)	1,396,803	677,247	674,688
2019	8,177	1,394,281	674,725	682,902
2020	6,859	1,393,091	673,535	680,394
2021	(173,024)	1,383,197	663,641	490,617
2022	(8,720)	1,162,683	644,592	635,872
2023	(8,182)	1,125,585	620,181	611,999
2024	(12,732)	925,612	420,208	407,476
2025	7,604	924,612	419,208	426,812
2026	(2,151)	508,678	295,266	293,115
2027	(2,151)	509,678	296,266	294,115
2028	(2,151)	508,397	294,985	292,834
2029	(2,151)	504,872	291,460	289,309
2030	(2,151)	504,997	291,585	289,434
2031	(2,151)			(2,151)
2032	(2,151)			(2,151)
2033	(2,151)			(2,151)
TOTAL	(216,036)	19,362,507	9,567,921	9,351,885

Another area of financial advantage for a merged school district is in the area of efficiencies that are realized simply because there is one school district rather than two school districts. There is duplication of some expenses that exist with two school districts that can be eliminated when there is only one district. For Crown Point and Ticonderoga, table 7.19 that follows shows the anticipated efficiencies that could be realized in a merged district. Based on this table, approximately \$36,000 could be saved annually.

**Table 7.19
Potential Areas of Efficiency (Based on 2012-13 budgeted amounts)**

<i>Budgeted Item</i>	<i>Crown Point</i>	<i>Ticonderoga</i>	<i>Total</i>	<i>Merged</i>	<i>Savings</i>
NYSSBA Dues	3,594	6,006	9,600	7,500	2,100
Fiscal Advisor	1,000	2,300	3,300	2,500	800
District Clerk	2,843	6,242	9,085	7,500	1,585
Auditing Services	8,500	8,500	17,000	10,000	7,000
Tax Collector	2,496	11,791	14,287	12,000	2,287
NYSCOSS Dues	883	1,048	1,931	1200	731
Legal Services	5,000	5,000	10,000	10,000	0
Liability Umbrella Insurance	6,375	9,357	15,732	14,000	1,732
Special Ed Software	5,455	10,162	15,617	14,000	1,617
BOCES Service Flat Fee	53,057	153,158	206,215	206,215	0
Student Database-School Master	4,364	17,317	21,681	20,000	1,681
School Doctor	5,134	22,000	27,134	25,000	2,134
BOCES Health/Safety Base Fee	2,828	6,511	9,339	9,000	339
League & Section Athletic Fees	1,335	1,990	3,325	2,200	1,125
Nutri-Kids	1,803	1,651	3,454	3,000	454
GASB 45 Planning	2,100	9,618	11,718	11,000	718
Questar State Aid Planning	3,050	3,050	6,100	3,050	3,050
BOCES Negotiations	10,717	15,424	26,141	18,000	8,141
Rural Schools	500	575	1,075	600	475
Claims Auditor	4,000	2,251	6,251	6,000	251
Total	125,034	293,951	418,985	382,765	36,220

New York State provides significant financial incentives for school districts that merge. In addition to the building aid incentives mentioned earlier, the state also provides reorganization incentive operating aid. This reorganization incentive operating aid formula is based on the 2006-07 operating aid for each district. For Crown Point, this operating aid is \$1,224,623 and for Ticonderoga the 2006-07 operating aid is \$2,026,324. In calculating the incentive operating aid, the state adds the 2006-07 operating aids of the two districts together and then multiplies this aid by 40% for each of the first five years after the merger. Starting in year six, the incentive operating aid decreases by 4% a year for the next nine years until year 15 when the incentive operating aid runs out. Table 7.20 that follows shows the incentive operating aid that would be paid to the merged district.

As can be seen from this table, a merged district of Crown Point and Ticonderoga would generate \$12,353,599 in additional state aid over the next fourteen years.

Table 7.20					
Incentive Operating Aid for Crown Point and Ticonderoga Merged District					
Year	Crown Point 2006-07 Operating Aid	Ticonderoga 2006-07 Operating Aid	Combined 2006-07 Operating Aid	Incentive Operating Aid %	Incentive Operating Aid
2014-15 (1)	1,224,623	2,026,324	3,250,947	40%	1,300,379
2015-16 (2)	1,224,623	2,026,324	3,250,947	40%	1,300,379
2016-17 (3)	1,224,623	2,026,324	3,250,947	40%	1,300,379
2017-18 (4)	1,224,623	2,026,324	3,250,947	40%	1,300,379
2018-19 (5)	1,224,623	2,026,324	3,250,947	40%	1,300,379
2019-20 (6)	1,224,623	2,026,324	3,250,947	36%	1,170,341
2020-21 (7)	1,224,623	2,026,324	3,250,947	32%	1,040,303
2021-22 (8)	1,224,623	2,026,324	3,250,947	28%	910,265
2022-23 (9)	1,224,623	2,026,324	3,250,947	24%	780,227
2023-24 (10)	1,224,623	2,026,324	3,250,947	20%	650,189
2024-25 (11)	1,224,623	2,026,324	3,250,947	16%	520,152
2025-26 (12)	1,224,623	2,026,324	3,250,947	12%	390,114
2026-27 (13)	1,224,623	2,026,324	3,250,947	8%	260,076
2027-28 (14)	1,224,623	2,026,324	3,250,947	4%	130,038
2028-29 (15)	1,224,623	2,026,324	3,250,947	0	-
				TOTAL	12,353,599

Should the two school districts decide to merge, the receipt of more than \$12 million in incentive operating aid over the first fourteen years of the merger will obviously impact the financial condition of the district in a significant way. There is no question that given the current state of school district finances, residents are keenly interested in knowing how financial incentives will impact their taxes. However, voters are also interested in knowing how the district’s academic and extra-curricular program can be improved and how taxes can be stabilized over an extended period of time. While decisions about the allocation of resources are left solely to the discretion of the new board of education, it is not unusual for boards to divide the incentive operating aid into three relatively equal priorities. These priorities are:

1. Using funds to pay for **transition costs** and starting up new programs; there are always costs that exist when two school districts merge. These costs may include starting new academic programs, starting new extra-curricular programs, adjusting salaries,

buying new uniforms, developing a new policy manual, etc.

2. Using aid to **fund reserves** to ensure the long-term fiscal stability of the merged district; a significant amount of money would be available in each of the first five years for developing a long term financial strategy to fund reserves in a way that would assist in providing stability of the district's finances. Starting in year six, and for each year thereafter for the next nine years, the incentive operating aid from the state decreases by 4%. If prudent financial planning has not been done in advance, this reduction in incentive operating aid will result in significant tax increases for the residents. On the other hand, proper planning and the discipline to follow the plan could result in long term fiscal stability.
3. Using funds to **reduce taxes** immediately after the merger.

In most cases, the most significant transition cost in a merged district is that cost associated with the leveling up of staff salaries. The cost to level up staff salaries in this merger has been estimated at \$328,958. Since this cost has been accounted for in the calculations that follow in this report, we believe it is prudent to allocate 25% of the incentive operating aid for transition costs, 25% to fund reserves, and 50% to reduce taxes. This means that in the first five years of the merger, \$650,190, half of the incentive operating aid, would be used to reduce the local tax levy. Starting in year six, this amount would decrease as described previously in table 7.20.

We now look to summarize the total financial impact on the merged school district. In preparing this summary, the following factors will be examined:

ITEMS THAT WOULD RESULT IN ADDITIONAL REVENUES/SAVINGS

- Incentive Operating Aid-extra state aid that the districts would receive by merging (for this summary we are assuming 50% of this incentive aid is used to reduce the local property tax levy);
- Budget efficiencies due to the merger-auditing services, memberships, dues, and other budgetary duplications that can be eliminated or reduced because of the merger;
- Building Aid-additional building aid that would be received by the merged district to reduce the local share of the current Ticonderoga capital debt.
-

ITEMS THAT WOULD RESULT IN ADDITIONAL COSTS

- Staffing-leveling up staff salaries, elimination of duplicate coaching positions, and the reduction of administrative staff;
- Transportation-addition of an after school bus run
- Transportation-cost of adding an additional bus run to take the Crown Point middle and high school students to Ticonderoga each day.

In calculating the financial impact of these items, some assumptions are made:

1. The savings due to budget efficiencies have been held constant.
2. The savings that are realized from the reduction of administrative staff and the reduction of duplicate coaching positions, as well as the additional costs for leveling up staff salaries have all been held constant.
3. The savings that are realized from staffing and the full cost of leveling up salaries are assumed to occur in the first year of the merger.

By holding all of the current values constant in analyzing the financial impact of the merger, conservative future year estimates are projected. It is understood that many of these figures will change in future years. Since there are more areas where resources are saved than where additional costs are likely to be incurred, holding current figures constant will provide the most conservative estimate of savings that would accrue to the merged school district. Table 7.21 that follows provides a summary look at the financial impact of the merger.

**Table 7.21
Summary Financial Analysis for the Merged District**

Year	Additional Revenues/Savings			Additional Costs			Net Reduction in Expenses
	50% Incentive Operating Aid	Budget Efficiencies	Additional Building Aid	Leveling up/Annual Staff Reduction & Savings	After School Bus Run	Extra Bus Route	
2014-15 (1)	650,190	36,220	773,861	-178,281	-60,000	-5,000	1,216,990
2015-16 (2)	650,190	36,220	773,861	-178,281	-60,000	-5,000	1,216,990
2016-17 (3)	650,190	36,220	773,861	-178,281	-60,000	-5,000	1,216,990
2017-18 (4)	650,190	36,220	773,861	-178,281	-60,000	-5,000	1,216,990
2018-19 (5)	650,190	36,220	719,556	-178,281	-60,000	-5,000	1,162,685
2019-20 (6)	585,171	36,220	719,556	-178,281	-60,000	-5,000	1,097,666
2020-21 (7)	520,152	36,220	719,556	-178,281	-60,000	-5,000	1,032,647
2021-22 (8)	455,133	36,220	719,556	-178,281	-60,000	-5,000	967,628
2022-23 (9)	390,114	36,220	719,556	-178,281	-60,000	-5,000	902,609
2023-24 (10)	325,095	36,220	518,091	-178,281	-60,000	-5,000	636,125
2024-25 (11)	260,076	36,220	505,404	-178,281	-60,000	-5,000	558,419
2025-26 (12)	195,057	36,220	505,404	-178,281	-60,000	-5,000	493,400
2026-27 (13)	130,038	36,220	505,404	-178,281	-60,000	-5,000	428,381
2027-28 (14)	65,019	36,220	213,412	-178,281	-60,000	-5,000	71,370
2028-29 (15)	0	36,220	213,412	-178,281	-60,000	-5,000	6,351
TOTAL	6,176,805	543,300	9,154,351	-2,674,215	-900,000	-75,000	12,225,241

As can be seen in table 7.21, approximately \$12,225,241 could be saved by the merged school district over the first fourteen years after a merger. It is important to examine the impact that the savings noted in table 7.21 would have on the tax rates in the two districts. To do so, we are using the 2013-14 fiscal year data as the base year for illustrative purposes knowing if a merger were to occur it would not take place until 2014-15. We are also assuming the noted savings in table 7.21 were realized each year.

We have projected a first year budget for the merged district. To arrive at this 2014-15 merged district budget, we first had to project what the 2015-16 budget for the independent Crown Point and Ticonderoga school districts would be, assuming no merger. Tables 7.22 and 7.23 illustrate these individual school budgets.

**Table 7.22
Projected Crown Point Budget for 2014-15**

APPROPRIATIONS	2013-14 BUDGET	Assumptions		2014-15 Forecast
Instructional Salaries	\$1,801,906	2.00%	Increase	1,837,944
Non-instructional Salaries	450,660	2.00%	Increase	459,673
Equipment	75,160	0.00%	-	75,160
Contractual	686,382	1.50%	Increase	696,678
Supplies	120,487	0.00%	-	120,487
Tuition	-	0.00%	-	-
Textbooks	16,553	0.00%	-	16,553
BOCES Services	1,100,898	2.00%	Increase	1,122,916
Employee Benefits	1,674,242	5.00%	Increase	1,757,954
Debt Service	311,338	0.00%	-	311,338
Transfers and Balances	34,202	0.00%	-	34,202
TOTAL APPROPRIATIONS	\$6,271,828			6,432,905 (2.57%)
REVENUES	2013-14 BUDGET	Assumptions		2014-15 Forecast
Real Property Taxes	\$1,544,000	Budget Driven		1,624,349 (5.20%)
PILOTS/Interest/Penalties	-	0.00%	-	-
Charges For Services	-	0.00%	-	-
Use of Money and Property	-	0.00%	-	-
Other Miscellaneous	100,000	0.00%	-	100,000
State Aid	4,036,375	2.00%	Increase	4,117,103
Federal Aid	-	0.00%	-	-
BOCES Aid	228,400	0.00%	-	228,400
Hard/Soft/Textbook Aid	22,322	0.00%	-	22,322
Transfers and Balances	340,731	0.00%	-	340,731
TOTAL REVENUES	\$6,271,828			6,432,905

Table 7.23				
Projected Ticonderoga Budget for 2014-15				
APPROPRIATIONS	2013-14 BUDGET	Assumptions		2014-15 Forecast
Instructional Salaries	5,887,106	2.00%	Increase	6,004,848
Non-instructional Salaries	2,021,297	2.00%	Increase	2,061,723
Equipment	183,100	0.00%	-	183,100
Contractual	846,228	1.50%	Increase	858,921
Supplies	534,500	0.00%	-	534,500
Tuition	100,000	0.00%	-	100,000
Textbooks	50,250	0.00%	-	50,250
BOCES Services	1,039,418	2.00%	Increase	1,060,206
Employee Benefits	5,244,496	5.00%	Increase	5,506,721
Debt Service	2,682,276	0.00%	-	2,682,276
Transfers and Balances	20,000	0.00%	-	20,000
TOTAL APPROPRIATIONS	18,608,671			19,062,545 (2.4%)
REVENUES	2013-14 BUDGET	Assumptions		2014-15 Forecast
Real Property Taxes	10,800,159	Budget Driven		11,127,159 (3.03%)
PILOTS/Interest/Penalties	28,000	0.00%	-	28,000
Charges For Services	550,000	0.00%	-	550,000
Use of Money and Property	20,000	0.00%	-	20,000
Other Miscellaneous	529,222	0.00%	-	529,222
State Aid	6,343,688	2.00%	Increase	6,470,562
Federal Aid	50,000	0.00%	-	50,000
BOCES Aid	175,755	0.00%	-	175,755
Hard/Soft/Textbook Aid	65,569	0.00%	-	65,569
Transfers and Balances	46,278	0.00%	-	46,278
TOTAL REVENUES	18,608,671			7,935,386,935,386

Both of these projected budgets were developed using the board adopted and community approved 2013-14 general fund budgets in each district. These served as the base from which the 2014-15 projected budgets were developed. The budget projections are very conservative estimates as shown by the previous two tables. For example, on the revenue side of each budget, a slight (2%) increase in state aid is projected while all other revenues (except taxes) are held constant. On the appropriations side of each budget, several categories of expense are shown increasing such as salaries and employee benefits. Both budgets were used as a way to determine the real property tax levy that would be necessary to support the spending plans.

Should the districts elect not to merge, the projected true tax rates for the individual districts are projected in table 7.24 that follows. As seen in the table, the projected tax rate for Crown Point for 2014-15 is \$11.73 per thousand and for Ticonderoga, the projected tax rate is \$10.29 per thousand, assuming no change in the districts' full value.

Year	Crown Point	Ticonderoga
2008-09	\$10.01	\$7.80
2009-10	\$10.58	\$7.83
2010-11	\$10.58	\$8.38
2011-12	\$10.80	\$8.89
2012-13	\$10.94	\$9.54
2013-14-P	\$11.15 (1.92%)	\$9.99 (4.72%)
2014-15-P	\$11.73 (5.20%)	\$10.29 (3.00%)

Table 7.25 that follows shows a combined 2014-15 Crown Point and Ticonderoga budget as if the districts were going to merge. This budget was compiled by simply adding the revenues and appropriations together from the individual budgets presented in Tables 7.22 and 7.23. However, it is important to note that this projected budget does not take into consideration the financial impact of the merger as presented previously in Table 7.21. Consequently, the amount of the tax levy (\$12,751,508) in Table 7.25 is the tax rate of the combined district prior to applying the overall financial impact (less \$1,216,990 in the first year) used to reduce the tax levy. Once this is done, we find that the projected tax levy would be \$11,534,518 (\$12,751,508-\$1,216,990). Now we are able to project the likely financial impact of the merger on the local tax rate and to the local taxpayer.

Table 7.25	
Projected Budget in First Year of Merger 2014-15	
APPROPRIATIONS	
Instructional Salaries	7,842,792
Non-instructional Salaries	2,521,396
Equipment	258,260
Contractual	1,555,599
Supplies	654,987
Tuition	100,000
Textbooks	66,803
BOCES Services	2,183,122
Employee Benefits	7,264,675
Debt Service	2,993,614
Transfers and Balances	54,202
TOTAL APPROPRIATIONS	25,495,450
REVENUES	
Real Property Taxes	12,751,508
PILOTS/Interest/Penalties	28,000
Charges For Services	550,000
Use of Money and Property	20,000
Other Miscellaneous	629,222
State Aid	10,587,665
Federal Aid	50,000
BOCES Aid	404,155
Hard/Soft/Textbook Aid	87,891
Transfers and Balances	387,009
TOTAL REVENUES	25,495,450

In calculating the impact on the true tax rate, the following table 7.26 is developed to show relevant financial factors for the two districts.

Table 7.26			
Tax Rate Impact Due to Merger Savings			
Year/Factor	Crown Point	Ticonderoga	Combined
2012 Full Value	\$138,482,179	\$1,081,056,563	\$1,219,538,742
2014-15 Tax Levy	\$1,624,349	\$11,127,159	\$12,751,508
2014-15 True Tax	\$11.73	\$10.29	\$10.46
Savings noted in Financial Summary Table-1 st 4 years			\$1,216,990
Local Levy using savings			\$11,534,518
Tax rate after using 100% of savings with 50% IOA			\$9.46 Crown Point (-\$2.27/-19.4%) Ticonderoga (-\$0.83/-8.1%)

Table 7.26 above calculates the tax rate on full value should Crown Point and Ticonderoga decide to merge. The combined full value of the merged district would be \$1,219,538,742. In the event that the projected savings in year one noted in Table 7.21 (\$1,216,990) is used to reduce the tax levy, it would result in a tax rate on true value of \$9.46 per thousand of full value in the merged district (Reminder: Tables 7.21 and 7.22 show 50% of the additional incentive operating aid the merged district would receive). This would mean a reduction in the tax rate on true value of \$2.27 per thousand dollars of full-value for current Crown Point residents (-19.4%) and a decrease of \$0.83 per thousand dollars of full-value for current Ticonderoga taxpayers (-8.1%).

Table 7.27					
Comparison of Projected Full Value Tax Rates					
District	2012-13	2013-14	2014-15 Separate	2014-15 Merged	Difference Merged/Not Merged
Crown Point	\$10.94	\$11.15	\$11.73	\$9.46	-\$2.27/-19.4%
Ticonderoga	\$9.54	\$9.99	\$10.29	\$9.46	-\$0.83/-8.1%

While full-value tax rates are the only fair way to compare taxation among school districts, we recognize that local taxpayers may confuse this with the more common tax rate on “assessed” property value that is contained in their annual school tax bill. Therefore, we show how the above is translated to assessed value tax rates in each of the townships that make-up both districts in table 7.28 that follows.

Table 7.28					
Assessed Value Tax Rates as Impacted By Merger in 2014-15					
Township	2012-13 Actual	2013-14 Projected	2014-15 Separate	2014-15 Merged	Difference
CROWN POINT					
Crown Point	\$10.94	\$11.15	\$11.73	\$9.18	-\$2.55 (-21.7%)
Moriah	\$10.94	\$11.15	\$11.73	\$9.18	-\$2.55 (-21.7%)
Ticonderoga	\$10.94	\$11.15	\$11.73	\$9.18	-\$2.55 (-21.7%)
TICONDEROGA					
Hague	\$11.76	\$12.31	\$12.68	\$11.70	-\$0.98 (-7.7%)
Ticonderoga	\$9.79	\$10.24	\$10.55	\$9.73	-\$0.82 (-7.8%)

Table 7.28 shows that the Town of Ticonderoga has property in both the Crown Point and Ticonderoga school districts. The columns represent the actual 2012-13 tax rate on assessed value in each township. The 2012-13 rate, the projected rate for 2013-14, the estimated 2014-15 rate if the districts choose not to merge, and finally the projected 2014-15 rate following a merger are also included. As is evident, in 2014-15 if a merger happens, residents in all towns, regardless of the school district in which they reside, will see a tax decrease.

To put this savings in actual dollar terms, consider a person with a home assessed at \$100,000 for illustration. If a merger does not happen in 2014-15, a resident in the Town of Ticonderoga and living in the Crown Point School District with this home would pay \$1,173 in school tax. This same person would owe \$918 after a merger resulting in a savings of \$255. Likewise, a resident in the Town of Ticonderoga but living in the Ticonderoga School District could expect to pay \$1,055 in 2014-15 if there is no merger and \$973, or \$82 less, if merger happens. Tables 7.29 through 7.32 that follow show the tax impact on properties assessed at \$50,000, \$100,000, \$200,000 and \$500,000 if the districts merge and if the districts do not merge.

Table 7.29					
Estimated School Tax Bill for a \$50,000 Property in 2014-15					
Township	2014-15 Separate	Tax Bill Separate	2014-15 Merged	Tax Bill Merged	Difference
CROWN POINT					
Crown Point	\$11.73	\$586	\$9.18	\$459	-\$127
Moriah	\$11.73	\$586	\$9.18	\$459	-\$127
Ticonderoga	\$11.73	\$586	\$9.18	\$459	-\$127
TICONDEROGA					
Hague	\$12.68	\$634	\$11.70	\$585	-\$49
Ticonderoga	\$10.55	\$527	\$9.73	\$486	-\$41

Table 7.30					
Estimated School Tax Bill for a \$100,000 Property in 2014-15					
Township	2014-15 Separate	Tax Bill Separate	2014-15 Merged	Tax Bill Merged	Difference
CROWN POINT					
Crown Point	\$11.73	\$1,173	\$9.18	\$918	-\$255
Moriah	\$11.73	\$1,173	\$9.18	\$918	-\$255
Ticonderoga	\$11.73	\$1,173	\$9.18	\$918	-\$255
TICONDEROGA					
Hague	\$12.68	\$1,268	\$11.70	\$1,170	-\$98
Ticonderoga	\$10.55	\$1,055	\$9.73	\$973	-\$82

Table 7.31					
Estimated School Tax Bill for a \$200,000 Property in 2014-15					
Township	2014-15 Separate	Tax Bill Separate	2014-15 Merged	Tax Bill Merged	Difference
CROWN POINT					
Crown Point	\$11.73	\$2,346	\$9.18	\$1,836	-\$510
Moriah	\$11.73	\$2,346	\$9.18	\$1,836	-\$510
Ticonderoga	\$11.73	\$2,346	\$9.18	\$1,836	-\$510
TICONDEROGA					
Hague	\$12.68	\$2,536	\$11.70	\$2,340	-\$196
Ticonderoga	\$10.55	\$2,110	\$9.73	\$1,946	-\$164

Table 7.32					
Estimated School Tax Bill for a \$500,000 Property in 2014-15					
Township	2014-15 Separate	Tax Bill Separate	2014-15 Merged	Tax Bill Merged	Difference
CROWN POINT					
Crown Point	\$11.73	\$5,865	\$9.18	\$4,590	-\$1,275
Moriah	\$11.73	\$5,865	\$9.18	\$4,590	-\$1,275
Ticonderoga	\$11.73	\$5,865	\$9.18	\$4,590	-\$1,275
TICONDEROGA					
Hague	\$12.68	\$6,340	\$11.70	\$5,850	-\$490
Ticonderoga	\$10.55	\$5,275	\$9.73	\$4,865	-\$410

In conclusion, a merged Crown Point-Ticonderoga school district that chose to use half of the additional incentive operating aid would be able to provide tax relief to residents of each district and at the same time have significant additional new money to maintain/improve the academic program and to reserve funds for future use.

Chapter VIII

Key Findings and Recommendations

It is not within our province or the purpose of this study to recommend whether Crown Point and Ticonderoga should merge their two districts into one. However, it is important that following this in-depth investigation, key findings and related recommendations be offered to a new board of education should residents of both districts vote to centralize the districts into a new merged school system. It should also be understood by the reader that none of our recommendations are binding on a board of education if a merger occurs, but rather offer a starting point for discussion and policymaking.

Finding 1: Both Crown Point and Ticonderoga school districts have experienced declining enrollments over the past six years. Looking to the future, a merged district should see a stabilization of enrollments over the next seven years. (Tables 2.2, 2.3, & 2.4)

Finding 2: It is unlikely that either home-schooled students or those in private schools will enter the public schools.

Recommendation 1: A merged district should annually update enrollment projections to accurately monitor its student population.

Finding 3: The two districts have a somewhat different grade level pattern. Crown Point has a Pre-K to 12th grade pattern; Ticonderoga has a grade pattern of Pre-K-5, 6-8 and 9-12. (Table 3.1)

Finding 4: At the elementary level, the teacher and student days are different. The elementary day for students in Crown Point is 10 minutes longer than the student day in Ticonderoga. However, the staff day in Ticonderoga is 20 minutes longer than the day for Crown Point teachers. (Table 3.2)

Finding 5: Crown Point has one section each for Pre-K to 5th grade. Ticonderoga has four sections of Kindergarten, 3 sections of 1st – 3rd grade, and 2 sections each for 4th and 5th grade. Average section sizes are similar in both districts. (Table 3.3)

Finding 6: There are minor curricular differences at the elementary level. (Table 3.4)

Recommendation 2: If the districts merge, a committee of elementary teacher, administrators, and parents should be convened as soon as possible to review the existing curriculum and make recommendations for a common core curriculum for grades Pre-K-5.

Finding 7: The amount of special area (art, music, physical education and library/computer) time that elementary students receive per week varies within and across the two districts. (Table 3.5)

Recommendation 3: Following a merger, the elementary curriculum committee (mentioned in Recommendation 2) should also address a master schedule that ensures a consistent amount of time and delivery approach for all special area subjects in grades Pre-K-5.

Finding 8: In examining grades 3-5 student performance on the New York State English Language Arts and Math tests from 2008-09 to 2011-12 there is little significant difference between the two districts. However, it should be noted that it is difficult to make any valid comparisons as the small cohorts of students cause wide percentage swings from year to year. (Tables 3.6-3.11)

Recommendation 4: Following a merger, close review should be conducted annually to ensure that there is no difference in elementary student achievement regardless of the elementary school the student attends in the new district.

Finding 9: Considering the middle school and high school staff and student day, Ticonderoga staff have a 20 minute longer day. The middle school student day in both districts differs by only 3 minutes; the high school student day is approximately the same length (7 hours 3 minutes versus 6 hours 55 minutes). (Tables 3.12 & 3.21)

Finding 10: High school course offerings show a solid academic program for students from both Crown Point and Ticonderoga. However, Ticonderoga, being larger, has more sections of many courses than Crown Point. Each district has some unique offerings that would benefit students in the other district (i.e., Calculus and Statistics for college credit in Crown Point; Ticonderoga offers French in addition to Spanish and offers college credit in both languages as well as AP courses). (Tables 3.22, 3.24)

Finding 11: In a merged district, it would be possible to offer all high school courses currently available in both districts and reduce some staff positions, while maintaining reasonable (maximum of 25 students) class sizes. (Table 3.22, 3.23)

Finding 12: In addition to offering all of the courses currently available in both high schools and keeping maximum class sizes at 25, a merged high school would have the opportunity to offer even more elective courses. (Table 3.22)

Finding 13: In examining student performance on the New York State Regents exams, there is considerable similarity across the two districts. In the most recent years, similar percentages of students in both districts graduate with Regents and Advanced Regents diplomas. (Tables 3.26 & 3.27)

Recommendation 5: In a merged district, the new board of education and administration should attempt to provide all of the high school courses now being offered in both districts, assuming sufficient enrollments.

Recommendation 6: In a merged district, the new board of education and administration should attempt to develop more elective courses for students at the high school level,

Recommendation 7: Close review should be conducted for at least three years after merger to ensure that there is no difference in secondary student achievement regardless of the elementary school students attended.

Finding 14: Secondary students in both districts have a solid array of interscholastic and extra-curricular activities from which to choose. There are some unique offerings in each district that, following a merger, could be offered to students of the previous other district (i.e., Cheerleading and Boys Soccer in Crown Point; Football in Ticonderoga). (Tables 3.29 & 3.30)

Recommendation 8: In a merged district, the new board of education and administration should attempt to provide all of the extra-curricular programs now being offered in both districts, assuming sufficient participation.

Recommendation 9: In a merged district, the new board of education and administration should attempt to develop more extra-curricular opportunities for students at the secondary level, assuming sufficient participation.

Finding 15: The percentage of special education students varies yearly but is relatively similar over time between the districts. (Table 3.31)

Recommendation 10: Once merged, a new Committee on Special Education and Pre-School Committee on Special Education should be appointed. These new committees should contain approximately equal representation from each of the previous district's committees.

Finding 16: Both school districts have done a good job of maintaining their school facilities, and neither has a tremendous amount of outstanding work to be done in the immediate future. Crown Point and Ticonderoga have both undertaken significant capital project work recently. (Tables 4.1-4.4)

Finding 17: The Crown Point and Ticonderoga facilities offer adequate space to house existing programs following a merger. The existing school buildings could comfortably handle the current and projected student enrollments. (Tables 4.5-4.10)

Finding 18: Non-school groups use the facilities in each of the study districts. (Table 4.11)

Recommendation 11: The grade arrangement following a merger should allow for elementary students (grades Pre-K-5) to each stay in the schools in their respective current districts, all students in grades 6-8 should attend school in the current Ticonderoga Middle School building, and all students in grades 9-12 should attend the current Ticonderoga High School. Both bus garages should be maintained.

Recommendation 12: Following merger, the board of education should develop a building use policy for non-school affiliated organizations that will continue the current practices in both districts.

Finding 19: Both districts operate their own transportation program.

Finding 20: The bus fleets of each study district have been well maintained and are replaced at appropriate times. (Tables 5.1 & 5.3)

Finding 21: While out of district runs may be longer, the longest bus run in each district currently is no more than sixty minutes. (Tables 5.2 & 5.4)

Finding 22: Both Crown Point and Ticonderoga operate using a single trip bus run daily.

Recommendation 13: Following a merger, a transportation study should be conducted to determine if the district should maintain its own buses, contract the maintenance to an outside vendor, or do some combination.

Recommendation 14: The transportation study recommended above should also include examination of the best routing pattern to ensure that no student is on the bus during a regular day run any longer than 60 minutes one way.

Finding 23: Aside from the salary schedules, the teacher contracts in the two districts are fairly similar. If teacher salaries were leveled-up, Crown Point teachers and teaching assistants would see a salary increase. To level up all teacher salaries it would cost the merged district an additional \$246,363 plus \$61,591 in related fringe benefits. Leveling up teacher assistant salaries would cost an additional \$16,803 plus \$4,201 in increased fringe benefits. The total costs for leveling up staff salaries would be \$328,958 (Table 6.4)

Recommendation 15: As soon as possible following a merger, the new board of education should recognize an appropriate teacher bargaining unit and negotiate a new collective bargaining agreement.

Finding 24: Both districts have clauses in their contracts that preclude layoffs in the event of a merger. As a result, any teacher efficiencies would occur by attrition.

Finding 25: The coaching salaries and stipends for extra-curricular activities in a merged district would not be difficult to negotiate and the resultant common schedule would have little or no financial impact on overall district finances. (Tables 6.5 & 6.6)

Finding 26: It is reasonable to assume there would be fewer administrative positions needed in a merged district. These reductions would result in savings of approximately \$202,694 in salaries and benefits. (Table 6.10)

Recommendation 16: The merged district should have the following administrative structure: 1 superintendent, 1 business manager, 1 CSE chair, two elementary principals 1 middle school principal, 1 high school principal, 1 technology coordinator, 1 head cook, 1 transportation supervisor, 1 superintendent of buildings & grounds, and 1 superintendent's secretary/district clerk.

Finding 27: If support staff salaries were leveled up, it would cost \$61,316 in salaries and \$15,329 in benefits for a total of \$76,645 (Table 6.13)

Finding 28: Health insurance coverage is fairly comparable in the two districts.

Finding 29: Overall staff cost savings following a merger of the districts would total approximately \$227,322. Costs for leveling up salaries and benefits would be \$405,603. The net cost increase for staffing in a merger would be \$178,281. (Table 6.14)

Recommendation 17: Following a merger, the board of education should develop a plan for appropriate staffing levels in the district and implement that plan in order to have the schools staffed at appropriate levels.

Finding 30: Both districts have had consistent support of their respective communities for budget proposals presented. This is an indicator of a community's support for its schools. (Table 7.1)

Finding 31: Both districts have undesignated fund balances below the state limit of 4%. Neither Crown Point nor Ticonderoga has established many reserve accounts or financial safety nets. (Table 7.2)

Finding 32: Both districts are components of the Clinton-Essex BOCES and purchase a significant number of services from their BOCES annually. (Table 7.3)

Finding 33: The operating expenses per student in Crown Point and Ticonderoga are fairly similar. (Table 7.6)

Finding 34: Crown Point has consistently received more state aid per student than has Ticonderoga. (Table 7.8)

Finding 35: The full value property wealth and the property wealth per student is significantly higher in Ticonderoga than in Crown Point. (Tables 7.9 & 7.10)

Finding 36: The local tax levy as well as the local tax levy per student has been consistently higher in Ticonderoga than in Crown Point (Tables 7.11 & 7.12)

Finding 37: The 2012-13 true value tax rate is \$10.94 per thousand in Crown Point and \$9.54 per thousand in Ticonderoga. (Table 7.13)

Finding 38: Crown Point has \$3,279,304 (with no local share) in outstanding capital debt that will be retired in 2025. Ticonderoga has \$35,111,300 (local share = \$19,362,507) outstanding capital debt that will be retired in 2030. Should the districts merge, it is estimated that this debt would be reduced by \$10,010,652. (Tables 7.14, 7.15, & 7.18)

Finding 39: A merged district would receive \$12,353,599 in incentive operating aid over a fourteen-year period, \$1,300,379 for each of the first five years of the merger. (Table 7.20)

Finding 40: Considering incentive operating aid, additional building aid, savings from staff reductions and budget efficiencies, loss of BOCES aid, and the cost of leveling up staff salaries, it is estimated that a merged district would realize savings and additional revenues of \$12,225,241 for the first fourteen years after a merger. (Table 7.21)

Finding 41: Using 50% of the incentive operating aid and the other savings outlined in Finding 40, it is estimated that the true value tax rate for the merged district in the first year would be \$9.46 per thousand, a reduction of \$2.27 per thousand (-19.4%) in Crown Point and a reduction of \$0.83 per thousand (-8.1%) in Ticonderoga. (Table 7.26)

Finding 42: Translating the full-value tax rate to an assessed value tax rate shows tax rates of \$9.18 in the 3 townships that are currently in the Crown Point district (Crown Point, Moriah, and Ticonderoga), \$11.70 in Hague, and \$9.73 in Ticonderoga. (Table 7.28)

Finding 43: In the event of a merger, tax rates on assessed value would decrease in each town in the merged district. (Table 7.28)

Recommendation 18: The newly merged district board of education should closely scrutinize its first budget to ensure that the projected efficiencies are actually achieved following the merger, thus ensuring local tax relief.

Recommendation 19: The newly merged board of education should develop a financial plan to ensure long term fiscal stability for the merged district.