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**Newfane Central
School District**

Press Release

Board of Education hears preliminary budget figures

Budget increases to be offset by use of reserve funds.

Newfane, New York, February 21, 2017: On Tuesday night, Michael J. Baumann, superintendent of schools, and Bart Schuler, School Business Administrator, presented the Newfane Board of Education with information regarding the 2017-2018 School District Budget. "These budget figures are VERY preliminary," Baumann stressed. "There is still a great deal to talk about before we finalize the proposed budget."

Initial presentation based on maintaining all programs and services. The figures presented to the board last night represented a "program maintenance" budget; that is, what the cost would be to carry all programs, staff and services into the new fiscal year. This budget, often referred to as a "roll-over" budget, looks at the current year's budget allowances and adjusts those amounts by known cost increases (or decreases). For instance, personnel costs next year will increase due to contractually stipulated salary increases, changes to the cost of health care, retirement system contributions, etc. After identifying cost changes in three major areas (administrative costs, instructional program costs and capital program costs) the District can forecast what it we cost to offer the same program in the following school year. "It will cost about \$1.3 million more to run our same program next year," Baumann shared with the Board, "bringing our District budget to slightly more than \$35 million."

Baumann's presentation showed that the \$1.3 million increase was largely due to the settlement of the teacher's contract last year- an increase the Board knew was coming and had anticipated. Luckily, during the 7 years without a teacher's contract, the District was setting money aside in a reserve fund to accommodate the anticipated increased costs, according to Bart Schuler, school business administrator. By applying those reserves to the coming year's budget, the District can meet these financial obligations without placing an undue burden on the tax payer.

Baumann and Schuler also asked the Board to consider using some funds in the 2017-2018 budget to begin paying for construction costs associated with the \$3.1 million capital project approved by the voters in October 2015. By "front-paying" some of the capital project costs, the District would lower the amount of the project that needed to be bonded, while maintaining eligibility for state aid on the full \$3.1 million.

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Board members asked Baumann and Schuler to provide several informational items pertaining to the current budget expenditures and program costs for items previously cut from past budgets. The Board will see a first draft budget proposal at their March 7 workshop meeting.

To see the District Budget presentation, [click here](#).