The Greater Johnstown School District is working through a long-term financial problem. The district’s revenue (income) is not keeping pace with its expenses. To fill the budget gap and pay for core programs, Johnstown has been using its fund balance (savings). If the district continues this practice, it will run out of fund balance in 2021.

Johnstown’s current revenues — including local property taxes and state aid — are sufficient to pay for mandated district operations and core programs for students in grades 1-8, as well as about half of the district’s core high school program, totaling approximately $33.6 million. The district cannot afford the remaining programs — which cost approximately $4.5 million — without increasing property taxes, using fund balance, or cutting programs.

District leaders invited members of the school community to discuss this situation during a pair of community budget conversations on March 4. Overwhelmingly, participants said they did not want the district to cut programs for students. Many participants expressed support for increasing the tax levy to maintain the district’s current programs and services.

Note, any tax levy increase greater than 14.6% would exceed the district’s calculated tax levy “cap” for the 2019-20 budget. A supermajority of voters — 60% — would be required for the budget to be approved.

What options is the district considering to reduce spending?

The current draft of the 2019-20 budget calls for $500,000 in reductions.

Additionally, district leaders are continuing to explore long-term cost-saving measures. A long-range planning committee is working with consultants to consider such options as closing another elementary school. District leaders have also explored the idea of a merger with a neighboring district; however, a merger would require a significant increase to Johnstown’s current tax rate to bring it closer to the level of another district. These options are not viable in the short-term and would likely take years before any savings could be realized.

Learn more online: www.johnstownschools.org/budget-school-taxes/
What has the district done in recent years to reduce the budget and control costs?

Leaders of the Greater Johnstown School District have been working to address the district’s long-term budget gap for years.

When developing the 2018-19 budget, leaders made more than $1.1 million in cuts and reductions, including:

➤ 13 positions, including teachers, clerical workers, building support staff and administrators
➤ Transportation for pre-K and field trips
➤ Purchases of non-essential equipment
➤ Extracurricular programs with low participation
➤ Sports programs with low participation
➤ Consolidated some sports teams (e.g., freshman with JV, modified B with modified A)
➤ Reduced supply budgets by 30%
➤ Limited overtime hours

In 2009, Johnstown closed Jansen Avenue Elementary School as a cost-saving measure. Since 2011, Johnstown has made reductions in the areas of French, health, family and consumer sciences, technology and general electives. The district cut six teaching positions in 2016.

How did the district get into its current budget situation?

In the immediate aftermath of the Great Recession, the Johnstown Board of Education adopted school budget proposals that called for little or no tax levy increases, choosing instead to use the district’s savings — fund balance and reserves — to make up for any budget shortfalls.

Only recently did the district begin working with independent financial advisers to create long-term budget projections that showed how quickly that practice is depleting Johnstown’s savings. The current Board of Education and administration continue to work with the financial advisers to develop plans for long-term cost savings and increased revenue to end the district’s reliance on its savings and put it back on solid financial footing.

How might the 2019-20 budget affect my tax bill?

Board members acknowledge the need for a 50% tax levy increase to put Johnstown back on solid financial footing. They are currently considering a plan that calls for a 35% tax levy increase in 2019-20 plus a 15% tax levy increase in 2020-21. Board members will adopt a budget proposal for the 2019-20 school year on Wednesday, April 17, and residents will vote on the budget Tuesday, May 21.

Under an approved budget with a 35% tax levy increase, the average taxpayer in the City of Johnstown with Basic STAR could see their tax bill increase approximately $31-$43 per month or $1.01-$1.42 per day. A senior citizen with Enhanced STAR could see their tax bill increase approximately $15-$42 per month or $0.48-$1.44 per day.

Why do we have to consider a tax levy increase that’s greater than our tax “cap”?

For years, Johnstown school boards have presented budget proposals that called for little or no tax levy increases. State aid has remained relatively flat. Meanwhile, costs have risen steadily. To make up the difference, the district has been using its fund balance (reserves) to pay for programs.

Johnstown’s tax levy and spending are low compared with our neighbors and similar districts in New York:

• In 2018, Johnstown’s total budget was less than the budgets of 78% of similarly sized school districts in New York state.
• Johnstown’s tax levy per student spending is lower than 90% of all school districts in New York state.
• Johnstown’s tax levy per student is the lowest in the HFM BOCES region.
• In 2018, Johnstown’s true-value tax rate was $14.60 per $1,000 of assessed value. The average true-value tax rate for neighboring districts was $18.94 per $1,000 of assessed value.
• In 2018, Johnstown’s tax levy supported 26% of the district’s total budget. In neighboring districts, on average, the tax levy supports 37% of the total budget.