

Fort Edward Union Free School District



Pre-Merger/Shared Services Study

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Pre-Merger/Shared Services Study for the Fort Edward Union Free School District

Presented to

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We would also like to thank the Board of Education of the Fort Edward Union Free School District for their support in conducting this study and their commitment to provide a quality education to the children of the Village of Fort Edward.

Background Information

The Village of Fort Edward is located in Washington County in the State of New York. As of the 2010 United States Census, the village population is approximately 3,375. It is interesting to note that the population of the Village of Fort Edward has hovered around the 3000 mark for the past 100 years. The Village of Fort Edward has a land area of approximately 1.76 square miles and a water area of 0.15 square miles.



Figure 1.
Map of the Fort Edward Union Free School

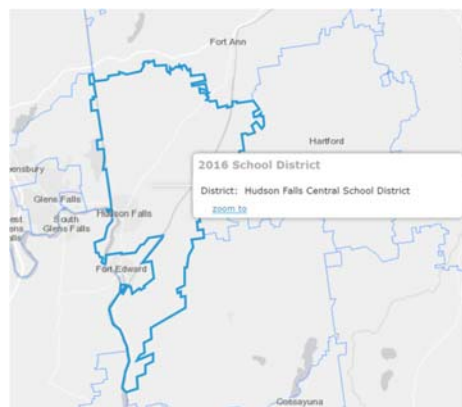


Figure 2.
Map of Fort Edward Union Free School District and Hudson Falls Central School District.

Fort Edward Union Free School District is contained wholly within the Village of Fort Edward and partially in the Town of Fort Edward. The district is surrounded to the north, east, and south by the Hudson Falls Central School District and is bordered on the west by the South Glens Falls Central School District.

Brief History of the Fort Edward Union Free School District

In 1818 the Village of Fort Edward had two common school districts, Nos 1 and 7. As result of some competition from several private schools, Common School Districts 1 and 7 merged to form the Fort Edward Union Free School District No.1 in 1848. It was not until June of 1925 that the current high school was opened. As other Common and Union Free School Districts within the Town of Fort Edward consolidated to create the school districts that surround Fort Edward. The Fort Edward UFSD No. 1 within the Village has been continuously in existence from 1848.¹

According to the Master Plan of 1958, the Fort Edward Union Free School District, if necessary, is designated to consolidate with the Hudson Falls Central School District.

Purpose of the Pre-Merger Study/Shared Services Study

Given the current financial constraints of the Fort Edward Union Free School District, the Capital Area School Development Association was contracted by the Superintendent and Board of Education to conduct a study that would consider viable options for future consideration. Three essential questions have framed this study. They are:

1. What happens to Fort Edward UFSD if nothing changes financially?
2. What is the impact if Fort Edward decides to deliver educational programming differently in the future?
3. What is the preliminary impact of a potential Annexation of Fort Edward by Hudson Falls? (The most important variable with this question is the future tax rates after annexation.)

These questions will be addressed to inform the district's future planning. Each question was posed by the CASDA consultants with a set of assumptions to consider. The set of assumptions for the first question are as follows:

- Enrollment will trend as indicated by CASDA cohort survival projections
- Future budget (appropriations/revenues) will trend as indicated by CASDA long range financial projections
- There will be limited growth in the tax base
- Tax certioraris from the former GE dewatering plant will continue
- State aid will remain relatively flat
- With the tax cap the district is only able to raise about \$60,000 each year in additional tax revenue

The set of assumptions for the second question are as follows:

- Fort Edward could consider sharing programs with a neighboring District. What would be the financial implications if this option is considered?
- Fort Edward could consider tuitioning specific grades levels to a neighboring District. What would be the financial implications if this option is considered?
- Teachers affected by this transition would be on a seven year call back list
- Tuitioning is reversible whereas merger/consolidation is not

- Depending upon options considered Fort Edward could potentially lease space to other educational or municipal entities, while maintaining specific educational programming at the Fort Edward School Building.

The set of assumptions for the third question are as follows:

- If Fort Edward considers a merger/consolidation with Hudson Falls, it would be an annexation by Hudson Falls
- The most important question to be answered is the tax rate impact upon both districts
- Hudson Falls would receive reorganizational aid as a result of the annexation
- Hudson Falls would also receive a new building aid ratio if the Fort Edward ratio is higher than Hudson Falls

Consideration of Question 1: What happens to the Fort Edward UFSD if nothing changes financially?

In order to answer this question, the districts needs to consider future enrollment projections, projected budgets, projected state aid, current tax certiorari payments, projected tax assessments, and projected tax rates. The following table indicates a ten year actual and projected enrollment out to the year 2022-23. This projection is calculated using the Cohort Survival Methodology.

Table 1.

Enrollment Projections

Year	Enrollment
2013-14	511
2014-15	537
2015-16	494
2016-17	483
2017-18	480
2018-19	472
2019-20	464
2020-21	456
2021-22	449
2022-23	448

In appendix A, the tables using the Cohort Survival Methodology are illustrated. The projection begins with the actual enrollment numbers from 2008-09 through the current 2017-18 school year and projecting out to 2027-28. Enrollment projections also depend upon live births to ensure accuracy. Based on these projections, the enrollment for the Fort Edward UFSD will slowly decline.

If nothing changes financially, then what would budget projections look like for the next five years? An analysis was completed looking at the past 10 years of actual expenditures and receipts to predict future expenditures and receipts. Taking an average of this ten year period, the following table is a projection of the next five years of actual expenses versus actual receipts.

Table 2.

Projected Expenditures and Receipts

Year	Actual Expenditures	Actual Receipts	Difference
2016-17	\$ 10,982,683	\$ 10,425,347	(\$ 557,336)
	Projected Expenditures	Projected Receipts	
2017-18	\$ 11,048,625	\$ 11,057,008	\$ 8,383
2018-19	\$ 11,283,234	\$ 11,271,441	(\$ 11,793)
2019-20	\$ 11,530,603	\$11,490,682	(\$ 39,921)
2020-21	\$ 11,786,721	\$ 11,714,820	(\$ 71,901)
2021-22	\$ 12,050,616	\$ 11,943,946	(\$ 106,670)

This table indicates that with the exception of the current year where receipts may exceed expenditures, the projection for the next four years is that expenditures will exceed receipts. These differences could be mitigated by continuing to offset receipts by increasing the assigned fund balance. This step would have the effect of reducing the districts liquid reserves.

As of June 30, 2017, the assigned fund balance for the 2017-18 school year was \$262,531. The unassigned fund balance was \$747,463. The total amount of fund balance including reserves was \$3,781,312. Included in the reserves was \$1,944,121, which has been designated for Tax Certioraris.

According to **Note 13 (Subsequent Events)** of the Audit for the fiscal year ending on June 30, 2017, the District has designated \$1,855,000 to settle tax certioraris on two properties. This was paid out of the Tax Certiorari Reserve Fund in November 2017. Currently, there is \$89,121 in the Tax Certiorari Reserve Fund. WCC, LLC the current owner of the former GE property is currently seeking to have the assessed value on this property reduced even further.

With the loss of General Electric (now WCC, LLC) and the current settlement of Tax Certioraris, Fort Edward UFSD must consider the impact upon their total assessed value for the foreseeable future. Table 3 indicates a 10 year period of taxable assessed value, equalization rates, true value, tax levies, and tax rates for the Fort Edward UFSD.

Table 3.

Assessed Values, Equalization Rates, Tax Levy, and Tax Rates

	Total Taxable Assessed Value	Equalization Rate	True Value	Total Tax Levy	Tax Rate
2008-09	\$ 118,879,329	100%	\$ 118,879,329.00	\$ 2,851,915	23.99000
2009-10	\$ 176,867,071	82%	\$ 215,691,550.00	\$ 3,307,560	18.70082
2010-11	\$ 177,350,436	83%	\$ 213,675,224.10	\$ 3,315,904	18.69690
2011-12	\$ 177,111,074	85%	\$ 208,365,969.41	\$ 3,315,345	18.71902
2012-13	\$ 177,034,991	85%	\$ 208,276,460.00	\$ 3,380,000	19.09227
2013-14	\$ 176,676,694	87%	\$ 203,076,659.77	\$ 3,464,500	19.61000
2014-15	\$ 176,724,550	89%	\$ 198,566,910.11	\$ 3,520,000	19.91800
2015-16	\$ 176,985,306	87%	\$ 203,431,386.21	\$ 3,561,000	20.12030
2016-17	\$ 174,044,711	87%	\$ 200,051,391.95	\$ 3,625,000	20.70820
2017-18	\$ 139,364,888	87%	\$ 160,189,526.44	\$ 3,000,000	21.52620
2018-19	\$ 112,364,888	87%	\$ 129,155,043.68	TBD	TBD

*This could be as low as \$105,000,000 pending negotiations.

Between 2009-10 and 2016-17 an additional tax assessment was added to the GE facility in Fort Edward to address the removal of PCBs. This amount was approximately \$58,000,000. This assessment was reduced \$34,679,823 for the 2017-18 tax year which resulted in the payment indicated above.

As of the taxable status date of March 1, 2018, the Town of Fort Edward Assessor has indicated that the properties, owned by WCC, LLC, will be further reduced as a result of additional tax certiorari litigation. A conservative estimate has been provided as of March 1, 2018, that the taxable value could be at \$112,364,888; a reduction of \$27,000,000. If

everything else remained the same, and using last year's tax calculations with a \$3,000,000 tax levy, then the tax rate could potentially be at \$26.698732 per \$1000 of assessed value or an increase of approximately \$5.17 per \$1000.

The first question of this study asks: What happens to the Fort Edward UFSD if nothing changes financially? The data presented above indicates that there are a number of variables that the Fort Edward UFSD has no control over including but not limited to projected declining enrollment, pending tax certioraris and repayment of back taxes, expenditures exceeding receipts, and the reduction of taxable value.

Although there was some hope that another company would take over the former GE facility and create jobs in the town and county, that has not happened. The Town and Village of Fort Edward as well as Washington County have been hurt by the loss of GE.

Consideration of Question 2. What is the impact if Fort Edward decides to deliver educational programming differently in the future?

In order to mitigate some of the issues discussed in regard to the first question, the Fort Edward UFSD might consider looking at an alternative to its present PreK-12 structure. As indicated above, enrollment projections show a decline over the next 10 years. One option to consider ensuring programming options for students in grades 7-12, would be to tuition these students to the Hudson Falls School District. Currently, Hudson Falls School District buses travel through the Village of Fort Edward to pick up students in the Town of Fort Edward who are part of the Hudson Falls district.

The New York State Education Department calculates estimated and actual tuition rates for students who attend receiving districts. In New York State, there are a number of less than K-12 districts that tuition their students to neighboring districts. For example, Abraham Wing in Glens Falls is a Common School District with grades K-5. They tuition their students to Glens Falls City School District. Menands Union Free School District, a K-8 district just north of Albany, sends their high school students to North Colonie.

Table 4 represents the estimated tuition rates for the Hudson Falls Central School District. Table 5 represents the actual tuition rates which are calculated the following year after the submission of ST-3 data.

Table 4.

Estimated tuition rates for the Hudson Falls Central School District

Year	K-6	7-12	SWD: K-6	SWD: 7-12
2012-13	\$ 3,806	\$ 8,439	\$ 23,339	\$ 27,972
2013-14	\$ 2,141	\$ 5,945	\$ 18,963	\$ 22,767
2014-15	\$ 2,005	\$ 5,282	\$ 19,840	\$ 23,117
2015-16	\$ 2,696	\$ 5,222	\$ 18,719	\$ 21,245
2016-17	\$ 1,917	\$ 5,286	\$ 17,430	\$ 20,799
2017-18	\$ 1,900	\$ 3,966	\$ 18,936	\$ 21,002
6 Year Avg.	\$ 2,411	\$ 5,690	\$ 19,538	\$ 22,817

Table 5.

Actual tuition rates for Hudson Falls Central School District

Year	K-6	7-12	SWD: K-6	SWD: 7-12
2011-12	\$ 4,510	\$ 10,013	\$ 25,826	\$ 31,329
2012-13	\$ 2,091	\$ 5,968	\$ 15,401	\$ 19,278
2013-14	\$ 2,131	\$ 5,380	\$ 18,603	\$ 21,852
2014-15	\$ 2,320	\$ 5,063	\$ 18,925	\$ 21,088
2015-16	\$ 2,381	\$ 6,151	\$ 12,925	\$ 16,695
2016-17	\$ 1,361	\$ 3,763	\$ 16,728	\$ 19,130
6 Year Avg.	2,466	6,056	18,068	21,562

These tables indicated the estimated and actual tuition rates for K-6, 7-12, and Students with Disabilities. If the Fort Edward UFSD considered tuitioning their students in grades 7-12 to Hudson Falls, what would that cost the district? Table 6 represents the potential cost to the

district, if this option is considered using the estimated tuition rates. Table 7 represents the potential cost using the actual tuition rates.

Table 6.

Tuitioning of grades 7-12 using estimated tuition rates.

Year	7-12	7-12 Enrollment	Cost to Tuition	FE Total 7-12 Salaries and Benefits	Difference
2012-13	\$ 8,439	210	\$ 1,772,190	\$ 1,858,449	\$ (86,259)
2013-14	\$ 5,945	203	\$ 1,206,835	\$ 1,728,548	\$ (521,713)
2014-15	\$ 5,282	225	\$ 1,188,450	\$ 1,685,224	\$ (496,774)
2015-16	\$ 5,222	214	\$ 1,117,508	\$ 1,501,921	\$ (384,413)
2016-17	\$ 5,286	213	\$ 1,125,918	\$ 1,880,823	\$ (754,905)
2017-18	\$ 3,966	201	\$ 797,166	\$ 2,158,923	\$ (1,361,757)
6 Year Avg.	\$ 5,690	211	\$ 1,200,590	\$ 1,802,315	\$ (601,725)

Table 7.

Tuitioning grades 7-12 using actual tuition rates.

Year	7-12	7-12 Enrollment	Cost to Tuition	Actual 7-12 Salaries	Cost to Fort Edward
2012-13	\$ 5,968	210	\$ 1,253,280	\$ 1,858,449	\$ (605,169)
2013-14	\$ 5,380	203	\$ 1,092,140	\$ 1,728,548	\$ (636,408)
2014-15	\$ 5,063	225	\$ 1,139,175	\$ 1,685,224	\$ (546,049)
2015-16	\$ 6,151	214	\$ 1,316,314	\$ 1,501,921	\$ (185,607)
2016-17	\$ 3,763	213	\$ 801,519	\$ 1,880,823	\$ (1,079,304)

The cost to the Fort Edward UFSD was calculated using the actual salaries, Fort Edward contributions to Fica and Medicare, health benefits, and TRS contributions as indicated in budget code A2110.13. At first glance, it seems to indicate that Fort Edward would realize significant savings by tuitioning grades 7 – 12. However, another variable that must be considered, is the loss of state aid. When a district tuitions students to another district, student attendance is counted on the receiving district's SA129 which then the State Education Department uses to determine Total Aidable Foundation Pupil Units (TAFPU). Table 8 indicates

the Selected TAFPU for the past six years including the current school year, enrollment for the school years indicated, and potential loss of state aid.

Table 8.

Potential Loss of State Aid

7-12 Enrollment	Select Foundation Aid Per Pupil	Potential Loss of State Aid
210	\$ 8,071	\$ 1,694,910
203	\$ 8,035	\$ 1,631,105
225	\$ 7,964	\$ 1,791,900
214	\$ 8,250	\$ 1,765,500
213	\$ 8,330	\$ 1,774,290
201	\$ 8,619	\$ 1,732,419

Given the potential loss of state, the next two tables indicates the net cost to the district.

Table 9.

With estimated tuition rates, additional revenue needed given potential state aid loss

Year	7-12 Estimated Tuition Rate	7-12 Enrollment	Cost to Tuition	FE Total 7-12 Salaries and Benefits	Savings to Fort Edward	Select Foundation Aid Per Pupil	Potential Loss of State Aid	Additional Revenue Needed
2012-13	\$ 8,439	210	\$ 1,772,190	\$ 1,858,449	\$ (86,259)	\$ 8,071	\$ 1,694,910	\$ 1,608,651
2013-14	\$ 5,945	203	\$ 1,206,835	\$ 1,728,548	\$ (521,713)	\$ 8,035	\$ 1,631,105	\$ 1,109,392
2014-15	\$ 5,282	225	\$ 1,188,450	\$ 1,685,224	\$ (496,774)	\$ 7,964	\$ 1,791,900	\$ 1,295,126
2015-16	\$ 5,222	214	\$ 1,117,508	\$ 1,501,921	\$ (384,413)	\$ 8,250	\$ 1,765,500	\$ 1,381,087
2016-17	\$ 5,286	213	\$ 1,125,918	\$ 1,880,823	\$ (754,905)	\$ 8,330	\$ 1,774,290	\$ 1,019,385
2017-18	\$ 3,966	201	\$ 797,166	\$ 2,158,923	\$ (1,361,757)	\$ 8,619	\$ 1,732,419	\$ 370,662

Table 10.

With actual tuition rates, additional revenue needed given potential state aid loss

Year	7-12 Actual Tuition Rates	7-12 Enrollment	Cost to Tuition	FE Total 7-12 Salaries and Benefits	Savings to Fort Edward	Select Foundation Aid Per Pupil	Potential Loss of State Aid	Additional Revenue Needed
2012-13	\$ 5,968	210	\$ 1,253,280	\$ 1,858,449	\$ (605,169)	\$ 8,071	\$ 1,694,910	\$ 1,089,741
2013-14	\$ 5,380	203	\$ 1,092,140	\$ 1,728,548	\$ (636,408)	\$ 8,035	\$ 1,631,105	\$ 994,697
2014-15	\$ 5,063	225	\$ 1,139,175	\$ 1,685,224	\$ (546,049)	\$ 7,964	\$ 1,791,900	\$ 1,245,851
2015-16	\$ 6,151	214	\$ 1,316,314	\$ 1,501,921	\$ (185,607)	\$ 8,250	\$ 1,765,500	\$ 1,579,893
2016-17	\$ 3,763	213	\$ 801,519	\$ 1,880,823	\$ (1,079,304)	\$ 8,330	\$ 1,774,290	\$ 694,986

Tables 8, 9, and 10 indicate that there may be a potential savings to the district initially. However, the potential loss of state aid would require the district to make up this loss of revenue. Given that state aid is based on prior year numbers, such as attendance, Fort Edward may not feel the impact until the 2019-2020 school year. In districts, such as Glens Falls Common and Menands Union Free School Districts, they never had a high school component and have never been faced with this loss of revenue. One final consideration is to negotiate a tuition rate with the receiving district.

If the Fort Edward UFSD decided to tuition students to a neighboring district, how would this affect teachers currently employed by the district? Essentially, the district would eliminate the program for grades 7-12. Any teacher or staff affected would not have any rights as these positions would be eliminated. Under an Annexation process, however, teachers and staff would have certain rights, which will be discussed later in this report.

If the district decides to tuition grades 7-12, vacant classroom space could be leased either to BOCES or neighboring districts. For example, Fort Edward currently leases classrooms to WSWHE BOCES. Using this model, the district might be able to generate additional revenue.

Consideration of Question 3: What is the preliminary impact of a potential Annexation of Fort Edward by Hudson Falls?

First of all, we will consider what is required by law for an Annexation to take place. An Annexation is a form of school district consolidation. The Fort Edward Union Free School District is governed by Article 35 §§ 1701-1737 of New York State Education Law. The Hudson Falls Central School District is governed by Article 37 §§ 1801-1809 of New York State Education Law. According to New York School Board's Association's *School Law* 31st Edition (2006),

Unlike in centralization, annexation does not result in the creation of a new district, nor is a new school board elected. The operation of the annexing school district remains basically the same before and after the annexation.

Residents of the annexed district become eligible to vote and may be elected to the school board of the annexing district in subsequent elections (see § 1705

(p. 651).²

If the Fort Edward district makes a decision to consider a merger with a neighboring district such as Hudson Falls, it would be an Annexation as Hudson Falls is a central school district. According to the 1958 Master Plan for school district reorganization, Fort Edward UFSD is designated to merge with Hudson Falls. If both districts agree that this should be considered, then a feasibility study should be conducted by the district to determine the viability of the annexation. The study would involve enrollment projections, projected staffing, curriculum and instruction planning, facilities plans, transportation, and all fiscal implications including state aid and taxes. This study would also consider reorganization incentive operating aid and reorganization incentive building aid.

One of the most important aspects of any school district reorganization is to determine the amount of reorganization aid that would be received. Table 11 provides that amount of reorganization incentive operating aid the would be generated as result of a potential annexation of the Fort Edward UFSD by Hudson Falls Central School District.

Table 11.

Reorganization Incentive Operating Aid

	Fort Edward	Hudson Falls	Combined Operating Aid *	Percentage of Combined Operating Aid	Reorganization Aid Over 14 Years
Select Operating Aid (Frozen 2/15/2007)	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986		
Year 1	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.40	\$ 4,637,994
Year 2	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.40	\$ 4,637,994
Year 3	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.40	\$ 4,637,994
Year 4	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.40	\$ 4,637,994
Year 5	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.40	\$ 4,637,994
Year 6	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.36	\$ 4,174,195
Year 7	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.32	\$ 3,710,396
Year 8	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.28	\$ 3,246,596
Year 9	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.24	\$ 2,782,797
Year 10	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.20	\$ 2,318,997
Year 11	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.16	\$ 1,855,198
Year 12	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.12	\$ 1,391,398
Year 13	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.08	\$ 927,599
Year 14	\$ 2,261,866	\$ 9,333,120	\$ 11,594,986	0.04	\$ 463,799
Total Reorganization Incentive Aid					\$44,060,947

Reorganization Incentive operating aid is calculated based on the Select Operating Aid for both districts as of February 15, 2007. This incentive aid is for a period of 14 years and in this instance totals \$44,060,947. This aid is used by the district to mitigate any reorganization

issues resulting from the annexation including but not limited to changes in staffing, curriculum and instruction, improvement in technology, and programs.

A note of caution regarding reorganization incentive aid; it goes away after 14 years. Any reorganized district receiving this aid should be prudent about its use. If a district builds this aid into its budget, it could be problematic for the district after the 14 year period.

Incentive building aid is also available to Hudson Falls if it annexes Fort Edward. In order to determine the new building aid ratio, Hudson Falls would consider their building aid ratio and that of Fort Edward. The higher ratio would then be used plus .30 of that ratio. The current building aid ratio of Hudson Falls is 0.736 and Fort Edward is 0.726. The higher ratio belongs to Hudson Falls and the calculation for the new building aid ratio would be $0.736 \times .30 = .2208$; then $.0.736 + 0.2208 = .9568$. According to NYS Education Law, the new building aid ratio may not exceed .95. This new ratio would be extremely advantageous for any new project initiated after the reorganization.

Before two districts consider reorganization, one of the most important questions that must be considered is the impact upon taxable value and tax rate. The following tables provide a snapshot of the current taxable value and tax rates for both Fort Edward and Hudson Falls.

Table 12.

Fort Edward Taxable Value and Tax Rates

	Total Taxable Assessed Value	Equalization Rate	True Value	Total Tax Levy	Tax Rate
2013-14	\$ 176,676,694	87%	\$ 203,076,659.77	\$ 3,464,500	19.61000
2014-15	\$ 176,724,550	89%	\$ 198,566,910.11	\$ 3,520,000	19.91800
2015-16	\$ 176,985,306	87%	\$ 203,431,386.21	\$ 3,561,000	20.12030
2016-17	\$ 174,044,711	87%	\$ 200,051,391.95	\$ 3,625,000	20.70820
2017-18	\$ 139,364,888	87%	\$ 160,189,526.44	\$ 3,000,000	21.52620

Table 13.*Hudson Falls Taxable Value and Tax Rates for 2017-18*

Township	Assessed Valuation	Equalization Rate	True Value	Share	Amount To Be Raised by Tax	Tax Rate
Moreau	\$ 56,296,175	100.00%	\$ 56,296,175	0.06300857	\$ 743,041	13.198783
Queensbury	\$ 7,591,317	100.00%	\$ 7,591,317	0.00849646	\$ 100,196	13.198764
Argyle	\$ 1,871,002	99.00%	\$ 1,889,901	0.00211524	\$ 24,944	13.331894
Fort Ann	\$ 15,157,122	100.00%	\$ 15,157,122	0.01696436	\$ 200,055	13.198746
Fort Edward (Town)	\$ 122,594,947	84.00%	\$ 145,946,365	0.16334808	\$ 1,926,254	15.712343
Harford	\$ 1,915,652	100.00%	\$ 1,915,652	0.00214406	\$ 25,284	13.198639
Kingsbury	\$ 664,671,981	100.00%	\$ 664,671,981	0.74392323	\$ 8,749,904	13.164243
	\$ 870,098,196		\$ 893,468,513	1	\$ 11,769,677	

In reviewing these tables, it is important to note that the true value tax rate for Fort Edward for the current year is \$16.17 per \$1000 of assessed value. For Hudson Falls, the true value tax rate is \$13.17 per \$1000 of assessed value.

If we consider the current school year and were to combine both districts, what would be the tax rate for Fort Edward UFSD? Table 11 presents this information. The assumption that is made in this prediction is that the current tax levy for Fort Edward would be combined with Hudson Falls.

Table 14.*Combined Taxable Value and Tax Rates*

Township/Village	Assessed Valuation	Equalization Rate	True Value	Share	Amount To Be Raised by Tax	Tax Rate	Current Tax Rate	Difference
Moreau	\$ 56,296,175	100.00%	\$ 56,296,175	0.05342927	\$ 790,363	14.039373	13.198783	\$ 0.84059
Queensbury	\$ 7,591,317	100.00%	\$ 7,591,317	0.00720473	\$ 106,577	14.039329	13.198764	\$ 0.84057
Argyle	\$ 1,871,002	99.00%	\$ 1,889,901	0.00179366	\$ 26,533	14.181171	13.331894	\$ 0.84928
Fort Ann	\$ 15,157,122	100.00%	\$ 15,157,122	0.01438524	\$ 212,796	14.039341	13.198746	\$ 0.84060
Fort Edward (Town)	\$ 122,594,947	84.00%	\$ 145,946,365	0.13851398	\$ 2,048,935	16.713045	15.712343	\$ 1.00070
Fort Edward (Village)	\$ 139,364,888	87.00%	\$ 160,189,526	0.1520318	\$ 2,248,960	16.137207	21.5262	\$ (5.38899)
Harford	\$ 1,915,652	100.00%	\$ 1,915,652	0.0018181	\$ 26,895	14.039606	13.198639	\$ 0.84097
Kingsbury	\$ 664,671,981	100.00%	\$ 664,671,981	0.63082324	\$ 9,308,621	14.004834	13.164243	\$ 0.84059
	\$ 1,009,463,084		\$ 1,053,658,040	1.00000002	\$ 14,769,679			

As indicated by table 11, the tax rate for the Village of Fort Edward would decrease by approximately \$5.39 per \$1000 of assessed value. The seven other taxing districts would see an

increase of approximately \$.84 per \$1000 of assessed value. These number are calculated based on current year assessments and tax levies. A more detailed analysis would need to be conducted if an annexation feasibility study were completed.

A major concern that emerges as a result of a school district reorganization is the future of faculty and staff of the annexed district. Depending upon the needs of the annexing district, that district is required to recognize the seniority of teachers from the dissolved district into the annexing district. Teachers that are not immediately hired by the annexing district would be placed on a recall list, again based upon seniority.

Summary of Findings

The purpose of this study was to explore the answers to three questions that would help the Superintendent and the Board of Education of the Fort Edward Union Free School District to make some decision regarding the future of the district. The three questions were as follows:

1. What happens to the Fort Edward UFSD, if nothing changes financially?
2. What is the impact if Fort Edward decides to deliver educational programming differently in the future?
3. What is the preliminary impact of a potential Annexation of Fort Edward by Hudson Falls? (The most important variable with this question is the future tax rates after annexation.)

The Fort Edward UFSD is facing several challenges that will have implications for future planning and decision making. **First, enrollment is projected to decline over the next 10 years. Secondly, the district is facing tax certioraris from the former GE plant now owned by WCC, LLC. In November 2017, a repayment of taxes was made to GE in the amount of \$1,855,000.** Currently, WCC, LLC has filed additional tax petitions to further reduce the assessed value on the two properties they own. These petitions have already reduced the taxable assessed value of the district by approximately \$35,000,000 and with the additional tax petition, it is expected to reduce the assessed value by an additional \$27,000,000, if not more.

In an attempt to mitigate these circumstances, the Fort Edward UFSD could consider options to deliver programs differently. As mentioned earlier in this report, a number of

districts throughout New York State tuition their students to neighboring districts. Using estimated and actual tuition rates, it was presented that if the district tuitioned grades 7-12 to Hudson Falls, there could potentially still be a cost to the district. Tables 6 and 7 seem to indicate a potential savings for Fort Edward. Nevertheless, it must be noted that state aid will follow the student and Fort Edward will realize a loss of revenue in the 2019-2020 school year. Given the potential loss of state aid a year from now, a more detailed study would be required to assess this option. As noted earlier, Fort Edward could negotiate a tuition rate with the neighboring district to mitigate the loss of state aid.

The final questions address the potential of having the Hudson Falls Central School District annex the Fort Edward UFSD. There are several variables that require consideration. The first consideration is reorganization incentive operating aid. ***If Hudson Falls annexes the Fort Edward Union Free School District, it will receive \$44,060,947 in aid over 14 years as indicated in Table 8. The second variable is building incentive aid. If Hudson Falls annexes Fort Edward, the new building aid ratio would be 95%. In other words, the State would pay for 95% of any future project cost including debt service***

The final and probably most significant consideration is the impact upon the tax rate for the Village of Fort Edward after an annexation. Based upon current year taxable value and tax levies, the Village of Fort Edward would see a reduction of taxes in an amount of approximately \$5.00 per \$1000 of assessed value.

The essential question of this report is to what extent is the Fort Edward UFSD able to continue to reduce the budget and fully serve the educational needs of its students? The findings of this CASDA report indicate that the Superintendent and Board of Education have been able to maintain an educational program that is meeting these needs, but they are facing a number of challenges, some of which are beyond their control. The most important challenge is to ensure that the students of the Fort Edward Union Free School District are provided with educational opportunities that meet its needs and the needs of the Fort Edward community.

Future Concerns:

- Expenditures exceeding Receipts
- Declining Fund Balance

- Projected declining enrollment
- Declining tax base
- Tax certioraris
- Consideration of how tax reserves are serving the needs of the district.

Future Considerations:

- Annexation Feasibility Study with Hudson Falls

Appendix A.

Calculations of Enrollment Projections and Graphs

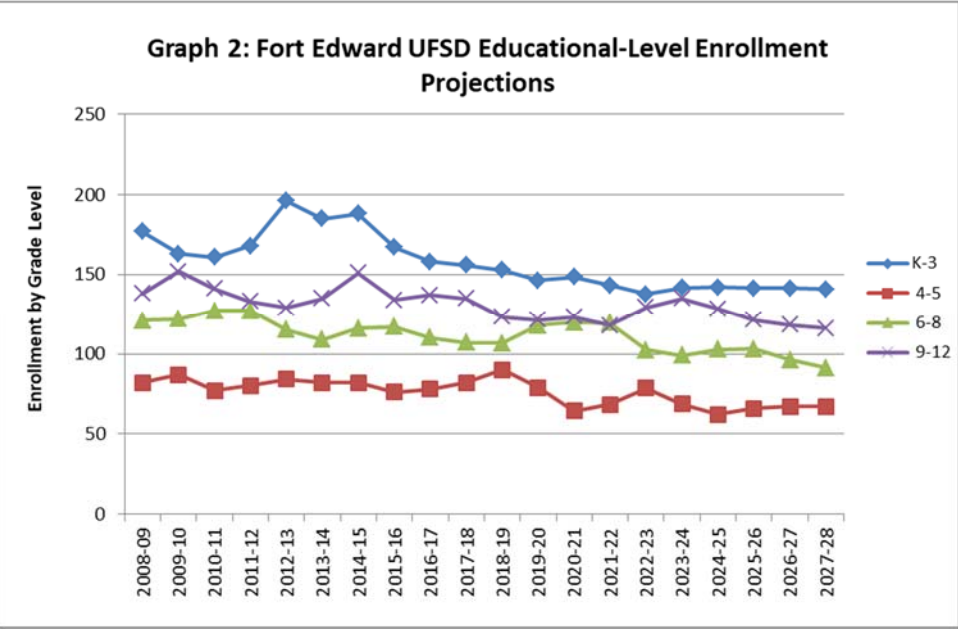
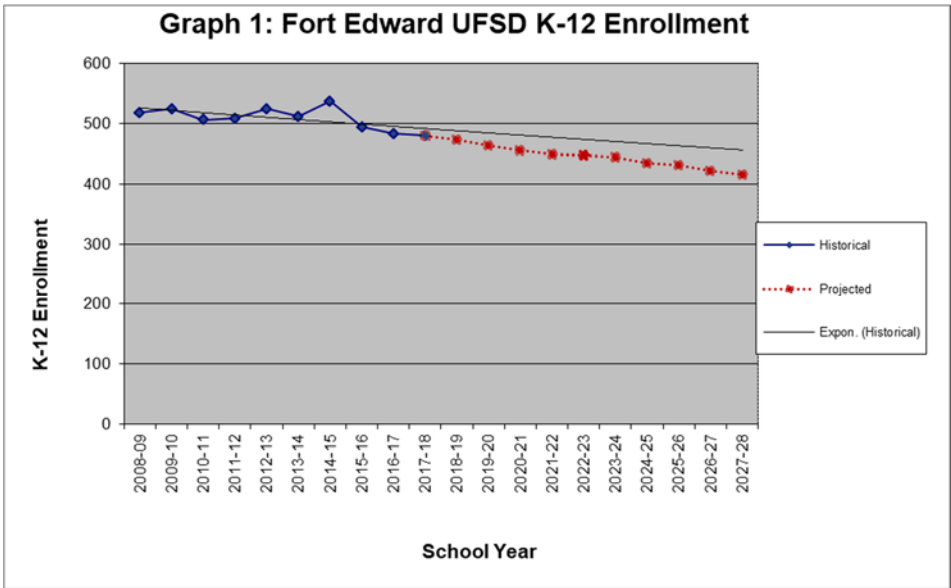
HISTORICAL (BEDS) ENROLLMENT DATA											PROJECTED ENROLLMENTS BASED ON 10-YEAR AVERAGE COHORT SURVIVAL RATIO										
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
K	46	42	43	48	51	55	46	38	32	44	44	33	36	38	37	38	37	37	37	37	
1	49	41	43	41	52	42	56	43	43	32	43	43	33	36	37	37	37	36	37	37	
2	40	42	39	44	47	45	43	49	37	37	30	41	41	31	33	35	35	35	34	34	
3	42	38	36	35	46	43	43	37	46	43	35	29	39	39	30	32	33	33	34	32	
4	41	46	40	41	41	45	37	42	37	48	45	37	30	40	40	31	33	35	34	35	
5	41	41	37	39	43	37	45	34	41	34	46	42	35	28	38	38	29	31	33	33	
6	39	44	46	41	34	41	42	37	34	41	34	46	43	35	28	39	39	29	32	33	
7	41	41	41	48	37	33	44	40	34	34	40	34	45	42	34	28	38	38	29	31	
8	41	37	40	38	44	35	30	40	42	32	32	38	32	43	39	32	26	36	36	27	
9	49	46	40	45	43	48	44	31	42	40	35	35	42	35	47	43	35	29	39	39	
10	33	38	39	27	35	35	38	35	28	33	32	28	28	33	28	37	34	28	23	31	
11	34	31	32	32	21	31	37	36	37	27	30	29	26	26	30	25	34	32	26	21	
12	22	37	30	29	30	21	32	32	30	35	26	29	28	24	24	29	24	33	30	25	
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
Historical	518	524	506	508	524	511	537	494	483	480											
Projected										480	472	464	456	449	448	444	435	431	423	415	
		1.16%	-3.44%	0.40%	3.15%	-2.48%	5.09%	-8.01%	-2.23%	-0.62%	-1.59%	-1.80%	-1.77%	-1.44%	-0.32%	-0.76%	-2.05%	-0.84%	-2.02%	-1.73%	
		From 2008-09 through 2017-18:									From 2017-18 through 2027-28:										
											-7.34%										
											-13.46%										

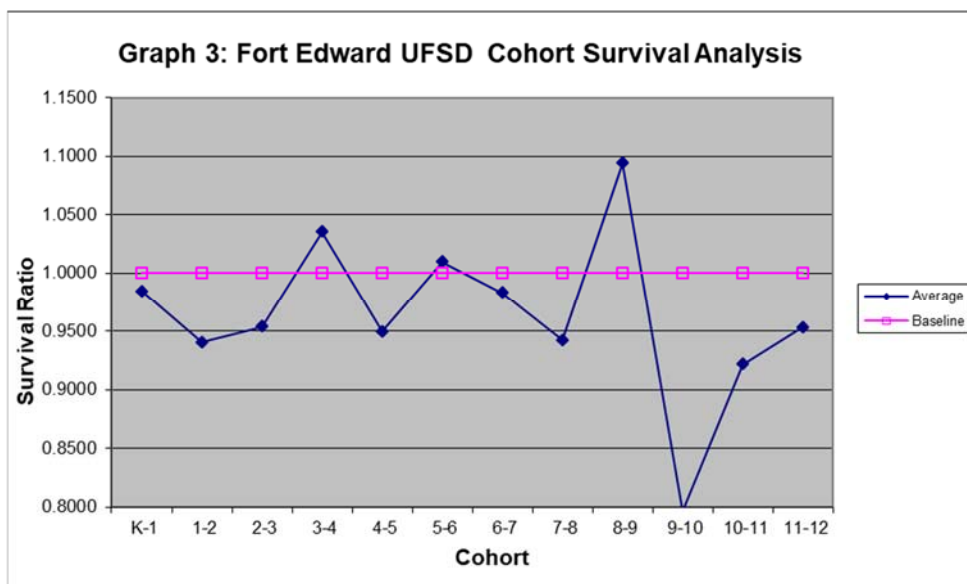
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
K-3	177	163	161	168	196	185	188	167	158	156	153	146	149	143	138	142	142	141	141	141
4-5	82	87	77	80	84	82	82	76	78	82	90	79	64	68	78	69	62	66	67	67
6-8	121	122	127	127	115	109	116	117	110	107	107	118	120	120	102	99	103	103	96	91
9-12	138	152	141	133	129	135	151	134	137	135	123	121	123	118	129	135	128	121	118	116

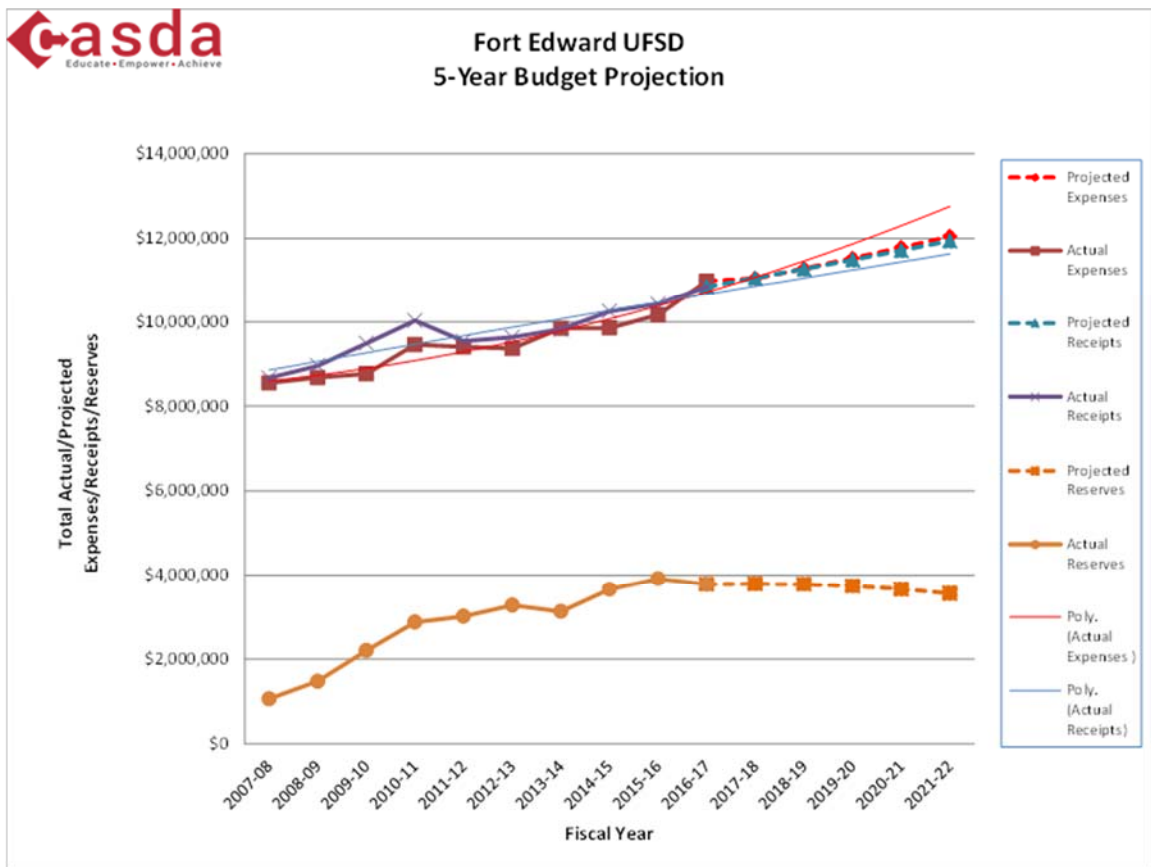
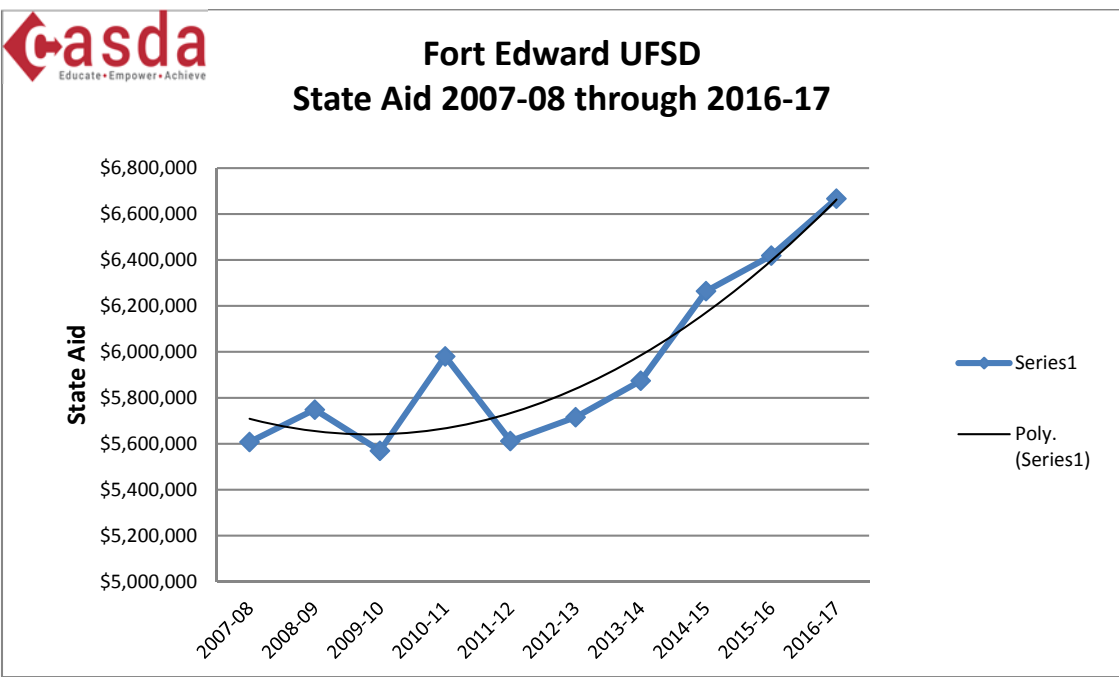
	COHORT SURVIVAL RATIOS										Cohort	Average	Baseline
K-1	0.8913	1.0238	0.9535	1.0833	0.8235	1.0182	0.9348	1.1316	1.0000		K-1	0.9844	1.0000
1-2	0.8571	0.9512	1.0233	1.1463	0.8654	1.0238	0.8750	0.8605	0.8605		1-2	0.9403	1.0000
2-3	0.9500	0.8571	0.8974	1.0455	0.9149	0.9556	0.8605	0.9388	1.1622		2-3	0.9535	1.0000
3-4	1.0952	1.0526	1.1389	1.1714	0.9783	0.8605	0.9767	1.0000	1.0435		3-4	1.0352	1.0000
4-5	1.0000	0.8043	0.9750	1.0488	0.9024	1.0000	0.9189	0.9762	0.9189		4-5	0.9494	1.0000
5-6	1.0732	1.1220	1.1081	0.8718	0.9535	1.1351	0.8222	1.0000	1.0000		5-6	1.0095	1.0000
6-7	1.0513	0.9318	1.0435	0.9024	0.9706	1.0732	0.9524	0.9189	1.0000		6-7	0.9827	1.0000
7-8	0.9024	0.9756	0.9268	0.9167	0.9459	0.9091	0.9091	1.0500	0.9412		7-8	0.9419	1.0000
8-9	1.1220	1.0811	1.1250	1.1316	1.0909	1.2571	1.0333	1.0500	0.9524		8-9	1.0937	1.0000
9-10	0.7755	0.8478	0.6750	0.7778	0.8140	0.7917	0.7955	0.9032	0.7857		9-10	0.7962	1.0000
10-11	0.9394	0.8421	0.8205	0.7778	0.8857	1.0571	0.9474	1.0571	0.9643		10-11	0.9213	1.0000
11-12	1.0882	0.9677	0.9063	0.9375	1.0000	1.0323	0.8649	0.8333	0.9459		11-12	0.9529	1.0000

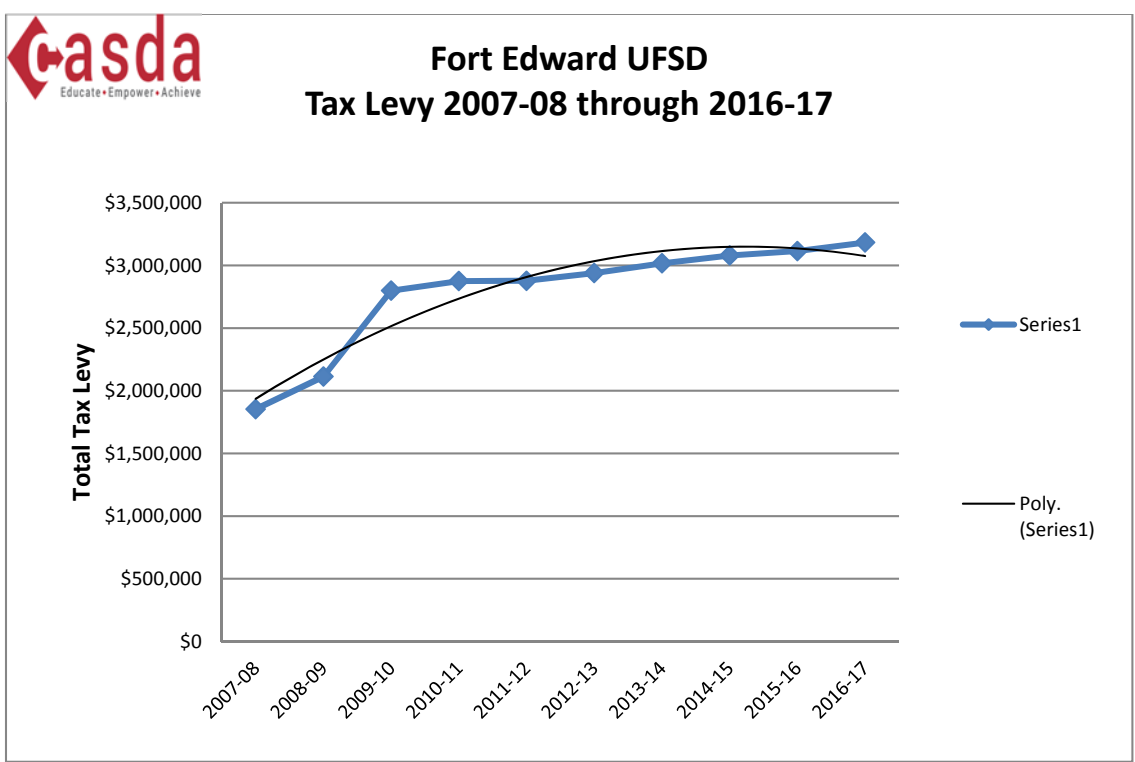
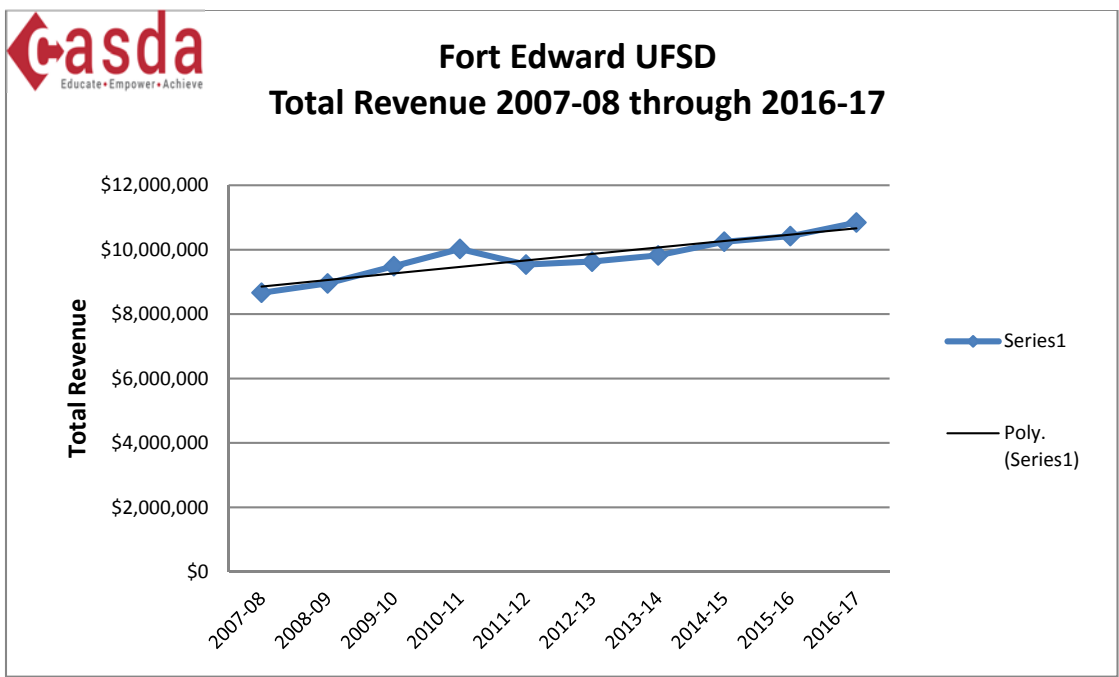
Table 5: Fort Edward UFSD LIVE BIRTH vs. KINDERGARTEN DATA

LIVE BIRTH DATA																					
BORN IN CALENDAR YEAR:																					
AFFECTS SCHOOL YEAR:																					
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2025-26	
LB Actual	47	54	53	46	61	50	55	49	45	40	51	38	41								
LB Projected														41	43	43	43	42	42	43	42
K Actual	40	46	42	43	48	51	55	46	38	32	44										
K Projected														33	36	38	37	38	37	37	37
Ratio	0.85106	0.85185	0.79245	0.93478	0.78689	1.02000	1.00000	0.93878	0.84444	0.80000	0.86275	0.88027	0.88027	0.88027	0.88027	0.88027	0.88027	0.88027	0.88027	0.88027	0.88027
										LB CSR AVG	0.88027										
										5-YR LB AVG	43										



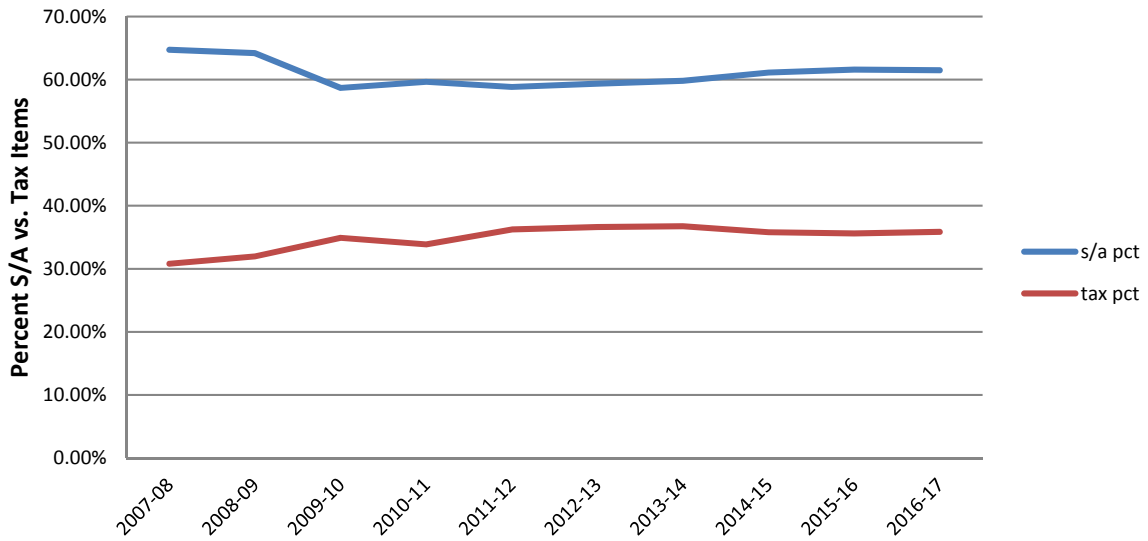








Fort Edward UFSD State Aid vs Tax Items as a Percent of Revenue



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