

BERNE - KNOX - WESTERLO



CENTRAL SCHOOL DISTRICT

Preparing students for the future

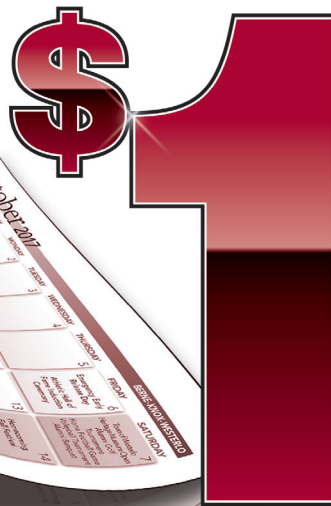
On Thursday, Nov. 2, the BKW community will decide the future of the district when they vote on a proposed \$19.8 million in renovations and improvements to its school buildings.

BKW will put two proposals before the community on November 2:

- ◆ \$14.8 million in repair and modernization work primarily in the Elementary School.
- ◆ Approximately \$5 million in improvements to the Secondary School, focusing on technology infrastructure. This proposition would be contingent on the passage of the \$14.8 million proposal.

If both capital project propositions pass on Nov. 2 the average BKW taxpayer would see an increase of only \$1 a month for the first 64 months of the loan, according to the district's fiscal advisors. After the first five years and four months of the loan, school taxes would return to current levels.

▶ CONTINUED ON PAGE 2



Per Month
For 64 months

\$1 a month for 64 months: Retiring debt and state aid mean low impact on taxes

What if you could transform our schools for only \$1 a month?

On Thursday, Nov. 2, the BKW community will decide the future of the district when they vote on a two propositions that would total \$19.8 million in renovations and improvements to its school buildings:

Proposition #1 – \$14.8 million in repair and modernization work primarily in the Elementary School.

Proposition #2 –

Approximately \$5 million in improvements to the Secondary School, focusing on technology infrastructure, security, and site enhancements around the district. This proposition would be contingent on the passage of the \$14.8 million proposal.

If both capital project propositions pass on Nov. 2 the average BKW taxpayer

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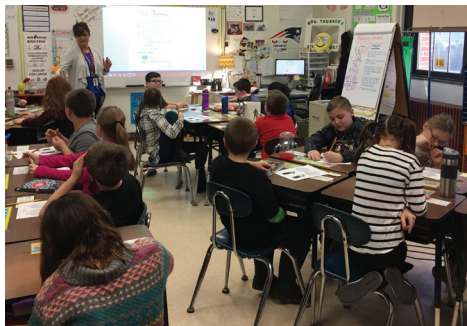
► PREPARING STUDENTS FOR THE FUTURE – FROM PAGE 1

WHY do we need a capital project to improve our facilities?

Just as BKW is dedicated to preparing its students for a successful future, it also invests considerable time and energy into caring for the buildings and classrooms in which they learn.

Daily wear and tear and the aging of the school building and its systems have taken their toll beyond what can be remedied through routine maintenance and repair. A building condition study commissioned by the district and conducted by independent architectural experts found that our buildings and systems are aging, with many of the building systems in the original 70- to 80-year-old portions of the school nearing the end of their useful life. The boilers and steam heating system in the Elementary School were installed 62 years ago. It goes without saying that it's not the most efficient or reliable way to heat your children's classrooms. BKW is looking to upgrade the Elementary School's heating and ventilation system as part of the capital project.

The district can use this opportunity to modernize and upgrade BKW's learning spaces while addressing these necessary repairs.



WHAT about the financial impact?

The project can be accomplished with minimal financial impact on district residents. Nearly 80 percent of the cost would be covered by state building aid.

Because it is funded largely by state building aid and bonds, a capital project enables a school district to invest in its facilities – to make repairs, renovations and updates necessary to address health, safety, learning and working environment issues – with significantly less financial pressure upon local taxpayers and school budgets. Specifically, without a capital project, BKW would miss the opportunity to have nearly 80 percent of aidable project costs covered by state building aid – a significant amount of money for the district and local taxpayers.

BKW can also alleviate the additional local tax impact of a capital improvement project by taking on new debt – through bond financing – as old debt is retired.

It should also be noted that any building project that the voters approve cannot, by law, go over budget. School districts cannot spend above the bond amount approved by voters during the capital improvement project public referendum. If costs begin to exceed those estimated once work begins, the scope of the project must be reduced accordingly.

HOW will this affect student performance?

Numerous studies have concluded that students in substandard school buildings perform at lower levels than students in newer, functional buildings. Researchers have found that students in deteriorating school buildings score between 5 to 11 percentile points lower on standardized achievement tests than students in modern buildings, after controlling for income level.

Furthermore, research has found that specific building conditions that would be addressed in a BKW capital project – things like poor air quality, excessive or inconsistent temperatures, poor lighting, and high levels of noise – contribute to lower levels of student performance.

We want to make sure that we use this opportunity not just to maintain our buildings, but also to support our vision for BKW's students.





CENTRAL SCHOOL DISTRICT

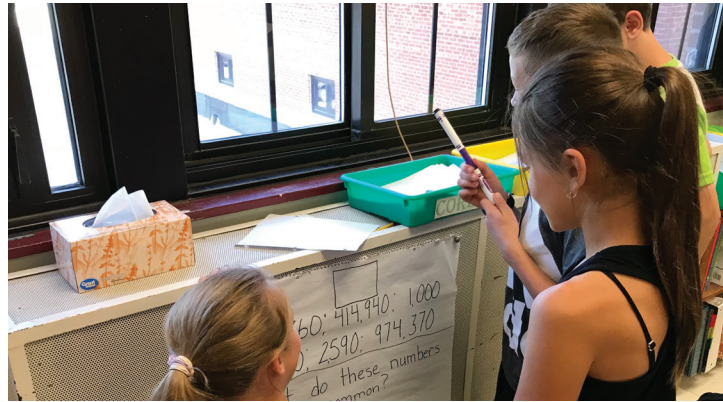
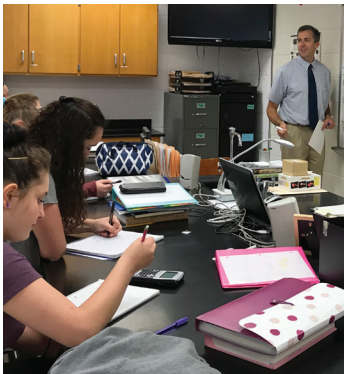
► \$1 A MONTH – FROM PAGE 1

would see an increase of only \$1 a month for the first 64 months of the loan, according to the district's fiscal advisors. After the first five years and four months of the loan, school taxes would return to current levels.

How does \$19.8 million turn into a \$1 a month?

The first part of the equation is state building aid, which would pay for approximately 80 percent of the proposed project. State lawmakers recognize that many capital expenditures would be next to impossible to pay for out of a district's annual operating budget. Because of that, they have long offered financial incentives in the form of state building aid for school districts to take care of their facilities through capital projects.

State building aid is only available on work completed as part of a capital project. It is not available for facilities work completed as part of a school district's annual operating budget.



The second part of the equation is the strategic use of reserve accounts. With state aid paying for approximately 80 percent of the proposed project, the remaining cost will come from existing reserves that have been created for such expenses. The next part of the equation is retiring debt. In 2020, we will pay off a 2005 project bond. By 2026, the remainder of construction bonds for the 2012 project and an EPC bond will be paid off. We would begin paying on the new project in 2021. In the years 2021 to 2025, BKW will apply reserves each year to reduce the local share of the total debt during the years of overlap between old debt and new debt. The result will be a \$12 dollar per year increase for five years, and then a reduction to \$4 in the sixth year, for a total of \$64 over that period of time. That is just \$1 dollar per month for 64 months, and then zero impact to the taxpayer for the remaining twelve years of the bond cycle of this project.

"In 2027, the tax rate will drop from \$12 more than our current tax rate to just \$4 more. In 2028 our rate will drop back down to about what it is now," said Board member Nathan Elble. "Over the course of the entire loan (18 years) the projected increase will be about \$64 dollars for a \$100,000 home. That's for the entire project; not \$64 a year. If you average it out over the lifetime of the loan it is less than \$4 a year."

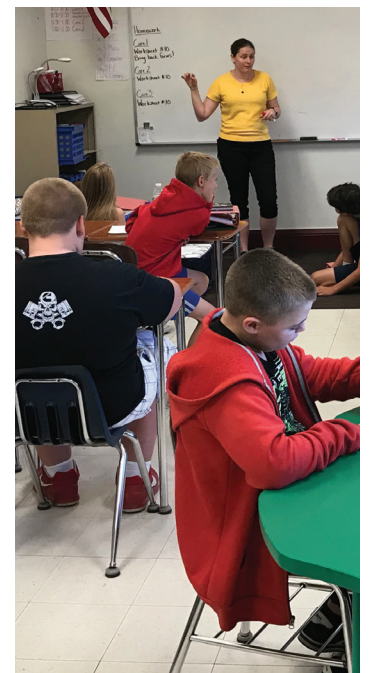
"With a strong rate of state aid for capital projects, combined with strategic use of reserves and utilizing favorable interest rates, we are in a position to limit the tax impact of this project to our community. We will be able to continue the financial stability that we've established the past few years," said Dr. Timothy Mundell, noting the tax levy has increased only 0.5 percent over the past six years. "That's how we would be able to provide safe, modern facilities that align with our academic vision for only \$1 a month."

Eligible voters are encouraged to vote on Thursday, Nov. 2, 6 a.m. to 8 p.m., in the secondary school auditorium.

Additional information about the proposed project is available on the district website, www.bkwschools.org, and the district's Facebook page, www.facebook.com/BerneKnoxWesterlo.

And we're always listening. If you have a question or a comment about the proposed facilities improvements, please send us an e-mail.

District residents are encouraged to take a closer look at the condition of the facilities we'd like to improve. Residents are encouraged to ask questions and provide comments. **Contact the superintendent's office to arrange a tour: 518-872-0909.**



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CAPITAL PROJECT EDITION

BKW

CENTRAL SCHOOL DISTRICT

Vote November 2

Vote! Thursday, Nov. 2, 6 a.m. to 8 p.m. in the Secondary School auditorium.

Two propositions on the ballot:

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