

DRAFT

**Horseheads Central School District
Budget Workshop of the Board of Education
Erin Town Hall
March 10, 2011**

Present: Apgar, Buck, Holleran, Jacobus, Lively, Lynch, Miller, Strollo

Also Present: Abrunzo, Bailey, Brock, Doubrava, Donahue, Giodiotti, Hillman, Holloway, Learn, McDonough, Moyer, Pollard, Scaptura, Sechrist, Sotero, Suggs, K. Williams

Absent: Brinthead

Call to Order: President Lynch called the Workshop to order at 6:01 PM

Board President's Remarks:

President Brian Lynch welcomed everyone to the second Budget Workshop of the year. He thanked the Town of Erin for hosting tonight's meeting. Brian explained the guidelines and format of the Workshop as per Board Policy 2370: Public Participation at Board Meetings)for Board of Education Community Budget Meetings. Brian did remind the public that there should be no direct criticism of personnel or the Board Members during the Public Comments portion of the meeting. He further explained that the Superintendent will present the Community Budget Survey Results, Administrative Restructuring Proposal for 2011-2012, An Overview of the Federal Jobs Bill Grant and the Saved Positions Proposal with an opportunity for the Board to ask questions at the end of the presentations and then the floor will be open to the public for comments/questions at the conclusion of Dr. Marino's presentation.

Budget History

Superintendent Ralph Marino thanked everyone for attending the second Budget Workshop of the year. He stated this is the third budget presentation this year. The first one was presented at the October Board Meeting with the presentation of the 5-Year Budget Forecast with an update at the February 17th meeting and the final Budget Workshop to be held on April 14th at the Veteran Town Hall at 6:00 PM. Ralph stated we are in the third year of the economic downturn in our country and state. The Horseheads District has been working for the last two years to combat the downturn while continuing to provide our children with a quality education. Ralph stated the first difficult budget was the 2009-2010 school year with a \$2.3 million in reductions. He stated that administrators and staff have been sacrificing for the past few years. Ralph reviewed the previous reductions of May 2009 which totaled \$2,299,659.00. Some of those reductions included a 15% reduction in all building/department budget allocations, eliminated 13 positions through attrition(retirements and resignations), restructured the Educational Support Center Office(replaced three positions with two), took back two Special Education Classes from BOCES, eliminated BOCES Labor Relations Service and more. Ralph also reviewed previous reductions of May 2010 which totaled \$2,806,905.00. Some of those reductions included eliminating 17 positions through attrition(retirements and resignations), Changed garbage collection service, lowered

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heat in buildings, 3:30 PM to 6:00 AM and throughout weekends, eliminated food purchase and water coolers(not drinking fountains), eliminated BOCES GED and Alternative Education programs, eliminated Attendance Teacher position and MS/IS Community Resource Officer and more. Ralph reviewed Reductions since May 18, 2010, which gave a potential savings of \$1,214,894.00. The reductions include not filling 13 positions(\$743,348), Additional Salary Savings of \$95,046, Spending Freeze approved by the Board on December 16, 2010 effective January 1, 2011 – June 30, 2011—estimated savings of \$350,000 and Curtailment of Overtime Costs - \$26,500(July 1, 2010 to January 31, 2011). The Total Reductions since May 2009 total \$6,321,458.00. Since May 2009 a total of 43 positions have been eliminated which equals 5.8% of staffing with a total number of staffing at 736. Ralph stated that state categorical aids such as textbook, hardware and software aid, as well as federal and state grants, must be spent or districts lose that money the following year. Ralph presented Governor Cuomo's Proposed State Aid for 2011-2012 with a reduction of \$1.535 billion(-7.3%) statewide and a reduction of \$3.59 million(-12.27%) for Horseheads. He noted that a property tax cap is not in the Governor's Budget Proposal. He has introduced a separate piece of legislation for a tax cap to be in effect for the 2012-2013 school year which the Senate has approved and is now being considered in the Assembly. Ralph reviewed the 2011-2012 Budget Decisions to date which include a 20% reduction in all building/department budget allocations and 13 positions not filled which total \$1,382,099 that has already been deducted from the 2011-2012 preliminary budget. To date the Budget Deficit(as of February 17, 2011) is \$8,985,331.00. This does not include a property tax increase or use of reserves. Ralph explained what an \$8.9 million deficit means to Horseheads: the reduction of programs and services and/or reduction of positions(approximately 138) and/or property tax levy increase(approximately 30%) and/or continued use of reserves and/or a combination of all of them. Significant increases for 2011-2012 and what they mean to the 2011-2012 Budget were reviewed. The Five Year Budget Projection and assumptions that have been made in the projections were reviewed. They consist of continued slow state-wide economic recovery, State Aid remaining the same for the 2012-2013 school year and then an increase of 1.5% each year until 2015-2016, No property tax levy increase, no mid-year state aid cuts and no property tax cap. If any of the assumptions change, the projections will change. Data Projections as of February 17, 2011 were presented. The District expects to use approximately \$4 million from reserves to balance the current year's budget. The amount may be greater or lower depending on revenues and expenses by June 30, 2011. This does not include a one-time grant of \$1.7 million from the federal jobs legislation approved in August 2010. Revenue Shortfall/Necessary Reductions from 2009-2016 were reviewed. Ralph presented the Reserve Fund Report for 2010-2011. The report consisted of the following reserves: Capital Reserve, Repair Reserve, Worker's Compensation Reserve, Unemployment Insurance Reserve, Reserve for Tax Reduction, Mandatory Reserve for Debt Service, Insurance Reserve, Property Loss Reserve and Liability Reserve, Tax Certiorari Reserve, Reserve for Insurance Recoveries, Reserve for Encumbrances, Reserve for Inventory, Reserve for Employee Benefit Accrued Liability, Reserve for Retirement Contribution and Unreserved-Designated Fund Balance Reserves.

Community Budget Survey Results

Superintendent and Acting School Business Administrator Ralph Marino presented the Community Budget Survey Results. Ralph stated approximately 1,400 Horseheads Cont'd

residents participated in the survey. Fifty-eight and nine percent of the residents would support Governor Cuomo's proposed 2% property tax cap on school taxes. Seven and eight percent of residents are in support of keeping all present programs intact with an average tax increase of 6% or higher with 44.4% in support of a 0% to 1.9% tax increase. To balance the budget 43.6% are in favor of extra-curricular and co-curricular programs, 42.7% support a reduction of community use of school facilities, 42% support a reduction of transportation services, 38% support the reduction of non-mandated academic programs and 24.7% support staff layoffs.

Administrative Restructuring Proposal for 2011-2012

Superintendent and Acting School Business Administrator Ralph Marino presented the Administrative Restructuring Proposal for 2011-2012. Ralph stated the proposal consists of the following positions not being filled by a new hire, but by present personnel:

School Business Administrator (Effective June 30, 2011)	-	Superintendent of Schools
Director Of Phys. Ed. & Athletics (Effective June 30, 2011)	-	<u>Phys. Ed.:</u> Director of Elem. Ed. <u>Athletics:</u> HS Assistant Principal
Director Of Facilities (Effective September 2, 2011)	-	Director of Secondary Education
Assistant Superintendent (Effective December 31, 2011)	-	Director of Elementary Education - Director of Secondary Education - Director of Elementary Education
Middle School Principal (Effective August 31, 2011)	-	Create Grades 5-8 Principal Position

Ralph stated there would be an approximate savings of \$512,500 the first year and an approximate year two savings of \$620,000.

Reductions to Programs and Services Proposals for 2011-2012

Superintendent and Acting School Business Administrator Ralph Marino presented the Reductions to Programs and Services Proposal for 2011-2012. He stated the following are not required: Pre-K and K. In Grades 1-4 at least one unit of study in LOTE is required, PE Certification is not required for instruction, Content Certification is not required for instruction in Grades 1-4 and 5-6. In grades 7-8 and 9-12 Content Certification is required in all areas. Programs and Services Reduction Proposal include a total of \$2,779,425. Ralph stated Grant-Funded positions such as Instructional Strategy Facilitator, Instructional Strategy Coaches and Transition Coordinator would continue. District-Funded Positions such as Central Treasurer/Athletics, Central Treasurer/High School, National Honor Society, Grade 11 and 12 Advisors, Student Council, Varsity H, Athletic Receipts Manager, Athletic Manager, Aquatics Director, Drama Advisors, Marching Band and High School Yearbook would continue. Ralph stated 47 employees received a Job in Jeopardy Letter; 37 were Instructional and 10 were Non-Instructional. Final determination will take place on April 20th when the Board of Education must adopt a budget to be put before the voters on May 17th.

Overview of the Federal Jobs Bill Grant and the Saved Positions Proposal

Superintendent and Acting School Business Administrator Ralph Marino presented an Overview of the Federal Jobs Bill Grant and the Saved Positions Proposal. Ralph stated this is a federal

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grant of \$1,745,900 that was approved by Congress in August 2010 and appropriated by then-Governor Patterson and the New York State Legislature in December of 2010. It will save 29 instructional and 12 non-instructional positions for the 2011-2012 school year. Staff who affected will be informed in May 2011 that their job is being funded by this grant which will end on June 30, 2012.

Board of Education Discussion

Board Member Jim Jacobus stated it is very important for everyone to understand that this budget almost in its entirety is a result of what the State of New York is going to do with State Aid. Our District is getting hit harder per pupil than almost all the down state districts. Jim blames the Governor for this because he has used misinformation and put it out there which has confused the general public. We are not 34th in the nation. Our local New York State legislatures know this is not true. If we were to use all of our reserves this year, we would have a serious problem next year. We will already have a problem next year with staffing due to the Federal Jobs bill. The public needs to contact the legislatures and let them know how their decisions are affecting our District and its children. They need to hear it from others, not just the Board of Education, the administrators and the staff, but also from the community. Jim stated there are some parts of the budget that can not be changed such as pensions. The people of this District should not be punished because the State changed the amount of State Aid it received and may receive in the future. If it would have been kept where it was, we would be in a better financial position than we are right now. Jim stated he never dreamed that the cut from the State would be this much. This is a political game which he does not like.

Board Vice-President Michael Buck thanked Jim and Rose for being so active at the local and state levels and to all the Board members for working to address this issue at the local and state level. He thanked Dr. Marino and the administrators for coming up with a plan to meet the Preliminary Budget. Mike stated that Central Office and Building Administrators have the best ideas of what can be sacrificed without losing everything that the District currently has. He thanked them for looking at the administrative positions across the District and cutting positions and distributing those responsibilities to other administrators. He thanked them for listening to the stakeholders and the community and encouraged them to continue to listen to them. Mike inquired if the District would be able to operate and move forward if the state aid restorations from the governor and legislature are restored. Dr. Marino stated not likely as the restorations will help us to close some of the deficits we may have next year but not all of them. Mike inquired as to why the District is pushing a targeted resignation incentive to instructional employees and not retirement. Dr. Marino stated if we can structure some kind of program for season staff to resign and move into retirement and save younger staff than the District needs to look at this. Dr. Marino stated that the Employee Benefit Accrued Liability Reserve Fund is a fund that was set up before he came to the District. Our government holds it so we cannot use it. We are trying to become more intelligent in our decision making and conservative of its use.

Board Member Mary Anne Holleran thanked everyone for attending tonight's meeting. Tonight's attendance shows that people care about the kids in our District. She stated it is very disheartening as a former Horseheads parent and elementary teacher to see the

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reality of what the District is going through. She thanked Dr. Marino and all of those who worked with him in making these very difficult decisions. They were made as equitable as possible. The only way we can get some relief from this is from the State. She encouraged people to write to the State Legislatures with their concerns.

Board Member John Lively also thanked everyone for attending tonight's meeting. It is great to see so many who care enough to come out. Dr. Marino's approach for solving this problem is one of prudence as our reserves are dwindling. We have taken a gamble with the 7.5% tax levy and am doing the best we can not to have to increase taxes even more. Last year we had plugged in State aid that did not come.

Board Member Pam Strollo stated that the education of our children is what we all have in common. It is through this lens that the administrative staff took difficulty in putting this Preliminary Budget together. She thanked them for their hard work and stated these were not easy decisions that they had to make. We are very fortunate that our District has been fiscally responsible over time. Pam thanked the people of the community for coming out to further educate themselves on the District's finances. What the District is currently going through is not an easy thing and she encouraged the people present to encourage others to attend the next Budget Workshop so that they can also educate themselves and become more informed. A collection of our voices might make a difference by writing to our legislatures.

Board Member Rose Apgar thanked Dr. Marino for all of his hard work and the full Board for the work they have done with the 2011-2012 Preliminary Budget. She stated she will be going to Albany this Sunday and will beg the State Legislatures to let the District dip into the Employee Benefit Accrued Liability Reserve Fund. Rose stated it is very hard to watch over the years what some of the students are going to lose. She encourages everyone to write to the legislatures and let them know how you feel.

Board President Brian Lynch stated that no matter how we put the budget together the tax increase is only \$300,000 from the tax payers. A couple of people mentioned how unfair the State is being to the upstate schools. Our reduction is over \$3 million which is unbelievably unfair to us. A new formula is needed so that it is fair and equitable throughout the state. Brian stated that there is between \$10 - \$13 million stranded in the Employee Benefit Accrued Liability Reserve that we can not use. We are not alone as there are under 12 school districts that have filed bankruptcy and more are going to follow. We realize that 1,400 people do not want to see a reduction of academic programs and realize the value of them and how important it is for a student to receive a good education from Horseheads. However at the moment with the funding in limbo, we will make the best educated decision we are able to as a Board regarding the future finances of the District.

Board Vice-President Michael Buck agrees with Board President Brian Lynch and charges Dr. Marino to bring a proposal to the Human Resources Sub-Committee to come up with a targeted resignation incentive geared towards instructional employees and bring this tentative proposal to the March 31st Board of Education Meeting. This proposal also needs to go to the Finance Committee to see if it would meet our needs.

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He would also like an update of the Employee Benefit Accrued Liability Reserve Fund and if we will have the money to support an increase in the tax levy. Board President Brian Lynch will add the following to the March 31st Board Meeting agenda: A targeted resignation incentive to instructional employees proposal, an update of the status of withdrawing fund from the Employee Benefit Accrued Liability Fund and an update of the likelihood of state aid restorations from the governor and legislature.

Questions and Comments from the Public

Chris Myers, 309 Wisteria Way, Horseheads, inquired why there will still be Varsity Sports but Music and Art Programs are being cut? Why aren't sports considered to be an Extra-Curricular Program? It is ridiculous there is a possibility that fourth and fifth grade music and orchestra programs may be cut. Board President Brian Lynch stated the lists of cuts are just proposed cuts. This is not a final list. He appreciates her concern and comments but stated the Board needs to be supportive of all programs in the school and have to make tough decisions across all areas of education.

Al Detrick, 3 Taylor Road, Erin, stated Dr. Marino talked about Horseheads being a wealthy district, yet we are not receiving the taxes on the property at Consumer Square even though it is on the tax rolls. Mr. Detrick stated the Employee Benefit Accrued Liability Fund was created while he was on the Board as a result of some very good recommendations from our outside accountants. At that time it was estimated at \$32-34 million. He stated he is very surprised with the proposed reduction of \$43,000 in Transportation.

Deb Jay, Big Flats, stated she is an advocate of Music for Success. All of the proposed cuts are heart breaking. This is not an easy decision for anyone. In the survey the lumping together of extra-curricular and co-curricular programs could be confusing to some and she isn't sure that all the takers of the survey knew the difference. When looking at cutting curricular materials music is included in that category. Music is curricular. Deb stated her family chose to move to Horseheads because the school district has always had solid programs of longevity. If we take too much away from the District, people will leave. The brand of the District will die. Tonight's turnout shows you that we are here and we want to help; we all need to work together to do what is best for the children in the Horseheads Central School District. Deb thanked the Board, the Superintendent and the administrators for their dedication to the District.

Board President Brian Lynch thanked the community for their support. Brian stated that included in our Revenue is that we want to have more students in our schools. The students are our customers. If we can grow our schools, we can get more money per State Aid. Brian stated it is his personal goal and one of the goals of the Board of Education to increase our revenue by increasing our student population.

Theresa Pedicone, 63 Scotch Lane, Erin, shared a letter that her daughter wrote that shows the type of character the District created in herself, a child who participated in the Music Program while in school. The Music Program has instilled values in her daughter that have caused a huge impact on her daughter's life and will continue to do so no matter where she goes in life. Mrs. Pedicone strongly urges the Board to be very

cautious to cut anything in the Music Program as you do not realize how much the program impacts the students.

High School Assistant Principal Mary Ann Suggs stated there is not one thing that she wants to see cut. She has had four children go through this District. All of the programs the District has are wonderful and it is sad to think that the District may lose so many. She stated we must keep the children safe in our school and to do so we need to keep the Resource Officer at the High School. He makes a huge impact on the students and the safety of the students and the staff. He prevents a lot of problems, he protects the students and the staff and is invaluable to the school.

Bill Goodwin, 161 Woodland, stated, "We have to be able to come up with \$43,000 a year as the Resource Officer at the High School is invaluable". We do not want an experience such as what happened at Columbine happen here in Horseheads.

Bruce Watson, Quail Run, Big Flats, inquired about the possibility of cutting 1 to 3 ACE Classes. Principal Karen Donahue stated at this point she does not have a clear answer as to which classes may be cut. The reduction of a program would depend on the student's participation in a particular class. Per Superintendent Ralph Marino this would impact the reduction of 18 sections. Mr. Watson stated this would be a travesty. If it were to happen he may consider putting his children in another school district. He also stated the cuts do not add up to the increase tax levy. Mr. Watson encouraged everyone to spread the word and write to our legislatures to try and get some of the required spending down as well as some of the funding back. The academics are core; we have a tremendous Music Program, all the benefits from the Music and Athletic Program that includes teamwork and integrity. We don't want to lose the brand of the District due to cuts being made in our programs. He stated a lot of students would not have graduated from Horseheads if it wasn't for being part of the Music or Athletic Program. These programs helped create each students own individual identity and gave them a reason to focus and become a stronger student. Superintendent Ralph Marino stated there is a significant drop in the revenue figures as federal aid is drying up due to the rate the District is using the reserves. Board President Brian Lynch thanked Mr. Watson for his comments. He stated we are trying to balance that line and be prudent in our general decisions and as we are trying to restore these funds.

Chris Myers, 309 Wisteria Way, Horseheads inquired regarding the comment that Dr. Marino made when he stated that when he came to the District three years ago he was aware that cuts were going to be made in the very near future, but yet he still supported the creation of new administrative positions such as the Director of Elementary Education, Secondary Education and two Special Education Coordinator Positions at the Elementary and Secondary Level and an Assistant Director in Student Services, the purchase of new busses and huge raises for administrators. Mrs. Myers stated she would be willing to forgo her raise if it would help save the Music Program and is sure that with 13 various groups in the District others would do the same. Superintendent Marino stated, "Yes he did see this coming down the road which is why there have been \$6.3 million eliminated from the budget since he has been Superintendent. There has been restructuring across the District, the 10 Year Strategic Plan has been implemented,

a plan for bus purchases has been implemented and more. However, due to confidentiality, Superintendent Marino stated he is not able to publicly discuss employees and their bargaining units. He did state that if they were to give up their raise as Mrs. Myers suggested this would be very, very challenging and it could also have the averse affect of pitching people against each other as not everyone may be able to financially do this which would cause Ralph to worry about the employee morale.

Board President Brian Lynch stated that the Board did see this coming down the road which is why we have been as proactive as we have been with budget cuts during the past few years. He also stated the District has never seen a reduction of state aid such as we are now experiencing. State aid is very hard to predict and the Board, Central Office and Building Administrators work with the best guesstimate they are able to when putting together the Preliminary Budget.

Alisha Stryker, Barrington Estates, inquired as to the cuts in Transportation and if more details could be given. Mrs. Stryker also inquired as to why students who live less than a mile away from the schools or directly across the street from the school are bussed to school. Doesn't this increase the use of fuel every time a bus has to stop and start up again to pick up a child especially if bus stops are very close together? Why don't we have crossing guards for those students who live close to the school instead of bussing? Superintendent Ralph Marino stated eight bus drivers have chosen to retire under the Early Retirement Incentive and these positions will not be replaced which results in a reduction of 10% of our bus runs. We are also going to purchase only 5 busses this year instead of 7. Board President Brian Lynch stated that in the past a resolution was adopted that the Horseheads Central School District would have 100% bussing. He stated that there are very strict state standards regarding the inspection of busses which has resulted in the District having a resolution where every ten years busses need to be turned over or we will be in violation of the standards. He added this was an excellent question.

Heather Gillette, 245 Oriole Drive, inquired as to how much money the District has spent on the Strategic Plan and outside consultants who come into our District. Will we continue to spend money on this Plan? Superintendent Ralph Marino stated the District spent \$100,000 on this Plan, however; \$50,000 of it was from a grant from Senator Winner. The District is committed to it because it gives us priorities in moving the District forward. Seventy-five percent of it is from shared support from BOCES, however, follow-up sometimes needs to come from outside the organization due to the expertise that is needed. All high-performing organizations have this. The work the Implementation Team is doing is phenomenal. We have a guiding document that is essential to our District.

Randy Hollar, 11919 Corning, was given an outline of the new look of the Physical Education Program for the students for next year and stated we will not reach the mandates. Reducing physical education classes from two times a week to one time a week and making the remainder of the requirement of the Physical Education Program to be held during SOAP(Recess) time is not appropriate. This is not Physical Education and it saddens him to see this happen to the students as he was a Horseheads student

who attended an excellent Physical Education Program here. This resulted in him chosen to further his education and devote his life to Physical Education and bring back his knowledge to his former school district to a program that now may be cut in half. He is very disheartened to think of the type of program the students will receive next year.

Sue Morris, 100 Mead Road, Pine Valley, spoke regarding the academic program which was awesome when her children attended here. They also thrived on the Music and Sports Programs. Sue stated that she and her husband chose to move here from out of state because of the programs the District offers. She does not want to see anything cut. She stated the colleges look at the arts and the outside activities as making the student a full-rounded student, without the Music and the Arts this would not be possible. She also inquired as to where are the Regents going as the colleges her three children attended did not look at the Regents. Board President Brian Lynch stated the Regents is an unbelievable thing at the moment. The State only produced 25 exams which resulted with the District having to copy over 149 exams which resulted in wear and tear on the machines, the expense of the paper and ink used and having to have someone copy them.

Board President Brian Lynch stated there will be a further discussion of the Preliminary Budget at the March 31st Board of Education Meeting which will be held at the Middle School at 6:00 PM. Brian thanked everyone for being in attendance and for being here to learn the process and wanting to educate themselves regarding the budget. He stressed the importance for the public to spread the word, to write to the legislatures and encouraged them to attend the March 31st Board Meeting along with the final Budget Workshop which will be held on April 14th at the Veteran Town Hall at 6:00 PM.

Adjournment

Moved by Apgar seconded by Holleran.

RESOLVED, that the Horseheads Central School District Board of Education Meeting adjourned from its Budget Workshop of the Board of Education at 7:42 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Absent</u>
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Apgar

Brinthead

Buck
Holleran
Jacobus
Lively
Lynch
Miller
Strollo

MOTION CARRIED

Respectfully Submitted By:

Candy L. Maine,

Candy L. Maine, District Clerk

