

**Horseheads Central School District/Elmira Heights Central School District  
Special Joint Board Meeting of the Board of Education  
Horseheads High School, Multi-Media Center**

**Board of Education Work Session**

**Process: Each Group Identified the Following Specific Questions  
Representing the Thinking of Individual Board Members**

1. What programs will be added as a result of the Consolidation?

*The decision as to what programs would be offered in a consolidated district rests with the new Board of Education. However, we anticipate that the new Board would reflect on program priorities identified by the Community Advisory Committee, which include the following:*

- *Return courses that have been cut; save courses and programs from future cuts;*
- *Increase the number of high school course offerings;*
- *Maintain and/or increase the college prep program: AP and ACE courses;*
- *Enhance/expand job training/skill building programs;*
- *Increase exploratory and elective course offerings;*
- *Explore/increase on-line courses;*
- *Continue or enhance elementary specials (art, music, library, PE, technology) to achieve the best from each district;*
- *Increase foreign language study opportunities;*
- *Examine opportunities for magnet schools and/or gifted and talented program.*

2. How does seniority work for the new District?

*In a consolidated district, teaching and non-teaching staff are combined along with their place on a combined seniority list. Thus, seniority in a new district will be determined by the individual's original appointment date in his or her respective former district.*

3. What does the instructional and non-instructional efficiencies look like? (Would like details)

*We anticipate that instructional efficiencies would include a greater array of course offerings at a reduced cost (based on more efficient class sizes, the elimination of course duplication, and the resulting staff reductions). Given the consolidation of district schools, efficiencies will include both professional and support staff reductions. We provided a plausible staffing scenario for a consolidated school district at our March 16, 2015 Community Advisory Committee meeting, which included anticipated staffing needs. Also at the March CAC meeting we provided the fiscal implications of consolidation. Along with more efficient staffing, additional*

*savings were identified in our Feasibility Study Report that can be anticipated through the consolidation of facilities.*

4. How is new construction determined?

*Capital improvements in a consolidated district are determined by the new board of education and submitted to NYSED for approval. Generally, if the proposed new construction is demonstrated to be necessary to accomplish the consolidation, it will be approved for the enhanced building aid, capped at 95%.*

5. How is the size of the Board of Education determined?

*Should a straw vote on consolidation be authorized by each district's Board of Education and passed by each district's citizens, the Commissioner of Education will authorize a formal vote to take place which, if passed, would create a new school district. As part of this vote citizens will be asked to vote on a five, seven, or nine member board of education and the length of their staggered terms of office. The model with the greatest number of votes would prevail.*

6. Impact of tax cap and 10-year tax rate leveling?

*In 2011, the NYS Legislature passed a property tax levy cap, referred to as the "two percent tax cap." The intent of the legislation was to restrict the growth of property taxes to 2% or the rate of inflation, whichever is less. The law takes into account some expenses beyond district control such as voter approved capital expenditures, increases in employer mandated pension rates, court orders, and growth factors. Based on these expenses, the tax levy may increase above 2%. If a district proposes a budget that requires a levy higher than allowed under the tax cap, the district must secure at least 60% approval from the voters. The tax cap has a sunset provision. The Legislature is currently debating its future. In the 2016-17 consolidated budget scenario, a 1.62% tax cap (2015-16 limit prior to adjustments) was utilized. The consolidated board of education will be required to comply with whatever legislation is forthcoming.*

*The 2014-15 Elmira Heights full value tax rate was \$22.05; Horseheads was \$17.84, a difference of \$4.21/\$1,000 F.V. NYS law allows reorganized school districts having disparate tax rates to defer the impact of equalizing the rates for one year or phase in the impact during a period not to exceed ten years. In the 2016-17 budget scenario, a rate of \$18.00/\$1,000 F.V. was selected establishing the same district-wide tax rate in the first year of the consolidation. To achieve this rate, \$776,524 of incentive aid was applied to reduce the tax levy. A full value tax rate of \$18.33 would eliminate the need for utilization of incentive aid to reduce the tax levy.*

7. Positive and negative impact of past consolidations? (For Academics, Arts, Athletics)

*Few consolidations have taken place in recent years and each has been unique, so generalizations are difficult. However, neither the NYS Commissioner of Education nor the voters in consolidated districts would have approved a consolidation if educational opportunities were not enhanced. Generally, it is safe to conclude that academic opportunities in the form of more and better courses, greater extracurricular opportunities, and more athletic teams can be anticipated. As for negative impact, often cited are concerns with greater competition within the arts or for athletic team positions and the possibility for longer bus runs. See the November 17 and December 15, 2014 CAC handouts, PPT slides, and meeting minutes for detailed analyses of academic, extracurricular, and athletic implications of consolidation. For an in-depth analysis of merger studies since 2010, see "Why Do School District Mergers Fail," a study completed in 2014 by the NYS Association of School Business Officials and available on their website, [www.nysasbo.org](http://www.nysasbo.org).*

8. 100% of Students bused in Horseheads, walkers in Elmira Heights Central School District

*Elmira Heights BOE Policy 5730 provides bus service to K-5 students living more than 1 mile from school and 6-12 students living more than 1.25 miles from school. Horseheads BOE Policy 8410 provides bus service to all K-12 students, with bus stops located every ¼ mile. Should the new board of education decide to adopt a policy similar to the current Horseheads policy, it will require expanding the bus fleet and hiring additional drivers. It is important to remember that once a consolidation is approved, the new board of education must establish a new set of policies for the new district. (See question 12, below.)*

9. Will there be an equitable gain in instructional and/or extra-curricular opportunities for both Districts? (Increased courses for both current districts)

*Our analysis suggests that both districts would stand to gain in instructional and/or extracurricular opportunities as each district currently has some courses or opportunities not offered in the other. (See November 17 and December 15, 2014 CAC handouts, PPT slides, and meeting minutes.) However, given Elmira Heights' smaller size and more limited opportunities, its students would seem to gain more.*

10. How will the impact on taxes benefit both entities? (Increase/Decrease per townships, etc.)

*Currently, there is a \$4.21/\$1,000 F.V. tax rate difference between the two districts. This significant gap guided the decision to select a compromise tax rate of \$18.00/\$1,000 F.V. for the 2016-17 consolidated budget. Assuming all the towns comprising the districts have 100% equalization rates, Elmira Heights residents would see a decrease of \$4.05/\$1,000 from their 2014-15 full value tax rate. Horseheads residents would see an increase of \$0.16/\$1,000 from their 2014-15 full value tax rate. The immediate benefit of the incentive aid for Horseheads residents is*

*fiscal solvency. For the prior four years, annual expenditures have exceeded revenues. The 2016-17 consolidated budget scenario suggests an excess of revenues over expenditures of more than \$1 million and a June 30, 2017 fund balance of approximately \$16.8 million. The consolidated district would be eligible for an additional \$1.9 million in building aid for existing debt and for every dollar invested in future approved capital improvements, a \$0.95 return on investment. Taxpayers in both districts benefit, assuming the incentive aid is used wisely and economies of scale are realized.*

11. Will information include safety measures/security?

*The Building Condition Surveys required by NYS and referenced by the consultants in this study contain information on safety and security measures in place and/or recommended. As part of the CAC tours that took place in October and November, Director of Facilities, Michael Coghlan, updated committee members on past, current, and future initiatives related to safety and security. At the January 12, 2015 CAC meeting, representatives from Hunt Architect provided an update on the completion of the 2015 surveys and possible capital needs.*

12. How are existing policies established?

*If the voters in the two communities vote to consolidate the Elmira Heights CSD and Horseheads CSD, neither of the two original districts will continue to exist; a new district encompassing the entirety of the two former districts will come into existence. The new district will be governed by a new board of education charged with the responsibility of establishing the policies for the consolidated district. Thus, existing policies in both of the former districts will no longer exist; an entirely new set of policies will be established by the newly elected board of education. (See question 13.)*

13. How will we establish a new culture of the District and how will current cultures/atmospheres be impacted?

*Should the voters authorize the creation of a consolidated district, one of the first orders of business by the new board of education needs to be the creation of joint committees with equitable membership that deal with all aspects of consolidation. Establishing a new and distinct culture will be key to the new district's initial success. For example, we would recommend that students be charged with recommending critical features of their new school, including its colors, sports team names, mascot, etc. Similarly, joint committees of teachers and administrators will need to be convened to address differences in program delivery and the process for coming to consensus on all aspects of the academic program. Similarly, the new Board will need to be cognizant of community issues and concerns and work deliberately to address them. Underlying all of these efforts, there needs to be sensitivity for what "has been" while determining what "will be."*

#### 14. Impact on Staffing

*The impact on staffing of a consolidated district must be considered in the context of the number of positions already reduced across both districts during the past 5 years (Chapters 3 and 8). Simply stated, the positions cannot be reduced twice; thus the reductions and savings accomplished by consolidation may be seen as modest.*

*However, an additional \$1.5 million in staff savings have been identified.*

*The most significant reductions and cost savings will be in the administrative areas, both in central office and in the school buildings. Instructional and instructional support staffing levels will remain virtually the same as current combined levels and will provide appropriate staffing to maintain the equivalent of the program offerings currently in both districts. Efficiencies in scheduling and/or adjustments to program offerings may provide opportunities for program enhancements using existing staff in a consolidated district.*

*Staffing levels in transportation will increase if the new board of education decides to adopt a student transportation policy similar to the one currently in place in Horseheads. Under this “door-to-door” policy, an additional 10 bus drivers will be needed to transport all students in Elmira Heights.*

#### 15. Long-term impact when money is gone? Where is the critical point of decrease staff to dealing with finances in the future?

*The question posed correctly suggests that the Boards of Education must consider the long-term financial impact of consolidation. We agree and would encourage the current Boards to recognize that the financial imperatives that drove this study will continue with or without the decision to consolidate. If the Districts remain separate entities, the problems associated with deficit spending will continue. The financial consultant in this study was clear in pointing out, for example, that the Horseheads CSD, if it continues current practice, has two years until it will exhaust its fund balance and be forced to further reduce staff to balance its budget.*

*On the other hand, if the Districts do consolidate, the new district would receive consolidation incentive aid of approximately \$61 million over a 14 year period. This results in a 40% addition in state aid to the new district for the first 5 years, which is reduced by 4% per year for the next nine years. Beginning in 2030-31, there would be no additional aid. In short, the dramatic increase in state aid that would benefit the new district in the foreseeable future would not continue indefinitely. The board of education of a consolidated district would need to create and adhere to a financial plan that would control district spending and maintain strong reserves and fund balance in order to adjust to the reductions of incentive aid beginning in 2021-22.*

#### 16. All impacts of formulas/ratios advantages/disadvantages of separate versus new.

*If consolidation is approved, NYSED would recalibrate wealth factors and poverty data for the reorganized district. Since both districts are currently described as*

*average need/resource capacity districts, with little variance in current state aid formulas, it is unlikely new aid formulas would change substantially. One formula change that would benefit current Horseheads' taxpayers is building aid. Current building debt would be aided at the higher of the two districts' building aid ratios which is Elmira Heights. The additional building aid would be approximately \$1.9 million. The overall advantages/disadvantages of consolidation versus status quo have been addressed in the final report.*