

Community Forum II – January 27, 2010

Questions and Answers

****Statements in italics are updates as of April 7th.****

What are Reserve Funds, and will we tap into them?

The District has two Reserve Funds: Workmen's Compensation and EBLAR. The latter is mandated to be funded to have money available for employees when they retire. There is \$1.8M in the account with \$1M necessary to cover any retirement expenses. This number is calculated at the end of each year. To date, both of these funds may only be used for these specific purposes. The Governor's new proposal may allow districts to utilize these funds to offset taxes. The District has a Fund Balance or savings account. The New York State Comptroller's Office recommends that school districts maintain 4% of their budget in this account. In 2008 we had about 2.3%, and we were able to get the account up to 3.4% in 2009. School boards have the option of using these funds to offset expenses. However, it should be noted that depleting these funds could affect next year's budget with rising costs of benefits from New York State.

It is recommended that school districts have 4% in their Fund Balance or savings account. At the end of the 2009-10 school year, we are projecting \$3.9M. \$1.9M will be used to offset expenses, leaving us with \$2M in our account or 3.05% lower than the State recommends.

Will there be personnel cuts in the new budget?

A reduction in staffing is always an avenue of reducing expenditures. Should reductions take place, one must examine class size, program offerings, job descriptions, and state regulations. A large percentage of our expenditures come from this budget line.

To date about 23 positions may be reduced from instructional and non-instructional areas including one through attrition. This number is flexible based on possible state aid revenue.

What are support services?

Support services are variable expenses that can include, but are not limited to, Academic Intervention Services (reading and math support), ESL services, psychologists and social workers, nurses and guidance counselors.

Can we look into the transportation routes?

The District is in the third year of a five-year contract with Suffolk Transportation Service. The contract provides us with a bus that can be used for five runs. For example, a bus may start at the High School for arrival around 7:30 am. The bus will then travel to Wing, the Middle School, Sherwood and end up at Commack Road. In working with STS, we have been able to maximize the routes to our benefit. For example, some students who attend ISACC at Wing have been unable to avail themselves of morning band, orchestra or chorus at CRES. A bus that

is passing by on route to the next school can pick up students and deposit them at CRES with no additional cost. Also, each year the Assistant Superintendent for Business reviews our out-of-district placements and works with neighboring districts to share the cost of transportation. This year, in sharing vans we have been able to reduce expenses by \$65,000 per month. Should the community wish to have a significant savings in transportation, they are permitted to expand the distance from home to school travel but this must be done by voter approval.

In reviewing routes with our transportation company and the Assistant Superintendent for Business, we were able to reduce expenses by \$140,000. This is a result of consolidating some runs due to enrollment changes and also the elimination of the 6:00 pm athletic bus which is run with the least passengers.

What would the increase in the tax rate be with a \$69 M budget?

When calculating the tax rate, we can estimate the value by dividing by \$400,000. Thus, if the increase in budget-to-budget is \$4M, the tax rate is estimated at a 10% increase. Please note that the final dollar value experienced by the resident is determined by the tax levy and the Town.

The recommended budget is currently \$66,368,105, which is a 2.11% increase from last year. This translates to a 3.88% tax rate increase (last year's increase was 3.94%).

Can we combine with other districts to save on utilities and supplies?

Yes. To date we share a School Lunch Director with a neighboring town and work with the Town of Islip in a cooperative to get reductions in gas prices for school trucks and lawn maintenance equipment. Currently we are examining sharing an Alternative High School setting with other Islip districts. Also, when possible, we purchase items off of a New York State Contract, which contains lists of vendors who have reasonable costs. District policy states that to purchase an item which costs more than \$1,500, we must utilize the lowest of three written quotes. Items costing in excess of \$20,000 must be put out to bid. The bid specifications are prepared by our part time purchasing agent and legal counsel and must be approved by the Board of Education. We always look for the least costly, responsible bidder. Previously, we shared a purchasing agent with a neighboring district and paid through BOCES. When audited by the state, we were cited for this shared service. In the 2009 budget, the agent retired from BOCES, and we utilize her services on a part-time basis and pay no benefits.

In reviewing our fuel expenses and the projections from our Energy Performance Contract upgrades, we are comfortable in reducing utilities by \$100,000.

The new Race to the Top (RTTP) proposal addresses charter schools. Will RTTP's charter schools' costs affect our budget?

The Federal Government has put into place Race to the Top grant money. One of the components for states to participate in the funding is that the number of approved charter schools be expanded. Charter schools are an alternative to public schools that are funded through public money. For example, if a charter school is established in Islip, a portion of our per pupil

expenditures would be transferred to the charter school. At this time, we are unaware of any applications for charter schools within our borders. There are several existing charter schools on Long Island in Riverhead, the Hamptons and further out on the Island.

We have received notification from the Commissioner of Education that New York State did not receive any money from the initial phase of Race to the Top.

Are STAR rebates going to disappear?

In the Governor's proposal, he eliminates the middle class STAR rebate and the exemption for homes valued at \$1.5M and greater.

STAR is still being decided through the legislators' approval of a budget. Should STAR remain the same, see the effect on the proposed budget below.

Does the Board of Education have a pre-set amount of what will be cut from the budget?

District administration has been working on a preliminary budget since the late fall. At that time, building administrators met with central office administrators to develop a budget that is in alignment with the Board of Education's goals. Each building's budget is collected and combined with district-wide costs such as maintenance and repairs, BOCES services, special education, estimated fuel costs, etc. Our BOCES' costs are determined after we receive information from BOCES at or around January 1. When the entire cost of expenditures is recorded, we begin to have discussions with the Board of Education and share costs and the rationale for spending or reductions. All community members are invited to these budget workshops. To date, no dollar value has been determined.

After carefully examining the budget and reductions that would have the least impact on program, it is being recommended to the Board of Education to adopt a budget that is only 2.11% higher than last year. By appropriating \$1.9M in revenue, the increase to the taxpayer is reflected in a 3.88% increase. This is lower than 3.94% for the 09-10 budget. Information gathered from various districts indicates that most districts across the state are striving for a tax increase of less than 4.00%.

Original Proposed Budget

\$69.4M 6.72% Increase 11.86% Tax Rate

Recommended Budget

\$66.4M 2.11% Increase 3.88% Tax Rate

The yearly cost to the average Islip home (\$45,000 Assessed Value):

\$268.98 (no STAR) \$232.82 (STAR)

What are components of the personnel contracts? When were they negotiated? Will there be cuts in benefits?

We are in the fourth year of a five-year contract for all labor units. The percentage increase for the 2009-10 school year for teachers was 3% with a 3.5% increase for next year. The teachers' contract includes a 3% step increase for every member with up to 18 years in the district. In order to alter the legally binding agreements, both parties must come to the table and negotiate a change. It is anticipated that the superintendent will share all budget concerns with each unit president and seek their help in these tough times. Employees contribute a portion of their medical benefits.

The Board of Education has met with the superintendent and central office administrators to review upcoming contracts. As we anticipate the 2011-12 budget to be equally as challenging, central office administrators, including the superintendent, have agreed to a freeze in 2011-12.

Have debt services been reviewed and looked at for a lower rate?

This year our debt service remains flat due to the poor economy. We have two outstanding bonds. One will come to completion in 2015. The Assistant Superintendent for Business has inquired into reduction of the payments with our bond counsel.

After reviewing all debt service agreements, we were pleased to note that the District will be saving \$35,929 on its BAN due to the economy and lower interest rates.

New York State is proposing a retirement incentive called 55/25. Are we evaluating those who may be eligible?

The proposal has been discussed but not fully negotiated yet with NYSUT. The District keeps records on dates of hire, longevity, etc. which allows us to know who is eligible to retire.

The District is aware of those who may be eligible for the 55/25 retirement incentive; however, at this point it has not been approved by Albany. If and when it is approved, districts will not be notified of retirements until June, July and August which will not help us in the budget process.

Are we here to protect teachers?

The mission statement of the Board of Education states: The Islip Schools, in partnership with the community, will empower all students to achieve excellence. The educational system is based on state regulations, and we strive to comply with all requirements with the focus being on the learner.

Several years ago the Board of Education worked with all stakeholders and developed a blueprint for the District entitled, "This We Believe...A School District of Quality." This can be found on the website.

Can we bring BOCES in-house? Will it save money?

During the past few years, we have worked to review our special education students and BOCES placements. Two years ago, we developed a Life Skills class at the High School which is being funded by our IDEA grant funding. By doing so, we can provide our students with a transition/life skills curriculum which is required by regulations at a significant savings. Should any student from another district benefit from this class, we are able to open it up and earn revenue. Also, we are examining an Alternative Program as previously noted. It is always a goal to have our students be educated in their home school as per an IEP.

To date, Annual Reviews are being held for special education students, and all placements are carefully scrutinized to ensure that students receive the proper services. After the original draft was put together and the BOCES budget presented, we were able to reduce administrative costs by \$4,754.

Explain fixed/variable costs with a teacher perspective?

Fixed costs include salaries and benefits which are negotiated items. In respect to variable costs, staffing is directly related to class size, program offerings and support services.

Building and central office administrators have been carefully monitoring enrollment and class size. In 2010, the enrollment at our Middle School will decrease by 74 students which will allow for the reduction of staff. By doing so, class size will average 23-25 per class, an increase of 1-2 students. At the elementary buildings, we have been fortunate enough to maintain an average class size of 23 in grades K-5. Again, 1-3 additional students in each class will have a minor impact on instruction, yet reduce the cost of staffing. At the High School, reductions in staffing occurred based on student course selections. In all cases, the integrity of the programs has not been lost.

What is being done with the ExCEL Capital Project and where and when will we see the savings?

To date, the ExCEL Capital Project is coming in on time and under budget. Preliminary estimates indicate that the District could save up to \$4,000 per month with the new VOIP phone system. Savings on fuel and utilities should be noted from our Energy Performance Contract with Johnson Controls. This project enabled the District to replace lighting, some doors, windows, and the installation of energy conservation timers. We will need a full year of all installations to fully understand the cost savings. It should be noted that the savings will pay for all materials and work.

As noted earlier, we are estimating a conservative savings of \$100,000 for utilities next year. We will continue to monitor spending and once again plan office holidays to shut down heating/air conditioning for several consecutive days. Last summer we saved about \$10,000 by working longer hours Monday-Thursday and closing the offices on Fridays for six weeks in July and August.

How will AP programs and the Excel program be affected?

As previously noted, all programs will be examined for their costs and effectiveness and will be discussed at the budget workshops.

The EXCEL program, as well as Honors and AP classes, have not been affected. Co-curricular activities such as music and sports will remain, as well. It is important to keep secondary students engaged in activities after school.

How many chairs do we have and why?

Currently, we have six department chairs for grades 7-12 (Social Studies, English, Science, Math, Foreign Language, and Home, Careers and Technology) and one coordinator for grades K-12 for Fine and Performing Arts (music and art). These staff members are in the teachers' union and teach two periods, as well as supervise staff, align curriculum, manage state testing and work on supplies and budget preparation.

It is not being recommended to abolish the department chairs for the 2010-11 budget. Elimination of these positions would be offset by the addition of administrative positions to supervise and monitor staff and maintain NYS assessments.

What are variable costs?

Variable costs are those expenditures that may be adjusted. These costs can include, but are not limited to, instructional and facility supplies, furniture and equipment purchases, maintenance and repairs, staffing due to class and support service group sizes and co-curricular programs.

In carefully scrutinizing all costs, below is a summary of all reductions:

<i>Salaries/Benefits</i>	<i>\$2,029,830 (Staff reduction/Enrollment adjustment)</i>
<i>Services</i>	<i>\$ 495,000 (Repairs, utilities, transportation, auditing)</i>
<i>Grants</i>	<i>\$ 229,487 (Cost shift due to funding)</i>
<i>BOCES</i>	<i>\$ 109,754 (Oc. Ed, Admin costs, Connect Ed)</i>
<i>Equipment</i>	<i>\$ 59,000 (Office furniture, technology thru ExCEL)</i>
<i>Supplies</i>	<i>\$ 41,000 (Grant funded this year)</i>
<i>Debt Service</i>	<i>\$ 35,929 (BAN)</i>
 <i>Total:</i>	 <i>\$3,000,000</i>

Do we have enrollment projections and how will it affect the budget?

In preparing staffing needs, we check enrollment studies and actual numbers and trends from current years. We monitor enrollment on a monthly basis by grade level, special education students, as well as those students who require support services. This year we moved kindergarten registration up to February so we would have a more accurate account of our youngest learners. Similarly, students with special education needs are having their annual reviews done earlier to maximize scheduling. To date, we are having a drop in enrollment at the Middle School and our elementary schools. The High School is expected to remain flat for 2009. In preparing the budget, we will examine enrollment numbers and class size guidelines to determine staffing in grades K-6.

Please see an earlier response on enrollment and staffing reductions.

How can we bring revenue into the District? What is available?

The Executive Director of Curriculum and Instruction for Grades K-12 is responsible for writing and maintaining our Consolidated Grants. These federal grants were reduced this year, and \$9,000 has been removed from Title IV (Safe and Drug Free Schools) for 2010. Last summer, Mrs. Semel applied for a technology/reading grant, but the District did not meet the criteria as our state assessments and student profile were not indicative of a school in need. This year, the IDEA Task Force has applied for a grant for drug and substance abuse education for a little over \$100,000. If New York State is approved for Race to the Top funding, we will work to secure some funding.

As previously noted, NYS has not qualified for Race to the Top funding. We have submitted the grant application for the IDEA Task Force and expect to hear this summer. Should we receive the funding, we can offset a portion of the salary for our social worker who specializes in substance abuse, as well as a small portion of an administrative salary. Most recently several of our High School and Middle School teachers have received small technology grants that will be used to purchase some equipment. We are also awaiting information about federal grants that can be used for technology and assessments. Most grants that are available to school districts are based on "high needs" schools, and Islip does not qualify at this time.

What are the costs of the unfunded mandates, and how can we pressure our legislators to rectify this?

Unfunded mandates include everything from state testing, training, scoring, Academic Intervention Services, data reporting to the state, the use of internal and external auditors, increased staffing in the business office to be in compliance with state regulations for the separation of duties, health and safety training. Islip is responsible to transport District residents to private schools and to provide special education services to students who require said services.

The Suffolk County School Superintendents Association is promoting a letter writing campaign to bring to the attention of the legislators the needs of the people on Long Island called, "One Voice." It is the hope that each District will collect 500 handwritten letters and deliver them to

Albany by March 13. On the website there are sample letters and the names of legislators. Bring your letters to the District Office where they will be collected.

Why is Islip one of the top five school districts losing aid and what can we do? (Islip was #2.)

In the Governor's proposal, Islip's state aid is being reduced by \$1.7M. In looking at state aid (see the PowerPoint presentation of February 3 posted under Budget 2010-2011), our aid is based on a Foundation Formula. Part of the formula includes what is called the Combined Wealth Ratio (CWR). This formula utilizes the residents' earnings and the assessment of housing. In 2007, the formula identified Islip as a "wealthy" district. Even though the economy has changed since then, the state has frozen our aid. Therefore, we will not see the benefits of the changes for another two years. Community residents should write to their legislators regarding the CWR formula. Please note that several members of the Islip community, which included administrators, teachers, parents and BOE members, met in Longwood with eight legislators to discuss this item.

I am delighted to report that Islip and other Long Island school districts sent over 20,000 letters to our local legislators sharing their concern about the inequity of state aid across the state. Also, the superintendent met with local legislators and their aides and provided them with the facts and funding constraints that we are facing. Throughout the meetings, the legislators were adamant about the financial woes in Albany and that relief may not come this year. Recent bulletins from Albany indicate that a budget may be coming by mid April. It is also rumored that the Governor will delay the budget vote until school districts vote on their budgets.

Will we see detailed line items?

Yes, as the budget is refined, line items will be shared with the community at our budget workshops.

Details will be posted on the website as soon as we secure revenue projections.

Will there be an employee forum, and will they be a part of the process?

The superintendent will be meeting with all union leaders to share the state of the district and, like last year, the superintendent will invite all employees to a meeting where budget information will be shared.

All employees have received communication that this will be a tough year. As soon as we have word from Albany, all staff will be invited to meet with the superintendent in a similar format to last year. Also, the superintendent is available to attend faculty meetings to share information and answer questions.

How much is the MTA Tax?

All organizations that produce payroll runs have been taxed, including schools and churches. Islip School District is being taxed for about \$120,000. It is our expectation to be reimbursed for that sum, but no timeline has been provided from the state.

In recent information from Albany, we have been informed that we should receive our MTA Tax rebate by June 1. It should be noted that we will be taxed again next year. Legislators are working on possibly changing the dollar amount for schools.

Will we have another forum like this as the budget process progresses?

Our budget workshops are mini forums whereby all community members may ask questions. We welcome all to attend.

As of this posting, a meeting was held on April 7th to bring the budget process to a close. Due to the late word from Albany, the budget will not be adopted by the Board of Education until April 21st.