

**ISLAND TREES UNION FREE SCHOOL DISTRICT**  
*Office of the Superintendent of Schools*

**MEMORANDUM**

TO: Members, The Board of Education

FROM: **Charles Murphy, Superintendent of Schools**

DATE: January 22, 2010

RE: **2010-11 Budget Proposal – First Draft**

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Ladies and Gentlemen:

Unfortunately, due to the fiscal crisis facing New York State, the Island Trees Board of Education will be challenged by the 2010-11 budget development process. Together we are charged to develop a budget which is not only educationally sound, but minimizes the financial impact on the community. Given the recent state aid proposals, a loss of \$519,000, this will be a tremendous undertaking—one most Boards have not faced in decades.

The attached documents were structured to guide your mission and decision making—educational program and taxpayer sensitivity. After all, the Island Trees administrative team has worked hard trying to align this budget with our mission of excellence and success for our students. Of course, as a result of dwindling resources, we had to prioritize our needs in these difficult times.

In summary, I believe our proposed budget will be able to address our K-12 goals, and be fiscally responsible. Naturally, it is important to have a budget which is supported by the community. Admittedly, a contingency budget will set back our district for years. We truly need to be mindful of this during our budget discussions. The balance of education and affordability will be delicate indeed.

## I. Overview

The attached budget document represents the first draft and a starting point for the Island Trees expenditure and revenue budgets for the 2010-11 school year. The first draft (Budget #1) is close to a “rollover” budget with a number of modifications. We will outline these changes in more detail starting on Page 4. Not surprisingly, the financial issues confronting our state have impacted our spending plan for next school year. Although we believe the first draft budget contains the resources necessary to support an excellent educational program, many areas were pared back to address our community’s concerns related to affordability.

Historically, school districts throughout the state have grown accustomed to a pattern of increases to their state aid funding. In fact, several years ago New York State adopted a law which guaranteed increases to foundation aid so districts could plan and budget responsibly. Due to a myriad of economic changes, New York State has not been able to follow through on this commitment. This is a significant issue for our school district.

Island Trees relies heavily on state aid -- 37% (aid/STAR) of our revenue budget -- as a revenue stream for our academic program and school services. At this point, we do not expect state aid revenues to increase for the 2010-11 school year. This will be the second consecutive year and will have dire consequences for the budgeting process in our district. Even though our budget-to-budget increases have been moderate, without similar increases in state aid, we either need to make up the difference with property taxes or reduce expenditures. This is, indeed, a challenge.

Equally problematic, the financial direction and leadership from New York State has hindered the budgeting process. Our government officials have not provided consistent state aid projections that school districts can rely on for budgeting purposes. For the past two years, we have developed a community supported budget only to work under the threat of mid-year reductions.

In December, Governor Paterson announced state aid reductions for all New York State schools. The impact was a revenue loss of over \$900,000 for Island Trees. In response, we “froze” all of our spending to offset this reduction. However, many needed supplies and materials used to replace and/or enhance our district are not being purchased—further compounding the expenditure budget for future years. Although our staff planned and budgeted appropriately for this year, they will need to do without for the remainder of the year.

On January 19, 2010, the Governor presented his Executive Budget for 2010-11. Unfortunately, the state aid numbers presented were far less than anticipated for Island Trees. In particular, we lost approximately \$519,537 of state aid. Clearly, to work from these reductions will be a daunting task for all schools, including Island Trees. At this point, the legislators have not approved these numbers nor do I expect the state senate or assembly to fully support the Governor’s proposal. However, the Executive Budget is a

conservative starting point for our budget development process. If this changes over the next month or two, we will adjust our revenue budget accordingly.

Again, without nominal increases to our state aid revenue stream, modifications will most likely be needed to address concerns about affordability. The 2010-11 expenditure budget “rollover” budget has increased by 5.38%. This equates to a 9.25 % increase to the tax levy as a result of the state aid reduction. If the community does not support the recommended budget, New York State law requires the district to move toward a contingency budget.

According to the law, after certain exclusions, the contingency cap is equal to the lesser of the calendar year average CPI increase or 4% (budget-to-budget). At present, the CPI is down approximately 0.9 %, from a year ago. This could, as per the formula, create a decrease in the expenditure cap for next school year. In truth, the law never anticipated the present economic conditions, so many feel rather than creating a negative cap, it should be set at zero or flat. In fact, the School Business Officials Association website projects a 0% cap.

With that said, to set our contingency budget to the allowable maximum increase, would equate to a \$2,830,329 decrease from our proposed “rollover” budget. We would need to reduce the current 2010-2011 “rollover” first draft by this amount to meet this New York State mandated cap. This would have catastrophic consequences to our academic program and services. Therefore, it will be important for us to develop a budget the community will support.

In summary, the 2010-11 first draft “rollover” budget, as compared to the 2009-10 budget, reflects a 5.38% or \$3,027,973 increase budget to budget. As a result of one year of flat state aid and this year’s decrease, the tax levy is projected to increase by 9.25% with the “rollover” budget proposal. This is, however, the first draft proposal designed to provide a basis for discussing and establishing a final proposed budget for the community.

## **II. Island Trees 2010-11 Budget**

Naturally, we are keenly aware of our community’s concerns over property taxes. This is not unique to Island Trees, but an issue facing all districts on Long Island. In this economic climate, we want to achieve a balance between educational program and taxpayer sensitivity. In response, we have prepared several budget models for the Board of Education to examine along with the ramifications of each.

The enclosed budgets devote resources to fulfill the goal of excellence and success for all students. Admittedly, the degree to which we succeed to this goal may depend upon the amount of resources devoted to this end. The following budget models will be presented to the Board in greater detail:

- Budget #1 - Preliminary “Rollover” Budget
- Budget #2 - 6.4% Tax Levy Budget
- Budget #3 – 5.3% Tax Levy Budget

- Budget #4 - 3.9% Tax Levy Budget
- Budget #5 - Contingency Budget

These budget models will give the Board of Education various starting points for the budget development process. They are to be used as guides for the discussions and not necessarily end points.

**Budget #1 – Preliminary “Rollover” Budget**

<b><u>Budget</u></b>	<b><u>Budget to Budget Increase</u></b>	<b><u>Tax Levy Increase</u></b>
\$59,347,964	5.38%	9.25%

**Notable Changes from 2009-10 to 2010-11**

**REDUCTIONS**

Legal Service (1420) – For 2010-11, we reduced the budget for attorney fees by \$98,000. This line was increased two years ago in response to the environmental issues at Island Trees High School.

Custodian Overtime (1620) – This code was reduced by \$46,294. We will be more mindful of this expense for the 2010-11 school year. We believe greater oversight and more creative ideas will help custodial expenses for the future. In addition, we have worked with the building principals and facilities department to institute flexible schedule to address weekend overtime.

Maintenance Overtime (1621) – Similar to custodial overtime, we have reduced this significantly, \$30,000, for 2010-11. We will provide greater supervision to ensure we stay within these limits.

Utilities (1620) – We have reduced “fuel and gas” code by \$48,500, as well as “electric” by \$35,000 for a total utilities reduction of \$83,500. We were able to establish a new baseline by assessing this expense over a three year time frame.

Curriculum Development and Supervisor BOCES (2010) – The budget was reduced by \$30,998.

Lobby Aides (2110) – Although the “lobby aides” code was reduced by \$28,204, the money was reallocated to our security code. We hope to utilize security personnel rather than aides next year at Island Trees High School. Please see additional information below with “security.”

Occupational Therapist (2250) – As a result of fewer students needing this service, the budget line was reduced by \$51,115.

**INCREASES**

Contractual Obligations – Our expenditure budget increased \$1,641,683 as a result of employee salaries. These contracts were settled prior to the recent financial crisis. As per New York State law, school districts are mandated to fulfill their agreements even under the most challenging fiscal circumstances. Two of these contracts expire at the end of the 2010-11 school year.

Financial Services (1310) – An increase of \$34,401 is a result of coding this expense in the proper budget area. In the past, this expense was paid out of other budget codes. For the future, this will be accounted in a more appropriate manner.

Security (1621) – Prior to this report, we shared information related to a security improvement plan. In particular, we have added additional days for our roving district-wide weekend guards to include holiday nights. We hope to curtail the vandalism taking place throughout our district. In addition, two day guards were added to the high school to address our student safety concerns. Lastly, the new night events at the Island Trees High School field have contributed to extra security as well. In total, we have increased this line by \$94,450.

MTA Tax (1980) – This new tax law has created an additional \$111,772 burden for our school community. We have now accounted for this expense.

BOCES (2250) – We anticipate a 4% increase in the BOCES tuition rate for next school year. As a result, the tuition line for our BOCES special education program has increased by \$86,973 from last year.

Teacher Retirement System (TRS) (9020) – Each year New York State establishes the contribution rates for the Teacher Retirement System. The employer contribution rates for the 2010-11 school year will increase from 6.19% to an estimated rate of 9%. This will add a \$621,138 expense to the school district.

Employee Retirement System (ERS) (9010) – Similar to TRS, the ERS contributions are also projected to increase -- 8% to 11.2%. This has resulted in a \$218,360 increase from last school year.

Health Insurance (9060) – Empire has projected an initial 3.5% increase for 2010-11 for their medical plans. In fact, their expenses have increased even more dramatically, but they are offsetting costs through the use of reserves for 2010 calendar year. However, we should expect double digit increases for the second half of 2011. We have increased this budget line by \$247,839 to account for these increases.

Debt Service (9710) – This increase is as a result of our new financing costs associated with our EXCEL capital projects. This new \$197,644 expense represents the anticipated principal and interest payments on approximately \$4.3 million in bond funds which are currently funded through a Bond anticipation note (BAN).

## **EQUIPMENT PURCHASE**

We have included \$35,000 in this budget to purchase a truck and a snowplow. This equipment will replace a 1989 Ford Bronco which has served the district well, but the cost of maintaining the vehicle is exceeding its value. In truth, we should include additional maintenance equipment to the budget. Understandably, we have tried to minimize these purchases for the 2010-11 as a result of the current economic conditions. If the budget does not receive community support, we cannot purchase equipment under a contingency budget.

**Budget #2**

<b><u>Budget</u></b>	<b><u>Budget to Budget Increase</u></b>	<b><u>Tax Levy Increase</u></b>	<b><u>Reduction from Rollover</u></b>
\$58,289,700	3.50%	6.4%	\$1,058,264

**Reductions from Preliminary Rollover Budget**

Supplies (20% reduction)	\$250,972
Technology Aide (1)	32,897
Transportation (1 bus)	65,000
Greenkill Field Trip	60,000
Athletics - Assistant Coaches (11)	50,000
Custodial positions (2)	140,000
Special Education teacher (1)	70,000
MS/HS English teacher (1)	70,000
Secondary Reading teachers (2)	140,000
Elementary Remedial math teachers (1.3)	100,000
Employee Insurance (8)	<u>80,000</u>
	\$1,058,869*

\*slightly higher than needed

**Ramifications**

**Supplies**

In response to Governor Paterson’s mid-year state aid cut discussion, we “froze” spending from December to June. Only the most needed supplies/materials are being purchased during this timeframe. As indicated before, we have learned to do without for this school year. To further reduce these budget codes by 20% will impact what our staff and students are able to replace, replenish or use for next school year. We are confident this will not directly impact the teaching/learning process, but we will need to pare back our purchases and again learn to live without some of the “extras.” This will reduce our expenditure budget by \$250,972.

**Technology Aide (1)**

At present, we have one technology aide for each of our elementary schools. They help troubleshoot issues with our technology equipment, assist teachers in the computer labs, and perform other technology support functions for our students and staff. We have proposed a reduction of one F.T.E. aide and use two part-time aides at each school (.5). This will reduce our salary expenditures by \$32,897. Although not ideal, this will have minimal impact on the core instructional program in our elementary schools.

### Transportation (1 bus)

We propose to reduce the number of district-wide buses by one. This will increase the number of students per bus throughout the district with minimal impact to students. This will generate \$65,000 of savings from the current budget.

### Greenkill Field Trip

For decades, our 6<sup>th</sup> grade youngsters have attended the Greenkill Environmental Education Center. This week-long field trip engaged the students in a variety of hands-on activities. However, in this economic climate, the trip could be considered a luxury, especially since we are reducing in so many other areas. The savings related to this change would be approximately \$60,000.

### Athletics/Assistant Coaches (11)

In order to contribute to a more affordable school budget, we have reduced eleven (11) assistant coaches from the budget -- boys baseball (1), girls softball (1), boys/girls varsity basketball (2), boys/girls soccer (2), boys/girls lacrosse varsity/middle school (4), and middle school football (1). This proposal does not impact our academic program and saves approximately \$50,000. The following sports would still have assistant coaches: varsity football (2), JV football (1), middle school football (1), varsity wrestling (1), and middle school wrestling (1). We will continue to have a full athletic program in our district.

### Custodial Positions (2)

During the 2009-10 school year, we had one custodian retire and we have a second one who is retiring next year. We will collapse both of these positions and restructure the responsibilities in the district to absorb this loss of "custodial-power." This would reduce our salary costs by \$140,000. Clearly, it is more appropriate to reduce through retirement than by excessing staff.

### Special Education (1)

The Special Education Department plans to restructure how services are provided on the secondary level, bringing them more into line with our elementary model of integrated co-teaching. This will reduce one position, having a negligible impact on our program. A \$70,000 savings will materialize.

### MS/HS English (1)

We would reduce one English teacher at the secondary level. Each English teacher teaches five sections, so we would absorb these sections in grades 7-12. Class sizes may increase by 1 to 2 students at this level.

### Reading Teachers – Secondary (2)

For the past few months, we have closely examined our Academic Intervention Services (A.I.S.) staffing and scheduling. As a result, we can schedule our reading staff to address mandated needs more efficiently and reduce two positions in our budget. This would reduce expenditures by \$140,000 with minimal impact on our academic program.

### Remedial Math Teachers – Elementary (1.3)

By adjusting our scheduling, we can reduce the number of remedial math teachers serving the elementary schools by a 1.3 F.T.E. The remaining math teachers will still be able to provide mandated/non-mandated services to our struggling math students. This modification would reduce our expenditures by \$100,000.

### Employee Insurance

As a result of the reductions in staffing listed above, including changing two full-time technology aides into two (.5) part-time positions, will reduce our employer contributions to Empire by \$80,000.

### **Budget #3**

<b><u>Budget</u></b>	<b><u>Budget to Budget Increase</u></b>	<b><u>Tax Levy Increase</u></b>	<b><u>Reduction from Rollover</u></b>
\$57,880,500	2.77%	5.3%	\$1,467,464

To reach Budget #3, a budget-to-budget increase of 2.77%, and a tax levy of 5.3%, we would need to include all of the reductions presented in Budget #2, plus additional cuts. This budget model now begins to impact our academic program more significantly. At this time, the differences between the preliminary rollover budget and Budget #3 are much more apparent. Nonetheless, we still will be able to meet many of our goals of academic success for our students.

### **Reductions from Preliminary Rollover Budget**

Supplies (20% reduction)	\$250,972
Technology Aide (1)	32,897
Transportation (1 bus)	65,000
Greenkill Field Trip	60,000
Athletics - Assistant coaches (11)	50,000
Custodial positions (2)	140,000
Special Education teacher (1)	70,000
MS/HS English teacher (1)	70,000
Reading teachers (2)	140,000
Remedial Math teachers (1.3)	100,000
Employee Insurance (8)	80,000
* Textbooks (20% reduction)	32,023
* Middle School teachers (2)	140,000
* Special Education teacher (1)	70,000
* MS/HS Social Studies teacher (1)	70,000
* Elementary Guidance Counselor (1)	70,000
* New Employee Insurance Savings (5)	<u>50,000</u>
	\$1,490,892 **

\*new reductions

\*\*slightly higher than needed

### **Ramifications**

#### **Textbooks**

Our administrators will need to truly scrutinize their textbook needs for the 2010-11 school year. In many cases, principals and teachers will need to utilize “tired” textbooks or textbook series for another year rather than replacing next year. This will save approximately \$32,000.

### Middle School Teachers (2)

At the 5<sup>th</sup> grade level, we would reduce staffing by one teacher. The middle school administration projects class size to change from 22 to 25 students per class. In addition, we will reduce staffing by one remedial math teacher for the Memorial Middle School. As a result, we would only service mandated A.I.S. students -- students who have fallen below state standards.

### Special Education (1)

The reduction of content area teachers will result in a reduction of one special education teacher who would have co-taught the classes. This will reduce one position with a concomitant savings of \$70,000.

### MS/HS Social Studies (1)

We propose to reduce five sections in grades 7-12 or one F.T.E. Social Studies teacher. This would reduce our salary expenditures by \$70,000. Social Studies class sizes could increase by 1-2 students on average at the secondary level.

### Elementary Guidance Counselor (1)

In the past, our elementary schools each utilized one part-time guidance counselor. Later, additional counselor time was added to our elementary school program so each school could utilize their own. Again, although not ideal, our elementary schools could absorb the loss of one counselor by sharing one full-time employee. This will reduce the budget by approximately \$70,000.

### Employee Insurance

By reducing the positions noted above, we would reduce our employer contributions to Empire by \$50,000.

**Budget #4**

<b><u>Budget</u></b>	<b><u>Budget to Budget Increase</u></b>	<b><u>Tax Levy Increase</u></b>	<b><u>Reduction from Rollover</u></b>
\$57,394,427	1.91%	3.99%	\$1,953,537

**Reductions from Preliminary Rollover Budget**

Supplies (20% reduction)	\$250,972
Technology Aide (1)	32,897
Transportation (1 bus)	65,000
Greenkill Field Trip	60,000
Athletics - Assistant coaches (11)	50,000
Custodial positions (2)	140,000
Special Education teachers (2)	140,000
MS/HS English teacher (1)	70,000
Reading teachers (2)	140,000
Remedial Math teachers (1.3)	100,000
Employee Insurance (13)	130,000
Textbooks (20% reduction)	32,023
Middle School teachers (2)	140,000
MS/HS Social Studies teacher (1)	70,000
Elementary Guidance Counselor (1)	70,000
* Transportation (1 bus)	70,000
* Special Area/Elective teachers (2)	140,000
* MS/HS Foreign teacher (1)	70,000
* MS/HS Science (1)	70,000
* MS/HS Counselor (1)	70,000
* New Employee Insurance Savings (5)	50,000
	<b>\$1,960,892**</b>

\*\*slightly higher than needed

\* new reductions

**Ramifications**

**Transportation ( 1 bus)**

Under this proposal, the loss of another bus would increase the number of students per bus, as well as the ride for some students to school. The ridership would increase as follows:

<b>School</b>	<b>Present Seating</b>	<b>Loss of One Bus</b>	<b>Loss of Two Buses</b>
High School	41 students	43 students	46 students
Middle School	35 students	37 students	39 students
Stokes School	43 students	46 students	50 students
Sparke School	34 students	41 students	51 students

\*66 seats per bus

### Special Area/Elective teachers (2)

Rather than raise class sizes in our core area classes, we would increase class sizes in our special area/elective areas. This equates to a \$140,000 reduction.

### MS/HS Foreign Language teacher (1)

This would raise class sizes by 3-4 students in our foreign language classes in grades 7-12. This totals to a \$70,000 reduction.

### MS/HS Science teacher (1)

Generally, our science class sizes are kept low for hands-on learning and labs. This cut would impact science class sizes, 7-12.

### MS/HS Counselor (1)

To reduce counseling services would impact the time counselors were able to spend with students. In addition, the schedule process would be more challenging to complete at the secondary schools.

## **Alternate Reduction Areas to Consider for Budgets 1-4**

### Elementary Teacher (1)

To reduce teaching staff at our elementary schools is rather difficult since the students are separated by grade levels into two schools. Therefore, we are not able to capitalize on the “economy of scale.” The reduction of one teacher would increase class sizes in the second grade at Stokes from 21 to 25. To reduce one teacher at Sparke would cause class sizes to increase to approximately 27 children. In truth, the impact is less at Stokes than Sparke. Although this class size is higher than this year, the numbers are still manageable. The loss of an elementary teacher equates to a \$70,000 reduction.

### Clubs

Both the middle school and high schools have a comprehensive co-curricular program. In particular, the high school program costs \$125,000 and the middle school program costs \$139,000 respectively. We could reduce a portion from the number of offerings to gain additional savings.

### Middle School Athletics

In the middle school, we have four sports with two teams -- boys and girls soccer, boys and girls basketball, softball, and baseball. If we were to reduce this to one team per sport for boys and

girls -- a loss of six (6) teams -- we would reduce the expenditure budget by \$52,630. We still would have one team for all sports in the middle school.

### Secondary Math Teacher (1)

We have not reduced any math positions in any of the above budget models. Traditionally, we have tried to keep math class sizes low so our teachers can provide more one-to-one instruction with this complex subject matter when needed. To eliminate a math teacher would increase class sizes in this discipline in grades 7-12.

### Curriculum Development and Professional Development

Although this budget item has been reduced over the years, we have funding set aside for curriculum writing, \$25,000, and professional development, \$34,000. With a new education commissioner, there will be new mandates and direction for our assessments and standards; therefore, any reduction in these lines should have this in mind.

### Special Area Teachers

We could consider restructuring our special area and elective programs at the secondary level. We have classes in the following areas: Art, Business, Family & Consumer Science, Health, Music, Physical Education and Technology. In particular, we could reduce staffing in any one of the non-mandated elective areas and absorb the students in other subject areas. This would cause class sizes to increase in the non-mandated elective areas. Again, this is not ideal, but it can be done. In addition, we could raise class sizes in all of the above subject areas, mandated/non-mandated, and reduce the staff in this manner. This would help lower the expenditure budget.

### Elementary Restructuring

The *Princeton Plan*, where elementary schools are organized not by geographic location, but by age and grade level, could create economic efficiencies by restructuring our current elementary school structure. The reconfigured elementary schools, K-1, 2-4 could create \$450,000 in annual savings based on next year's student population projections. In this economic climate, this change could help reduce costs while maintaining class sizes and improve our educational program. Serious consideration should be given to this idea.

## **Budget #5 - Contingency**

<b><u>Budget</u></b>	<b><u>Budget to Budget Increase</u></b>	<b><u>Tax Levy Increase</u></b>	<b><u>Reduction from Rollover</u></b>
\$56,517,635	.35%	1.63%	\$2,830,329

New York State requires school districts to prepare a contingency budget in the event the community does not support the proposed budget. In order to meet this objective, we would need to reduce \$2,830,329 from the preliminary rollover Budget #1 or \$869,437 from Budget #4. This would require severe cuts into our programs and services. If this were to occur, the Board would hold a special meeting in June to review their options. Right now, we have developed a tentative contingent budget, which again can be reworked at the end of the school year if a second community referendum failed.

### **Contingency Budget**

#### **Reductions from Preliminary Rollover Budget**

Supplies (20% reduction)	\$250,972
Technology Aide (1)	32,897
Transportation (2 buses)	135,000
Greenkill Field Trip	60,000
Athletics - Assistant coaches (11)	50,000
Custodial positions (2)	140,000
Special Education teachers (2)	140,000
MS/HS English teacher (1)	70,000
Reading teachers (2)	140,000
Remedial Math teachers (1.3)	100,000
Textbooks (20% reduction)	32,023
Middle School teachers (2)	140,000
MS/HS Social Studies teacher (1)	70,000
MS/HS Foreign Language teacher (1)	70,000
MS/HS Science (1)	70,000
MS/HS Counselor (1)	70,000
Elementary Guidance Counselor (1)	70,000
Special Area/Elective teachers (2)	140,000
Employee Insurance (18)	180,000
* Additional Reductions Needed for Contingency	<u>869,437</u>
	\$2,830,329

**Additional Reductions for Contingency**

Elementary teachers (4)	\$280,000
MS/HS English teacher (1)	70,000
MS/HS Social Studies (1)	70,000
Custodial/Maintenance (1)	50,000
Special Area/Elective teachers (2)	140,000
Middle School Athletics (one team per sport, 6 teams lost)	52,630
Clubs/Co-curricular	91,807
Equipment Purchase	35,000
Employee Insurance (8)	<u>80,000</u>
	\$869,437

**Total Reductions for Contingent Budget**

Supplies (20% reduction)	\$250,972
Technology Aide (1)	32,897
Transportation (2 bus packages)	135,000
Greenkill Field Trip	60,000
Athletics - Assistant coaches (11)	50,000
Custodial/Maintenance positions (3)	190,000
Special Education teachers (2)	140,000
MS/HS English teachers (2)	140,000
Reading teachers (2)	140,000
Remedial Math teachers (1.3)	100,000
Textbooks (20% reduction)	32,023
Middle School teachers (2)	140,000
MS/HS Social Studies teachers (2)	140,000
Elementary Guidance Counselor (1)	70,000
MS/HS Counselor (1)	70,000
Elementary teachers (4)	280,000
MS/HS Foreign Language teacher (1)	70,000
MS/HS Science teacher (1)	70,000
Special Area/Elective teachers (4)	280,000
Middle School Athletics (one team per sport, 6 teams lost)	52,630
Clubs/Co-curricular	91,807
Equipment Purchase	35,000
Employee Insurance (27)	<u>260,000</u>
Total Reductions	\$2,830,329

## **Ramifications of Contingency Budget**

Clearly, we do not want to lose our community support and end up with a contingency budget for 2010-11. This budget will raise class sizes K-12 in all academic areas, as well as in our special area and elective classes. In fact, a contingent budget will negatively impact every child in the district. Indeed, this budget will have dire consequences for the Island Trees school community. Equally concerning, the following budget year, 2011-12, may be even more challenging than this year. With TRS/ERS rates projected to go even higher, medical plan cost increases expected to more than double, and \$1.1 million in stimulus funding to end, a passed budget will be needed to overcome this financial challenge.

## **Enhancements to all Budgets**

### Security

Parents will forgive school districts if test scores go down; however they will not be so forgiving if students are injured, or experience an even greater tragedy if schools could have prevented or better managed the situation. In this budget, we have added to our security line to improve student safety at Island Trees High School.

### Summer School

We plan to run a limited summer school program for our secondary students. We will offer classes in core areas to facilitate our student's ability to graduate on time. We have students who fail courses, but do not take summer school classes out of the area because of a number of reasons. As a result, the students double up on courses which impact class sizes and costs. It is more cost effective to address failure during summer school than in subsequent school years.

### PSAT

We have concerns about our students' SAT scores. In fact, these results are falling below our surrounding school communities. We propose to have all of our sophomore and junior students take the PSAT in school next Fall. We hope the test will familiarize all of our students with this standardized testing format. Equally important, we want to identify our low performers on the reading/writing sections before the SAT and have these students take a newly developed reading/writing SAT course.

## **Items Not Included**

The goal with our school budget was to allocate resources where needed to fulfill the goals of the district and do so in a very efficient and cost effective manner. Clearly, the budget models developed took into account our community's ability to support our programs, instructional initiatives, and school district operations. Indeed, we balanced these delicately while preparing the 2010-11 school budget.

We have a very dedicated and hardworking professional staff possessing many ideas about school improvement, enhancing academic programs and facilities, as well, taking our students to great heights. In response, they asked during the budgeting process for more resources to address these goals. For this, I applaud them. Although we would have liked to dedicate more capital into their initiatives, in this climate of dwindling resources, we could not afford to do so.

With this said, I would like the Board to know the entire budgeting process did not center on cutting, reducing, eliminating, and restructuring. Our professionals wanted to devote more resources and fund new ideas so our student can continue to make gains and excel past our state and national standards. Fittingly, I hope to share a few of the ideas we were unable to address mindful of the revenue issues facing our school district.

### Athletic Equipment

The athletic department developed a list of future capital improvements. The costs associated with these enhancements are considerable. There are a number of projects which can be put off and others which will be needed in the near future; for example, the high school track is deteriorating and is in need of repair. We hope to address these areas in the near future.

### Assessment Review Sessions

Prior to last year's budget reductions, the elementary, middle and high schools incorporated assessment review sessions in their school programs. These extra before/after schools sessions help our students with state and national standardized assessments. In the near future, we hope to fund these items again.

### Deans

The middle and high school dean positions were reduced during the 2009-10 budgeting process. The principals would like to restore these positions for the future.

### Elementary Clubs

The elementary schools would like to restore clubs and co-curricular activities eliminated from the 2009-10 school budget. Right now, this is just not feasible.

### Facilities Equipment/Maintenance

The school district has purchased very little maintenance and support equipment over the last ten years. By failing to replace our outdated equipment, we are relying on older and problematic equipment to get various jobs done. This has created issues over the last several years.

### Instructional Coaches

Instructional coaches are on-site professional developers who teach educators how to use proven instructional methods. In essence, coaching is job-embedded professional development for

working teachers. The work is done in our schools and classrooms rather than at outside workshops. We hope in the future to have effective instructional coaches to fulfill our professional development goals.

### Instructional Equipment/Supplies

In future budgets, we hope to replace much of our older and obsolete equipment throughout the district. The new equipment and supplies will be extremely helpful in addressing various needs in our classroom, facilities, and offices. This year we have proposed a reduction to pare down costs.

### Professional Development

Successful teachers have a deep understanding of the subjects they teach, use appropriate instructional methods, and utilize various classroom assessment strategies. In order for this to occur, teachers must participate in sustained rigorous professional learning in these subject and instructional areas. To facilitate this, our district must commit staff development resources to promote a culture of best practices and continuous improvement. We hope to add more resources to professional development in the future.

### Special Education

Many school districts are now providing early intervention strategies through their speech teachers in Kindergarten. This proactive approach minimizes the number of student failures, and in turn, saves money because schools have fewer students later referred for more costly special education programs. Not surprisingly, the Island Trees Special Education department hopes to develop a program for our at-risk Kindergarten youngsters as soon as our financial outlook improves.

### Technology

We hope to address a great number of technology initiatives and requests for the future. Our professional staff is looking to upgrade our technology infrastructure, as well as enhance their equipment – computers and Promethean boards – in their classrooms. Again, we hope to update these areas when our finances improve.

### **One-Shot Purchases**

In this budget, we do not suggest using reserves as a funding source. There are many who advocate the use of reserves as a revenue stream for school districts. Inevitably, the use of reserves over an extended period of time results in a depleted reserve. True enough, when the money is needed to deal with an emergency or catastrophic event, the funds are gone. If the Board was interested in using a portion of the reserves, it is recommended the money be earmarked for “one-shot” purchases. For example, in the budget proposed above, we have only budgeted for one piece of equipment – truck with a snowplow. If the Board was interested in

replacing some of our older maintenance equipment, we could use reserve money for these purchases as the costs do not repeat year after year.

**Fund Balance, Reserves and Liability Accounts**

Projected year end fund balance is the result of revenues in excess of budget and underspending of the 2009-10 budget. In the past, the appropriated fund balance has been used as a revenue source for tax reduction in the subsequent fiscal year. Last year Island Trees used a combination of fund balance and reserves, \$2,965,000 as revenues to reduce the tax levy. For 2010-11 school year, we are appropriating a similar amount.

1. These are the reserves as of June 30, 2009:

Reserve Employee Benefit Accrued Liability	\$3,976,195*
Reserve for Retirement Contributions	615,356
Reserves for Repairs	<u>14,303</u>
	\$4,605,854

\*\$265,000 of this reserve has been appropriated toward 2009-10 revenues to reduce taxes.

2. Our projected reserves for June 30, 2010 are as follows:

Reserves Employee Benefit Accrued Liability	\$3,761,195
Reserve for Retirements	625,356**
Reserves for Repairs	<u>14,303</u>
	\$4,400,854

\*\* \$10,000 interest earned increase from 09-10

Please note we have not utilized any reserves to develop the 2010-11 budget. We will reduce our “unreserved” from slightly over 4% (4 % maximum allowable by law) to 3.92% for next school year. Specifically, we expect to have approximately \$2,267,126 in our unreserved, unappropriated fund for next the 2010-11 school year. The combination of using a small portion of “unreserved” plus underspending the 2009-10 will create an appropriation equal to last year’s, \$2,965,000. Again, as noted above this will keep down our tax levy.

**Revenue Budget**

**Island Trees UFSD / Revenue Budget 2010-2011**

01/21/2010

	<b>2009/10 Budget</b>	<b>2010/11 Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
<b>STATE AID:</b>				
BASIC / FOUNDATION AID/ARRA	14,315,513	13,874,225	(441,288)	-3.08%
BOCES AID	667,828	589,579	(78,249)	-11.72%
<b>TOTAL STATE AID</b>	<b>14,983,341</b>	<b>14,463,804</b>	<b>(519,537)</b>	<b>-3.47%</b>
<b>OTHER REVENUE:</b>				
CONTINUING ED TUITION	24,000	24,000	0	0.00%
STUDENT FEE / TEXT BOOKS	26,000	26,000	0	0.00%
TUITION OTHER DISTRICTS	0	0	0	0.00%
OTHER CHARGES - SERV	28,800	28,800	0	0.00%
INTEREST & EARNING	275,000	275,000	0	0.00%
RENT: DIST PROPERTY	632,973	632,973	0	0.00%
COMMISSIONS	700	700	0	0.00%
MISCELLANEOUS	133,000	133,000	0	0.00%
MTA TAX REIMBURSEMENT		111,442		
MEDICARE PART D	95,000	95,000	0	0.00%
<b>TOTAL OTHER REVENUE</b>	<b>1,215,473</b>	<b>1,326,915</b>	<b>0</b>	<b>0.00%</b>
<b>APPROP. FB/RESERVES</b>	<b>2,965,000</b>	<b>2,965,000</b>	<b>0</b>	<b>0.00%</b>
<b>REAL PROPERTY TAX</b>	<b>37,156,177</b>	<b>40,592,245</b>	<b>3,436,069</b>	<b>9.25%</b>
<b>TOTAL Budget</b>	<b>56,319,991</b>	<b>59,347,964</b>	<b>3,027,974</b>	<b>5.38%</b>

## **Summary**

In closing, the 2010-11 proposed budget models #1-4 support the district's goal of "excellence and success for all students". Naturally, they vary in degree to the level of educational and support services toward this end, however, each are capable of maintaining our strong academic program in Island Trees. As a result of the fiscal crisis facing New York State, we restructured in many areas and modified our spending plan to take into account the community's ability to finance this investment in education. In short, we hope to have a meaningful education spending plan for our students and one that can be supported by both the Board and community. This is our challenge over the next few months.