

The **BUDGET BUSINESS MEETING** of the Board of Education West Hempstead Union Free School District was called to order in the Middle School Cafeteria on March 1, 2011 at 7:34 p.m.

PRESENT: Ms. Lotito, who presided, and six other members of the Board: Mr. Brita, Ms. Di Miceli, Mr. Ejnes, Mr. Mariano, Ms. Rilling and Mr. Schindler. Also present were Mr. Hogan, Ms. Peluso, Mr. Cunningham, Ms. Girolamo, staff and members of the community.

Ms. Lotito turned the meeting over to Mr. Hogan, who read the following budget opening remarks:

1. Good evening and welcome. Tonight the administration begins presenting draft numbers for the expense side of the 2011/2012 school district budget. The Board will consider these numbers and recommendations, and provide direction to the administration towards the completion of a proposed budget to be adopted by the Board on April 12th. This proposed budget will then be presented for consideration by the voters of West Hempstead on May 17th. The Board will be discussing non-instructional budget items this evening, and instructional items next week.
2. As everyone knows, we find ourselves in an extremely challenging budget cycle, which began with the collapse of the economy in September 2008. And while Wall Street may have recovered, the reality is that Main Street has yet to do so, and certainly New York State, the local municipalities and school districts continue to struggle to make ends meet and still serve their communities. West Hempstead is no different.
3. Over the course of the past two budget seasons, that being 2009/10 and the present school budget year of 2010/11, the school district has exceeded over 84 positions. These positions have included administrators, teachers, teacher assistants, aides, monitors, clerical staff, custodial staff, all permanent substitutes and both coaching and club positions. As part of this downsizing, our class sizes have risen slightly and our academic intervention services, along with the ways in which we deliver special education services have been altered. Also, some clubs and sports teams

have been eliminated. For example individual honor societies, wrestling, 7th grade basketball and volleyball for both boys and girls, and district-wide intramurals are no longer supported in our budget.

4. Two years into this economic struggle, we continue to find ourselves “treading water” as we go about meeting the needs of the boys and girls in our care. This year brings with it the additional challenges of the loss of federal ARRA funds and a significant loss of state aid monies. In fact, as we begin the budget process, we find ourselves facing a \$2.4 million dollar gap between anticipated revenues and expenses.
5. It will come as no great surprise to anyone that much of what we see on the expense side of the budget is largely out of our control...namely pension, health and energy costs. Also, the District faces new mandates that could potentially add as much as \$90,000 dollars in sewage tax costs and in the future, the costs of tax certiorari judgments as per the Nassau County assessment system, which could potentially cost the District anywhere from \$100K to \$300K in future years...and that is just an estimate. Finally, the governor’s proposed budget not only cuts state aid, but also moves summer special education costs to the District budget, rather than the state budget. This would add an additional \$80K in costs to the District.
6. In order to balance the proposed budget, there is no question that sacrifices and cuts will have to be made. I fully anticipate that an approximate total of 15 to 20 additional positions may need to be excessed this year. These positions would be administrative, teaching and support staff in nature. Programmatic cuts, such as the elimination of summer school support, will also need to be considered.
7. Our challenge as a community then becomes ... how do we continue to provide a quality educational program and educational opportunities for our students K-12? How do we continue to offer a comprehensive educational experience to our boys and girls ... an experience that includes academic support, sports, clubs, music, art and all other activities that comprise a well rounded education.
8. I believe that together, we can meet our economic challenges and still meet the educational needs of our students. There is little question that education in West Hempstead will look different as we move into the future, but I submit to you that it is going to look different everywhere...all you have to do is look at the news each day to see that all districts find themselves in the same boat. Education will be different, but still effective. As far as I am concerned, less money does not mean less quality. Our school district is going to continue to strive for excellence in all we do.
9. Our reality is that we face quite a challenge...and we face it at a time when property taxes have become tough to deal with for all of us who own homes, but especially tough on our senior citizens who live on fixed incomes and our working families who as my father used to say, “are rubbing nickels together to get dimes” as they try to stay in their homes and still send their children to quality schools. We also have young people who have grown up in West Hempstead and would like the opportunity to live here in the future. We have a solemn obligation to do our best for all who have been impacted

by the economy these past couple of years, and still provide the quality of education our residents have come to expect.

10. It is quite a task we face...but we face it together. None of us can afford the luxury of approaching this budget season only through the lens of our own interests. We must widen our lens to see the whole picture. By doing that, by walking in each others' shoes, by listening to one another and realizing that sacrifices will be required across the board, we can approach our challenge with a positive attitude, and with confidence, in the knowledge that together we can and will succeed in this budget season for our entire community, but especially for the boys and girls in our care.

Thank you.

Mr. Hogan then turned the meeting over to Mr. Cunningham, who began a PowerPoint presentation on the budget.

Under **CONSIDERATION OF BUDGET ITEMS** – Staff and community members were given copies of the Proposed 2011 - 2012 Budget items. They were invited to ask questions on any items as the Board and Administration discussed the various items listed in these reports. It was explained that this evening's discussion would be on the Non-Instructional portion of the Proposed Budget.

Mr. Cunningham began with a PowerPoint presentation that stated account codes 1000 – General Support; 2815 – Health Services; 5500 – Transportation; 8000 – Community Services; 9000 – Undistributed Expenses would be discussed.

Under 1000s – General Support – These codes are dedicated to the Board of Education, Central Administration, auditing, legal, records management, general insurance, building operations, data processing expenses and BOCES administrative and capital expenses. The total increase for this portion is \$81,080 or 1.58% and shows no dramatic increases or decreases. 2815s – Health Services – Includes all costs associated with private/public school nursing services, health exams/medical examiner and health-related hazardous waste disposal. The total increase for this portion is \$15,661 or 1.54%.

5500s – Transportation – Key points included anticipated increases in costs due to contract increases based on Consumer Price Index and estimated costs of routes that are newly bid; the District’s engaging a consultant to help look for additional savings through route consolidation and private/parochial school transportation requests due April 1st.

Total increase in this section is \$243,245 or 4.98%. 9000s – Undistributed Expenses –

These expenses include mandated contributions to the New York State Retirement Systems, Social Security and Workers Compensation, other insurances, debt service, transfers to capital and funding for mandated summer instruction for severely disabled.

The state of the economy is putting tremendous pressure on this part of the budget.

Health insurance costs continue to escalate and due to poor stock market performance in 2008, employer contribution rate to pension systems has risen dramatically.

Other increases include ERS increasing from 11.9% to estimated 13.5% of non-instructional payroll; TRS increasing from 8.60% to estimated 11.1% of instructional payroll; health insurance premiums expected to increase an estimated 15%; MTA payroll tax remains in effect and lastly, Nassau County anticipates charging a Sewer Fee/Tax to school districts. Also covered were EPC principal and interest paid by a combination of energy costs savings and building aid and Governor Cuomo’s proposed shifting majority of mandated summer special education costs to districts.

Building inspection items - improvements at George Washington include the installation of new gym wall padding and the replacement of the main office floor; High/Middle School improvements include installation of a roll-up garage door and the continuation of the clock system upgrade and new Building and Grounds equipment to replace a 1996 Ford Pickup Truck/plow, a sand/salt spreader, a lawn tractor and an enclosed trailer. Equipment will be financed through a five-year lease purchase plan.

Each budget line item was gone over and Mr. Cunningham answered budget line questions by the Board and also made note of suggestions by the Board. He will report back at the next budget meeting.

Mr. Ejnes' questioned mailings that go home with the students that include heroin arrests/sex offender information that are duplicated because there may be more than one sibling bringing home the same information, and if we can somehow monitor and cut that expense out. Mr. Schindler agreed. Mr. Hogan explained he would rather get the information out quickly and that is his major concern. Mr. Ejnes also inquired if we could reduce the size of the calendar to cut costs, what are the voter machine rental costs for next year, Power School usage and parents using that to view their child's report card, asked for reconsideration of keeping two nurses at the High School, how we rate statewide on transportation and how many students do not take the bus, even when they meet the requirements to have that service, and can parents "opt out" of that.

Ms. Di Miceli's questioned BOCES Public Relations and if that was mandated. Mr. Hogan replied that BOCES helps the District face crisis situations and what monies are not expended on that budget line comes back to the District. Other questions by Ms. Di Miceli included raises for staff, Social Security expenses, overtime for custodians and if there was a way to cut that down; can 1621 443 be adjusted to \$20,000; are we using Power School to its fullest capacity and can that be looked into; health services in other districts and are they fixed costs; transportation consultant findings and how many pupils does the District transport and the cost per year; do we have control over bus drivers, monitors and the bus service we are receiving; insurance and cooperative bidding and discussed renovating the Cornwell Avenue faculty washroom.

Ms. Lotito's questions included asbestos abatement costs; asked what ARRA is (a stimulus fund) and are additional security cameras needed. Ms. Rilling inquired about the Messenger position and what it is and what is the range of age of Special Education students and do we bus pre-schoolers to private schools. Mr. Cunningham answered yes, and that 80% of that busing cost is picked up by the county.

Mr. Schindler remarked about reducing some codes and transferring monies to other codes and how difficult it would be because the District is already tight in appropriation codes. He asked about the garbage removal code and Mr. Cunningham explained that there is no cost for garbage pick up if it is at the curb, but if we get dumpsters, there is a cost for that. Mr. Schindler also inquired about getting our own bus fleet. Mr. Brita brought up the cost of fuel oil and if the District could "lock in" prices; do we pay for extra telephone lines; using vendors that hold supplies for the District and only pay for what we need when we need it; bidding on insurance contracts and can the contracts be more than one year and possibly outsourcing **administration** transportation to keep costs down.

Residents were permitted to ask questions at the conclusion of each section covered and at the end of the meeting.

At 10:40 p.m., upon the motion of Ms. Rilling, seconded by Mr. Ejnes, and carried by seven, the Public Meeting was adjourned to Executive Session, which ended at 12:10 a.m.

Kathryn Girolamo, District Clerk