

INTERIM SUPERINTENDENT'S UPDATE FOR THE MARCH 22, 2018 MEETING

PLANNING FOR OUR FUTURE

All progressive school districts and school boards plan for the future. At Westport CSD, we are at an **extraordinary moment in time**, in regard to planning for our future: It's very likely that later this calendar year, residents will go to the polls for an advisory vote on whether or not there should be a merger of Westport CSD and Elizabethtown CSD.

I've received requests from a range of constituents during recent months for a comparison: **merger or no merger**. Tonight's public report on the merger student process now underway offers such a comparison in regard to student enrollment, curriculum, student achievement, finances, transportation and facilities.

In a nutshell: A merged district would offer our school community substantially greater capacity to stabilize curriculum, instructional programs, support services and employment.

MERGER STUDY COMMITTEE' FEBRUARY GATHERING FOCUSED ON FINANCES

The twenty-member merger study advisory committee comprised of board-appointed representatives of Westport CSD and Elizabethtown-Lewis CSD engaged with the consultants February 28th on an **analysis** of pertinent **financial facts and figures** for the time period of school years 2019-20 through 2033-2034:

- A. The State's [merger] incentive operating aid during that initial fifteen years of the merged district would provide an **additional \$6.24M of operating aid** to the merged district comprised of the former Westport CSD and Elizabethtown-Lewis CSD.
- B. Fifteen years of annual reduced expenditures due to the **increased staffing efficiencies** of operating a **single** merged school district rather than the **two** current school districts would result in **decreased** expenditures of **\$7.62M** across that fifteen year time period.
- C. **Other** annual budget efficiencies of operating one merged district rather than operating the two current school districts (*necessary management-related functions such as auditing services, financial services, legal services, BOCES services, school physician, insurance and tax collection*) would result in **decreased** expenditures of **\$800,685** across that fifteen year time period.

The image shows the cover of a report titled "Planning For Our Future". On the left side, there is a vertical black bar with the title "Planning for Our Future" written in white, oriented vertically. To the right of this bar, the title "Planning For Our Future" is repeated in a larger, bold, black font. Below the title, it says "Slated for School Board Discussion March 22, 2018". There is a paragraph of introductory text, followed by a numbered list of four items: 1. An executive summary. 2. Side-by-side comparison: Westport CSD and a merged school district. 3. List of the key elements used to construct a five-year budget forecast for Westport CSD. 4. A Westport CSD five-year budget forecast. Below the list, it says "Thank you for your consideration!". At the bottom, there is a small line of text: "This public report to the Westport CSD Board of Education was constructed by A. Paul Scott, Interim Superintendent. Publication Date: Tuesday, March 20, 2018".

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- D. **Tax rates** for the merged school district could be **stabilized** or **reduced**, when compared to what the tax rates would be if **no merger** of Westport CSD and Elizabethtown-Lewis CSD takes place.
- E. The merged district would be able to offer **all of the courses** that are currently offered in both districts and operate with enough added efficiency to offer **additional courses and/or reduce staffing**. The consultants have recommended that any such staffing reductions be via **attrition**.

RECENT EXAMPLE OF CONFLICT: STATE CONTROL VS. LOCAL CONTROL

Earlier this month, New York State Director of the Budget Robert Mujica issued a statement alleging that local officials are not allocating school funds in a manner that is fair and equitable in New York State. The New York State School Boards Association's response to the Budget Director was: "Who do we want to decide local school budgets – state bureaucrats in Albany or local boards of education representing school district residents? The Budget Director did not mention that the governor's budget proposal gives the state the right to punish school districts by withholding state aid if the state doesn't like the way funds are allocated."

The New York State School Boards Association also stated it does not believe Albany should be empowered to override the decisions of school boards who directly represent the citizens impacted by those decisions. The school boards association does agree that school funding should be distributed in an equitable manner, with resources being directed to where they are most needed. Starting next year, school districts must report the per-pupil expenditures for each school for the preceding fiscal year. As a result, parents and taxpayers will have access to per pupil spending at every school within a district, according to the school boards association, which then offered this perspective: "Of the billions of dollars spent on education annually in New York, **55% comes from local taxpayers**. Therefore, school boards, representing local taxpayers, should decide the most equitable way to allocate resources across all schools in the district."

EXECUTIVE AND LEGISLATIVE DELIBERATIONS CONTINUE

Albany's budget deliberations are certainly playing out to be complex, unpleasant and challenging, given the growing need for State funding of essential services to its citizens, its local communities and its own branches of public service such as P-12 public education, higher education, transportation, public health, law enforcement, environmental protection, food inspection and public infrastructure systems.

Recent state budgets in the Empire State have provided many of our state's public school districts with annual state aid percentage increases **above** the level of increased state aid percentage increases that other local government agencies (such as counties and towns) have received during those same years.

Given the challenges ahead for New York State (summarized **above**), I believe it's very likely the regular annual year-to-year state aid increases for our state's public school districts may be **somewhat more modest** in the **next** few budget years than what we've experienced in most of the recent **past** budget years.

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BUDGET CUTS FOR 2018-19 FISCAL YEAR: A MOVING TARGET

This is the time of the annual budget development process year when **additional elements** of budgeting for next school year become clearer. **One element** that is now clear is the 13.5% increase of health insurance plan costs as of July 1, 2018. That rate increase was established last week by the Clinton-Essex-Warren-Washington Schools Health Insurance Consortium's Board of Directors. **Two elements** that are soon to become clearer: the count of forecasted CSE-related special education placements for students and the associated costs.

One recommended budget cut is a reduction in BOCES services. I recommend that as of July 1st, Westport CSD conduct business with one manager for cafeteria services – the individual currently employed at Westport CSD as cafeteria services manager - and that we no longer participate with the shared lunch manager service that we've subscribed to during recent years. With 174 resident students, Westport CSD is in a position to sustain day-to-day cafeteria services in the fashion we do now, with one manager for that function – not two.

And I'm recommending the school board give full consideration tonight to budget cuts associated with upcoming teacher retirements. **Three** full-time positions will become vacant July 1st, due to retirements. I recommend **one** of the positions be sustained as full-time; **one** of the positions be sustained on a part-time basis rather than full-time basis; and **one** of the positions remain vacant next school year because Westport CSD has capacity to fill the necessary class sections without filling that vacant position next school year.

Westport CSD has a **strong bench** of faculty members to sustain the vast majority of programs and services into next school year. However, I forecast **Latin** will not be feasible to offer next school year, and I forecast **driver education** will not be feasible to offer next school year.

FUND BALANCE & PROSPECTIVE ADDITIONAL BUDGET CUTS

I'll be recommending the school board use some of the school district's unassigned fund balance to help close the gap between forecasted income and forecasted expenditures. There is a limit to how much of the remaining unassigned fund balance should be earmarked to fund next year's annual operating expenses: It's prudent to sustain most of the unassigned fund balance for addressing whatever adversity or growth our school district might experience next school year - or beyond that.

If revised budget forecasts in the days and few weeks ahead require Westport CSD to adjust forecasted 2018-19 expenditures substantially upward, the school board may need to consider additional budget cuts.

Respectfully submitted by A. Paul Scott