



DEPARTMENT OF FINANCE AND SUPPORT SERVICES

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STEVEN A. ACHRAMOVITCH
SUPERINTENDENT OF SCHOOLS

MEMORANDUM

March 11, 2010

TO: Gary Elling, Co-President Greece PTA

FROM: Lou Alaimo, Assistant Superintendent

RE: Governor's Proposed Budget

I have reviewed the New York State PTA budget analysis briefs that you have forwarded to me as well as the draft letter that PTA's will be forwarding to our legislators. I offer the following talking points for Greece Central:

Budget Impact for Greece Central School District

| | 2009-10 | 2010-11 Prelim | \$ Change | % of Budget |
|--|-----------------|-------------------|------------------|----------------|
| 2009-10 Operating Budget | \$ 195.49 | | | |
| General Fund Aids | | | | |
| Foundation Aid | \$ 55.01 | \$ 55.01 | \$ - | 28.1% |
| BOCES and Special Services | 5.78 | 5.55 | (0.23) | 2.8% |
| Public High Cost- Special Education | - | 1.19 | 1.19 | 0.6% |
| Private Special Education | 1.03 | 1.01 | (0.02) | 0.5% |
| Hardware & Technology | 0.24 | 0.24 | - | 0.1% |
| Software, Library, Textbook | 1.07 | 1.06 | (0.01) | 0.5% |
| Transportation Including Summer | 9.70 | 10.32 | 0.62 | 5.3% |
| Gap Elimination + Fed Restoration | - | (8.75) | (8.75) | -4.5% |
| Building Aid | 10.49 | 10.61 | 0.12 | 5.4% |
| Total | \$ 83.32 | \$ 76.24 | \$ (7.08) | -3.6% |
| Universal Pre-K- Special Revenue Fund | \$ 1.28 | \$ 1.28 | \$ - | |
| Total State Aid | \$ 84.60 | \$ 77.52 | \$ (7.08) | |

STUDENT LEARNING IS THE GOAL

In the Budget Analysis dated February 2010, it states that individual school districts would see a reduction of state aid averaging 5%. For Greece, the Gap Elimination Adjustment (GEA) of \$8.75 million represents 9.4% of 2009-10 General Fund Aids and close to 5% of budgeted appropriations. The increases in the categorical aids are internally earmarked for offset rising costs in those particular areas or for reinvestment in buildings (as is the case with Building Aid). The GEA essentially forces us to reduce spending in those areas and reallocate revenues to maintain other operating costs.

The memo also talks about the freeze in Foundation Aid. This may have a more significant impact on Greece Central as we are still a Contract for Excellence District. Under this program, we were required to add (and are still required to maintain) supplemental programs. As the costs for these programs increase, we are required to make reductions in the baseline programs (i.e. senior electives).

Another talking point is fund balance and reserves. Greece Central has \$4.6 million in unrestricted/undesignated fund balance. That is more than \$4.0 million less than what is proposed as the GEA. This is what makes an on-time budget from the legislature more important. We do not have revenues that we can use as a place holder until the legislature comes out with their approved budget. In developing our budget, we need to solely attack the expenditures side. Other districts have up to 4% in unappropriated as well as excess balances in restricted reserves that they can dip into over the next several years.

I have taken the liberty to update the letter based on some of the numbers that are specific to Greece.

Dear _____

On behalf of the Greece Central School District PTA and more than 12,500 students attending Greece schools, I am writing to express concern about the potential impact of the 2010-11 Executive Budget on our education system. The proposed budget reflects a 2% reduction of all school spending statewide. However, the impact on Greece Central is much more significant. The Gap Elimination Adjustment assessed on our education system totals \$8.75 million. This is a 9.4% reduction in General Fund State Aid (16% reduction in our Foundation Aid), and a 4.5% reduction compared to 2009-10 budgeted expenditures. Under this plan, our schools will fall further and further behind.

As a Contract for Excellence District, these reductions have an even greater impact. Over the past three years, as a Contract for Excellence District, we were required to add more than \$8.0 million in supplemental programs targeting high needs/high risk students. The Governor's proposed budget requires us to maintain these programs, less a certain percentage. This will require us to make devastating cuts to the core programs thereby increasing risk for students who may already be struggling. Simply put, the proposed reductions are too great to be absorbed in a single year without causing long term damage to educational program and staffing.

The Executive Budget saves an estimated \$13 million by modifying Early Intervention programs by requiring evidence based criteria to determine service eligibility, permitting paraprofessionals to provide certain services and increasing reimbursement from commercial insurers. More importantly, it introduces a sliding scale based on income that would, for the first time, charge parents between \$42 and \$540 for each child enrolled in the program.

We acknowledge that you are approaching the 2010-11 budget year faced with unprecedented and continuing economic challenges. Recognizing this dire situation, school districts have demonstrated remarkable ingenuity and efforts to reduce spending, and are willing to continue to work with the state on this path. However, given the proposed reductions, even holding our spending flat for the second year in a row would result in an increase in property taxes nearing 8%. To offset this burden the Greece Central School District would be required to reduce spending by another \$7.0 million, or 3.6%. That is equivalent to reducing our faculty by more than 100 teachers.

It has been stated by the Governor and the Comptroller that school districts can absorb this decrease using their fund balances. Greece Central does not have that luxury. The District maintains just over 2.5% in their unappropriated fund balance. This is \$4.0 million less than the Gap Elimination Assessment. Liquidating our fund balances would only create a larger deficit next year as the federal stimulus dollars dry up.

These deep reductions to our education system cannot be sustained. New York State's economic future depends on protecting the investment the state has made in providing the learning opportunities that today's youth will need to succeed in tomorrow's world. Each child passes through the education process once. Where academic opportunity is diminished or denied, the impact will be felt forever.