

I. OVERVIEW

The attached document represents the first draft and a starting point for our discussions of our expenditure and revenue budgets for the 2009-10 school year. The budget was created to establish a spending plan and requisite resources to provide a level of instruction, in an appropriate environment, which will enable our students to reach the rigorous educational standards necessary for graduation. Most importantly, the budget addresses student and district needs, as well as our community's concerns related to affordability.

Governor Paterson's Executive Budget was delivered on December 16, 2008. We have updated the 2009-10 state aid revenue budget to reflect the Governor's Executive Proposal. Although the New York State Budget must be formally approved by the legislators prior to April 1, 2009, the current information will provide a conservative base to estimate state aid.

The Executive Budget proposal indicated that Sachem would be hit with a \$7.3 million reduction in aid. Unfortunately, as a result of this loss in revenue, modifications were made to our preliminary budget (column D). To accommodate this loss, the 2009-10 expenditure budget is less than last year's by \$1,061,967. However, we believe the enclosed changes will have minimal impact on the educational program. Our goal is to maintain the educational vision of excellence while we continue our direction with taxpayer sensitivity. Although the reductions are not ideal, the impact on students and staff will be kept to a minimum.

As noted above, the Sachem expenditure budget has been reduced significantly to offset the state aid reduction. In truth, the district could have passed a tax increase onto the community as our budget-to-budget proposal would have been under the contingency cap. However, the current economic climate, and our concerns about being tax-payer sensitive helped guide our decision to tailor the expenditure budget rather than pass these costs onto the taxpayer.

Although we believe the budgets we put forth are tax sensitive, the community has the final word. If the community does not support the final recommended budget, New York State law requires that after certain exclusions, a contingent budget may be developed that would allow an increase of 4% above the 08-09 expenditure budget. Remarkably, the contingency cap for 2009-10 school year is more than the first draft proposed budget (Column D). Therefore, the contingency budget would allow a higher amount of spending than we are proposing to the community. To raise the 2009-10 contingency budget to these allowable levels would not be responsible budgeting in this economic climate.

The 2009-10 proposed budget (Column D), as compared to the 2008-09 budget, reflects a **decrease** by -.38%, or \$1,061,967 (BOE approved budget to 2009-10 budget). The 2009-10 proposed budget, utilizing projections for revenues, at this time, reflects a weighted average increase in tax rates of approximately 6.17%. This is, however, the first draft of the budget which is designed to provide a basis for discussion during the process of establishing a final budget. At this point, Sachem is projected to receive 39.7% of our revenue from state aid for the 2009-10 school year.

II. BUDGET DOCUMENT

A. Expenditure Budget

The following table will help you navigate the expenditure budget:

<u>Columns</u>	<u>Description</u>
Line numbers	These are used to make it easier to draw attention to individual lines. The negative aspect of this system is that line numbers may change as accounts are added or deleted during our budget process.
Asterisk (*)	This indicates that there is an end note associated with this line. The end notes exist to provide information about why/how the money is to be used. The end notes are all listed together in a document located after the last page of the budget document.
Account Numbers	This is an SED mandated coding system that is used for consistency in reporting expenditures to New York State. For our budget development process, it will be easier to refer to the "line numbers."
Account Titles	The Account Name is as it appears in our Pentamation System. These provide a very brief description of the code.
Parenthesis 1 st Number	The number of staff positions currently assigned to that account number in the 2008-09 year.
Parenthesis 2 nd Number	The number of new positions, or deletions, proposed for the 2009-10 budget (Column D).
Column A	Adopted 2007-08 budget.
Column B	The amount of the actual expenditures from the 2007-08 school year budget "A" Fund as reported to SED.
Column C	The Board of Education adopted expenditure budget for the 2008-09 school year.
Column D	The amount recommended for the 2009-10 budget. Tax rate projections are calculated by this column.
Column E	The amount presented for the 2009-10 contingent budget. This column does not include any equipment or any capital improvements.

B. Revenue Budget

The revenue budget appears on page 38 of the proposed 2009-2010 budget. There are four categories of revenue which are as follows:

1. State Aid
2. Miscellaneous Revenue (which consists of nine subcategories)
3. Appropriated Fund Balance
4. Total Tax Levy including STAR

On December 16, 2008 the district received the Governor's Executive Budget Proposal. Sachem received a 6.2% proposed decrease in state aid for the 2009-2010 school year. As noted earlier, this equates to a \$7.3 million reduction. The New York State Legislators must approve the New York State Budget in order for us to finalize these figures. The state aid may change and we will modify the 2009-2010 budget to reflect the changes. Additionally, the federal government is in the process of developing an economic stimulus plan for the entire nation. There has been a proposal to add approximately \$1.6 million of IDEA funding to Sachem, as well as \$611,000 for school construction. This would be a great benefit to our community.

We have budgeted an Appropriated Fund Balance in the amount of \$8,000,000. In the event the community does not approve the budget, we are recommending that the \$8,000,000 remain as the Appropriated Fund Balance. In addition, please note under Governor Paterson's proposal, STAR rebate checks will be eliminated.

C. End Notes

Additional information about specific budget codes is provided in the section END NOTES. There is an asterisk (*) immediately following the line number for each line that contains an end note. For ease in reading, the end note will have the same line number as the budget line number that it is clarifying.

D. Appendix

An Appendix is included with this packet. It contains related information helpful to the reader when attempting to obtain a comprehensive understanding of the budget as well as a historic view of the spending and revenue patterns of the district.

III. PHILOSOPHY

The Board of Education provided administration with general budgeting parameters for the 2009-10 school year. In particular, the Board asked for a budget that addresses our students and school district needs, as well as our community's concerns about affordability. Further, the Board asked for several budget scenarios and the ramifications of each. The enclosed budgets devote resources to fulfill the goals of the district's strategic action plan, as well as the state and national educational standards. Not surprisingly, as directed by the Board of Education, I believe the proposals are taxpayer sensitive for our community given the state aid loss for Sachem.

BUDGET #1 – Preliminary Budget

<u>Budget</u>	<u>08-09 Budget to Budget #1</u>	<u>Tax Rate</u>
\$277,739,640	-(.38%)	6.17%

Budget Changes from 2008-2009 to 2009-2010

<u>A. Reductions</u>	
BOCES Special Education Tuition	\$ -400,000
BOCES Occupational Education Tuition	-124,100
Planned Balance	-100,000
Tax Anticipation Note Interest	-600,000
Equipment	-718,686
Bus Purchases	-285,700
Instructional Technology Multi-Year Agreement	-560,745
BOCES Instructional Hardware	-700,000
Employee Retirement System District Contribution	-372,619
Teacher Retirement System District Contribution	-1,334,334
Start-up Equipment Lease Purchase	-422,286
Special Aid Transfer	-150,000
BOCES Central Data Processing	-196,951
BOCES Occupational Education (General Ed.)	-280,000
Security Supplies	-253,900
Facilities Service Contracts	-99,854
Special Education Teachers (12)	-780,000
Special Education Carry Over Funds	-200,000
Special Education Teacher Assistants (8)	-162,271
Custodial Supplies	-98,000
Interpreter (.8)	-27,482
TOTAL	<u>- \$ 7,866,928</u>

<u>B. Increases</u>	
Electricity	\$ 278,770
Natural Gas	112,588
Student Accident Insurance	29,745
Testing & Scoring Materials	60,000
In-Service Salaries	165,500
Teacher Substitutes	325,000
Health Insurance – Waiver	180,000
Curriculum Mapping /Coaching Stipends	70,756
Hallway Aides	214,000
Home Teaching	358,529
Annual Support & Licensing	30,000
Transportation Contract	686,675
Special Education Speech (1)	65,000
Special Education Psychologist (1)	65,000
Special Education Aides (5)	80,000
Visual/Hearing Teacher (.4)	26,000
TOTAL	<u>\$ 2,747,563</u>

<u>C. Assessment Reduction</u>	
Brookhaven	\$ -750,000
Islip	-1,000,000
Smithtown	-10,000
TOTAL	<u>\$-1,760,000</u>

IV. **BUDGET HIGHLIGHTS**

A. **Reductions**

BOCES Special Education Tuition - \$400,000

We are sending fewer students out to BOCES. Based on the last two years of enrollment, we can reduce this significantly.

BOCES Special Education Occupational Tuition - \$124,100

We have fewer students entering this program; therefore, we recommend a reduction with this budget item.

Planned Balance - \$100,000

For the past three years, we have budgeted \$850,000 for unforeseen budget items. We have reduced this by \$100,000 to \$750,000. We will need to monitor this line closely next year.

Tax Anticipation Note Interest - \$600,000

Due to the lower interest rates charged by banks across the nation, we project a \$600,000 expenditure decrease. There is also a significant loss of \$1,200,000 on our revenue side of the budget due to lower investment rates.

Equipment - \$718,686

We have eliminated all equipment purchases from the 2009-10 school year (Trucks, Food Service Equipment, Athletics).

Buses - \$285,700

We will not purchase any buses for next school year; therefore, this line is reduced by \$285,700 (3 buses purchased in 2008-09).

Technology – Multi -Year Agreements - \$560,745

We had two 5 year technology multi-year agreements expire in 2008-09. We will renew one agreement to pay for the new fiber lines as well as other technology equipment across the district; the second agreement will not be continued.

BOCES Instructional Hardware - \$700,000

Last year, the district budgeted \$700,000 for one-shot technology equipment purchases. This equipment was not purchased and we do not plan to include this in the 2009-10 budget.

Employment Retirement System Employee Contribution - \$372,619

This is based on the district's contribution rate of 7.2%.

In 2008-09, our contribution rate was 8.2%.

Teachers' Retirement System Employee Contribution -\$1,334,334

The 2009-10 budget item is based on the district's contribution rate of 7.0%. This rate is lower than the district's contribution rate in 2008-09 of 8.0%

Start-up Equipment Lease Purchase - \$422,286

Our start-up equipment purchase for the 2004 reconfiguration will be paid in full by June 30, 2009. We will no longer need to budget for this payment.

Transfer to Special Aid Fund - \$150,000

We will decrease the Special Education Summer School general fund contribution. The 2008-09 prior year catch up is now eliminated. This will not impact our programs.

BOCES Central Data Processing - \$196,951

E-School Data, Student Management System expenses will be incorporated into the LAN/WAN code. There is no additional cost for this software.

BOCES Occupational Education Tuition - \$280,000

For the past two years, we have had fewer students opt for the BOCES Vocational Training Programs; as a result, we will lower this budget item by \$280,000.

Security Supplies - \$253,900

We have reduced security supplies (for example, cameras) by a significant amount for next school year.

Facilities Service Contracts - \$ 99,854

Last year, we increased this line by \$289,000 for new service contracts for our facilities department. At the time, we intended to perform more preventive maintenance. For next year, we have scaled back this initiative as a result of the state aid reduction.

Special Education Teachers - \$780,000

Last school year, we budgeted extra special education teachers to be sure the department had more than enough staff to deal with new referrals, CSE decisions or concerns that the district is denying services due to budgetary issues. Indeed, the budget had more than needed. In fact, for the 2008-09 school year, we had four (4) positions which were not utilized. Projecting forward, the department feels they are adequately staffed and feel they will not need approximately eight (8) teachers which were previously budgeted, for a total of twelve (12).

Use of Carryover Funds - \$200,000

General Fund expenditures will be charged to the Special Aid fund.

Special Education Teacher Assistants - \$162,271

This budget-to-budget reduction of eight (8) teacher assistants equates to a \$162,271 reduction in the 2009-10 school budget. Similar to the Special Education teacher line above, these positions were budgeted during the 2008-09 school year; however, the need never materialized.

Custodial Supplies - \$ 98,000

We reduced this budget line by 18%.

Interpreter (.8) - \$ 27,482

Due to a decline in need, we have reduced the interpreter line by \$27,482.

B. Budget Increases

Electricity \$278,770

We have estimated a 10% increase in utility costs for 2009-10.

Natural Gas \$112,588

In the 2009-2010 school year, we project a 10% increase in our natural gas costs.

Student Accident Insurance \$ 29,745

Based on the claims paid, premiums have risen over the past year and we have budgeted for this 20% increase.

<p><u>Testing and Scoring Materials</u></p> <p>On January 16, 2009, I informed the Board about concerns with our students' SAT scores. We have included new budget monies to help address this issue. Specifically, we have added \$42,000 to have all 10th and 11th grade students take the PSATs. Further, we added \$10,000 for the 9th grade EXPLORE assessment, which helped contribute to the \$60,000 overall increase.</p>	<p>\$ 60,000</p>
<p><u>In-Service Salaries</u></p> <p>In order to budget more accurately, we have included additional monies in this code for curriculum writing and summer institute work.</p>	<p>\$165,500</p>
<p><u>Teacher Substitutes</u></p> <p>For the past few years, we have overspent this budget line. We have budgeted a more realistic amount for this expense.</p>	<p>\$325,000</p>
<p><u>Health Insurance Waiver</u></p> <p>More employees are choosing the Health Insurance "opt out" which saves the district money with our Health Insurance costs. Although this line will increase, we are able to reduce our Health Insurance expenses.</p>	<p>\$180,000</p>
<p><u>Curriculum Mapping /Coaching Stipends</u></p> <p>In the 2008-09 budget, we did not create a specific code for our Professional Learning Community initiative. To budget more accurately, we have set aside a code for the true expense of this endeavor. The money will address curriculum development, K-12, as well as the stipends associated with curriculum mapping and academic coaches.</p>	<p>\$ 70,756</p>
<p><u>Hallway Aides</u></p> <p>Last school year, we utilized more hallway monitors than anticipated to deal with supervision issues at the middle and high schools. To budget more accurately, we need to enhance this line to reflect the real costs. These additions may be eliminated under our tax levy reduction scenarios.</p>	<p>\$214,000</p>
<p><u>Home Teaching</u></p> <p>Last year, we reduced this code significantly from the 2007-08 school year. At the time, we believed the home teaching costs resulting from suspensions could be reduced. In reality, in keeping with the Board of Education Safe and Secure Schools goal, we have been unable to reduce the suspensions. Additionally, the need for home teaching for serious, long-term medical situations has also risen. Therefore, this code will be increased for 2009-2010.</p>	<p>\$358,529</p>

Annual Support & Licensing \$ 30,000
Our software and hardware annual support agreements have increased.

Transportation \$686,675
This contractual expense is increasing by \$686,675. Our total transportation cost is \$14,434,400.

Speech Services (1) \$ 65,000
As a result of Committee on Special Education (CSE) decisions, we included another speech teacher in our budget. In truth, this position was added during our 2008-09 school year where we had additional positions budgeted in our special education codes, but not this specific budget line.

Psychologist (1) \$ 65,000
Similar to the speech position, this position was added after budget development last year and because we allocated more funding to the Special Education Department, we were able to absorb the cost. To budget more accurately for 2009-2010, this position is added to the psychologist budget line.

Special Education Aides (5) \$ 80,000
As a result of CSE recommendations, we have increased our special education aide budget line.

Visual/Hearing Teacher (.4) \$ 26,000
As a result of a CSE decision, this budget item has increased due to educational needs of a special needs student.

C. **Township Assessments** \$1,760,000
As shared with the Board on January 15, 2009, we are anticipating a reduction in our town assessments. This decrease will impact our tax rates by \$1,760,000. We have used lower assessments to calculate the tax rate increase. We reduced the expenditure side of the budget to offset this loss. This decrease equates to a 1% increase on the tax rate.

BUDGET #2

<u>Budget</u>	<u>08-09 Budget to Budget #2</u>	<u>Tax Rate</u>	<u>Reduction from Preliminary</u>
\$276,177,440	- (.94%)	5.1%	\$1,562,200

Reductions from Preliminary Budget

¹ Data System Analyst (D.O.) (1)	\$ 72,000
² Office of Student Services (D.O.) (1)	140,000
³ BOCES Data Analyst (.5)	22,000
⁴ Clerical Substitutes Districtwide	103,000
⁵ Custodians – High School (4)	220,000
⁶ Grounds – Facilities (2)	110,000
⁷ Hallway Monitors (E.S./M.S./H.S.)	314,000
⁸ Reduce Summer Chairperson Work	70,000
⁹ Reduce Transportation Buses (7 packages)	483,000
¹⁰ Eliminate 6:15 Buses	4,000
¹¹ Reduce In-district Field Trips	24,200
TOTAL	<u>\$1,562,200</u>

¹ This \$72,000 reduction will cause the district to excess one employee out of our Information Systems Office. This office oversees all of the work with our Student Management and Business Office systems.

² Last year, we added a new special education administrator to the Office of Student Services. This was to assist our current administrators who oversee the district’s largest and often times most complex department. Due to the state aid reductions, we suggest returning to the 2007-08 level.

³ For the past three years, we have worked with two data specialists to help our schools become more data savvy. This year we propose to reduce our costs by working with one.

⁴ The district will need to cut back on our clerical substitutes and part-time workers. There will be some challenges in getting to all of the administrative/management tasks. The substitutes and part time workers provide an often needed extra hand throughout the district.

⁵ At this point in our reductions, we are trying to minimize the instructional impact. The high schools will need to restructure their custodial departments with a reduction of two workers each.

⁶ We suggest a reduction of two grounds workers in the district. With the addition of new equipment to our facilities department, we hope to deal with less workers.

⁷ Again, we are avoiding the classroom with this recommendation. However, our elementary and middle school hallway monitors have been a terrific addition to our district. However, the state aid reduction facilitates this decision.

⁸ The department chairs are paid for summer work. We would reduce this by approximately 30%.

⁹ Over the last three years we have truly improved our transportation department. This proposed reduction will tighten the schedule and the margin for error with bus scheduling becomes very small.

¹⁰ We have very few students take the 6:15 p.m. bus run from our high schools.

¹¹ In the past, we have had students attend assemblies and performances in other schools within the district. We would reduce these in-district trips.

BUDGET #3

<u>Budget</u>	<u>08-09 Budget to Budget #3</u>	<u>Tax Rate</u>	<u>Reduction from Preliminary</u>
\$274,352,440	-(1.60%)	3.75%	\$3,387,200

Reductions from Preliminary Budget

Data System Analyst (D.O.) (1)	\$ 72,000
Office of Student Services (D.O.) (1)	140,000
BOCES Data Analyst (.5)	22,000
Clerical Substitutes Districtwide	103,000
¹² Custodians – High School (4) + (2) = (6)	330,000
¹³ Grounds – Facilities (2) + (1) = (3)	165,000
Hallway Monitors (E.S./M.S./H.S.)	314,000
¹⁴ Reduction Art/Music/PE/Library (8)	520,000
¹⁵ Reduction Elementary Social Workers (3)	195,000
¹⁶ Secondary Teachers (10)	650,000
Reduce Summer Chairperson Work	70,000
¹⁷ Elimination- Spec. Education Consultants	50,000
Reduce Transportation Buses (7 packages)	483,000
Eliminate 6:15 Buses	4,000
Reduce In-district Field Trips	24,200
¹⁸ Security Reductions	100,000
¹⁹ Teacher Center	100,000
²⁰ Child Care	45,000
TOTAL	<u>\$3,387,200</u>

¹² This includes a new reduction of two (2) additional custodians, one at each high school - \$110,000.

¹³ This includes another groundsman (1) - \$55,000.

¹⁴ Reschedule Elementary Special Areas – Art, Music, PE, Library (8). The buildings will share services and schedule more efficiently. Teachers will now be required, in some cases, to travel between buildings. There will be no change in student contact time.

¹⁵ Social Workers will be shared between schools. Although social workers will be excessed, there will be a minimal impact to the district’s instructional program.

¹⁶ This reduction can be accomplished with minimal impact by adjusting class size in certain courses by 1-2 students. Specific courses will be identified through the scheduling process.

¹⁷ We will eliminate outside consultants who have assisted with this department’s initiatives.

¹⁸ We will reduce the part-time security staff throughout the district.

¹⁹ Transfer \$100,000 of Teacher Center monies to the General Fund.

²⁰ Increase Child Care rates to address the disparity in tuition between the morning and afternoon sessions.

BUDGET #4

<u>Budget</u>	<u>08-09 Budget to Budget #4</u>	<u>Tax Rate</u>	<u>Reduction from Preliminary</u>
\$272,966,640	-(2.09%)	3.0%	\$4,773,000

Reductions from Preliminary Budget

Data System Analyst (D.O.) (1)	\$ 72,000
Office of Student Services (D.O.) (1)	140,000
BOCES Data Analyst (.5)	22,000
²¹ District Office Administrator (1)	115,000
Clerical Substitutes Districtwide	103,000
Custodians – High School (6)	330,000
Grounds – Facilities (3)	165,000
Hallway Monitors (E.S./M.S./H.S.)	314,000
²² Elementary Teachers (5)	325,000
Reduction Art/Music/PE/Library (8)	520,000
Reduction Elementary Social Workers (3)	195,000
²³ Guidance Counselors (2)	130,000
²⁴ Special Education Collaborative Coaches (2)	130,000
²⁵ Secondary Social Workers (2)	130,000
²⁶ Reading Teachers Districtwide (2)	130,000
²⁷ Secondary Teachers (10) + (1) = (11)	715,000
Reduce Summer Chairperson Work	70,000
Elimination of Spec. Education Consultants	50,000
²⁸ Reduction in some M.S. Athletics	145,800
Reduce Transportation Buses	483,000
Eliminate 6:15 Buses	4,000
Reduce In-district Field Trips	24,200
²⁹ Security Reductions (\$100,000 + \$35,000) \$135,000	135,000
³⁰ Teacher Center (\$100,000 + \$100,000) \$200,000	200,000
³¹ Child Care (\$45,000 + \$80,000) \$125,000	125,000
TOTAL	<u>\$4,773,000</u>

²¹ In this budget, another full time administrator for district office will be eliminated. This will severely impact administrative responsibilities district-wide.

²² In the preliminary budget, we have kept staffing below this year’s class sizes. For 2009-10, we estimate a loss of approximately 150 students. We did not decrease elementary staff through the first three budget models. At 3%, however, we recommend the removal of five (5) teachers which will keep class sizes at the current levels.

²³ In this budget, the guidance department will be reduced by two (2) guidance counselors. This is not an ideal situation.

²⁴ We added special education collaborative coaches in 2008-09 as a result of the pedagogical concerns within these classes at the secondary schools. Although this has been a positive addition, this recommendation is included as a last resort.

²⁵ The reduction of two (2) additional social workers at the secondary level will have a minimal impact on our instructional program.

²⁶ At present, we service more students than is required by state mandates. Although a reduction of two reading teachers is not ideal, we will still be able to see all mandated students, as well as some students above AIS guidelines.

²⁷ A reduction of an additional secondary teacher (1) brings the number to eleven (11). This will have a small impact district-wide.

²⁸ The reduction of middle school athletics reduces teams in a few areas. This would bring us back to 2007-08 level. We would have two teams in football, boys and girls basketball, and boys and girls volleyball at each middle school. All other middle school sports would have one team. Again, this is only suggested at a 3% tax levy. I do not recommend this reduction unless truly necessary.

²⁹ We will reduce additional part-timers throughout the district.

³⁰ Transfer \$200,000 of Teacher Center monies to the General Fund.

³¹ Increase Child Care rates to address the disparity in tuition between the morning and afternoon sessions.

V. THESE AREAS WERE NOT AFFECTED IN THE PROPOSALS

Athletics and Co-curricular Activities

Following the 2005-06 18.1% budget defeat, our athletic and co-curricular programs were significantly reduced. The unintended consequences resulted in more discipline issues in the schools than we have experienced in many years. Therefore, I recommend that we keep our athletic and co-curricular program as is. Only under a 3% tax levy scenario do I suggest any reductions.

Community Education

Although Community Education operates at a loss due to the cost of administering the program, it reaches out to many people in the community and helps showcase our schools. Even though the program may lose money, the program benefits hundreds and hundreds of community members - adults and children. Many people who participate in these programs do not have children in the schools and are still able to feel a benefit from their tax dollars.

GATE

It was suggested to me by some administrators to eliminate the GATE program at the middle school. Although GATE was an elementary program for years, it was moved to middle school for 6th graders during reconfiguration. The enrichment activities truly enhance our gifted and talented students' experiences. I believe we need to do more for these youngsters, not less.

Instructional Supplies and Materials

Supplies and materials directly affecting classroom instruction have not been reduced. This includes all of our instructional supply codes, consumable materials such as workbooks and other instructional items and library books. As in the past, these monies are allocated to each of the buildings based on student enrollment. These allocations remain the same as the 2008-2009 levels.

Literacy Coaches

Our literacy coaches K-8 are our embedded staff and curriculum developers. During the past two years, the coaches have been able to support instructional initiatives as well as new state mandates. The coaches have proved to be an invaluable resource to the schools. In the past, we would send teachers to local conferences and/or bring in staff developers to provide on-going support to help us reach the Board's goal of enhancing student achievement and quality of instruction. Clearly, the impact has been seen not only in student achievement but in the way teachers deliver their instruction.

Music

Similar to athletics and co-curricular activities, our music program enhances our students' educational experience. To reduce this program and opportunities would not serve our students. Our music parents are also many of our greatest school supporters.

Secondary Course Offerings

No middle or high school course offerings were eliminated as a result of the budget process. We continue to offer a comprehensive program providing course choices that prepare students for college and/or work. As always, final decisions about which specific classes will run in September will be based on actual student interest and enrollment.

Summer Schools

We have many summer school programs. These programs help our neediest and most at-risk youngsters. The costs associated with these month-long school programs are minimal compared with the benefits our children are able to gain. In the past, the secondary summer school was one of the first cuts to be made under a contingency budget. Unfortunately, under these conditions, many of our at-risk children then skip summer school and retake courses over the next school year. The unintended consequence is the creation of new sections which in turn creates higher budget costs. Moreover, this will also increase the number of students who need five years to graduate high school rather than the normal four years. And again, more regular school sections, which means more cost. Teacher costs during summer school are approximately a third of the regular school year. Therefore, it is much more cost effective to re-teach during summer school than during the year. A summer school reduction is symbolic at best.

VI. ADDITIONAL ITEMS FOR CONSIDERATION

A. Projected June 30, 2009 Fund Balance

As of the January, 2009 reported financial information, it is estimated that we will have approximately \$11,000,000 of additional fund balance generated from the 2008-09 budget. The excess fund balance can change as the year progresses. We are dealing with a number of issues which could potentially lower this amount significantly. Included in the 2009-10 proposed budget, there is \$8,000,000 Appropriated Fund Balance. This will lower the tax levy.

At June 30, 2008, the Unreserved-Undesignated Fund Balance was \$11,152,064 and the maximum allowable at June 30, 2009 would be \$11,109,585 based on the 2009-10 preliminary proposed budget. The year-end projections change daily and we will continue to provide monthly updates. At this time, it is estimated that we can fully fund the maximum allowable (4%) Unreserved-Undesignated Fund Balance. Finally, please note we have not utilized any reserves or liabilities to develop the 2009-2010 budget.

B. Stimulus Plan

The federal government is in the process of developing an economic stimulus plan for the entire nation. Fortunately, a good portion of this money will be invested in schools, including Sachem. I have received information from several New York State senators, as well as Congressman Bishop, that the district will receive approximately \$1.6 million of IDEA funding for 2009-2010 and \$1.8 million for the following school year.

Indeed, this will avert many layoffs and reductions in Sachem. I hope we are able to utilize this funding where we balance off district needs and still present a taxpayer-sensitive budget. If we receive the proposed stimulus funding, I suggest we add back \$1.6 million of school needs to Model #3. As a result, we would present the community a 3.75% tax levy budget Model #3 with the reductions outlined in model #2. In my opinion, this would be a good balance for the school and community needs.

In addition, the economic stimulus plan would allocate \$611,200 for school construction projects. At this point, I'm not sure how their proposal would work. For example, can we use this money to create new projects or help fund planned projects? From what I read, the IDEA and Construction stimulus packages are intended to add people to the work force and prevent employee reductions. Undoubtedly, we will receive more information about this as the details unfold.

C. Pre-School Special Education Costs

In Governor Paterson's Executive Budget, he transfers part of the Pre-School Special Education expense from the county to local school districts. For years, this expense has been shared equally between the state and the county. Unfortunately, this funding proposal could place yet another unfair burden on the school district taxpayer. At present, we have not included this new expense. Recently, I met with a group of Superintendents, as well as Senator Flanagan, about a number of state aid concerns, including Pre-School Special Education. Although originally many did not build this expense into their budgets, a number are moving toward this addition, approximately 1% on the tax levy; for Sachem, \$1,600,000.

VII. CONTINGENT BUDGET

The first draft of the 2009-10 proposed budget has an expenditure total of \$277,739,640. Based on the New York State laws associated with contingent budgets, the maximum budget expenditure for Sachem if the proposed budget is defeated would be \$289,000,000. Remarkably, we find ourselves in a highly unusual financial situation. The contingent budget pursuant to New York State Law would allow a higher budget than we are proposing to the community. Again, we feel the proposed budget is responsible, and although permissible to include approximately \$12,000,000 of additional expenditures, this is not the manner in which we "guard" our community's resources. It should be noted that if we do not receive community support of the budget, then we do not have authority to purchase equipment.

VIII. SUMMARY

In closing, I recommend the Board accept a tax rate that is under 4%. In fact, I believe the 3.75% budget model will provide a similar educational structure to this year's budget and still pass on to the community a tax-sensitive budget. Additionally, by the time our budget discussions have begun, we will have a better idea of the federal government's stimulus plan as well as the Governor's Pre-School Special Education proposal. If we do receive \$1.6 million in IDEA funding, we can add back the reductions proposed going from 5% to 3.75% tax rate or address the Pre-School Special Education expenses. In the end, we hope to have a meaningful educational spending plan for our students and one that can be supported by both the Board and the community.

Sachem Central School District

Tentative 2009-10 Budget Process/Timeline

We invite all community members to attend our upcoming 2009-10 budget discussions. The following is the schedule for these discussions, as well as a listing of the topics. Please attend and be a part of the budgeting process. Your input is valued!

<u>Meeting</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
BOE Budget Meeting #1	February 4, 2009	8:00 p.m.	Samoset Board Room
Regular BOE Meeting #2	February 25, 2009	8:00 p.m.	Samoset Board Room
BOE Budget Meeting #3	March 4, 2009	8:00 p.m.	Samoset Board Room
Regular BOE Meeting #4	March 18, 2009	8:00 p.m.	Samoset Board Room
BOE Budget Meeting #5	April 1, 2009	8:00 p.m.	Samoset Board Room

Budget Meeting #1 – February 4, 2009 – 8 p.m.

Presentation by Superintendent:

- Where are we?
- What's included?
- Increases to deal with
- Tax Implications
- Community Input and Feedback

Budget Meeting #2 (Regular Board of Education Mtg.) – February 25, 2009 – 8:00 p.m.

Discussions:

- Stimulus Funding
- Budget Advisory Committee
- Community Input and Feedback
- Other Items as Determined by Board of Education

Budget Meeting #3 – March 4, 2009 – 8:00 p.m.

Discussions:

- Pre-School Special Education Costs
- Budget Advisory Committee
- Community Input and Feedback
- Other Items as Determined by Board of Education

Budget Meeting #4 (Regular Board of Education Mtg.) – March 18, 2009 – 8:00 p.m.

Discussions:

- Preliminary Public Hearing
- Budget Advisory Committee
- Community Input and Feedback
- Other Items as Determined by Board of Education

Budget Meeting #5 – April 1, 2009 – 8:00 p.m

Adoption of 2009-10 Proposed Budget and Community Input