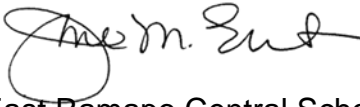





TO: P-12 Education Committee

FROM: Jhone M. Ebert 

SUBJECT: Update on the East Ramapo Central School District

DATE: January 31, 2019

AUTHORIZATION(S): 

SUMMARY

Issue for Discussion

The Board of Regents will be provided with an update on the State monitor report and current status of the East Ramapo Central School District (ERCSD).

Proposed Handling

This issue will come before the P-12 Education Committee for discussion at the February 2019 Regents meeting.

Background Information

On August 13, 2015, Commissioner MaryEllen Elia appointed a team of monitors to serve the East Ramapo Central School District in an advisory capacity in order to ensure that the District was better able to provide an appropriate educational program and properly manage and account for State and federal funds received. The appointment came after the Commissioner recognized the critical situation facing the students in the District.

On August 12, 2016, Commissioner Elia appointed Charles Szuberla as monitor for the East Ramapo Central School District. Mr. Szuberla, a former Deputy Commissioner who served the Department for 29 years before his retirement in late 2015, was charged with leading the Department's continuing efforts to provide enhanced communication with the East Ramapo community through greater outreach to students, parents, and stakeholders. Dr. John W. Sipple, who was appointed as a monitor by Commissioner Elia in 2015, continued in his role as monitor, specializing in budgeting and fiscal matters.

Mr. Szuberla reports directly to Commissioner Elia and is a regular presence in the East Ramapo School District, in addition to fulfilling the duties and responsibilities specifically set forth in the legislation enacted in June 2016 (Chapter 89 of the Laws of 2016). Mr. Szuberla has the authority to monitor district operations, including fiscal and operational management and educational programming. He also provides guidance, makes recommendations, and proposes actions for improvement to the school district, as well as to the State Education Department, to ensure that students have access to appropriate programs and services and that the District is on a path to fiscal and programmatic stability.

Chapter 89 of the Laws of 2016 required the District to create three major plans in collaboration with community stakeholders and the state monitors. The plans are:

1. Long-term (2016-20) strategic academic plan;
2. Long-term fiscal improvement plan; and
3. Expenditure plan outlining the use of the \$3 million in legislative grants.

In August and September 2016, Monitors Chuck Szuberla and John Sipple worked closely with Superintendent Deborah Wortham, Board of Education President Yehuda Weissmandl, district officials and the community to develop a fiscally responsible plan that meets the needs of the school community. In September 2016, Commissioner Elia announced her approval of the East Ramapo Central School District's Long-Term Strategic Academic and Expenditure Plans. The initiatives addressed in the Long-Term Strategic Academic and Expenditure Plans include:

- Implemented full-day Kindergarten for all students;
- Hired both monolingual and bilingual Kindergarten teachers;
- Restored art, music, dance, and theater programming in grades K-6;
- Set clear performance objectives for students; and
- Increased professional development.

On January 24, 2017, the monitors issued *A New Beginning: A Report on the East Ramapo Central School District*. The report details progress and accomplishments in the District, which include, but are not limited to:

- Full-Day Kindergarten;
- Restored the arts, music, dance and theater programming in grades K-6;
- Aligned formative assessments with the New York tests administered once every six weeks;
- Developed formative assessment parent reports;
- Increased professional development opportunities for teachers and principals;
- Created collaborative planning time for elementary teachers;
- Returned to high expectations for all students and educators;
- Continued support for enhanced course offerings;
- Reinforced the fiscal improvement plan;

- Balanced the budget;
- Passed the school budget; and
- Passed a \$59 million school facilities bond act.

While the report noted accomplishments, it also noted that the district continues to face significant challenges, including:

- Restoration of the significant program cuts and severe tax cap limitations;
- Increasing numbers of students requiring additional support (English Language Learners, special education and economically disadvantaged);
- Excessive special education classification rates; and
- Rapidly changing demographics and concerns regarding the future sale of public school facilities.

In October 2017, the monitors issued year-end fiscal report on the 2016-17 school year entitled *A Balanced Budget: A Report on the East Ramapo Central School District*. The report details progress and accomplishments in the District, which include, but are not limited to:

- Ended the 2016-17 school year with an unassigned fund balance of \$8.49 million versus \$4.15 million a year earlier;
- New York State Comptroller fiscal stress upgrade from “Significant Fiscal Stress” to “Moderate Fiscal Stress” in January 2017;
- Moody’s Investor Service upgraded the outlook for the District from negative to stable for general obligation bonds in July 2017¹
- Commenced Phase I of a \$59 million school facilities bond act;
- Added four full-day kindergarten classes;
- Purchased Instrumental Music or Band or Chorus for Grade 6 Students;
- Created Visual Arts for Grade 5 Students;
- Increased After-School Music/Arts Enrichment Offerings;
- Enhanced professional development for staff;
- Developed Ninth Grade Academy;
- Created mentors for Senior High School Students; and
- Developed a “STEAM” Science, Technology, Engineering, the Arts, and Math program at Kakiat School starting with the seventh grade.

While the report noted accomplishments, it also noted that the district continues to face significant fiscal challenges, including:

- Limited reserves;
- Reliance on state funding;
- Reliance on cash flow borrowing;
- Limited revenue raising ability; and
- Very large nonpublic school population.

¹ Moody’s Investor Services, Inc., July 2017

The District implemented several of the report's recommendations:

- Created a Budget Advisory Committee.
- Hired BOCES to develop a regular form of communication to share the many improvements the school district is making to improve academic opportunities for its students.
- Reviewed the nonpublic student textbook loan program and worked with nonpublic school administrators to develop a list of pre-approved textbooks.
- Convened an internal work group, led by the Superintendent, to look at issues regarding nonpublic school transportation including options for better alignment of the public and nonpublic school calendars.
- Worked with the monitors to convene community meetings to gather input from the community to help inform them as to whether any changes to polling site locations were needed.

Chapter 59 of the Laws of 2017² enacted in April 2017 required the district to update the strategic academic plan and fiscal improvement plan in addition to providing an expenditure plan for the use of the \$3 million in legislative grants for the 2017-18 school-year. Commissioner Elia announced her approval of the East Ramapo Central School District's updated Long-Term Strategic Academic and Expenditure Plans in October 2017.

The 2017-18 school budget projects revenues of \$231 million and expenses of \$231 million. General fund expenditures will increase by 2.99%. The budget continues the trend of adding and strengthening the academic program but does not include an allocation for transportation to nonpublic schools on days that public schools are closed.

On November 7, 2018 Commissioner Elia appointed Dr. Denise Lowe as a State Monitor for the East Ramapo Central School District. Dr. Lowe coordinates efforts with Mr. Charles Szuberla to propose actions for improvement to ensure students have access to high-quality instruction, programs and services and oversee District operations. Mr. Szuberla and Dr. Lowe report directly to Commissioner Elia and are a regular presence in the East Ramapo School District, in addition to fulfilling the duties and responsibilities specifically set forth in the legislation enacted in June 2016 (Chapter 89 of the Laws of 2016). Mr. Szuberla and Dr. Lowe have the authority to monitor district operations, including independently visiting schools and meeting with staff, fiscal and operational management, and educational programming. The monitors continue to provide guidance, make recommendations, and propose actions for improvement to the school district, as well as to the State Education Department, to ensure that students have access to appropriate programs and services and that the District is on a path to fiscal and programmatic stability.

² Chapter 89 of the Laws of 2016 was amended by section 48 of Part YYY of Chapter 59 of the Laws of 2017.

The most recent year-end fiscal report on the 2017-18 school year entitled *Continuing Improvement: A Report on the East Ramapo Central School District*. The report details progress and accomplishments in the District, which include, but are not limited to:

- All student subgroups showed improvement on the grades 3-8 English Language Arts (ELA) and mathematics State assessments;
- The New York State Comptroller upgraded the District's fiscal condition from "Moderate Fiscal Stress" to "Undesignated;"³
- The Board of Education and teachers' union agreed on a new contract that runs through June 2021;
- Completion of Phase II of the \$59 million capital construction program on time and on budget;
- Addition of six special education collaborative classes;
- Addition of six teachers in English as a New Language ("ENL") and bilingual instruction;
- Assignment of eight teachers to implement effective instruction in the high schools;
- Addition of 12 teachers for the arts and music;
- Implementation of a teacher collaboration model at the high schools;
- Addition of academic standards facilitators for all grade levels;
- Expansion of summer academic program offerings to include:
 - Instrumental music summer camp for grades 4-8 (400 students);
 - Computer sciences summer academy for grades 2-8 (250 students);
 - Health sciences summer academy for grades 2-8 (250 students);
 - Extended school year program for grades K-8 (255 students); and
 - Student with Interrupted/Inconsistent Formal Education for grades 9-10 (60 students).
- Programs for Strengthening Elementary Education Instruction
 - Maintains full-day kindergarten;
 - Expands "The Arts" instruction (3 teachers); and
 - Expands English as a New Language (ENL) and bilingual instruction (5 teachers).
- Programs for Strengthening Middle Education Instruction
 - Expands "Arts" instruction;
 - Provides additional ENL instruction (3 teachers); and
 - Adds Grade 8 to the Kakiat STEAM program.
- Programs for Strengthening High School Graduation and Readiness for College and Careers:
 - Additional support for effective instruction (8 teachers);

³ In 2015 and 2016, East Ramapo was classified by the Comptroller as a district in "significant stress." In 2017, East Ramapo was classified by the Comptroller as a district in "Moderate Fiscal Stress." In 2018, the District did not appear on the list of schools under fiscal stress.

- Implements collaborative teacher model;
- Provides new academic standards facilitators;
- Expands ENL and Bilingual instruction (4 teachers); and
- New schedule for all students which frees up more time for elective classes.

Chapter 59 of the Laws of 2018⁴ enacted in April 2018 also required the District to update the strategic academic plan and fiscal improvement plan in addition to providing an expenditure plan for the use of the \$3 million in legislative grants for the 2018-19 school-year. The voters twice defeated the 2018-19 Board approved budget. The Board adopted contingency budget represents the elimination of \$4,375,787 from the Board approved 2018-19 budget submitted to the voters (Attachment A).

The District adopted a contingency budgeting strategy approach attempting to minimize impact on classroom instruction. Applying \$1,450,000 from the Fund Balance covered one-third of the gap between the proposed budget and the contingency budget. Next the District elected to pay only the required minimum amount of the Capital Bond principal in 2018-19. This strategy provided a savings of \$1,163,742.

The District closed the remaining \$1,762,045 gap by cuts to staff and services, many stemming from staff retirements. Retirements included 29 teachers, 3 teaching assistants and the Assistant Director of Transportation. Nearly all retiring teachers have been replaced.

The budget also included the following cuts and attrition:

- The Director of Secondary Education – a position that was included in the proposed budget – will assume supplemental and school improvement responsibilities that allow for the position to be 80% funded by alternative funding streams, coming to \$151,222 to be saved in the general fund.
- The Director of Elementary Education will also devote a greater percentage of time on remedial pedagogy and programs (up to 80%), resulting in a general fund savings of \$57,203.
- Clerical staff will be reduced by two staff members, representing a savings of \$231,352.
- Increasing the percentage of services to other funding sources for one storekeeper and one clerical (up to 80% grant funded) results in a savings of \$40,381.
- Special Education will reduce 15 Teaching Assistants from non-mandated programs, totaling \$625,000 in savings, and the reduction of 1 nursing staff representing a savings of \$67,123.
- The retirement of the Safety Supervisor in the Transportation Department contributes \$131,508 to the total savings.

⁴ Chapter 89 of the Laws of 2016 was amended by section 48 of Part YYY of Chapter 59 of the Laws of 2017 and Chapter 59 of the Laws of 2018 has extended the requirement to annually update the Strategic Academic Plan and Fiscal Improvement Plan until June 30, 2021.

- Reducing central administration non-salary expenses results in \$26,194 savings.

The District ended the 2017-18 school year with a \$245,000 surplus and the District's independent external auditors issued an unqualified opinion for 2017-18 school year. The Office of the State Comptroller upgraded the District's fiscal stress rating from "Moderate Fiscal Stress" in 2017 to "Undesignated" in 2018.

Improvements of note in the 2018-19 school year include:

- Spring Valley High School 9th Grade Academy.
- Smart Scholars Early College High School Program will allow 50 high school freshmen to have the opportunity to accelerate the completion of high school studies while earning up to 60 college credits.
- High school juniors and seniors who can demonstrate proficiency in English and a world language will be eligible to earn the New York State Seal of Biliteracy. District data shows that over 150 students have met many of the criteria points.
- Seven new collaborative special education-general education classes at the K-8 level for a total of 19 collaborative classes.
- 2018 Summer Academies
 - Instrumental Music Summer Camp for grades 4-8 (400 Students)
 - Computer Sciences Summer Academy for grades 2-8 (250 Students)
 - Health Sciences Summer Academy for grades 2-8 (250 students)
 - Extended School Year Program for grades K-8 (255 Students)
 - Student with Interrupted Instruction for grades 9-10 (60 Students)
- Completion of the second phase of a \$59 million Capital Improvement Program including:
 - New athletic fields, bleachers, and concession stand at the high school.
 - New roofs, doors, and windows.
 - New boilers and air handling and control equipment.
 - New STEAM Academy Room and Dance Studio at Kakiat Elementary School.
 - New library at Chestnut Ridge Middle School.

The 2018-19 school budget is fiscally in balance with project revenues of \$231,084,269 and expenses of \$231,084,269. The budget does not include an allocation for transportation to nonpublic schools on days that public schools are closed nor does it allow for flexibility to provide transportation on days when the public schools are not in session.

Finally, on January 17, 2019 NYSED announced the 2018-19 accountability designations for districts and schools. Under the new accountability system all elementary and middle schools in the District are now in good standing. Last year three elementary and two middle schools were in accountability status. The two high schools remain in accountability status and were identified as Targeted Support and Improvement Schools

(TSI). The District remains in accountability status and was identified as a Target District (TD).

Conclusion

The monitors will provide the Board with an update on the 2018-19 school year including:

- Academic challenges and improvements;
- Future fiscal challenges;
- Community challenges and opportunities; and
- Next steps.

Related Regents Items

[March 2017](http://www.regents.nysed.gov/common/regents/files/317brd1.pdf) <http://www.regents.nysed.gov/common/regents/files/317brd1.pdf>

[March 2017 \(presentation\)](https://www.regents.nysed.gov/common/regents/files/Full%20Board%20Monday%20AM%20-%20East%20Ramapo%20Update.pdf)

<https://www.regents.nysed.gov/common/regents/files/Full%20Board%20Monday%20AM%20-%20East%20Ramapo%20Update.pdf>

[February 2017](http://www.regents.nysed.gov/common/regents/files/217p12d1.pdf) <http://www.regents.nysed.gov/common/regents/files/217p12d1.pdf>

[December 2015 \(presentation\)](http://www.regents.nysed.gov/common/regents/files/Monday%20East%20Ramapo%20Slide%20Deck.pdf)

<http://www.regents.nysed.gov/common/regents/files/Monday%20East%20Ramapo%20Slide%20Deck.pdf>

[September 2015 \(presentation\)](http://www.regents.nysed.gov/common/regents/files/meetings/Sep%202015/EastRamapoReportfromStateMonitors.pdf)

<http://www.regents.nysed.gov/common/regents/files/meetings/Sep%202015/EastRamapoReportfromStateMonitors.pdf>

[July 2015](http://www.regents.nysed.gov/common/regents/files/meetings/Jul%202015/713p12d2.pdf)

<http://www.regents.nysed.gov/common/regents/files/meetings/Jul%202015/713p12d2.pdf>

[July 2015 \(presentation\)](http://www.regents.nysed.gov/common/regents/files/meetings/EastRamapoUpdate.pdf)

<http://www.regents.nysed.gov/common/regents/files/meetings/EastRamapoUpdate.pdf>

[March 2018](http://www.regents.nysed.gov/common/regents/files/318p12d2.pdf)

<http://www.regents.nysed.gov/common/regents/files/318p12d2.pdf>

[March 2018 \(presentation\)](http://www.regents.nysed.gov/common/regents/files/P-12%20-%20East%20Ramapo%20Presentation.pdf)

<http://www.regents.nysed.gov/common/regents/files/P-12%20-%20East%20Ramapo%20Presentation.pdf>

East Ramapo Central School District

105 South Madison Avenue, Spring Valley, NY 10977

A Unified Community Educating the Whole Child ...

Dr. Deborah L. Wortham
 Superintendent of Schools
 845-577.6011



Yehuda Weissmandl
 President, Board of Education

Harry Grossman
 Vice-President

Mark Berkowitz
Bernard L. Charles, Jr.
Sabrina Charles-Pierre
Joel Freilich
Pierre Germain
Jacob Lefkowitz
Yonah Rothman

MEMORANDUM

Date: June 26, 2018

To: Board of Education Members

From: Dr. Deborah L. Wortham, Superintendent of Schools
 Mr. Valter Paci, Assistant Superintendent for Finance

Subject: Contingency Budget **ABSOLUTE FINAL REVIEW (POST)**

When school Districts are faced with a situation of a contingency budget, the first expenditures to be considered are non-contingent expenses, those that least affect the educational program, especially in the classroom. With this as our guiding principle in this contingency budget process, we are presenting the following plan for consideration. The plan represents the budget gap closing approach that has the minimal impact on the classrooms in our public schools and takes advantage of a legally-permitted reduction of a non-contingent expense by paying the minimum amount required on the principal of the Capital Bond.

The contingency budget represents the elimination of **\$4,375,787** from the Board-approved 2018-2019 budget.

Strategy

Our contingency budgeting strategy represents the approach that has the least impact on the classrooms in our schools. The first recommendation in this plan, asks the Board to finance part of the budget gap of \$4,375,787 with a transfer of **\$959,000** from the Fund Balance. As a result, it will reduce cuts from other areas from \$4,375,787 to **\$3,416,787**.

The District's second recommendation is for the Board to reduce the amount of payment of the principal of the Capital Bond to the minimum amount required. Repayment of the Capital Bond requires payment of both principal and interest. The District has budgeted \$2,356,000 in principal, interest payment, and transfer to Capital Fund in the 2018-2019 budget. We are obliged by law to pay the interest fully. However, the District has an option of paying only the required minimum amount of the Capital Bond principal. The total amount of required principal and interest is **\$1,192,258**. The recommended strategy will provide a savings of **\$1,163,742**, serving to reduce cuts needed to meet the contingency budget requirement, keep cuts far from the classroom, and allow us to continue to make progress in meeting the goals of our Comprehensive Academic Strategic Plan. Applying this strategy results in reducing the budget gap by an additional **\$2,253,045**.

The remaining funds represent reductions to the costs of staff and services. We have confirmed retirements of 29 teachers and three teaching assistants for the 2018-2019 school year. Our adopted budget accounted for 15 retiring teachers. Accounting for the savings from the three teaching assistants, 14 additional retiring teachers, and a Director adds **\$432,062** to the savings.

Finally, the last consideration in this category concerns cuts and attrition, which were required to bridge the final gap of **\$2,253,045**.

- **Elimination of the Director of Secondary Education and the conversion of the position of Director of Elementary Education into Assistant Superintendent for Professional Development K-12**

Total Savings \$259,003

- The administrative/clerical staff will be reduced by two positions, representing a savings of **\$231,352**.
- **Reduction of one nurse position (vacancy) represents a savings of \$67,123.**
- **Reduce 15 Special Education teaching assistant positions (plus two resignations)**

Total Savings \$679,404

- **Elimination of (one newly created) position for a Social Worker**

Total Savings \$134,000.

- **Create a new Middle School Leadership Model:**
 - **1 Principal**
 - **1 Assistant Principal (reconvening the 1 Assistant Principal model)**
 - **1 Academic Standards Facilitator (grant funded)**

Total Savings \$312,539

- The retirement of the Safety Supervisor in the Transportation Department contributes **\$131,508** to the total savings because we are not filling the position.
- Reducing central administration non-salary/contractual expenses results in **\$6,054** savings.

Sources of Funds to Meet the Contingency Budget Reduction of \$4,375,787		
Fund Balance	Reduction in Principal Payment to Capital Bond (*Deducted from Adopted Budget)	Reductions to Staff, Services, and Retirements (*Deducted from Adopted Budget)
\$959,000 = 22%	*\$1,163,742 = 27%	*2,253,045 = 51%
Original Adopted Budget		\$237,334,978
*Capital Bond Debt Service and Reductions		-\$3,416,787
Contingency Budget Total		\$233,918,191

Figure 1. REDUCTION CATEGORIES and AMOUNTS

Cc: Cabinet