

MEMBERS PRESENT:

**DEIRDRE BURNS
DEIRDRE d'ALBERTIS
MARK FLEISCHHAUER
DIANE LYONS
LISA ROSENTHAL
LAURA SCHULKIND
RICHARD WALKER**

OTHERS PRESENT:

**JOSEPH PHELAN, TOM BURNELL,
ED DAVENPORT, JOHN KEMNITZER,
BRETT KING, MARVIN KREPS, FERN
LOX, STEVE JENSEN, MEMBERS OF
THE PUBLIC**

1.0 Call to Order

President Fleischhauer called the workshop to order in the High School/Middle School Library at 9:07 am.

2.0 Introduction

Superintendent Phelan outlined the workshop process and ground rules, explaining that this is the Board's opportunity to meet and focus on a single topic, the 2016-17 school budget under development. The Board will review, in public, the budget process to date.

3.0 Budget Process Overview

3.1 Discussion of the process for the "Rollover" Budget with fixed costs

Mr. Burnell gave a brief description of the rollover budget.

3.2 Discussion of the process for subsequent budget drafts

Mr. Burnell gave a brief history of the first three (3) draft budgets as he highlighted the additions and deletions to each draft budget as more information became available.

4.0 Tax Levy Cap Limit

Mr. Burnell reviewed the formula for the calculation of the maximum allowable tax levy. The maximum allowable tax levy, based upon a cost of living increase of .12%, is 1.26% to maintain the budget without exceeding the tax levy cap.

5.0 Overview of the Budget Process To Date

Mr. Burnell explained that the budget development process began with a first draft budget at the beginning of February, and it has evolved as more information has become available. As of the current draft, the proposed budget shows a delta of \$775,339 between the proposed budget and the State tax levy limit. There are still a number of moving parts that still are unknowns, such as Foundation Aid and how much of the Gap Elimination Adjustment will be restored. However, the tax levy limit is 1.26%, and the current draft of

the budget is driving a 3.37% increase in the tax levy. All school districts are facing low, and some even negative, tax levy limits.

Mr. Burnell reported that while there are a few potential sources of revenue and/or reduction of expenses, there is not much and we are not going to be able to meet that deficit without possibly exceeding the tax levy limit, decreasing anticipated expenditures, or a combination of both. The District has generated a list of options for potential budget reductions. The list was submitted by building principals and department heads and then prioritized district-wide by the Superintendent. Superintendent Phelan explained that the list is prioritized in groupings of 12 different levels, with personnel reductions impacting current staff at or near the bottom.

Mr. Burnell reviewed the various scenarios to bridge the budget and not exceed the tax levy gap. Mr. Burnell explained the process for obtaining the District's portion of the \$22 billion Smart Bond Proposal that was approved by voters in New York State a few years ago. The District has a stakeholder group that is looking into how to spend the District's portion of the Smart Bond money.

Mr. Burnell explained how the combined wealth ratio is factored for the District. Because we are considered a wealthy district, we receive a smaller percentage of state aid.

Mr. Burnell also reviewed the various scenarios to bridge the budget gap as well as exceed the tax levy cap. If we choose to do so, we should look to exceed the cap in such a way that we don't put the District in an unfavorable position for years to come. As we look at the program at Rhinebeck and the expectations of the kind of education our students receive, we may choose to look at our programs and possibly pursue exceeding the cap in order to save programs. We will be in a similar situation next year with little or nothing to reduce. Once cut, we can't expect to recover things that are cut back any time soon. While we appreciate the effort not to have cuts in program and personnel, if we keep cutting in other areas, such as equipment, there will be negative consequences.

6.0 Revenue Projections To Date

6.1 State Aid

State aid figures have not been finalized yet and will most likely not be finalized until around April 1. If the Gap Elimination Adjustment (GEA) is fully restored, the District will receive an additional \$165,000. The talk in Albany suggests that the District will receive more Foundation Aid than in the past, but it is unclear how much that might be.

6.2 Other Revenues

Mr. Burnell added that the District receives 85% of its revenue from property taxes.

Superintendent Phelan called for a short recess.

The meeting reconvened at 10:35 am.

7.0 Discussion and Review of Current Budget Proposal and Potential Adjustments

Discussion turned to how to overcome the \$775,339 gap in the budget. To address the fact that the District may need to cut such a significant amount, the administrators were asked to put together options for potential budget reductions.

The Priority #1 items slated for reduction are mostly equipment. The Board discussed what impact a reduction in equipment will have on programs. Dr. Davenport reported that he asked his department heads to cut their budgets in half and report feedback. This will allow the high school to maintain the programs but not grow them. The proposed reductions will not eliminate any programs, but will defer maintenance. A reduction of equipment will impact program as the years go on.

Mr. Kemnitzer addressed Board questions about the reduction or elimination of extracurricular clubs and afterschool homework help. He reported that the middle school will continue to run the programs as they have the last few years as those budgets had extra funds to grow those programs.

Dr. Davenport addressed Board questions relating to the elimination of after school detention. The high school would look at other alternatives such as spending lunch times with the principal/assistant principal, early morning detention, or look at restorative justice models, i.e. have students make it right with the teacher.

Mr. Kemnitzer explained the implications of reducing core sections from five to four in seventh grade. He believes that the low enrollment justifies the reduction. Additionally, there are other areas of concern, such as special education, that may benefit from the additional .2 FTE. The question remains whether it will actually be a reduction.

Mr. King addressed questions by board members as to how this school year has been with three Kindergarten teachers. Although it is hard to estimate how many students will enroll in Kindergarten this coming school year, the expectation is that it will be similar to this year's class size of approximately 60 students, which is manageable due to the ability to employ full time teacher aides at that grade level.

Mr. King addressed questions regarding the proposed reductions in CLS before and after school enrichment and field trips. Mr. King stated that the elementary school has utilized outside groups, such as the PTSO, to help with those costs. He suggested that instead of taking students out to programs, to bring programs to the school in order to save transportation costs. In the interest of equity, the district does not intend to ask parents to pay for any field trip fees.

Mr. King addressed the proposed reduction of a library clerk. The vision is not to necessarily cut it, but have more of a shared clerk between all three buildings.

Superintendent Phelan explained that the District will re-visit each priority before actual cuts happen. The priority ranking is not necessarily how the cuts will happen in the final analysis, but is an indication of the thinking at this point in time.

Mr. Burnell addressed questions regarding the reduction of a personnel clerk in the business office. This would not be a complete cut. However, the reduction should be able to pay for a part-time person or increase the salary of personnel taking on the additional work.

Mr. Kreps addressed questions regarding curriculum reductions. The curriculum projects and professional development funds is for development of programs. The CDEP process is looking at development work for kindergarten through twelfth grade and by cutting into professional development, that process is slowed. NYSED is changing things rapidly and we are not able to put things into a cycle. Currently, NYSED has announced that they will be looking at ALL teaching standards with implementation of said standards within a teaching cycle. The faculty is great about responding to the need to submit curriculum development proposals, but now we have to prioritize what we can or cannot fund.

The Board addressed the travel conference reduction and stated that changes happen too often to not have Mr. Kreps attend conferences to keep up-to-date with the latest information from Albany, if necessary. While the balanced literacy project used consultants to support teachers writing curriculum, the district believes that teachers can do that now. However, we would have used that money to support projects in other areas and a reduction will put pressure on our ability to do that.

Mr. Jensen addressed questions on the reductions to technology. Although reductions will slow down technology implementation, the Smart Bond funds will help. He expressed concerns over the \$41,000 lease, and that we will feel that hurt in 3 years if the monies are eliminated from the budget. We hope to find other ways to address those issues.

The Board had a brief discussion on how funds are allocated in athletics and about considering additional support from booster clubs as well as finding more creative solutions to fund sports that have relatively low participation.

The Board thanked Superintendent Phelan for a well-considered list with thoughtful cuts that reflect our core values. The Board wished to thank all those present for their attendance.

8.0 Adjournment

Motion by Burns, seconded by Rosenthal, the Board voted to adjourn at 12:16 pm.

VOTE: 7 AYE (Burns, d'Albertis, Fleischhauer, Lyons, Rosenthal, Schulkind, Walker); 0 NAY; 0 ABSTAIN; 0 ABSENT

MOTION CARRIED

Respectfully submitted,

Mary Ann Bovee
District Clerk