

**Dr. Shelley Jallow- Academic Monitor
Bruce Singer- Fiscal Monitor
East Ramapo School District
105 S. Madison Ave
Spring Valley, NY 10977-5400**

**Dr. Betty Rosa
Commissioner of Education
New York State Education Department
89 Washington Avenue
Albany, NY 12234**

February 8, 2024

Dear Dr. Rosa:

RE: Monitors' Semiannual Report (July 1, 2023, to December 31, 2023)

Please find attached the report of the monitors assigned to the East Ramapo Central School District ("the district") for the period from July 1, 2023, to December 31, 2023. While there have been modest improvements in limited areas of district operations resulting from implementation of elements of the Long-Term Strategic Academic and Fiscal Improvement Plan, the major theme of this report is that the district's financial situation has grown significantly more dire. A crisis that had been projected to be several years in the future is now only several months away.

Should the district not respond with the sense of urgency that matches the district's circumstances, we will use the authority we have under the law to seek your intervention to compel the district to act to mitigate the impact that the district's fiscal distress will have upon the education of students.

We look forward to your assistance in devising solutions that can lead step-by-step to resolution of the long-standing problems of the district.

SEMIANNUAL REPORT

East Ramapo Central School District Monitors

February 2024

Legislation and Laws

Chapter 89 of the Laws of 2016, as amended (Chapter 89), authorized the Commissioner of Education to appoint monitors to provide oversight, guidance, and technical assistance regarding the academic and fiscal policies, practices, programs, and decisions of the East Ramapo Central School District (ERCSD or “the district”), the board of education (the board), and the superintendent.

Pursuant to the law, Mr. Bruce Singer has served as the Fiscal Monitor for the district since his appointment to that position by Interim Commissioner Shannon Tahoe in March 2020, and Dr. Shelley Jallow has served as Academic Monitor since her appointment by Commissioner Betty A. Rosa in July 2023.

Chapter 89 provides the monitors with the following powers and duties:

- Provide oversight, guidance and technical assistance related to the educational and fiscal policies, practices and decisions of the district, the board, and the superintendent.
- Serve as non-voting ex-officio members of the board.
- Work with the board to develop and annually update a long-term strategic academic and fiscal improvement plan (LTSAFIP).
- Work with the district’s shared decision-making committee, as defined in 8 NYCRR Part 100.11, in development of the LTSAFIP and implementation of district priorities and budgetary recommendations.
- Review annually the district’s proposed budget to ensure that it, to the greatest extent possible, is consistent with the LTSAFIP, expands educational programming for students and is balanced within the context of revenue and expenditure estimates and mandated programs and services.
- Assist in resolving any disputes and conflicts, if any, including but not limited to, those between the superintendent and the board and among members of the board.
- Remove an item, including board resolutions or motions, from consideration by the board, except for resolutions or motions related to collective bargaining agreements, if copies are not provided to the monitors in accordance with timelines stipulated in the law.

- Override resolutions and/or motions and propose resolutions and/or motions of the board in accordance with the process established and set forth in Chapter 89.
- Direct the board, superintendent, and/or other school district officers to undergo a maximum of 15 hours of training annually.
- Provide semiannual reports to the Commissioner, Regents, the Governor, the Temporary President of the Senate, and the Speaker of the Assembly on the academic, fiscal, and operational status of the district.

More detailed information about the power and duties of the monitors can be found here: [East Ramapo CSD Monitors Legislative Duties and Powers](#)

Overview of the District

The ERCSD serves a largely suburban community in Rockland County, New York. The district enrolls approximately 10,400 public school students in kindergarten through grade 12, approximately 75% of whom are Hispanic, 18% of whom are Black, and 7% of whom are of other races and ethnicities. Approximately 84% of the district’s public-school enrollment are economically disadvantaged students, 52% are identified as English language learners, 15% are classified as students with disabilities, and 12% are experiencing homelessness.

In the 2023–2024 school year, the district operated one early childhood center, nine elementary schools, two middle schools, and two high schools. Of the 14 public schools operated by the district, one is currently identified by the New York State Education Department (NYSED or “the Department”) for Targeted Support and Improvement, one for Additional Targeted Support and Improvement, and four for Comprehensive Support and Improvement. The percentage of the district’s schools that are identified for Comprehensive Support and Improvement is among the highest of any district in the State.

The district’s 2022–2023 school year Grades 3–8 assessment results in English Language Arts (ELA) and mathematics were far below the State average. Twenty-two (22%) of the district’s students were proficient in ELA and 16% in mathematics as compared to the State average proficiency rates of 48% in ELA and 52% in mathematics.

The district’s four-year graduation rate as of August 2023 for students who first entered grade 9 in the 2019–2020 school year was 63%, far below the State average of 86%. Within this cohort, 10% of students received a Regents diploma with Advanced Designation as compared to 36% of students in the same cohort statewide who received an Advanced Designation diploma.

A defining feature of the district is its large number of resident students who attend nonpublic schools. In the 2022–2023 school year, 30,796 ERCSD resident students were enrolled in nonpublic schools, the largest nonpublic school enrollment of any New York State school district outside of New York City. This large number of nonpublic school students results in the district

spending a significantly higher percentage of its budget (approximately 23%) on nonpublic school pupil transportation than do other school districts. As a result of the district's unique demographics, a majority of its school board are persons who have children who attend or have attended nonpublic schools rather than the district's public schools.

Report of the Academic Monitor

During the 2023–2024 school year, the academic monitor has had four major areas of key activities and accomplishments:

- *Services to English language learners (ELLs):* The academic monitor has insisted district leadership commit more attention to and take actions regarding services to ELLs. The monitor has collaborated regularly with the New York State Education Department's (NYSED) Office of Bilingual Education and World Language (OBEWL) to provide support to the district. The monitor's effort started with directly supporting the work of the new Executive Director of Multilingual Education and World Languages and her team. Through multiple meetings with school leaders, the Executive Director with the assistance of the monitor was able to identify multiple "pain points" throughout the school system for ELLs and their teachers. During the first half of the 2023–2024 school year, the monitor has worked closely with district leadership to identify areas for improvement in the district's registration department, human resources department, guidance department, special education department, and the curriculum and instruction department. Initial work to remedy these challenges has begun, but evidence suggests that services to ELLs has long been inadequate and, therefore, will require a multiyear improvement plan that is funded adequately.
- *Secondary School Outcomes:* The monitor has formed work relationships with each school leadership team to help build capacity using data and the Harvard University Public Education Leadership Project (PELP) coherence framework. School leaders use the framework to better understand how their decisions serve as a bridge or a barrier to the instructional core in every classroom throughout their schools. The instructional core is the relationship between curriculum, teachers, and students. The monitor has participated in numerous school walkthroughs with school and central office leaders to identify individually and collectively how policies, practices, procedures, and beliefs impact the instructional core. These walkthroughs have confirmed that there is a lack of cohesion within and among schools regarding curriculum and instruction. This appears to be due in large part to challenges holding staff accountable. The accomplishment of the monitor has been evidenced by the increased awareness by district leaders as they create new plans, assign staff, and develop budgets. This is another area of work that will require time and adequate resources.

- *Data driven strategies to improve student outcomes:* A key component of the district’s effort to have all schools identified for Local Support and Improvement (formerly “Schools in Good Standing”) must be a hyper focus on using data to improve instruction. The monitor’s review of School Comprehensive Education Plans (SCEP) showed them to often be written too generically to address student and staff needs or to include action steps that could not feasibly be implemented during the school year covered by the plan. The monitor began working with schools to reconsider some of their approaches to school turnaround. School turnaround is terminology used to describe a more time sensitive and urgent approach to school improvement. Working with the NYSED Office of Accountability, school and district leaders have a better understanding of how each school received its specific accountability designation and the resources available to schools engaged in this type of work. These efforts should result in more effective SCEPs aligned to school community needs.
- *Recruitment, Hiring, and Retention of District Leaders:* For the last several years, the central office has not been appropriately staffed, resourced, or funded. Many key district leadership positions are held by individuals with less than two years of experience in the position. Because so many central office administrators have left their positions, those who remain are often doing additional work outside of their primary area of experience. The academic monitor recognizes these challenges have resulted in the need to coach and support district leadership in areas such as: strategic planning and decision making, instructional leadership, grants management, progress monitoring, evaluation, and communication. Some progress has been made in internal protocols, such as creating more effective and accurate board agendas, the quality of board resolutions, re-establishment of active board committees, increased frequency and quality of professional development in bilingual education, and more interactive and data driven principal meetings. Dedicated executive leadership training for central office leaders is essential now and for the foreseeable future. The primary focus of the training and the next iteration of the LTSAFP must be improving academic outcomes for all students.

In addition to the above four focus areas, the academic monitor attends regular cabinet meetings, assistant superintendent meetings, principal meetings, school leadership meetings, district meetings with the NAACP and the New York Civil Liberties Union (NYCLU), and meetings with vendors who are implementing LTSAFP recommendations.

Report of the Fiscal Monitor

Work of the Fiscal Monitor

The fiscal monitor has focused on the following activities during the first half of the 2023–2024 school year:

- *“Walk In” Board Agenda Items:* Prior to the amendment of Chapter 89 in 2021 to give the monitors additional authority, board members regularly introduced resolutions at board meetings that had not been vetted for academic or fiscal impact. Board members often placed such “walk in” items on the agenda without providing advanced notice to the superintendent. Since July 1, 2021, the practice of the board has changed significantly, and no “walk in” items have been placed on a board agenda since that date.
- *Review of board agenda items:* During the first half of the 2023–2024 school year, the monitors reviewed every board agenda prior to the public meeting. Due to concerns regarding certain proposed agenda items, the fiscal monitor has on numerous occasions requested further information and documentation from the district administration. Upon review of the materials submitted, the fiscal monitor asked for items to be removed from the agenda pending further clarification. In some cases, these items were placed on future agendas after satisfactory documentation was provided to the fiscal monitor. In other cases, the items were never placed on a board agenda. This review process has obviated the need for the monitors to veto any board actions because only agenda items that have been pre-approved by the monitors are placed on the board agenda.
- *Recruitment of Staff:* The monitor has assisted the district in the recruitment of persons for the positions of Transportation Director, Facilities Director, and Business Manager. As of the date of submission of this report, February 8, 2024, these positions remain unfilled, and recruitment for both instructional and non-instructional staffing needs remains a challenge.
- *Capital Construction Projects:* The monitor participates in weekly meetings with the district’s architect and construction managers and district personnel to receive updates on facility projects. Monthly updates from the construction managers are posted on the on the district website at: <https://www.ercsd.org/Page/11637>
- *District Audits:* The fiscal monitor-participated in discussions with all district auditors (Internal Auditors, External Auditors, Claims Auditors) to ensure transparency of information. The monitor assisted the district to develop the Audit Action Plan to organize the district’s effort to comply with all auditors’ comments.
- *Purchasing Policy:* The fiscal monitor worked with the district to institute a revised purchasing policy that eliminated the past practice of some district staff purchasing supplies and materials without appropriate prior approved purchase orders. In February 2023, over 80 notices were sent to various staff members indicating recent unauthorized purchase orders would not be processed until correction action was taken. The monthly claims audits prepared for board meetings show that unauthorized purchases have been eliminated.
- *Cash Flow Estimates:* The fiscal monitor participated in discussions with bond counsel and fiscal advisors to ensure submission of accurate cash flow estimates to support future bond borrowings.
- *Energy Performance Contract:* The Energy Performance Contract administered by Ameresco, Inc., which was approved by the board in February 2023, has received all

required NYSED approvals for the district to begin construction and implementation. However, the project was not able to begin because of the district's lack of access to credit markets. (See next section: District Fiscal Challenges.)

District Financial Challenges

A Forewarned Crisis:

The fiscal monitor has provided numerous warnings regarding the district's impending fiscal crises:

- In an April 4, 2022, letter to Commissioner Rosa regarding the district's proposed 2022–2023 school year budget, the fiscal monitor noted that the district faced a number of challenges to achieving long-term fiscal stability. Among the challenges identified were rapidly increasing transportation costs and costs associated with newly enrolled public school students, particularly English language learners; the return of expenses to the General Fund once COVID response funds were no longer available; and the need for additional revenues, particularly through voter approval of tax levy increases in the district's budget. The monitor concluded the letter by stating that “continued diligence was needed to ensure the district proactively addresses the long-term challenges that have been identified in the report.” (See: [Fiscal Monitor Findings and Recommendation Regarding the ERCSD 2022-23 ENGLISH](#))
- In a memo dated July 21, 2022, the fiscal monitor forewarned the board and superintendent that the district was facing a major impending financial issue for reasons similar to those identified in the April 4, 2022, letter. To underscore the need for action, the fiscal monitor read the letter at the August 3, 2022, board meeting. (See [Pending Fiscal Crisis](#)).

2023–2024 School Year Budget Development

The 2022–2023 school year budget included \$31,873,457 in non-recurring Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) funds. Therefore, a plan to reduce expenditures was needed to ensure that the 2023–2024 school year budget would not be structurally unbalanced due to the loss of these federal stimulus monies. The 2023–2024 school year budget calendar approved by the board at the September 13, 2022, meeting required that budget guidelines be issued in November 2022. These guidelines were required to include a clearly defined process by which the necessary expenditure reductions would be identified and dates by which budget reduction and balanced budget code milestones would be met. These guidelines resulted in the following:

- **Superintendent Review of Line-Item Budgets.** A line-by-line review of the 2022–2023 school year budget was undertaken to identify personnel efficiencies, reductions in programs, and increases in revenue to ensure that the June 30, 2023, fund balance was positive.
- **Weekly Submissions of Superintendent’s Cost Saving Recommendations:** Beginning in September 2022, the superintendent began to provide Capital Markets, Hawkins Delafield, and both monitors written weekly updates on recommendations regarding progress made on the 2022–2023 School Year Expenditure Reduction Plan. The weekly updates included:
 - specific line items and dollar amounts;
 - the programs and number of staff affected by the reductions, including their salaries and benefits;
 - savings in the areas of supplies and materials and contractual obligations impacted; and
 - the date of implementation of the reductions.

The district was able to end the 2022–2023 school year with a significant fund balance, primarily because of the large increase in State aid. However, the district’s underlying long-term structural imbalance due to rising costs and lack of additional tax-levy revenue remained unresolved as the district entered the 2023–2024 school year.

Access to Credit Markets and Projected Cash Deficit:

- In October 2023, East Ramapo’s Financial Advisor-Capital Markets Advisors (CMA), prepared and circulated a Request for Proposals (RFP) for lease financing and attempted to secure financing for the district from that time until the end of the reporting period. CMA contacted many financial institutions, none of which were willing to finance the Energy Performance Contract as a result of the Moody’s credit rating agency in August 2023 assigning a negative outlook to the district’s Baa3 (near junk bond) rating.
- Not only has the district been unable to find a lender to arrange the borrowing necessary for the district to implement the EPC, but also there is real risk that the district will be unable to find lenders willing to issue tax anticipation notes (TAN) or revenue anticipation notes (RAN) on behalf of the district. Lack of access to the credit markets will materially and adversely impact the district’s ability to fund its future operating needs.
- As of the date of this report, the district’s cash flow estimates project that the district will have insufficient funds to pay all its obligations that will come due in summer 2024 if the district is not able to secure a TAN or RAN. This is because the district will not receive State aid and tax levy revenues for the 2024–2025 school year until October 2024.
- **Development of 2024–2025 School Year Proposed Budget**

- Beginning in January 2024, the district has been developing the proposed 2024–2025 school year budget. After many hours of review, those involved in budget development concluded that the proposed 2024–2025 school year budget cannot be balanced without significant reductions in expenditures. This situation is in large part due to the revenue that the district has foregone over the past decade because of the failure of voters to approve any increase in the district’s tax levy.
- District staff are expected in the next few weeks to finalize the proposed 2024–2025 school year budget for submission to the board. The proposed budget projects that the district will experience significant increases in costs related to:
 - Transportation due to increased costs of service plus increased enrollment
 - Staffing due to increased public school enrollment, with the majority of new students being English language learners.
- To balance projected 2024–2025 revenues and expenditures, the district will need to consider expenditure reductions that could result in:
 - Increased class sizes;
 - Elimination of music and art programs;
 - Elimination of library in kindergarten through grade six;
 - Reduced support staff in all areas, including guidance counselors and social workers;
 - Elimination all extracurricular and co-curricular activities including music and performing art groups;
 - Elimination of all sports, including varsity teams;
 - Elimination of all math and science courses that are not required to earn a High School diploma;
 - Implementation of a split schedule in grades 7–12 that limits students to only mandated instruction;
 - Assigning one person to serve as principal for two schools (with the approval of the New York State Education Department);
 - Elimination of daily cleaning of buildings; and
 - Reductions in security staff
- In the event the above reductions were to be implemented, the level of learning loss that students would experience would be unprecedented and antithetical to the intent of Chapter 89, which was to ensure that educational outcomes for the students attending schools in the district increased.
- As of the date that this report is submitted, the monitors believe it is likely that the monitors will need to inform the Commissioner that the district’s proposed budget is neither academically nor financially sound. Consequently, the monitors will likely submit recommendations to the Commissioner that she direct the district to take actions to improve the district’s long-term financial stability and better align the proposed budget with the district’s LTSAFIP.

Conclusion

It cannot be stressed too much that failure to immediately implement a Financial Efficiencies and Expenditure Reduction Plan jeopardizes the availability of future debt service instruments, thereby placing at risk both the entire educational program and the financial viability of the ERCSD.

Should the steps specified above not be implemented with timely planning, execution, and full fidelity, the monitors will use their authority under the law to compel district compliance and/or notify the Commissioner of the need for intervention to ensure the fiscal and programmatic integrity of the district.

The crisis about which the monitors have warned is now upon the district, and the time for targeted action is now.

Sincerely,

Bruce Singer

Dr. Shelly Jallow

Bruce Singer
Fiscal monitor

Dr. Shelley Jallow
Academic Monitor

Projected Deficit – Years ending 2026 thru 2028:

	0% increase in tax Levy			0% increase in tax Levy			0% increase in tax Levy		
	PROJ BUDGET	DOLLAR CHG	***%	PROJ BUDGET	DOLLAR CHG	***%	PROJ BUDGET	DOLLAR CHG	***%
REVENUE									
Local Tax Levy	\$154,490,227	\$0	0.00%	\$154,490,227	\$0	0.00%	\$154,490,227	\$0	0.00%
Local Misc Rev	\$5,106,551	\$0	0.00%	\$5,106,551	\$0	0.00%	\$5,106,551	\$0	0.00%
State	\$166,523,301	16,990,653	11.36%	\$183,853,767	17,330,466	10.41%	\$196,530,842	12,677,075	6.90%
Federal	\$1,165,020	22,732	1.99%	\$1,188,203	23,184	1.99%	\$1,211,849	23,645	1.99%
Transfers In	53,055	0	0.00%	53,055	0	0.00%	53,055	0	0.00%
TOTAL REVENUE	327,338,153	17,013,384	5.48%	344,691,803	17,353,650	5.30%	357,392,524	12,700,721	3.68%
EXPENDITURES									
Salary and Benefits Costs	199,662,926	13,062,061	7.00%	213,639,331	13,976,405	7.00%	226,457,691	12,818,360	6.00%
Other	144,100,000	2,747,000	1.94%	150,376,000	6,276,000	4.36%	155,929,000	5,553,000	3.69%
TOTAL EXPENDITURES	343,762,926	15,809,061	4.82%	364,015,331	20,252,405	5.89%	382,386,691	18,371,360	5.05%
SURPLUS/DEFECIT	-16,424,773			-19,323,528			-24,994,167		
BEGINNING FUND BALANCE (unassigned)	391,749			(16,033,024)			(35,356,552)		
Total reserves 6/30/23**									
Other changes to fund balance									
YEAR END BALANCE*	-\$16,033,024			-\$35,356,552			-\$60,350,719		
BALANCE AS% OF EXPENDITURES	-4.66%			-9.71%			-15.78%		
FUND BALANCE AS # OF MONTHS OF EXPEND	-0.56			-1.17			-1.89		

- *Notes:
1. Projection reflects 0% increase in tax levy revenue
 2. State aid is estimated at 2% increase each year, plus \$7 million for foundation aid each year.
 3. Additional transportation aid estimated as follows;

State Aid on increase in Transportation costs
5,439,061.53 24-25 Projected State Aid
7,180,840.46 25-26 Projected State Aid
7,412,955.30 26-27 Projected State Aid
2,273,306.29 27-28 Projected State Aid

4. Salary increases for projected increases in enrollment and contractual obligations.

5. Transportation projected at 15% for 2025 and CPI of 4% forward through 2028
6. Potential Bond Referendum Obligations for BCS not factored until voter support is secured.
7. It is anticipated that reserves established at 6/30/2023 will be depleted by 2026.
8. \$10 million factored for capital improvements each year due to ADA requirements and increased costs.
9. Increases to BOCES expenditures reflect planned capital project. ERCSD responsible for the greatest share in financial support of Rockland BOCES.



Cash Flow Projection

2024-2025 Monthly Cash Flow Projected (000's omitted)	Updated	2/6/24	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	12 Month Total
Balance (beg. of month)			24,415,734	(8,666,300)	(24,061,336)	17,616,320	99,224,356	86,602,725	60,340,367	31,677,647	1,364,673	4,511,627	(7,517,208)	(3,784,371)	24,415,734
Receipts:															
Property Taxes															
State Aid- Current Year															
State Aid & BOCES - Prior Year															
NYS & NYS Aid Other															
Short-Term Borrowing - proposed															
Interest Income															
Rental Income															
Other Revenues															
Medicaid															
Health Insurance Contributions															
BOCES Refund															
Repayment of Advance (C-Fund)															
ARRSA															
ARRSA-Capital															
ARRPA- Other															
Total Receipts															
4,307,684	6,094,077	69,442,501	116,601,026	22,456,602	14,168,992	10,295,103	1,665,150	40,644,669	18,844,580	40,892,005	43,546,391	388,852,087			
Balance and Receipts															
28,723,417	(2,572,223)	45,381,166	134,217,346	121,680,958	100,771,717	70,635,470	33,342,798	42,009,342	23,356,207	33,374,797	39,761,820	413,267,820			
Disbursements:															
Warrants															
13,541,160	4,780,054	9,977,098	5,040,399	4,832,940	10,046,463	14,290,186	9,925,888	11,437,329	9,574,590	9,078,863	9,899,081	112,424,051			
Transportation															
7,330,693	1,148,300	44,213	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	72,423,206	
Payroll															
1,740,916	1,704,500	7,480,034	10,847,275	10,429,556	15,782,504	10,677,637	10,677,637	10,677,637	10,677,637	10,677,637	16,210,504	36,744,175	143,650,010		
Payroll - ARPA/CRRSA/TITLE															
0															
Prior Year Retro															
Debt Service															
TRS Payments															
TAN Payment															
Library Tax Levy															
Legal Settlements															
Advances to H-ARPA Capital															
11,066,415	10,656,238	4,035,212	1,902,177	1,256,529	792,810										
Advances to Other Funds (Trans															
3,710,533	3,200,021	4,100,000	4,005,642	11,459,208	4,675,000	6,890,000	4,274,800	6,573,000	2,770,000	4,770,000	4,000,000	4,000,000	4,000,000	60,428,004	
Total Disbursements															
37,389,717	21,489,113	27,764,846	34,992,991	35,078,232	40,451,350	38,957,823	31,978,125	37,497,716	30,873,415	37,159,367	58,120,312	431,733,005			
Balance (end of month)															
(8,666,300)	(24,061,336)	17,616,320	99,224,356	86,602,725	60,340,367	31,677,647	1,364,673	4,511,627	(7,517,208)	(3,784,371)	(18,358,492)	(18,465,185)			
(includes restricted reserves)															

