



BUDGET EDITION 2011

The Beacon of Hope

EAST ISLIP UNION FREE SCHOOL DISTRICT

Budget Preserves Programs & Services

Commitment to Restrained Spending Maintained; State Aid Loss Is Key Factor in Taxes, but District Applies Nearly \$4 Million in Reserves and Fund Balance to Help Soften Impact

On Tuesday, May 17, voters in the East Islip School District are asked to cast their ballots on a proposed school budget for 2011-12 that includes efficiencies to restrain spending, while largely preserving the current instructional program, staffing, and programs for students.

The budget carries a spending increase of 3.10% and a tax levy increase of 6.98%. These figures are mostly driven by sizable increases in mandated pension contributions, health insurance premiums, transportation costs, and significant loss of state aid (more than \$2 million). The cut in 2011-12 state aid comes on top of a loss in aid during the current school year. **The Board of Education has applied \$2 million in reserves and nearly \$2 million in fund balance to help offset this loss of revenue.**

"Spending increases have averaged 2.5% in the past four years," said Board of Education President Ken Cronin, who noted that salary freezes this year and a portion of next year



Appropriate Class Size and Critical Programs **Preserved**, Including Full-Day Kindergarten



Elementary Music, and Art Programs Are **Intact**

Other **Programs that Remain Intact** include BOCES Summer School and Career/Technical Education

helped limit increases in the budget." Residents have consistently told us that they want the Board to preserve the district's instructional program and services to students in as cost-effective a manner as possible. That is what this budget delivers."

Key Points About the Budget

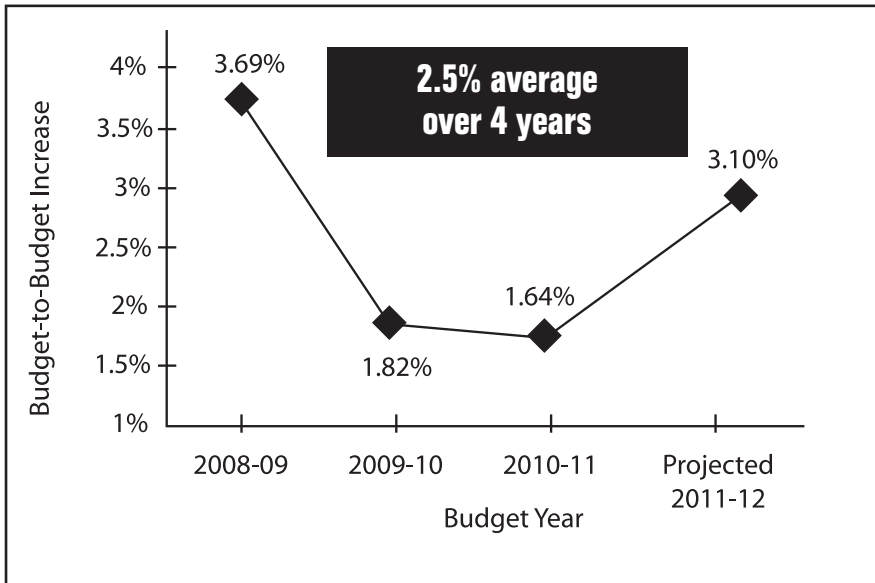
- It preserves programs and services for students and families – our core mission.
- It addresses the tax levy challenge brought about by numerous factors out of the district's control.

The Need for Efficiencies

As a result of discussions with the Building Utilization Committee [and endorsed by the Budget Advisory Committee (BAC)], the Board of Education has decided to close the Early Childhood Center,

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Continued from the front page

which will save hundreds of thousands of dollars annually. However, full-day kindergarten will be preserved and offered through the elementary schools if the budget is approved. This closing eliminates some instructional and non-instructional positions in the district. The Board also accepted BAC recommendations for elimination of the Middle School athletics program and other efficiencies made throughout the district to restrain spending.

This budget maintains BOCES summer



school, elementary music and art, career and technical education programs and full nine-period days at

our secondary schools.

Under a contingency budget, reductions of approximately \$1.4 million from the proposed budget will be required if the budget does not meet with public approval. This may result in the elimination of full-day kindergarten, elimination of programs and services that were preserved by the Board of Education, and elimination of staffing associated with those programs.

The Story of the 2011-12 Budget

Expenditure increases have averaged 2.5% annually over the past four years. The Board has worked hard to restrain spending in the interest of taxpayers.

But external forces have had an undue influence on the budget for next year. As you can see in the chart below, the impact of mandated increases in employee retirement contributions and increases in health insurance premiums alone represent a 5.55% increase in taxes, and a \$2.1 million loss in state aid represents a 3.54% increase in taxes. **These factors are not controlled by the district.** Therefore, the Board had to work very carefully to reduce this tax impact by reducing projected spending in other areas, while preserving important programs for students.

	2010-2011 <i>FINAL</i>	2011-2012 <i>ADOPTED</i>	2011-12 H/(L) <i>THAN 10-11</i>	<i>Tax Rate</i>
Major categories of change	<i>BUDGET</i>	<i>BUDGET</i>	<i>BUDGET</i>	<i>Impact</i>
Employee Retirement System (ERS)	1,086,000	1,462,974	376,974	0.62%
Teachers Retirement System (TRS)	3,775,812	5,377,124	1,601,312	2.65%
Health Insurance	9,440,593	10,819,900	1,379,307	2.28%
Total cost impact	14,302,405	17,659,998	3,357,593	5.55%
State aid revenue impact	33,861,934	31,721,230	-2,140,704	3.54%
Tax rate impact	<i>This is the challenge faced by the district this year: large tax impacts just from the factors that are out of our control!</i>			9.09%



Board Addresses Challenges with Careful Efficiencies to Preserve Programs

Facing a host of mandated cost increases and a substantial loss of state aid, the Board of Education has enacted careful spending efficiencies to offset the challenges imposed upon the district, while doing its best to preserve the programs that the community expects and values.

Over the past two years, spending increases have been limited to 1.82% and 1.64%. This has required substantial reductions in spending across the board. "The budget decisions of the past two years were critical to meet the goal of providing modest increases in a time of recession," said Assistant Superintendent for Business Carl Fraser. "However, this has given us few avenues to turn to for additional cost reduction in 2011-12 without impacting the core education program. We have to be mindful of this as we consider our future."

In addition to previously mentioned reductions, the security and technology budgets have been reduced, and one administrative position has been eliminated. These are but a few of the key efficiencies in a broad effort to continue to reduce spending in a thoughtful manner.

Early Childhood Center to Close

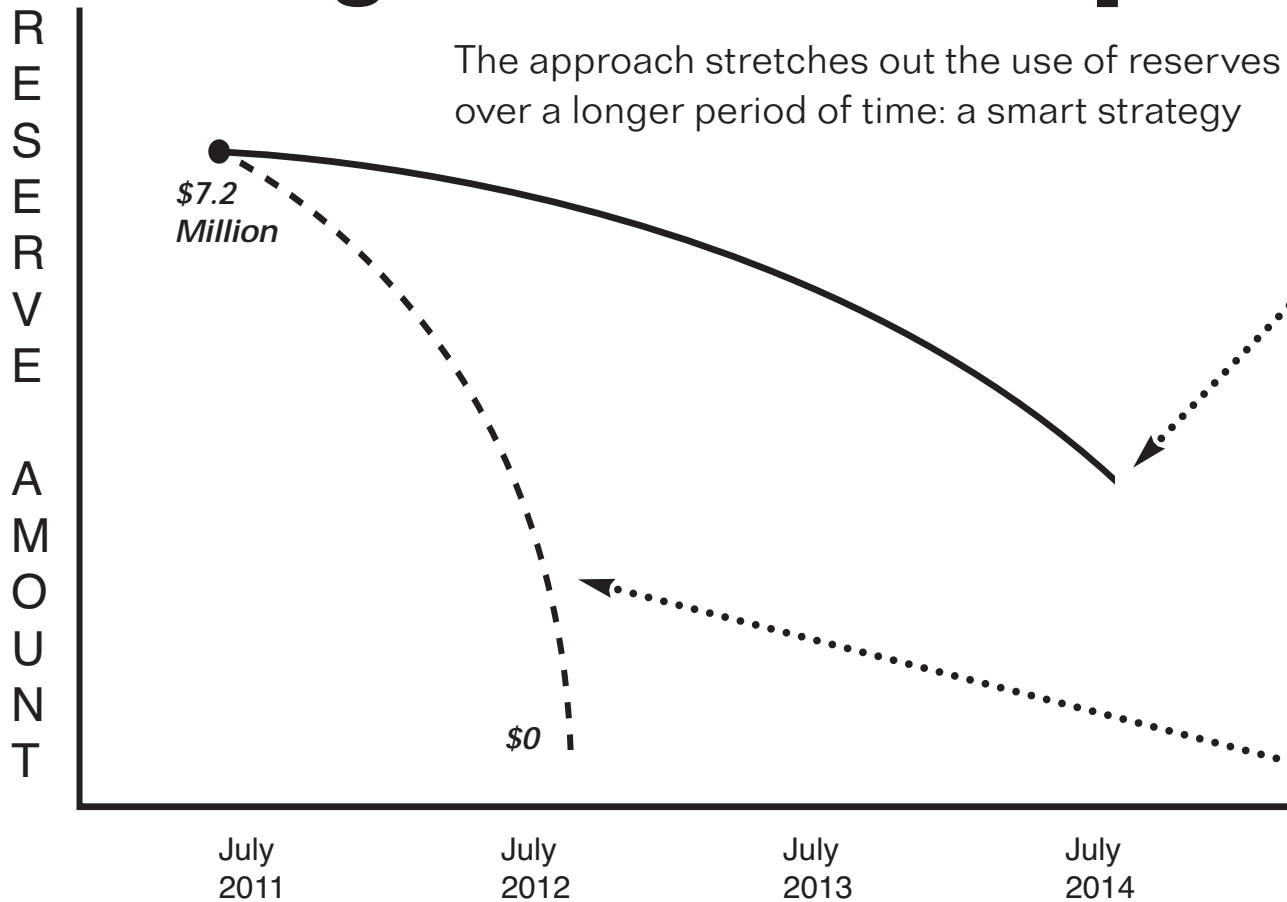
Our elementary schools will now house Pre-K and Kindergarten students with the closing of the Early Childhood Center (ECC) to create greater efficiency. Teachers from the ECC will be moving into the elementary schools, which have appropriate space to house the students. All student services will be maintained. The closing of the ECC will save about \$350,000 per year, and the district will seek to lease the space to an appropriate educational agency or non-profit to generate revenue.

Pre-K Special Education previously offered in-district will be transferred to outside programs. However, full services will still be provided (as required by law) and will be coordinated by the district.

What Was Preserved for 2011-12

- **Full-day kindergarten in elementary schools**
(May be reduced under contingency)
- **Current transportation guidelines**
- **Current class size**
(May increase under contingency)
- **BOCES summer school**
(May be eliminated under contingency)
- **Career and technical education program**
(May be eliminated under contingency)
- **Elementary music and art programs**
(May be significantly reduced under contingency)

Using Reserves Properly



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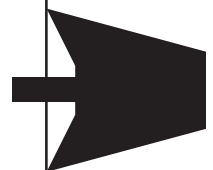
Why would taxes be higher under a failed budget than an approved budget?

If approved, the school tax levy will rise 6.98%, or roughly \$38 a month for an average home assessed at \$40,000. But if the budget fails and the Board must adopt a contingency budget, the resulting tax increase is projected at 10.63%, or about \$58 per month.

Why? A contingency budget requires, by law, a reduction of nearly \$1.4 million in spending from the current proposed budget. To meet this requirement, the district would likely reduce full-day kindergarten to half-day and eliminate many other programs and staff which the Board has preserved thus far. The opportunity to restore these programs in the future will not be available if fund balance and reserves are applied to further reduce the tax levy because they are ONE TIME applications. This is the reason why fund balance and reserves will not be applied, which in turn will result in a higher tax levy increase.

Simply stated, if there is a reduction in spending due to contingency, the hole in the budget the following year will be substantial, and using the reserves to offset this reduction will be disastrous, especially when districts are facing the likelihood of a 2% cap in 2012-13. In other words, there will be a greater need to use the reserves then, as opposed to next year.

It has been noted that numerous school districts on Long Island are faced with a similar situation: modest spending increases, but higher taxes due to the loss in state aid, which means it is critical to consider a multi-year view when using one-time revenues such as reserves.



DISTRICT'S CURRENT PLAN FOR USE OF RESERVES

The district must use its reserves more aggressively due to losses in state aid and persistent cost increases beyond our control. IT'S THE RIGHT THING TO DO. But within the next three years, these reserves could be completely exhausted, which is something the district has to try to avoid in order to maintain its fiscal health. Stretching out the use of reserves helps address the likely implementation of a tax cap and mitigate the impact of program cuts and tax spikes, while possibly replenishing reserves to some extent.

Remember: using reserves is like paying for groceries with your savings account instead of your household budget. If the savings run out, you can't buy more groceries! If our district's reserves (our savings) run out, and we have been using this money to pay for hundreds of dollars of programs, the programs can no longer be funded without requiring hundreds of additional tax levy dollars from community residents.

NOT APPLY EVEN MORE RESERVES THIS YEAR?

A dangerous move and is NOT ADVISABLE. The district is already applying \$3.6 million in reserves to next year's budget, which is \$500,000 higher than this year's allocation. Additional reserve application only accelerates the loss of these one-time funds, and could result with little reserves left in July of the next year at a time when a tax cap further limits the amount of revenue that can be raised. This likely will create a LARGE hole in next year's budget. If this happens, massive reductions in spending would take place that have never been experienced in the district. The district must do its best to preserve some portion of reserve funds to smooth out the transition to the likely tax cap and expectation of no significant new revenues in future years.

▶ **6%**

If the district must go on contingency AND reserves are still applied (which is not advisable), the district will start the 2012-13 budget already with a projected 6% tax increase before considering any cost increases. That would require MASSIVE cuts, especially with a tax cap in place.



Our All-State musicians are just one example of the pride of East Islip!

EAST ISLIP PRIDE CONTINUES TO SOAR!

- **Three seniors were named Commended Students in the 2011 National Merit Scholarship Program.**
- **More than 1,800 students participated on one of 73 interscholastic athletic teams.**
- **Seventeen Athletic Teams earned NYSPHSAA Scholar-Athlete Team Awards.**
- **Fifty-two student-athletes earned Honor Roll status.**
- **Varsity teams had numerous student-athletes selected to All-League, All-Conference, All-County & All-Long Island status and one student athlete was named All-American.**
- **Seven teams were crowned as League Champions.**
- **Twenty-seven High School students were selected to perform as members of the NYSCAME.**
- **Thirty-six students were selected to perform in SCMEA All-County performing ensembles.**
- **Nine students were represented at the Martin Luther King, Jr. art exhibit in Albany, N.Y.**
- **One HS student won "Best in Show" for Electronic Illustration at the Long Island Media Arts Show.**
- **The High School Newspaper *The Broadcaster* has again been honored for its excellent journalism. This year *The Broadcaster* staff has received a total of 5 Quill Awards.**
- **Six students were selected to perform with the Long Island String Festival.**
- **Seven students were nominated for Islip Town Teeny Awards as well as the Pit Orchestra and Stage Crew.**
- **Six students were selected to perform in the 2010 NYSSMA All-State performing groups.**
- **Our Best Buddies program fosters friendships between students with disabilities and general education students.**
- **Approximately 50 high school and middle school soccer students volunteer their time to teach soccer to students with autism and special needs.**

EAST ISLIP HIGH SCHOOL

- College-bound students have been accepted to a variety of colleges including: Duke, Harvard, Dartmouth, Princeton, Brown, Johns Hopkins, Colgate, Stanford, Lehigh, Lafayette, Bard, Hunter, MIT, RIT, Drexel, Yale, Bucknell, Gettysburg, SUNY Geneseo, SUNY Binghamton, SUNY Stony Brook, Boston College, UNC-Chapel Hill, Florida State, Babson, Brandeis, Skidmore, SUNY Albany, SUNY Oneonta, SUNY New Paltz, Tulane, Franklin Marshall, Loyola, Penn State, UCONN, Notre Dame, Purdue, Providence, Siena, Marist, Georgetown, NYU, RPI, James Madison, Boston University, Fordham, Tufts, George Washington, Cornell, Columbia, U.S. Merchant Marine Academy, Adelphi, Hofstra, Syracuse, Rhode Island School of Design, Wesleyan, SUNY Maritime, Vanderbilt, College of William & Mary, Johnson and Wales, Bowling Green State, and many others.
- Our Class of 2011 was offered \$4,084,666 in scholarships to date.
- Students are involved in numerous community service projects including peer tutoring, working in soup kitchens, and collecting food for the holidays.
- Our Career Academy, "Environment Green" is in its third year at the East Islip High School and has expanded this year to include a Global Business Academy. This initiative combines academics with real-life learning experiences. The program has received recognition from businesses and other school districts all around Long Island and offers our students an abundance of learning experiences.
- The High School hosted its first annual college fair and workshops for both students and parents, which included more than 70 college representatives.



EAST ISLIP MIDDLE SCHOOL

- "Team" concept of instruction provides interdisciplinary activities and experiences while providing social support as students enter adolescence.
- Differences, tolerance and camaraderie are celebrated during Pride and Acceptance Weeks.
- Character Education promotes positive character traits throughout the year.
- Students participate in multiple food drives, pay visits to local hospitals, and are involved in other philanthropic activities.
- Yearly productions of a Middle School musical and our fine concerts demonstrate the excellence of our programs and show off the talents of our students.
- Clubs and activities provide opportunities for students to explore varied interests.
- The physical education staff helps to promote healthy choices and utilizes a state-of-the-art fitness center for students.
- Grade-level assemblies promote Internet safety, tolerance, anti-drug, anti-bias and anti-bullying messages.

ELEMENTARY SCHOOLS

- Interactive Promethean Boards are available for our students' use in several classrooms and in our computer labs.
- All 3rd, 4th, and 5th grade classes are equipped with LCD projectors, which enhance instruction.
- Students in each school participated in fundraisers for Japan to support those in need while learning valuable lessons in character education.

2011-12 Proposed Budget & Revenues

EXPENDITURES

Description	2010-11 Approved Budget	2011-12 Proposed	Difference From 2010-11
Board of Education Includes operational expenses, district clerk, district meetings, etc.	\$58,771	\$59,766	\$995
Central Administration Includes operational expenses and salaries for the Office of the Superintendent.	358,137	361,319	3,182
Finance Includes expenses for accounting, treasurer, purchasing, fiscal advisors.	765,998	793,252	27,254
Staff Includes expenses for legal costs, personnel, public information, and administration.	565,351	573,022	7,671
Central Services (Operations & Maintenance) Includes expenses and salaries related to the operation and maintenance of district buildings, central services, and first-year expense of \$16,812 for a multi-year equipment lease of a John Deere wide area mower. Total 3-year (2011-2014) price is \$50,486 (district will own equipment at end of lease). Central Services also includes first-year expense of \$7,860 for a multi-year mailing equipment (with attachments). Total five-year (2011-2016) expense is \$41,265.	7,457,085	6,998,589	(458,496)
Special Items Includes costs for insurance, dues, and BOCES.	1,255,906	1,256,800	894
Total GENERAL SUPPORT	10,461,248	10,042,748	(418,500)
Administration & Improvement: Building	4,984,520	5,079,272	94,752
Teaching Expenses: Regular School	35,734,943	36,198,278	463,335
Special Education	11,908,143	12,108,424	200,281
Occupational Education	340,000	272,672	(67,328)
Special School Services	197,250	193,000	(4,250)
Computer & Media Services	246,620	251,693	5,073
Pupil Personnel	3,645,269	3,503,987	(141,282)
Total INSTRUCTION	57,056,745	57,607,326	550,581
Total TRANSPORTATION The transportation contract between Suffolk Transportation Systems Inc., and the East Islip Union Free School District is for five years. Total five-year (2009-2014) price is \$30,006,882.86. This multi-year contract results in a savings for the district.	5,512,772	5,903,407	390,635
Total COMMUNITY SERVICES (RECREATION)	230,723	239,538	8,815
Fringe Benefits	20,815,685	23,817,618	3,001,933
Debt Services (TANS)	593,100	550,000	(43,100)
Interfund Transfers	6,131,274	5,769,002	(362,272)
Total UNDISTRIBUTED	27,540,059	30,136,620	2,596,561
TOTAL BUDGET	\$100,801,547	\$103,929,639	\$3,128,092
Percent Increase			3.10%

REVENUES

Description	2010-11 Approved Budget	2011-12 Proposed	Difference from 2010-11
State Aid	\$33,861,934	\$31,721,230	\$(2,140,704)
Federal Jobs Fund	0	668,093	668,093
Other Revenue This revenue comes from areas such as interest income, rental of facilities, tuition, before and after Care Program, and other fees.	3,202,888	3,083,538	(119,350)
MTA Tax Reimbursement	175,406	175,406	0
Applied Surplus (FUND BALANCE)	1,873,700	1,873,700	0
Appropriated Reserves	1,226,661	1,726,661	500,000
Tax Levy & STAR Payments	60,460,958	64,681,011	4,220,053
TOTAL REVENUES	\$100,801,547	\$103,929,639	\$3,128,092
Tax Rate Per \$100/AV	\$17.118	\$18.312	\$1.195
Tax Rate Increase	2.88%	6.98%	
Total Assessed Value	353,207,705	353,207,705	
Homestead AV	314,784,606	314,784,606	
Non-Homestead AV	38,423,099	38,423,099	

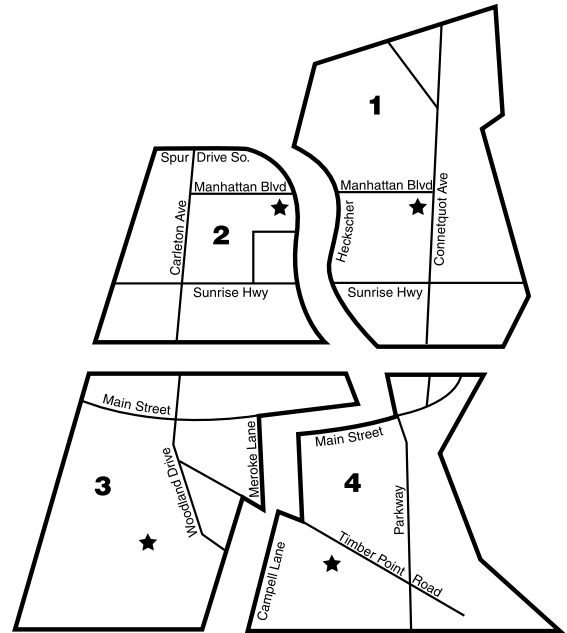
*** ECRWSS *** Postal Customer • Local Resident Delivery

Voting Information

May 17, 2011 • 8:00 a.m.- 9:00 p.m.

Voting Districts

1. Connetquot Elementary School
2. Ruth C. Kinney Elementary School
3. John F. Kennedy Elementary School
4. Timber Point Elementary School



Voter Registration Books Inspection

May 11 - Registration books open for inspection during school hours in the District Clerk's office in the Early Childhood Center five days prior to the budget vote and on Saturday, May 14 by appointment between the hours of 11 a.m. and 12 noon.

Qualifications for Voting

You must be 18 years of age and a citizen of the United States and...
a) be registered with the Suffolk County Board of Elections, or
b) have voted in a school, library, or general election in the East Islip School District within the past four years, or
c) have registered with the School District by May 11, 2011.

Absentee Ballots

Absentee ballots can be obtained from the District Clerk in the administration building. Absentee ballots, if delivered in person, must be received by the District Clerk by 5:00 p.m. on May 17, 2011. If mailed, absentee ballot applications must be received by the District Clerk by May 10, 2011. Questions? Please contact the District Clerk at 224-2013.

If you have a question about the budget, please call or email Assistant Superintendent for Business Carl Fraser at 224-2040 or cfraser@eischools.org

Tax Calculator

(Assessed Value) x (.01142)

Example Using Average East Islip Home:

(\$40,000) x (.01142) = \$457

or \$38/month



Visit our Website at www.eischools.org

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This newsletter is published by the Board of Education as a community service to inform the public of school news and business. If you have any questions, please feel free to call 224-2000 or fax 581-1617.