SAX Accounting Tax I Advisory

East Ramapo Central School District
Forensic Accounting Services
RFP-ER-3-26

June 2, 2026

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- Exhibit 1 – Documents Considered
- Exhibit 2 – Appeal of Ana Maeda, Interim Decision and Order dated July 31, 2024
- Exhibit 3 – April 3, 2025 – Report of Robin L. Lois, CPA, New York State Deputy Comptroller
- Exhibit 4 – March 29, 2023 – Monitor Findings
- Exhibit 5 – April 11, 2024 – Monitor Findings
- Exhibit 6 – Proposed Revote Budget 2024 – 2025
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- Exhibit 8 – July 2024 NYCLU Petition
- Exhibit 9 – East Ramapo Audit Committee Charter
- Exhibit 10 – East Ramapo Audit Committee Charter - Amended

June 2, 2026

Ana Reluzco
Interim Superintendent of Schools
East Ramapo Central School District
105 S. Madison Avenue
Spring Valley, NY 10950

Re: RFP-ER-3-26 – East Ramapo Central School District

Dear Ms. Reluzco:

The following represents our findings to date related to the above captioned matter. Our opinions were formed based upon our evaluation and analysis of the information obtained, and documents examined through the date of this report.

We reserve the right to modify this report upon receipt of additional documents and information or provide a supplementary report at our discretion. Should you have any questions, please do not hesitate to contact our office.

Very truly yours,

Michael Brown, CPA, CFE, CFF
Partner

I. ASSIGNMENT

1. On or about August 26, 2025, Ferraro Amodio and Associates, LLC ("FAZ")[1] was retained by the East Ramapo Central School District ("ERCSD" or the "District") to perform forensic auditing[2] services pursuant to RFP-ER-3-26 (the "RFP").[3]

2. The request for proposal indicated that the District was seeking an accounting firm to review and analyze financial records, identify and investigate potential irregularities, assessing internal controls, tracing transactions, conducting interviews, and preparing a detailed report summarizing findings.

3. Based upon our initial discussions regarding our engagement, with representatives of the District and members of the Board of Education ("BOE"), concerns were raised regarding the District's purported budget deficit and the District's apparent financial reporting lapses, which were allegedly identified sometime in February 2024 by the prior fiscal monitor. In response to these concerns, FAZ focused its inquiry on gaining an understanding of the alleged deficit as well as the District's stewardship over the budgeting and financial reporting functions.

4. The following Report ("Report") outlines our findings and recommendations. Our analysis was conducted for this purpose only. No other purpose is intended or should be inferred. FAZ has no present or contemplated financial interest in any of the parties and our fees are not contingent upon the outcome of this matter.

[1] FAZ joined Sax Advisors LLC on April 17, 2026.
[2] We do not express an audit opinion or any other form of assurance. We have not performed any procedures to evaluate the reliability or completeness of any of the information obtained herein. Accordingly, we express no opinion or any other form of assurance on historical or perspective financial information.
[3] Engagement letter dated August 7, 2025, between FAZ Forensics and Ana Reluzco, Interim Superintendent of Schools for the East Ramapo Central School District.

II. QUALIFICATIONS

5. FAZ is a multifaceted boutique accounting firm specializing in forensic accounting, business valuation, litigation support, and business advisory services. Registered to do business in New York, we are committed to delivering high-quality forensic accounting expertise and strategic insights. With a proven track record of assisting clients in resolving complex financial matters, FAZ has earned a reputation for excellence in forensic analysis, fraud investigations, and financial dispute resolution.

6. FAZ is led by a team of five partners and supported by a highly credentialed staff. Our team includes Certified Public Accountants, Certified Fraud Examiners, and experts accredited in financial forensics and business valuation. FAZ provides forensic, investigative, and litigation services to a wide array of clients including governmental agencies (federal, state, and local), school districts and higher education institutions, law firms, insurance companies, and businesses across multiple industries. Our professionals are frequently recognized as expert witnesses in state and federal courts.

7. FAZ has no present or contemplated financial interest in the District, and our fees for this engagement are based upon the hourly rates as represented in our proposal.

III. SUMMARY OF FINDINGS

8. As part of our procedures, FAZ requested from the District and analyzed various documents. These items included but were not limited to audited and interim financial statements, budgets, fiscal plans, BOE meeting minutes, fiscal monitor reports and recommendations,[4] New York State Comptrollers Reports, District Risk Assessments and District Treasurer Reports. Some of these documents were provided directly by the District, others we obtained via the District's online document portal.

[4] Monitor recommendations to Commissioner of Education Betty A. Rosa dated March 29, 2023 by Bruce Singer, Fiscal Monitor and Findings and Recommendations dated April 11, 2024 by Brice Singer Fiscal Monitor and Dr. Shelley Jallow, Academic Monitor

9. The East Ramapo Central School District's fiscal issues in 2024–2025 were driven by a material breakdown in budgeting accuracy, financial reporting, and governance. The District projected a significant deficit and implemented tax increases based on those projections; however, audits and the District's own internal budget to actual reporting revealed a substantial budget surplus, indicating that its financial position had been fundamentally miscalculated.

10. A review of the District's monthly Treasurer's and Budget Status Reports reflects that many salaried positions were budgeted for in the District, yet those positions had never been filled, which played a significant role in the budget surpluses.

11. FAZ performed interviews and analysis to determine and understand why the District believed it was facing a significant cash deficit in early 2024, and performed an evaluation of the actions taken by the District and BOE regarding any corrective measures that have been implemented.

12. Subsequent to the alleged cash deficit, external audits and internal reviews at the District revealed that the deficit projections that were presented to the BOE were materially inaccurate. Per analysis and interviews, the deficit projections were prepared by the former fiscal monitor of the District; we were informed that these projections and the materials used to prepare the projections are no longer available. Financial reporting reviews and governance failures did not properly identify the incorrectly forecasted beginning cash balances presented to the BOE that triggered the alleged funding deficiencies in 2024.

13. Based upon our evaluation of the documents provided and interviews conducted with the BOE, the Assistant Superintendent for Business Eric Stark, and the District's state-appointed fiscal monitor Shawn Farr, in our professional opinion, continued improvements are recommended to strengthen financial oversight, enhance budgeting accuracy, and ensure greater transparency and accountability in the District's fiscal operations.

14. The District's projection of an operating deficit, which was subsequently contradicted by significant operating surpluses, indicates deficiencies in financial forecasting, budget monitoring, and internal control procedures over the financial reporting process. These deficiencies, in conjunction with a breakdown in effective BOE-level governance and financial oversight, impaired the BOE's ability to make informed financial decisions and suggests a need for enhanced oversight, improved reconciliation processes, and clearer transparency in financial reporting and budgeting.

15. In summary, we recommend that the BOE and Superintendent:

    (i) **Establish enhanced monthly financial reconciliation and budget protocols** that align the District's projected cash flow reports and reported cash balances with the monthly Treasurer's and Budget Status Reports of actual cash balances, and enhance transparency—particularly around reserve balances, projected deficits, and actual results.

    (ii) **Improve the reliability of overall financial management by implementing** and enforcing expanded training for District fiscal staff and members of the BOE who would benefit from programs in financial management, accounting, and fiscal oversight.

    (iii) **Invest in governance and establish credibility, stability and targeted incentives in order to address the historical leadership turnover** and attract new talent that can address the District's challenges, including the District's ability to consistently meet certain state education requirements.

    (iv) **Ensure that all members of the BOE possess a clear understanding of their respective roles and responsibilities**, as well as a full awareness of the committees to which they have been assigned. Monitor the formal requirement that all members of the BOE's audit committee possess a foundational level of financial literacy to effectively fulfill their oversight responsibility.[5]

[5] The East Ramapo Central School District audit committee requirements for Board of Education (BOE) members are governed by New York Education Law §2116-c and the District's Policy 6690.

(v) **Implement a requirement that the BOE should actively review the annual budgets on a line-by-line basis by** comparing proposed amounts to actual historical results, evaluating underlying assumptions, and requiring support for significant variances to ensure accuracy, transparency, and fiscal/academic accountability. In addition, formalizing internal controls around budgeting and monitoring (e.g., monthly variance analyses and BOE review) would improve accountability and decision-making, particularly at the BOE level.

(vi) **Implement a requirement that all recommendations to the District by the fiscal or academic monitors, the external auditors, or other outside consultants or experts** be consistently included as standing agenda items at BOE meetings, ensuring timely review, tracking, and resolution.

16. Rebuilding trust between the District, BOE and community is critical to any long-term solution, which needs to include more proactive communication with both public and private school communities regarding improved student outcomes, budget constraints frequent administrative turnover, and governance inefficiencies.

17. As noted above, the District experienced budget surpluses over the recent review period largely because budgeted positions for teachers, assistants, aides, and nurses were unfilled. Per discussions with the current fiscal monitor and Assistant Superintendent for Business, the District is now working toward filling these necessary positions to address student needs. However, as will be demonstrated throughout this report, the District remains heavily dependent on both state and federal aid. If the funding formula were to change, the District would face significant budgetary constraints.

IV. PROFESSIONAL STANDARDS

18. This engagement has been performed in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Forensic Services.[6]

19. The AICPA Statement on Standards for Forensic Services ("SSFS No. 1") establishes authoritative guidance for accountants performing forensic accounting engagements, including both litigation support and investigative services. It requires practitioners to maintain professional competence, exercise due care, plan and document their work, and base conclusions on sufficient, reliable evidence.

V. SOURCES OF INFORMATION

20. We performed various analyses as discussed herein based on the documentation and information requested and made available to date. A complete listing of documents relied upon for this report is attached as **Exhibit 1**.

21. FAZ has not independently verified the information, nor has it audited, reviewed, or compiled any of the financial information provided to us. Accordingly, we do not express an audit opinion or any other form of assurance on this information. We have not performed any procedures to evaluate the reliability or completeness of any of the information obtained. Accordingly, we express no opinion or any other form of assurance on historical or perspective financial information.[7]

22. We reserve the right to amend the analysis and this report should additional or updated information become available.

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[6] American Institute of Certified Public Accountants, *Statement on Standards for Forensic Services No. 1 (SSFS No. 1)* (New York, NY: AICPA, 2019), effective for engagements accepted on or after January 1, 2020.

[7] We did not perform an audit or review or compilation of the District's financial statements in accordance with Generally Accepted Auditing Standards ("GAAS"). GAAS is a set of systematic guidelines used by auditors when conducting audits entities ensuring the accuracy, consistency and verifiability of order actions and reports. In every audit the order obtains reasonable assurance about whether the financial statements are free of material misstatement, which includes material error, material fraud or certain illegal acts.

VI. ASSUMPTIONS & LIMITING CONDITIONS

23. Our analysis relates solely to, and is limited by, documentation provided to us as demonstrated by Exhibit 1. Our procedures do not constitute an audit, review, or compilation of the information provided and, accordingly, we will not express a conclusion or provide any other form of assurance on the completeness or accuracy of the information.

VII. BACKGROUND

24. The East Ramapo Central School District is located in Rockland County, New York and covers approximately 35 square miles. The District encompasses the Villages of Spring Valley and Monsey, and portions of Pomona, Suffern, Nanuet, New City, and Pearl River.

25. Per RFP-ER-3-26, the District operates an early childhood center, four elementary schools for students in grades kindergarten through 3rd grade, four elementary schools serving grades 3rd through 6th, one elementary school serving grades kindergarten through 6th grade, two middle schools serving grades 7th and 8th, and two high schools serving grades 9th through 12th. There are over ten thousand public school students, in addition to a large population of private school students in excess of thirty thousand students.

26. Per the New York State Education Department ("NYSED"), 78% of the public school students in the ERCSD are Hispanic or Latino, 60% of the students are English language learners, and 89% of the student population is considered economically disadvantaged.[8] As of the 2022 – 2023 school year, grades 3 through 8 assessment results in English language arts and mathematics were below the New York State average; only 22% of the District's students were proficient in English language arts, and 16% were proficient in mathematics. The New York State averages are 48% and 52%, respectively.

27. The District's four-year graduation rate as of 2023 was 63%, below the New York State average of 86%. In December 2025, Interim Superintendent Ana Reluzco informed the BOE that the New York State Education Commissioner Betty Rosa had ordered an

[8] https://data.nysed.gov/

investigation into the graduation figures presented by the District, indicating that the rates may have been inflated.

28. In addition to the public-school student population, most of the private school students are attending yeshivas that serve the Orthodox and Hasidic Jewish community. The Orthodox community has been growing rapidly in the area since the 1990s.

29. Under New York State Education Law § 3635, all non-city school districts are required to provide transportation to eligible students, which includes students in grades kindergarten through 8th grade who live more than 2 miles from the school they attend, and students in grades 9 through 12 who live more than 3 miles from the school they attend.[9]

30. The NYSED regulations cover both public and nonpublic schools, however, in the ERCSD, universal bussing is provided to all students provided that applications for transportation are submitted timely. As such, all students in the ERCSD are bused to school; further, the bus routes to the private yeshiva schools are separated by gender.

a. Transportation

31. For the 2024 to 2025 school year, transportation was over 20% of the overall school budget, significantly exceeding the budgeted transportation in other local school districts. For example, in neighboring Clarkstown Central School District, transportation was approximately 3% of the total proposed school budget for 2025 – 2026. At the Nyack Union Free School District, transportation was approximately 5.85% of the total proposed school budget for 2025 – 2026.[10]

32. This spending is driven largely by the District's obligation to transport a substantial population of nonpublic school students, a population which has continued to grow year over year. Additionally, the District has had documented issues with transportation in the past, including lack of documentation available to prove eligibility for school transportation, overall safety of the bussing available to students, and utilizing inaccurate

[9] https://newyork.public.law/laws/n.y._education_law_section_3635
[10] Determined via publicly available school budgets.

student headcounts to budget for transportation. Further, a preliminary report by Amman Consulting Group in November 2025 found that the District's transportation failures were driven by, "systemic and operational misalignments." Amman Consulting Group further found that the District lacks adequate oversight, transparency, and control over the 35 plus contractors transporting approximately 25,000 nonpublic school students.[11] Transportation constitutes one of the district's largest and most atypical cost drivers relative to peer districts.[12]

b. Board of Education

33. The BOE currently has nine (9) members who are elected by District voters, and the BOE members serve for 3-year terms. Current members of the BOE are:

- Shimon Rose, President, Ward 4;
- Sherry McGill, Vice President, Ward 3;
- Sabrina Charles-Pierre, Ward 2;
- Moshe Samuel Feder, Ward 8;
- Yitzchok Gruber, Ward 6;
- Moses Koth, Ward 7;
- Simon Koth, Ward 5;
- Hiram Rivera, Ward 1; and
- Ephraim Weissmandl, Ward 9.

34. A majority of the members of the BOE represent wards in which most of the students attend private schools in the District, and this has been the case in the District since the early 2000s.

c. Tax Rates

35. The East Ramapo Central School District has one of the lowest school property tax rates in Rockland County. Voters in East Ramapo have a history of voting down budget proposals that would increase taxes, which would directly support school funding. Further, state audits have identified continual funding deficits, reliance on one-time revenues,

[11] This information was presented to the BOE by Eric Stark on November 3, 2025.
[12] New York State Office of the State Comptroller, *East Ramapo Central School District Budget Review (2025)*; see also News12 Westchester reporting on East Ramapo transportation expenditures.

incorrect budgeting for revenue areas including state and federal aid, and inaccurate budgeting for expenditures.[13]

d. State Appointed Monitors Beginning in 2014

36. Several monitors have been appointed over the years at the District to assist with both fiscal and programmatic operations. In June 2014, in response to serious financial and governance concerns, New York State Education Commissioner John King appointed Henry M. Greenberg as a fiscal monitor to ensure that the District was able to provide appropriate educational programming and properly manage and account for state and federal funds received. As fiscal monitor for the District, Mr. Greenberg noted that transportation and special education programs consume a significant portion of the District's budget, the BOE experienced frequent turnover at the president position, school budgets had been consistently voted down in the District, the District was consistently operating at a deficit, and that the BOE meetings were not transparent.

37. In August 2015, because of concerns over financial instability, governance issues, and educational inequities within the District, State Education Department Commissioner MaryEllen Elia announced that Dennis Walcott had been appointed as Monitor for the District to oversee a team that would monitor District operations and provide recommendations to ensure that students had access to necessary programs and services, and to help the District attain fiscal stability. At the time, Commissioner Elia had stated that, "There is clear evidence that for many years the district has not adequately served the needs of its public-school students."[14]

38. On June 30, 2016, then-Governor Andrew Cuomo signed into law Chapter 89 of the Laws of 2016, which continued the appointment of up to three (3) monitors for the District. Per the enacted law:

[13] New York State Office of the State Comptroller. (2013 July). East Ramapo Central School District – Financial Condition (Report No. 2013M-141).
[14]https://www.nysed.gov/news/2015/commissioner-elia-appoints-dennis-m-walcott-monitor-east-ramapo-central-school-district

> The legislature finds and determines that over the course of many years there have been dramatic changes in the demographics in the town of Ramapo, Rockland county. The number of residents in the town has dramatically increased, swelling the size of the East Ramapo Central School District to over 30,000 students. Nearly 2/3 of those students do not, however, attend the public school system. In 2015, the State Education Department, pursuant to its powers and duties, appointed three monitors to the district, led by the former chancellor of the New York City school district. The legislature further finds and determines that in order to continue moving the dialogue in the right direction, with the ultimate goal of improving the outcomes of all students within the district, the appointment of monitors should continue. This legislation continues the appointment of monitors in the East Ramapo central school district. Finally, the legislature finds that this legislation has received general support from the school board and the community as a whole.

39. This legislation granted the monitors the authority to, "provide oversight, guidance and technical assistance related to the educational and fiscal policies, practices, programs and decisions of the East Ramapo Central School District, the Board of Education, and the Superintendent."

40. In June 2021, Chapter 173 of the Laws of 2021 was signed into law, which not only expanded the powers and responsibilities of the monitors, but also required that the District fully cooperate with any monitor or monitors appointed by the Commissioner. The law grants the monitors authority to attend board meetings, participate in strategic planning, recommend cost-saving measures, among other responsibilities.

41. Currently, Dr. Shelley Jallow ("Jallow") is the academic oversight monitor, and Shawn Farr ("Farr") is the fiscal monitor. The monitors work with the Board of Education to develop and implement a strategic academic and fiscal improvement plan. The monitors are consultants to the District , and their salaries are paid by the District.

42. Despite the implementation of monitors to the District, issues within the District have persisted. In 2017, a lawsuit was filed by the New York Civil Liberties Union Foundation against the District, alleging that the at-large voting system in the District violated Section 2 of the Voting Rights Act of 1965, which prohibits voting practices that discriminate on the basis of race, color, or minority status. The lawsuit resulted in U.S. Court of Appeals

for the Second Circuit ruling that the election system that had been in place in the District violated Federal voting rights laws.

43. Additionally, on July 16, 2024, the New York Civil Liberties Foundation filed a Verified Petition (the "Petition") to the Commissioner of Education in the Matter of the Petition of Ana Maeda (the "Petitioner"), on behalf of D.G. and M.H.M from action of the Board of Education of the East Ramapo Central School District regarding the school budget, alleging that the voted on budget increase did not cover necessary repairs and resources for the students.

e. School Budget Tax Increases

44. According to a report by the New York Civil Liberties Union in 2023, over the prior fifteen (15) years, school budget tax increases had failed 11 times.[15] According to a report prepared in December 2018 by monitors Charles Szuberla, Jr. and Dr. John Sipple, 93% of school districts have passed their budgets on the first or second vote in the prior five years, however, the District was an outlier with three contingency budgets in the prior five years. The report noted that failure to pass any budgets over the next five years would result in cuts to academic programs, resulting in larger class sizes, fewer support programs for English Language Learners and students with disabilities, and reductions in Advanced Placement and college course offerings. Additionally, per the report, the District lacks the ability to recruit and retain qualified teachers and administrators when budgets are consistently defeated.

45. Despite these warnings from the monitors, the 2022 – 2023 school budget was rejected on the first vote. The revote for the budget failed again, which lead to the District operating under a contingency budget.[16] The 2023 – 2024 school budget had been passed on a revote after a budget revision, and allowed for a zero percent school tax levy and no increase in taxes.[17]

[15]https://www.nyclu.org/commentary/school-district-harms-its-own-kids-rocklands-east-ramapo-central-district-falling-apart
[16] https://longisland.news12.com/voters-give-thumbs-down-to-east-ramapo-central-school-district-budget
[17] https://www.rocklanddaily.com/news/ercsd-budget-revote-passes-by-wide-margi

46. In a February 2024 District BOE meeting, Bruce Singer, one of the state-appointed fiscal monitors,[18] presented information to the BOE indicating that the District would be facing a significant budget deficit prior to the upcoming school year that would amount to over $20 million by August 2024.

47. In the District, the fiscal monitor's involvement in the development of the 2024 budget reflects a level of state oversight that is not typical of most school districts. Under ordinary circumstances, the budget would be prepared by district administration—primarily the assistant superintendent for business—in coordination with the superintendent and then presented to the Board of Education for approval. However, due to ongoing concerns regarding financial management, budget accuracy, and internal controls, New York State, as discussed, assigned a fiscal monitor to provide heightened oversight of the District's financial operations.

48. In June 2024, voters approved a 1% tax levy increase. Subsequent to the 1% increase, as noted above, a public-school parent filed an appeal with the New York State Education Department ("SED") arguing that the budget and levy failed to meet legal requirements for adequately funding education. As a result, Commissioner Betty Rosa issued an interim order[19] directing the District to raise the tax levy by an additional 4.38%. This tax increase would be used to address deficiencies and educational programs in the public schools.

49. The audit report issued in November 2024, prepared by the District's independent auditors, EFPR Group, CPAs PLLC, reflected that the District ended the 2023 – 2024 fiscal year ending June 30, 2024 with a $31.3 million unassigned fund balance, which represented a stark contrast from the deficit projections presented by Mr. Singer in February 2024. A report dated April 3, 2025 prepared by New York State Comptroller's Office projected that the District would end the school year ending June 30, 2025 with an operating surplus over $25 million.[20]

[18] On March 5, 2020 the New York State Education Department Interim Commissioner Shannon Tahoe appointed Mr. Bruce Singer as the fiscal monitor.
[19] See Exhibit 2.
[20] See Exhibit 3

Table 1			
Unassigned Fund Balance			
Description	**2021 - 2022**	**2022 - 2023**	**2023 - 2024**
Ensuing Year's Appropriation	$ 256,421,500	$ 295,605,762	$ 338,648,658
Unassigned Fund Balance	$ 4,426,168	$ 18,020,841	$ 31,283,161
% of Appropriation	1.7%	6.1%	9.2%

50. In March 2025, the District issued a Request for Proposals ("RFP") for Forensic Auditing Services.

VIII. WORK PERFORMED AND FINDINGS

a. Document Review and Analysis

i. February 2024 Cash Flow Projection Deficit and Budget Timeline

51. FAZ reviewed the February 15, 2024 meeting minutes and BOE presentation to gain an understanding as to why Mr. Singer had informed the BOE that the District would be facing a significant cash flow deficiency over the months following February 2024. Page 14 of the BOE meeting presentation on February 15, 2024 reflects a spreadsheet entitled 2024 – 2025 Monthly Cash Flow – Projected ("2025 Projected Cash Flow Report") and indicated that it had been updated on February 6, 2024. This spreadsheet showed that as of August 2024, the District would be facing a deficit of approximately $24 million.

52. As part of our analysis, FAZ requested a copy of this spreadsheet, and any other documentation Mr. Singer had utilized to prepare this projected cash flow analysis in order to test the analysis and determine the source of the information presented to the BOE. FAZ has been informed by the District that this information is not available. We discussed this spreadsheet with Eric Stark, the Assistant Superintendent of Business, and he informed FAZ that he has also requested this information and has been told that the location of this information is unknown.

53. As this information provided to the BOE by Mr. Singer was unavailable, we sought to review prior reports from Mr. Singer regarding his findings and recommendations

regarding the District's budgets to gain an understanding of issues facing the District, as identified by Mr. Singer.

1. Fiscal Monitor Findings and Recommendations 2023-2024 and 2024-2025

54. We have reviewed Monitor Findings and Recommendations Regarding the East Ramapo Central School District's Proposed 2023 – 2024[21] and 2024 – 2025[22] School Year Budgets prepared by the fiscal and academic monitors for the corresponding years. The 2023 – 2024 findings letter, dated March 29, 2023 ("March 2023 Findings"), was prepared by Bruce Singer as the fiscal monitor and Mary Fox-Alter as the academic monitor. The 2024 – 2025 findings letter, dated April 11, 2024 ("April 2024 Findings") was prepared by Bruce Singer as the fiscal monitor and Dr. Shelley Jallow as the academic monitor.

a. March 2023 Findings

55. The March 2023 Findings noted the following information and conclusions, specifically related to the budget:

    a. The proposed budget for the 2023 – 2024 school year budget was balanced, however it was not in alignment with Long-Term Strategic Academic and Fiscal Plan as there was a lack of personnel information provided to the Business office.
    b. The District has been awarded more than $210 million in Federal Coronavirus Response and Relief Supplemental Appropriations Act 2021 ("CRRSA") and American Rescue Plan ("ARP") Act grant funding.
    c. There are sufficient funds in the proposed 2023 – 2024 school year budget to fund negotiated contractual settlements.
    d. There is a high degree of confidence that sufficient money to meet all payroll needs have been budgeted. However, the March 2023 Findings noted that the Human Resources Department had not yet provided all necessary salary/position detail.

[21] Exhibit 4.
[22] Exhibit 5.

e. The District projects that the June 30, 2023 unassigned fund balance will be approximately $10 million, noting that current year revenues were expected to exceed current year expenditures.
f. Three budget projection models were prepared, reflecting a zero percent tax levy, a 1.99% increase in tax levy, and a tax levy increase of 4% with a State aid annual increase of 3%. The first two budget projection models showed that by 2028, the District would be experiencing significant budget deficiencies. Only the third model would, according to the monitors, allow the District's educational programs to be maintained and reflect fiscal stability during the 5-year projection period.
g. The District's transportation costs were continuing to increase and continues to represent a significant portion of the District's total expenditures.
h. Voter approval of the 2023 – 2024 budget is needed, as a zero-tax levy increase does not allow the District to keep up with inflation and cost of living increases. The March 2023 Findings noted that voters have defeated numerous previous budgets, and that communicating financial updates appropriately to the community is necessary to the long-term stability of academic and fiscal programs.
i. The monitors recommended that if the community continues to defeat the annual budget and not approve increases in the tax levy needed to support the District's educational programs, the Commissioner should order the District to develop and submit a budget plan for how outyear deficits are to be eliminated.

56. As demonstrated by the March 2023 Findings, the 2023 – 2024 budget was balanced, and the monitors noted that the District was projecting an unassigned fund balance of $10 million as of June 30, 2023.

57. We reviewed the April 18, 2023 BOE Meeting presentation, which presented the initial budget proposal for the following school year. Included in the presentation was the 5-year forecast from the March 2023 Findings based on a 0% tax levy, demonstrating that the District would be in a significant deficit by the year 2028 should taxes not be increased. The information was again presented in more depth at the May 2, 2023 BOE meeting, ahead of the budget vote on May 16, 2023. The District was calling for a 1.99% tax levy

to fund the school budget. The initial budget did not pass, however a subsequent revote budget passed, this time with a 0% tax levy. The 2023 – 2024 budget was approximately $39 million higher than the 2022 – 2023 contingency, due to a projected increase of $39.68 million in New York State aid.

Table 2
2023 - 2024 Budget Comparison

Description	2022 - 2023 Contingency Budget	2023 - 2024 Proposed Budget	2023 - 2024 Revote Budget	Difference Between Proposed and Revote
Tax Levy	$ 154,490,227	$ 157,564,583	$ 154,490,227	$ (3,074,356)
NYS Aid Revenue	$ 94,651,214	$ 134,335,929	$ 134,335,929	$ -
PILOTs	$ 252,602	$ 252,602	$ 252,602	$ -
Health Services	$ 475,000	$ 350,000	$ 350,000	$ -
Non-Resident, Foster, OPWDD Tuition	$ 1,678,313	$ 1,403,000	$ 1,403,000	$ -
Chapter Tuition - STAC	$ 1,541,840	$ 500,000	$ 500,000	$ -
BOCES Refund for Prior Year Surplus	$ 830,399	$ 700,000	$ 700,000	$ -
Workers Comp & Ins. Reimbursement	$ 93,318	$ 93,318	$ 93,318	$ -
Medicaid	$ 989,000	$ 1,120,000	$ 1,120,000	$ -
Use of Facilities	$ 236,081	$ 157,631	$ 157,631	$ -
Interest & Misc Revenenue	$ 1,130,451	$ 2,150,000	$ 2,150,000	$ -
Interfund Trans. For Debt Svs	$ 53,055	$ 53,055	$ 53,055	$ -
Total Revenue	**$ 256,421,500**	**$ 298,680,118**	**$ 295,605,762**	**$ (3,074,356)**
Salaries	$ 116,410,625	$ 114,202,746	$ 114,202,746	$ -
Benefits	$ 58,690,653	$ 57,575,833	$ 57,575,833	$ -
Materials & Equipment	$ 4,470,840	$ 4,962,817	$ 4,962,817	$ -
Contractual	$ 39,266,219	$ 40,199,589	$ 40,767,636	$ 568,047
Contractual - Legal	$ 2,026,953	$ 2,168,301	$ 2,168,301	$ -
Contractual - Transportation	$ 61,868,506	$ 62,787,869	$ 62,787,869	$ -
Debt Payment	$ 5,561,162	$ 5,782,963	$ 5,782,963	$ -
Transfer to Other Funds	$ -	$ 10,000,000	$ 6,357,597	$ (3,642,403)
Transfer from Special Aid	$ (31,873,450)	$ 1,000,000	$ 1,000,000	$ -
Total Expenditures	**$ 256,421,508**	**$ 298,680,118**	**$ 295,605,762**	**$ (3,074,356)**

58. As noted by the monitors, the District would again be relying on state aid rather than an increase in taxes to maintain the budget.

b. April 2024 Findings

59. The April 2024 Findings noted that the District was in a dire situation and needed an immediate infusion of resources to remain viable. Throughout the letter, the monitors noted that the District has not implemented tax increases in years, as demonstrated by the budget vote the prior year, and the schools were suffering as a result. The April 2024 Findings noted the following information and conclusions, specifically related to the budget:
    a. The District was continuing to place an over-reliance on reserves and one-time sources of revenue, and if this continued then all reserves would be depleted. The monitors note that the exhaustion of fund reserves will result in further downgrading of the District's bond rating.
    b. The latest five-year projection reflects an estimated deficit of approximately $60 million in the 2027 – 2028 school year.[23]
    c. The District proposed cuts to the school year budget for 2024 – 2025 would continue to deteriorate the District's mission of educating the children of the District.
    d. The community has continued to under resource its schools which has led to a deterioration in the District's academic, operational, and fiscal capacity.
    e. The proposed 2024 – 2025 is academically unsound, noting that the budget represents cuts to the instructional core and key supports that are essential for student learning. The April 2024 Findings noted that the 5-year graduation rate in the District was only 63%.
    f. The monitors recommended that the Commissioner direct the BOE and the District to do the following:
        i. Revise the proposed 2024 – 2025 budget to reduce the use of the available fund balance.
        ii. Conduct evaluations of expenditures to determine which anticipated costs are reasonable, necessary, and contribute to the achievement of goals of the District.

[23] The April 2024 Findings did not include five-year projected models, as presented in the March 2023 Findings, thus we could not perform a line-by-line comparison of the five-year projections between the March 2023 Findings and the April 2024 Findings. The March 2023 Findings reflected a projected deficit of $35 million in 2028.

iii. Seek an advance on state aid from the governor and legislature.

60. The April 2024 Findings were clear that the District needed more revenue but could not rely on only reserves and one-time funding from the government.

61. The projections included in the April 2024 Findings identifying a significant deficit facing the District by 2027 were not included in the letter, thus we cannot confirm the veracity of potential $60 million deficit projected by the monitors. However, review of the 2024 – 2025 proposed budget does indicate that the District will be heavily reliant on New York State aid revenue. It is unclear from the April 2024 Findings whether the incorrect cash flow projections prepared by Mr. Singer were incorporated into the findings presented.

c. 2024 – 2025 School Budget Votes and Parent Complaint

62. Despite the dire message relayed by the District monitors to the Commissioner, voters rejected a proposed tax increase of 1.99% in a budget vote in May 2024. There was a budget revote in June 2024, which proposed a projected tax levy increase of 1%.[24] The information provided to the residents of the District indicated that if the proposed budget was defeated, a contingency budget would be adopted as per NYS law. The budget newsletter[25] from June 2024 provided to voters explained that the tax levy would be decreased from 1.99% to 1%. We compared the initial proposed budget to the revote budget for the 2024 – 2025 school year, which is reflected as follows:

Table 3
2024 - 2025 Budget Comparison

Description	2024 - 2025 Proposed Budget	2024 - 2025 Revote Budget	Difference
Tax Levy	$ 157,564,583	$ 156,035,129	$(1,529,454)
NYS Aid Revenue	$ 149,105,624	$ 151,188,347	$ 2,082,723
PILOTs	$ 252,602	$ 252,602	$ -
Health Services	$ 150,000	$ 150,000	$ -
Non-Resident, Foster, OPWDD Tuition	$ 1,403,000	$ 1,403,000	$ -
Chapter Tuition - STAC	$ 500,000	$ 500,000	$ -
BOCES Refund for Prior Year Surplus	$ 500,000	$ 500,000	$ -
Workers Comp & Ins. Reimbursement	$ 93,318	$ 93,318	$ -
Medicaid	$ 800,000	$ 800,000	$ -
Use of Facilities	$ 180,631	$ 180,631	$ -
Interest & Misc Revenenue	$ 1,500,000	$ 1,500,000	$ -
Interfund Trans. For Debt Svs	$ 53,055	$ 53,055	$ -
Use of Fund Balance	$ 18,020,846	$ 18,020,846	
Use of Reserve Funds (ERS)	$ 1,758,326	$ 1,205,057	
Total Revenue	**$ 331,881,985**	**$ 331,881,985**	**$ -**
Salaries	$ 136,189,319	$ 136,189,319	$ -
Benefits	$ 66,416,716	$ 66,416,716	$ -
Materials & Equipment	$ 4,910,358	$ 4,910,358	$ -
Contractual	$ 40,034,037	$ 40,034,037	$ -
Contractual - Legal	$ 1,262,500	$ 1,262,500	$ -
Contractual - Transportation	$ 76,025,817	$ 76,025,817	$ -
Debt Payment	$ 6,493,238	$ 6,493,238	$ -
Transfer to Capital	$ -	$ -	$ -
Transfer to Special Aid	$ 550,000	$ 550,000	$ -
Total Expenditures	**$ 331,881,985**	**$ 331,881,985**	**$ -**

[24] See Exhibit 6.
[25] See Exhibit 7.

63. As reflected by the table above, the tax levy decreased in the revote budget, and the District was expected to receive $2 million in additional state aid. In the 2024 – 2025 budget proposal, the District is receiving nearly equal revenue, 50% from tax levies and 50% from state aid. In neighboring towns in Rockland County, property tax levies support budgets by over 70%. The 2024 – 2025 revote budget was passed in June 2024.

d. 2024 – 2025 School Budget Petition

64. However, on July 16, 2024, the New York Civil Liberties Foundation filed a Verified Petition (the "Petition") to the Commissioner of Education in the Matter of the Petition of Ana Maeda (the "Petitioner"), on behalf of D.G. and M.H.M from action of the Board of Education of the East Ramapo Central School District regarding the revote budget.[26] The Petitioner was the mother of two children in the District, and challenged the 1% tax increase, alleging that this would not cover necessary repairs, classroom resources, education for multilingual students, or safety improvements. The Petition alleged that the District was in breach of laws requiring a safe, adequate learning environments, noting that clean drinking water was not available in the schools, and that all fourteen (14) District school buildings received an overall "failing" building rate.

65. The Petition urged Commissioner Rosa to use her authority under Education Law § 311 to modify the "revote budget", which increased taxes by 1%, to implement a tax levy to fund programs that had been eliminated due to cuts to the school budget.

66. In response to the Petition, Commissioner Rosa issued an Interim Decision and Order ("Rosa Order")[27] on July 31, 2024 that found that the budget passed by voters in June 2024 was, "arbitrary, capricious, and violative of sound educational policy," as it would not provide sufficient resources to address the deficiencies at the District noted in the Petition. Commissioner Rosa further noted that the District historically neglects the public schools, and the revote budget inequitably favored nonpublic school students at the expense of public-school students.

[26] See Exhibit 8.
[27] See Exhibit 2.

67. The Rosa Order noted that eleven of the District's schools had unsatisfactory ventilation systems, water taps were non-functioning, and 73% of the drinking fountains and kitchen sinks in the District exceeded lead-safety limits. Additionally, the District's English Language Learners and immigrant students are inadequately served by the 2024 budget, per the Rosa Order. Despite the deficiencies in the public schools, the District continues to offer universal, gender-segregated transportation to nonpublic schools which per the Rosa Order is in excess of statutory obligations.

68. As a result, the Rosa Order directed the District to support its public schools by adopting a tax levy providing for an additional 4.38% increase; which is a 5.38% increase as recommended by the superintendent less the 1% approved by the voters on June 18, 2024.

ii. Review of Meeting Minutes and Treasurer's & Budget Monthly Status Report

69. We reviewed BOE meeting minutes for meetings subsequent to March 2023 to determine if there had been any discussion of budgetary issues subsequent to the March 2023 Findings during BOE meetings. Specifically, we reviewed BOE meeting minutes to determine if monthly Treasurer's & Budget Status Reports were included in the minutes. The Treasurer's Monthly Report reflects a snapshot of the District's cash position, and the Budget Status Report reflects budget-to-actual detail by function over a specified period of time.

70. While we did note that Treasurer's & Budget Status Reports were included in most of the BOE meeting minutes subsequent to the March 2023 Findings, it is unclear from the BOE documented meeting minutes if the Treasurer's & Budget Status Reports included in the meeting minutes were actually reviewed or discussed. As will be discussed later in this report, we conducted interviews with certain BOE members and were informed that these reports are not regularly discussed at BOE meetings.

71. Additionally, these reports were typically reviewed on a one-to-two-month delay. For example, the October 2023 Treasurer's & Budget Status Report was not included in the BOE meeting minutes until the January 2, 2024 meeting. Report B25-5-2 from the New York State Comptroller's Office dated April 3, 2025 ("April 2025 Comptroller's Report") noted that budget-to-actual reports were not provided timely, and that there was no indication that the reports were discussed in the monthly meetings.

72. Subsequent to Mr. Singer informing the BOE that the District would have a significant projected cash deficiency, the monitors of the District wrote the April 2024 Findings which noted that the prepared budget for the 2024 – 2025 school year was overly reliant on one-time resources.

73. The February 15, 2024 BOE meeting minutes included the Treasurer's & Budget Status Report as of December 31, 2023. The year-end 2023 Treasurer's and Budget Status Report reflected that the District had an ending cash balance of $104.5 million, and the Appropriation Status Detail Report by Function from 7/1/2023 to 12/31/2023 reflected over $30 million in budget versus expensed and encumbered amounts.

74. It is clear from our document review and analysis that the timely Treasurer's and Budget Status Report was not discussed in the February 2024 BOE meeting; had this report been reviewed by the BOE, it would have contradicted the information presented by Mr. Singer.

iii. Budget to Actual Comparison

75. We analyzed the budget-to-actual reports through June 30, 2024, to compare the actual expenditures and available funds to the District at the end of the school year to the potential deficit projected by former fiscal monitor. The revised June 30, 2024 Appropriation Status Detail by Function from 7/1/2023 to 6/30/2024 reflected over $28 million in budgeted revenues compared to what had been expensed and encumbered during the 2023 – 2024 school year.

Table 4	
2023 - 2024 School Year Budget Versus Actual	
Category	**July 1, 2023 - June 30, 2024**
Budget	$ 295,605,762.00
Adjustments	$ 342,204.62
Adj. Budget	$ 295,947,966.62
Expensed	$ 267,337,258.11
Encumbered	$ 164,362.48
Available	$ 28,446,346.03

76. Our analysis reflected significant differences in budgeted salaries versus actual expenditures across instructional positions, nurses, social workers, and athletics. Specifically, we determined that salary-related budget appropriations reflected a surplus of over $11 million in the 2023 – 2024 school year. Per our discussion with the current fiscal monitor, the unfilled positions were due to operational inefficiencies and governance issues at the District. As such, budgeted benefits associated with the unfilled positions, to include retirement and insurance, also reflected budget in excess of actual expenditures.

77. We analyzed the 2022 – 2023 Appropriation Status Detail Report by Function to determine if the budget versus actual for the prior school year similarly reflected a surplus; for this school year, budget exceeded actual by $10.7 million. Similarly to the following school year, there were significant differences in budgeted salaries versus actual expenditures for instructional positions, nurses, psychologists, social workers, speech therapists, and thus corresponding benefits were lower than budgeted as well.

Table 5	
2022 - 2023 School Year Budget Versus Actual	
Category	**July 1, 2022 - June 30, 2023**
Budget	$ 256,421,500.00
Adjustments	$ 5,759,646.84
Adj. Budget	$ 262,181,146.84
Expensed	$ 239,834,363.63
Encumbered	$ 11,638,382.37
Available	$ 10,708,400.84

78. We also noted that budgeted transportation costs exceeded actual expenditures by over $7.8 million.

79. We also analyzed the 2024 – 2025 Appropriation Status Detail Report by Function to determine if this school year followed a similar pattern as the prior two periods, and we confirmed that once again, salaried positions were budgeted for and never actually filled. This occurred for three school years in a row; it does not appear that the District was in a budget surplus due to efficient spending, but rather because positions were budgeted for and then never actually filled, multiple years in a row. For the school year budget of 2024 – 2025, the District budget reflected a surplus of $25.9 million. As demonstrated by the table below, multiple budget categories reflected budget surpluses, indicating the District did not fully utilize available funds to support students.

Table 6	
2024 - 2025 School Year Budget Versus Actual	
Category	**July 1, 2024 - June 30, 2025**
Budget	$ 338,648,658.00
Adjustments	$ 184,077.68
Adj. Budget	$ 338,832,735.68
Expensed	$ 310,556,326.64
Encumbered	$ 2,345,865.54
Available	$ 25,930,543.50

80. Each Appropriation Status Detail Report by Function identifies budget accounts that reflect expenditures related to instructional positions that are significantly under the budgeted amounts for the school year; in some instances, there are entire budgeted appropriations that reflect zero dollars expensed during the school year for that position. This was confirmed in discussions with Shawn Farr, the current fiscal monitor for the District.

81. This fact pattern was confirmed by the April 2025 Comptroller's Report, which noted that, "The significant increase in unassigned fund balance is due to District officials consistently appropriating funds that were not used. The significant increase in fund balance was largely due to budgeting for salary expenditures in the general fund and then paying them from the special aid fund with nonrecurring Federal pandemic aid funds."

82. Budgeting for school positions without filling those positions often leads to larger class sizes, reduced school offerings, overburdened employees, and overall weaker support for students. Per discussions with the current fiscal monitor, resources are now being utilized to fill necessary positions, as well as perform needed maintenance on school buildings. As demonstrated by the above tables, the budget surplus in teaching positions has declined over the past three school years as necessary positions are filled.

iv. 2025 Projected Cash Flow Report

83. Without access to the workpapers utilized by Mr. Singer to create the 2024 – 2025 Monthly Cash Flow – Projected spreadsheet, we cannot determine why Mr. Singer had informed the BOE in February 2024 that the District would be facing a cash deficiency as of August 2024. The 2025 Projected Cash Flow Report reflected a beginning cash balance of approximately $24 million in July 2024; the actual Treasurer's Monthly Report for the same month reflected a beginning cash balance of approximately $70 million, a difference of approximately $46 million.

84. It is unclear as to why Mr. Singer's 2025 Projected Cash Flow Report reflected a beginning cash balance of only $24 million in July 2024. Additionally, the BOE had access to all of the monthly Treasurer's & Budget Status Reports; it is clear based on our review of the BOE meeting minutes, and our discussions with certain members of the BOE, which will

be discussed in a later section of this report, that these reports were not reviewed on a consistent basis. Had anyone on the Board or the fiscal monitor reviewed any of the monthly Treasurer's & Budget Status Reports for the relevant time period, a discrepancy likely would have been noted between the 2025 Project Cash Flow Report presented by Mr. Singer and the actual financial position of the District.

85. This sentiment was also echoed by the April 2025 Comptroller's Report, in which Comptroller Robin Lois noted that, "the Board, monitors and District administration should have been aware of the surplus prior to the 2023 – 2024 financial statement audit being completed and provided to the Board at its November 2024 meeting when it was reported that the District ended the 2023-2024 fiscal year with a general fund operating surplus of $40,302,863 and an increase in fund balance of $32,752,518."

v. Financial Statement Review

86. We also reviewed and analyzed the audited financial statements of the District over the last five years to gain an understanding of the change in financial position of the District over the historical period.

87. Based on our review, since 2020, the Statement of Revenues, Expenditures & Changes in Fund Balances – Budget and Actual reflected an excess of revenues over expenditures.

Table 7
Statement of Revenues, Expenditures & Changes in Fund Balance - Budget and Actual

Description	2020	2021	2022	2023	2024	2025
Final Budget	$ 244,847,707	$ 257,266,462	$ 272,650,890	$ 262,181,146	$ 295,947,965	$ 338,831,735
Actual	$ 233,948,704	$ 254,570,848	$ 233,520,747	$ 241,072,572	$ 266,322,258	$ 323,143,766
Year-End Encumbrances	$ 699,576	$ 184,402	$ -	$ 73,886	$ 164,362	$ 808,372
Final Budget Variance with Actual and Encumbrances	$ 10,199,427	$ 2,511,212	$ 39,130,143	$ 21,034,688	$ 29,461,345	$ 14,879,597

88. As reflected by the table above, in each year dating back to 2020, the District's audited financial statements reflected that the budget was in excess of actual expenditures in the audited year. As will be discussed later in this report, we discussed the audited financial statements with certain members of the BOE, and we received conflicting statements on whether the audited financial statements were reviewed in depth by the BOE. The District's

own audited financial statements reflected that the budget was consistently in excess of actual expenditures, and knowledge of the financial statements should have prompted further questions regarding the deficit projected by the fiscal monitor in February 2024.

iii. Internal Controls

89. FAZ was provided with the District's audited financial statements for the years 2020 through 2025. As part of the annual audit, and in accordance the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States, the District's auditor EFPR Group, CPAs PLLC issued the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters in conjunction with its 2025 audit.[28] As it relates to the consideration of the District's internal control over financial reporting, this report describes the scope and results of the auditors' testing of internal controls.[29]

90. In its Schedule of Finding and Responses, the independent auditors identified material weaknesses in internal controls related to classifying transactions for accounts payable at year end as well as significant deficiencies in the maintenance of all personnel files. Both items had been repeatedly identified in prior periods, indicating that although corrective action was required, no steps had been taken to address the deficiencies

iv. Audit Committee of the BOE

91. The Audit Committee of the BOE should receive regular reporting on control deficiencies, corrective actions, and emerging risks. Ongoing training for Board members is critical so they can effectively challenge management and understand control implications. In New York, audit committees became a required function of a Board of Education through

[28]EFPR Group, CPAs, LLC Audit Report as of June 30, 2025 dated November 17, 2025.
[29] The purpose of the report was not for expressing an opinion on the effectiveness of the District's internal control.

amendments to the Education Law in the early 2000s, with a firm compliance deadline of January 1, 2006.[30]

92. If the BOE lacks the capacity to effectively administer the functions of an audit committee, it may consider a hybrid approach that leverages external consultants to supplement internal oversight and expertise. Periodic outsourcing of internal control assessments is considered best practice, particularly to provide independence, specialized expertise, and deeper testing in higher-risk areas such as procurement, grant compliance, and payroll. This is especially important in environments with leadership turnover, prior control issues, or increased regulatory oversight.

a. Audit Committee Charter

93. The East Ramapo Central School District Audit Committee Charter (Policy 6690-E)[31] was adopted on March 5, 2014 in accordance with New York State Education Law requirements mandating audit committee oversight. It was amended on January 7, 2025 by the BOE. The Charter establishes the Audit Committee as an advisory body to assist the BOE in overseeing the District's financial reporting, internal controls, and audit functions, while reaffirming that ultimate responsibility remains with the BOE.

94. The Charter requires that the Audit Committee consist of at least three members who are independent of District management, with members collectively possessing knowledge in accounting, auditing, financial reporting, and school district finances. Members cannot be District employees or individuals with conflicts of interest, thereby ensuring objectivity in oversight.

95. Under New York Education Law §2116-c, an audit committee established as an advisory committee, which may include or be composed of persons other than trustees or members of the board. However, the committee itself cannot delegate or outsource its core oversight

[30] N.Y. Educ. Law § 2116-c (requiring school districts to establish an audit committee "no later than January first, two thousand six")
[31] Exhibit 9.

duties—it remains responsible for overseeing financial reporting, internal controls, and the audit process, even if outside professionals are engaged to provide technical expertise or assistance.

96. Key duties of the Audit Committee include recommending the appointment of external and internal auditors, reviewing audit plans and findings, monitoring the effectiveness of internal controls, and overseeing the implementation of corrective actions in response to audit recommendations. The Audit Committee is also responsible for meeting periodically, maintaining records of its proceedings, and reporting its findings and recommendations to the BOE.

97. The January 7, 2025 amendment[32] to the East Ramapo Central School District's Audit Committee policy clarified that the Audit Committee may be structured either as a separate committee or as a committee of the whole Board of Education. This change effectively allows the full Board to perform the functions of the Audit Committee, consolidating audit oversight within the Board itself. As a result, the amendment introduces greater flexibility in governance however, may also reduce the level of independent oversight traditionally associated with audit committees, while reinforcing that responsibility for financial reporting, internal controls, and audit functions remains with the BOE.

98. While the 2025 amendment provides structural flexibility, it presents several concerns from an oversight perspective. By allowing the Audit Committee to function as a committee of the whole Board of Education, the distinction between independent oversight and governance is diminished, as the same individuals responsible for managing and approving District decisions are also tasked with reviewing them. This can weaken objectivity and reduce the effectiveness of critical evaluation of financial reporting, internal controls, and audit findings.

99. Additionally, the absence of independent or financially experienced external members may limit the depth of technical scrutiny applied to complex accounting and compliance

[32] Exhibit 10.

matters. As a result, this structure increases the risk that control deficiencies, noncompliance, or financial reporting issues may not be identified or challenged with the level of rigor typically expected of an independent audit committee.

100. It is recommended that the Board of Education consider maintaining an audit committee structure that includes independent members with relevant expertise in accounting, auditing, and financial reporting, rather than relying solely on a committee of the whole BOE. Establishing a separate audit committee with a clear distinction between governance and oversight functions would enhance objectivity, strengthen the evaluation of internal controls and financial reporting, and promote more rigorous review of audit findings. Incorporating independent perspectives may also reduce the risk of oversight gaps, improve accountability, and better align the District's governance practices with established best practices.

101. A review of publicly available records for the East Ramapo Central School District indicates that audit committee meetings do occur and are occasionally referenced in Board agendas and scheduling materials; however, the Board of Education minutes do not consistently include detailed documentation of those meetings or clearly identify audit committee proceedings within the formal record. As a result, while the existence of audit committee activity is evident, the substance of those meetings and related discussions is not readily ascertainable from the publicly available minutes, reflecting limited transparency in how audit committee activities are formally reported.

102. No single individual or limited group can reasonably be expected to possess deep expertise across all areas of financial reporting, auditing, internal controls, and regulatory compliance. Accordingly, a diversified approach—drawing on individuals with complementary skill sets and experience—is essential to effective oversight. Leveraging a broader base of expertise enhances the quality of analysis, promotes more rigorous challenge of assumptions, and strengthens the ability to identify and address complex financial and operational issues. In this context, there is strength in numbers, as a well-composed group with varied backgrounds is better positioned to provide comprehensive, objective, and informed oversight.al.

iv. Interview Results

103. FAZ conducted interviews with three (3) of the nine (9) members of the BOE who would speak with us as well Eric Stark, the Assistant Superintendent for Business, and Shawn Farr, the current fiscal monitor of the District. Our interviews were focused on obtaining first-hand perspectives and understanding of the fiscal events that occurred during 2024. We also addressed the District's financial processes, participation at school board meetings, knowledge of financial statements, budgets, policies, effectiveness of controls and reporting and identifying any changes implemented since the budget events during 2024.

104. The following information summarizes key findings from our interview process.

a. Inconsistent Responses

105. During our interviews, we asked BOE members if financial documents like the Treasurer's and Budget Status Reports and budget to actual reports were reviewed on a consistent basis at the BOE meetings. Each response we received was different; one board member told us they review budget versus actual reports at each meeting, another told us they are never provided with this information, and a third told us that the reports are provided each meeting, but they are never reviewed.

106. Budget-to-actual performance represents critical information that BOE members should remain apprised of throughout the school year and monitor on an ongoing basis. as it provides a timely indication of whether financial operations are aligning with approved expectations. Regular review of these comparisons enables the BOE to identify variances, assess the underlying causes, and determine whether corrective action is necessary to address overspending, revenue shortfalls, or shifting operational needs. Had any BOE members reviewed and understood the budget versus actual reports throughout the year, during any of the school years, there would have been a better understanding at the BOE as to the financial position of the District.

107. Additionally, we asked if the BOE ever reviews the District's audited financial statements. One BOE member informed us that they do not review the audited financials, another informed us that the auditors present the information, but the presentation is not very thorough, and a third informed us that they do review the audited financial statements when it is on the budget to do so. We were informed through the interview process that the presentation from the auditors for the last financial statement audit was cut short by the BOE.

b. Lack of Financial Training of BOE Members

108. We questioned each member of the BOE regarding the information that had been presented by Mr. Singer, and why the information presented wasn't questioned further, as it was inconsistent with known financial performance of the District. The BOE members informed us that when information was presented by the fiscal monitor, they had no reason to believe that this information may have been inaccurate. Multiple BOE members expressed to us that they are not financial experts, and may not have a complete understanding of the financial information presented to them in BOE meetings.

109. Additionally, none of the BOE members we interviewed could tell us who was on the audit committee of the BOE. The audit committee of the BOE does not appear to possess the level of training necessary to effectively fulfill the responsibilities and expectations of a properly functioning audit committee. An effective audit committee should be able to provide independent oversight of financial reporting and internal controls, thus supporting informed decision making by the BOE. Based on our discussions with the BOE members and Mr. Stark and Mr. Farr, it does not appear that the audit committee as it is presently constituted has been provided with the proper training to operate effectively.

110. As it relates to educational training, New York provides fiscal oversight training for newly elected or appointed school board members that provides a foundational understanding of how to oversee a school district's finances. The training focuses on key areas such as budget development and approval, interpreting financial reports, maintaining effective internal controls, understanding the audit process, and fulfilling fiduciary

responsibilities under state law. Its purpose is to ensure board members can competently monitor financial operations, ask informed questions, and safeguard public funds through proper governance rather than day-to-day management.

111. In addition to fiscal oversight training, best practices would expect that BOE members complete ongoing governance and professional development. This typically includes sessions on board governance and roles (distinguishing oversight from administration), ethics and conflicts of interest, open meetings law and transparency requirements. Many boards also participate in specialized training on topics such as audit committee responsibilities, risk management, and legal compliance. These programs are commonly provided by organizations like the New York State School Boards Association and are strongly encouraged to ensure board members remain informed, effective, and aligned with best practices in public sector governance.

c. Implementation of Monitor Recommendations

112. We asked BOE members about the reports issued by the fiscal and academic monitors, specifically about implementation of recommendations after those reports are issued. None of the BOE members we spoke with could explain to us who was responsible for implementing any of the recommendations issued by either the fiscal or academic monitor.

113. As noted above, our review of the Treasurer's and Budget Status Reports and the District's financial statements reflected that the District had been receiving resources from the state, but many of the items that were actually budgeted for were not utilized. The current fiscal monitor confirmed this in our discussion, that the funds were available and necessary resources for the District were budgeted, but due to dysfunction in the District those funds then went unused. Mr. Farr noted that the District had a history of not filling necessary positions but is on the path to fill necessary teacher vacancies.

d. Prior Budgeting Issues

114. Both Mr. Stark and Mr. Farr informed us that the prior budgeting process by the District was insufficient. The prior fiscal monitor of the District appeared to be heavily involved in the budgeting process, and Mr. Farr informed us that the prior budgets were being prepared via spreadsheets rather than the budgeting software available to the District. As noted throughout this report, the data that was utilized by Mr. Singer to inform the BOE that the District was facing a significant budget deficit in the February 2024 meeting is unavailable, and no one at the District appears to know how he developed this information or where that information is currently located. These documents were not available for our review.

115. FAZ discussed the 2026-2027 budget process with Eric Stark, the Assistant Superintendent for Business. He is responsible for overseeing the District's financial operations, including budget development, accounting, procurement, and financial reporting. Stark has been directly involved in the District's recent budget development process and public communications regarding its financial position. Per discussions with Mr. Stark, prior budgets reflected inaccurate codes, lacked supporting documentation, and were not monitored throughout the school year.

e. Turnover at Administrative Level

116. Each BOE member we interviewed indicated that many of the District's challenges and areas of confusion stem from turnover within the administrative leadership. Over the last ten years, the District has had five total superintendents, three of whom were or are interim superintendents, as the current superintendent is in an interim position. Turnover at leadership levels in the District have contributed to challenges in financial oversight, internal control implementation, and long-term strategic planning.

117. Stability in administrative leadership is critical to effective governance and financial management because it ensures continuity in decision-making, consistent

application of policies, and the preservation of institutional knowledge. In a school district setting, stable leadership allows administrators to develop, implement, and monitor long-term strategic and financial plans, while maintaining reliable internal controls and accurate reporting processes. Frequent turnover, by contrast, disrupts communication between departments, increases the risk of errors in budgeting and financial projections, and weakens accountability, as responsibilities and oversight become fragmented.

118. The District is currently in the process of conducting a search for a new permanent superintendent, following continued turnover in the role and reliance on interim leadership. As of July 1, 2025, Ana Reluzco was appointed Interim Superintendent to lead the district while the Board of Education advances its search for a permanent replacement.

119. Overall, the BOE members we interviewed are aware of the many issues facing the District, and brought these to our attention during the interview process. Most the issues discussed during the interviews related to public school concerns, to include chronic absenteeism, low graduation rates, failing infrastructure, and rising costs for transportation. The BOE members appear to be aware that there have been inconsistent budgeting practices in prior years and have noted that turnover at the superintendent level has made it difficult implement monitor recommendations and plan for the future. However, the concerns regarding the allocation of resources between the public and private school populations in the District contribute to operational and policy-making difficulties.

IX. CONCLUSION

120. The District has faced significant budgetary challenges over many years, largely due to an overreliance on state and federal funding and growing operational costs. Through document examination and analysis and interviews, FAZ determined that although the BOE was informed by the former fiscal monitor in February 2024 that the District was facing a substantial budget deficit, the BOE had been provided with incorrect information, as demonstrated by the monthly Treasurer's and Budget Status Reports and audited financial statements. These documents, particularly the Budget Status Reports, were not

reviewed at BOE meetings, and by their own admission, the BOE did not have the financial wherewithal to challenge the information presented by the former fiscal monitor.

121. The District's audited financial statements had reflected for years that the District was experiencing a budgetary surplus. Review of the District's Treasurer's and Budget Status Reports also demonstrated that the District had been experiencing a budget surplus. A review of these documents indicates that the District had budgeted for positions like teachers, nurses, assistants, and aides, and those positions had gone unfilled, contributing to the budget surplus. The Treasurer's and Budget Status Reports were included with the BOE meeting minutes, however, these reports were never reviewed during BOE meetings. Per discussions with the current Assistant Superintendent for Business, Eric Stark, and the current fiscal monitor, Shawn Farr, the District is working toward hiring for the unfilled positions to meet student needs.

122. However, the District has been informed by the state appointed monitors that the District relies too much on aid, which can be susceptible to fluctuations in policies and changing funding formulas.

123. In response to the issues facing the District, we recommend that the District:

(vii) Establish enhanced monthly financial reconciliation and budget protocols that align the District's projected cash flow reports and reported cash balances with the monthly Treasurer's and Budget Status Reports of actual cash balances, and enhance transparency—particularly around reserve balances, projected deficits, and actual results.

(viii) Improve the reliability of overall financial management by implementing and enforcing expanded training for District fiscal staff and members of the BOE who would benefit from programs in financial management, accounting, and fiscal oversight.

(ix) Invest in governance and establish credibility, stability and targeted incentives in order to address the historical leadership turnover and attract

new talent that can address the District's challenges, including the District's ability to consistently meet certain state education requirements.

(x) Ensure that all members of the BOE possess a clear understanding of their respective roles and responsibilities, as well as a full awareness of the committees to which they have been assigned. Monitor the formal requirement that all members of the BOE's audit committee possess a foundational level of financial literacy to effectively fulfill their oversight responsibility.[33]

(xi) Implement a requirement that the BOE should actively review the annual budgets on a line-by-line basis by comparing proposed amounts to actual historical results, evaluating underlying assumptions, and requiring support for significant variances to ensure accuracy, transparency, and fiscal/academic accountability. In addition, formalizing internal controls around budgeting and monitoring (e.g., monthly variance analyses and BOE review) would improve accountability and decision-making, particularly at the BOE level.

(xii) Implement a requirement that all recommendations to the District by the fiscal or academic monitors, the external auditors, or other outside consultants or experts be consistently included as standing agenda items at BOE meetings, ensuring timely review, tracking, and resolution.

124. Rebuilding trust between the District, BOE and community is critical to any long-term solution, which needs to include more proactive communication with both public and private school communities regarding improved student outcomes, budget constraints frequent administrative turnover, and governance inefficiencies.

125. According to the State Education Department letter to the BOE dated April 22, 2025 there were several areas of concerns identified by the fiscal and academic monitors that impede student achievement, including but not limited to, inadequate professional learning, human capital deficiencies and weak human resources infrastructure.[34]

[33] The East Ramapo Central School District audit committee requirements for Board of Education (BOE) members are governed by New York Education Law §2116-c and the District's Policy 6690.
[34] State education department letter to the Board of Education dated April 22, 2025.

126. In light of these concerns and based upon our observations and interviews it is important that all parties recognize the importance of establishing credibility, stability and targeted incentives in order to address the historical leadership turnover and attract new talent that can address the District's concerns. Implementing and considering the above recommendations will enable the District to resolve its current financial challenges, prevent future budgetary issues, and better support the needs of its students.

127. The procedures performed were limited to those described herein based on the documents provided to date and other information obtained.

Respectfully submitted this 2nd day of June 2026.



Michael Brown, CPA, CFE, CFF
Partner



Paul Zarecki, CPA, CFE, CFF
Partner

Exhibit 1

Exhibit 1
East Ramapo Central School District
Documents Considered

- Budgets for the school years beginning 2021 and ending 2025, and corresponding budget newsletters and communication.
- Audited financial statements for the years 2020 through 2025.
- Risk Assessment Update Report for the Year Ended June 30, 2024.
- Report on Information Technology for the Period July 1, 2023, through March 31, 2025.
- School Administrator Salary Disclosure April 15, 2025.
- Property Tax Report Card April 21, 2025.
- East Ramapo Central School District 2020 through 2025 Long-Term Strategic Academic and Fiscal Plan dated October 27, 2021.
- 2025 – 2026 School Year Base Annual Plan Update Template.
- Intensive Review of Budget Process Report for the fiscal year ending June 30, 2021.
- Appeal of Ana Maeda, Interim Decision and Order issued by Commissioner Betty Rosa dated July 31, 2024, and supporting exhibits.
- Board of Education Meeting Minutes for the years 2023 through 2025.
- Monitor Findings and Recommendations issued in the years 2023 and 2024.
- April 3, 2025, findings issued by Deputy Comptroller Robin L. Lois, CPA.
- April 22, 2025, letter issued by Commissioner Betty Rosa.
- Purchasing Policies of the East Ramapo Central School District.
- Treasurer's & Budget Status Reports for the years 2022 through 2025.

Exhibit 2

The University of the State of New York
Education Department

Appeal of ANA MAEDA, on behalf of her children, from action of the Board of Education of the East Ramapo Central School District regarding a budget vote.

Interim Decision and Order

I. Introduction

Petitioner appeals from action of the Board of Education of the East Ramapo Central School District ("East Ramapo" or "respondent") regarding its failure to adopt a budget that protects the health, safety, and welfare of its public school students. The record substantiates numerous, serious violations of some of the board's most fundamental obligations. These include the duty to ensure that respondent provides safe buildings and clean water to all students as well as instructional services for English Language Learners (ELLs).

Given the history of public school neglect described herein, I find that the revote budget adopted by respondent on June 18, 2024 is arbitrary, capricious, and violative of educational policy due to the ways in which it inequitably favors nonpublic school students at the expense of public school students (*e.g., Appeal of McMillan, et al.*, 61 Educ Dept Rep, Decision No. 18,058; *Appeal of Mathis and Dahlia*, 28 *id.* 347, Decision No. 12,132). To give effect to my decision, respondent is directed to adopt a budget providing for an additional 4.38 percent increase of the property tax levy; *i.e.*, the 5.38 percent recommended by the superintendent less the one percent approved by the voters on June 18, 2024. The board shall be authorized, and directed, to raise by tax upon the taxable property of the district a sum sufficient to pay such costs (Education Law § 311 [4]; *People ex rel. Bd. of Educ. of Union Free Sch. Dist. No. 2 of Town of Brookhaven, Suffolk Cnty., v. Graves*, 243 NY 204 [1926]).

II. Facts and Procedural History

A. *Historical Background*

To place this appeal in context, it is necessary to examine the district's longstanding, institutional failures. The East Ramapo Central School District is home to a large number of students who attend nonpublic schools. These nonpublic students "are almost all white (98%)" and almost exclusively attend yeshivas (*Natl. Assn. for Advancement of Colored People, Spring Valley Branch v E. Ramapo Cent. Sch. Dist.*, 462 F Supp 3d 368, 376 [SD NY 2020]). Public school students, by contrast, are overwhelmingly students of color. As of March 23, 2024, 93 percent of the district's 10,427 public school students are Hispanic or African American. Many of these students are economically disadvantaged (84 percent) and English Language Learners (52 percent).[1]

In 2014, the State Education Department's fiscal monitor, Henry M. Greenberg, issued a report describing the conditions in East Ramapo. He characterized the district as being in crisis.[2] Below are the primary problems identified in the 2014 report:

- **Transportation.** The district provided universal, gender-segregated transportation for its nonpublic school students, which comprised a substantial portion of its budget.
- **Fiscal instability.** The district was fiscally unstable "[b]y any measure," operating at a deficit for 7 out of the preceding 10 years and filling budget gaps with "one-shot" funding opportunities.
- **Favoritism toward nonpublic schools.** The board made "[n]o meaningful effort ... to distribute [the] pain of deep budget cuts fairly among private and public schools." Between 2009 and 2012, the board cut 400 positions and reduced extracurricular opportunities by 50 percent—all while paying an ever-increasing amount on its universal, gender-segregated transportation program for nonpublic school students.[3] The report also noted the filing of "[c]riminal charges arising from the sale of a closed school," a reference to the attempted sale of Hillcrest Elementary School "to a yeshiva at a sweetheart price."[4]

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[1] Letter from Bruce Singer and Shelley Jallow to Betty A. Rosa, "Monitor Findings and Recommendations Regarding the East Ramapo Central School District's Proposed 2024–2025 School Year Budget," 3 (Apr. 11, 2024) ("April 2024 Monitor Report").

[2] I have considered this report, as well as other official records or reports on file with the State Education Department, in reaching my determination (8 NYCRR 276.6).

[3] The monitors have confirmed that respondent continues to provide gender-segregated busing to nonpublic students.

[4] *Nat'l Ass'n for Advancement of Colored People, Spring Valley Branch v. E. Ramapo Cent. Sch. Dist.*, 462 F. Supp. 3d 368, 414–15 (SD NY 2020). The Commissioner annulled this sale in *Appeal of White* (50 Ed Dept Rep, Decision No. 16,239) as well as a subsequent short-term lease in *Appeal of Forrest* (53 Ed Dept Rep, Decision No. 16,501, judgment granted dismissing petition, January 29, 2014, Sup. Ct., Albany Co. [McDonough, J.]).

Mr. Greenberg concluded the report with several recommendations, the first of which focused on board governance. It included the following findings and insights:

- At the heart of the District's crisis is a governance problem stemming from [a]:
    - Unique demographic mix between public and private school students and
    - Board composition that reflects and magnifies this demographic.
- Statutory and regulatory scheme for public school governance assumes board members understand vital role of public schools.
- East Ramapo turns existing statutory and regulatory structure on its head.
- Board is comprised primarily of persons from the private school community, with limited understanding of public school students and their families.
- As a result, public school needs have been given short shrift, especially in times of fiscal crisis.

Following this report, the Legislature and State Education Department subjected the district to increasing levels of oversight. The Department appointed three individuals to serve as monitors in August 2015. The following year, the Legislature authorized these monitors to oversee East Ramapo's fiscal and budgetary planning (L 2016, ch 89). The Commissioner was also given an ability to review, and make suggestions concerning, the district's proposed budget.

The board made some initial progress with this additional support. A report for the 2016-2017 school year, for example, reported the Comptroller's "upgrad[ing] ... of East Ramapo from significant stress in the prior two years to moderate fiscal stress" primarily due to "the District's ... restoration of fund balance and several years of balanced budgets."[5]

But old habits die hard. In the 2017-2018 school year, the majority of voters rejected the district's proposed budget. By December 2018, the monitors reported that the district was at a "crossroads." It had made progress, but "[t]he only way for the District to catch up [would be] to begin passing small tax levy cap overrides." The monitors predicted that "the District [could not] sustain another contingency budget."

[5] The district's website reports the preceding four years of tax levy increases as follows: 2016-17: 1.69% approved in initial vote; 2015-16: 1.26% approved in initial budget; 2014-15: 3.9% approved in initial budget; 2013-14: 2.8% approved in revote.

Yet that is what the voters delivered. Beginning with the 2017-2018 rejection, only two of the next eight school years were accompanied by approved budgets. This reliance on contingency budgets decimated the district's resources. A 2019 report by the State Education Department, for example, noted that budget gaps were filled from three sources: the district's fund balance, reducing payments on a capital bond project, and "cuts to staff and services."[6]

Amidst this fiscal instability, many members of the board were preoccupied with "maintaining political power rather than meeting the needs of the district's students."[7] Current and former board members did so by vetting board candidates through the nonpublic school community to ensure that white, nonpublic students received benefits at the expense of Latino and African American public school students (*Nat'l Ass'n for Advancement of Colored People*, 462 FSupp3d at 395).

B. The Voting Rights Act Litigation

On May 25, 2020, the United States District Court for the Southern District of New York held that East Ramapo violated the Voting Rights Act (VRA) of 1965 by suppressing minority votes (*Natl. Assn. for Advancement of Colored People, Spring Valley Branch v E. Ramapo Cent. Sch. Dist.*, 462 F Supp 3d 368 [SD NY 2020], *aff'd Clerveaux v E. Ramapo Cent. Sch. Dist.*, 984 F3d 213, 219 [2d Cir 2021]). The problem, as described by the United States Court of Appeals for the Second Circuit, was that "[i]nfluential members of the white, private-school community [adopted] an informal slating process by which preferred Board candidates [we]re selected, endorsed, promoted, and elected." The court dismissed the district's arguments to the contrary, noting, among other things,

> the scant evidence supporting the District's claim that policy preferences, not race, cause election results; the Board's blatant neglect of minority needs; the lack of minority-preferred success in elections; the exclusive, white-dominated slating organization; and evidence suggesting the District acted in bad faith throughout the litigation.[8]

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[6] Jhone M. Ebert, "Update on the East Ramapo Central School District," Jan. 31, 2019, *available at* https://www.regents.nysed.gov/sites/regents/files/219p12d1.pdf (last accessed Jul. 31, 2024).

[7] *Appeal of White*, 61 Ed Dept Rep, Decision No. 18,053.

[8] *Clerveaux*, 984 F3d at 219.

The court's opinion dispelled the notion that the board acted separately from the majority of voters. The court found that "[t]here is every reason to believe that the [financial] improvements [we]re because of the state monitors, and in spite of the machinations of some Board members." While the court acknowledged that some budgetary "cuts may ... have been necessitated by the financial crisis or a state funding formula that is unfair to the District," it nevertheless concluded "that the Board has not been responsive to the concerns of black and Latino persons" (*Nat'l Ass'n for Advancement of Colored People*, 462 F Supp 3d at 415).

For relief, the court: (1) prohibited the district "from holding any further elections under its at-large system"; (2) ordered the district to "propose a remedial plan ..." that "divide[d] the District into nine voting wards – one for each Board seat"; and (3) "require[d] that only those residents living in a voting ward may vote for that ward's seat" (*Nat'l Ass'n for Advancement of Colored People*, 462 FSupp3d at 417). The court expressed doubt as to whether its order would "change the way the schools in the District are run." Nevertheless, it reasoned that its decision was necessary to ensure that "black and Latino voters in the District" enjoyed "equal access to the electoral process" (*id.*).

From the 2021-2022 to the 2023-2024 school years, the district's finances were temporarily buoyed by the phase-in of Foundation Aid and its receipt of onetime federal COVID stimulus funds.[9] This issue was the subject of a report by the Office of the State Comptroller, which advised the district "to be cognizant that these are onetime revenues" that could "only temporarily defer the need to address structural budget imbalances."[10]

The board did not heed this advice. Based on these and other financial practices, I conditionally approved the district's 2021-2022 budget, informing the district that its "existing budgeting and fiscal control practices [we]re unacceptable and must be improved." I further observed that the district's recent "academic progress ... ha[d] been placed at great risk by financial mismanagement."[11] That suggestion went unaddressed, culminating in the 2024-2025 budget at issue herein.[12]

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[9] The district's State Aid increased from $46.5 million in 2021-2022 to $85.9 million in 2023-2024. It is currently projected to be $92.2 million in 2024-2025.

[10] N.Y. State Office of the State Comptroller, "East Ramapo Central School District – Budget Review (B21-5-4)," Div. of Local Gov't and Accountability (May 5, 2021), available at https://www.osc.ny.gov/files/local-government/audits/2021/pdf/east-ramapo-budget-review-b21-5-4.pdf (last accessed Jul. 31, 2024).

[11] Letter from Betty A. Rosa to Yehuda Weissmandl dated May 7, 2021, *available at* https://www.nysed.gov/sites/default/files/programs/accountability/budget-letter-to-ercsd-board-president.pdf (last accessed Jul. 31, 2024).

[12] Like the Comptroller, I cautioned the district in an April 27, 2022 letter approving the 2022-2023 budget that it would "face a number of challenges as federal COVID-19 response monies

C. The 2024 Budget Process

In spring 2024, the school district administration proposed a budget containing a 5.38 percent increase in the local tax levy combined with $4.7 million in reductions.[13] These reductions, though drastic, left the district with a $20 million deficit.[14]

The board rejected the administration's proposed budget, instead offering a budget with a 1.99 percent tax levy increase. The board proposed obtaining additional revenue from its reserve funds.

On April 11, 2024, the monitors submitted a report concluding that the proposed budget was "not fiscally sound because of an over-reliance on unrestricted fund balance that will exacerbate the district's trajectory towards fiscal instability." "By holding the tax levy flat" for several years, the monitors wrote, "... the district effectively crippled itself by leaving unrealized tax levy receipts of up to $108 million between the 2018–2019 and 2023–2024 school years." The monitors recommended that respondent "reduce [its] reliance on one-time resources and revenues," which "could be accomplished by combining a larger proposed increase to the tax levy and evaluations of administrative, operational, and programmatic expenditures ...." The monitors made this "recommendation with extreme reluctance" given the "historical evidence that the community will not support tax levy increases ...." The monitors also "implore[d] [respondent] to work with the governor and legislature to create a new financial structure for the district ... to meet the needs of the district's resident students ...."

On April 16, 2024, I wrote to respondent, requesting that it explain how it would "[a]ddress the cash-flow shortfall that [was] currently projected to result in the district exhausting all reserves ... in July 2024." I further requested that the district perform additional work to develop a budget aligned with its long-term plan.

In a response received on April 29, 2024, the board offered no concrete plan to raise revenue or otherwise close this gap other than asking the Legislature for additional money. The board also reported that it was

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phase out, and the Board of Education will need to provide diligent and prudent stewardship of the district's resources in order to remain on track to long-term fiscal stability and improved student outcomes." Letter from Betty A. Rosa to Yehuda Weissmandl dated Apr. 27, 2021, *available at* https://www.nysed.gov/sites/default/files/programs/accountability/east-ramapo-csd-2020-21-budget-approval-letter-4-27-22.pdf (last accessed Jul. 31, 2024).

[13] Given the voters' history of rejecting tax levy increases, this amount would not implicate the "supermajority" requirement in Education Law § 2023-a (6) requiring 60 percent voter approval.

[14] The specific amount was $19.8776 million.

experiencing cash-flow issues due, in part, to the expiration of "$30 million dollars of federal [COVID] funding."[15]

On May 1, 2024, I "conclude[d] that additional action [was] necessary to better balance [respondent's] projected revenues and expenditures; improve the district's trajectory towards fiscal stability; and increase the extent to which the proposed budget aligns with the district's Long Term Strategic Academic and Fiscal Improvement Plan" ("strategic plan"). I therefore directed the district to take additional action, including communicating with the Legislature and Executive branches concerning its need for additional funds; adopting a budget that decreased reliance on reserves by approximately $2 million (an amount obtained via updated State Aid calculations); and "[h]old[ing] ... emergency meetings as may be necessary...."

On May 21, 2024, voters rejected the proposed budget. Petitioner indicates that the budget was overwhelmingly supported in wards consisting largely of public school families and opposed in wards composed primarily of nonpublic school families.

On May 23, 2024, Assemblyman Kenneth Zebrowski introduced a bill proposing a fiscal control board for East Ramapo in the Assembly. This legislation, consistent with the recommendation in the April 2024 Monitor Report, proposed a comprehensive solution to voters' longstanding neglect of the public school system.

On June 3, 2024, the Senate introduced a competing bill that would provide the district with "an accelerated payment of twenty million dollars" in State Aid "to provide the funds necessary for the district to meet its payroll obligations." These funds would be reserved "solely for the benefit of the public school students within the district." This bill also "order[ed] the district to increase its property tax levy for the 2024-2025 school year by not less than one percent." The 2024 legislative session ended thereafter without passage of either the Senate or Assembly bills.

On June 11, 2024, the Board of Regents called upon the Legislature "to reconvene and take immediate action to pass [the Assembly bill], which [would] establish [] a fiscal control board for the East Ramapo Central School District."[16]

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[15] The specific funding source was the American Rescue Plan Act, or ARPA. As indicated above, the Comptroller and I both warned respondent of this inevitability.

[16] New York State Board of Regents, Resolution (Jun. 11, 2024), *available at* https://www.regents.nysed.gov/sites/regents/files/ERCSD%20Resolution%20-%20Final.pdf (last accessed Jul. 31, 2024).

On June 18, 2024, voters narrowly approved a revote budget containing a one percent tax levy increase—the very amount that would be compelled by the Senate bill. As with the May 2024 vote, the budget was supported in wards consisting largely of public school families and opposed in wards composed primarily of nonpublic school families. The budget otherwise maintained the unsalutary aspects of the original proposal, pulling approximately $18 million from the district's unrestricted reserves and $1.2 million from the Teachers' Retirement System reserve fund.

III. The Instant Appeal

A. Petitioner's Allegations

Petitioner is the parent of two children who attend respondent's public schools. One of them attended Elmwood Elementary and will enter Chestnut Ridge Middle School this fall. Petitioner also has a child who attends Margetts Elementary. Both students planned to attend a summer program, the Fine and Performing Arts Academy, which was cancelled due to budgetary constraints.

Petitioner argues that the 2024 revote budget violates East Ramapo's strategic plan, the cornerstone of the 2016 monitor legislation. This plan demands "minimum reliance on the District's fund balances"; the creation of "a transportation system that is efficient and cost effective"; and maintenance of "clean, well maintained, and up-to-date schools."[17] Petitioner primarily complains of the budget's failure to address health and safety concerns and the provision of services to ELLs. She asserts that these deficiencies loom while the district's transportation budget remains untouched. For relief, she seeks "[a]n order ... [that] modifies the 'revote budget' and directs the imposition of a tax that will provide sufficient funding that allows the District to comply with New York law and regulations and with sound educational policy and prudent fiscal responsibility."

B. Health and Safety

East Ramapo's buildings are a tangible example of the board and voting majority's neglect of its public schools. In a 2023 study conducted by the district, all 14 of the district's buildings received a failing or unsatisfactory

[17] East Ramapo Central School District, 2020-2025 (Long Term) Strategic Academic and Fiscal Plan, (rev. Nov. 15, 2022), 53, 59, 62, *available at* https://www.nysed.gov/sites/default/files/programs/innovation-schoolreform/ercsd-long-term-report-2020-2025-strategic-academic-fiscal-plan-revised-11-15-22.pdf (last accessed Jul. 31, 2024).

grade in overall building quality.[18] Eleven of these schools had unsatisfactory ventilation systems, a condition that is particularly dangerous for students, like one of petitioner's children, with asthma. The report identified numerous other deficiencies with the schools that petitioner's children attend. For example, at Margetts Elementary, the district identified 23 conditions, 11 of which were categorized as "unsatisfactory" and 1 of which (water outlets/taps for drinking/cooking purposes) was "non-functioning." Petitioner asserts, which respondent does not contest, that the estimated cost of remediating these conditions is over $236 million.

The district has also struggled to ensure that its public school students have access to clean water. In 2020, 73 percent of the drinking fountains and kitchen sinks in the district exceeded lead-safety limits and were turned off, rendering them inaccessible. The district's efforts to remediate this issue have fallen short. In 2024, the Office of the Attorney General found that the replacement water supplied by the district was insufficient to meet building code standards. Specifically, several schools did not have enough water coolers while others possessed coolers that were not refilled or maintained properly.

C. Services to English Language Learners (ELLs)

The district has a large portion of English Language Learners (ELLs) and immigrant students who are inadequately served by the 2024 budget. Respondent has long struggled to meet the needs of ELLs, a group that is continually growing.[19] In 2022-2023, just 6 percent of English learners tested at the "Commanding" level on the New York State English as a Second Language Achievement Test. This is below the target goal of 13 percent established by the strategic plan—and a decrease from the previous year. Respondent has also failed to create, and staff, a sufficient number of bilingual education classrooms (8 NYCRR 154-2.3 [d] [2] [school districts with 20 or more ELLs who share the same home language and grade in a district "shall provide a sufficient number of Bilingual Education programs in the district in the following school year, such that there are Bilingual Education programs available in the district for at least 70 percent" of these students]).

These deficiencies informed the monitors' conclusion that the 2024 budget was "academically unsound." The monitors specifically observed that the budget did not allocate any resources to address "the equitable

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[18] East Ramapo Central School District, "Building Condition Survey Review," Jun. 20, 2023, *available at* https://www.ercsd.org/site/handlers/filedownload.ashx?moduleinstanceid=18631&dataid=34194&FileName=2023-06-20%20BOE%20BCS%20Presentation%20ERCSD.pdf (last accessed Jul. 31, 2024).

[19] Between July and October 2022 alone, respondent enrolled 938 new ELLs in its district.

procurement and distribution of curricular materials for the education of ELL students"; "the estimated increase of 800 public school students for the next school year"; or the fact that programs for recently arrived students are "scarce or nonexistent."[20]

D. Transportation

In marked contrast to the above deficiencies in the public schools, respondent continues to offer universal, gender-segregated transportation to nonpublic schools in excess of its statutory obligations. This policy is the result of public referenda submitted more than 25 years ago and is preserved at all costs by the nonpublic school community despite its increasingly negative impacts on the district's operations.[21]

It has also been administered in a careless manner. A 2019 report by the Comptroller requested a random sampling of 300 nonpublic students' transportation records. East Ramapo was unable to produce 93 of them, attributing the error, in part, to a "missing box." Of the 207 files produced, 193 were new applications—and 91 of these were deficient in one or more respects. The Comptroller also found that the district: (1) inexplicably destroyed transportation files prior to the 2017-2018 school year; and (2) paid hundreds of thousands of dollars to yeshiva bus contractors to transport ineligible students. The Comptroller issued eight recommendations, none of which had been implemented four years later.[22] This falls far short of the strategic plan's goal of developing "a transportation system that is efficient and cost effective."

E. Respondent's Contentions

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[20] April 2024 Monitor Report at 13-14.

[21] Respondent derives this entitlement from the second propositions on the district's 1986 and 1993 ballots. The 1986 proposition asked: "Shall the Budget as proposed in Proposition No. 1, if adopted, be increased by the sum of $207,000 to provide transportation to all students in grades Kindergarten through 6, who live less than one mile from the school they legally attend?" The 1993 proposition asked: "Shall the School District be authorized to raise by tax levy and expend the sum of $6,010,386 to provide ... a. Transportation to students in grades kindergarten through 8 living within two miles of the school they legally attend and transportation to students in grades 9 through 12 living within three miles of the school they legally attend, since these students will not otherwise receive transportation .... This proposition provides an increase in transportation over current levels for those students in grades 7 through 12."

[22] N.Y. State Office of the State Comptroller, "East Ramapo Central School District – Transportation Audit Follow Up (2019M-107-F)," Div. of Local Gov't and Accountability (Jul. 14, 2023), *available at* https://www.osc.ny.gov/local-government/audits/school-district/2023/07/14/east-ramapo-central-school-district-transportation-audit-follow-2019m-107 (last accessed Jul. 31, 2024). The webpage contains both the 2019 audit and the 2023 follow-up. In 2023, the district did not implement six recommendations and "could not ... determine []" compliance with the remaining two.

Respondent raises a host of procedural objections. First, respondent contends that it "has no information or explanation as to what the Commissioner is *sua sponte* considering [s]taying." However, in at least three locations—most notably, in its request for relief—petitioner seeks the imposition of an additional tax levy increase. Thus, I find that respondent had ample notice of the relief sought by petitioner. Moreover, the Office of Counsel is not responsible for providing legal advice in connection with administrative appeals (*Appeal of Lovinsky and Simpson*, 57 Ed Dept Rep, Decision No. 17,422 ["[t]he appeal process authorized by Education Law § 310 is adversarial in nature[;] as such, it would not be appropriate for [the] Office of Counsel to ... render [] advice in connection therewith"]).

To the extent respondent argues that there is no action to "stay," the instant order stays respondent's enforcement of its revote budget in favor of the budget originally proposed by the administration. But even if this order can be characterized as affirmative relief, the Commissioner can issue, and has issued, interim orders compelling boards of education to take affirmative action.[23] The Commissioner's power "[t]o determine whether an appeal shall stay proceedings"[24] must be read in conjunction with the "explicit power []" to "institute quasi-judicial proceedings" under Education Law § 310 (*United States v. City of Yonkers*, 96 F3d 600, 618 [2d Cir 1996]).

Next, respondent argues that I should recuse myself based on a recent public statement made in connection with the appointment of a new fiscal monitor in East Ramapo. This statement was as follows:

> East Ramapo's Board of Education continues to ignore the needs of the district's children and families. The district consistently fails to meet its most basic and necessary fiscal and operational tasks — like developing and implementing a balanced budget, transporting students, and maintaining an educational environment that is safe and welcoming for all students and staff.

These public, factual statements do not require my recusal. The evidence herein demonstrates the ways in which the board has ignored the needs of its

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[23] See, for example, the order dated January 10, 2023 issued in connection with *Appeal of Moster and YAFFED*, 63 Ed Dept Rep, Decision No. 18,225 [ordering a district to complete its investigation into the substantial equivalency of instruction provided at certain nonpublic schools by a specific date]; and the stay order dated October 24, 2019 granted in *Appeal of Vanunu*, Appeal No. 21,293, Withdrawal No. 2,447 [ordering a school district to re-calibrate its distance measurement tool and re-measure a distance within 10 days and submit an affidavit containing the results thereof]).

[24] Education Law § 311 (2).

public school students. The 2024 budget is, in the monitors' own words, "not fiscally sound." The district's network of private, contracted, and gender-segregated buses is costly, inefficient, and, on too many occasions, deadly.[25] And the district's facilities, as shown in its 2023 review, are neither safe nor welcoming. Given my statutory responsibility to review this appeal, I find no basis to, and therefore decline, to recuse myself (*see Application of McCray, et al.*, 57 Ed Dept Rep, Decision No. 17,307 [fact that Commissioner and State Education Department were respondents in previous litigation insufficient for recusal]; *see also Application of Simmons*, 53 Ed Dept Rep, Decision No. 16,596; *Appeal of Wayne*, 39 *id.*, Decision No. 14,298).

Respondent also contends that the appeal is untimely. An appeal to the Commissioner must be commenced within 30 days from the decision or act complained of, unless any delay is excused by the Commissioner for good cause shown (8 NYCRR 275.16; *Appeal of Saxena*, 57 Ed Dept Rep, Decision No. 17,239; *Appeal of Lippolt*, 48 *id.* 457, Decision No. 15,914). Here, petitioner challenges respondent's adoption of the revote budget on June 18, 2024. While respondent argues that petitioner should have appealed following the board's proposal of the revote budget on May 30, 2024, I find that petitioner was aggrieved by the actual vote and its adoption by respondent (*cf. Appeal of Gallagher*, 59 Ed Dept Rep, Decision No. 17,858 [administrator aggrieved by planned abolition of his position as well as resolution effectuating said abolition]). Indeed, the budget did not have legal effect until the conclusion of the election on June 18, 2024. Thus, petitioner permissibly elected to appeal the board's adoption of the revote budget.

Respondent further argues that petitioner lacks standing to challenge certain of its programmatic and budgetary decision, particularly ELL services. An individual may not maintain an appeal pursuant to Education Law § 310 unless aggrieved in the sense that he or she has suffered personal damage or injury to his or her civil, personal, or property rights (*Appeal of Abitbol*, 57 Ed Dept Rep, Decision No. 17,333; *Appeal of Waechter*, 48 *id.* 261, Decision No. 15,853). Only an individual who is directly affected by an action has standing to commence an appeal therefrom (*Appeal of Abitbol*, 57 Ed Dept Rep, Decision No. 17,333; *Appeal of Waechter*, 48 *id.* 261, Decision No. 15,853).

Petitioner is a district resident and taxpayer whose children attend respondent's public schools. She argues that respondent adopted a budget that

[25] The Department is aware of the following school bus incidents in East Ramapo in 2024 alone: (1) January 29, 2024: an eight-year-old student was killed by a school bus as he was walking home from school; (2) February 8, 2024: a school bus was involved in an accident whereby the driver suffered minor injuries but no children were harmed; (3) February 16, 2024: a five-year-old student was killed crossing the street by her own bus; (4) March 26, 2024: a six-year-old student was struck by a bus in Monsey; and (5) April 12, 2024: a student was struck by a private school bus in Monsey.

is inconsistent with the district's strategic plan and educational policy. While she describes the effect of respondent's budgeting decisions on the health and safety of public school students and ELLs, these are identified as illustrative examples of the ways in which the budget irrationally supports nonpublic schools while neglecting public ones. Moreover, respondent does not contest that petitioner has standing to challenge the quality of her children's school buildings. As such, I decline to dismiss the appeal for lack of standing.

Finally, respondent suggests that I am precluded from issuing relief as the monitors could have, but did not, veto the proposed budget(s). The monitors do not have this power. The 2021 monitor with veto power legislation authorizes the "the monitor or monitors" to overrule "an adopted resolution or motion, a proposed resolution or motion, or ... the board's failure to act" in accordance with law (L 2021, ch 173).[26] The monitors' budgetary authority is set forth in a separate subdivision that merely tasks them with "review[ing] the budget to ensure that it, to the greatest extent possible, is consistent with the long term strategic academic and fiscal improvement plan ... and expands educational programming for students ...." This language and structure cannot be read to impliedly bestow the monitors with authority over the district's budget—authority that would render the fiscal control board legislation superfluous.[27]

IV. Discussion

Respondent does not seriously dispute the above deficiencies. For example, it concedes that repairs to its facilities are necessary but argues that it has devoted $90 million to this task.[28] It does not dispute the presence of lead in its water systems but asserts that remediation is "nearly completed."[29] And other than its standing argument rejected above, it offers no defense to petitioner's allegations of inadequate ELL services. As such, I find that respondent has failed to offer "suitable and adequate facilities to accommodate the programs of such district" (8 NYCRR 155.1) as well as appropriate services to ELLs in violation of 8 NYCRR 154. Adoption of a budget that will not

[26] This legislation also reduced the number of monitors from three to two.

[27] To the extent respondent argues that I should have vetoed the budget, the Commissioner's authority under the current monitor law is similarly limited; the Commissioner is only afforded a limited opportunity to review and comment on the budget in the final weeks of its development. Section II.C above details my back-and-forth communications with the board during the budgetary process.

[28] It appears that respondent is referring to a $90 million investment made using federal stimulus funds. This investment, according to Department records, was considered when the district developed the $236 million estimate. But, even if it was not, the district still needs approximately $146 million.

[29] Department records belie the characterization of this work as "nearly" complete; an email from respondent's director of facilities on July 30, 2024, however, indicates that substantial work remains to replace several of the district's water fountains.

provide sufficient resources to address the above violations is arbitrary, capricious, and violative of sound educational policy.

Respondent suggests that any award of interim relief would "permit any taxpayer and/or parent to challenge any action by any board ... including whenever they d[o] not agree with the budget...." This prediction is unfounded, however, as no other school district offers such gratuitous resources to its nonpublic school students while simultaneously neglecting its public school students. In other words, the relief ordered herein is extraordinary—but so, too, are respondent's acts and omissions.

Respondent also suggests that it is the voters, not the board, who are responsible for depriving the public schools of needed resources. There is some truth to this proposition. However, as evidenced by the VRA trial, the board majority has not acted independently of the nonpublic school community and often acceded to its wishes. If the board prioritized its public school students, it would have filed this appeal itself—or at least supported the imposition of an additional tax levy increase.

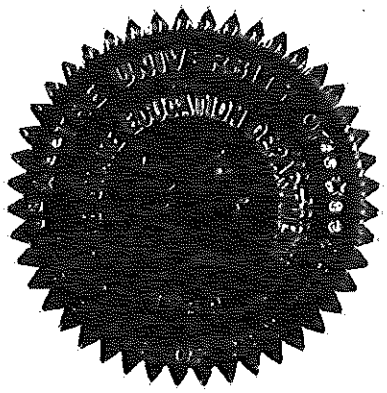
The Commissioner of Education is responsible for ensuring the continued operation and success of the common school system. By necessity, the Commissioner has the power and duty to prevent the collapse of a public school district. This includes the ability to levy taxes in an amount deemed proper or necessary to give effect to a decision (Education Law § 311 [4]; *Town of Brookhaven*, 243 NY 204 [1926]). Therefore, in accordance with the administration's original proposed budget, I hereby direct respondent to obtain an additional tax levy in the amount of 4.38 percent, the district's original proposal less the one percent approved in the June 18, 2024 revote. I find that this minimal amount, which must be used to address the deficiencies identified herein, is the only feasible solution ensure the continued operation of respondent's public schools (*Matter of Brookset Bus Corporation*, 21 Ed Dept Rep 503, Decision No. 10,770 ["The proper means or enforcing a decision of the Commissioner of Education depends upon the circumstances presented and is subject to the Commissioner's discretion"]).

V. Conclusion

The New York Constitution promises a "system of free common schools, wherein all the children of this state may be Educated" (N.Y. Const. Art. XI, Sec. 1). This order represents a small step toward the renewal of that commitment.

I have considered respondent's remaining contentions and find them to be without merit.

IT IS ORDERED that the Board of Education of the East Ramapo Central School District be, and it is hereby directed, to support its public schools by adopting a tax levy providing for an additional 4.38 percent increase; *i.e.*, the 5.38 percent recommended by the superintendent less the 1 percent approved by the voters on June 18, 2024. This amount must be used to address or mitigate the public school deficiencies identified herein. The board is hereby authorized and directed to raise by tax upon the taxable property of the district a sum sufficient to pay such costs.



IN WITNESS WHEREOF, I, Betty A. Rosa, Commissioner of Education of the State of New York, for and on behalf of the State Education Department, do hereunto set my hand and affix the seal of the State Education Department, at the City of Albany, this 31st day of July 2024.

Commissioner of Education

Exhibit 3

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April 3, 2025

Mr. Anthony DiCarlo, Interim Superintendent
Members of the Board of Education
East Ramapo Central School District
105 South Madison Avenue
Spring Valley, NY 10977

Report Number: B25-5-2

Dear Interim Superintendent DiCarlo and Members of the Board of Education:

Pursuant to Chapter 89 of the Laws of 2016, as amended, the New York State (NYS) Department of Education (SED) is required to appoint up to two monitors to the East Ramapo Central School District (District) to provide fiscal and academic oversight. SED appointed two monitors, one fiscal and one academic. The fiscal monitor's duties include, but are not limited to, monitoring financial condition and annually reviewing the District's proposed budget.[1]

After voters approved a 1 percent tax levy increase in June 2024, multiple factors led SED to direct the District's Board of Education (Board) to adopt a budget providing for an additional 4.38 percent increase, or $6.8 million, to the 2024-25 tax levy, which was ultimately approved by the Board in August 2024. SED's order noted that the District has faced challenges in meeting State educational requirements, including the provision of English Language Learners services and deficiencies in public school facilities due to lack of sufficient investment, including lack of access to clean drinking water, unsatisfactory ventilation systems, and unsatisfactory overall building quality.

Despite the monitors', the Board's and school officials' concerns of a potentially significant operating deficit, in November 2024, the District's financial statement audit for the 2023-24 fiscal year revealed $31.3 million in unassigned fund balance resulting from an operating surplus. Due to concerns related to the District's significant unanticipated 2023-24 fiscal year operating surplus, we conducted a review of the District's adopted budget for the current 2024-25 fiscal year.

1 See Appendix A for additional information on the monitors' duties.

Summary

Since our 2021-22 fiscal year budget review,[2] the District's unassigned fund balance increased from $4.4 million in 2021-22 to $31.3 million in 2023-24.

The unassigned fund balance as a percentage of the ensuing fiscal year's appropriations increased from 1.7 percent in 2021-22 to 9.2 percent in 2023-24, which exceeds the 4 percent statutory limitation[3] (Figure 1). Current District officials indicated the District is anticipating another operating surplus for 2024-25.[4] In addition to the significant increase in unassigned fund balance, the District also transferred additional surplus at fiscal year end 2022-23 to reserves that was not budgeted for. The amount in reserves increased from approximately $103,000 at the end of 2021-22 to approximately $22.7 million at the end of 2023-24 (Figure 2).

Figure 1: Unassigned Fund Balance

Description	Fiscal Year		
	2021-22	2022-23	2023-24
Ensuing Year's Appropriation	$256,421,500	$295,605,762	$338,648,658
Unassigned Fund Balance	$4,426,168	$18,020,841	$31,283,161
Unassigned Fund Balance as a Percentage of Ensuing Year's Appropriations	1.7%	6.1%	9.2%
Percentage Above Statutory Limit	0%	2.1%	5.2%

The significant increase in unassigned fund balance is due to District officials consistently appropriating funds that were not used. The significant increase in fund balance was largely due to budgeting for salary expenditures in the general fund and then paying them from the special aid fund with nonrecurring Federal pandemic aid funds (totaling over $149 million over the last four years including the current 2024-25 fiscal year under the American Resue Plan Act (ARPA)). As a result of the overestimate in salary expenditures, the District did not use all the appropriations, which resulted in general fund operating surpluses. The deadline to obligate ARPA funds was December 31, 2024; therefore, they are no longer available to fund recurring expenditures in future years.

Figure 2: Reserve Funds

Reserve Description	Fiscal Year		
	2021-22	2022-23	2023-24
State and Local Retirement Contributions	$0	$12,000,000	$12,777,417
Employee Benefits and Accrued Liabilities	0	3,000,000	3,194,354
Worker's Compensation	0	3,000,000	3,194,354
Teachers Retirement System Contributions	0	2,174,136	2,314,987
Unemployment Insurance	0	1,000,000	1,064,785
Insurance	103,471	109,802	116,916
Total	**$103,471**	**$21,283,938**	**$22,662,813**

We also noted the budget-to-actual reports were not provided to the Board in a timely manner, as the reports were two months old by the time the monitors and the Board received them. However, while they received the reports, there is no evidence the reports were discussed during the monthly Board meetings. Had the budget-to-actual reports been reviewed, the monitors and the Board would have known that starting in February 2024 (for budget-to-actual reports through December 31, 2023), there was a clear indication that the District would have a significant operating surplus at fiscal year-end (June 30, 2024). As of December 31, 2023, the budgeted revenues were anticipated to be received and the available or excess expenditure lines had over

2 OSC Budget Review Letter B21-5-4: https://www.osc.ny.gov/files/local-government/audits/2021/pdf/east-ramapo-budget-review-b21-5-4.pdf
3 New York State Real Property Tax Law Section 1318
4 As of January 31, 2025, District records indicate the District will not use the $19.2 million appropriated fund balance and reserves and, in addition, is projected to have a $25.8 million operating surplus for fiscal year ending 2024-25.

$30 million available. Further, the monthly Treasurer's report (included with the Budget to Actual report provided to the Board), showed that as of December 31, 2023, the general fund had $104.5 million in cash on hand.

We also reviewed the budget-to-actual reports for the remaining months and approximately the same amount continued to show as available in the budget-to-actual reports. Therefore, the Board, monitors and District administration should have been aware of the surplus prior to the 2023-24 financial statement audit being completed and provided to the Board at its November 2024 meeting when it was reported that the District ended the 2023-24 fiscal year with a general fund operating surplus of $40,302,863 and an increase in fund balance of $32,752,518.[5] Additionally, the District ended the 2023-24 fiscal year with a cash balance of $67.6 million in the general fund.

The fiscal monitor used a cash flow projection report prepared by the prior Assistant Superintendent for Business and provided to the Board at its February 15, 2024 meeting. The cash flow projection report estimated the District would end the 2024-25 fiscal year with a projected cash deficit of $18.5 million. As a result, both monitors wrote a recommendation to the Commissioner of Education on April 11, 2024, expressing concerns about the District's fiscal instability and over-reliance on unrestricted fund balance. However, our review of the cash flow projection report, the monthly Treasurer's reports (Budget to Actuals and Cash Accounts Summary) provided to the Board and discussions with the current Assistant Superintendent for Business revealed that the cash flow projections in the report provided to the monitors were inaccurate. We determined this occurred because the report showed a July 1, 2024 starting cash balance that was significantly underestimated by $43.3 million. The District actually began the subsequent, 2024-25 fiscal year (July 1, 2024) with $45 million in unrestricted cash and $22.7 million in restricted cash in the general fund, according to the audited financial statements.[6]

It is unclear why the fiscal monitor and the Board did not reconcile the Treasurer's report with the cash flow projections, which would have allowed them to anticipate a 2023-24 year-end operating surplus. These Treasurer's reports indicated that the District would end the 2023-24 fiscal year with an operating surplus and sufficient cash on-hand. For example, the monthly Treasurer's report showed total general fund cash balance (restricted and unrestricted) of approximately $110.6 million as of March 31, 2024 and $69 million as of June 30, 2024. Also, the cash flow projection report showed expenditures for all the District's salary appropriations even though there were known vacancies that were not being filled. According to Board minutes and discussions with District officials, the District had over 100 vacancies and had not planned to fill all of them. However, the budget included salary and benefit appropriations for all positions.

2024-25 Adopted Budget

Our Office completed an independent evaluation (review) of the District's adopted budget for the 2024-25 fiscal year. The review addressed the following question:

- Are the significant revenue and expenditure projections in the District's adopted 2024-25 budget reasonable?

To accomplish the review's objective, we requested your adopted budget, salary schedules, debt payment schedules, as well as other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant

5 EastRamapoCSDFinalFS2024.pdf
6 EastRamapoCSDFinalFS2024.pdf, p 21

and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and assess whether the estimates were realistic and reasonable. We also evaluated the amount of fund balance appropriated in the adopted budget to be used as a financing source and determined whether the amount of fund balance was available and sufficient for that purpose.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided. In addition, this review did not examine capital project expenditures.

Our review disclosed the following findings which should be reviewed by District officials for appropriate action. District officials should consider our recommendations in addressing the District's current financial condition and modify the adopted budget as necessary.

Nonrecurring Funding Sources

The adopted 2024-25 budget relies on the use of nonrecurring funding of $20.7 million to finance operating expenditures. Additionally, the District's adopted budget relies on approximately $5 million of ARPA funding that will no longer be available to fund recurring expenditures. The risks associated with this practice are detailed below.

Fund Balance – The District appropriated $18 million (approximately 37 percent) of the actual unrestricted fund balance available as of June 30, 2024 totaling $49.5 million, in the 2024-25 adopted budget. However, at the time the District was developing the 2024-25 budget, officials did not have accurate fund balance projections for 2023-24 that would have been necessary to determine how much was available to appropriate in the ensuing fiscal year. By not preparing reasonable estimates of projected year-end available fund balance, the District could have been at risk of appropriating more fund balance than was available to fund appropriations in the ensuing year. However, our review indicates the Board budgeted significantly more than projected to be used for personal services, transportation and materials and supplies per our projection and likely will not use the available appropriated fund balance.

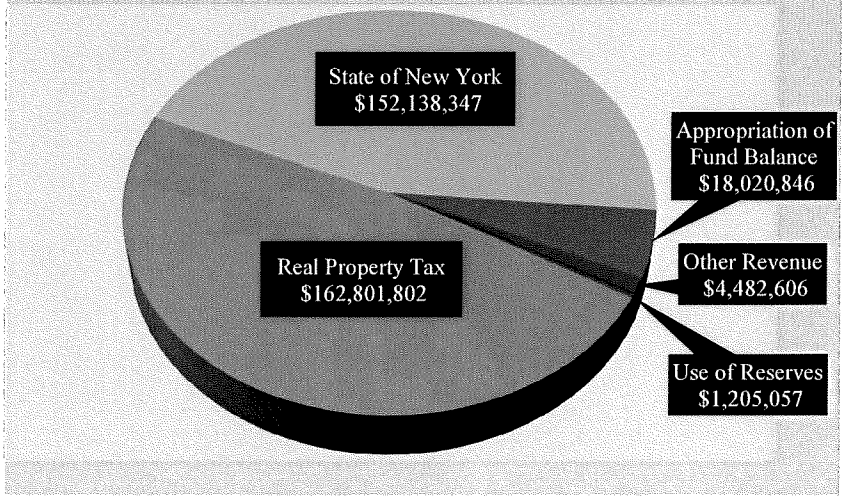
American Rescue Plan Act – The District's 2024-25 adopted budget relies on the use of $5 million of its remaining ARPA funding in the special aid fund for covered expenditures such as salaries, transportation, materials and supplies. Although the aid may provide relief in the 2024-25 budget, this funding source will not be available in future years and the related expenditures will become necessary general fund operating expenditures. Therefore, the District's reliance on ARPA funding to finance the District's operating expenditures may cause funding gaps in the future.

Although the District may not use the appropriated fund balance in fiscal year 2024-25, allowing for the use of these funds in a subsequent year, the $5 million of special aid revenue providing relief in the 2024-25 budget will not be available in future years. Therefore, a potentially significant funding gap may occur in the 2025-26 fiscal year that the District must address by finding an alternate source of revenue or by reducing appropriations.

Revenues

The 2024-25 adopted budget submitted to our Office for the District's general fund revenues is summarized in Figure 3.

Figure 3: District's Revenue Summary - $338,648,658



Interest and Earnings – The 2024-25 adopted budget did not include any revenue for interest and earnings. In the 2022-23 fiscal year, the District received approximately $3.3 million and in the 2023-24 fiscal year, the District received approximately $4.4 million. Our revenue projection of $4.7 million for 2024-25 is based on 2023-24 actuals. Therefore, the District could potentially receive $4.7 million in unbudgeted revenue.

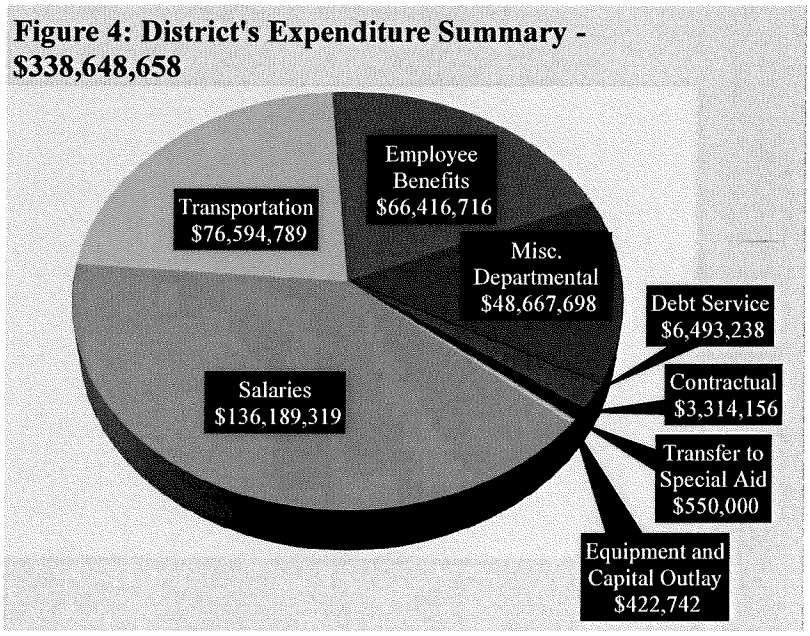
Rental of Property – The 2024-25 adopted budget included the rental of property revenues of approximately $181,000. In the 2022-23 fiscal year, the District received approximately $263,000 and in the 2023-24 fiscal year, the District received approximately $320,000. Our projection of approximately $347,000 for 2024-25 is based on 2022-23 and 2023-24 actuals. The District continues to budget for two types of rental of property despite receiving five types for the last two fiscal years. As a result, the District could potentially receive approximately $166,000 in additional revenue that was not budgeted.

Non-Resident Tuition – The 2024-25 adopted budget included non-resident tuition revenues of $1.4 million. In the 2022-23 fiscal year, the District received approximately $6,000 and in the 2023-24 fiscal year, the District received approximately $41,000. Based on historical trends, we project the District will continue to receive the same revenue as 2023-24 in 2024-25. Therefore, if revenue estimates are not realized, the District could potentially face a shortfall of approximately $1.4 million.

Expenditures

The 2024-25 adopted budget submitted to our Office for the District's general fund expenditures is summarized in Figure 4.

Figure 4: District's Expenditure Summary - $338,648,658



Personal Services (Salaries) – The District spent $89.9 million in 2021-22, $95.1 million in 2022-23 and $102.6 million in 2023-24 on salaries expensed in the general fund.

While the 2024-25 adopted budget included approximately $136.2 million for personal services, the District's salary schedule calculation was approximately $112.6 million. Officials cannot support their overestimated personal service appropriations totaling $23.6 million. While the District overestimated personal service appropriations, several of the District's collective bargaining agreements are expired and in the process of negotiations, and the outcome of the negotiations may impact the District's budget.

According to District officials, prior human resource officials did not provide salary schedules to the business department to make accurate salary appropriations. Additionally, the District has had a significant turnover in the human resources department which caused personnel files and records to be inaccurate or incomplete. Current Business officials have acknowledged the deficiencies in their staffing records. For example, officials could not identify which facilities staff were located at. To address these deficiencies, they have scheduled meetings with each building to review the employee listing to determine whether it is accurate and will update it for the 2025-26 fiscal year.

Transportation – The District's 2024-25 adopted budget includes an appropriation of approximately $76.6 million for transportation. The District spent approximately $59.8 million in 2023-24, $53.5 million in 2022-23 and $45.6 million in 2021-22 on transportation. Based on historical trends in transportation, we project the District will spend approximately $65.7 million in 2024-25. Therefore, the District likely overestimated transportation costs by as much as $10.9 million.

Materials and Supplies – The District's 2024-25 adopted budget includes an appropriation of approximately $7.9 million for materials and supplies. Included in the $7.9 million appropriation, the District allocated the $6.8 million tax levy increase directed by SED into one materials and supplies budget line. The District spent approximately $1.2 million on materials and supplies in 2023-24. Based on historical trends in materials and supplies and a small growth factor, we project the District will spend approximately $1.4 million in 2024-25. However, without sufficient supporting calculations or Board-approved plans for the use of the additional appropriations, we are unable to determine whether the District may have overestimated materials and supplies by as much as $6.5 million.

Tuition – The District's 2024-25 adopted budget includes an appropriation of approximately $7 million for tuition payments for District students enrolled in private schools or other districts. The District spent approximately $3.7 million on tuition payments in 2023-24. Based on historical trends in tuition, we project the District will spend approximately $3.6 million in 2024-25. Therefore, the District likely overestimated tuition costs by as much as $3.4 million.

Social Security – The District's 2024-25 adopted budget includes an appropriation of approximately $10.5 million for the District's share of Social Security payments. The employer's share of the Social Security tax consists of 6.2 percent of wages up to a certain limit for Social Security and an additional 1.45 percent of all wages for Medicare. We based our calculation of Social Security payments of $8.6 million based on the District's salary schedule amounts. Therefore, we project the District may have overestimated the amount of its share of the Social Security tax by approximately $1.9 million.

Teachers' Retirement – The District's 2024-25 adopted budget includes an appropriation of approximately $12.6 million for payments of teachers' retirement. The District spent approximately $8.6 million in 2023-24. We project the District will spend $11.5 million in 2024-25 based on New York State Teachers' Retirement projections. Therefore, the appropriation for teachers' retirement is likely overestimated by approximately $1 million.

Medical Insurance – The District's 2024-25 adopted budget includes an appropriation of approximately $36 million for health insurance. The District spent approximately $30 million in 2023-24. Based on historical trends of health insurance costs, we project the District will spend approximately $38.3 million in 2024-25. Therefore, the District likely underestimated medical insurance costs by as much as $2.3 million.

Substitute Teachers – The District's 2024-25 adopted budget includes an appropriation of approximately $1.2 million for substitute teachers. The District spent approximately $1.7 million on substitute teachers in 2023-24. Based on historical trends in substitute teachers, we project the District will spend approximately $1.8 million in 2024-25. Therefore, the District likely underestimated substitute teachers costs by as much as $613,000.

Employee Retirement – The District's 2024-25 adopted budget includes an appropriation of approximately $1.8 million for payments due to the New York State Local Retirement System (NYSLRS). NYSLRS allows municipalities to amortize certain pension costs as part of a stabilization program, which spreads payments over several years, and the District elected to participate in the program. Based on our review of prior year's bills, we calculated the District's payment is $2.5 million for 2024-25. Therefore, the District likely underestimated employee retirement costs by as much as $606,000.

Maintenance Overtime – The District's 2024-25 adopted budget includes an appropriation of approximately $357,000 for maintenance overtime. The District spent approximately $704,000 in 2022-23 and $0 in 2023-24. Based on historical trends in tuition, we project the District will spend approximately $704,000 in 2024-25. Therefore, the District likely underestimated maintenance overtime costs by as much as $347,000.

Custodian Substitutes – The District's 2024-25 adopted budget includes an appropriation of approximately $255,000 for custodian substitutes. The District spent approximately $295,000 on custodian substitutes in 2023-24. Based on historical trends in custodian substitutes, we project the District will spend approximately $434,000 in 2024-25. Therefore, the District likely underestimated custodian substitute costs by as much as $179,000.

Contractual Settlements – The District's 2024-25 adopted budget did not include an appropriation for contractual settlements. Six of the District's 11 collective bargaining agreements (CBAs) have expired or will expire soon, and three CBAs were settled during fiscal year 2024-25 (Figure 5).

The District faced additional expenditures when the three contracts were settled (District officials estimated an additional $10 million) and could face potential additional expenditures when the others are settled. Therefore, the District should be mindful to ensure appropriations are sufficient for these potential liabilities when the contract agreements are reached.

Figure 5: CBA Expiration Dates

Description	CBA Expiration Date
East Ramapo Association of Occupational Therapy Assistants	June 30, 2020
East Ramapo Teachers' Association	June 30, 2022[a]
Supervisor of Business Services Staff Unit	June 30, 2022[b]
East Ramapo Association of Substitute Teachers	June 30, 2022
Family Resource Coordinators	June 30, 2022[b]
Association of Educational Secretaries	June 30, 2024
Teaching Assistants & Aides of East Ramapo	June 30, 2024
New York State Nurses Association	June 30, 2025
Certified Occupational Therapists	June 30, 2025

a) Contract settled, new Expiration Date of June 30, 2026
b) Contract settled, new Expiration Date of June 30, 2027

Projected Operating Surplus

Our review of District records, as of January 31, 2025, indicates the District will not use the $19.2 million appropriated fund balance and reserves. In addition, the District is projected to have a $25.8 million operating surplus for fiscal year ending 2024-25. When considering the amount of the projected surplus funds, the Board should take into consideration the utilization of such funds to finance capital reserves and future projects to be undertaken. To make the most effective and efficient use of the District's resources, the Board should review and update its multiyear financial and capital plans, as necessary.

Recommendations

The Board and District officials should:

1. Provide timely financial information to the monitors throughout the year and work with them to develop structurally balanced budgets that include realistic revenue estimates and appropriations.

2. Develop a plan to fund operations and discontinue the practice of relying on one-time revenues to finance recurring expenditures, with consideration that the District will no longer receive the ARPA funding they have relied on to fund salaries.

3. Closely monitor revenues and expenditures and make budget modifications as necessary in a timely manner to ensure a balanced budget.

4. Ensure supporting documentation and calculations for budgeted revenues and expenditures are maintained when developing future budgets.

5. Review and update the District's multiyear financial and capital plans, as necessary.

We hope that this information is useful as you review the current adopted budget and for the upcoming budget for the District. If you have any questions on the scope of our work, please feel free to contact Gary Gifford, Chief of Municipal Audits, Glens Falls Regional office, at (518) 793-0057.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

cc: Eric Stark, Assistant Superintendent of Business
Kathi Kivi, District Clerk
Shawn Farr, SED Monitor
Dr. Shelley Jallow, SED Monitor
Christopher D'Ambrese, District Superintendent, Rockland BOCES
Betty A. Rosa, Commissioner, State Education Department
Hon. Carl E. Heastie, Speaker of the House, NYS Assembly
Hon. Crystal D. Peoples-Stokes, Majority Leader, NYS Assembly
Hon. William A. Barclay, Minority Leader, NYS Assembly
Hon. J. Gary Pretlow, Chair, NYS Assembly Ways and Means Committee
Hon. Andrea Stewart-Cousins, President Pro Tempore and Majority Leader, NYS Senate
Hon. Robert Ortt, Minority Leader, NYS Senate
Hon. Liz Krueger, Chair, NYS Senate Finance Committee
Blake G. Washington, Director, NYS Division of the Budget
Gary Gifford, Chief of Municipal Audits, Glens Falls Regional Office

Appendix A

Monitors' Duties as Summarized by SED[7]

The monitors are contracted employees whose reasonable and necessary expenses are paid by the school district.

The monitors' responsibilities include:

- Working with the Board of Education to develop a long-term strategic academic and fiscal improvement plan that shall be updated annually by October 1;
- Approving or disapproving the appointment of a superintendent;
- Overriding proposed or adopted resolutions or submitting a resolution for adoption by the Board of Education in those instances where the school district is operating in violation of law or regulation or inconsistently with the long-term strategic academic and fiscal improvement plan;
- Mandating that Board of Education members, the superintendent, and/or other school district officers undergo up to 15 hours of training per year;
- Providing semi-annual reports to the Commissioner, the Board of Regents, the Governor and Legislature on the academic, fiscal, and operational status of the district, which includes all the contracts that the district enters throughout the year;
- Reviewing annually the proposed district budget to ensure that it is balanced and, to the greatest extent possible, consistent with the district's approved long-term strategic academic and fiscal improvement plan;
- Assisting in resolving disputes and conflicts, including those between the superintendent and the Board of Education;
- Recommending cost-saving measures, including shared service agreements;
- Serving as an ex-officio member of the Board of Education who is entitled to attend all meetings of the Board of Education, including executive sessions, and to access any necessary documents and records of the district; and
- Notifying the Board and Commissioner in writing regarding violations of the academic or financial plan.

7 East Ramapo CSD | New York State Education Department

Exhibit 4

Bruce Singer, Fiscal Monitor
Mary Fox, Academic Monitor
East Ramapo Central School District
105 S Madison Ave
Spring Valley, NY 10977-5400

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

March 29, 2023

Dear Dr. Rosa:

RE: Monitor Findings and Recommendation Regarding the East Ramapo Central School District's 2023-24 School Year Proposed Budget

In accordance with Chapter 173 of the Laws of 2021, we have reviewed the proposed East Ramapo Central School District's (ERCSD or "the district") 2023–24 school year proposed budget to determine whether it is balanced within the context of revenue and expenditure estimates and mandated programs. We have also reviewed the proposed 2023-24 school year budget to determine whether, to the greatest extent possible, it is consistent with the district's long-term strategic academic and fiscal improvement plan ("the plan"); expands educational programming for students, including but not limited to extracurricular activities, course offerings, non-mandated support services, non-mandated art and music classes, programs and services for English language learners and students with disabilities; and maintains class size.

During the development of the proposed 2023–24 school year budget, district staff continually compared the budget to the plan to ensure alignment. As we will explain below, we find that the proposed budget is balanced, but is not consistent with the Long Term Academic and Fiscal Plan.

2023-24 School Year Revenue Highlights:

EAST RAMAPO CENTRAL SCHOOL DISTRICT PROPOSED 2023-24 REVENUE BUDGET				
	2023	2024		
Description	Contingency Budget	Proposed Budget	$ Difference	% Difference
Tax Levy	154,490,227.00	157,564,583.00	3,074,356.00	1.99%
NYS Aid Revenue	94,651,214.00	134,335,929.00	39,684,715.00	41.93%
PILOTs	252,602.00	252,602.00	00.00	0.00%
Health Services	475,000.00	350,000.00	-125,000.00	-26.32%
Non-Resident, Foster, OPWDD Tuition	1,678,313.00	1,403,000.00	-275,313.00	-16.40%
Chapter Tuition _STAC	1,541,840.00	500,000.00	-1,041,840.00	-67.57%
BOCES Refund for Prior Year Surplus	830,399.00	700,000.00	-130,399.00	-15.70%
Workers Comp & Ins. Reimbursement	93,318.00	93,318.00	00.00	0.00%
Medicaid	989,000.00	1,120,000.00	131,000.00	13.25%
Use of Facilities	236,081.00	157,631.00	-78,450.00	-33.23%
Interest & Misc. Revenue	1,130,451.00	2,150,000.00	1,019,549.00	90.19%
Interfund Trans. for Debt Service	53,055.00	53,055.00	00.00	0.00%
TOTAL	256,421,500.00	298,680,118.00	42,258,618.00	16.48%

2023-24 SCHOOL YEAR STATE AID ANALYSIS

- The district is projecting total revenues of $298,680,118 in the 2023-24 school year, which is an increase of $42,258,618 from the 2022–2023 school year, mainly due to the increase in Foundation Aid of $39,684,715.
- 2023–2024 school year State Aid, subject to legislative action, is projected as follows:

2023-24 FOUNDATION AID	$85,718,024
2023-24 HIGH TAX AID	729,146
2023-24 TRANSPORTATION AID	35,419,887
2023-24 BUILDING AID	2,635,320
2023-24 BOCES AID	3,162,565
2023-24 PUBLIC EC HIGH COST AID	2,177,650
2023-24 PRIVATE EXCESS COST AID	816,126
2023-24 SOFTWARE AID	619,573
2023-24 LIBRARY MATERIALS AID	258,500
2023-24 TEXTBOOK AID	2,378,755
2023-24 HARDWARE & TECH. AID	420,383
2023-24 TOTAL AID	$134,335,929

Please note: Universal Pre-Kindergarten Aid is not included in the General Fund.

2023-24 School Year Tax Cap

- To meet the needs of students and maintain the appropriate levels of programs and services, the district is proposing a 1.99% tax levy increase, which is within the allowable tax levy cap, meaning only majority, rather than supermajority, voter approval will be needed. If approved, tax levy funding would increase from an estimated $154,490,227 in the 2022–23 school year to a projected $157,564,583 in the 2023–24 school year.
- The maximum allowable tax levy increase is 4.56%. However, it is extremely doubtful that the East Ramapo community would support a tax levy increase of that magnitude.

Tax Cap Calculation
FINAL Submitted March 1, 2023

PRIOR YEAR TAX LEVY	$154,490,227
Multiply by:	
TAX BASE GROWTH FACTOR	1.0096
	$155,973,333
Adjusted Tax Levy:	
ADD PRIOR YEAR PILOTS	$235,569
LESS PRIOR YEAR EXEMPTIONS (CAP. LEVY)	$2,735,178
ADJUSTED PRIOR YEAR LEVY	$153,473,724
Multiply by:	
ALLOWABLE GROWTH FACTOR	1.02
Tax Levy including Growth Factor:	$156,543,198
LESS PILOTS FOR COMING YEAR	$252,602
ADD AVAILABLE CARRYOVER FR 6/30/22	$2,368,175
TAX LEVY LIMIT (before exclusions)	$158,658,771
EXCLUSIONS (TRS, CAP. LEVY)	$2,879,652
MAXIMUM ALLOWABLE LEVY	$161,538,423
MAXIMUM LEVY AMOUNT INCREASE	$7,048,196
ALLOWABLE TAX CAP INCREASE %	**4.56%**

- All state filings have been submitted timely during the 2022–23 school year.
- Other categories of revenue and expenditure projections are based on trend data of actual revenue and expenditures.
- In developing our findings, we reviewed extensive documentation prepared by the district that included but were not limited to: State aid assumptions; 2023–2024 school year tax levy calculations; revenue and expenditure trends; transportation budget analysis; potential retirees; and debt service. The link to these documents can be found at: https://www.ercsd.org/Page/11863

2022–23 School Year Expenditure Reductions and Efficiencies:

- The proposed 2023–24 school year budget reflects the following efficiencies and reductions in expenditures from the 2022–23 school year budget:

Budget Efficiencies/Reductions
2023–24

Teaching Assistants Full Day K-8 (General Ed classes) - 10 FTEs	$	316,800.00
Modification of instructional focus of library teachers - 7 FTEs	$	508,200.00
Reduce # .2 classes, and streamline course options at secondary level	$	600,000.00
Security Vacancy - 1 FTE (presently unfilled)	$	50,000.00
Telephone Services	$	20,000.00
Mailroom Services	$	35,000.00
Custodial Overtime Districtwide	$	538,000.00
Non-obligatory transportation bus routes - Nonpublic Schools	$	2,000,000.00
Special Education K - 12 class reductions	$	237,600.00
Attendance teacher	$	104,800.00
Retirement Incentive	$	200,000.00
Budget Efficiencies/ Reductions 2023-2024	**$**	**4,610,400.00**

PROPOSED 2023 - 24 EXPENDITURE BUDGET

BUDGET COMPONENT SUMMARY

Budget Component	Sum of 2022-23 Contingency Budget	% of total budget	Sum of 2023-24 Proposed Budget	% of total budget
Administrative	$ 23,866,208.00	9%	$ 24,515,320.00	8%
Capital	$ 24,585,883.00	10%	$ 31,315,567.00	10%
Program	$ 207,969,409.00	81%	$ 242,867,231.00	81%
Grand Total	$ 256,421,500.00	100%	$ 298,698,118.00	100%

- The ERCSD has been awarded more than $210 million in Federal Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) and American Rescue Plan (ARP) Act grant funding. Consultant contracts not otherwise budgeted for in the 2021–2022 school year budget would have been unaffordable if not for these COVID-response funds. However, since the district must expend these funds within prescribed periods, the district has begun to prepare for when the funds will no longer be available to support district programs and services. Due to loss of CRRSA funds, the financial impact to the district is a reduction of nearly $32 million. The district finances need to be proactively managed to ensure the budget remains balanced. Reductions in the General Fund Budget must occur to achieve long-term

fiscal stability, and the practice of reducing staffing by not automatically backfilling the positions of persons who retire has been implemented. Class efficiencies have begun to be made to ensure that currently under enrolled classes are addressed. Further reductions in all areas – including both instructional and non-instructional services – must continue to ensure long-term stability.. All programs must be analyzed for effectiveness and sustainability. Considering the large expenditures being paid for by the COVID-response grants, the elimination of these funds will have a considerable impact on all district operations in future years.

- Beginning August 2022, a line-by-line expenditure review has been undertaken by the superintendent and the executive cabinet. Every Monday afternoon, a weekly progress report has been given to the district's bond counsel and fiscal advisors. These advisors needed to be assured that the district was taking immediate and prudent steps to balance the district's budget.
- There are sufficient funds in the proposed 2023–24 school year budget to fund negotiated contractual settlements, some of which have already been negotiated and some of which are expected to be settled in the 2023–24 school year.
- **The district has instituted new financial software during the 2022–2023 school year that has the capacity for seamless integration between the Human Resource Department and the Business Office. Levels of staffing for associated payroll codes must be aligned. All salary budget lines have been moved forward based on historical financial data. There is a high degree of confidence that sufficient money to meet all payroll needs have been budgeted. However, to date, the Human Resources Department has NOT provided the salary/position report. This results in a major lack of internal checks and balances. The fiscal monitor has requested the salary/positional report numerous times since September 2022 to no avail. The integration between the Business Office and the Human Resources Office must be rectified to ensure proper internal controls, This constitutes both a violation of plan and proper Budgeting controls.**

Proposed Capital Projects (Subject to Voter Approval

	Project Total
Playgrounds (11)	$3,300,000
Athletic Flooring Replacement	$3,644,322
Bleacher Replacement	$1,661,487
RHS Auditorium ADA Renovations	$1,051,788
Equipment (B&G, Capital)	$ 342,403
Total 2023–2024 Transfer to Capital	$10,000,000

- There is $10 million budgeted for capital projects and equipment that is subject to voter approval and includes support for special education services, handicapped accessibility, and the renovation of secondary instructional areas for physical education. Among renovations proposed to be made are ones pertaining to Americans with Disabilities Act (ADA) accessibility. bleacher replacement, and gym floor replacement.
- In the event that voters reject the proposed 2023-24 school year budget, the elimination of the capital projects will meet the requirements of a zero percent tax levy increase in contingency budget. The cost of capital improvements increases each year due to higher labor and materials costs. Capital projects are subject to voter approval. In the event that the voters defeat the proposed budget, then the capital projects will need to be removed.

Curricular and Instructional Highlights

- The budget maintains educational programming for students, including but not limited to, extracurricular activities, course offerings, non-mandated support services, non-mandated art and music classes, programs and services for English language learners and students with disabilities. The budget does so by allocating sufficient funds for professional staff; support staff; professional development; contract services; and projected increases in the cost of transportation based on increased student enrollment plus higher costs of contract services for transportation. In the Secondary After School Academy, the established Extended School Year Afterschool Academic Academy, Empire After School Program, and Extended Learning Time will be the district's opportunity to carry over the themes of the summer in each K-8 school while holding firm to the focus on math and English language arts/literacy learning time across all sites, dependency on future funding sources. This program will carry forward into the 2023-2024 school year, and enhancements to programs will be considered based on funding and staffing.
- A budget defeat will also restrict the use of district property, such as summer use of the district fields and buildings by outside organizations as there will be limited funds to pay the overtime costs associated with such use. The order of priority for summer activities are:

    1) Meeting In-District Instructional Needs
    2) Meeting Capital Construction Needs and Timeline
    3) Recreational Activities

Fund Balances

Fund balance is the total accumulation of operating surpluses and deficits since the beginning of the School District Fiscal Year - July 1, 2022, thru June 30, 2023. The Fund Balance Formula is: Fund Balance = Assets – Liabilities.

PROPOSED DISTRICT FUND BALANCE RESERVES: JUNE 30, 2023

AMOUNTS TO BE FINALIZED UPON COMPLETION OF JUNE 30, 2023, AUDIT
Establishment of Reserves (subject to board approval)

Establish Emergency Repair Reserve	**$ 2,000,000**
Establish ERS Reserve	**$ 6,000,000**
Establish Workers' Compensation Reserve	**$ 1,000,000**
Establish TRS Reserve	**$ 2,000,000**
Total Reserves	**$ 11,000,000**

- There is a daily review of every budgetary line item to ensure that there are sufficient funds to establish yearend reserves. The school budget must be well-managed in order to create reserves that can mitigate future fiscal uncertainties.
- As the ERCSD Fiscal Year-End June 30, 2021, Financial Audit reflected a deficit of
- ($22,352,946), the district took steps to institute long-term sound financial practices, such as using prior year expenditures as a basis for the development of the proposed 2022–23 school year budget. Prior year budgets were balanced, due to the infusion of the Federal stimulus monies.
- The district projects that the June 30, 2023 - Unassigned Fund Balance will be approximately $10 million. Current year revenues are projected to exceed current year expenditures.
- The district has taken a very conservative approach to the development of the proposed 2023–24 school year budget. The ERCSD historically has not maintained any reserves in recent years. The intent of the line-by-line budget review is to ensure that yearend reserves are established. The district's goal is to have established by June 2023 the maximum allowable 4% unassigned fund balance.
- Unassigned fund balance – New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds a district can retain to no more than 4% of the district's budget for the general fund for the ensuing fiscal year. Non-spendable and the restricted fund balance of the general fund is excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation, which is the law.

Five-Year Budget Analysis

The table below shows the district's actual expenditures and revenues and expenditures for the 2018-19 school years and the projected expenditures and revenues for the 2022–23 school year.

	ACTUAL REVENUE/EXPENDITURE							PROJECTION
	2018-2019	2019-2020	%	2020-2021	`%	2021-2022	`%	2022-2023
REVENUE								
Local Tax Levy	$151,461,007	$154,490,227	-2.00%	$154,490,227	0.00%	$154,490,227	0.00%	$154,490,227
Local Misc Rev	$3,989,969	$3,179,485	20.31%	$2,904,657	-8.64%	$1,952,403	-32.78%	$6,790,049
State	80,653,237	81,961,930	-1.62%	53,946,106	-34.18%	91,621,353	69.84%	102,451,214
Federal	1,148,625	1,253,589	-9.14%	4,887,803	289.90%	11,717,067	139.72%	7,408,819
Transfers In	375,975	53,055	0.00%	53,218	0.31%		-100.00%	53,055
TOTAL REVENUE	237,628,813	240,938,286		216,282,011		259,781,050		271,193,364
EXPENDITURES								
Salary and Bene	157,839,268	159,815,387	-1.25%	161,877,682	1.29%	133,581,903	-17.48%	140,152,649
Other	80,600,841	74,133,317	8.02%	92,693,166	25.04%	99,938,840	7.82%	106,862,721
TOTAL EXP	238,440,109	233,948,704		254,570,848		233,520,743		247,015,370
SURPLUS/DEFECIT	(811,296)	6,989,582		(38,288,837)		26,260,307		24,177,994
BEG FUND BAL	10,141,083	9,329,787		16,319,369		(21,969,468)		4,290,839
Y E BALANCE*	$9,329,787	$16,319,369		-$21,969,468		$4,290,839		$28,468,833
BAL AS % OF EXP	3.91%	6.98%		-8.63%		1.84%		11.53%

The district has prepared three fiscal models that provide a five-year projection, the first based on a 1.99% tax levy increase annually for the next five years. This model includes funding for capital projects and equipment in each of the next five years. The second fiscal model is based on a zero tax levy increase annually for the each of the next five years. The third fiscal model reflects a balanced budget, which requires 4% tax levy increase and a 3% State Aid increase, absent which the district would not make draconian reductions in expenditures

Projected Revenues and Expenditures to June 30, 2028

Model 1: Five Year Projection Using a 1.99% Tax Levy increase for the next five years (requires positive voter approval for five consecutive years); the negative projected June 30, 2028, fund balance is estimated to be – ($40,047,088)

The model projects approximately $3 million in additional tax revenue annually for the next five years.

	BUDGET			PROJ BUDGET			PROJ BUDGET		
	2023-2024	DOLLAR CHG	"%"	2025	DOLLAR CHG	"%"	2026	DOLLAR CHG	"%"
REVENUE									
*Local Tax Levy	$157,564,583	$3,074,356	1.99%	$160,700,118	$3,135,535	1.99%	$163,898,051	$3,197,932	1.99%
Local Misc Rev	$5,106,551	-$1,683,498	-24.79%	$5,208,171	$101,620	1.99%	$5,311,814	$103,643	1.99%
State	134,835,929	32,384,715	31.61%	135,000,000	164,071	0.12%	135,000,000	0	0.00%
Federal	1,120,000	(6,288,819)	-84.88%	$1,142,288	22,288	1.99%	$1,165,020	$22,732	1.99%
Transfers In	53,055	0	0.00%	53,055	0	0.00%	53,055	0	0.00%
TOTAL REVENUE	298,680,118	27,486,754	10.14%	302,103,633	3,423,515	1.15%	305,427,939	3,324,306	1.10%
EXPENDITURES									
Salary/ Benefits	172,778,579	32,625,930	23.28%	182,595,443	9,816,863.67	5.68%	188,728,699	6,133,256	3.36%
*Other	125,901,539	19,038,818	17.82%	125,232,723	-668,816	-0.53%	129,697,292	4,464,569	3.57%
TOTAL EXPENDITURES	298,680,118	51,664,748	20.92%	307,828,165.63	9,148,047.63	3.06%	318,425,990	10,597,825	3.44%
SURPLUS/DEFECIT	0			(5,724,533)			-12,998,051		
BEG FUND BALANCE	28,468,833			28,468,833			22,744,300		
YEAR END BALANCE*	$28,468,833			$22,744,300			$9,746,248		
BAL AS % OF EXP	9.53%			7.39%			3.06%		
FUND BALANCE AS #	1.14			0.89			0.37		

CONT.

	PROJ BUDGET			PROJ BUDGET		
	2027	DOLLAR CHG	```%	2028	DOLLAR CHG	```%
REVENUE						
*Local Tax Levy	$167,159,622	$3,261,571	1.99%	$170,486,098	$3,326,476	1.99%
Local Misc Rev	$5,417,519	$105,705	1.99%	$5,525,328	$107,809	1.99%
State	135,000,000	0	0.00%	135,000,000	0	0.00%
Federal	$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%
TOTAL REVENUE	308,818,399	3,390,460	1.11%	312,276,330	3,457,930	1.12%
EXPENDITURES						
Salary/ Benefits	195,072,168	6,343,469	3.36%	201,633,306	6,561,138	3.36%
*Other	134,525,352	4,828,061	3.72%	139,657,238	5,131,886	3.81%
TOTAL EXPENDITURES	329,597,521	11,171,530	3.51%	341,290,544	11,693,023	3.55%
SURPLUS/DEFECIT	-20,779,121			-29,014,214		
BEG FUND BALANCE	9,746,248			(11,032,873)		
YEAR END BALANCE*	-$11,032,873			-$40,047,088		
BAL AS % OF EXP	-3.35%			-11.73%		
FUND BALANCE AS #	-0.40			-1.41		

Notes:

- This projection includes a 1.99% increase in tax levy revenue and $10 million for capital project expenditures each year (i.e., the 2023–2024 school year through the 2027–28 school year).
- It is estimated that the buildings conditions survey will identify approximately $300 million in needed work. The architects and engineers shall finalize the survey during the next several months.
- An increase in the tax levy at a rate of 1.99% will be insufficient beginning in the 2024–2025 school year to support necessary capital projects due to the projected deficit.
- The deficits projected to begin in the 2026–27 would require the district's plan to be completely rewritten to reflect that to close the deficit the district would be required to increase class sizes significantly and eliminate almost all personnel positions to support non-

mandated programs and services for students. Please see Model 3 for details on possible expenditure reductions.

Model 2: Five Year Projection Using a 0% Tax Levy increase With No Capital Projects or Equipment Purchases Permitted. The negative projected June 30, 2028, fund balance is estimated to be – ($44,330,068)

This financial model projects continual voter defeats for the next five years.

	BUDGET			PROJ BUDGET			PROJ BUDGET			PROJ BUDGET			PROJ BUDGET		
	2023-2024	DOLLAR CHG	%	2025	DOLLAR CHG	%	2026	DOLLAR CHG	%	2027	DOLLAR CHG	%	2028	DOLLAR CHG	%
REVENUE															
Local Tax Levy	$154,490,227	$0	0.00%	$154,490,227	$0	0.00%	$154,490,227	$0	0.00%	$154,490,227	$0	0.00%	$154,490,227	$0	0.00%
Local Misc Rev	$5,106,551	-$1,683,498	-24.79%	$5,208,171	$101,620	1.99%	$5,311,814	$103,643	1.99%	$5,417,519	$105,705	1.99%	$5,525,328	$107,809	1.99%
State	134,835,929	32,384,715	31.61%	135,000,000	164,071	0.12%	135,000,000	0	0.00%	135,000,000	0	0.00%	135,000,000	0	0.00%
Federal	1,120,000	(6,288,819)	-84.88%	$1,142,288	22,288	1.99%	$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%	53,055	0	0.00%	53,055	0	0.00%
TOTAL REVENUE	295,605,762	24,412,398	9.00%	295,893,741	287,979	0.10%	296,020,116	126,374	0.04%	296,149,004	128,889	0.04%	296,280,458	131,454	0.04%
EXPENDITURES															
Salary and Benefits Costs	172,778,579	32,625,930	23.28%	182,595,443	9,816,863.67	5.68%	188,728,699	6,133,256	3.36%	195,072,168	6,343,469	3.36%	201,633,306	6,561,138	3.36%
Other	122,827,183	15,964,462	14.94%	115,232,723	-7,594,460	-6.18%	119,697,292	4,464,569	3.87%	124,525,352	4,828,061	4.03%	129,657,238	5,131,886	4.12%
TOTAL EXPENDITURES	295,605,762	48,590,392	19.67%	297,828,165.63	2,222,403.63	0.75%	308,425,990	10,597,825	3.56%	319,597,521	11,171,530	3.62%	331,290,544	11,693,023	3.66%
SURPLUS/DEFECIT	0			(1,934,424)			-12,405,875			-23,448,516			-35,010,086		
INNING FUND BALANCE	28,468,833			28,468,833			26,534,408			14,128,533			(9,319,983)		
YEAR END BALANCE*	$28,468,833			$26,534,408			$14,128,533			-$9,319,983			-$44,330,068		
BAL AS % OF EXP	9.63%			8.91%			4.58%			-2.92%			-13.38%		
FUND BALANCE AS #	1.16			1.07			0.55			-0.35			-1.61		

Notes:

- This projection includes a 0% increase in tax levy revenue and $0 for capital project expenditures each year (i.e., the 2023–24 school year through the 2027–28 school year).
- It is estimated that the buildings conditions survey will identify approximately $300 million in needed work. The architects and engineers shall finalize the survey during the next several months.

- An increase in the tax levy at a rate of 1.99% will be insufficient beginning in the 2024–25 school year to support necessary capital projects due to the projected deficit.
- The deficits projected to begin in the 2026–27 would require the district's plan to be completely rewritten to reflect that to close the deficit the district would be required to increase class sizes significantly and eliminate almost all personnel positions to support non-mandated programs and services for students. Please see Model 3 for details on possible expenditure reductions.

Model 3: Five-year projection in order to achieve a balanced budget

A school district cannot present a budget to the community and voters that projects a deficit of $40 million. The monitors would reject an annual budget which is not balanced. Should State aid and tax levy increases do not occur as assumed in this model, then the monitors would recommend that the Commissioner of Education order the district to develop and submit a Budget plan for how outyear deficits will be eliminated.

In order to project a balanced budget, the district has assumed that beginning in the 2024–25 school year State aid will increase at an annual rate of 3 percent and the tax levy will increase at an annual rate of 4 percent. While the assumption regarding State aid is optimistic, such an assumption is not unreasonable. However, given the district's recent history of having its budgets defeated, even though they typically included tax levy increase of less than 4 precent, annual increases of 4 percent will only occur with a sea change in the attitude of voters in regard to the need to support the education of public school students in the district.

	BUDGET			PROJ BUDGET		
	2023-2024	DOLLAR CHG	```%	2025	DOLLAR CHG	```%
REVENUE						
Local Tax Levy	$157,564,583	$3,074,356	1.99%	$163,867,166	$6,302,583	4.00%
Local Misc Rev	$5,106,551	-$1,683,498	-24.79%	$5,208,171	$101,620	1.99%
State	134,835,929	32,384,715	31.61%	$138,881,007	4,045,078	3.00%
Federal	1,120,000	(6,288,819)	-84.88%	$1,142,288	22,288	1.99%
Transfers In	53,055	0	0.00%	53,055	0	0.00%
TOTAL REVENUE	298,680,118	27,486,754	10.14%	309,151,688	10,471,570	3.51%
EXPENDITURES						
Salary and Benefits Costs	172,778,579	32,625,930	23.28%	182,595,443	9,816,863.67	5.68%
Other	125,901,539	19,038,818	17.82%	125,232,723	-668,816	-0.53%
TOTAL EXPENDITURES	298,680,118	51,664,748	20.92%	307,828,165.63	9,148,047.63	3.06%
SURPLUS/DEFECIT	0			1,323,522		
BEGINNNING FUND BALANCE	28,468,833			28,468,833		
YEAR END BALANCE*	$28,468,833			$29,792,355		
BALANCE AS% OF EXPENDITURES	9.53%			9.68%		
FUND BALANCE	1.14			1.16		

	PROJ BUDGET			PROJ BUDGET		
	2026	DOLLAR CHG	```%	2027	DOLLAR CHG	```%
REVENUE						
Local Tax Levy	$170,421,853	$6,554,687	4.00%	$177,238,727	$6,816,874	4.00%
Local Misc Rev	$5,311,814	$103,643	1.99%	$5,417,519	$105,705	1.99%
State	$143,047,437	4,166,430	3.00%	$147,338,860	4,291,423	3.00%
Federal	$1,165,020	$22,732	1.99%	$1,188,203	23,184	1.99%
Transfers In	53,055	0	0.00%	53,055	0	0.00%
TOTAL REVENUE	319,999,179	10,847,491	3.51%	331,236,365	11,237,186	3.51%
EXPENDITURES						
Salary and Benefits Costs	188,728,699	6,133,256	3.36%	195,072,168	6,343,469	3.36%
Other	129,697,292	4,464,569	3.57%	134,525,352	4,828,061	3.72%
TOTAL EXPENDITURES	318,425,990	10,597,825	3.44%	329,597,521	11,171,530	3.51%
SURPLUS/DEFECIT	1,573,188			1,638,844		
BEGINNNING FUND BALANCE	29,792,355			31,365,543		
YEAR END BALANCE*	$31,365,543			$33,004,387		
BALANCE AS% OF EXPENDITURES	9.85%			10.01%		
FUND BALANCE	1.18			1.20		

	PROJ BUDGET		
	2028	DOLLAR CHG	```%
REVENUE			
Local Tax Levy	$184,328,276	$7,089,549	4.00%
Local Misc Rev	$5,525,328	$107,809	1.99%
State	$151,759,026	4,420,166	3.00%
Federal	$1,211,849	23,645	1.99%
Transfers In	53,055	0	0.00%
TOTAL REVENUE	342,877,534	11,641,169	3.51%
EXPENDITURES			
Salary and Benefits Costs	201,633,306	6,561,138	3.36%
Other	139,657,238	5,131,886	3.81%
TOTAL EXPENDITURES	341,290,544	11,693,023	3.55%
SURPLUS/DEFECIT	1,586,990		
BEGINNNING FUND BALANCE	33,004,387		
YEAR END BALANCE*	$34,591,376		
BALANCE AS% OF EXPENDITURES	10.14%		
FUND BALANCE	1.22		

Balanced Budget Notes

REVENUE

- This model assumes that beginning with the 2024–2025 school year State aid will increase annually at a rate of 3%; the tax levy will increase at an annual rate of 4%; and beginning with the 2023–24 school year budget, $10 million will be sent aside annual for capital projects.
- It is estimated that the building conditions survey will identify approximately $300 million in needed work. The architects and engineers will finalize the survey in the next several months.
- If these levels of increase in State aid and the tax levy materialize, the district will be able to maintain the district's educational program and remain fiscally stable during the five-year projection period.

EXPENDITURES

This model makes the same expenditure assumptions as are made in the first model, which was based on an annual tax levy increase of 1.99% and an annual expenditure of $10 million for capital projects. In the event that neither State aid nor the tax levy increases beginning in the 2024–2025 school year, then by the 2027-2028 school year, the district will be required to implement the following expenditure reductions in order to maintain balanced budgets:

- Increase classes sizes in all grades (kindergarten through grade 12)
- Eliminate music and art teachers in the elementary schools
- Eliminate libraries and library media services in kindergarten through grade six.
- Reduce the number of support staff in all areas, including guidance counselor and social workers.
- Eliminate all extracurricular and co-curricular activities, including music and performing arts groups, and all sports, including varsity teams.
- Eliminate all non-mandated courses in grades 7-12, including electives, honors, and Advanced Placement courses.
- Eliminate all math and sciences courses that are not required to earn a high school diploma.
- Implement a split schedule in grades 7-12 that limits students to receiving only the mandated hours of instruction.
- Seek a variance form the State Education Department to have one person serve as the principal for two schools.
- Eliminate daily cleaning of schools.
- Reduce the number of staff assigned to security.

If these 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 of the Laws of 2016, which was intended to ensure that educational outcomes for the students attending schools in the district increased.

Building Condition Survey

It must be noted that none of the above models provides sufficient resources to address fully the anticipated findings of the Building Condition Survey, which is expected to estimate that the cost of needed repairs, renovations, and improvements to district facilities is nearly $300 million. Most of these construction items are permitted to be bonded over their useful life, typically 20 years. However, a long-term bond requires voter approval. As past history has shown, the community struggles to pass the annual budget. Should the voters not approve a future bond issue to address the survey findings, school buildings will continue to deteriorate.

The draft Building Condition Survey is anticipated to be presented to the board and community within the next several months.

Challenges facing East Ramapo Central School District:

The district faces a number of challenges in its efforts to make sustained improvements in student outcomes and achieve long-term fiscal stability:

- The district is in dire need of State assistance in dealing with the district's ever-increasing transportation costs. Transportation expenses have increased by over $20 million during the last few years. This is due to a combination of increased costs and increased enrollment (both public and nonpublic students). In 2027, a requirement that new school bus purchases be zero emissions vehicles will come into effect and exacerbate the situation, as contractors will pass on the expenses to school districts, and State Transportation Aid will not cover the full cost of meeting this mandate. This is not a sustainable situation for the district.
- The district has taken many steps to control transportation costs. One initiative has been to compare the transportation student database to the district student database. This has ensured the two databases are aligned. Over time, transportation will represent an ever-increasing percentage of the district's total expenditures. If this trend is not ameliorated, there will be reductions in instructional programs that will undermine the ability of the district to effectively implement its long-term strategic academic improvement plan. There are not sufficient funds within the General Fund operational programs to match the growth of transportation expenses.
- The district is aware of the fiscal challenges ahead and understands the importance of implementing sound business practices to ensure long-term fiscal sustainability. The district will ensure prudent fiscal management is used to return expenditures to the General Fund when the COVID-response funds are no longer available. The district anticipates approximately $35 million annually in expenditures to return to the General Fund that are recurring costs. This does not include onetime costs, such as the $90 million in capital construction projects. The district recognizes the General Fund expenditures must be reduced or General Fund Revenue must be increased in order to balance future budgets. Due to the increase in Foundation Aid, an annual fund balance deficit has been forestalled for a few years. Ensuring long-term fiscal stability must be a concerted districtwide effort. The aim is for district leadership to provide recommendations to reduce the districtwide expense budget by increasing personnel and program efficiencies following a budget efficiency strategy process similar to what was detailed in the Budget Efficiency and Reductions (described on Page 5) This process must continue. The budget efficiency strategy has begun with a review of all non-instructional programs (e.g., athletics, extracurricular, co-curricular), prior to reviewing non-mandated instructional programs (e.g., the arts, music) and reductions to personnel. Beginning with the 2024-25 school year budget, efficiencies and reductions must continue, and specific program and personnel reductions will need to be identified and communicated based on available revenues and necessary expenditures.
- As the Federal coded expenditures return to the General Fund, other areas in the General Fund will need to be reduced or equal amounts of additional revenue must be secured. Personnel efficiencies must occur in all departments districtwide. Opportunities for expenditure reductions at every level have been and are currently being explored to ensure long-term fiscal sustainability. In particular, contracts with external partners are being analyzed and terminated as capacity is built within the district. For the external partners that support academic, social-emotional, and attendance goals, the district will review inputs,

outputs, and applicable short-term, intermediate, and long-term outcomes, with attention to performance measures of effort and impact/effect. Additionally, the master schedule for teachers at all grade levels is being closely scrutinized so as to ensure that teachers are utilized fully, in accordance with their contract and student needs.

- The maximization of all revenue sources is a top priority for fiscal management. The current fiscal leaders of the district must ensure Business Office staff are properly trained to maximize all revenue sources for the district.
- Newly enrolled students are requiring more English language learner (ELL) services, as over 54% of district enrollment are students who do not speak English as their native language. The proposed 2023-24 school year budget contains monies for enrollment growth similar to that experienced in the 2022-23 school year. As the district hires new staff, bilingual candidates are being encouraged to apply. For monolingual teachers, funds will continue to be directed towards professional development in providing instruction to multilingual students. In addition, the district will complete a review of ELL programming, develop recommendations for improvement, and create a timeline for implementing recommendations.

Conclusion

- The proposed 2023-24 school year budget is balanced; however, the proposed budget is not in alignment with the Long-Term Strategic Academic and Fiscal Plan due to the lack of the Personnel information not provided to the Business office.
- The district has instituted new financial software during the 2022-2023 school year that has the capacity for seamless integration between the Human Resource Department and the Business Office. However, to date, the Human Resources Department has **NOT** provided the salary position report to the Business office. This results in a major lack of internal checks and balances and must be rectified.
- Voter approval of the 2023-24 school year budget is desperately needed. A zero tax levy increase does not allow the district to keep up with inflation and cost of living increases. The voters have defeated numerous previous budgets that have proposed more than a zero-tax levy increase. This is not sustainable. Garnering community support through community outreach, meetings with all community groups, and providing financial updates at every board meeting is necessary to impress upon the community that the proposed 2023–24 school year budget is of vital importance to the long-term stability of both the academic and fiscal programs.

Consequently, we find that the proposed budget is balanced within the context of revenue and expenditure estimates for mandated programs and expands educational programming for students, but is not aligned to the Long-Term Strategic Academic and Fiscal improvement plan. Therefore, we make the recommendation for the Commissioner of Education direct the district to ensure that the salary/position report be submitted to the Business Office so that all 2023-24 budget salary codes can be verified.

It is imperative the community learn of the many components within the 2023-24 school year budget, which benefits all children within the district. Should the community continue to defeat the annual budget and not approve the increases in the tax levy needed to support the district's

educational programs then the monitors would recommend that the Commissioner use all of the powers entrusted upon the Commissioner to order the district to develop and submit a budget plan for how outyear deficits are to be eliminated.

Sincerely,

Bruce Singer Mary Fox-Alter

Bruce Singer
Fiscal Monitor

Mary Fox
Academic Monitor

cc: Members of the East Ramapo Board of Education
James Baldwin
Jason Harmon
Angelique Johnson-Dingle
Ray Giamartino

Exhibit 5

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

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

April 11, 2024

Dear Dr. Rosa:

RE: Monitor Findings and Recommendations Regarding the East Ramapo Central School District's Proposed 2024–2025 School Year Budget

In accordance with Chapter 89 of the Laws of 2016, as amended (Chapter 89), we have reviewed the proposed 2024–2025 school year budget to determine whether it is balanced within the context of revenue and expenditure estimates and mandated programs. We have also reviewed the proposed 2024–2025 school year budget to determine whether, to the greatest extent possible, it is consistent with the district's Long-term Strategic Academic and Fiscal Improvement Plan ("the plan").

The enclosed report provides our findings and recommendations. We conclude that the proposed 2024–2025 school year budget is not fiscally sound because of an over-reliance on unrestricted fund balance that will exacerbate the district's trajectory towards fiscal instability. Additionally, the proposed budget will be inadequate to implement the district's academic plan.

Consequently, we recommend that you direct the district to revise the budget to reduce reliance on one-time resources and revenues in order to improve long-term fiscal stability while minimizing negative impacts to the educational program. This could be accomplished by combining a larger proposed increase to the tax levy and evaluations of administrative, operational, and programmatic expenditures to determine the degree to which anticipated costs are reasonable, necessary, and directly contribute to the achievement of district goals and the outcomes detailed in the district's plan. Any anticipated expenditure that does not meet those criteria should be eliminated and the resulting savings used to reduce the reliance on fund balance.

We make this recommendation with extreme reluctance, given historical evidence that the community will not support tax levy increases that are commensurate with the district's needs and that any more reductions will negatively impact an academic program that is already

severely under resourced. But absent such actions to reduce the use of available reserve funds in the current year, future year reductions in programs will be even more severe and disruptive and, in the long run, even more damaging to students.

As we state in our conclusion, there are no longer any “inside the box” solutions to the district’s challenges. Actions to address the district’s fiscal instability will undermine its already inadequate educational program or vice versa. In addition, we underscore that there is currently no strategy that will address the district’s urgent cash flow situation that will cause the district to be unable to pay the warrants that will come due this summer until the district receives State Aid and property tax payments in September.

We, therefore, implore you to work with the governor and legislature to create a new financial structure for the district to ensure that resources necessary to meet the needs of the district's resident students are made available.

We look forward to continuing to collaborate with you to transform the East Ramapo Central School District into one in which every student receives the instruction and supports they need and deserve.

Respectfully Submitted,

Bruce Singer Shelley Jallow

Bruce Singer Dr. Shelly Jallow

Enclosure

CC: Lester W. Young, Jr., Chancellor of the Board of Regents
Members of the Board of Education
Dr. Clarence Ellis, Superintendent
Jason Harmon, Deputy Commissioner
Ray Giamartino, Assistant Commissioner

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Findings and Recommendation of the East Ramapo Central School District Monitors Regarding the Proposed 2024–2025 School Year Budget

Responsibility of Monitors to Review East Ramapo Central School District's Proposed Budget and Submit Findings and Recommendations

Chapter 89 of the laws of 2016, as amended by Chapter 57 of the Laws of 2017 and further amended by Chapter 173 of the Laws of 2021 requires the monitors assigned by the Commissioner of Education to the East Ramapo Central School District ("ERCSD" or the district) to review annually the district's proposed budget to ensure that it, to the greatest extent possible, is consistent with the long term strategic academic and fiscal improvement plan ("the plan") developed and adopted pursuant to this act and expands educational programming for students including but not limited to extracurricular activities, course offerings, non-mandated support services, non-mandated art and music classes, programs and services for English language learners and students with disabilities, and maintaining class size. The monitors shall also review the proposed budget to ensure that it is balanced within the context of revenue and expenditure estimates and mandated programs. The monitors shall present their findings to the board and to the commissioner no later than 45 days prior to the date scheduled for the school district's annual budget vote.

Overview of the District

The ERCSD serves a largely suburban community in Rockland County, New York. As of March 23, 2024, the district's enrolled 10,427 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.

District Challenges

1. Educational Challenges

Districts in New York that are academically low-performing typically share three characteristics:

- The district serves high percentages of students from student subgroups that have higher-than average needs and are historically low-performing.
- The district is under resourced in terms of both fiscal and human capital to provide high quality instruction and support to such students.
- The district does not optimally use the limited resources that are available to the district.

All these conditions exist in the ERCSD. Almost every student who attends the district's public schools is economically disadvantaged, an English language learner, identified for special education services, or experiencing homelessness. Many students fall into more than one of these categories, and the challenges experienced by the district are compounded by the number of students who newly enroll in the district after the start of the school year.

Despite the percentage of students served by the district who require academic and/or social-emotional supports, the district lacks many of the programs and services that are common in other districts, including a strong career and technical education program and opportunities for students to take Advanced Placement and college level courses. The district does not have a strong program for its many overaged and under credited students, particularly given that a large percentage of high school aged students also work. The afterschool program is inadequate, both for students who are struggling and those who can benefit from acceleration.

Adding to these problems, the district habitually has large numbers of vacancies in key district leadership and teaching positions. Because so many teachers are working an extra period to cover classes because of vacant positions, many teachers do not have consistent access to

professional development opportunities or preparation time that could help them to be more effective in providing classroom instruction.

Another area of concern is that the district has no systemized process for evaluating the effectiveness of educational programs. This makes it highly likely that the district is using some of its scarce resources to maintain district programming and/or outside services that do not have the intended impact on teaching and learning.

A major challenge for the district is the provision of services to the majority of the district's students who are English language learners. Although conditions are improving, the district currently has major deficits at every stage of the process for identification, assessment, placement, and instruction of English language learners.

These challenges have created a "domino effect" in which one challenge exacerbates others. As a result, the district now has among the lowest rates in the State of students who are proficient in English language arts and mathematics in elementary and middle school and who graduate on time from high school.

2. Operational Challenges

ERCSD transports more resident students than any other district in New York State, except New York City. This places a significant fiscal and operational burden on the district. This burden is exacerbated by the district's universal busing policy, which results in the district providing transportation to many public and nonpublic school students for whom provision of transportation is neither required by State law, nor aided through existing State aid formulas. Funding that in other districts is available for instruction and support services is instead used in the ERCSD to implement the district's transportation policy. If it were possible for the monitors to direct the school board to amend this policy to better align services with resources, we would do so, but under current law, this policy can be amended only with the approval of voters.

Years of deferred maintenance and neglect have resulted in deteriorating educational facilities that are not conducive to learning. As a result, the district faces challenges with maintaining up-to-date certificates of occupancy for its buildings. For years, drinking fountains have been unusable because of lead contamination in numerous individual fixtures. Buildings, or sections of buildings, have had to be closed because of asbestos, resulting in at least one instance of students having to switch to remote instruction for a portion of the school year. Hot food was not available in some buildings in recent years because of issues with non-compliant kitchen hoods. There are facilities that are not compliant with the American with Disabilities Act. The state of disrepair sends the message to students and staff that what transpires within these facilities is not valued.

Recent Building Condition Survey reports identified nearly $250 million in urgently needed repairs, and the cost of making these repairs grows annually when they are not made. Yet the

district is without access to the bond market due to its rapidly deteriorating credit rating and, thus, is unable to issue bonds to address its delipidating physical plant.

Human capital is another area of operational weakness. In recent years, the district has struggled to recruit, hire, and retain both key district leadership positions and professional staff. At the time of this report, the district will have vacancies in the following positions effective July 2024:

1. Superintendent of Schools
2. Assistant Superintendent of Business
3. Assistant Superintendent of Student Services
4. Assistant Superintendent of Human Resources
5. Transportation Supervisor
6. Asst Transportation Supervisor
7. Supervisor of Fiscal Services
8. Accountant
9. Supervisor of Fiscal Responsibility (Grants)
10. Assistant Facilities Director
11. No Instructional Directors or Department Chair people for multiple academic areas. The only existing Directors are the Director of Music/Fine Arts, Director of Athletics, and Director of Technology
12. Numerous Instructional staff in many areas

Constant turnover in senior leadership positions has hindered effective oversight of every aspect of district operations. The many years of lack of proper funding has created a dearth of administrative and instructional support.

While the district needs more fiscal resources, the district also needs to use its resources more effectively. The district relies on contracted services to a much higher degree than districts do typically. This is a result of limited internal capacity. Often these contracts are executed with only a single bidder responding to the Request for Proposals. The contracts themselves are sometimes written in ways that lack stringent cost controls, and vendors are sometimes not held accountable appropriately for intended programmatic outcomes of their work. In addition, the district has a history of excessive legal fees and settlements. Most recently, a bid for legal services has considerably lowered legal costs. More of this type of updating of past inefficient practices needs to be done. Such lax practices are unacceptable in a district in which every dollar must be treated as a precious asset.

3. Fiscal Challenges

The fiscal outlook for the ERCSD is not bright with promise. The reality is that the district faces twin threats of fiscal calamity, both in the very near term and over the next several years. As shown below, since the 2018–2019 school year, the Tax Levy has remained unchanged.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
TAX COMPARISON

	Actual 2018-2019	Actual 2019-2020	Actual 2020-2021	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024
Budgeted Tax Levy	**$ 151,461,007.00**	**$ 154,490,227.00**	**$ 154,490,227.00**	**$ 154,490,227.00**	**$ 154,490,227.00**	**$ 154,490,227.00**
Assessed Value						
Ramapo	$ 1,084,179,966.00	$ 1,099,790,684.00	$ 1,113,221,261.00	$ 1,122,644,777.00	$ 1,131,777,249.00	$ 1,150,232,506.00
Clarkstown	$ 322,013,644.00	$ 325,491,329.00	$ 328,082,122.00	$ 333,510,774.00	$ 335,202,785.00	$ 336,479,474.00
Haverstraw	$ 441,169,788.00	$ 444,978,334.00	$ 446,052,419.00	$ 443,793,788.00	$ 443,399,400.00	$ 442,093,077.00
	$ 1,847,363,398.00	$ 1,870,260,347.00	$ 1,887,355,802.00	$ 1,899,949,339.00	$ 1,910,379,434.00	$ 1,928,805,057.00
Tax Rate						
Ramapo	119.958121	120.010303	118.537247	117.596636	116.542792	115.897903
Clarkstown	45.317512	46.403984	45.582054	44.403870	44.376738	40.638284
Haverstraw	15.199123	16.041940	16.431190	16.907006	16.878385	16.092204
Equalization Rate						
Ramapo	0.1190	0.1160	0.1144	0.1146	0.1030	0.0851
Clarkstown	0.3150	0.3000	0.2975	0.3035	0.2705	0.2427
Haverstraw	0.9392	0.8678	0.8253	0.7971	0.7112	0.6129

For the last decade, the district's voters have failed to adopt a budget that has contained tax levy increases. By holding the tax levy flat, at either a 0% increase or adopting a contingent budget following a voter defeat, the district effectively crippled itself by leaving unrealized tax levy receipts of up to $108 million between the 2018–2019 and 2023–2024 school years.

		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	PY Levy	$ 154,817,064	$ 160,619,928	$ 166,728,223	$ 169,012,440	$ 174,030,266	$ 179,292,424
+	Tax Cap Reserve Offset (PY)	$ 146,080	$ -	$ -	$ -	$ -	$ -
-	Tax Cap Reserve Amount	$ -	$ -	$ -	$ -	$ -	$ -
x	Tax Base Growth Factor	1.0046	1.0147	1.0058	1.0088	1.0096	1.0172
	subtotal	$ 155,675,975	$ 162,981,041	$ 167,695,247	$ 170,499,750	$ 175,700,956	$ 182,376,254
+	PILOTS in Prior Year	$ 265,219	$ 257,663	$ 257,663	$ 257,663	$ 235,569	$ 252,602
-	Capital Exclusion PY	$ 624,531	$ 2,469,606	$ 3,319,988	$ 2,590,102	$ 2,735,178	$ 3,059,206
x	Allowable Levy Growth Factor	1.02	1.0181	1.0123	1.02	1.02	1.02
	subtotal	$ 158,422,996	$ 163,679,018	$ 166,657,907	$ 171,530,657	$ 176,665,374	$ 183,161,043
-	PILOTS to be Received	$ 272,674	$ 270,783	$ 235,569	$ 235,569	$ 252,602	$ 252,602
+	Carryover from Prior Year	$ -	$ -	$ -	$ -	$ -	
	Limit Before Exclusions	$ 158,150,322	$ 163,408,235	$ 166,422,338	$ 171,295,088	$ 176,412,772	$ 182,908,441
+	CY Exclusions	$ 2,469,606	$ 3,319,988	$ 2,590,102	$ 2,735,178	$ 2,879,652	$ 2,879,652
	CY Levy Limit	**$ 160,619,928**	**$ 166,728,223**	**$ 169,012,440**	**$ 174,030,266**	**$ 179,292,424**	**$ 185,788,093**
	CY Applied Tax Cap Reserve	$ -	$ -	$ -	$ -	$ -	
	Actual Levy Amount	**$ 154,490,227**	**$ 154,490,227**	**$ 154,490,227**	**$ 154,490,227**	**$ 154,490,227**	**$ 154,490,227**
	B/(W)	**$ (6,129,701)**	**$ (12,237,996)**	**$ (14,522,213)**	**$ (19,540,039)**	**$ (24,802,197)**	**$ (31,297,866)**
	Cumulative Taxes Not Levied	**$ 6,129,701**	**$ 18,367,697**	**$ 32,889,910**	**$ 52,429,949**	**$ 77,232,147**	**$ 108,530,013**

While the district has been able to avoid making draconian reductions in educational programs because of an infusion of State aid and one-time Federal COVID-response funds, these extra resources are ending, leaving the district with a structural imbalance that will require either large infusions of additional revenues and/or severe reductions in services.

Had the voters approved these annual increases in the tax levy, the cumulative effect of holding the tax levy flat would not have become a factor that now requires the district to either reduce expenditures or use reserve funds to balance the proposed 2024-2025 school year budget to address student needs.

Compounding these revenue shortfalls, the district is anticipating a significant increase in expenditures due primarily to an increase in student enrollment and increased transportation costs. When the district developed in April 2023 its five-year fiscal projection, the district assumed that expenditures for the 2024–2025 school year would be $307,828,166. The district is now estimating that expenditures will be $331,881,985, which is an increase of almost $24 million in a single year.

The district has proposed to use $19.8 million of its reserve funds to balance the proposed 2024–2025 school year budget. Unless the district increases revenues or reduces expenditures, the district is expected to exhaust over one-half of all available reserves – both restricted and unrestricted – by the end of the 2024–2025 school year.

In addition to the district facing structural imbalances in its 2024-2025 school year and succeeding school year budgets, the district is also facing an imminent cash shortfall. Due to a recent and significant downgrade of the district's credit rating to Baa3 – one step above junk status – by Moody's credit rating service, the district, despite months of attempts, has been unable to find a financial institution that is willing to lend the district funds for either an Energy Performance Contract or the issuance of a Tax Anticipation Note (TAN) or a Revenue Anticipation Note (RAN).

The cash flow analysis below shows that if the district is unable to secure a TAN or RAN, the district will exhaust all restricted and unrestricted reserves in July 2024 and will be unable to pay all its obligations, placing in jeopardy summer programming and the opening of school in September. Should the district secure a TAN or RAN but be unable to repay it fully, the lender would petition NYSED for a State aid intercept. If the petition were granted, NYSED would deduct the principle and accrued interest owed from the district’s State aid before sending the district payments, thereby again resulting in a cash-flow crises for the district.

As of the date this report was submitted, the district had not yet identified a viable strategy for addressing this imminent fiscal cliff. Action by the governor and legislature to allow the district to “spin up” State aid may be the most expeditious way to address this issue.

Proposed 2024–2025 School Year Budget:

As we will explain below, we find that the proposed budget is neither balanced nor consistent with the Long–Term Strategic Academic and Fiscal Plan.

The sunsetting of Federal COVID funds, combined with many years of proposed tax-levy increases having not been approved by voters, has resulted in the district now having insufficient revenue to meet the growing costs of increased enrollment and transportation expenses. Accordingly, the proposed 2024–2025 school budget is not fiscally sound as it is over reliant on the use of nearly $19.8 million in reserves to close a structural deficit. An over-reliance on "one shot" non-recurring revenues to balance the 2024–2025 school year budget will leave the district in a dire position in succeeding school years. Such an approach will also leave the district without the ability to respond to any emergency health and safety situations (e.g., failure of a critical system in a school building) that might arise. The proposed budget will deplete over one half of the district's reserves without addressing the near- and long-term structural imbalances that the district faces.

Fiscal Analysis of Proposed 2024–2025 School Year Budget

As part of the budget development process, the board requested that the administration provide a list of services to be reduced or eliminated during the 2024-2025 school year. The administration presented a number of scenarios, each with recommended reductions, combined with proposed tax levy increases and the use of available reserves. The board did not accept the administration's first five recommendations. Instead, at the April 2, 2024, board meeting, the board voted to direct the superintendent to prepare a proposed 2024–2025 school year budget of $331,881,985 that includes a 1.99% tax levy increase and the use of $19,779,172 in reserves to balance the budget. The analysis that follows is based upon the proposed budget that was developed according to this directive that will be voted upon by the board at its April 16, 2024, meeting. As shown in the table below, revenue is projected to increase by $36,276,223:

EAST RAMAPO CENTRAL SCHOOL DISTRICT PROPOSED 2023-2024 REVENUE BUDGET 1.99% tax levy				
	2024-25	**2023-24**	**23/24 to 24/25**	**23/24 to 24/25**
Description	Estimated Budget	Adopted Revote Budget	$ Change	% Change
Tax Levy	$157,564,583	$154,490,227	$3,074,356	1.99%
NYS Aid Revenue	$149,105,624	$134,335,929	$14,769,695	10.99%
PILOTs	$252,602	$252,602	$-	0.00%
Health Services	$150,000	$350,000	$(200,000)	-57.14%
Non-Resident, Foster, OPWDD	$1,403,000	$1,403,000	$-	0.00%

Chapter Tuition – STAC	$500,000	$500,000	$-	0.00%
BOCES Refund for Prior Year	$500,000	$700,000	$(200,000)	-28.57%
Workers Comp & Ins.	$93,318	$93,318	$-	0.00%
Medicaid	$800,000	$1,120,000	$(320,000)	-28.57%
Use of Facilities	$180,631	$157,631	$23,000	14.59%
Interest & Miscellaneous Revenue	$1,500,000	$2,150,000	$(650,000)	-30.23%
Interfund Trans. For Debt Services	$53,055	$53,055	$-	0.00%
Use of Fund Balance	$19,779,172	$-	$19,779,172	#DIV/0!
TOTAL Estimated Revenue	$331,881,985	$295,605,762	$36,276,223	10.93%

Excluding the use of fund balance, the 2024–2025 school year proposed budget projects an increase in revenues of $16,497,051 compared to the 2023–2024 school year adopted budget, primarily as a result of a projected $14,769,595 increase in State aid. The reality that the district cannot expect State aid to continue to increase at a rate of 11% annually underscores the structural imbalance looming in future year budgets.

Projected Expenditures Estimates

As shown in the table below, projected expenditures for the 2024–2025 school year are $331,881,985:

EAST RAMAPO CENTRAL SCHOOL DISTRICT
PROPOSED 2023-2024 EXPENDITURE BUDGET

	2025	2024	$ Change	% Change
Personal Services - Instructional	$ 114,525,635	$ 95,526,902	$ 18,998,733	19.89%
Personal Services - Non Instructional	$ 21,663,684	$ 18,675,844	$ 2,987,840	16.00%
Equipment and Other Capital - Aidable	$ 420,383	$ 420,383	$ -	0.00%
Contractual and Other	$ 24,664,482	$ 26,356,341	$ (1,691,859)	-6.42%
Transportation	$ 76,025,817	$ 62,787,869	$ 13,237,948	21.08%
BOCES SERVICES	$ 21,122,031	$ 21,122,030	$ 1	0.00%
Debt Services	$ 6,493,238	$ 5,782,963	$ 710,275	12.28%
Benefits	$ 66,416,716	$ 57,575,833	$ 8,840,883	15.36%
Transfer to Other Funds	$ 550,000	$ 7,357,597	$ (6,807,597)	-92.52%
Total Proposed Expense	$ 331,881,985	$ 295,605,762	$ 36,276,223	12.27%

ERCSD is typical of school districts in that its largest expense is for instructional services. What makes the district an extreme outlier is that the district's second largest expense is for pupil transportation. Of great concern is that transportation expenses are expected to increase by 21% in the 2024–2025 school year, more than any other major category of the district's budget and far more than the projected rate of increase in district revenue. Thus, the 2024–2025

school year is again projected to be one in which the proportion of district expenditures allocated to pupil transportation is expected to grow.

To balance projected expenditures and revenues required that the board to identify $4,332,227 in expenditure reductions. The largest savings are achieved by placing a freeze on the hiring of custodians, mechanics, and ground workers; reducing custodial overtime; and reducing purchase of building maintenance equipment. Savings are also expected from the reduction in the costs of ancillary services for students with disabilities and legal settlements. Reducing ancillary services may leave the district out of compliance if there is a sudden increase in mandated services.

Projected Change in Reserves (restricted and unrestricted)

The table below shows the district's restricted and unrestricted reserves as of June 30, 2023:

EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable for advances	$ -	$ 95,782	$ (95,782)	(100.00%)
Restricted for workers' compensation	3,000,000	-	3,000,000	100.00%
Restricted for retirement contribution-NYSERS	12,000,000	-	12,000,000	100.00%
Restricted for retirement contribution-NYSTRS	2,174,136	-	2,174,136	100.00%
Restricted for employee benefit accrued liability	3,000,000	-	3,000,000	100.00%
Restricted for unemployment insurance	1,000,000	-	1,000,000	100.00%
Restricted for insurance	109,802	103,471	6,331	6.12%
Assigned - unappropriated for: general support	73,886	-	73,886	100.00%
Unassigned fund balance	18,020,846	4,426,173	13,594,673	307.14%
Total Fund Balance - General Fund	39,378,670	4,625,426	34,753,244	751.35%

While an infusion of Federal Stimulus funds and State Foundation Aid allowed the district to substantially increase its restricted and unrestricted fund balances between the 2021–2022 and the 2022–2023 school years, the proposed 2024–2025 school year budget is only balanced through a heavy over-reliance on these fund balances, which will be reduced by nearly half by the end of the 2024–2025 school year and completely depleted prior to the end of the 2025–2026 school year.

A district without adequate reserves will have disruptions to its educational programs magnified should the district experience any unexpected expenses. In the case of the ERCSD, it is likely that this exhaustion of fund reserves will result in a further downgrading of the district's bond

rating, making it highly unlikely that the district will be able to find any lender to issue bonds on the district's behalf, meaning the district will repeatedly experience cash flow crises.

Five-Year Budget Projections

The latest Five-Year Projection reflects an estimated deficit of approximately (-$60 million dollars) in the 2027-2028 school year.

In April 2023, when the district projected a negative fund balance of $44 million by the end of the 2028–2029 school year, the district submitted a strategy to close that deficit by increasing the tax levy by 4% annually and making the following expenditure reductions:

- Increase classes sizes in all grades (kindergarten through grade 12)
- Eliminate music and art teachers in the elementary schools
- Eliminate libraries and library media services in kindergarten through grade six.
- Reduce the number of support staff in all areas, including guidance counselor and social workers.
- Eliminate all extracurricular and co-curricular activities, including music and performing arts groups, and all sports, including varsity teams.
- Eliminate all non-mandated courses in grades 7-12, including electives, honors, and Advanced Placement courses.
- Eliminate all math and sciences courses that are not required to earn a high school diploma.
- Implement a split schedule in grades 7-12 that limits students to receiving only the mandated hours of instruction.
- Seek a variance form the State Education Department to have one person serve as the principal for two schools.
- Eliminate daily cleaning of schools.
- Reduce the number of staff assigned to security.

Given that the cumulative five-year deficit is now projected to be even larger, and a 4% annual tax levy increase is highly unlikely to materialize, the steps that that the district would have to take to balance future year budgets will need to be even more severe unless major efficiencies in spending are realized and/or additional State aid becomes available.

The Five-Year Projection shall be updated after the community vote on the proposed 2024–2025 school year budget and the updated estimated June 30, 2024, Yearend Fund Balance becomes available. The June 30, 2024, Yearend Fund Balance requires final audit results by the External Auditors as they complete the Annual Audited Financial Statements. However, it is expected that the updated projections will confirm that without additional revenues, the district will no longer be able in the near future to provide the most basic level of academic programming for students.

Academic Evaluation of the Proposed 2024-2025 East Ramapo Budget:

Because of a trail of failed budgets and 0% budget increases, the ERCSD administration has made cuts at every level of the district, with the false belief that impact on classrooms has been spared. A walk-through any district school tells a different story.

The proposed ERCSD budget for the 2024–2025 school year is academically unsound. The budget represents an accumulation of cuts to the instructional core and key supports for the essential interactions between student, teacher, and content that creates the basis for learning. English Language Proficiency data for elementary and secondary ERCSD students surpassed targets in spring 2023. However, state assessment results show students failed to meet proficiency targets on State assessments for ELA, grades 3-8, ELA Regents, and Early Literacy. Although the proficiency rate for mathematics grades 3 -8 on the State assessment rose to 16% last year, the proficiency rate declined for all math Regents. The 5-year graduation rate increased for all students, but the 4-year graduation rate for all students is 63%, including one high school reporting a graduation rate of 53% for the 2023–2024 school year.

Funding for supports like Multi-Tiered System of Supports–Integrated (MTSS-I), afterschool programming, summer school programming and credit recovery programming are dependent upon federal and State grant funding. Because transportation costs are prohibitive, extra bus runs to accommodate students in afterschool and summer school programming are limited. An example is an Extended Learning Time grant awarded to the district that is significantly underutilized by the awarded middle school. Despite funding for afterschool, the school has only been able to extend learning time for some students during lunch. Transportation also limits opportunities for students to engage in learning opportunities, like field trips, beyond the confines of the school building. The ability to build the capacity of teachers to meet the needs of students through professional development is compromised by a disproportionately high number of teacher vacancies and a growing student population. Many teachers are not available to participate in embedded professional development provided at their schools because many are covering extra classes due to unfilled vacancies and a growing student population. Budget constraints also compromise the district's capacity for the recruitment, selection, onboarding, and support for new staff. Vacancies in the schools and at the central office, including the office of Human Resources, compromise the district's ability to hire the staff needed.

The proposed ERCSD budget for the 2024–2025 school year is academically unsound because it fails to adequately address the teaching and learning process. Currently, the equitable procurement and distribution of curricular materials for the education of ELL students is unsatisfactory. Instructional support staff for all students, like content area coaches, reading teachers, and department chairpersons currently do not exist due to budget constraints. Secondary schools have limited funding to support CTE programming, extracurricular activities and college and career level programming. There is minimal evidence the budget adequately compensates for an estimated increase of 800 public school students for the next school year.

Finally, there is a lack of new programming to address the needs of a changing student population. Programs for overaged and under credited students, newcomer students, students with interrupted formal education (SIFE) students, or students seeking enrichment education opportunities are scarce or nonexistent.

Summary

The ERCSD has submitted the district's proposed 2024–2025 budget to the monitors. The monitors now submit the district's proposed 2024–2025 school year budget to the Commissioner. We find that the proposed 2024–2025 school year budget is neither educationally nor financially sound. Over-reliance on "one- shot" sources of revenue, (i.e., overuse of fund balance), will leave the district in an increasingly precarious financial condition in future years. Additionally, the proposed budget will be inadequate to implement key academic programs and/or social-emotional supports included in the district's academic plan.

Monitors' Findings and Recommendations

We find that the proposed budget does not support the long-term fiscal stability of the district for the following reasons:

1. There is an over-reliance on use of reserves to balance the proposed 2024–2025 school year budget. At this rate of use, unrestricted fund balances will be completely exhausted in 2024-25 and ALL reserves will be depleted during the 2025-2026 school year.
2. The current cuts proposed in the proposed 2024–2025 school year budget represent a continued deterioration of the district's mission to educating the whole child by providing a healthy, safe, supportive, engaging, and challenging learning environment.

Consequently, we recommend the Commissioner direct the board and the district to take the following actions:

1. Revise the proposed 2024-2025 school year budget to reduce the use of available fund balance.
2. Conduct evaluations of administrative, operational, and programmatic expenditures to determine the degree to which anticipated costs are reasonable, necessary, and directly contribute to the achievement of district goals and the outcomes detailed in the district's plan. Any anticipated expenditure that does not meet those criteria should be modified or eliminated during the 2024-2025 school year and the resulting savings of such action should be used to reduce the reliance on fund balance. Evaluation of expenditures should begin with those reductions recommended by the superintendent that are detailed in the table in Appendix 1.
3. Seek action from the governor and legislature to enact "spin up" legislation to provide the district with an advance on its State Aid, without which the district's cash flow

analysis projects the district will exhaust all fund balance in July 2024 and be unable to meet its neither its payroll nor contractual obligations until the district receives its scheduled State aid payments and property taxes in September 2024. The district should be allowed to pay back the advance over several year to avoid the cash flow problem simply remerging later in the school year.

Conclusion

The ERCSD faces its most dire circumstances since legislation first authorized the Commissioner to appoint monitors to the district in 2016. Years of the East Ramapo school community under resourcing its schools has led to a rapid deterioration in the district's academic, operational, and fiscal capacity that have become untenable. The first monitor, Mr. Hank Greenburg, in 2016 warned of this likelihood if the district did not make reforms. That day is now here.

Given current constraints, the Commissioner is faced with directing the board to engage in a balancing act among bad choices. The district desperately needs more revenue, but there is no evidence that the community will support tax levy increases that are commensurate with the district's needs. Further, at present, the district lacks the systems and evaluation practices needed to make surgical reductions in expenditures that will avoid negative impacts on student learning. Using reserve funds to balance the budget will make future year reductions even more painful while also making it even more unlikely that the district will be able to access credit markets. As explained in the section on the district's five-year budget projections, without fundamental change, the financial condition of the district over the next 5 years will only grow worse.

The district needs an immediate infusion of resources to remain viable. If the community continues to refuse to provide these resources, then we urge the Commissioner to work with the governor and legislature to take emergency action to ensure that these resources are provided, with the full understanding that such action may compel the State to take over control of the district's finances. The district's situation is dire, and the time for action is now.

Appendix I

Budget Code	24-25 Expenditure Reduction	Description	Total Expenditure
A2110	School Security Aides	Freeze hiring of 3 FTE School Security Aide (vacancies not filled) (benefits	150,000
A 2820	School Psychologists	Eliminate 1 FTE School Psychologist	103,846
A 2110	Instructional	Freeze hiring of 5 instructional FTEs	500,000
A 5540	Transportation for School-Sponsored Field	Eliminate School-Sponsored Field Trips	109,462
A 2826	Social Workers	Reduce Clinical Services (9 FTEs)	934,611
A 2850/ A2855	Middle School Athletic	Eliminate Athletic Interscholastic Programs-Middle School	124,880
A 2250	Teacher Assistants	Freeze in Hiring of 20 additional Instructional Staff to Fill kindergarten and	1,215,000
A 2110		Elementary and middle school after school program	874,379
A2250	Teacher Aides	Restructure existing Special Education models, eliminating 10 aides-in anticipation of shifts to Least Restrictive Environments across specialized	316,800
A 2850	High School Co-curricular Activities	Reduce Co-curricular After School Activities - High School	305,772
A 2850	Middle School Co-curricular Activities	Eliminate Co-curricular After School Activities – Middle School	114,060
A 2110		9-12 secondary after school (inclusive of Regents Prep)	44,905
A 2110		Curriculum development	
490		BOCES CoSer reductions	500,000

A 2110	School Materials and Supplies	Reduce School Supplies and Materials Funds	190,000

Exhibit 6

Proposed 2024-2025 Revenue
REVOTE BUDGET

1% tax levy increase

	2024 - 2025	2023 - 2024		
Description	**Proposed Revote Budget**	Adopted Revote Budget	$ Change	% Change
Tax Levy*	**$ 156,035,129**	$ 154,490,227	$ 1,544,902	1.00%
NYS Aid Revenue	**151,188,347**	134,335,929	16,852,418	13%
PILOTs	**252,602**	252,602	0	0%
Health Services	**150,000**	350,000	(200,000)	-57%
Non-Resident, Foster, OPWDD Tuiti	**1,403,000**	1,403,000	0	0%
Chapter Tuition - STAC	**500,000**	500,000	0	0%
BOCES Refund for Prior Year Surplus	**500,000**	700,000	(200,000)	-29%
Workers Comp & Ins. Reimburseme	**93,318**	93,318	0	0%
Medicaid	**800,000**	1,120,000	(320,000)	-29%
Use of Facilities	**180,631**	157,631	23,000	15%
Interest & Misc Revenue	**1,500,000**	2,150,000	(650,000)	-30%
Interfund Trans. for Debt Svs	**53,055**	53,055	0	0%
Appropriated Fund Balance *	**18,020,846**	0	18,020,846	
Use of Restricted Funds - Reserve F	**1,205,057**	0	1,205,057	
TOTAL Estmated Revenue	**$ 331,881,985**	$ 295,605,762	$ 36,276,223	12.27%

**Working Document - Point In Time Data -May 2024*

Proposed 2024-2025 Expenditure
REVOTE BUDGET

	2025	2024	$ Change	% Change
Salaries	$ 136,189,319	$ 114,202,746	$ 21,986,573	19.25%
Benefits	66,416,716	57,575,833	8,840,883	15.36%
Materials and Equipment	4,910,358	4,962,817	(52,459)	-1.06%
Contractual and Other	40,034,037	40,767,636	(733,599)	-1.80%
Contractual -Legal	1,262,500	2,168,301	(905,801)	-41.77%
Contractual -Transportation	76,025,817	62,787,869	13,237,948	21.08%
Debt Services	6,493,238	5,782,963	710,275	12.28%
Transfer to Capital (H)		6,357,597	(6,357,597)	-100.00%
Transfer to Special Aid Fund (F)	550,000	1,000,000	(450,000)	-45.00%
Total Proposed Expense	$ 331,881,985	$ 295,605,762	$ 36,276,222	12.27%

**Working Document - Point In Time Data -May 2024*

Exhibit 7

EAST RAMAPO CENTRAL SCHOOL DISTRICT

"A unified community educating the whole child"

BUDGET EDITION • JUNE 2024

Budget REVOTE Scheduled for June 18, 2024

A MESSAGE FROM YOUR BOARD OF EDUCATION PRESIDENT AND SUPERINTENDENT OF SCHOOLS

DEAR EAST RAMAPO COMMUNITY,

On Tuesday, June 18, residents will be asked to vote on a revised budget for the 2024-25 academic year. This date is set by New York State Education Law for any school district wishing to hold a revote on a proposed spending plan.

In response to the outcome of the community vote on May 21, district administrators and the Board of Education have revised the proposed district budget for 2024-25 to include:

- A 21.08% increase to **transportation** funding to strengthen and appropriately staff this critical need.
- A 17.95% increase in salaries/benefits to achieve a balanced student-to-teacher ratio to help address growing enrollment, while meeting contractually-mandated nondiscretionary step increases.

The Board of Education remains sensitive to the tax burden on the community and has lowered the proposed tax levy increase from 1.99% to 1%, which is within the New York State tax levy cap and represents a budget-to-budget increase of 12.27%.

2024-2025 Proposed Budget Summary
Proposed Budget: **$ 331,881,985**
Budget-to-Budget Change: **12.27%**
Projected Tax Levy Increase: **1%**

This proposed spending plan maintains all of the District's high-quality programs and services in support of the district's long-term goals in the areas of academic instruction, social-emotional learning and operations.

On Tuesday, June 18, we encourage ALL eligible East Ramapo community members to exercise their constitutional right to vote.

Your voice matters! Please vote on **Tuesday, June 18!**

Shimon Rose
President, Board of Education

Dr. Clarence G. Ellis
Superintendent of Schools







This proposed budget reinforces our commitment to Academics, Social-Emotional Learning and Operations to create the schools that our students deserve:

ACADEMICS

- Through recruitment and hiring, achieve a balanced **student-to-teacher ratio**
- Ensure ongoing access to **art**, **music** and **athletic** programs
- **Improve reading** and **English Language learning** through enhanced teacher and leader **training** and **coaching** in evidence-based literacy practices
- Provide **career, technology** and **engineering opportunities** in Rockland BOCES P-TECH and CTEC programs

SOCIAL-EMOTIONAL LEARNING

- Support the mental health and well-being of students through **physically and emotionally safe learning environments**
  - **Social workers**
  - **Counselors**
  - **Psychologists**
  - **Family Resource Coordinators**
  - **Security officers**
  - **Electronic door access**
  - **Security cameras**

OPERATIONS

- Continue ongoing **building maintenance and improvements**
  - **Cleaning**
  - **Repairs**
- Strengthen **Transportation Department** by hiring individual to oversee and recruit additional staff
- Bolster existing **information technology** infrastructure

REVOTE: TUESDAY, JUNE 18, 2024 | 7:00 A.M. - 9:30 P.M.

✪ 2024 EAST RAMAPO BUDGET REVOTE

OVERALL BUDGET PROPOSAL	Budget Adopted for the 2023-24 School Year	Budget Proposed for the 2024-25 School Year	Contingency Budget for the 2024-25 School Year *
Total Budgeted Amount, Not Including Separate Propositions	$ 295,605,762	$ 331,881,985	$ 331,881,985
Increase/Decrease for the 2024-25 School Year		$ 36,276,223	$ 36,276,223
Percentage Increase/Decrease in Proposed Budget		12.27%	12.27%
Change in the Consumer Price Index		4.12%	
A. Proposed Tax Levy to Support the Total Budgeted Amount	$ 154,490,227	$ 156,035,129	
B. Levy to Support Library Debt, if Applicable	$ 0	$ 0	
C. Levy for Non-Excludable Propositions, if Applicable **	$ 0	$ 0	
D. Total Tax Cap Reserve Amount Used to Reduce Current Year Levy	$ 0	$ 0	
E. Total Proposed School Year Tax Levy (A + B + C - D)	$ 154,490,227	$ 156,035,129	$ 154,490,227
F. Permissible Exclusions to the School Tax Levy Limit	$ 2,879,652	$ 3,059,206	
G. School Tax Levy Limit, Excluding Levy for Permissible Exclusions	$ 158,658,771	$ 159,738,097	
H. Total Proposed Tax Levy for School Purposes, Excluding Permissible Exclusions and Levy for Library Debt, Plus Prior Year Tax Cap Reserve (E - B - F + D)	$ 151,610,575	$ 152,975,923	
I. Difference: (G - H); (Negative Value Requires 60.0% Voter Approval – See Note Below Regarding Separate Propositions)**	$ 7,048,196	$ 6,762,174	
Administrative Component	$ 24,410,048	$ 24,073,236	$ 24,073,236
Program Component	$ 242,598,117	$ 281,519,591	$ 281,519,591
Capital Component	$ 28,597,597	$ 26,289,158	$ 26,289,158

*** Should the proposed budget be defeated, by law, a contingency budget will be adopted. The law, including Education Law Section 2023 imposes various spending restrictions and limitations under a contingency budget which would be put in place for the 2024-25 school year. Under contingency the district is not permitted to raise any funds above the tax levy for the current school year. This restriction will result in the use of approximately $1.5 million from TRS reserve funds.**

	Under the Budget Proposed for the 2024-25 School Year
Estimated Basic STAR Exemption Savings[1]:	Clarkstown $641 Haverstraw $667 Ramapo $694

The annual budget vote for the fiscal year 2024-25 by the qualified voters of the East Ramapo Central School District, Rockland County, New York, will be held at the following locations: Ward 1 Summit Park Elementary School; Ward 2 Pascack Community Center, Ward 3 Spring Valley High School, Ward 4 Chestnut Ridge Middle School, Ward 5 Yeshiva Viznitz, Ward 6 Elmwood Elementary School, Ward 7 Ramapo High School, Ward 8 Pomona Middle School and Ward 9 Lime Kiln Elementary School.

[1]The basic school tax relief (STAR) exemption is authorized by section 425 of the Real Property Tax Law.

✪ On the Ballot

PROPOSITION #1: 2024-25 BUDGET: Shall the Annual Budget of the School District, as proposed, in the amount of $331,881,985 be adopted and a tax levied in accordance with law to meet the same?

To learn more about the 2024-25 proposed ERCSD budget visit ercsd.org/budgetrevote24 or SCAN HERE.

Para obtener más información sobre la propuesta de presupuesto del ERCSD para 2024-2025, visite ercsd.org/budgetrevote24 o ESCANEE AQUÍ.

Pou jwenn plis enfòmasyon sou bidjè ERCSD ki pwopoze pou peryòd 2024-25 la, ale sou ercsd.org/budgetrevote24 oswa ESKANE LA A.

צו לערנען מער איבער די 2024-25 פארגעשלאגענע ERCSD בודזשעט, באזוכט
ercsd.org/budgetrevote24 אדער סקענט דא.





✪ REVOTACIÓN DEL PRESUPUESTO DE EAST RAMAPO DE 2024

¿Quién puede votar?

Los ciudadanos, de 18 años de edad o más, residentes del distrito durante al menos 30 días antes del 18 de junio de 2024 y que están registrados para votar. Si votó en una elección escolar o en una elección general de noviembre en los últimos cuatro años, no necesita registrarse. Para obtener los formularios de registro de votantes del condado de Rockland, visite **rocklandgov.com**.

Información para los votantes

Los votantes de TODAS las divisiones electorales participan para decidir sobre el presupuesto. Visite ercsd.org/budgetrevote24 para obtener información.

Información sobre las divisiones electorales

Hay nueve divisiones electorales que deben cumplir con la orden del tribunal federal. Visite **ercsd.org/budgetrevote24** para conocer las divisiones electorales y los mapas. Si aún reside en la dirección registrada que se muestra en el frente de este correo, usted vota en la división electoral y el centro de votación que se muestra arriba de su dirección. Si se mudó de esta dirección, pero permanece en el distrito, visite **ercsd.org/budgetrevote24**.

REVOTACIÓN DEL PRESUPUESTO DE 2024

- Los centros de votación estarán abiertos el martes 18 de junio de 2024 de 7:00 a. m. a 9:30 p. m. para la votación presencial. Los ciudadanos DEBEN votar en el centro de votación de su división electoral como se indica en este correo.
- Los votantes que no estén registrados como personas con discapacidad permanente deben presentar una boleta anticipada por correo o un formulario de solicitud en ausencia. Los votantes que marcaron Revotación en sus solicitudes de mayo recibirán las boletas automáticamente.
- La última fecha para solicitar que se envíe por correo una boleta anticipada o una boleta en ausencia al votante es el **martes 11 de junio de 2024**. La última fecha para solicitar que se recojan es el **lunes 17 de junio de 2024**.
- Todas las boletas anticipadas por correo, en ausencia y militares deben recibirse en la oficina del secretario del distrito antes de las **5:00 p. m., el martes 18 de junio de 2024** para el recuento.

Visite ercsd.org/budgetrevote24 para obtener información para los votantes.

✪ NOUVO VÒT BIDJÈ EAST RAMAPO 2024

Ki moun ki ka vote?

Sitwayen, ki gen 18 lane oswa plis, ki abite nan Distri a depi omwen 30 jou anvan 18 Me 2024, ak ki enskri pou vote. Si ou te vote nan yon eleksyon lekòl oswa nan yon eleksyon jeneral Novanm nan kat ane ki sot pase yo, ou pa bezwen enskri. **Vizite rocklandgov.com** pou fòm enskripsyon elektè Konte Rockland yo.

Enfòmasyon Elektè yo

Elektè yo nan TOUT sikonskripsyon yo ka vote sou bidjè a. **Vizite ercsd.org/budgetrevote24** pou enfòmasyon.

Enfòmasyon sou Sikonskripsyon yo

Gen 9 distri pou konfòme yo ak lòd Tribinal Federal la. Vizite **ercsd.org/budgetrevote24** pou distri ak kat yo. Si ou toujou rete nan adrès ki bay sou devan poste sa a, ou vote nan sikonskripsyon an ak sit biwo vòt ki endike anwo adrès ou. Si ou te demenaje, men ou rete nan Distri a, vizite **ercsd.org/budgetrevote24**.

NOUVO VÒT BIDJÈ 2024

- Sit biwo vòt yo louvri soti 7è nan maten rive 9è30 nan aswè nan **madi 18 jen 2024** pou vote an pèsòn. Elektè yo DWE vote nan sit vòt sikosnkripsyon yo jan yo enprime adrès ou sou anvlòp sa a.
- Elektè yo ki pa anrejistre kòm andikape pèmanan dwe soumèt yon bilten vòt bonè pa Lapòs oswa yon fòm demann pou absan. Elektè yo ki make Revote nan demann, me yo pral resevwa bilten vòt yo otomatikman.
- Dènye dat pou mande yon bilten vòt pa lapòs bonè oswa yon bilten vòt absan pou voye yo pa lapòs ba elektè a se **madi 11 jen 2024**. Dènye dat pou mande yo pou pickup se **lendi 17 jen 2024**.
- Biwo Grefye Distri a dwe resevwa tout bilten vòt bonè pa lapòs, vòt pou Absan ak Militè anvan 5è nan apremidi **madi 18 jen 2024** pou yo ka konte.

Vizite ercsd.org/budgetrevote24 pou enfòmasyon pou elektè yo.

✪ 2024 איסט רעמעפאו בודזשעטווידער וואלן

ווער קען שטימען?

ביז רגער, פון 18 יאר און עלטער, אייגווואוינער פון די דיסטריקט פאר צום וויינגסטנס 30 טעג בעפאר יוני 18, 2024 און רעגיסטרירט צו שטימען. אויב איר האט געשטימט אין סקול וואלן אדער אין אלגעמיינע וואלן אין נאוועמבער אין די פארגאנגענע פיר יאר, דארפט איר זיך נישט רעגיסטרירן. באזוכט **rocklandgov.com** פאר ראקלענד קאונטי וויילער רעגיסטראציע בויגנס.

וויילער אינפארמאציע

וויילער אין אלע וואָרדס קענען שטימען אויף די בודזשעט. באזוכט **ercsd.org/budgetrevote24** פאר אינפארמאציע.

וואָרד אינפארמאציע

עס זענען דא 9 וואָרדס אין איינקלאנג מיט דעם פעדעראלן געריכט ארדער. באזוכט **ercsd.org/budgetrevote24** פאר וואָרדס און מאפעס. אויב איר וואוינט נאכאלץ ביי דעם אדרעס רעגיסטרירט ביי ראקלענד באָורד אָוו עלעקשענס וויי געווינען אויפן פארנט פון דעם בריוו, קענט איר שטימען אין די וואָרד און ביי די וואלן לאקאציע וואס שטייט העכער אייער אדרעס. אויב איר האט זיך אוועקגעצויגן, אבער איר וואוינט נאכאלץ אין די דיסטריקט, באזוכט **ercsd.org/budgetrevote24**.

2024 בודזשעט וויידער וואלן

- וואלן לאקאציעס זענען אפן פון 7:00 אינדערפרי ביז 9:30 בייגאכט אום דינסטאג, יוני 18, 2024 פאר וויילער וועלכע קומען אראפ שטימען פערזענליך. וויילער מוזן שטימען בייַ זייער וואָרד וואלן לאקאציע וויי געשריבן העכער אייער אדרעס אויף דעם בריוו.
- וויילער וועלכע זענען נישט רעגיסטרירט אלץ פערמאנענט דיסעיבעלד מענטשן מוזן אריינגעבן א פריע בעלאט דורך די פאסט אדער אן עבסענטי בעלאט פארלאנג בויגן.

וויילער וועלכע האבן אנגעצייכנט די וויידער וואלן אפציע אויף זייער פארלאנג אין מאי וועלן אויטאמאטיש באקומען בעלאטס.

- די לעצטע דאטום צו פארלאנגען א פריע בעלאט דורך די פאסט אדער אן עבסענטי בעלאט צו וועלן צוריקגעשיקט צו דעם וויילער דורך די פאסט איז **דינסטאג, יוני 11, 2024**. די לעצטע דאטום זיי צו פארלאנגען צו וועלן אפגענומען איז **מאנטאג, יוני 17, 2024**.
- אלע פריע בעלאטס דורך די פאסט, עבסענטי און מיליטער בעלאטס מוזן ערהאלטן וועלן דורך די דיסטריקט קלערק'ס אפיס ביז **5:00 נאכמיטאג, דינסטאג, יוני 18, 2024** צו געציילט וועלן.

באזוכט ercsd.org/budgetrevote24 פאר וויילער אינפארמאציע.

EAST RAMAPO BOARD OF EDUCATION

Shimon Rose, *President*
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T I M E - D A T E D D O C U M E N T

2024 EAST RAMAPO BUDGET REVOTE

Who can vote?

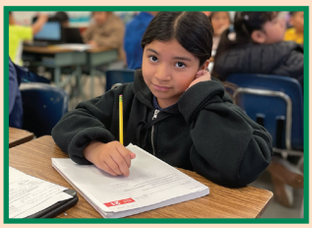
Citizens, age 18 or older, residents of the District for at least 30 days prior to June 18, 2024 and registered to vote. If you voted in a school election or a November general election in the past four years, you need not register. Visit **rocklandgov.com** for Rockland County voter registration forms.

Voter Information

Voters in ALL wards vote on the budget. Visit **ercsd.org/budgetrevote24** for information.

Ward Information

There are 9 wards to comply with the Federal court order. Visit **ercsd.org/budgetrevote24** for Wards and maps. If you still reside at the registered address as shown on the front of this mailing, you vote in the Ward and poll site shown above your address. If you moved, but remain in the District, visit **ercsd.org/budgetrevote24**.





2024 BUDGET REVOTE

- Poll sites are open from 7 a.m. to 9:30 p.m. on Tuesday, June 18, 2024 for in-person voting. Voters MUST vote at their Ward poll site location as printed above your address on this mailer.
- Voters not registered as permanent disabled must submit an Early Ballot by Mail or an Absentee request form. Voters who marked Revote on their May requests will receive ballots automatically.
- The last date to request an Early Ballot by Mail or an Absentee ballot to be mailed back to the voter is **Tuesday, June 11, 2024**. The last date to request them for pickup is **Monday, June 17, 2024**.
- All Early Vote by Mail, Absentee and Military ballots must be received by the District Clerk's office by **5 p.m. Tuesday, June 18, 2024** to be counted.



Visit ercsd.org/budgetrevote24 for Voter Information

Exhibit 8

STATE OF NEW YORK
STATE EDUCATION DEPARTMENT

In the Matter of the Petition of

Ana Maeda,
ON BEHALF OF D.G and M.H.M.,
Petitioner,

from action of the Board of Education
of the East Ramapo Central School District,

Respondent, Appeal No.: _____

regarding the "revote budget."

VERIFIED PETITION

TO THE COMMISSIONER OF EDUCATION:

1. The circumstances giving rise to this appeal are the District's "revote budget," approved June 18, 2024, that increases the tax levy by only 1%, thus forcing budget cuts in ways that will result in the violation of laws and regulations intended to protect the health and safety of children and the provision of bilingual education to the majority of Respondent's public-school students who are English Language Learners.
2. The "revote budget" also violates the law regarding the appropriate use of reserves and the Respondent's obligations to follow its own fiscal and academic plan and it fails to incorporate the recommendations and opinions of the District's own staff and monitors, the Commissioner, the Comptroller, and the Attorney General.

3. In each of these ways, the Respondent's adoption of the revote budget lacks a rational basis, is arbitrary, capricious, an abuse of discretion, and contrary to law as well as sound educational policy.
4. The Commissioner should use her authority under Education Law § 311 to modify the "revote budget" and direct the imposition of a tax levy to fund the programs that have been eliminated due to the Respondent's cuts to the public-school budget, inappropriate drainage of reserves, and irresponsible spending on transportation.

FACTUAL BACKGROUND

5. Petitioner, Ana Maeda ("Petitioner" or "A.M."), is the mother of two children in the District.
6. D.G., age 12, who recently graduated from Elmwood Elementary School and will begin 7th grade at Chestnut Ridge Middle School in the fall (*see* ¶ 1 of *Affidavit of Ana Maeda*, attached hereto as "**Exhibit 1**" [hereinafter "A.M. Aff"]).
7. A.M.'s other child, M.H.M., age 7 and beginning 2nd grade in the fall, is a student at Margetts Elementary School in the District (A.M. Aff ¶ 2).
8. Both children have been evaluated for special education needs, but the District has not followed through on further testing (A.M. Aff ¶¶ 27, 28).
9. Petitioner's children were supposed to attend the Fine and Performing Arts Academy summer school program but can no longer because the District cancelled it (A.M. Aff ¶¶ 29-30).
10. Both children have seasonal allergies and D.G. has asthma (A.M. Aff ¶ 21-22).
11. Petitioner is a resident, qualified voter, and taxpayer within the District (A.M. Aff ¶¶ 4-5).
12. East Ramapo is the largest school district in Rockland County, with more than 10,000 public school students and approximately 31,000 private school students.[1]

[1] *Monitor Findings and Recommendations Regarding the East Ramapo Central School District's Proposed 2024–2025 School Year Budget*, April 11, 2024, 4-5, ["April 11 Monitor Report"].

13. The public-school population is majority students of color—75% Latino, 18% Black, 4% White, 2% Asian or Native Hawaiian, and 1% multiracial.[2]

14. Eighty-four percent of students are economically disadvantaged, 52% are English Language Learners ("ELLs"), 15% have a disability, and 12% are experiencing homelessness.[3] Of these ELLs, 91% are Latino.[4]

15. From 2005 to 2010, the District fell into a $13 million deficit,[5] even as the District's enrollment increased, particularly with high-needs students from low-income, non-English-speaking households, and students without permanent housing.[6]

16. Between 2009 and 2012, the Board eliminated 445 professional positions from the public schools: 199 teachers, 49 teaching assistants, five aides, 95 staff positions, three guidance counselors, two nurses, and all deans, elementary school assistant principals, and social workers.[7]

17. Since 2014, Respondent has been subject to a state fiscal monitor, with one monitor predicting financial failure stating: "the District has already fallen behind other districts that have managed to consistently pass budgets. The only way for the District to catch up is to begin passing small tax levy cap overrides."[8]

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[2] *East Ramapo CSD (Spring Valley) Enrollment (2022-23)*, NY State Educ Dept, https://data.nysed.gov/enrollment.php?year=2023&instid=800000039112.
[3] *Id.*
[4] *East Ramapo CSD (Spring Valley) English Language Learners Enrollment (2022-23)*, NY State Educ Dept, https://data.nysed.gov/ell.php?year=2023&instid=800000039112.
[5] Office of the New York State Comptroller, *East Ramapo Central School District Financial Condition*, Feb. 1, 2013 at 10, https://www.osc.ny.gov/files/local-government/audits/2017-11/lgsa-audit-school-2013-east-ramapo.pdf.
[6] *See* Charles A Szuberla & John W. Sipple, *Continuing Progress: A Report on the East Ramapo Central School District* at 2 [Dec. 2018] ["2018 Monitor Report"]; April 11 Monitor Report at 3.
[7] Henry M. Greenberg, *East Ramapo: A School District in Crisis* at 30, 32 [Nov. 17, 2014], https://www.p12.nysed.gov/docs/east-ramapo-fiscal-monitor-presentation.pdf.
[8] 2018 Monitor Report at 23.

18. In 2016, the legislature amended the Monitor Law (L 2016, ch 89, § 3[a], as amended by L 2021, ch 173, § 1) to require Respondent to develop a "long term strategic academic and fiscal improvement plan" and to revise and update the plan every year (§ 5[b]), focusing on restoring past cuts to educational programming.[9]

19. Specifically, the Strategic Plan requires "minimum reliance on the District's fund balances", the creation of "a transportation system that is efficient and cost effective", and that students "attend clean, well maintained, and up-to-date schools" (Strategic Plan at 53, 59, 62).

20. The Strategic Plan also imposes academic goals on the District, requiring improvements for all students, and specific growth for English Language Learners (Strategic Plan at 24-28, 36, 38).

21. In 2016, after conducting state-mandated testing, the District announced that elevated lead levels were found in nine school buildings.[10]

22. By 2020, subsequent lead testing showed that 73 percent of the drinking fountains and kitchen sinks in the District exceeded lead-safety limits and were turned off, making them inaccessible to students.[11]

23. In its 2023 Building Condition Survey results, all 14 of the District's instructional buildings received a failing grade on their overall building quality.[12]

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[9] East Ramapo Central School District, *2020-2025 (Long Term) Strategic Academic and Fiscal Plan* at 51, 53 [revised Nov. 15, 2022] ["Strategic Plan"], https://www.nysed.gov/sites/default/files/programs/innovation-school-reform/ercsd-long-term-report-2020-2025-strategic-academic-fiscal-plan-revised-11-15-22.pdf.

[10] *Lead Testing in School Drinking Water Sampling and Results Compliance Year 2016,* NY State Dept of Health [2020], https://health.data.ny.gov/Health/Lead-Testing-in-School-Drinking-Water-Sampling-and/rkyy-fsv9/about_data.

[11] *2020 Lead Testing Results*, East Ramapo Cent Sch Dist, https://www.ercsd.org/site/default.aspx?PageType=14&DomainID=35&PageID=215&ModuleInstanceID=17808&ViewID=1e008a8a-8e8a-4ca0-9472-a8f4a723a4a7&IsMoreExpandedView=True.

[12] *Building Condition Survey Review* at 10 [June 20, 2023], East Ramapo Cent Sch Dist, https://www.ercsd.org/site/handlers/filedownload.ashx?moduleinstanceid=18631&dataid=34194&FileName=2023-06-20%20BOE%20BCS%20Presentation%20ERCSD.pdf ["Building Condition Survey"].

24. The Survey found that Respondent would have to spend over $236 million dollars to remediate all the identified issues (Building Condition Survey at 33).

25. The drinking and cooking taps in all 14 school buildings had failed state standards and were not functioning and 11 schools had unsatisfactory ventilation systems, including those at Elmwood and Margetts Elementary Schools (Building Condition Survey at 11).

26. This year, the Office of the Attorney General investigated and found that the replacement water supplied by the District was insufficient to meet building code standards regarding the availability of drinking water.[13]

27. In six schools, including Chestnut Ridge Middle School, there were too few water coolers, and in other instances the coolers were not refilled or maintained properly (Lead Letter at 1).

28. Throughout the 2024-2025 budget process, community members and the monitors brought their concerns over the inadequate heating and ventilation systems to the Board.[14]

29. At the May 7, 2024 Board meeting, D.G. told the Board that their school was too hot and humid because of the lack of AC and ventilation, which was affecting their asthma (1:09:18). They stated: "if I can't breathe, I can't learn" (*id.*; *see also* A.M. Aff at ¶ 44).

30. At the same meeting, Assistant Superintendent Natalie Espinal confirmed the estimated $236 million needed in repairs (May 7 Meeting at 26:00).

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[13] Letter from Philip Bein, Watershed Inspector General, NY State Attorney Gen Off, to Clarence G. Ellis, Superintendent, East Ramapo Cent Sch Dist, on Lead in School Drinking Water, Feb. 14, 2024 ["Lead Letter"], attached as **Exhibit A** to *Affirmation of Stefanie D. Coyle in Support of Verified Petition* ["Coyle Aff"].

[14] *See, e.g.*, *ERCSD – Regular Board Meeting 05-07-2024* at 1:09:18 ["May 7 Meeting"], https://www.youtube.com/live/O0IIK7ivN2E?feature=shared&t=1545; *ERCSD – Regular Board Meeting 06-04-2024* at 1:04:35 ["June 4 Meeting"], https://www.youtube.com/live/NEjv9PKhXQE?si=3rOWBt0NlID1HmRC&t=3778).

31. In February 2024, the monitors submitted a semi-annual report to the Commissioner regarding the District's progress on the Strategic Plan, reporting that the District's budget could not "be balanced unless [ ] draconian reductions are implemented."[15]

32. At the March 19, 2024 Board meeting, the Board refused to support the proposed local tax levy increase of 5.38%, while also disapproving all items in the $4.7 million savings package.[16] The Board also rejected five scenario plans offered by the administration without proposing a single feasible alternative (April 11 Monitor Report at 9).

33. The Superintendent proposed a budget with a 1.99% increase in local tax levy funds, offsetting the loss in proposed revenue by increasing expenditure reductions to almost $10 million.[17]

34. On April 11, 2024, the monitors submitted their final report to Commissioner Rosa concluding that the proposed budget was "not fiscally sound because of an over-reliance on unrestricted fund balance that will exacerbate the district's trajectory towards fiscal instability" (April 11 Monitor Report at 1).

35. At the May 7, 2024 Board meeting, Assistant Superintendent Espinal informed the Board that, based on the assumption of a 1.99% tax increase, the District would have to use nearly $18 million in its reserve fund to balance the budget (May 7 Meeting at 19:00).

36. On May 21, 2024, the voters defeated the budget with the 1.99% tax increase.[18]

37. On June 18, 2024, voters approved a 1% tax levy increase, also known as the "revote budget."[19]

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[15] *Academic and Fiscal Monitor Findings and Recommendation Regarding the East Ramapo Central School District 3rd Semiannual Report to the Commissioner and Regents*, Feb. 8, 2024 at 2, 8 ["February 8 Monitor Report"], https://www.ercsd.org/site/handlers/filedownload.ashx?moduleinstanceid=17501&dataid=34096&FileName=2324%20SemiannualreportCommandRegents2_9_24.pdf.

[16] *ERCSD – Regular Board Meeting 03-19-2024* at 1:40:46, https://www.youtube.com/watch?v=c0CSLdj2xow.

[17] *ERCSD – Regular Board Meeting 04-02-2024* at 21:10, https://www.youtube.com/watch?v=VBYdAAnm4ww.

[18] *2024-25 Unofficial Annual Budget Vote Results*, East Ramapo Cent Sch Dist, https://ny02205564.schoolwires.net/Page/12030.

[19] *2024-25 Official Annual Budget REVOTE Results*, East Ramapo Cent Sch Dist, https://ny02205564.schoolwires.net/Page/12099.

38. In the "revote budget" that was approved by voters, the District cut $4.3 million from expenditures: reducing custodial overtime, deferring building repairs indefinitely and reducing the purchase of building maintenance equipment, reducing ancillary services for students with disabilities, and freezing the hiring of 20 teaching assistants for kindergarten and bilingual programs, and "custodians, mechanics, and ground workers" (April 11 Monitor Report at 11; *Letter from Board Vice President to Commissioner of Education*, Coyle Aff, **Exhibit C**; *see also Regular Board Meeting 04-02-2024* at 2:36:40).

39. There are no cuts in transportation spending, even with Respondent projecting over $76 million in transportation expenses, representing more than 26% of the overall budget.[20]

40. Respondent's "revote budget" will use $18 million in unrestricted reserves, also known as the appropriated fund balance, and $1.2 million in restricted reserves from the Teachers' Retirement System Fund (Proposed Revote Budget at 1; June 4 Meeting at 20:12).

41. As a result of the fiscal crisis, the District announced the sudden cancelation of many 2024 summer programs, including its Fine and Performing Arts Academy.[21]

LEGAL AND EDUCATIONAL POLICY CLAIMS

42. The consistent fiscal and academic mismanagement by the East Ramapo Board majority and District leadership has led to an improper budget being put forth that will cause the District to violate state law and regulations and the District's Strategic Plan and will not provide an adequate education.

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[20] April 11 Monitor Report at 10; *2024-2025 Proposed Revote Budget and Supplemental Information* at 28 [May 30, 2024], East Ramapo Cent Sch Dist ["Proposed Revote Budget"], https://www.ercsd.org/site/handlers/filedownload.ashx?moduleinstanceid=18478&dataid=34369&FileName=2024-2025_Proposed_Revote_Budget_and_Supplemental_Information-5.30.24.pdf.

[21] *Important Announcement from the Superintendent Regarding East Ramapo Summer Programs* [May 31, 2024], East Ramapo Cent Sch Dist, https://www.ercsd.org/site/default.aspx?PageType=3&DomainID=8&ModuleInstanceID=5760&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108&RenderLoc=0&FlexDataID=34365&PageID=0.

43. The Board's irrational indifference to alternatives to the "revote budget" and its disregard of the opinions of experts including the Commissioner, Comptroller, the Attorney General, the monitors, and the District's own staff, clearly violated the District's obligations to make decisions that are the result of "collective judgment and deliberation."

44. The decision to set forth such a flawed "revote budget" lacks a rational basis, is arbitrary and capricious, an abuse of discretion, and is contrary to sound educational policy.

A. THE DISTRICT'S DECISION TO SUBMIT A RE-VOTE BUDGET WITH A 1% TAX LEVY INCREASE WILL RESULT IN VIOLATIONS BY THE DISTRICT OF ITS STATUTORY OBLIGATIONS TO ITS STUDENTS.

45. The Commissioner has sustained appeals pursuant to Education Law § 310 where a district's action will cause it to violate regulations or law.

46. In *Appeal of Donna Doyle*, the Commissioner found that Respondent's decision to violate health education regulations was "contrary to law and regulation" and therefore "arbitrary and capricious" (52 Educ Dept Rep, Decision No. 16,429).

47. Similarly, in *Appeal of McMillan*, the Commissioner found that a district's impending violation of statutory requirements under DASA was an "abuse of discretion" and was "arbitrary and capricious" (61 Educ Dept Rep, Decision No. 18,058).

48. The "revote budget" will cause Respondent to violate multiple New York laws and regulations, including those protecting students' health and safety, provisions for bilingual education, limitations on the use of restricted reserves, and requirements from the Monitor Law.

1. The District's "Revote Budget" Will Cause the District to Further Violate School Health and Safety Regulations.

49. The "revote budget" allocates $0 towards the more than $236 million in needed infrastructure improvements for schools to improve ventilation and water quality (May 7 Meeting at 20:01), thus causing the District to violate the Commissioner's Regulations and the Public Health Law.

50. Each school district is required to provide "suitable and adequate facilities to accommodate the programs of such district" (8 NYCRR § 155.1).

51. Facilities are required to be maintained to "provide for the health and safety of occupants…and shall support an environment within the facility which is conductive to learning" (8 NYCRR § 155.1[b]).

52. When a lead-contaminated tap is discovered, § 1110 (2) of the Public Health Law requires districts to turn it off and provide school occupants with *an adequate supply of safe, free and potable drinking water* (N.Y. Pub. Health Law § 1110 (2); *see also* 10 NYCRR § 67-4.4).

53. Failure to comply with the regulations under 8 NYCRR § 155.1 have been the basis for sustained Commissioner's appeals.[22]

54. In the June 2023 Building Condition Survey, all 14 District school buildings received an overall "failing" building rating (Building Condition Survey at 10).

55. The Attorney General's office also identified that adequate water was not being provided in 6 out of 13 school buildings (Lead Letter at 1), including at the middle school that D.G. will attend this fall (*id.*; A.M. Aff at ¶ 1).

56. The current ventilation in most of buildings is not suitable for A.M.'s children to safely attend school, let alone engage in the "varying activities that take place" in a school building (8 NYCRR § 155.1[b][3]).

57. The Building Conditions Survey found that there were unsatisfactory ventilation systems in eleven school buildings, including the two attended by A.M.'s children (11).

[22] *See Appeal of McNamara,* 32 Educ Dept Rep, Decision No. 12,876 (sustaining appeal where board failed to comply with § 155.1 requirement to create and implement a long-range building plan under § 155.1[a]); *Appeal of Rosenberg*, 31 Educ Dept Rep, Dec. No. 12,680 (sustaining appeal where district failed to comply with § 155.1).

58. Both of A.M.'s children have health conditions which make proper building ventilation critical for them to be able to safely attend school (A.M. Aff at ¶¶ 21-22).

59. The "revote budget" does not rectify these issues and unconscionably continues the underfunding of building maintenance causing the District to violate laws and regulation to keep students safe.

2. The "Revote Budget" Fails to Correct the District's Noncompliance with New York Regulations on the Provision of Education for English Language Learners.

60. The Commissioner's Regulations require that if there are 20 or more English Language Learners ("ELLs") who share the same home language and grade in a district, that district "shall provide a sufficient number of Bilingual Education programs in the district in the following school year, such that there are Bilingual Education programs available in the district for at least 70 percent" of these students (8 NYCRR § 154-2.3[d][2]).

61. Respondent is violating 8 NYCRR § 154-2.3 by failing to provide a sufficient number of bilingual programs[23] for 70% of ELLs in each grade who speak the same home language.

62. During the 2022-2023 school year, 5,956 students were classified as ELLs (*East Ramapo ELL Home Languages*, NY State Educ Dept, Coyle Aff, **Exhibit D**).

63. More than 5,374 students—90% of the total number of ELLs—speak Spanish at home, meaning there are almost certainly 20 Spanish -speakers in each grade district wide (*id*.).

64. The District has enrolled the vast majority of eligible students in English as a New Language rather than bilingual programs, a violation of the regulation's requirement (8 NYCRR § 154-2.3[d][2]).

[23] In addition, despite the regulation's clear directive that the Annual Estimate of Enrollment of ELLs must be made "widely available through public means," including "posting on the Internet, distribution through the media, and distribution through public agencies," the District has failed to make the data publicly available (8 NYCRR § 154-2.3[d][1]).

65. The "revote budget" fails to correct this noncompliance by appropriating sufficient resources to create new bilingual programming.[24]

66. Given the extraordinarily high (and growing) number of ELLs in the District, a budget that fails to allocate sufficient resources to create sufficient bilingual education programs as required by regulation is unquestionably arbitrary and capricious and contrary to law.

3. The District's "Revote Budget" Will Improperly Rely Upon Restricted Reserves Under Education Law § 3651.

67. The District's proposed budget violates Education Law § 3651 because it improperly utilizes restricted reserves. Education Law § 3651(3) specifies that "[a]n expenditure shall be made from a reserve fund only by authorization of the voters and for the specific purpose specified in the proposition" (*see also Appeal of Thomas Kackmeister*, 40 Educ Dept Rep, Decision No. 14,560).

68. As part of the "revote budget", the District proposed to spend $1,205,057 of reserves restricted to the Teachers' Retirement System ("TRS") (Proposed Revote Budget at 1; *see also* June 4, Meeting at 20:12).

69. The District is in violation of Education Law § 3651(3-a) if it is using any of the restricted funds for non-TRS expenditures.

4. The District's "Revote Budget" Violates the Monitor Law.

70. The 2016 Monitor Law requires that the District create a Strategic Plan that addresses the District's "financial stability, academic opportunities and outcomes" including for ELLs (Monitor Law § 5[b]).

[24] Despite the inclusion in the "revote budget" of approximately $8 million in "instructional salaries", it is unlikely that this additional hiring will allow the District to meet its statutory obligations (*see* Proposed Revote Budget at 19).

71. It also mandates that the budget "*expands educational programming for students* including but not limited to extracurricular activities, course offerings, non-mandated support services, non-mandated art and music classes, programs *and services for English language learners* and students with disabilities, and maintaining class size" (Monitor Law § 6[a] [emphasis added]).

72. In their April 11, 2024 Report, the monitors stated that the proposed budget is not "consistent with the Long-Term Strategic Academic and Fiscal Plan" and will be "inadequate to implement the district's academic plan" (April 11 Monitor Report at 1, 8).

73. It is clear that the "revote budget" does not support improvements in student outcomes; provide "opportunities to participate in sports and extracurricular activities" (*see* A.M. Aff at ¶¶ 28-32); or ensure that students attend "well maintained schools" (*see* A.M. Aff at ¶¶ 6-25).

74. In addition, the "revote budget" makes no attempt to cut the transportation budget, and therefore violates the Strategic Plan's mandate to "create a transportation system that is efficient and cost effective" (Strategic Plan at 59).

5. The District's Decision to Put Forth the "Revote Budget" Lacks A Rational Basis.

75. The Court of Appeals mandates that a school district "decision [regarding budgeting] must be an informed one" (*Older v Bd. of Ed. of Union Free Sch. Dist. No. 1, Town of Mamaroneck*, 27 NY2d 333, 337-38 [1971]).

76. Similarly, the Commissioner has required that a district consider alternative options to make an informed decision: in *Appeal of Amy E Kauffman*, the Commissioner sustained an appeal challenging a district's reorganization of the grades in its elementary schools and middle school (57 Educ Dept Rep, Decision No. 17,250).

77. The Commissioner held that the district's decision did not represent "the result of respondent's collective judgment and deliberation" and that the district did not "engage[] in any discussion, debate or further study of any other options" (*id.*).

78. Further, the Commissioner found that the district's decision was "contrary to sound educational policy" because its decision failed to support student success (*id.*).

79. The Commissioner has also found that a district can show its decision was a reasoned one by the "consideration of multiple alternatives" including a full consideration of materials submitted in opposition to the district's decisions, such as findings from experts (*Appeal of McMillan*, 61 Educ Dept Rep, Decision No. 18,058).

80. Here, Respondent failed to seriously consider multiple alternatives to the "revote budget," putting forward a budget that does not support student success, and that was not a "result of collective judgment and deliberation."

81. This failure to heed the warnings and opinions of multiple experts including the Commissioner, the Comptroller, the Attorney General, the monitors, and the District's own staff, clearly violates Respondent's obligations with regards to its decision-making.

82. The monitors found that the "revote budget" is "academically unsound" (April 11 Monitor Report at 12), "inadequate to implement the district's academic plan" (April 11 Monitor Report at 1), will result in a "level of learning loss that . . . would be unprecedented and antithetical . . . to ensur[ing] the educational outcomes for the students attending schools in the [D]istrict increase" (February 8 Monitor Report at 7-8).

83. Assistant Superintendent Espinal presented three alternatives that could have minimized the amount spent on transportation, all of which were disregarded almost without discussion

(*ERCSD - Regular Board Meeting 03-05-2024* at 2:21:26, 2:41:38, https://www.youtube.com/watch?v=gg6h9t8qifk).

84. Similarly, the New York State Comptroller has repeatedly warned that the District is inappropriately spending on transportation.[25]

85. The Attorney General's office found that the District was failing to comply with requirements to maintain safe drinking water in the schools (s*ee* Lead Letter).

86. Finally, the Commissioner wrote to the District, imploring it to "increase the extent to which the proposed budget aligns with the district's Long Term Strategic Academic and Fiscal Improvement Plan" (*Letter from Dr. Betty A. Rosa, Commr of Educ, NY State Dept of Educ, to Shimon Rose, President, Bd of Educ, E Ramapo Cent Sch Dist*, May 1, 2024, at 3, Coyle Aff, **Exhibit E**).

87. The District clearly disregarded the well-reasoned alternatives and opinions of its experts and district residents (A.M. Aff at ¶ 44) in putting forth the "revote budget"—a budget deemed "academically" and "fiscally unsound" by its own monitors.

88. Equally concerning is the District's acknowledgement that it will be forced to lay off the instructional staff it is able to hire this year due to the drainage of its reserves—this is the definition of irrational (*ERCSD – Special Board Meeting 05-28-2024* at 17:00, https://www.youtube.com/watch?v=CtK-b0LYpoQ).

89. Therefore, the submission of the "revote budget" is obviously "so unreasonable that it constitutes an abuse of discretion" (*Appeal of Block*, 28 Ed Dept Rep 308).

[25] *Letter from Thomas P. DiNapoli, Comptroller, Off of the NY State Comp, to Members of the Board of Education, East Ramapo Cent Sch Dist*, May 5, 2021 at 5, https://www.osc.state.ny.us/files/local-government/audits/2021/pdf/east-ramapo-budget-review-b21-5-4.pdf.

B. TO REMEDY THE DISTRICT'S STATUTORY AND REGULATORY VIOLATIONS, THE COMMISSIONER SHOULD DIRECT THE IMPOSITION OF A TAX LEVY PURSUANT TO EDUCATION LAW § 311(4).

90. The Commissioner has the power to "make all orders, by directing the levying of taxes …which may…be proper or necessary to give effect to [her] decision" (Education Law § 311[4]).

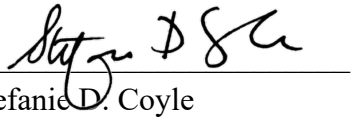
91. The Petitioner therefore requests that the Commissioner use her authority pursuant to Education Law § 311(4) to modify the "revote budget" and to levy a tax to remediate the District's cuts to educational programs and prevent the unjustified losses to the District's reserves.

WHEREFORE, Petitioner respectfully prays for the following relief:

1. An order from the Commissioner, pursuant to Education Law § 311, in which the Commissioner modifies the "revote budget" and directs the imposition of a tax that will provide sufficient funding that allows the District to comply with New York law and regulations and with sound educational policy and prudent fiscal responsibility.
2. Such other relief as the Commissioner deems just and proper.

DATED: July 16, 2024

NEW YORK CIVIL LIBERTIES FOUNDATION



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Exhibit 9

AUDIT COMMITTEE CHARTER

Audit Committee Authority

Pursuant to the resolution adopted by the Board of Education on December 20, 2005, the Board of Education has established an audit committee to assist the Board of Education in the oversight of both the internal and external audit functions. According to NYS Education Law §2116-c(4), the role of an audit committee shall be advisory and any recommendations it provides to the Board shall not be substituted for any required review and acceptance by the Board of Education.

Mission

The Board of Education audit committee will provide independent assistance to the Board in the oversight of the following matters:

- Assist the Board in providing oversight of the internal and external audit functions, including the appointment of the internal and external auditors.
- **Oversee the competitive Request for Proposal Process (RFP) used to solicit quotations for the District's annual external audit.**
- Review the scope, plan and coordination of the external audit.
- **Provide a communications link between the external and internal auditors and the Board.**
- Review corrective action plans and necessary improvement based on audit findings and recommendations received from external and internal auditors.

Composition and Requisite Skills

The District's Audit Committee is comprised of at least three members. The committee shall include: three board members.

The Committee members collectively should possess the expertise and experience in accounting, auditing, financial reporting and school district finances needed to understand and evaluate the school district's financial statements, the external audit of those statements and the district's internal audit activities. Accordingly, the Audit Committee's members should:

- **Possess the requisite skills and experience necessary to understand technical and complex financial reporting issues.**
- **Have the ability to communicate with, and offer advice and assistance to, public finance officers and auditors.**
- **Be knowledgeable about internal controls, financial statement audits and management/operational audits.**

Duties and Responsibilities

The duties and responsibilities of the District's Audit Committee include the following:

1. External Audit Focus

    - Recommend selection of the external auditor to the Board of Education.
    - Meet with the external auditor prior to commencement of the audit to review the engagement letter.
    - Review and discuss with the external auditor any risk assessment of the district's fiscal operations developed as part of the auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards, if applicable.
    - Review the external auditor's assessment of the district's system of internal controls.
    - Receive and review the draft annual audit report and accompanying draft management letter and, working directly with the external auditor, assist the Board of Education in interpreting such documents.
    - Make a recommendation to the Board of Education on accepting the annual audit report.
    - Review every corrective action plan developed by the school district and assist the Board of Education in the implementation of such plans.

2. Internal Audit Focus

    - Make recommendations to the Board of Education regarding the appointment of the internal auditor.
    - Assist in the oversight of the internal audit function.
    - Review the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested.
    - Review the results of internal audit activities and significant recommendations and findings of the internal auditor.
    - Monitor implementation of the internal auditor's recommendations by management.
    - Provide input on the performance evaluation of the internal auditor.

3. Administrative Matters

- **Hold regularly scheduled meetings.**
- **Administer other related duties as prescribed by the Board of Education.**
- **Review and revise the Audit Committee Charter.**

Membership

The membership duties of the Audit Committee includes the following:

Good Faith – Members of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the District with such care as a generally prudent person in a similar position would use under similar circumstances.

Independence – The following individuals are precluded from being an Audit Committee member:

- **Someone currently employed by the District.**
- **Someone currently or previously providing goods or services to the District during the past two years.**
- **Someone of the immediate family (spouse, spouse equivalent or dependent, whether or not related) or close family member (parent, sibling or nondependent child) of an individual who is an employee, officer or contractor providing goods or services to the district.**
- **Someone who is the owner of or has a direct and material interest in a company providing goods or services to the district.**

Confidentiality – During the exercise of duties and responsibilities, the Committee members may have access to confidential information. The Committee shall have an obligation to the district to maintain the confidentiality of such information.

Oath of Office - All non-board members, who are members of the Audit Committee, should be administered the district's oath of office by the District Clerk.

Meetings and Notification

The Audit Committee shall meet a minimum of 3 times each year. An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance, for reasonable review and consideration. The audit committee may conduct an executive session in accordance with law and Commissioner's regulation. Any member of the board of education who is not a member of the audit committee may be allowed to attend an executive session if authorized by a resolution of the board of education.

The Audit Committee shall prepare minutes of each meeting. At a minimum, the minutes will include the following:

- **Copies of the meeting agenda**
- **Date, attendance and location of the meeting**
- **As appropriate, brief summary of the topics discussed**
- **Except as otherwise provided by law in connection with executive session, copies of materials discussed or presented at the meeting**
- **A record of all actions or recommendations agreed to by the committee**

Decision-Making Process

A quorum constitutes a simple majority of the total membership and meetings will not be conducted unless a quorum is present. All decisions shall be reached by vote of a simple majority of the total membership.

Reporting Requirements

The district's Audit Committee has the duty and responsibility to report its activities to the Board of Education. Periodic written reports of Audit Committee activities are an important communication link between the Audit Committee and the Board on key decisions and responsibilities. The Audit Committee's reporting requirements are to:

- Report on the scope and breadth of committee activities so that the Board of Education is kept informed of its work.
- Provide minutes of meetings which clearly record the actions and recommendations of the Committee.
- Report on their review of the District's draft annual audit report and accompanying management letter and their review of significant findings and recommendations of the internal auditor.
- Report on suspected fraud or abuse or material defects in the internal control systems.

- Report on **indication of** material or significant non-compliances with laws or District policies and regulations.
- Report on any other matters that should be disclosed to the Board of Education.

Review of the Charter

The district's Audit Committee shall assess and report to the Board of Education on the adequacy of this Charter no less than an annual basis or as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Board of Education in writing for their review and action.

Adoption date: 03-05-14

Amended: 01-07-25

Exhibit 10

AUDIT COMMITTEE

The Board of Education will designate and appoint an Audit Committee for purposes of overseeing and carrying out the Board's audit policies and the performance of related duties and responsibilities. The district's Audit Committee shall be comprised of at least three members with staggered terms. At least three members shall be appointed to serve on the committee on an annual basis. Employees of the school district are prohibited from serving on the committee. The Audit Committee may be a committee of the whole Board.

The Audit Committee shall:

1. Recommend internal and external audit plans to the Board, specifying the areas of District operations to be reviewed for compliance with legal and regulatory requirements, operating efficiency and effectiveness;
2. Receive and review the resulting audit reports; and propose recommendations to the Board for action as may be necessary and appropriate;
3. Receive and review the report of the external auditor on any findings commented on during the annual audit report, and the management response thereto, and propose recommendations to the Board for action as may be necessary and appropriate;
4. Oversee the selection of the internal auditor and the external auditor, pursuant to the relevant Board policies, and make recommendations to the Board for appointment to said positions; and
5. Perform any other responsibilities outlined by the Board and/or as listed in the District's Audit Committee Charter (see attached exhibit, 6690-E).

The audit committee may conduct an executive session in accordance with law and Commissioner's regulation. Any member of the board of education who is not a member of the audit committee may be allowed to attend an executive session if authorized by a resolution of the board of education.

It is not the intent of the Board of Education that the Audit Committee participate in or be responsible for the day to day operations of the school district or in the decisions that are the responsibility of the Superintendent of Schools or Assistant Superintendent for Business, or the other district administrators.

Ref: Education Law §2116-c
8 NYCRR §170.12 (d)

Adoption date: 05-16-06

Amended: 01-07-25

6690-E

AUDIT COMMITTEE CHARTER

NOTE: We have kept the district's Audit Committee Charter mainly as is, but have suggested adding the language in bold to address composition and skills, eligibility for membership, meeting, executive sessions, and decision-making, to conform to the NYS OSC template.

Audit Committee Authority

Pursuant to the resolution adopted by the Board of Education on December 20, 2005, the Board of Education has established an audit committee to assist the Board of Education in the oversight of both the internal and external audit functions. According to NYS Education Law §2116-c(4), the role of an audit committee shall be advisory and any recommendations it provides to the Board shall not be substituted for any required review and acceptance by the Board of Education.

Mission

The Board of Education audit committee will provide independent assistance to the Board in the oversight of the following matters:

- Assist the Board in providing oversight of the internal and external audit functions, including the appointment of the internal and external auditors.
- **Oversee the competitive Request for Proposal Process (RFP) used to solicit quotations for the District's annual external audit.**
- Review the scope, plan and coordination of the external audit.
- **Provide a communications link between the external and internal auditors and the Board.**
- Review corrective action plans and necessary improvement based on audit findings and recommendations received from external and internal auditors.

Composition and Requisite Skills

The District's Audit Committee is comprised of [*insert number of members, must be at least three*]. The committee shall include: [*insert composition of the audit committee as established by the Board of Education*].

The Committee members collectively should possess the expertise and experience in accounting, auditing, financial reporting and school district finances needed to understand and evaluate the school district's financial statements, the external audit of those statements and the district's internal audit activities. Accordingly, the Audit Committee's members should:

- **Possess the requisite skills and experience necessary to understand technical and complex financial reporting issues.**
- **Have the ability to communicate with, and offer advice and assistance to, public finance officers and auditors.**
- **Be knowledgeable about internal controls, financial statement audits and management/operational audits.**

Duties and Responsibilities

The duties and responsibilities of the District's Audit Committee include the following:

1. External Audit Focus

    - Recommend selection of the external auditor to the Board of Education.
    - Meet with the external auditor prior to commencement of the audit to review the engagement letter.
    - Review and discuss with the external auditor any risk assessment of the district's fiscal operations developed as part of the auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards, if applicable.
    - Review the external auditor's assessment of the district's system of internal controls.
    - Receive and review the draft annual audit report and accompanying draft management letter and, working directly with the external auditor, assist the Board of Education in interpreting such documents.
    - Make a recommendation to the Board of Education on accepting the annual audit report.
    - Review every corrective action plan developed by the school district and assist the Board of Education in the implementation of such plans.

2. Internal Audit Focus

    - Make recommendations to the Board of Education regarding the appointment of the internal auditor.
    - Assist in the oversight of the internal audit function.
    - Review the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested.
    - Review the results of internal audit activities and significant recommendations and findings of the internal auditor.
    - Monitor implementation of the internal auditor's recommendations by management.
    - Provide input on the performance evaluation of the internal auditor.

3. Administrative Matters

- **Hold regularly scheduled meetings.**
- **Administer other related duties as prescribed by the Board of Education.**
- **Review and revise the Audit Committee Charter.**

Membership

The membership duties of the Audit Committee includes the following:

Good Faith – Members of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the District with such care as a generally prudent person in a similar position would use under similar circumstances.

Independence – The following individuals are precluded from being an Audit Committee member:

- **Someone currently employed by the District.**
- **Someone currently or previously providing goods or services to the District during the past two years.**
- **Someone of the immediate family (spouse, spouse equivalent or dependent, whether or not related) or close family member (parent, sibling or nondependent child) of an individual who is an employee, officer or contractor providing goods or services to the district.**
- **Someone who is the owner of or has a direct and material interest in a company providing goods or services to the district.**

Confidentiality – During the exercise of duties and responsibilities, the Committee members may have access to confidential information. The Committee shall have an obligation to the district to maintain the confidentiality of such information.

Oath of Office - All non-board members, who are members of the Audit Committee, should be administered the district's oath of office by the District Clerk.

Meetings and Notification

The Audit Committee shall meet a minimum of [*insert number*] times each year. An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance, for reasonable review and consideration. The audit committee may conduct an executive session in accordance with law and Commissioner's regulation. Any member of the board of education who is not a member of the audit committee may be allowed to attend an executive session if authorized by a resolution of the board of education.

The Audit Committee shall prepare minutes of each meeting. At a minimum, the minutes will include the following:

- **Copies of the meeting agenda**
- **Date, attendance and location of the meeting**
- **As appropriate, brief summary of the topics discussed**
- **Except as otherwise provided by law in connection with executive session, copies of materials discussed or presented at the meeting**
- **A record of all actions or recommendations agreed to by the committee**

Decision-Making Process

A quorum constitutes a simple majority of the total membership and meetings will not be conducted unless a quorum is present. All decisions shall be reached by vote of a simple majority of the total membership.

Reporting Requirements

The district's Audit Committee has the duty and responsibility to report its activities to the Board of Education. Periodic written reports of Audit Committee activities are an important communication link between the Audit Committee and the Board on key decisions and responsibilities. The Audit Committee's reporting requirements are to:

- Report on the scope and breadth of committee activities so that the Board of Education is kept informed of its work.
- Provide minutes of meetings which clearly record the actions and recommendations of the Committee.
- Report on their review of the District's draft annual audit report and accompanying management letter and their review of significant findings and recommendations of the internal auditor.
- Report on suspected fraud or abuse or material defects in the internal control systems.

- Report on **indication of** material or significant non-compliances with laws or District policies and regulations.
- Report on any other matters that should be disclosed to the Board of Education.

Review of the Charter

The district's Audit Committee shall assess and report to the Board of Education on the adequacy of this Charter no less than an annual basis or as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Board of Education in writing for their review and action.

Adoption date: 05-16-06

Amended: 01-07-25