



Sweet Home Central School District of Amherst and Tonawanda

Office of the Superintendent
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Geoffrey M. Hicks
Superintendent of Schools

January 21, 2010

Dear Staff Member,

I wrote to you in October with information regarding potential mid-year state aid reductions to schools that were proposed by Governor Patterson. At that time, discretionary spending across the district was essentially frozen as a strategy to avoid mid-year staffing reductions in case the mid-year budget cuts came to pass. The good news is that the Governor withdrew his proposal for mid-year state aid reductions. The bad news is that the Governor released the Executive Budget for 2010-2011 with unprecedented levels of state aid reductions to Sweet Home.

The Board of Education had already begun work on the 2010-2011 budget prior to the latest news about state aid reductions. As has been our practice, the Board first considered a "program maintenance" budget for 2010-2011 that did not reduce any staff and basically rolled over all current programs. The tax levy proved to be exceptionally high in the program maintenance budget and as a result I recommended \$1.5 million in reductions that were considered during the budget study session on January 16, 2010. The \$1.5 million in reductions included 6 teaching positions, 13 service employee positions and two administrative positions. The Board has tentatively approved these reductions and I am in the process of speaking with individual employees who will be affected by the cuts.

The Executive Budget released by the Governor on January 19th presents a significant challenge to Sweet Home. The Governor is proposing a statewide reduction in school aid of \$1.1 billion, with reductions to school district's ranging from 2% in poor districts to 21% in wealthier districts. The overall cut in state aid to Sweet Home is proposed to be \$2.55 million, equivalent to 13.8% of our total aid. The state aid cut is the highest in the history of the school district and is certainly reflective of the depth of the financial crisis facing New York State.

The Board now faces the task of considering options for closing the \$2.55 million gap in state aid. Spending reductions in addition to the initial \$1.5 million will need to be on the table. The next round of staff and program reductions will be presented to the Board at their February 27, 2010 meeting. One thing we will not do is engage in short-term thinking by panicking and slashing the budget indiscriminately. We will take a long-term view, analyzing what our core programs should look like three years in the future and make informed reductions. The vision for our district will guide our work, as will the outcomes that measure that vision.

The political process in Albany will continue over the next few months. The Legislature will create their version of the 2010-2011 budget and then both the Governor and the Legislature will battle out the final state budget. Our hope is that the final state budget will be in place prior to April 6, 2010, when the School Board will formally adopt Sweet Home's 2010-2011 financial plan, and that the Legislature will restore a portion of the state aid cuts proposed by the Governor.

Last year the Federal government provided funds that bailed out the state and allowed school districts to avoid major state aid cuts. The federal ARRA dollars were part of a two-year plan and have already been allocated to the Governor's 2010-2011 budget. In fact, the Governor used a portion of the 2010-2011 ARRA funds to offset the current year's state budget deficit. There are two current pieces of federal legislation pending that could push additional funds toward schools, however they are a long shot for New York State.

The Board is prepared to consider a major tax increase to fund programs in 2010-2011. We have also appropriated over \$1 million in reserve funds as revenue in the 2010-2011 budget. Despite those actions, additional reductions are likely necessary before the process is complete.

I will visit faculty meetings when the 2010-2011 budget is finalized to review the details with staff members. If you have questions about the process please call or e-mail me.

Sincerely,

Geoffrey M. Hicks
Superintendent of Schools