VC ECHOES

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END THE CYCLE

There are no greater advocates for children and education than teachers and teacher unions.

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VCTA

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Contribute to the next issue! Articles or Contributions should be sent to Meghan Rilley, HS, by 24 October 2014

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- E. Coldenham: Tiffani Garrison, Denise Bromm
- Montgomery: Gail Nozell, Susan Page, Randy Sutter
- Walden: John Fisher, Erin Uszenski, Kathy Bordone, Pasquale Leo (A)
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- Secretarial Representative: JoAnn Cassisi (HS)
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The VC Echoes is the official publication of the Valley Central Teachers' Association—Local 3076—and is published regularly during the school year.
Any articles submitted to the VC Echoes will also be posted on the VCTA web site.

Regarding the Comptroller's Audit

Many members have requested a response or an official VCTA Executive Council position regarding the NYS Comptroller's Audit Report of the VCSD. First, all members should have received an email link to a *Times Herald Record* Report on the NYS Comptroller's report regarding the financial condition of the VCSD on September 12th with a follow-up link to the Comptroller's Report. This report supports the concerns expressed by the VCTA Executive Council over the past few years. What are these concerns? First, let us be clear that the VCTA Executive Council, including officers and building/unit representatives, has never accused the district of fraud or embezzlement or any other action that could be deemed illegal and neither did the Comptroller's report (we will address this point in more detail later). Instead, the VCTA has accused the district of utilizing roll-over budgets that inaccurately represent assets and deficits. According to the Comptroller, the District "…did not follow sound budgeting practices." The use of roll-over budgets resulted in "…underestimated revenues [$5.2 million] and overestimated appropriations [$9.7 million] and, subsequently, accumulated fund balance." Although this has

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improved over the past year, thanks to Greg Dale and the new BOE members that seem willing to question entrenched practices, the massive cuts to programs during this time are suspect at best and speak to irresponsibility at worst.

In an official response to the Comptroller's Audit Report, the district agreed with findings #2 and #3 but disagreed with finding #1 (read the full text of this report at: http://www.osc.state.ny.us/localgov/audits/schools/2014/valley.pdf). The Superintendent stated that "[i]t is impossible for any person or institution to predict either of these numbers perfectly." Who could disagree with such a statement of defense? However, we believe that the Superintendent misses the point of the Comptroller's criticism. Although this statement of defense is true, it is also somewhat disingenuous. Perfection is unattainable and, therefore, not expected. Reasonable accuracy, however, is attainable and expected. In the district's own words: "The total amount that actual revenues varied from the original estimates for the time period examined is 2.1%, and the total amount that actual expenditures varied from the original estimates was 3.43%." These estimates are cumulatively off by 5.53%. This represents approximately $5.5 million in a $90 million budget. This discrepancy could have been dismissed in good economic times but $5.5 million would have funded cuts to kindergarten, music, art, library, secondary electives and BOCES vocational education. What would happen if the district miscalculated the salary of each employee by 5.53%? These discrepancies highlight the danger of roll-over budgets in difficult economic times when accuracy and predictability are crucial to survival. It is wonderful that the district has ceased its use of roll-over budgets. However, it is important to note that the inaccuracy inherent in roll-over practices is what led to the unnecessary cuts that devastated programming and staffing over the past few years. It is also important to note that the VCTA's criticism of the district's use of roll-over budgets was expressed repeatedly and assertively during these years through our elected officers.

Cuts to educational programs should never take place until absolutely necessary. This statement may seem too simple, too logical and, therefore, a no-brainer. Yet, is it truly a no-brainer in light of VC's recent unnecessary loss of programs? When referring to our current better-than-expected financial condition, the district has repeatedly stated that, sometimes, money from the state or other sources presents itself without notice and the district, as a result, can find itself in a better financial position than anticipated. We accept this as true and this is certainly preferable to a reverse scenario. Nevertheless, by this very same logic, why would a school district cut programs when sufficient money is available to fund these programs? To erroneously anticipate a loss of revenue/funding and subsequently eliminate programs based upon this erroneous assumption and fear-mongering before an actual loss in funding occurs could and did deprive students of educational opportunities.

The Superintendent's response to the Comptroller's Audit included the following statement: "The District first of all is pleased to note that the audit contains no finding of fraud, misappropriation of funds, financial wrongdoing or other improprieties." This reads more like a statement from a Fortune 500 Company CEO who was complicit in the Great Recession than a Superintendent's response to ineffectual budgeting practices. We had hoped for a better response than the typical legalistic "*hey…this might be incompetent but it is certainly not illegal"* defense for unnecessarily cutting programs such as kindergarten, music, art and library. Are teachers and other employees afforded this same type of deference for mistakes of this magnitude?

With regard to most VC employee bargaining units working without successor bargaining agreements, it is important to note that employee benefits was one of the appropriations

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categories overestimated by the district. In fact, employee benefits were overestimated to the tune of $6.5 million during the period investigated by the Comptroller's office. The VCTA has consistently questioned the accuracy of these numbers, especially during negotiations when these inflated numbers were paraded before the VCTA Negotiating Team as proof positive that the district was in financial ruin.

These numbers, according to the Comptroller's office, are inaccurate and, therefore, have misled employee bargaining units. It is not our intent to be overly antagonistic toward those who have made difficult decisions during difficult economic times. Perhaps another team of auditors from the Comptroller's office would have been less critical of the district. Nevertheless, it is also possible that another team of auditors would have been even more critical. Regardless of the ultimate outcome of this report or the perceived tone or fairness of this report, it remains true that the district's previous budgeting practice relied upon roll-over budgets that consistently overestimated expenses and underestimated revenues. In fairness to the district, this practice was once a norm throughout the state despite its shortcomings. What frustrates district employees are the recent and devastating consequences of this outdated and ineffective practice. That is, the use of erroneous financial projections that led to:

- unnecessary program cuts;
- unnecessary staff cuts (most recently in the form of Assistant Principal cuts);
- the use of invalid data during negotiations; and
- the frustration of the VCTA Executive Council that, for years, consistently questioned/challenged the district regarding the pitfalls inherent in roll-over budgets.

The above bulleted list is certainly not all-inclusive. For example, some laid-off staff members have rejected their first and even second and third call-backs on the preferred eligibility list due to their complete lack of faith and/or trust in the district's ability to effectively manage our financial stability. How much time and money was invested into training these laid-off staff members? How grateful are other districts for our contribution to their children's educational well-being?

Regardless of how any individual or organization would prioritize the preceding consequences of the district's budgeting shortcomings, it is important to note that the Comptroller's office did render a written decision that clearly supports and exonerates the VCTA Executive Council's primary criticism of the district's portrayal of expenditures and revenues. Thank you VCSD for changing this ineffective practice of utilizing roll-over budgets. However, in your desire to move forward, which we must all do, please do not rationalize or attempt to whitewash your responsibility in this matter.

Respectfully and Unanimously Submitted by the VCTA Executive Council: Timothy Brown, Richard Steger, Patricia Behr, Christine Mello, Nancy Brother, Darci Fletcher, Meghan Rilley, Mike Score, Antoinette Oakes, Melissa Verlin, Henry Pizzonia Deborah McKenney, Cathi Heil, Joseph Collins, Derek Devoe, Paul Dedrick, Frank DiPasqua, Sonya Berger, Robin Scott, Amy Doce, Dawn Rubino, Tiffani Garrison, Denise Bromm, Gail Nozell, Susan Page, Randy Sutter, John Fisher, Erin Uszenski, Kathleen Bordone, Pasquale Leo, Arline Freedman, Linda Draughn, Kevin McFadden, Kathy Lennon, JoAnn Cassisi,