

**City School District of Albany**  
**May 29, 2007**  
**Albany High School**  
**Special Budget Meeting**

**PRESENT:**

Teneka Frost, President	Dr. Eva Joseph
William Barnette, Vice President	Terence White
Wayne Morris, Secretary	Dr. Joseph Dragone
Mark Barth	Kathleen Wetmore
Judy Doesschate	Jeffrey D. Honeywell,
Esq.	
Barbara Gaffuri	
Jackie Jenkins-Cox	

**ABSENT/EXCUSED:**

None

**Call to Order:**

Ms. Frost called the meeting to order at 7:10 p.m. All present joined in the Pledge of Allegiance. Ms. Frost welcomed the members of the audience and thanked them for taking the time to attend the meeting. Ms. Frost called for a moment of silence in memory of Lahquaviah Harris, a student at Albany High School who passed away May 19, 2007.

**2007-2008 Budget Discussion**

Dr. Joseph advised the discussion this evening comes on the heels of the defeated budget on May 15, 2007 in terms of determining next steps. Dr. Joseph noted this evening the District finds itself being confronted by another change that will severely impede and restrict the budget planning process. That is the possibility that the New Covenant Charter School's Board of Director's may be reversing their decision to close. Contrary to the official verbal notification the District received from the Charter School Institute last Tuesday, May 22, 2007. Dr. Joseph advised while the Charter School Institute gave the District official notice, they indicated they were not the decision-making body in this instance. The District was preparing a revised 2007-2008 budget on the assumption that New Covenant Charter School was closing. This would have represented to the District close to a \$3.8 million reduction, carrying a tax levy increase of approximately 2.25%. That was very significant for the District in terms of thinking about the next step.

Dr. Joseph advised this afternoon, the District was informed by officials at the Charter Schools Institute that the parent meeting scheduled to be held this evening was cancelled so that the New Covenant Charter School could prepare for a meeting this evening with the bond holders and the management company for the school. Unfortunately, today's turn of events brings the District to tonight's meeting with different information to consider in terms of the 2007-2008 budget than the District has been planning for since last Tuesday, when the District first heard the announcement that the school would be

closing. Dr. Joseph noted it would be very difficult for the District to responsibly plan a budget assuming that the charter school is closing when in fact it might not. New Covenant's Board may take from one to two weeks to determine whether or not to close. Meanwhile the time frame the District has for deciding to present a budget for a second vote to the community can't wait for that decision. The mandated time frame that the District must stick to requires that decision about a second vote to be made this evening.

Dr. Joseph noted this episode, as unfortunate as it may be, exposes in some ways the way charter schools have a destabilizing effect on the School District. They greatly impede the District's ability to plan. Absent any official notice by the Board of Directors of the New Covenant Charter School to close the charter school, the choices the Board is being presented this evening are more limited than they were earlier today.

Dr. Joseph noted rather than go to any revised budget based on the potential of New Covenant closing, the District is going back to the original budget plan with the assumption that New Covenant would be staying open and starting from there. Dr. Joseph presented the original budget figure of \$189,535,737 with the revised figure based on SED's corrected formula as of May 17<sup>th</sup>, \$192,989,391, indicating the difference between the original budget and the revised contingency budget figure of \$(3,453,654).

Ms. Wetmore reviewed the contingent budget worksheet indicating the revised contingency figure and a figure based on the assumption that New Covenant would be closing, which is \$187,672,431.

Ms. Wetmore also indicated recalculated transition aid showing an increase of \$594,280. This adjustment to the original budget brings the tax levy figure of \$101,563,222 with the tax levy impact going from 6.89% to 6.27%.

Dr. Joseph noted the District spent a considerable amount of time in developing the budget, recognizing that it presented a sound, basic educational plan for all of the students in the District. The District operated under a different assumption in terms of the contingency budget on May 15<sup>th</sup> thinking that the budget was slightly above the contingency cap, only to find out after the budget vote that it was approximately \$3.4 million below the contingency cap. For that reason, Dr. Joseph advised in thinking about the decision this evening, she would not be recommending that the current budget figure be revised other than applying the additional transition aid in terms of revenue, yielding a lower tax levy impact of 6.27%.

The variables that impact the decision-making this evening are that as we look at that budget figure, the recommendation to move forward with a budget vote, or to adopt a contingency are presenting two different things for us. In thinking about moving forward with a budget vote, we need to make that decision this evening and the budget figure that we have before us is the one that we would work with that includes New Covenant Charter School as a school. Dr. Joseph advised since the District is on an undetermined field in terms of whether or not that school will remain open. As the Board thinks about the budget vote, Dr. Joseph advised she would be recommending that the budget be maintained as it is with the application of additional revenue to reduce the tax levy.

Dr. Joseph noted moving to a contingent budget presents a different circumstance for the District. In terms of the contingent budget, when the District thinks about whether or not New Covenant is a viable school or not, we get two greatly different figures. The contingency budget without New Covenant Charter School costs in the budget is approximately \$187.6 million, which is significant in consideration of moving to a contingency budget and a contingency cap. The greatest latitude the District would have and the greatest credibility in terms of confidence of our residents in our budget, would be to allow the one to two weeks to pass while New Covenant deliberates its disposition so that the District can present the most reliable budget the community can have confidence in with the necessary reductions, should New Covenant close. A contingency budget would not need to be adopted until June 30, 2007. Dr. Joseph noted the June Round Table Meeting is scheduled for June 21, 2007. It would make sense for the District to allow that amount of time to make whatever adjustments to develop a sound solid contingency budget.

Dr. Joseph noted the District recognizes that there are some ramifications of being on a contingency budget. Student supplies and equipment are eliminated from the budget. The District must charge community groups for public use of facilities at a rate of approximately \$60/hour and salary increases for a number of employees not represented by a collective bargaining unit are also eliminated. Dr. Joseph advised there are no exceptions. Dr. Joseph advised moving to a contingency budget is not a light decision at all. However, it is the one that gives the District the most flexibility and the most latitude in terms of dealing with significant budget implications for the community and confidence in the budget as we move forward.

Ms. Frost restated the recommendations put forth by the superintendent. Should the Board decide to go forward with a revote the budget figure would be at the original figure minus the revised transition aid for a figure of \$187,672,431. Dr. Joseph's recommendation is to go to a contingency budget and delay setting a figure until the end of June unless a decision regarding New Covenant is finalized.

A lengthy discussion followed relative to the restrictions of a contingency budget and the District having the means to accommodate students returning to the District should New Covenant Charter School close. Board members expressed their frustration with the situation and the issue of having to make decisions with circumstances changing day by day. Discussion also included communicating with the State Education Department relative to the issues the District is being forced to deal with through this process and the broken process related to charter school legislation. A suggestion was also made to contact legislators relative to emergency legislation to rectify this situation.

Following those discussions, Mr. Barnette made a motion to vote tonight to put a budget before the public and to convene an emergency meeting on June 4<sup>th</sup> to identify the amount. Mr. Barnette noted this motion is made in consideration of Mr. Honeywell's indication that legally the District would be allowed to change that determination on June 4<sup>th</sup> to in fact put forward a contingency budget to be reasonable and prudent. Mr. Morris seconded the motion.

Following additional discussion Dr. Barth offered a friendly amendment to the motion that the Board would meet next Monday or earlier to fix an amount on a second vote only if the District has official notice that New Covenant is closing.

Mr. Barnette accepted the friendly amendment.

The Board voted unanimously (7-0) to approve the motion as amended.

Ms. Frost noted that pending notification from the New Covenant Charter School that they would remain open or close, the Board of Education would meet on Monday, June 4, 2007 to set a budget amount for a revote.

**Adjournment**

Mrs. Gaffuri made a motion to adjourn. Dr. Barth seconded the motion. Meeting adjourned at 9:20 p.m.

Respectfully submitted,

Catherine Cutting