TOP STORIES

SACHEM: Modest tax base, tax cap pressures, tough revote

NE DISTRICT'S DILEMMA

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They kept costs low and followed the governor's advice, Sachem school officials said, digging into reserves when times were tight to fund programs in the Suffolk district — Long Island's second-largest by enroll-

But when Sachem tried for the second straight year to pierce its state-imposed tax-levy limit, the budget received only a 54.2 percent "yes" vote on May 21 — well shy of the 60 percent supermajority required to bust the cap.

Sachem faces the loss of 229 faculty and staff and possible consolidation or closure of schools under a revised budget for 2013-14 to be offered in next week's revote. The district also had planned to cut full-day kindergarten to half-days, but officials yesterday said a last-minute promise of \$650,000 more in state aid would keep the program as it is — if the

budget is approved.

The proposed spending plan was lowered by \$6.8 million, to \$286.9 million. Sachem's newly proposed 3.14 percent tax-levy increase is equal to the state's limit and will require approval by a simple majority of those voting next Tuesday.

More than 250 people attended a budget hearing last night at Samoset Middle School. Several said they did not consider the restoration of kindergarten to be a complete victory, because many teachers still will lose their jobs.

Other districts in same boat

School officials elsewhere especially in neighboring Suffolk districts that also encompass areas of modest homes and relatively small commercial tax bases — are looking warily at Sachem's financial quandary.

They, too, depend heavily on state aid and are seeing their coffers depleted because of the tax cap and nonnegotiable fac-

tors such as pension and increasing health care costs. Districts with above-average taxable wealth are not under the same pressures, tending to raise tax rates less than other districts because they are less reliant on state aid.

"Because of the way we are funded, eventually we will all be in a very similar position to Sachem," Middle Country Superintendent Roberta A. Gerold said.

Across the Island, much depends on the national economy. future amounts of state aid and other districts' ability to pierce their own tax-cap limits, said Alan Groveman, former head of the Suffolk County School Superintendents Association.

But "a good number of districts could be following in their footsteps," said Groveman, superintendent of the Connetquot district.

Officials also reiterated a longstanding complaint: The state's funding formula is stacked against them, making some Long

Average

Island districts appear to be wealthier than they are.

State Sen. Lee Zeldin (R-Shirley) said the current formula "leads to a lot of unpredictable inconsistencies every and needs to be revised.

Eastern Suffolk BOCES chief operating officer Gary Bixhorn, who called Sachem "a relatively low-wealth district by Long Island standards," grouped it with East Islip, Islip, Longwood, Middle Country, Patchogue-Med-ford and William Floyd as getting less than it needs under the state's funding formula.

Sachem's original spending plan sought a 7.49 percent tax-levy hike, the highest on the Island this budget season. The percentage increase in the rejected budget over last year's, was only 0.58 percent. Officials in the 14,500-student district are deeply concerned by cuts under the revised budget and said they feel shortchanged by the state.

Ripple effect of aid change

Superintendent Jim Nolan, laid off by the district as a teacher in the early 1990s during a fiscal crisis, said it's the second time in his memory that Sachem's finances have been this bad. He and other Sachem officials worry about insolvency, saying their troubles began five years ago when they lost more than \$15 million at once, going from \$119.3 million in state aid in 2008-09 to \$104 million a year later.

Back then, Sachem had \$12 million in its appropriated reserves, which can be used to reduce the tax levy. Its unassigned, "rainy day" reserve

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fund held nearly \$11 million.

Not anymore.

The district's appropriated reserves will drop to \$7 million in 2013-14. It had just \$572,330 in its unassigned fund balance in 2011-12, the last year for which the figures are available.

And the stimulus funding that helped stave off layoffs is long gone. The financial strain is starting to show. Sachem has an AA Plus rating from Standard & Poor's but recently was put on credit watch because of its shrinking reserves, Associate Superintendent Bruce Singer said.

The district's pension contributions skyrocketed in the last several years, school board president Rob Scavo said, rising from \$8 million four years ago to \$18 million next school year. Health care costs rose by \$5 million in that same time period.

Singer noted that the district opted in to a "pension smoothing" program in which the state allowed school districts and mu-

Comparing districts

Here are the top 10 Long Island school districts by 2012 enrollment, their budgets' tax-levy increases in each of the last five years, and the 5-year average tax-levy increase.

	Total K-12 enrollment 2012	Percent increase in tax levy					% increase over past
District		2009-10	2010-11	2011-12	2012-13	2013-14	5 years
Brentwood	16,639	2.92	6.41	4.92	3.87	3.87	4.40
Sachem	14,378	-2.02	1.13	3.15	4.19	3.14*	1.92
Smithtown	10,562	0.00	1.66	4.92	2.23	3.63	2.49
Middle Country	10,080	2.39	3.99	6.68	4.37	4.09	4.30
Half Hollow Hills	9,533	1.97	3.29	4.94	2.33	2.97	3.10
Longwood	8,935	1.78	2.52	3.95	3.51	3.74	3.10
William Floyd	8,901	0.00	8.53	12.47	2.00	3.79	5.36
Sewanhaka	8,346	3.44	4.22	5.18	2.26	3.23	3.67
Patchogue-Medford	7,955	n/a	2.90	2.64	1.99	3.17	2.68
Massapequa	7,793	3.75	2.48	1.64	2.22	3.19	2.66
(*) Describes and the second of the second o							

(*) Pending upcoming vote on June 18.

SOURCE: SCHOOL DISTRICTS

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nicipalities to delay a portion of their pension payments to ease immediate financial difficulties. Sachem delayed a \$2.7 million contribution, arranging to pay it over several years.

Efforts to help Sachem

While legislators had restored \$2.4 million to Sachem's budget after Gov. Andrew M. Cuomo's initial proposal, it was tough to get the district "where they should ideally be," Zeldin said, because "the starting point for Sachem this year was essentially zero."

State Sen. John Flanagan (R-East Northport), head of the Senate Education Committee, said the \$15 million drop in aid five years ago was disproportionate for this "quintessentially middle-class, largely blue-collar district." The restored funding is "a help," he said, "but it's certainly not a cure-all.'

Fred Gorman, a regional taxpayer advocate who lives in the district and is a longtime Sachem critic, said the district has been overtaxing residents for years. But even he agreed that Sachem is closer to insolvency than many people may think.

Without this budget going through, I can't guarantee Sachem is going to be able to make payroll," said Gorman, founder of Long Islanders for Educational Reform, a watchdog group. He said he will vote in favor of the lowered budget proposal.

On the payroll front, the district's 1,400 teachers opened up their contract in the 2011-12 school year — a year before it was to expire — saving the district about \$5 million. The averteacher earns about \$86,000 a year, Singer said. Administrators accepted a hard freeze for 2011-12, saving Sachem \$150,000.

"We are constantly in active negotiations with all of our bargaining units," Singer said. Nolan earns \$232,000 in sala-

ry and about \$75,000 in benefits, behind what superintendents in Smithtown, Longwood and Connetquot receive.

Sachem spent \$18,966 per student in 2010-11, about \$1,500 less than the state average, although its special education costs stand at \$40,530, above the average of \$29,741. Singer said these costs are in line with other Suffolk districts.

He said, too, that Sachem in 2012 was awarded a \$535,000 state grant for keeping its administrative costs low — at about 1.48 percent

of its overall budget.

But none of that can change what is happening in the district today.

Proposed budget cuts have pitted parent against parent at heated meetings attended by hundreds. School officials sparked controversy when they announced the plan to cut kindergarten to a halfday while keeping sports and funding clubs at 50 percent.

Dawn Marsh, 35, of Hol-

brook, said the state has put parents in a tough position, adding that the budget has "divided the community."

Marsh, who voted in favor of the cap-busting budget on May 21, organized a protest earlier this month to preserve full-day kindergarten. Tara Mattimore, 39, also of Holbrook, helped Marsh organize the rally — even though she had voted against the budget.

'I was torn." Mattimore said. adding that the district "could have managed money more."

Both women are in favor of the budget that is being put before voters next Tuesday.

MANHASSET. BALDWIN TRY AGAIN A14

Al-Qaida may have missiles

BY RUKMINI CALLIMACHI

The Associated Press

TIMBUKTU, Mali — The photocopies of the manual lay in stacks on the floor, like stapled handouts for a class. Except that the students in this case were al-Qaida fighters in Mali. And the manual was a detailed guide, with diagrams and photographs, on how to use a surface-to-air missile capable of taking down a commercial airplane.

The 26-page document in Arabic, recovered by The Associated Press in a Timbuktu building that had been occupied by al-Qaida in the Islamic Maghreb, strongly suggests the group now possesses the SA-7 surface-to-air missile, according to terrorism specialists.

And it confirms that the al-Qaida cell is actively training its fighters to use these weapons, also called man-portable air-defense systems, or MANPADS, which likely came from the arms depots of ex-Libyan strongman Col. Moammar Gadhafi.

"The existence of what apparently constitutes a 'Dummies Guide to MANPADS' is strong circumstantial evidence of al-Qaida in the Islamic Maghreb having the missiles," said Atlantic Council analyst Peter Pham, a former adviser to the United States' military command in Africa and an instructor to U.S. Special Forces. "Why else bother to write the guide if you don't have the weapons?"

If AQIM not only has the MANPADS, but also fighters who know how to use them effectively, he added, "then the impact is significant, not only on the current conflict, but on security throughout North and West Africa, and possibly beyond."
The United States was so wor-

ried about this particular weapon ending up in the hands of terrorists that the State Department set up a task force to track and destroy it as far back as 2006.

In the spring of 2011, before fighting in Tripoli had stopped, a U.S. team flew to Libya to secure Gadhafi's stockpile of thousands of heatseeking, shoulder-fired mis-

By the time they got there, many had already been looted.