



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** P-12 Education Committee  
**FROM:** John B. King, Jr.  
**SUBJECT:** Update regarding the Roosevelt Union Free School District and State oversight authority  
**DATE:** January 6, 2011  
**STRATEGIC GOAL:**  
**AUTHORIZATION(S):**

### **SUMMARY**

#### **Issue for Discussion**

Update on Roosevelt Intervention.

#### **Reason(s) for Consideration**

Under the Roosevelt legislation, a determination will be necessary whether to extend the Commissioner's oversight of the Roosevelt Union Free School District until June 13, 2013.

#### **Proposed Handling**

This issue will come before the P-12 Education Committee for discussion at the January 2011 meeting, with recommended actions provided by the Commissioner at the Board's March or April 2011 meeting.

#### **Procedural History**

Pursuant to Chapter 33 of the Laws of 2002, the Board of Regents and Commissioner have exercised oversight of the Roosevelt Union Free School District with the appointment of an interim board of education, superintendent and fiscal administrator. Under the Roosevelt legislation, the transition to a fully elected board of education will be complete with the May 2011 election. In addition, under the legislation, the Commissioner's additional authority to appoint and supervise the superintendent, to disapprove the appointment of other administrators, and to exercise fiscal control and oversight of the district will expire as of June 30, 2011 unless the Commissioner determines that the district has not demonstrated sufficient improvement

to warrant termination of the additional authority. Upon such determination, the Commissioner is authorized to continue to exercise such authority until June 30, 2013. Therefore, the issue before the Board in March or April will be the Commissioner's assessment of the conditions of the district and whether to terminate or extend the Commissioner's additional authority.

### **Background Information**

State takeover legislation and impact - Chapter 33 of the Laws of 2002 (later amended by Chapter 72 of the Laws of 2002) provided for State oversight of the Roosevelt Union Free School District by the Regents and Commissioner with the following authority:

1. Removal of the board of education and the appointment of an interim board of education by the Board of Regents - the full board was replaced in 2002 and there is currently one remaining Regents appointee on the interim board who will serve through the remainder of the current year.
2. Appointment of the Superintendent of Schools - the current superintendent is in his 4<sup>th</sup> year of service and was evaluated by the Commissioner on September 22, 2010. As a result of this evaluation, the superintendent's contract was extended through June 30, 2011. Depending on the Regents determination in March or April regarding continued oversight, Commissioner will either address the contract directly in the case of an extension of authority, or will direct staff to develop a transition plan which will turn authority for the contract over to the board of education after June 30.
3. Appointment of Fiscal Administrator - a new fiscal administrator was appointed by the Commissioner on July 1, 2010. Based on the scope of duties set forth by law and the Commissioner (see Attachment A for information on the fiscal administrator and his scope of duties). The fiscal administrator provides progress reports to the Department on a monthly basis.

Acting on the Commissioner and Senior Deputy's behalf over the course of the last 14 months, two senior P-12 management staff have visited the district to facilitate the introduction of the newest board member and the fiscal administrator, have provided ongoing supervision of the fiscal administrator, and have provided ongoing guidance to the board, superintendent and business official in matters related to the administration of the district.

Fiscal Condition of the District - the district continues to be in stable fiscal condition despite the fact that they received \$6,000,000 rather than the expected \$12,000,000 from the State this year. The table below further articulates the historical levels of funding provided to the district:

*Additional State and Federal Aid for the Roosevelt School District*

	2001-02 to 2006-07	2007-08	2008-09	2009-10	2010-11
State Academic Improvement Grant	\$6,000,000 annually	\$12,000,000	\$12,000,000	\$6,000,000	\$6,000,000 <sup>2</sup>
Academic Improvement Grant – Federal Funds				\$6,000,000 <sup>1</sup>	
State Grant to Reduce the Deficit		\$8,000,000			

**Notes:**

1. Funded with \$6,000,000 of federal stimulus funds (ARRA).
2. Appropriation was limited to \$6,000,000.

Currently, the district is preparing a five year Financial Stabilization Plan to address the \$6 million Academic Improvement Grant reduction noted above and although the district currently has a positive fund balance, the reduction will require significant cuts in future years to maintain a balanced budget.

Physical Plant – the Roosevelt legislation also allowed the Department to work with the district to restore, equip, and maintain adequate instructional facilities. This was accomplished first through the completion of a comprehensive facilities needs study for the district which included an analysis of the need for a new senior high school, middle school and elementary schools. The study was completed on June 30, 2002. The Department and the Roosevelt board of education then evaluated the study and presented a plan to the voters that included three new elementary schools, a new middle school on newly acquired property, and a fully renovated high school. The original referendum was approved by the voters for \$208.5 million, of which approximately \$183.5 million were *approved costs*, meaning that these costs are eligible for building aid. As the legislation allowed State funding up to 98 percent of the approved costs (the district’s reimbursement without the special legislation would have been approximately 90 percent), the district was to receive approximately \$180 million in aid, payable over 30 years, leaving a total local share of approximately \$28.5 million. However, part of the original approval was a swimming pool for \$3.5 million local share which has since been eliminated by the district, thereby leaving a local share of \$25 million.

In 2009, the district approved a second referendum to increase the funding for the high school by utilizing State EXCEL (EXpanding our Children’s Education and Learning) funds allocated to all districts in 2006 by the Legislature. Through a combination of

State building aid and EXCEL, the high school renovation will be accomplished at no local cost, thereby reducing the entire local share of the program from approximately \$25 million to approximately \$23 million.

Status of Renovations/Reconstruction - at this time, the Ulysses Byas, Washington Rose, and Centennial Elementary schools have been demolished and replaced on existing sites; a new middle school was constructed on newly acquired property; and the high school has had asbestos and lead abatement, boiler replacement and roof replacement completed with the bulk of the remaining renovation work scheduled to commence in June 2011 with estimated completion in August 2012. At that time, the work recommended in the original facilities study will be completed.

Academic Status of the Roosevelt High School - the Roosevelt High School has been on the Schools Under Registration Review (SURR) list since 1990. Since the advent of the No Child Left Behind Act, the school has consistently been unable to make Adequate Yearly Progress resulting in the current designation of *Restructuring Advanced* for its performance in English language arts and mathematics. In 2009-10, the school had a Performance Index of 150 in High School English language arts, which was an increase from a Performance Index of 141 in 2008-09. In mathematics, the school had a Performance Index of 146, which was a slight increase from a Performance Index of 145 in 2008-09. These Performance Indices are far below the Statewide Performance Indices of 180 in ELA and 181 in mathematics. (Under the Performance Index schools receive one point for each one percent of students who four years after first entering high school have passed the RCT or scored between 55-64 on a Regents examination and two points for each percent who pass a Regents exam with a score of 65 or greater.) During the past four years, Roosevelt has reported graduation rates between 62 percent and 73 percent. However, in one of those years the graduation rates were invalidated because of concerns about the quality of the reported data. Because of the possibility of additional inconsistencies in reported data, SED is currently auditing the district's most recent graduation rate data to ensure its accuracy. The results of this audit will be completed in February and may have the effect of placing the district back on the Persistently Lowest Achieving (PLA) schools list. The district was previously placed in PLA status in January 2010 which made the school eligible for a federally funded School Improvement Grant. The district submitted a plan as required, but the plan was not approvable as the district could not demonstrate that it could fully and effectively implement all the required elements of the plan this year. However, the district did receive a \$300,000 grant from a different source of federal money to help it begin to implement parts of its plan this year.

Current Initiatives at the High School - In August of this year, the district appointed a new high school principal who, as the former principal of a south Los Angeles, CA high school (near Watts), has experience in challenging urban settings. The principal and other district administrators are currently working with the Center for Secondary School Redesign in planning improvement strategies focused on increasing student achievement and the graduation rate. One strategy is the implementation of the Early College High School program in collaboration with SUNY Old Westbury through which the district is currently offering English and Social Studies courses for college credit (4 college credits each). For the 2011-2012 school year, the district will be adding Math, Science, and Sociology college level courses. A second strategy is the provision of

Advanced Placement course offerings. Currently, the district offers seven (7) such courses in AP Biology, AP English Language & Composition, AP Literature & Composition, AP French, AP Studio Art, AP World History, and AP US History. For the 2011-12 school year, the district expects to offer twelve (12) such courses by adding AP Macroeconomics, AP Chemistry, AP Music Theory, AP Calculus AB, and AP Statistics.

Academic Status of the District and its Elementary and Middle Schools - The Roosevelt School District is currently identified as a District in Corrective Action, the most serious level of intervention for a district under the federal No Child Left Behind Act, because of its poor performance in English language arts. As a consequence, the district will be required to undergo a district curriculum audit this year. Although all of the district's elementary schools are currently in Good Standing, the Roosevelt Middle School has been identified as a School In Need of Improvement Year 2 because of its performance in elementary/middle level English language arts.

### Recommendation

It is recommended that the Board of Regents direct staff to develop recommendations related to Commissioner's continued authority for action at the March or April 2011 meeting.

## ATTACHMENT A

### Fiscal Administrator for the Roosevelt Union Free School District

Recent Audits conducted by the Office of the State Comptroller document the significant improvements in the fiscal management of Roosevelt. However, more work remains to be done to strengthen internal controls, track expenditures and improve the district's credit rating. As a result, in July 2010, the Commissioner appointed Dr. Gerald Lauber as the fiscal administrator for the Roosevelt Union Free School District for a period of one year. Dr. Lauber's principal duties are to ensure the board of education:

- Maintains a balanced budget;
- Continues to implement the district's five-year financial stabilization plan; and
- Restores the district's credit rating.

Dr. Lauber brings a wealth of experience to the position of fiscal administrator. He has been a professional educator for more than forty years. He has served as a teacher, building principal, assistant superintendent and superintendent of schools in several Long Island School Districts. In addition, Dr. Lauber served as the Chief Operating Officer, Director and Financial Literacy Advisor for the National Urban Alliance (NUA). The NUA works with urban school districts to help them modify instructional programs that improve student outcomes. The NUA also specializes in creating small school environments, district instructional and climate audits, data mining for data driven decisions and in planning for instructional change.

#### **Fiscal Administrator Duties**

The fiscal administrator reports to the Superintendent and Senior Deputy Commissioner for P-12 Education or his appointed designee. The fiscal administrator also provides monthly updates to the board of education.

Duties of the fiscal administrator include:

1. Conduct a business operations policy review and make recommendations to the board for revised and/new policies to ensure fiscal health.
2. Review and approval of current and future estimates of school district revenues. Monitor the district's fund balance projections.
3. Provide prior approval based on a finding that the budget or item of expenditure is consistent with maintaining a balanced budget. Items requiring approval by the fiscal administrator include:
  - a. Expenditures of \$25,000 or more, including:
    - i. Continuing budget appropriations,
    - ii. Future budget appropriations,

- iii. Budget transfers, and
  - iv. Expenditures for capital projects.
4. Review the operations, management and efficiency of the Roosevelt Union Free School District operations including compliance with the five-year fiscal stabilization plan.
  5. Ensure the five-year fiscal stabilization plan is aligned with the five-year educational plan.
  6. Recommend to the board measures to maintain a balanced budget and implement the district's five-year financial stabilization plan.
  7. Review all audits of district operations and assess the adequacy of the corrective action plan.
  8. Review internal controls for the payroll, accounts payable, purchasing and treasurer functions as described in the district policy and procedures book.
  9. Identify any internal control weaknesses identified by audits and recommend measures to strengthen controls.
  10. Review systems in place to prevent late payment of debt service.
  11. Review systems in place to prevent the late filing of state aid claims, including transportation and building aid claims.
  12. Report on submission of status of required fiscal reports to the board of education.
  13. Review the fiscal impact of the Teachers' and Administrators' contracts and ensure the costs are included district's five-year fiscal stabilization plan.
  14. Assist the district in identifying additional revenue sources.
  15. Review the Bond and Note register and review the debt service fund account.
  16. Notify the Department when the district's accounting books are closed for the previous year.
  17. Notify the Department when the district has completed the mass encumbrance process.
  18. Ensure all new board members receive the required six hours of fiscal training.
  19. Any additional tasks necessary to ensure the fiscal integrity of the Roosevelt Union Free School District.