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SUFFOLK COUNTY COMMISSION
TO EXAMINE SCHOOL DISTRICT
EXPENSES AND EFFICIENCIES

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HELD AT:

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WILLIAM H. ROGERS LEGISLATIVE BUILDING
725 VETERANS MEMORIAL HIGHWAY
HAUPPAUGE, NEW YORK

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OCTOBER 3, 2006 - 6:00 P.M.

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Court Reporter:
Lori Anne Curtis

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3 A P P E A R A N C E S :

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5 MEMBERS OF THE COMMISSION:

6 LEGISLATOR LOU D'AMARO

7 Chair

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9 LEGISLATOR DANIEL LOSQUADRO

10 Co-Chair
(NOT PRESENT)

11

12 PAT BYRNE
Nesconset-Sachem Civic Association

13 DR. JOSEPH A. LARIA
Office of the County Executive

14
15 DR. ROBERT LIPP
Budget Review Office

16 SETH FORMAN
L.I. Regional Planning Board

17
18 JIM KADEN
Nassau/Suffolk School Boards Association

19 LISA TYSON
L.I. Progressive Coalition
20 (NOT PRESENT)

21 NEIL LEDERER
Suffolk County School Superintendents Assoc.

22
23 MICHAEL DEERING
Long Island Association

24 ALICE WILLET
Suffolk Regional PTA

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3 A P P E A R A N C E S :

4 MEMBERS OF THE COMMISSION:
(Continued)

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JOHN CLAHANE
New York State Unified Teachers

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8 PRESENTATIONS:

9 RAY HERNANDEZ, President/CEO
Kemper Cost Management, Inc.

10

11

PUBLIC COMMENT:

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DEBORAH FELBER
Middle Country School Board

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14

BARBARA HEINE
West Islip School District

15

16

CONRAD HASSLE
Suffolk Literacy Council

17

DILLEO DEMORE (Phonetic)

18

KAREN LESSLER
Middle Country School Board - President

19

FRED GORMAN (Phonetic)

20

21

MELVIN NOBEL
West Babylon School District - Superintendent

22

ANTHONY CACCIOLA
West Babylon School District
Assistant Superintendent of Finance

23

24 JANET AUSTRIAN

25 CHARLIE RICHARDSON

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3 A P P E A R A N C E S :
(Continued)

4

5 PUBLIC COMMENT :
(Continued)

6

JACK COUGHLIN

7

LEO GREELEY

8

Shoreham River School District
Volunteer Trustee

9

PHYLLIS AUSTRIAN

10

PETER QUINN

11

RICH CORNELIUS (Phonetic)

12

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(**THE MEETING WAS CALLED TO ORDER

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AT 6:13 P.M.**)

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LEG. D'AMARO: Okay, ladies and

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gentlemen, good evening. I am the

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commission chairman, Lou D'Amaro, and I

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want to thank all of you for taking time

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out of your busy schedules to come down

9 here tonight and tell us what's on your
10 mind when it comes to school district
11 expenses. I'm going to open the meeting by
12 asking that everyone to please rise and
13 join us in the Pledge of Allegiance.

14 (Salutation.)

15 LEG. D'AMARO: Okay, before we start
16 with our public comments, I just want to
17 remind anyone who may have just arrived
18 that in order to address the commission, we
19 ask that you fill out one of these green
20 cards that can be made available to you
21 here by -- Mr. Latell (phonetic) has copies
22 if you need them. Please fill one out and
23 hand them back up to him. We'll make sure
24 that you're heard.

25 Also, just to announce our next two

2 hearing dates. We have two more public
3 hearings after this. The next one is going
4 to be held on October 24, 2006, of course
5 in Riverhead at the legislative auditorium
6 in Riverhead; and the public hearing
7 following after that will be November 14th
8 in Hauppauge right back here in this room.

9 In addition, the Commission has
10 scheduled a couple of work sessions, but we
11 will not be taking public comment at those
12 work sessions. We may have a couple of
13 groups or organizations come down and make
14 presentations, but it's really a session
15 designed for the commission members to
16 discuss what we've heard so far. But it is
17 open to the public, and anyone who would
18 like to attend the work session is also
19 invited. Those dates will be
20 October 13th -- that will be 2:00 here in
21 this building -- and again on October 31st

22 at 10 a.m., once again in this building.

23 Okay, with that said, I'd like to start
24 our public hearings -- public portion of
25 this commission hearing. I just want to

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1 October 3, 2006

2 remind each speaker to please come on up,
3 introduce yourself, and we're going to ask
4 that you limit your comments this evening
5 to five minutes. So I'd appreciate if you
6 think about what you want to say, come on
7 up, tell us what you have to say, but you
8 will be limited to five minutes only.

9 The first person to address the
10 Commission this evening, is Deborah Felber.

11 Good evening.

12 MS. FELBER: Good evening. Hi. My
13 name is Deborah Felber. I'm here tonight

14 representing the Middle Country School
15 Board for Middle Country School District.

16 LEG. D'AMARO: Good evening, and
17 welcome.

18 MS. FELBER: I came to your very first
19 meeting when the leg -- actually before you
20 all came together, when the legislators
21 were talking about what they were
22 perceiving to be something they wanted to
23 do to help school districts and their
24 communities, help them stop the burden of
25 school taxes. So now that your committee

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1 October 3, 2006

2 has come together, I have not been here, so
3 I apologize if I'm asking questions that
4 may not be pertaining to exactly what
5 you're doing.

6 One of the things I am interested to

7 find out is that the county legislative
8 body, and I'm assuming your committee, has
9 no jurisdiction over the New York State
10 educational requirements or the Board of
11 Ed. So what are the goals you are looking
12 to happen as a result of this committee and
13 how do you feel about unfunded mandates,
14 and are you looking to relieve the burden
15 of the local school districts who are
16 constantly being called by the state --

17 LEG. D'AMARO: All right. Ms. Felber,
18 the purpose of this hearing is not to
19 answer questions. It's for you to speak
20 your mind --

21 MS. FELBER: It's like my board
22 meeting. Okay, no problem.

23 LEG. D'AMARO: -- for you to speak your
24 mind, and we're trying to remain on topic.
25 And the purpose here this evening is if you

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have suggestions as to ways that would make our districts more efficient or perhaps cost-cutting measures. That's what we're discussing here this evening.

MS. FELBER: Okay.

LEG. D'AMARO: Okay?

MS. FELBER: Then I'll get back to unfunded mandates.

One of the things that as board members, we find we are constantly being told by the state, and now, of course, Mr. Hevesi, that we have unfunded issues that come up that we now have to turn around and find funds to pay for. And in turn, that usually goes back to the taxpayers because we don't expect them. Especially within the last few years,

19 there's been a few things that have come
20 down from Mr. Hevesi's office in regard to
21 things that had to do with a lot of
22 problems that were going on in other school
23 districts.

24 So one of the things I'd like to ask,
25 or pose a question is, I hope that when you

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1 October 3, 2006

2 make some decisions, it will be looking at
3 the unfunded mandates that plague all
4 school districts, not just my school
5 district.

6 And also, when you look at really -- I
7 think take into consideration, I should
8 say, that all school boards are looking
9 just for one goal; which is the students
10 being successful and getting all the things
11 that they need, all the tools they need to

12 be successful. So, I hope that when you
13 are looking at all of that, we are going to
14 be obviously -- as school board members --
15 and I know some of you are school board
16 members or past school board members. Some
17 of the faces I know up here -- so, you
18 know, I really will hope and reach out to
19 you to hope that when you look at what's
20 going on in all school districts, you will
21 take into consideration that we have been
22 burdened over and over again with mandates,
23 that we have no control over and we have to
24 make these payments back to our taxpayers.

25 And it has been something that when you

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2 go out as a school board, the community
3 doesn't always understand the process, and

4 we are trying to always, like, backtrack
5 and make them understand. But a lot of
6 times, we just don't understand why the
7 state will make us, you know, live up to
8 something that they know we don't have the
9 funds for.

10 Right now, they want us to do full day
11 pre-K. We happen to have that. We don't
12 have full day, but we have pre-K. Some
13 districts don't have pre-K. They are
14 mandating to do that by 2010. So how will
15 they do that?

16 So I hope when you come together to
17 make decisions, you look at those programs
18 that there are no money for. No Child Left
19 Behind; no money for. And yet, as a school
20 board, we continually have to make
21 decisions in our district, cutting other
22 programs to meet the needs of the mandates
23 that are unfunded on a continual basis.

24 So again, as I started, I think that
25 mandates, the unfunded mandates, are the

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biggest problem that we face as school

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boards, and I hope that when you look at

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the problems that face us, that should be

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the first problem. And I hope that there

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is a way to solve it. Thank you.

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LEG. D'AMARO: All right, thank you

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also. I appreciate your comments.

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The next person on the list, is Karen

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Lessler.

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AUDIENCE MEMBER: She's not here yet.

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LEG. D'AMARO: Okay. We'll put that

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aside for the moment.

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Okay, the next person on the list to

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address the Commission is Dolores Faber.

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Ms. Faber, good evening and welcome.

17 MS. FABER: Thank you.

18 My name is Dr. Delores Faber, and I'm
19 an educator. And I went to one of the
20 other meetings.

21 I did some research and I found that
22 Florida and Vermont, and I'm sure the other
23 states, they have what they call a
24 Homestead Act. And, obviously, we don't
25 have homesteaders like they do, but there

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2 are ways that we can save money. I think
3 the problem is three-pronged, and I know
4 that no one likes change. We all like to
5 take care of our own turf and do things the
6 way we've done for a hundred fifty years.
7 But I think we have to make change. And at
8 first, we may have to tighten our belts a

9 little bit, but I think it can work itself
10 out.

11 I think, first, on the education tax,
12 instead of a Homestead -- because we don't
13 have homesteaders -- we can have life
14 residents. 40 years, whatever your school
15 tax is -- after 40 years in Suffolk County,
16 your tax stays the same. Non-life
17 residents, they don't pay the same as a
18 resident, just like the homesteaders in
19 Florida and in Vermont.

20 Old age education adjustment: At age
21 70, whatever your school tax was when you
22 were 70, it stays there with a five-year
23 look-back. At age 70, you haven't had the
24 kids in the school system for 40 years, you
25 pay a very basic school tax. You're done.

2 And I found there are two of us that
3 qualify. I'm one, and a friend of mine who
4 will be 80 next June, she will qualify. I
5 haven't found anybody else who will
6 qualify, but I'm sure there are a few more
7 of us. And, of course, the burden of proof
8 would be on the taxpayer.

9 I think in terms of state aid, as the
10 woman before me said, state aid is very
11 inconsistent. And how they compute state
12 aid is complicated and it's uneven. And I
13 took this -- all the information from every
14 school district in Suffolk County, and it
15 doesn't make sense. For instance,
16 Connetquot, who has 6,500 students in ten
17 schools gets \$25 million. Half Hollow
18 Hills, the same ten schools, 7,000
19 students -- pretty close to Connetquot --
20 they get \$13 million. How come? There's
21 something wrong with the way this is being

22 handled. And I don't know if we have
23 anything to do with the state, if the state
24 listens to what we have to say, but I think
25 the state has to change the way they

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2 distribute funds, including these mandates
3 that nobody wants to pay for.
4 I think in terms of education reforms,
5 and here I'm going to get tarred and
6 feathered, instead of having 70 school
7 districts, we should have approximately 30
8 school districts. Instead of having 30
9 superintendents and 50 assistant
10 superintendents -- and I have one in my own
11 family who would hang me if he heard me
12 saying this -- but you don't have to fire
13 anybody; you make a board. So now you have

14 five schools in a particular new district.
15 And so you have five superintendents. They
16 could become a superintendents board until
17 they start to retire. The assistant
18 superintendents, you should give them a
19 bonus if they go back to the school to
20 teach, at the end of the five years, go
21 back teaching, give them a bonus. And
22 don't fill the positions of superintendents
23 when they retire in the system and
24 assistant superintendents.

25 I think one school should have one

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2 principal, not five; and assistant
3 principals, depending on how many students
4 you have.
5 I think that chair people can be
6 combined. Have your arts and sciences, one

7 chairperson; language arts, one
8 chairperson; humanities, one chairperson.
9 Not one for every department. And these
10 are the people who should be responsible if
11 there's a teacher who is not a good
12 teacher, they should be the ones not to
13 give them tenure, not to keep them going
14 because they're all friends.

15 I think that chair people should be
16 selected and elected. Selected by their
17 colleagues and elected eventually, by this
18 board of superintendents.

19 I think that people who are getting
20 cars -- there are many teachers who travel
21 between two and three different schools.
22 They don't get cars. They don't get money
23 for the gas. Why should anybody have a
24 car? Your job should be spelled out: This
25 the is job. You want it? Great. Doesn't

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include a car; doesn't include any of these
perks.

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And I think in terms if you combine

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school districts, obviously, teachers are

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not going to be making the same amount of

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money. You can equalize it. Overnight?

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No. But within a short period of time, so

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that a five-year teacher who teaches

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English is making the same amount whether

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she came from District 1 or District 10.

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If they are now in the new district, they

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will be making the same thing.

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And I think too, you are going to get

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better competition. If I'm teaching eighth

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grade, and he's in my district now and he's

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also teaching eighth grade, so now we're

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together, I don't want my eighth-graders

19 not to be as good as his eighth-graders.
20 If it's a different district, we can alibi.
21 But now we're teaching the same thing and,
22 I'm sure, using the same textbooks we save
23 money. And also, it's a real competition
24 because his eighth grade and my eighth
25 grade are all teaching from the same book.

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2 So there's real competition there.
3 And I think that these things can be
4 done. Is it easy? No. But I think it can
5 be done, and this will solve a lot of
6 problems. And I think that we need to have
7 the tax reforms for older people and also
8 new people coming to the Island, young
9 people who can't afford to stay here. If
10 they want to buy a house, we should have
11 Fannie Mae or banks or whoever give them

12 cheap loans, no money down, 3% for five
13 years. After five years they convert
14 either to an adjustable mortgage or a
15 standard 15- to 30-year mortgage, but this
16 will help them get houses.

17 LEG. D'AMARO: Okay, Ms. Faber, sum up.
18 You have about 30 seconds.

19 MS. FABER: Okay. And by the way,
20 there used to be something called a Farm
21 Loan Act. Same thing, just different
22 names.

23 Thank you very much.

24 LEG. D'AMARO: Thank you.

25 All right, has Ms. Lessler arrived?

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2 AUDIENCE MEMBER: Not yet.

3 LEG. D'AMARO: Okay.

4 The next person on the list is Barbara
5 Heine.

6 Good evening.

7 MS. HEINE: Good evening. Thank you
8 very much. My name is Barbara Heine, and
9 I'm a school board member from West Islip,
10 and I'm here representing myself, not the
11 board.

12 What I wanted to bring to the
13 legislature's attention is the possibility
14 of looking for cost savings when we go out
15 to bid for construction and maintenance
16 projects, which is a large part of our
17 budget, which, right now, we have many
18 different controls that are set in place.

19 I understand that this ties into Wicks
20 Law on some of the very large projects, but
21 I'm actually speaking more about the
22 ongoing maintenance and some of the smaller
23 growth projects that the districts try to

24 put forth in maintaining their fences,
25 maintaining backstops, things of that

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nature, not large school additions.

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One of the things that we find as we go

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through in the finance committee is that we

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are getting very little response to our

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requests for bids. And when we question

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our purchasing agent, we ask him to go back

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and talk to people, we find in large part

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that the people who live in our area who

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have companies that could provide these

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kind of services, they pay our taxes, they

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don't qualify because they don't meet the

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need of paying the state wage rates. And

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one of the things I find is that it seems

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to be a conundrum that we can take the tax

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money from these people but we can't give

17 them any of the work. And one of the
18 things I would like to look at is I
19 understand that there's union issues and
20 elected officials and all sorts of
21 problems, but if we could come up with
22 something where possibly projects that were
23 under a million dollars, that we would be
24 able to change the law so that the district
25 could buy from companies as long as they

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are located in Suffolk County and as long

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as they are insured and having legal

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workers -- in tying it up with some of the

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new initiatives -- that the districts would

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be able to purchase from them.

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I think, for example, two years ago, I

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think we paid something like \$300,000 for a

9 sump to be built in back of the school. We
10 really couldn't get anyone who was willing
11 to do it. The big companies didn't want to
12 do the project, so we had to make it worth
13 their while to do the project or there was
14 no other way to get it done. I think, you
15 know, it probably was three times the price
16 that we could have paid, and that money
17 could have gone to programs for the
18 children. And, you know, there was no
19 problem with the board paying attention to
20 how it could have been better spent, but we
21 just had no other choice. We had a DEC
22 requirement, and those were the only
23 companies that would respond.

24 So if we could look into making a
25 change like that, where large projects that

2 we have to stick with Wicks or we have to
3 go with companies' state wages, but if we
4 could use our local people, I think it
5 helps the taxpayer on all ends. Thank you
6 very much.

7 (Applause.)

8 LEG. D'AMARO: Very good, thank you.

9 Okay, next up is Conrad Hassle?

10 MR. HASSLE: Hi. My name is Conrad
11 Hassle. I'm with the Literacy Council. I
12 have some handouts for the commission
13 members, but I need one to speak with, so I
14 can hand out eight (handing).

15 I have a little bit of a different take
16 on this school efficiency issue. I'm going
17 to throw out some definitions. I'm going
18 to say "school district efficiency" is the
19 effectiveness of delivering instructional
20 services versus the sources committed.

21 I'm going to say that "instructional

22 outcomes," which is what we kind of look
23 for, the end result from the student
24 population. What we've done in the
25 Literacy Council is we looked at a model of

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five years' worth of Regents scores in the
3 different Regents subjects.

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And I'm going to basically say that

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what we're trying to do in the school

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district is measure delivery of

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instructional services, but it's not really

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the same as instructional outcomes. And

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the reason is it needs to be adjusted for

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district socioeconomics. So if you are

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really going to analyze the efficiency of a

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school district, you need to segregate the

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socioeconomics from the instructional

14 outcomes.

15 And the question is: How to do you do
16 that? And that's a major problem because
17 socioeconomics is a complicated subject.
18 So what we did is we took a model, and we
19 took 40 factors mostly from New York City
20 Department of Ed data. We developed a
21 model that has a high level of correlation
22 with actual Regents Test scores in eight
23 different Regents subjects. And this model
24 is available, that we have, it's on the
25 Excel workbook. And the net result of this

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2 model is -- for those commission members
3 that have it, you can turn to Page 4. And
4 I'll show the audience -- what the model
5 is, is basically, it predicts where a
6 school should perform based upon -- and

7 this is indicated in the blue. And I
8 apologize I don't have a larger copy -- it
9 basically predicts based upon a district's
10 socioeconomics where a school should
11 perform; okay? And that's indicated in the
12 blue. And where the district actually
13 performs is indicated by squiggles up and
14 down.

15 The idea of being here is what we can
16 try to do is evaluate the performance of
17 the school district by saying we're not
18 going to do raw comparisons between
19 something like Cold Spring Harbor and some
20 other district; we're going to basically
21 look at educational outcomes as they are
22 published in Newsday or whatever, but we're
23 going to adjust them for socioeconomics.

24 So, for example, as I've indicated --
25 and I think the commission members have a

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graph -- I have a School District A and I

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also have a School District B, and I open

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up my Newsday on Sunday, and I have the

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very similar test scores, whether they be

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Regents scores or whatever. So I have no

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way of knowing whether School District A is

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out-performing School District B. But if I

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have a model that tells me that the

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socioeconomics in A are much lower than B,

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then it seems to me we can make a fair

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assessment and say it's reasonable to

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assume that A is probably doing a better

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job of delivering instructional services

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than B.

16

So I think some of the uses of this

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model that we've done is it can enable the

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public to be more aware of how school

19 districts perform. Right now what people
20 are doing is they are just opening up
21 Newsday and looking at test scores, and
22 there isn't any kind of consensus, or there
23 isn't any kind of context of where those
24 numbers are.

25 I think what -- I think another thing

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2 that might be useful is that educators in
3 districts, as they look at specific subject
4 areas -- let's say English or chemistry or
5 whatever -- they can use this model and
6 say, well, it's interesting that District A
7 seems to be performing better than us in
8 terms of this model, and maybe we can go
9 talk to these people and see if there's
10 something we can learn from what they are
11 doing.

12 And I think the value of this model is
13 it gives an indication of what factors are
14 relevant in education and what are not.
15 And my main conclusion from this model,
16 which, by the way, has a correlation of --
17 if some of you understand statistics --
18 it's a correlation of .977.

19 LEG. D'AMARO: All right, sir, if you
20 can, please sum up.

21 MR. HASSLE: Oh, I'm sorry.

22 And the conclusion is basically that in
23 terms of educational outcomes, economic
24 factors are relevant only to the extent for
25 which they have service proxies for social

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2 factors. Thank you for your time.

3 LEG. D'AMARO: Thank you.

4 All right, a quick announcement, if you
5 just joined us and would like to address
6 the Commission, please fill out a green
7 card and we would appreciate that. And
8 just to remind you, your presentations will
9 be limited to five minutes.

10 We're going to go through a few more
11 cards here, and then we'll go into break
12 for a brief presentation, and then we'll go
13 back to the public portion. So I'd like to
14 call the next person on the list. That
15 would be Dilleo Demore (phonetic).

16 I apologize if I don't pronounce your
17 name correctly.

18 MR. DEMORE (PHONETIC): That's close
19 enough.

20 Good evening, ladies and gentlemen.
21 I'm no, what you would classify a very
22 effective speaker or Bill Clinton, but I
23 will try to bring in some highlights.

24 When I was a little kid, I used to go
25 and see quite a few monster movies. Some

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2 of them were Dracula, Frankenstein, the
3 Werewolf. But the one that stays in my
4 mind is the movie of Frankenstein when the
5 doctor finally activated a monster, and as
6 the monster got up off the table, the first
7 thing he did, he grabbed the doctor by the
8 neck and he killed him.

9 Our present system is similar to that
10 movie in what it's doing to us in this day
11 and age. I feel the present system needs
12 to be altered and changed and destroyed.
13 Somebody mentioned to freeze the taxes at
14 age 70. And I cannot see that being a
15 solution being that we have a problem here
16 today that needs to be solved today, not at

17 age 70.

18 Okay, I like the -- I dislike very much
19 the idea of my home, after I pay for 30
20 years, being tied up to the school system.
21 I said, I received a note from the bank
22 stating there is no lien on my property;
23 that I'm the owner of the house and the
24 house does not belong to the school system.
25 I regard my home as being the most sacred

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1 October 3, 2006

2 thing that I have aside from my family, and
3 it should not be threatened in any shape,
4 way or form by the present school system.

5 There are apparently 24,000 homes for
6 sale on Long Island. People cannot afford
7 to live here anymore because of this here
8 system. They have given up on the system,

9 and they are looking elsewhere to try to
10 make a living. Both of my sons left Long
11 Island.

12 There is a great deal of corruption in
13 the school system. About a year ago, I
14 happened to be riding around the
15 neighborhood and I spoke to one of my
16 neighbors. He was a contractor doing a job
17 in a school system. When he went to our
18 room, he saw many computers laying in one
19 of the rooms. On the following day, all
20 the computers were gone. I recently,
21 picked up a newspaper about a month ago,
22 somebody was stealing the computers and
23 selling them on Ebay. This is some of the
24 abuse that goes on in the school system.

25 As I spoke to another fellow that

2 drives a school bus, he told me that he was
3 asked to work overtime on a Saturday for
4 the purpose of taking people to go play
5 golf. He was getting paid time and a half
6 to go take people to go play golf. The
7 reason was they have an -- they had to use
8 the money that was in the budget.

9 MR. AUDIENCE MEMBER: What school
10 district was that?

11 MR. DEMORE: Sorry?

12 LEG. D'AMARO: Sir, you have about
13 30 seconds left. Please, go ahead.

14 MR. DEMORE: I read some of Mr. Harvey
15 Levenson proposal, and I would say that the
16 way to go would be the income tax that
17 would be, I will say, taken out of your
18 income.

19 If NASA is able to make difficult
20 calculation as to get from here to the
21 moon, I think we should have somebody down

22 to earth to figure out a proposal as to how
23 to take taxes for the school system. I
24 thank you.

25 LEG. D'AMARO: Thank you, sir.

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2 Okay, I would like to take a break from
3 hearing from you this evening for just a
4 few moments, and I'm going to invite right
5 now, Mr. Ray Hernandez to come up.
6 Mr. Hernandez is president and CEO of a
7 company known as Asset Intell [sic]. And
8 Mr. Hernandez was kind enough to seek us
9 out and inquire whether or not he could
10 address the commission with some
11 cost-saving ideas.

12 Mr. Hernandez, welcome. Thank you for
13 joining us and please go ahead whenever

14 you're ready.

15 MR. HERNANDEZ: Thank you, Mr. Chairman
16 and committee members.

17 Can you hear me okay?

18 LEG. D'AMARO: Yes.

19 MR. HERNANDEZ: Okay, good.

20 I'm here today to talk about probably
21 one of the least exciting potential ways to
22 save money and add efficiency. And it's
23 related specifically to equipment
24 maintenance.

25 There's a tremendous amount of

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2 investment that your organizations, your
3 school districts have invested in all the
4 equipment in every one of their facilities.
5 And yet, kind of a hidden area is one of
6 equipment maintenance. Maybe many of you

7 know that that's a high-dollar item, but,
8 you know, quite frankly, as the equipment
9 gets older, you can spend as much, if not
10 more, per year to support equipment to keep
11 it than you would to replace it.

12 And there may be lots of mechanisms
13 that you have in place for purchasing new
14 equipment and evaluating whether or not
15 you're paying the proper cost for that, but
16 you are you are always going to be relying
17 upon whoever the supplier is of that
18 equipment to try to give you the
19 information.

20 What we do, what my company does -- and
21 we do it across the country. We've been in
22 business for 15 years and we the do it for
23 all kinds of organizations -- is we take
24 our information from our database that
25 we've compiled over the last 15 years, and

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we tell you exactly what it should cost to maintain every piece of equipment in your collective districts right down to every laptop, right down to every boiler, right down to every phone system, to the penny. And we work as your advocate, using our technical expertise and our database, to be able to help you control those costs. And then on top of that, we share all of the data that we compile over the course of the year and we give it back to you so that the next time you buy air-conditioners when you add a wing, or the next time that you want to hire an organization to maintain your equipment, you are doing it with the full knowledge of whether or not you are getting the best cost for what's being done because

19 you are paying for the work that they are
20 doing, not for the contract for them to
21 come out.

22 And I'm going to take a very quick
23 blast through this. In the interest of
24 time, I have copies of this that I'll leave
25 with you. But I'll go through it very

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2 quickly, and I'll entertain any questions
3 as we go.

4 First of all, I talked a little bit
5 about our company. I traveled here today
6 from Oklahoma City, Oklahoma. I lived in
7 the tri-state area for about ten years, and
8 then I bought this business a number of
9 years ago. I've been in the business for
10 about 20 years. We have a number of
11 relationships in the New York tri-state

12 area. We are a national company. A number
13 of our clients in the nearby area would be
14 the Henry Schein Organization, which is
15 just up the road from here. We also
16 support programs at Yeshiva University, and
17 we support programs like this at Memorial
18 Sloan-Kettering Hospital.

19 Okay, what is an equipment maintenance
20 programming? Today, in every one of your
21 facilities, you have equipment that's very
22 new, in which case it's going to be
23 underneath a manufacturer's warranty, so
24 you have a portion of that. You also have,
25 in many cases, a situation where when you

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buy the equipment, the manufacturer offers

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you a service plan that's incorporated into

4 the purchase of the equipment and/or the
5 financing of that equipment, and so you
6 purchase that, and so there's a certain
7 percentage of the equipment that belongs
8 there. You also are using independent
9 services for specific types of contracts;
10 maybe preventative maintenance or whatever
11 the case may be. And then you have a
12 number of items of equipment that are out
13 of the manufacturer's warranty, are no
14 longer being actively supported by the
15 manufacturer and you are paying for
16 somebody to come out and fix it whenever it
17 fails.

18 What we do, to help you out with
19 efficiency, is we consolidate all of that
20 under one contract. We track the equipment
21 that's under manufacturer's warranty; we
22 track what's being supported by a service
23 plan, and we track everything else, and we

24 track the time and materials.

25 Now, what advantage does that give you?

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2 Well, first of all, you have a complete and
3 up-to-date inventory of all the equipment
4 that you have in each one of your
5 facilities. We track it not only by being
6 in your facility, but we can track it right
7 down to the floor, right down to the
8 building, using your asset information to
9 be able to keep that up-to-date and
10 current. One of the things we are able to
11 do by keeping this inventory up-to-date, is
12 to be able to determine whether or not the
13 equipment is still in use. If the
14 equipment is out of use and you are still
15 paying a contractor to come out and fix it,
16 you are spending money you don't need to

17 spend. So, we help you organize. We
18 create an opportunity for you to provide
19 control.

20 So, do you really need us? Well, maybe
21 you have an accurate inventory of all your
22 equipment and where it is and which vendor
23 is assigned to it. Maybe you know, maybe
24 your team knows, your organization managers
25 know exactly what's covered and not covered

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under the service contract that you are

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purchasing. Maybe you have technical

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people who are able to determine whether or

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not the parts that you pay for are the best

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price that you can get, and maybe the

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number of hours that were spent repairing

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this equipment is the right number of hours

9 and you are not overpaying. Most
10 organizations, when we ask this question,
11 have to answer no.

12 What do we do? We help you organize
13 and we provide the control component, but
14 we also give you a specific price on what
15 it takes to support the equipment over the
16 year. So we basically are capping your
17 expense. So if we say it's going to cost
18 \$1,000 to cover this piece of equipment for
19 the year, then you don't have to worry
20 about expenses going over that \$1,000. You
21 are capped.

22 The other thing we do is we set up an
23 installment plan so you can flatline or pro
24 rate your expenses for your overall
25 maintenance cost for the year or the whole

2 period of time.

3 So, you save money because you only pay
4 for the actual repairs that are made. You
5 are not providing, you know, a certain
6 convenience component because we are
7 managing that for you. You know exactly
8 where it is and if it's being serviced, and
9 we share that information with you so you
10 can make better buying decisions in the
11 future.

12 We also are working actively with the
13 vendors that you are currently doing
14 business with, or who are doing the repairs
15 to make sure that the equipment stays up
16 and probably maintained so that you don't
17 have a crisis when you have
18 air-conditioning or heating that needs to
19 be up or down depending on the time of year
20 that it is.

21 One of the things that we do is we

22 don't try to unseat your existing vendors.
23 We work with your existing vendors. We
24 just know, based on our experience, what
25 the real costs are associated with

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2 supporting the equipment. If you are not
3 happy with your existing vendor and you
4 want an alternative vendor, we will help
5 you find that alternative vendor, including
6 parts suppliers who may offer better
7 pricing from places outside of the
8 immediate area.

9 We also take the burden of having to
10 process the payments for all these repairs
11 from you and we can have the vendors submit
12 them directly to us and we can make the
13 payments on your behalf so you are not

14 having to manage the soft costs associated
15 with processing a check for \$12.

16 And, we provide a single point of
17 contact for the vendors and a single point
18 of contact for all your facility managers
19 so they are not chasing down invoices and
20 trying to figure out whether or not
21 somebody has already been paid.

22 Okay, so how do we simplify today? You
23 can read faster than I can talk, but
24 fundamentally, what we do is we give you
25 the maximum amount of buying power. We

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take the spread of exposure, the equipment

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maintenance costs, and we spread it out

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over your entire population of equipment.

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When we do that, we typically are able to

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achieve a 20 to 25% savings of what you are

7 currently spending. And the reason we're
8 able to do that is because we use our
9 technical expertise -- we use our technical
10 expertise to be able to confirm exactly
11 what manufacturer's warranties are in
12 place, what repairs were done, when they
13 were done, what should have been the real
14 costs associated to it. We use our parts
15 connections to be able to get discounts
16 associated to it, we eliminate double
17 billing.

18 All those things, they are not sexy.
19 They represent 2% here, and 3% there, and
20 5% there. But if you take 25% savings
21 across any number of maintenance dollars
22 that you want to apply to any one of your
23 facilities, it's resources that could be
24 spent on your education. That's really
25 what you are supposed to be doing.

19 be the intermediary. We want to take the
20 most efficient way to get the problem
21 solved.

22 If you decide that you want to pay the
23 vendors, we can structure the program that
24 way. But, quite frankly, we're better at
25 that than you, most likely. We can pay

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2 them more promptly, we can be more
3 accurate, and we can provide them all the
4 electronic information to support every
5 single transaction.

6 How do you know the program is working?
7 One of the biggest things that we have done
8 to our organization is we make that
9 information available to you on the
10 Internet 24/7. It's secured by 128 bit
11 encryption. We allow however many users

12 you would like to be able to access that
13 information so every single principal can
14 know what they are spending over the course
15 of the year. If you want to look at it at
16 the macro level, at the district level, at
17 the school level, or if you want to look at
18 it at the committee level, whatever level
19 you want to look at it, it consolidates it
20 all. And we don't hide any of those
21 transactions, so you will be able to know
22 whether or not a vendor has been paid, how
23 much was paid, what was paid and what the
24 check number was.

25 What do we provide? We provide as

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turnkey an operation as you would like us

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to provide or we provide any segmentation

4 of the services that you see listed there.
5 We're not looking to sell you something you
6 don't need. We are looking -- we are
7 specializing and we pride ourselves in
8 being able to customize a solution based on
9 what your specific organization's needs
10 are, and that can vary by district, if
11 that's what you would like it to be. So we
12 handle the program implementation if you
13 let us, or we can work with you to do that.

14 We take care of all the pricing. We
15 collect all the inventory of all the
16 information and we calculate what it's
17 going to cost. We make sure that the
18 preventive maintenance on all the equipment
19 is done, so that the equipment will last as
20 long as it's supposed to last. We work
21 with your existing vendors and/or
22 additional vendors, if necessary, to ensure
23 that work is done properly and on a timely

24 basis.

25 If there is any kind of reporting that

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2 has to be made to any organization such as
3 yourself, every single one of these school
4 districts is going to have the report at
5 their fingertips to tell you whether or not
6 the equipment is being properly maintained
7 and what was spent.

8 We also track every single activity.
9 We can identify what the downtime is and
10 response time so we can make that part of
11 the criteria going forward so that the
12 service is being properly supported. And,
13 of course, we scrutinize every single
14 invoice. You know, there's a lot of very
15 knowledgeable and competent accounts
16 payable people who work within your various

17 organizations, and most of them are not
18 technical. So how is, you know, John Clerk
19 supposed to know whether or not \$75 an hour
20 for this repair and 12 hours is the right
21 number? That's not necessarily something
22 he knows anything about. We provide that
23 support to you.

24 I have a couple of samples, and under
25 different circumstances I'd give you a

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2 demonstration of our database, but I just
3 have a couple of examples of what a typical
4 user might see when they log into your
5 system. You can see that what we try to do
6 is make it as user-friendly as possible so
7 you can track, for example, all the
8 equipment by location. Here we have it

9 broken down by specific addresses, and
10 there's a summary of all this information.
11 And we can do that right down to the
12 individual school, if that's what you would
13 like us to do.

14 We can track specific dollars by
15 school, by district, by combinations of
16 school and district. We can do it also by
17 the type of equipment. If you want to know
18 how much you spent on heating and
19 air-conditioning this year, if you want to
20 know how much you spent on computer repair,
21 to maintain and repair it, A.V., whatever
22 the case may be, we'll track the actual
23 claim activity.

24 In many cases, organizations such as
25 yourselves may have your own technical

2 people. So we can identify how much work
3 is being applied to even the stuff that's
4 being supported by internal staffs so you
5 can determine whether or not some of your
6 facilities are ageing beyond what you may
7 have understood.

8 And then we provide detailed repair
9 information. Again, we break it down by
10 parts and labor, travel costs, taxes,
11 whatever is applicable to the invoices, and
12 we make that information available so all
13 you have to do is click down all the way
14 through the reporting to be able to answer
15 those types of questions.

16 We have the ability to search equipment
17 and repairs by any combination of asset
18 numbers, serial numbers, locations, big
19 facilities, whatever you would like it to
20 be.

21 And so, I think I did that all in one

22 breath. So that's what we do. It's not
23 sexy. It's blocking and tackling. It's
24 paying attention to the details and arming
25 your organization with the tools to help do

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2 the thing that you want to do, which is add
3 efficiency to what you are doing as well as
4 save money.

5 LEG. D'AMARO: Very good. Thank you,
6 Mr. Hernandez. I really appreciate you
7 taking the time to come all the way here
8 and telling us that this is one way we
9 could make management and, perhaps, I guess
10 of equipment and maintenance more effective
11 and more cost-efficient, I guess is the
12 point here.

13 And I get the sense that it's done --

14 basically you are paying flat fees for an
15 insurance. You're buying a type of
16 insurance policy based on the data that you
17 would look at to determine whether or
18 not -- you know, how much would a district
19 spend in a year. And you are basically
20 insuring that the cost to maintain and
21 repair all of that equipment is not going
22 to exceed a certain dollar amount.

23 MR. HERNANDEZ: Yes. I mean, part of
24 the savings are achieved because, quite
25 frankly, the margins that most

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2 organizations, service organizations,
3 whether it's Carrier Air-Conditioning
4 Company or IBM computers, they have
5 substantial margins built into their
6 service plans that they are charging you

7 for.

8 LEG. D'AMARO: How do you know that
9 typically results in a savings, or could
10 result in a savings of up to 25% of those
11 costs?

12 MR. HERNANDEZ: That's based on our
13 15 years of experience of doing these types
14 of programs all across the country.

15 LEG. D'AMARO: Does anyone have any
16 questions?

17 DR. LIPP: I know this is a difficult
18 one, but any, like, benchmarks as to what
19 this potentially could save? I mean,
20 obviously it differs. But perhaps maybe
21 you can work up some numbers or you have
22 some numbers for like educational places?
23 Because, obviously, they are less efficient
24 than private businesses who may need to
25 scale up by the size of operations.

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2 MR. HERNANDEZ: Yeah. It's difficult
3 to benchmark because they vary, quite
4 frankly, by the size of the school and the
5 amount of the equipment that's located in
6 each one of the schools.

7 One of the difficulties that we have in
8 kind of throwing out numbers as far as what
9 we can save you or what the dollar realized
10 might translate to is that we don't know
11 what you are currently spending.

12 Most organizations, governmental
13 agents, municipalities, school districts
14 and so forth, consolidate their maintenance
15 costs under one big category called
16 "maintenance." And that could include
17 everything from replacing broken windows to
18 repainting the gym and refinishing the

19 floors in the hallway. And, equipment
20 repairs are not necessarily isolated.

21 So what we tend to do as the most
22 efficient way to implement a program like
23 this is we take a couple of locations. We
24 go through and we evaluate exactly what's
25 being supported and in which way. If you

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2 go back to the pie chart we saw earlier,
3 what stuff is under your manufacturer's
4 warranty, what stuff is being paid for on a
5 time-and-materials basis, we pull out all
6 that information together and we identify
7 the benchmark of what you are currently
8 spending. And then, we calculate what we
9 think we can generate as far as savings for
10 you.

11 I'm pretty confident that we can save

12 money, and we can save money in that 20 to
13 25% range based on our experience. I
14 certainly couldn't tell you exactly what it
15 would be until I looked at the real
16 information.

17 And the good thing for us and for you
18 is that we get to do the work, and you
19 don't have to pay anything unless we can
20 prove that we can save the money.

21 MS. WILLET: I was just going to ask
22 that.

23 How do you determine your fee
24 structure?

25 MR. HERNANDEZ: Again, our fee

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2 structure is we do this for many, many
3 organizations. So this is an incremental

4 increase in work for us. We're a highly
5 automated organization; we have a lot of
6 computers, a lot of software, and they do a
7 lot of heavy lifting. So we use that kind
8 of computer muscle to be able to add
9 efficiency. So I don't have a whole bunch
10 of hamsters back in Oklahoma cranking this
11 stuff out manually. We specialize in this
12 and this is what we do for a living.

13 DR. LARIA: Are you currently involved
14 in any districts on Long Island?

15 MR. HERNANDEZ: No, we are not.

16 DR. LARIA: And you mentioned in your
17 presentation that you are working with
18 several districts, numerous districts
19 throughout the country?

20 MR. HERNANDEZ: Yes. We have a number
21 of districts we have worked with before and
22 are currently working with now.

23 DR. LARIA: Are any of those districts

24 in New York State?

25 MR. HERNANDEZ: No. We have no

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2 districts in New York or in the tri-state
3 area currently.

4 DR. LARIA: The size of your company,
5 the resources and personnel, in order to
6 track this data?

7 MR. HERNANDEZ: Absolutely.

8 DR. LARIA: What does your company
9 consist of?

10 MR. HERNANDEZ: We have approximately
11 35 people. And I say "approximately"
12 because I don't know if they hired anybody
13 today. I've been traveling the last few
14 days. Our revenue is probably going to be
15 in the \$20 million a year, this year, so...

16 DR. LARIA: Let me get back to the

17 question of districts.

18 Any districts in the New York
19 Metropolitan area with whom you are
20 working?

21 MR. HERNANDEZ: No. We're not doing
22 anything in -- we used to have a number of
23 accounts that were here. Quite frankly,
24 the process in developing these kinds of
25 programs has been very cumbersome to

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2 implement because of the RFP requirements
3 that are typically impressed on us. Most
4 school districts are not asking us to quote
5 their entire inventory of equipment. What
6 we typically were getting notice of was
7 here's a bid for our air-conditioning
8 contract or here's our bid for our

9 electrical contract, or whatever the case
10 may be. And that's not our business model.
11 Our business model is consolidating all of
12 the equipment under one umbrella to
13 maximize efficiency. And so we've not done
14 that here.

15 MR. KADEN: I didn't understand the
16 answer you gave on fee structure.

17 Do you work on a contingent basis?

18 MR. HERNANDEZ: No. When we give you a
19 price, what we're giving is what the cost
20 is supporting --

21 MR. KADEN: Is that a flat-rate price?

22 MR. HERNANDEZ: Well, it's getting
23 incorporated into the cost we quote you.

24 MR. KADEN: What I want to know is how
25 do you come up with that cost.

2 MR. HERNANDEZ: Well what we --

3 MR. KADEN: Is that the cost of
4 maintenance?

5 MR. HERNANDEZ: No. What we do is once
6 we inventory the equipment, we know
7 specifically -- we know what it costs to
8 support, for example, a computer network.
9 We have it calculated right down to the
10 hours, so --

11 MR. KADEN: I understand how you
12 generate your projections on what you are
13 going to be able to save and how you get
14 your money. How do you get your fee?

15 MR. HERNANDEZ: It's incorporated in
16 the cost that we quote you.

17 MR. KADEN: Right. Is it a percentage
18 of the size of the operation? Is it a flat
19 fee?

20 MR. HERNANDEZ: No. It's based on the
21 equipment. It's based on the mix of

22 equipment that's being supported, and it's
23 incorporated in the cost that we quote.

24 I'm not trying to be evasive. It's --

25 MR. KADEN: So it's a percentage type

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2 of basis.

3 MR. HERNANDEZ: Well, it's calculated
4 based on the percentage of work for that
5 piece of equipment.

6 So, for example, a thousand-dollar cost
7 to support air-conditioning, I may have a
8 certain fee structure on that versus a
9 thousand dollars to support a computer
10 network. My fee may not be the same either
11 on a dollar or percentage basis based on
12 what that work might be.

13 MR. KADEN: So a separate fee structure

14 for each item and then you add it up.

15 MR. HERNANDEZ: Yes. We build all our
16 pricing from the ground up, based on the
17 amount of activity we anticipate. You
18 know, some stuff is more reliable than
19 others, and so if we don't anticipate that
20 there's going to be a lot of claim activity
21 or repair activity on that type of
22 equipment on a 12-month period, we don't
23 have as much into that as we do in others.

24 MR. LEDERER: Do you account for any
25 staff, as part of your savings as to

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2 staffing the district may not need because
3 you are doing the work?

4 MR. HERNANDEZ: What we try to do is
5 take as much of a burden from you as
6 possible.

7 MR. LEDERER: Do you calculate that
8 potential savings into staff?

9 MR. HERNANDEZ: What we don't do is
10 tell you can afford to reduce the headcount
11 because of the work that we're doing. We
12 really leave that up to you.

13 MR. LEDERER: Do you give an estimate
14 to the district as to the savings --

15 LEG. D'AMARO: I'll just ask, can you
16 use the mike, Neil? I'm not sure everyone
17 out there can hear you.

18 MR. LEDERER: Are you guaranteeing the
19 savings?

20 MR. HERNANDEZ: Yes.

21 MR. LEDERER: And if that savings is
22 not realized, does your company make up the
23 difference?

24 MR. HERNANDEZ: Well, when we say we
25 are guaranteeing the savings, after we've

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evaluated what equipment that you have, we will come back to you with a cost, and that cost is guaranteed.

MR. LEDERER: So if that cost is not realized, do you make up the difference to the school district?

MR. HERNANDEZ: When you are saying "not realized..."

MR. KADEN: If you go over, do you eat it?

MR. LEDERER: Right. If you say I'm going to save a million dollars, and I don't -- you estimate that my school district is going to save a million dollars -- I'm just making up a figure --

MR. HERNANDEZ: No. The way --

MR. KADEN: He estimates a cost and --

19 MR. HERNANDEZ: No. Let me put it to
20 you this way: We will evaluate what you
21 currently spend. Let's say that you're
22 spending \$5 million. We come in and we
23 say, you are currently spending \$5 million.
24 We're going to provide all the services
25 that you currently pay \$5 million dollars

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2 for, for \$4 million.

3 MR. LEDERER: And what if I spend
4 \$4,500,000?

5 MR. HERNANDEZ: You won't because we
6 manage it. You won't spend \$4,500,000.

7 MR. LEDERER: You guarantee that.

8 MR. HERNANDEZ: Yes. It's backed by a
9 policy of insurance.

10 MR. KADEN: So it's not that I won't
11 spend it; it's that you'll cover it if I

12 do.

13 MR. HERNANDEZ: Well, you're not
14 spending it. We're -- the insurance
15 company is backing it.

16 MR. LEDERER: It gets spent on our
17 behalf.

18 MR. HERNANDEZ: Yes.

19 LEG. D'AMARO: All right, if there are
20 no other questions, then, Mr. Hernandez,
21 thank you again. We also have your written
22 report and presentation which will be made
23 available to all the commission members.
24 Thank you for taking the time out to help
25 us out.

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2 MR. HERNANDEZ: Thank you.

3 LEG. D'AMARO: Okay, has Karen Lessler

4 arrived?

5 MS. LESSLER: Yes.

6 LEG. D'AMARO: Ms. Lessler, good
7 evening and welcome.

8 MS. LESSLER: Thank you very much for
9 taking me. I apologize for being late.

10 LEG. D'AMARO: It's okay. Just be
11 reminded that you will be limited to five
12 minutes, as all other speakers were.

13 MS. LESSLER: Thank you.

14 I was very appreciative of this memo
15 that I just received from you about what
16 your mission is as a committee. For some
17 of you that I do know, I'm probably
18 speaking to the choir.

19 But I'm Karen Lessler. I'm president
20 of the Middle Country School Boards School
21 District. I am also overseeing a district
22 that's the third largest school district in
23 New York State. Our budget is

24 approximately a hundred and seventy -- \$170
25 million annually.

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2 This commission that you have proposed,
3 I do want to just itemize a couple of
4 things that we have struggled with the past
5 several years, and hopefully -- I know
6 there's superintendents here and other
7 school board members that could certainly
8 concur with some of the things we have
9 struggled with.

10 The biggest -- and I'll run through my
11 list quickly with you -- some of the
12 biggest things we have felt in the past
13 five years has been health insurance. When
14 we look at school district our size, our
15 annual health insurance and benefits run
16 about \$18 million, and within the last

17 three years, we have seen a 20% increase in
18 health insurance that has reflected in
19 large increases in our budget.

20 We also have seen the last few years
21 our benefit fund, the amount of reserve
22 that is required by school districts -- and
23 that rate is determined by the comptroller.
24 I'm sure you are aware of this -- and those
25 numbers have increased. And I'll give you

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2 an example.

3 In 2005, we were looking at \$6.8
4 million in reserve set by the rate of the
5 comptroller, and this past year, 2006,
6 we're looking at \$8.4 million. So, again,
7 we're looking at an annual budget, we're
8 talking about increases roughly around

9 \$2 million just in reserves.

10 Utilities have increased over the past
11 year for school districts. A district my
12 size, looking at the fuel adjustment fee,
13 in the past year, has cost this district an
14 increase of \$650,000. It's been a 32 %
15 increase in our utility cost.

16 The forth point I want to bring up is
17 the bond. I have spoke with state
18 legislators, and certainly Brookhaven Town,
19 to turn over taxpayer dollars timely
20 because as districts bond money, that costs
21 districts money. And as an effort, we
22 spoke with Senator Flanagan about
23 considering changing the fiscal year of
24 school districts to line up with state
25 school districts. Lining up our fiscal

2 year with the state would save our district
3 roughly a million dollars.

4 Unfunded mandates, which I'm sure you
5 heard of. We speak to No Child Left
6 Behind. There are many mandates that come
7 down from the federal and the state that
8 require us to fund things that are not
9 funded. And certainly, No Child Left
10 Behind, the biggest burden for our school
11 district, is academic intervention and
12 professional development.

13 Many of our bids that we go out to
14 contract, we are regulated under Wicks Laws
15 that requires us to take certain bids and
16 certainly ties our hands.

17 I am well aware, I'm not foolish to
18 believe that certainly there has been
19 mismanagement of school districts, but that
20 has been a minuscule event when we look at
21 the amount of school districts that are in

22 Nassau and Suffolk County. School
23 districts are responsible. School board
24 members try every week to try to look at a
25 budget and be cost-effective and to care

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2 about our taxpayers and our children. They
3 are conscientious, and I think that the
4 perception is that we're mismanaging funds,
5 and we should not have that perception at
6 all. It is that we are looking at costs
7 that many times we have little control
8 over. These are costs that are coming down
9 from the state. Funding does have to
10 change. I do agree that we have to look at
11 different ways to fund public education,
12 but we have high expectations as Long
13 Islanders about how we're going to educate

14 our children, what we want from our
15 children, what we want out of our school
16 districts. And all of that comes along
17 with a price tag.

18 So these are the things that we're
19 faced with, and certainly we turn them over
20 to you as a county. If you could certainly
21 lobby with us or look at ways of reducing
22 these costs, they would absolutely affect
23 our budget annually. Thank you.

24 LEG. D'AMARO: All right. Thank you
25 for your comments.

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2 The next individual it looks like, is
3 it Frank or Fran, Gorman (phonetic)?

4 MR. GORMAN: Fred.

5 LEG. D'AMARO: Fred. I'm sorry.

6 MR. GORMAN: Good evening, ladies and

7 gentlemen.

8 BOARD: Good evening.

9 MR. GORMAN (PHONETIC): Doctor, you are
10 on that special committee with Steve Levy.
11 There's a couple things I want to give
12 you which -- let's say I have three yards
13 of concrete to seal our deal, back in '94,
14 Sachem was paying Laidlaw \$14,000 more per
15 bus than they were charging William Floyd.
16 So when you talk about consolidating
17 services, you eliminate things like that.
18 Now, Steve Levy knows that one very well.
19 As a matter of fact, we've had often
20 conversations about it.

21 Right after I did that -- I'm involved
22 somewhat with the insurance business -- I
23 said let me get a look at the insurance
24 policies. A business administrator comes
25 in there and he hands me a pile of

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1 insurance policies, and right on top of it
2 is a proposal from Gallagher. They are
3 about half the price for what they were
4 paying for liability insurance; \$500,000
5 down to two-fifty. Gallagher happens to be
6 one of the largest writers of school
7 districts in the United States, and
8 actually in the State of New York.
9

10 So then I take a look at their
11 policies. My God, they are insured with
12 the Lawrence Group. That's a bankrupt
13 company. That are actually paying a
14 bankrupt company a half million dollars and
15 didn't even consider a proposal that they
16 had for a year from one of the best
17 companies in the business. I couldn't
18 believe that.

19 And then I found out we were insured
20 with a local broker. And that probably
21 goes directly to patronage.

22 The end result is: We got rid of
23 Laidlaw. We got a new company. We wound
24 up saving over a million bucks. We took
25 care of that.

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2 The other thing that worked out very
3 nicely for us, too, we wound up with
4 Sedgwicks. We saved a lot of money. But
5 that's old hat. So you can't really say
6 well, you know, just because that happened
7 in the school all those years ago... Well,
8 understand, that's only two yards.

9 Now here's the third yard. We just
10 paid a 106,000-dollar late fee to LIPA.
11 Now, do you think if we had consolidated

12 services, my tax buddies would be laying
13 out that kind of money? I'd just like you
14 to think about that.

15 So I think you are absolutely on the
16 right track. And there are legislative
17 ways, if you look at the Constitution of
18 the State of New York, and you take a look
19 at our own charter right here in Suffolk
20 County, that absolutely, there can be a
21 consolidation of municipalities and
22 municipal services if the voters so decide.

23 So there is reason to have this kind of
24 meeting if you ever decide to go that far.
25 And I hope I gave you enough reasons. Just

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talk to Steve, and that's only the

3

beginning. And if you want me to really go

4 crazy, you can imagine, there's a lot of
5 school districts out there.

6 Well, anyhow, that's one thing. I just
7 heard a woman tell you something about
8 mandates. Who the hell is this guy Hevesi
9 to turn around and say I got to take all my
10 house money and put it in an account
11 because he thinks it's appropriate
12 accounting? He can't do that to me. He's
13 not the Legislature of the State of New
14 York. He can only make a recommendation.
15 So I think it's important we understand the
16 difference between a recommendation and a
17 mandate.

18 You know, and how much security do we
19 need? That's one of the things that the
20 District Attorney has been talking about.
21 He says, 2% is really enough because you
22 are backed by the real estate of the
23 county, and you are also giving it back by

24 the State of New York. You don't really
25 need more than 2%. My school district has

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\$24 million in reserves, and they say

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they're low. That's a thousand dollars per

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taxpayer. I'm willing to bet you half of

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the superintendents that are here, if they

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went home and they said well, let's see how

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much I have in reserves and how many

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taxpayers do I have in my district, they

9

are going to find they got somewhere

10

between a thousand dollars and \$2,000 per

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taxpayer sitting in their accounts, not

12

buying the homeowners' kids sneakers at a

13

time when people are moving out because

14

they said this is crazy.

15

So I think you ought to really

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seriously look into the subject of

17 reserves, which brings up the budget.

18 By the way, which is the last thing I'm
19 going to talk about, the commissioner of
20 education has ruled -- and every
21 superintendent in here knows this -- that
22 school districts do not have to be accurate
23 in their presentations to the public. They
24 just can't be arbitrary and capricious. As
25 a matter of fact, they don't have to use

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2 accurate information because it's available
3 to them. That's the commissioner of
4 educations rulings.

5 Now, you get a budget. You are going
6 to vote on a budget. When? In April. For
7 what? For what may be next year. And I
8 can't tell you what's going to come next

9 year, and I can't tell you what my aid is
10 going to be, and I can't tell you what this
11 is going to be. And the commissioner of
12 education says I can guess. So all your
13 budgets are based on last year's bad
14 guesses versus this year's bad guesses. So
15 I can tell you how much I guessed last
16 year, but I'm not going to tell you exactly
17 what I paid because I don't know what I
18 paid, and I won't know until the end of the
19 school year. And you expect people to make
20 an intelligent decision on that. And
21 that's wrong.

22 And I understand the plight of every
23 school superintendent because I have a
24 recommendation for you all. What I would
25 love to see is let's clear the playing

2 field. No more sending stuff home with the
3 kids or anything like that. Let's let you
4 defend your budgets. And then let's make
5 them honest, and then let's set up a whole
6 bunch of laws in a way that we have to be
7 as accurate as we possibly can. None of
8 this stuff "If the budget goes down we're
9 going to estimate how many students we may
10 or may not have." We'll use the actual
11 students.

12 Did I ever tell you about the time my
13 school district actually estimated 185 more
14 students than we had, and we went on
15 austerity? It was so bad, that they had
16 actually changed our state aid numbers.
17 They had kicked in a higher number. It was
18 terrible. But you can't do that to people.
19 And that's why you have lost a lot of
20 respect.

21 So I think it would be a great idea to

22 turn around and say, hey listen, you guys
23 worked on it? You think this is a good
24 number? Bring it out. However, nothing
25 with the kids. Go directly to the voters

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2 with your argument, and make that argument
3 level.

4 LEG. D'AMARO: Thank you, Mr. Gorman.
5 Your time has expired.

6 MR. GORMAN: I can't use the 30 seconds
7 from last time?

8 (Laughter.)

9 MR. GORMAN: Okay, thank you.

10 LEG. D'AMARO: Thank you for your time.

11 Next on the list is Mel Noble and
12 Anthony Cacciola.

13 MR. NOBLE: Good evening. I'm Mel

14 Nobel, Superintendent of Schools in West
15 Babylon, and I'm accompanied by Mr. Anthony
16 Cacciola, who is our Assistant
17 Superintendent for Finance.

18 West Babylon, just so you get a frame
19 of reference, is in the lowest quartile in
20 terms of combined wealth ratio in Suffolk
21 County. We're one of the districts that is
22 on the CFE list, that group that is working
23 to get more aid in Albany for relatively
24 low-income districts. We represent a
25 district that is in the lowest quartile in

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2 Suffolk County in per pupil expenditures,
3 but we're always looking to cut costs
4 further.
5 Currently, we're engaged in cooperative
6 transportation operations with neighboring

7 school districts in an attempt to lower our
8 transportation costs, and we have. We also
9 engage in our own refuse removal so that
10 our in-district people handle that area of
11 endeavor. But we're searching for
12 additional ways, and I think my colleague,
13 Mr. Cacciola, has some good ideas that
14 we've discussed in-district, and he would
15 like to share them with you now.

16 Tony?

17 MR. CACCIOLA: Thank you very much. I
18 would like to start out by saying I'm very
19 proud to jump in with West Babylon Schools
20 for 31 years, and I've been a School
21 Business Official for the last 14. The one
22 suggestion I could make to the Commission,
23 is please, please utilize the services of
24 the Suffolk County Association of School
25 Business Officials. I notice by the makeup

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of the committee, there is not one School Business Official on the committee, on the Commission. And for better or for worse, please use them as a resource. Especially when it comes to your fact-finding mission. I know you are having public meetings and then you are going into fact-finding, and I think that could be a missing component of this committee.

The one suggestion I would like to make, and it sounds small but I think it could materialize into a great savings for both Suffolk County and for School Districts throughout Suffolk County, and the topic is cooperative purchasing.

According to Municipal Law, school districts throughout the county have to go

19 out to bid, per law and per local board
20 policy, on many things; glaziers, plumbers,
21 electricians. I'm looking here, and I see
22 a lot of nameplates. And believe it or
23 not, I think you would be astonished at the
24 cost of those nameplates. Some districts
25 make those nameplates in-house; some

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2 districts have to go out and hire people to
3 do that.

4 One suggestion may be, possibly Suffolk
5 County has a service, possibly you have a
6 department that all you do is nameplates.
7 And that's a question. Maybe we can
8 purchase a service like that through
9 Suffolk County, save some money. Why
10 reinvent the wheel? Seventy school
11 districts, we're all doing the same thing.

12 Save some money on -- and that's a
13 small issue -- glazing services, broken
14 windows. Every school district has broken
15 windows. Every school district goes out to
16 bid, and we bid on hiring a glazier for
17 those broken windows. What does Suffolk
18 County do? I assume Suffolk County has
19 broken windows. Why not increase the
20 purchasing power of Suffolk County and all
21 the school districts, work with the BOCES.
22 We have a BOCES, and BOCES helps school
23 districts significantly with cooperative
24 purchasing. But why not combine our power,
25 work together, and look at all of the

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2 services that the county uses and school
3 district uses? Stop the redundancy, go out

4 to bid for these services, and maybe we can
5 both save money.

6 I'm here as a North Babylon resident, a
7 West Babylon employee and a Suffolk County
8 resident. And I think we could have
9 commissions all over it. There could be a
10 commission to improve efficiencies at a
11 county level. So why not work together and
12 try to save money on all levels; town,
13 county, state.

14 I'm looking here, and I'm assuming this
15 commission is going to last a couple of
16 months. What happens when the commission
17 is over? You are going to make
18 recommendations. But I think it's very
19 important to carry out your work, and I
20 commend you for the work you are doing so
21 far. But I think what happens with
22 commissions, you start, you end,
23 recommendations are made, and there's no

24 follow-up to see did those recommendations
25 come to fruition. So as a past president

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2 of the Suffolk County Association of School
3 Business Officials, I offer my help -- and
4 I know some colleagues are here -- as an
5 association, we also offer our help in your
6 success. Thank you.

7 LEG. D'AMARO: Thank you.

8 And just so you know, Mr. Cacciola, we
9 have invited the Suffolk County Association
10 of School Business Officials to make a
11 presentation to us and work with us. In
12 fact, at one of our working sessions,
13 scheduled for October 31st, Vic
14 D'Manuel (phonetic) is coming down to work
15 with us.

16 MR. CACCIOLA: Excellent. Thanks for

17 listening.

18 LEG. D'AMARO: Sure. Thank you.

19 Okay, next on the list is Janet
20 Austrian.

21 MS. AUSTRIAN: Good evening. I came to
22 suggest something that I don't know if the
23 parents would be too happy with this idea,
24 and I'm not sure of what power the
25 legislature has to govern it, but I would

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2 suggest that you eliminate from the budget
3 all the frills that the parents want; all
4 the sports teams, the music lessons, the
5 drivers' ed, the swimming pools, tennis
6 courts and whatever else they have out
7 there. And these things are great, and I
8 know a lot of the parents on Long Island

9 want them, but the taxpayers are really
10 only supposed to provide a basic public
11 education to create good citizens. The
12 kids are going to be running the world as
13 we get older, so you do want them to be
14 educated and know what they are doing.

15 However, I really think if a parent
16 wants their kid to be a football star, they
17 should pay a user fee. Now, of course,
18 someone's still paying, but I think the
19 parent should pay this, not the school
20 board directly and not the taxpayers
21 directly. And that would cut an awful lot
22 out of your budget because not only do you
23 cut all the expenses for the transportation
24 for the team and the uniforms and sometimes
25 they rent a field and the staff. And these

2 things are tremendously expensive, all
3 these special services that they get. And
4 the facilities, maintaining and building
5 and maintaining swimming pools and tennis
6 courts because this is a lot of money. And
7 it isn't even fair.

8 I wanted to ice skate when I was in
9 school, but they don't offer ice skating,
10 they only offer football. So it's
11 undemocratic that they select what they
12 offer.

13 My father wanted us to play the piano.
14 But they don't give piano lessons at the
15 school, but if you want your kid to take
16 the flute, you're in. You get free
17 lessons. Violin, you get free lessons;
18 tuba, all the band instruments. So it's
19 really not even fair that they pick and
20 choose who gets what.

21 Driver's ed. Well, they keep saying

22 driving is a privilege, not a right. So as
23 long as it's a privilege, then why are we
24 providing free driver's ed? In my day,
25 when I went to school, you didn't get free

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2 driver's ed. Either your parents taught
3 you or they sent you to a private driving
4 school, and they paid for it. And I don't
5 see why the parents here should get free
6 driver's ed offered to them when it's not
7 even a right of society. And we do have
8 tests, so it's not like you are going to
9 put bad drivers out on the road if you
10 don't give them this service for free. We
11 have driver's tests, and supposedly they
12 test them before they give them a license,
13 so that shouldn't be a problem. How they

14 learn to drive, I think it's the parents
15 responsibility.

16 Frankly, the parents expect society to
17 raise their kids in everything. They no
18 longer take responsibility for anything.
19 Feed them, clothe them, do everything, give
20 them free breakfast; give them free lunch.
21 And these are people, mainly, who can
22 afford to feed their kids. If not, they
23 get Welfare which is feeding the kids. So
24 I'm not saying eliminate the free meals for
25 the poor kids, but I am saying, all these

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2 frills, I think they should be out of the
3 budget. Now, I don't know if you have the
4 power to make a second, separate budget
5 that the parents can vote on that they pay
6 for, or structure it as user fees that the

7 parents pay for themselves. But I really
8 feel it's not the obligation of the
9 taxpayers. That's why the rates have gone
10 sky-high on everything, and it's kind of
11 time to eliminate all these little frills
12 that the parents want and let them pay for
13 it themselves. And that's it.

14 LEG. D'AMARO: Okay, thank you.

15 Okay, the next person on the list is
16 Charlie Richardson.

17 Mr. Richardson, good evening.

18 MR. RICHARDSON: Good evening. Thank
19 you again for holding these hearings. This
20 is a very important thing to do for the
21 cost of living and the quality of life on
22 Long Island.

23 Anyway, I handed a couple of new things
24 out this evening. One of them, I'm not
25 even going to talk about tonight, but I'm

19 week -- last hearing. This is Enclosure E,
20 The Cost of Ignorance. And this was
21 figures that were buried in the body of his
22 report that I summarized briefly, but I
23 didn't bring them out in such a way that
24 you could see how they added up. This is
25 the small handout that I gave you tonight.

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2 Obviously, the biggest item in the cost
3 differential here is -- for benefit of
4 those just listening -- this is an estimate
5 of the cost reduction, the cost savings
6 from taking out of the Special Ed
7 population those who really are there just
8 because they are having trouble learning to
9 read. This is not a mental health problem,
10 this is a -- this is a literacy acquisition
11 problem which has to do a great deal with

12 the way reading is taught in the schools.

13 And this larger one that I handed out,
14 you will see how the dynamics of that has
15 played out in the lives of some of the
16 children that he's dealt with. And I'll
17 provide more details on that as we go
18 along; not tonight, but in the future.

19 If in a school district that probably
20 has a total budget of somewhere around a
21 hundred and a hundred fifty million
22 dollars, to save \$12 million a year by
23 these reductions is significant. Now, I
24 can -- I have not tried to verify the
25 accuracy of Dr. Campbell's numbers, but I

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2 do respect his knowledge of the cost of
3 what it involves when the child is on some

4 kind of special status involving
5 medications and so forth.

6 A little earlier this evening, you
7 heard from Mr. Conrad Hassle. He's
8 somebody I've known for quite a few years.
9 He's an information specialist for a big
10 bank and he's a whiz with computers and he
11 uses his skills to try and find ways to
12 make public education more efficient. So
13 besides the information he gave you
14 tonight, he has worked out some ways that
15 schools can manage the effectiveness of
16 their instruction using computerized
17 information that is already in the process
18 of testing the student body and using the
19 standard deviations of the students with
20 respect to the rest of their classes and so
21 forth. Putting that together with the
22 connection of what teachers they had in a
23 given year, and use it to see what is the

24 best, most-effective path for the use of
25 the staff that is available.

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2 The other thing that I mentioned last
3 time, was --

4 LEG. D'AMARO: Mr. Richardson, you have
5 about 30 seconds left.

6 MR. RICHARDSON: Okay.

7 The thing I wanted to -- to leave you
8 with, then, is that one of the things that
9 we're fighting is some effects on how local
10 educators are taught to deal with whatever
11 comes along in the way of curriculum. And
12 if you look at the figures and what's in
13 this article I handed out to you earlier,
14 the small one, that the problems are
15 national in nature. What things are
16 happening on a national level effect very

17 seriously what we do on a local level in
18 regard to many different policies. And if
19 you look at the trends in the illiteracy
20 rate that the military and recruiters are
21 encountering and the progress or
22 non-progress of high school scores and the
23 fact that we have -- we have in our own
24 community colleges, 50% or more of the
25 freshman come to school with inadequate

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2 reading skills for college work, we got our
3 work cut out for us and we're following
4 national procedures, and that needs to be
5 examined.

6 Thank you.

7 LEG. D'AMARO: Thank you.

8 (Applause.)

9 LEG. D'AMARO: Okay, next on the list
10 is Mr. Jack Coughlin.

11 Mr. Coughlin, good evening and welcome.

12 MR. COUGHLIN: My name is Jack
13 Coughlin. I lived in Deer Park since 1963.
14 I served on the Deer Park Board of
15 Education 1975 to 1981, and then another
16 few more years after that. But in the nine
17 years I was on the board, I served as the
18 president of the board for seven years. My
19 daughter received a very good education at
20 Deer Park. It's a good school. She's
21 received her bachelor's from Saint
22 Joseph's; master's from Hofstra. My nephew
23 graduated from Deer Park High School,
24 received an excellent education. He went
25 to the Naval Academy, right from the Naval

2 Academy, MBA from Harvard University, and
3 just retired as a Navy commander. Now, I'm
4 not here to criticize the school per se,
5 I'm just saying that we have a good school
6 district here, but we have to now reach a
7 point where we control the cost of it. And
8 that's my recommendations here.

9 Right now we three recommendations
10 being made. One is merge school districts;
11 second is impose a Long Island income tax;
12 and the third one, made last week, about
13 having the Inspector General for Education
14 look into school district corruption.

15 I previously spoke to Lou as well as
16 Presiding Officer Bill Lindsey, and I
17 recommended that rather than merging school
18 districts, they consider consolidating
19 administrative overhead of Long Island; 124
20 school districts. What I mean by that is
21 that you have three BOCES school districts;

22 one in Nassau, two out here. And there's a
23 lot of duplication as far as
24 superintendents, assistant superintendents,
25 business managements. New York City is

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2 doing that now, consolidating
3 administration and making the building
4 principal respondent for school and its
5 classroom teachers. That's really where
6 the administration needs to take place, at
7 the building principal level, at the
8 classroom teacher level.

9 The cost -- it's great to have a
10 superintendent and assistants, but we can't
11 afford it anymore. That will save over a
12 hundred million dollars a year, by the way.
13 You have superintendents, you have lawyers.

14 That can be done at the BOCES level, at the
15 function of BOCES as opposed to every
16 district having one. You should look at
17 that.

18 The -- and further negotiate the
19 contracts. I think Steve Levy recommended
20 around four, five months ago, they have a
21 fiscal oversight. I think you need that
22 fiscal oversight for school districts.
23 When I was on the school board, a lot of
24 superintendents were excellent, but you
25 need someone outside the school district

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2 overlooking the spending of the school
3 districts. You can have a Long Island
4 income tax, but unless you have someone
5 outside education overlooking that
6 spending, like from the county, like New

7 York City like Mayor Bloomberg does, you're
8 just putting good money after bad.

9 I recommend that the county insist on
10 working with BOCES, the state, county
11 comptroller, or someone outside the
12 educational system to oversee the school
13 district spending as opposed to the
14 recommendation of the Inspector General
15 that's up in Albany. That has to be done
16 on the local level here.

17 I heard a gentleman here talk about
18 consolidating purchasing. That's a very
19 good idea. My own experience is when I
20 retire -- by the way I'm retired from the
21 New York City Police Department, but my
22 degree was in business administration, and
23 I was the assistant comptroller of
24 Manufactures Hanover. We merged
25 Manufactures Hanover with Chemical Bank

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back in 1993. We consolidated my department. I was given early retirement. I suggest superintendents get early retirements, too. I don't want to see them fired. Perhaps work them out, the principals too. Let the principals leave, and maybe superintendents take over responsibilities.

But I'm not looking to fire people. I did not like leaving the way I did. I was 60 years old at the time. I'm 71 now, but I gave up my position to a younger fellow in Chemical. That was part of the realities of the private sector. I think the school districts and the county has to look at what goes on in the private sector and seek out consolidation of that nature,

19 and perhaps, you know, bring more
20 responsibility at the BOCES level. And --
21 the education supervision overseen by BOCES
22 is spending by the county. Thank you very
23 much.

24 LEG. D'AMARO: Mr. Coughlin, thank you.
25 Thank you for taking the time.

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2 Okay, the final card that I have this
3 evening, is Leo Greeley.

4 MR. GREELEY: Hi. Thank you. I'm a
5 resident of Shoreham-Wading River School
6 District and also a volunteer trustee of
7 the school board this year. And I'm here
8 on behalf of myself, not really the school
9 board per se. There have been many good
10 ideas here tonight, and many of them I
11 agree with and I hope can be acted upon. I

12 also have some additional ideas, and some
13 of them overlap what's been stated here
14 tonight. But I think -- and I've read
15 through some of the statements, the
16 combining of services, I think, is the one
17 that probably can be brought to bare sooner
18 than other things. The combining of
19 services to help create savings for the
20 taxpayer -- and you know, those services,
21 the Number 1 being the health care, the
22 health insurance issue. It is just
23 extremely overwhelming for a school
24 district, especially smaller school
25 districts, to have to pay the increasing

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2 amount of funds just like it is in the
3 corporate world. It's an escalating cost

4 that is hard to put your arms around and
5 get control of. So anything that the
6 county or state can do to help school
7 districts would really benefit in my
8 belief.

9 Then, there are many other smaller
10 things like bus transportation, that is the
11 there a way to look at combining pulling in
12 a cooperative set of services so that the
13 smaller and larger school districts can
14 benefit on the reduced costs.

15 But I also think we need to look out of
16 the box, and they may be longer term
17 issues, but they are definitely issues that
18 can create great savings for the taxpayer,
19 and that is dealing with state issues like
20 the state funding. The state has frozen
21 state aid to the school districts on all of
22 New York, since -- and I'm not sure of the
23 exact date, but I think it's 2001. And

24 many school districts are being
25 dramatically underfunded which is causing

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2 the taxpayer of those communities to pay an
3 exorbitant amount of tax to fund what the
4 state should be funding. So that's one
5 thing we desperately need your help in.
6 And not all school districts fit that
7 category, but there are many that do. And
8 here on Long Island, I think we have more
9 than our fair share of those districts.

10 And then lastly, the unfunded mandates
11 that continually come down from the state,
12 if there's any way to look at funding those
13 from another direction; whether it be state
14 income tax or create a law that doesn't
15 allow the state to do unmandated funding,
16 but there's got to be some other way of

17 paying for these unfunded mandates that
18 continually come down onto the local school
19 districts. That's all I have to say.

20 (Applause.)

21 LEG. D'AMARO: Okay, next up is Phyllis
22 Austrian.

23 MS. AUSTRIAN: Good evening. I
24 represent myself. I'm a taxpayer from the
25 Town of Huntington. I live in the Harbor

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2 Field School District. Before I came here
3 tonight, I, just out of curiosity, took a
4 look at my school taxes. The last school
5 tax I paid was just over \$7,000 for this
6 year. When I first moved in, my school tax
7 was, I believe, something like \$2,000, and
8 that was 20 years ago. At this rate, I

9 estimate, if I ever reach 70 in one piece,
10 I won't be able to pay school tax, never
11 mind my regular tax.

12 I taught in the New York City school
13 system, for, I won't tell you how long.
14 It's a long time. I recently retired. I'm
15 glad I retired. It's chaotic in the New
16 York City school system today. They've
17 umbrellaed everything. They got rid of the
18 district superintendents and even regional
19 superintendents who don't know what they
20 are doing with the districts they are in
21 charge of because they are way to big to
22 handle.

23 You have a problem in your school, you
24 call your regional person, you get an
25 answering machine, and they never get back

2 to you. It's too big an area. I don't
3 know about out here on the Island, but in
4 the city, it's chaos.

5 The thing I saw, being a teacher, where
6 it was an -- just an unbelievable waste of
7 money, was the reading programs. In first
8 grade, you had this reading program, but
9 when you got into second grade, it was an
10 entirely different system of reading.
11 Third grade was something different. The
12 children lost months of time trying to go
13 from this type of a reading program to that
14 type of a reading program to the other type
15 of a reading program.

16 You need uniformity. You need to adopt
17 the basics the way that all of us grew up
18 learning to read, write, add and subtract.
19 Everybody on the first grade should be on
20 the same kind of books -- I used the Basil
21 when I was in school -- whatever system it

22 is, based with phonics as an adjunct.

23 Math, you need the basics. You need
24 adding, subtracting, multiplying and
25 dividing. Flash cards don't cost money.

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1 October 3, 2006

2 My dad made up a whole set for me. It
3 didn't cost anything except time to write
4 out the numbers. The kids today rely on
5 the calculators, they don't have to know
6 their number facts. But they do need to
7 know their number facts. What if the
8 battery goes dead?

9 We need to get back to basics in the
10 schools. All these fancy programs that are
11 giving kickbacks to whoever devised them
12 can go. I taught science for 12 years.
13 When they instituted the New York State

14 Science Exam, the first thing that came
15 down the pipe was science kits. Hundreds
16 of dollars. \$500 for the science kit for
17 the forth grade; \$300 if you wanted to prep
18 the third-graders to get them ready for the
19 science tests. Ridiculous. All the
20 materials in those science kits, you can
21 pick up in the supermarket at one-eighth of
22 the cost or one-tenth of the cost. You
23 just need to know what to look for.
24 Someone who is educated enough to know what
25 you need.

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2 Do you know that toilet paper roles,
3 once the toilet paper is all used up cost
4 nothing, but they make great tubes to send
5 the marbles through the marble shoot so you
6 can see how far the marble travels before

7 it knocks over the coffee cup. That's on
8 the New York State Science Test, or it was,
9 you know, before I retired. It was a
10 question on how fast a marble goes and how
11 far it will go before it knocked over a
12 cup. And all of that stuff they have in
13 the kits brings up the price of education
14 tremendously. You don't need to invest in
15 that. If you were to cut out all those
16 frilly things, you would save hundreds,
17 thousands of dollars a year.

18 And I can't speak for, you know, the
19 systems here and how they go because I
20 wasn't educated on Long Island, but from
21 where I'm standing, paying taxes, every
22 single school district on Long Island is
23 far better in education than New York City
24 at this point. And the taxes that we pay
25 are outrageous to get that education. And

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I think that it needs to be a graduated

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system. I have no children in the system,

4

never did, never will, and I'm paying

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\$7,000. I can educate several kids for

6

that kind of money. If a person has five

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kids in the system, and they want to play

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football and baseball and whatever, I think

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the parent needs to take responsibility for

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that portion of their child's education.

11

I'm willing to pay to teach the child to

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read, to write, to add and subtract. And

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with all the money I'm paying, I walk into

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the supermarket and signs are misspelled

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everywhere.

16

There's no education going on. It's

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all frills, and everybody is worried about

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the numbers. Nobody wants to wear a

19 Size 20, but if you rip the tag off the
20 dress and put "Size 8" on it, that dress
21 will fly off the hangers. The same with
22 the scores when they are printed up. I
23 don't know how many people are aware that
24 the New York State exams, you have to count
25 the scores of the mentally challenged.

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They must take the test. I gave the New

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York State science test to children. They

4

couldn't read a sentence. I had to read to

5

them. It's in the instructions, you are

6

allowed to do that. I had to read to them

7

and tell them what the instructions said to

8

do. They should not be taking a New York

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State science test, and their scores

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averaged in with everybody else's. Not

11

everybody has to prepare for college.

12 These children should be taught a skill
13 that they can use in later life.

14 LEG. D'AMARO: All right, please just
15 sum up. Your time is done.

16 MS. AUSTRIAN: My summary, if anything,
17 would be to take a look at basic education.
18 That's the job of the school. Reading,
19 writing and arithmetic, learning to be a
20 good citizen and being able to live in our
21 society, and that's where our focus needs
22 to be. Thank you.

23 LEG. D'AMARO: Thank you.

24 (Applause.)

25 LEG. D'AMARO: Okay, next up, Peter

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2 Quinn.

3 MR. QUINN: Good evening, members of

4 the committee. I know that there was a
5 Revenue Education Commission, and now there
6 is an Expenditure Education Commission.
7 And I hope for the best for both groups.
8 But, I note that in terms of expenditures,
9 that the poorest schools on Long Island are
10 able, with difficulty, to spend \$12 1/2
11 thousand per pupil, and have very few
12 frills; whereas in contrast, we have some
13 school districts spending as much as
14 \$25,000 per pupil.

15 Now, I note that the No Child Left
16 Behind Law insists upon standards. Well,
17 why is there no standard of when examining
18 those tests, to take into account the
19 financial lack of standard so that when
20 weighing the students' test results, we
21 ought to be looking at the wealth, the
22 commensurate wealth, and the commensurate
23 poverty of various districts.

24 And is there a remedy? Well, one
25 remedy, I would urge, is we knock down that

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1 October 3, 2006

2 artificial barrier of what is called a
3 local school district when it comes to
4 having businesses pay their taxes. Instead
5 of having a community being able to afford
6 only a limited education because it has too
7 few businesses in that community, there
8 needs to be some sharing. Why should there
9 be a district like Half Hollow Hills, Dix
10 Hills, which has extraordinary revenue from
11 businesses in the Melville area, whereas
12 its next door neighbor, Wyndanch, has very
13 limited amount of businesses and therefore
14 business tax contributing to that district.
15 So I would hope that while you are
16 examining expenditures, you take into

17 account the difficulty those poorer
18 districts have in measuring up.

19 We can all understand why these poor
20 minority districts came about. Let's face
21 it, a lot of white people didn't want to
22 live near minorities and so assessors and
23 real estate brokers created those districts
24 much to our overall social disadvantage, I
25 believe. So -- and I submitted to the

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2 Revenue Commission 16 proposals. And some
3 of you -- I noticed the deck chairs have
4 changed a little bit; some of you are
5 back -- but nonetheless, I'd like you to
6 make a copy of this and share it with the
7 members of the commission.

8 One of the recommendations I made was

9 to change the way in which the state aid is
10 funded instead of apportioning it
11 haphazardly in big lump sums at the wrong
12 time of the year, that we get the State
13 Taxation and Finance Committee to organize
14 the spending for -- evenly for ten months
15 out of the school year, taking into account
16 that there is summer school and other --
17 sometimes there's a variance. But they
18 will enable to school districts to have the
19 money on a timely basis, rather than have
20 to look or wait for it, and have to bond,
21 and then have to pay interest on the
22 bonding because they didn't receive the
23 revenue on time.

24 Thank you very much.

25 LEG. D'AMARO: Thank you.

2 Okay, the last card, once again that I
3 have, is Rich Cornelius (phonetic).

4 MR. CORNELIUS (PHONETIC): Good
5 evening. I come here as a citizen on
6 behalf of myself. I was a junior high
7 school teacher in Brooklyn quite a few
8 years ago. I served on my local school
9 board for five years, including three years
10 as president, and I am also a reading tutor
11 with 40 hours of Orton-Gillingham training,
12 and I'd like to backup what some people
13 have already mentioned.

14 One of the -- I'm not the guy to go to
15 about contracts and cooperative buying and
16 all that. I think those are all important
17 ideas, but there's something we can do in
18 the schools right now within the existing
19 framework however you want to pay for it.

20 As Charlie Richardson mentioned, one of
21 the soaring costs that has been inflicted

22 on the taxpayer over the last 30 or
23 40 years are the costs of children labeled
24 ADD and ADHD. Many of these are caused,
25 it's been in my experience both on the

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2 board and as a tutor, you take a kid,
3 miseducate him about how to read, he
4 quickly loses interest in school, either
5 acts out or turns inward on himself. It's
6 a very painful thing to watch. It's
7 also -- as Charlie will tell you himself,
8 or anybody else here who has tutored -- a
9 very difficult thing to unlearn lessons
10 that have been badly learned. And it's not
11 the teachers' faults. I am not here to
12 blame teachers. They work very hard. Most
13 of them are totally dedicated and want to

14 do the right thing by the kid. But right
15 now you are spending a fortune sending your
16 teachers to colleges. Then they come out
17 and learn the latest fad -- I think the
18 latest one right now is Lucy Caulkin. You
19 spend a fortune to go to the lady from NYU,
20 and her program is not only unproven, it's
21 been, in my experience, totally disproven.
22 It is whole-word learning all over again.
23 You retrain your teachers in that system at
24 major expense. Then when it fails, you
25 must go out and hire these special ed

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teachers. So your child ends up in a 3:1

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program, a 5:1 program, 7:1, 11:1, there's

4

a myriad of systems.

5

All this could be avoided, and not only

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would you save a lot of money, but on an

7 emotional level, you watch a kid who learns
8 how to read when he hasn't been successful
9 previously, he feels better about himself.
10 He doesn't push a book away from him. I've
11 seen kids literally just shove them on the
12 floor when I start with them because they
13 are so frustrated. You put that kid in
14 school, he's going to either act out; he's
15 going to withdraw within himself. And I
16 keep saying "he" because my observation is
17 this happens more frequently with boys than
18 girls.

19 This is a major problem which would
20 save you major money if it were corrected.
21 I don't know who you have to urge to change
22 the way teachers are trained. I was
23 stunned when I got on the school board and
24 found out that K-6 elementary school
25 teachers in state teachers colleges are not

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required to take any content-based courses; that is math, science, language, history, literature, philosophy. They take methodology, sociology, pop-psychology kinds of courses, steering and behavior modification stuff. A lot of theory, a lot of methodology, not enough content. Harold Bloom writes lots of books about this stuff. He has a whole series of books for children at various ages, which I highly recommend.

My second proposal would be, given the fact that there's been a lot of great suggestions here, about how to run your school district, how to save money, how to be more efficient. It takes changes -- because you have a monopoly system, where

19 the teachers' union basically is dictating
20 policy, if not up front then behind the
21 scenes, it's very difficult to make these
22 changes because they have to effect
23 everyone. I believe that vouchers are the
24 answer. Give the parent the money. If the
25 parent wants to go to a bare-bones school

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2 where they study Latin and Greek and poetry
3 and math and nothing else, let them. If
4 they want to go to a school which
5 emphasizes more of the amenities which
6 we've all gotten used to out here on Long
7 Island, let them. Let them take that
8 voucher. Maybe on Long Island it has to be
9 \$15,000 per parent, per student. Overall,
10 you'd probably be right on target with that
11 when you find out what you're spending now.

12 The costs might be higher. I know my
13 district was \$15,000 when I left it in the
14 late '90s.

15 I think these are changes that can be
16 made without tinkering with all these
17 little items, a little here on your bus
18 contract. These are structural things,
19 which will not only effect your bottom
20 line, but I believe in terms of quality, it
21 will dramatically effect the lives of the
22 teacher. Their lives are going to be a lot
23 easier if these kids are reading
24 successfully and enjoying their school
25 life. And you will save a lot of money and

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you will give the parents the kind of

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choice they want in most areas of life here

4 in the United States. Thank you.

5 LEG. D'AMARO: Thank you.

6 Okay, that's all the cards I have this
7 evening. Is there anyone else here who
8 would like to address the commission at
9 this time?

10 (No response.)

11 LEG. D'AMARO: If not, then that
12 concludes the public portion, and I once
13 again, I thank everybody for taking time
14 out of what I know is your very busy day to
15 come down here to give us your ideas,
16 address this commission. I believe it's
17 very important work that we're doing here,
18 and I'm sure the commission members feel
19 the same, and I know that you do. So
20 again, we thank you for your time. Have a
21 good evening.

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23 (Whereupon, the hearing closed at

24

8:30 p.m.)

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C E R T I F I C A T E

3

4 STATE OF NEW YORK)

:ss

5 COUNTY OF SUFFOLK)

6

7 I, LORI ANNE CURTIS, a Notary Public within and

for

8 the State of New York, do hereby certify:

9 That the testimony hereinbefore set forth is a

true

10 record of same.

11 I further certify that I am not related to any of

12 the parties to this action by blood or marriage; and

13 that I am in no way interested in the outcome of this

14 matter.

15 IN WITNESS WHEREOF, I have hereunto set my hand

16 this 12th day of October, 2006.

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LORI ANNE CURTIS

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