

July 16, 2009

To Another Voice:

It was interesting to read in the editorial "Keep the Control Board" that the Buffalo News believes that the Control Board should be kept in place to keep an eye on the finances of the City School District.

The editorial argues that if the Board's responsibilities could be bifurcated into City and School District, the City portion could be abolished or softened. The reason for this, according to the editorial, is that the City is in much better fiscal shape than the School District. It reasons such because the "city has built reserves and would be able to weather any state aid reduction this year."

One should say the same about the fiscal health of the School District.

Prior to the imposition of the Control Board, the City School District began the 2001-02 fiscal year with a \$27,347 Unreserved Unappropriated Fund Balance. The District began the 2008-09 fiscal year with an Unreserved Unappropriated Fund Balance of over \$68 million. The \$68 million represents an almost \$26 million increase over the \$42 million with which the District started 2007-08. That \$42 million was a dramatic increase over the \$16 million the prior year. These numbers suggest that the School District has made dramatic annual progress and has built a significant unreserved fund balance.

For the 2000-01 fiscal year, the District reported collecting \$6.5 million more in revenue than it expended. For fiscal year 2007-08, the District reported collecting almost \$51 million more in revenue than it expended. Clearly the District has developed the capacity to keep spending well within available revenues. This represents dramatic progress.

In addition to the \$68 million Unreserved Unappropriated Fund Balance, the District reported starting the 2008-09 fiscal year with a Reserved Fund Balance of over \$25 million.

---

The District's fiscal health has improved dramatically as a result of controlling spending and building reserves.

We note that the District has set aside funds to cover costs if (and when) the unions prevail in our lawsuits against it.

Most importantly, and usually omitted by the News and others, is the fact that should the City and covered entities, in the Control Board's judgment, become financially challenged the Control Board can move from its "advisory" status to its "control" status. The control Board is in place until June 30, 2037.

It will still have a very strong voice until 2037 whether it's in "advisory" status or "control" status.

Why wasn't the above included in your editorial? Let me guess.

Sincerely,

Philip Rumore  
President  
BUFFALO TEACHERS FEDERATION

# The Buffalo News : Opinion

Thursday, July 16, 2009

Make us your homepage!

---

Home > Opinion > Buffalo News Editorials

## Keep the control board

### City Hall has managed finances well, but school district outlook is clouded

July 16, 2009, 6:58 AM / 4 comments

Story tools:

Share this story:



SHARE

City Hall's financial management has earned the consideration now advancing in Albany to relieving it of the supervision of a "hard" control board—but that's still a step too far, largely for reasons beyond the control of the mayor and his administration.

Buffalo's control board legislation established one board to oversee both city finances and the finances of the city School Board. School finances aren't ready yet. Unless Albany somehow splits the board's oversight role, Gov. David A. Paterson should reject this attempt and let the "hard" control board continue at least until next June 30, the scheduled end of the fiscal year in which consecutive balanced budgets would trigger reversion to "soft" advisory mode.

Paterson last year vetoed a similar attempt by lawmakers to place the Buffalo Fiscal Stability Authority into advisory status. This year's legislation would stipulate that the wage freeze imposed by the control board for 38 months cannot be seen as "extraordinary assistance," easing the path to that transition.

Mayor Byron W. Brown and the head of the Buffalo police union support that effort, but fail to mention that there are still two unsettled contracts—police and fire—out there. Buffalo Police Benevolent Association President Robert

P. Meegan Jr. argues that the existence of a control board has hampered negotiations.

How much a factor the control board has been, other than to insist on concessions from the unions in return for any contract gains, is debatable. That insistence was a needed tool in a city that, with few exceptions prior to the control board, did not have a history of negotiating ultimately affordable contracts.

Weakening the control board also would ignore continuing problems in a significant piece of its oversight, the school district. While the city is in much better fiscal shape, the school district still has a way to go.

The city has built reserves and would be able to weather any state aid reduction this year, but the school district—trying to work within the state school aid system established and run by Albany—would not be able to weather any deep cut this year. Roughly 82 percent of the district's expenditures are mandated, and there can only be so many deep cuts to music and recreation.

The city has worked hard to build up a significant reserve and has come a long way in its fiscal management, but still faces other factors from the police and fire contract to a possible investigation by law enforcement into the city's administration of HUD funds. Despite that, the city has done a good job of fiscal management and deserves some consideration of easing its control-board oversight. Given the school district's financial uncertainties, though, the "hard" control board should run its course.