

Why are you telling us now? Why didn't you share this information earlier?

Before we could responsibly inform the community, we needed to know the amount of the total penalty, the amount of each payment(s) and over what time period the payments would be made.

With the March 31st approval of the 2018-2019 New York State Budget, we were provided with two important pieces of information: the amount of the penalty, and the date our first payment will be due?

While we continue to seek penalty relief, we now have enough facts to share.

How does this affect the upcoming school budget vote?

This situation has no impact on the 2018-19 budget.

Any penalty payments will be paid out of the District's fund balance, which is projected to be \$5.4 million as of June 30, 2018.

Is there is a chance the \$19.4 million penalty will be reduced in the future?

That is our hope and what we are working toward. So far, we have successfully reduced the penalty from \$50.8 million in December of 2015 to \$29.9 million in May of 2017 and now to \$19.4 million as of March 2018. We will continue to seek additional penalty relief.

However, we expect that a penalty payment will be due this June and wanted the community members to be fully informed of the situation.

How is the District going to pay for this?

In the short term, the District will use its \$5.4 million fund balance to cover penalty payments and will continue to seek additional penalty relief.

We have explained to NYS that our resources are insufficient to make the full penalty payment.

What happens when the District's Fund Balance runs out?

Again, it is our hope that the state will provide further penalty relief due to the District's limited resources.

Will this cause the District to institute layoffs or reduce programs?

If the District does not get meaningful relief from the penalty, layoffs and program reductions will likely be required.

Was this your 'fault'?

Yes, the District's administrative procedures for the past 20 years have been inadequate and did not insure that Final Cost Reports would be filed on time.

While we are deeply disappointed by this, the penalty imposed by NYS is inappropriately severe and disproportional to the administrative compliance issues that occurred regarding these old projects. Withholding aid now is nothing less than punitive and will cause irreparable harm. The District will do everything it can to protect students.

It is important to note, all projects were completed within specification and budget. Further, the state has already provided for the aid associated with these projects. The late filing of these reports did not cause the state any financial harm and penalty forgiveness does not cost the state or its taxpayers anything.

Who's 'fault' was this?

There is a lot of blame to go around. Many people share the responsibility for this situation including past District leadership, auditors and staff.

However at this time it is the responsibility of current leadership to correct the situation.

Was anyone punished or fired?

While the district cannot discuss personnel and related disciplinary matters, no staff were terminated. This situation was due to a lack of management oversight and poor procedures that existed for over 20 years.

Current leadership has been working for several years to quantify the penalty and negotiate relief.

Wasn't there an Amnesty program in 2012 and did the District participate?

Yes, there was a program that ran from July 1, 2012 to December 31, 2012. The District participated in this program and submitted all Final Cost Reports that could be submitted under this program. Unfortunately, some of the open projects were subjects of litigation and certificates of substantial completion were not available. The good news about these projects was that the district prevailed in the litigation and upon settlement was able to submit the Final Cost Reports and have them considered on time without penalty.