

Ways to Reduce Costs and Improve Effectiveness
Main Bullet Points to Report to the
NY Education Reform Commission
October 11, 2012

1. My name is John Stype and I am a third generation resident of Cutchogue, New York. Eastern Long Island. I live there with my wife and we raised two daughters there. I have been an Independent Insurance Agent for 37 years and I am a senior partner.
2. My school district mails out the budget every year. It does not tell you whether they were over or under budget by line item from the prior year. How was the reserve fund affected last year? Schools never give you a profit and loss or balance sheet. I had to go deep into the schools web site to find an audit report which was 68 pages long. You have to be a CPA to understand it.
3. Measuring one school to another by using the cost per student, size of budget or the tax rate is not a true picture of how efficiently your district is being run.
4. In the insurance industry and most other industries, there is an accounting business standard called Best Practices. I am asking for all school districts to accept a NYSEBPAS or New York State Education Best Practices Accounting Standard. This would give a school district and residents the ability to compare their district with other districts with similar demographics. They would compare profit & loss and balance sheets by line item.
5. I have given you exhibits of what the insurance industry uses.
6. The benefit of a school district running more efficiently means they do not have to go to the State or their residents for more money.
7. I have been to many BOCES legislative breakfast's at Longwood High School. Senator Flanagan has also been to these breakfast's. The one common theme that I hear is that schools just need more money. They say they can not cut any more. Schools can not get a true measurement if they only measure against themselves. How do I grade myself as a business owner or as a Superintendent if there is no industry standards to compare with?

8. So where do you start? This Committee, the NYS Education Dept, Senate and Assembly Education committees and the Governor have to be behind the NYSEBPAS. Once the accounting standards and categories are set, it can be made into a fillable EXCEL form for the schools to fill out. The State Education Department would issue a state wide/regional report. This report would be made public. Schools and its residents would then be able to compare their district to other school districts by those financial standards.
9. By being TRANSPARENT, the public will KNOW that what is being spent is being spent efficiently.
10. In my district, payroll is 75 % of the total \$38,000,000 school budget. Payroll is one large item that has to be looked at on its own, but what about the other 25%. That is approximately \$9,500,000 that the public doesn't think about. The public only looks at and complains about teacher salaries.
11. Newsday ran an article on August 21st about the surprises in teacher evaluations. The surprise is that there is another way of looking at things. We should look at the handling of school budgets in another way also.
12. William Floyd School District made a decision about their Career & Technical Education program. It will save over \$500,000 a year, which is half their cost. What other line items can be looked at for savings?
13. I appreciate the committee giving me the opportunity to speak today. I am asking that before schools increase taxes, prove to the public that what they budget for expenses is being spent efficiently.
14. If you have any questions, I would be happy to discuss them with you. Thank you for your time.