

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF NEW YORK

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THE ONEIDA INDIAN NATION,

**AFFIDAVIT**

Plaintiff,

-vs-

00-CV-506 (DNH/GJD)

MADISON COUNTY, NEW YORK,

Defendant.

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**Randy C. Richards**, being duly sworn deposes and states as follows:

1. I am the Superintendent of Schools for the Stockbridge Valley Central School District (hereinafter referred to as "SVCSD"). I have been Superintendent since July 1, 2003 and submit this affidavit in opposition to the Oneida Indian Nation's (hereinafter referred to as "OIN") request for preliminary injunction.

2. I submit this Affidavit to apprise you of how the lost tax revenue from the OIN has adversely affected not only the financial status of the SVCSD, but also the emotional wellness of the community and has ultimately damaged the students of the SVCSD. As noted below, much of the distress felt by the District was caused by the unilateral removal of the promised Silver Covenant "Grant" by the OIN in 2003 which has greatly affected our school community and continues to

threaten the very existence of the District itself, as this deplorable situation, in the affiant's opinion, has caused, or contributed to, the defeat of two District school budgets in successive years.

3. First, please realize that SVCSD is one of the poorest school Districts in this area. Forty-three percent (43%) of our students are eligible for free or reduced lunches. The State of New York provides 72% of our school funding with the remaining raised locally through taxes. At the time of the removal of the Silver Covenant, a one percent (1% ) raise in the local tax rate only generated \$15,000 of additional revenue. Thus, the loss of the \$120,000 worth of revenue pledged in the Silver Covenant Grant required, as an offset, a direct levy increase of 8%. In the development of the 2005-06 budget, 1% on the levy generates \$18,000. This indicates how poor the District is and illustrates clearly how even small amounts of lost revenue can affect this District.

4. Since 1996, the OIN has promised, via a Silver Covenant Chain of Friendship Grant, to pay monies to local school districts (including SVCSD) in lieu of lost property tax revenues from lands that the OIN has purchased. In the SVCSD that amounts to 25% of the real property in the District. That promise made to the SVCSD, which the OIN ultimately reneged on, deprived the District of \$150,000 of planned revenue in the 2004-05 school year. I arrive at the \$150,000 figure, as the OIN did not remit to the District their final quarterly payment of \$30,000 at the end of the 2002-03 school year plus the promised \$120,000 for the 2003-04 school year.

5. As a result, halfway through the 2004-05 school year, the District found itself in financial crisis. The Silver Covenant revenue had been counted as revenue in the school budget and when removed, forced the District to examine its expenditures. Based on a recommendation by Mrs. Beth Lamb, the District's Business Administrator, I recommended to the SVCSD Board of Education (hereinafter referred to as "BOE") in January of 2004 that they immediately move to

reduce the budget by \$60,000 and eliminate the spring sports season, school musical, summer school, and extracurricular activities from our budget. The community obviously was stunned and, out of anger and frustration, attacked both the Superintendent and BOE in several public meetings. As the community rallied and held a series of fundraisers (raising \$25,000 of the needed \$60,000) former New York State Senator Nancy Lorraine Hoffman also temporarily saved the District by making us whole with a \$50,000 special legislative grant.

6. While that saved the spring sports season, it did not provide SVCSID with relief as the 2004-05 school budget was being developed because the Silver Covenant Grant could not be counted as revenue. In effect, the District lost another \$120,000, bringing the total amount to \$270,000 for the two-year period. The only way to cover this loss was to cut, to the detriment of our students, monies from the budget. Programmatically, this meant the elimination of 2.4 instructional positions and 1.0 non-instructional position as well as other materials and supplies.

7. On May 18, 2004 a \$ 7,622,039 proposed budget with a projected 28% increase on the tax levy was presented to the voters and defeated. A second budget of \$7,383,071 plus \$21,553 plus \$160,871 totaling \$7,565,495, with a 24% increase on the tax levy and containing several propositions was presented to and passed by the voters on June 24, 2004. In late August of 2004, after the District's Full Value Assessments were received, it was determined that the actual increase in the levy was 22.5%. Still, the amount is grossly out of proportion when compared to other local school Districts.

8. A year later, the District still continues to struggle with the passage of the school budget. During the development of the 2005-06 budget, we started with an estimated 48% increase on the tax levy. This was required in most part due to lost tax revenue coupled with increases in

fixed costs such as health care and employee retirement systems. The BOE and administration worked diligently and slashed programs and services to develop a \$7,879,478 budget, with a projected 4.15% increase in expenditures, which was below the contingent level, allowed by law. Unfortunately, it also still carried a 16.76% tax levy increase, which voters resoundingly defeated. Voters also defeated a proposition for a purchase of two needed school buses on May 17, 2005. Until this vote, such a defeat of a proposition had never occurred at SVCSD.

9. The BOE and administration have since gone back to work, and reduced the budget by another \$67,671 by eliminating approximately 50% of services in our phone system, one unit of off-campus physical education (activity fee and transportation), debt service from buses, and summer school and drivers education, in order to bring to the voters a core budget of \$7,811,807 with a 13.08% increase in the tax levy. If voters approve the core budget, then separate propositions for summer school and driver's education, one 30-passenger bus and one 65-passenger bus may also be considered. If all propositions were passed, the final increase on the tax levy would be 15.94%.

10. To recap the financial hardship and continuous uncertainty encountered by the removal of the OIN Silver Covenant over the last two years, SVCSD students have lost:

- Instructional Staff in early to mid-career left the District to seek employment elsewhere.
- One English Position was eliminated.
- One Bus Driver Position was eliminated.
- Technology purchases eliminated
- Classroom supplies & materials were Reduced.
- No buses purchased in 2004-05 \$75,000 planned use of Reserves for 2004-05.
- Summer Staff Maintenance Help were reduced.
- Classroom furniture replacements were reduced.
- General Fund Expenditures for Curriculum Development and Staff Development reduced and shifted to rely on temporary grants.
- Maintenance Equipment eliminated.
- Athletic Coaching salaries were eliminated in Bowling, J.V. Golf and Boys J.V. Soccer.
- \$20,000 planned use of Reserves for 2005-06

11. To make matters worse, New York State continues to count the previously referenced "tax-exempt" land as part of the District's Combined Wealth Ration (CWR), making the District appear wealthier, at least on paper, than it actually is in actuality. This is an obvious detriment in terms of school funding and our eligibility for additional aid, special grants or funding, again, leaving local taxpayers to suffer the burden.

12. Underlying all this financial misery and emotional hardship, which has been imposed on SVCSD, is the question why? How did the District "lose" the OIN Silver Covenant?

13. Why did the OIN remove it? One would think that it must have been something terribly grave. Alas, this was not the case, as SVCSD was subjected to what the affiant believes is the wrath of the OIN when, in the late fall of 2003, a representative of the OIN contacted SVCSD and advised that the District would not receive the Silver Covenant unless a Teaching Assistant in the District's Title VII Program was fired.

14. The Title VII Program is federally funded and SVCSD uses the funds to provide mentoring and tutorial services to our Native Students, which comprise 10% of our student population. The OIN representative claimed that he had received several complaints regarding the performance of the Title VII mentor and arbitrarily demanding that she be fired, although the District had not received any direct complaints. Failure to do so, we were further informed, would mean the removal of the \$120,000 Silver Covenant Grant. In fact, the OIN had already withheld the final quarter payment of \$30,000 from the 2002-03 school year.

15. The OIN was obviously not concerned with labor law, education law, or due process regarding the employee rights of the program mentor, concerns that the District felt needed to be addressed.

16. The OIN had been posturing and threatening to remove the Silver Covenant Grant for at least three years and informed former Superintendents Mr. Paul Savage and his successor, interim Superintendent Dr. Jerome Melvin of their concerns regarding the teacher assistant's alleged actions. In both cases, representatives of the OIN requested that SVCSD terminate Mrs. Antone-Watson and that the District not apply for the Title VII grant. Both former superintendents assured me during my conversations with them that they investigated the OINs complaints, found them to be unfounded and reported their findings to the OIN.

17. I inherited the issue when I assumed the superintendency of SVCSD on July 1, 2003 when former interim Superintendent, Dr. Jerome Melvin was unable, and rightfully so, to bring closure to this issue. The nature of the dispute was explained to me when Dr. Melvin briefed me on the nature of an ongoing dispute with the nation and also shared with me conversations that he had during two meetings in the spring of 2003 with representatives from the nation. At that time these two representatives, Ms. Dianc Sterling and Mr. Chuck Fournier, again demanded that the District not apply for Title VII funds and wanted the program mentor terminated. Dr. Melvin advised me that he assured them that he had investigated their claims, determined them to be unfounded and also explained that he had both educational law and labor law to follow, as well as due process obligations to the tenured employee. To be sure, this did not please Mr. Fournier, who lost his cool, and slammed his hand on a table, promising that there would be "dire circumstances" - we now know what he meant.

18. Instead, I believe the issues were not so much with our Title VII Program but are more personal and political in nature. I believe that for some reason, Mr. Ray Halbritter disliked the Title VII Teaching Program mentor and sought to strike and retaliate at her through the SVCSD,

thus causing the District extreme financial and emotional hardship.

19. When the original demand was made to me by the OIN, I offered multiple times to sit and discuss the matter with OIN representatives, hear their complaints, and attempt to work with them. Instead, they refused to meet and ignored all attempts of communication with them. To be candid, I believe Mr. Halbritter's attempted to rationalize his actions by misconceptions, mistruths, and doublespeak. He demonstrates a lack of understanding and total disregard for the Title VII Program, the students and staff of SVCSD, our taxpayers, and public education in general, not to mention the various law, policies, and procedures that we, in education, must follow.

20. Regarding the complaint process itself. All of the alleged complaints are reported to have been made to the nation by the parents themselves. This is simply not the protocol, which should be followed. Again, SVCSD is responsible for the Title VII Program, which we apply for annually and have been awarded through the U.S. Department of Education – Indian Education Programs. Not the OIN. Further, SVCSD has policies and procedures to handle complaints and does not take complaints of this nature lightly. According to SVCSD BOE policy, complaints of discrimination will be investigated. Although there was plenty of opportunity to bring concerns forward, neither Mr. Halbritter nor any of his representatives have even contacted me to discuss their concerns or file a complaint. Instead, they are living on past history and unhappy with the answers they have gotten chose to throw stones and make accusations without using the proper process, nor providing me with the courtesy of a face to face conversation.

21. In response, the District hired Dr. Lori Quigley, a nationally known expert on Indian Education to evaluate the Title VII Program in 2003, and although she had concerns with program implementation (which have since been corrected), she found no fault with the program mentor.

22. Through all of this, the OIN has continually distorted the facts of the situation and deflected responsibility while defending the OIN's renegeing on a promise and has instead tried to rationalize their actions by focusing on a federally funded Title VII program of which the OIN has no say over.

23. However, great the financial costs, there has also been great emotional cost and significant duress to the community and our students during this whole ordeal. Two school budgets have been defeated as the community has lost confidence in the District's ability to promote a responsible spending plan. A once close knit community has been both confused and angered by the unfairness caused by the OIN while District residents are left to wonder, "will we even have our own school in the future?", as lack of revenue eventually force a merger with another school district.

24. The SVCSD BOE has taken the bulk of the criticism from the public and it has placed a great amount of stress on a group of volunteers who have done everything they can to seek a solution, appealing to county and state officials and not getting any relief, continue to suffer from the stress related to this issue. When leadership continually has to focus on financial solvency, it cannot attend to the larger issues of instruction and curriculum. In short, learning suffers and students suffer.

25. The court needs to understand the unilateral actions regarding the Silver Covenant have had real significance to the people of Stockbridge Valley. Again, it is only Mr. Halbritter who alleges misconduct by Mrs. Antone-Watson. Our District, under the leadership of two different Superintendents found no apparent wrongdoing, commissioned a Title VII evaluation, and is continuously improving the program. Apparently, this is not good enough for Mr. Halbritter, who for some reason, is insistent that Ms. Antone-Watson has committed some type of misconduct. As

far as the charge that his actions are politically motivated, it is hard not to think otherwise when it is a matter of public record that he is the subject of a lawsuit brought by Mrs. Antone-Watson and others.

26. In summary, the OIN's actions have caused great financial and emotional pain to the SVCSD. Mr. Halbritter's actions reek of retribution and malice towards Mrs. Antone-Watson and he attempted to use the SVCSD to strike at her.

27. To be fair, I do not believe that any other District has had to deal with the types of demands placed on them by the OIN nor has continued to suffer so greatly because of it. The SVCSD has fought the good fight for two years and we need help and ultimately a resolution to this travesty.

28. On behalf of the children of SVCSD, I would respectfully request this Court to deny the OIN request for preliminary injunction and order the OIN to pay its fair share of the property taxes so the School District can provide our students with the quality educational experience.

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/s/  
Randy C. Richards

Subscribed and sworn to before me  
this 21 day of June, 2005.

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/s/  
Notary Public

**SANDRA S. WAGNER**  
Notary Public, State of New York  
No. 01WA0114002  
Qualified in Madison County  
My Commission Expires 08/23/2008