



Cold Spring Harbor Central School District
The Francis Roberts Community Center
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August 8, 2023

Dear Community Members,

If you were unable to attend the August 7, 2023, Board of Education meeting where the Child Victims Act litigation settlement agreements were discussed and approved, the following statement was read.

Statement for the Community- August 7, 2023

Tonight, we want to update you on developments since the last board meeting concerning the two lawsuits brought by two former students against the district regarding allegations of sexual abuse some 40 years ago by two former, now deceased teachers. We sympathize with these former students and acknowledge the gravity of the allegations.

As a point of reference, in August of 2020, New York State enacted the Child Victims Act to permit those claiming to have been victims of childhood sexual abuse to bring lawsuits against the alleged perpetrators and the institutions that employed them, regardless of how long ago the abuse was alleged to have occurred. Prior to that time, any such claims were time barred under the statute of limitations. Then-Governor, Andrew Cuomo, signed the legislation extending the time limit for filing such lawsuits to August 14, 2021. This reopening and extension of the statute of limitations explains the timing of the claims brought against the Cold Spring Harbor School District based on actions alleged to have occurred decades ago.

Following multiple sessions before an impartial mediator, the Board has approved settlements with each of the two former students who sued regarding alleged conduct that happened decades ago. The settlements call for an \$8 million payment to one former student and \$6 million payment to the other former student. There is no question that the sums are significant for the district. However, we strove to minimize the payments through negotiations over an extended period of time and by retaining expert legal teams with experience in CVA litigation and sexual abuse. Everyone from the district's side recognized the seriousness of the allegations and the significant inherent financial risks to the district should either or both cases have gone to trial in what would have been before two separate juries in two separate trials.

The Board's goal is to pay the settlements in a manner which preserves the robust academic offerings to our students and has the least financial impact to the community. This includes vigorously litigating with the insurance carriers and advocating for state assistance. While the litigation with the carriers has not yet been settled, we will continue our efforts to fight as aggressively as possible.

In the next 60 days, we are obligated to pay a total of \$4.5 million to the two plaintiffs. Due to prudent fiscal planning, we will be able to make these initial payments utilizing the district's unassigned fund balance. One of the purposes of this account is for emergency expenditures. In anticipation of eventual settlement of these two matters, we were able to save this money over this past school year. Additionally, in the 2020-2021 school year, the board also established a liability reserve which we anticipate will have \$2.3 million at the time that the initial payments are to be made.

We will need to secure funding for the remaining \$7.2 million. After consultation with our auditors and legal teams including bond counsel, we have determined, the district will need to finance the remaining amount. We intend to ensure that the amount financed has the least impact to our current students and the community. We are evaluating the options that would potentially allow the district to pay off the financed amount expeditiously. One course of action may include the district liquidating one of the two capital reserve funds to pay off the debt; however, the community would need to vote favorably to liquidate a capital reserve. That would leave the district with approximately \$5 million remaining in the other capital reserve account for future projects. Please note, none of these reserve accounts affect the capital projects outlined in our bond referendum voted on by the community in 2019. In the upcoming weeks, we will be providing you with more information on our plan.

As part of the settlements, all parties have signed confidentiality and non-disparagement agreements. These agreements prevent us from providing information concerning settlement terms or commentary beyond what I have told you tonight. It is simply part of putting an end to these troubling allegations. Please note, there also are strict legal guidelines on revealing private information about alleged sexual abuse, to protect the victims in these alleged incidents.

Finally, let me say that while we have taken every step possible to protect the district's interests and those of our students and community in defending and resolving these legal claims, we take the allegations very seriously. Once again, I assure you the Board of Education considered the potential exposure very carefully and concluded it was the most prudent course of action based on the advice. Rest assured, we have policies and procedures in place designed to prevent any such occurrences in the future. Our teachers and administrators undergo training and will continue to do so. We are also expanding upon our current student training and our anonymous reporting systems.

I personally want to thank the Board of Education members who served from 2020 to the present. These lawsuits and the allegations have weighed heavily on them. They have had to spend countless hours meeting with numerous law firms and consulting with counsel to make decisions in the best interest of all those involved.

We appreciate the legal advice we have received from the law firms including the law firm that is currently aggressively litigating the district's claims for compensation from the four known insurance carriers who provided coverage during the time periods when these alleged incidents are said to have occurred.

We hope that this resolution will allow for closure and healing and will allow us to move forward so that we can focus our energies on continuing to provide a world class education to our children.

Sincerely,

Jill M. Gierasch
Superintendent of Schools

