



**2020-21**  
**Superintendent's Recommended**  
**Budget**

**May 19, 2020**

**Schodack CSD Leadership Team**



## Review of Superintendent's Recommended Budget

### Revenue

- Wave 1 - First “Measurement Period” - April 1 to April 30
  - ◆ **Did not happen** - Governor Cuomo 5/15/20 - Federal stimulus money expected to fill current state deficit
  - ◆ If federal money does not come in, state cuts projected for later May

### Expenses

- Unchanged from last draft



## Current Status of the 2020-21 Budget

	<b>Rollover</b>	<b>Draft 1</b>	<b>Draft 2</b>	<b>Draft 3</b>	<b>Supt Final</b>
Projected Appropriations	\$(25,972,658)	\$(26,104,353)	\$(26,222,503)	\$(25,988,979)	\$(25,988,979)
Projected Revenues	\$24,586,548	\$24,727,119	\$25,098,895	\$25,138,979	\$25,138,979
Appropriated Fund Balance in 2020-21	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
<b>Difference</b>	\$(536,110)	\$(527,234)	\$(273,608)	<b>\$0</b>	<b>\$0</b>
Remaining Budget Priorities		\$(377,794)	\$(243,748)	\$0	\$0
<b>Gap to be closed</b>		\$(905,208)	\$(517,356)		



## Revenues

	2019-20	2020-21 Proposed Budget	\$ Change	% Change
Tax Levy	\$13,685,079	\$14,044,355	\$359,276	2.63%
State Aid	\$9,237,925	\$9,658,762	\$420,837	4.56%
PILOTS	\$32,248	\$44,748	\$12,500	38.76%
Charges for Services	\$407,595	\$380,772	(\$26,823)	-6.58%
Use of Money and Property	\$357,084	\$379,084	\$22,000	6.16%
Misc. Revenue	\$220,000	\$290,644	\$70,644	32.11%
Federal Aid	\$85,000	\$90,000	\$5,000	5.88%
Interfund Transfer from Debt Service	\$100,000	\$230,000	\$130,000	130.00%
Appropriated Reserve	\$16,527	\$20,614	\$4,087	24.73%
Appropriated Fund Balance	\$900,000	\$850,000	(\$50,000)	-5.56%
<b>Total Revenue</b>	<b>\$25,041,458</b>	<b>\$25,998,979</b>	<b>\$947,521</b>	<b>3.78%</b> <sub>4</sub>

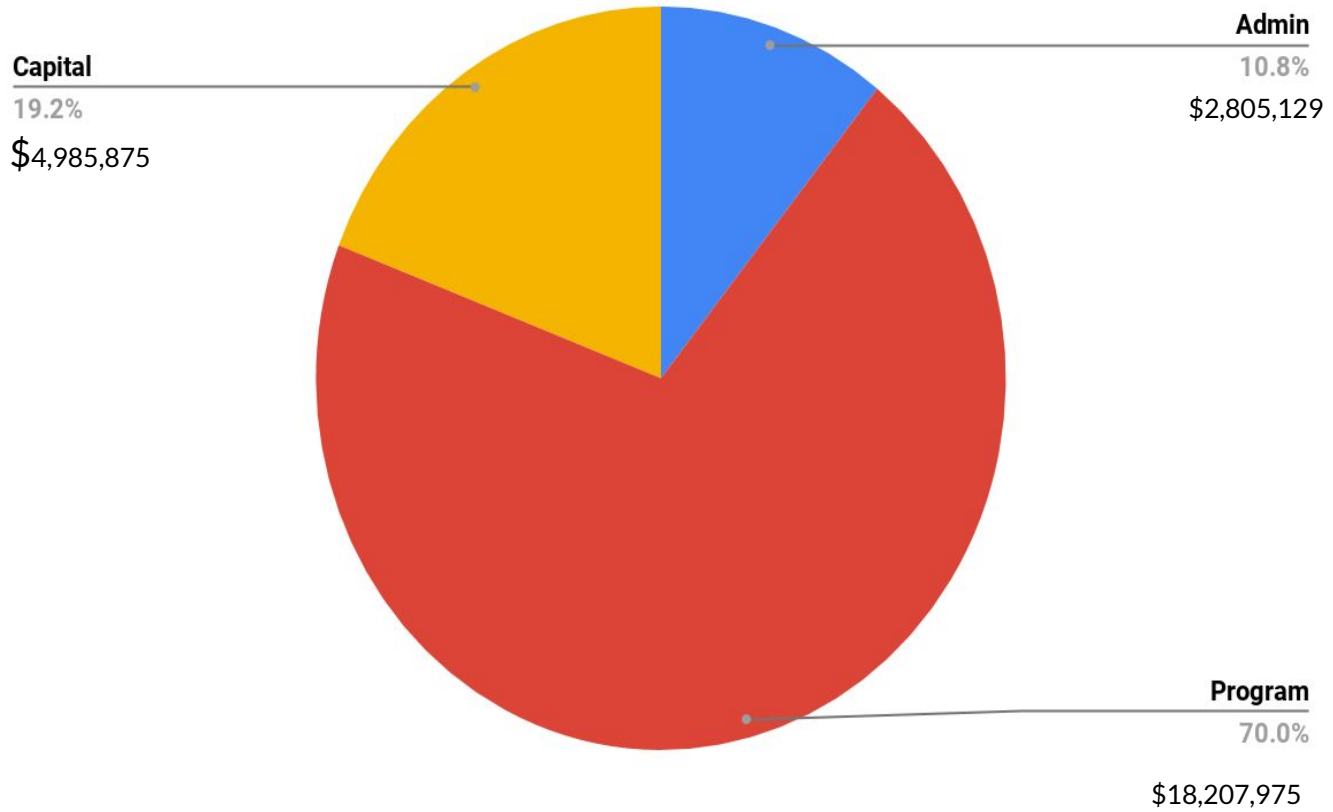


## Appropriations

	2019-20	2020-21 Proposed Budget	\$ Change	% Change
Instruction	\$11,158,825	\$11,672,711	\$ 513,886	4.61%
Athletics	\$262,780	\$260,809	\$(1,971)	-0.75%
Operation and Maint.	\$1,432,923	\$1,468,004	\$35,081	2.45%
Transportation	\$1,245,205	\$1,276,378	\$31,173	2.50%
General Support	\$1,171,452	\$1,209,007	\$37,555	3.21%
Employee Benefits	\$6,907,087	\$6,884,422	\$(22,665)	-0.33%
Debt Service	\$2,731,036	\$3,085,498	\$ 354,462	12.98%
Interfund Transfers	\$132,150	\$132,150	\$-	0.00%
<b>Total Appropriations</b>	<b>\$25,041,458</b>	<b>\$25,998,979</b>	<b>\$947,521</b>	<b>3.78%</b>



## 2020-21 Proposed Three Part Budget

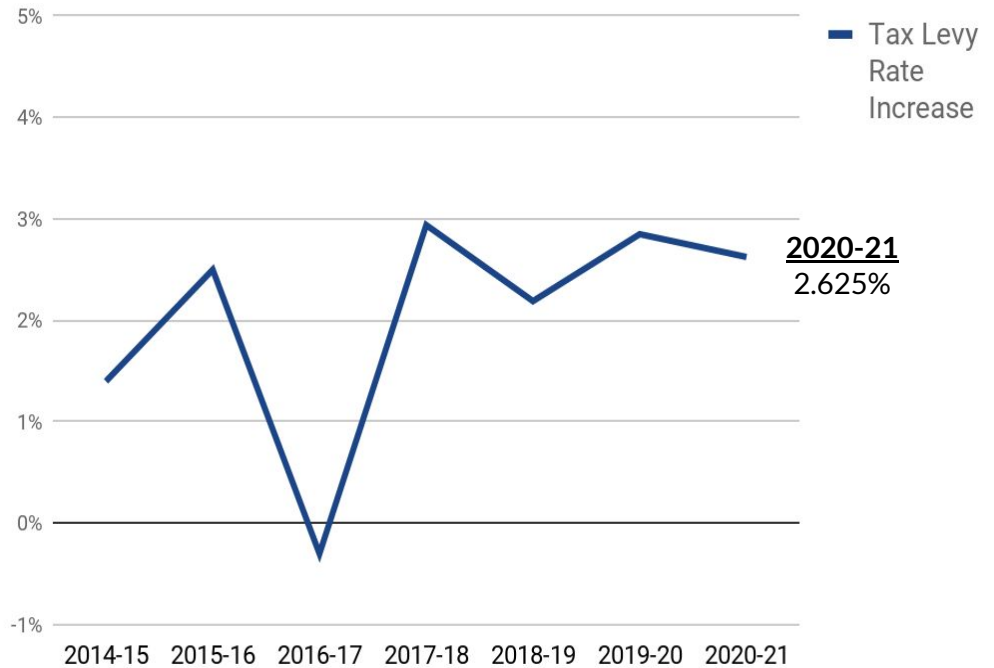




## Historical Tax Levy Rates

<b>2020-21</b>	<b>2.625%</b>
2019-20	2.85%
2018-19	2.19%
2017-18	2.94%
2016-17	(0.30)%
2015-16	2.50%
2014-15	1.40%
<b>7 yr Average</b>	<b>2.03%</b>

Tax Levy Rate Increases





## 2020 - 2021 Transfer to Capital Project

### → CES

- ◆ Library
  - Removing walls that currently restrict student interaction within space
    - New electrical and internet services
  - New carpeting throughout
- ◆ K-1 Classrooms floor tile replacement
- ◆ **Total Cost of Project not to exceed: \$100,000.00**





## **Propositions**

### **#1 2020-21 Budget**

Shall the Board of Education be Authorized to expend \$25,988,979 for the 2020-21 school year, and to levy the necessary taxes therefore?

### **#2 School Bus Purchases**

Shall the proposition authorizing the Board of Education to purchase two school buses at at total combined maximum cost of \$173,000, and providing that the sum of not more than \$173,000 be raised by tax levy to be collected in annual installments, with District obligations to be issued in anticipation thereof, be approved?

### **#3 Use of Capital Reserve**

Shall the Board of Education be authorized to expend \$100,000.00 from the Capital Reserve Fund to finance the replacement of the hot water system at the District Office Building located at 1477 South Schodack Road, Castleton?



## What happens if the budget is defeated?

- If this budget is defeated then the District would be required to go to a contingent budget.
- In a contingent budget, the '20-'21 tax levy would remain at the same level as the '19-'20 school year.
- This would mean that Schodack would lose \$359,275 in tax revenue.
- Other contingency rules would apply:
  - ◆ No purchase of equipment
  - ◆ Fees must be charged and paid upfront
  - ◆ Non-essential maintenance cannot be performed
  - ◆ Capital Outlay project would not be completed

19-20 Levy	\$13,685,079
20-21 Proposed Levy	\$14,044,355
20-21 Levy at Contingency	\$13,685,079
Difference between proposed tax levy and contingency	\$(359,275)



<b>Fund Balance Projections</b>			
As of March 9, 2020	Workers Comp Reserve	\$257,115	
	Unemployment Reserve	\$511,939	
	ERS/TRS Retirement Reserve	\$988,332	
	Employment Benefits Reserve	\$342,352	
	Insurance Reserve	\$457,853	
	Capital Reserve	\$1,000,000	
	<b>Total Restricted Reserves</b>	<b>\$3,557,591</b>	
	Assigned Fund Balance 2019-20 Budget	\$900,000	
	Unassigned Fund Balance 2019-20 Budget	\$954,761	
	<b>Reserves/Fund Balance</b>	<b>\$5,412,352</b>	
Projected in 2020-2021	Use of Capital Reserve in 2020-21 Budget	(\$100,000)	
	Assigned Fund Balance in 2020-21 Budget	(\$850,000)	
	Unassigned Fund Balance 2020-21 Budget	\$1,048,900	
	<b>Projected Reserves/Fund Balance 2020-21</b>	<b>\$5,511,252</b>	



## Board Elections

- Board seats open - three year terms starting July 1, 2020
  - ◆ Charles Peter
  - ◆ Christian Olsen
  - ◆ Open Seat
    - Open Board Seat - term will begin June 9th



## **Important Dates...**

- June 2nd**      Virtual Budget Hearing  
Meet the Candidates' Night
  
- June 9th**      Budget Vote/Board of Education Elections  
(Through Absentee Ballots only)



## Looking to Next Year

- ◆ **Reduction Waves** - Identify reductions of expenses in waves to match reduction in aid
  - **Wave 1** -?
  - **Wave 2** - June 30th - Use unappropriated fund balance (reserves) above the allowable 4% along with 7/1 spending freeze and reductions
  - **Wave 3** - December 31st - Use of available reserves, eliminate CES Capital Project (if budget is passed) and staffing reductions

*Have to be prepared to adjust both revenue projections and expenses as the 2020-2021 year progresses*





## Looking to Next Year

- ◆ Monitor and plan for revenue reductions from the state
  - Mandated versus non-mandated costs throughout the district
  
- ◆ Reserves to be used next year if revenue continues to be reduced
  - Appropriated Fund Balance
  - Unappropriated Fund Balance
  - Specific Reserves
    - ERS
    - TRS
    - Insurance
    - Unemployment
    - Worker's Compensation



## Fund Balance and Reserve Use

- ◆ Used for a rainy day. It's raining today, but may become a storm.
  - 1 time use
    - Once it is used it will not be there unless
      - ◆ Revenues increase
      - ◆ Expenses are decreased
  
- ◆ Multiple year approach as not to create structural deficit that will need further reductions if additional revenues are not realized
  - 2021-2022 - Federal money, State Aid
  - Beyond





## Year-End

- ◆ Carry over Unappropriated Fund Balance above 4% to help fill 6/30 State Aid cuts
- ◆ Add to TRS and ERS Reserves to use against December State Aid cuts
  - 2020-21 liabilities are:
    - TRS - \$808,757
    - ERS - \$438,995
- ◆ Plan for additional State Aid cuts of up to 30% of Foundation Aid
  - How do you plan for the unknown?
    - Use of different tools available to weather the storm
      - ◆ Retirements and staff that leave
        - Hiring freeze - enacted
      - ◆ Reduction in spending
        - Spending freeze - enacted
      - ◆ Use of fund balance and reserves
      - ◆ Reduction of services
      - ◆ Reduction in programs and staff



## Review and Discussion

- ◆ List of immediate reductions
  - Meet anticipated first wave
  
- ◆ List of future reduction for consideration
  
- ◆ What will be allowable as we reopen?
  - What are the cost/savings of these unknowns
  - What are the expenses of these unknowns
  
- ◆ Reopening Taskforce