



APRIL 20, 2020

RESCHEDULED FOR
APRIL 27, 2020

Washingtonville
Central School
District 2020-2021
Financial Update &
Budget Preview



Budget Timeline (Tentative)

April 27	Presentation #1 - Financial Update & Budget Preview
May 11	Presentation #2 - Budget Update
May 19	Presentation #3 - Public Budget Hearing on Proposed Budget
Unknown	Budget Vote



The Perfect Storm



How did we get here?

Historical Budget Practices

- Appropriated Fund Balance to Bridge Budget Gaps
- Unanticipated revenue increased Fund Balance
- Over estimated expenditures increased Fund Balance
- Purchase orders rolled into new year not accurate
- Reduction of 2019-20 roll-over budget to better align projected expenses

Increased Expenditures

- Full Day Kindergarten
- Contract Salary & Benefits
- Technology upgrades
- Police protection
- Increased Special Ed enrollment
- Increased parentally placed/parochial students
- Increased ELL students
- Transportation
- CSI School



Financial Practices

Minimal Revenue Growth

- Not keeping pace with expenditures
- Full Day K aid not permanent
- Tax Levy increases minimal – average 1.9% over 7 years
- State aid flat and foundation aid not fully funded
- Projected aid to be cut

Effect of Those Practices

- Growing budget gap projected for 2020-21
- Actual use of fund balance creates a future funding cliff
- Continued use of Fund Balance & Reserves leads to status as fiscally stressed on the Comptroller's Fiscal Stressed List and ultimately, a deficit

2020-21 Budget Gap Analysis (Preliminary)

EXPENDITURES

2019-20 Budget	\$103,048,857
2020-21 Increase	<u>7,184,268</u>
	\$110,233,125

REVENUES

2019-20 Budget	\$ 103,048,857
Tax Levy (2.1%)	1,258,437
State Aid	5,737
Misc. Revenue	757,103
Appropriated FB	<u>(5,704,242)</u>
	\$ 99,365,892

Total Budget Gap: \$10,867,233

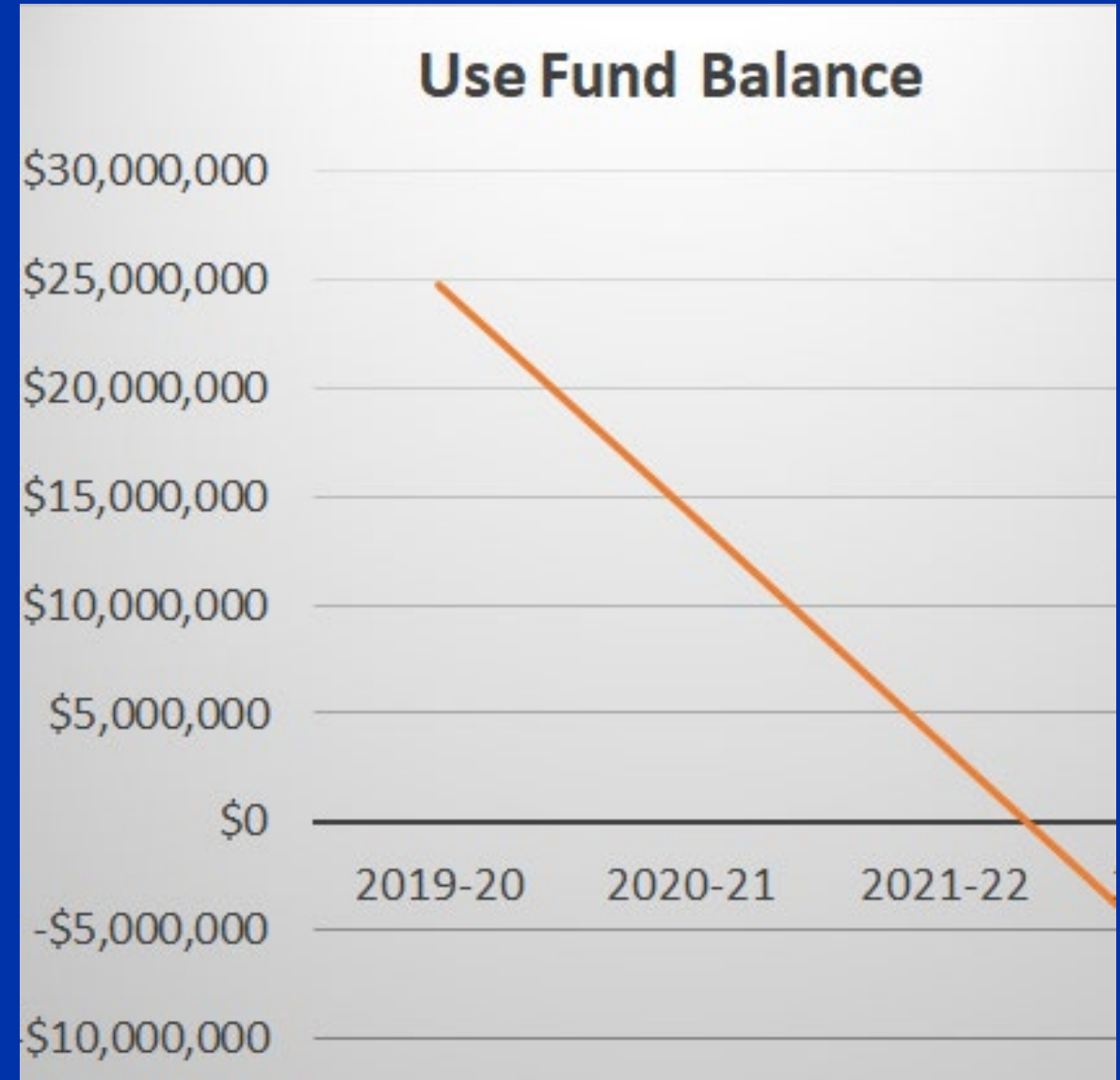
2020-21 – 2024-25 Projected Budgets

- Projected Tax Levy Cap is based on current CPI and growth amounts issued by the state. However, due to current economic outlook, we could see a zero levy increase.
- Projected budgets based on 7 year average.

	2020-21	% INCREASE	2021-22	% INCREASE	2022-23	% INCREASE	2023-24	% INCREASE	2024-25	% INCREASE
Revenue	\$99,365,892	2.1%	\$100,359,551	1.0%	\$101,363,147	1.0%	\$102,376,778	1.0%	\$103,400,546	1.0%
Budget	<u>\$110,233,125</u>	7.1%	<u>\$113,760,585</u>	3.2%	<u>\$117,400,924</u>	3.2%	<u>\$121,157,754</u>	3.2%	<u>\$125,034,802</u>	3.2%
Gap	-\$10,867,233		-\$13,401,034		-\$16,037,777		-\$18,780,976		-\$21,634,256	

Timeline for Fund Balance

Continued use of Fund Balance and Reserves will lead to a financial deficit at the end of 2021-22.



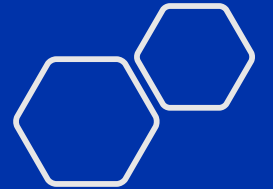
May 2019 Budget Hearing Reminder



WASHINGTONVILLE
CENTRAL SCHOOL DISTRICT
HOME OF THE WIZARDS

Projected Fund Balance

Washingtonville Central School District Report of Fund Balance			
Account	Current Balance	Projected Balance 4%	Over/(Under) Funded
Unappropriated	\$7,320,893	\$4,121,954	\$3,198,939
Recommended Fund Balance Plan for Amount Over 4%			
Appropriately Fund Reserves			\$2,193,137
Fund 2018-19 Bus Purchases			\$949,827
Total Balance After Above Recommendations			\$55,975



COVID-19



Potential Long-Term Economic Impacts of Covid-19

- Limited Revenue – NYS
- State Aid Cuts – 20% or more
- Tax Levy – low CPI, no growth rate = possible 0% increase
- Expenses – Increases in pension contributions, increased health insurance premiums

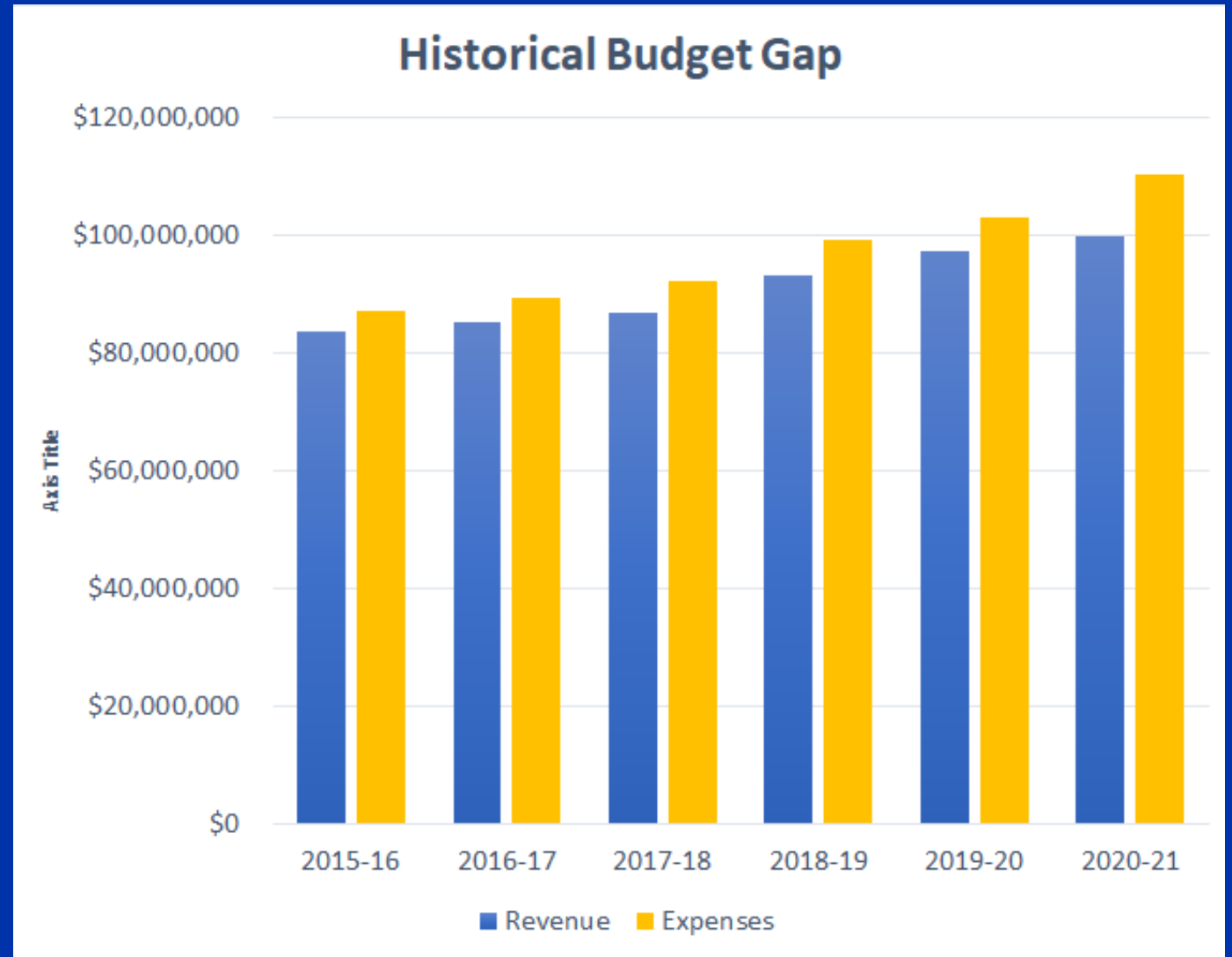
State Budget Update Reminder

- State Aid to be Adjusted Throughout 2020-21 Fiscal Year Based on State Revenue
- Measurement Period for Adjustments
 - April 1st-April 30th
 - May 1st – June 30th
 - July 1st – December 31st

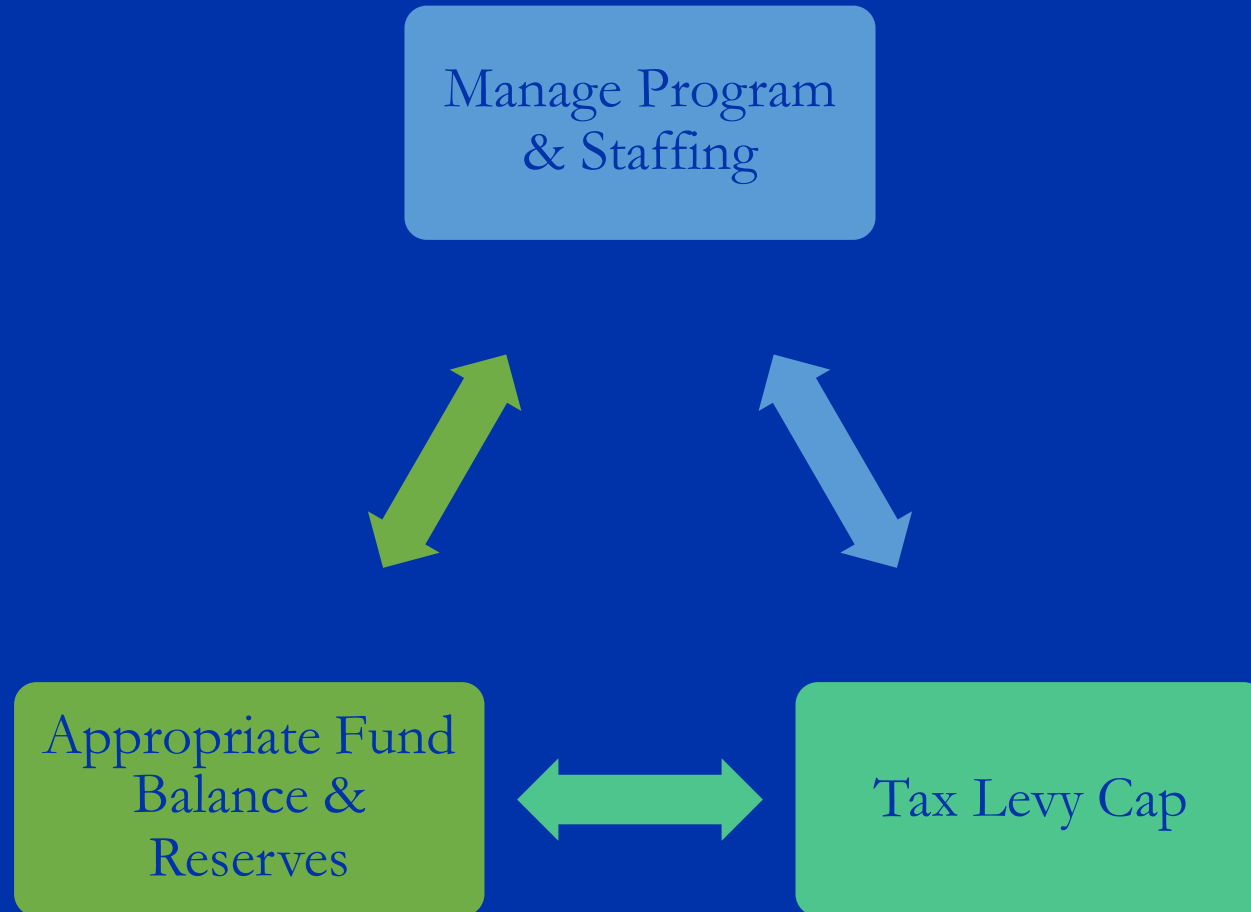
Historical Budget Gaps

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Projected
Revenue	\$83,682,651	\$85,441,006	\$86,931,918	\$93,329,191	\$97,344,615	\$99,365,892
Budget	\$87,342,651	\$89,401,006	\$92,291,918	\$99,229,191	\$103,048,857	\$110,233,125
Balance	(\$3,660,000)	(\$3,960,000)	(\$5,360,000)	(\$5,900,000)	(\$5,704,242)	(\$10,867,233)

Historical Budget Gap



Balanced Budget – Decisions



2020-21 Option A to Close Budget Gap (Financial Stability)

Expenditures		Revenues	
2020-21 Projected	\$110,233,125	2020-21 Projected	\$ 99,365,892
Breakage through attrition 21 FTE - 16 Teachers, 5 TA's	(\$2,433,608)	No Appropriated FB	
Budget & Staffing Reductions	(\$8,433,625)	No Appropriated Reserves	
Total Budget:	\$ 99,365,892	Total Revenue:	\$ 99,365,892
\$ Increase/ (Decrease):	(\$ 3,682,965)		
% Increase/ (Decrease):	(3.6%)		

Total Budget Gap: \$0

2020-21 – 2024-25 Projected Budgets After Adjusting Total Gap in 20-21

- Projected Tax Levy Cap is based on current CPI and growth amounts issued by the state. However, due to current economic outlook, we could see a zero levy increase.
- Projected budgets based on 7 year average.

	2020-21	% INCREASE	2021-22	% INCREASE	2022-23	% INCREASE	2023-24	% INCREASE	2024-25	% INCREASE
Revenue	\$99,365,892	2.1%	\$100,359,551	1.0%	\$101,363,147	1.0%	\$102,376,778	1.0%	\$103,400,546	1.0%
Budget	<u>\$99,365,892</u>	-3.6%	<u>\$102,545,601</u>	3.2%	<u>\$105,827,060</u>	3.2%	<u>\$109,213,526</u>	3.2%	<u>\$112,708,359</u>	3.2%
Gap	-0-		-\$2,186,050		-\$4,463,913		-\$6,836,748		-\$9,307,813	

2020-21 Option B Budget & Staff Reductions & Use of Fund Balance & Reserves

Expenditures		Revenues	
2020-21 Projected	\$110,233,125	2020-21 Projected	\$ 99,365,892
Breakage through attrition 21 FTE - 16 Teachers, 5 TA's	(\$2,433,608)	Appropriated FB (19-20 Amount)	\$ 5,704,242
Budget/Staff Reductions	TBD	Appropriated Reserves	TBD
Total W/O Reductions	\$107,799,517	Total W/O Reserves	\$105,070,134
The budget gap with no reductions is \$2,729,383		The amount of appropriated reserves will be dependent upon the total budget & staff reductions.	
Total Budget:	TBD		
\$ Increase:	TBD		
% Increase:	TBD		

Total Budget Gap: \$2,729,383

2020-21 Option C – Override Levy Cap

Expenditures		Revenues	
2020-21 Projected	\$110,233,125	2020-21 Projected	\$ 99,365,892
Breakage through attrition 21 FTE - 16 Teachers, 5 TA's	(\$2,433,608)	Appropriated FB	\$ 5,704,242
Budget/Staff Reductions	TBD	1% Levy Cap Override	\$ 592,809
Total Budget: \$107,799,517		Total Revenue: \$105,662,943	
\$ Increase: \$ 4,750,660			
% Increase: 4.6%			

Total Budget Gap: \$2,136,574

2020-21 Tax Levy Options

Tax Levy Cap Calculation	1% Override to Levy Cap (requires 60% Majority Vote)
Tax Levy Cap - \$59,280,901	Tax Levy Cap - \$59,280,901
\$ Increase - \$ 1,258,438	1% Levy Cap - \$ 592,809
% Increase - 2.1%	Total Levy - \$59,873,710
	\$ Increase - \$ 1,851,246
	% Increase - 3.1%
Note: Increases in rates are based on current	Average \$ increase on \$300,000 home: \$216
Equalization and assessment values and will change	Note - 2.1% Increase on \$300,000 home: \$147
In the new school year.	Difference between 2.1% & 3.1%: \$ 69

Budget & Tax Levy History

Year	Tax Levy	\$ Increase	% Increase	Budget	\$ Increase	% Increase
2013-14	\$52,446,688	\$1,542,219	3.03%	\$84,370,348	\$1,498,828	1.80%
2014-15	\$53,429,761	\$983,073	1.87%	\$85,967,234	\$1,596,886	1.89%
2015-16	\$53,429,761	\$0	0.00%	\$87,342,651	\$1,375,417	1.60%
2016-17	\$53,680,007	\$250,246	0.47%	\$89,401,006	\$2,058,355	2.36%
2017-18	\$54,145,067	\$465,060	0.87%	\$92,291,918	\$2,890,912	3.23%
2018-19	\$56,996,526	\$2,851,459	5.27%	\$99,229,191	\$6,937,273	7.52%
2019-20	\$58,022,464	\$1,025,938	1.80%	\$103,048,857	\$3,819,666	3.85%
2020-21 Projected	\$59,280,901	\$1,258,437	2.17%	\$110,233,125	\$7,184,268	6.50%

2020-21 Option D Use of Fund Balance & Reserves

Expenditures		Revenues	
2020-21 Projected	\$110,233,125	2020-21 Projected	\$ 99,365,892
Breakage through attrition 21 FTE - 16 Teachers, 5 TA's	(\$2,433,608)	Appropriated FB	\$ 5,704,242
		Appropriated Reserves	\$ 2,729,383
Total Budget:	\$107,799,517		
\$ Increase:	\$ 4,170,069		
% Increase:	4%		



Reserve Balances & Impact of Use to Balance the Budget & Offset State Aid Cuts

	Current	Payments	June 30 Balance	Possible Use to Fill Budget Gap	Balance After use	Amount to Fund 20% State Aid Cut	2020-21 Balance After Use
Total Reserves	\$14,524,112	(\$1,409,367)	\$13,114,745	(\$2,729,383)	\$10,385,362	(\$7,643,572)	\$2,741,790

Use of Reserves limits our ability to fund emergencies and avoid spikes in future budgets.

Summary of Option A Through D



REDUCTIONS
THROUGH
ATTRITION

BUDGET
REDUCTIONS

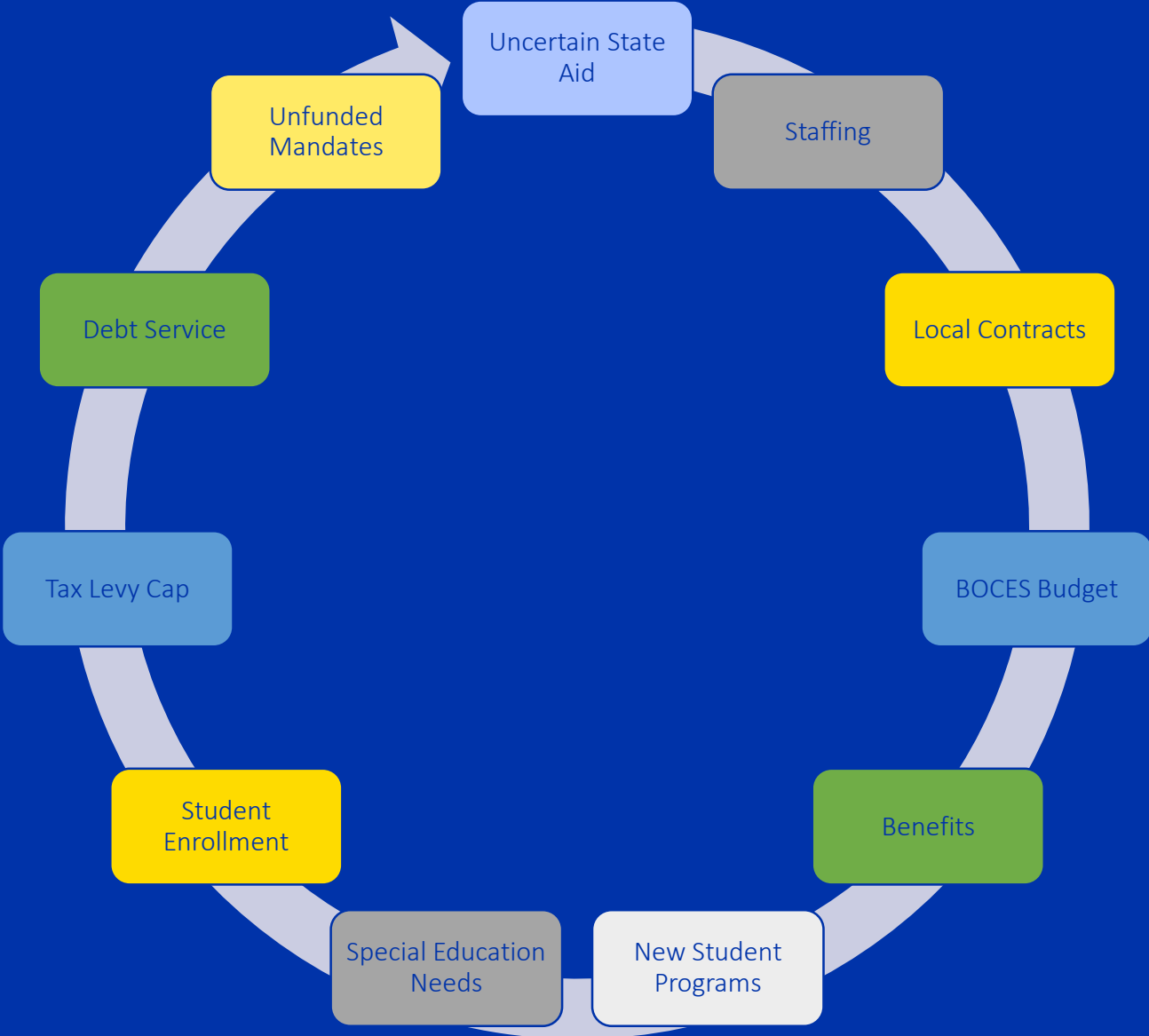
APPROPRIATED
FUND BALANCE

APPROPRIATED
RESERVES

OVERRIDE TAX LEVY
CAP

Option A	Option A	Option B	Option B	Option C
Option B	Option B	Option C	Option C	
Option C		Option D	Option D	
Option D				

Budget Considerations



Corrective Action Plan in Order to Meet District Goals for Student Learning & Facility Upgrades

Annually:

- Attrition
- Cost containment
- Efficiencies
- Restructuring – schedule changes, shared services
- Update financial plan
- Update Capital/Facilities Plan
- Review policies

Questions?