

To: The Members of the Board of Education of the East Ramapo CSD
Dr. Ellis- Superintendent of Schools

From: Bruce Singer
Fiscal Monitor

Re: East Ramapo CSD – Status Report - Pending Fiscal Crisis

Date: July 21, 2022

I need to bring important information to help you understand and address the dire fiscal situation that jeopardizes the viability of ERSCD's instructional and operational programs now and going forward.

Since Fall, 2021, at every Board meeting, Ms. Macias has included financial information within the Budgetary Power Point Presentations to keep the BOE and community informed of the fiscal crisis looming at ERSCD. Specifically, as the Federal Stimulus monies were announced last year (CRRSA and ARPA), there is an end date for these monies. The 2022-2023 Budget includes \$31,873,457 charged to the CRRSA Federal Funds code (A2110-100-00). This has reduced the dollars needed for the General Fund by over \$30,000,000.

Within the next two months, Dr. Ellis, shall oversee and begin the 2023-2024 the Budget development process. The \$30 Million of staffing charged to CRRSA will need to be addressed. This will require significant changes for the entire School District including all programs and operations.

Ms. Macias last day of employment with East Ramapo was July 15, 2022. She accepted the Assistant Superintendent for Business position at another school district including a highly competitive salary. Dr. Ellis has addressed the BOE with the need to pay competitive salaries to retain experienced staff. Unfortunately, there has been no BOE consensus. The open Asst. Superintendent for Business position has been posted, with no indication of salary levels. Seven candidates have applied. Interviews shall commence shortly.

An experienced Assistant Superintendent for Business must be hired. The Business Manager position has been filed by the District Accountant at the last BOE meeting. Please be advised that she is an experienced CPA with outstanding accounting background, while currently learning the other aspects of school business management.

Dr. Ellis cannot assume both the Superintendent and Chief Fiscal Officer positions for an extended time period.

Based on the latest Unaudited Financial information (provided by the ERSCD Business Office), the negative Unrestricted projected Fund Balance June 30, 2022 approximately – (\$8.1 Million Dollars). This is an improvement compared to last year Audited Year End Fund Balance

(-\$22,352,946). The Five-Year Financial Projection, which reflects a – (\$21,117,524) Budgetary deficit for the fiscal year 2023-2024.

ERSCD does *not* have any reserves to cover the budgetary shortfall. The district will need to rely on greater amounts of Anticipation Notes to cover the annual shortfall. The debt service related to the repayment of the Anticipation Notes will consume a greater amount of the annual Budget.

A few of the greatest concerns are the following:

- The 2023-2024 school year budget will be severely underfunded without the infusion of the Federal Stimulus monies. Many budgetary staffing lines will not reconcile with actual levels of staffing. Now that the N Vision Software has been implemented, The Personnel Office must consistently verify with the Business Office, as follows:
 - Prior to placing staff hirings as recommendations to the BOE, there needs to be validation, that there are sufficient funds to pay the person.
 - That the recommended budget code exists, and is in alignment with the 2022-2023 Contingent Budget
- During the upcoming 2022-2023 school year the Business Office must monitor the actual revenue and expenditures compared to the 2022-2023 Budget on a monthly basis. State Aid must be reviewed to ensure changes are recognized; all required State Aid forms must be submitted on a timely fashion.
- The Capital Construction Projects require constant district oversight. Decisions must be made, based on the on-going status of construction. This is a normal occurrence with every construction project. This is not the responsibility of the Architect nor the Construction Managers.
- The Transportation Supervisor has been hired only a few months ago. Oversight of The Transportation Office, is a major undertaking. Transporting nearly 40,000 students daily. The maintenance in routing of the school buses must be constantly monitored. Parent dissatisfaction with Transportation Services is an annual problem.
- A maintenance supervisor and custodial supervisor has been discussed and approved since January, 2022. To date, neither position has been filed. The Facilities Director who has been hired only a few months ago, is overwhelmed. Custodial staff currently report to the Building Principals, not the Facilities Director. This creates a very difficult situation. There should be joint supervision. Daily supervision from the Building Principal and technical supervision from the Facilities Director.
- The continual defeat by the Community voters of the Annual Budget. The district needs infusion of tax dollars to survive. The increase in transportation costs is far

above any other budgetary line item. This is not sustainable. The district cannot rely ongoing State Aid or Federal Aid increases to manage the shortfall.

The above concerns are not new information for the BOE, I must renew the need and reiterate the Fiscal concerns, to highlight that this is the last year (2022-2023) for CRRSA funds, which must be recognized, as the Superintendent begins the development of the 2023-2024 Budget. As the attached Projected Five-Year Plan estimates the 2023-2024 Fiscal Deficit – (\$21,117,524).

The Board of Education and Superintendent must develop a detailed listing of program reductions to ensure that the 2023-24 Budget is a balanced budget.

CC:

Mr. James Baldwin- Senior Deputy Commissioner

Mr. Jason Harmon- Deputy Commissioner, P-12 Instructional Support

Mr. Raymond Giamartino, Assistant Commissioner

Ms. Mary Fox- Academic Monitor