



EAST RAMAPO CENTRAL SCHOOL DISTRICT

CURRENT

STATE OF AFFAIRS





EAST RAMAPO CENTRAL SCHOOL DISTRICT

2022-2023

Preliminary District Budget

Dr. Clarence Ellis, Superintendent of Schools

Mrs. Linda E. Macias, Assistant Superintendent of Business



Assessing 2021-2022 Fiscal Challenges

Borrowings from the 20/21 fiscal year are repaid in 21/22 fiscal year, thereby leaving the district with an operating deficit of approximately ~ **\$35,000,000**

Key Drivers for Deficit:

Revenue shortfall is 20/21 fiscal year

Loss of service driven aid

COVID related expenses (PPE & OT)

Over expenditures in Transportation & Legal budget lines





Reflecting on the Implications of an Operating Deficit



Operations *Prioritize the Health and safety of students, staff and families*

BOARD OF EDUCATION BUSINESS MEETING

TRANSLATIONS AVAILABLE: ESPAÑOL: 1-602-580-9528 CÓDIGO DE ACCESO: 3705623



EAST RAMAPO CENTRAL SCHOOL DISTRICT

Fiscal Timeline



March 2020

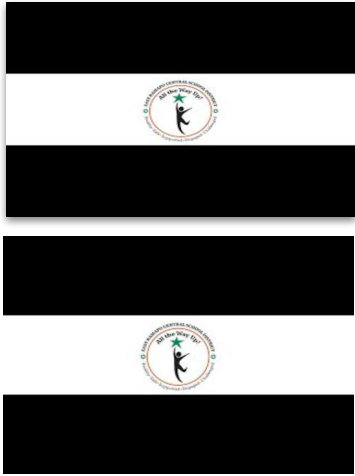
Legislative Budget reflecting \$82M in total state aid with \$22M backfill in CARES Restoration

April 2020

EAST RAMAPO CENTRAL SCHOOL DISTRICT		
Revenue		
	Approved 2019-2020 Revenue	Estimated 2020-2021 Revenue
Real Property Taxes	\$ 194,490,227	\$ 197,296,500
PILOT	\$ 272,874	\$ 270,883
State Aid	\$ 79,953,915	\$ 82,600,423
Day School Tuition	\$ 1,376,476	\$ 1,420,000
Health Services	\$ 416,208	\$ 475,000
Interest	\$ 175,000	\$ 160,000
Use of Facilities	\$ 440,000	\$ 470,000

Budget Presentation to the Board reflecting \$82M in state aid

June 2020



Governor announces CARES Restoration sharing of funds similar to all other Title Funding

August 2020



Guidelines for Allocations of C.A.R.E.S. Act Funding among Public and Nonpublic Schools

In July 2020, SED issued guidelines with two options:

- 1) Proportional allocation that applies to all students attending within the district (public and private).
 - In our District this proportion is 75% in private schools and 25% in public schools.
 - In this case it means that \$16.6 million out of \$22.2 million need to be allocated to nonpublic schools.

ERCSD: BDE Meeting 8-4-20 Live Stream

How was the C.A.R.E.S. Act Funding Distributed?

Example: In March/April 2020, the East Ramapo CSD 2020-2021 State Aid was reduced by approximately \$22.2 million and at the same time this exact amount was replaced with C.A.R.E.S. Act funding.

1789

District presents impact of CARES Restoration federal sharing

November 2020



Auditors Report and District explains impact of CARES Restoration federal sharing to the Budget



EAST RAMAPO CENTRAL SCHOOL DISTRICT

Review

January 19, 2021

February 2021

March 2021

April 2021

May 2021

**... Supporting Our Students ... Funding Our Priorities ...
Beginning with a Deficit ... \$4.3M ... A Collective Impact ...**

*... A clearly defined position that supports schools in maintaining positive academic development and is aligned to supporting the NYSED School and District Improvement process ...
... This position will acknowledge the time-sensitive ability to conduct a Facilities Modernization Study and then subsequently not allow the District to not only integrate indicated repairs to schools, but regain the ability to frame a much-needed Facilities Modernization Plan ...
... which would result in the reduction of support for bilingual families and individual public schools in need of technical support.
... Connecting district and legacy Central supports to schools ...
... which would increase the class size for existing classes ...
... for K-3 students, which would increase read and math skill learn grade, the remaining art teachers would meet between buildings and one instrumental music teacher would be eliminated ...
... that will allow response time to administrators ...
... A continued tenacity for our students and community.*

Proposes excess of 61 employees and reduction to other contractual obligations



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

New York State Comptroller's Office conducts an audit/budget review



East Ramapo Central School District
Intensive Review of Budget Process

Fulfilling the State requirement for the fiscal year ending June 30, 2021

Internal Auditors, Tobin, audit on the budget process commenced



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Nawrocki Smith conducts a fund balance analysis

District borrows \$36M to meet the contractual obligations through June 30th

2021-2022
Budget Public Hearing
Adopted District Budget

District presents a Budget utilizing Federal Stimulus Funding to fill budget gap



Key Takeaways

- ❖ Budget gap from 2020-2021 school year remains (~\$35M)
- ❖ Borrowing must be paid by June 30, 2022 (\$36 borrowed for budget gap + interest)
- ❖ Federal Stimulus Funding will end September 2024

Costs continue to increase:



Contractual salaries continue to increase



Transportation Expenses continue to increase due to enrollment (universal bussing), driver shortage, and contractual rates (20-45% increase)

If we do not consider and strategize now,
then we will begin the subsequent school year with a significant deficit



Budget Development for 2022-2023 Fiscal Year

DATE	BUDGET DEVELOPMENT
October 2021	Present 2022-23 budget calendar and budget development procedures to the Board of Education for adoption
November 2021	Meet with budget builders and distribute budget guidelines
December 2021	Meet with finance committee (preliminary budget presentation by budget builders)
January 2022	Meet with finance committee and/or Board of Education (on parameters)
January 2022	Meet with budget builders various throughout the month



Operations *Prioritize the Health and safety of students, staff and families*



Considerations for Budget Development



Student Needs Assessment

- ❖ Impact of Pandemic
 - Learning Loss
 - Social Emotional Learning



Budget Assessment

- ❖ 2021/2022 - Operating on a Budget Deficit
- ❖ 2020/2021 - Challenging Pandemic year
- ❖ 2019/2020 - 9 Months of Operations/Start of the Pandemic
- ❖ 2018/2019 - Normal Operations



Priorities for the 2022-2023 Budget Development

Close the ~\$35M Budget Gap



- ❖ Strategize reduction of program over the next 2 years (end of stimulus funding)
- ❖ Assess programs and services that are fiscally sustainable

Analyze Revenues & Expenditures



- ❖ Revenues - Uncertainty
- ❖ Expenditures - One time vs. Recurring

Establish Reserves



- ❖ Maximize Federal Aid → Free-up General Fund → Establish Reserves



2022-2023 Preliminary Budget Efficiency Priorities

District priorities that inform discussions and decision making resulting in recommendations:

- Prioritize students and student learning;
- Remain aligned to the East Ramapo Central School District Strategic Academic Plan, mission, vision, listed priorities, core beliefs, and to our critical role in the community;
- Maintain equitable access to quality public education for all students;
- Prioritize equity, diversity, and inclusion in discussions and when building consensus;
- Protect East Ramapo's strengths and long-term viability to establish fiscal solvency;
- Comply with federal and state mandates; and,
- Fulfill contractual obligations.



2022-2023 Budget Development Long Term Fiscal Planning - Considerations

Fiscal Position of the District

- ❖ Fund balance analysis
- ❖ Assigned vs. Unassigned
 - Assigned Fund Balance
 - Board approved funding allocations
 - Unassigned Fund Balance
 - Statutorily limited to 4% of the district's budget

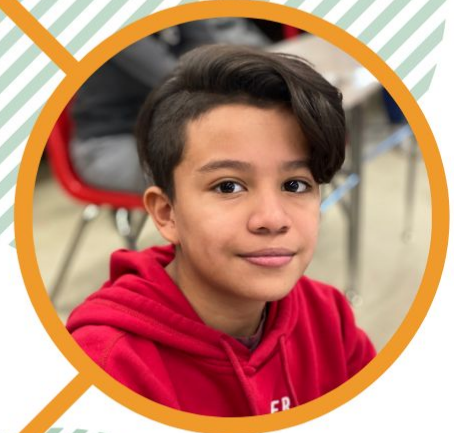
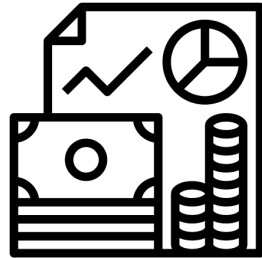
Types of Reserves

- ❖ Existing
 - Insurance Reserve
- ❖ **New** Reserves for consideration
 - Capital Reserve
 - Requires voter approval for establishment/use
 - Repair Reserve Fund
 - Property Loss and Liability Reserve
 - Retirement Contribution Reserve
 - Unemployment Reserve
 - Workers Compensation Reserve



EAST RAMAPO CENTRAL SCHOOL DISTRICT

2022-2023 Strategic Budget





What we will cover:

- Federal Stimulus – Use of Funds
- Largest Sources of Revenue
 - State Aid
 - Tax Levy
 - Revenue Uncertainties
- Largest District Expenditures
 - Transportation
 - Contractual Obligations
 - Salaries
 - Legal





Federal Stimulus One-Time COVID Related Funding Sources Use of Funds

- American Rescue Plan Act of 2021 (ARPA)
- Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA)



EAST RAMAPO CENTRAL SCHOOL DISTRICT

Federal Stimulus One-Time COVID Related Funding Sources Use of Funds

Coronavirus Response and Relief Supplemental Appropriations Act,
2021 (CRRSA)



EAST RAMAPO CENTRAL SCHOOL DISTRICT

Federal Stimulus One-Time COVID Related Funding Sources Use of Funds

American Rescue Plan Act of 2021 (ARPA)



EAST RAMAPO CENTRAL SCHOOL DISTRICT

Largest Sources of Revenues





State Aid Analysis

	<i>2020-2021 Approved Budget</i>	2021-2022 Projected Budget	\$ Difference
Tax Levy	\$154,490,227	\$154,490,227	-
NYS Aid Revenue	\$82,600,423	\$87,867,659	\$5,267,236
PILOTs	\$270,000	\$250,000	(\$20,000)
Health Services	\$475,000	\$475,000	-
Non-Resident, Foster, OPWDD Tuition	\$1,420,000	\$1,600,000	\$180,000
Chapter Tuition - STAC, Displaced	\$1,920,000	\$1,920,000	-

*State aid revenue estimates are sourced from the NYS Legislature Approved Budget - published in April 6, 2021.



State Aid Analysis (continued)

	2020-2021 <i>Approved Budget</i>	2021-2022 <i>Projected Budget</i>	\$ Difference
Interfund Transfers from Debt Service	\$53,218	\$53,218	-
Fund Balance & Appropriated Reserves	\$788,753	-	(\$788,753)
CARES Funding	-	\$22,250,529	\$22,250,529
Total Revenues:	\$245,744,853	\$272,449,633	\$26,704,780



2022-2023 Tax Levy Limit Calculation

DUE MARCH 1, 2020 TAX LEVY LIMIT CALCULATION	
2021-2022 TAX LEVY CALCULATION	
PRIOR YEAR TAX LEVY	\$154,490,227
Multiply by:	
TAX BASE GROWTH FACTOR	1.0058
	\$155,386,270
Adjusted Tax Levy:	
ADD PRIOR YEAR PILOTS	\$257,663
LESS PRIOR YEAR EXEMPTIONS(CAP. LEVY)	3,319,988
ADJUSTED PRIOR YEAR LEVY	152,323,945
Multiply by:	
ALLOWABLE GROWTH FACTOR	1.0123
Tax Levy including Growth Factor:	\$154,197,530
LESS PILOTS FOR COMING YEAR	235,569
ADD AVAILABLE CARRYOVER FR 6/30/20	\$2,061,693
TAX LEVY LIMIT (before exclusions)	\$156,023,654
EXCLUSIONS(TRS,CAP. LEVY)	\$2,590,102
MAXIMUM ALLOWABLE LEVY	\$158,613,756
MAXIMUM LEVY AMOUNT INCREASE	\$4,123,529
TAX CAP	2.67%

The 2022-2023 budget proposal will include a 0% levy increase.

A flat levy increase represents 53% of revenue.

Based on the NYS Office of the State Comptroller’s formula, the district can opt to increase the tax levy by up to **\$4,123,829**.

**Any increase to the Tax Levy would be subject to voter approval.*



Revenue Known & Unknowns

State Aid

- Final after legislative vote in April 2022

Tax Levy

- Final after budget vote



Use of Federal Funding Sources

- Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) **\$66,418,114**
 - **\$34.5M used in 21/22 budget**
 - **\$31.8M to be used in 22/23 budget**

- American Rescue Plan Act of 2021 **\$150,445,511** **Contingent on application to NYSED*

**Any excess funds will be recommended to be placed in reserves*



EAST RAMAPO CENTRAL SCHOOL DISTRICT

Proposed Budget Expenses





Expenditures

	<i>2021-2022 Approved Budget</i>	<i>2022-2023 Proposed Budget</i>	\$ Difference
Salaries	\$112,632,486		
Benefits	\$55,899,206		
Contractual - Legal	\$1,500,000	*	(\$700,000)
Contractual - Transportation	\$46,600,106	\$58,800,106 **	\$11,462,007

* Increase is based on projected actuals for 21/22

** Increase is based on projected actuals for 21/22 + CPI



Expenditure Known & Unknowns



*ARPA funding **\$150M +**

**Contingent on approval from NYSED*



Legal Contractual Obligations



Transportation Contractual Obligations



Questions?

Mrs. Linda E. Macias

Assistant Superintendent for Business

lmacias@ercsd.org

845-577-6061

Dr. Clarence G. Ellis

Interim Superintendent of Schools

cellis@ercsd.org

845-577-6011

Mr. Bruce Singer

State Monitor

bsinger@ercsd.org

Dr. Denise Lowe

State Monitor

dlowe@ercsd.org