



East Ramapo Central School District

Community Budget Meeting

Thursday, April 7, 2022

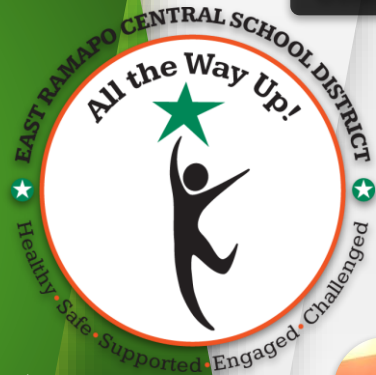


Our Mission

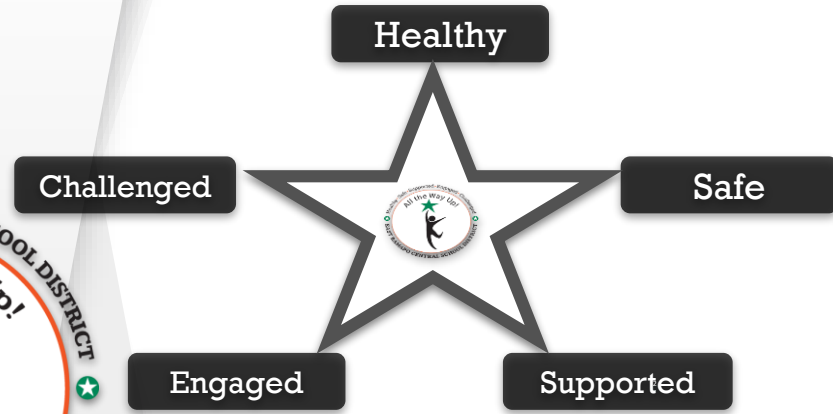
As a unified community, the East Ramapo Central School District is committed to educating the whole child by providing a healthy, safe, supportive, engaging and challenging learning environment.

Our Vision

We will become proficient in all that we do.



Our 5-Point Plan



Our Priority Goals

Goal 1: Success in the Early Years

Every student will demonstrate social, emotional, and academic readiness to meet or exceed grade-level standards by the end of second grade.

Goal 2: Healthy, Safe, Supported, Engaged, and Challenged

Every student will be challenged, in a safe learning environment, to be a productive and engaged citizen capable of meeting high expectations

Goal 3: Motivated, Confident, Empowered Critical Thinkers

Every student will demonstrate ownership of his/her education and be fully engaged in becoming critical, creative-thinking goal-setters

Goal 4: Mastery of Academic Subjects and the Arts

Every student will meet or exceed standards in all subjects, including the arts, at the end of key transition grades.

Goal 5: High School Graduation and Readiness for College and Careers

Every student will graduate from high school prepared for college, career, and post-secondary experiences.





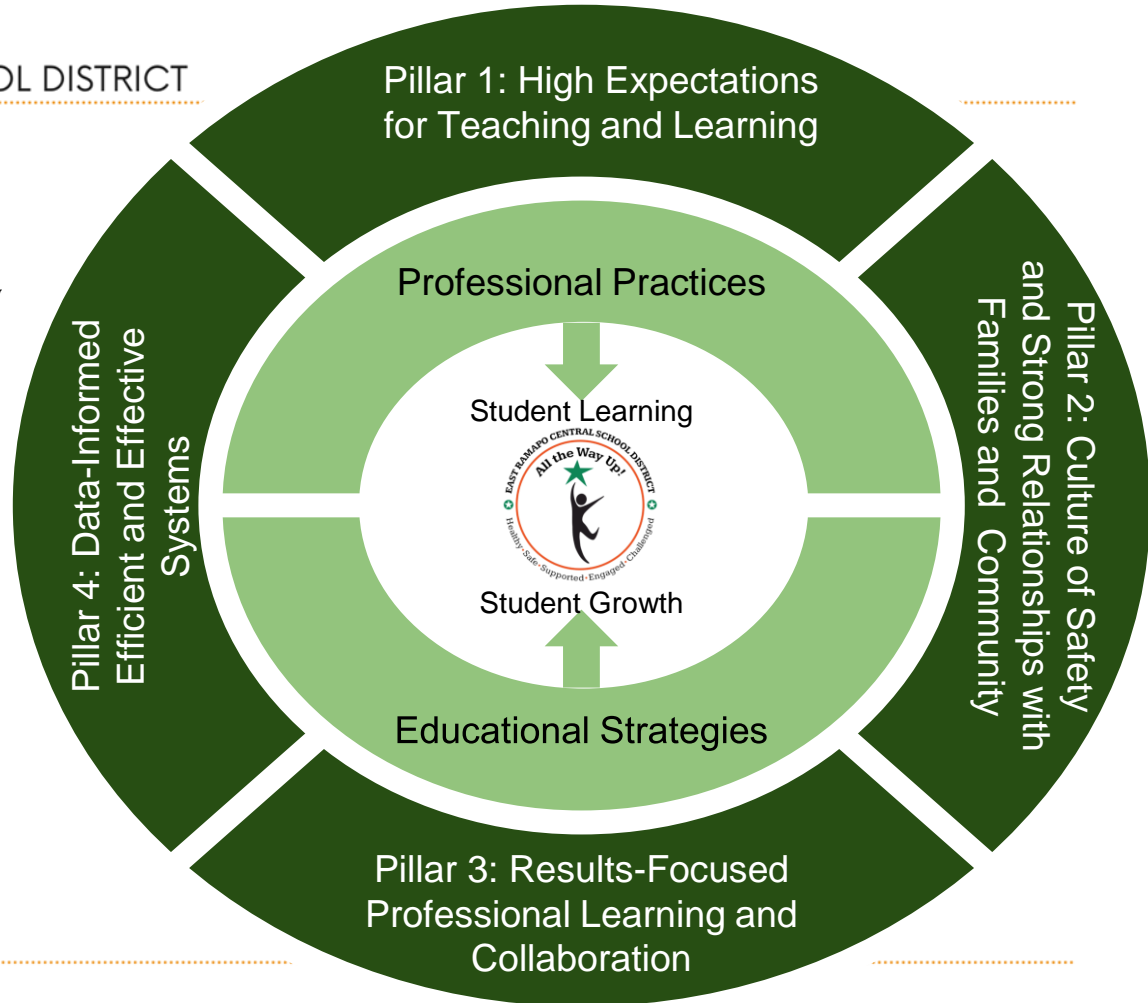
Our Theory of Action

IF educators individually and collectively exercise key professional practices and educational strategies framed by our four pillars and geared towards building student competencies and confidence for success,

THEN students will

- (1) demonstrate success in the early years,
- (2) exhibit healthy, safe, supported, engaged, and challenged behaviors;
- (3) be motivated confident, and empowered critical thinkers;
- (4) show mastery of academic subjects and the arts;
- (5) graduate from high school and show readiness for college and careers,

AND we will realize our Vision of being proficient in all that we do.





Commitments

Academic/Instructional

*Accelerate Academic
Achievement*



Social Emotional Learning

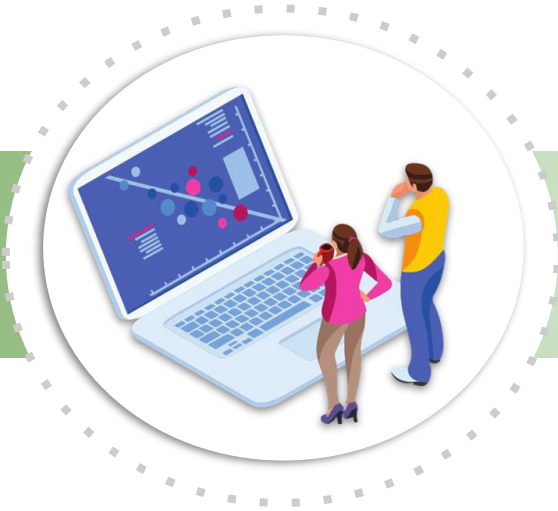
*Social, Emotional and Mental
Health*



Operations

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





Operations

Prioritize the Health and safety of students, staff and families



EAST RAMAPO CENTRAL SCHOOL DISTRICT

BUSINESS

Reflecting on the Implications of an Operating Deficit

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

BOARD OF EDUCATION BUSINESS MEETING

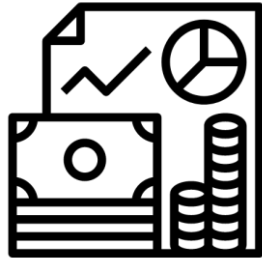
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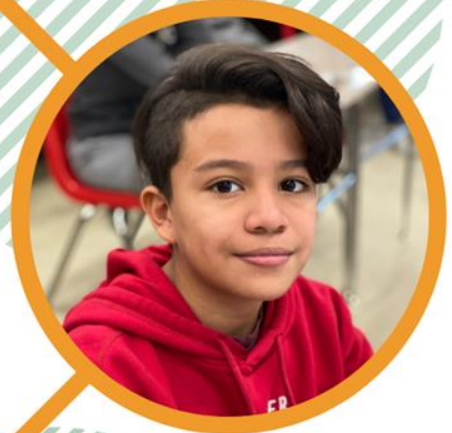


EAST RAMAPO CENTRAL SCHOOL DISTRICT

2021-2022 Strategic Budget



Review





2020-2021 Fiscal Challenges

Revenue Shortfalls \$31,625,000

- State Aid
 - Pandemic Adjustment
 - CARES Act
 - Transportation Aid
 - High Cost Excess Cost Aid
 - Building Aid

Over Expenditures \$8,800,000

- Transportation
- Legal Expenses
- COVID supplies
- Custodial OT
- Chromebooks



Addressing 2020-2021 Fiscal Challenges

Several borrowing instruments totaling approximately **\$36,050,000**

Borrowing Instruments Include:

Revenue Anticipation Note

Budget Note

Deficiency Note





EAST RAMAPO CENTRAL SCHOOL DISTRICT

Fiscal Timeline



March 2020

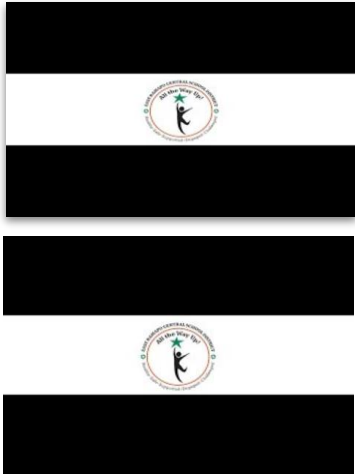
Legislative Budget reflecting \$82MM in total state aid, later modified with \$22MM backfill in CARES Restoration

April 2020

EAST RAMAPO CENTRAL SCHOOL DISTRICT		
Revenue		
	Approved 2019-2020 Revenue	Estimated 2020-2021 Revenue
Real Property Taxes	\$ 194,490,227	\$ 157,286,500
PILOT	\$ 272,874	\$ 270,853
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

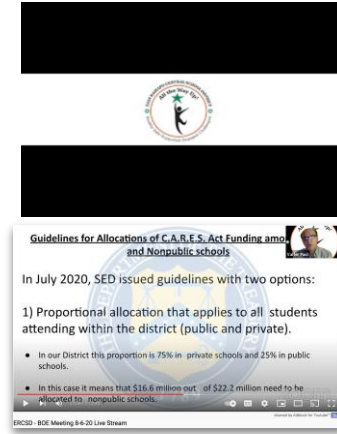
Budget Presentation to the Board reflecting \$82MM in state aid

June 2020



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

August 2020



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.

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

Fiscal Timeline continued...



January 19, 2021

February 2021

March 2021

April 2021

May 2021



Proposes excess of 61 employees and reduction to other contractual obligations

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

Internal Auditors, Tobin, audit on the budget process commenced

Nawrocki Smith conducts a fund balance analysis

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

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



Key Takeaways

- ❖ Budget gap from 2020-2021 school year remains (~\$35MM)
- ❖ Borrowing will be paid by June 30, 2022 (\$36MM borrowed for budget gap + interest)
- ❖ Federal Stimulus Funding will end September 2024
- ❖ Importance of timely financial reporting to SED

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)

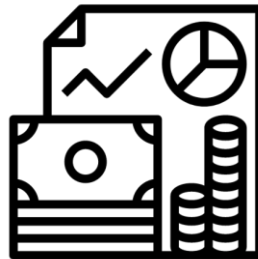
If we do not consider and strategize now,
then we will begin the subsequent school year with a significant deficit



EAST RAMAPO CENTRAL SCHOOL DISTRICT

2022-2023

Proposed Strategic Budget





Budget Development for 2022-2023 Fiscal Year

March 1, 2022	Submit 2022-23 calculation for tax levy limit to Office of State Comptroller, Tax & Finance & SED (single submission to OSC only)
March 7, 2022	Commissioner of Education must approve the budget 45 days prior to the board adoption
March 2022	Present 2022-23 operational and general support budget to the Board of Education for review and comment (Operations & Maintenance, Transportation and General support)
March 2022	Present 2022-23 debt service and employee benefits budget to the Board of Education for review and comment
March 2022	Present 2022-23 instructional and special education budget to the Board of Education for review and comment



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



Budget Development for 2022-2023 Fiscal Year

March 29- April 2, 2022	Legal notice of school budget hearing and budget vote. Must advertise four times within seven weeks of the vote with first publication at least 45 days before date of budget vote
April 2022	Finalize 2022-23 educational plan and budget (including BOCES budget) before April 25, 2022 due date for property Tax Report Card
April 2022	Prepare absentee ballot applications, absentee ballot, related envelopes, and directions.
April 2022	Deadline for submission of petitions for nominations of BOE candidates (30 days before election)
April 2022	Final draft of budget presented to Board of Education, appointment of election inspectors for budget vote)
April 2022	Date for drawing by District Clerk for determination of order for listing Board candidates on ballot or voting machine.
April 2022	Property tax report card must be submitted to local newspaper of general circulation

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Budget Development for 2022-2023 Fiscal Year

April 18, 2022	Deadline for submission of petitions for propositions to be place on ballot (30 days preceding budget vote)
April 18, 2022	Inform candidates of legal requirement for all candidates for election to Board of Education to file sworn statements of campaign contributions and distribute informational material. First sworn statement to be filed with the District Clerk and Commissioner of Education thirty days prior to vote date.
April 22, 2022	Final date for the adoption of the property tax report card by the Board of Education. Budget document available to the public. Arrange for pickup and return of voting machines with the Board of Elections.
April 25, 2022	Property tax report card must be submitted to SED within 24 hours of adoption, but no later than April 25, 2022
May 2022	Conduct voter registration with board of registration (if applicable)
May 2022	Mail District newsletter (include full disclosure information)
May 2022	Prepare voting machine inserts and transmit to county Board of Elections. Physically examine voting machines for ballot placement and sign statement at board of elections

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Budget Development for 2022-2023 Fiscal Year

May 3-10, 2022	Budget hearing - budget statement and required attachments available 7 days prior to budget hearing
May 4-11, 2022	Budget notice must be mailed to eligible voters after the budget hearing, but no later than six days prior to the vote
May 11-16, 2022	District Clerk must maintain a list of names of those residents who were given absentee ballots and make such list available for public inspection and legal challenge until the day of election (Public posting no longer required)
May 12, 2022	Second sworn statement of campaign contributions or loans by candidates for membership on the Board of Education to be filed with the District Clerk and Commissioner of Education five days prior to vote date
May 12-16, 2022	Sworn statement of campaign contributions or loans in excess of \$1,000, received before vote date and not previously reported, to be filed with the District Clerk and Commissioner of Education within twenty-four hours of receipt by candidates for membership not he Board of Education
May 17, 2022	Statewide annual meeting / board election / budget vote day
June 6, 2022	Last date to file with District Clerk and Commissioner of Education final sworn statement of campaign contributions by candidates for membership on Board of Education. Due 20 days after the election/budget vote EL §1529(l)(c)
June 21, 2022	Statewide budget revote day
July 1, 2022	Implement 2022-23 Budget

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

BOARD OF EDUCATION BUSINESS MEETING

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What we will cover:

Proposed Revenues

- State Aid Analysis
- Tax Levy
- Proposed Revenue Budget
- Revenue Considerations

Proposed Expenditures

- Proposed Expenditure Budget
- Expenditure Considerations
- The Establishment of Reserves

Contingency Budget

Monitor - Partnership & Collaboration





EAST RAMAPO CENTRAL SCHOOL DISTRICT

Proposed 2022- 2023 Budget Revenues

*For the 21/22 fiscal year, the district anticipates receiving \$1,000,000 in Legislative Grant funding for full day Kindergarten and Arts in Elementary Schools.

BOARD OF EDUCATION BUSINESS MEETING

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State Aid Analysis

<u>2021-2022 Base Aid Year Aids</u>		<u>Initial Estimate</u>	<u>Revised Estimate Feb 2022</u>	<u>Revised Estimate Mar 2022</u>
		<u>2022-2023 Estimated Aid</u>	<u>2022-2023 Estimated Aid</u>	<u>2022-2023 Estimated Aid</u>
Foundation Aid	46,221,431	59,893,049	54,005,184	★ 54,005,184
BOCES	3,580,635	2,664,924	2,664,924	2,703,021
High Cost Excess Cost	1,911,432	1,872,392	1,872,392	1,142,216
Private Excess Cost	772,925	831,031	831,031	781,153
Hardware & Technology	347,033	382,737	382,737	302,533
Software, Library, Textbook	3,046,966	3,090,484	3,090,484	3,222,351
Transportation incl summer	30,030,778	33,319,304	33,319,304	★ 38,792,506
Building & Building Reorg Incentive	1,079,877	752,268	752,268	773,104
High Tax Aid	729,146	729,146	729,146	729,146
Total:	87,720,223	103,535,335	97,647,470	102,451,214

** Subject to legislative approval in April, 2022*

*State aid revenue estimates are sourced from the NYS Governor's Proposed Budget - published in January, 2022 and revised in February and March of 2022.



State Aid Considerations

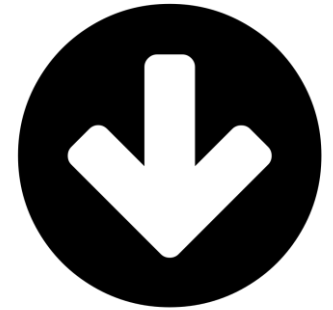
The State Aid projections are not final until after Legislative vote in April, 2022.

State Aid Adjustment [initial estimates were based on prior year data]

- Foundation Aid – approximately \$5,800,000

Anticipated State Aid Deduction [may be forgiven]

- Transportation Aid – approximately \$7,800,000



2022-2023 Proposed State Aid Revenue: **\$94,651,214**



Tax Levy History

Uncollected Revenue for Program

Fiscal Year	Max Allowable Levy	Tax CAP	Tax Levy	Difference
2018-2019	154,817,065	2.22%	151,461,007	3,356,058
2019-2020	159,493,891	5.30%	154,490,227	5,003,664
2020-2021	159,871,908	3.82%	154,490,227	5,381,681
2021-2022	158,613,756	2.67%	154,490,227	4,123,529

Represents \$17,864,931 of uncollected revenue for program



Tax CAP Formula / Tax Levy Limit

Tax Cap Formula/Property Tax Cap Calculation = determines the levy limit



Allowable levy growth is the lesser of 2% or CPI

- Thresholds control the allowable increases to the tax levy
 - Tax Base Growth Factor¹
 - Allowable Levy Growth Factor²
 - PILOTs (\$~235k)
 - Capital Tax Levy³ TRS and/or ERS Exclusions (~\$2.7MM)

¹Set by NYS Department of Real Property Tax, 1.0088

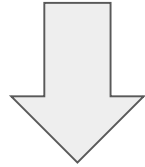
²Based on CPI and set by NYS OSC, 1.02

³includes capital projects, building aid, and debt service, ~\$2.5MM)

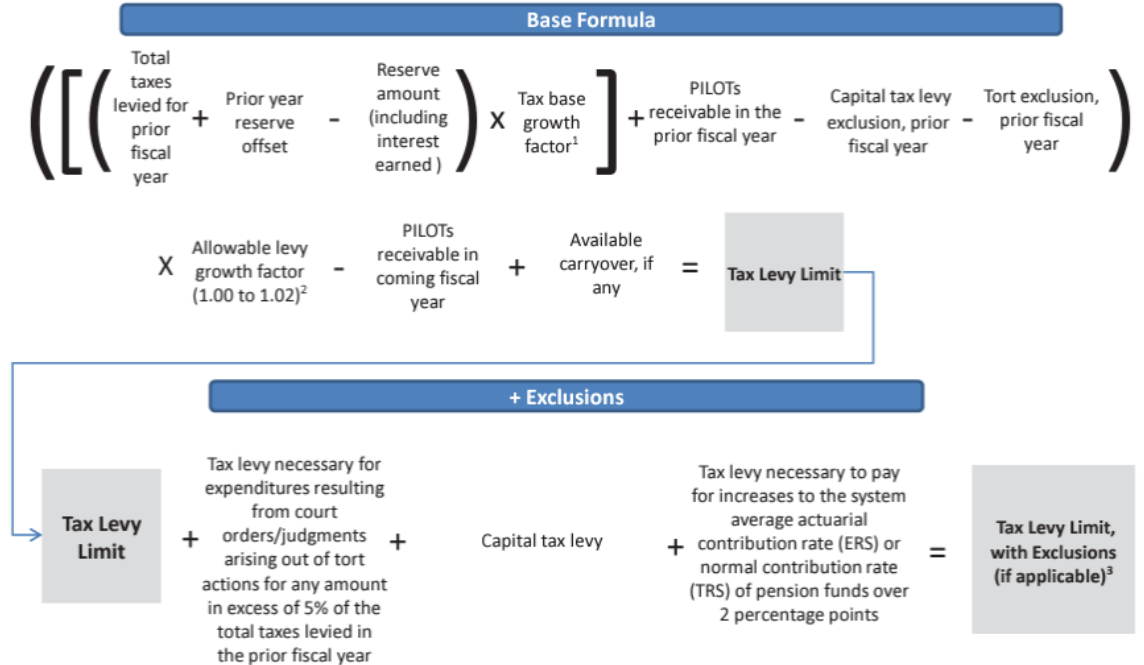


Tax CAP Formula / Tax Levy Limit

Complex



Multi-Step Formula





2022-2023 Tax Levy Limit Calculation

DUE MARCH 1, 2022
TAX LEVY LIMIT CALCULATION

2022-2023 TAX LEVY CALCULATION

PRIOR YEAR TAX LEVY	\$154,242,013
<i>Multiply by:</i>	
TAX BASE GROWTH FACTOR	1.0088
	\$155,599,343
<i>Adjusted Tax Levy:</i>	
ADD PRIOR YEAR PILOTS	\$257,663
LESS PRIOR YEAR EXEMPTIONS (CAP. LEVY)	\$2,590,102
ADJUSTED PRIOR YEAR LEVY	\$153,266,904
<i>Multiply by:</i>	
ALLOWABLE GROWTH FACTOR	1.02
Tax Levy including Growth Factor:	\$156,332,242
LESS PILOTS FOR COMING YEAR	\$235,569
ADD AVAILABLE CARRYOVER FR 6/30/21	\$1,781,641
TAX LEVY LIMIT (before exclusions)	\$157,878,314
EXCLUSIONS (TRS, CAP. LEVY)	\$2,735,178
MAXIMUM ALLOWABLE LEVY	\$160,613,492
MAXIMUM LEVY AMOUNT INCREASE	\$6,371,479
TAX CAP	4.13%

The 2022-2023 budget proposal will include a **3.96% levy increase over the prior years levy**

Based on the NYS Office of the State Comptroller's formula, the district can opt to increase the tax levy by up to **\$6,371,479**

3.96% increase in comparison to the prior years levy

**Any increase to the Tax Levy is subject to 50% +1 voter approval. The district is not seeking a super majority voter approval (over 60%) because we are staying within the tax cap.*



Proposed 2022-2023 Revenue Budget

	2021-2022 Approved Budget	2022-2023 Proposed Budget	\$ Difference
Tax Levy	\$154,490,227	\$160,613,492	\$6,123,265
NYS Aid Revenue	\$87,867,659	\$94,651,214	\$6,783,555
PILOTs	\$250,000	\$252,602	\$2,602
Health Services	\$475,000	\$475,000	-
Non-Resident, Foster, OPWDD Tuition	\$1,600,000	\$1,678,313	\$78,313
Chapter Tuition - STAC	\$1,920,000	\$1,541,840	(\$378,160)



Proposed 2022-2023 Revenue Budget

	2021-2022 Approved Budget	2022-2023 Proposed Budget	\$ Difference
BOCES Refund for Prior Year Surplus	\$850,000	\$830,399	(\$19,601)
Workers Comp & Ins. Reimbursement	\$150,000	\$93,318	(\$56,682)
Medicaid	\$1,000,000	\$989,000	(\$11,000)
Use of Facilities	\$228,000	\$236,081	\$8,081
Misc Revenue	\$1,315,000	\$1,130,453	(\$184,547)



Proposed 2022-2023 Revenue Budget

	2021-2022 Approved Budget	2022-2023 Proposed Budget	\$ Difference
Interfund Transfers from Debt Service	\$53,218	\$53,055	(\$163)
Fund Balance & Appropriated Reserves	-	-	-
CARES Funding	\$22,250,529	-	(\$22,250,529)
Total Revenues:	\$272,449,633	\$262,544,765	(\$9,904,868)



Revenue Considerations

State Aid

- Possible transportation aid deduction
- 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 (CRRSA) **\$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** *Approved by NYSED on 2/18/22

*Any excess General Fund monies will be recommended to be placed in allowable reserves





Proposed 2022- 2023 Budget Expenses





Proposed 2022-2023 Expenditure Budget

	2021-2022 Approved Budget	2022-2023 Proposed Budget	\$ Difference
Salaries	\$112,632,486	\$116,410,625	\$3,778,139
Benefits	\$55,899,206	\$58,690,653	\$2,791,448
Materials & Equipment *	\$28,434,103	\$4,470,840	(\$23,963,263)
Contractual	\$14,402,142	\$39,266,219	\$24,864,077
Contractual - Legal **	\$1,500,000	\$2,088,084	\$588,084
Contractual - Transportation ***	\$46,000,106	\$61,868,506	\$15,868,400

* BOCES expenses shifted to contractual line, ** Increase is based on projected actuals for 21/22,

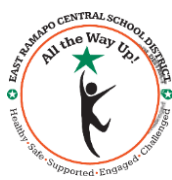
*** Increase is based on projected actuals for 21/22 + CPI



Proposed 2022-2023 Expenditure Budget

	2021-2022 Approved Budget	2022-2023 Proposed Budget	\$ Difference
CARES Expenditures	\$15,800,000	-	(\$15,800,000)
Debt Payment	\$26,880,107	\$5,561,162	(\$21,318,946)
Legal Settlement	\$5,446,140	-	(\$5,446,140)
Transfer to Other Funds (F,H) *	-	\$6,062,134	\$6,062,134
Transfer from Special Aid Fund	(\$34,544,657)	(\$31,873,457)	\$2,671,200
Totals Expenditures:	\$272,449,633	\$262,544,765	(\$9,904,868)

* F: to support Special Education Services; 4201 and Summer Handicap, H: Renovation of secondary instructional areas for PE



Expenditure Considerations

Expenditure Reduction

- CARES to nonpublic sharing
- Legal settlements have been paid in full
- Reduction in workforce due to retirements
- Repayment of debt

Expenditure Increases

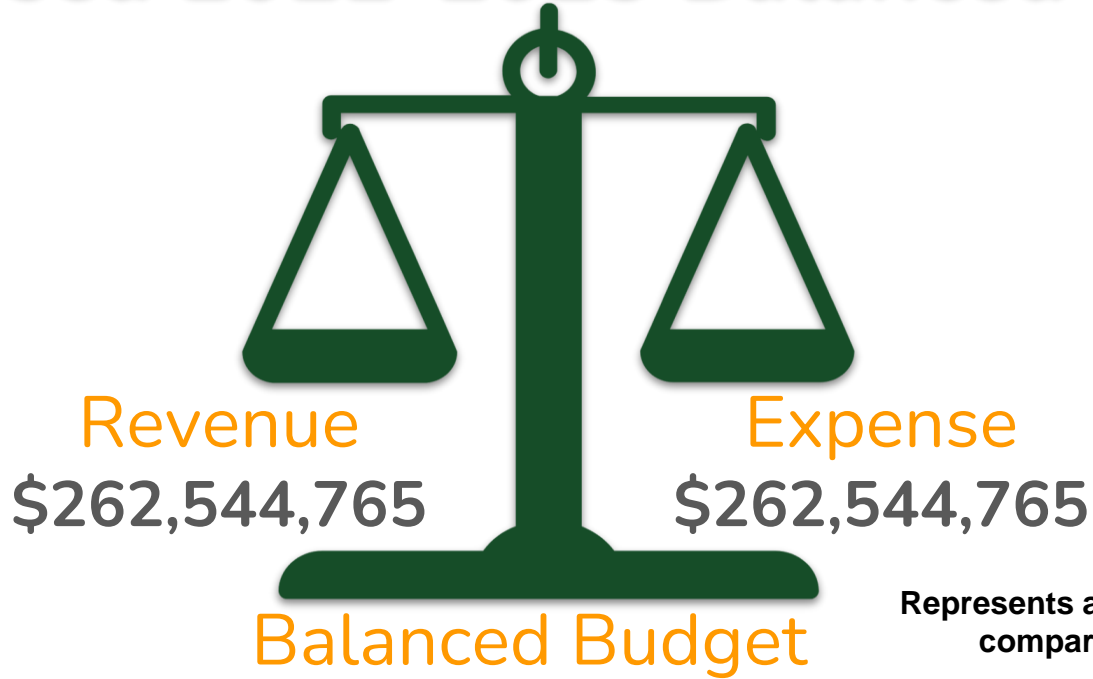
- Benefits
- Transportation Expenses

** Contractual increases have been incorporated into the 22/23 budget*





Proposed 2022-2023 Balanced Budget



Represents a 4% reduction in budget compared to the prior year

**Subject to Commissioner Review & BOE Adoption*



Proposed 2022-2023 Reserves Recommendation

Type	Establishment & Use	Notes
<p>Employee Benefit Accrued Liability Reserve (EBALR)</p> <ul style="list-style-type: none">• Payment for employee unused sick, personal and vacation time	<p>Voter approval is <i>not required</i> for establishment and use</p>	<ul style="list-style-type: none">• Funds must be invested• Interest accrues to reserves
<p>Repair Reserve</p> <ul style="list-style-type: none">• Payment for repairs to capital improvements or equipment that is non-recurring	<p>Voter approval is <i>not required</i> to establish Emergency $\frac{2}{3}$ BOE approval to use</p>	<ul style="list-style-type: none">• Funds must be invested• Interest accrues to reserves



Proposed 2022-2023 Reserves Recommendation

Type	Establishment & Use	Notes
<p>Retirement Contribution Reserve</p> <ul style="list-style-type: none">• Payment for retirement contributions to the NYS Local Employees' Retirement System (ERS)	<p>Voter approval is <i>not required</i> to establish or use</p>	<ul style="list-style-type: none">• Funds must be invested• Interest accrues to reserves• Funds may be transferred to another reserve following a public hearing
<p>TRS Retirement Contribution Reserve (subfund)</p> <ul style="list-style-type: none">• Payment for retirement contributions to the NYS Teachers' Retirement System	<p>Voter approval is <i>not required</i> to establish or use</p>	<ul style="list-style-type: none">• Balance of the fund cannot exceed 10% of total comp to teachers and annual contributions cannot exceed 2%• Funds must be invested• Interest accrues to reserves• Funds may be transferred to another reserve following a public hearing



Proposed 2022-2023 Reserves

Recommendation

Type	Establishment & Use	Eligible Use/Notes
<p>Unemployment Insurance Reserve</p> <ul style="list-style-type: none">For Self-Insured school districts (Article 18 NYS Labor Law) to reimburse NYS for benefits payable to claimants	<p>Voter approval is <i>not required</i> to establish or use</p>	<ul style="list-style-type: none">Funds must be investedInterest accrues to reservesExcess funds available at end of fiscal year may be transferred to another reserve (within 60 days)
<p>Workers Compensation Reserve</p> <ul style="list-style-type: none">For Self-Insured school districts to pay lost wage and benefits payments to claimants	<p>Voter approval is <i>not required</i> to establish or use</p>	<ul style="list-style-type: none">Funds must be investedInterest accrues to reservesExcess funds available at end of fiscal year may be transferred to another reserve (within 60 days)



Contingency Budget

Under a **Contingency Budget**, the District's Tax Levy for 2022-2023 must be the same (or less) than the Tax Levy for 2021-2022 (0% increase).

For the 2022-2023 proposed budget, the District is proposing a 3.96% tax levy increase (\$6,371,479).

If the budget is defeated, the District will be tasked with reducing program and/or staff in the amount of \$6,371,479.

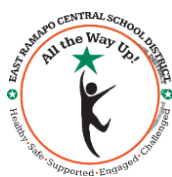
A defeat of the budget will result in cuts to handicap accessibility and renovation of secondary instructional areas for Physical Education.



Fiscal Monitor - Partnership & Collaboration



- **Maximizing Revenue**
 - Working with legislators to increase foundation and transportation aid
 - Working with external partners to address missed opportunities for revenue
 - STAC
 - Building Aid
 - Revenues
 - Parentally Placed Special Ed Students
 - Health & Welfare
 - Foster Billing
- Instituting **Procedures and Protocols** that maintain the integrity of reportable data
 - Transportation Department
 - Free & Reduced Lunch Applications
- **Sound Business Practices**
 - Development of a solid business office support staff
- **Public Relations**
 - Community Outreach



Questions?

Dr. Clarence G. Ellis

Superintendent of Schools

cellis@ercsd.org

845-577-6011

Mr. Bruce Singer

Fiscal State Monitor

bsinger@ercsd.org

Mrs. Linda E. Macias

Assistant Superintendent for Business

lmacias@ercsd.org

845-577-6061

Mary Fox-Alter

Instructional State Monitor

mfox@ercsd.org