

South Country

Central School District

The Budget Process Long-Term Planning/Reserves



South Country CSD

BUDGET DEVELOPMENT CALENDAR

Date	Action
November 2020	Distribute budget packages to Principals and Directors with budget parameters and deadlines.
December 2020	Cabinet reviews and meets with Principals and Directors to review preliminary budget requests.
January 20, 2021	Present initial budget planning with reserve and fund balance information to Board of Education.
February 10, 2021	Present preliminary budget and tax levy limit calculation to the Board of Education.
February 24, 2021	Present updated budget estimates with detailed discussion on Administration (1000), Transportation (5000) & Benefit (9000) codes to Board of Education.
March 1, 2021	Submit initial 2021/22 tax levy limit calculation to the Office of the State Comptroller & SED.
March 10, 2021	Present updated budget estimates with detailed discussion on Curriculum & Instruction (2000) codes to Board of Education.
March 24, 2021	Present updated budget estimates with detailed discussion on Staffing Analysis to Board of Education.
1 st Publication March 30, 2021 - April 3, 2021	Publish Legal Notice with date, time and place of hearing and budget vote. Must advertise four (4) times within seven (7) weeks with first publication at least 45 days before budget vote day (May18, 2021). Publication should appear in two (2) general circulation newspapers.
April 7, 2021	Present updated budget and revenue estimates to Board of Education.
April 21, 2021	Finalize and adopt the 2021/22 budget and property tax report card with Board of Education (no later than April 23, 2021)
April 22, 2021	Property tax report card due to SED via the SAMS system. Due the next business day after the Board of Education adopts the report card but no later than April 26, 2021. Transmit to local newspapers of general circulation.
May 5, 2021	Conduct budget hearing seven (7) to fourteen (14) days before budget vote day. Budget must be presented in plain language and in three components; Administrative, Program and Capital.
April 27, 2021 - May 4, 2021	Budget statement and required attachments must be available, upon request, at each school building, office of administration, public library and on the district's website at least seven (7) days before the budget hearing and at least fourteen (14) days before budget vote day. In addition, the budget statement with attachments must be available at each voting location on budget vote day. Includes Report cards, ESSA report, PTRC, Adm. Salary Disclosure, Tax Exemption Report.
May 6-12, 2021	Mail budget notice to eligible voters, no later than six (6) days prior to budget vote day.
May 18, 2021	Annual Meeting-Statewide Annual Budget Vote Day & Board of Education Trustee Election.
July 1, 2021	Implement 2021/22 budget.

Planning



Reserves
&
Fund
Balance

Budget Development Kickoff

- ▶ BOE Priorities
 - ▶ Guiding Principles

- ▶ Considerations
 - ▶ Pandemic
 - ▶ Other

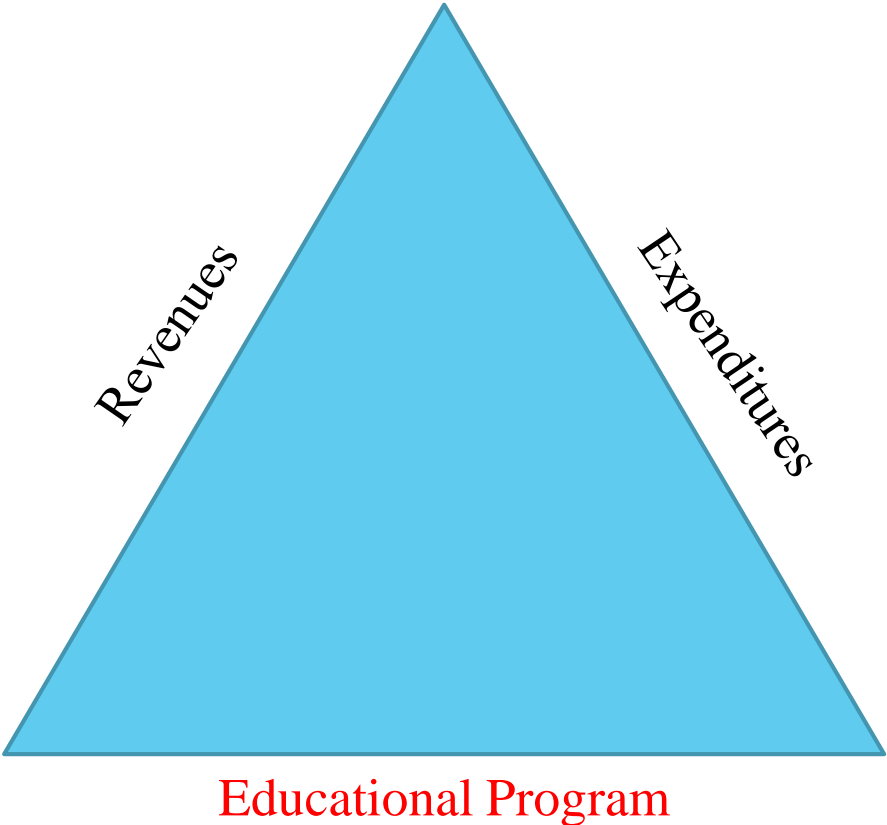
- ▶ Financial Position
 - ▶ Fund Balance
 - ▶ Revenue
 - ▶ 2020/21

Board Priorities

BOARD OF EDUCATION PRIORITIES 2020-21

1. Continue to support teaching and learning aligned to the NYS Learning Standards, ensuring all students receive skilled instruction leading to growth and the attainment of grade level learning expectations or above. (TL, T1, T2, T3, T4)
2. Continue to provide a safe and secure learning environment that is accepting and welcoming to everyone and ensures all children have access to a well-rounded, culturally responsive education that supports their social emotional development during the school day and during co-curricular activities. (TL, HS, T1, T2, T4, T5)
3. Review and evaluate our education programs and develop a plan to improve programs where needed in time for 2020-21 budget consideration. Specifically in the areas of: Equity in Education, Remote Teaching and Learning, and Social Emotional Support for Students and Staff. (TL, HS, T1, T2, T3, T4, T5, T6)
4. Continue to build partnerships in our learning community with all residents, and increase parent involvement and communication within our schools and our learning community. Make appropriate support and workshops available to parents to assist them in supporting their children's accountability and success with remote learning. (SP, TL, T1, T2, T6)
5. Recruit, train and retain faculty and staff that is reflective of the cultural and linguistic diversity of the South Country Community. (SP, T1, T2)
6. Develop a fiscally responsible and transparent budget, maximizing efficiency and economy, ensuring the district is using its resources to deliver the best educational program. (SP, TL, HS, FF, T1, T2, T3, T4, T5, T6)

Board Priorities



Considerations

- ▶ Student Need Analysis
 - ▶ Impact of Pandemic
- ▶ Budget Analysis
 - ▶ 2020/21 – Pandemic
 - ▶ 2019/20 – Nine Months of Operations/Pandemic
 - ▶ 2018/19 – Last full year of normal operations
- ▶ Expenditure Analysis
 - ▶ One-time vs. Recurring
- ▶ Revenue Analysis
 - ▶ Uncertainty
- ▶ ESSA/Transparency Alignment
 - ▶ Ongoing

Financial Position

- ▶ Fund Balance
 - ▶ Reserves
 - ▶ Unreserved
- ▶ Revenue
 - ▶ Uncertainty
- ▶ 2020/21
 - ▶ What Do We Know Now

Reserve Funds

- ▶ Capital Reserve Fund*
- ▶ Employee Benefit Accrued Liability Reserve Fund (EBALR)*
- ▶ Insurance Reserve Fund
- ▶ Property Loss and Liability Reserve
- ▶ Repair Reserve Fund*
- ▶ Retirement Contribution Reserve Fund*
 - ▶ TRS District Retirement Contribution Reserve Sub Fund *
- ▶ Unemployment Insurance Reserve Fund*
- ▶ Workers' Compensation Reserve Fund*

- ▶ Mandatory Reserve for Debt*

* *Reserve maintained by SCCSD*

Capital Reserve

- ▶ Eligible Uses
 - ▶ Finance capital projects where bonds could be issued
- ▶ Authority
 - ▶ Establishment
 - ▶ Voter Approval
 - ▶ Use
 - ▶ Voter Approval
- ▶ Other
 - ▶ Funds must be invested
 - ▶ Interest accrues to reserve

Employee Benefit Accrued Liability Reserve (EBALR)

- ▶ Eligible Uses
 - ▶ Payment for employee unused sick, personal and vacation time
- ▶ Authority
 - ▶ Establishment
 - ▶ Without Voter Approval
 - ▶ Use
 - ▶ Voter Approval Not Required
- ▶ Other
 - ▶ Funds must be invested
 - ▶ Interest accrues to the reserve

Repair Reserve

▶ Eligible Uses

- ▶ Payment for repairs to capital improvements or equipment that is non-recurring

▶ Authority

▶ Establishment

- ▶ Without Voter Approval

▶ Use

- ▶ Emergency: 2/3 Board of Education approval
 - ▶ 1/2 of funds spent must be repaid the next fiscal year, next 1/2 by the second fiscal year
- ▶ Non-Emergency: Public Hearing

▶ Other

- ▶ Funds must be invested
- ▶ Interest accrues to the reserve

Retirement Contribution Reserve

- ▶ Eligible Uses
 - ▶ Payment for retirement contributions to the NYS Local Employees' Retirement System (ERS)
- ▶ Authority
 - ▶ Establishment
 - ▶ Without Voter Approval
 - ▶ Use
 - ▶ No Voter Approval required
- ▶ Other
 - ▶ Funds must be invested
 - ▶ Interest accrues to the reserve
 - ▶ Funds may be transferred to another reserve following a public hearing

TRS Retirement Contribution Reserve (Subfund)

- ▶ Eligible Uses
 - ▶ Payment for retirement contributions to the NYS Teachers' Retirement System
- ▶ Authority
 - ▶ Establishment
 - ▶ Without Voter Approval
 - ▶ Use
 - ▶ No Voter Approval required
- ▶ Other
 - ▶ Annual contributions shall not exceed 2% and the balance of the fund shall not exceed 10% of the total compensation of all teachers
 - ▶ Funds must be invested
 - ▶ Interest accrues to the reserve
 - ▶ Funds may be transferred to another reserve following a public hearing
 - ▶ The Board of Education may transfer funds between the ERS and TRS sub fund reserve

Unemployment Insurance Reserve

▶ Eligible Uses

- ▶ For Self-Insured school districts (Article 18 NYS Labor Law) to reimburse NYS for benefits payable to claimants

▶ Authority

▶ Establishment

- ▶ Without Voter Approval

▶ Use

- ▶ Voter Approval not required

▶ Other

- ▶ Funds must be invested
- ▶ Interest accrues to the reserve
- ▶ Excess funds available at end of fiscal year may be transferred to another reserve (within 60 days)

Workers' Compensation Reserve

- ▶ Eligible Uses
 - ▶ For Self-Insured school districts to pay lost wage and benefits payments to claimants
- ▶ Authority
 - ▶ Establishment
 - ▶ Without Voter Approval
 - ▶ Use
 - ▶ Voter Approval not required
- ▶ Other
 - ▶ Funds must be invested
 - ▶ Interest accrues to the reserve
 - ▶ Excess funds available at end of fiscal year may be transferred to another reserve (within 60 days)

Mandatory Reserve for Debt

- ▶ Eligible Uses
 - ▶ Payment toward outstanding debt obligations or return to G/F
- ▶ Authority
 - ▶ Establishment
 - ▶ Without Voter Approval
 - ▶ Use
 - ▶ Voter Approval not required
- ▶ Other
 - ▶ Funds must be invested
 - ▶ Interest accrues to the reserve

Unreserved Fund Balance

- ▶ Assigned Fund Balance
 - ▶ BOE approved funding source
- ▶ Unassigned Fund Balance
 - ▶ Statutorily Limited to 4% of the ensuing year's General Fund budget
 - ▶ “Rainy Day” funds

Fund Balance History

	June 2005	June 2016	June 2017	June 2018	June 2019	June 2020
Reserve Funds						
Workers' Comp	0	2,675,620	2,683,647	2,697,602	2,727,950	3,054,898
Unemployment	0	1,017,368	1,020,420	1,025,726	1,037,265	1,352,695
Retirement-ERS	0	3,951,981	3,963,837	3,984,449	4,029,274	5,089,209
Retirement-TRS					250,000	1,253,719
EBLAR	0	5,609,127	5,625,955	5,655,210	5,092,024	4,957,954
Property Loss	0	486,455	487,914	490,452	0	0
Capital	0	294,035	2,623,615	2,350,065	2,304,747	2,339,030
Repair					0	0
Assigned Fund Balance *	0	4,500,000	4,175,244	3,998,649	3,900,000	4,000,000
Unassigned Fund Balance	(4,623,721)	5,051,856	5,183,829	5,286,320	5,384,003	5,533,226
Total	\$(4,623,721)	\$23,586,442	\$25,764,461	\$25,488,473	\$24,725,263	\$27,580,731

*For 2020-2021, \$4,000,000 was appropriated from Assigned Fund Balance.

\$2,855,468

2020/21 What Do We Know Now

Best Case Scenario

▶ Revenues:

▶ State Aid (Transportation)	Down	\$1.50M
▶ Fees	Down	\$.20M
▶ Foundation Aid Restoration /CARES	Up	\$.90M

▶ Expenses:

▶ COVID	Up	\$1.10M
▶ Unemployment	Up	\$.15M

▶ **Estimated Budget Impact** **(\$2.05M)**

2020/21 What Do We Know Now

Current Scenario

▶ Revenues:

▶ State Aid (Transportation)	Down	\$1.50M
▶ Fees	Down	\$.20M

▶ Expenses:

▶ COVID	Up	\$1.10M
▶ Unemployment	Up	\$.15M

▶ **Estimated Budget Impact** **(\$2.95M)**

2020/21 What Do We Know Now

Worse Case Scenario

▶ Revenues:

▶ Transportation Aid	Down	\$2.0M
▶ Fees	Down	\$.20M
▶ State Aid (20%)	Down	\$9.5M

▶ Expenses:

▶ COVID	Up	\$1.50M
▶ Unemployment	Up	\$.20M

▶ **Estimated Budget Impact** **(\$13.40M)**

2020/21 What Do We Know Now

Scenario Based on 1/19/21 Governor's Executive Budget Proposal

(assumes Federal Aid of \$6B)

▶ Revenues:

▶ Transportation Aid	Down	\$2.0M
▶ Fees	Down	\$.20M
▶ State Aid (5%)	Down	\$2.8M

▶ Expenses:

▶ COVID	Up	\$1.50M
▶ Unemployment	Up	\$.20M

▶ **Estimated Budget Impact** **(\$6.70M)**

2021/22 Budget/Revenue Outlook

- ▶ Board of Regents
 - ▶ Foundation Aid increase of 0% - Regents proposed
- ▶ NYS Revenues
 - ▶ Projecting \$30B revenue shortfall through 2022
 - ▶ Seeking \$15B in direct federal aid to close budget gap
 - ▶ Source: E.Randall, NYSSBA Editor in Chief, OnBoard Extra article re: 1/11/21 State of the State Address by Governor Cuomo:
 - ▶ *Cuomo also expressed hope that Congress and the Biden administration will help close New York's \$15 billion budget gap. To illustrate the magnitude of that deficit, he said, "If we cut education funding for our children 20%, we would save \$5.2 billion."*
 - ▶ October of 2020
 - ▶ S&P issued credit downgrade – Aa2 to Aa1
 - ▶ December of 2020
 - ▶ S&P issued revised outlook from stable to negative
- ▶ Consumer Price Index (CPI)
 - ▶ Commonly referred to as “2%” increase in tax levy
 - ▶ For 2021/22 tax levy growth factor will be 1.23%
 - ▶ Directly impacts tax levy

Budgetary Options

- ▶ 2020/21 & 2021/22
 - ▶ Efficiencies
 - ▶ Staff Reductions
 - ▶ Use of Reserves
 - ▶ Fund Balance

Budget Meetings/Presentations

- ▶ ~~January 20, 2021~~
- ▶ **February 10, 2021**
 - ▶ **Tax Levy and Preliminary Revenue**
- ▶ February 24, 2021
- ▶ March 10, 2021
- ▶ March 24, 2021
- ▶ April 7, 2021
- ▶ April 21, 2021
- ▶ May 5, 2021

- ▶ **May 18, 2021 – Budget Vote & Trustee Election**