



# POUGHKEEPSIE CITY SCHOOL DISTRICT

**2020-2021  
Budget Update  
April 28, 2020**



- Dr. Eric Jay Rosser, Superintendent of Schools
- William Hogan, Interim Chief Operations Officer

# Agenda

- Budget Priorities
- Board Elections/Budget Vote
- Budget Update
- Tax Levy Matrix to Display Tax Impacts
- Recent Budget Activities
- Budget Activities Underway
- Discussion



# 2020-21 Budget Priorities

A. The District has made every effort to overcome numerous financial challenges:

- ❑ The current budget is understated approximately \$3 million
- ❑ The Community Schools funding of \$2.5 million must be created without additional funding (mandate)
- ❑ State aid is projected to decrease aid by \$1.5 million.
- ❑ There will be a loss of grant funding that is currently paying for (4) elementary assistant principals (\$580,000)
- ❑ The contractual raises will increase salaries by \$1 million

B. Unfortunately, further budget reductions beyond what has been identified to date will further negatively impact educational programming.

# School Board Elections and Budget Vote

At this time it is unknown when the school board elections and budget votes will occur. The Governor has stated that it will not occur before June 1<sup>st</sup>.

The Governor has not determined a State-wide date at this time. Additionally, on May 1<sup>st</sup> the Governor has the authority to further reduce State-aid estimates for 2020-21.

Typically, school districts need a minimum of 45 days between the date the Board adopts the budget and the public vote in order to comply with regulatory timelines. However, in this environment, some regulatory timelines could be relaxed.

Given all the uncertainties, staff recommends the Board adopt the budget at its May 19<sup>th</sup> meeting. If something changes at the State level a special budget meeting could be called.

# Budget Update

<b>2020-21 Budget Snapshot</b>	As of 4/28/20		As of 4/16/20	
<b><u>PROJECTED EXPENSES</u></b>				
Current Budget Draft	\$ 106.238	M	\$ 107.500	M
Add: Community Schools (new expenses)	1.425	M	1.500	M
Add: Essential Vacancies to be Filled	2.686		2.700	M
Adj: BOCES	(0.228)		0.300	M
Less: Identified Potential Staff Reductions to Date	(3.036)	M	(2.850)	M
Total Expenses	\$ 107.085	M	\$ 109.150	M
<b><u>PROJECTED REVENUES</u></b>				
Budget Draft	\$ 101.657	M	\$ 102.800	M
Anticipated Insurance Proceeds	1.400	M	1.400	M
Based Upon Tax levy increase 4.9%	1.400	M	1.400	M
Total Revenues	\$ 104.457	M	\$ 105.600	M
Still would need further reductions of	\$ 2.628	M	\$ 3.550	
<i>Note: The projected revenues above assume a \$500,000 Fund Balance subsidy.</i>				
Health Ins Savings (collective bargaining agreements)	\$ (0.900)	M		
<b>Deficit After Health Savings</b>	<b>\$ 1.728</b>	<b>M</b>		

# Budget Matrix to Display Tax Impact Scenarios

## ILLUSTRATIVE PURPOSES ONLY

Budget Matrix to Display Various Tax Impacts	Tax Levy % Increase	Additional Budget Cuts Needed	
If Tax Levy is set at	4.90%	\$ 2.680	M
If Tax Levy is set at	3.90%	2.975	M
If Tax Levy is set at	2.90%	3.270	M

# Recent Budget Activities

Since the last Board meeting, the following strategies have been employed to reduce the budget gap:

- Updated budget with new hires since February
- Identification and review of essential vacancies that need to be filled
- Eliminated central and building based administrative positions that cannot be supported by budget
- Delayed hires where feasible
- Evaluated the cost of the PACE program
- Restructuring some positions to be more cost effective
- Review of BOCES contract and identification of reductions
- Change to borrow for BOCES \$1.9 M capital project payment instead of paying in full
- Continuous review of teaching assignments and class sizes
- Met with all collective bargaining units two times to collaborate on ways to reduce the budget gap

# Recent Budget Activities Outcomes

## Identified Potential Staffing Reductions of \$3 million

- 27 teachers
- 11 administrators (PTech Principal, PACE Principal, PACE Assistant Principal, HS Dean of Students, Elementary Assistant Principals (5), Assistant to Superintendent, Director of Grants and Advancement)
- 10 support staff
- Restructured (3) central office administrative positions that will result in budget reductions ( Assistant Superintendent of Athletics, Physical Education, Health & Wellness, and Security, Two additional positions that will be presented for BOE action in the coming weeks)

## Reduction of BOCES Contract

-\$500,000

## BOCES Capital Payment

-\$549,000

# Budget Activities Underway

## Informal Discussions with Collective Bargaining Units

Given the severity of the 2020-21 Budget Outlook for the PCSD, the following scheduled salary increases\* were discussed with each unit.

-Administrators	\$ 40,000
-Teachers	900,000
-Clerical	41,000
-Maintenance/Nurses	43,000
-Para-Professionals	<u>39,000</u>
Total	\$ 1,063,000

Notes: Salary increases may include one or more of the following: steps, longevity, or non-step increases. These figures are approximations.

# Budget Activities Underway

## Informal Discussions with Bargaining Units

In order to help off-set the escalating costs of health insurance, the following items were discussed:

### For teachers, options to reduce District's cost:

Change/modify the health plan – savings TBD

Change employee contribution from 11.5% to 15%

- Potential savings up to \$900,000\*

### For all other bargaining units

-The contracts allow greater latitude for management and less expensive options are being reviewed.

- Potential saving up \$900,000\*

# Budgeting Activities Underway

- Continue Evaluating Staffing Levels
- Review of Line-by-Line Budget
- 2<sup>nd</sup> Review of BOCES Contracts
- 2<sup>nd</sup> Review of Grants
- Review/reconsider large vendor contracts
- Explore all Non-Mandated Items/Positions
  - Any programs not mandated by law will need to be considered.
    - Electives
    - Course Offerings
    - Clubs
    - Interscholastic
  - All nonmandated positions will need to be considered.
- Restructure the Superintendent's contract to reflect cost savings from contractual benefits (i.e. Health Care contribution to increase from the current 18% to 20% for the 2020-2021 academic year, etc.).

# Discussion

Discussion/Questions/Comments

