



Poughkeepsie City School District



2022-23 Budget Development

February 16, 2022

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Agenda



- 2022-23 Budget Development
 - Budget Goals
 - Budget Calendar
 - Projected State Aid
 - Budget Outlook
- Overview of Grants
- Discussion

Budget Goal ~

Present a fiscally sound 2022-23 budget that addresses the educational program and operational needs to the Community

- Increase budget participation to include:
 - District Administrators
 - Building Leadership
 - Department Directors
- Satisfy Regulatory Requirements (Mandates)
- Align Allocation of Financial Resources
 - Strategic Plan
 - Equity at the School Level

Budget Calendar



2/16/2022	Board of Education Meeting / Budget Update
3/1/2022	Submit Tax Cap Levy Limit on NYS Comptroller's Website
3/2/2022	Board of Education Meeting / Budget Update
3/16/2022	Board Meeting / Present Budget Draft
3/29 - 4/2/2022	1 st of 4 Legal Notices Published (Budget Hearing, Election and Vote)
4/6/2022	Board of Education Meeting Adopt Educational Plan & Budget <small>(Prior to 4/25/22)</small>
4/6 - 4/25/2022	Submit Property Tax Report Card to SED and Local Newspaper <small>(within 24 hours of adoption)</small>
4/26/2022	Board of Education Meeting ~ BOCES Vote (6 PM)
4/27/2022	Budget Available in all Schools and Central Office
5/4/2022	Board of Education Meeting ~ Legal Budget Hearing
5/4 - 5/11/2022	6-Day Budget Notice Mailed to Residents
5/17/2022	Vote ~ Board Election & School Budget

2022-23 Projected State Aid

State Aid Projections	22-23 Governor's Run	21-22 Current Year State Aid	Dollar Change	Percentage Change
Foundation Aid	\$ 69,091,832	\$ 60,943,328	\$ 8,148,504	11.79%
Universal Pre-K (outside of GF)	\$ 3,027,487	\$ 3,027,487	\$ -	0.00%
BOCES Aid	\$ 2,308,987	\$ 2,390,698	\$ (81,711)	-3.54%
High Cost Excess Aid	\$ 2,233,924	\$ 1,813,697	\$ 420,227	18.81%
Private Excess Cost	\$ 3,147,698	\$ 3,108,378	\$ 39,320	1.25%
Categorical Aid - Hardware/Technology	\$ 81,929	\$ 78,200	\$ 3,729	4.55%
Categorical Aid - Software, Library, Textbooks	\$ 358,348	\$ 313,447	\$ 44,901	12.53%
Transportation Aid	\$ 4,293,457	\$ 2,901,661	\$ 1,391,796	32.42%
Building Aid	\$ 1,768,349	\$ 1,538,133	\$ 230,216	13.02%
	\$ 86,312,011	\$ 76,115,029	\$ 10,196,982	11.81%
Less Pre K	\$ (3,027,487)	\$ (3,027,487)		
	\$ 83,284,524	\$ 73,087,542	\$ 10,196,982	12.24%

In the Governor's 22-23 State Aid Run, Community Aid \$2.6M is wrapped into Foundation Aid where it was separated out of the 21-22 NYS approved aid.

The State Aid outlook is favorable.

2022-23 Preliminary Revenues

Description	2022-23 Draft Budget	2021-22 Approved Budget	Dollar Change	Percentage Change
Real Property Tax	\$ 31,671,290	\$ 31,671,290	\$ -	0.00%
Other Tax	\$ 1,350,000	\$ 1,350,000	\$ -	0.00%
Miscellaneous Fees	\$ 527,700	\$ 653,900	\$ (126,200)	-23.92%
State Aid	\$ 83,058,978	\$ 74,110,628	\$ 8,948,350	10.77%
Federal Aid	\$ 200,000	\$ 300,000	\$ (100,000)	-50.00%
Interfund Transfers	\$ 55,000	\$ 105,000	\$ (50,000)	-90.91%
	\$ 116,862,968	\$ 108,190,818	\$ 8,672,150	7.42%

The revenue estimates above represent the earliest stage of budget development. At this time, the estimate for Real Property Tax has been held constant and is among the last numbers to be finalized prior to budget adoption.

2022-23 Preliminary Expenses

Description	2022-23 Draft Budget	2021-22 Approved Budget	Dollar Change	Percentage Change
General Support	\$ 9,787,970	\$ 9,263,899	\$ 524,071	5.35%
Instructional Costs	\$ 59,576,463	\$ 57,084,814	\$ 2,491,649	4.18%
Transportation	\$ 5,860,442	\$ 4,403,137	\$ 1,457,305	24.87%
Community Use of Facility Fees	\$ 85,000	\$ 85,000	\$ -	0.00%
Employee Benefits	\$ 36,241,290	\$ 33,237,597	\$ 3,003,693	8.29%
*Debt Service	\$ 4,434,009	\$ -	\$ 4,434,009	100.00%
*Interfund Transfers	\$ 1,075,000	\$ 4,116,370	\$ (3,041,370)	-282.92%
	\$ 117,060,174	\$ 108,190,817	\$ 8,869,357	7.58%

The expenditure estimates above represent the earliest stage of 2022-23 budget development. It cannot be overstated that the numbers are preliminary and will be adjusted throughout the budget process.

2022-23 Budget Summary

Projections as of 02-11-2022

Description	2022-23 Projected	2021-22 Approved	Dollar Change	Percentage Change
Revenues	\$ 116,862,968	\$ 108,190,818	\$ 8,672,150	7.42%
Expenses	\$ 117,060,174	\$ 108,190,818	\$ 8,869,356	7.58%
	\$ (197,206)	\$ -	\$ (197,206)	100.00%

Next Steps In the Budget Process

- Follow State-Aid Developments
- Continue Reviewing Revenue and Expenditure Projections
- Continue Reviewing Program Needs
- Review Requests for Additional Resources
- Review Staffing, Salary Estimates, and Benefit Costs
- Review School-Level/Department Budgets
- Compute Tax Cap
- Finalize BOCES Budgets
- Finalize Debt Schedule/Capital Project
- Review Grant Funded Positions
- Develop Preliminary Plans for Budget Adjustments & Reductions
- Incorporate Feedback on the Budget

Grant Funding

The District currently receives \$13.6 million in grant funding:

Common Aspects of Grants

- Must be used for a specific purpose - new or different
- Cannot supplant existing expenses
- Often requires some type of (\$) contribution from the District
- Are new initiatives sustainable when grant ends?

Some examples of Grants

- Title grants provide supplemental student supports
- School improvement grants- targeted to a school building
- Services to special education students
- Universal Pre-K and early childhood
- Community Schools (Prospectively to be included in State Aid)

Grant Funding

	2021-22
Title I	\$ 3,055,860
Title IIA, IIIA & IVA	\$ 532,728
Universal Pre K	\$ 1,669,242
MBK	\$ 194,586
Federal Stimulus	\$ 6,716,837
IDEA - Students with Exceptionalities	\$ 1,442,964
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	\$ 13,612,217
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**The numbers above represent the current 2021-22 grant allocations. Additional multi-year funds, such as, ESSER, GEER, ARP & CRSSA are allocated and tracked separately. There are also potential "carryover" funds.*

Fund Balance and Reserves

- Fund Balance and Reserves represent the net worth and savings of the District
- Fund Balance and Reserves represent long-term funds
- Prudent financial management dictates that long-term financial resources be used for singular events (non-recurring) and/or long-term financing
- When long-term funds are utilized for short-term reoccurring items, budget shortfalls will occur in subsequent budget cycles when long-term funds are no longer available.
- Utilizing Fund Balance and Reserve Accounts strategically helps to smooth irregularities in the economic environment and stabilize taxes

Fund Balance and Reserves

Fund Balances	6/30/2019	6/30/2020	6/30/2021
Non-Spendable (outstanding encumbrances)	\$ 655,881	\$ 491,869	\$ 1,683,540
Restricted (reserve funds)	899,509	912,846	7,563,217
Assigned to Subsequent Years' Budget	2,500,000	500,000	0
Unassigned	4,347,160	7,334,840	12,600,954
Total Fund Balance and Reserves	\$ 8,402,550	\$ 9,239,555	\$ 21,847,711

The District improved its financial position at the close of the last three years. In the previous fiscal year (2018-19), the District experienced a \$6.8 million loss.

We are evaluating the potential for a budget surplus in 2021-22 which will further improve the financial strength of the District and free up funding for additional Reserve Accounts for the potential for future capital improvements.

Discussion

