

POUGHKEEPSIE CITY SCHOOL DISTRICT



BUDGET UPDATE PRESENTATION



Budget Update Presenters:
Dr. Eric J. Rosser, Superintendent of Schools
Margarita Lekaj, Interim Assistant Superintendent for Business

February 5, 2025

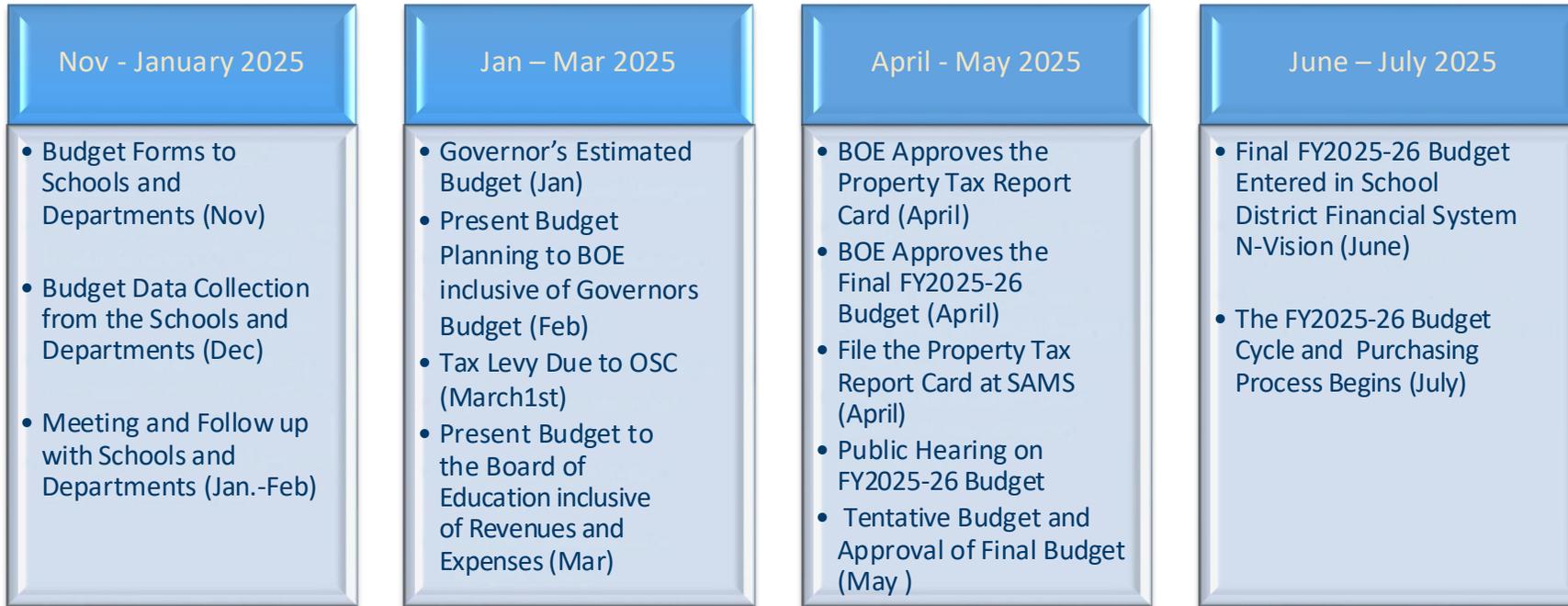


Mission Statement

We are champions of children who inspire and nurture the whole child by providing innovative, high-quality educational opportunities that prepare all students to embark on individual paths of success in a globally diverse community.



PCSD FY25-26 Budget Timeline



← **Best Practices in School Budgeting** →

PRIORITIZE STUDENT NEEDS

INQUIRE STAKEHOLDER INPUT

ALIGN BUDGET TO STRATEGIC PLANNING



Budget Goal Overview

The Poughkeepsie City School District is committed to aligning student success with fiscal planning. The budget update for the 2025-2026 academic year is designed to ensure that our financial resources effectively support our educational goals and strategic initiatives.

Overview of the Budget Goals:

The draft FY 2025-2026 budget will serve as a vital component of our fiscal planning process, ensuring it aligns with the Poughkeepsie City School District's priorities.



2025-26 Budget Key Objectives and Strategic Alignment

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As we prepare for the 2025-2026 school year, our budget reflects a commitment to:

- **Sustain Student Progress:** We aim to maintain and build upon the academic and socio-emotional progress made by our students.
- **Equitable Resource Allocation:** Ensuring that all students have access to the necessary tools and resources to succeed, regardless of their background.

The budget is designed to reflect our district's core values and goals, emphasizing:

- **Improve Student Outcomes:** Investing in academic support services, mental health resources, and extracurricular activities.
- **Professional Development:** Providing teachers and staff with ongoing training to enhance their skills and adapt to the changing educational landscape.
- **Family and Community Engagement:** Strengthening partnerships with local organizations and families to foster a supportive educational environment.



Budget Development *Major Factors Affecting Budget*

- ❖ Increase to Foundation Aid *less than inflation*.
- ❖ Inflationary increases in costs of salaries, student services, instructional supplies.
- ❖ Health Insurance Increases and pension cost adjustments
- ❖ The transition of funding from one time federal funds - ESSER (Elementary and Secondary School Emergency Relief) and ARRA (American Recovery and Reinvestment Act) to the General Fund budget during the fiscal budget year FY2024-2025. This type of budget shift can have significant implications for the school district and the future budget planning.



Budget Development

Major Factors Affecting Budget

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Projected Major Increases:

- ❖ Transportation*
- ❖ Charter School Tuition
- ❖ Utilities
- ❖ Retirement Incentives
- ❖ Facilities
- ❖ Elementary School Reconfiguration

*Transportation Aid will be appropriated in the 26-27 State Budget to reimburse the 25-26 academic year costs.



Mandated Expenses

- Charter School Expenses inclusive of student with Disability Services
- Health Insurance Increases for Active employees and retirees
- Other Employee Benefits
- Our obligation to the Community Schools through a portion of Foundation Aid (set aside)



FY2025-26 Foundation Aid Facts

Governor Kathy Hochul released her FY26 Executive Budget Proposal. As we will review the full proposal for PCSD in more detail, we wanted to share with you some important school finance-related highlights.

- Overall proposed aid increase of \$1.7 billion, or 4.8%.
- Foundation Aid proposed increase of \$1.46 billion, or 5.8%, including the following changes to the formula:
 - A minimum 2% increase for all districts;
 - Census 2000 poverty data would be replaced with Small Area Income and Poverty Estimates (SAIPE) - a Rockefeller Institute recommendation;
 - Free and Reduced Price Lunch (FRPL) data would be replaced with Economically Disadvantaged data - a Rockefeller Institute recommendation;
 - The State Sharing Ratio choice of $(1 - CWR * 0.64)$ would be changed to $(1 - CWR * 0.628)$; and
 - The maximum State Sharing Ratio would be increased from 91% to 93%.
- Expense-based aids funded at current law levels; no changes proposed, so any decrease on districts aid run is data-driven.



FY2025-26 Foundation Aid Facts

Other foundation aid policy proposals affecting schools include:

- Universal Access to School Meals: A proposed increase of \$160 million in the state subsidy for the Community Eligibility Program is proposed, to make access to state and federally funded school meals universal to all school districts.
- Dual Enrollment Policy: SED is tasked with developing a definition of dual enrollment programs and guidelines for participation and data reporting.
- Distraction-Free Schools: Districts would be required to adopt policies banning device use during the school day.



Foundation Aid Financial Implications for Poughkeepsie City School District

ESTIMATED AIDS:	2024-25 Base Year Aid	2025-26 Estimated Aid	\$ CHG 25-26 MINUS 24-25
FOUNDATION AID	\$ 79,862,633.00	\$ 81,459,885.00	\$ 1,597,252.00
FULL DAY K CONVERSION	\$ -		\$ -
UNIVERSAL PRE-KINDERGARTEN	\$ 3,008,127.00	\$ 3,027,487.00	\$ 19,360.00
BOCES	\$ 2,391,411.00	\$ 2,807,116.00	\$ 415,705.00
SPECIAL SERVICES	\$ -		\$ -
HIGH COST EXCESS COST	\$ 1,457,461.00	\$ 1,236,197.00	\$ (221,264.00)
PRIVATE EXCESS COST	\$ 3,522,401.00	\$ 3,555,736.00	\$ 33,335.00
HARDWARE & TECHNOLOGY	\$ 73,116.00	\$ 72,429.00	\$ (687.00)
SOFTWARE, LIBRARY, TEXTBOOK	\$ 336,806.00	\$ 336,865.00	\$ 59.00
TRANSPORTATION INCL SUMMER	\$ 4,771,975.00	\$ 4,736,206.00	\$ (35,769.00)
BUILDING + BLDG REORG INCENT	\$ 1,877,083.00	\$ 1,984,926.00	\$ 107,843.00
OPERATING REORG INCENTIVE	\$ -		\$ -
CHARTER SCHOOL TRANSITIONAL	\$ 1,458,561.00	\$ 1,822,540.00	\$ 363,979.00
ACADEMIC ENHANCEMENT	\$ -	\$ -	\$ -
HIGH TAX AID	\$ -	\$ -	\$ -
SUPPLEMENTAL PUB EXCESS COST	\$ -	\$ -	\$ -
TOTAL	\$ 98,759,574.00	\$ 101,039,387.00	\$ 2,279,813.00
			2.31%
\$ CHG FOUNDATION AID			\$ 1,597,252.00
% CHG FOUNDATION AID			2%



FY2025-26 Budget Planning- Next Steps

Consider Restricted Reserves to Reduce Tax Levy Increases

- Restricted reserves have been used in the past strategically to supplement the revenue needed to balance the budget.
- Our restricted reserves are our savings and we strive to preserve and grow this vital funding source.

Carefully Tracking Spending and Revenues

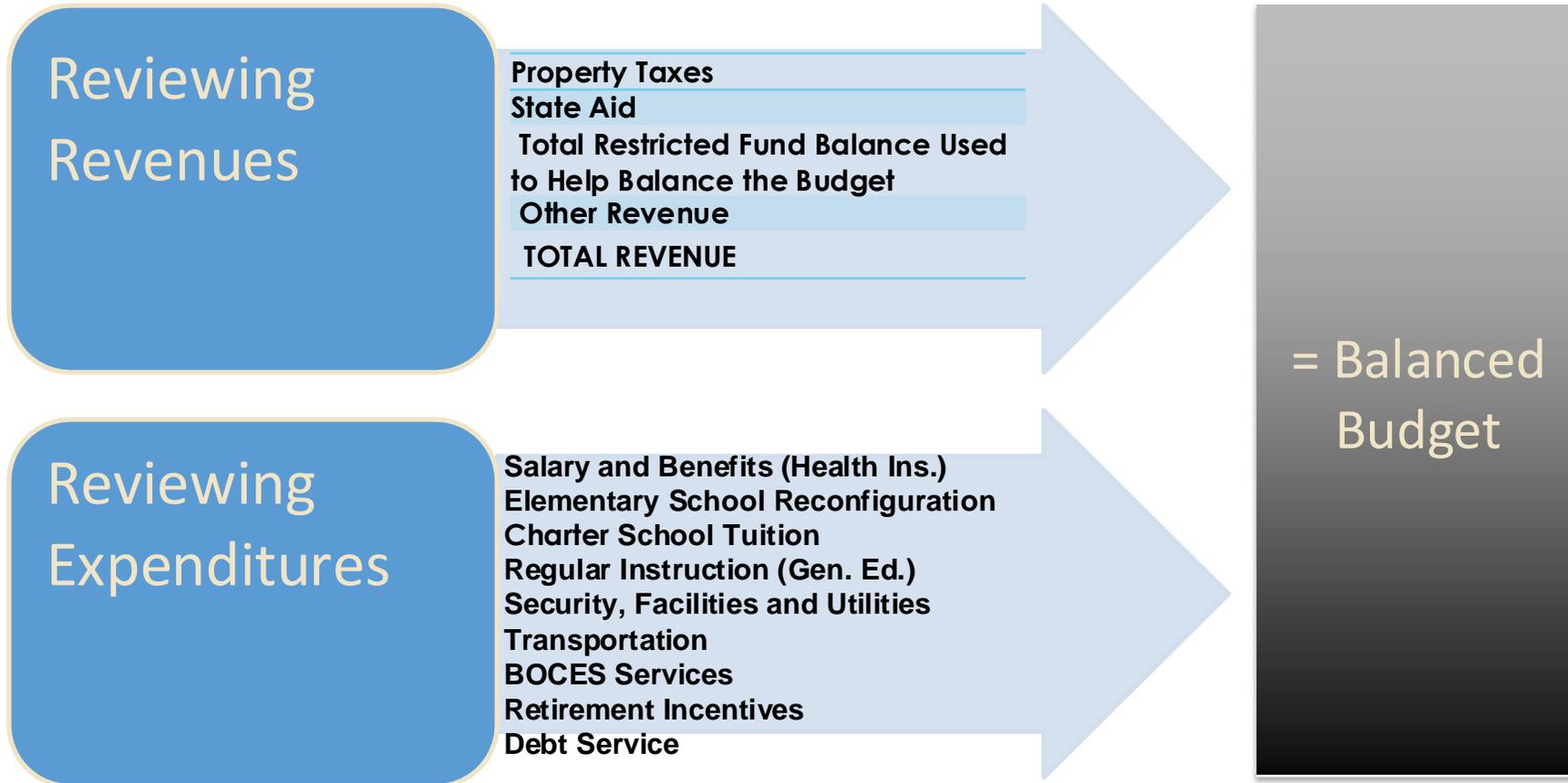
- Tracking State Aid
- Looking for ways to reduce spending
- Looking to ensure nonessential expenditures are monitored.
- Looking for additional sources of revenue (ie: Grants)

Additional Budgeting Development Steps

- Reviewing staffing, salaries, and benefit costs.
- Reviewing the BOCES budgets.
- Reviewing debt service.
- Reviewing revenue and expenditure projections.
- Reviewing school level/departmental budgets.
- Evaluating program needs.
- Developing Contingency plans for budget adjustments.
- Incorporating BOE feedback on the budget.



Next Steps in the FY2025 Budget Development





Q & A



Public Budget Presentation Dates and Times

- Wednesday March 19, 2025
- Wednesday April 2, 2025
- Tuesday April 22, 2025
- Tuesday May 7, 2024 Budget Hearing
- Tuesday May 20, 2025 Board Election and School Budget Vote