

2020-21 Budget Development: Budget Update



May 12, 2020



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Executive Order 202.26 & Trustee Election Update

- Nominating petitions due no later than Tuesday, May 11th (extended from April 20th)
- No minimum number of signatures required for nominating petition
- Candidates must meet all other requirements
- Candidates must be listed on the ballot in alphabetical order



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Executive Order 202.26 & Budget Vote Update

- Budget Adoption:
 - Tuesday, May 19th
- Budget Hearing:
 - Tuesday, May 26th
- **Budget Vote** via **Absentee Ballot** received no later than:
 - **5:00PM on Tuesday, June 9th**
 - Make sure your vote counts!
 - Allow adequate time for postal delivery

You've got mail!

Pursuant to Executive Order 202.26, school districts are required to send three separate mailings:

- [Postcard Notice](#)
 - Sent on/about Tuesday, May 12th
- Budget Notice/Newsletter
 - Sent on/about Tuesday, May 26th
- Absentee Ballot with pre-applied postage and return envelope
 - Sent on/about Tuesday, May 26th

What Happens if the Budget Fails?

- There is no provision in the Executive Order for a statewide budget re-vote, which typically occurs on the 3rd Tuesday in June (June 16th)
- There is only one chance to pass the budget!!
- **If the budget fails on Tuesday, June 9th, the Board of Education MUST adopt a contingency budget**
- Under contingency budget, a district cannot exceed the prior year's Tax Levy

2019-20 Tax Levy	2020-21 Proposed	Reduction Required
\$77.1M	\$78.3M	\$1.2M

What is “Contingent”?

- Ordinary contingent expenses are those necessary to provide the minimum services legally required to:
 - Operate and maintain school buildings
 - Preserve the property of the district
 - Ensure the health and safety of students and staff
- The Board of Education determines which appropriations constitute ordinary and contingent expenses
- A contingency budget will be developed in advance of the May 19th Budget Adoption
 - Reductions typically made in a contingent budget include: equipment, renovations, extra-curricular clubs, athletics, electives and advanced placement courses, certain student supplies, and staff positions

State Aid Update

- NYS Budget Director indicated the state's revenues (ie: personal income tax, corporate income tax, sales tax, investment income, etc.) as of the April 30th measurement period are well below expectations
- It has been suggested that this could result in a reduction in school funding by as much as 20%!!
- It is not clear whether or not the 20% would be applied uniformly across all 700 school districts, or apportioned based on need to protect NYC & other "high need" districts
 - **A 20% reduction in State Aid would result in a loss of over \$4M to Brewster!**
- States significantly impacted by the pandemic (in terms of public health and financially) are lobbying the Federal government for additional relief
 - State & Municipal Aid for Recovery & Transition (SMART)
- It is unlikely that these uncertainties will be resolved anytime soon... meanwhile, we are required to adopt a budget on Tuesday, May 19th!!

Stuck between a Tax Levy and State Aid...



What happens if aid is reduced mid-year?

- This continues to be a fluid situation and is unlikely to be resolved anytime soon
 - Unchartered territory for NYS public education
 - We need to remain flexible and adaptable along the way as more information becomes available

- Brewster Central School District is well-positioned to mitigate a one-time deficit caused by a NYS funding shortfall
 - Unanticipated revenue shortfalls (and expenditures) are not uncommon
 - “It is pouring”

Revenue Budget Summary (rounded \$ in millions [M])

	2019-20	2020-21	Δ (\$)	Δ (%)
Tax Levy (including STAR)	\$77.1	\$78.2	\$1.1	1.5%
Local Sources (PILOTs, Interest, Donations, Interfund Transfers, Misc Revenues, etc.)	2.1	2.9	0.8	35%
State & Federal Aid (including BOCES Aid)	20.3	19.9	(0.4)	-2.2%
Appropriated Fund Balance (the unrestricted portion of accumulated savings)	1.5	2.2	0.7	50%
Appropriated Reserves (the <i>restricted</i> portion of accumulated savings)	0.0	0.8	0.8	100%
Total	\$101.0	\$103.9	\$2.9	2.9%

Expenditure Budget Summary (rounded \$ in millions [M])

Functional Totals	2019-20	2020-21	Δ (\$)	Δ (%)
General Support	\$9.5	\$10.4	\$0.9	10%
Instruction	51.8	52.1	0.3	0.7%
Transportation	6.5	6.4	(0.1)	-2.0%
Employee Benefits	25.3	26.2	0.8	3.2%
Debt (Bonds/Notes/Energy Performance Contracts/IPAs)	7.4	8.4	1.0	13%
Transfers: Special Aid Fund (Summer SpEd)	0.4	0.4	0.0	2.9%
Transfers: Capital Fund (DW Lock Replacements)	0.1	0.1	0.0	0%
Total Budget	\$101.0	\$103.9	\$2.9	2.9%

Absentee Ballot Budget Vote: June 9, 2020 (NEW)

Proposition 1: General Fund Budget

Budget	\$103,961,692	(+2.91%)
Tax Levy	\$ 78,262,965	(+1.48%)

[Click here to review the proposed Budget on our budget website.](#)

Proposition 2: Borrowing for Bus Purchases*

Bus Purchases (9) \$ 730,000

*First of five annual payments impacts 2021-22 budget

[Click here to review the Fleet Replacement Plan presentation from February 25th.](#)

2021-22 Prediction... Volatility Beyond our Control

- Very low Consumer Price Index (CPI) which limits the “Tax Cap” - the District’s main source of funding
- Limited State Aid & negative “Pandemic Adjustments”
- Less Fund Balance available to mitigate State Aid shortfalls
- Very high ERS & TRS pension contributions due to poor investment performance
 - The District must absorb the impact of the first 2% of a rate increase
 - Reserve Funds will be applied to mitigate this increase
 - Amounts above a 2% rate increase are an exclusion (add-on) to the “Tax Cap”
- Increase in Career & Technical Education due to increased enrollment in the program
- Increase in Health Insurance

Important Dates to Remember

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| 1/28:  Initial Budget Presentation | NEW 5/12: BoE Meeting/Budget Review |
| 2/4:  Budget Advisory Committee Meeting | NEW 5/19: BoE Meeting/Budget Review |
| 2/11:  BoE Meeting/Budget Review | NEW 5/26: BoE Meeting/Budget Hearing |
| 2/25:  BoE Meeting/Budget Review | NEW 6/9: Budget Vote & Trustee Election via Absentee Ballot due no later than 5:00PM |
| 3/10:  BoE Meeting/Budget Review | |
| 3/17:  Budget Advisory Committee Meeting | |
| 3/24:  BoE Meeting/Budget Review | |
| 4/14:  Budget Advisory Committee Meeting | |
| 4/21:  BoE Meeting/Budget Review | |

Questions?

Email: Budget@brewsterschools.org



Visit Our Website: www.brewsterschools.org/budget/

The screenshot shows the Brewster Central School District website's 'Business Office' page. The main heading is 'BUDGET VOTE Tuesday, June 9, 2020 via Absentee Ballot'. Below this, it states: 'Per the Governor's Executive Order 202.26, voting may only take place by mail. Qualified voters of the Brewster Central School District will receive absentee ballots by mail. For your vote to be counted, the Ballot (in the appropriate envelope) must be received in the District Clerk's office no later than 5 p.m. June 9, 2020. To be eligible to vote, you must: be a U.S. Citizen; be at least 18 years old by June 9, 2020'. On the right side, there are sections for 'Budget Resources' (with links to '2020-21 Budget Documents' and 'Budget Infographics') and 'Budget Presentations' (with a link to 'Budget Development Presentation: Revised Budget Board of Education Meeting, 4-21-20'). The website header includes navigation tabs like 'BCSD', 'OUR DISTRICT', 'DEPARTMENTS', 'FAMILIES', 'COMMUNITY', 'FACULTY & STAFF', and 'CALENDAR'. A sidebar on the left lists 'BUSINESS OFFICE' items such as 'Audit', 'Budget', 'Budget Advisory Committee Charter', and '2019-20 Budget Statement'.

