

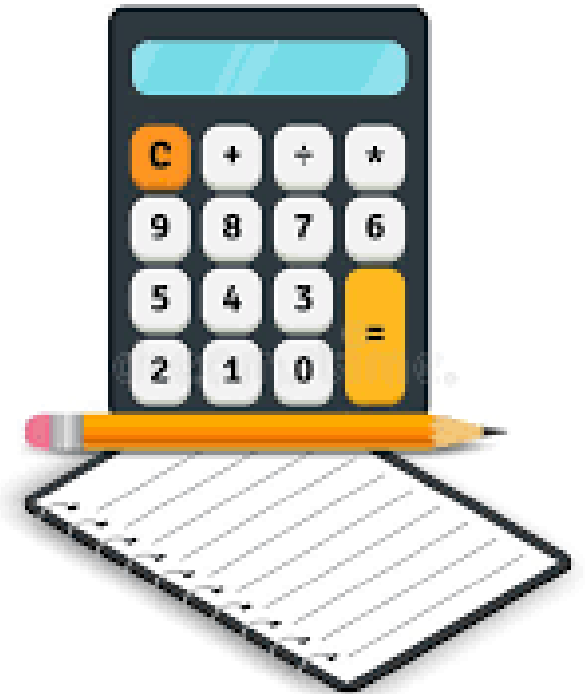


Poughkeepsie City School District

2022-23 Budget Update

March 16, 2022

Dr. Eric Jay Rosser, Superintendent of Schools
William Hogan, Interim Chief Operations Officer
Louise M. Lynch, Assistant Superintendent for Business



Agenda

- ✓ Budget Development Calendar
- ✓ Federal and State-Aid Update
- ✓ Recent Budget Development Activities
- ✓ 2022-23 Budget Draft
- ✓ Additional Budget Development Activities in Progress
- ✓ Budget Development Comparison to Last Year
- ✓ Reserves and Fund Balance
- ✓ Next Steps
- ✓ Discussion/Questions/Comments



Budget Development Calendar

March 30

March 29

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April 2

April 6

April 7 - 24

April 26

April 27

May 04

May 11

May 17

Special BOE Budget Workshop Meeting

1st of 4 Legal Notices Published (Budget Hearing and Vote)

Board Meeting/Budget Adoption

Submit Property Tax Report Card to SED and Local Newspaper

Board Meeting/BOCES Vote (6 PM)

Budget Available on Website, all Schools, and Central Office

Budget Hearing/Regular Meeting

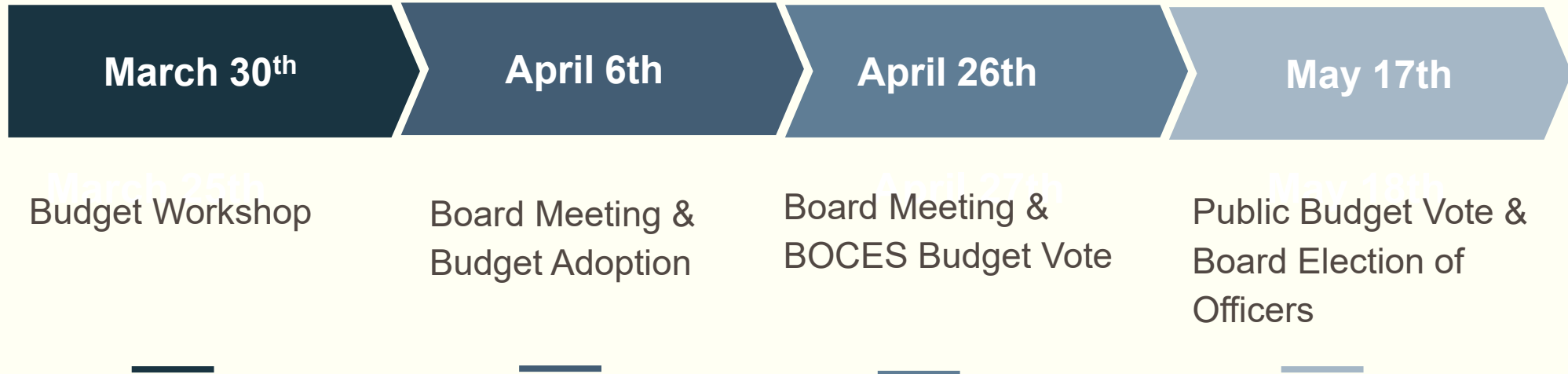
6-Day Budget Notice Mailed to Residents

Budget Vote and Election of Officers



Important Board Of Education Dates

Related to 2022-23 Budget



Federal and State Aid Update

State-Aid: No update as the State has not approved a final annual budget (April 1 legally required approval date).

Federal Aid: CRSSA & ARP funding continues to fund newly hired employee positions, *but* these positions will return to the General Fund as the federal funding is exhausted. **Thirteen positions** that were funded with CRSSA were transferred into the General Fund 22-23 Proposed Budget to allow stabilization and the continuation of longer-term funding.

Strategies for Managing Short-Term Revenue Streams

1. Invest in one-time expenses

- Student resources - technology, materials, supplies, furniture, and equipment
- Teacher resources - technology, teaching materials, and professional development
- School environment – repairs, preventative maintenance on the buildings, and fields

2. Invest in other facility needs without having to increase taxes (would require public vote)

- Planning for the replacement of second boilers beyond the established Capital Project scope
- 11 College Avenue ~ Maintenance building - needs significant repairs
- 11 College Avenue ~ Administrative building - was closed due to structural issues. As a result, additional space is needed.

3. Invest in long-term financial stability

- Allocate funding to reserve accounts to help stabilize future tax levies, permit capital project improvement and programming

Recent Budget Development Activities

- Reviewed of staffing, vacancies, and benefits
- Reviewed available grant funding
- Evaluated building infrastructure needs
- Reviewed BOCES COSERS/contracts to identify emerging needs
- Reviewed individual revenues and expenses to evaluate trends
- Held meetings with administrators, principals, and directors
- Developed line-by-line draft budget

2022-23 Budget Draft*

as of 03/15/22

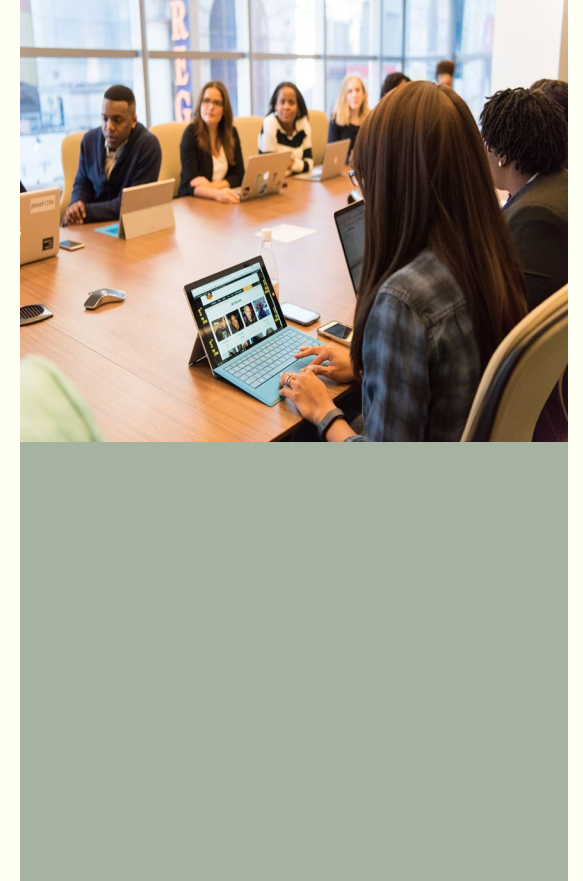
	22-23 Budget	21-22 Budget	Dollar Change	Percent Change
Revenues	\$ 116,834,482	\$ 108,190,818	\$ 8,643,664	7.99%
Appropriated Fund Balance	\$ 1,500,000	\$ -	\$ 1,500,000	100.00%
Expenses	\$ 118,334,482	\$ 108,190,818	\$ 10,143,664	9.38%

- Appropriated Fund Balance remaining out of surplus funds will be used to balance the 22-23 budget.
- The numbers provided above represent a snapshot in time during the budget development process.
- There is no intention of asking the community to approve a tax levy increase above the calculated tax cap of .74% for 2022-23.

*Based upon current State-Aid runs.

Additional Budget Development Activities in Progress

- The Superintendent has solicited input from the administrative team to help identify areas where additional resources would assist in moving the District forward in its' pursuit of achieving goals outlined in the 5-Year Strategic Plan.
- Individual meetings have occurred with team members and continue to be prioritized by the Office of the Superintendent in collaboration with the administration team.
- On March 30th, a short list of high-priority items and a 3-part budget format will be provided at the Budget Workshop.



Proposed Additions to the 22-23 *Proposed Draft* Budget

- **Additional Career Technical Education spots for PCSD Students**

- SWE Teacher STARR @ PMS
- SWE Inclusion Teacher 6th Grade Class
- Secondary Career SWE Teacher
- Social Emotional Learning Counselor @ PMS
- Social Emotional Learning Counselor @ PHS
- Associate Principal for Culture & Climate @ PMS
- Associate Principal for Culture & Climate @ PHS
- School Case Worker (Attendance) @ PMS
- Secondary Psychologist @ PMS & PHS
- Director of School Security (District)
- Custodial Worker @ PMS (1)
- Custodial Worker @ PHS (1)
- Additional Hourly Monitors @ PMS (4)
- Additional Hourly Monitors @ PHS (4)
- **Intake Coordinator Districtwide (added position grant funded)**
- **Dual Language Program Elementary Bilingual Teacher (added position grant funded)**
- **Dual Language Program Elementary Bilingual Teacher (added position grant funded)**
- **Dual Language Program Elementary Bilingual Teacher (added position grant funded)**

Reserves and Fund Balance

Reserves:

- Funds set aside to meet expected future payments or set aside for a specific purpose.
- These financial tools can be used to help smooth out the impact of significant changes in State-aid, the District's budget, and budget pressures on the school tax levy.
- *"The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management."* (Local Government Management Guide: Reserve Funds, The Office of the NYS Comptroller.)

Fund Balance:

- Represents the total accumulation of revenues minus expenditures since the inception of the school district, less any withdrawals.
- Fund Balance is equivalent to your lifetime savings.

Current Reserves

Year-End 6/30/2021

Poughkeepsie City School District General Fund Restricted Reserves	6/30/2021 Amount
Unemployment	\$222,784
Tax Certiorari	428,548
Retirement Contribution Reserve - ERS	1,000,000
Retirement Contribution Reserve - TRS	650,000
Capital Reserve 2021 (Existing)	5,000,000
Property Loss and Liability Reserve	261,885
Total Reserves	\$7,563,217

Fund Balance Limitations

Fund Balances	6/30/2020	6/30/2021
Non-Spendable (outstanding encumbrances)	\$ 491,869	\$ 1,683,540
Restricted (Prepaid Expenses)	912,846	357,112
Assigned to Subsequent Years' Budget	500,000	-
Unassigned	7,334,840	12,600,954
Total Fund Balance	\$ 9,239,555	\$ 14,641,606

- Public school districts are limited to retaining Unassigned Fund Balance amounts up to 4% of the subsequent year's budget. However, on a practical basis, thousands of transactions occur monthly, and it is impossible to hit the 4% threshold on the mark.
- At the close of the most recent fiscal year, June 30, 2021, the Unassigned Fund Balance stood at \$12.6 million or 11.65%. At this time, the District should plan to move \$7.9 million into reserves and/or an appropriation in order to lower the percentage down to 4.00%.
- Additionally, should the District generate a budget surplus this year; the surplus will also be allocated to Reserves prior to June 30th.

Recommended Actions to Manage Fund Balance and Reserve Accounts

Create an **Employee Benefit Accrued Liability Reserve Account** to offset the liability for future payments due employees at termination for vacation and sick leave as per contracts.
-Only requires Board approval

Create a second **Capital Reserve** requires:
-Board resolution in March 2022
-Voter approval in May 2022
-The above actions are non-financial and simply create the reserve accounts

Create a **Repair Reserve** requires:
-Board resolution in March 2022
-Voter approval in May 2022
-The above actions are non-financial and simply create the reserve accounts

To **fund** the Reserves (when funds are available) requires a Board resolution. The Reserves can be funded at the discretion of the BOE when excess funds are available:
-Excess Fund Balance (Unassigned in excess of 4% of Budget)
-Budgetary savings are achieved from operations by under-spending

Recommended Actions to Manage Fund Balance and Reserve Accounts

To **utilize** these Reserve Accounts (liquidate some or all of these Reserve Accounts) requires:

Employee Benefit Accrued Liability Reserve Account

- Board resolution and voter approval

Retirement Reserves – Board action only

Capital Reserve – Board resolution and voter approval

Repair Reserve – Public Hearing and approval of the budget appropriation

Recommendation: Increase **TRS Retirement Reserves**

Establish/Fund an **Employee Benefit Accrued Liability Reserve Account**

Establish/Fund a second **Capital Reserve** for \$10 million, for a 10-year duration

Establish/Fund **Repair Reserve** in the amount of \$100,000. After the first year, State aid reimbursements will cover 80%-90% of the repair costs.

Use \$1.5 million of Fund Balance in 2022-23 for district-wide upgrades to student furniture.

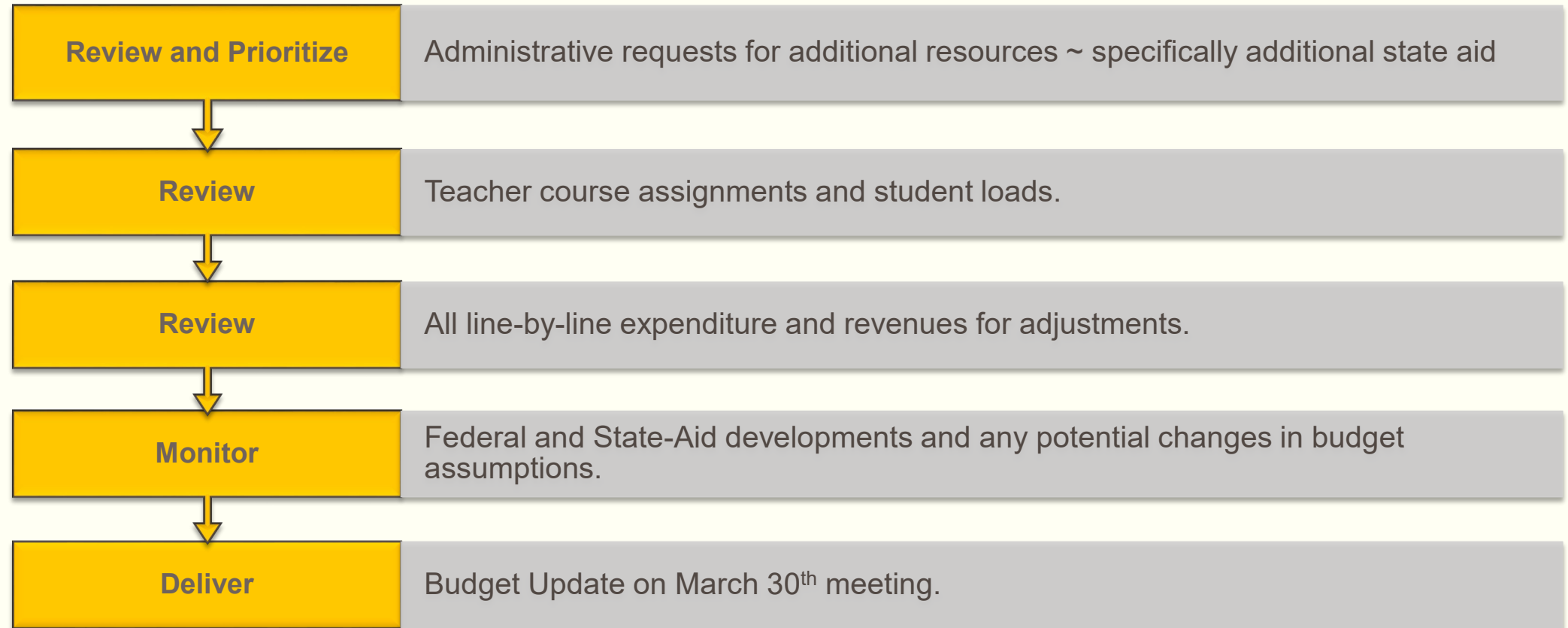
Revised Reserve Accounts based upon Recommendations

Poughkeepsie City School District	Actual	Recommended	Projected
General Fund Reserves and Budget Appropriation	6/30/2021	Appropriations*	6/30/2022
Unemployment	\$ 222,784		\$ 222,784
Tax Certiorari	428,548		428,548
Retirement Contribution Reserve - ERS	1,000,000		1,000,000
Retirement Contribution Reserve - TRS	650,000	670,000	1,320,000
Capital Reserve (Existing)	5,000,000		5,000,000
Capital Reserve (Proposed \$10M)	-	4,756,000	4,756,000
Employee Benefit Accrued Liability (Proposed)	-	1,000,000	1,000,000
Repair Reserve (Proposed)	-		-
Property Loss and Liability Reserve	261,885		261,885
Total Reserves	\$ 7,563,217	\$ 6,426,000	\$ 13,989,217
Add Appropriation to 2022-23 Budget		1,500,000	
Totals Recommended Appropriations	\$ 7,563,217	\$ 7,926,000	\$ 13,989,217

NOTES: To create the new reserve accounts will require board action on March 30.

**Recommended appropriations will be reviewed in June and finalized with the Board .*

Next Steps



Discussion/Questions/Comments

