Budget Review Session

May 7, 2020

Dr. Laura Feijoo
Superintendent of Schools

Gregory W. Kern
Assistant Superintendent of Business
Overarching Budgetary Priorities

Guided by our Mission Statement...

The City School District of New Rochelle, through an active partnership amongst community, parents, staff and students, will provide a high quality and challenging education for every child, in a safe, nurturing environment that embraces our rich diversity and drives our success.
There is a significant increase from last year to this year in Code-1623- Security- 160- Non-Instructional Salaries from 263,223 to 559,708. What was the reason for this increase? Was this allocated to prepare for potential changes based on the scenarios being considered by Central Admin?

Staff members were moved to the correct code of 160, see the reduction in 164.

Budget has not been adjusted for potential changes.
Page 29- There is a significant Decrease from last year in Code- 1623-Security- 490- BOCES Services (Altaris) from 208,000 to 50,000- What was the reason for the decrease?

The contract with Altaris was not approved by the board. The reduction reflects the safety contract with Altaris and the safety base fee for BOCES

Page 31- Data Warehouse- Is the new data warehouse cost located under Code 1680-Central Data Processing-490 BOCES Services?

Yes
Going over my notes from the Phase II Presentations- Columbus School made a note that they believed they were not receiving their fair share of Arts Education money based on their population, found on page 54- Code 2210- Teaching-Regular Schools- 490 BOCES Services in combinations with district-wide Magnet funds. What is the status of this? Was this rectified or continues to stay the same?

At this time, it remains the same. Our focus has been on the equity formula. We will take a deep dive into the other codes for the 21-22 budget. Columbus was given a $20,000 for Arts in Ed in 19-20 school year.
Board Questions...

How much magnet funding is allocated to our schools and where can I find that?

Money is placed in the curriculum and instruction budget. This is not the ideal way to do it. I will work with the principals to ensure this is clear next year.

Page 60- Code 2251-Alternative Campus School-400- Contractual-Why is there two entries for $175,000 under code 400?

We have been advised by counsel that the lease space for Campus must be listed as a separate line item.
Equity Budget - Where do we see the additional equity funds in the budget?

The equity budget is in curriculum and instruction. This is not ideal, but each principal knows the budget amount publicly stated. They will work with central administration through a grant-allocation process to obtain money for the intended purposes.

When do we find out the amount we receive for the Title Funds? I see on page 96 for example we have an estimate. Just wondering when we usually find out the exact amount.

Title Grant funding is not finalized until August. The district must apply through NYS and receive approval.

Page 2 - Valerie and Will term expires 2024 not 2025

Budget book has been updated.
Page 7- Under Expenditures->Community Services-> $ Change & % Change do not calculate correctly.

Budget book has been updated.

Does this budget ensure that the district will be able to meet its mandated obligations and leave a 10% cushion?

No. We will meet the mandated obligations they are in the budget. If these obligations increase, we will have to make cuts elsewhere in the budget. The budget is tight.

Do we have the required central office and building level administrative staff?
Yes, we are only “required” to have a superintendent and high school principal.

Can some quasi-administrative duties be performed by teacher leaders who will be given a stipend? No
Can one-to-one devices be provided for each student to be used across the curriculum Pre-K-12?

This is the goal. We will try to achieve this though grants, etc. It will be reliant on the condition of the Chromebooks we receive when we return to schools.

Put funding towards developing a 21st century technology infrastructure for the entire school district.

District has upgraded its Wi-Fi capability, replaced servers and expanded its bandwidth.

Is funding in place to enable the district to enhance its technology and disaster preparedness plans?

We are working with Southern Westchester BOCES to upgrade our technology. The VOIP project is in the closeout process. We are migrating to managed IT system with BOCES.
Superintendent’s Recommendation

Operating Budget

- Expenditures:
  - 2020-2021 Total Operating Expenditures: $287,435,961
  - Budget to Budget Increase: $6,368,961
  - Budget to Budget Increase: 2.27%

- Revenues:
  - State Aid: $50,705,923
  - Other Revenues: $17,453,927
  - School Tax Levy: $219,273,111
  - Total Revenues & Other Sources: $287,435,961

Tax Levy Increase -2.66% to 0%
## Budget Basics....

### Pre-COVID-19 vs. Post-COVID-19

<table>
<thead>
<tr>
<th>Question/Issue</th>
<th>Pre-COVID-19</th>
<th>Post-COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintendent’s Proposed Budget</td>
<td>$257,435,761.00&lt;br&gt;TAX LEVY: 2.66%&lt;br&gt;TAX LEVY AT CAP: 2.66%&lt;br&gt;Decrease: $3,505,426.00</td>
<td>$255,930,535.00&lt;br&gt;TAX LEVY: 0%&lt;br&gt;We have revenue other than taxes</td>
</tr>
<tr>
<td>Budget to Budget Increase</td>
<td>$6,365,761.00 (2.26%)</td>
<td>$2,665,535.00 (1.02%)&lt;br&gt;We have revenue other than taxes</td>
</tr>
<tr>
<td>Estimated Tax Levy increase</td>
<td>$5,681,796.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>How much money is expected to remain from the 2019/20 budget? “Fund Balance”</td>
<td>$5,300,000.00</td>
<td>$9,200,000.00&lt;br&gt;How? We were able to save more because schools were closed</td>
</tr>
<tr>
<td>“Fund Balance”: How much are we using as appropriated fund balance? This means, how much of your savings will you put into the next year’s budget rather than reserves?</td>
<td>$1,227,882.00 of the&lt;br&gt;$5,300,000.00 saved</td>
<td>$7,035,307.00 of the&lt;br&gt;$9,200,000.00 saved&lt;br&gt;Why do we need to use so much?&lt;br&gt;$1,227,882.00 (needed originally)&lt;br&gt;$2,207,808.00 (over shortage in transportation aid)&lt;br&gt;$4,400,000.00 (anticipated interest payment on RAN/TAN/BANs needed for next year)&lt;br&gt;Total needed $7,895,507.00</td>
</tr>
<tr>
<td>Will we use reserves?</td>
<td>Yes&lt;br&gt;TRS Reserves: $1,000,000.00</td>
<td>Yes&lt;br&gt;TRS Reserves: $1,000,000.00&lt;br&gt;Debt Service Reserves: $400,000.00</td>
</tr>
<tr>
<td>Will we use our unassigned fund balance (4% reserve)?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Question/Issue</td>
<td>Pre-COVID-19</td>
<td>Post-COVID-19</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Is the “Equity/student based Budget” included?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there new hires in this budget</td>
<td>Yes (18 total new staff)</td>
<td>Yes (9 total new staff)</td>
</tr>
<tr>
<td>How were expenditures reduced?</td>
<td>N/A</td>
<td>$1,400,000.00 (Transfer to Capital)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,484,913 (9 fewer new hires)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,995,833 (Bond Principal Paid)</td>
</tr>
<tr>
<td>How were expenditures increased?</td>
<td>N/A</td>
<td>$4,400,000.00 (Interest payments)</td>
</tr>
</tbody>
</table>

**Why doesn’t the district use these funds to either give teachers a raise or hire additional teachers?**

- This budget is constructed on the use of the majority of the fund balance ($7,835,387.00 of the $9,200,000.00 saved.) This is a good solution this year and allows us to offer a 0% tax levy. This is a one year solution and not sustainable year to year. The remaining $1,400,000.00 will be used to support underfunded reserves which we will certainly need in future years. When the districts hire staff, we must consider sustainability. It would not be reasonable to hire more than the 9 new positions that are in this budget at this time.

**Why is the district expecting to borrow $100 Million? When will the loans be taken?**

- The district is anticipating the need to take “Tax Anticipation Notes” to aid in the cash flow needed to operate the district. These will be taken as needed to minimize the interest payments on the same. This need is being built into the budget because ASBO has flagged real concerns for business officials in the area. The financial landscape is not positive this year and could very well impact next year too. We must plan for shortfalls in tax collection. The City of New Rochelle is obligated to make the district whole but the timeline is within 2 years. We cannot manage the district with shortfalls in taxes to be recouped in 2 years.

**Can this be sustained? Why did we have a levy at 2.66% if we could have such a great budget at 0%?**

No, this cannot be sustained. We used most of our Fund Balance which we need to replenish reserves. This year we will appropriate $7,835,387 back into the budget as revenue. We are also using reserves and anticipating taking $100 million in loans.

**How did the district realize such significant savings to increase the fund balance?**

- Rather than the anticipated $5,300,000.00 (which is in line with other fund balances for previous years) we were able to save $9,200,000.00 because of school closures. Savings were generated from underspending in areas such as transportation.