



WELCOME

The City School District of New Rochelle is committed to excellence, equity and innovation in education.

Embracing Diversity : Driving Success

These are challenging times. We have had to work through a new financial landscape with our mission and goal in mind...



**What has changed?
How will it impact the
2020-21 budget?**



**How do we build a
budget in such
uncertain times?
WITH A FOCUS ON
OUR MISSION**

Budget Basics....

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

Question/Issue	Pre-COVID-19	Post-COVID-19
Superintendent's Proposed Budget	\$ 287,435,961.00 TAX LEVY AT CAP: 2.66%	\$ 283,930,535.00 TAX LEVY: 0% Decrease: \$3,505,426.00
Budget to Budget Increase	\$6,368,961.00 (2.26%)	\$2,863,535.00 (1.02%) We have revenue other than taxes
Estimated Tax Levy increase	\$5,681,996.00	\$0.00
How much money is expected to remain from the 2019/20 budget? "Fund Balance"	\$5,300,000.00	\$9,200,000.00 How? We were able to save more because schools were closed.
"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?	APPROPRIATED FUND BALANCE \$1,227,882.00 of the \$5,300,000.00 saved	APPROPRIATED FUND BALANCE \$7,835,387.00 of the \$9,200,000.00 saved Why do we need to use so much? \$1,227,882.00 (needed originally) \$2,207,505.00 (cover shortage in transportation aid) \$4,400,000.00 (anticipated interest payment on RAN/TAN/BANs needed for next year) <hr/> Total needed \$7,835,387.00
Will we use reserves?	Yes TRS Reserves: \$1,000,000.00	Yes TRS Reserves: \$1,000,000.00 Debt Service Reserves: \$600,000.00
Will we use our unassigned fund balance (4% reserve)??	No	No

Question/Issue	Pre-COVID-19	Post-COVID-19
Is the "Equity/student based Budget" included?	Yes	Yes
Are there new hires in this budget	Yes (18 total new staff)	Yes (9 total new staff)
How were expenditures reduced?	N/A	\$1,400,000.00 Transfer to Capital \$1,484,593 (9 fewer new hires) \$ 2,998,833 (Bond Principal Pmt)
How were expenditures Increased?	N/A	\$4,400,000.00 (Interest payments)

IMPORTANT QUESTIONS....



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?

- o 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.

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.