



Pittsford Schools

2020 – 2021 Proposed Budget

Annual Budget Hearing

May 26, 2020





Purpose

To provide the community with a summary of the 2020-2021 Adopted Proposed Budget in a format required by law, supplemented with a clear and concise summary of the final budget. This budget shall afford our community:

- Current levels of Programs and Services for the projected enrollment were maintained. Costs were adjusted for factors such as collective bargaining agreements, inflation and historical trend.
 - Implements our best understanding and projections of associated Revenues and Supports
 - Historical data and forecasting
 - NYS Enacted Budget and related State Aid
 - Property Tax Cap Increase (including the Debt Exclusion) of 3.76% **will NOT be exceeded**
 - The Budget and related programs and services appropriations are balanced with estimated revenues



Budget Guidelines 2020-21

Develop a Student based budget focused on:

- Implementation of rigorous, engaging and authentic curriculum, instruction, assessments and resources that maintain excellence while supporting responsive and relevant offerings
- Providing experiences, both curricular and extracurricular, that support the varied interests and abilities of the whole child
- Inclusive Practices
- Social Emotional Learning supports
- Mental Health supports
- Safe school environment and safe facilities
- Recruiting a diverse candidate pool
- Hiring and Retaining employees of the highest quality including substitutes



Budget Guidelines 2020-21

Provide High Quality Professional Learning focused on:

- PCSD Mission, Vision and Values
- Curriculum, assessment and instructional practices
- Equity and Inclusion
- Health and Safety Preparedness
- Professional Learning Communities
- Social and Emotional learning
- Continuous improvement for instructional and non-instructional staff members

Balance the investment in education with sensitivity to limited community resources by:

- Seeking new sources of revenue
- Balancing community expectations for services and programs, with the need to be cognizant of changes in property values, income levels, new state/federal tax laws and other economic uncertainties
- Seeking cost efficiencies to further address the costly impact of under-funded and un-funded mandates



Budget Guidelines 2020-21

Maintain fiscal stability now and into the future through:

- Financially prudent and sustainable reserve accounts
- Partnerships, Shared Services, Audits
- Protecting and maintaining our Aa1 bond rating
- Protecting the community's investment in facilities and infrastructure
- Advocacy with legislators relative to appropriate levels of funding

Meet legal mandates and contractual obligations

Approved by BOE 2/10/20



Educational Value

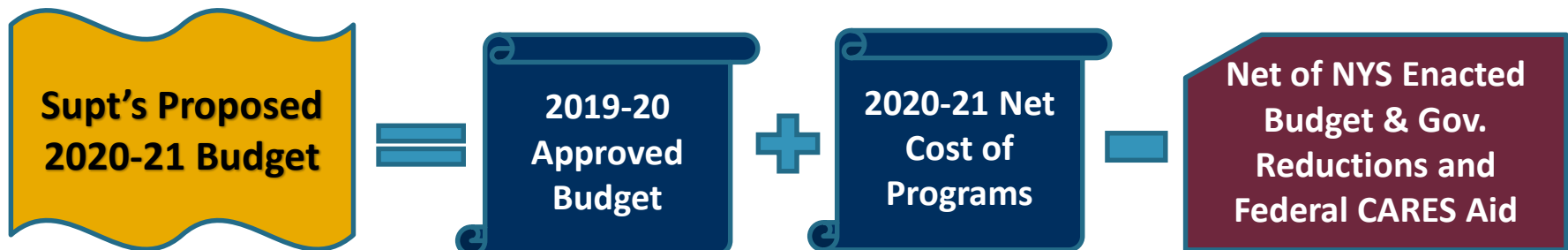
- Graduation rate 97%
- College bound students 98%
- National Merit Scholarship
 - Finalists 12
 - Commended 18
- Advanced Placement scholars 246
- National and State Recognition for Excellence
 - Both high schools: ranked among the best in the nation by *U.S. News and World Reports*
 - Both middle schools named: *New York State's Essential Elements: Schools-to-Watch*
 - *PCSD ranked number one in Upstate NY for average SAT test score*
 - *Best Community for Music Education* designation by the NAMM Foundation for demonstrating a commitment to music education
 - Students at all grade levels participate in many community service and service learning programs
 - Numerous athletic individual, sectional and state championships
 - Numerous enrichment opportunities

- **Enrichment Opportunities:**
Offering a variety of clubs, leadership activities and intramural programs for students to explore and extend personal interests.
- **The Arts:**
Opportunities for students to develop musical and performance skills. Enhancing the artistic talents of all students through a quality arts program.
- **Interscholastic Athletics:**
Offering an extensive sports program to develop physical performance, leadership and teamwork.
- **Fiscal Responsibility:**
Moody's Investor Services "The district is financially healthy due to prudent conservative financial management."



“Keeping the Promise During Unprecedented Times”

- Last year the budget kept the promise of removing the one-time startup costs of FDK resulting in a budget to budget change of just \$144,000 or 0.11%
- During this time of more questions than answers, we have prepared a budget that provides for the normal, but is also significantly flexible to handle many unknowns
- Summary of Revenue Sources and Enacted NYS Budget
- Our healthy financial position places us at a strong foundation to endure the implications of the Pandemic and NYS Budget Deficit
- The goal is to provide for the usual while being flexible and nimble to prepare for what we do not currently know

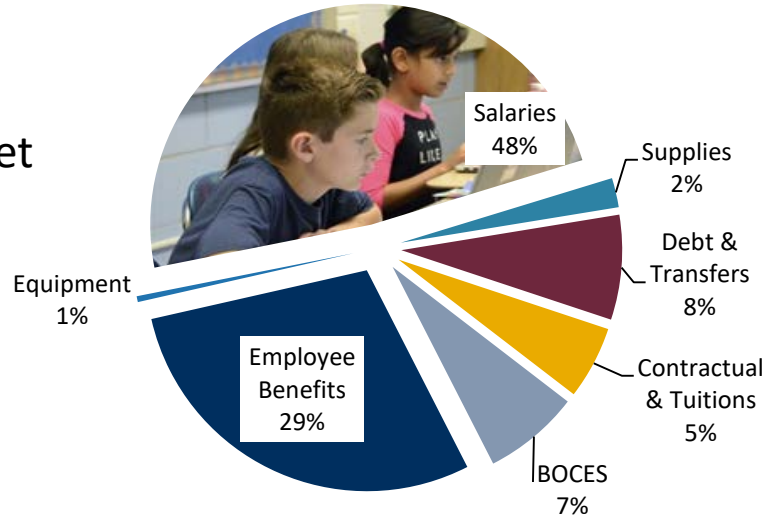




What is the Spending Plan?

Object of Expense	2019-2020 Adopted	2020-2021 Proposed	Dollar Change	Percent Change
Salaries	65,041,329	67,911,892	2,870,563	4.41%
Benefits	39,219,399	40,662,985	1,443,586	3.68%
Equipment	592,183	602,802	10,619	1.79%
Contractual & Tuitions	7,258,885	7,210,879	(48,006)	-0.66%
BOCES	9,887,819	10,168,182	280,363	2.84%
Supplies & Aided	3,086,137	3,013,710	(72,427)	-2.35%
Debt Service & Interfund Transfers	11,603,669	10,757,722	(845,947)	-7.29%
Total Budget	136,689,421	140,328,172	3,638,751	2.66%

2020-2021 Proposed Budget





2020-2021 Board of Education Adopted Budget

In 1998 schools were required by NYS Law to present their budgets in a prescribed format, “Three Part Budget,” as well as some prescribed supplemental information.

Intent

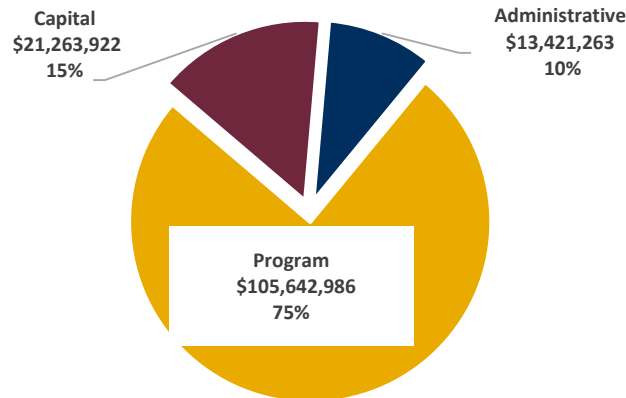
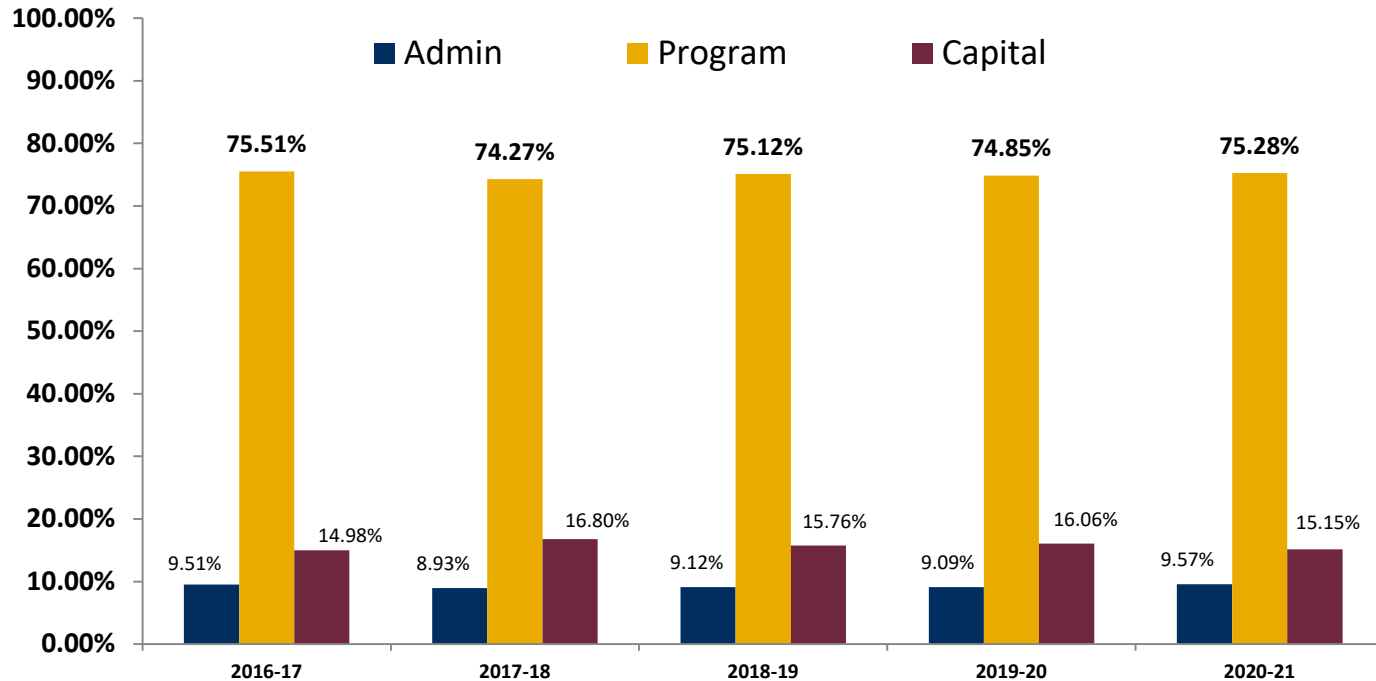
For all schools to present their budget in a consistent and comparable format utilizing the uniform system of accounts.





Three Part Budget Components

Three Components Percent of Total Budget



Three Part Format – *uniform system of accounts*

- **Administrative** – All oversight and supervision not related to services provided directly to students as covered in the other two components
- **Program** – All costs directly associated to the delivery of instruction and services (transportation) to students
- **Capital** – All costs directly associated to the maintenance, improvement and payment of debt on facilities and infrastructure



Three Part Budget Historical Summary

Administrative

- Retiree benefits (all components)
- Admin Efficiency Aid eligible
(when NYS offers it)

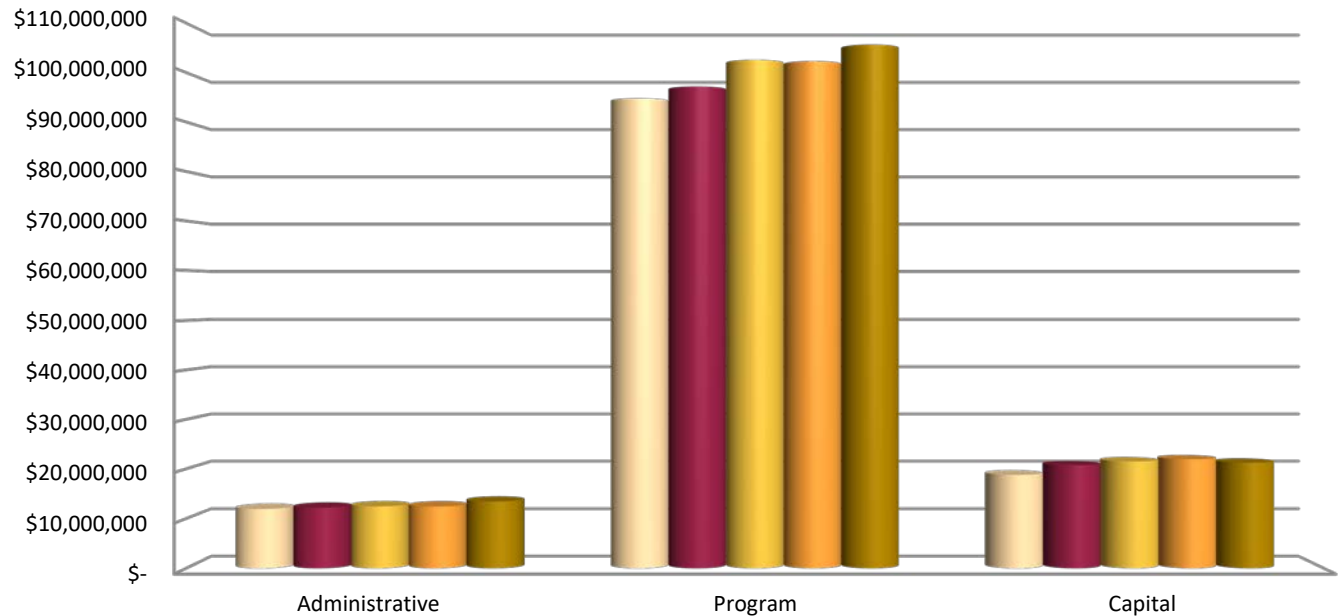
Program

- Savings from Retirements
- BOCES unit charge increases
- Salary & Benefits per contracts
- Including investments in Social Emotional and Health Services, post pandemic impacts

Capital

- Utility cost savings through efficiencies – volatile market
- Efficiencies from Capital Project
- Debt Service and Building Aid offset
- Capital & minor maintenance
- Salary & Benefits per contracts
- Costs associated with post pandemic

Three Part Budget Component Trend



	Administrative	Program	Capital
2016-2017	\$11,933,932	\$94,774,584	\$18,797,994
2017-2018 Revote	\$12,169,145	\$97,176,526	\$20,718,847
2018-2019	\$12,452,522	\$102,572,126	\$21,520,232
2019-2020	\$12,424,153	\$102,306,449	\$21,958,819
2020-2021	\$13,421,263	\$105,642,986	\$21,263,922



Administrative Component

Oversight & Office Services

- Schools – Reg. Ed. Office
- Special Education - Office
- Instructional Services
 - Curriculum & Prof. Dev
 - Technology
 - Information & Data Office

– Support Services

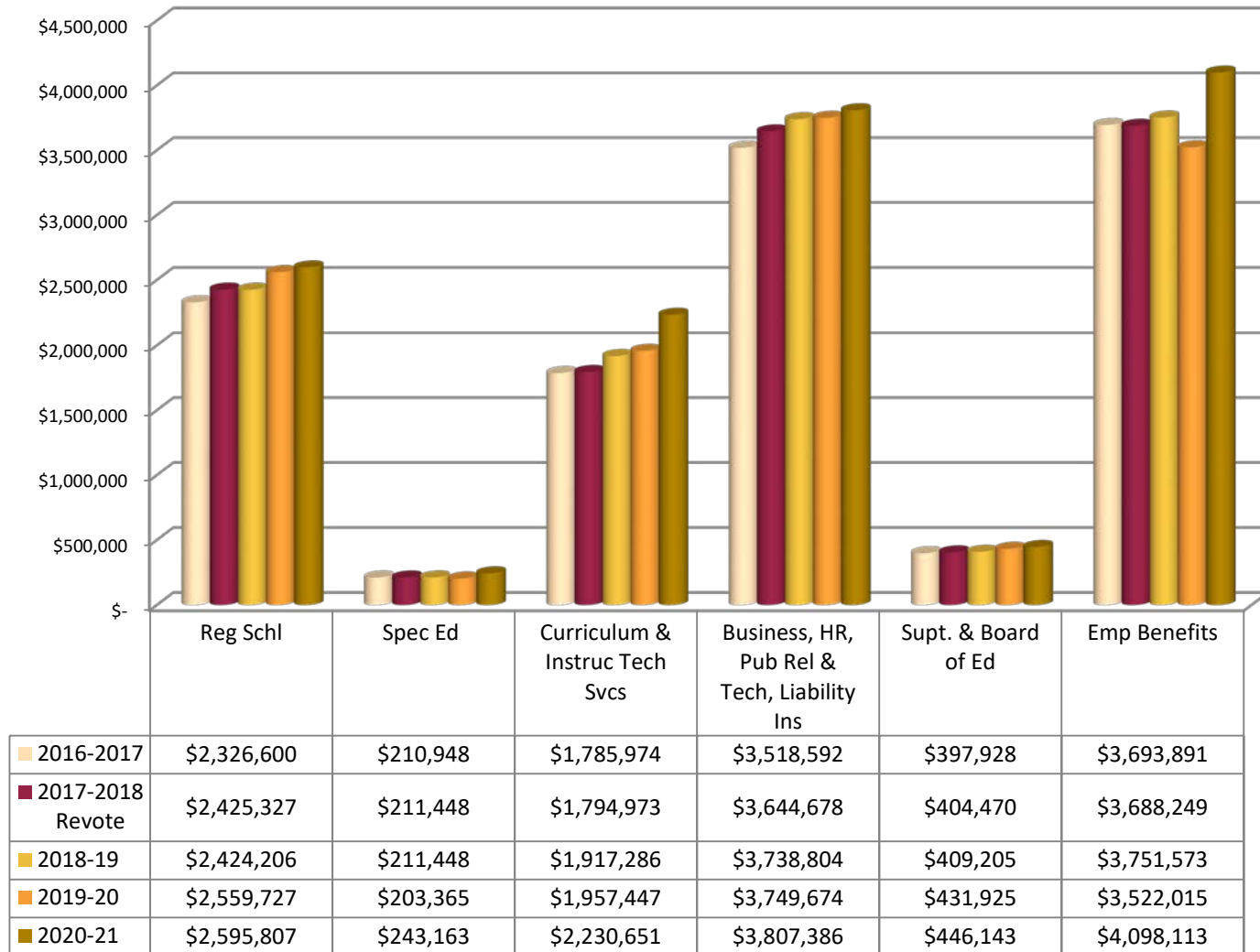
- Finance
- Human Resources
- Public Information
- Technology
- Printing & Mail Room

– Central Administration

- Board of Education
- Superintendent’s Office

– Related Employee Benefits

- All retiree benefits are recorded in Administrative Component

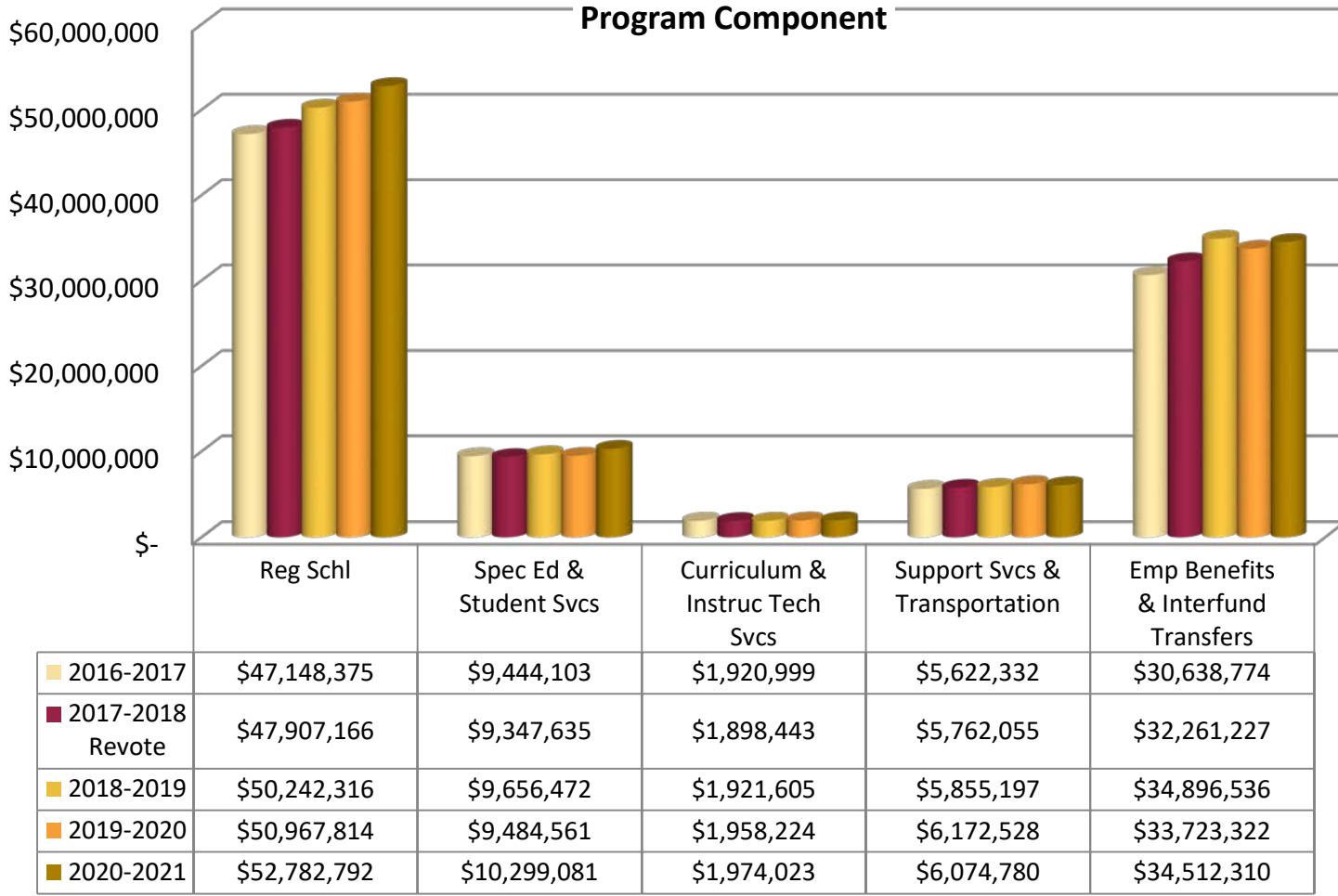




Program Component

Services directly provided to students

- Schools – Regular Ed
 - Start of Full Day Kindergarten
- Special Education
- Instructional Services
 - Curriculum & Prof. Development
 - Instructional Technology
 - Textbooks
- Support Services
 - Personnel
 - Technology
 - Transportation
- Related Employee Benefits



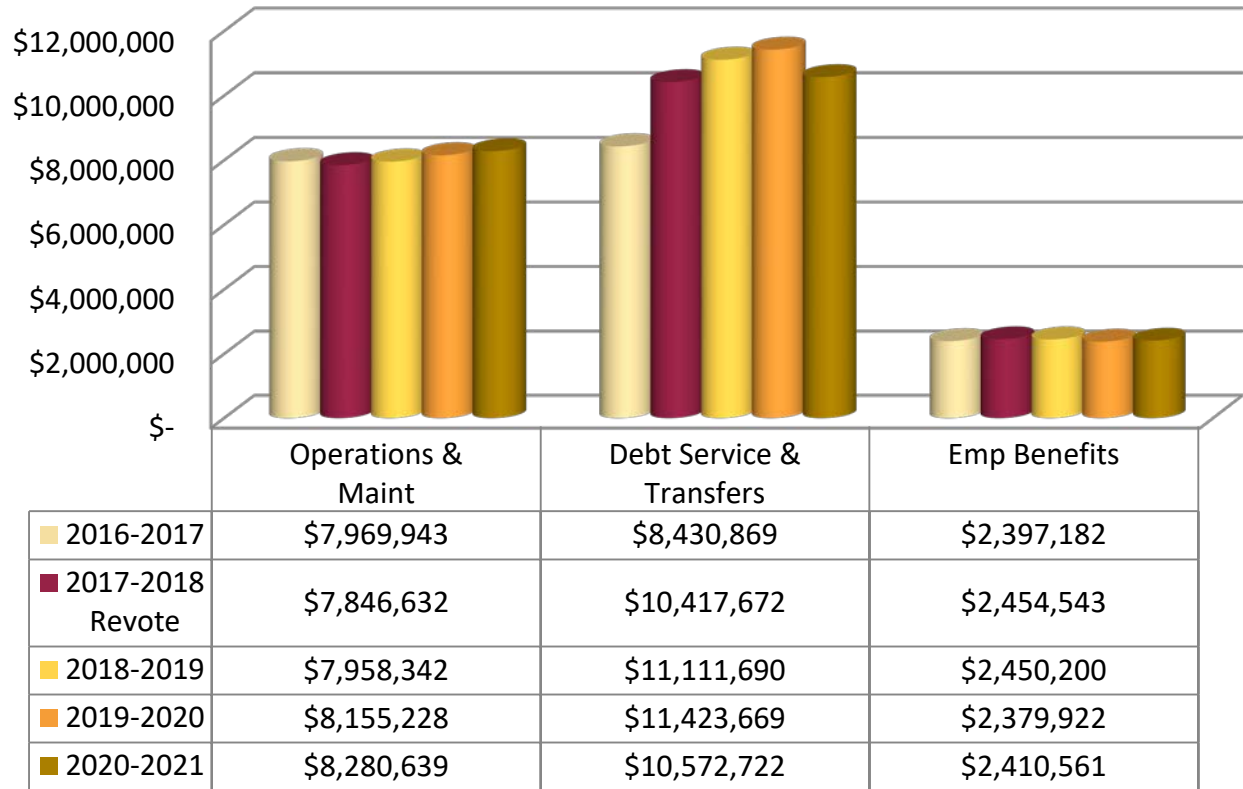


Capital Component

Costs directly related to the maintenance, improvement and funding of facilities

- Operations & Maintenance / Buildings and Grounds
 - Increased demand from Athletics and community use
 - CRMS is 14 year old - systems wearing out
 - Difficult winter
 - Utilities efficiency and savings from Capital Project Work
- Debt Service – with state aid offset on revenue report
- Related Employee Benefits
- Costs associated with post pandemic

Capital Component





New York State Report Card – Fiscal Accountability Supplement

Cost Per Pupil per NYSED

New York State Education Department
Calculated Per Pupil Cost for Regular
and Special Education

- Data is obtained from year-end financial reports (2017-2018)
- Includes all instructional and related administrative costs
- Excludes debt service, operations and maintenance, transportation and district-wide administration

	General Education	Special Education	Total – All Students
Pittsford CSD <i>Enrollment</i>	\$ 11,744 <i>5,537</i>	\$41,787 <i>632</i>	\$ 22,715
Similar District	\$ 15,400	\$ 41,372	\$ 28,620
All NYS Schools	\$ 13,370	\$ 32,280	\$ 25,845

General Ed plus Spec Ed enrollments do not equal Total because not all Special Ed students are in special programs 100% of the time, so NYSED prorates on a weighted basis

Proposed Total Revenue Summary

DESCRIPTION	2017-18	2018-19	2019-20	ESTIMATED 2020-21	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
PROPTAX LEVY & STAR	\$ 97,875,108	\$ 100,460,555	\$ 103,141,036	\$ 107,023,924	\$ 3,882,888	3.76%
STATE AID	\$ 23,724,289	\$ 24,846,268	\$ 24,761,029	\$ 23,310,996	\$ (1,450,033)	-5.86%
SALES TAX	\$ 5,110,000	\$ 5,122,343	\$ 5,330,861	\$ 5,275,115	\$ (55,746)	-1.05%
INTEREST	\$ 45,000	\$ 150,000	\$ 225,000	\$ 75,000	\$ (150,000)	-66.67%
MISC REVENUE	\$ 1,063,121	\$ 1,213,206	\$ 1,311,495	\$ 1,671,230	\$ 359,735	27.43%
FUND BALANCE & RESERVES	\$ 2,247,000	\$ 4,752,508	\$ 1,920,000	\$ 2,971,907	\$ 1,051,907	54.79%
TOTAL REVENUES	\$ 130,064,518	\$ 136,544,880	\$ 136,689,421	\$ 140,328,172	\$ 3,638,751	2.66%

Specific Highlights

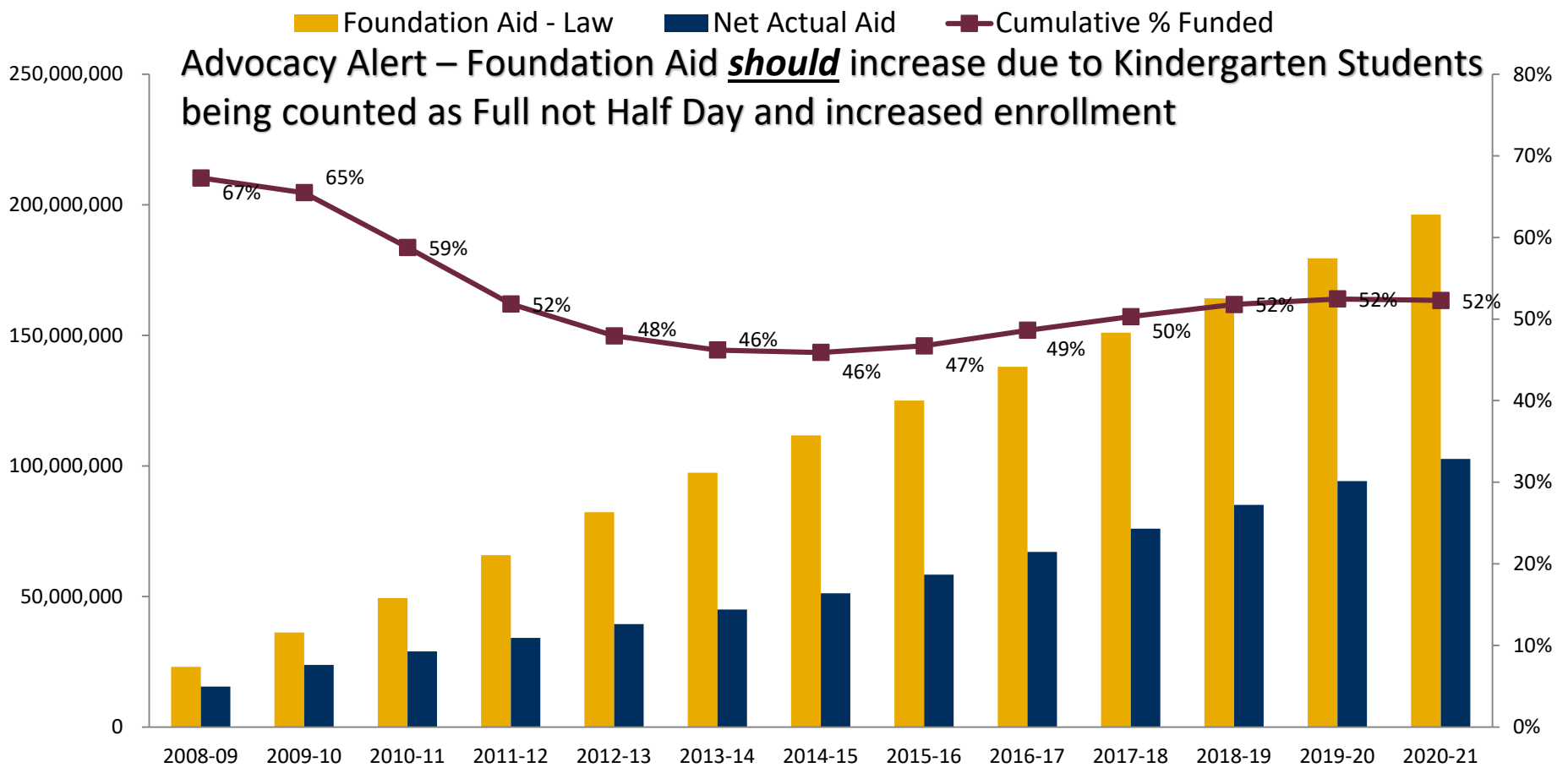
- Property Tax Levy – Ninth year of the Property Tax Cap. For Pittsford this year the formula calculates to a capped increase over the prior year’s levy of 3.76% The reduction of Building Aid on Debt increases the Cap Exclusion. There is some debt payment saving to offset this on the appropriations.
- The Tax Cap is a NYS prescribed eight stepped formula where a growth of a CPI cap of 2% is one step. The other steps may increase or decrease the final result. The biggest exclusion item is Debt Service on Capital Projects, because the voters have previously voted on that debt, so it should be automatically included in the budget and not subject to another vote.
 - Proposed Tax Levy is within the Property Tax Cap so a simple majority of the voters (50% +1) is necessary.
- State Aid – Governor’s Proposed Budget
 - Foundation Aid (General Operating) continues to be political, not legal formula, the pandemic resulted in a decrease of aid and it is unknown at this time if, how much and when further reductions may occur
 - The enacted NYS budget resulted in a reduction in Foundation Aid, \$6 million less than the law requires
 - Second year of the 33% reduction of Full Day K Conversion Aid phase out -\$220,000
 - Total State Aid was an overall decrease, due to the above and final debt/ Building Aid

Pittsford Central School District

2020-2021 Adopted Budget

Cumulative Foundation Aid & GEA Impacts

*NYS is catching up, right? That's what they want you to think.
We are funded less to formula than ten years ago.*



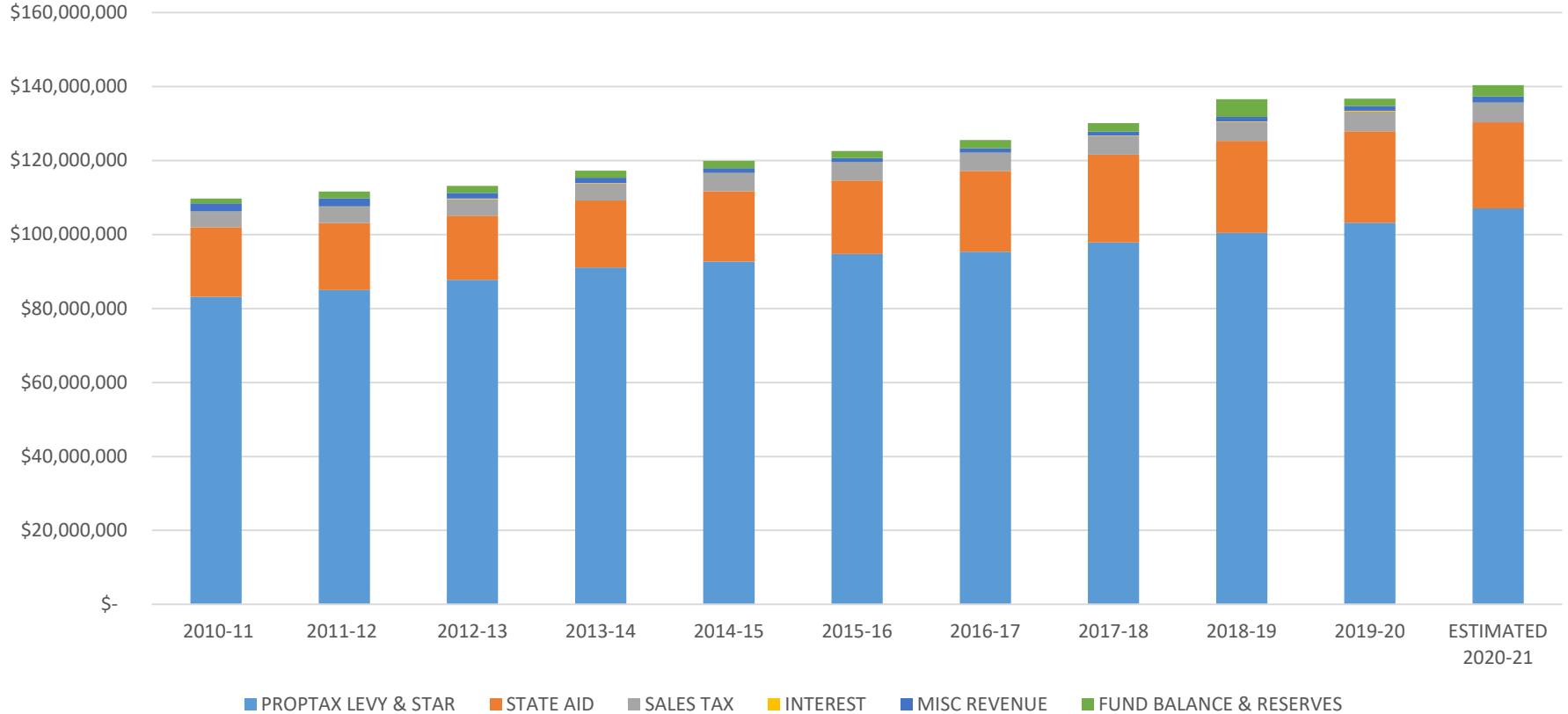


Foundation Aid Summary

Foundation Aid continues to not meet the legal requirements of the Campaign For Fiscal Equity court order which ruled NYS State Aid to schools was unconstitutional:

- Schools do not know four years in advance what their aid will be
- The Aid is not fair or equitable
- Actual Aid paid is not tied to the approved formulary, but to an annually contrived formula derived in a closed political process:
 - Create various indexes to assure that the various regions of the State get the same percent slice of the total pie
 - Not tied to enrollment, performance or need
 - Simply a percent of increase over the prior year based on wealth
- The result:
 - Some schools with declining enrollment are receiving large increases in aid per pupil
 - Schools like Pittsford are receiving far less than their fair share
- Result for Pittsford:
 - Since 2007-20, NYS has underpaid the District and owes more than \$92 million to the District in back Foundation Aid
 - The enrollment increase and full-time weighting increase for the Full Day Kindergarten program is not being recognized by NYS to generate the commensurate Foundation Aid that it should. Further evidence that Foundation Aid is not tied to the formula provided in the law, but to a political process.
 - The State has leveled off at paying the District 52% of the full annual funding amount. The NYS average is approximately 72%, some schools are over 100%.

Revenue Composition Trend



Average Annual Change Over Two, Five and Ten Year Periods

Revenue	Two Year	Five Year	Ten Year
Tax Levy	3.3%	0.9%	2.6%
State Aid	-3.1%	1.2%	2.9%
Total Budget	1.4%	1.0%	2.6%



Contingent Budget

What is a Contingent Budget and process?

- If the voters do not approve a proposed budget, the Board of Education may:
 - Go before the voters for one more vote on the same or different budget
 - Implement the contingent budget after the first defeat, but must implement contingent budget if the second budget is not approved by the voters
- Contingent Budget Cap is no longer based on a permissible expenditure growth, but a cap on the taxes levied. ***The Tax Levy cannot be greater than the previous year.***
- **The Contingent Budget**
 - Contingent Budget must be calculated based on a zero percent tax levy increase and as required by law, certain items must be removed from the budget:
 - ◆ Non health & safety or preservation of facilities related equipment
 - ◆ Community or non-school use of facilities may not be permitted
 - Per law would require a 0% tax levy increase and as a result an additional \$3,882,888 of reductions to the proposed budget would be required.
 - A contingent budget would be \$244,137 less than the 2019-20 Approved Budget



Key Points

<u>2020-21 Proposed Budget</u>	\$140,328,172	+\$3,638,751	+2.66%
Estimated <u>Tax Levy</u>			
Operating Budget	\$101,921,108	+\$2,367,227	+2.30%
Debt Net of Aid (voter approved)	\$ 5,102,816	+\$1,515,661	+1.46%
Total Proposed Tax Levy	\$107,023,924	+\$3,882,888	+3.76%

- Within the Tax Cap so:
 - Simple majority support (50% + 1 of voters) is required to pass

Contingent Budget – per NYS law, should the voters not approve the proposed budget, the Board of Education may propose a second budget for vote, or go straight to a contingent budget. A Contingent Budget would be approximately \$136,445,284; would require a 0% tax levy increase and as a result \$3,882,888 of reductions would be required.



On the Ballot

BUDGET RESOLUTION

Shall the following resolution be adopted:

RESOLVED, that the Board of Education of the Pittsford Central School District be authorized to expend the amount of \$140,328,172 for the 2020-2021 school year, **AND FURTHER**, that said Board of Education be authorized and directed to levy and collect a tax upon all taxable property in said School District in an amount necessary therefore.



Bus Purchase Reserve

Proposition Capital Reserve Fund – Purchase of Buses

- Purchase of a total of twelve replacement per District replacement schedule:
 - 7 – 66 passenger gas buses, no air
 - 2 – 30 passenger wheelchair gas buses with air
 - 3 – 30 passenger gas buses, no air
 - 1 – F-350 Work truck with utility bed
- Total Authorized Withdrawal for Purchases
\$1,517,553 (less trade-in allowance)
 - Trade-in allowance for nine buses will reduce total cost
Will not impact the tax levy
 - Will generate approximately \$926,000 State Aid that will replenish the reserve
 - All buses being replaced are more than ten years old and/or have more than 100,000 miles



PROPOSITION – Capital Reserve Fund – Purchase of Buses

Shall the following resolution be adopted, to wit:

BE IT RESOLVED, that the Board of Education of the Pittsford Central School District is hereby authorized to withdraw from the “Capital Reserve Fund – Purchase of Buses” a sum of money not to exceed One Million, Five Hundred Seventeen Thousand, Five Hundred Fifty-Three Dollars (\$1,517,553), less trade-in allowance, to be used for the purchase of seven (7) replacement sixty-six passenger buses, three (3) thirty passenger buses without air services, two (2) thirty passenger buses with air services, (1) service truck with utility bed and communications equipment used in the operation of such buses. State Aid generated on these purchases will be returned to the Capital Reserve Fund – Purchase of Buses.

Will not impact the tax levy or the tax rate – asking for voter authorization to withdraw from savings designated for bus purchases. This is not adding additional tax or debt as some districts do. Aid from the purchase of buses is returned to the reserve (savings account) for future bus purchases



The Current Environment

- The recent effects of the COVID-19 pandemic have significantly impacted New York State and public-school funding and vote processes
- The next few slides will provide a brief summary of these changes:
 - Budget Vote & Election process
 - Funding current and future



The Current Environment

On Friday, May 1, 2020, Governor Andrew Cuomo issued Executive Order No. 202.26 which modifies the rules under which school districts are to conduct the 2020 annual meeting for the election of school board members and budget votes. Below is a summary of the changes and a revised election timeline based on the modified rules as we know them at this time:

Statewide Uniform Voting Date

- School board elections and budget votes originally scheduled for May 19, 2020 will now take place on June 9, 2020
- The Annual Budget Hearing must be held seven to fourteen days prior to the vote (May 26 – June 2, 2020) - **PCSD Hearing is May 26, 2020 at 7:00pm**

Public Notices

The manner for providing public notice of the annual meeting remains unchanged, except that the number of required publications has been reduced from four to two. The first notice must be no later than 28 days before the election and include notice for an adjourned budget hearing.

Postcard Notice

School districts must send out postcard notice which details the date of the election, date of the budget hearing, and a definition of qualified voter



The Current Environment

Manner of Voting

The annual meeting for the election of school board members and budget votes will take place remotely, Qualified voters will vote **only** by absentee ballot

Absentee Ballots

School districts must send an absentee ballot to all qualified voters, with a postage paid return envelope for any election held on or before June 30, 2020

Report Cards

- School districts must submit their report card to the State Education Department no later than May 22, 2020 (18 days prior to June 9)
- The Department must make its compilation available electronically, at least by June 2, 2020 (7 days prior to June 9)

School Board Elections

- There will be no minimum threshold number of signatures required for individuals to be placed on the ballot, except that they must meet all other requirements, including applicable residency and age
- Candidates will be listed on the ballot alphabetically
- Ballots for small city school districts must be set 30 days before the election

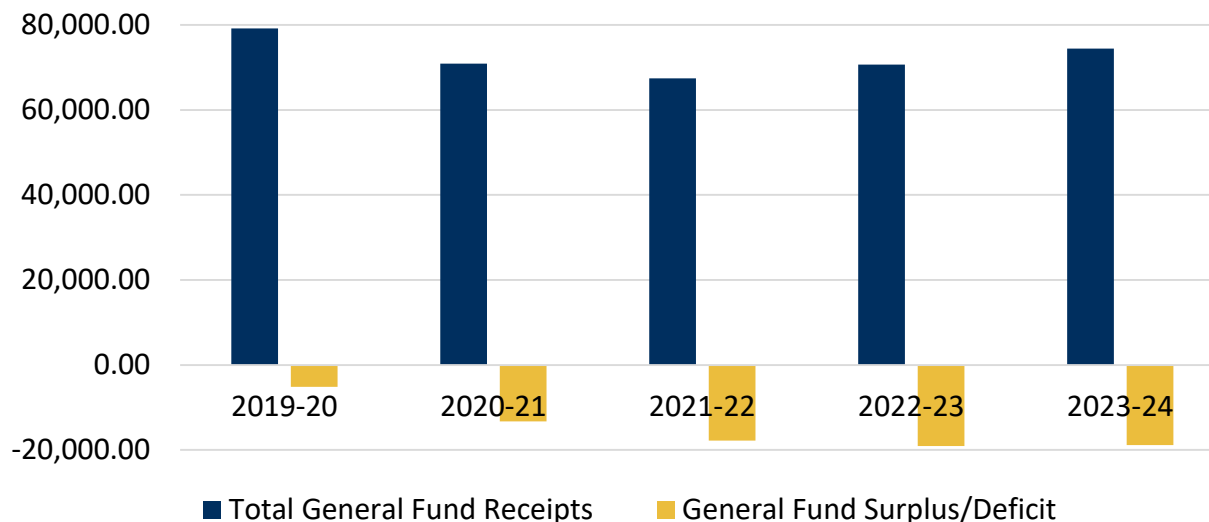


The Current Environment

Enacted budget authorizes periodic spending reductions

- Enacted budget defines 3 “measurement periods”: April 1-20; May 1-June 30; July 1-December 31
- If revenues are more than 1% below projections or expenditures more than 1% above during any measurement period, Director of the Budget is authorized to develop a plan to reduce local assistance spending (could already reduce state agency budgets)
- Legislature has 10 days to adopt an alternative plan, or DOB plan takes effect
- DOB Enacted Budget Financial Plan projects deficit of \$13.3 billion — April results will trigger authorization for reductions

Projected NYS General Fund Receipts & Deficit
(in \$ billions)





The Current Environment

- At this time our proposed budget is balanced with the best data known at this time, the Enacted NYS Budget

- While further “rolling reductions” from the Governor appear probable, we do not know:
 - The extent of reductions
 - Timing or fiscal year affected
 - How the reductions will be allocated to school districts



The Current Environment

What we do know:

- **As shown on a previous slide, we are not as State Aid dependent as higher needs districts**
 - There's not much for NYS to take from low needs districts; taking it all would be of little help to fill the NYS budget gap

- **Unlike NYS, the District entered the pandemic in the best fiscal health it has ever been**
 - We have not had a recent history of operating deficits
 - We have Fund Balance at the 4% maximum of the ensuing year's budget
 - We have reserves (savings accounts) designated for specific purposes that will assist during these times (i.e. Retirement, Unemployment)
 - We are projecting a surplus for the 2019-20 Year-end

- **What our community values and has come to expect of the District:**
 - Programs and services
 - Fiscal stability and predictability



The Current Environment

What we do know (continued):

- **We cannot justify, at this time of turmoil, announcing a large draconian reduction to get the budget to a target that is currently unknown. How would we know if we hit or miss?**
 - There is not time to thoughtfully react in a meaningful way AND assure we are addressing the problem
- **The Superintendent’s proposed budget serves as a base that provides the greatest flexibility from which to address future challenges. Should NYS reductions be significant our toolbox is:**
 - Use of Fund Balance & Reserves
 - 2019-20 Year-end surplus will further assist in “weathering the storm”
 - Retirement Attrition
 - Lessons learned from remote learning to affect programmatic and professional development savings
 - Mid-year reductions to the budget/programs
 - Combination of the above
- **We have been preparing for this day for fifteen years. Long-range planning, building Fund Balance & Reserves (rainy day funds) and have used them very sparingly. “Today, it’s raining”**



2020-21 Proposed Budget - Fast Facts

- The Superintendent's Proposed 2020-21 Budget is balanced, remains within the Property Tax Cap and preserves programs and services
- The Property Tax Cap is calculated to be a 3.76% increase over the approved 2019-20 Tax Levy
- The Proposed 2020-21 Tax Levy is 3.76% (within the Property Tax Cap)
 - The Tax Levy Increase due to the operating budget is 2.30%. The additional 1.46%, per NYS Law is an exclusion to the Tax Levy Limit because “the voters already approved the debt issuance” with the 2003 Capital Project
 - **The Proposed Tax Levy IS within the Property Tax Cap**
- Contained Tax Levy growth within the County average, despite lowest Foundation Aid Per Pupil in the County



Pittsford Central School District 2020-2021 Adopted Budget June 9, 2020 – Budget Vote

In accordance with Executive Order 202.26 issued by NYS Governor Andrew Cuomo, this year's school budget vote and board of education election will be conducted entirely by absentee ballot.

Two ballots and two postage paid return envelopes will be mailed, with instructions, to every PCSD household. Residents are asked to return their ballots by mail, using the prepaid envelopes. Only one ballot per envelope is allowed. All absentee ballots must be received in the District Clerk's office by **5 p.m. on June 9, 2020.**

Eligible voters must meet the following legal requirements:

- At least 18 years of age
- A citizen of the United States
- A legal resident of the District at least 30 days immediately prior to June 9, 2020

Additional ballots for qualified voters can be requested by contacting the District Clerk at Deborah_Carpenter@pittsford.monroe.edu.

For more information about the 2020-2021 Budget and Board of Education candidates please see the District website

End of Presentation



Pittsford Central School District 2020-2021 Adopted Budget

The “Proposed Budget Information Book” may be reviewed at any school building main office, or on the District website: <http://pittsfordschools.org>

Questions or Comments?





Backup Items