

City School District of Albany

Community Budget Committee

Kaweeda G. Adams, Superintendent

Kimberly Rohring, Deputy Superintendent for Business and Finance

February 1, 2021



Agenda

- Introduction of Committee Members
- Expectations
- Provide a 2020-21 fiscal update
- Rollover Budget Review
- Next Meeting Dates and Topics

Members

- Dana Brown – SUNY Empire, Director of Opportunity Programs, responsible for overseeing program budget and grants
- Scott Dolan – Excelsior College, Dean of Graduate Studies
- Dahlia Herring – Retired: NYS Division of Budget and NYSED
- Mansoor Khan – SUNY Albany, program manager and analyst
- Rebecca Zimmerman – SUNY Polytechnic, Ph.D. Chemist; served as volunteer Treasurer with several organizations

- 4 of 5 members have students enrolled with CSDA

Expectations

The Community Budget Committee is designed to:

- work together with district staff over the next four weeks to gain a deeper understanding of our annual budgeting process
- review district expenses, revenue sources, mandated programs, services and resource allocation in support of the district's vision, mission and goals
- provide input from the community for the board to consider from a community equity and priority lens as the budget proposal for the 2021-22 school year is developed
- meet four times during the budget development process in live streamed session (Sessions and materials will be posted on the website.)

Note: materials will be sent in advance; supplemental financial information is also available on the District website under Departments, Business and Finance

2020-21 District Update

COVID-19 Fiscal Impact

On Aug. 20, the New York State Division of the Budget (DOB) issued budget updates based on state revenue projections through June 30

- [FY 2021 First Quarterly State Budget Financial Plan Update](#)

With no federal action to provide COVID-19 relief since the state's fiscal year began April 1, the state began withholding 20% of most local aid payments

For our district, a possible 20% reduction in **Foundation Aid** would be about \$16.5 million

If applied to **all state aid** (foundation, categorical, building, transportation, excess cost, etc.), the impact would be about \$23.2 million in our 2020-21 fiscal year

In September, the district made the painful yet fiscally responsible decision to eliminate \$15 million from the 2020-21 budget

- 13% of our anticipated state aid for 2020-21
- 215.6 positions

2020-21 District Update

COVID-19 Fiscal Impact

Additional factors:

- School districts are limited to 4% of budget in unallocated fund balance, giving us a much smaller unrestricted reserve than most municipalities.
- Limited flexibility
 - Our unallocated fund balance for the 2019-20 FY was \$4.8 million
 - 50% committed to 2020-21 FY budget
- School districts **can** also hold restricted reserves; however,
 - Use for operating expenses not permitted
 - A recent law* allows us to borrow from our restricted reserves: must pay back in five years with interest;
 - must use for COVID 19 pandemic related expenses only
 - Repay with interest within 5 years of withdrawal; at minimum of 20% each year
 - Funds were set aside to protect the district against specific fiscal challenges

2020-21 District Update

Status of our district: Fiscal Impact of Division of Budget Predictions and COVID-19

Overview

The district received the first state aid payments of our 2020-21 fiscal year in full. Those September and October payments totaled \$20.92 million, or 17.6% of our total anticipated aid of \$118.6 million.

In November, the state withheld approximately \$700,000 from our anticipated aid payment. However, the state did provide guidance on how those funds may be accessed later in 2021. Our Supplemental Charter School Tuition Payment also has been reduced by 20% or \$302,378.

Through December, we had received \$35.3 million of our anticipated \$118.6 million in state aid for 2020-21, about 29.7%. On the state's normal payment schedule for school aid, we are scheduled to receive about 66% of our total state aid from March through September 2021.



2020-21 District Update

COVID-19 Fiscal Impact

Total impact to date: \$6.35 million

- Withheld state aid and unplanned expenses: \$4.35 million
- Deducted from the state's original proposed 2020-21 budget: \$2 million

Impacted area	Fiscal impact
2019-20 state aid	\$1.94 million withheld
2019-20 unreimbursed transportation expenses	\$463,020
2020-21 state aid	\$700,000 withheld in November (Sept/Oct payments received in full) \$302,000 withheld in December/January
Unplanned COVID-19 expenses	\$940,655
Total	\$4.35 million

2020-21 District Update

Status of our district: Fiscal impact of Division of Budget predictions and COVID-19

Outlook and planning: 2021-22

- Looking ahead to the 2021-22 fiscal year and beyond, we recognize that the economic impact of the pandemic will continue for multiple years.
- We will continue to analyze the data to make sound financial decisions that will allow us to maintain our fiscal responsibility to our community while also providing high-quality academic and support programs that our students need and deserve.

What does that mean for us now?

- Budgets are status quo
- Strategic rebuilding based on Division of Budget, NYSED guidance
- Innovative instructional delivery and programs
- Student achievement: growth and proficiency
- Classroom observations (in-person and virtual)
- Instructional model requirements: face coverings, social distancing, cleaning, space available and room size, building capacity

Budget Process Overview

BUDGET CALENDAR – Key Dates

February 11	Board Meeting (Budget Update)
March 1	Community Budget Committee meeting – finalize input and feedback
March 4	Board Meeting (Budget Update)
March 8-11	Community Budget Meetings – Virtual
March 18	Board Meeting (Budget Update, State Aid Update)
April 1	Board Meeting (Superintendent’s Proposed Budget)
April 15	Special Board Meeting (Budget Forum and possible adoption)
April 22	Board Meeting (Budget Adoption if not adopted April 15 th)
May 6	Budget Hearing
May 7	Budget Newsletter Mailing
May 18	Budget Vote Day

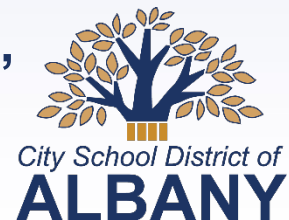
2021-22 Rollover Budget Assumptions

Rollover Budget Includes:

- Continuation of existing programs and services
- Continuation of staffing and benefits under labor contracts
- Continuation of contractual obligations
- Continuation of operations
- Adjustments to specific budget lines to fund contractual obligations, align with three-year average cost, and meet student needs

Rollover Budget Does NOT Include:

- Addressing mandates that require more resources
- Other items considered to be essential for programming, health, and safety

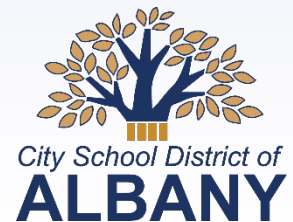


Cost-Drivers on the Rollover Budget

Primary Cost Drivers

Benefits (Retirement, Health)	\$ 1,057,253
*Debt Service on Capital Projects	\$ 1,506,467
Out of District Tuition	\$ 253,281
Salaries	\$ (8,398,271)
Summer School (grant paid 2020)	\$ 595,630
Transportation	\$ 234,345

*Additional Information at a future meeting on debt service



Rollover Expense Budget

Rollover Budget January 2021

	2020-21 Adopted Budget	2021-22 Rollover Budget	Difference	% Decrease
TOTAL	\$ 261,568,188	\$ 256,592,399	\$ (4,975,789)	-1.90%

The figures above do not include:

1. Additional items needed to address mandates
2. Additional items considered essential for programming, health, and safety

Budget Variables

- State Aid (typically not finalized until end of March)
- Health Insurance increases (finalized in March)
- Tax Cap (finalized late February)
- Tax levy (set in early April)
- Impact of Retirements
- Continuing Impact of COVID 19

Next Steps in the Process

- **Finalize District Priorities**
- **Incorporate new information as it becomes available**
- **Continue reviewing projections, budget estimates, and assumptions**
- **Respond to Board questions**
- **Incorporate feedback from the Board, community and staff**
- **Continue lobbying efforts**

Upcoming Meeting Dates

- **February 8 – Revenue**
 - sources of funds
 - initial look at 2021-22
- **February 22 –**
 - **Review District Mission, Vision and Goals**
 - **Mandated vs Non-Mandated expenses**
 - **Discussion on Community Priorities**
- **March 1 –**
 - **Debt Service**
 - **Follow-Up and Final Thoughts on Community Priorities**