Putnam Valley School District

Multi-Year Financial Plan 2020-25

Jill Figarella
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Identify & Prioritize Objectives
Gather Information
Analyze Information
Propose Recommend -ations
Take Action
Track Ongoing Progress
Financial Planning Process
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A viable school district financial PLAN allows us to answer YES to all of the following

- ❑ Is the budget providing the best quality of education we can within our means by aligning the budget with our educational initiatives?
- ❑ **Does the budget provide a safe and secure student learning environment?**
- ❑ **Does the budget provide for professional development for both teaching and support staff?**
- ❑ Does the budget meet state mandates and remain under the tax cap* ?

*NYS has written the "tax cap" into law and is creating new mandates every year for school districts to support but not always providing additional aid, forcing school districts to reduce their fund balance reserves to less responsible levels.

Updating a multi-year financial Plan

- Allows decisions to be made about long-term priorities and District goals
- Allows for “smart budgeting” to either use and appropriate reserves or stabilize and replenish reserves
- Enables us to make projections for general operating expenses and revenues
- Helps to plan in advance for our biggest expenses
  - Instructional Salaries/Staffing
  - Health Care Costs
  - Pension Costs
  - Capital infrastructure

GOAL:
Find a balance to support the District's educational vision while remaining fiscally aware.

Multi-year planning helps:

- Predict sustainability for existing programs or the development of future programs

BY:

- Identifying potential shortfalls
- Determining if existing revenue streams are sufficient…if not, where are we getting the revenue from?

I applied some assumptions to develop a forecast.

- A tax levy change of 2%
- A state aid increase on average of $250K
- Health insurance rate increases-average 3%
- Teacher and CSEA pension increases averaging .75% per year
- Social Security taxes 7.65%
- Salary changes in line with bargaining unit contracts

This results in a budget to budget change over 11 years averaging 1.8% annually or a total of 19.5%.
31% of district reserves have been used over the past 3 years. The remaining available reserves would be depleted over the next 8 years.
As the tax cap restraints start to shrink our fund balance reserves, we need to start thinking differently. How?

Hard Questions:

How do we meet educational goals while maintaining fiscal solvency?

All of the following are considered when we formulate the budget to avoid exceeding the cap

- Programmatic changes
- Class Size/Enrollment/Staff
- Change in program schedules
- Re-negotiating vendor contracts

Maintaining adequate reserves can be unique to each school district: Assumptions are important.

Consideration:

- Possible state aid cuts on the horizon
- Possible cuts in federal grants
- Possible impact on a district’s bond ratings which can significantly increase the cost of borrowed funds
- New economic realities
- Ability to protect the taxpayers investment in education

KEEPING AN EYE ON THE CURRENT LEVEL OF FINANCES AND FOCUSING ON HOW TO GET TO THE DESIRED STATE ?

Any questions?

You can find me at:

- jfigarella@pvcsd.org
- 845-528-8125 ext 1364