

2020-21 School Budget Update

Putnam Valley School District
April 21, 2020

Statewide implications due to COVID-19

- For now, school buildings are closed until May 15.
- The Annual Budget Vote will be moved to June. No date established.
- NYS has enacted a reduced state budget and has announced that state aid will be cut back from its original January projections.
- The governor has also announced that it could re-evaluate its position on the amount of aid due to school districts if the state revenue levels do not reach his goal before June 30.



2020-21 Expected Revenue Shortfall - \$568K

As of April 21, 2020

Foundation Aid- reduced back to 2019-20 amount
BOCES & Materials Aid -expense based and can change (textbooks,Software,Hardware,Library)
Building Aid - received deferred aid & reduced our actual loss
Interest & Earnings -investments and late tax payments

Four Strategies to Balance the Budget

1. Further reduce expenditures in proposed 20-21 budget
2. Maximize opportunities for State Aid
3. Utilize savings during closure period to offset lost revenue in 20-21
4. Reduce Staffing & Programs

Reduce Proposed 20-21 Budget -\$118K

Remove Installment Purchase payment = \$60K

Reduce .6 Teaching position + fringe = \$58K

Maximize Aid +\$180K

BOCES AID for 2020-21=\$180K

- Replacing the Installment Purchase Contract for TECH purchases planned for 2020-21 and make the purchases in the current year to generate more aid.

Current expected savings during closure \$280K

Categories

- Payroll savings \$250K est.
- Transportation & Gasoline \$60K (Athletics Bus Runs & Fuel)
- Misc Utilities and contracts \$70K est.
- Lost Revenue PAC Rentals (-\$50K)
- Lost Interest and Earnings (-\$50K)

There can be additional savings associated with the closure depending on the amount of time the District is closed. Recommend that the savings are rolled into reserves and appropriated for use in the 2020-21 budget.



Finding a Balance

\$568,000 (Current Deficit)

-\$118,000 (Proposed Budget Reductions)

-\$180,000 (Maximize State Aid)

-\$280,000 (Anticipated Closure Savings)

= -\$10,000 (Pending Further Cuts)

Variables to Consider

Are more state aid cuts coming?

When will school reopen?

Rollover the savings from the closure period to help close the gap.

What can we do to maximize or realize aid when we need it sooner?

Last resort: reduce staffing/programs if we are forced to. Prepare ourselves for the possibilities to make further cuts

Budget outlook for 21-22 is a major concern