Superintendent Recommended Budget
2020 – 2021 school year
Mark Villanti, Ed.D.
March 31st, 2020
Updated May 26, 2020 for a budget hearing
Agenda for Budget Adoption

Introduction:
- Impact of COVID - 19
- Are taxpayers getting a return on their investment?
- Responsible decision-making.
- Implementing the strategic plan to promote academic excellence.
- Reviewing budget highlights.
- Assessing fiscal fitness.
- 3 part budget.
- Providing voter information.
- Line by line budget.
What will be the fiscal impact of COVID – 19?

COVID-19 Cases in the U.S.

Reported Cases
(last updated March 19, 2020)

- None
- 1 to 5
- 6 to 50
- 51 to 100
- 101 to 200
- 201 to 500
- 501 to 1000
- 1001 to 5000
We have reduced our state revenue forecasts in this budget. We are preparing for the possibility of further cuts this summer.

What is the impact of the economic down turn on this budget?

Our reserves are healthy and that is a plus.

Impact is less on this budget and more on 2021 – 2022.

We are in the throes of the crisis. We do not fully understand the end game, good and bad.
Evidence of moderating growth & cost controls

Five year histories of …

- Tax levy increases.
- History of district valuation.
- Fiscal solvency.
- Budget to budget comparisons.
What are the responsible decisions?

- Presenting a budget that is well under the tax cap. We could have increased our levy up to 3.7% and still have been under the cap.
- Maintaining a smaller, student centered learning environment.
- Communicating the academic successes of the district and promoting the economic vitality of the Spackenkill Union Free School District.
- Seeking additional revenues through out-of-district tuition program.
- This proposed budget is well under the TAX CAP.
Spackenkill Union Free School District

#1 in Best School Districts in Dutchess County
Poughkeepsie, NY • ★★★★★: 20 reviews

Report Card

- Academics A
- Teachers A+
- College Prep A+
- Diversity A
- Clubs & Activities A
- Health & Safety A+

Overall Niche Grade
How are grades calculated?

Spackenkill Union Free School District is a top rated, public school district located in Poughkeepsie, NY. It has 1,426 students in grades K-12 with a student-teacher ratio of 10 to 1. According to state test scores, 63% of students are at least proficient in math and 61% in reading.

@spackenkillschools.org
(845) 463-7800
15 Croft Rd
Poughkeepsie, NY 12603

About Spackenkill Union Free School District...

AP Offered
Gifted Prog. Offered

See Other School Districts in Spackenkill
Communicating District Success

Spackenkill HS is ranked in top 6% of ranked schools nationally and 7% of ranked schools in New York State. The STEM program was selected 31st out 1,000 schools nationally.
Spackenkill Schools continue to be as desirable as ever. Renters are buying; those who have small homes are selling and buying bigger ones. A lot of buyers and not enough homes to go around.

...Local Realtor, 2020

- The greater the desirability of the school district, both taxpayers and families win. Property values increase creating home equity for residents and a stronger tax base for the school district.

- Board of Education approved strategic plan...
He knew he had learned something useful about moving on from his mice friends, Sniff and Scurry. They kept life simple. They didn’t overanalyze or overcomplicate things. When the situation changed and the cheese had been moved, they changed and moved with the cheese. He would remember that.

The very core message of the book is this: things constantly change so we must adapt. The quicker we adapt a change the more satisfied we will be and organizations that don’t change with changing circumstances will become extinct or less effective.
Professional Development

*Sharpening the saw* (Collins, *Good to Great*)

- Balanced literacy. K – 6 initiative with Mike Clarke, 4th year of a 5 year initiative. See video and transcript for a sense of Mike Clark’s work with grade 6 teachers.
- Middle School math alignment to Next Generation Standards with Dr. Sobrin and MS math teachers. 2nd year of a two year plan.
- Improving classroom management strategies with Dr. Donna Riter. 2nd year of a multi-year plan.
AVID (Advancement via individual determination) at Todd MS. This model targets students that are low income, parents have not graduated from college, and performing below potential). It’s intended to close the achievement gap. Dan Doherty presented at March BOE.

MS / HS science alignment. Liz Mirra consultant. Align curriculum with the NYS New Generation Standards.
The recommendations of an IT Audit indicate that we are understaffed requiring one more position to comply with the new education law 2D.

Our day-to-day operations are functioning satisfactorily although we need to add some protocols, policies and procedures. We will unpack the full audit with the BOE once it is received in writing.

We need a Help Desk position. This position will assist the Director of IT to remain focused on the “big picture” especially system vulnerabilities and new Part 2 D Privacy Law compliance.
Create the position of an Assistant Superintendent for K – 6 Instruction / Elementary Principal (given the economic climate we are not adding a position, but revising a position with a stipend).

Given the economic uncertainty as a result of the pandemic crisis it is recommended that a Principal take on this added role with a stipend, just as was done when Dr. Mulford accepted additional work responsibilities.
Budgetary Implications

Professional Development
- Literacy initiative
- Classroom strategies
- Math initiative
- AVID
- Help Desk position
- Assistant Superintendent

Grants
- Title II grant
- Title IV grant
- Title II grant
- Title IV For PD & FTEs within Todd MS
- Operating Budget – PT to FT TBD, $30 to $40 K
- Salary stipend.
### State Aid Revenues:
**Before budget crisis and after budget crisis**

#### School Aid Before

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Foundation aid</td>
<td>$7,583,565</td>
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<tr>
<td>BOCES</td>
<td></td>
</tr>
<tr>
<td>Hardware &amp; Tech</td>
<td></td>
</tr>
<tr>
<td>Software, Library, Text Book</td>
<td></td>
</tr>
<tr>
<td>High cost excess cost</td>
<td>$123,186</td>
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<tr>
<td>Private excess cost</td>
<td>$230,745</td>
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<tr>
<td>Transportation</td>
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<tr>
<td>Building Aid</td>
<td>$1,504,012</td>
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<tr>
<td>Total</td>
<td>$10,694,429</td>
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#### School Aid After

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Foundation aid</td>
<td>$5,354,574</td>
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<tr>
<td>BOCES</td>
<td>$1,516,748</td>
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<tr>
<td>Hardware &amp; Tech</td>
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<td>Software, Library, Text Book</td>
<td>$123,321</td>
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<td>High cost excess cost</td>
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<td>Private excess cost</td>
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<td>Transportation</td>
<td>$1,252,681</td>
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<tr>
<td>Building Aid</td>
<td>$1,504,012</td>
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<tr>
<td>High Tax Aid</td>
<td>$341,381</td>
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<tr>
<td>Pandemic Adj. Federal Care Restoration.</td>
<td>- $129,757</td>
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<tr>
<td>Total</td>
<td>$10,466,552</td>
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Key Cost Budget Drivers

2020-2021 Budget

- Salaries $23,891,736 49%
- Health Insurance $ 7,949,899 17%
- BOCES $ 3,853,169 8%
- Employees' Retirement $ 614,000
- Teachers' Retirement $ 2,076,075 6%
- Debt Service $ 2,555,888 5%
- Total of key drivers $40,940,767 85%
- Total Budget $48,068,456
## Projected Budget Increases: 2020-21

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Salaries</td>
<td>$23,891,736</td>
<td>.5%</td>
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<tr>
<td>Health Insurance</td>
<td>$7,949,899</td>
<td>1.5%</td>
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<tr>
<td>BOCES</td>
<td>$3,853,169</td>
<td>3.5%</td>
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<tr>
<td>Employees' Retirement</td>
<td>$614,000</td>
<td>(10%)</td>
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<tr>
<td>Teachers' Retirement</td>
<td>$2,076,075</td>
<td>3.8%</td>
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<td>Debt Service</td>
<td>$2,555,888</td>
<td>26%</td>
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<td>Total of key drivers</td>
<td>$40,940,767</td>
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</tr>
<tr>
<td>Total Budget</td>
<td>$48,068,456</td>
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## 2020 – 2021 Budget Overview

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2020 - 2021 Superintendent’s Budget</td>
<td>$48,068,456</td>
</tr>
<tr>
<td>2019 - 2020 Budget</td>
<td>$47,162,497</td>
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<tr>
<td>Increase Amount</td>
<td>$ 905,959</td>
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<tr>
<td>Percent Increase</td>
<td>1.92%</td>
</tr>
<tr>
<td>Tax Levy Increase</td>
<td>1.89%</td>
</tr>
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</table>
2020-2021 Tax Cap Calculation

Key Factors

- The Average Annual Change in the CPI for 2019 was less than 2% making the Allowable Levy Growth Factor for the 2020-2021 Tax Levy Limit 1.81%
- No exclusions for TRS or ERS
- Tax levy increase cannot exceed 3.7% (rounding) based on exclusions for district capital expenses and growth factor
- Tax levy proposed will not exceed 2.99%
Superintendent’s Recommended 2020-21 Budget

- Superintendent’s Budget
  $48,068,456

- Maximum Tax Levy
  $31,444,286

- March, 2020 Estimated Tax Levy
  $30,871,945

- Amount Under Tax Cap
  $572,341
OVERALL BUDGET PROPOSAL
THREE PART BUDGET

- **Administrative** - Salaries & benefits of administrators, admin clerical staff, school board costs, tax collection, legal & auditing costs, BOCES admin costs and central data processing. $ 4,401,071

- **Program** – Salaries & benefits of all teachers and support staff; textbooks, instructional materials, equipment, athletics, BOCES programs, special ed. services and transportation. $ 36,743,917

- **Capital** – Salaries & benefits of custodial and maintenance staff, debt service, bus purchases, utilities and insurance. $ 6,923,468

5/26/2020
Remove from Service

- Bus # 41 - 2006  22 passenger bus 111,733 miles
  
  *Due to age of vehicle and high miles it would be cost prohibitive to expend funds to pass DOT inspection*

- Bus # 43 - 2009  28 passenger bus 74,779 miles
  
  *Due to age of vehicle and rust issues within the body of the bus, underneath the bus it would be cost prohibitive to expend funds to pass DOT inspection*
Your district’s fiscal stress scores and designations are summarized below:

<table>
<thead>
<tr>
<th>FYE</th>
<th>Score</th>
<th>Fiscal Stress</th>
<th>Score</th>
<th>Environmental Stress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>6.7</td>
<td>No Designation</td>
<td>15</td>
<td>No Designation</td>
</tr>
<tr>
<td>2018</td>
<td>0</td>
<td>No Designation</td>
<td>10</td>
<td>No Designation</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
<td>No Designation</td>
<td>5</td>
<td>No Designation</td>
</tr>
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</table>
CONTINUUM OF EDUCATIONAL & FISCAL INSOLVENCY

EDUCATIONALLY SOLVENT
Ability to provide both mandated and non-mandated curriculum to create a sound, basic education.

TIPPING POINT
Systemic erosion of capacity due to fiscal constraints without structural redesign resulting in the elimination of both mandated and non-mandated programs.

EDUCATIONAL INSOLVENCY
Systemic erosion has reached a point where the district can no longer conceal educational insolvency. Insolvency is exposed and verified by consistently poor ratings using the state accountability system for five years or more.

EROSION OF CAPACITY
Restriction of funding stream required to fulfill mandates and contractual obligations. Beginning of the elimination of non-mandated programs.

CONCEALED INSOLVENCY
Technical fiscal solvency but educationally unsound. The district perpetuates a system that cannot produce a sound basic education as reflected by state testing, standards, and graduation rates.

FISCAL INSOLVENCY
District no longer has the funds to make payroll, pay debt, or keep other contractual obligations.
CONTINGENCY BUDGET

• The contingency budget requires the levy to remain the same as 2019-2020.
• In real dollars this means a cut of:

  Equipment $194,778
  BOCES equipment: $195,068
  Student supplies: $ 43,000
  Transfer to funds: $140,000
  Total: $572,846
BUDGET VOTE

✓ When?  June 9th by ballot
✓ Where?  By ballot only. Will be mailed on or about May 27, 2020
✓ What?   Spending plan - $48,068,456
✓ Trustee? Incumbent Tom Keith is running unopposed.

The vote tally will be live streamed from the Todd MS Cafeteria.
The complete listing of budget documents are available online at the following link:

www.spackenkillschools.org/departments/business_office/budget_information
### County comparisons

<table>
<thead>
<tr>
<th>District</th>
<th>Tax Levy Increase %</th>
<th>Budget to Budget Incr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spackenkill</td>
<td>1.89</td>
<td>1.92</td>
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<tr>
<td></td>
<td>1.42</td>
<td>2.99</td>
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<tr>
<td></td>
<td>2.05</td>
<td>2.94</td>
</tr>
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<td></td>
<td>2.26</td>
<td>3.1</td>
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<td>3.27</td>
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<tr>
<td></td>
<td>2.43</td>
<td>1.81</td>
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<tr>
<td></td>
<td>2.47</td>
<td>3.93</td>
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<tr>
<td></td>
<td>2.93</td>
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<td></td>
<td>2.97</td>
<td>2.12</td>
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<td></td>
<td>3.23</td>
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<td></td>
<td>3.55</td>
<td>-.65</td>
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<tr>
<td></td>
<td>4.82</td>
<td>4.29</td>
</tr>
<tr>
<td></td>
<td>5.99</td>
<td>1.99</td>
</tr>
</tbody>
</table>
Q. Why are you holding another budget hearing? Didn’t you hold two hearings already?

A. Yes, we are holding another hearing because it is now required due to the changes in the budget voting process as prescribed by the Governor.

Q. I have been reading in the media that many districts are cutting their budgets and eliminating positions. Why isn’t Spackenkill?

A. We prepared this updated budget knowing that further cuts in revenue were possible. We are prepared for up to 20% reduction in NYS revenues by using reserves and fund balance. Most districts have chosen a wait and see approach like we have.
Q. How much money do we have in reserves and what reserves do you have to handle NYS reductions?
A. We have reserves available to us: Capital, Employee Benefits, ERS / TRS, Insurance, and Tax Certs totaling approximately $8 million (as of 6/30/2019) and could use approximately $2,000,000 for 2020 – 2021 school year if required.

Q. What is your current assigned fund balance?
A. We are legally allowed to carry a fund balance of 4%. We have approximately $1.9 million in assigned fund balance.
Q. Can the BOE lower the levy at this time?
A. The BOE has to approve a tax warrant in August. If the Board believes that we have sufficient funding to reduce the tax levy that is when a reduction can be made. The public is only approving a spending plan up to $30,871,945. If the community passes the budget, the tax levy can be lowered to the amount the Board believes is prudent.
Q. Do you know how much your revenues have been cut for this upcoming school year? Aren’t you worried?

A. Yes, everyone should be concerned about cuts to state aid, but we prepared a budget with the possibility of losing significant aid. It is very late to be changing the budget. We rely on about 20% of our revenues from state aid. So if the dire forecasts that the Governor has discussed comes to fruition we could lose 20% of our 20% in state aid or about $2 million. We can start over the summer to make further reductions if needed, but we should avoid making reductions to the instructional program.
Q. What about the 2021 – 2022 school year?

A. The superintendent has been commenting during the budget process that his greatest concern is the following school year’s budget. We do not know, however, if there will be another federal stimuli's program for education and NYS. We also do not know how quickly the economy will bounce back. In addition, we anticipate other unplanned expenses related to COVID 19.
**Voting**

- Q. How do I get a ballot to vote?
  - A. We are mailing approximately 6,700 ballots, one per person qualified voter. The mailing list has been prepared by the county Board of Elections.
- Q. What if I do not get a ballot?
  - A. Because of the high volume of mail we have contracted with a mailing service. We anticipate mailing ballots on or about May 27. We are told by the USPS that this mail will be expedited. Ballots will only be accepted that are received by mail by June 9th. Please feel free to contact the Board Clerk at Sandra.Barbieri@sufsdny.org if you have questions.