



## **2021-22 Budget Development**

- ▶ Budget Workshop #1
  - Board Meeting
  - December 16, 2020





# Middleburgh

CENTRAL SCHOOL DISTRICT



## Pandemic COVID-19 – School Year 2019-20 - Review

- ▶ August 13, 2020 Division of the Budget issued the FY 2021 First Quarterly State Budget Financial Plan Update which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20% of local aid payments in June, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any.
- ▶ In July, DOB began approving General Support for Public Schools payments (Excess Cost and BOCES) at 80% of the otherwise scheduled payments.
  - **MCSD State Aid withheld amount = \$115,460**





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## **Pandemic COVID-19 – School Year 2019-20 - Review**

- ▶ In the spring, school districts were required, by Executive Order, to close by March 18, 2020. Executive Orders subsequently extended such closures in two week increments until the Governor announced on May 1, 2020 that schools would be closed for the remainder of the 2019-20 school year.
- ▶ As a result, between March 18 and May 1, there was the potential for schools to reopen and school districts needed to keep transportation employees and vendors on standby to be in a position to resume transportation services if schools were directed to reopen pursuant to Executive Order.
- ▶ In addition, districts were required by Executive Order to provide remote instruction and meals for students during periods of school closure in the spring. MCSD implemented these requirements by using school buses to deliver school meals and homework packets.





## **Pandemic COVID-19 – School Year 2020-21 - Review**

- ▶ However, Education Law does not currently permit districts to be reimbursed through transportation aid for transportation that was not provided, or for use of school buses to provide meals and homework packets.
  - **Middleburgh's transportation cost for period March 18 – June 30 was \$503,470 including Bus BAN payments – State Aid 80.7%**
    - ✓ **Potential loss in state aid = \$406,300**
- ▶ To address these issues, Regents advancing a proposal to:
  - Allow districts to be reimbursed for actual costs incurred to keep transportation employees and vendors on standby between March 18, 2020 and May 1, 2020, and
  - Allow districts to be reimbursed for costs incurred in using school buses to deliver school meals and homework packets.





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## **Pandemic COVID-19 – School Year 2020-21**

- ▶ An across-the-board state aid reduction would disproportionately impact high-need, low-wealth school districts, as high need districts receive over 69% of all formula-based state aid. High need districts are heavily reliant on state aid as an overall proportion of their local budget.
- ▶ November General Aid payments was adjusted down from the October General Aid Payable

November General Aid payable	\$9,249,399
October General Aid Payable	<u>\$9,385,052</u>
Pandemic Adjustment	\$135,653

- ▶ The Combined Fixed and Individualized Payment Schedule which was part of the Enacted Budget did not reflect this calculation so districts may be receiving less aid in November than they were anticipating
  - Federal CARES Act application pending approval to restore these funds to offset cost associated with the pandemic.
- ▶ Potential State Aid withholding of future payments
  - Remaining State Aid due to MCSD district \$8,555,233
  - Potential 20% withholding \$1,711,047





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## **Pandemic COVID-19 – School Year 2021-22**

- ▶ In the 2020-21 Enacted Budget, state support for schools was reduced by over \$1.1 billion in recognition of the availability of federal CARES Act funds. However, schools took on many additional unplanned costs associated with the pandemic this year. To help districts maintain services while educating students in a safe manner, the Regents call for level state funding for 2020-21 and 2021-22 based on 2019-20 school funding levels. To achieve this, the Regents propose that the CARES Act reduction be restored to school districts over a two-year period to allow for these funds to be used for their intended pandemic-related costs.
- ▶ State Aid / Foundation Aid – No Harm





# Middleburgh CENTRAL SCHOOL DISTRICT



## Foundation Aid

Middleburgh Central School District				
Foundation Aid				
<u>Year</u>	<u>Formula Base</u>	<u>Current Year Aid</u>	<u>Full Phase-in Level</u>	<u>Difference</u>
2016-17	6,909,504	7,076,238	6,815,133	(261,105)
2017-18	7,076,236	7,313,291	6,757,196	(556,095)
2018-19	7,313,292	7,564,251	6,934,789	(629,462)
2019-20	7,564,107	7,785,802	6,959,443	(826,359)
2020-21	7,785,803	7,785,803	6,469,842	(1,315,961)





## **Budget Development 2021-22**

- ▶ Budget Workshop #2 – January 13, 2021
- ▶ Rollover Budget Process
  - Maintain all Programs and Staffing
    - ✓ Post COVID 100% In-Person Instruction
  - Salaries – Contract Obligations
  - Health Insurance Premiums and Pharmacy Projections
  - TRS and ERS Projections
- ▶ State Aid
- ▶ Tax Levy

2016-17	2017-18	2018-19	2019-20	2020-21
0.61%	1.52%	1.99%	1.00%	1.00%

- ▶ Budget Workshop #3 – February 10, 2021

