

Buffalo Public Schools

Fiscal and Budget Status Update

Finance and Operations – 04.01.2020

Dr. Kriner Cash, Superintendent
Geoffrey Pritchard, CFO



Federal Stimulus (Disaster Relief) Legislation

- Unknowns include, but not limited to: duration of funding, grant vs. general fund, state guidance
- \$13.5 billion for K-12 education, \$14 billion for higher education, and \$3 billion for governors' discretion
- \$8.8 billion – child nutrition
- \$3.5 billion – child care providers
- 90% of \$13.5 billion for K-12 allocated based on Title I, Part A allocation
 - Buffalo (including non-pub pass through) approx. \$21 million
 - Per CGCS - *The K-12 funds can be used for any allowable purpose authorized under ESEA, IDEA, Perkins CTE, or McKinney-Vento homeless authorities, as well as for preparedness and response, needs of individual schools, sanitation supplies, planning for upcoming months, technology purchasing (hardware, software, connectivity), mental health services, summer and after school activities including online, and "other activities that are necessary to maintain the operation of and continuity of services and continuing to employ existing staff of the local educational agency"*

2020-21 State Budget – as of 4.1.2020 PM, Cuomo announced conceptual agreement in place, with legislative conferences reviewing – details forthcoming

- January 21, 2020 – \$6 billion deficit
 - Provided District \$14.3m increase in Foundation Aid, which nearly equals projected charter school tuition expense increase
- March 2020 – updates
 - 9 to \$15 billion drop in revenues due to coronavirus crisis
 - State Budget Directs says the governor’s executive budget proposal is “no longer viable” unless federal government provides substantial funds
 - Governor did not view federal stimulus package as favorable to NYS budget
 - State expects negative cash flow impact of moving income tax filing date from April 15 to July 15
 - Other significant unknowns
 - Governor proposed that state aid to localities and school districts be revised downward quarterly if revenues don’t materialize during 2020-21; others propose a “bare bones” budget with increases if state revenues increase
 - Building Aid cap; Transportation Aid cap

District General Fund Budget

- Deficit – **TBD**
- School based budget reviews completed week of 3/27; summaries are being compiled
- Draft budget currently includes all positions in 19/20 adopted budget, plus all positions added during 19/20
- Charter school tuition increase – \$14.1m
 - Base tuition increase 3.5% - \$4.8m
 - 795 pupils moving to charters - \$9.3m
- Potential 2019-20 impact on 2020-21
 - Transportation aid - \$15.2m reduction in this year cost will reduce revenue next year by \$13.2m
 - Health Insurance - \$6m (3% trend to 5%, deferral of spending)
 - Building Aid – could decline based on timing of project completions
 - Sales Tax declines unknown (10% would be \$5m cut, for example)
 - ERS/TRS pension rates – decline in financial markets to impact rate – larger concern for four year plan

District Operations

- Governor Cuomo announced (3.27.2020) prohibitions on non-essential construction projects, preventing them from continuing in New York, including non-emergency school capital projects; exceptions for life and safety and emergency projects
- Skilled Tradesmen completing work tickets to reduce backlog, following all safety protocols
- Engineers/Custodians performing essential cleaning/sanitizing functions
- Smart Schools Bond Act emergency funding of \$9,126,830 requested to support Continuity of Instruction

The Budget Process – 2020-21 Budget (2.5.2020)

- March 2020
 - School Based Budgets reviewed (Scheduled March 9 to March 26)
 - Lobby State Legislature/Governor
 - Cabinet prioritizes budget requests, proposes alternatives to Superintendent (Munis Level 3)
- April 2020
 - State aid (Foundation Aid) finalized
 - Initial deficit calculations presented to the Board
 - Final deficit closing options developed, if necessary
 - Four Year Financial Plan discussed and approved by the Board
 - Schedule supplemental Board Committee meetings for Budget
- May 2020
 - Superintendent's proposed balanced budget (Munis Level 4)
 - Public budget hearings and discussion by the Board
 - Budget adoption by the Board and allocated (Munis Level 5)
 - Staffing and Department ordering

Buffalo Board of Education

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- **Dr. Kriner Cash**, *Superintendent*
 - **Geoffrey F Pritchard**, *Chief Financial Officer*