



Enlarged City School District

# Budget 2021-22

Cortland Enlarged City School District

# State Aid Formulas

NYSED publishes a state aid handbook that describes 58 different school aid formulas.

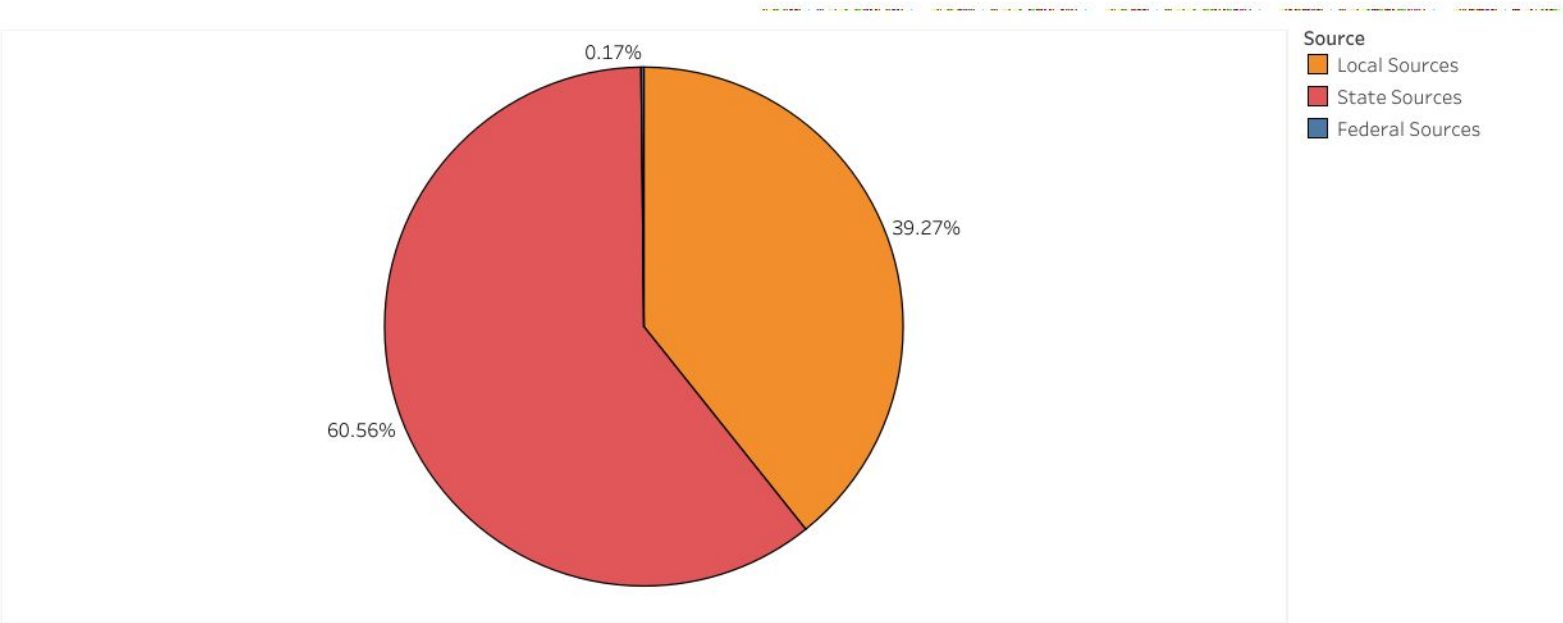
- The following account for more than 95% of state aid that flows to districts:
  - Foundation aid
  - Building aid
  - Transportation aid
  - BOCES aid
  - Public & private excess cost aids for special education

# Revenue Sources

Peer Summary	Where does our Revenue come from?	Where do our Expenses go (by function)?	How are Non-Instructional Expenses allocated?	Where do our Expenses go (by Object)?	Which Expense items have grown the most?	Do Revenues and Expenses align?	H o w ..
--------------	-----------------------------------	---	---	---------------------------------------	--	---------------------------------	-------------------

## CORTLAND CITY SD Financial Story

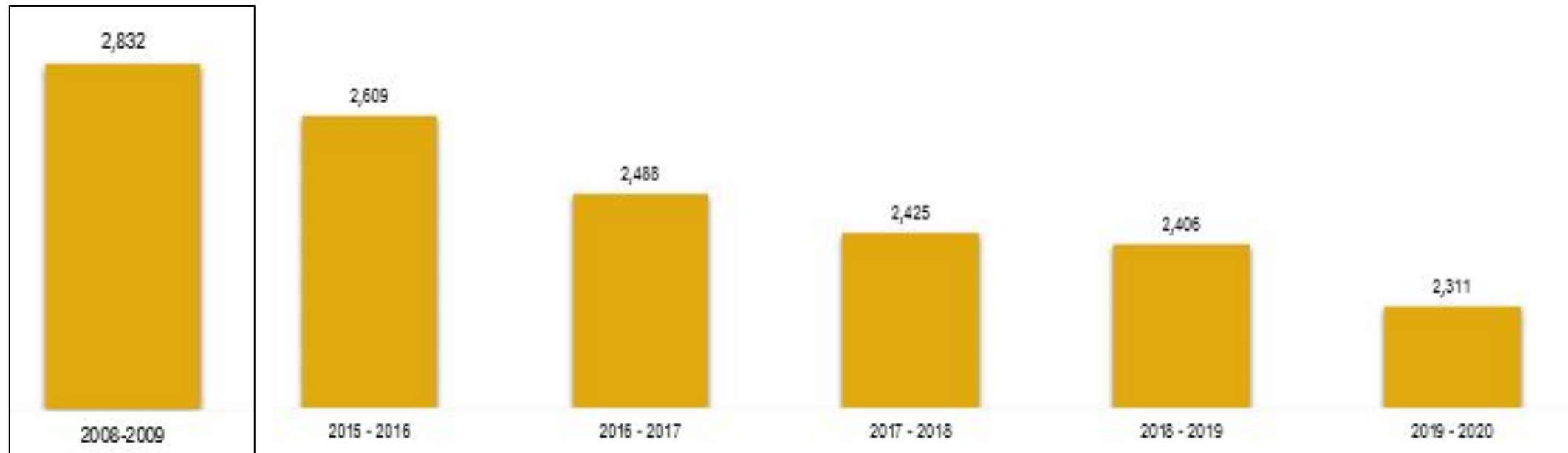
Education in New York is funded from a combination of Local, State, and Federal sources. The pie chart below shows the breakdown of the district's revenue between these sources for the district's operating funds for fiscal year 2019.



# State Aid

- Foundation aid
- Expense-driven aid
  - Transportation
  - Building
  - BOCES
  - Special Education
- Per pupil formula
  - Hardware & Technology
  - Software
  - Library
  - Textbook

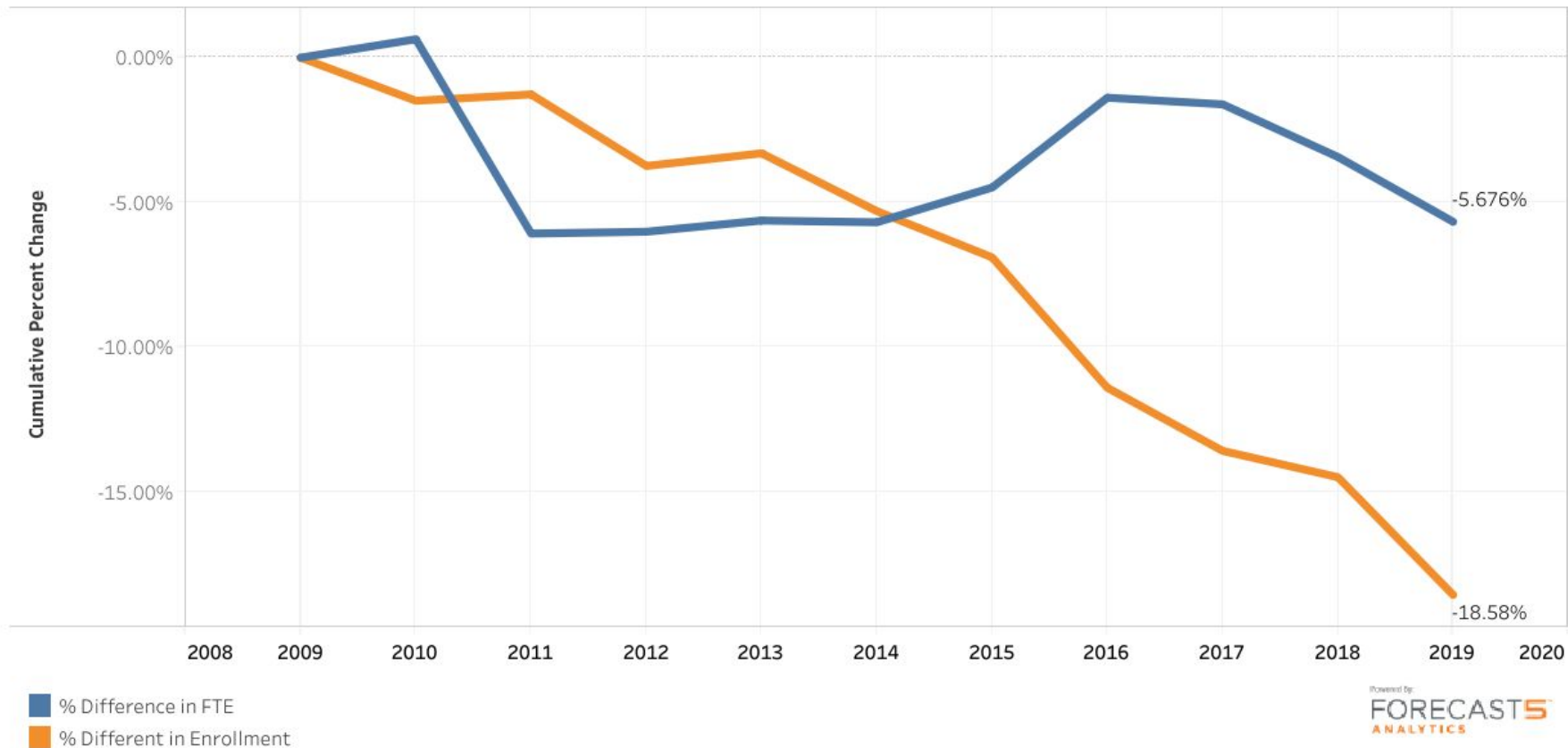
# Student Enrollment Review



# Opportunities To Reduce Expenditure...

## CORTLAND CITY SD Economic Profile

The graph below show the cumulative percent changes in Teaching FTE and Enrollment from 2009 to 2019.



# Building Reconfiguration Benefits

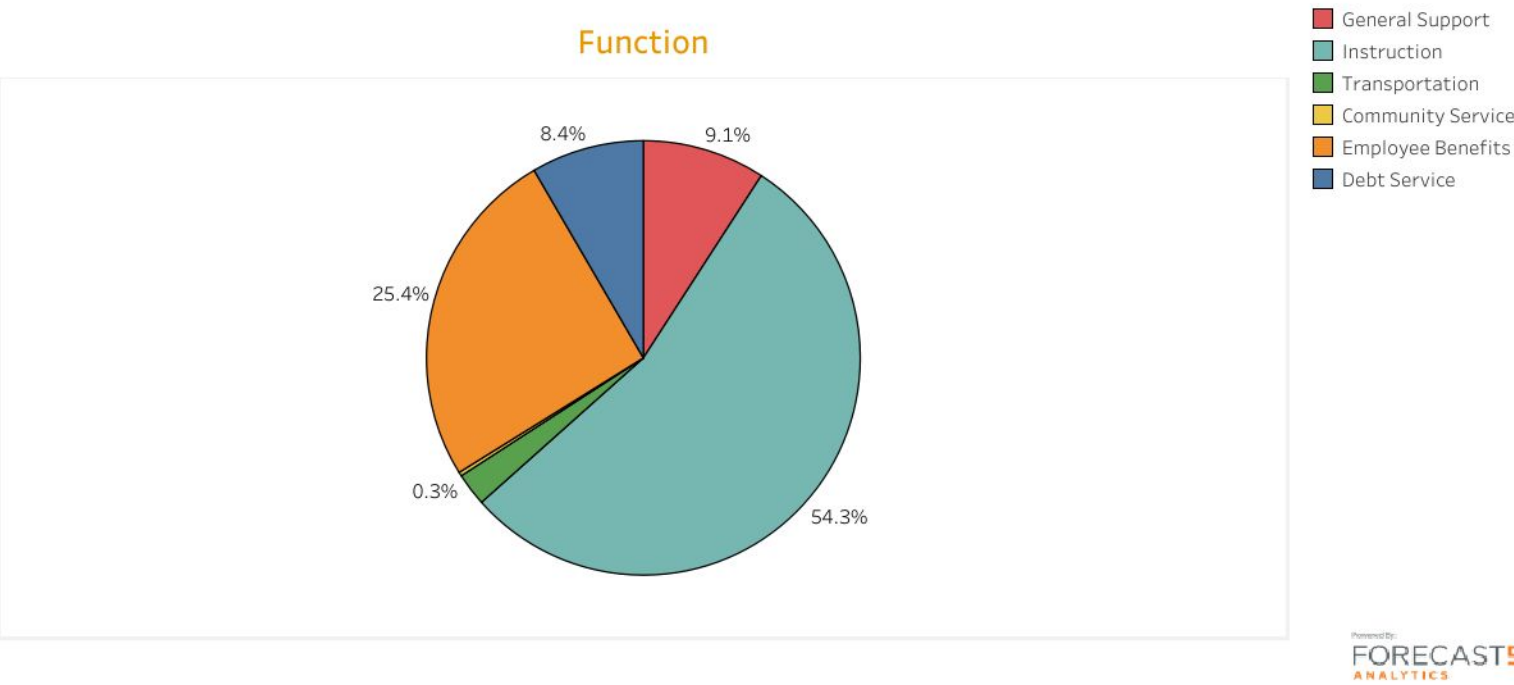
- We are a people industry
- Increased collaboration opportunities for the entire grade level
- Students have exposure to same/similar opportunities by grade
- Consolidated our resources across the district
- Budget was able to remain flat for another year
- Balanced budget without reserve allocation in 2020-21
- Fully inclusive classrooms



# Our Expenses (by function)

## CORTLAND CITY SD Financial Story

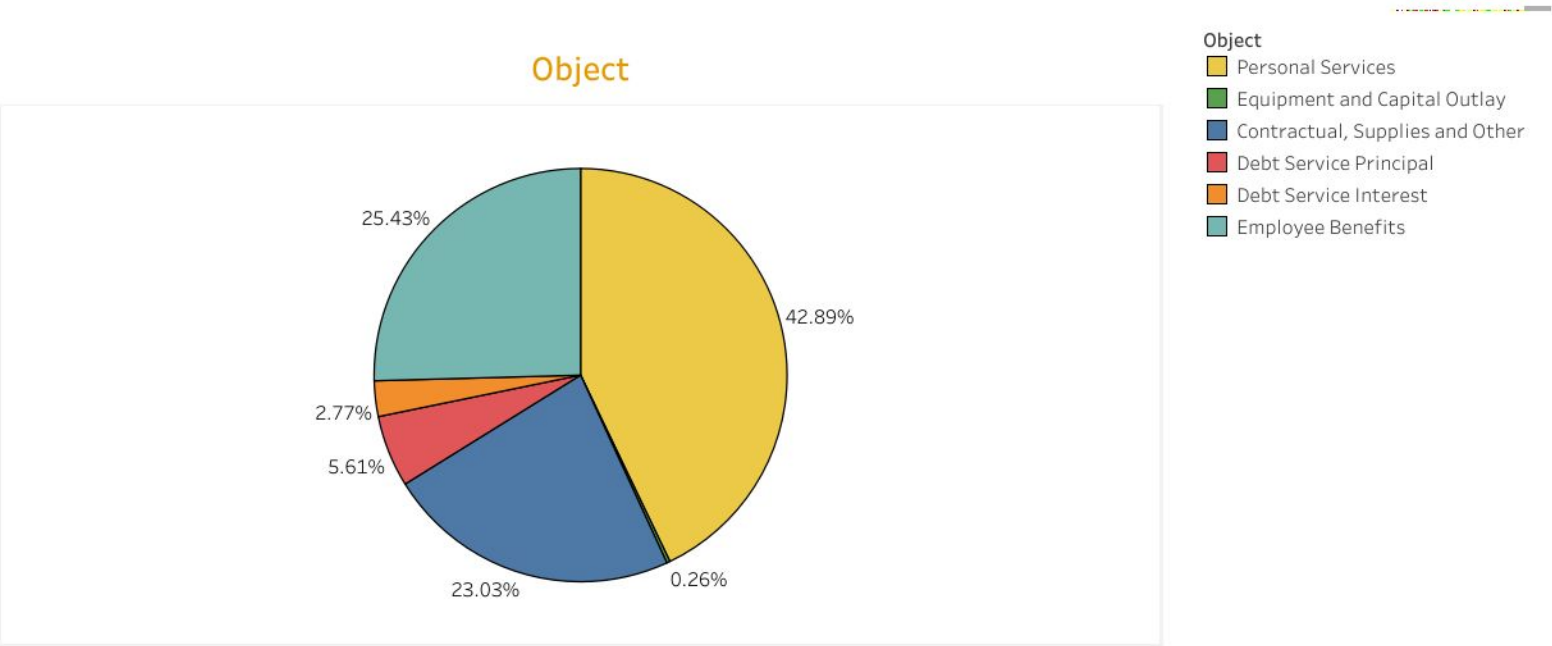
In school district accounting, expenses are categorized in multiple ways. The pie chart below breaks down Operating Expenses (as defined on Notes page) for Fiscal Year 2019 by Function which shows the general operational areas of spending.



# Overall Expenses

## CORTLAND CITY SD Financial Story

In school district accounting, expenses are categorized in multiple ways. The pie chart below breaks down Operating Expenses (as defined on Notes page) for Fiscal Year 2020 by Object which shows the types of expenses.



# Developing A Forecast

- Projections include different scenarios
- Assumptions are made in regards to revenue and expenses to the best of our ability
- Long range planning is a bigger picture than budget development for the next school year

# Example: Outlook Prior To Consolidation

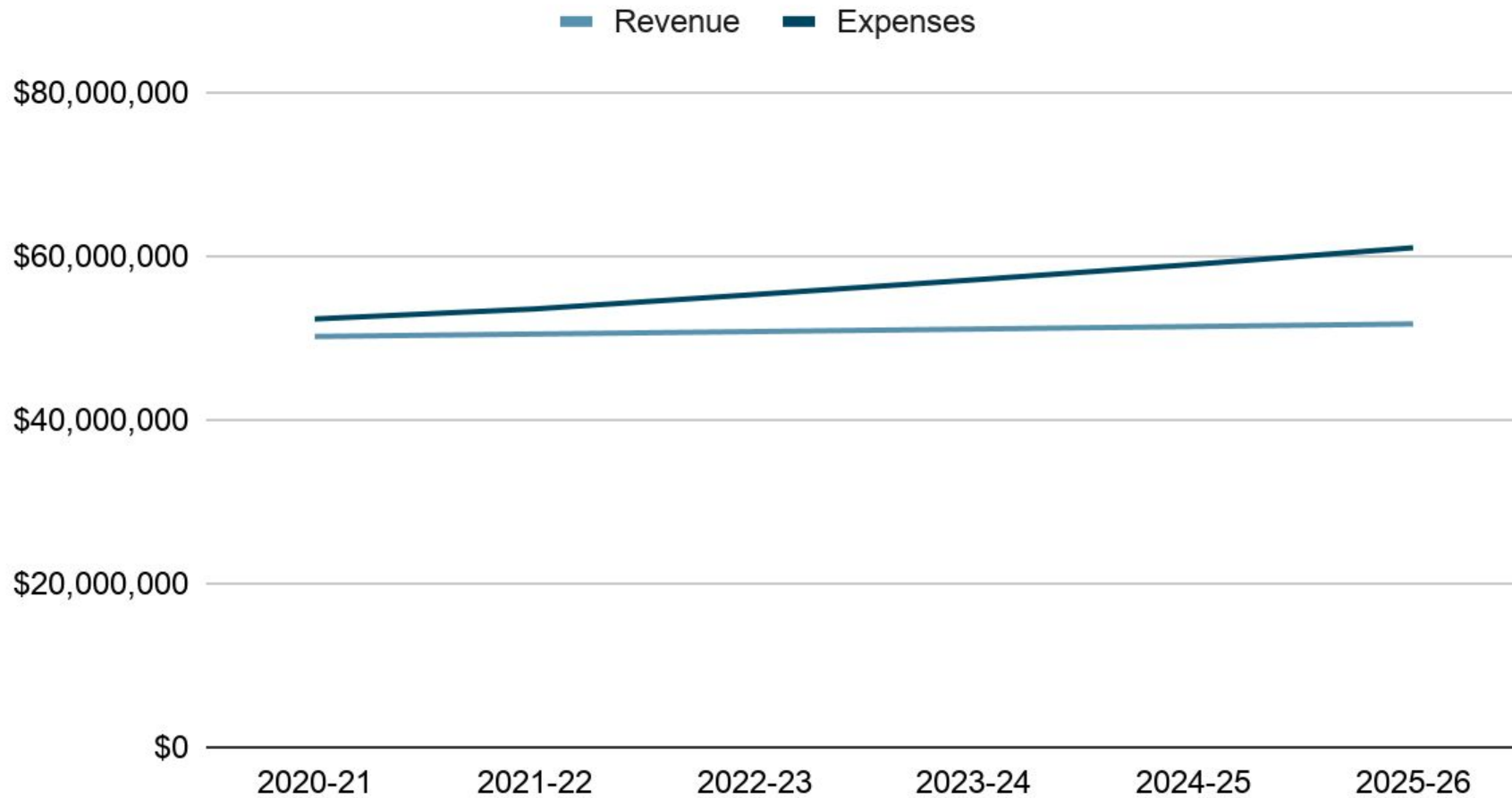
Without the previous reductions, the district would face a base deficit of **\$2,140,472** in 2020-21 and would begin with a deficit of **\$3,062,454** in building the budget for 2021-22

Previous Base Forecast

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
<b>REVENUE</b>											
Local	\$18,754,230	\$19,053,624	1.60%	\$19,354,139	1.58%	\$19,659,771	1.58%	\$19,970,608	1.58%	\$20,286,739	1.58%
State	30,835,771	30,835,771	0.00%	30,835,771	0.00%	30,835,771	0.00%	30,835,771	0.00%	30,835,771	0.00%
Federal	80,000	80,000	0.00%	80,000	0.00%	80,000	0.00%	80,000	0.00%	80,000	0.00%
Transfers / Other	500,000	500,000	0.00%	500,000	0.00%	500,000	0.00%	500,000	0.00%	500,000	0.00%
<b>TOTAL REVENUE</b>	<b>50,170,001</b>	<b>50,469,395</b>	<b>0.60%</b>	<b>50,769,910</b>	<b>0.60%</b>	<b>51,075,542</b>	<b>0.60%</b>	<b>51,386,379</b>	<b>0.61%</b>	<b>51,702,510</b>	<b>0.62%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	35,063,767	36,120,218	3.01%	37,706,392	4.39%	39,330,361	4.31%	41,043,362	4.36%	42,902,696	4.53%
Other	17,246,705	17,411,630	0.96%	17,579,854	0.97%	17,751,442	0.98%	17,926,462	0.99%	18,104,983	1.00%
<b>TOTAL EXPENDITURES</b>	<b>52,310,473</b>	<b>53,531,849</b>	<b>2.33%</b>	<b>55,286,246</b>	<b>3.28%</b>	<b>57,081,804</b>	<b>3.25%</b>	<b>58,969,825</b>	<b>3.31%</b>	<b>61,007,679</b>	<b>3.48%</b>
<b>SURPLUS / DEFICIT</b>	<b>(2,140,472)</b>	<b>(3,062,454)</b>		<b>(4,516,336)</b>		<b>(6,006,262)</b>		<b>(7,583,446)</b>		<b>(9,305,169)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>4,299,226</b>	<b>2,158,754</b>		<b>(903,699)</b>		<b>(5,420,035)</b>		<b>(11,426,297)</b>		<b>(19,009,742)</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>\$2,158,754</b>	<b>(\$903,699)</b>		<b>(\$5,420,035)</b>		<b>(\$11,426,297)</b>		<b>(\$19,009,742)</b>		<b>(\$28,314,911)</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>4.13%</b>	<b>-1.69%</b>		<b>-9.80%</b>		<b>-20.02%</b>		<b>-32.24%</b>		<b>-46.41%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>0.50</b>	<b>-0.20</b>		<b>-1.18</b>		<b>-2.40</b>		<b>-3.87</b>		<b>-5.57</b>	

# Example: Outlook Prior To Consolidation

Forecast if we still had 5 Elementary Schools



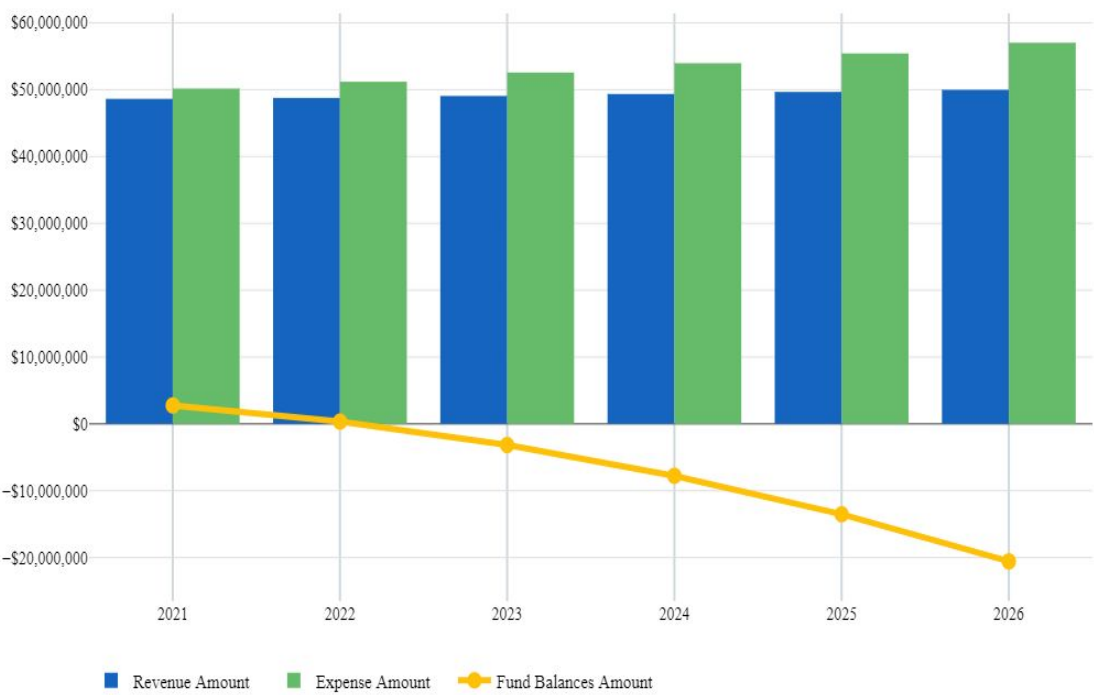
# Projection Prior To Pandemic

Projected Financial Summary

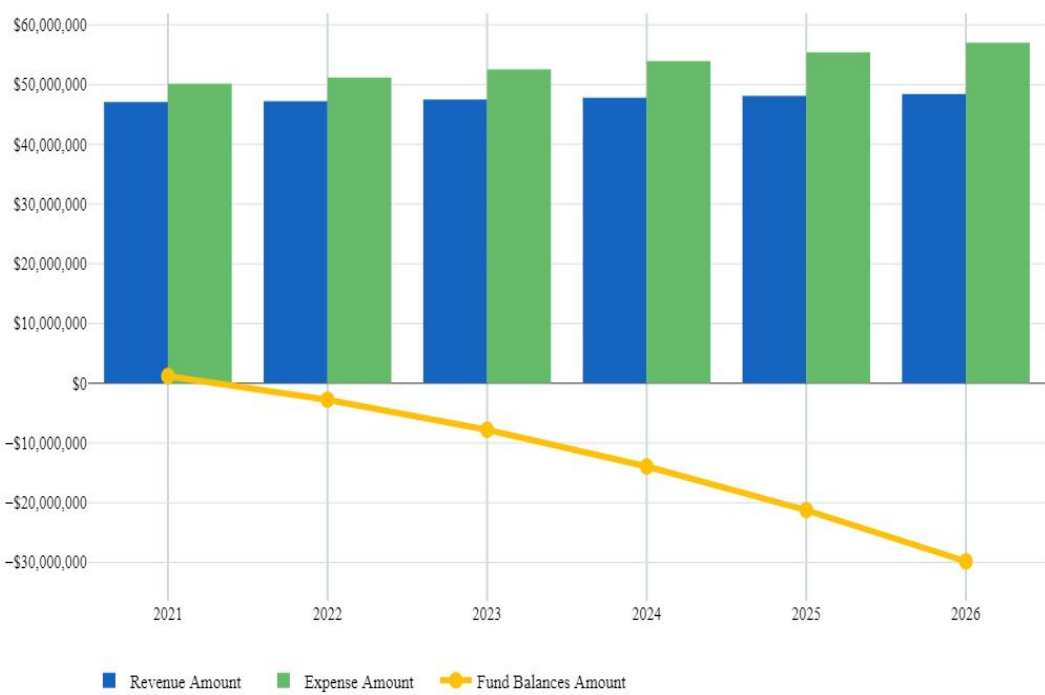


# Example: State Aid Reduction in 20-21 of 5% & 10%

Projected Financial Summary



Projected Financial Summary



# Example: Outlook With A 5% Reduction In State Aid

Forecast - 5% State aid Reduction

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
REVENUE											
Local	\$18,754,230	\$18,895,693	0.75%	\$19,185,086	1.53%	\$19,484,678	1.56%	\$19,788,017	1.56%	\$20,105,060	1.60%
State	29,293,982	29,293,982	0.00%	29,293,982	0.00%	29,293,982	0.00%	29,293,982	0.00%	29,293,982	0.00%
Federal	80,000	80,000	0.00%	80,000	0.00%	80,000	0.00%	80,000	0.00%	80,000	0.00%
Transfers / Other	500,000	500,000	0.00%	500,000	0.00%	500,000	0.00%	500,000	0.00%	500,000	0.00%
TOTAL REVENUE	48,628,212	48,769,575	0.29%	49,059,068	0.59%	49,358,660	0.61%	49,661,999	0.61%	49,979,042	0.64%
EXPENDITURES											
Salary and Benefit Costs	33,629,007	34,485,855	2.55%	35,696,948	3.51%	36,927,473	3.45%	38,226,950	3.52%	39,648,443	3.72%
Other	16,540,994	16,701,171	0.97%	16,868,011	1.00%	17,031,078	0.97%	17,195,437	0.97%	17,370,902	1.02%
TOTAL EXPENDITURES	50,170,001	51,187,026	2.03%	52,564,959	2.69%	53,958,551	2.65%	55,422,387	2.71%	57,019,345	2.88%
SURPLUS / DEFICIT	(1,541,789)	(2,417,451)		(3,505,891)		(4,599,891)		(5,760,388)		(7,040,303)	
BEGINNING FUND BALANCE	4,299,226	2,757,437		339,986		(3,165,905)		(7,765,796)		(13,526,184)	
PROJECTED YEAR END BALANCE	\$2,757,437	\$339,986		(\$3,165,905)		(\$7,765,796)		(\$13,526,184)		(\$20,566,487)	



# Example: State Aid Reduction In Dollars

5% state aid reduction:

- -1,541,789 in 2020-21
- -2,417,451 in 2021-22

Expense reduction plan:

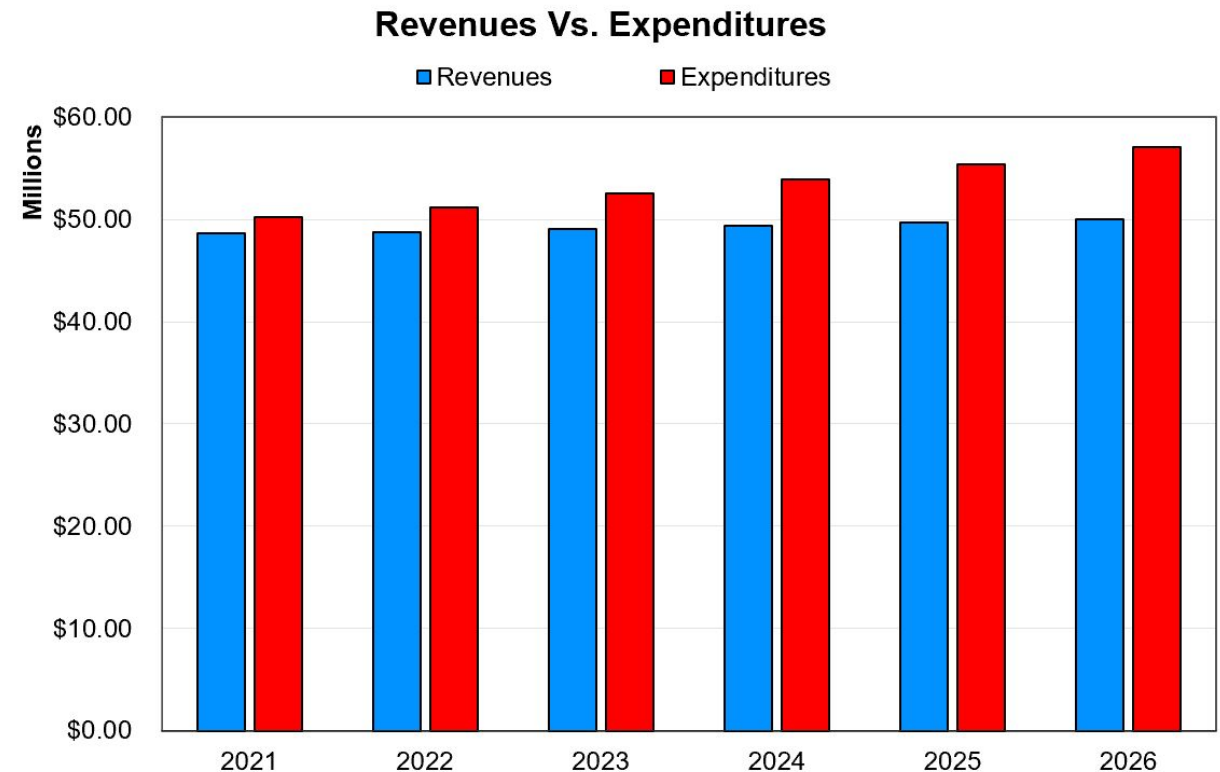
To be determined by the  
administrative team

10% state aid reduction:

- -3,083,577 in 2020-21
- -3,959,239 in 2021-22

# Example: 5% Reduction Impact On Fund Balance

	BUDGET	
	2021	2022
REVENUE		
Local	\$18,754,230	\$18,895,593
State	29,293,982	29,293,982
Federal	80,000	80,000
Transfers / Other	500,000	500,000
<b>TOTAL REVENUE</b>	<b>48,628,212</b>	<b>48,769,575</b>
EXPENDITURES		
Salary and Benefit Costs	33,629,007	34,485,855
Other	16,540,994	16,701,171
<b>TOTAL EXPENDITURES</b>	<b>50,170,001</b>	<b>51,187,026</b>
<b>SURPLUS / DEFICIT</b>	<b>(1,541,789)</b>	<b>(2,417,451)</b>
<b>BEGINNING FUND BALANCE</b>	<b>4,299,226</b>	<b>2,757,437</b>
<b>PROJECTED YEAR END BALANCE</b>	<b>\$2,757,437</b>	<b>\$339,986</b>



# Next Steps

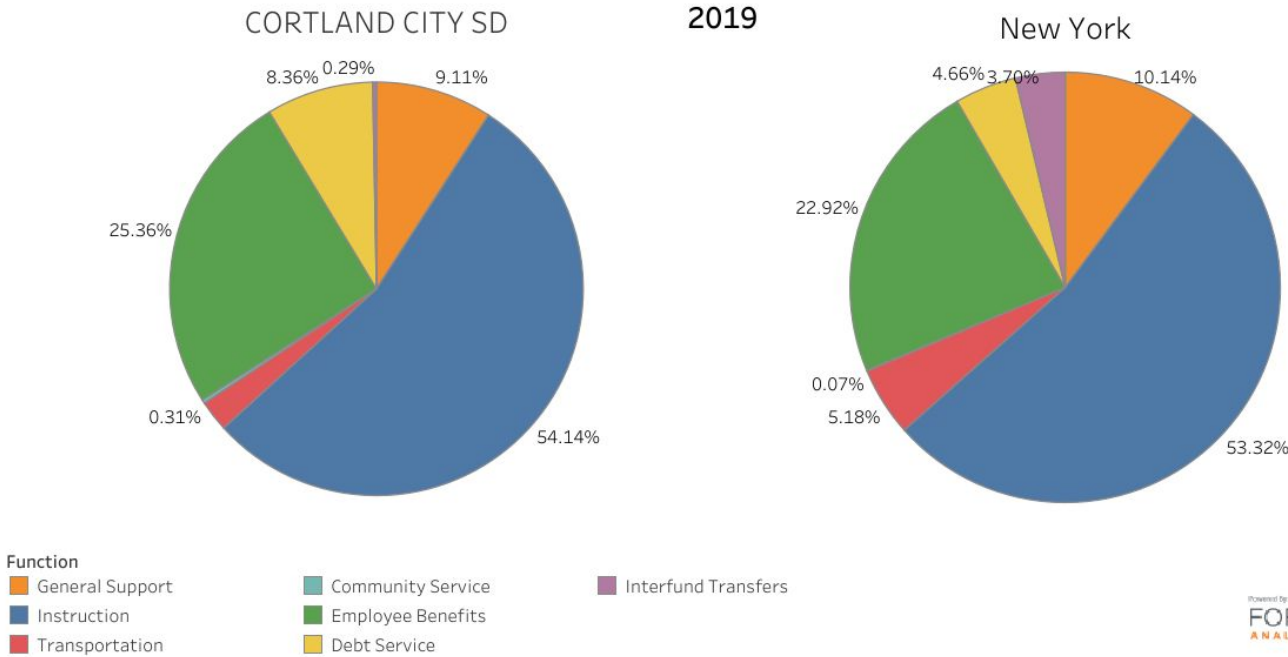
- Continue to update projected expenses as detail is available
- Staffing audit
- Appropriation status report review a pause all non emergency spending

# Expenditures Compared To The Rest Of NY

Peer Summary	How does the District's spending by function compare to the State average?	How does the District's spending by object compare to the State average?	How have expenditures and expenditure allocations changed over time?
--------------	--	--	--

## CORTLAND CITY SD Expenditure Story

The chart below shows **General Funds** by function for our district compared to the whole state.

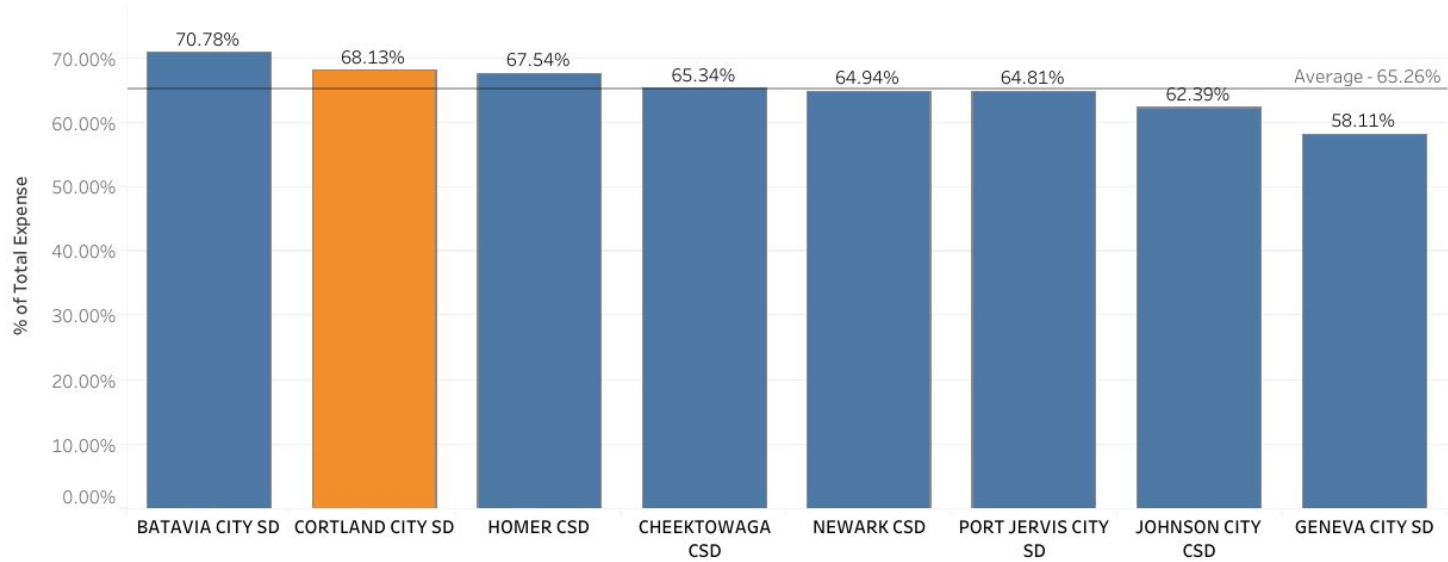


# Salaries & Benefits Compared To The Rest Of NY

How does the District's spending on Instruction compare?	How does the District's spending on Administration compare?	How does the District's spending on Personnel costs compare?	What opportunities do we have for reducing expenditures? Have our teaching staff FTEs kept in line with our enrollment?	How do our teacher staffing ratios compare to peers?
--	---	--	---	--

## CORTLAND CITY SD Expenditure Story

2019 General funds Includes Objects: (.1) Salaries and (.8) Employee Benefits only



# Projections With A 5% Reduction In State Aid

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Budgeted expenses	\$50,170,001	\$51,187,026	\$52,564,959	\$53,958,551	\$55,422,387	\$57,019,345
Revenues	\$48,628,212	\$48,769,575	\$49,059,068	\$49,358,660	\$49,661,999	\$49,979,042
Budget Gap	\$1,541,789	\$2,417,451	\$3,505,891	\$4,599,891	\$5,760,388	\$7,040,303
Appropriated fund balance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Shortfall	\$1,041,789	\$1,917,451	\$3,005,891	\$4,099,891	\$5,260,388	\$6,540,303

# Advocacy Efforts

- ASBO
- NYSSBA
- NYS Association of Small City Schools
- CNY School Boards
- NYSCOSS