

Preliminary Budget for 2020-21 School Year

Presented on March 5, 2020

Preliminary 2020-21 Budget Overview

Presented on the following slides is the Preliminary Budget for the 2020-21 school year for Galway Central School District.

This will be an overview of the budget needed to deliver the existing education programs and support services for the children of Galway Central School, at next year's estimated costs, along with a few essential enhancements to the programs, aimed to bring about overall instructional improvement to provide the best possible education for the students.

Preliminary 2020-21 Budget Objective/Goal

The budget development objective for 2020-21 is:

To sustain the fiscal capacity of the school district to provide for the programs and services for our students, not only for next year, but for years well into the future.

Also, this budget has a goal to maintain fiscal responsibility and to provide financial excellence and stability.

Preliminary 2020-21 Budget Highlights

Total Preliminary 2020-21 Budget of \$23,621,837, which would be a \$1,322,707 (5.9%) increase from the 2019-20 budget of \$22,299,130.

Major Cost Changes:

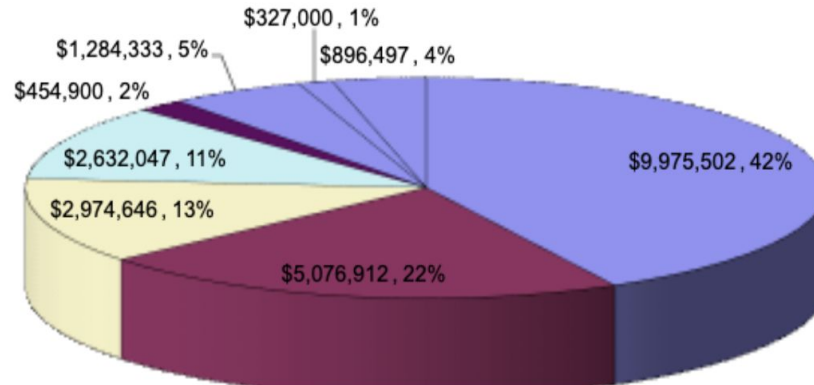
- New Debt Service Principal and Interest: \$696,133
- Employee Salaries: \$158,959
- Employee Benefits: \$213,778

The total of the three areas listed above are the most significant reasons for the overall budget change; representing about 81% of the increase.

Preliminary 2020-21 Budget Summary

Where the money goes

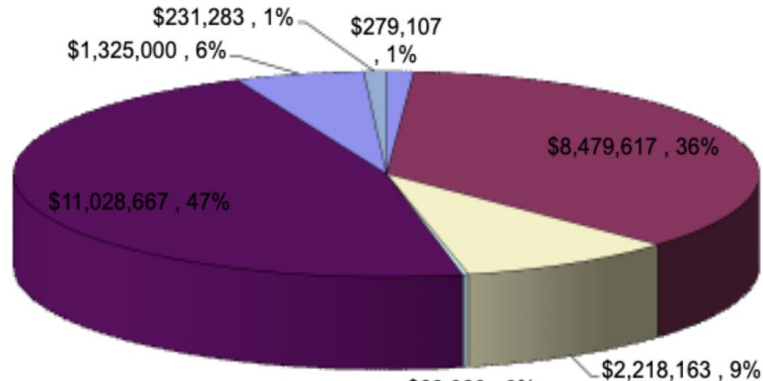
DESCRIPTION	2019-20 Adopted Budget	2020-21 Preliminary Budget	2020-21 \$ Change	2020-21 % Change	2020-21 % Share
Employee Salaries	\$9,816,543	\$9,975,502	\$158,959	1.62%	42.23%
Employee Benefits	\$4,863,134	\$5,076,912	\$213,778	4.40%	21.49%
Debt Service/Fund Transfers	\$2,238,513	\$2,974,646	\$736,133	32.88%	12.59%
BOCES Costs	\$2,603,890	\$2,632,047	\$28,157	1.08%	11.14%
Student Transportation	\$430,201	\$454,900	\$24,699	5.74%	1.93%
Support Services / Operations	\$1,299,228	\$1,284,333	(\$14,895)	-1.15%	5.44%
Out-of-District Tuition	\$203,000	\$327,000	\$124,000	61.08%	1.38%
Instructional Programs	\$844,621	\$896,497	\$51,876	6.14%	3.80%
TOTALS	\$22,299,130	\$23,621,837	\$1,322,707	5.93%	100.00%



Preliminary 2020-21 Revenues

Where the money comes from

DESCRIPTION	2019-20	2020-21	2020-21	2020-21	2020-21
	Adopted Budget	Preliminary Budget	\$ Change	% Change	% Share
Miscellaneous Revenues	\$269,079	\$279,107	\$10,028	3.73%	1.18%
State Aid (w/out Building Aid)	\$8,464,598	\$8,479,617	\$15,019	0.18%	35.90%
Building Aid	\$764,709	\$2,218,163	\$1,453,454	190.07%	9.39%
Medicaid and Transfers	\$593,549	\$60,000	(\$533,549)	-89.89%	0.25%
Tax Levy and STAR	\$10,832,597	\$11,028,667	\$196,070	1.81%	46.69%
Fund Balance Allocation	\$1,374,599	\$1,325,000	(\$49,599)	-3.61%	5.61%
Current Revenue Gap	\$0	\$231,283	\$231,283		0.98%
TOTALS	\$22,299,130	\$23,621,837	\$1,322,706	5.93%	100.00%



What is the Bottom Line? Appropriations

The Preliminary Budget for 2020-21 would increase appropriations by \$1,322,707 (5.9%) over the current year.

\$696,133 of the total increase is due to additional debt service for the capital project.

The remainder of the Budget is increasing by \$626,574, which, in essence, represents the normal growth to keep the District going toward educational excellence. If the debt service change were set-aside, then for comparison purposes, the baseline 2020-21 budget is increasing by about 3.1% over the 2019-20 baseline budget.

What is the Bottom Line? State Aid

The preliminary estimate is that state aid for 2020-21 would change by \$1,468,443 over 2019-20. However, we are exercising caution about this number as the Governor's proposal for next year is under scrutiny for how the Building Aid is being calculated. We are anticipating greater clarity within the next few weeks.

The Tax Levy Limitation formula allows a change of about 4.2%. However, this conservative Preliminary Budget is for a minimal 1.81% levy increase, which results in the present revenue gap of - \$231,283.

What does the Preliminary Budget tell us?

At this point, the Preliminary 2020-21 Budget is out-of-balance by - \$231,283.

This means that: \$231,283 in budget reductions and/or additional allocation of fund balance would be necessary. However, possible additional state aid that may be provided by action of the Legislature and signed into law by the Governor, would mitigate the revenue gap.

Key Dates in the Budget Process

- March 5, Board of Education Work Session (presentation of Preliminary 2020-21 Budget)
- March 19, Board Meeting (presentation of Tentative 2020-21 Budget)
- *April 1, anticipated action by Legislature and Governor for State budget for 2020-21*
- April 9, Board Meeting (review and consideration of Proposed 2020-21 Budget)
- May 7, Board of Education Work Session and Public Hearing on Proposed 2020-21 Budget
- May 19, Vote by Public on Proposed 2020-21 Budget, Propositions, Members of the Board of Education, 10 AM to 8 PM, Jr./Sr. High Gymnasium

Galway Central School District

This has been a Preliminary Budget Presentation