



Board of Education Questions for East EPO: Round 1

2020-21 Proposed Budget

Due Date: **April 3, 2020**

Round 1 Questions	Sections 4, 5 and 7 & Superintendent's Budget Presentation
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Questions on the Superintendents' Budget Presentations

- 1.1 What East EPO initiatives will be impacted by the cuts to the Budget?
(Superintendent's Budget Presentation) **SUBMITTED on 3/31** and **response provided on 4/1/20**

Questions on Sections 4, 5 & 7

- 1.2 What does East have 2 totals listed- on page for total is \$\$22,988,809 & page 7- \$18,901,490. Please clarify the total cost needed to operate EAST.
(Section 7, ps. 4 and 8)

The amount of \$18,901,490 on page 4 of the Budget Book appears to be representing the total program costs associated with East Upper School and East Lower school. The figure presented by Central Office on page 7 of \$22,988,809 includes the amount of the Administrative Portion of East's budget. However, it is imperative to note, as stated in the March 13th email submitted to the Finance Committee following the East Budget

Presentation on March 12th, that the \$22.9MM has been **decreased by 9%** to accommodate the financial shortfall of the district.

The actual East budget, as presented by Dr. Nelms on March 12th is \$20.9MM.



	<p>The budget as presented by Central Office in the Budget Book does not include the 7 FTE East staffing reductions nor does it reflect the reductions realized from operating efficiencies.</p> <p>We are unsure why the accurate number was not included within the RCSD Budget Presentation made to the Commissioners and public on 4/2/20 by the RCSD staff</p>
1.3	<p>East budget represents an increase in funding of +1,199,946 M for an additional increase of enrollment of +32- what is the justification for this large increase in their budget? Please show evidence of how EAST made cuts to their budget (Section 7)</p> <p>As in years past, as stated in the email to the Finance Committee dated 3/13/20, Central Office utilizes the practice of average salary methodology. This practice works against East in that East salaries tend to be less than the average salaries calculated by Central Office. As such, although East may actually recognize reductions in the operating budget, the savings are not clearly evident when contractual increases, representing increases that East has no control over, continue to rise throughout the District. It would be prudent practice to account for the actual cost of each school to better understand the true cost of school operations throughout the district.</p> <p>Further, the budget as presented in the Budget Book includes both the expenditures for the General Fund Budget as well as for the Special Aid (grant related) budget. Expenditures that could possibly be offset by future grant offerings be included within the General Fund so that if the grants end, for whatever reason, the anticipated expenditure will be covered by the General Fund. The RCSD Central Office budget methodology then adds to the General Fund budget the same amount in the Special aid fund, thereby doubling the actual expenditure. For East, additional 5%, or 1.2 million in Special Aid (Grant) Funds will be used to further reduce our budget to 19.7 million if and when these funds are received. The 1.2 million will become fund balance for the RCSD to use.</p>
1.4	<p>Please clarify on sect 7 page 7 that EAST cuts only represent 1 actual FTE? (Section 7, p.7)</p> <p>The accurate number of staffing reductions will reflect <u>1FTE Administrator reduction and 6FTE RTA</u> reductions. The reduction was presented in the East</p>



	<p>Budget presentation on March 12th and again reiterated in the email sent to the Finance Committee on March 13th. Please note, on July 1, 2019, we reduced our budget by \$2.2 million dollars (equivalent to 30 FTE staff).</p>
1.5	<p>Why is the FS: 0150 Optics Grant zeroed out in the new budget?</p> <ul style="list-style-type: none">• How will that program continue receiving funding? <p>(Section 7 , p. 8)</p> <p>This is an excellent question and one that reiterates the point made earlier regarding grant expenditures and grant funding.</p> <p>As with all grants, the funding needs to be approved by the entity offering the grant on an annual basis. The “entity” could be defined as State or Federal Governments or by private entity offerings. State/Federal grant offerings include, but are not limited to, the Optics Grant, Title I, and the 1003 programs. Given the current financial stress of New York State, although we believe the Optics Grant will be extended to East in the 2020-2021 year, we do not want to include it because it is not absolutely guaranteed. If it were included and then not awarded to East, the total revenue for RCSD would be overstated by approximately \$460K. To include it now is premature and would present to RCSD the same impact as the current dilemma of overstating State Aid revenues.</p> <p>In summary, in an effort to present a fiscally sound budget, the expenditures for the Optics Grant (such as salaries and benefits, as covered by the grant) are included in the General Fund budget. Then, if/when the Grant is approved by the state, the expenditures in the General Fund budget are reimbursed by the Grant funding. If the Grant was not approved, the persons identified in the Grant would still be paid by the General Fund. If the Grant was not approved and the individual were only budgeted in the Grant Fund (Special Aid Fund) positions would have to be cut to accommodate the loss in anticipated revenue.</p> <p>If the grant is received, an additional 2.2 % or \$460K, will be used to lower our budget even further to \$20.4MM.</p>
1.6	<p>What is the purpose of the "Facilities and Related" fund?</p> <p>(Section 7 , p. 4)</p> <p>This is not a separate fund. The items included in this category are found in Section 7 on Page 6. They are as follows: Utilities, Instructional Supplies, Equipment Service Contract & Repair, Facilities Service Contracts, Rentals, Maintenance Repair Supplies, Postage and Print/Advertising, Supplies and</p>



	<p>Materials, Custodial Supplies, and Office Supplies. As reflected on page 6, the majority of the expense as it relates specifically to East is in Instructional Supplies.</p> <p>As stated previously with regard to other East expenditures, it is important to note that this expenditure category has not been updated to reflect the reduced amount that will be included within the new East Proposed Budget of \$20.9MM.</p>
1.7	<p>Why is there a significant increase in the amount used for Technology at East EPO? (Section 7 , p. 4)</p> <p>Technology expenditures in previous years had been allocated to the Community Schools Grant as well as to the Persistently Struggling Schools Grant. As such, the Amended expenditure amounts in previous Budget Books only reflect the amount paid out of the General Fund as opposed to the expenditures paid through the Special Aid fund.</p> <p>Please know, the \$20.9MM proposed budget presented on 3/12, includes a reduction in technology expense for 20-21 in the amount of \$75K.</p>
1.8	<p>Why is there a 21.55 % increase in administration at the East EPO? (Section 7 , p. 4)</p> <p>The increase in the East EPO Administrative portion of the budget, primarily represents the realization of contractual “vendor” expenditures anticipated to be incurred in the 2020-21 school year. The “increase” is overstated in that the Budget Book is reflecting the AMENDED 19-20 budget being compared to the PROPOSED 20-21 expenditures. To explain, the 19-20 Amended budget reflects the adjustment for those vendor expenditures which were originally in the General Fund budget and then were approved through Title I and 1003a for grant funding.</p> <p>It is important to look at historical trend analysis to determine what is actually occurring in budget codes. When doing so, one will find that the amount in this code has been consistently declining since the inception of the EPO. However, when like numbers are not presented in the Budget Book, the decrease is less apparent and causes unnecessary confusion. As explained in the email of 3/13/20 to the Finance Committee, and supported by the copies of past Budget Book illustrations, that is why other districts throughout NYS use <u>Proposed Budget</u> compared to <u>Proposed Budget</u> as opposed to <u>Amended Budget</u> compared to <u>Proposed Budget</u>. Please note the following to illustrate the point:</p>



	<ul style="list-style-type: none"> • <u>Proposed 2020-21</u> \$4,087,319 – It is important to note this number does not reflect the anticipated adjustment for Title I and 1003a grant funding. It is anticipated that if the same levels of funding are extended to East in the 20-21 school year as what was extended to in the 19-21, this amount will be reduced by approximately \$1.2MM bringing the total to <u>\$2.9MM</u> which will therefore, continue the declining trend as demonstrated below. • <u>Per Budget Book - Amended 2019-20</u> \$3,362,604 • <u>Amended 2018-19</u> \$3,650,497 • <u>Amended 2017-18</u> \$4,216,045 • <u>Amended 2016-17</u> \$4,591,042 • <u>Amended 2015-16</u> \$4,610,430 <p>In summary, the expenditure within this budget code continues to <u>decline</u>. East remains committed to reduce a reliance on vendors as best practices are incorporated into curriculum and sustained by East Administration and Faculty.</p>
1.9	<p>The budget proposal indicates that the East EPO will spend \$195,938.00 less on substitute teacher costs. Does that include savings which occurred as the result of the COVID-19 closure? (Section 7 , p. 5)</p> <p>The substitute teacher cost is an expenditure budgeted/allocated and managed by Central Office. We are not involved in the calculation of this expenditure nor the methodology utilized to determine the amount reflected.</p>
1.10	<p>What does "Professional Technical Services" refer to?</p> <ul style="list-style-type: none"> • Why is there a dramatic increase in that budget line at the East EPO? <p>(Section 7 , p. 6)</p> <p>This budget line item represents anticipated vendor expenditures for the 20-21 school year. It is anticipated that the vast majority of these expenditures will be allowable under existing grants. Please see the response to question 1.8 for further discussion and analysis.</p>