

Ballston Spa Central School District 2020-21 Budget Vote and BOE Elections

Frequently Asked Questions

CHANGES TO VOTING PROCESSES FOR THE 2020-21 BUDGET

On Friday, May 1, 2020, Governor Cuomo issued Executive Order No. 202.26 which modified the rules under which school districts are to conduct the 2020 election of school board members and budget votes, specifically that both would occur on June 9th and through mail-in ballot only. This in turn caused us to change a number of our typical processes and has led to a number of questions as follows:

Q: When will I receive a ballot?

A: Ballots are being mailed and should reach all registered voters on Wednesday or Thursday, June 3rd or 4th. Depending on the Post Office, some may receive their ballots on Friday, June 5th.

Q: When are the ballots due?

A: Ballots **MUST BE RECEIVED** by the District by 5:00 pm on June 9th. This deadline is different than property tax payments, for example, which only have to be post marked on or before the due date.

Q: What if I am unsure if my ballot will be received via mail by June 9th at 5:00 pm?

A: Ballots can be mailed, but also may be submitted in person by 5:00 pm at the following locations on June 8th and 9th:

- High School Lobby- 220 Ballston Avenue, Ballston Spa
- District Office Lobby- 70 Malta Avenue, Ballston Spa

Secure boxes will be available to deposit ballots at these locations.

If you are dropping off your ballot, please be sure to wear a mask/face covering and keep at least 6 feet away from other individuals.

THE IMPACT OF SCHOOL CLOSURE ON DISTRICT FINANCES

On March 18th, Governor Cuomo declared that all schools in the state were to close for a period of two weeks. Subsequent orders kept schools closed and on May 1st, he announced that schools were to remain closed for the remainder of the year, although instruction, child care plans, and child nutrition plans were to remain in place.

Q: With school being closed, isn't the District saving a lot of money?

A: The closure will definitely result in cost savings for the District and this savings is included in the planning for next year's budget. The outstanding issue is the statements by the Governor and Comptroller that state aid will be cut by up to 20% *sometime during the year*.

In this situation, school districts will need to both reduce expenses and draw on savings (fund balance) to close the gap. Therefore, the District is placing any savings from this year into

reserves to be used next year (and even subsequent years as the current situation will likely impact state aid for several years). Also, in the budget presented, the amount of fund balance dedicated to revenue for next year was increased by \$375,000. This savings from prior years helped prevent further staff cuts.

Q: Why doesn't the District use more reserves/fund balance to lower the levy or to save positions?

A: The District is increasing the use of fund balance and general fund reserves in the proposed budget from \$1M to \$1.375M this year to assist in maintaining student programs and to lessen the burden on taxpayers.

Use of fund balance has to be built on the assumption that whatever is used in one budget year can likely be recovered through savings in the following year's budget, or be replaced in future years by another revenue source. If not, then when the fund balance runs out, the District will once again experience a serious revenue shortfall. This can result in increases in tax rates, decrease in student programming, or both.

TAX LEVY, TAX RATE, AND TAX CAP

There is often confusion about the difference between the tax levy, the tax rate, and the tax cap. The **tax levy** is set by the District to balance the budget after all other revenue sources have been accounted for. The Board of Education approves the tax levy in August once the tax rolls are finalized. The **tax rate** is the amount of tax paid for each \$1,000 of assessed value of property as determined by each town's assessor. The **tax cap** is established in NYS law and limits tax levy increases to the lesser of the rate of inflation **or** 2 percent.

Q: What is the District's tax levy increase this year?

A: The proposed tax levy increase is 3.5%. However, due to the 2.79% growth in new construction in the District, the average tax rate increase across our four townships is 1.2%. In other words, the impact of the proposed levy on the average home in the District will be about \$52 for the year.

Q: Based on the tax levy, what is the tax rate for my town?

A: While we have estimates of tax rates based on preliminary assessments by the towns, we cannot calculate the final tax rates until after we receive the final assessments and equalization rates which are set by the towns. The estimated rates are available on the District's website [HERE](#) in the Budget Hearing Presentation.

Q: If the tax cap limit is 2%, how can the District ask for a 3.5% increase?

A: As noted above, the tax cap legislation limits tax levy increases to the lesser of the rate of inflation **or** 2 percent. BUT THEN, to establish their *actual* tax cap, each school district must go through **eight** additional calculations which may result in a limit *above 2%* as is our case, or below 2%. These calculations include a tax base growth factor, PILOT payments, and capital expenditures (building projects and purchases of buses, for example). For BSCSD, once these calculations were completed, our ***actual*** tax cap for the 2020-21 school year – the maximum amount that we *may* recommend for a tax levy – is 6.7%. However, the proposed tax levy for 2020-21 is 3.5%.

Q: How does our tax levy compare to other districts?

A: A comparison to similar schools is below. Worth noting, our District lost approximately \$850,000 this year due to the decrease in the payment in lieu of taxes (PILOT) from Global Foundries and a decision on tax equalization by one of our townships. To account for this, additional decreases in expenditures including staffing cuts were made in addition to requesting an increase in the tax levy.

District	Budget Increase	Tax Levy Increase	Tax Base Growth Factor %
Ballston Spa	1.30	3.53	2.79
Shen	2.21	2.60	1.50
BH-BL	1.98	2.90	0.90
Saratoga	2.28	3.10	1.16
Bethlehem	2.64	2.34	0.80
Niskayuna	3.80	2.15	0.60
Mohonasen	2.62	2.88	1.30
Guilderland	0.91	2.25	0.40
Queensbury	3.32	2.98	1.20

PURCHASING SCHOOL BUSES

Transporting our students to and from schools including regional schools for students with disabilities, on field trips, on club-related trips (e.g., robotics club), and to scrimmages and games requires us to maintain a) a sufficient number of buses to transport our students in each of these scenarios and b) a fleet that is well-maintained so as to pass rigorous DOT inspections (these occur 2-3 times per month). The regular replacement of buses is vital to both controlling repair/maintenance costs and keeping enough buses available to cover all runs.

Q: Didn't we buy new buses last year? Why are we buying them again this year?

A: The District has a fleet of about 84 buses and under its long range planning process, replaces 8 - 9 buses per year. In addition, 1 or 2 maintenance vehicles are replaced each year as they reach the end of their lifespan. This year the District is not adding additional buses, but is replacing older buses as part of this 10-year replacement schedule. The proposition includes 9 school buses and 1 maintenance vehicle.

Q: How does this year's proposition compare to prior years?

A: The amounts for this proposition over the last five years are: FY2016: \$866,000, FY2017: \$788,000, FY2018: \$907,000, FY2019: \$936,000 and FY2020: \$965,400. The amount of the proposition in any one year is based on what types of buses are being purchased/replaced (30, 66, 70 passengers, wheelchair lifts, etc.). Also, increasing Federal safety standard requirements and general inflation increase the cost of the buses over time.

Q: Do we get state aid on our bus purchases?

A: Yes. The District receives 64.7% state aid on each purchase approved by the State Education Department. In other words, over the period of the payment schedule of a bus, taxpayers cover 35.3% of the cost.

STATE AID REDUCTION DURING THE 2020-21 SCHOOL YEAR

Due to the state's financial status from earlier in the year which was significantly worsened with the onset of the pandemic closure, Governor Cuomo and Comptroller DiNapoli have stated that school districts should be prepared for a 20% reduction in state aid during the 2020-21 school year. While they have not informed us on the specific portion of state aid that would be reduced, any such reduction would have a significant impact on district operations given that we receive approximately \$29,000,000 in state aid. Based on the approved NYS Budget, this reduction could take place during three different "measurement periods" by the Governor and state budget director.

Q: If state aid is reduced by 20%, what will the District do? Will our taxes be increased during the year?

A: *There is no change to the tax levy once the Board approves it in August.* Absent additional federal funds being allocated to offset a reduction in aid or a change in the rules of how districts can use their reserves (several proposals are now being studied by the State Legislature that would expand the manner in which school districts can use reserves to address this), school districts will need to both reduce expenses and draw on savings (fund balance) to close the gap. Staff who would be eliminated in such a situation have been notified and the District is placing any savings from this year into reserves to be used next year (and even subsequent years as the current situation will likely impact state aid for several years).

CONTINGENCY BUDGET IMPACT

In a typical school year, budget votes and Board of Education elections take place on the third Tuesday in May. If a budget is defeated, a district has a number of options including holding a revote on the third Tuesday in June. Because of the changes to the process this year, there is no other option for a district than to go directly to a contingent budget.

Q: What happens if the budget is defeated this year?

A: If the budget proposition is defeated, there is no opportunity for a revote as there is during a "typical" year, which means that the District would have to go directly to a contingency budget. Under New York State law, districts that adopt a contingent budget cannot increase the current tax levy by any amount.

Thus, the District would have to reduce an additional \$1,833,791 in expenditures. This is in addition to any reduction in state aid that will likely occur during the year. Such a large decrease would require staff layoffs and elimination of programs.

ADDITIONAL INFORMATION ON THE BUDGET AND LONG TERM PLANNING

All budget presentations, our budget newsletter, our budget statement, our audited financial statements, and our long range financial plan can be found [HERE](#). In addition, any questions not found on this or our other documents can be emailed to Stuart Williams, our Coordinator of Community Relations, at swilliams@bscsd.org.