School District Budget Facts

You may have heard that other districts have begun taking drastic steps to address the financial crisis created by the Covid-19 pandemic. We felt it important to clear a few things up.

1. Funding from the state comes throughout the year and can be different from the projected or “promised” amount the state budget forecasts. We have been told that there will be reductions to this year’s funding. We do not know the extent yet.

2. The district is saving some money during this shutdown, particularly on transportation, energy costs, extracurriculars and athletics, and substitute teachers. We have been told that this will offset some of the reduction in aid for this year and potentially some of next year’s potential reductions.

3. Governor Cuomo has stated that there may be reductions of around 20% to state aid to schools for next year if the Federal Government does not send aid to help states fund services. Depending on many factors, each district has a different proportion of state aid in their revenues. Districts who receive a lot of state aid will be affected more, as a greater percentage of our state aid constitutes their incoming funding. Bay Shore receives approximately a third of its revenue from state aid, which is a relatively high percentage. A 20% cut in aid would be almost a $10 million loss in the budget.

4. Retirement incentives will save the district money, particularly if the positions can be replaced without hiring new staff, but it will not be enough to cover a major shortfall in aid alone.

5. The district has money in reserves, but those funds have covered the shortfall of the last three years, and also would not be able to cover a massive shortfall in aid.

6. There will be increases to operating costs to the district in the near future, (in particular, health care premiums and the Employer Contribution Rate (ECR) of our retirement system, which is invested in the ravaged stock market).

Even though some other districts have acted by leaning on staff to take cuts based upon dire propositions, Bay Shore has been steadily reporting that they cannot act until they know some of the variables listed above. They are being hopeful and looking to react once a clearer picture of the financial reality develops.

Please let us know if you have any questions or concerns.

In unity,
Mike, Pete, Christine, and Gale