



## New York State PTA Guidance on PTAs and School Budgets in Difficult Financial Times

The present economic conditions have created very difficult times for school districts throughout New York State. New York State is facing a more than \$9 billion budget deficit and Governor Cuomo has reduced state aid to schools by 7.3%, although the actual amount lost varies by district. As a result, school boards are faced with making very difficult choices when developing their 2011–2012 school budgets. In addition, it is very clear that this is not a one year problem and school boards will be faced with decreased state aid and the possibility of a 2% property tax cap for the foreseeable future.

### PTAs and Requests for Financial Assistance and Donations

PTA is an educational advocacy organization and should not allow itself to be the provider of services, supplies or equipment even during difficult financial times. PTAs that are pressured to provide financial assistance need to be aware that they may find themselves inundated by varying groups requesting funds. Units may not be able to provide these funds to everyone, thereby creating dissension within their own school community.

Reasons why PTAs should not provide this type of support:

- It establishes a precedent that it is an acceptable practice and it may not be able to be sustained over time.
- It can result in an inequity among schools in a school district.
- When one PTA provides services, supplies or equipment, it puts the other units in the district in a difficult position by exerting pressure for a similar item.
- Equipment does not necessarily remain in the school it was originally intended for.
- Who will be responsible for the maintenance of the item?

Constant fundraising establishes PTA as a “fund-raising” organization and our true purpose as advocates for children can be diminished. It is not PTA’s role to provide financial assistance to schools. It is PTA’s responsibility to be vocal during the school district’s budget sessions to ensure that the needs of the children are met.

### PTAs and School Budgets

It is the PTA’s responsibility to educate themselves and to promote an understanding of the educational needs of the community and how the school budget supports those needs. PTAs should carefully review and consider the budget as proposed by the school board. Following that review, a PTA may choose to take a position to support, educate about or oppose the school budget.

In order for a unit to take a position on a proposed budget in the name of the unit, a vote of its general membership **must** be taken. In accordance with unit bylaws the proper notification of the meeting **must** be given to the members.

In order for a council to take a position on the budget in the name of the council, an instructed vote is required. Each unit’s general membership takes a vote and each unit then has one vote on council. If only the voting body of a council takes a position, it must be clearly stated that the position is that of the voting body of council and not the council as a whole.

If only the executive board of a council or a unit votes to take a position, it must be clearly noted in any letters, publicity, etc., which body has taken this position.

A proposed school budget need not contain all of PTA’s priorities for it to be supported. A statement of PTA’s concerns can inform the board of education of those aspects of the budget with which it does not concur. As a caution, opposing a school budget for insufficient funds and/or educational programs may be misinterpreted. A defeated budget usually will lead to an even less adequate budget.

PTA's position on the proposed budget and any statements of concern should be publicized in newsletters, local newspapers, fliers to parents and other community members. It is important to include an explanation when publicizing PTA's position.

Information regarding the date of the budget vote may be sent home with students, but state education law prohibits the use of public funds to urge a "Yes" vote. If a PTA seeks to encourage a "Yes" vote the PTA:

- May not reproduce any fliers or newsletters publicizing their position using school district copy equipment or paper. This must be paid for using PTA funds.
- Information must be mailed home and the PTA is responsible for the costs including postage.
- School phones cannot be used to communicate the PTA position.

### **Background:**

A school budget is a statement of the school board's financial policy – the fiscal plan for the operation of the school district for the year. The proposed budget, as submitted to the residents for a vote, is the legal responsibility of the school board. All school districts are required to present the budget in three parts: Administrative, Program and Capital. If a budget is defeated, a school district may do one of the following: resubmit the original budget, submit a revised budget or adopt a contingent budget.

Education expenses are divided into three major categories:

- *Mandated expenses* – appropriations legally required, essential to the educational process and/or contractual.
- *Discretionary expenses* – permitted by statute or State Education Department regulations but not required. Such expenses become part of the contingent budget if the school board deems them necessary to maintain the educational program, to preserve property, and/or to assure the health and safety of students and staff.
- *Restricted expenses* – defined by State Education Department as non-contingent items. In a voter approved budget, the district cannot spend more than the initial appropriation on these items, even with a Board approved budget transfer. In a contingent budget, a district can't spend money on these items at all.
- *Contingent Budget* – following two budget defeats, a board must adopt a contingent budget. That budget may not include restricted expense items. Except for debt service, court ordered judgments and expenses related to total enrollment growth; a contingent budget cannot increase by more than 120% of the cost of living (CPI). For the 2011-2012 year the contingent budget increase is 1.92%.

### **School Budget Timeline**

- April 25 – Districts must transmit "Property Tax Report Card" to NYSED by the end of the next business day following its approval by the school board, but not later than the 24<sup>th</sup> day before the budget vote
- April 26 – May 3 – Districts must complete the budget 7 days before public hearing
- May 3 -10 – Board must hold public hearing on the budget
- May 3 – 17 – Copies of the budget must be available to the residents upon request
- May 17 – Annual Budget Vote and School Board Election
- June 21 – Uniform Budget Re-Vote

### **Additional Resources:**

- The New York State PTA *Resource Guide* which can be found in the Members Only Section of the website at [www.nyspta.org](http://www.nyspta.org).
- Your Region Director and Associate or Assistant Directors are valuable resources to assist, advise and guide you when dealing with these difficult issues.