

Scarsdale Public Schools



Budget Development and Financial Projections

December 21, 2020

Presentation Focus

1. School Budget Development & Considerations
2. Historical & Projected 2020-21 Expenses
3. Historical & Projected 2020-21 Revenues
4. Historical & Projected 2020-21 Fund Balance
5. 2021-22 Budget Calendar

Budget Development Process

School Budget Development

The school budget provides the necessary financial resources to operate the School District and to help achieve the goals and objectives of the School District as set forth in the Strategic Plan.



Budget Development Guiding Factors

Balanced Literacy: Creating the Foundations of Learning

Curricular and Co-Curricular Approaches to Health,
Wellness & Well-Being

Gardens & Biomechanical Innovation

Global Citizenship Education: Competencies & Ethical
Responsibilities

Libraries, Learning Spaces & Curated Resources

Next Generation Standards Development &
Implementation

Professional Culture of Lifelong Learning

Student Centered Opportunities & Environments

STEAM & Design Thinking

Student Supports

Sustainable Schools and Systems

Unified System of District-Wide Goal Setting

Using Technology to Transform Teaching, Learning &
Assessment

**STRATEGIC
PLAN**

School Budget Development

Budget initiatives only appear in a budget draft after thoughtful consideration, deliberation, and discussion.

Staffing requests and instructional budget drivers are vetted in purposefully planned meetings throughout the fall between Cabinet, Principals, and Administrative Council (District-wide Administrators).

Requests are assessed for:

- Educational efficacy,
- Staffing efficiency; and
- Alignment with guiding principles of staffing.

All non-instructional departments meet with the Assistant Superintendent and Business Manager to review budget requests.

Requests are analyzed based on:

- Consistency with Strategic Plan and overall District goals;
- Consistency with operational standards; and
- Historical spending norms and purchasing efficiencies.

Guiding Principles for Budgetary Staffing Decisions

Staffing needs must be justified by clear alignment to one or both of the following guiding principles:

Student Educational Outcomes and Achievement

- ☐ Classical education in the progressive tradition.
- ☐ Commitment to teaching and learning initiatives that advance the elements of a **Scarsdale Education for Tomorrow 2.0**.
- ☐ Provision of resources that further the **Strategic Plan** goals and sub-goals.

Mandates and Best Practices

- ☐ Thoughtful and contextual observance of mandates, both external and internal, and promotion of best practices aligned with our Strategic Plan goals. Examples include:
 - ☐ Elementary class size guidelines
 - ☐ Special education programming along the continuum of services

New Staffing/Program Change Request Process

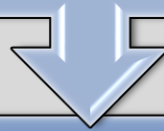
SCHOOL or DEPARTMENT:	PROGRAM:	BUDGET YEAR 2020-21
<p>RECOMMENDATION:</p> <ul style="list-style-type: none"> <input type="checkbox"/> ADDITION <input type="checkbox"/> CHANGE in CONFIGURATION <input type="checkbox"/> REDUCTION <p>WHAT'S DRIVING THE RECOMMENDATION?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Enrollment changes <input type="checkbox"/> Program expansion <input type="checkbox"/> Program restructuring, reorg., or redesign <input type="checkbox"/> Response to a new mandate <p>ESTIMATED COST OF ADD or (REDUCTION)?</p> <p>Year 1 =</p> <p>Year 2 =</p> <p>Year 3 =</p>	<p>BACKGROUND AND RATIONALE</p> <ul style="list-style-type: none"> • Are we doing something that we don't need to be doing? How do we know? Why? • Are we NOT doing something that we should be doing? How do we know? Why? • What will be accomplished that isn't happening now? <p>HOW DOES THIS REQUEST RELATE TO THE DISTRICT'S STRATEGIC PLAN?</p> <ul style="list-style-type: none"> • Which goal(s) does the request address? • Describe the connections between the goals and request. 	
<p>CURRENT PROGRAM STAFFING</p> <ul style="list-style-type: none"> • What are we currently accomplishing, and how are we accomplishing it? 	<p>ASSOCIATED IMPACTS (i.e., when elementary class sections are added, is there a concomitant staffing impact on specials?)</p> <ul style="list-style-type: none"> • What are anticipated consequences? • What else should we know? 	<p>HOW WILL THE CHANGE BE MONITORED FOR IMPACT?</p> <ul style="list-style-type: none"> • Is this having the desired effect? • Is this sustainable?

Budget Efficiencies

- Self-Funded Healthcare Plan
- Optimization of Staff
- Maximizing State Aid
 - BOCES Services, Transportation and expenditure-based aides
- Timing Considerations
 - Facilities and technology projects, staffing decisions
- Cooperative Agreements – Village
- Cooperative Purchasing – Competitive bidding, multiple cooperative bidding arrangements
- Technology Advancements

Sequence of the Budget Process

Budget Deliberation and Development – *Administration*



Budget Discussions – *Board of Education & Administration*



Budget Discussions – *Board of Education, Administration & Community*



Final Budget & Vote

Budget Discussions

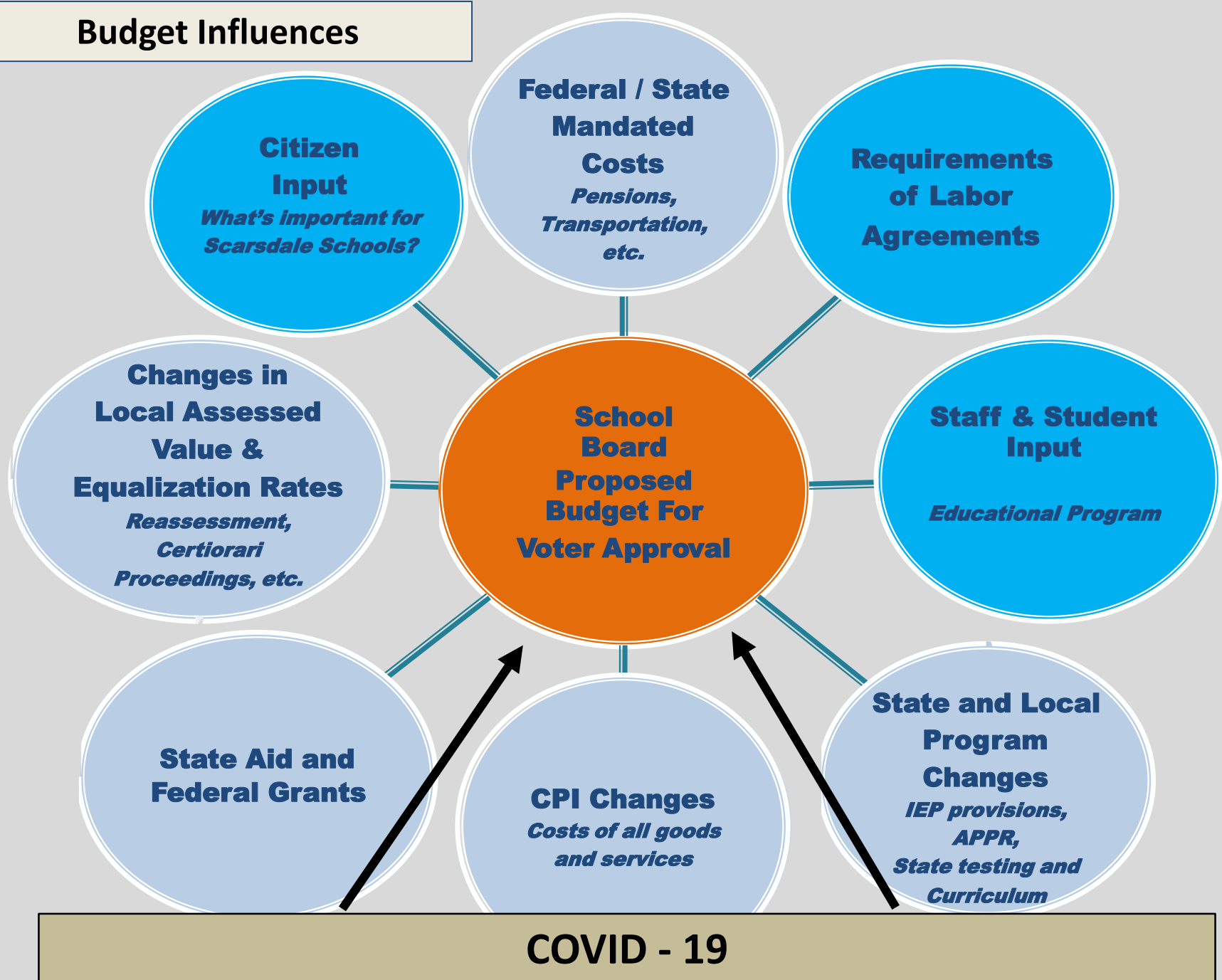
Budget Focused Forum *November 18th*

Administration
Board of
Education
Community*

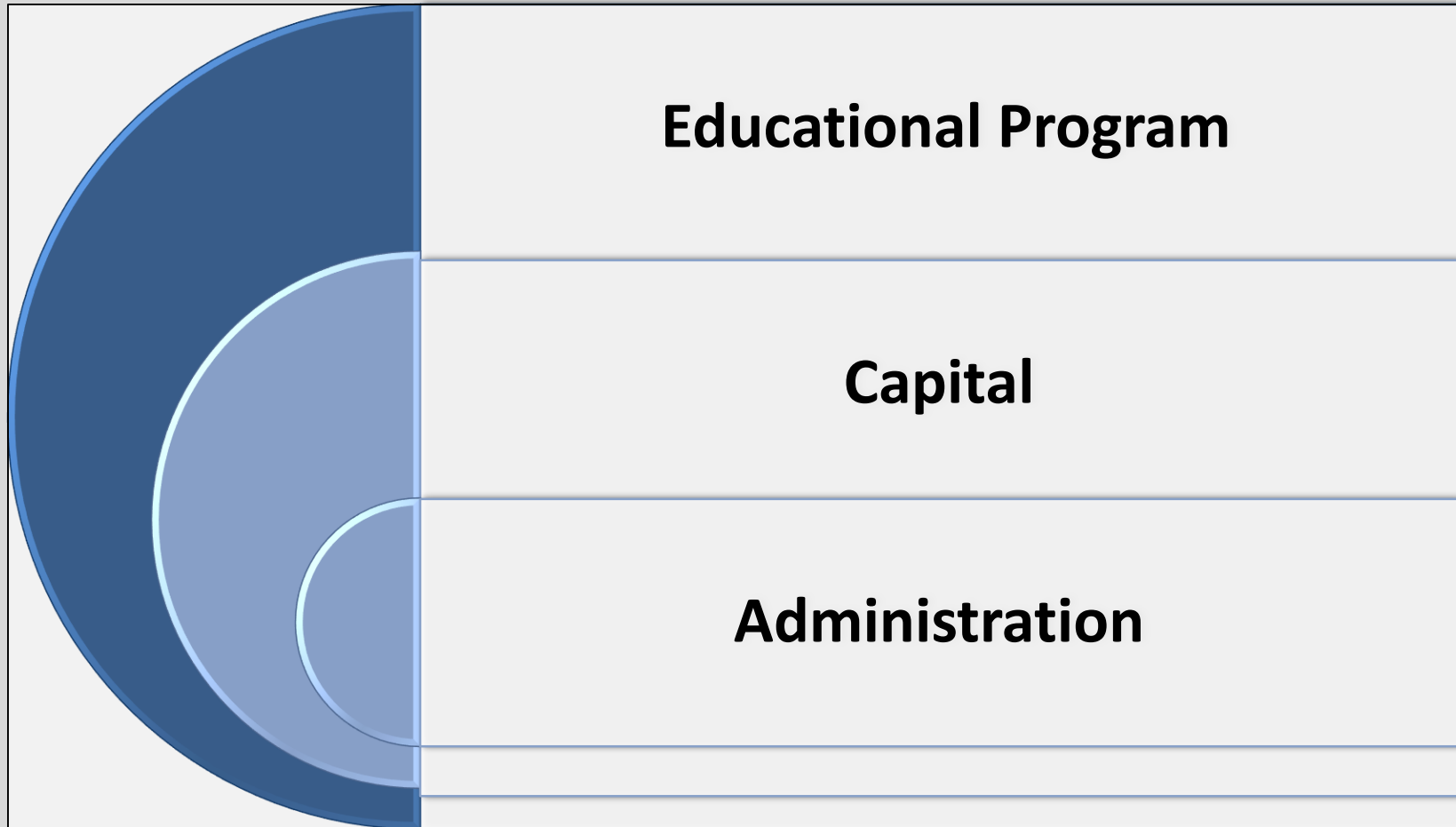
Dates	Focus
Regular Board Meeting - December 21st	2020-21 Year End Projections & 2021-22 Budget Development
Regular Board Meeting - January 11 th	Presentation of any Staffing Recommendations or other items needing affirmation
Budget Session #1 - February 1st	2021-22 Draft Budget Plan, Budget Drivers Debt Service, Transportation, Employee Benefits and Security
Budget Session #2 - February 8 th	2021-22 Draft Budget Plan Update, Department Budget Presentations including Instruction, Facilities, Special Education, Athletics and Technology
Budget Session #3 - March 8 th	2021-22 Budget Plan Update and Full Budget Presentation
Regular Board Meeting - March 22 nd	Budget Forum & Review
Regular Board Meeting - April 12 th	Board of Education Adopts Budget

* Community Comments welcome at each Budget Session & Board Meeting.

Budget Influences



The School Budget



The Budget: A financial estimate of funds necessary to operate our schools.

Budget Development Considerations

- Projected staffing needs (based on enrollment data, program changes and retirements);
 - Is there a continued impact from Covid-19 on the way instruction is delivered?
- Projected contractual obligations to District personnel;
- Projected self-funded health insurance plan expenses;
- Historical spending patterns;
- Projected State aid and other non-tax revenues for the upcoming school year. (The District receives 4.3% of its revenues from State aid. An increase in aid would offset any proposed tax levy increase.);
 - Is state aid eventually withheld? Does it continue?
- Fund balance/reserves projected to remain at current year end;
- Property tax levy limit calculations and its implications;
- Enrollment projections for the upcoming school year;
- Operations and maintenance of the physical plant;

Budget Development Considerations – cont'd

- Building-specific budgets (developed by principals in conjunction with department and team leaders and reviewed by administration for reasonableness, accuracy and consistency with the District's education plan);
- Non-instructional budgets (developed by Assistant Superintendent for Business in conjunction with department supervisors and other key personnel);
- Employee Benefits budget (developed based on historical and calculated projections);
- Debt Service budget (based on known or projected schedules); and
- Projected revenues (based on historical and known factors).
 - Do sales tax and interest revenues rebound?

Budget Planning Considerations – cont'd

- Employer Pension Contribution Rates (as a percent of salary)

	2017-18	2018-19	2019-20	2020-21	Projected 2021-22
TRS	9.80%	10.62%	8.86%	9.53%	9.50% - 10.00%
ERS (avg.)	14.95%	14.54%	14.46%	13.98%	13.83%

- Requested and mandated additions to the budget.

Financial Implication Reminders

Budget – Each \$1.63 million represents a 1% increase

Tax Levy – Each \$1.51 million represents a 1% increase

Historical Overview *and* **Financial Projections**

Historical & Projected Revenue Summary

CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Projected	\$ Increase/ Decrease	% Increase/ Decrease
State Aid	\$ 6,919,008	\$ 7,355,516	\$ 6,980,736	\$ 5,915,967	(\$1,064,769)	(15.25%)
Health Services	\$ 221,411	\$ 166,833	\$ 156,721	\$ 159,000	\$2,279	1.45%
Interest Earnings	\$ 775,441	\$ 1,571,525	\$ 1,112,249	\$ 70,125	(\$1,042,124)	(93.70%)
Building Use Fees	\$ 112,931	\$ 112,192	\$ 38,295	\$ -	(\$38,295)	(100.00%)
Miscellaneous	\$ 936,210	\$ 1,041,308	\$ 1,078,418	\$ 1,074,757	(\$3,661)	(0.34%)
County Sales Tax	\$ 1,021,198	\$ 1,046,413	\$ 1,386,435	\$ 1,422,783	\$36,348	2.62%
Transfers from Reserves	\$ 83,153	\$ 667,728	\$ 386,974	\$ 932,153	\$545,179	140.88%
TAX LEVY/STAR	\$ 141,490,126	\$145,362,640	\$148,838,352	\$ 151,351,380	\$2,513,028	1.69%
GRAND TOTAL REVENUES	\$ 151,559,478	\$157,324,155	\$159,978,180	\$ 160,926,165	\$947,985	0.59%

Historical & Projected Expense Summary

Category	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Projected	\$ Increase	% Increase
Board of Education, Central Administration & Special Items (Net of Tax Cert's)	3,777,206	3,840,426	4,023,989	4,177,722	153,733	3.82%
Operations & Maintenance	9,882,342	10,361,400	10,152,560	12,188,920	2,036,360	20.06%
Plant & Capital Improvements	3,041,040	3,700,050	2,534,209	1,489,000	(1,045,209)	-41.24%
Regular Education	68,484,453	69,201,560	69,549,883	72,879,987	3,330,104	4.79%
Technology	3,455,548	2,897,871	3,292,837	3,290,825	(2,012)	-0.06%
Special Education	12,870,440	13,774,646	15,441,488	15,709,884	268,396	1.74%
Transportation	3,747,454	3,869,020	3,878,387	4,173,819	295,432	7.62%
Interscholastic Athletics	1,733,276	1,824,773	1,845,144	1,858,158	13,014	0.71%
Employee Benefits	36,881,764	34,541,858	34,030,516	36,805,605	2,775,089	8.15%
Debt Service	9,993,017	10,027,015	9,996,296	9,711,926	(284,370)	-2.84%
Other	423,094	367,125	298,706	980,708	682,002	228.32%
Tax Certioraris	1,064,311	306,205	509,897	750,000	240,103	47.09%
Unspent Budget Surplus	-	-	-	(175,000)	(175,000)	#DIV/0!
TOTAL	\$155,353,945	\$154,711,949	\$155,553,912	\$163,841,554	\$8,287,642	5.33%

Projected Fund Balance Drivers – *Covid Related*

Expenditures	Explanation	Amount
Teachers & Cleaners	Personnel and related benefits (Board transfer from unassigned fund balance)	(\$1.536M)
Supplies	Instructional and Technology supplies (Board transfer from unassigned fund balance)	(\$263M)
Supplies and Equipment	PPE related purchases (Board transfer from unassigned fund balance)	(\$800M)
Teacher Aides	Increased hours for elementary aides through to the end of the year	(\$895M)
Nurse	Increase of additional 0.50 FTE for needed coverage	(\$44M)
Health Insurance	Estimated increase based on impact of Covid testing on the Health Insurance Plan	(\$350M)
School Lunch Fund	There was a significant deficit in the School Lunch Fund in the 2019-20 school year due to elimination of sales but the continuation of skeleton operations in order to provide meals to those in need.	(\$220M)
School Lunch Fund	There remains a need to have meals available for our students across all grades, sales are well below what is needed to break even due to schedules. Current projected loss for 2020-21 is \$500M.	(\$500M)
COVID RELATED EXPENSE DRIVERS		(\$4.608MM)

Projected Fund Balance Drivers – *Covid Related*

Expenditures	Explanation	Amount
Instructional	Curriculum and Program Improvement related items not completed	\$265M
Salaries	Instructional Salaries – replacement teachers hires at less salary	\$271M
Interscholastic Athletics	Expenses not anticipated to be incurred including Coaching, official fees etc.	\$128M
Security	Safety Monitor use is below that estimated in the budget due to the decrease in after school activities	\$100M
Transportation	Primarily salary and fuel savings	\$206M
Travel and Conferences	Most travel and conferences have been cancelled or postponed	\$67M
Other Savings	Misc.	\$120M
COVID RELATED EXPENSE DRIVERS (<i>Savings</i>)		\$1.157MM

Primary Projected Fund Balance Drivers

Expenditures	Explanation	Amount
Teacher Salaries	Savings due to contract negotiations and mid-year replacements	\$224M
Other Salaries	Savings due to mid-year retirements, time lag in rehiring and lack of building use after hours	\$255M
Teacher Aid Salaries	Normal Aides budget not at full capacity per budget	\$195M
Special Education	A surplus is projected based on contractual savings and student placements	\$253M
Utilities	Significant savings based on oil prices, building use and new boiler efficiencies.	\$719M
Health Insurance	Based on additional membership and claim trends.	(\$250M)
Social Security/Medicare	Based on current projections	\$149M
Pensions – ERS & TRS	Based on current projections	\$233M
Security Equipment	Deferment of some purchases to the 2021-22 school year	\$70M
Transportation	Gasoline savings and equipment.	\$100M
Other	Savings projected in all other categories	\$359M
GRAND TOTAL PRIMARY EXPENSE DRIVERS		\$2.307MM

Primary Projected Fund Balance Drivers

Expenditures	Explanation	Amount
GRAND TOTAL PRIMARY EXPENSE DRIVERS		(\$1.144MM)
Revenues	Explanation	Amount
Assigned Fund Balance	This is a one-time non-recurring revenue source.	(\$1.750MM)
Debt Service Fund Transfer	This is a one-time transfer in support of auditorium and elevator projects	(\$864M)
State Aid	Although not communicated by the state, we are still projecting a 20% pandemic adjustment which was budgeted. Also, a decrease in building aid.	(\$58M)
Interest Earnings	Decreased interest rates. Change in collection of taxes	(\$222M)
Sales Taxes	Additional sales revenues from the County	\$279M
Building Use Fees	Schools have not been open to outside groups	(\$116M)
Other Misc.	Numerous revenue categories, net increase	\$96M
GRAND TOTAL REVENUE DRIVERS		(\$2.635MM)

Projected Fund Balance - Year End 2020-21

Ending Fund Balance 6/30/20	\$26,664,738
Plus: Year End Revenues	<u>\$160,926,165</u>
Minus: Expenses that are funded by reserves	<u>(\$864,000)</u>
Minus: Year End Expenditures	<u>(\$163,841,554)</u>
Actual Ending Fund Balance 6/30/21	<u>\$22,885,349</u>
To Be Allocated as Follows:	
Tax Certiorari Reserve	\$5,989,003
Self-Insured Health Insurance Reserve	\$4,507,811
Debt Service Reserve	\$266,905
NYS Teachers' Retirement Reserve	\$1,420,860
NYS Employees' Retirement Reserve	\$2,734,475
Reserve for Encumbrances	\$1,506,211
Unassigned Fund Balance	<u>\$5,035,084</u>
Assigned Fund Balance for 2021-22	<u>\$1,425,000</u>
Projected Ending Fund Balance 6/30/21	<u>\$22,885,349</u>

Historical Fund Balance

CATEGORY	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21 Projected	Projected vs Actual \$ Difference	Projected vs Actual % Difference
Assigned	\$2,799,432	\$2,125,000	\$1,100,000	\$1,750,000	\$1,425,000	(\$325,000)	(18.57%)
Tax Certiorari Reserve	5,717,630	4,686,211	5,483,000	5,985,503	5,989,003	3,500	0.06%
TRS Retirement Contribution Reserve	-	-	-	1,420,000	1,420,860	860	0.00%
Debt Service Reserve	441,381	444,540	1,121,431	1,130,530	266,905	(863,625)	(76.39%)
ERS Retirement Contribution Reserve	2,093,082	2,112,736	2,051,121	2,732,835	2,734,475	1,640	0.06%
Reserve for Health	5,050,732	3,062,286	5,174,315	5,174,315	4,507,811	(666,504)	(12.88%)
Reserve for Encumbrances	1,469,033	1,666,096	1,104,699	1,506,211	1,506,211	-	0.00%
Unassigned (4% max)	5,851,441	5,531,395	6,205,904	6,965,344	5,035,084	(1,930,260)	(27.71%)
TOTAL	\$23,422,731	\$19,628,264	\$22,240,470	\$26,664,738	\$22,885,349	\$(3,779,389)	(14.17%)

2021-22 Budget Discussion Timeline

Dates	Focus
Regular Board Meeting - December 21st	2020-21 Year End Projections & 2021-22 Budget Development
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Budget Vote Date - May 18th

Questions