

Scarsdale Public Schools



2020-21 Proposed Budget

May 13, 2020

Presentation Focus for May 13, 2020

1. Update Projected 2019-20 Fund Balance
2. Updated 2020-21 Proposed Budget Overview
3. Contingency Budget
4. Questions
5. Appendix

Updated Projected Fund Balance

Projected Fund Balance - Year End 2019-20

| Closure Through End of Year | |
|--|----------------------------|
| Ending Fund Balance 6/30/19 | \$22,240,471 |
| Plus: Year End Revenues | <u>\$159,460,874</u> |
| Minus: Revenues that are funded by reserves | <u>\$0</u> |
| Minus: Year End Expenditures | <u>(\$156,966,629)</u> |
| Projected Ending Fund Balance 6/30/20 | <u>\$24,734,716</u> |
| To Be Allocated as Follows: | |
| Tax Certiorari Reserve | \$5,545,400 |
| Self-Insured Health Insurance Plan Reserve | \$5,174,315 |
| Debt Service Reserve | \$913,131 |
| ERS Retirement Contribution Reserve | \$2,727,022 |
| TRS Retirement Contribution Reserve | \$1,420,000 |
| Reserve for Encumbrances | \$1,104,699 |
| Unassigned Fund Balance (3.75%)* | <u>\$6,100,149</u> |
| Assigned Fund Balance for 2020-21 | <u>\$1,750,000</u> |
| Projected Ending Fund Balance 6/30/20 | <u>\$24,734,716</u> |

**May retain up to 4% of 2020-21 Budget = \$6,479,853

Updated Proposed Budget

2020-21 Proposed Budget Overview

May 13, 2020

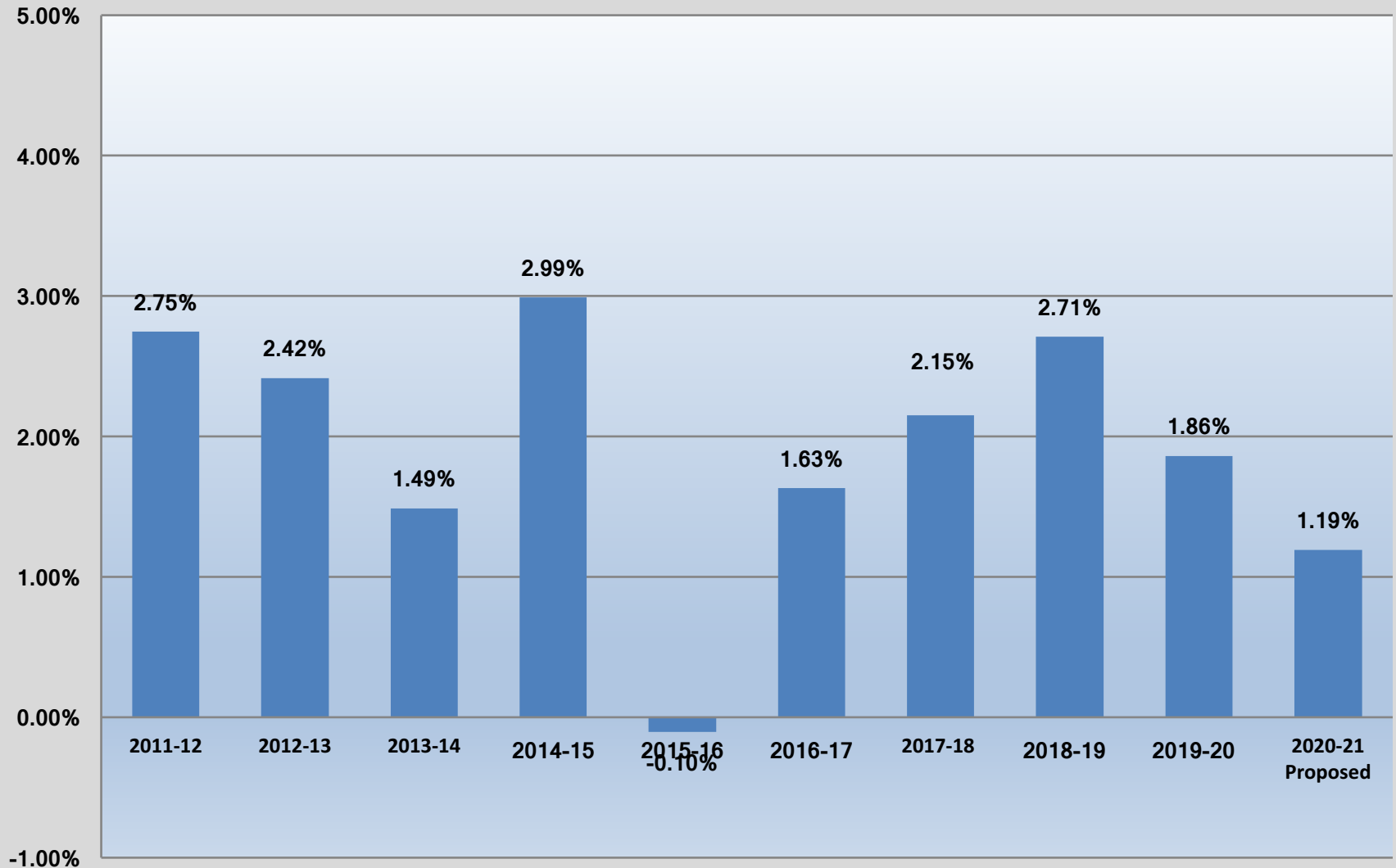
| | |
|--|--|
| 2020-21 Proposed Budget: | \$ 162,696,316 |
| Budget to Budget Increase: | 1.19% |
| Projected Increase in Tax Levy: | 1.66% |
| Projected Tax Levy Limit: | 2.50% |
| Amount (<u>Under</u>) the Projected Limit: | \$ (1,245,164) |
| Projected Tax Rate Increase: | |
| <div> A slight increase in the state issued equalization rate for the Town of Scarsdale will increase Town of Mamaroneck's total share of tax levy. </div> | <div> Town of Scarsdale 1.50% Town of Mamaroneck 2.31% </div> |

| Budget Expenditures Revisions | Amount |
|--|---------------|
| Addition of High School Auditorium Renovations <i>(No Tax Levy Impact - offset with a Transfer from the Debt Service Reserve Fund)</i> | \$ 700,000 |
| Budget Revenues Revisions | Amount |
| Assigned Fund Balance - <i>increase in assigned fund balance sourced from unassigned fund balance. <u>Non-recurring revenue</u>.</i> | \$ 300,000 |
| Interest Earnings - <i>decreased due to presumed implementation of school tax payment installments by the Town of Scarsdale resulting in reduction of interest earning cash balances.</i> | \$ (75,000) |

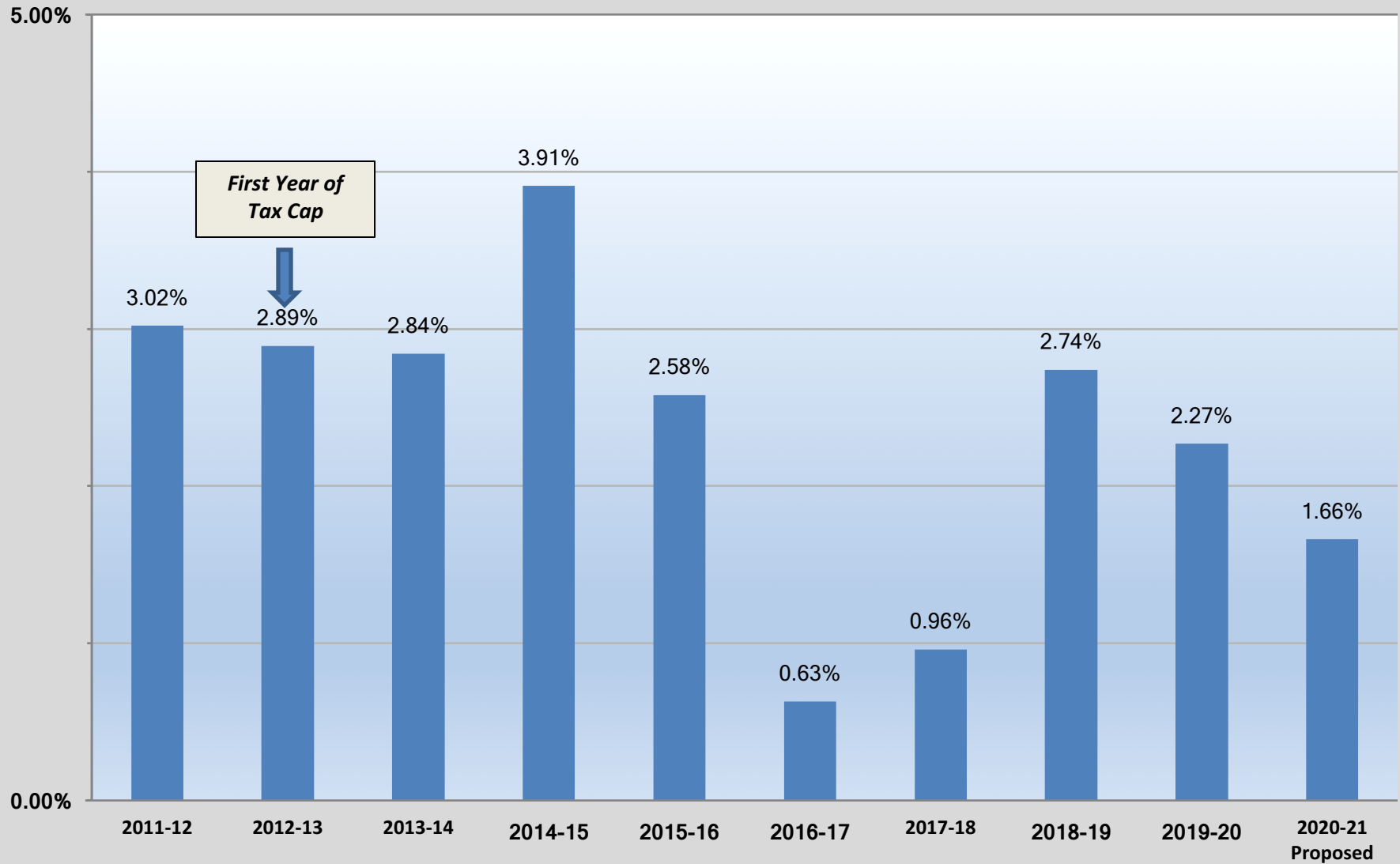
2020-21 PROPOSED BUDGET PLAN - MAY 13, 2020

| | 2019-20 Approved Budget | 2020-21 Proposed Budget | Budget to- Budget Increase | % Difference |
|-------------------------------|-------------------------------|-------------------------------|----------------------------------|-----------------|
| Total Expenditures | 160,782,597 | 162,696,316 | 1,913,719 | 1.19% |
| Non-Property Revenues | 10,567,381 | 8,885,845 | (1,681,536) | -15.91% |
| <i>% of Total Budget</i> | <i>6.57%</i> | <i>5.46%</i> | | |
| Transfer From Reserves | 453,153 | 932,153 | 479,000 | 105.70% |
| Assigned Fund Balance | 1,100,000 | 1,750,000 | 650,000 | 59.09% |
| Total Tax Levy | 148,662,063 | 151,128,318 | 2,466,255 | 1.66% |
| <i>% of Total Budget</i> | <i>92.46%</i> | <i>92.89%</i> | | |

Recent Budget Increases/Decrease



Recent Tax Levy History



Timeline

Budget Adoption Timeline - *Updated*

| School Budget | Upcoming Dates |
|-------------------------|----------------------|
| Board Adopts the Budget | May 13 th |
| Budget Hearing | June 1 st |
| Budget Vote | June 9 th |

Contingency Budget Implications

Contingency Budget

It is currently presumed that, without further clarification from New York State, if a school budget does not pass on the first attempt school boards will be required to adopt a contingency budget. A contingency budget requires the following:

- The tax levy may be no greater than the levy of the prior year; and
- The administrative component of a contingent budget may not comprise a greater percentage of the contingency budget, exclusive of the capital component, than that percentage which the administrative component had comprised in the prior year's budget; and
- Any equipment purchases be limited to those supporting the health and safety of students; and
- Facility use fees would be charged to all outside groups.

Contingency Budget

A contingency budget would require a reduction in the tax levy of \$2.466 million achieved with the following assumed reductions:

| Component | Type | Reduction Amount |
|----------------|---|------------------|
| Administrative | Equipment | \$110,560 |
| Program | Community Services – District share of building use by outside groups | \$165,642 |
| Program | Athletic and Extra-curricular | \$200,000 |
| Program | Instructional Staffing | \$657,756 |
| Program | Instructional Equipment | \$415,330 |
| Capital | Computer Lease | \$394,312 |
| Capital | Security Related Equipment | \$181,200 |
| Capital | All Other Capital Equipment | \$66,455 |
| Capital | Purchase of School Buses | \$275,000 |
| TOTAL | | \$2,466,255 |

Questions

Appendix

| Taxpayer Impact | | Town of Scarsdale (1.50%) | | Town of Mamaroneck (2.31%) | |
|--|--|------------------------------|---------|-------------------------------|---------|
| Current average assessment is \$1,595,700 | | Annual | Month | Annual | Month |
| | | \$382.97 | \$31.91 | \$558.50 | \$46.54 |

High School Auditorium

At the Board of Education meeting held on May 4, 2020 the Board of Education asked for a proposed scope of work that could be included in the 2020-21 proposed budget at no additional cost to taxpayers based on offsetting funds from the Debt Service Reserve. Based on a review of previously discussed scope items and in consideration of the optimal sequence of work, cost and safety the following scope items would be recommended.

| Description | Budget Estimate |
|---|------------------|
| Stage rigging and safety improvements | \$215,000 |
| Sound system improvements including assistive listening | \$135,000 |
| Electrical and theatrical wiring upgrades | \$134,500 |
| Storage, painting, backstage lighting and cleaning* | \$53,875 |
| Motorized Winches/Controls at Theatrical Lighting Line Sets | \$87,500 |
| <i>Contingencies, soft costs and fees</i> | <i>\$173,625</i> |
| TOTAL BUDGET | \$700,000 |

** scope based on feedback from students and parents*

High School Auditorium

Project Timing if Approved:

Design – Summer 2020

SED Submission – Early Fall

SED Approval – January 2021

Construction – Coordinated around use of space/holiday recesses or Summer 2021

Budget Implications

An increase in the budget of \$700 thousand would be offset by a \$700 thousand transfer from the Debt Service Transfer.

Budget \$ Increase: \$700,000

Budget % Increase: +0.44%

Resulting Budget to Budget Increase: 1.19%

Tax Levy Increase: \$0

Tax Installments

Budget Implications

Changing to two tax installments from the current method of one installment would decrease the districts cash on hand in the beginning of the school year and negatively impact the amount of interest earned on deposits.

Budget \$ Increase: \$0

Revenues

Interest Earnings Decrease: \$75,000

Tax Levy \$ Increase: \$75,000

Tax Levy % Increase: 0.05%

Resulting Tax Levy % Increase: 1.86%

We have estimated how interest earnings would have been impacted if tax installments had been in place since 2006-2007 ranging from \$1 million in that year to \$35 thousand in 2014-15. This is primarily dependent on interest rates at the time.

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.