

Scarsdale Public Schools



School Budget Projections Five Years

April 10, 2018

School Budget Projections

(2018-2023)

*To project the District's fiscal future through the use of
historical data and reasonable assumptions*

Projection Categories

This analysis is not intended to represent proposed or projected future budgets, but it is an attempt to understand both current and future fiscal context through the use of historical data and projections of:

- Enrollment
- Expenditures
 - Staffing
 - Support of current and future educational programs
 - Salaries and Benefits
 - Capital Improvements
 - All other expense factors
- Revenues
- Tax Levy
- Fund Balance
- Tax Cap Levy limit

Major Expense Assumptions in Models

TYPE	VOLATILITY DESCRIPTION/ASSUMPTION
TRS & ERS	Varies from year to year as determined by State based on 5 year historical market returns and actuarial determinations.
Health Insurance	Varies from year to year based on claims experience and market conditions. All models assume 5.5% annual increase.
Medicare Part B & D	Based on number of retirees, federally established premiums and reimbursement rates contractually established. All models assume 3.0% annual increase.
Staffing Changes	Enrollment based increases to staffing. Program based increases to staffing.
Salary Increases	Contractual salary increases. Projected teacher salaries increases at 2.54%, Admin. At 2.80%, Civil Service at 2.80%, Aides and Drivers at 3.75%.
Tax Certioraris	\$1.025 million line item assumed as a "one-time" expense. However - this is a financial vulnerability.
Plant Improvements	Utilization of the Facilities Master Plan taking in to account 1) Building Condition Survey (vetted version), 2) Roof Master Plan, 3) Security projects allotments and 4) Roof Master Plan, 5) Fields Master Plan and 6) Other Identified Projects. Funding not included for future parking improvements, sustainability projects, air cooling options or other facility based initiatives.
Utilities	Annual volatility dependent on market conditions and use which is dependent on weather conditions and electrical demand. All models assume 5% annual increase.
BOCES	The District contracts through BOCES many different services and is required to be a member. Volatility is largely dependent on all of the same factors that impact District volatility. All models assume 8.00% annual increase..
FICA	Annual volatility dependent on fluctuation in total salaries only and not changes to the salary contribution cap.

Major Revenue Assumptions in Models

TYPE	VOLATILITY ASSUMPTION
State Aid	Based on annual state funding and state budget approval. Many aids based on District expenditure reimbursements. As District expenditures change so will state reimbursements.
Interest Income	Dependent on market conditions and available cash flow.
Prior Year Surplus as a Revenue	Based on volatility of all expense and revenue assumptions. \$1.1 million used in projections.

Other Major Assumptions in Models

TYPE	VOLATILITY ASSUMPTION
Consumer Price Index	Used in tax cap levy limit calculation. Model #1 uses average of past 5 years at +1.021%. Models #2 and #3 uses a max. of 2.000%.
Tax Base Growth Factor	Used in tax cap levy limit calculation. All models assume 0.996% (the average of the past 5 years)
Enrollment	Uses Enrollment Projection Study

Assumption Variable Highlights

TYPE	Model One Assumption	Model Two Assumption	Model Three Assumption
TRS & ERS	Flat	Flat	10.00%
Consumer Price Index	Uses avg. of past 5 years. 1.021%	Max. of 2.00%	Max. of 2.00%
Health Insurance	5.50%	5.50%	5.50%
Plant Improvements	Per Facilities Plan	Per Facilities Plan	Per Facilities Plan
BOCES	8.00%	8.00%	8.00%
Utilities	5.00%	5.00%	5.00%
Medicare Part B & D	3.00%	3.00%	3.00%

Model One Overview - *not a proposed budget*

Categories	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Total Enrollment	4,769	4,773	4,773	4,757	4,758	4,758
Elementary Sections	106	106	108	106	105	105
Total Revenues <i>(Other than Real Property Taxes and Including Surplus)</i>	\$ 12,590,037	\$ 12,486,766	\$ 11,287,361	\$ 11,733,398	\$ 12,222,459	\$ 12,359,044
Total Expenses						
Total Salaries	\$ 85,213,758	\$ 87,345,293	\$ 89,340,904	\$ 91,066,182	\$ 93,131,914	\$ 95,359,303
Total Employee Benefits <i>(Other than Health Insurance)</i>	\$ 17,795,409	\$ 19,178,770	\$ 19,611,424	\$ 20,091,468	\$ 20,559,520	\$ 21,064,403
Total Health Insurance	\$ 17,720,845	\$ 17,672,700	\$ 18,644,699	\$ 19,670,157	\$ 20,752,016	\$ 21,893,376
Total Debt Service	\$ 9,993,018	\$ 10,022,066	\$ 9,982,046	\$ 10,073,216	\$ 10,337,216	\$ 10,335,241
Total Capital Expenditures including vehicles	\$ 3,077,241	\$ 2,504,508	\$ 1,886,600	\$ 1,656,600	\$ 1,594,600	\$ 1,634,000
Total Contractual and Other	\$ 19,424,429	\$ 19,376,069	\$ 19,899,285	\$ 20,441,678	\$ 20,954,155	\$ 21,536,919
Total Other Misc.	\$ (507,725)	\$ (507,725)	\$ (507,726)	\$ (507,825)	\$ (507,725)	\$ (507,725)
Tax Certioraris	\$ 1,325,000	\$ 1,050,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Grand Total Expenses <i>(funded thru Operations)</i>	\$154,041,975	\$156,641,681	\$158,882,232	\$162,516,476	\$166,846,696	\$171,340,517
Total Expense Inc./Dec.		1.69%	1.43%	2.29%	2.66%	2.69%
Total Tax Levy	\$141,490,126	\$144,662,640	\$148,102,597	\$151,290,803	\$155,131,962	\$159,489,199
Total Tax Levy Inc./Dec.		2.24%	2.38%	2.15%	2.54%	2.81%
Tax Cap Levy Limit	\$ -	\$145,842,595	\$147,781,667	\$150,777,909	\$154,088,149	\$158,198,001
(Over)/Under Limit		\$ 1,179,955	\$ (320,930)	\$ (512,894)	\$ (1,043,813)	\$ (1,291,198)
Ending Total Fund Balance	\$ 20,661,487	\$ 18,870,486	\$18,210,059	\$17,549,631	\$16,889,205	\$16,228,778
Ending Undesignated Fund Balance %	3.59%	3.03%	2.53%	2.05%	1.58%	

Model Two Overview - *not a proposed budget*

Categories	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Total Enrollment	4,769	4,773	4,773	4,757	4,758	4,758
Elementary Sections	106	106	108	106	105	105
Total Revenues <i>(Other than Real Property Taxes and Including Surplus)</i>	\$ 12,590,037	\$ 12,486,766	\$ 11,287,361	\$ 11,733,398	\$ 12,222,459	\$ 12,359,044
Total Expenses						
Total Salaries	\$ 85,213,758	\$ 87,345,293	\$ 89,340,904	\$ 91,066,182	\$ 93,131,914	\$ 95,359,303
Total Employee Benefits <i>(Other than Health Insurance)</i>	\$ 17,795,409	\$ 19,178,770	\$ 19,611,424	\$ 20,091,468	\$ 20,559,520	\$ 21,064,403
Total Health Insurance	\$ 17,720,845	\$ 17,672,700	\$ 18,644,699	\$ 19,670,157	\$ 20,752,016	\$ 21,893,376
Total Debt Service	\$ 9,993,018	\$ 10,022,066	\$ 9,982,046	\$ 10,073,216	\$ 10,337,216	\$ 10,335,241
Total Capital Expenditures including vehicles	\$ 3,077,241	\$ 2,504,508	\$ 1,886,600	\$ 1,656,600	\$ 1,594,600	\$ 1,634,000
Total Contractual and Other	\$ 19,424,429	\$ 19,376,069	\$ 19,899,285	\$ 20,441,678	\$ 20,954,155	\$ 21,536,919
Total Other Misc.	\$ (507,725)	\$ (507,725)	\$ (507,726)	\$ (507,825)	\$ (507,725)	\$ (507,725)
Tax Certioraris	\$ 1,325,000	\$ 1,050,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Grand Total Expenses <i>(funded thru Operations)</i>	\$154,041,975	\$156,641,681	\$158,882,232	\$162,516,476	\$166,846,696	\$171,340,517
Total Expense Inc./Dec.		1.69%	1.43%	2.29%	2.66%	2.69%
Total Tax Levy	\$141,490,126	\$144,662,640	\$148,102,597	\$151,290,803	\$155,131,962	\$159,489,199
Total Tax Levy Inc./Dec.		2.24%	2.38%	2.15%	2.54%	2.81%
Tax Cap Levy Limit	\$ -	\$145,842,595	\$149,124,457	\$152,151,993	\$155,496,037	\$159,645,611
(Over)/Under Limit		\$ 1,179,955	\$ 1,021,860	\$ 861,190	\$ 364,075	\$ 156,412
Ending Total Fund Balance	\$ 20,661,487	\$ 18,870,486	\$ 18,210,059	\$ 17,549,631	\$ 16,889,205	\$ 16,228,778
Ending Undesignated Fund Balance %	3.59%	3.03%	2.53%	2.05%	1.58%	

Model Three Overview - *not a proposed budget*

Categories	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Total Enrollment	4,769	4,773	4,773	4,757	4,758	4,758
Elementary Sections	106	106	108	106	105	105
Total Revenues <i>(Other than Real Property Taxes and Including Surplus)</i>	\$ 12,590,037	\$ 12,486,766	\$ 10,303,870	\$ 9,620,659	\$ 8,834,252	\$ 7,506,390
Total Expenses						
Total Salaries	\$ 85,213,758	\$ 87,345,293	\$ 89,340,904	\$ 91,066,182	\$ 93,131,914	\$ 95,359,303
Total Employee Benefits <i>(Other than Health Insurance & TRS/ERS)</i>	\$ 9,142,359	\$ 9,528,969	\$ 9,776,511	\$ 10,030,808	\$ 10,292,051	\$ 10,560,443
TRS and ERS	\$ 8,653,050	\$ 9,649,801	\$ 10,818,404	\$ 12,173,398	\$ 13,666,002	\$ 15,378,847
Total Health Insurance	\$ 17,720,845	\$ 17,672,700	\$ 18,644,699	\$ 19,670,157	\$ 20,752,016	\$ 21,893,376
Total Debt Service	\$ 9,993,018	\$ 10,022,066	\$ 9,982,046	\$ 10,073,216	\$ 10,337,216	\$ 10,335,241
Total Capital Expenditures including vehicles	\$ 3,077,241	\$ 2,504,508	\$ 1,886,600	\$ 1,656,600	\$ 1,594,600	\$ 1,634,000
Total Contractual and Other	\$ 19,424,429	\$ 19,376,069	\$ 19,899,285	\$ 20,441,678	\$ 20,954,155	\$ 21,536,919
Total Other Misc.	\$ (507,725)	\$ (507,725)	\$ (507,725)	\$ (507,725)	\$ (507,726)	\$ (507,725)
Tax Certioraris	\$ 1,325,000	\$ 1,050,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Grand Total Expenses <i>(funded thru Operations)</i>	\$ 154,041,975	\$ 156,641,681	\$ 159,865,724	\$ 164,629,314	\$ 170,245,228	\$ 176,215,404
Total Expense Inc./Dec.		1.69%	2.06%	2.98%	3.41%	3.51%
Total Tax Levy	\$ 141,490,126	\$ 144,662,640	\$149,086,088	\$153,403,542	\$158,520,169	\$164,341,853
Total Tax Levy Inc./Dec.		2.24%	3.06%	2.90%	3.34%	3.67%
Tax Cap Levy Limit	\$ -	\$ 145,842,595	\$ 149,123,580	\$ 153,163,842	\$ 157,670,708	\$ 163,133,621
(Over)/Under Limit		\$ 1,179,955	\$ 37,492	\$ (239,700)	\$ (849,461)	\$ (1,208,232)
Ending Total Fund Balance	\$ 20,661,487	\$ 18,870,486	\$ 18,210,059	\$ 17,549,631	\$ 16,889,205	\$ 16,228,778
Ending Undesignated Fund Balance %	3.59%	3.03%	2.53%	2.05%	1.58%	

Major Vulnerabilities

Tax Certioraris – Roll-off of Existing Claims

- Claims which continue to be unsettled will have a financial impact into future years. The extent of these are unknown.

Anticipated Annual Surplus

- With the assumption of \$1.1MM in annual surplus total fund balance decreases over time based on all other assumptions.

Health Insurance

- Claims experience which comes in lower than anticipated provides additional surplus; higher than anticipated less surplus.

TRS/ERS

- District share of contributions to employee pensions as mandated by New York State. An increase or decrease has a great impact on budget as shown in Model #3.

QUESTIONS