

# Scarsdale Public Schools



## 2018-19 School Budget Development Budget Sessions 1 & 2

February 5, 2018

# Presentation Focus for February 5, 2018

## **Budget Study Session # 1**

- 1. Staffing Update and Summary**
- 2. 2018-19 Draft Budget Plan**
- 3. Budget Drivers**

## **Budget Study Session #2**

- 1. Transportation**
- 2. Debt Service and Lease Purchases**
- 3. Employee Benefits**

## **Budget Process & Timeline**

# 2018-19 Staffing Request Update

# 2018-19 Staffing Requests

**Best Practice:** Class Size Guidelines and Enrollments

**Possible Need:** 1.00 FTE Teacher Contingency

1.00 FTE Special Education (Co-Teach)

**Rationale:** The recently completed enrollment projection shows the possibility of the need for two elementary teachers in order to comply with class size guidelines, given the distribution of students by grade level and building. In the current year's budget, 1.0 FTE of the budgeted 2.0 FTE is unfilled resulting in the request for an additional 1.0 FTE. Also, based on current CPSE information, there is a potential need for two kindergarten integrated co-teaching sections. One such section will be graduating from grade 5 and moving to the Middle School, requiring a net increase of one elementary special education co-teacher.

**Potential Cost:** \$220,000

# 2018-19 Staffing Requests

**District Goal:** STEAM and SET 2.0

**Request:** 0.40 FTE STEAM Teacher

**Rationale:** There is significant student and parent interest in our High School STEAM course offerings. The completion of the new High School D-Lab, as well as the implementation of a new Entrepreneurship course, may lead to an increase in STEAM course enrollment. A .40 FTE position may be needed to support additional STEAM course sections. *The addition of this partial position would be contingent on an increase in student STEAM course enrollment.*

**Estimated Cost:** \$44,000

# 2018-19 Staffing Request Summary

## Enrollment Driven - *anticipated*

Location	FTE	Positions	Net Cost
High School	0.40	STEAM Instructor	\$44,000
District-Wide	1.00	Teacher contingency based on class size	\$110,000
Elementary	1.00	Co-Taught Kindergarten Teacher	\$110,000
<b>Totals</b>	<b>2.40</b>		<b>\$264,000</b>

# 2018-19 Draft Budget Plan

# Key Components Summary - Projected 2017-18 Expenses

Category	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Projected	\$ Difference	\$ Difference
Board of Education, Central Administration & Special Items	3,747,055	3,676,556	3,802,321	3,817,744	(15,423)	-0.41%
Operations & Maintenance	9,275,700	8,904,316	10,522,187	10,009,207	512,980	4.88%
Plant & Capital Improvements	2,210,589	3,043,391	2,918,127	2,918,127	-	0.00%
Regular Education	64,969,746	66,064,550	68,847,355	68,342,929	504,426	0.73%
Technology	2,546,051	2,640,057	3,418,717	3,459,920	(41,203)	-1.21%
Special Education	11,837,524	12,489,505	12,497,911	12,792,238	(294,327)	-2.36%
Transportation	3,742,011	4,030,941	4,250,110	4,212,222	37,888	0.89%
Interscholastic Athletics	1,449,253	1,681,282	1,727,835	1,721,906	5,929	0.34%
Employee Benefits	33,692,025	33,580,069	35,267,956	34,916,254	351,702	1.00%
Other Tax Refunds	-	-	25,000	25,000	-	0.00%
Debt Service	9,741,534	9,821,723	9,977,124	9,993,018	(15,894)	-0.16%
Other	504,593	472,088	436,123	441,137	(5,014)	-1.15%
Unspent Budget Surplus	-	-	-	(507,726)	507,726	
<b>TOTAL</b>	\$143,716,081	\$146,404,478	\$153,690,765	\$152,141,976	\$1,548,789	1.01%
Tax Certiorari Settlements from Reserve	96,655	976,228	-	1,300,000		
Health Insurance Payments from Reserve	-	-	-	600,000		
<b>GRAND TOTAL</b>	\$143,812,736	\$147,380,706	\$153,690,765	\$154,041,976		



# Projected Fund Balance - Year End 2018-19

<b>Ending Fund Balance 6/30/17</b>	<b>\$23,422,731</b>
<b>Plus:</b> Year End Revenues	<u>\$151,280,731</u>
<b>Minus:</b> Year End Expenditures	<u>(\$154,041,975)</u>
<b>Projected Ending Fund Balance 6/30/18</b>	<b><u>\$20,661,487</u></b>
<b>To Be Allocated as Follows:</b>	
Tax Certiorari Reserve	\$4,425,523
Self-Insured Health Insurance Reserve	\$4,450,732
Debt Service Reserve	\$444,073
NYS Employees' Retirement Reserve	\$2,105,849
Reserve for Encumbrances	\$1,469,033
Unassigned Fund Balance *	<u>\$5,641,277</u>
Assigned Fund Balance for 2018-19	<u>\$2,125,000</u>
<b>Projected Ending Fund Balance 6/30/18</b>	<b><u>\$20,661,487</u></b>

\* 3.58% of 2018-19 Draft Budget - may retain up to 4%

# 2018-19 Draft Budget Plan

## February 5, 2018

<b>2018-19 Draft Budget:*</b>	<b>\$</b>	<b>156,899,407</b>
<b>Budget to Budget Increase:</b>		<b>2.09%</b>
<b>Projected Increase in Tax Levy:</b>		<b>2.07%</b>
<b>Projected Tax Levy Limit:</b>		<b>3.15%</b>
<b>Amount Below the Projected Limit:</b>	<b>\$</b>	<b>1,529,955</b>
<b>Projected Tax Rate Increase:</b>		
	<b>Town of Scarsdale</b>	<b>1.98%</b>
	<b>Town of Mamaroneck</b>	<b>3.53%</b>

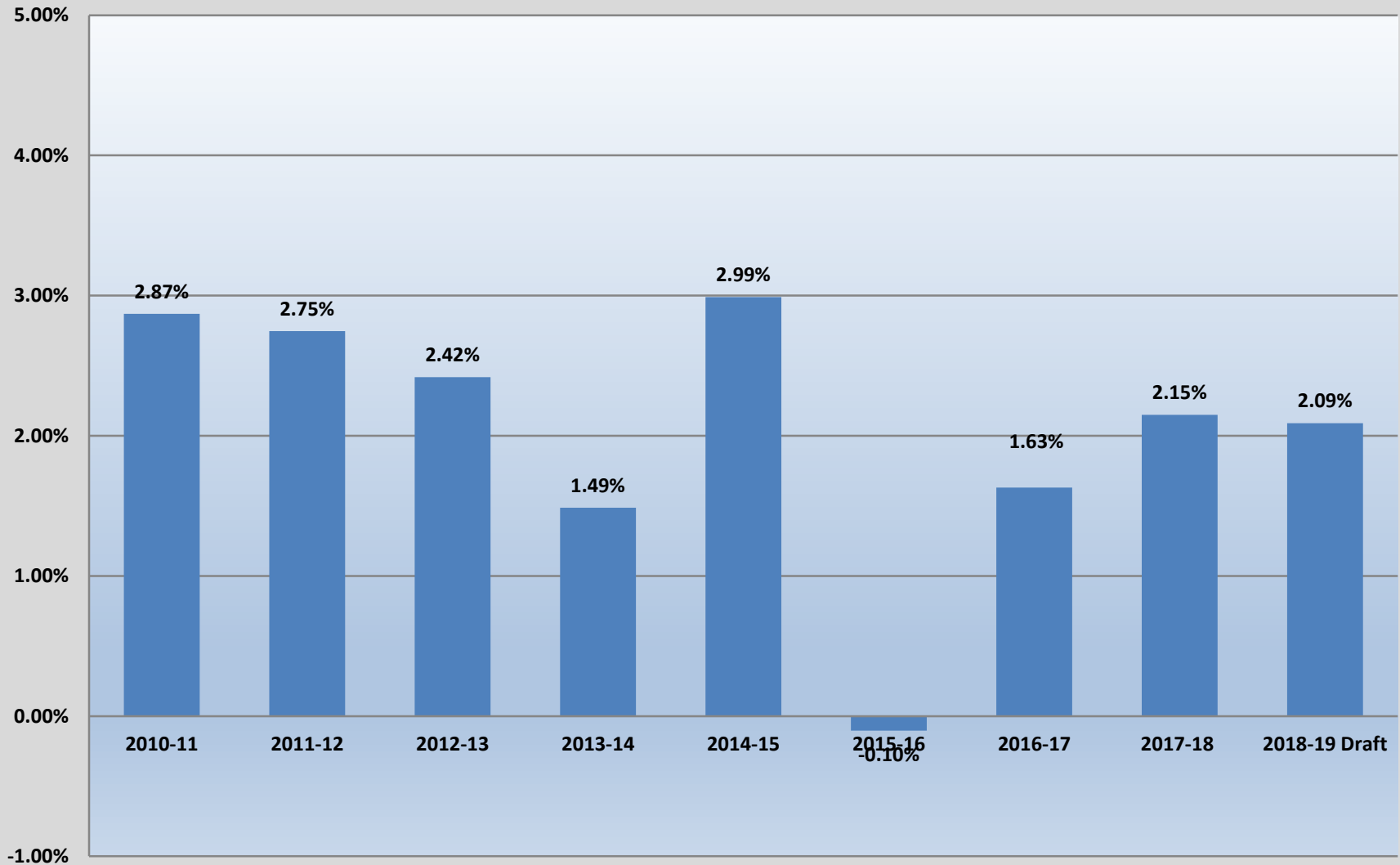
**Budget Projection includes a \$1,025,000 one-time increase to the 2018-19 Tax Certiorari budget line in support of projected 2018-19 tax certiorari claims. The Budget projection also includes staff additions previously discussed.**

**\*IMPORTANT: Please note that the 2018-19 budget proposal is in draft form and subject to change.**

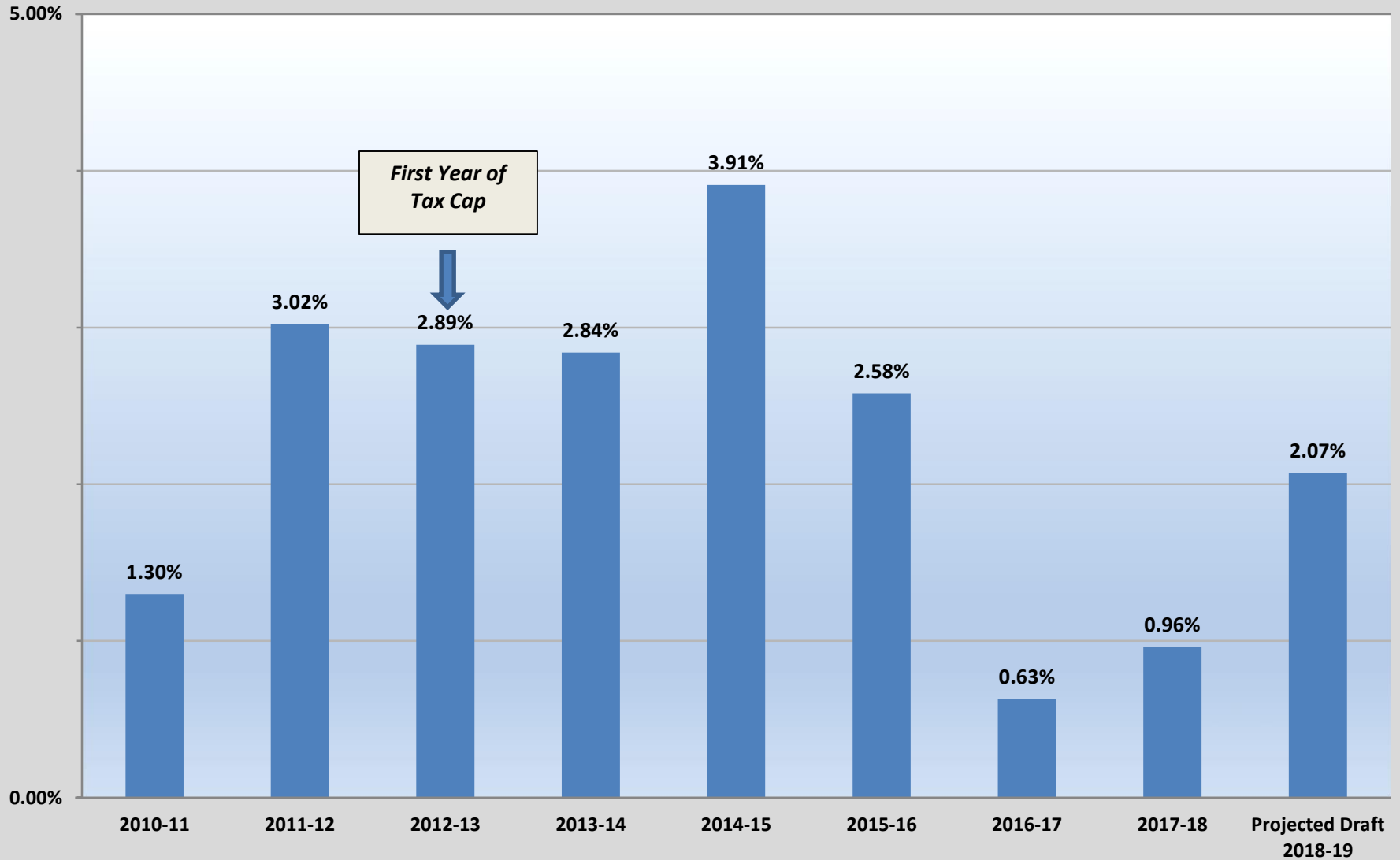
## 2018-19 DRAFT BUDGET PLAN - FEBRUARY 5, 2018

	2017-18 Approved Budget	2018-19 Draft Budget	Budget to- Budget Increase	% Difference
<b>Total Expenditures</b>	<b>153,690,765</b>	<b>156,899,407</b>	<b>3,208,642</b>	<b>2.09%</b>
<b>Non-Property Revenues</b> <i>% of Total Budget</i>	<b>9,401,207</b> 6.12%	<b>10,361,767</b> 6.60%	<b>960,560</b>	<b>10.22%</b>
<b>Transfer From Reserves</b>	-	-	-	<b>0.00%</b>
<b>Assigned Fund Balance</b>	<b>2,799,432</b>	<b>2,125,000</b>	<b>(674,432)</b>	<b>-24.09%</b>
<b>Total Tax Levy</b> <i>% of Total Budget</i>	<b>141,490,126</b> 92.06%	<b>144,412,640</b> 92.04%	<b>2,922,514</b>	<b>2.07%</b>

# Recent Budget Increases/Decrease



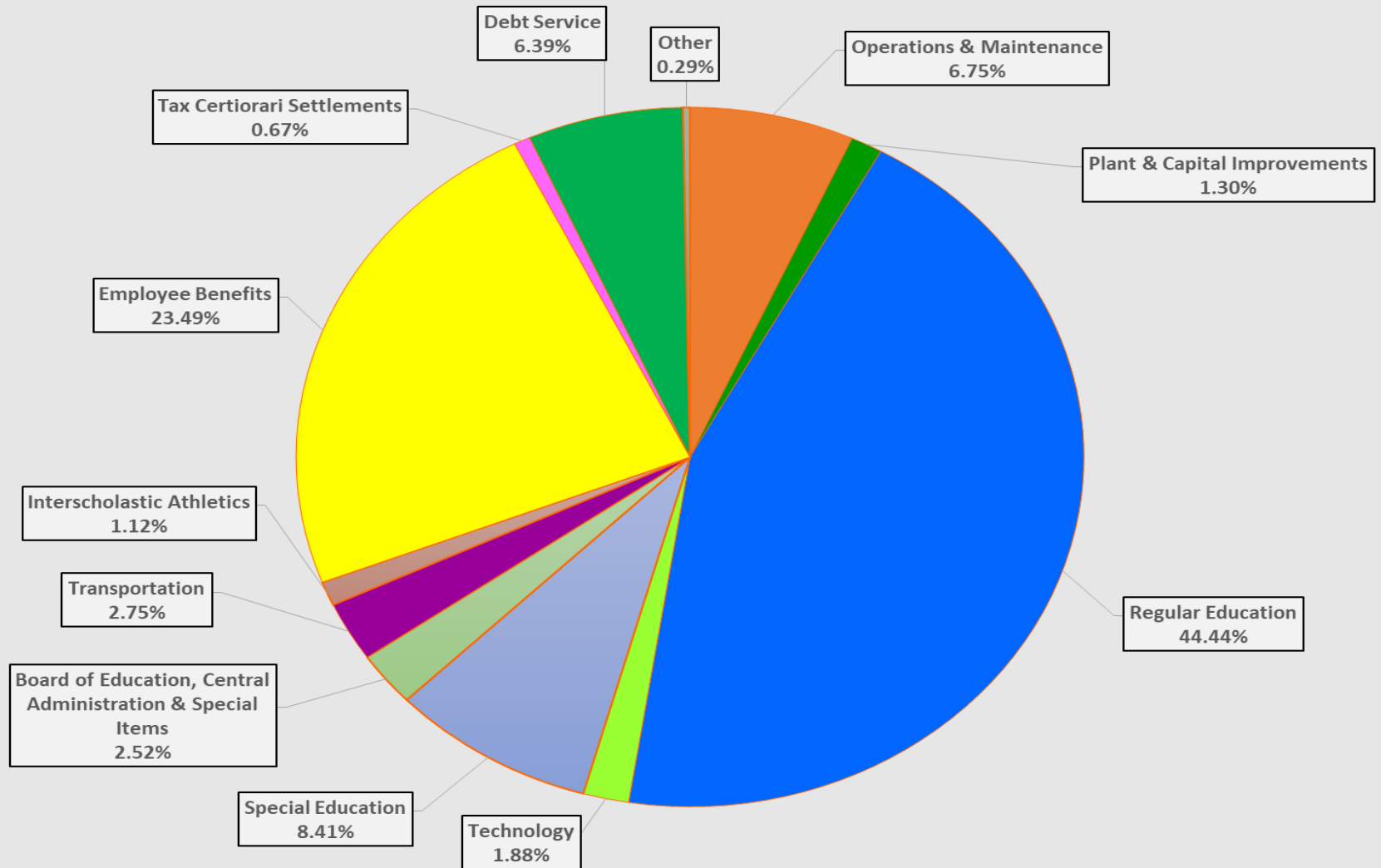
# Recent Tax Levy History



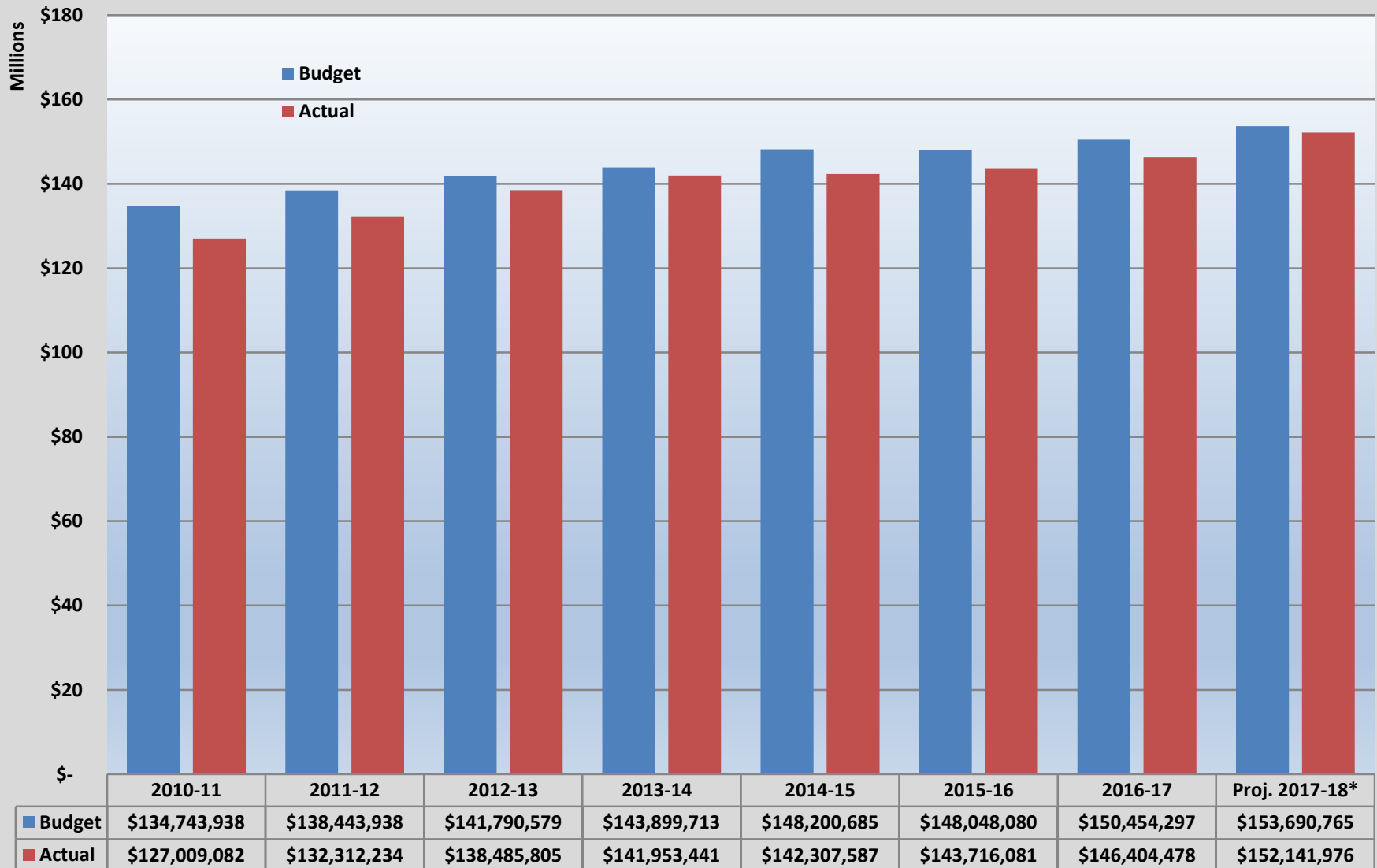
# Key Components Summary - Draft 2018-19 Budget

Category	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Projected	2018-19 Draft Budget	Budget \$ Increase	Budget % Increase
Board of Education, Central Administration & Special Items	3,747,055	3,676,556	3,802,321	3,817,744	3,952,403	\$150,082	3.95%
Operations & Maintenance	9,275,700	8,904,316	10,522,187	10,009,207	10,593,807	71,620	0.68%
Plant & Capital Improvements	2,210,589	3,043,391	2,918,127	2,918,127	2,045,203	(\$872,924)	-29.91%
Regular Education	64,969,746	66,064,550	68,847,355	68,342,929	69,719,959	872,604	1.27%
Technology	2,546,051	2,640,057	3,418,717	3,459,920	2,945,041	(\$473,676)	-13.86%
Special Education	11,837,524	12,489,505	12,497,911	12,792,238	13,196,256	698,345	5.59%
Transportation	3,742,011	4,030,941	4,250,110	4,212,222	4,316,886	\$66,776	1.57%
Interscholastic Athletics	1,449,253	1,681,282	1,727,835	1,721,906	1,758,000	30,165	1.75%
Employee Benefits	33,692,025	33,580,069	35,267,956	34,916,254	36,851,470	\$1,583,514	4.49%
Other Tax Refunds	-	-	25,000	25,000	1,050,000	1,025,000	4100.00%
Debt Service	9,741,534	9,821,723	9,977,124	9,993,018	10,022,066	44,942	0.45%
Other	504,593	472,088	436,123	441,137	448,316	\$12,193	2.80%
Unspent Budget Surplus	-	-	-	(507,726)		-	
<b>TOTAL</b>	\$143,716,081	\$146,404,478	\$153,690,765	\$152,141,976	\$156,899,407	\$3,208,642	2.09%
Tax Certiorari Settlements from Reserve	96,655	976,228	-	1,300,000	-	-	
Health Insurance Payments from Reserve	-	-	-	600,000	-	-	
<b>GRAND TOTAL</b>	\$143,812,736	\$147,380,706	\$153,690,765	\$154,041,976	\$156,899,407	\$3,208,642	2.09%

# Key Component Summary



# Budget vs. Actual Comparison



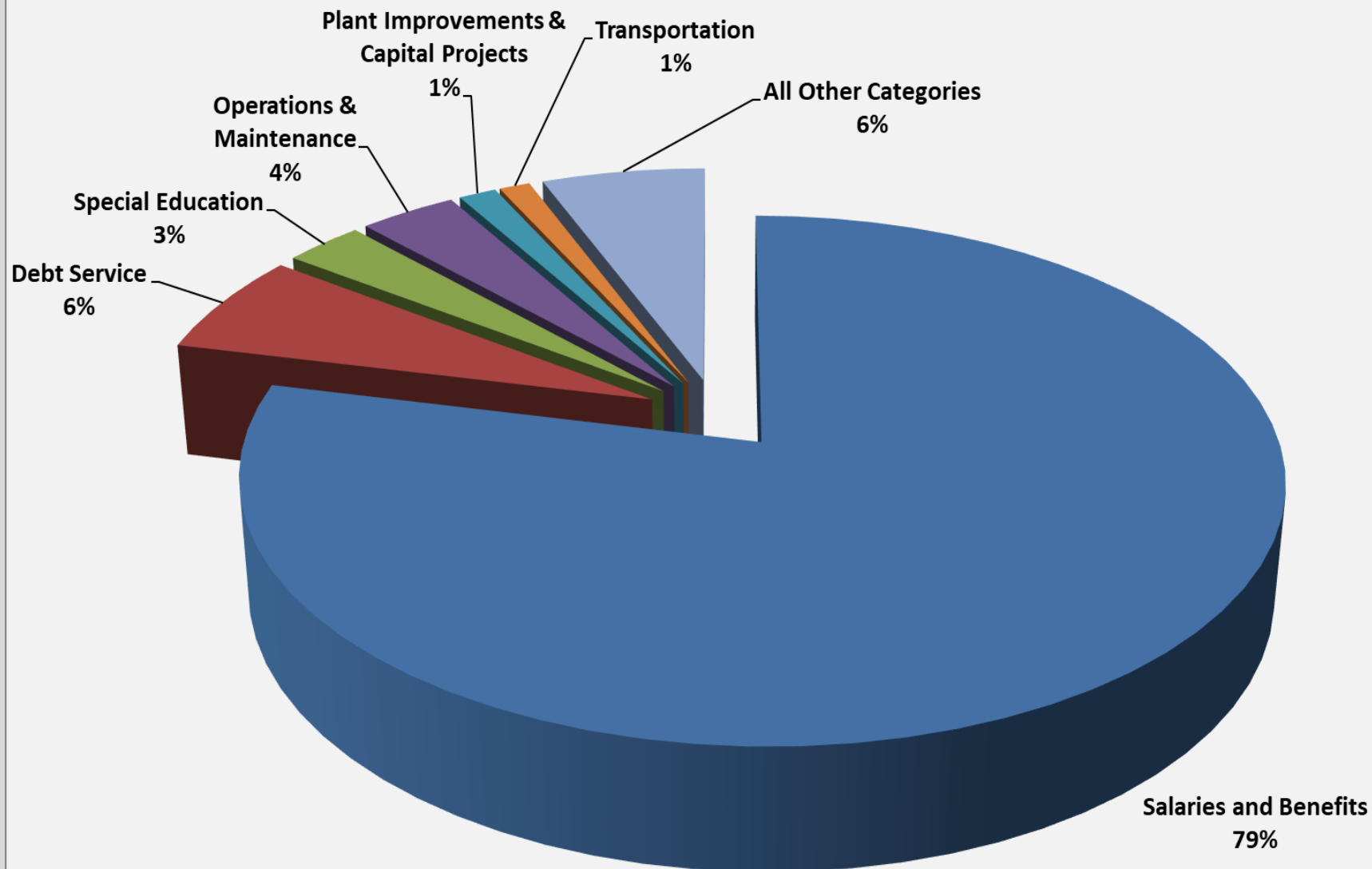
\*Total 2017-18 projected expenses excludes \$1.3 million in transfers from the tax certiorari reserve and \$600 thousand from the health insurance reserve and expenditures off of prior year encumbrances. In addition, the District projects an additional \$507M in surplus sources from various expenditure categories.



# Budget Drivers

# 2018-19 Budget Drivers

- Increase in Tax Certiorari budget line of \$1,025,000 in support of anticipated tax certiorari claims anticipated in the 2018-19 school year. Offset by increase in Assigned Fund Balance and not recurring revenues.
- Teacher and NYS Employees Retirement System mandated employer contributions increasing by an estimated \$787 thousand.
- District's self-funded medical insurance anticipated to increase by 3.2% (\$552 thousand) due to plan experience and employee contributions. Additional increase offset by projected savings from utilization of new third party administrator networks.
- Contractual salary increases for all employees including 16 teacher retirements and additional staffing total \$1.733 million.
- Other employee benefit increases increasing by an estimated \$244 thousand.



# Transportation

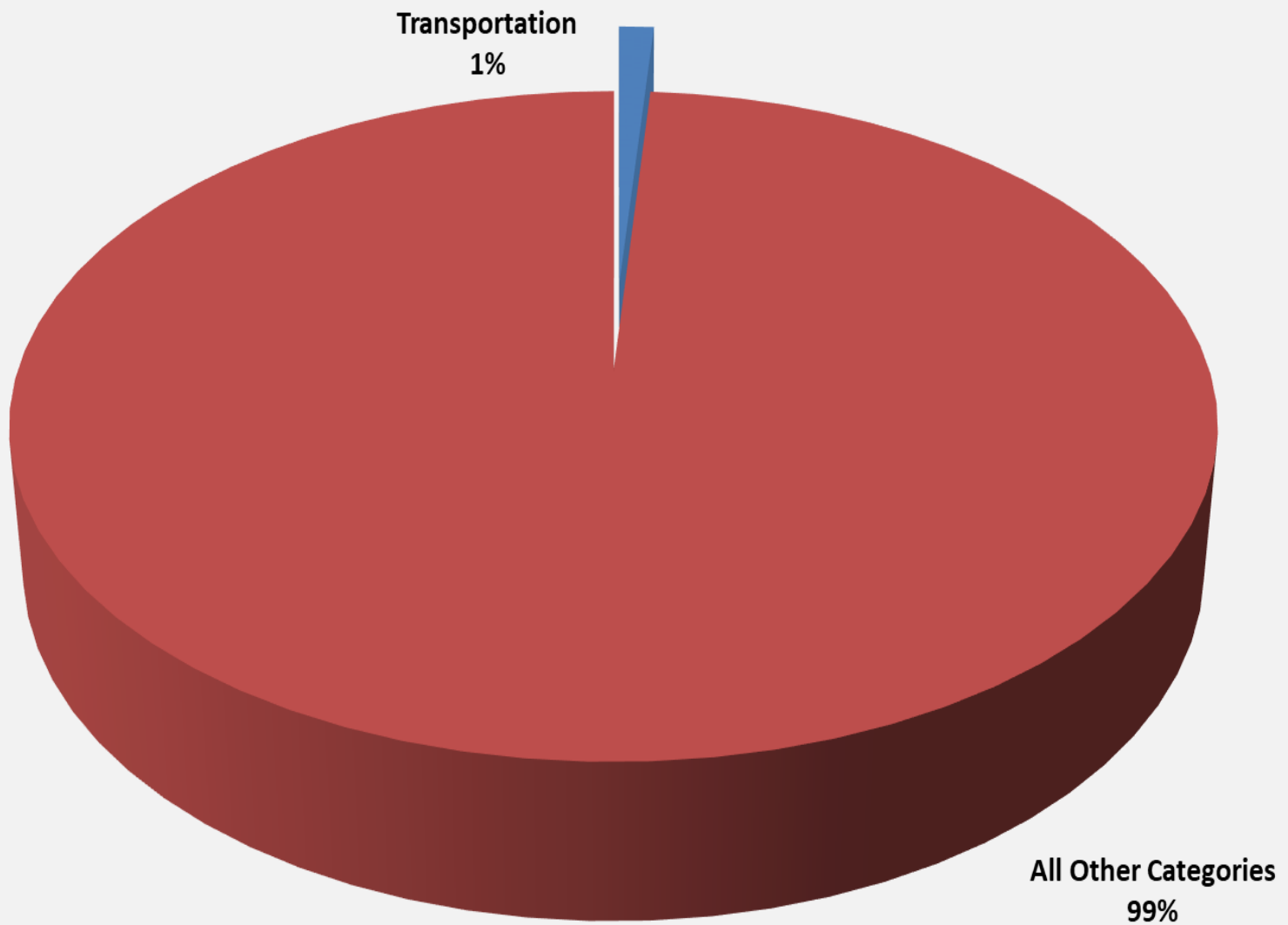
# Transportation

2016-17 Actual	2017-18 Budget	Projected 2017-18 Actual Expense	Proposed Budget 2018-19
\$3,904,636	\$4,123,805	\$4,085,917	\$4,190,581
Budget to Budget Increase: \$66,776 or 1.62%			
Projected Expense to Proposed Budget Increase: \$104,664 or 2.56%			

## Highlights

- Continuation of all current policies.
- 1,911 students transported to Scarsdale Schools.
- 261 students transported to 56 private and parochial schools and special education programs.
- The 2017-18 budget provided for the purchase of 1 large bus and 3 mini-buses and 4 vans/automobiles at an actual cost of \$339 thousand. The 2018-19 budget continues the vehicle replacement plan with the planned purchase of 2 large buses and 1 handicapped accessible bus at an estimated cost of \$293 thousand.
- The proposed 2018-19 budget reflects contractual salary increases of \$86 thousand, a decrease in vehicle purchases of \$57 thousand and an increase in estimated repairs of \$34 thousand.

## Transportation Component as % of the Budget



# Debt Service & Lease Purchases

# Debt Service

2016-17 Actual	2017-18 Budget	Projected 2017-18 Actual Expense	Proposed Budget 2018-19
\$7,611,950	\$7,668,800	\$7,685,267	\$7,669,300

Budget to Budget Increase: \$500 or 0.01%

Projected Expense to Proposed Budget decrease: (\$15,967) or (0.29%)

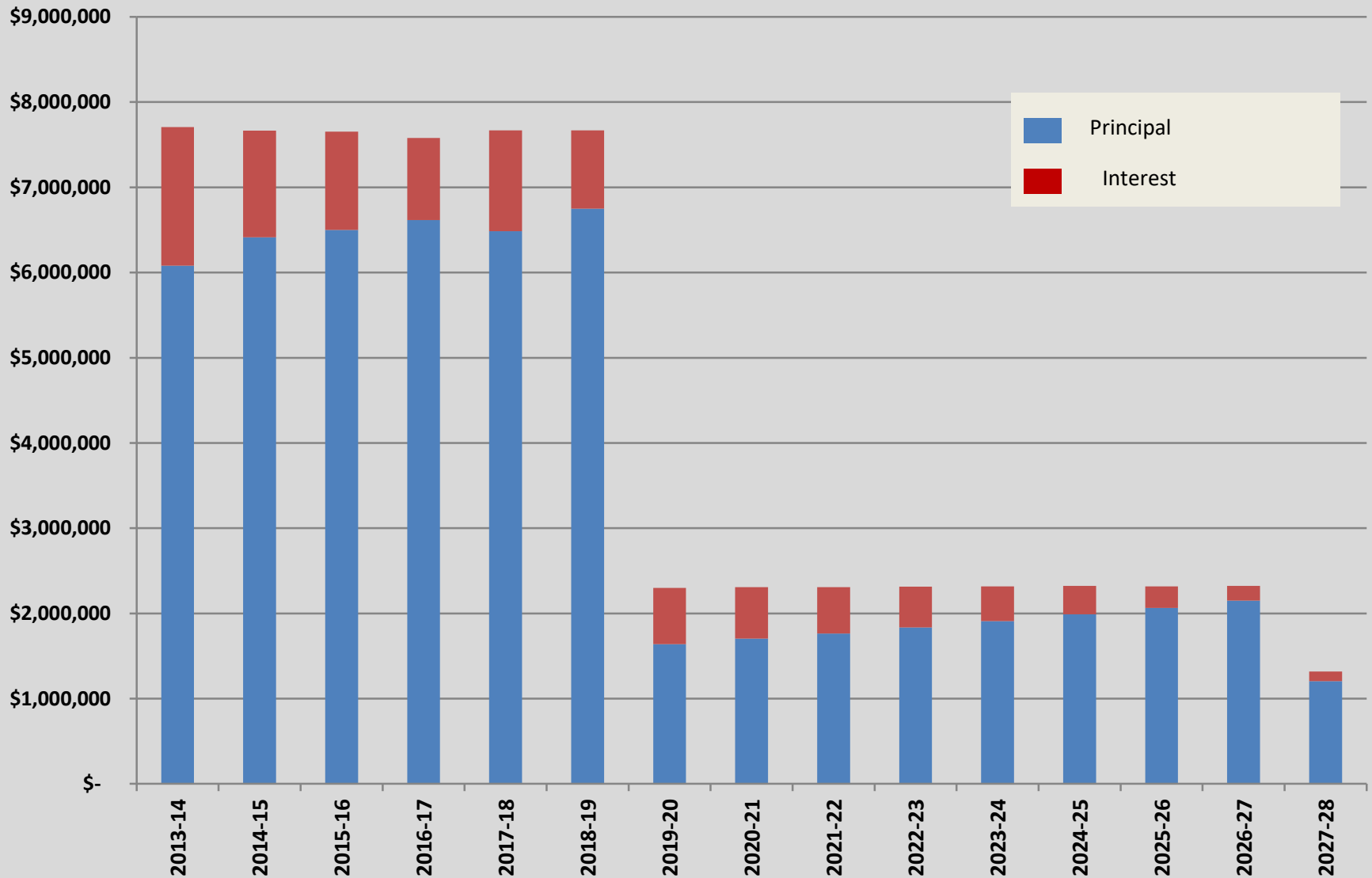
## Highlights

- The proposed 2018-19 Debt Service budget represents principal payments of approx. \$6.750 million and interest payments of \$919 thousand.
- Total debt outstanding for 2018-19 school year is projected to be \$25.6 million from the following obligations:

2010 Refunding 2002 Bonds	2012 Refunding 2004 Bonds	2014 Refunding 2006 Bonds	Dec. 2014 Bond Project	TOTAL
\$2,750,000	\$2,010,000	\$7,260,000	\$13,580,000	\$25,600,000



# Current & Future Debt Service



# Lease Purchases

2016-17 Actual	2017-18 Budget	Projected 2017-18 Actual Expense	Proposed Budget 2018-19
\$2,209,773	\$2,308,324	\$2,307,751	\$2,352,766

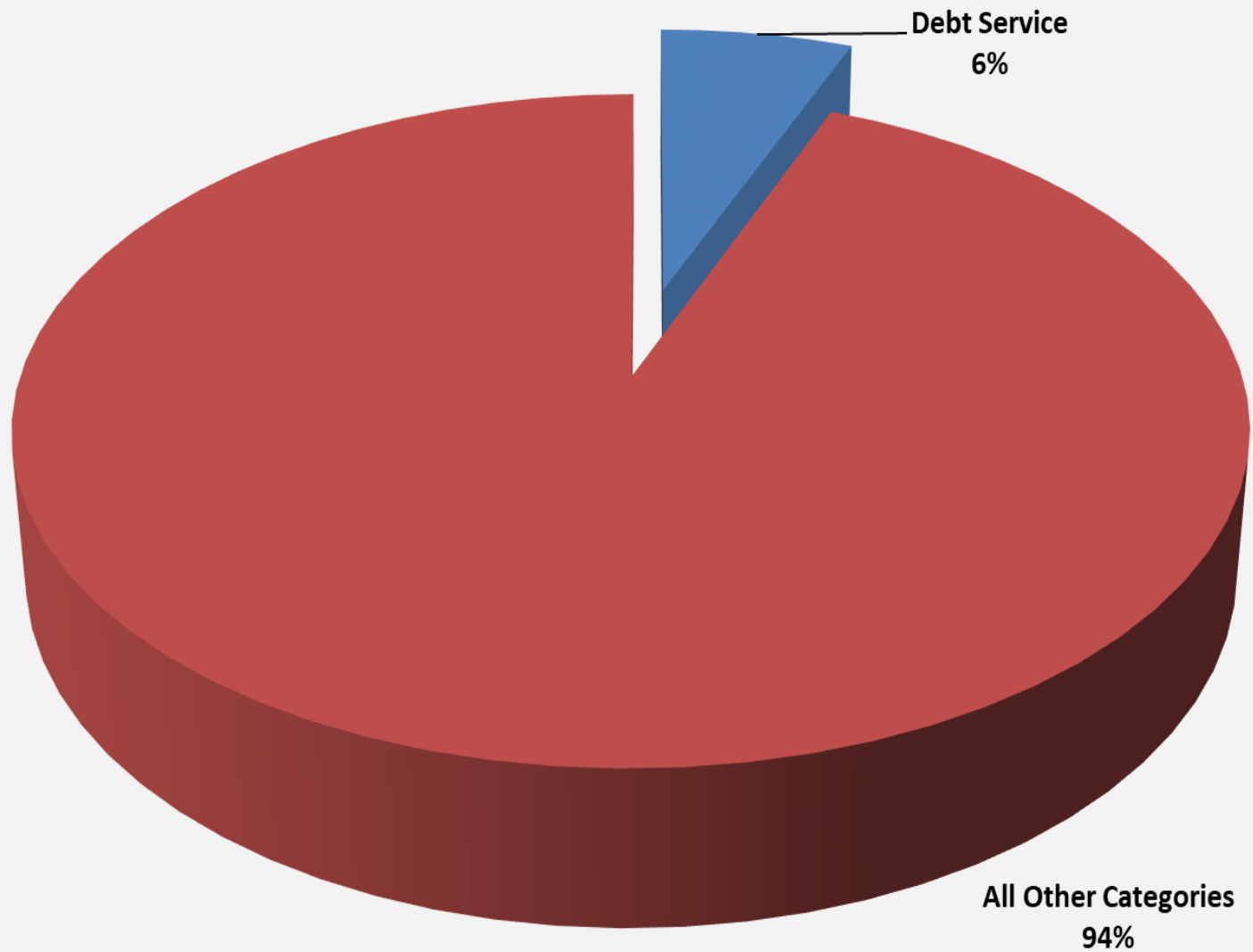
Budget to Budget Increase: \$44,442 or 1.93%

Projected Expense to Proposed Budget Increase: \$45,015 or 1.95%

## Highlights

- The proposed 2018-19 budget, in accordance with the Board approved three-year technology plan budget that was submitted to NYSED in 2016, represents a continuation and increase of the hardware/lease purchase to continue the elementary 1:1 program, begin a 1:1 program at the Middle School (sixth grade), and instructional devices for all levels, including desktop computers, Chromebooks, I-Pads, classroom displays and peripherals **Computer Lease = \$1.55 million**
- Energy Performance Contract (matures in 2023/24) = **\$621 thousand (no change)**
- Lease for Districtwide Copiers (20) = **\$229 thousand (no change)**

## Debt Service & Lease Component as % of the Budget



# Employee Benefits

# Employee Benefits

2016-17 Actual	2017-18 Budget	Projected 2017-18 Actual	Proposed Budget 2018-19
\$33,580,069	\$35,267,956	\$35,516,254	\$36,851,470

Budget to Budget Increase: \$1,583,514 or 4.49%

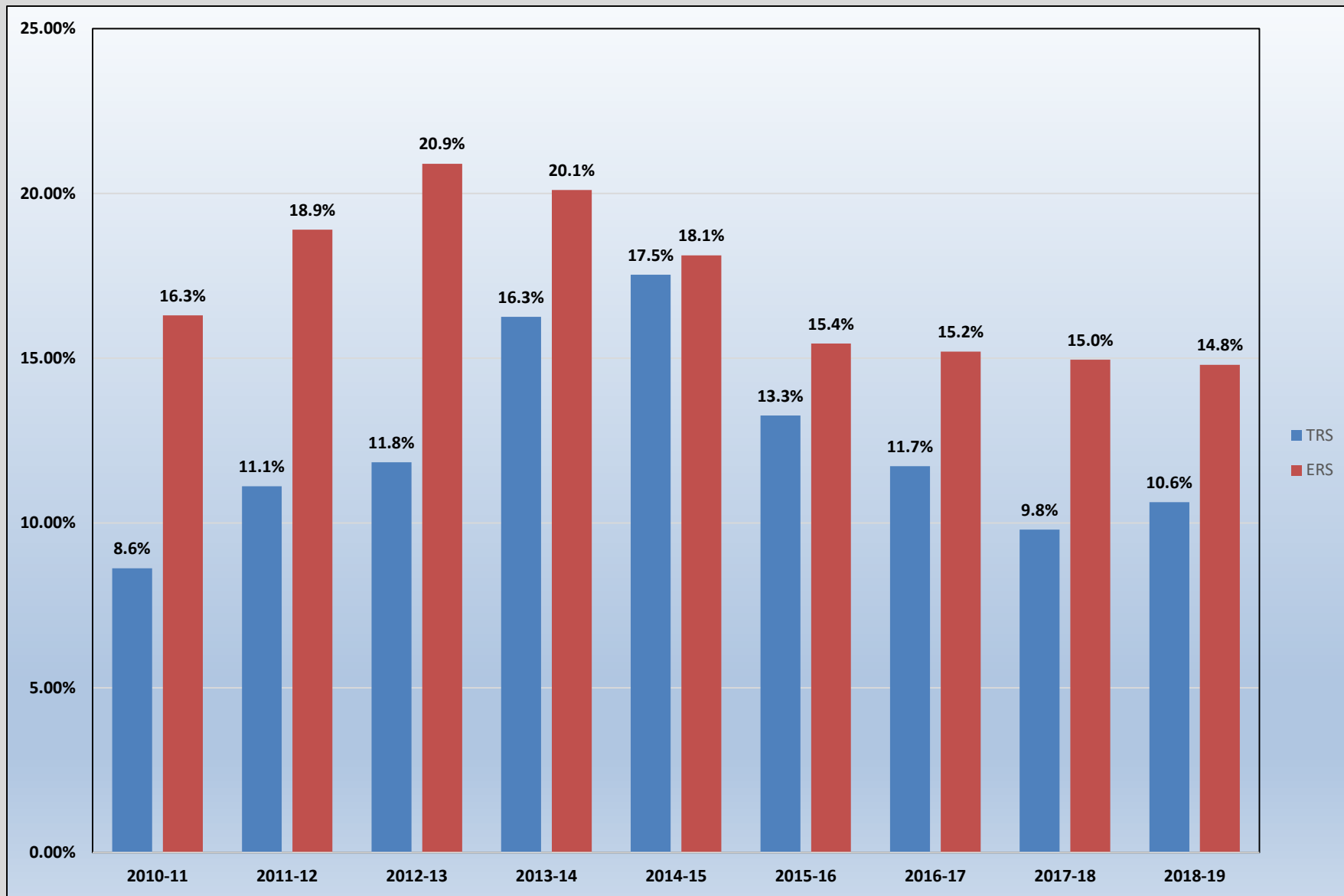
Proposed Budget to Projected Expense Increase: \$1,335,216 or 3.76%

## Highlights

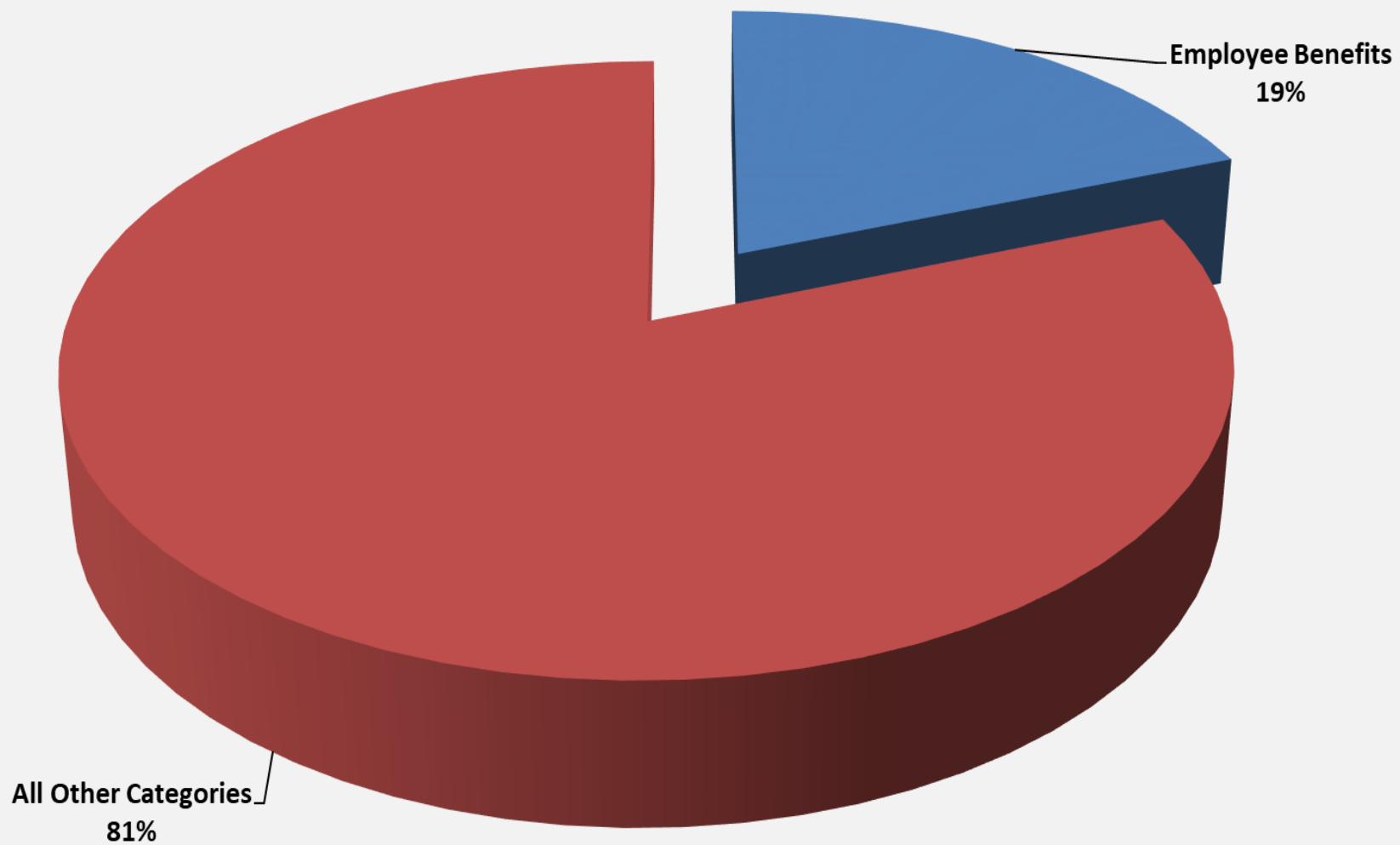
- Employee Insurances
  - District's self-funded medical insurance budget anticipated to increase 3.2%. Larger increase due to claims experience is offset by increased employee contributions, plan efficiencies and projected savings from utilization of new third party administrator networks.
- Pension Benefits
  - NYS Teachers Retirement System (TRS) – the contribution rate is increasing from 9.8% to 10.63% on all qualifying salaries.
  - NYS Public Employees' Retirement System (ERS) – the avg. contribution rate is estimated to decrease slightly to 14.78% on all qualifying salaries.
  - Social Security - is calculated at 6.20% of all salaries up to the max. of \$128,700 for the 2018 calendar year.

Employee Benefits	Budget +/-
Pension Benefits	\$787,019
Health Insurance	\$551,855
Social Security, FICA & Medicare	\$199,395
Other Insurances (WC, Dental etc.)	\$45,245

# Historical TRS & ERS Rates



## Employee Benefits Component as % of the Budget



# Budget Process & Timeline



# Sequence of the Budget Process

**Budget Development** – *Board of Education & Administration*



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



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



**Final Budget & Vote**

# Budget Development & Discussion Focus



# Budget Discussions

Administration  
Board of  
Education  
Community\*

Dates	Focus
Regular Board Meeting - January 8 <sup>th</sup>	Discussion of Key Budget Factors, Budget Update and Budget Parameters
Regular Board Meeting - January 22 <sup>nd</sup>	Discussion of Staffing Recommendations
Budget Session #1 and #2 - February 5 <sup>th</sup>	2018-19 Budget Plan, Debt Service, Transportation and Employee Benefits
Budget Session #3 - February 12 <sup>th</sup>	Budget Plan Update, department Budget Presentations including Instruction, Facilities, Special Education, Athletics and Technology
Budget Session #4 - March 5 <sup>th</sup>	Budget Plan Update and Full Budget Presentation
Board of Education Meeting - March 19 <sup>th</sup>	Budget Forum & Review
Regular Board Meeting - April 16 <sup>th</sup>	Board of Education Adopts Budget

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

# 2018-19 Budget Discussion Timeline

Dates	Focus
Regular Board Meeting - January 8 <sup>th</sup>	Discussion of Key Budget Factors, Budget Update and Budget Parameters
Regular Board Meeting - January 22 <sup>nd</sup>	Discussion of Staffing Recommendations
Budget Session #1 and #2 - February 5 <sup>th</sup>	2018-19 Budget Plan, Debt Service, Transportation and Employee Benefits
Budget Session #3 - February 12 <sup>th</sup>	Budget Plan Update, department Budget Presentations including Instruction, Facilities, Special Education, Athletics and Technology
Budget Session #4 - March 5 <sup>th</sup>	Budget Plan Update and Full Budget Presentation
Board of Education Meeting - March 19 <sup>th</sup>	Budget Forum & Review
Regular Board Meeting - April 16 <sup>th</sup>	Board of Education Adopts Budget

Budget Vote Date - May 15<sup>th</sup>

# Questions