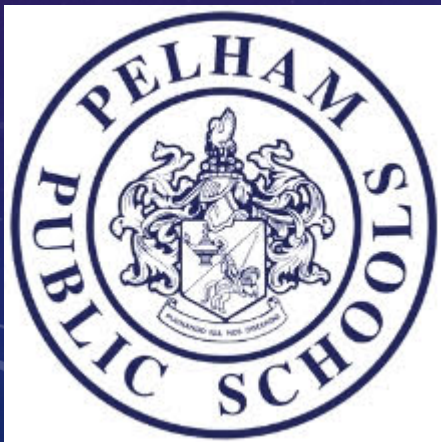


# PELHAM PUBLIC SCHOOLS 2021-22 PRELIMINARY BUDGET



SATURDAY, MARCH 6, 2021

# BUDGET AT A GLANCE

Total Appropriations \$80,280,000

Budget-to-Budget Increase 4.67%

Projected Allowable Tax Levy Increase\* 3.31%

Tax Levy Increase per Preliminary Budget\* 3.31%

\*Subject to change pending State Aid runs from NYS and ongoing budget development process

# COMPONENTS OF TAX INCREASE

Operating Budget (Subject to Tax Cap)		
• Growth Factor	0.51%	
• CPI: 1.23% (applied to levy, less capital exclusions)	1.19%	
Total Operating Budget portion		1.70%
Capital Budget (Exclusion; Not Subject to Cap)		
• Increase in Building Aid (reduces local share)	(1.04%)	
• 2018 Capital Project Final Borrowing	4.56%	
• Reduction in Debt Service Payments	(0.76%)	
• Use of Debt Service Fund	(1.15%)	
Total Capital Budget Portion		1.61%
Total Tax Levy Increase*		3.31%

\*Subject to change pending State Aid runs from NYS and ongoing budget development process.



# BUDGET HIGHLIGHTS

- Expanding summer programming for those students needing additional academic support
- Continuing professional learning to support the social and emotional need of students including the Steps A Universal DBT program, Responsive Classroom, and Multi-Tiered Systems of Support (MTSS)
- Restoration of World Language teaching position to meet program demands and enable the Word Language Coordinator to better support the need of the District's English Language Learners
- Addition of high school science teacher to meet enrollment demands
- Continuing to provide teachers and students with learning resources necessary in both in person and virtual learning environments including software to support learning in literacy and numeracy
- Continuing provision of mobile learning devices to all students in grades 3-12 as well as exploring emerging technologies that support learning and teaching+
- Continuing expansion of innovative and flexible furnishings
- Ensuring that class sizes across all grade levels are at or below Board of Education guidelines

# SIGNIFICANT COMPONENTS OF BUDGET CHANGE

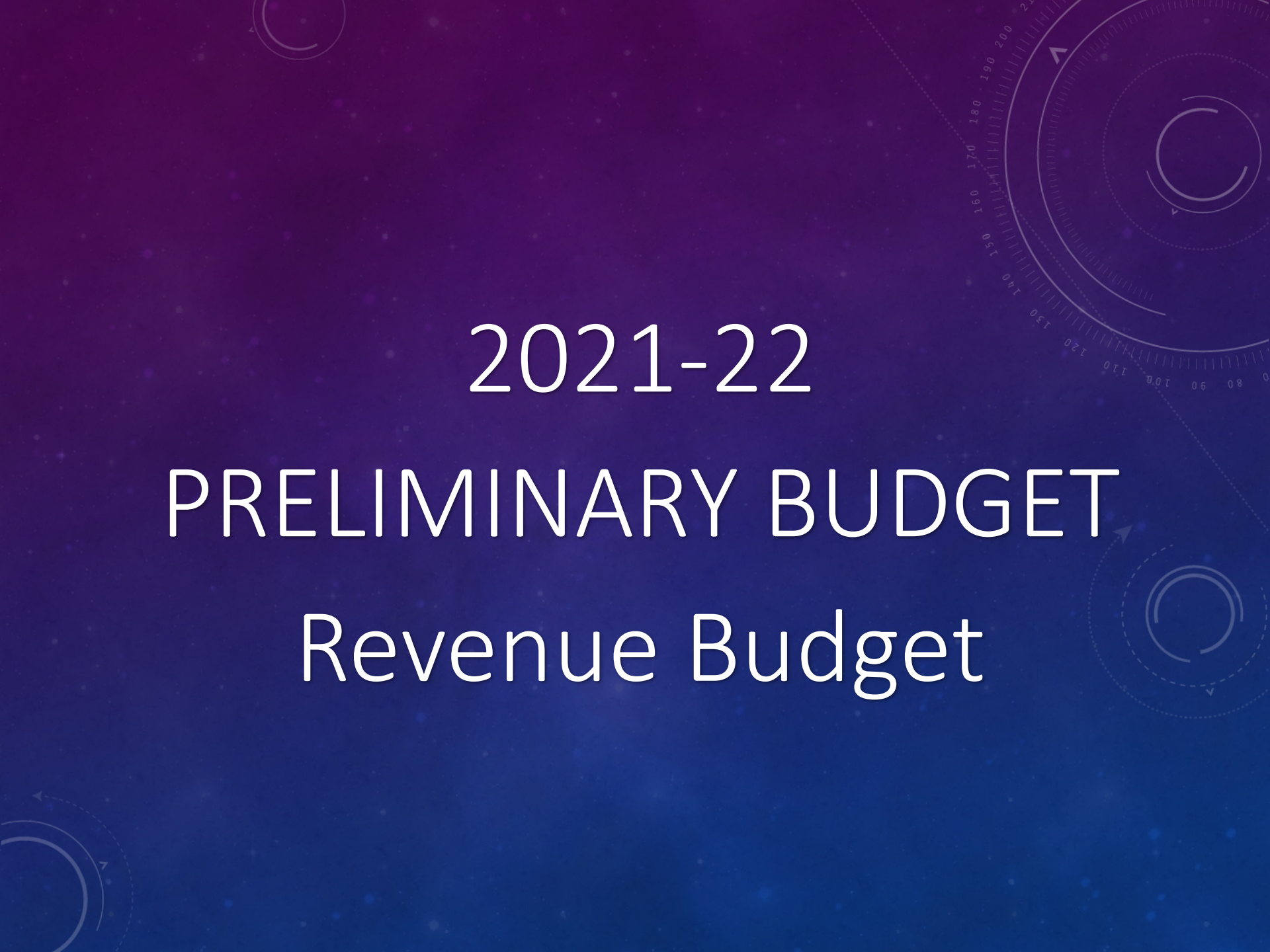
## *Areas of Savings & Increased Revenues:*

- 2 teachers, 1 counselor, 2 teaching assistants and 1 administrative assistant retirements
- Favorable 2019-2020 Collective Bargaining Agreements with CSEA & Teachers Association
- Reduced BOCES tuition costs due to shifting student need
- Sustainability savings in utilities
- Westchester County sales tax increase

## *Areas of Increased Cost:*

- Debt service related to 2018 Capital Projects
- Health care rate increase
- Retirement Systems (ERS/TRS) rate increases
- BOCES – Instructional Technology Support
- Anticipated rent/improvements for new administrative office space





# 2021-22

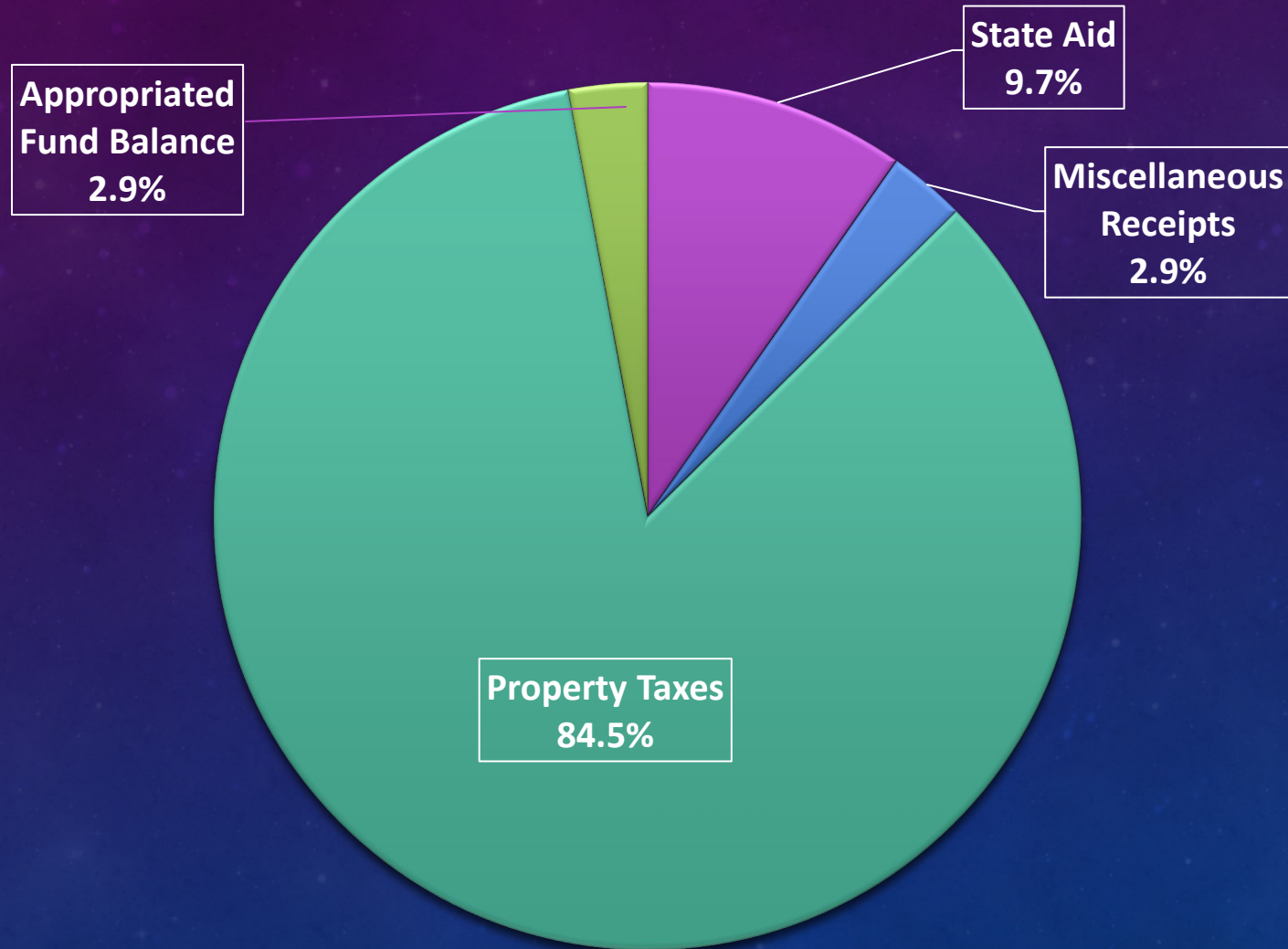
## PRELIMINARY BUDGET

### Revenue Budget

# REVENUE BUDGET

Category	% Total Revenue	2020-21 Adopted Budget	2021-22 Preliminary Budget	Increase (Decrease)	% Change
Property Taxes	84.5%	\$65,648,182	\$67,821,881	\$2,173,699	3.31%
State Aid	9.7%	7,095,680	7,800,137	704,457	9.92%
Miscellaneous Receipts	2.9%	2,356,433	2,302,982	(53,451)	(2.26%)
Appropriation-Fund Balance	0.8%	655,000	655,000	-	-
Appropriation-Debt Service Reserve	1.4%	344,750	1,100,000	755,295	219.11%
Appropriation-ERS Reserve	0.7%	600,000	600,000	-	-
TOTAL REVENUE	100%	\$76,700,000	\$80,280,000	\$3,580,000	4.67%

# 2021-22 REVENUE BUDGET





# PROPERTY TAXES



# NEW YORK STATE TAX CAP

- 2021-22 is the tenth year of the tax cap
- Limits tax levy growth to lesser of 2% or CPI, with adjustments for certain exclusions (thus, reference to “2% Tax Cap”)
  - CPI is 1.23% for 2021-22, therefore capped at 1.23%
- Allows exclusions for capital expenditures
- Also allows exclusions related to TRS and ERS pension costs in excess of 2 percentage point rate increase from year-to-year
  - Not applicable in 2021-22
- For the 2<sup>nd</sup> Year: Allows for additional capital exclusion for BOCES facilities/capital

# TAX LEVY CAP PROVISIONS

## *BUDGET VOTE PROVISIONS*

### ***If Budget is Within the Tax Cap Limit:***

- ➡ Need simple majority to pass (50% + 1 voter)

### ***If Budget is Above the Tax Cap Limit:***

- ➡ Need a supermajority public vote to pass (60%)

### ***If no Budget is Approved:***

- ➡ Board of Education must adopt a Contingency Budget
- ➡ 0% tax levy increase
- ➡ \$2.17 million impact on the budget driving expenditure reductions and/or increased appropriations of fund balance



# 2021-22 PROJECTED TAX LEVY CALCULATION

(Subject to change pending state aid runs from NYS and ongoing budget development process)

NYS Tax Cap Formula Components		Amount	%
2020-21 Tax Levy		\$65,648,182	
x Tax Base Growth Factor		1.0051	0.51%
- Prior Year Exclusions	Capital	(2,494,256)	(3.80%)
= Prior Year Tax Levy Limit		63,488,732	
x Allowable Levy Growth Factor (lower of CPI or 2%)		1.0123	1.19%
= 2021-22 Tax Levy Limit (before Exclusions)		64,269,643	
+ Current Year Exclusions	Capital	3,552,238	5.41%
	Pension	\$0	0.00%
= 2021-22 Allowable Tax Levy		\$67,821,881	3.31%
2021-22 Preliminary Budget Tax Levy		\$67,821,881	3.31%

# BUDGETING IN THE TAX CAP ERA

- District must bring expenditures in line with available revenue and reduce reliance on fund balance/reserve appropriations
- District has limited controllable revenue sources:
  - *Property Taxes--subject to cap and taxpayer tolerance/sensitivity*
  - *State Aid--formula driven and subject to political considerations*
- Use of Fund Balance/Reserves can be controlled but *these resources are limited* and the amounts appropriated should be gradually aligned until actual expenditures and actual revenues are balanced

*Appropriations of Fund Balance are not “true” revenue sources, rather they are considered “other financing sources” to meet the gap between “true” revenue and expenditures ... usage is like drawing on a savings account*

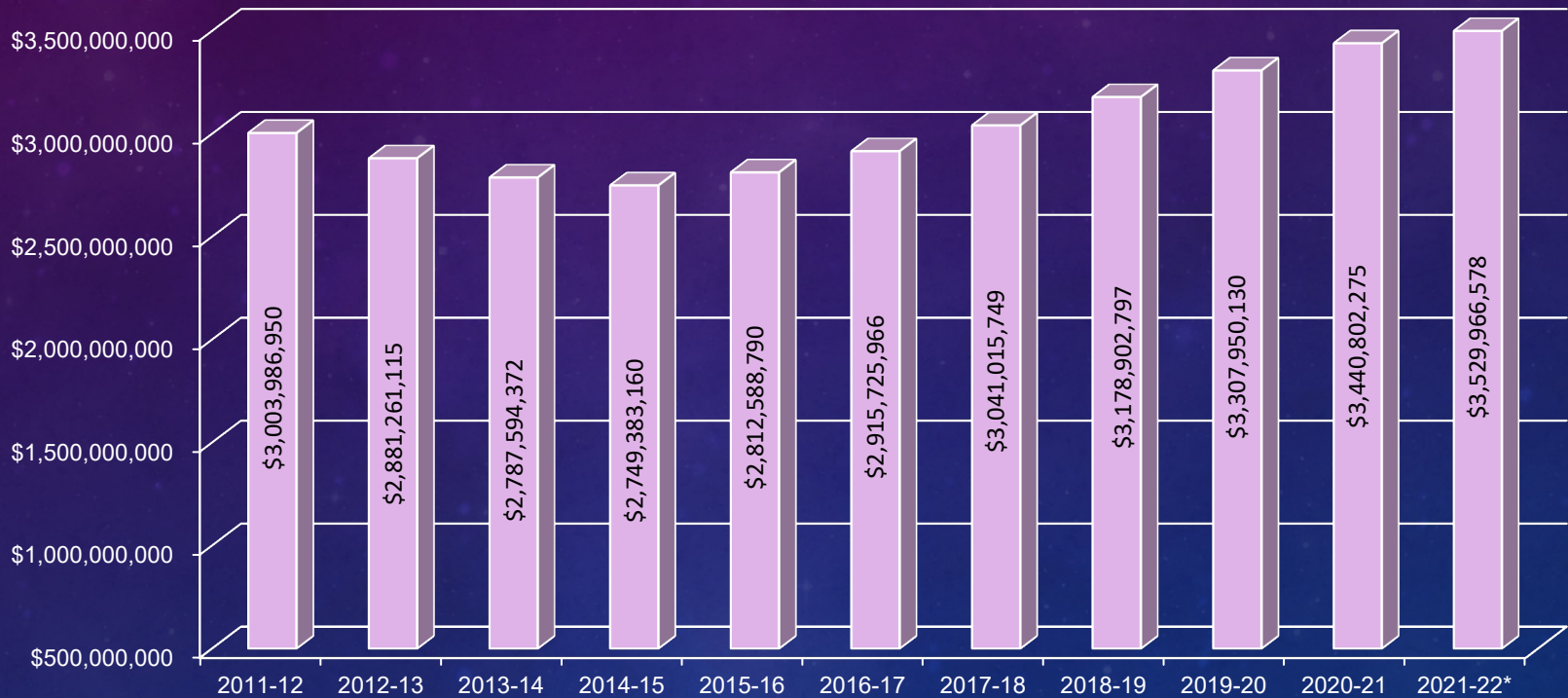
# ASSESSED VALUATION

Homestead  
&  
Non-Homestead



# ASSESSED VALUATION

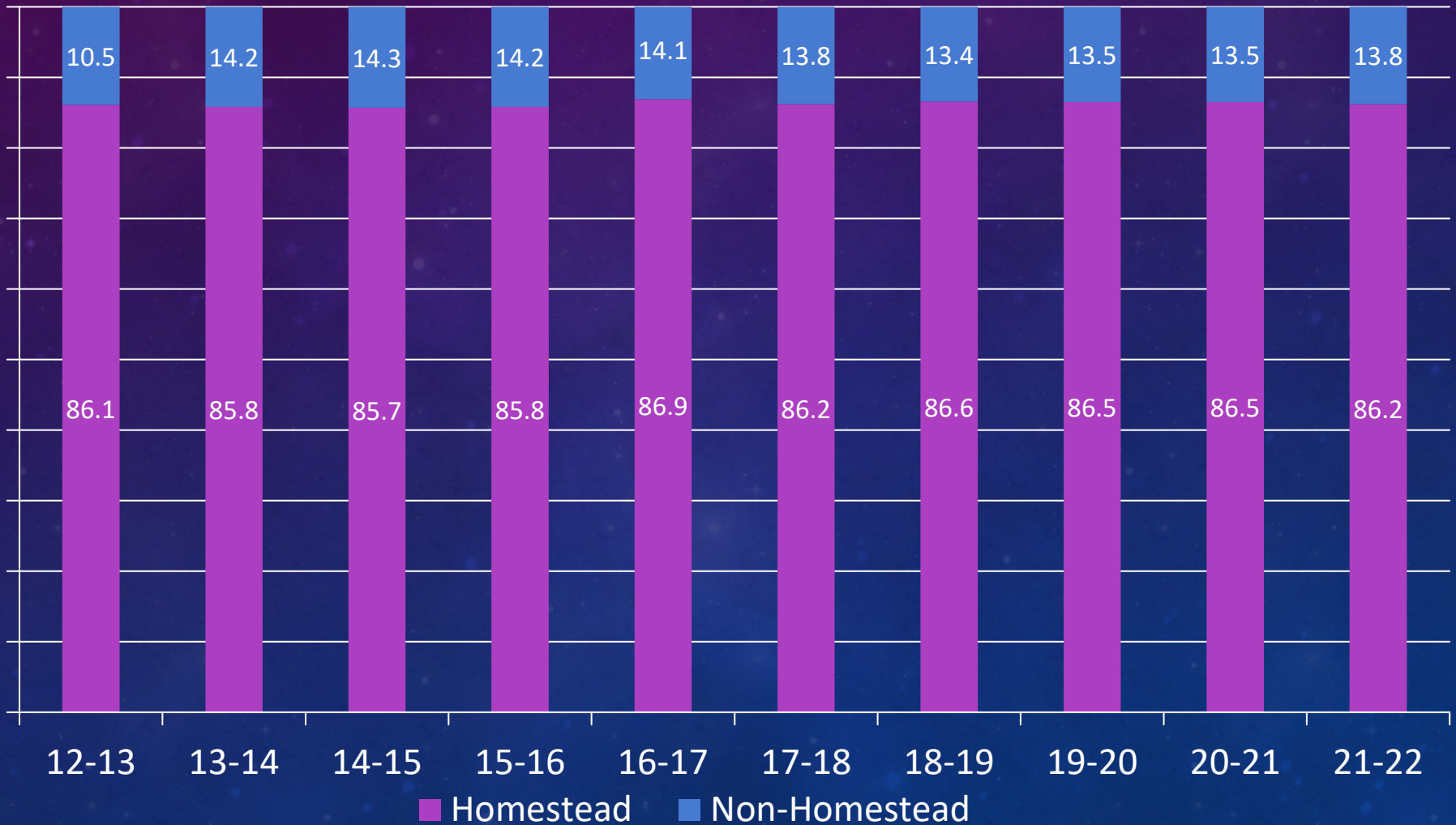
## Total Property Value—Homestead & Non-Homestead (Data per Town of Pelham)



\*2020-21 valuation as of 1.12.21; subject to change.

# ASSESSED VALUATION

## PERCENTAGE HOMESTEAD AND NON-HOMESTEAD PROPORTIONS



# EFFECT OF SCHOOL TAX INCREASE

Example 1: \$510,000 home assessment – 2020-21 School Taxes (Base Year) = \$9,292

Assessed Value Change	2.00%	4.00%	6.00%
Estimated 2021-22 School Tax	\$9,537	\$9,724	\$9,911
Tax Increase (annual)	\$244	\$431	\$618
Percent Change	2.63%	4.64%	6.66%

Example 2: \$940,000 home assessment - 2020-21 School Taxes (Base Year) = \$17,127

Assessed Value Change	2.00%	4.00%	6.00%
Estimated 2021-22 School Tax	\$17,578	\$17,922	\$18,267
Tax Increase (annual)	\$451	\$795	\$1,140
Percent Change	2.63%	4.64%	6.66%

Example 3: \$1,375,000 home assessment - 2020-21 School Taxes (Base Year) = \$25,053

Assessed Value Change	2.00%	4.00%	6.00%
Estimated 2021-22 School Tax	\$25,712	\$26,216	\$26,720
Tax Increase (annual)	\$659	\$1,163	\$1,667
Percent Change	2.63%	4.64%	6.66%



# STATE AID

# STATE & FEDERAL AID - 9.7% of Revenue Budget

Category	% Total Aid	2020-21 Adopted Budget	2021-22 Preliminary Budget	Increase (Decrease)	% Change
Foundation Aid	45.0%	\$3,510,844	\$3,510,844	-	-
Building Aid	24.1%	1,195,677	1,874,940	679,263	56.81%
BOCES Aid	17.9%	1,328,947	1,398,153	69,206	5.21%
Transportation Aid	5.5%	462,819	430,604	(32,215)	(6.96%)
Instructional Mat. Aid	3.3%	262,949	256,854	(6,095)	(2.31%)
High Tax Aid	1.5%	116,596	116,596	-	-
Federal CARES Act	-	84,928	-	(84,928)	n/a
Pandemic Adjustment	-	(84,928)	-	84,928	n/a
STAR Adjustment	(3.3%)	-	(254,800)	(254,800)	n/a
Federal COVID-19 Stimulus	3.3%	-	254,800	254,800	n/a
All Other Aids	2.7%	217,848	212,146	(5,702)	(2.6%)
<b>TOTAL STATE AID</b>	<b>100.0%</b>	<b>\$7,095,680</b>	<b>\$7,800,137</b>	<b>\$704,457</b>	<b>9.92%</b>

# MISCELLANEOUS RECEIPTS



# MISCELLANEOUS RECEIPTS – 2.9% of Revenue Budget

Category	2020-21 Adopted Budget	2021-22 Preliminary Budget	Increase (Decrease)	% Change
Tuition	\$1,115,088	\$1,011,513	(\$103,575)	(9.2%)
Sales Tax	750,000	950,000	200,000	26.6%
Health Services	122,000	0	(122,000)	(100.0%)
Refund-Prior Year Expenses, including Arts in Ed	221,235	236,359	15,124	6.8%
All Other	148,110	105,110	(43,000)	(29.0%)
<b>TOTAL MISCELLANEOUS RECEIPTS</b>	<b>\$2,356,433</b>	<b>\$2,302,982</b>	<b>(\$53,451)</b>	<b>(2.3%)</b>

# MISCELLANEOUS RECEIPTS

- Tuition
  - Includes tuition for regular and special education non-resident students (secondary program only)
- Sales Tax
  - Represents the District's apportionment of NYS sales tax
  - Westchester County increased rate from 3% to 4% effective 8.1.19 (school districts receive 10% of the increase)
- Health Services
  - Reflects decrease in billings for health related services for non-resident students attending OLPH
- Refund of Prior Year Expenses
  - Includes annual BOCES refund, Arts-in-Education reimbursement from the PTAs & other recapture of prior year expenditures
- All Other Revenues
  - Includes utility payments from Town, interest earnings, rental charges for facility use and any other miscellaneous monies received



# APPROPRIATIONS AS OTHER FUNDING SOURCES:

## USE OF FUND BALANCE & RESERVES



# APPROPRIATIONS

## 2.9% OF REVENUE BUDGET

### 2021-22 Preliminary Budget includes \$2,355,000 in Appropriated Fund Balance

Source	Amount	Notes
Prior Year Surplus	\$655,000	• Appropriation of anticipated General Fund fund balance at end of 2020-21 school year
		• Ongoing practice for most school districts
		• Held flat from prior year
ERS/Reserve	\$600,000	• Appropriation from Employee Retirement System Reserve
		• Partially offsets budgeted ERS expenditures of \$903,569
		• Held flat from prior year
Debt Service Fund	\$1,100,000	• Represents a portion of available Debt Service Fund balance to offset new debt service related to the 2018 Capital Bond
		• The planned usage of \$1.1M will leave approximately \$650K for use in FY 22-23

## A NOTE REGARDING RESERVE FUNDS

- NYS recommends that school districts create reserve funds against certain long term liabilities of the school district
- Unlike the private sector, school districts are limited in the amount that can be maintained and the use of such funds

### GOAL:

- Maintain reserves against liabilities of the District and support the budget appropriately through a planned utilization of reserves over time



# 2021-22 PRELIMINARY BUDGET

## Expenditure Budget

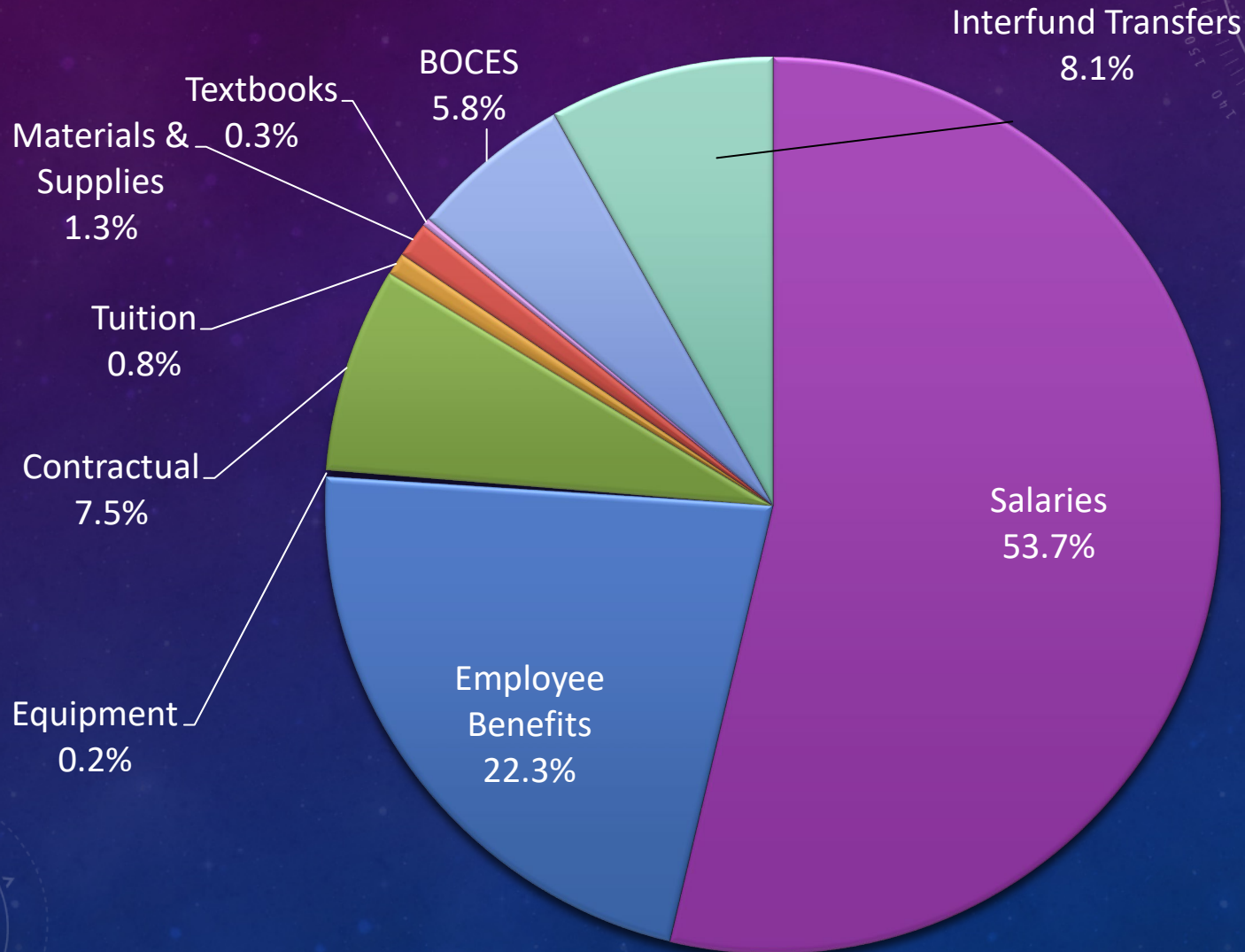


# EXPENDITURE BUDGET

Category	% Total Expense	2020-21 Adopted Budget	2021-22 Preliminary Budget	Increase (Decrease)	% Change
Salaries	53.7%	\$42,515,324	\$43,116,051	\$600,727	1.41%
Employee Benefits	22.3%	17,973,243	17,916,195	(57,048)	(0.32%)
Note: Salaries & Employee Benefits together comprise 76% of the Budget					
Contractual	7.5%	5,875,920	5,940,206	64,286	1.09%
BOCES Services	5.8%	4,394,931	4,685,210	290,279	6.60%
Interfund Transfer-Debt Service Fund	8.1%	3,990,207	6,484,453	2,494,246	62.51%
Materials & Supplies	1.3%	1,074,271	1,032,325	(41,946)	(3.90%)
Tuition	0.8%	535,000	650,000	115,000	(21.50%)
Textbooks	0.3%	171,354	229,060	57,706	33.68%
Equipment	0.2%	134,750	191,500	56,750	42.12%
Interfund Transfers – Special Aid Fund	0.0%	35,000	35,000	-	-
TOTAL	100%	\$76,700,000	\$80,280,000	\$3,580,000	4.67%

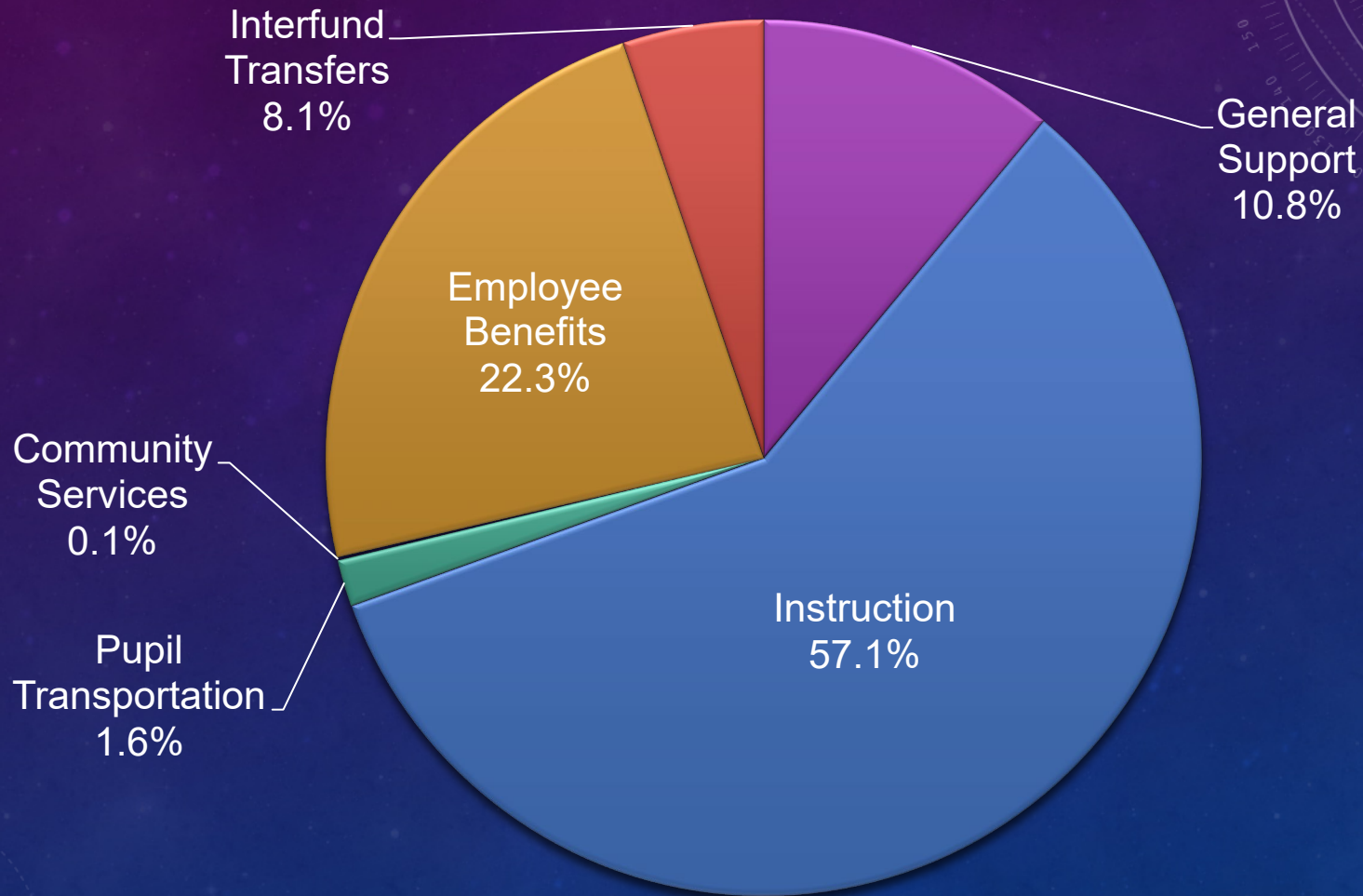
# 2021-22 EXPENDITURE BUDGET

BY OBJECT CODE



# 2021-22 EXPENDITURE BUDGET

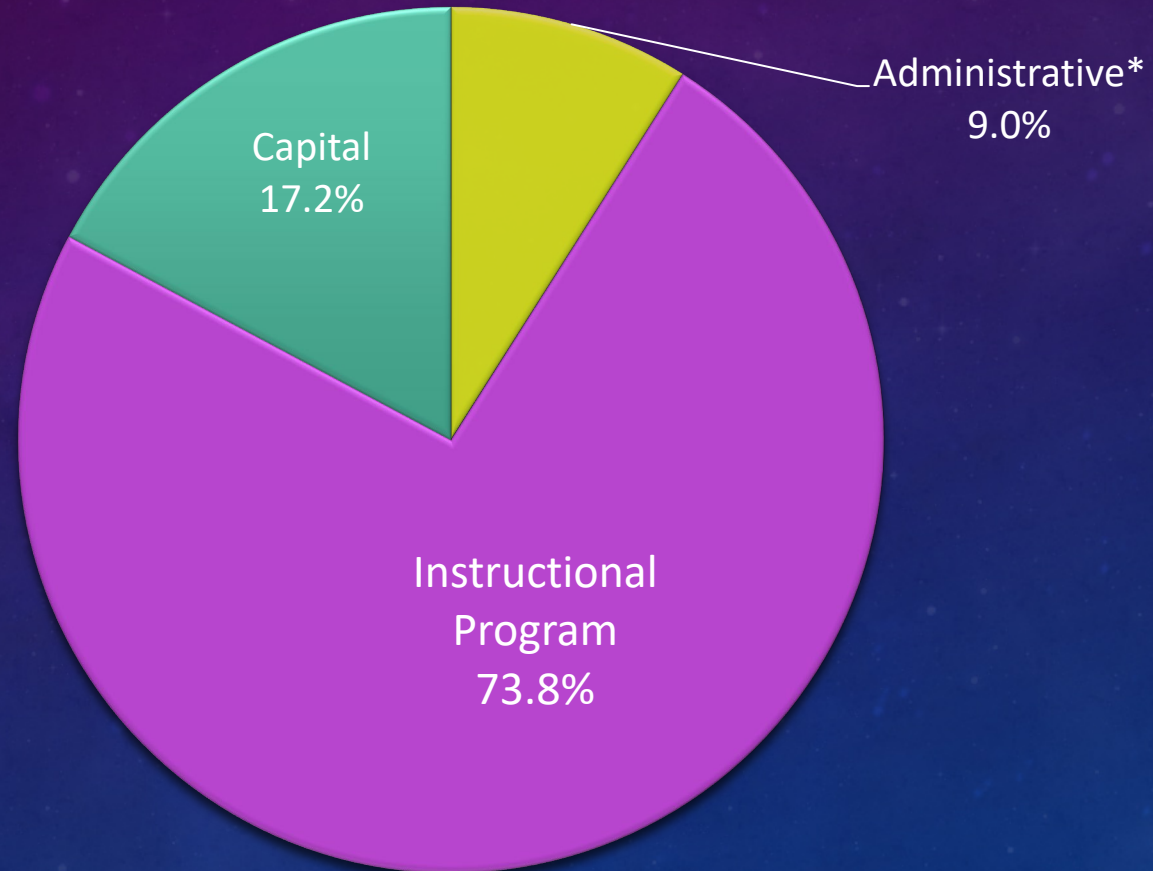
BY FUNCTION CODE





# 2021-22 EXPENDITURE BUDGET

## 3 COMPONENT CATEGORIES



\*Note: The Administrative portion of the budget cannot exceed 10% of the total budget per NYS law.

## BUDGET CATEGORIES DRIVING BUDGET TO BUDGET CHANGE

Category of Spending	Budget Change	% Total Budget Change
Interfund Transfer-Debt Service	\$2,494,246	69.6%
Salaries	600,727	16.8%
BOCES Services	290,279	8.1%
Tuition	115,000	3.2%
Contractual	64,286	1.8%
Textbooks	57,706	1.6%
Equipment	56,750	1.6%
Materials & Supplies	(41,946)	(1.2%)
Employee Benefits	(57,048)	(1.5%)
TOTAL	\$3,580,000	4.67%

# OVERVIEW OF SIGNIFICANT BUDGET TO BUDGET CHANGES

Increased debt service associated with 2018 Capital Bond Project  
of \$2,494,246

Recap of 2018 Capital Bond Borrowing Analysis

Capital Feasibility Analysis March 2018:

Pre-Bond Estimated Local Share over 30 Years: \$70,393,682

Revised Analysis Based on actual borrowing of November 2020

Post-Bond Revised Estimated Local Share over 30 Years: \$58,276,725

Savings Variance of:

\$12,116,957 or 17.2%

- Estimated savings for FY 21-22 of 0.96% to the maximum allowable tax rate



# OVERVIEW OF SIGNIFICANT BUDGET TO BUDGET CHANGES

- Salaries, \$600,727 increase
  - Includes known contractual increases for all staff
  - Includes contractual step increases for building services staff (contract under negotiation)
  - Includes savings realized from retirements (2 teachers, 1 Counselor, 2 Teaching Assistants and 1 Administrative Assistant)
- BOCES, increase \$290,279
  - Administrative charges (shared by member districts), \$31,412 increase
  - Computer Services, Instructional Technology and Assistant Network Administrator, \$287,162
  - Health and Safety – Altaris \$147,630 (reduction of 1.0 FTE and associated personnel costs removed from operating budget)
  - Arts-in-Education – Reduction of \$150,000 to reflect past experience and COVID
  - Special Education and Occupation Education Reduction of \$123,478 based on student need

# OVERVIEW OF SIGNIFICANT BUDGET TO BUDGET CHANGES

## ○ Pensions

- Teacher Retirement System (TRS), \$157,000 increase driven by rate increase from 9.53% to 9.80% and salary base increase
- Employee Retirement System (ERS), \$85,000 increase driven by rate increase from 14.9% to 16.2% and salary base increase

## ○ Health Insurance increase

- Medical insurance rate increase of 4.85% for current & non-Medicare eligible retirees
- No increase for Medicare eligible retirees
- Allowance for settlements of collective bargaining unit contracts
- Tuition, increase \$115,000
  - Increase in Special Education placements due to changing student need



# SUMMARY OF BUDGET TO BUDGET CHANGES

REVENUE & OTHER FINANCING SOURCES		EXPENDITURES	
Property Taxes	\$2,173,699	Interfund Transfer-Debt Service	\$2,494,246
State & Federal Aid	704,457	Salaries	600,727
Miscellaneous Receipts	(53,451)	BOCES Services	290,279
Appropriation of Prior Year Surplus Fund Balance	0	Tuition	115,000
		Contractual	64,286
Appropriation from ERS Reserve	0	Textbooks	57,706
		Equipment	56,750
Appropriation from Debt Service Fund	755,295	Interfund Transfer-Special Aid	0
		Materials & Supplies	(41,946)
		Employee Benefits	(57,048)
TOTAL INCREASE	\$3,580,000	TOTAL INCREASE	\$3,580,000



# BUDGET RECAP

Total Appropriations

\$80,280,000

Budget-to-Budget Increase

4.67%

Projected Allowable Tax Levy  
Increase\*

3.31%

Tax Levy Increase per  
Preliminary Budget\*

3.31%

\*Subject to change pending State Aid runs and ongoing budget development process.

# BUDGET DEVELOPMENT CONTINUES

***The numbers will change!***

- Final State Aid runs will affect State Aid revenue, and likely the tax cap calculation as Building Aid is a component
- Student need changes (enrollment, Special Education needs, etc.)
- Board of Education review during upcoming budget discussions
- Community input

## **Key Budget Dates:**

**April 22, 2021**

Board of Education adopts 2021-22 Budget

**May 18, 2021**

Community Budget Vote and Board Member Election



Questions?

Thank you!