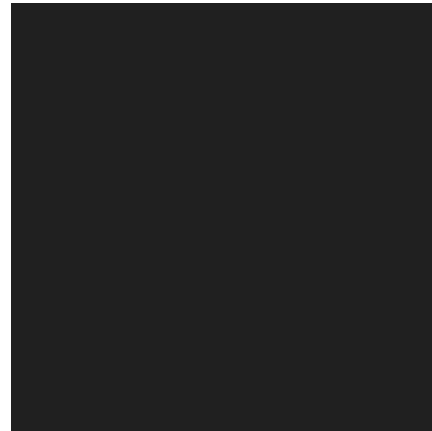
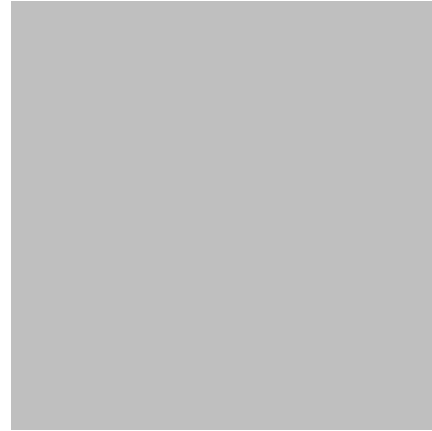




Forward in Excellence



**2020-2021 Proposed Budget Presentation
Board of Education
February 11, 2020**



Somers Central School District

Our Mission

Somers CSD will ignite a passion in each student by engaging all students at a personal level to ensure success in a global society.

Our Vision

The vision for the Somers CSD encompasses three fundamental areas, each an important component of the Whole Child:

- *21st Century Knowledge & Skills**
- *Social-Emotional-Physical Wellness**
- *Global Citizenship**



Budget Planning - Guiding Principles

- **Align decisions to strategic vision – “Forward in Excellence”**
- **Consider degree of impact on students and number of students impacted**
- **Ensure necessary Reserves and Fund Balance are maintained for future use**
- **Be respectful of current economic challenges to community while staying within the tax levy cap**



Contents

- **Governor's Proposed Budget for Education**
- **State Aid Projections**
- **Tax Levy Cap – Review, Formula and History**
- **Enrollment Projections**
- **Non-Instructional Costs – Auditing, Legal, Insurances, B&G, Transportation, Benefits, and Debt Service**
- **Budget History and 2020/2021 Proposed Budget**
- **Future Infrastructure Needs**



Governor's Budget Proposal

On January 21st the Governor presented his Executive Budget. In it he called for a 3.0% or a \$826 million increase in state aid to education for a total statewide funding level of \$28.6 billion. With this budget the Governor is looking to consolidate 10 expense-based aids into Foundation Aid. Additionally, residential school maintenance costs would shift from the 38.4% school districts currently contribute to 56.8% or an increase in costs of approximately \$125,000 for the 2020/2021 budget.



Revenues – State Aid

Aid Category	2019-2020 State Aid Budget	2019-2020 State Aid Projected January 2020	2020-2021 Governor's Proposal
Foundation	\$4,785,314	\$4,834,105	\$6,308,355
BOCES	\$934,912	\$1,034,955	To Foundation Aid
Excess Cost-High/Private	\$437,198	\$413,021	\$413,474
Hardware	\$25,029	\$24,975	To Foundation Aid
Software, Library, Textbook	\$260,531	\$257,333	To Foundation Aid
Transportation	\$1,764,847	\$1,768,191	\$1,864,721
Building	\$2,197,023	\$2,109,914	\$1,913,131
High Tax	\$141,256	\$141,256	To Foundation Aid
Totals	\$10,546,110	\$10,583,750	\$10,499,681



Tax Levy Cap - Review

Legislation signed by Governor Cuomo June 2011.

The New York State Legislature passed property tax relief legislation that imposes a cap on the growth of local property taxes. The law caps school and local government tax levy increase to 2% or the change in Consumer Price Index (CPI), whichever is lower.

If a school district that is subject to a tax levy limit proposes an annual budget that would exceed the school district's tax levy limit, then the proposed budget must be approved by 60 percent of the vote.



Calculation of Tax Levy Limit

Base Formula

$$\left[\left(\begin{array}{c} \text{Prior} \\ \text{school} \\ \text{year} \\ \text{tax} \\ \text{levy} \end{array} \times \begin{array}{c} \text{Tax} \\ \text{base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right) + \begin{array}{c} \text{PILOTs} \\ \text{receivable in} \\ \text{the prior} \\ \text{school year} \end{array} - \begin{array}{c} \text{Capital tax} \\ \text{levy from} \\ \text{prior school} \\ \text{year} \end{array} \right] \times \begin{array}{c} \text{Allowable} \\ \text{levy} \\ \text{growth} \\ \text{factor}^2 \end{array} - \begin{array}{c} \text{PILOTs} \\ \text{receivable in the} \\ \text{coming school} \\ \text{year} \end{array} = \begin{array}{c} \text{Tax Levy} \\ \text{Limit} \\ \text{Before} \\ \text{Exclusions} \end{array}$$

+ Exclusions

**Tax Levy
Limit
Before
Exclusions**

+

Tax levy necessary for expenditures from court orders/judgments arising out of tort actions for any amount in excess of 5% of the total taxes levied in the prior school year

+

Capital tax levy (to be defined by State Education Department)

+

Levy necessary to pay for additional pension cost due to increases in the normal (TRS) or system average actuarial (ERS) contribution rate of pension funds over 2 percentage points

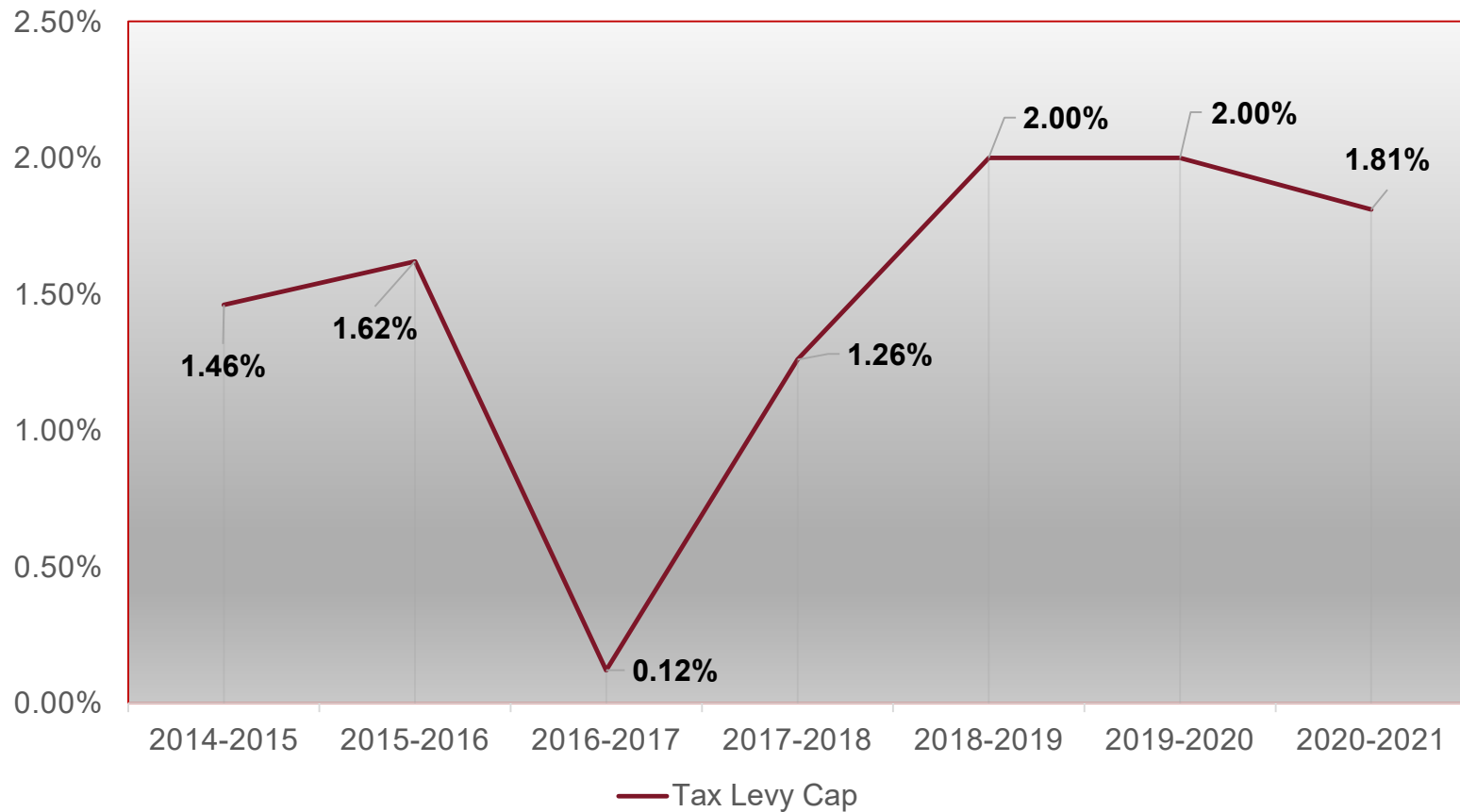
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**Tax Levy Limit
With Exclusions
(If Applicable)³**



History of Our Tax Levy Cap

Tax Levy Cap Figure





Primrose – Projected Enrollment

	Current Enrollment & Sections 2019-2020	Projected Enrollment & Sections 2020-2021
Kindergarten	151 - 8	176 - 8/9
First Grade	183 - 8	155 - 8
Second Grade	180 - 8	189 - 9
Total Enrollment	514	520



SIS – Projected Enrollment

	Current Enrollment & Sections 2019-2020	Projected Enrollment & Sections 2020-2021
3rd Grade	164 - 8	184 - 8
4th Grade	191 - 8	170 - 8
5th Grade	196 - 9	193 - 8
Total Enrollment	551	547



SMS – Projected Enrollment

	Current Enrollment 2019-2020	Projected Enrollment 2020-2021
6th Grade	216	199
7th Grade	236	213
8th Grade	250	238
Total Enrollment	702	650



SHS – Projected Enrollment

	Current Enrollment 2019-2020	Projected Enrollment 2020-2021
9th Grade	270	242
10th Grade	270	276
11th Grade	274	270
12th Grade	287	277
Total Enrollment	1101	1065



Auditing

The District is required by statute to have an external, internal and claims auditor.

- **The independent External Auditor is to audit and review the financials of the District.**
- **The Internal Auditor is to conduct a risk assessment audit and a focused audit of the District's financial operations.**
- **The Claims Auditor reviews and approves payments made by the District to various vendors.**

Each Auditor prepares reports that are submitted to Administration and the Board of Education. Each Auditor meets with the Audit Committee and/or the Board as needed or required.



Audit, Legal and Insurance

Service	2018-2019 Expense	2019-2020 Budget	2020-2021 Proposed
Audit, Legal	\$181,078	\$188,725	\$189,650
Insurances	\$301,807	\$314,950	\$338,420
Total	\$482,885	\$503,675	\$528,070

- **The District retains legal counsel to handle the legal affairs of the District and to provide legal advice as needed by the Board of Education and the Administration.**
- **The District has insurances covering commercial property/fire, general liability, school board legal liability, boilers and machinery, pollution liability, commercial auto, commercial crime, cyber crime and excess catastrophe liability and student accident insurance.**



Buildings and Grounds

- **The B&G Department consists of the following staff:**
 - **1 Facilities Director**
 - **.5 FTE Clerical Support**
 - **22 Custodial staff members and 1 courier**
 - **8 Maintenance staff members**
- **This department maintains 4 school buildings containing 575,721 sq. ft. and approximately 35 acres of grounds.**



Major B&G Expenses

Item	2018-2019 Expense	2019-2020 Budget	2020-2021 Proposed
Equipment	\$68,780	\$42,331	\$40,523
Contractual*	\$81,130	\$112,636	\$117,439
Service Agreements**	\$67,060	\$80,314	\$96,728
Safety/Security***	\$155,332	\$180,327	\$790,338***
Heating Oil	\$414,629	\$518,055	\$501,778
Electricity	\$583,602	\$647,617	\$618,279

*Contractual includes boiler cleanings for 11 boilers, septic tank cleanings, heating service repairs, service on PA system, etc.

**Service agreements includes elevators, generators, gym equipment inspections, Siemens BMS, water testing fees, etc.

***Security includes weekend & night security, after school security guards, and 4 School Resource Officers (SRO). SRO cost previously budgeted for in 1010 account code.



B&G Expenses - Safety/Security – 2020-2021

Category	2018- 2019 Expense	2019- 2020 Budget	2020-2021 Projected Budget
Night/Weekend Security	\$34,928	\$35,952	\$33,392
After School Security	\$137,225	\$144,475	\$142,800
SROs	\$533,772	\$597,708	\$614,146
Total	\$705,925	\$778,135	\$790,338



Transportation

- **Transportation expenses include the Transportation Office, 22 bus monitors, the bus garage, and student transportation.**
- **Estimated 3,060 students transported daily by our transportation vendor, Royal Coach, 2,885 students in district and 175 private/parochial students.**
- **Also included in transportation costs are athletic and co-curricular transportation expenses.**



Contract Transportation (Continued)

- **Students are transported to 35 different school locations daily, and buses are traveling over 700,000 miles annually.**
- Schools transported to include Kildonan, Jesse Kaplan, Windward Upper, Irvington High School, Eagle Hill, Tappan Hill School, Hawthorne Country Day School, Wooster School, Rippowam, Green Chimneys, and 28 more.

2019-2020 Budget	2020-2021 Proposed Budget	Variance
\$4,474,343	\$4,601,629	\$127,286
57 bus/vans	57 bus/vans	



Largest Benefits

■ Health Insurance

■ NYS TRS

- Employer contribution rate is set by the System, and districts have been notified to use the rate of 9.53%.

■ NYS ERS

- Employer contribution composite rate is set by the System at 14.6%.

■ Empire Plan (NYSHIP) for instructional staff

- The plan year runs from January 1st through December 31st.
- A composite rate decrease of 1% for 2020. Estimating a 3.5% increase for 2021.

■ HB Consortium Plan for all other staff

- The plan years runs from July 1st through June 30th.
- Rate increase of 3.0% for the 2020-2021 school year.



Employer Contribution Rates – TRS and ERS

Salary Year	TRS Employer Contribution Rate	Salary Year	ERS Employer Contribution Rate
2011-2012	11.11%	2011-2012	16.30%
2012-2013	11.84%	2012-2013	18.90%
2013-2014	16.25%	2013-2014	20.90%
2014-2015	17.53%	2014-2015	20.10%
2015-2016	13.26%	2015-2016	18.20%
2016-2017	11.72%	2016-2017	15.50%
2017-2018	9.80%	2017-2018	15.30%
2018-2019	10.62%	2018-2019	14.90%
2019-2020	8.86%	2019-2020	14.60%
2020-2021	9.53%	2020-2021	14.60%

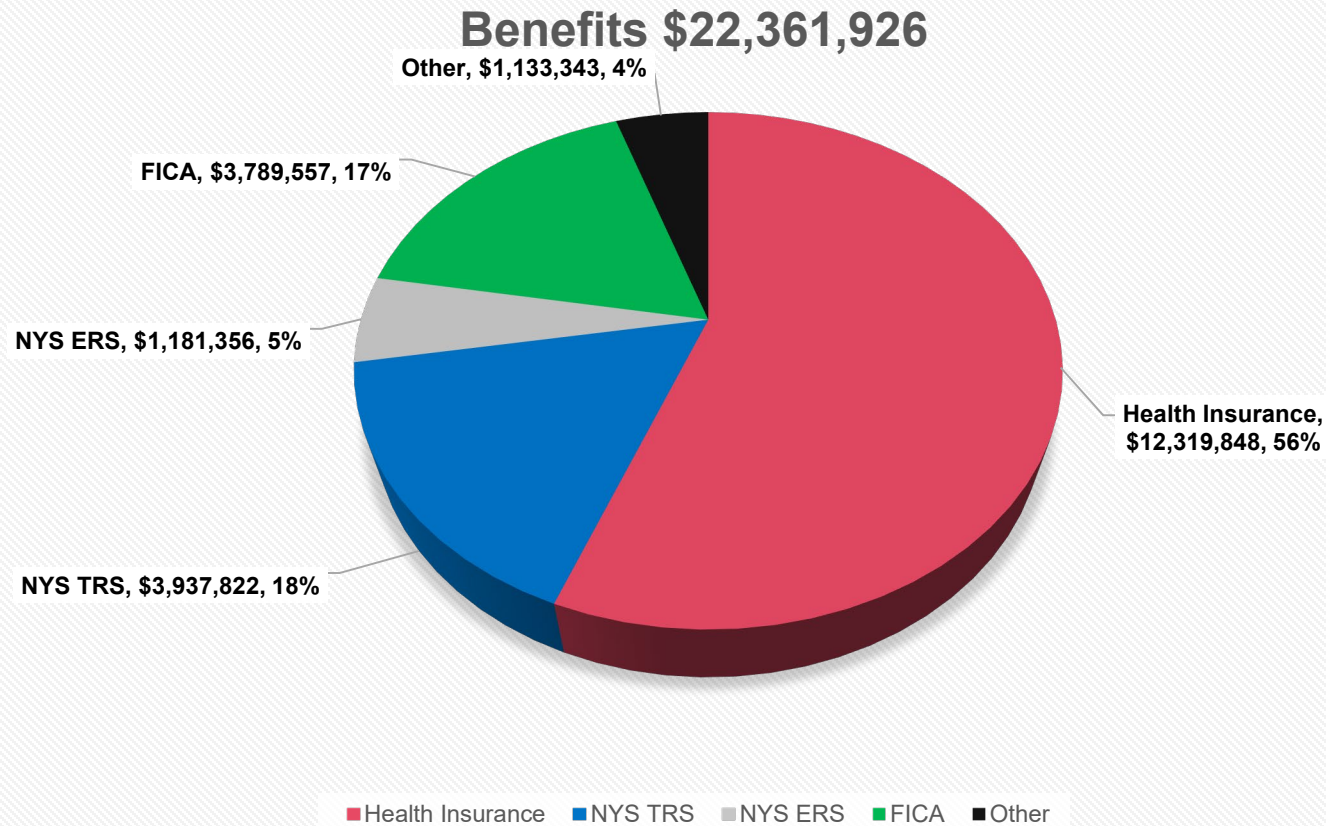


Largest Benefits

	2018-2019 Expense	2019-2020 Budget	2020-2021 Proposed
NYS Employees Retirement System	\$1,087,014	\$1,154,790	\$1,181,356
NYS Teachers Retirement System	\$4,182,889	\$3,558,180	\$3,937,822
Social Security	\$3,510,315	\$3,684,432	\$3,789,557
Health Insurance including Medicare and Buy Out Payments	\$11,575,320	12,234,212	\$12,319,848
All Other Benefits (Unemployment, Workers Comp, Dental, Life, Vision, etc.)	\$1,016,147	\$1,061,263	\$1,090,843



Health Insurance Expense Including Buyback and Medicare Reimbursement





Debt Service as a Percentage of the Budget

Fiscal Year	Debt Service	Debt Service as a % of the Budget
2018-2019	\$4,693,369	5.14%
2019-2020	\$4,817,996	5.14%
2020-2021	\$4,238,726	4.43%
2021-2022	\$4,882,353	



Debt Service

Debt Previously Issued	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Total	\$4,817,996	\$4,238,726	\$4,250,019	\$4,268,744	\$4,263,394

New Debt Issued	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
\$7.6M Safety/ Security Project (Summer 2020)	\$0	\$0	\$632,334	\$636,725	\$633,825

Total Debt	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Total Debt	\$4,817,996	\$4,238,726	\$4,882,353	\$4,905,469	\$4,897,219

Debt service issued will run through 2039-2040



Budget History

Year	Budget	B to B Change	Tax Rate % Increase	Assessments	CPI Figure	Dollars Raised via CPI or \$ Change in Tax Levy
2019/20	93,677,220	2.65%	2.51%	477,821,337	2.44%	\$2,037,808
2018/19	91,257,500	3.31%	1.84%	477,380,603	2.13%	\$1,747,595
2017/18	88,330,309	1.64%	1.31%	475,144,531	1.26%	\$1,318,504
2016/17	86,901,751	0.33%	0.48%	472,798,276	0.12%	-\$25,049
2015/16	86,619,022	1.30%	2.37%	475,525,215	1.62%	\$1,152,989
5 Year Average		1.85%	1.70%			



2020-2021 Proposed Budget

	2019-2020 Budget	2020-2021 Proposed	\$ Change	% Change
School District Budget	\$93,677,220	\$95,677,142	\$1,999,922	2.13%
Use of Fund Balance	\$100,000	\$100,000	\$0.00	0%
Use of Reserves/Debt Service Transfer	\$574,191	\$273,526	-\$300,665	-52.36%
Payment in Lieu of Taxes	\$67,957	\$100,591	\$32,634	48.02%
Revenues - Non Property Taxes	\$13,899,435	\$14,149,357	\$249,922	1.80%
Tax Levy	\$79,777,785	\$81,527,785	\$1,750,000	2.19%



Future Infrastructure Needs – Capital Reserve Fund

It is anticipated that the voters will be asked in May, via a separate proposition, to establish and authorize a transfer of year-end funds to a capital reserve fund to offset the cost of future infrastructure needs.



Upcoming BOE Meeting Dates and Budget Topics

March 3, 2020	Budget Planning Session
March 17, 2020	Budget Planning Session
April 21, 2020	Budget Summary and Budget Adoption
May 12, 2020	Public Budget Hearing
May 19, 2020	Budget Vote and Trustee Election

+ Questions - Budget?

