

Mahopac Central School District

2019-20 Proposed Budget Overview / Review

March 6, 2019



2019-20 Budget Goals

- Stay within the Property Tax Cap.
- Maintain staff and all programs.
- Continue with initiatives to rebuild and grow instructional programs.

2019-20 Budget Process

- Identify the “roll-over” budget to continue serving the needs being addressed in 2018-19. If the need does not exist after 2018-19, it is not in the roll-over budget.
- Identify additional funding in 2019-20 to address outstanding District needs.

2019-20 Preliminary Expenditures (Budget)

| 2019-20 Preliminary Budget (roll-over budget) | 2018-19 Approved Budget | Budget-to-Budget Decrease |
|---|----------------------------|------------------------------|
| \$122,650,141 | \$123,321,009 | \$(670,868) (.54%) |

NOTE: The above 2019-20 Preliminary Budget does not include any new needs identified and previously presented.

Open Items:

- Various 2019-20 BOCES co-ser rates still unknown
- 2019-20 staff scheduling / staffing needs on-going
- Special education annual reviews
 - Out-of-district placements
 - Required related services (e.g., OT, PT, Speech, Counseling, 1:1 Aides)
 - Graduating students
 - Pre-school students moving up into District

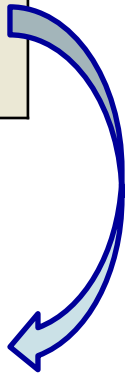
2019-20 Preliminary Revenue Projections

| 2019-20 Preliminary Revenue Projections | 2018-19 Projected Revenue | Budget-to-Budget Increase |
|---|---------------------------|---------------------------|
| \$120,200,646 | \$119,820,259 | \$380,387 (.32%) |

- Property tax levy increase (2.1%) = \$1,779,728
- Decrease in state aid = (\$1,421,834)
- Increase in miscellaneous revenue = \$22,493

Open Items:

- Final state aid figures



2019-20 Preliminary Budget Summary

| | Amount |
|--|----------------------|
| Preliminary Budget (“roll-over” expenditures) | \$122,650,141 |
| Preliminary Revenues: | |
| Tax Levy (2.1%) | 86,528,671 |
| State Aid | 31,055,284 |
| Miscellaneous | 2,616,691 |
| Total Preliminary Revenues | 120,200,646 |
| Current Shortfall – without Assigned Fund Balance and Reserves | (2,449,495) |
| Preliminary Assigned Fund Balance | 2,449,495 |
| Funds Available for District Program Needs – with Assigned Fund Balance | \$0 |

2019-20 Property Tax Levy Cap

Review of the Property Tax Levy Cap :

- Began with the 2012-13 budget year.
- Not a true 2% Property Tax Levy Cap – actually based on a formula that could result in a cap above or below 2%.
- To propose a budget with a tax levy in excess of the Property Tax Levy Cap requires a 60% majority vote by the taxpayers.
- A twice defeated budget must adopt a tax levy no greater than the current year's tax levy.

The District's 2019-20 Property Tax Levy Cap is **3.42%**. This translates into a maximum allowable increase to the tax levy of **\$2,899,348**.

2019-20 Budget – Property Tax Levy History

Property Tax Levy – 5 year History:

| Year | Tax Levy Increase |
|---------|-------------------|
| 2018-19 | .89% |
| 2017-18 | .00% |
| 2016-17 | (.12%) |
| 2015-16 | .99% |
| 2014-15 | .49% |

- The average tax levy increase over the past five years above is .45%.
- The average increase in CPI over the past five years above is 1.34%.

2019-20 Budget – Tax Levy Impact

The following reflects the estimated increase in school taxes under the **Preliminary Budget** (Proposed Tax Levy increase of 2.1%). *Note: the following is based on current 2018-19 assessment levels, equalization rates, and 2019-20 Tax Base Growth Factor.*

| Residence - Fair Market Value | Estimated Tax Increase | |
|-------------------------------|------------------------|-------------|
| | Tax / Year | Tax / Month |
| \$ 300,000 | \$ 117 | \$ 10 |
| \$ 400,000 | \$ 156 | \$ 13 |
| \$ 500,000 | \$ 195 | \$ 16 |

For every .1% increase over the 2.1% Proposed Tax Levy increase, the impact would be:

| Residence - Fair Market Value | Estimated Tax Increase | |
|-------------------------------|------------------------|-------------|
| | Tax / Year | Tax / Month |
| \$ 300,000 | \$ 7 | \$.58 |
| \$ 400,000 | \$ 9 | \$.75 |
| \$ 500,000 | \$ 11 | \$.92 |

Fund Balance / Reserves

| Fund Balance / Reserves | Balance at Y/E 6/30/18 | Balance at Y/E 6/30/17 |
|--|------------------------|------------------------|
| Unassigned Fund Balance | \$ 3,388,005 | \$ 4,812,260 |
| Assigned Fund Balance (to reduce 18-19 Tax Levy) | 3,500,750 | 1,471,203 |
| Tax Certiorari Reserve | 4,172,166 | 4,352,616 |
| Capital Reserve | 2,500,000 | 2,500,000 |
| Property Loss and Liability Claims Reserve | 1,607,367 | 1,607,367 |
| Debt Service Reserve | 125,205 | 125,198 |
| ERS Pension Contribution Reserve | 100,000 | 100,000 |
| Employee Benefit Reserve | 100,000 | 100,000 |
| Workers' Compensation Reserve | 50,000 | 50,000 |
| Unemployment Insurance Reserve | 25,000 | 25,000 |
| Total | \$15,568,493 | \$15,143,644 |

- ✓ NYS limits Unassigned Fund Balance to 4% of the total budget. The District's Unassigned Fund Balance of \$3,388,005 reflects only 2.7% (\$1,544,835 short of the 4% maximum).
- ✓ The annual assignment of fund balance (Assigned Fund Balance) in amounts equal to current levels (\$3,500,750 in 2018-19) is neither predictable, sustainable nor recommended.

2019-20 Budget – Proposed Expenditures

The following reflects a “roll-over” budget broken down by expenditure category:

| Budget Expenditure | 2019-20 Budget (roll-over budget) | 2018-19 Budget (Approved) | Increase / (Decrease) |
|----------------------------|---|-------------------------------------|----------------------------------|
| Salaries | \$ 68,228,306 | \$ 66,840,389 | \$ 1,387,917 |
| Pensions (TRS, ERS, SS) | 12,411,191 | 13,001,982 | (590,791) |
| Health Insurance | 16,172,280 | 14,970,534 | 1,201,746 |
| Contractual/Supplies/Equip | 5,888,407 | 7,454,477 | (1,566,070) |
| Out-of-District Tuition | 5,424,799 | 5,470,797 | (45,998) |
| Debt Service (P&I) | 3,462,081 | 4,867,207 | (1,405,126) |
| Transportation | 6,592,967 | 6,214,582 | 378,385 |
| Utilities | 978,727 | 880,000 | 98,727 |
| Occupational Education | 1,900,914 | 1,900,121 | 793 |
| Insurance | 1,590,469 | 1,620,920 | (30,451) |
| Transfer to Capital Fund | - 0 - | 100,000 | (100,000) |
| TOTAL | \$ 122,650,141 | \$ 123,321,009 | \$ (670,868) |

2019-20 Budget – Proposed Expenditures

Salaries:

| 2019-20 Budget (roll-over) | 2018-19 Budget (approved) | Increase / (Decrease) | % change |
|-------------------------------|------------------------------|--------------------------|----------|
| \$68,228,306 | \$66,840,389 | \$1,387,917 | 2.07% |

- ✓ Consists of all **contractual** employee salaries, stipends, substitutes, overtime hours, and vacation/sick days buy-back.
- ✓ All seven (7) collective bargaining agreements are negotiated between the District and each unit and approved by the Board of Education. In total, there are 800 employees (not including substitutes).

| Unit | # of Employees | Agreement Expiration |
|---|----------------|----------------------|
| Teachers / Nurses | 416 F/T, 1 P/T | 6/30/21 |
| Teaching Assistants | 78 full-time | 6/30/22 |
| Custodians / Bus Drivers & Aides / Mechanics / Groundskeepers | 66 F/T, 81 P/T | 6/30/19 |
| Admin. Support (clerical and aides) | 56 F/T, 2 P/T | 6/30/19 |

| Unit | # of Employees | Agreement Expiration |
|----------------|----------------|----------------------|
| Administrators | 17 full-time | 6/30/19 |
| Supervisory | 13 full-time | 6/30/22 |
| Monitors | 55 F/T & P/T | 6/30/18 |

| | | |
|-----------------------|--------------|---------|
| Individual Agreements | 15 full-time | various |
|-----------------------|--------------|---------|

2019-20 Budget – Proposed Expenditures

Pensions:

| 2019-20 Budget (roll-over) | 2018-19 Budget (approved) | Increase / (Decrease) | % change |
|-------------------------------|------------------------------|--------------------------|----------|
| \$12,411,191 | \$13,001,982 | (\$590,791) | (4.54%) |

- ✓ Reflects the District's employer contribution paid to the NYS Teachers' Retirement System (TRS), NYS Employees' Retirement System (ERS), and the Social Security Administration (SS). The rates are set annually by each of the respective pension organizations.

Impact of rate 2019-20 rates:

| Pension | 2019-20 Employer Contribution Rate | 2018-19 Employer Contribution Rate | \$ Impact |
|---------|--|--|-------------|
| TRS | 8.86% | 10.63% | (923,845) |
| ERS | 14.85% | 14.9% | 93,534 |
| SS | 7.65% | 7.65% | 239,520 |
| | | | (\$590,791) |

2019-20 Budget – Proposed Expenditures

Health Insurance:

| 2019-20 Budget (roll-over) | 2018-19 Budget (approved) | Increase / (Decrease) | % change |
|-------------------------------|------------------------------|--------------------------|----------|
| \$16,172,280 | 14,970,534 | \$1,201,746 | 8.02% |

- ✓ For employee health benefits, the District is part of the Putnam / Northern Westchester Health Benefits Consortium (PNWHBC). The PNWHBC is a self-funded municipal health insurance cooperative comprised of 13 school districts and 1 BOCES. **The premium rate increases for 2019-20 range from 2.52% to 3.28%.**
- ✓ Dental and vision (welfare) benefits are provided in accordance with the employee’s respective bargaining unit’s contract.
- ✓ For those employees who forego health insurance coverage offered by the District and opt for coverage under another employer’s health plan (i.e., spouse’s health plan), the District pays them between \$1,000 – \$3,800 as a “buy-out” option.

2019-20 Budget – Proposed Expenditures

Health Insurance (cont.):

PNWHBC

Active Employees

Single Coverage

Annual Premium = \$9,372

Family Coverage

Annual Premium = \$24,528

Employee + 1 Coverage

Annual Premium = \$22,488

Employees' contribution to health insurance ranges from 0% to 18% for active employees and 0% to 65% for retired employees.

Retired Employees

Non-Medicare Eligible:

Single Coverage

Annual Premium = \$9,372

Family Coverage

Annual Premium = \$24,528

Employee + 1 Coverage

Annual Premium = \$22,488

Medicare Eligible:

Single Coverage

Annual Premium = \$8,424

Family Coverage

Annual Premium = \$17,700

2019-20 Budget – Proposed Expenditures

Health Insurance (cont.):

Throughout the year, various events affect the District’s cost of providing health insurance.

Open Enrollment

Every May, the District holds an open enrollment period whereby an employee can change their health insurance choices.

Qualifying Events

At any time during the year, an employee could have a qualifying event that would allow them to change their health coverage. Qualifying events are identified under federal law and consist of events such as a birth of a child, an employee getting married, loss of coverage provided by one’s spouse, or death of a spouse.

Mid-year Retirements

At any time during the year, an employee could retire from employment with the District. This typically results in the employee receiving “retiree” health insurance coverage AND their replacement receiving “active” health insurance coverage or the buy-out option.

| PARTICIPANT BREAKDOWN: | Active – Single | Active - Family | Active – Employee + 1 | Retiree – Single | Retiree – Family | Retiree – Employee + 1 | Retiree – Medicare Single | Retiree – Medicare Family | Health Insurance Buy-out |
|-----------------------------------|--------------------|--------------------|-----------------------------|---------------------|---------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|
| # of Participants | 180 | 254 | 73 | 18 | 18 | 36 | 224 | 124 | 271 |

2019-20 Budget Process

March 18, 2019 BOE Budget Development Meeting (Falls School @ 7:30 pm)

March 25, 2019 BOE Budget Development Meeting (Falls School @ 7:30 pm)

April 11, 2019 BOE Budget Development Meeting (Falls School @ 7:30 pm)

April 23, 2019 BOE Budget Development Meeting (Falls School @ 7:30 pm)
(2019-20 Budget adoption)

May 7, 2019 Annual Budget Hearing (Mahopac Falls School @ 7:30 pm)

May 21, 2019 **Budget vote and Board of Education Election**
(Mahopac High School Gymnasium @ 6 am to 9 pm)