



SCARSDALE FORUM

SCARSDALE FORUM INC.

Report of the Education Committee

On

The Need for a Long-Term Financial Plan in the Scarsdale School District

January 18, 2018



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THE SCARSDALE FORUM, INC.

The Need for a Long-Term Financial Plan in the Scarsdale School District

The Forum's Education Committee, along with The Government Finance Officers Association (GFOA) and the New York State Association of School Business Officials (NYSASBO), are proponents of school districts creating and implementing long-term financial plans.

The Education Committee proposes the following resolution for Adoption by the Forum:

RESOLVED, that the Scarsdale School District should:

- 1.) Create and implement a five-year long-term financial plan that it updates annually,

and,
- 2.) Create an ad hoc committee comprised of Scarsdale School administrators, educators, Board of Education members, and community residents who have a diversity of professional experience and expertise to collaborate with the Scarsdale School District on development of its long-term financial plan.



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Executive Summary

The Scarsdale Union Free School District (the “District” or “Administration”) is Scarsdale Village’s largest enterprise. With an annual budget of about \$150 million, and more than 700 full and part-time employees, the Scarsdale School District dwarfs every other organization in Scarsdale Village in scale and scope. Given the District’s importance to the Scarsdale community, the Scarsdale Forum’s Education Committee (the Committee) respectfully recommends that the Scarsdale Schools Administration adopt the best practices of similar sized organizations, both public and private, to create and implement a five-year long-term financial plan to aid it in its decision making. The Committee encourages the District to undertake the creation of a long-term financial plan and a quantitative model that projects the costs of maintaining current programs and enrollment, and that takes into consideration enhancing existing plans.

The Government Finance Officers Association (GFOA), the New York State Association of School Business Officials (NYSASBO) and New York State Assemblywoman Amy Paulin are also proponents of school districts creating and implementing long-term financial plans. The Scarsdale School District includes as one of its three-year transition plan¹ objectives for 2017-2018, creating a five-year long-term financial plan ‘to align goals to practice.’ The Education Committee commends the Scarsdale School District for announcing on December 11, 2017, at a Board of Education (the Board) meeting, that it will create a five-year long-term financial plan in the near future.

The Education Committee of the Scarsdale Forum, as a dedicated group of Scarsdale residents, created a financial model to share with the Administration and the Board. The Committee is pleased to present this long-term financial model to the Administration and the Board with the hopes of helping facilitate dialogue about long-term planning with all relevant stake holders in the Scarsdale schools. The members who contributed to this plan and the report have backgrounds in financial modeling, accounting, economics, finance, and education.

The goal of the Committee’s long-term financial model is to forecast the annual expenditures of the schools for the next five years. In the Committee’s long-term financial model, the annual growth rate the base case model produces ranges from 1.8%-2.4% over the next five years, a tad over the inflation input, driven mostly by healthcare costs. The

¹ <https://docs.google.com/spreadsheets/u/2/d/1fx3IJ9FF5PoEOVLpdR8i1jisp-GrokET2wsPSLZGwhg/pubhtml>



model design and a description of how the model functions is described in this report; a copy of the full model is in Appendix II.

The Committee believes that this dynamic financial model would enable the District and the Board to consider various scenarios involving changes in enrollment and the range of diverse cost drivers. A long-term financial plan would allow the District and Board of Education to more accurately forecast the impact of long-term employment contracts and manage its collective bargaining negotiations to target an overall level of budget growth. Additionally, the Committee believes that this model can be a very useful tool in considering the financial resources needed to maintain or expand the current curriculum and the facilities renovations and additions needed.

An essential component of financial modeling is to conduct a stress test, that is, to include well thought out assumptions about possible shocks that could challenge an organization reaching its stated objectives. The Education Committee recommends that once the Scarsdale school district has chosen the long-term financial model that it wants to use, that the District apply, at least annually, shocks to the model such as stock market downturns, healthcare cost spikes, unemployment rises, and gross domestic product (GDP) declines, in order to determine whether its reserves are sufficient to withstand unexpected adverse developments. The Scarsdale School District could use as guidance the economic scenarios² that the Federal Reserve Board annually requires banks in the United States utilize when they forecast the impact of market shocks. A financial model would also help the District and Board establish not only base and worst-case scenarios, but also to look at a best case. This type of analysis would enable the District and Board to look at a range of outcomes given different enrollment, economic, or legislative changes to help them with important decision making.

As always, the Education Committee stands ready to assist the District and Board with any necessary financial modeling or research. Moreover, the Committee recommends that the School District should create an ad hoc committee of residents of all five neighborhoods who can periodically meet with the district to discuss model inputs and stress scenarios that could impact the District's financial stability and its ability to meet agreed upon education objectives.

² Please see <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20170203a5.pdf> for details on the methodology of the Federal Reserve macroeconomic shocks.



The Need for Long-Term Financial Planning

Like any sovereign, business, or municipality, school districts need a long term financial plan to match financial needs to educational objectives and capital projects. Moreover, an important element in a financial plan is not only to come up with a base case, but also to develop a worst-case scenario that encompasses stresses that can arise due to unexpected macroeconomic, fiscal, legislative, or natural disaster shocks.

Recent tax legislation is an example of an unanticipated fiscal strain on the District with yet unknown consequences that should be considered in the District's planning. Currently, without a long range fiscal plan, there is no way for the District to document its consideration of the effect that the new federal income tax law may have on residents who are now subject to limits on local and state tax deductions. Like some consequences of the 2007-2009 recession and financial crisis, a limit on deductibility could affect whether empty nesters decide to accelerate leaving Scarsdale. If an increase in empty nesters leaving were to be accompanied by a sharp rise in student enrollment from families with children relocating to Scarsdale, this could put strain on District resources and finances. The District should likewise consider whether the dramatic reduction of SALT deductions will put added pressure on the State to contain the growth of its budget. Yet another consideration is whether the District can continue to anticipate flat state aid, or instead should include in its long term financial plan the possibility of reduced or no state aid at all.

A long-term financial model and plan would allow the District to document its analysis and consideration of unexpected stresses on Scarsdale in order to more prudently and effectively plan for its present and future needs.

Education Committee of the Scarsdale Forum

The Committee first developed its own long term financial model for the District in preparation for its April 8, 2010 report³ on the 2010-11 school budget. In that report, the Committee recommended that the District set a long-term goal of matching budget growth and tax growth to inflation adjusted for changes in enrollment. It also suggested that the

³ <https://www.scarsdaleforum.com/Reports/View/52/39>



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District prepare and publish a rolling five-year forecast for capital expenditures and a minimum of two years for operating budgets.

On February 3, 2011, the Education Committee published a report⁴ with the full long term financial model, including a Ten-Year Trend Analysis (2000-2011) in Appendix A to interpret the model.

On February 6, 2017, the Committee released its report “Proposal of the Education Committee for a New Paradigm of Resilient Community Problem-Solving and Development of a Long Range Financial Plan in Support of the Scarsdale Schools as Its First Design Challenge.” In that report, the Education Committee wrote that “One of the goals that has been discussed by the School Board and Administration is a long-range financial plan (the “Plan”) for the school district. Because this [writing a financial plan] is a major project and because of the day-to-day demands of the School Board and Administration, we suggest that the first Design Challenge should be to assist the School Board and Administration on creating a long-range financial Plan. By leveraging the expertise of the School Board and Administration on the one hand, and the knowledge and enthusiasm of residents and community groups, we can develop a Plan that makes the District a model of resiliency in Scarsdale while generating buy-in from a wide swath of the community.”⁵

Subsequent to the February 2017 report, the Committee created and distributed an online School Topics Survey during May-June 2017 asking Scarsdale residents what the Committee should research, write and report upon during 2017 and 2018. The number one topic chosen by residents was “the need for long-term financial plan.”⁶

⁴ Report of the Education (Finance) Committee on The Scarsdale Schools Compensation System. The report can be found in the public reports section of the Scarsdale Forum website: <https://www.scarsdaleforum.com/Reports/View/101/65>

⁵ Report of the Committee on “Proposal of the Education Committee for a New Paradigm of Resilient Community Problem-Solving and Development of a Long Range Financial Plan in Support of the Scarsdale Schools as Its First Design Challenge,” February 2017. <https://www.scarsdaleforum.com/Reports/View/545/165>

⁶ “Report of the Education Committee On School Topics Survey,” June 29, 2017. <http://conta.cc/2tqK5kE>



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% of Respondents by Topic Ranking

Answer Options, % of Respondents	1	2	3	4	5	6	7	8	9	10	11	12
The need for a school district long-term financial plan	34	20	14	8	5	9	3	2	2	1	1	2
Program evaluation process and metrics	33	21	7	8	10	9	4	2	3	1	1	1
Community Design Initiative	10	11	11	12	10	6	15	7	4	5	5	4
Financial literacy in school courses	2	12	12	19	12	7	10	7	7	1	7	4
Indirect(Not in the Classroom) vs Direct (Classroom) staff evolution & trends	1	5	12	11	18	10	8	17	12	2	4	1
Facilities usage for non-education community activities	5	5	6	9	8	9	7	16	8	8	10	9
Teacher recruitment market trends and strategies	2	7	14	11	10	14	10	8	8	11	3	2
New rules on residency requirements	1	6	10	6	8	4	4	4	16	11	13	16
Pushing the junior and senior year curriculum to begin with equal rigor earlier in high school	5	3	6	9	6	6	8	7	8	19	15	8
How should additional minutes added to the curriculum be utilized?	11	12	13	3	7	8	8	10	10	2	11	4
Ties between the Village and School	7	15	3	5	10	9	12	10	3	12	10	4
Should the school consider developing how to create Effective Online and Blended Courses?	8	1	7	7	3	9	5	5	7	13	5	30

The Education Committee followed-up the School Topics Survey with a live poll event⁷ at Village Hall on September 7, 2017 to encourage a community-wide conversation about Scarsdale's schools. Residents were asked to prioritize their objectives for a Scarsdale schools long-term financial plan. Respondents' first choice for a long-term financial plan⁸ was for it to "provide the school district sufficient funds to prepare kids with skills to live in the next decade." The second choice was for the plan to "ensure fiscal responsibility and sustainability." And the third choice was for the plan to "provide the school district sufficient funds to prepare kids to get into the best colleges."

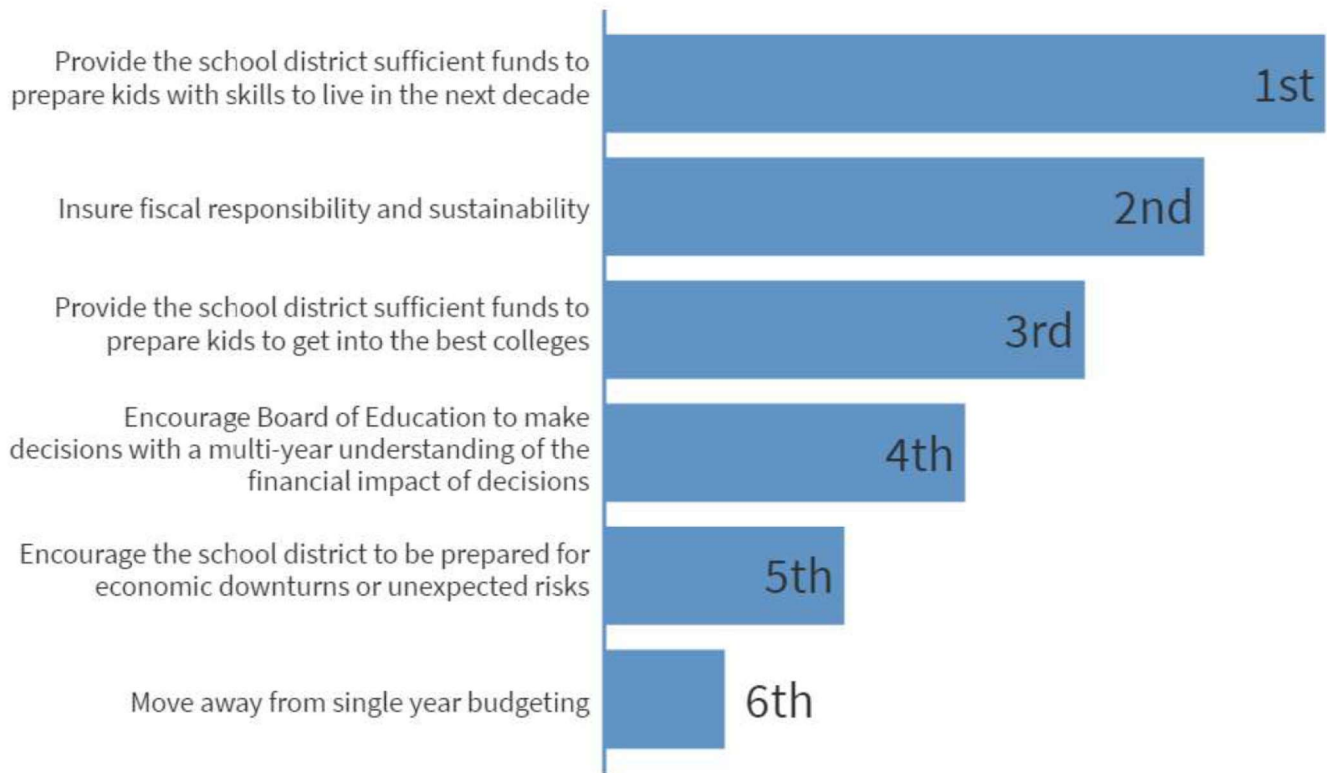
⁷ <http://myemail.constantcontact.com/Scarsdale-Schools--2017-and-Beyond.html?soid=1125327673013&aid=gjT-acIOOVY>

⁸ Scarsdale Schools: 2017 and Beyond, Live Event at Village Hall, September 7, 2017.



Prioritize your objectives for a Scarsdale Schools long-term financial plan (please rank by dragging selections)

Poll locked. Responses not accepted.

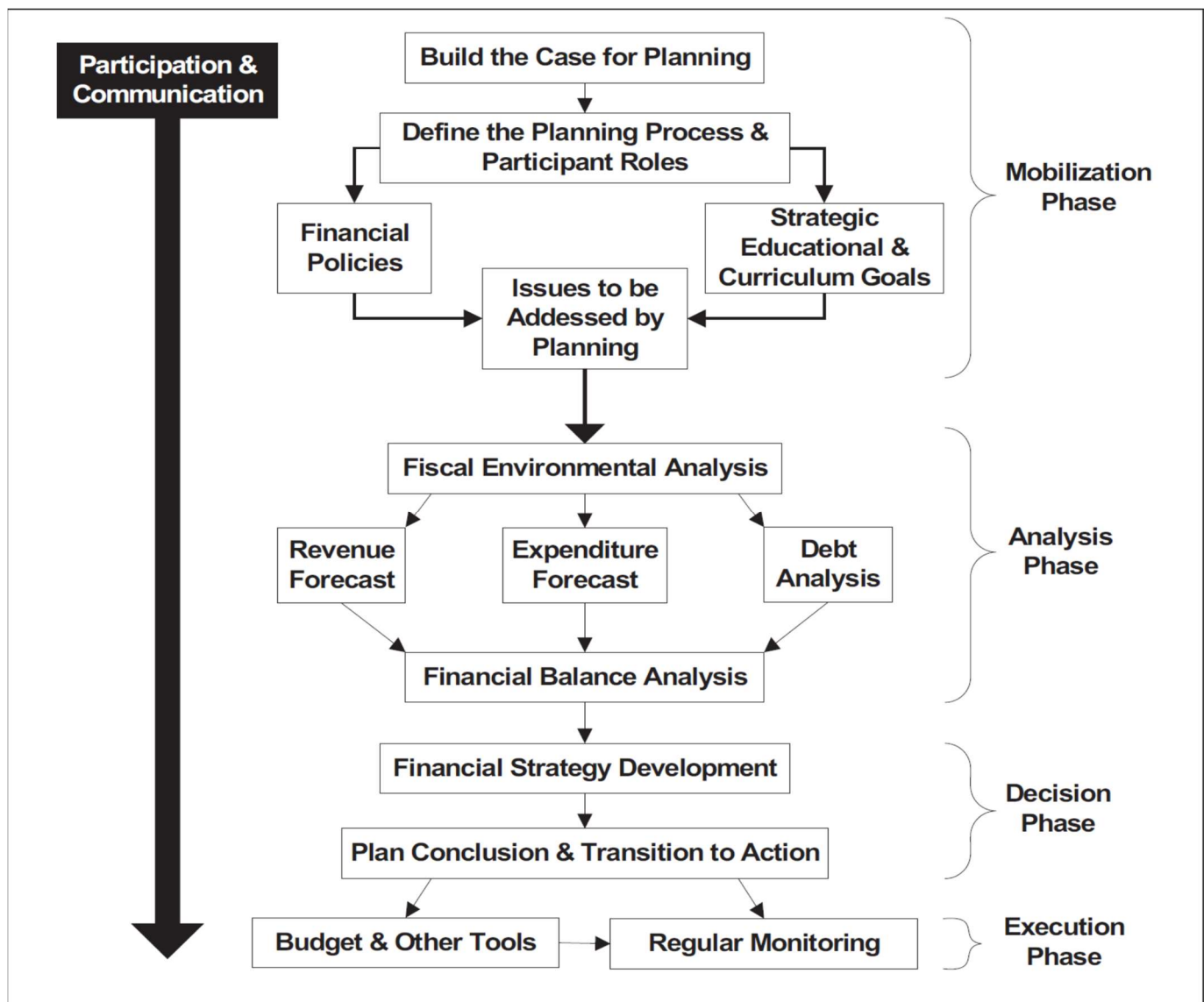


Source: Forum's Education Committee Live Poll Event, September 7, 2017.

Government Recommendation

Long-term financial planning for schools is recommended at the national level in the United States. The Government Finance Officers Association recommends a four-phase approach to financial planning: the mobilization phase, the analysis phase, the decision phase and the execution phase.⁹

⁹ Kavanagh, Shayne 'Making the Grade: Long-Term Financial Planning at Schools,' GFOA Research Report 07-005, p.3.



Source: Government Finance Officers Association

The GFOA recommends that the Board of Education, Superintendent, Chief Financial Officer, principals, teachers, support staff and parents should all be stakeholders in long-term financial planning.¹⁰

¹⁰ Ibid, pp. 4-5.



In New York State, there is also focus on the need for long-term financial planning at schools. In 2015, the New York State Association of School Business Officials (NYSASBO)¹¹ published recommended best practices in writing a long-term financial plan for schools entitled “Engage in Long-Range Financial Planning.” The NYSASBO was concerned that “In the turbulent economic and policy environment of the past six years, involving freezing and deficit reduction of state education aid, a quest to slow the growth of local education taxes through a statewide Tax Cap and policy changes affecting teacher evaluation, assessment, data privacy and learning standards, school districts need to use every resource and tool to ensure effective and efficient management of school resources.”

According to the NYSASBO, “Many districts are establishing long-range financial plans. These plans are critical to maintaining sound fiscal health while maintaining educational programs for students. A long-range financial plan can link multi-year budgets to show what decisions are necessary to maintain programs and fiscal stability over the long term.” Long-term financial plans “can assist administrators and school boards in understanding the long-term impact of decisions made today. They take into consideration community priorities, anticipated student enrollment, curriculum mandates, technology needs of students, facility needs, contractual provisions, rapidly increasing cost items, anticipated state resources, property tax caps and use of reserve funds.”

Below are highlights of NYSASBO’s recommendations of best practices in writing a long-term financial plan:¹²

1. Include all of the key stakeholders in the development of the long-range financial plan, making the general public, including parents and students aware of the work. Board of education members, superintendent, curriculum director, business official, facilities director, principals, and teachers are also key stakeholders.

¹¹ NYSASBO was established in 1948 and is a 501(c) (3) charitable non-profit membership organization affiliated with the Association of School Business Officials International and chartered by the New York State Board of Regents. Its membership includes school business officials and staff from school districts and BOCES around the state including students in School District Business Leader graduate programs and companies doing business with schools. <https://www.nysasbo.org/>

¹² New York State Association of School Business Officials

https://www.nysasbo.org/uploads/Best%20Practices%20Files/1431359355_Engage%20in%20Long-Range%20Financial%20Planning.pdf



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2. Basic components. Long-range financial plans should include five basic components: expenditures, revenues, fund balance, the five-year capital plan and a plan to accomplish the district's instructional goals.
3. Uncertainties. Do not avoid long-range financial planning because of uncertainties about state aid, the allowable growth factor for the Tax Cap, contractual increases in times of contract negotiations and increases in health insurance and pension costs. Instead carefully document and articulate the assumptions that are in the financial forecast.
4. Estimating Expenditures. Most district expenditures such as salaries, retirement system contributions, and debt service requirements are fixed costs that are fairly simple to estimate over the next five years based on current contracts, projections of full-time equivalent staff, information provided by retirement systems and debt service schedules maintained by districts. Estimates for utilities and transportation may be based on historical increases over the past three to five years. School officials can document facility maintenance costs with the assistance of qualified professionals (engineers and architects) by updating and utilizing the building condition survey. This document is required to be updated every five years but doing annual updates will give the district a tool that provides current information and costs.
6. Consider the potential for savings by using the following approaches:
 - Review collective bargaining agreements and seniority lists and understand the terms and conditions for layoffs and recall provisions.
 - Work with union leadership. Reductions by attrition are more cost effective than layoffs. Layoffs affect the least senior people, result in less savings due to the lower salaries of less senior staff, and have significant additional unemployment cost associated with them.
 - Concerning possible labor concessions, share with your bargaining unit leadership what can be accomplished with concessions compared to layoffs.
7. Estimating revenues. Revenues and more specifically state aid are likely to be the most challenging component of a long-range plan to develop. Generally, revenues other than property taxes and state aid are a



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very small component of total revenue and tend to follow historical trends. With three years of experience with the Tax Cap, Business Officials will be able to estimate future property tax revenue with some degree of reasonableness. State aid is less predictable¹³.

8. Use of Reserves. The new reality of district budgeting is the inevitable use of fund balance and reserves. Boards and community members must remember that use of fund balance and reserves to balance the budget is a reliance on “one shot” revenues. Once used, they are not available for future years and the budget may be unsustainable.

All of NYSASBO’s recommended best practices can be found in Appendix I.

New York State Senate and Assembly

Bill S1651 is an act introduced to amend the education law, in relation to long range financial planning for school districts. S1651 was sponsored by Senator David Carlucci of the 38th Senate District.

Specifically, the bill would require that “a new section 3817 of the Education Law is added, entitled the long range financial plan. It requires school districts to develop and adopt three-year long range financial plans and post these plans along with their audited financial statements and adopted annual budgets on their websites.”¹⁴ Senator Carlucci’s justification for introducing this bill is that: “School district finances have become increasingly complex and difficult to manage, particularly during times of fiscal stress. School boards and voters should know how current decisions will affect the ability of the school district to carry out its educational mission in the future. In addition, a school district’s fiscal condition should be transparent and made available in a format accessible to the public so they can make informed decisions. Proper long range financial planning is critical to insuring that school districts have the resources necessary to prepare their students to be college and career ready.”¹⁵

¹³ Critics are not satisfied with how state aid is distributed throughout school districts in New York. <http://lohud.nydatabases.com/database/state-aid-school-districts> There are also concerns about how recent changes in the federal tax code will affect state coffers.

¹⁴ The New York State Senate, <https://www.nysenate.gov/legislation/bills/2017/S1651>

¹⁵ Ibid.



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In the Assembly, A1060 is a similar bill to require school districts to comply with long term financial planning. One of the bill's sponsors¹⁶ is Assemblywoman Amy Paulin, a resident of Scarsdale, New York. At the time of writing this report, the bills were in committee.

Scarsdale School District

On November 13, 2017, the auditors for the district recommended that it create a long-term financial plan. The auditors mentioned that they had made that recommendation in 2016 as well.¹⁷

At a December 11, 2017 Board of Education meeting, Dr. Thomas Hagerman and Assistant Superintendent Stuart Matthey announced that the district will be working on a five-year long-term financial plan.¹⁸ The Education Committee commends Mr. Matthey's discussion at that meeting of the important factors that go into the creation of the budget and long-term financial plan. The Committee agrees that these factors are also very important in long term financial planning, especially the need for resident input to understand residents' educational and fiscal objectives.

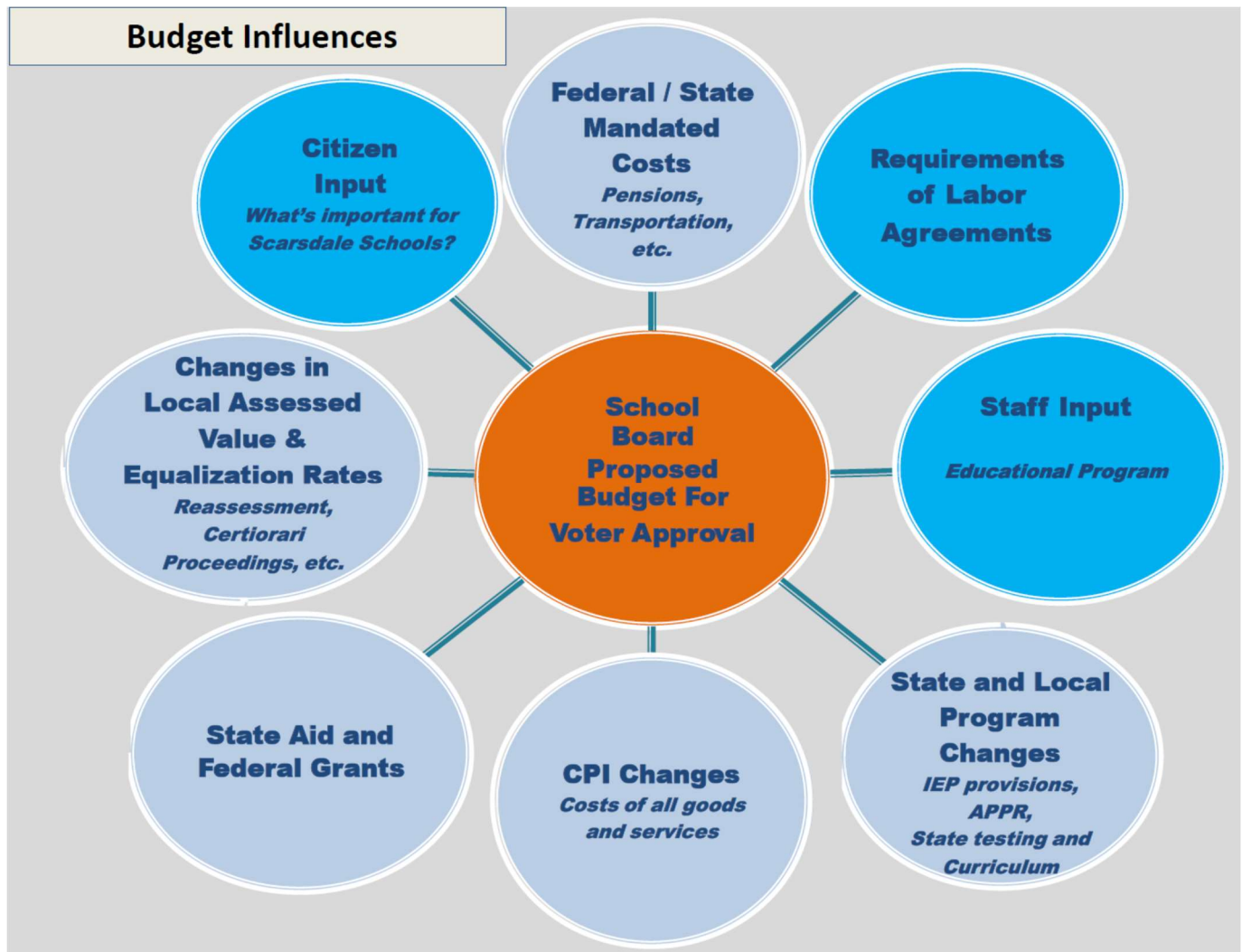
¹⁶ The New York State Assembly <https://www.nysenate.gov/legislation/bills/2017/A1060#yes>

¹⁷ Scarsdale Board of Education meeting, November 13, 2017.

¹⁸ <https://www.scarsdaleschools.k12.ny.us/cms/lib/NY01001205/Centricity/Domain/5/Scarsdale%20UFSD%20-%20Dec%2011%202017%20Budget%20Final.pdf>



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Source: "Budget Development, Historical Overview, and Financial Projections," Scarsdale Schools, December 11, 2017.¹⁹

¹⁹ [https://www.boarddocs.com/ny/scarsdale/Board.nsf/files/ATUTJB7662E8/\\$file/Scarsdale%20UFSD%20-%20Dec%2011%202017%20Budget%20Final.pdf](https://www.boarddocs.com/ny/scarsdale/Board.nsf/files/ATUTJB7662E8/$file/Scarsdale%20UFSD%20-%20Dec%2011%202017%20Budget%20Final.pdf)



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The Long-Term Financial Model

The Forum's Education Committee is comprised of active stakeholders in Scarsdale schools. All members live in the community. The members are comprised of empty nesters and parents with children at the elementary, middle, and high schools. This long-term financial model was created by members of the group who are accountants, equity analysts, and financial analysts in their professions. The financial model was first published in Forum reports in 2010 and 2011. The model has been subsequently updated and rolled forward. It was peer-reviewed by other members of the committee with similar financial and modeling backgrounds but who were not the model designers.

Methodology

The goal of the model is to forecast the annual expenditures of the schools for the next five years. The first step is to input historical unit counts and financial data. "Budget" data is not used as it is clouded by estimates, surpluses and changes to reserves. Instead, "Actual" expenditures are extracted from the District's "Budget Books" as these are the most accurate figures for forecasting since they represent what was disbursed by the District, not what was estimated before disbursement. Actual figures are also the basis for the District's financial statements in its Annual Report²⁰ and SEC filings.²¹ The second step is to extract key forecasting variables, ratios, averages, percentages and growth rates from the historical data. Where possible, these figures are corroborated with external sources such as the New York State Education Department's Basic Educational Data System or the New York State Teachers' Retirement System. The third step is to forecast the variables five years forward using historical trends and ranges, supplemented with any specific directional knowledge available. The last step is to use these inputs to derive expenditures in dollars. Once the model is constructed accurately, the user can input his/her own scenarios and evaluate the resulting output for use in decision making. Revenues and fund balances are not forecasted as they are driven by the cost estimates, but these could be easily added if desired.

²⁰ [https://www.boarddocs.com/ny/scarsdale/Board.nsf/files/AT3NUT5FF466/\\$file/Scarsdale UFSD DRAFT AFS as of 6-30-17.pdf](https://www.boarddocs.com/ny/scarsdale/Board.nsf/files/AT3NUT5FF466/$file/Scarsdale_UFSD_DRAFT_AFS_as_of_6-30-17.pdf)

²¹ <https://www.scarsdaleforum.com/Reports/View/109/66>



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Summary Model

The following is a one-page summary of the key inputs and outputs of the model. It shows the current year budget and 5 years of forward estimates. The most important forecasting variables are located in the box, with a brief explanation for this base case scenario under the Forecasting Notes column. This is basically the “roll-over” budget with the education program “as is”. New programs would increase these estimates. Other scenarios can be easily calculated by changing these inputs.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	FORECASTING
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	NOTES
FORECASTING INPUTS							
Enrollment Growth Rate	-0.21%	-0.23%	0.00%	0.00%	0.00%	0.00%	Down 11 in '18-'19, then flat is base case assumption. Current ratio maintained. Near historic lows. Current ratio maintained. Near historic lows. Negotiated Amounts Per Contract thru 2020. Then inflation. Steps, Lanes, Net Retirements. Big wild card.
Student/Teacher Ratio	11.4	11.4	11.4	11.4	11.4	11.4	
Student/Non-Teacher Ratio	23.8	23.7	23.7	23.7	23.7	23.7	
Negotiated STA COLA	1.50%	1.30%	1.20%	2.00%	2.00%	2.00%	
+Non-COLA % Raises	0.32%	0.50%	0.50%	0.50%	0.50%	0.50%	Blend of recent contracts for 2 years, then inflation. State says ECR to rise for 2 yrs as discount rate is cut to State Fund says a slight decrease in ECR for coming year. Light growth in 18-19 coming off big jump. Then actuary Assume small bump after big 17-18, then use actuaries Flat. Historical steady but trending higher last few years. Assume 2% through forecast period. Bias is going higher.
=% Chg in Avg Teacher Salary	1.82%	1.80%	1.70%	2.50%	2.50%	2.50%	
% Change in Avg Non-Teacher Salary	3.71%	1.50%	1.25%	2.00%	2.00%	2.00%	
TRS as a % of Teacher Salary	11.3%	12.4%	13.0%	12.0%	11.0%	11.0%	
ERS as a % of Non-teacher Salary	11.8%	11.5%	11.0%	10.5%	10.0%	10.0%	
Healthcare % Change vs Prior Yr.	19.0%	4.0%	6.5%	6.0%	5.5%	5.0%	
Healthcare % of Total Salaries	21.0%	23.6%	24.7%	25.6%	26.0%	26.9%	
All Other Benefits % of Total Salaries	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	
Inflation (CPI)	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	
UNIT DATA							
Enrollment	4,769	4,758	4,758	4,758	4,758	4,758	District census consultant could give inputs here.
growth rate	-0.2%	-0.2%	0.0%	0.0%	0.0%	0.0%	
Teachers and Librarians	419.3	418.1	418.1	418.1	418.1	418.1	New programs assumed to be staffed out of current levels.
Non-Teachers (Admin, Prof, Civil)	200.6	200.6	200.6	200.6	200.6	200.6	
= Total Staff	619.9	618.7	618.7	618.7	618.7	618.7	
growth rate	1.9%	-0.2%	0.0%	0.0%	0.0%	0.0%	
SCHOOL EXPENDITURES							
Teacher Salaries	57,417,101	58,283,981	59,274,809	60,756,679	62,275,596	63,832,486	Forecast to grow at same rate as non-teacher salaries
Aides Salaries	4,178,829	4,241,511	4,294,530	4,380,421	4,468,029	4,557,390	
Substitutes, Leaves, Misc Salary	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Non-Teacher (Admin, Civil Svc)	19,941,195	20,239,459	20,492,452	20,902,301	21,320,348	21,746,754	
Driver Salaries	2,323,736	2,358,592	2,388,074	2,435,836	2,484,553	2,534,244	Increase expected in 2019 and 2020. Then fade lower.
Sub-Total Salaries	84,860,861	86,123,544	87,449,866	89,475,237	91,548,526	93,670,874	
% Change	3.7%	1.5%	1.5%	2.3%	2.3%	2.3%	
TRS	6,500,000	6,698,034	7,141,675	6,718,638	6,315,881	5,828,398	
ERS	2,362,782	2,016,469	1,967,426	2,026,452	2,193,531	2,226,341	Growing much faster than inflation.
Healthcare	17,820,845	18,533,679	19,738,368	20,922,670	22,073,417	23,177,088	
All Other Benefits	8,184,329	8,553,957	8,698,393	8,921,063	9,249,834	9,387,466	
Sub-Total Benefits	34,867,956	35,802,138	37,545,862	38,588,823	39,832,663	40,619,293	
% Change	3.8%	2.7%	4.9%	2.8%	3.2%	2.0%	
Debt Service - Existing	7,668,800	7,667,500	2,300,200	2,308,400	2,309,400	2,314,125	Per existing Schedule. Fixed. Known. Assumes entire delta of retiring P&I is recommitted.
Debt Service - New Bonds	-	-	5,300,000	5,300,000	5,300,000	5,300,000	
All Other (Facil,Util,Veh,STI, etc)	25,893,148	26,411,011	26,939,231	27,478,016	28,027,576	28,588,128	Forecast to grow at inflation. Been ramping hard last 4
% Change	6.4%	2.0%	2.0%	2.0%	2.0%	2.0%	
Total Expenditures	153,290,765	156,004,193	159,535,159	163,150,476	167,018,165	170,492,419	<----- KEY OUTPUT LINES
% Change	4.0%	1.8%	2.3%	2.3%	2.4%	2.1%	



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Enrollment has been declining for the last three years, and is expected to decline again in the coming year by 11 to 4,758.²² In years 2-5, the base case model assumes zero change in enrollment. Calibration with the District census could be input as well.

Staffing Ratios in the base case are assumed to be unchanged going forward from the current year. The District has just come through a several-year hiring bulge, improving Student/Teacher ratio. It now stands at 11.4, or near historical bests. The base case assumes any new programming initiatives will be managed within current staffing levels. The Student/Non-Teacher ratio is held level at 23.7, which represents the highest level of staffing in ten years.

Total Teacher Salaries are forecast by estimating the District's average salary and multiplying that by the teacher counts produced by the staffing ratios above. The annual change in the District average salary is parsed into cost of living adjustments (COLA) increases, and Non-COLA increases. With the collective bargaining contract in place, we know the COLA element will be 1.30% in 2018-19 and 1.20% in 2019-20.²³ For years 3-5 of the forecast, this is assumed to reset at inflation, which in the base case, is 2.0%.

There are other Non-COLA drivers of salaries that are captured in the next forecasting input. A large subset of the teacher pool receives additional "step" raises for their first 19 years of employment. These are detailed in the contract exhibits A1 to A4 with a matrix of rows (steps) and columns. The Administration estimates that step raises add approximately 1.25% to the overall growth in the salary line. Additional "lane" raises for achieving higher educational credits (i.e.: MA+30, MA+60, PhD.) are embedded in the columns of the contract exhibit. Yet, it is not as easy as inputting 1.50% into the model.

That is because much of the "Non-COLA" increases are offset by savings from retirements of higher salaried teachers. The wild card in the "Non-COLA" estimate are these retirement impacts. A year with heavier than usual retirements can drive the overall average salary of the district to actually decline as the mix of staff shifts from highly paid, 30-year veterans, to lower paid, fresh recruits. This has happened in 2 of the last 5 years. The base case model assumes Non-COLA overall runs +0.50% per year in years 1-5. It's a tad higher than the last full year (+0.32%), and reflects that retirements may be decreasing versus the past five years, when a large number of long-termers had taken retirement. With its total access to detailed financial and employee data, we recommend a deeper analysis of Non-COLA factors by the district, with a full break out of steps, lanes

²² Scarsdale School District's demographic forecast as of January 8, 2018 is [here](#).

²³ From current STA Contract, Article 11, Exhibits A1-A4. This link is from the District website.
<https://drive.google.com/file/d/0B3EvX7w6i1MtWTFCNzVLS0tpaVE/view>



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and retirements to clarify forecasting. Ideally, these factors would exactly offset and this Non-COLA item could be forecast at zero.

Annual Salary increases for Non-Teachers over the next two years are taken from recent contracts with many individual unions, as reported in the Scarsdale Inquirer²⁴. For years 3-5, the model assumes this resets at inflation, which is 2% in the base case.

For Pensions, the key variable is called the Employer Contribution Rate (ECR). It is dictated to the District by the State. This is multiplied by the district payroll to calculate the annual pension cost in dollars. The New York State Teachers Retirement System (NYSTRS) had given guidance for the coming budget year that the ECR will actually rise,²⁵ and perhaps in the following year as well. This mostly reflects the change in actuarial discount rate from 7.50% to 7.25%, which drives up the Net Present Value (NPV) of the liability to retirees, and the ECR. It is further anticipated that NYSTRS will cut the rate to 7.00% in the following year, and ECRs will feel pressure again. The big stock market gains of 2017 are allowing the actuaries to adjust their discount rates to more realistic, lower risk levels, without driving huge increases in ECRs.

The New York Employees Retirement System (non-teachers) is forecasting ECRs to decline slightly in 2018.²⁶ Slight decreases are assumed over years 2-5, though remaining double digit. This Fund already uses a 7.00% discount rate.

On Healthcare Benefits, the annual growth rate forecast is primarily referenced from the footnotes of the District's 2017 Annual Report, which has the assumed Healthcare Cost Trends used by actuaries. "7.5% for 2017, decreasing 0.5% per year to an ultimate rate of 5.0% for 2023 and later years." While some adverse loss experience is causing 2017-18 to run over-budget, we are estimating that 2018-19 will revert to more normal trends and are estimating just a 4% increase for 2018-19. We then use the actuaries' estimates for years 2-5. Healthcare is one of the hardest budget elements to forecast, as the actual experience can be quite volatile. As such, it is prudent to look at healthcare trends over multiple-year windows, and be sure to have adequate reserves built up. While the model uses mid-single digit growth assumptions, these are unfortunately still well above the inflation assumption. Ten years ago, healthcare benefits, as a percent of salary, were 14%. Now, they are at 21%, and possibly going higher.

²⁴ The Scarsdale Inquirer, December 15, 2017. No link available.

²⁵ <https://www.nystrs.org/Employers/Administrative-Bulletins/2017-Bulletins/bull2017-11.pdf>

²⁶ <https://www.osc.state.ny.us/press/releases/aug17/083117.htm>



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All Other Benefits such as Social Security, FICA and dental are estimated at 10.9% of salary.

Inflation in the base case is assumed at 2% for the entire forecast period, and that figure is used to grow “All Other” non-HR expenses such as facilities, utilities, and vehicles. It is also used to grow salaries in the out years beyond current contracts. Both the NY State Tax Cap and the Federal Reserve use 2% targets as well.

Debt Service is taken directly from the 2017-18 District Budget, Schedule J.²⁷ For the future, the assumption in the model is that the entire \$5.3 million of saved debt service in 2019-20 will be entirely devoted to new borrowing via a bond. If the bond is rejected, the \$5.3 million would be devoted to a ramped-up annual Facilities Improvement program to fix things on the Master Facilities Plan at a slower pace, in smaller bites.

Total Expenditures are the key output on the bottom line. The annual growth rate the base case model produces ranges from 1.8%-2.4% over the next five years, a tad over the inflation input, driven mostly by healthcare costs.

Please see Appendix II for a copy of the entire model, including a ten-year look-back at past expenditures and trends.

Stress Testing

The Committee recommends that the Scarsdale School District engage residents in brainstorming different economic and market scenarios that could adversely impact the school district’s financial stability.

Additionally, there are secondary research sources that can be very useful to think about potential stresses. For example, the Committee reviewed the latest Moody’s Ratings credit report about the Scarsdale Union Free School District(UFSD) published on March 21, 2017 to see what challenges Moody’s has identified in the District.²⁸ Moody’s assigned a Aaa to Scarsdale UFSD, NY's \$14.8M General Only (GO) Bonds. Moody’s highlighted Scarsdale’s strengths and challenges as follows:

²⁷ See page 145 with table:

<https://www.scarsdaleschools.k12.ny.us/cms/lib/NY01001205/Centricity/Domain/5/ProposedBudget3-20-17.pdf>

²⁸ Scarsdale Union Free School District, Credit Opinion, Moody’s analytics, March 21, 2017, p.1.



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Credit Strengths

- » Healthy financial position with strong management
- » Large and affluent tax base
- » Low debt burden

Credit Challenges

- » Continued trend of fund balance appropriation
- » Rising fixed costs associated with wages and employee benefits

Moody's also highlighted factors that could lead to a downgrade.

- » Sustained operating imbalance and depletion of reserves
- » Deterioration of the District's tax base and demographic profile
- » Significant increase in debt burden

The Committee encourages the school district to include the following scenarios to use as shocks to a base financial model in the production of best and worst-case scenarios:

- Potential laws that could direct property taxes to be evenly distributed throughout New York State. A case in Connecticut is a good example for the Scarsdale Administration and Board to analyze.²⁹
- Increase (or decrease) in empty nesters leaving and more families with children moving in. There are nascent discussions³⁰ in Albany about capping school taxes that senior citizens pay. While this discussion is not a law yet, it is a good example of what the District should analyze in terms of its effect on the School's finances.
- The potential effect of a cap on local tax deductions³¹ and property values³² should be factored in this stress scenario.

²⁹ <https://www.cga.ct.gov/2016/rpt/pdf/2016-R-0306.pdf> <http://www.ctpost.com/local/article/Decision-readied-in-school-funding-suit-9207464.php>

³⁰ <https://www.democratandchronicle.com/story/news/politics/albany/2018/01/09/attention-senior-citizens-ny-may-freeze-then-eliminate-your-school-taxes/1016848001/>

³¹ <https://taxfoundation.org/state-strategies-preserve-state-and-local-tax-deduction/> <https://www.click2houston.com/news/how-the-federal-tax-overhaul-could-reshape-state-budgets>

³² <http://www.lohud.com/story/news/local/2018/01/08/how-new-2018-tax-law-affect-home-sales-experts/1003845001/> <https://www.bloomberg.com/news/articles/2018-01-11/westchester-home-market-still-sizzles-while-bracing-for-tax-hit>



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- Potential teacher shortage.³³ (Could a teacher's shortage coincide with a rise in children at schools?) There is a debate³⁴ about whether there is a nation-wide teacher shortage, but it is a factor that should be utilized in a worst-case scenario for a long-term financial model.
- Role of automation. Will that reduce costs for schools? Will it cause other challenges? The District's technology staff and residents who are technologists would be very good resources to create technology related stress tests.
- Changes in key macroeconomic factors. Presently, the market is expecting three rate hikes³⁵ this year in light of rising US gross domestic product (GDP) and low unemployment rates.³⁶ It is important for the School District and the BOE to consider how rising interest rates will impact additional borrowing needs in the next five years. Additionally, low unemployment rates are important for the district to consider in its stress scenarios in terms of how these rates may translate into higher construction costs³⁷. Worker shortages³⁸ are appearing in a number of regions across the United States, which means wages will have to rise³⁹.
- The impact of a rise in energy prices. Oil prices hit a three-year high on January 8, 2018,⁴⁰ so this is a very realistic current trend which the District should factor in a worst-case scenario.
- The impact on long-term energy costs if school buildings were converted to use renewable energy such as solar and geothermal.) A 30-year Return on Investment (ROI) on the capital expenditure might be quite attractive for buildings that stand for a century).
- Construction costs rising as commodity prices rise. With rising gross domestic product (GDP) in key geographic regions,⁴¹ such as the US,⁴² continental Europe,⁴³

³³ <https://www.aft.org/node/10563>

³⁴ <https://www.brookings.edu/blog/brown-center-chalkboard/2015/11/09/are-we-facing-a-nationwide-teacher-shortage/>
<https://www.cato.org/blog/there-really-national-teacher-shortage>

³⁵ <https://www.cnbc.com/2018/01/07/williams-on-fed-rate-hikes-us-economy.html>

³⁶ <https://www.bls.gov>

³⁷ <https://www.constructiondive.com/news/8-construction-trends-to-watch-in-2018/514284/>

³⁸ <https://www.bizjournals.com/boston/news/2018/01/15/are-labor-shortages-curbing-economic-growth-in-the.html>
<http://nyti.ms/2DCjTqc>

³⁹ <https://www.dwmag.com/survey-most-construction-firms-plan-to-expand-headcount-in-2018/>

⁴⁰ <https://www.reuters.com/article/us-global-oil/oil-prices-hit-highest-in-nearly-three-years-on-tighter-market-idUSKBN1EY059>

⁴¹ <https://www.reuters.com/article/us-eurozone-businesssentiment/global-economic-upturn-boosts-euro-zone-investor-mood-in-january-survey-idUSKBN1EX0QH>

⁴² <https://www.conference-board.org/data/usforecast.cfm>

⁴³ <https://www.statista.com/statistics/267898/gross-domestic-product-gdp-growth-in-eu-and-euro-area/>



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and key emerging markets,⁴⁴ manufacturing activity has risen at its highest peak since 2011;⁴⁵ this has pushed up a wide range of commodities' prices.⁴⁶

Recommendations

The Education Committee of the Scarsdale Forum respectfully encourages the Scarsdale School District to adopt these recommendations:

Recommendation I. Create and implement a long-term financial plan that should be updated once a year to reflect changes in economic conditions and the District's and community's educational objectives. According to the New York State Association of School Boards, a way for school boards to measure fiscal health is for a school to have a "long range fiscal plan that is compared frequently to actual progress & adjusted accordingly."⁴⁷

The basic components of a long-range financial plan should include at a minimum five basic components.⁴⁸

expenditures, revenues, fund balance, the five-year capital plan and a plan to accomplish the District's educational goals in the three year transition plan.⁴⁹

The District should create base, best, and worst-case scenarios to see how well funded the school district is during different parts of the economic cycle and in the face of any legislative changes or natural disasters that could adversely impact the school district's finances. The Committee enumerated important stress scenarios above that could be used in a worst-case stressing of the long-term financial model.

Numerous school districts in the US engage in long-term financial planning. Typically, the plans are five years and are updated annually. They can be updated

⁴⁴ <https://seekingalpha.com/article/4128907-growth-prospects-emerging-markets-heading-2018>

⁴⁵ <http://www.nam.org/Newsroom/eNewsletters/Global-Manufacturing-Economic-Update/>

⁴⁶ <http://www.gulf-times.com/story/577421/Commodity-rally-driven-by-revival-in-global-manufa>

⁴⁷ "The Responsibility of the Board of Education in Managing School District Fiscal Fitness," New York State Association of School Boards, 2013, Slide 6. http://www.nyssba.org/clientuploads/nyssba_pdf/Events/NBMA-09-20-21-13/Module-3-Slides.pdf

⁴⁸ New York State Association of School Business Officers. See Appendix II.

⁴⁹ Scarsdale School District transition plan can be found [here](#).



more frequently in periods of economic or market distress. The Education Committee has compiled a few examples of other district's plans and resources, which might be useful to the Scarsdale School District and the Board of Education. Please see Appendix III.

Recommendation II. Create an ad hoc committee of District administrators, board members, educators, and community residents who have a diversity of professional experience and expertise to collaborate with the district on development of its long-term financial plan model. The District has most recently convened facilities ad hoc committees comprised of residents who can opine on facilities needs. At a December 11, 2017 Board meeting, BOE member Chris Morin stated that he had attended a Westchester-Putnam School Board Association meeting at which twelve school districts were presented. He stated that “We are the only one out of those twelve that does not have subcommittees, that does not have a subcommittee involving the community addressing financial policy or budget planning or any of those sorts of things. We could do that.”⁵⁰

In Winnetka, Illinois where Scarsdale Superintendent Dr. Thomas Hagerman was previously superintendent, a group called Winnetka Public Schools Financial Philosophy Subcommittee⁵¹, provided guidance to the district on long-term financial planning. Another example of convening a committee of residents to aid in long-term planning can be found in Clayton, Missouri. The school district⁵² posted on its website a request for residents to be part of a committee to help the Board of Education and the school district with discussions about “Financial management policies, Efficiencies and cost savings, Financial projections, Environmental and financial sustainability, and Referendums (bond issues and tax increases).”⁵³

This exercise is important in conveying the public's sensitivities to the difficult trade-offs between programming choices and tax increases. It would be beneficial to develop consensus with all stakeholders about what sort of fiscal targets the Board can use in a top down manner to assess the bottoms-up requests for resources.

This recommendation is in line with a key recommendation by the New York State Association of School Business Officers⁵⁴. It suggests a school district

⁵⁰ Scarsdale Board of Education Meeting, December 11, 2017. This section of the meeting is at 2:16:29.

⁵¹ Winnetka Public Schools Financial Philosophy Subcommittee, November 2013.

⁵² Clayton, Missouri School District,

<http://www.claytonschoools.net/site/Default.aspx?PageType=3&DomainID=1&PageID=1&ViewID=047e6be3-6d87-4130-8424-d8e4e9ed6c2a&FlexDataID=33214>.

⁵³ Ibid.

⁵⁴ Please see Appendix I.



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include all of the key stakeholders in the development of the long-range financial plan. Key stakeholders include parents, students, Board of Education members, superintendent, curriculum director, business official, facilities director, teachers, and empty nesters.

In its budget planning, the District considers resident input in its budget planning an important element to consider before the school budget is voted on annually in May.⁵⁵ Since annual budget planning is part of long-term financial planning, the Scarsdale Forum Education Committee encourages the district to also make Scarsdale resident input, at the very beginning of budget discussions, an important part of the long-term financial planning process.

The Education Committee of the Scarsdale Forum stands ready to assist the Scarsdale School District and the Board of Education with any financial modeling or research upon request by either entity. The Education Committee looks forward to collaborating with the District and Board of Education.

Respectfully submitted by the following members of the Education Committee:

Mayra Kirkendall-Rodríguez, Co-Chair

Carlos Ramírez, Co-Chair

John Bensche

Angela Manson

Robert Berg

Kamal Mehta

Jordan Copeland

Nicky Mehta

Madelaine Eppenstein

Barry Meiselman

Daniel Gerardi

Michael Otten

Geraldine Gerardi

Avital Soldatenko

Robert Harrison

Greg Soldatenko

Terri Harrison

Xue Su

Brice Kirkendall-Rodríguez

Beverley Sved

James Labick

Bruce Wells

⁵⁵ “Scarsdale Public Schools School Budget Planning 2016-2017,” Scarsdale School District, December 2, 2015, page. 4.



Appendix I NYSASBO's Best Practices for Long-Term Financial Plans⁵⁶

1. Include all of the key stakeholders in the development of the long-range financial plan, making the general public, including parents and students aware of the work: board of education members, superintendent, curriculum director, business official, and facilities director.
2. Basic components. Long-range financial plans should include five basic components: expenditures, revenues, fund balance, the five-year capital plan and a plan to accomplish the district's instructional goals.
3. Uncertainties. Do not avoid long-range financial planning because of uncertainties about state aid, the allowable growth factor for the Tax Cap, contractual increases in times of contract negotiations and increases in health insurance and pension costs. Instead carefully document and articulate the assumptions that are in the financial forecast.
4. Estimating Expenditures. Most district expenditures such as salaries, retirement system contributions, and debt service requirements are fixed costs that are fairly simple to estimate over the next five years based on current contracts, projections of full-time equivalent staff, information provided by retirement systems and debt service schedules maintained by districts. Estimates for utilities and transportation may be based on historical increases over the past three to five years. School officials can document facility maintenance costs with the assistance of qualified professionals (engineers and architects) by updating and utilizing the building condition survey. This document is required to be updated every five years but doing annual updates will give the district a tool that provides current information and costs.
6. Consider the potential for savings by using the following approaches:

⁵⁶ 'Engage in Long Range Financial Planning,' New York State Association of Business Officers, May 6, 2015. https://www.nysasbo.org/uploads/Best%20Practices%20Files/1431359355_Engage%20in%20Long-Range%20Financial%20Planning.pdf



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- Review collective bargaining agreements and seniority lists and understand the terms and conditions for layoffs and recall provisions.
- Work with union leadership. Reductions by attrition are more cost effective than layoffs. Layoffs affect the least senior people, result in less savings due to the lower salaries of less senior staff, and have significant additional unemployment cost associated with them.
- Concerning possible labor concessions, share with your bargaining unit leadership what can be accomplished with concessions compared to layoffs.

7. Estimating revenues. Revenues and more specifically state aid are likely to be the most challenging component of a long-range plan to develop. Generally, revenues other than property taxes and state aid are a very small component of total revenue and tend to follow historical trends. With three years of experience with the Tax Cap, Business Officials will be able to estimate future property tax revenue with some degree of reasonableness. State aid is less predictable.

8. Use of Reserves. The new reality of district budgeting is the inevitable use of fund balance and reserves. Boards and community members must remember that use of fund balance and reserves to balance the budget is a reliance on “one shot” revenues. Once used, they are not available for future years and the budget may be unsustainable.

Some important points to consider include:

- Use of fund balance affects cash flow for districts especially during the summer months when they are receiving little or no other revenue.
- Given flat or decreasing state aid, use of designated fund balance to subsidize the tax levy must be monitored very carefully. Reduced state aid and a reduced ability to designate fund balance quickly becomes a “double hit”.
- Be mindful of the multi-year impact of using reserves. Acceptable minimum reserve balances, and related reductions, should be established early in the process.



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- The plan will highlight the pitfalls of indiscriminately using one-time revenues without any follow up strategies. The long-range financial plan will help school officials take timely actions that avoid long-term problems.
- Consider the timing of the use of reserves. For example, consider use of the unemployment reserve when your unemployment costs are expected to be higher. Otherwise, the district may be faced with holding reserve funds that they cannot use when needed.
- Districts may find it wise to budget more conservatively when using reserves. This may provide some opportunity to replace these reserves, at least in part.

9. Five-year capital plan. Any long-range financial plan should include districts' five-year capital plans, which have been required since 2001 and updated annually pursuant to Commissioner's Regulations Part 155. The capital plan can involve significant expenditures and may be critical to achieving the district's education mission such as providing facilities appropriate for students with disabilities, prekindergarten students or science, technology and engineering programs that are part of a district's efforts to prepare students to be college and career ready. The goal of the five-year plan is to preserve school district capital assets and meet expectations with regard to the use of facilities to meet the district's education and community goals.

10. Supporting long-range instructional goals. The plan should describe revenue expectations and expenditure projections that support the implementation of a plan to achieve the school district's instructional goals. The district may decide to focus on a variety of strategies including for example: improving access and opportunity to advanced coursework for historically under-performing students, strengthening English language arts and mathematics instruction by implementing programs aimed at achieving Common Core Learning Standards, developing educational programs for prekindergarten students that are aligned with instructional initiatives targeted for early grades, developing science, technology and engineering programs, or strengthening linkages between educational programs and career



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opportunities for students. Whatever the priority or priorities, the board, district staff and general public will benefit from understanding the district's long-term goals and how its finances are aligned to accomplish them.

11. For a long-range financial plan to be a useful tool for administrators and boards, it must be based on accurate data and rational assumptions to provide users with a realistic picture of the financial challenges that lie ahead. The plan should allow users to change and analyze varying scenarios or assumptions such as, allowing users to compare the financial impact of a negotiated 3 versus 2.5 percent increase in teacher contracts, consolidation of bus runs, or use of a retirement incentive.

12. The plan should provide districts with a road map of the steps to be taken financially in order to meet goals and objectives of providing students with a high-quality education that will enable students to become college and career ready. Consider sharing with the community the short and long-term financial challenges of the district and the plans the district has developed to overcome them. Continued open and honest communication with will help the district manage its financial operations and achieve educational objectives.

13. Experience has shown that by the last years of a five-year forecast many districts may see shockingly large numbers. This can send administrations and boards of education into a tailspin (resulting in dysfunction) that the "sky is falling in." In practice, corrective action (cost containment and restructuring) is done each year so that this doesn't happen five years out. The five-year forecast will be more credible and understandable if this type of thinking is built into the process. The practical problem is owning, adjusting and documenting these "corrective action" assumptions.



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Appendix II Forum Education Committee – District Financial Model

	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget	CAGR 08-18	CAGR 13-18
FORECASTING INPUTS													
Enrollment Growth Rate	0.45%	0.11%	0.15%	0.91%	-1.24%	1.00%	0.67%	0.77%	-0.29%	-0.60%	-0.21%		
Student/Teacher Ratio	11.3	11.2	11.3	11.6	11.5	11.6	11.9	11.8	11.7	11.5	11.4		
Student/Non-Teacher Ratio	24.6	24.3	24.4	24.6	25.2	25.4	25.4	25.8	25.8	24.9	23.8		
Negotiated STA COLA	3.00%	3.25%	3.40%	2.25%	2.25%	2.00%	0.00%	0.00%	0.75%	1.50%	1.50%		
+Non-COLA % Raises	1.44%	0.96%	0.67%	1.38%	0.49%	0.55%	-1.21%	-1.38%	0.33%	-0.47%	0.32%		
=% Chg in Avg Teacher Salary	4.44%	4.21%	4.07%	3.63%	2.74%	2.55%	-1.21%	-1.38%	1.08%	1.03%	1.82%		
% Change in Avg Non-Teacher Salary	2.94%	6.23%	2.39%	3.84%	5.32%	2.22%	0.57%	2.02%	2.43%	0.00%	3.71%		
TRS as a % of Teacher Salary	9.8%	8.6%	7.3%	10.0%	12.5%	13.5%	19.3%	19.7%	14.9%	13.5%	11.3%		
ERS as a % of Non-teacher Salary	7.6%	7.1%	6.3%	10.7%	14.0%	15.4%	17.4%	15.9%	11.8%	12.8%	11.8%		
Healthcare % Change vs Prior Yr.	-4.6%	9.3%	19.4%	-6.5%	9.7%	18.2%	-4.9%	-2.0%	7.0%	0.3%	19.0%		
Healthcare % of Total Salaries	13.9%	14.4%	16.7%	15.3%	16.4%	19.0%	18.3%	17.8%	18.7%	18.3%	21.0%		
All Other Benefits % of Total Salaries	10.2%	10.2%	10.2%	10.1%	10.0%	10.1%	10.2%	10.5%	10.6%	10.6%	10.9%		
Inflation (CPI)	2.8%	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%	1.3%	2.3%		
UNIT DATA													
Enrollment	4,710	4,715	4,722	4,765	4,706	4,753	4,785	4,822	4,808	4,779	4,769	0.1%	0.1%
growth rate	0.4%	0.1%	0.1%	0.9%	-1.2%	1.0%	0.7%	0.8%	-0.3%	-0.6%	-0.2%		
Teachers and Librarians	415.8	420.9	417.1	409.1	407.7	408.6	402.4	409.6	412.7	416.3	419.3	0.1%	0.5%
Non-Teachers (Admin, Prof, Civil)	191.6	194.4	193.5	193.6	186.8	186.9	188.3	186.8	186.6	192.2	200.6		
= Total Staff	607.4	615.3	610.6	602.7	594.5	595.5	590.7	596.4	599.3	608.5	619.9	0.2%	0.8%
growth rate	2.7%	1.3%	-0.8%	-1.3%	-1.4%	0.2%	-0.8%	1.0%	0.5%	1.5%	1.9%		
SCHOOL EXPENDITURES													
Teacher Salaries	47,467,254	50,069,966	51,629,908	52,476,780	53,735,191	55,228,817	53,733,224	53,939,658	54,935,965	55,988,649	57,417,101	1.9%	0.8%
Aides Salaries	3,087,604	3,256,903	3,439,052	3,371,788	3,400,748	3,391,662	3,720,895	3,684,577	3,768,183	3,990,468	4,178,829	3.1%	4.3%
Substitutes, Leaves, Misc Salary	905,213	954,848	986,041	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1.0%	0.0%
Non-Teacher (Admin, Civil Svc)	14,372,240	15,490,116	15,786,854	16,400,948	16,661,684	17,040,916	17,266,025	17,475,280	17,885,691	18,422,291	19,941,195	3.3%	3.2%
Driver Salaries	2,174,685	2,188,567	2,213,195	2,247,437	2,239,586	2,084,009	2,211,713	2,377,155	2,211,928	2,443,205	2,323,736	0.7%	2.2%
Sub-Total Salaries	68,006,996	71,960,400	74,055,050	75,496,953	77,037,209	78,745,404	77,931,857	78,476,670	79,801,767	81,844,613	84,860,861	2.2%	1.5%
% Change	6.9%	5.8%	2.9%	1.9%	2.0%	2.2%	-1.0%	0.7%	1.7%	2.6%	3.7%		
TRS	4,631,637	4,284,902	3,786,852	5,253,825	6,720,440	7,430,727	10,387,337	10,652,830	8,210,890	7,536,810	6,500,000	3.4%	-2.6%
ERS	1,094,288	1,103,797	1,000,321	1,748,071	2,331,649	2,621,524	3,000,818	2,786,046	2,112,940	2,354,449	2,362,782	8.0%	-2.1%
Healthcare	9,455,348	10,336,035	12,337,297	11,539,947	12,663,446	14,968,073	14,240,168	13,958,267	14,940,001	14,978,385	17,820,845	6.5%	3.6%
All Other Benefits	6,959,915	7,361,059	7,528,839	7,628,457	7,731,330	7,920,431	7,916,634	8,217,171	8,428,194	8,710,425	8,184,329	1.6%	0.7%
Sub-Total Benefits	22,141,188	23,085,793	24,653,309	26,170,300	29,446,865	32,940,755	35,544,957	35,614,314	33,692,025	33,580,069	34,867,956	4.6%	1.1%
% Change	1.0%	4.3%	6.8%	6.2%	12.5%	11.9%	7.9%	0.2%	-5.4%	-0.3%	3.8%		
Debt Service - Existing	8,542,075	8,073,741	8,049,305	7,768,411	7,806,490	7,731,882	7,706,325	7,666,133	7,653,830	7,611,950	7,668,800	-1.1%	-0.2%
Debt Service - New Bonds	-	-	-	-	-	-	-	-	-	-	-		
All Other (Facil,Util,Veh,STI, etc)	22,318,117	18,950,988	18,235,194	17,573,418	18,021,670	19,067,764	20,770,302	20,550,470	22,665,114	24,344,074	25,893,148	1.5%	6.3%
% Change	27.7%	-15.1%	-3.8%	-3.6%	2.6%	5.8%	8.9%	-1.1%	10.3%	7.4%	6.4%		
Total Expenditures	121,008,376	122,070,922	124,992,858	127,009,082	132,312,234	138,485,805	141,953,441	142,307,587	143,812,736	147,380,706	153,290,765	2.4%	2.1%
% Change	8.3%	0.9%	2.4%	1.6%	4.2%	4.7%	2.5%	0.2%	1.1%	2.5%	4.0%		
Gross Expenditures per Pupil	25,692	25,890	26,470	26,655	28,116	29,137	29,666	29,512	29,911	30,839	32,143	2.3%	2.0%
% Change	7.8%	0.8%	2.2%	0.7%	5.5%	3.6%	1.8%	nm	1.4%	3.1%	4.2%		



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	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget	CAGR 08-'18	CAGR 13-'18
HISTORICAL EXPENDITURES													
+ BOE Salaries	20,551	21,395	21,894	22,113	22,334	24,000	25,540	76,398	22,585	25,027	22,717		
+ Chief Admin Salaries	432,768	458,125	468,584	489,932	501,605	522,384	548,946	550,467	520,623	488,545	505,975		
+ Finance Salaries	794,506	867,003	884,594	904,311	955,110	964,159	978,206	1,013,333	979,000	994,010	1,007,759		
+ Personnel Salaries	404,515	429,953	436,298	453,951	463,835	484,911	492,577	499,457	542,292	449,342	466,084		
+ Public Info Salaries	72,486	75,816	79,280	82,567	86,537	90,333	91,787	91,679	93,233	95,012	96,997		
+ Plant Ops Salaries	3,066,778	3,187,266	3,235,499	3,415,134	3,419,605	3,481,981	3,569,334	3,606,041	3,642,598	3,630,734	3,880,101		
+ Plant Maintenance Salaries	834,481	848,631	854,138	896,956	905,580	912,066	917,472	951,377	928,172	968,331	1,007,960		
+ Admin Techn Salaries	335,206	353,591	368,163	380,649	404,261	428,144	437,015	439,147	509,985	603,622	616,427		
= General Support Salaries	5,961,291	6,241,780	6,348,450	6,645,613	6,758,867	6,907,978	7,060,877	7,227,899	7,238,488	7,254,623	7,604,020	2.5%	1.9%
+ All Other General Support	7,983,566	7,713,470	6,769,729	7,376,345	6,998,306	6,977,246	8,511,260	6,865,747	7,918,856	8,722,435	9,786,736	2.1%	7.0%
= TOTAL GENERAL SUPPORT	13,944,857	13,955,250	13,118,179	14,021,958	13,757,173	13,885,224	15,572,137	14,093,646	15,157,344	15,977,058	17,390,756	2.2%	4.6%
growth rate	6.1%	0.1%	-6.0%	6.9%	-1.9%	0.9%	12.1%	-9.5%	7.5%	5.4%	8.8%		
"Other" as % of Total G.S.	57.3%	55.3%	51.6%	52.6%	50.9%	50.2%	54.7%	48.7%	52.2%	54.6%	56.3%		
+ Asst Super for Instr Salary	202,287	309,948	309,186	324,619	334,824	347,468	340,951	341,244	305,420	310,525	314,265		
+ Supervision Salaries	2,772,193	3,118,469	3,186,155	3,339,068	3,375,360	3,472,839	3,460,334	3,452,977	3,448,274	3,683,249	4,607,524		
+ Day School Salaries	45,630,648	48,077,967	49,849,552	50,288,669	51,005,806	52,243,845	51,618,048	51,786,316	52,655,338	53,309,269	54,445,821		
+ Special Ed Salaries	5,829,423	6,203,750	6,205,449	6,559,899	7,130,133	7,376,634	6,836,071	6,837,919	7,048,810	7,669,848	8,150,109		
+ AV Services Salaries	290,260	311,260	317,397	328,923	339,518	352,536	347,318	347,299	366,711	394,300	393,297		
+ Instructional Comptrs Salary	327,303	348,361	363,502	376,523	392,997	405,433	466,199	537,768	640,192	725,128	729,348		
+ Guidance Salaries	2,178,940	2,278,286	2,254,985	2,263,201	2,348,437	2,372,742	2,371,944	2,387,545	2,448,341	2,461,135	2,522,293		
+ Psychological Salaries	1,180,868	1,280,976	1,321,682	1,375,789	1,419,534	1,420,928	1,436,213	1,374,819	1,389,735	1,459,231	1,502,735		
+ Health Services Salaries	764,871	855,437	894,518	933,992	879,106	933,860	923,842	922,686	945,933	964,744	1,031,607		
+ Intersch. Athletics Salaries	694,227	745,599	790,979	813,220	813,041	827,132	858,347	883,043	1,102,597	1,169,356	1,236,106		
= Total Instruction Salaries	59,871,020	63,530,053	65,493,405	66,603,903	68,038,756	69,753,417	68,659,267	68,871,616	70,351,351	72,146,785	74,933,105	2.3%	1.4%
+ All Other Instruction Costs	7,822,881	7,466,805	7,325,930	6,587,123	7,628,591	7,165,727	8,449,614	8,726,001	9,483,877	9,736,802	9,862,465	2.3%	6.6%
= TOTAL INSTRUCTION	67,693,901	70,996,858	72,819,335	73,191,026	75,667,347	76,919,144	77,108,881	77,597,617	79,835,228	81,883,587	84,795,570	2.3%	2.0%
growth rate	7.3%	4.9%	2.6%	0.5%	3.4%	1.7%	0.2%	0.6%	2.9%	2.6%	3.6%		
"Other" as % of Total Instr.	11.6%	10.5%	10.1%	9.0%	10.1%	9.3%	11.0%	11.2%	11.9%	11.9%	11.6%		
+ Teachers Retirement System	4,631,637	4,284,902	3,786,852	5,253,825	6,720,440	7,430,727	10,387,337	10,652,830	8,210,890	7,536,810	6,500,000	3.4%	-2.6%
+ Employees Retirement System	1,094,288	1,103,797	1,000,321	1,748,071	2,331,649	2,621,524	3,000,818	2,786,046	2,112,940	2,354,449	2,362,782	8.0%	-2.1%
+ Social Security/Medicare	4,758,785	5,034,606	5,144,222	5,175,509	5,200,750	5,339,902	5,274,594	5,465,479	5,570,265	5,665,876	6,056,337	2.4%	2.5%
+ Health Insurance	9,455,348	10,336,035	12,337,297	11,539,947	12,663,446	14,968,073	14,240,168	13,958,267	14,940,001	14,978,385	17,820,845	6.5%	3.6%
+ Dental Insurance	978,102	997,218	1,007,964	1,028,924	1,041,810	1,031,478	1,082,336	1,116,220	1,157,728	1,179,024	1,198,384	2.1%	3.0%
+ All Other Benefits	1,223,028	1,329,235	1,376,653	1,424,024	1,488,770	1,549,051	1,559,704	1,635,472	1,700,201	1,865,525	2,029,608	5.2%	5.6%
- Planned Surplus				-							(1,100,000)		
= TOTAL EMPLOYEE BENEFITS	22,141,188	23,085,793	24,653,309	26,170,300	29,446,865	32,940,755	35,544,957	35,614,314	33,692,025	33,580,069	34,867,956	4.6%	1.1%
growth rate	1.0%	4.3%	6.8%	6.2%	12.5%	11.9%	7.9%	0.2%	-5.4%	-0.3%	3.8%		
+ Transport Salaries	2,174,685	2,188,567	2,213,195	2,247,437	2,239,586	2,084,009	2,211,713	2,377,155	2,211,928	2,443,205	2,323,736	0.7%	2.2%
+ All Other Expenses (Trans, Commu)	6,511,670	3,770,713	4,139,535	3,609,950	3,394,773	4,924,791	3,809,428	4,958,722	5,262,381	5,884,837	6,243,947	-0.4%	4.9%
+ Debt Service on Bonds	8,542,075	8,073,741	8,049,305	7,768,411	7,806,490	7,731,882	7,706,325	7,666,133	7,653,830	7,611,950	7,668,800	-1.1%	-0.2%
= SUB-TOTAL EXPENDITURES	121,008,376	122,070,922	124,992,858	127,009,082	132,312,234	138,485,805	141,953,441	142,307,587	143,812,736	147,380,706	153,290,765	2.4%	2.1%
growth rate	8.3%	0.9%	2.4%	1.6%	4.2%	4.7%	2.5%	0.2%	1.1%	2.5%	4.0%		
Instruction % of Expenditures	56%	58%	58%	58%	57%	56%	54%	55%	56%	56%	55%		



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	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget	CAGR 08-'18	CAGR 13-'18
UNIT DATA													
Enrollment	4,710	4,715	4,722	4,765	4,706	4,753	4,785	4,822	4,808	4,779	4,769	0.1%	0.1%
growth rate	0.4%	0.1%	0.1%	0.9%	-1.2%	1.0%	0.7%	0.8%	-0.3%	-0.6%	-0.2%		
Staff Levels													
Teachers and Librarians	415.8	420.9	417.1	409.1	407.7	408.6	402.4	409.6	412.7	416.3	419.3	0.1%	0.5%
+ Other Prof. Staff (Prins, Guid, Psyc)	45.6	46.6	46.6	46.6	46.6	46.6	46.6	46.1	47.1	49.0	54.4		
= Total Professional Positions	461.4	467.5	463.7	455.7	454.3	455.2	449.0	455.7	459.8	465.3	473.7		
+ Other Positions (Civil Service)	146.0	147.8	146.9	147.0	140.2	140.3	141.7	140.7	139.5	143.2	146.2		
Non-Teachers (Admin, Prof, Civil)	191.6	194.4	193.5	193.6	186.8	186.9	188.3	186.8	186.6	192.2	200.6		
Student / Non-Teacher Ratio	24.6	24.3	24.4	24.6	25.2	25.4	25.4	25.8	25.8	24.9	23.8		
= Total Staff	607.4	615.3	610.6	602.7	594.5	595.5	590.7	596.4	599.3	608.5	619.9	0.2%	0.8%
growth rate	2.7%	1.3%	-0.8%	-1.3%	-1.4%	0.2%	-0.8%	1.0%	0.5%	1.5%	1.9%		
Bus Drivers (@~30hrs/wk)				64	64	64	64	64	64	63	63		
Aide Hours Per Year							182,777	181,564	176,852	185,402	185,576		
Staffing Ratios													
Student/Teacher Ratio	11.3	11.2	11.3	11.6	11.5	11.6	11.9	11.8	11.7	11.5	11.4		
Student/Non-Teacher Ratio	24.6	24.3	24.4	24.6	25.2	25.4	25.4	25.8	25.8	24.9	23.8		
Student/Staff Ratio	7.8	7.7	7.7	7.9	7.9	8.0	8.1	8.1	8.0	7.9	7.7		
SALARY ANALYSIS													
Teacher Salaries													
+ Total Teaching Salaries	51,460,071	54,281,717	56,055,001	56,848,568	58,135,939	59,620,479	58,454,119	58,624,235	59,704,148	60,979,117	62,595,930		
- Aides Wages	3,087,604	3,256,903	3,439,052	3,371,788	3,400,748	3,391,662	3,720,895	3,684,577	3,768,183	3,990,468	4,178,829		
- Estim (Subst, Leaves, Misc.)	905,213	954,848	986,041	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		
= Adjusted Teacher Salaries	47,467,254	50,069,966	51,629,908	52,476,780	53,735,191	55,228,817	53,733,224	53,939,658	54,935,965	55,988,649	57,417,101		
Aides Wages as % of Total Teaching Salaries	6.0%	6.0%	6.1%	5.9%	5.8%	5.7%	6.4%	6.3%	6.3%	6.5%	6.7%		
/ No. of Teachers and Libs.	416	421	417	409	408	409	402	410	413	416	419		
= Average Salary per Teacher	114,159	118,959	123,798	128,289	131,801	135,166	133,532	131,689	133,114	134,491	136,936	1.8%	0.3%
Negotiated STA COLA	3.00%	3.25%	3.40%	2.25%	2.25%	2.00%	0.00%	0.00%	0.75%	1.50%	1.50%		
+ Non-COLA % Raises	1.44%	0.96%	0.67%	1.38%	0.49%	0.55%	-1.21%	-1.38%	0.33%	-0.47%	0.32%		
% Change in Avg Salary per Teacher	4.44%	4.21%	4.07%	3.63%	2.74%	2.55%	-1.21%	-1.38%	1.08%	1.03%	1.82%		
Median Teacher Salary - BEDS	115,346	118,636	124,745	127,477	131,239	137,017		132,953		0.0%	0.0%		
Median as % of Average	101.0%	99.7%	100.8%	99.4%	99.6%	101.4%	0.0%	101.0%	0.0%	0.0%	0.0%		
Non-Teacher Salaries													
General Support Salaries	5,961,291	6,241,780	6,348,450	6,645,613	6,758,867	6,907,978	7,060,877	7,227,899	7,238,488	7,254,623	7,604,020		
Instruction Salaries (Non-teacher)	8,410,949	9,248,336	9,438,404	9,755,335	9,902,817	10,132,938	10,205,148	10,247,381	10,647,203	11,167,668	12,337,175		
= Non Teacher Salaries	14,372,240	15,490,116	15,786,854	16,400,948	16,661,684	17,040,916	17,266,025	17,475,280	17,885,691	18,422,291	19,941,195		
/ No. of Non-Teachers	192	194	194	194	187	187	188	187	187	192	201		
= Avg Salary for Non-Teachers	75,012	79,682	81,586	84,716	89,219	91,201	91,719	93,576	95,850	95,850	99,408	2.9%	1.7%
% Change	2.9%	6.2%	2.4%	3.8%	5.3%	2.2%	0.6%	2.0%	2.4%	0.0%	3.7%		
Students Per Non-Teacher	24.6	24.3	24.4	24.6	25.2	25.4	25.4	25.8	25.8	24.9	23.8		



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	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget	CAGR 08-'18	CAGR 13-'18
BENEFITS ANALYSIS													
TRS	4,631,637	4,284,902	3,786,852	5,253,825	6,720,440	7,430,727	10,387,337	10,652,830	8,210,890	7,536,810	6,500,000		
TRS as a % of Teacher Salary	9.8%	8.6%	7.3%	10.0%	12.5%	13.5%	19.3%	19.7%	14.9%	13.5%	11.3%		
TRS ECR Per State Website	8.7%	7.6%	6.2%	8.6%	11.1%	11.8%	16.3%	17.5%	13.3%	11.7%	9.8%		
ERS	1,094,288	1,103,797	1,000,321	1,748,071	2,331,649	2,621,524	3,000,818	2,786,046	2,112,940	2,354,449	2,362,782		
ERS as a % of Non-teacher Salary	7.6%	7.1%	6.3%	10.7%	14.0%	15.4%	17.4%	15.9%	11.8%	12.8%	11.8%		
ERS ECR per State Website	9.6%	8.5%	7.4%	11.9%	16.3%	18.9%	20.9%	20.1%	18.2%	15.5%	15.3%		
Healthcare Costs	9,455,348	10,336,035	12,337,297	11,539,947	12,663,446	14,968,073	14,240,168	13,958,267	14,940,001	14,978,385	17,820,845	6.5%	3.6%
% Change vs Prior year	-4.6%	9.3%	19.4%	-6.5%	9.7%	18.2%	-4.9%	-2.0%	7.0%	0.3%	19.0%		
As a % of Total Salaries	14%	14%	17%	15%	16%	19%	18%	18%	19%	18%	21%		
All Other Benefits (Soc Sec, Dental, Lii)	6,959,915	7,361,059	7,528,839	7,628,457	7,731,330	7,920,431	7,916,634	8,217,171	8,428,194	8,710,425	9,284,329		
As a % of Total Salaries	10.2%	10.2%	10.2%	10.1%	10.0%	10.1%	10.2%	10.5%	10.6%	10.6%	10.9%		
REVENUE AND TAX DATA													
Tax Levy Net of STAR	102,066,806	109,157,254	112,575,942	113,394,064	118,845,793	122,661,907	126,551,470	131,741,097	135,117,156	140,142,277	141,490,126	3.3%	2.9%
growth rate	3.6%	6.9%	3.1%	0.7%	4.8%	3.2%	3.2%	4.1%	2.6%	3.7%	1.0%		
Tax levy % of Tot Exp	84%	89%	90%	89%	90%	89%	89%	93%	94%	95%	92%		
Total Revenues	124,590,602	129,024,434	131,906,060	135,146,519	138,496,121	141,627,712	144,141,126	147,256,153	148,807,406	150,420,510	153,690,765	2.1%	1.6%
growth rate	5.9%	3.6%	2.2%	2.46%	2.48%	2.26%	1.77%	2.16%	1.05%	1.08%	2.17%		
Tax levy % of Tot Revs	82%	85%	85%	84%	86%	87%	88%	89%	91%	93%	92%		
Surplus/(Deficit)	1,177,534	4,363,259	4,162,029	5,529,328	4,144,375	1,202,539	876,002	2,828,203	3,609,833	1,539,804	(1,100,000)		
Scarsdale Assessed Valuation	142,031,209	143,227,362	143,800,456	142,185,430	139,913,371	139,585,189	139,727,202	8,128,447,052	9,048,176,034	9,065,055,919	8,941,760,935		
% Change	0.9%	0.8%	0.4%	-1.1%	-1.6%	-0.2%	0.1%	nm	11.3%	0.2%	-1.4%		
County Equalization Rate	0.0156	0.0153	0.0164	0.0166	0.0184	0.0187	0.0177	1.0000	1.0000	1.0000	0.8914		
Full Valuation (\$ billions)	9.10	9.36	8.77	8.57	7.60	7.46	7.89	8.13	9.05	9.07	10.03	1.0%	6.1%
% Change	18.4%	2.8%	-6.3%	-2.3%	-11.2%	-1.8%	5.8%	3.0%	11.3%	0.2%	10.7%		
Tax Levy as a % of Full Value	1.12%	1.17%	1.28%	1.32%	1.56%	1.64%	1.60%	1.62%	1.49%	1.55%	1.41%		
Scarsdale Tax Rate Per \$1000													
of Assessed Value	732.89	769.56	782.69	801.62	840.93	868.93	893.38	16.02	14.83	14.79	15.23		
% Change	2.8%	5.0%	1.7%	2.4%	4.9%	3.3%	2.8%	nm	-7.4%	-0.3%	3.0%		
Indexed to 1997-98	1.99	2.09	2.13	2.18	2.29	2.36	2.43						
Indexed to 2000-2001	1.62	1.70	1.73	1.77	1.85	1.92	1.97						
Tax Levy Indexed to 2000	1.72	1.84	1.90	1.92	2.01	2.07	2.14	2.23	2.28	2.37	2.39		



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ANALYSIS

Expenditure Mix

	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget
Salaries	56%	59%	59%	59%	58%	57%	55%	55%	55%	56%	55%
Benefits	18%	19%	20%	21%	22%	24%	25%	25%	23%	23%	23%
Debt Service	7%	7%	6%	6%	6%	6%	5%	5%	5%	5%	5%
All Other	18%	16%	15%	14%	14%	14%	15%	14%	16%	17%	17%
Total Expenditures	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Real Growth Rate Calculation

Growth in Expenditures	8.3%	0.9%	2.4%	1.6%	4.2%	4.7%	2.5%	0.2%	1.1%	2.5%	4.0%
- Growth in Enrollment	-0.4%	-0.1%	-0.1%	-0.9%	1.2%	-1.0%	-0.7%	-0.8%	0.3%	0.6%	0.2%
- Annual Inflation Rate (CPI)	-2.8%	-3.8%	0.4%	-1.6%	-3.2%	-2.1%	-1.5%	-1.6%	-0.1%	-1.3%	-2.3%
= Real Growth in Expenditures	5.0%	-3.1%	2.6%	-0.9%	2.3%	1.6%	0.4%	-2.1%	1.2%	1.8%	1.9%

Gross Expenditures per Pupil	25,692	25,890	26,470	26,655	28,116	29,137	29,666	29,512	29,911	30,839	32,143	2.3%	2.0%
% Change	7.8%	0.8%	2.2%	0.7%	5.5%	3.6%	1.8%	nm	1.4%	3.1%	4.2%		

EXTERNAL BENCHMARKS

CPI-U													
Average	207.3	215.3	214.5	218.1	224.9	229.6	233.0	236.7	237.0	240.0	245.5	1.7%	1.4%
% Change	2.8%	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%	1.3%	2.3%		
ECI-Educational Services	107.90	111.30	113.60	115.30	116.70	118.80	120.80	123.10	126.2	129.20	130.00		
Social Security COLA %'s	2.3	5.8	0.0	0.0	3.6	1.7	1.5	1.7	-	0.3	2.0		
GDP % Growth	1.80	(0.03)	(2.80)	2.50	1.60	2.20	1.70	2.60	2.90	1.50	2.50%		
- Per Bureau of Econ. Analysis	1.35	1.35	1.31	1.34	1.37	1.40	1.42	1.46	1.50	1.52			
Case-Shiller NY Metro Home Price Index													
NY Metro	202.09	183.45	171.85	167.92	162.41	161.96	171.96	174.71	179.76	185.35	191.87		
% Change	-5.5%	-9.2%	-6.3%	-2.3%	-3.3%	-0.3%	6.2%						
20 City Composite	184.97	150.55	151.55										
% Change	-9.0%	-18.6%	0.7%										
Scarsdale Median Sales Px (Trulia)	1,025,000	1,100,000	941,000	1,050,000	1,075,000	1,100,000	1,100,000						
% Change	-10.9%	7.3%	-14.5%	11.6%	2.4%	2.3%	0.0%						
HL Scars Median House Sales	1,380,000	1,319,000	1,165,000	1,207,500	1,225,000	1,325,000	1,297,500						
% Change	-0.3%	-4.4%	-11.7%	3.6%	1.4%	8.2%	-2.1%						
Sothebys Avg Sales Price	1,744,384	1,596,343	1,436,709										
% Change	6.3%	-8.5%	-10.0%										
Indexed to 2000-2001	1.64	1.50	1.35										
Zillow	1,400,000	1,310,000	1,150,000	1,140,000	1,110,000	1,190,000	1,320,000						
% Change	6.1%	-6.4%	-12.2%	-0.9%	-2.6%	7.2%	10.9%						



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Appendix III Long-Term Financial Plan Resources

Examples of School Districts' Long-Term Financial Plans or Strategic Plans

Akron, Ohio

<http://www.akronschools.org/Page/5937>

Boston, Massachusetts

<https://www.bostonpublicschools.org/cms/lib/MA01906464/Centricity/Domain/162/1611102.LTFP%20School%20Committee%20Launch.v1.SansNotes.pdf>

Briarcliff, New York

http://www.briarcliffschools.org/school_board/long_range_presentations

Buffalo, New York

https://www.ci.buffalo.ny.us/files/1_2_1/Mayor/FourYearPlan-2016-2019/Board_Education_Four_Year_Plan.pdf

Clinton, New York

<https://www.ccs.edu/cms/lib/NY01913591/Centricity/Domain/313/Vision%202020%20Parts%201%20and%202.pdf>

East Amherst, New York

<http://www.williamsvillek12.org/Departments/Business/2017-18%20Budget/12.13.16BOE-Financial%20Presentation.pdf>



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Omaha, Nebraska

<https://district.ops.org/LinkClick.aspx?fileticket=gxjtAKbUpRQ%3D&portalid=0>

Putnam Valley, New York

http://www.pvcasd.org/district/pdf/Multi-Year_112716.pdf

Redmond, Oregon

<http://www.redmond.k12.or.us/files/2013/10/Budget-Committee-Work-Session-Long-Range-Financial-Plan-Feb-8-2017.pdf>

Winnetka, Illinois

<https://www.winnetka36.org/strategicplanning>

<https://www.winnetka36.org/sites/default/files/district/InformationalMemo-JuneEntryPlan.pdf>

Organizations with Long-Term Financial Planning Resources

California Department of Education

<https://www.cde.ca.gov/ls/fa/sf/longrangeplan.asp>

The Council of School Superintendents

https://www.nyscoss.org/resources/data_analytics.cfm

Education World

http://www.educationworld.com/a_admin/greatmeetings/greatmeetings029.shtml



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Empire Center

<https://www.empirecenter.org/publications/taking-a-longer-view-on-our-local-budgets/>

Forecast Five

<https://www.forecast5analytics.com/customers/k-12>

Government Finance Officers Association

<http://www.gfoa.org/sites/default/files/GFOAMakingtheGradeLTFPforSchools.pdf>

<http://www.gfoa.org/long-term-financial-planning-0>

National Business Officers Association

<https://www.nboa.org/programs/online-courses/long-range-financial-modeling>

National Center for Education Statistics

https://nces.ed.gov/pubs2004/h2r2/ch_3.asp

New York State Association of School Board Officials

<https://www.nysasbo.org/page/learning-lab-long-range-financial-planning-for-school-districts-636.html>

New York State Education Department

http://www.p12.nysed.gov/facplan/articles/A031_long-range_planning.html

New York State School Board Association

http://www.nyssba.org/clientuploads/nyssba_pdf/Events/NBMA-09-20-21-13/Module-3-Slides.pdf



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Office of the New York Comptroller

<https://www.osc.state.ny.us/localgov/pubs/lgmg/multiyear.pdf>

Smarter School Spending

<https://smarterschoolspending.org/strategic-financial-plan>