

2020-2021 BUDGET OVERVIEW

9000 SERIES: BENEFITS / CAPITAL EXPENDITURES

Huntington Union Free School District

Extended Budget Workshop

Monday, March 9, 2020

TAX LEVY LIMIT LOGISTICS

- Levy limit for 2020-2021 = **\$112,816,249**
(**2.19%** increase over the 2019-2020 levy)
- Submitted to state comptroller prior to 3/1/20 deadline
- Tax levy increase greater than \$112,816,249 requires 60% supermajority voter approval

2020-2021 BUDGET CHALLENGES

- **Expiring contracts - salary/stipend increases**
- **Special education placements (out-of-district)**
- **Transportation costs (aligned with CPI)**
- **Technology costs (e.g., device replacement)**
- **Facility-related mandates (e.g., visual inspections, testing)**

9000 SERIES: BENEFITS / DEBT SERVICE / TRANSFERS

- Retirement Contributions – ERS/TRS
- Social Security
- Workers Compensation
- Life Insurance
- Unemployment Insurance
- Long Term Disability
- Health & Dental Insurance
- Debt Service
- Inter-fund Transfers

9000 SERIES: BENEFITS / DEBT SERVICE / TRANSFERS

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$36,520,737 | \$36,334,464 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-------------|----------|
| \$36,369,464 | \$37,389,058 | \$1,019,594 | 2.80% |

9010 EMPLOYEES' RETIREMENT SYSTEM

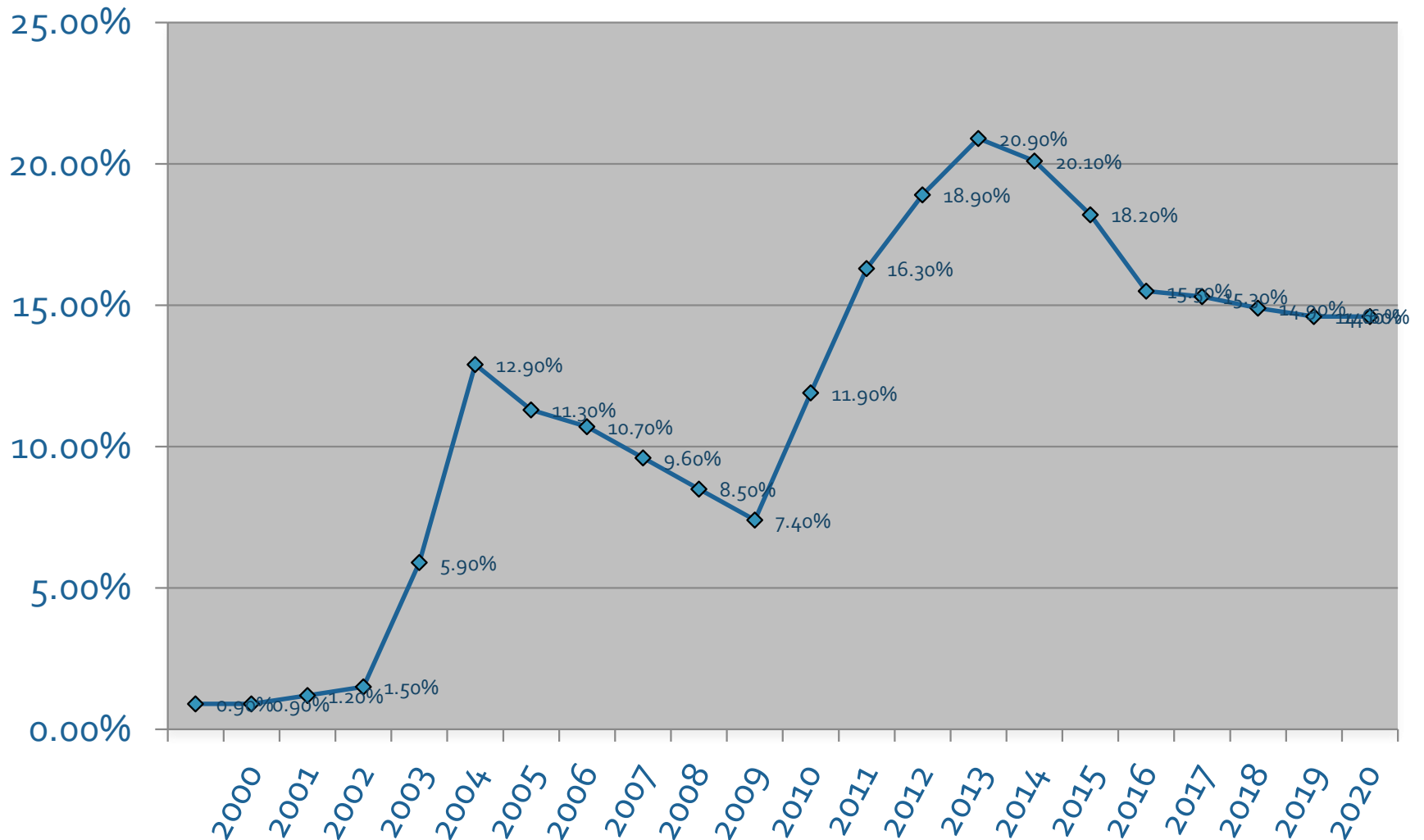
Non-instructional/Civil Service retirement system

- **ERS determines employer contribution rate**
- **Based on state fiscal year (April 1 – March 31)**
- **2020-2021 rate estimated at 14.60% of projected 2019-2020 salaries**

ERS CONTRIBUTION RATE HISTORY

| Year | Rate | Year | Rate |
|-----------|--------|-----------|--------|
| 1999-2000 | 0.90% | 2010-2011 | 11.90% |
| 2000-2001 | 0.90% | 2011-2012 | 16.30% |
| 2001-2002 | 1.20% | 2012-2013 | 18.90% |
| 2002-2003 | 1.50% | 2013-2014 | 20.90% |
| 2003-2004 | 5.90% | 2014-2015 | 20.10% |
| 2004-2005 | 12.90% | 2015-2016 | 18.20% |
| 2005-2006 | 11.30% | 2016-2017 | 15.50% |
| 2006-2007 | 10.70% | 2017-2018 | 15.30% |
| 2007-2008 | 9.60% | 2018-2019 | 14.90% |
| 2008-2009 | 8.50% | 2019-2020 | 14.60% |
| 2009-2010 | 7.40% | 2020-2021 | 14.60% |

ERS CONTRIBUTION RATE HISTORY



9010 EMPLOYEES' RETIREMENT SYSTEM

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$1,625,425 | \$2,098,345 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-------------|----------|
| \$2,098,345 | \$1,984,717 | (\$113,628) | (5.42%) |

2020 TEACHERS' RETIREMENT SYSTEM

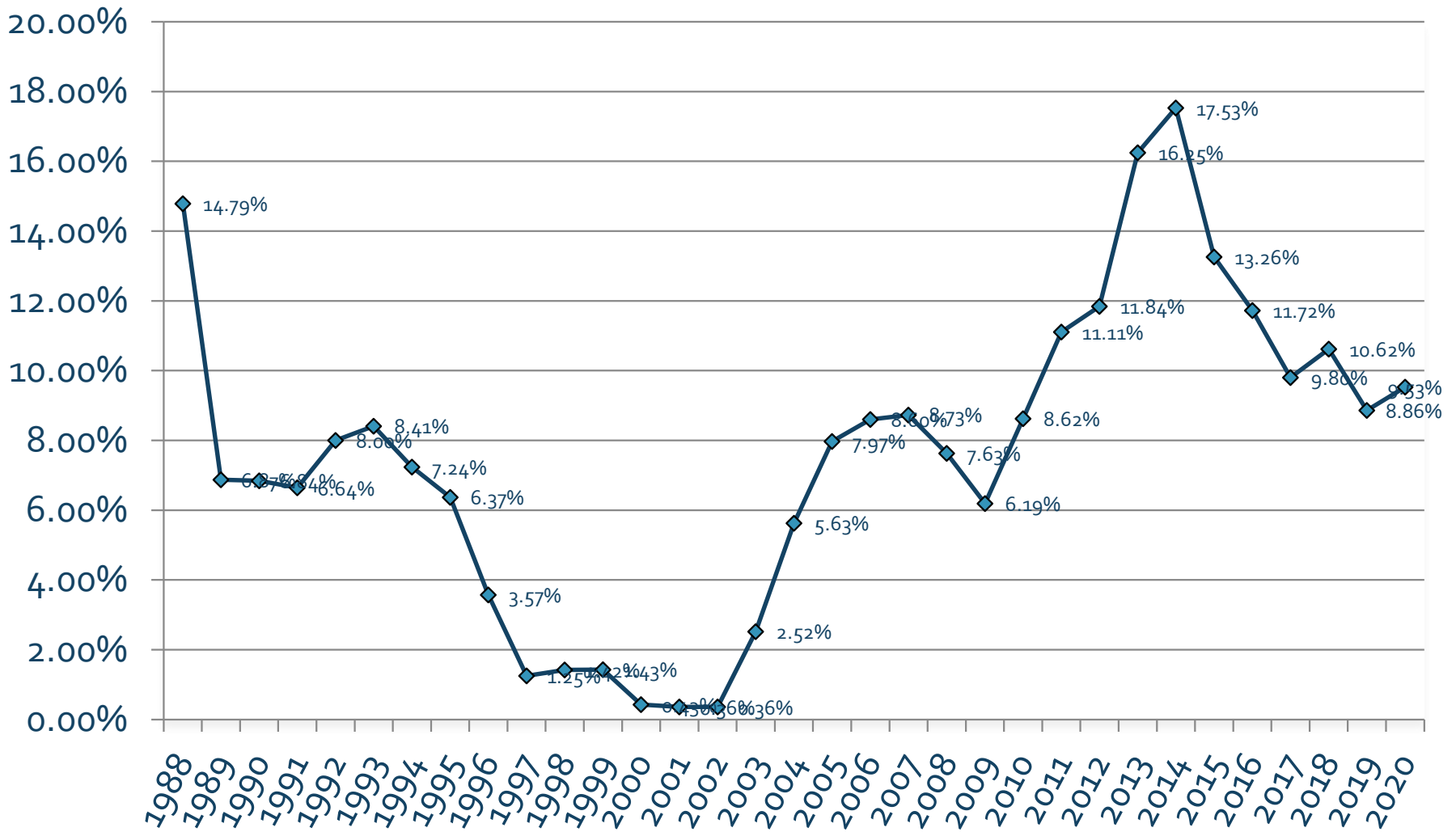
Instructional (certificated) staff retirement system

- TRS determines employer contribution rate
- Based on state fiscal year (July 1 – June 30)
- 2020-2021 rate estimated at 9.53% of projected 2019-2020 salaries

TRS CONTRIBUTION RATE HISTORY

| Year | Rate | Year | Rate | Year | Rate | Year | Rate |
|-----------|--------|-----------|--------|-----------|-------|-----------|--------|
| 1967-1968 | 18.50% | 1981-1982 | 23.49% | 1995-1996 | 6.37% | 2009-2010 | 6.19% |
| 1968-1969 | 18.80% | 1982-1983 | 23.49% | 1996-1997 | 3.57% | 2010-2011 | 8.62% |
| 1969-1970 | 18.60% | 1983-1984 | 22.90% | 1997-1998 | 1.25% | 2011-2012 | 11.11% |
| 1970-1971 | 18.80% | 1984-1985 | 22.80% | 1998-1999 | 1.42% | 2012-2013 | 11.84% |
| 1971-1972 | 18.80% | 1985-1986 | 21.40% | 1999-2000 | 1.43% | 2013-2014 | 16.25% |
| 1972-1973 | 18.80% | 1986-1987 | 18.80% | 2000-2001 | 0.43% | 2014-2015 | 17.53% |
| 1973-1974 | 18.80% | 1987-1988 | 16.83% | 2001-2002 | 0.36% | 2015-2016 | 13.26% |
| 1974-1975 | 18.80% | 1988-1989 | 14.79% | 2002-2003 | 0.36% | 2016-2017 | 11.72% |
| 1975-1976 | 19.40% | 1989-1990 | 6.87% | 2003-2004 | 2.52% | 2017-2018 | 9.80% |
| 1976-1977 | 19.40% | 1990-1991 | 6.84% | 2004-2005 | 5.63% | 2018-2019 | 10.62% |
| 1977-1978 | 20.40% | 1991-1992 | 6.64% | 2005-2006 | 7.97% | 2019-2020 | 8.86% |
| 1978-1979 | 21.40% | 1992-1993 | 8.00% | 2006-2007 | 8.60% | 2020-2021 | 9.53% |
| 1979-1980 | 22.49% | 1993-1994 | 8.41% | 2007-2008 | 8.73% | | |
| 1980-1981 | 23.49% | 1994-1995 | 7.24% | 2008-2009 | 7.63% | | |

TRS CONTRIBUTION RATE HISTORY



9020 TEACHERS' RETIREMENT SYSTEM

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$5,024,165 | \$4,884,341 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$4,884,341 | \$5,055,142 | \$170,801 | 3.50% |

9030 SOCIAL SECURITY

- FICA and Medicare payments
- 7.65% of salaries

9030 SOCIAL SECURITY

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$4,454,159 | \$4,747,564 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$4,747,564 | \$4,926,415 | \$178,851 | 3.77% |

9040 WORKERS COMPENSATION

- Self-insured – costs covered using designated reserve funding
- As required by law, monies not spent are reserved for future claims

9040 WORKERS COMPENSATION

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$693,310 | \$750,000 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|------------|----------|
| \$750,000 | \$700,000 | (\$50,000) | (6.67%) |

9045 LIFE INSURANCE

- Group life insurance policies for employees
- Collectively bargained

9045 LIFE INSURANCE

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$121,194 | \$123,000 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$123,000 | \$126,690 | \$3,690 | 3.00% |

9050 UNEMPLOYMENT INSURANCE

- New York State Unemployment Board determines eligibility of former employees' claims
- Designated reserve fund established to cover some associated costs

9050 UNEMPLOYMENT INSURANCE

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$40,782 | \$65,000 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$100,000 | \$100,000 | \$0 | 0.00% |

9055 DISABILITY INSURANCE

- Connected to long term disability-related absences unrelated to workplace
- Employer contribution
- All units eligible

9055 DISABILITY INSURANCE

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$23,018 | \$40,000 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$40,000 | \$40,000 | \$0 | 0.00% |

9060/9061 HEALTH/DENTAL INSURANCE

- Per collective bargaining agreements
- Health insurance rates set by NYSHIP
- Medicare Part B reimbursement payments to retired employees
 - ✓ Required by federal law and Empire Plan
 - ✓ Effective at age 65
 - ✓ Requires enrollment in Medicare plan via Social Security deduction

9060/9061 HEALTH/DENTAL INSURANCE

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$18,799,600 | \$22,126,914 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$22,126,914 | \$23,048,424 | \$921,510 | 4.16% |

9089 OTHER BENEFITS

- Non-elective 403(b) contributions (separation payments for instructional retirees)

9089 OTHER BENEFITS

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$333,605 | \$468,500 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$468,500 | \$468,870 | \$370 | 0.08% |

9700s DEBT SERVICE

- Principal and interest associated with certain district borrowings:
 - ✓ Tax Anticipation Notes (TANs)
- Premium due to good credit rating on revenue side of ledger

9700s DEBT SERVICE

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$316,000 | \$240,000 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-----------|----------|
| \$240,000 | \$260,000 | \$20,000 | 8.33% |

9901 INTER-FUND TRANSFERS

- Movement of money from general fund to specific-purpose funds
- Major actual-to-budget variance due to pass-through mechanism
- Includes 2006 bond debt service
- Includes transfers to *School Food Service Fund*
- Includes transfers to *Special Aid Fund*
 - ✓ As per NYS law, local district pays a portion of extended school year costs for students with special needs (may be on the increase ...)

9901 INTER-FUND TRANSFERS

| 2018-2019 Actual | 2019-2020 Est. Actual |
|---------------------|--------------------------|
| \$5,089,389 | \$790,800 |

| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-------------|----------|
| \$790,800 | \$678,800 | (\$112,000) | (14.16%) |

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| 2019-2020 Budget | 2020-2021 Draft Budget | \$ Change | % Change |
|---------------------|---------------------------|-------------|----------|
| \$36,369,464 | \$37,389,058 | \$1,019,594 | 2.80% |

CHANGES SINCE 2/24/20 MEETING

| Expenditure | Change |
|------------------------------|-----------|
| Health Insurance | \$200,000 |
| Maintenance Mechanic | 77,746 |
| School Lunch | 60,000 |
| Special Aid Fund | 50,000 |
| Computer Contracted Services | 40,000 |
| Computer Equipment | 40,000 |
| Operation of Plant | 40,000 |
| Electric | 30,000 |
| ERS | 11,351 |
| Computer Software | 10,000 |
| FICA | 5,948 |
| BOCES Adjustment | 4,000 |
| BOCES Computer CoSer | (19,629) |
| TOTAL SAVINGS | \$549,416 |

CHANGES SINCE 2/24/20 MEETING

| Revenue | Change |
|----------------------|------------------|
| BOCES | \$99,564 |
| Interest Income | 50,000 |
| E-rate | 25,000 |
| TOTAL SAVINGS | \$174,564 |

DRAFT V. TAX LEVY LIMIT BUDGETS

| | 2019-2020 | Working Draft 2020-2021 | At Levy Limit 2020-2021 |
|------------------------------------|---------------|----------------------------|----------------------------|
| Budget | \$133,488,443 | \$137,737,145 | \$136,367,520 |
| Revenue (all) | 23,087,832 | 23,551,271 | 23,551,271 |
| Tax Levy | 110,400,611 | 114,185,874 | 112,816,249 |
| Assessed Valuation | 44,941,370 | 44,941,370 | 44,941,370 |
| Tax Levy Increase (%) | | 3.43% | 2.19% |
| Budget-to-Budget Increase (%) | | 3.18% | 2.16% |
| Tax Rate (\$ per \$100 assessment) | 245.65 | 254.08 | 251.03 |
| Tax Rate Increase (%) | | 3.43% | 2.19% |
| Draft Levy/Levy Limit Diff. (\$) | | | (\$1,369,625) |

2020-2021 BUDGET DRAFT*

*WILL NOT BE FINALIZED UNTIL ADOPTION ON 4/20/2020

| As of 3/9/2020 | \$ Amount | Budget-to-Budget Increase | Est. Tax Rate Increase |
|----------------|---------------|---------------------------|------------------------|
| Current Draft | \$137,737,145 | 3.18% | 3.43% |
| At Levy Limit | \$136,367,520 | 2.16% | 2.19% |

CONTINGENCY BUDGET

- Incorporates same tax levy adopted for 2019-2020 (0% increase, no exclusions)
- Required budget reduction: \$3,785,263
 - ✓ Must include removal of all equipment (\$495,932)
- Remaining budget reduction: \$3,289,331

CONTINGENCY BUDGET

| | 2019-2020 | Working Draft 2020-2021 | Contingency 2020-2021 |
|------------------------------------|---------------|----------------------------|--------------------------|
| Budget | \$133,488,443 | \$137,737,145 | \$133,951,882 |
| Revenue (all) | 23,087,832 | 23,551,271 | 23,551,271 |
| Tax Levy | 110,400,611 | 114,185,874 | 110,400,611 |
| Assessed Valuation | 44,941,370 | 44,941,370 | 44,941,370 |
| Tax Levy Increase (%) | | 3.43% | 0.00% |
| Budget-to-Budget Increase (%) | | 3.18% | 0.35% |
| Tax Rate (\$ per \$100 assessment) | 245.65 | 254.08 | 245.65 |
| Tax Rate Increase (%) | | 3.43% | 0.00% |
| Draft Levy/Levy Limit Diff. (\$) | | | (\$3,785,263) |

2020-2021 CAPITAL PROJECT PROPOSALS

Huntington Union Free School District

Extended Budget Workshop

Monday, March 9, 2020

CAPITAL EXPENDITURES

- **2020-2021 recommendations extracted from revised five-year capital plan**
- **Funded via Building Improvement Funds (capital reserves)**
- **Voter-approved cap on fund contributions**

SUMMER 2019 PROJECTS COMPLETED

Jefferson & Flower Hill Roof Replacement



SUMMER 2019 PROJECTS COMPLETED

Southdown Roof Replacement



SUMMER 2019 PROJECTS COMPLETED

Flower Hill, Southdown & Washington Vestibules



SUMMER 2019 PROJECTS COMPLETED

Jefferson Student Bathroom



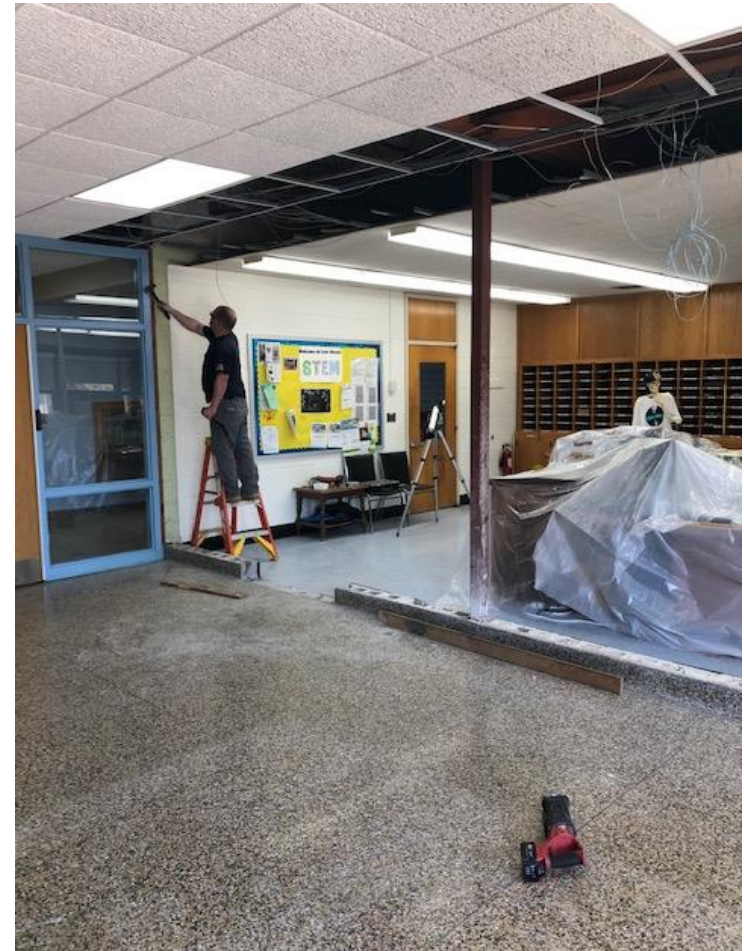
SUMMER 2019 PROJECTS COMPLETED

Jefferson Student Bathroom



SUMMER 2019 PROJECTS COMPLETED

Jack Abrams STEM Main Office Fire-Rated Wall



SUMMER 2019 PROJECTS COMPLETED

Woodhull Parking Lot



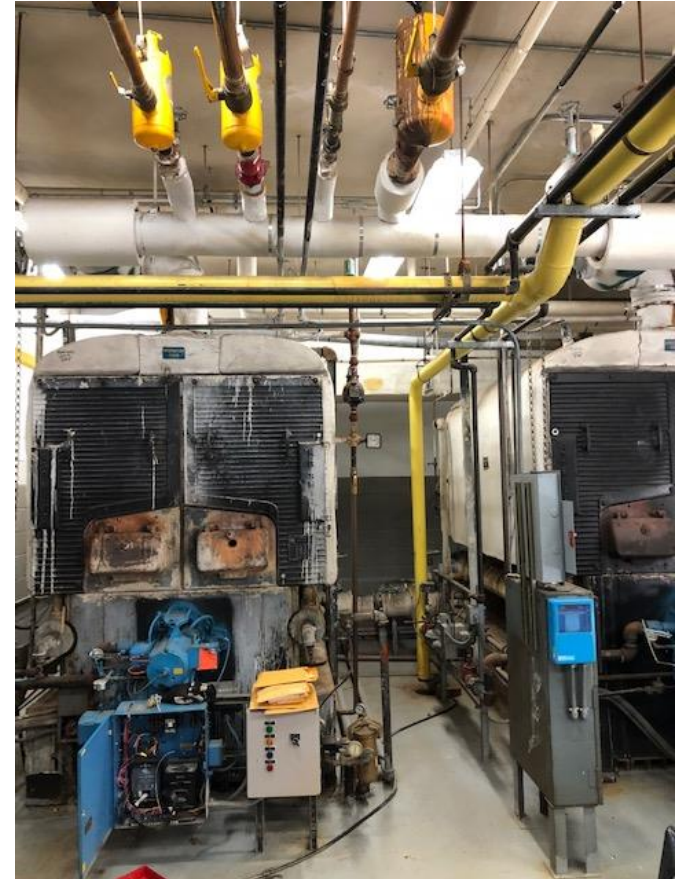
SUMMER 2019 PROJECTS COMPLETED

Woodhull Parking Lot



SUMMER 2019 PROJECTS COMPLETED

Woodhull Boilers



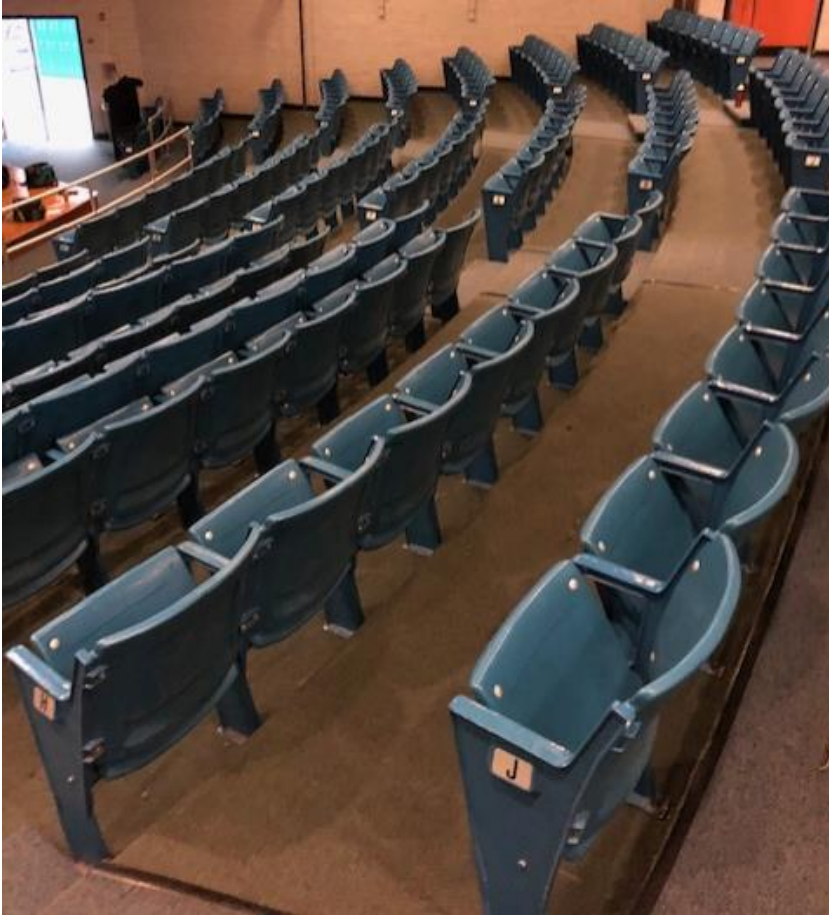
SUMMER 2019 PROJECTS COMPLETED

Woodhull Vestibule



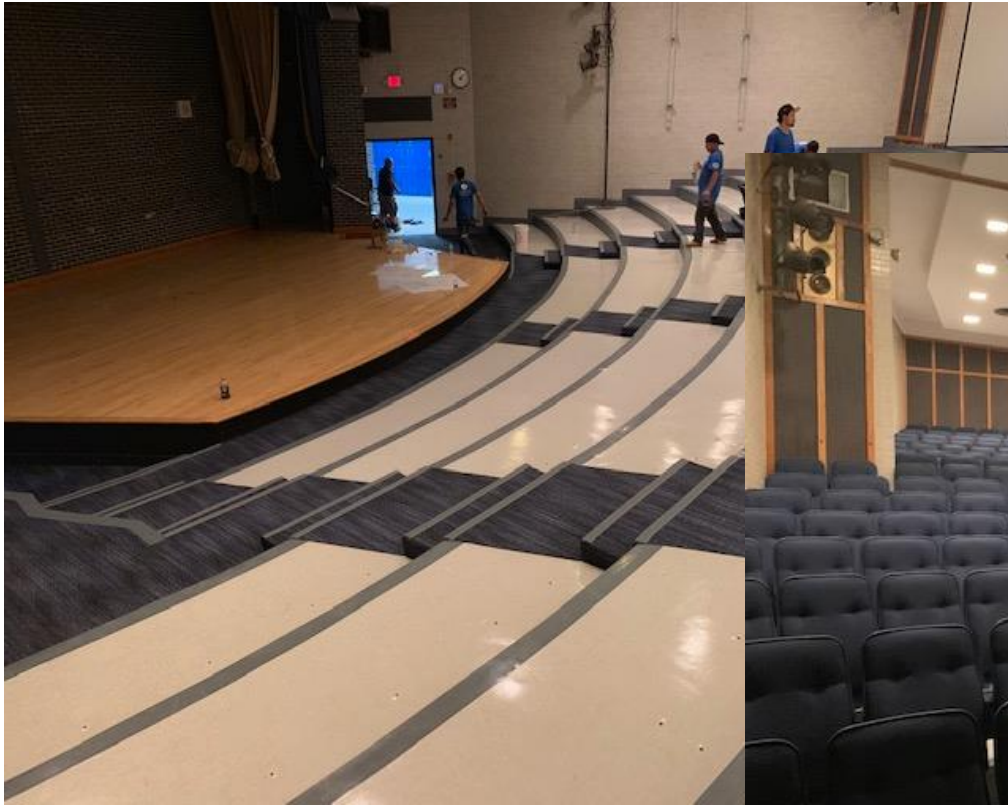
SUMMER 2019 PROJECTS COMPLETED

Finley Large Group Instruction Room



SUMMER 2019 PROJECTS COMPLETED

Finley Large Group Instruction Room



SUMMER 2019 PROJECTS COMPLETED

Finley Roll-up Doors



SUMMER 2019 PROJECTS COMPLETED

Finley Main Entrance Doors



SUMMER 2019 PROJECTS COMPLETED

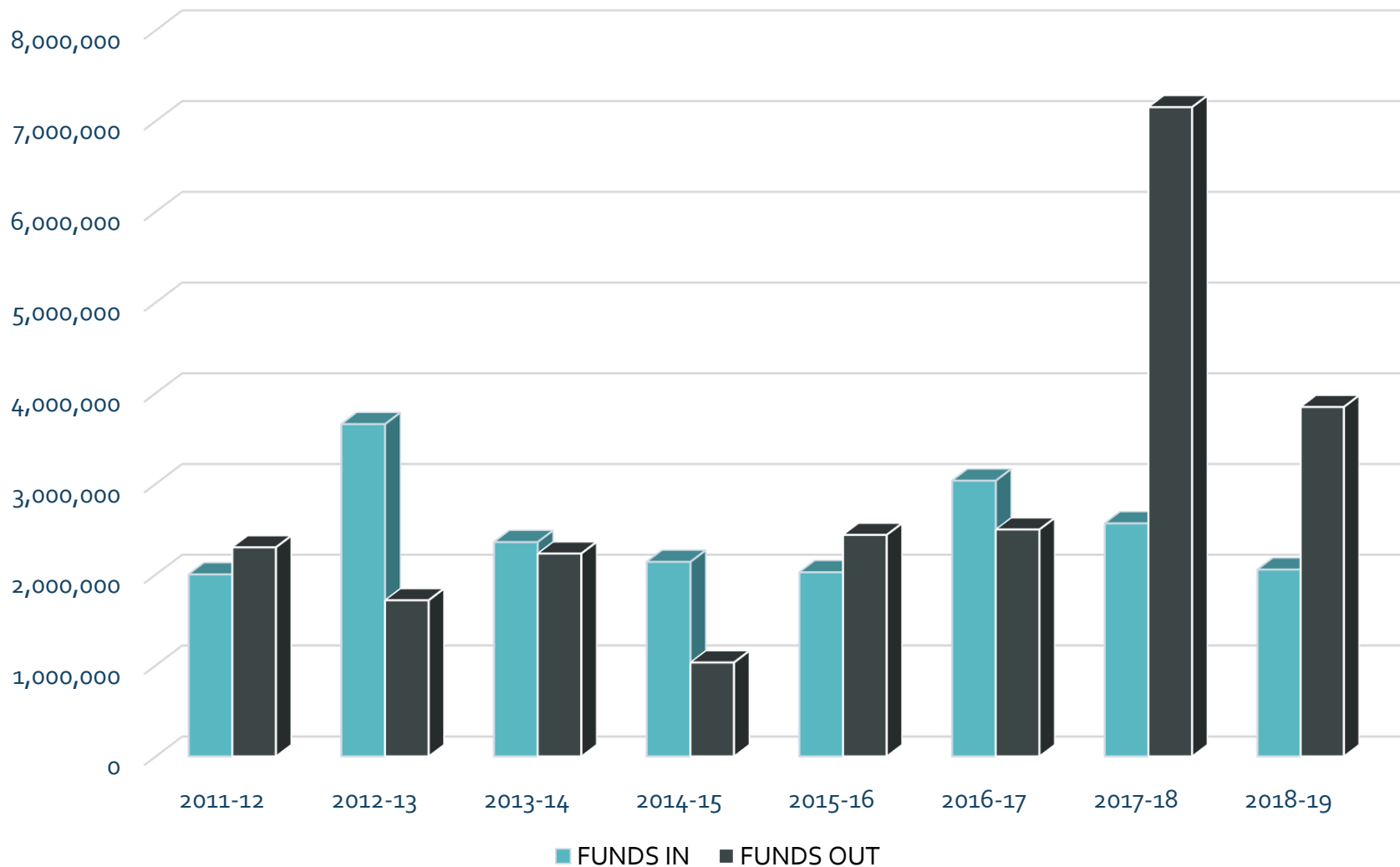
Huntington High School Roll-up Door



CAPITAL RESERVE USE & REPLENISHMENT (2011-2019)

| YEAR | FUNDS IN | FUNDS USED |
|-----------|-------------|-------------|
| 2011-2012 | \$2,000,000 | \$2,299,000 |
| 2012-2013 | \$3,656,376 | \$1,715,500 |
| 2013-2014 | \$2,356,603 | \$2,230,184 |
| 2014-2015 | \$2,138,528 | \$1,031,000 |
| 2015-2016 | \$2,023,878 | \$2,436,000 |
| 2016-2017 | \$3,033,372 | \$2,495,000 |
| 2017-2018 | \$2,562,912 | \$7,151,000 |
| 2018-2019 | \$2,053,026 | \$3,846,000 |

CAPITAL RESERVE USE & REPLENISHMENT (2011-2019)



SUMMER 2020 APPROVED PROJECTS

| SCHOOL | PROJECT | FUNDS USED |
|--------|-------------------------------|-------------|
| Finley | Student Locker Replacement | \$ 600,000 |
| HHS | Boiler Replacement | 1,500,000 |
| HHS | Partial Roof Replacement | 1,000,000 |
| HHS | Turf Field Replacement | 650,000 |
| | Perimeter Netting Replacement | 55,000 |
| | Goal Post Replacement | 41,000 |
| | TOTAL | \$3,846,000 |

2021 CAPITAL PROJECT PROPOSALS

FUTURE
PROJECTS

CAPITAL RESERVE FUND BALANCES

(3/7/2020)

| FUND | BALANCE |
|--------------------------------|--------------|
| 2008 Building Improvement Fund | \$ 98,918 |
| 2013 Building Improvement Fund | \$ 1,358,303 |
| 2017 Building Improvement Fund | \$ 2,710,558 |
| 2018 Building Improvement Fund | \$ 0 |
| TOTAL | \$ 4,167,779 |

2021 CAPITAL PROJECT PROPOSALS

Huntington High School

| | |
|--------------------------|-------------|
| Partial roof replacement | \$1,000,000 |
|--------------------------|-------------|

Finley Middle School

| | |
|------------------------|-------------|
| Boiler replacement (2) | \$1,000,000 |
|------------------------|-------------|

| | |
|----------------------------------|------------|
| Science/prep room reconstruction | \$ 700,000 |
|----------------------------------|------------|

Jack Abrams STEM Magnet School

| | |
|-----------------------------|------------|
| Auditorium seating/flooring | \$ 300,000 |
|-----------------------------|------------|

| | |
|--------------|--------------------|
| TOTAL | \$3,000,000 |
|--------------|--------------------|

2021 CAPITAL PROJECT PROPOSALS

Primary School Solar Pilot ... \$340,000 per school

- No energy performance contract (EPC) needed
- District would own the panels – no built-in escalation costs
- Analysis of sun exposure underway at each building
- High solar energy months – excess is banked (up to 20 years)
- Initial KWH demand study – electric use bill would be eradicated
- Savings generated would cover cost in 6-7 years
- Panel life ~ 25 years; held down with ballasts/weights

OTHER PRIORITY PROPOSALS

Flower Hill Primary School

| | |
|------------------------|-----------|
| Boiler replacement (2) | \$750,000 |
|------------------------|-----------|

Jefferson Primary School

| | |
|------------------------|-----------|
| Boiler replacement (2) | \$850,000 |
|------------------------|-----------|

Southdown Primary School

| | |
|------------------------|-----------|
| Boiler replacement (2) | \$750,000 |
|------------------------|-----------|

Washington Primary School

| | |
|------------------------|-----------|
| Boiler replacement (2) | \$750,000 |
|------------------------|-----------|

BALLOT PROPOSITIONS

PROPOSITION #1: 2020-2021 Budget

PROPOSITION #2: Capital Reserve Appropriations

- Voters must approves release of monies already situated in capital reserve funds for completion of state-approved projects
- No additional impact on tax levy or tax rate
- If not approved, monies remain in capital reserve funds and cannot be used for any other purposes

BUDGET DEVELOPMENT TIMELINE

March 23, 2020 – Instruction & Staffing

April 6, 2020 – Revenues/Budget Review

April 20, 2020 – BOE budget adoption

May 11, 2020 – Public budget hearing

May 19, 2020 – Budget vote/BOE election