

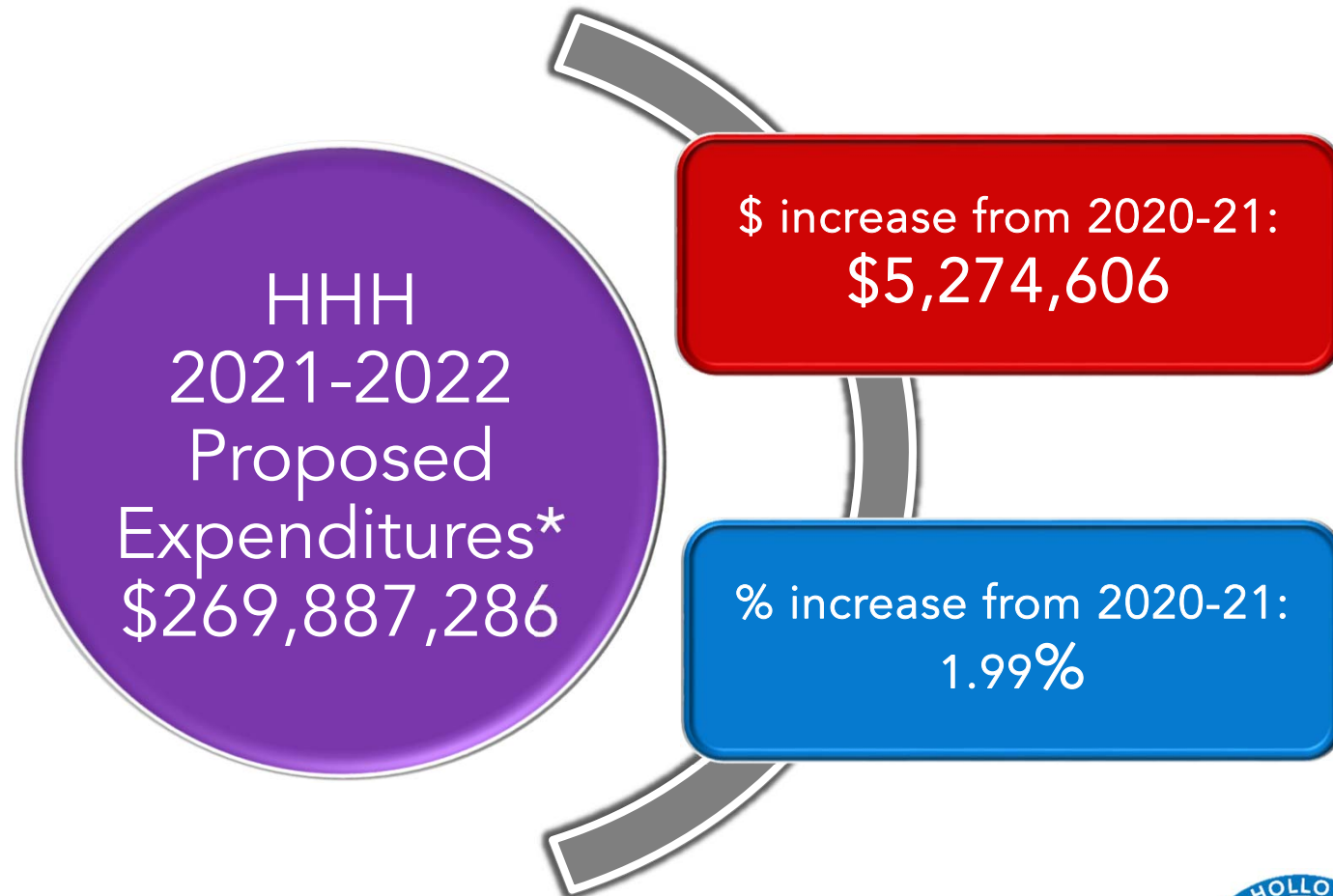


2021-2022

Budget Development

Board of Education Meeting
March 22, 2021

2021-2022 Budget



* As of March 22, 2021 – subject to change



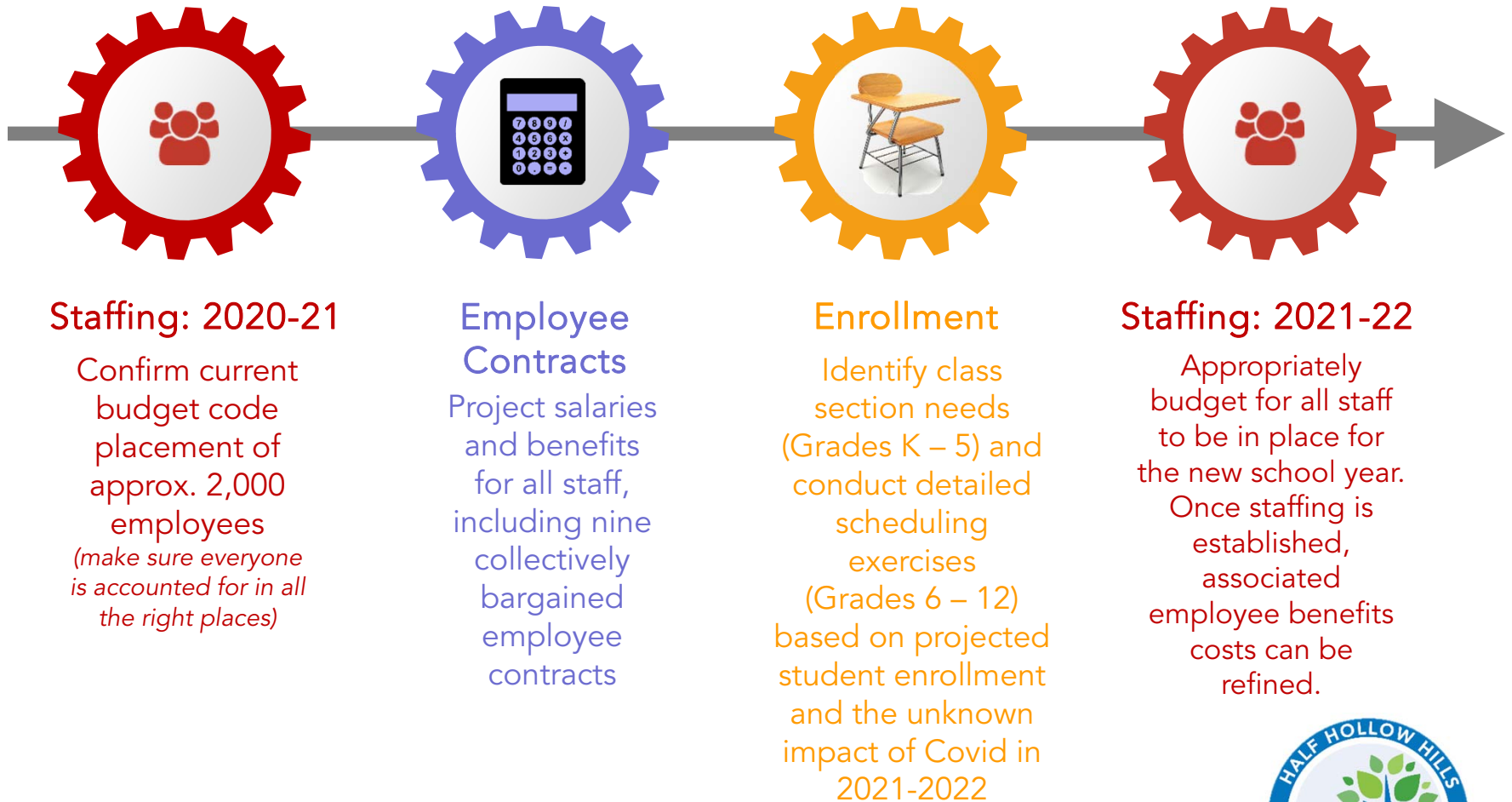
History of Budget Increases



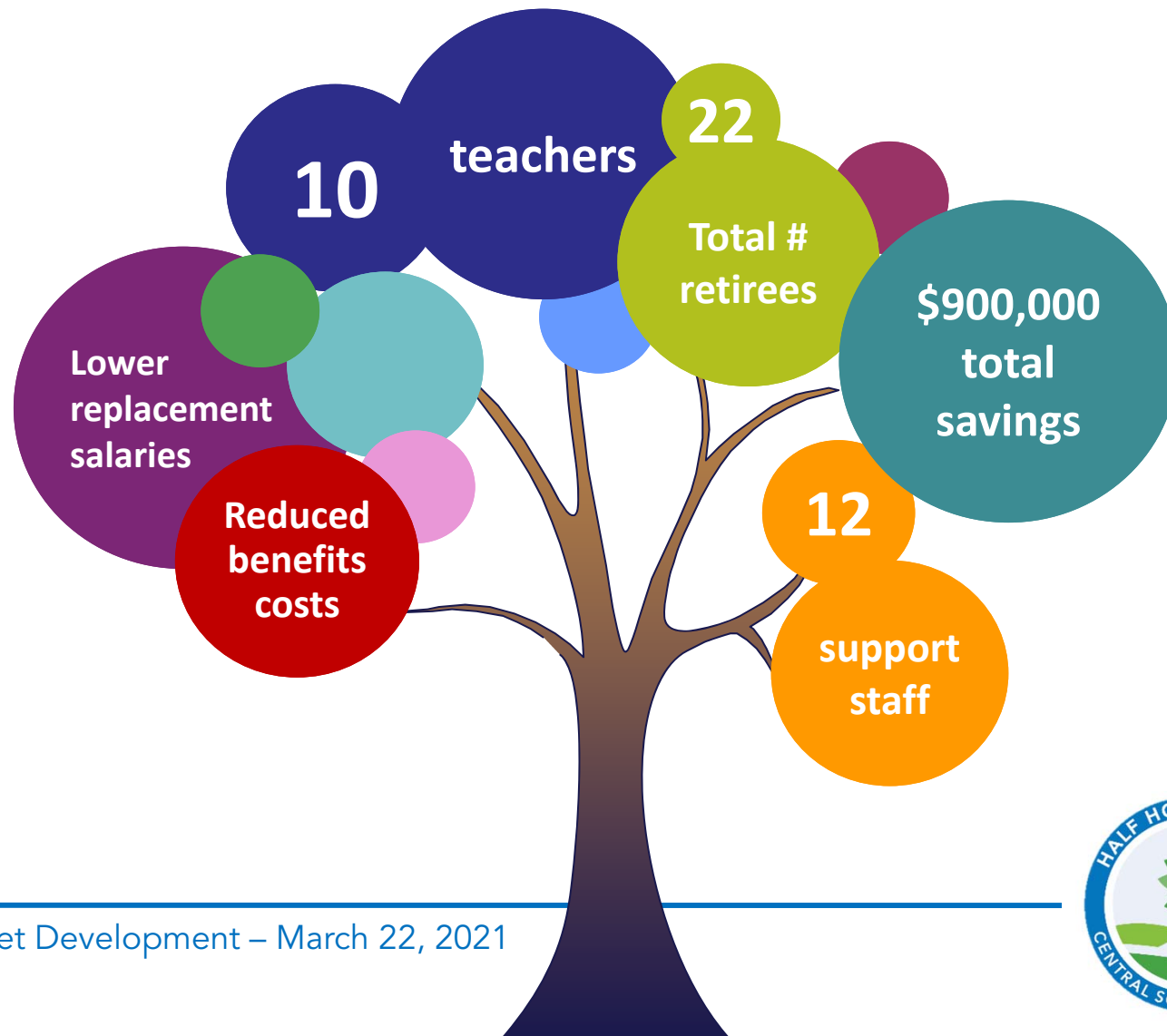
* As of March 22, 2021 – subject to change



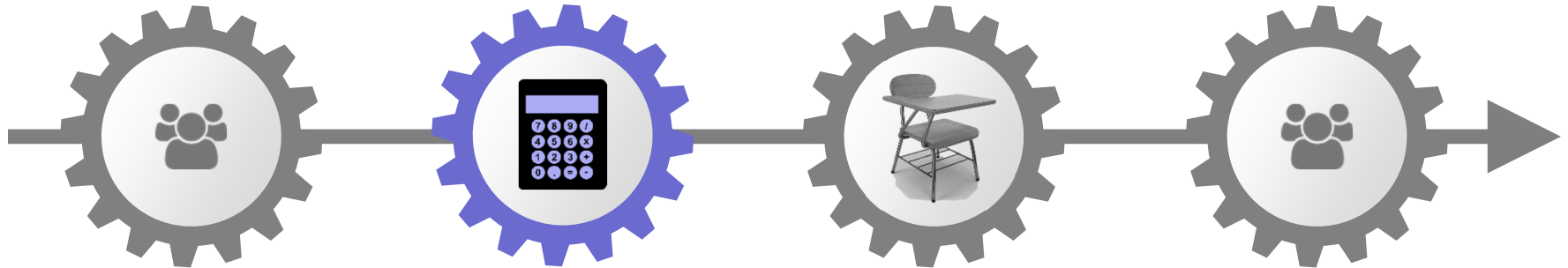
Budgeting for Staff



Expense Reductions: Retirees



Budgeting for Staff



Staffing: 2020-21

Confirm current budget code placement of approx. 2,000 employees
(make sure everyone is accounted for in all the right places)

Employee Contracts

Project salaries and benefits for all staff, including nine collectively bargained employee contracts

Enrollment

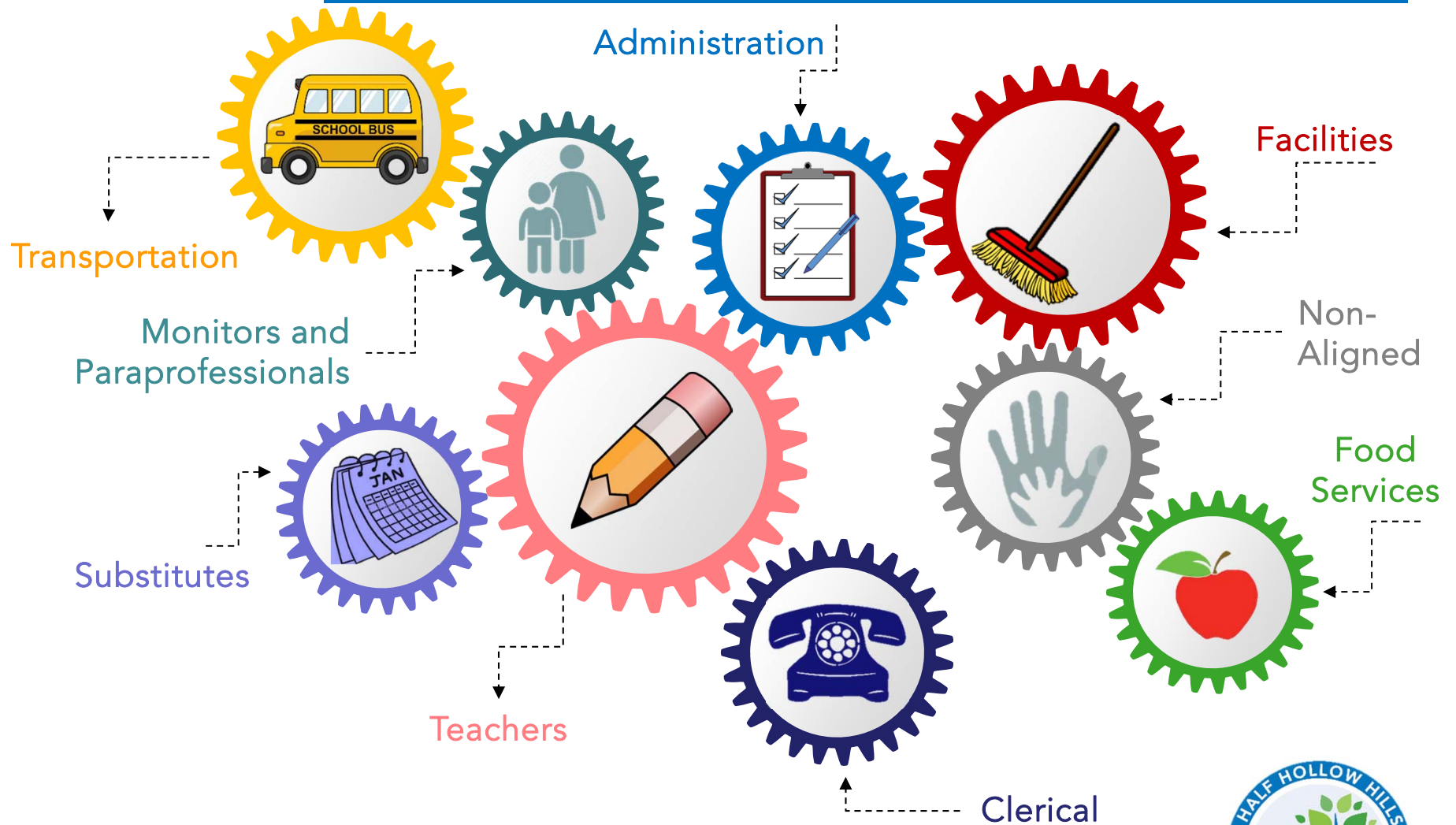
Identify class section needs (Grades K – 5) and conduct detailed scheduling exercises (Grades 6 – 12) based on projected student enrollment and the unknown impact of Covid in 2021-2022

Staffing: 2021-22

Appropriately budget for all staff to be in place for the new school year. Once staffing is established, associated employee benefits costs can be refined.



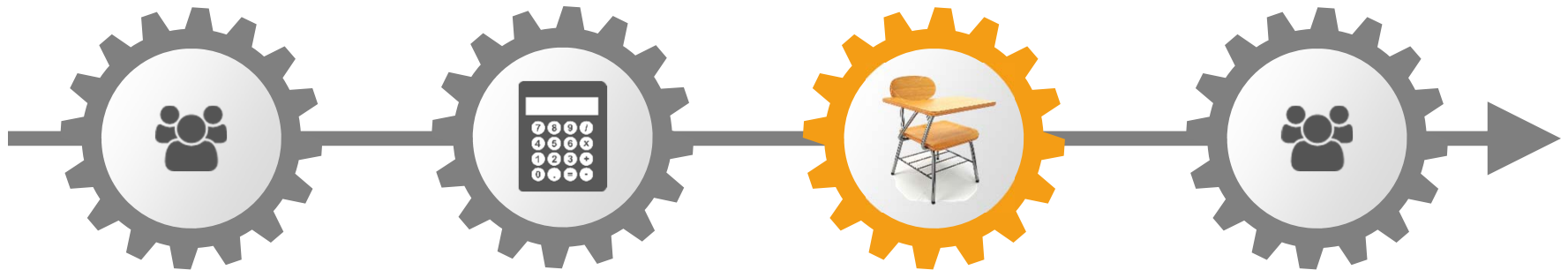
Employment Contracts



Expiring/Expired Contracts



Budgeting for Staff



Staffing: 2020-21

Confirm current budget code placement of approx. 2,000 employees
(make sure everyone is accounted for in all the right places)

Employee Contracts

Project salaries and benefits for all staff, including nine collectively bargained employee contracts

Enrollment

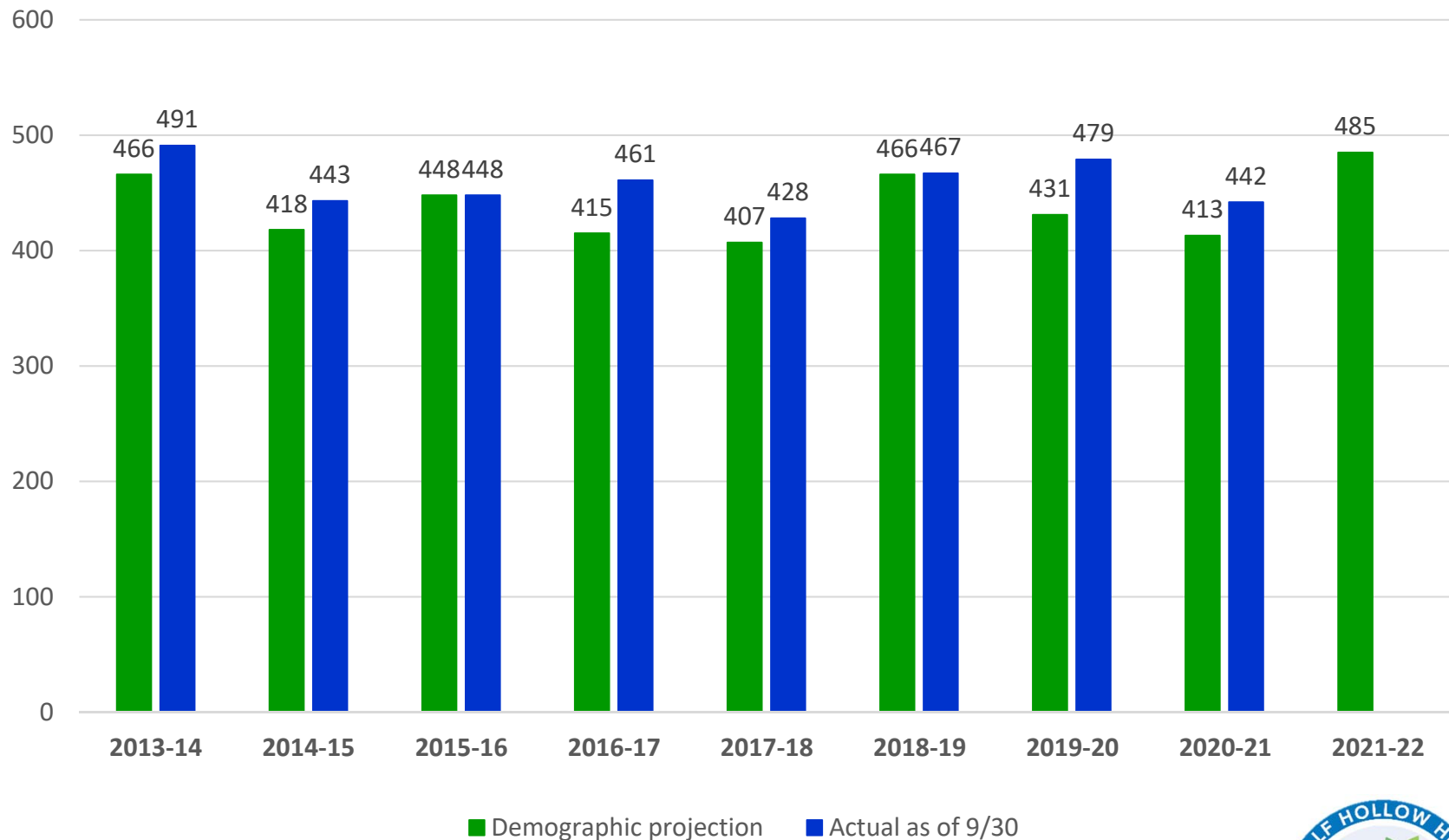
Identify class section needs (Grades K – 5) and conduct detailed scheduling exercises (Grades 6 – 12) based on projected student enrollment and the unknown impact of Covid in 2021-2022

Staffing: 2021-22

Appropriately budget for all staff to be in place for the new school year. Once staffing is established, associated employee benefits costs can be refined.



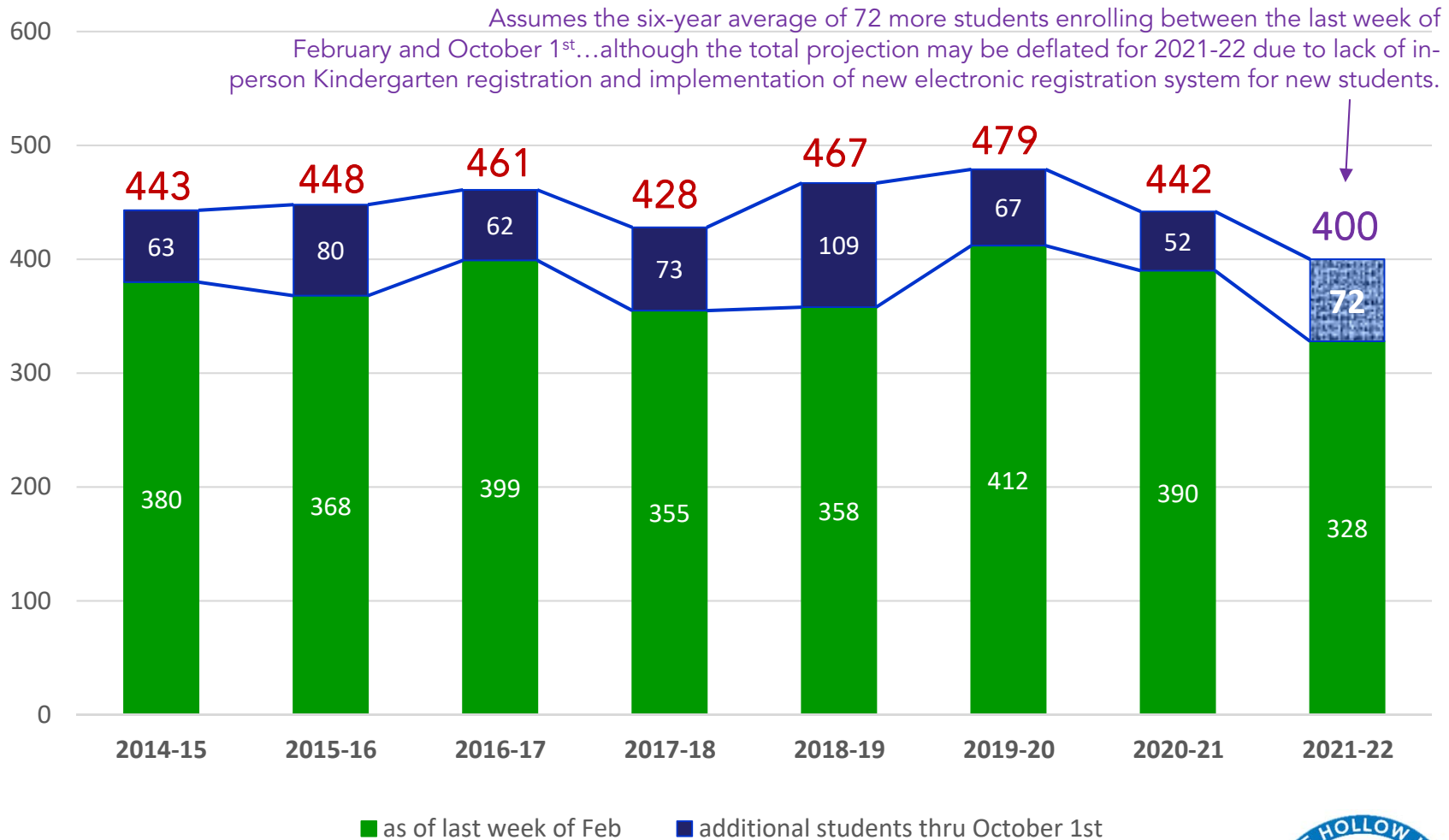
Kindergarten Enrollments



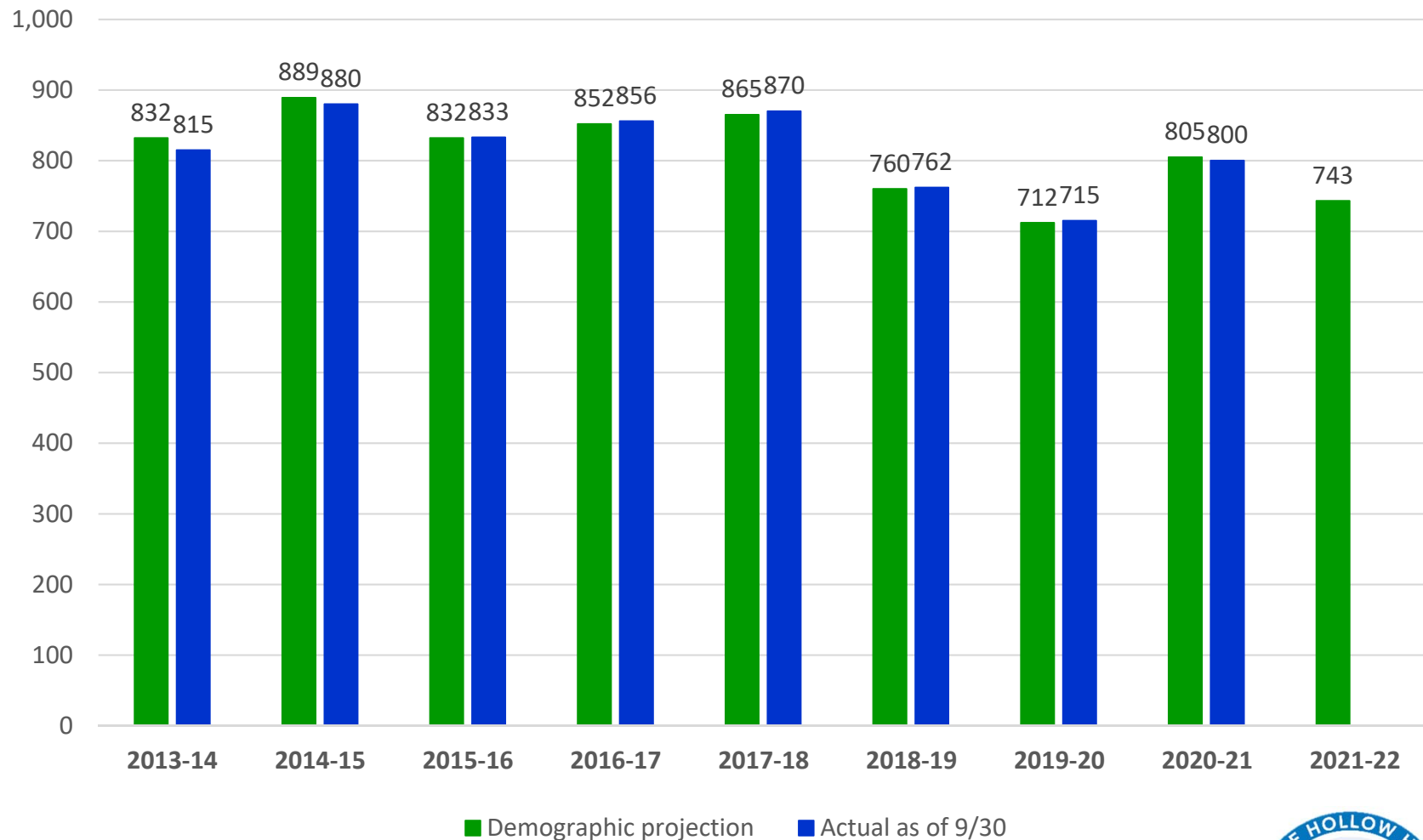
* 2018-19 thru 2021-22 projected enrollments from demographer's 2019 report



Kindergarten Enrollments



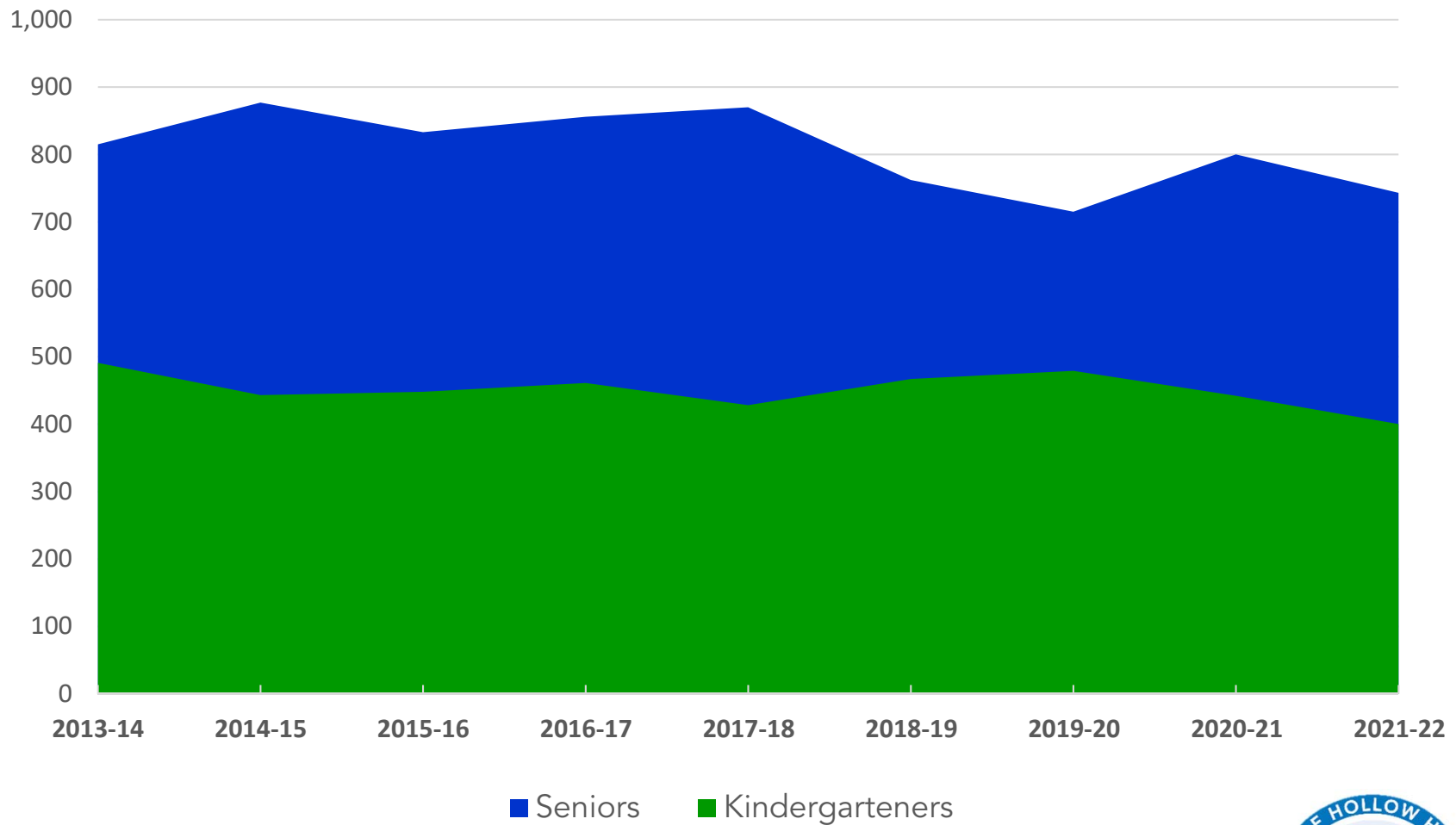
Twelfth Grade Enrollments



* 2018-19 thru 2021-22 projected enrollments from demographer's 2019 report



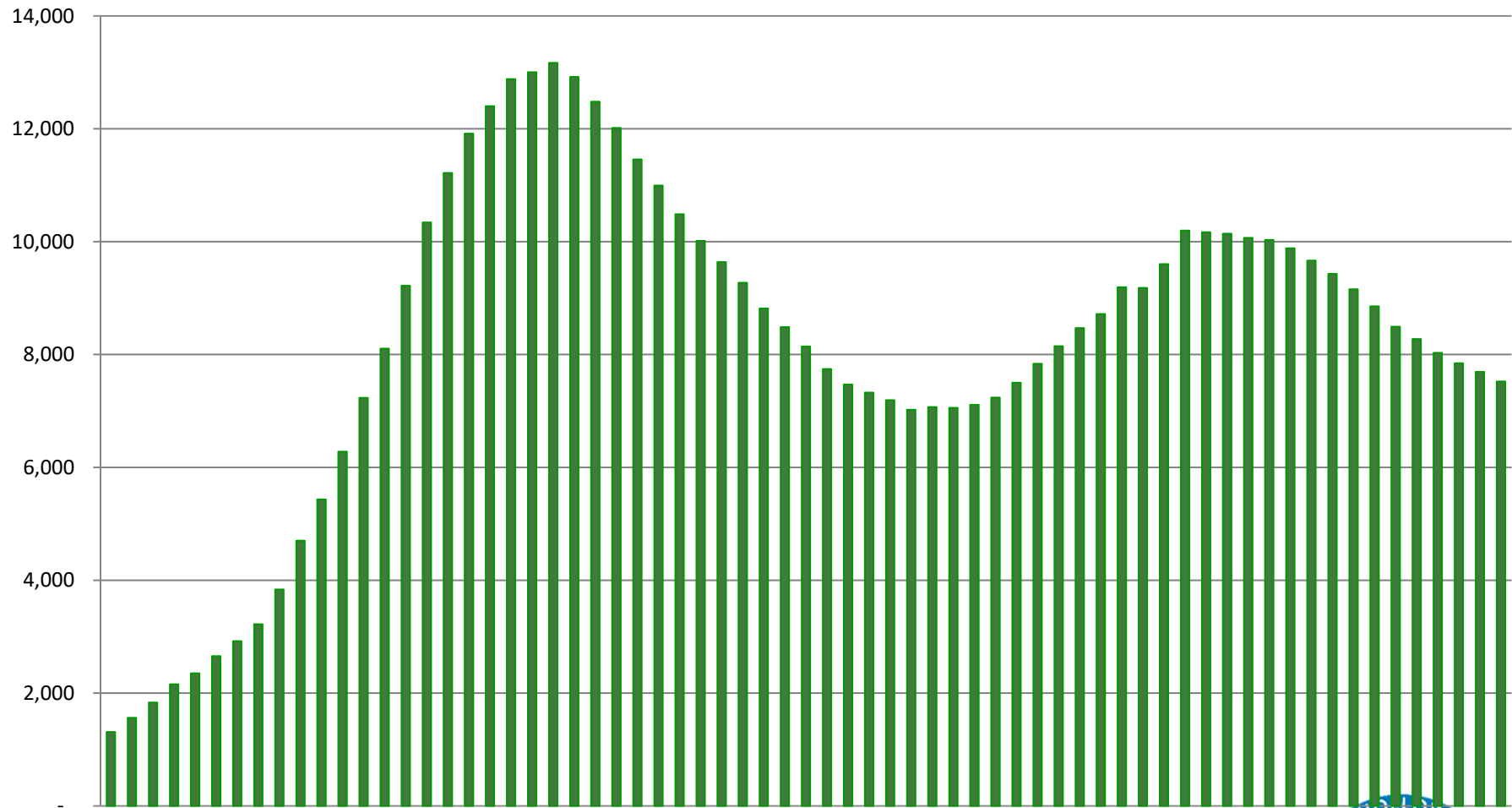
Enrollment Trend



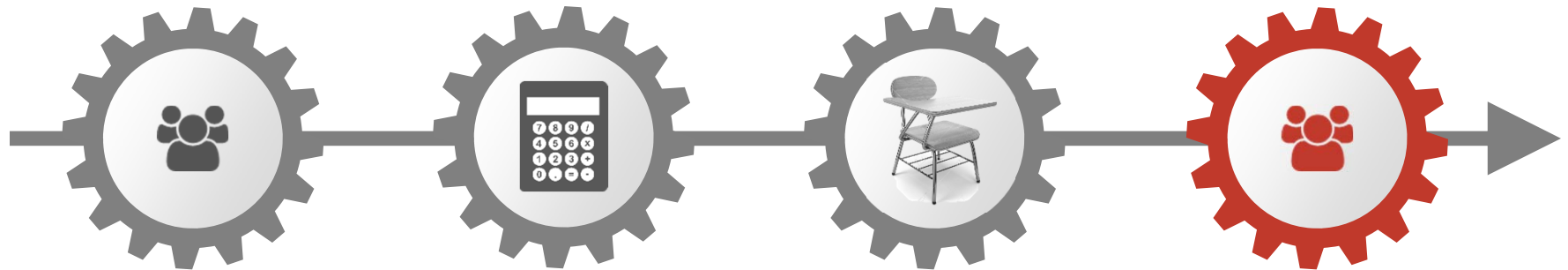
2020-21 figures estimated



Total Enrollments – 1954 through 2020



Budgeting for Staff



Staffing: 2020-21

Confirm current budget code placement of approx. 2,000 employees
(make sure everyone is accounted for in all the right places)

Employee Contracts

Project salaries and benefits for all staff, including nine collectively bargained employee contracts

Enrollment

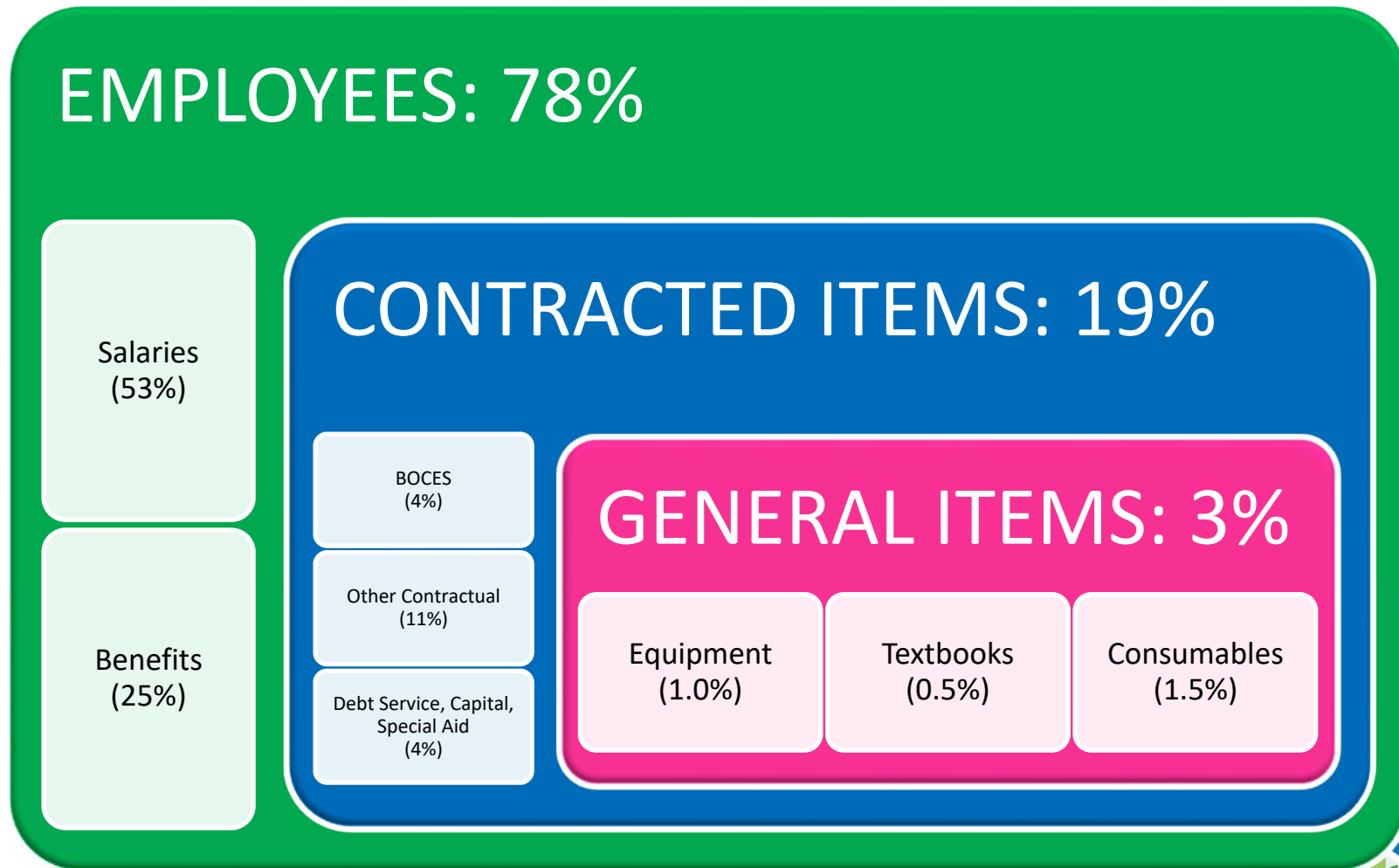
Identify class section needs (Grades K – 5) and conduct detailed scheduling exercises (Grades 6 – 12) based on projected student enrollment and the unknown impact of Covid in 2021-2022

Staffing: 2021-22

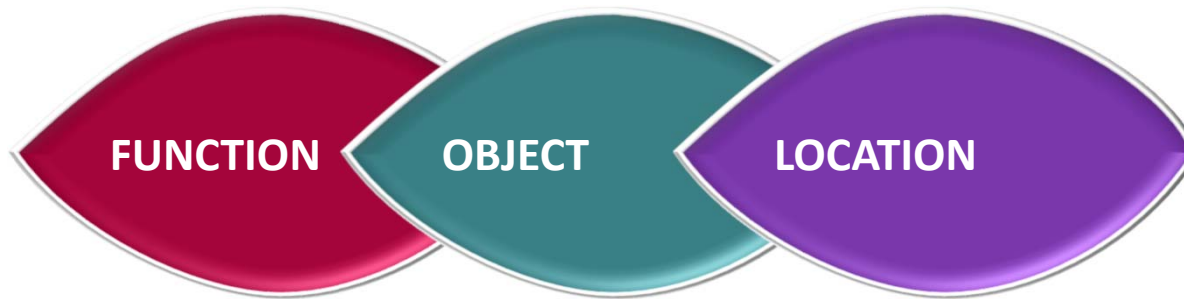
Appropriately budget for all staff to be in place for the new school year. Once staffing is established, associated employee benefits costs can be refined.



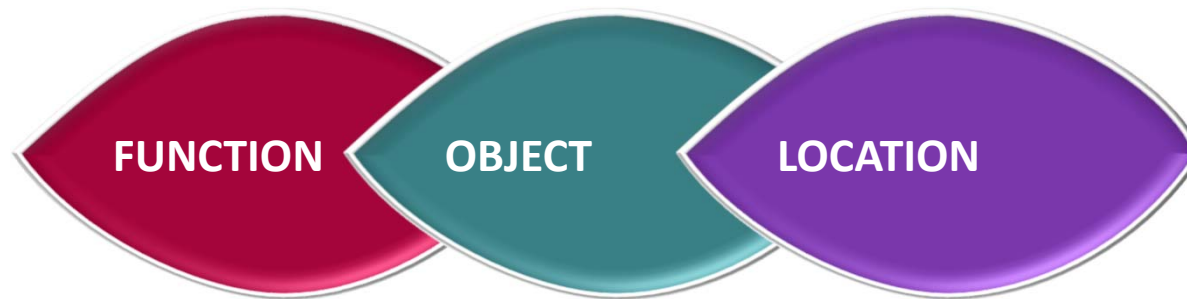
Budgeting Components



Budget Coding Structure



Budget Coding Structure

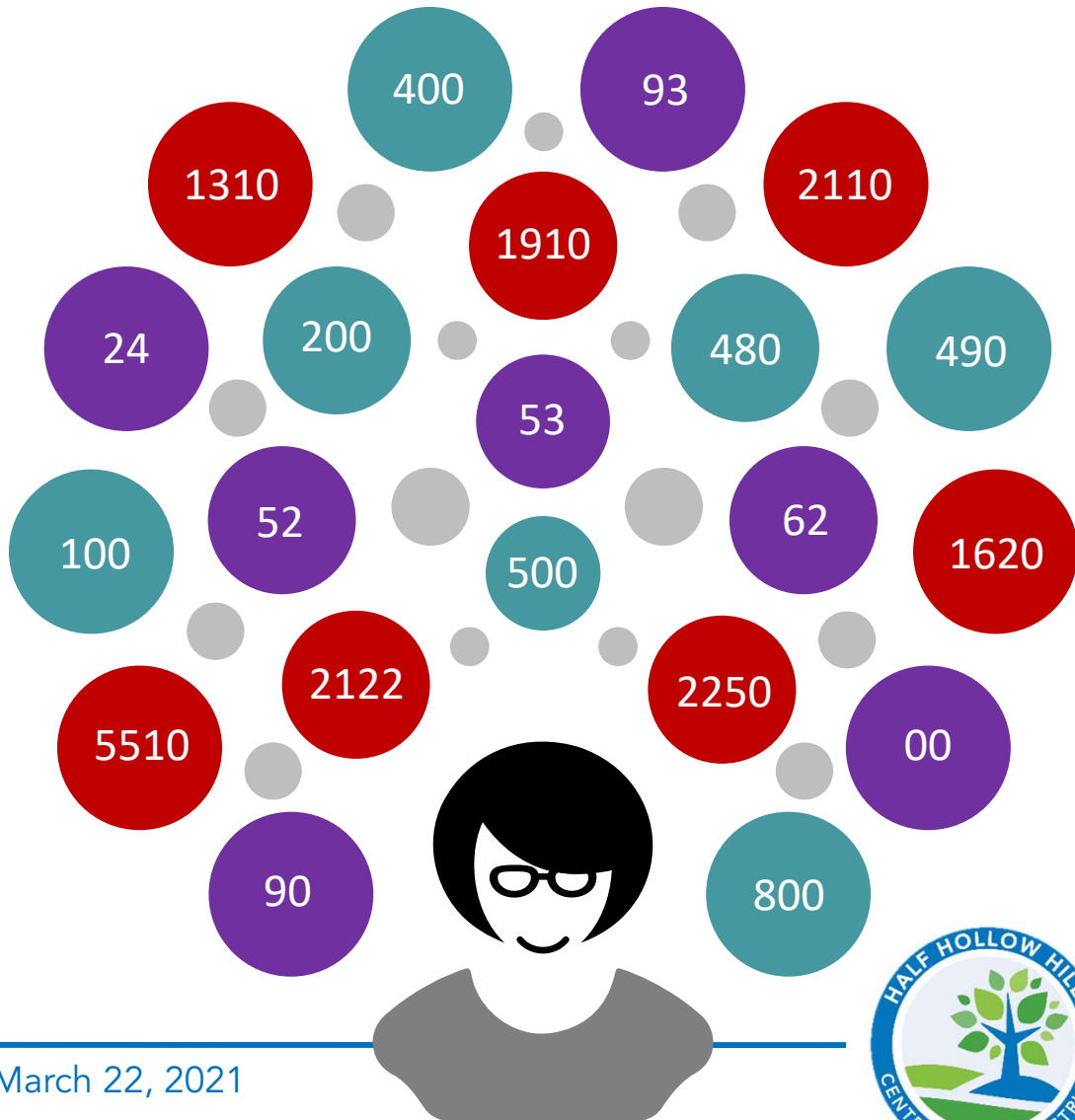


- First set of digits is budget code
- Consists of four digits
- Identifies the functional area for which expenditure is made

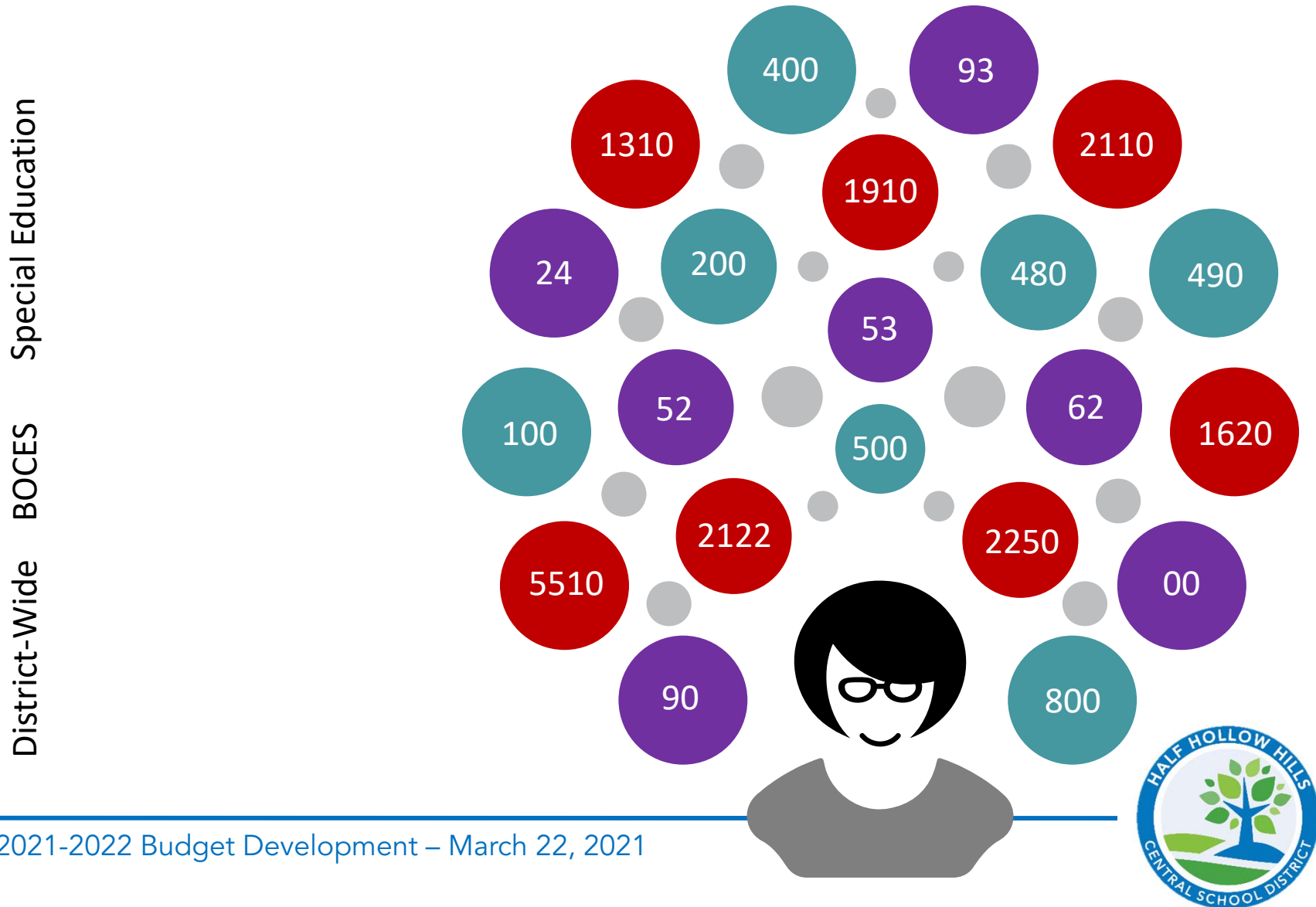


Budget Coding Structure

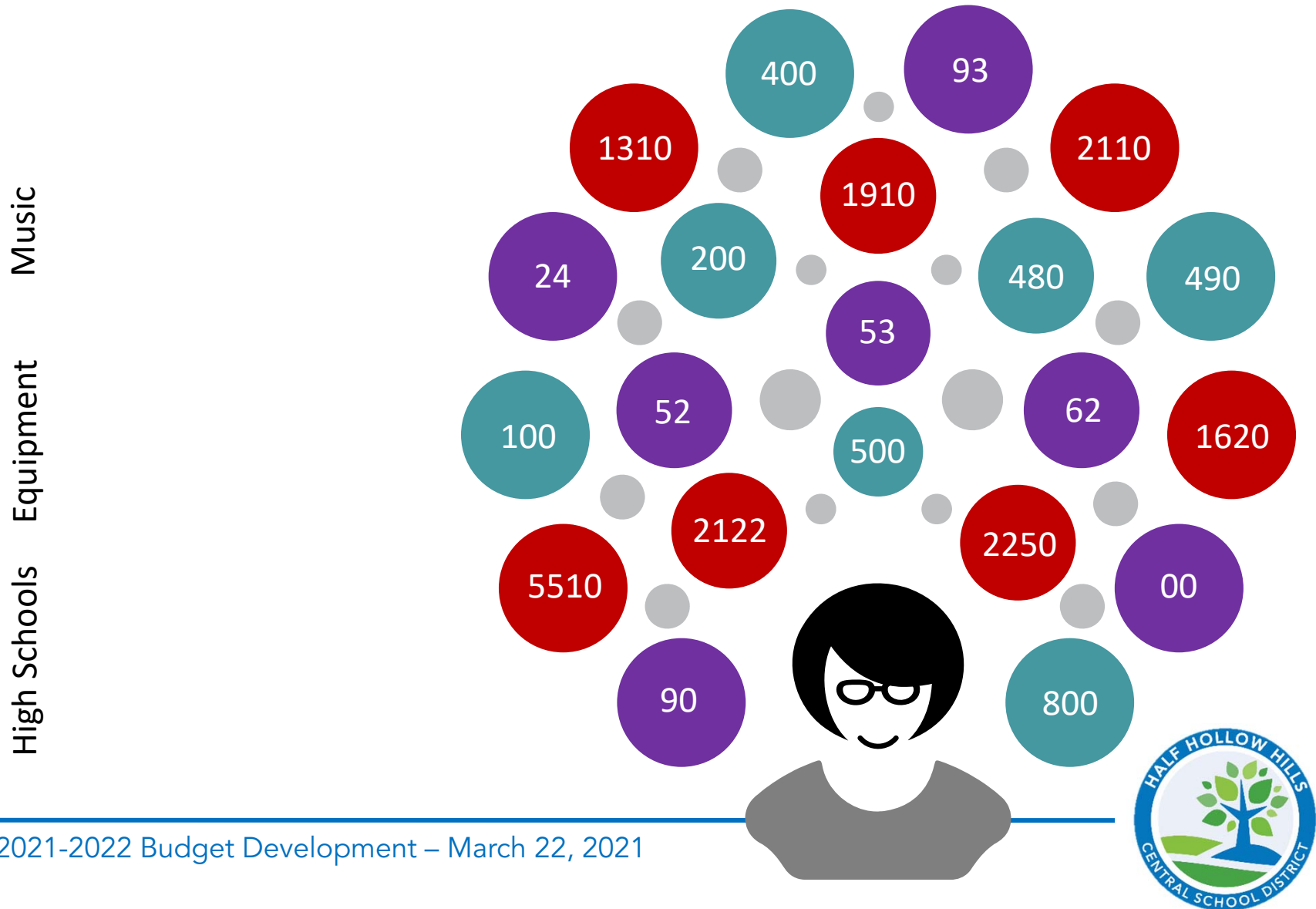
for Otsego Salaries General Education



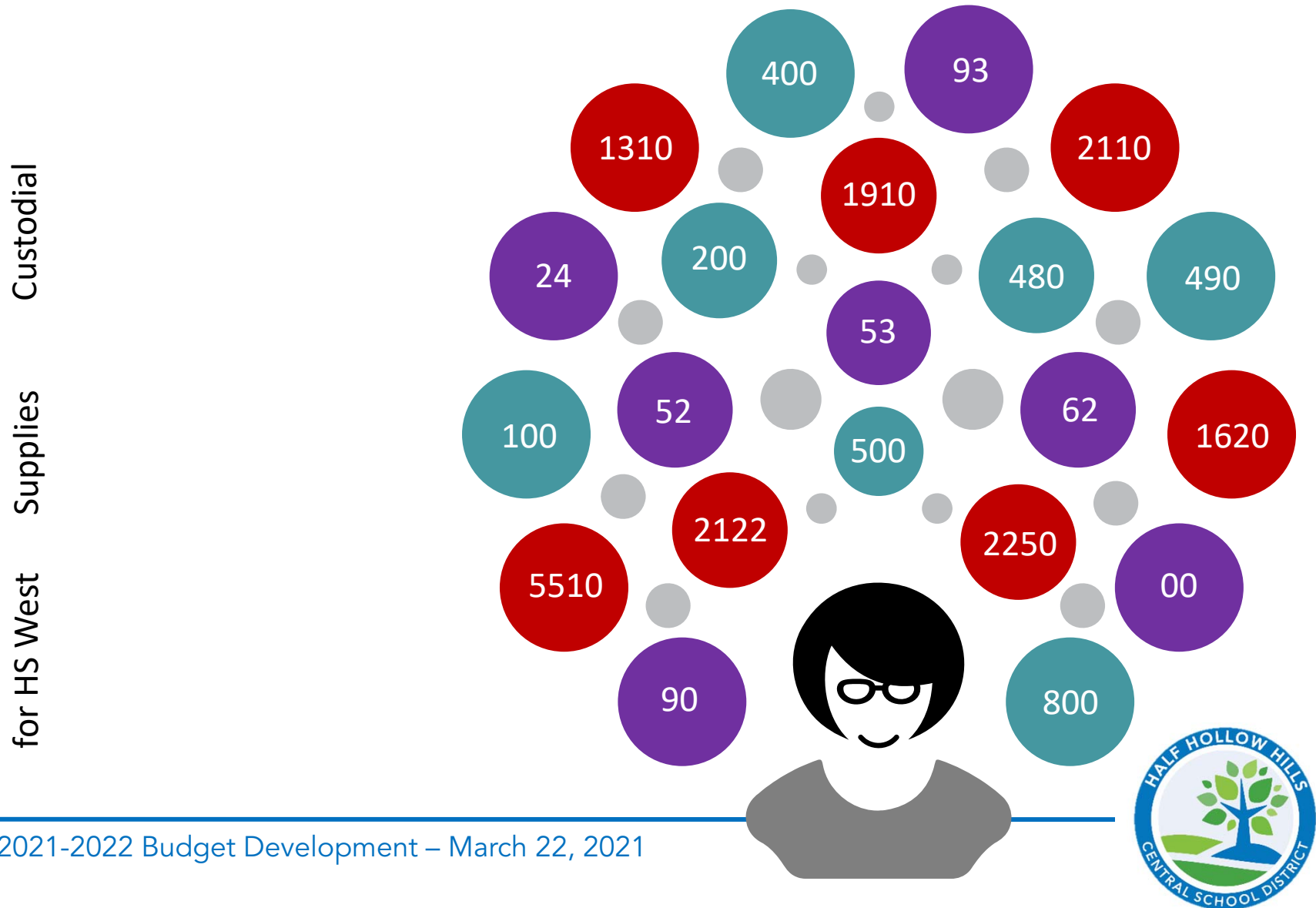
Budget Coding Structure



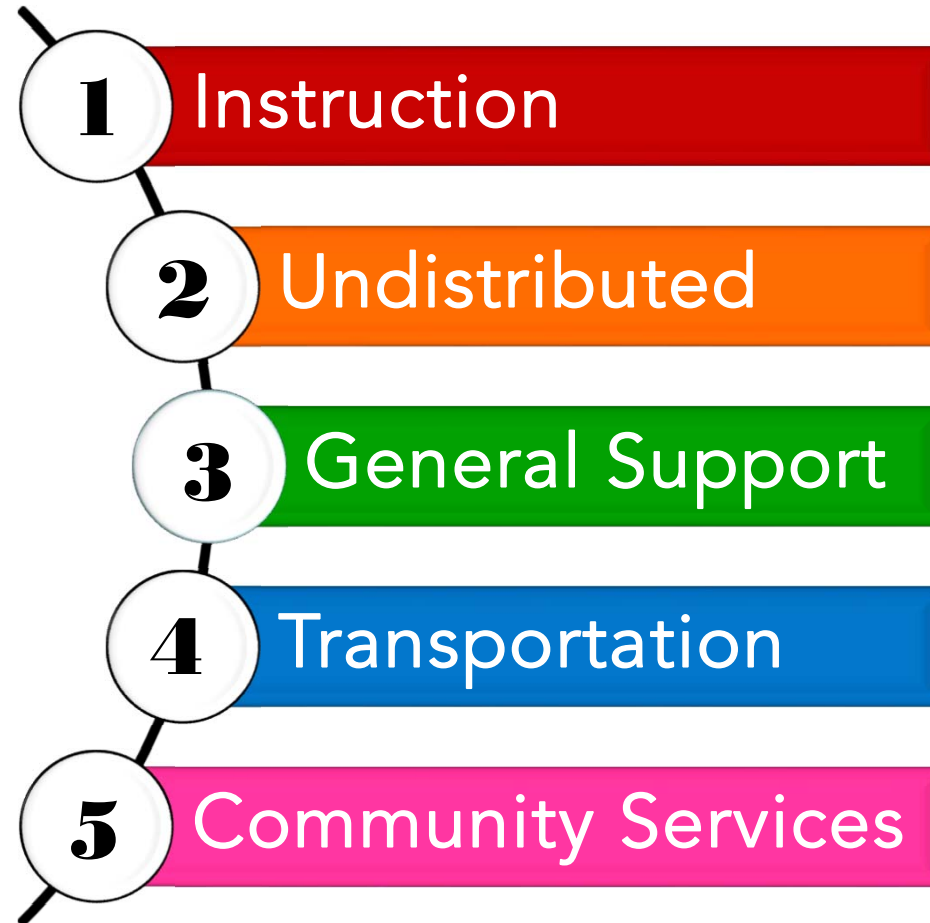
Budget Coding Structure



Budget Coding Structure



Budget Categories



Budget Categories

1 Instruction

The codes which begin with "2000"

- K-12 instructional programs of regular and special education students
- Principals, assistant principals, teachers, guidance counselors, psychologists, attendance, librarians, health services, etc
- Also included is summer school, the interscholastic sports program, co-curricular activities (*clubs*) as well as textbooks



Budget Categories

The codes which begin with "9000"

- Employee benefits (*including retirement, Medicare, Social Security, Workers' Compensation, unemployment insurance, health insurance, life insurance, etc.*)
- Debt service (*principal and interest payments on long and short term borrowing*)
- Transfers to other funds (*i.e. to capital fund to fund large-scale projects or to school lunch fund to cover deficits*)

1

Instruction

2

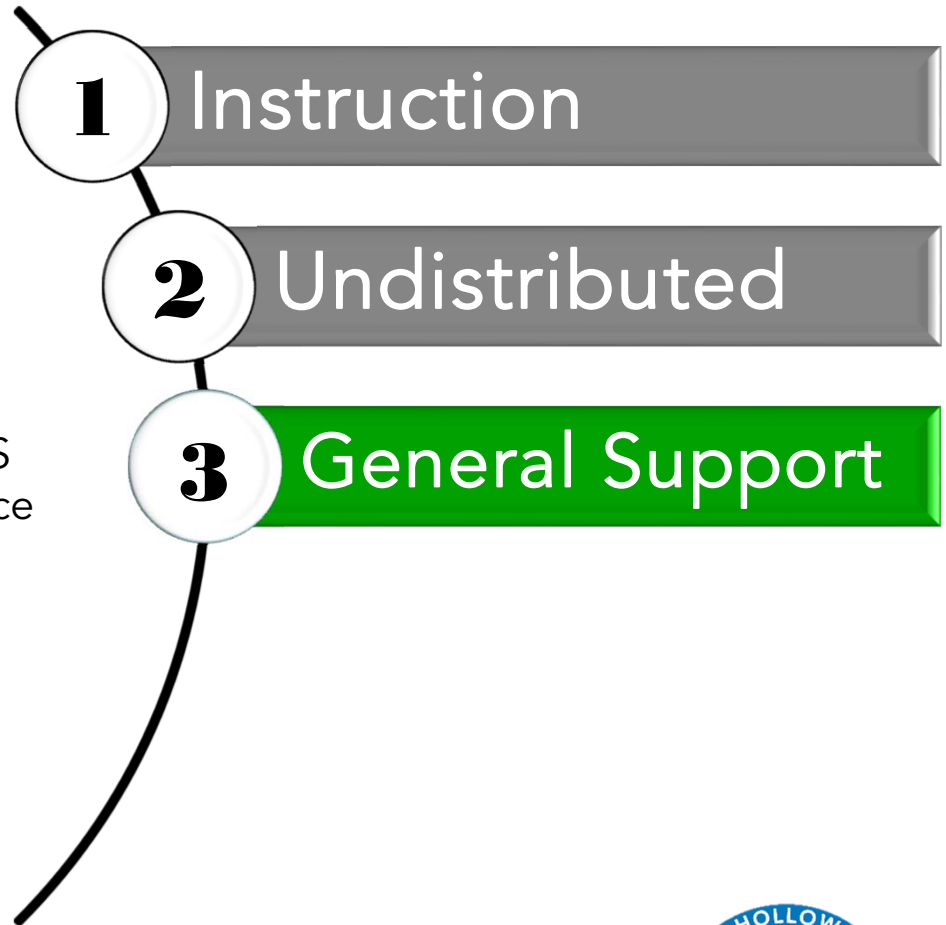
Undistributed



Budget Categories

The codes which begin with "1000"

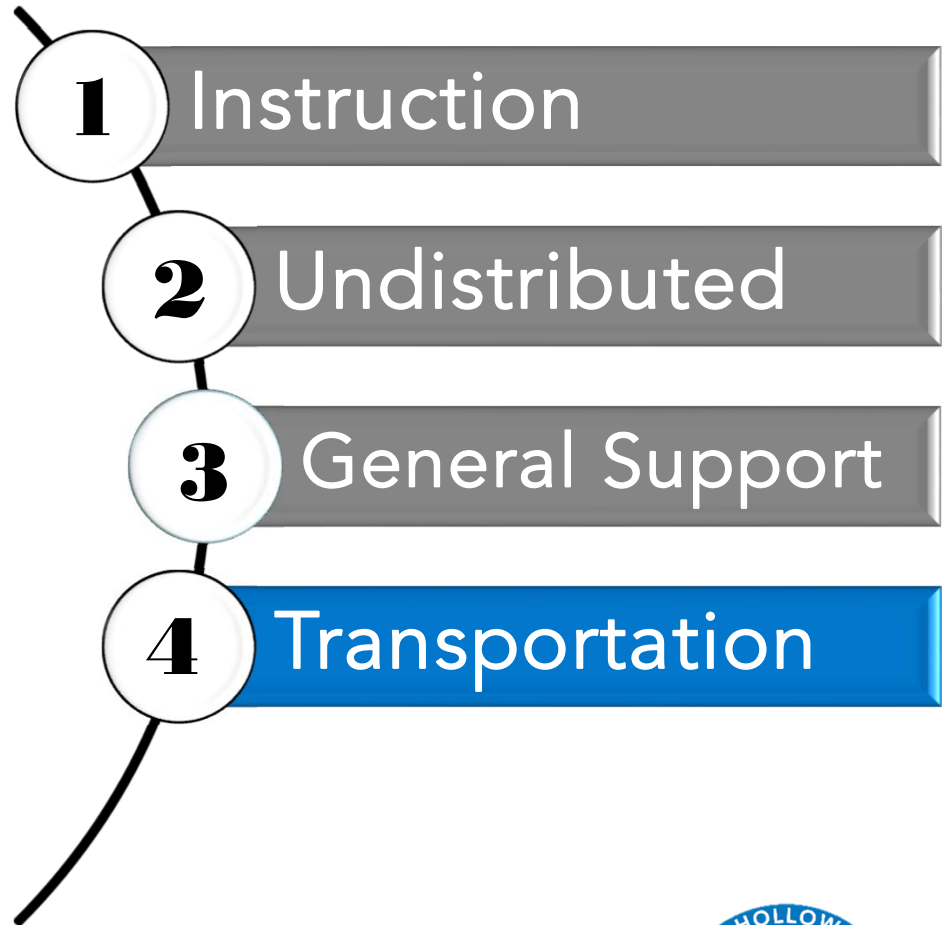
- Expenses supportive of the entire district management effort
- Includes legal, Board of Education, elections, auditors, facilities, BOCES administrative charges, and insurance
- Includes expenses within the Superintendent, Human Resources, and Business Offices



Budget Categories

The codes which begin with "5000"

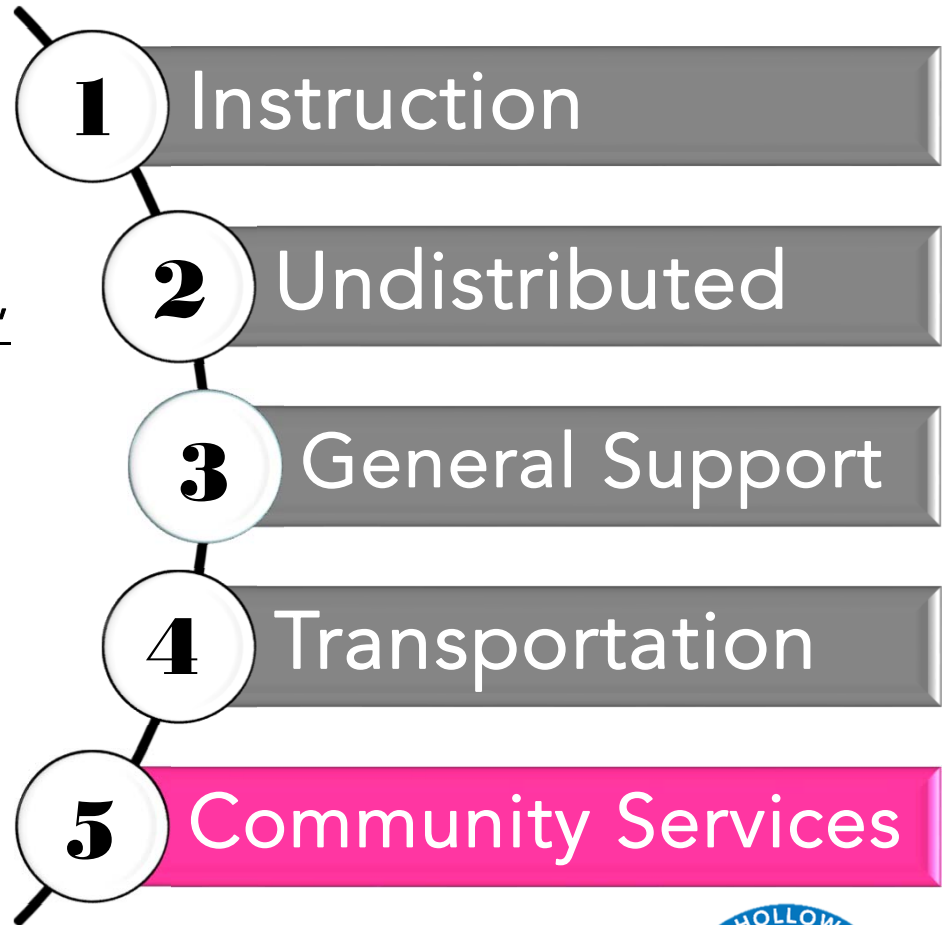
- All costs for transporting pupils to and from public, private and parochial schools



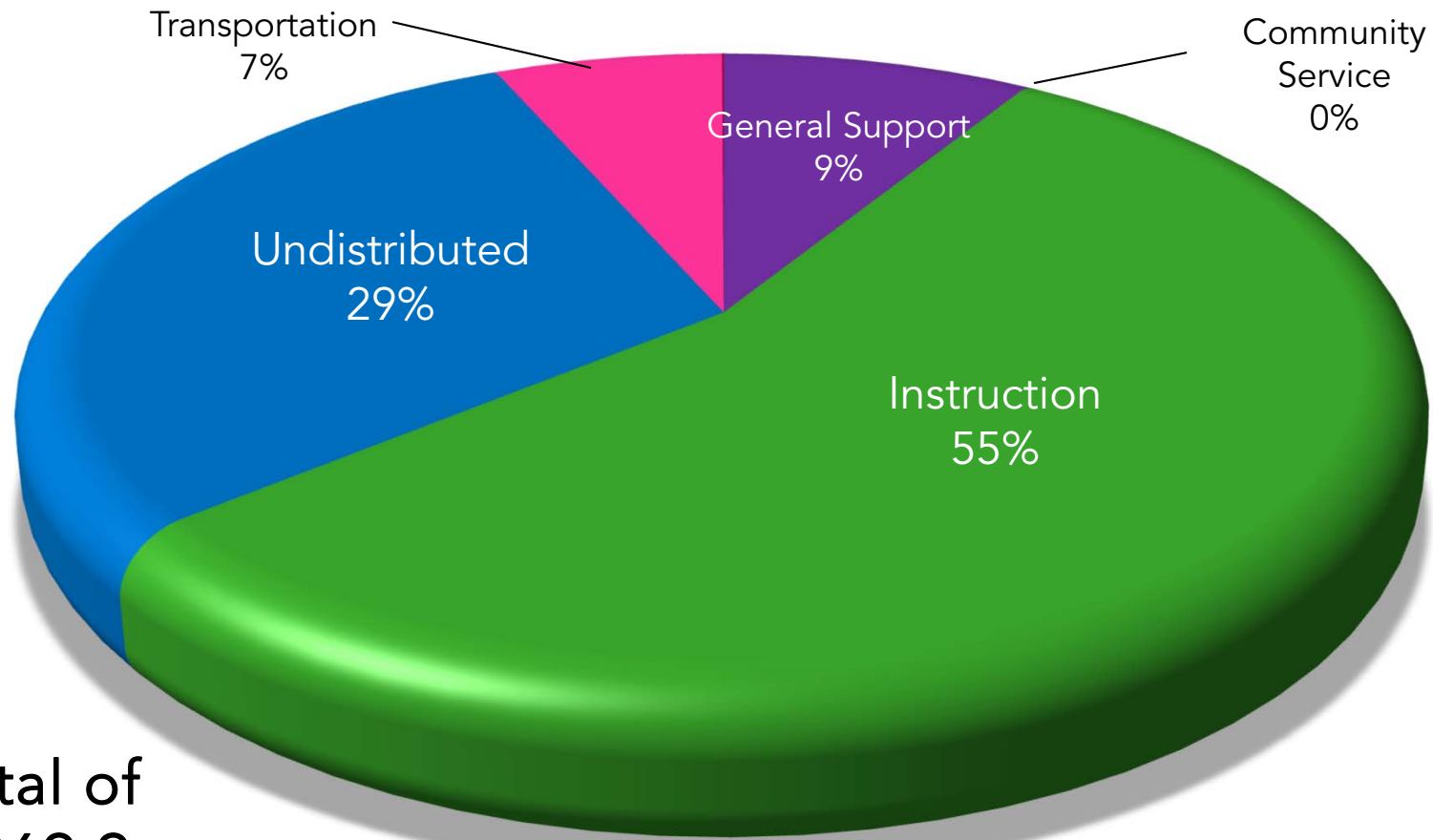
Budget Categories

The codes which begin with "7000"

- Costs related to community use of District pool



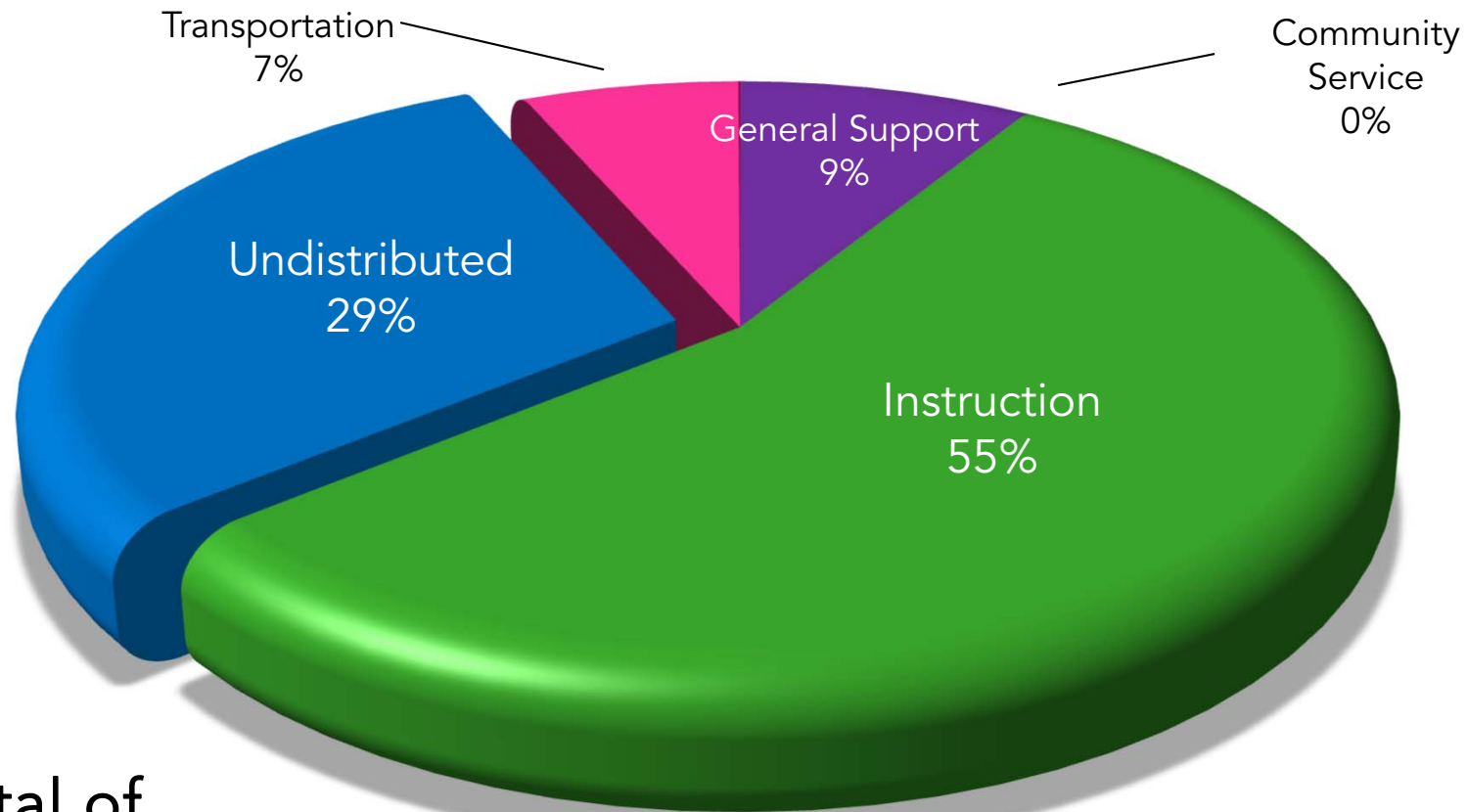
2021-22 Expenditures



Total of
\$269.9
million



2021-22 Expenditures



Total of
\$269.9
million

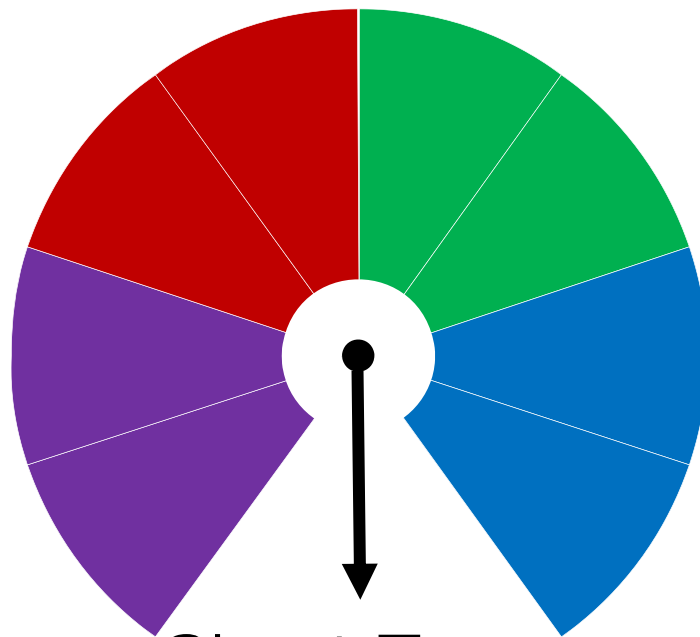


Undistributed Category

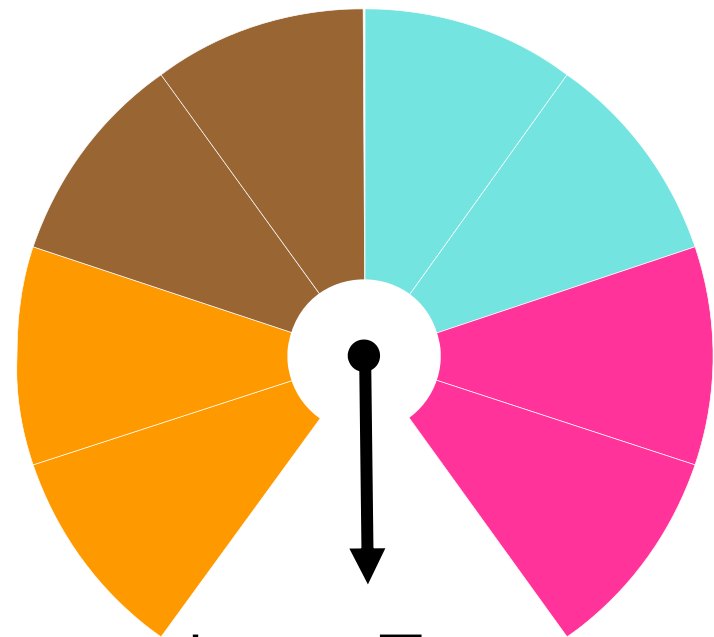
- Transfers to other funds:
 - To School Lunch Fund: \$250,000
 - General Fund contribution to keep the school lunch program financially sustainable
 - To Special Aid Fund: \$880,000
 - Local share of running an IEP-mandated special education summer school program
 - To Debt Service Fund: \$6.3 million
 - Principal and interest on District's prior borrowing for capital projects
 - Principal and interest on HHH Community Library debt for construction of new building
 - To Capital Fund: \$2.75 million



Debt Service



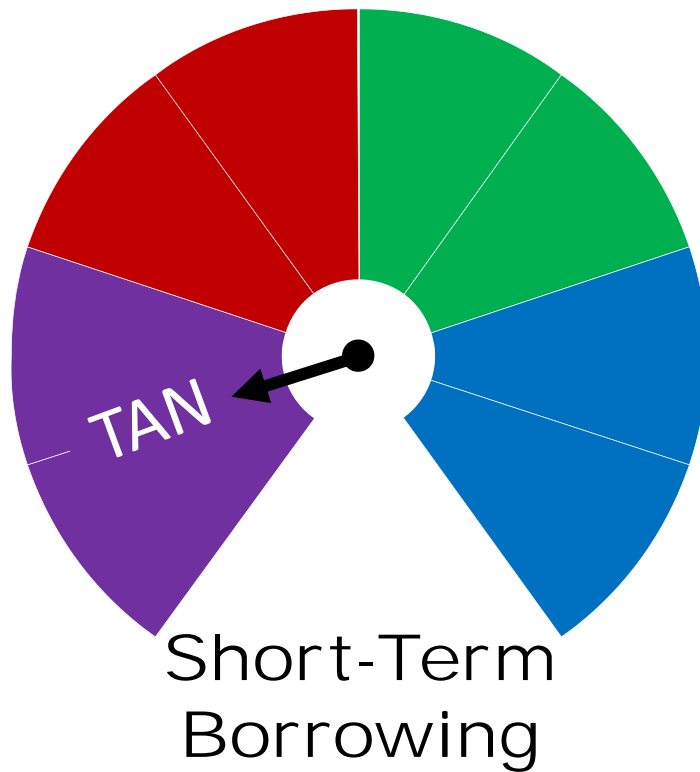
Short-Term
Borrowing



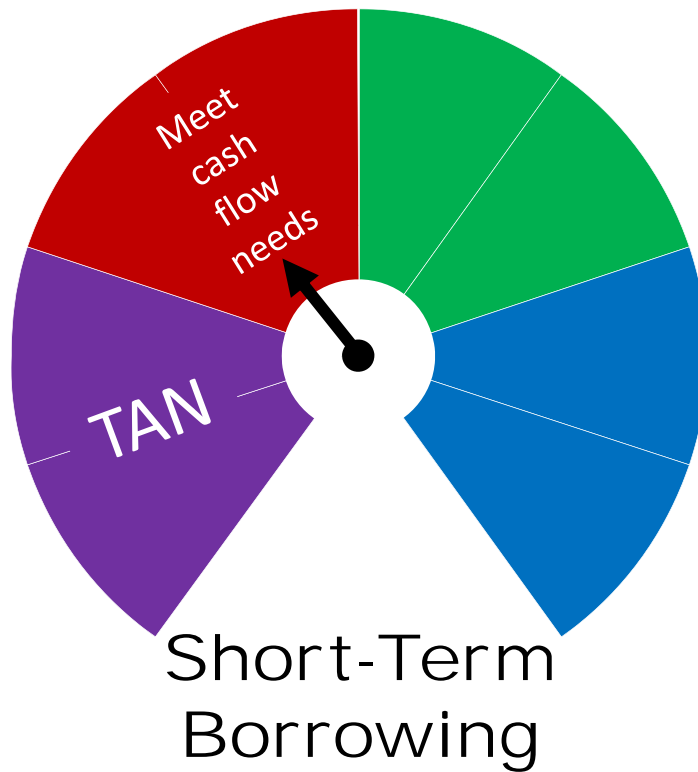
Long-Term
Borrowing



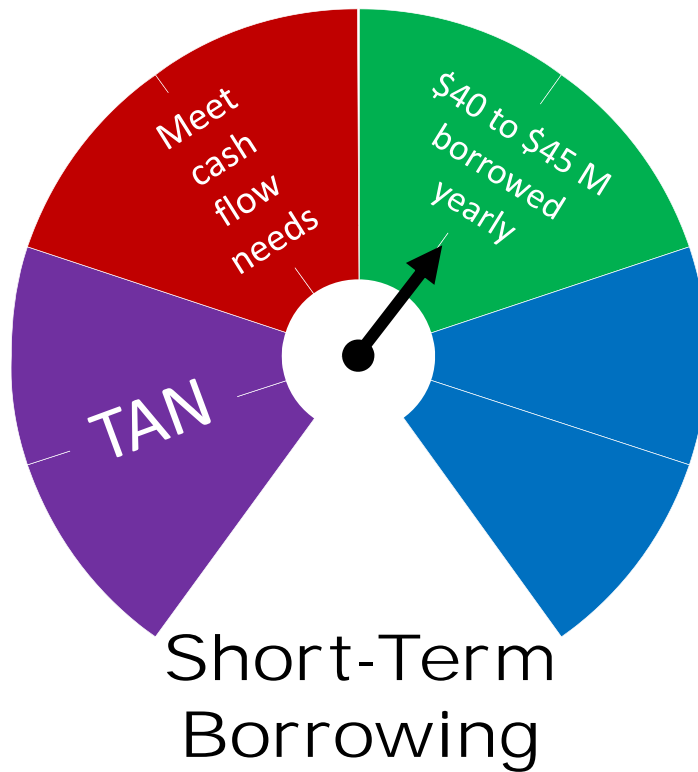
Debt Service



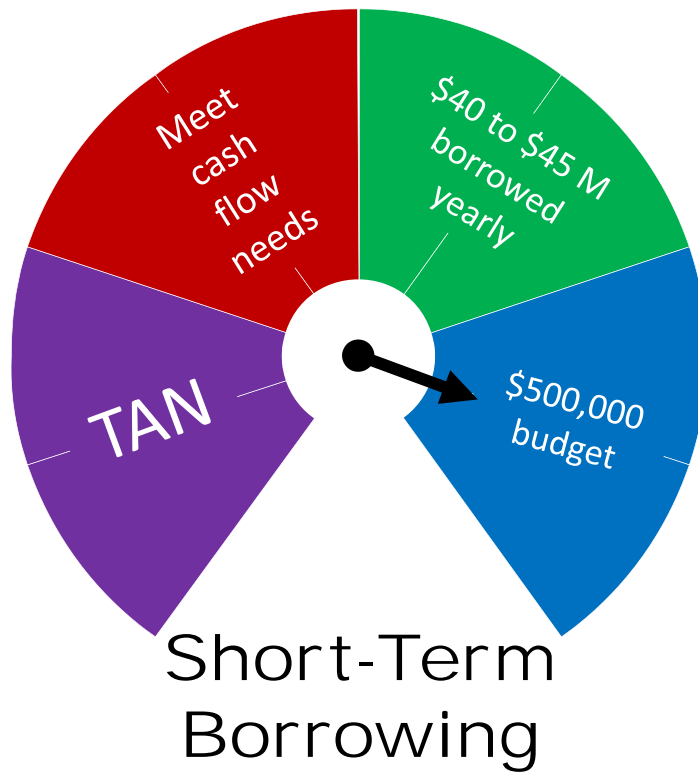
Debt Service



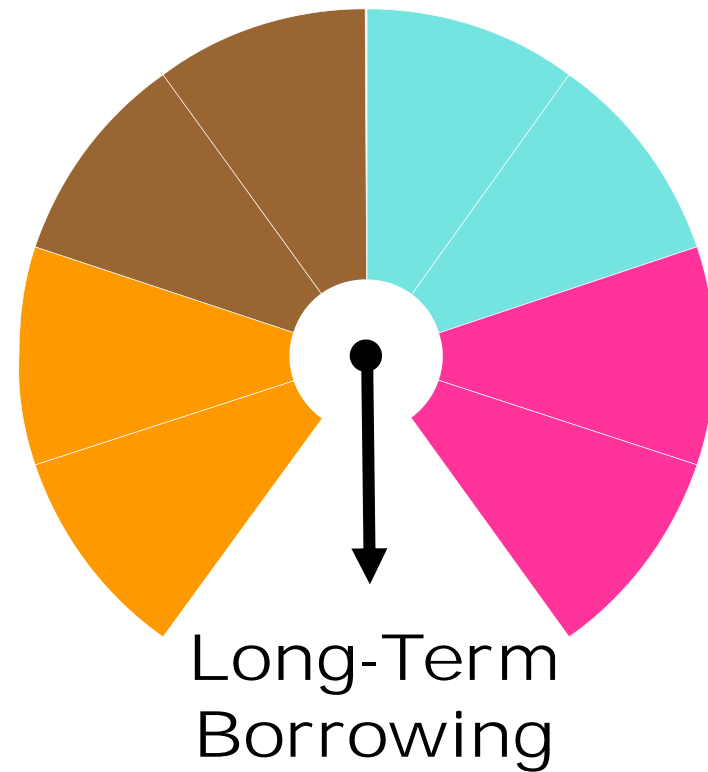
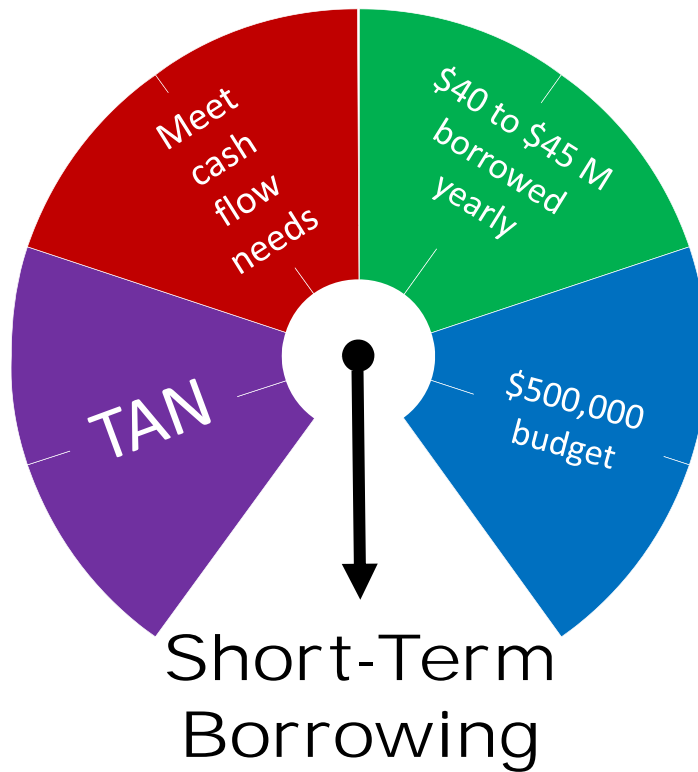
Debt Service



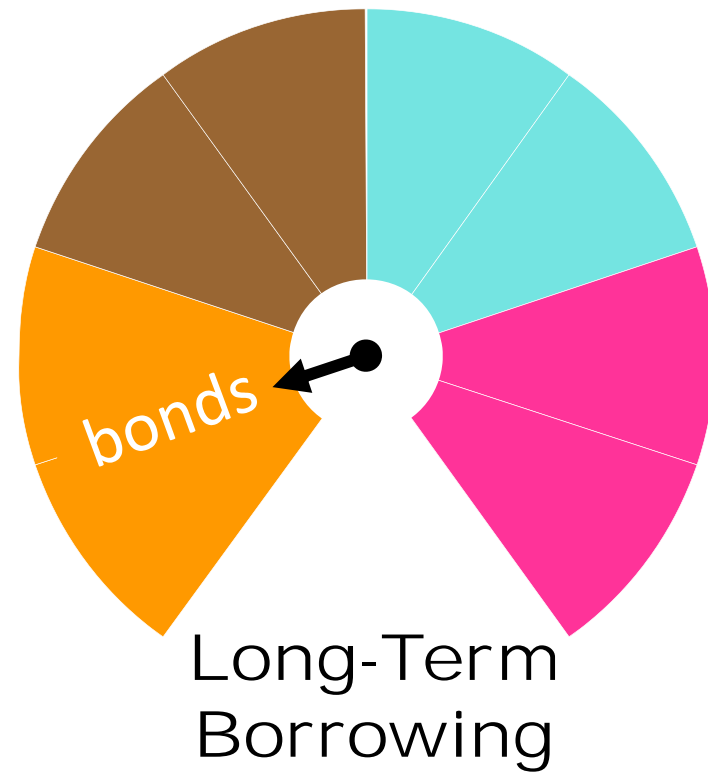
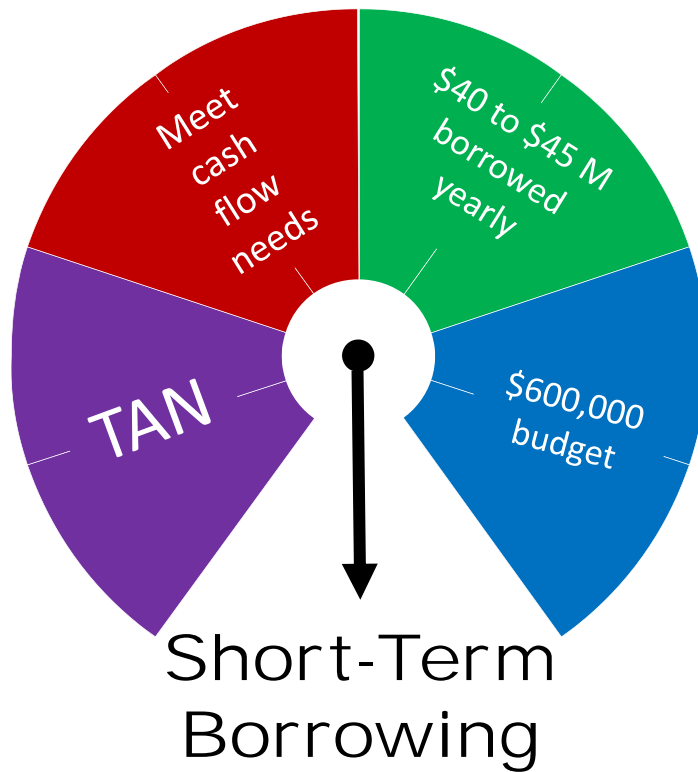
Debt Service



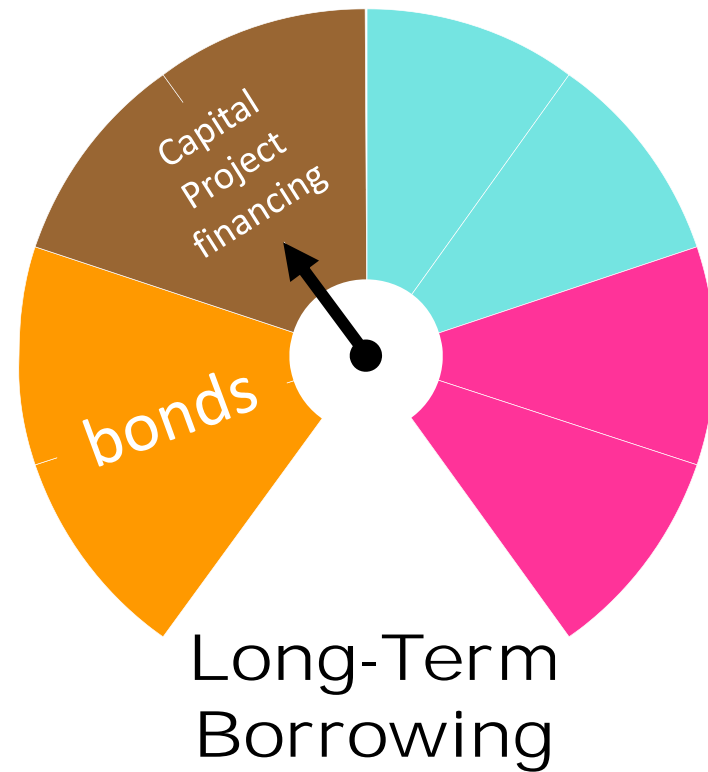
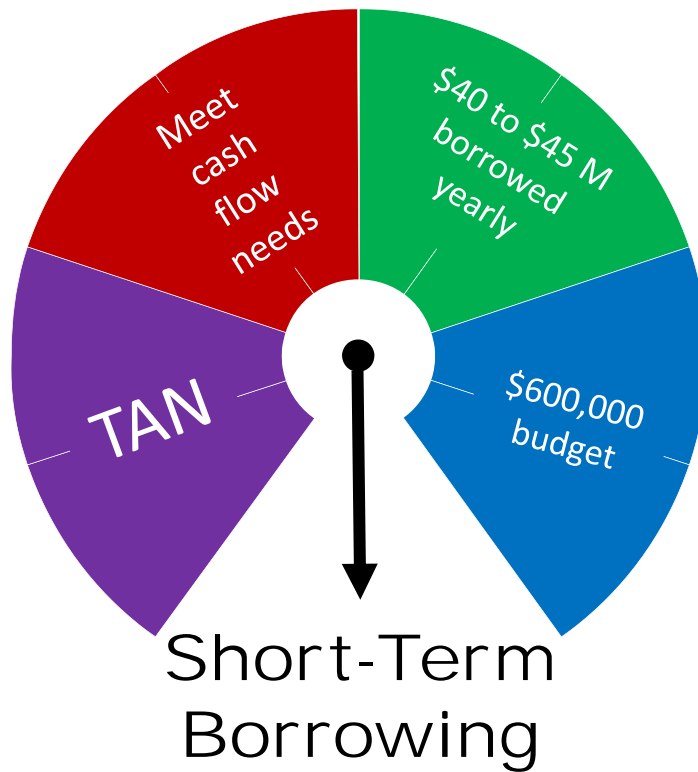
Debt Service



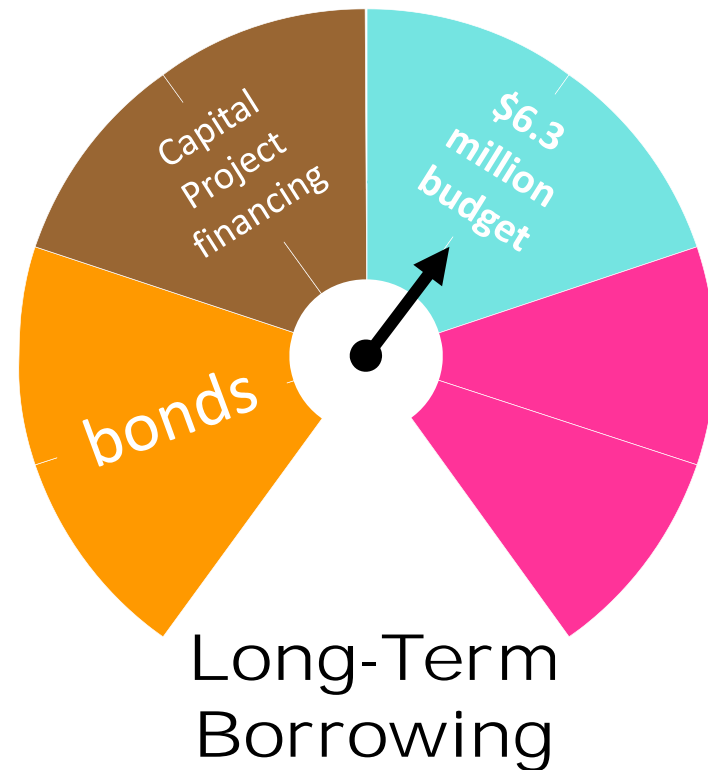
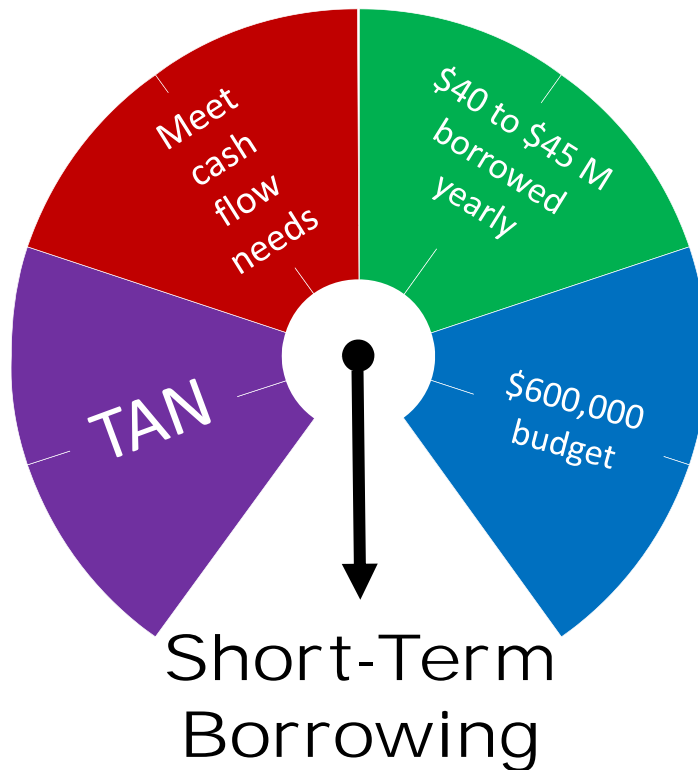
Debt Service



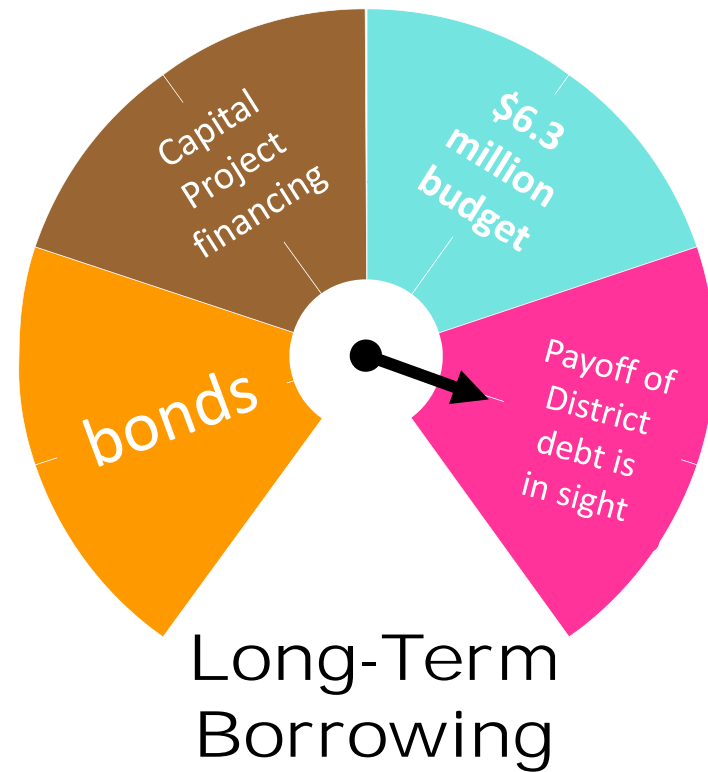
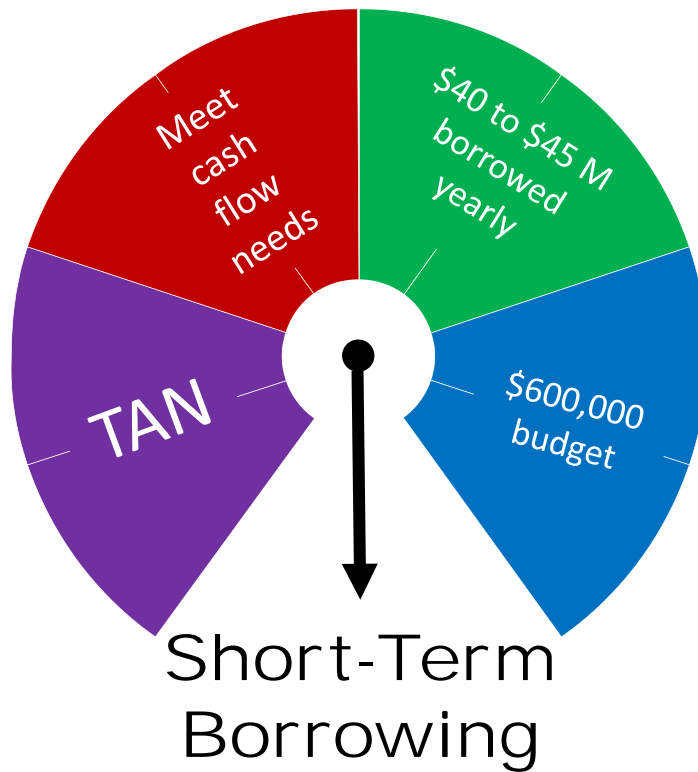
Debt Service



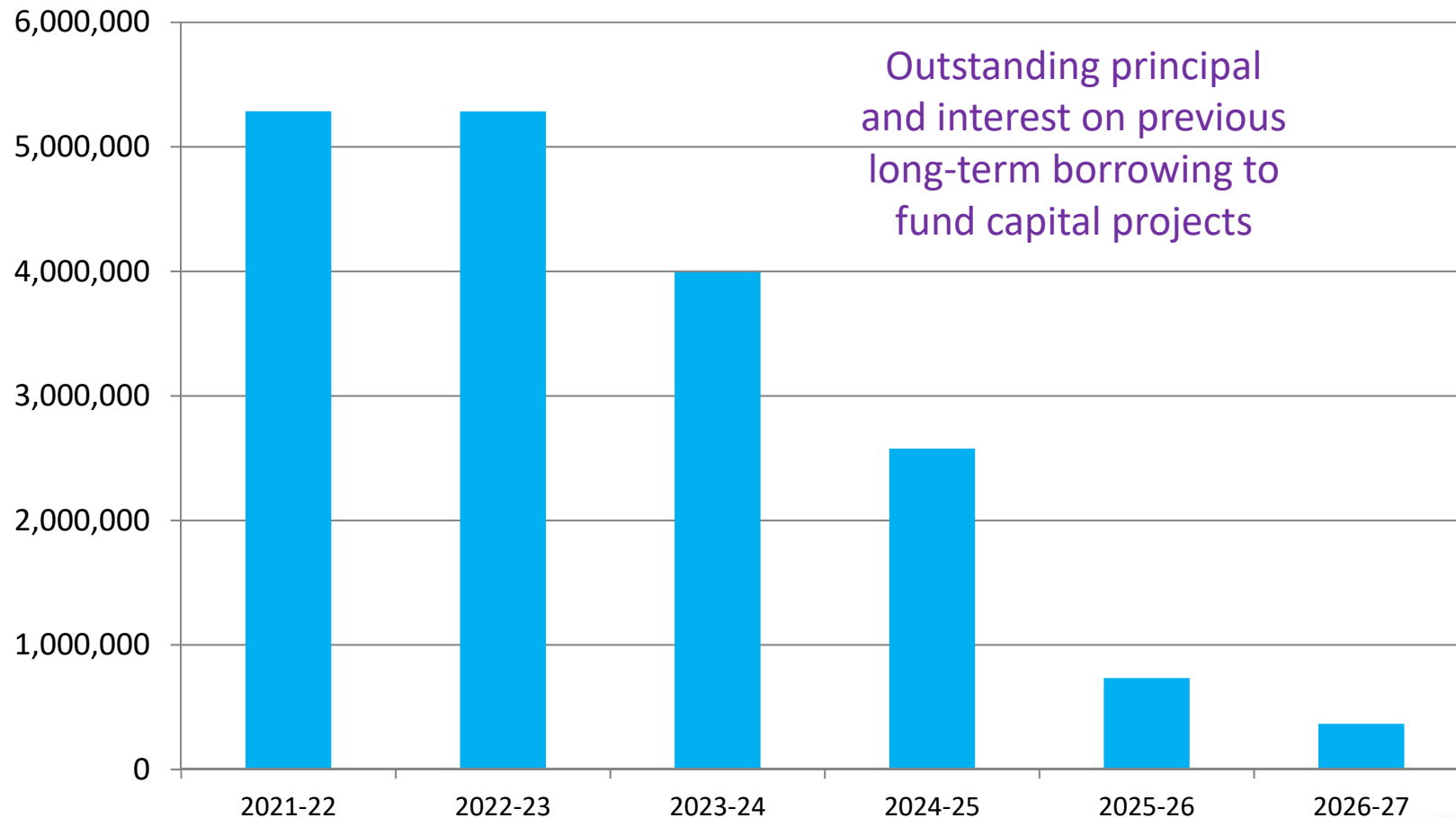
Debt Service



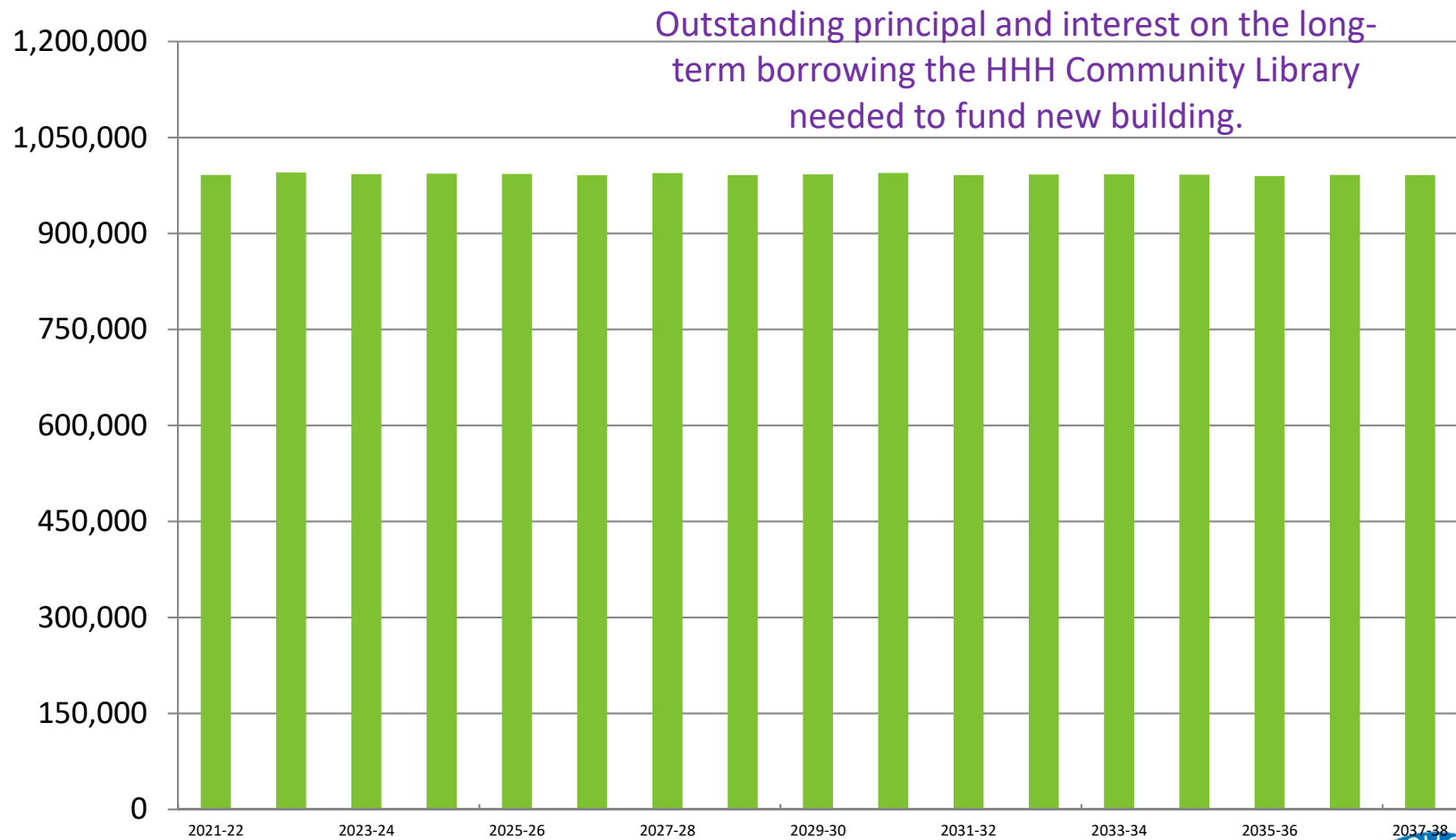
Debt Service



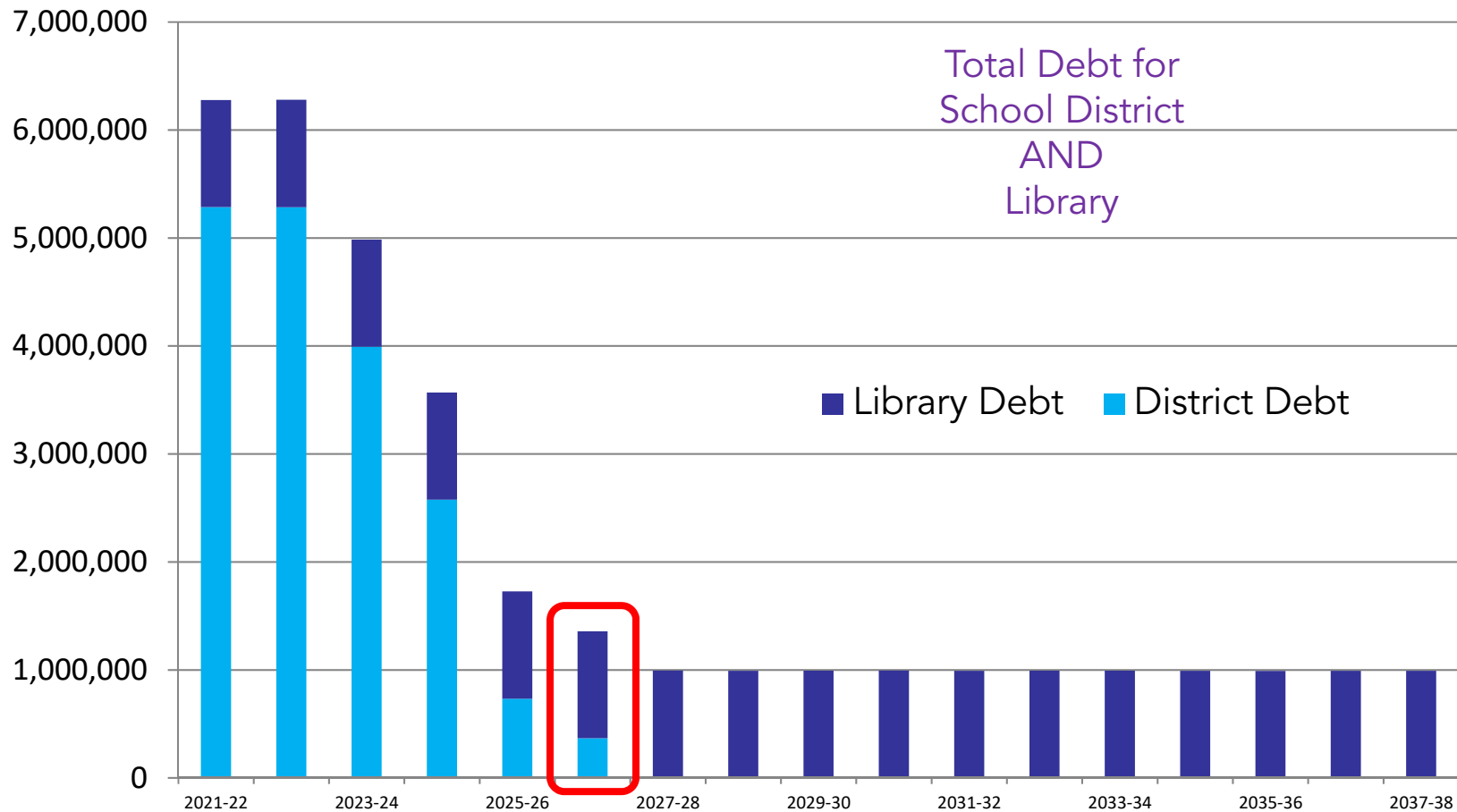
School District Debt Service



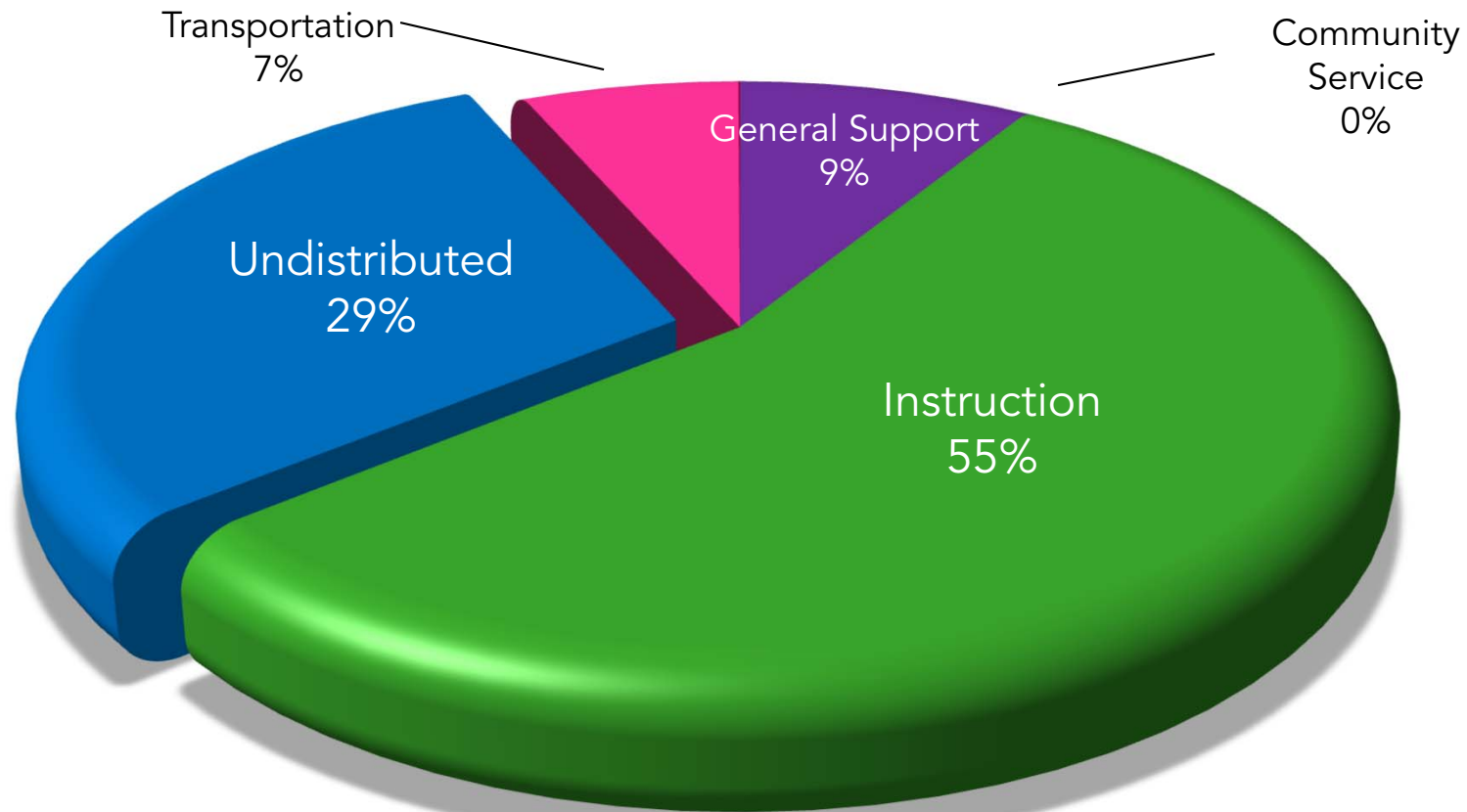
Community Library Debt Service



Total Debt Service



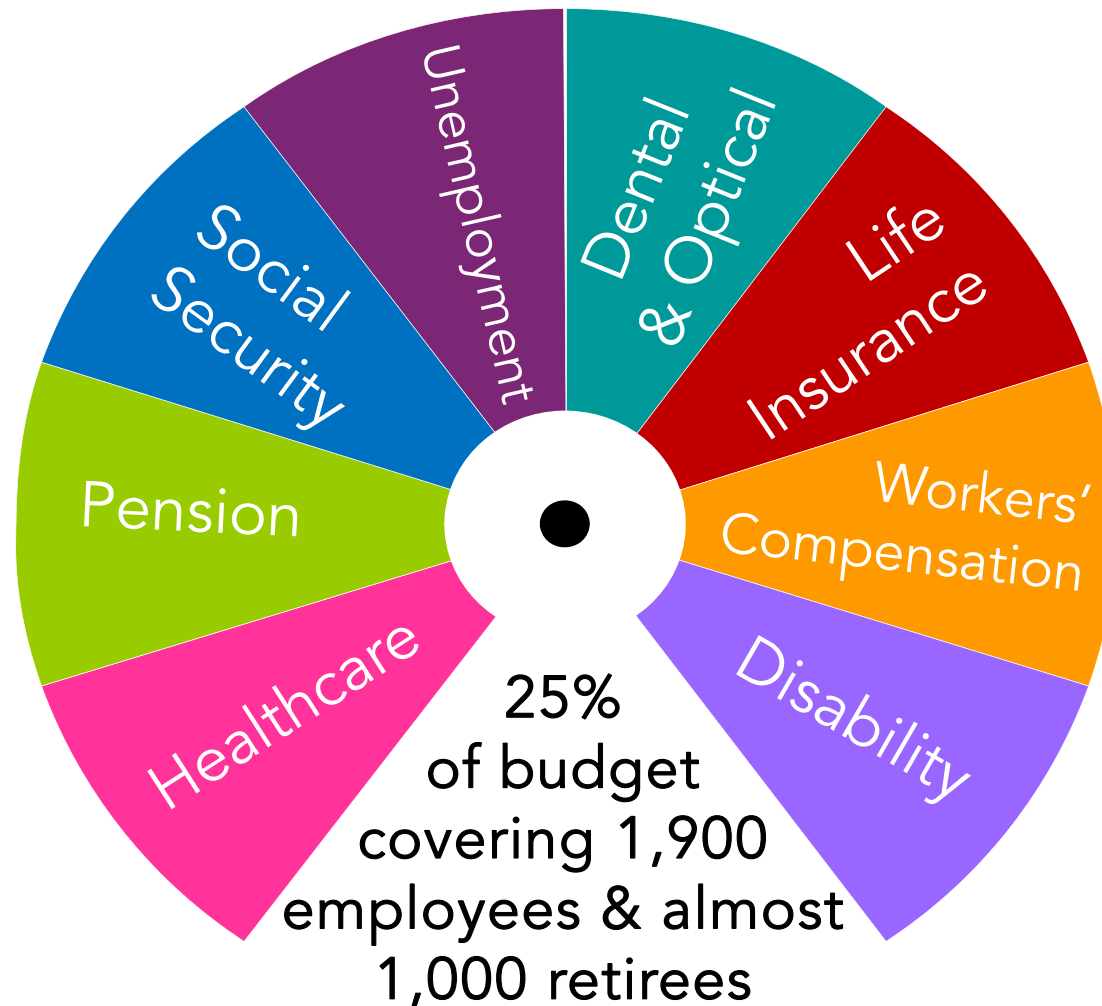
2021-22 Expenditures



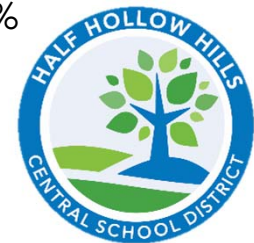
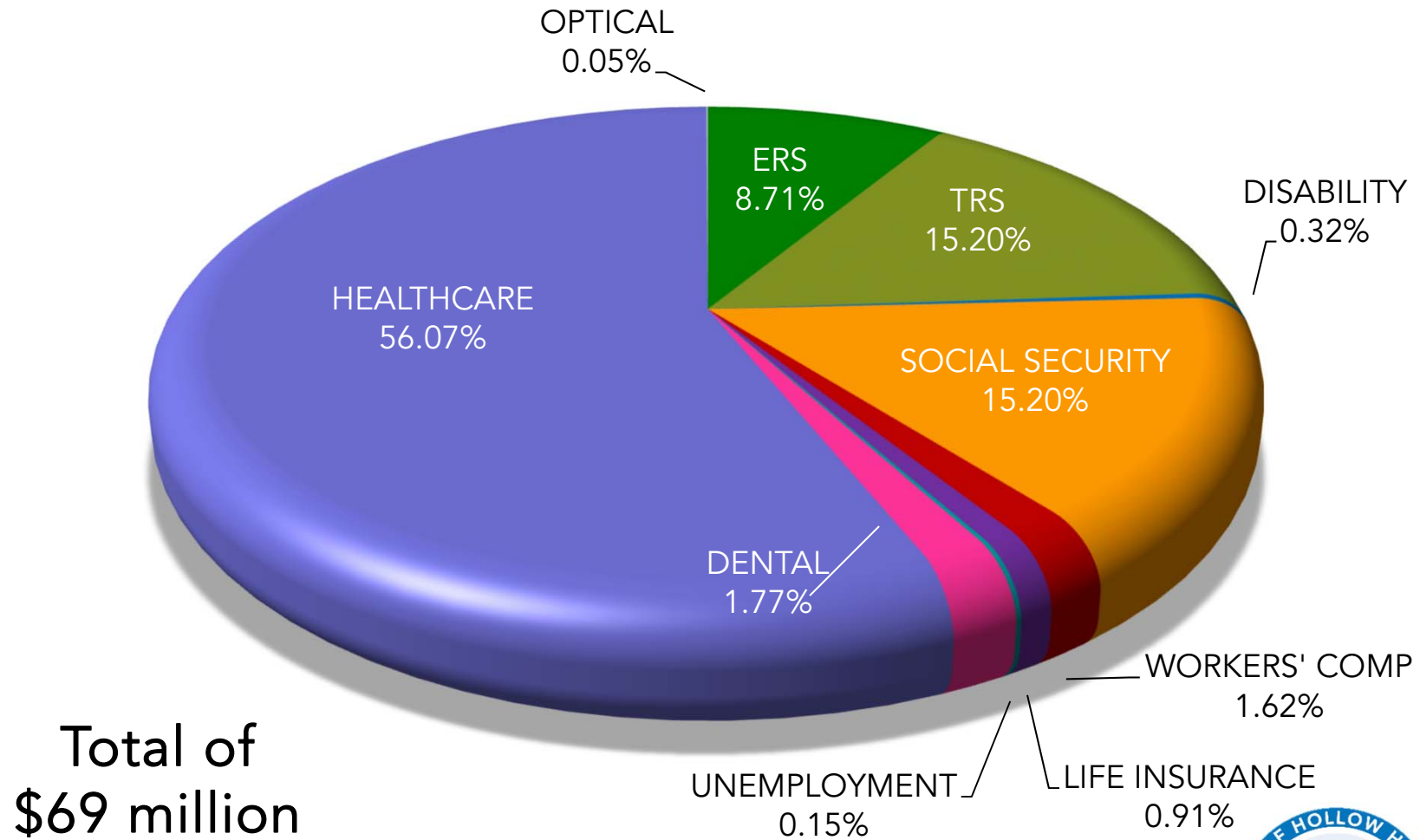
Undistributed Category of expenses
also includes Employee Benefits



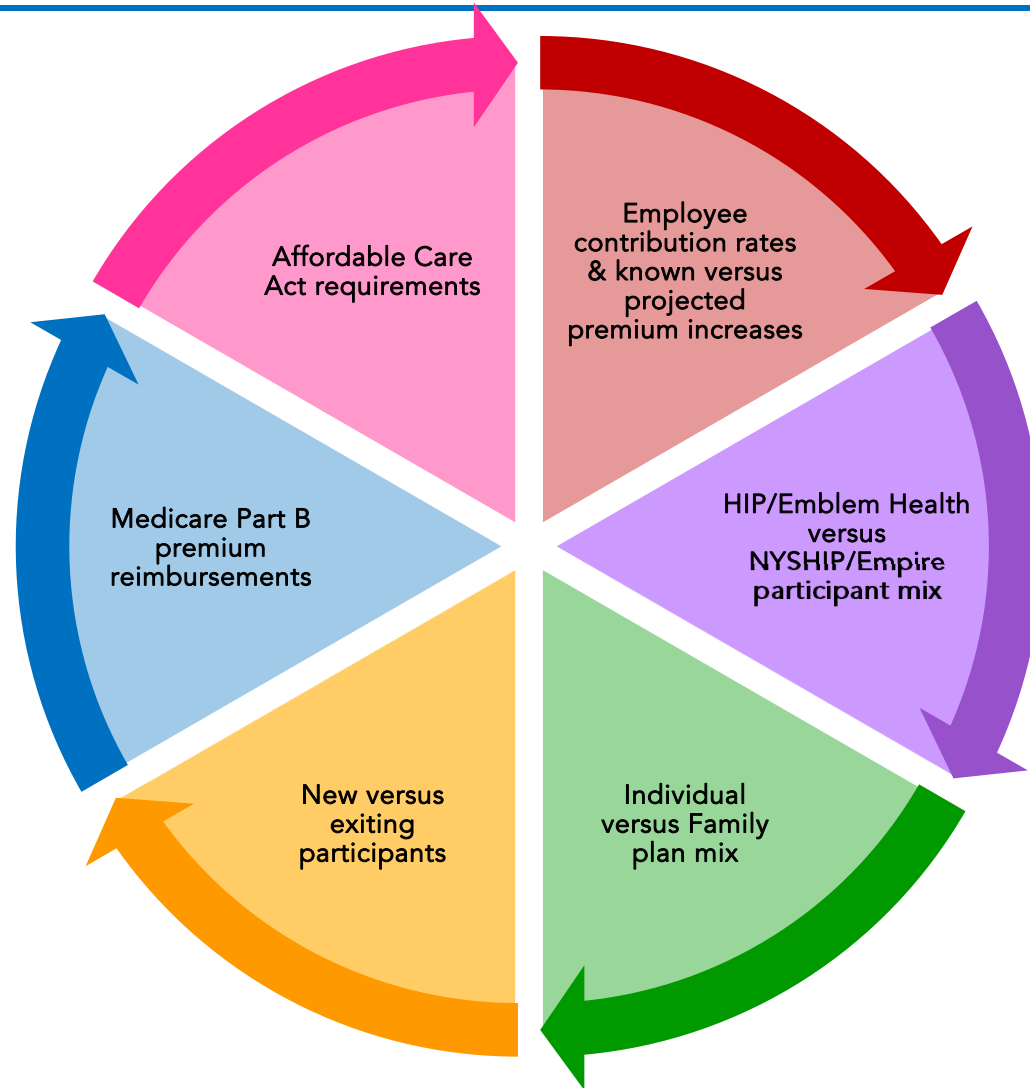
Expenses: Employee Benefits



Expenses: Employee Benefits

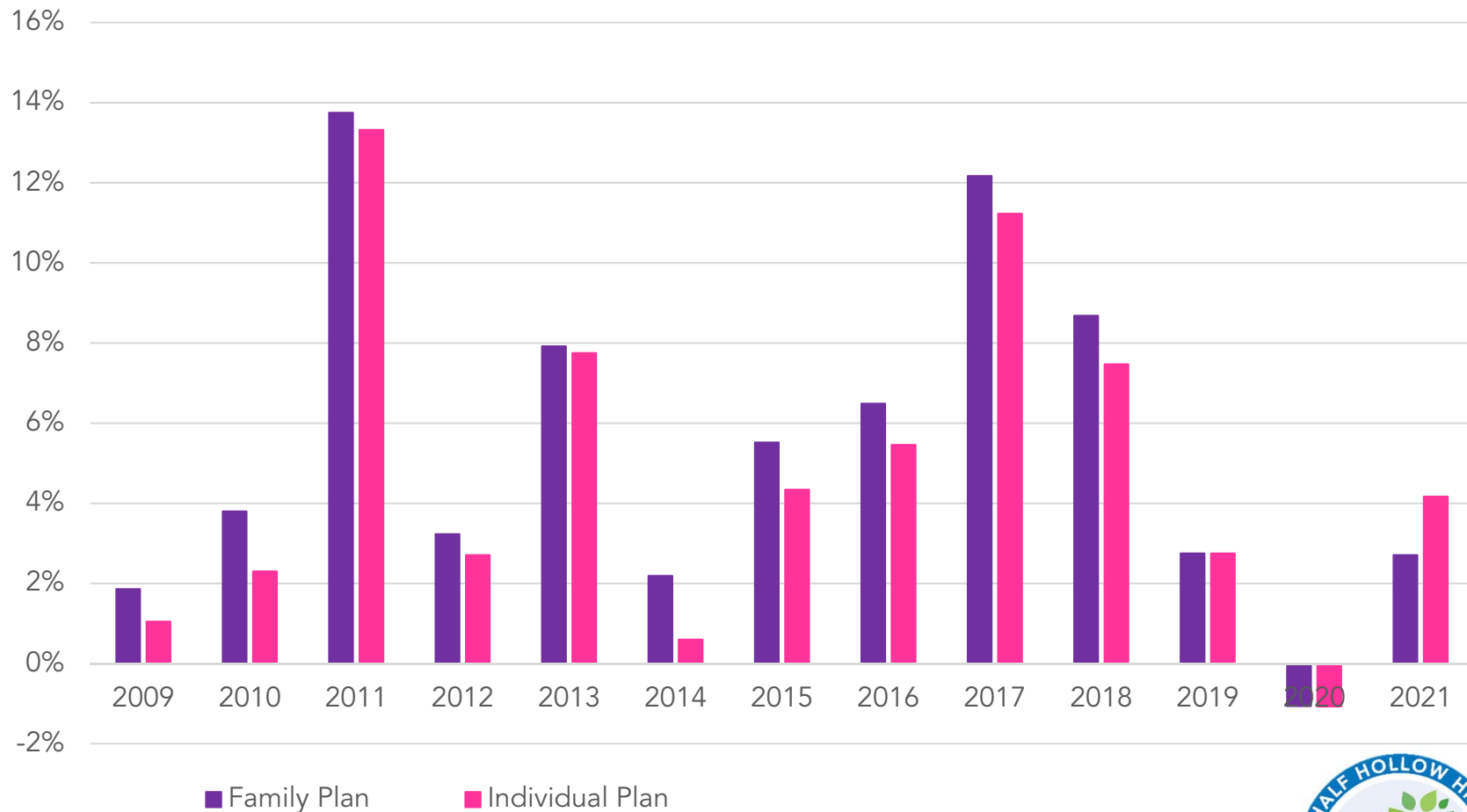


Healthcare Expenses – Key Drivers



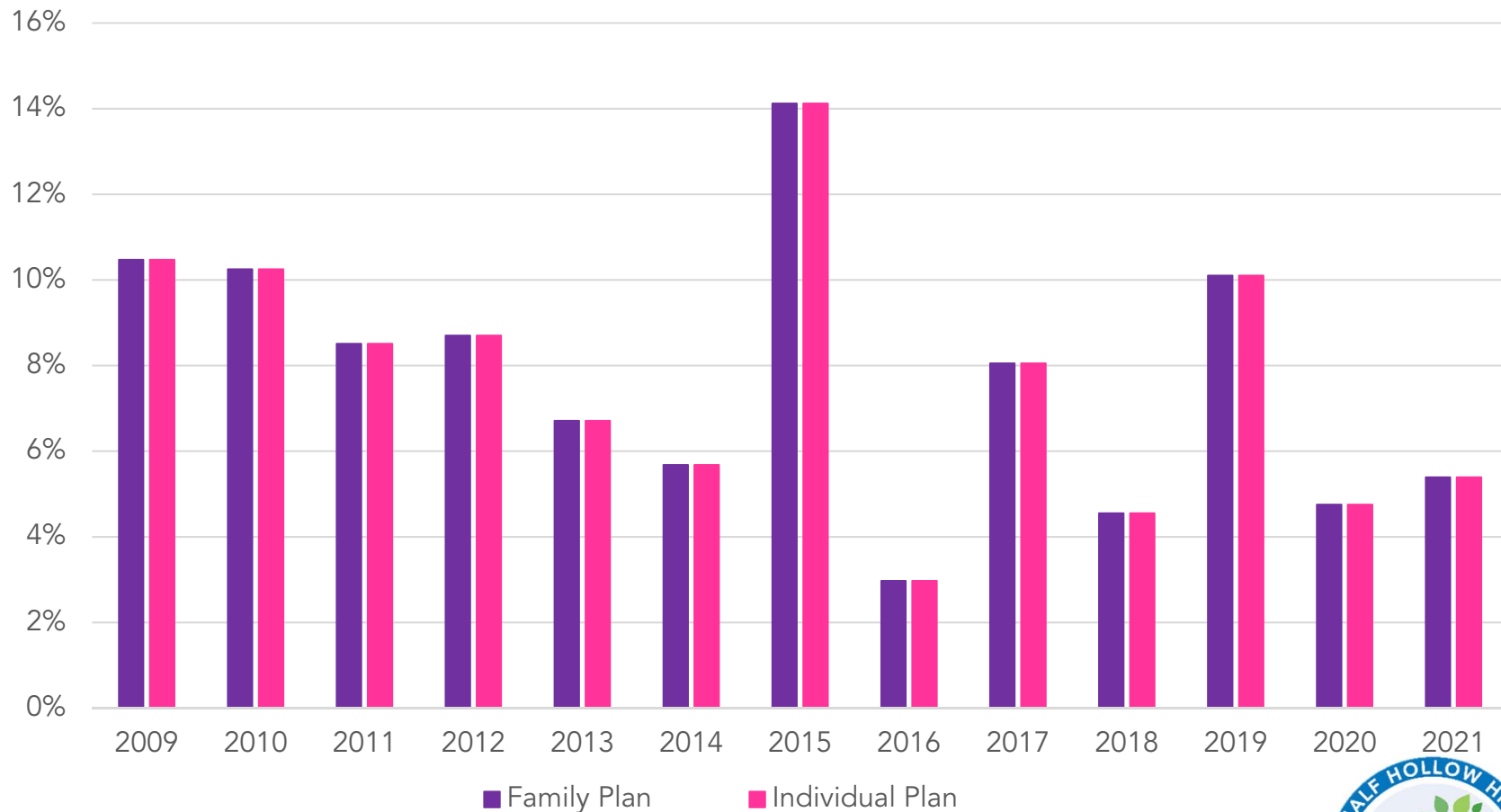
Healthcare Expenses

NYSHIP/Empire Healthcare Premium Increases

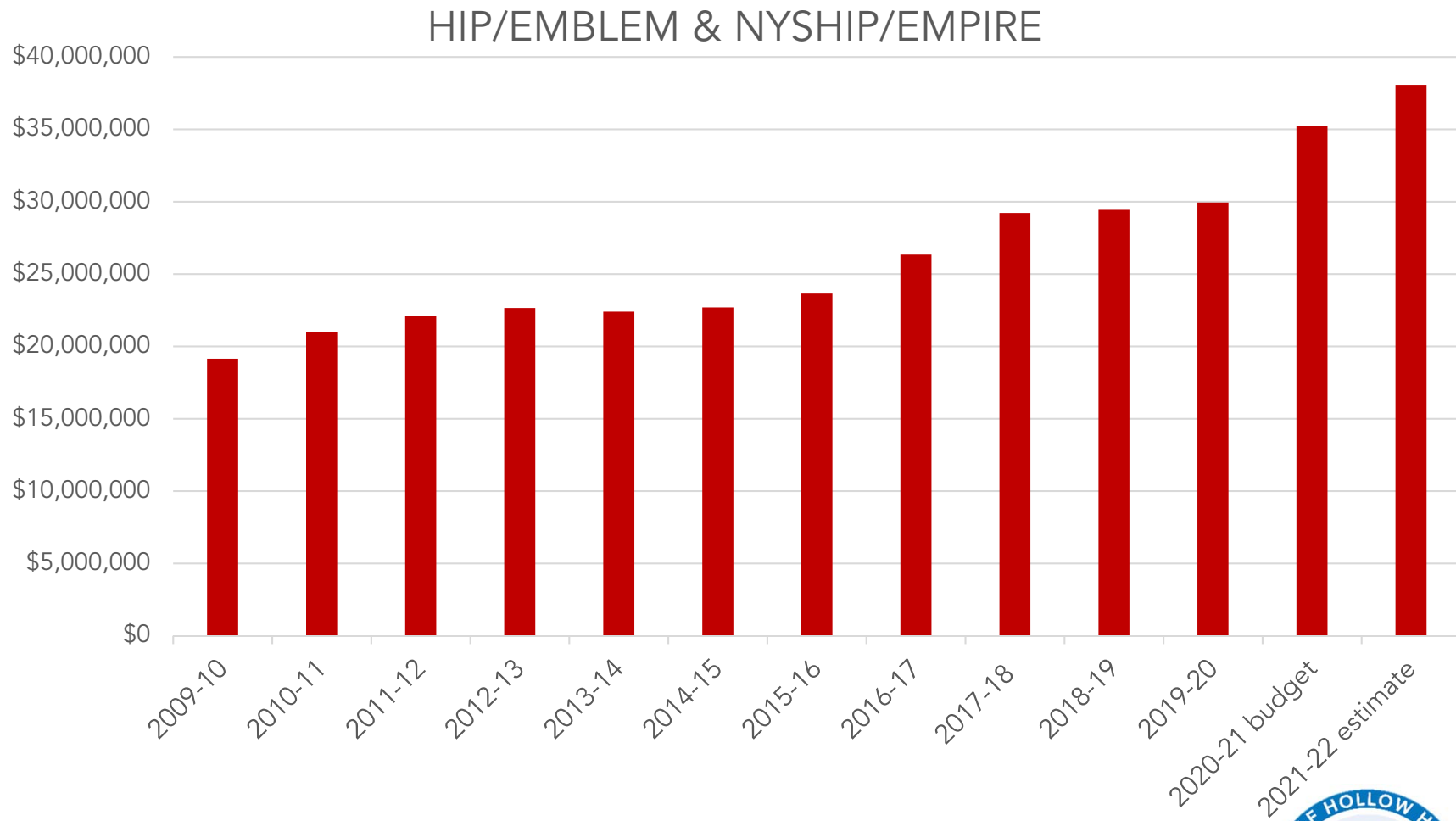


Healthcare Expenses

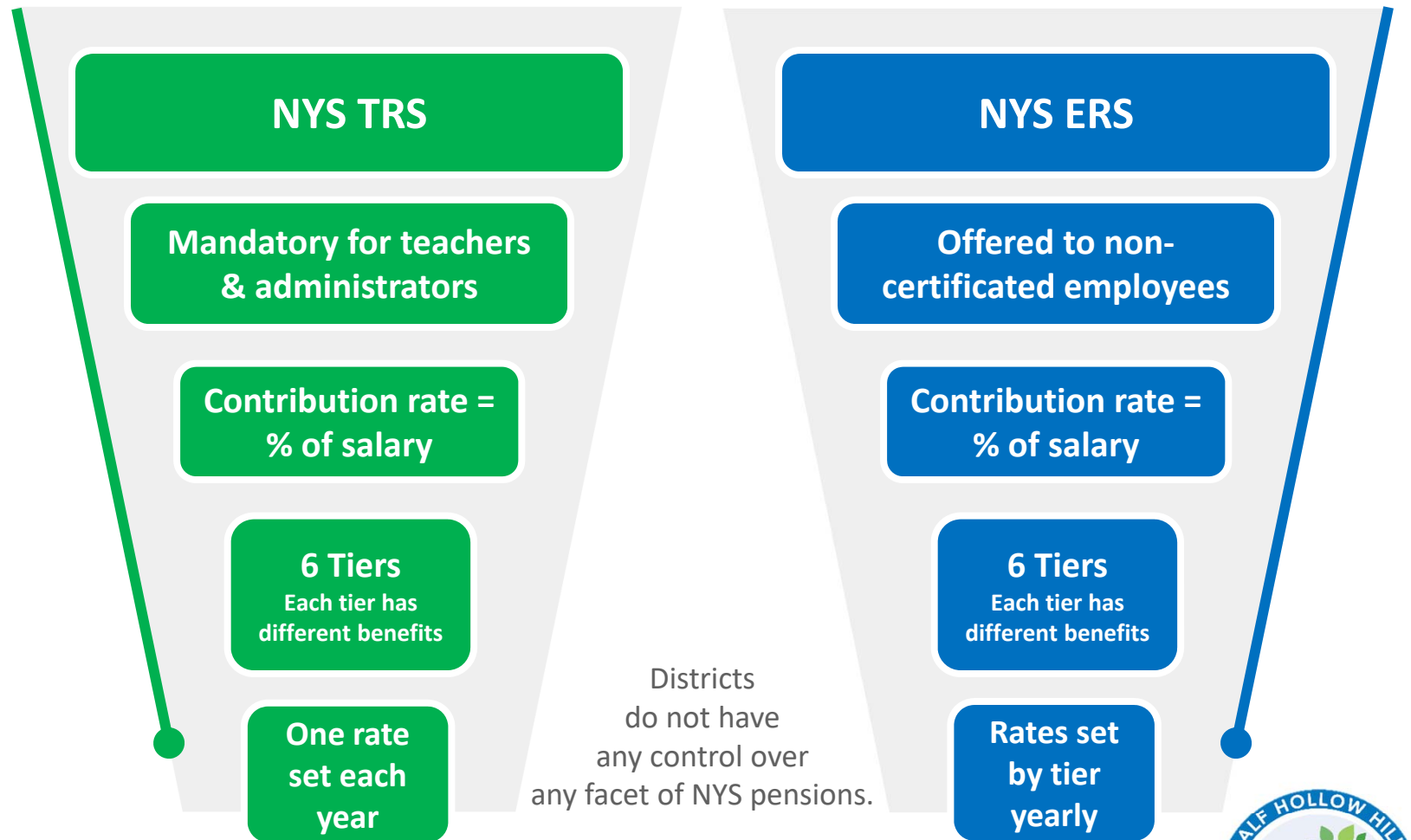
HIP/Emblem Health Healthcare Premium Increases



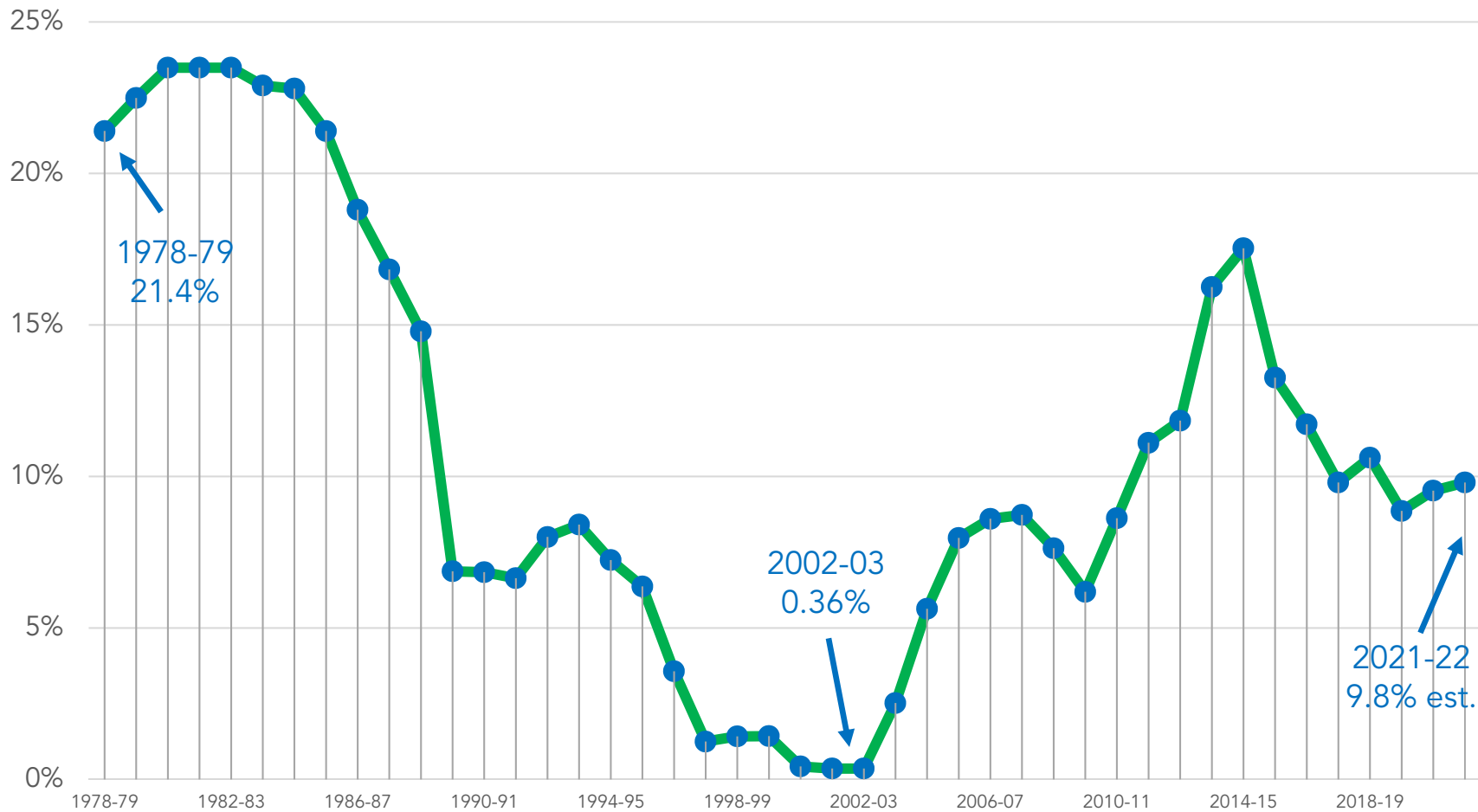
Healthcare Expenses



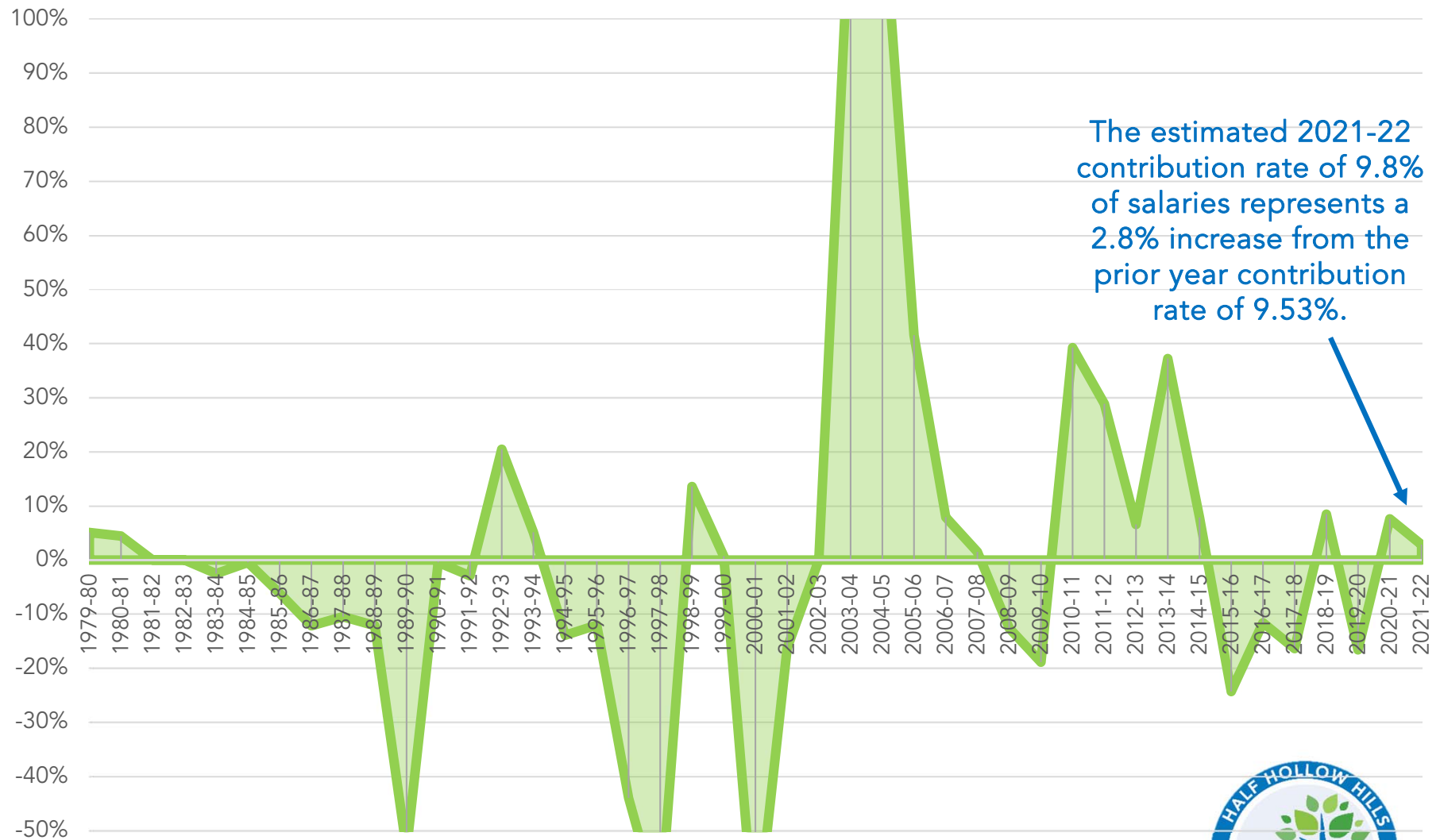
Pension Expenses



History of TRS Contribution Rates




History of TRS Rates – Yearly Spikes



The estimated 2021-22 contribution rate of 9.8% of salaries represents a 2.8% increase from the prior year contribution rate of 9.53%.



TRS Rates – A Warning



NYSTRS.org

New York State Teachers' Retirement System

To: Chief School Administrators
College and University Presidents
District Contacts
Employer Secure Area Contacts

Administrative Bulletin
Issue No. 2019-1
February 2019

Estimated Employer Contribution Rate
Applicable to 2019-20 Payroll

In an effort to assist you with 2019-20 budget preparations, we recommend you use an **estimated** employer contribution rate (ECR) of **8.86%** for 2019-20 payroll. This projected rate is consistent with [Administrative Bulletin 2018-9](#), issued in November 2018, in which we estimated a rate of between 8.50% and 9.50%.

Although an estimated ECR of 8.86% represents a decrease from the current school year's ECR of 10.62%, investment returns are a major component in the calculation of future ECRs. As you are aware, stock market indices globally have experienced downturns. **Tepid investment returns will result in higher future ECRs.** You may wish to consider this scenario as you develop your operating budgets.

The funds associated with the estimated ECR of 8.86% will be collected in the fall of 2020. We send this alert well in advance to assist with your planning. The Retirement Board will adopt the 2019-20 ECR at its July 31, 2019 meeting and an Administrative Bulletin formalizing the rate will be issued soon thereafter.

In general, the ECR is adopted each July/August and the contributions associated with the particular rate are collected 13 to 15 months later. Except for those employers required to pay directly, contributions are deducted annually from State Aid apportioned in September, October and November of the year following the year in which the ECR is adopted by the Board.

If you have any additional questions, please call John Cardillo, Manager of Public Information, at (518) 447-4743.

History of the Employer Contribution Rate (ECR)

Payroll Year	ECR
1985-86	21.40%
1986-87	18.80%
1987-88	16.83%
1988-89	14.78%
1989-90	6.87%
1990-91	6.84%
1991-92	6.64%
1992-93	8.00%
1993-94	8.41%
1994-95	7.24%
1995-96	6.37%
1996-97	3.57%
1997-98	1.25%
1998-99	1.42%
1999-00	1.43%
2000-01	0.43%
2001-02	0.36%
2002-03	0.36%
2003-04	2.52%
2004-05	5.63%
2005-06	7.97%
2006-07	8.60%
2007-08	8.73%
2008-09	7.63%
2009-10	6.19%
2010-11	8.62%
2011-12	11.11%
2012-13	11.84%
2013-14	16.25%
2014-15	17.53%
2015-16	13.26%
2016-17	11.72%
2017-18	9.80%
2018-19	10.62%
2019-20	8.86%*

*estimated

Although an estimated ECR of 8.86% represents a decrease from the current school year's ECR of 10.62%, investment returns are a major component in the calculation of future ECRs. As you are aware, stock market indices globally have experienced downturns. **Tepid investment returns will result in higher future ECRs.** You may wish to consider this scenario as you develop your operating budgets.

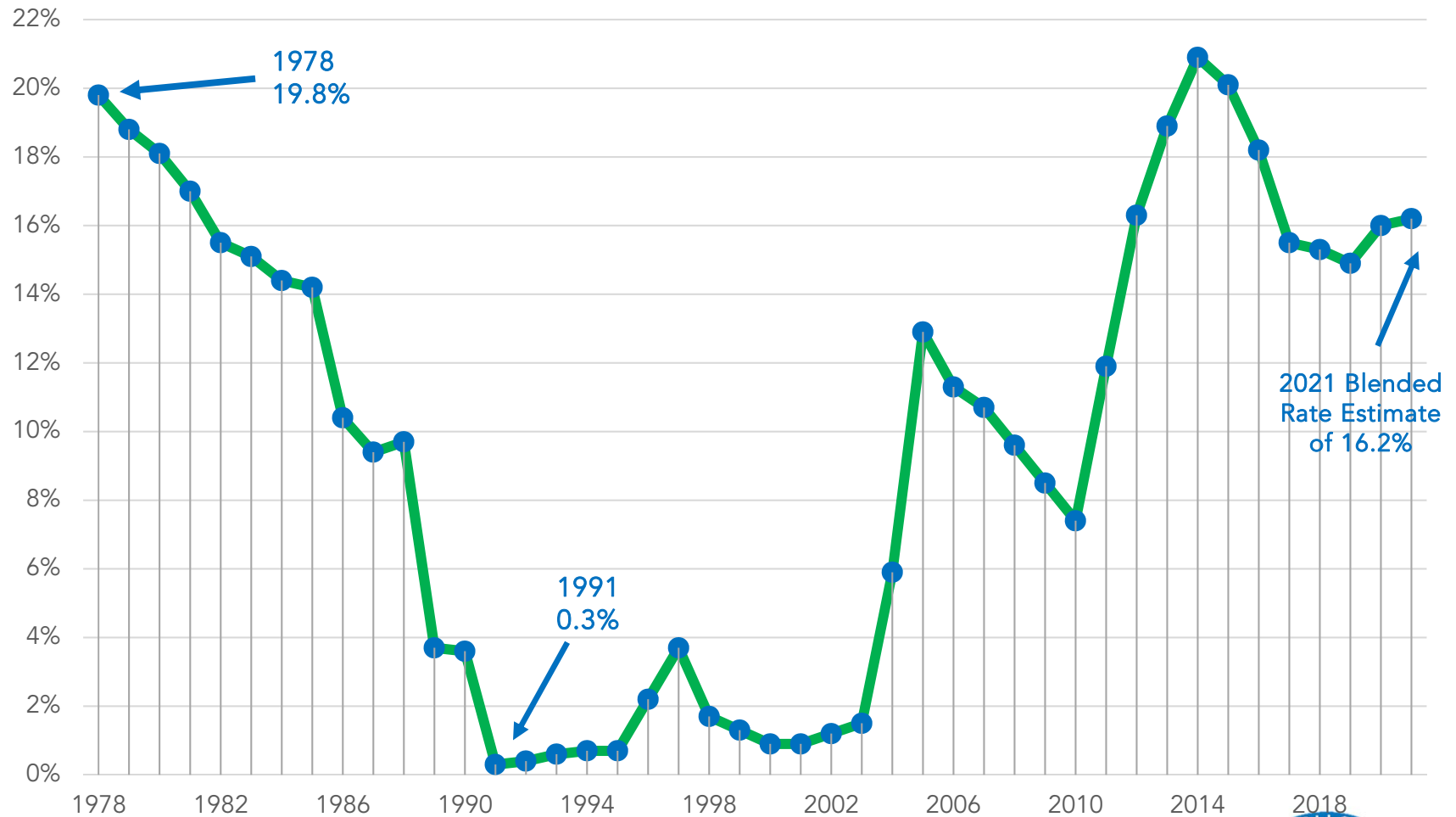
Although this caution was not included as part of the NYSTRS bulletin in 2021...depressed investment returns as a result of the Covid pandemic will undoubtedly cause increases to the employer contribution rate going forward.



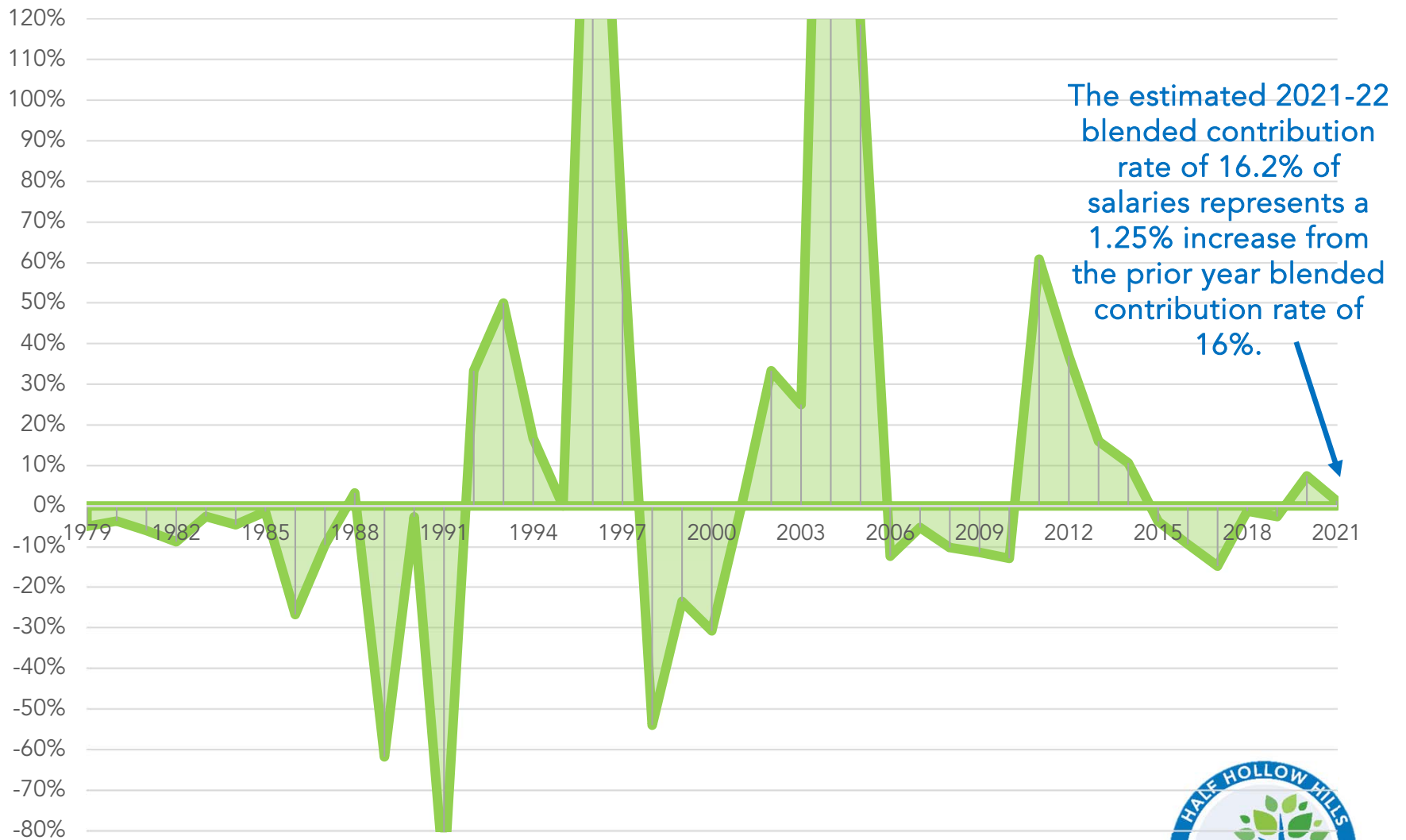
TRS Expenses



History of ERS Contribution Rates



History of ERS Rates – Yearly Spikes



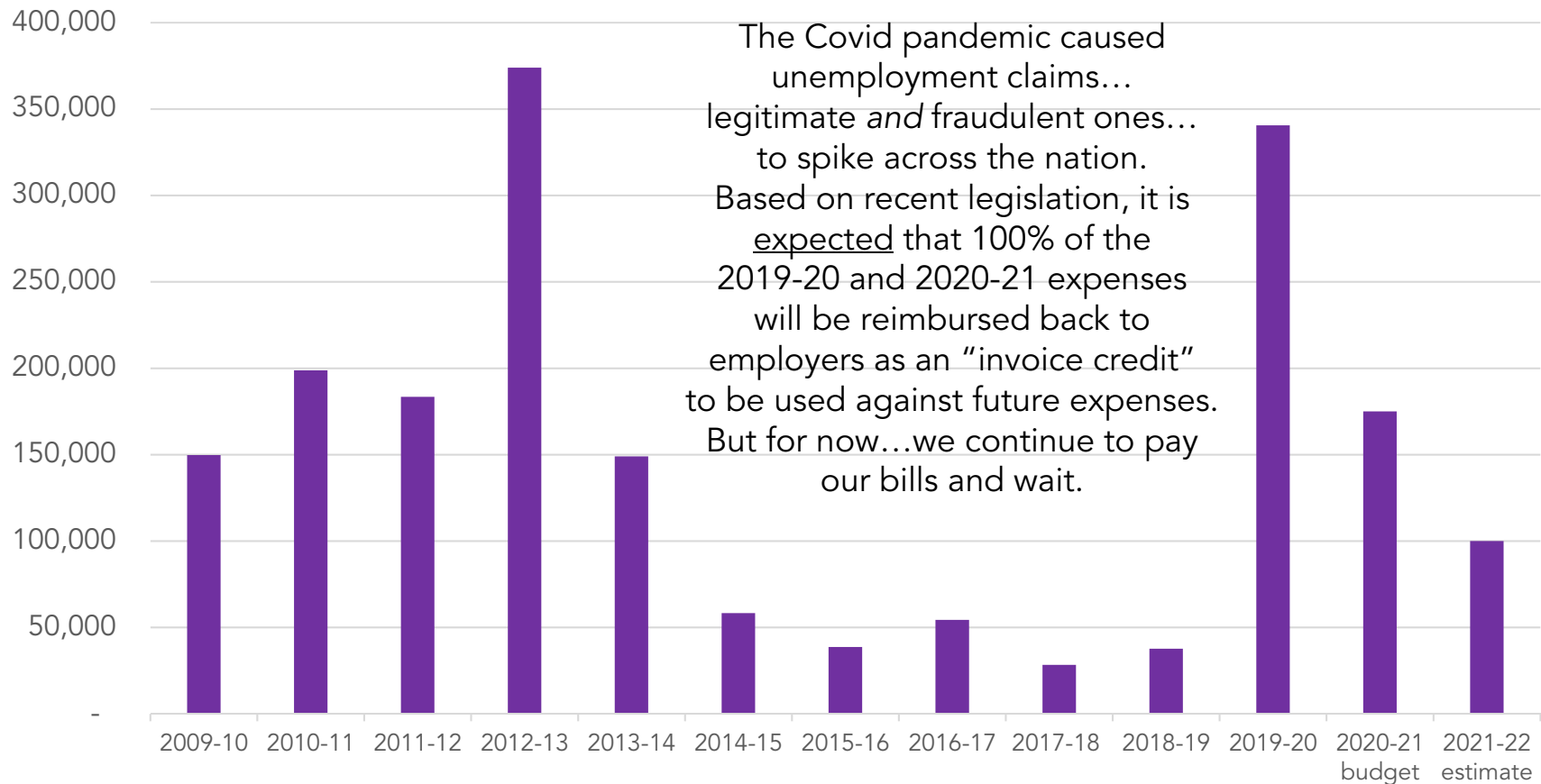
ERS Expenses



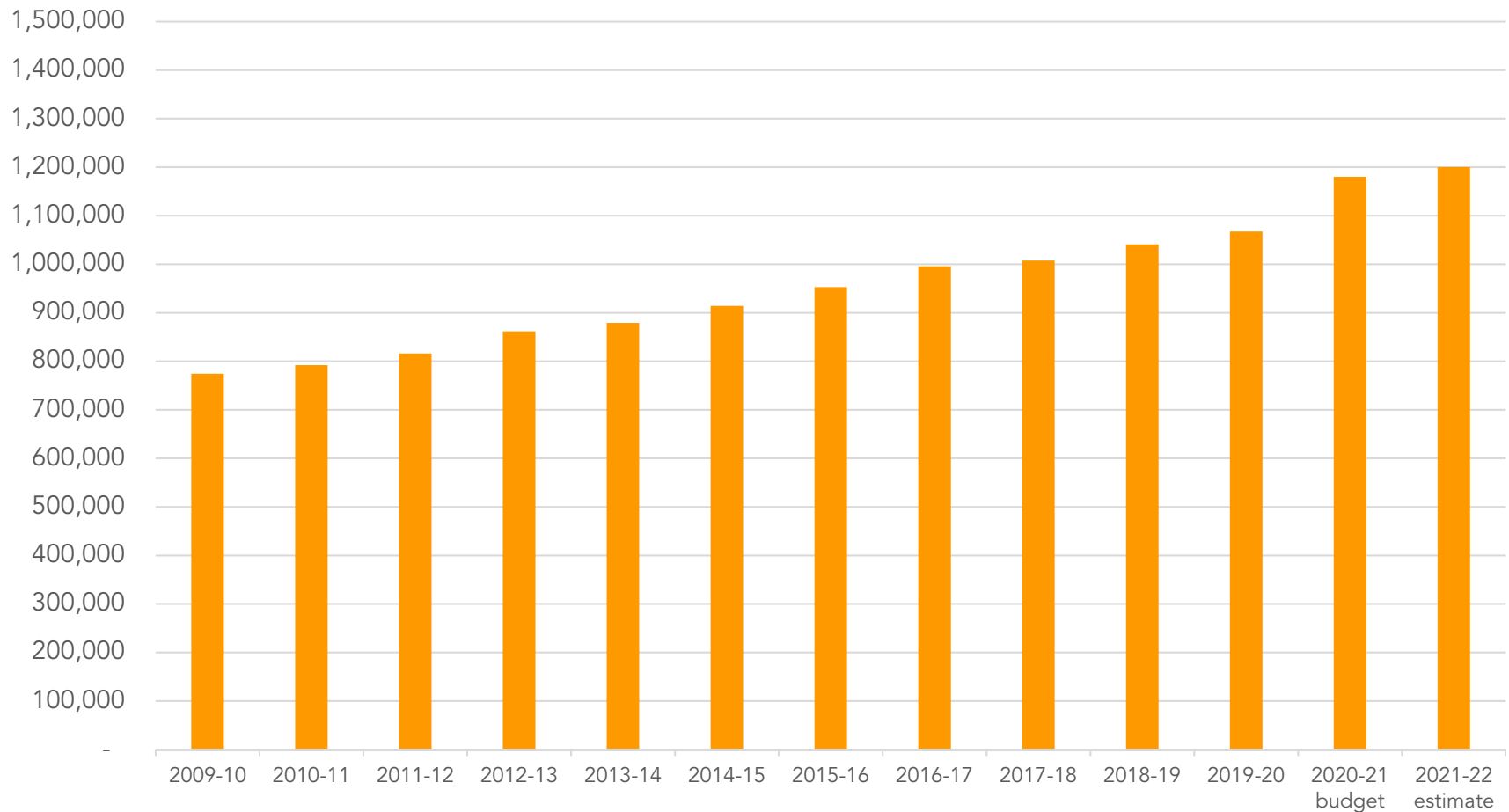
Social Security Expenses



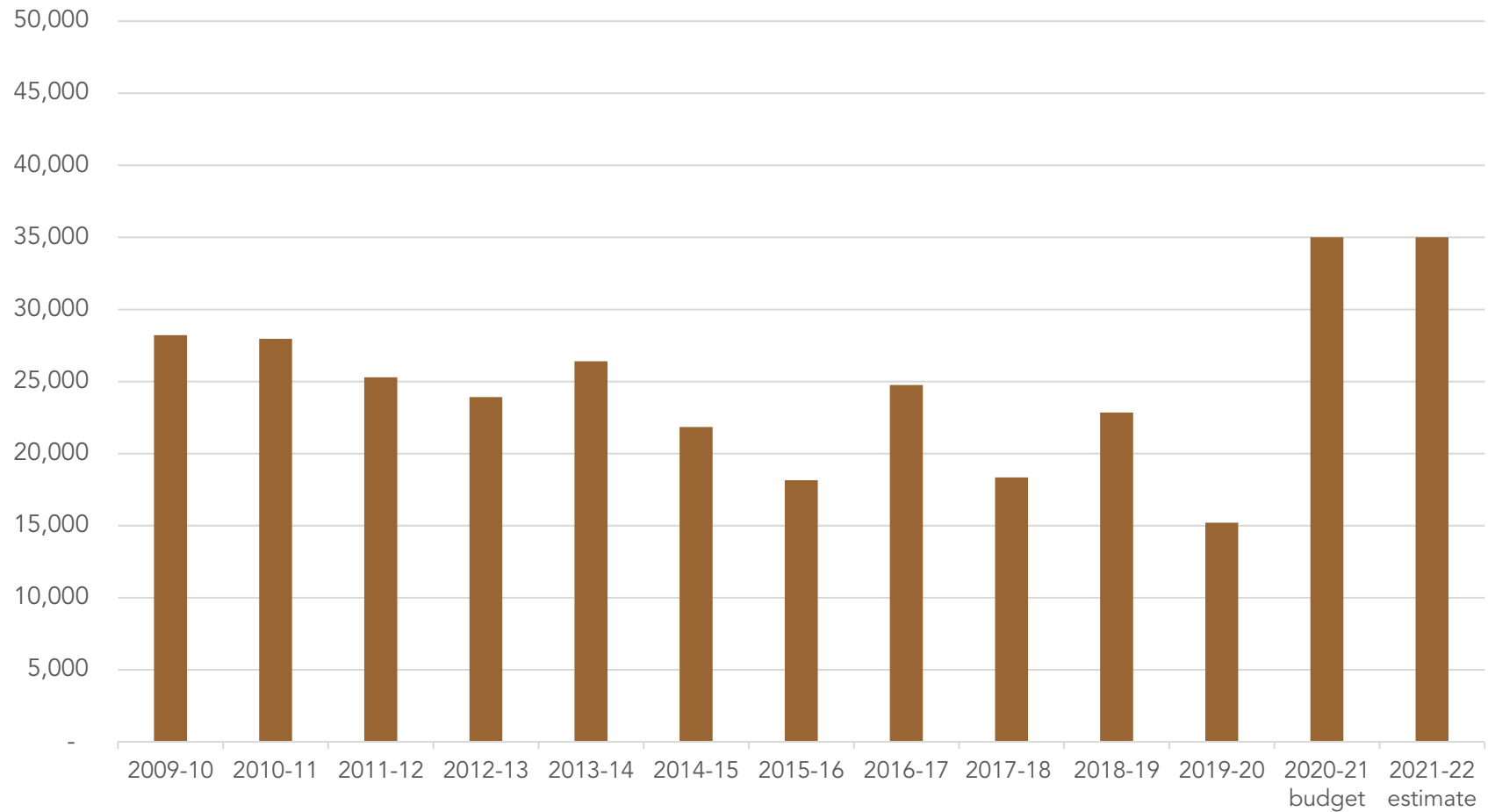
Unemployment Expenses



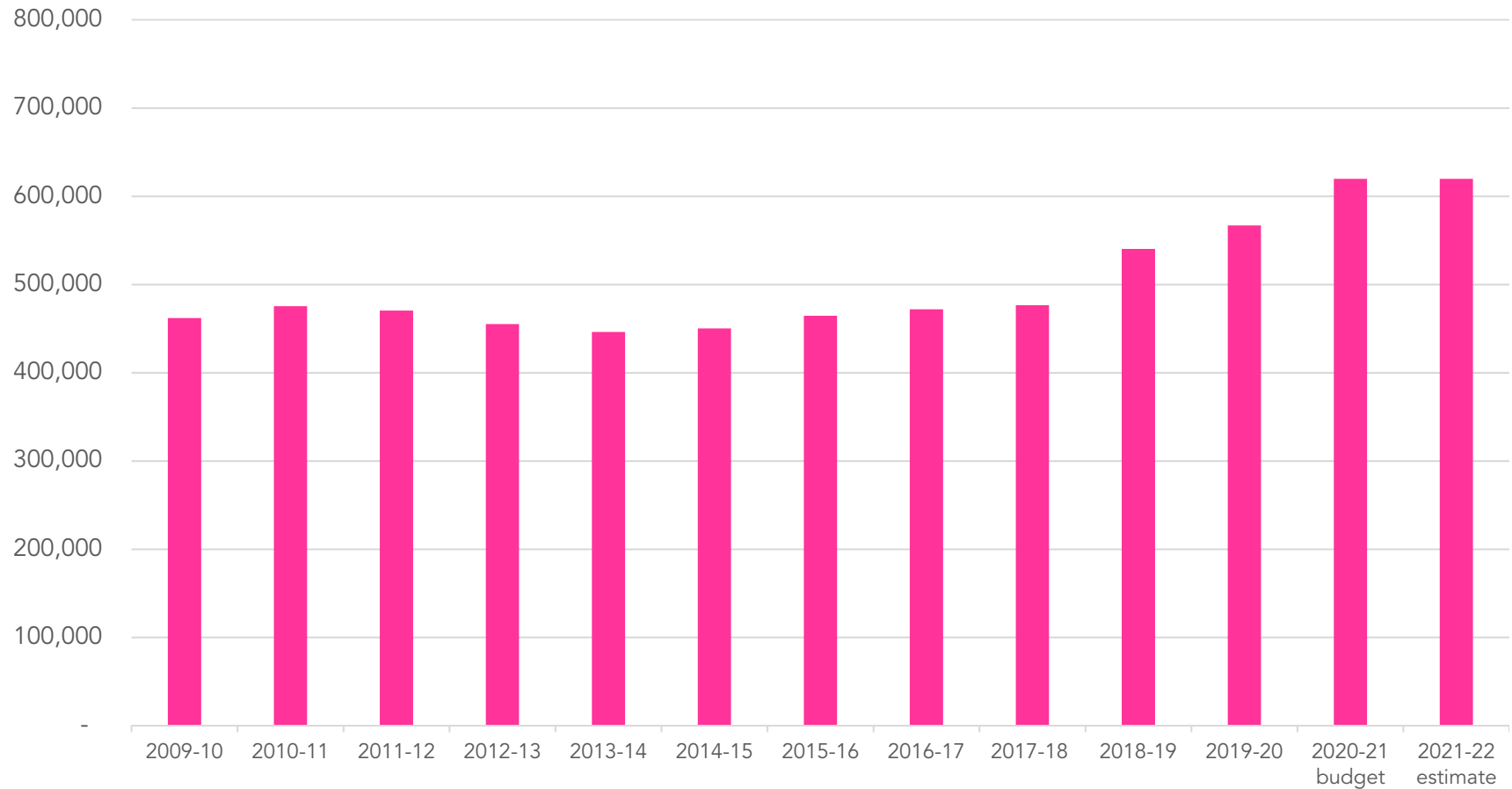
Dental Expenses



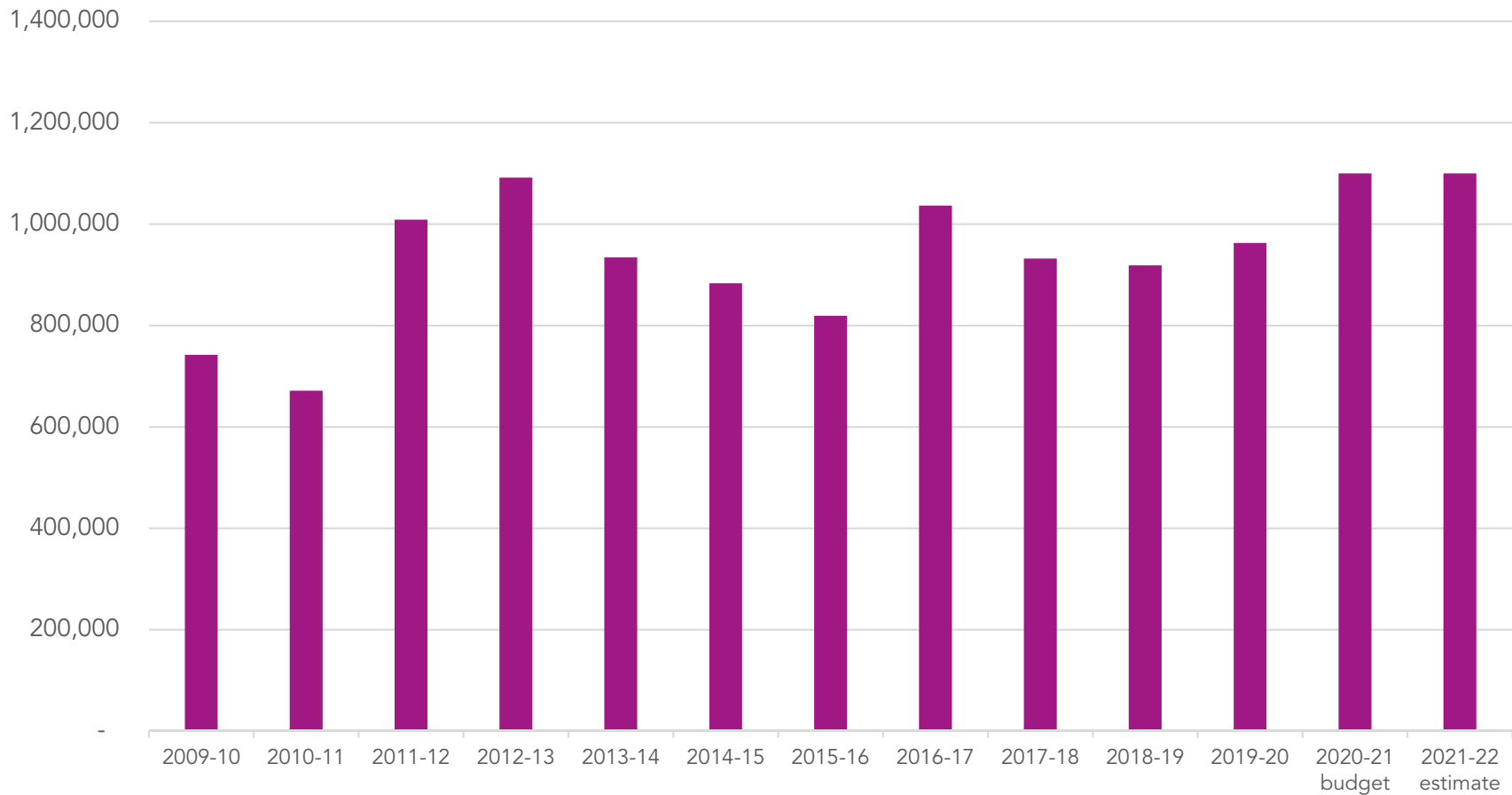
Optical Expenses



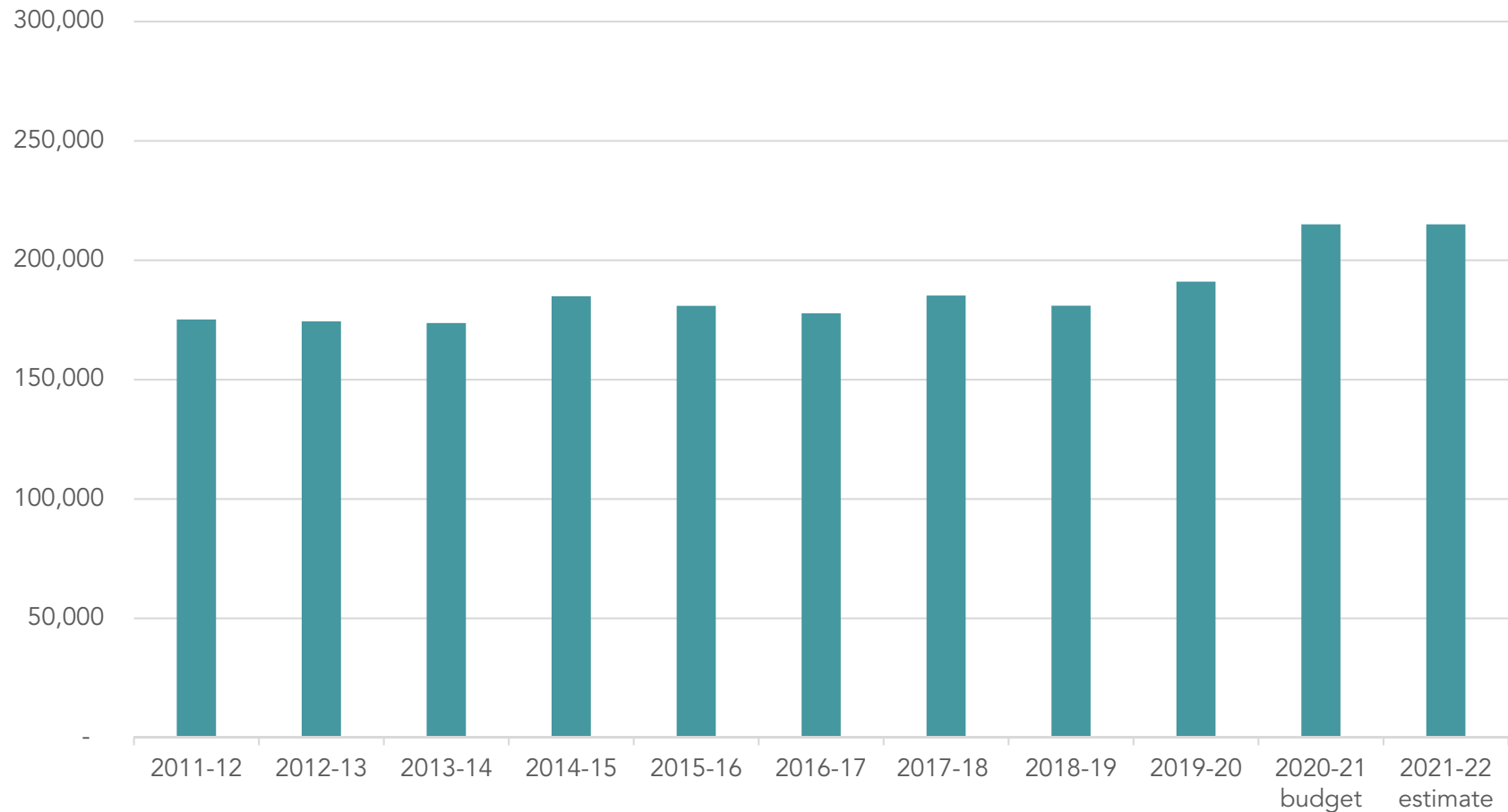
Life Insurance Expenses



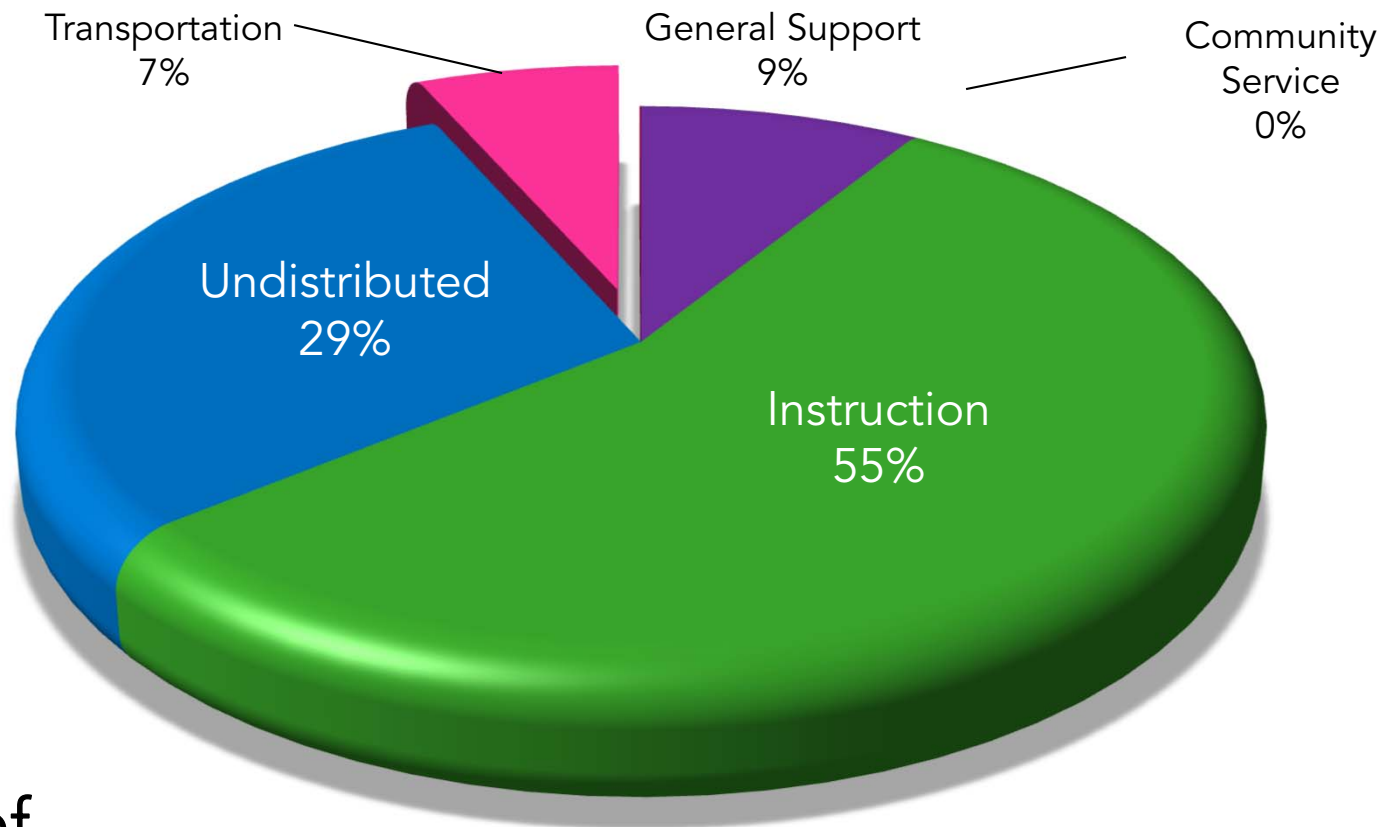
Workers' Compensation Expenses



Disability Expenses



2021-22 Expenditures



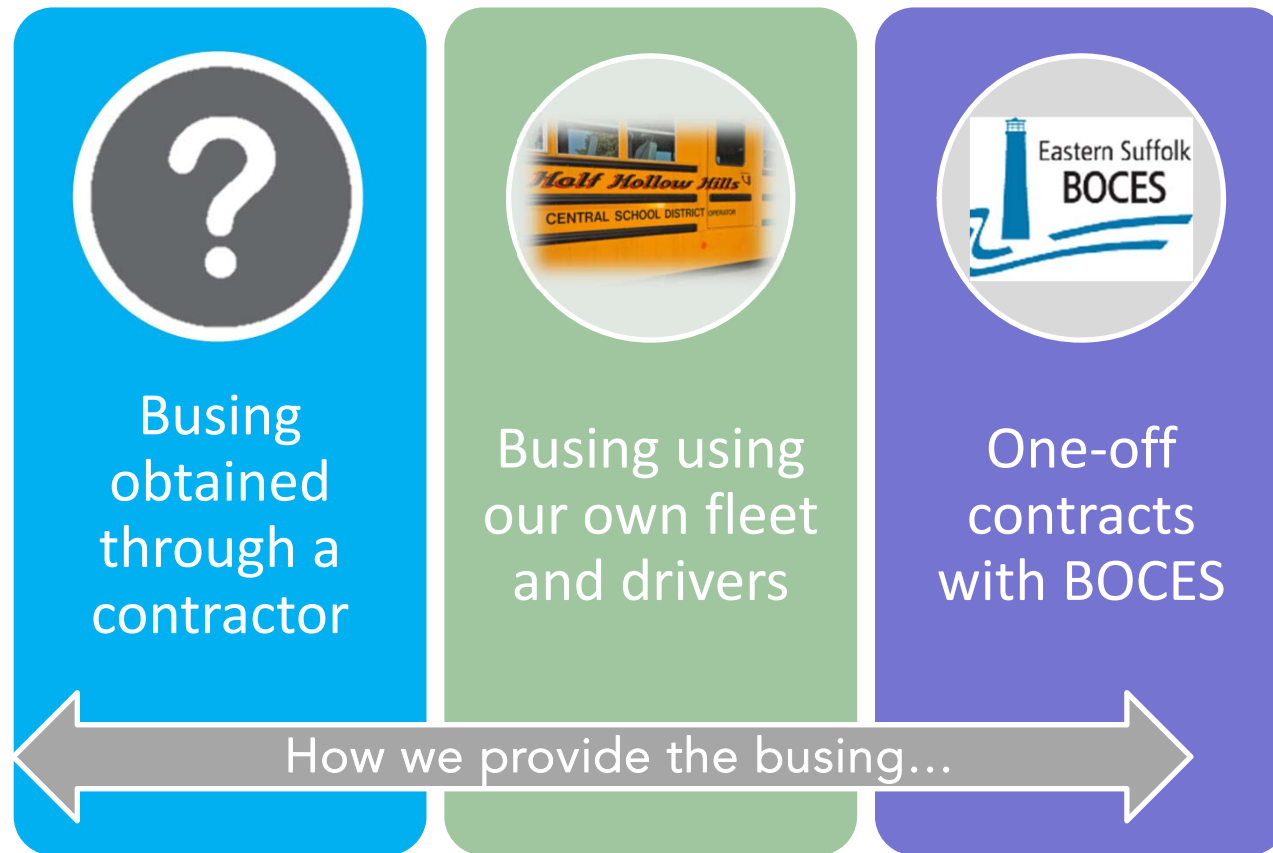
Total of
\$269.9
million



Transportation



Transportation



↓
2021-2022 budget allows for purchase of four new buses



What's to come...

