

Wednesday, November 17, 2021
Budget Forum
Questions & Answers

QUESTIONS

Continued Support for DEI Programming and Initiatives

1. Since Diversity, Equity and Inclusion (DEI) work is ongoing, and is a major goal of the District, as well as of the community, are there specific costs associated with extending this work across all schools?

Yes, there are cost considerations related to training and curriculum materials. Curriculum material includes fiction and nonfiction texts/textbooks, digital resources, and art/resources/project materials. It is important to note that in several cases, the DEI work does not incur an additional cost, but rather reallocates existing funds through a DEI lens. For example, a section of the existing textbook budget will continue to focus on texts that are inclusive and invite multiple perspectives.

2. Will we continue our work next year with various DEI consultants and have those costs been considered in the 2022-23 budget?

Yes, a portion of the ARP grant will help support this work. For example, Dr. Derrick Gay is being funded through this grant.

Improved WiFi Access

We believe that your questions refer to Internet access, via cellular and WiFi. While WiFi lets you connect directly to the Internet via a network router, cellular data lets you connect to the Internet via a cell phone signal.

Cellular: Certain areas of Scarsdale, especially the Fox Meadow neighborhood, have poor cellular coverage. The village is studying options to improve coverage.

WiFi: While the village needs to remedy issues with cellular coverage, the District can continue to enhance Internet access in our buildings and the immediate surroundings through WiFi. We have earmarked \$125,000 in the 2022-23 budget for this purpose.

3. What efforts are being made to increase WiFi access at all of our schools?

As part of next year's budget, we plan to complete comprehensive WiFi coverage heat maps

of each building. These maps will inform us of “dead spots” where students, staff, or visitors cannot connect to the WiFi networks. It should be noted that all classrooms and common spaces have WIFI coverage. The common areas that do not have coverage are stairways and some hallway areas. We plan to provide increased access and remedy the "dead spots" by installing additional WiFi access points in all buildings and some surrounding areas.

4. The lack of WiFi access is particularly acute at Butler Field and Fox Meadow, where there is no service; this has become a serious safety issue. If expanding WiFi access is going to require a longer, more costly study, can the District implement a more immediate solution?

We can address the Butler Field problem by adding access points outside the High School building. There are new types of access points that will be released in the next 3-6 months. These types of access points will be able to handle more devices at higher speeds than the current technology. Therefore, we plan to wait for these new access points for any WiFi expansion project that we undertake.

SUFSD Credit Rating

5. Secondly, since preserving the highest credit rating possible has a significant impact on the cost of Scarsdale’s cost of future borrowing during bond issues, we have a few questions about fund balance, available cash, and leverage (indebtedness of the District). Scarsdale has a credit rating of AAA which helps its lower borrowing costs. As stated on Monday, the ending fund balance on June 30, 2021, was \$25.54 million. Measuring the available fund balance as a % of operating revenues constitutes 20% of the Moody’s Investors Services’ ratings methodology. Under that methodology, Scarsdale would be at about 13%, which is significantly below the median for a AAA (28%) and is an equivalent of a single A in that portion of the assessment. On the net cash ratio in 2020, which is 10% of the rating weighting, Scarsdale is at 25%, which is equivalent to about an A, below the AAA median of 38.6%. Do you anticipate a change in that ratio for this year?

Although we have yet to complete our formal year end projections, I anticipate that these ratios will remain fairly consistent. Although the District must be cognizant of the factors you mention, we are limited by Education and/or General Municipal Law as to the types of reserves that are established and to the extent that they are funded. Currently reserves are generally funded to the extent that they meet known liabilities based on best practice or historical patterns. Unassigned fund balance of course is strictly limited to 4% of the subsequent year’s annual budget. FYE 2021 resulted in 3.98%. The overall budget plan for the upcoming school year takes these considerations into account prior to final recommendations.

6. Scarsdale’s long-term liability ratio (Debt + Adjusted Net Pension Liabilities + Adjusted Net OPEB Liabilities) / Operating Revenue) of about 373.9% (A rating equivalent) is significantly higher than the AAA median of 227.6%. Part of the reason for Scarsdale’s leverage ratio is due to the discount rate being very low. This part of the rating assessment measure matters because the leverage assessment is 20% of the weighting. If interest rates

rise in the next 12 months, how much do you believe this ratio could decline?

As you mention, the discount rate is a significant variable in this calculation. Although we are very aware of this particular score and all other Moody's scorecard factors we do not financially plan or budget based on them. These factors alone do not determine the final Moody's rating but are used as a basis "to provide a standard platform from which to analyze and compare school districts credits". In our discussions with assigned Moody's analysts it has been shared that the critical factors in the school district's rating are both Resident Income and Full Value per capita.

7. Could you kindly give us insight into what changes we might see in the aforementioned factors, which in total, represent about 60% of the weighting in Moody's rating?

Please see the above response.

8. Are we fully including continued COVID expenses into the capital investment?

This upcoming summer will see the final scope of work completed related to the 2018 Bond Project. Included in the work are extensive HVAC improvements at four of our remaining buildings. At Heathcote, a new mechanical ventilation unit will provide fresh air and air conditioning to the gymnasium, and at Quaker Ridge, Middle and High Schools there will be numerous unit ventilator replacements or first time installations.

9. When will the BCS be conducted and completed?

The Building Conditions Survey is in the final stages of being completed by the District's Architects. We expect to receive the final draft in the coming weeks.

10. What are some of the projects that are anticipated?

Continued replacement and upgrades to HVAC, water, lighting and electrical systems, ADA improvements, and site work are some of the major anticipated areas. We also look to make improvements to the Heathcote office complex as it is the lone elementary office to not receive any recent upgrades.

11. Will we be increasing our capital investment percentage based on potential COVID-related expenses as well as adding in new capital expenditures as identified by the BCS?

This is not anticipated for the 2022-23 budget cycle, however, the High School Auditorium Committee continues to meet. With work that has already been approved still ongoing throughout next summer and remaining scope still being identified, it is anticipated that any remaining work will be included as part of the 2023-24 budget plan.

12. Now that we have seen that enrollment has declined, what are demographers predicting for

the coming years?

The Demographer, Dr. Richard Grip, predicted that our enrollments will remain steady (within a few students) overall through the life of the study, which extends to 2025-26. The models using four and five years of historical data predict slight increased enrollment (~ +30 student K-12 over five years), while the model using six years of historical data predicts a drop in enrollment of ~5 students over the next five years. [You can view the full report here.](#)

13. Will you be taking this into account in allocating staffing and building resources?

Yes, we always use enrollment data, and of course actual enrollments and class sections, to plan for and allocate resources.

14. Are there projects that you are contemplating in the near future for a bond issuance that is therefore not included in next year's budget?

Formal discussions for a 2026 bond vote have not yet commenced and are not scheduled to do so until Fall 2023.

15. Are you still on track to address the next phase of the SSEM recommendations made by Altaris?

Yes, we will be moving forward with the lockdown system integration this year with additional expenses in next school year for blue light strobes in the new lockdown system. The second phase of window mitigation is planned for the 2023-24 SY.

16. You have stated that the window mitigation will be part of the 2022-23 budget? Is that built into this budget?

See above - Please note the first phase of window mitigation has already been completed.

17. What are some of the other SSEM recommendations that need to be considered in the coming year?

Window mitigation was the last major project in the Altaris report. There are some minor projects including gates and bollards in some areas around our buildings. These will be addressed at some point in the near future as needed.

18. If the summer program, SPARK, is going to continue, will the projected cost of over \$250,000 be added into this budget?

The continuation of SPARK has not been considered in this budget. The project-based SPARK program was a one year experience that grew from our desire to give students, who spent a significant portion the year remote, an opportunity to engage in collaborative,

hands-on, in-person experiences less available last year.

19. Are you conducting a survey to ascertain what interest there is in this program in the future?

There is no plan to survey interest in the program. We have heard positive feedback from those who attended and appreciate that it was considered successful. It was always, however, intended to be a one-year program designed to provide Elementary students with enrichment experiences in response to an unusual year.

20. We understand that Mr. Jerry Crisci will be conducting a technology survey this year to evaluate if the 1:1 program is working and what if any changes need to be made. Will the results be compiled and analyzed before the budget is finalized? **(Jerry)**

The technology survey will be designed to inform the new District Technology Plan. It will cover the overall technology program, not just the 1:1 program, and it will help us to prepare a three-year technology budget. We believe that the hardware budget for next year provides us with flexibility to respond to feedback from the survey, and if the survey reveals that we need to increase hardware or software spending, we would incorporate that request in the last two years of the three-year plan.

21. We are aware that a few years ago the District had created a 5-year financial model. Please let us know if that has been updated or if there are any plans to create a long-term financial plan?

The long term financial model has not been updated for the 2022-23 school year due to staffing challenges created by the pandemic. We plan to revisit this for a future budget cycle.

22. Please outline any expenses that are not included in the Budget.

As summarized in our initial budget presentations, budget initiatives only appear in a budget draft after thorough consideration, deliberation and discussion. Requests are vetted by the District's administration through numerous meeting and are assessed for Educational Efficacy, Impact on Student Education Outcomes & Achievement, Alignment with Mandates and Best Practice, Alignment with Strategic Planning and Education Priorities, and in consideration of Staffing Efficiencies, and Financial Impact.

23. Can you clarify...is food service included in the Budget?

Typically, no. However, due to the pandemic it has been necessary in the past two years for the General Fund budget to provide supplementary funding to the otherwise self-funded School Food Service Fund.

League of Women Voters Questions -

24. What remaining pandemic-related considerations will be included in the 2022-23 budget?

The proposed draft budget includes a \$500,000 allocation that supports any ongoing expenses associated with Covid-19. This allocation is funded by undesignated fund balance so as to not impact the tax levy as it is uncertain how much, if any, additional instructional or health and safety measures will be required into the next school year.

25. Will the budget stay within the projected tax cap?

The current projected tax cap levy limit is approximately 3%. It is anticipated that the 2022-23 Budget Plan will call for a projected tax levy of at or near that number.

26. What is the percentage of the total budget allocated to the fund balance?

The District does not formally budget for fund balance. The District, however, does anticipate in any given year that between a combination of actual revenues that come in over budget and expenditure line items that come in under budget approximately \$1.1 million in sourced fund balance that would be available for appropriation in the subsequent year. This, of course, can vary from year to year based on actual performance impacted by ever changing variables.

27. Will the trend of decreasing enrollment impact the budget?

We always use enrollment predictions to assist in building the budget, and we flexibly anticipate adding or contracting elementary class sections between the time the budget is proposed and August 15 of the coming school year. The preliminary budget anticipates one fewer elementary class sections next year based on enrollment and class size norms (not to exceed 22 students K-3, 24 students 4-5). The middle school program, organized by house and team, requires fixed staffing in core subjects which largely explains the steady staffing over many years at SMS. Finally, the high school program is driven by student choice and graduation requirements, and enrollments have not changed substantially enough to require significant staffing adds or reductions in recent years, outside of the program enhancements and mental health support that is being proposed this year.

Interestingly, our demographer, Dr. Richard Grip, predicted that our enrollments will remain steady (within a few students) overall through the life of the study, which extends to 2025-26. The models using four and five years of historical data predict slight increased enrollment (~+30 student K-12 over five years), while the model using six years of historical data predicts a drop in enrollment of ~5 students over the next five years. You [can view the full report here](#).

28. Student enrollment was down this year, yet the number of classroom sections have gone up. Do you see that trend of decreasing enrollment and staffing additions continuing

into next year?

Please see above.

29. Given that our students are still recovering from the mental and emotional effects of the pandemic, is the current level of support in our schools meeting the needs of our students or will there be additions in staffing in this area?

There were staffing requests for an additional psychologist and social worker at the high school level. At the middle school we are requesting staffing to expand the emotional disabilities program at the high school and an additional social worker.

30. Other health-related issues - given the recent PRIDE survey results presented by Assistant Principal, Chris Griffin, do you anticipate funding additional programs directed at some of its findings regarding drug and alcohol usage? Is the school administration considering curriculum or staffing changes to better educate students given that marijuana is now legal in New York?

The health and PE departments are regularly adjusting curriculum regarding substance abuse and that is inclusive of legal substances (alcohol and marijuana). The additional mental health personnel requested will also have a role to play in counseling our students around substances.

31. Staffing and other funding for Special Education - our Special Education program has expanded greatly over the last 5+ years. It's been mentioned at prior forums that we expect the percentage of students receiving Special Education services to increase to 12-14%, similar to that of neighboring school communities and the national average. With the addition of 4 Special Education ICT sections this year, are we getting close to that level? What additional staffing or resources do you anticipate will be necessary, in this and future budgets, particularly as our elementary school special education students move up through the school system?

We have just reached a 12% classification rate in the District. The Special Education report on Monday 1/24/22 will focus on trends, staffing, and current programs.

32. Please describe future security-related projects and any potential changes to contractual expenditures recommended by Alteras, for next year and future years, including Phase 2 of the window film project which was mentioned last year.

This year we will complete our lockdown integration. Next year, we foresee work installing strobes and outdoor notifications for the lockdown system. Phase 2 of window mitigation is not proposed in the coming 22-23 budget. Phase 1 addressed top priority areas and Phase 2 will be considered for the 23-24 school year. At this time, we do not see any significant

change in our contractual agreement with Altaris.

33. In the 2021-22 budget, 5 FTE were added to the elementary school maintenance staff. Do you foresee a need to also add additional cleaning staff at the middle or high school levels? There was also a transfer of almost \$200K due to custodian overtime this past year, was that a one-time (maybe Covid-related) expense, or if expected go-forward, will that be reflected in next year's budget?

The staffing recommendations for the 2022-23 budget includes an additional 1.0 Custodian at the High School. Rationale for this recommendation can be found [here](#) on pages 36, 37 and 63. We did experience larger than normal expenditures in the current year due to Covid-related O/T in the preparation for the beginning of the school year and historic campus flooding. Although we do not anticipate a continuation of Covid-related O/T in our normal budgeting, we do forecast a continued demand on our custodial teams and related O/T due to changes in weather patterns causing more severe weather events. Therefore, we will be increasing this budget line accordingly.

34. The 2021-22 budget allocation for facilities projects totaled about \$1M with about \$485K in Transfer to Capital projects. The Building Condition Survey naturally expired this past school year and a new study has presumably commenced to outline future potential projects. What is this process like? When do you expect it to be completed and made available to the public? What capital projects are likely to be funded in the coming budget and the next few budget cycles?

The Building Conditions Survey (BCS) is in the final stages of being completed by the District's Architects. Development of the BCS began with architect visits and inspections at each of our buildings. We expect to receive the final draft in the coming weeks and ultimately it will be ready for release to the public mid winter.

Replacement and upgrades to HVAC, water, lighting and electrical systems, ADA improvements, and site work are some of the major anticipated areas which will be found in the BCS and funded to one extent or another as budget funds allow pre 2026 Bond. We also look to make improvements to the Heathcote office complex as it is the lone elementary office to not receive any recent upgrades.

This is not anticipated for the 2022-23 budget cycle, however, the High School Auditorium Committee continues to meet. With work that has already been approved still ongoing throughout next summer and remaining scope still being identified, it is anticipated that any remaining work will be included as part of the 2023-24 budget plan.

35. The projects outlined in the 2018 bond have almost been completed. There are some

remaining HVAC projects scheduled to be completed in summer 2022. After these are concluded, do you see the need for further improvements in the air quality in our school buildings?

Although the 2018 Bond work included numerous HVAC improvements across the District there still remains some spaces that will need to be addressed in the future. This included the provision of mechanical fresh air, air conditioning in certain locations, and improved control systems.

36. Looking to the future 2026 bond, it looks like there are many projects that are being considered, including SHS Learning Resource space reconfiguration, Little Theater renovations, SMS field renovations, a kitchen at Heathcote and classroom renovations at Edgewood and Fox Meadow. With global warming and extreme weather events happening more frequently, would continued flooding mitigation measures at some of our schools (like the SHS parking lot) and possibly more classroom air conditioning be considered in the bond as well? What is the process for identifying potential projects for consideration?

Planning for a proposed 2026 Bond would commence formal development in the Fall of 2023. The items you mention and others will be included for study and review by the District's architects, engineers and committees at that time.

37. What facilities upgrades and operations in next year's budget might take into consideration sustainability and eco-friendly practices and products such as the recent installation of LED lighting and Viking Pure products in this past budget?

Although there are no specific LED type lighting projects, we do anticipate the inclusion of a number of plant improvement projects which will increase our overall energy efficiency through the replacement of aging equipment or systems.

38. With our food service contract going to bid this year, how has the pandemic affected the bidding process (if at all) and what can we expect from the next service contract?

The Food Service Committee reconvened after an almost 24 month pause due to the pandemic. We revisited the bid specifications which were previously developed with a purpose of affirming that work and tweaking where necessary. This bid is expected to be released to bidders in early April and the bid award is scheduled for June 2022. The bid specifications include formalizing many of our current practices into contract language such as the exclusion of high fructose corn syrup, additional variety and quality of healthy items and a continued focus on sustainability through compostable or reusable products.

39. A couple of years ago (before Covid) the district was planning to do a bus route study.

Would that be potentially reintroduced in this budget?

Although not off of the table for future budgets, this particular item is not included in the District's 2022-23 budget proposal. Based on a review of department needs there were other high ticket items that are a higher priority.

40. Will DEI initiatives have a significant impact on the budget -- whether in STI, the contracting of consultants or hiring of staff, or purchasing materials such as textbooks or other learning resources?

It is important to note that in several cases, the DEI work does not incur an additional cost, but rather reallocates existing funds through a DEI lens. For example, a section of the existing textbook budget will focus on texts that are inclusive and invite multiple perspectives. Next year, we will be using a portion of the ARP grant to fund consultants, including Dr. Derrick Gay.