



**Katonah-Lewisboro School District
2008-2009
Five-Year Expenditure Forecast**

**Katonah-Lewisboro School District
2008-2009
Five-Year Expenditure Forecast
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For further information go to KLSchools.org on the internet.

**Katonah-Lewisboro School District
2008- 2009
Five-Year Expenditure Forecast**

Introduction

This five-year expenditure forecast is intended to assist the Board of Education, the administration, and the public in anticipating future expenses to be considered during the budgetary process in upcoming years. It is the result of the Board's planning, a community-based committee appointed by the Board responsible for developing the content and format of the report and the development of the data by the school district's administrative staff.

In order to fully appreciate the use of the accompanying information it is very important to recognize and understand the **assumptions** used to develop these forecasts and to understand their limitations.

We strongly urge the reader to read this introduction before reviewing the financial data so that misinterpretations can be avoided.

We have divided this introduction into two sections: understandings and assumptions.

Understandings:

This report is a projection of **EXPENDITURES ONLY**. This is **NOT** a budget forecast. The data does **NOT** include income, interest, State aid forecasts, property assessment estimates, estimates of tax revenues, or tax equalization rates.

As a result of the above, it is **NOT POSSIBLE TO PREDICT TAX INCREASES BASED UPON THESE EXPENDITURE FORECASTS**. Increases in spending alone cannot predict the increase in the tax rate among our four taxing areas. The tax rate is based not only upon expenditures, but upon State aid, assessments, application of fund balance, other sources of income, and, of course, the tax equalization rate. In past years, the school district has seen modest increases in the budget that have resulted in a decrease in the tax rate for some and a large increase in the tax rate for others. **Again, there is no tax rate predictive value in these projections.**

There are variables that are independent of the district that could greatly impact the district's budget and forecasts: changes in legislation, the apportionment of state aid, BOCES reimbursement aid, the possible reauthorization of IDEA money (for disabled children), unanticipated increases for pension contributions, social security, health insurance, etc. beyond that which is anticipated.

The expenditure forecasts presented here have not gone through the traditional budget process. This is a very important point to be recognized. Under normal circumstances, budget requests begin with the classroom teachers and are then filtered by the school-level administration. From the school and department level, budget requests are reviewed by the Superintendent, Deputy Superintendent, Assistant Superintendent of Business, and Assistant Business Administrator in concert with the school administrators. Further refinements are made to the budget. The next step involves the review of the budget with appropriate Board of Education members. At the end of this process, after balancing district needs and trying to develop a budget that will also garner public support, the "Superintendent's Budget" is then presented to the Board of Education for public review. The expenditure forecasts that follow did not go through that "filtering" and balancing process.

Staffing Assumptions:

All Schools

1. School district developed projections were used to predict school enrollments for the next five years. Actual staffing numbers and enrollment figures were used for the *current* school year (07-08) and are used each year in the annual budget development process.
2. Existing parameters, including class size policies, contractual obligations, instructional programs, and school schedules, were used. Any changes to these parameters would result in changes to the projections.
3. Present class size levels were maintained at all levels.
4. Special education teachers and support staff projections are based on individual student needs.

Operations and Maintenance

The Operations and Maintenance budget includes custodial services, utilities, grounds care, operational building repairs, capital projects, maintenance equipment, and maintenance services.

The Operations and Maintenance budget is influenced by a number of variables including:

- the replacement of aging custodial equipment
- operations and Maintenance personnel necessary to service buildings and grounds
- need to replace mechanical and electrical equipment
- maintaining a sound preventative maintenance program
- equipment failure

Assumptions:

1. The operations and maintenance needs expressed in this document were developed based on priorities and groupings of projects that are essential to the safe operation of the schools and to preserve the capital assets of the district.
2. The information contained in this report, although sound on the basis of individual projects and line items, should not be considered as a formal recommendation or a master plan, much less a final forecast.
3. The attached list of needs is a continually changing inventory of priorities that are obvious at the department level.
4. Emergencies can and do change priorities immediately including vandalism, equipment failure, weather-related damage, newly discovered health-related or risk issues.
5. Utility and fuel costs are difficult to predict for over a year in the future and subject to wide variation.
6. There are significant changes in regulatory mandates, resulting in additional equipment and more extensive testing, reporting and associated administrative time.

Transportation

This program supports the transportation of approximately 4,600 students each day. Students at the elementary level who live more than a half mile from their school and students at the secondary level who live more than one mile from school are provided transportation services. Students living within the district are provided transportation up to 15 miles from their home, and for disabled children, up to 50 miles from their home. Wages for salaried employees are included within the staffing projections in this report, while the bus replacement schedule is covered under the debt service section of this report.

Assumptions:

1. Current mileage limits established by Board policy will continue.
2. Price of fuels may continue to increase.
3. The bus replacement program will remain on schedule and receive community support.
4. The same level of programs will be offered to students.
5. The operating times of the schools will remain the same.
6. The level of services provided to students (after school late runs, athletic program, field trips) will remain the same.
7. The number of out of district placements (special education or private/parochial) will remain stable.
8. The school boundaries established by Board policy for Elementary Schools will remain the same.
9. There will be no change in world, national, or local events that would impede our ability to obtain resources.
10. There will be no dramatic increases in fleet insurance costs.
11. The ratio of out-of-district special needs students will remain at current levels with no atypical arrangements required.

**Katonah-Lewisboro School District
2008-09
Five-Year Expenditure Forecast**

Enrollment Projections

Enrollment projections for the district are developed by using a cohort survival method. This method compares the change in the size of a grade, plus or minus, from school year to school year beginning with the kindergarten entry class for each year. The change for the cohort from year to year is translated to a fraction or percent of change. To forecast a change in enrollment, an average of a group of years, generally three or five, is determined. This average is applied to the succeeding class to forecast the next and future years. The estimated size of the incoming kindergarten class is a critical factor in this method.

The most conservative approach to enrollment forecasting is one that does not attempt to integrate external influences such as a significant change in new housing starts or regional birth rates. Conversely, a forecast that integrates external factors is generally viewed as the maximum possible growth. *For this forecast a conservative approach was used.*

Enrollment projections are one of the critical factors in developing a financial forecast. The number of students enrolled coupled with local policy and program decisions are fundamental to the financial direction of the district.

Overall, the forecast suggests a modest decrease in our Kindergarten through Grade 12 enrollment. Depending on where the changes occur over the thirteen grades the projected numbers may or may not change staffing requirements.

Local policy decisions relating to class size and electives along with state mandates will likely have a greater impact.

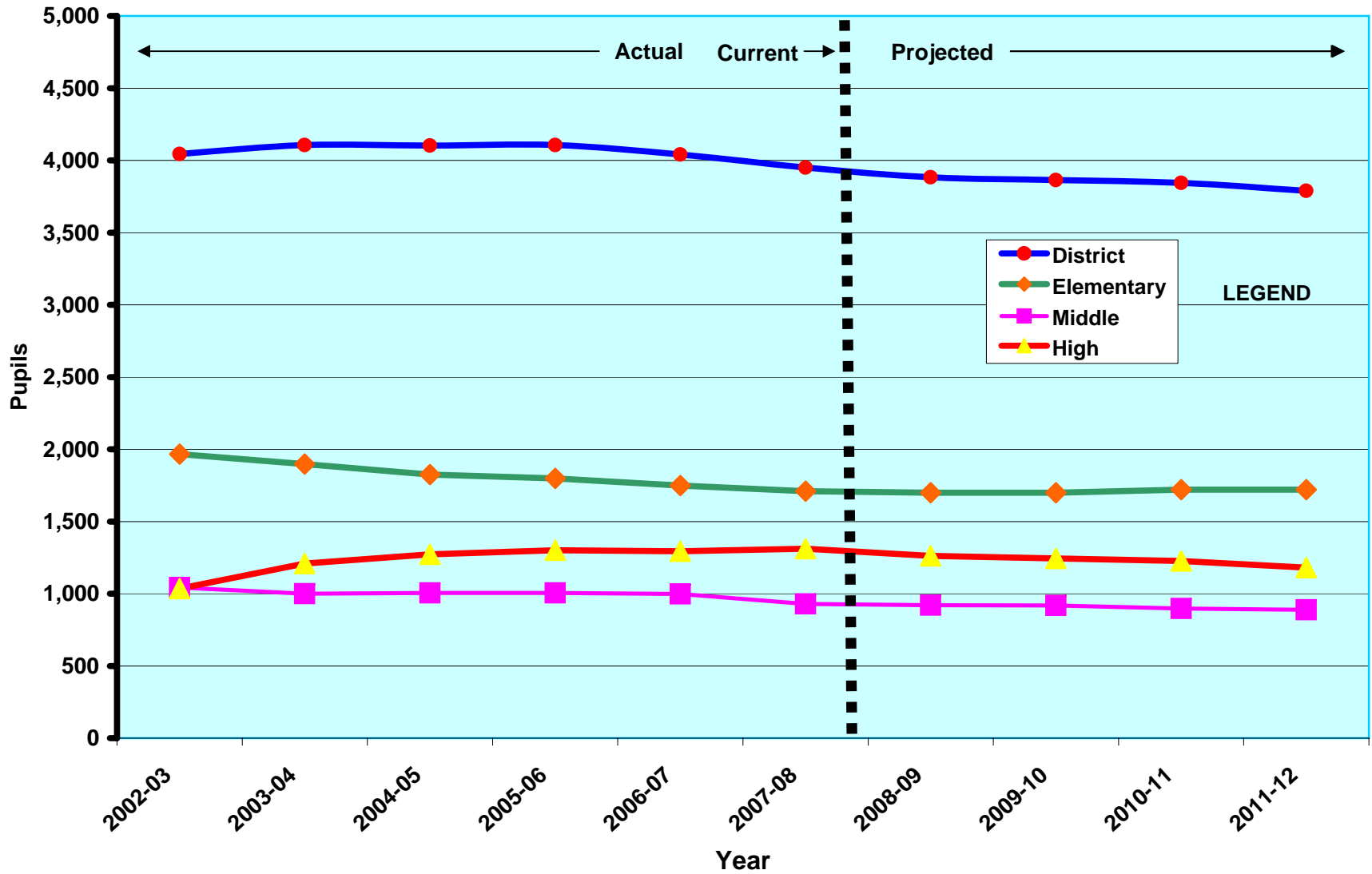
KATONAH-LEWISBORO SCHOOL DISTRICT
Projected District Enrollment 2002-03 to 2011-12

Prepared for Five-Year Financial Forecast
2008-09

Grade	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Current 2007-08	Projected 2008-09	Projected 2009-10	Projected 2010-11	Projected 2011-12
KG	298	268	269	285	235	251	283	284	285	283
First	323	317	287	294	302	260	271	305	306	307
Second	313	315	315	289	283	300	256	267	301	302
Third	325	309	318	306	299	282	300	256	267	301
Fourth	355	327	307	320	310	305	284	302	258	269
Fifth	311	362	328	305	320	312	306	285	303	259
Elementary	1925	1898	1824	1799	1749	1710	1700	1699	1720	1721
Sixth	330	321	367	318	308	305	311	305	284	302
Seventh	355	327	319	369	320	307	305	311	305	284
Eighth	346	352	319	319	371	317	305	303	309	303
Middle School	1031	1000	1005	1006	999	929	921	919	898	889
Ninth	328	334	362	310	323	355	313	301	299	305
Tenth	285	321	328	349	304	309	345	304	293	291
Eleventh	283	269	316	327	348	303	304	339	299	288
Twelfth	257	284	267	315	318	344	300	301	336	296
High School	1153	1208	1273	1301	1293	1311	1262	1245	1227	1180
District	4109	4106	4102	4106	4041	3950	3883	3863	3845	3790

For the forecast covered by this document, enrollments in the district appear to be stable trending slightly downwards. Overall district enrollment is expected to be approximately 3,950 students.

**Katonah Lewisboro School District
 Five Year 2008-09
 Enrollment History, Current & Projected
 2002-03 to 2011-12**



Katonah–Lewisboro School District

2008–2009

Five–Year Expenditure Forecast

Categorical History & Expenditure Forecast

The Categorical History and Expenditure Forecast presents a summary of the total budget with actual expenditures from 2002-03 through 2006-07 and the current budget for 2007-08 with a yearly forecast through 2011-12. This table is organized so that all salary expense appears in one section. The balance on categories covers all non-salary items.

Overall, the largest year-to-year growth has passed depending upon program initiatives. The balance of the forecast period is projected to have annual growth rates less than 6%, as projected enrollments are stabilized and contributions to the NYS Retirement Systems moderate.

**Katonah-Lewisboro School District
Multi-Year Financial Forecast**

Total Budget: Categorical History & Expenditure Forecast

ACTUAL EXPENDITURES

Category	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07
Staff Salaries	\$ 41,032,082	\$ 44,201,928	\$ 47,895,784	\$ 50,829,209	\$ 51,521,711
Special Education	\$ 2,705,922	\$ 2,550,317	\$ 2,810,454	\$ 2,631,957	\$ 2,905,097
Technology	\$ 802,349	\$ 771,694	\$ 956,357	\$ 1,001,076	\$ 1,060,675
Debt Service	\$ 6,628,225	\$ 6,466,239	\$ 6,554,858	\$ 7,641,204	\$ 7,970,811
Operations	\$ 2,823,521	\$ 3,232,083	\$ 3,150,140	\$ 3,740,142	\$ 3,255,114
Transportation	\$ 711,324	\$ 748,418	\$ 710,943	\$ 849,101	\$ 901,905
Benefits	\$ 14,099,322	\$ 15,380,000	\$ 18,023,080	\$ 20,804,382	\$ 20,838,753
Administration	\$ 1,960,378	\$ 2,142,514	\$ 2,181,591	\$ 2,196,165	\$ 2,505,191
Instruction	\$ 1,905,791	\$ 1,837,267	\$ 2,504,683	\$ 2,736,545	\$ 2,882,837
Total	\$ 72,668,914	\$ 77,330,460	\$ 84,787,890	\$ 92,429,781	\$ 93,842,094

CURRENT & PROJECTED

Category	Budget 2007-08	Projected 2008-09	Projected 2009-10	Projected 2010-11	Projected 2011-12
Staff Salaries	\$ 57,671,147	\$ 60,751,044	\$ 63,563,943	\$ 66,681,022	\$ 70,095,631
Special Education	\$ 2,998,699	\$ 3,448,384	\$ 3,620,553	\$ 3,801,331	\$ 3,991,147
Technology	\$ 1,179,447	\$ 1,235,804	\$ 1,296,904	\$ 1,361,883	\$ 1,426,881
Debt Service	\$ 7,497,367	\$ 7,454,184	\$ 7,643,862	\$ 7,482,619	\$ 7,424,552
Operations	\$ 3,642,026	\$ 3,808,627	\$ 3,994,059	\$ 4,213,762	\$ 4,418,200
Transportation	\$ 1,183,950	\$ 1,335,660	\$ 1,551,200	\$ 1,567,000	\$ 1,583,660
Benefits	\$ 23,807,133	\$ 25,487,204	\$ 27,625,900	\$ 29,928,763	\$ 32,629,945
Administration	\$ 2,467,575	\$ 2,532,907	\$ 2,626,654	\$ 2,703,453	\$ 2,782,524
Instruction	\$ 3,165,656	\$ 3,323,939	\$ 3,490,136	\$ 3,664,643	\$ 3,847,875
Total	\$ 103,613,000	\$ 109,377,753	\$ 115,413,211	\$ 121,404,476	\$ 128,200,414

5.56

5.52

5.19

5.60

**Katonah-Lewisboro School District
2008- 2009
Multi-Year Expenditure Forecast**

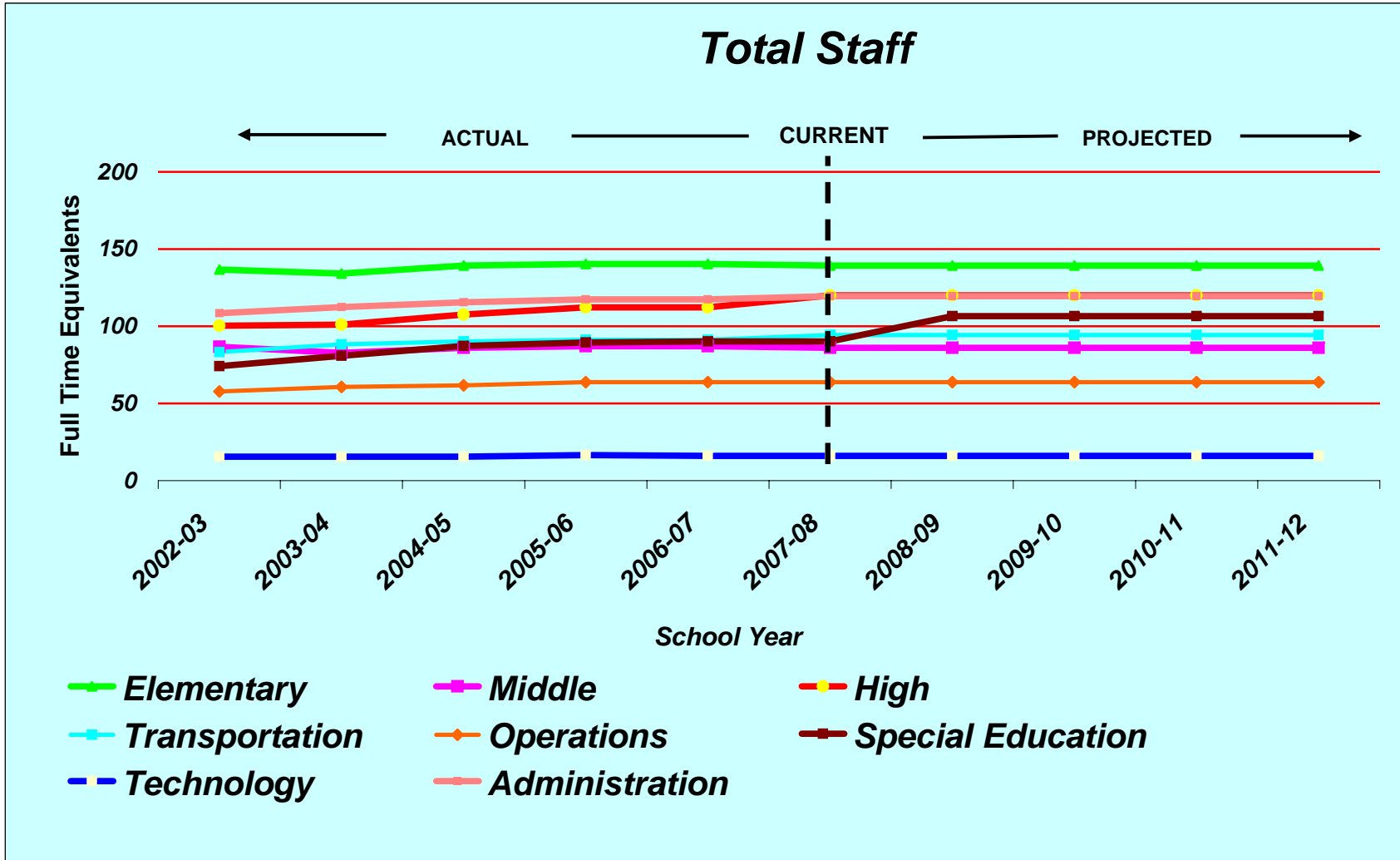
Total Staff

Total staff forecasted through 2011 -2012 indicates relatively stable numbers in elementary schools and the middle school.

Staffing for 2008 -2009 is expected to be relatively stable. We anticipate maintaining current class size at the elementary level, and at the middle school level. High school enrollment is decreasing but may not result in fewer positions because of curriculum and certification requirements.

If enrollment turns out as expected, staffing in all areas of the district should stabilize. With enrollment stabilized, other than minor variations from year to year in response to normal distribution of students across all grades, staffing is expected to remain relatively constant. Should there be changes in programs or policies during the forecast period, staffing requirements will need to be addressed.

**Katonah-Lewisboro School District
2008-09 Five Year Financial Forecast**



Katonah–Lewisboro School District
2008–09
Five–Year Expenditure Forecast

Special Education

The Special Education program strives to provide a comprehensive educational experience for students with disabilities, ages four to twenty-one. The program provides assistance and services to students identified as disabled by the Committee on Special Education under provisions of education law. Each student classified as disabled has an individual education plan and is placed in what is determined to be the appropriate environment for that child. Children may be placed in-district, out-of-district at a BOCES facility or other public school, or a residential school.

- On October 3, 2007, the enrollment of district school-age students with disabilities was 587. This represents approximately 14.9% of the district K-12 enrollment. The October 3, 2007 count of preschool students with disabilities was 78.
- 95% of school-age students with disabilities are educated in district programs, with the remaining 5% in out-of-district programs (26 students) or homebound (1 student). Our count of students in out-of-district programs has decreased in each of the last seven years.
- A professional staff that includes 41.0 special education teachers, 8.0 speech and language therapists, 6.5 psychologists, 9.0 social workers, a 2.0 physical therapists, and 1.0 educational evaluator serves our population of students with disabilities. In addition, the district employs a number of teaching assistants and teacher aides, and contracts with occupational therapists and physical therapists. The administrative team includes the director, one assistant director, a .8 FTE CPSE chairperson, and 1.0 CSE chairperson.
- 48 students with disabilities completed their secondary level education in June 2007. Eight of these students graduated with advanced Regents diplomas, 20 with Regents diplomas, 18 with local diplomas, and 2 with Individualized Educational Plan (IEP) diplomas.
- Based on the most recent data available, the district ranks 14th among the eighteen Putnam Northern-Westchester BOCES component districts in per pupil expenditures for special education (NYSED School Report Cards).
- Areas where expenditures continue to increase are in the certified hourly code (an increase in the number of students with disabilities educated in the after school program at the high school) and in the tuition accounts (decrease in the number of students but an increase in the tuition rates).

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**

SPECIAL EDUCATION

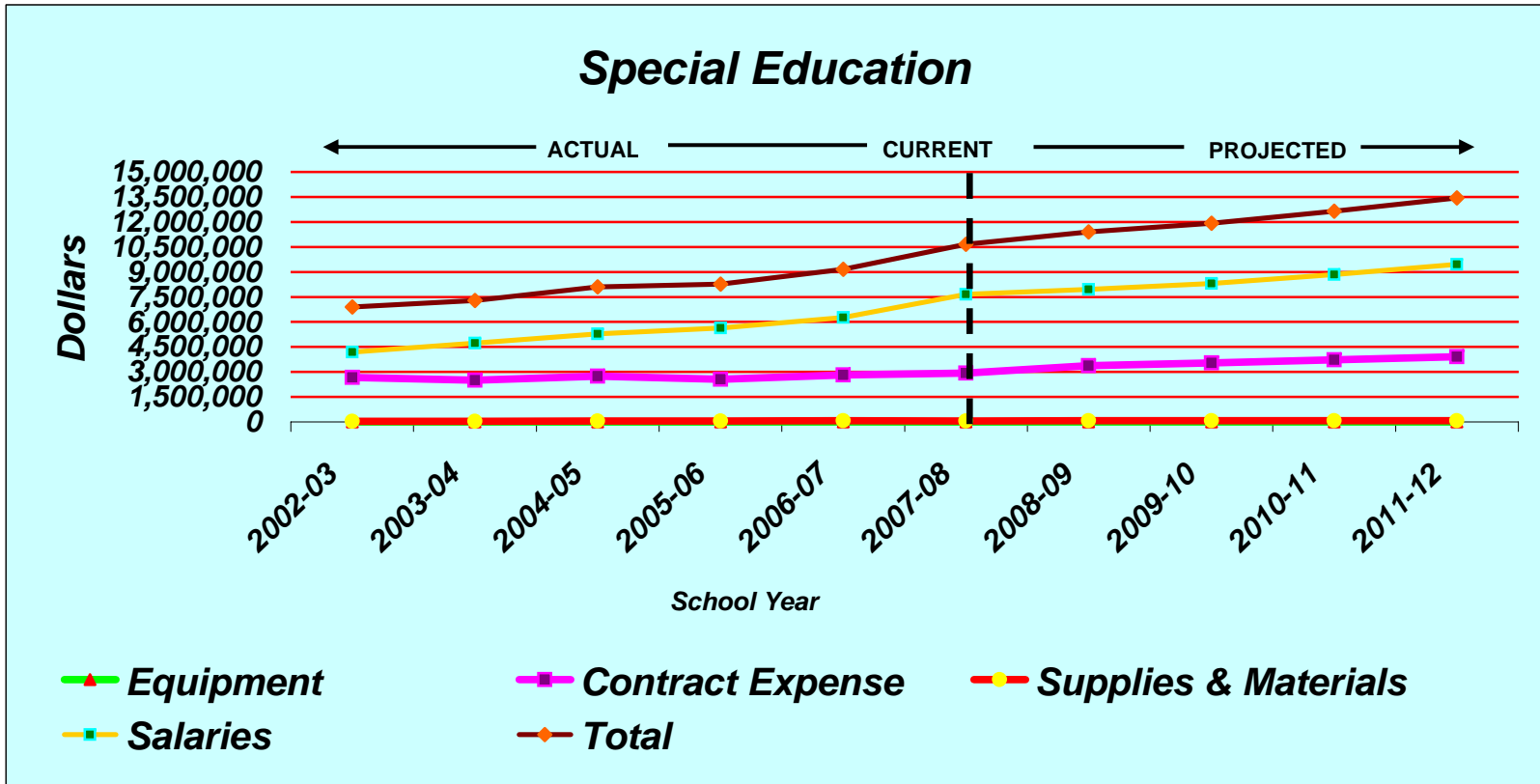
HISTORY

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
Equipment	3,950	3,696	-	2,320	1,183
Contract Expense	2,662,930	2,503,998	2,752,524	2,567,708	2,825,070
Supplies & Materials	39,042	42,623	57,930	61,929	78,844
Total Non-Personnel	\$ 2,705,922	\$ 2,550,317	\$ 2,810,454	\$ 2,631,957	\$ 2,905,097
Salaries	4,187,681	4,736,698	5,285,932	5,636,423	6,263,394
Total Expenditures	\$ 6,893,603	\$ 7,287,015	\$ 8,096,386	\$ 8,268,380	\$ 9,168,491
Total Staff by FTE	74.20	80.90	87.20	89.40	90.20

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
Equipment	5,000	5,000	5,000	5,000	5,000
Contract Expense	2,929,805	3,376,295	3,545,110	3,722,366	3,908,484
Supplies & Materials	63,894	67,089	70,443	73,965	77,664
Total Non-Personnel	\$ 2,998,699	\$ 3,448,384	\$ 3,620,553	\$ 3,801,331	\$ 3,991,147
Salaries	7,662,107	7,948,455	8,299,878	8,838,617	9,451,205
Total Expenditures	\$ 10,660,806	\$ 11,396,839	\$ 11,920,431	\$ 12,639,948	\$ 13,442,352
Total Staff by FTE	90.20	118.00	118.00	118.00	118.00

Katonah-Lewisboro School District 2008-09 Five Year Financial Forecast



- **Equipment** – covers instructional equipment to meet specific needs of Special Education students.
- **Contract Expense** – includes tuition for students placed in out of district locations, BOCES services, costs of contracted occupational and physical therapists.
- **Supplies & Materials** – instructional supplies and materials.
- **Salaries** – salaries for teachers and staff and hourly expense as required.
- **Total** – reflects expenses associated with instruction of Special Education students.

**Katonah-Lewisboro School District
2008- 2009
Five-Year Expenditure Forecast**

Technology

The mission of the technology program at Katonah-Lewisboro School District is to implement and support reliable technology services in a rapidly advancing technological world for students, teachers and staff. Technology services are relied on for mastery of technology skills, data analysis, access to information, and to facilitate collaboration and communication among all members. Regular evaluation of the use of technology systems throughout the district reinforces the need for sustaining current levels of technology as well as providing staff development and support services that will meet educational and administrative goals. Reducing the cost of ownership without compromising the educational needs of the end users is an integral part of this effort.

- A staff of seven provides technical support and staff training for a network system consisting of approximately 1600 client devices and 30 servers. The technology Help Desk receives approximately 30 calls daily.
- There are 11 computer labs in the district 10 of which have computer aides assigned to supervise students and assist teachers. The High School and Middle School have ubiquitous wireless access that supports 90 student laptops each. The elementary schools each have ubiquitous wireless that supports the buildings' 30 laptops available for classroom use in each building, except Katonah. Katonah Elementary will require additional access points to reach this same level of coverage due to the building's construction.
- Instructional staff development is coordinated with the staff development council and provided as part of a comprehensive training delivered during staff development days throughout the year. New teacher orientation includes a large technology component to bring new employees up to speed quickly.
- The department supports approximately 30 program specific software titles for students.
- The department maintains the software and fulfills data requirements for the following management applications: student management, special education, curriculum planning, library management, food service, transportation, nursing, operations & maintenance, business office systems, and state reporting.
- The department maintains a voice over IP phone network with approximately 650 classroom and office phones and various fax machines.
- The district purchases the majority of technology equipment through BOCES and thereby receives approximately 40% of the cost returned as BOCES aid. Part of this process includes steps to insure that prices paid are the lowest possible for the specified equipment.
- Planning for technology is done in conjunction with the district's Strategic Planning Process.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**

TECHNOLOGY

HISTORY

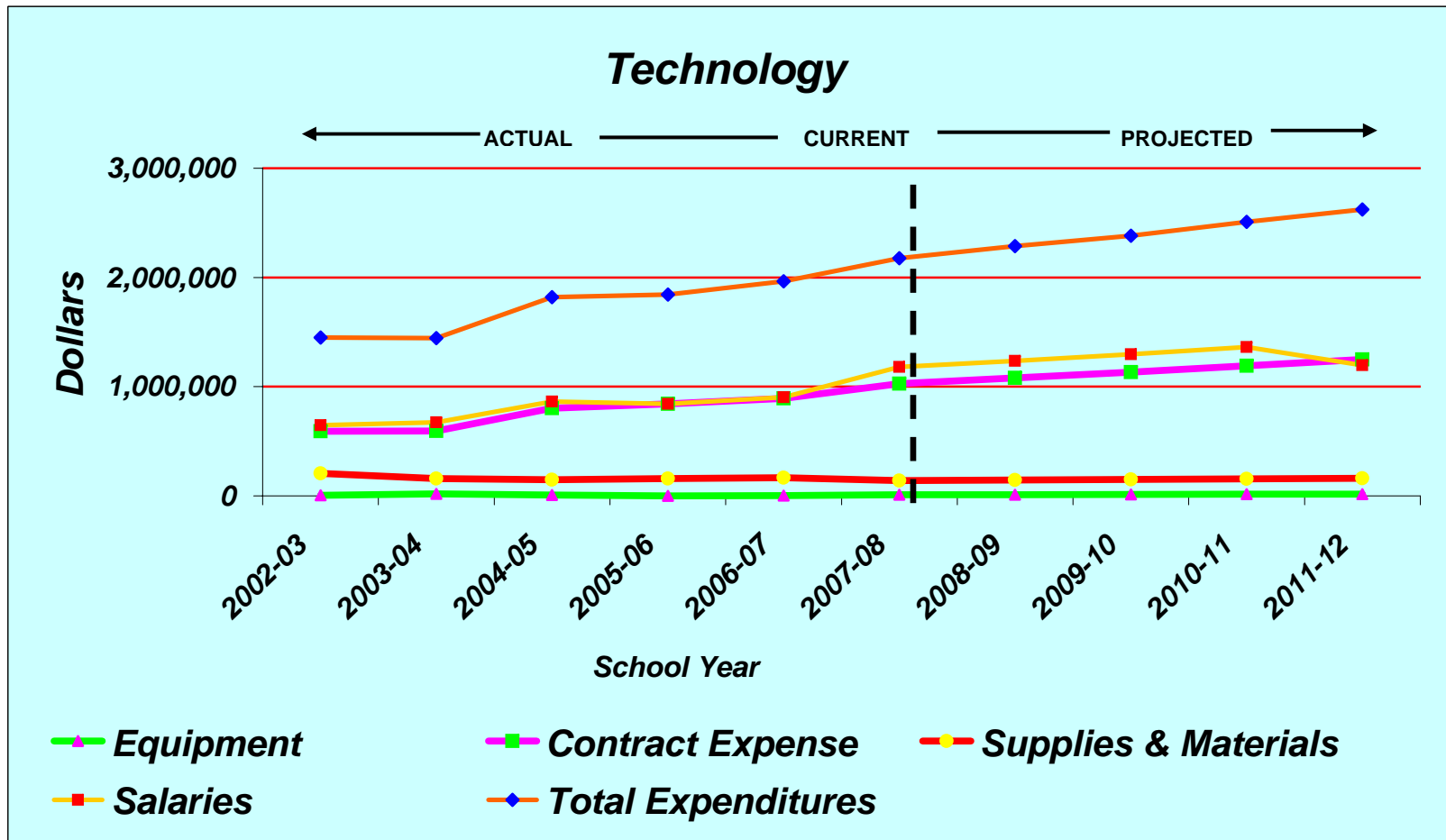
	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
Equipment	4,952	19,480	6,978	1,176	2,299
Contract Expense	590,707	593,696	801,659	842,589	893,243
Supplies & Materials	206,690	158,518	147,720	157,311	165,133
Total Non-Personnel	\$ 802,349	\$ 771,694	\$ 956,357	\$ 1,001,076	\$ 1,060,675
Salaries	646,919	672,573	863,545	842,048	904,427
Total Expenditures	\$ 1,449,268	\$ 1,444,267	\$ 1,819,902	\$ 1,843,124	\$ 1,965,102
Total Staff by FTE	15.50	15.50	15.50	16.50	16.00

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
Equipment	10,000	10,000	12,000	15,000	15,000
Contract Expense	1,028,397	1,079,817	1,133,808	1,190,498	1,250,023
Supplies & Materials	141,050	145,987	151,096	156,385	161,858
Total Non-Personnel	\$ 1,179,447	\$ 1,235,804	\$ 1,296,904	\$ 1,361,883	\$ 1,426,881
Salaries	996,528	1,049,972	1,086,182	1,145,781	1,195,655
Total Expenditures	\$ 2,175,975	\$ 2,285,776	\$ 2,383,086	\$ 2,507,664	\$ 2,622,536
Total Staff by FTE	16.00	16.00	16.00	16.00	16.00

The upward trend of the total chart line can be attributed for the most part to the cost of replacement computers, new hardware and software with an emphasis on wireless technology during the time period covered by this forecast. This is most clearly seen by reviewing the growth in Contract Expense line in the table above.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**



- **Equipment** – allowance for unanticipated technology equipment that be required during the school year.
- **Contract Expense** – allowance for BOCES, consultants and technology service providers.
- **Supplies & Materials** – technology parts and supplies for computers and network services.
- **Salaries** – covers salaries of technicians, staff trainers, and hourly employees.

**Katonah-Lewisboro School District
2008-2009
Five-Year Expenditure Forecast**

Debt Service

Debt service accounts for the payment of interest and principal on the District's debt. Katonah-Lewisboro Schools utilizes four types of debt instruments. To finance capital acquisitions and construction, long-term serial bonds are issued. For assets with a shorter useful life, such as buses, and minor repairs and renovations to District buildings, bond anticipation notes are used. Maturity for these issues is five years. Tax anticipation notes are short-term obligations issued at the beginning of a fiscal year in anticipation of the receipt of real property tax revenues. They are used to fund District expenditures for the first three months of the year and are repaid as soon as tax revenues are received. Installment purchase obligations traditionally finance the purchase of copiers and printing and mailing equipment over a five-year period.

- At June 30, 2007, the District's total outstanding indebtedness represented approximately 10.58% of its debt limit of \$546,579,661.
- Short-term interest rates, which had been at an all time low, have risen rapidly and long-term rates have also increased. The District does not anticipate the need for any long term debt issues in the next five years.
- Moody's Investors Service re-rated the District and continued its Aa-3 credit rating, reflecting improvements in the District's financial position, with reserves and liquidity increasing to satisfactory levels in November 2005.
- The District's outstanding serial bonds totaled \$54,810,000 as of June 30, 2007.
- The District continues to benefit from the advanced refunding bond sale of December 2004. Savings will approximate \$70,000 annually through 2010 - 2011.
- The District had \$3,050,000 in bond anticipation notes debt at June 30, 2007.

Katonah-Lewisboro School District Five-Year Financial Forecast

DEBT SERVICE

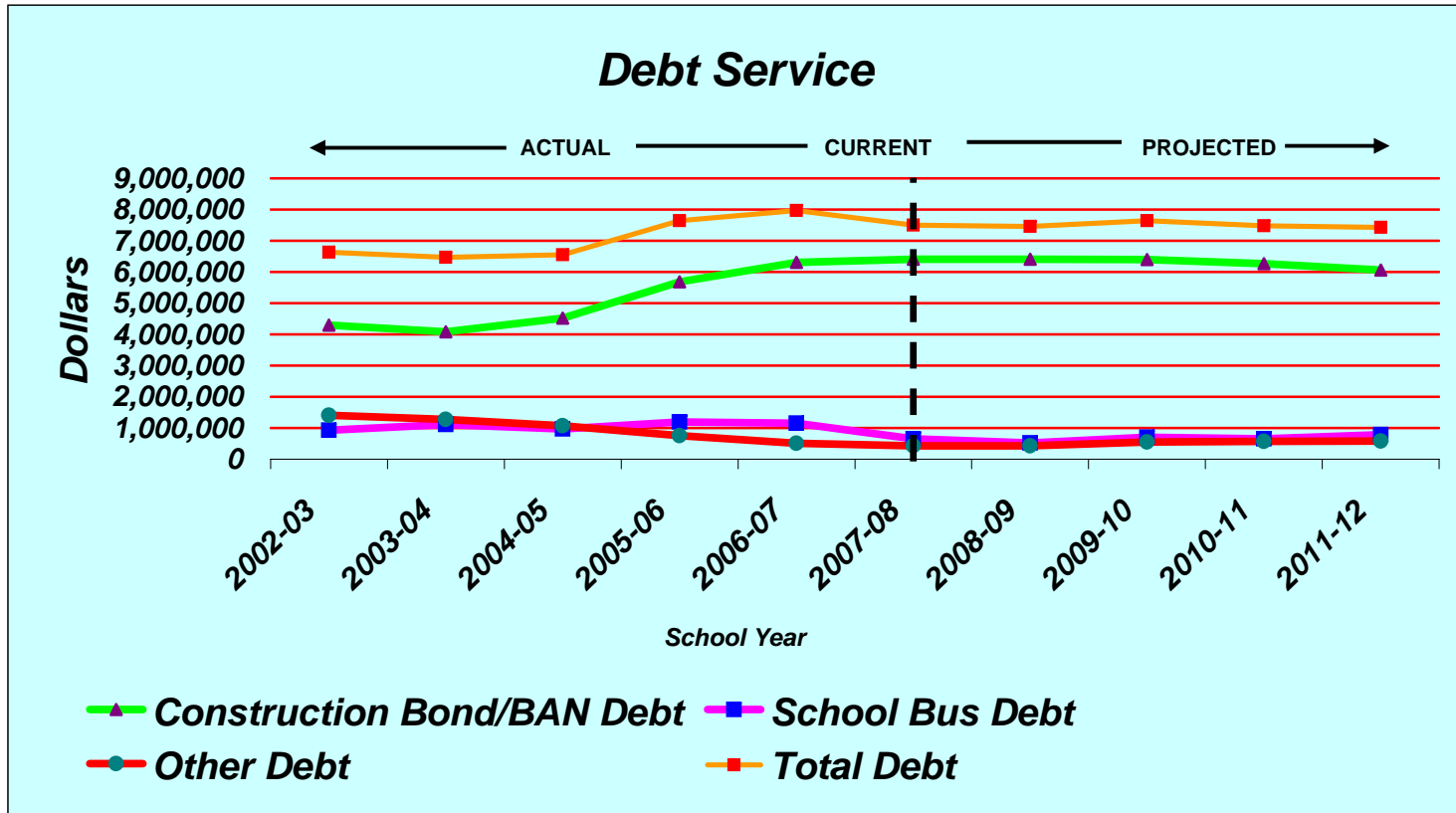
HISTORY

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
Construction Bond/BAN Principal	2,405,000	2,315,000	2,675,000	3,510,000	3,885,000
Construction Bond/BAN Interest	1,891,481	1,768,866	1,841,694	2,176,671	2,420,789
Construction Bond Total	4,296,481	4,083,866	4,516,694	5,686,671	6,305,789
School Bus Principal	815,000	1,044,000	939,000	1,150,000	1,087,611
School Bus Interest	108,769	65,987	28,900	48,144	67,157
School Bus Total	923,769	1,109,987	967,900	1,198,144	1,154,768
Other Principal	1,151,371	1,085,559	897,547	595,659	382,927
Other Interest	256,604	186,827	172,717	160,730	127,327
Other Total	1,407,975	1,272,386	1,070,264	756,389	510,254
Total Expenditures	\$ 6,628,225	\$ 6,466,239	\$ 6,554,858	\$ 7,641,204	\$ 7,970,811

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
Construction Bond/BAN Principal	4,200,000	4,355,000	4,505,000	4,560,000	4,540,000
Construction Bond/BAN Interest	2,210,895	2,053,852	1,889,976	1,705,920	1,524,445
Construction Bond Total	6,410,895	6,408,852	6,394,976	6,265,920	6,064,445
School Bus Principal	591,000	473,000	630,000	563,000	658,000
School Bus Interest	63,807	50,724	72,930	85,405	123,848
School Bus Total	654,807	523,724	702,930	648,405	781,848
Other Principal	290,500	358,791	357,098	369,400	377,527
Other Interest	141,165	162,925	188,858	198,894	200,732
Other Total	431,665	521,716	545,956	568,294	578,259
Total Expenditures	\$ 7,497,367	\$ 7,454,184	\$ 7,643,862	\$ 7,482,619	\$ 7,424,552

Katonah-Lewisboro School District 2008-09 Five Year Financial Forecast



- **Construction Bond/BAN Debt** – includes interest and principal payments for construction of new space as well as the renovation of current facilities.
- **School Bus Debt** – covers cost of Bond Anticipation Notes issued for the purchase of school buses.
- **Other Debt** – includes principal and/or interest payments for obligations such as tax anticipation notes, equipment other than buses and installment purchase agreements.

**Katonah-Lewisboro School District
2008- 2009
Five-Year Expenditure Forecast**

Operations & Maintenance

Operations cover custodial, maintenance and warehouse services for the District's six schools and district office. Custodial services provide for the daily cleaning, minor repairs and necessary services to maintain an optimal learning environment. The maintenance staff provides care for all mechanical and electrical systems as well as upkeep of all grounds and fields in the district. The warehouse is the central receiving and delivery location for the majority of equipment and supplies used in the operation of all district schools. In addition, central printing services plus mail and delivery services are provided by the warehouse staff.

The Operations and Maintenance budget is influenced by a number of variables including:

- 4 grounds men care for seven school district sites and athletic fields on over 165 acres
- over 6,000 building use events are supported by the department
- ongoing training and cross-training of department employees is provided
- all Maintenance staff as well as Head and Senior Custodians are computer literate and use various software programs on a daily basis
- the replacement of aging custodial equipment
- need to replace mechanical and electrical equipment
- maintaining a sound preventative maintenance program
- equipment failures

- emergencies can and do change priorities immediately including vandalism, equipment failure, weather-related damage, newly discovered health-related or risk issues
- utility costs are an unpredictable area for budgeting and subject to wide variation
- there will be significant changes in regulatory mandates, resulting in additional equipment and more extensive testing, reporting and associated administrative time
- changes to the capital and operating plan may result from an energy audit of the District's facilities

**Katonah-Lewisboro School District
2008-09
Five-Year Financial Forecast**

OPERATIONS & MAINTENANCE

HISTORY

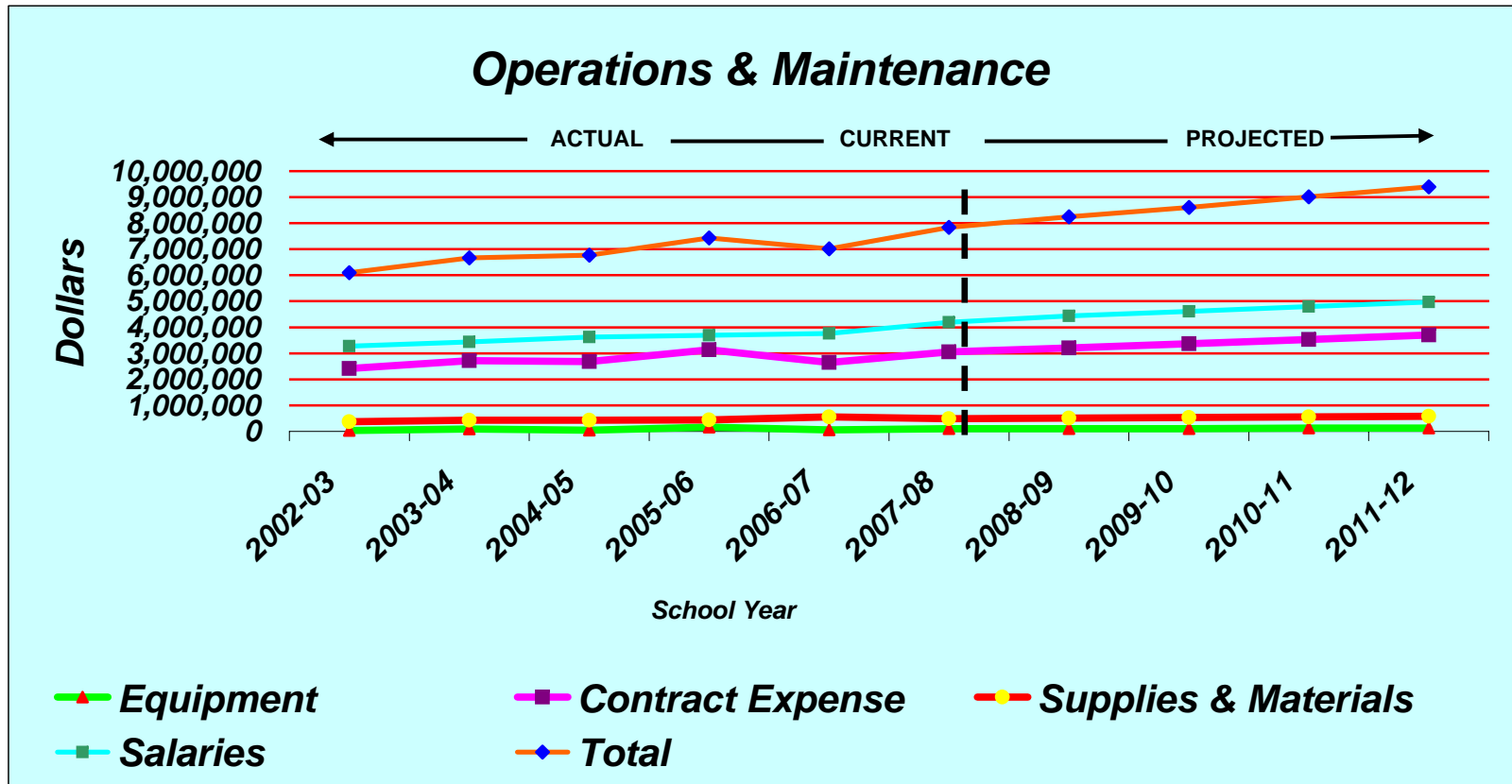
	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
Equipment	36,203	93,705	43,024	164,054	52,375
Contract Expense	2,415,834	2,713,129	2,681,256	3,134,857	2,644,566
Supplies & Materials	371,485	425,249	425,860	441,231	558,173
Total Non-Personnel	\$ 2,823,522	\$ 3,232,083	\$ 3,150,140	\$ 3,740,142	\$ 3,255,114
Salaries	3,274,279	3,438,405	3,621,895	3,698,428	3,762,832
Total Expenditures	\$ 6,097,801	\$ 6,670,488	\$ 6,772,035	\$ 7,438,570	\$ 7,017,946
Total Staff by FTE	57.75	60.75	61.75	63.75	63.75

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
Equipment	110,000	100,000	100,000	125,000	125,000
Contract Expense	3,049,900	3,202,395	3,362,515	3,530,640	3,707,173
Supplies & Materials	482,126	506,232	531,544	558,121	586,027
Total Non-Personnel	\$ 3,642,026	\$ 3,808,627	\$ 3,994,059	\$ 4,213,762	\$ 4,418,200
Salaries	4,198,102	4,438,968	4,613,508	4,793,221	4,974,994
Total Expenditures	\$ 7,840,128	\$ 8,247,595	\$ 8,607,567	\$ 9,006,983	\$ 9,393,194
Total Staff by FTE	63.75	63.75	63.75	63.75	63.75

Changes in contract expense from 2003-04 going forward reflect budgeting for an inter-fund transfer to the capital fund. Expenditures in this category will be reduced at year end by the amount that is transferred to the capital fund.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**



- **Equipment** – allowances for cleaning machines, grounds equipment and other maintenance or custodial items.
- **Contract Expense** – purchased services for repairs, equipment maintenance, and service contracts.
- **Supplies & Materials** – consumable cleaning supplies, fuel oil, office supplies, maintenance supplies.
- **Salaries** – salaries of all regular staff plus cost of substitute cleaners and overtime pay.
- **Total** – reflects all expenses associated with care and upkeep of school buildings and grounds.

**Katonah-Lewisboro School District
2008- 2009
Five-Year Expenditure Forecast**

Transportation

The Transportation Department is charged with providing safe service for students to and from school each day as well as to and from approved athletic and instructional events. This service is provided in accordance with policies established by the Board of Education and NYS regulations. Current policy permits students attending district schools to walk up to one-half mile in grades K-5 and up to one mile grades 6-12 to school or bus stop. Regulations require that students attending private or parochial school must be provided service to schools within 15 miles of their home and up to 50 miles in the case of special education students.

The Transportation budget is influenced by a number of variables including:

- this year the district provides transportation service to 58 different locations in accordance with regulations
- the district currently has a fleet of 95 vehicles, 51 of which are 78 passenger buses and 40 are 5-20 passengers vans or suburban type buses and 4 wheelchair vans
- during the 2006-07 school year the district fleet logged 1,285,990 miles
- there are 273 students being transported to non-public schools this year
- there are currently 58 special education students transported to out-of-district schools
- all buses are maintained by a staff of five district mechanics in a garage attached to Katonah Elementary School
- school bus drivers require approximately 70 hours of training in order to obtain the required license
- current mileage limits established by Board policy will continue
- price of fuels has increased significantly and will continue to place pressure on future budgets
- the bus replacement program will remain on schedule and receive community support

- the same level of programs will be offered to students
- the operating times of the schools will remain the same
- the level of services provided to students (after school late runs, athletic program, field trips) will remain the same
- the number of out of district placements (special education or private/parochial) will remain stable
- the school boundaries established by Board policy for Elementary Schools will remain the same
- there will be no change in world, national, or local events that would impede our ability to obtain resources
- there will be no dramatic increases in fleet insurance costs
- the ratio of out-of-district special needs students will remain at current levels with no atypical arrangements required

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**

TRANSPORTATION

HISTORY

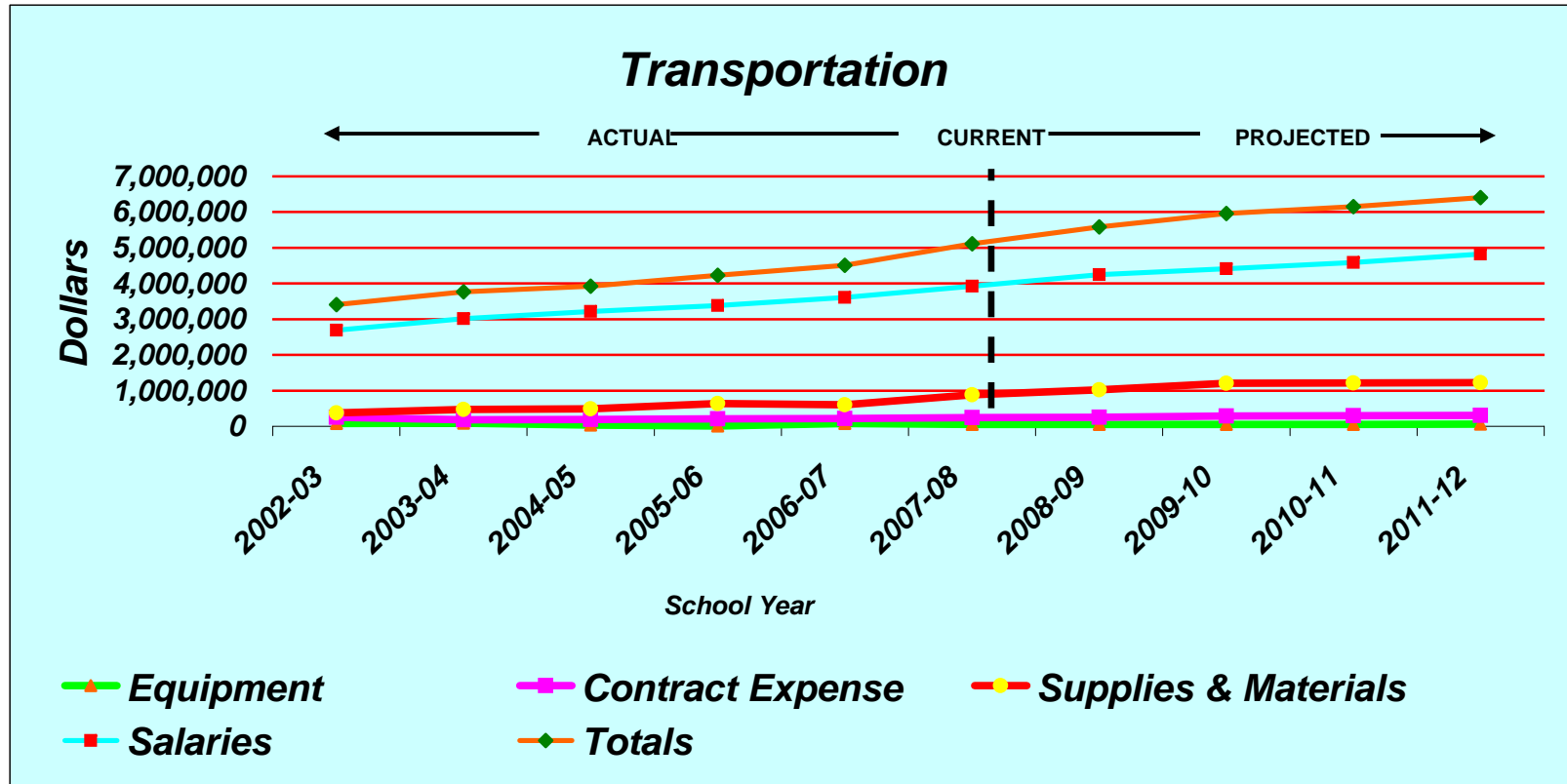
	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
Equipment	82,414	86,376	32,024	6,264	77,460
Contract Expense	251,961	186,306	191,647	208,787	219,326
Supplies & Materials	376,949	475,736	487,272	634,050	605,119
Total Non-Personnel	\$ 711,324	\$ 748,418	\$ 710,943	\$ 849,101	\$ 901,905
Salaries	2,693,221	3,015,051	3,213,835	3,379,009	3,608,857
Total Expenditures	\$ 3,404,545	\$ 3,763,469	\$ 3,924,778	\$ 4,228,110	\$ 4,510,762
Total Staff by FTE	83.25	88.25	90.25	91.25	91.25

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
Equipment	55,000	55,000	55,000	55,000	60,000
Contract Expense	242,000	254,000	287,000	294,300	302,460
Supplies & Materials	886,950	1,026,660	1,209,200	1,217,700	1,221,200
Total Non-Personnel	\$ 1,183,950	\$ 1,335,660	\$ 1,551,200	\$ 1,567,000	\$ 1,583,660
Salaries	3,927,860	4,251,346	4,413,160	4,589,258	4,820,423
Total Expenditures	\$ 5,111,810	\$ 5,587,006	\$ 5,964,360	\$ 6,156,258	\$ 6,404,083
Total Staff by FTE	94.25	94.25	94.25	94.25	94.25

Expenses for Transportation are a reflection of changes in public school enrollment and the number of special education and non-public school students that must be serviced in accordance with the education law. With district public school enrollment forecasted to stabilize, assuming non-public school and special education service requirements remain about the same, staffing needs for transportation should level off.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**



- **Equipment** – allowances for unanticipated equipment needs.
- **Contract Expense** – purchased services for repairs, equipment maintenance, and service contracts.
- **Supplies & Materials** – consumable supplies, gasoline & fuel oil, office supplies, maintenance supplies.
- **Salaries** – salaries of all bus drivers, mechanics and office staff along with hourly and overtime allowances.
- **Total** – reflects all expenses associated with the operation of district transportation services.

**Katonah-Lewisboro School District
2008- 2009
Multi-Year Expenditure Forecast**

Benefits

Benefits consist of obligations of the district that exist due to federal and state requirements and the outcome of collective bargaining with three recognized employee associations.

Many of these benefit categories such as Social Security and State Retirement, change in accordance with salaries. In that regard they would normally be easily predicted. Although Social Security is currently stable, state retirement systems are not. Both the Teachers Retirement System (TRS) and Employees Retirement System (ERS) are struggling to recover from deflated investment portfolios and have increased their rates over the past five years. We anticipate these percentage increases to stabilize at current levels with minor fluctuations.

Health insurance is another budget category that is increasing at a rate faster than inflation. In this case, costs are not payroll driven. Instead, they reflect a national problem. For this forecast, the rate of growth of 12.0% has been assumed. This number will likely be refined further as the school budget is developed. Katonah-Lewisboro is self-insured. This approach has been reviewed for effectiveness and efficiency at least three times in the past ten years. At present, teachers, support staff and district office personnel pay a share of the cost of their insurance.

**Katonah-Lewisboro School District
2008-09
Five-Year Financial Forecast**

BENEFITS

HISTORY

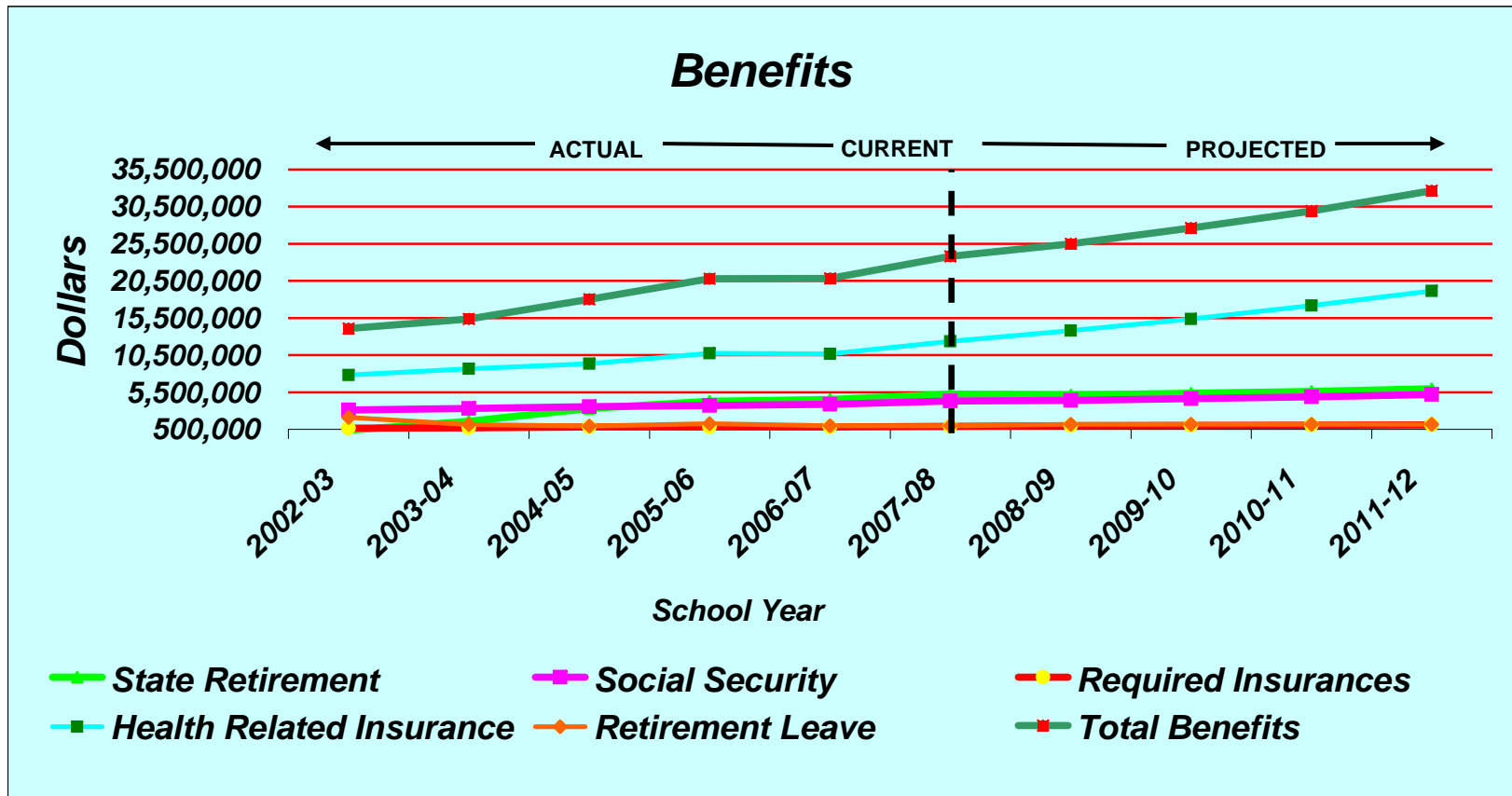
	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
NY State Retirement	361,294	1,569,991	3,327,960	4,269,249	4,516,987
Social Security	3,127,377	3,314,994	3,562,688	3,729,833	3,860,261
Required Insurances	677,275	687,757	838,189	811,503	804,777
Health Related Insurance	7,813,316	8,664,970	9,351,228	10,734,232	10,679,883
Retirement Leave	2,120,060	1,142,288	943,015	1,259,565	976,845
Total Expenditures	\$ 14,099,322	\$ 15,380,000	\$ 18,023,080	\$ 20,804,382	\$ 20,838,753

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
NY State Retirement	5,250,114	5,112,286	5,381,694	5,606,473	5,945,964
Social Security	4,309,569	4,396,443	4,627,221	4,881,420	5,211,045
Insurance	887,450	995,475	1,035,025	1,074,075	1,113,125
Health Related Insurance	12,360,000	13,783,000	15,381,960	17,166,795	19,159,811
Retirement Leave	1,000,000	1,200,000	1,200,000	1,200,000	1,200,000
Total Expenditures	\$ 23,807,133	\$ 25,487,204	\$ 27,625,900	\$ 29,928,763	\$ 32,629,945

- Benefits continue to be a part of the school budget that has grown faster than the rate of inflation. In 2006-07, the District experienced a decrease in health benefit costs after many years of 9% to 12% increases.
- The cost of mandated contributions for state retirement systems has increased dramatically in recent years, especially for the Teacher' Retirement System (TRS). The recent history of large increases in Retirement Systems' costs can be attributed to the loss of overall fund value due to lower returns on investments. Early indications are that the District's rate of contribution to the TRS will be 8.0% in 2008-09, a decrease of .73%. While this may mean rates have stabilized, it does not necessarily signal the beginning of a long-term downward trend in the rate.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**



- **State Retirement** – mandated contributions to employee retirement programs.
- **Required Insurances** – required insurances such as workers compensation and disability insurance.
- **Social Security** – required employer contributions.
- **Health Related Insurance** – funding of health insurance programs.
- **Retirement Leave** – payments due for compensated absences in accordance with labor agreements.
- **Total** – reflects all expenses associated with benefits as required by law and employee contracts.

**Katonah-Lewisboro School District
2008-2009
Multi-Year Expenditure Forecast**

Administration & Supervision of Schools

Administration and supervision of schools combines the operation of all schools, site supervision, the district office, the business office and the office of special education into a single summary.

All schools have the same general model for school management: administration, clerical, nurse services, and student supervision.

District elementary schools each have a principal and assistant principal, two clerical staff, one full-time nurse and one part-time nurse, along with monitors that provide supervision of the cafeteria and playground areas.

The high school and middle school have similar models but expanded staff in all categories.

At the district level, central administration consists of the Superintendent, Deputy Superintendent, Interim Assistant Superintendent for Business, Assistant Superintendent for Human Resources, and Assistant Business Administrator plus three clerical personnel. The Human resources office consists of two staff and the business office consists of eight staff. In the central office for special education, there are two administrators and four clerical staff.

Other than cost of personnel, the largest expense is for contract expense. Examples of items in this area include BOCES Administrative charges, legal fees, staff development, health services to other districts, insurance, and fees associated with payroll, personnel, and accounting systems.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**

ADMINISTRATION & SUPERVISION OF SCHOOLS

HISTORY

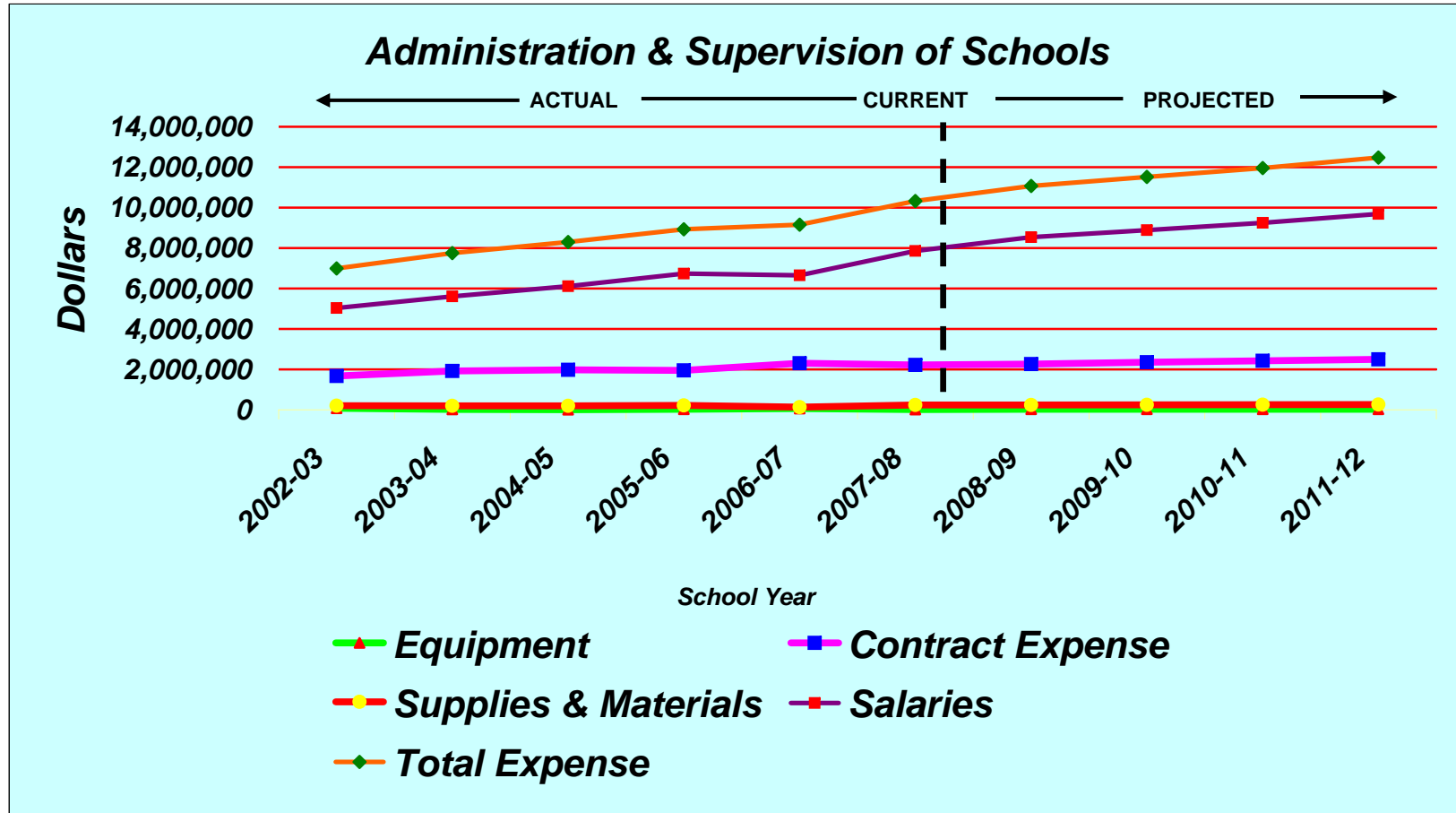
	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual
Equipment	80,161	18,968	3,668	27,460	63,683
Contract Expense	1,676,626	1,922,833	1,978,025	1,950,027	2,304,078
Supplies & Materials	203,591	200,713	199,898	218,678	137,430
Total Non-Personnel	\$ 1,960,378	\$ 2,142,514	\$ 2,181,591	\$ 2,196,165	\$ 2,505,191
Salaries	5,035,051	5,609,468	6,115,408	6,735,759	6,654,042
Total Expenditures	\$ 6,995,429	\$ 7,751,982	\$ 8,296,999	\$ 8,931,924	\$ 9,159,233
Total Staff by FTE	108.45	112.45	115.45	117.45	117.45

CURRENT & PROJECTED

	2007-08 Budget	2008-09 Projected	2009-10 Projected	2010-11 Projected	2011-12 Projected
Equipment	12,960	25,000	25,000	25,000	25,000
Contract Expense	2,216,466	2,263,804	2,351,449	2,421,993	2,494,652
Supplies & Materials	238,149	244,103	250,205	256,460	262,872
Total Non-Personnel	\$ 2,467,575	\$ 2,532,907	\$ 2,626,654	\$ 2,703,453	\$ 2,782,524
Salaries	7,855,877	8,541,143	8,889,179	9,251,500	9,689,651
Total Expenditures	\$ 10,323,452	\$ 11,074,050	\$ 11,515,833	\$ 11,954,953	\$ 12,472,175
Total Staff by FTE	119.45	119.45	119.45	119.45	119.45

This category includes administration and supervision of the District. It includes staff in school building offices, the District Office, Business Office, and Human Resources Office. At the school level, this category includes staff not specifically assigned to the instructional program. This would include principals, secretaries, clerks, monitors, assistant principals, etc. and also hourly funds for certain employees. Contract expense includes BOCES administrative charges, some insurance expense, contracts for payroll, personnel and accounting computer software and other purchased services such as attorneys. Special education, technology, operations and maintenance and transportation administrators are not included here but are in their specific functions.

**Katonah-Lewisboro School District
2008-09
Five Year Financial Forecast**



- **Equipment** – allowances for office equipment
- **Contract Expense** – cost for maintenance of equipment, certain BOCES administrative charges, and insurance.
- **Supplies & Materials** – supplies and materials used in school offices and central offices.
- **Salaries** – salaries of staff, hourly expense for monitors and associated overtime expense.
- **Total** – reflects all expenses associated with the administration and supervision of schools.

LOOKING AHEAD

PROPOSED PROGRAM INITIATIVES THAT WOULD IMPACT THE BUDGET

- High School English Program
- World Language Program
- Class Size Initiative

EXISTING EXPENSES WHICH ARE HARD TO FORECAST

- Health Insurance
- Fuel Oil
- Diesel & Gasoline
- Retirement System Contributions (ERS & TRS)
- Special Education Placements