

# **Preliminary (Act 1 ) Budget**

## **2018-19 General Fund Budget**

**January 23, 2018**

# 2018-19 Preliminary Budget (Act 1 Budget)

- Key Assumptions:
  - Act 1 Index of 2.4% or .3986 mills for about \$919,000
  - Estimated Budget Exceptions:
    - PSERS - .0446 mills or \$102,811
    - Special Ed - .0628 mills or \$144,868
  - Assessment from May 2017 of \$2,305,892,206 plus \$10 million of new construction
  - No increase in state funding
  - PSERS employer rate of 33.43%, increasing from 32.57% in 2017-18
  - Health care increase of 3%
  - General cost escalator of 3%

# 2018-19 Preliminary Budget (Act 1 Budget)

<b>Estimate as of January 18, 2018</b>	<b>In Dollars</b>	<b>In Millage</b>	<b>Tax Increase per \$100,000 Assessment</b>	<b>Tax Increase per \$128,800 Median Homestead Value</b>
Act 1 Index of 2.4%	\$919,038	0.3986	\$39.86	\$51.33
Pension Exception	\$102,811	0.0446	\$4.46	\$5.74
Special Education	\$144,868	0.0628	\$6.28	\$8.09
<b>Total</b>	<b>\$1,166,717</b>	<b>0.5060</b>	<b>\$50.60</b>	<b>\$65.17</b>
<i><b>Total Assessed Value as of May 2017</b></i>	<i><b>\$2,305,892,206</b></i>			

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<i>Includes the Act 1 Index increase of 2.4% or .3986 mills and Budget Exceptions of .1074 mills, The total millage increase is .5060 for an estimated net revenue increase of \$1.1 million.</i>		Actual 2016-17	Final Budget 2017-18	Preliminary Budget 2018-19	\$ Increase (Decrease)	% Increase	Comments
	Local Revenues	\$44,625,192	\$46,104,482	\$47,939,139	\$1,834,657	4.0%	Real estate revenues increase by .5060 mills, higher assessments and new construction
	State Revenues	\$15,128,841	\$15,278,142	\$15,887,516	\$609,374	4.0%	Increase related to higher PSERS reimbursements, BEF, SEF and RTL remain at the 2017-18 levels
	Federal Revenues	\$746,884	\$720,833	\$690,610	(\$30,223)	-4.2%	Decrease related to federal funding for Title I program
	Other Funding Sources						
	<b>Total Revenues</b>	<b>\$60,500,916</b>	<b>\$62,103,457</b>	<b>\$64,517,265</b>	<b>\$2,413,808</b>	<b>3.9%</b>	

# 2018-19 Preliminary Budget (Act 1 Budget)

	Actual 2016-17	Final Budget 2017-18	Preliminary Budget 2018-19	Change from 2017-18 Final Budget		Key Explanations
				\$ Change	% Change	
<i>Includes the Act 1 Index increase of 2.4% or .3986 mills and Budget Exceptions of .1074 mills, The total millage increase is .5060 for an estimated net revenue increase of \$1.1 million.</i>						
<b>Revenue</b>	<b>\$60,500,916</b>	<b>\$62,103,457</b>	<b>\$64,517,265</b>	<b>\$2,413,808</b>	<b>3.9%</b>	
<b>Expenses</b>						
100 Salaries	\$29,985,115	\$30,449,964	\$32,408,063	\$1,958,099	6.4%	Includes estimates for contractual salary increases
200 Benefits	\$17,377,635	\$17,401,052	\$19,512,903	\$2,111,851	12.1%	PSERS rate increase from 32.57% to 33.43% and health care increases of 3%
300 Contracted Services	\$2,699,658	\$2,077,691	\$2,645,485	\$567,794	27.3%	
400 Purchased Services	\$940,246	\$629,535	\$957,958	\$328,423	52.2%	Higher energy expenses due to charge to construction project and higher repair and maintenance for vehicles
500 Other Purchased Services	\$3,648,089	\$4,301,217	\$3,790,737	(\$510,480)	-11.9%	
600 Books and Supplies	\$1,136,343	\$1,295,737	\$1,226,423	(\$69,314)	-5.3%	
700 Equipment	\$161,392	\$202,146	\$166,234	(\$35,912)	-17.8%	
800 Miscellaneous Fees	\$3,210,279	\$4,321,115	\$4,330,739	\$9,624	0.2%	Primarily bond interest expense
900 Other Uses	\$1,195,000	\$1,425,000	\$1,425,000	\$0	0.0%	Primarily principal payment
<b>Total Expenses</b>	<b>\$60,353,757</b>	<b>\$62,103,457</b>	<b>\$66,463,541</b>	<b>\$4,360,084</b>	<b>7.0%</b>	
<b>Budget Outcome with Exceptions</b>	<b>\$147,159</b>	<b>\$0</b>	<b>(\$1,946,276)</b>			
<b>Budget Outcome without Exceptions</b>			<b>(\$2,188,785)</b>			
<b>Budget Outcome with No Tax Increase</b>			<b>(\$3,088,733)</b>			

# Fund Balance per Fund As of June 30, 2017

As of June 30, 2017	General Fund	Capital Improvement Fund (Bond Fund)	Debt Stabilization Fund	Capital Reserve Fund	Risk Management Fund	HS and MS Activity Funds	Non-Major Funds (District Activities, Restricted Grants)	Total	OPEB Fund (Irrevocable Trust)
<b>Non-Spendable:</b>									
Prepaid Expenditures	\$577,151							\$577,151	
<b>Committed to:</b>									
Capital Projects (for Construction Project)		\$25,763,732						\$25,763,732	
Debt Stabilization (Primarily for Construction Project)			\$26,462,959					\$26,462,959	
OPEB Obligations									\$2,995,366
<b>Designated Purposes:</b>									
Budget Deficit (PSERS and Benefit Increases)	\$570,694							\$570,694	
Capital Improvements for Buildings				\$2,754,953				\$2,754,953	
Vehicle Replacement(s)				\$1,936,364				\$1,936,364	
Risk Management					\$1,384,896			\$1,384,896	
Risk Management - Judgements (Restricted)					\$25,000			\$25,000	
District Activities and Restricted Grants							\$194,395	\$194,395	
Student Activities (Restricted)						\$109,143		\$109,143	
<b>Assigned to:</b>									
Athletics	\$40,681							\$40,681	
<b>Unassigned:</b>									
	\$1,244,911							\$1,244,911	
<b>Total Fund Balance</b>	<b>\$2,433,437</b>	<b>\$25,763,732</b>	<b>\$26,462,959</b>	<b>\$4,691,317</b>	<b>\$1,409,896</b>	<b>\$109,143</b>	<b>\$194,395</b>	<b>\$61,064,878</b>	<b>\$2,995,366</b>

# 2018-19 Preliminary Budget (Act 1 Budget)

- Next Steps:
  - Act 1 Options for the Board to consider at the January 23 Board meeting:
    - Approve a Preliminary Budget for public inspection
      - Board to provide public notice of its intent to adopt the Preliminary Budget at the January 23 Board meeting to meet the Act 1 ten day notification requirement
      - Board to adopt the Preliminary Budget at the February 13 Board meeting to meet the February 14 resolution deadline
      - Preliminary Budget to be file with the PDE no later than February 19
      - Budget Exceptions to be filed no later than March 1
      - Allows for maximum flexibility
    - Adopt a resolution indicating that the Board will not raise taxes beyond the Index of 2.4% to meet the January 25 Act 1 deadline

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Q & A