Freeport Area School District

2019-2020 Proposed Final Budget Presentation

May 1, 2019

Executive Summary Overview

2018-2019		2019-2020	
Expense:	$32.7M	Expense:	$33.5M
Revenue:	$30.2M	Revenue:	$31.7M
Fund Balance:	$ 2.5M	Fund Balance:	$ 1.8M

Executive Summary
Changes from Prior Year

Expense:

- Salaries $465K increase
- PSERS $268K increase ($73K Net of State Reimbursement)
- Tuition $281K increase
- Healthcare $132K increase
- Security $60K increase
- All Other $48K net increase
- Capital Projects $343K decrease
- Debt Service $178K decrease

Revenue

- Local Revenue $1,127K increase
- State Revenue $245K increase

Managing Major Costs
Personnel

Personnel Changes

- Eliminated 1 teaching position for 19-20 $74K savings
- Teacher Retirement Savings $139K savings
- Teacher Step Movement $471K increase
- All other salary increase $179K increase

Medical

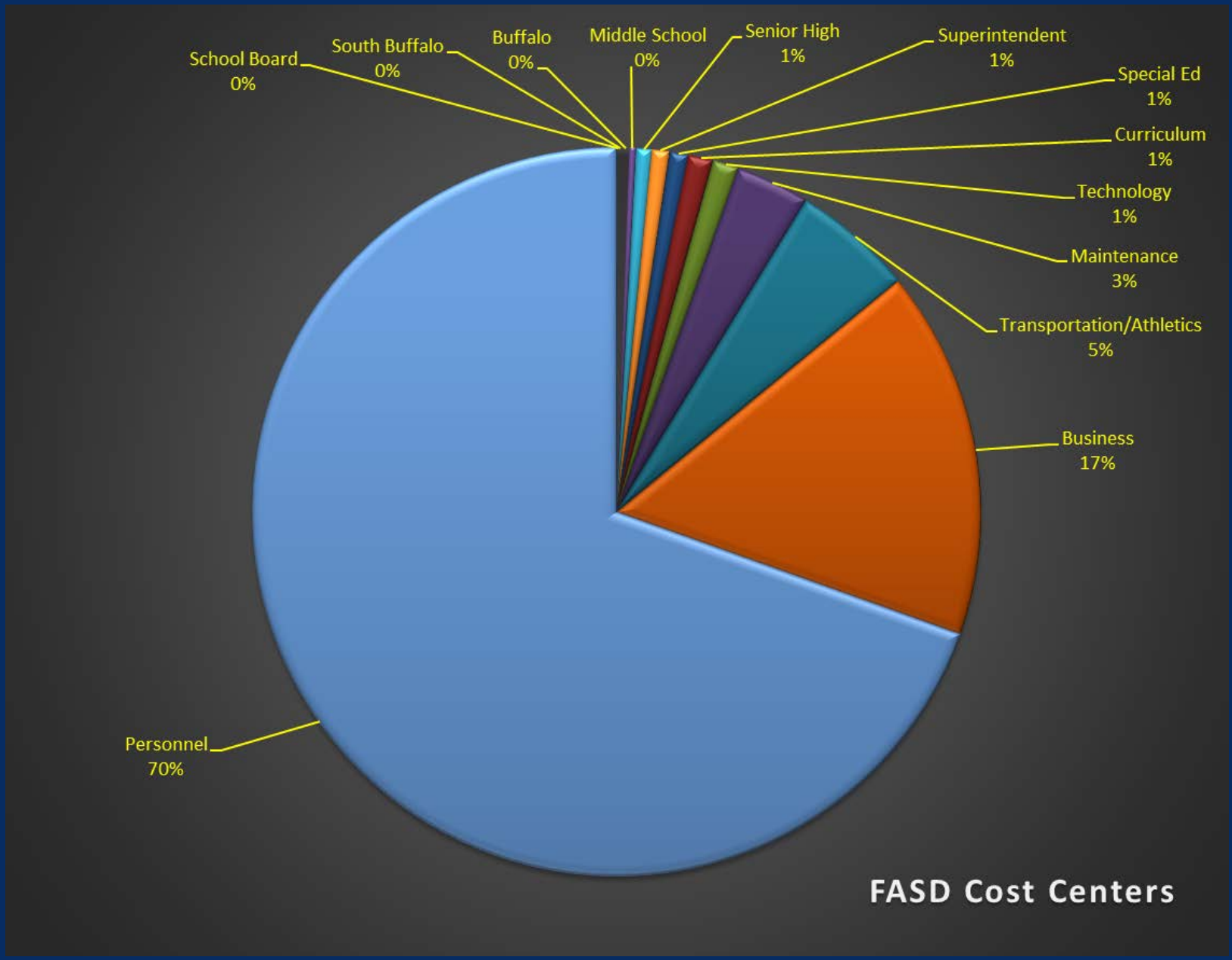
- 8.11% increase assumed or 112K increase

PSERS

- Pension contributions continue to raise at the state mandated level. Pension rates increased an additional 0.86% of payroll which is a 2.6% increase year over year.

FREEPORT
AREA SCHOOL DISTRICT

2019-2020 Budget



Local Tax Impact

Millage Change	Armstrong	% Inc.	Butler	% Inc.	Levy Impact	Net Impact	Incremental
Current 18-19	62.4		145.6				
No Increase	62.7	0.5%	145.6	0.0%	$ 263,177	$ 244,755	$ 244,755
Index Only	64.3	3.0%	149.4	2.6%	$ 675,383	$ 628,107	$ 383,352
Index Plus	66	5.8%	153.3	5.3%	$ 1,102,920	$ 1,025,716	$ 397,609

Rebalance Footnote:

Market Value	Armstrong	Butler
2016 STEB Market Value	239,587,553	536,732,611
2017 STEB Market Value	241,654,877	550,135,205
Increase	2,067,324	13,402,594
%	0.86%	2.50%

Assessed Value	Armstrong	Butler
18-19 Assessed Value	77,310,474	74,276,522
19-20 Assessed Value	77,434,383	75,871,404
Increase	123,909	1,594,882
%	0.16%	2.15%

Taxpayer Impact
What does it mean for me?

Yearly Median	Armstrong	$ Inc.	Butler	$ Inc.
Median Assessment	$ 32,465		$21,100	
Current 18-19	$ 2,026		$ 3,072	
No Increase	$ 2,036	$ 10	$ 3,072	$ -
Index Only	$ 2,087	$ 62	$ 3,152	$ 80
Index Plus	$ 2,143	$117	$ 3,235	$162

Monthly Median	Armstrong	$ Inc.	Butler	$ Inc.
Current 18-19	$ 169		$ 256	
No Increase	$ 170	$ 1	$ 256	$ -
Index Only	$ 174	$ 5	$ 263	$ 7
Index Plus	$ 179	$ 10	$ 270	$ 14

Closing the Gap
19-20 and beyond

19-20 Cost Reduction

- Possible Medical Rate Reduction, Debt Variance 120K (reduced), personnel $150K, misc. $150K, real estate $85K

Future Assumptions to Close Gap

- Increase taxes to the index each year
- Reduce additional 6 teaching positions through attrition
- Replace additional four teachers through retirement
- Salary increases near index, medical increases near 6.5%
- Sustained assessed value increase, no other significant cost increases
- Effectively a balanced budget by 21-22