



2014-15 Budget Update

Budget Hearing

May 7, 2014

Review Budget Process

Review of prior year budget performance, develop budget from district goals



Budget developed in January based on estimates and site based decisions



Release of Governor's budget provides concept on state revenues for 2014-15



District refines estimates for revenues and expenditures with updated data on assessments, trends, attrition, healthcare and debt service

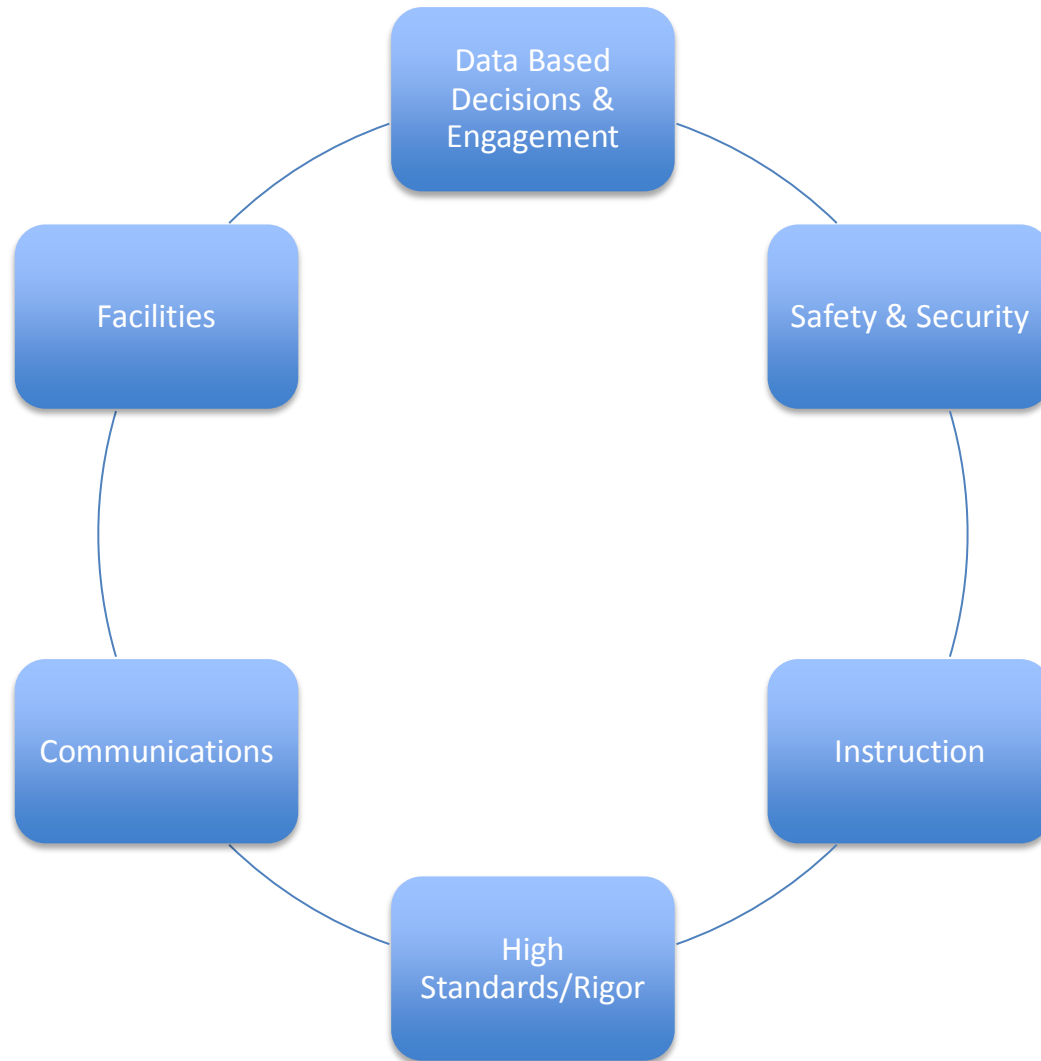


Proposed budget is reviewed for impact on long-term impact on revenues and expenditures



Final budget is passed, state revenues finalized, budget is implemented for 2014-15 school year

2014-15 Budget Goals



Previous Budget Milestones

January 7, 2014 Preliminary Budget Presented at Business Affairs

January 14, 2014 Board Approves Preliminary Budget Advertising

February 11, 2014 Board Approves Preliminary Budget

March 4, 2014 Governor's Revenue and Budget Impact Presented at Business Affairs

Budget Milestones (continued)

March 15, 2014 Budget Workshop

April 1, 2014 Budget Workshop Update on
Budget & Five Year Projections

May 6, 2014 Budget Hearing and adoption of
Proposed Budget

June 10, 2014 Approval of Final Budget

June 30, 2014 State passes budget???

Important Budget Facts

- Index 2.1%
- Qualified only for PSERS exception
- Currently requires an estimated 3.29% tax increase
 - 2013-14 Millage 42.3072
 - Preliminary 2014-15 Millage 43.7004
- Preliminary Impact on median household \$16.79 per month.

Homestead/Farmstead Rebate

2014-15

An anticipated property tax reduction of \$429 per qualifying homestead/farmstead.

Increase of \$56.99 in property tax relief

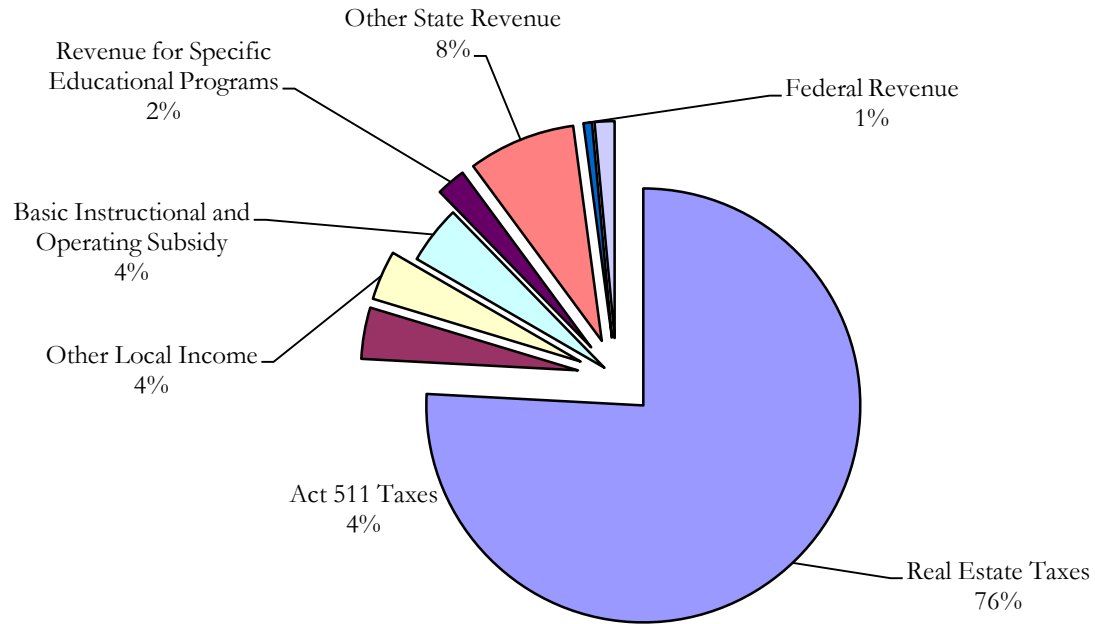
2013-14

Property tax reduction of \$372 homestead/farmstead reduction provided

Impact of Property Tax Reduction

	2014-15	2013-14	
Median Assessed Value	\$144,530.00	\$144,530.00	Difference
Tax Bill	\$3,325.51	\$3,124.03	\$201.48
Less H/F	\$(429.00)	\$(372.01)	\$(56.99)
Net Payment	\$2,896.51	\$2,752.02	\$144.49
Increase Per Month	\$2.04		

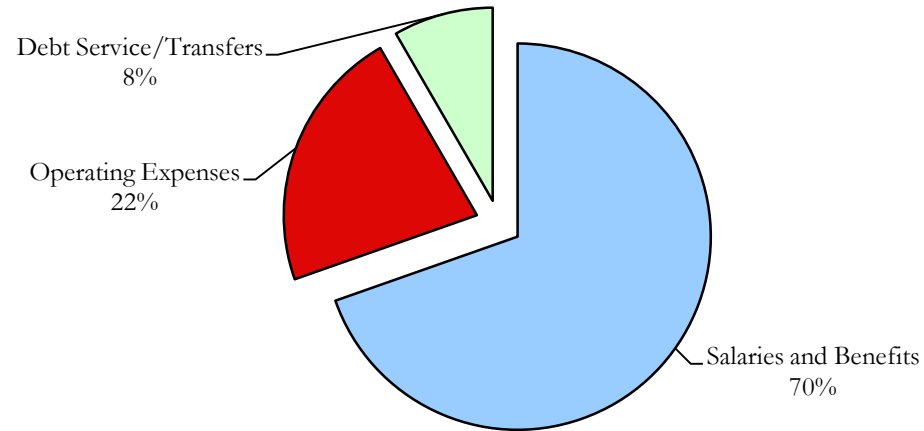
Revenue Distribution



Overview Revenues

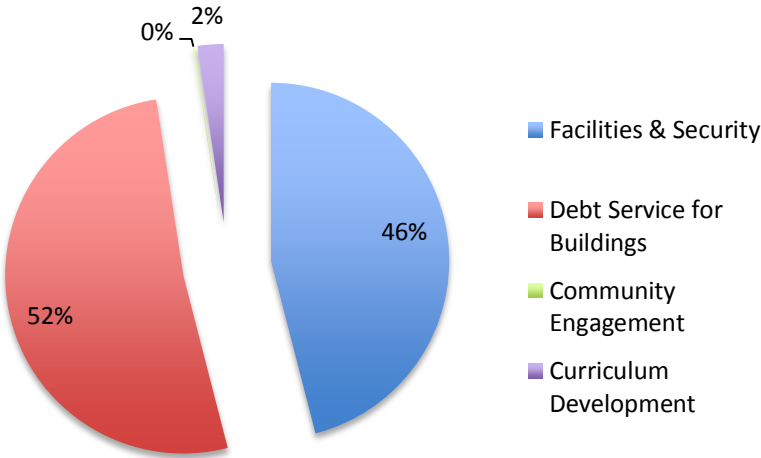
	2014	2015
Revenues	Budget	Budget
Real Estate Taxes	73,142,438	77,662,959
Act 511 Taxes	3,470,300	3,918,000
Other Local Income	3,924,000	3,775,000
Basic Instructional and Operating Subsidy	4,447,000	4,450,540
Revenue for Specific Educational Programs	2,244,407	2,244,407
Other State Revenue	9,862,326	8,187,171
Federal Revenue	653,000	644,000
Other Financing Sources	500,000	1,514,635
TOTAL REVENUES	98,243,471	102,396,712

Expenditure Distribution

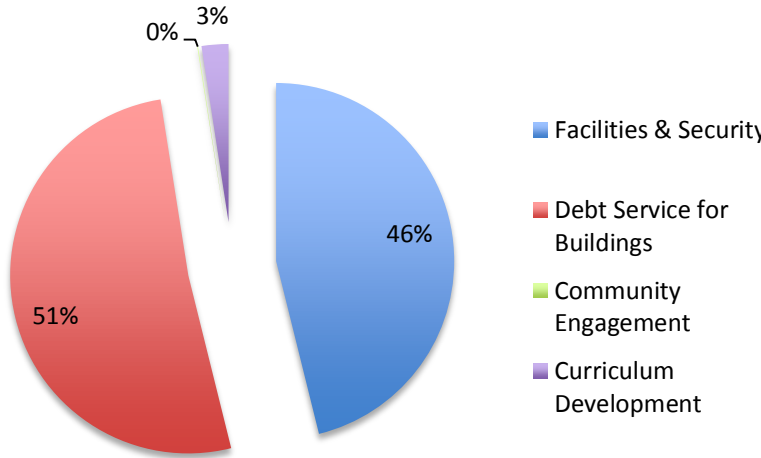


How does the preliminary budget meet goals?

2013-14



2014-15



Excluding Salaries, additional \$517,815 towards district goals

Overview Expenditures

Expenditures	Budget	Budget
100 - Salaries	48,007,642	48,116,997
200 - Benefits	20,735,747	23,762,494
300 - Purchased Professional & Technical Services	4,621,265	4,514,906
400 - Purchased Property Services	1,785,803	1,851,970
500 - Other Purchased Services	10,996,340	11,841,920
600 - Supplies	2,187,558	2,583,982
700 - Property	316,136	371,956
800 - Other Objects	8,637,981	8,652,487
900 - Other Financing Uses	955,000	700,000
TOTAL EXPENDITURES	98,243,472	102,396,712

BUDGET FORECAST THROUGH 2018-19

Forecast Revenue Assumptions

- Real estate revenue is projected to increase with the Act 1 index
- Conservative growth in the assessment based of approximately 1% per year
- Trend increase for EIT (previously included) which is a 2.2% increase
- Transfer tax increase of 2.2% annually
- Basic education subsidy increase of 2%
- All other state revenues at status quo with the exception of PSERS, Social Security and Transportation which reflect either inflation or projected rate increases.
- Status quo federal revenue

Forecast Expenditure Assumptions

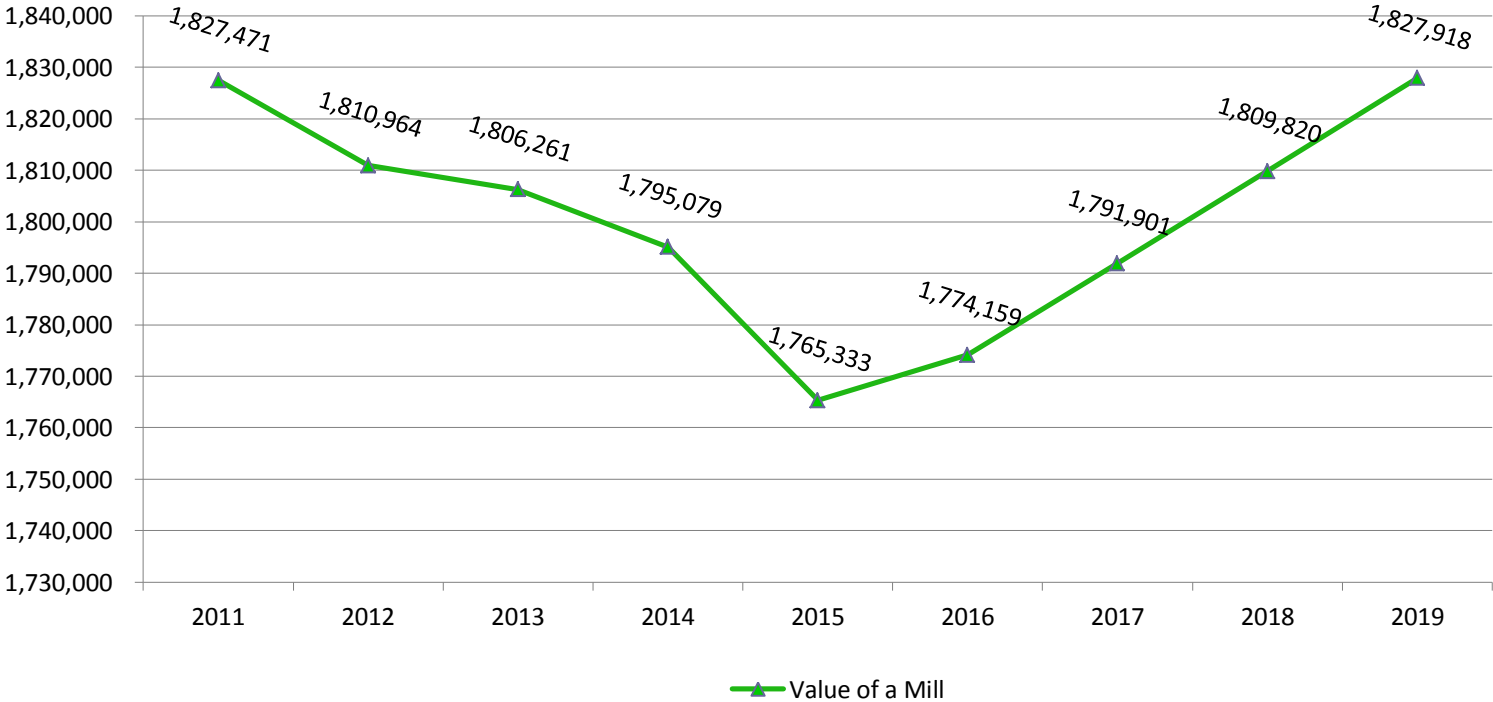
- Salaries aligned to current bargaining agreements w/ status quo for years not settled
- Health insurance cost increase of 10% per year
- PSERS increase reflects most recent rates
- Inflationary increases for areas such as utilities, supplies, transportation
- Debt service which reflects current parameters debt for projects & Wyncote and an anticipation of additional debt service for Cedarbrook which combined add \$128 million dollars of debt obligations by 2019
- Estimated savings based upon brainstorming at budget workshop

Long-Term Forecast – Final Tax Increase 3.29%

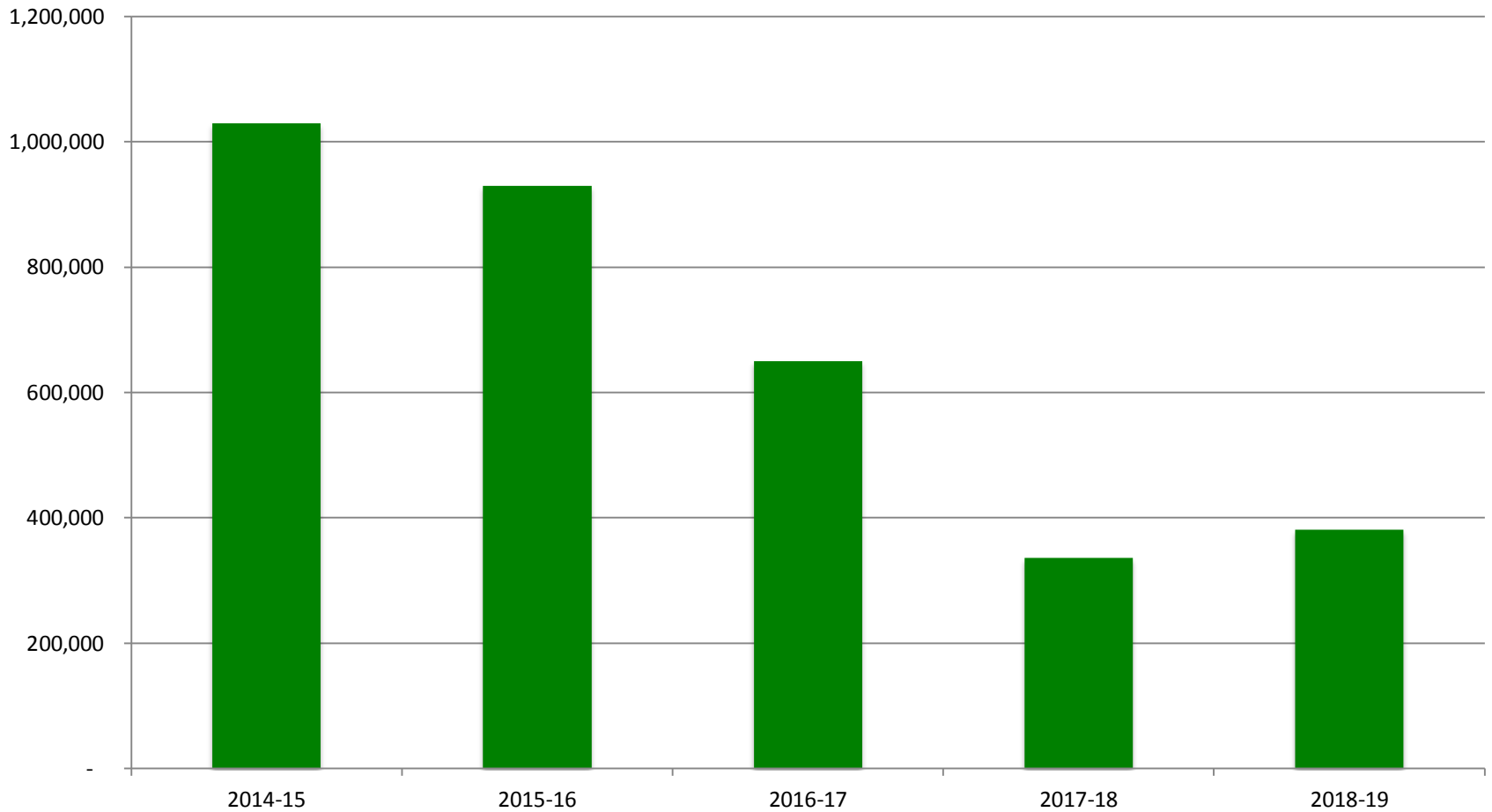
	2014	2015	2016	2017	2018	2019
Revenues	Budget	Budget	Projected	Projected	Projected	Projected
Real Estate Taxes	73,142,438	77,662,959	79,921,656	82,653,170	85,644,216	88,915,726
Act 511 Taxes	3,470,300	3,918,000	4,004,196	4,092,288	4,182,319	4,274,330
Other Local Income	3,924,000	3,775,000	3,859,870	3,947,381	4,036,972	4,128,700
Basic Instructional and Operating Subsidy	4,447,000	4,450,540	4,535,751	4,622,666	4,711,319	4,801,746
Revenue for Specific Educational Programs	2,244,407	2,244,407	2,244,407	2,244,407	2,244,407	2,244,407
Other State Revenue	9,862,326	8,187,171	9,764,419	10,587,590	11,095,871	11,583,203
Federal Revenue	653,000	644,000	658,168	672,648	687,446	702,570
Other Financing Sources	500,000	1,514,635	1,514,635	1,514,635	1,514,635	1,514,635
TOTAL REVENUES	98,243,471	102,396,712	106,503,102	110,334,785	114,117,185	118,165,315
Expenditures	Budget	Budget	Projected	Projected	Projected	Projected
Salaries and Benefits	68,743,389	71,879,491	73,440,687	76,106,787	78,903,065	81,920,351
Operating Expenses	21,145,083	22,417,221	22,843,183	23,278,516	23,723,427	24,178,125
Debt Service/Transfers	8,355,000	8,100,000	8,740,589	10,440,941	11,039,471	14,153,450
TOTAL EXPENDITURES	98,243,472	102,396,712	105,024,459	109,826,245	113,665,962	120,251,927
Preliminary Reductions	Budget	Budget	Projected	Projected	Projected	Projected
Reductions Total	-	-	2,152,400	-	4,219,000	-
Net Operating Expenditures	(1)	-	3,631,043	508,540	4,670,223	(2,086,612)

Assessment Trend

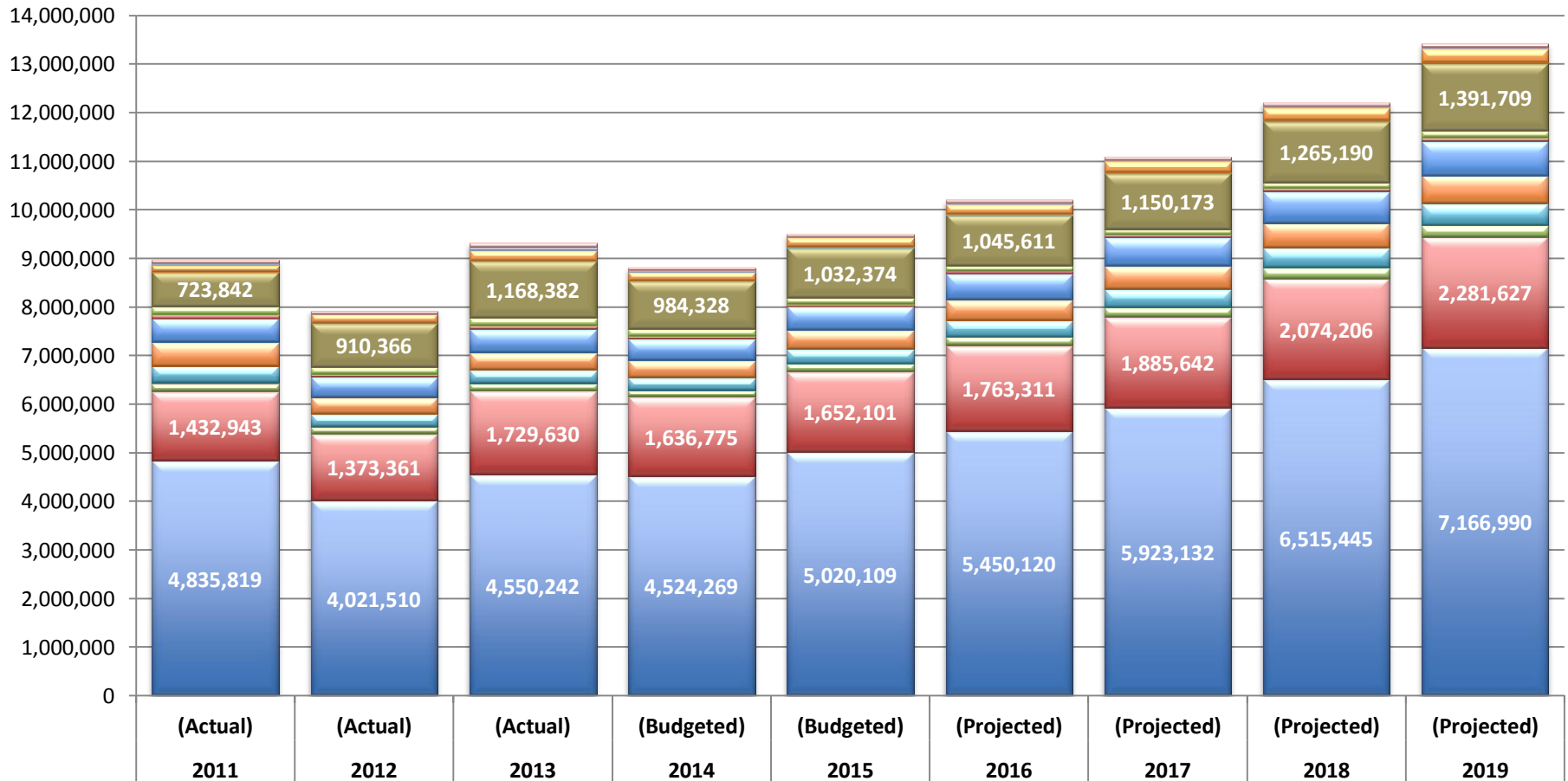
Value of a Mill



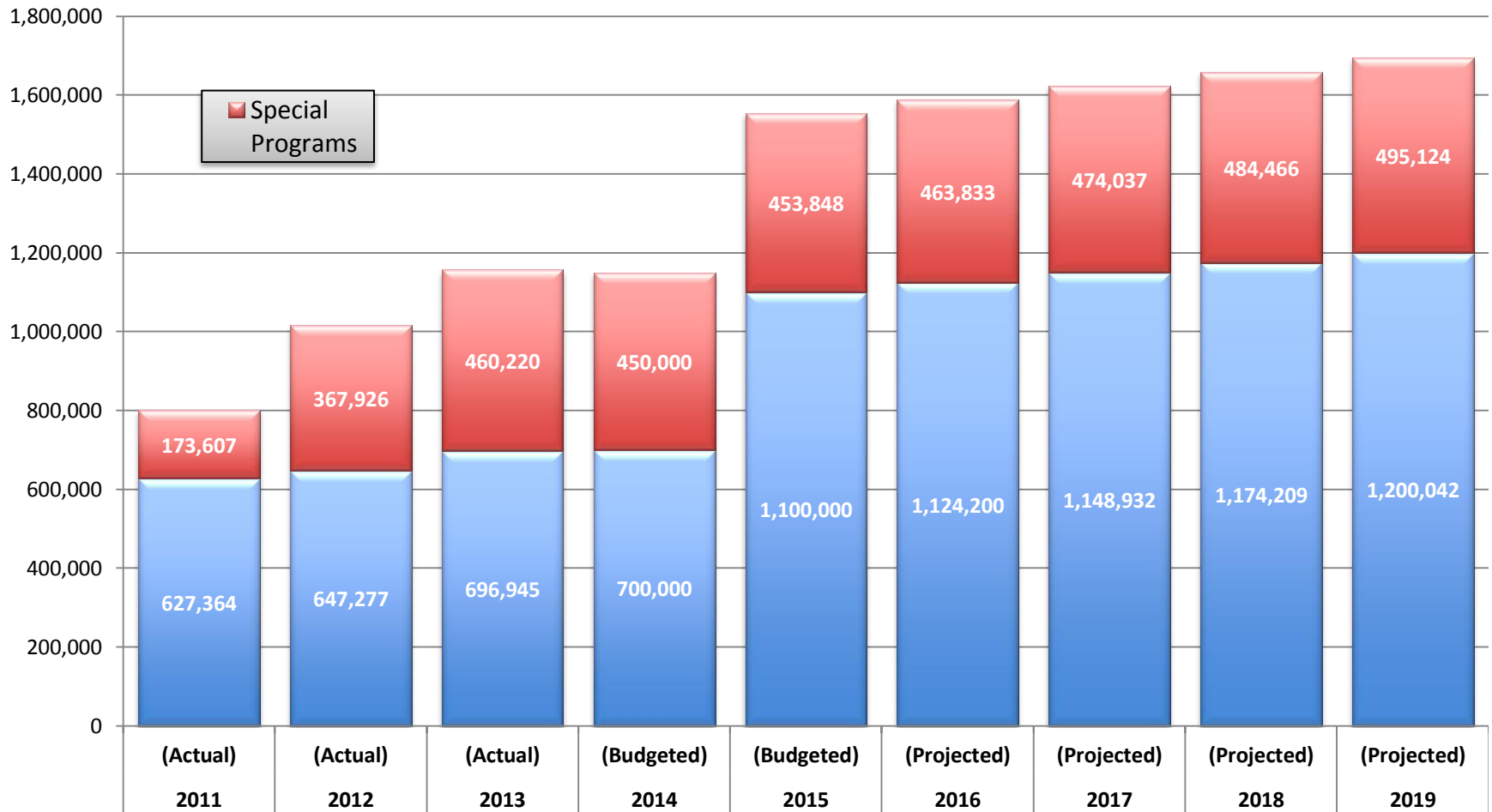
Projected PSERS Increase (Net of reimbursement)



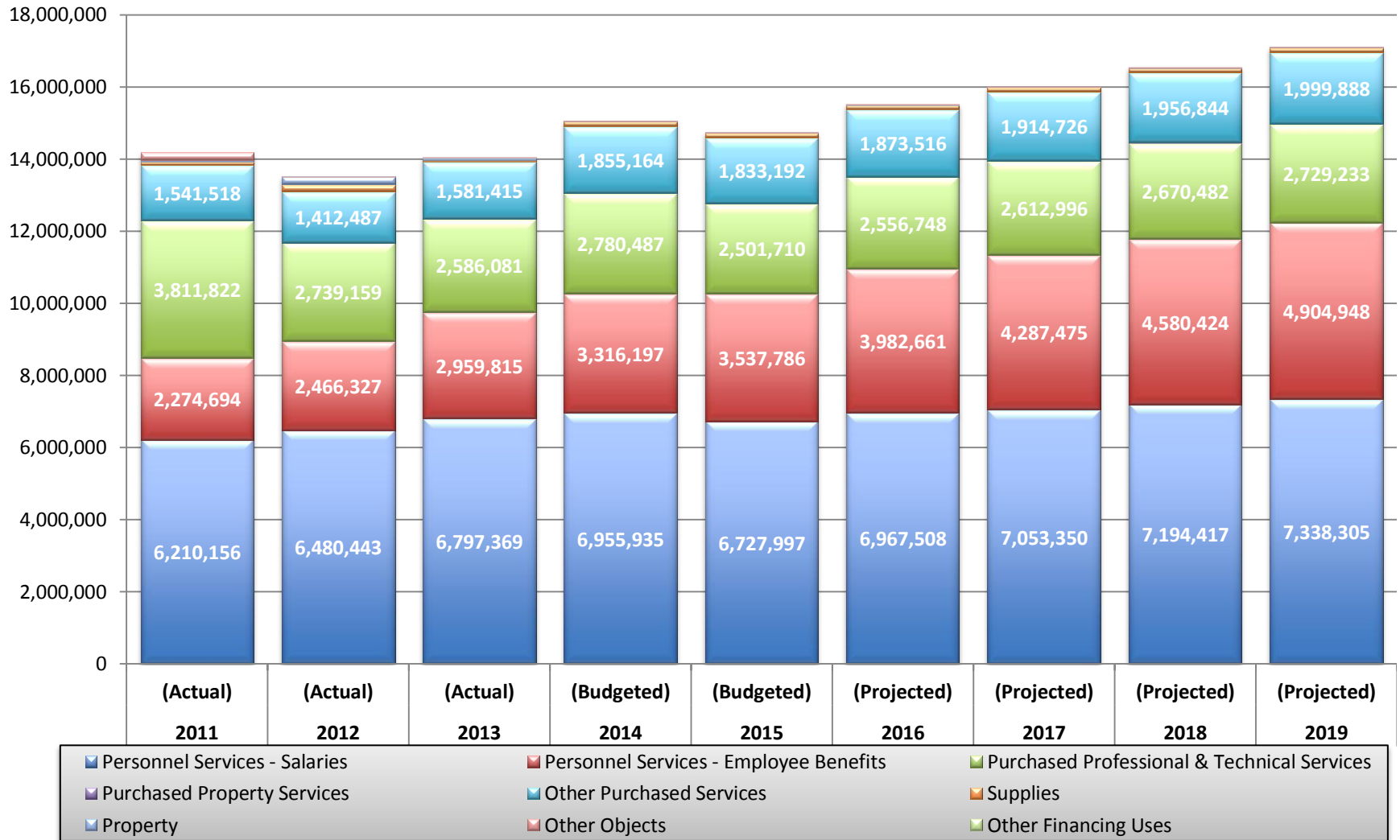
Projected Healthcare Costs



Charter School Expenditure Projection

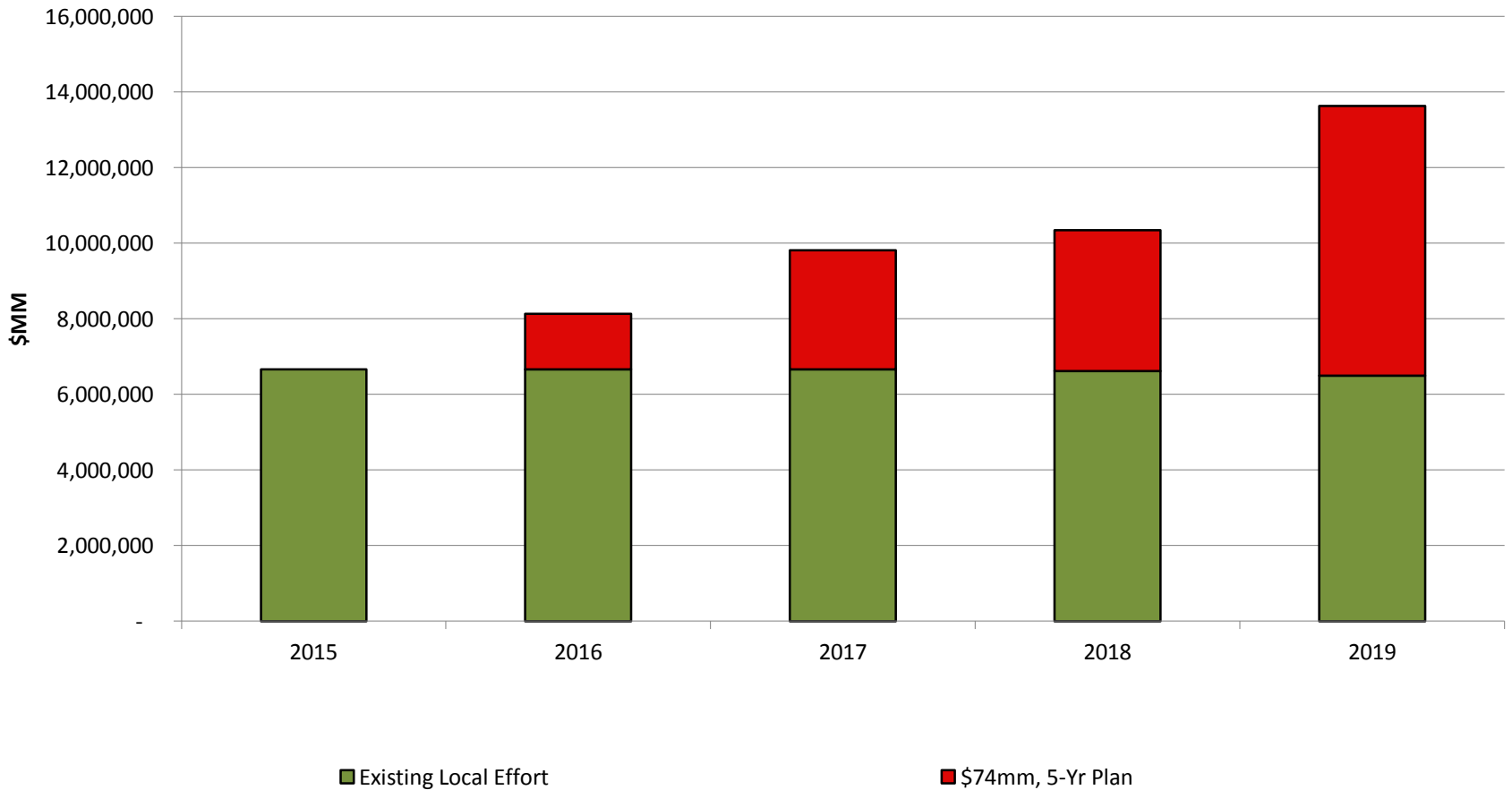


Special Education Expenditure Projection



Debt Service Projections

Local Effort Summary – Assumes PlanCon Reimbursement



Comments on 2014-15 Budget

- Board Comments
- Public Comments