

Pennridge School District 2018-2019 Proposed Final Budget

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Preliminary Budget

- Act 1 Timeline
 - The school district avoided the Act 1 preliminary budget adoption requirements by passing a resolution on October 23, 2017 stating that the District would not raise the rate of any tax by more than the Act 1 index.
 - The 2018-2019 Act 1 index is 2.4%. The school district may increase the real estate tax rate by 2.4%, but cannot exceed 2.4%.

Budget Development Progression

- September/October – Business Office developed the budget calendar for the development of the next fiscal year’s budget and presents this to the Finance Committee in October.
- October 23, 2017 - the Board passed a resolution to limit the amount of any tax increase that may be required to the Act 1 index amount. For the 2018-2019 budget, this amount is 2.4%. This eliminated the requirement for the Board to develop and pass an Act 1 preliminary budget.
- November 10, 2017 - cabinet members, principals, supervisors and department heads received the budget calendar and budget development and entry guidelines.
- November and December – leaders met with staff to develop school and department budget requests.

Budget Development Progression Continued

- January – the development of the revenue budget begins utilizing a combination of historical collection data and future projections. The certified assessed value utilized for the county and township real estate tax bills is used to estimate the assessed value for the upcoming school real estate bills. The review and estimation of revenue numbers continue until June.
- January – A list of requested new positions is developed based on academic/scheduling needs, curricular program implementation, assessed student safety and security needs and student to staff ratio requirements.
- The HR department develops the personnel budget utilizing current and expected salary and benefit data. This budget accounts for all salary and benefit costs for all current and requested employees.
- January 5, 2018 – All preliminary budgets are to be complete and entered into the district's financial software.

Budget Development Progression Continued

- A spreadsheet is developed for each budget that compares budget to actual expenditure data over a two-year period and total expenditures over a five-year period. A per student cost comparison between buildings is also developed.
- The Superintendent, Business Administrator and Director of Finance meet with each cabinet member, principal, supervisor, or department head to review their preliminary budget. These 20 meetings start the third week of January and run through the second week of February. Last year, a total of \$461,602 in expenditures was cut because of these meetings.
- The Governor makes his annual budget address to a joint session of the General Assembly for the next fiscal year and proposes educational funding levels.
- The cabinet holds a budget meeting the first week of February to discuss potential ways to cut expenditures from the budget and increase revenue.

Budget Development Progression Continued

- March Finance Meeting – a first look at the general fund budget will be presented to the Board. The Transportation and Operations Departments will also present their budget requests to the Board.
- The PEA contract states April 1st as the date that teachers must notify the District of their intent to retiree if they wish to receive any stated retirement benefits.
- April Finance Meeting – an updated general fund budget will be presented to the Board to include savings from teacher retirements. The Pupil Services and Technology Departments will also present their budget requests to the Board.
- May Finance Meeting – an updated general fund budget will be presented to the Board. The Program Improvement and Curriculum and Instruction budgets will be presented to the Board.

Budget Development Progression Continued

- Additional budget meetings are added as needed.
- May voting meeting – the proposed final budget is approved by the Board.
- June finance meeting – any budget changes are presented to the Board.
- June voting meeting – the final budget is approved by the Board.

REVENUE TO EXPENDITURE SUMMARY

Classification	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Final Budget	% Increase
Revenue	\$123,965,313	\$130,245,398	\$132,734,990	1.91%
Expenditures	127,408,164	131,042,154	\$133,072,645	1.55%
Revenue over/(under expenditures)	(\$3,442,851)	(\$796,756)	(\$337,655)	

Note: Budgeted expenditures exceed budgeted revenues by .25%. The budget deficit of \$337,655 is equal to a real estate tax increase of .5546 mills or .41%. The increase per property at the median assessed value is \$17.06.

REVENUE SUMMARY

Revenue	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Final Budget
Local	\$94,956,978	\$99,238,435	\$100,631,177
State	27,763,335	29,881,963	\$31,278,814
Federal	1,245,000	1,125,000	\$825,000
Total Revenues	\$123,965,313	\$130,245,398	\$132,734,990

PDE Allowed Tax Rate Impact

	2018-2019
Current 2017/18 mills	135.2555
Median assessed property \$30,880 for HS/FS	\$4,176.69
<u>2017/18 Budget</u>	
Act 1 Index Mills – 2.4%	138.5016
Additional Mills	3.2461
Median assessed property \$30,880	\$4,276.93
Impact to property owner	\$103.24
Additional Real Estate Revenue Allowed	\$1,197,768

Tax Rate History

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Act 1 Index	1.40%	1.70%	1.70%	2.1%+1.5%	1.90%	2.40%	2.50%
Assessed Value	\$612,295,470	\$612,214,770	\$612,628,730	\$615,254,170	\$619,917,170	\$621,435,100	\$625,293,290
Maximum Allowed	124.7391	125.1081	125.1081	129.6227	132.0855	135.2555	138.6360
Tax Rate Change	0.00%	0.00%	1.70%	3.61%	1.90%	2.40%	0.00%
Tax Rate Approved/Assumed	123.0169	123.0169	125.1081	129.6227	132.0855	135.2555	135.2555
Mill change from prior year	0.0000	0.0000	2.0912	4.5146	2.4628	3.1700	0.0000
Gross Maximum Tax Revenue @ approved rate	\$75,322,691	\$75,312,763	\$76,644,816	\$79,750,907	\$81,882,069	\$84,052,515	\$86,688,161
Tax Increase @Median Assessed Value:	\$0.00	\$0.00	\$73.30	\$158.01	\$86.20	\$110.95	\$0.00

FUND BALANCE

Classification	FYE 2015 Actual	FYE 2016 Actual	FYE 2017 Actual
COMMITTED:			
Financial Software	\$ 15,986	\$ 15,986	15,896
Transportation	295,000	446,756	0
Future retirement rate increase	8,609,632	6,041,781	6,041,781
Non routine maintenance	330,000	0	0
Technology initiatives	250,000	0	0
Balance 17-18 GF Budget	0	350,000	337,655
UNASSIGNED	7,261,334	8,993,483	9,581,141
TOTAL GENERAL FUND	\$16,761,952	\$15,848,006	16,510,491
CAPITAL PROJECTS COMMITTED	9,978,125	16,226,726	17,954,257