





**Pennridge School District
2017-2018 Budget
Proposed Final Budget**

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March 1, 2017


Preliminary Budget

- Act 1 Timeline
 - The school district avoided the Act 1 preliminary budget adoption requirements by passing a resolution on October 24, 2016 stating that the district would not raise the rate of any tax by more than the Act 1 index.
 - The 2017-2018 Act 1 index is 2.5%. The school district may increase the real estate tax rate by 2.5%, but cannot exceed 2.5%.

2017-2018 Budget Timeline

Description	Due Date	Completed
Buildings and Departments develop requests	January 9	
Personnel Budget Updated	January 30	
Building and Department budgets reviewed by Administration	January 23 – February 21	
Public Display – PDE 2028 (20 days prior to adoption)	January 26	Skipped
Deadline to adopt Resolution not to exceed Act 1 Index	January 26	

2017-2018 Budget Timeline

Description	Due Date	Completed
Publish Notice of intent to adopt 2017-2018 Preliminary Budget (10 days prior to adoption)	February 5	Skipped
Board Meeting to Adopt Preliminary Budget if resolution is not passed by January 26, 2017	February 15	Skipped
Deadline to publish notice in newspaper of intent to request approval from PDE for a referendum exception (1 week prior to filing)	February 23	Skipped
First Look at Budget presented to the Board	March 1	
Deadline to request approval from PDE of referendum exceptions	March 2	Skipped

2017-2018 Budget Timeline

Description	Due Date	Completed
Deadline for PDE to notify school districts that submitted 2017-18 preliminary budget whether the proposed tax rates are equal to or less than their index	March 2	Skipped
Deadline for school district to submit referendum question seeking voter approval of tax rate increase in excess of index to the county board of elections (optional if exceptions approved by PDE)	March 17	Skipped
Deadline for PDE to issue ruling on school district's petition for referendum exception	March 22	Skipped
Deadline for school district to submit referendum question to the county board of elections seeking voter approval if PDE denies all or a part of the district's request for referendum exception	March 27	Skipped

2017-2018 Budget Timeline

Description	Due Date	Completed
Finance Meeting/Budget Update	April 5	
Budget Secretary to certify total amount of revenue in the Property Tax Relief Fund	April 15	
PDE notifies school districts of the amount of their state allocation of property tax reduction funding	May 1	
Finance Meeting/Budget Update	May 3	
Proposed Final Budget Adoption Resolution to Reject 2017-18 Property Tax allocation	May 15	
School district deadline to make 2017-18 proposed final budget available for public inspection on PDE 2028	May 31	
Budget Update/Finance Meeting	June 7	
Advertise intent to adopt final budget (10 days prior to adoption)	June 9	

2017-2018 Budget Timeline

Description	Due Date	Completed
Final Budget Adopted Resolution implementing Homestead/Farmstead exclusion	June 19	

PDE Allowed Tax Rate Impact

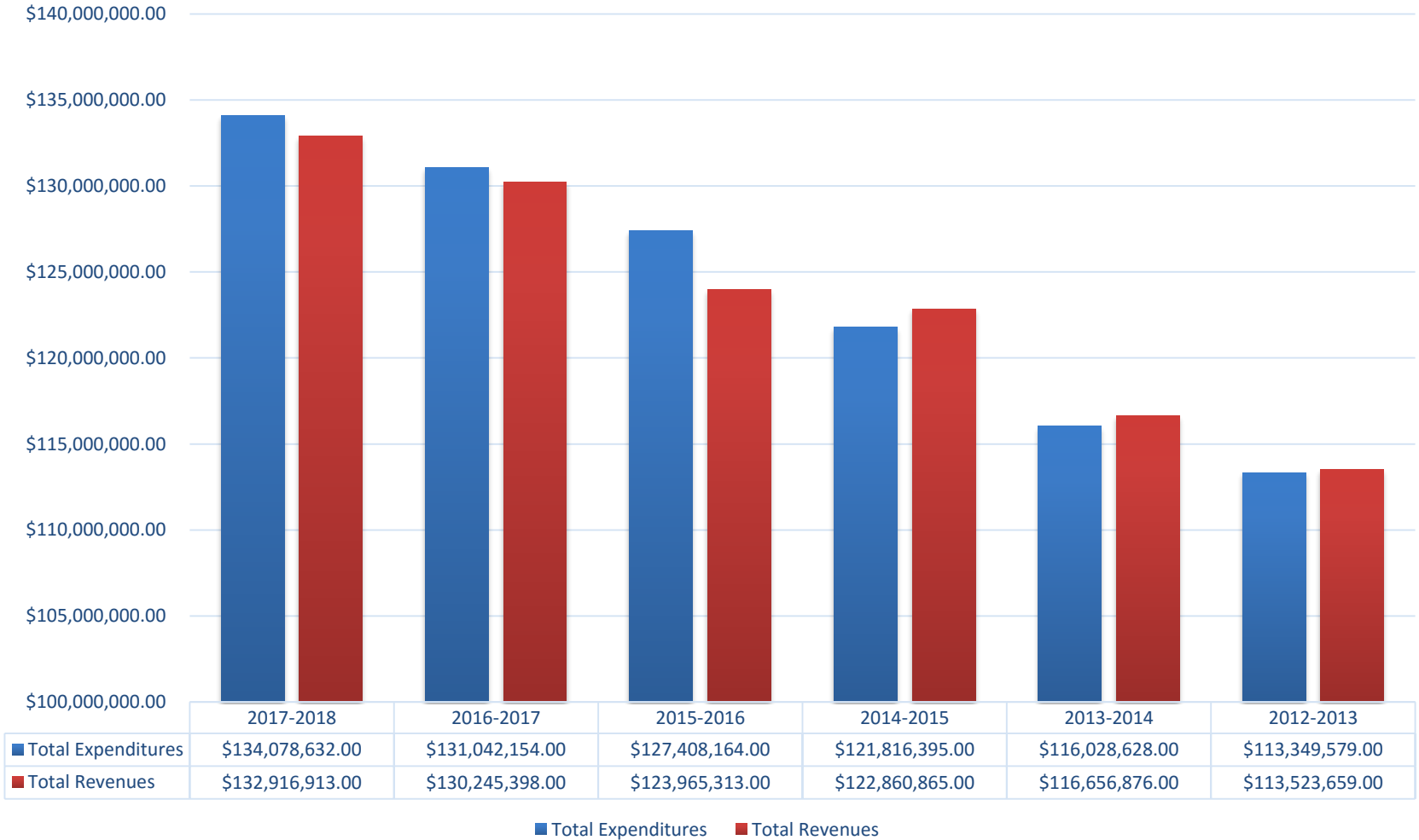
Expenditure	2017-2018
Current 2016/17 mills	135.2555
Median assessed property \$30,760 for HS/FS	\$4,160.46
<u>2017/18 Budget</u>	
Act 1 Index Mills – 2.5%	138.6360
Additional Mills	3.3805
Median assessed property \$30,760	\$4,264.44
Impact to property owner	\$103.98
Referendum Exception Mills	0
Maximum Mills	138.6360
Maximum increase (mills)	3.3805
Impact to property owner of a median assessed property \$30,760	\$103.98
Additional Real Estate Revenue Allowed	\$2,058,284

REVENUE TO EXPENDITURE SUMMARY

Classification	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Proposed Final	% Increase
Revenue	\$123,965,313	\$130,245,398	\$132,916,913	2.05%
Expenditures	127,408,164	131,042,154	134,078,632	2.31%
Revenue over/(under expenditures)	(\$3,442,851)	(\$796,756)	(\$1,161,719)	

Note: Budgeted expenditures exceed budgeted revenues by .87%. The budget deficit of \$1,161,719 is equal to a real estate tax increase of 1.9080 mills or 1.41%. The increase per property at the median assessed value is \$58.69.

Revenue to Expenditure History



2017/2018

State Property Tax Relief Estimate

Estimate of State Property Tax Relief	\$2,402,565
Number of Approved Homesteads	11,789
Number of Approved Farmsteads	121
Estimated Assessment Exclusion	\$1,477
Estimated Tax Reduction per Homestead	\$199.77
Note: 2017-2018 Information from State and County Assessment Office on May 1, 2017	

PDE 2028 REVENUE SUMMARY

- Local Revenue does not include Act 1 Index of 2.5% or 3.3805 mills.

Revenue	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Proposed Budget
Local	\$94,956,978	\$99,238,435	\$100,631,177
State	27,763,335	29,881,963	31,460,736
Federal	1,245,000	1,125,000	825,000
Total Revenues	\$123,965,313	\$130,245,398	\$132,916,913

PDE 2028 LOCAL REVENUE SUMMARY

Local Revenue	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Proposed	Variance Annual
Real Estate Tax: Current and Interim	\$76,756,760	\$79,725,778	\$80,403,392	\$677,614
Public Utility Realty Tax	110,000	110,000	109,000	(1,000)
Payment in Lieu of Current Taxes - State/Local Reimbursement	110,000	135,000	140,000	5,000
Current Act 511 Taxes – Flat Rate and Proportional Assessments	15,024,678	16,085,000	16,616,000	531,000
Delinquencies on Taxes Levied/Assessed by LEA	1,317,000	1,415,000	1,411,000	(4,000)
Earnings on Investments	100,000	160,000	160,000	0
Revenues from District Activities	112,000	107,000	124,000	17,000
Revenue from Intermediary Sources/Pass-Through Funds	1,074,540	1,160,657	1,176,785	16,128
Rentals	220,000	220,000	251,000	31,000
Revenue from Community Service Activities and Tuition from Patrons	72,000	60,000	185,000	125,000
Refunds and Other Miscellaneous Revenue	60,000	60,000	55,000	(5,000)
	\$94,956,978	\$99,238,435	\$100,631,177	\$1,392,742

Real Estate Tax Calculation

	2015-2016	2016-2017	2017-2018
Assessed Value	619,917,170	625,293,290	630,952,920
Millage Rate	132.0855	135.2555	135.2555
Total Gross	\$81,882,069	\$84,574,389	\$85,339,853
Collection %	96.0%	96.5%	96.5%
Budget RE Tax Amount	\$76,326,760	\$79,295,778	\$79,950,392

Note: Budgeted Real Estate Tax revenue is reduced by state property tax reduction allocation distributed to tax payers via the homestead/farmstead exclusion.

PDE 2028 STATE REVENUE SUMMARY

State Revenue	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Proposed	Variance Annual
Basic Education Funding	\$9,765,291	\$10,126,548	\$10,836,855	\$710,307
Tuition for Orphans and Children Placed in Private Homes	21,000	25,000	25,500	500
Vocational Education	3,000	3,000	0	(3,000)
Special Education Funding for School Aged Pupils	3,131,508	3,402,018	3,256,860	(145,158)
Transportation	1,500,000	1,500,000	1,500,000	0
Rental and Sinking Fund Payments/Building Reimbursement Subsidy	700,886	700,886	700,886	0
Health Services	140,000	140,000	140,000	0
State Property Tax Reduction Allocation	2,364,724	2,402,565	2,402,565	0
PA Accountability Grants	231,315	625,645	625,645	0
State Share of Social Security and Medicare Taxes	2,266,132	2,224,382	2,277,201	52,819
State Share of Retirement Contributions	7,639,479	8,731,918	9,695,224	963,306
	\$27,763,335	\$29,881,962	\$31,460,736	\$1,578,774

State Funding Proposal

Source	Basic Ed	Ready to Learn	Special Ed
2016-2017 Budget Allocation	\$10,593,162	\$625,645	\$3,212,609
2017-2017 Governor's Budget Increase	\$243,693	\$0	\$44,251
2017-2018 Estimated Funding	\$10,836,855	\$625,645	\$3,256,860

Note: Governor Wolf has proposed \$100 million in new dollars for basic education funding and \$25 million in new dollars for special education funding. Dollars are to be distributed via the respective state formulas. The Governor proposed a reduction of \$50 million in transportation funding. Transportation subsidy is distributed by a formula set in PA statute. The proposal does not include a proposed plan for changing the statute.

PDE 2028 FEDERAL REVENUE SUMMARY

Federal Revenue	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Proposed	Variance
NCLB, Title I Improving the Academic Achievement of the Disadvantaged	\$410,000	\$395,000	\$395,000	0
NCLB, Title II – Preparing, Training and Recruiting High Quality Teachers and Principals	157,000	50,000	50,000	0
Medical Assistance Reimbursement for Administrative Claiming	650,000	650,000	350,000	(300,000)
Medical Assistance Reimbursement (ACCESS) - Early Intervention	28,000	30,000	30,000	0
Total	\$1,245,000	\$1,125,000	\$825,000	(\$300,000)

Object Expenditure Descriptions

100 - Gross salaries paid to employees of the LEA who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for personnel services rendered while on the payroll of the LEA.

200 - Amounts paid by the LEA on behalf of employees; these amounts are not included in gross salary, but are in addition to that amount. Such payments are fringe benefit payments; and, while not paid directly to employees, are part of the cost of personnel services

300 - Services that by their nature require persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, tax collectors etc.

400 - Services purchased to operate, repair, maintain, and rent property owned and / or used by the LEA. These services are performed by persons other than LEA employees.

500 - Amounts paid for services not provided by LEA personnel but rendered by organizations or personnel, other than Professional and Technical Services and Purchased Property Services. (Transportation, Mileage, Insurance, Tuition, Printing)

600 - Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorate in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

700- Expenditures for the acquisition of fixed / capital assets, including expenditures for land or existing buildings and improvements of grounds; initial equipment; additional equipment and replacement of equipment.

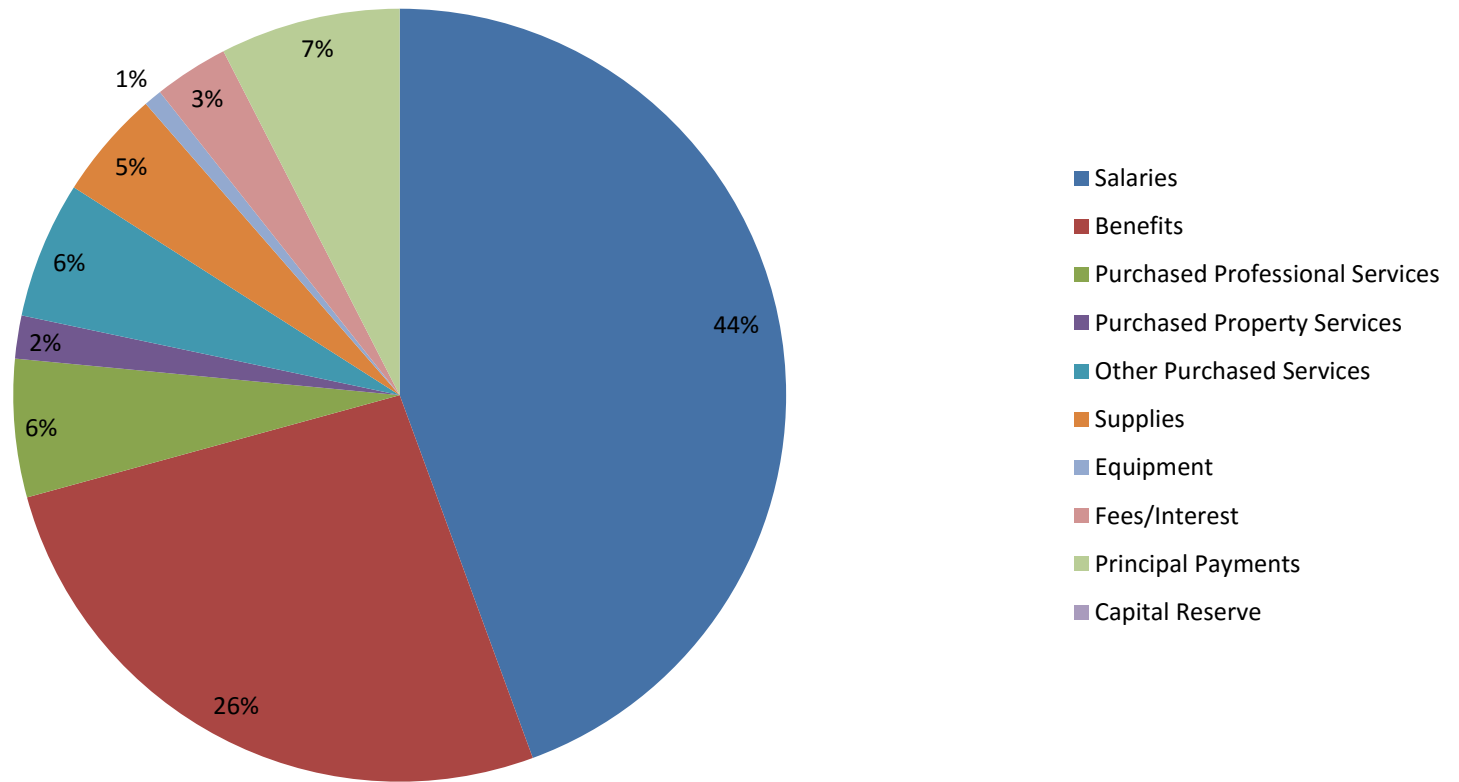
800 - Amounts paid for expenditures not otherwise classified in objects 100 through 700. (Dues, Fees, Claims, Interest)

900 - This series of codes is used to classify transactions which record redemption of principal on long-term debt, authority obligations, fund transfers, and transfers to component units (as defined by GASB Statement #14).

PDE 2028 OBJECT SUMMARY

Expenditure	2015-2016 Final Budget	2016-2017 Final Budget	2016-2017 Proposed	Variance
100 Salaries	\$59,658,667	\$58,566,016	\$59,534,689	\$968,673
200 Employee Benefits	30,295,086	33,814,658	35,309,835	1,495,177
300 Purchased Professional Services	6,677,223	6,787,667	7,739,107	951,440
400 Purchased Property Services	2,827,143	3,433,968	2,413,670	(1,020,314)
500 Other Purchased Services	7,987,358	7,802,322	7,675,666	(126,656)
600 Supplies	4,494,153	4,216,913	6,107,658	1,890,745
700 Equipment	1,233,600	1,878,209	1,016,555	(861,654)
800 Fees/Interest	4,443,169	4,324,347	4,175,206	(149,141)
900 Principal Payments	9,496,765	10,218,038	10,106,246	(111,792)
900 Capital Reserve	295,000	0	0	0
Total Expenditures	\$127,408,164	\$131,042,154	\$134,078,632	\$3,036,478

OBJECT SUMMARY



Function Expenditure Descriptions

1100 - Activities designed to provide grades K–12 students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps.

1200 - Activities designed primarily for students having special needs. The Special Programs include support classes for pre-kindergarten, kindergarten, elementary, and secondary students identified as exceptional.

1300 - PDE approved programs under public supervision and control that provide organized learning experiences designed to develop skills, knowledge, attitudes, and work habits in order to prepare individuals for entrance into and progress through various levels of employment in occupational fields including agriculture, business, distribution, health, gainful, and useful home economics, and trade and industry.

1400- Activities that provide grades K-12 students with learning experiences not included in the function codes 1100-1300, 1500, 1600, and 1800.

2100 - Activities designed to assess and improve the well-being of students to supplement the teaching process... Included in this sub-function are program coordination, consultation, and services to the pupil personnel staff of an LEA.

2200 - Activities associated with assisting, supporting, advising, and directing the instructional staff with or on the content and process of providing learning experiences for students.

2300 - Activities concerned with establishing and administering policy in connection with operating the LEA.

2400 - Physical and mental health services, which are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nurse services

Functions Cont.

2500 - Activities concerned with paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

2600- The activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair.

2700 - Expenditures include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school and from school to school.

2800 - Activities, other than general administration, which support each of the other instructional and supporting services program. These activities include planning, research, development, evaluation, information, staff, and data processing services.

2900- All other support services not classified elsewhere in the 2000 series.

3200 - School sponsored activities under the guidance and supervision of the LEA staff.

3300 - Those activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a child-care center for working mothers, etc.

5100 - Servicing of the debt of the LEA including payments on general long-term debt, authority obligations and interest.

5200 - Included are transactions that withdraw money from one fund and place it in another without recourse.

5900 - Budgetary Reserve is not an expenditure function or account. It is strictly a budgetary account.

PDE 2028 FUNCTION SUMMARY

Instruction

Expenditure	2015-2016 Final Budget	2016-2017 Final Budget	2016-2017 Proposed	Variance
1100 Regular Instruction – Elementary/Secondary	\$53,672,199	\$55,358,882	\$56,428,377	\$1,069,495
1200 Special Programs	19,590,448	20,457,452	20,984,265	526,813
1300 Vocational Education	2,858,966	2,562,946	2,495,307	(67,639)
1400 Other Instructional Programs – Elementary/Secondary	515,683	503,286	491,975	(11,311)
Total 1000 Instruction	\$76,637,296	\$78,882,566	\$80,399,924	1,517,358

PDE 2028 FUNCTION SUMMARY

Support Services

Expenditure	2015-2016 Final Budget	2016-2017 Final Budget	2016-2017 Proposed	Variance
2100 Pupil Personnel	\$4,669,261	\$4,565,181	\$4,960,534	\$395,353
2200 Instructional Staff	3,402,519	3,146,646	3,524,828	378,182
2300 Administration	7,643,896	7,831,602	7,964,652	133,050
2400 Pupil Health	1,349,840	1,403,831	1,360,783	(43,048)
2500 Business	784,816	777,545	824,016	46,471
2600 Operations & Maintenance of plant services	9,775,556	10,444,261	10,448,525	4,264
2700 Student Transportation	5,810,169	6,844,507	7,396,416	551,909
2800 Support Services-Central	1,677,034	1,536,872	1,781,633	244,761
2900 Other Support Services	308,460	367,140	387,140	20,000
Total	\$35,421,551	\$36,917,585	\$38,648,527	\$1,730,942

PDE 2028 FUNCTION SUMMARY

Operation of Non-instructional Services

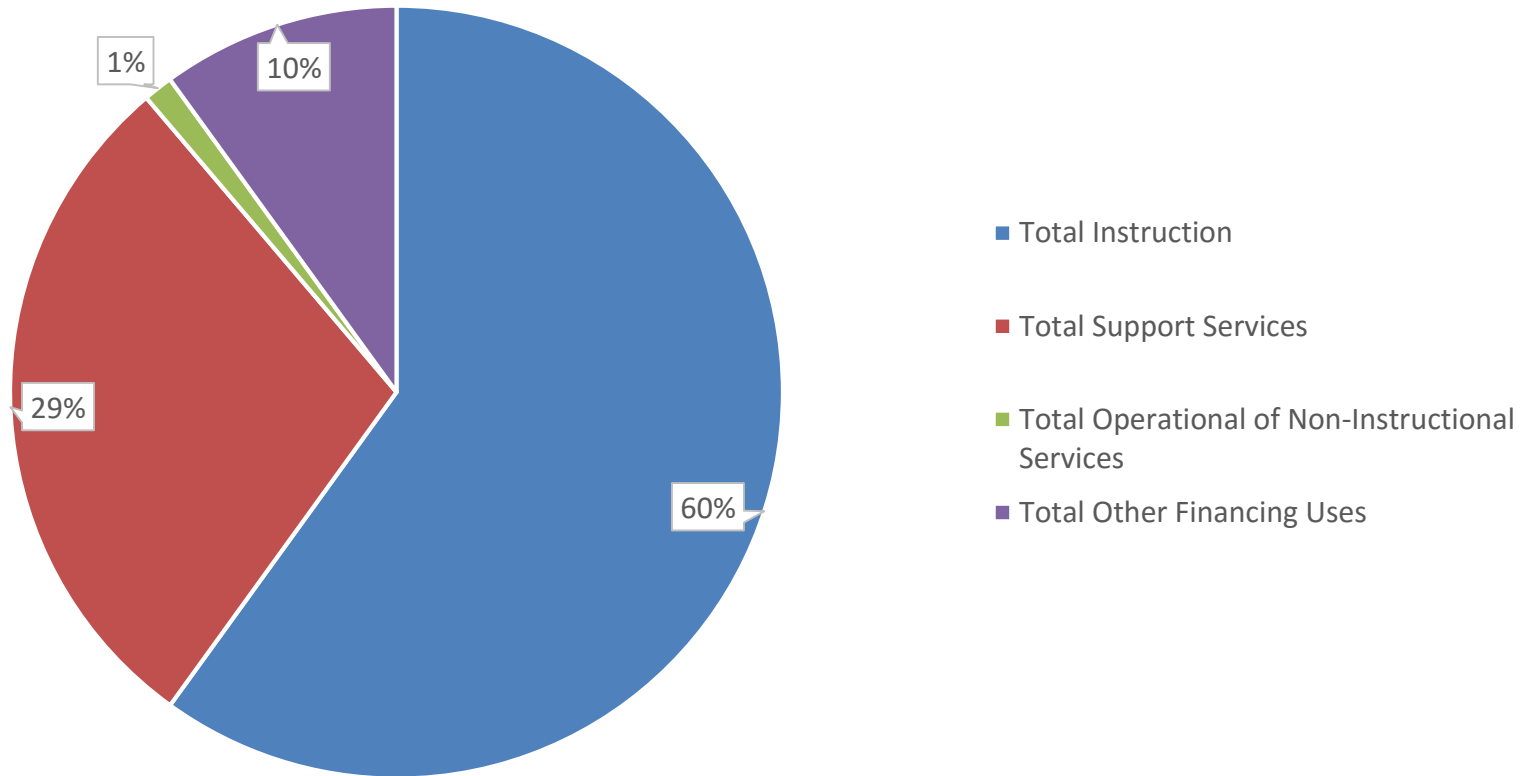
Expenditure	2015-2016 Final Budget	2016-2017 Final Budget	2016-2017 Proposed	Variance
3200 Student Activities	\$1,611,939	\$1,431,439	\$1,540,845	\$109,406
3300 Community Services	89,717	96,362	114,191	17,829
Total	\$1,701,656	\$1,527,801	\$1,655,036	\$127,235

PDE 2028 FUNCTION SUMMARY

Other Expenditures and Financing Uses

Expenditure	2015-2016 Final Budget	2016-2017 Final Budget	2017-2018 Proposed	Variance
5100 Debt Service	13,022,661	13,304,202	13,041,715	(262,487)
5200 Inter-fund Transfers- Out	295,000	60,000	0	(60,000)
5900 Budgetary Reserve	330,000	350,000	333,430	(16,570)
Total	\$13,647,661	\$13,714,202	\$13,375,145	(\$339,057)
Grand Total – All Expenditures	\$127,408,164	131,042,154	\$134,078,632	\$3,036,478

Expenditures by Function



School and Department Budgets

Budget Code	Department or School	2017-2018 Budget Adjustments		2017-2018 vs 2016-2017 Budget Increase (Decrease)
000	Human Resources	\$ (8,200.00)		\$ (14,465.00)
001	High School	\$ (35,872.00)		\$ (26,899.00)
003	Maintenance	\$ (268,500.00)		\$ (88,640.00)
007	Athletic Dept	\$ (17,100.00)		\$ (49.00)
015	Business Office	\$ -		\$ 5,405.00
016	Technology	\$ (13,000.00)		\$ 35,690.05
017	Public relations	\$ (24,580.00)		\$ (24,180.00)
020	Superintendent Office	\$ (3,769.00)		\$ 1,794.00
027	Director of Administration	\$ (1,450.00)		\$ (3,243.00)
028	District Wide Library	\$ (1,000.00)		\$ (2,294.00)
030	Curriculum	\$ (45,300.00) A		\$ (48,063.00)
031	District Wide 6-12 Science	\$ (1,913.00)		\$ 14,995.00
032	District Wide 6-12 Math	\$ (1,000.00)		\$ (5,880.00)
033	District Wide K-5 Math	\$ (500.00)		\$ (4,562.80)
034	District Wide K-5 Science	\$ -		\$ (2,027.00)
035	District Wide K-5 Social Studies	\$ (1,800.00)		\$ (1,275.00)
036	District Wide K-5 Language Arts	\$ -		\$ (1,525.00)
037	District Wide Music	\$ -		\$ 1,913.15

School and Department Budgets Cont.

Budget Code	Department or School	2017-2018 Budget Adjustments		2017-2018 vs 2016-2017 Budget Increase (Decrease)	
038	District Wide 6-12 Social Studies	\$ (2,900.00)		\$ (950.00)	
039	District Wide 6-12 Language Arts	\$ (10,500.00)		\$ (4,500.00)	
040	Pupil Services	\$ 72,500.00		\$ 985,413.00	
050	Transportation	\$ (68,617.00)		\$ 13,220.00	
052	Seylar Elementary	\$ (1,000.00)		\$ (1,089.00)	
053	Bedminster Elementary	\$ (1,570.00)		\$ (27.00)	
054	Deibler Elementary	\$ (300.00)		\$ (133.00)	
055	Grasse Elementary	\$ -		\$ (40.00)	
060	West Rockhill Elementary	\$ (5,703.00)		\$ (1,219.00)	
070	CMS	\$ (11,893.00)		\$ (0.75)	
085	NMS	\$ (9,415.00)		\$ (1,535.00)	
097	Guth Elementary	\$ (1,599.00)		\$ (63.00)	
098	Sellersville Elementary	\$ -		\$ (7,358.00)	
099	SMS	\$ (23,485.00)		\$ 4,532.00	
106	Program Improvements	\$ (13,136.00)		\$ 73,524.00	
		\$ (501,602.00)			
	\$40,000 salary (Moved to Wages)	\$ 40,000.00	A		
	Total dollars cut during budget meetings	\$ (461,602.00)		\$ 896,468.65	B

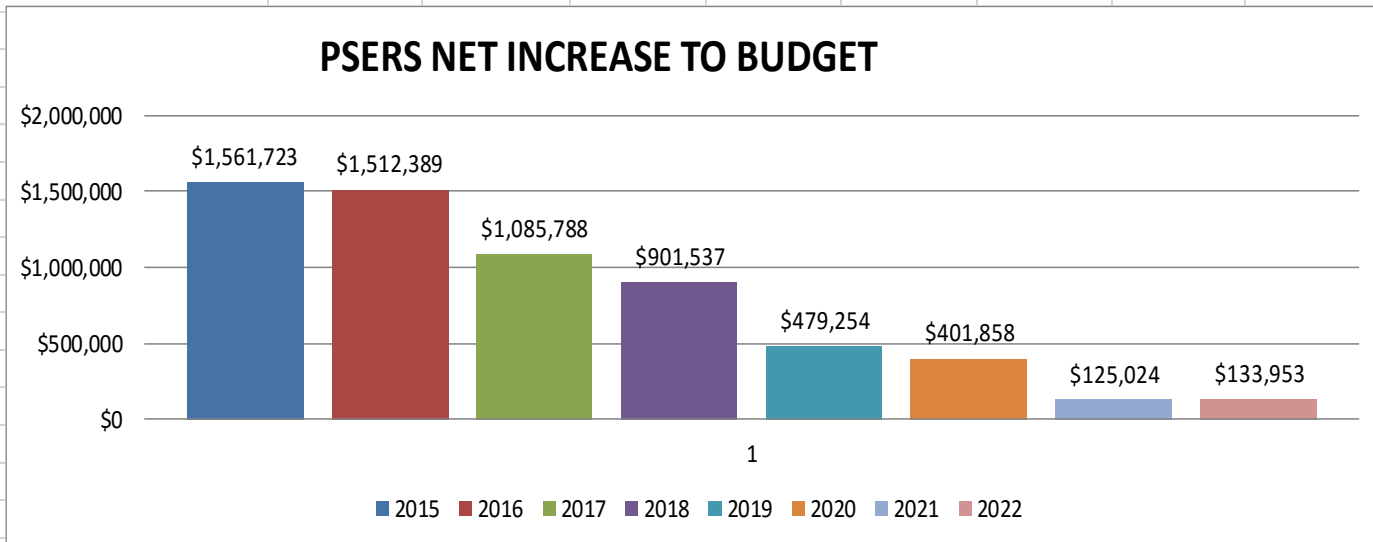
B: 2017-2018 budget exceeds 2016-2017 budget. These numbers don't include salaries and benefits

GENERAL FUND BUDGET FUND BALANCE

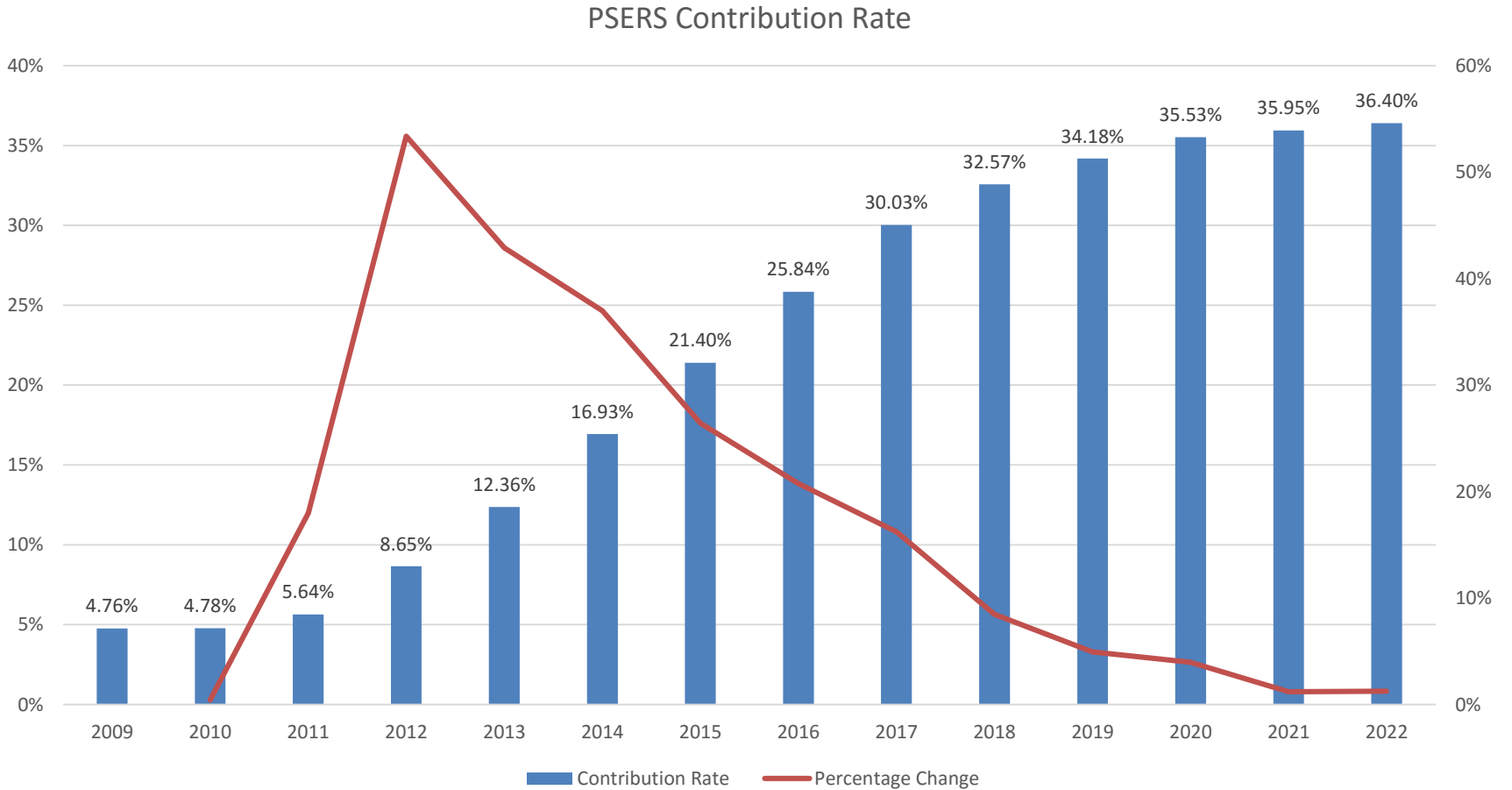
Classification	FYE 2015 Actual	FYE 2016 Actual
COMMITTED:		
Financial Software	\$ 15,986	\$ 15,986
Transportation	295,000	446,756
Future retirement rate increase	8,609,632	6,041,781
Non routine maintenance	330,000	0
Technology initiatives	250,000	0
2016-2017 Budget		350,000
UNASSIGNED	7,261,334	8,993,483
TOTAL FUND BALANCES	\$16,761,952	\$15,848,106
Assumes fund balance used to cover 2015-2016 budget deficit		

PSERS RATES

PSERS RATES						**	**	**	**
Year Ending	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rate	16.93%	21.40%	25.84%	30.03%	32.57%	34.18%	35.53%	35.95%	36.40%
% Increase		26.40%	20.75%	16.22%	8.46%	4.94%	3.95%	1.18%	1.25%
Payroll (PSERS eligible)	\$54,740,546	\$57,901,964	\$59,658,667	\$58,566,016	\$59,534,689	\$59,534,689	\$59,534,689	\$59,534,689	\$59,534,689
Expense	\$9,267,574	\$12,391,020	\$15,415,800	\$17,587,375	\$19,390,448	\$20,348,957	\$21,152,675	\$21,402,721	\$21,670,627
Net Expense after State Reimbursement*	\$4,633,787	\$6,195,510	\$7,707,900	\$8,793,688	\$9,695,224	\$10,174,479	\$10,576,337	\$10,701,361	\$10,835,314
Net Increase to Budget		\$1,561,723	\$1,512,389	\$1,085,788	\$901,537	\$479,254	\$401,858	\$125,024	\$133,953
** Payroll based on 2017-2018 Budget									
* Assumes 50% reimbursement									



PSERS RATES



Outstanding Considerations

- Expenditures
 - Property and General Liability Insurance – estimate budgeted
 - Medical, RX, and Stop Loss Rates – estimate budgeted
 - Retirement salary reductions
 - School Bus Funding \$850,000, same as 16-17
 - Budgetary Reserve for unforeseen expenses
 - Budget includes 1 new special education supervisor, 2 new emotional support teachers, and 1 new social worker/home & school visitor
 - Budget includes 4 extra teacher positions to guard against unknown needs
- Revenues
 - State Funding, 17-18 Governor's proposal is included.
 - Reserve of fund balance for any special projects
 - Budgetary Reserve of fund balance if budget cannot be balanced
 - Property tax elimination "SHIFT" (Recent reports from PASBO is that this movement has lost a great deal of traction)