

Pennridge School District 2016-2017 Budget Proposed Final Budget

Prepared by:
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April 18, 2016

Preliminary Budget

- Act 1 Timeline
 - Preliminary Budget Adoption: January 25, 2016
 - Changes to the preliminary budget may be made up to the budget adoption date, June 20, 2016
 - Allows board to determine if they wish to apply for eligible referendum exceptions – February 11, 2016

2016-2017 Budget Timeline

Description	Due Date	Completed
Buildings and Department develop requests	October - November	
Personnel Budget Updated	December	
Building and Department budgets reviewed by Administration	November - December	
First Look of Budget presented to board	December 14	
Public Display – PDE 2028 (20 days prior to adoption)	January 5	
Deadline to adopt Resolution not to exceed Act 1 Index	January 7	

2016-2017 Budget Timeline

Description	Due Date	Completed
Publish Notice of intent to adopt 2015-2016 Preliminary Budget (10 days prior to adoption)	January 15	
Board Meeting to Adopt Preliminary Budget if resolution is not passed by January 7, 2016	January 25	
Finance Meeting	February 1	
Deadline to publish notice in newspaper of intent to request approval from PDE for a referendum exception (1 week prior to filing)	February 4	
Budget Discussions	March -June	
Deadline to request approval from PDE of referendum exceptions (decision no later than January 25 Board meeting)	February 11	

2016-2017 Budget Timeline

Description	Due Date	Completed
Deadline for PDE to notify school districts that submitted 2016-17 preliminary budget whether the proposed tax rates are equal to or less than their index	February 11	
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)	February 26	N/A
Deadline for PDE to issue ruling on school district's petition for referendum exception	March 2	
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 7	N/A

2016-2017 Budget Timeline

Description	Due Date	Completed
Finance Meeting/Budget Update	April 4	
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 2	
Proposed Final Budget Adoption Resolution to Reject 2016-17 Property Tax allocation	May 16	
School district deadline to make 2016-17 proposed final budget available for public inspection on PDE 2028	June 1	
Budget Update/Finance Meeting	June 6	
Advertise intent to adopt final budget (10 days prior to adoption)	June 10	

2016-2017 Budget Timeline

Description	Due Date	Completed
Final Budget Adopted Resolution implementing Homestead/Farmstead exclusion	June 20	

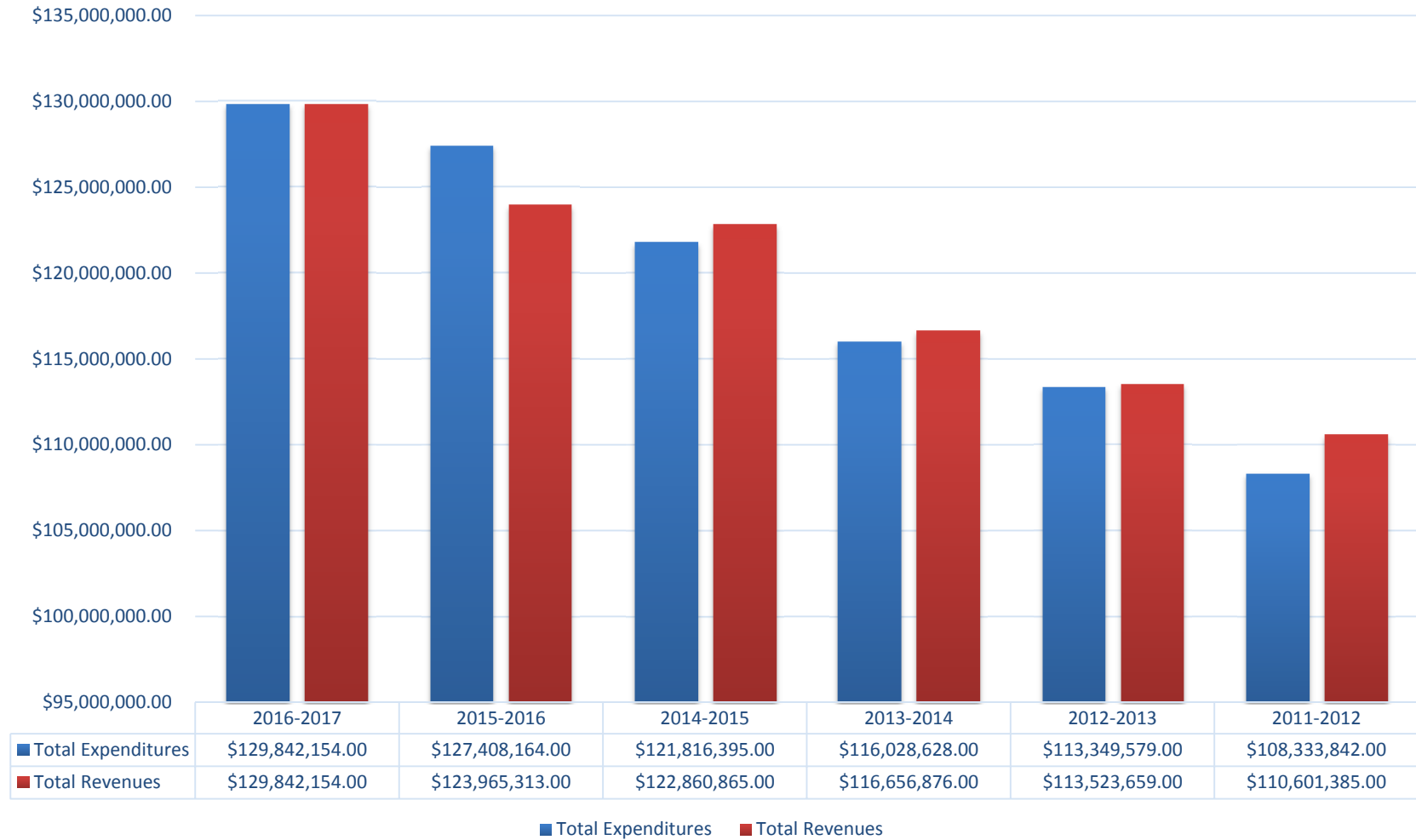
REVENUE TO EXPENDITURE SUMMARY

2.4% Real Estate Tax Increase

Classification	2015-2016 Final	2016-2017 Preliminary	2016-2017 Proposed Final	% Increase
Revenue	\$123,965,313	\$128,821,367	\$129,842,154	3.74%
Expenditures	127,408,164	132,079,172	129,842,154	1.91%
Revenue over/(under expenditures	(\$3,442,851)	(\$3,257,805)	\$0.00	

For Details of 2016-2017 budget changes see Dr. Rattigan's decision brief on balancing the budget.

Revenue to Expenditure History



PDE Approval – Referendum Exceptions

Expenditure	2016-2017
Current 2015/16 mills	132.0855
Median assessed property \$30,520	\$4,031.25
<u>2016/17 Budget</u>	
Act 1 Index Mills – 2.4%	135.2556
Additional Mills	3.1701
Median assessed property \$30,520	\$4,128
Impact to property owner	\$96.75
Referendum Exception Mills	1.6030
Maximum Mills	136.8585
Maximum increase (mills)	4.7730
Impact to property owner of a median assessed property \$30,520	\$145.67

2016/2017

State Property Tax Relief Estimate

Estimate of State Property Tax Relief	\$2,364,724
Number of Approved Homesteads	11,800
Number of Approved Farmsteads	122
Estimated Assessment Exclusion	\$1,486
Estimated Tax Reduction per Homestead	\$196.28
Note: 2016-2017 Information from State and County Assessment Office on May 1, 2016	

PDE 2028 REVENUE SUMMARY

- Local Revenue includes Act 1 Index of 2.4% or 3.1701 mills.

Revenue	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final
Local	\$94,956,978	\$103,890,863	\$101,556,971
State	27,763,335	27,063,296	27,160,183
Federal	1,245,000	1,125,000	1,125,000
Total Revenues	\$123,965,313	\$132,079,159	\$129,842,154

PDE 2028 LOCAL REVENUE SUMMARY

Local Revenue	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final	Variance Annual
Real Estate Tax: Current and Interim	\$76,756,760	\$84,378,206	\$82,044,314	\$5,287,554
Public Utility Realty Tax	110,000	110,000	110,000	0
Payment in Lieu of Current Taxes - State/Local Reimbursement	110,000	135,000	135,000	25,000
Current Act 511 Taxes – Flat Rate and Proportional Assessments	15,024,678	16,085,000	16,085,000	1,060,322
Delinquencies on Taxes Levied/Assessed by LEA	1,317,000	1,415,000	1,415,000	98,000
Earnings on Investments	100,000	160,000	160,000	60,000
Revenues from District Activities	112,000	107,000	107,000	(5,000)
Revenue from Intermediary Sources/Pass-Through Funds	1,074,540	1,160,657	1,160,657	86,117
Rentals	220,000	220,000	220,000	0
Revenue from Community Service Activities and Tuition from Patrons	72,000	60,000	60,000	(12,000)
Refunds and Other Miscellaneous Revenue	60,000	60,000	60,000	0
	\$94,956,978	\$103,890,863	\$101,556,971	\$6,599,993

Real Estate Tax Calculation

	2015-2016	2016-2017
Assessed Value	619,917,170	625,293,290
Millage Rate	132.0855	135.2556
Total Gross	\$81,882,069	\$84,574,389
Collection %	96.0%	96.5%
Budget RE Tax Amount	\$76,326,760	\$81,614,285

PDE 2028 STATE REVENUE SUMMARY

State Revenue	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final	Variance Annual
Basic Education Funding	\$9,765,291	\$9,765,451	\$9,879,451	\$114,160
Tuition for Orphans and Children Placed in Private Homes	21,000	25,000	25,000	4,000
Vocational Education	3,000	3,000	3,000	0
Special Education Funding for School Aged Pupils	3,131,508	3,402,018	3,402,018	270,510
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	0	0	(2,364,724)
PA Accountability Grants	231,315	486,795	553,528	322,213
State Share of Social Security and Medicare Taxes	2,266,132	2,241,431	2,224,382	(41,750)
State Share of Retirement Contributions	7,639,479	8,798,715	8,731,918	1,092,439
	\$27,763,335	\$27,063,296	\$27,160,183	(\$603,152)

State Funding Unknowns

Source	Basic Ed	Ready to Learn	Total	Increase from 2014-2015
2014-2015 Final Allocation	\$9,765,451	\$486,795	\$10,252,246	\$0
2015-2016 Governor's Method	\$9,879,451	\$553,528	\$10,432,979	\$180,733
2015-2016 BEFC Formula	\$10,120,741	\$625,645	\$10,746,386	\$494,140
2016-2017 Governor's Budget Proposal (200 Million via BEFC formula)	+\$441,210			

Note: On 4/13/16 The State Legislature passed legislation to require the 2015-2016 increase in funding to be distributed using the Basic Education Funding Commission formula. The difference in funding methodology results in a \$313,407 increase to Pennridge School District.

PDE 2028 FEDERAL REVENUE SUMMARY

Federal Revenue	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final	Variance
NCLB, Title I Improving the Academic Achievement of the Disadvantaged	\$410,000	\$395,000	\$395,000	(\$15,000)
NCLB, Title II – Preparing, Training and Recruiting High Quality Teachers and Principals	157,000	50,000	50,000	(107,000)
Medical Assistance Reimbursement for Administrative Claiming	650,000	650,000	650,000	0
Medical Assistance Reimbursement (ACCESS) - Early Intervention	28,000	30,000	30,000	2,000
Total	\$1,245,000	\$1,125,000	\$1,125,000	(\$120,000)

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.

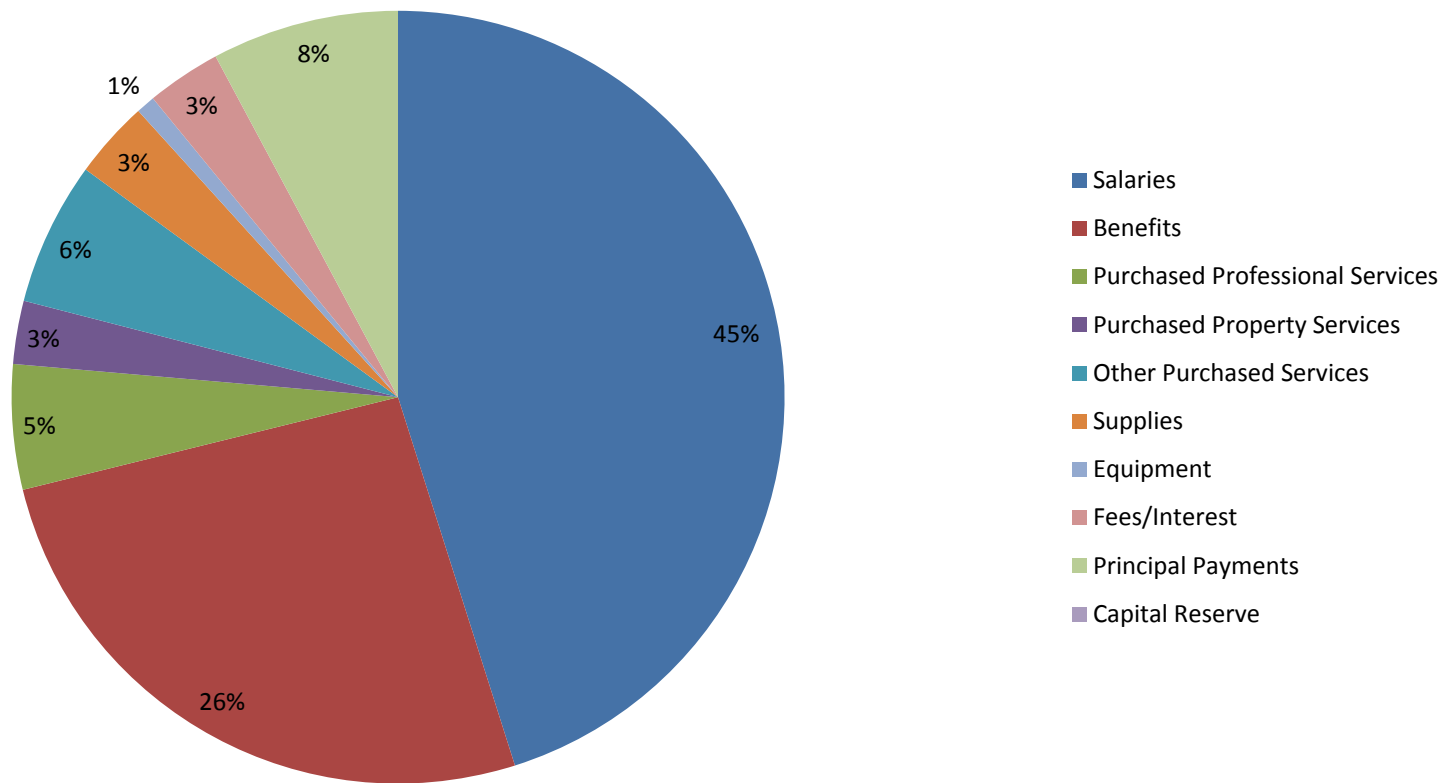
800 - Amounts paid for expenditures not otherwise classified in objects 100 through 700. (Dues, Fees, Claims, Interest)

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	2016-2017 Preliminary	2016-2017 Final	Variance
100 Salaries	\$59,658,667	\$59,971,577	\$58,566,016	(\$1,092,651)
200 Employee Benefits	30,295,086	34,233,476	33,809,581	3,514,495
300 Purchased Professional Services	6,677,223	6,457,847	6,787,792	110,569
400 Purchased Property Services	2,827,143	3,328,998	3,433,984	606,841
500 Other Purchased Services	7,987,358	8,285,590	7,802,197	(185,161)
600 Supplies	4,494,153	4,348,437	4,216,695	(277,458)
700 Equipment	1,233,600	963,497	1,028,209	(205,391)
800 Fees/Interest	4,443,169	4,271,712	4,039,642	(403,527)
900 Principal Payments	9,496,765	10,218,038	10,158,038	661,273
900 Capital Reserve	295,000	0	0	(295,000)
Total Expenditures	\$127,408,164	\$132,079,172	\$129,842,154	\$2,433,990

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	2016-2017 Preliminary	2016-2017 Final	Variance
1100 Regular Instruction – Elementary/Secondary	\$53,672,199	\$56,673,765	\$55,404,382	\$1,732,183
1200 Special Programs	19,590,448	20,782,330	20,461,952	871,504
1300 Vocational Education	2,858,966	2,885,665	2,562,946	(296,020)
1400 Other Instructional Programs – Elementary/Secondary	515,683	474,186	503,286	(12,397)
Total 1000 Instruction	\$76,637,296	\$80,815,946	\$78,932,566	2,295,270

PDE 2028 FUNCTION SUMMARY

Support Services

Expenditure	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final	Variance
2100 Pupil Personnel	\$4,669,261	\$4,719,263	\$4,565,181	(\$104,080)
2200 Instructional Staff	3,402,519	3,186,386	3,146,646	(255,873)
2300 Administration	7,643,896	7,889,602	7,831,602	187,706
2400 Pupil Health	1,349,840	1,535,284	1,403,831	53,991
2500 Business	784,816	777,545	777,545	(7,271)
2600 Operations & Maintenance of plant services	9,775,556	10,274,261	10,444,261	668,705
2700 Student Transportation	5,810,169	6,105,543	5,994,507	184,338
2800 Support Services-Central	1,677,034	1,521,241	1,486,872	(190,162)
2900 Other Support Services	308,460	367,140	367,140	58,680
Total	\$35,421,551	\$36,376,265	\$36,017,585	\$596,034

PDE 2028 FUNCTION SUMMARY

Operation of Non-instructional Services

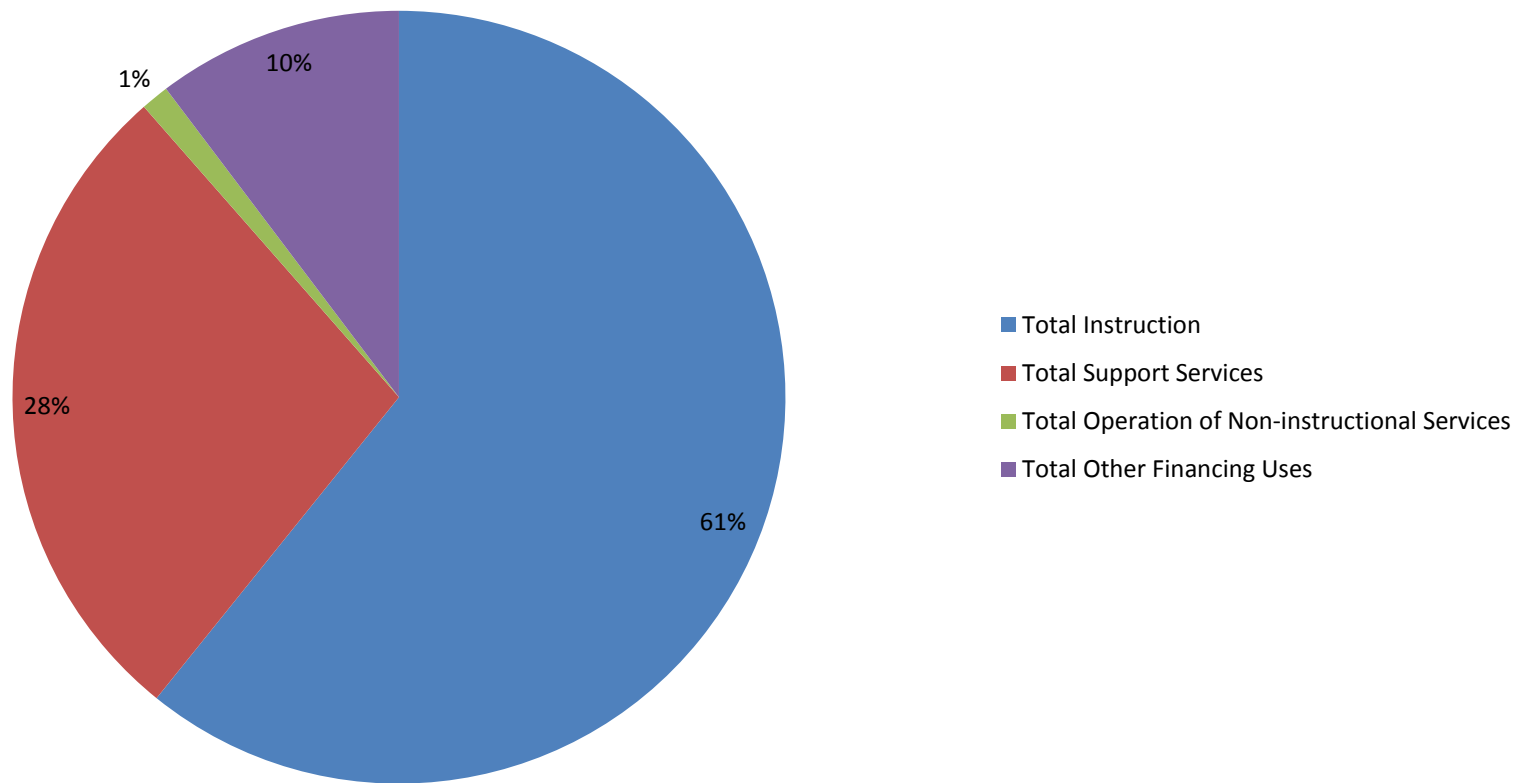
Expenditure	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final	Variance
3200 Student Activities	\$1,611,939	\$1,426,397	\$1,431,439	(\$180,500)
3300 Community Services	89,717	96,362	96,362	6,645
Total	\$1,701,656	\$1,522,759	\$1,527,801	(\$173,855)

PDE 2028 FUNCTION SUMMARY

Other Expenditures and Financing Uses

Expenditure	2015-2016 Final	2016-2017 Preliminary	2016-2017 Final	Variance
5100 Debt Service	13,022,661	13,304,202	13,304,202	281,541
5200 Inter-fund Transfers- Out	295,000	60,000	60,000	(235,000)
5900 Budgetary Reserve	330,000	0	0	(330,000)
Total	\$13,647,661	\$13,364,202	\$13,364,202	(\$283,459)
Grand Total – All Expenditures	\$127,408,164	132,079,172	\$129,842,154	\$2,433,990

Expenditures by Function



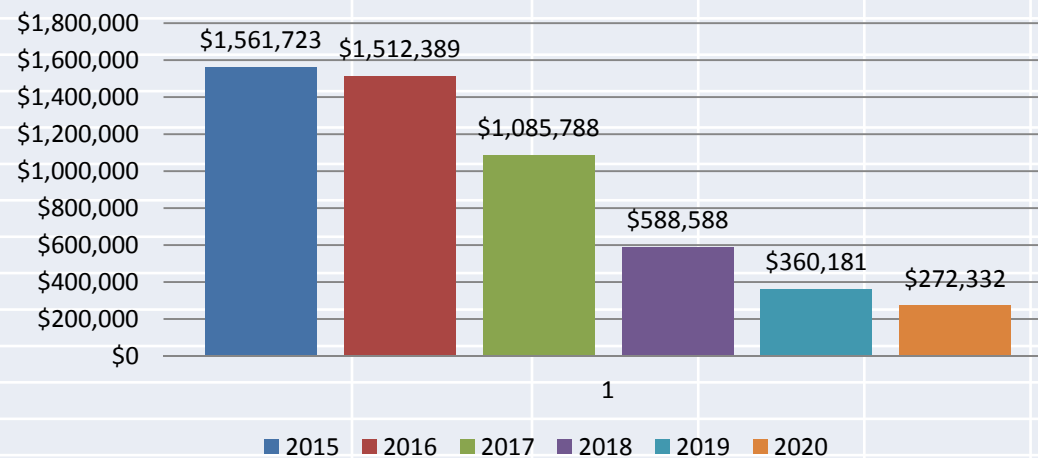
GENERAL FUND FUND BALANCE

Classification	FYE 2015 Actual	FYE 2016 Projected
COMMITTED:		
Financial Software	\$ 15,986	\$ 15,986
Transportation	295,000	0
Future retirement rate increase	8,609,632	6,041,781
Non routine maintenance	330,000	0
Technology initiatives	250,000	0
UNASSIGNED	7,261,334	7,261,334
TOTAL FUND BALANCES	\$16,761,952	\$13,319,101
Assumes fund balance used to cover 2015-2016 budget deficit		

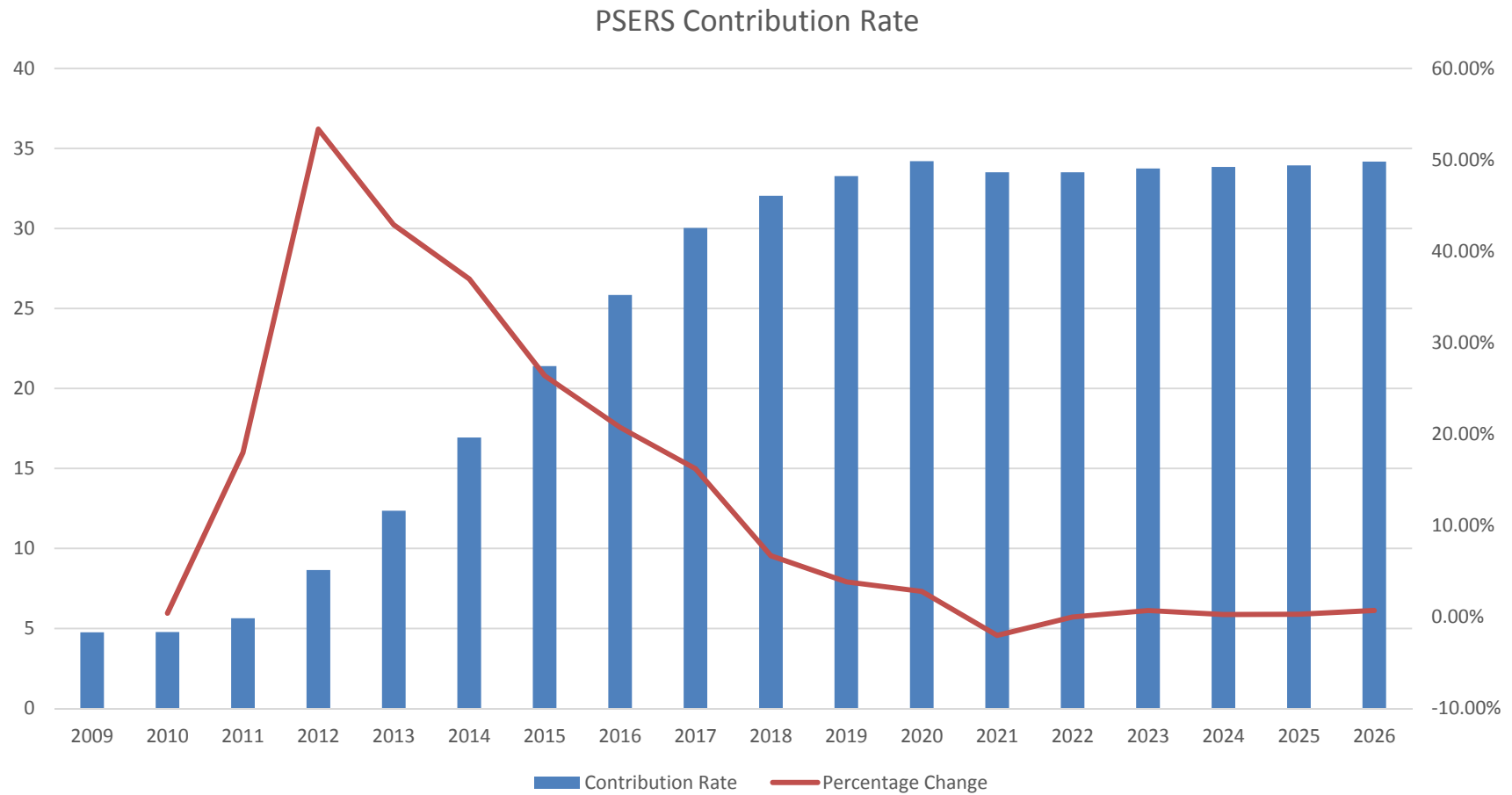
PSERS RATES

PSERS RATES			**	**	**	**
Year Ending	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Rate	21.40%	25.84%	30.03%	32.04%	33.27%	34.20%
% Increase	26.40%	20.75%	16.22%	6.69%	3.84%	2.80%
Payroll (PSERS eligible)	\$57,901,964	\$59,658,667	\$58,566,016	\$58,566,016	\$58,566,016	\$58,566,016
Expense	\$12,391,020	\$15,415,800	\$17,587,375	\$18,764,552	\$19,484,914	\$20,029,577
Net Expense after State Reimbursement*	\$6,195,510	\$7,707,900	\$8,793,688	\$9,382,276	\$9,742,457	\$10,014,788
Net Increase to Budget	\$1,561,723	\$1,512,389	\$1,085,788	\$588,588	\$360,181	\$272,332
** Payroll based on 2016-2017 Budget						
* Assumes 50% reimbursement						

PSERS NET INCREASE TO BUDGET



PSERS RATES



Outstanding Considerations

- Expenditures
 - Property and General Liability Insurance – estimate budgeted
 - Medical, RX, and Stop Loss Rates – estimate budgeted
 - School Bus Funding \$700,000
 - Budgetary Reserve
- Revenues
 - State Funding for 15-16 and 16-17
 - Reserve of fund balance for school bus funding
 - Budgetary Reserve of fund balance