

# Pennridge School District 2015-2016 Budget Budget Update

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May 18, 2015

# Preliminary Budget

- Act 1 Timeline
  - Preliminary Budget Adoption: February 12, 2015
  - Changes to the preliminary budget may be made up to the budget adoption date, June 22, 2015
  - Allows board to determine if they wish to apply for eligible referendum exceptions – February 23, 2015

# 2015-2016 Budget Timeline

| Description                                                | Due Date           | Completed                                                                             |
|------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------|
| Buildings and Department develop requests                  | September-November |    |
| Personnel Budget Updated                                   | December           |    |
| Building and Department budgets reviewed by Administration | December-January   |    |
| First Look of Budget presented to board                    | January 12         |    |
| Special Finance Meeting to review preliminary budget       | February 12        |    |
| Public Display – PDE 2028 (20 days prior to adoption)      | January 13         |   |
| Board Meeting – Act 1 Index Resolution (no decision)       | January 28         |  |
| Deadline to adopt Resolution not to exceed Act 1 Index     | January 29         |  |
| 5/14/2015                                                  | 5/18/2015 R3       |                                                                                       |

# 2015-2016 Budget Timeline

| Description                                                                                                                        | Due Date    | Completed                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------|
| Publish Notice of intent to adopt 2015-2016 Preliminary Budget (10 days prior to adoption)                                         | February 2  |    |
| Finance Meeting-continued discussion and presentations                                                                             | February 2  |    |
| Special Board Meeting to Adopt Preliminary Budget if resolution is not passed by January 29, 2015                                  | February 12 |    |
| Deadline to publish notice in newspaper of intent to request approval from PDE for a referendum exception (1 week prior to filing) | February 26 |    |
| Budget Discussions                                                                                                                 | March -June |                                                                                       |
| Deadline to request approval from PDE of referendum exceptions (decision no later than February 23 Board meeting)                  | March 5     |  |

# 2015-2016 Budget Timeline

| Description                                                                                                                                                                                         | Due Date     | Completed                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------|
| Deadline for PDE to notify school districts that submitted 2015-16 preliminary budget whether the proposed tax rates are equal to or less than their index                                          | March 5      |  |
| Finance Meeting/Budget Update                                                                                                                                                                       | March 9      |  |
| 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 20     | N/A                                                                                 |
| Deadline for PDE to issue ruling on school district's petition for referendum exception                                                                                                             | March 25     |  |
| 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 30     | N/A                                                                                 |
| 5/14/2015                                                                                                                                                                                           | 5/18/2015 R3 |                                                                                     |

# 2015-2016 Budget Timeline

| Description                                                                                                | Due Date | Completed                                                                           |
|------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------|
| Finance Meeting/Budget Update                                                                              | April 13 |  |
| 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 4    |  |
| Proposed Final Budget Adoption<br>Resolution to Reject 2015-16 Property Tax allocation                     | May 18   |                                                                                     |
| Budget Update/Finance Meeting                                                                              | June 1   |                                                                                     |
| School district deadline to make 2015-16 proposed final budget available for public inspection on PDE 2028 | June 2   |                                                                                     |
| Advertise intent to adopt final budget (10 days prior to adoption)                                         | June 12  |                                                                                     |

# 2015-2016 Budget Timeline

| Description                                                                      | Due Date | Completed |
|----------------------------------------------------------------------------------|----------|-----------|
| Final Budget Adopted<br>Resolution implementing Homestead/Farmstead<br>exclusion | June 22  |           |
|                                                                                  |          |           |
|                                                                                  |          |           |
|                                                                                  |          |           |
|                                                                                  |          |           |
|                                                                                  |          |           |
|                                                                                  |          |           |
|                                                                                  |          |           |

# PDE Approval – Referendum Exceptions

## Revised May 4, 2015

| Expenditure                                                        | 2015-2016  |
|--------------------------------------------------------------------|------------|
| Current 2014/15 mill                                               | 129.6227   |
| Median assessed property \$30,520                                  | \$3,956.09 |
| <b><u>2015/16 Budget</u></b>                                       |            |
| Act 1 Index Mills – 1.9%                                           | 132.0855   |
| Additional Mills                                                   | 2.4628     |
| Median assessed property \$30,520                                  | \$4,031.25 |
| Impact to property owner                                           | \$75.16    |
|                                                                    |            |
| Referendum Exception                                               | 1.8524     |
| Maximum Mills                                                      | 133.9379   |
| Maximum increase (mills)                                           | 4.3152     |
| Impact to property owner of a median<br>assessed property \$30,520 | \$131.70   |
|                                                                    |            |

# 2015/2016

## 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    |
|                                       |             |

# REVENUE TO EXPENDITURE SUMMARY

## Preliminary and Proposed Final

| Classification                         | 2015-2016<br>Preliminary<br>15.5% R.E.<br>Tax Increase | 2015-2016<br>Proposed<br>Final<br>1.9% R.E.<br>Tax Increase | Variance      |
|----------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|---------------|
| Revenue                                | \$133,418,558                                          | 123,965,313                                                 | (\$9,453,245) |
| Expenditures                           | 133,419,581                                            | 127,408,164                                                 | (6,011,417)   |
| Revenue<br>over/(under<br>expenditures | (\$1,023)                                              | (\$3,442,851)                                               |               |

# PDE 2028 LOCAL REVENUE SUMMARY

| Local Revenue                                                         | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance       |
|-----------------------------------------------------------------------|--------------------------|-----------------------------|----------------|
| Real Estate Tax: Current and Interim                                  | \$88,748,573             | \$76,756,760                | (\$11,991,813) |
| Public Utility Realty Tax                                             | 110,000                  | 110,000                     | 0              |
| Payment in Lieu of Current Taxes -<br>State/Local Reimbursement       | 110,000                  | 110,000                     | 0              |
| Current Act 511 Taxes – Flat Rate and<br>Proportional Assessments     | 14,694,678               | 15,024,678                  | 330,000        |
| Delinquencies on Taxes Levied/Assessed<br>by LEA                      | 1,317,000                | 1,317,000                   | 0              |
| Earnings on Investments                                               | 100,000                  | 100,000                     | 0              |
| Revenues from District Activities                                     | 112,000                  | 112,000                     | 0              |
| Revenue from Intermediary<br>Sources/Pass-Through Funds               | 1,074,540                | 1,074,540                   | 0              |
| Rentals                                                               | 220,000                  | 220,000                     | 0              |
| Revenue from Community Service<br>Activities and Tuition from Patrons | 72,000                   | 72,000                      | 0              |
| Refunds and Other Miscellaneous<br>Revenue                            | 60,000                   | 60,000                      | 0              |
|                                                                       | \$106,618,791            | \$94,956,978                | (\$11,661,813) |

# PDE 2028 STATE REVENUE SUMMARY

| State Revenue                                                      | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance    |
|--------------------------------------------------------------------|--------------------------|-----------------------------|-------------|
| Basic Education Funding                                            | \$9,765,291              | \$9,765,291                 | \$0         |
| Tuition for Orphans and Children Placed in<br>Private Homes        | 21,000                   | 21,000                      | 0           |
| Vocational Education                                               | 3,000                    | 3,000                       | 0           |
| Special Education Funding for School Aged<br>Pupils                | 3,131,508                | 3,131,508                   | 0           |
| Transportation                                                     | 1,500,000                | 1,500,000                   | 0           |
| Rental and Sinking Fund Payments/Building<br>Reimbursement Subsidy | 700,886                  | 700,886                     | 0           |
| Health Services                                                    | 140,000                  | 140,000                     | 0           |
| State Property Tax Reduction Allocation                            | 0                        | 2,364,724                   | 2,364,724   |
| PA Accountability Grants                                           | 231,315                  | 231,315                     | 0           |
| State Share of Social Security and Medicare<br>Taxes               | 2,298,373                | 2,266,132                   | (32,241)    |
| State Share of Retirement Contributions                            | 7,763,394                | 7,639,479                   | (123,915)   |
|                                                                    | \$25,554,767             | \$27,763,335                | \$2,208,568 |

# PDE 2028 FEDERAL REVENUE SUMMARY

| Federal Revenue                                                       | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance |
|-----------------------------------------------------------------------|--------------------------|-----------------------------|----------|
| NCLB, Title II-Prep.Train & Recruit. High Qual. Teachers & Principals | \$410,000                | \$410,000                   | 0        |
| NCLB, Title III - Language Instr. For LEP and Immgrant Students       | 157,000                  | 157,000                     | 0        |
| Medical Assistance Reimbursement for Administrative Claiming          | 650,000                  | 650,000                     | 0        |
| Medical Assistance Reimbursement (ACCESS) - Early Intervention        | 28,000                   | 28,000                      | 0        |
| Total                                                                 | \$1,245,000              | \$1,245,000                 | 0        |
|                                                                       |                          |                             |          |
|                                                                       |                          |                             |          |
|                                                                       |                          |                             |          |
|                                                                       |                          |                             |          |
|                                                                       |                          |                             |          |
|                                                                       |                          |                             |          |
|                                                                       |                          |                             |          |
| 5/14/2015                                                             |                          |                             |          |

# PDE 2028 OBJECT SUMMARY

| Expenditure                     | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance      |
|---------------------------------|--------------------------|-----------------------------|---------------|
| Salaries and Benefits           | \$94,062,085             | \$89,953,753                | (\$4,108,332) |
| Purchased Professional Services | 6,857,223                | 6,677,223                   | (180,000)     |
| Purchased Property Services     | 2,677,143                | 2,641,823                   | (35,320)      |
| Other Purchased Services        | 7,982,374                | 8,049,538                   | 67,164        |
| Supplies                        | 4,612,917                | 4,617,293                   | 4,376         |
| Equipment                       | 1,921,600                | 1,233,600                   | (688,000)     |
| Fees/Interest                   | 4,194,474                | 4,113,169                   | (81,305)      |
| Principal Payments              | 9,761,765                | 9,496,765                   | (265,000)     |
| Capital Reserve                 | 1,350,000                | 295,000                     | (1,055,000)   |
| Budgetary Reserve               | 0                        | 330,000                     | 330,000       |
| Total Expenditures              | \$133,419,581            | \$127,408,164               | (\$6,011,417) |

# PDE 2028 FUNCTION SUMMARY

## Instruction

| Expenditure                                                 | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance      |
|-------------------------------------------------------------|--------------------------|-----------------------------|---------------|
| 1100 Regular Instruction –<br>Elementary/Secondary          | \$56,898,586             | \$53,672,199                | (\$3,226,387) |
| 1200 Special Programs                                       | 20,502,685               | 19,590,448                  | (912,237)     |
| 1300 Vocational Education                                   | 2,858,966                | 2,858,966                   | \$0           |
| 1400 Other Instructional Programs –<br>Elementary/Secondary | 515,683                  | 515,683                     | \$0           |
| Total 1000 Instruction                                      | \$80,775,920             | \$76,637,296                | (\$4,138,624) |

# PDE 2028 FUNCTION SUMMARY

## Support Services

| Expenditure                                        | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance    |
|----------------------------------------------------|--------------------------|-----------------------------|-------------|
| 2100 Pupil Personnel                               | \$4,801,890              | \$4,669,261                 | (\$132,629) |
| 2200 Instructional Staff                           | 3,480,471                | 3,402,519                   | (77,952)    |
| 2300 Administration                                | 7,775,504                | 7,643,896                   | (131,608)   |
| 2400 Pupil Health                                  | 1,410,032                | 1,349,840                   | (60,192)    |
| 2500 Business                                      | 810,106                  | 784,816                     | (25,290)    |
| 2600 Operations & Maintenance of<br>Plant Services | 10,015,650               | 9,775,556                   | (240,094)   |
| 2700 Student Transportation                        | 5,893,338                | 5,810,169                   | (83,169)    |
| 2800 Support Services-Central                      | 1,706,151                | 1,677,034                   | (29,117)    |
| 2900 Other Support Services                        | 308,460                  | 308,460                     | 0           |
| Total                                              | \$36,201,602             | \$35,421,551                | (\$780,051) |

# PDE 2028 FUNCTION SUMMARY

## Operation of Non-instructional Services

| Expenditure             | Preliminary<br>2015-2016 | Proposed Final<br>2015-2016 | Variance   |
|-------------------------|--------------------------|-----------------------------|------------|
| 3200 Student Activities | \$1,628,464              | \$1,611,939                 | (\$16,525) |
| 3300 Community Services | 94,629                   | 89,717                      | (\$4,912)  |
| Total                   | \$1,723,093              | \$1,701,656                 | (\$21,437) |

# PDE 2028 FUNCTION SUMMARY

## Other Expenditures and Financing Uses

| Expenditure                    | Preliminary<br>2015-2016 | Proposed<br>Final 2015-<br>2016 | Variance      |
|--------------------------------|--------------------------|---------------------------------|---------------|
| 5100 Debt Service              | 13,368,966               | 13,022,661                      | (\$346,305)   |
| 5200 Inter-fund Transfers-Out  | 1,350,000                | 295,000                         | (\$1,055,000) |
| 5900 Budgetary Reserve         | 0                        | 330,000                         | \$330,000     |
| Total                          | \$14,718,966             | \$13,647,661                    | (\$1,071,305) |
| Grand Total – All Expenditures | \$133,419,581            | 127,408,164                     | (\$6,011,417) |

# PDE 2028 FUNCTION SUMMARY

## Commitments

| Commitment              | Projected<br>End of 2014/15 | Projected<br>Use During<br>2015-2016 | Amount<br>Remaining<br>End of<br>2015/16 |
|-------------------------|-----------------------------|--------------------------------------|------------------------------------------|
| E Finance Plus          | 15,986                      | 0                                    | 15,986                                   |
| PSERS                   | 8,609,632                   | 2,567,851                            | 6,051,672                                |
| Technology              | 250,000                     | 250,000                              | 0                                        |
| Non-Routine Maintenance | 330,000                     | 330,000                              | 0                                        |
| Buses                   | 295,000                     | 295,000                              | 0                                        |
| Totals                  | \$9,500,618                 | \$3,442,851                          | \$6,067,658                              |
|                         |                             |                                      |                                          |
|                         |                             |                                      |                                          |

# PDE 2028 SUMMARY

|                                           | Projected<br>End of<br>2014/15 | Projected<br>2015-2016<br>Use | Amount<br>Remaining<br>End of<br>2015/16 |
|-------------------------------------------|--------------------------------|-------------------------------|------------------------------------------|
| Committed Fund Balance                    | \$9,500,618                    | \$3,442,851                   | \$6,057,767                              |
| Unassigned Fund Balance                   | 6,645,408                      | 0.00                          | 6,645,408                                |
| Total Estimated Beginning Fund<br>Balance | \$16,146,026                   | \$3,442,851                   | \$12,703,175                             |
| Revenues                                  |                                | 123,965,313                   |                                          |
| Less Expenditures                         |                                | 127,408,164                   |                                          |
| Sub Total                                 |                                | 0.00                          |                                          |
| Ending Committed Fund Balance             |                                | \$6,057,767                   |                                          |
| Ending Unreserved Fund Balance            |                                | \$6,645,408                   |                                          |
| Total Estimated Ending Fund Balance       |                                | \$12,703,175                  |                                          |