



2019-2020 First-Run Budget Overview

Pine Grove Area School District

Finance Committee Meeting
February 28, 2019

Pine Grove Area School District

Highlights of Preliminary Budget – 2/28/19

Revenues:

- Local Real Estate Tax Rate is budgeted the same as 2018-2019 millage – 40.75 mills
- Real Estate Collection Percentage utilized approximates 94% collection rate
- State Revenue estimated at Governor's current budget proposal
- MRS tax sales has been estimated at \$400,000 and will require further discussion
- All other revenue line items are relatively straightforward and are budgeted conservatively

Highlights of Preliminary Budget – 2/28/19

Expenditures:

- Salaries for professional and support staff are calculated based on the new contracted numbers
- Preliminary budget includes addition of 1 PIMS position, 1 Asst Principal, and 1 Social Worker
- Health Insurance is estimated at a preliminary projected increase of 8.5%
- Retirement cost at 34.29% of salaries (net cost to district is approximately 17.15% of salaries)
- Debt service payments are per debt service schedule

Highlights of Preliminary Budget – 2/28/19

Expenditures (continued):

- Capital Projects Transfer Resolution recorded at annual payment of \$49,408
- Budgeted expenditures as of 2/26/19 are first draft numbers – all “one-time” purchases have been pulled out and will be reviewed separately
- Student Accident Insurance is included in the preliminary budget at a cost of \$24,000
- Capital Projects Expenditures are not recorded in the General Fund Budget

PINE GROVE AREA SCHOOL DISTRICT

2019-2020 FIRST-RUN BUDGET

AS OF 2/28/19

ELEMENTARY SCHOOL	52,755.00
MIDDLE SCHOOL	68,760.00
HIGH SCHOOL	135,000.00
SPECIAL EDUCATION	59,955.00
CURRICULUM	183,750.00
GROUNDS	26,175.00
MAINTENANCE	653,435.00
TECHNOLOGY	417,800.00
SCHOOL SAFETY	50,000.00
MISC	3,280,140.00
ATHLETICS	206,864.00
PAYROLL	17,952,130.00
TRANSFER TO CAPITAL PROJECTS	49,408.00
DEBT SERVICE	2,032,912.50
TOTAL EXPENDITURES	\$ 25,169,084.50
LOCAL	11,828,220.00
STATE	12,392,610.00
FEDERAL	513,270.00
TOTAL REVENUES	24,734,100.00
CURRENT EXCESS (DEFICIT)	\$ (434,984.50)

PINE GROVE AREA SCHOOL DISTRICT
PRELIMINARY REVENUES
2019-2020

6111	CUR REAL ESTATE TAX	8,453,500.00	7110	BASIC EDUCATION SUBSIDY	7,088,408.00
6113	PUBIC UTIL REALTY TAX	10,500.00	7144	CHARTER SCHOOL REIMB	-
6114	PMTS IN LIEU OF TAXES	21,250.00	7160	TUITION-SEC 1306	42,000.00
6143	CUR LOCAL SVCS TAX 511	24,000.00	7271	SPEC ED FUNDING	1,091,960.00
6151	CUR EARNED INC TAX 511	1,185,000.00	7292	PRE-K PASSTHROUGH FUNDING	45,000.00
6152	CUR OCCUP TAX 511	790,000.00	7310	TRANSPORTATION -REG & ADDL	760,000.00
6153	CUR REALTY XFER TX	120,000.00	7320	RENT/SINKING FUND PYMTS	7,287.00
6211	DISCNT-REAL ESTATE TAX	-	7330	HEALTH SERVICES	28,800.00
6311	PEN & INT - REAL ESTATE TAX	-	7340	PROP TX REDUCTION ALLOC	580,000.00
6252	DISCNT - OCCUP TAX 511	-	7505	READ TO LEARN	304,380.00
6352	PEN & INT - OCCUP TAX	-	7810	STATE SHARE SOC SEC	482,050.00
6411	DELINQ REAL ESTATE TAX	400,000.00	7820	STATE SHARE RETIREMENT	1,962,725.00
6452	DELINQ OCCUP TAX 511	190,000.00			
6510	INTEREST - INVESTMTS CHKG	125,000.00			
6710	ADMISSIONS	46,000.00			12,392,610.00
6740	FEES - WOODSHOP PROJECTS	10,500.00			
6821	STATE REV-OTHR PA PUB SC (ACCES	15,000.00			
6831	FED REV-OTR PA SCHL/IU (ACHIEVE)	113,270.00	8110	PYMTS FED IMPACTED AREA	-
6832	FED IDEA-VIA IU 29	236,200.00	8390	RETRICTED RED GRATS	59,050.00
6910	RENTALS	12,000.00	8514	TITLE I	365,975.00
6920	CONTRIBUTIONS/DONATIONS	4,000.00	8515	TITLE II	57,620.00
6941	TUITION-REG DAY SCHOOL	-		TITLE IV	28,125.00
6942	TUITION - SUMMER SCHOOL	-	8810	ACCESS-MEDICAID REIMB	2,500.00
6943	TUITION - ADULT EDUCATION	-	9351	FOOD SERVICE FUND XFERS	-
6944	TUITION - OTR PA LEA	45,000.00			
6991	REFUND PRIOR YR EXPEND	-			
6999	OTHER MISC REVENUES	22,000.00			513,270.00
6999	Proposed Refund from LV Network	5,000.00			
		11,828,220.00			

Revenue Generated by Increasing
Millage to Index
For the 2019-2020 Budget Year

Assessed Values - 2019				235,336,200
Current millage rate				40.75000
Revenue at 100% collection				9,589,950
Assessed values for 2019				235,336,200
Millage adding 3.2% for index				42.054
	40.7500		1.304	
	3.200%			
Revenue at 100% collection				9,896,829
Revenue generated from increasing millage by 3.2% index				306,878

PGASD Millage Options for the 2019-2020 School Year

			New Millage Rate	Addl Revenue Generated				
		Current Millage	40.750					
		Full Index (1.304 Mills)	42.054	306,878	* 94% = \$288,465			
		1.00 mill	41.750	235,336	* 94% = \$221,215			
		.85 mill	41.600	200,036	* 94% = \$188,030			
		.75 mill	41.500	176,502	* 94% = \$165,910			
		.50 mill	41.250	117,668	* 94% = \$110,605			
		.25 mill	41.000	58,834	* 94% = \$55,300			
	2019 Median Home Values	Current Millage 40.75 Mills	Full Index (1.304 Mill)	1.0 Mill	.85 Mill	.75 Mill	.50 Mill	.25 Mill
Frailey Township	\$ 10,960	446.62	14.29	10.96	9.32	8.22	5.48	2.74
Pine Grove Township	\$ 42,005	1711.70	54.77	42.00	35.70	31.50	21.00	10.50
Tremont Township	\$ 24,735	1007.95	32.25	24.73	21.02	18.55	12.37	6.18
Washington Township	\$ 48,325	1969.24	63.02	48.33	41.08	36.24	24.16	12.08
Pine Grove Borough	\$ 25,003	1018.87	32.60	25.00	21.25	18.75	12.50	6.25
Tremont Borough	\$ 15,535	633.05	20.26	15.54	13.20	11.65	7.77	3.88

**2019-2020
Budget -
Current Fund
Balance
Consideration**

PINE GROVE AREA SCHOOL DISTRICT	
ASSIGNMENT AND COMMITMENT OF FUND BALANCE	
AS OF 6/30/18	
Currently:	
FUND BALANCES	
Restricted	-
Committed	4,022,000
Assigned	1,670,827
Unassigned	818,197
TOTAL FUND BALANCES	\$ 6,511,024
Recommended for Board Approval:	
FUND BALANCES	
Restricted	-
Committed for:	
Curriculum Development	350,000
Technology	600,000
Capital Projects	3,072,000
Unassigned	1,203,626
Assigned	1,285,398
TOTAL FUND BALANCES	\$ 6,511,024

**PINE GROVE AREA SCHOOL DISTRICT
FIVE YEAR PROJECTION - REVENUES AND EXPENDITURES**

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
DESCRIPTION	Actual	Actual	Budget	Prelim Budget	Projected	Projected	Projected	Projected	Notes
SALARIES & BENEFITS	15,886,504	16,191,507	16,584,338	17,952,130	18,670,215	19,417,024	20,193,705	21,001,453	assumes 4% increase annually
ELEMENTARY SCHOOL	82,826	52,985	50,565	52,755	53,810	54,886	55,984	57,104	assumes 2% increase annually
MIDDLE SCHOOL	54,282	55,712	60,735	68,760	70,135	71,538	72,969	74,428	assumes 2% increase annually
HIGH SCHOOL	119,884	156,468	149,974	135,000	137,700	140,454	143,263	146,128	assumes 2% increase annually
SPECIAL EDUCATION	56,152	67,616	62,650	59,955	62,353	64,847	67,441	70,139	assumes 4% increase annually
CURRICULUM	21,407	62,050	184,500	183,750	100,000	100,000	150,000	150,000	
GROUNDS	24,401	22,448	26,675	26,175	26,437	26,701	26,968	27,238	assumes 1% increase annually
MAINTENANCE	615,462	621,887	639,826	653,435	666,504	679,834	693,430	707,299	assumes 2% increase annually
TECHNOLOGY	261,931	268,657	397,800	417,800	426,156	434,679	443,373	452,240	assumes 2% increase annually
SCHOOL SAFETY	-	-	50,000	50,000	50,000	50,000	50,000	50,000	
ATHLETICS	137,215	111,379	206,033	206,864	211,001	215,221	219,526	223,916	assumes 2% increase annually
MISC	5,571,614	4,650,431	3,410,717	3,280,140	3,378,544	3,479,901	3,584,298	3,691,826	assumes 3% increase annually
CONTINGENCY	-	-	169,268	-	-	-	-	-	
TRANSFER TO CAPITAL PROJ	49,408	49,408	49,408	49,408	49,408	49,408	49,408	49,408	based on capital project transfer
DEBT SERVICE	2,018,415	2,029,538	2,030,038	2,032,913	2,034,137	2,033,135	2,031,465	1,495,765	based on actual amortization sch
TOTAL EXPENSES	\$ 24,899,501	\$ 24,340,086	\$ 24,072,527	\$ 25,169,085	\$ 25,936,401	\$ 26,817,628	\$ 27,781,829	\$ 28,196,945	
REVENUES									
LOCAL	10,917,783	11,637,334	11,639,484	11,828,220	12,183,067	12,548,559	12,925,015	13,312,766	assumes 3% increase annually
STATE	11,805,860	11,955,707	11,970,793	12,392,610	12,764,388	13,147,320	13,541,740	13,947,992	assumes 3% increase annually
FEDERAL	406,119	519,082	462,250	513,270	518,403	523,587	528,823	534,111	assumes 1% increase annually
TOTAL REVENUES	\$ 23,129,762	\$ 24,112,123	\$ 24,072,527	\$ 24,734,100	\$ 25,465,858	\$ 26,219,465	\$ 26,995,577	\$ 27,794,868	
INCREASE OR (DEFICIT)	\$ (1,769,739)	\$ (227,963)	\$ -	\$ (434,985)	\$ (470,543)	\$ (598,163)	\$ (786,252)	\$ (402,076)	
FUND BALANCE	8,508,726	6,738,987	6,511,024	6,511,024	6,076,039	5,605,496	5,007,333	4,221,081	
ENDING FUND BALANCE	\$ 6,738,987	\$ 6,511,024	\$ 6,511,024	\$ 6,076,039	\$ 5,605,496	\$ 5,007,333	\$ 4,221,081	\$ 3,819,005	
* This amount includes \$2,306,206 of HVAC/Capital Project expenditures during the 2016-17 school year									
** This amount includes \$1,083,310 of HVAC/Capital Project expenditures during the 2017-18 school year									
Total Amount Coming Out of Fund Balance Over 5 Years						(2,692,018.52)			

PGASD - Outstanding Debt (Bonds) as of 2/28/2019			
Year Ending June 30,	GO Bond Series of 2012	GO Bond Series of 2015	Total
2020	\$ 1,911,060.00	\$ 121,852.00	\$ 2,032,912.00
2021	1,913,110.00	121,027.00	2,034,137.00
2022	1,913,070.00	120,065.00	2,033,135.00
2023	307,500.00	1,723,965.00	2,031,465.00
2024-2025	0.00	1,495,765.00	1,495,765.00
Total	6,044,740.00	3,582,674.00	9,627,414.00
Less: Interest	(497,250.00)	(360,202.00)	(857,452.00)
Outstanding Principal	\$ 5,547,490	\$ 3,222,472	\$ 8,769,962

Pine Grove Area School District Areas to be Revisited to Close Deficit

- Millage increase? Note that one mill increase will not cover preliminary deficit
- MRS tax sale – gradual withdrawal or one-time hit to fund balance
- Current High School budget number of \$135,000 is a general reduction of initial \$241,362
- Discontinue or Retain Student Accident Insurance
- Open discussion - board requests on where to further reduce/explore