

*Please remember to sign the Visitor's Register – Thank you.*

**Budget Workshop I Agenda  
Monday, March 11, 2019  
7:30 P.M. – CHS Cafeteria**

- 1. Welcome – Rev. Scott Dorsey, School Board President**
- 2. 2019-20 Preliminary Budget Summary and Revised.....2**
- 3. District Enrollment and Staffing**
  - a. History and Trends .....5**
  - b. 2019-20 Budget .....8**
  - c. Summary .....10**
- 4. 2019-20 Revenue Budget Development**
  - a. Summary.....11**
  - b. Analysis.....12**
    - i. Local Revenue and Economic Impact.....14**
    - ii. State and Federal Revenue .....22**
    - iii. Governor's Proposed Budget .....36**
  - c. Act 1 Index and Referendum Exceptions .....37**
  - d. Budget Impact Strategies .....48**
  - e. Projection Models and Fund Balance .....53**
  - f. Key Dates .....67**
- 5. Public Comment**
- 6. Adjournment**
- 7. Future Meeting**
  - a. The next Budget Workshop meeting will be held on Monday, April 8, 2019  
at 7:30 p.m. at the CHS Cafeteria**

# Tredyffrin/Easttown School District

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FY 2019 - 20 Budget Development

**Budget Workshop I**  
**March 11, 2019**

# FY 2019-20 Preliminary Budget (Approved 1/28/19)

(Act 1 Index of 2.3% and Referendum Exceptions of 3.664%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	<b>Estimated Property Tax Revenue from:</b>	
4	Act 1 Index of 2.3%	\$2,581,592
5	*ERC Referendum Exception of .022%	\$24,574
6	*Special Education Referendum Exception of 3.642%	\$4,088,232
7	<b>Projected Budget Deficit</b>	<b>(\$4,252,944)</b>

\*Total Estimated Referendum Exceptions for 2019-20  
 Employer Retirement Contributions of \$24,574 (or .022%)  
 Special Education Expenditures of \$4,088,232 (or 3.642%)

# FY 2019-20 REVISED Preliminary Budget

(Act 1 Index of 2.3% and Referendum Exceptions of 3.664%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	<u>Estimated Property Tax Revenue from:</u>	
4	Act 1 Index of 2.3%	\$2,581,592
5	*ERC Referendum Exception of .022%	\$24,574
6	*Special Education Referendum Exception of 3.642%	\$4,088,232
7	<b>Projected Budget Deficit</b>	<b>(\$4,252,944)</b>
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$2,452,000
10	<b>Projected Budget Deficit</b>	<b>(\$600,944)</b>

\*Total Estimated Referendum Exceptions for 2019-20  
 Employer Retirement Contributions of \$24,574 (or .022%)  
 Special Education Expenditures of \$4,088,232 (or 3.642%)

# FY 2019-20 REVISED Preliminary Budget Summary

Draft

1		Preliminary Budgeted Revenue	\$142,950,951	
2		Budgeted Tax Rate Increase (Act 1 Index)	\$2,581,592	2.3%
3		Budgeted Tax Rate Increase (PSERS Exception)	\$24,574	0.022%
4		Budgeted Tax Rate Increase (Special Education Exception)	\$4,088,232	3.642%
5		Total Preliminary Budgeted Revenue	<u>\$149,645,349</u>	
6		Total Budgeted "Anticipated" Spending	\$150,246,293	
7		Balance	<u>(\$600,944)</u>	Satisfied with General Fund Balance Contribution
8		*Budgetary Reserve/Contingency	\$3,700,000	General Fund Balance Commitment
9		Total Budgeted "Authorized" Spending	<u>\$153,946,293</u>	Preliminary Budget
		<u>*Budgetary Reserve/Contingency</u>		
10		Operating (1.0%)	\$1,550,000	
11		Capital Fund Transfer	\$1,200,000	
12		Revenue Projection Shortfall	\$350,000	
13		Special Education	\$600,000	
14		Total Budgetary Reserve/Contingency	<u>\$3,700,000</u>	

# October 1<sup>st</sup> Enrollment History

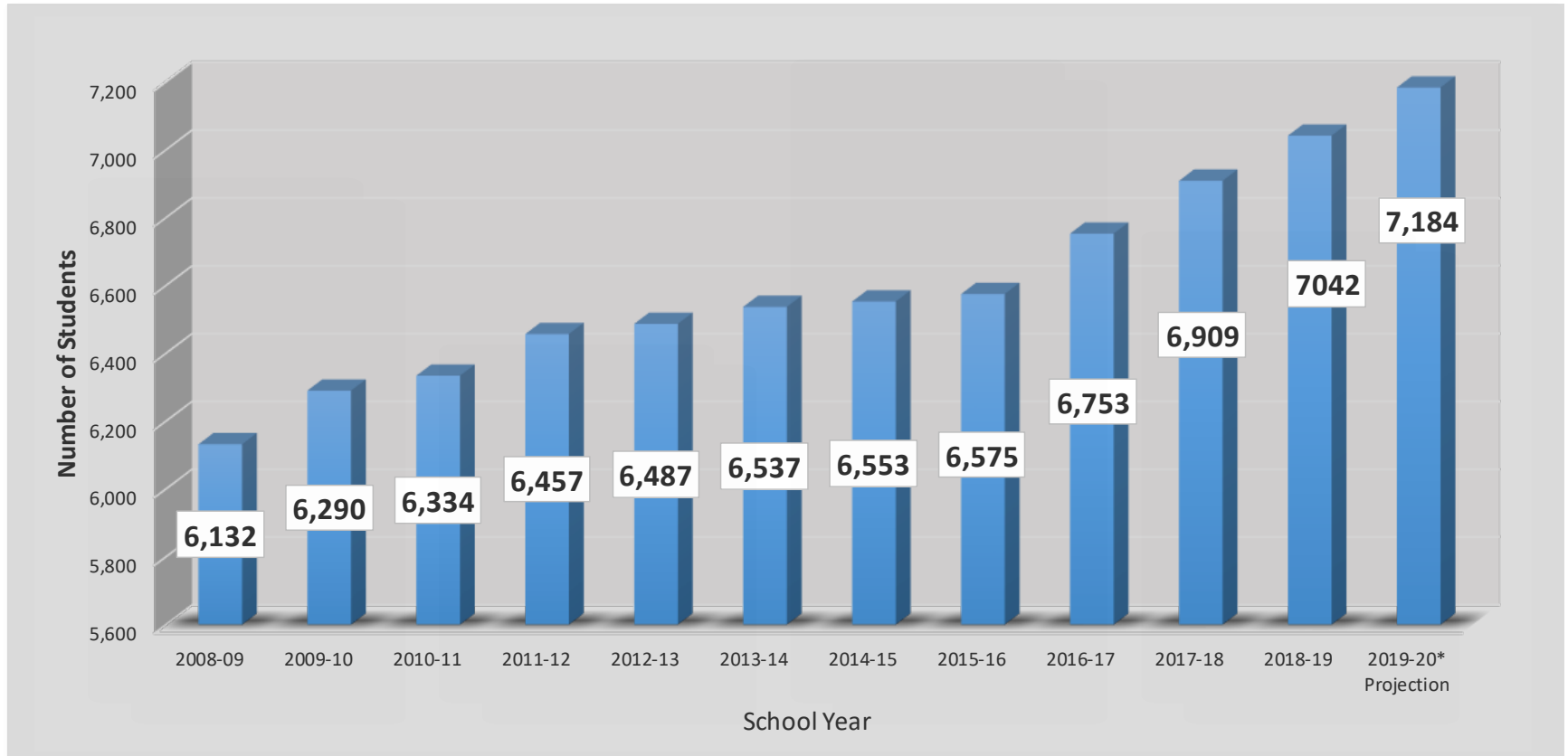
	<u>Year</u>	<u>Enrollment</u>	<u>Year</u>	<u>Enrollment</u>
1	1975	6,497	1997	4,854
2	1976	6,160	1998	5,086
3	1977	5,839	1999	5,224
4	1978	5,544	2000	5,386
5	1979	5,258	2001	5,539
6	1980	5,036	2002	5,655
7	1981	4,790	2003	5,726
8	1982	4,465	2004	5,800
9	1983	4,360	2005	5,891
10	1984	4,310	2006	6,013
11	1985	4,357	2007	6,097
12	1986	4,369	2008	6,132
13	1987	4,023	2009	6,290
14	1988	4,095	2010	6,334
15	1989	3,990	2011	6,457
16	1990	4,022	2012	6,487
17	1991	4,080	2013	6,537
18	1992	4,125	2014	6,553
19	1993	4,257	2015	6,575
20	1994	4,337	2016	6,753
21	1995	4,543	2017	6,909
22	1996	4,673	2018	7,042

# Enrollment Trends 2009 to Present

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	*Projected 2019-2020	Change from 2009	% Change from 2009
<b>Elementary Schools</b>	2,320	2,292	2,343	2,336	2,402	2,424	2,425	2,432	2,401	2,502	2,519	199	8.6%
<b>Middle Schools</b>	1,978	2,025	2,061	2,095	2,081	2,078	2,084	2,180	2,303	2,323	2,398	420	21.2%
<b>High School</b>	1,992	2,017	2,053	2,056	2,054	2,051	2,066	2,141	2,205	2,217	2,267	275	13.8%
<b>Total</b>	<b>6,290</b>	<b>6,334</b>	<b>6,457</b>	<b>6,487</b>	<b>6,537</b>	<b>6,553</b>	<b>6,575</b>	<b>6,753</b>	<b>6,909</b>	<b>7,042</b>	<b>7,184</b>	<b>894</b>	<b>14.2%</b>

\* Source: Sundance Associates

# Enrollment History 2008 to Present



\* Source: Sundance Associates



# Changes to Professional Staffing from FY18-19 Actual to FY19-20 Budget

	A	B	C	D
	Core	Special Education	Other Areas	Total
<b>Elementary Schools</b>	4.0	2.0	0.5	6.5
<b>Middle Schools</b>	3.2	2.0	2.9	8.1
<b>High School</b>	2.4	1.0		3.4
<b>District-wide</b>		1.0		1.0
<b>District Total</b>	9.6	6.0	3.4	19.0

# Budgeted Professional Staffing 2019-20

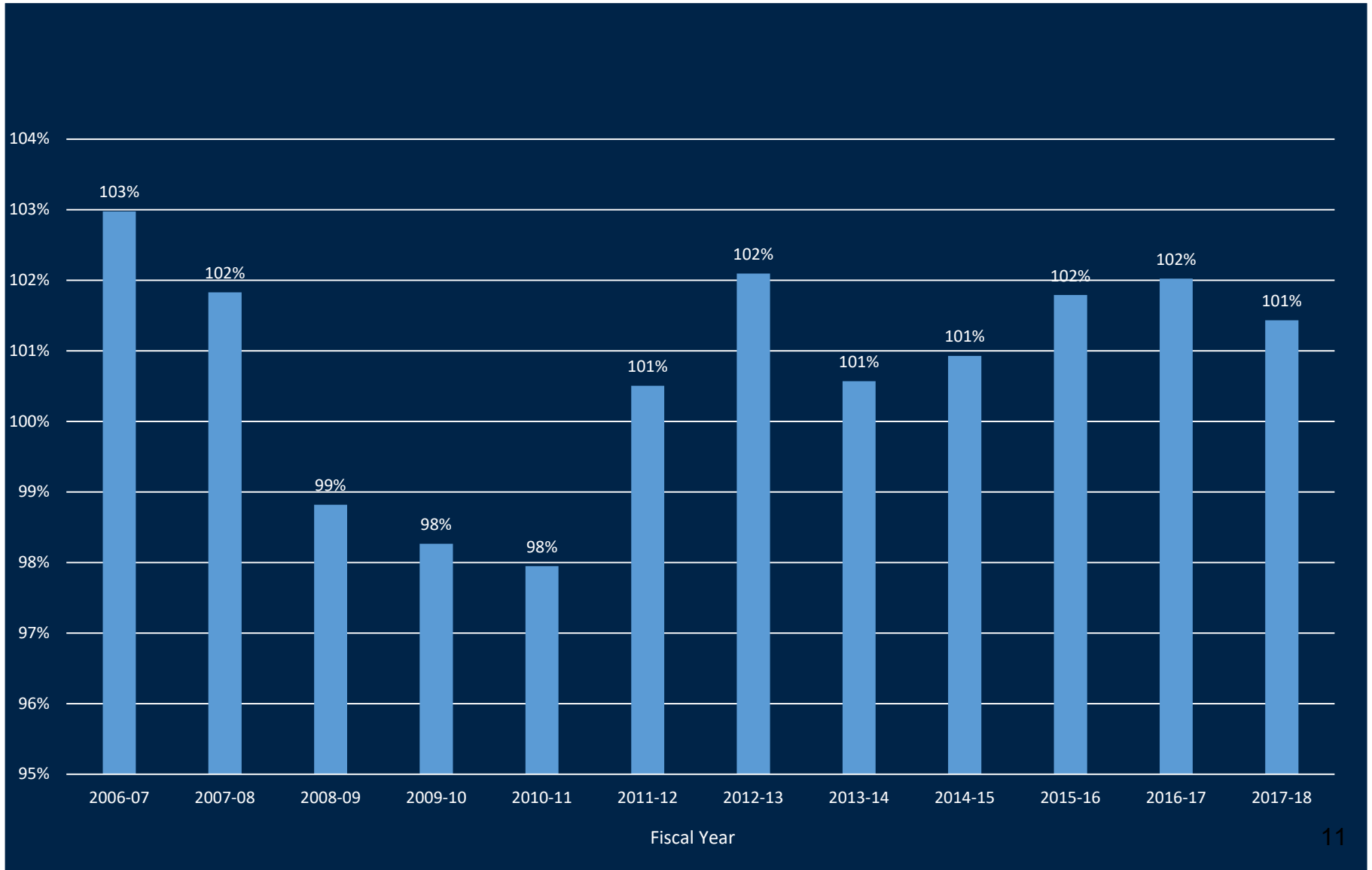
	A	B	C
	Actual 2018-19 FTE	Budgeted 2019-20 FTE	Change
<b>Elementary Schools</b>	174.1	180.6	6.5
<b>Middle Schools</b>	160.8	168.9	8.1
<b>High School</b>	148.1	151.5	3.4
<b>*District-wide</b>	6.7	7.7	1.0
<b>District Total</b>	489.7	508.7	19.0

\* Includes Mental Health Specialists, Mandated Non-public School Nurses, and Teachers on Special Assignment

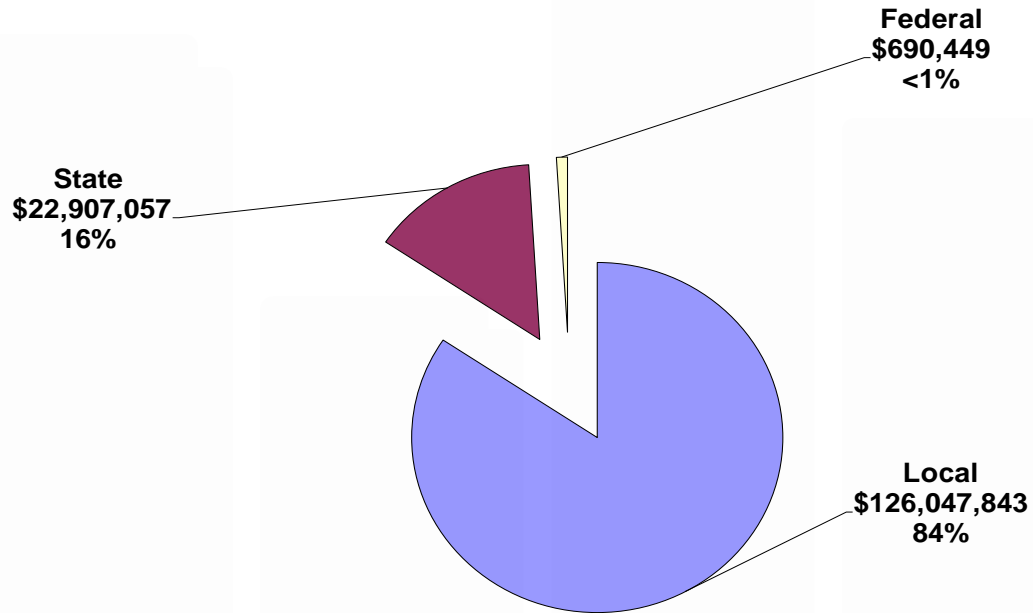
# Staffing Summary 2008 to 2019 (FTE's)

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Budget 2019-20	FTE Chg 2018-19	FTE Chg from 2008	% Chg from 2008
1	Professional (TEEA)	496	486.4	457.2	436.3	440.1	450.5	454.5	466.2	474.6	485.3	489.7	508.7	19	12.7	2.6%
2	Administration	32	31	28	28	27	28	28	29	30	30	30	30	0	-2	-6.3%
3	Suprvr/Confid	29.56	28.56	27	26	26	27	28	31.69	31.69	31.69	31.69	32.5	0.81	2.94	9.9%
4	Secretarial	53.8	52.56	51.62	49.62	46.44	46.71	46.71	48.88	48.69	48.69	48.69	49.69	1	-4.11	-7.6%
5	Custodial	49.5	49.5	49.5	49.5	49.5	49.5	49.5	49.5	49.5	50	50	50	0	0.5	1.0%
6	Maintenance	16	15	15	15	15	15	15	15	15	15	15	15	0	-1	-6.3%
7	Security	6.5	6.5	6.5	6.5	6.5	7.5	7.5	7.5	7.5	7.5	7.5	9.5	2	3	46.2%
8	Transportation	2.69	1	1	1	1	1	1	0	0	0	0	0	0	-2.69	-100.0%
9	Food Service	32.29	32.51	32.51	32.26	32.09	32.4	32.4	32.4	32.4	32.4	32.4	32.4	0	0.11	0.3%
10	Health Room Nurses	4.79	4.54	4.41	4.41	4.03	4.03	4.03	4.03	3.75	3.75	3.75	3.75	0	-1.04	-21.7%
11	Reg Ed Aides/Paras	66.78	62.94	52.28	52.28	53.77	53.31	54	29.53	25.43	25.43	19.31	14.525	-4.785	-52.255	-78.2%
12	Spec Ed Paras	76.57	80.3	80.3	80.3	80.3	77.8	77.8	38.47	34.32	34.32	28.25	21.59	-6.66	-54.98	-71.8%
13	<b>TOTAL</b>	866.48	850.81	805.32	781.17	781.73	792.75	798.44	752.2	752.88	764.08	756.29	767.655	11.365	-98.825	-11.4%

# Budgeted Revenue Collection



# 2019-20 Budgeted Total Revenue



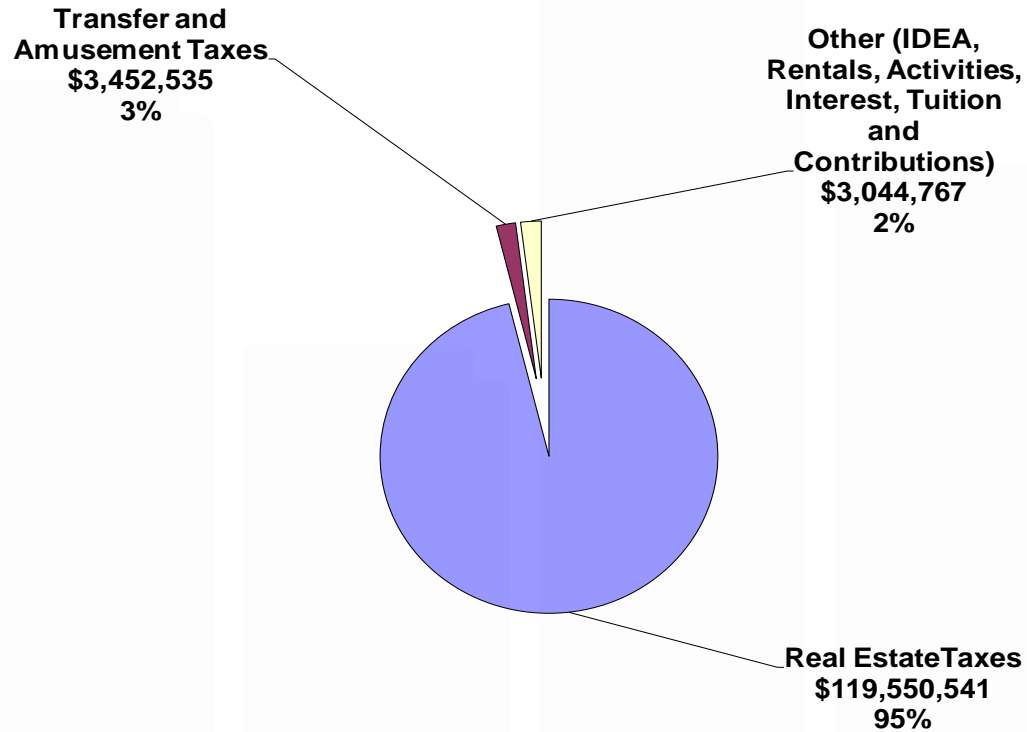
# Revenue and Variances Summary

Draft

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
		<b>Budget</b>	<b>Projection</b>	<b>Prelim Budget</b>	<b>Variance - \$</b>	<b>Variance - %</b>
	<b><u>Revenue Source</u></b>	<b><u>2018-2019</u></b>	<b><u>2018-2019</u></b>	<b><u>2019-2020</u></b>	<b><u>(C - B)</u></b>	<b><u>(D / B)</u></b>
1	<b>Local</b>	<b>\$118,068,353</b>	<b>\$118,700,518</b>	<b>\$126,047,843</b>	<b>\$7,347,325</b>	<b>6.2%</b>
2	<b>State</b>	<b>\$12,315,599</b>	<b>\$12,423,319</b>	<b>\$12,446,762</b>	<b>\$23,443</b>	<b>0.2%</b>
3	<b>PSERS State Subsidy</b>	<b>\$9,729,438</b>	<b>\$9,729,438</b>	<b>\$10,460,295</b>	<b>\$730,857</b>	<b>7.5%</b>
4	<b>Federal</b>	<b>\$729,740</b>	<b>\$729,740</b>	<b>\$690,449</b>	<b>(\$39,291)</b>	<b>-5.4%</b>
5	<b>Total Revenues</b>	<b>\$140,843,130</b>	<b>\$141,583,015</b>	<b>\$149,645,349</b>	<b>\$8,062,334</b>	<b>5.7%</b>

# 2019-20 Budgeted Local Revenue

Draft



# Local Revenue Assumptions

	<u>Local Revenue</u>	
6111	Current Real Estate Revenue	Latest County assessment values including interims & losses from appeals
6111	Current Real Estate Revenue	Act 1 Index of 2.3%, Referendum Exceptions of 3.664%
6112	Interim Tax	Average of the previous three years actual
6113	Public Utility Tax	Average of the previous seven years actual
6153	Transfer Tax	Average of the previous three years actual
6154	Amusement Tax	Average of the previous seven years actual
6400	Delinquent Tax	Average of the previous three years actual
6500	Earnings on Investments	Available reserves and float for projected cash flow at 2.0% ROR
6700	Parking Revenue	Sale of all available passes
6800	Revenue from IU - IDEA Federal Funds	Average of the previous seven years actual
6910	Rentals	Average of the previous seven years actual
6920	Contribution & Donation Private Sources	Average of the previous seven years actual
6940	Tuition from Patrons	Average of the previous seven years actual
6990	Student Activities Revenue	Average of the previous seven years actual
6990	Miscellaneous Revenue	Average of the previous seven years actual



# Local Revenue and Variances

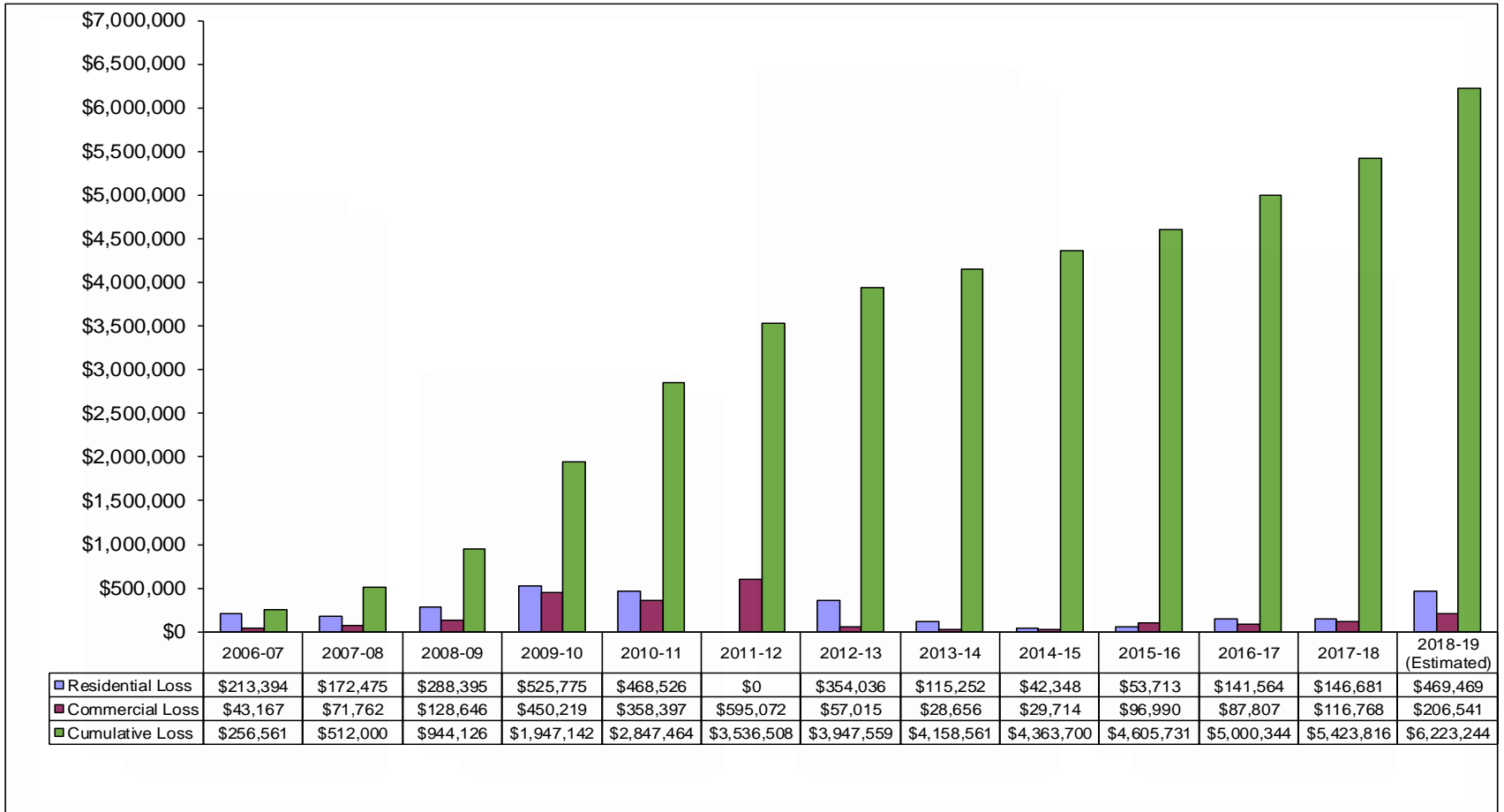
Draft

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
		Budget	Projection	Prelim Budget	Variance - \$	Variance - %
	<u>Local Revenue</u>	2018-2019	2018-2019	2019-2020	(C - B)	(D / B)
6111	Current Real Estate Revenue	\$110,691,836	\$110,691,836	\$117,803,458	\$7,111,622	6.4%
6112	Interim Tax	\$578,497	\$778,497	\$668,587	(\$109,910)	-14.1%
6113	Public Utility Tax	\$114,490	\$114,490	\$112,983	(\$1,507)	-1.3%
6153	Transfer Tax	\$3,169,543	\$3,169,543	\$3,425,003	\$255,460	8.1%
6154	Amusement Tax	\$27,703	\$27,703	\$27,532	(\$171)	-0.6%
6400	Delinquent Tax	\$1,009,919	\$959,919	\$965,513	\$5,594	0.6%
6500	Earnings on Investments	\$569,031	\$1,119,031	\$1,173,221	\$54,190	4.8%
6700	Parking Revenue	\$54,000	\$54,000	\$54,000	\$0	0.0%
6800	IU - IDEA Federal Funds	\$788,706	\$788,706	\$802,881	\$14,175	1.8%
6910	Rentals	\$623,536	\$623,536	\$636,308	\$12,772	2.0%
6920	Contribution & Donations	\$67,835	\$0	\$0	\$0	-
6940	Tuition from Patrons	\$7,935	\$7,935	\$0	(\$7,935)	-100.0%
6990	Student Activities Revenue	\$176,684	\$176,684	\$173,996	(\$2,688)	-1.5%
6990	Miscellaneous Revenue	\$188,638	\$188,638	\$204,361	\$15,723	8.3%
	<b>Total</b>	<b>\$118,068,353</b>	<b>\$118,700,518</b>	<b>\$126,047,843</b>	<b>\$7,347,325</b>	<b>6.2%</b>

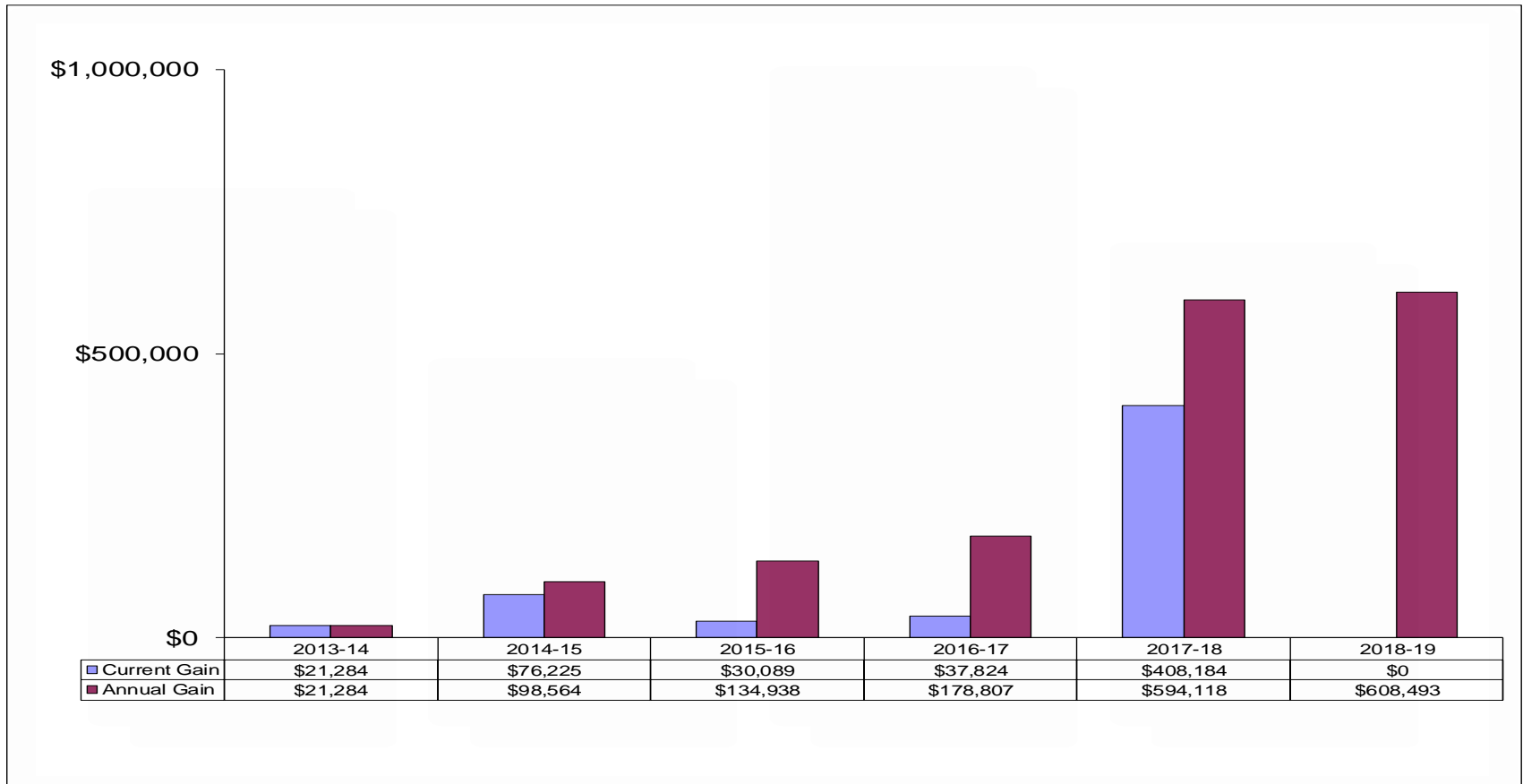
# Local Revenue

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projection</b>	<b>Prelim Budget</b>
	<b>Local Revenue</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
6111	Current Real Estate Revenue	\$97,226,500	\$101,737,051	\$106,436,005	\$110,691,836	\$117,803,458
6112	Interim Tax	\$604,219	\$663,071	\$738,471	\$778,497	\$668,587
6113	Public Utility Tax	\$109,405	\$109,011	\$105,740	\$114,490	\$112,983
6153	Transfer Tax	\$3,801,093	\$3,458,333	\$3,015,583	\$3,169,543	\$3,425,003
6154	Amusement Tax	\$31,195	\$30,760	\$24,575	\$27,703	\$27,532
6400	Delinquent Tax	\$996,433	\$972,332	\$927,774	\$959,919	\$965,513
6500	Earnings on Investments	\$271,617	\$506,879	\$1,032,459	\$1,119,031	\$1,173,221
6700	Parking Revenue	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000
6800	IU - IDEA Federal Funds	\$780,285	\$859,434	\$871,816	\$788,706	\$802,881
6910	Rentals	\$581,768	\$563,878	\$592,095	\$623,536	\$636,308
6920	Contribution & Donations	\$410	\$62,784	\$70	\$0	\$0
6940	Tuition from Patrons	\$0	\$0	\$0	\$7,935	\$0
6990	Student Activities Revenue	\$146,396	\$191,014	\$149,777	\$176,684	\$173,996
6990	Miscellaneous Revenue	\$163,732	\$307,120	\$242,221	\$188,638	\$204,361
	<b>Total</b>	<b>\$104,767,053</b>	<b>\$109,515,667</b>	<b>\$114,190,586</b>	<b>\$118,700,518</b>	<b>\$126,047,843</b>

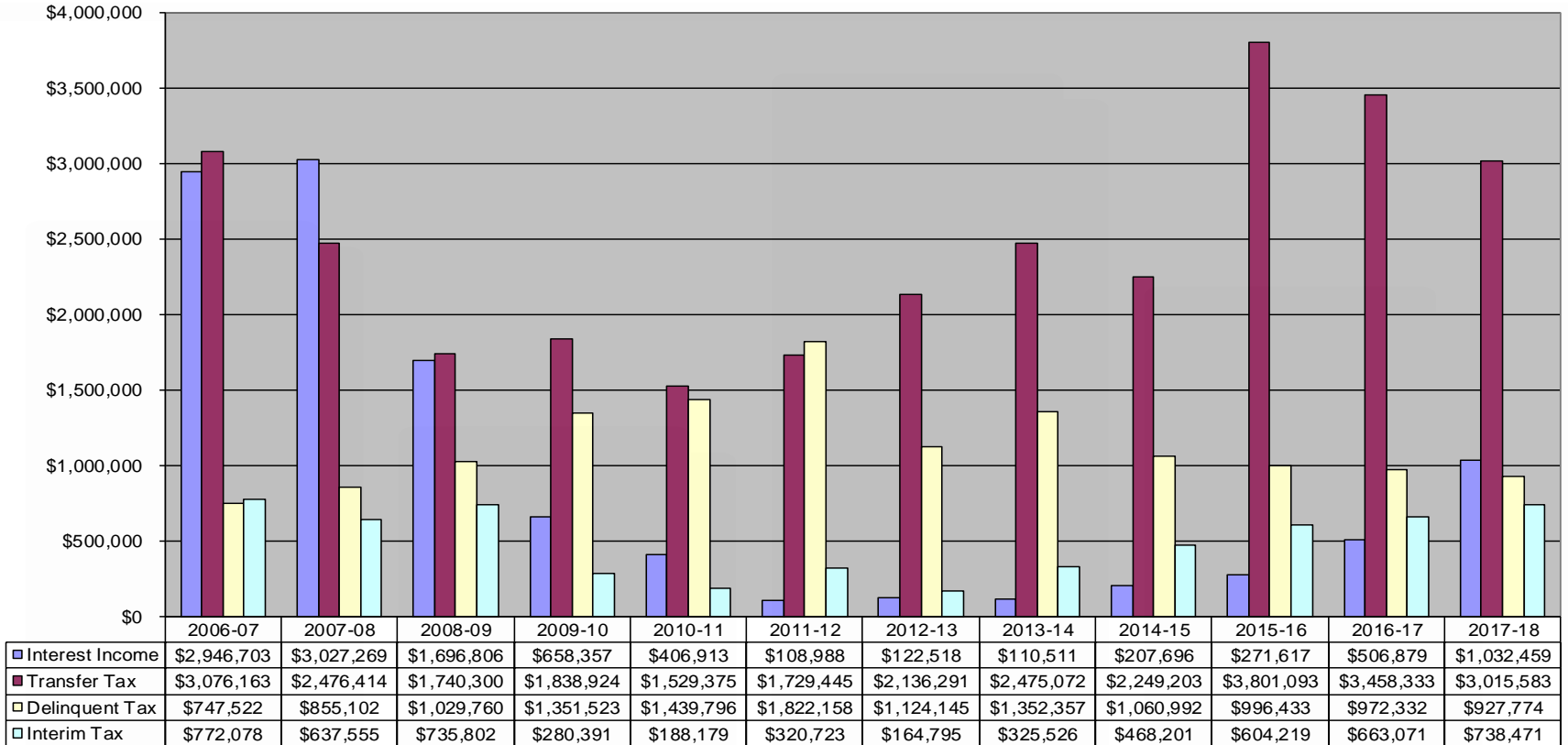
# Property Tax Revenue Lost from Assessment Appeals Draft



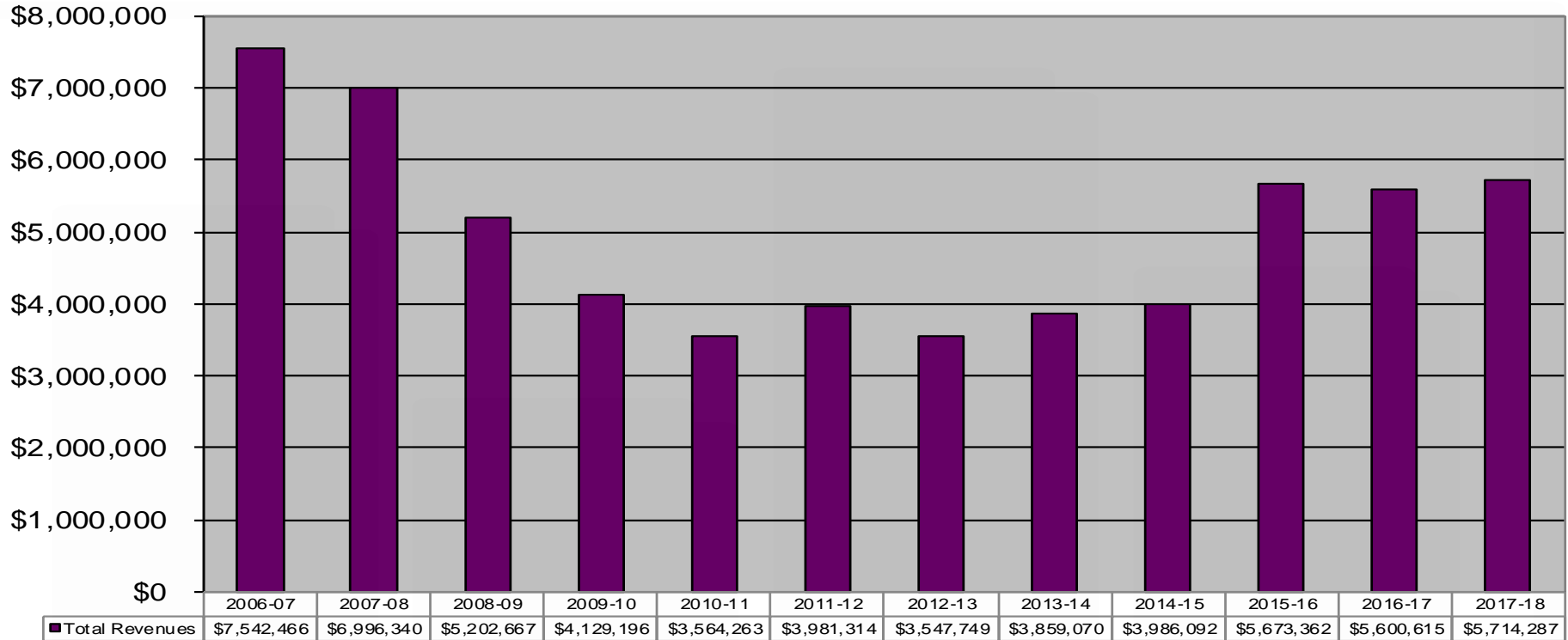
# Property Tax Revenue Gain from Assessment Appeals **Draft**



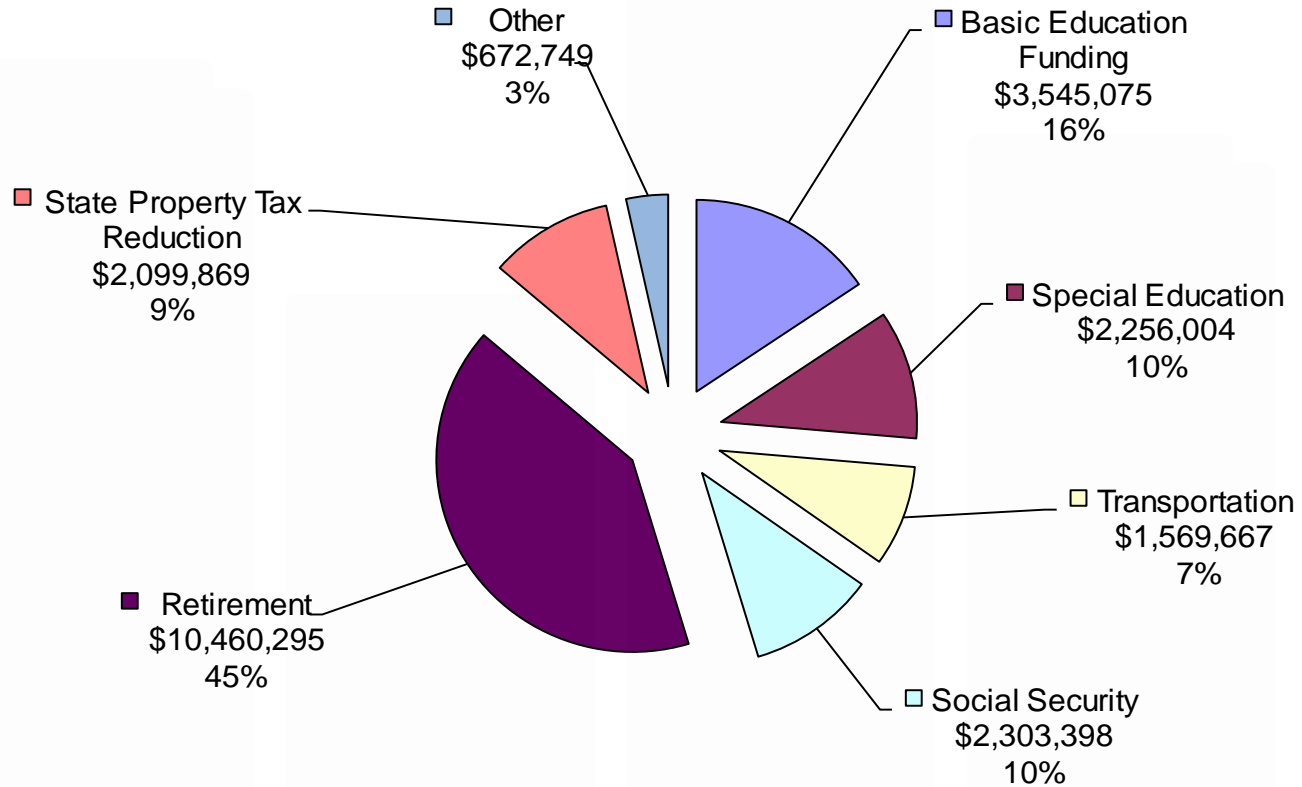
# Economic Impact on Other Local Revenues - Detail



# Economic Impact on Other Local Revenues - Summary Draft



# 2019-20 Budgeted State Revenue



# State and Federal Revenue Assumptions Draft

7110	Basic Instructional Subsidy	Based on prior year amount
7160	State Section 1305 & 1306	Reduction in eligible student
7271	Special Education	Based on prior year amount (w/o contingency)
7310	Transportation	Based on prior year amount
7320	Rentals and Sinking Fund Payments	Bond Schedule
7330	Medical and Dental Services	Based on prior year amount
7340	State Property Tax Reduction	Based on prior year amount
7505	Ready to Learn Block Grant	Based on prior year amount
7810	Social Security	% of salaries
7820	Retirement Payments (PSERS)	Legislated % of covered salaries
8514	Title I - Education of Disadvantaged Children	Based on prior year amount at 85%
8515	NCLB Title II, Eisenhower Professional Develop	Based on prior year amount
8810	Access Medical Assistance	Based on prior year amount
8820	Medical Assistance Transportation	Estimated eligible reimbursable expenditures



# State Revenue and Variances

Draft

		A	B	C	D	E
		Budget	Projection	Prelim Budget	Variance - \$	Variance - %
	<u>State Revenue</u>	2018-2019	2018-2019	2019-2020	(C - B)	(D / B)
7110	Basic Instructional Subsidy	\$3,545,075	\$3,627,993	\$3,545,075	(\$82,918)	-2.3%
7160	State Section 1305 & 1306	\$0	\$0	\$0	\$0	-
7271	Special Education	\$2,256,004	\$2,280,805	\$2,256,004	(\$24,801)	-1.1%
7310	Transportation	\$1,569,667	\$1,569,667	\$1,569,667	\$0	0.0%
7320	Rentals and Sinking Fund Pymnts	\$305,000	\$305,000	\$318,000	\$13,000	4.3%
7330	Medical and Dental Services	\$155,135	\$155,135	\$155,135	\$0	0.0%
7340	State Property Tax Reduction	\$2,099,988	\$2,099,988	\$2,099,869	(\$119)	0.0%
7505	Ready to Learn Block Grant	\$199,614	\$199,614	\$199,614	\$0	0.0%
7810	Social Security	\$2,185,117	\$2,185,117	\$2,303,398	\$118,281	5.4%
7820	Retirement Payments (PSERS)	\$9,729,438	\$9,729,438	\$10,460,295	\$730,857	7.5%
	<b>Total</b>	<b>\$22,045,038</b>	<b>\$22,152,757</b>	<b>\$22,907,057</b>	<b>\$754,300</b>	<b>3.4%</b>

# State Revenue

Draft

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
		Actual	Actual	Actual	Projection	Prelim Budget
	<b>State Revenue</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
7110	Basic Instructional Subsidy	\$3,302,938	\$3,468,926	\$3,545,004	\$3,627,993	\$3,545,075
7160	State Section 1305 & 1306	\$35,065	\$0	\$5,005	\$0	\$0
7271	Special Education	\$2,390,615	\$2,400,294	\$2,517,421	\$2,280,805	\$2,256,004
7310	Transportation	\$1,791,799	\$1,569,667	\$1,640,515	\$1,569,667	\$1,569,667
7320	Rentals and Sinking Fund Pymnts	\$0	\$636,003	\$318,221	\$305,000	\$318,000
7330	Medical and Dental Services	\$157,567	\$155,135	\$150,171	\$155,135	\$155,135
7340	State Property Tax Reduction	\$2,099,834	\$2,099,988	\$2,099,853	\$2,099,988	\$2,099,869
7505	Ready to Learn Block Grant	\$199,614	\$199,614	\$199,614	\$199,614	\$199,614
7810	Social Security	\$2,185,204	\$2,100,401	\$2,289,213	\$2,185,117	\$2,303,398
7820	Retirement Payments (PSERS)	\$7,129,980	\$8,470,951	\$9,361,976	\$9,729,438	\$10,460,295
	<b>Total</b>	<b>\$19,292,616</b>	<b>\$21,100,979</b>	<b>\$22,126,993</b>	<b>\$22,152,757</b>	<b>\$22,907,057</b>

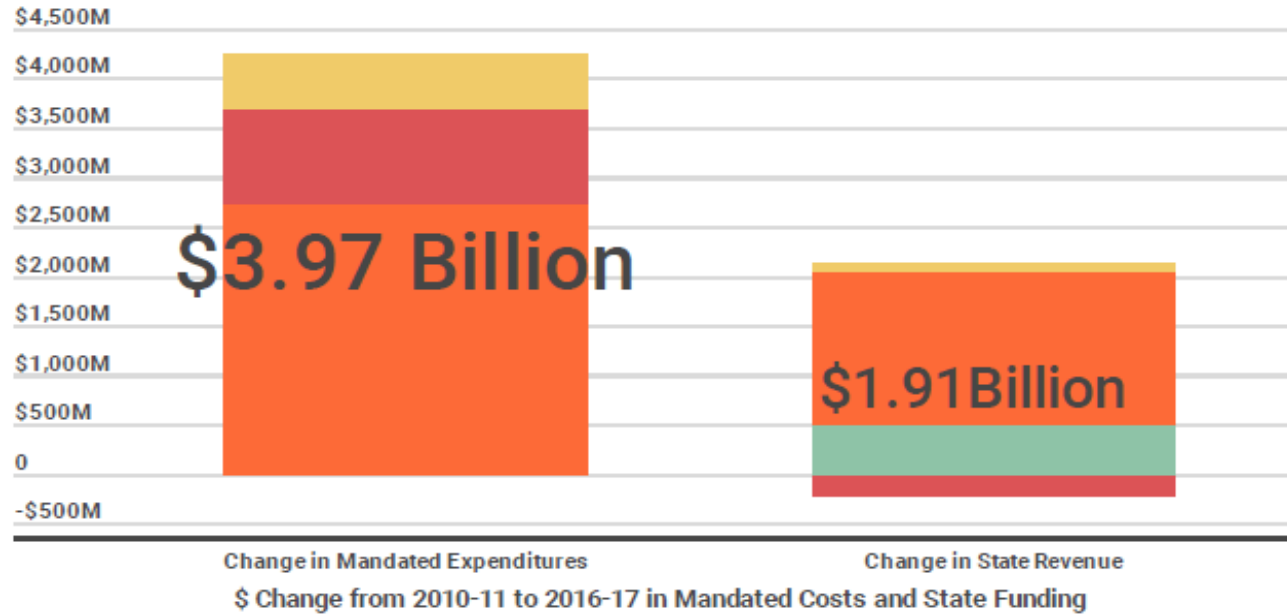
# Federal Revenue and Variances

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		A	B	C	D	E
		Actual	Actual	Actual	Projection	Prelim Budget
	<u>Federal Revenue</u>	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
8514	Title I - Education of Disadvantaged Children	\$413,301	\$362,547	\$327,974	\$261,940	\$222,649
8515	NCLB Title II, Eisenhower Professional Develop	\$80,280	\$71,921	\$116,540	\$71,921	\$71,921
8810	Access Medical Assistance	\$350,000	\$0	\$1,000,000	\$350,000	\$350,000
8820	Medical Assistance Transportation	\$11,101	\$6,786	\$27,994	\$45,879	\$45,879
	<b>Total</b>	<b>\$854,682</b>	<b>\$441,254</b>	<b>\$1,472,508</b>	<b>\$729,740</b>	<b>\$690,449</b>
		Budget	Projection	Prelim Budget	Variance - \$	Variance - %
		2018-2019	2018-2019	2019-2020	(C - B)	(D / B)
8514	Title I - Education of Disadvantaged Children	\$261,940	\$261,940	\$222,649	(\$39,291)	-15.0%
8515	NCLB Title II, Eisenhower Professional Develop	\$71,921	\$71,921	\$71,921	\$0	0.0%
8810	Access Medical Assistance	\$350,000	\$350,000	\$350,000	\$0	0.0%
8820	Medical Assistance Transportation	\$45,879	\$45,879	\$45,879	\$0	0.0%
	<b>Total</b>	<b>\$729,740</b>	<b>\$729,740</b>	<b>\$690,449</b>	<b>(\$39,291)</b>	<b>-5.4%</b>

# The Education Deficit

Figure 10. Increase in Mandated Costs and Supporting State Revenues between 2010-11 and 2016-17.



- Rev: Basic Education
- Rev: Pension
- Rev: Special Education
- Rev: Charter Schools
- Exp: Pension Costs
- Exp: Charter Schools
- Exp: Special Education



## Basic Education Funding

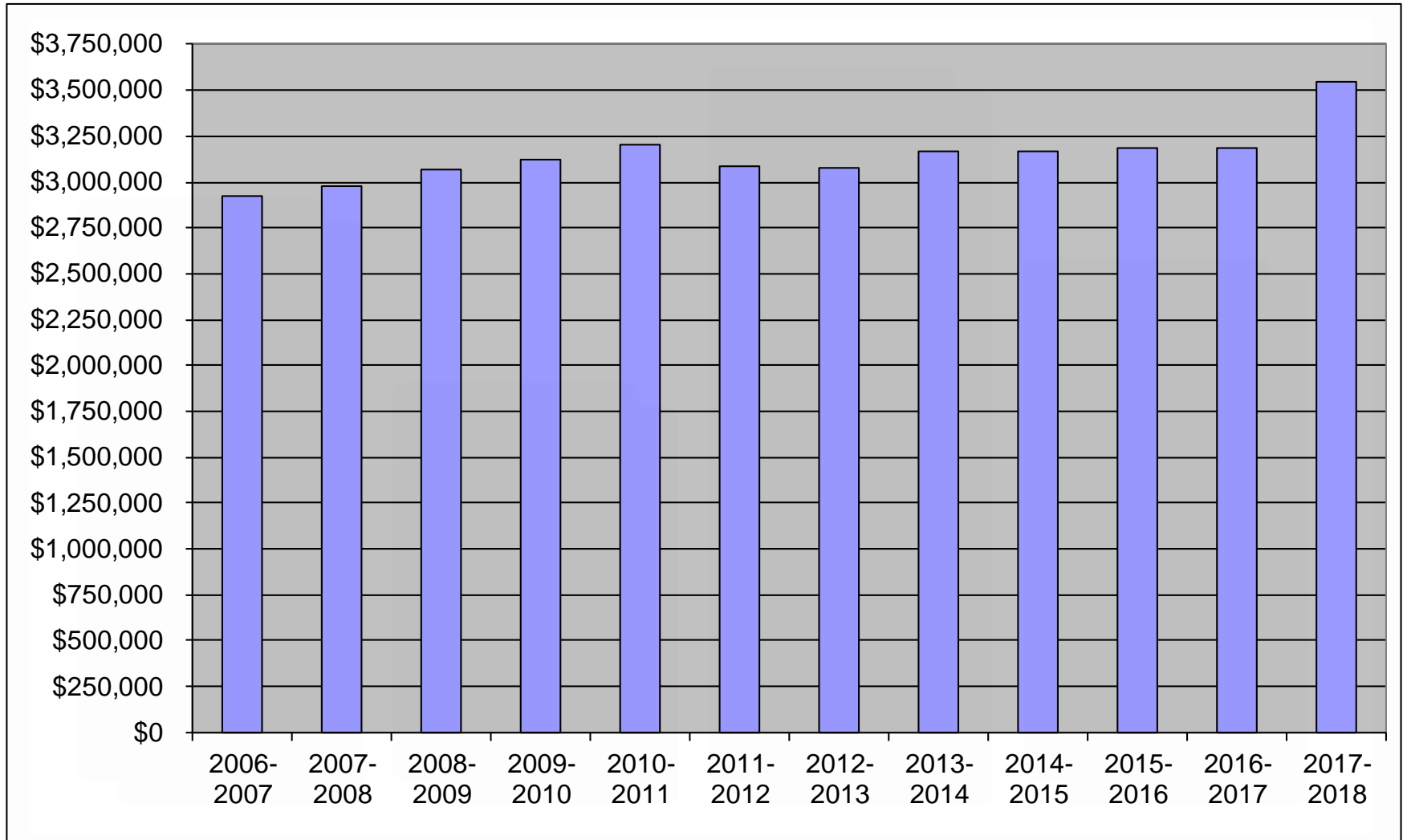
Proposed increase of \$441 million\*

- \$166 million NEW money
- \$262 million from RTL
- \$13.8 million from teacher salary increase



# State Revenue - Basic Ed Subsidy

Draft



# Special Education

## Reasons for Special Education Cost Growth

Figure 4. Top Reasons for Increasing Special Education Costs

Reason for Increase in Special Education Costs	# of Respondents	% of Total Respondents
Increase in Need for Outside Placement	207	74.73%
Increase in Special Education Enrollment	187	67.51%
Need to Hire Special Education Staff	164	59.21%
Increase in Need for Special Education Transportation	139	50.18%
Increase in High-Need Special Education Enrollment	136	49.10%

Source: PASBO/PASA budget survey results



# Special Education Enrollment

Figure 6. Change over time in number of special education students in each cost Category (Category 1 is students costing < \$25,000; Category 2 is students costing \$25,000-\$50,000; Category 3 is students costing > \$50,000)

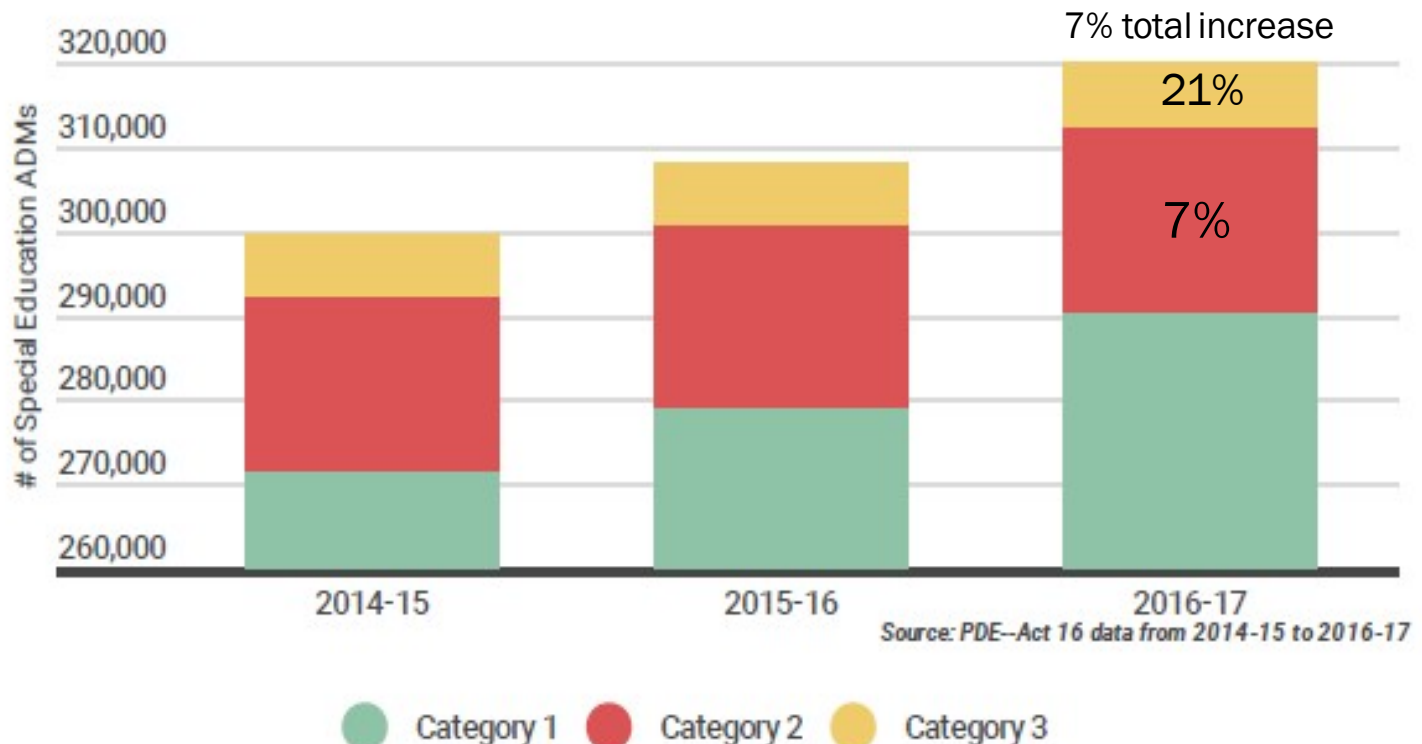
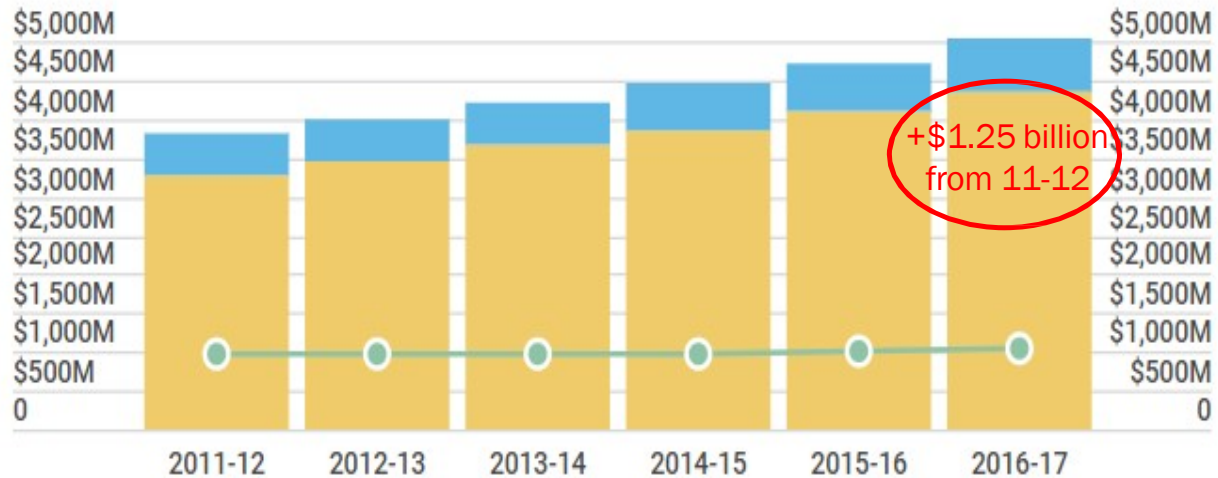




Figure 8. Growth in school district special education instructional costs and support services expenditures versus growth in state special education funding.



Source: PDE--AFR data 2011-12 through 2016-17

● SE Instruction ● SE Support Services ● Special Education Funding

Increasing at  
6.1%/year

Increasing at  
6.7%/year



# Special Education Funding

**\$50 million increase (4.4%) over 18-19**



**\$1.18 billion in SEF**



**\$947.5 in SEF Base**

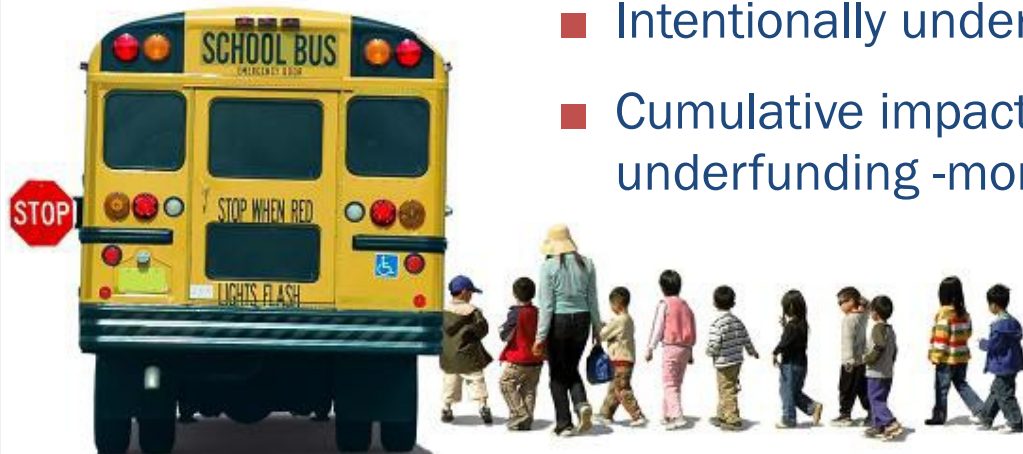


**\$46.4 million NEW \$ into formula**  
**\$149 million into formula for 19-20**



# Transportation Slow Leak

- Level-funded at \$549 million
- Non-public/CS transportation: reduced \$567k
  - Budget proposal ignores the law
  - Intentionally underfunded
  - Cumulative impact of sustained underfunding -more than \$100M



# Safety & Security

School Safety & Security Fund:  
\$45 million

- Money cobbled together from multiple sources
- Provides for a second year of a grant program
- Likely to be increased by legislature
- Competitive by Region



## State Subsidy Revenue:

- Basic Education Funding – Increase of \$111,258 over estimated 2018-19 amount of \$3,627,993
- Special Education – Increase of \$36,560 over estimated 2018-19 amount of \$2,280,805
- Transportation – No additional funding
- Ready-to-Learn Grant - Flat funding level - 2018-19 amount of \$199,614 (now included in BES amount)

# 2017-18 Local Effort Capacity Index\*

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District</b>	<b>Local Effort Capacity Index</b>	<b>Equlaized Mills (3-yr avg)</b>	<b>Earned Income Tax</b>
Avon Grove	1.12	19.0	No
Coatesville	1.16	24.0	Yes
Downingtown	1.01	20.4	Yes
Great Valley	0.82	13.6	No
Kennett	1.21	21.0	Yes
Octorara	1.39	25.1	Yes
Owen J. Roberts	1.08	22.3	Yes
Oxford	1.41	21.1	Yes
Phoenixville	1.01	20.9	Yes
<b>TE</b>	<b>0.75</b>	<b>12.3</b>	<b>No</b>
Unionville/Chadds	0.87	17.6	No
West Chester	0.79	13.9	Yes
<b>Chester County Average</b>	<b>1.1</b>	<b>19.3</b>	
Radnor Township	0.87	14.0	No
Lower Merion	0.68	16.1	No

\* Source : Pa Dept.of Education. Used in Basic Education Funding Formula is the sum of the local effort index and local capacity index

## □ **Taxpayer Relief Act of 2006 established the Act 1 Index**

- Each year, the PA Dept of Ed (PDE) sets an inflationary index that serves as a cap on each school district's allowable tax increase. The index percentage is the average of the percentage increase in the statewide average weekly wage, as determined by the PA Dept of Labor and Industry, for the preceding calendar year and the percentage increase in the Employment Cost Index for Elementary and Secondary Schools, as determined by the Bureau of Labor Statistics in the U.S. Dept of Labor, for the previous 12-month period ending June 30. School districts can only raise taxes above this index by either obtaining approval from the voters or applying and qualifying for one of the specific referendum exceptions provided for in Act 1.

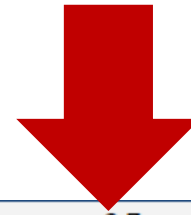
## □ **Referendum exceptions in the Taxpayer Relief Act of 2006**

- In order to increase property taxes beyond Act 1 Index, a school board must apply to and receive approval from PDE for a referendum exception for specific costs.
- Two of those referendum exceptions are:
  - 1) Special Education expenditures that increase by more than the Act 1 index
  - 2) Increases in retirement contributions to State (PSERS) that rise faster than the Act 1 index

# Act 1 Index—Future Growth Prediction

**Table 3: Act 1 Index History and Forecast**

Fiscal Year	SAWW <sup>1</sup>	ECI <sup>2</sup>	Base Index <sup>3</sup>	Weighted Index <sup>4</sup>
2007-08	2.8%	4.0%	3.4%	4.3%
2008-09	4.3	4.5	4.4	4.9
2009-10	4.6	3.6	4.1	4.6
2010-11	2.7	3.0	2.8	3.3
2011-12	0.9	1.9	1.4	2.0
2012-13	2.1	1.3	1.7	1.9
2013-14	2.0	1.4	1.7	1.9
2014-15	2.6	1.6	2.1	2.5
2015-16	2.4	1.4	1.9	2.5
2016-17	2.5	2.2	2.4	2.7
2017-18	2.6	2.3	2.5	2.9
2018-19	2.2	2.6	2.4	2.7



2019-20	2.3	3.0	2.7	3.0
2020-21	2.3	3.2	2.8	3.1
2021-22	3.4	3.1	3.3	3.7
2022-23	3.6	3.2	3.4	3.9

<sup>1</sup> Statewide Average Weekly Wage  
<sup>2</sup> Employment Cost Index.  
<sup>3</sup> Average of the SAWW and ECI.  
<sup>4</sup> Average of the index for each school district weighted by property tax collections.

Sources: Pennsylvania Department of Education, Pennsylvania Department of Labor and Industry and IHS Markit. Weighted index calculated by the IFO.

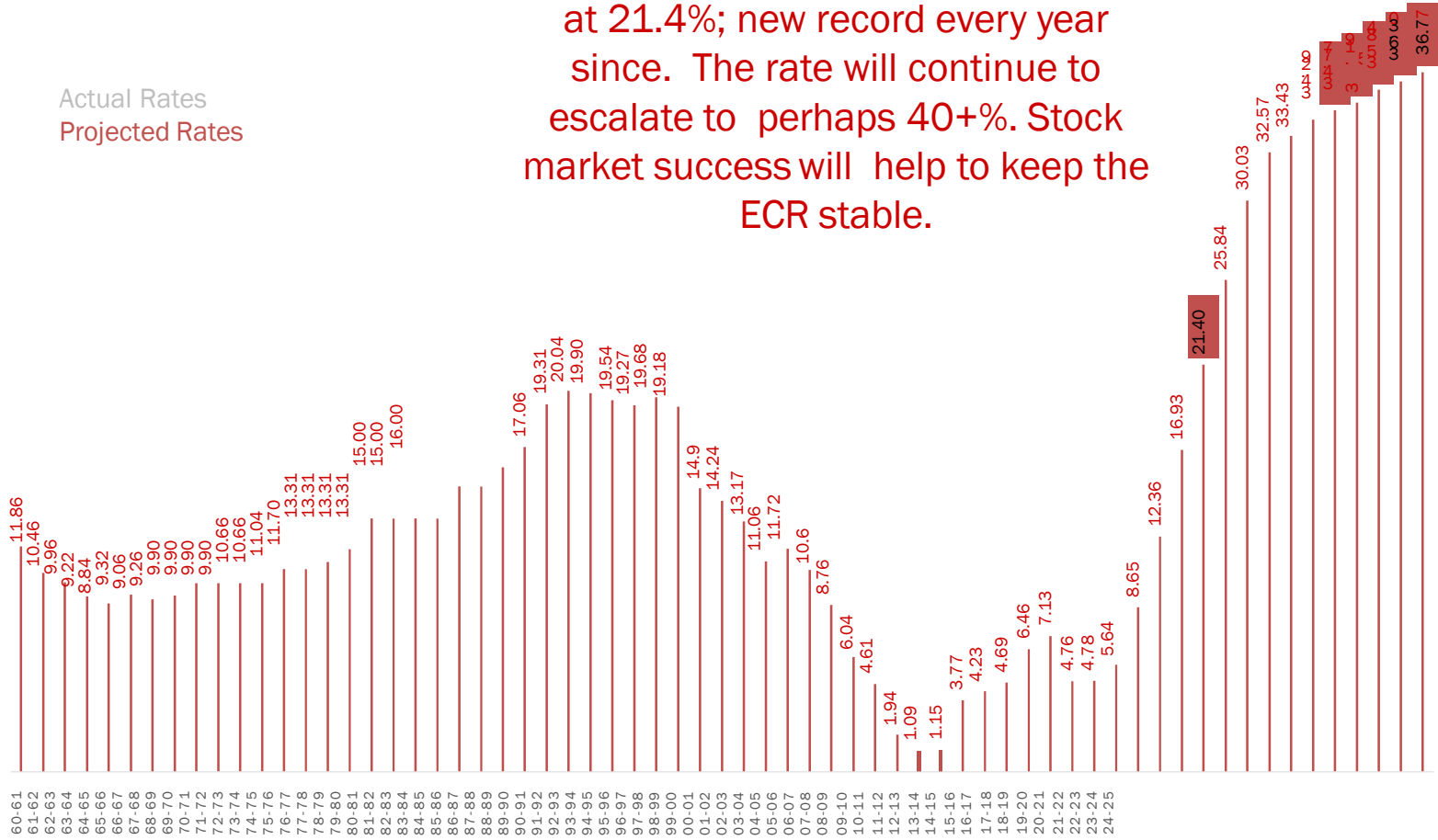


# ECR History

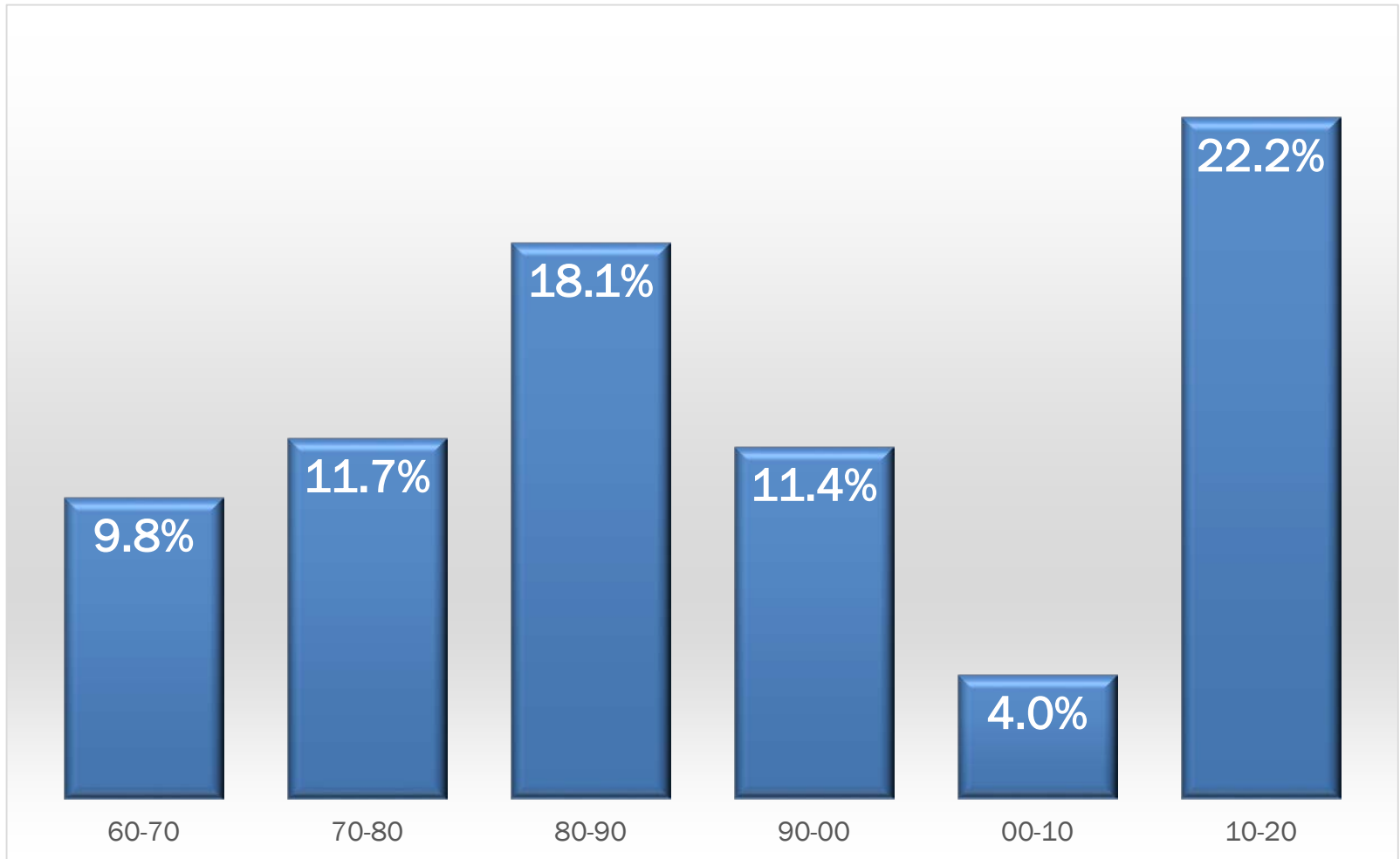
Highest rate in PSERS history set in 14-15

at 21.4%; new record every year since. The rate will continue to escalate to perhaps 40+%. Stock market success will help to keep the ECR stable.

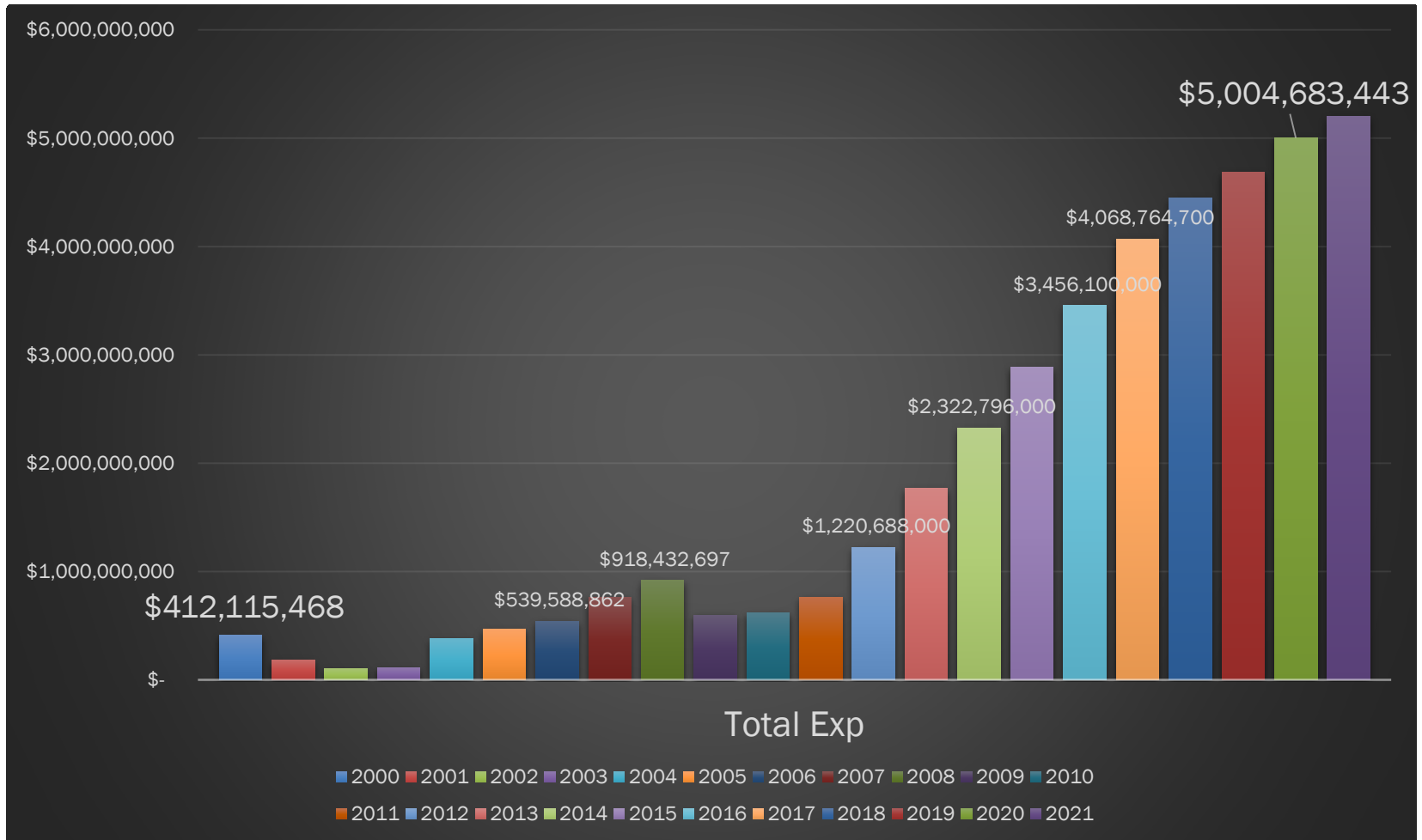
Actual Rates  
Projected Rates



# Average ECR by Decade



# Total Annual PSERS Expense to LEAs



Source: PSERS data

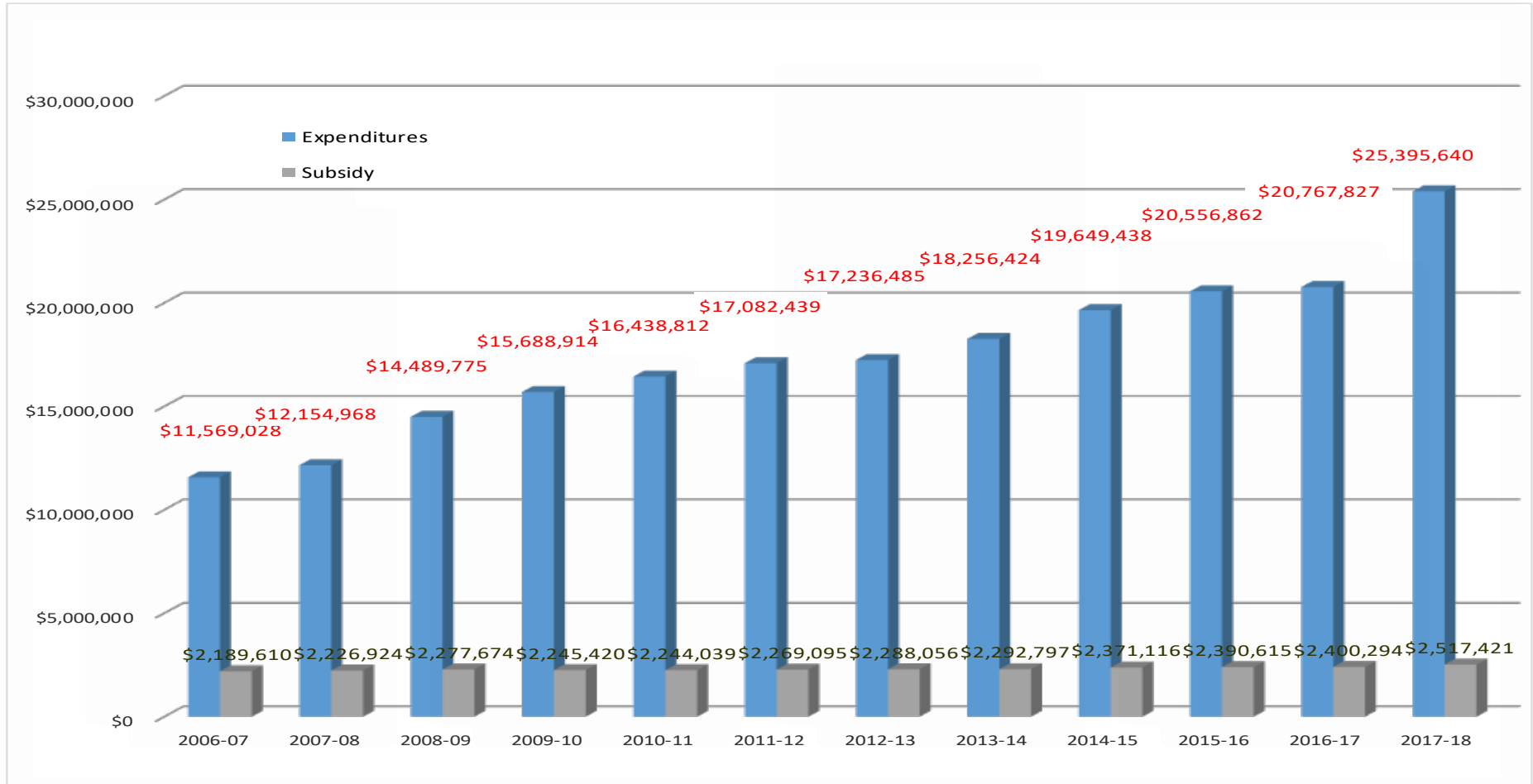


# PSERS Impact on TESD Budget

<u>Fiscal Year</u>	<b>*PSERS Employer Contribution Rate (ECR)</b>	<b>TESD Net Rate (50% of ECR)</b>	<b>TESD Net Projected Budget Impact</b>
2018-2019	33.43%	16.72%	\$9.7 million
2019-2020	34.29%	17.15%	\$10.46 million
2020-2021	34.77%	17.39%	\$10.64 million
2021-2022	35.19%	17.60%	\$10.77 million
2022-2023	35.84%	17.92%	\$10.97 million
2023-2024	36.30%	18.15%	\$11.1 million

\* Source: PSERS (Dec 2018)

# Special Education Expenditures and Subsidy



# History of Property Tax Rate

A	B	C	D	E	F
		Referendum Exceptions			
<u>Year</u>	<u>Act 1 Index</u>	<u>PSERS</u>	<u>Special Ed</u>	<u>Tax Increase</u>	<u>Avg. Increase</u>
2018-19	2.4%	0.020%	-	2.42%	\$139
2017-18	2.5%	0.363%	0.337%	3.20%	\$178
2016-17	2.4%	0.60%	0.60%	3.60%	\$191
2015-16	1.9%	1.14%	0.77%	3.81%	\$194
2014-15	2.1%	1.10%	-	3.20%	\$157
2013-14	1.7%	-	-	1.70%	\$82
2012-13	1.7%	1.04%	0.56%	3.30%	\$155
2011-12	1.4%	1.20%	1.17%	3.77%	\$171
2010-11	2.9%	-	-	2.90%	\$126
2009-10	4.1%	-	-	2.95%	\$126
2008-09	4.4%	-	-	4.37%	\$171
2007-08	3.4%	-	-	3.37%	\$128
2006-07	3.9%	(Act 1 of 2006 Becomes Law)		3.90%	\$145
2005-06	-			1.40%	\$51
2004-05	-			0.00%	\$0

# Historical Analysis of Property Taxes

## The 13 Years PRIOR to the Act 1 Index (1993-94 to 2005-06)

- ❑ **Average Annual Property Tax Increase was 4.5%**
- ❑ **Taxes as a % of Residential Home Value was 1%**

## The 13 Years AFTER the Act 1 Index (2006-07 to 2018-19)

- ❑ **Average Annual Property Tax Increase was 3.27%**
- ❑ **Taxes as a % of Residential Home Value remain at 1%**

# Tax Impact from Act 1 Index and Referendum Exceptions

		A	B	C	D
					<b>**Increase to</b>
	<u>FY 2019-20</u>	<u>Tax Rate</u>	<u>Projected Revenue</u>	<u>Mills</u>	<u>T/E Homeowner</u>
1			(Current Rate = 22.981)		
2	Act 1 Index	2.3%	\$2,581,592	0.5285	\$134
3	<b>Referendum Exceptions:</b>				
4	Employer Retirement Contributions	0.022%	\$24,574	0.0050	\$1
5	Special Education Expenditures	3.642%	\$4,088,232	0.8369	\$213
6	Total	5.964%	\$6,694,398	1.3704	\$348
7			(New Rate = 24.3514)		
7	<b>** Based on Average Assessment of a T/E home of \$254,482 with a average tax bill of \$5,848</b>				



# FY 2019-20 Budget Impact Strategies

## □ **Presented for Consideration in the Development of FY18-19 Budget**

### ❖ **Taken**

1. Shift Capital Fund transfer from operating to contingency - \$1.2M
2. Reduce Departmental and Building-level budgets - \$1.3M
3. Maintain the FY18-19 core class size of 1 add'l student K-8 – \$922,000
4. Maintain current HS regular ed staffing – \$230,000

### ❖ **Not Taken**

1. Eliminate transportation for reading camp – \$32,000
2. Increase student parking fees at CHS – \$54,000
3. Increase student activity fee to \$75 – \$80,000
4. Charge for in-school music lessons and sectionals – \$160,000
5. Discontinue support for CHS club sports – \$60,000
6. Eliminate ERB's – \$85,000

# FY 2019-20 Budget Impact Strategies

## □ **Some of the items included in the reduction of Departmental and Building-level Budgets**

1. Classroom furniture
2. Musical instruments
3. Maintenance equipment and services
4. Repair parts for 1:1 laptops
5. Network services and equipment
6. CHS TV studio camera
7. School supplies and equipment
8. Departmental supplies and equipment
9. Educational software
10. Field trips
11. Staff conferences and travel
12. Athletic security
13. Athletic uniforms

# FY 2019-20 Budget Impact Strategies

## □ Varying Levels of Impact to the Educational Program

1. Eliminate new budgeted non-mandated positions:
  - School Safety Coordinator - \$184,400
  - Middle School Security (2) – \$106,200
  - Elementary Mental Health Specialist - \$96,000
  - CHS Secretary - \$70,450
2. Delay new reading program - \$300,000
3. Delay CHS teacher laptop replacement - \$123,500
4. Implement printing controls – \$30,000
5. Increase CHS 1:1 cost sharing fee to \$75 - \$37,500
6. Increase MS 1:1 cost sharing fee to \$75 - \$25,000

# FY 2019-20 Budget Impact Strategies

## □ Strategies Presented in Prior Fiscal Years and Not Taken

1. Eliminate non-mandated transportation - \$5.1M
2. Self supporting athletics and activities - \$1.6M
3. Eliminate Elementary Math support positions - \$480,000
4. Eliminate Elementary Reading specialist positions - \$480,000
5. Eliminate Elementary Reading paraprofessionals – \$341,900
6. Restrict course change timeline for CHS students - \$192,000
7. Eliminate Summer Reading Camp - \$131,200
8. Eliminate Elementary Science paraprofessionals - \$129,200
9. Eliminate Elementary Strings specialist position - \$96,000
10. Eliminate after school homework club - \$50,000
11. Eliminate highway safety courses - \$48,400
12. Eliminate wage increase for District aides/paras - \$14,100

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❖ High School teachers teach six (6) period/day

## □ Other Items to Consider

1. Results of Transportation RFP
2. Transportation Opt-in
3. Enrollment and staffing projections
4. State budget impact
5. Second look healthcare projection
6. 2019-20 budget assumptions
7. 2018-19 revenue and expenditure projections
8. Change in school start times - \$610,000 **Increase**

# FY 2019-20 REVISED Preliminary Budget

(Act 1 Index of 2.3% and Referendum Exceptions of 3.664%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	<u>Estimated Property Tax Revenue from:</u>	
4	Act 1 Index of 2.3%	\$2,581,592
5	*ERC Referendum Exception of .022%	\$24,574
6	*Special Education Referendum Exception of 3.642%	\$4,088,232
7	<b>Projected Budget Deficit</b>	<b>(\$4,252,944)</b>
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$2,452,000
10	<b>Projected Budget Deficit</b>	<b>(\$600,944)</b>

\*Total Estimated Referendum Exceptions for 2019-20  
 Employer Retirement Contributions of \$24,574 (or .022%)  
 Special Education Expenditures of \$4,088,232 (or 3.642%)

# FY 2019-20 Budget Development

(Act 1 Index of 2.3%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	<b>Estimated Property Tax Revenue from:</b>	
4	Act 1 Index of 2.3%	\$2,581,592
5		
6		
7	<b>Projected Budget Deficit</b>	<b>(\$8,365,750)</b>
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$2,452,000
10	<b>Projected Budget Deficit</b>	<b>(\$4,713,750)</b>

# FY 2019-20 Budget Development

(Act 1 Index of 2.3% and Referendum Exceptions of 1.0%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	<b>Estimated Property Tax Revenue from:</b>	
4	Act 1 Index of 2.3%	\$2,581,592
5		
6	Referendum Exceptions of 1.0%	\$1,123,005
7	<b>Projected Budget Deficit</b>	<b>(\$7,242,745)</b>
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$2,452,000
10	<b>Projected Budget Deficit</b>	<b>(\$3,590,745)</b>

Total Estimated Referendum Exceptions for 2019-20  
Employer Retirement Contributions of \$24,574 (or .022%)  
Special Education Expenditures of \$4,088,232 (or 3.642%)



# FY 2019-20 Budget Development

(Act 1 Index of 2.3% and Referendum Exceptions of 2.0%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	Estimated Property Tax Revenue from:	
4	Act 1 Index of 2.3%	\$2,581,592
5		
6	Referendum Exceptions of 2.0%	\$2,245,521
7	<b>Projected Budget Deficit</b>	<b>(\$6,120,229)</b>
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$2,452,000
10	<b>Projected Budget Deficit</b>	<b>(\$2,468,229)</b>

Total Estimated Referendum Exceptions for 2019-20  
 Employer Retirement Contributions of \$24,574 (or .022%)  
 Special Education Expenditures of \$4,088,232 (or 3.642%)

# FY 2019-20 Budget Development

(Act 1 Index of 2.3% and Referendum Exceptions of 3.0%)

1	Budgeted Anticipated Revenue	\$142,950,951
2	Budgeted Anticipated Expenditures	\$153,898,293
3	<b>Projected Budget Deficit</b>	<b>(\$10,947,342)</b>
	Estimated Property Tax Revenue from:	
4	Act 1 Index of 2.3%	\$2,581,592
5		
6	Referendum Exceptions of 3.0%	\$3,367,549
7	<b>Projected Budget Deficit</b>	<b>(\$4,998,201)</b>
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$2,452,000
10	<b>Projected Budget Deficit</b>	<b>(\$1,346,201)</b>

Total Estimated Referendum Exceptions for 2019-20  
 Employer Retirement Contributions of \$24,574 (or .022%)  
 Special Education Expenditures of \$4,088,232 (or 3.642%)

# Projection Model

(Act 1 Index and Referendum Exceptions of 3.664% Tax Increases)

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
1	Total Revenue from Local Sources	\$126,047,843	\$125,750,714	\$125,663,134	\$125,586,676	\$125,479,684
2	Revenue from State Sources	\$12,510,398	\$12,288,878	\$12,363,873	\$12,421,770	\$12,421,770
3	PSERS Subsidy from State	\$10,396,659	\$10,640,854	\$10,769,389	\$10,968,312	\$11,109,089
4	Total Revenue from Federal Sources	\$690,449	\$690,449	\$690,449	\$690,449	\$690,449
5	<b>Total Revenues</b>	<b>\$149,645,349</b>	<b>\$149,370,895</b>	<b>\$149,486,845</b>	<b>\$149,667,207</b>	<b>\$149,700,991</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$18,434,871	\$19,299,930	\$19,643,315	\$21,019,331	\$22,427,995
8	PSERS Expenditures	\$20,793,318	\$21,281,708	\$21,538,778	\$21,936,624	\$22,218,177
9	Other Expenditures	\$49,044,005	\$52,558,329	\$54,443,646	\$56,094,014	\$57,603,390
10	<b>Total Expenditures</b>	<b>\$150,246,293</b>	<b>\$156,058,450</b>	<b>\$158,544,221</b>	<b>\$161,968,451</b>	<b>\$165,168,044</b>
11	<b>Budget Imbalance</b>	<b>(\$600,944)</b>	<b>(\$6,687,554)</b>	<b>(\$9,057,376)</b>	<b>(\$12,301,244)</b>	<b>(\$15,467,053)</b>
12	Beginning General Fund Balance	\$28,326,559	\$27,725,615	\$21,038,061	\$11,980,685	(\$320,559)
13	Change/Use of Fund Balance	(\$600,944)	(\$6,687,554)	(\$9,057,376)	(\$12,301,244)	(\$15,467,053)
14	Ending General Fund Balance	<b>\$27,725,615</b>	<b>\$21,038,061</b>	<b>\$11,980,685</b>	<b>(\$320,559)</b>	<b>(\$15,787,612)</b>

- Act 1 Index of 2.3% and Referendum Exceptions of 3.664% Tax Revenue Included for FY 2019-20

# Projection Model

(Act 1 Index Tax Increase)

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
1	Total Revenue from Local Sources	\$121,935,037	\$121,520,623	\$121,369,332	\$121,228,205	\$121,109,807
2	Revenue from State Sources	\$12,510,398	\$12,288,878	\$12,363,873	\$12,421,770	\$12,421,770
3	PSERS Subsidy from State	\$10,396,659	\$10,640,854	\$10,769,389	\$10,968,312	\$11,109,089
4	Total Revenue from Federal Sources	\$690,449	\$690,449	\$690,449	\$690,449	\$690,449
5	<b>Total Revenues</b>	<b>\$145,532,543</b>	<b>\$145,140,804</b>	<b>\$145,193,044</b>	<b>\$145,308,736</b>	<b>\$145,331,115</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$18,434,871	\$19,299,930	\$19,643,315	\$21,019,331	\$22,427,995
8	PSERS Expenditures	\$20,793,318	\$21,281,708	\$21,538,778	\$21,936,624	\$22,218,177
9	Other Expenditures	\$49,044,005	\$52,558,329	\$54,443,646	\$56,094,014	\$57,603,390
10	<b>Total Expenditures</b>	<b>\$150,246,293</b>	<b>\$156,058,450</b>	<b>\$158,544,221</b>	<b>\$161,968,451</b>	<b>\$165,168,045</b>
11	<b>Budget Imbalance</b>	<b>(\$4,713,750)</b>	<b>(\$10,917,646)</b>	<b>(\$13,351,177)</b>	<b>(\$16,659,715)</b>	<b>(\$19,836,930)</b>
12	Beginning General Fund Balance	\$28,326,559	\$23,612,809	\$12,695,163	(\$656,014)	(\$17,315,729)
13	Change/Use of Fund Balance	(\$4,713,750)	(\$10,917,646)	(\$13,351,177)	(\$16,659,715)	(\$19,836,930)
14	Ending General Fund Balance	<b>\$23,612,809</b>	<b>\$12,695,163</b>	<b>(\$656,014)</b>	<b>(\$17,315,729)</b>	<b>(\$37,152,659)</b>

- Act 1 Index of 2.3% Tax Revenue Included for FY 2019-20

# Projection Model

(Act 1 Index and Referendum Exceptions of 1% Tax Increases)

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
1	Total Revenue from Local Sources	\$123,058,042	\$122,675,123	\$122,541,221	\$122,417,744	\$122,302,459
2	Revenue from State Sources	\$12,510,398	\$12,288,878	\$12,363,873	\$12,421,770	\$12,421,770
3	PSERS Subsidy from State	\$10,396,659	\$10,640,854	\$10,769,389	\$10,968,312	\$11,109,089
4	Total Revenue from Federal Sources	\$690,449	\$690,449	\$690,449	\$690,449	\$690,449
5	<b>Total Revenues</b>	<b>\$146,655,548</b>	<b>\$146,295,305</b>	<b>\$146,364,933</b>	<b>\$146,498,275</b>	<b>\$146,523,767</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$18,434,871	\$19,299,930	\$19,643,315	\$21,019,331	\$22,427,995
8	PSERS Expenditures	\$20,793,318	\$21,281,708	\$21,538,778	\$21,936,624	\$22,218,177
9	Other Expenditures	\$49,044,005	\$52,558,329	\$54,443,646	\$56,094,014	\$57,603,390
10	<b>Total Expenditures</b>	<b>\$150,246,293</b>	<b>\$156,058,450</b>	<b>\$158,544,221</b>	<b>\$161,968,451</b>	<b>\$165,168,044</b>
11	<b>Budget Imbalance</b>	<b>(\$3,590,745)</b>	<b>(\$9,763,145)</b>	<b>(\$12,179,288)</b>	<b>(\$15,470,176)</b>	<b>(\$18,644,278)</b>
12	Beginning General Fund Balance	\$28,326,559	\$24,735,814	\$14,972,669	\$2,793,382	(\$12,676,794)
13	Change/Use of Fund Balance	(\$3,590,745)	(\$9,763,145)	(\$12,179,288)	(\$15,470,176)	(\$18,644,278)
14	Ending General Fund Balance	<b>\$24,735,814</b>	<b>\$14,972,669</b>	<b>\$2,793,382</b>	<b>(\$12,676,794)</b>	<b>(\$31,321,072)</b>

- Act 1 Index of 2.3% and Referendum Exceptions of 1.0% Tax Revenue Included for FY 2019-20

# Projection Model

(Act 1 Index and Referendum Exceptions of 2% Tax Increases)

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
1	Total Revenue from Local Sources	\$124,180,557	\$123,829,624	\$123,713,110	\$123,607,283	\$123,495,111
2	Revenue from State Sources	\$12,510,398	\$12,288,878	\$12,363,873	\$12,421,770	\$12,421,770
3	PSERS Subsidy from State	\$10,396,659	\$10,640,854	\$10,769,389	\$10,968,312	\$11,109,089
4	Total Revenue from Federal Sources	\$690,449	\$690,449	\$690,449	\$690,449	\$690,449
5	<b>Total Revenues</b>	<b>\$147,778,063</b>	<b>\$147,449,806</b>	<b>\$147,536,822</b>	<b>\$147,687,814</b>	<b>\$147,716,419</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$18,434,871	\$19,299,930	\$19,643,315	\$21,019,331	\$22,427,995
8	PSERS Expenditures	\$20,793,318	\$21,281,708	\$21,538,778	\$21,936,624	\$22,218,177
9	Other Expenditures	\$49,044,005	\$52,558,329	\$54,443,646	\$56,094,014	\$57,603,390
10	<b>Total Expenditures</b>	<b>\$150,246,293</b>	<b>\$156,058,450</b>	<b>\$158,544,221</b>	<b>\$161,968,451</b>	<b>\$165,168,044</b>
11	<b>Budget Imbalance</b>	<b>(\$2,468,229)</b>	<b>(\$8,608,644)</b>	<b>(\$11,007,399)</b>	<b>(\$14,280,637)</b>	<b>(\$17,451,626)</b>
12	Beginning General Fund Balance	\$28,326,559	\$25,858,330	\$17,249,686	\$6,242,287	(\$8,038,350)
13	Change/Use of Fund Balance	(\$2,468,229)	(\$8,608,644)	(\$11,007,399)	(\$14,280,637)	(\$17,451,626)
14	Ending General Fund Balance	<b>\$25,858,330</b>	<b>\$17,249,686</b>	<b>\$6,242,287</b>	<b>(\$8,038,350)</b>	<b>(\$25,489,976)</b>

- Act 1 Index of 2.3% and Referendum Exceptions of 2.0% Tax Revenue Included for FY 2019-20

# Projection Model

(Act 1 Index and Referendum Exceptions of 3% Tax Increases)

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
1	Total Revenue from Local Sources	\$125,302,585	\$124,984,125	\$124,884,999	\$124,796,822	\$124,687,763
2	Revenue from State Sources	\$12,510,398	\$12,288,878	\$12,363,873	\$12,421,770	\$12,421,770
3	PSERS Subsidy from State	\$10,396,659	\$10,640,854	\$10,769,389	\$10,968,312	\$11,109,089
4	Total Revenue from Federal Sources	\$690,449	\$690,449	\$690,449	\$690,449	\$690,449
5	<b>Total Revenues</b>	<b>\$148,900,091</b>	<b>\$148,604,307</b>	<b>\$148,708,711</b>	<b>\$148,877,353</b>	<b>\$148,909,070</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$18,434,871	\$19,299,930	\$19,643,315	\$21,019,331	\$22,427,995
8	PSERS Expenditures	\$20,793,318	\$21,281,708	\$21,538,778	\$21,936,624	\$22,218,177
9	Other Expenditures	\$49,044,005	\$52,558,329	\$54,443,646	\$56,094,014	\$57,603,390
10	<b>Total Expenditures</b>	<b>\$150,246,293</b>	<b>\$156,058,450</b>	<b>\$158,544,221</b>	<b>\$161,968,451</b>	<b>\$165,168,044</b>
11	<b>Budget Imbalance</b>	<b>(\$1,346,201)</b>	<b>(\$7,454,143)</b>	<b>(\$9,835,510)</b>	<b>(\$13,091,098)</b>	<b>(\$16,258,974)</b>
12	Beginning General Fund Balance	\$28,326,559	\$26,980,358	\$19,526,215	\$9,690,705	(\$3,400,393)
13	Change/Use of Fund Balance	(\$1,346,201)	(\$7,454,143)	(\$9,835,510)	(\$13,091,098)	(\$16,258,974)
14	Ending General Fund Balance	<b>\$26,980,358</b>	<b>\$19,526,215</b>	<b>\$9,690,705</b>	<b>(\$3,400,393)</b>	<b>(\$19,659,367)</b>

▪ Act 1 Index of 2.3% and Referendum Exceptions of 3.0% Tax Revenue Included for FY 2019-20

# Projection Model Assumptions

		A	B	C	D
		Projected	Projected	Projected	Projected
		2020-2021	2021-2022	2022-2023	2023-2024
1	<b>Act 1 Index</b>	0.0%	0.0%	0.0%	0.0%
2	<b>Assessment Increase</b>	0.0%	0.0%	0.0%	0.0%
3	<b>Other Local Revenues</b>	0.0%	0.0%	0.0%	0.0%
4	<b>Rate of Return on Investments</b>	2.0%	2.0%	2.0%	2.0%
5	<b>State Funding</b>	0.0%	0.0%	0.0%	0.0%
6	<b>Federal Funds</b>	0.0%	0.0%	0.0%	0.0%



## 1998-99 through 2007-08

- ❑ the contribution to fund balance averaged **\$5,104,502** in each fiscal year during that span
- ❑ this average contribution represents **7%** of average actual expenditures during that span

## 2008-09 through 2017-18

- ❑ the contribution to fund balance averaged **\$890,686** in each fiscal year during that span
- ❑ this average contribution represents **0.8%** of average actual expenditures during that span

**This is an average difference of \$4,213,816 in fund balance contributions over ten fiscal years...or a Total of \$42.1M**

- ❑ During the period of 1998-99 through 2007-08, \$33,902,616 was transferred to the Capital Fund
- ❑ During the period of 2008-09 through 2017-18, \$12,948,421 was transferred to the Capital Fund
- ❑ The General Fund fund balance at YE2007-08 was \$33.9M
- ❑ The General Fund fund balance at YE2017-18 is \$30.3M
- ❑ By Board policy, General Fund fund balances can not be used for recurring operational expenses (i.e. salaries, healthcare benefits, etc.)
- ❑ Limitations from Act 1 on generating new revenue to fund incremental operational costs could mean reducing educational programs, implementing new taxes, assessing or increasing fees, finding new sources of revenue or depleting reserves

# 2018-19 General Fund Balance Commitments

	A		B
1	<b>2018-19 Budget Commitment and Contingency</b>		<b>\$5,245,509</b>
2	<b>Capital Projects</b>		<b>\$4,006,072</b>
3	<b>Vested Employee Services</b>		<b>\$12,388,333</b>
4	<b>PSERS Contingency</b>		<b>\$4,248,676</b>
5	<b>Healthcare Contingency</b>		<b>\$4,200,000</b>
6	<b>Assigned to: Athletic Fund</b>		<b>\$254,313</b>
7		<b>Total</b>	<b>\$30,342,903</b>

- A. March 11, 2019 – Budget Workshop I
- B. April 8, 2019 – Budget Workshop II
- C. April 22, 2019 – Adopt Proposed Final Budget for FY 2019-20
- D. June 10, 2019 – Adopt Final Budget for FY 2019-20