

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

## **Budget Workshop II Agenda**

**Monday, April 8, 2019**

**7:30 P.M. – CHS Cafeteria**

- 1. Welcome – Rev. Scott Dorsey, School Board President**
- 2. 2019-20 Revised Preliminary Budget**
  - i. Summary.....5**
  - ii. Impact Strategies .....7**
  - iii. Act 1 and Tax Rate .....10**
  - iv. Major Expenditure Drivers .....17**
- 3. 2019-20 Expenditure Analysis**
  - i. History and Variances .....18**
  - ii. Drivers .....20**
  - iii. Functional Area Breakdown.....21**
  - iv. Projection Models and Assumptions.....36**
- 4. Fund Balance .....42**
- 5. Key Dates .....48**
- 6. Public Comment**
- 7. Adjournment**

# Tredyffrin/Easttown School District

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FY 2019 - 20 Budget Development

**Budget Workshop II**  
**April 8, 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>
	Estimated Property Tax Revenue from:	
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 Budget Impact Strategies

## □ **Included in the Development of FY19-20 Budget**

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
5. Healthcare Projections – \$400,000
6. Healthcare Plan Agreement Rx Discounts – \$175,000

□ **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 REVISED Preliminary Budget

Draft

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

1	Budgeted Anticipated Revenue	\$143,058,670
2	Budgeted Anticipated Expenditures	\$153,898,293
3	Projected Budget Deficit	(\$10,839,623)
	Estimated Property Tax Revenue from:	
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	Projected Budget Deficit	(\$4,145,225)
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Implemented	\$3,027,000
10	Projected Budget Balance	\$81,775

\*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	\$143,058,670	
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	\$149,753,068	
6		Total Budgeted "Anticipated" Spending	\$149,671,293	
7		Balance	\$81,775	General Fund Fund Balance Contribution
8		*Budgetary Reserve/Contingency	\$3,700,000	General Fund Fund Balance Commitment
9		Total Budgeted "Authorized" Spending	\$153,371,293	Preliminary Budget
		<u>*Budgetary Reserve/Contingency</u>		
10		Operating (1.0%)	\$1,550,000	
11		Capitol Fund Transfer	\$1,200,000	
12		Revenue Projection Shortfall	\$350,000	
13		Special Education	\$600,000	
14		Total Budgetary Reserve/Contingency	\$3,700,000	

# FY 2019-20 Budget Impact Strategies

## □ **Presented for Consideration in the Development of FY19-20 Budget** □ **Grouped by Relative Preference**

1. Increase student parking fees at CHS – \$54,000
2. Increase student activity fee to \$75 – \$80,000
3. Discontinue support for CHS club sports – \$60,000
4. Eliminate ERB's – \$85,000
5. Implement printing controls – \$30,000
6. Increase CHS 1:1 cost sharing fee to \$75 - \$37,500
7. Increase MS 1:1 cost sharing fee to \$75 - \$25,000
8. Eliminate new CHS Secretary - \$70,450
  
9. Maintain current wages for District aides/paras - \$14,100
10. Eliminate transportation for reading camp – \$32,000
11. Charge for in-school music lessons and sectionals – \$160,000
12. Eliminate new budgeted non-mandated positions:
  - Middle School Security (2) – \$106,200
  - School Safety Coordinator - \$184,400
  - Elementary Mental Health Specialist - \$96,000
13. Delay new reading program - \$300,000
14. Delay CHS teacher laptop replacement - \$123,500



# FY 2019-20 Budget Impact Strategies

## □ **Other Items to Consider**

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

# FY 2019-20 Budget Impact Strategies

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

1. Eliminate non-mandated transportation - \$5,100,000
2. Self supporting athletics and activities - \$1,600,000
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

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

## □ **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

# History of Property Tax Rate

A	B	C	D	E	F
		Referendum Exceptions			
<u>Year</u>	<u>Act 1 Index</u>	<u>PSEERS</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

REVISED 4/8/2019

		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	Referendum Exceptions:				
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)		
					<b>**Increase to</b>
		<u>Tax Rate</u>	<u>Projected Revenue</u>	<u>Mills</u>	<u>T/E Homeowner</u>
8	Tax Increase of	6.00%	\$6,763,075	1.379	\$351
9	Tax Increase of	5.00%	\$5,612,581	1.149	\$293
10	Tax Increase of	4.00%	\$4,490,065	0.9192	\$234
11	Tax Increase of	3.00%	\$3,367,549	0.6894	\$175
12	Tax Increase of	2.00%	\$2,245,521	0.4603	\$117
13	Tax Increase of	1.00%	\$1,123,005	0.2299	\$59
14	<b>** Based on Average Assessment of a T/E home of \$254,482 with a average tax bill of \$5,848</b>				

## 2017-18 Local Effort Capacity Index\*

A	B	C	D
District	Local Effort Capacity Index	Equalized Mills (3-yr avg)	Earned Income Tax
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
TE	0.75	12.3	No
Unionville/Chadds	0.87	17.6	No
West Chester	0.79	13.9	Yes
Chester County Average	1.1	19.3	
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

# Act 1 Index— Updated Future Growth Prediction

## IFO\* Projections - January 2018

▣ 2019 – 2020	2.7%
▣ 2020 – 2021	2.8%
▣ 2021 – 2022	3.3%
▣ 2022 – 2023	3.4%

## IFO\* Projections – March 2019

▣ 2019 – 2020	2.3% <b>ACTUAL</b>
▣ 2020 – 2021	2.3%
▣ 2021 – 2022	2.8%
▣ 2022 – 2023	3.0%

\* *Independent Fiscal Office of the State of Pennsylvania*



# 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	2.4	2.9
2018-19	2.2	2.6	2.4	2.7
2019-20	2.2	2.4	2.3	2.6



2020-21	2.0	2.6	2.3	2.6
2021-22	2.8	2.9	2.8	3.2
2022-23	3.0	3.0	3.0	3.4
2023-24	3.5	3.0	3.2	3.6

<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.



*SOURCE: IFO Property Tax Forecast, March 2019*

# 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>
<b>2018-2019</b>	<b>33.43%</b>	<b>16.72%</b>	<b>\$9.7 million</b>
<b>2019-2020</b>	<b>34.29%</b>	<b>17.15%</b>	<b>\$10.46 million</b>
<b>2020-2021</b>	<b>34.77%</b>	<b>17.39%</b>	<b>\$10.64 million</b>
<b>2021-2022</b>	<b>35.19%</b>	<b>17.60%</b>	<b>\$10.77 million</b>
<b>2022-2023</b>	<b>35.84%</b>	<b>17.92%</b>	<b>\$10.97 million</b>
<b>2023-2024</b>	<b>36.30%</b>	<b>18.15%</b>	<b>\$11.1 million</b>

\* Source: PSERS (Dec 2018)

# Expenditure History

Draft

		A	B	C	D	E
		Actual	Actual	Actual	Projection	Prelim Budget
	<u>Expenditures</u>	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
100	Salaries	\$56,292,890	\$57,397,112	\$58,469,805	\$60,109,602	\$61,974,099
200	Benefits	\$15,401,730	\$16,516,485	\$17,465,638	\$16,909,967	\$17,859,871
230	PSERS Expenditures	\$14,236,480	\$16,753,061	\$18,567,711	\$19,479,575	\$20,793,318
300	Purchased Professional Services	\$11,207,523	\$11,018,051	\$15,505,331	\$16,161,469	\$17,132,230
400	Purchased Property Services	\$2,991,989	\$3,430,618	\$2,893,622	\$3,818,763	\$3,852,905
500	Other Purchased Services	\$10,940,398	\$11,653,988	\$12,002,863	\$12,742,431	\$13,546,295
600	Supplies	\$3,852,175	\$3,866,881	\$3,922,506	\$4,853,405	\$4,149,040
700	Equipment	\$1,412,258	\$1,434,373	\$1,228,569	\$1,464,988	\$1,847,567
800	Other	\$124,098	\$85,671	\$109,996	\$135,525	\$145,905
832/912	Debt Service	\$6,435,426	\$6,860,542	\$6,740,525	\$6,746,084	\$6,770,063
900	Gen Fund Transfer to Other Funds	\$1,513,628	\$2,230,075	\$3,284,344	\$1,439,830	\$1,600,000
	Total Expenditures	\$124,408,595	\$131,246,857	\$140,190,909	\$143,861,639	\$149,671,293

# Expenditures and Variances

Draft

		A	B	C	D	E
		Budget	Projection	Prelim Budget	Variance - \$	Variance - %
	<u>Expenditure</u>	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>(C - B)</u>	<u>(D / B)</u>
100	Salaries	\$59,887,002	\$60,109,602	\$61,974,099	\$1,864,497	3.10%
200	Benefits	\$15,630,267	\$16,909,967	\$17,859,871	\$949,904	5.62%
230	PSERS Expenditures	\$19,458,875	\$19,479,575	\$20,793,318	\$1,313,743	6.74%
300	Purchased Professional Services	\$16,161,469	\$16,161,469	\$17,132,230	\$970,761	6.01%
400	Purchased Property Services	\$3,818,763	\$3,818,763	\$3,852,905	\$34,142	0.89%
500	Other Purchased Services	\$12,742,431	\$12,742,431	\$13,546,295	\$803,864	6.31%
600	Supplies	\$4,853,405	\$4,853,405	\$4,149,040	(\$704,365)	-14.51%
700	Equipment	\$1,464,988	\$1,464,988	\$1,847,567	\$382,579	26.11%
800	Other	\$135,525	\$135,525	\$145,905	\$10,380	7.66%
832/912	Debt Service	\$6,746,084	\$6,746,084	\$6,770,063	\$23,979	0.36%
900	Gen Fund Transfer to Other Funds	\$1,439,830	\$1,439,830	\$1,600,000	\$160,170	11.12%
	<b>Total Expenditures</b>	<b>\$142,338,639</b>	<b>\$143,861,639</b>	<b>\$149,671,293</b>	<b>\$5,809,654</b>	<b>4.04%</b>

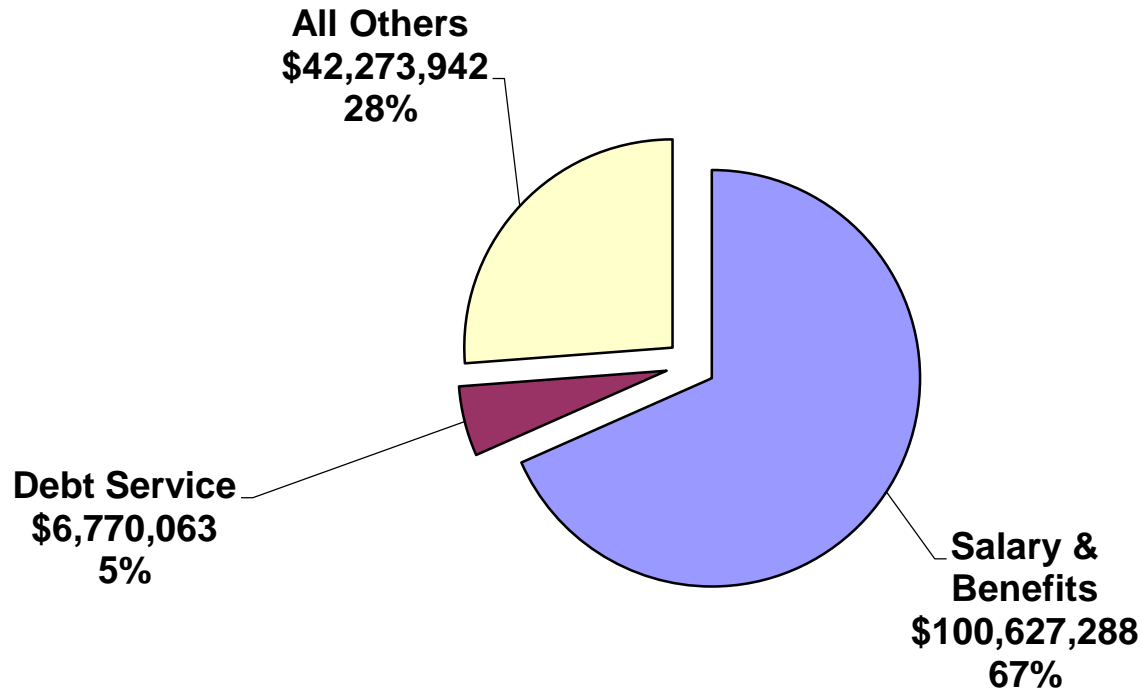
# Expenditure Drivers

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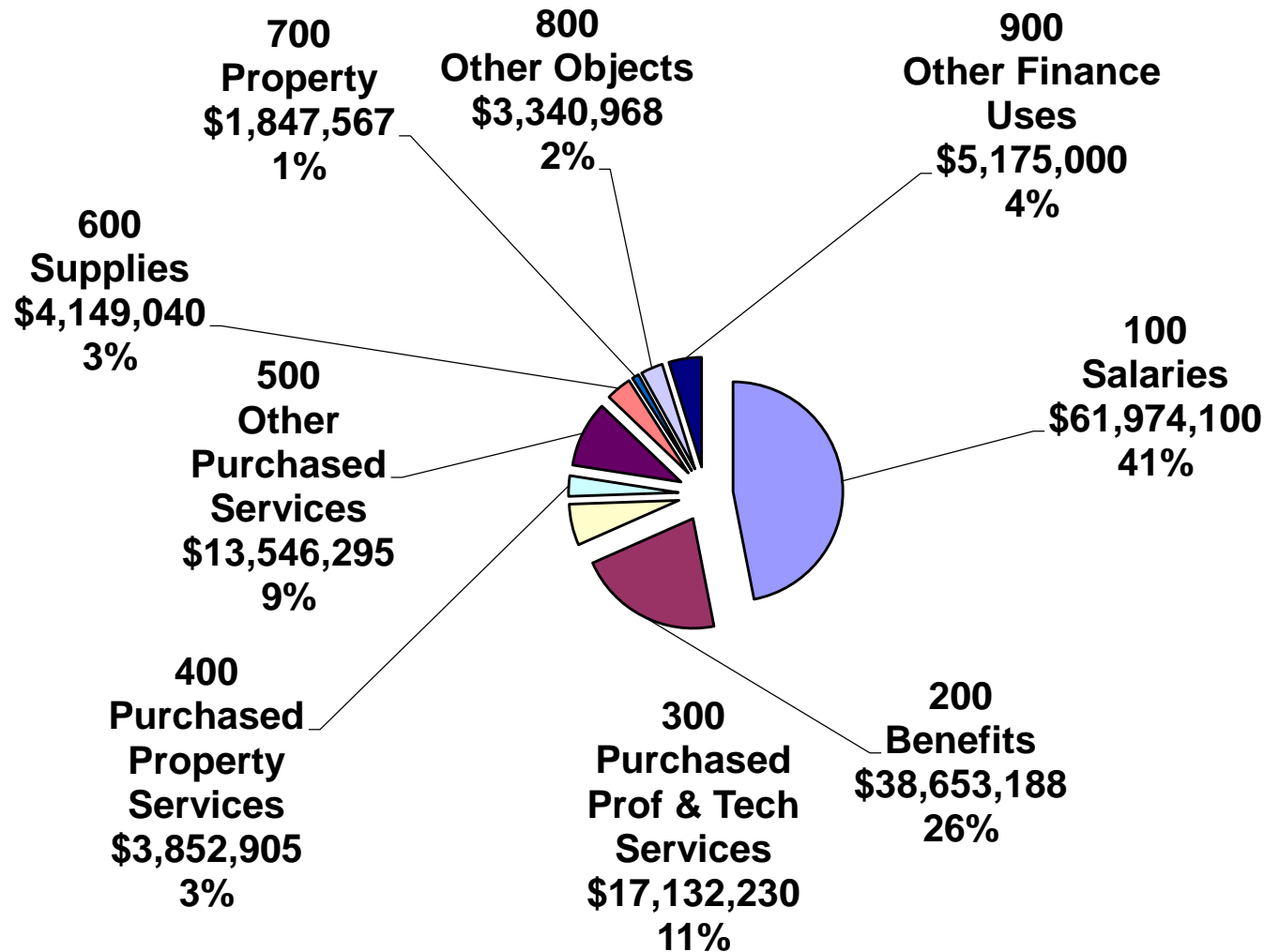
A	B	C	D
100	Salaries	Teacher FTE's at 508.7	\$1,507,000
100	Salaries	Admin/Suprvsr/Confid per existing agreements	\$150,100
100	Salaries	Aides and Paraeducators	(\$133,400)
100	Salaries	Support Staff Increases, Sub/Temp and OT	\$29,400
100/200	Salaries/Benefits	New Safety Coordinator	\$184,400
100/200	Salaries/Benefits	New Staff Positions	\$123,550
100/200	Salaries/Benefits	Add'l Mental Health Specialist	\$96,000
200	Benefits	Healthcare Projected Costs for Medical, Rx, and Dental	\$583,801
200	Benefits	Social Security, Tuition Reimb, Unemployment Comp, Workers Comp	\$318,500
200	PSERS	Employee Contribution Rate set by the State at 34.29% of Payroll	\$1,268,976
300/500	Purch Prof Svcs/Tuition/Transp	Special Education Purch Professional/Technical Svcs/Tuition/Transportation	\$1,335,000
300/500	Purch Prof Svcs/Tuition/Transp	Regular Education Purch Professional/Technical Svcs/Tuition/Transportation	\$440,000
400	Repairs and Maintenance	Departmental	\$34,150
600/700/800	Supplies/Utilities/Equipment/Dues	Schools and Departments	(\$312,100)
800/900	Debt Service	per Debt Service Schedule	\$24,000
900	Athletic Department	Expenditures	\$160,200
		Total	\$5,809,577

# 2019-20 Budgeted Total Expenditures

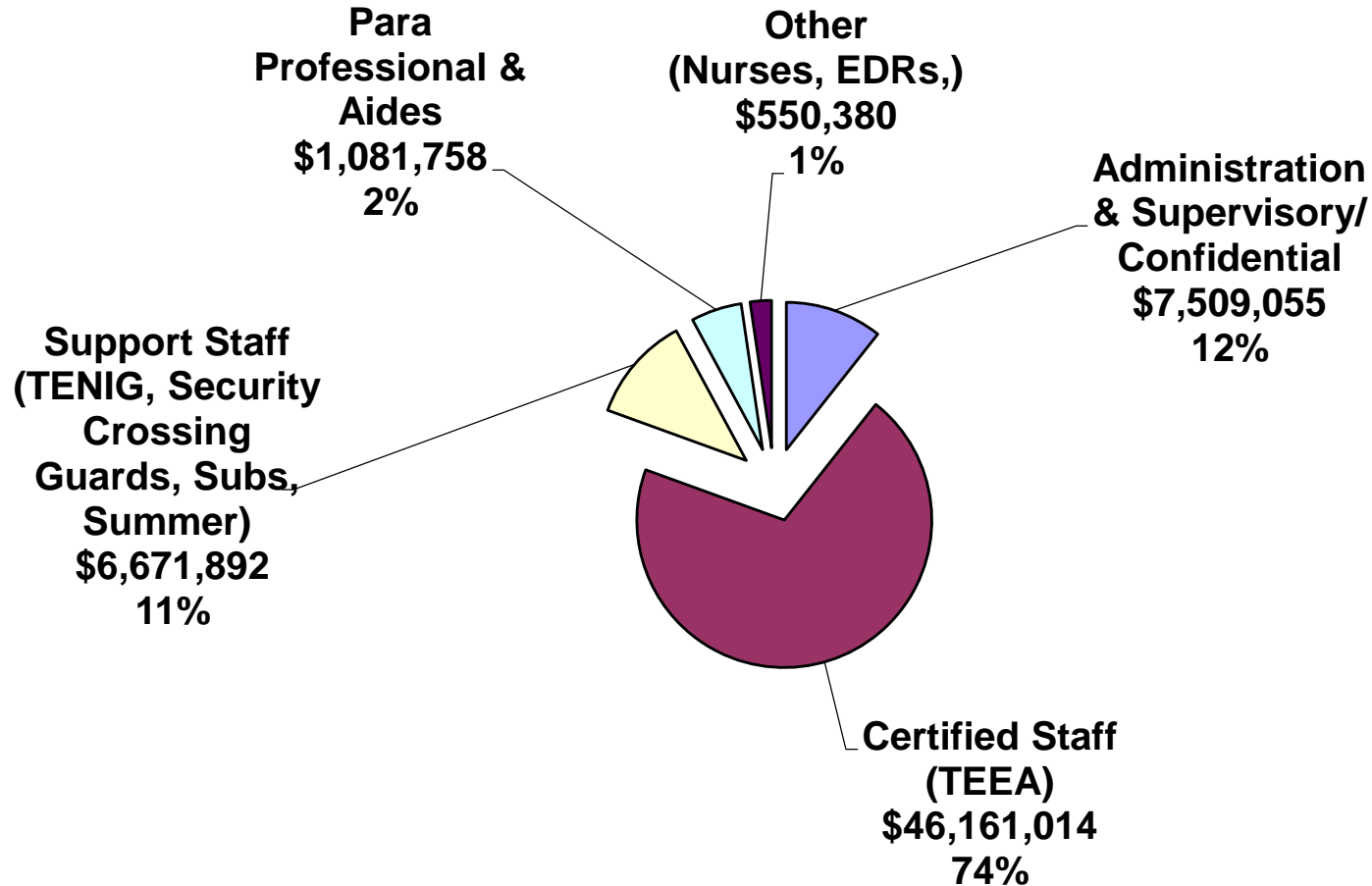
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# 2019-20 Budgeted Total Expenditures by Object Draft



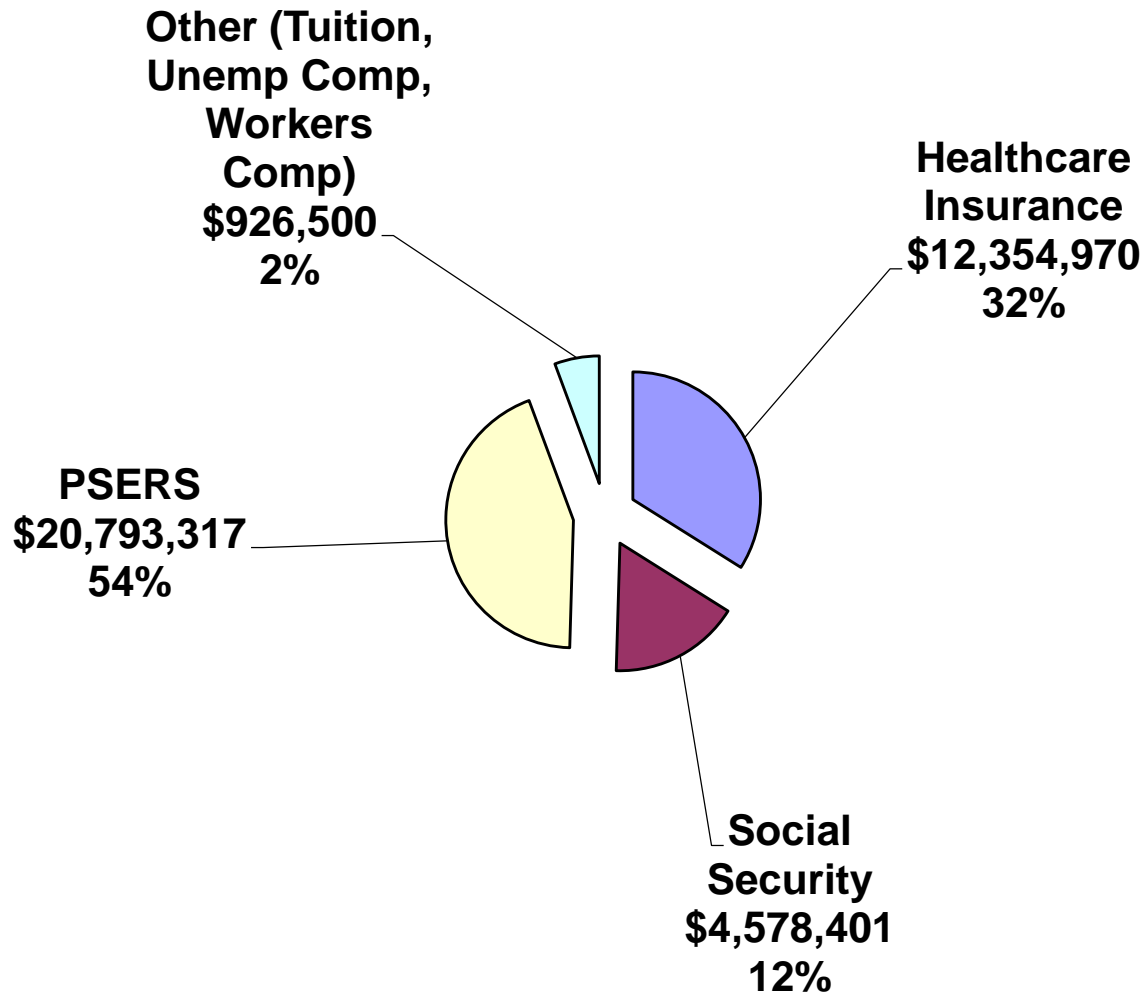
# 2019-20 Budgeted Salaries (100)



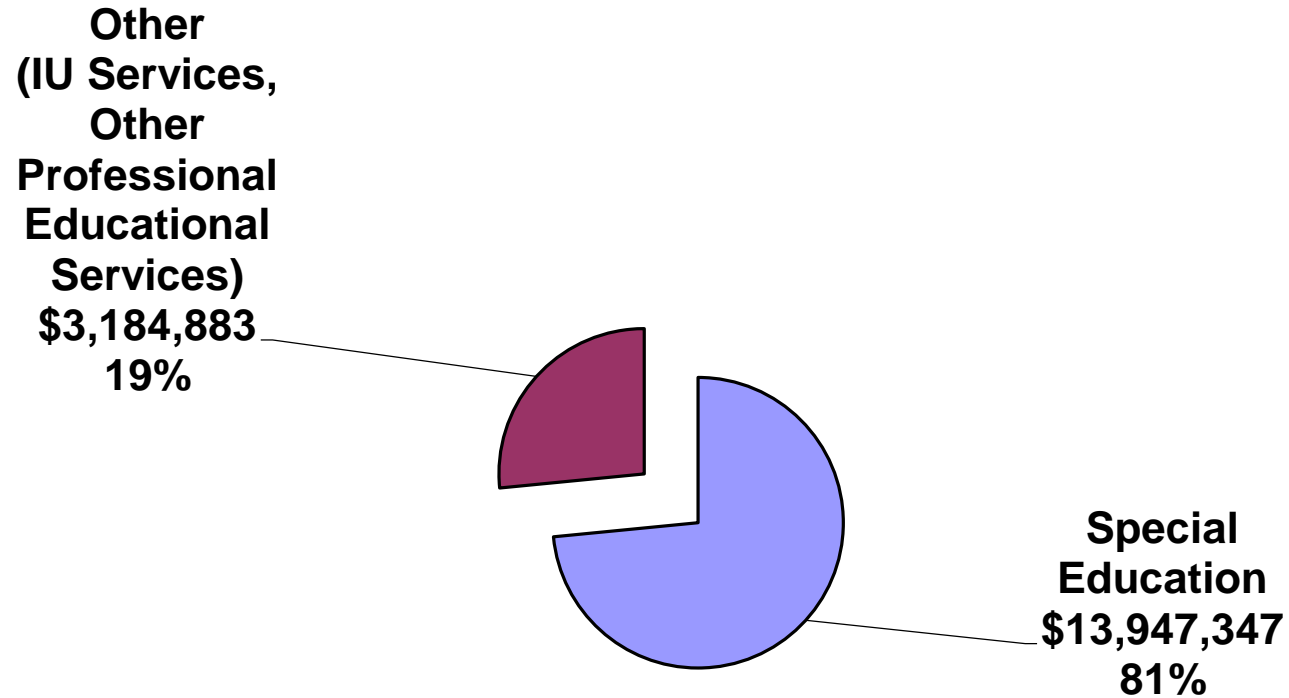


# 2019-20 Budgeted Benefits (200)

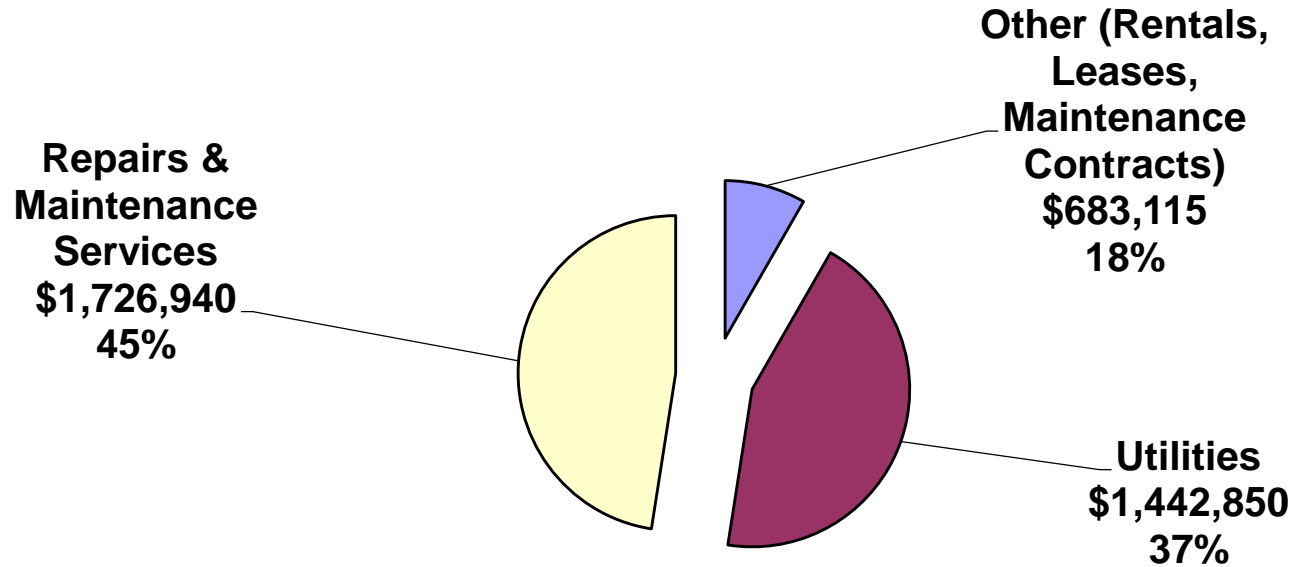
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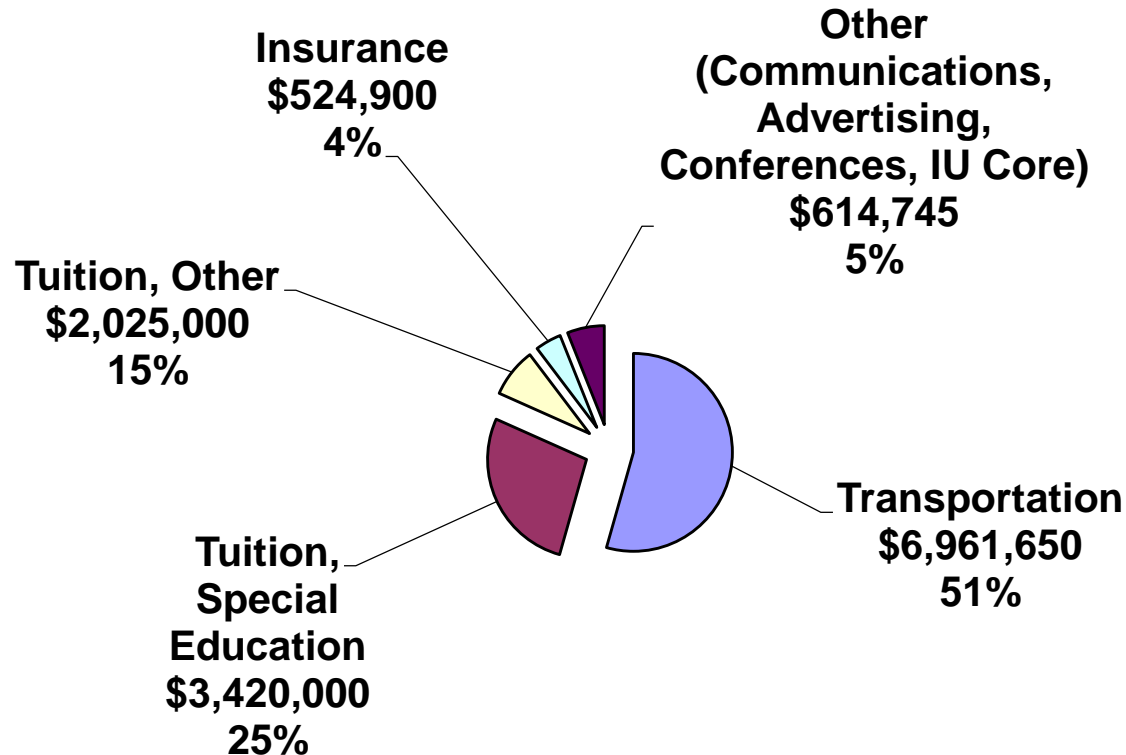
# 2019-20 Budgeted Purchased Professional Srvcs (300)



# 2019-20 Budgeted Purchased Property Srvcs (400)

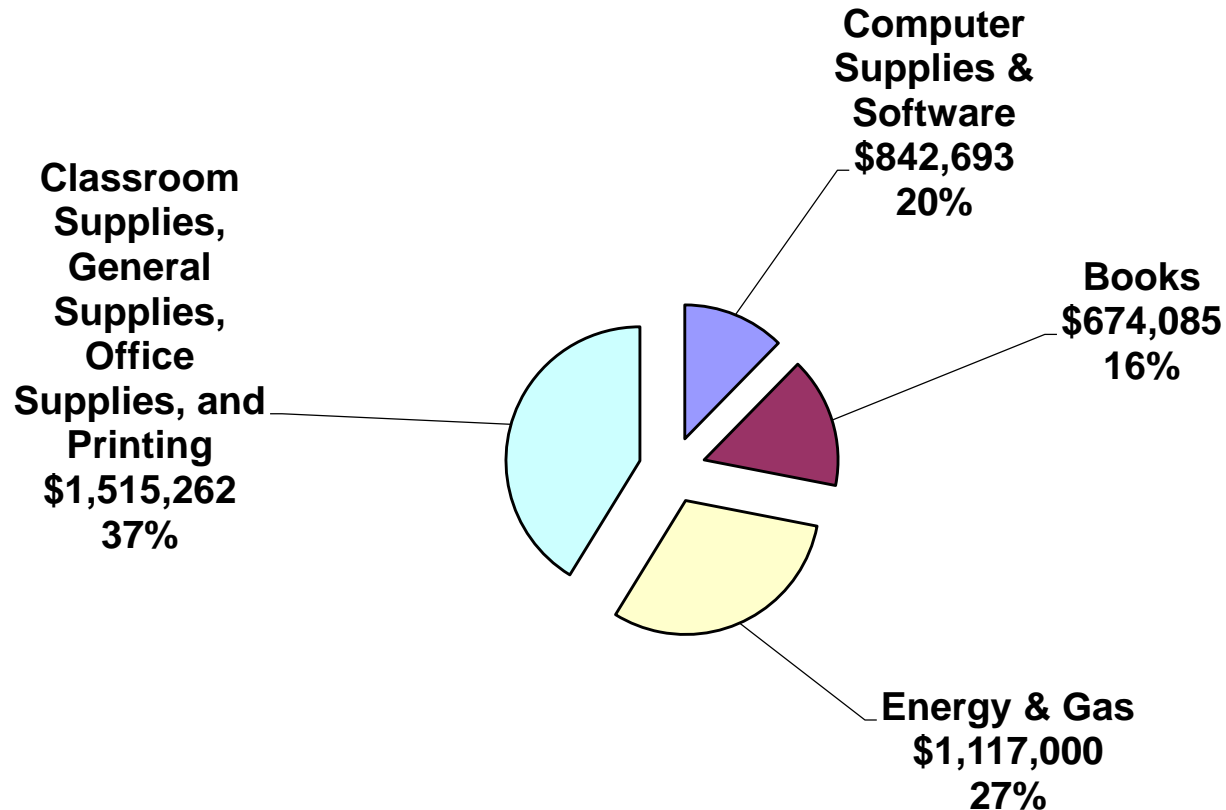


# 2019-20 Budgeted Other Purchased Srvcs (500)



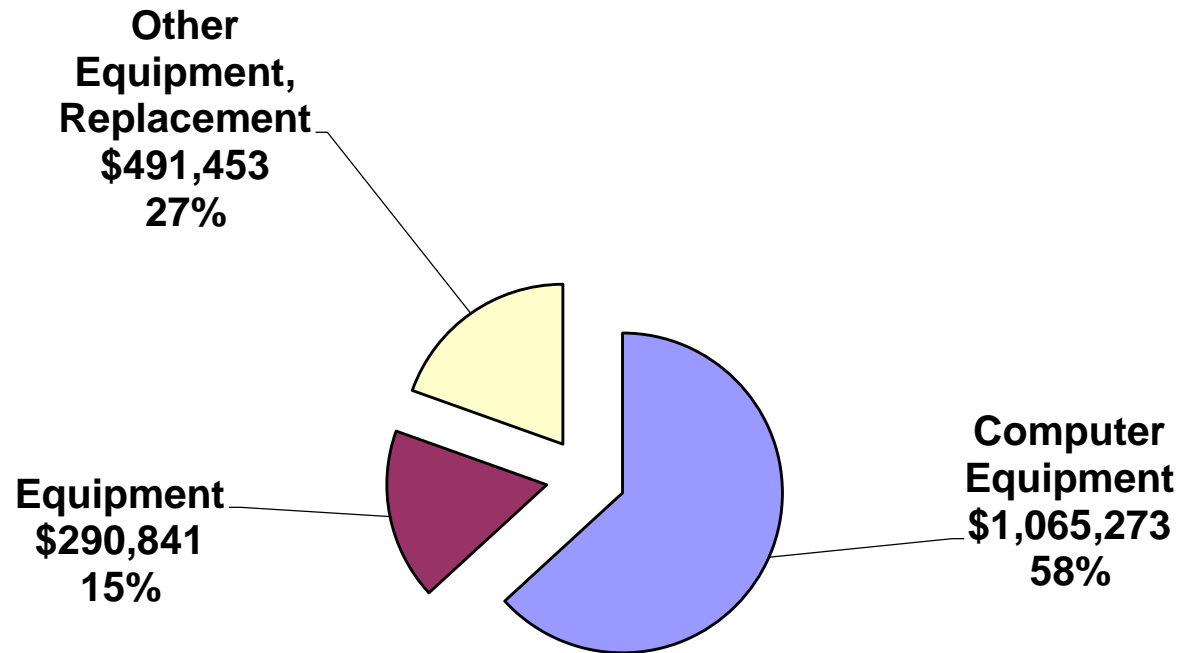
# 2019-20 Budgeted Supplies (600)

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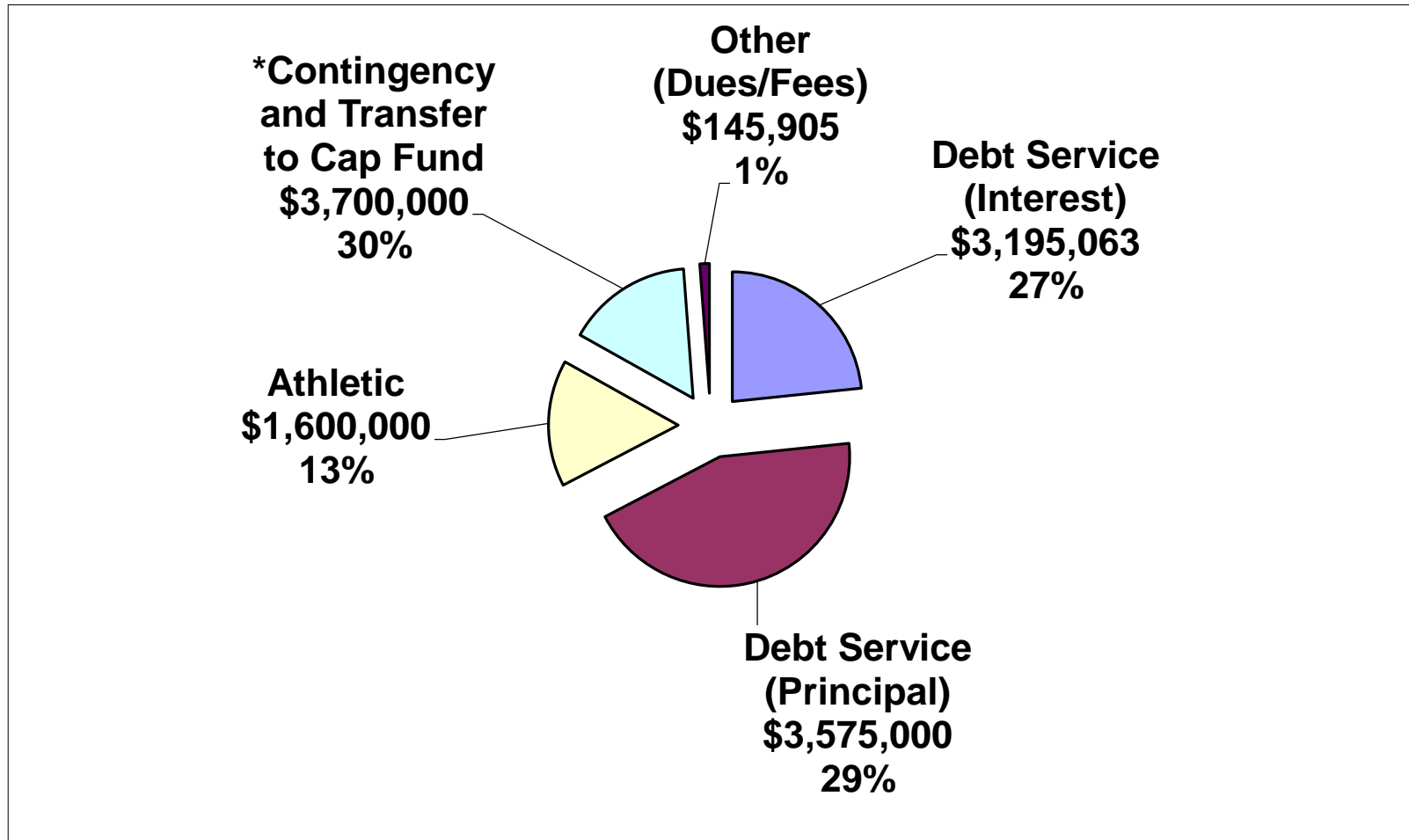


# 2019-20 Budgeted Equipment (700)

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# 2019-20 Budgeted Other Objects and Uses (800/900)



\* Not Included in the Total Proposed Expenditure Amount of \$149,671,293

# FY 2019-20 REVISED Preliminary Budget

Draft

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

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10	Projected Budget Balance	\$81,775

\*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	\$143,058,670
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	Estimated Property Tax Revenue from:	
4	Act 1 Index of 2.3%	\$2,581,592
5		
6		
7	Projected Budget Deficit	(\$8,258,031)
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Implemented	\$3,027,000
10	Projected Budget Deficit	(\$4,031,031)

# FY 2019-20 Budget Development

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5		
6	Referendum Exceptions of 1.0%	\$1,123,005
7	Projected Budget Deficit	(\$7,135,026)
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Implemented	\$3,027,000
10	Projected Budget Deficit	(\$2,908,026)

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	\$143,058,670
2	Budgeted Anticipated Expenditures	\$153,898,293
3	Projected Budget Deficit	(\$10,839,623)
	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	Projected Budget Deficit	(\$6,012,510)
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Implemented	\$3,027,000
10	Projected Budget Deficit	(\$1,785,510)

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	\$143,058,670
2	Budgeted Anticipated Expenditures	\$153,898,293
3	Projected Budget Deficit	(\$10,839,623)
	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	Projected Budget Deficit	(\$4,890,482)
8	Capital Fund Transfer Moved to Contingency	\$1,200,000
9	Budget Strategies Accepted by Finance Cmte	\$3,027,000
10	Projected Budget Deficit	(\$663,482)

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 Assumptions

		A	B	C	D
		Projection	Projection	Projection	Projection
		2020-2021	2021-2022	2022-2023	2023-2024
1	<b>Act 1 Index</b>	0.00%	0.00%	0.00%	0.00%
2	<b>Assessment Increase</b>	0.00%	0.00%	0.00%	0.00%
3	<b>Teacher (TEEA) Salary Increase</b>	0.00%	0.00%	0.00%	0.00%
4	<b>Support Staff (TENIG) Salary Increase</b>	2.75%	0.00%	0.00%	0.00%
5	<b>Administration Salary Increase</b>	1.70%	0.00%	0.00%	0.00%
6	<b>Supervisory/Confidential Salary Increase</b>	1.70%	0.00%	0.00%	0.00%
7	<b>PSERS Employer Contribution Rate (2016-17 ECR is 30.03%)</b>	34.77%	35.19%	35.84%	36.30%
8	<b>Medical Benefits Increase</b>	8.00%	8.00%	8.00%	8.00%
9	<b>Prescription Benefits Increase</b>	9.00%	9.00%	9.00%	9.00%
10	<b>Professional Services Increase (Special Education Only)</b>	7.00%	7.00%	7.00%	7.00%
11	<b>Professional Services Increase</b>	3.00%	3.00%	3.00%	3.00%
12	<b>Technical Services Increase (Utilities, Maintenance, Rentals)</b>	3.00%	3.00%	3.00%	3.00%
13	<b>Tuition Increase (Special Education Only)</b>	10.00%	10.00%	10.00%	10.00%
14	<b>Other Purch Svcs Increase (Tuition, Transportation, Insurance)</b>	3.00%	3.00%	3.00%	3.00%
15	<b>Supplies Increase</b>	3.00%	3.00%	3.00%	3.00%
16	<b>Equipment Increase</b>	1.00%	1.00%	1.00%	1.00%
17	<b>Dues and Fees Increase</b>	3.00%	3.00%	3.00%	3.00%
18	<b>Other Uses Increase (Athletic Fund)</b>	3.00%	3.00%	3.00%	3.00%
19	<b>Teacher FTE's</b>	508.7	508.7	508.7	508.7

# 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	\$12,618,117	\$12,396,597	\$12,471,592	\$12,529,489	\$12,529,489
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>\$149,753,068</b>	<b>\$149,478,614</b>	<b>\$149,594,564</b>	<b>\$149,774,926</b>	<b>\$149,808,710</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$17,859,871	\$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>\$149,671,293</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>\$81,775</b>	<b>(\$6,579,835)</b>	<b>(\$8,949,657)</b>	<b>(\$12,193,525)</b>	<b>(\$15,359,334)</b>
12	Beginning General Fund Balance	\$28,064,278	\$28,146,053	\$21,566,218	\$12,616,561	\$423,036
13	Change/Use of Fund Balance	\$81,775	(\$6,579,835)	(\$8,949,657)	(\$12,193,525)	(\$15,359,334)
14	<b>Ending General Fund Balance</b>	<b>\$28,146,053</b>	<b>\$21,566,218</b>	<b>\$12,616,561</b>	<b>\$423,036</b>	<b>(\$14,936,298)</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	\$12,618,117	\$12,396,597	\$12,471,592	\$12,529,489	\$12,529,489
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>\$145,640,262</b>	<b>\$145,248,523</b>	<b>\$145,300,763</b>	<b>\$145,416,455</b>	<b>\$145,438,834</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$17,859,871	\$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>\$149,671,293</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>(\$4,031,031)</b>	<b>(\$10,809,927)</b>	<b>(\$13,243,458)</b>	<b>(\$16,551,996)</b>	<b>(\$19,729,211)</b>
12	Beginning General Fund Balance	\$28,064,278	\$24,033,247	\$13,223,320	(\$20,138)	(\$16,572,134)
13	Change/Use of Fund Balance	(\$4,031,031)	(\$10,809,927)	(\$13,243,458)	(\$16,551,996)	(\$19,729,211)
14	Ending General Fund Balance	<b>\$24,033,247</b>	<b>\$13,223,320</b>	<b>(\$20,138)</b>	<b>(\$16,572,134)</b>	<b>(\$36,301,345)</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	\$12,618,117	\$12,396,597	\$12,471,592	\$12,529,489	\$12,529,489
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>\$146,763,267</b>	<b>\$146,403,024</b>	<b>\$146,472,652</b>	<b>\$146,605,994</b>	<b>\$146,631,486</b>
	<b>Expenditures</b>					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$17,859,871	\$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>\$149,671,293</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>(\$2,908,026)</b>	<b>(\$9,655,426)</b>	<b>(\$12,071,569)</b>	<b>(\$15,362,457)</b>	<b>(\$18,536,559)</b>
12	Beginning General Fund Balance	\$28,064,278	\$25,156,252	\$15,500,826	\$3,429,258	(\$11,933,199)
13	Change/Use of Fund Balance	(\$2,908,026)	(\$9,655,426)	(\$12,071,569)	(\$15,362,457)	(\$18,536,559)
14	Ending General Fund Balance	<b>\$25,156,252</b>	<b>\$15,500,826</b>	<b>\$3,429,258</b>	<b>(\$11,933,199)</b>	<b>(\$30,469,758)</b>



# 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	\$12,618,117	\$12,396,597	\$12,471,592	\$12,529,489	\$12,529,489
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>\$147,885,782</b>	<b>\$147,557,525</b>	<b>\$147,644,541</b>	<b>\$147,795,533</b>	<b>\$147,824,138</b>
	<b>Expenditures</b>					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$17,859,871	\$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>\$149,671,293</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>(\$1,785,510)</b>	<b>(\$8,500,925)</b>	<b>(\$10,899,680)</b>	<b>(\$14,172,918)</b>	<b>(\$17,343,907)</b>
12	Beginning General Fund Balance	\$28,064,278	\$26,278,768	\$17,777,843	\$6,878,163	(\$7,294,755)
13	Change/Use of Fund Balance	(\$1,785,510)	(\$8,500,925)	(\$10,899,680)	(\$14,172,918)	(\$17,343,907)
14	Ending General Fund Balance	\$26,278,768	\$17,777,843	\$6,878,163	(\$7,294,755)	(\$24,638,662)

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

# Projection Model

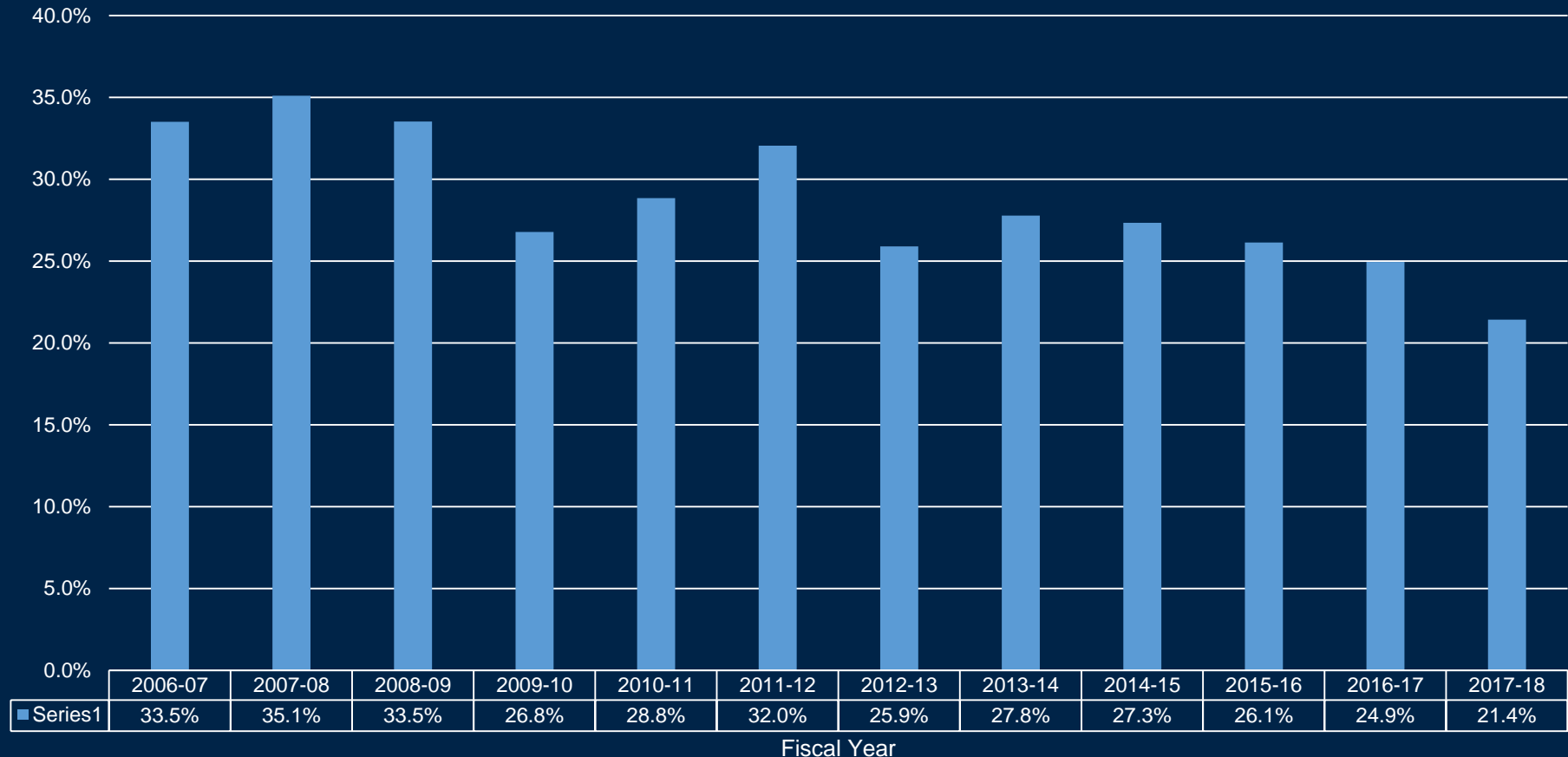
(Act 1 Index and Referendum Exceptions of 3% Tax Increases)

		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	\$12,618,117	\$12,396,597	\$12,471,592	\$12,529,489	\$12,529,489
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>\$149,007,810</b>	<b>\$148,712,026</b>	<b>\$148,816,430</b>	<b>\$148,985,072</b>	<b>\$149,016,789</b>
	Expenditures					
6	Salaries	\$61,974,099	\$62,918,482	\$62,918,482	\$62,918,482	\$62,918,482
7	Benefits	\$17,859,871	\$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>\$149,671,293</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>(\$663,482)</b>	<b>(\$7,346,424)</b>	<b>(\$9,727,791)</b>	<b>(\$12,983,379)</b>	<b>(\$16,151,255)</b>
12	Beginning General Fund Balance	\$28,064,278	\$27,400,796	\$20,054,372	\$10,326,581	(\$2,656,798)
13	Change/Use of Fund Balance	(\$663,482)	(\$7,346,424)	(\$9,727,791)	(\$12,983,379)	(\$16,151,255)
14	<b>Ending General Fund Balance</b>	<b>\$27,400,796</b>	<b>\$20,054,372</b>	<b>\$10,326,581</b>	<b>(\$2,656,798)</b>	<b>(\$18,808,053)</b>

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

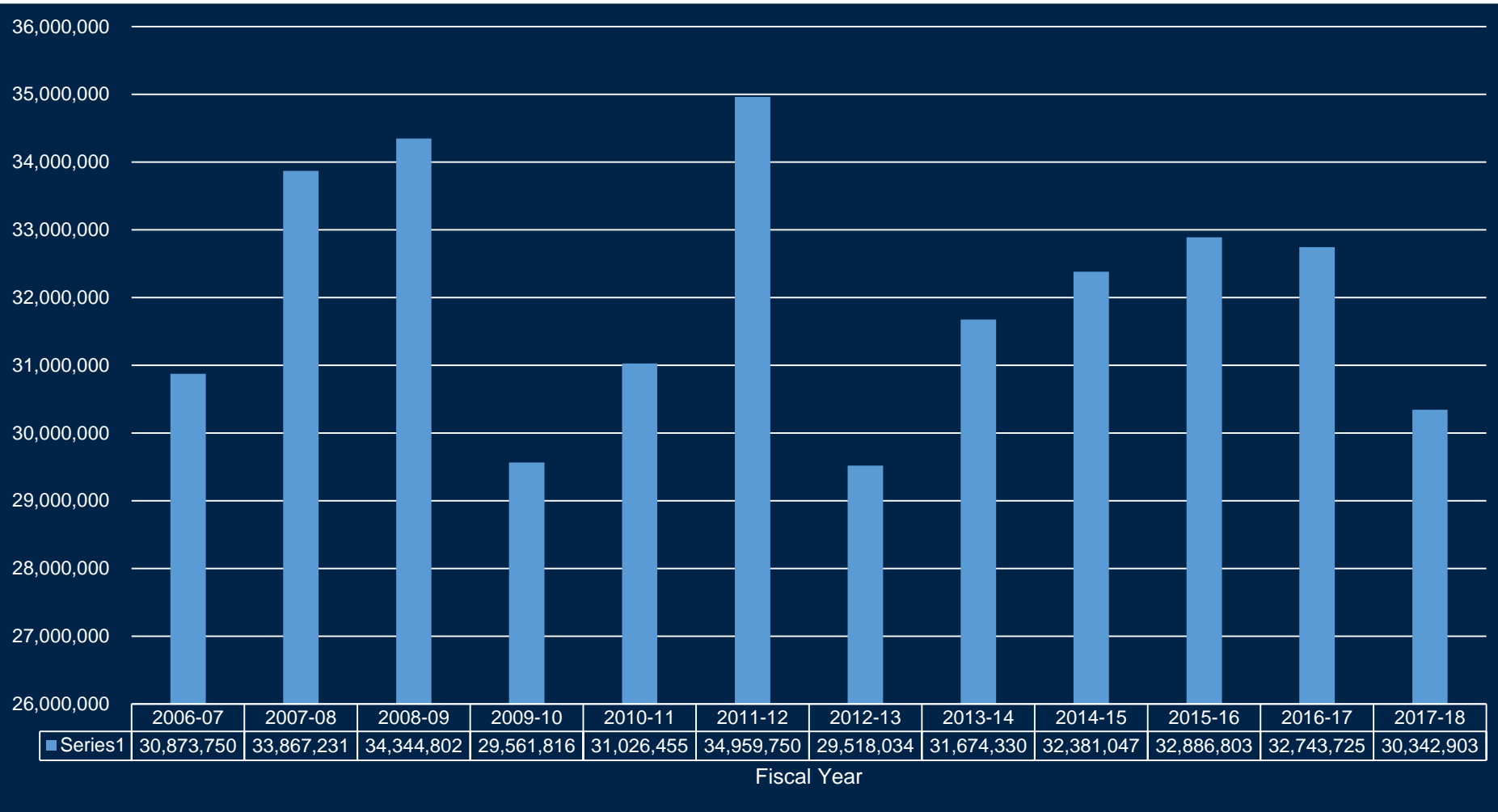
# Fund Balance (% of Budget)

Draft



# Fund Balance (in Dollars)

Draft



## 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

Draft

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

# FY 2018-19 Budget and Year-end Projection

Draft

		A	B
		Budget	Projection
	Revenues	2018-2019	2018-2019
1	Total Revenue from Local Sources	\$118,068,353	\$118,700,518
2	Revenue from State Sources	\$12,315,600	\$12,423,318
3	PSERS Subsidy from State	\$9,729,438	\$9,729,438
4	Total Revenue from Federal Sources	\$729,740	\$729,740
5	<b>Total Revenues</b>	<b>\$140,843,131</b>	<b>\$141,583,014</b>
	Expenditures		
6	Salaries	\$59,887,002	\$60,109,602
7	Benefits	\$15,630,267	\$16,909,967
8	PSERS Expenditures	\$19,458,875	\$19,479,575
9	Other Expenditures	\$47,362,495	\$47,362,495
10	<b>Total Expenditures</b>	<b>\$142,338,639</b>	<b>\$143,861,639</b>
11	<b>Budget Imbalance</b>	<b>(\$1,495,508)</b>	<b>(\$2,278,625)</b>



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