

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

Budget Workshop II Agenda

Tuesday, April 12, 2016

7:30 P.M. – CHS Cafeteria

1. Welcome –Douglas Carlson, School Board President	
2. 2016-17 Budget Development	
a. Summary.....	2
b. Expenditure Analysis	
i. Projection Model.....	3
ii. Proposed Adjustments/Impact Items.....	4
iii. Variances and Drivers	7
c. Closing the Gap.....	9
d. Tax Impact of Act 1 and Referendum Exceptions.....	12
e. Looking Ahead	16
f. Key Dates	18
3. Reference Materials.....	19
4. Public Comment	
5. Adjournment	

FY 2016-17 Preliminary Budget Summary Draft

(Approved on January 25, 2016)

1	Projected Revenue	\$124,685,439
2	Projected Expenditures	\$129,440,568
3	Projected Budget Operating Deficit	(\$4,755,129)
4	Act 1 Tax Increase (2.4%)	\$2,392,602
5	*Referendum Exception (Est. at .966%)	\$962,839
6	**Referendum Exception (Est. at .934%)	\$931,570
7	Projected Budget Deficit	(\$468,118)

Estimated Eligible Referendum Exceptions for 2016-17

1	*Employer Retirement Contributions	\$962,839
2	**Special Education Expenditures	\$931,570

Projection Model (Approved Preliminary Budget on 1/25/16)

Draft

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Total Revenue from Local Sources	\$107,893,262	\$107,880,536	\$107,859,377	\$107,827,327	\$107,785,107
2	Revenue from State Sources	\$12,099,356	\$12,391,433	\$12,391,433	\$12,391,433	\$12,391,433
3	PSERS Subsidy from State	\$8,403,886	\$9,235,893	\$9,590,455	\$9,858,538	\$9,659,638
4	Total Revenue from Federal Sources	\$575,946	\$575,946	\$575,946	\$575,946	\$575,946
5	Total Revenues	\$128,972,449	\$130,083,808	\$130,417,211	\$130,653,244	\$130,412,123
	Expenditures					
6	Salaries	\$57,932,132	\$57,932,132	\$57,932,132	\$57,932,132	\$57,932,132
7	Benefits	\$15,843,789	\$16,707,341	\$17,616,973	\$18,550,890	\$19,555,884
8	PSERS Expenditures	\$16,807,772	\$18,471,787	\$19,180,910	\$19,717,076	\$19,319,275
9	Other Expenditures	\$38,856,875	\$41,011,924	\$42,664,998	\$44,295,298	\$46,020,413
10	Total Expenditures	\$129,440,568	\$134,123,184	\$137,395,012	\$140,495,396	\$142,827,703
11	Budget Imbalance	(\$468,119)	(\$4,039,375)	(\$6,977,801)	(\$9,842,152)	(\$12,415,580)
11	Beginning General Fund Balance	\$32,138,287	\$31,670,168	\$27,630,793	\$20,652,992	\$10,810,840
12	Change/Use of Fund Balance	(\$468,119)	(\$4,039,375)	(\$6,977,801)	(\$9,842,152)	(\$12,415,580)
13	Ending General Fund Balance	\$31,670,168	\$27,630,793	\$20,652,992	\$10,810,840	(\$1,604,740)

- ◆ Act 1 Index (2.4%) and Referendum Exceptions (1.9%) Tax Revenue Included for FY 2016-17

Proposed Adjustments to 2016-17 Preliminary Budget

A	B	C	D
		2016-2017 Projected Deficit	(\$468,118)
8000	Federal Revenue	Title I Funding Increase	\$230,000
100/200	Salaries/Benefits	Reduction of .8 FTE Professional Staff - PSSA Remediation	\$64,000
100/200	Salaries/Benefits	Approved Professional Staff Retirements	\$340,000
200	Benefits	Savings from Transition to new Dental Provider	\$7,000
100/200	Salaries/Benefits	Hire Full-Time Athletic Director	(\$140,000)
400	Purch Prop Svcs	One:One Computing Initiative Lease (Net)	(\$2,555)
400	Purch Prop Svcs	PECO Electricity Rate Increase	(\$100,000)
		Interest Income	\$3,142
		Total	\$401,587
		Adjusted 2016-2017 Projected Deficit	(\$66,531)

FY 2016-17 Budget Impact Items

Draft

- ◆ **Secondary Projection for Self-Funded Healthcare Costs – No Adjustment to Preliminary Budget**
- ◆ **State Budget(s) – No Adjustment to Preliminary Budget**
- ◆ **Medical Assistance Reimbursement (ACCESS) – No Adjustment to Preliminary Budget**
- ◆ **Transition of Aides/Paras from Salaries to Contracted Services – Reclassification of Expenditures only**

REVISED FY 2016-17 Budget Summary

Draft

(w/ Act 1 Index and Referendum Exception Tax Increases)

1	Projected Revenue	\$124,685,439
2	Projected Expenditures	\$129,440,568
3	Projected Budget Operating Deficit	(\$4,755,129)
4	Act 1 Tax Increase (2.4%)	\$2,392,602
5	*Referendum Exception (Est. at .966%)	\$962,839
6	**Referendum Exception (Est. at .934%)	\$931,570
7	Adjustments to 2016-17 Preliminary Budget	\$401,587
8	REVISED Projected Budget Deficit	(\$66,531)

<u>Estimated Eligible Referendum Exceptions for 2016-17</u>		
1	*Employer Retirement Contributions	\$962,839
2	**Special Education Expenditures	\$931,570

Expenditures and Variances

Draft

		A	B	C	D	E
		Budget	Projection	Prelim Budget	Variance - \$	Variance - %
	<u>Expenditure</u>	<u>2015-2016</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>(C - B)</u>	<u>(D / B)</u>
100	Salaries	\$58,450,170	\$55,957,401	\$57,654,052	\$1,696,651	3.0%
200	Benefits	\$15,127,665	\$15,249,489	\$15,882,852	\$633,363	4.2%
230	PSERS Expenditures	\$14,499,383	\$14,235,357	\$16,727,093	\$2,491,736	17.5%
300	Purchased Professional Services	\$7,268,964	\$8,864,964	\$9,178,100	\$313,136	3.5%
400	Purchased Property Services	\$3,441,269	\$3,496,269	\$3,710,760	\$214,491	6.1%
500	Other Purchased Services	\$11,787,387	\$11,421,843	\$12,065,612	\$643,769	5.6%
600	Supplies	\$4,377,174	\$4,302,174	\$4,273,892	(\$28,282)	-0.7%
700	Equipment	\$1,279,915	\$1,362,337	\$1,271,040	(\$91,297)	-6.7%
800	Other	\$117,316	\$117,316	\$116,165	(\$1,151)	-1.0%
832/91	Debt Service	\$6,437,338	\$6,437,338	\$6,873,350	\$436,012	6.8%
900	Gen Fund Transfer to Other Fund	\$1,587,580	\$1,587,580	\$1,517,477	(\$70,103)	-4.4%
	Total Expenditures	\$124,374,161	\$123,032,068	\$129,270,392	\$6,238,324	5.1%

Expenditure Drivers

Draft

<u>Expenditures</u>			
A	B	C	D
100/200	Salaries/Benefits	Teacher FTE's at 471.1	\$360,000
100/200	Salaries/Benefits	Salary increases per Collective Bargaining Agreements for TEEA and TENIG	\$1,415,000
100/200	Salaries/Benefits	Professional Staff Retirements	(\$340,000)
100/200	Salaries/Benefits	Salary increases Admin, Supervisor/Confidential, and Aides/Paras at 1.7%	\$119,000
100/200	Salaries/Benefits	Substitute Teacher budget	\$108,000
100/200	Salaries/Benefits	Hire Full-Time Athletic Director	\$129,000
200	Benefits	Healthcare Costs Increased 5% for Medical, Rx and Dental	\$500,000
230	PSERS	Employee Contribution Rate set by the State at 30.03% of Payroll (16.2% Increase)	\$2,490,000
300/500	Purch Prof Svcs/Tuition	Special Education Purchased Professional/Technical Svcs/Tuition	\$900,000
400	Purchased Property Services	PECO Electricity Rate Increase	\$100,000
600	Supplies	School building budget requests	\$18,000
832/912	Debt Service	Debt Payments based on schedule	\$436,000
		Total	\$6,235,000

Strategies to Close the Gap (Deficit Reduction)

Draft

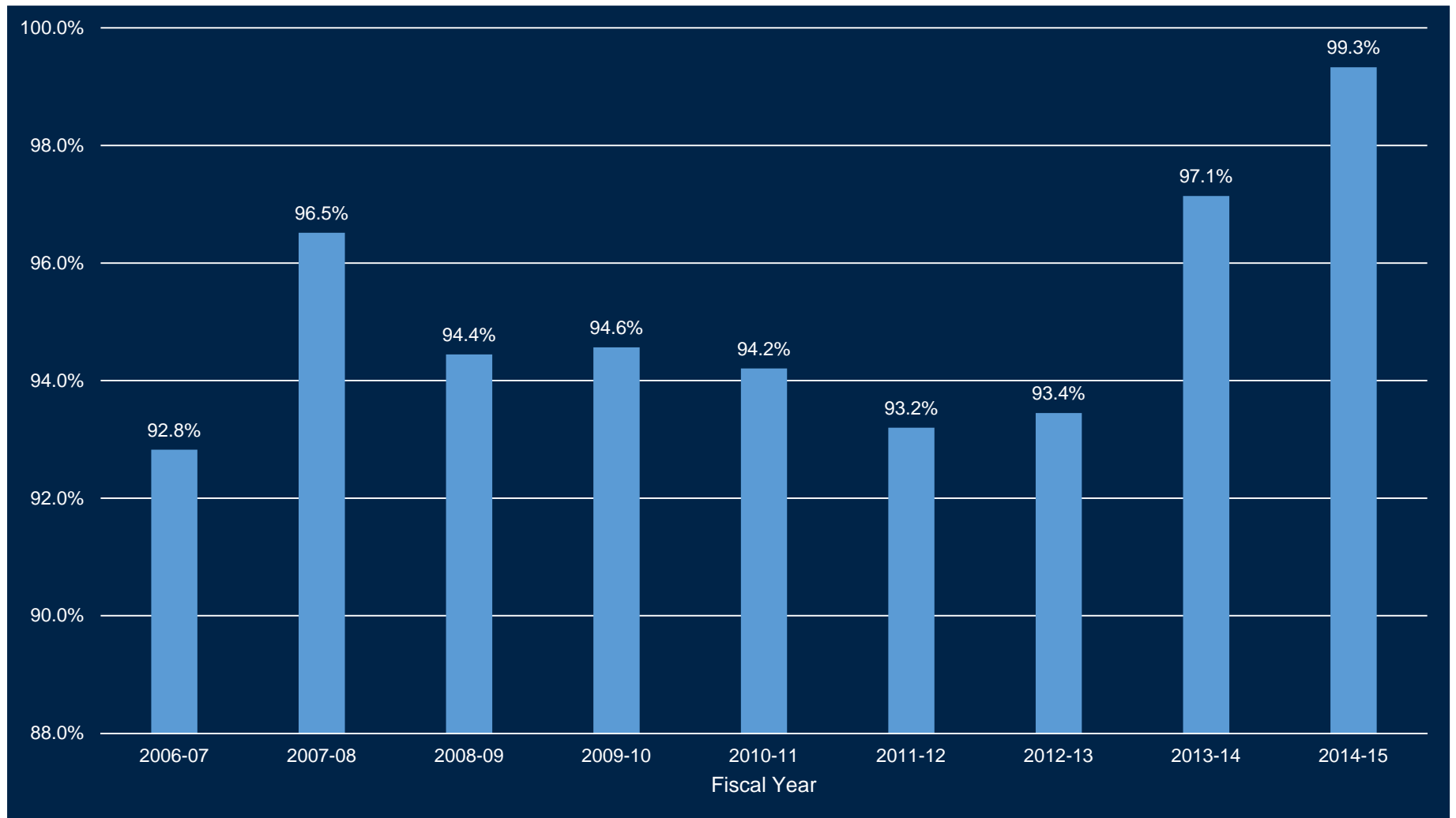
1. Reduce Expenditures
 - a. Spending Cuts and Savings Realized – Before, During and After Budget
 - b. More Aggressive Assumptions

2. Produce Revenue
 - a. Increase Tax Rate
 - b. Increase Existing Fees
 - c. Implement New Fees
 - d. More Aggressive Assumptions

3. Spend Fund Balance

Budgeted Expenditures Expended

Draft



2016-17 Budget Models with Various Tax Rates

Draft

		A	B	C	D	E
		Act 1 & Exceptions			Act 1 Index	No New
	Revenues	4.3% Tax Rate	3.875% Tax Rate	3.35% Tax Rate	2.4% Tax Rate	Tax Revenue
1	Total Revenue from Local Sources	\$107,943,507	\$107,468,426	\$106,993,346	\$106,049,098	\$103,656,496
2	Revenue from State Sources	\$12,090,861	\$12,090,861	\$12,090,861	\$12,090,861	\$12,090,861
3	PSERS Subsidy from State	\$8,363,546	\$8,363,546	\$8,363,546	\$8,363,546	\$8,363,546
4	Total Revenue from Federal Sources	\$805,946	\$805,946	\$805,946	\$805,946	\$805,946
5	Total Revenues	\$129,203,860	\$128,728,780	\$128,253,699	\$127,309,452	\$124,916,850
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$15,882,851	\$15,882,851	\$15,882,851	\$15,882,851	\$15,882,851
8	PSERS Expenditures	\$16,727,093	\$16,727,093	\$16,727,093	\$16,727,093	\$16,727,093
9	Other Expenditures	\$39,006,396	\$39,006,396	\$39,006,396	\$39,006,396	\$39,006,396
10	Total Expenditures	\$129,270,392	\$129,270,392	\$129,270,392	\$129,270,392	\$129,270,392
11	Budget Imbalance	(\$66,531)	(\$541,612)	(\$1,016,693)	(\$1,960,940)	(\$4,353,542)

Tax Impact from Act 1 Index and Exception Draft

		A	B	C	D
					*Increase to
	<u>FY 2016-17</u>	<u>Tax Rate</u>	<u>Projected Revenue</u>	<u>Mills</u>	<u>T/E Homeowner</u>
			(Current Rate = 20.9868)		
1	Act 1 Index	2.400%	\$2,392,602	0.5037	\$127
2	Referendum Exceptions:				
3	Employer Retirement Contributions	0.966%	\$962,839	0.2027	\$51
4	Special Education Expenditures	0.934%	\$931,570	0.1961	\$50
5	Total	4.300%	\$4,287,011	0.9025	\$228
			(Projected Maximum Rate = 21.8893)		
	*Based on Average Assessment of a T/E home of \$252,386 with a average tax bill of \$5,297				



IFO Act 1 Index Projections

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
SAWW	2.80%	3.30%	3.40%
ECI	1.70%	1.70%	1.70%
Base Index	2.20%	2.50%	2.60%

PASBO

56

Smart Business + Informed Decisions = Great Schools

PSEERS Impact on TESD Budget

Draft

<u>Fiscal Year</u>	*PSEERS Employer Contribution Rate (ECR)	TESD Net Rate (50% of ECR)	TESD Net Projected Budget Impact
2015-2016	25.84%	12.92%	\$7.2 million
2016-2017	30.03%	15.02%	\$8.4 million
2017-2018	32.04%	16.02%	\$9.2 million
2018-2019	33.27%	16.64%	\$9.6 million
2019-2020	34.20%	17.10%	\$9.86 million
2020-2021	33.51%	16.76%	\$9.66 million

* Source: PSERS (Dec 2015)

Special Education Referendum Exception

Draft

Special Education Expenditures

	<u>Year 1</u>	<u>Year 2</u>
Special Education Instruction	xxxxx	xxxxx
Less: Gifted Support	<u>(xxxx)</u>	<u>(xxxx)</u>
Special Ed Instruction for Students w/ Disabilities	A1	A2
Add:		
Guidance		
Psychological Services		
Speech Pathology		
Social Work Services		
Instruction and Curriculum Svcs		
Legal Services		
Medical Services		
Nursing Services		
Student Transportation Svcs	<u>xxx</u>	<u>xxx</u>
Special Ed Svcs for Students w/ Disabilities	B1	B2
Total Special Education Expenditures	A1 + B1 = C1	A2+ B2 = C2
Revenue for Special Education:		
PA State Special Ed Funding Subsidy	D1	D2
Special Ed Expenditures minus Revenues	C1 – D1 = E1	C2 – D2 = E2
Act 1 Index multiplied by Year 1 Special Ed Expenditures		(Act 1 Index X E1) = F
Year 2 Expenditures minus Year 1 Expenditures		E2 – E1 = G
Allowable Special Education Exception Amount		G – F

Looking Ahead to 2017-2018

Draft

(*assuming a 2016-2017 Tax Rate Increase of 4.3%)

1	*2017-18 Projected Operating Deficit	(\$3,528,180)
2	Projected Act 1 Index of 2.2%	\$2,200,000
3	Referendum Exception PSERS (Est.)	\$360,000
4	Referendum Exception Special Ed (Est.)	\$80,000
	Projected Budget Deficit	(\$888,180)
5	New Employee CBAs/Agreements in 17-18	UNKNOWN
6		
7	Projected Budget Deficit	(\$888,180)

Looking Ahead to 2017-2018

Draft

		A	B	C	D	E
	Assuming the 2016-2017 Tax Rate is	4.3% Tax Rate	3.875% Tax Rate	3.35% Tax Rate	2.4% Tax Rate	0% Tax Rate
		2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
	Revenues					
1	Total Revenue from Local Sources	\$107,883,825	\$107,457,152	\$106,930,086	\$105,982,282	\$103,580,672
2	Revenue from State Sources	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796
3	PSERS Subsidy from State	\$9,191,345	\$9,191,345	\$9,191,345	\$9,191,345	\$9,191,345
4	Total Revenue from Federal Sources	\$750,587	\$750,587	\$750,587	\$750,587	\$750,587
5	Total Revenues	\$130,206,553	\$129,779,880	\$129,252,814	\$128,305,011	\$125,903,400
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$16,686,068	\$16,686,068	\$16,686,068	\$16,686,068	\$16,686,068
8	PSERS Expenditures	\$18,382,690	\$18,382,690	\$18,382,690	\$18,382,690	\$18,382,690
9	Other Expenditures	\$41,011,924	\$41,011,924	\$41,011,924	\$41,011,924	\$41,011,924
10	Total Expenditures	\$133,734,734	\$133,734,734	\$133,734,734	\$133,734,734	\$133,734,734
11	Projected Budget Deficit	(\$3,528,180)	(\$3,954,853)	(\$4,481,919)	(\$5,429,723)	(\$7,831,334)
12	Projected Act 1 Index of 2.2%	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
13	Exception PSERS (Est.)	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000
14	Exception Special Ed (Est.)	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
15	New Employee CBAs/Agreements	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN
16	Projected Budget Deficit	(\$888,180)	(\$1,314,853)	(\$1,841,919)	(\$2,789,723)	(\$5,191,334)

FY 2016-17 Budget Development Dates

Draft

- A. April 25, 2016 – Adopt Proposed Final Budget for FY 2016-17
- B. May 3, 2016 – Finance Committee Meeting
- C. June 8, 2016 – Finance Committee Meeting
- D. June 13, 2016 – Adopt Final Budget for FY 2016-17

Projection Model Assumptions

Draft

		A	B	C	D
		Projected	Projected	Projection	Projection
		2017-2018	2018-2019	2019-2020	2020-2021
1	Act 1 Index	0.00%	0.00%	0.00%	0.00%
2	Assessment Increase	0.00%	0.00%	0.00%	0.00%
3	Other Local Revenues	0.00%	0.00%	0.00%	0.00%
4	Rate of Return on Investments	0.00%	0.00%	0.00%	0.00%
5	State Funding	0.00%	0.00%	0.00%	0.00%
6	Federal Funds	0.00%	0.00%	0.00%	0.00%
7	PSERS Employer Contribution Rate (2015-16 ECR is 25.84%)	32.04%	33.27%	34.20%	33.51%
8	Medical Benefits Increase	8.00%	8.00%	8.00%	8.00%
9	Prescription Benefits Increase	8.00%	8.00%	8.00%	8.00%
10	Other Benefits (Workers Comp, Unemployment Comp)	3.00%	3.00%	3.00%	3.00%
11	Professional Services Increase (Special Education Only)	7.00%	7.00%	7.00%	7.00%
12	Professional Services Increase	3.00%	3.00%	3.00%	3.00%
13	Technical Services Increase (Utilities, Maintenance, Rentals)	3.00%	3.00%	3.00%	3.00%
14	Tuition Increase (Special Education Only)	10.00%	10.00%	10.00%	10.00%
15	Other Purch Svcs Increase (Tuition, Transportation, Insurance)	3.00%	3.00%	3.00%	3.00%
16	Supplies Increase	3.00%	3.00%	3.00%	3.00%
17	Equipment Increase	1.00%	1.00%	1.00%	1.00%
18	Dues and Fees Increase	3.00%	3.00%	3.00%	3.00%
19	Other Uses Increase (Athletic Fund)	3.00%	3.00%	3.00%	3.00%
20	Teacher FTE's	471.1	471.1	471.1	471.1

Projection Model (Act 1 and Approved Exceptions Tax Increase) Draft

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Total Revenue from Local Sources	\$107,943,507	\$107,883,825	\$107,864,498	\$107,834,130	\$107,793,459
2	Revenue from State Sources	\$12,090,861	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796
3	PSERS Subsidy from State	\$8,363,546	\$9,191,345	\$9,544,196	\$9,810,986	\$9,613,045
4	Total Revenue from Federal Sources	\$805,946	\$750,587	\$703,533	\$663,536	\$629,539
5	Total Revenues	\$129,203,860	\$130,206,553	\$130,493,023	\$130,689,448	\$130,416,840
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$15,882,851	\$16,686,068	\$17,595,700	\$18,529,617	\$19,534,611
8	PSERS Expenditures	\$16,727,093	\$18,382,690	\$19,088,393	\$19,621,973	\$19,226,091
9	Other Expenditures	\$39,006,396	\$41,011,924	\$42,664,998	\$44,295,298	\$46,020,413
10	Total Expenditures	\$129,270,392	\$133,734,734	\$137,003,142	\$140,100,940	\$142,435,166
11	Budget Imbalance	(\$66,531)	(\$3,528,180)	(\$6,510,119)	(\$9,411,491)	(\$12,018,326)
12	Beginning General Fund Balance	\$33,365,552	\$33,299,021	\$29,770,840	\$23,260,721	\$13,849,230
13	Change/Use of Fund Balance	(\$66,531)	(\$3,528,180)	(\$6,510,119)	(\$9,411,491)	(\$12,018,326)
14	Ending General Fund Balance	\$33,299,021	\$29,770,840	\$23,260,721	\$13,849,230	\$1,830,904

◆ Act 1 Index (2.4%) and Referendum Exceptions (1.9%) Tax Revenue Included for FY 2016-17

Projection Model (Tax Increase of 3.875%)

Draft

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Total Revenue from Local Sources	\$107,518,435	\$107,457,152	\$107,436,219	\$107,404,238	\$107,361,949
2	Revenue from State Sources	\$12,090,861	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796
3	PSERS Subsidy from State	\$8,363,546	\$9,191,345	\$9,544,196	\$9,810,986	\$9,613,045
4	Total Revenue from Federal Sources	\$805,946	\$750,587	\$703,533	\$663,536	\$629,539
5	Total Revenues	\$128,778,788	\$129,779,880	\$130,064,744	\$130,259,557	\$129,985,329
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$15,882,851	\$16,686,068	\$17,595,700	\$18,529,617	\$19,534,611
8	PSERS Expenditures	\$16,727,093	\$18,382,690	\$19,088,393	\$19,621,973	\$19,226,091
9	Other Expenditures	\$39,006,396	\$41,011,924	\$42,664,998	\$44,295,298	\$46,020,413
10	Total Expenditures	\$129,270,392	\$133,734,734	\$137,003,142	\$140,100,940	\$142,435,166
11	Budget Imbalance	(\$491,604)	(\$3,954,853)	(\$6,938,398)	(\$9,841,383)	(\$12,449,836)
12	Beginning General Fund Balance	\$33,365,552	\$32,873,948	\$28,919,095	\$21,980,697	\$12,139,314
13	Change/Use of Fund Balance	(\$491,604)	(\$3,954,853)	(\$6,938,398)	(\$9,841,383)	(\$12,449,836)
14	Ending General Fund Balance	\$32,873,948	\$28,919,095	\$21,980,697	\$12,139,314	(\$310,522)

Projection Model (Tax Increase of 3.35%)

Draft

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Total Revenue from Local Sources	\$106,993,346	\$106,930,086	\$106,907,168	\$106,873,195	\$106,828,907
2	Revenue from State Sources	\$12,090,861	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796
3	PSEERS Subsidy from State	\$8,363,546	\$9,191,345	\$9,544,196	\$9,810,986	\$9,613,045
4	Total Revenue from Federal Sources	\$805,946	\$750,587	\$703,533	\$663,536	\$629,539
5	Total Revenues	\$128,253,699	\$129,252,814	\$129,535,693	\$129,728,514	\$129,452,287
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$15,882,851	\$16,686,068	\$17,595,700	\$18,529,617	\$19,534,611
8	PSEERS Expenditures	\$16,727,093	\$18,382,690	\$19,088,393	\$19,621,973	\$19,226,091
9	Other Expenditures	\$39,006,396	\$41,011,924	\$42,664,998	\$44,295,298	\$46,020,413
10	Total Expenditures	\$129,270,392	\$133,734,734	\$137,003,142	\$140,100,940	\$142,435,166
11	Budget Imbalance	(\$1,016,693)	(\$4,481,919)	(\$7,467,449)	(\$10,372,426)	(\$12,982,879)
12	Beginning General Fund Balance	\$33,365,552	\$32,348,859	\$27,866,940	\$20,399,491	\$10,027,065
13	Change/Use of Fund Balance	(\$1,016,693)	(\$4,481,919)	(\$7,467,449)	(\$10,372,426)	(\$12,982,879)
14	Ending General Fund Balance	\$32,348,859	\$27,866,940	\$20,399,491	\$10,027,065	(\$2,955,813)

Projection Model (Act 1 Index Tax Increase)

Draft

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Total Revenue from Local Sources	\$106,049,098	\$105,982,282	\$105,955,796	\$105,918,241	\$105,870,357
2	Revenue from State Sources	\$12,090,861	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796
3	PSERS Subsidy from State	\$8,363,546	\$9,191,345	\$9,544,196	\$9,810,986	\$9,613,045
4	Total Revenue from Federal Sources	\$805,946	\$750,587	\$703,533	\$663,536	\$629,539
5	Total Revenues	\$127,309,452	\$128,305,011	\$128,584,321	\$128,773,560	\$128,493,737
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$15,882,851	\$16,686,068	\$17,595,700	\$18,529,617	\$19,534,611
8	PSERS Expenditures	\$16,727,093	\$18,382,690	\$19,088,393	\$19,621,973	\$19,226,091
9	Other Expenditures	\$39,006,396	\$41,011,924	\$42,664,998	\$44,295,298	\$46,020,413
10	Total Expenditures	\$129,270,392	\$133,734,734	\$137,003,142	\$140,100,940	\$142,435,166
11	Budget Imbalance	(\$1,960,940)	(\$5,429,723)	(\$8,418,821)	(\$11,327,380)	(\$13,941,428)
12	Beginning General Fund Balance	\$33,365,552	\$31,404,612	\$25,974,889	\$17,556,068	\$6,228,688
13	Change/Use of Fund Balance	(\$1,960,940)	(\$5,429,723)	(\$8,418,821)	(\$11,327,380)	(\$13,941,428)
14	Ending General Fund Balance	\$31,404,612	\$25,974,889	\$17,556,068	\$6,228,688	(\$7,712,740)

◆ Act 1 Index (2.4%) Tax Revenue Included for FY 2016-17

Projection Model (Base)

Draft

		A	B	C	D	E
		Proposed	Projected	Projected	Projected	Projected
	Revenues	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Total Revenue from Local Sources	\$103,656,496	\$103,580,672	\$103,545,142	\$103,498,511	\$103,441,516
2	Revenue from State Sources	\$12,090,861	\$12,380,796	\$12,380,796	\$12,380,796	\$12,380,796
3	PSERS Subsidy from State	\$8,363,546	\$9,191,345	\$9,544,196	\$9,810,986	\$9,613,045
4	Total Revenue from Federal Sources	\$805,946	\$750,587	\$703,533	\$663,536	\$629,539
5	Total Revenues	\$124,916,850	\$125,903,400	\$126,173,667	\$126,353,829	\$126,064,896
	Expenditures					
6	Salaries	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052	\$57,654,052
7	Benefits	\$15,882,851	\$16,686,068	\$17,595,700	\$18,529,617	\$19,534,611
8	PSERS Expenditures	\$16,727,093	\$18,382,690	\$19,088,393	\$19,621,973	\$19,226,091
9	Other Expenditures	\$39,006,396	\$41,011,924	\$42,664,998	\$44,295,298	\$46,020,413
10	Total Expenditures	\$129,270,392	\$133,734,734	\$137,003,142	\$140,100,940	\$142,435,166
11	Budget Imbalance	(\$4,353,542)	(\$7,831,334)	(\$10,829,475)	(\$13,747,110)	(\$16,370,270)
12	Beginning General Fund Balance	\$33,365,552	\$29,012,010	\$21,180,676	\$10,351,202	(\$3,395,908)
13	Change/Use of Fund Balance	(\$4,353,542)	(\$7,831,334)	(\$10,829,475)	(\$13,747,110)	(\$16,370,270)
14	Ending General Fund Balance	\$29,012,010	\$21,180,676	\$10,351,202	(\$3,395,908)	(\$19,766,178)

◆ No Act 1 Index or Referendum Exception Tax Revenue Included for FY 2016-17

◆ What does the Taxpayer Relief Act of 2006 give to voters in each school district?

- “Power over extraordinary tax increases – School boards will still be able to raise property taxes each year to keep up with inflation, and they can receive **referendum exceptions for emergencies and educational necessities.**”

◆ What are the referendum exceptions in the Taxpayer Relief Act?

- “**Act 1 includes sensible and flexible referendum requirements that protect homeowners while ensuring that school districts can afford to adequately fund their schools.** In order to increase property taxes beyond the inflation index (Act 1 Index), a school board must receive a referendum exception for specific costs.”
- Two of those referendum exceptions are:
 - 1) Special education costs that increase by more than the index
 - 2) Increases in retirement payments that rise faster than the index

Source: PDE Taxpayer Relief Act 1 of 2006 FAQ's

History of Tax Rate

Draft

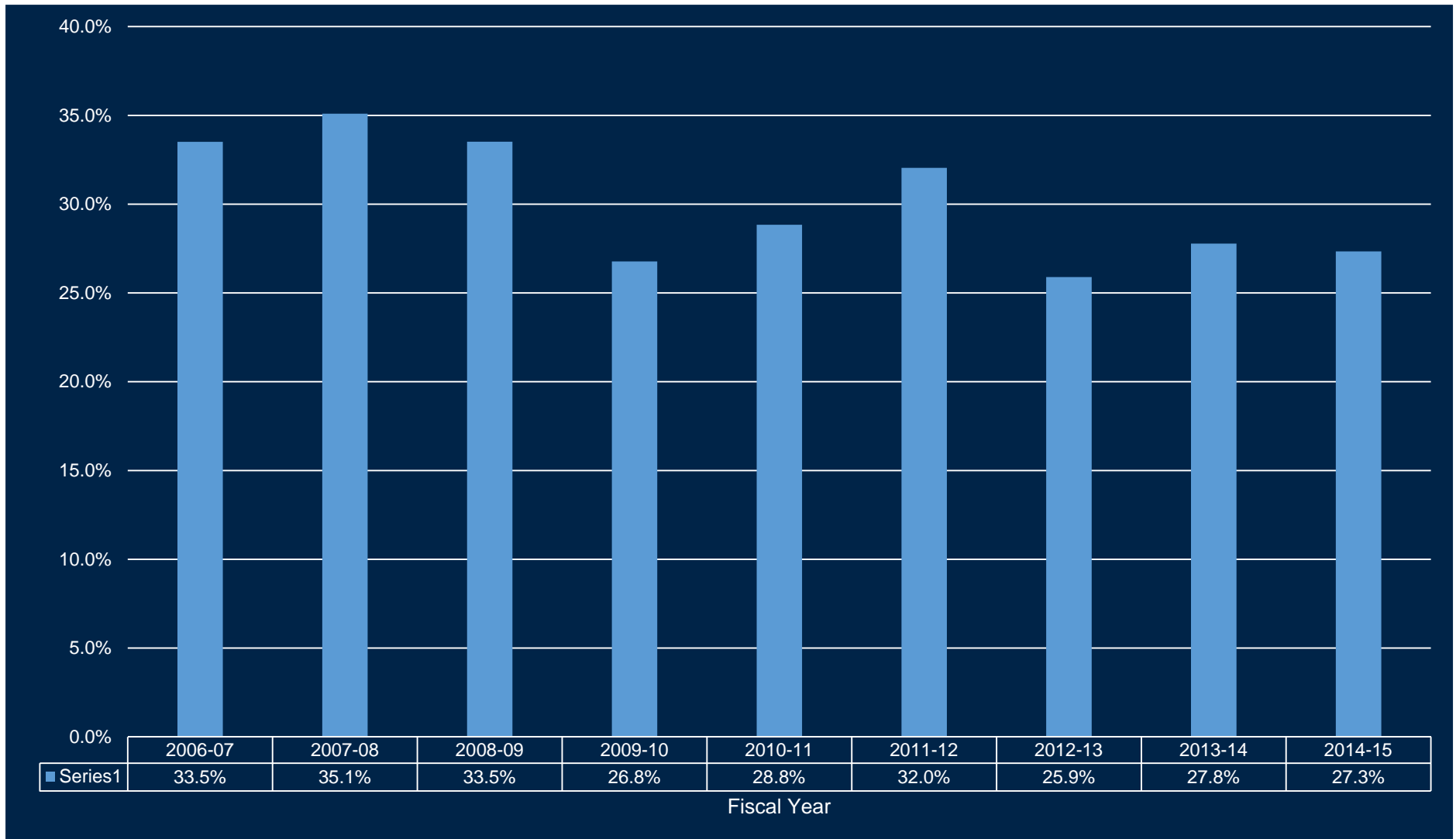
A	B	C	D	E	F	G
		Referendum Exceptions				Homestead
<u>Year</u>	<u>Act 1 Index</u>	<u>PSERS</u>	<u>Special Ed</u>	<u>Tax Increase</u>	<u>Avg. Increase</u>	<u>Credit*</u>
2015-16	1.9%	1.14%	0.77%	3.81%	\$194	\$181
2014-15	2.1%	1.10%	-	3.20%	\$157	\$180
2013-14	1.7%	-	-	1.70%	\$82	\$178
2012-13	1.7%	1.04%	0.56%	3.30%	\$155	\$177
2011-12	1.4%	1.20%	1.17%	3.77%	\$171	\$177
2010-11	2.9%	-	-	2.90%	\$126	\$178
2009-10	4.1%	-	-	2.95%	\$126	\$179
2008-09	4.4%	-	-	4.37%	\$171	\$181
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	
* The amount of property tax reduction for homeowners approved by the County						

2015-16 General Fund Balance Commitments **Draft**

	A		B
1	2015-16 Budget Commitment and Contingency		\$3,154,836
2	Capital Projects		\$5,206,072
3	Vested Employee Services		\$9,742,611
4	PSERS Contingency		\$9,313,434
5	Healthcare Contingency		\$4,300,000
6	Assigned to: Athletic Fund Expenditures		\$664,094
7	Total		\$32,381,047

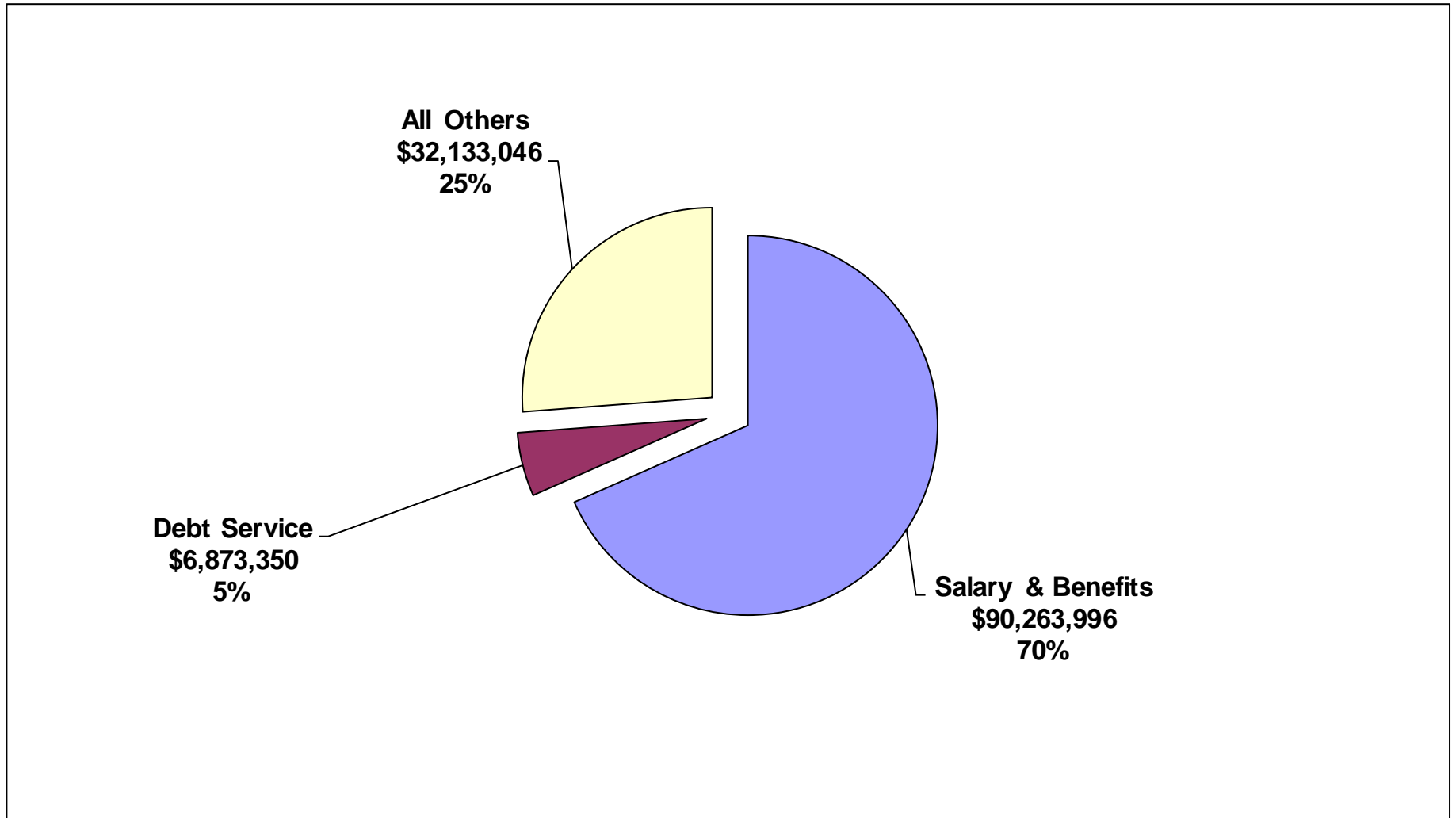
Fund Balance (% of Budget)

Draft



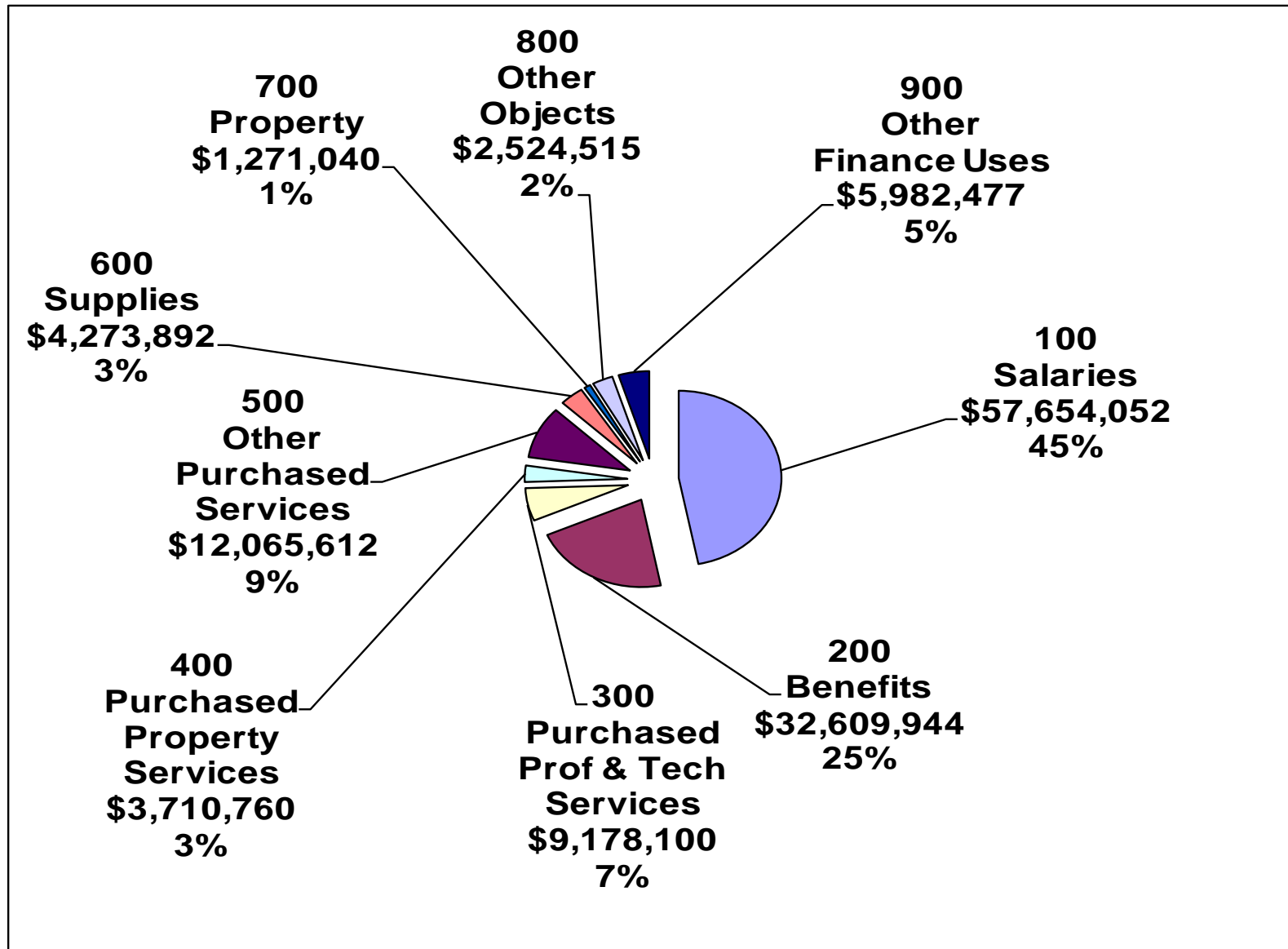
2016-17 Budgeted Total Expenditures

Draft



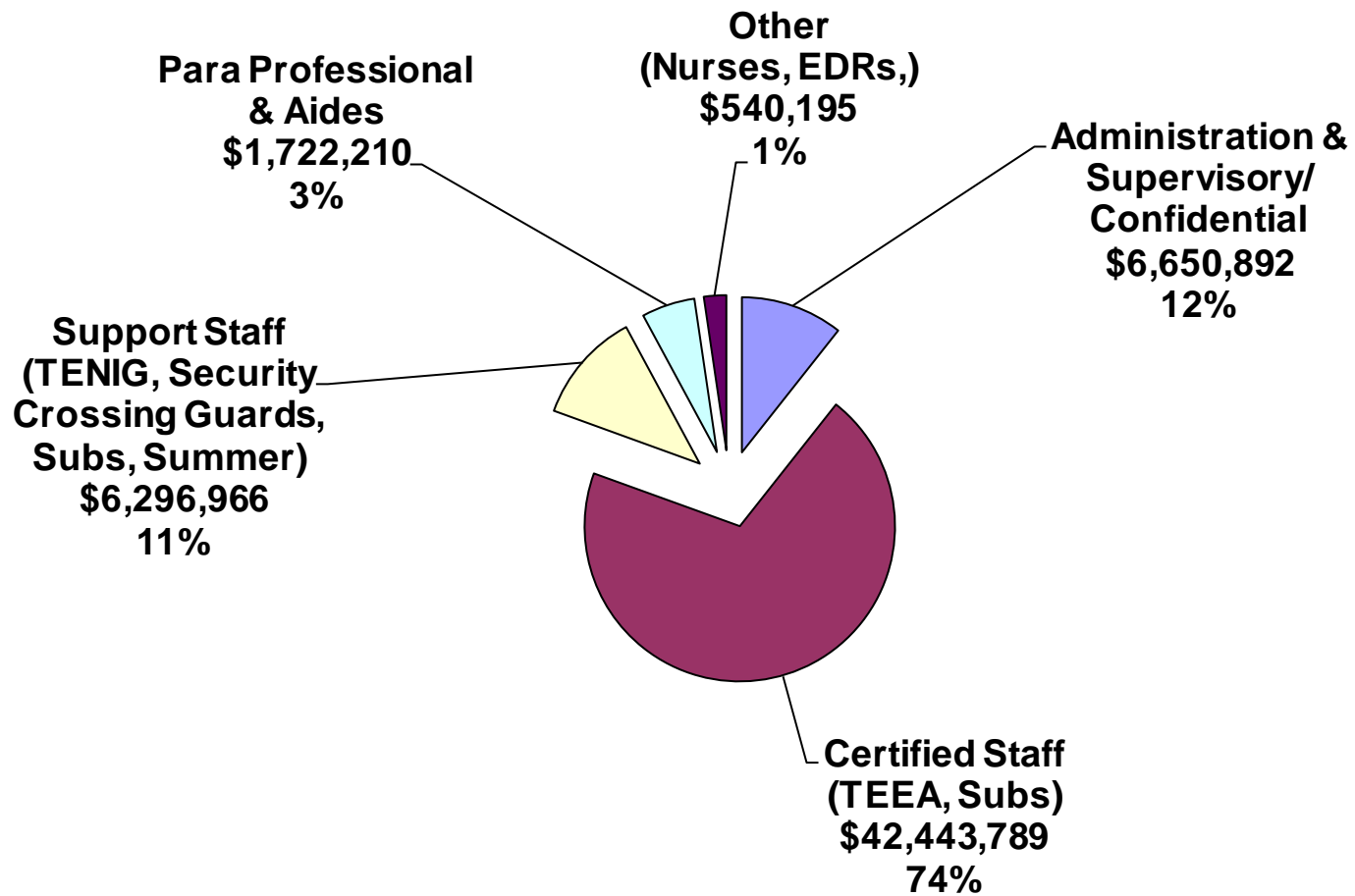
2016-17 Budgeted Total Expenditures by Object

Draft



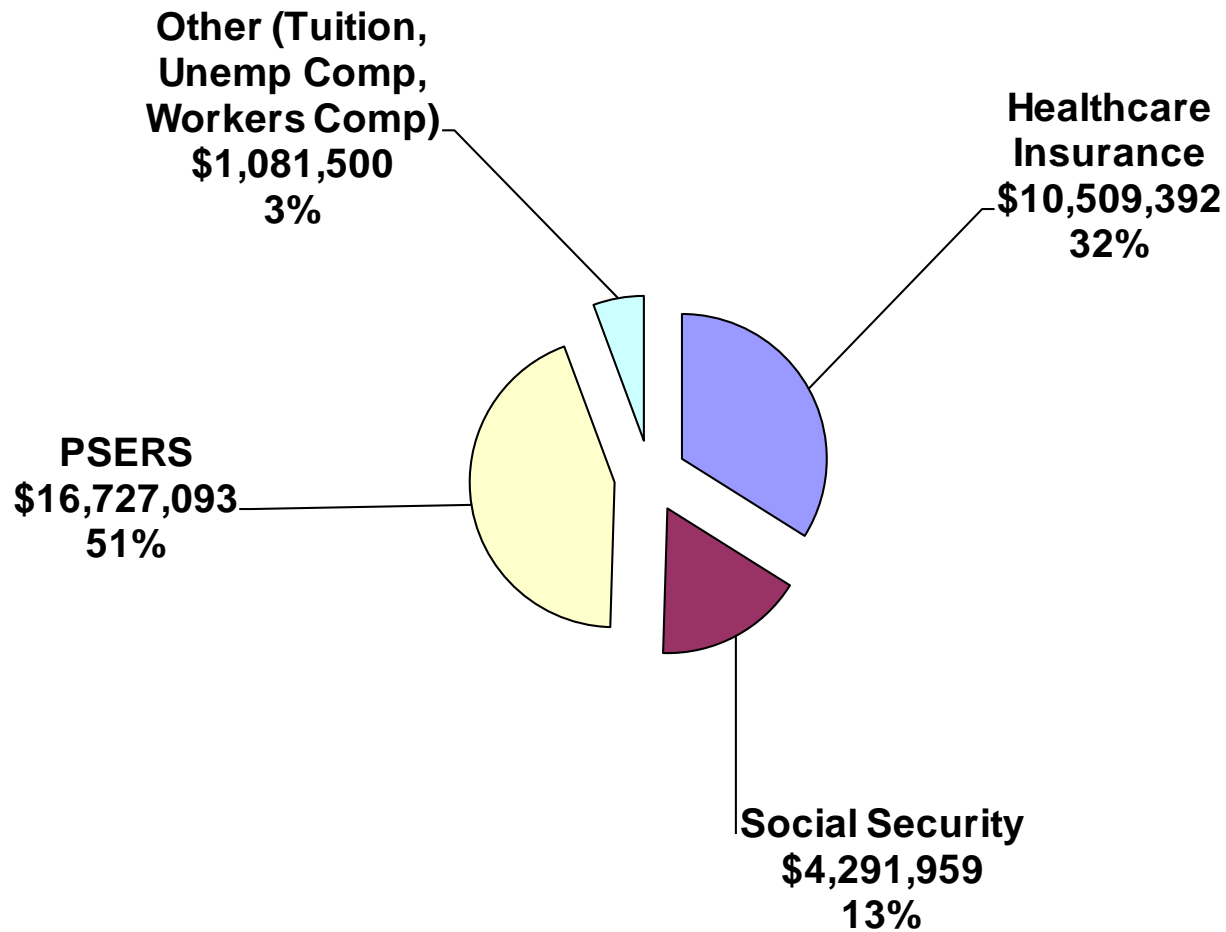
2016-17 Budgeted Salaries (100)

Draft

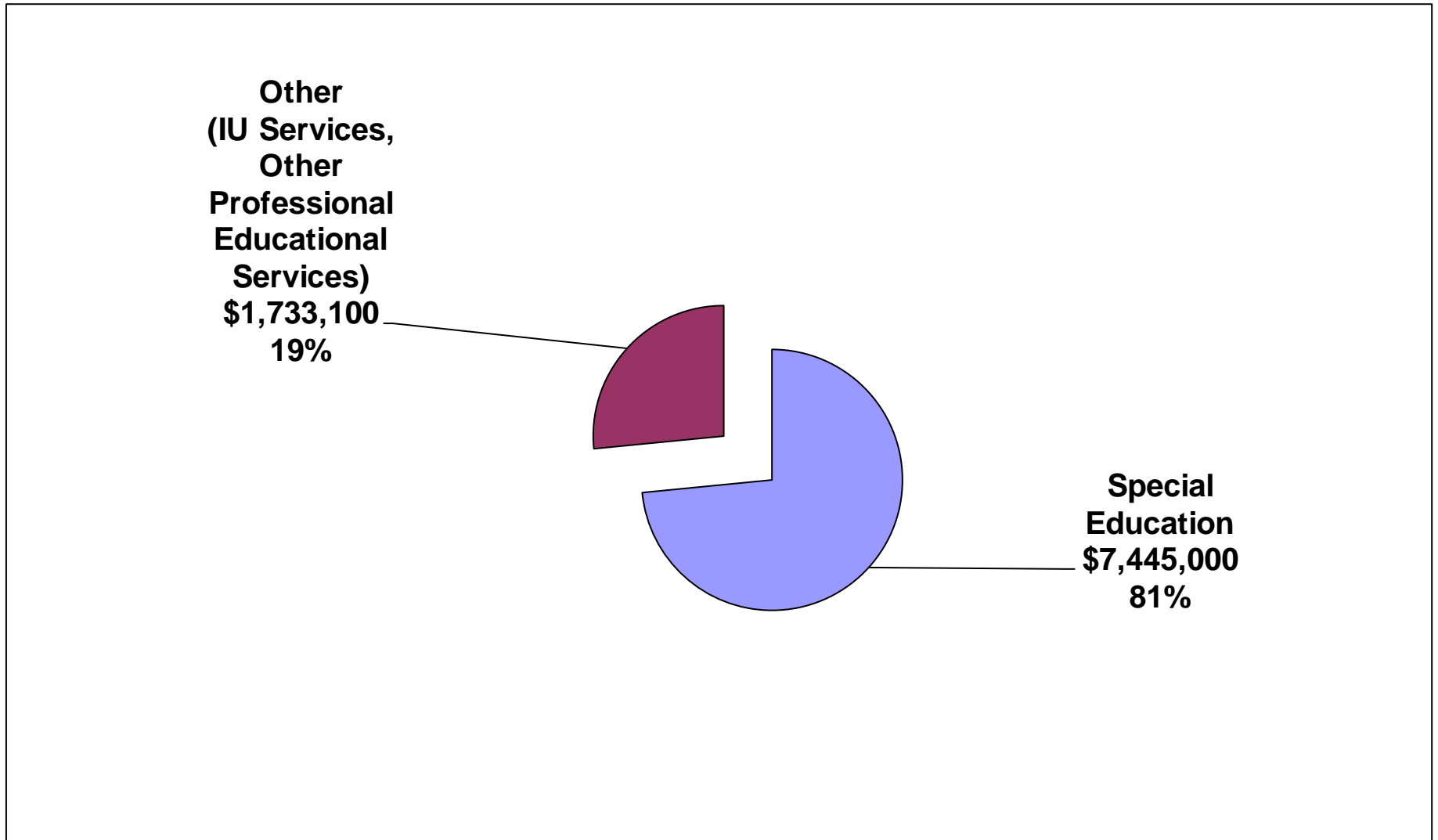


2016-17 Budgeted Benefits (200)

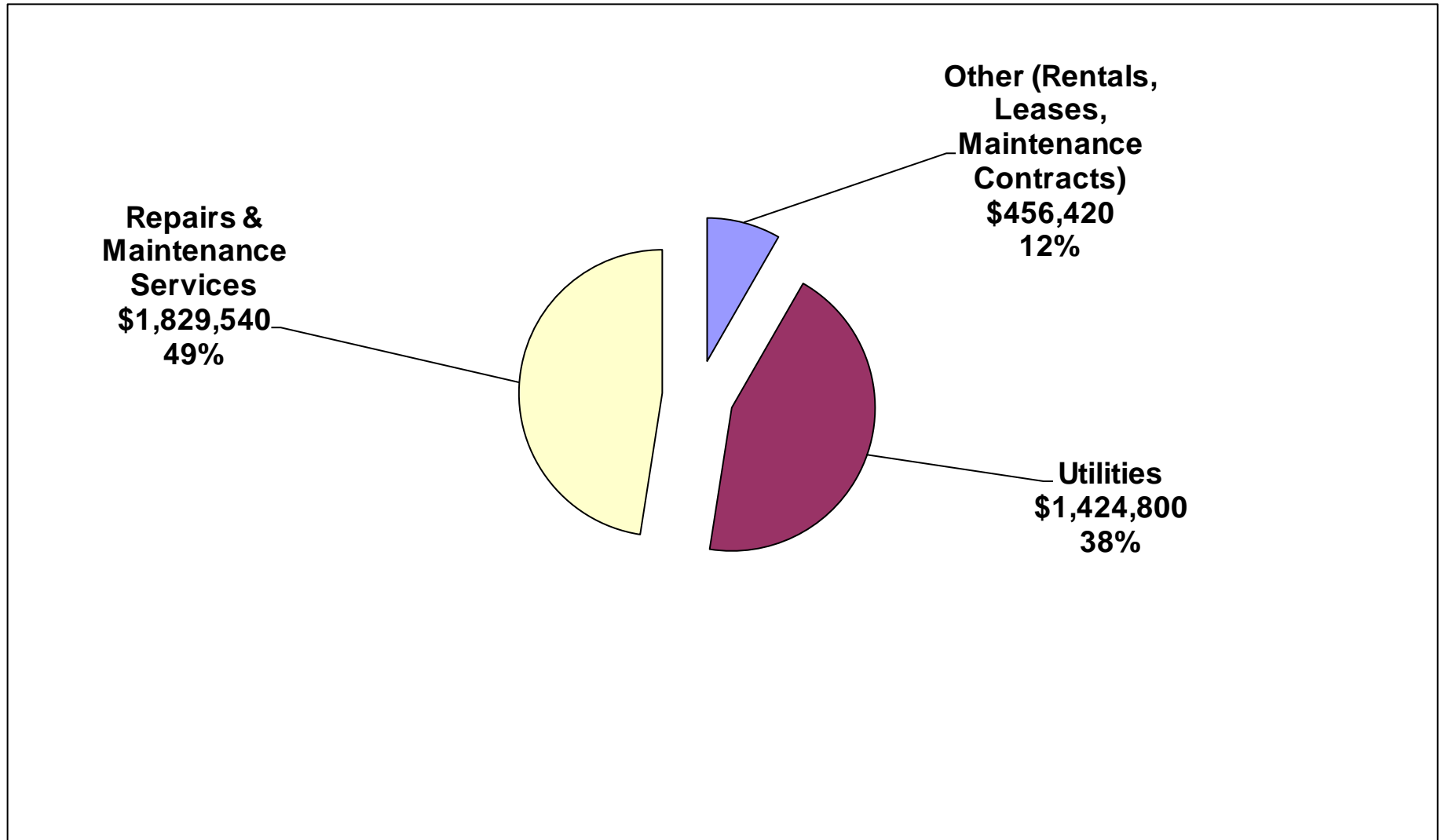
Draft



2016-17 Budgeted Purchased Professional Srvcs (300) **Draft**

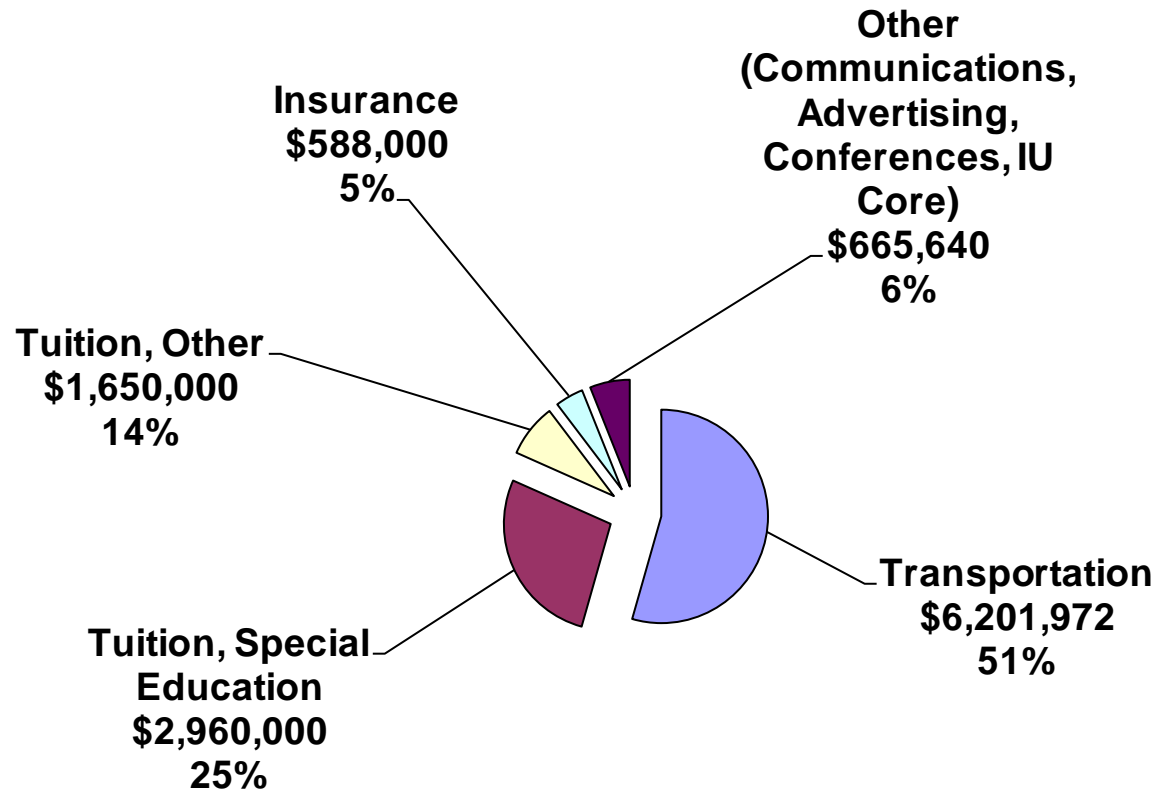


2016-17 Budgeted Purchased Property Srvcs (400) Draft



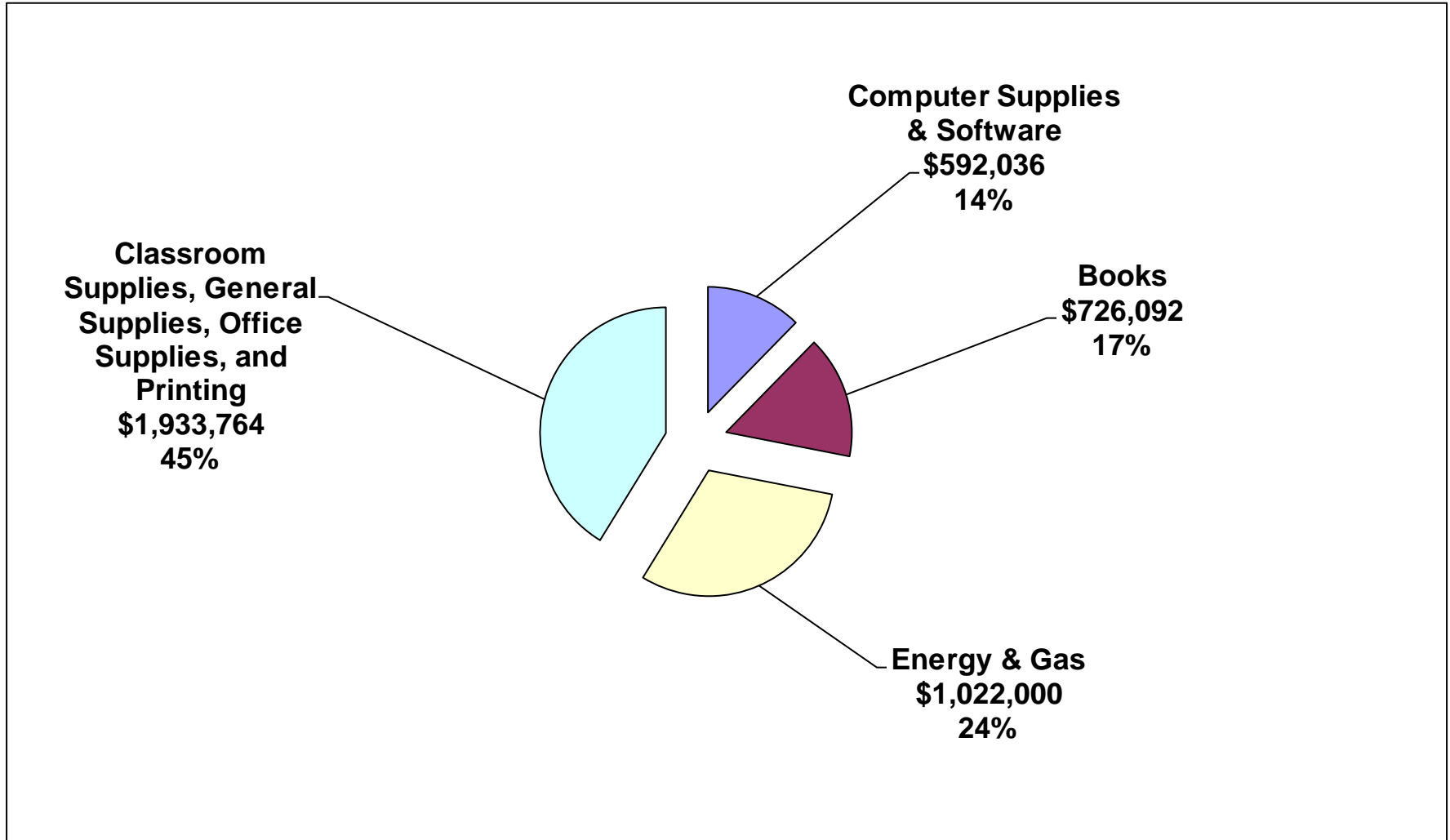
2016-17 Budgeted Other Purchased Srvcs (500)

Draft



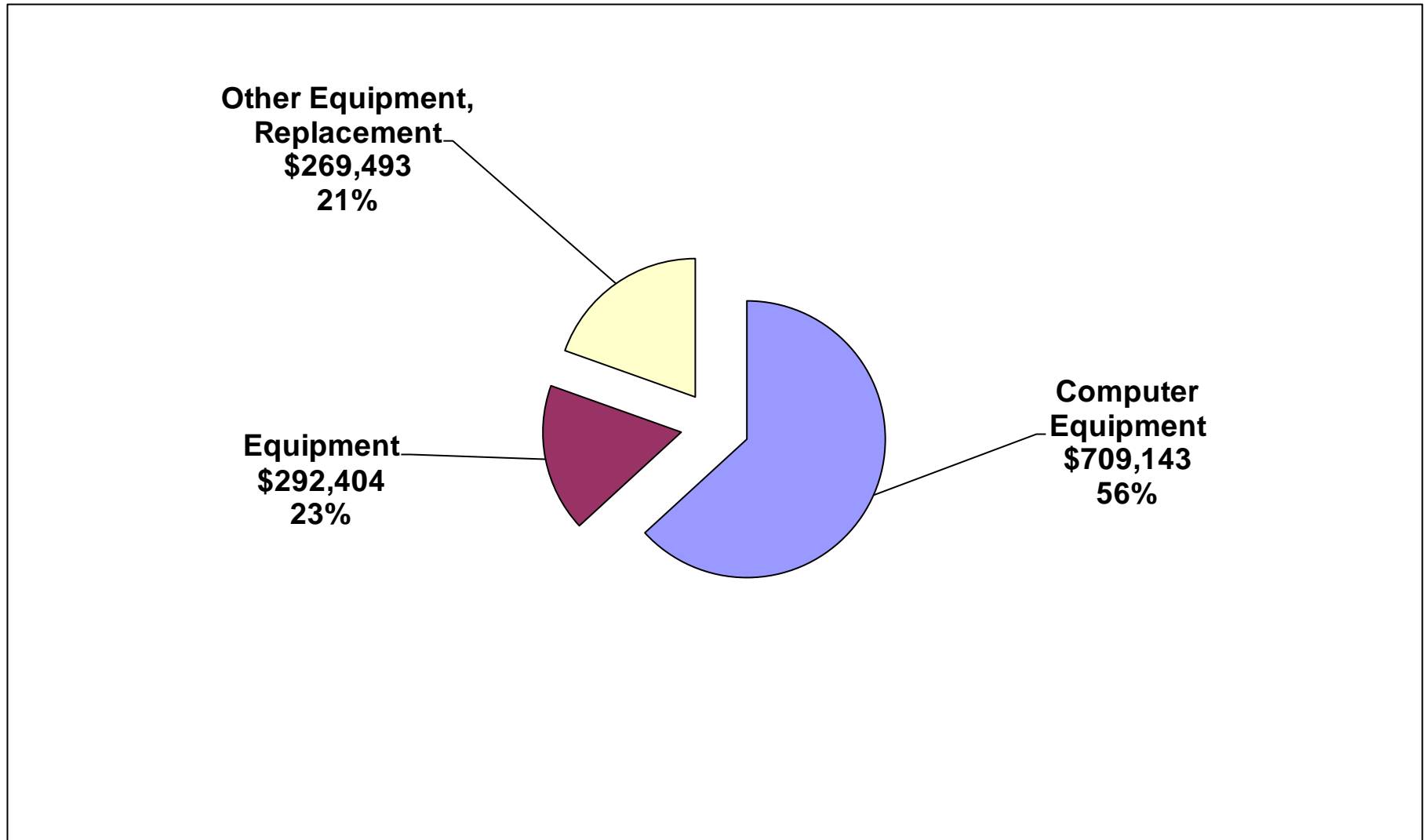
2016-17 Budgeted Supplies (600)

Draft



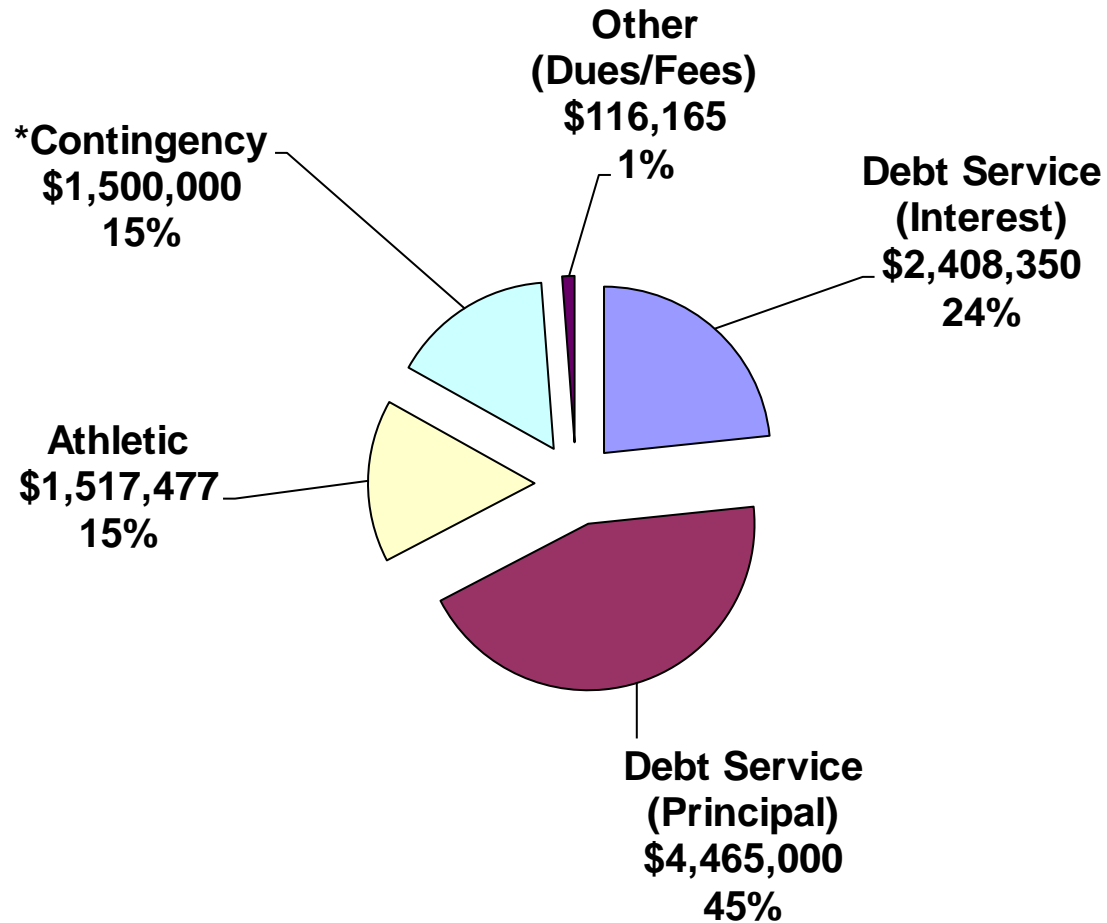
2016-17 Budgeted Equipment (700)

Draft



2016-17 Budgeted Other Objects and Uses (800/900)

Draft



* Not Included in the Total Proposed Expenditure Amount of \$129,270,392

Financial Position with Approved Tax Increases **Draft**

		A	B	C	D	E
		Actual	Actual	Actual	Actual	Projected
	Revenues	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1	Total Revenue from Local Sources	\$90,639,157	\$95,348,801	\$95,967,558	\$99,320,714	\$104,189,773
2	Revenue from State Sources	\$11,595,803	\$11,421,040	\$11,699,141	\$12,353,251	\$11,922,818
3	PSERS Subsidy from State	\$2,282,518	\$3,237,377	\$4,461,119	\$5,856,131	\$7,117,678
4	Total Revenue from Federal Sources	\$1,093,996	\$1,123,384	\$780,572	\$809,962	\$786,304
5	Total Revenues	\$105,611,474	\$111,130,602	\$112,908,390	\$118,340,058	\$124,016,573
	Expenditures					
6	Salaries	\$54,062,282	\$54,771,846	\$55,921,404	\$56,648,934	\$55,957,401
7	Benefits	\$12,646,038	\$13,013,853	\$12,813,715	\$14,664,297	\$15,249,489
8	PSERS Expenditures	\$4,565,037	\$6,474,754	\$8,922,238	\$11,712,263	\$14,235,357
9	Other Expenditures	\$30,404,822	\$42,311,865	\$33,094,736	\$34,607,848	\$37,589,821
10	Total Expenditures	\$101,678,179	\$116,572,318	\$110,752,093	\$117,633,341	\$123,032,068
11	Budget Imbalance	\$3,933,295	(\$5,441,716)	\$2,156,296	\$706,717	\$984,505
12	Beginning General Fund Balance	\$31,026,455	\$34,959,750	\$29,518,034	\$31,674,331	\$32,381,048
13	Change/Use of Fund Balance	\$3,933,295	(\$5,441,716)	\$2,156,296	\$706,717	\$984,505
14	Ending General Fund Balance	\$34,959,750	\$29,518,034	\$31,674,331	\$32,381,048	\$33,365,553

Financial Position Assuming Only Act 1 Index Tax Increases

Draft

		A	B	C	D	E
		Actual	Actual	Actual	Actual	Projected
	Revenues	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1	Total Revenue from Local Sources	\$89,312,645	\$91,016,329	\$93,886,994	\$93,273,895	\$98,066,105
2	Revenue from State Sources	\$11,595,803	\$11,421,040	\$11,699,141	\$12,353,251	\$11,922,818
3	PSERS Subsidy from State	\$2,282,518	\$3,237,377	\$4,461,119	\$5,856,131	\$7,117,679
4	Total Revenue from Federal Sources	\$1,093,996	\$1,123,384	\$780,572	\$809,962	\$786,304
5	Total Revenues	\$104,284,962	\$106,798,130	\$110,827,826	\$112,293,239	\$117,892,905
	Expenditures					
6	Salaries	\$54,062,282	\$54,771,846	\$55,921,404	\$56,648,934	\$55,957,401
7	Benefits	\$12,646,038	\$13,013,853	\$12,813,715	\$14,664,297	\$15,249,489
8	PSERS Expenditures	\$4,565,037	\$6,474,754	\$8,922,238	\$11,712,263	\$14,235,357
9	Other Expenditures	\$30,404,822	\$42,311,865	\$33,094,736	\$34,607,848	\$37,589,821
10	Total Expenditures	\$101,678,179	\$116,572,318	\$110,752,093	\$117,633,341	\$123,032,068
11	Budget Imbalance	\$2,606,783	(\$9,774,188)	\$75,732	(\$5,340,102)	(\$5,139,163)
12	Beginning General Fund Balance	\$31,026,455	\$33,633,238	\$23,859,050	\$23,934,782	\$18,594,680
13	Change/Use of Fund Balance	\$2,606,783	(\$9,774,188)	\$75,732	(\$5,340,102)	(\$5,139,163)
14	Ending General Fund Balance	\$33,633,238	\$23,859,050	\$23,934,782	\$18,594,680	\$13,455,517

Financial Position Assuming No Tax Increases

Draft

		A	B	C	D	E
		Actual	Actual	Actual	Actual	Projected
	Revenues	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1	Total Revenue from Local Sources	\$88,128,251	\$88,379,662	\$88,717,992	\$89,280,571	\$90,286,608
2	Revenue from State Sources	\$11,595,803	\$11,421,040	\$11,699,141	\$12,353,251	\$11,922,818
3	PSERS Subsidy from State	\$2,282,518	\$3,237,377	\$4,461,119	\$5,856,131	\$7,117,679
4	Total Revenue from Federal Sources	\$1,093,996	\$1,123,384	\$780,572	\$809,962	\$786,304
5	Total Revenues	\$103,100,568	\$104,161,463	\$105,658,824	\$108,299,915	\$110,113,408
	Expenditures					
6	Salaries	\$54,062,282	\$54,771,846	\$55,921,404	\$56,648,934	\$55,957,401
7	Benefits	\$12,646,038	\$13,013,853	\$12,813,715	\$14,664,297	\$15,249,489
8	PSERS Expenditures	\$4,565,037	\$6,474,754	\$8,922,238	\$11,712,263	\$14,235,357
9	Other Expenditures	\$30,404,822	\$42,311,865	\$33,094,736	\$34,607,848	\$37,589,821
10	Total Expenditures	\$101,678,179	\$116,572,318	\$110,752,093	\$117,633,341	\$123,032,068
11	Budget Imbalance	\$1,422,389	(\$12,410,855)	(\$5,093,270)	(\$9,333,426)	(\$12,918,660)
12	Beginning General Fund Balance	\$31,026,455	\$32,448,844	\$20,037,989	\$14,944,719	\$5,611,294
13	Change/Use of Fund Balance	\$1,422,389	(\$12,410,855)	(\$5,093,270)	(\$9,333,426)	(\$12,918,660)
14	Ending General Fund Balance	\$32,448,844	\$20,037,989	\$14,944,719	\$5,611,294	(\$7,307,366)

Wealthiest School Districts in PA (based on Aid Ratio)

	AUN	School District	Tax County	FY 2015-16 MV / PI Aid Ratio	2014 STEB Market Value	2013 Personal Income	2013 Median Household Income	FY 2015-16 RE Mills	FY 2015-16 RE Mills Rank 1- Highest	FY 2013-14 Eq Mills	FY 2013-14 Eq Mills Rank 1- Highest
1	124158503	Unionville-Chadds Ford SD	Chester	0.1500	\$3,464,996,843	\$1,321,008,232	\$ 123,585	26.9900	340	17.4	263
2	124158503	Unionville-Chadds Ford SD	Delaware	0.1500	\$3,464,996,843	\$1,321,008,232	\$ 123,585	22.8900	385	17.4	263
3	124157802	Tredyffrin-Easttown SD	Chester	0.1500	\$7,941,134,120	\$3,214,322,591	\$ 114,233	20.9868	411	11.8	472
4	123464502	Lower Merion SD	Montgomery	0.1500	\$12,337,555,561	\$6,472,406,244	\$ 111,823	26.2321	348	15.2	373
5	122092353	Council Rock SD	Bucks	0.1500	\$10,516,815,169	\$4,366,047,250	\$ 110,950	115.0100	43	15.4	357
6	123468303	Upper Dublin SD	Montgomery	0.1500	\$3,404,706,517	\$1,499,487,023	\$ 107,934	31.4099	297	20.4	150
7	122097604	New Hope-Solebury SD	Bucks	0.1500	\$2,543,182,522	\$1,117,240,463	\$ 104,538	89.6357	80	11.9	470
8	125237603	Radnor Township SD	Delaware	0.1500	\$4,925,430,831	\$2,300,340,358	\$ 102,710	21.6681	404	13.9	418
9	124153503	Great Valley SD	Chester	0.1500	\$5,170,219,560	\$1,818,230,173	\$ 101,942	20.3200	417	12.9	450
10	123469303	Wissahickon SD	Montgomery	0.1500	\$5,397,471,970	\$2,395,759,831	\$ 95,865	17.9800	455	12.9	450
11	125234502	Haverford Township SD	Delaware	0.1500	\$4,453,430,798	\$1,946,036,450	\$ 94,501	29.4719	315	18.5	213
12	125237903	Rose Tree Media SD	Delaware	0.1500	\$3,977,988,314	\$1,650,317,279	\$ 87,585	23.4082	373	16.6	301
13	123461602	Colonial SD	Montgomery	0.1500	\$6,468,869,351	\$2,036,877,050	\$ 86,497	20.5125	415	12.9	450
14	124159002	West Chester Area SD	Chester	0.1500	\$12,546,941,354	\$4,516,471,918	\$ 85,812	19.5779	424	13.6	429
15	124159002	West Chester Area SD	Delaware	0.1500	\$12,546,941,354	\$4,516,471,918	\$ 85,812	13.9059	534	13.6	429
16	123467203	Springfield Township SD	Montgomery	0.1500	\$1,986,163,993	\$849,207,557	\$ 85,089	31.0766	300	20.0	160
17	125235502	Marple Newtown SD	Delaware	0.1500	\$4,522,919,280	\$1,756,050,381	\$ 81,581	18.0690	452	12.9	450
18	123460504	Bryn Athyn SD	Montgomery	0.1500	\$172,313,929	\$64,936,758	\$ 81,136	1.0000	605	1.6	500
19	123468402	Upper Merion Area SD	Montgomery	0.1500	\$5,267,042,793	\$1,325,586,825	\$ 75,689	18.9600	434	13.2	442
20	122098003	Palisades SD	Bucks	0.1500	\$2,342,619,940	\$612,286,571	\$ 71,746	111.2400	46	12.9	450
21	103027753	Quaker Valley SD	Allegheny	0.1500	\$1,515,440,438	\$1,023,898,057	\$ 67,019	17.3232	467	22.7	86
Source: PDE: Finances: Aid Ratios July 2015; RE Tax Rates 2015-2016; EdBudget 2015-16 BEF Feb 2016; EdBudget 2016-17 Feb 2016											