



PENNSBURY SCHOOL DISTRICT

134 YARDLEY AVENUE • P.O. BOX 338 • FALLSINGTON, PENNSYLVANIA 19058-0338

2018-2019 First Draft Budget

January 18, 2018

Budget Basics

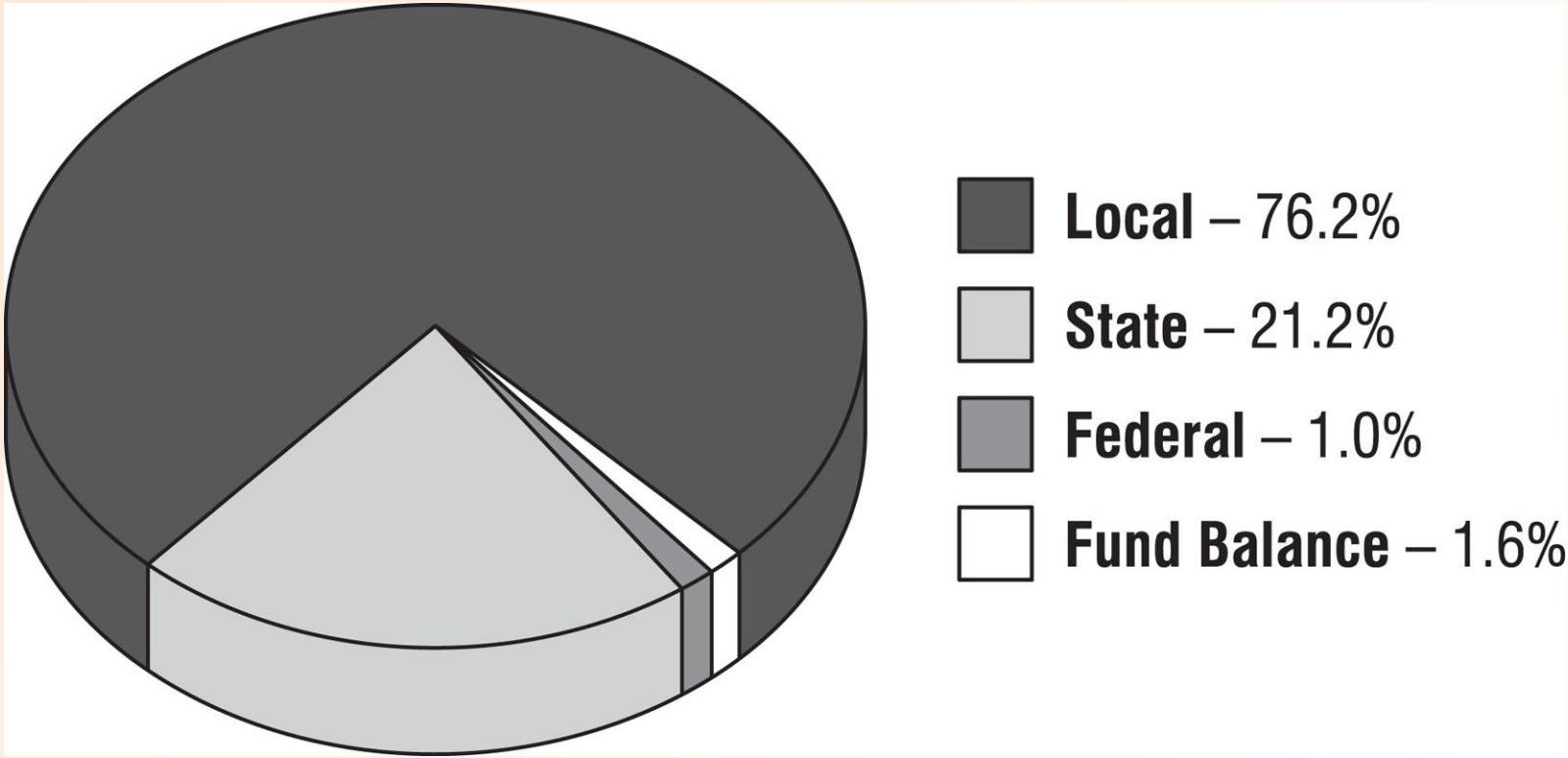
■ REVENUES

- Local
- State
- Federal

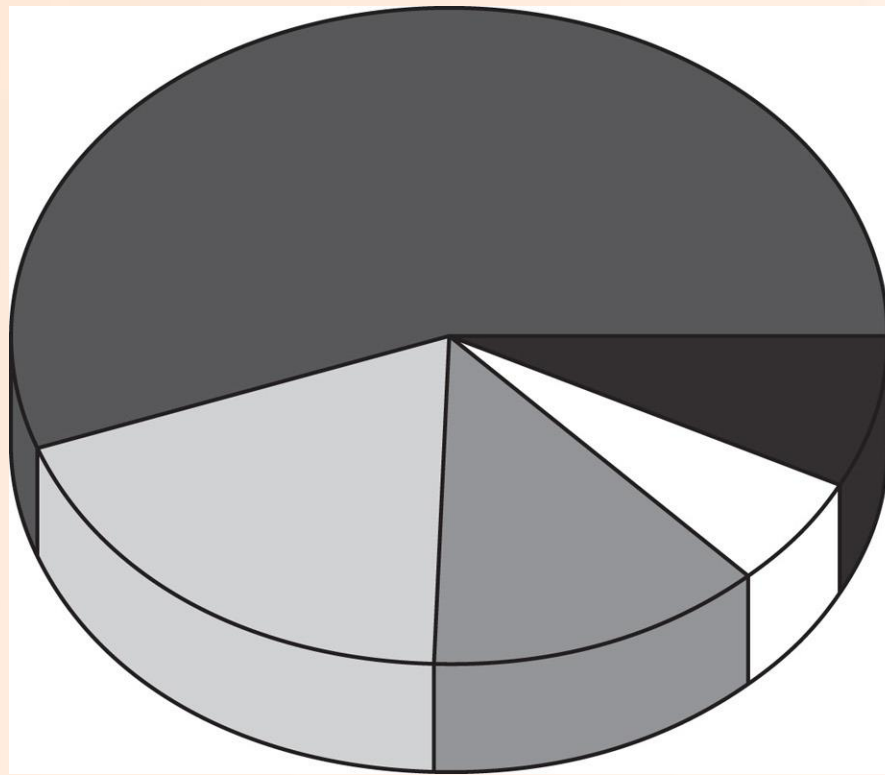
■ EXPENDITURES

- Salaries
- Benefits
- Services
- Materials
- Debt Service & Other

Revenues



Expenditures By Object



- **Salaries** – 52.6%
- **Benefits** – 20.9%
- **Services** – 13.1%
- **Materials** – 5.6%
- **Debt Service & Other** – 7.8%

Budget Process

Act 1 Options:

1) Accelerated budget schedule and posting of a preliminary budget in December '17

OR

2) Traditional May/June budget schedule and adoption of resolution certifying tax increase will not exceed the index -
(January Board Meeting)

Budget Resolution

Relevant facts:

- 2018-2019 index is 2.4%
- If resolution is adopted:
 - District is ineligible to seek exceptions under Act 1, and
 - District is ineligible to request approval from voters through a referendum to increase taxes more than the index

Budget Timeline

- Board Budget Committee review – December 20th
- Adopt resolution not to exceed index – January 18th

OR

- Approve preliminary budget – January 18th
- Refine budget data – January through June
- Adopt proposed final budget – May
- Adopt final budget – By June 30

Revenue Budget Challenges

- Real estate assessments
- Interest on investments
- State funding

Real Estate Annual Appeals

Municipality	11-12	14-15	15-16	16-17	17-18
Falls	63	14	15	14	12
L. Makefield	346	129	96	71	40
Tullytown	13	0	1	13	1
Yardley	28	4	3	2	2
Total District	450	147	115	100	55

Interest Rates

YEAR	TOTAL REVENUE	AVERAGE RATE
2008-2009	1,613,658	3.181%
2013-2014	70,127	.146%
2014-2015	99,220	.256%
2015-2016	196,097	.530%
2016-2017	200,000 Projected	.600%
2017-2018	250,000 Projected	.700%

State and Federal Revenues

- State subsidies - Level funding?
- ABG / RTL Grant - Funding?
- Medical ACCESS - Funding?
- Uncertainties in other federal funding

Expenditure Budget

PSERS Employer Rate

- PSERS Board set 2018-2019 rate at 33.43%
This is a rate increase of 2.60% (32.57% to 33.43%)
- Projected *expenditure* increase ~ \$1.5 Million
- State currently funds 50% of expense

Projected PSEERS Rates

Fiscal Year	Rate	Net Contribution Amount
2012-2013	12.36%	\$5,681,865
2013-2014	16.93%	\$7,904,326
2014-2015	21.40%	\$9,991,292
2015-2016	25.84%	\$12,064,252
2016-2017	30.03%	\$14,159,145
2017-2018	32.57%	\$15,635,506
2018-2019	33.43%	\$16,357,791

Other Expenditure Challenges

- Maintain support for current approved curriculum and programs
- Staffing and services to meet special education needs
- Labor contracts
- Charter school tuition
- Maintain & improve District-Wide Facilities

Potential New Revenue

- New Real Estate development
- Other

Other Items to Consider

- Bond Issue (MS Project)
- Technology Upgrades / Initiatives
- Transportation Dept. Capital Plan
- Facility Improvements

First Draft Budget Summary

Total Revenues	\$203,859,315
Total Expenditures	<u>\$209,739,211</u>
Deficit	\$ (5,879,896)

Real estate tax increase = 4.4%

How Will We Fund the Deficit?

Expenditure and Revenue Budgeting Options

Budgeting Options

Salaries & Wages

- Reduce salary budget for retirements
- Review all staffing levels District-wide
- Accept risk in salary budget

Budgeting Options

Employee Fringe Benefits

- Adjust payroll withholdings for decrease in salaries and wages
- Review and adjust health care benefits budget as necessary.

Budgeting Options

Other Reductions

- Decrease in Utility Budget
- Review all Departmental Budgets

Budgeting Options

Revenue Adjustments

- Demand Response Program
- Fund Balance Appropriation
- Real Estate Tax Millage Increase
- Increase tax revenue based on May real estate tax duplicates

Budgeting Options

Budget Additions

- New position requests?
- Technology upgrades / initiatives?
- Curriculum adoptions & renewals.
- Facilities and Transportation dept. capital plan?
- Debt service for renovation projects and capital expenses.

Budget Strategy

Continue refinement of 2018-2019 budget:

- Develop budget options
- Conserve cash
- Obtain better data
- Update revenue & expenditure budgets
- Evaluate educational impact
- Consider risks
- Keep Board, staff & community informed

Goals

1. Balance the budget to meet the overall needs of the District while taking into account the stakeholders' ability to pay.
2. Maintain support for the most important educational needs with the limited funds available.

Upcoming Dates

1. January 18, 2018: Board consider adoption of Act 1 resolution to stay within the Act 1 Index of 2.4%.

OR

2. January 18, 2018: If Board does not approve a resolution at the January 18th meeting, Board must adopt a preliminary budget.