



# **PENNSBURY** SCHOOL DISTRICT

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

# 2017-2018 Preliminary Budget

February 2, 2017

# Budget Basics

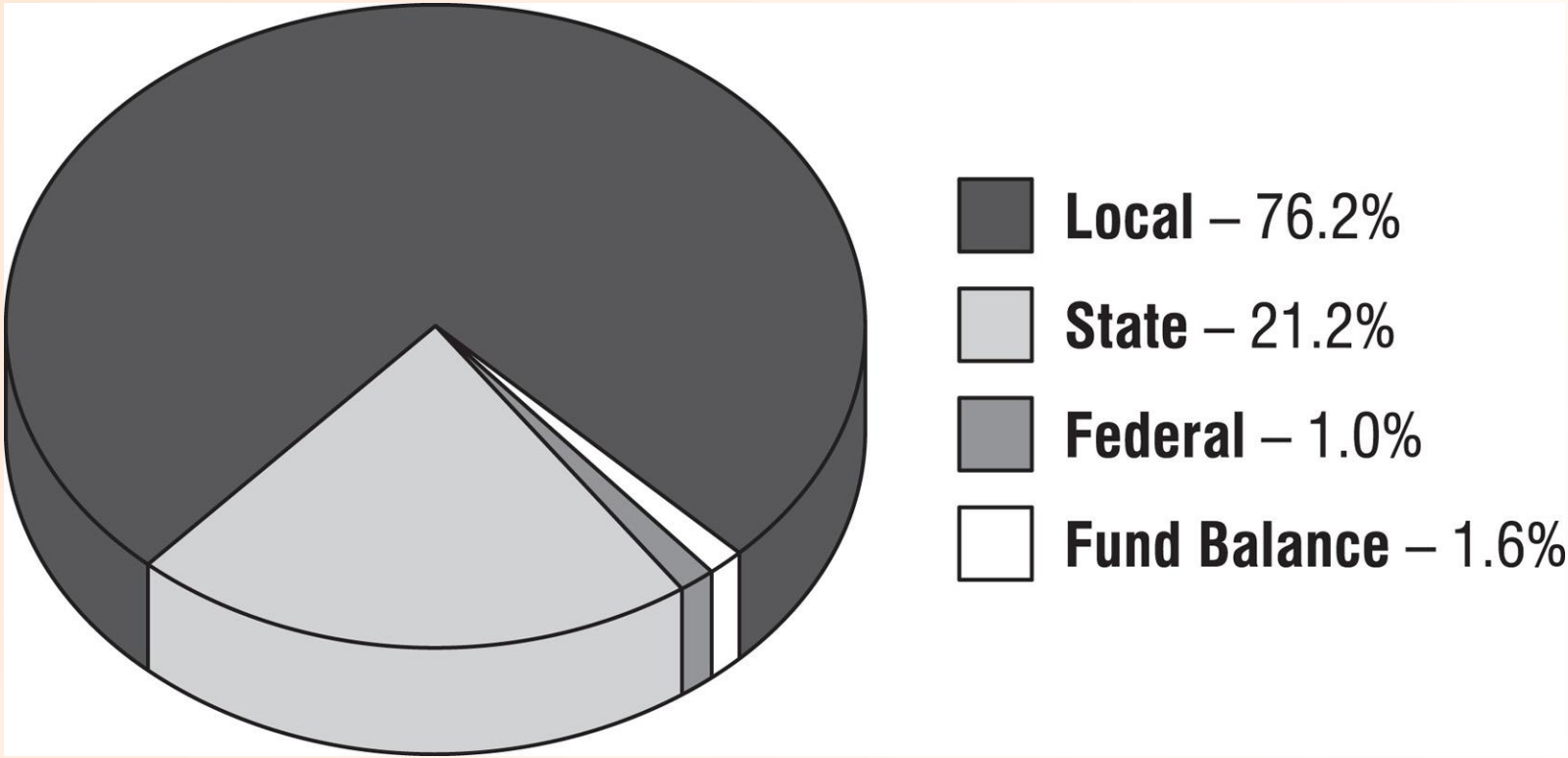
## ■ REVENUES

- Local
- State
- Federal

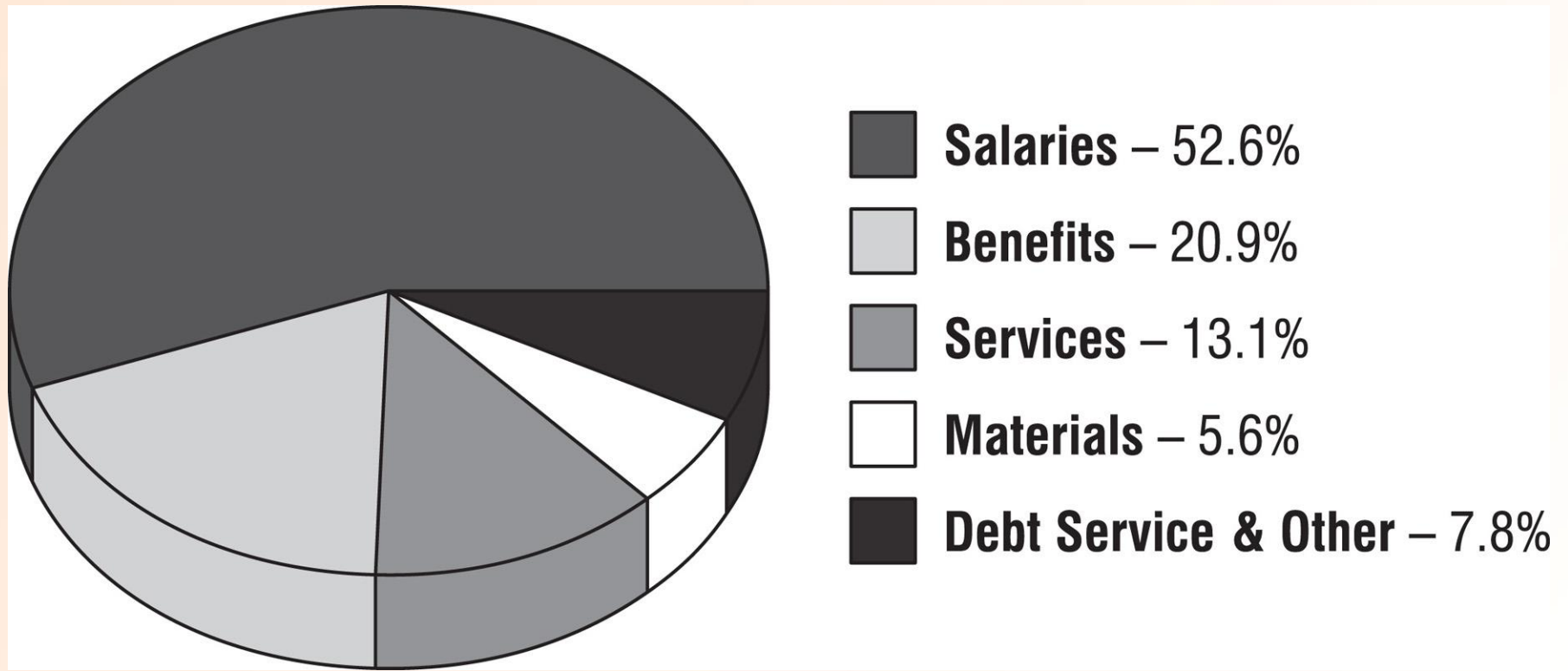
## ■ EXPENDITURES

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

# Revenues



# Expenditures By Object



# Budget Process

## Act 1 Options:

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

**OR**

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

# Budget Timeline

- Board Budget Committee review – December 15
- Board Budget Committee review – January 18
- Approve preliminary budget – February 9
- Refine budget data – February through June
- Adopt proposed final budget – May 4
- 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

# 2017-2018 Annual Appeals

- Approximately 42 of the 55 appeals resulted in a reduction.
- Non-residential appeals:  
8 appeals – approximately \$ 167,870 reduction
- Residential appeals:  
47 appeals – approximately \$ 313,960 reduction

# Net Real Estate Tax Changes as of November 2016

MUNICIPALITY	TAX DOLLAR CHANGE
Falls	(\$ 17,958)
Lower Makefield	229,417
Tullytown	(21,037)
Yardley	112,018
Total District	\$ 302,440

# Interest Rates

<b>YEAR</b>	<b>TOTAL REVENUE</b>	<b>AVERAGE RATE</b>
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 2017-2018 rate at 32.57%  
This is a rate increase of 8.46% (30.03% to 32.57%)
- Projected *expenditure* increase ~ \$ 3.2 Million
- State currently funds 50% of expense

# Projected PSEERS Rates

<b>Fiscal Year</b>	<b>Rate</b>	<b>Net Contribution Amount</b>
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

# 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 (Capital Projects)
- Technology Upgrades / Initiatives
- Transportation Dept. Capital Plan
- Facility Improvements

# Preliminary Budget Summary

Total Revenues \$197,345,479

Total Expenditures \$203,236,714

Deficit \$ (5,891,235)

*Real estate tax increase = 4.3% (6.8 mills)*

# **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 2017-2018 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

- February 9, 2017: If Board does not approve a resolution at the January 12<sup>th</sup> meeting, Board must adopt a preliminary budget.