

# North Penn School District

2017-2018 First Draft Budget  
Finance Committee  
March 2, 2017



# Budget Agenda

- Timeline
- 10,000 ft. summary overview
- Summary of revenues
- Summary of expenditures
- Next steps

0%

**\$14.7 M**



# Budget Timeline

11/17

Resolution not to Exceed Act I Index  
Board Action Meeting

3/2

First Draft of Budget  
Special Finance Committee Meeting

3/27

Budget Update  
Finance Committee Meeting

4/4

Budget Presentation  
Board Worksession

# Budget Timeline

4/6

Budget Update  
Special Finance Committee Meeting

5/4

Budget Update  
Special Finance Committee Meeting

5/9

Adoption of Proposed Final Budget  
Board Worksession

6/15

Adoption of Final Budget  
Board Action Meeting

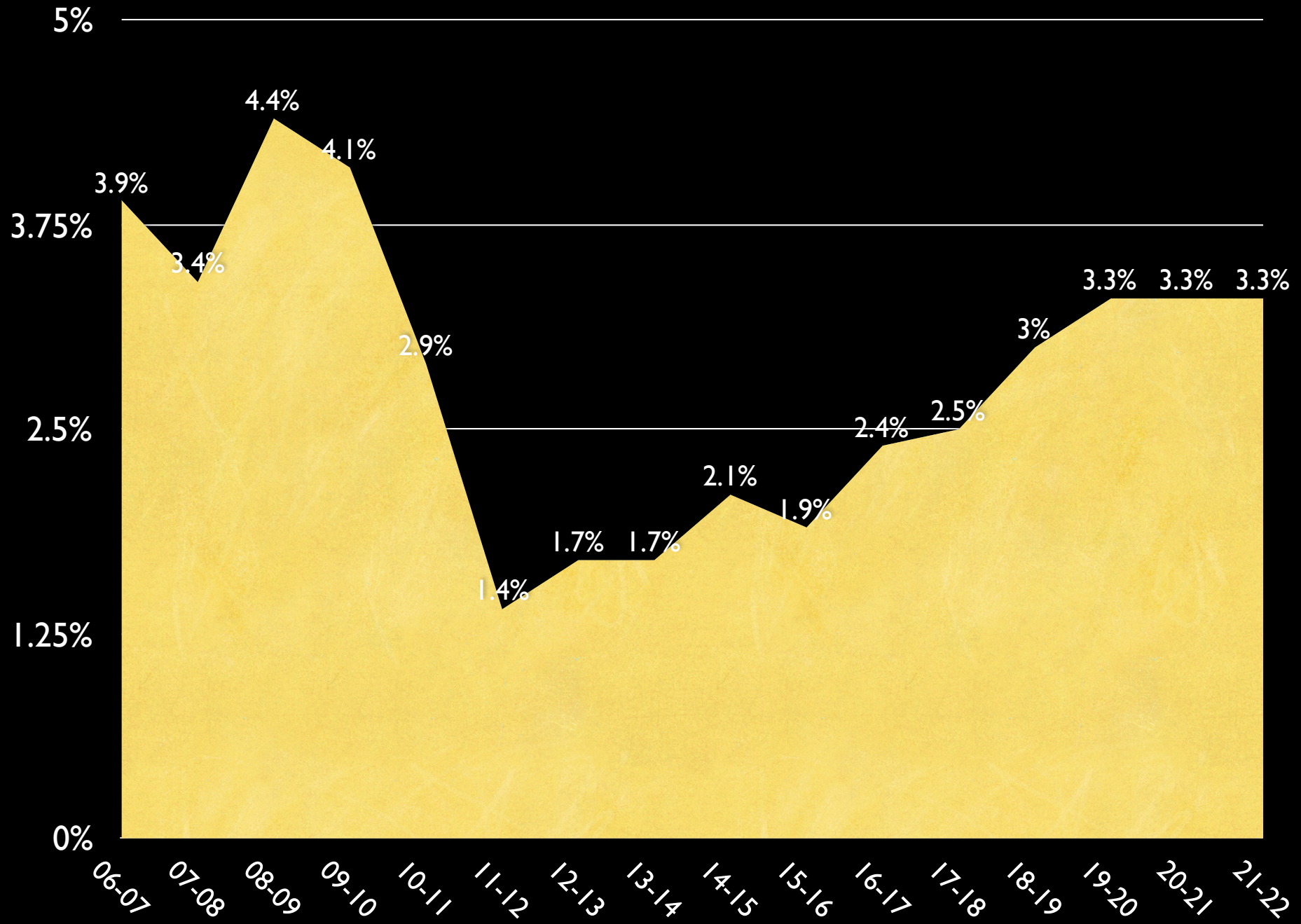
# Budget Snapshot

- \$258.6 M budget
- \$13.1 M increase in expenses over 16-17
- 5.36% increase in expenses over 16-17
- Deficit of \$14.7 M with no tax increase
- 8.67% tax increase to balance budget

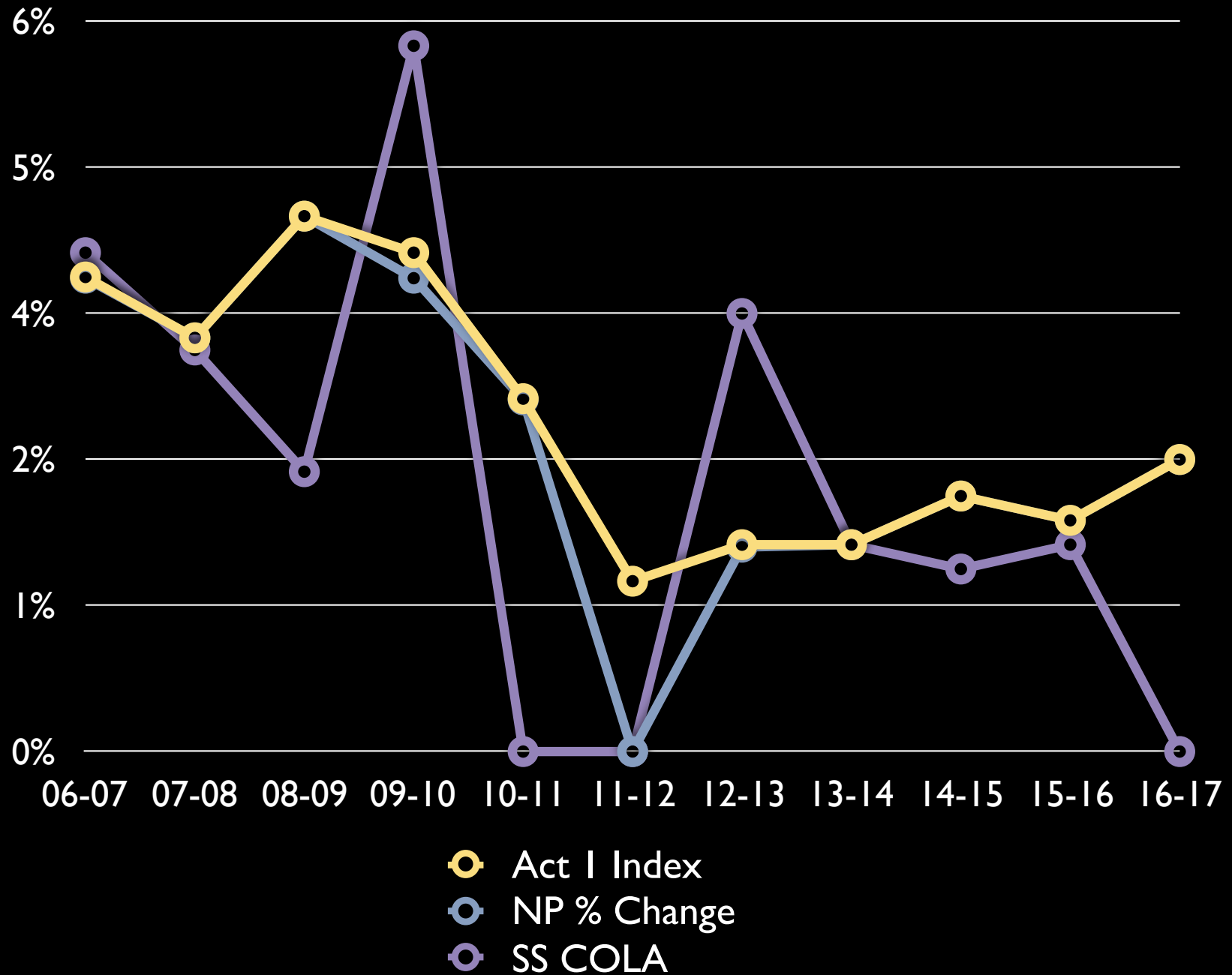
# Budget Comparison

<b>Fiscal Year Budget</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Surplus (Deficit)</b>
2017-2018	\$243,974,077	\$258,639,958	-\$14,665,881
2016-2017	\$242,174,877	\$245,489,530	-\$3,314,653
\$ Change	\$1,799,200	\$13,150,428	-\$11,351,228
% Change	0.74%	5.36%	342%

# Act I Index



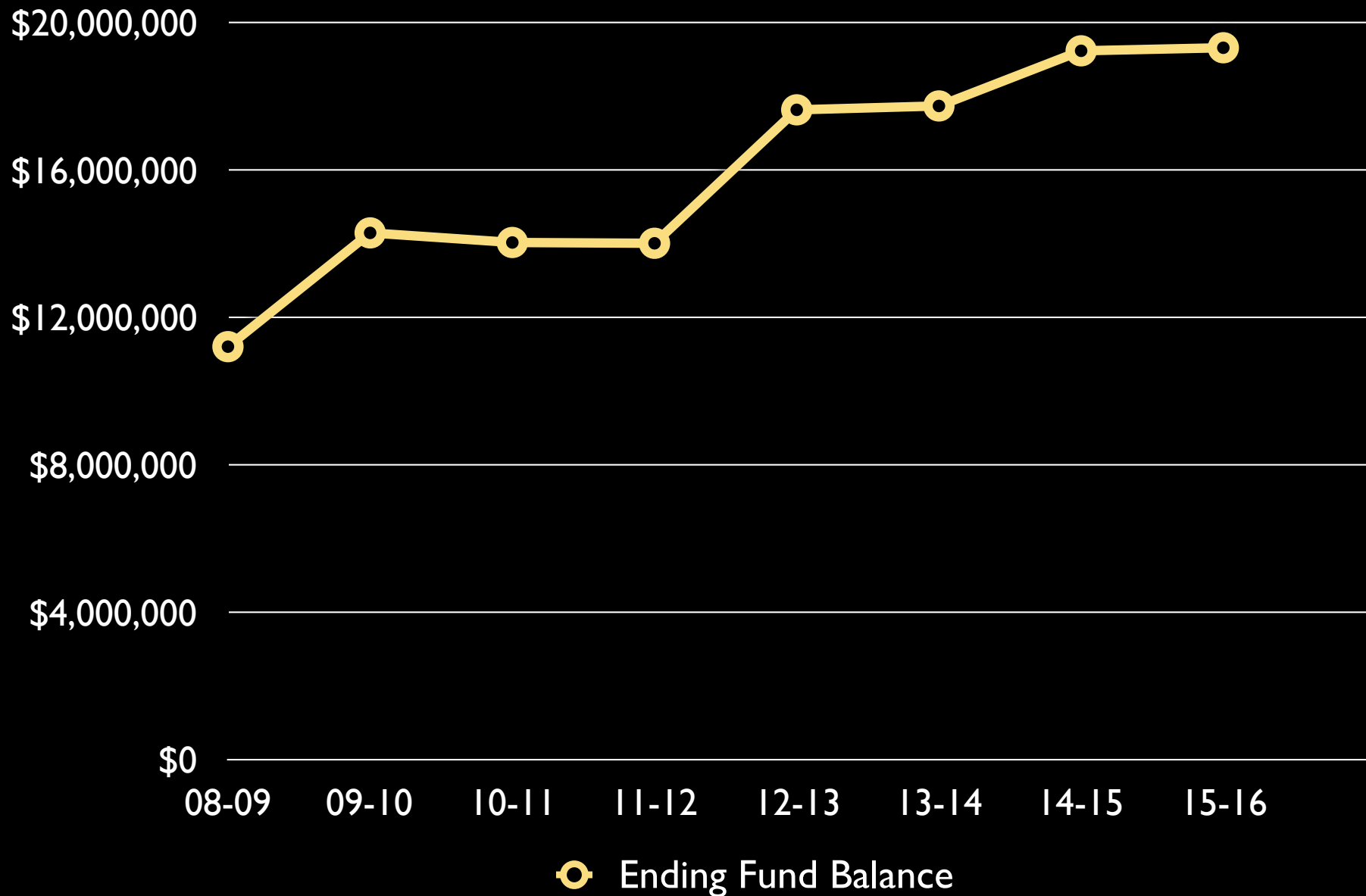
# Act I Index vs. Millage Rates vs. COLA



# Fund Balance Breakdown 6/30/16

<b>Description</b>	<b>Amount</b>
Nonspendable (inventory & prepaid items)	\$296,278
Assigned for self-funded insurance	\$2,700,000
Committed to PSERS	\$14,406,187
Unassigned (7.88%)	\$19,334,402
<b>Total Fund Balances</b>	<b>\$36,736,867</b>

# Unassigned Fund Balance History

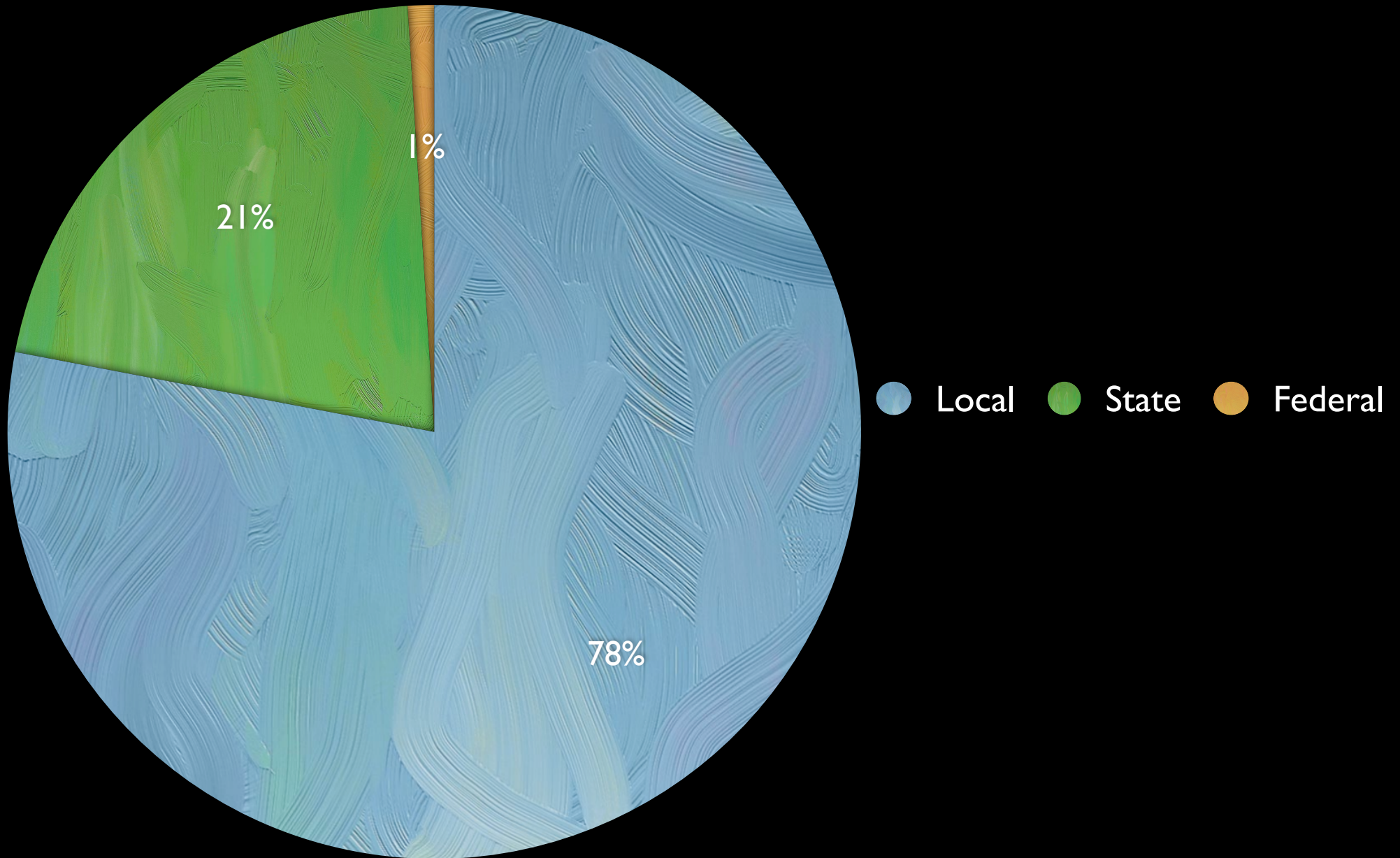




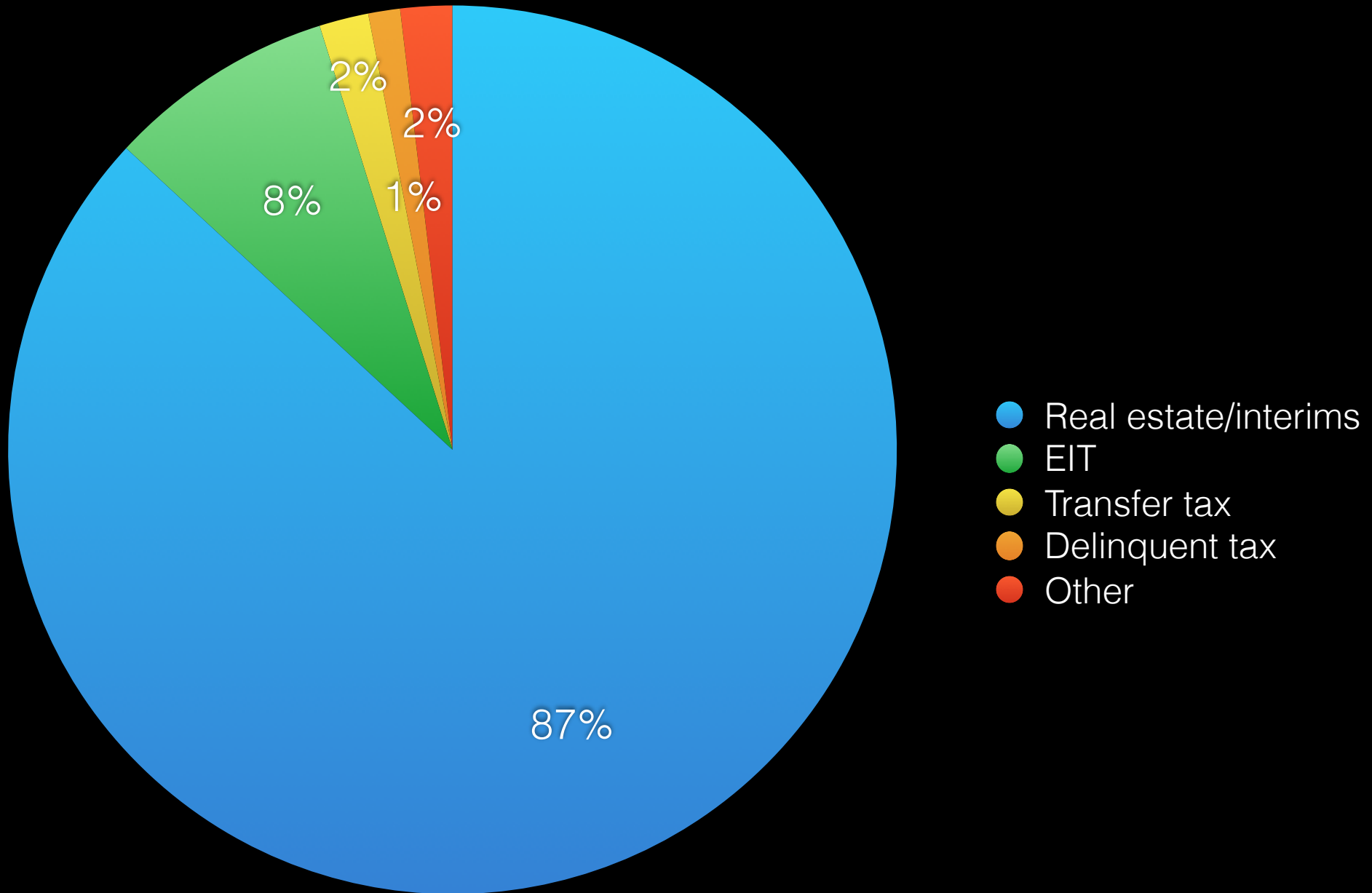
# Revenue Assumptions

- Tax base as of January @ 97% collection
- Historical and economic projections
- BEF, SEF, RTL = no increase
- Transportation reduction
- Flat Federal funding

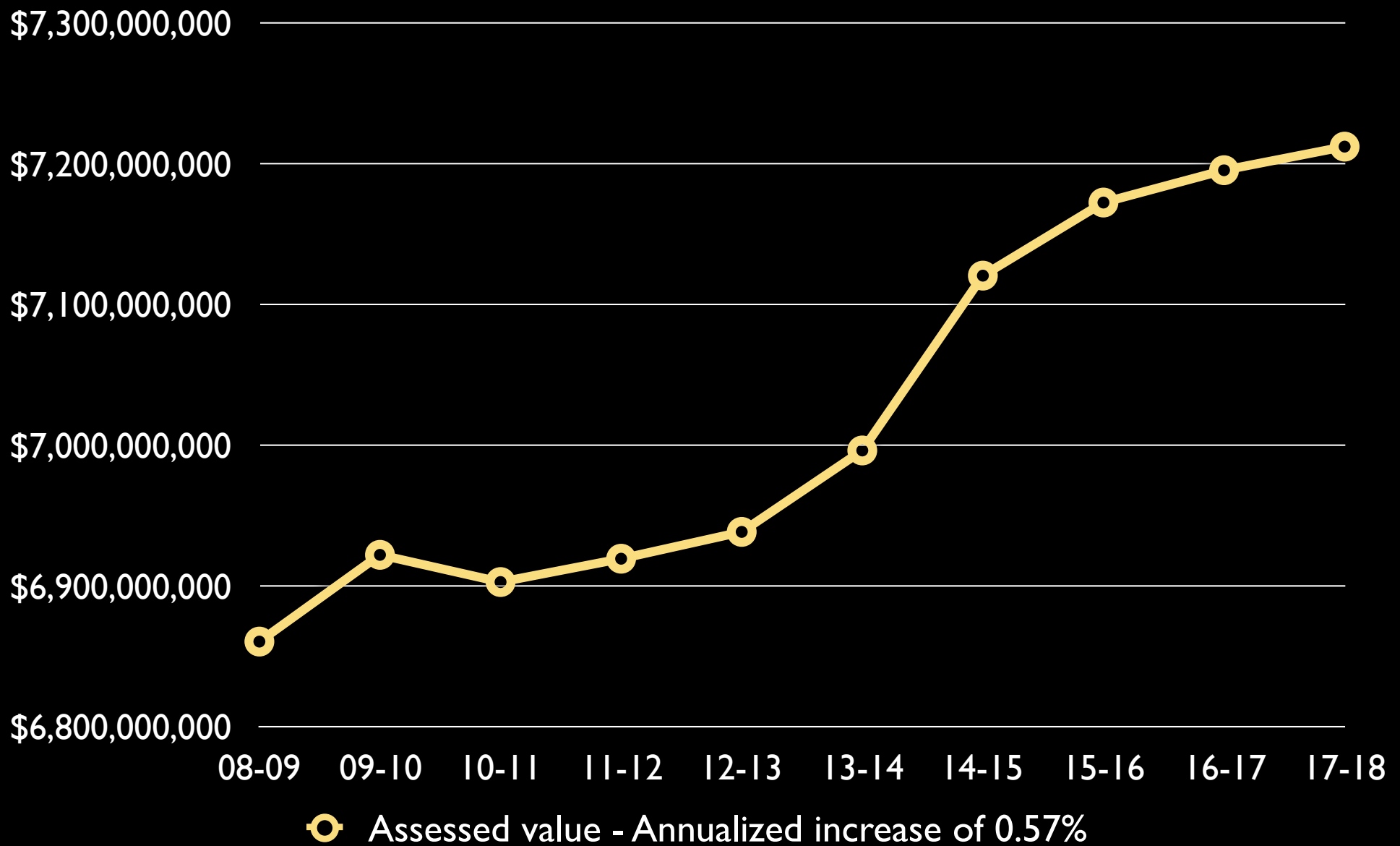
# Revenue Allocation



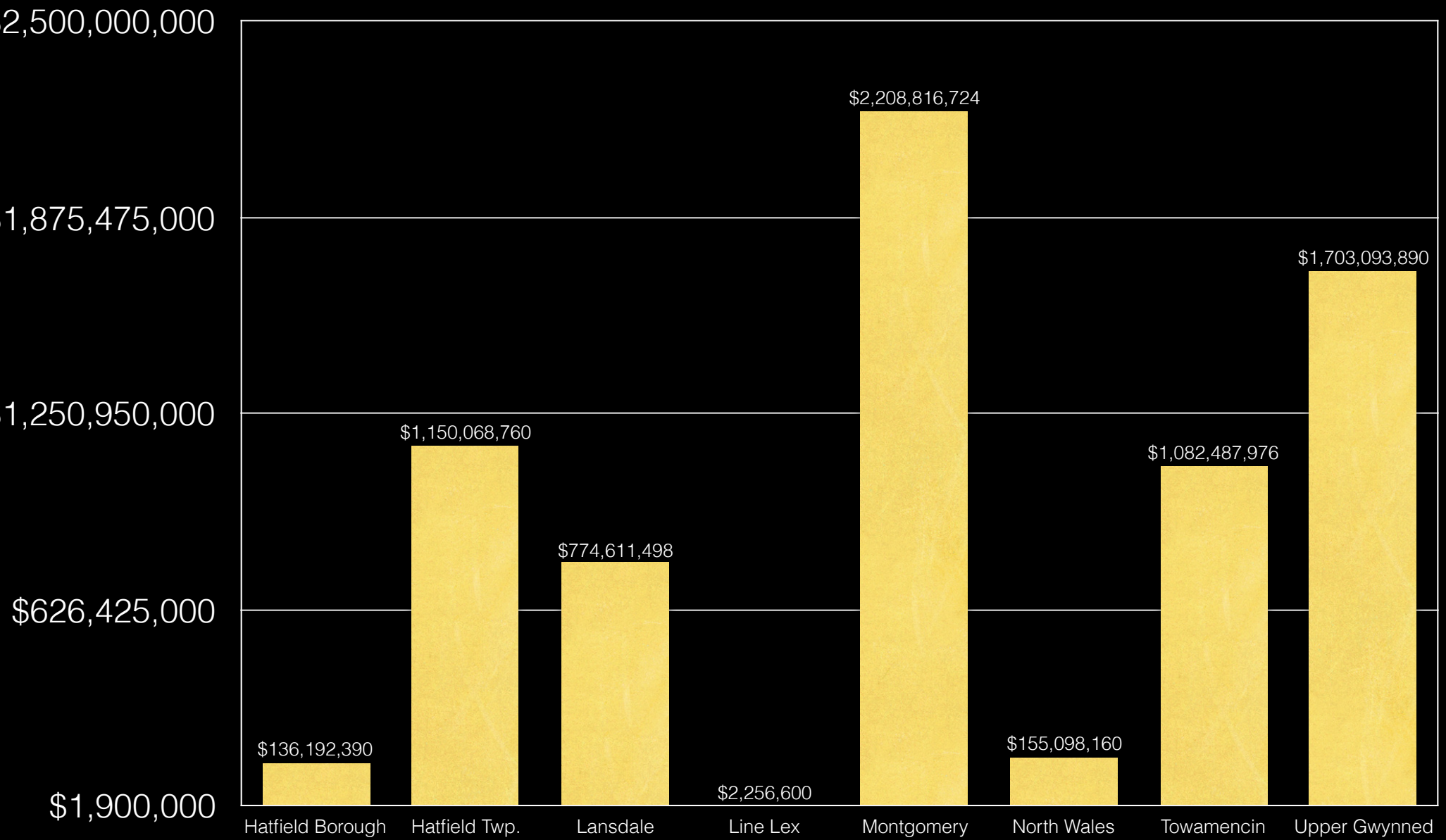
# Local Revenue Allocation



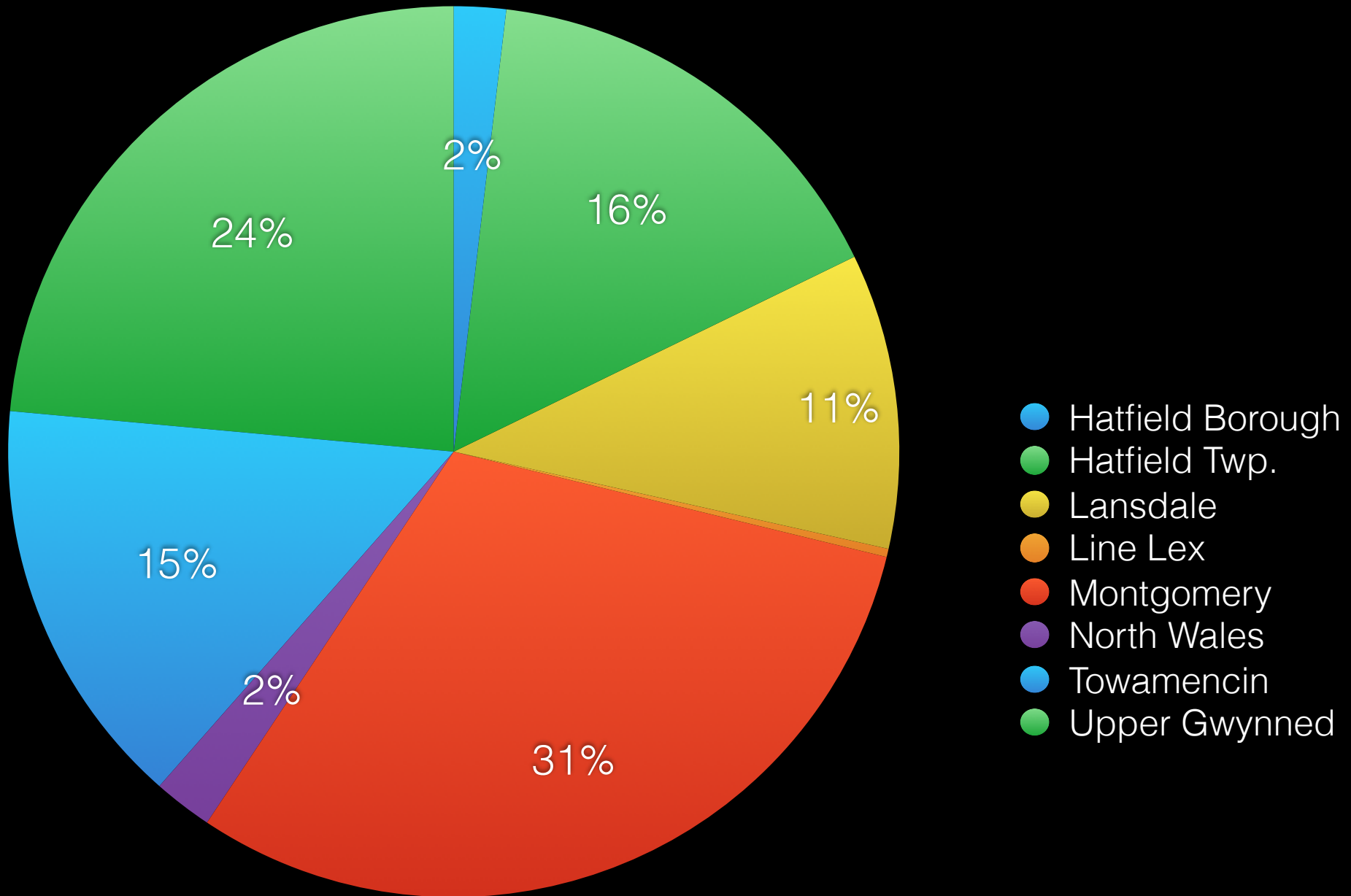
# Tax Base History



# Tax Base Breakdown



# Tax Base Breakdown

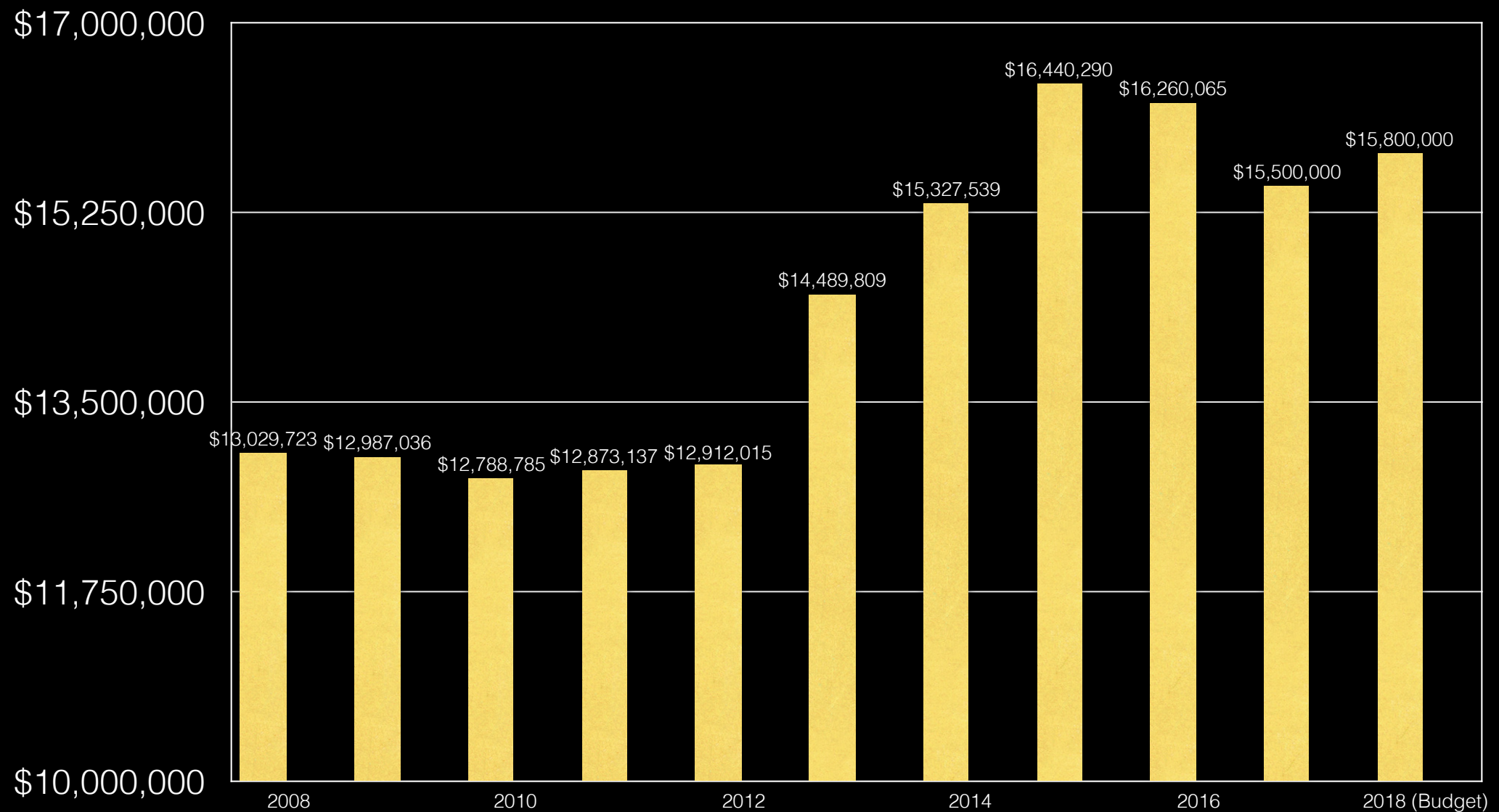


# Assessed Value Impact

Fiscal Year	Assessed Value	Millage	Revenue @ 97% Collection
2017-18	\$7,210,369,398	24.189	\$169,179,277
2016-17	\$7,193,614,273	24.189	\$168,786,146
Change	\$16,755,125 0.23%	0.000	\$393,131 0.23%



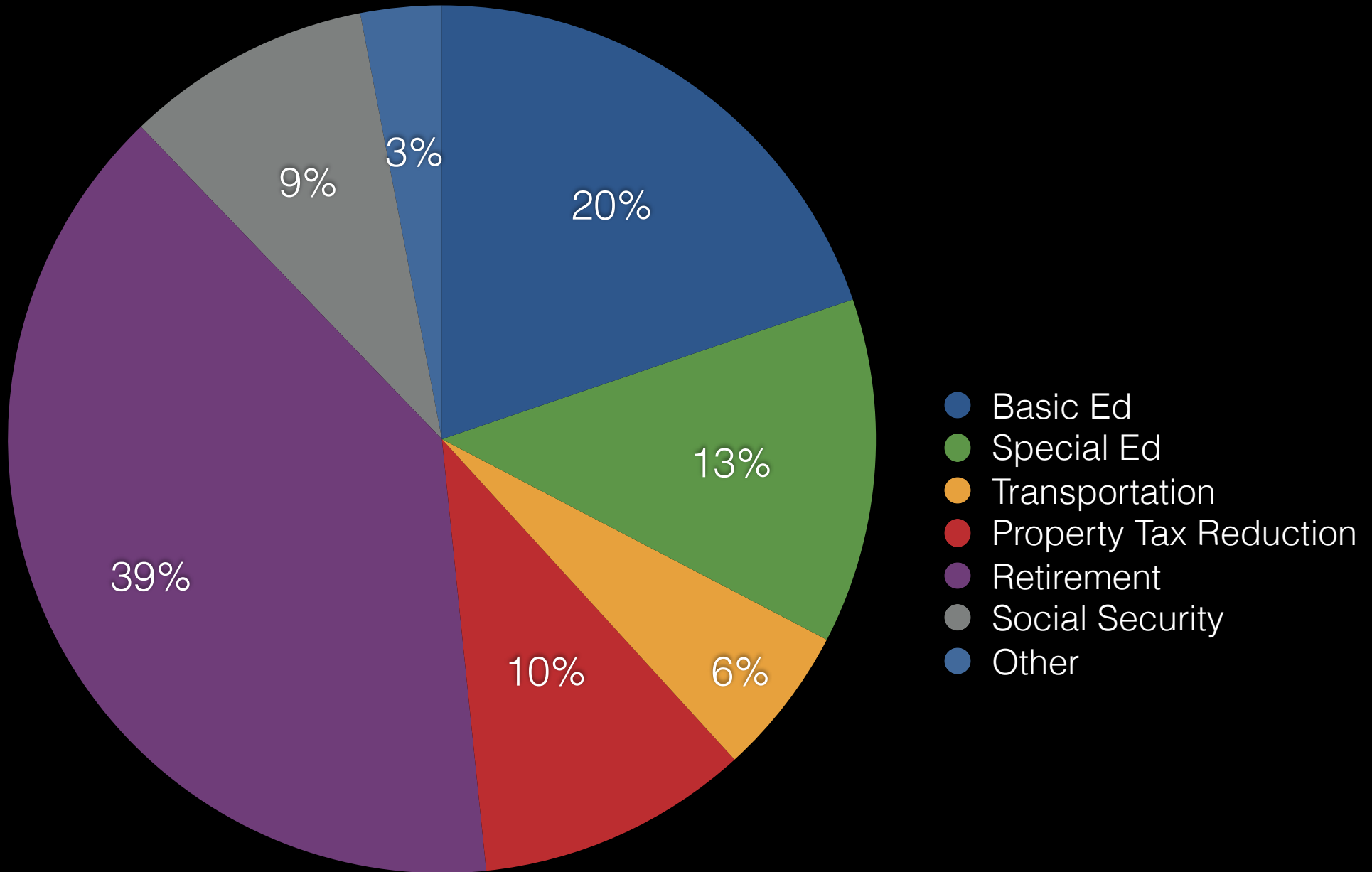
# Earned Income Tax



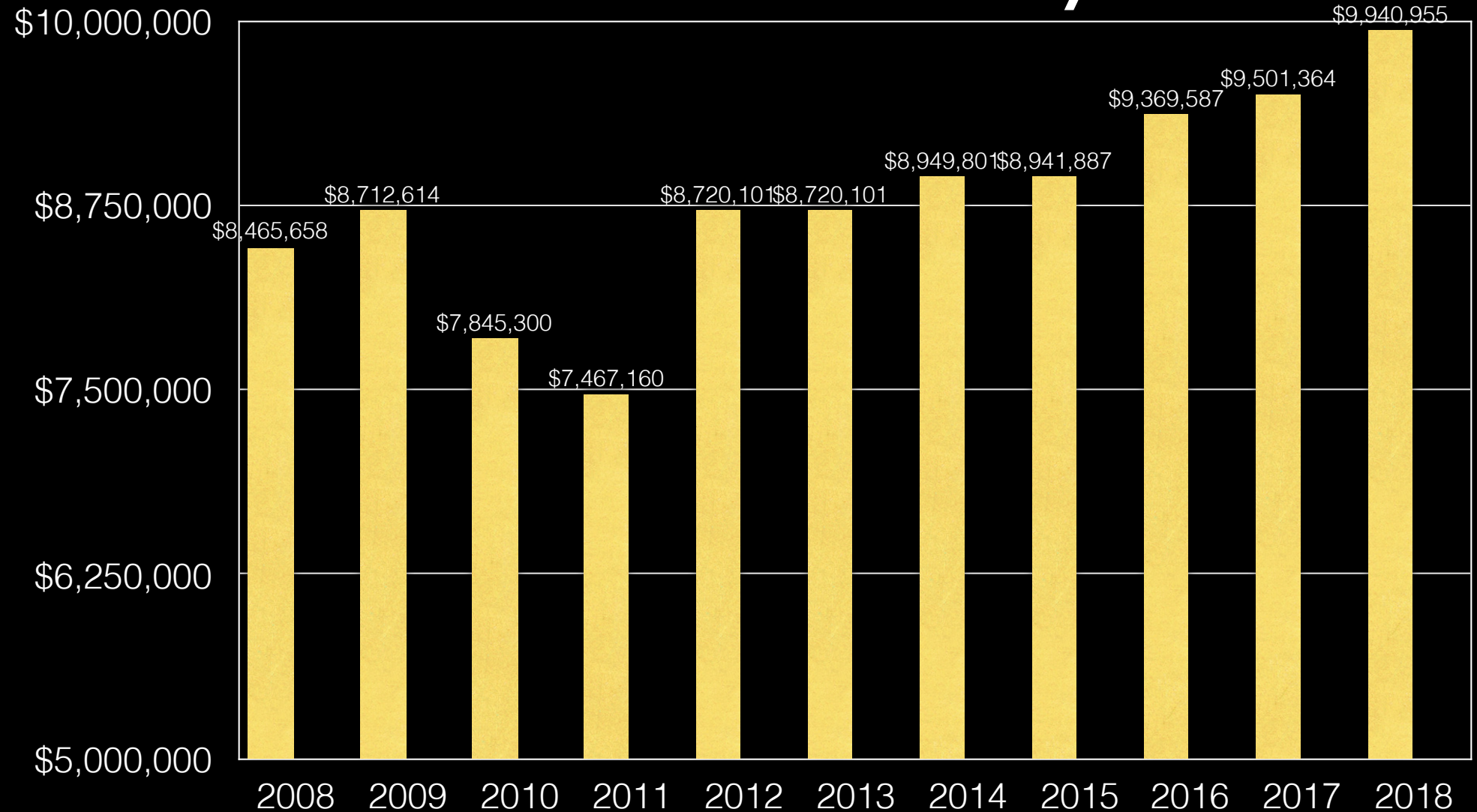
The chart shows the total earned income tax for each year. The district experienced negative growth during the recession. Measure of fiscal health and an indicator of economic conditions



# State Revenue Allocation

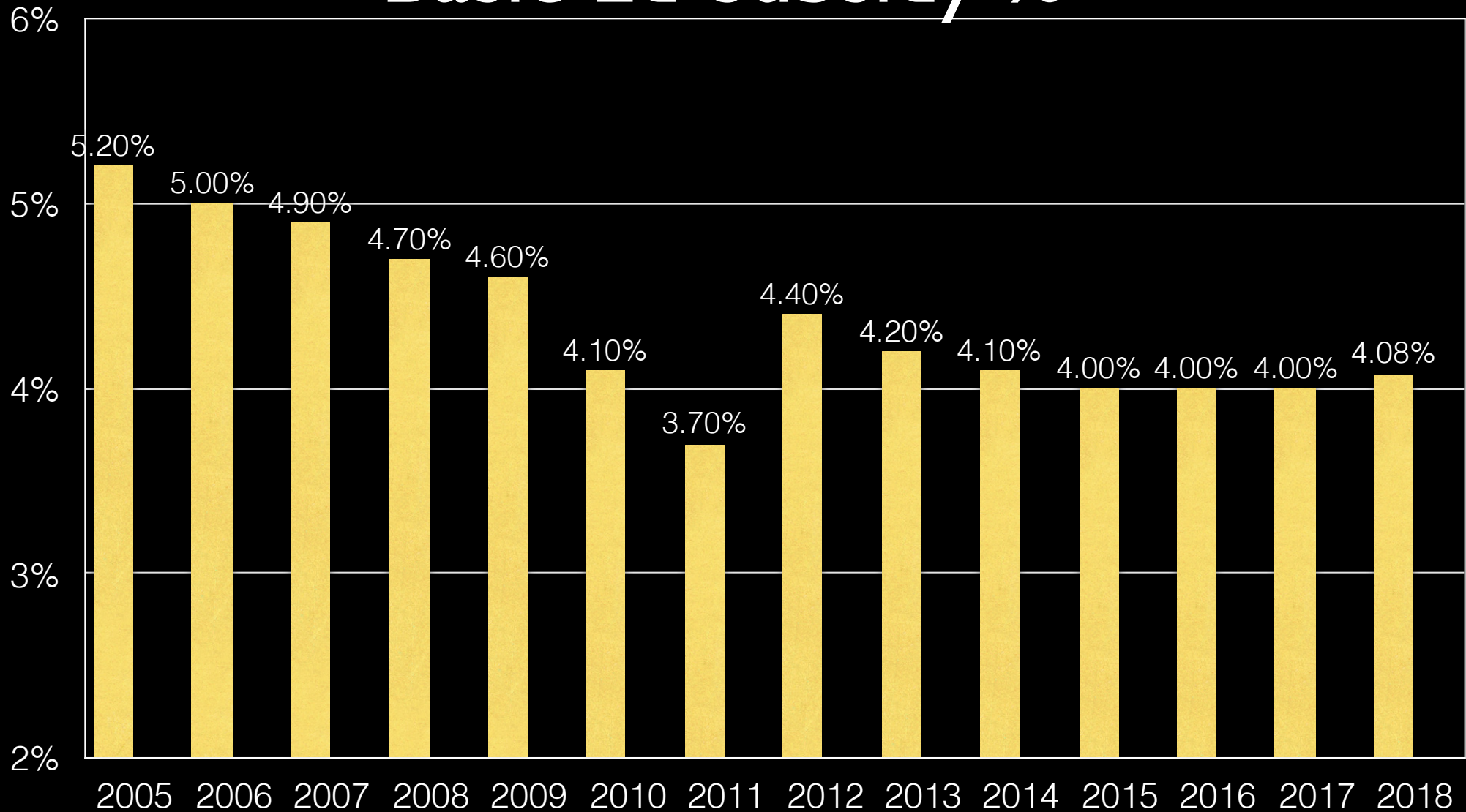


# Basic Ed Subsidy



The chart shows the total state subsidy for basic education. Measure of state support.

# Basic Ed Subsidy %



The chart shows the percentage of basic education funding as it relates to the total revenues. Measure of relative state share of funding.

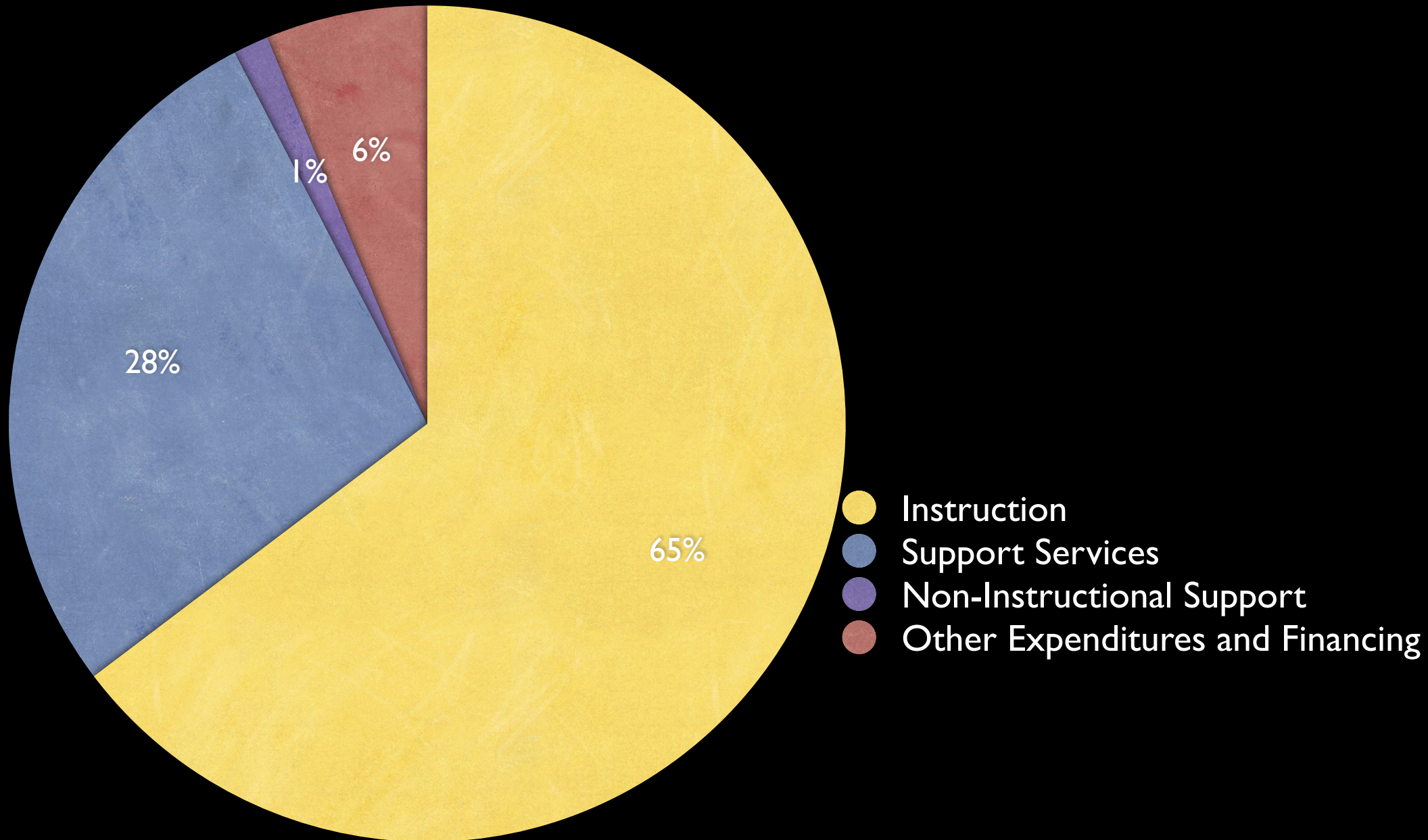
# Expenditure Assumptions

- No additional staff - will change
- Labor agreement assumptions
- No retirements (yet)
- 2nd look rates, lower Rx used
- First round department requests

# Expenditure Increase Factors

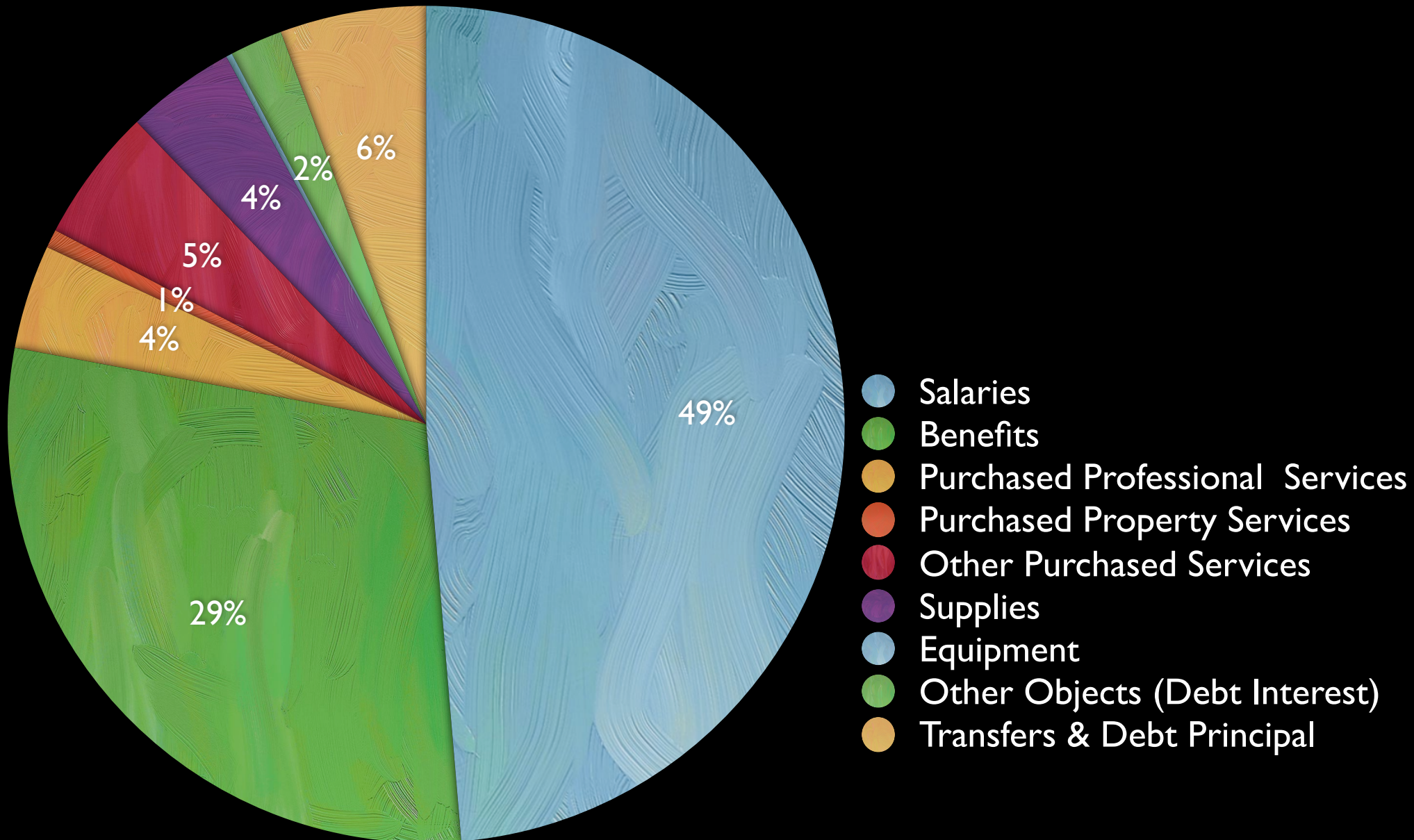
PSERS	\$3,466,018
Salaries	\$2,688,450
Curriculum series	\$1,554,939
Debt service	\$930,640
Medical/Rx	\$869,385
Tuition (charters and placements)	\$487,708
Compensatory Education	\$350,264
Diesel Fuel	\$174,363
<b>Total increase in major items</b>	<b>\$10,521,768</b>
<b>Act I index revenue @ 2.5%</b>	<b>\$4,231,405</b>

# District Allocation by Function





# Allocation by Object

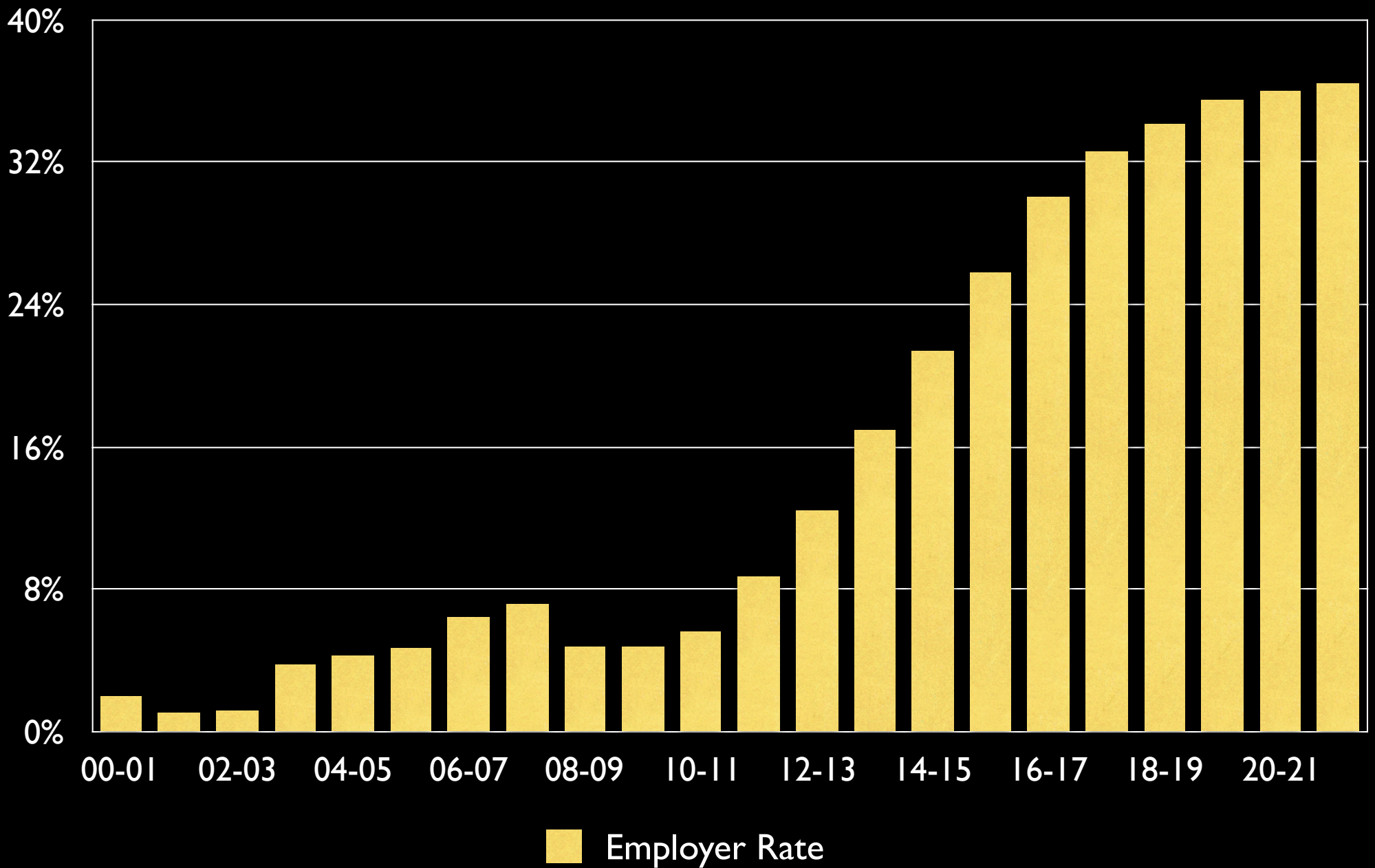


# Retirement Rate

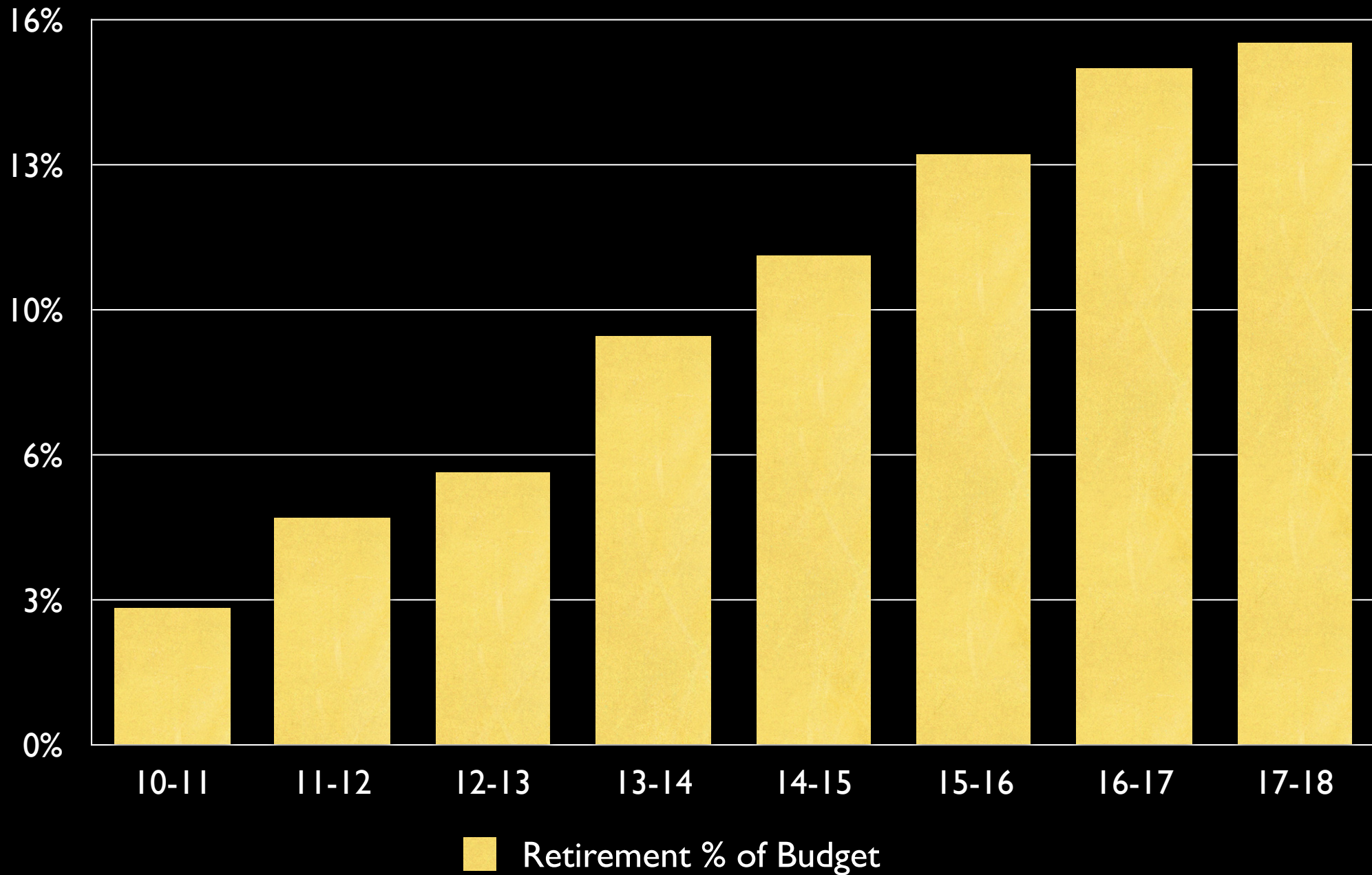
Year	Employer Rate	Gross \$	% Rate Inc.
2010-11	5.64%	\$6,117,388	Base
2011-12	8.65%	\$9,142,160	53%
2012-13	12.36%	\$12,608,373	43%
2013-14	16.93%	\$18,817,162	37%
2014-15	21.40%	\$24,470,530	26%
2015-16	25.84%	\$30,610,915	20%
2016-17	30.03%	\$36,612,403	16%
2017-18	32.57%	\$40,078,421	8%



# Retirement Rate



# Retirement as a % of Budget



# Tax Scenarios

<b>Tax Increase</b>	<b>Additional Revenue</b>	<b>Remaining Deficit</b>	<b>Average Homestead Increase</b>
0.00%	\$0.00	\$14,665,881	\$0
0.50%	\$839,287	\$13,826,594	\$18
1.00%	\$1,685,568	\$12,980,313	\$36
1.50%	\$2,531,849	\$12,134,032	\$54
2.00%	\$3,378,130	\$11,287,751	\$72
2.50%	\$4,231,405	\$10,434,476	\$90

# Next Steps

- Line item review of all revenues and expenses
- PSERS rate stabilization fund utilization analysis
- Staffing recommendations
- 5-year projections
- Refine and update data based on new information
  - State and Federal allocations
  - Labor agreements

# Discussion

