North Penn School District

2017-2018 Proposed Final Budget
Finance Committee
May 4, 2017

North Penn
School District
Dream Big.
Achieve Greatness.

1.99%

$5.0 M*

$3.5 M

Budget Timeline

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

- $252.5 M budget
- $7.0 M increase in expenses over 16-17
- 2.86% increase in expenses over 16-17
- Deficit of $3.5 M with 1.99% tax increase
- 4.06% tax increase to balance budget

Budget Changes

Fiscal Year Budget	Revenues	Expenses	Surplus (Deficit)
2017-2018 Current Draft	$247,510,525	$252,508,654	-$4,998,129
2017-2018 4-24 Draft	$244,438,384	$255,898,072	-$11,459,688
2017-2018 First Draft	$243,974,077	$258,639,958	-$14,665,881
$ Change	$3,536,448	-$6,131,304	$9,667,752
% Change	1.45%	-2.37%	-65.92%

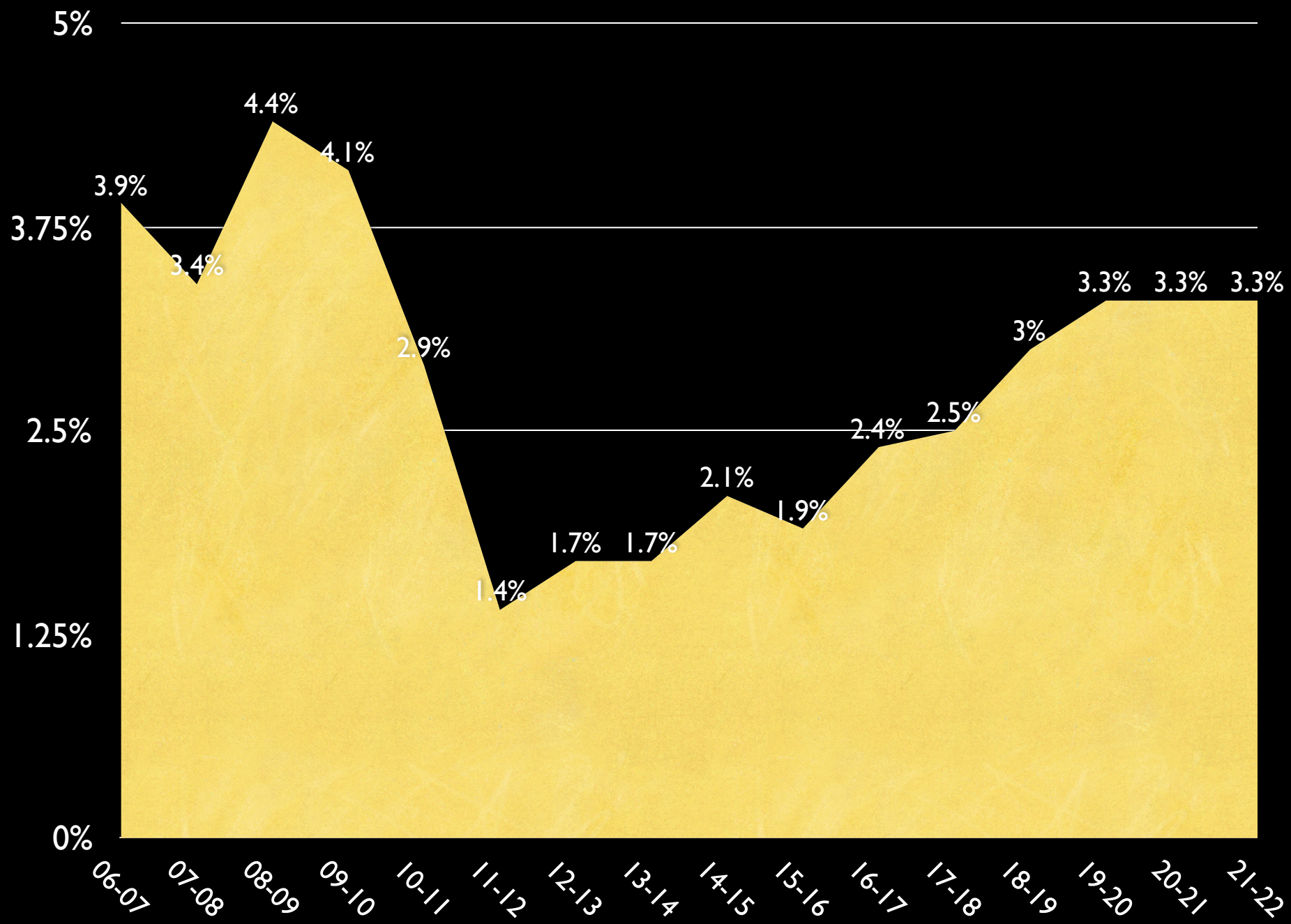
Major Changes

- $3.4 M in revenue @1.99% tax increase
- $2.3 M in salary and benefit reductions
- $494,244 removal of technology lease
- $250,000 lowered budgetary reserve
- $123,000 reduction in building budgets
- $100,000 enterprise fund transfers

Budget Comparison

Fiscal Year Budget	Revenues	Expenses	Surplus (Deficit)
2017-2018	$247,510,525	$252,508,654	-$4,998,129
2016-2017	$242,174,877	$245,489,530	-$3,314,653
$ Change	$5,335,648	$7,019,124	-$1,683,476
% Change	2.20%	2.86%	51%

Act I Index


5%
3.75%
2.5%
1.25%
0%
3.9%
3.4%
4.4%
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21-22

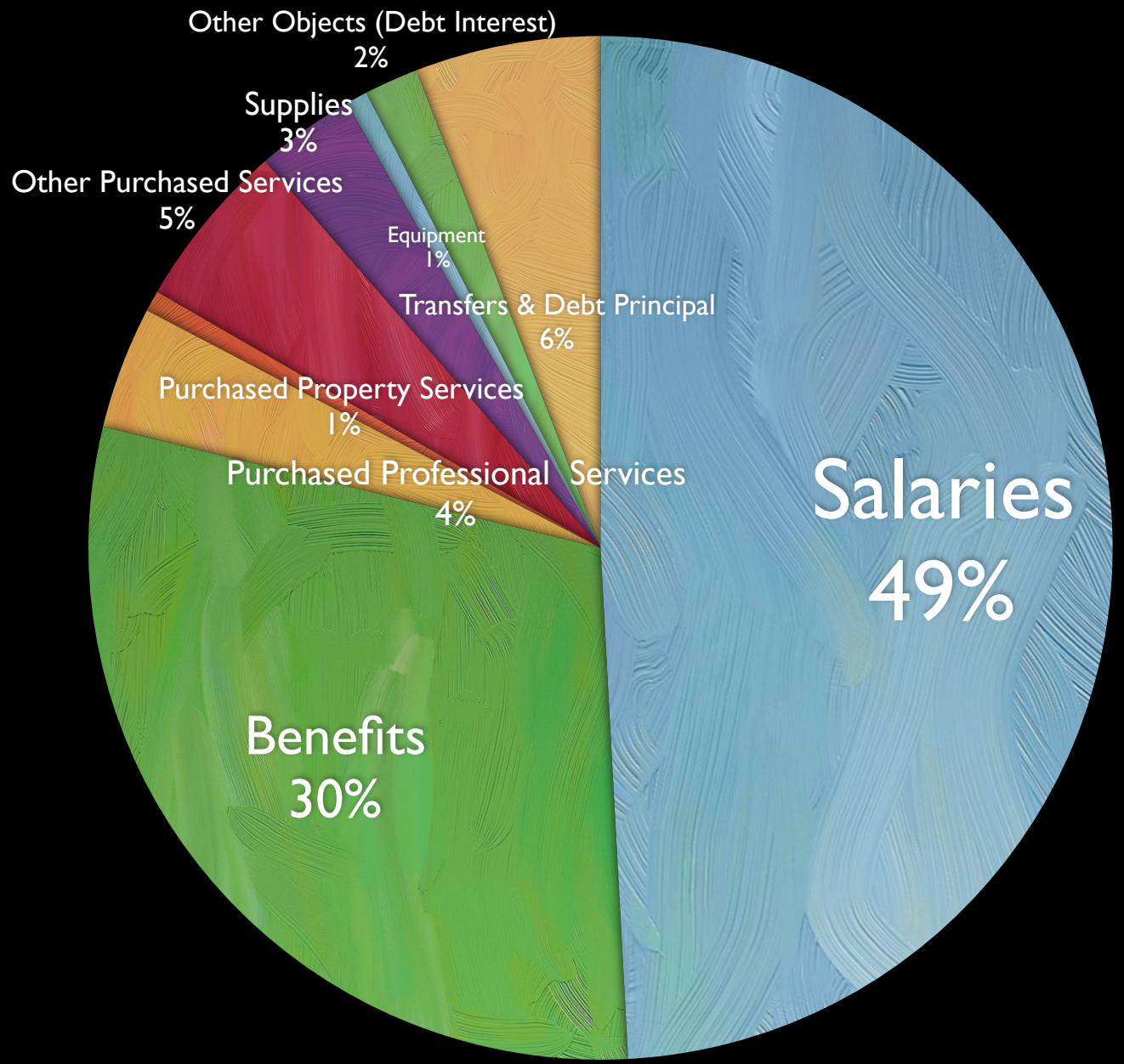
Fund Balance Breakdown 6/30/16

Description	**Amount**
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
Total Fund Balances	**$36,736,867**

Expenditure Increase Factors

PSERS	$3,056,813
ChromeBooks (grades 6,11,12)	$1,500,000
Debt service	$930,640
Salaries	$916,005
Medical/Rx	$725,438
Tuition (charters and placements)	$462,435
Diesel Fuel	$114,163
Total increase in major items	**$7,705,494**
Total expenditure increase	**$7,019,124**
Act 1 index revenue @ 2.5%	$4,224,013

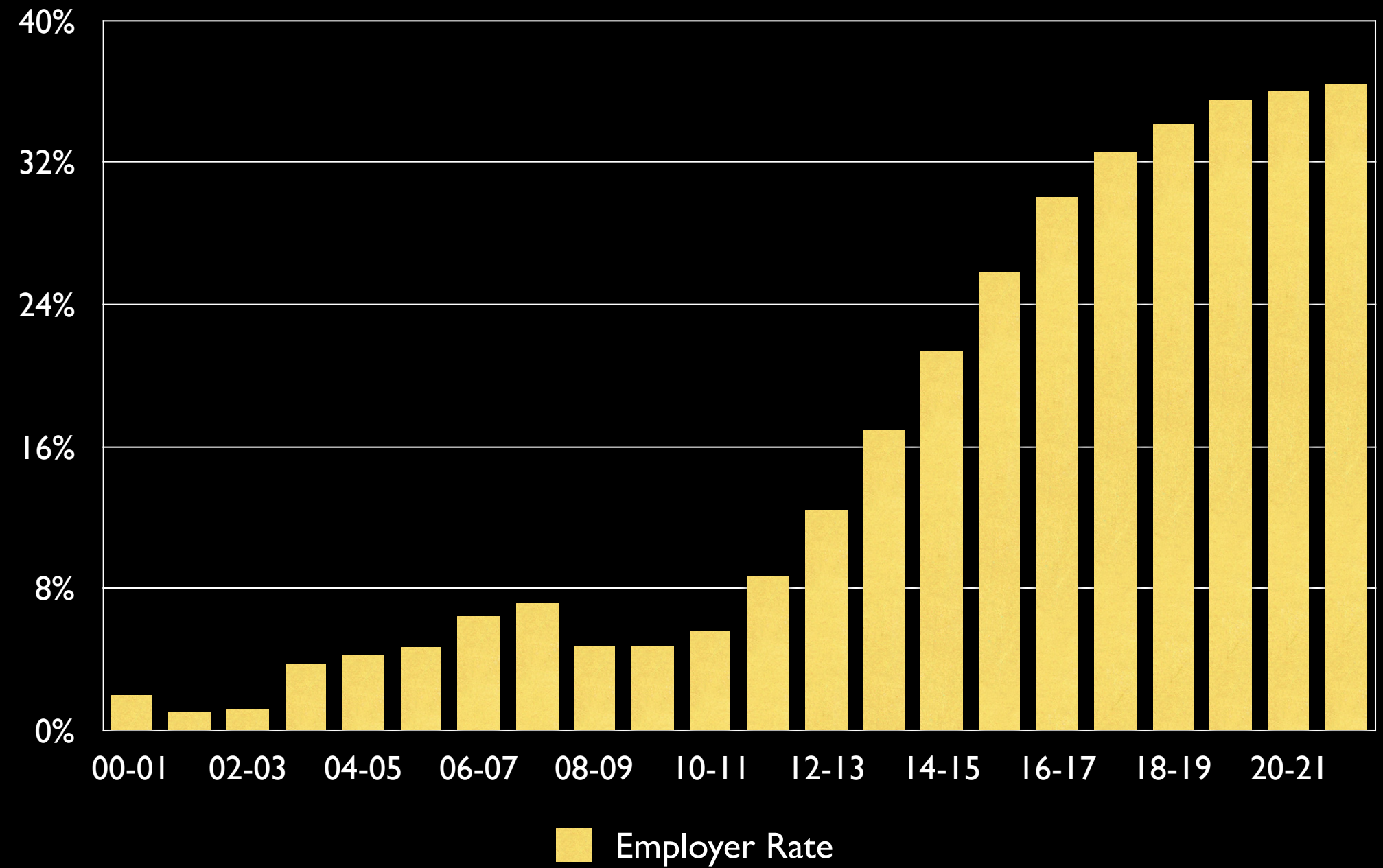
Allocation by Object



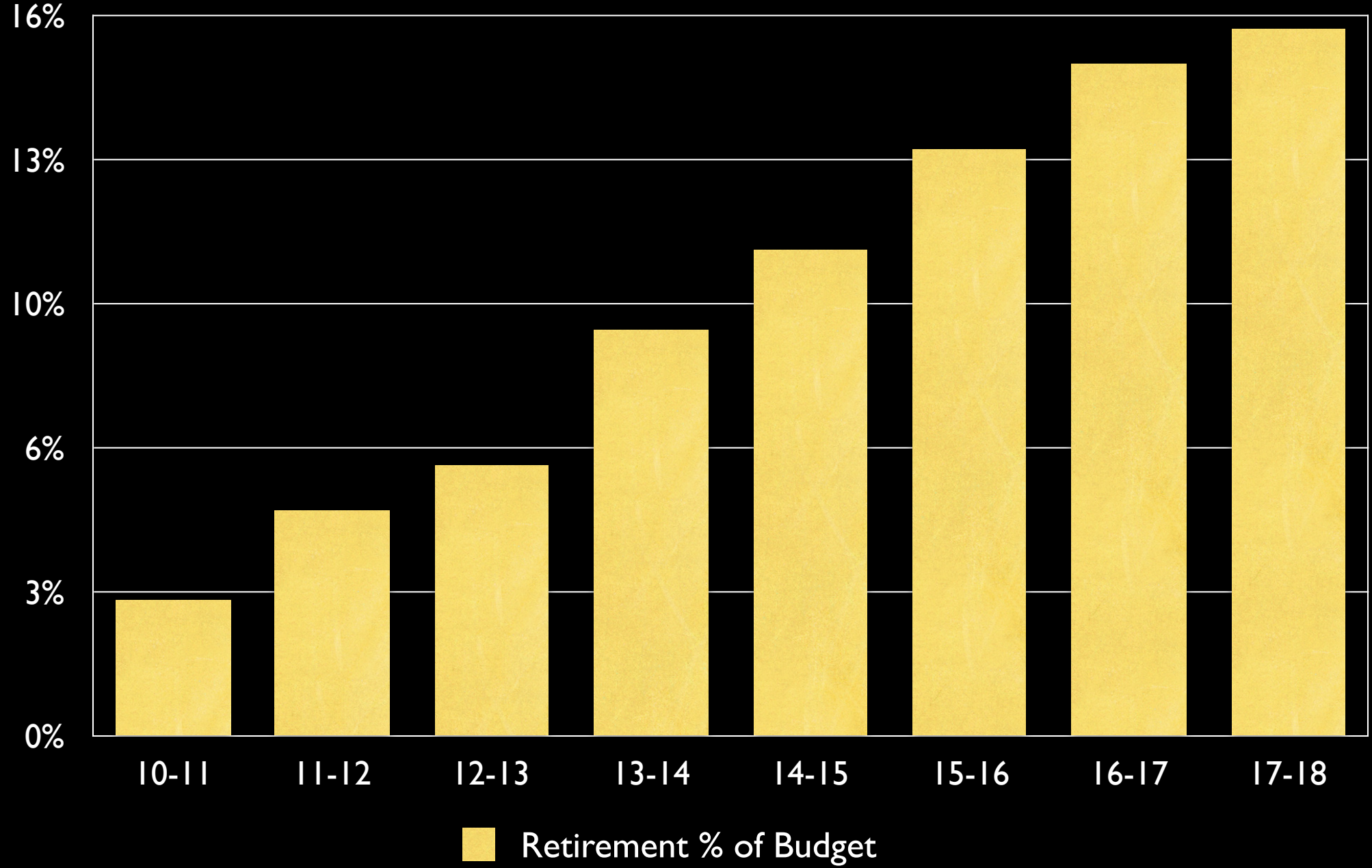
Retirement Rate

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%	$30,575,349	21%
2016-17	30.03%	$36,612,403	16%
2017-18	32.57%	$39,669,217	8%

Retirement Rate



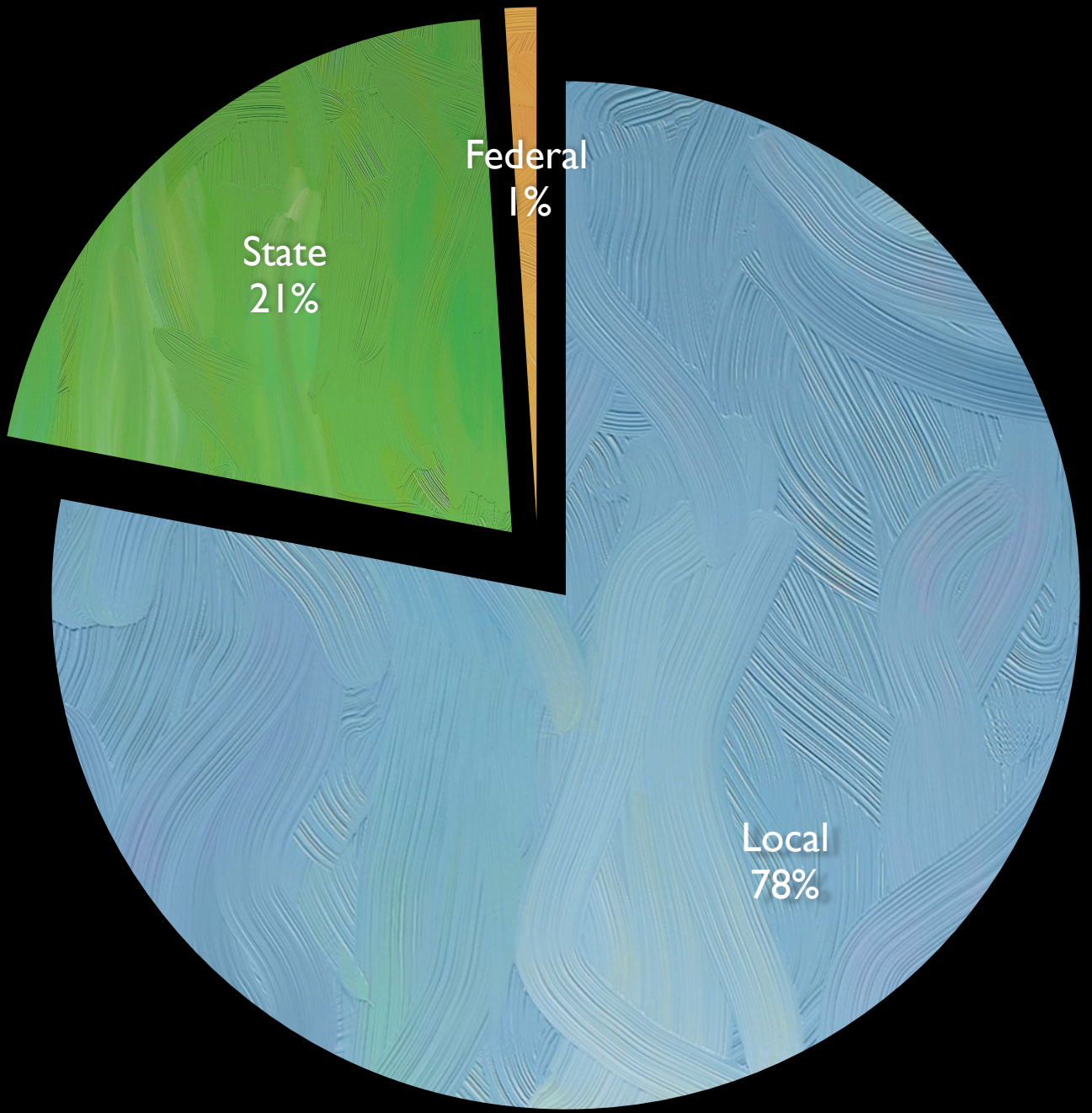
Retirement as a % of Budget



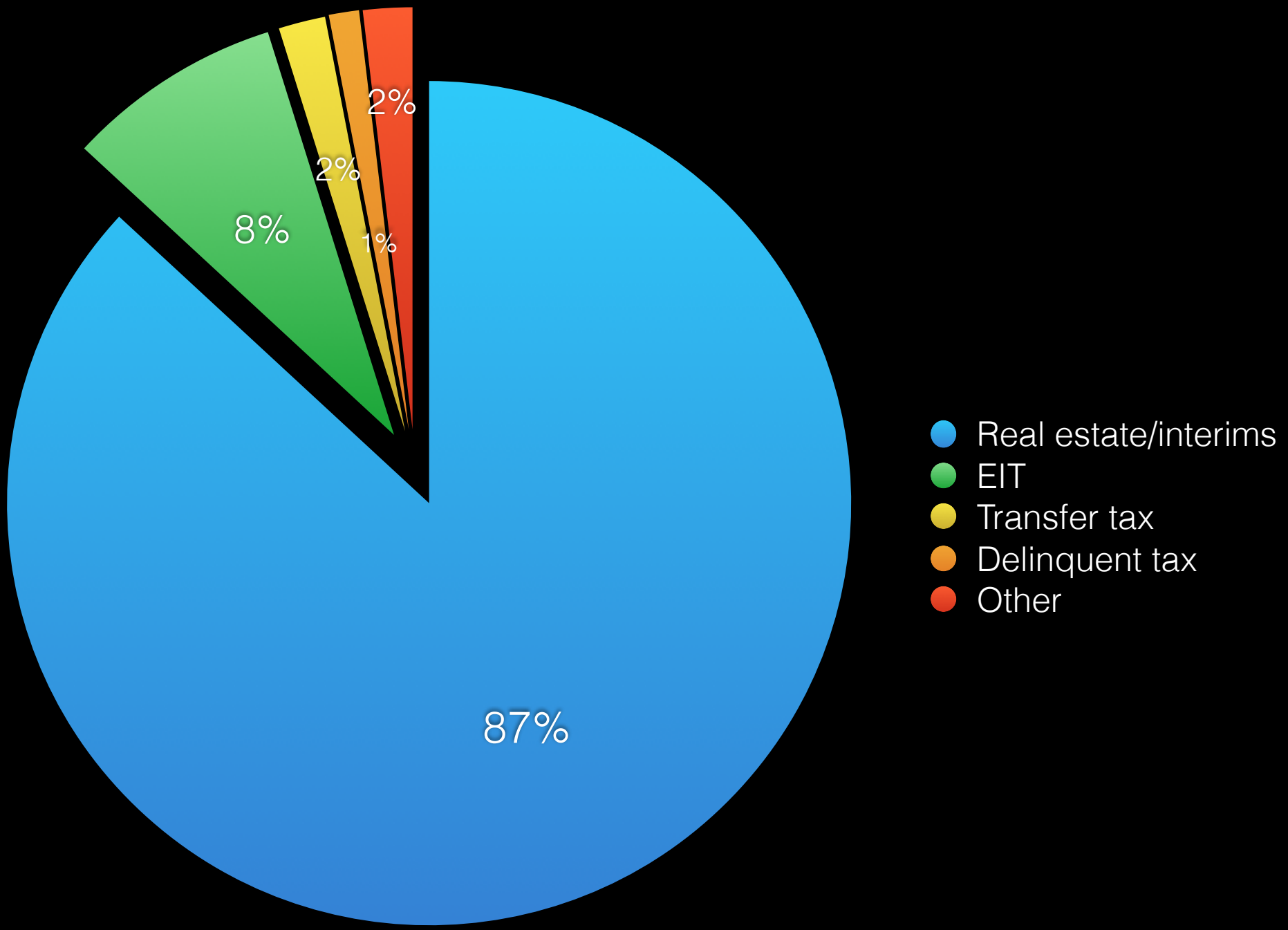
Revenue Assumptions

- Tax base as of March @ 97% collection
  - Waiting on April numbers
- Historical and economic projections
- BEF, SEF = 1/2 of proposed increase
- RTL = no increase
- Flat Federal funding

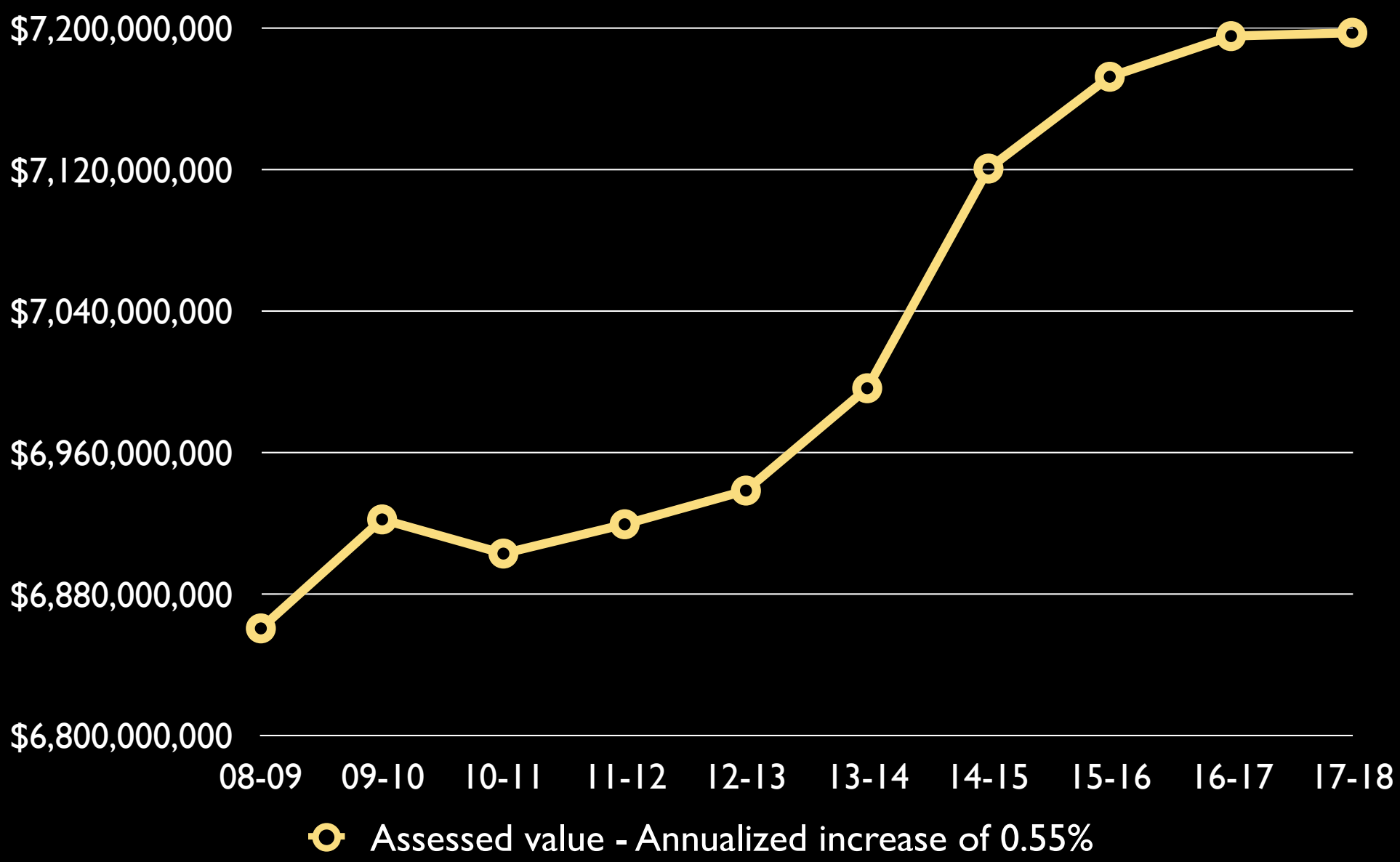
Revenue Allocation



Local Revenue Allocation



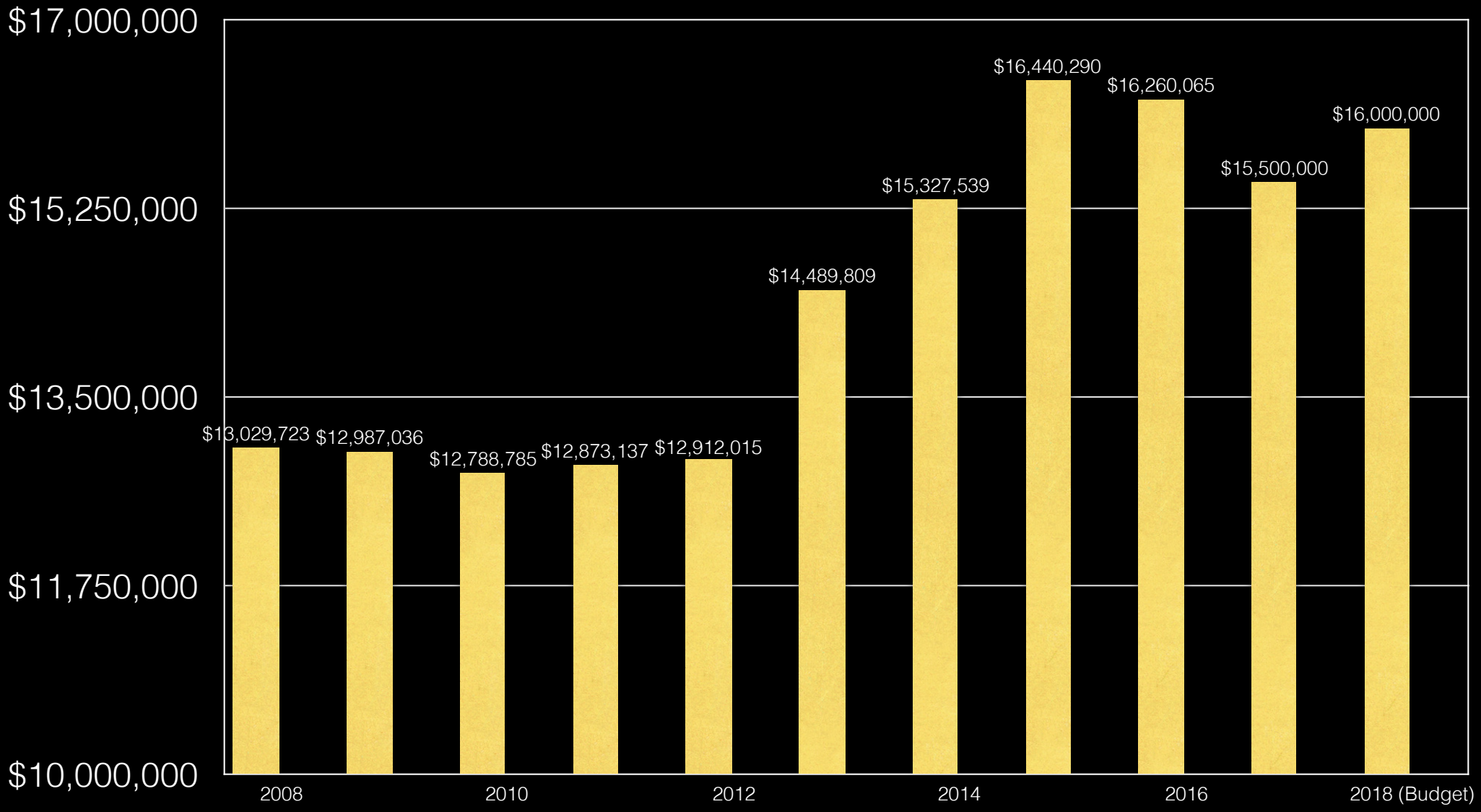
Tax Base History



Assessed Value Impact

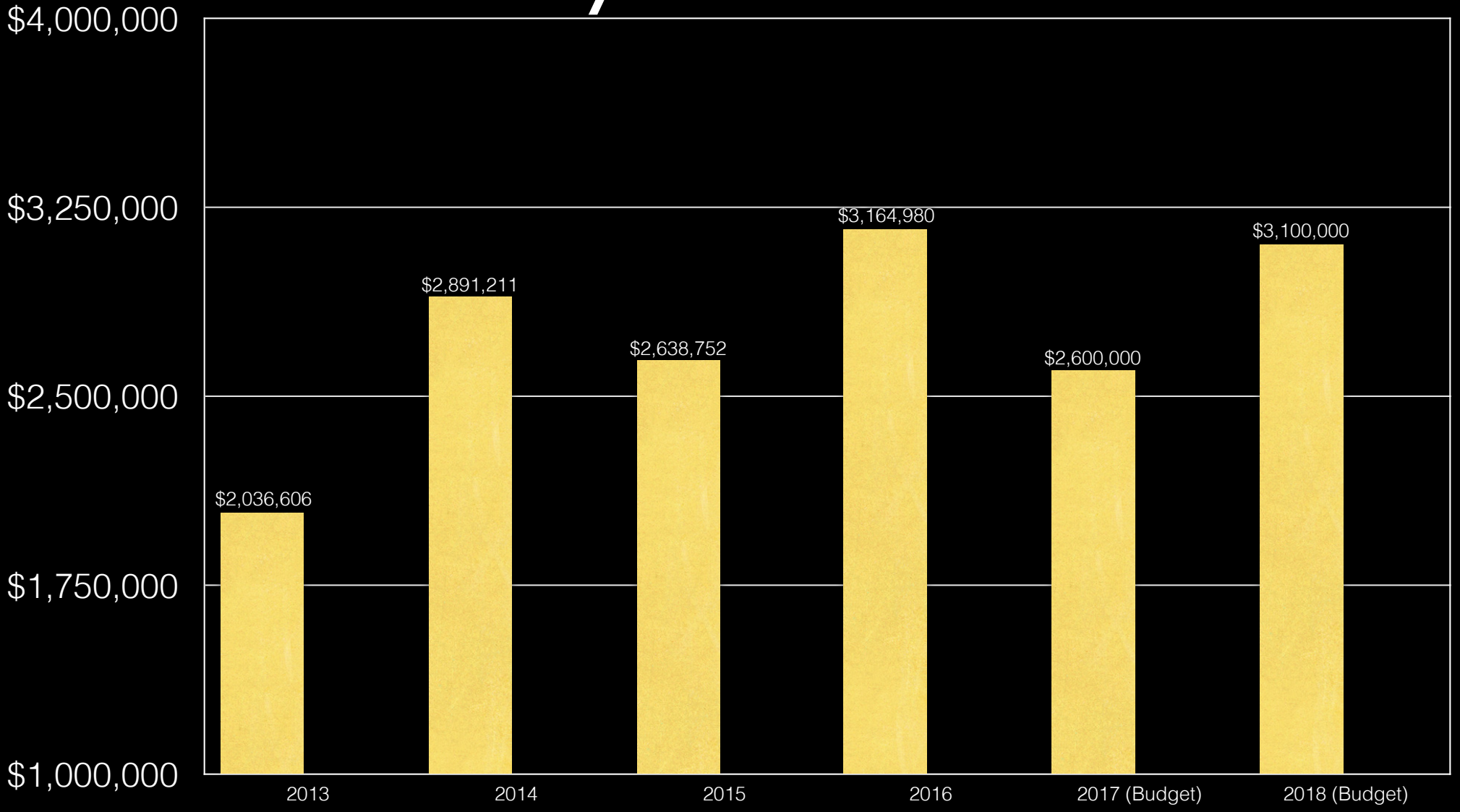
Fiscal Year	Assessed Value	Millage	Revenue @ 97% Collection
2017-18	$7,197,773,097	24.189	$168,883,725
2016-17	$7,193,614,273	24.189	$168,786,146
Change	$4,158,824 0.06%	0.000	$97,580 0.06%

Earned Income Tax



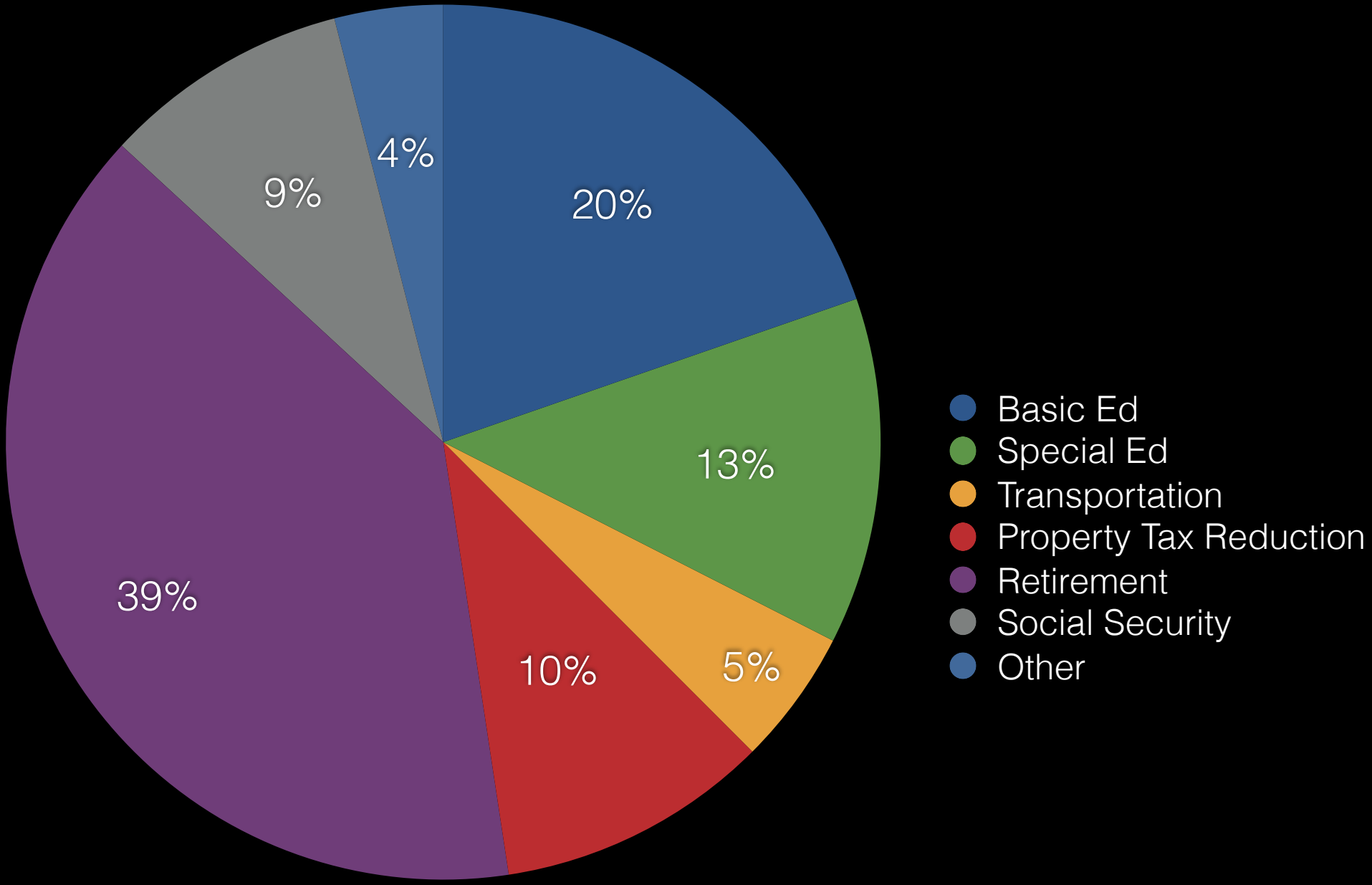
The chart shows the total earned income tax for each year. The district experienced negative growth during the recession. Measure of fiscal health and an indicator of economic conditions

Realty Transfer Tax

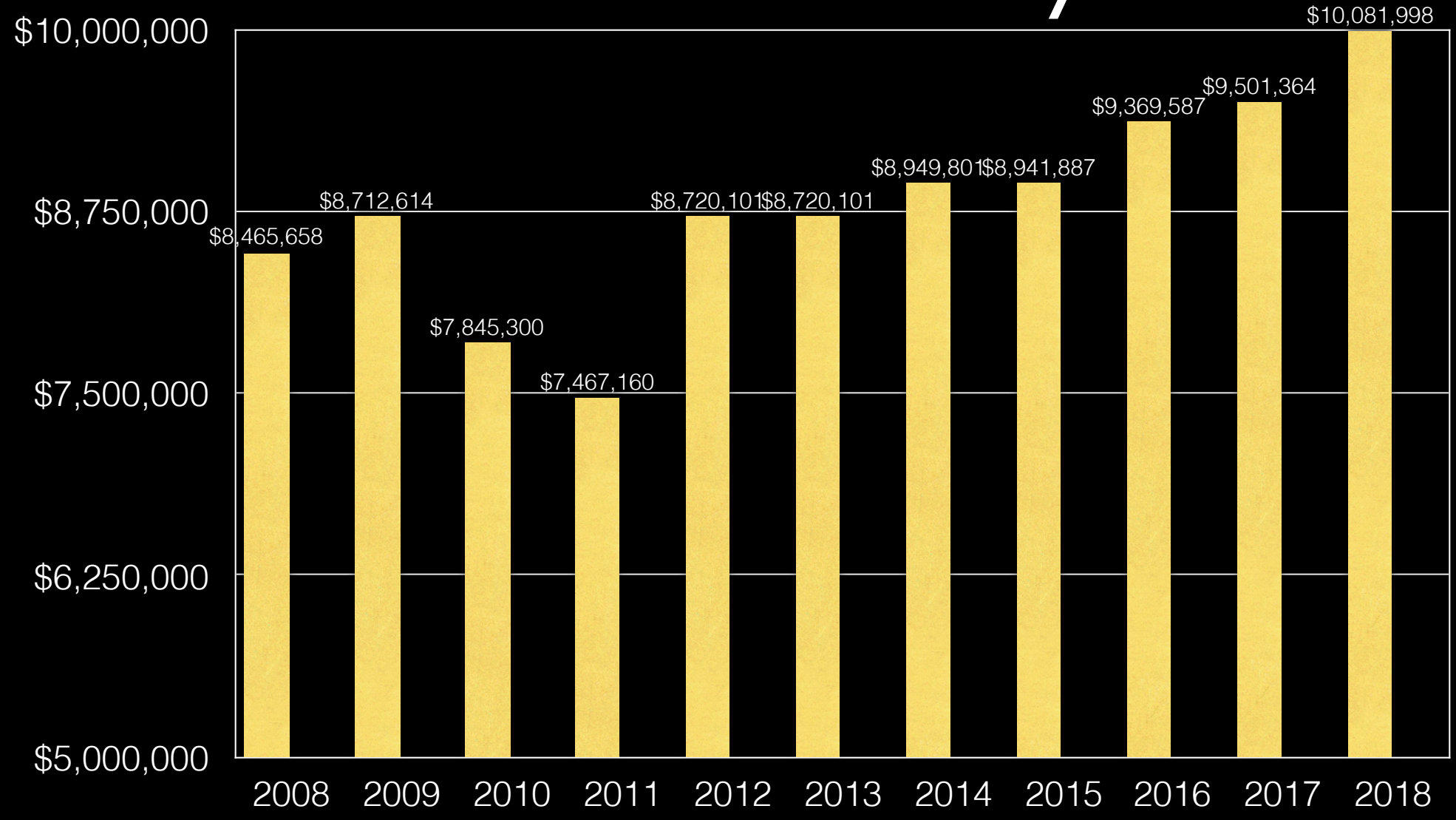


The chart shows the total realty transfer tax for each year. The district experienced negative growth during the recession. Measure of fiscal health and an indicator of economic conditions

State Revenue Allocation

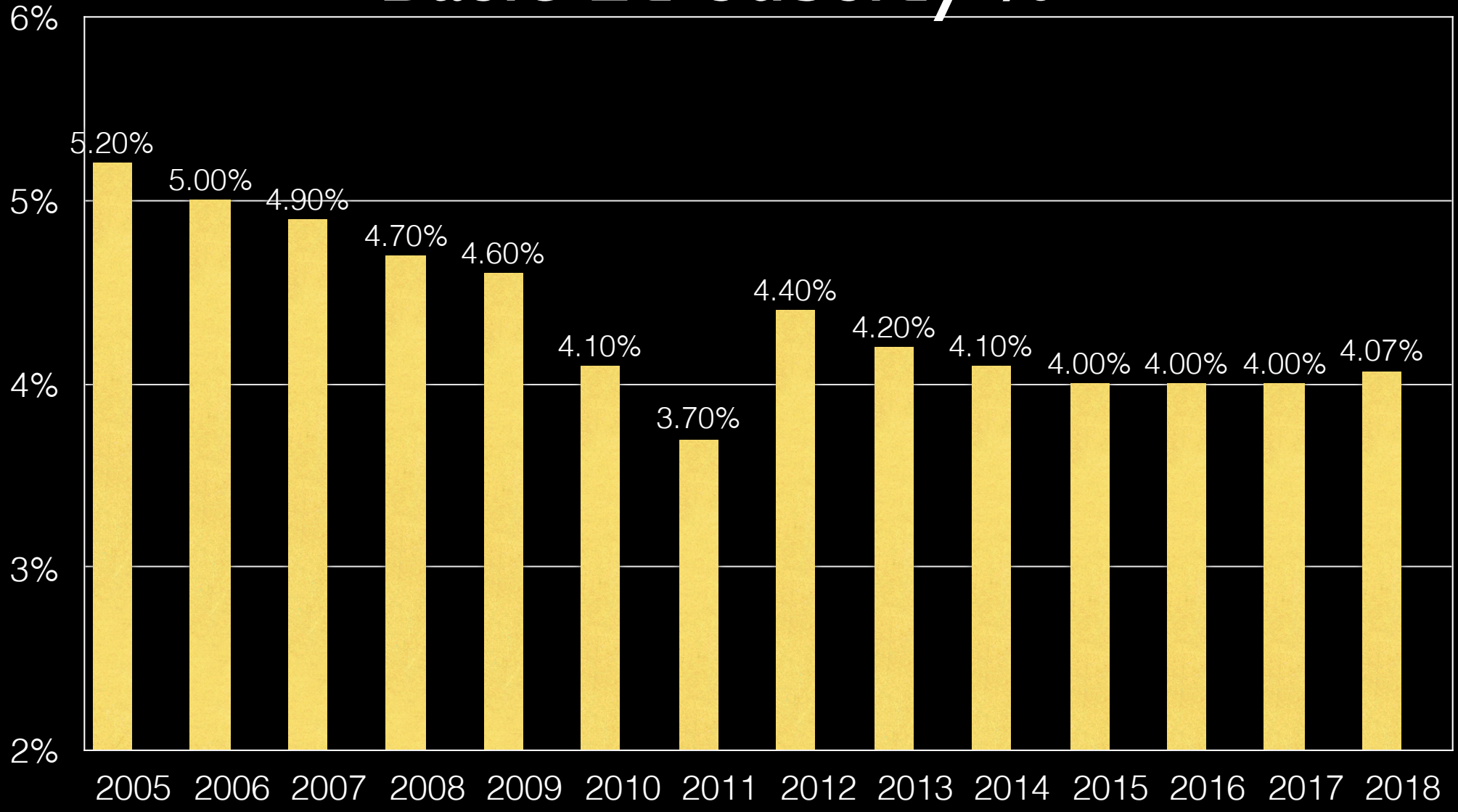


Basic Ed Subsidy



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.

Tax Scenarios

Tax Increase	Additional Revenue	Remaining Deficit	Average Homestead Increase
0.00%	$0.00	$8,364,989	$0
0.50%	$837,821	$7,527,168	$18
1.00%	$1,682,623	$6,682,366	$36
1.50%	$2,527,426	$5,837,563	$54
1.99%	$3,378,130	$4,998,129	$71
2.50%	$4,224,013	$4,140,976	$90

Budget Timeline

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Discussion