North Penn School District

2018-2019 First Draft Preliminary Budget
Board Worksession
January 9, 2018

Budget Agenda

- Timeline

- 10,000 ft. summary overview

- Major drivers of budget

- Next steps

3 Step Process

Preliminary

Proposed Final

Final

Budget Timeline

1/9	First Draft of Preliminary Budget Board Worksession
1/22	Preliminary Budget Presentation Finance Committee Meeting
2/1	Preliminary Budget Discussion Special Finance Committee Meeting
2/6	Preliminary Budget Adoption Referendum Exceptions Consideration Board Worksession

Budget Timeline

February - May	Budget Presentations and Updates Finance Committee Meetings Special Finance Committee Meetings
5/17	Adoption of Proposed Final Budget Board Worksession
6/21	Adoption of Final Budget Board Action Meeting

Balanced Budget

Revenues = Expenses

Deficit Budget

Expenses > Revenues

Surplus Budget
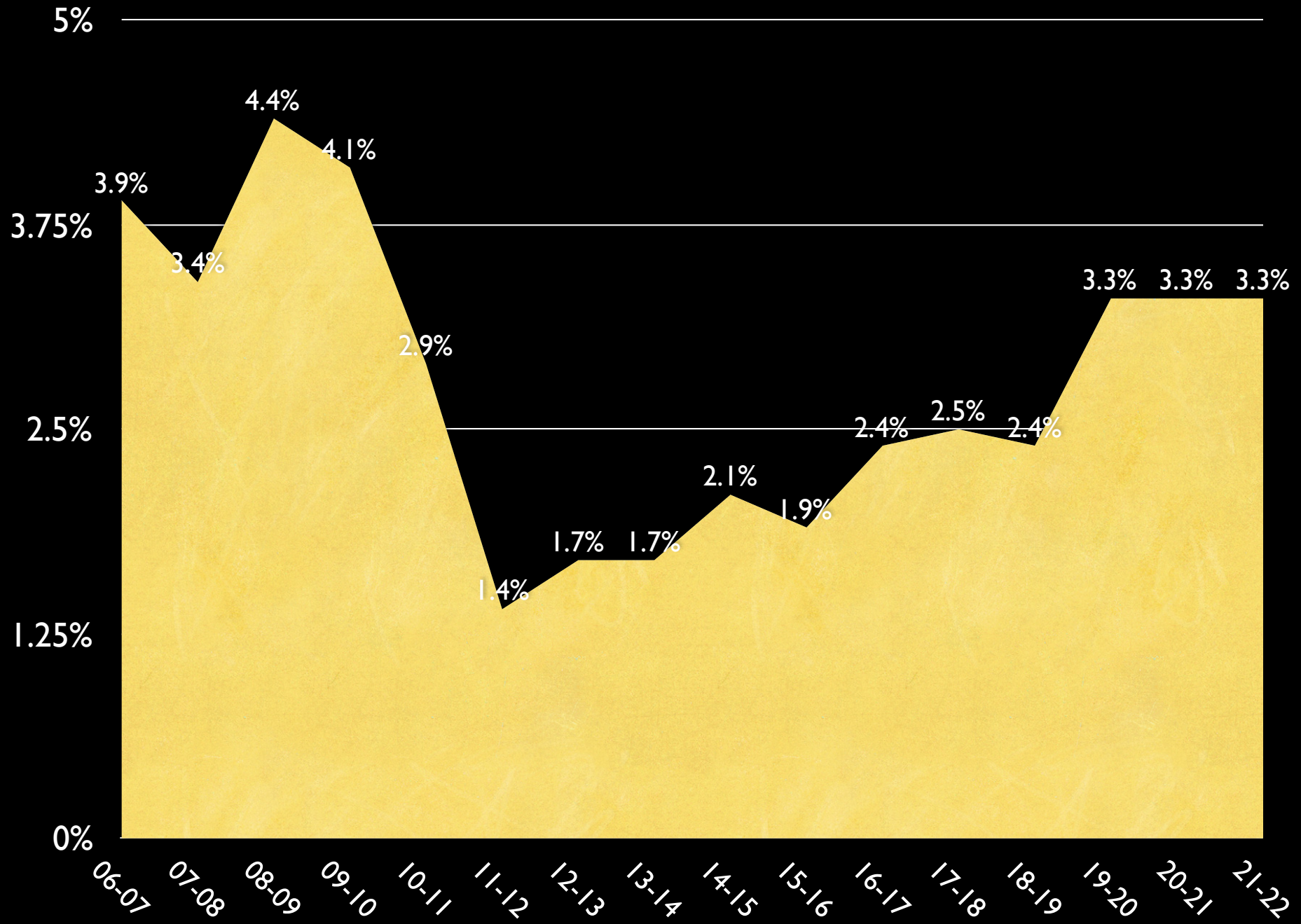
Revenues > Expenditures

0%

$9.7 M

Deficit Budget

Budget Comparison

Fiscal Year Budget	Revenues	Expenses	Surplus (Deficit)
2018-2019	$250,888,429	$260,621,247	-$9,732,818
2017-2018	$247,856,963	$252,401,886	-$4,544,923
$ Change	$3,031,466	$8,219,361	-$5,187,895
% Change	1.22%	3.26%	114%

Act I Index

5%	
3.75%	
2.5%	
1.25%	
0%	

3.9%
3.4%
4.4%
4.1%
2.9%
1.4%
1.7%
1.7%
2.1%
1.9%
2.4%
2.5%
2.4%
3.3%
3.3%
3.3%

06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17 17-18 18-19 19-20 20-21 21-22
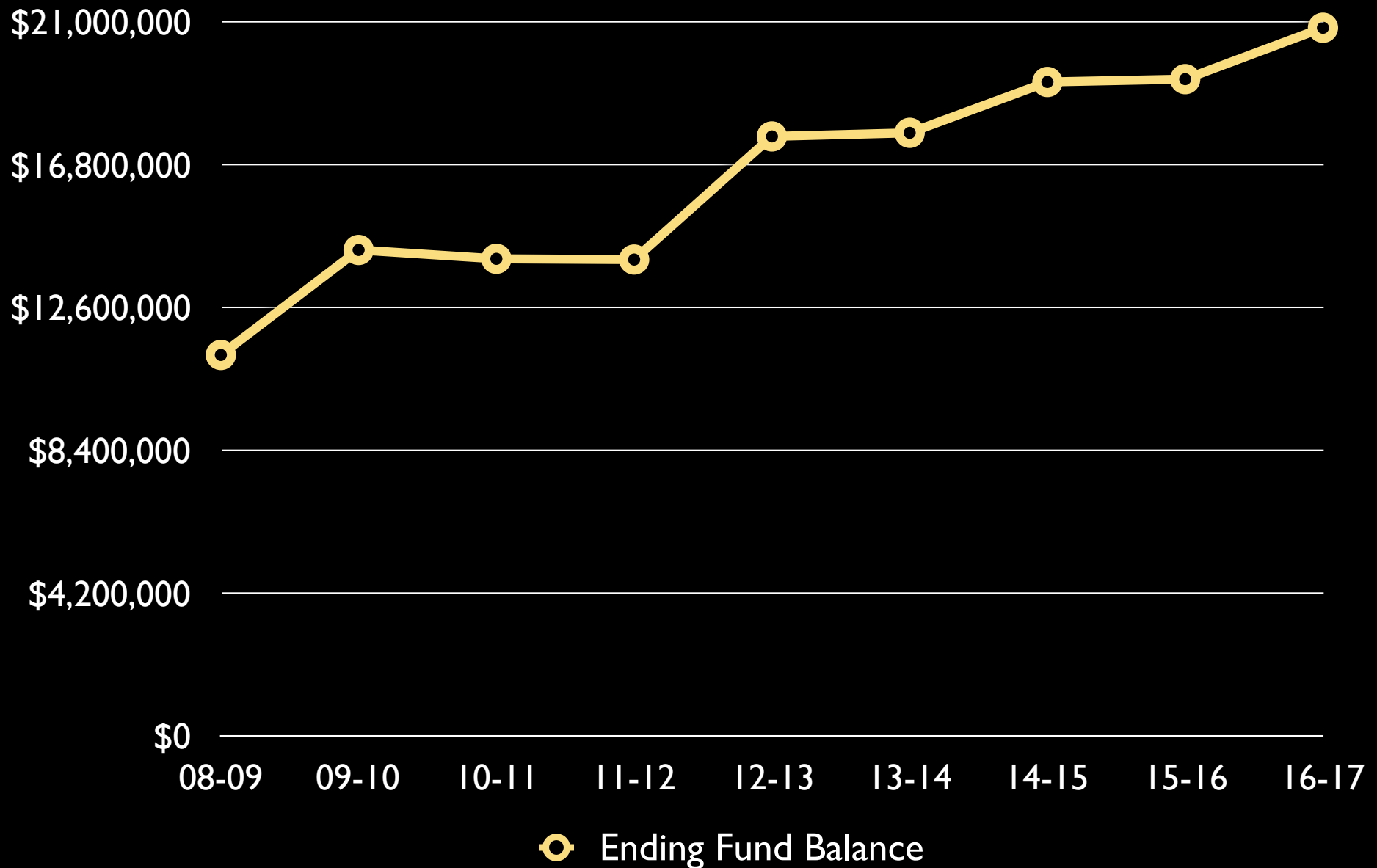
Act 1 Exceptions

Retirement

Special Education

Fund Balance Breakdown 6/30/17

Description	Amount
Nonspendable (inventory & prepaid items)	$567,199
Assigned for self-funded insurance	$2,700,000
Committed to PSERS	$16,906,187
Unassigned (8.00%)	$20,844,091
Total Fund Balances	**$41,017,477**

Unassigned Fund Balance History

Legend: Ending Fund Balance

Y-axis: $0, $4,200,000, $8,400,000, $12,600,000, $16,800,000, $21,000,000

X-axis: 08-09, 09-10, 10-11, 11-12, 12-13, 13-14, 14-15, 15-16, 16-17

The Good…

- Expiration of technology lease ~ $1.3 M

- No retirements as of yet ~ $800,000

- Retirement rate ~ $938,596

The Good…

- Health care 1st look rates ~ $1.3 M

- Growth in EIT, transfer tax, investment income ~ $1.25 M

- Growth in tax base ~ $572,223
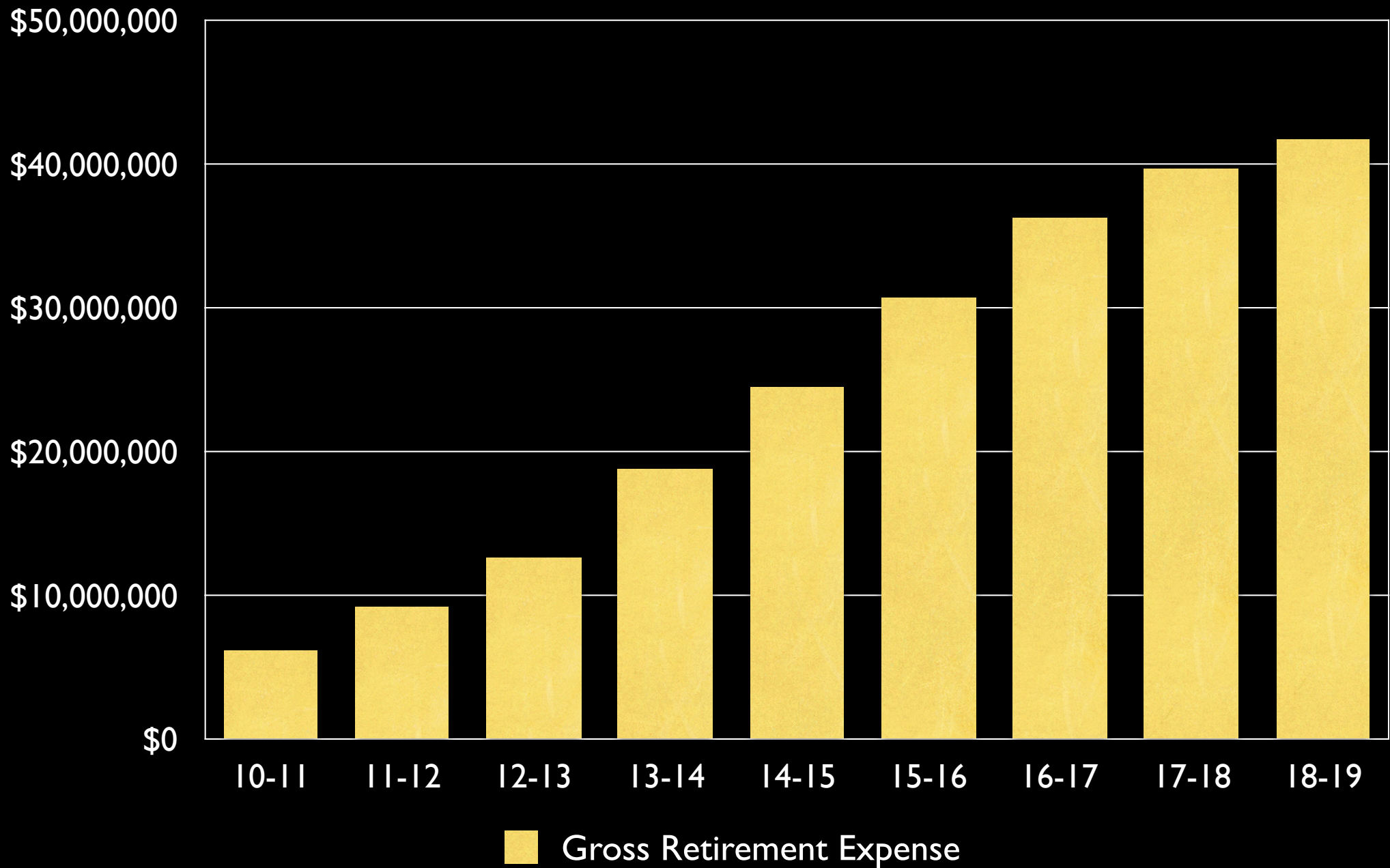
The Financial Challenges…

- Budgetary reserve ~ $750,000 (0.58%)

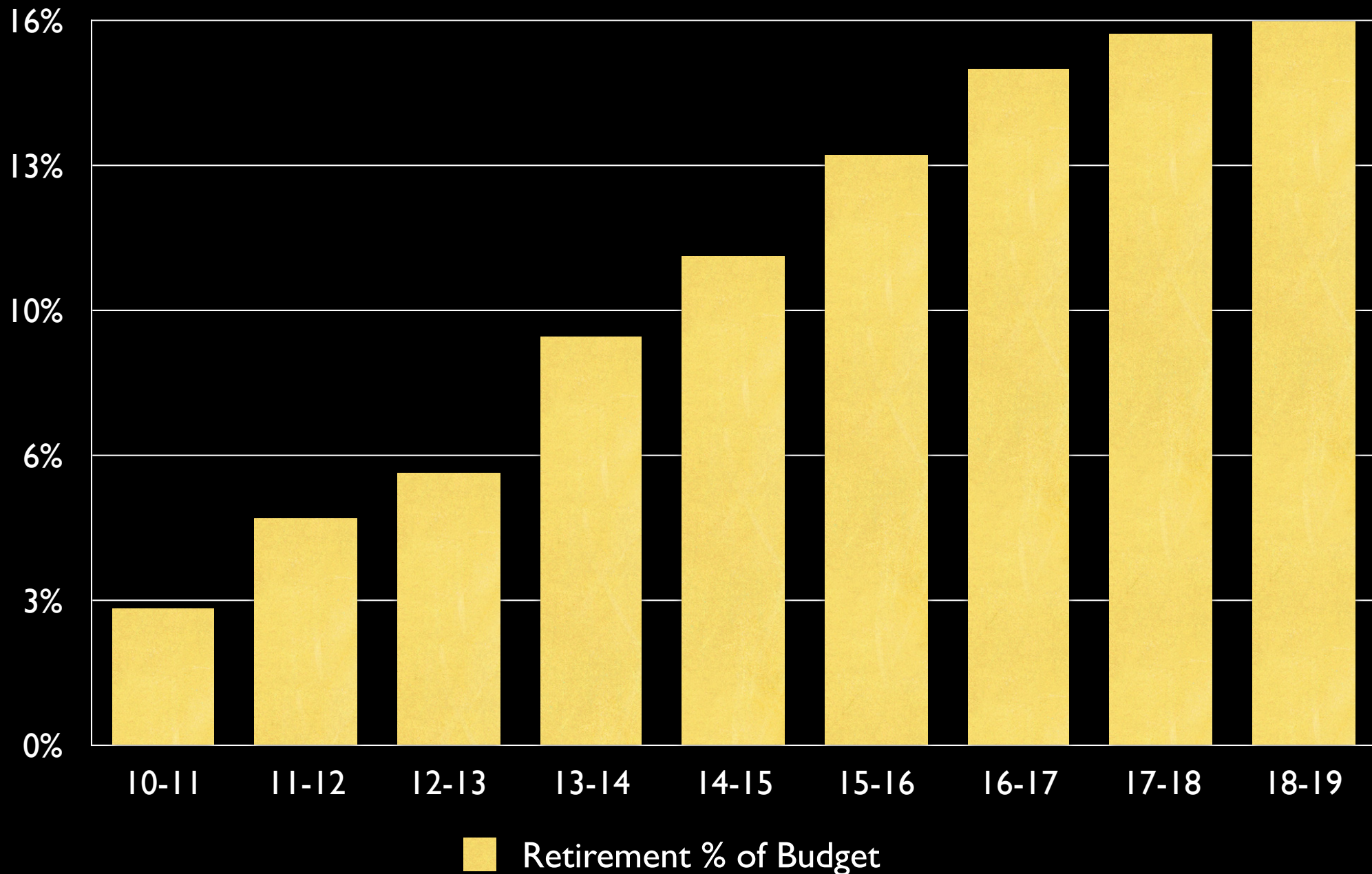- Purchase of new buses/band truck ~ $1.03M

- Retirement expense ~ $2.0 M

Retirement Rate

Retirement Expense

| | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 |
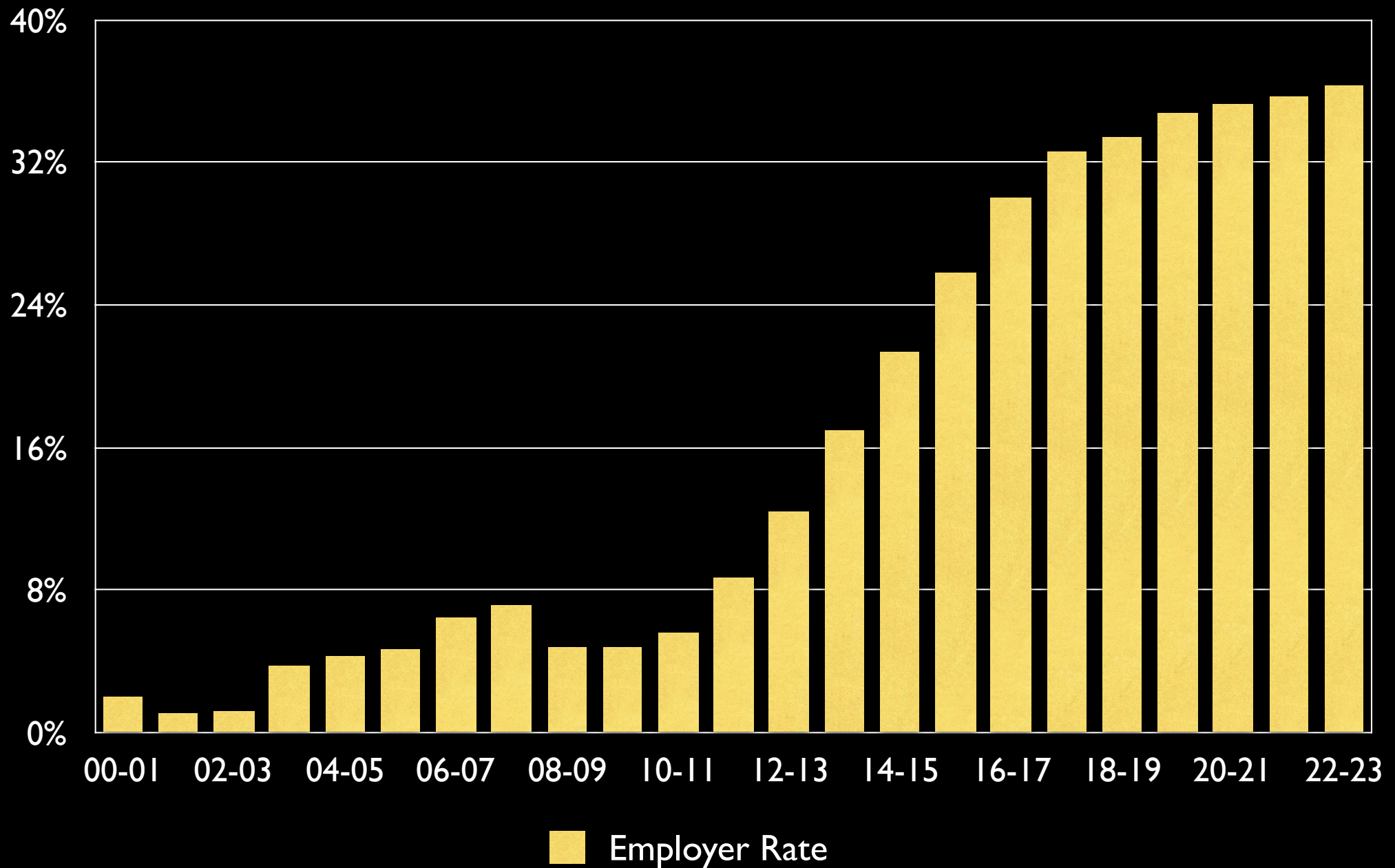
Gross Retirement Expense

Retirement as a % of Budget

The Financial Challenges…

- Salary increases ~ $3.2 M

- Digital initiative ~ $1.5 M

- Charter school tuition ~ $186,179

- Diesel fuel ~ $60,000

The Unknowns…

- State funding ~ 2.0% budgeted

- Federal funding ~ 2.0% budgeted

- Retirements

- Staffing changes

- Worker's comp rates ~ 0% budgeted

Tax Scenarios

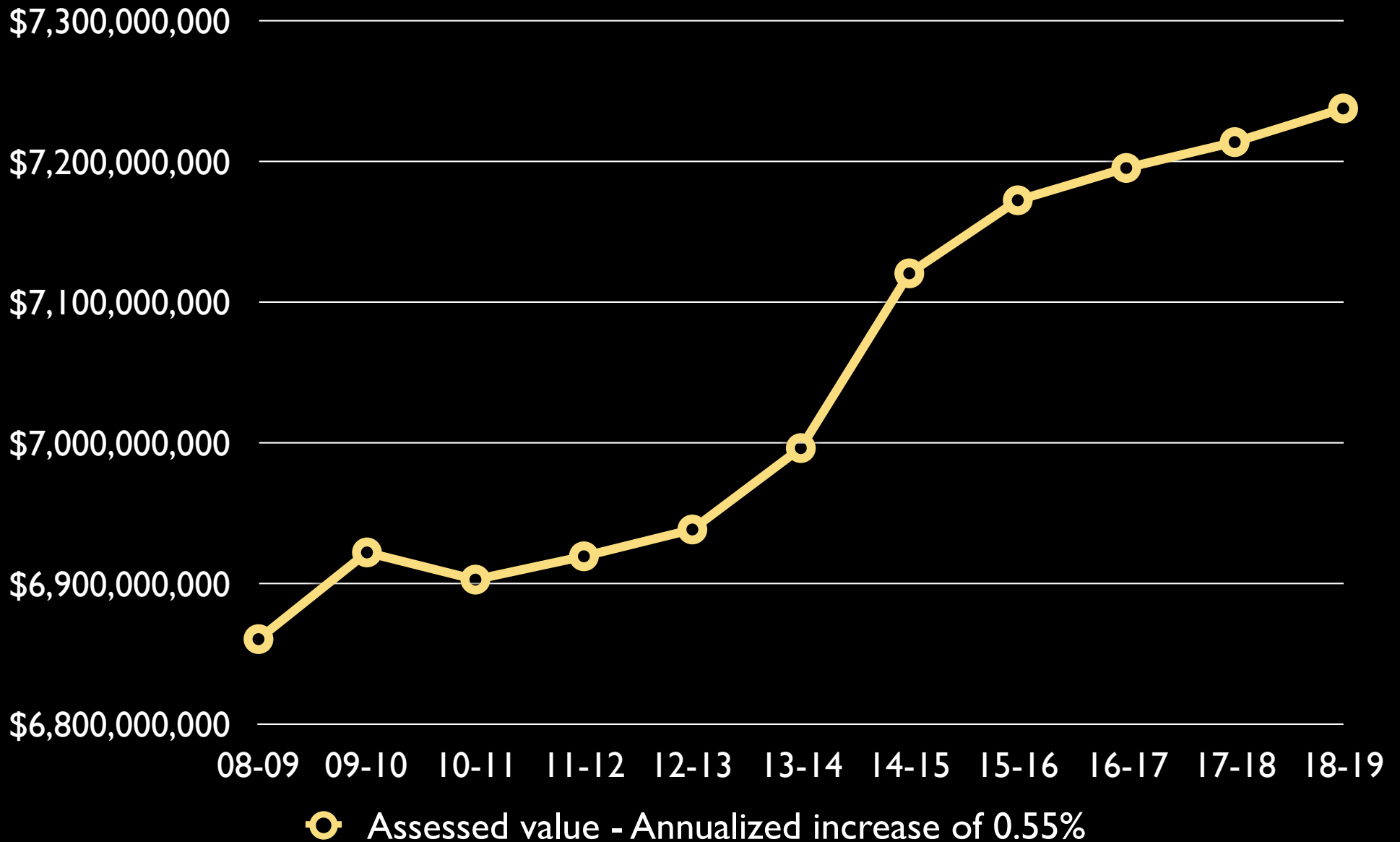| Tax Increase	Additional Revenue	Remaining Deficit	Average Homestead Increase
0.00%	$0.00	$9,732,818	$0
1.00%	$1,727,169	$8,005,649	$36
1.50%	$2,590,754	$7,142,064	$55
2.00%	$3,468,381	$6,264,437	$73
2.40%	$4,149,419	$5,583,397	$87
3.38%	$5,848,507	$3,884,313	$123

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

Discussion

Tax Base History

$7,300,000,000

$7,200,000,000

$7,100,000,000

$7,000,000,000

$6,900,000,000

$6,800,000,000

08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17 17-18 18-19

Assessed value - Annualized increase of 0.55%

Assessed Value Impact

Fiscal Year	Assessed Value	Millage	Revenue @ 97% Collection
2018-19	$7,238,158,680	24.6704	$173,211,222
2017-18	$7,214,246,587	24.6704	$172,638,999
Change	$23,912,093 0.33%	0.000	$572,223 0.33%