Budget Agenda

- Timeline
- 10,000 ft. summary overview
- Major drivers of budget
- Next steps
Takeaways

• Very early
• Challenging budget
• Worst case scenario
• Tighter budget
3 Step Process

Preliminary

Proposed Final

Final
## Budget Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/4</td>
<td>First Draft of Preliminary Budget, Special Finance Committee Meeting</td>
</tr>
<tr>
<td>2/12</td>
<td>Preliminary Budget Adoption, Referendum Exceptions Consideration, Board Worksession</td>
</tr>
<tr>
<td>5/16</td>
<td>Adoption of Proposed Final Budget, Board Action Meeting</td>
</tr>
<tr>
<td>6/20</td>
<td>Adoption of Final Budget, Board Action Meeting</td>
</tr>
</tbody>
</table>
Balanced Budget

Revenues = Expenses
Deficit Budget

Expenses > Revenues
Surplus Budget
Revenues > Expenditures
0%
$14.1\ M

Deficit Budget
7.86%
To Balance
## Budget Comparison

<table>
<thead>
<tr>
<th>Fiscal Year Budget</th>
<th>Revenues</th>
<th>Expenses</th>
<th>Surplus (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2019</td>
<td>$257,503,013</td>
<td>$260,247,826</td>
<td>-$2,744,813</td>
</tr>
<tr>
<td>$ Change</td>
<td>$4,091,982</td>
<td>$15,436,476</td>
<td>-$11,344,493</td>
</tr>
<tr>
<td>% Change</td>
<td>1.59%</td>
<td>5.93%</td>
<td></td>
</tr>
</tbody>
</table>
Act 1 Exceptions

Special Education

$1,553,866
Act 1

Exceptions

Retirement

$48,056
Act 1 Exceptions
Special Education
Retirement
+0.89%
3.19%
Expenditure Variances
Revenue Variances
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable (inventory &amp; prepaid items)</td>
<td>$683,858</td>
</tr>
<tr>
<td>Assigned for self-funded insurance</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Committed to PSERS</td>
<td>$16,806,523</td>
</tr>
<tr>
<td>Unassigned (7.96%)</td>
<td>$20,727,432</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>$40,917,813</strong></td>
</tr>
</tbody>
</table>
Unassigned Fund Balance History

- 08-09: $0
- 09-10: $4,200,000
- 10-11: $8,400,000
- 11-12: $12,600,000
- 12-13: $16,800,000
- 13-14: $21,000,000
- 14-15: $25,200,000
- 15-16: $29,400,000
- 16-17: $33,600,000
- 17-18: $37,800,000

Graph showing the ending fund balance from 08-09 to 17-18, with values increasing over time.
The Good...

- Expiration of technology lease ~ $1.4 M
- No retirements as of yet ~ $1,000,000
- Retirement rate ~ 2.57% increase
The Good...

- Health care 1st look rates ~ $464,356
- Growth in EIT, transfer tax, investment income ~ $1,350,000
- Additional propane bus grant ~ $500,000
The Unknowns…

- State funding ~ 2.0% budgeted
- Federal funding ~ 2.0% budgeted
- Retirements
- Staffing changes
- Worker’s comp rates ~ 0% budgeted
The Financial Challenges...

- Capital plan ~ $500,000
- Retirement increase ~ $3.3 M
- Tax base ~ 0.13% increase
- Tax base ~ $242,254 new revenue
The Financial Challenges...

- Salary increases ~ $4.8 M
- Charter school tuition ~ $500,000
- New debt ~ $1.0 M
Retirement as a % of Budget

10-11
11-12
12-13
13-14
14-15
15-16
16-17
17-18
18-19
19-20

Retirement % of Budget
## Budget Scenario

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Budget Deficit</td>
<td>-$14,089,307</td>
</tr>
<tr>
<td>Act Increase - 2.30%</td>
<td>$4,127,883</td>
</tr>
<tr>
<td>Anticipated Retirements</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Budgetary Reserve</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Potential Positive Variances (0.50%)</td>
<td>$2,686,396</td>
</tr>
<tr>
<td><strong>Revised Deficit</strong></td>
<td><strong>-$4,775,028</strong></td>
</tr>
<tr>
<td>Tax Increase</td>
<td>Additional Revenue</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>0.00%</td>
<td>$0.00</td>
</tr>
<tr>
<td>1.00%</td>
<td>$1,786,171</td>
</tr>
<tr>
<td>1.50%</td>
<td>$2,686,289</td>
</tr>
<tr>
<td>2.00%</td>
<td>$3,586,406</td>
</tr>
<tr>
<td>2.30%</td>
<td>$4,127,883</td>
</tr>
<tr>
<td>3.19%</td>
<td>$5,731,218</td>
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</tbody>
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Next Steps

- Line item review of all revenues and expenses
- Governor’s budget address
- PSERS rate stabilization fund utilization analysis
- Staffing recommendations
- 5-year projections
- Refine and update data based on new information
Discussion