



# Punxsutawney Area School District

2018-2019 Proposed  
Budget Presentation  
May 3, 2018

Dr. Thomas A. Lesniewski - Superintendent  
Susan H. Robertson - Business Administrator



# 2018-2019 Budget Process

- Started back in July – continual process
- Many employees including Teachers, Support Staff and Administrators have a part in preparing the budget
- New electronic process
- Principals review budget requests--line item evaluation – discussions - reductions
- Proposed Budget - request for Board approval at the May 8, 2018 voting meeting



# 2018-2019 Budget Process

- Proposed budget (work-in-progress) adopted at least 30 days prior to final budget adoption
- Available for public inspection at least 20 days prior to final budget adoption
- Final adoption of the 2018-2019 PASD budget - June 12, 2018



D-1  
D-1A  
D-2

# Budget Breakdown - Expenses

- Proposed 2018-2019 Budgeted Expenses - \$39,173,339
- A decrease of \$2,889,861 (6.87%) from the 2017-2018 budget
- Approximately 61% of the expenses are salaries, payroll costs, and benefits
- Approximately another 28% are non-discretionary costs
- Totaling 89% as relatively fixed costs



# Budget Increases - Expenses

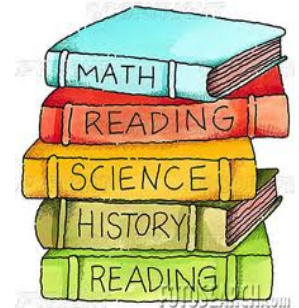
NEW DEBT PAYMENT	\$	241,457.00
TRANSPORTATION COSTS	\$	107,901.00
BOOKS	\$	74,601.00
ATHLETICS (includes ball lease increase)	\$	15,042.00
<b>BUDGETED EXPENDITURE INCREASE</b>	<b>\$</b>	<b>439,001.00</b>
<b>PAYROLL INCREASES (REMAINING STAFF)</b>	<b>\$</b>	<b>581,184.00</b>
<b>TRANSFER TO CAPITAL RESERVE</b>	<b>\$</b>	<b>250,000.00</b>
<b>ACCESS PROGRAM (SHOULD RECEIVE INCREASED REVENUE)</b>	<b>\$</b>	<b>312,075.00</b>



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# WHERE DOES THE MONEY GO?

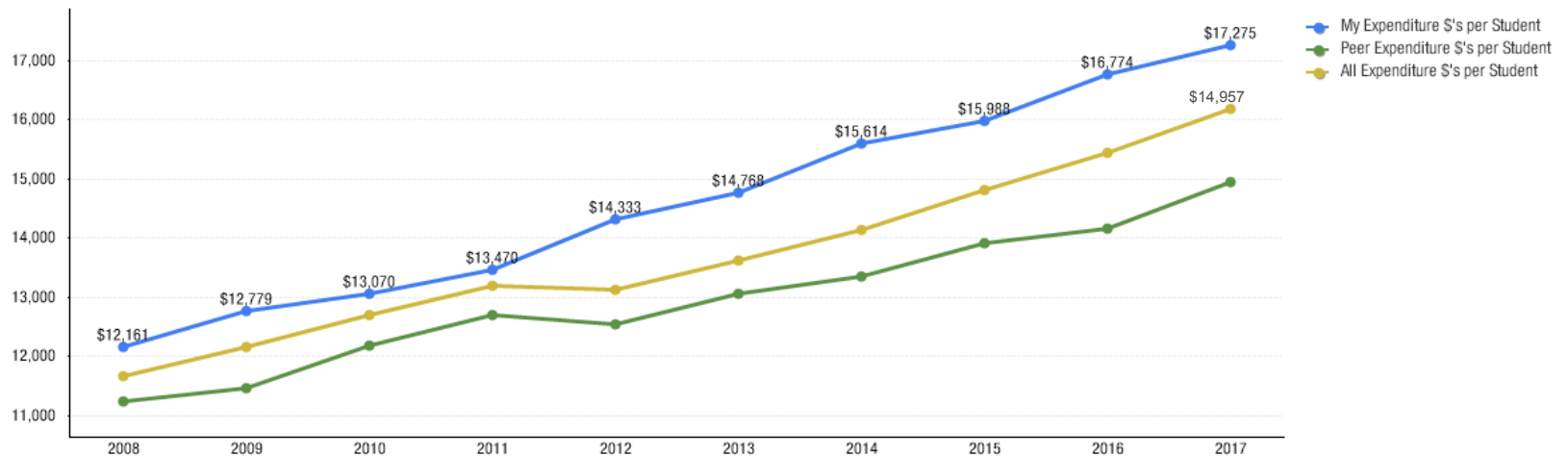
- Salaries and Benefits  
\$23,678,780 60.45%
- Debt Service & Transfers  
\$2,605,610 6.65%
- Pupil Transportation  
\$3,140,311 8.02%
- Tuition to other LEAs  
\$4,166,194 10.64%
- Supplies, Texts, & Equipment  
\$1,845,617 4.71%
- Utilities, Property Services  
\$1,002,997 2.56%



# EXPENSE BENCHMARKING

2016-2017 DATA – 2165 STUDENTS-- PEER GROUP: IU6

General Fund Expenditure Trends



Function Group	Our Exp. \$'s	% of Gen. Fund. Exp.	Our Exp. per Student	Peer Exp per Student	Difference \$'s per Stud.	Potential \$ Difference
1000 Instruction	\$22,470,241	60.08%	\$10,379	\$9,550	(\$829)	(\$1,794,912)
2000 Support Services	\$12,722,313	34.02%	\$5,876	\$5,002	(\$874)	(\$1,892,816)
3000 Operation of Non-instructional Services	\$815,447	2.2%	\$377	\$309	(\$67)	(\$145,433)
4000 Facilities Acquisition, Construction and Improvement	\$1,391,649	3.7%	\$643	\$96	(\$547)	(\$1,184,188)



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# Budget Breakdown - Revenue

- Proposed Budgeted Revenues:
  - With local RE tax increase: \$38,268,644
  - Without local RE tax increase: \$37,977,435
- An increase of:
  - \$720,121 with tax increase of \$291,209
  - \$428,912 without tax increase
- The 2018-2019 Governor's Proposed Budget was used. Actual amounts unknown at this time – projects an increase in BEF of \$122,390 and \$23,373 in SEF
  - Increases in state revenue do not meet cost increases and decreases in other local and federal revenues





# Budget Breakdown – Local Revenue

- Local RE taxes and millage will be adjusted once the Homestead/Farmstead amounts are received
- An increase will be seen again in Per Capita and Occupation Taxes
- Interest income is expected to increase during the next year
- Fortunately, earned income is holding steady in our area



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## Real Estate Taxes – Millage

- With a tax increase to the Act 1 index the tax mills would be:
  - Jefferson County: 26.178 mills
  - Indiana County: 7.806 mills
- Average residential homeowner increase: \$22
- Without a tax increase the tax mills would be:
  - Jefferson County: 25.298
  - Indiana County: 7.544 mills

\*\*current year millage: Jefferson: 25.061, Indiana 7.962



# Act 1 – Gaming Revenue

- Property Tax Relief Allocations for 2017-2018 was \$1,118,602 - approximately the same since 2008-2009
- This allocation provided tax reductions of approximately \$194 for approved Homestead/Farmstead properties
  - Fluctuates based on the number of approved properties
- The annual allocation is normally announced around May 1<sup>st</sup>
- All taxpayers may pay real estate taxes in three installments if they choose



## Budget Breakdown – State Revenue

- State funding concerns:
  - State proposes a BEF increase of \$122,390
  - State proposed a SEF increase of \$23,373
  - RTLG (former Accountability Block Grant) is projected to stay the same at \$441,183 (3<sup>RD</sup> year)
  - Concerned state budget approval will be delayed again this year and/or amounts may be reduced
- State funding will account for 65.54% of the District's revenue with the State Tax Reduction (based on last year's amount)



## Budget Breakdown – Federal Revenue

- Federal Title Revenues may decrease or remain level while program cost increase
- IDEA funding is projected to have a slight increase
- ACCESS funding will increase for 2018-2019
  - First increase in several years
  - Costs remain and continue to increase
- New federal guidelines on purchasing
  - Low threshold for required bids / quotes



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# REVENUE SUMMARY

- **Local Revenue =**  
**\$12,625,738** with tax increase **32.99%**
  - Will reduce to 30.07% with HS/FS**\$12,334,529** without tax increase **32.48%**
  - Will reduce to 29.53% with HS/FS
- **State Revenue = \$23,964,322**  
**62.62%** with local tax increase **63.10%** without
  - With HS/FS increase to 65.54% or 66.05%
- **Federal Revenue = \$1,678,584**  
**4.39%** with local tax increase **4.42%** without





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# General Fund Revenue to Expense History

	<u>Actual Revenue</u>	<u>Actual Expense</u>
2013-2014	\$35,984,351	\$36,613,368
2014-2015	\$36,012,471	\$37,010,278
2015-2016	\$36,756,573	\$38,393,242
2016-2017	\$37,557,472	\$39,471,801
2017-2018	budget \$37,548,523 estimate \$38,536,835	budget \$42,063,200 estimate \$39,794,718

\*\*\*includes reimbursement for construction costs



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# General Fund Balance

- This budget proposes to be balanced by using
  - \$904,695 of fund balance with a tax increase
  - \$1,195,904 of fund balance without a tax increase
  - ❖ Budget Includes:
    - \$100,000 of budgetary reserve
    - \$250,000 transfer to capital reserve
    - \$20,000 transfer to Cafeteria Fund (if needed)
    - Contingency funds for each department
- The current year's budget proposed the use of \$4,514,677 of the fund balance—we are currently projecting to use approximately \$1.1 to \$1.4 million





# General Fund Balance Projections

PROJECTED BUDGET INCREASES - CONTRACTUAL		2019-2020	2020-2021	2021-2022
WAGES / BENEFITS / TRANSPORTATION / TUITION //DEBT		\$1,037,617.45	\$940,207.83	\$991,811.30
PROJECTED BUDGET INCREASES - DISCRETIONARY				
PURCHASED SERVICES/PROPERTY SERVICES / SUPPLIES / EQUIP /		\$335,822.15	\$387,635.03	\$449,943.74
<b>EXPENSE INCREASES</b>		<b>\$1,373,439.60</b>	<b>\$1,327,842.86</b>	<b>\$1,441,755.04</b>
INCREASED REVENUE				
	REAL ESTATE TAX INCREASE(3%)	\$ 299,945.00	\$ 308,943.35	\$ 318,211.65
	REIMB SOC SEC / RETIREMENT	\$ 199,297.20	\$ 135,078.52	\$ 140,459.18
	STATE BEF / SEF	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00
	OTHER REVENUE	\$ 135,000.00	\$ 140,000.00	\$ 145,000.00
	<b>REVENUE INCERASES</b>	<b>\$ 779,242.20</b>	<b>\$ 729,021.87</b>	<b>\$ 748,670.83</b>
	<b>NET IMPACT ON FUND BALANCE</b>	<b>\$ (594,197.40)</b>	<b>\$ (598,820.99)</b>	<b>\$ (693,084.21)</b>



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D-8

# General Fund Balance

<b>PROJECTED - Using 17-18 budgeted amount</b>	
<b>Beginning General Fund Balance 7/1/17</b>	<b>\$ 10,616,967.00</b>
2017-2018 Budgeted General Fund Revenue:	\$ 37,548,523.00
Total Budgeted Fund Balance, Revenues and other Financing Sources available:	\$ 48,165,490.00
2017-2018 Budgeted General Fund Expenses:	\$ 42,063,200.00
<b>Estimated Ending General Fund Balance 6/30/18 (using budget amounts)</b>	<b>\$ 6,102,290.00</b>
Committed/Assigned - future maintenance/repair and student accounts	\$ 2,518,233.00
Projected Unassigned - 6-30-2017	\$ 3,584,057.00
to balance 18-19 with tax increase budget	\$ 904,695.00
\$2.345 million for expenses / \$1.5 million for stadium / \$962,751 for contingency spending	
Projected unassigned end of 18-19	\$ 2,679,362.00



# Capital Budget Projections

ITEM	NEED	TIME	COSTS
Track	Replacement	3 years	\$250,000
Tennis Courts	Replacement	3 years	\$300,000
Pool Decktron	Replacement	5 years	\$250,000
Roof – Elementary	Replacement	10 years	\$5,000,000
Roof – High School	Replacement	12 years	\$7,000,000

3 years -- need \$550,000 = \$183,333 per year

5 years -- need \$250,000 = \$ 50,000 per year

\*\*if 5 years \$800,000 = \$160,000 per year

Roofs – if 15 years \$12,000,000 = \$800,000 per year



# PASD Proposed Budget

## QUESTIONS AND ANSWERS

### Contact Information:

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Business Office

814-938-5151, ext 5005