

# BRANDYWINE HEIGHTS

AREA SCHOOL DISTRICT

## 2019-20 Budget Presentation

General Overview

Expenditures/Revenues

February 4, 2019



# 2018-19 and 2019-20 Budget Comparison

	2018-19 Budget	2019-20 Budget	Increase %
Revenues	31,828,130	32,119,451	.92%
Expenditures	32,517,700	33,336,408	2.52%
Revenues over Expenditures	(689,570)	(1,216,957)	
Beginning Fund Balance	8,625,029	7,435,459	
Ending Fund Balance*	7,435,459	6,218,502	18.7% of budget

\* - 2018-19 ending fund balance reduced by \$500,000 transfer to capital reserve not included in budget

# 2019-20 Budget Summary

- Summary
  - Includes 0% millage rate increase
  - Contractual and support staff salary increases, increases to medical benefits, and PSERS rate of 34.29%
  - \$350,000 budgetary reserve
  - 7% medical/RX increase
  - No major changes from 2018-19 budget to staffing
    - 3 teacher, 3 support staff retirements
    - Potential current 1<sup>st</sup> grade addition based on enrollment

# 2019-20 Revenue Summary

- Local Revenue - \$21,825,310 – 68%
  - Includes 0% millage rate increase
  - Minor adjustments to other revenue sources such as interim, per capita, delinquent, and earned income taxes based on prior receipts
- State Revenue - \$10,032,141 – 31%
  - Slight increases to 18-19 allocated amounts for regular and spec. ed. subsidies
  - Increase in social security and PSERS reimbursements based on salaries
- Federal Revenue - \$260,000 – 1%
  - Budgeted decreases based on federal budget outlook
- Other Revenue - \$2,000

# Millage Increase Effect

	New Millage Rate	Revenue Generated	Operating Budget Deficit	Increase to Average Property Owner (\$109k)
0% increase	33.2435	\$26,426	(\$1,216,957)	\$0
1% increase	33.5759	\$217,431	(\$1,025,952)	\$36
1.5% increase	33.7422	\$312,934	(\$930,449)	\$54
2% increase	33.9084	\$408,437	(\$834,946)	\$72
2.7% increase	34.1411	\$542,140	(\$701,243)	\$98

# Millage Comparison

DISTRICT	2017-18 MILLAGE	2018-19 MILLAGE	CHANGE	% CHANGE
Antietam	39.150	39.740	0.590	1.51%
<b>Brandywine Hts. Area</b>	<b>32.785</b>	<b>33.244</b>	<b>0.459</b>	1.40%
Fleetwood Area	32.560	33.110	0.550	1.69%
Exeter Twp.	32.621	32.621	0.000	0.00%
Daniel Boone Area	30.200	30.834	0.634	2.10%
Wyomissing Area	30.067	30.668	0.601	2.00%
Kutztown Area	29.954	29.954	0.000	0.00%
Muhlenberg	29.060	29.810	0.750	2.58%
Conrad Weiser Area	28.000	28.860	0.860	3.07%
Governor Mifflin	27.600	28.100	0.500	1.81%
Twin Valley	27.546	27.547	0.001	0.00%
Oley Valley	26.919	27.341	0.422	1.57%
Tulpehocken Area	27.600	27.100	-0.500	-1.81%
Schuylkill Valley	27.070	27.070	0.000	0.00%
Hamburg Area	26.960	26.960	0.000	0.00%
Boyertown Area	25.020	26.370	1.350	5.40%
Wilson	25.290	25.670	0.380	1.50%
Reading	17.930	17.930	0.000	0.00%

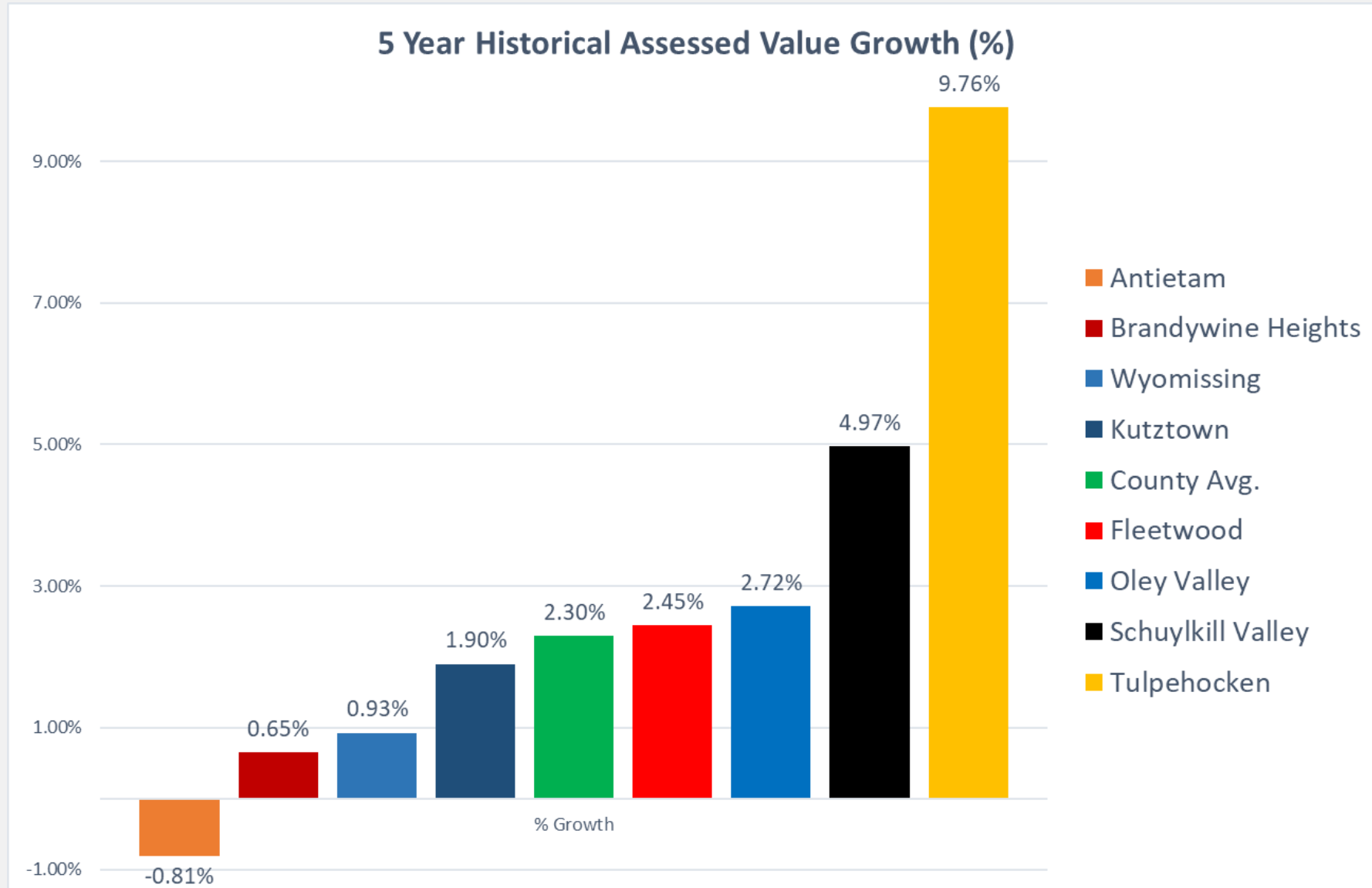
# Real Estate Tax Equation

District Assessed Value x Millage Rate = Gross R/E Tax Revenue

\$597,694,200 x .0332435 (33.2435 mills) = \$19,869,447

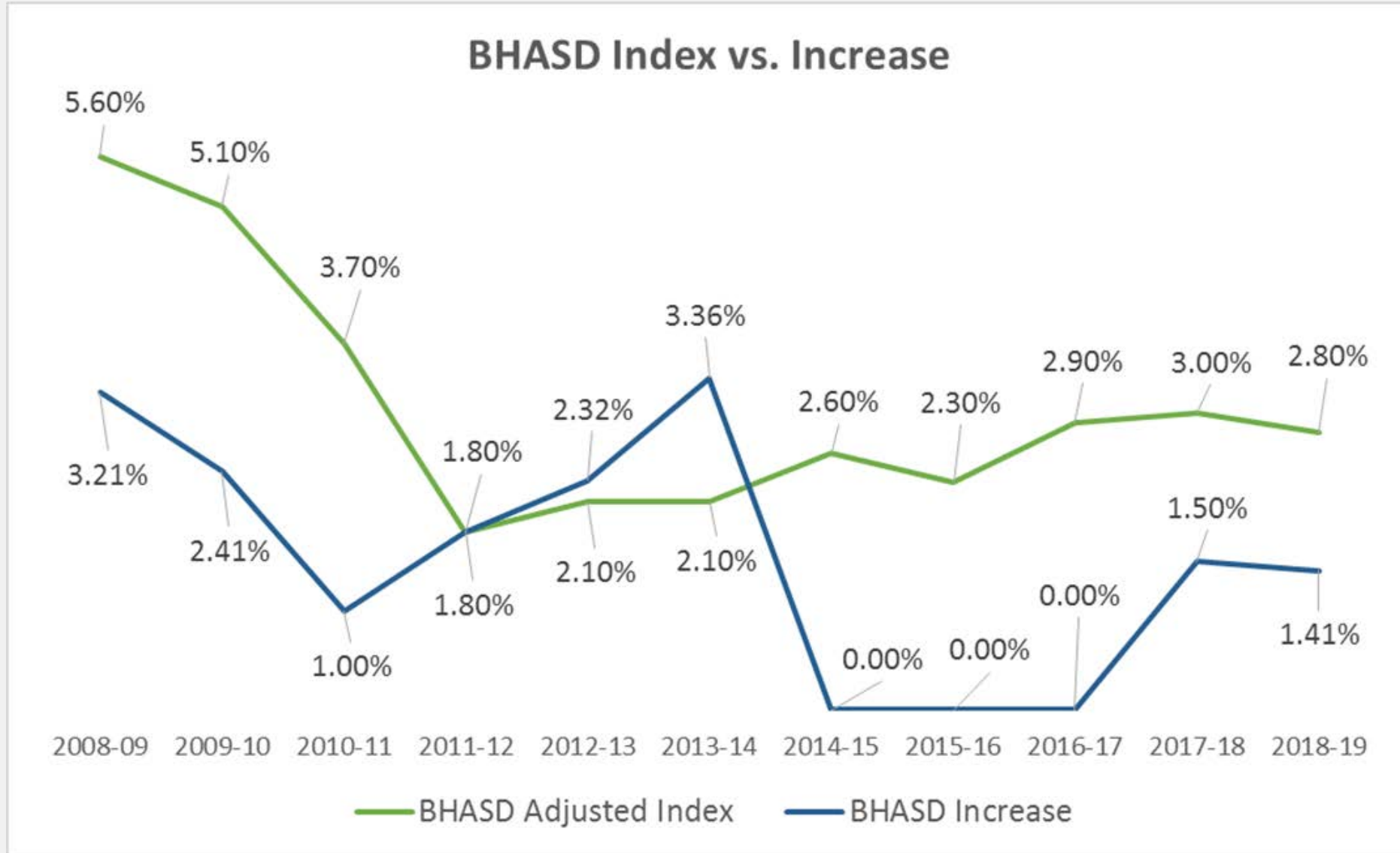
To increase revenue, either assessed value and/or millage rate must increase.

# Assessed Value Growth





# Tax Increase History



# Present Value Budget Comparison

Budget Year	Budget Amt.	Adj. Budget	Actual Diff. to 2018-19	Diff. to 2018-19	Cumulative Inflation
2007-08	27,354,682	31,903,653	(5,163,018)	(614,047)	16.6%
2013-14	29,791,204	32,112,278	(2,726,496)	(405,422)	7.8%
2014-15	29,993,609	31,814,364	(2,524,091)	(703,336)	6.1%
2015-16	30,495,190	32,308,044	(2,022,510)	(209,656)	5.9%
2016-17	31,242,811	32,687,749	(1,274,889)	170,049	4.6%
2017-18	31,689,440	32,463,447	(828,260)	(54,253)	2.4%
2018-19	32,517,700				

# State Revenue for 2019-20

- Governor Wolf budget address on Feb 5<sup>th</sup>.
- Has made prior emphasis on increasing education funding
- 2018-19 Increases
  - \$100mm basic ed. - \$55,274
  - \$15mm special ed. - \$12,149
- Budgeted slight increases to BEF and SEF based on the governors past education priorities



# 2019-20 Expenditure Summary

- Increase in salaries and benefits – 2.6%
  - Total dollar increase - \$530,459
  - Contractual professional staff increases and support/managers group increase
  - Increase in medical rates and other benefits
  - PSERS increase - \$265,072 (full cost, not net of subsidy revenue)
    - 6.4% increase
    - \$4.4 mm expense line item
- Curriculum cycle – Elem. Lang. Arts
- No major expenditure changes

# Fund Balance as of 7/1/18

Designation	Amount
Restricted	\$50,060
Committed for PSERS contributions	1,224,000
Assigned	4,689,570
Unassigned (8%)	2,661,399
Total Fund Balance	<u>8,625,029</u>
Less Capital Reserve transfer	(500,000)
Current fund balance	8,125,029

# 2019-20 Budget Use of Fund Balance

	Increase/Decrease
Deficit with 0% tax increase	(\$1,216,957)
Revenue from 1.5% tax increase	312,934
Use of PSERS Committed Fund Balance - \$400k over 4 years	400,000
Budgetary Reserve	350,000
Remaining deficit	(154,023)

# 2019-20 Budget with Debt Restructure

	Increase/Decrease
Deficit with 0% tax increase	(\$1,216,957)
Savings from restructure	750,000
Budgetary Reserve	350,000
Potential tax increase/expend. savings	116,957
Remaining deficit	0

# Next Steps

- Continue to review budget for expenditure and revenue adjustments
  - Departmental budget reviews
  - Summary of changes presented at upcoming meetings
- Monitor status of state and federal budget
- Upcoming budget meetings
  - February 19, 2019 – Curriculum/Instruction, Special Education, Technology, Other Instruction
  - February 25, 2019 – Maintenance, Transportation, Business/Board, Athletics
  - March 25, 2019 – Salary & Benefits
  - April 1, 2019 – Budget Review (regular board meeting)