

# GENERAL FUND PRELIMINARY BUDGET PRESENTATION FISCAL YEAR 2018-19



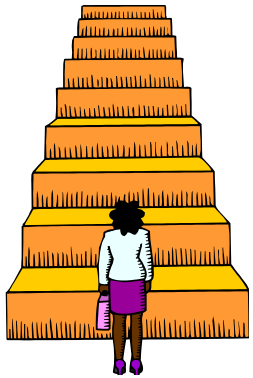
- January 23, 2018
- Chris Wilson
- Business Administrator

# Act 1 –Overview and 2018-19 Limit

- **Act 1 of 2006 (Mandated Tax Increase Limit):**
- Compliance with the tax limit index became mandatory for all school districts in 2006
- The Act 1 index consists of the state SAWW (Statewide Average Weekly Wage) index and the Federal ECI (Employment Cost) index
- The 18-19 base index for Garnet Valley is 2.4%. The preliminary tax increase for 2018-19 is 2.99% which is 0.59% above the index. GVSD will submit to PDE for Act 1 tax exceptions; however, the Administration will continue to look for additional revenues or sustainable budget reductions to lower the tax increase prior to final adoption in June.
- Last year, the District passed a “Not to Exceed the Index” Resolution. In years prior to that, the District’s preliminary budget sometimes exceeded the index while the final budget was approved at or below the index.



# 2018-19 Revenue Budget Highlights



- Residential and Commercial Tax Appeals
- Unknown State Budget – assumes level funding from prior year- Hold Harmless
- Reduced rental income from Pennington
- Level funding of IDEA
- Slight increase in funding from the Federal Government for Title Grants
- Increase in Medical Access Funding
- Increase in interest income

# 2018-19 Expense Budget Challenges

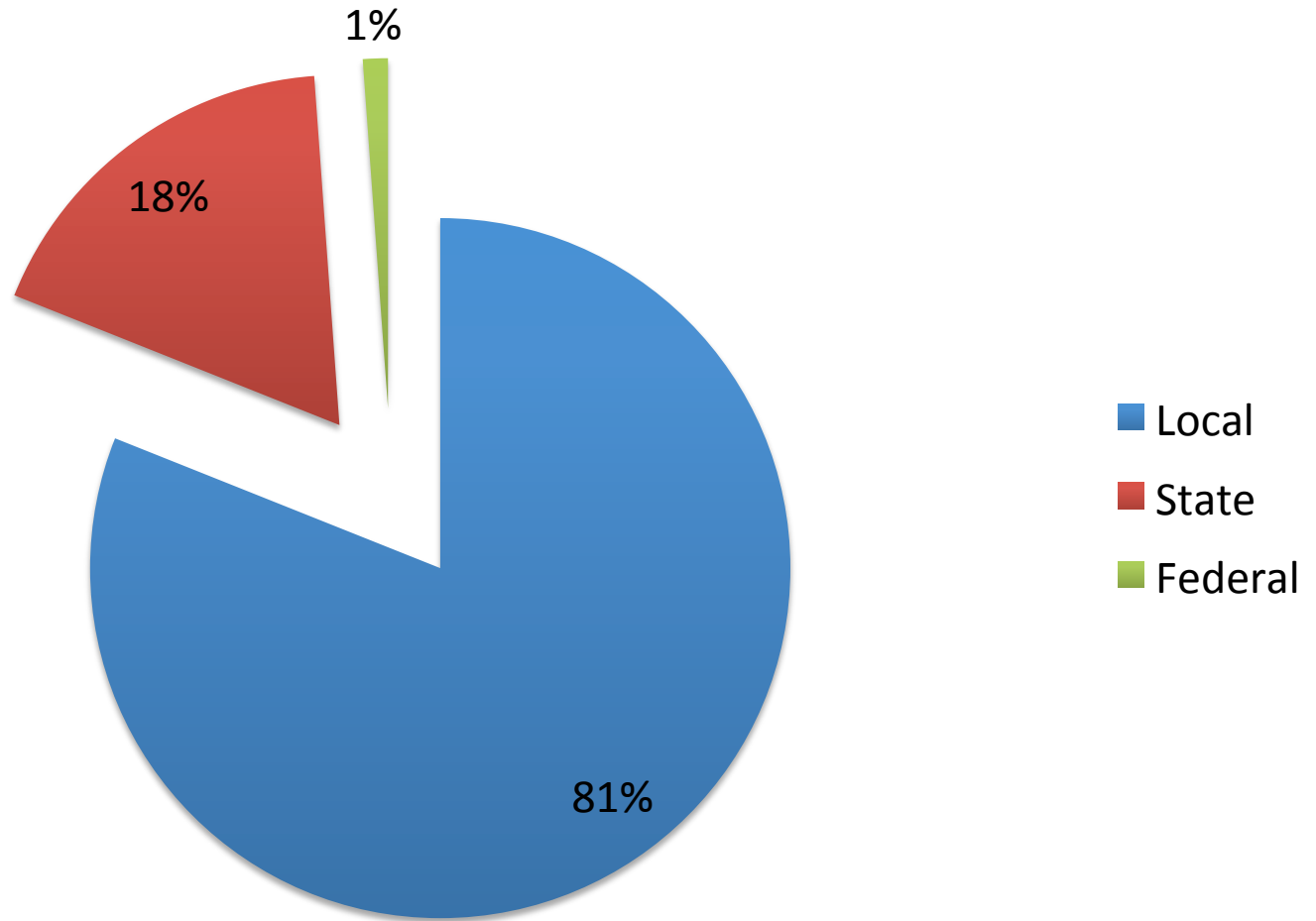
- Increases in mandated expenditures
  - Special Education
  - State Retirement (PSERS)
  - Alignment with PA Standards and State Assessments (Adjustments to Curriculum)
  - Unfunded Mandated Employee Costs (Acts 71 & 126)
- Increases in Personnel Costs
  - Salaries
    - Due to contractual obligations
  - Employee Benefits
    - Medical
    - PSERS



# General Fund Operating Budget (summary)

			2018-19		Budget to	Budget to
	2017-18	2017-18	Preliminary	% of	Anticipated	Anticipated
Proposed Budget Summary	Final Budget	Anticipated	Budget	Budget	\$ Change	% Change
Beginning Total Fund Balance	8,621,344	8,621,344	<b>8,121,344</b>		(500,000)	(5.8%)
Revenues:						
Local	83,717,004	83,717,004	<b>86,323,930</b>		2,606,926	3.1%
State	18,389,303	18,389,303	<b>18,967,430</b>		578,127	3.1%
Federal	1,189,000	1,189,000	<b>1,325,000</b>		136,000	11.4%
Total Revenue Budget	103,295,307	103,295,307	<b>106,616,360</b>		3,321,053	3.2%
Total Expenditure Budget	103,795,307	103,795,307	<b>106,616,360</b>		2,821,053	2.7%
Total Ending Fund Balance	8,121,344	8,121,344	<b>8,121,344</b>		-	0.0%
Fund Balance Composition:						
Committed	2,449,749	2,449,749	2,449,749	2.30%	-	0.0%
Uncommitted	5,671,595	5,671,595	5,671,595	5.32%	-	0.0%
Total Fund Balance	8,121,344	8,121,344	<b>8,121,344</b>	7.62%	-	0.0%

# 2018-19 Revenues



# Budget to Budget Change Analysis



	BUDGET	ANTICIPATED	PRELIMINARY	18-19 vs. 17-18 BUDGET	18-19 vs. 17-18 BUDGET
	<u>2017-18</u>	<u>2017-18</u>	<u>2018-19</u>	<u>INC/(DEC)</u>	<u>% INC/(DEC)</u>
100SALARIES	48,366,749	48,366,749	<b>49,730,418</b>	1,363,669	2.82%
200BENEFITS	29,782,198	29,782,198	<b>31,027,015</b>	1,244,817	4.18%
300PROFESSIONAL AND TECHNICAL SERVICES	3,608,231	3,608,231	<b>3,790,638</b>	182,407	5.06%
400PURCHASED PROPERTY SERVICES	4,382,981	4,382,981	<b>4,448,288</b>	65,307	1.00%
500OTHER PURCHASED SERVICES	2,574,085	2,574,085	<b>2,574,085</b>	-	0.00%
600SUPPLIES	3,354,161	3,354,161	<b>3,354,161</b>	-	0.00%
700PROPERTY	349,014	349,014	<b>383,915</b>	34,901	10.00%
800OTHER OBJECTS	5,457,108	5,457,108	<b>5,509,060</b>	51,952	0.95%
<u>900OTHER FINANCING USES</u>	5,848,780	5,848,780	<b>5,798,780</b>	(50,000)	(0.85%)
TOTAL	103,795,307	103,795,307	<b>106,616,360</b>	2,821,053	2.72%

# Analysis of Increasing Retirement Expenditures



Garnet Valley School District

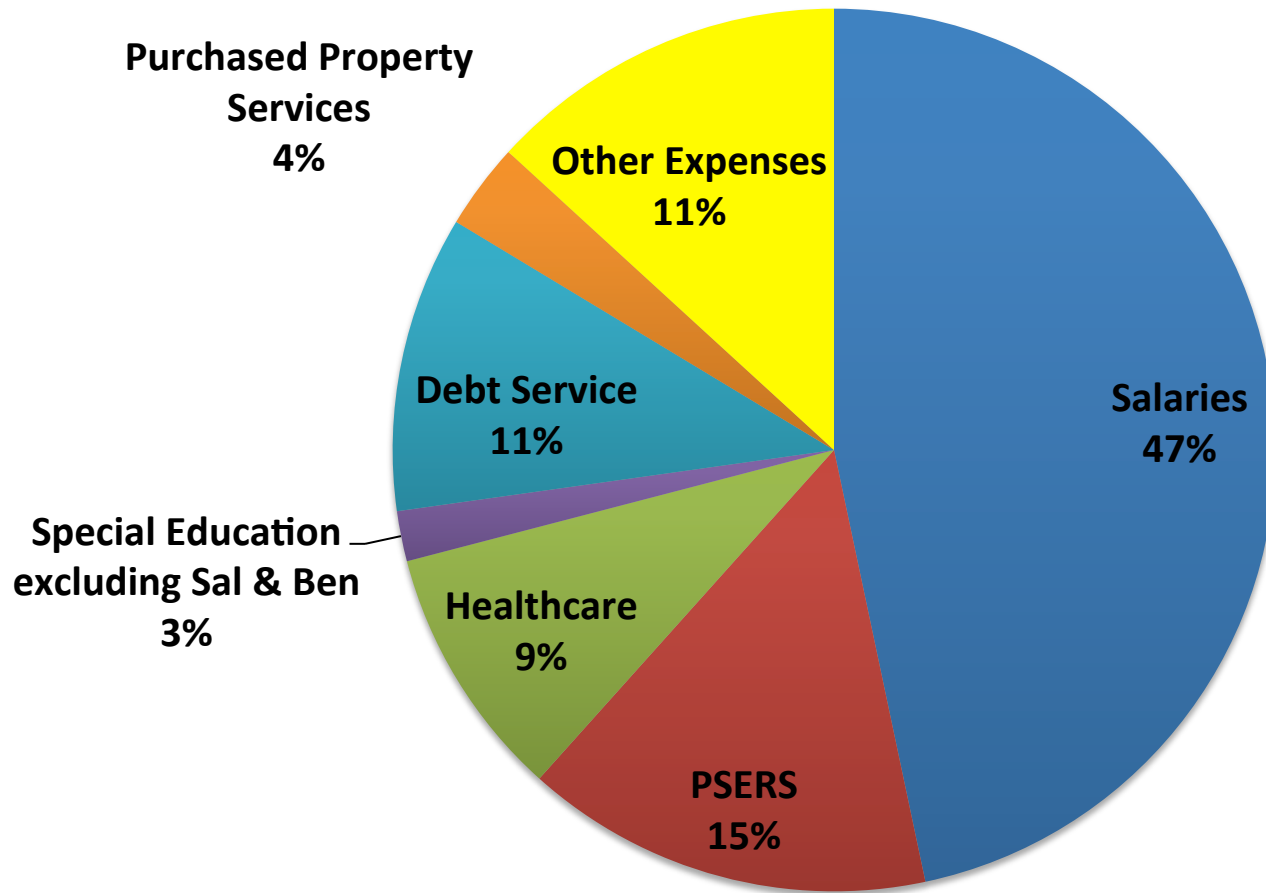
Employee Benefits

Budget 2018-19

School Year	Net GVSD PSERS Cost	Net Annual Increase	Gross Contribution Rate	Net Contribution Rate
2008-09	\$1,331,773	\$98,717	4.76%	2.38%
2009-10	\$1,390,672	\$58,899	4.78%	2.39%
2010-11	\$1,700,594	\$309,922	8.22%	4.11%
2011-12	\$1,816,506	\$115,912	8.65%	4.33%
2012-13	\$2,538,777	\$722,271	12.36%	6.18%
2013-14	\$3,541,580	\$1,002,803	16.93%	8.47%
2014-15	\$4,782,124	\$1,240,544	21.40%	10.70%
2015-16	\$6,006,640	\$1,224,516	25.84%	12.92%
2016-17	\$7,270,090	\$1,263,450	30.03%	15.02%
2017-18	\$7,748,353	\$478,263	32.57%	16.29%
<b>2018-19</b>	<b>\$8,098,599</b>	<b>\$350,246</b>	<b>33.43%</b>	<b>16.72%</b>



# 2018-19 Expenses





## Next Steps

- **Instructional Leadership Team & Technology Department**
  1. Administration will work with department managers to identify sustainable expense reductions
  2. Technology department will pursue the lease vs. buy options for equipment
  3. Administration will continue to work to secure any grants that may become available



## Next Steps

- **Business Office and Human Resources**
  1. Administration to meet with Gallagher Group to review healthcare trends and budget assumptions
  2. Business Office will continue to monitor the local revenue trends and adjust projections accordingly – Reverse Assessment Appeals
  3. Business Office will monitor the progress of the PA State budget and adjust projections accordingly
  4. Business Office will work with the County/Townships to identify future assessment growth and the timing
  5. Identify possible future uses for Pennington

# Questions?

