

The PSERS rate and medical insurance rates were announced after this presentation, so many numbers are obsolete here. Please refer to the newer budget documents.

# EAST PENN SCHOOL DISTRICT

## BUDGET OUTLOOK

December 7, 2015

Part I

# EPSD BUDGET TIMELINE

- December 7, 2015 – Presentation of Budget Outlook to Board and public
- December 14, 2015 – Act I Index Board vote to stay within the index
- December 22, 2015 – Proposed preliminary budget made available to public if Board does not vote to stay within the Act 1 index at December 14<sup>th</sup> meeting
- January 8, 2016 – Board vote on adoption of proposed preliminary budget if Board does not vote to stay within the Act I index at December 14<sup>th</sup> meeting
- April 11, 2016 – Proposed draft of final budget notebook distributed to Board
- May 9, 2016 – Board vote on proposed final budget
- June 13, 2016 – Board vote on final budget adoption for 2016-17

# 2016-17 Budget Draft: Appropriations

	BUDGET	BUDGET	%	DOLLAR
	<u>2015-2016</u>	<u>2016-2017</u>	<u>CHANGE</u>	<u>CHANGE</u>
Salaries	\$58,659,907	\$59,980,633	2.3%	\$1,320,726
Benefits	\$33,221,753	\$36,424,476	9.6%	\$3,202,723
Other	<u>\$43,441,086</u>	<u>\$44,078,159</u>	1.5%	<u>\$637,073</u>
Subtotal w/o Budgetary Reserve	\$135,322,746	\$140,483,268	3.8%	\$5,160,522

# History of East Penn Millage % Increases versus Act 1 Index

<u>Year</u>	<u>Act 1 Index</u>	<u>Approved by PDE</u>	<u>East Penn</u>
2011 – 12	1.40%	4.79%	1.83%
2012 – 13	1.70%	2.91%	1.30%
2013 – 14	1.70%	Did not apply	0.00%
2014 – 15	2.10%	4.48%	3.34%
2015 – 16	2.20%	5.20%	3.30%
2016 – 17	2.80%	TBD	TBD

For 2013/14, district estimated it would qualify for \$772,000 in PSERS exceptions that were not applied for.

# Dollar Value of Exceptions Allowed

	<u>2011-12</u>	<u>2012-13</u>	<u>2014-15</u>	<u>2015-16</u>
Special Education Exception Approved	\$1,823,410	\$60,887	\$882,995	\$1,510,921
Retirement Contrib. Exception Approved	\$835,197	\$872,811	\$995,587	\$960,436
Total of Approved Exceptions	\$2,658,607	\$933,698	\$1,878,582	\$2,471,357
Exceptions Used	\$325,374	\$0	\$989,104	\$914,125
Exceptions Approved - Not Used	\$2,333,233	\$933,698	\$889,478	\$1,557,232

# Knowns for 2016/17 Budget

- 2.8% Index
- Employee Contracts
  - Teachers 2.5% increase
  - Custodians 1.8% increase
- Benefits Costs
  - 3% Medical Rate Increase est.
- Retirement Rate
  - Est. 14.9% Increase

## 2016/17 Budget: Benefit Assumptions

- Health Benefits category increases by 2.9%
  - Medical rate increase – 3%
  - Dental rate increase – 0%
- Life Insurance and Long Term Disability had large unbudgeted rate increases on 7/1/14 after several years of no rate increase - rates stay the same through 6/30/17. Dollar increase in “Other Benefits” is only \$2,068.

# PSEERS Impact on East Penn

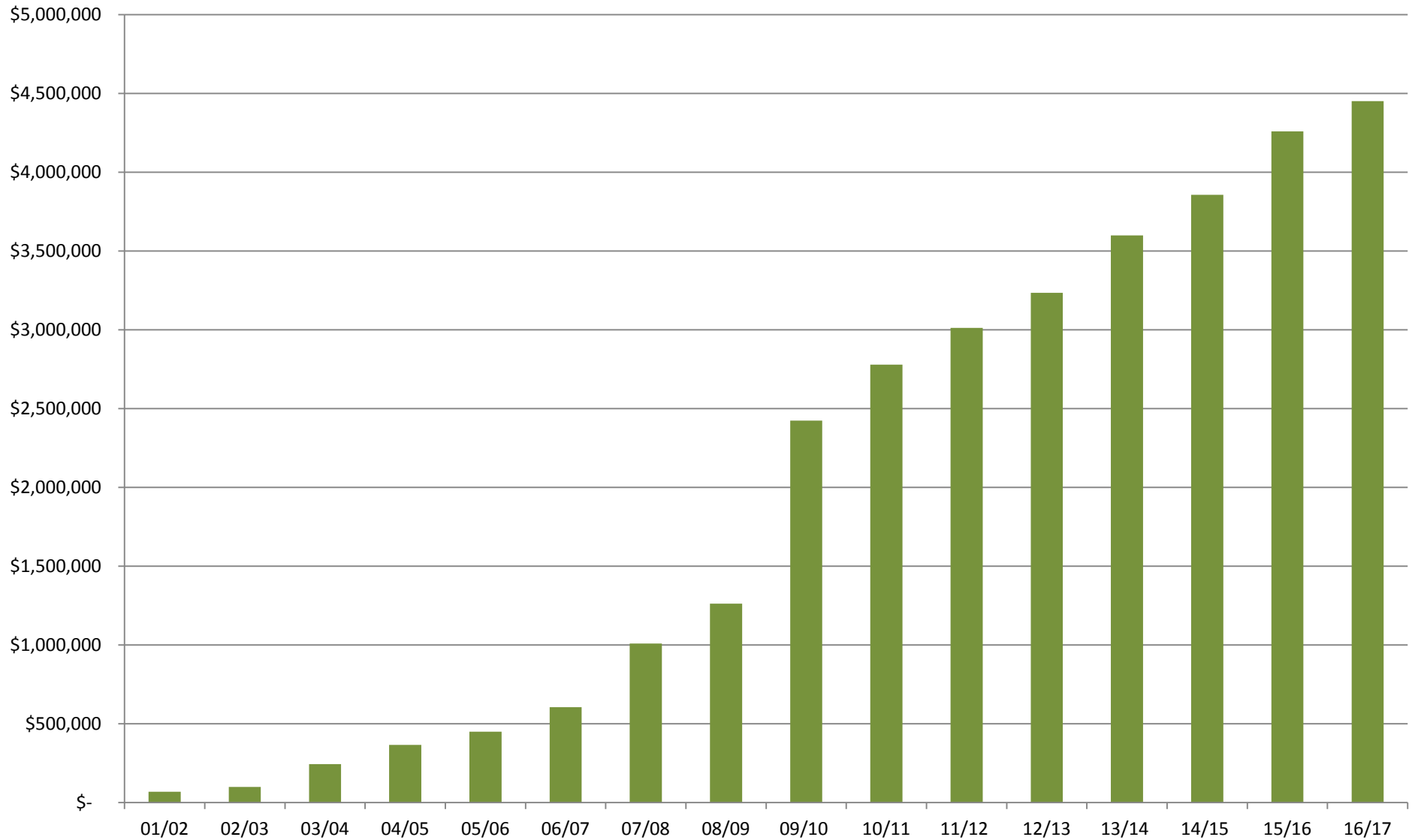
<b>Year</b>	<b>Rate</b>	<b>Increase (about ½ of this is reimbursed by state)</b>	<b>Total Retirement Appropriation</b>
2014 - 15 actual	21.40%	2,875,843	11,937,303
2015 - 16 budget	25.84%	3,053,829	14,991,132
2016 - 17 estimate	29.69%	2,791,678	17,782,810
2017 - 18 estimate	30.62%	717,851	18,500,661



# State Funding Sources

- State sources are budgeted to increase primarily for:
  - Retirement payments based on the state's half of retirement contributions for our employees.
  - State's share of social security contributions
- The required state budget format does not allow districts to budget for the State Property Tax Reduction allocation until the state determines the amount of funds available (if any) and populates that data in their budget database for each district. Until then, the amount is included in the local real estate tax line.

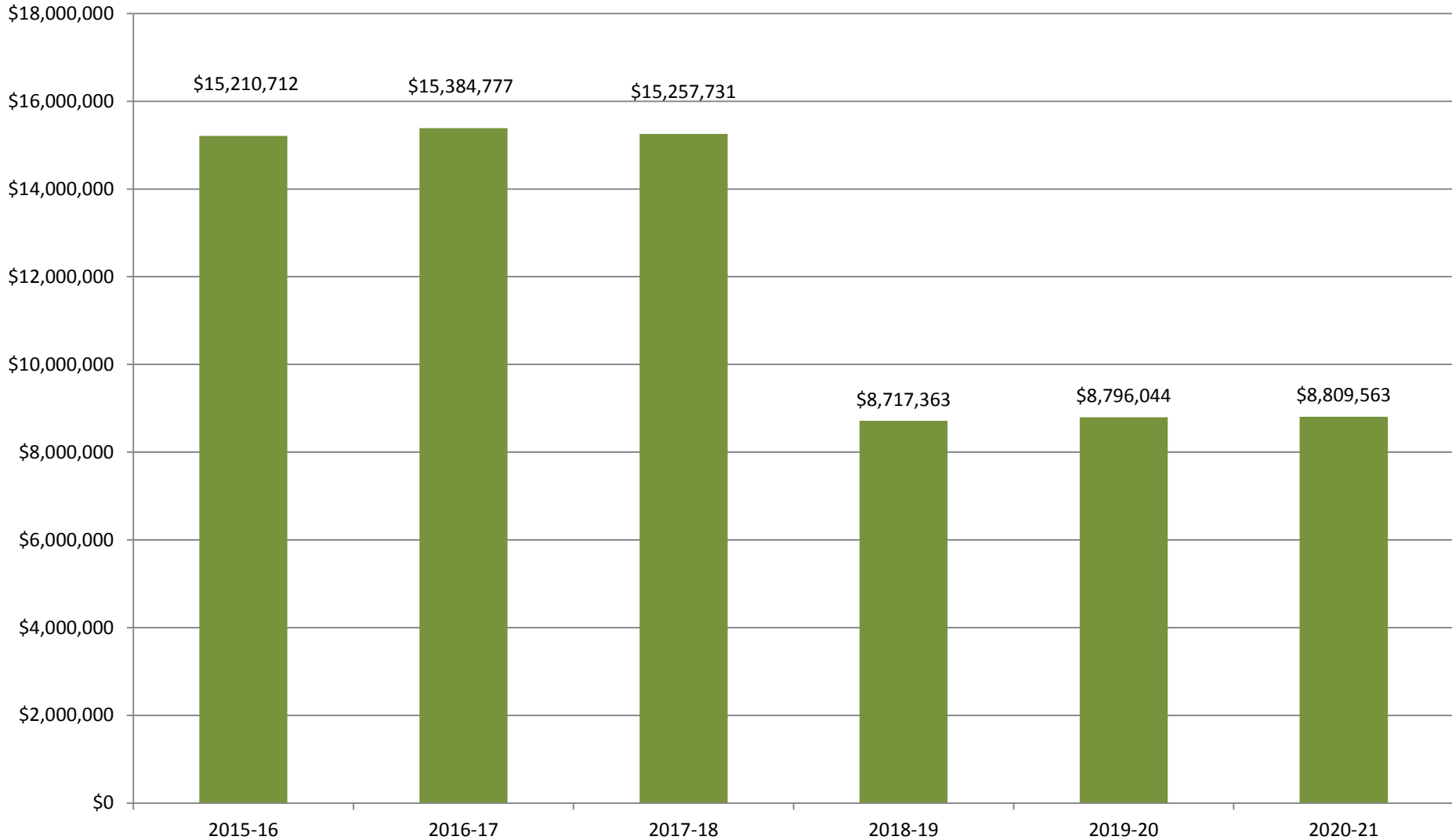
# CHARTER SCHOOL TUITION COST



# Unknowns/Items to Monitor

- State/Federal Funding
- Construction/Assessments
- Special Education enrollment & placements
- Transportation
- Retirements
- Charter school enrollment

# Debt Service Expense Budget



# Challenges

- Ending fund balance was higher than budgeted last year, but decreased more than \$1.9 million and will be spent down further in 2015-16.
- In 2015-16, the trend continued for cutting back the budget in many areas that were not fully spent the previous year – programs were not eliminated, but building and central office budgets were reduced, so fund balance is likely to be reduced.
- Class sizes
- Will continue examining line items and revenues, making adjustments that will be reflected in the April 11th budget draft presentation in order to keep taxes as low as possible without cutting programs.

# EAST PENN SCHOOL DISTRICT

BUDGET OUTLOOK  
December 7, 2015  
PART II: DISTRICT NEEDS

# THE COMPETITION FOR USE OF FUNDS

**ELIMINATE STRUCTURAL DEFICITS**

**INCREASE BUDGETARY RESERVE**

**INCREASE CAPITAL RESERVE**

**REDUCE TAXES**

**ADDRESS DISTRICT NEEDS**

# **NEEDS CURRENTLY INCLUDED IN THE BUDGET**

**BUILDING BUDGET RESTORATION**

**DEPARTMENT BUDGET RESTORATION**

**PROGRAM IMPROVEMENTS**



# BUILDING and DEPARTMENT BUDGET RESTORATION

- Building budget restoration \$182,530
- Department budget restoration \$235,540

# PROGRAM IMPROVEMENTS

➤ Project Lead The Way	\$65,000
➤ Secondary science resources	\$65,700
➤ Middle school literature resources	\$10,000
➤ Elementary writing resources	\$27,000
➤ Elementary Read 180 program, Special Education	\$52,900
➤ K-12 ESL resources	\$11,500
➤ District Climate Survey	\$16,000

# **NEEDS CURRENTLY NOT INCLUDED IN THE BUDGET**

**PROGRAM IMPROVEMENTS**

**FACILITIES AND EQUIPMENT**

**HUMAN RESOURCES DEPARTMENT**

**PERSONNEL**

# PROGRAM IMPROVEMENTS

- Secondary Science Resources - EHS: *revisions overdue*
- AP Psychology Texts: *change in curriculum*
- Full Day Kindergarten: *increased primary education instructional time*
- Elementary After School Extended Learning Program: *extended academic opportunities for struggling learners*
- Elementary Drama/Musical production stipend (7 schools): *opportunity for all students to participate in minimum of 1 musical/drama production*
- Middle School Clubs (2 additional at each school): *additional opportunities for enrichment*

# FACILITIES/EQUIPMENT

## FACILITIES

- Architectural Feasibility Study - EHS Biology Lab Conversion: *PDE Keystone biology graduation requirement*
- Security Cameras at Lincoln: *current cameras - 6, increased surveillance*

## TECHNOLOGY

- Chromebooks: *establish equitable student-to-computer ratios across district*

## ATHLETICS

- Diving board base replacements: *evidence of wear*

# HUMAN RESOURCES

- Web based time management system for hourly employees: *elimination of hourly time sheets and increase efficiency*
- Web based applicant tracking and hiring system: *elimination of paper resumes and increase efficiency*

# PERSONNEL NEEDS

## HIGH SCHOOL

- School Resource Officer: *increased overall safety, response time, and deterrent*
- Keystone Remediation Teachers (algebra, biology, English): *dedicated teaching for students at risk of not graduating*

## MIDDLE SCHOOL

- LMMS 6<sup>th</sup> Grade Teachers (2): *content area specialization*
- Eyer Science Teacher: *class size reduction*
- Middle School ESL Teacher: *PDE compliance*

## ELEMENTARY SCHOOL

- Alburtis Teacher, 2<sup>nd</sup> Grade: *class size reduction*
- Elementary ESL Teacher: *PDE compliance*

# PERSONNEL NEEDS

## **SPECIAL EDUCATION**

Special Education Teacher & Instructional Asst. – Macungie: *high needs student population, projected out-of-compliance*

School Psychologist/Behaviorist – LMMS: *transfer of Eyer special education students back to home school, additional behavioral support*

## **ADMINISTRATION**

- Curriculum & Instruction Supervisor: *current – 2 supervisors for 10 schools, 8000 students, 536 employees*
- Asst. Principal at Shoemaker: *current – 1 principal for 707 students, 94 employees*
- Asst. Principal at Willow: *current – 1 principal for 743 students, 75 employees*

## **DISTRICT**

- Technology Administrative Assistant: *frees up one tech specialist*
- Human Resources Generalist (job description expansion to current position): *additional assistance needed*