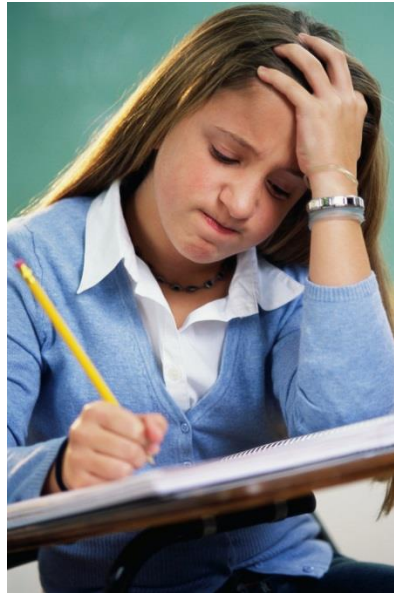


COATESVILLE AREA SCHOOL DISTRICT

2016 – 2017 Preliminary General Fund Budget



Prepared by:
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Presented January 12, 2016

- All children can learn when their individual needs are met
- The responsibility for student achievement is incumbent upon a partnership between the school, student, family, and greater community
- Educational planning must anticipate change, prepare for change, and manage change
- The single biggest factor for student academic success is the quality of the teacher.

Budget Requirements

- **Adopt a budget by June 30, 2016**
- **Follow PA Department of Education Regulations & Timelines**
- **Adopt the budget on the Required PDE Form PDE-2028**
- **Follow the Act 1 regulations**

Review of Act I

Act 1 – Taxpayer Relief Act signed into law on June 27, 2006

- The Act established the Property Tax Relief Fund to lower residential property taxes from revenues earned from gaming licenses and fees.
- Established guidelines to mandate school districts to adopt a resolution for the collection of installment payments of real estate taxes (Chapter 15).
- Established the Sterling Act Tax Credit – CASD residents working in the city of Philadelphia paying wage or earned income taxes will be credit back to the school district (Section 503(b)(2)).

Review of Act I

➤ Created a index:

The *base index* is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.

Additionally, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR. For example, if the base index is 2.4% and the school district's MV/PI AR is 0.5226, the school district's *adjusted index* is $2.4\% \times (0.75 + 0.5266) = 3.1\%$.

2014-2015 Budget Summary Comparison

Expenditures	Totals
2014-2015 Budgeted Expenditures	\$148,802,429
Budgetary Reserve	-\$4,546,342
Budget Expenditures W/O Reserve	\$144,256,087
2014-2015 Actual Expenditures	\$143,721,561
% of Actual to Budget	99.63%
Revenues	
2014-2015 Budgeted Revenues	\$148,802,429
2014-2015 Actual Revenues	\$149,807,126
% of Actual to Budget	100.68%

Budget ASSUMPTIONS

- Retirement contribution rate increased from 25.84% to 30.03%
- The budget line item for wages being negotiated does not include any projected increase
- Contracted Transportation services includes the addition of extra buses to allow for schedule adjustments
- State revenues are anticipated to be constant except for social security and retirement reimbursement subsidies

Budget ASSUMPTIONS

- Local real estate tax revenue includes an increase equal to the allowable index
- A \$1 million dollar Capital Reserve Fund transfer is included for future capital improvements

Summary of Expenditures

Summary by Object	Description	2015 - 2016 Budget	2016 - 2017 Budget	Increase (Decrease)	% of Total Budget
100	Salaries /Wages	\$47,925,513	\$47,708,849	-\$216,664	30.8%
200	Benefits	\$28,681,768	\$30,217,057	\$1,535,289	19.5%
300	Purchased Prof. & Technical Srvs.	\$12,614,297	\$13,330,454	\$716,157	8.6%
400	Purchsed Property Services	\$2,320,246	\$2,485,838	\$165,592	1.6%
500	Other Purchased Services	\$35,734,808	\$37,885,374	\$2,150,566	24.5%
600	Supplies	\$2,944,923	\$2,923,009	-\$21,914	1.9%
700	Property	\$290,778	\$467,020	\$176,242	0.3%
800	Other Objects	\$8,021,765	\$8,065,969	\$44,204	5.2%
900	Other Use of Funds	\$7,898,865	\$7,950,335	\$51,470	5.1%
	Budgetary & Cap. Reserve Fund Trans.	\$3,088,187	\$3,760,340	\$672,153	2.4%
	Totals	\$149,420,401	\$154,794,245	\$5,373,844	100.0%
				Increase Over 2015-2016	3.60%

Summary of Revenues

Summary	Budget	Budget	Increase	% of Total
	2015-2016	2016-2017	(Decrease)	Revenue
Local Revenue	\$98,995,400	\$103,893,544	\$4,898,144	67%
State Revenue	\$47,594,613	\$48,070,313	\$475,700	31%
Federal Revenue	\$2,830,388	\$2,830,388	\$0	2%
Other Revenue	\$0	\$0	\$0	0%
Total Revenue	\$149,420,401	\$154,794,245	\$5,373,844	100%
Total Expenditures	\$149,420,401	\$154,794,245		
Budget Surplus (Deficit)	\$0	\$0		

Note: The anticipated revenue includes a tax increase of the allowable index of 3.1%.

UNDERSTANDING THE TAX INCREASE AT THE INDEX

Current Mills	32.7716		
Increase of 3.1%	1.0159		
Total Mills	33.7875		

What does this mean to the average taxpayer?

	Average Assessed Residential Value	Per \$1,000 of Assessed Value
Assessed Value	\$107,109.00	\$1,000
Mill	0.001	0.001
Millage Increase	1.0159	1.0159
Projected Median AV Tax Increase	\$108.81	\$1.02

Example of Other Assessed Values

Assessed Value	Tax Increase	Tax @ Face Value
\$40,000	\$40.64	\$1,351.50
\$80,000	\$81.27	\$2,703.00
\$107,109	\$108.81	\$3,618.95
\$120,000	\$121.91	\$4,054.50
\$160,000	\$122.90	\$5,243.47
\$140,000	\$142.23	\$4,730.25
\$200,000	\$203.18	\$6,757.50

District Wealth Comparison

State Ranking	School District	County	MV / PI Aid Ratio	MV Aid Ratio	PI Aid Ratio
	Great Valley SD	Chester	0.1500	0.1000	0.1000
	Tredyffrin-Easttown SD	Chester	0.1500	0.1000	0.1000
	Unionville-Chadds Ford SD	Chester	0.1500	0.1073	0.1508
	West Chester Area SD	Chester	0.1500	0.1000	0.1000
189	Coatesville Area SD	Chester	0.5266	0.5108	0.5505
500	Reading SD	Berks	0.8897	0.9071	0.8639

2016-2017 Capital Improvements

Gordon Education Center	Estimated Cost	Comments
Bring restrooms to ADA code		
Unit Ventilator Repairs		
Create Secure Entrance		
Repair / Replace Window Blinds		
Auditorium Stage Curtains		
Various Areas to be Painted		
Lighting Repairs Throughout		
Fire Break at Elevator Hallway		
Total Above NTE	\$ 100,000.00	
Replace chillers	\$ 300,000.00	
Replace Automatic Temp Control System		Survey needs to be completed.
Replace Security Cameras		Survey needs to be completed.
Total	\$ 400,000.00	



2016-2017 Capital Improvements

2016 - 2017 Capital Projects	Estimated Cost	Comments
Replace Roof - Friendship Elementary	\$ 800,000.00	Several persistent leaks
Renovate Boys Restroom Friendship	\$ 30,000.00	Worn / poor condition
Replace Rooftop Unit - Admin. Building	\$ 24,000.00	Several refrigerant leaks, one bad compressor
Replace sidewalk sections - Main Campus	\$ 12,000.00	Concrete shifted / trip hazard
Repair Top Step / Landing Caln	\$ 8,000.00	Concrete shifted / trip hazard
Retro Elementary Urinals w/ Autoflush Valves	\$ 15,000.00	Improve sanitation
Replace Boiler - East Fallowfield	\$ 95,000.00	Only one functioning boiler
Total	\$ 984,000.00	



2016-2017 Capital Improvements

Bleacher Handrails	\$48,000
Portable Bleacher Replacement	\$15,000
Total	\$63,000



2016-2017 Capital Improvements

BUILDING ROOF SUMMARY		Square		Projected
	Installation	Footage of	Length of	Replacement
Building	Date	Roof	Warranty	Cost
Caln Elementary	1/23/1991	8,000	10	\$160,000
King's Highway Elementary	1/25/1991	23,300	10	\$466,000
Friendship Elementary - S Wing	11/26/1991	10,800	10	\$800,000
King's Highway Elementary	11/26/1991	10,400	10	\$208,000
Rainbow Elementary	11/26/1991	7,500	10	\$150,000
Senior High School - Intermediate	6/28/1993	98,000	10	\$1,960,000
Southbrandywine Elementary - Auditorium	7/23/1993	68,500	10	\$1,370,000
Southbrandywine Middle School	4/18/1995	22,200	10	\$444,000
Southbrandywine Middle School	5/28/1995	23,000	10	\$460,000
Southbrandywine Middle School	2/25/1997	18,000	10	\$360,000
Senior High School	9/24/1998	15,000	10p	\$300,000
Senior High School	9/2/1999	24,000	0	\$480,000
			Total	\$7,158,000

2016-2017 Capital Improvements

			Cost of			
	Total	Can	Crack Sealing,			
	Square	Pavement	Pavement	Square Yards		
Name	Yards	Be Treated	Markings	Repair or Rehab	Cost	Total
North Brandywine Middle School	16,275	Yes	\$36,618			\$36,618
Caln Elementary	10,470	Yes	\$23,558			\$23,558
Gordon Education Center	1,850	Yes	\$4,950			\$4,950
Rainbow Elementary	22,310	Yes	\$49,890			\$49,890
Friendship Elementary	6,498	Yes	\$14,620	Approx. 15-20%	\$20,000	\$34,620
Reeceville Elementary	11,935	Yes	\$26,854	Approx. 15-20%	\$50,000	\$76,854
King's Highway Elementary	9,560	Yes	\$21,510	Approx. 15-20%	\$50,000	\$71,510
Coatesville Area Senior High School	50,290	Yes	\$113,153	Approx. 15-20%	\$50,000	\$163,153
East Fallowfield Elementary	6,045	Yes	\$13,600	Approx. 15-20%	\$30,000	\$43,600
Benner Building	1,975	Yes	\$5,000	Approx. 15-20%	\$15,000	\$20,000
CASD Administration Building	4,340	Yes	\$9,765	Approx. 15-20%	\$12,500	\$22,265
CASD Facilities Complex	1,750	Yes	\$4,800	Approx. 15-20%	\$12,000	\$16,800
South Brandywine Middle School	11,800	NO		100%	\$230,000	\$230,000
Totals			\$329,418		\$469,500	\$798,918

Budget Projections

		----- ASSUMPTIONS -----				
		2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
100	Salaries /Wages	2.25%	2.25%	2.25%	2.25%	2.25%
200	Retirement	30.25%	31.28%	32.08%	32.02%	33.22%
200	Benefits - All Other	6.00%	6.00%	6.00%	6.00%	6.00%
300	Purchased Prof. & Technical Srvs.	3.00%	3.00%	3.00%	3.00%	3.00%
400	Purchsed Property Services	3.00%	3.00%	3.00%	3.00%	3.00%
500	Other Purchased Services	3.00%	3.00%	3.00%	3.00%	3.00%
600	Supplies	2.00%	2.00%	2.00%	2.00%	2.00%
700	Property	2.00%	2.00%	2.00%	2.00%	2.00%
800	Other Objects	----- Actual Debt Schedule Payments -----				
900	Other Use of Funds	----- Actual Debt Schedule Payments -----				
	Capital Reserve Fund Transfer	0.00%	0.00%	0.00%	0.00%	0.00%
	Budgetary Reserve	2.00%	2.00%	2.00%	2.00%	2.00%

Budget Projections

Object	Description	2016 - 2017 Budget	2017 - 2018 Projections	2018 - 2019 Projections	2019 - 2020 Projections	2020 - 2021 Projections	2021 - 2022 Projections
100	Salaries /Wages	\$47,708,849	\$48,782,298	\$49,879,900	\$51,002,198	\$52,149,747	\$53,323,116
200	Retirement	\$13,930,984	\$14,756,645	\$15,602,433	\$16,361,505	\$16,698,349	\$17,713,939
200	Benefits - All Other	\$16,286,073	\$17,263,237	\$18,299,032	\$19,396,974	\$20,560,792	\$21,794,440
300	Purchased Prof. & Technical Svcs.	\$13,330,454	\$13,730,368	\$14,142,279	\$14,566,547	\$15,003,544	\$15,453,650
400	Purchsed Property Services	\$2,485,838	\$2,560,413	\$2,637,226	\$2,716,342	\$2,797,833	\$2,881,768
500	Other Purchased Services	\$37,885,374	\$39,021,935	\$40,192,593	\$41,398,371	\$42,640,322	\$43,919,531
600	Supplies	\$2,923,009	\$2,981,470	\$3,041,099	\$3,101,921	\$3,163,959	\$3,227,239
700	Property	\$467,020	\$476,360	\$485,887	\$495,605	\$505,517	\$515,627
800	Other Objects	\$8,065,969	\$8,416,315	\$8,923,664	\$7,733,088	\$8,688,565	\$6,889,696
900	Other Use of Funds	\$7,950,335	\$7,437,064	\$7,556,705	\$8,855,989	\$7,903,116	\$10,730,000
	Capital Reserve Fund Transfer	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
	Budgetary Reserve	\$2,760,340	\$1,563,073	\$1,615,160	\$1,662,207	\$1,705,988	\$1,767,875
	Totals	\$154,794,245	\$157,989,177	\$163,375,976	\$168,290,745	\$172,817,732	\$179,216,881
	Annual Percentage Increase		2.06%	3.41%	3.01%	2.69%	3.70%

Budget Projections

		2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
LOCAL REVENUES		Budget	Projections	Projections	Projections	Projections	Projections
	Gross Value of a Mill	\$2,910,702	\$2,939,809.02	\$2,969,207.11	\$2,998,899.18	\$3,028,888.17	\$3,059,177.05
6111 Real Estate Taxes							
6151	Earned Income Tax	\$8,056,558	\$8,137,123.58	\$8,218,494.82	\$8,300,679.76	\$8,383,686.56	\$8,467,523.43
Total Local Revenues		\$15,027,288	\$15,107,854	\$15,189,225	\$15,271,410	\$15,354,417	\$15,438,253
COMMONWEALTH REVENUES							
7110	Basic Education Funding	\$23,465,397	\$23,582,724	\$23,700,638	\$23,819,141	\$23,938,236	\$24,057,928
7271	Special Education	\$4,572,128	\$4,594,989	\$4,617,964	\$4,641,053	\$4,664,259	\$4,687,580
7310	Transportation	\$5,714,515	\$5,943,095.60	\$6,180,819.42	\$6,428,052.20	\$6,685,174.29	\$6,952,581.26
7320	Rental & Sinking Fund Payments	\$737,155	\$1,337,155	\$1,337,155	\$1,337,155	\$1,337,155	\$1,337,155
7340	State Property Tax Reduction	\$3,917,026	\$3,917,026	\$3,917,026	\$3,917,026	\$3,917,026	\$3,917,026
7810	Social Security	\$1,824,863	\$1,865,922.90	\$1,907,906.17	\$1,950,834.06	\$1,994,727.82	\$2,039,609.20
7820	Retirement	\$6,636,301	\$7,378,322.59	\$7,801,216.33	\$8,180,752.49	\$8,349,174.49	\$8,856,969.62
Total Commonwealth Revenues		\$48,070,314	\$49,822,164	\$50,665,653	\$51,476,943	\$52,088,682	\$53,051,778
Total Federal Revenues		\$2,830,388	\$2,830,388	\$2,830,388	\$2,830,388	\$2,830,388	\$2,830,388
Total Revenue Excluding R/E Tax Revenue		\$65,927,990	\$67,760,405	\$68,685,266	\$69,578,741	\$70,273,486	\$71,320,419
Total Expenditures		\$154,794,245	\$157,989,177	\$163,375,976	\$168,290,745	\$172,817,732	\$179,216,881
Revenue Needed From R/E Taxes		\$88,866,255	\$90,228,772	\$94,690,710	\$98,712,005	\$102,544,246	\$107,896,462
Total Mills Needed to Balance the Budget		33.7875	33.9554	35.2674	36.3865	37.4100	38.9575
Prior Year Mills		32.7716	33.7875	33.9554	35.2674	36.3865	37.4100
Anticipated Millage Increase		1.0159	0.1680	1.3120	1.1191	1.0235	1.5475
Required Index Needed to Balance the Budget		3.10%	0.50%	3.86%	3.17%	2.81%	4.14%

QUESTIONS?

Or

COMMENTS