



Area School District

2017 – 2018 Preliminary General Fund Budget

Dr. Cathy Taschner, Superintendent
Ronald Kabonick, Business Administrator
Presented: May 2, 3, & 4, 2017

2017 – 2018 Preliminary General Fund Budget

Summary	2015-2016	2016-2017	2017-2018	(Decrease)
Total Revenue	\$159,477,192	\$153,187,522	\$168,790,501	\$15,602,979
Total Expenditures	\$158,683,545	\$153,187,522	\$168,790,501	
Budget Surplus (Deficit)	\$793,647	\$0	\$0	
Deficit With No Tax Increase			(\$7,910,118)	
Deficit With a Tax Increase at 3.2% (1.0707 mills)			(\$4,943,200)	
Tax Increase Included to Balance the Budget (+1.7839 mills)			2.8546	

2017 – 2018 Preliminary General Fund Budget

Summary by Object	Description	2015-2016 Actual	2016 - 2017 Budget	2017 - 2018 Budget	Increase (Decrease)
100	Salaries /Wages	\$47,331,177	\$47,708,849	\$47,262,638	-\$446,211
200	Benefits	\$29,958,645	\$30,217,057	\$34,289,445	\$4,072,388
300	Purchased Prof. & Technical Srvs.	\$18,117,401	\$13,330,454	\$17,121,309	\$3,790,855
400	Purchsed Property Services	\$2,683,996	\$2,485,838	\$3,880,968	\$1,395,130
500	Other Purchased Services	\$41,683,794	\$36,785,374	\$43,437,535	\$6,652,161
600	Supplies	\$2,561,460	\$2,923,009	\$3,321,183	\$398,174
700	Property	\$648,756	\$467,020	\$716,906	\$249,886
800	Other Objects	\$7,900,096	\$8,065,969	\$7,783,538	-\$282,431
900	Other Use of Funds	\$7,798,115	\$7,950,335	\$7,512,064	-\$438,271
	Capital Reserve Fund Transfer	\$0	\$1,000,000	\$1,000,000	\$0
	Budgetary Reserve	\$0	\$2,253,617	\$2,464,915	\$211,298
	Totals	\$158,683,441	\$153,187,522	\$168,790,501	\$15,602,979
				Increase	10.19%

Summary of Benefits

	2015-2016 Actual	2016-2017 Budget	2017-2018 Budget	Increase (Decrease)
Social Security	\$3,543,354.01	\$3,623,678.00	\$3,615,597.00	(\$8,081.00)
Retirement	\$12,126,113.34	\$13,930,977.00	\$15,404,147.00	\$1,473,170.00
Tuition Reimbursement	\$151,518.08	\$300,000.00	\$156,000.00	(\$144,000.00)
Unemployment Comp.	\$170,498.79	\$108,760.00	\$259,338.00	\$150,578.00
Workman's Comp.	\$415,866.79	\$426,309.00	\$425,186.00	(\$1,123.00)
Medical Insurance	\$9,531,482.26	\$8,855,300.00	\$10,855,468.00	\$2,000,168.00
Dental Insurance	\$789,563.95	\$744,482.00	\$859,775.00	\$115,293.00
Life Insurance	\$160,866.41	\$78,194.00	\$167,941.00	\$89,747.00
Income Protection	\$0.00	\$106,892.00	\$0.00	(\$106,892.00)
Vision Insurance	\$128,195.45	\$133,763.00	\$151,525.00	\$17,762.00
Prescription Insurance	\$2,941,186.99	\$1,908,702.00	\$2,394,468.00	\$485,766.00
Totals	\$29,958,646.07	\$30,217,057.00	\$34,289,445.00	\$4,072,388.00

Special Education Services

	Actual	Increase	% of	Actual	% of	Actual	% of
	Total 1200's	(Decrease)	Change	Object 300's	Change	Object 500's	Change
2015-2016	\$33,125,906	\$3,579,550	12.12%	\$13,663,213	15.71%	\$10,311,420	27.77%
2014-2015	\$29,546,356	\$3,880,028	15.12%	\$11,808,446	18.53%	\$8,070,396	25.86%
2013-2014	\$25,666,328	\$1,351,221	5.56%	\$9,962,682	11.68%	\$6,412,388	-6.02%
2012-2013	\$24,315,107	(\$979,701)	-3.87%	\$8,920,853	-2.97%	\$6,823,367	-0.47%
2011-2012	\$25,294,808	(\$702,342)	-2.70%	\$9,194,098	4.84%	\$6,855,549	9.73%
2010-2011	\$25,997,150			\$8,769,679		\$6,247,873	

300 – Other Professional Services are contracted educational services such as counseling and guidance, dentist, doctors, attorney's, consultants, substitute teachers, tax collection services, auditors, etc.

500 – Other Purchased Services consist of student transportation services, general insurance (fire, auto, property, liability, etc.), telecommunications, travel reimbursement, tuition of charter and other public school district.

History of Special Education Revenues

	Actual		Actual		
	Special Education	% of	Special Education	% of	% of
	Expenditures	Change	Subsidy	Change	Expenditures
2015-2016	\$33,125,906	12.12%	\$4,842,613.80	3.06%	14.62%
2014-2015	\$29,546,356	15.12%	\$4,698,833.77	2.77%	15.90%
2013-2014	\$25,666,328	5.56%	\$4,572,123.84	0.12%	17.81%
2012-2013	\$24,315,107	-3.87%	\$4,566,552.98	0.00%	18.78%
2011-2012	\$25,294,808	-2.70%	\$4,566,553.00	0.00%	18.05%
2010-2011	\$25,997,150	4.67%	\$4,566,563.00	-0.55%	17.57%
2009-2010	\$24,836,536	4.75%	\$4,591,878.00	1.11%	18.49%
2008-2009	\$23,711,401	-1.20%	\$4,541,436.36	1.42%	19.15%
2007-2008	\$23,998,264	14.37%	\$4,478,039.00	3.52%	18.66%
2006-2007	\$20,983,530		\$4,325,706.00		20.61%

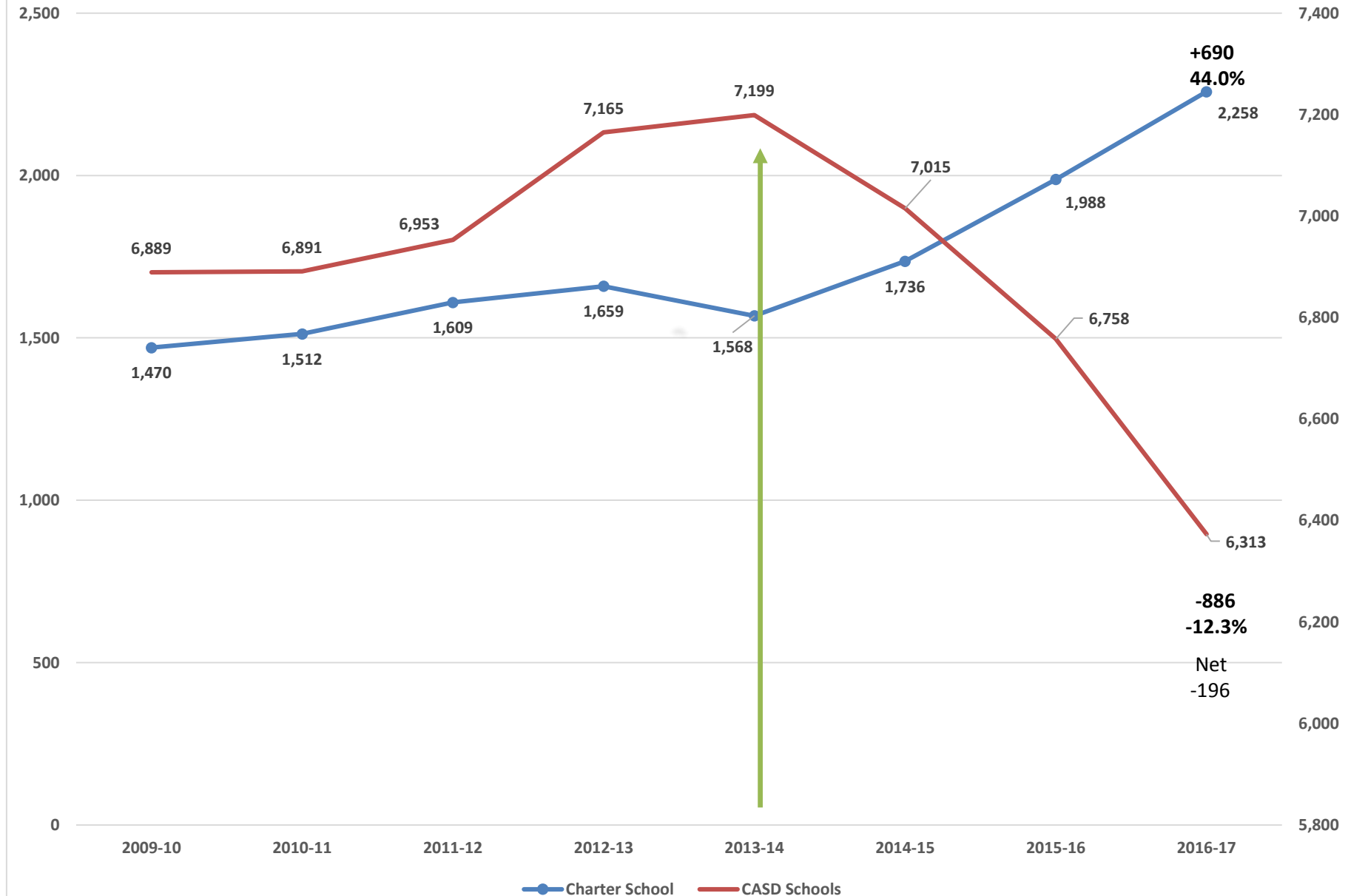
2017 - 2018 Special Education Referendum Exception Calculation

A	B	C	D
	Expenditure Function & Description for Special Education	Actual Amount 2014-2015	Actual Amount for 2015-2016
1	1200 - Special Education Instruction	\$29,546,355.76	\$33,125,905.86
2	Less: 1243 - Gifted Support	\$561,925.82	\$578,649.75
3	2120 - Guidance Services	\$513,801.27	\$556,495.12
4	2140 - Psychological Services	\$278,154.62	\$201,938.25
5	2260 - Instruction and Curriculum Development Services	\$153,505.39	\$179,454.22
6	2350 - Legal Services	\$200,203.72	\$187,377.37
7	2420 - Medical Services	\$200,204.27	\$205,645.83
8	2440 - Nursing Services	\$1,126.70	\$0.00
9	2700 - Student Transportation Services	\$1,506,656.94	\$1,785,969.87
10	Total Special Education Expenditures (Sum of L1 - L9):	\$31,838,082.85	\$35,664,136.77
11	Less: 7271 - Special Education Funding for School Aged Pupils	\$4,698,833.77	\$4,842,613.80
12	Special Education Expenditures minus Revenues (L10 - L11):	\$27,139,249.00	\$30,821,523.00
13	School District's Index for Next Year		0.032
14	Index multiplied by 2014-2015 Net Special Education Expenditures: (L12c*L13d)		\$868,456.00
15	2015-2016 Net Expenditures minus 2014-2015 Net Expenditures: (L12d-L12c)		\$3,682,274.00
16	Allowable Exception: Special Education Expenditures (L15 - L14):		\$2,813,818.00

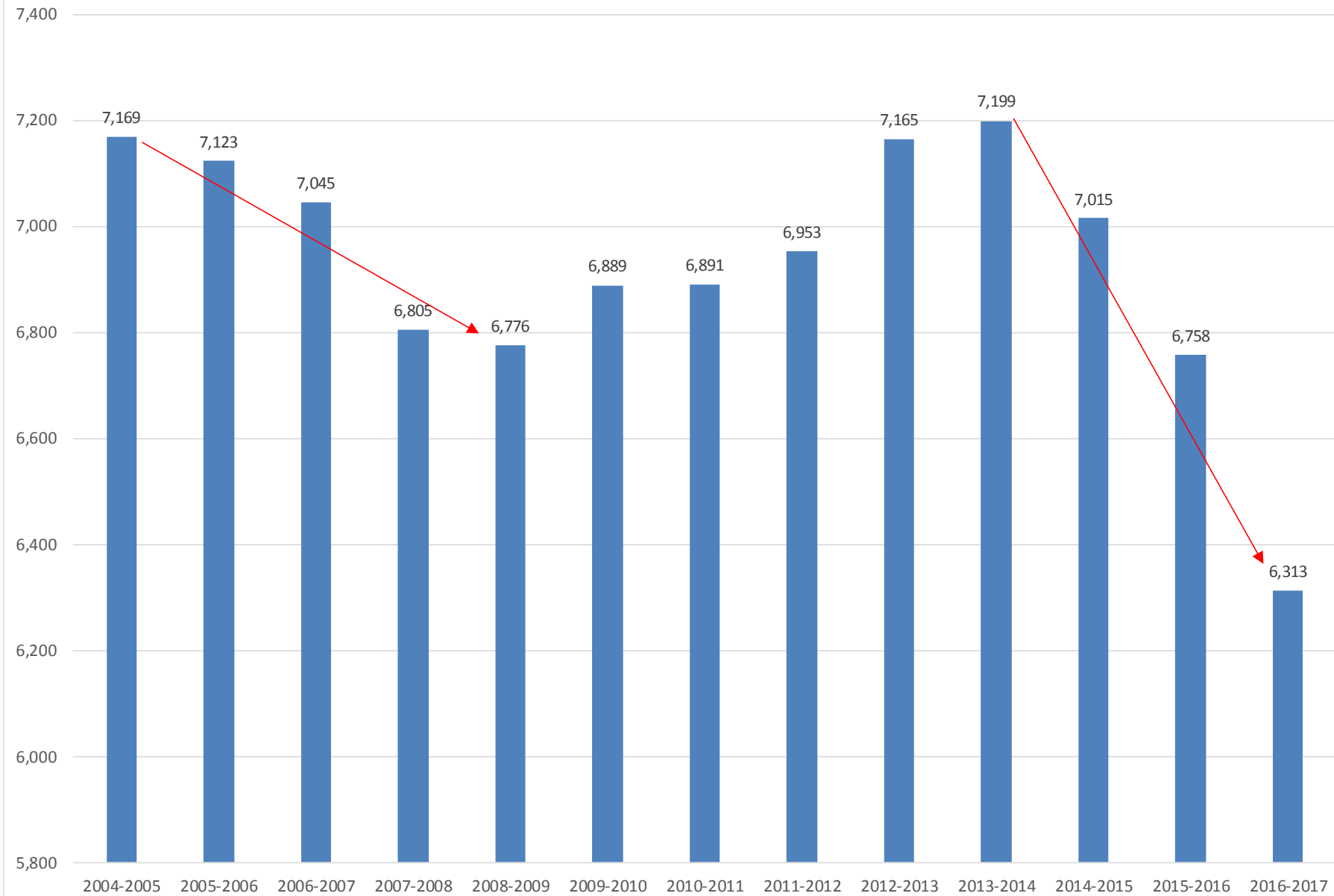
Special Education Cost Summary 2009-2015

	2008-2009	2014-2015	09 to 15
	Total - 1200'S	Total - 1200'S	Inc. of Spec. Educ. Cost
Avon Grove SD	\$10,702,227.26	\$13,610,074.98	27.17%
Coatesville Area SD	\$23,711,401.00	\$29,546,355.76	24.61%
Downingtown Area SD	\$20,982,932.38	\$24,485,681.88	16.69%
Great Valley SD	\$9,049,097.56	\$14,273,901.86	57.74%
Kennett Consolidated SD	\$8,878,761.69	\$12,394,134.90	39.59%
Octorara Area SD	\$5,555,630.48	\$7,585,798.74	36.54%
Owen J Roberts SD	\$10,182,470.48	\$13,352,037.15	31.13%
Oxford Area SD	\$8,371,349.00	\$10,541,765.98	25.93%
Phoenixville Area SD	\$10,617,002.52	\$11,188,077.04	5.38%
Tredyffrin-Easttown SD	\$12,539,090.89	\$18,114,875.50	44.47%
Unionville-Chadds Ford	\$7,973,802.00	\$10,705,338.22	34.26%
West Chester Area SD	\$25,531,570.91	\$31,033,459.99	21.55%
Source: PDE			

Enrollment Comparison of Charter Schools to CASD Schools



Enrollment History



Calculation of Tuition For Charter School

School District	2014-15 Total AFR Expenditures	2014-15 Deductions Nonspecial Education	2014-15 Selected AFR Expenditures Nonspecial Education	2014-15 ADM for PDE-363	2015-16 Funding for Nonspecial Education Students
Coatesville Area SD	\$146,447,026.40	\$55,226,318.02	\$91,220,708.38	8,971.551	\$10,167.77
Salary Increases 2%	\$839,865	\$41,993.27	\$797,872.21		
Retirement Rate Increase 4.44%	\$1,864,501	\$93,225.07	\$1,771,276.30		
Other Benefit Increase 5%	\$725,000	\$36,250.00	\$688,750.00		
Totals	\$149,876,393.25	\$55,397,786.36	\$94,478,606.88	8,971.551	\$10,530.91
Charter School Enrollment					1,895
Charter Schools Expenditure					\$19,267,924.15
					\$19,956,076.72
Increased Tuition					\$688,152.57

Charter School Tuition Payments Top 20

		2009 - 2010	2009-2010		2014-2015	2014-2015	2009-2015
		Charter Schools	State Ranking		Charter Schools	State Ranking	% of
School District	County	Total Tuition	High to Low		Total Tuition	High to Low	Increase
Philadelphia City SD	Philadelphia	\$341,459,345.11	500		\$715,473,006.91	500	109.53%
Pittsburgh SD	Allegheny	\$37,599,009.41	499		\$59,660,585.22	499	58.68%
Chester-Upland SD	Delaware	\$33,457,202.55	498		\$57,631,709.00	498	72.26%
Coatesville Area SD	Chester	\$17,438,780.00	497		\$21,314,426.12	495	22.22%
York City SD	York	\$14,498,850.00	496		\$22,012,669.18	496	51.82%
Erie City SD	Erie	\$10,808,252.62	495		\$20,682,543.03	494	91.36%
Allentown City SD	Lehigh	\$9,349,733.90	494		\$26,748,475.00	497	186.09%
Woodland Hills SD	Allegheny	\$8,510,958.13	493		\$14,549,335.14	492	70.95%
Bethlehem Area SD	Northampton	\$7,913,949.13	492		\$18,434,453.77	493	132.94%
Pocono Mountain SD	Monroe	\$7,211,149.30	491		\$7,081,748.44	483	-1.79%
West Chester Area SD	Chester	\$6,461,780.19	490		\$8,079,896.29	485	25.04%
Phoenixville Area SD	Chester	\$5,396,976.33	489		\$5,575,100.33	478	3.30%
Avon Grove SD	Chester	\$5,396,563.60	488		\$8,244,111.46	487	52.77%
Norristown Area SD	Montgomery	\$5,144,706.76	487		\$7,220,932.70	484	40.36%
Oxford Area SD	Chester	\$5,136,765.00	486		\$5,504,085.00	477	7.15%
Bensalem Township SD	Bucks	\$4,612,211.52	485		\$10,510,116.11	490	127.88%
Penn Hills SD	Allegheny	\$4,414,712.41	484		\$10,901,523.26	491	146.94%
Wilkes-Barre Area SD	Luzerne	\$4,296,056.08	483		\$6,667,549.47	481	55.20%
Downingtown Area SD	Chester	\$4,105,149.67	482		\$8,203,676.41	486	99.84%
Harrisburg City SD	Dauphin	\$3,505,308.61	481		\$9,382,734.67	488	167.67%

Charter Schools Tuition Rate Update

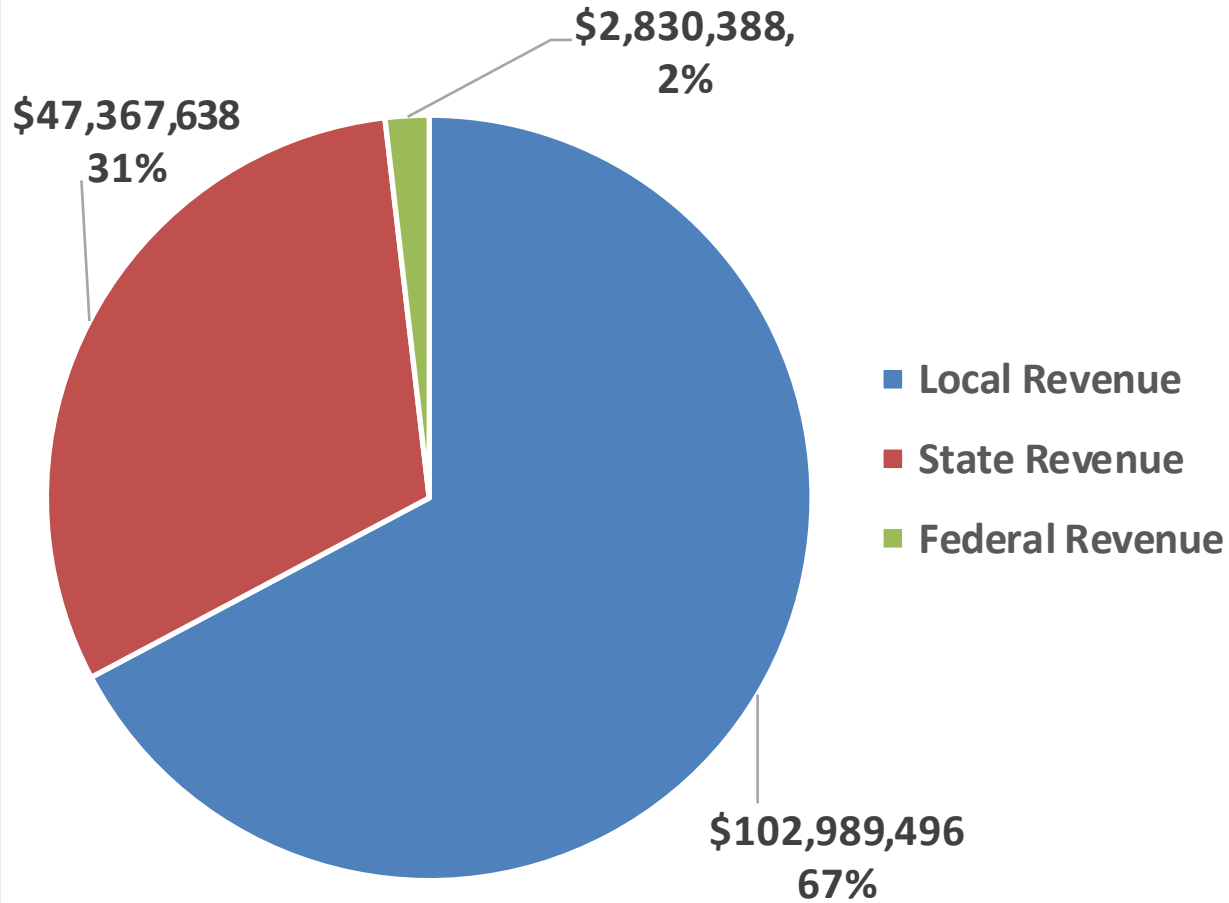
		Regular Education	Special Education	Daily Rate Regular Educ.	Daily Rate Special Educ.
Charter Schools Tuition Rates		9.82%	13.35%		
% of Increase					
2016-2017 Revised Rate		\$11,166.22	\$33,508.57	\$62.03	\$186.16
2016-2017		\$10,167.77	\$29,562.12	\$56.49	\$164.23
2015-2016		\$10,167.77	\$29,562.12		

Charter Schools Tuition Rate Update

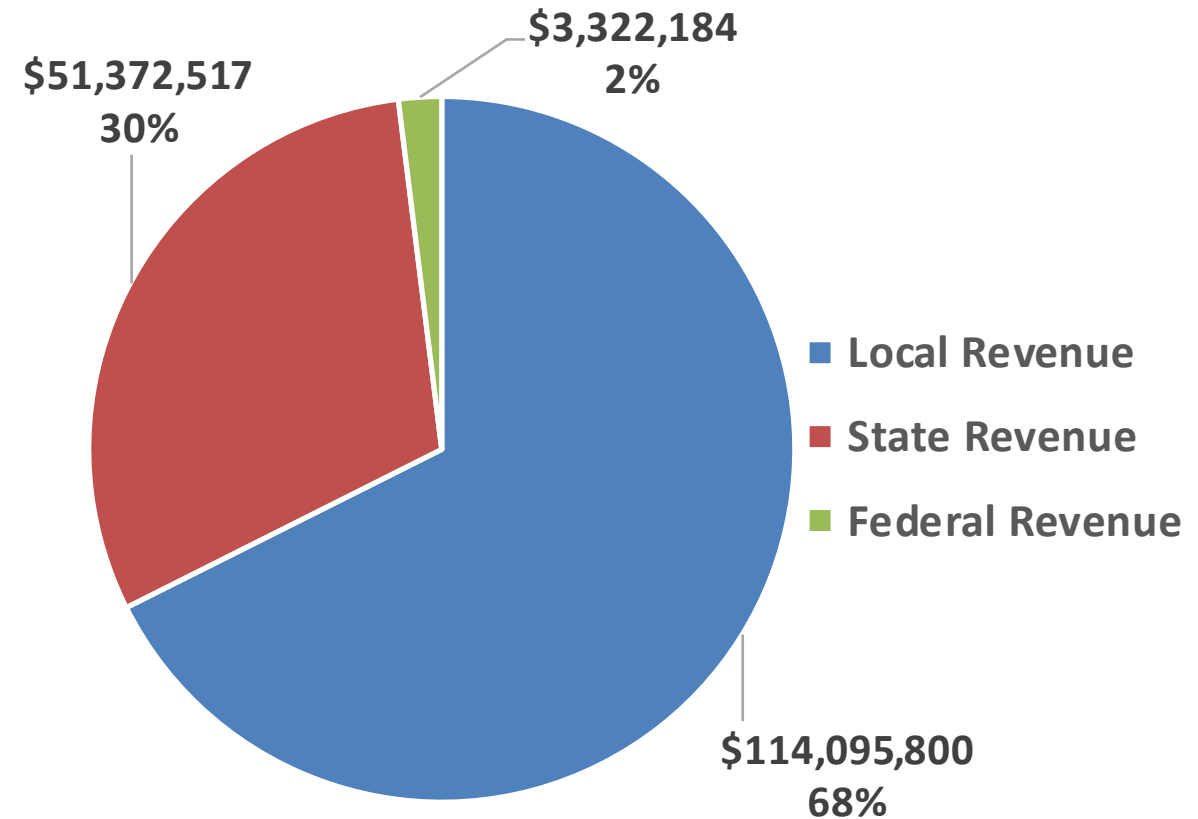
	Student Enrollment as of March 31, 2017	Total CS Pupil Days as of March 31, 2017	Total Projected CS Pupil Days June 30, 2017
Regular Education	1,823	265,732	351,099
Special Education	419	61,197	80,849
Totals	2,242	326,929	431,948
Daily Rate Reg. Educ.		\$56.49	\$62.03
Daily Rate Spec. Educ.		\$164.23	\$186.16
Totals		\$25,061,193.97	\$36,831,016.95
Paid as of 03/24/17		\$25,061,750.42	
2017-2018 Budget			\$27,234,385.00
Over Budget Amount			-\$9,596,631.95

Summary of Revenues

Budget 2016-2017



Budget 2017-2018



District's Outstanding Debt & Reimbursement

		(1)	(2)	(3)	(4)	(5)	(6)
	Fiscal Year Ending 6/30	2007 G.O. Bonds	2009 G.O. Bonds	2009A G.O. Bonds	2010 G.O. Bonds	2013 G.O. Bonds	2014A G.O. Bonds
	2017	2,692,906	4,594,845	939,824	2,415,981	1,120,000	346,300
	2018	2,692,726		939,616	2,415,631	6,405,000	346,200
	2019	2,692,543		939,408	2,410,369	7,975,000	1,153,775
	2020	2,692,357		939,201	2,415,106	1,165,000	8,068,200
	2021	5,612,483		938,993	2,414,756	5,790,000	
	2022-2032	57,467,736		24,911,248	73,528,967		
	Total	73,850,751	4,594,845	29,608,290	85,600,810	22,455,000	9,914,475
Principal Outstanding:		\$63,515,000	\$5,195,000	\$21,970,000	\$53,400,000	\$18,718,207	\$8,745,000
Call Date:		08/01/2017	Non-callable	08/15/2019	08/15/2020	Non-callable	Non-callable
Purpose:		NM	CR1999	NM	NM	AR2004/CR2005	CR 2006
Reimb. %:		29.43%	25.20%	22.48%	0.00%	0.00%	0.00%
State Share:		15.27%	13.07%	11.66%	0.00%	0.00%	0.00%
Local Share:		84.73%	86.93%	88.34%	100.00%	100.00%	100.00%
Approved for Reimbursement		\$90,680,000 * Actual State % = \$12,939,429					
Non-Reimbursable		\$80,863,207 * avg. of 13.3% = \$10,779,065					
Note: NM - New Money CR: Current Refunding AR: Advance Refunding							

Comparison of Total Expenditures

	2008-2009	2014-2015	2009-2015	Average
	Total Expenditures	Total Expenditures	Total Budget Increase	Annual Total Budget Increase
Avon Grove SD	\$67,717,634.25	\$78,788,081.16	16.35%	2.34%
Coatesville Area SD	\$135,222,131.00	\$146,447,026.40	8.30%	1.19%
Downingtown Area SD	\$177,824,485.95	\$206,588,713.40	16.18%	2.31%
Great Valley SD	\$73,144,231.37	\$83,875,162.96	14.67%	2.10%
Kennett Consolidated SD	\$65,433,876.41	\$75,984,721.02	16.12%	2.30%
Octorara Area SD	\$40,737,096.93	\$47,388,620.67	16.33%	2.33%
Owen J Roberts SD	\$78,130,814.41	\$90,708,146.62	16.10%	2.30%
Oxford Area SD	\$49,698,533.00	\$57,127,476.02	14.95%	2.14%
Phoenixville Area SD	\$70,760,804.90	\$81,872,342.77	15.70%	2.24%
Tredyffrin-Easttown SD	\$96,766,629.21	\$117,633,340.58	21.56%	3.08%
Unionville-Chadds Ford	\$65,439,569.00	\$76,740,417.84	17.27%	2.47%
West Chester Area SD	\$188,712,323.80	\$215,656,047.73	14.28%	2.04%
Source: PDE				

Reduction of Positions

					Tax	Proposed
			Millage	Avg. Tax	Inc.	Budget
	Amount	Deficit Amount	Increase	Increase	%	Amount
Deficit With No Tax Increase		(\$7,910,118)	2.8546	\$306.49	8.53%	\$168,790,501
Adjusted BEF & SEF Subsidies	\$540,848	(\$7,369,270)	2.6594	\$285.53	7.95%	\$168,249,653
Reduction of Staff						
10 Positions	✓ \$610,792	(\$6,758,478)	2.4390	\$261.87	7.29%	\$167,638,861
20 Positions	✓ \$629,681	(\$6,128,797)	2.2118	\$237.47	6.61%	\$167,009,180
30 Positions	✓ \$658,563	(\$5,470,234)	1.9741	\$211.95	5.90%	\$166,350,617
40 Positions	✓ \$677,124	(\$4,793,110)	1.7297	\$185.71	5.17%	\$165,673,493
50 Positions	✓ \$696,554	(\$4,096,556)	1.4784	\$158.73	4.42%	\$164,976,939
60 Positions	✓ \$716,488	(\$3,380,068)	1.2198	\$130.96	3.65%	\$164,260,451
65 Positions	✓ \$365,879	(\$3,014,190)	1.0878	\$116.79	3.25%	\$163,894,573
Capital Reserve Fund Transfer	\$1,000,000	(\$2,014,190)	0.7269	\$78.04	2.17%	\$162,894,573

Proposed Tax Increase

Calculating the 3.20% anticipated tax increase:				
Current Mills	33.4598			
Increase of 3.20%	1.0707			
Total Mills	34.5305			
What does this mean to the average taxpayer?				
		Average Assessed		Per \$1,000 of
		Residential Value		Assessed Value
Assessed Value		\$107,366.00		\$1,000
Mill		0.001		0.001
Millage Increase		1.0707		1.0707
Projected Average AV Tax Increase		\$114.96		\$1.07

Why Not Use Your Fund Balance

- Never use your fund balance to pay for reoccurring expenditures
- Standards & Poor's and Moody's recommend retaining a stable positive balance to retain the district's current bond rating
- It is necessary to maintain a positive cash flow when state subsidies are not received as scheduled

Future Financial Concerns

- Expenditures continue to increase greater than reoccurring revenues
- Passing on the opportunity to increase tax revenue above the index with the approved special education exception will increase the risk of having future annual deficits.
- Annual deficits funded with the fund balance may lower the district's bond rating or create a cash flow problem that will create a need to borrow money due to the lack of cash.
- If annual budget increases continue to be greater than the index a reduction of current programs will be necessary to balance the budget
- Paying for increased expenditures with savings from staff reductions will result with a larger number of students in a classroom.

Questions or
Concerns

