

# BUDGEToutlook

## Peters Township School District

2016-17 FINAL BUDGET



### ► Peters Township School District: By the Numbers

	2015-2016	2016-2017	Change
Expenditures	\$59,391,364	\$62,404,343	\$3,102,979
Revenues	\$59,391,364	\$62,404,343	\$3,102,979
Fund Balance	\$9,953,686	\$10,585,686	\$632,000
Enrollment	4109	4093 <i>projected</i>	-16
Millage	110.75 mills	113.4 mills	2.65 mills

### ► The Value of a Mill

Current 2016-2017  
 Millage: 113.4 mills  
 Value of each  
 additional mill: \$341,500

### ► District Revenue (by source)

	2015-2016	2016-2017
<b>Local Revenue</b> Real Estate Taxes, Earned Income Tax, Interest Earnings, Real Estate Transfer Tax, etc.	<b>\$44,717,310</b>	<b>\$46,685,752</b>
<b>State Revenue</b> Basic and Special Education Subsidy, Retirement, Accountability Block Grant, Social Security, etc.	<b>\$14,131,921</b>	<b>\$15,270,308</b>
<b>Federal Revenue</b> Title I, IIA, IID, V, Safe and Drug Free Schools, ACCESS Reimbursement, etc. The Governor's budget eliminated basic subsidies for schools, paid for by Federal stimulus money.	<b>\$381,633</b>	<b>\$347,283</b>
<b>Other</b>	<b>\$160,500</b>	<b>\$101,000</b>
<b>TOTAL REVENUE</b>	<b>\$59,391,364</b>	<b>\$62,404,343</b>

### ► Estimated Impact of Increase on Homeowners:

If your current taxes are:	\$ annual increase would be:
\$500	\$12
\$1000	\$24
\$1,500	\$36
\$2,000	\$48
\$3,000	\$72
\$4,000	\$96
\$5,000	\$120

### ► What is Fund Balance and how is it used?

The fund balance in the School District General Fund is the money kept in reserve that can be used to fund any unexpected cost or needs that arise in the District. Over the years, the District has accumulated a fund balance in anticipation of significant increases in mandated and contractual costs. Approximately \$8.5 million of the fund balance has been earmarked for retirement expenses and debt service reduction. While prudent fiscal management has resulted in a healthy fund balance, repeated draws on the fund to offset the deficit between revenues and expenditures will significantly deplete the fund and leave the District unprepared for unknown expenses that may occur.

### Factors in Creating the Budget:

#### ► Local vs State Revenue Sources

With State and Federal budgets facing more and more cuts, schools are forced to look to local sources for funding. In 2015-16, 75% of the PTSD revenues were funded by local sources. All districts in the State are subject to Act 1 regulations that limit tax increases to a prescribed percent.

#### ► Increases of Retirement Contributions

For the past several years, Districts throughout the state have been preparing for significant increases in contributions to the Pennsylvania State Employee Retirement Systems (PSERS) as is required by law. The District's contribution is expected to increase by more than \$1.5 million in 2016-17. Portions of Fund Balance have been earmarked to help PTSD withstand future increases as well.

#### ► Capital Expenses

We monitor our needs closely and continue to examine ways to creatively approach the way we utilize our current facilities. We are conducting a comprehensive High School Feasibility Study to evaluate the status of the building's systems and functions to determine what, if anything, is necessary to ensure that it meets the needs of our students moving forward.

#### ► Staff Expenses

There are contractual and mandated staff costs that significantly impact the budget of any school, as we are a service industry. In 2016-17, these costs are projected to increase by more than \$1.9 million given contracts projections, health care increases and required retirement contributions.

#### ► Special Education Costs

While the costs associated with educating students with special needs continues to rise, the state reimbursement for services remains flat. In recent years, we have seen steady increases in these areas primarily associated with staffing to meet the needs of the students.