

BUDGET Outlook

Peters Township School District

2017-2018 FINAL BUDGET



► Peters Township School District: By the Numbers

	2016-2017	2017-2018	Change
Expenditures	\$62,404,343	\$64,252,239	\$1,847,896
Revenues	\$62,404,343	\$64,252,239	\$1,847,896
Fund Balance	\$10,585,686	\$10,585,686	\$0
Enrollment	4105	4091 projected	-14
Millage	113.4 mills*	13.19 mills*	0.30 mills

* See Washington Count Reassessment description (below, right).

► The Value of a Mill

Millage: 13.19 mills
Value of each additional mill: \$3,028,515

► District Revenue (by source)

	2016-2017	2017-2018
Local Revenue Real Estate Taxes, Earned Income Tax, Interest Earnings, Real Estate Transfer Tax, etc.	\$46,685,752	\$47,961,374
State Revenue Basic and Special Education Subsidy, Retirement, Accountability Block Grant, Social Security, etc.	\$15,270,308	\$15,958,965
Federal Revenue 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.	\$347,283	\$330,900
Other	\$101,000	\$1,000
TOTAL REVENUE	\$62,404,343	\$64,252,239

► Local Comparison:

School Taxes on a \$300,000 Home



Peters Township	\$3,867
Bethel Park	\$6,863
Mt. Lebanon	\$7,179
Upper St. Clair	\$7,302
South Fayette	\$8,010

Based on 2016-17 millage.

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 2017-18, 75% of the PTSD revenues are 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 struggling with 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 \$488,000 in 2017-18. 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 have completed a High School Feasibility Study, Demographics Study and District-wide Facilities Assessment to evaluate capital project needs.
- **Staff Expenses**
Contracted and mandated staff costs account for the largest part of a district's budget. In 2017-18, these costs are projected to increase by more than \$1.9 million due to contractual obligations, health care increases and required retirement contributions.
- **Washington County Reassessment**
In 2016, Washington County began a reassessment process, impacting all communities in our area. By law, a reassessment cannot result in a windfall for a taxing body. During an assessment year, millage must be adjusted to be revenue neutral. For 2016-2017, the revenue neutral calculation is 12.8818 mills for Peters Township Schools.

► 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.