

BUDGET Outlook

Peters Township School District

2018-2019 FINAL BUDGET



► Peters Township School District: By the Numbers

	2017-2018	2018-2019	Change
Expenditures	\$64,302,239	\$65,850,181	\$1,547,942
Revenues	\$64,302,239	\$65,850,181	\$1,547,942
Fund Balance	\$10,809,708	\$10,809,708	\$0
Enrollment	4070	4058 <i>projected</i>	-12
Millage	13.19 mills	13.50 mills	0.31 mills

► The Value of a Mill

Millage: 13.50 mills

Value of each additional mill: \$3,001,416

► District Revenue (by source)

	2017-2018	2018-2019
Local Revenue Real Estate Taxes, Earned Income Tax, Interest Earnings, Real Estate Transfer Tax, etc.	\$47,961,898	\$49,546,495
State Revenue Basic and Special Education Subsidy, Retirement, Accountability Block Grant, Social Security, etc.	\$15,958,441	\$15,904,614
Federal Revenue Title I, IIA, IID, V, Safe and Drug Free Schools, ACCESS Reimbursement, etc.	\$380,900	\$398,068
Other	\$1,000	\$1,000
TOTAL REVENUE	\$64,302,239	\$65,850,181

► Local Comparison:

School Taxes on a \$300,000 Home



Peters Township	\$3,957
Bethel Park	\$6,863
Mt. Lebanon	\$7,179
Upper St. Clair	\$7,547
South Fayette	\$8,010

Based on 2017-18 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. For the coming year, we are once again expecting flat state funding. In 2018-19, 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.

► Increasing Expenses

Contracted and mandated staff costs account for the largest part of a district's budget. In 2018-19, these costs are projected to increase by more than \$969,183 million due to contractual obligations, health care increases and required 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 \$150,000 in 2018-19. Portions of Fund Balance have been earmarked to help PTSD withstand future increases.

► New High School Plans

In July 2018, the District will begin construction of the new High School. Overall, the \$95 million project will result in a total increase of 1.57 mills spread over five years. The Board's financing strategy allows the District to fund the new school while remaining significantly below the millage rates of nearby comparable districts. For more detailed information on the finances of the project, please visit the District website - www.ptsd.k12.pa.us/New_PTHS.aspx

► Capital Expenses

With the High School project on the horizon, we continue to monitor our needs closely for all District facilities and examine ways to creatively approach the way we utilize our current facilities to best meet the needs of all students.

► 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 would significantly deplete the fund and leave the District unprepared for unknown expenses that may occur.