2017-2018 Budget

Kutztown Area School District
January 9, 2017
To Do List

• **Preliminary Budget or Opt Out Resolution**
  
  • The Board may choose to pass the **Opt Out Resolution**
  
  • Opt Out Resolution must be passed by 1/26/17
    
    • The Resolution states that the District will not raise taxes beyond the Index
    
    • Index for 2017-18 is 2.5%
• Or

• If we do not pass the Opt Out Resolution we must pass a **Preliminary Budget**
  
  • This gives us the option to raise taxes by both the Index and the Retirement Exception amounts.

• Preliminary Budget must be passed by 2/15/17
  
  • Must be available for public inspection by 1/26/17
  
  • Must publish Notice of Intent to Pass by 2/5/17
• When do we make the decision?
  • Tonight?
  • Board Meeting next week?
Where Are We

Assuming no tax increase:

• Revenue         $31,306,668
• Expenditures $32,344,116
• Deficit of       $1,037,448
Revenue Possibilities

- Raising taxes by index (2.5%) would add an additional $487,855 of Revenue
  - Millage would rise from 29.9543 to 30.7032; an increase of .7489 mils
  - Tax bill on $100,000 assessment would increase $74.89
- Raising taxes by Retirement Exception would add approximately $115,000
  - .1771 mils
No Capital Budget Numbers Included So Far

• Capital Budget Discussions are Still to Come
  • Will begin discussion at January Facilities Committee meeting
    • Will present starting point for 5 year Capital Plan
  • Best guess at this point:
    • $450,000 ???
  • Will it come from Fund Balance?
  • Stadium improvements are not included in this number as cost of that will be reflected in the Debt Service budget line.
Some Capital Budget Items

- HVAC units in KHS E Wing
- Replace water softeners in Admin, GES, KES; existing softeners are from 2000 renovation
- Replace ceiling tile KHS
- LED lighting in KHS auditorium
- Install security cameras in all buildings
More Capital Budget Items

- VOIP phone system
  - Buy? Lease?
  - Partial install year by year or all at once?
- Replace Toro mower
- Replace dump truck and plow
Fund Balance Part I

- Fund Balance 6/30/16 $6,748,022
  - Unassigned is $2,580,124 (8%)
- Deficit in 2016-17 Budget $1,252,053
- Projected Fund Balance 6/30/17 is $5,495,969
  - Have historically come in under budget, so this is worst case scenario
Fund Balance Part II

• Unassigned Fund Balance should be between 5% and 8%. If Expenditure Budget for 2017-18 is $32,300,000

  • 5% is $1,615,000
  • 8% is $2,584,000
Other Considerations

• $115,147 currently in Committed Fund Balance as Further Development of KVA
  • Board could re-purpose this amount for another use

• Anticipate $100,000+ transfer from Food Service Fund to reimburse General Fund for renovation.

• Title I and Title II Federal Grants
  • Revenue budget includes $255,334 from these Grants
  • Future of these amounts unclear with new Presidential Administration
More Considerations

• Anticipate $55,390 for new textbooks. Not included in numbers given tonight.

• Added $10,000 to Athletics Budget for Transportation costs

• Include Budgetary Reserve amount in Final Budget?

• Athletic Coaching Salaries Review
And Now Back to the To Do List

Opt Out Resolution or Preliminary Budget?