



Board Meeting

June 4, 2018



Agenda

1. Current budget status
2. Budget options
3. Recap

Good News and Bad News

- Good News (kind of) - Health Insurance increase lowered from 10.5% to 9.5%.
 - Lowers expenses by \$22,284
- Bad News - Dental Insurance increase of 27%.
 - Increases expenses by \$8,767.
- More bad news - additional Cyber Charter School students
 - Increases Expenses by \$57,941

Current Budget Status

Item	2018-19
Revenue	\$32,410,146
Expenses	33,304,231
<i>Excess (Deficit)</i>	<i>(894,085)</i>

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Revenue	\$32,410,146
Expenses**	33,304,231
<i>Excess (Deficit)</i>	<i>(894,085)</i>
<i>Use Committed FB</i>	
PSERS	334,392
Capital Projects	301,267
KVA	44,211
Remaining	(214,216)

*****Includes Budgetary Reserve of \$169,792***

Fund Balance History and Forecast

	6/30/17	6/30/18 Est	6/30/19 Est
Bottom Line Excess/(Deficit)	(565,391)	(700,408)	(894,085)
Prepays	8,003	25,000	25,000
Committed Fund Balance:			
Capital Projects	2,003,162	1,556,895	1,280,408
PSERS	668,783	336,890	2,498
Due BCTC	56,613	28,307	0
KVA	115,147	44,211	0
Assigned Fund Balance	778,160	894,085	750 000
Unassigned Fund Balance	2,552,763	2,596,835	2.530,232
Total Fund Balance	6,182,631	5,482,223	4,588,138

Budget Drivers

1. Salaries & Benefits- 69.85%
 - a. Retirement contribution (PSERS)- 14.08%
2. Charter Schools- 4.23%
3. Expenses continue to exceed revenue

Year	PSERS Rate	Expense
2008-09	.0476	680,167
2009-10	.0478	647,931
2010-11	.0564	726,451
2011-12	.0865	1,140,890
2012-13	.1236	1,589,076
2013-14	.1693	2,235,187
2014-15	.2140	2,843,285
2015-16	.2584	3,453,022
2016-17	.3003	4,074,182
2017-18	.3257	<i>4,269,974 projection</i>
2018-19	.3343	4,681,689 budget

Year	Hlth Insur Expenses	Rate Increase
2008-09	\$2,291,369	-0.52%
2009-10	\$2,441,909	8.89%
2010-11	\$2,244,367	5.96%
2011-12	\$2,438,731	2.00%
2012-13	\$2,469,969	9.00%
2013-14	\$2,524,542	5.50%
2014-15	\$2,582,196	3.00%
2015-16	\$2,636,515	3.00%
2016-17	\$2,722,708	6.50%
2017-18	\$2,736,034 est	1.50%
2018-19	\$2,952,486 Bdgt	9.50%

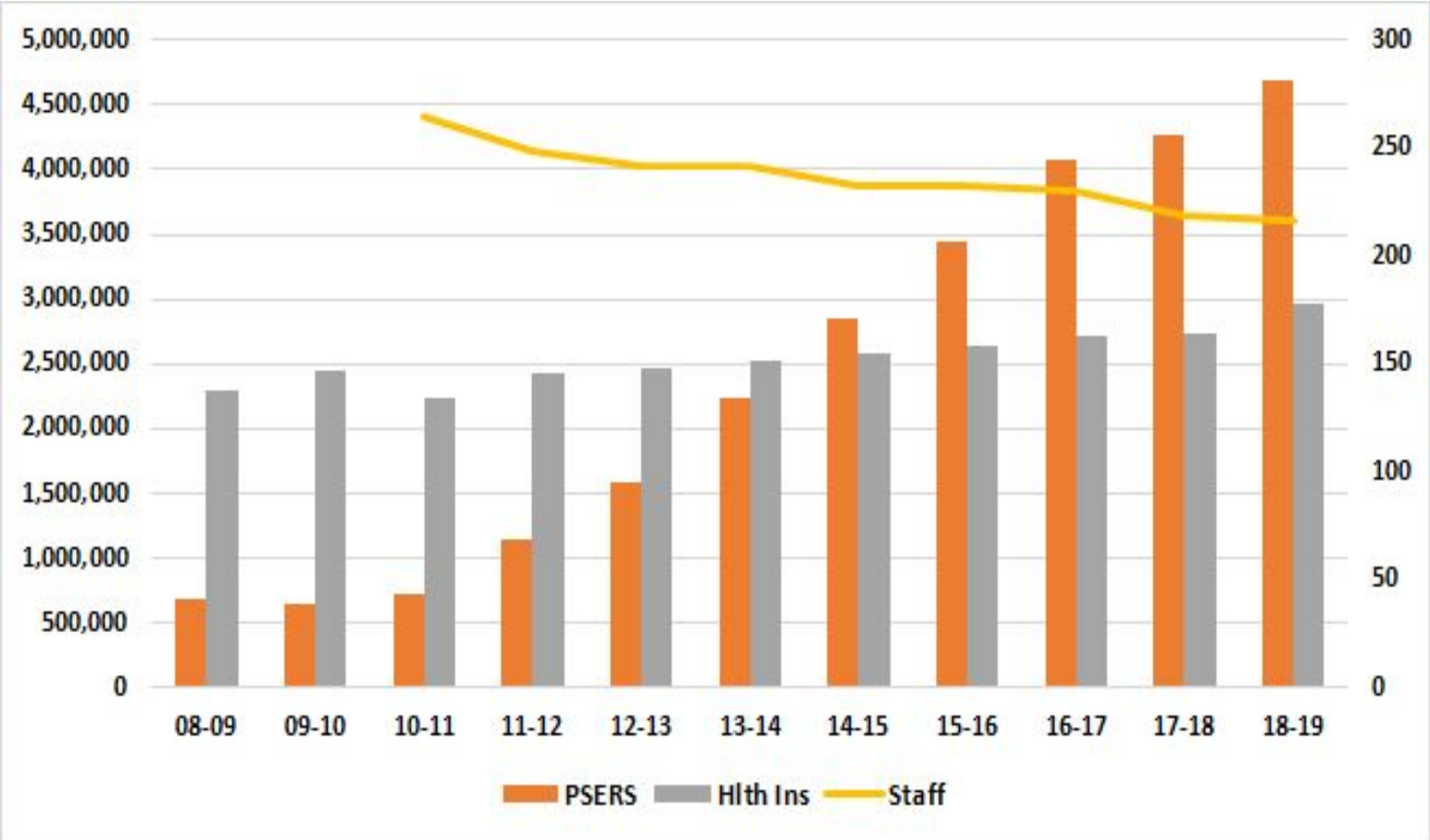
Staffing vs Enrollment

Year	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	TOTAL
All Staff	265	248	241.75	241.75	232.81	233	230	219	216	
% Change		-6.42%	-2.52%	+0.01%	-3.71%	+0.08%	-1.29%	-4.78%	-1.37%	-18.49%
Teachers	146	134	131.75	133.78	131.81	134	132	128	126	
% Change		-8.22%	-1.68%	+1.54%	-1.47%	+1.66%	-1.49%	-3.03%	1.56%	-13.70%
Enrollment	1555	1490	1470	1415	1359	1337	1315	1306	1307	
% Decrease		-4.18%	-1.34%	-3.74%	-3.96%	-1.62%	-1.65%	-0.68%	-0.08%	-15.95%

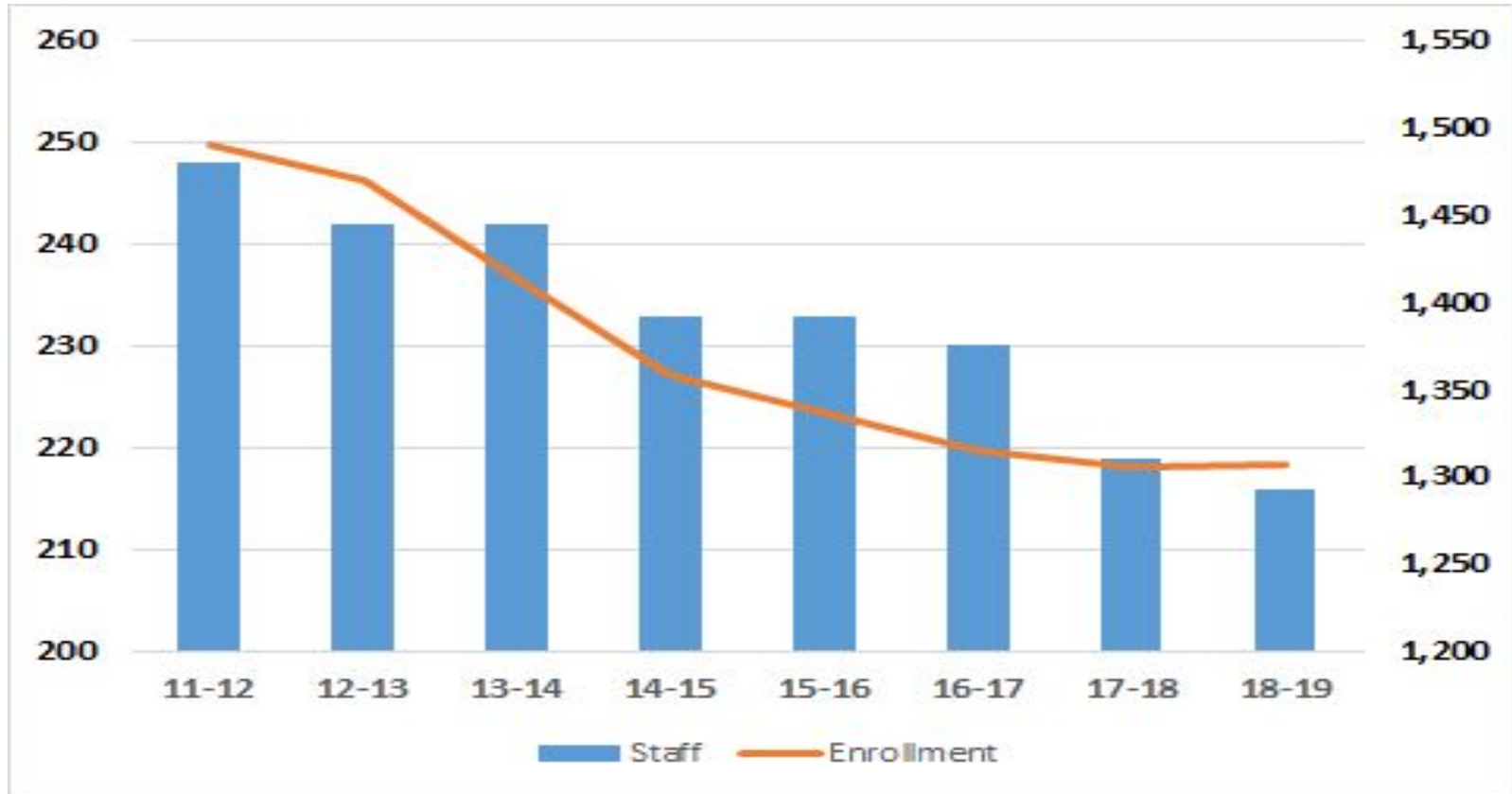
2-Year Staffing vs Enrollment

Year	16-17	17-18	18-19	TOTAL %	TOTAL #
All Staff	230	219	216		
Change		-4.78%	-1.37%	-6.15%	-14 Staff
Teachers	132	128	126		
Change		-3.03%	1.56%	-4.59%	-6 Teachers
Enrollment	1315	1306	1307		
Decrease		-0.68%	-0.08%	-0.76%	-8 Students

PSERS, Health Insurance, Staffing



Staffing vs Enrollment



Charter Schools

- Total cost ~\$1,460,000
- 67 students
 - 35 students Circle of Seasons
 - 30 students in cyber schools
 - 4 Lehigh Valley Performing Arts Academy
- 4.23% of the budget
- Cost per pupil for 2017-18
 - Regular education- \$17,975
 - Special education- \$38,552
- Transportation costs not factored

Option 1- Proposed Final Budget Millage

approved 5.7.2018 (includes new group insurance and cyber charter expenses)

- New revenue of \$156,253 with proposed tax increase of .2331 mils
- Proposed millage 30.1874
 - Formerly 29.9543
- Property assessed at \$100,000 sees a tax increase of \$23.31 per year or \$1.94 per month.
- Increase of 0.78%

Option 2- Cover Add'l Exp with Added Mils

(includes new group insurance and cyber charter expenses)

- New revenue of \$200,696 with tax increase of .2994 mils
- Proposed millage 30.2537
 - Formerly 29.9543
- Property assessed at \$100,000 sees a tax increase of \$29.94 per year or \$2.50 per month.
- Increase of 1%

Possible Expense Reductions

- Capital Projects Budget Safety Flashers= **\$44,000**
- Technology Department= **\$10,000**
- Greenwich Elementary= **\$1,000**
- Kutztown Elementary Movie License/PSSA Snacks= **\$685**
- Kutztown Area Middle School Supplies= **\$3,319**
- Kutztown Area High School Transportation= **\$4,800**
- Superintendent's Office= **\$2,500**
- Pupil Services Supplies & Software= **\$3,580**

Proposed Reductions= \$69,884

Option 3- Proposed Final Budget Mils w/ Exp Reduced

(includes new group insurance and cyber charter expenses)

- New revenue of \$156,253 with tax increase of .2331 mils
- Expenses reduced by \$69,884 (see next slide)
- Proposed millage 30.1874
 - Formerly 29.9543
- Property assessed at \$100,000 sees a tax increase of \$23.31 per year or \$1.94 per month.
- Increase of .78%

Option 4- Expense Reduction and Smaller Tax Increase

(includes new group insurance and cyber charter expenses)

- New revenue of \$78,093 with tax increase of .1165 mils
- Expenses reduced by \$69,884 (see previous slide)
- Proposed millage 30.0708
 - Formerly 29.9543
- Property assessed at \$100,000 sees a tax increase of \$11.65 per year or \$0.97 per month.
- Increase of .39%

Option 5- Expense Reduction and No Tax Increase

(includes new group insurance and cyber charter expenses)

- Expenses reduced by \$69,884 (see previous slide)
- Millage remains 29.9543

Summary of Options

	Proposed Final Budget mils	Option 2	Option 3	Option 4	Option 5
	Increase by 0.2331 mils Total 30.1874	Increase by 0.2994 mils Total 30.2537	Increase by 0.2331 mils Total 30.1874 Exp Reduced	Increase by 0.1165 mils Total 30.0708 Exp Reduced	No millage increase Total 29.9543 Exp Reduced
Revenue	32,410,146	32,454,589	32,410,146	32,331,986	32,253,893
Expenses	33,304,231	33,304,231	33,234,347	33,234,347	33,234,347
Bottom Line	(894,085)	(849,642)	(824,201)	(902,361)	(980,454)
Fund Bal 6/19	4 588 138	4 632 581	4 658 022	4 579 862	4 501 769

Final Budget Approval

- Goal is to finalize and approve the budget at June 11th Budget and Finance Committee Meeting.