

2014-2015 Budget and Finance Overview

March 18, 2014



Our purpose is to provide a clear understanding of public school funding and the current financial picture of the Plum Borough School District

Challenging Economic Times

- Across PA - increased class sizes, staff reductions, furloughs, reduced course offerings, deferred preventative maintenance, and general practice of doing more with less.
- Plum is not immune to this challenging financial situation.
- We are in Year 4 of flat or decreased funding and increasing costs.



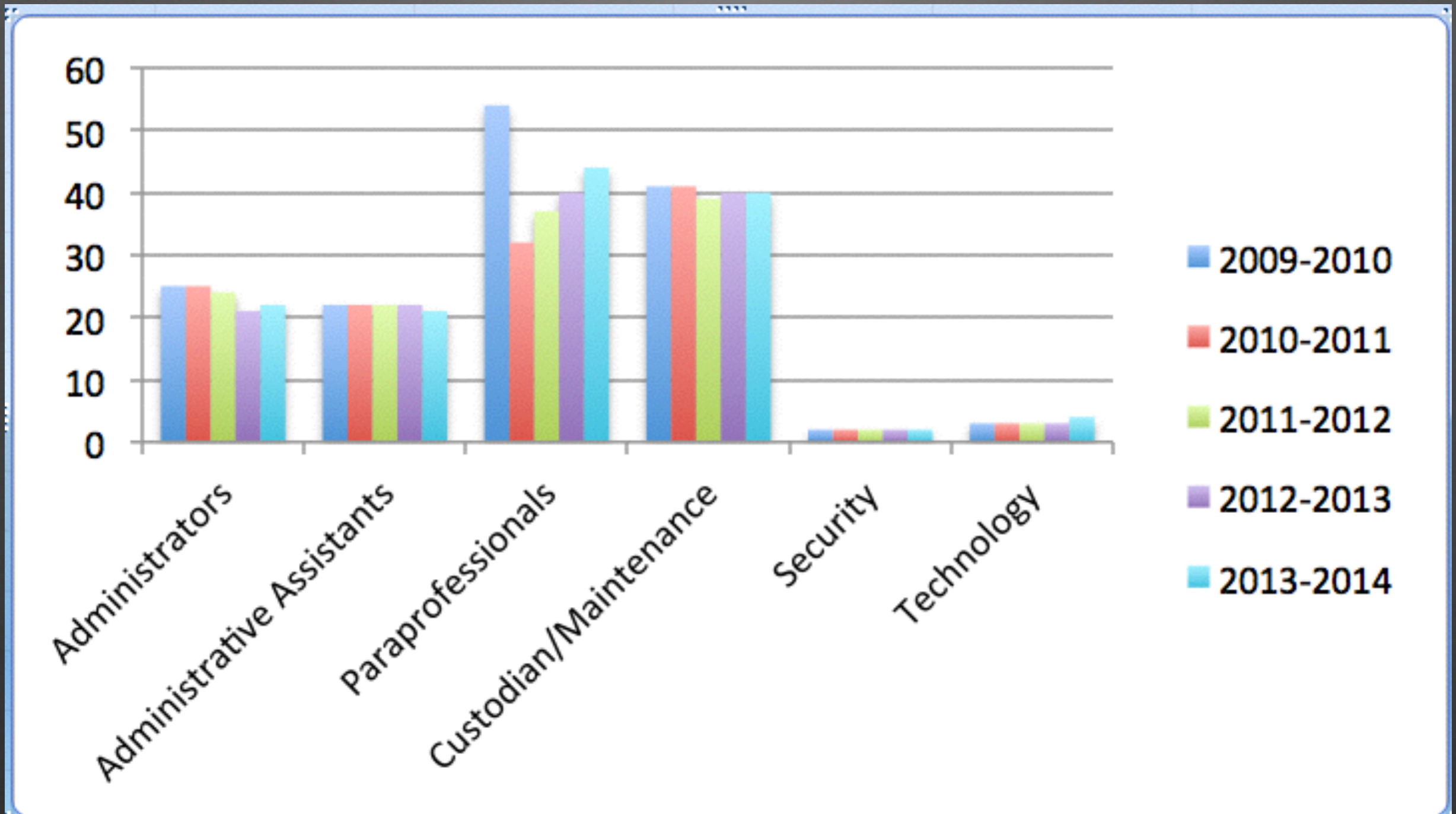
Background



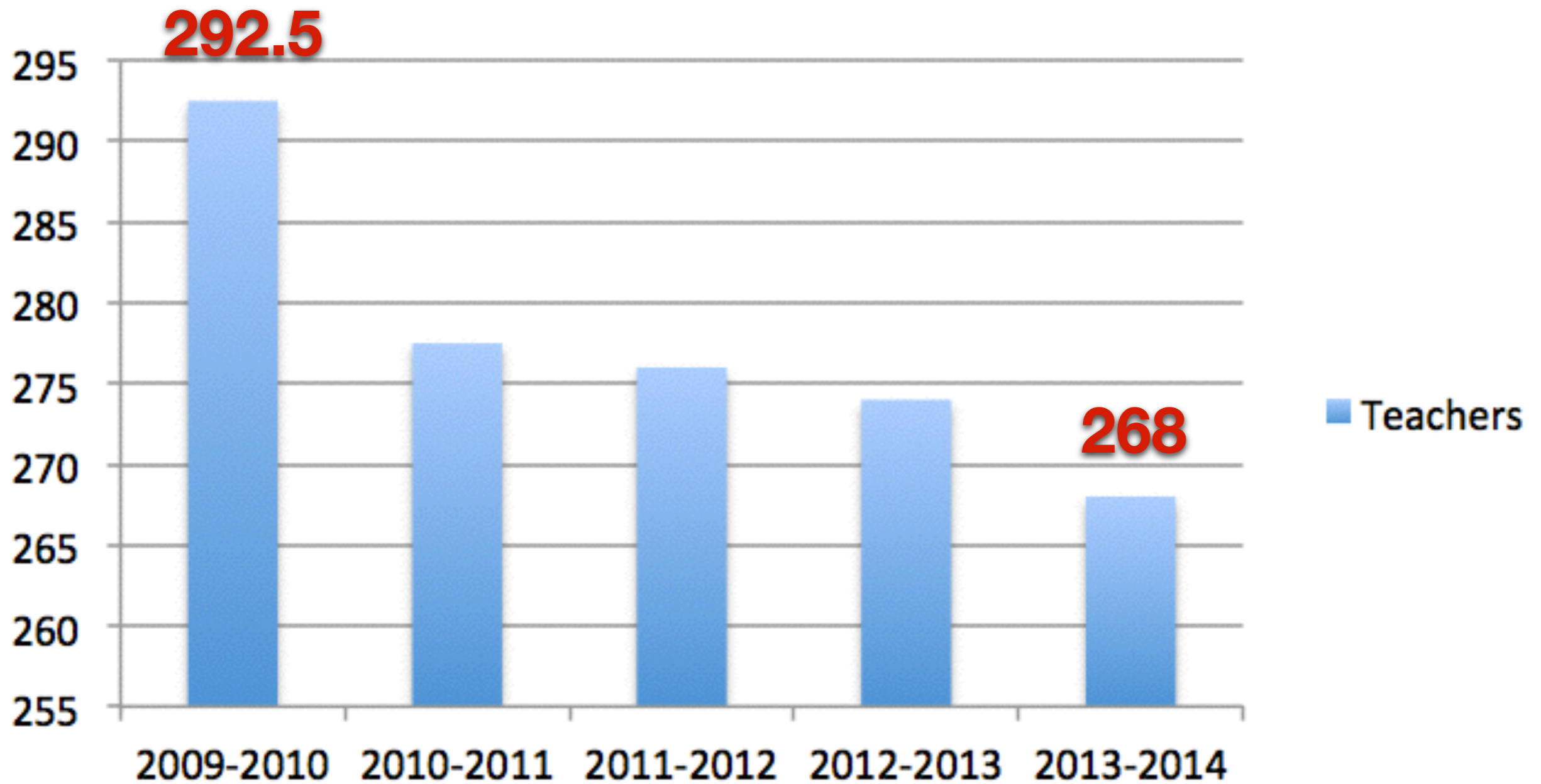
Overview

- 28,000 residents over 29 square miles
- \$58 million budget
- 724,000 square feet under roof
- 8 buildings
- 174 acres
- 528 full-time and part-time employees

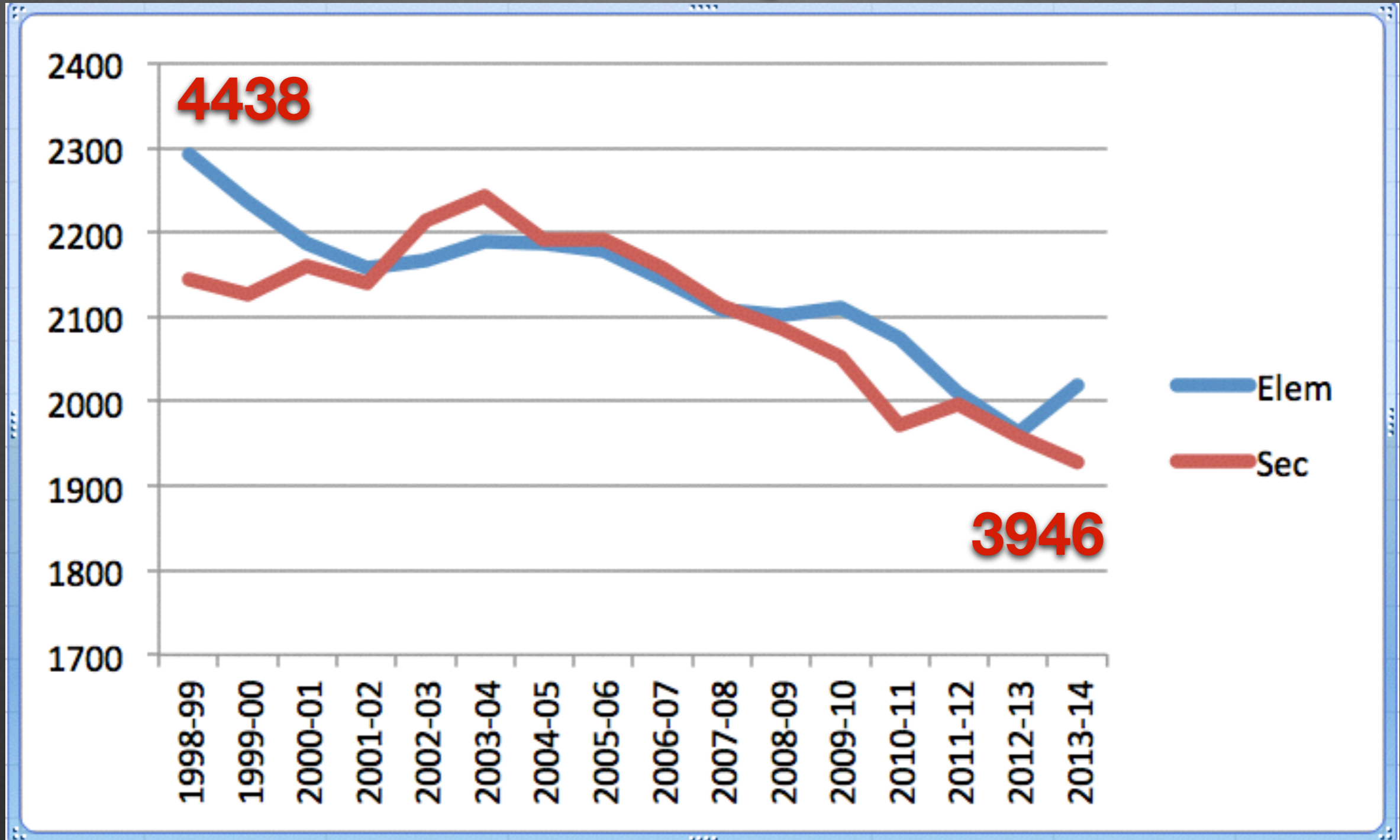
Number of Employees



Teachers



Student Population

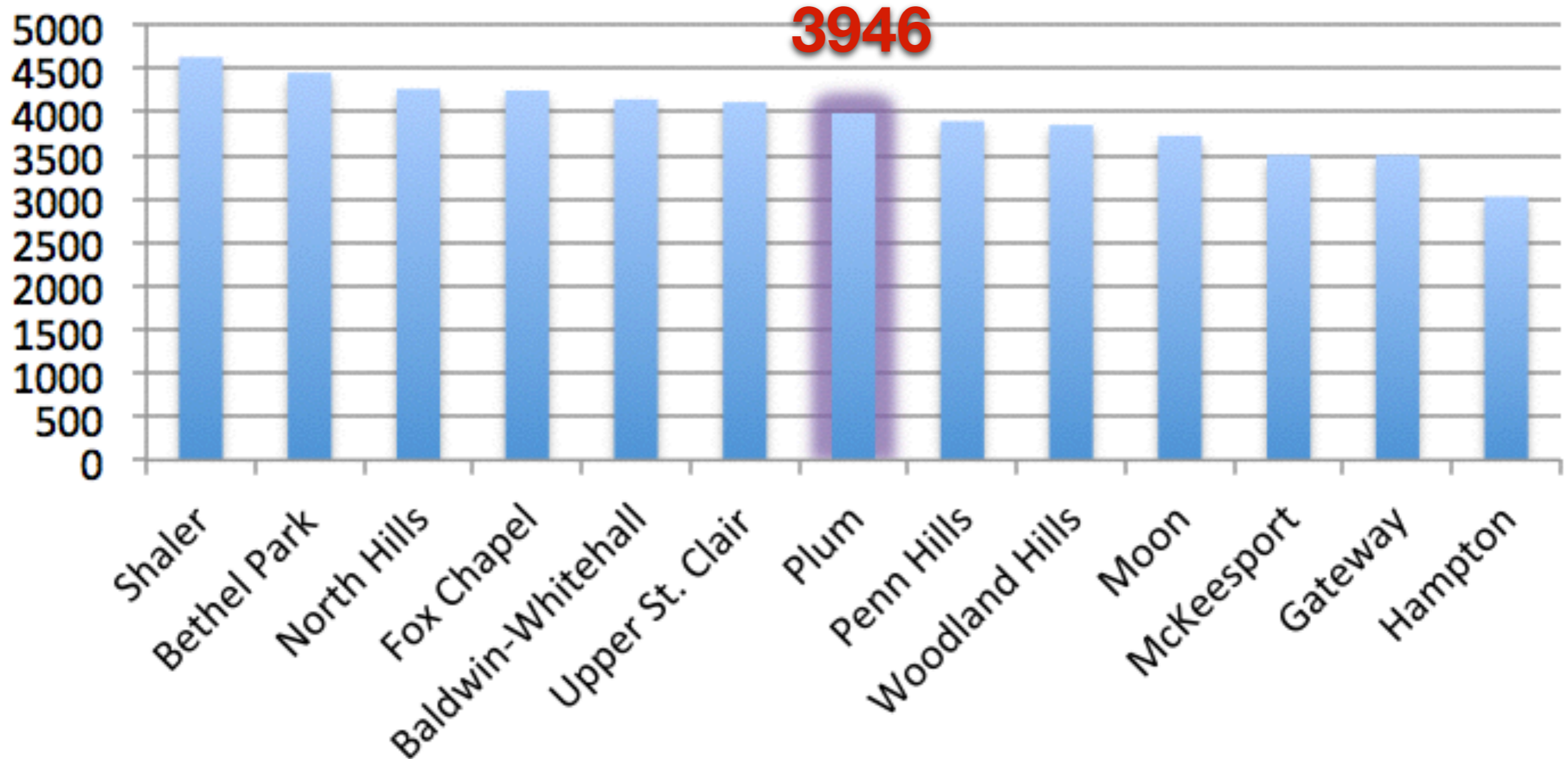


Comparisons

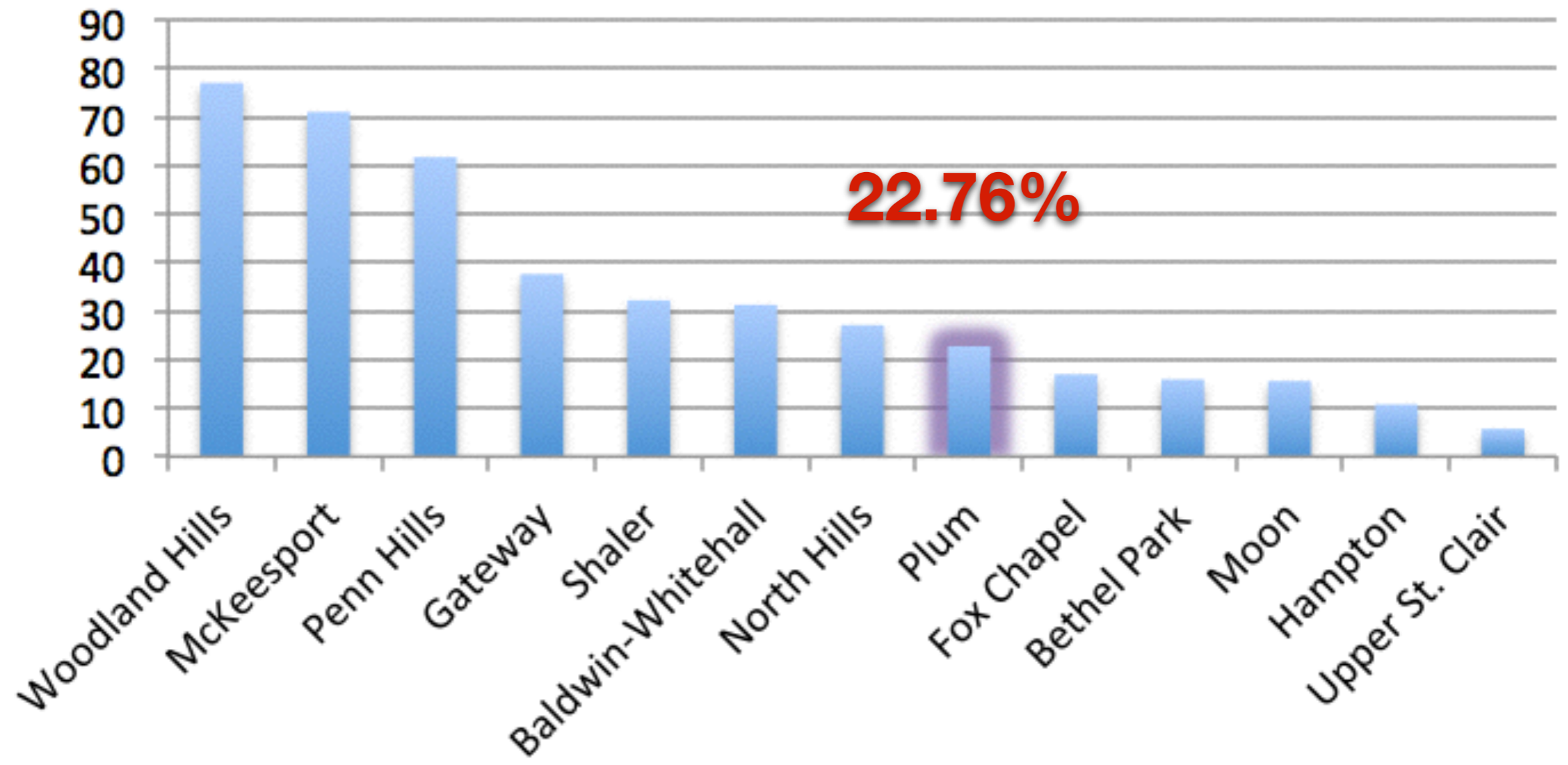


Comparable Communities	Municipal Millage	School District Millage	Equalized Mills	Enrollment	MV/PI Aid Ratio	Market Value	Personal Income	Elem Per Pupil Expend	Sec Per Pupil Expend
Baldwin-Whitehall	5.41-7.80-4.32	19.61	28.6	4145	0.5826	\$1,313,685,172.00	\$817,519,076.00	\$8,921.50	\$9,645.56
Bethel Park	1.98	21.8593	26.9	4451	0.481	\$1,932,449,781.00	\$967,834,112.00	\$11,247.75	\$10,903.31
Fox Chapel	4.86-8.895-2.16- 2.71-1.725-6.47	18.4475	23.8	4247	0.2312	\$2,690,039,034.00	\$1,814,935,176.00	\$11,692.27	\$14,048.60
Gateway	5.75-2.431	18.8919	23	3505	0.4339	\$2,006,745,833.00	\$737,580,010.00	\$9,493.37	\$14,725.05
Hampton	2.4026	17.59	24	3028	0.4350	\$1,259,210,484.00	\$795,430,047.00	\$9,312.56	\$9,298.33
McKeesport	7.03-7.00-4.66-4.26- 16.50-2.90	15.22	20.5	3507	0.7894	\$637,508,172.00	\$403,664,708.00	\$7,461.36	\$8,826.65
Moon	6.40-2.48	18.1167	25.4	3727	0.4165	\$1,771,277,784.00	\$866,748,437.00	\$10,038.37	\$10,528.97
North Hills	2.70-5.40	17.06	24	4264	0.3873	\$2,147,932,866.00	\$1,069,427,415.00	\$10,370.52	\$10,859.17
Penn Hills	5.444	23.47	30.2	3894	0.6466	\$1,270,129,744.00	\$723,596,361.00	\$11,602.77	\$10,833.65
Plum	4.3	18.758	27.1	3986	0.6323	\$1,104,105,419.00	\$691,237,125.00	\$8,780.88	\$9,357.25
Shaler	8.25-8.50-4.47-2.49- 5.10	20.76	30.5	4630	0.5892	\$1,498,339,228.00	\$901,946,576.00	\$9,366.03	\$10,260.73
Upper St. Clair	3.83	21.413	28.2	4113	0.1520	\$1,599,460,490.00	\$1,222,326,039.00	\$11,324.65	\$10,426.25
Woodland Hills	11.15-6.205-6.90- 4.23-11.89-4.15- 8.00-11.00-9.6928- 7.04-7.75-4.674	21.8	30.3	3850	0.5854	\$1,493,743,997.00	\$964,970,147.00	\$9,464.12	\$10,552.80

Enrollment

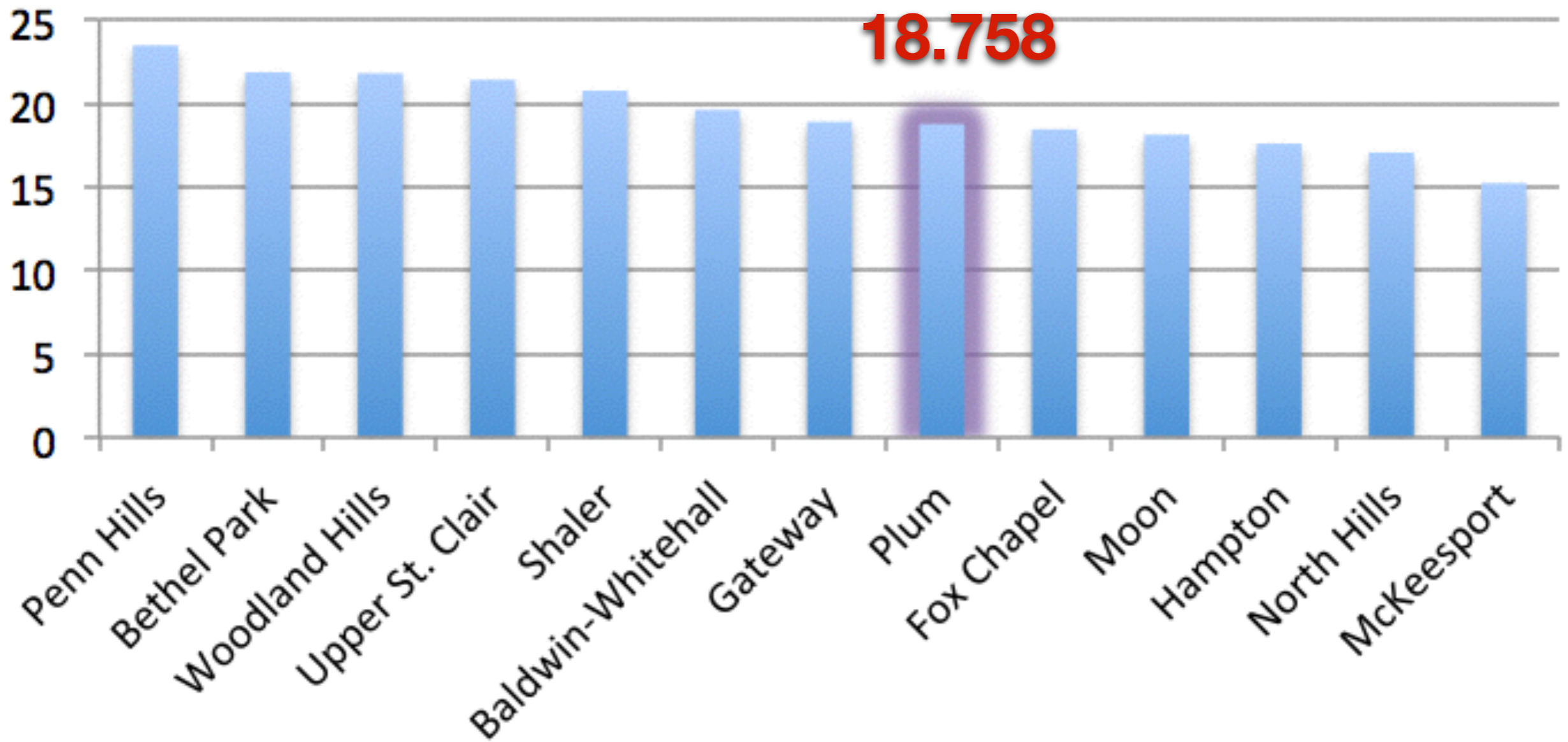


Percent Economically Disadvantaged



2013-2014

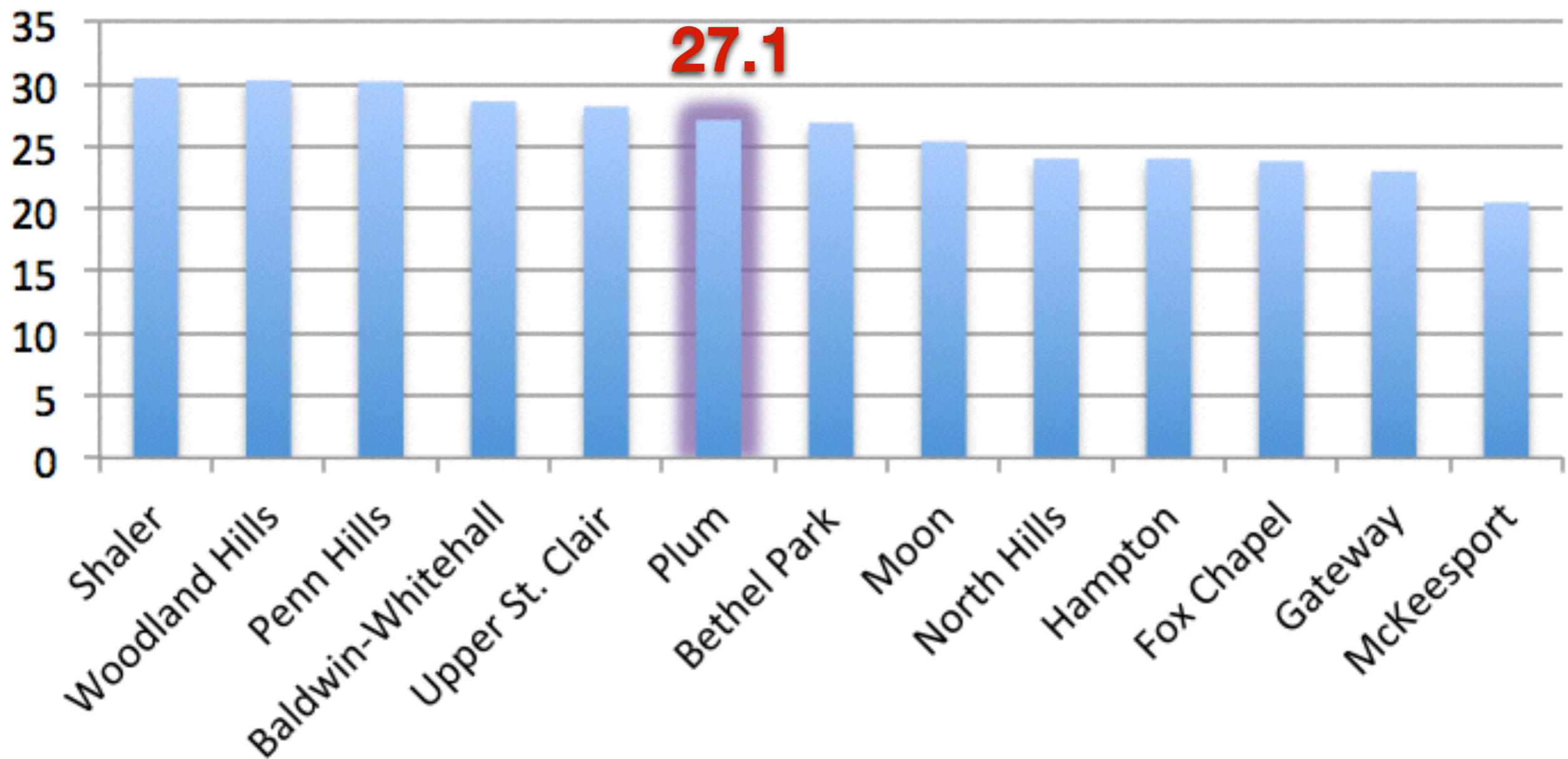
School District Millage



Equalized Millage

- Total taxes collected divided by the taxable market value as certified by the State Tax Equalization Board
- **Higher mills ranking indicates a greater taxation effort on part of the taxpayers**
- Higher equalized mills indicates a decreased ability to raise additional funds

Equalized Mills



MV/PI Aid Ratio

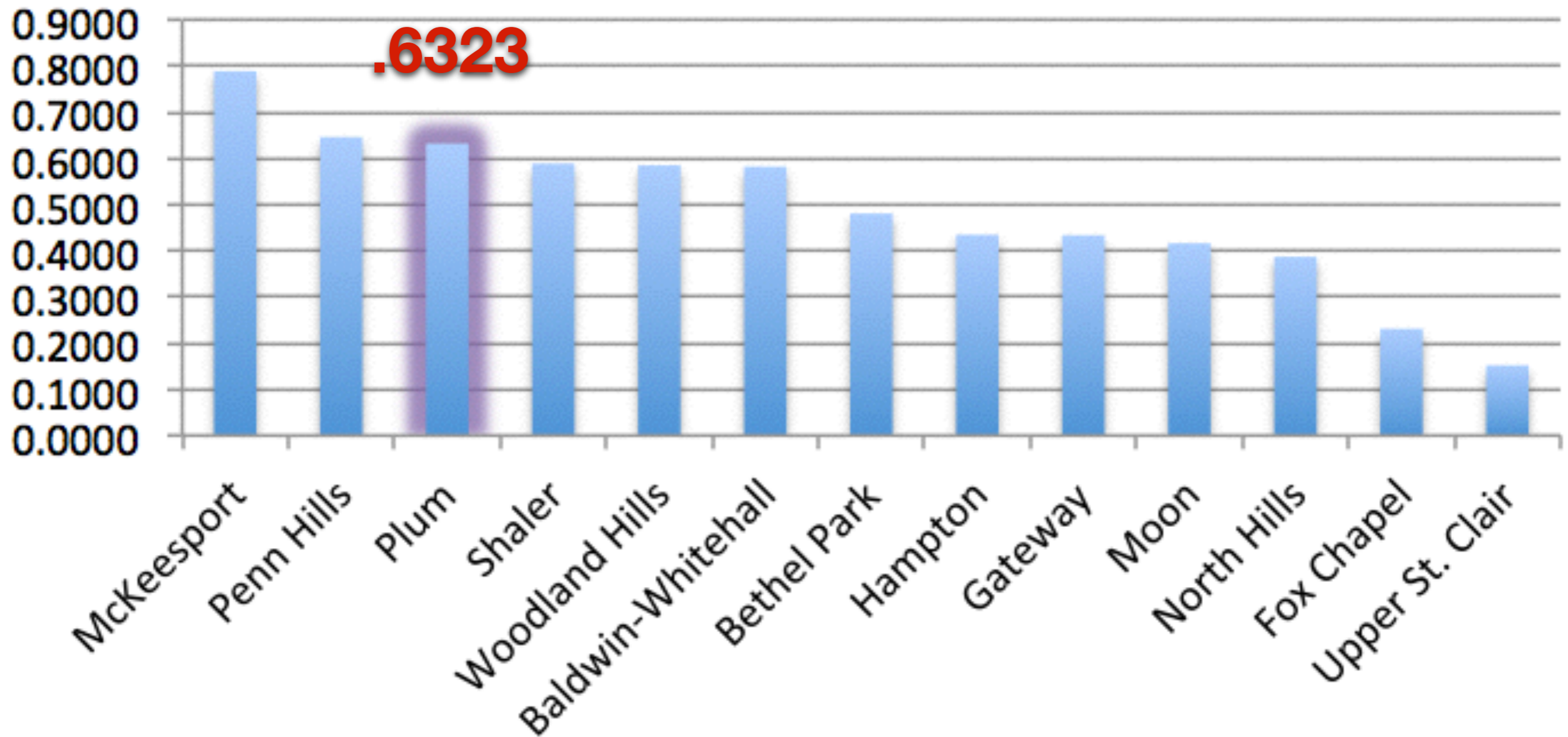
- Higher the ratio the greater the taxation effort or burden on a community
- Used in BEF calculation, relative wealth
- Range .0 to 1.0

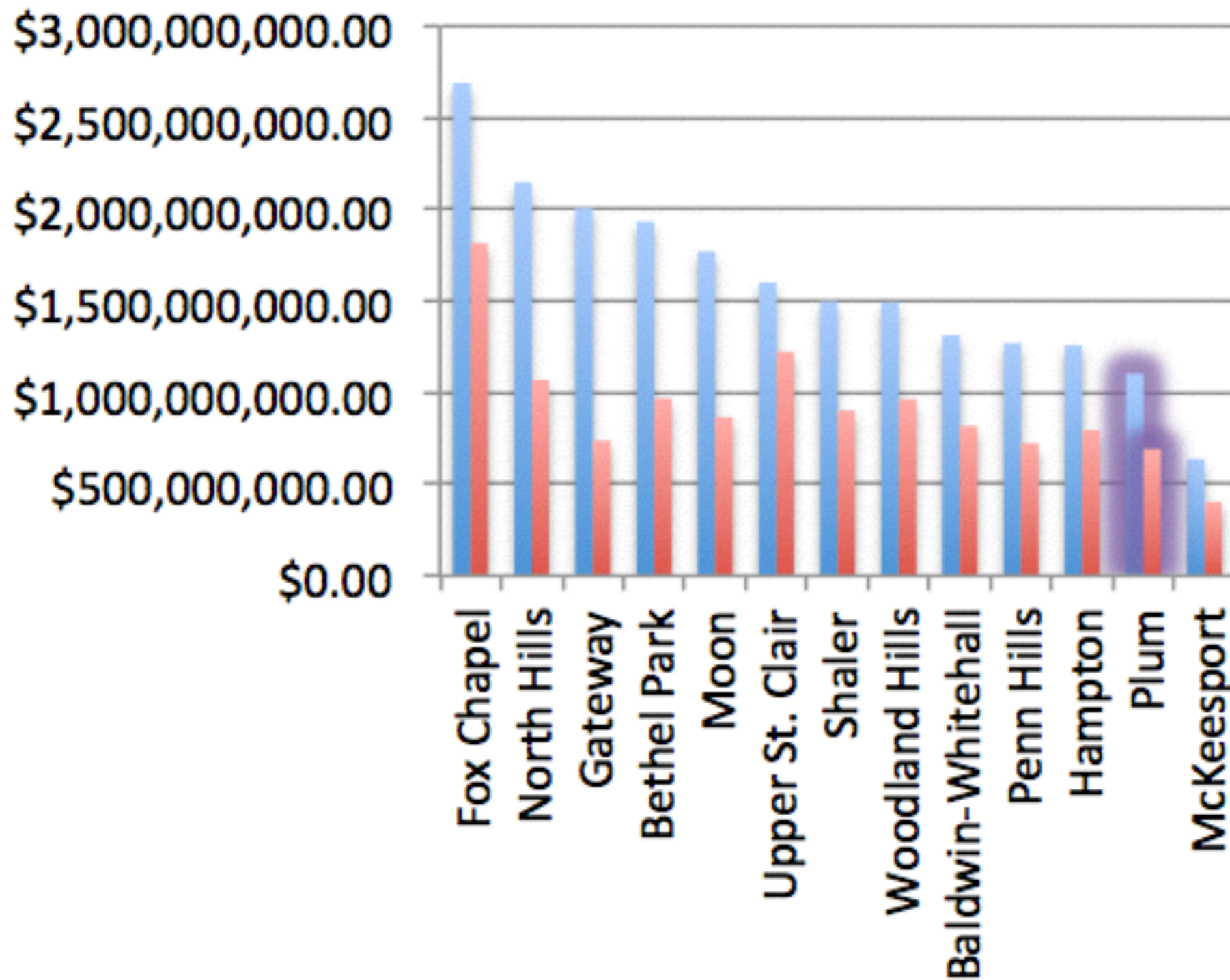
$$\frac{\text{SD MV/SD WADM}}{\text{PA TOTAL MV/PA TOTAL WADM}} = * 0.5$$

$$\frac{\text{SD PI/SD WADM}}{\text{PA TOTAL PI/PA TOTAL WADM}} = * 0.5$$

$$(0.6 * \text{MV AR}) + (0.4 * \text{PI AR}) = \text{MV/PI AID RATIO}$$

MV/PI Aid Ratio

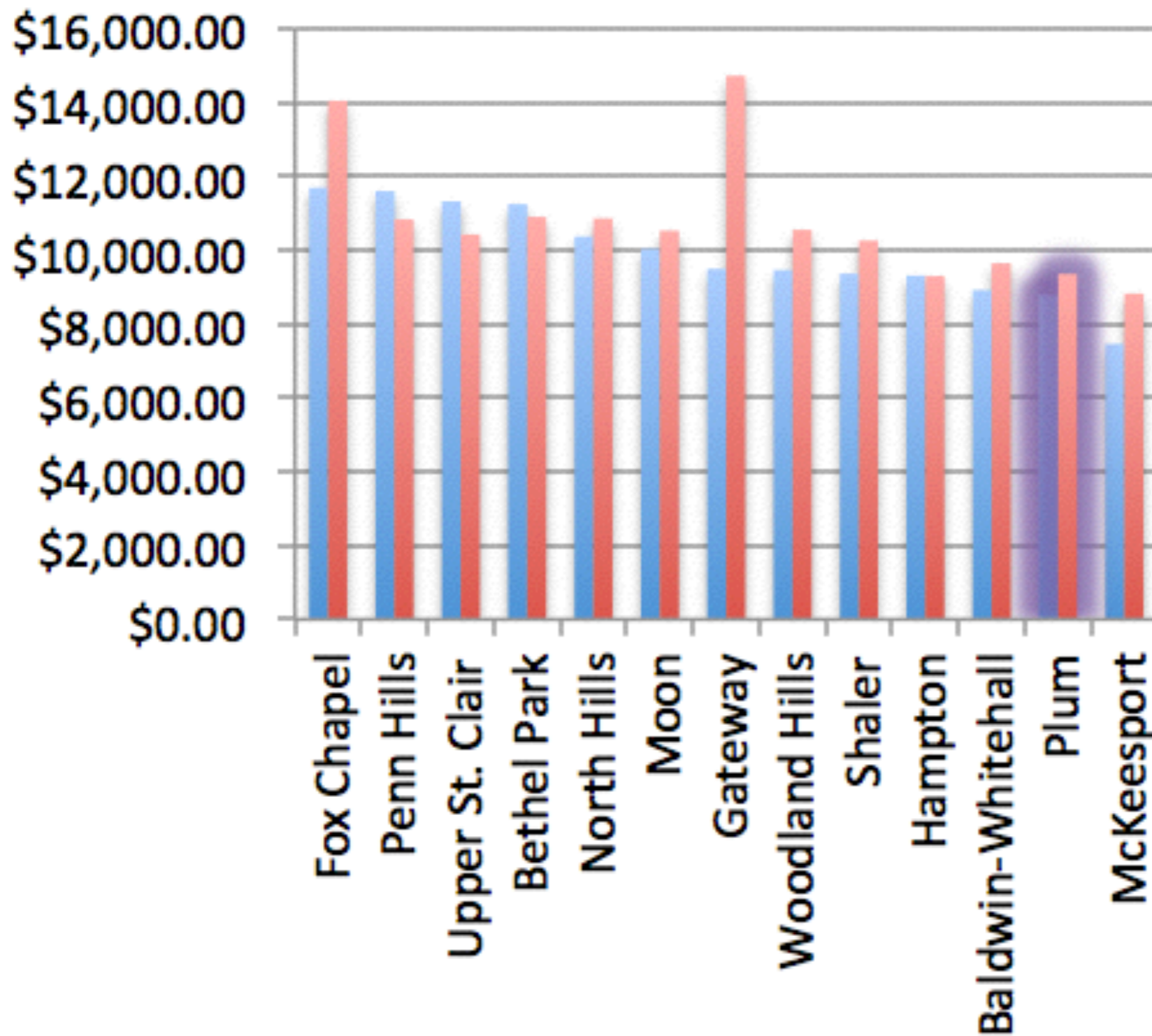




\$1.1 Billion

■ Market Value
■ Personal Income

\$691 Million



\$8781

■ Elem Per Pupil Expend

■ Sec Per Pupil Expend

\$9357

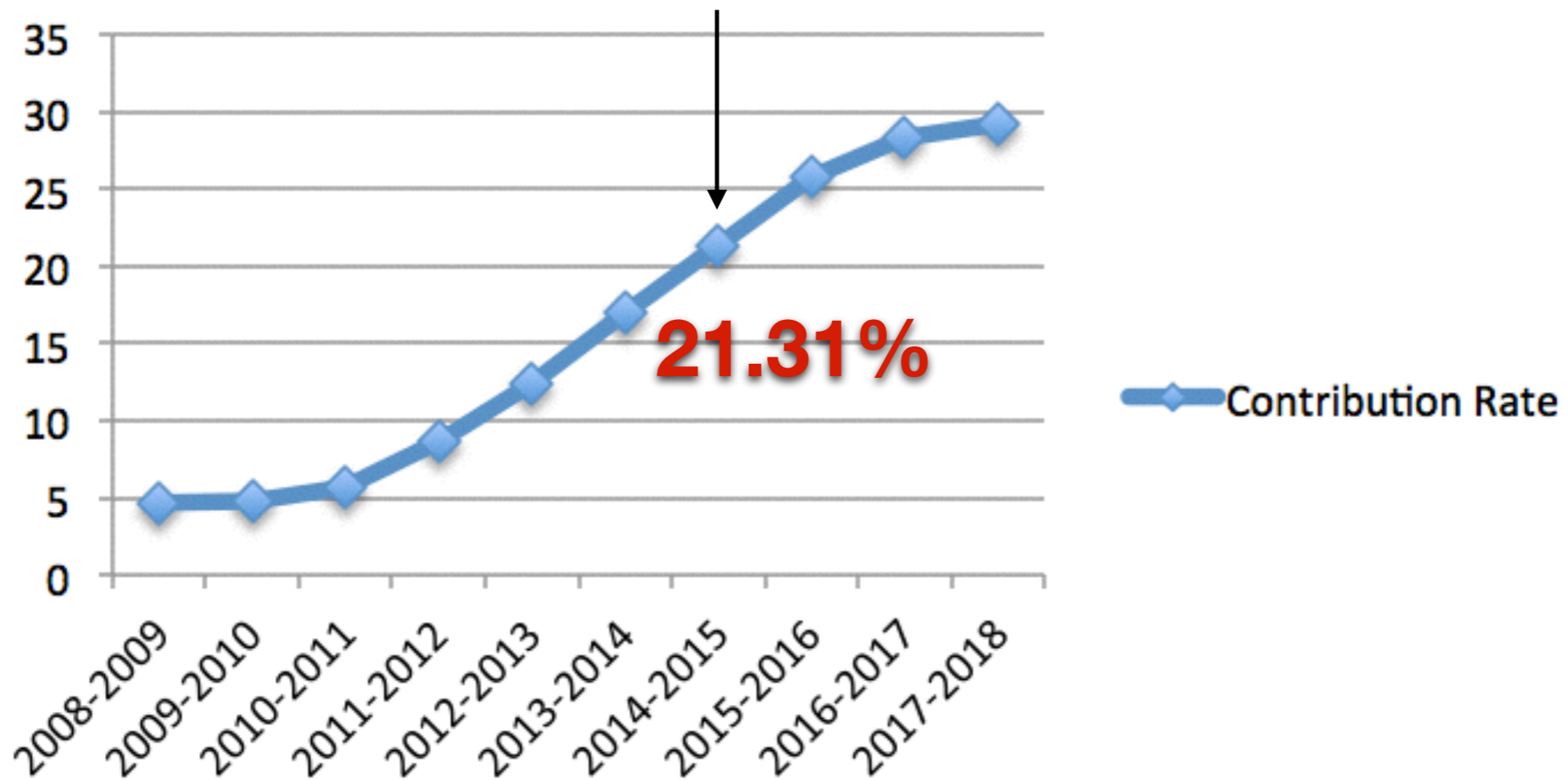


Expenses

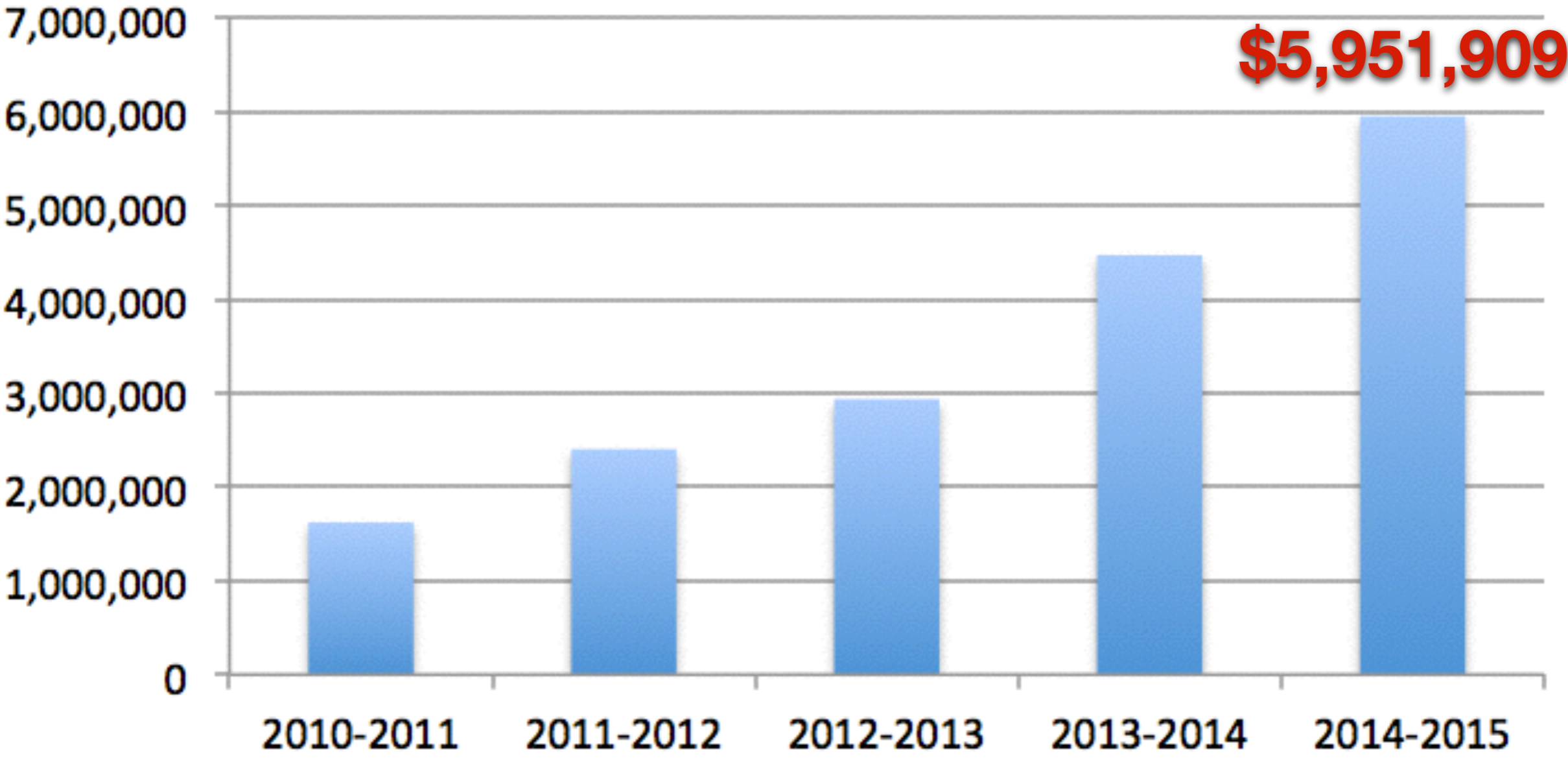


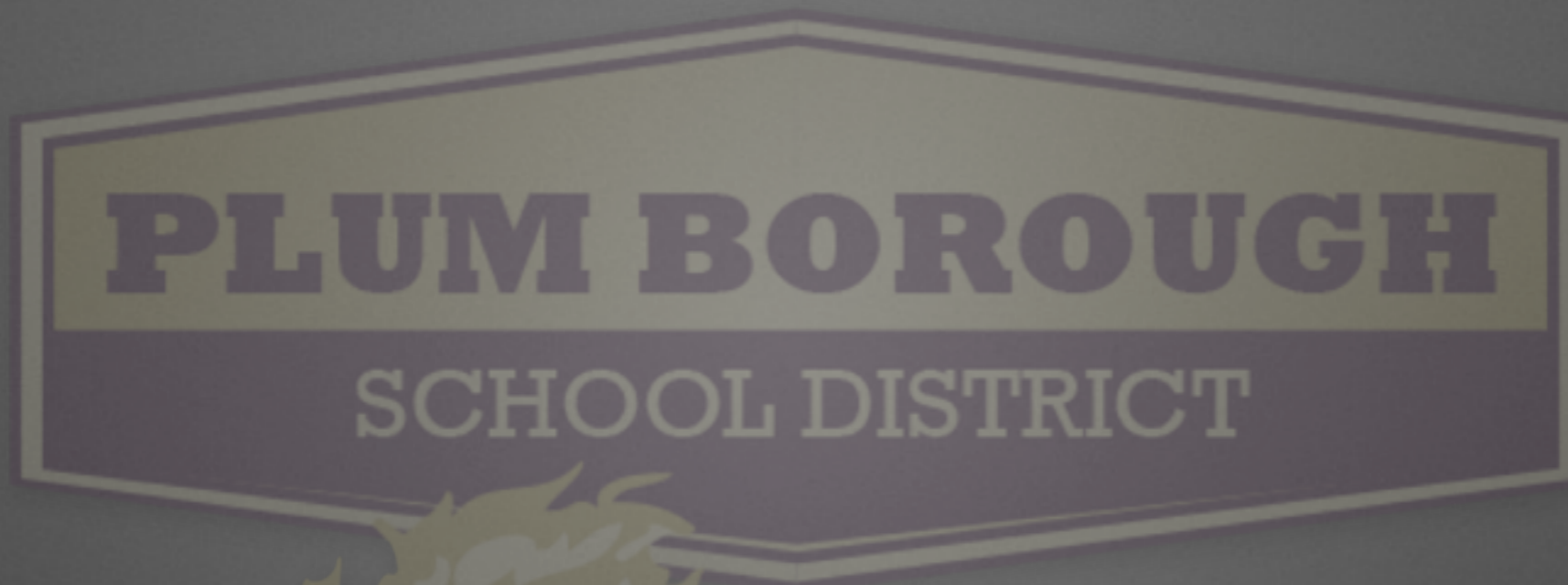
PSERS Cost Increases

PSERS Contribution Rate (Percent)



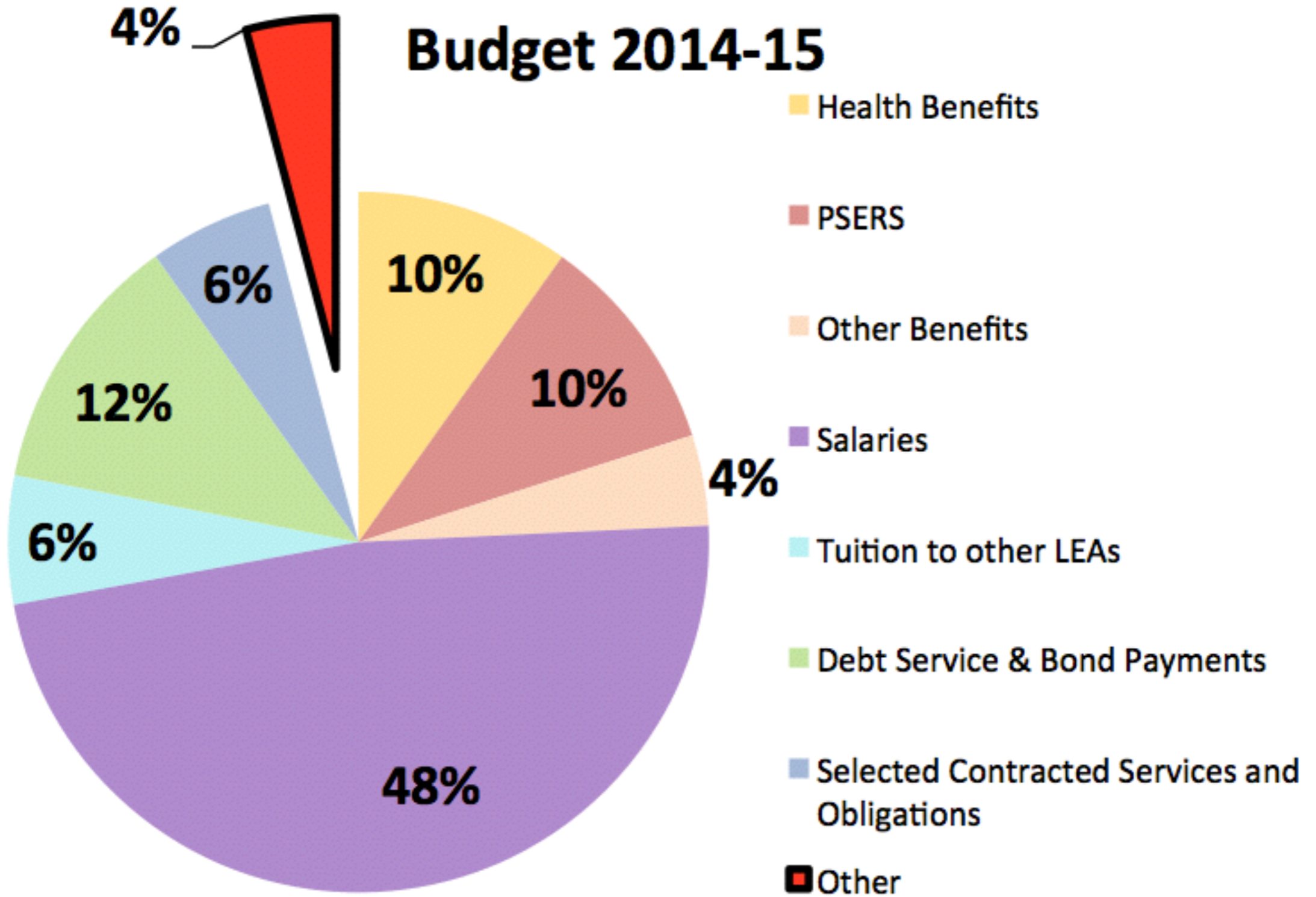
PSERS in Dollars





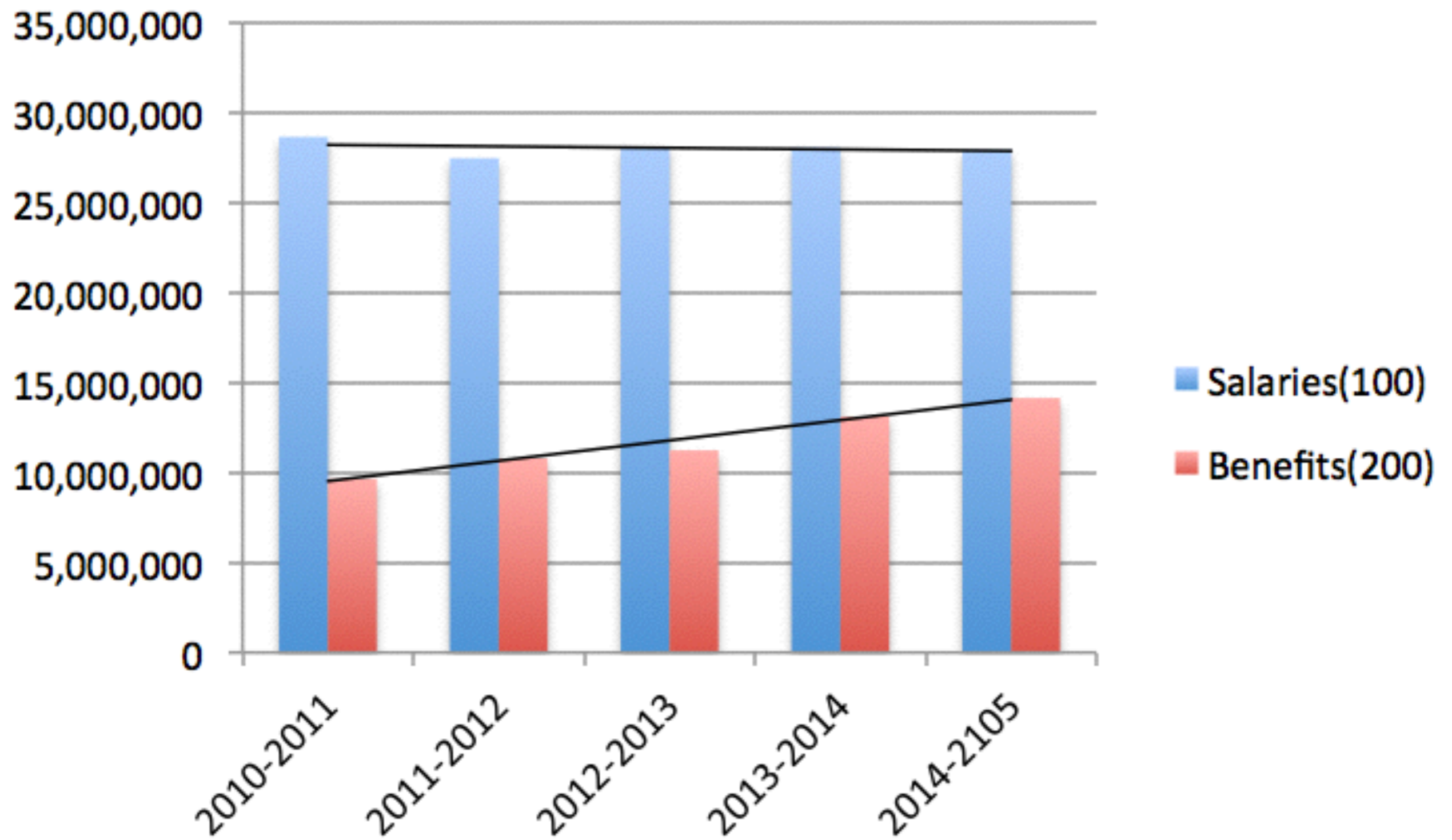
**District obligations
account for
approximately 96% of
the 2014-2015 budget**

Budget 2014-15



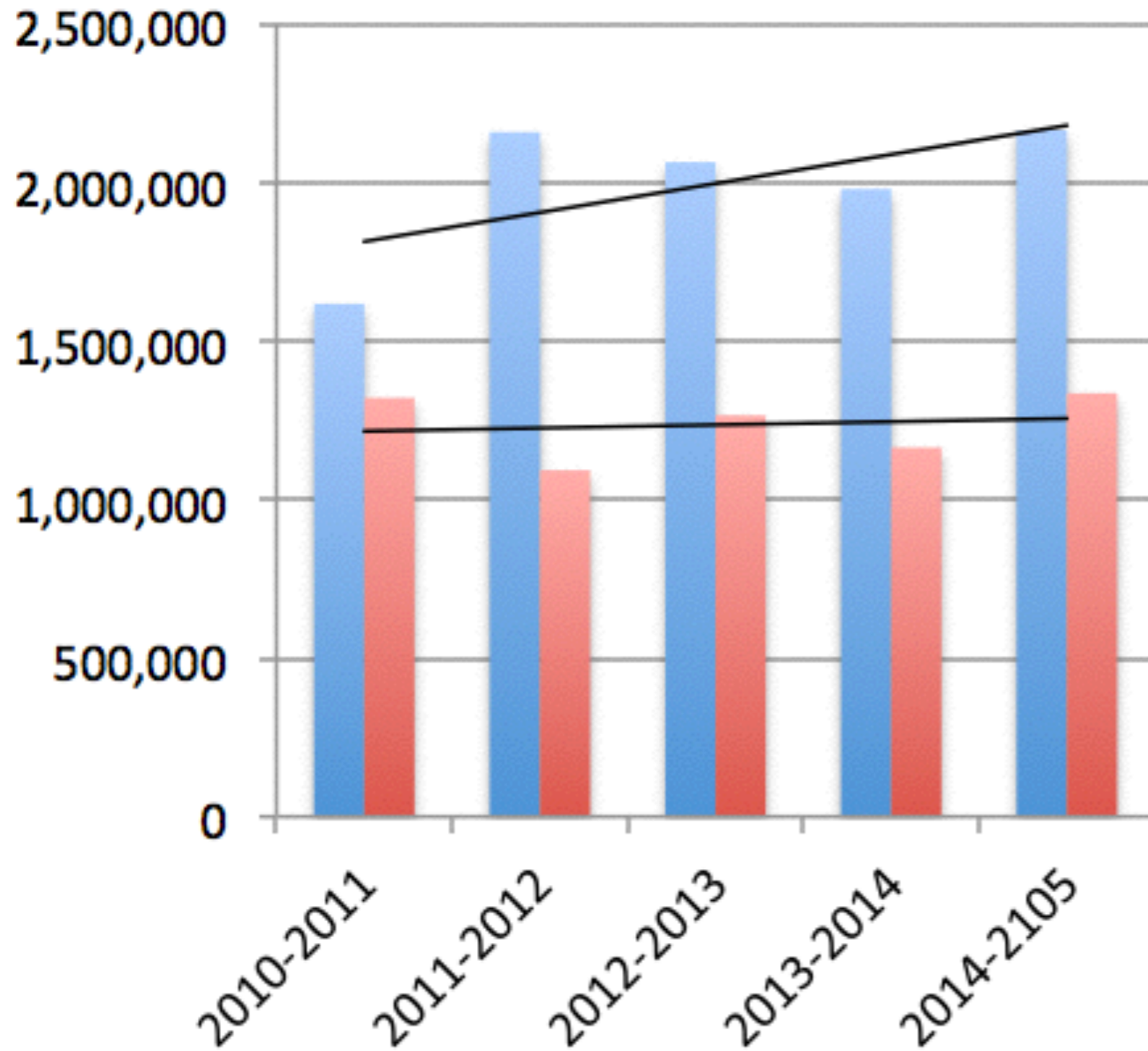
Object Dimension Examples

- **100s** - Salaries (all employees, overtime, part-time, etc)
- **200s** - Benefits (health, dental, vision, FICA, PSERS, UC, WC, OPEB, etc....)



Object Dimension Examples

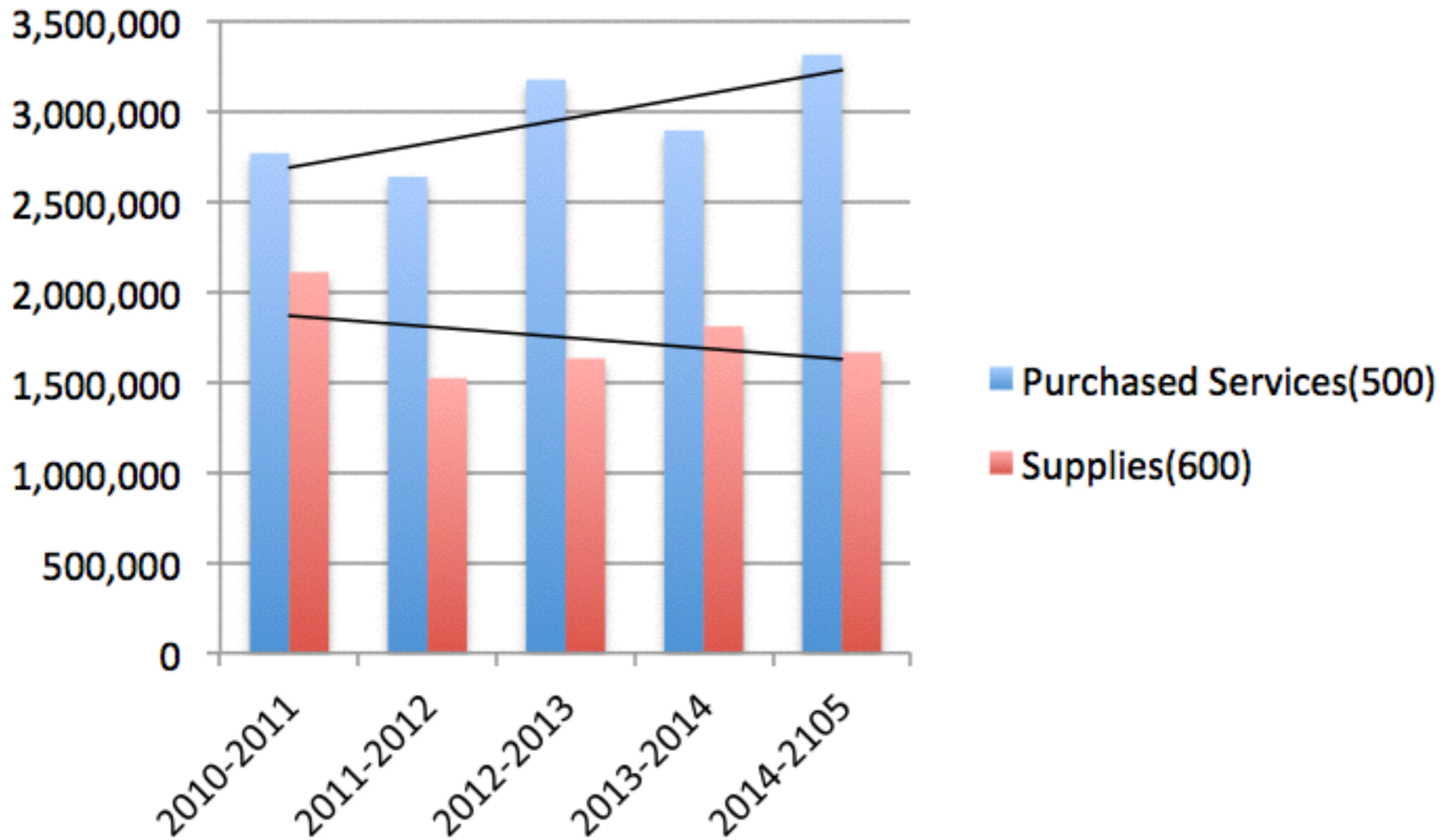
- **300s** - Professional and Technical Services (legal, intermediate unit, Technology, safety, security, etc)
- **400s** - Purchased Property Services (lawn care, refuse disposal, cleaning, electricity, natural gas, water, sewage, elevator inspection and maintenance, preventative maintenance, construction, HVAC, etc)



- Prof/Tech Services(300)
- Property Services(400)

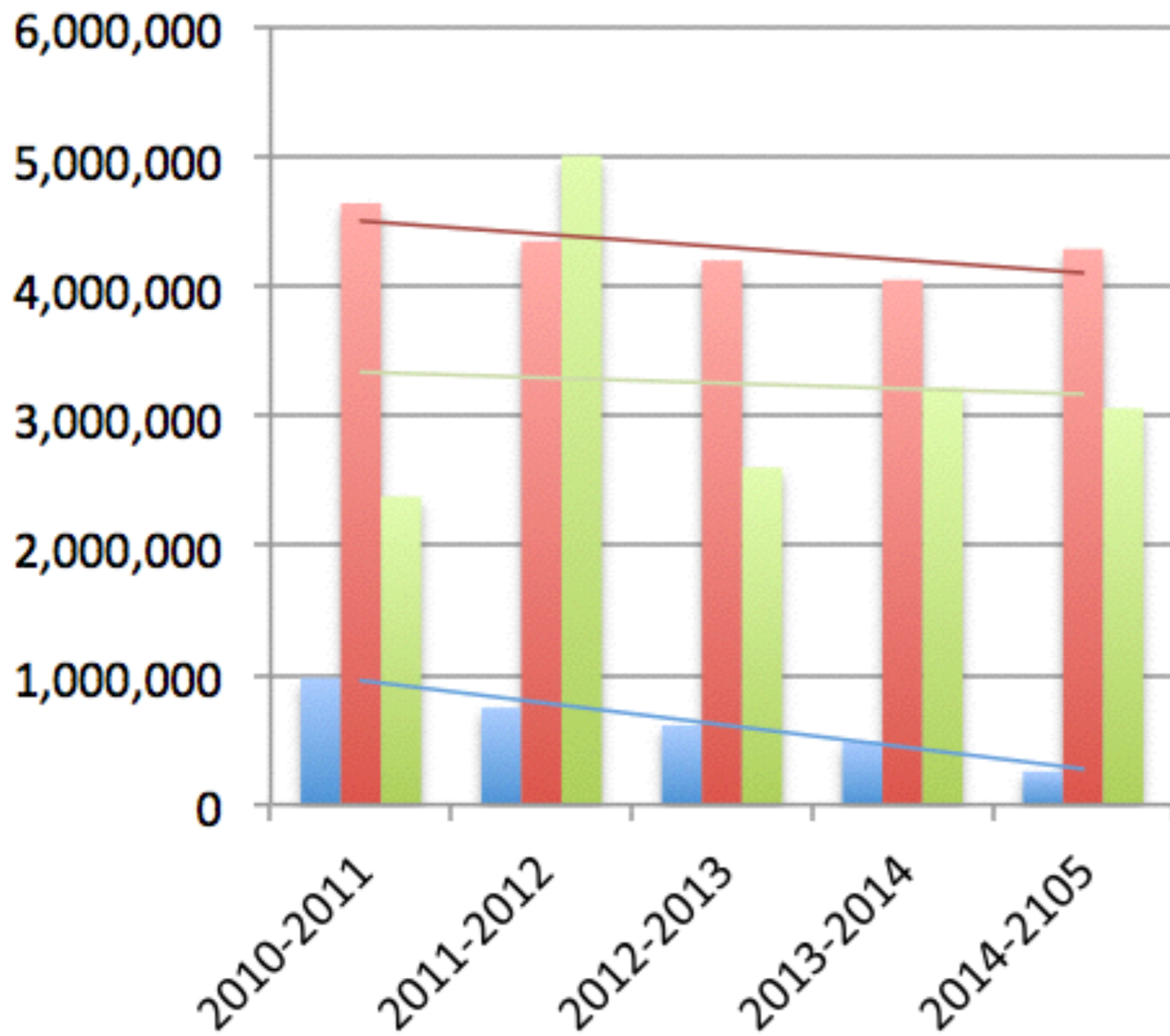
Object Dimension Examples

- **500s** - Other Purchased Services (student transportation, fire/liability/bonding/other insurances, communications, advertising, tuition to other LEAs, travel, etc)
- **600s** - Supplies (general school/teaching supplies, periodicals, technology, cleaning, maintenance, rock salt, etc..)



Object Dimension Examples

- **700s** - Property (land improvements, capital items, amortization payments, infrastructure, equipment, etc)
- **800s** - Other Objects (dues, fees, bond interest, bond payments, refunds, misc expenses)
- **900s** - Other Uses of Funds (redemption of principal, transfers, indirect costs, etc)



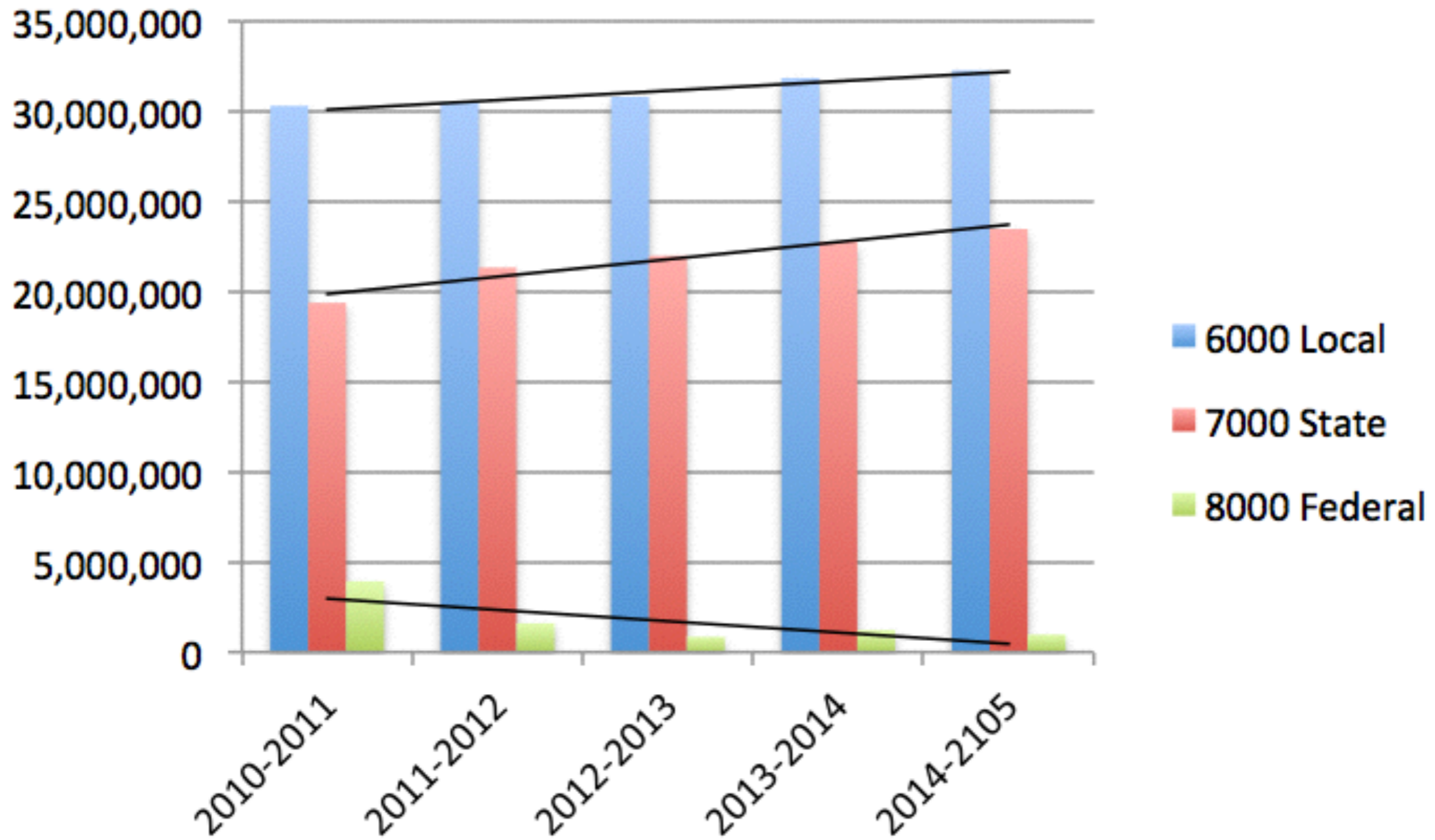
- Property/Capital(700)
- Bond Payments(800)
- Other(900)

Selected 2014-2017 Projections

- PSERS (\$3,243,166 net amount assume zero wage increase) & Health Care at a 5% increase (\$817,579)
- Total PSERS & Health Care increase - \$4,060,745
- Ability to increase taxes to the Act 1 index
 - Stacked effect assuming 2.9%
 - \$4,770,000

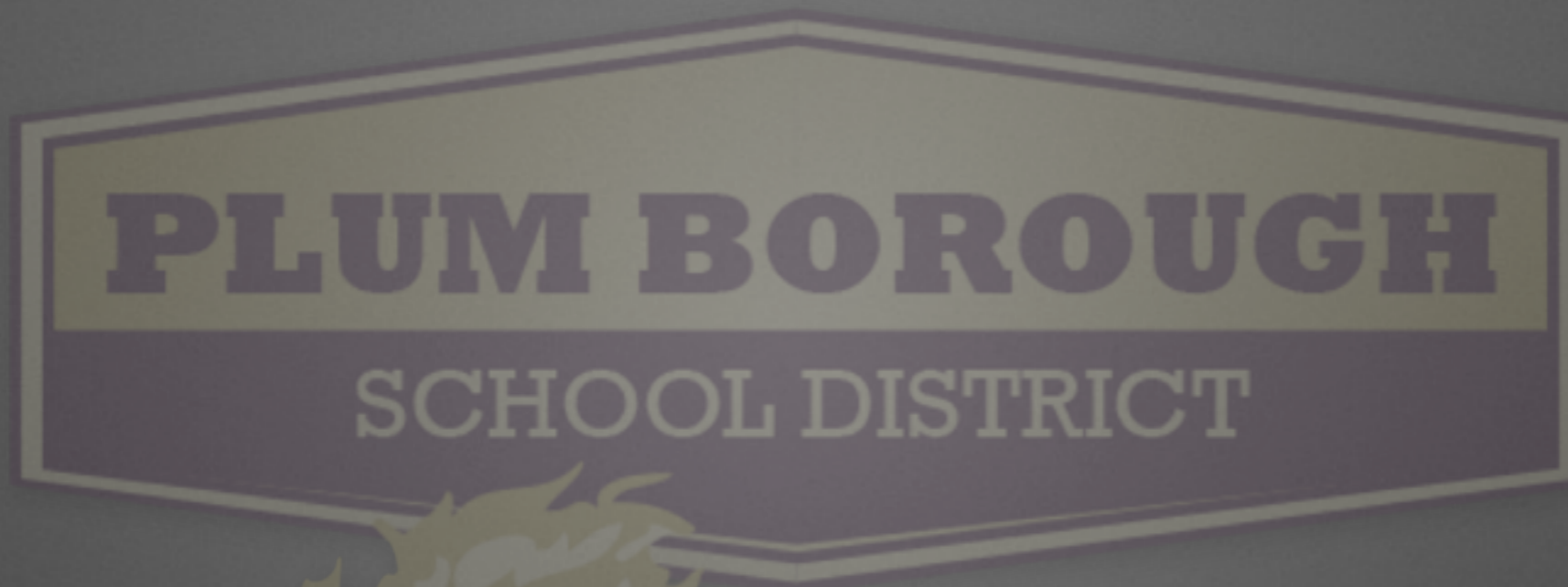
Revenue

Revenue



State Increase Explained

- Increased PSEERS reimbursement
 - Increase of \$637,230
- Increased Social Security reimbursement
 - Increase of \$56,957



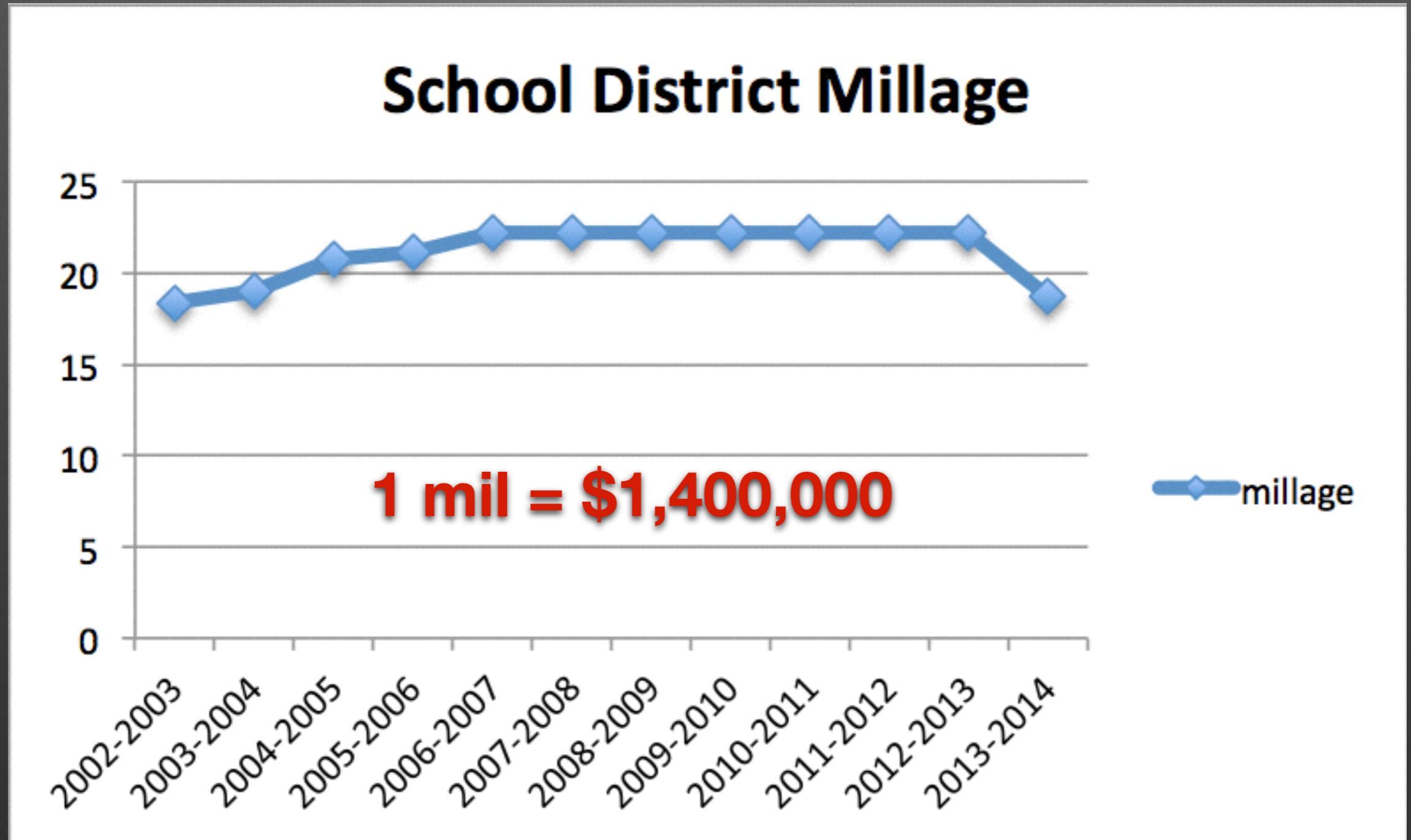
Fiscal Responsibility



4 Years of Challenging Local Decisions

- Curtailment of academic programs
- Reduction of other programs
- Reduction of supplies and equipment
- Reductions to our athletic department
- Reduction of faculty and staff

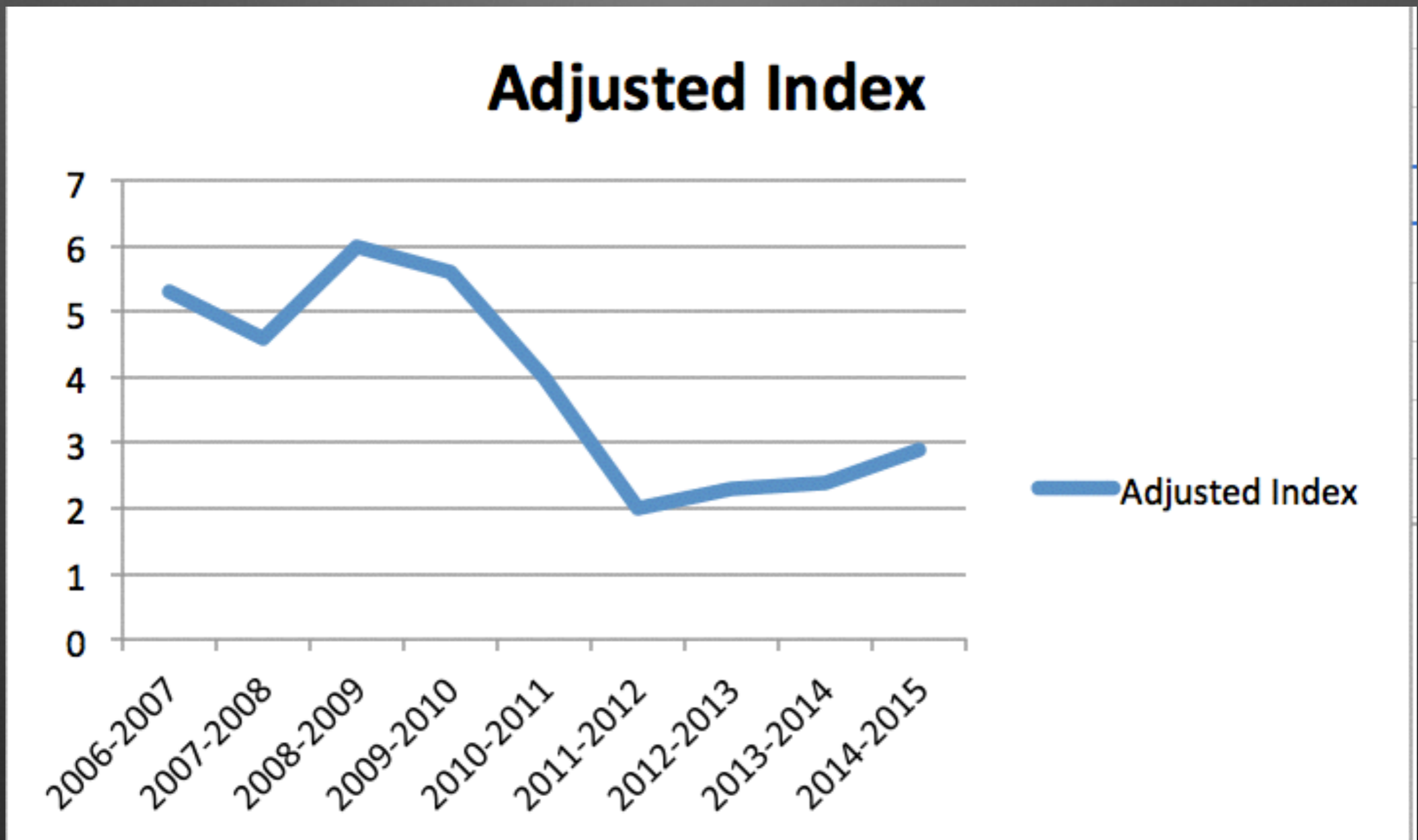
Plum Historic Millage Rates



Act 1 of 2006 - Taxpayer Relief Act

- Establishes an Index (limit) for tax increases
- Designed to disperse funds for state gaming similar to *Homestead/Farmstead* Exclusion Act.
 - **\$208** per household (Deadline is March)
- The reality is that our taxpayers have experienced little to no relief

Plum Historic Adjusted Index



2014-2015 Budget

- Shortfall to date **(\$1,616,845)**
- \$50,000 contingency fund
- \$0.00 of capital items

2014-2015 Budget

- Does not include Custodial and Maintenance increases - negotiated agreement approved in January 2014 - **(\$45,000)**
- Does not include wage/salary increase for Teachers - current agreement expires 8/31/14 - **(cost unknown)**
- Does not include wage/salary increase for Administrative Assistants - current agreement expires 7/30/14 - **(cost unknown)**

2014-2015 Budget

- Athletic department reduction of 5% or - \$12,500
- 1 additional teacher retirement - savings of \$73,970

2014-2015 Budget

- Does not include possible funding increases from Governor Corbett's budget proposal
- Ready-To-Learn Grant: \$839,023 = ABG + SFFS
 - ABG - \$221,738 (already included)
 - Student Focused Funding Supplement - \$617,285 (potential new money)
- Special Education increase included
- No increase to our BEF

2014-2015 Budget

- Federal Programs decrease - **(\$20,282)**
- Cafeteria Fund contribution elimination - **(\$41,600)**
- 2015 PA ACA insurance fee - \$63 per dependent
 - \$63 x 1000 (estimated) = **(\$63,000)**
 - PA ACA penalty - **(cost unknown)**

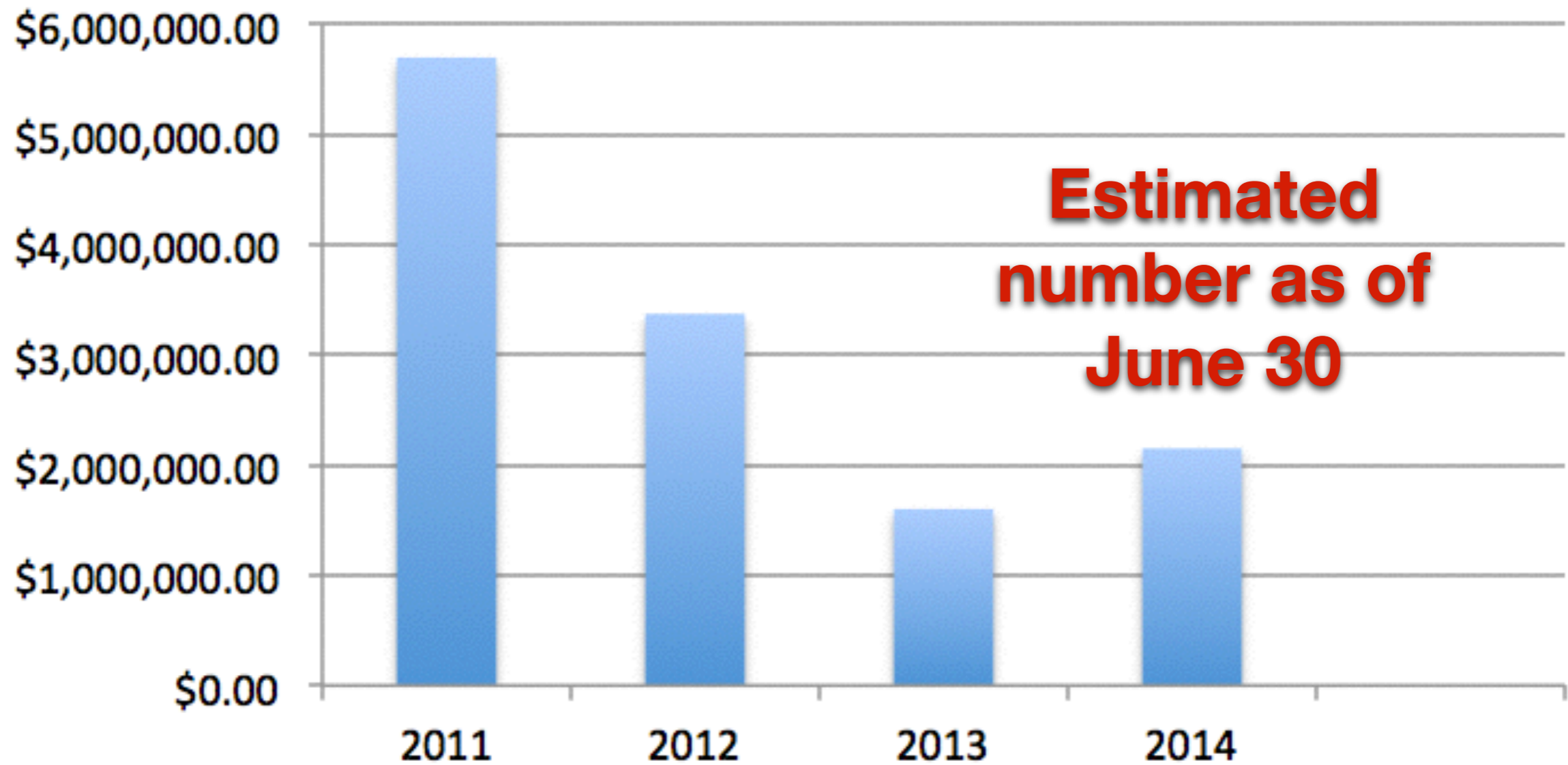
2014-2015 Tax Increase Options

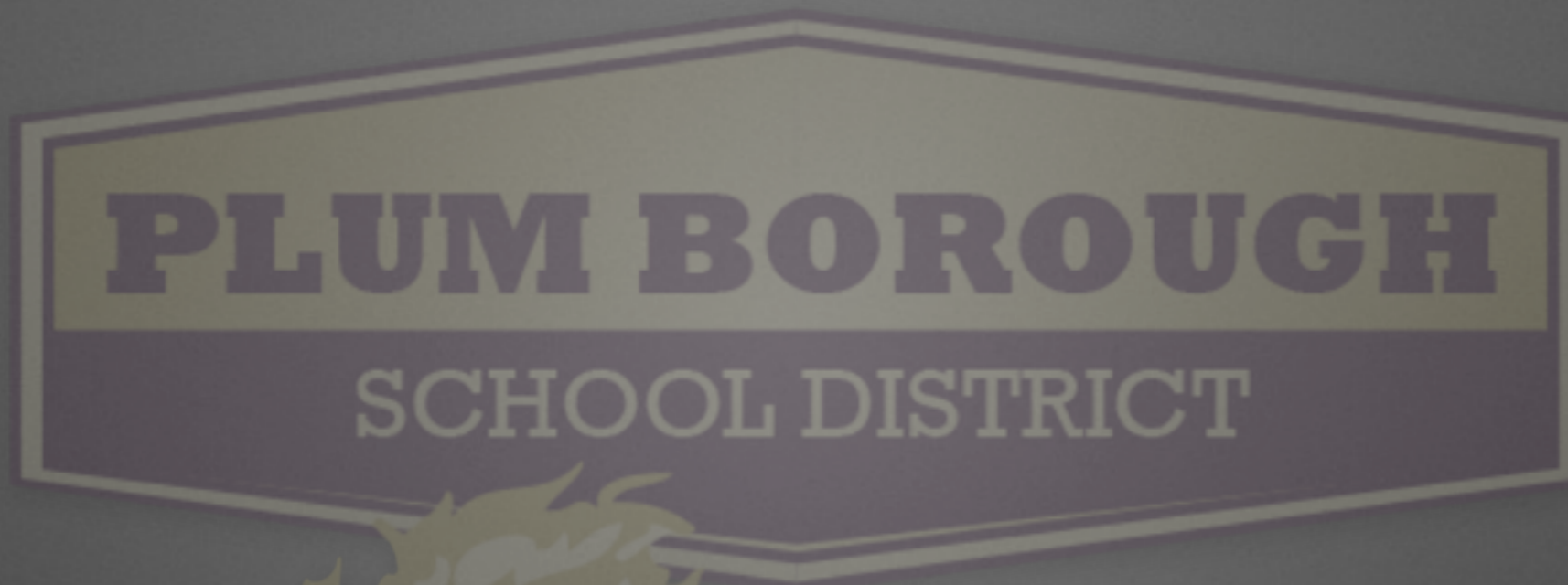
- Option 1
 - No Tax Increase
- Option 2
 - Tax increase up to the Index of 2.9% adjusted for inflation
 - Max increase of .54 mills = \$795,000
 - Approximate annual cost per median household (\$110,700) would be \$60.12 annually
 - Approximate annual cost per \$100,000 of assessed value would be approximately \$54.00 annually

2014-2015 Tax Increase Options

- Option 3
- Budget approval was required in February
- Tax increase utilizing the approved exceptions
 - PSERS
 - Special Education
 - School Construction (Plan Con Indebtedness)

Fund Balance





Recent Academic Performance

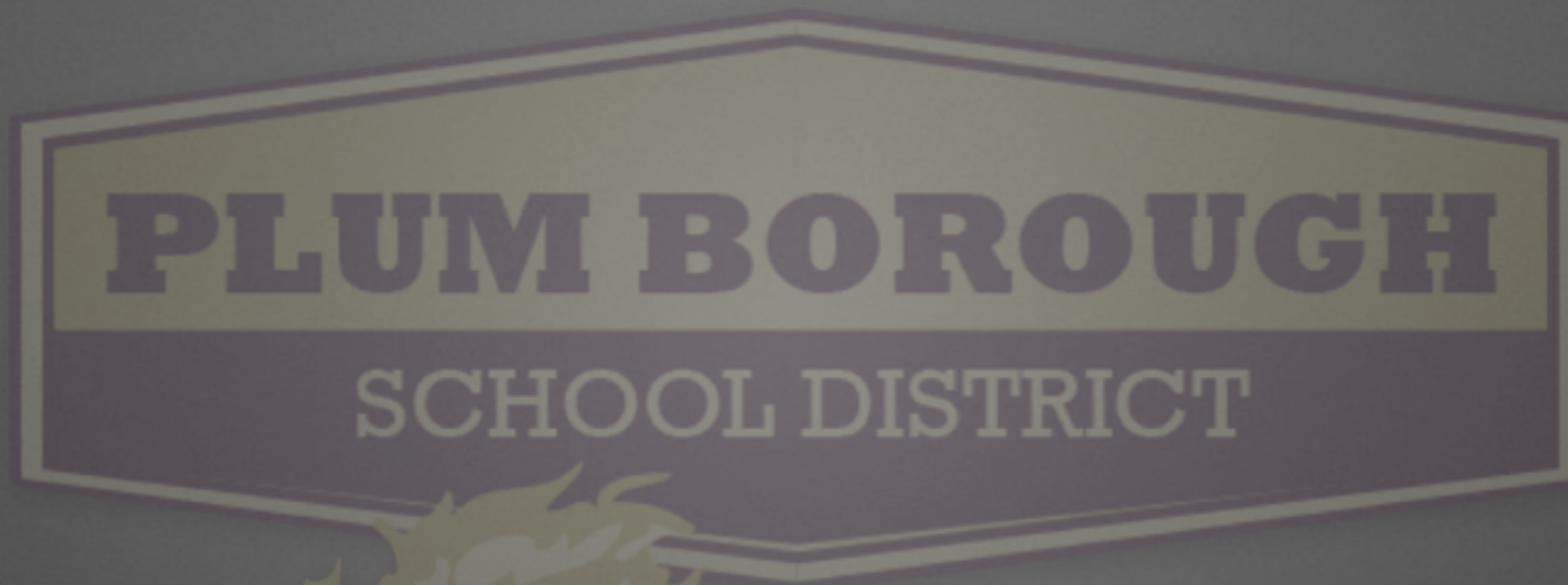


Academic

- Elementary SPP (average) - 87.2
- Secondary SPP (average) - 83.4
- Plum Borough DPP - 92.2
 - 10 out of 42 in Allegheny County
 - 52 out of 499 in Pennsylvania

Academic

- PHS 2013 PSSA score highest since 2002
- Increasing Keystone scores in Biology, Literacy and Algebra 1
- 2013 Cohort Graduation Rate - 92.9
- AP Honor Roll - 3 out of the past 4 years



Thank You

March 18, 2014

