

# Palmyra Area School District Preliminary Budget

2010-2011



## Under Act 1

### A Changed Budget Timeline

- All preliminary budget dates based on May 18 primary election
- School district deadline to adopt the 2010-2011 preliminary budget is 90 days prior to primary election --February 17
- School district deadline to make the 2010-2011 preliminary budget available for public inspection is 20 days prior to preliminary budget adoption deadline-- January 22
- 85 days prior to primary election--Feb. 22 is the school district deadline to submit preliminary budget with proposed tax rate increases to PDE
- March 4 is district deadline to ask approval from PDE for referendum exceptions
- March 24 deadline for ruling on exception requests

- March 19 is district deadline to submit referendum question to the county board of elections
- May 18 primary
- May 31 is deadline for proposed final budget
- June 30 is school district deadline to adopt the final budget
- June 17: Final budget adoption by board
- Palmyra Area School District index for real estate tax increase is 3.6% or 3.303 mills

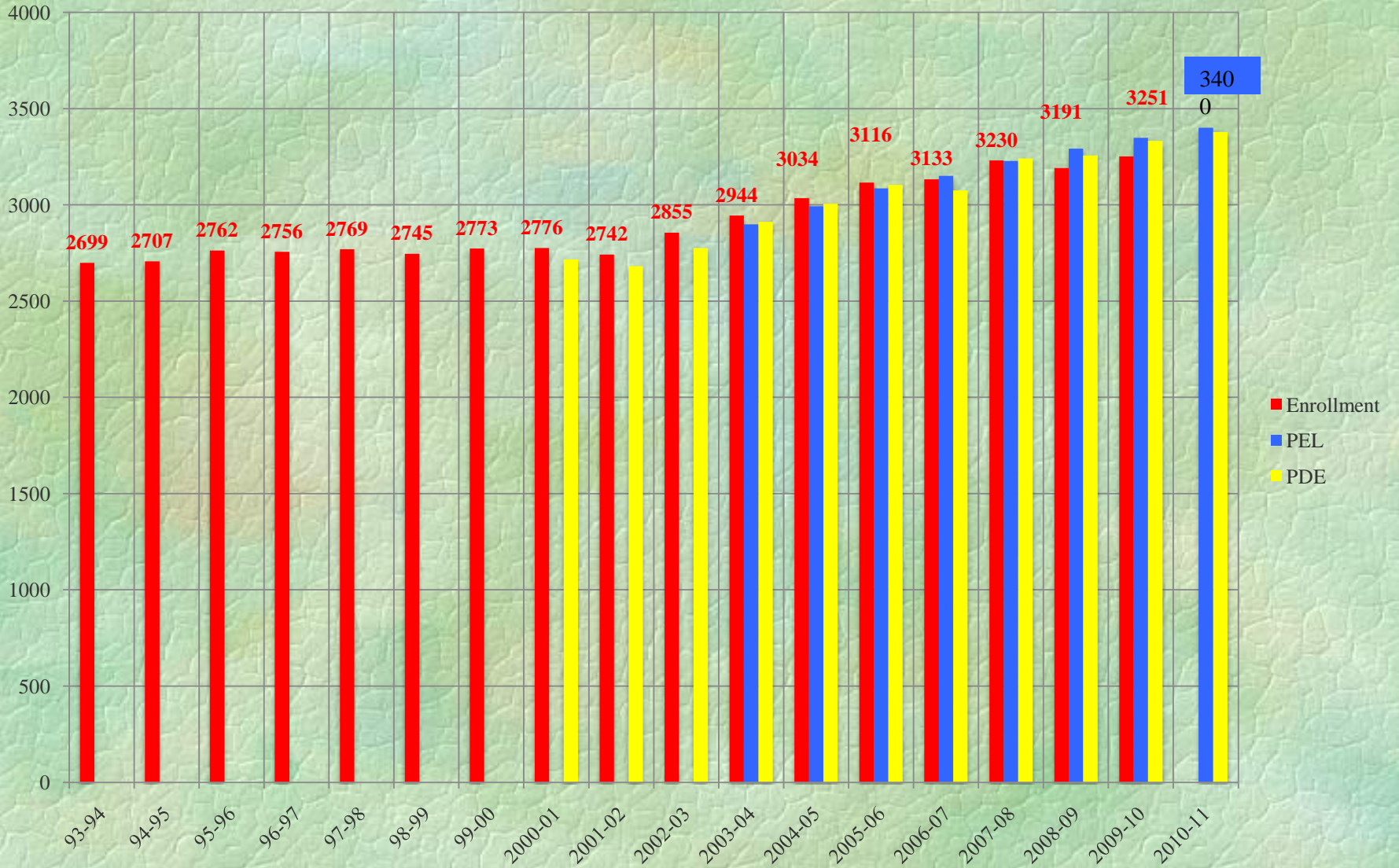
## Referendum Exceptions for Palmyra Area School District

- Maintenance of Selected Revenue Sources of \$1,013,539
- Retirement Contributions of \$319,336
  
- **Total Exceptions equals \$1,332,875**
- \$1,332,875 for exceptions divided by the value of a mill at \$230,527 equals an increase of 5.788 mills
  
- Index increase plus exception increase equals 9.08 mills
- Represents maximum increase without going to referendum

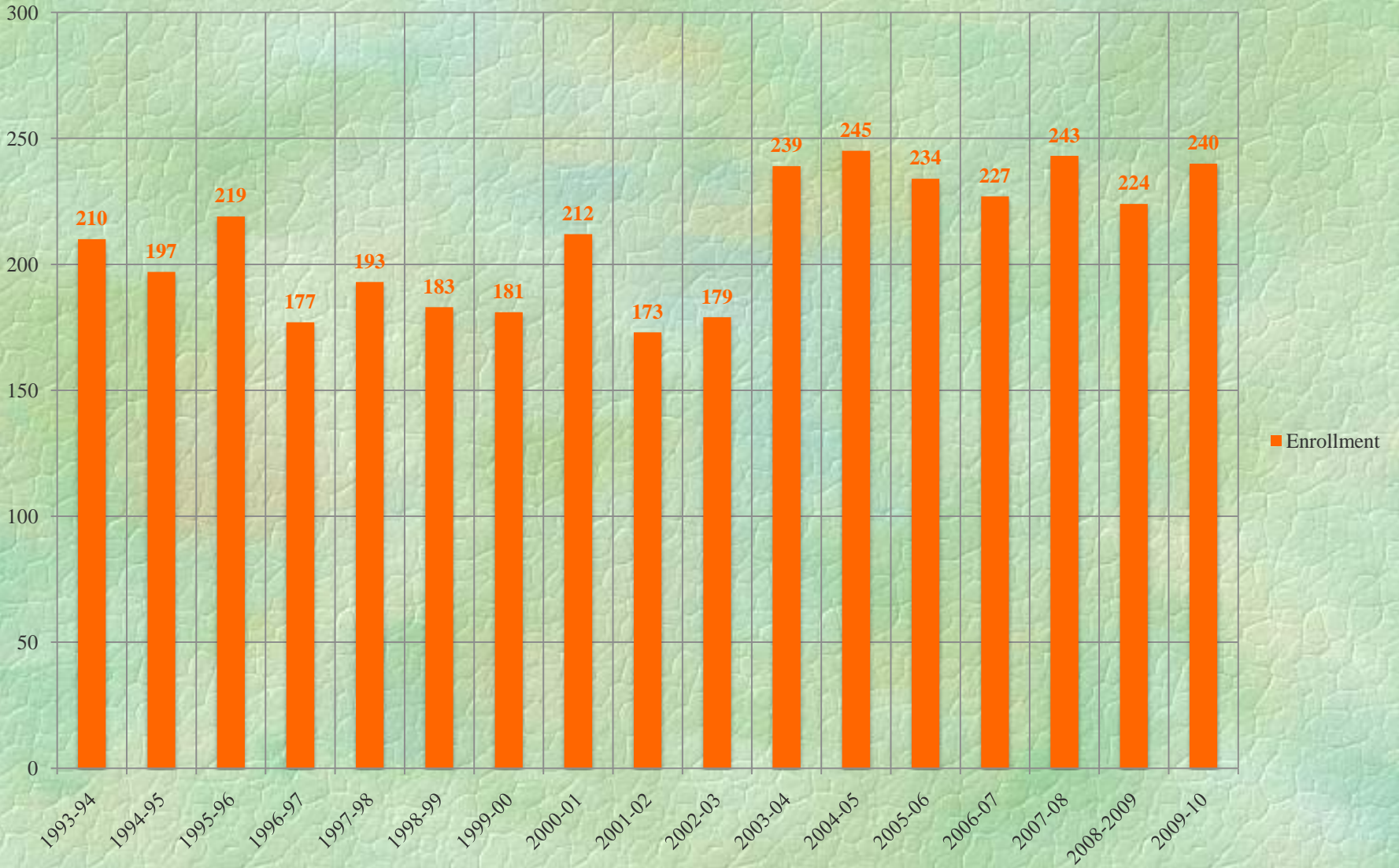
## Major Factors Influencing the 2010--2011 Budget

- Lower local revenues due to economy
- Contractual Salary Increases
- Estimated State Funding—No Increase
- Increased Debt Service
- 72% Increase in Retirement Rate
- Utilities
- Cyber Charter School Tuition +\$50,000
- Increased Textbook Costs +\$100,000
- Increased Healthcare Costs—10%

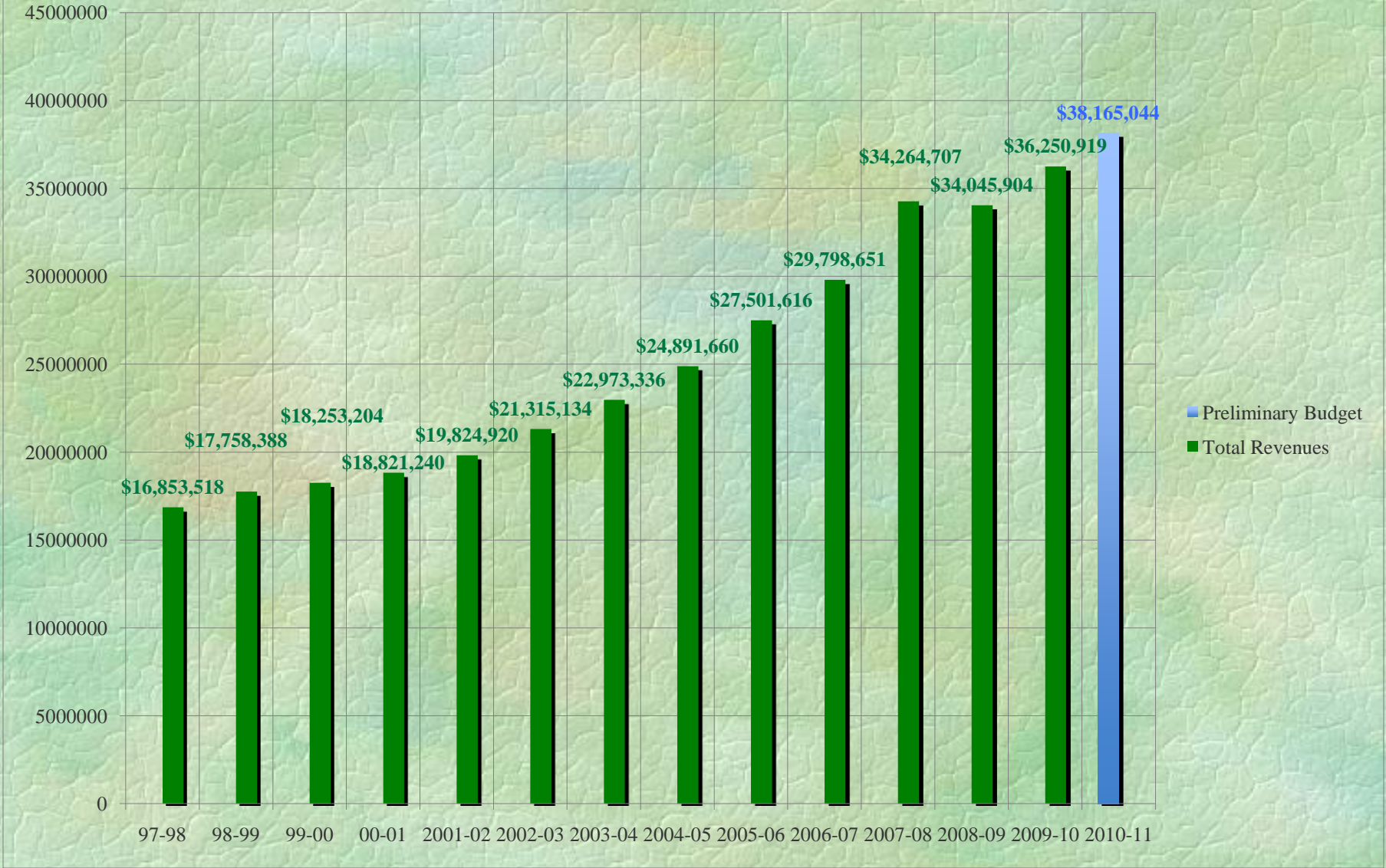
# Enrollment History



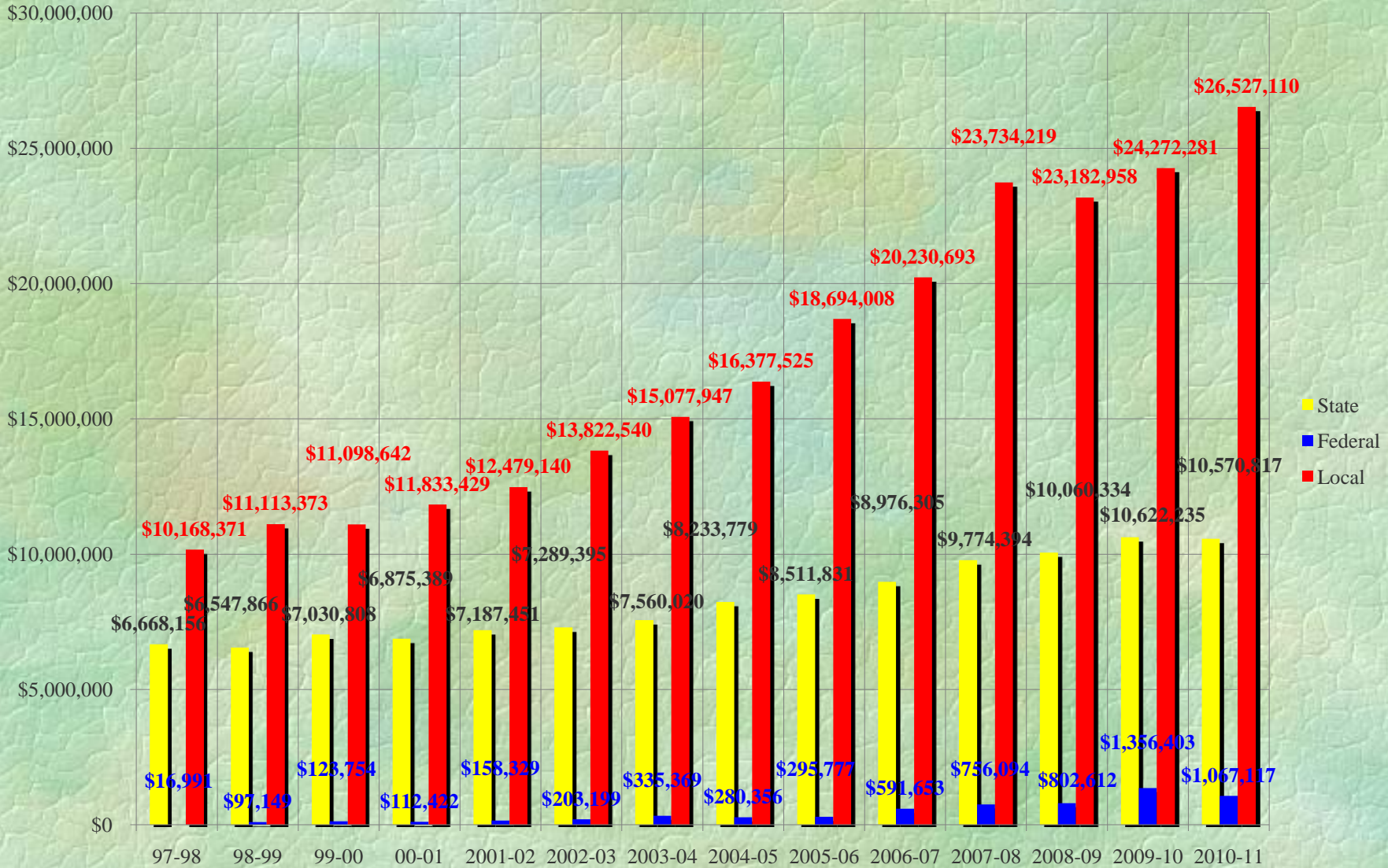
# Kindergarten Enrollment



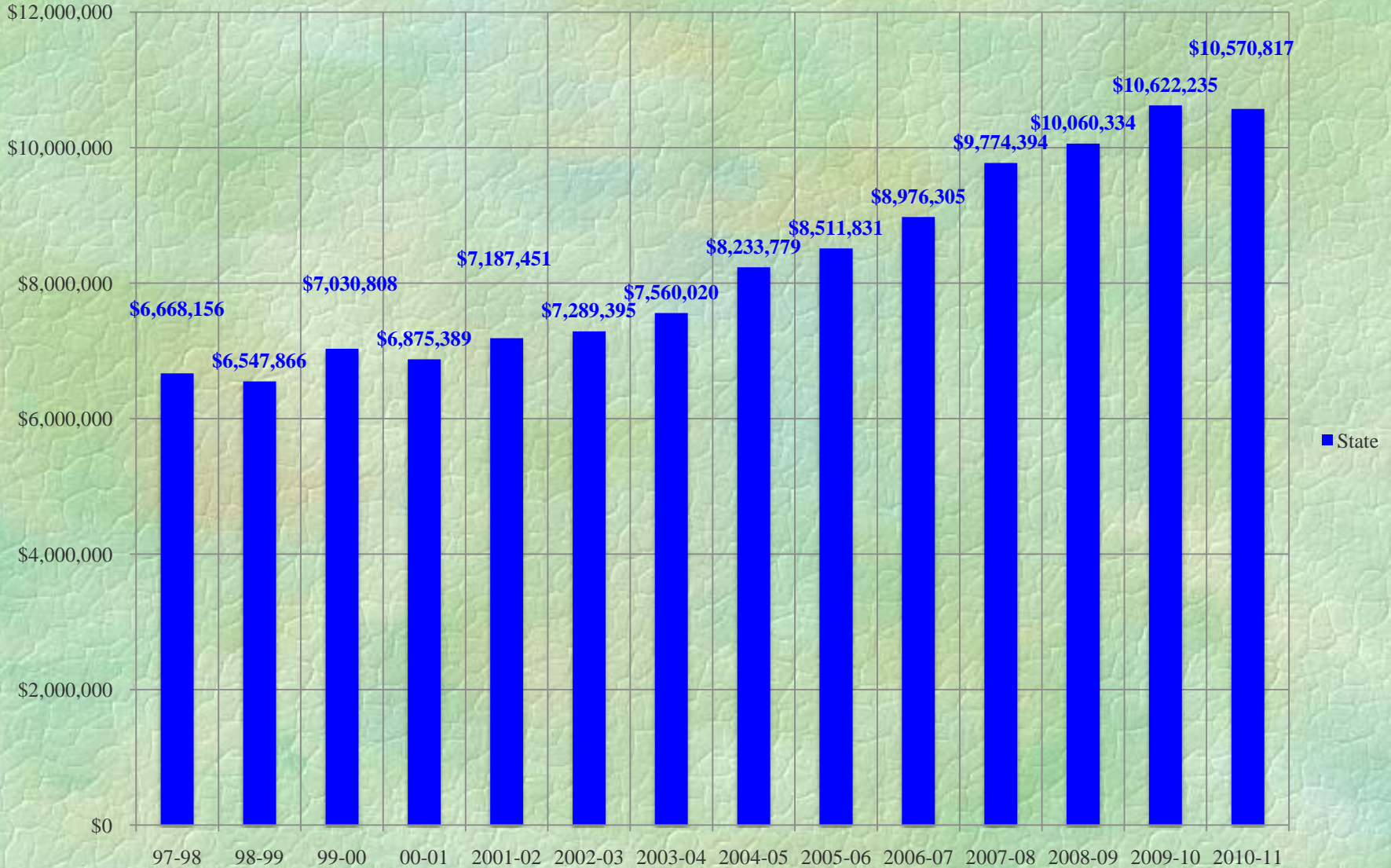
# Revenues Historical



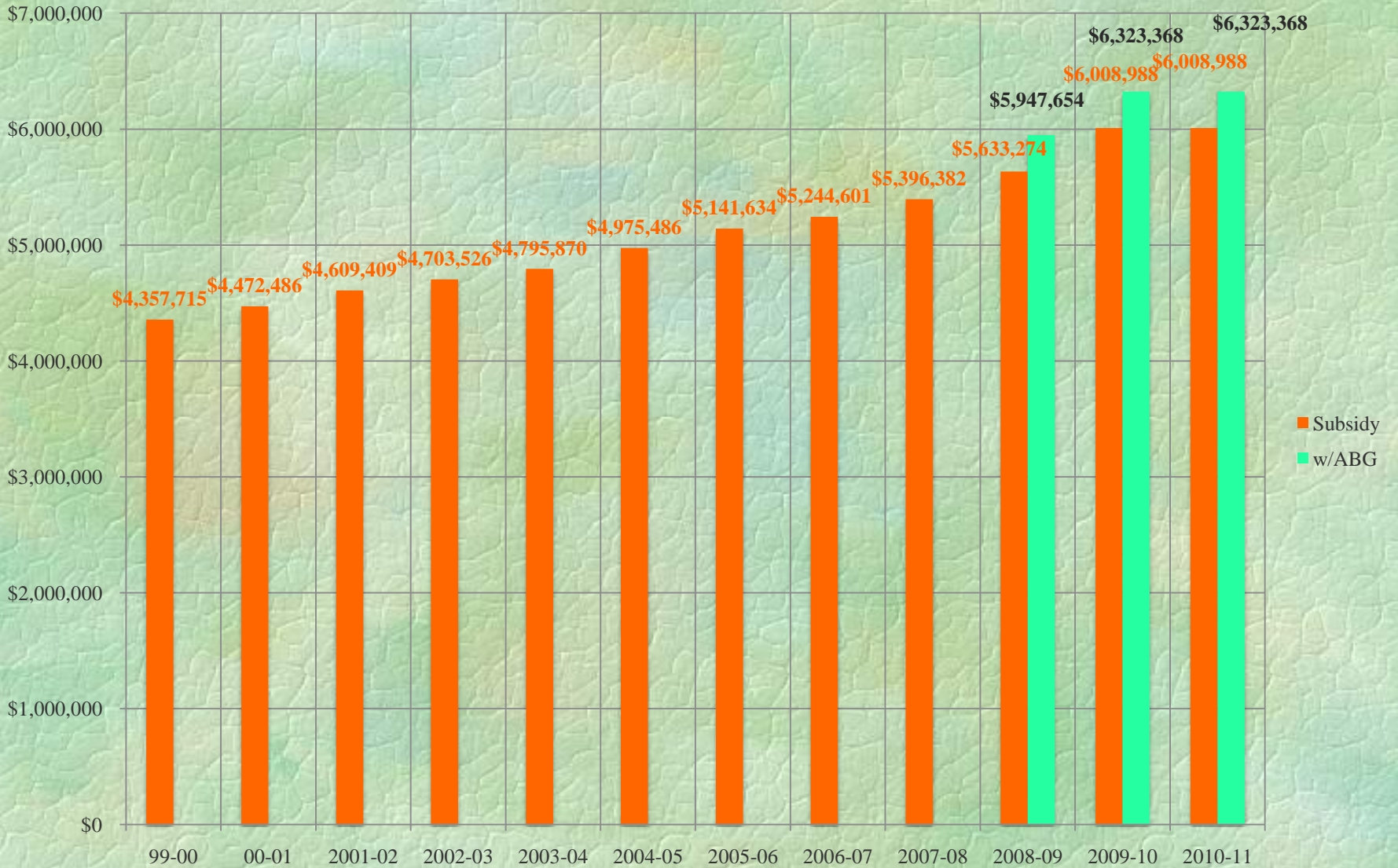
# Revenue Sources Historical



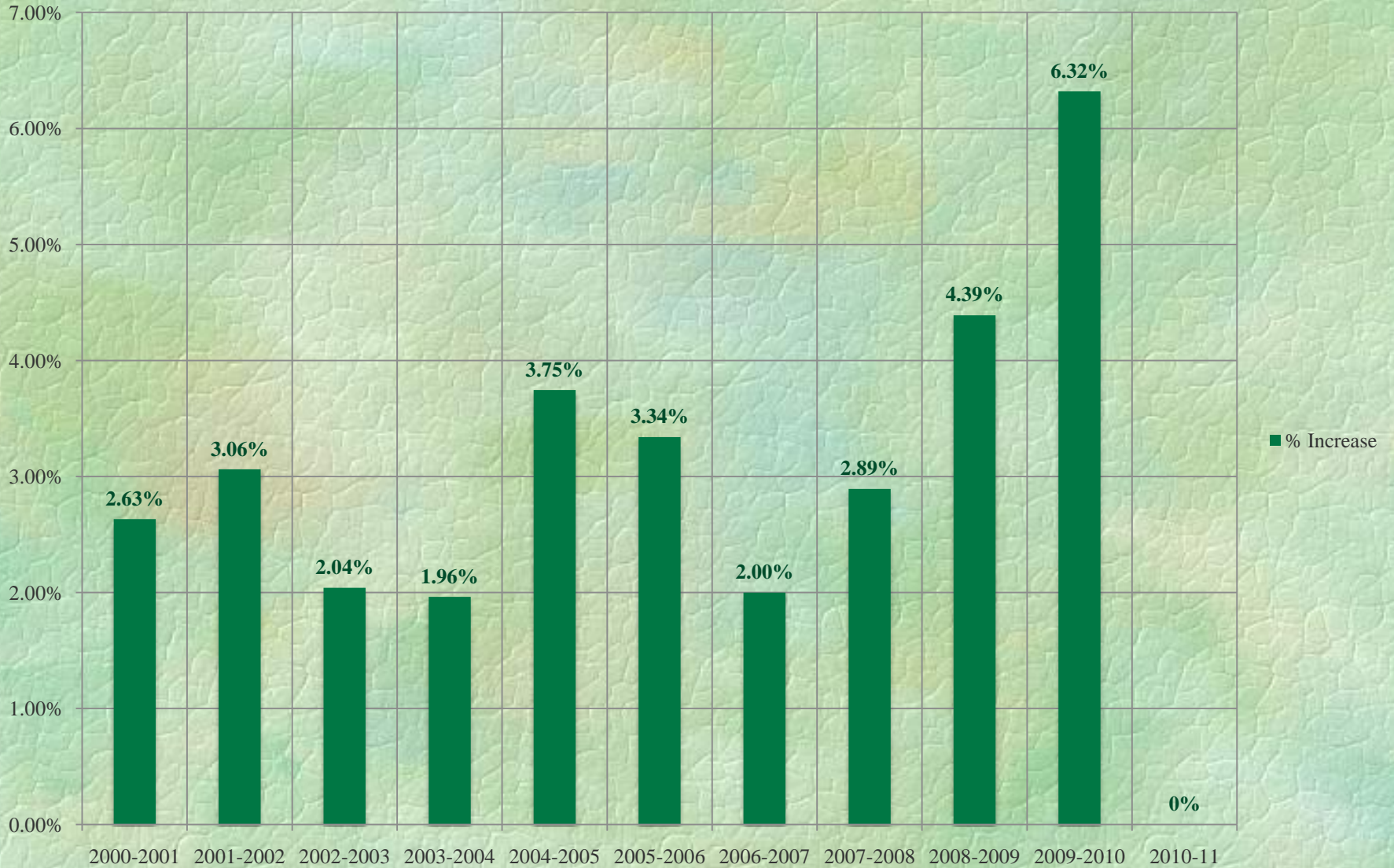
# State Revenue Historical



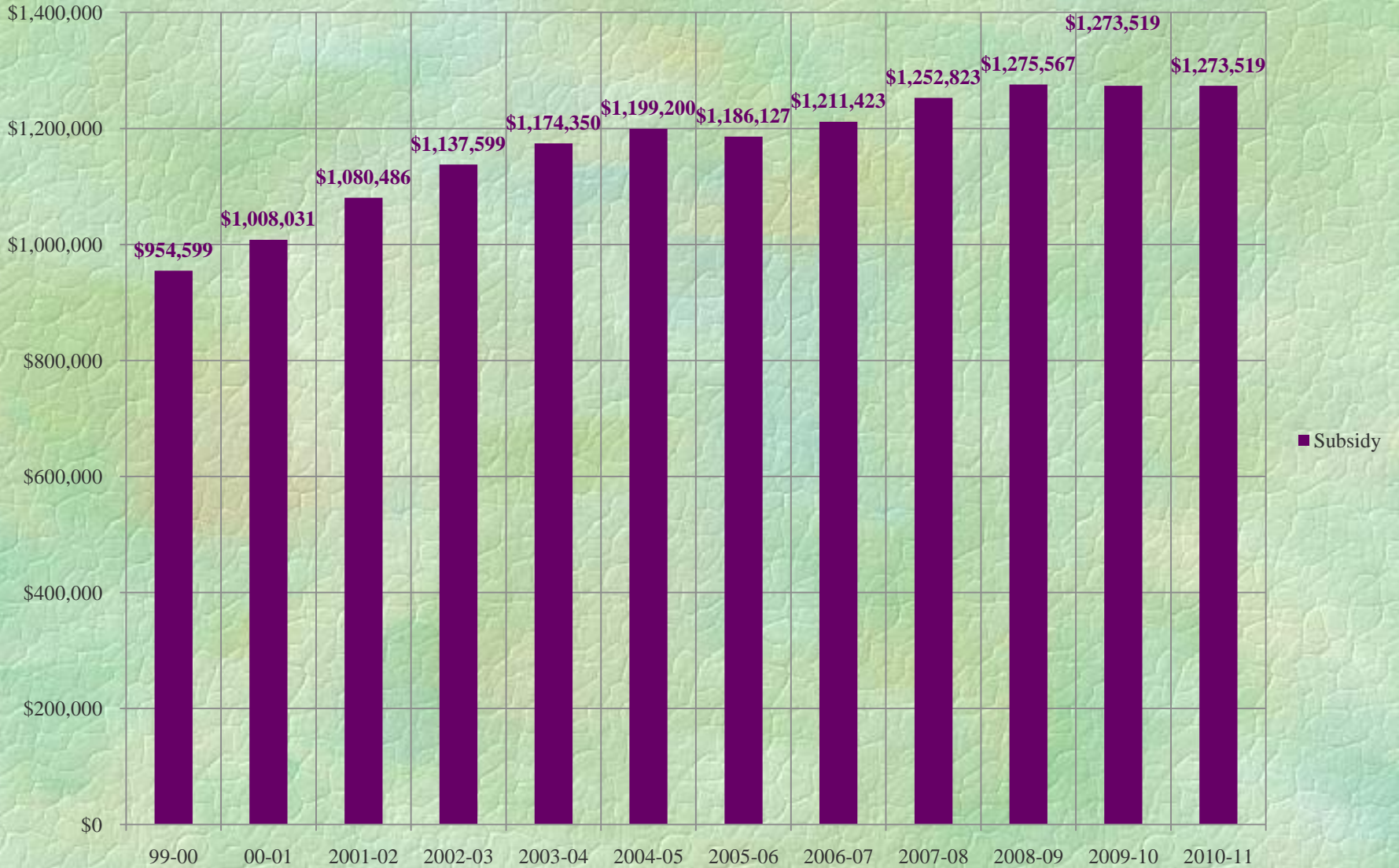
# Basic Education Funding



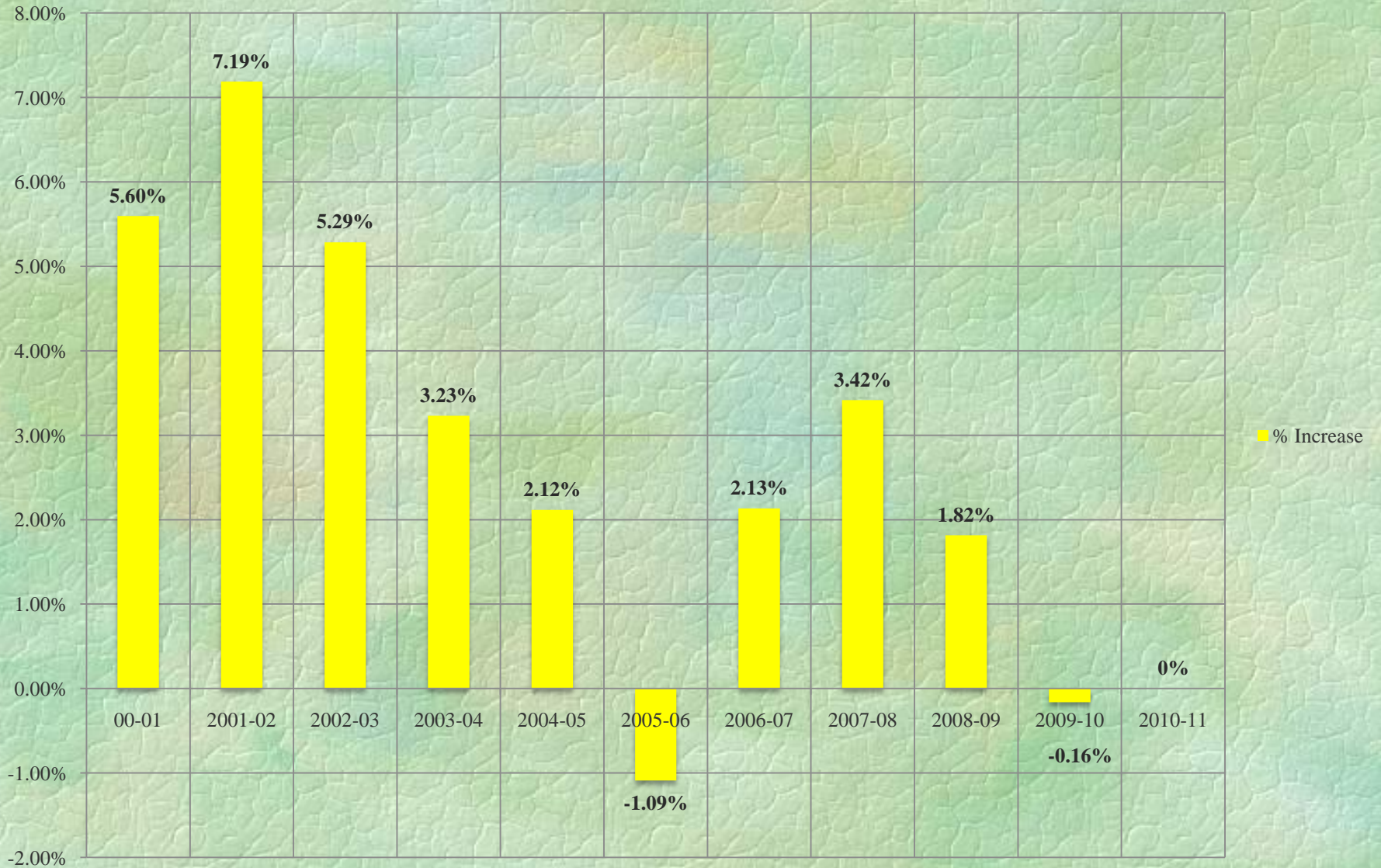
## Basic Instructional Subsidy-% Increase



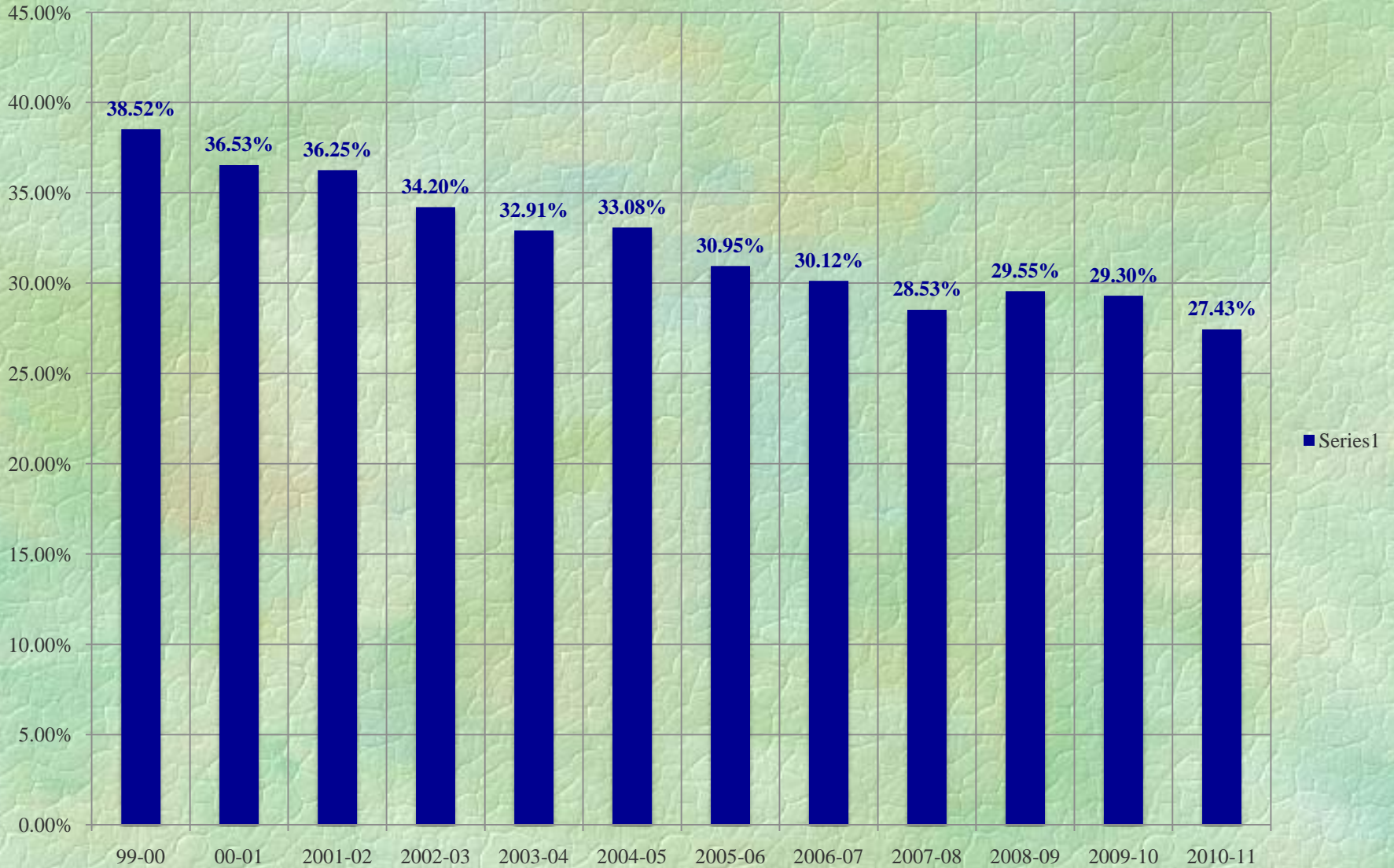
# Special Education Subsidy-Historical



## Special Education Subsidy-% Increase



## State Revenue as % of Total Revenue





## Expenditures

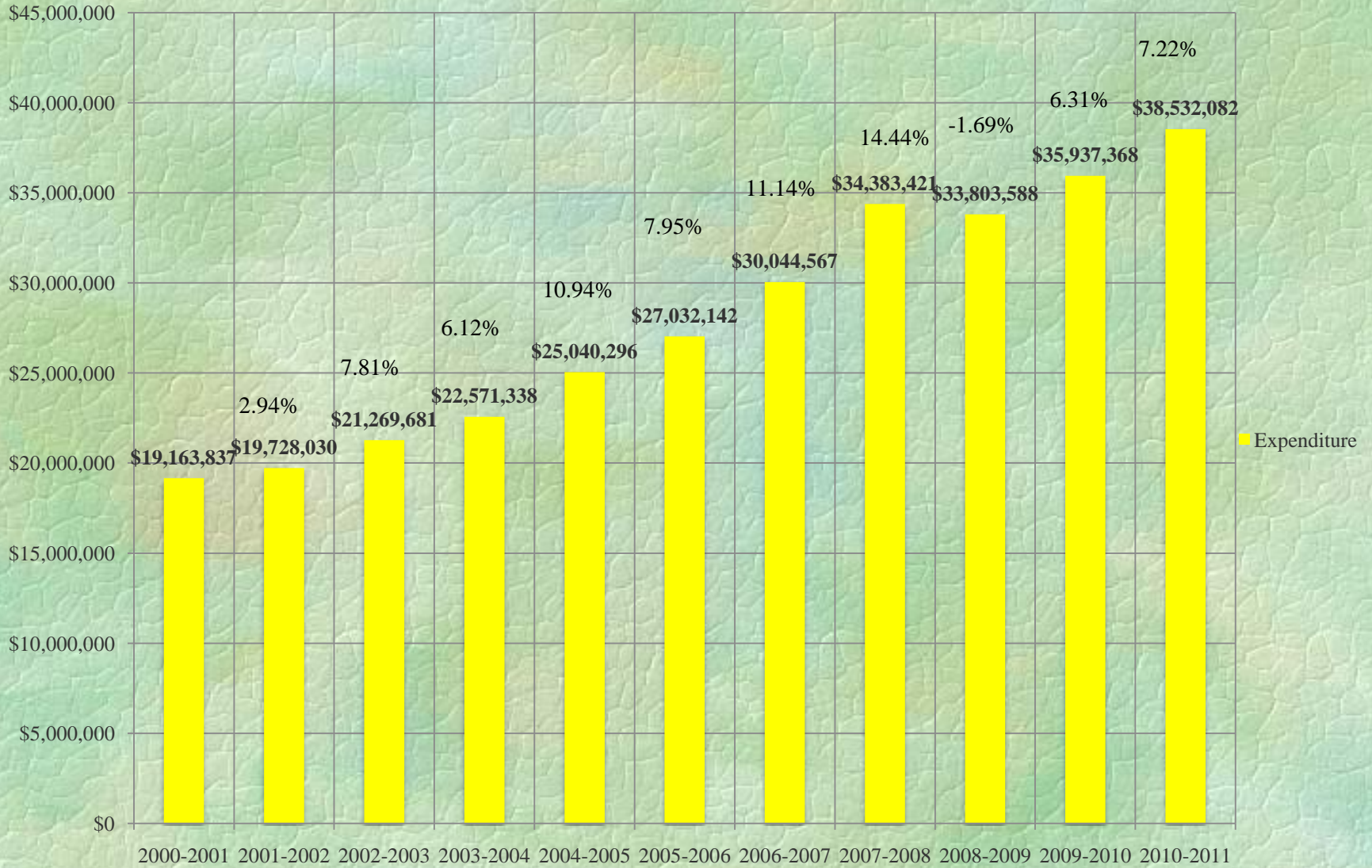
2010-2011

Regular Programs	\$16,072,928	Health Services	\$294,174
Special Education	\$3,727,645	Business Services	\$497,301
Vocational Programs	\$796,050	Operations & Maint.	\$3,001,199
Other Programs	\$889,340	Student Transp.	\$1,261,104
Guidance Services	\$1,264,132	Central Sup. Serv.	\$375,114
Tech/Library Serv.	\$1,116,481	Other Support Serv.	\$22,957
Board Services	\$59,706	Stu. Act. & Athl.	\$591,925
Tax Collection	\$85,000	Community Serv.	\$2,500
Legal Services	\$63,902	Bldg. Const. & Impr.	\$111,600
Office of Superintendent	\$431,954	Debt Services	\$5,962,918
Office of Principals	\$1,520,994	Fund Transfers	\$183,158
		Budgetary Reserve	\$200,000

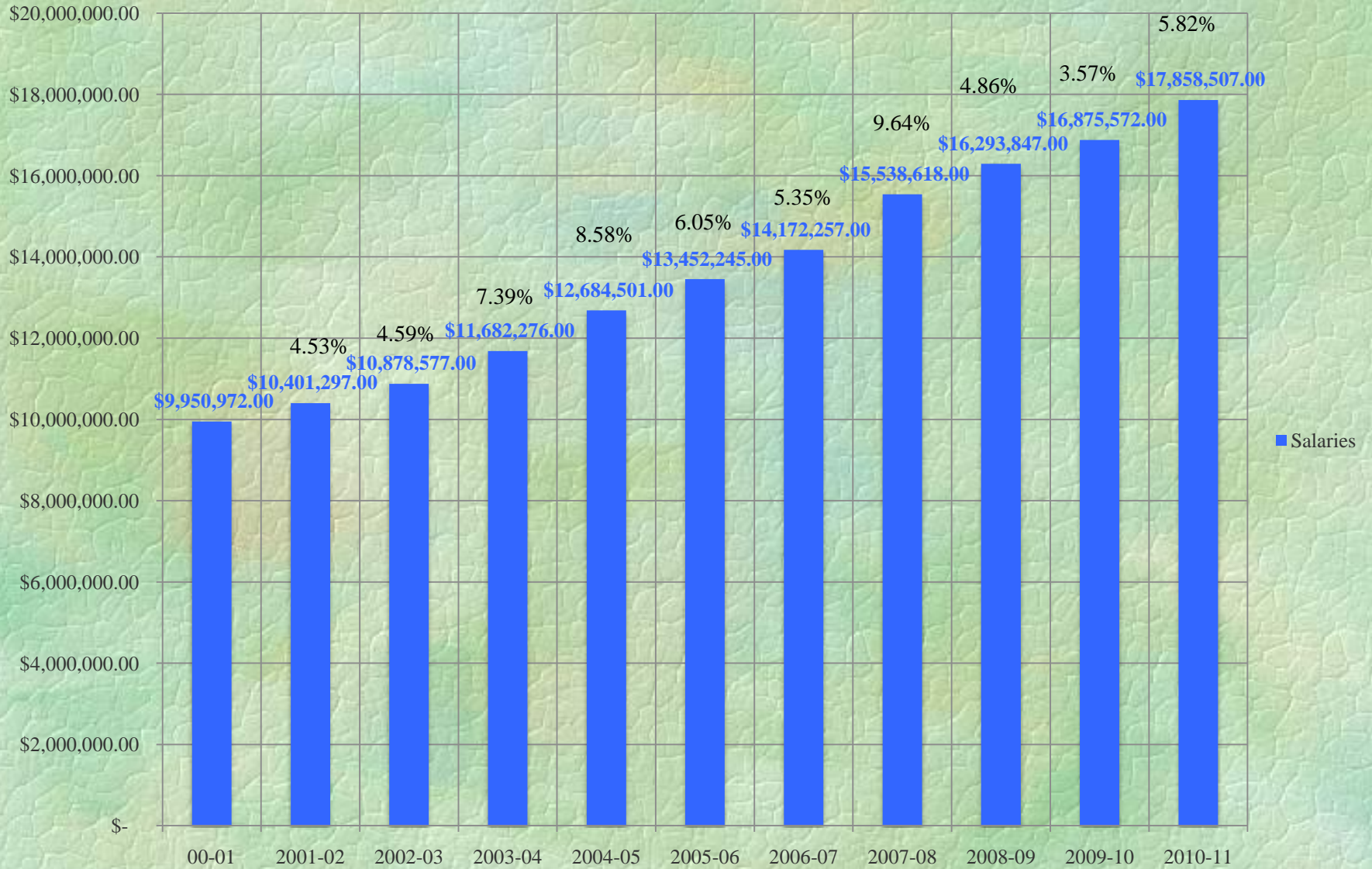
**TOTAL:**

**\$38,532,082**

# Expenditures-Historical



# Salaries-Historical



# Additional Professional Staff for 2010-11

Middle School Learning Support Teacher

1 Elementary Reading Recovery Teacher-New Elem.

1 Elementary Teacher (Growth-4<sup>th</sup> Grade)-New Elem.

1 Elementary Teacher (Growth-1<sup>st</sup> Grade)-New Elem.

1 High School Language Arts

.5 Elementary Guidance (Growth)-New Elem.

1 High School Math

.5 English Second Language (ESL) Teacher-New Elem.

.5 High/Middle School Reading Teacher

## Additional Support Staff for 2010-2011

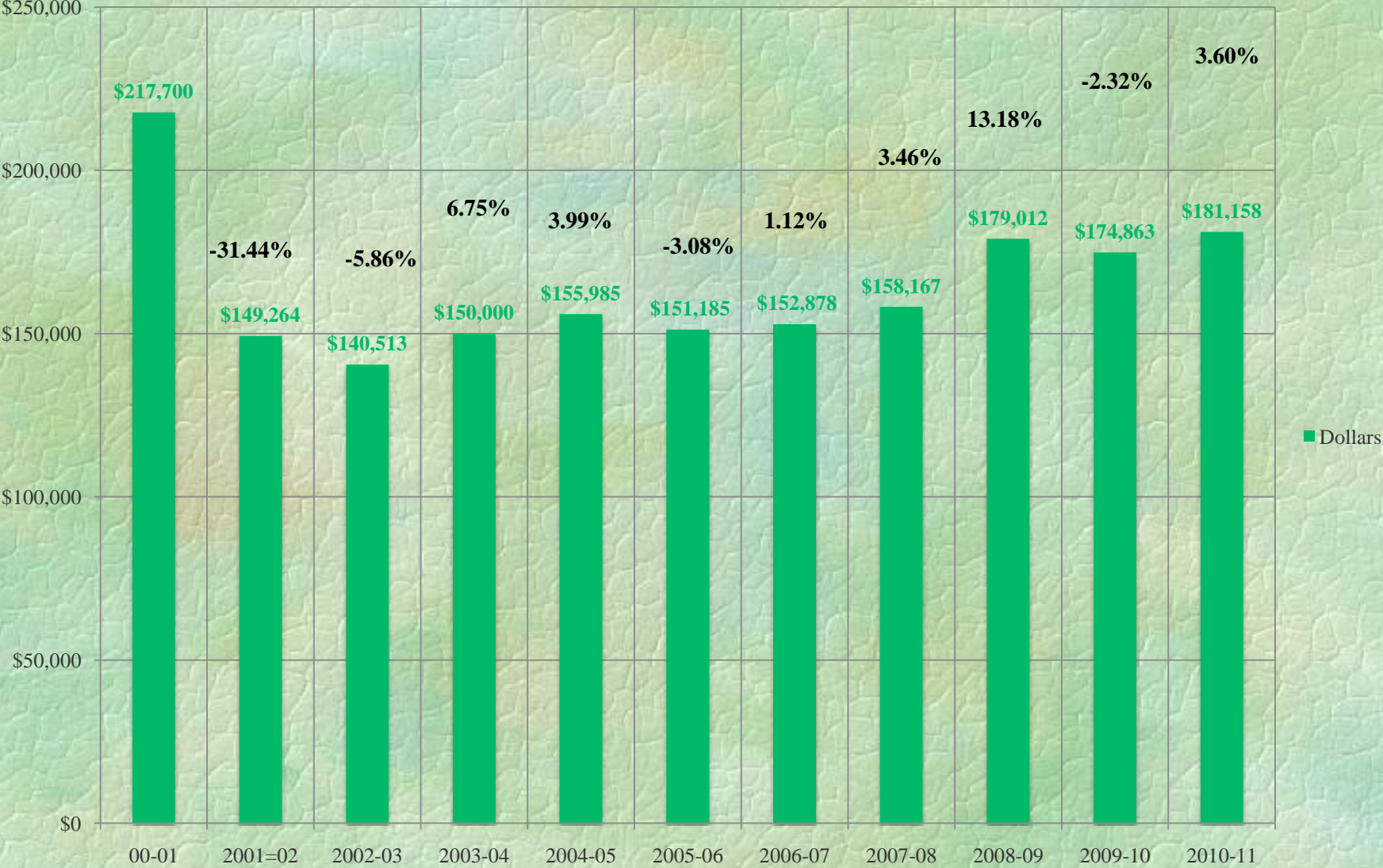
**Roving Custodian**-New Elem.

**Add 25 days to Northside Secretaries**-New Elem.

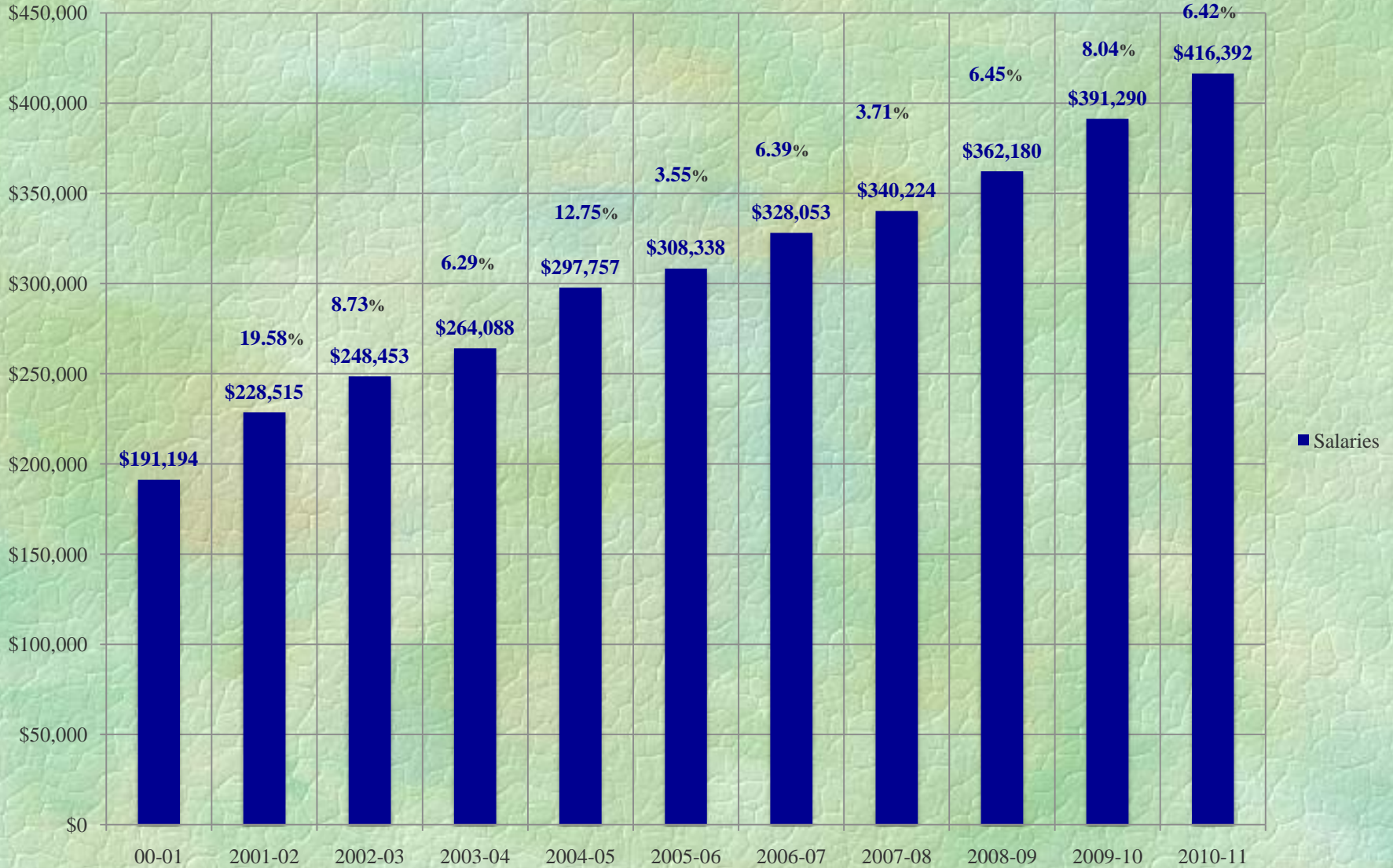
**Increase Days for High School Attendance Secretary**

**Increase Athletic Secretary to 7 hours per day**

# General Fund Contribution to Athletics



# Athletic Salaries-Historical



# Additional Extra-Curricular Positions



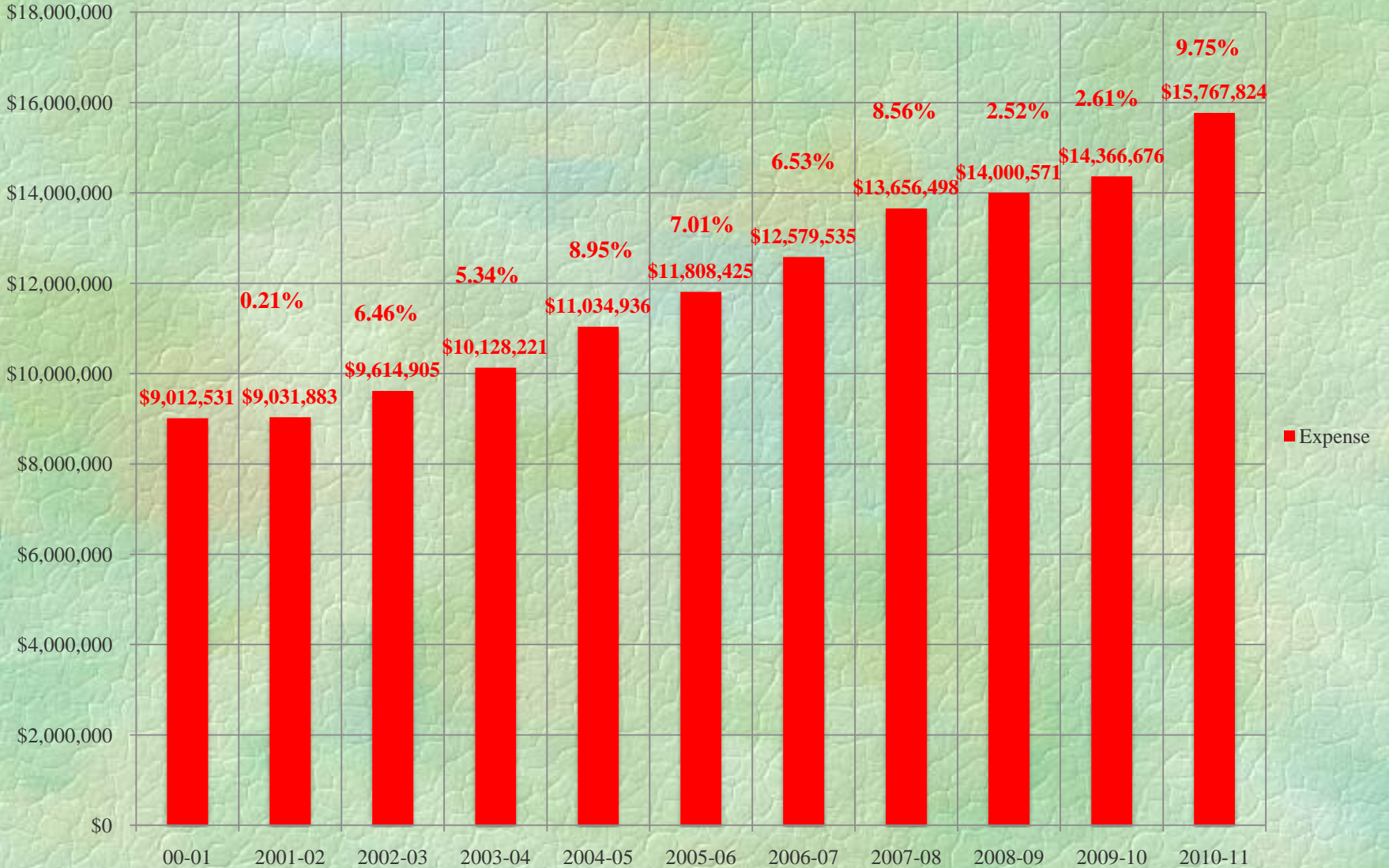
Head Volleyball Coach

Assistant Volleyball Coach

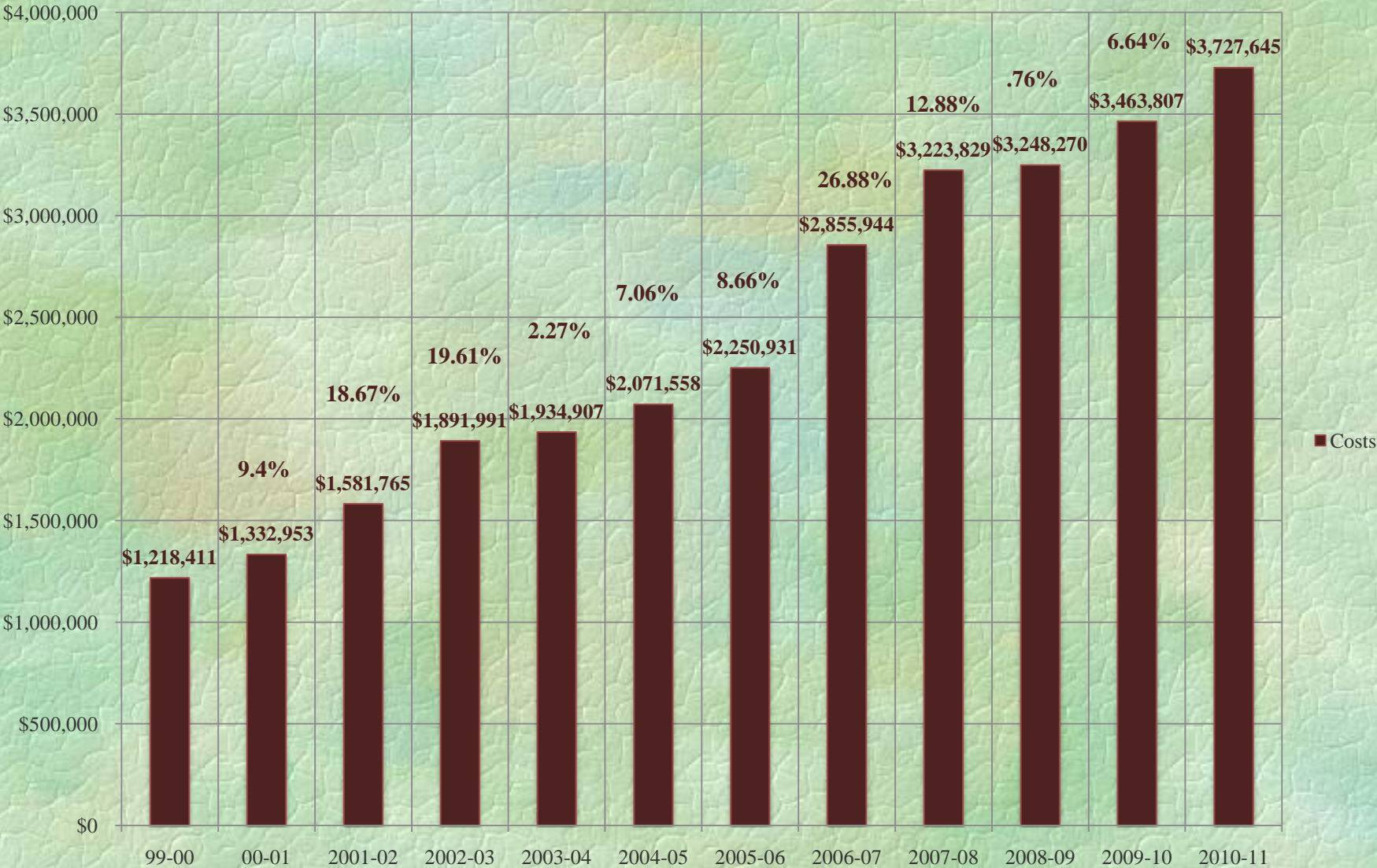
Spring Game Manager



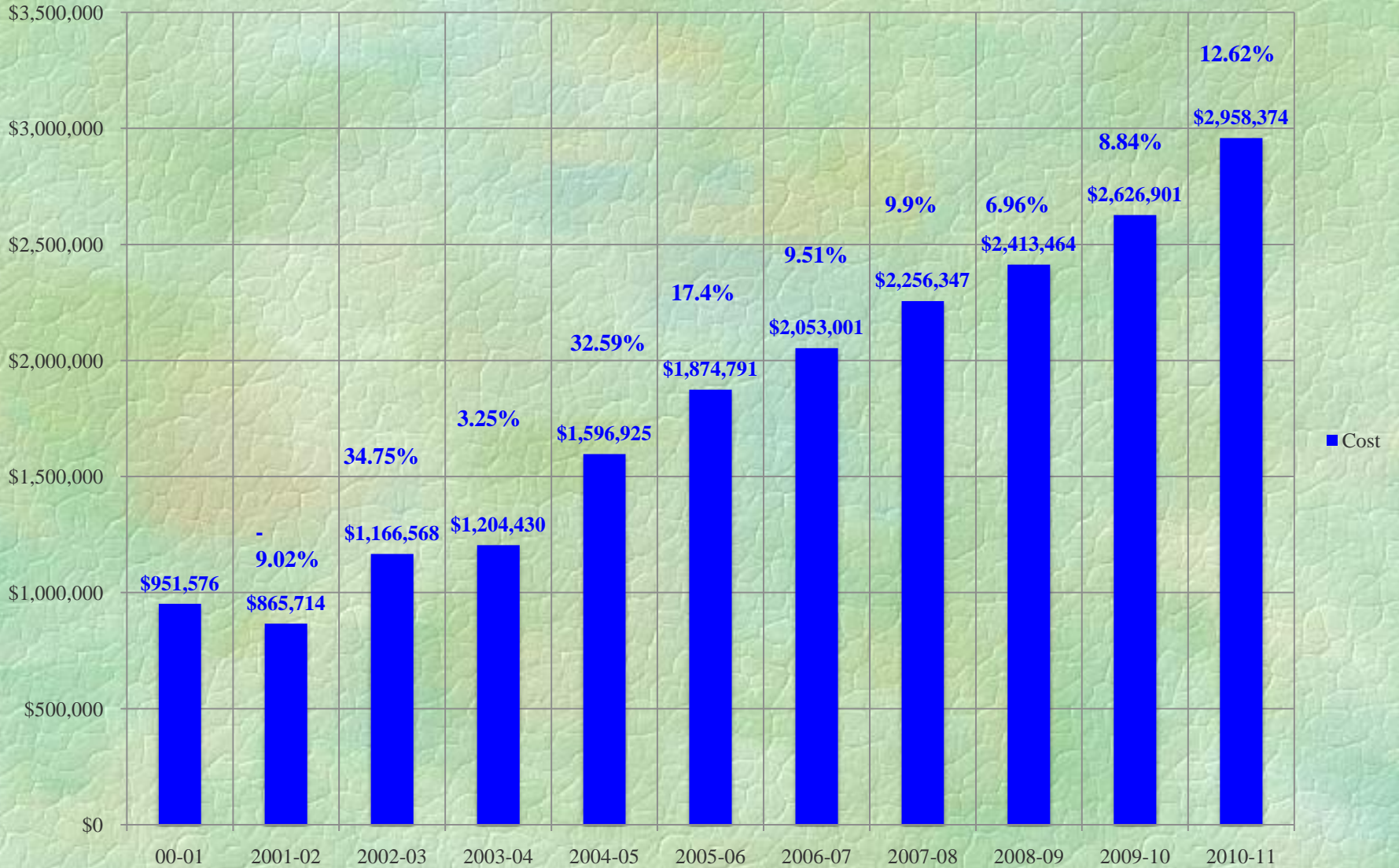
# Regular Programs--Historical



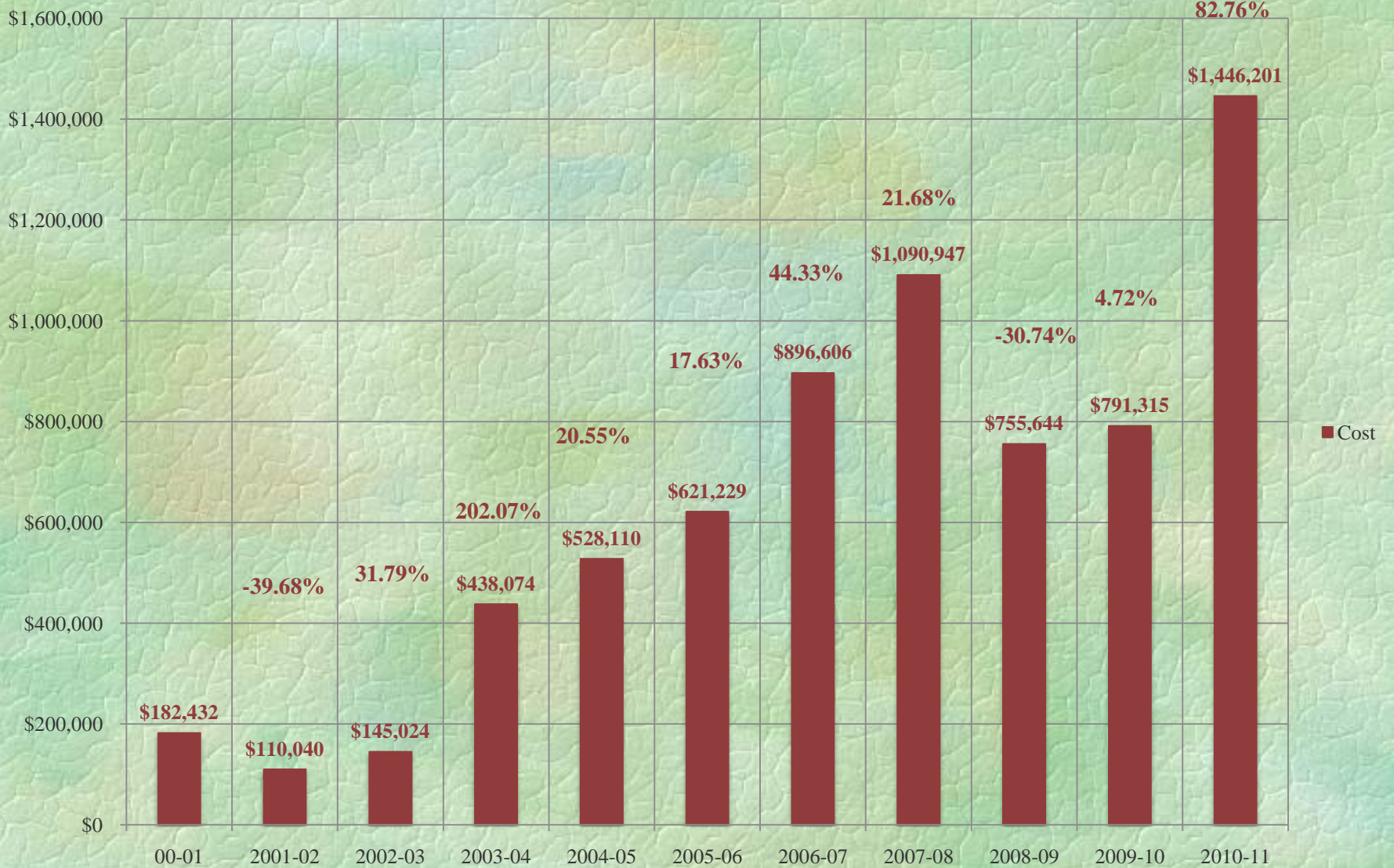
# Special Education Costs-Historical



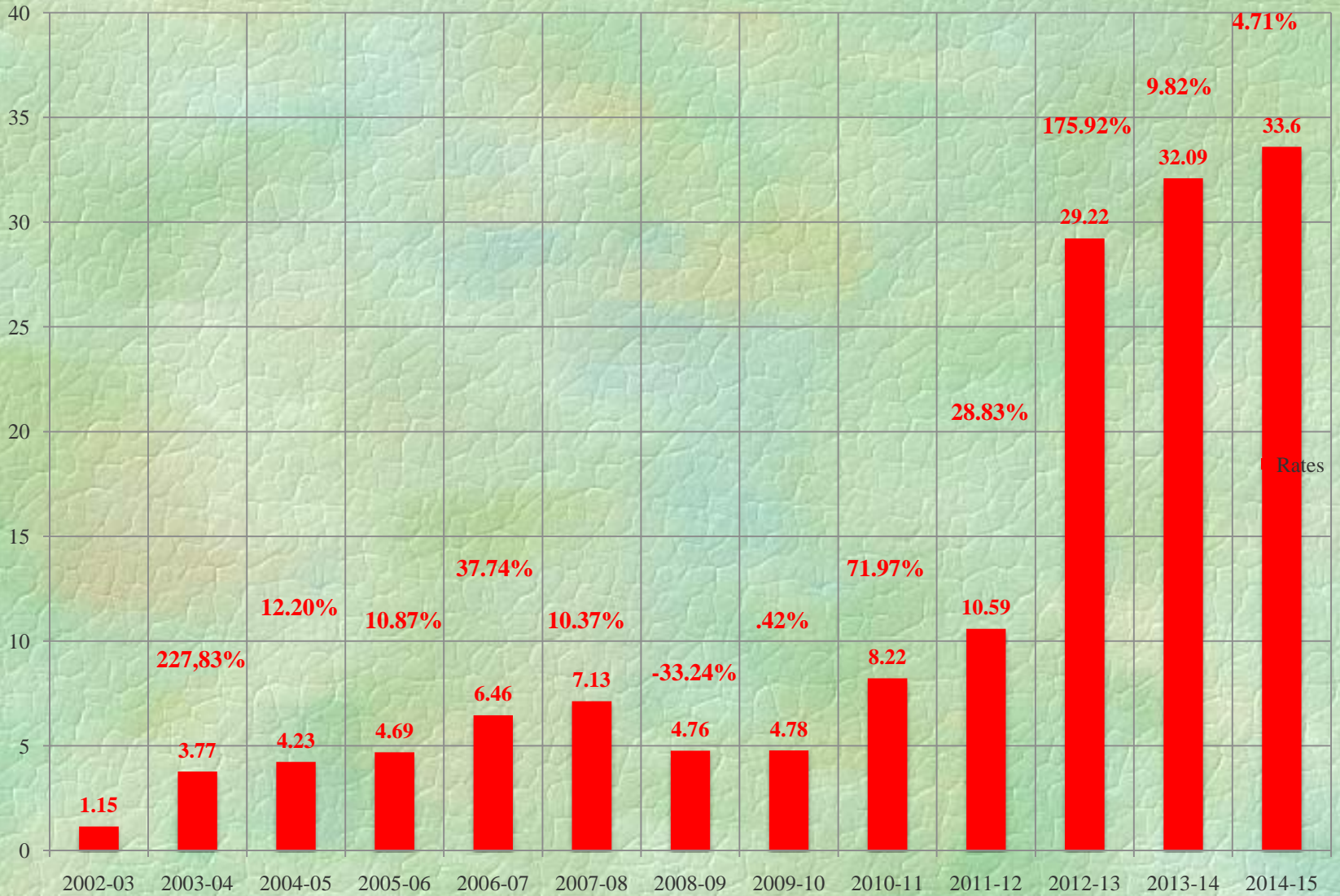
# Medical Insurance Costs-Historical



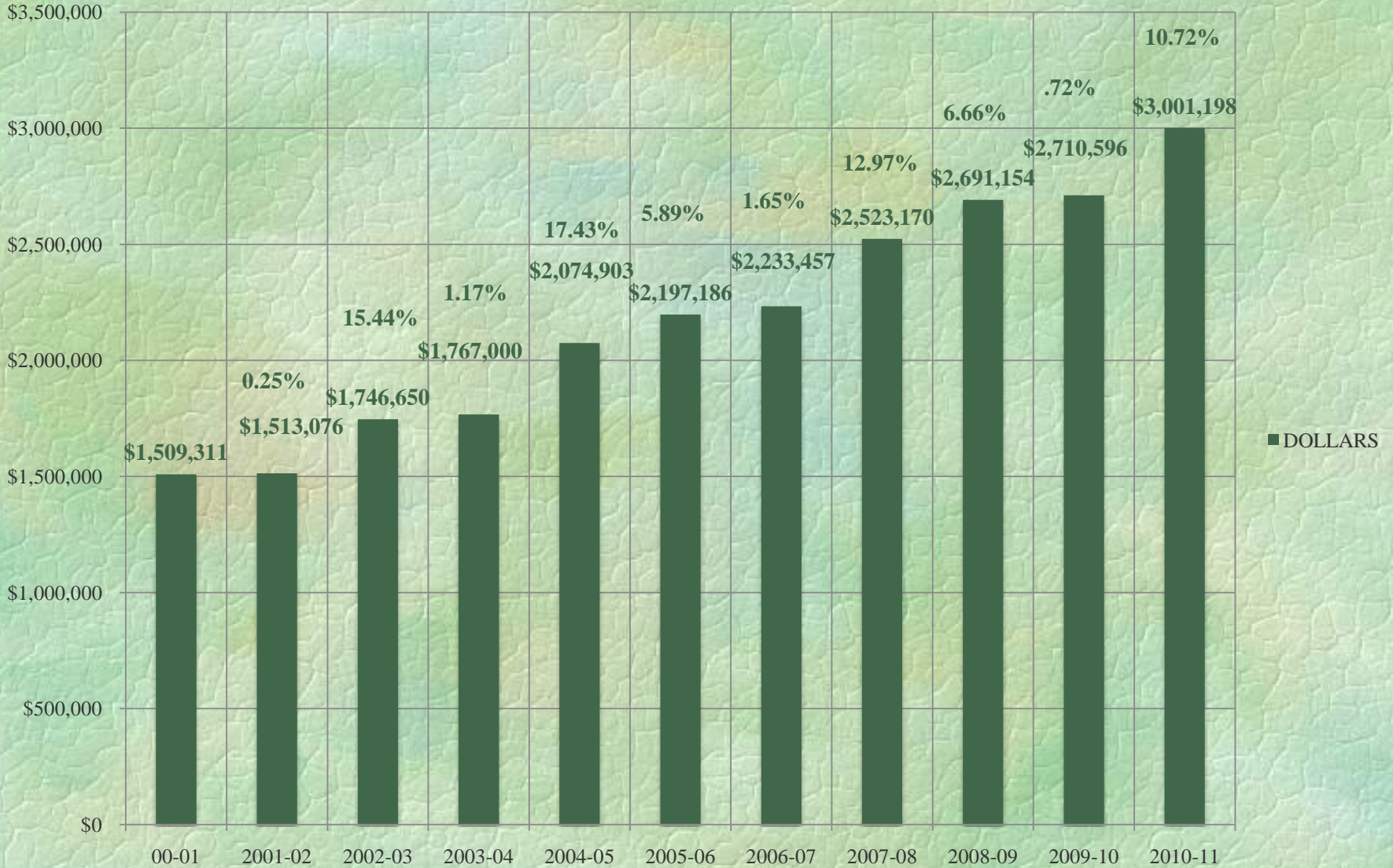
# Retirement Costs--Historical



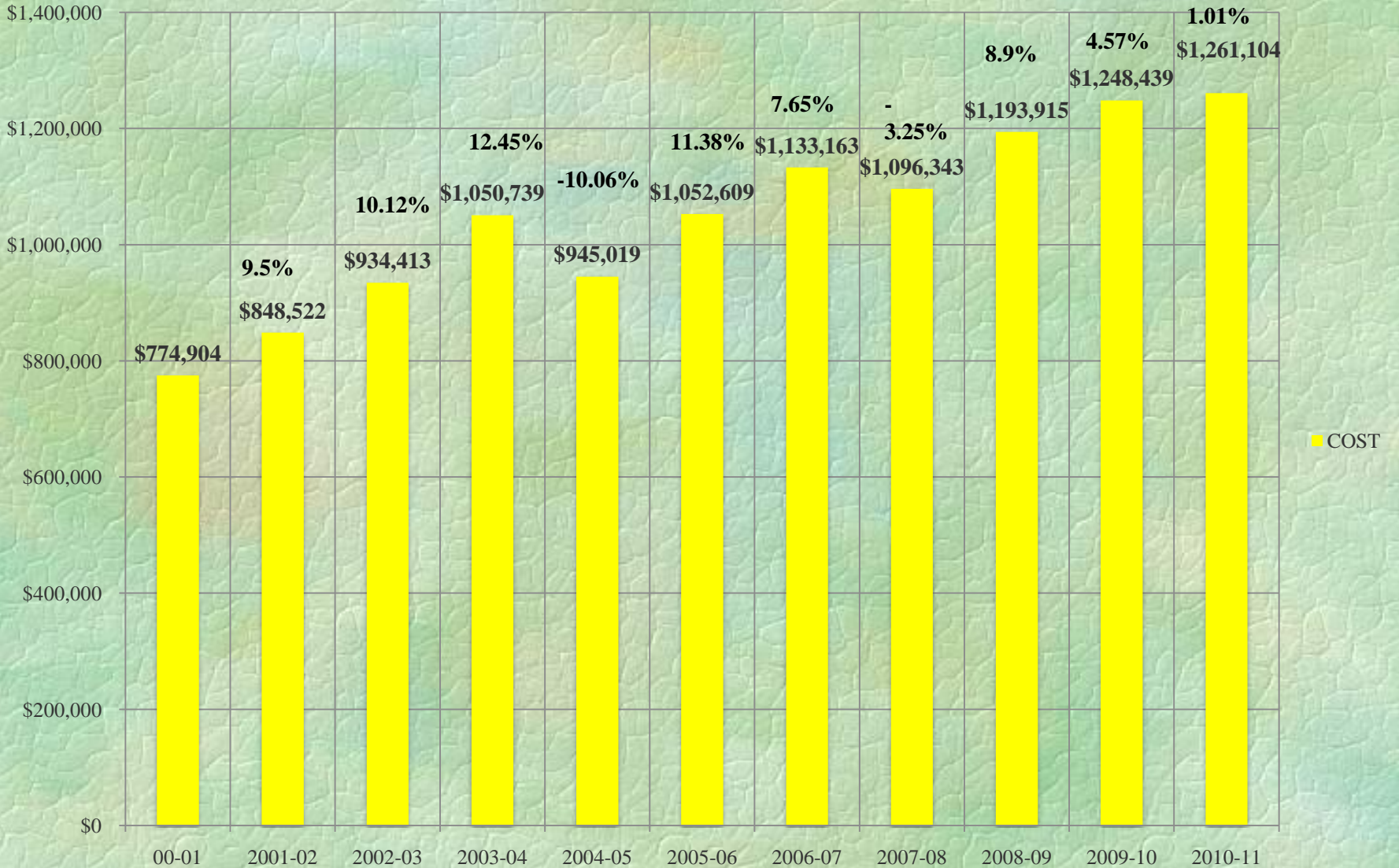
# Retirement Rates--Historical & Proposed



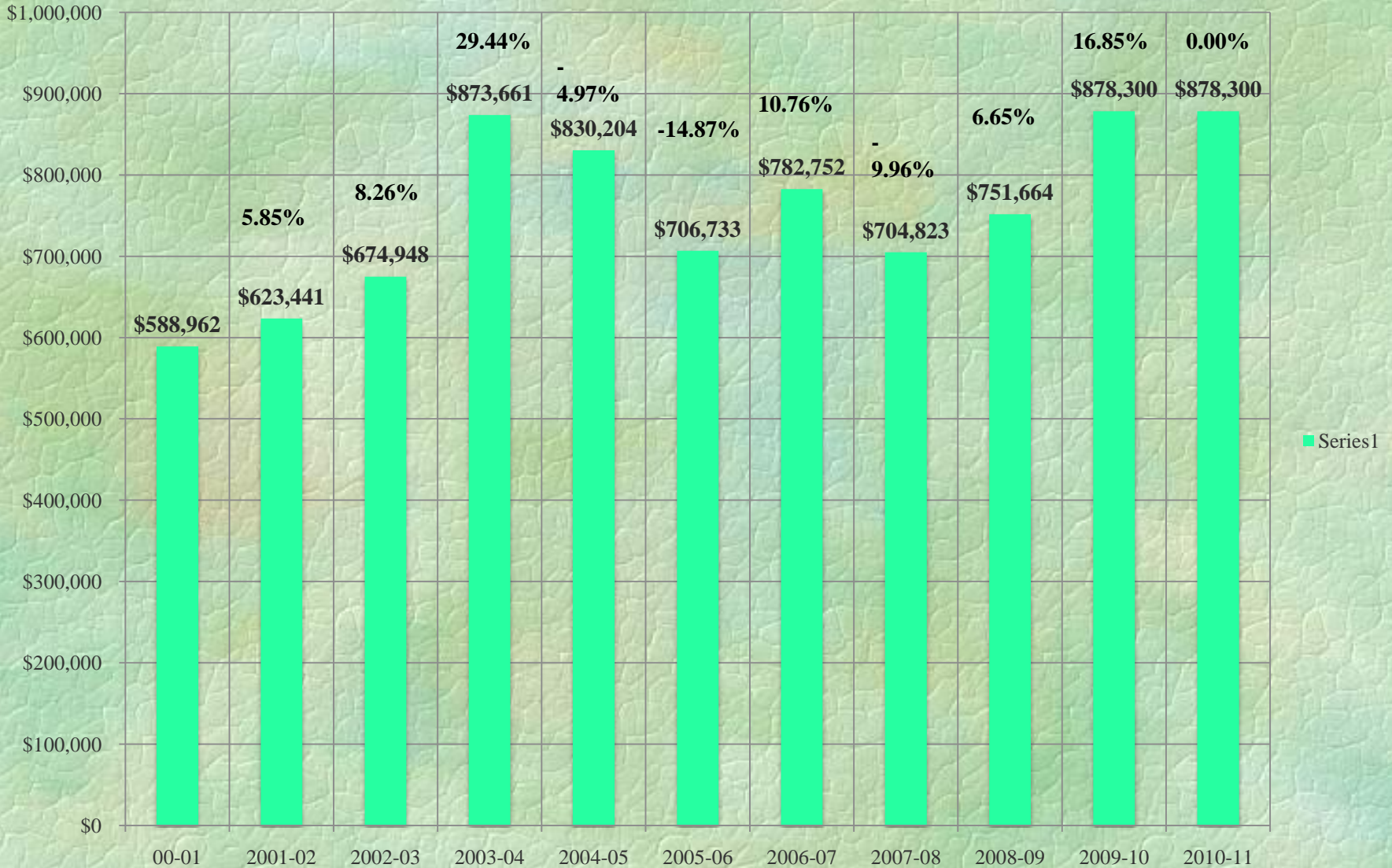
# Operations and Maintenance



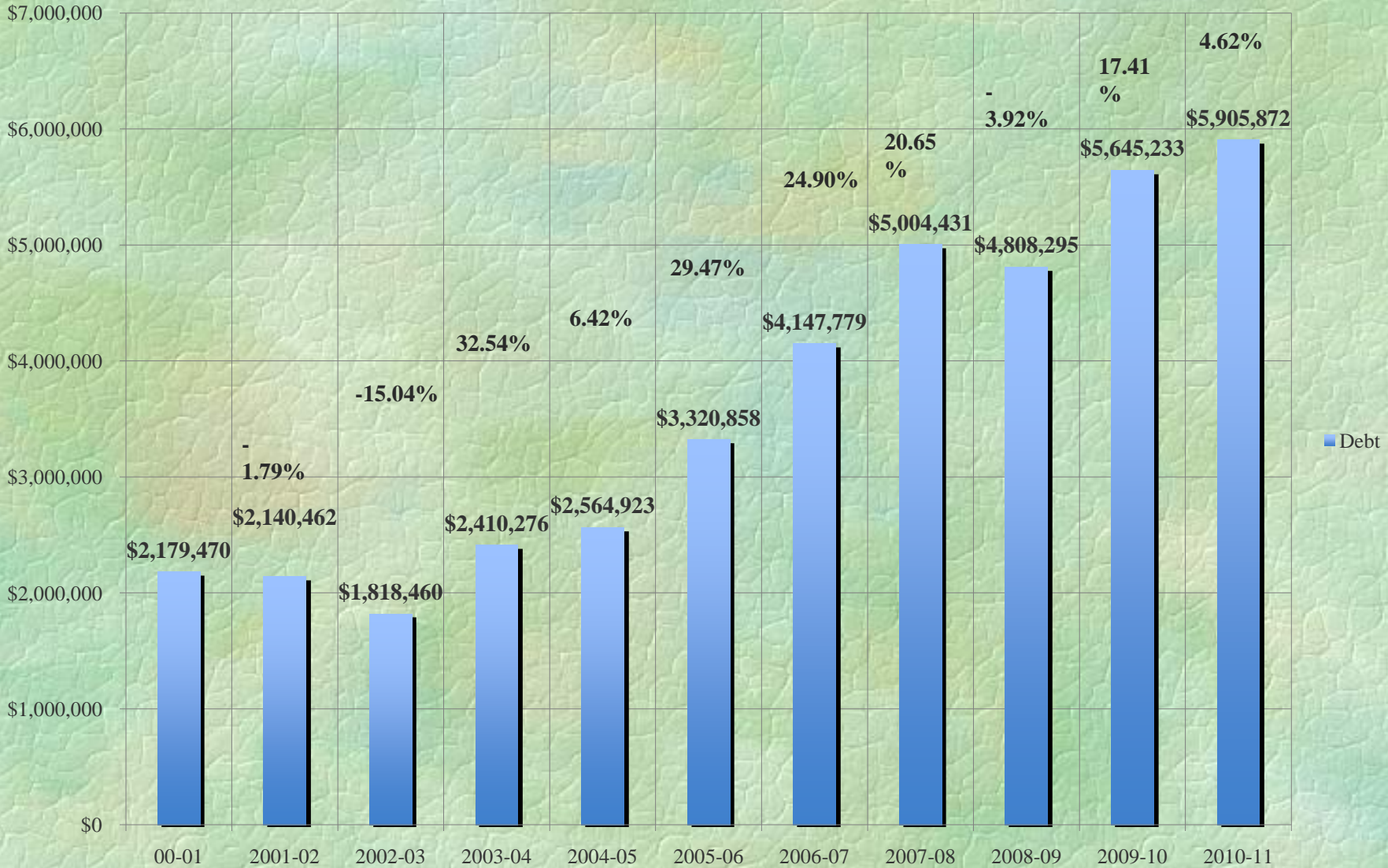
# Transportation Costs--Historical



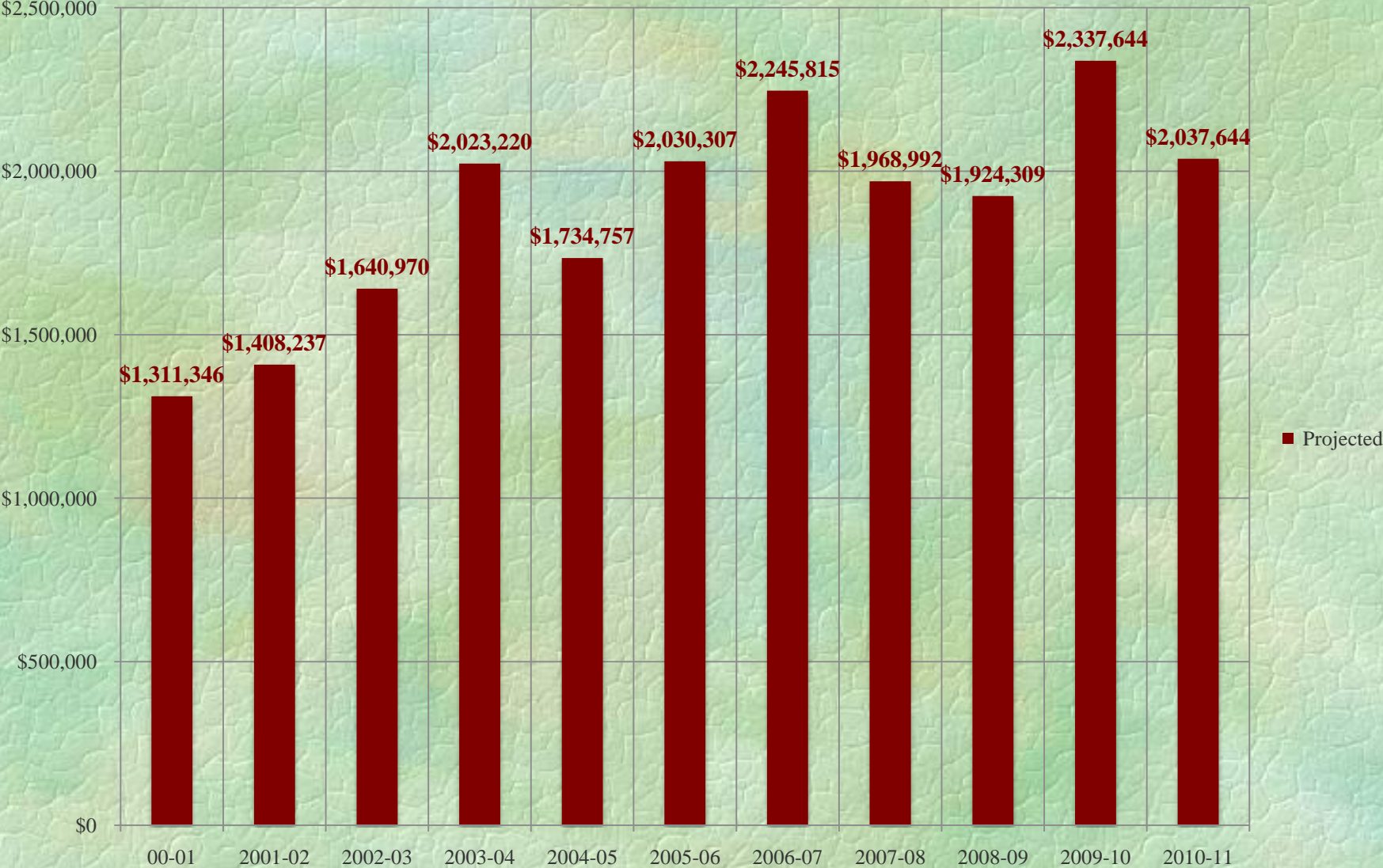
# Contracted Carrier Costs--Historical



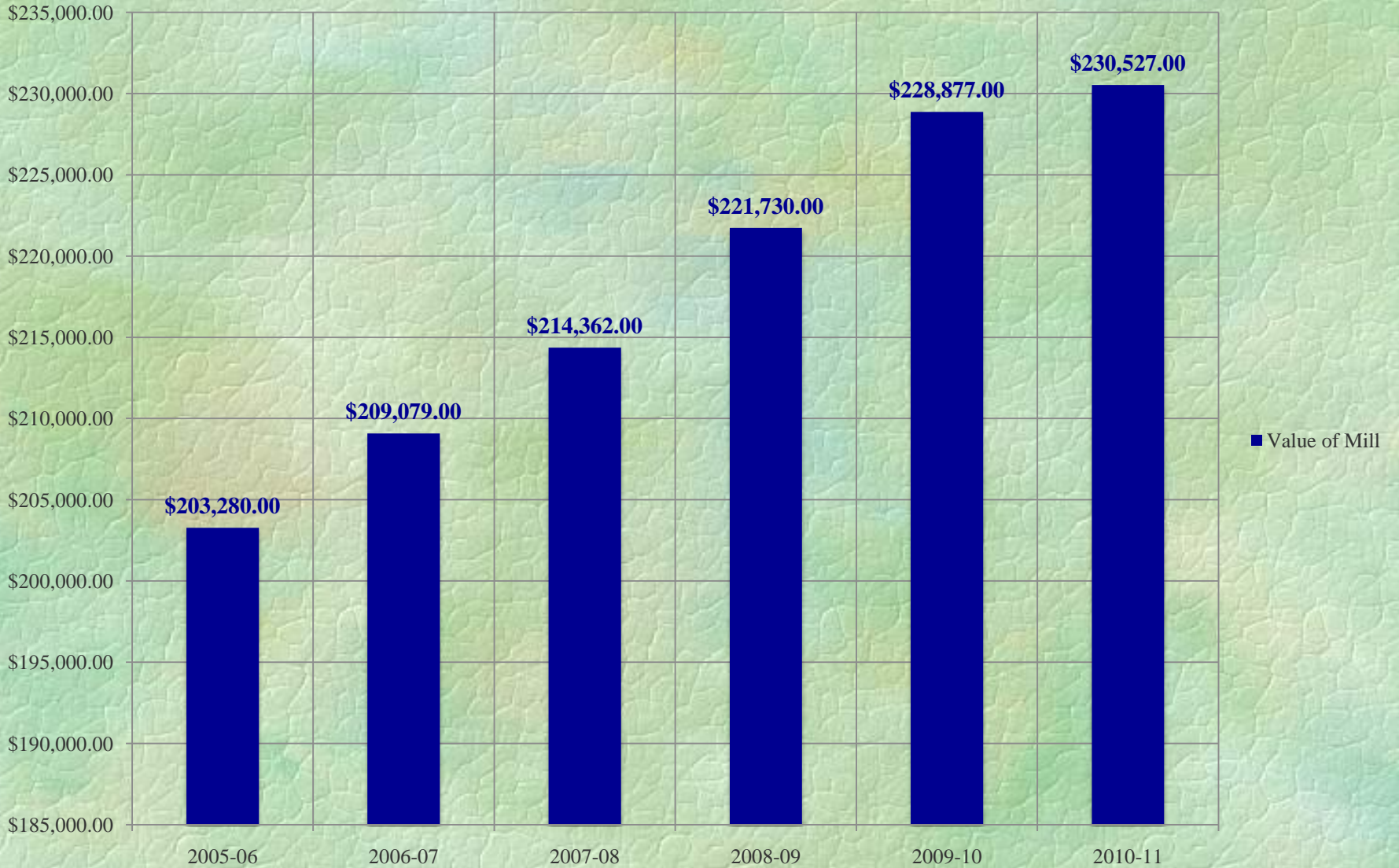
# Debt Service--Historical



# Fund Balance--Historical



## Value of 1 Mill



**Millage Rate: 2010-2011      Value of a mill = \$230,527**

2009-2010 Rate equals 91.75 mills

- Salary Increases (Including all new positions) = \$982,935 or 4.26 mills
- Medical Insurance Increase = \$331,473 or 1.44 mills
- Retirement Increase = \$327,443 or 1.42 mills
- Increased Debt Service = \$138,346 or .60 mills
- Increased Operations & Maintenance = \$175,295 or .76 mills **(\$70,000 Utility Rate Caps-1/2 year)**
- Increased Cyber Charter = \$50,000 or .22 mills
- Increased Textbooks = \$100,000 or .43 mills

**TOTAL MILLS REQUIRED FOR ABOVE INCREASES = 9.13**

## REVENUE IMPACT

**Natural Growth has slowed to 1.6% (Historically has been 4% which was sufficient to offset contractual salary increases)**

### **LOSS OF REVENUE:**

**Pennsy Tax Appeal Settlement = -\$276,808 or -1.2 mills**

**Investment Earnings = -\$73,740 or -.32 mills**



## **Cost of 12.5 Years of Education (Based on 08-09 Tuition)**

- Elementary Tuition of \$6,743.42 X 6.5 years = \$43,832.23
- Secondary Tuition of \$7,379.86 X 6 years = \$44,279.16
- Total Cost for 12.5 years = \$88,111.39
- Median Assessed Value of \$24,100 generates \$2,211 in school taxes annually
- \$88,111.39 divided by \$2,211 means it takes 39.85 years of paying school taxes to pay for 12.5 years of public education
- A new home sold for \$200,000 is assessed at \$27,000 generates \$2,477 in school taxes annually
- \$88,111.39 divided by \$2,477 means it takes 35.57 years of paying school taxes to pay for 12.5 years of public education

## Housing Impact for the Palmyra Area School District

(Numbers were taken from PEL Study)

- Housing starts by year:
  - 2004 equaled 176
  - 2005 equaled 175
  - 2006 estimated at 143
  - 2007 estimated at 171
  - 2008 estimated at 170
  - 2009 estimated at 153
- Six year average equals 165 housing units
- If each home generates \$2,477 in taxes, total annual revenue equals \$408,705.
- If each house has one elementary age child the cost to educate 165 elementary children is \$1,112,664.

## Act 1 Implications

- Budget developed five months earlier than in years prior to Act 1
- State funding is unknown--budgeted flat revenue (no increase)
- Preliminary budget presents worst case scenario
- Board and administration will continue to work on 2010-2011 budget until final adoption in June

				Preliminary budget		Final budget			
				February		June			
BUDGET		ELIGIBLE EXCEPTIONS	PDE APPR'VD EXCEPTIONS (PB)	ELIGIBLE TAX INCREASE		ACTUAL TAX INCREASE		EXCEPTIONS	
YEAR	INDEX			MILLS	PERCENTAGE	MILLS	PERCENTAGE	USED	
2007-08	4.10%	904,115	855,345	84.00	9.10%	84.00	9.10%	Spec Ed Debt Svc Retirement	92,526 62,441 700,378
2008-09	5.20%	1,084,346	583,574	91.00	8.33%	88.25	5.06%	NONE	
2009-10	4.90%	493,180	384,538	94.25	6.80%	91.75	3.97%	NONE	
2010-11	3.60%	1,332,875. Est	621,728	97.75	6.54%				