

A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various 3D-rendered financial symbols such as the dollar sign (\$), the pound sign (£), the yen sign (¥), and the euro sign (€).

Manheim Township School District

Final 2017/18 Budget Approval

June 8, 2017

Agenda

- 2017/18 Revenue Highlights
- 2017/18 Expenditure Highlights
- 2017/18 Budget Summary
- Make decision on final millage rate



2017/18 Budgeted Revenue

- Budgeted Revenue = \$93,251,979 (an increase of approximately \$3.1 million over 2016/17 budget)
 - Local revenue increase of approximately \$1.96 million
 - *Real estate taxes = \$1.47 million*
 - *Earned income taxes = \$100k*
 - *Transfer taxes = \$300k*
 - *Interest earned on investments = \$130k*
 - State revenue increase of approximately \$1.23 million
 - *Retirement reimbursement = \$665k*
 - *Basic & Special ed subsidies = \$445k (state budget is not passed; therefore, these figures could change)*
 - *PlanCon reimbursement = \$236k*



2017/18 Budgeted Expenditures

- Budgeted Expenditures = \$96,151,927 (an increase of approximately \$5.4 million over 2016/17 budget)
 - Salaries increase of \$1.2M
 - Retirement expense increase of \$1.3M, of which $\frac{1}{2}$ is budgeted to be reimbursed by the state (rate from 30.03% to 32.57%)*
 - Health insurance increase of \$600k*
 - Technology lease payment of \$900k is budgeted due to 1:1 initiative*
 - Transfer to Capital Reserve Fund of \$656k is budgeted as part of the Middle School project planning
 - Increase of \$700k (0.7% of total budget) for other support services

*Fund balance has been designated for a portion these expenditures



2017/18 Budget Summary

Budgeted Revenue:	\$93,251,979
Budgeted Expenditures:	\$96,151,927
Budgeted Deficit:	\$(2,899,948)*

**Includes \$400k of budgetary reserve. Fund Balance has been designated as follows:*

\$700k PSERS

\$500k technology (1:1 iPad imitative)

\$500k medical insurance

\$800k use of unassigned fund balance



2017/18 Budget Summary – Real Estate Tax

- Maximum tax increase permitted under Act 1 = 4.1%
 - *Act 1 Base Index = 2.5%, no exceptions*
- Superintendent's recommended tax increase = 1.9%
 - Millage increase = .3619
 - 2017/18 Millage rate = 19.4128

2017/18 Tax Impact on Various Assessed Home Values @1.9%

Assessed Value	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	Annual Increase	Monthly Increase	% Increase	
\$80,000	\$1,324	\$1,362	\$1,381	\$1,436	\$1,461	\$1,491	\$1,491	\$1,524	\$1,553	\$29	\$2	1.9%	
\$100,000	\$1,655	\$1,703	\$1,727	\$1,795	\$1,826	\$1,864	\$1,864	\$1,905	\$1,941	\$36	\$3	1.9%	
\$120,000	\$1,986	\$2,044	\$2,072	\$2,154	\$2,191	\$2,237	\$2,237	\$2,286	\$2,330	\$44	\$4	1.9%	
\$140,000	\$2,317	\$2,384	\$2,418	\$2,513	\$2,556	\$2,610	\$2,610	\$2,667	\$2,718	\$51	\$4	1.9%	
MEDIAN FOR MTSD*	\$164,200	\$2,718	\$2,796	\$2,835	\$2,948	\$2,998	\$3,061	\$3,061	\$3,128	\$3,188	\$60	\$5	1.9%
\$180,000	\$2,979	\$3,065	\$3,108	\$3,231	\$3,286	\$3,355	\$3,355	\$3,429	\$3,494	\$65	\$5	1.9%	
\$200,000	\$3,310	\$3,406	\$3,454	\$3,591	\$3,652	\$3,728	\$3,728	\$3,810	\$3,883	\$73	\$6	1.9%	
\$220,000	\$3,641	\$3,747	\$3,799	\$3,950	\$4,017	\$4,101	\$4,101	\$4,191	\$4,271	\$80	\$7	1.9%	
\$240,000	\$3,972	\$4,087	\$4,144	\$4,309	\$4,382	\$4,474	\$4,474	\$4,572	\$4,659	\$87	\$7	1.9%	

*Median residential homestead assessment as of May 2017.
 The proposed millage rate for 2017-2018 is 19.4128 mils.
 To calculate your school real estate taxes, multiply the assessed value of your home by .0194128 (19.4128 mils).

Tax Rate Scenarios

Note: The following options are for illustrative purposes only; the Board may approve a final tax rate 0% - 4.1%.

Assumptions for all scenarios:

- Belmont & The Crossings coming on 18/19
- Salary increase of 2.5% each year (currently unknown due to ongoing teacher negotiations)
- State Funding level with the exception of PSERS & FICA (50% of exp)
- Health Insurance of 4.0% each year
- Staffing levels status quo
- PSERS rates as projected by the PSERS board
- Debt includes Middle School borrowing
- SDOL reimbursement coming off in 2018/19
- Assumes no other additions or reductions to fund balance
- Expenditure totals includes \$400k for budgetary reserve
- Fund Balance Includes unassigned and committed fund balance

<u>17/18 Tax Rate of 1.9% (as presented)</u>					
	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Tax Rate Assumption	1.9%	2.0%	2.0%	2.0%	2.0%
Expenditure Total	\$96,151,927	\$98,499,102	\$101,653,684	\$105,643,991	\$ 108,306,057
Revenue Total	\$93,251,979	\$97,890,328	\$100,289,286	\$102,629,273	\$ 105,060,439
(Deficit)/Surplus Prior to Applying Fund Balance	\$ (2,899,948)	\$ (608,774)	\$ (1,364,398)	\$ (3,014,718)	\$ (3,245,618)
6/30 Fund Balance	\$16,290,948	\$15,682,174	\$ 14,317,776	\$ 11,303,058	\$ 8,057,440

<u>17/18 Tax Rate of 0%</u>					
	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Tax Rate Assumption	0.0%	2.0%	2.0%	2.0%	2.0%
Expenditure Total	\$96,151,927	\$98,499,102	\$101,653,684	\$105,643,991	\$ 108,306,057
Revenue Total	\$92,112,283	\$96,668,171	\$ 99,032,797	\$101,337,109	\$ 103,731,583
(Deficit)/Surplus Prior to Applying Fund Balance	\$ (4,039,644)	\$ (1,830,931)	\$ (2,620,887)	\$ (4,306,882)	\$ (4,574,474)
6/30 Fund Balance	\$15,151,252	\$13,320,321	\$ 10,699,434	\$ 6,392,552	\$ 1,818,078

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
<u>17/18 Tax Rate of 1.0%</u>					
Tax Rate Assumption	1.0%	2.0%	2.0%	2.0%	2.0%
Expenditure Total	\$96,151,927	\$98,499,102	\$101,653,684	\$105,643,991	\$ 108,306,057
Revenue Total	\$92,712,206	\$97,311,500	\$ 99,694,199	\$102,017,289	\$ 104,431,077
(Deficit)/Surplus Prior to Applying Fund Balance	\$ (3,439,721)	\$ (1,187,602)	\$ (1,959,485)	\$ (3,626,702)	\$ (3,874,980)
6/30 Fund Balance	\$15,751,175	\$14,563,573	\$ 12,604,088	\$ 8,977,386	\$ 5,102,406

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
<u>17/18 Tax Rate of 2.5% (Act 1 base index)</u>					
Tax Rate Assumption	2.5%	2.0%	2.0%	2.0%	2.0%
Expenditure Total	\$96,151,927	\$98,499,102	\$101,653,684	\$105,643,991	\$ 108,306,057
Revenue Total	\$93,611,932	\$98,276,325	\$100,686,127	\$103,037,381	\$ 105,480,135
(Deficit)/Surplus Prior to Applying Fund Balance	\$ (2,539,995)	\$ (222,777)	\$ (967,557)	\$ (2,606,610)	\$ (2,825,922)
6/30 Fund Balance	\$16,650,901	\$16,428,124	\$ 15,460,567	\$ 12,853,957	\$ 10,028,035

<u>17/18 Tax Rate of 3.0%</u>					
	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Tax Rate Assumption	3.0%	2.0%	2.0%	2.0%	2.0%
Expenditure Total	\$96,151,927	\$98,499,102	\$101,653,684	\$105,643,991	\$ 108,306,057
Revenue Total	\$93,912,051	\$98,598,159	\$101,017,001	\$103,377,649	\$ 105,830,066
(Deficit)/Surplus Prior to Applying Fund Balance	\$ (2,239,876)	\$ 99,057	\$ (636,683)	\$ (2,266,342)	\$ (2,475,991)
6/30 Fund Balance	\$16,951,020	\$17,050,077	\$ 16,413,394	\$ 14,147,052	\$ 11,671,062

<u>17/18 Tax Rate of 4.1% (Act 1 base index with allowable exceptions)</u>					
	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Tax Rate Assumption	4.1%	2.0%	2.0%	2.0%	2.0%
Expenditure Total	\$96,151,927	\$98,499,102	\$101,653,684	\$105,643,991	\$ 108,306,057
Revenue Total	\$94,571,809	\$99,305,653	\$101,744,369	\$104,125,669	\$ 106,599,326
(Deficit)/Surplus Prior to Applying Fund Balance	\$ (1,580,118)	\$ 806,551	\$ 90,685	\$ (1,518,322)	\$ (1,706,731)
6/30 Fund Balance	\$17,610,778	\$18,417,329	\$ 18,508,014	\$ 16,989,692	\$ 15,282,961



DISCUSSION QUESTIONS!

