



**2019 – 2020
General Fund
Town Hall Budget Presentation**

March 11, 2019

TONIGHT'S OBJECTIVES



- Engage/inform community
- Gather information/ideas to share with the Board
- What does the community value?

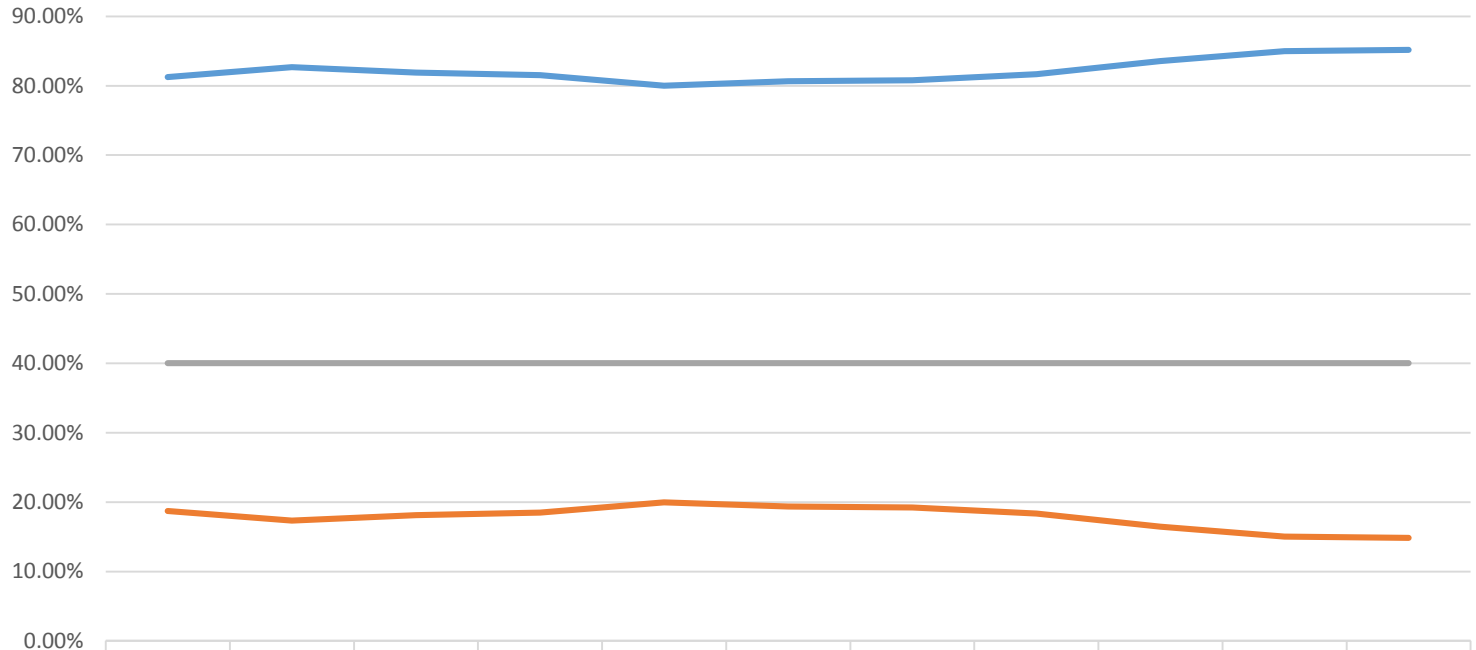
19-20 BUDGET CHALLENGES



Budget Challenge	Amount
Phoenixville Hospital non-profit status	(\$950,000)
*Special Education	(\$3,500,000)
*Alignment with PA Standards and State Assessments	(\$375,000)
*ELD (English Language Development) (last 2 years)	(\$300,000)
Positions added since 18-19 budget (.5 Guidance, 1.5 Kindergarten, 2 ELD and 6 full time Special Ed aides)	(\$800,000)
Medical Benefit increases of 10%	(\$600,000)
Deferred Revenue from LERTA (12 yr. phase-in)	
New Bond issue of \$10 million	(\$355,007)
Reassessments (Since June 18) negative impact	(\$380,000)
Health Care Reserve has decreased \$1.8 million last 2 yrs.	
Unreserved Fund Balance is down to 6.46%	

* Underfunded Mandate

UNDERFUNDED MANDATE – SPECIAL EDUCATION



	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
Local \$	81.26%	82.68%	81.87%	81.51%	80.02%	80.65%	80.80%	81.65%	83.56%	84.97%	85.15%
State & Federal \$	18.74%	17.32%	18.13%	18.49%	19.98%	19.35%	19.20%	18.35%	16.44%	15.03%	14.85%
\$ Mandated State & Federal	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

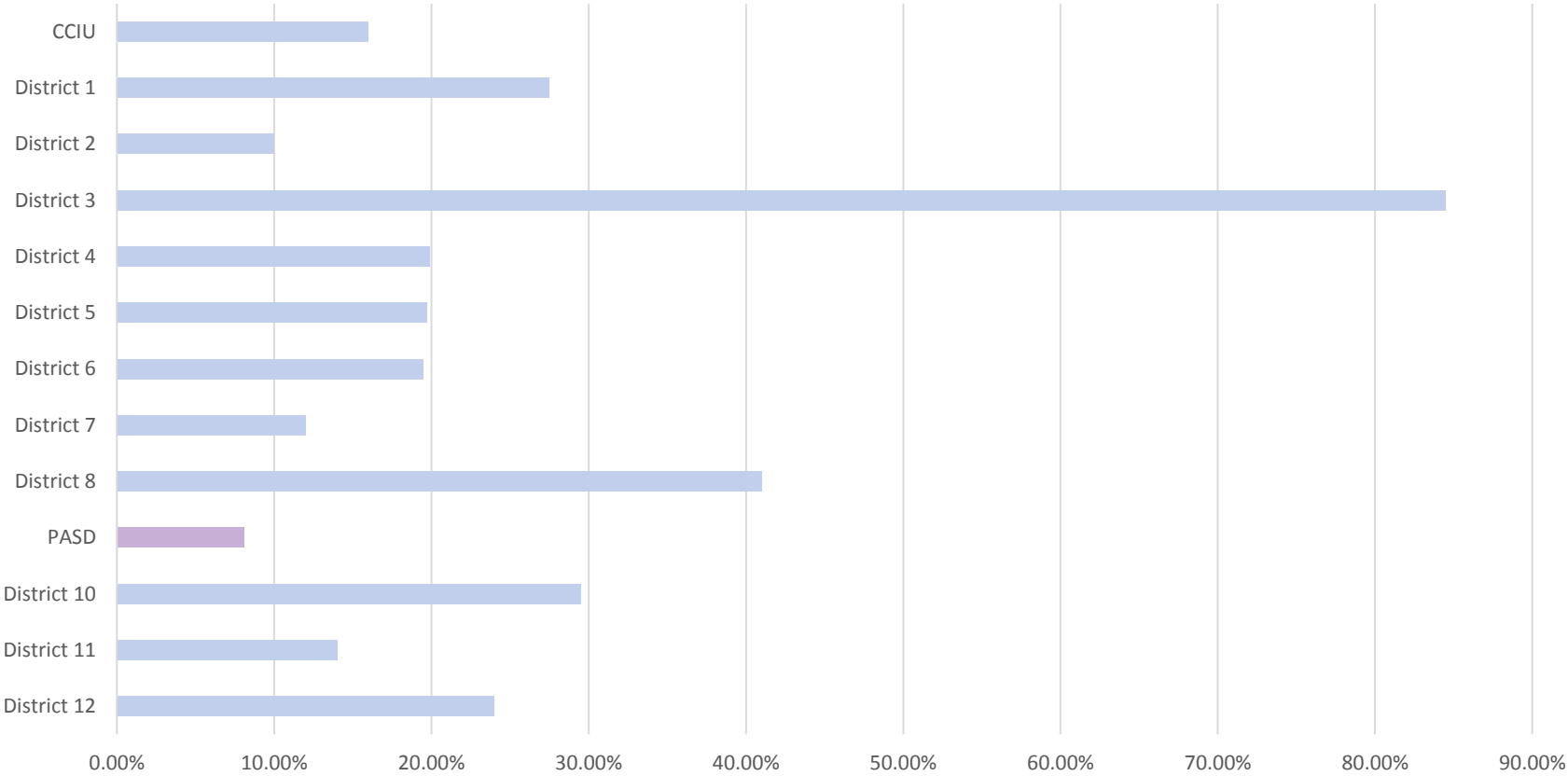
Local \$ State & Federal \$ \$ Mandated State & Federal

If the state/federal money was set at the mandated amount it would mean an additional \$3.5 million of revenue which would wipe out the entire budgetary gap and would take the working budget tax increase down to 0.0%.

CHESTER COUNTY DISTRICTS FUND BALANCE COMPARISON



Comparison of Fund Balance as a % of Expenditures (2018)



There are 3 types of fund balance: Committed, Assigned and Unassigned. Committed is down by Board action (PSERS). Assigned is intended or a specific purpose (Health Care). Unassigned is capped at 8% (about 1 month's expenses) is for emergencies or for delays in state funding.

CHESTER COUNTY MILLAGE RATES 10-11



<u>District</u>	<u>Millage</u>	<u>% Commercial</u>
Octorara	35.12	13.57%
Oxford	29.5479	11.74%
Coatesville Area	28.49	15.93%
<i>Phoenixville Area</i>	<i>27.06</i>	<i>16.67%</i>
Downingtown Area	26.213	16.68%
Owen J Roberts	26.17	11.48%
Kennett Consolidated	24.7781	20.51%
Avon Grove	24.72	10.78%
Unionville-Chadds Ford	24.26	10.58%
Great Valley	18.50	29.53%
West Chester Area	18.36	23.86%
Tredyffrin-Easttown	17.97	23.90%

10-11 Chester County average millage is 24.92 and average % Commercial is 17.10%.

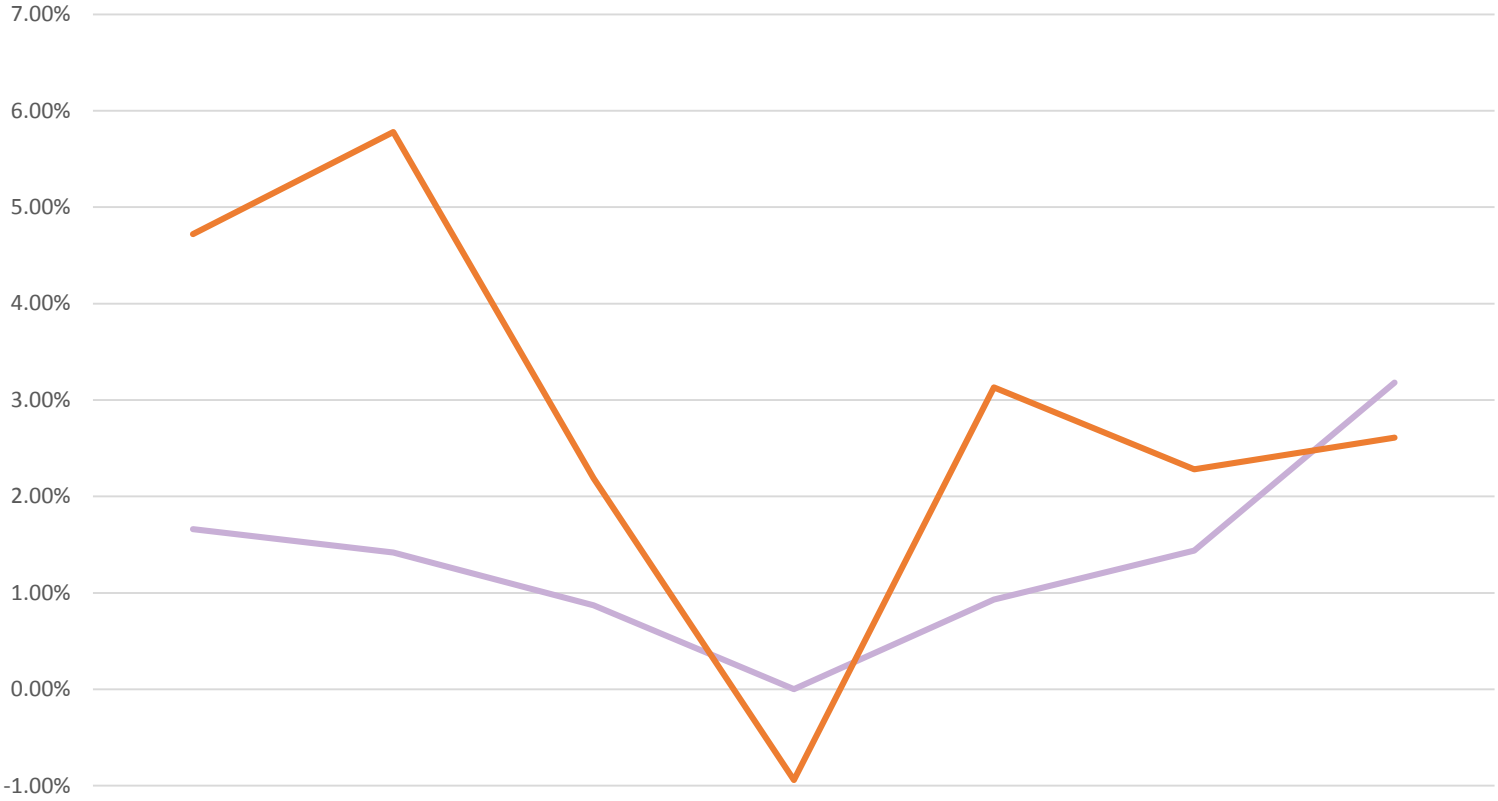
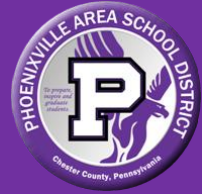
CHESTER COUNTY MILLAGE RATES 18-19



<u>District</u>	<u>Millage</u>	<u>% Commercial</u>
Octorara	39.94	14.17%
Coatesville Area	36.7537	15.66%
Oxford	31.148	13.38%
Owen J Roberts	31.2366	10.06%
Avon Grove	30.69	10.19%
<i>Phoenixville Area</i>	30.52	16.73%
Kennett Consolidated	30.45	17.95%
Unionville-Chadds Ford	28.51	6.76%
Downingtown Area	27.182	18.24%
Tredyffrin-Easttown	22.981	22.83%
Great Valley	21.295	30.90%
West Chester Area	21.2723	26.38%

18-19 Chester County average millage is 29.22% and average % Commercial is 15.63%.

ENROLLMENT GROWTH AND R/E TAX INCREASE COMPARISON

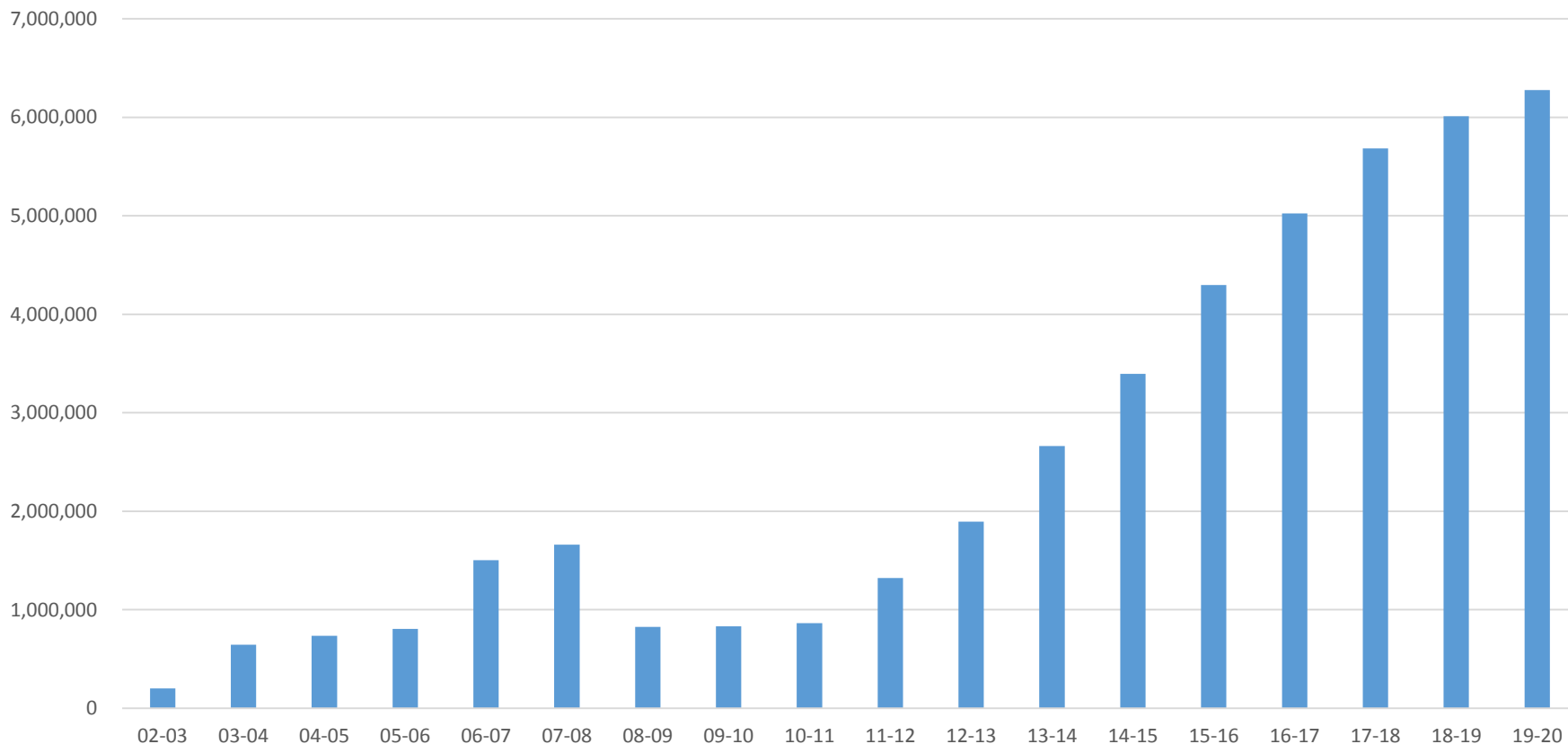


	12-13	13-14	14-15	15-16	16-17	17-18	18-19
R/E Tax Increase	1.66%	1.42%	0.87%	0.00%	0.93%	1.44%	3.18%
Enrollment Increase	4.72%	5.78%	2.19%	-0.94%	3.13%	2.28%	2.61%

NET PENSION (PSERS) CONTRIBUTION HISTORY



Net Pension (PSERS) Contribution



If the district was paying 7.5% in 19-20, the net cost would go from \$6.3 million down to \$1.4 million or a savings of **\$4.9 million**.

CLASS SIZE GUIDELINES



District	K	1	2	3	4	5	6-8	9-12
Avon Grove	24	25	27	29	29	29	29	Admin
Downingtown	24	24	24	26	28	28	30	30
Great Valley	18-22	18-22	20-24	20-24	22-26	22-26	24-28	26-30
Kennett	22	22	22	25	25	25	None	None
Octorara	*	*	*	*	*	*	*	*
Owen J Roberts	17-23	17-23	20-26	20-26	23-26	23-26	23-26	23-26
Phoenixville	15-20	18-24	18-24	18-24	21-27	21-27	23-29	15-30
T/E	22	22	23	25	27	27	27	27
Unionville	23	23	23	26	30	30	30	30
West Chester	25	25	27	27	30	30	None	None
<i>County Average</i>	23	23	25	26	28	28	28	29

*Octorara states that “Budget determines class size”.

BUDGETARY RESERVE USAGE HISTORY



Year	Budgetary Reserve	Amt. of Budgetary Reserve Used	Reason
18-19	\$400,000	\$400,000	Positions filled after budget passed due to increased enrollment*
17-18	\$300,000	\$300,000	Transportation (additional runs)
16-17	\$500,000	\$500,000	Positions filled after budget passed due to increased enrollment
15-16	\$500,000	\$500,000	Transportation (road closures) and Vo-Tech Tuition
14-15	\$500,000	\$500,000	Transportation (bridge), Resurfacing of parking lots and Tax Refunds
13-14	\$500,000	\$500,000	Contract Settlement, Tuition, Road Salt, Special Ed aides
12-13	\$500,000	\$500,000	Transportation (additional runs)
11-12	\$500,000	\$500,000	Teachers & Aides (enrollment), Fuel, Emotional Support, Transportation

*After the 18-19 budget passed the district had to add \$800,000 in salaries and benefits on new positions due to enrollment and student need. This means the \$400,000 Budgetary Reserve has been used leaving us \$400,000 over budget.

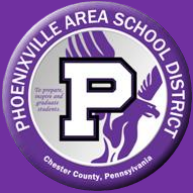
19-20 BUDGET SUMMARY



Preliminary Expenditures		\$96,072,279
Preliminary Revenue (w/ 2.3% Tax Increase)		<u>\$93,883,730</u>
Preliminary Budget Gap		\$2,188,549

The 2.3% tax increase included in Preliminary Budget equates to \$1,372,346. So if the Preliminary Budget Gap of \$2,188,549 is reduced to zero there is still a tax increase of 2.3%.

19-20 Budget Meetings & Topics



March 27, 2019

Revenue, Supplies/Equipment, Other Expenses/Financing Uses

April 16, 2019

Salaries and Benefits

May 6, 2019

TBD

May 16, 2019

Pass 19-20 Final Budget