

**Quakertown Community School District**  
**2012 – 2013**  
**Budget**



***First Look – January 5, 2012***

# **Budget Calendar – QCSD Process**

## **July and August 2011:**

*Administrators begin budget for 2012-13*

## **September 2011:**

*Facilities and maintenance review*

## **October 2011:**

*Human Resource planning, Revenue estimates*

## **November 2011:**

*Cost Centers, new requests*

## **December 2011:**

*Information compiled; Revenue projections review; Preparation for presentation*

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# **Budget Calendar – Act 1 Regulations**

## **January 2012:**

*First Look; Preliminary Approval January 24th*

## **February 2012:**

*Budget refinement; Updates to Board*

## **March 2012**

*Budget refinement; Updates to Board*

## **April, 2012:**

*Budget refinement; Updates to Board*

## **May 10, 2012:**

*Proposed Budget Approval  
(30 days prior to Final)*

## **June 14, 2012:**

*Final Budget Approval*

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# What is the Preliminary Budget?

- 🍏 Lets PDE know we will NOT go to referendum.
- 🍏 Lets PDE know we may request exceptions.
- 🍏 Gives the public an estimate up to this point.
- 🍏 **Does not commit the Board to expenditures or increases.**
- 🍏 Starts the process to allow the board to:
  - 🍏 *Make decisions with most current data as it become available*
  - 🍏 *Complete a thorough review of proposals*
  - 🍏 *Explore all legal and contractual options*
  - 🍏 *Work toward consensus*
  - 🍏 *Hear community input*



# *Budget Segments*

Status Quo  
Legal Obligations  
Mandates  
Goals



# *Segments 1: Status Quo*

1. No new or enhanced initiatives
2. Maintenance of service and programs
3. Vocational Technical, IU budgets
4. Scheduled Technology refresh



# ***Factors that Contribute to Status Quo***

**Why are expenses increasing if the budget is “status quo”?**

- 1. Rate of Inflation**
- 2. Energy rate hikes**
- 3. Enrollment fluctuation**
- 4. Cost of service increases**



# ***Segments 2: Legal Obligations***

- 1. Employee Contracts**
- 2. Debt Service; Previous & HS**
- 3. Retirement Contributions**
- 4. Transportation**



# *Segments 3: Mandates*

1. Special Education
2. English Language Learners
3. Charter Schools



# Segments 4: Strategic Goals

1. Student Achievement - *Springboard Math?*
2. Add middle school buses?
3. Common Core, other PDE requirements?



# Budget Segments

<b>Status Quo</b>	1%	No new programs, Enrollment fluctuation Inflation, fuel costs
<b>Legal Obligations</b>	3.68%	Debt payments, Retirement, contracts
<b>Mandates</b>	.6%	ESL, Special Ed
<b>Strategic Goals</b>	?	Springboard \$47,000 in; MS bus \$800,000 <u>not in</u>
<b>Preliminary Increase</b>	5.28%	

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# *Expenditure Challenges*

- 🍏 Salaries (minimal contracted increases, <1%)
- 🍏 Benefits (\$1.25 million in medical alone)
- 🍏 Retirement (\$1.6 million increase)
- 🍏 Special education, out of district increases
- 🍏 English Language Learners, new position
- 🍏 Debt service (Add .98 Mills or \$26 for HS)
- 🍏 5% fund balance per policy

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# Cost Centers

	Budget	Budget	%
	2011-12	2012-13	Increase
Salaries	42,843,733	43,231,131	0.90%
Benefits	11,403,394	12,646,229	10.90%
PSERS	3,705,918	5,343,633	44.18%
Spec Ed BCIU	5,517,447	5,931,838	7.51%
AVTS	2,751,094	2,759,245	0.30%
Charter Schools	1,343,554	1,452,000	8.07%
Technology	1,523,899	1,615,180	5.99%
Bldgs. & Grounds	3,175,609	3,185,811	0.32%
Transportation	3,683,264	3,932,924	6.78%
Debt Service	7,766,522	8,538,054	9.93%
Other Areas	5,161,447	4,936,817	-4.35%
<b>Total Budget</b>	<b>88,875,881</b>	<b>93,572,862</b>	<b>5.28%</b>

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# *Revenue Challenges*

- 🍏 Real Estate Tax re-assessments
- 🍏 Reduced earning on investments
- 🍏 Level local revenue
- 🍏 Level or slightly less State funding
- 🍏 Level or slightly less Federal funding
- 🍏 Slight increase in earned income
- 🍏 Slight increase in delinquent tax

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# First Look Preliminary Budget

<b>QCSD Preliminary Budget Millage Increase</b>	<b>3.02%</b>
Preliminary Mills Increase	4.23 mills
Preliminary Ending Fund Balance	5.01%
Average Residential Assessment	26,308
Cost to Average Taxpayer	\$112
Act 1 Property Tax Reduction 2011-2012	-\$226

Value of one (1) mill	\$392,939
Current millage rate	140.25



# Decisions Going Forward

- 🍏 Determination of revenue adjustments, *particularly in regard to 2012-2013 state budget*
- 🍏 Continued planning for retirement contributions?  
***NOTE: This budget does not withdraw from the PSERS reserve.***
- 🍏 Finalize staffing, contracts
- 🍏 Program reductions or enhancements?



# ***Important Dates***

**January 24, 2012:** *Preliminary Approval*

**May 10, 2012:** *Proposed Budget Approval*

**June 14, 2012:** *Final Budget Approval*

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***Thank You***