AGENDA

- Proposed Final Budget – What is it?
- Evolution of the 2019/20 Budget
- Biggest Cost Drivers
- Priorities Impacting Budget
- New FTEs
- Long Range Planning
- Understanding/Calculating Tax Increase
- Additional Considerations
- Future Variables (Unknowns)
- Detail Pages
PROPOSED FINAL BUDGET - WHAT IS IT

- The state requires School Districts adopt a proposed final budget prior to voting on a final budget.

- The proposed final budget will be advertised to the public at least 20 days prior to the Board taking action on the final budget.

- The proposed final budget may be altered prior to the final budget.
EVOLUTION OF 2019/2020 BUDGET

Prior Meetings

- January 24, 2019 – Preliminary Budget Presentation – Finance Committee
- February 28, 2019 – Update on Preliminary Budget – Finance Committee
- March 28, 2019 – Update on Preliminary Budget – Finance Committee
- April 25, 2019 – Presentation of and Board vote adopting proposed final budget

Future Meetings

- May 9, 2019 – Update on Proposed Final Budget – Finance Committee
- June 6, 2019 – Board vote to adopt final 2019/20 budget
- June 30, 2019 – Deadline for tax collectors to send tax bills

Details can be found at: https://www.qcsd.org/Domain/2167
EVOLUTION OF 2019/2020 BUDGET (CONT.)

Preliminary Budget in January

Proposed Final in April
Salaries (1.1% of Total Increase) - $1,210,870 – Increase is net of attritional savings from retirements and includes contractual increase in addition to new staffing requests.

Benefits (1.17% of Total Increase) - $1,299,712 – Biggest cost drivers are healthcare $481,159, Social Security $153,312, and PSERS $734,492.
  - PSERS is mostly due to the increase in overall salaries, not a large spike in PSERS rate. Half is returned in revenue.

Tech School Contribution (0.28% of Total Increase) - $315,602

Other Professional Services (0.40% of Total Increase) - $457,707
  - This is primarily due to an increase in services using ACCESS funds. It is offset with an equal increase in revenue.

Additional Debt Service (0.40% of Total Increase) - $466,784
  - Majority is NES project

**Total Primary Cost Drivers = $3,750,675 (94% of budget increase)**
2019/20 QCSD PRIORITIES IMPACTING BUDGET

- Continue Funding Capital Maintenance - $1 million – Funded by General Fund
  - D’Huy Engineer along with QCSD Facilities will be conducting a facilities assessment in late Spring/early Summer.

- Renovation/Addition – Neidig Elementary School
  - Funded by debt service (second round of borrowing in 19/20)

- Additional Staffing – Focus on Special Education/Programs
  - Details on following slides

- Safety and Security
  - Development of a security coordinator position
  - Vulnerability Assessment ($20k)
  - Addressing safety committee recommendations
2019/20 NEW FTE’S AND RECOMMENDED POSITIONS

- Projected Total New Staff Costs (Salaries and Benefits) - $769,702 (0.7% of Total Increase) - The future costs are captured in the PFM long range model.

- The Board approves FTE’s not specific positions. The Administration is recommending adding 5 new teaching FTEs to be used as follows: NOTE – FTE’s may be reallocated differently should need or circumstances change.

- **Recommended Teaching Positions** – Teaching positions are recommended to address special education/student behaviors and program needs.
  - Special education teacher at the Academy (expanding # of students) – $104,908
  - Board Certified Behavior Analyst (student needs) – $104,908
  - Elementary special education teacher (caseloads) – $104,908
  - Senior High Health and P/E Teacher (new health course) – $104,908
  - Strayer MS Mandarin Teacher (program growth) – $104,908
2019/20 NEW POSITIONS (CONT.)

• **Instructional Aide Positions:**

  • Instructional Special Education Aide at the Academy (expanding # of students) - $29,897
  • Instructional Special education Aide at Strayer (student needs) - $17,258
  • Instructional Special Education Aide at Pfaff (student needs) - $38,023
  • (2) Instructional Special Education Aides at TBD (emerging student needs) - $39,984

• **TOSA to Administrative Conversion (Board Approved 4/11/19):**

  • Convert Special Education TOSA to Special Education Supervisor - $60,000
  • Convert Academy TOSA to Assistant Principal of Academy - $60,000
LONG RANGE PLANNING

The five year budget projection includes:

• All new staffing requests and projected new positions in future years (strings, special education) – Two FTE’s over the next 5 years.

• Additional expenditures for Neidig debt service

• Projected salaries, benefits, and PSERS (contractual/mandates – limited district control)

• Projected revenue growth (2.7% tax increase each year).
Although enrollment is projected to continue declining, the administration does not recommend reducing staff.

Long range staffing will include an annual review of districtwide staffing. Positions will be re-allocated to best meet the needs of the District.

2018/19 Projection 5221 and actual 5209 (99.9% accurate).
## Staffing Ratios

### Staffing Projection Through 2024/2025

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### Staffing Ratios

- **Student to aide ratio is projected to be the lowest in two decades, 38.46:1.**
- **Student to teacher ratio is projected to be the same as in 2012/2013.**
- **County Comparison on QCSD Reports Page.**

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**Student Comparison:**

- **Enrollment (5,441.00) vs. (5,320.00)**
- **Student to Teacher Ratio (14.73) vs. (14.26)**
- **Student to Aide Ratio (9.39) vs. (9.34)**

**Year-Over-Year Change:**

- **Enrollment (5,441.00) vs. (5,320.00)**
- **Student to Teacher Ratio (14.73) vs. (14.26)**
- **Student to Aide Ratio (9.39) vs. (9.34)**
Note – Proceeds from the sale of MMS and TV are captured in the 2018/19 projection. The use of those proceeds is captured in 2020/21 (used to offset borrowing for NES project)
Estimated 2019/20 revenues without a tax increase = $110,818,657.

Additional revenues at a 2.7% tax increase = $2,082,088.

Total projected expenditures for 2019/20 = $114,340,478.

Total Shortfall (deficit) = $1,439,733 which is funded in the budget by use of fund balance.
IMPACT OF TAX INCREASE

- When a District increases taxes, what they are doing is applying the tax increase to the current millage rate. The millage rate is then applied to the assessed value of your home divided by 1,000 to arrive at your tax bill. Note, the tax increase is not applied to your prior tax bill, which may have reductions for homestead farmstead.

Impact of a 2.7% tax increase on QCSD Millage:
- Current Millage Rate – 164.39
- New Millage Rate – 168.83
- Average assessed value of a QCSD homestead/farmstead = 23,857 (Market Value of: $229,392)
- Tax Increase on Average Homestead/Farmstead = $106

- Note – Due to the Homestead/Farmstead reduction, some tax bills may see a slightly higher increase.
CALCULATING YOUR TAX INCREASE

• You can find your assessed value and market value at:
  

The assessed value of a home is determined by the Bucks County Board of Assessment.

(Assessed Value Multiplied by Millage) Divide by 1,000 = Tax Bill

Calculation Example Using Market Value of $229,392 (divide market value by 9.615 to get assessed value):

  Home has an assessed value of 23,857.
  The assessed value is multiplied by the millage rate or 168.83 = $4,027,777
  Divided by 1,000 = $4,027 (this is your tax bill)

(Assessed Value*Millage) / 1,000 = Tax Bill

Note – Market value may not match home’s actual value
Tax bill may be more or less than a 2.7% increase due to homestead/farmstead reduction
IMPACT ON FUND BALANCE - $1.439 MILLION

- Projecting an operational surplus in 18/19 of $963K.
  - With the sale of two schools, and not demolishing Milford Middle School, projecting total surplus of $3.516 million.

- At a 2.7% tax increase in 2019/20, projecting a shortfall (deficit) of $1.439 million.

- 2019/20 shortfall includes $400k for Ronald Reagan Blvd.

- 2019/20 operational shortfall excluding Ronald Reagan is just over $1 Million.

- Through good fiscal management and attrition, actual expenditures are typically less than budgeted, so a $1 million shortfall is a good target.
ADDITIONAL CONSIDERATIONS

**Current**
- Completion of QNB Field – Impact on 18/19 surplus, $600k
  - Bathroom, Concession, Storage
- Purchasing Property by Alumni Field - Approximately $225k
  - Additional Facilities Storage
  - Potential Rental Revenue

**Future**
- Using Fund Balance to Offset Borrowing for NES (March/April 2020)
  - To be explored in September with PFM
VARIABLES THAT MAY IMPACT FUTURE BUDGETS

- The district approves a budget each year and with it reviews a long range 5 year budget projection. The Board and Administration should be conscious of the following variables which may impact future budgets.

- **Transportation**
  - Converting from a three tier to a two tier system (later HS start time – adding busses)
  - Bidding out/re-negotiating transportation services – GPS, two way radios, etc.

- **Collective Bargaining (salaries and benefits)**
  - Teacher Contract Expires
  - Support Staff Contract Expires

- **State Budget**
  - BEF and SEF
VARIABLES THAT MAY IMPACT FUTURE BUDGETS (CONT.)

- **Student Enrollment**
  - Increasing or Decreasing (current projection is a decline of 347 students over the next five years.

- **Long Range Capital Projects Plan** – Analysis to be conducted in June
  - Needs may be more or less than $1 million per year.

- **Charter School Enrollment**

- **Disposition of Quakertown Elementary School**

- **Special Education Enrollment/Staffing**
QUESTIONS
DETAIL REPORTS CAN BE FOUND AT

https://www.qcsd.org/Domain/2167