

QCSD Budget Update

2015-16 Estimate and 2016-17 Proposed Final

April 14, 2016



Update for 2015-16 Estimate

- ▶ Insure that expenditures @ \$2.5 million under budget by:
 - ▶ Capturing savings from vacant teaching positions (3 Year Staffing Plan)
 - ▶ Using savings from leaves of absences
 - ▶ Deferring textbook purchases and curriculum writing
 - ▶ Changing 1:1 laptop program at QCHS to Chromebooks
- ▶ Why is this important?
 - ▶ **We will not require use of fund balance to balance the operational budget for 2015-16**



'16-'17 Proposed Final Budget - Planning Assumptions

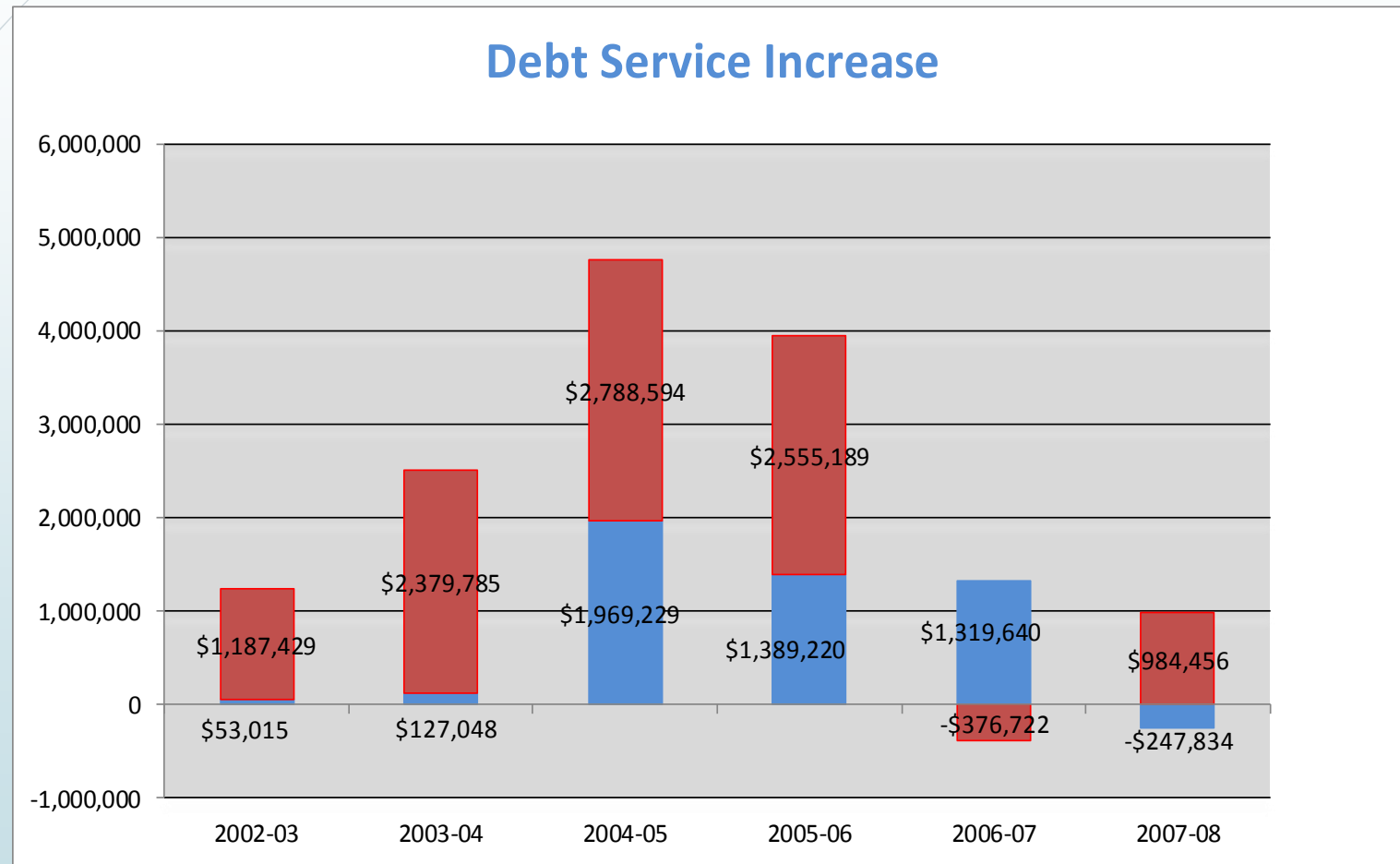
- ▶ The “Leadership Crisis in Harrisburg” will continue
- ▶ Conservative revenue estimates
- ▶ Minimal estimate for PlanCon reimbursement
- ▶ Some programs will not require staffing until 2017-18 due to QCHS Renovations (i.e. Dance)
- ▶ Must complete deferred curriculum writing and textbook adoptions
- ▶ **Must implement a meaningful action plan to begin to take care of QCSD facilities**



Tax Increase Eleven Year History (since Act 1)

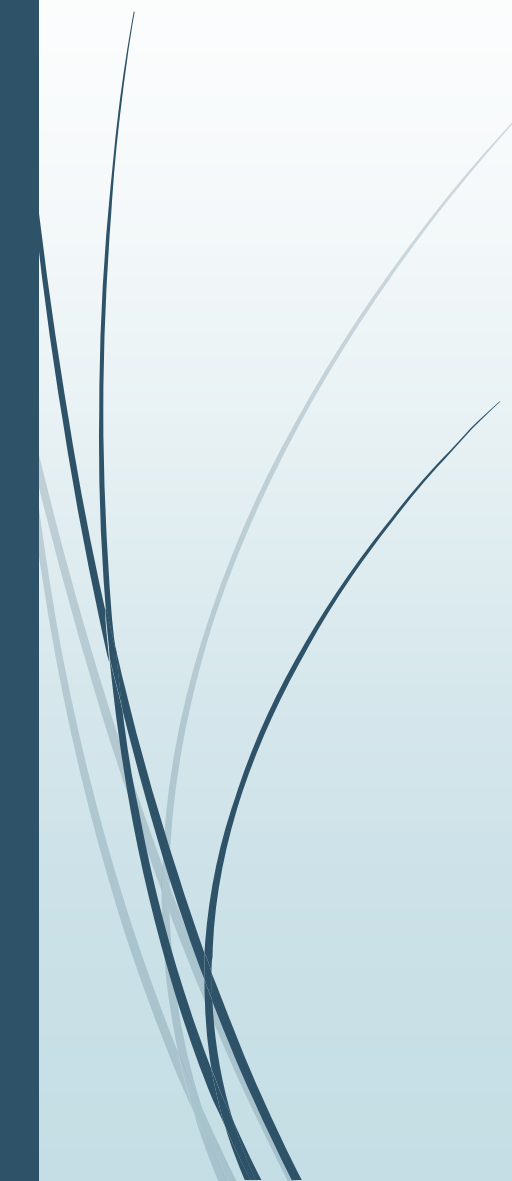
- ▶ Act I Index Average: 2.90%
- ▶ Act I Index w/Exceptions Average: 4.81%
- ▶ QCSD Tax Increase Average: 2.74%

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Debt Service Increase	\$53,015	\$127,048	\$1,969,229	\$1,389,220	\$1,319,640	-\$247,834
Other Increases	\$1,187,429	\$2,379,785	\$2,788,594	\$2,555,189	-\$376,722	\$984,456
Total Increase	\$1,240,444	\$2,506,833	\$4,757,823	\$3,944,409	\$942,918	\$736,622





Staffing Levels – Total FTE

- 2004-05: 528.82
 - 2007-08: 624.92
 - 2013-14: 578.91
 - 2016-17: 548.71
- 



'16-'17 Proposed Final Budget Priorities

- Maintain vacancies to complete Three-Year Staffing Plan
- Implement 1st Year of Facilities Master Plan and Capital Repairs (**Use Exceptions**)
- Sustain Undesignated Fund Balance (5-8% by Policy)
- Use some PSERS & Capital Projects Designated Fund Balance
- Reduce Expenditures by over \$3 million from Preliminary
 - Defer part of the Staffing Plan by 1 year
 - Use expenditure reduction strategies across multiple accounts, i.e. Healthcare Consortium, capital, debt refinancing, etc.

QUAKERTOWN COMMUNITY SCHOOL DISTRICT
2016-17
FINANCING THE BUDGET-PROPOSED FINAL BUDGET
Index plus Exceptions

	UNASSIGNED GENERAL FUND	COMMITTED PSERS	COMMITTED CAPITAL
REVENUES	99,052,008		
EXPENDITURES	103,038,675		
CAPITAL EXP	1,500,000		
Budgetary Reserve	800,000		
TOTAL - Expenditures	105,338,675	0	0
(Shortfall) Surplus	(5,486,667)	0	0
<i>Fund Balance - July 1, 2016</i>	8,677,780	2,010,931	3,250,000
<i>PSERS TRANSFER</i>	1,005,464	(1,005,464)	
	700,000		(700,000)
<i>Fund Balance - June 30, 2017</i>	7,131,454	1,005,467	2,550,000
6.92%			
Use of Fund Balance-Unassigned	1,546,326		
Use of Fund Balance-PSERS	1,005,464		
Use of Fund Balance-Capital	700,000		
Needed from Taxation	2,234,877		
Value of a Mill	385,722		
Millage Increase	5.79		
Current Millage Rate	149.73		
New Millage Rate	155.52		
Percent Increase		3.87%	
Real Estate Increase - Average Taxpayer	\$152		



Why is the Administration recommending Index Plus Exceptions?

- Need to get the structure of our budget right to insure the long-term financial health of the District
- Cost of debt service for high school project – has not been funded
- Operational savings in custodial, transportation, etc. have already been captured
- Reduced expenditures over \$3 million since the Preliminary Budget
- Committed to addressing facilities needs
- Maintain current programs
- Continue program improvements as planned to meet College and Career Ready expectations

FINANCING THE BUDGET-PROPOSED FINAL BUDGET

Index only

	UNASSIGNED GENERAL FUND	COMMITTED PSERS	COMMITTED CAPITAL
REVENUES	99,052,008		
EXPENDITURES	103,038,675		
CAPITAL EXP	700,000		
Budgetary Reserve	800,000		
TOTAL - Expenditures	104,538,675	0	0
(Shortfall) Surplus	(4,686,667)	0	0
<i>Fund Balance - July 1, 2016</i>	8,677,780	2,010,931	3,250,000
<i>PSERS TRANSFER</i>	1,005,464	(1,005,464)	
	700,000		(700,000)
<i>Fund Balance - June 30, 2017</i>	7,081,319	1,005,467	2,550,000
<i>6.87%</i>			
Use of Fund Balance-Unassigned	1,596,461		
Use of Fund Balance-PSERS	1,005,464		
Use of Fund Balance-Capital	700,000		
Needed from Taxation	1,384,742		
Value of a Mill	385,722		
Millage Increase	3.59		
Current Millage Rate	149.73		
New Millage Rate	153.32		
Percent Increase		2.40%	
Real Estate Increase - Average Taxpayer		\$94	