



# QUAKERTOWN COMMUNITY SD

2019/2020 Proposed Final Budget Presentation

Presented April 25, 2019

Finance Committee Meeting

Regular Board Meeting

# 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

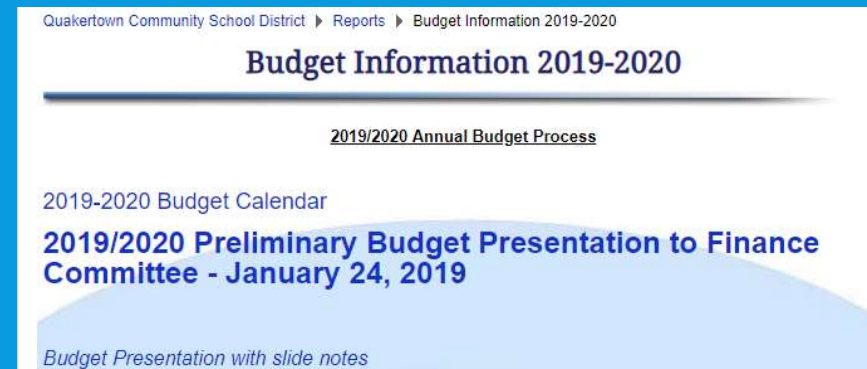
## Prior Meetings

- 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.)

2018/19 Projections				
	Jan-19	Feb-19	Mar-19	Apr-19
Expenditures	\$ 108,835,627	\$ 108,835,627	\$ 107,839,353	\$ 107,839,353
Revenues	\$ 110,980,104	\$ 111,292,265	\$ 111,343,589	\$ 111,355,817
Shortfall/Surplus	\$ 2,144,477	\$ 2,456,638	\$ 3,504,236	\$ 3,516,464
2019/20 Budget Development				
	Jan-19	Feb-19	Mar-19	Apr-19
Expenditures	\$ 114,844,395	\$ 115,282,795	\$ 114,653,435	\$ 114,340,478
Revenues	\$ 112,372,610	\$ 112,907,350	\$ 112,907,350	\$ 112,833,745
Shortfall/Surplus	\$ (2,470,785)	\$ (2,375,445)	\$ (1,746,085)	\$ (1,439,733)
Note - Includes \$400k for Ronald Reagan Blvd. - Operational deficit is just over \$1 million				

Preliminary Budget in January



Proposed Final in April

# PRIMARY COST DRIVERS – BUDGET TO BUDGET

- **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).

# PROJECTED ENROLLMENT AND BUDGET IMPACT

- 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).

Grades 1 - 12 Enrollments Based on Grade Progression Ratios (Most Recent Year)														
Kindergarten Enrollments Based on Actual Live Birth Data for Past 5 Years														
(2017 Live Birth Data is Preliminary)														
	Progression	Actual										Projected		
Grades	Ratios	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
K		388	373	363	374	349	305	269	366	287	289	298	304	299
1	1.18	438	424	409	405	420	396	358	318	381	340	342	354	360
2	0.98	430	423	405	407	410	413	399	360	317	375	335	337	348
3	1.03	390	419	409	415	400	411	428	406	361	327	387	346	348
4	0.99	391	387	422	414	406	382	410	425	419	359	325	385	344
5	0.98	430	393	382	435	405	408	377	411	423	410	351	318	377
Sub-total K-5		2467	2419	2390	2450	2390	2315	2241	2286	2188	2100	2038	2044	2076
6	1.03	399	459	401	397	422	413	413	399	430	437	424	363	329
7	1.00	407	403	452	399	390	400	402	413	417	430	437	424	363
8	1.00	399	418	389	448	398	397	412	419	421	417	430	437	424
Sub-total 6-8		1205	1280	1242	1244	1210	1210	1227	1231	1268	1284	1291	1224	1116
9	1.01	470	406	407	394	438	413	410	432	426	425	421	434	441
10	1.00	403	452	380	398	393	428	413	401	434	427	426	422	435
11	0.94	399	393	432	383	395	388	416	408	399	410	403	402	399
12	1.01	373	383	359	415	364	386	389	416	408	402	413	406	405
Sub-total 9-12		1645	1634	1578	1590	1590	1615	1628	1657	1667	1664	1663	1664	1680
Special Ed.	1.00	104	117	142	157	139	175	194	176	156	161	161	161	161
Total K-12		5421	5450	5352	5441	5329	5315	5290	5350	5279	5209	5153	5093	5033
	Increase	-32	29	(98)	89	(112)	(14)	(25)	60	(71)	(70)	(56)	(61)	(59)

Updated 9/19/18 based on 10th day numbers

# LONG RANGE PLANNING - STAFFING

Staffing Ratios



Staffing Projection Through 2024/2025															
	2020/21			2021/22			2022/23			2023/24			2024/25		
	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE
<b>District Employees</b>															
Administrators	26.00		26.00	26.00		26.00	26.00		26.00	26.00		26.00	26.00		26.00
Census															
Aides	-	134.00	63.65	-	134.00	63.65	-	134.00	63.65	-	134.00	63.65	-	134.00	63.65
Food Service Workers		32.00	12.91		32.00	12.91		32.00	12.91		32.00	12.91		32.00	12.91
Nursing Assistants		8.00	7.40		8.00	7.40		8.00	7.40		8.00	7.40		8.00	7.40
Maintenance/Custodians	21.00	1.00	21.63	21.00	1.00	21.63	21.00	1.00	21.63	21.00	1.00	21.63	21.00	1.00	21.63
Secretaries	22.00	13.00	29.77	22.00	13.00	29.77	22.00	13.00	29.77	22.00	13.00	29.77	22.00	13.00	29.77
Other Support Staff	18.00		17.58	18.00		17.58	18.00		17.58	18.00		17.58	18.00		17.58
Counselors	17.00		17.00	17.00		17.00	17.00		17.00	17.00		17.00	17.00		17.00
Librarians	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00
Psychologists	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00
Instructional Support Teachers	8.50		8.50	8.50		8.50	8.50		8.50	8.50		8.50	8.50		8.50
Reading Specialists	7.50		7.50	7.50		7.50	7.50		7.50	7.50		7.50	7.50		7.50
Safe School Officer															
School Nurses	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00
Social Worker	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00
Speech Therapist	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00
Teacher Temporary Assignments	5.00		5.00	5.00		5.00	5.00		5.00	5.00		5.00	5.00		5.00
Teachers	292.00	4.00	294.45	293.00	4.00	295.45	294.00	4.00	296.45	293.00	4.00	295.45	293.00	4.00	295.45
3 Year Staffing (FTEs Held)															
<b>Total</b>	<b>434.00</b>	<b>192.00</b>	<b>528.39</b>	<b>435.00</b>	<b>192.00</b>	<b>529.39</b>	<b>436.00</b>	<b>192.00</b>	<b>530.39</b>	<b>435.00</b>	<b>192.00</b>	<b>529.39</b>	<b>435.00</b>	<b>192.00</b>	<b>529.39</b>
<b>Student Enrollment</b>	<b>5,093.00</b>			<b>5,033.00</b>			<b>4,949.00</b>			<b>4,862.00</b>			<b>4,862.00</b>		
<b>Student to Teacher Ratio</b>	<b>14.57</b>			<b>14.36</b>			<b>14.08</b>			<b>13.87</b>			<b>13.87</b>		
<b>Student to Aide Ratio</b>	<b>38.01</b>			<b>37.56</b>			<b>36.93</b>			<b>36.28</b>			<b>36.28</b>		
<b>Year to Year Change</b>	<b>FT</b>	<b>PT</b>	<b>FTE</b>	<b>FT</b>	<b>PT</b>	<b>FTE</b>	<b>FT</b>	<b>PT</b>	<b>FTE</b>	<b>FT</b>	<b>PT</b>	<b>FTE</b>	<b>FT</b>	<b>PT</b>	<b>FTE</b>
<b>Cumulative Change</b>	(48.00)	(9.00)	(51.16)	(47.00)	(9.00)	(50.16)	(46.00)	(9.00)	(49.16)	(47.00)	(9.00)	(50.16)	(47.00)	(9.00)	(50.16)

# STAFFING RATIOS

	Staffing History																							
	2012-13			2013-14			2014-15			2015-16			2016-17 Actual			2017-18 Actual			2018-19 Actual			2019-20 Budget		
	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE
<b>District Employees</b>																								
Administrators	24.00	-	24.00	24.00	-	24.00	25.00	-	25.00	26.00	-	26.00	26.00	-	26.00	23.00	-	23.00	24.00	-	24.00	26.00	-	26.00
Census	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aides	-	108.00	52.44	-	108.00	52.44	110.00	53.90	-	118.00	57.19	-	119.00	56.86	-	123.00	57.97	-	129.00	61.24	-	134.00	63.65	-
Food Service Workers	-	45.00	18.70	-	45.00	18.70	34.00	14.06	-	33.00	12.85	-	35.00	13.94	-	35.00	13.89	-	31.00	12.60	-	32.00	12.91	-
Nursing Assistants	-	8.00	5.68	-	8.00	5.68	8.00	6.58	-	8.00	5.68	-	8.00	7.40	-	8.00	7.40	-	8.00	7.40	-	8.00	7.40	-
Maintenance/Custodians	53.00	5.00	55.42	49.00	5.00	51.42	24.00	1.00	24.63	23.00	1.00	23.63	25.00	1.00	25.63	24.00	1.00	24.63	21.00	1.00	21.63	21.00	1.00	21.63
Secretaries	26.00	11.00	31.36	26.00	11.00	31.36	25.00	11.00	30.38	23.00	14.00	30.65	27.00	11.00	33.25	26.00	12.00	33.00	22.00	13.00	31.92	22.00	13.00	29.77
Other Support Staff	23.00	-	21.65	23.00	-	21.65	21.00	-	19.22	18.00	-	16.91	16.00	-	15.08	15.00	-	14.20	17.00	-	16.58	18.00	-	17.58
Counselors	11.00	5.00	14.04	11.00	6.00	14.58	13.00	5.00	16.40	17.00	-	17.00	17.00	-	17.00	17.00	-	17.00	17.00	-	17.00	17.00	-	17.00
Librarians	9.00	-	8.50	8.00	1.00	8.50	8.00	1.00	8.50	6.00	1.00	6.40	6.00	-	6.17	6.00	-	6.00	5.00	-	5.00	4.00	-	4.00
Psychologists	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00
Instructional Support Teachers	8.00	-	8.00	8.00	-	8.00	8.00	-	8.00	8.00	-	8.00	8.00	-	8.00	7.00	-	7.50	8.50	-	8.50	8.50	-	8.50
Reading Specialists	9.00	2.00	10.60	10.00	1.00	10.60	10.00	1.00	10.00	10.00	-	10.00	9.00	-	9.50	9.50	-	9.50	7.50	-	7.50	7.50	-	7.50
Safe School Officer	-	1.00	0.71	-	1.00	0.71	-	1.00	0.71	-	1.00	0.71	-	1.00	0.71	-	1.00	0.71	-	1.00	0.71	-	1.00	0.71
School Nurses	4.00	-	4.00	4.00	-	4.00	4.00	-	4.00	4.00	-	4.00	4.00	-	4.00	4.00	-	4.00	4.00	-	4.00	4.00	-	4.00
Social Worker	-	1.00	0.80	-	1.00	0.80	-	1.00	0.80	1.00	-	1.00	1.00	-	1.00	2.00	-	2.00	2.00	-	2.00	3.00	-	3.00
Speech Therapist	1.00	1.00	1.50	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-	3.00
Teacher Temporary Assignments	7.00	-	7.00	7.00	-	7.00	5.00	-	5.00	7.00	-	7.00	6.00	-	6.00	7.00	-	7.00	7.00	-	7.00	5.00	-	5.00
Teachers	303.00	14.00	311.17	304.00	15.00	313.47	301.00	11.00	311.88	299.00	7.00	307.73	306.00	6.00	309.64	295.50	6.00	297.64	286.00	4.00	288.45	292.00	4.00	294.45
3 Year Staffing (FTEs Held)	482.00	201.00	579.55	480.00	202.00	578.91	450.00	184.00	547.41	448.00	183.00	546.55	457.00	180.00	551.09	442.00	185.00	530.73	427.00	186.00	520.82	434.00	192.00	528.39
Student Enrollment	5,441.00			5,329.00			5,315.00			5,290.00			5,350.00			5,279.00			5,209.00			5,153.00		
Student to Teacher Ratio	14.73			14.26			14.32			14.38			14.57			14.80			15.08			14.75		
Student to Aide Ratio	50.38			49.34			48.32			44.83			44.96			42.92			40.38			38.46		
Year to Year Change	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE
Cumulative Change (All Staff)	(2.00)	1.00	(0.65)	(30.00)	(18.00)	(31.49)	(2.00)	(1.00)	(0.86)	9.00	(3.00)	4.54	(15.00)	5.00	(20.36)	(15.00)	1.00	(9.91)	7.00	6.00	7.57	(48.00)	(9.00)	(51.16)

- 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



# LONG RANGE PLANNING (CONT.)

## Quakertown Community School District

Concise Summary Report

Assumption: 2.7% annual increase in real estate tax millage rate  
for fiscal years 2019/20 through 2023/24.



Home	Reports	(Actual) 2014	(Actual) 2015	(Actual) 2016	(Actual) 2017	(Actual) 2018	(Projected) 2019	(Projected) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024
<b>REVENUES</b>												
Real Estate Taxes		55,614,100	56,706,035	58,266,636	60,485,600	62,603,626	65,712,211	67,354,060	69,289,043	71,391,610	73,556,256	75,784,815
Act 511 Taxes		9,774,481	10,036,898	10,605,046	11,130,607	11,635,475	11,584,218	12,192,215	12,545,166	12,908,449	13,282,368	13,667,239
Other Local Revenue		3,840,419	3,974,849	4,085,091	4,107,793	3,770,654	4,161,412	4,414,689	4,487,853	4,571,760	4,662,445	4,747,444
Basic Instructional and Operating Subsidies		9,203,185	9,197,760	9,556,455	9,981,255	10,142,715	10,329,275	10,737,190	10,844,562	10,953,008	11,062,538	11,173,163
Revenue for Specific Educational Programs		2,357,853	2,651,138	2,976,553	3,023,095	3,069,199	3,165,935	3,219,868	3,254,957	3,290,454	3,326,365	3,362,696
Other State Revenue		9,445,282	9,855,871	10,959,012	13,941,065	13,567,554	13,252,128	13,800,059	14,103,108	14,564,189	15,082,663	15,524,856
Federal Revenue		741,192	553,199	635,531	603,521	617,189	647,664	647,664	660,617	673,830	687,306	701,052
Other Financing Sources		606,522	501,371	587,113	999,904	523,649	2,502,974	535,000	545,000	555,200	565,604	576,216
<b>TOTAL REVENUES</b>		<b>91,583,034</b>	<b>93,477,121</b>	<b>97,671,437</b>	<b>104,272,838</b>	<b>105,930,061</b>	<b>111,355,817</b>	<b>112,900,745</b>	<b>115,730,305</b>	<b>118,908,498</b>	<b>122,225,546</b>	<b>125,537,482</b>
<b>EXPENDITURES</b>												
Salaries and Benefits		59,594,641	60,051,945	62,510,280	65,940,737	66,592,068	67,401,918	71,016,849	73,206,717	75,693,079	78,380,614	81,080,033
Operating Expenses		23,952,647	24,475,626	27,488,306	27,534,102	27,510,005	28,938,888	31,233,160	33,454,379	32,086,809	32,733,076	33,393,494
Debt Service & Transfers		8,089,678	7,863,516	9,052,169	10,678,651	10,478,140	11,498,547	12,090,469	12,450,220	12,632,009	12,714,321	12,763,938
<b>TOTAL EXPENDITURES</b>		<b>91,636,966</b>	<b>92,391,087</b>	<b>99,050,755</b>	<b>104,153,489</b>	<b>104,580,213</b>	<b>107,839,353</b>	<b>114,340,478</b>	<b>119,111,316</b>	<b>120,411,897</b>	<b>123,828,012</b>	<b>127,237,465</b>
<b>NET OPERATING BALANCE</b>		<b>(53,932)</b>	<b>1,086,034</b>	<b>(1,379,317)</b>	<b>119,349</b>	<b>1,349,848</b>	<b>3,516,464</b>	<b>(1,439,733)</b>	<b>(3,381,011)</b>	<b>(1,503,399)</b>	<b>(1,602,466)</b>	<b>(1,699,983)</b>
<b>FUND BALANCE (BEGINNING OF THE YEAR)</b>		<b>13,606,896</b>	<b>15,488,166</b>	<b>15,812,815</b>	<b>14,433,498</b>	<b>14,552,847</b>	<b>13,302,095</b>	<b>19,419,159</b>	<b>17,375,426</b>	<b>14,598,415</b>	<b>13,095,016</b>	<b>11,492,550</b>
<b>ADJUSTMENTS</b>		<b>1,935,202</b>	<b>(761,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (END OF THE YEAR)</b>		<b>15,488,166</b>	<b>15,812,815</b>	<b>14,433,498</b>	<b>14,552,847</b>	<b>15,902,695</b>	<b>19,419,159</b>	<b>17,979,426</b>	<b>14,598,415</b>	<b>13,095,016</b>	<b>11,492,550</b>	<b>9,792,568</b>

- 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)

# 2019/20 FINANCING THE BUDGET AT 2.7% TAX INCREASE

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.

FINANCING THE BUDGET	
Preliminary Proposed Budget (2.7% increase in millage rate)	
	TOTAL
REVENUES	110,818,657
New Tax Revenue - increase in assessment & millage	2,082,088
TOTAL - Revenues	112,900,745
EXPENDITURES	112,940,478
Capital Expenditures	1,400,000
TOTAL - Expenditures	114,340,478
Budgetary Reserve	-
(Shortfall) Surplus	(1,439,733)
Projected Fund Balance - June 30, 2020	17,979,426
Real Estate Increase - Average Residential Taxpayer	\$106

# 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:

<http://www.buckscountyboa.org/pt/search/commonsearch.aspx?mode=owner>

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.

<b>Quakertown Community School District</b>				
<b>2019-20 Preliminary Budget</b>				
<b>Analysis of Fund Balance Surplus/Shortfall</b>				
<b>Assuming 2.7% increase in Millage Rate in 2019-20</b>				
	Actual	Actual	Projected	Preliminary
	2016-17	2017-18	2018-19	2019-20
Revenues	102,855,177	105,930,061	109,355,817	112,900,745
Expenditures-Operations	103,552,966	104,291,322	106,839,353	112,940,478
Revenues Less Expenses	(697,789)	1,638,739	2,516,464	(39,733)
Budgetary Reserve				
One-time items (revenues and expenditures)				
Prior Years Plancon receipts	1,417,662			
Sale of Buildings			2,000,000	
Capital Purchases	(600,523)	(288,891)	(1,000,000)	(1,400,000)
	817,139	(288,891)	1,000,000	(1,400,000)
<b>Net Operating Balance</b>	<b>119,350</b>	<b>1,349,848</b>	<b>3,516,464</b>	<b>(1,439,733)</b>
<b>Total Ending Fund Balance</b>	<b>14,552,847</b>	<b>15,902,695</b>	<b>19,419,159</b>	<b>17,979,426</b>
Unassigned Fund Balance	10,897,380	13,214,373	8,627,148	9,147,238
Committed Fund Balance - PSERS	1,005,467	327,213	-	-
Committed Fund Balance - Capital	2,650,000	2,361,109	10,792,011	8,832,188
<b>Total Ending Fund Balance</b>	<b>14,552,847</b>	<b>15,902,695</b>	<b>19,419,159</b>	<b>17,979,426</b>
Unassigned Fund Balance as a % of Expenditures	10.46%	12.64%	8.00%	8.00%

Note: The District commits the portion of fund balance that is in excess of 8% of expenditures at the completion of the annual audit.

# 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



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DETAIL REPORTS CAN BE FOUND AT

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