



# Hopewell Area School District

2019-2020 Proposed Final  
General Fund Budget  
Board Presentation  
May 13, 2019

# Property Tax Relief

- State confirmed that \$620,500,000 will be available for state-funded property tax relief.
- Hopewell's allocation of those funds is \$1,150,839.02.
- County Assessor's office confirmed the number of Homesteads and Farmsteads of 5,362.
- HS/FS tax relief will be approximately \$215 each

# Average Assessments/Taxes

Number of Taxable Parcels	Total Assessed Value	Average Assessed Value	Current School Taxes (74.2)		Median Assessed Value of Homestead
10,022	\$243,898,986	\$24,336	\$1,805.76		\$26,000
Number of Taxable Parcels	Total Assessed Value	Average Assessed Value	School Taxes (75.2)	Average Value of 1 Mill	Average Value of 1 Mill/Month
10,022	\$243,898,986	\$24,336	\$1,830.07	\$24.31	\$2.03
Number of Taxable Parcels	Total Assessed Value	Average Assessed Value	School Taxes (76.2)	Average Value of 2 Mills	Average Value of 1 Mill/Month
10,022	\$243,898,986	\$24,336	\$1,854.40	\$48.64	\$4.05

# Beaver County Tax Statistics

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Inc/Decr from 2010</u>
MIDLAND		28.00	28.00	28.00	28.75	29.50	30.25	31.00	31.75	31.75	3.75
BIG BEAVER FALLS		61.00	62.00	62.00	63.00	64.00	64.00	66.00	67.00	67.00	6.00
ALIQUIPPA	Building	32.00	32.50	33.00	33.85	34.00	34.75	36	37.30	38.50	6.50
RIVERSIDE		60.50	60.50	60.50	61.95	61.95	63.50	65.55	67.05	67.05	6.55
SOUTHSIDE		50.00	51.00	51.00	51.00	52.40	53.40	54.90	54.90	56.65	6.65
HOPEWELL		67.00	67.00	67.00	68.50	68.50	70.00	72.2	73.20	74.20	7.20
CENTRAL VALLEY		46.80	47.65	48.69	48.69	49.96	51.15	53.56	55.67	57.74	10.94
BLACKHAWK		52.76	53.76	54.94	56.14	57.68	59.12	63.99	63.99	66.00	13.24
WESTERN BEAVER		42.50	43.30	46.85	49.00	51.00	54.00	56	57.00	58.00	15.50
BEAVER		63.90	65.00	66.40	67.80	69.60	72.20	74.90	77.60	80.00	16.10
NEW BRIGHTON		51.00	53.30	54.60	54.60	57.15	60.30	62.47	64.78	67.11	16.11
ROCHESTER		55.18	55.18	56.18	62.00	65.25	67.00	69.25	70.75	72.75	17.57
AMBRIDGE		63.34	69.84	72.94	73.94	73.94	75.86	79.29	79.29	81.44	18.10
FREEDOM		42.00	44.00	44.00	47.00	48.30	53.40	57.00	58.90	61.30	19.30
ALIQUIPPA	Land	198.00	202.00	207.00	212.00	218.00	224.00	232	240.50	249.00	51.00
2019-2020 Act 1 Index 3.0%											
Maximum allowable tax increase 2.226 mills											
A mill brings in approximately \$228,000 after collection rate is applied											
Every District raised taxes in 2015 except Beaver Falls											
Every District raised taxes in 2016											
11 out of 14 Districts raised taxes in 2017 and in 2018											

# Proposed Final General Fund Budget Revenue Breakdown

General Fund	2015	2016	2017	2018	2019	2020	
Revenues	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	Variance
Real Estate Taxes (1 mill increase)	13,968,088	14,406,531	14,871,314	15,244,274	15,760,470	16,112,381	351,911
Public Utility Realty	21,659	20,494	19,651	18,572	19,000	18,800	(200)
Payments in Lieu of Tax	21,877	22,347	22,664	22,972	23,000	23,000	-
Act 511 Taxes	2,557,134	2,347,798	2,657,417	2,732,454	2,620,000	2,819,000	199,000
Other Local Income	1,649,338	1,878,835	1,624,103	1,906,057	1,504,700	1,733,258	228,558
Basic Instr Subsidy	9,466,406	9,550,552	9,660,884	9,687,052	9,715,737	9,829,790	114,053
Tuition	19,717	19,927	36,186	37,517	25,000	35,000	10,000
Special Education Subsidy	1,810,295	1,841,483	1,888,113	1,919,772	1,900,512	1,885,102	(15,410)
Transportation	893,785	881,011	923,521	911,135	875,000	900,000	25,000
Safe Schools Grant	-	-	-	-	-	60,000	60,000
Other State Revenue	5,036,503	4,744,918	6,648,168	6,329,946	6,281,843	6,452,257	170,414
Federal Revenue	381,942	447,538	400,330	401,829	391,445	357,971	(33,474)
Other Financing Sources	5,310	5,767	15,474	3,917	5,000	7,000	2,000
<b>TOTAL REVENUES</b>	<b>35,832,054</b>	<b>36,167,201</b>	<b>38,767,825</b>	<b>39,215,497</b>	<b>39,121,707</b>	<b>40,233,559</b>	<b>1,111,852</b>

# 2018-2019

Total Revenues:	\$39,121,708
Total Expenditures:	\$41,239,458
Projected Deficit:	\$(2,117,750)

As of 4/30/19 we have:

- Collected 97% of our real estate, EIT, LST, RTT, and MCT taxes
- Collected \$101,000 in interest over budget
- Still have an estimated \$5.5MM in subsidy payments to collect from State
- Have spent 76% of our budget and collected 83% of our revenues.
- In 17-18 at the same time, we had spent 75% of our budget and collected 83% of our revenues.
- In 17-18, we spent 99.5% of our budget and collected 102% of our revenues.
- Possibly a lesser deficit in 18-19 if year-end percentages are similar.

# Proposed Final Expenditure Budget

	2015	2016	2017	2018	2019	2020	
Expenditures	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	Variance
Regular Education	\$ 14,365,362	\$ 15,123,748	\$ 16,005,500	\$ 16,223,970	\$ 17,020,195	\$ 17,215,557	195,362
Special Education	\$ 4,704,010	\$ 4,926,245	\$ 5,756,633	\$ 6,017,288	\$ 6,129,128	\$ 6,258,759	129,631
Vocational Education	\$ 1,040,772	\$ 1,134,317	\$ 1,182,345	\$ 1,052,566	\$ 1,082,456	\$ 1,093,405	10,949
Other Instructional Prgms	\$ 168,098	\$ 119,126	\$ 169,311	\$ 179,773	\$ 181,162	\$ 181,904	742
Pupil Personnel-Counseling	\$ 893,388	\$ 938,921	\$ 964,207	\$ 1,022,336	\$ 1,063,976	\$ 1,123,540	59,564
Instructional Support-Library/Prof Dev	\$ 700,517	\$ 583,318	\$ 635,493	\$ 664,337	\$ 700,925	\$ 717,917	16,992
Administration	\$ 1,974,191	\$ 2,273,092	\$ 2,361,092	\$ 2,480,840	\$ 2,585,676	\$ 2,532,829	(52,847)
Pupil Health	\$ 538,613	\$ 582,443	\$ 596,599	\$ 618,901	\$ 667,381	\$ 675,718	8,337
Business	\$ 679,686	\$ 710,667	\$ 686,801	\$ 738,265	\$ 666,834	\$ 600,469	(66,365)
Operations/Maintenance	\$ 3,442,612	\$ 3,579,238	\$ 3,805,384	\$ 3,959,830	\$ 4,048,132	\$ 4,108,168	60,036
Transportation	\$ 2,027,650	\$ 2,263,070	\$ 2,390,715	\$ 2,203,949	\$ 2,313,207	\$ 2,357,165	43,958
Technology	\$ 79,655	\$ 409,823	\$ 414,745	\$ 511,192	\$ 537,809	\$ 555,431	17,622
Other Support Svcs-IU	\$ 17,783	\$ 17,790	\$ 46,842	\$ 38,151	\$ 19,275	\$ 19,500	225
Student Activities/Athletics	\$ 872,104	\$ 815,509	\$ 869,701	\$ 939,418	\$ 1,043,057	\$ 1,075,317	32,260
Community Services	\$ 19,556	\$ 23,644	\$ 21,574	\$ 20,966	\$ 22,471	\$ 22,564	93
Facility Acquisition/Improvement	\$ -	\$ -	\$ -	\$ 606	\$ 2,000	\$ 10,000	8,000
Debt Service	\$ 3,102,287	\$ 2,661,076	\$ 2,804,690	\$ 3,100,975	\$ 3,105,775	\$ 3,102,925	(2,850)

# 2019-20 Proposed Final Budget Operating Summary

	2015	2016	2017	2018	2019	2020
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
Revenue	\$35,832,054	\$36,167,201	\$38,767,825	\$39,215,497	\$39,121,708	\$40,233,169
Expenses/ Budget	\$35,741,965	\$36,885,589	\$39,435,690	\$39,904,115	\$41,239,458	\$42,701,168
Surplus/ (Deficit)	\$90,089	\$(718,388)	\$(667,865)	\$(688,618)	\$(2,117,750)	\$(2,467,999)
Fund Balance:						
Beginning of Year	\$8,406,417	\$8,496,509	\$7,778,121	\$7,110,257	\$6,421,639	\$4,303,889
End of Year	\$8,496,509	\$7,778,121	\$7,110,257	\$6,421,639	\$4,303,889	\$1,835,890

# Budget Shortfall

The 2019-2020 Proposed Final Budget projects a deficit:

– Revenues	\$40,233,169
– Expenditures	<u>(\$42,701,168)</u>
– Deficit (1 mill tax increase)	(\$2,467,999)
– Deficit (2 mill tax increase)	(\$2,239,953)
– Deficit (no tax increase)	(\$2,696,045)

# Contributing factors to increased costs

- 5% increase in health insurance
- Additional 3 teachers: 1<sup>st</sup> grade, 2<sup>nd</sup> grade, and 6<sup>th</sup> grade
- Increase in PSERS Employer rate from 33.43% to 34.29%
- Cyber/Charter School tuition – 105 students currently enrolled.
- Special education placement costs

# Next Steps

- Continue to monitor kindergarten and all enrollments
- Review athletic budget
- Review buildings & ground staffing
- Continue to monitor State budget process
- Review all new/replacement equipment budget line items
- Reviewing feasibility study results with VEBH for impact beyond the 19-20 budget
- Complete PDE-2028 Budget form for adoption of the Proposed Final Budget on May 20th
- Approve Final General Fund Budget on June 24th

# DISCUSSION/QUESTIONS