



Hopewell Area School District

2019-2020 General Fund Budget

Board Presentation

March 25, 2019

Mission Statement



The Hopewell Area School District is committed to preparing students to be productive citizens and life-long learners in an ever-changing world.

Presentation Agenda

- District Enrollment
- Budget Timeline
- Overview of 2019-20 General Fund Budget
- Fund Balance History
- Next Steps
- Discussion

2018-2019

District Enrollment

Enrollment at March 1, 2019: 2,094
 Projected enrollment for 2019-20 (below): 2,161

Ten Year Enrollment Numbers 2019-2020 Enrollment Projections (based on current enrollment) Birth Rate Projections for Kindergarten

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary	848	785	783	792	799	775	794	809	816	790	852
Junior High	838	814	762	721	698	673	653	631	595	612	635
Senior High	950	917	890	865	828	804	747	727	680	623	607
Total	2636	2516	2435	2378	2325	2252	2194	2167	2094	2025	2094

2019-2020 Enrollment Projections (based on current enrollment)

	K	1	2	3	4	5	6	7	8	9	10	11	12
2019-2020	225	201	174	142	165	170	168	154	177	136	157	148	144

Birth Rate Projections for Kindergarten

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
233	250	254	259	264	269	274	280

2019-20 Budget Timelines

PDE/State Deadlines:

- April 15th for State to certify funds for property tax reduction
- May 1st for notice to Districts from State of amount of available HS/FS funds
- May 31st for adoption of Proposed Final Budget
- June 30th adoption of Final Budget

District dates to meet above deadlines:

- January 2019: Board passed resolution not to exceed the index
- March 25th and April 8th Budget Presentations
- April 29th possible Proposed Budget adoption
- May 13th and 20th Budget Revisions/Presentations
- June 10th possible Final Budget adoption (on display for 30 days)

*If Final adoption occurs at June 24th meeting, the Proposed budget can be adopted at the May 13th or 20th meeting.

General Fund Budget Issues for 2019-2020

- Limitation on millage increase due to Act 1 of 2006 index: 3% increase or a maximum 2.23 mills
- PSERS rate increase from 33.43% to 34.29% of salaries
- Health care costs—increase of 5%
- Charter school enrollment/tuition
 - 18-19: Regular Education-86 students $\$13,867 = \$1,192,562$
 - 18-19: Special Education-18 students@ $\$30,931 = \$556,758$
- Lack of State involvement in setting Cyber/Charter tuition rates
- PA School Employees Retirement System-Funding Shortfall

Local Revenue

ASSESSMENT INFORMATION

- Total assessments (1/1/2019) increased by \$1,698,902 over prior year
- Breakdown of assessment increases by municipality:

	<u>2018-19</u>	<u>2019-20</u>	
– HOPEWELL	\$171,794,987	\$173,175,087	+\$1,380,100
– INDEPENDENCE	\$33,497,171	\$33,764,616	+ \$267,445
– RACCOON	<u>\$36,907,926</u>	<u>\$36,959,283</u>	+ <u>\$51,357</u>
Totals	\$242,200,084	\$243,898,986	+\$1,698,902

1 mill = \$226,457 (based on 93.5% collection rate) 1 mill = \$228,045 (based on 93.5% collection rate) = \$1,588 increase in collectable revenue

Projection 1 mill = \$228,045 for 19-20 (at 93.5% collection)	Projected Local Revenue	Increase in local Revenue from 18-19 due to assessment increase	Increase in Revenue due to millage increase	Total increase in revenue from current year to 19-20
No millage increase / 74.2 mills	\$16,920,939	\$117,829	\$0	\$117,829
Increase 1 mill / 75.2 mills	\$17,148,984	\$117,829	\$228,045	\$345,874
Increase 2 mills / 76.2 mills	\$17,377,029	\$117,829	\$456,090	\$573,919

State Secretary certified gambling totals:

\$1,149,306 in 2016-17

\$1,149,546 in 2017-18

\$1,150,422 in 2018-19 (approximately \$212/homestead or farmstead)

** All above calculations confirmed using PDE's budget software.

2019-20 Proposed Budget

Revenue:

Local Sources (reflects a 1 mill increase):	\$20,636,139
State Sources:	\$18,969,589
Federal Sources (Title I, IIA, IV):	\$ 373,743
Other (sale of equipment):	<u>\$ 5,000</u>
Total:	\$39,984,471
Increase over 2018-19 budget:	\$862,764

2008-2018 Budget to Actual Comparison

Revenue			Expenditures			Actual Effect			
Year	Budget	Actual	Over/(Under) budget	Budget	Actual	Over/(Under) budget	Add/(Deduct)	Xfer to Café	Xfer to Cap Res
2017-18	\$ 38,362,447	\$ 39,215,498	\$ 853,051	\$ 40,073,975	\$ 39,904,116	\$ (169,859)	\$ (688,618)	\$ 130,558	\$ -0-
2016-17	\$ 37,724,890	\$ 38,767,905	\$ 1,043,015	\$ 39,224,890	\$ 39,435,664	\$ 210,774	\$ (667,759)	\$ 207,361	\$ 500,000
2015-16	\$ 35,953,950	\$ 36,167,201	\$ 213,251	\$ 37,558,897	\$ 36,885,590	\$ (673,307)	\$ (718,389)	\$ 218,902	\$ 500,000
2014-15	\$ 35,219,556	\$ 35,832,054	\$ 612,498	\$ 36,209,987	\$ 35,741,962	\$ (468,025)	\$ 90,092	\$ 258,098	\$ 500,000
2013-14	\$ 34,270,850	\$ 35,232,124	\$ 961,274	\$ 35,113,007	\$ 34,926,631	\$ (186,376)	\$ 305,493	\$ 188,594	\$ 500,000
2012-13	\$ 33,426,084	\$ 34,245,112	\$ 819,028	\$ 34,226,084	\$ 34,803,421	\$ 577,337	\$ (558,309)	\$ 192,386	\$ 800,000
2011-12	\$ 32,499,147	\$ 33,376,933	\$ 877,786	\$ 33,980,097	\$ 33,463,989	\$ (516,108)	\$ (87,056)	\$ 116,841	\$ 1,200,000
2010-11	\$ 35,125,512	\$ 34,898,673	\$ (226,839)	\$ 35,000,000	\$ 33,579,444	\$ (1,420,556)	\$ 1,319,229	\$ 82,794	\$ 2,350,000
2009-10*	\$ 34,650,000	\$ 40,892,749	\$ 6,242,749	\$ 35,150,000	\$ 39,384,438	\$ 4,234,438	\$ 1,508,311	\$ 56,274	\$ 1,338,000
2008-09	\$ 32,455,155	\$ 33,382,762	\$ 927,607	\$ 36,205,155	\$ 35,084,210	\$ (1,120,945)	\$ (1,701,448)	\$ 43,331	\$ 2,828,806

*2009-10 Stimulus funds received this year.

- Over the past 5 years, Revenues were underestimated by an average of approximately \$736,000
- Over the past 5 years, Expenses were underestimated by an average of approximately \$341,000
- Transferring funds to the capital reserve fund further depletes the general fund balance

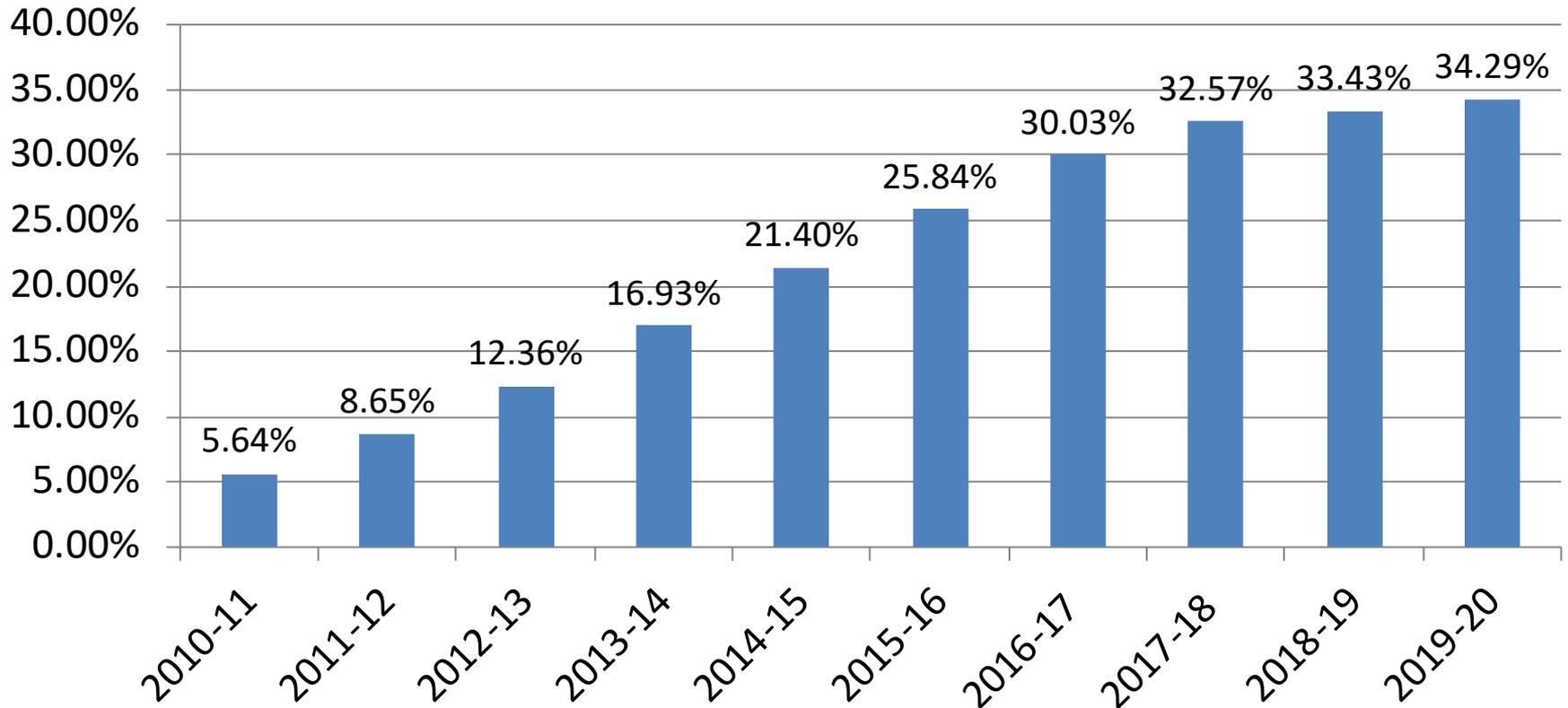
2019-20 Expenditure Budget

- 80%-85% of expenditure budget made up of salaries, benefits, and debt service – approximately \$32-34MM
- Salaries set by Collective Bargaining Agreements – Secretary/Aides and Custodial/Maintenance expire 6/30/2020
- Contracts in place include 2.75%-3.58% increase in payroll/salary for 2019-20
- Health care deposit premiums increasing by 5%
- Retirement cost on payroll will increase based on both increased payroll costs and an increased rate
- Debt Service payments for 2019-20: \$3,101,425

Budget Challenges

- Rising costs of health care and district retirement contributions
- Current transportation subsidy level funded
- Special Education reimbursements not tied to actual costs
- Still no plan from Harrisburg to address cyber charter school costs/funding
- Continued reductions in Title I and Title IIA funding
- Food Service Fund deficits
- Aging facilities and systems – Feasibility Study will address

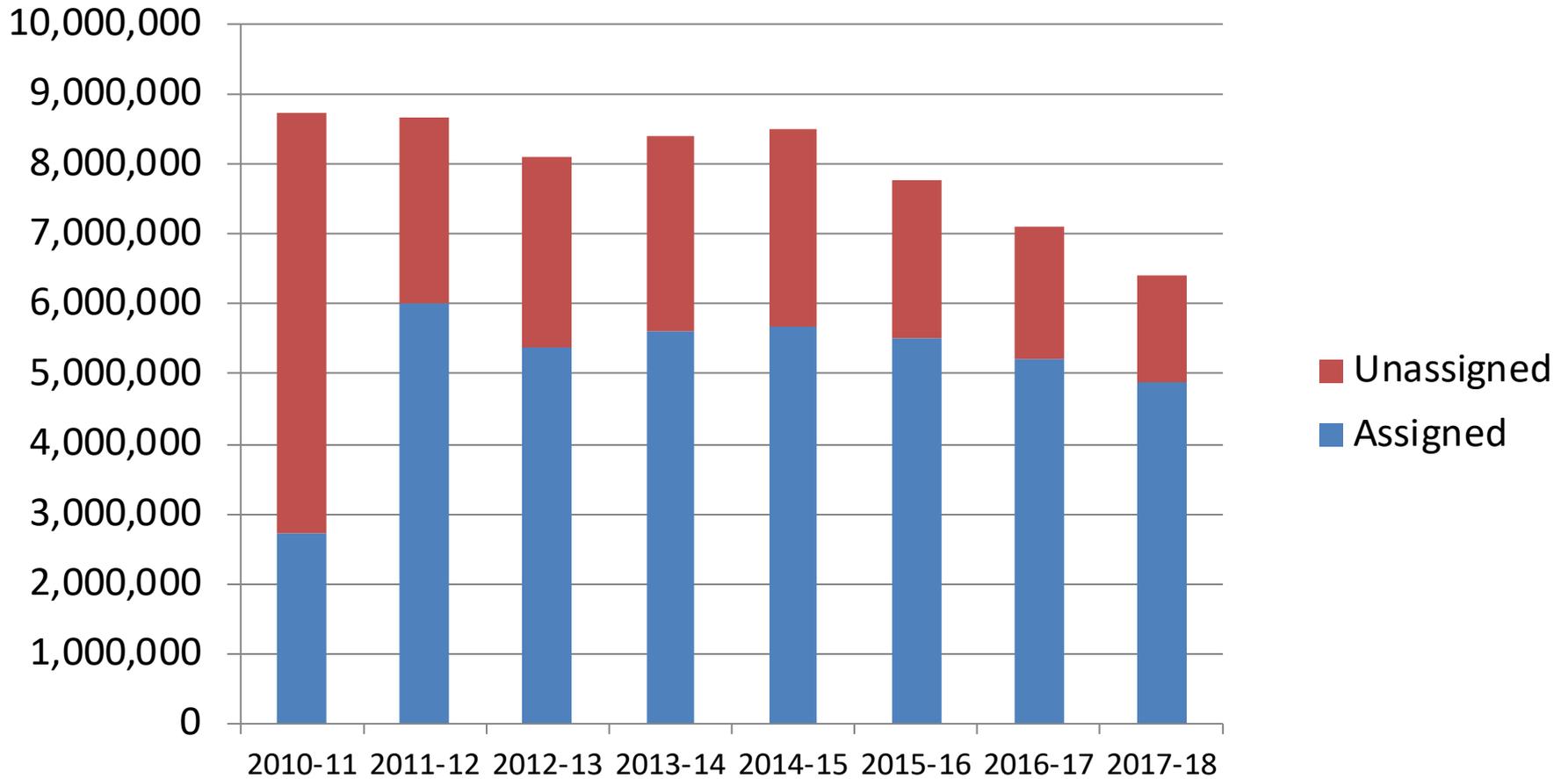
PSERS Employer Contributions



District contributions on a total payroll of \$19MM have increased approximately \$5.5MM over the last 10 years:

\$1,071,600 in 2010-11 → \$6,515,100 in 2019-20

Fund Balance History



Next Steps

- Meet with Principals and Administrators to review building and teacher requisitions
- Review of contracts with outside vendors (copiers, maintenance agreements, etc)
- Health, dental, vision, life insurance costs
- Kurtz “Just in Time” ordering review and setup

DISCUSSION