

Hopewell Area School District

2019-2020 General Fund Budget

Board Presentation

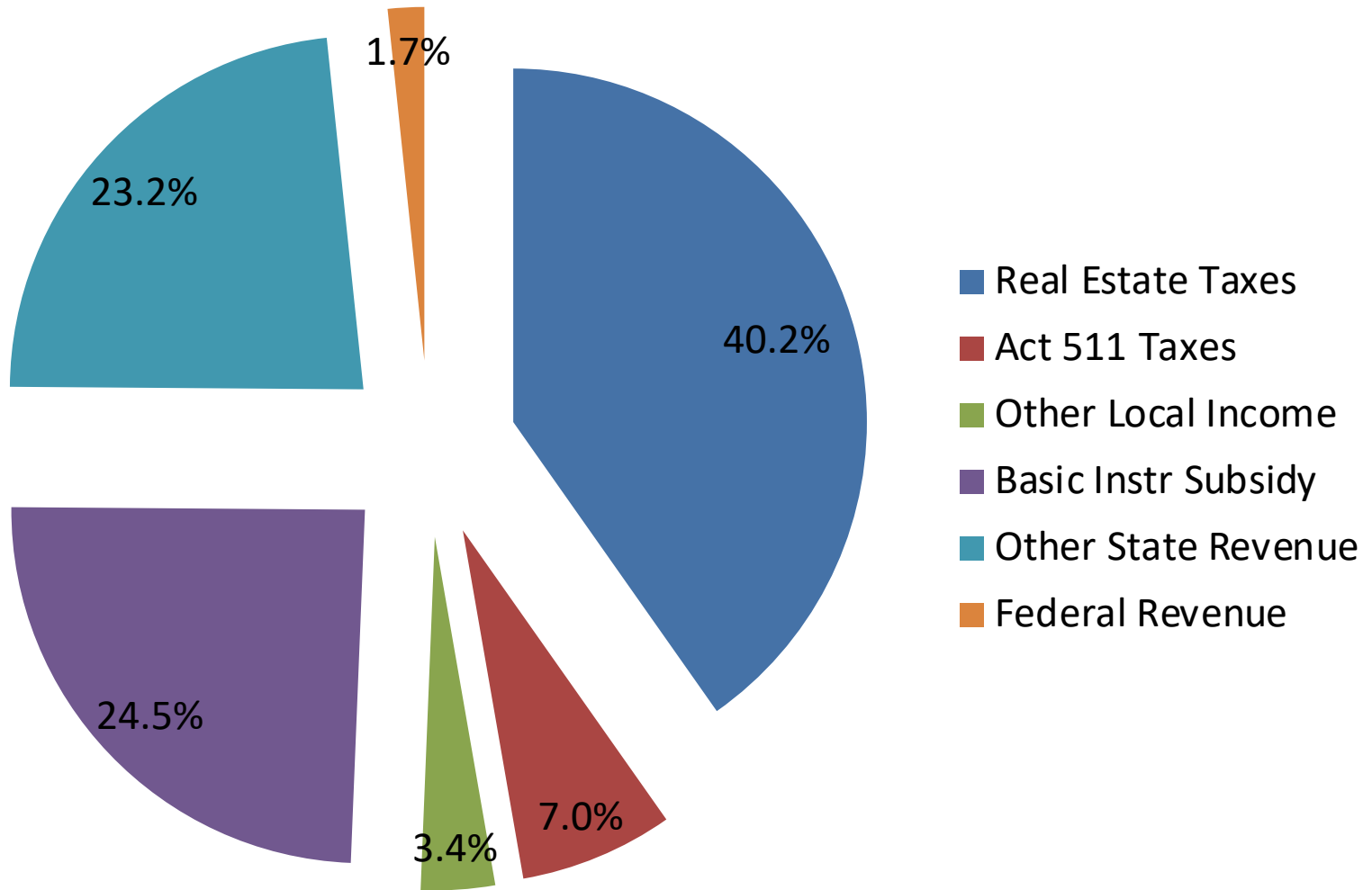
April 29, 2019

Revenue Breakdown

Preliminary General Fund Budget

- Revenues total \$40,151,771-increase of \$1,030,064 from 2018-19 (2.63%)
- Preliminary budget includes a 1.0 mil tax increase from 74.2 mils to 75.2 mils
 - Local Revenues
 - Increase in property tax revenues of \$345,911 with the 1 mill increase.
 - A tax rate of 76.2 mils (2 mils) would increase local tax revenue by an additional \$228,045
 - Current Market Value per the Beaver County Assessment Office at 1/1/19 = \$243,898,986
 - At 93.5% collection rate, 1 mil = \$228,046
 - Increased earned income tax total based on estimate from Berkheimer to \$2,450,000; \$175,000 more than 18-19.
 - State Revenues
 - 2019-20 budget discussions underway; rumor is that it will be approved prior to June 30th
 - Meeting scheduled for April 30th for the School Safety and Security Committee to consider and award security grants. Hopewell's application is among those to be considered.
 - There are two bills, SB 34 and HB 526, that address cyber/charter funding revisions that are being considered.
 - PSERS costs continue to rise, which results in an increase in retirement subsidy of approximately \$130,000
 - Federal Revenues
 - Rumor that Title IV will be eliminated (\$20,000).

2019-20 Preliminary Budget Revenues



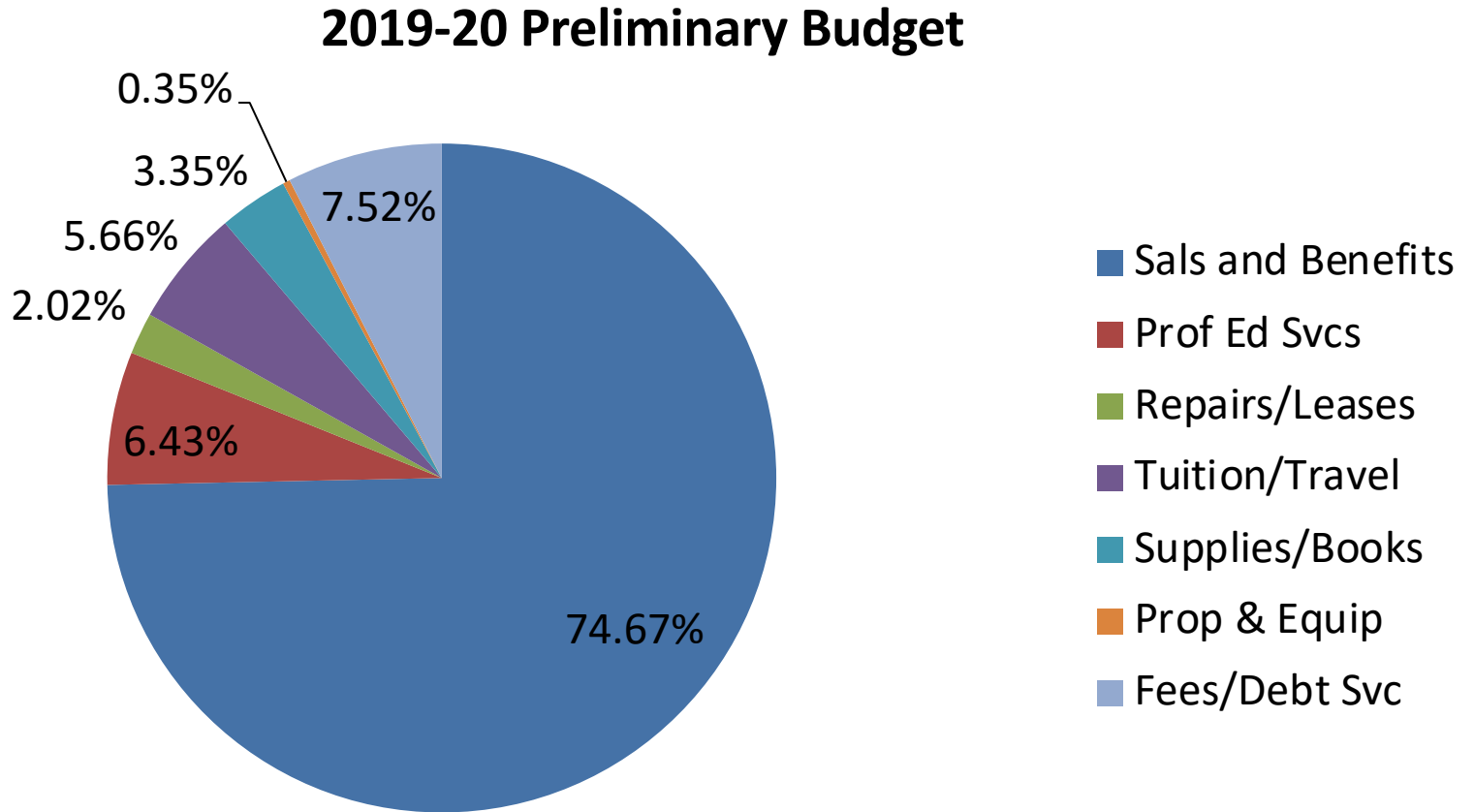
2019-20 Preliminary Expenditure Budget

- Preliminary Expenditures total \$42,730,200—increase of \$1,490,742 (3.6%)
- 82% of expenditure budget made up of salaries, benefits, and debt service
- Salaries set by Collective Bargaining Agreements
- Health care deposit premiums are increasing by 5% for those contracts already in place (\$81,000 increase; also includes new teachers)
- Retirement cost to increase by approximately \$347,990 (District share)
- Includes the following:
 - The salary and benefit costs of additional 3 teachers: first grade, kindergarten, and 6th grade
 - Replacement/addition of 19 Interactive White Boards - \$80,700
 - Updating of 3 computer labs - \$34,745
 - Increase in cyber/charter school tuition - \$195,000. 18-19 estimated tuition cost: \$1,780,215. Total budget for 19-20: \$1,550,000
 - School Resource Officer costs of \$72,900 (revenue of \$60,000 from grant).
 - Increase of \$39,000 in repair costs at buildings.
 - Increase in special education placement costs - \$350,000
 - Cuts made to-date of \$54,000

Expenditures by Object

	2018-19 Budget	2019-20 Prelim Budget	Variances
Salaries and Benefits	\$ 30,797,859	\$ 31,906,765	\$ 1,108,906
Professional Ed Svcs	\$ 2,432,399	\$ 2,749,401	\$ 317,002
Repairs-Leases	\$ 803,835	\$ 862,122	\$ 58,287
Tuition-Insurance-Travel	\$ 2,315,838	\$ 2,420,155	\$ 104,317
Supplies, Books, Heat	\$ 1,544,387	\$ 1,431,562	\$ (112,825)
Property and Equipment	\$ 130,000	\$ 148,347	\$ 18,347
Fees/Debt Service	\$ 3,215,140	\$ 3,211,848	\$ (3,292)
TOTAL	\$ 41,239,458	\$ 42,730,200	\$ 1,490,742

Expenditures by Object



Budget Shortfall

- The 2019-2020 Preliminary Budget projects a deficit:

– Revenues	\$40,151,771
– Expenditures	<u>(\$42,730,200)</u>
– Deficit (1 mill tax increase)	(\$2,578,429)
– Deficit (2 mill tax increase)	(\$2,350,384)
– Deficit (no tax increase)	(\$2,806,475)

Next Steps

- Continue account review, scrutiny, and cuts
- Schedule meeting with Finance Committee prior to May 13th board meeting/presentation
- Review tax revenues after County certification (May 1st)
- Compute Homestead/Farmstead amounts
- Present and approve Proposed Final budget on May 13th

DISCUSSION/QUESTIONS