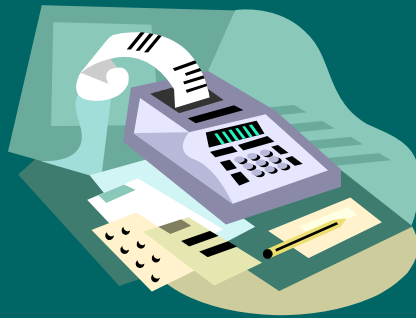




Pine-Richland School District



2007-2008 Proposed Final General Fund Operating Budget



Agenda

- Enrollment
- Education Significance
- Financial Data
 - Revenue Projections
 - Expenditure Projections
- Summary

Projected Enrollment 2007-08

Category	06-07	07-08	Increase
Elementary	1933	1948	+15
Middle School	1031	1073	+42
High School	1380	1411	+31
TOTALS	4344	4432	+88(2.0%)

Enrollment Observations

1. *First time incoming ninth grade class is not significantly higher than graduating class class.*

Comparison of Ninth Grade Class To Graduating Class

<u>Year</u>	<u>9th Gr.</u>	<u>Graduating Class</u>	<u>Difference</u>
05-06	360	292	+68
06-07	358	343	+42

Enrollment Observations

2. *Smallest Grade Enrollments are K, 1 and 2*

Smallest Enrollments			
Grade	05-06	06-07	07-08
K	276	290	300
1	326	312	330
2	318	319	318

Enrollment Observations

3. *Largest Grade Enrollments in 06-07 are:*

- 10th Grade - 356
- 6th Grade - 353
- 5th & 7th Grade - 350



2007-08 Budget Development

- **Build-up substantial Fund Balance from a low of \$1.8 million to the current \$8.17 million.**
- **Provided for capital project improvements throughout the district with no additional tax assessment.**
- **Opportunity to purchase now for 08-09 budget year to minimize significant budget impact due to opening of the new school.**



Education Significance of 07-08 Proposed Final Budget

High School

- Two additional core subject teachers to support accelerated programs and anticipated enrollments
- Significant increase in technology funds via classroom for the Future grant and an increase in e-learning funds for expansion of this program



Education Significance of 07-08 Proposed Final Budget

Middle School

- Capital project budget for locker replacement and security upgrades (also includes high school)
- Expanded Pre-AP section in English and social studies (double size)



Education Significance of 07-08 Proposed Final Budget

Elementary

- Preparing for opening of upper elementary school by purchasing equipment not able to be removed from primary schools (pianos, physical education equipment, etc.)
- Additional section of first grade at Richland.



Education Significance of 07-08 Proposed Final Budget

District

- Special Education staff increase (four para-educators and one special education teacher).
- Staff Development – continue proactive staff development program as per strategic plan.
- Technology enhancements – Infrastructure improvements; replacing laptops for teachers except for grades 4, 5 and 6; meeting needs not able to approve in previous years; classroom for the future grant will equip 12 more high school classrooms.
- Athletics – Girls Lacrosse will become a fully funded interscholastic sport.



Local Revenues

- Total Local Sources
 - \$44,334,722 (increase of 8.1%)
 - Includes real estate, earned income, per capita, transfers, interim, and delinquent tax collections, PURTA, Interest earnings, student collections, etc.



Revenue Assumptions

- 5-year trends for collection rates and growth are used to estimate collections
- 6.2% growth rate in real estate base
- 98% real estate collection rate
- Interest rates at 5.5% on reserves
- CPI of 2.8%



Assessments?

- Thresholds for 2007 assessment appeals has been changed to a two-tier test: 140% increase/\$1,000 in additional revenue.
- No appeals on new construction.
- Moderate success on 2005 appeals during 2006 with most county appeals pending.



ACT 1 Adjustments?

- Board approved resolution adopting ballot question regarding possible tax shift from Real Estate to an increased EIT rate.
- Voters decide on ballot question at May 15 primary election.
- If approved, a reduction in real estate collections to fund homestead exemption (\$838) and increased EIT rate (1.3%) will be incorporated into final budget.



State Revenues

- Basic Ed Subsidy \$4,377,379
- Special Ed Subsidy \$1,453,410
- Transportation \$1,180,132
- Rental Reimburse \$1,087,685
- Payroll Tax Reimburse \$1,837,856
- Grants \$ 622,016
- Access \$ 94,000
- Other state subsidy \$ 219,353



Federal Sources

- Title I, II, IV, V and Access
- Total Funding = \$345,619
- Increase of \$37,877 or 12%
- Title funds decrease by \$1,247
- Federal revenues support 0.6% of the District's total expenditures.



Other Sources

- Transfers for Special Revenue Fund estimated at \$40,000 based on estimated actual for 2006-07
- Technology Financing = \$450,000
- Use of Reserves (\$280,860)
 - Designated = \$260,860
 - APFE = \$20,000



Major Expenditures

- Salaries (\$24,992,072)
 - Increase of \$1,850,000 or 7.8%
 - Includes new staff and changes of status
 - Increase without new staff is 6.9%
- Group Insurance (\$5,923,887)
 - Increase of \$393,694 or 7.1%
 - Health rates increased by 2.5%
 - Retiree health benefits and new staff continue to increase costs to District
- Retirement (\$1,738,624)
 - Increase of \$296,470 or 20.6%
 - Employer contribution rate increase from 6.38% to 7.13%



Major Expenditures

- Services (\$7,826,746)
 - Decrease \$152,795 or -1.9%
 - Includes: cost of utilities, repairs, tuition, transportation, construction, AIU & professional services
- Supplies/Books (\$2,828,102)
 - Increase of \$55,309 or 1.9%
 - Includes new/replacement textbooks, software, and supplies
- Equipment (\$1,318,212)
 - Increase of \$305,184 or 30%
 - Includes additional purchases and funding via Classrooms of the Future Grant and infrastructure upgrades



Debt Service

- Total outstanding debt = \$110 million
- Total annual debt obligation for 2007-08 = \$7,963,538
- PDE annual reimbursement is estimated at \$1,087,685
- Increases largely due to additional extended-term financing of technology purchases
- Board still may consider refunding opportunity on 2005 issue



Special Education

- Estimated 3% increase in state funding
- Total state subsidy = \$1.4 million
- Total cost of Special ed = \$5.2 million
- Expenditures for special education anticipated to increase by 17% or \$688,399
- Contingency included for \$240,000 or 4.6% of anticipated special education expenditures (% based on average of prior 5-yr budget overages)



Focus on Technology

- Increased funding for Technology infrastructure upgrades (\$122,000)
- New & replacement equipment purchases (\$450,000) funded by extended term financing
- Classrooms of the Future grant provides upgraded equipment (\$315,000)



Focus on UEB

- Expenditures for Upper Elementary Building included to bridge costs associated with opening in 2007-08
- Richland Elementary Budget reflects \$102,000 in UEB purchases
 - Music instruments (\$16,000)
 - Library books (\$74,000)
 - Phys ed equipment (\$7,000)
 - Art equip/supplies (\$5,000)

Capital Projects/Purchases

- Repaving of Richland Elementary parking lot (\$150,000)
- Repairs to Middle School lockers (\$105,000)
- Upgrade security systems on secondary campus (\$175,000)
- Repairs and improvements at Richland Elementary (\$150,000)
- Purchase watering machine for athletic fields (\$15,000)
- Purchase tractor for field grooming (\$16,000)
- Stadium track repairs and painting (\$13,000)

Balanced Budget

- Projected Revenues \$56,042,172
- Utilization of Fund Bal 280,860
- Total Sources \$56,323,032

- Projected Expenditures \$56,323,032

- Balanced Budget \$ -0-
- Total budget increase = \$3.3 million
or 6.2%



Tax Levy

- No Tax increase is currently proposed to Balance 2007-2008 Budget.
- Real Estate tax levy will remain at current 20.2 mills.
- Under Act 1, Board has approved process to accept installment payments at face.



What's Next?

- Voter referendum – May 15, 2007
- Proposed Final Budget will be made available for public review and comment (30 days)
- June 2007 – Final approval of budget and establishment of tax rates for 2007-2008 fiscal year



QUESTIONS & COMMENTS

Questions and comments regarding the 2007-2008 Proposed Final General Operating Fund Budget may be directed to the Administrative Offices:

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phone: (724) 625-7773

visit website: www.pinerichland.org for on-line copies of the proposed final budget

Hard copies of the budget are available for review in the front office of all schools and at the public libraries.