

Budget Meeting Agenda

January 13, 2016

1) Budget cycle timeline

- a. Board approve a Preliminary General Fund Budget or a resolution stating the district will keep its 16-17 tax rates below the ACT 1 Index (3.4%) at their January 26, 2016 Regular Monthly School Board Meeting (Deadline January 27, 2016)
- b. Adopt the Proposed Final General Fund Budget by May 31, 2016 (must be 30 days prior to the June adoption date)
- c. Adopt Final General Fund Budget by June 30, 2016 (20 days of public display and 10 days advertising requirement apply)

2) 5-Year History on past budgets - 15-16, 14-15, 13-14, 12-13, 11-12

- Total Budget Expenditures Amounts
- 3 Largest Revenue Sources
- 3 Largest Expenditure Sources

BUDGET	5 Year Increase	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Total Budget Expenses	\$23,632,161	\$140,799,246	\$133,211,052	\$123,497,375	\$119,679,700	\$117,167,085
Real Estate Taxes (Local – 6111)	\$4,402,293	\$39,281,890	\$38,309,552	\$36,191,341	\$35,524,771	\$34,879,597
Basic ED Funding (State – 7110)	\$4,478,515	\$36,769,475	\$34,020,301	\$32,928,622	\$32,278,065	\$32,290,960
Act 511 Taxes (Local – 6150)	\$3,050,000	\$8,750,000	\$8,500,000	\$6,200,000	\$6,100,000	\$5,700,000
Total Salaries (Object - 100's)	\$11,786,567	\$65,413,264	\$62,706,566	\$56,682,767	\$54,748,717	\$53,626,697
Total Benefits (Object - 200's)	\$11,474,225	\$37,303,224	\$33,650,484	\$30,189,215	\$27,440,660	\$25,828,999
Debt Service (Object – 832 & 912)	\$2,712,946	\$13,498,835	\$12,890,517	\$12,069,962	\$11,500,364	\$10,785,889

ATTRIBUTES TO THE TOTAL BUDGET INCREASE:

- PSERS Rate Increase
- New School openings (Hazleton Area Academy of Science & Maple Manor El./Mid. School) and expansions (McAdoo-Kelayres El./Mid. School) – Staffing, Operating Expenses, Equipment, etc.
- Debt Service for the above projects

3) Distribution percentage on revenue

REVENUE	BUDGET 2015-2016	% of TOTAL REVENUE
LOCAL	\$58,152,902	42.40%
STATE	\$69,533,078	50.70%
FEDERAL	\$9,254,117	6.75%
OTHER FINANCING SERVICES	\$215,000	0.16%

4) Health Care Costs (General Fund ONLY)

a. History on Budget vs. Actual Costs

SCHOOL YEAR	ACTUAL	BUDGETED	(OVER) / UNDER BUDGET
2009-2010	\$11,612,749.97	\$12,980,852.05	\$1,368,102.08
2010-2011	\$13,736,171.00	\$13,043,326.74	(\$692,844.26)
2011-2012	\$12,782,036.12	\$13,860,815.84	\$1,078,779.72
2012-2013	\$11,795,662.08	\$14,102,803.50	\$2,307,141.42
2013-2014	\$12,541,988.72	\$15,165,201.00	\$2,623,212.28
2014-2015	\$14,274,294.14	\$12,772,547.00	(\$1,501,747.14)
2015-2016		\$13,033,686.00	

b. All employees now contributing to Premium Share for health plan

SCHOOL YEAR	ACTUAL
2011-2012	\$328,106
2012-2013	\$356,938
2013-2014	\$435,448
2014-2015	\$510,563

c. Waiver reduction from 30% (HAEA 20%) to 5% for all employees

SCHOOL YEAR	ACTUAL
2011-2012	\$473,583
2012-2013	\$468,655
2013-2014	\$260,418
2014-2015	\$101,910

5) PSERS retirement rate increases

SCHOOL YEAR	PSERS RATE	HASD BUDGETED RATE	ACTUAL	BUDGETED
2010-2011	5.64%	10.00%	\$2,890,947	\$5,450,986
2011-2012	8.65%	10.00%	\$3,876,037	\$5,362,697
2012-2013	12.36%	12.36%	\$6,799,241	\$6,766,941
2013-2014	16.93%	16.93%	\$10,273,955	\$9,596,393
2014-2015	21.40%	21.40%	\$13,840,953	\$13,419,205
2015-2016	25.84%	25.84%		\$16,902,680
2016-2017	29.20%	29.20%		^^\$19,100,673
2017-2018	30.25%	32.04%		^^\$20,958,410
2018-2019	31.28%	33.27%		^^\$21,762,993
2019-2020	32.08%	34.20%		^^\$22,371,336

^^ Estimated based on Total Budgeted Salaries (2015-2016) of \$65,413,264

NOTE: Half of the annual increase will be made up by State Revenue.

6) Tuition Paid by HASD for Charter Schools vs. Charter School Revenue from PDE

SCHOOL YEAR	REGULAR EDUCATION TUITION	SPECIAL EDUCATION TUITION	TOTAL TUITION	CHARTER SCHOOL REIMBURSEMENT (PDE)
2009-2010	\$1,523,012	\$761,610	\$2,284,622	\$350,527
2010-2011	\$1,677,745	\$721,264	\$2,399,009	\$225,632
2011-2012	\$2,152,658	\$811,226	\$2,963,884	\$0
2012-2013	\$1,407,120	\$1,780,561	\$3,187,681	\$0
2013-2014	\$1,504,899	\$1,722,829	\$3,227,728	\$0
2014-2015	\$1,644,132	\$1,769,612	\$3,413,744	\$0

7) Unknown Funding from the State

- a. 2015-2016: HASD budgeted the highest projection (\$36,769,475), it appears in information received from the L.I.U. the HASD allocation for 2015-2016 Basic Ed. Funding is \$35,808,644; which is a difference of **\$960,831** of a budget deficit. To date, we are uncertain what the final allocation amount will be until the Budget Impasse is over.
- b. 2016-2017: How can we budget for next year if we don't know what 2015-2016 will be? We are enrolled in PASBO's Commonwealth Budget Webinar on February 16, 2016.

8) History on Tax Rates

- H.A.S.D. has the lowest millage rate in Luzerne County
- H.A.S.D. has the lowest millage rate in Carbon County
- H.A.S.D. has the second to the lowest millage rate in Schuylkill County

	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE
LUZERNE COUNTY									
HANOVER AREA 831-2314	283.000	295.000	15.5892	16.2283	16.4783	16.4783	16.8733	16.8733	17.2733
WILKES-BARRE 826-7106	297.000	310.000	14.8319	15.0819	15.3684	15.5220	15.5220	15.8710	15.8710
WYOMING VALLEY WEST 288-6551	296.000	296.000	12.4000	12.7000	13.5000	13.8200	14.1500	14.5600	14.9500
WYOMING AREA 655-3733	262.210	275.670	11.8963	12.3741	13.0799	13.5408	13.8522	14.3018	14.6304
PITTSBURGH 654-2415	273.000	283.500	12.3212	12.7990	13.1228	13.4246	13.7333	14.1315	14.4989
DALLAS 674-7231	253.000	262.000	10.6498	11.0118	11.5624	11.8052	12.0413	12.3423	12.6262
GR. NANTICOKE AREA 735-7783	249.000	255.000	9.9800	9.9295	9.9295	10.1807	10.1777	10.4932	10.4932
NORTHWEST 542-0126	220.500	220.500	8.8012	9.1986	9.1986	9.1986	9.4193	9.9871	10.2467
LAKE LEHMAN 675-2165	254.440	254.850	7.8011	8.6906	8.8531	9.2700	9.6713	9.9656	9.9656
CRESTWOOD 474-5411	189.300	197.300	8.5145	8.5145	9.1600	9.1600	9.1600	9.4089	9.6347
HAZLETON AREA	174.392	187.392	8.6980	8.8627	9.0446	9.1956	9.1950	9.5420	9.5420
			Reassessment						
SCHUYLKILL COUNTY									
PANTHER VALLEY 645-3176	47.940	50.290	50.3100	49.1100	49.1100	52.2400	52.2600	51.9400	57.6900
SHENANDOAH VALLEY 462-1936	45.300	45.300	47.3000	49.3000	49.3000	53.3000	53.3000	53.3000	54.8900
MAHANOEY AREA 773-3443	43.000	43.000	43.0000	44.8000	44.8000	44.8000	44.8000	46.2000	46.2000
SCHUYLKILL HAVEN AREA 385-6705	35.350	36.350	37.3500	37.8500	38.3500	39.2500	40.1920	40.1920	40.1920
PINE GROVE AREA 345-2731	37.300	37.900	37.9000	38.9000	38.9000	38.9000	38.9000	38.9000	38.9000
MINERSVILLE 544-4764	37.676	38.670	38.6700	38.6700	38.6700	38.6700	38.6700	38.6700	38.6700
NORTH SCHUYLKILL 874-0466	33.820	33.860	33.8600	34.2600	36.0600	36.7900	37.6700	37.9600	37.9600
BLUE MOUNTAIN 366-0515	32.700	32.700	34.0100	34.9000	34.9000	35.8800	36.2750	37.2544	37.2544
SAINT CLAIR AREA 429-2716	21.800	26.050	27.5000	28.6000	29.1000	29.7900	30.4750	32.3500	34.5000
TAMAQUA AREA 668-2570	32.110	32.110	32.1100	33.3600	33.3600	33.3600	33.3600	34.2900	34.2900
POTTSVILLE AREA 621-2900	34.000	34.000	34.0000	34.0000	34.0000	34.0000	34.0000	34.0000	34.0000
WILLIAMS VALLEY 717-647-2167	29.020	29.760	31.6400	32.9700	33.7100	33.7800	33.4700	32.9500	33.9800
HAZLETON AREA	35.638	36.588	38.0040	39.6520	30.7130	29.9675	30.5730	30.1250	33.8290
TRI VALLEY 682-9013	27.870	27.870	27.8700	27.8700	28.3990	29.0230	29.6890	30.4900	31.2520
CARBON COUNTY									
PANTHER VALLEY 645-3176	46.760	53.710	55.6900	55.6900	55.6900	55.6900	55.6900	57.6900	57.6900
PALMERTON AREA 610-826-7101	41.840	41.000	42.0000	43.6380	49.1440	51.4440	51.4400	52.4440	53.8075
LEHIGHTON AREA 610-377-4490	42.130	44.030	45.5300	46.5700	47.3200	47.3200	47.3200	47.8800	47.8800
JIM THORPE AREA 325-3691	37.600	38.850	39.8500	42.5200	44.5200	44.5200	45.5200	45.5200	45.5200
WEATHERLY AREA 427-8681	39.730	39.960	39.9600	39.9600	40.4600	40.4600	40.4600	40.4600	40.4600
HAZLETON AREA	28.806	29.562	30.1430	29.2753	29.3187	29.0010	27.7780	28.3370	28.0700

9) History on Student Enrollment

SCHOOL YEAR	STUDENT ENROLLMENT
2000-2001	8,387
2001-2002	8,560
2002-2003	8,813
2003-2004	9,300
2004-2005	9,507
2005-2006	9,786
2006-2007	10,000
2007-2008	10,474
2008-2009	10,265
2009-2010	10,314
2010-2011	10,301
2011-2012	10,337
2012-2013	10,429
2013-2014	10,560
2014-2015	10,871
2015-2016	10,986

10) Percent Enrolled by Student Groups: **(Not mutually exclusive)**

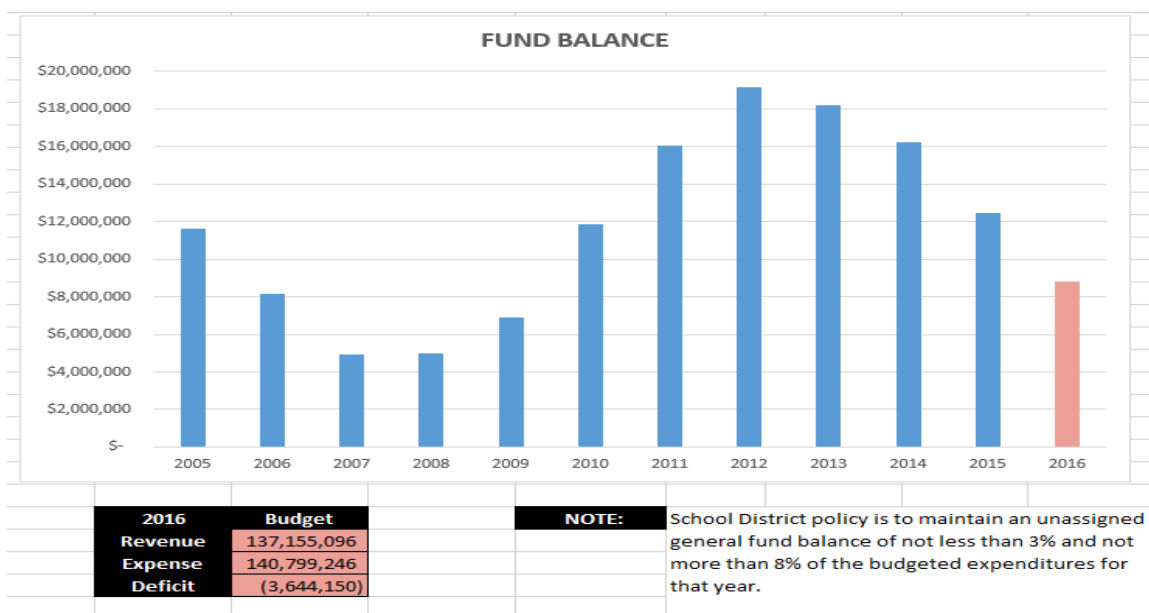
- a. Economically Disadvantaged = 61.5%
- b. English Language Learner = 13.8%
- c. Special Education = 11%

11) HASD Ranking on per pupil expenditures among 499 PA School Districts **(SEE HANDOUT)**

- H.A.S.D. is the 15th largest school district out of 499 in PA by student enrollment
- H.A.S.D. is the 480th out of 499 PA school districts in regards to per pupil expenditures
- H.A.S.D. per pupil expenditure is \$11,927.00
- The average per pupil expenditure for all 499 PA school districts is \$15,777.00
- The average per pupil expenditure for the top 20 highest student enrollment PA school districts is \$16,337.00

12) Fund Balance Update

Hazleton Area School District								
Fund Balance Analysis								
Year End	Total	Reserved	Unreserved, Undesignated	Nonspendable, Inventory	Restricted	Committed	Assigned	Unassigned
2005	\$ 11,617,874	\$ 7,565,329	\$ 3,723,477	\$ 329,068				
2006	\$ 8,130,827	\$ 5,438,601	\$ 2,297,057	\$ 395,169				
2007	\$ 4,910,533	\$ 3,053,751	\$ 1,468,865	\$ 387,917				
2008	\$ 4,995,251	\$ 3,000,549	\$ 1,698,292	\$ 296,410				
2009	\$ 6,891,506	\$ 3,146,464	\$ 3,711,489	\$ 33,553				
2010	\$ 11,834,254	\$ 5,152,969	\$ 6,618,556	\$ 62,729				
2011	\$ 16,042,169			\$ 104,764	\$ -	\$ 7,204,005	\$ 2,000,549	\$ 6,732,851
2012	\$ 19,163,451			\$ 81,442	\$ -	\$ 11,396,448	\$ 2,000,000	\$ 5,685,561
2013	\$ 18,192,406			\$ 49,292	\$ -	\$ 9,396,448	\$ 2,000,000	\$ 6,746,666
2014	\$ 16,240,632			\$ 44,380	\$ -	\$ 9,396,448	\$ 2,000,000	\$ 4,799,804
2015	\$ 12,475,053			\$ 386,421	\$ -	\$ 5,896,448	\$ 2,000,000	\$ 4,192,184
2016	\$ 8,830,903			\$ 386,421	\$ -	\$ 2,496,448	\$ 2,000,000	\$ 3,948,034



13) Questions / Comments

14) Future Public Budget Meeting Schedule

- Wednesday, February 10, 2016 (Public)
- Wednesday, March 9, 2016 (Public)
- Wednesday, April 13, 2016 (Public)
- Wednesday, May 11, 2016 (Public)
- Wednesday, June 15, 2016 (Public)