

Budget Meeting Agenda

January 30, 2018

1) Budget cycle timeline

- a. Board approve a Preliminary General Fund Budget at their February 13, 2018 Regular Monthly School Board Meeting
- b. Adopt the Proposed Final General Fund Budget by May 31, 2018 (must be 30 days prior to the June adoption date) – May 24, 2018 Regular Monthly School Board Meeting
- c. Adopt Final General Fund Budget by June 30, 2018 (20 days of public display and 10 days advertising requirement apply) – June 28, 2018 Regular Monthly School Board Meeting

2) 5-Year History on past budgets - 17-18, 16-17, 15-16, 14-15, 13-14

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

BUDGET	5 Year Increase	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Total Budget Expenses	\$23,737,281	\$147,234,656	\$141,738,393	\$140,799,246	\$133,211,052	\$123,497,375
Real Estate Taxes (Local – 6111)	\$4,714,208	\$40,905,549	\$38,556,375	\$39,281,890	\$38,309,552	\$36,191,341
Basic ED Funding (State – 7110)	\$4,609,010	\$37,537,632	\$37,623,792	\$36,769,475	\$34,020,301	\$32,928,622
State Share of Retirement Contributions (7820)	\$5,846,345	\$10,644,541	\$9,715,832	\$8,451,340	\$6,709,603	\$4,798,196
Act 511 Taxes (Local – 6150)	\$3,000,000	\$9,200,000	\$8,750,000	\$8,750,000	\$8,500,000	\$6,200,000
Total Salaries (Object - 100's)	\$8,693,488	\$65,376,255	\$64,792,807	\$65,413,264	\$62,706,566	\$56,682,767
Total Benefits (Object - 200's)	\$15,953,878	\$46,143,093	\$40,926,889	\$37,303,224	\$33,650,484	\$30,189,215
Debt Service (Object – 832 & 912)	\$1,249,723	\$13,319,685	\$13,480,185	\$13,498,835	\$12,890,517	\$12,069,962

3) Distribution percentage on revenue

REVENUE	BUDGET 2017-2018	% of TOTAL REVENUE
LOCAL	\$61,522,480	42.47%
STATE	\$74,207,106	51.22%
FEDERAL	\$8,921,641	6.16%
OTHER FINANCING SERVICES	\$215,000	0.15%

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	\$14,421,946.39	\$13,033,686.00	(\$1,388,260.39)
2016-2017	\$14,738,697.70	\$13,108,344.00	(\$1,630,353.46)
2017-2018		\$16,520,114.24	

5) PSERS retirement rate increases

SCHOOL YEAR	PSERS RATE	HASD BUDGETED RATE	ACTUAL	BUDGETED
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

SCHOOL YEAR	PSERS RATE	HASD BUDGETED RATE	ACTUAL	BUDGETED
2015-2016	25.84%	25.84%	\$15,640,398	\$16,902,680
2016-2017	30.03%	30.03%	\$19,317,390	\$19,431,664
2017-2018	32.57%	32.57%		\$21,289,082
2018-2019	33.43%			^^\$21,855,282
2019-2020	34.79%			^^\$22,744,399
2020-2021	35.26%			^^\$23,051,668

^^ *Estimated* based on Total Budgeted Salaries (2017-2018) of \$65,376,255

NOTE: At least half of the annual increase will be made up by State Revenue.

6) Tuition Paid by HASD for Charter Schools/other educational agencies 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
2015-2016	\$1,696,374	\$2,030,173	\$3,726,547	\$0
2016-2017	\$1,693,845	\$1,835,016	\$3,528,861	\$0

7) History on Tax Rates

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

LUZERNE, SCHUYLKILL AND CARBON COUNTIES TAX MILLAGE RATES

	1/24/2018								
	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE
LUZERNE COUNTY									
HANOVER AREA 831-2314	15.5892	16.2283	16.4783	16.4783	16.8733	16.8733	17.2733	17.1733	17.5771
WILKES-BARRE 826-7106	14.8319	15.0819	15.3684	15.5220	15.5220	15.8710	15.8710	16.8536	17.4434
WYOMING VALLEY WEST 288-6551	12.4000	12.7000	13.5000	13.8200	14.1500	14.5600	14.9500	15.4500	15.9900
WYOMING AREA 655-3733	11.8963	12.3741	13.0799	13.5408	13.8522	14.3018	14.6304	15.4127	15.9367
PITTSTON 654-2415	12.3212	12.7990	13.1228	13.4246	13.7333	14.1315	14.4989	14.9773	15.4865
DALLAS 674-7231	10.6498	11.0118	11.5624	11.8052	12.0413	12.3423	12.6262	13.1381	13.4323
GR. NANTICOKE AREA 735-7783	9.9800	9.9295	9.9295	10.1807	10.1777	10.4932	10.4932	11.0766	11.4974
NORTHWEST 542-0126	8.8012	9.1986	9.1986	9.1986	9.4193	9.9871	10.2467	10.5848	10.7452
BERWICK 759-6400								11.4400	10.7200
LAKE LEHMAN 675-2165	7.8011	8.6906	8.8531	9.2700	9.6713	9.9656	9.9656	10.2806	10.6046
HAZLETON AREA	8.6980	8.8627	9.0446	9.1956	9.1950	9.5420	9.5420	9.5420	9.9010
CRESTWOOD 474-5411	8.5145	8.5145	9.1600	9.1600	9.1600	9.4089	9.6347	9.8481	9.8481
Reassessment									
SCHUYLKILL COUNTY									
SHENANDOAH VALLEY 462-1936	47.3000	49.3000	49.3000	53.3000	53.3000	53.3000	54.8900	56.9750	56.9750
PANTHER VALLEY 645-3176	50.3100	49.1100	49.1100	52.2400	52.2600	51.9400	51.4100	51.4700	51.1200
MAHANOHY AREA 773-3443	43.0000	44.8000	44.8000	44.8000	44.8000	46.2000	46.2000	47.9000	47.9000
SCHUYLKILL HAVEN AREA 385-6705	37.3500	37.8500	38.3500	39.2500	40.1920	40.1920	40.1920	40.1920	41.6300
MINERSVILLE 544-4764	38.6700	38.6700	38.6700	38.6700	38.6700	38.6700	38.6700	40.0200	40.0200
NORTH SCHUYLKILL 874-0466	33.8600	34.2600	36.0600	36.7900	37.6700	37.9600	37.9600	39.2600	39.9600
PINE GROVE AREA 345-2731	37.9000	38.9000	38.9000	38.9000	38.9000	38.9000	38.9000	38.9000	39.7500
POTTSVILLE AREA 621-2900	34.0000	34.0000	34.0000	34.0000	34.0000	34.0000	34.0000	35.1500	38.5740
BLUE MOUNTAIN 366-0515	34.0100	34.9000	34.9000	35.8800	36.2750	37.2544	37.2544	37.2544	37.2544
SAINT CLAIR AREA 429-2716	27.5000	28.6000	29.1000	29.7900	30.4750	32.3500	34.5000	35.6700	36.9180
TAMAQUA AREA 668-2570	32.1100	33.3600	33.3600	33.3600	33.3600	34.2900	34.2900	35.3800	36.5800
HAZLETON AREA	38.0040	39.6520	30.7130	29.9675	30.5730	30.1250	33.8290	34.7700	34.7700
WILLIAMS VALLEY 717-647-2167	31.6400	32.9700	33.7100	33.7800	33.4700	32.9500	33.9800	34.6800	34.6800
TRI VALLEY 682-9013	27.8700	27.8700	28.3990	29.0230	29.6890	30.4900	31.2520	32.2520	33.3160
CARBON COUNTY									
PANTHER VALLEY 645-3176	55.6900	55.6900	55.6900	55.6900	55.6900	57.6900	57.6900	60.1900	60.1900
PALMERTON AREA 610-826-7101	42.0000	43.6380	49.1440	51.4440	51.4400	52.4440	53.8075	55.5293	56.7793
LEHIGHTON AREA 610-377-4490	45.5300	46.5700	47.3200	47.3200	47.3200	47.8800	47.8800	47.8800	47.8800
WEATHERLY AREA 427-8681	39.9600	39.9600	40.4600	40.4600	40.4600	40.4600	40.4600	44.4600	45.9600
JIM THORPE AREA 325-3691	39.8500	42.5200	44.5200	44.5200	45.5200	45.5200	45.5200	45.5200	45.5200
HAZLETON AREA	30.1430	29.2753	29.3187	29.0010	27.7780	28.3370	28.0700	26.5090	27.4510

8) Discussion on Property Taxes

a. STEB (State Tax Equalization Board) Formula

Same amount of revenue needed (Real Estate Tax – 6111) & same assessed values used for both years

FISCAL YEAR	LUZERNE COUNTY	SCHUYLKILL COUNTY	CARBON COUNTY
2017-2018	9.901 mills	34.770 mills	27.451 mills
STEB %	86.473%	11.765%	1.761%
2018-2019	10.027 mills	31.817 mills	25.857 mills
STEB %	87.575%	10.766%	1.659%

b. Growth in Assessment (Using November 2017 County Assessed Values)

Assessed values **may** change when the May 2018 amounts are available

FISCAL YEAR	EXPLANATION	INCREASE TAX REVENUE FROM BASE	LUZERNE COUNTY	SCHUYLKILL COUNTY	CARBON COUNTY
2017-2018 Current Tax Rates	\$40,908,000 2017-2018 Tax Revenue		9.901 mills	34.770 mills	27.451 mills
2018-2019 OPTION #1	\$41,580,000 Keep Luzerne mills to 2017-2018 amounts	\$672,000	9.901 mills	32.081 mills	25.979 mills
2018-2019 OPTION #2	\$43,849,500 Take Luzerne to the Act 1 Index (3.4%)	\$2,941,500	10.368 mills	33.595 mills	27.205 mills
2018-2019 OPTION #3	\$44,305,000 Carbon stays the same; Luzerne into Exceptions; Schuylkill still decreases	\$3,397,000	10.462 mills	33.898 mills	27.451 mills

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

SCHOOL YEAR	STUDENT ENROLLMENT
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
2016-2017	11,366
2017-2018	11,582

10) Uncertainty in Salaries & Benefits for 2018-2019

- a. All employee labor agreements are expired except for the Security agreement (International Union, Security, Police and Fire Professionals of America (SPFPA) and Its Amalgamated Local 506 (7/1/2017 – 6/30/2020)

11) HASD Ranking on per pupil expenditures among 499 PA School Districts

- H.A.S.D. is the 15th largest school district out of 499 in PA by student enrollment
- H.A.S.D. is the 464th out of 499 PA school districts in regards to per pupil expenditures
- H.A.S.D. per pupil expenditure is \$13,463.00
- The average per pupil expenditure for all 499 PA school districts is \$17,591.00
- The average per pupil expenditure for the top 20 largest student enrollment PA school districts is \$18,109.00

12) Preliminary General Fund Budget Adoption – February 13, 2018

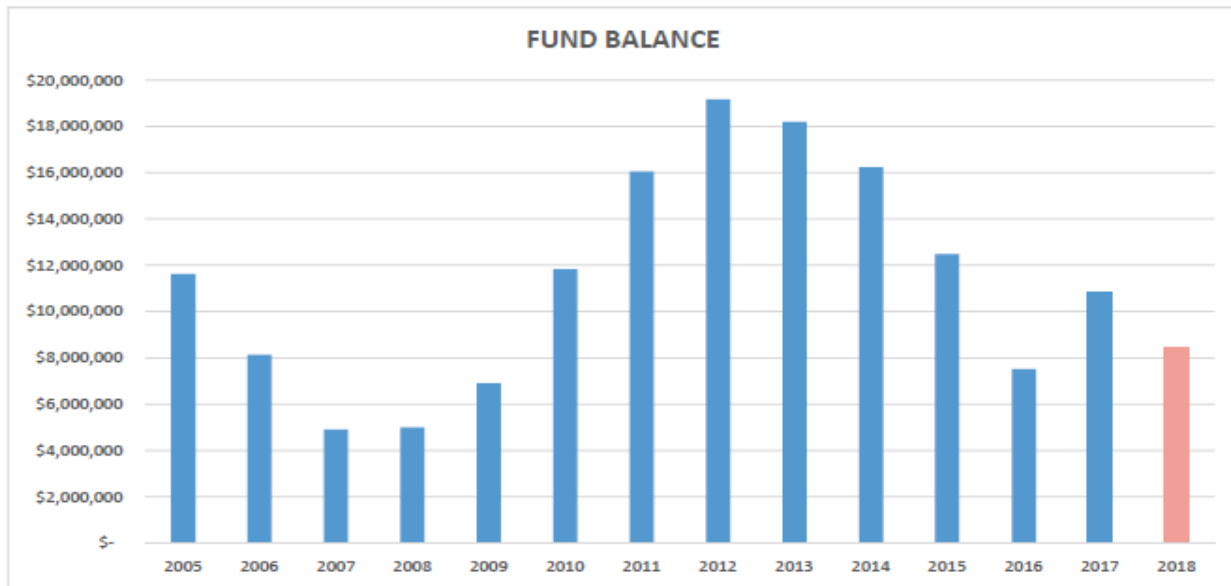
- a. Board vote to adopt Preliminary Budget (See attached)
- b. Tax rates increased in order to apply for exceptions (going to use Option #3 above for Preliminary General Fund Budget)

13) Fund Balance Update

Hazleton Area School District

Fund Balance Analysis

Yearend	Total	Reserved	Nonspendable,					Unassigned
			Unreserved, Undesignated	Inventory/ Prepaid	Restricted	Committed	Assigned	
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	\$ 19,164,000			\$ 81,442	\$ -	\$ 11,396,448	\$ 2,000,549	\$ 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	\$ 7,512,765			\$ 505,251	\$ -	\$ 2,326,448	\$ 500,000	\$ 4,181,066
2017	\$ 10,807,912			\$ 415,890	\$ -	\$ 2,326,448	\$ 500,000	\$ 7,565,574
2018	\$ 8,439,483			\$ 415,890	\$ -	\$ 2,326,448	\$ 500,000	\$ 5,197,145



Budget	2018
Revenue	144,866,227
Expense	147,234,656
Deficit	(2,368,429)
Unassigned	5,197,145
Policy %	3.53%
Range 3%	4,417,040
Range 8%	11,778,772

NOTE: School District policy is to maintain an unassigned general fund balance of not less than 3% and not more than 8% of the budgeted expenditures for that year.

14) Questions / Comments

15) Future Public Budget Meeting Schedule

- Tuesday, February 27, 2018 (Public) – 6:00 P.M.