

2016-17 Preliminary Budget



LOWER MERION SCHOOL DISTRICT



LOWER MERION SCHOOL DISTRICT

2016-2017 Budget Cycle

Act 1

- Accelerated Budget Schedule
- Exceptions
- Back-End Referendum



LOWER MERION SCHOOL DISTRICT

2016-2017 Budget Cycle

- **At least 20 days prior to adoption of Preliminary Budget – Deadline for 2016/17 Budget to go on display**
- **At least 10 days prior to adoption of Preliminary Budget – Deadline for Board to advertise intent to adopt Preliminary Budget**
- **January 27, 2016– Deadline for Board to adopt Preliminary 2016/17 Budget. Scheduled for January 25, 2016 Board Meeting**



LOWER MERION SCHOOL DISTRICT

2016-2017 Budget Cycle (cont'd)

- **At least one week before submission of exception-
Deadline to advertise that Board is seeking exception to
back-end referendum – January 25, 2016**
- **February 11, 2016 – Deadline to submit exception filings
to PDE**
- **February 26, 2016 – Deadline for Board to submit
referendum to county officials**



LOWER MERION SCHOOL DISTRICT

2016-2017 Budget Cycle (cont'd)

- **March 2, 2016 – Deadline for PDE to rule and inform districts if exceptions have been granted or denied**
- **March 7, 2016 – Deadline for Board to submit referendum question to county officials if exception is denied**
- **June 10, 2016– Deadline to print and allow inspection of annual budget**
- **June 20, 2016– Deadline for Board to give notice of intent to adopt final budget**
- **June 30, 2016 – Deadline to adopt budget for 2016/17 fiscal year**



LOWER MERION SCHOOL DISTRICT

Historical Index and Tax Increase

School Year	Index	Tax Increase
2006/07	3.9%	10.79%
2007/08	3.4%	4.46%
2008/09	4.4%	6.36%
2009/10	4.1%	6.59%
2010/11	2.9%	4.15%
2011/12	1.4%	3.31%
2012/13	1.7%	1.99%
2013/14	1.7%	3.82%
2014/15	2.1%	3.90%
2015/16	1.9%	3.55%
2016/17	2.4%	4.43%



LOWER MERION SCHOOL DISTRICT

Exceptions for 2016-17

- **Indebtedness Incurred Prior to Effective Date**
- **Electoral Debt Incurred Under 53 PA CS Part VII Part B**
- ✓ **Special Education**
- ✓ **Retirement**



What Drives Budget Increases?

1. **Instructional Program - Maintaining Current Programs**
 - a. **Enrollment Growth**
 - b. **Salaries**
 - c. **Retirement Contribution – (PSERS 16% increase)**
2. **Special Education Program Mandates**
3. **Stagnant Revenue and No/Minimal Increase in State or Federal Funding**



LOWER MERION SCHOOL DISTRICT

2016-17 Preliminary Budget Highlights

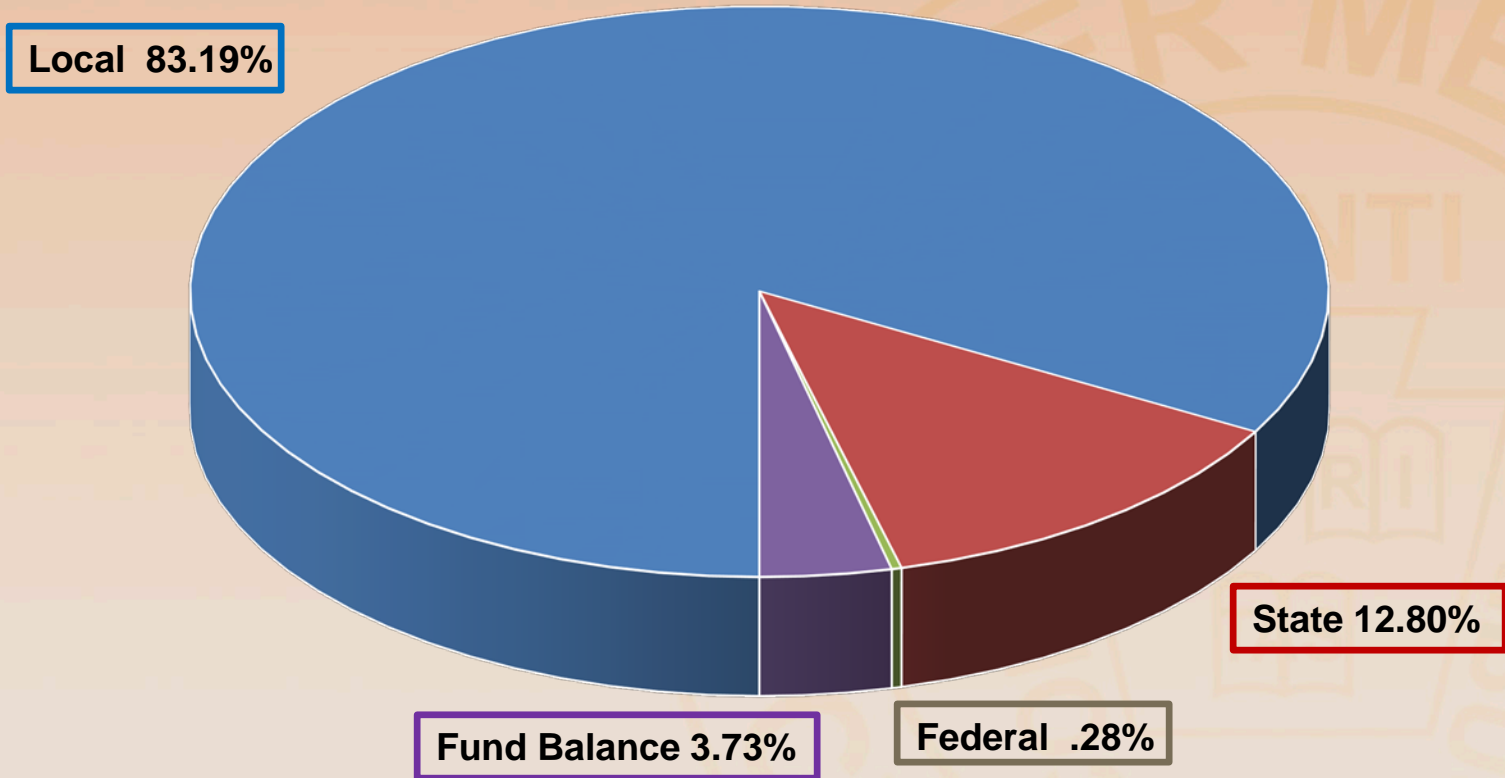
Uncertain Issues

- **Current and future tax revenues**
- **Interest income**
- **State Budget – Governor will present the Commonwealth budget in February**



LOWER MERION SCHOOL DISTRICT

Where the Money Comes From





LOWER MERION SCHOOL DISTRICT

Anticipated Revenue

Description	Budget 2015-16	Budget 2016-17
Fund Balance Funds Designated as a Revenue	9,335,255	9,335,255
<u>Local Sources</u>		
Current Real Estate Taxes	194,465,332	198,736,337
Interim Real Estate Taxes	301,000	301,000
Public Utility Realty Tax	220,000	220,000
Local Services Tax	200,000	200,000
Realty Transfer Taxes	2,950,000	3,000,000
Delinquent Real Estate Taxes	4,000,000	3,850,000
Interest Income	250,000	250,000
Tuition - Summer Programs	200,000	200,000
IU Federal Funds	1,200,000	1,200,000
Misc. Other Local Sources	106,300	106,300
Total Local Sources	203,892,632	208,063,637



LOWER MERION SCHOOL DISTRICT

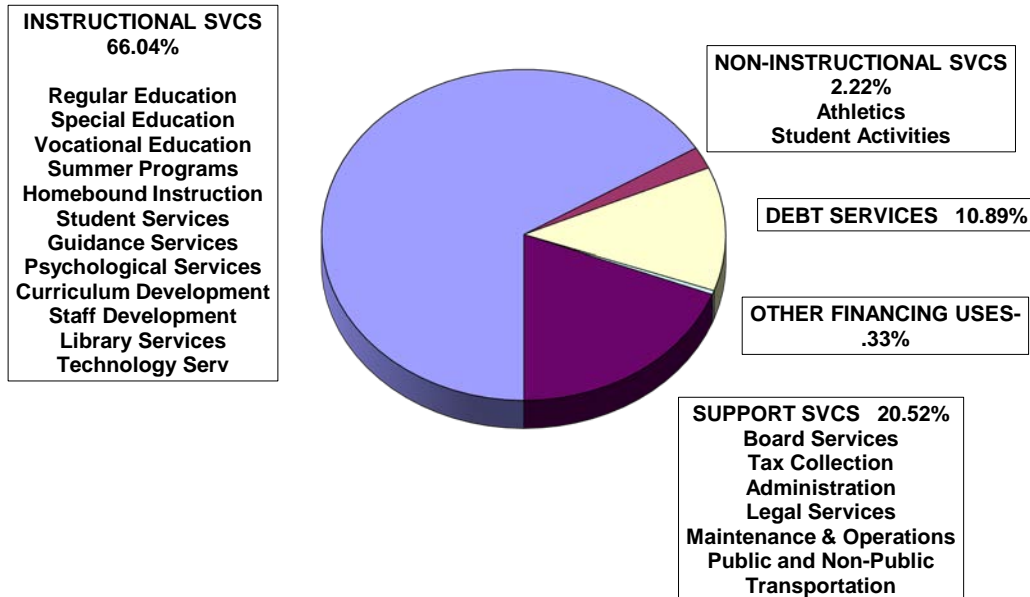
Anticipated Revenue (cont'd)

Description	Budget 2015-16	Budget 2016-17
State Sources		
Basic Education Funding Subsidy	3,497,119	3,497,119
Special Education Subsidy	2,882,307	2,882,307
Transportation Subsidy	2,400,000	2,400,000
Revenue for Social Security Payment	4,600,000	4,600,000
Revenue for Retirement	15,000,000	18,200,000
State Property Tax Reduction Allocation	3,473,652	
Health Services Subsidies	260,000	260,000
Rental & Sinking Fund Reimbursement	200,000	150,000
Misc. Other State Subsidies	20,000	20,000
Total State Sources	32,333,078	32,009,426
Federal Sources	705,600	705,600
Total Revenue	236,931,310	240,778,663
Total Revenue and Designated Fund Balance	246,266,565	250,113,918



LOWER MERION SCHOOL DISTRICT

How Does The Money Support Our Children?





LOWER MERION SCHOOL DISTRICT

DESCRIPTION	Budget 2015-16	Preliminary Budget 2016-17
Salaries	116,949,574	122,792,506
Benefits	69,963,930	75,971,829
Other	58,553,061	59,369,933
<ul style="list-style-type: none"> - Purchased Professional and Technical Svcs (IU services, consultants, etc) - Purchased Property Svcs (utilities, repair work, leases, etc) - Other Purchased Svcs (tuition payments to charters, special ed, vo-tech, general insurance, contracted transportation - Supplies (general supplies, books, software licenses, fuel, gas, etc) - Property (equipment, laptops, iPads, etc) - Other Objects (debt service principal payments) 		
Budget Reserve	800,000	800,000
Total	246,266,565	258,934,268
Tax Monies required to balance the Budget		(8,820,350)
Budgeted Mill Value	7,541,308	7,576,074
Additional Increase in Mills Required		1.1642
Total Mills	26.2321	27.3963
Mills Increase		4.43%
Budget Expenditure Increase		5.14%



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Real Estate Tax Change

Median Household Assessment		\$250,680
2015-16 Real Estate Tax mill rate	26.2321	
Face amount of 2015-16 Real Estate Tax		6,576
2016-17 Real Estate Tax mill rate	27.3963	
Face amount of 2016-17 Real Estate Tax		<u>6,868</u>
	Tax Increase	\$292

Median household assessments provided by Montgomery Co. Board of Assessments



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Budget Calendar

Preliminary Budget Approval	January 25, 2016
Proposed Final Budget Approval	April 18, 2016
Public Inspection Deadline of Proposed Final Budget	May 24, 2016
Public Notice of intent to adopt 2016-17 Final Budget	May 29, 2016
Final Budget Approval/Adoption	June 13, 2016