

2016-17 Proposed Final Budget



LOWER MERION SCHOOL DISTRICT



LOWER MERION SCHOOL DISTRICT

The LMSD Budget is:

- **An example of careful planning**
- **A demonstrated respect for public funds**
- **A determined approach for public school children**



LOWER MERION SCHOOL DISTRICT

2016/17 Budget

- **Act 1 Overview**
- **Revenues**
- **Budget Drivers**
- **Expenditures**
- **Calendar**



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Act 1 Overview



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2016-2017 Budget Cycle

Act 1

- Accelerated Budget Schedule
- Exceptions
- Back-End Referendum



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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%	(Proposed Final) 4.44%



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Exceptions for 2016-17

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



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Act 1 and the Exceptions

Act 1 Limit \$4.8 million

Exceptions for Special Education \$2.2 million

Growth in budget \$3.6 million

Exception for PSERS \$1.8 million

Growth in budget \$3 million

Exception for Enrollment Growth \$0

Exception for Debt Service \$0



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Revenues



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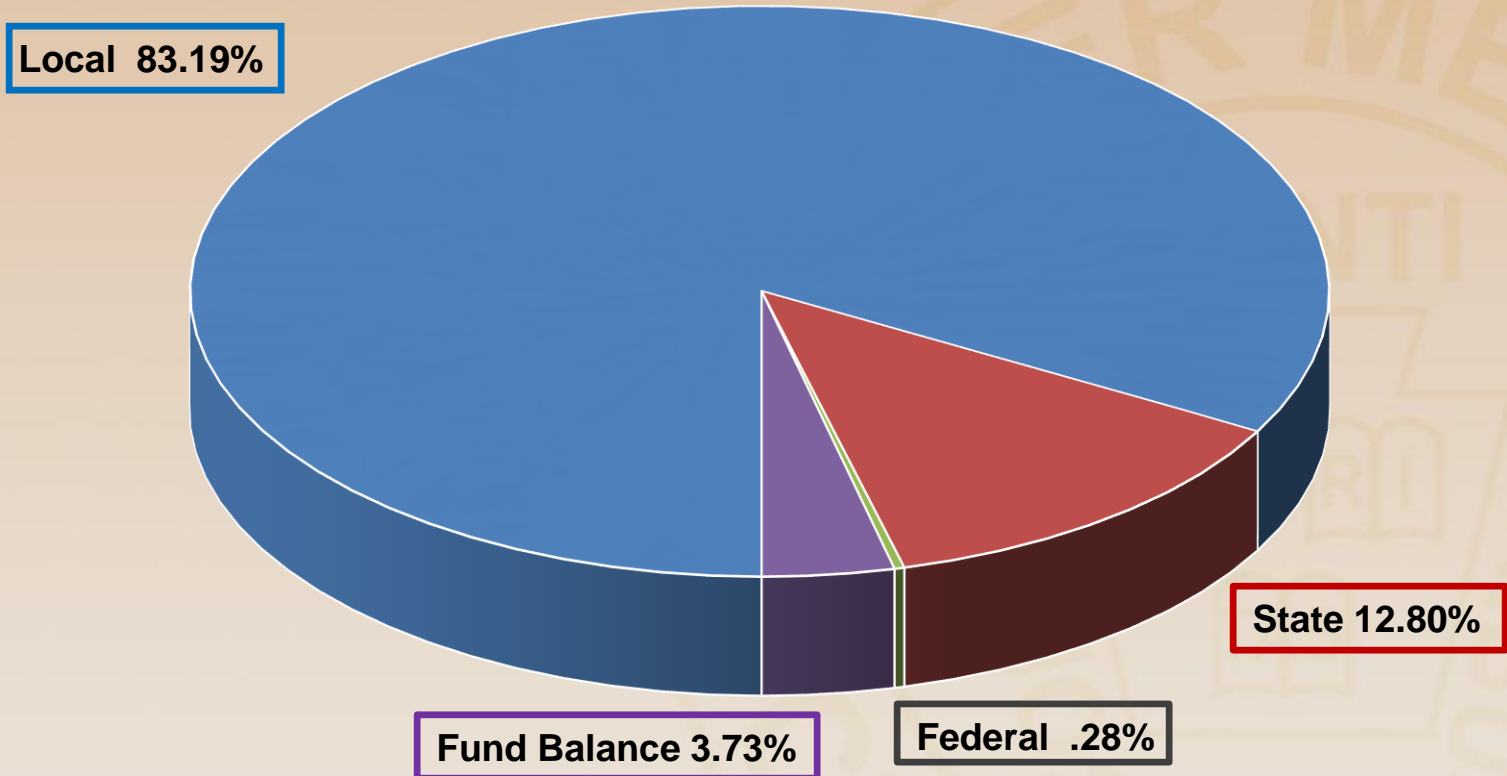
2016-17 Proposed Final Budget Uncertain Issues

- **Current and future tax revenues**
- **Interest income**
- **State Budget – Governor presented the Commonwealth budget on February 9**
- **15-16 Commonwealth Budget only just resolved**



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Where the Money Comes From





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Budget Drivers



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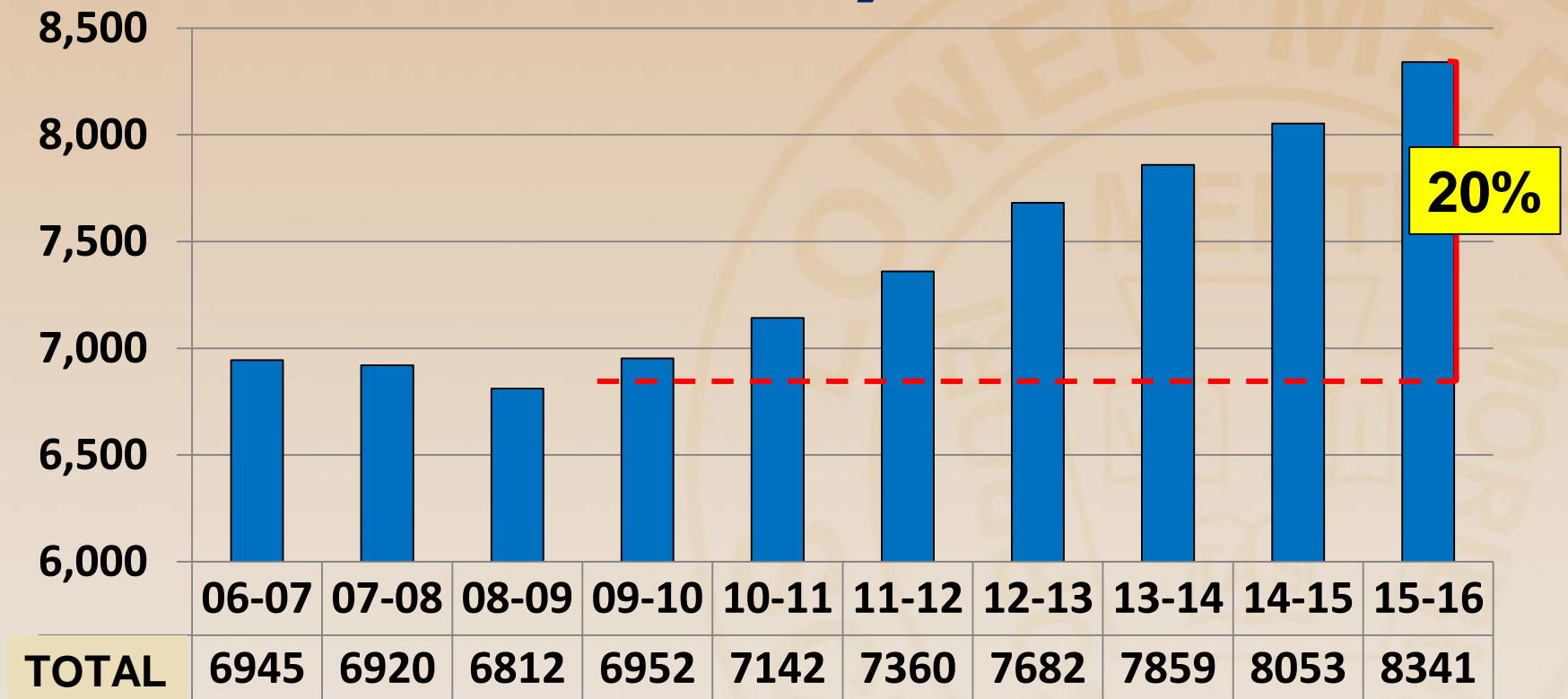
Budget Drivers OR (What do we spend the money on?)

- **Salaries and Benefits**
- **Enrollment Growth**
- **Debt Service**
- **Pension Fund (PSERS) 16% increase**
- **Special Education**
- **Program Enhancements**



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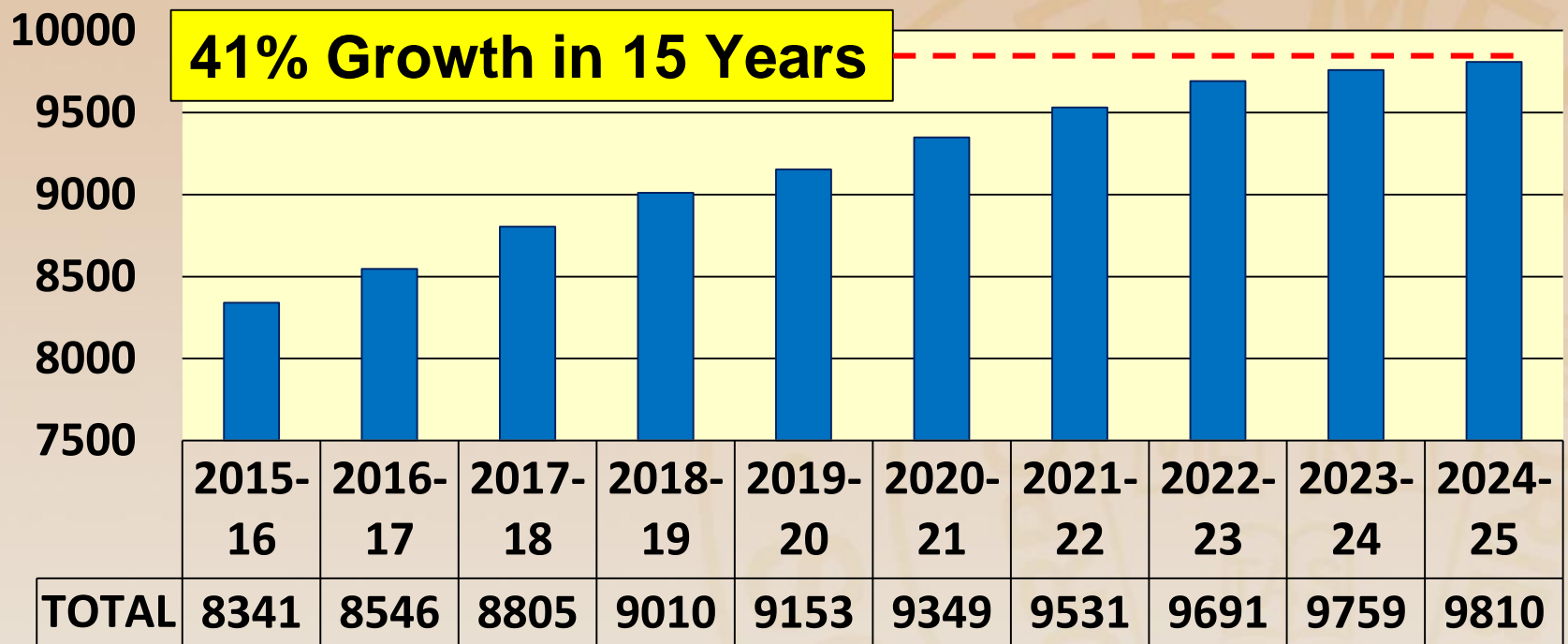
LMSD 10 Year Enrollment History





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LMSD 10 Year Enrollment Projections



2015-16 Data is Actual Enrollment from Sep 2015



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Other Things ... Cost Drivers/Comparisons

Debt Service

• Tredyffrin/Easttown	6.9	Million
• Haverford	10	Million
• Radnor	7	Million
• Lower Merion	28.2	Million

Enrollment Growth Fiscal Years 11/12 through 14/15

• Tredyffrin/Easttown	1.46%
• Haverford	3.59%
• Radnor	1.42%
• Lower Merion	9.03%



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**Enrollment increase is at least
1% of Budget cost**

% Enrollment inc/(dec) 3yr period		% Preliminary 2016-17 Budget Tax Increase
LMSD	9.03	4.4
Haverford	3.59	3.3
T/E	1.45	4.3
Radnor	1.42	6.1
West Chester	(1.8)	4.1



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Special Education

Total Budget is over \$46,000,000
\$700,000 to Charter Schools
Mostly Experienced Teachers



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What Makes Lower Merion Special?

- **Two High Schools**
- **Extensive Course Selections**
- **Elementary World Languages**
- **Small Class Size**
- **Ability to Hire Experienced Staff**
- **Facilities in Top Form**



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Expenditures

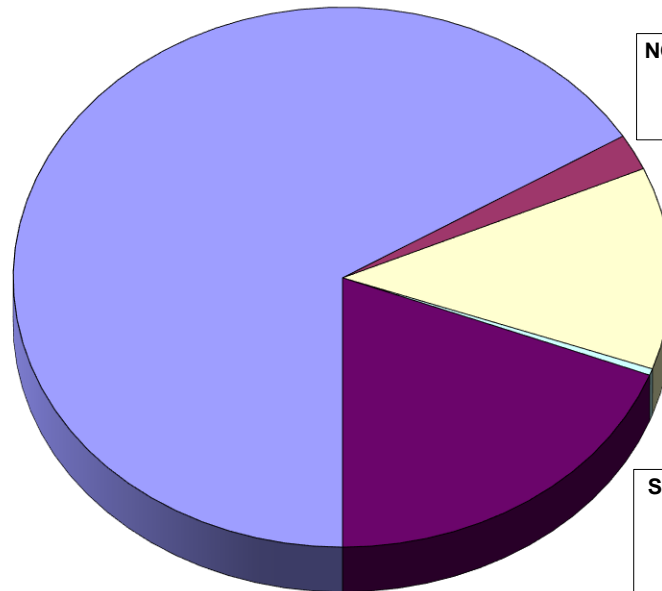


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How Does The Money Support Our Children?

INSTRUCTIONAL SVCS 66.04%

- Regular Education
- Special Education
- Vocational Education
- Summer Programs
- Homebound Instruction
- Student Services
- Guidance Services
- Psychological Services
- Curriculum Development
- Staff Development
- Library Services
- Technology Services



NON-INSTRUCTIONAL SVCS
2.22%
Athletics
Student Activities

DEBT SERVICES 10.89%

OTHER FINANCING USES-
.33%

SUPPORT SVCS 20.52%
Board Services
Tax Collection
Administration
Legal Services
Maintenance & Operations
Public and Non-Public
Transportation



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DESCRIPTION	Budget 2015-16	Proposed Final Budget 2016-17
Salaries	116,949,574	122,792,506
Benefits	69,963,930	75,971,829
Other		
Fixed	19,746,871	19,734,330
Variable	11,022,086	11,446,499
- 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)		
Debt Service	27,784,104	28,189,104
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		4.44%
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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Historical Comparison Preliminary vs Final Budgets

Fiscal Year	Preliminary Budget	Final Budget	Difference	Preliminary Tax Increase (% - \$)	Final Tax Increase (% - \$)	Difference
2011-12	204,777,378	204,571,449	(205,929)	3.31% = 185	3.31% = 185	-
2012-13	212,809,404	212,809,404	-	3.92% = 225	1.99% = 114	(111)
2013-14	222,134,342	221,634,342	(500,000)	4.40% = 259	3.82% = 225	(34)
2014-15	234,620,559	234,520,559	(100,000)	4.11% = 251	3.9% = 239	(12)
2015-16	246,766,565	246,266,565	(500,000)	3.81% = 242	3.55% = 225	(17)



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Act 1 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



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Please Consider

**Unprecedented Enrollment Growth and Budgets
that are within the range of neighbors whose
enrollment is either growing slowly or in some
cases declining**

**A tough stance on salaries and benefits taken this
past round**

**Our entrance requirements are a birth certificate
and an address**



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One Last Thing ...

**Resist the temptation
to defer maintenance ...
It will cost you more
in the long run**