



LAKELAND SD

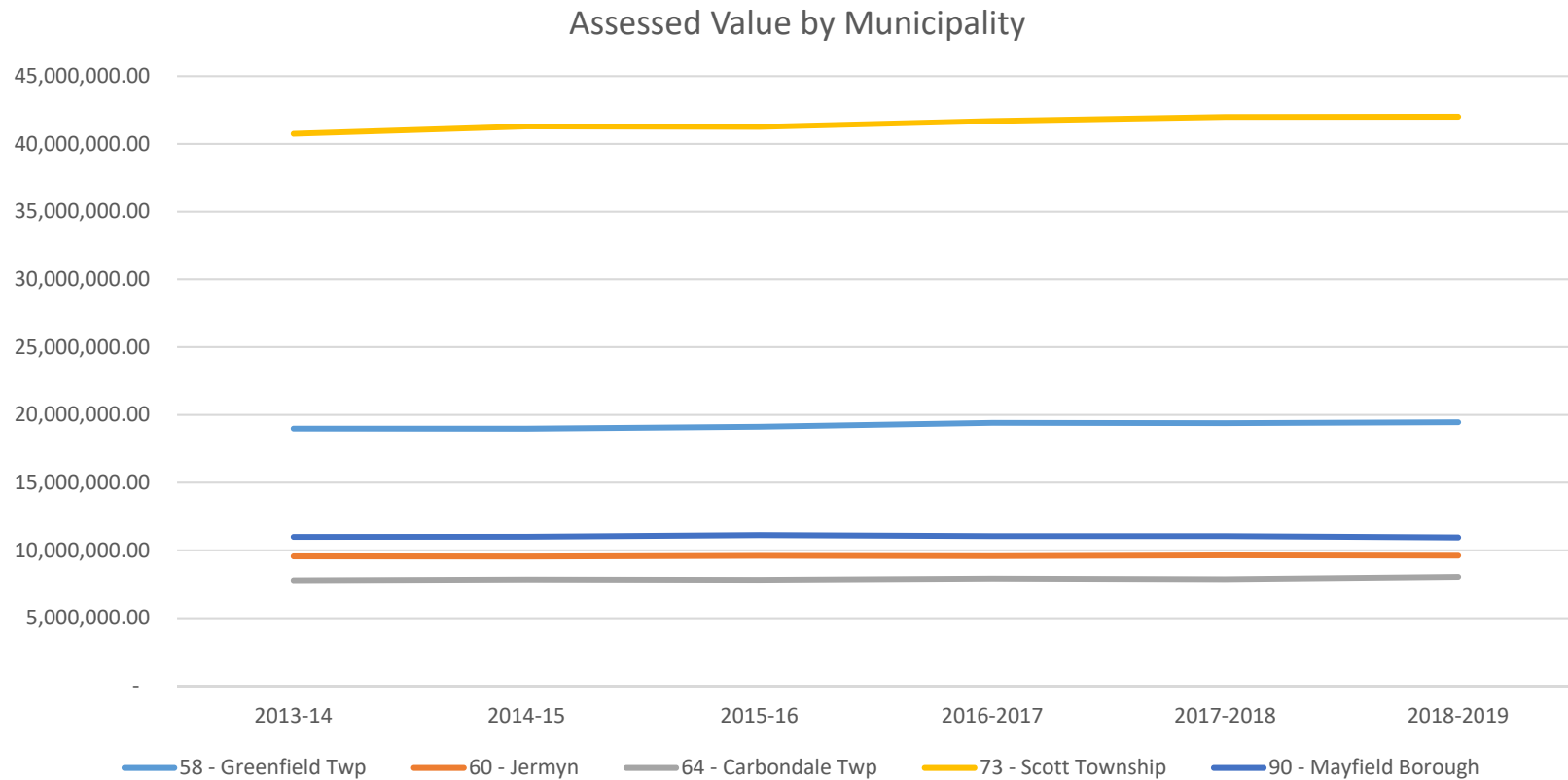
**PROPOSED GENERAL FUND
BUDGET PRESENTATION
2018-2019**

Highlights

- Tax Data
- Revenues
- Expenses
- Trends
- County Comparisons
- Budget Summary
- Fund Balance

Tax Data

Assessed Value by Municipality

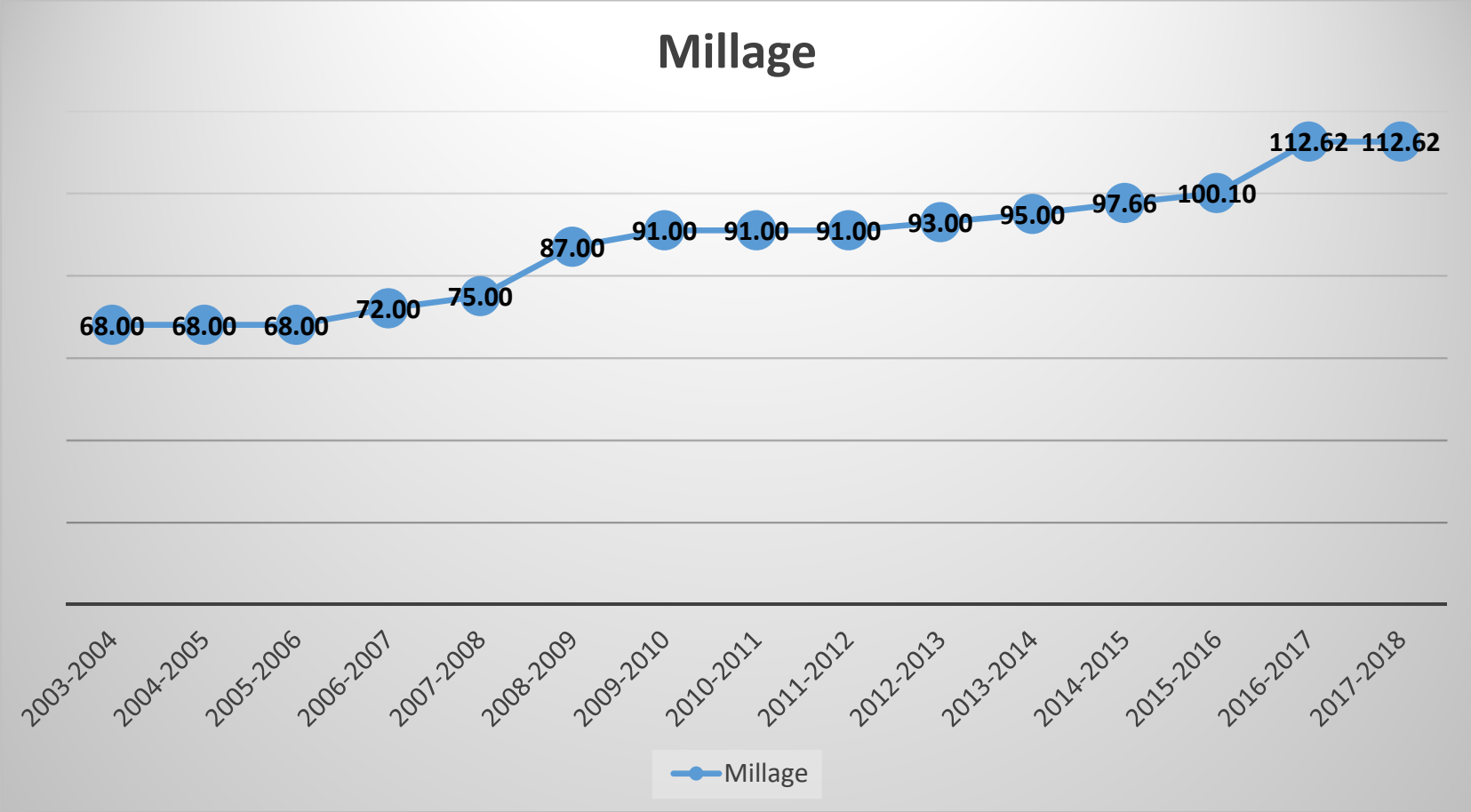


- Assessed value increased by .15% in 2018-2019
- The .15% equates to \$13,639 increase in RE tax

Value of 1 Real Estate Tax Mill

- 1 mil = $1/1000^{\text{th}}$ of assessed value
- Total Assessed Value = \$90,076,247
- $\$90,076,247 \times .001 = \$90,076$
- Value of 1 mill = \$90,076
- Need to apply collection rate of 88%
- Estimated value of 1 mill = 79,267

Millage History



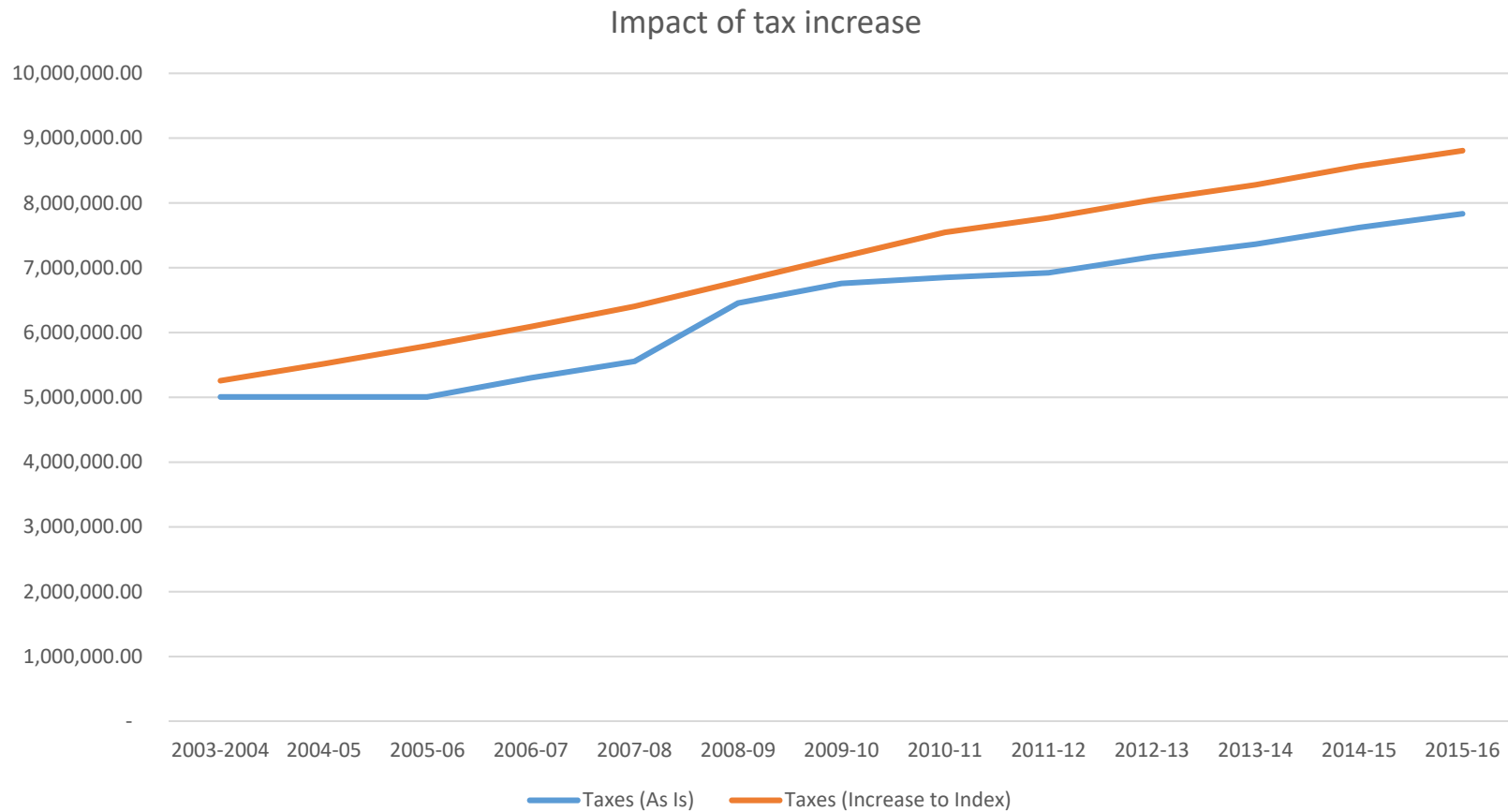
Act 1 Index

- 2017-2018 Tax Rate = 112.62 mills
- Act 1 Index = 3.2%
- $112.62 \text{ mills} + 3.2 \% = 116.22$ maximum tax rate
- The maximum increase to real estate is 3.6 mills
- Value of 3.6 mill increase = \$285,361

Impact of Increasing Taxes to Index

- Median Assessed Value - \$12,187
- Current Median Tax Bill - \$1,372.50
- Act 1 Index – 3.2% or 3.6 mills
- Tax Increase - \$43.87 per homeowner (\$12.19/mill)

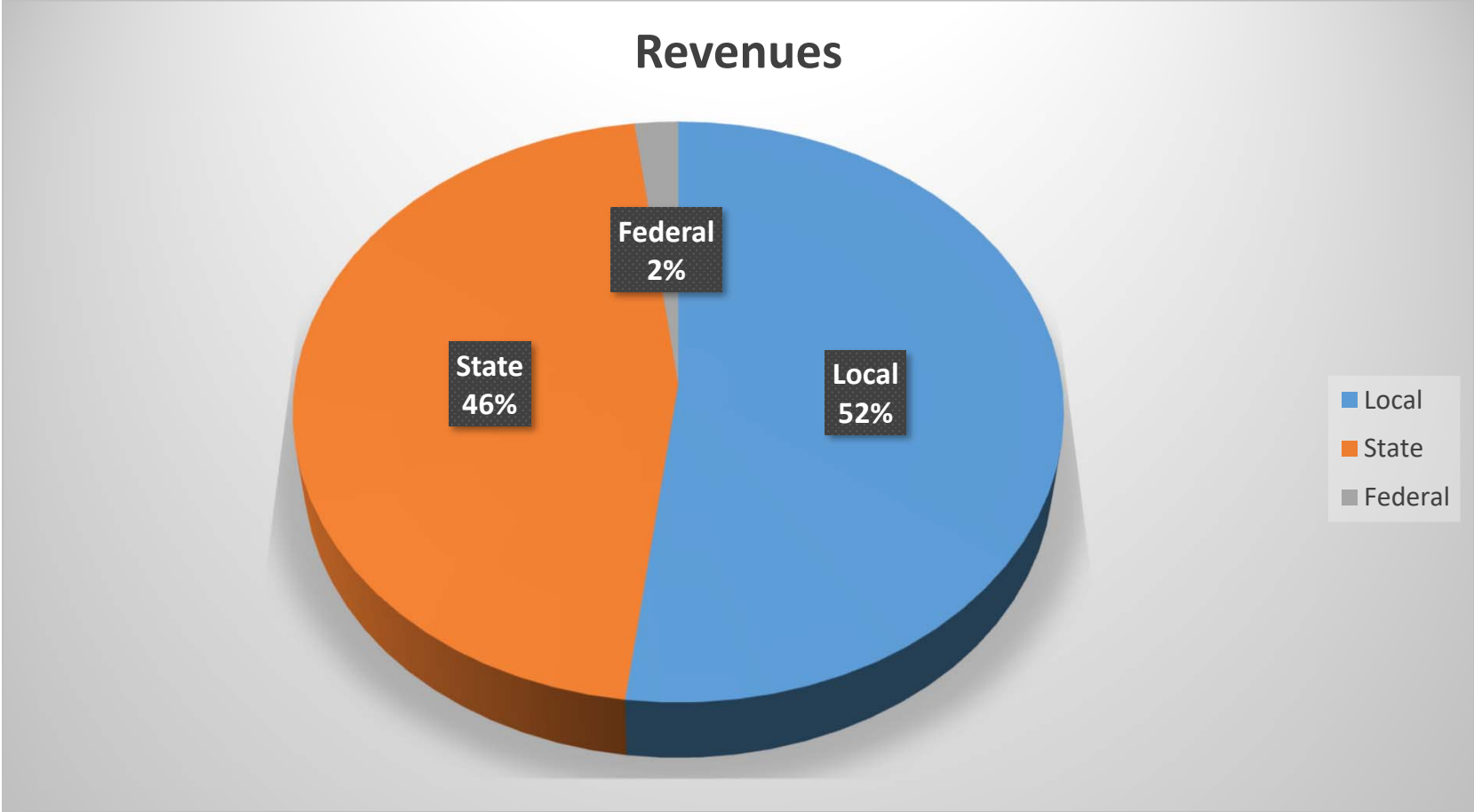
What if we taxed to index every year from 2004?



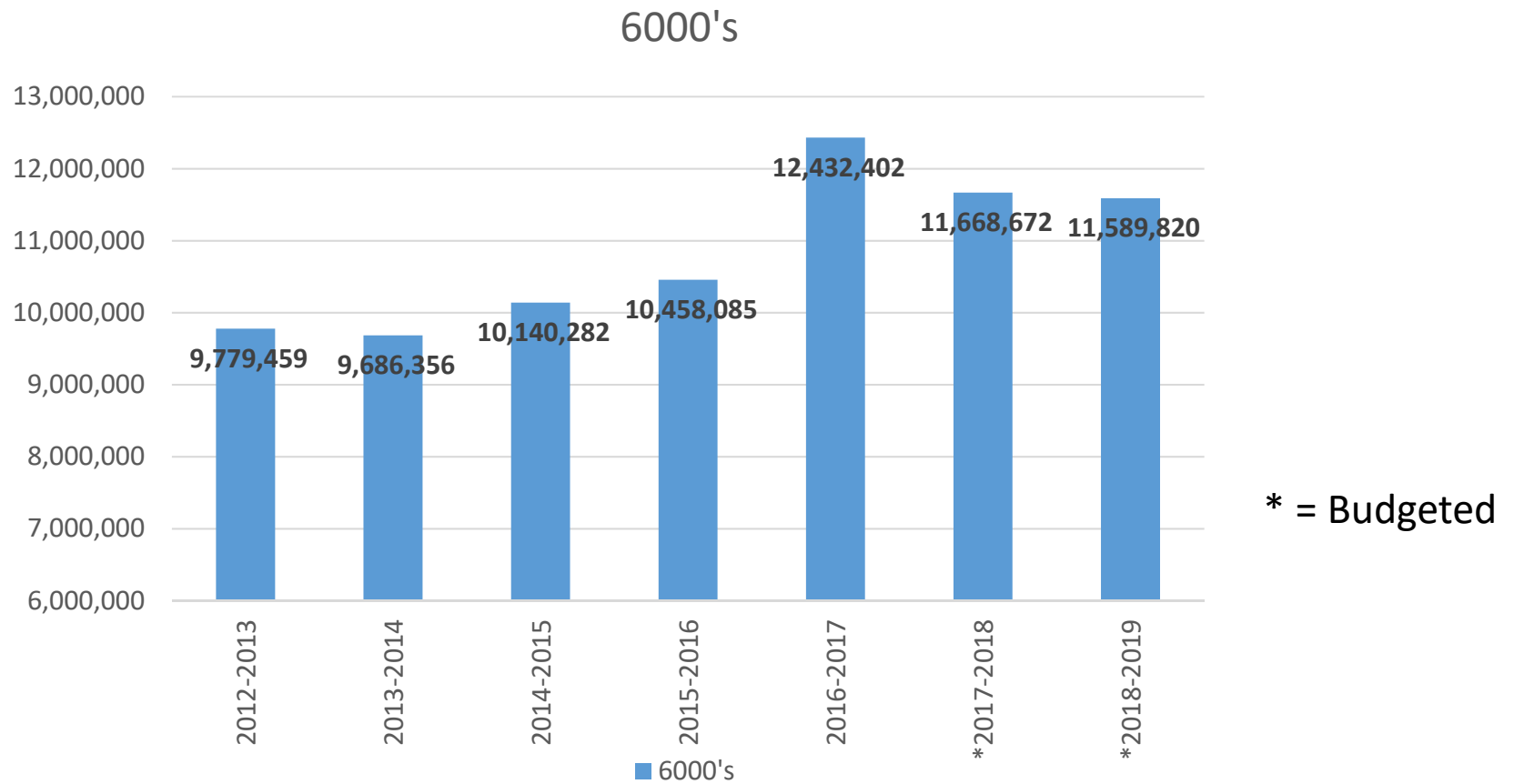
- If the district raised taxes to the index since 2003-2004, in 2015-2016 the millage rate would have been 112.56
- Impact is \$9,197,591

Revenues

Revenue Breakdown 18-19



Local Sources



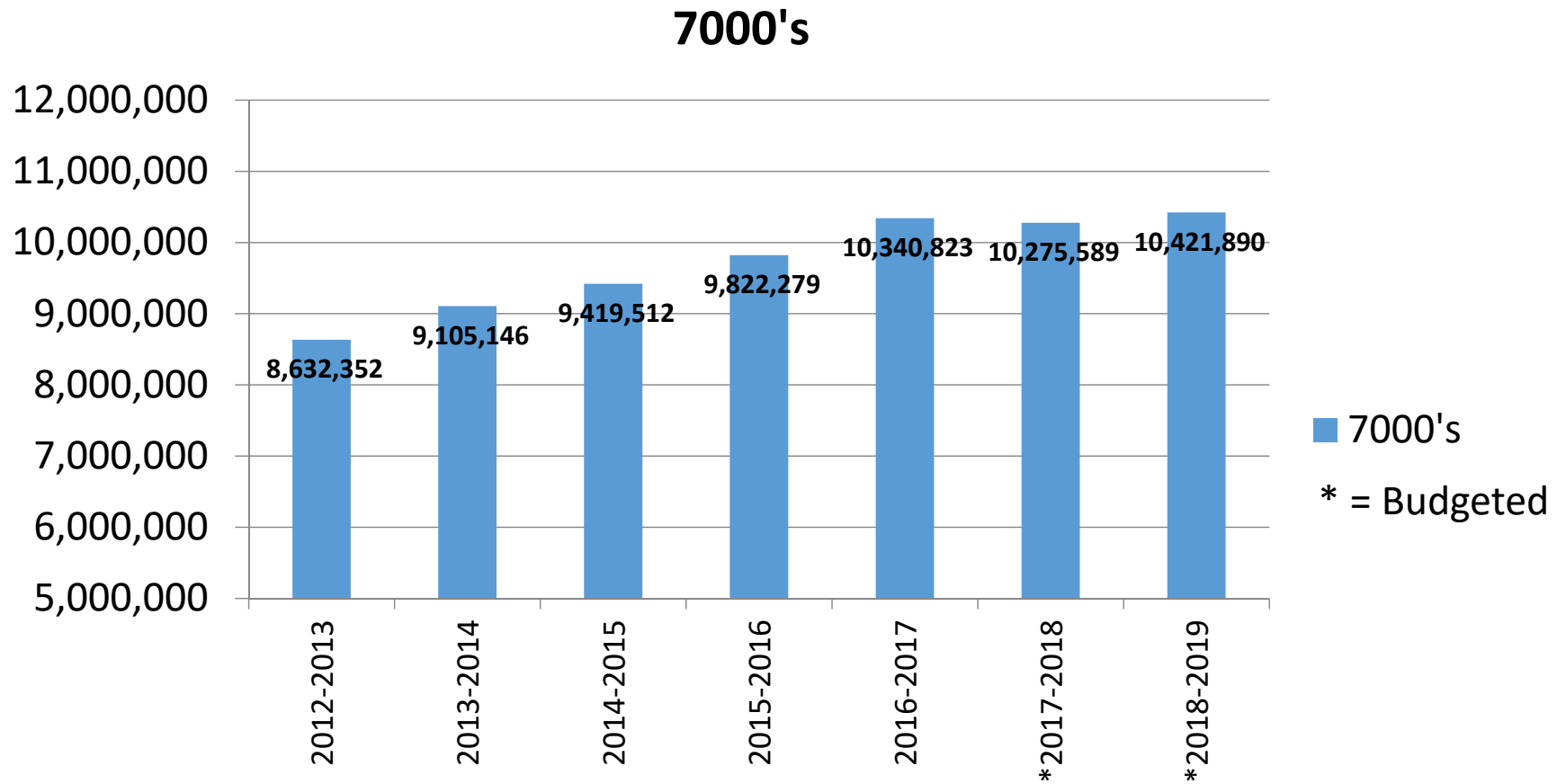
Local sources include Real Estate Tax, Wage Tax, Real Estate Transfer Tax, Interest, LST tax, etc.

**One-time revenue in 16-17 in the amount of \$676,841 (Health Consortium)

Local Sources

Function	Description	2016-17 AFR	2017-2018 Proposed	2018-2019 Proposed	Difference
6111	Current Real Estate Taxes	\$8,890,051	\$8,615,648	\$8,628,196	12,548
6113	Public Utility Realty Tax	\$11,065	\$10,916	\$10,410	(506)
6114	Payments in Lieu of Taxes	\$8,280	\$7,318	\$4,308	(3,010)
6142	Occupation Taxes	\$0	\$0	\$0	-
6143	Local Services Tax	\$12,125	\$10,351	\$12,000	1,649
6151	Earned Income Taxes	\$1,367,375	\$1,348,177	\$1,355,000	6,823
6153	Real Estate Transfer Taxes	\$141,979	\$95,000	\$112,000	17,000
6400	Delinquent Real Estate Tax	\$725,737	\$950,043	\$950,043	-
6500	Earnings on Investments	\$49,880	\$44,132	\$45,000	868
6710	Revenue From Student Activities/Admissions	\$26,144	\$40,000	\$40,000	-
6800	Revenue from Intermediary Sources / Pass-Through Funds				-
6810	Revenue from Local Government Units				-
6821	State Rev. Rcvd. from Other PA Public Schools				-
6831	Federal Rev. Rcvd. from Other PA Public Schools				-
6832	Federal IDEA Pass Through Revenue	\$257,866	\$241,088	\$228,863	(12,225)
6836	Federal ARRA Race to the Top	\$330			-
6910	Rentals	\$12,000	\$12,000	\$12,000	-
6920	Contributions and Donations From Private Sources	\$5,050			-
6930	Gains/Losses on Sale of Fixed Assets				-
6944	Receipts from Other LEAs in PA - Education	\$239,932	\$294,000	\$192,000	(102,000)
6960	Services Provided Other Local Governmental Units / LEAs	\$0		\$0	-
6991	Refunds and Other Miscellaneous Revenue	\$676,841		\$0	-
6999	All Other Local Revenues Not Specified	\$7,747		\$0	-
		\$12,432,402	\$11,668,672	\$11,589,820	(78,852)

State Sources



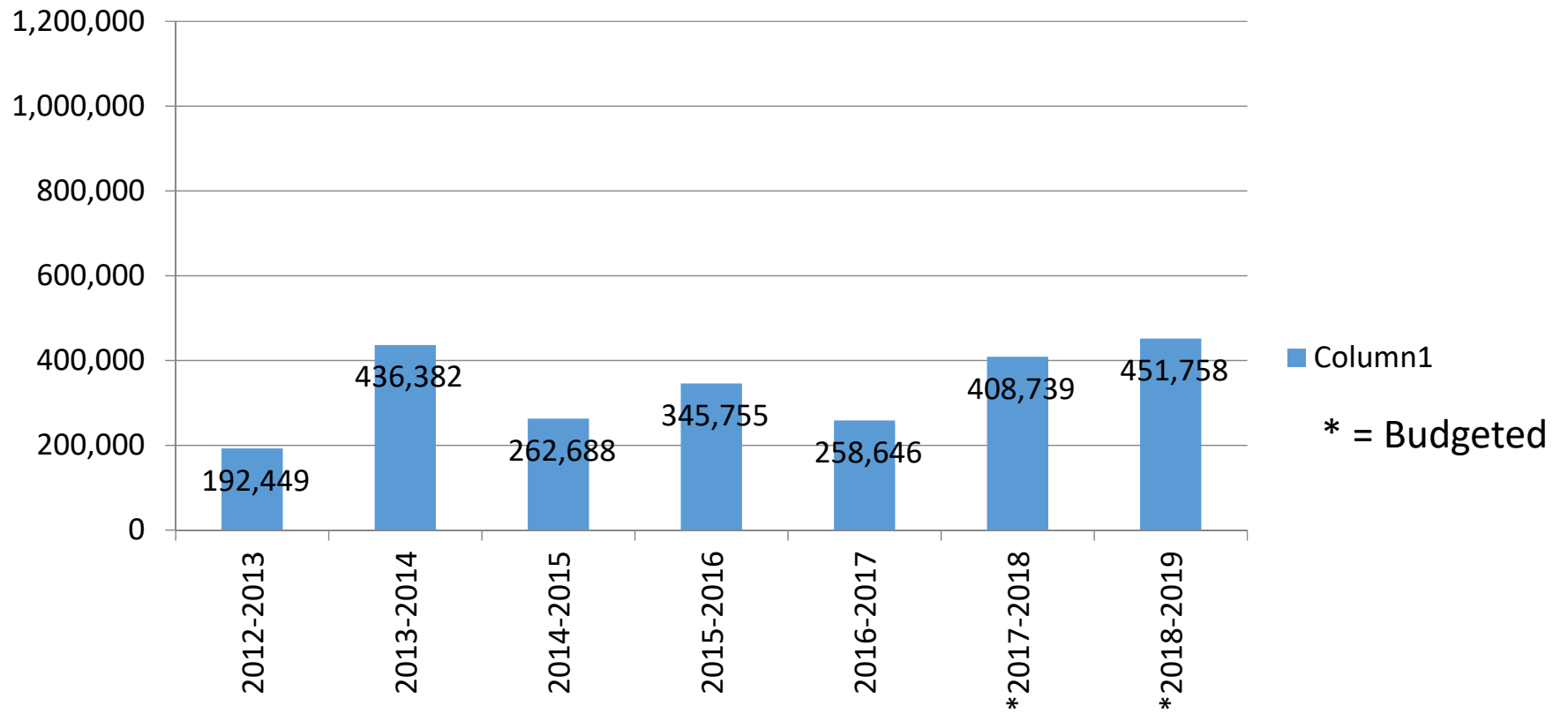
State revenues include Basic Ed & Special Ed Subsidy, Transportation Subsidy, RTL, State Share of SS & PSERS, etc

State Sources

Function	Description	2016-17 AFR	2017-2018 Proposed	2018-2019 Proposed	Difference
7110	Basic Instruction Subsidy	\$5,384,313	\$5,417,301	\$5,466,867	49,566
7160	Tuition - Orphans & Children Placed in Priv. Homes	\$98,287	\$60,000	\$20,000	(40,000)
7240	Driver Education - Student	\$0	\$0	\$0	-
7271	Special Education Subsidy	\$917,246	\$942,421	\$955,268	12,847
7310	Transportation	\$1,538,162	\$1,500,000	\$1,500,000	-
7330	Health Services	\$27,141	\$27,500	\$27,500	-
7340	State Property Tax Reductions	\$339,055	\$339,619	\$339,619	-
7360	Safe Schools	\$0			-
7501	PA Accountability Grant	\$0			-
7502	Student Focused Funding Supplement	\$0			-
7505	Ready to Learn Block Grant	\$271,345	\$236,731	\$236,731	-
7810	Revenue for Social Security Payments	\$343,560	\$326,952	\$343,455	16,503
7820	Revenue for Retirement Payments	\$1,421,714	\$1,425,065	\$1,532,451	107,386
	Total	\$10,340,823	\$10,275,589	\$10,421,890	\$146,301

Federal Sources

8000's

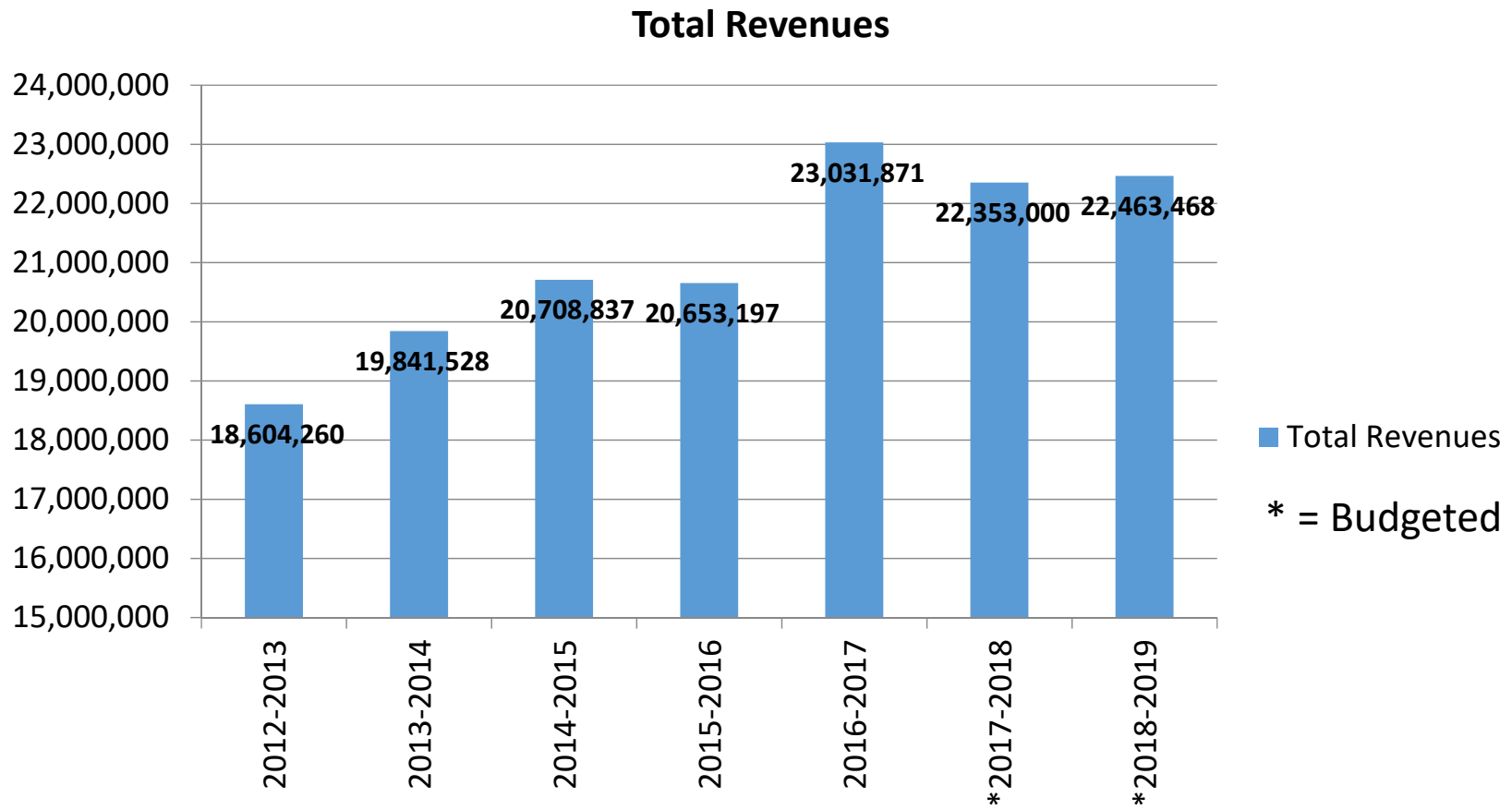


Federal Sources include Title I, Title II, Access Funds

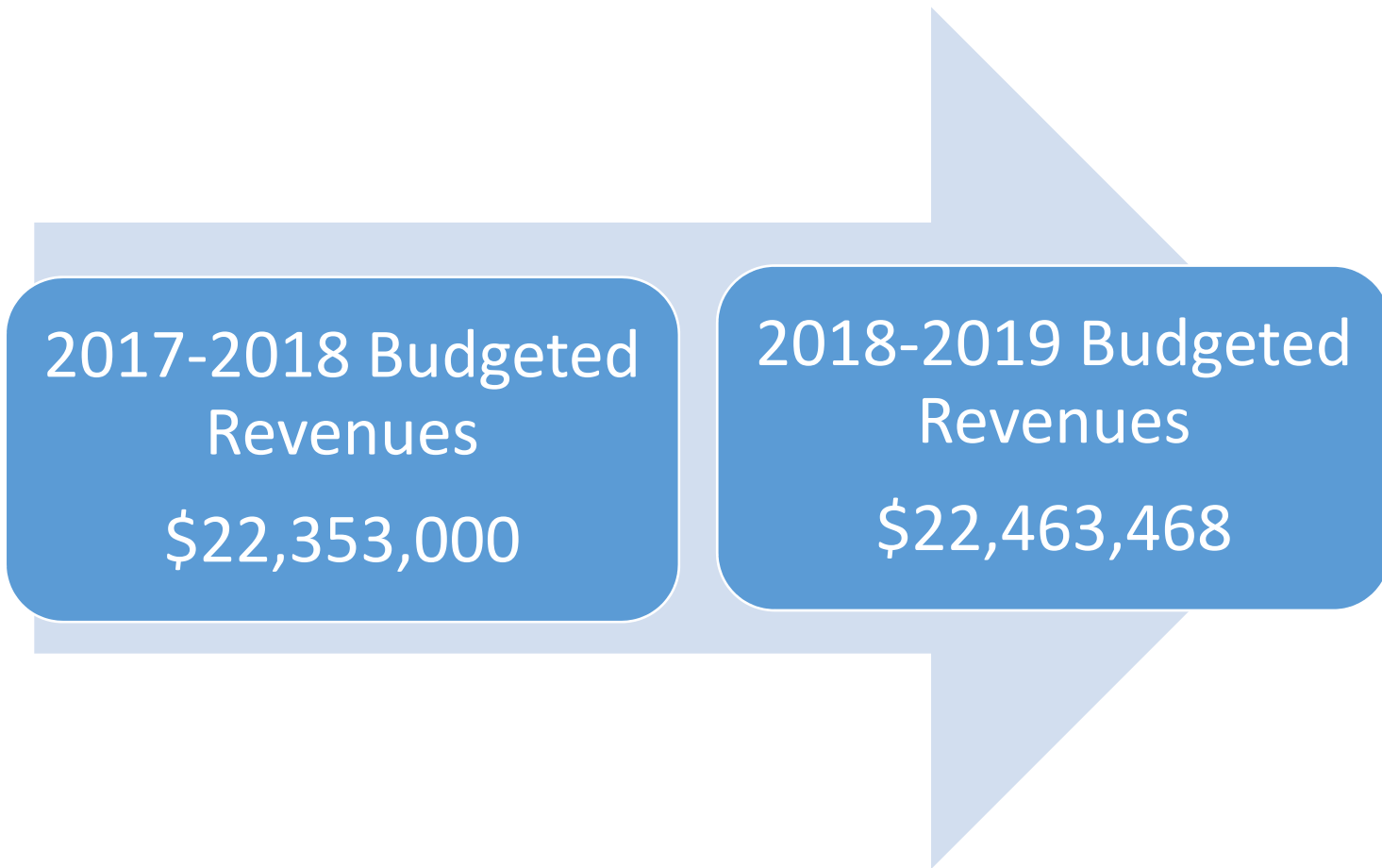
Federal Sources

Function	Description	2016-17 AFR	2017-2018 Proposed	2018-2019 Proposed	Difference
8514	NCLB, Title I - Imprv. Acad. Ach. (Disadvantaged)	\$202,561	\$202,928	\$256,727	53,799
8515	NCLB, Title II - High Qual. Teachers & Principals	\$54,502	\$55,640	\$54,186	(1,454)
8516	NCLB, Title III - Limited English Proficient				-
8517	NCLB, Title IV - 21st Century Schools			\$10,000	10,000
8709	ARRA Education Jobs Fund	\$0			-
8810	ACCESS	\$0	\$147,471	\$79,345	(68,126)
8820	Medical Admin Claims	\$1,583	\$2,700	\$1,500	(1,200)
	Total	\$258,646	\$408,739	\$401,758	(6,981)

Total Revenues



Total Revenues



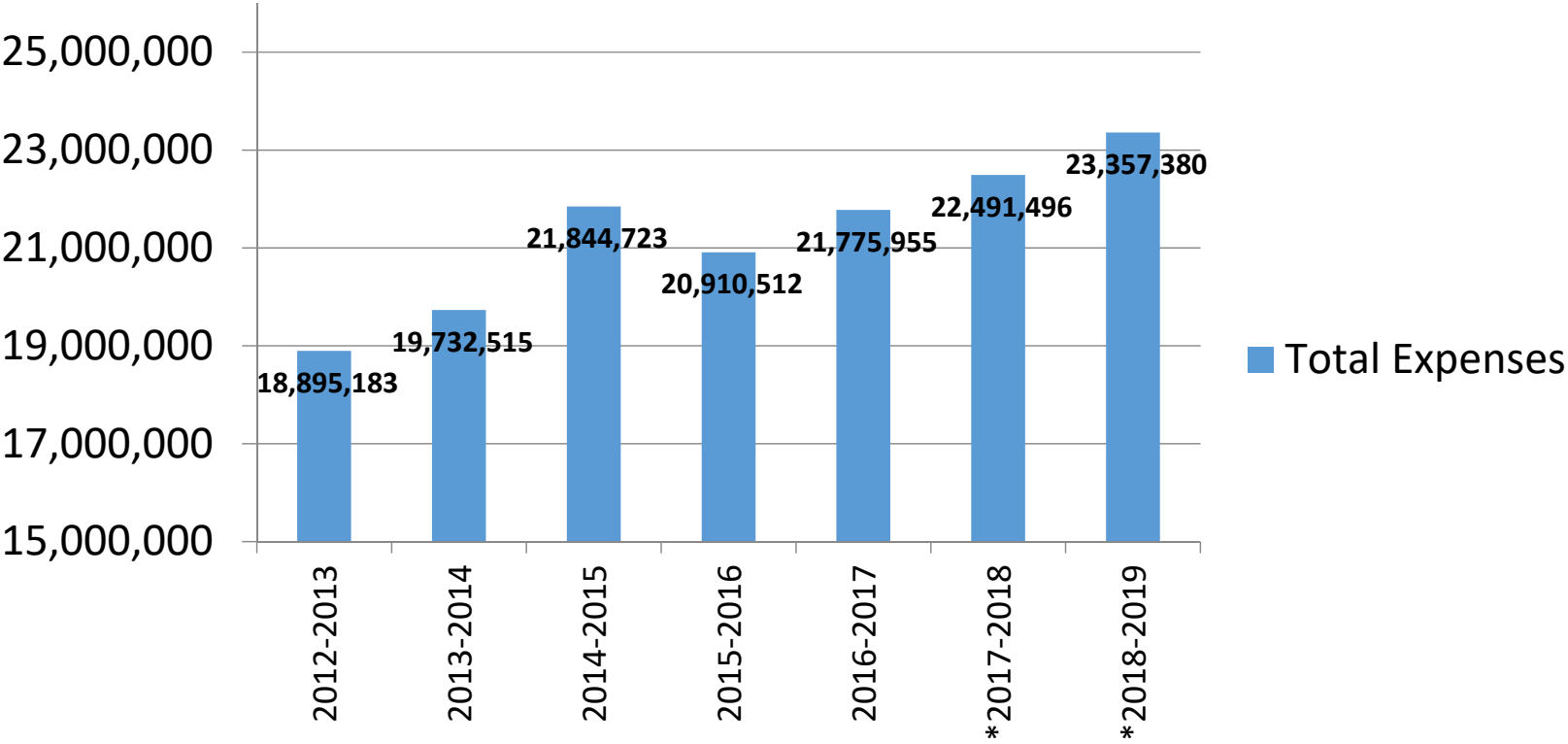
Revenue Highlights

- No budgeted tax increase for FY 2018-2019
- Decrease of (\$102,000) in Out-of-District Tuition
- Estimated increase in BEF of \$49,566 (<1%)
- Estimated increase in SEF of \$12,847 (1.4%)
- Ready to Learn Block Grant is \$236,731 (no increase)
- Increase in Retirement Subsidy of \$107,386

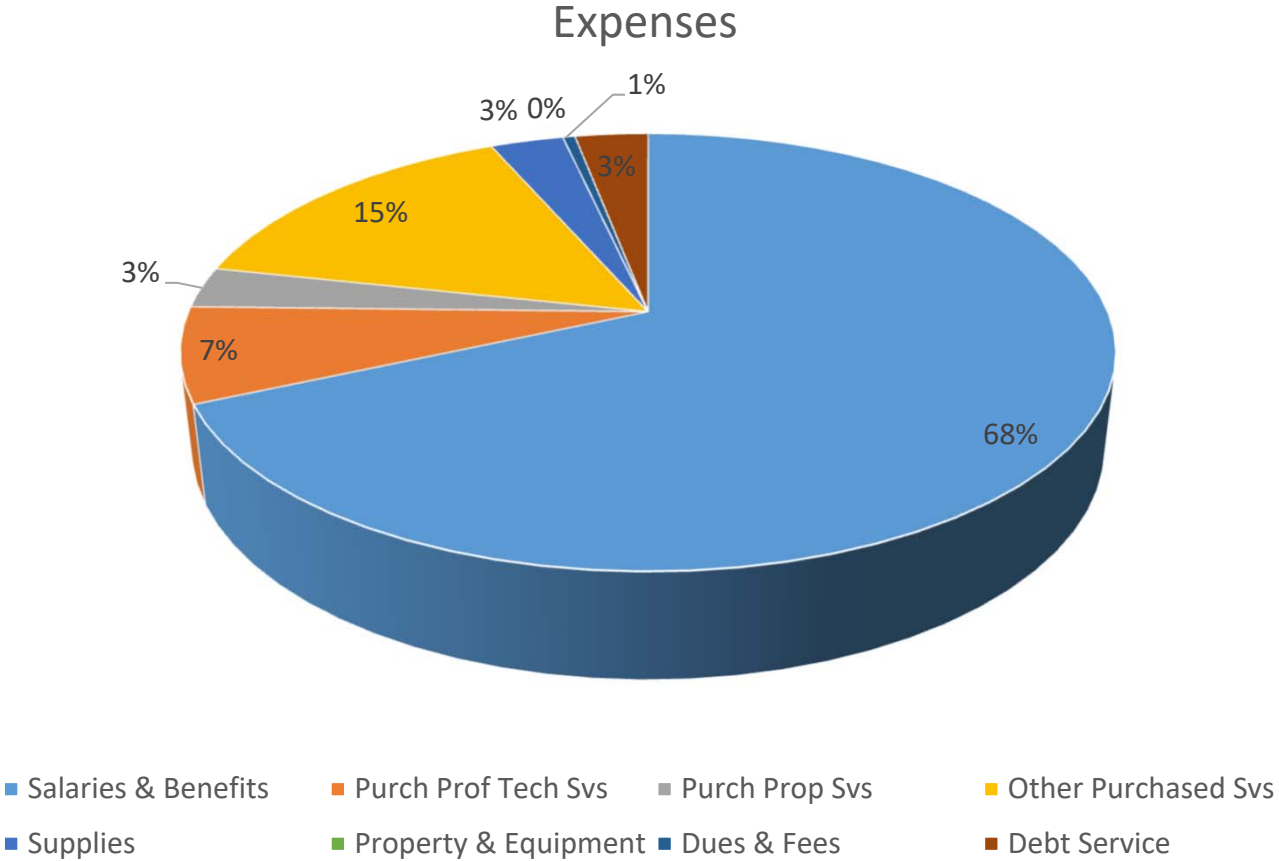
Expenses

Historical Budgeted Expenses

Total Expenses



Expense Breakdown 18-19



Budgeted Expense Comparison

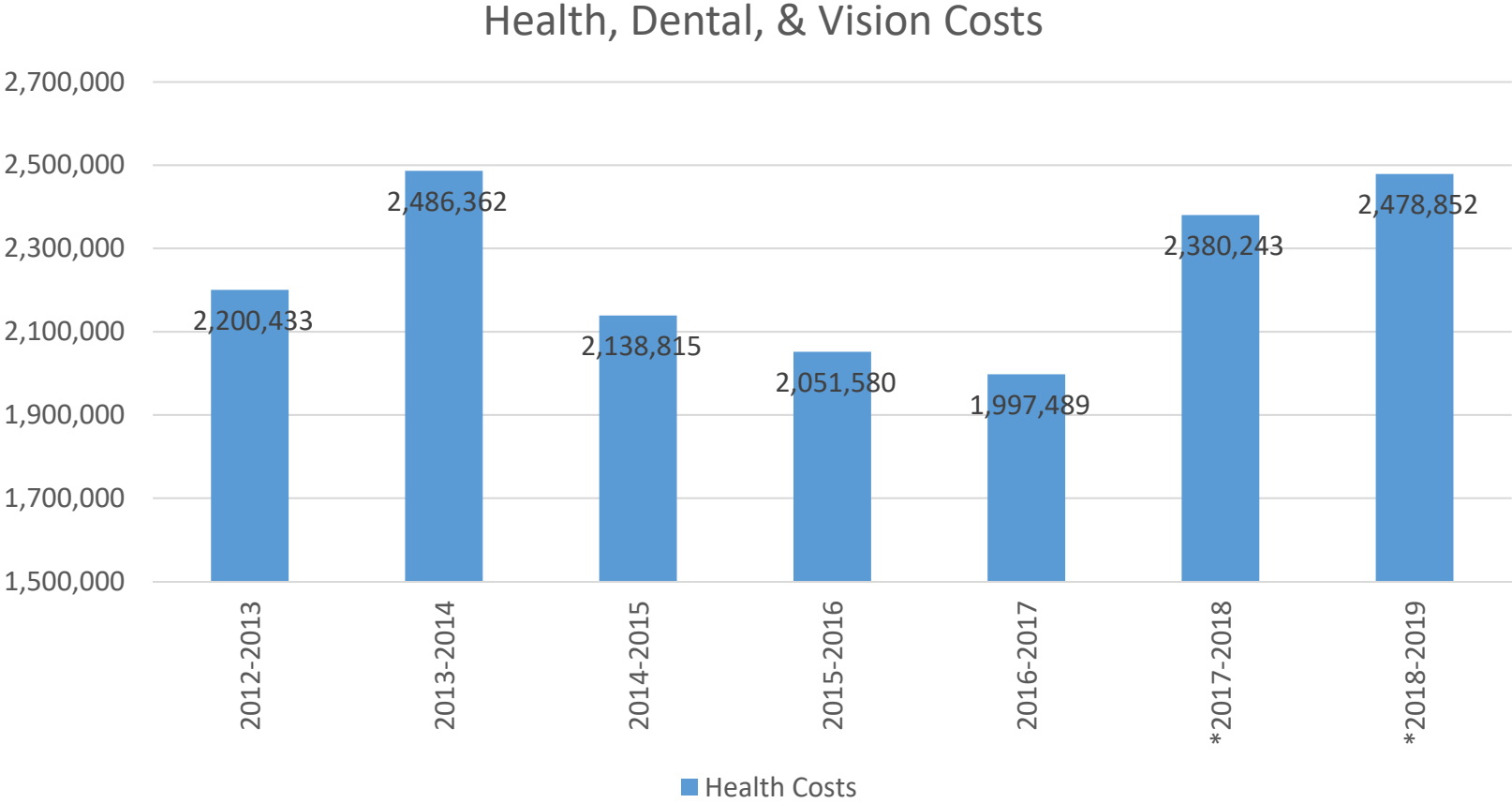
	2017-2018	2018-2019	Variance
Salaries	8,969,769	9,439,254	\$469,485
Benefits	6,207,849	6,582,928	\$375,079
Purchased Prof Service	1,316,816	1,547,521	\$230,705
Purchased Property Service	701,487	720,687	\$19,200
Other Purchased Service	3,494,248	3,425,208	(\$69,040)
Supplies	739,076	740,628	\$1,552
Property	160,776	-	(\$160,776)
Dues, Fees, & Other	125,823	116,803	(\$9,020)
Debt & Fund Transfers	775,652	784,351	\$8,699

Increase of \$865,884

Health Care Costs

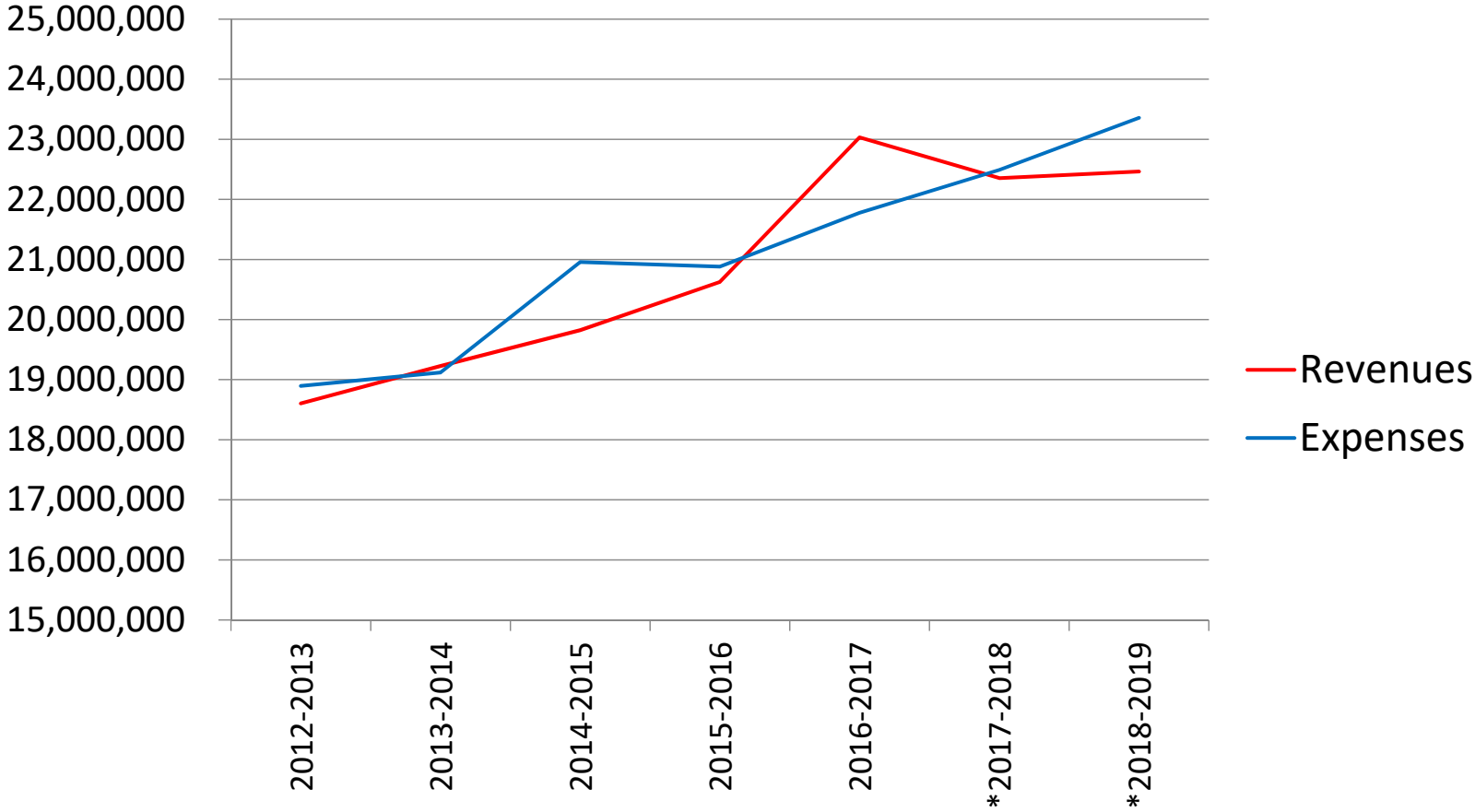
- NEIU Consortium increase = 6.42%
- Lakeland's increase was the 3rd lowest in the trust out of 11 (PY we were the highest)
- In the event the Consortium has excess reserve at the end of the year, excess funds will be properly allocated back to the districts
- Reserves are allocated by District. The reserves are adjusted every year at the end of the plan year and distributed to the individual districts based on the 50%/50% methodology. Half the settlement is shared by all the districts and the other half is based on the individual districts loss ratio. Districts with a lower loss ratio receive a larger portion of the surplus than the districts with a higher loss ratio.

Health, Dental, & Vision Costs

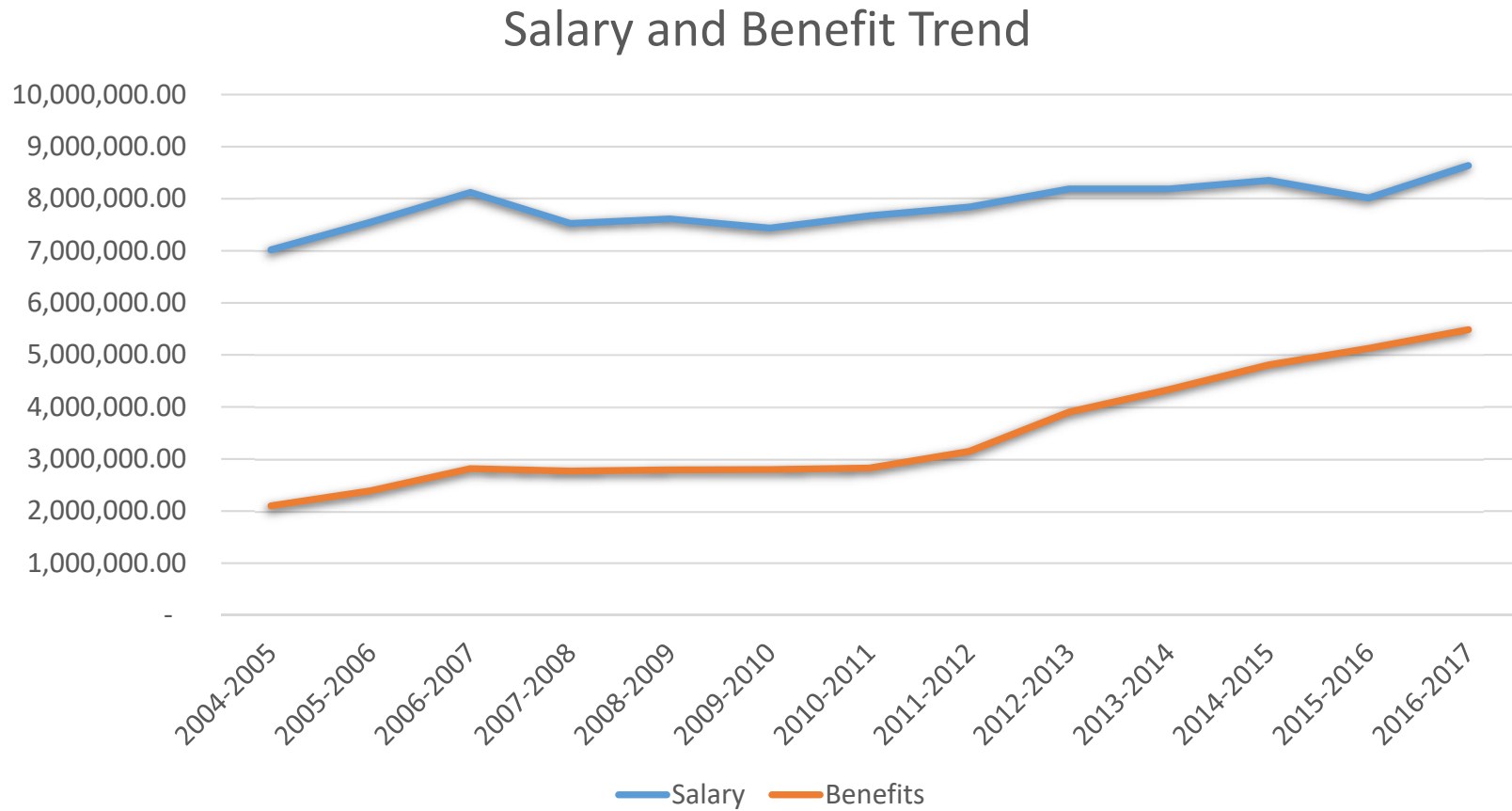


Trends

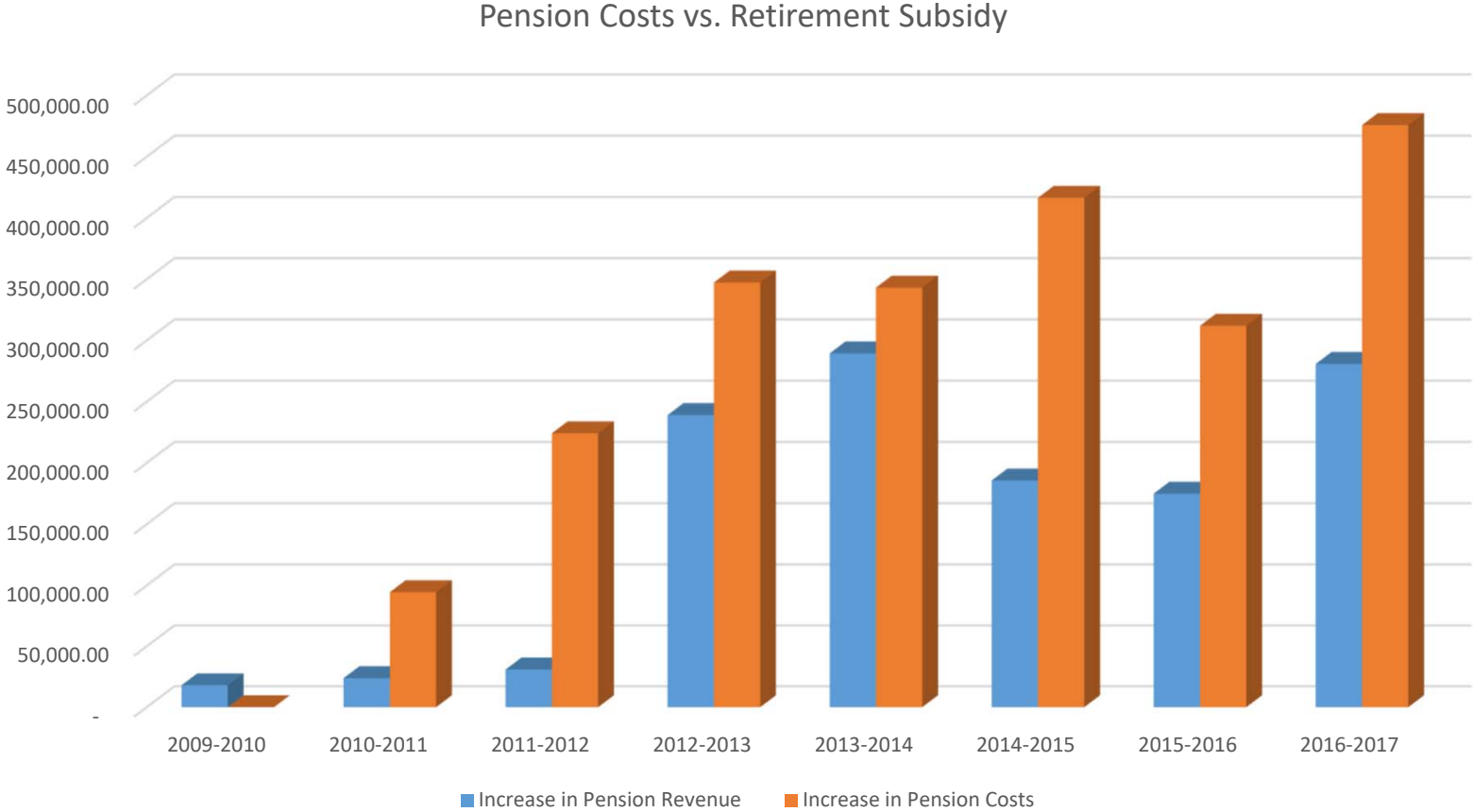
Expense vs. Revenue Trend



Salary and Benefit Trend



Pension Cost vs. Retirement Subsidy



PENSION CRISIS

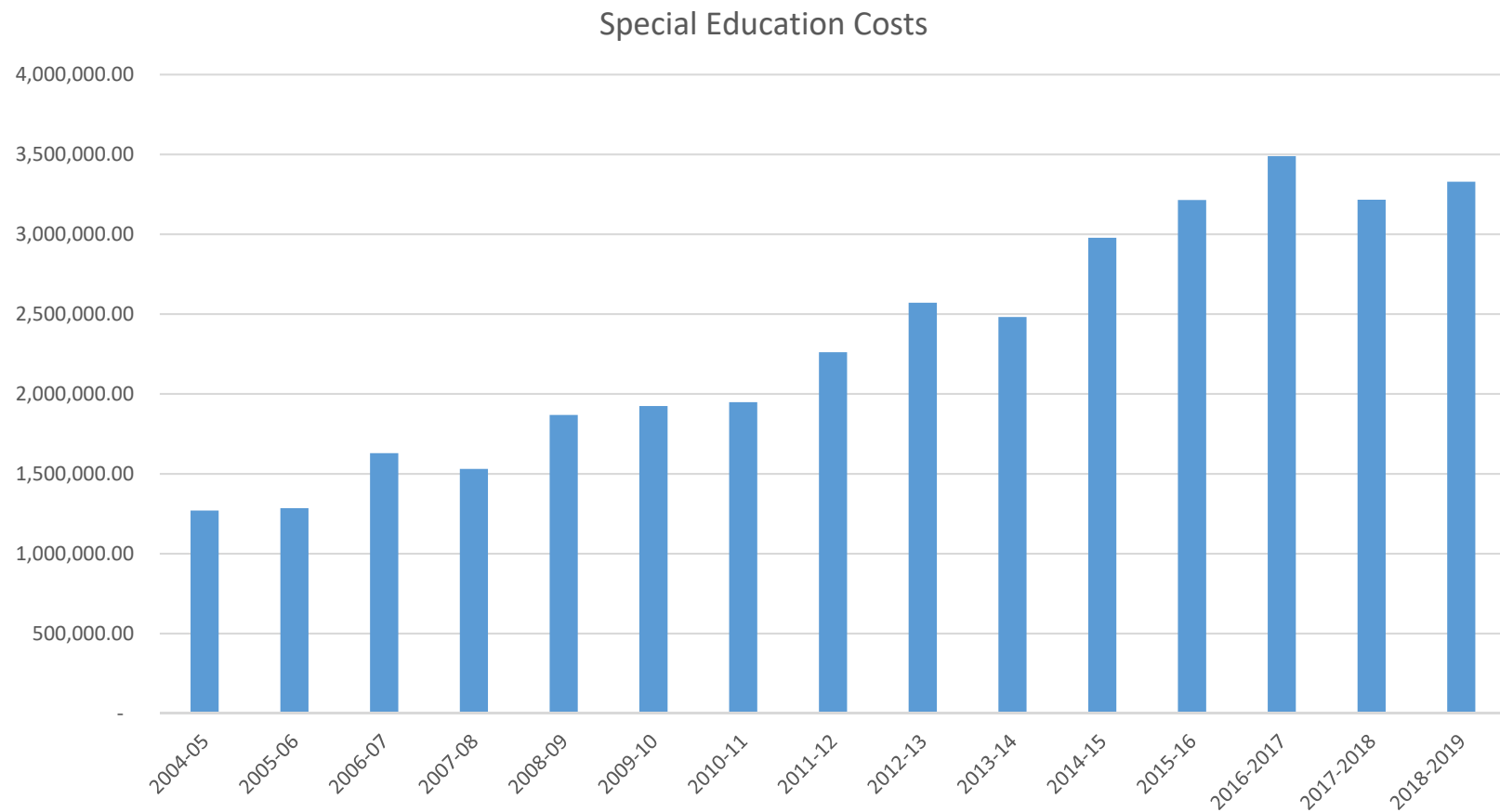
Year	Pension Rate	Estimated Annual Pension Cost	Increase Year to Year (Gross)*	Net Effect To District
2012-2013	12.36%	971,417*		
2013-2014	16.93%	1,314,513*	343,096	171,548
2014-2015	21.40%	1,730,928*	416,415	208,208
2015-2016	25.84%	2,042,841*	311,913	155,957
2016-2017	30.03%	2,518,615*	475,774	237,887
2017-2018	32.57%	2,850,130	331,515	165,758
2018-2019	33.43%	3,064,901	214,771	107,386
2019-2020	34.79%	3,382,434**	317,533	158,767
2020-2021	35.26%	3,530,973**	148,539	74,270
2021-2022	35.68%	3,680,223**	149,250	74,625

*Actual Expense

**2020-2022 Estimated 3.0% Salary increase

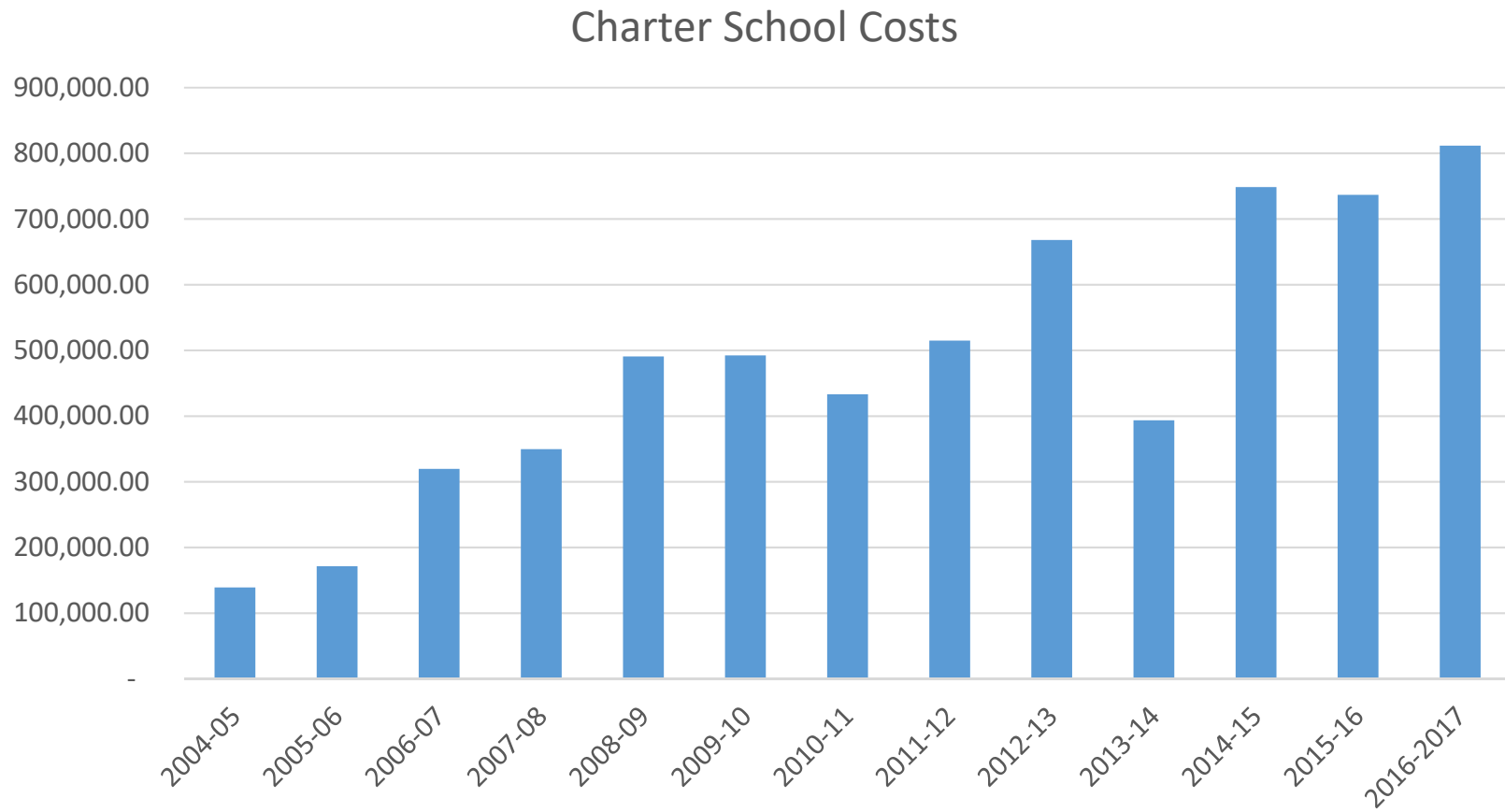
Net Pension totals \$1,354,406 or 17.08 mills

Special Education

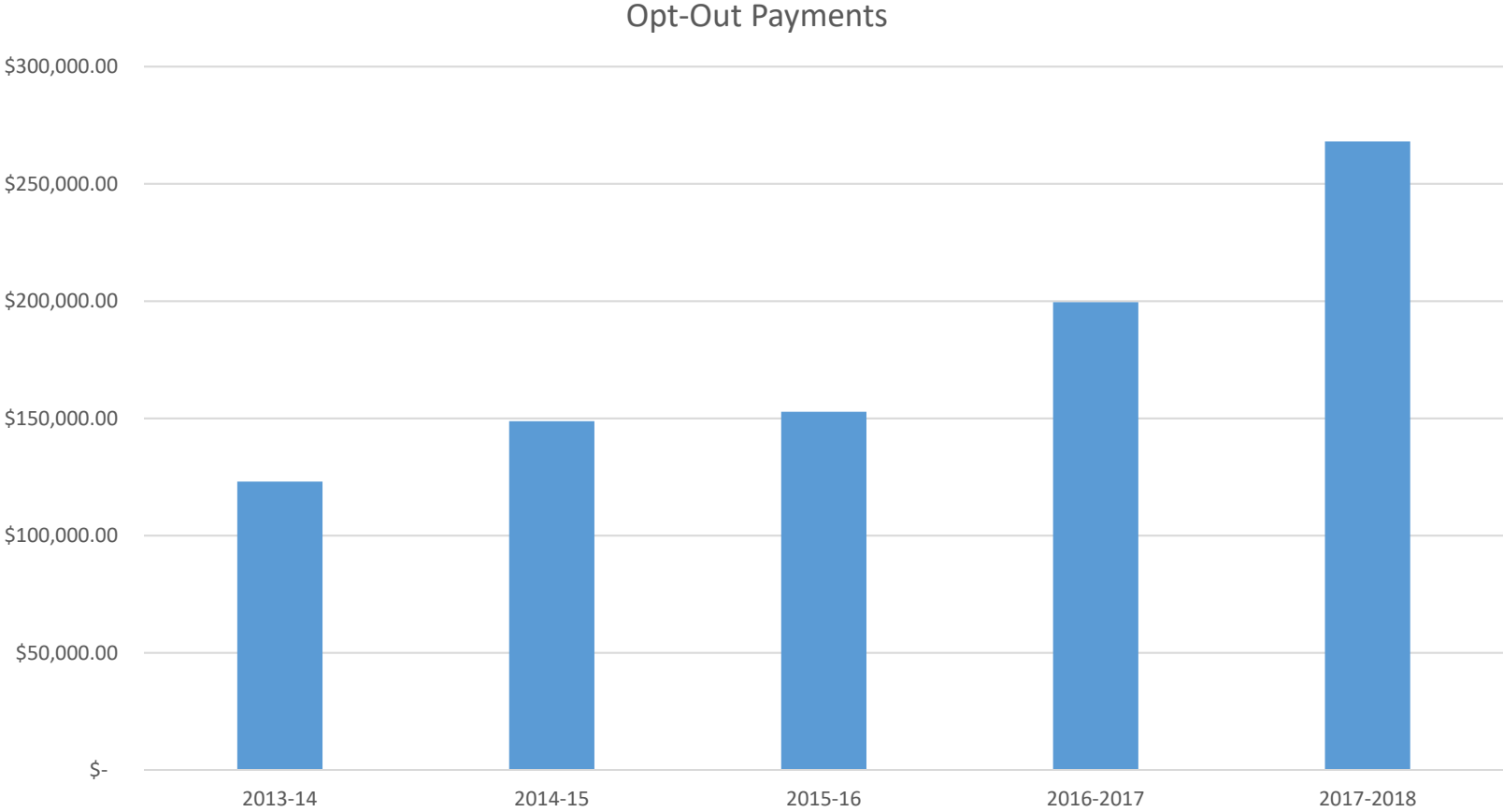


- The average increase in Special Ed from 2004-2014 has been 9%
- The last 4 years the average increase is 3%

Charter School Costs



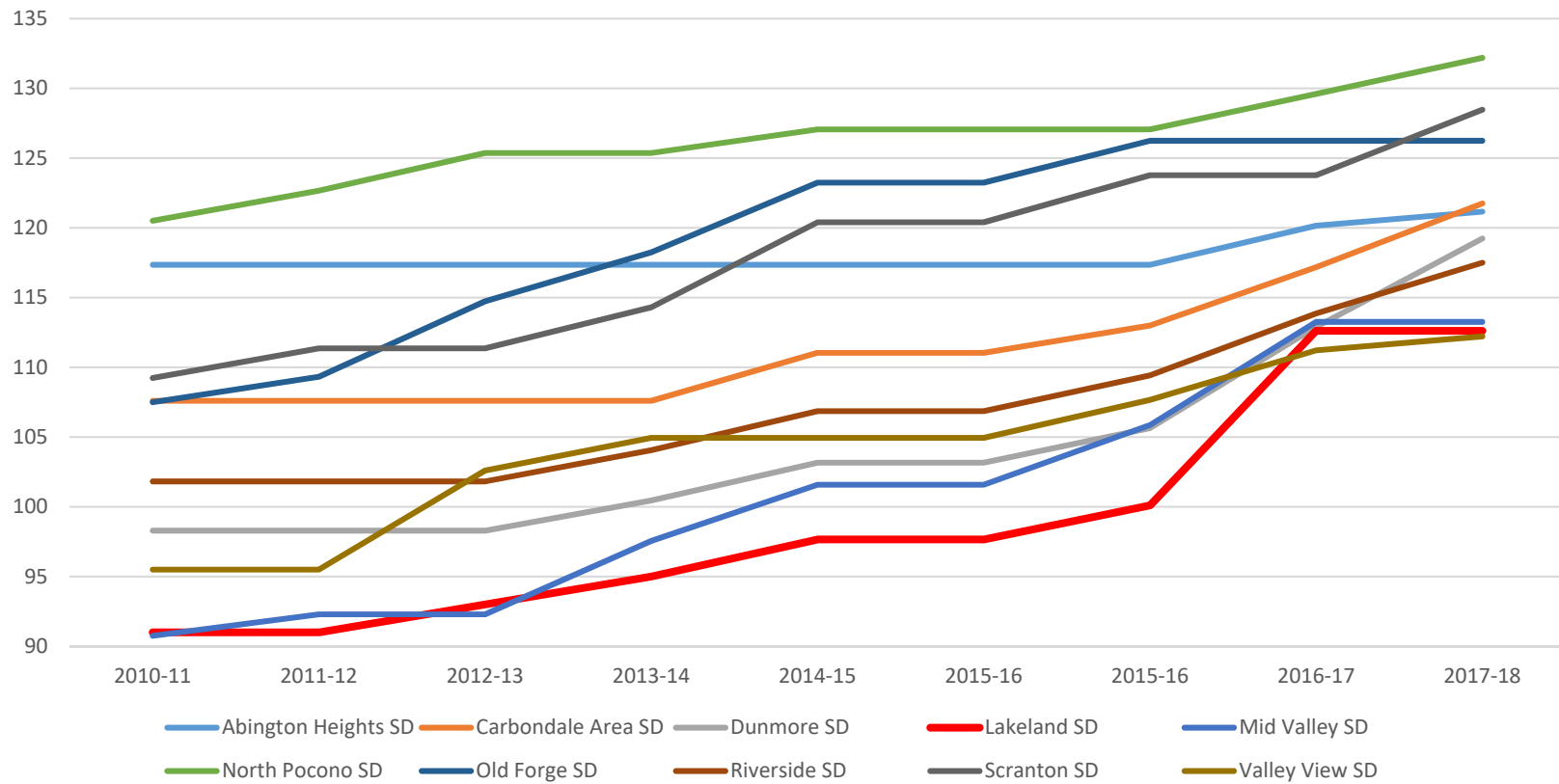
Health Insurance Opt-Out Payments



Lackawanna County Comparisons

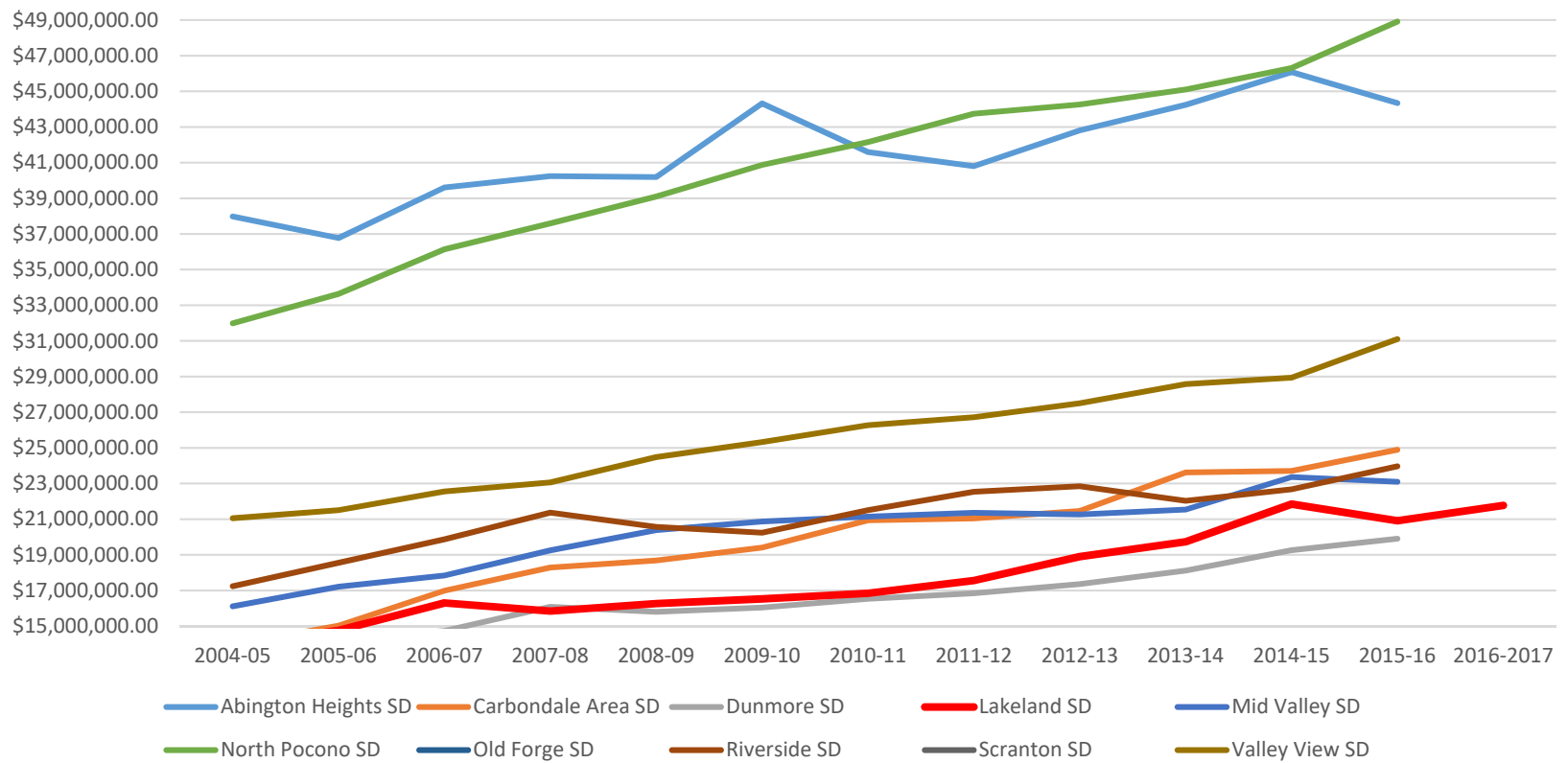
Millage Rates

Lackawanna County Millage Rates

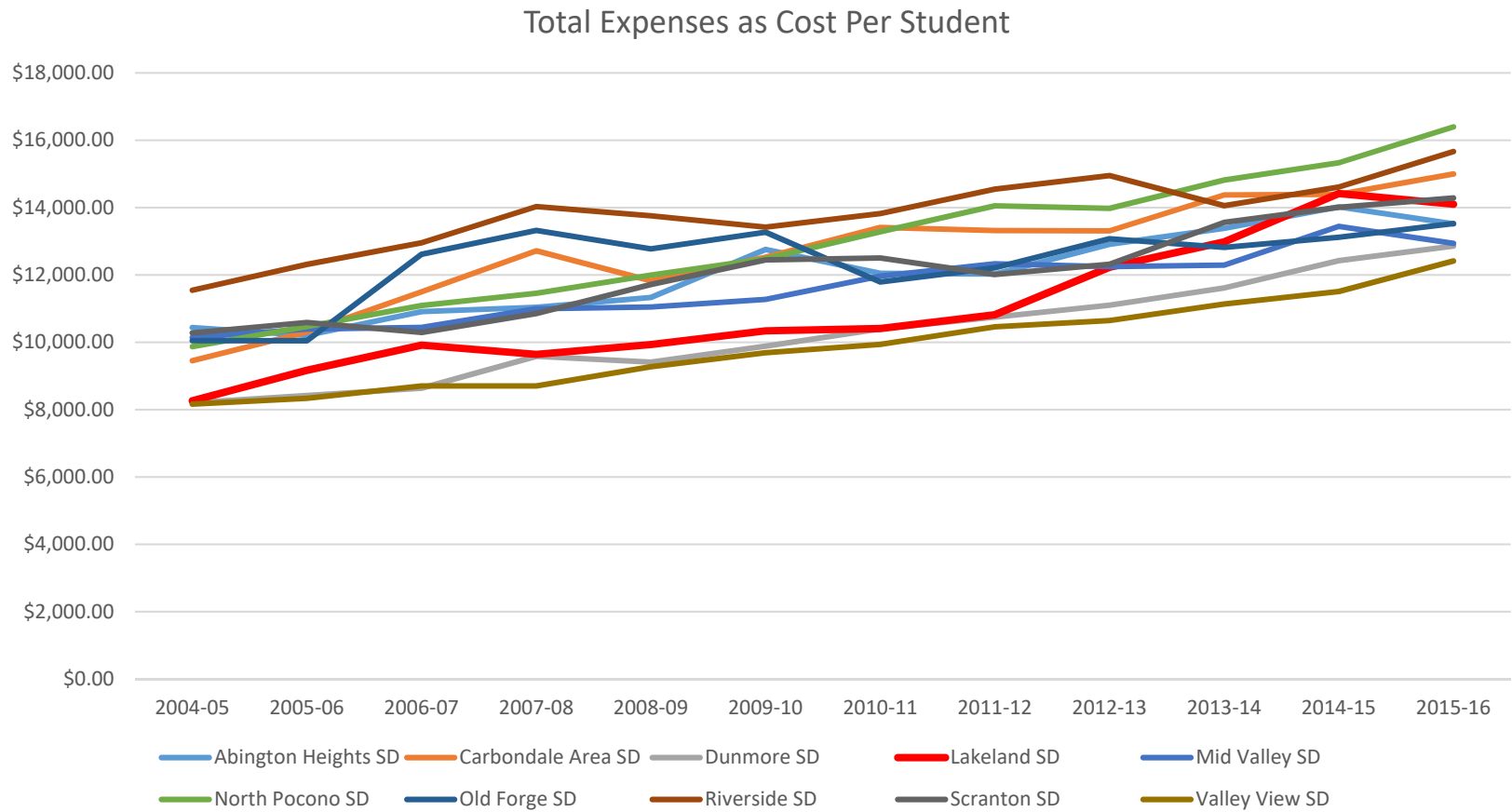


Total Expenses

Lackawanna County Total Expenses



Total Expenses as Cost per Student



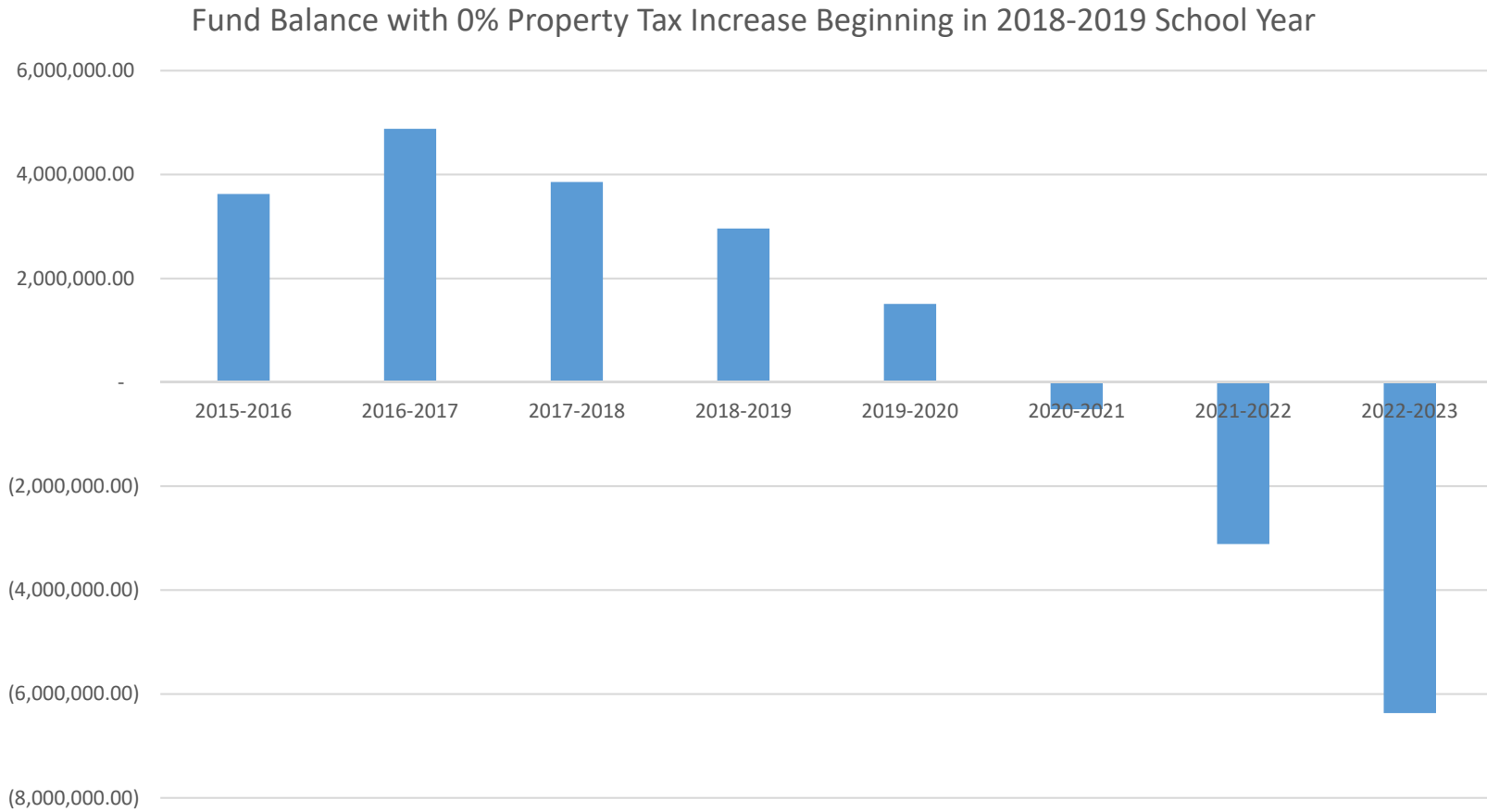
Budget Summary

REVENUES - \$22,463,468

EXPENSES - \$23,357,380

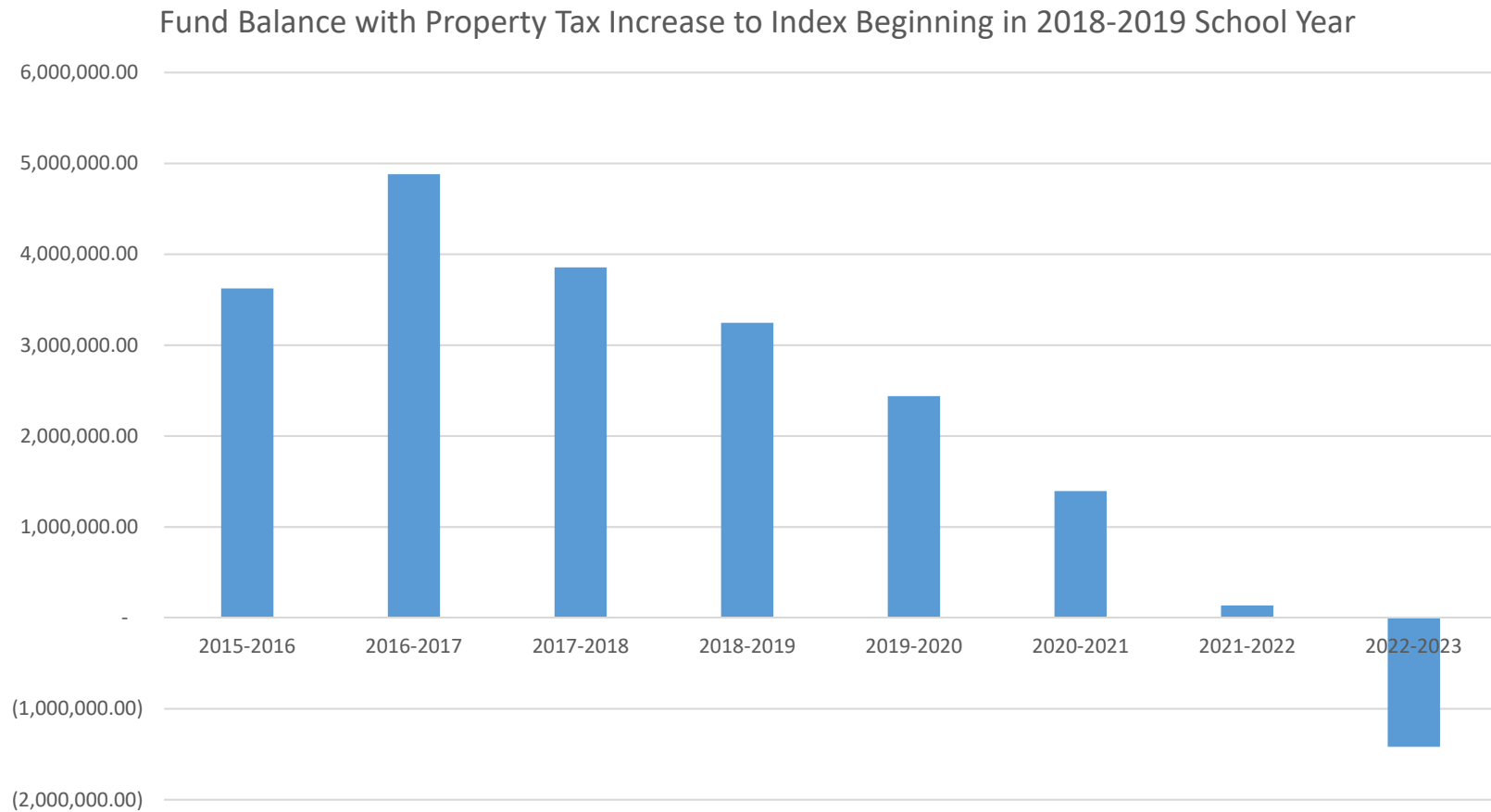
DEFICIT - (\$893,912)

5yr Forecast (0% tax increase)

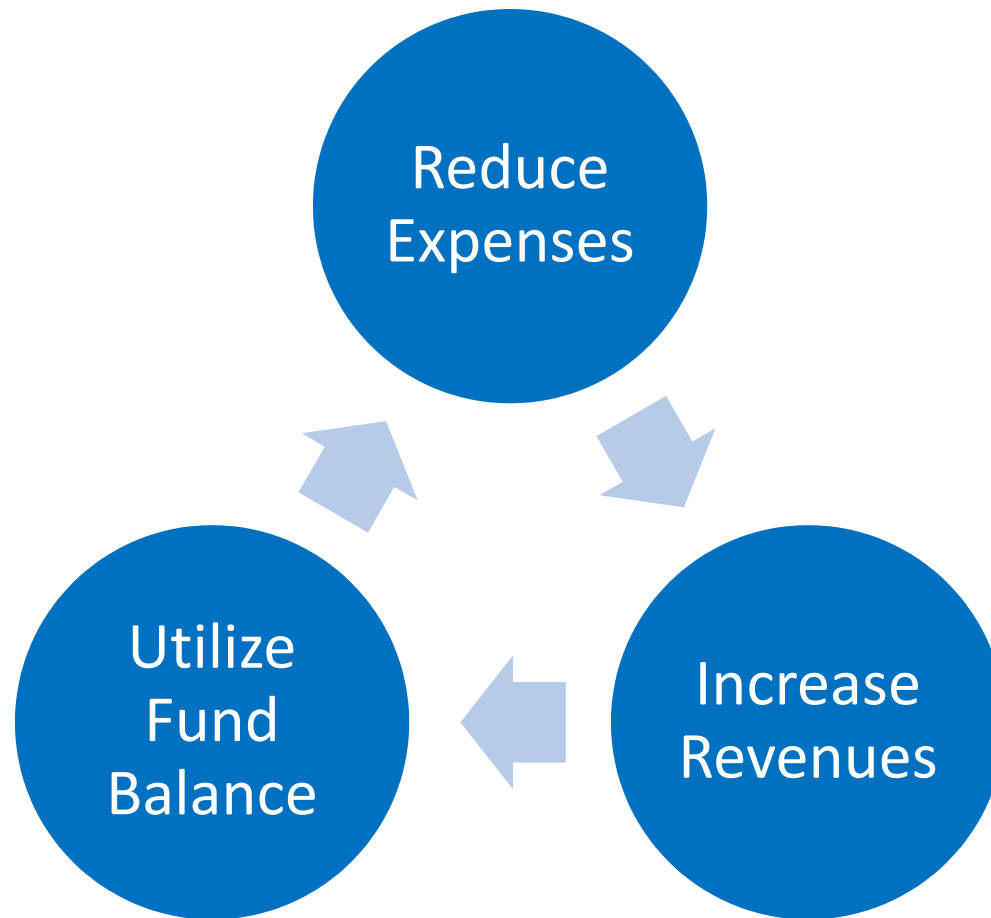


3% Salaries, 2% Inflationary expenses, 1% state revenue

5yr Forecast (raise taxes to index)



How to Balance a Budget?



Recommendations

Deficit = \$893,912

Reduce Expenses:

- DNR 1st Grade Retiree - \$107k
- Delay S.C. Door Replacement - \$34k
- PT & OT Costs (possible savings) - \$35k
- 10% cut on supplies - \$50k

Increase Revenue: Taxes to Index \$285,361

Utilize Fund Balance: \$382,551