

Muhlenberg School District
December 5, 2011
Proposed Preliminary Budget
2012-13

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2012-13 Preliminary Budget Summary

- Proposed Preliminary Budget is a “First Look” Budget and Contains Spending Requests from Departments and Schools
- Act 1 Index – 1.7% (adjusted to 2.2%) .58 Mills - Maximum Millage Increase permitted
- Real Property Assessments Based on October 2011 Report
 - Assessments decreased 0.29% under Assessments Used to Calculate Real Property Taxes for the 2011-12 Final Budget
 - Collection Rate of 95%
 - Assessment appeals very active
- State’s Basic Education Subsidy Increase 1.7%
- State Property Tax Reduction – same as prior year
- Revenue and Expenditure Amounts:
 - 2007-08 through 2010-11 - Used Actual Amounts
 - 2011-12 – Used Budget Amounts

2012-13 Preliminary Budget Summary Cont'd

- Estimated Expenditures of \$48,086,220 are \$1.8 M or 4.0% greater than the current year budget
- Employer Share of Retirement Benefits (PSERS) Budgeted at 12.36% Consistent with the Rate Certified by the PSERS Board of Trustees for 2012-13 – Increase of 3.71% compared to prior year – 8.65%
- Medical Benefits Budgeted with a 2% Increase Consistent with the Annual Cap on Increases Contained in the Capital Blue Cross Agreement of 9% and no additional amounts per Health Trust Consortium budgeted – 5% in prior year
- Budget includes a \$100,000 Reserve for Contingencies
- Salary increases budgeted at 2.0% (MEA); 3.5% (Administrators); 2.0% (MESPA)
- Co-curricular salaries budgeted at 2% increase
- No Columnar movement included – estimate \$300,000

REVENUES

LOCAL REVENUES

Fiscal Year Ended	Amount	Percent of Total Revenues
2007-2008	34,696,175	81.0
2008-2009	34,364,172	76.6
2009-2010	35,181,737	75.3
2010-2011	35,341,472	72.9
2011-2012	34,985,943	75.6

PROPOSED LOCAL REVENUES 2012-2013

Millage Increase	Amount	Percent of Total Revenues
0.00	35,303,205	75.1
0.25	35,603,531	75.3
0.50	35,903,858	75.5
0.58	35,999,962	75.5

REAL ESTATE TAXES

Fiscal Year Ended	Amount	2012-13 /Millage Increase	Proposed 2012-13
2007-2008	28,428,638	0.00	30,465,273
2008-2009	28,114,258	0.25	30,765,599
2009-2010	28,999,222	0.50	31,065,926
2010-2011	30,028,064	0.58	31,162,030
2011-2012	30,503,445		

OTHER REAL ESTATES TAXES

Fiscal Year Ended	Interim	Transfer	Delinquent
2007-2008	237,139	670,256	1,007,610
2008-2009	400,988	370,272	1,064,847
2009-2010	460,084	414,563	1,091,213
2010-2011	94,150	210,619	900,452
2011-2012	103,000	150,000	600,000
2012-2013	103,000	150,000	800,000

OTHER TAXES

Fiscal Year Ended	LST	BPT	EIT	PURTA
2007-2008	43,796	875,935	2,035,971	43,778
2008-2009	75,757	985,140	2,294,238	43,058
2009-2010	77,269	876,329	2,408,639	47,010
2010-2011	74,133	920,503	2,258,872	47,539
2011-2012	53,000	765,000	2,015,000	45,000
2012-2013	60,000	840,000	2,100,000	45,000

OTHER LOCAL REVENUE SOURCES

Fiscal Year Ended	Investment Income	IDEA Part B via BCIU	All Other Local
2007-2008	626,301	545,543	181,208
2008-2009	251,523	555,494	208,597
2009-2010	30,951	561,612	214,845
2010-2011	28,411	585,266	193,463
2011-2012	25,000	569,498	157,000
2012-2013	25,000	570,932	144,000

STATE REVENUES

Fiscal Year Ended	Amounts	Percent of Total Revenues
2007-2008	7,424,557	17.4
2008-2009	9,568,412	21.3
2009-2010	9,585,252	20.5
2010-2011	10,451,733	21.6
2011-2012	10,092,511	21.8
2012-2013	10,852,402	23.2

BASIC ED SUBSIDY

Fiscal Year Ended	State Portion	Federal Portion
2007-2008	2,954,159	
2008-2009	3,568,793	-
2009-2010	3,848,885	517,321
2010-2011	3,863,829	852,040
2011-2012	4,385,453	-
2012-2013	4,460,453	-

STATE SUBSIDIES

Fiscal Year Ended	Special Education	Transportation	Rental/ Bldg.	Charter School
2007-2008	1,286,041	435,745	775,820	41,665
2008-2009	1,313,123	475,379	1,111,281	57,239
2009-2010	1,334,713	490,271	807,425	67,538
2010-2011	1,323,903	495,502	1,420,263	79,292
2011-2012	1,323,903	475,000	780,000	-
2012-2013	1,323,903	480,000	1,029,000	-

STATE SUBSIDIES – cont'd

Fiscal Year Ended	Medical / Dental	FICA	Retirement	1305/1306
2007-2008	68,993	719,136	691,982	127,825
2008-2009	70,483	778,638	504,149	139,034
2009-2010	69,207	793,861	544,817	111,698
2010-2011	71,505	871,074	664,675	166,448
2011-2012	60,000	825,000	930,000	110,000
2012-2013	65,000	834,539	1,348,352	110,000

OTHER STATE REVENUES

Fiscal Year Ended	Accountability	Property Tax Reduction	All Other
2007-2008	312,002	-	11,189
2008-2009	307,946	1,198,111	44,236
2009-2010	307,946	1,199,991	8,900
2010-2011	288,774	1,200,137	6,331
2011-2012	-	1,201,155	2,000
2012-2013	-	1,201,155	-

FEDERAL REVENUES

Fiscal Year Ended	Amount	Percent of Total Revenues
2007-2008	552,693	1.3
2008-2009	957,431	2.1
2009-2010	1,951,531	4.2
2010-2011	2,127,882	4.4
2011-2012	843,453	1.8
2012-2013	824,090	1.8

EXPENDITURES

SCHOOLS

Fiscal Year Ended	MEC	COLE	MMS	MHS
2007-2008	329,708	-	194,211	409,822
2008-2009	260,467	201,245	140,689	461,065
2009-2010	223,290	148,094	108,673	411,653
2010-2011	174,926	105,710	152,501	281,522
2011-2012	178,305	106,672	159,561	315,513
2012-2013	177,413	94,790	146,561	430,900

ATHLETIC AND TECHNOLOGY DEPARTMENTS

Fiscal Year Ended	Athletics	Technology
2007-2008	195,383	387,468
2008-2009	198,753	464,627
2009-2010	198,619	548,322
2010-2011	171,165	446,481
2011-2012	176,988	218,740
2012-2013	189,100	320,905

FACILITIES

Fiscal Year Ended	B&G	Utilities	Transportation
2007-2008	454,613	823,378	1,393,768
2008-2009	644,960	1,036,100	1,526,806
2009-2010	559,152	884,897	1,600,455
2010-2011	500,564	913,310	1,390,280
2011-2012	415,000	950,200	1,530,400
2012-2013	470,550	1,001,200	1,568,341

ASSISTANT SUPERINTENDENT

Fiscal Year Ended	IU/ RMCTC	Tuition	Curriculum	Nurse	Grants
2007-2008	1,541,045	148,373	214,097	25,738	759,044
2008-2009	1,614,761	311,037	121,204	32,045	1,549,603
2009-2010	1,556,037	275,200	120,026	34,382	1,395,243
2010-2011	1,631,752	285,321	80,446	16,315	1,491,091
2011-2012	1,961,640	40,000	178,418	29,835	544,038
2012-2013	2,084,876	285,600	179,740	19,830	517,768

SPECIAL EDUCATION DEPARTMENT

Fiscal Year Ended	Special Education	ACCESS	IDEA
2007-2008	896,962	152,694	545,543
2008-2009	1,108,866	222,710	555,494
2009-2010	986,696	264,720	561,612
2010-2011	703,912	286,069	621,411
2011-2012	1,235,000	299,415	569,498
2012-2013	1,582,850	306,322	570,932

BUSINESS OFFICE

Fiscal Year Ended	DEBT	Special Projects	Public Relations	Other Accounts
2007-2008	6,053,993	13,016	19,710	434,792
2008-2009	6,259,596	7,753	26,710	460,380
2009-2010	6,395,200	10,995	27,141	412,010
2010-2011	6,351,206	-	26,263	635,931
2011-2012	6,351,895	63,000	35,000	694,356
2012-2013	6,355,590	70,000	35,000	712,670

SALARIES/FICA/RETIREMENT

Fiscal Year Ended	Salaries	FICA	Retirement
2007-2008	18,906,761	1,425,499	1,341,863
2008-2009	19,844,314	1,518,065	953,519
2009-2010	20,524,301	1,572,587	1,016,665
2010-2011	21,020,920	1,569,303	1,208,425
2011-2012	21,693,000	1,659,515	1,876,445
2012-2013	21,818,000	1,669,077	2,696,705

OTHER BENEFITS

Fiscal Year Ended	Medical	Dental	Life	Other
2007-2008	3,398,964	164,808	19,860	198,254
2008-2009	3,266,159	187,780	17,564	165,881
2009-2010	3,624,026	192,036	16,599	208,763
2010-2011	3,563,969	184,699	16,155	201,657
2011-2012	4,191,000	220,000	17,500	480,000
2012-2013	3,990,000	220,000	17,500	454,000

OTHER

Fiscal Year Ended	Budgetary Reserve	Refunds Prior Year/Misc.	Stimulus	BEF
2007-2008	2,035,119	14,740	-	-
2008-2009	1,699,592	-	-	-
2009-2010	-	144	601,455	797,089
2010-2011	-	5,952	375,166	535,336
2011-2012	100,000	-	-	-
2012-2013	100,000	-	-	-

2012-13 Budgeted Revenues Over (Under) Expenditures

Millage Increase	0.00	0.25	0.50	0.58
Revenues	46,979,697	47,280,023	47,580,350	47,676,454
Expenditures	48,086,220	48,086,220	48,086,220	48,086,220
Revenues Over (Under) Expenditures	(1,106,523)	(806,197)	(505,870)	(409,766)

2012-13 Staffing Requests/Columnar Movement

Millage Increase	0.00	0.25	0.50	0.58
Revenues Over (Under) Expenditures	(1,106,523)	(806,197)	(505,870)	(409,766)
MMS – 2 Math Teachers	128,254	128,254	128,254	128,254
MHS – 1 Science Teacher	64,127	64,127	64,127	64,127
B&G – 1 custodian	61,971	61,971	61,971	61,971
Special Ed – 4 FT Assistants	111,807	111,807	111,807	111,807
Columnar Movement	360,030	360,030	360,030	360,030
Revenues Over (Under) Expenditures	(1,832,712)	(1,532,386)	(1,232,059)	(1,135,955)

Options to Balance Budget

- Explore Exceptions
 - **12/06/11 - The PDE will inform districts of the school years to be used from Annual Financial data for the purpose of calculating exceptions [(Section 333(k) (4))]**
 - Special Education
 - Prior Year Qualified for \$642,348
 - Retirement
 - Prior Year Qualified for \$360,890
- Utilize Assigned PSERS Fund Balance
- Explore additional “cuts”
- Analyze positions that become vacant via attrition prior to hiring replacements

Assigned PSERS Fund Balance

Millage	0.00	0.25	0.50	0.58
PSERS Balance	4,840,807	4,840,807	4,840,807	4,840,807
Revenues Over (Under) Expenditures before staffing and columnar movement	(1,106,523)	(806,197)	(505,870)	(409,766)
Revised Assigned PSERS Fund Balance	3,734,284	4,034,610	4,334,937	4,431,041
Staffing Requests and columnar movement	(726,189)	(726,189)	(726,189)	(726,189)
Revised Assigned PSERS Fund Balance after staffing and columnar movement	3,008,095	3,308,421	3,608,748	3,704,852

Choice (1) Resolution indicating won't raise taxes above index; or (2) pursue referendum exceptions

- January 5, 2012
 - The deadline by which a school board must make its FY2012-13 proposed preliminary budget available for public inspection, or it may adopt a resolution indicating that it won't raise taxes above the index.

- January 15, 2012
 - A school board must give public notice of its intent to adopt the FY2012-13 preliminary budget (10 days prior to preliminary budget adoption) unless a resolution indicating that taxes will not be raised above the index was adopted. Since this is a Sunday, January 13, 2012 becomes the deadline.

- February 2, 2012
 - School boards publish a notice of intent to file for exceptions with the PDE.

- February 9, 2012
 - The deadline by which a school district must seek PDE approval for exceptions.

Current Year Financial Analysis

- Refinance Debt – (RBC)
 - Current Refunding of Series 2002A – Net PV Savings per November 9, 2011 presentation from Mr. Scott Kramer - \$352,629 – (in process)
 - Current Refunding of Series AA of 2002 – NET PV Savings to 6/1/2012 - \$834,486 – (not in process)

- Cash Flow Update for fiscal year ending June 30, 2012
 - Assumptions
 - Revenues mimic realized revenues for fiscal year ended June 30, 2011
 - Expenditures equal budgeted amounts

Projected Cash Flows – Fiscal Year Ending June 30, 2012

Revenue Source	Over (Under)
Interim Taxes	\$(9,000)
Transfer Taxes	60,000
Delinquent Taxes	300,000
PURTA	2,000
LST	21,000
BPT	155,000
EIT	243,000
Investment Income	3,000
Transportation Subsidy	20,000

Projected Cash Flows – Fiscal Year Ending June 30, 2012

Revenue Source	Over (Under)
Building Reimbursement	200,000
Medical/Dental Reimbursement	11,000
Activity Fee	(41,000)
Cafeteria Reimbursement	(46,000)
Driver Education Grant	(2,000)
Accountability Grant	113,456
Miscellaneous	3,773
Refund from prior year	81,523
Total	\$1,115,752

Projected Budget Assumptions for Fiscal Years Ending 2013-2014; 2014-2015 and 2015-2016

- Local Revenues
 - No change to property assessed values
 - .50 millage tax increase each year presented
 - All other local revenues constant
- State Revenues
 - BEF – 2% increase each year
 - Transportation subsidy – 31% of budgeted transportation expenditures (rounded)
 - FICA Subsidy - 50% of budgeted FICA expenditures
 - Retirement Subsidy – 50% of budgeted retirement expenditures
 - State Property Reduction – same as prior year
 - Rental reimbursement – per schedule
- Federal Revenues
 - Constant

Projected Budget Assumptions for Fiscal Years Ending 2013-2014; 2014-2015 and 2015-2016 – cont'd

- Expenditures
 - Constant:
 - Schools
 - Athletics
 - Buildings and Grounds
 - Tuition
 - Nurse
 - Title I, Title II and Title III
 - IDEA Grant
 - Access
 - Special Projects
 - Dental
 - Life
 - Public Relations
 - Budgetary Reserve

Projected Budget Assumptions for Fiscal Years Ending 2013-2014; 2014-2015 and 2015-2016 – cont'd

- Expenditures – cont'd
 - **Two Percent Increase each year**
 - Utilities
 - Transportation
 - IU/RMCTC
 - Curriculum
 - Special Education
 - Salaries

Projected Budget Assumptions for Fiscal Years Ending 2013-2014; 2014-2015 and 2015-2016

– **Three Percent Increase Each Year**

- Medical
- Other Benefits

– **Five Percent Increase Each Year**

- Other accounts
- Technology

– Debt service – per long term schedule

– FICA – 7.65% of projected salaries

– Retirement – 16.69%, 21.18% and 23.66% of projected salaries for fiscal years ending 2014, 2015 and 2016, respectively

Projected Budgeted Local Revenues for Fiscal Years Ending 2012-13; 2013-14; 2014-15 and 2015-16

Millage Increase Each Year	0.50	0.50	0.50	0.50
	Budget	Budget	Budget	Budget
Account title	2012-2013	2013-2014	2014-2015	2015-2016
Millage	26.81	27.31	27.81	28.31
REAL ESTATE TAXES MUHLENBERG	28,849,829	29,384,420	29,919,001	30,453,583
REAL ESTATE TAXES LAURELDALE	3,417,252	3,483,325	3,549,397	3,615,469
LESS: GAMING REVENUE	(1,201,155)	(1,201,155)	(1,201,155)	(1,201,155)
NET TAX REVENUE	31,065,926	31,666,590	32,267,243	32,867,897
INTERIM REAL ESTATE MUHLENBERG	100,000	100,000	100,000	100,000
INTERIM REAL ESTATE LAURELDALE	3,000	3,000	3,000	3,000
PUBLIC UTILITY REALTY TAX	45,000	45,000	45,000	45,000
PAYMENT IN LIEU OF TAXES	2,000	2,000	2,000	2,000
LST TAX - MUHLENBERG	55,000	55,000	55,000	55,000
LST TAX - LAURELDALE	5,000	5,000	5,000	5,000
EARNED INCOME TAXES	2,100,000	2,100,000	2,100,000	2,100,000
REAL ESTATE TRANSFER TAX	150,000	150,000	150,000	150,000
BUSINESS PRIVILEGE-MUHLENBERG	825,000	825,000	825,000	825,000
BUSINESS PRIVILEGE LAURELDALE	15,000	15,000	15,000	15,000
DELINQUENT REAL ESTATE TAXES	800,000	800,000	800,000	800,000
EARNINGS ON INVESTMENTS	25,000	25,000	25,000	25,000
FEES - DRIVER ED	4,000	4,000	4,000	4,000
IDEA PART B VIA BCIU	570,932	570,932	570,932	570,932
RENTALS	10,000	10,000	10,000	10,000
CONTRIBUTIONS & DONATIONS	10,000	10,000	10,000	10,000
SUMMER SCHOOL	18,000	18,000	18,000	18,000
MISCELLANEOUS REVENUE	18,000	18,000	18,000	18,000
AQUATICS	30,000	30,000	30,000	30,000
TRANSFER FROM FOOD SERVICE	46,000	46,000	46,000	46,000
COKE CONTRACT COMMISSIONS	2,000	2,000	2,000	2,000
COMMERCE VISA PROGRAM REVENUE	4,000	4,000	4,000	4,000
Total Local Revenue	35,903,858	36,504,522	37,105,175	37,705,829

Projected Budgeted State and Federal Revenues for Fiscal Years Ending 2012-13; 2013-14; 2014-15 and 2015-16

Millage Increase Each Year	0.50	0.50	0.50	0.50
Account title	Budget	Budget	Budget	Budget
	2012-2013	2013-2014	2014-2015	2015-2016
Millage	26.81	27.31	27.81	28.31
STATE INSTRUCTIONAL SUBSIDY	4,460,453	4,549,662	4,640,655	4,733,468
SECTION 1305 & 1306	110,000	110,000	110,000	110,000
SPED STATE REGULAR PROGRAMS	1,323,903	1,323,903	1,323,903	1,323,903
TRANSPORTATION STATE SUBSIDY	480,000	495,909	505,828	515,944
RENTAL/BLDG REIMB SUBSIDY	1,029,000	1,028,000	1,103,000	988,000
STATE PROPERTY TAX REDUCTION	1,201,155	1,201,155	1,201,155	1,201,155
MEDICAL & DENTAL SERVICES	65,000	65,000	65,000	65,000
STATE SUBSIDY FICA	834,539	851,229	868,254	885,619
STATE SUBSIDY RETIREMENT	1,348,352	1,857,126	2,403,871	2,739,051
Total State Revenue	10,852,402	11,481,985	12,221,666	12,562,141
TITLE I	394,986	394,986	394,986	394,986
TITLE IIA	79,232	79,232	79,232	79,232
TITLE III	43,550	43,550	43,550	43,550
ACCESS REIMBURSEMENT PROGRAM	306,322	306,322	306,322	306,322
Total Federal Revenue	824,090	824,090	824,090	824,090
Total Revenue from all Sources	47,580,350	48,810,597	50,150,931	51,092,060
Total Projected Expenditures	48,086,220	49,892,460	51,828,039	53,322,600
Expenditures Under/(Over) Revenues	(505,870)	(1,081,863)	(1,677,108)	(2,230,540)

Projected Budgeted Expenditures for Fiscal Years Ending 2012-13; 2013-14; 2014-15 and 2015-16

Millage Increase	0.50	0.50	0.50	0.50
Description	2012-13	2013-14	2014-15	2015-16
Millage	26.81	27.31	27.81	28.31
Local Revenue	35,903,858	36,504,522	37,105,175	37,705,829
State Revenue	10,852,402	11,481,985	12,221,666	12,562,141
Federal Revenue	824,090	824,090	824,090	824,090
Total Revenue	47,580,350	48,810,597	50,150,931	51,092,060
MEC	177,413	177,413	177,413	177,413
C E Cole	94,790	94,790	94,790	94,790
MMS	146,561	146,561	146,561	146,561
MHS	430,900	430,900	430,900	430,900
Athletics	189,100	189,100	189,100	189,100
Buildings/Grounds	470,550	470,550	470,550	470,550
Utilities	1,001,200	1,021,224	1,041,648	1,062,481
Transportation	1,568,341	1,599,708	1,631,702	1,664,336
IU/RMCTC	2,084,876	2,126,574	2,169,105	2,212,487
Tuition	285,600	285,600	285,600	285,600
Curriculum	179,740	183,335	187,001	190,742
Nurse/Medical	19,830	19,830	19,830	19,830

Projected Budgeted Expenditures for Fiscal Years Ending 2012-13; 2013-14; 2014-15 and 2015-16– continued

Title I Grant	394,986	394,986	394,986	394,986
Title IIA Grant	79,232	79,232	79,232	79,232
Title III Grant	43,550	43,550	43,550	43,550
IDEA Grant	570,932	570,932	570,932	570,932
Access	306,322	306,322	306,322	306,322
Special Education	1,582,850	1,614,507	1,646,797	1,679,733
Technology	320,905	336,950	353,798	371,488
Debt Service	6,355,590	6,361,202	6,401,665	6,405,207
Special Projects	70,000	70,000	70,000	70,000
Other Accounts	712,670	748,304	785,719	825,005
Salary	21,818,000	22,254,360	22,699,447	23,153,436
FICA	1,669,077	1,702,459	1,736,508	1,771,238
Retirement	2,696,705	3,714,253	4,807,743	5,478,103
Medical	3,990,000	4,109,700	4,232,991	4,359,981
Dental	220,000	220,000	220,000	220,000
Life	17,500	17,500	17,500	17,500
Other Benefits	454,000	467,620	481,649	496,098
Public Relations	35,000	35,000	35,000	35,000
Budgetary Reserve	100,000	100,000	100,000	100,000
Total Expenditures	48,086,220	49,892,460	51,828,039	53,322,600
Revenue Over(Under)Expenditures	(505,870)	(1,081,863)	(1,677,108)	(2,230,540)