



# **Act 1 Preliminary Budget**

**Manheim Central School District**

**Updated January 16, 2012**

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# What we don't know

- State BEF levels? (est.. at 2%)
- State will post exception forms in February  
(unofficial worksheets used to calculate exceptions)
- Federal Funding levels?
- Building & Department Budgets are in progress
- Negotiation outcome?
- Staffing needs for next year?
- Exp and Rev line item increase/decrease?



# Revenue Assumptions

- Revenue

- Local Property Tax Index increase of 1.7% with the option of an additional 2.02% increase for Exceptions
  - 1.70% Tax Index Levy \$ 433,413 est.
  - 1.27% Retirement Exception \$ 323,929 est.
  - 0.75% Special Ed Exception \$ 191,603 est.
- State Revenue projected at 2.0% funding
- Federal Programs estimated at level or decreased funding



# Preliminary Budget 2012-2013

• Unreserved Fund Balance	\$ 3,409,851
• Revenue	\$ 43,764,635
• Expenditures	\$ 46,358,637
• Use of Fund Balance	\$ (2,594,002)
• Ending Unreserved Fund Balance	\$ 815,849



# Preliminary Budget 2012-2013

- 2011-12 millage 16.4100
- Millage increase 1.1672
- 2012-13 millage 17.5772
- Percent of millage increase 7.113%
- Increase on 50,000 Assessment Value \$ 58.36  
(Average residential assessment is \$132,322)
- 1 Mill generates \$ 1,528,889



## Comparing 2011-12 Preliminary Budget to Final Budget

Comparison	Preliminary 2011-12	Final 2011-12
Revenue	\$ 44,630,092	\$ 42,080,818
Prior year mills	16.2500	16.2500
index mills	16.4775	16.4775
projected mills	17.2200	16.4100
mill inc	0.9700	0.1600
% inc	5.969%	1.000%
Rev in excess of Index	\$ 1,196,453	\$ -
Expenditures	\$ 47,568,953	\$ 44,347,931
Revenue less Expense	\$ (2,938,861)	\$ (2,267,113)
Unreserved fund balance	\$ 760,813	\$ 913,161



# Expenditure Assumptions

## Projected Increases

- Expenditures

- Wages (contract negotiations?)

    ? %

\$ increase?

- Benefits

- Other benefits

2%

\$ 15,240

- Healthcare

13.5% increase

\$ 611,070

- PSERS

7.8% (13.22 to 14.25%)

\$ 192,000

- Services

2%

\$ 57,836

- Supplies

2%

\$ 35,172

- Utilities

5%

\$ 231,824

- Debt

0.025%

\$ 1,175

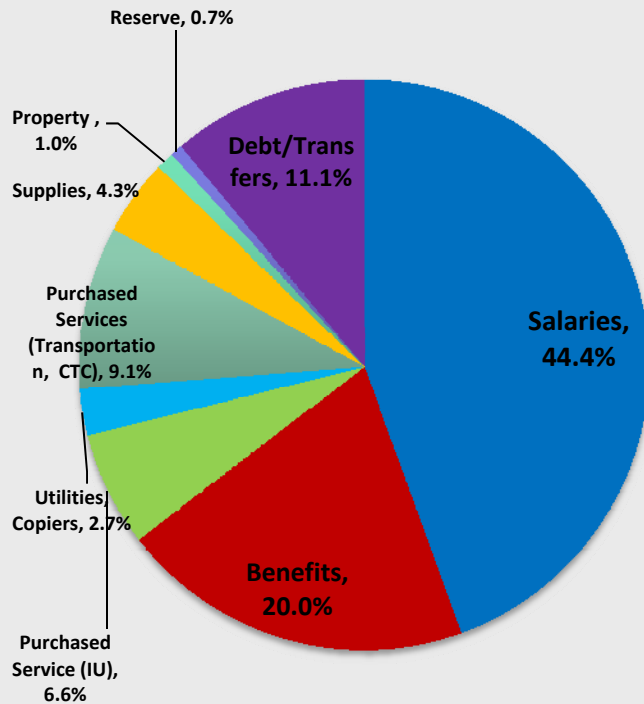
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Total

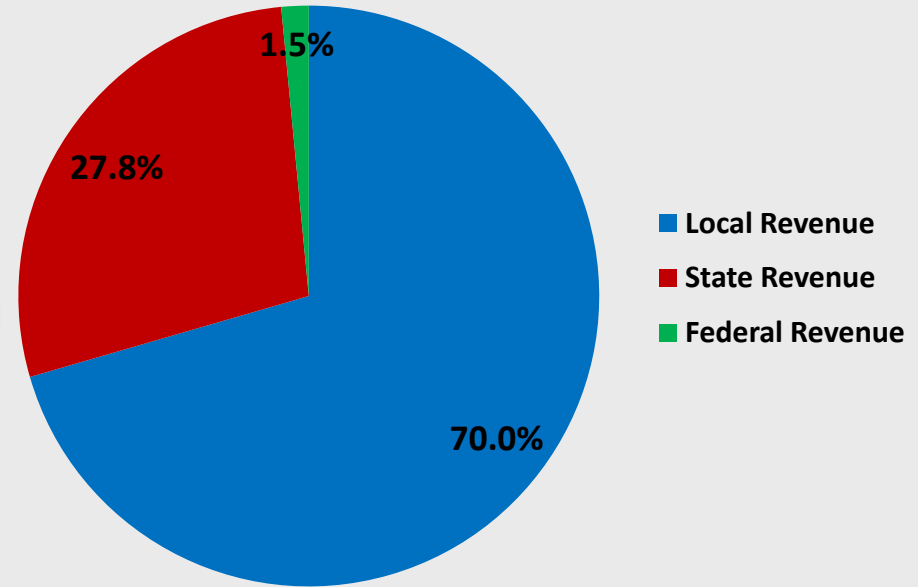
\$1,144,317



## Expenditures by Major Categories Budget 2012-2013



## Local, State, Federal, and Other Revenue Budget 2012-2013





# Expenditure Increases by Object

• Salary	\$ 419,025
• Benefits	\$ 1,240,749
• Contracted Services	\$ 57,836
• Property Services	\$ 26,100
• Other Services	\$ 231,824
• Supplies	\$ 35,172
• Equipment	\$ -0-
• Debt Svc & Transfers	\$ -0-
• <u>Reserves</u>	<u>\$ -0-</u>
Total Inc	\$ 2,010,706



## PSERS Budgeted Rate for 2012-13 = **14.25%**

- The Goal is to build Designated PSERS Reserves over 6 years to cushion impact of rate increases.

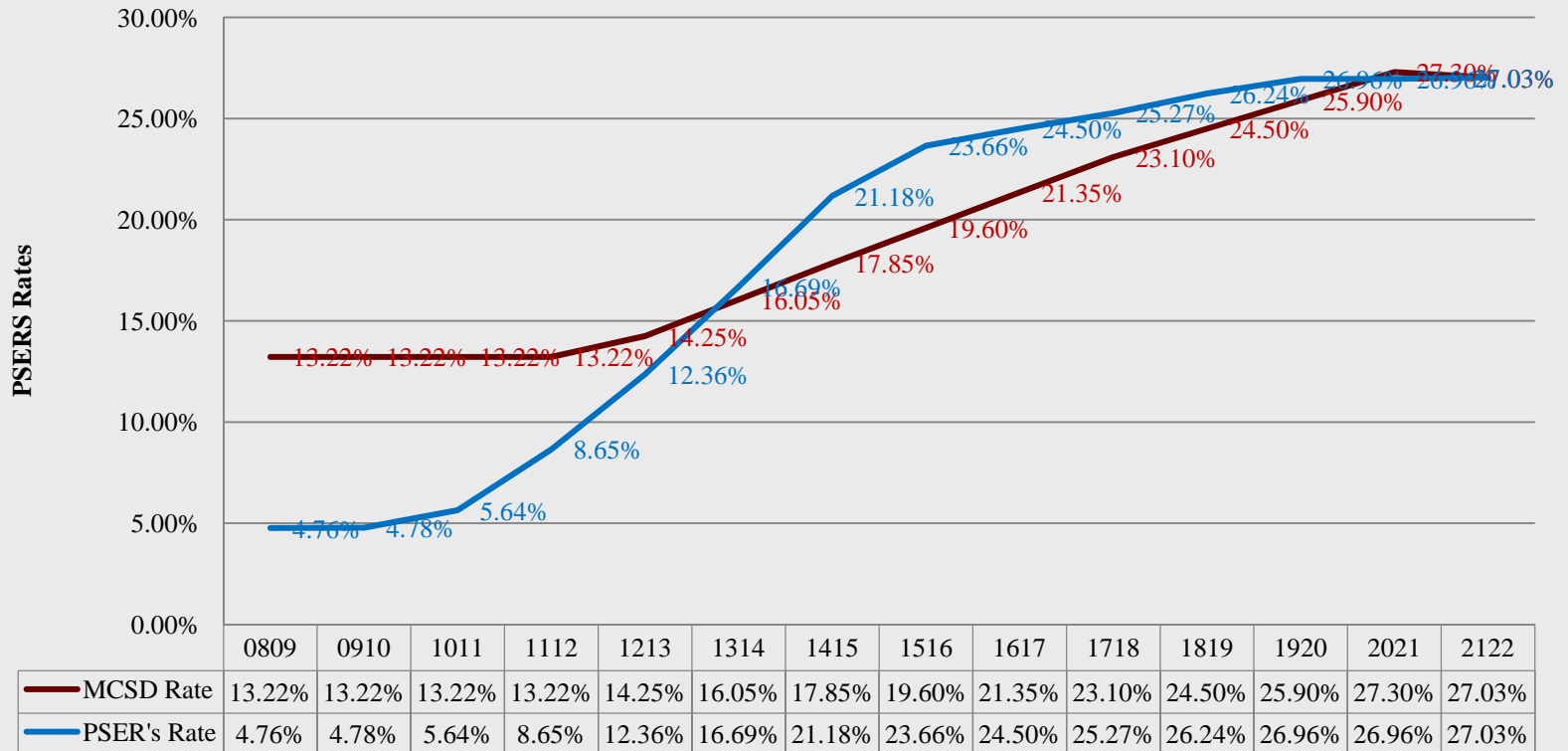
– 08-09 designated	\$ 350,000
– 09-10 designated	\$ 650,000
– <b>10-11 approved assigned</b>	<b>\$ 750,000</b>
– 11-12 projected	\$ 1,052,477
– 12-13 projected	\$ 556,493
– 13-14 projected	<u>\$ 70,714</u>

Total \$ 3,429,684



A fund balance designation of \$3,429,684 over six years will allow the District to gradually raise the budgeted retirement contribution to the PSERS rate of 27.03% in 2021-22 without an overwhelming impact to the budget.

### Use Designated Funds to Cushion Rate Impact





# Assignment for Future PSERS

Year	PSER's Rate	MCS D Rate	Budget for PSERS	For Future PSER's	Total Designated
0809	4.76%	13.22%		350,000	350,000
0910	4.78%	13.22%		650,000	1,000,000
1011	5.64%	13.22%		750,000	1,750,000
1112	8.65%	13.22%	2,745,389	1,052,477	2,802,477
1213	12.36%	14.25%	3,048,067	556,493	3,358,970
1314	16.69%	16.05%	3,536,078	70,714	3,429,684
1415	21.18%	17.85%	3,817,403	(712,154)	2,717,530
1516	23.66%	19.60%	4,317,408	(894,320)	1,823,210
1617	24.50%	21.35%	4,843,978	(714,685)	1,108,524
1718	25.27%	23.10%	5,398,256	(507,109)	601,416
1819	26.24%	24.50%	5,897,185	(418,821)	182,595
1920	26.96%	25.90%	6,421,193	(262,798)	(80,203)
2021	26.96%	27.30%	6,971,333	86,822	6,620
2122	27.03%	27.03%	7,109,457	-	6,620



# PSERS - Retirement

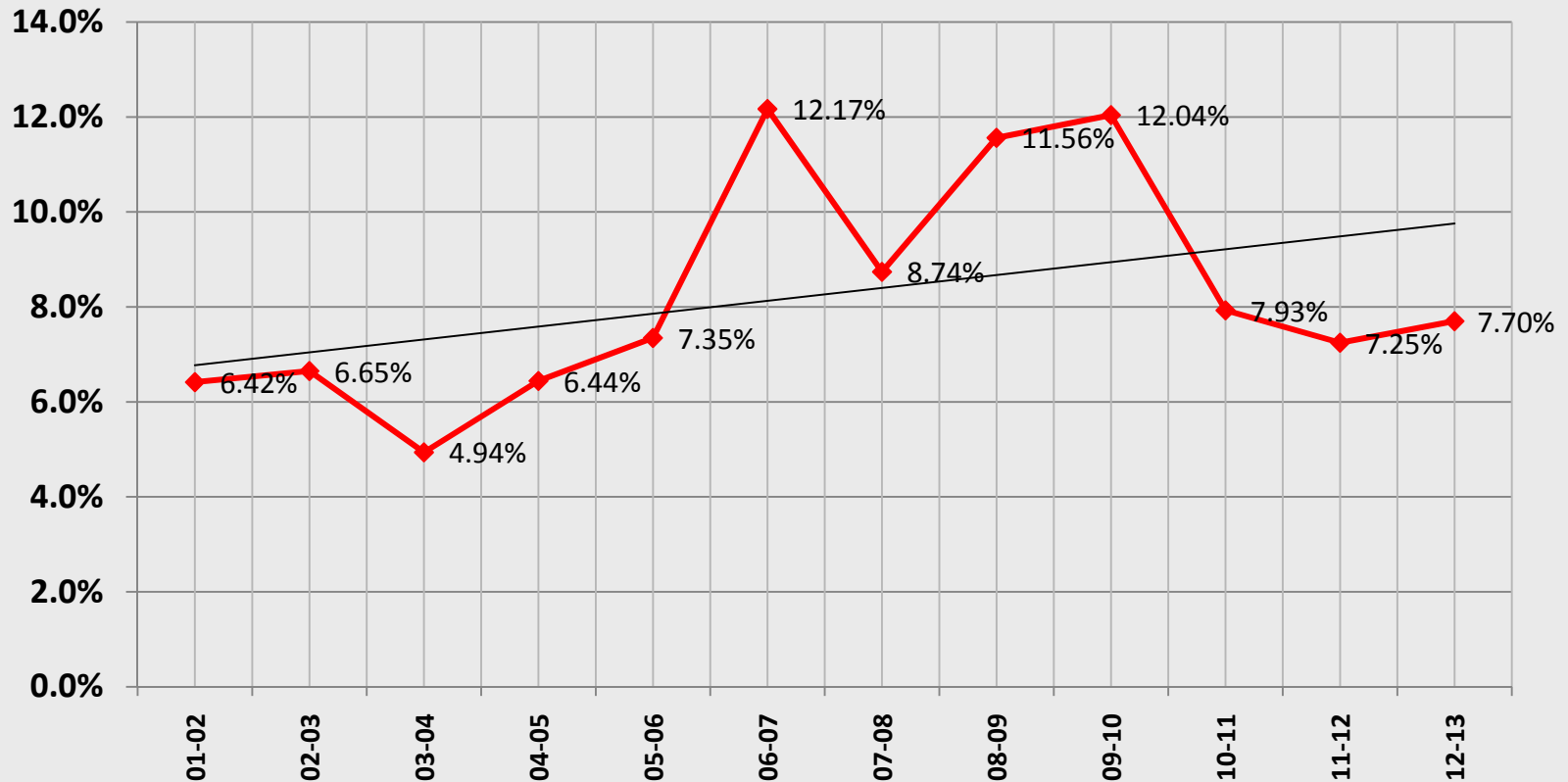
- 2012-13 Employer Rate (12.36%)
  - **Budget 14.25% – increase rate by 1.03%**
- 2011-12 Employer Rate – 8.65%
  - Budget 13.22% – no change
- 2010-11 Employer Rate – 5.64%
  - Budget 13.22%





# Beginning Unassigned Fund Balance History and Trend Line, 8% maximum beginning 2010-11

Ending Fund balance % of Expenditures





# Next Steps

- Recommend a preliminary budget to Board
- Publish Intent to adopt
  - (by January 13, 2012)
- Adopt preliminary budget on January 23, 2012  
(Not later than January 25, 2012)
- Publish Intent to seek Exceptions
  - (by February 2, 2012)
- Seek PDE Exception approval
  - (by February 9, 2012)



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# Questions