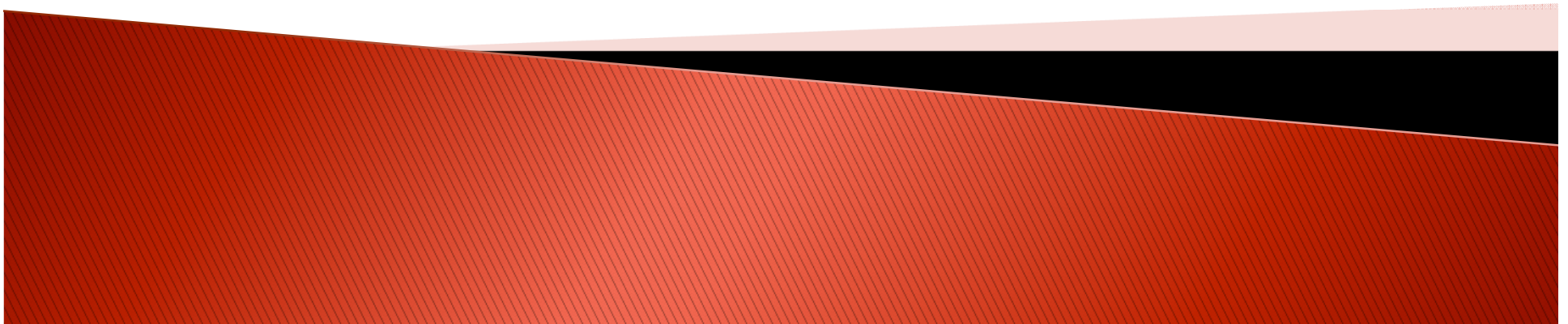


**Preliminary Budget Discussion**  
**December 2015**



# Moody's Press Release

- ▶ Moody's assigns Aa2 underlying/A3 enhanced Rating on Hempfield SD \$8.3M GO bonds
- ▶ A3 enhanced rating is based on the PA School District Intercept Program

# Budget Discussions

## State Budget

▶ Day **160** of Budget Impasse

▶ **“At this point, things are a mess.”**

▶ –PASBO Legislative Update, December 7, 2015

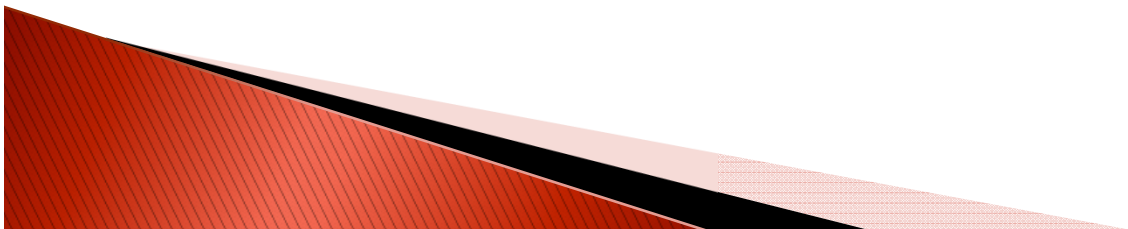
# Budget Discussions

## 2016-17 Preliminary Budget Development – Trend Basis

- Wages – 2.25% estimated trend increase
- PSERS – 29.69% (up from 25.84%)
- Object 200 – Benefits estimated 13.5%
- Other costs estimated 1.5% increase
  
- Revenues projected with NO tax increase
- Subsidies related to Social Security & PSERS calculated 50% state reimbursement
- Other State Subsidies – Hold flat with no increase until state budget is adopted

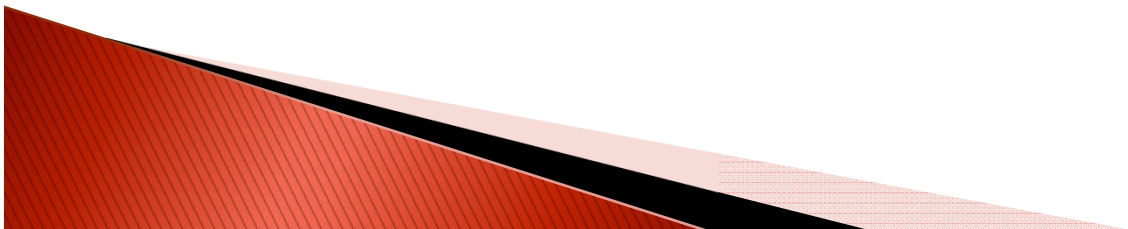
# Budget Discussions – Overview

- Projected Preliminary Shortfall in excess of \$3 million (without tax increase)
- 2.4% Act 1 Index
- Referendum Exceptions – Special Education Expenditures and Retirement Contributions
  - Tax Increases have not exceeded the index since 2009–2010



# Budget Discussions – Act 1 Index

➤	2015–16	Current Base Millage	19.653
➤	2016–17	Act 1 Index (2.4%)	20.12
➤	2016–17	Millage Needed to Balance ➤ Preliminary Budget	20.64



# Budget Discussions

## Timeline

- ▶ 12/8/15 – Authorize Proposed Preliminary Budget Display & Advertising
- ▶ **12/18/15** – Public Display of PDE–2028
- ▶ 1/2/16 – Publish Notice in Newspaper
- ▶ 1/12/16 – School Board Vote to Adopt Preliminary Budget
- ▶ 2/1/16 – Submit Preliminary PDE–2028
  
- ▶ 5/10/16 – Adopt Final Proposed Budget
- ▶ 6/14/16 – Adopt Final Budget

# Budget Discussions – Next Steps

DISCUSSION/QUESTIONS

