



Preliminary Budget Discussion
December 2015

Budget Discussions

Timing of budget
development

What is happening
so far this year?
2015-16

Where are we headed?
2016-17

Budget Discussions

Timeline

- ▶ Why are we presenting the Preliminary Budget in December?
- ▶ Finance Committee recommendation – proceed with a Preliminary Budget
- ▶ 12/8/15 – Present Preliminary PDE–2028
- ▶ 1/12/16 – School Board Vote
- ▶ 2/1/16 – Submit Preliminary PDE–2028
- ▶ 5/10/16 – Adopt Final Proposed Budget
- ▶ 6/14/16 – Adopt Final Budget

Budget Discussions

2015-16 to Date

- ▶ Day **153** of Budget Impasse
- ▶ What is being considered?
 - No Property Tax Reduction
 - \$350 million for BEF
 - \$50 million for Special Education
 - Pension Reform
 - State Store privatization
 - Discontinuation of Plan Con

Budget Discussions

2016-17 Preliminary Budget Development – Trend Basis

- Wages – 2.25% estimated trend increase
- PSERS – 29.69% (up from 25.84%)
- Medical cost trend increase at 10%, dental 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 – Next Steps

- ▶ Board Meeting 12/8
 - Present PDE-2028
 - Authorize Resolution to Propose the Preliminary Budget

DISCUSSION / QUESTIONS