


# **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
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- 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