

The background of the slide features a collage of financial and business-related items. In the top left, a pair of glasses rests on a document with a colorful stacked area chart. Below the glasses is a white calculator with a digital display and various function buttons. To the right, a silver pen lies diagonally across a document featuring a pie chart with four segments in shades of blue, red, green, and purple. In the bottom right, a bar chart with several vertical bars in blue, red, and green is visible. The overall scene is a professional and analytical workspace.

GVSD Budget 2018-2019

April 2, 2018

The background of the slide features a collage of financial and business-related items. In the top left, a pair of glasses rests on a document. A calculator is visible in the bottom left corner. The central and right portions of the image are filled with various charts, including a large pie chart with four segments (purple, blue, red, green) and a bar chart with multiple colored bars. The overall theme is financial analysis and budgeting.

Preliminary Projections

Expenditure Projections

A. 3/31/18

B. Health Care Trend

C. State Budget

D. Reserves

Preliminary Projections

2017-2018 Operating Projection March 31, 2018

	Budget 2017-2018	Projected 2017-2018	Actual 2016-2017
Revenues	\$96,250,000	\$96,583,156	\$94,675,344
Expenditures	99,800,000	99,728,272	95,642,838
	(\$3,550,000)	(\$3,145,116)	(\$967,494)

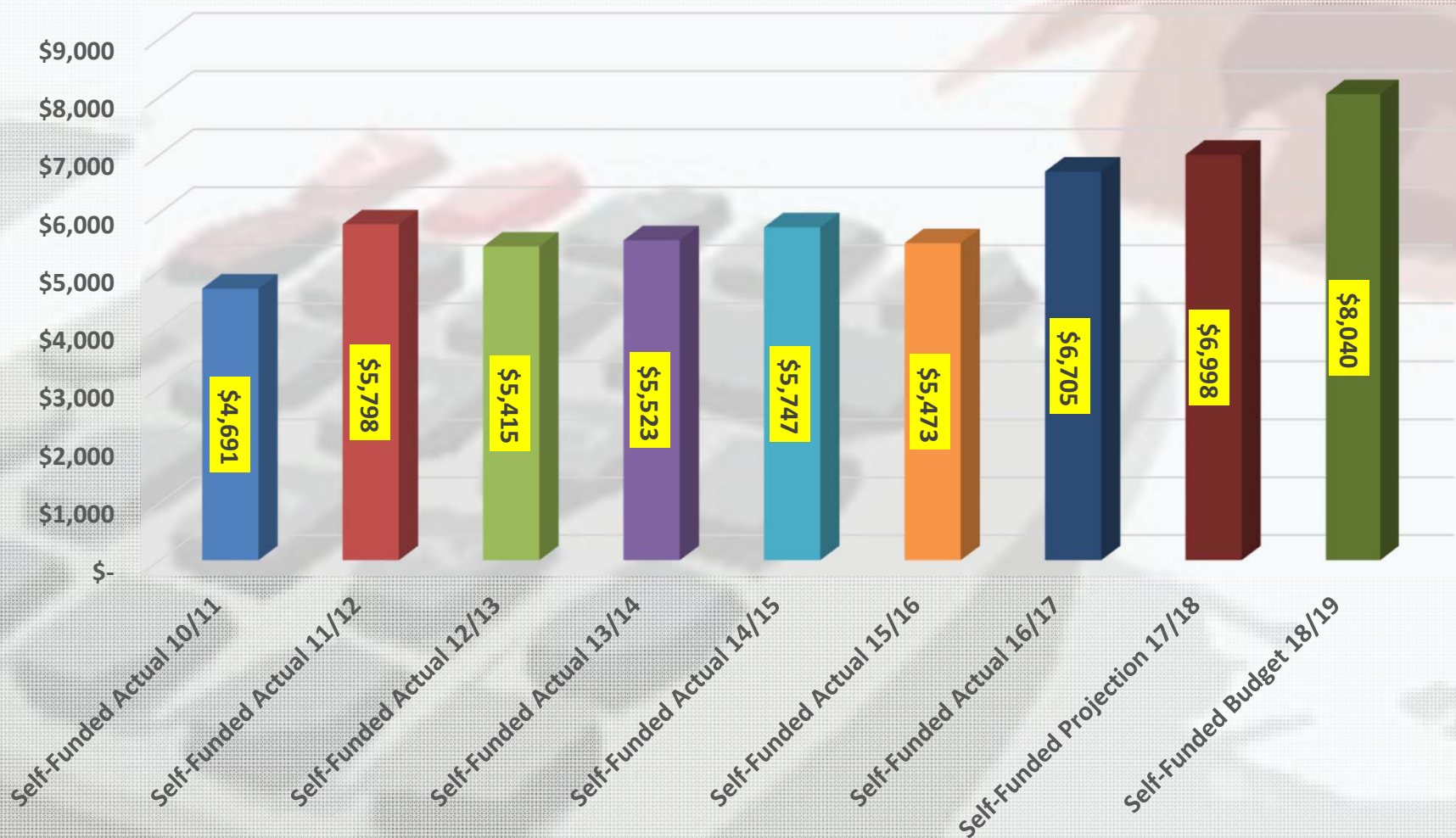
Watch Areas

- Health Care
 - Including Prescription
- **Building Heating/Snow Removal**
- Special Education
- Salaries
 - 10.5 more Teachers than Budgeted
- State Budget

Preliminary Projections

Health Care Costs Since Self-Funding

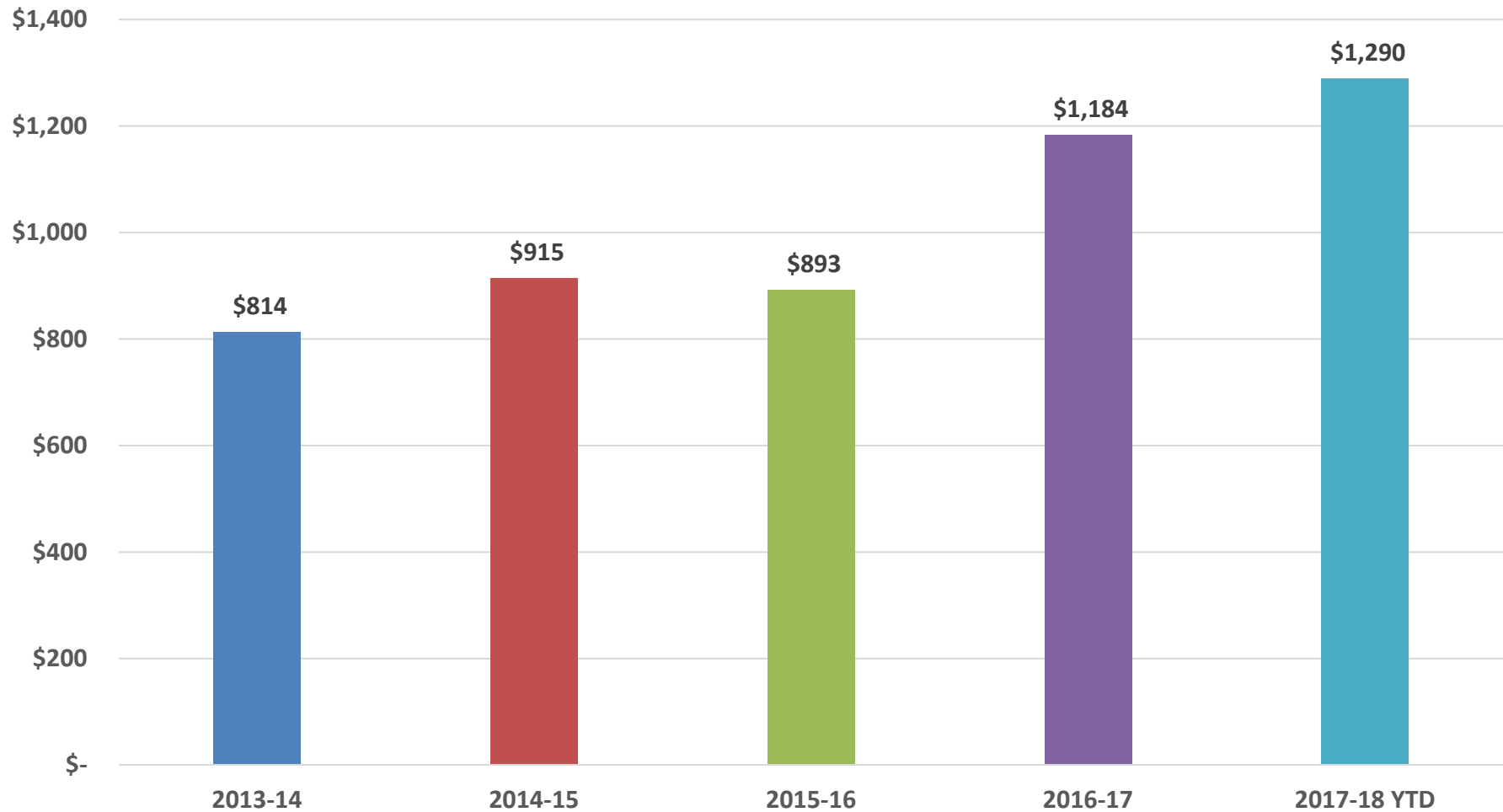
Health Care Historic and Projected Costs
2010-2019



Overview of Significant Budget Challenges

Thru 2/28

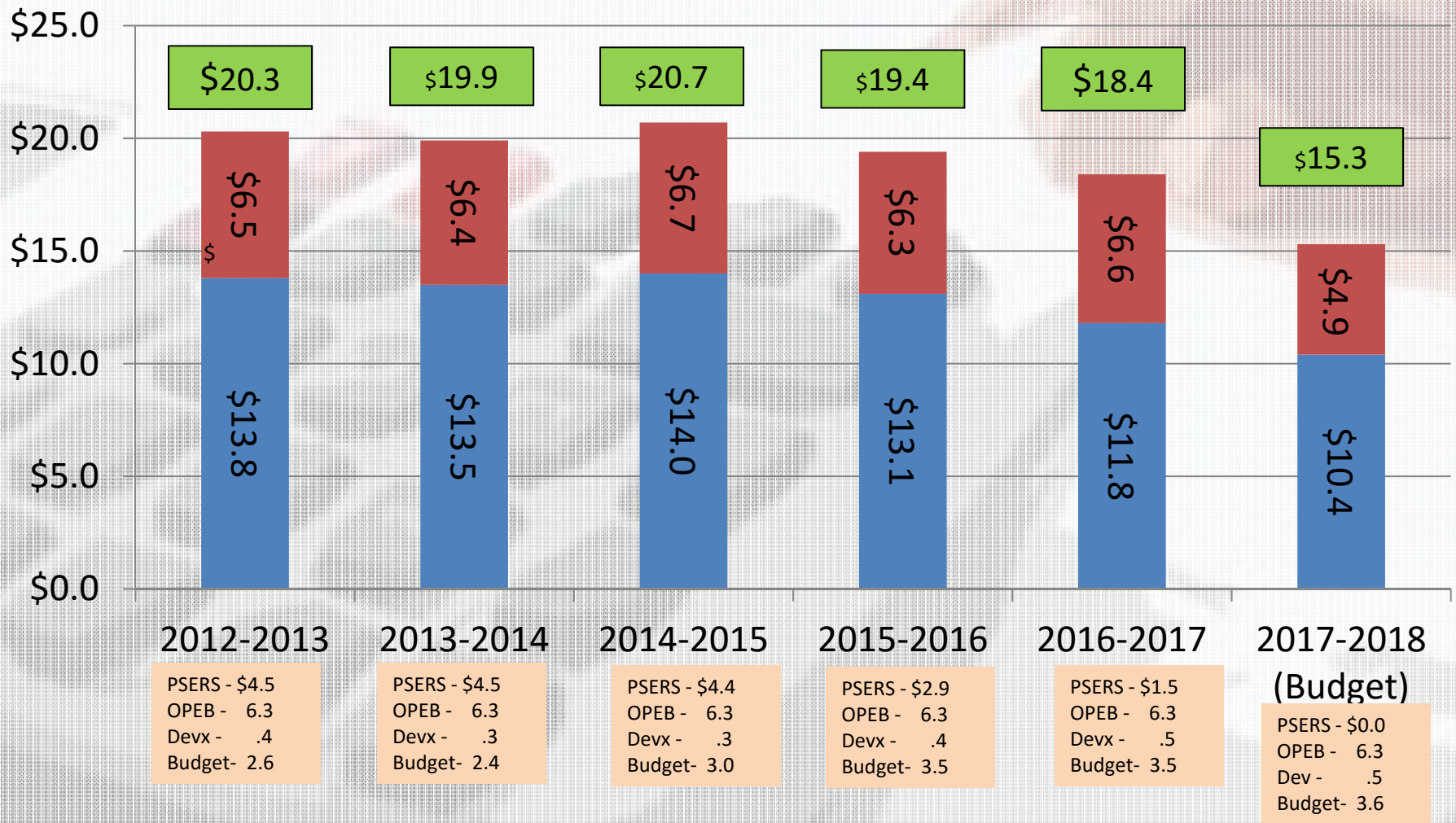
Historical Medical Costs Per Employee Per Month



Reserves

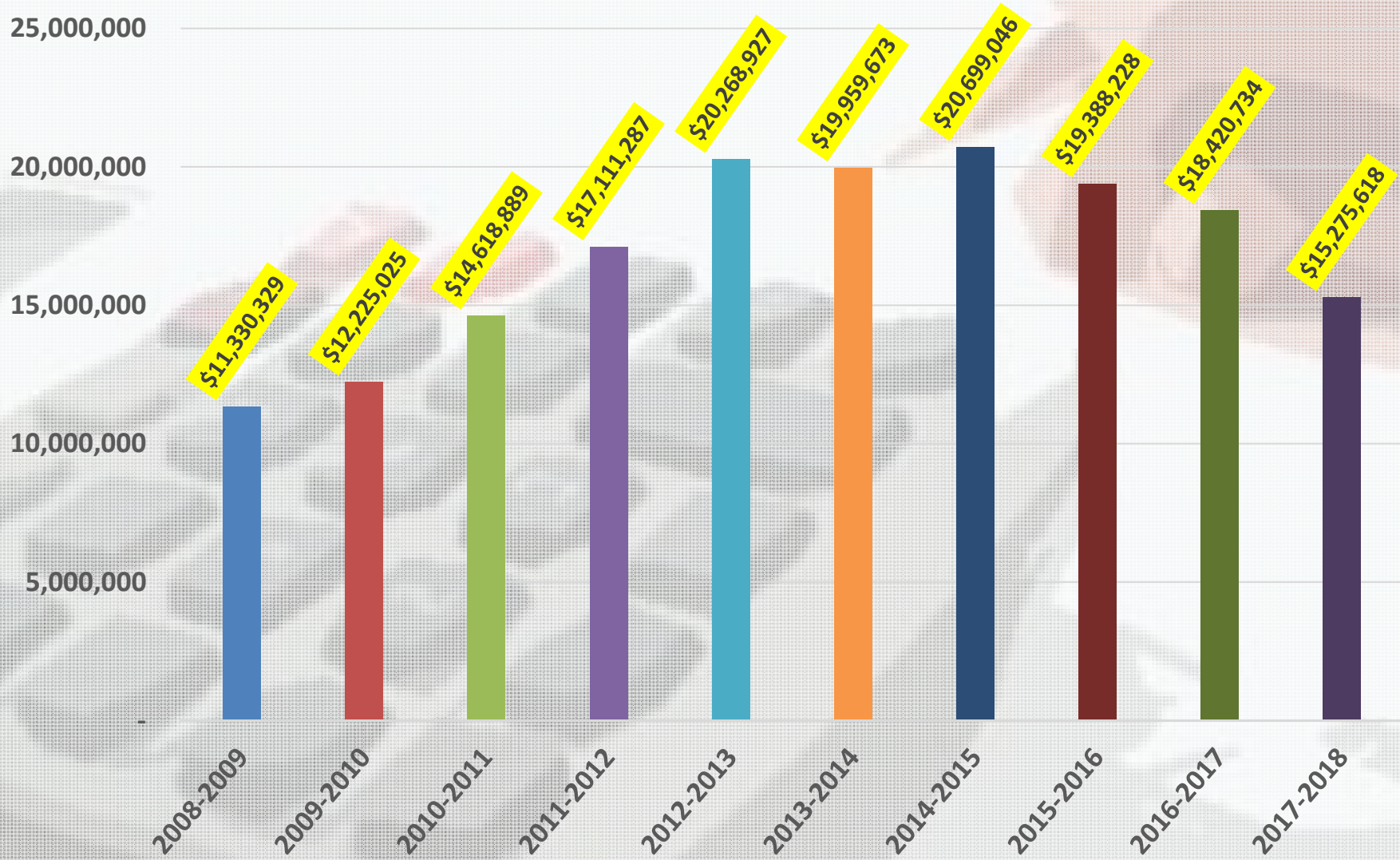
Blue = Committed/Assigned
Red = Non-Committed

General Fund Reserve (In Millions)



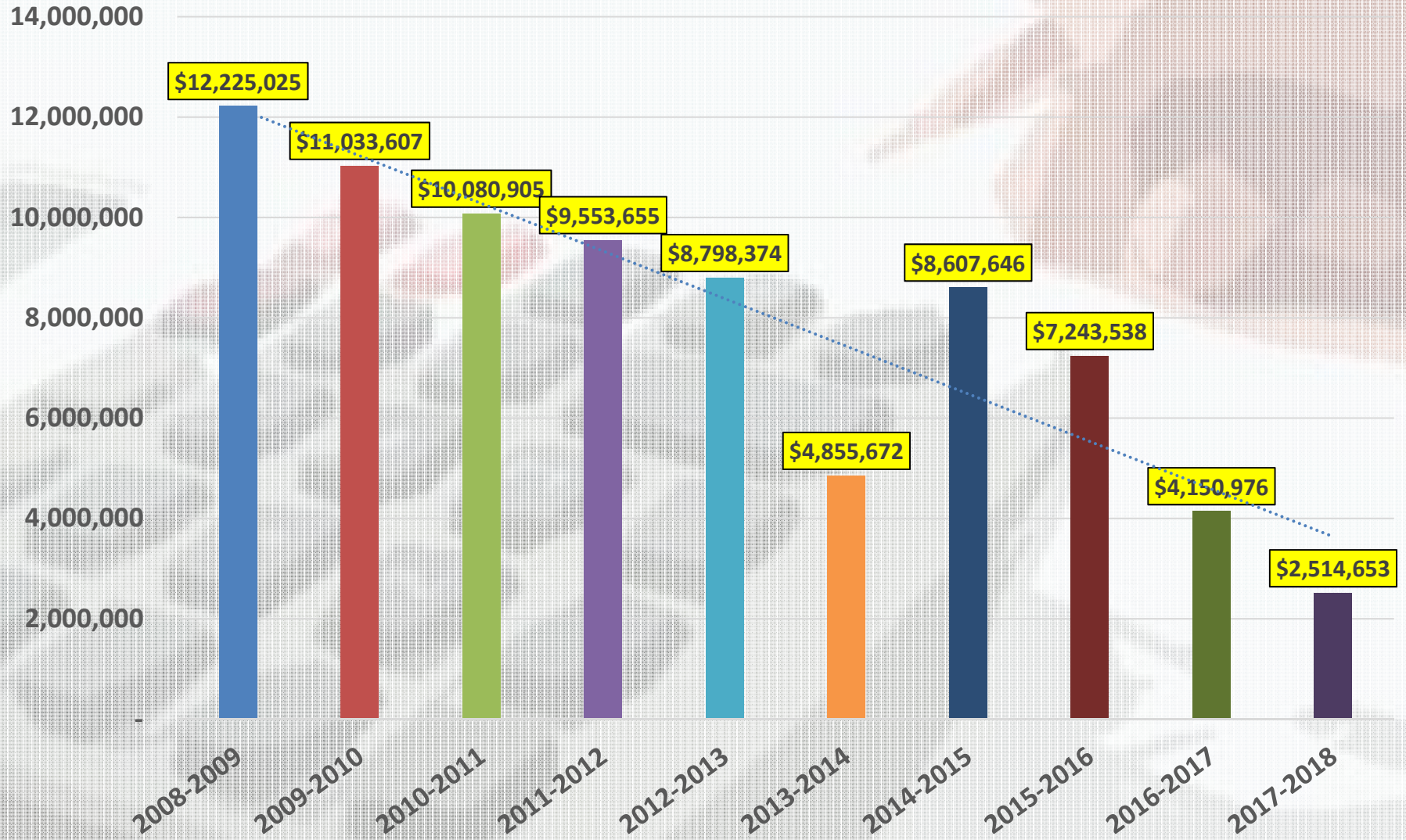
Reserves

General Fund Reserves 2008-2018

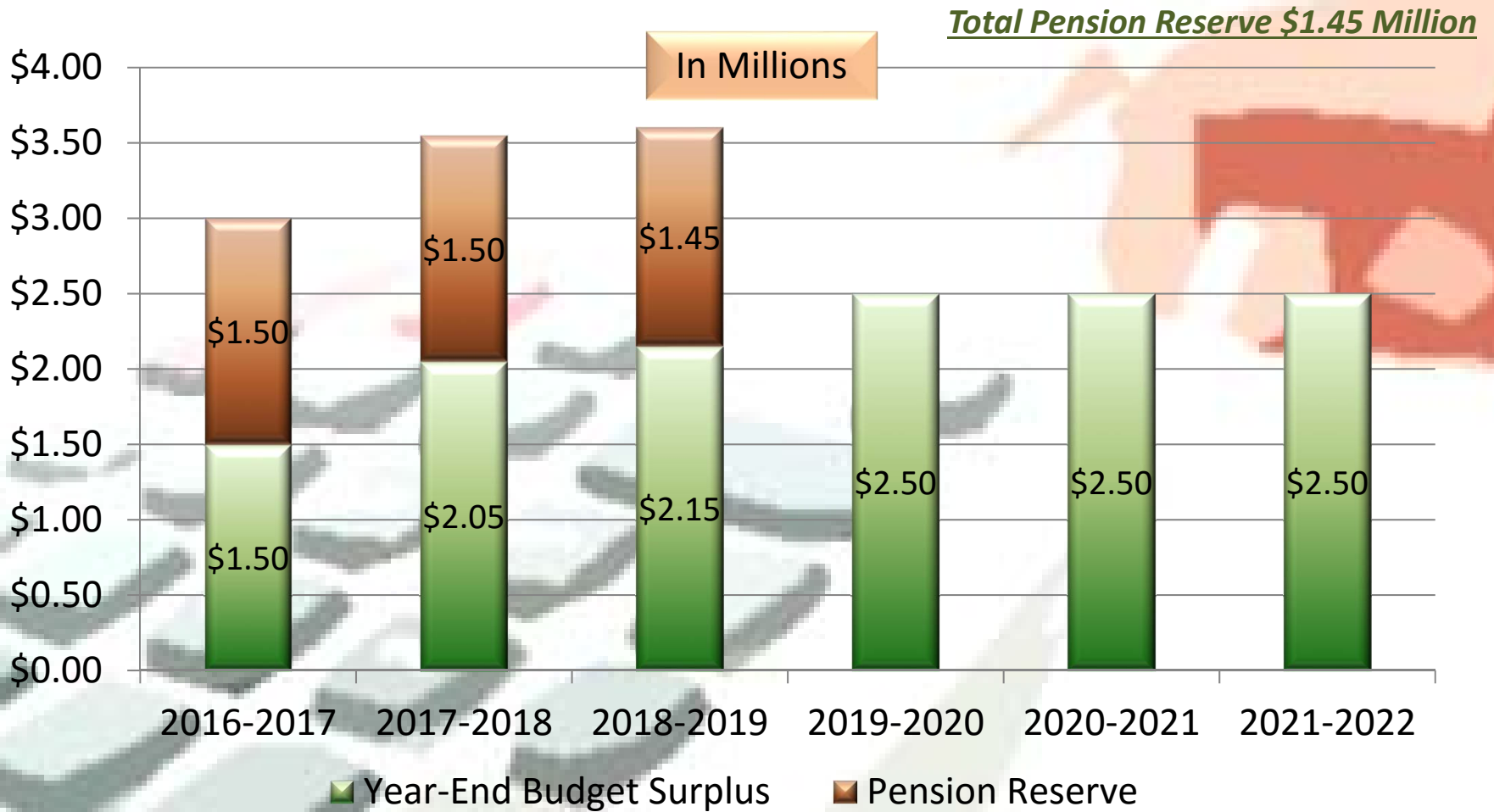


Reserves

Capital Project Reserves 2008-2018



Proposed Planned Use of Reserves

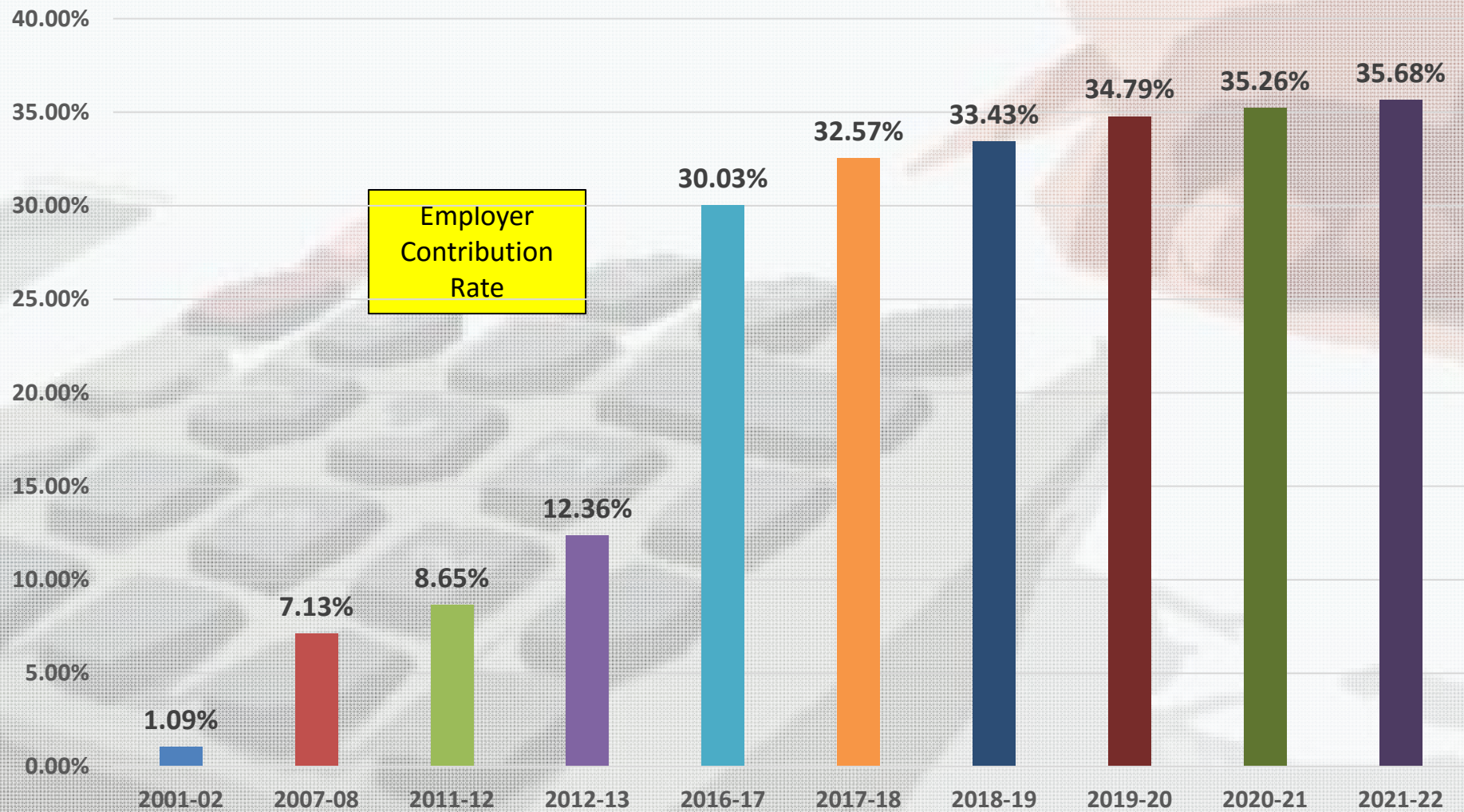


Great Valley School District Budget
Governor's Budget Impact

Revenue/Expenditure Category	2017-2018 Budget (in 1000's)	2018-2019 Proposed Governors Budget (in 1000's)	Net Impact to Great Valley (in 1000's)
Basic Education Funding	\$2,588	\$2,625	\$37
Special Education Funding	1,493	1,503	10
Pension Changes			No Change in Gov's Current Budget
Net Impact on GV Budget			\$47

The Pension Issue

Historical & Projected Pension Contribution Rates



The background of the slide features a collage of financial and business-related items. On the left, a pair of glasses rests on a document. In the center, a calculator is visible. The right side shows a pen and several charts, including a pie chart with segments labeled 10%, 20%, and 30%, and a bar chart with multiple colored bars. The word "Variables" is prominently displayed in red text at the top center.

Variables

- Economy
- Teacher Contract
- Politics
 - State Budget
 - Looming Threat of Property Tax Reform
- Special Education
- Benefits Costs
 - Pension/Health Care



**2018-2019 GVSD
Budget at a Glance**
April 2, 2018

Major Increases for 2018-2019:

- >Salaries: +\$700k
- >Benefits: +\$2.1m
- >Special Education: + \$2.3m
- >Translation: \$100k
 - >Included in Sp. Ed.
- >Other Schools: +\$800k
- >Other Financing
 - >Debt Service: -\$4.2m
 - >Transfer to Capital Projects: +\$3.4m
 - >Technology: +\$800k



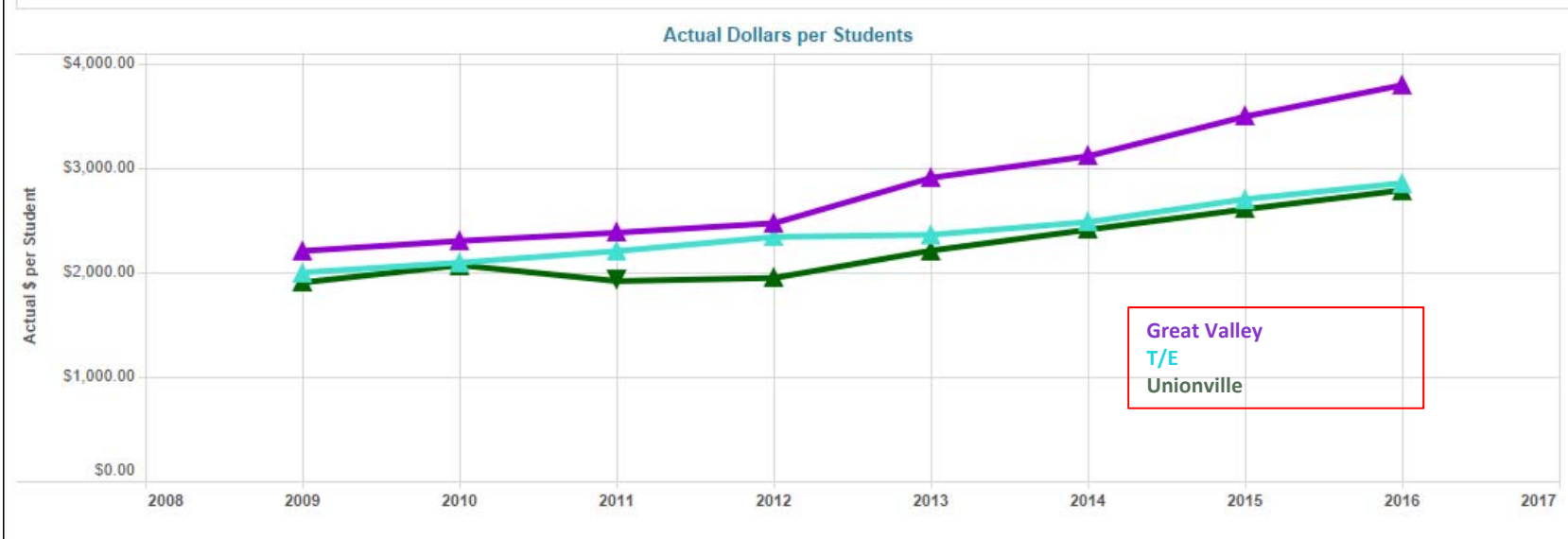
Budget Spending Change Special Ed.

Line Item Spending Over Time

Source: Pennsylvania Department of Education

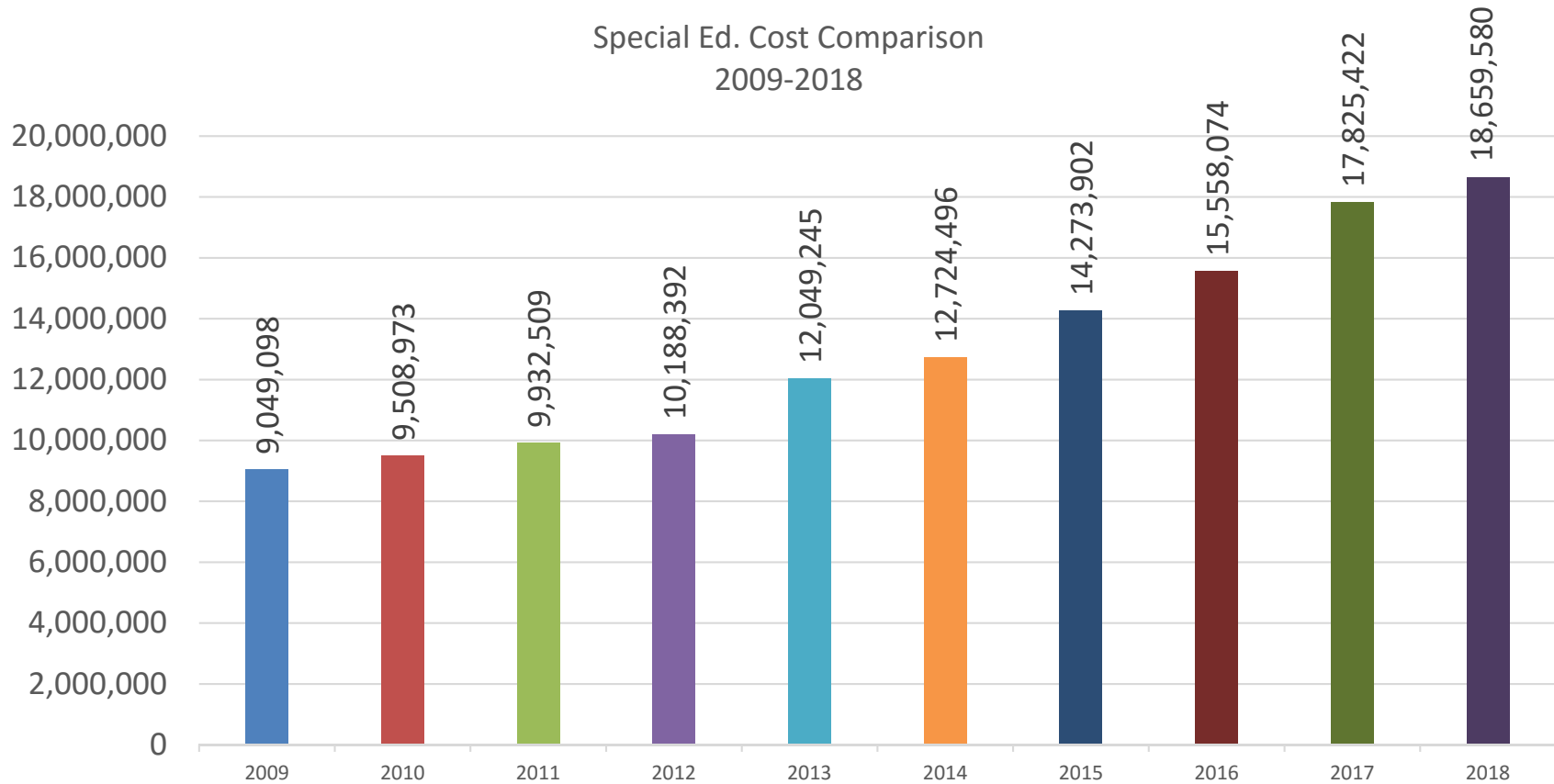
Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Budget Spending Change Special Ed.

Special Ed. Cost Comparison
2009-2018



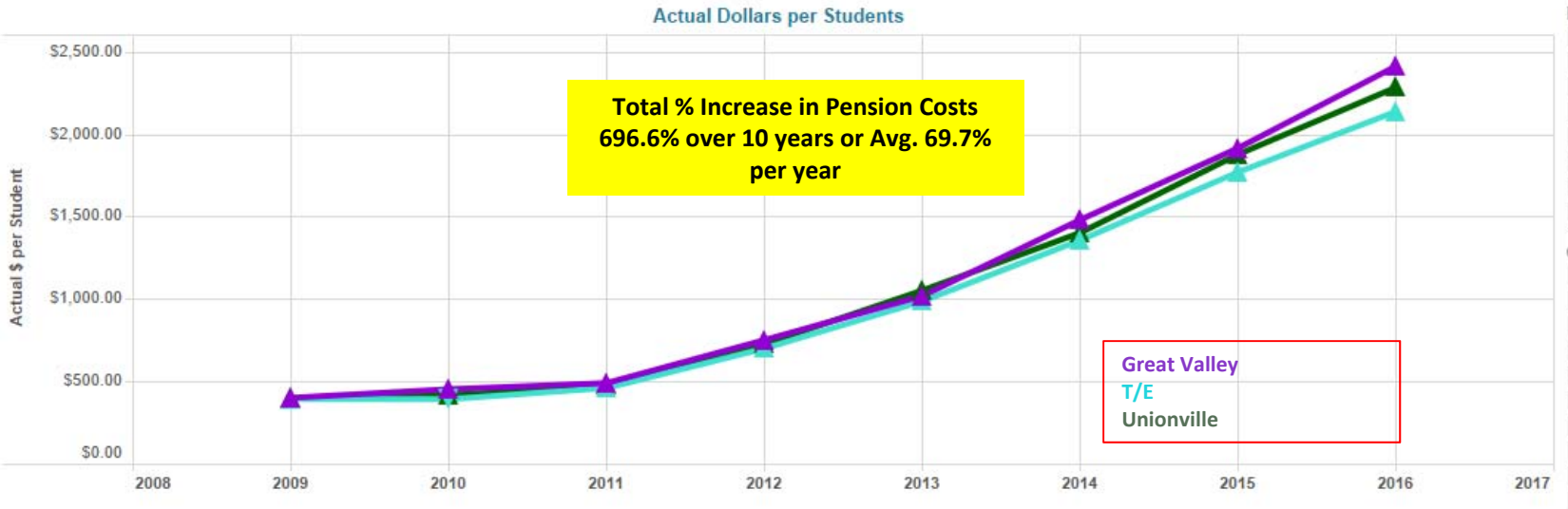
Budget Spending Change Pension Expense

Line Item Spending Over Time

Source: Pennsylvania Department of Education

Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



IU Costs

2018-2019 Budget

Description	Budgeted Cost
Advance Clinical Services Program	\$237,516
BV Academy	49,584
Changes Program	15,017
Chester County Youth Center	8,472
CHAAMP	60,172
Devereux Program	161,391
Discover Program	211,368
ELL	39,249

Description	Budgeted Cost
Innovative Educational Services	\$6,395
Keystone Catalog	8,744
Management Consulting Services	1,673
Gateway	98,759
Preschool Sp. Ed. Services	224,432
REACH	40,459
School Based Access Program	25,911

IU Costs

2018-2019 Budget

Description	Budgeted Cost
Sp. Ed. – CDC	296,163
Sp. Ed. – Cross District	306,520
Speech/Language	55,655
PT/OT (CDC & CDX)	44,639
Itinerant Services	
Hearing (Individual)	40,949
Hearing (Evals)	1,148
Vision Services	25,795
Orientation & Mobility	8,601

Description	Budgeted Cost
Itinerant Services	
Vision (Evals)	\$7,518
S/L Int. Teacher	3,127
Bilingual (Evals)	3,733
Feeding & Swallowing	4,236
Homebound	8,651
Psych Eval (Comprehensive)	69,583
Bilingual Psych Eval	9,558
PCA	45,970

IU Costs

2018-2019 Budget

Description	Budgeted Cost
Audiology	\$5,466
Audiology Equip.	6,144
Calibration	295
Psychiatric Evals	6,666
Transcript Typing	540
Reading Specialist	31,867
School Based Mental Health	130,881
Foreign Language Services	10,334
CDC Market Value Share	49,762

Description	Budgeted Cost
ESY	\$80,612
Other Sp. Ed. Services	53,235
TCHS	911,514
TCHS – Sp. Ed.	295,918
TCHS – Academic	174,230
TCHS AVTS	4,744
Transitional Living	78,913
TEACH	100,987
Sp. Ed. Settlements	275,000
Translations	201,000

Building a Budget:

Staffing:	67.6%	(\$71.5 million)	72.5%
Debt:	4.9%	(\$5.2 million)	
Support of Other Schools:	7.8%	(\$8.2 million)	80.3%
Transportation:	4.5%	(\$4.8 million)	84.8%
Infrastructure:	7.7%	(\$8.1 million)	92.5%
Operating Costs:	7.2%	(\$7.6 million)	99.7%
Budgetary Reserve:	0.3%	(\$0.3 million)	100%



Total Budget: \$105,700,000



Total:
\$105,700,000

Revenues: Funding the Budget	
Local Sources	\$ 84.2 million
State Sources	15.2 million
Federal Sources	0.7 million
TOTAL REVENUE	\$100.2 million
BUDGET GAP before any tax increase	5.5 million
Use of Reserves	3.6 million
TOTAL before any tax increase	\$103.8 million
BUDGET GAP After proposed use of Reserves	\$ 1.9 million

Estimated Revenue

Estimated Revenue from Act 1 Index
(Allowable increase of 2.4%)
21.295 mills

\$1.9 million

Remaining Budget Gap

\$60 k

Staffing: Projected for 2018-2019

School Level	Staffing Proposed
Secondary	4.0 Decrease <i>(Reduced through retirements and elimination of co-teaching)</i>
Elementary	No Change <i>We do project a potential net decrease due to re-alignment, but will budget no change</i>
Special Education	3.0 Increase 1.0 Psychologist 1.0 Elementary Autistic Support 1.0 Speech/Language 1.0 HS Learning Support
Other's (Teaching & Learning)	1.0 Increase 1.0 English Language Development Coordinator 1.0 Secondary Reading Specialist
Estimated Total	0.0 Positions increased (with elementary budgeted at the same as 2017-2018)

Class Size

Suggested Elementary Class Size Ranges

Kdg. – 1 st	18 – 22 Students
2 nd – 3 rd	20 – 24 Students
4 th – 5 th	22 – 26 Students

Suggested MS Class Size Ranges

6 th – 8 th	24 – 28 Students
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Suggested HS Class Size Ranges

9 th – 12 th	26 – 30 Students
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(Adm. Guidelines
Board Policy #126)

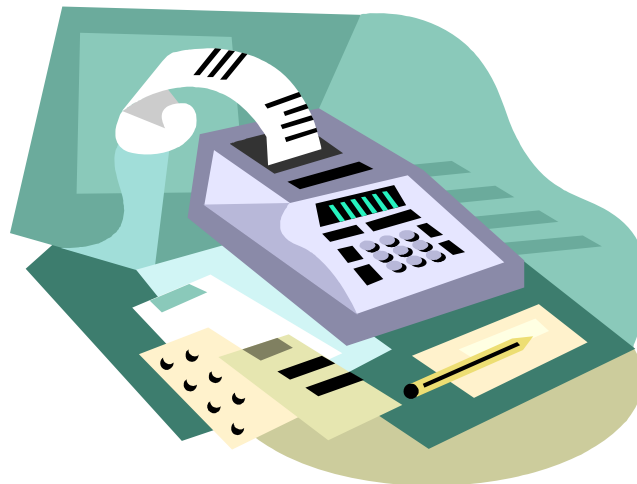
Secondary classes with enrollments of fewer than fifteen (15) students shall require administrative approval in order to be conducted.

A Look at Millage:

Current millage (17-18):	20.800
Millage proposed to fund 18-19 budget:	21.295

Difference: 2.4%

Recommendation:
"No Exceptions Needed"



Act 1 Index = 2.4%

A 5-Year Financial Picture

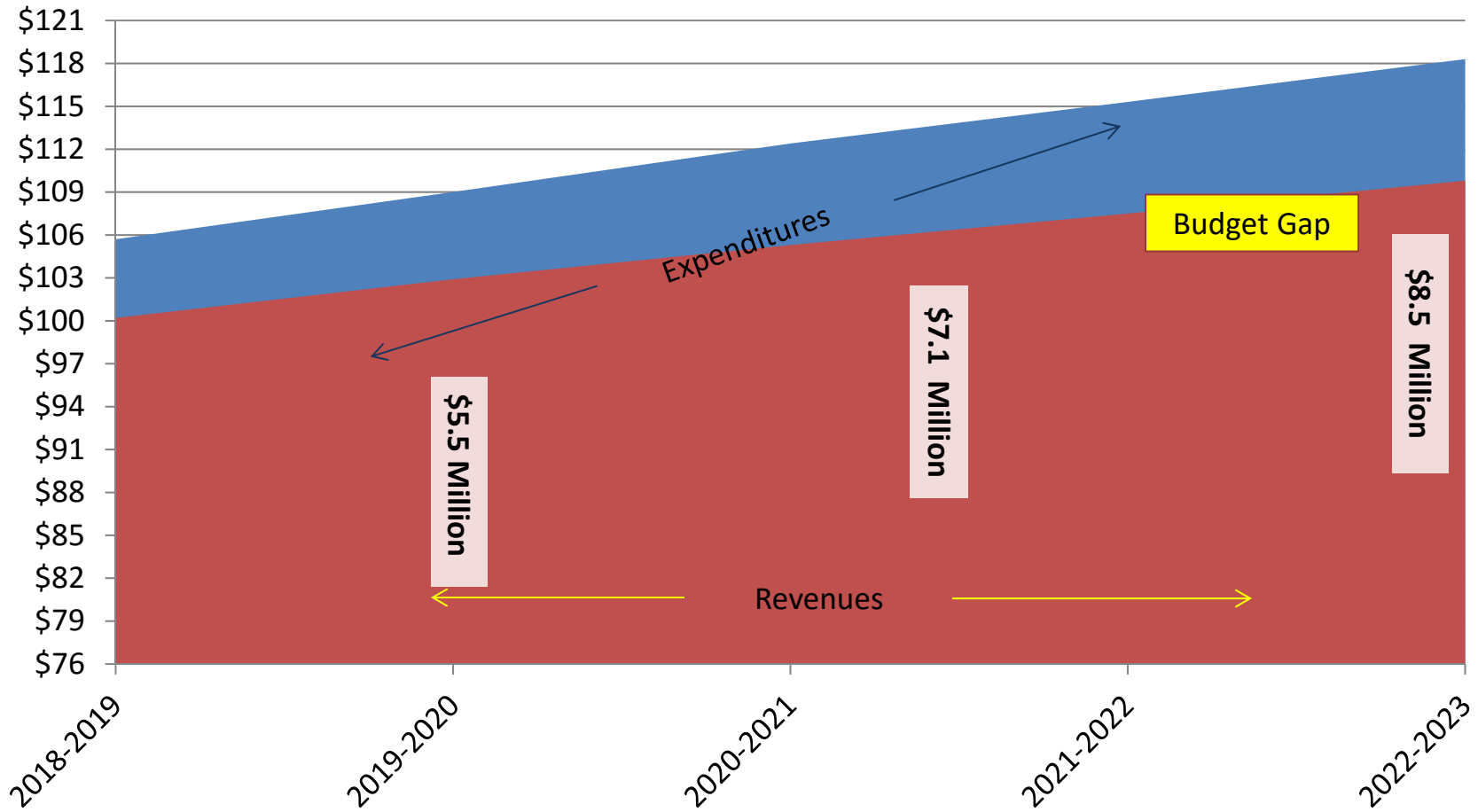
Assumptions:

- Assumes No Tax Increases
- All figures are approximate
- 2.0% payroll increase for 2019/20 and thereafter
- 6% benefit increase(not including PSERs) for 2019/20 and 8% yearly increases thereafter
- PSERS increases at 33% for 2018/2019, and then 35%, 35%, 36% and 36% increases thereafter
- Starting Reserves Balance = \$15,300,000

	2018/19	2019/20	2020/21	2021/22	2022/23
Expenses	105,700,000	109,036,955	112,412,388	115,299,547	118,318,256
Revenue	100,184,951	102,873,052	105,268,997	107,516,656	109,831,076
Shortfall	(5,515,049)	(6,163,903)	(7,143,391)	(7,782,891)	(8,487,179)
Tax increase needed w/o using reserves to close the gap	7%	8%	9%	10%	11%
Revenue after 0.0% tax increase	100,184,951	102,873,052	105,268,997	107,516,656	109,831,076
Reserves needed to close budget gap	(5,515,049)	(6,163,903)	(7,143,391)	(7,782,891)	(8,487,179)
Reserves remaining	10,384,951	4,221,048	(2,922,343)	(10,705,234)	(19,192,413)

The Budget Gap

Assuming No Tax Increases



A 5-Year Financial Picture

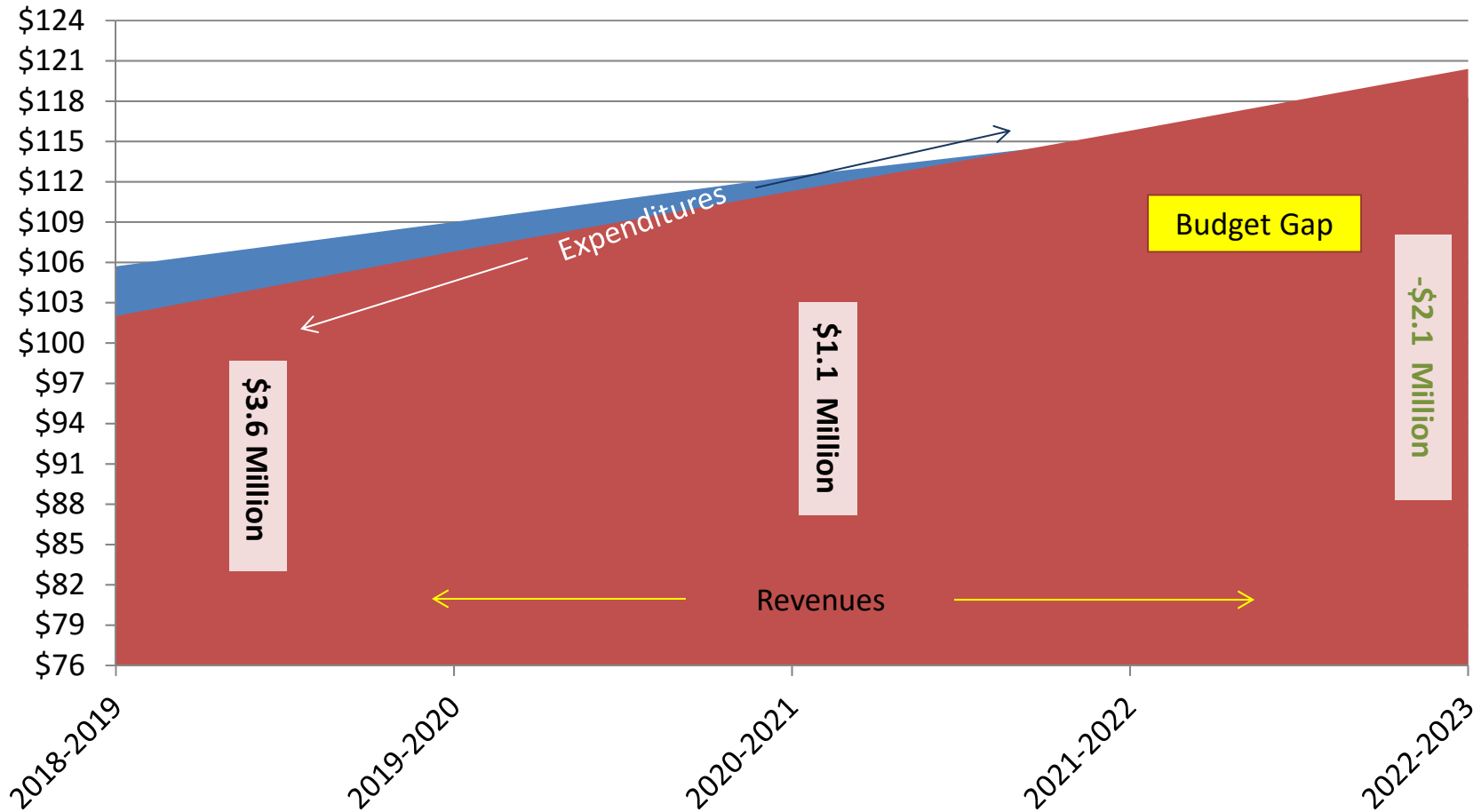
Assumptions:

- Assumes Act 1 Tax Increases
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Tax increase needed w/o using reserves to close the gap	7%	8%	9%	10%	11%
Revenue after 0.0% tax increase	102,040,951	106,765,052	111,315,997	115,805,656	120,450,076
Reserves needed to close budget gap	(3,659,049)	(2,271,903)	(1,096,391)	506,109	2,131,821
Reserves remaining	11,640,951	9,369,048	8,272,657	8,778,766	10,910,587

The Budget Gap

Assuming Act 1 Index Tax Increases



On the Budget Calendar

2018-2019 Budget Action Dates for the Board

- Jan 22:** ~~Deadline to approve Resolution not to raise taxes over Act 1 Index~~
- Feb 12:** ~~Board adopts preliminary budget if opt out Resolution NOT adopted and deadline for approval of any referendum exceptions (Also deadline to approve filing of Referendum Exceptions)~~
- Apr 16:** Board adopts preliminary budget if opt out Resolution is adopted
- May 14:** Final budget available for inspection (20 days before adoption)
- May 24:** Public notice of intent to adopt final budget (10 days before adoption)
- June 4:** Final budget adoption (must be before June 30)

