



District Finances Snapshot Report

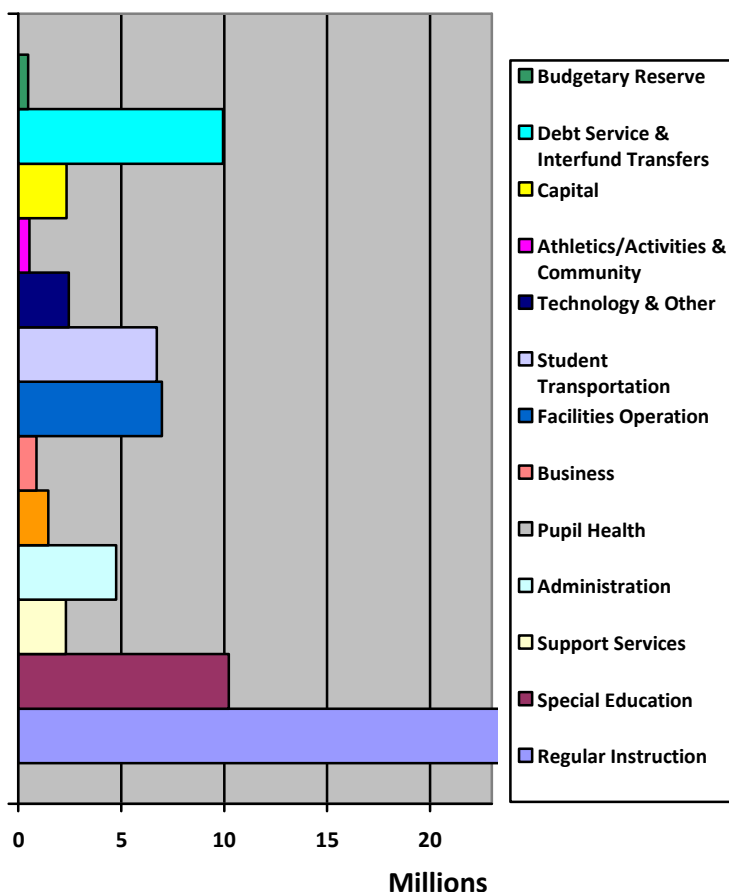
Final Budget 2017-2018

Publication Date June 2017

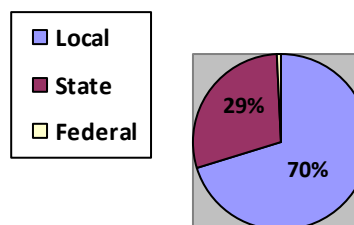
2017 – 2018 Budget in Summary

	2016-2017 Budget	Actuals (to date)	Change (to date)	2017-2018 Budget	Change (Budget to Budget)
Revenues	\$78,960,282	\$75,105,611	(\$3,854,671)	\$82,529,480	\$3,569,198
Expenses	\$79,226,710	\$75,670,191	\$3,556,519	\$82,529,334	\$3,302,624
Fund Balance	(\$266,428)		(\$298,152)	146	
		<i>These are not "audited" and estimates as of 6/20/17, subject to change</i>			
Enrollment	5,221			5,262	
Per Pupil Cost	\$15,175			\$15,684	

Expenditures by Category



Revenue Distribution



Revenue

Local = \$58,264,745
 State = \$22,939,954
 Federal & Other = \$568,154
Total = \$82,532,162

Top 5 Budgeted: Expense Categories

1	Regular Education - \$28,845,280
2	Special Education - \$10,044,645
3	Debt Service - \$9,945,365
4	Facilities Operation - \$6,973,771
5	Transportation - \$6,718,905



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Current Information

Employee Retirement Contributions

CMSD continues to include this legislative mandate in long range budgeting process, regardless of pension reform, the district won't realize significant savings until the 2040's. Funding past-service pension liability for employees is a crucial obligation that greatly affects current & future budgets.

State Revenue

This year the budget process was much calmer than the budget crisis of 2015-2016, that became final late April 2016. For 2017-2018, the new formula was used and we realized a slight increase in BEF and SEF, the Ready to Learn Block Grant was level funded. At this time, the state budget is not yet final and how the \$50M transportation cut is to be applied not known, thus an estimate applied for budgeting.

Employee Contracts and Agreements

District Administration and The Board of Directors successfully completed a number of contracts and agreements this year. They included current and future changes to health care, such as changes to spousal coverage.

Capital Expenses

CMSD recognizes the need to plan for a deferred maintenance reduction plan for our facilities on a long range cycle. As a result monies have been designated in the General Fund budget. In addition, the district created (2011-2012) a **Capital Reserve Fund** that may be used for improvements to facilities or one time equipment purchases. *These funds are restricted solely to capital expenditures and by law may not be used for salaries and benefits.*

Gambling Fund - Slot revenues are

available for real estate tax relief. CMSD to receive **\$928,247** in property reductions for **2017-2018**. Result will be a reduction in the amount of taxes an approved homeowner will be required to pay on their tax bills. Qualified homeowners will receive a real estate reduction of **\$9,254**.

Canon-McMillan Tax Assessment – Revenue Neutral Millage Rate “Reset”

2016 Assessment Data

2016 Assessed value of real estate	\$420,612,639*
Multiplied by the 2016-17 millage rate	110.0000
Divided by 1,000	<u>1,000</u>
Equals 2016-17 CMSD Taxes	\$46,267,390

2017 Assessment Data

2017 Assessed value of real estate	\$4,371,693,100*
Less Anticipated reduction due to Tax appeals**	(\$112,803,215)
Less new construction added to 2017 Assessed Value*	<u>(\$9,197,676)</u>
Equals the 2017 net reassessed real estate value in CMSD subject to revenue neutral calculation	\$4,249,692,209

Revenue Neutral Millage Rate Calculation

2017-18 CMSD Taxes	\$46,267,390
Divided by 2017 net reassessed real estate value	\$4,249,692,209
Multiplied by 1,000	<u>1,000</u>
Equals 2017-2018 revenue neutral millage rate	10.8872

*Source: Washington County Tax Office

**Source: Peacock Keller Law Firm, SK

Administrative Recommendation

Proposed Mills – 11.0900

Represents a .2 mill increase of the allowable .32 mills within the index

Canon McMillan School District



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What is the value of a Tax Mil?

2016-2017 Millage: 110.00

2016-2017 Re-Balanced Millage: 10.8872

PROPOSED MILLS: 11.0900 a .2 mil increase

Revenue generated by mil:

→ Approximately \$460,000

.2 Mill Increase – What is the Taxpayer Impact?

\$100,000 Property: \$20.00/Year or \$1.67/Month

\$200,000 Property: \$40.00/Year or \$3.34/Month

*Data for taxes provided by Tax Collectors

Historical Information - Act 1 Taxation Index					
Year	Base Index	CMSD Index	Tax Increase	CMSD Mills	Max Allowed Increase
91-92	n/a	n/a	8 Mills	83.0000	No Limit
92-93	n/a	n/a	0 Mills	83.0000 <small>*rebate offered</small>	No Limit
93-94	n/a	n/a	4 Mills	83.0000	No Limit
94-95	n/a	n/a	1.9 Mills	84.9000	No Limit
95-96	n/a	n/a	0 Mills	84.9000	No Limit
96-97	n/a	n/a	0 Mills	84.9000	No Limit
97-98	n/a	n/a	-1.9 Mills	83.0000	No Limit
98-99	n/a	n/a	0 Mills	83.0000	No Limit
99-00	n/a	n/a	0 Mills	83.0000	No Limit
00-01	n/a	n/a	0 Mills	83.0000	No Limit
01-02	n/a	n/a	0 Mills	83.0000	No Limit
02-03	n/a	n/a	0 Mills	83.0000	No Limit
03-04	n/a	n/a	6 Mills	89.0000	No Limit
04-05	n/a	n/a	0 Mills	89.0000	No Limit
05-06	n/a	n/a	0 Mills	89.0000	No Limit
06-07	3.9%	4.7%	3 Mills	92.0000	Allowed 4.1
07-08	3.4%	4.1%	2.5 Mills	94.5000	Allowed 3.70
08-09	4.4%	5.3%	2.5 Mills	97.0000	Allowed 5.00
09-10	4.1%	5%	4.85 Mills	101.85	Allowed 4.85
10-11	2.9%	3.5%	3.56 Mills	105.41	Allowed 3.56
11-12	1.4%	1.7%	0 Mills	105.41	Allowed 1.80
12-13	1.7%	2.1%	1.59 Mills	107.00	Allowed 2.21
13-14	1.7%	2.1%	0 Mills	107.00	Allowed 2.21
14-15	2.1%	2.5%	1 Mill	108.00	Allowed 2.65
15-16	1.9%	2.3%	0 Mills	108.00	Allowed 2.4840
16-17	2.4%	2.9%	2 Mills	110.00	Allowed 3.132
17-18	2.5%	2.9%	.2 Mills	11.0900	Allowed .3157

17-18 Washington County reassessment implemented

Canon McMillan School District



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The Big Picture at a Glance

How do our taxes compare to other School Districts?

Washington County Millage Ranking

Rank Highest to Lowest	School District	2016-2017 Real Estate Mills CMSD 13th	2015-2016 Real Estate Mills CMSD 14th	2014-2015 Real Estate Mills CMSD 11th	2013-2014 Real Estate Mills CMSD 10th	2012-2013 Real Estate Mills CMSD 10th	2011-2012 Real Estate Mills CMSD 9th	2010-2011 Real Estate Mills CMSD 9th	2009-2010 Real Estate Mills CMSD 11th
1	Charleroi Area	143.0000	136.0000	133.0000	130.0000	130.0000	127.0000	125.0000	122.0000
2	Washington Area	135.0000	133.0000	133.0000	133.0000	127.0000	127.0000	127.0000	127.0000
3	Burgettstown	132.0000	128.0000	122.0000	119.0000	117.0000	117.0000	117.0000	114.0000
4	Fort Cherry	130.5000	126.5875	123.5000	121.0000	118.5000	117.3300	114.0000	112.5000
5	McGuffey	130.0000	126.1500	123.2000	120.0000	117.3000	117.3000	115.0000	112.0000
6	Ringgold	127.0000	125.0000	123.0000	120.0000	120.0000	120.0000	120.0000	117.0000
7	Bentworth	126.0000	123.0000	122.0000	120.0000	120.0000	118.5000	118.5000	118.5000
8	Chartiers – Houston	125.0000	122.0125	119.5125	110.5000	108.5000	106.5000	105.3000	102.2500
9	Avella	124.0000	123.0000	123.0000	120.8800	120.9000	120.8800	119.0000	115.0000
10	Trinity	121.8000	113.0000	107.7000	105.0000	103.0000	102.0000	102.0000	100.0000
11	Beth - Center	113.60000	110.6400	108.6400	106.6400	105.6000	103.0000	103.0000	103.0000
12	Peters Township	113.4000	110.7500	107.1420	102.0000	100.3000	96.5100	95.2000	92.5000
13	Canon-McMillan	110.0000	108.0000	108.0000	107.0000	107.0000	105.4100	105.4100	101.8500
14	Brownsville	108.1000	108.5000	98.2700	91.1230	91.1000	91.0700	91.1000	91.0700
15	California Area	104.5000	95.5000	93.0000	91.0700	99.1100	93.2100	72.1000	68.3170



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The Big Picture at a Glance

Why do we see growth in new housing developments but my taxes keep going up?

The district is in a fortunate position that we are growing. This is a good thing because it increases tax revenues! But with growth comes added expenditures. Much of the residential growth yields additional children joining the district, so while there are additional revenues from the additional children it affects class sizes as well as all other academic, activity, transportation and athletic expenses.

What is an Unfunded Mandate? How does it affect the budget?

State and federal legislators have passed many laws requiring schools to do many good educational things— BUT they have not provided the funding to support them. Districts are required to build these items into their General Fund Budgets.

These mandates include things like...

- } Requiring all buses to have stop sign arms on them that come out as a bus is slowing to a stop
- } Providing programs for students with special learning needs
- } Providing funding for district students to attend cyber & charter schools
- } Graduation Exams
- } Healthcare Requirements
- } Mandated Pension Contributions (PSERS)
- } Prevailing Wage
- } English as a Second Language Program (ESL)

Why is fund balance important?

Understanding taxation limits and the maintenance of a fund balance is of paramount significance to the fiscal health of the school district. Credible professional organizations, including the Government Financial Officers' Association, the Association of School Business Officials International and Local Auditors recommend that fund balance levels be maintained between 5% and 8% of budgeted expenditures. (For example, a budget of \$60 million should be supported by a fund balance between \$3 million and \$6 million. Here are just a few advantages to having a healthy fund balance).

- } Provides a contingency for emergency expenditures without borrowing
- } Provides adequate balances to cover temporary cash flow shortfalls
- } Provides a resource for unfunded state mandates, spikes in current obligations outside of the district's control (for example projected PSERS rate increases, decreased state funding).
- } **Allows the district to contribute to construction costs, minimizing tax impact**



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Long Range Planning and Unexpected Circumstances

PHASE 1: 2014-2015: **COMPLETED**

- Micro Redistricting to curb large class sizes and capacity issues.
 - Send % of Muse to Cecil Elementary
 - Send % of Cecil Elementary to Hills
 - Send % of Borland Manor to South Central
- Land acquisition for future Middle School
- Land acquisition around the South Central Elementary Site for future TBD use

PHASE 2: 2015-2016: **COMPLETED**

- Stadium - New Turf and Resurface Track
- Start construction of new K-4 (Muse)
- Support Facility – Roof and Masonry Work

PHASES 3 and 4: 2015-2018

- New Muse Elementary – **CONSTRUCTION COMPLETED** (Capacity 800)
 - Able to fund with \$4M of our saved money
 - School Street - To be funded by with Capital Reserves – *In Process*
 - Close Muse, Cecil Elementary and First Street – *In Process*
- **IN PROCESS**
 - Renovate the High School
 - Stadium Project: locker rooms and visitor side bleachers

PHASE 5: (*Starting Soon*)

- Demographer Updating Demographics Fall 2017
- New Middle School (Capacity 900-1000)
 - Approximate Minimum Cost: \$60M (District plans to contribute \$10-12M)
 - Debt Service Needed: Per Financial Advisor (JW 6/1/17): \$2.8-3.1M
 - Currently if project not bid by July 2019, no Plancon Reimbursement will be received. The district only has the ability to raise taxes annually to the index. Administration working with legislators to amend that timing requirement.

PHASE 6-8: TBD

- Start construction of new K-4 at the Wylandville site (Capacity 700-800)
- Complete construction of new K-4 at the Wylandville site
- Renovate Hills (Capacity of 300-400)
- Close Wylandville and Borland Manor

*Upon completion of elementary project the district would implement Full Day Kindergarten and other programming enhancements to further address academic needs which would have staffing and other impacts.

*Borrowing capacity may prohibit the completion of the plan unless saved money is used to offset costs. The district retains the ability to make additional debt payments.



The Big Picture at a Glance

Other On-Going Concerns:

- PSERS Funding – In the short term, rates are anticipated to continue to increase
- PlanCon
 - Currently a moratorium to expire July 2017, but it is anticipated that the moratorium will be re-instated upon expiration. The future of plancon is unknown.
- State Funding
 - Transportation reductions
 - Property Tax Reform
 - Future funding levels.
- Federal Fund
 - Federal funding has been decreasing, but final amounts are not known at this time.
 - Federal aid for Access funds reimbursement has also decreased
- Health Care Costs
- Charter School Tuition Rates