



Central Dauphin School District

2017-2018 Budget Presentation #1

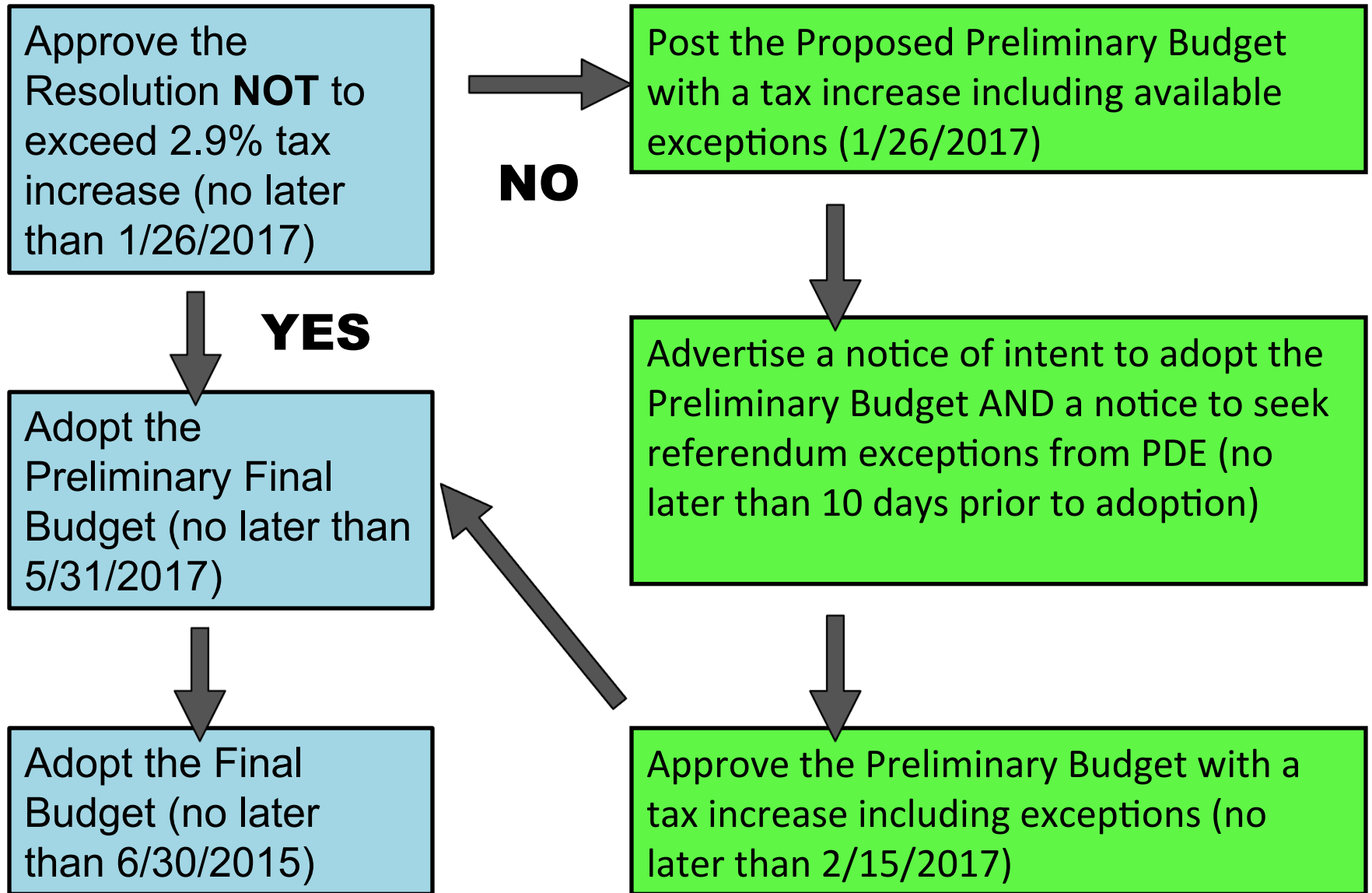
September 12, 2016

2017-2018 Budget

- Budget Timeline
- Aid Ratios
- Act 1 Index
- Referendum Exceptions



2017-2018 Budget Timeline



Aid Ratios

- Market Value Aid Ratio
- Personal Income Aid Ratio
- MV/PI Aid Ratio – Used to calculate Act 1 Index



Aid Ratios

- The aid ratios represent the relative wealth measured in market value and/or personal income for each school in relation to the state average.
- The market value aid ratio is used in the following subsidies: pupil transportation subsidy and authority rentals and sinking fund requirements
- The market value/personal income aid ratio is used in all other state subsidies that require an aid ratio. In addition, the MV/PI aid ratio is used in the calculation of the Act 1 adjusted index for each school district.



Aid Ratio Calculation Methodology

Market Value Aid Ratio (MV AR):

$$1 - \left(\frac{\text{School District Market Value} / \text{SD WADM}}{\text{State Total Market Value} / \text{State Total WADM}} * 0.5 \right)$$

Personal Income Aid Ratio (PI AR):

$$1 - \left(\frac{\text{School District Personal Income} / \text{SD WADM}}{\text{State Total Personal Income} / \text{State Total WADM}} * 0.5 \right)$$

Market Value/Personal Income Aid Ratio (MV/PI AR):

$$(0.6 * \text{MV AR}) + (0.4 * \text{PI AR})$$

Aid Ratios

- Market Value Aid Ratio

2014-2015	0.3494
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2015-2016	0.3541
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2016-2017	0.3907
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- Personal Income Aid Ratio

2014-2015	0.4075
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2015-2016	0.4315
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2016-2017	0.4467
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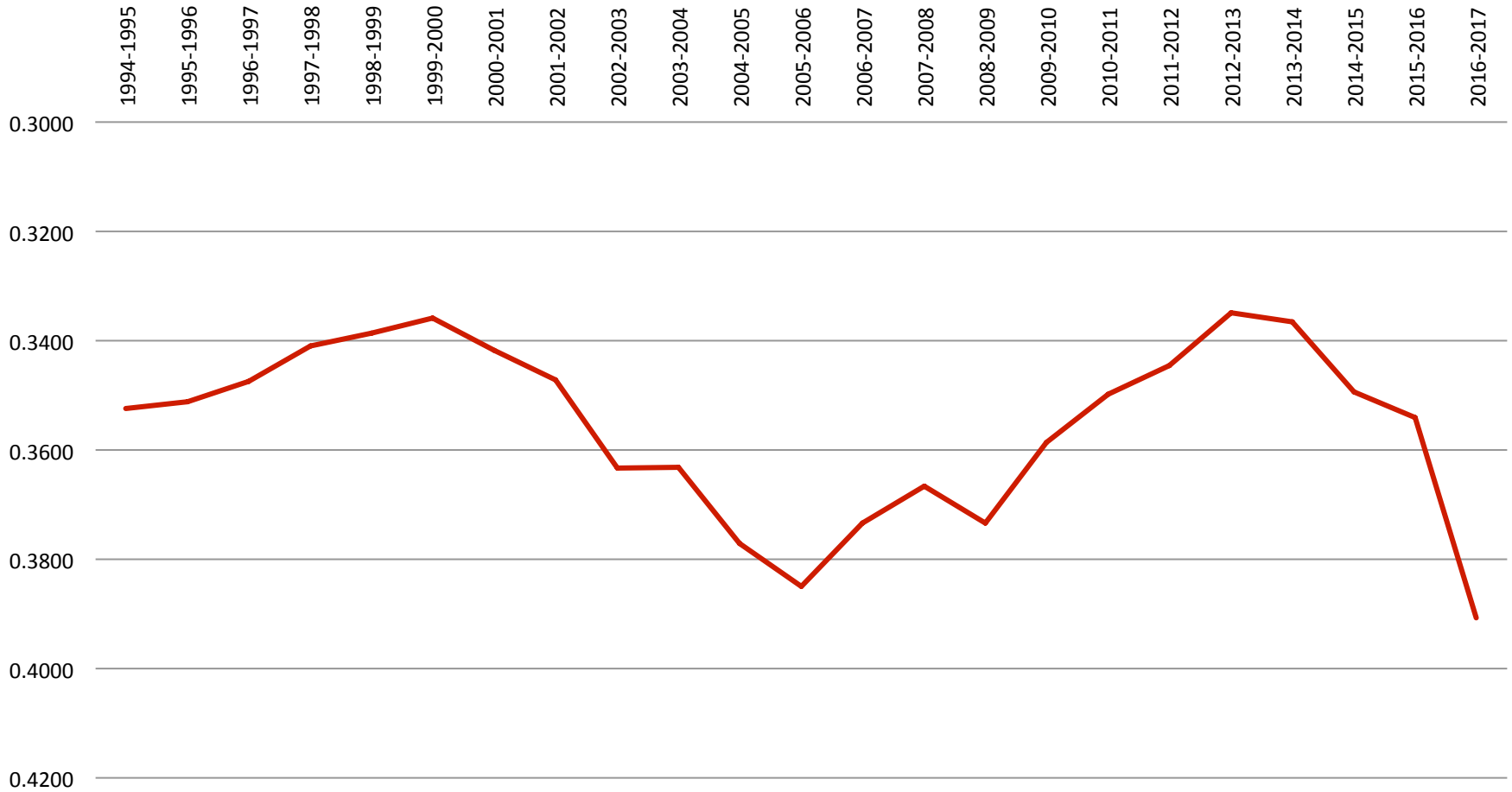
Aid Ratios

- MV/PI Aid Ratio – Used to calculate Act 1 Index

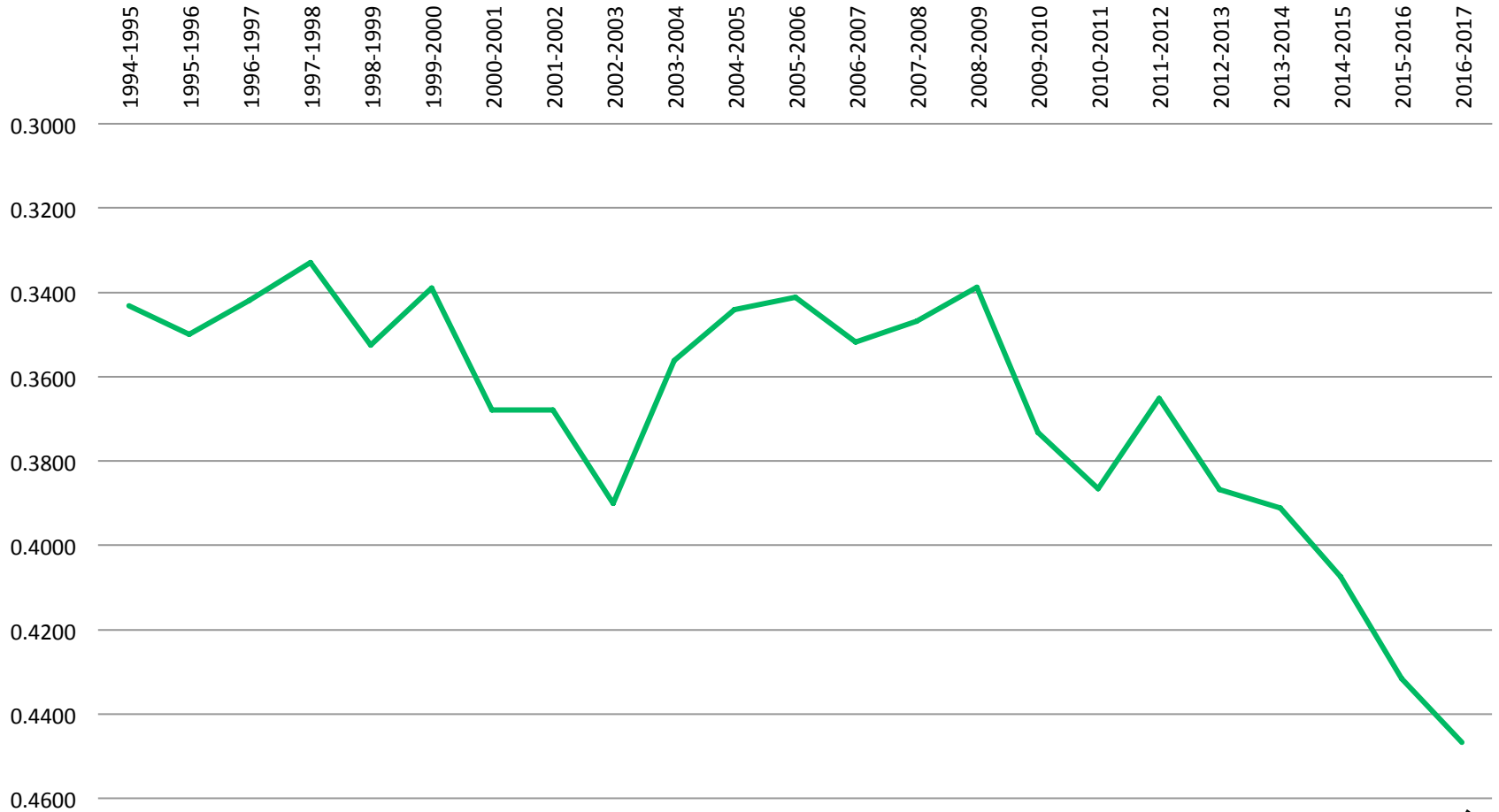
2014-2015	0.3726
2015-2016	0.3850
2016-2017	0.4130



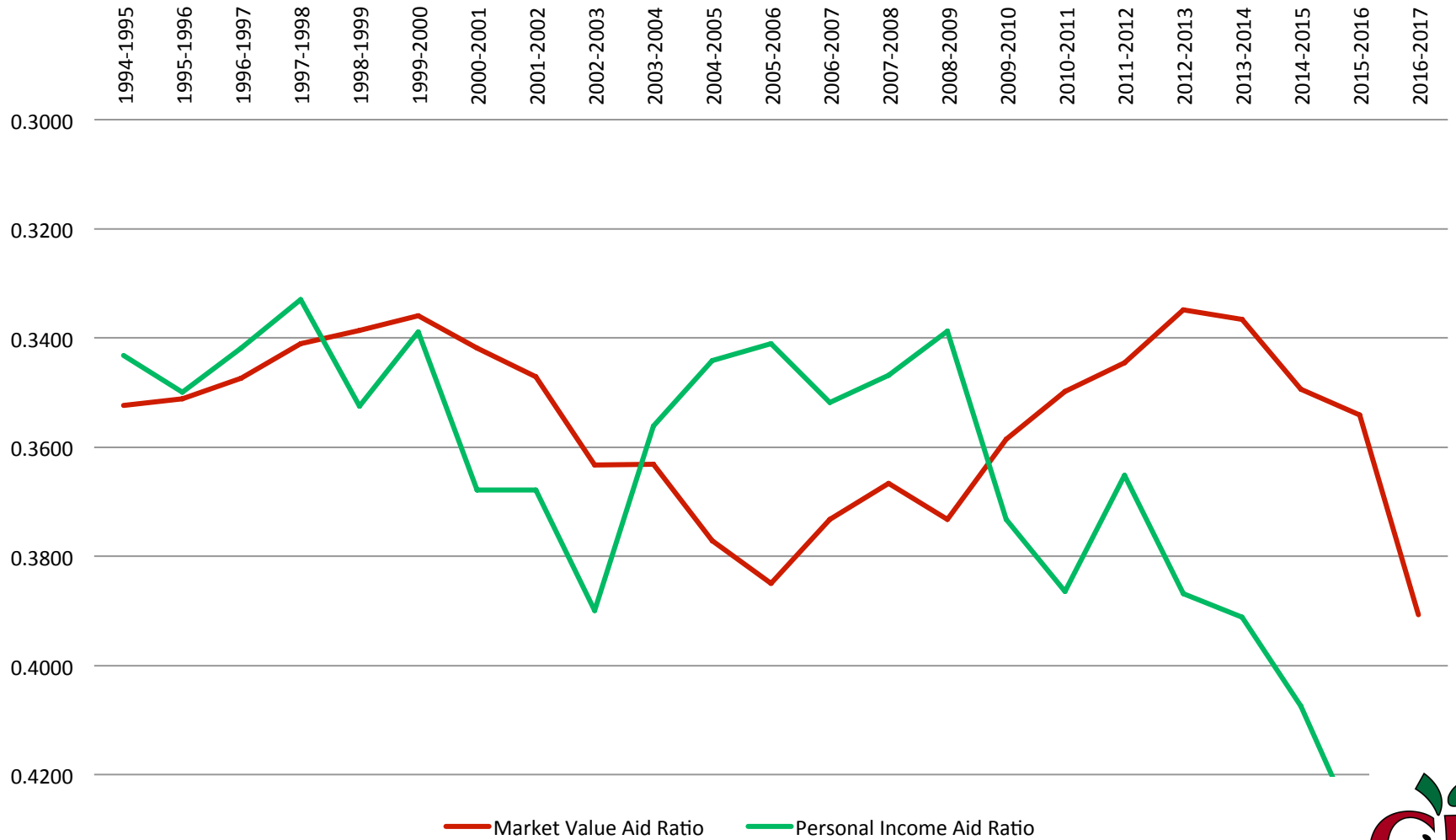
Market Value Aid Ratio



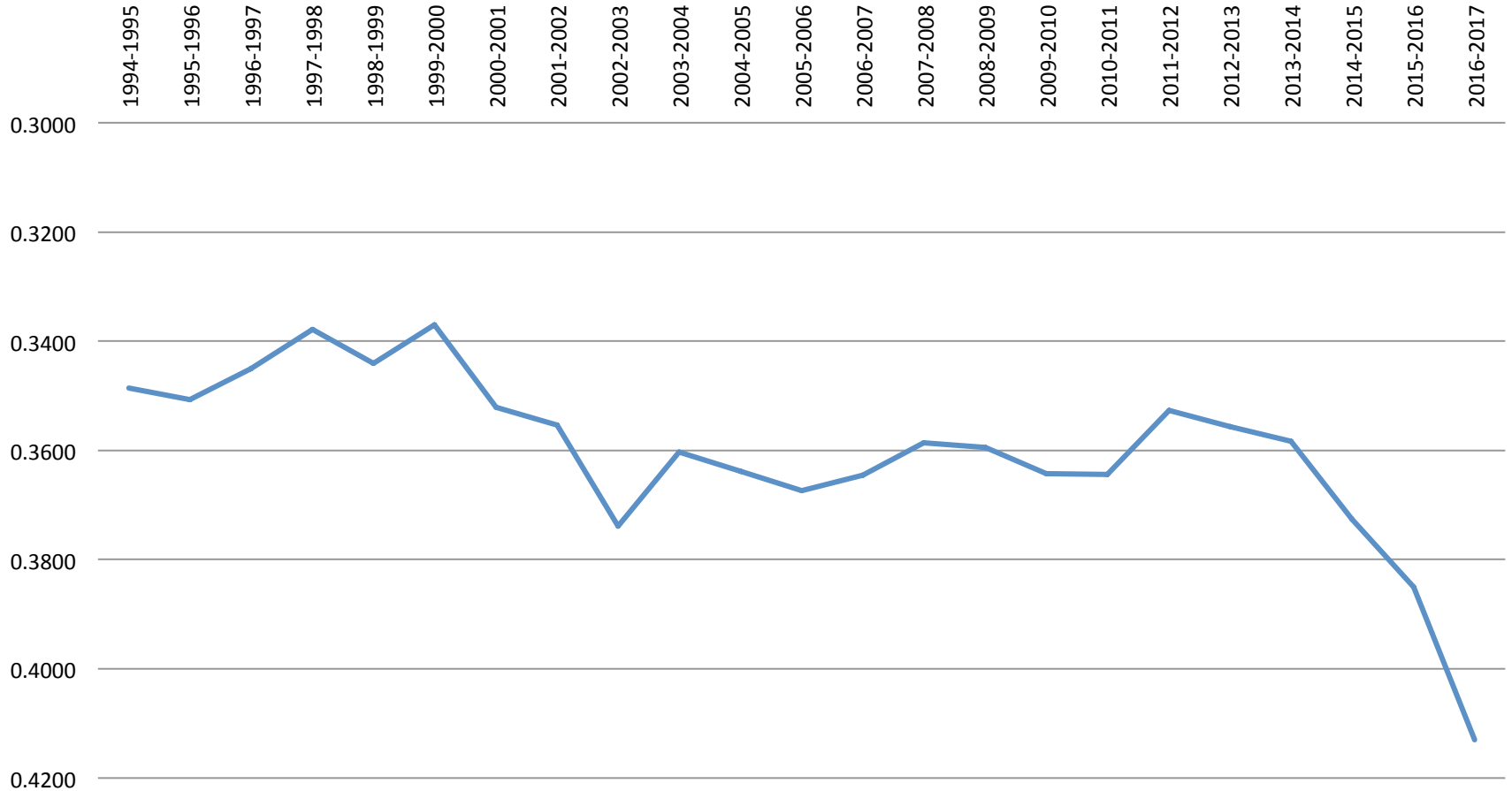
Personal Income Aid Ratio



Aid Ratio Comparison



Market Value/Personal Income Aid Ratio



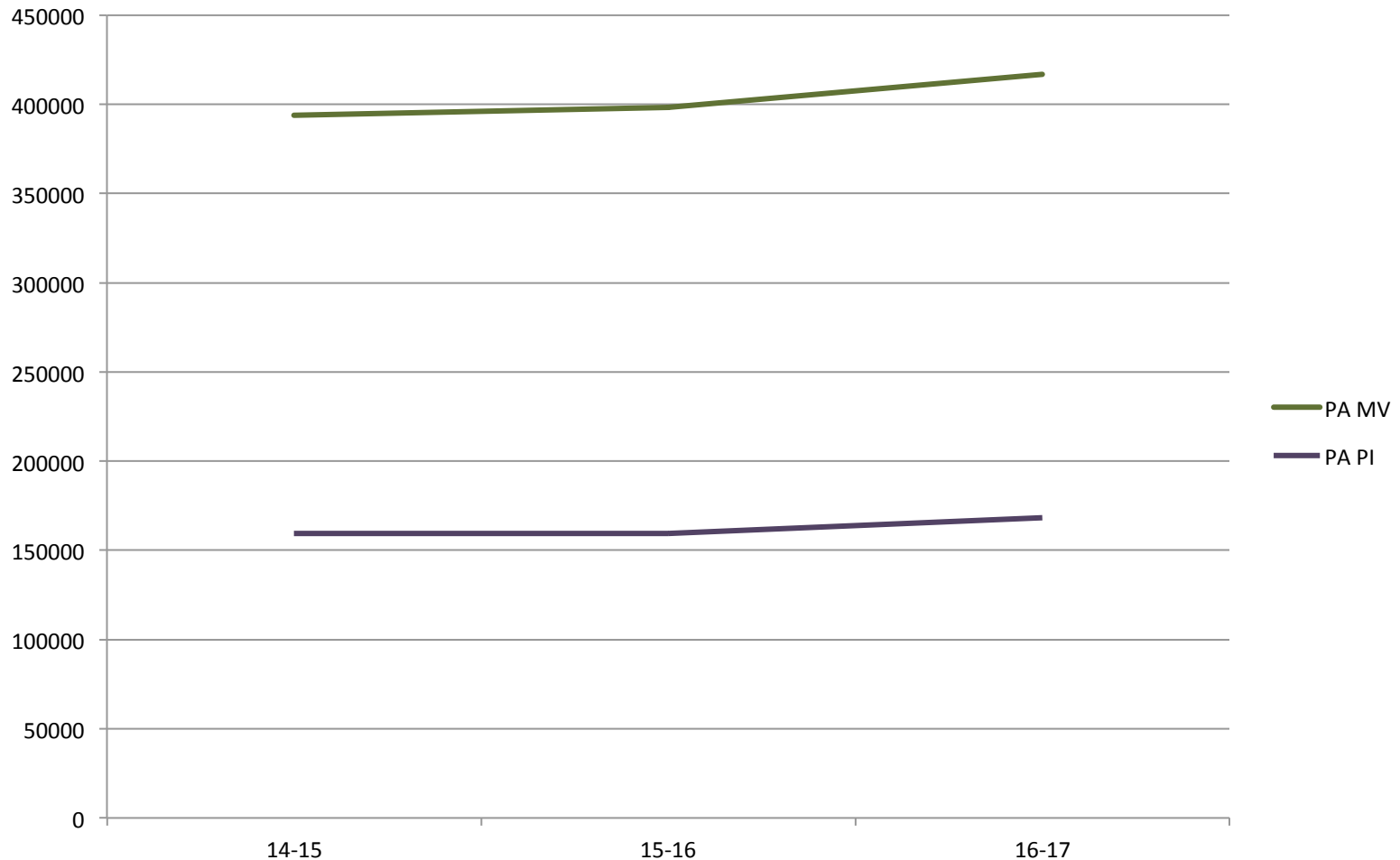
Why?

Student Population Trends

- Commonwealth of PA
 - Declining student population
 - 1.4% ↓ in overall student population in last 2 years
- Central Dauphin
 - Increasing student population
 - 1.5% ↑ in student population in the last 2 years

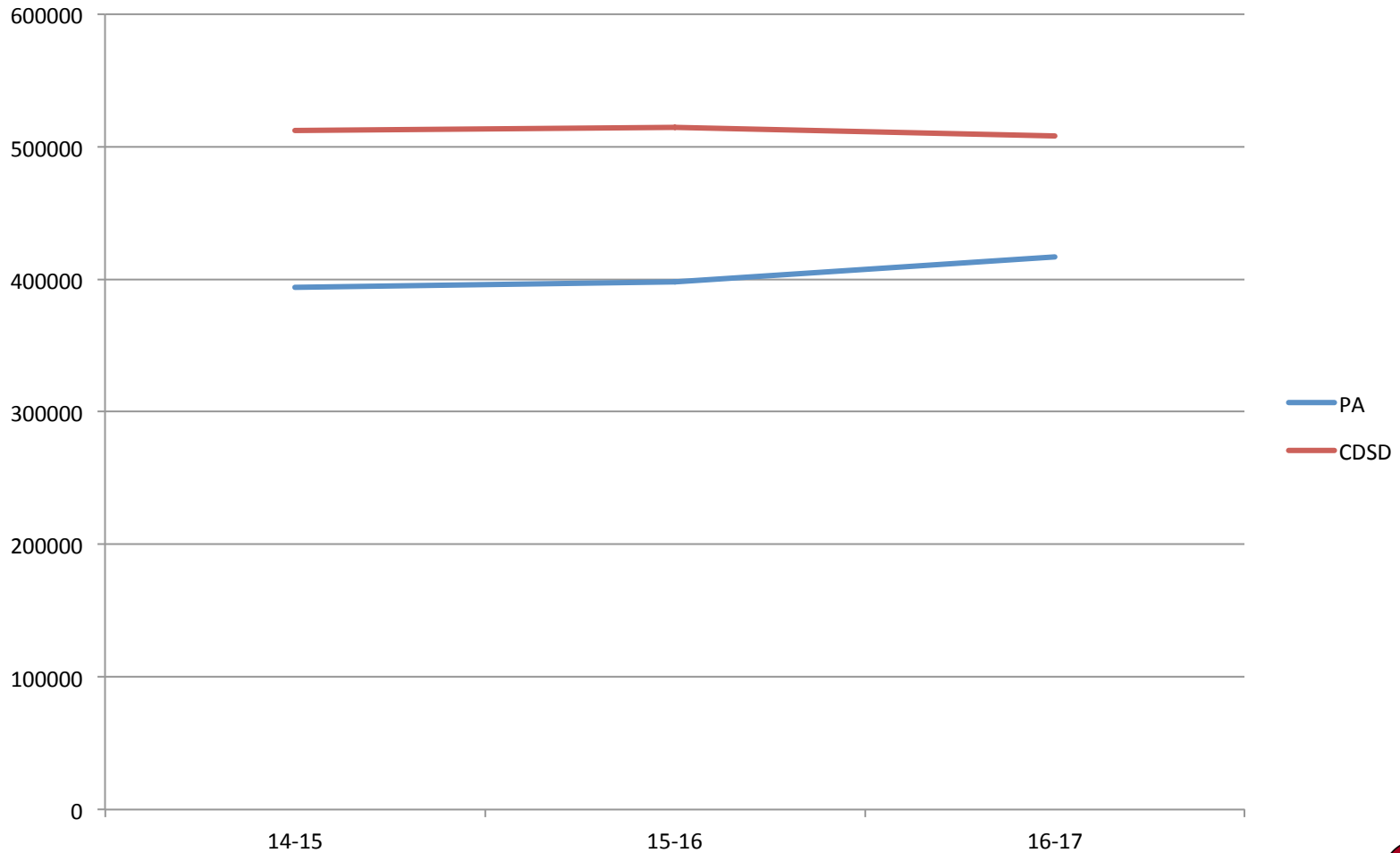


PA's Market Value and Personal Income per Pupil Trends



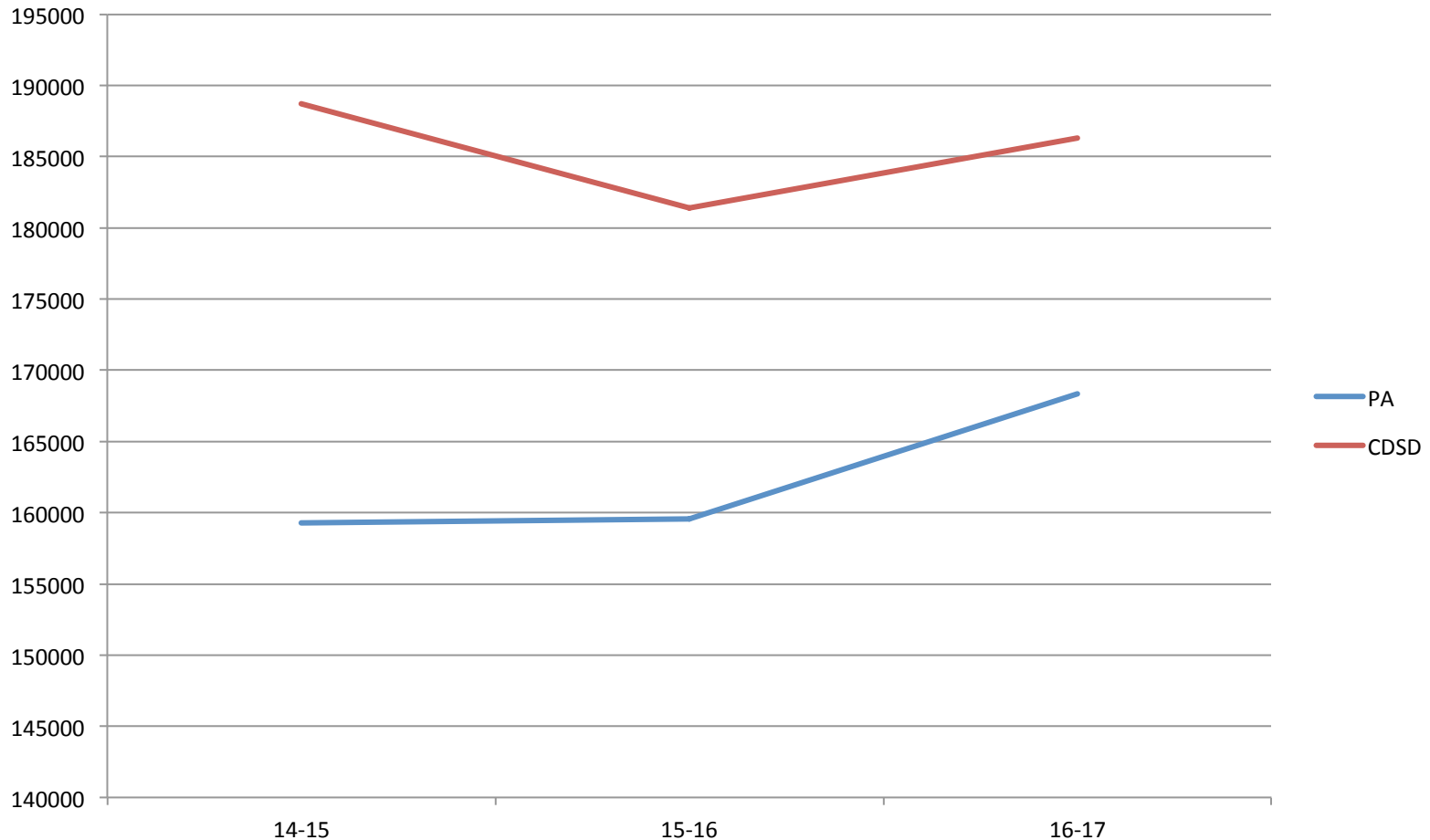
PA vs. CDS D

Market Value per Pupil Trend



PA vs. CDSD

Personal Income per Pupil Trend



Act 1 Index

- MV/PI Aid Ratio – Used to calculate Act 1 Index

2014-2015 0.3726

2015-2016 0.3850

2016-2017 0.4130

- Act 1 Index Calculation

- Base Index 2.5%

- Ratios higher than .4000

- Calculated $(0.025)(0.75 + 0.4130) = 2.9\%$

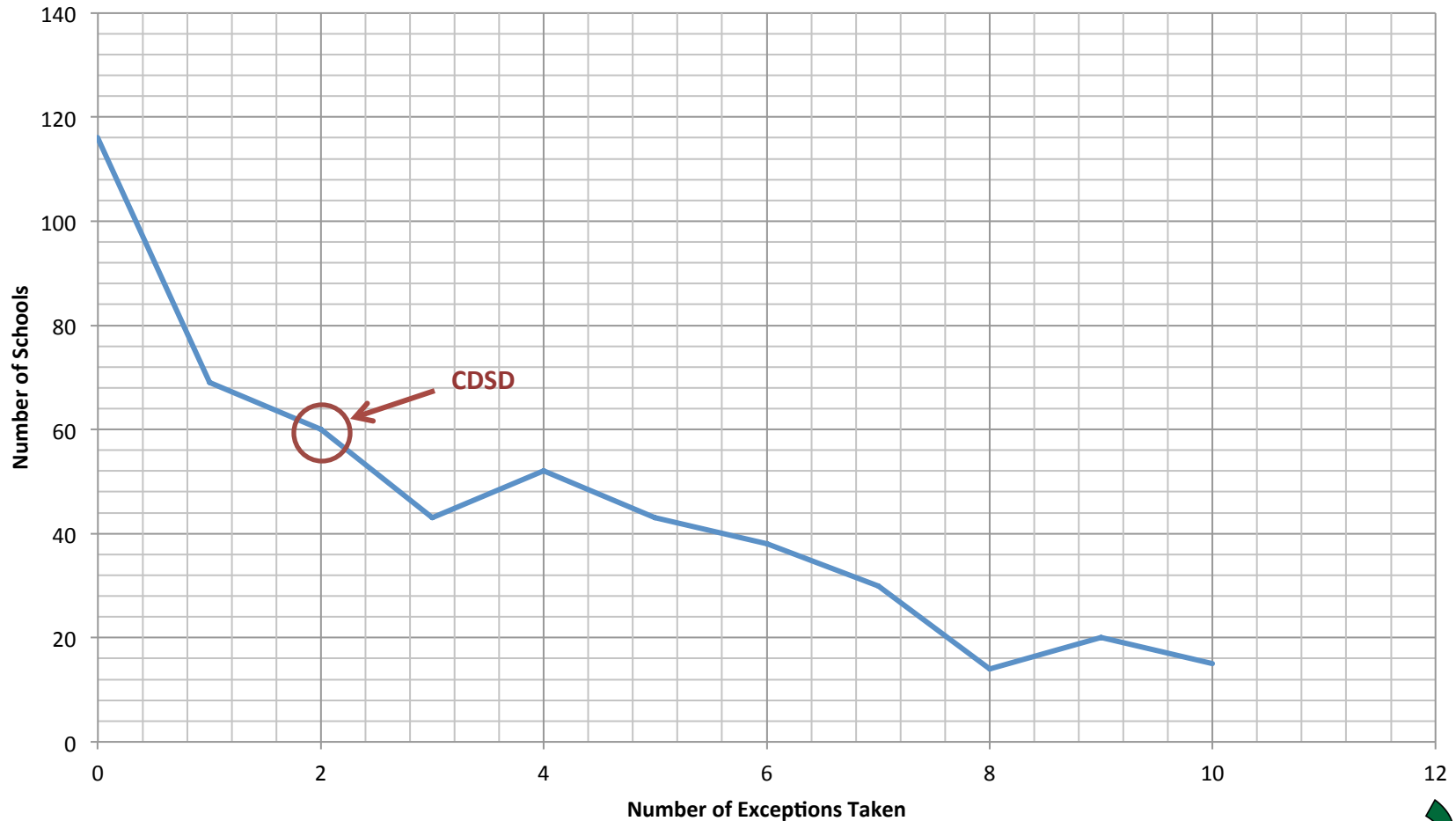


Referendum Exceptions

- Increases allowed above the “index” for exceptional circumstances (formula driven)
 - PSERS contribution increases
 - Special Education cost increases
 - Debt:
 - Grandfathered debt
 - Electoral debt



Public School Exceptions Requested in the last 10 years



Referendum Exceptions

- Increases allowed above the “index” for exceptional circumstances (formula driven)
 - **PSEERS contribution increases**
 - **Special Education cost increases**
 - Debt:
 - Grandfathered debt
 - Electoral debt



PSERS Cost Increases

- Commonwealth of PA
 - 2016-17 30.03% of gross wages
 - 2017-18 32.04% of gross wages
- Central Dauphin
 - Allowable Act 1 exception amount \$381,540



Special Education Cost Increases

- Commonwealth of PA
 - 14% of students have an IEP
- Central Dauphin
 - IEP identification +200 students
 - Complex educational and transportation needs
 - 12% of students have an IEP in the last 18 months
 - Budgeted expenditures have increased by 12% from:

2014-2015	\$25,168,947
2015-2016	\$28,328,792
 - Allowable Act 1 exception amount \$2,388,378



Total Allowable Real Estate Millage

2016-17 Base Real Estate Millage 15.2188

Act 1 Index 2.90% \approx \$2,580,104

PSERS Exception 0.42% \approx \$ 381,540

Special Education Exception 2.69% \approx \$2,388,378

6.01% \approx \$5,350,022

2017-18 Allowable Real Estate Millage 16.1334



Next Steps

- Analysis
 - First draft of the 5 year model
- Board Input
- Finalize Timeline

