

District Budget Overview

Coatesville Area School District

April 24, 2018

Budget Summary

- Budget of just over \$178 million
- Includes money for:
 - An increase for the teachers in their contract
 - A new lease for computers for our students
 - Continued remediation for students in need
 - Special education costs and improvements
 - Planning for a new elementary school
 - New books
 - Continuing pre-school for our youngest learners

Budget Summary

- Largest increase (more than \$4 million) in the budget is for none of those things, it is for charter school expenses
- Must pay those expenses
- Pension costs also continue to rise
- Maintaining programs and opportunities for the students who remain in the District requires a significant tax increase
- Budgeted amount is an 8.4% increase

Budget Summary

- Every 1% decrease in the tax rate equates to 10 positions
- A smaller increase means:
 - Fewer teachers
 - Increased class size
 - Potential cuts to pre-school
 - Impacts funding of the teacher contract
 - Changes to afterschool programs that are the pride of our District
 - Cuts to other academic programs
 - Reducing student computers

Recent Budget History

- Driven almost exclusively by special education placements, charter school tuition, and pension costs
- Special education placements increased, charter school enrollment and tuition rates increased, and pension costs increased
- All these costs must be paid
- Lead to more costs than were budgeted for in special education and charter schools

Expense analysis

- Challenge is most of the costs that are driving the budget have limited District control
- Pension costs, Special Education, and Charter Tuition are mandated and not discretionary

State Share

- The state share of charter and special education costs has fallen dramatically at the same time these costs have escalated for us
- Expenses increased almost \$21 million since 2010-11
- State Revenue DECREASED by more than \$3.5 million for these items since 2010-11
- It's even worse because the Charter School formula was based on a percentage of charter expenses
- Had it remained in place, we would have gotten an additional \$50 million since 2011-12
- Direct shift from State taxpayers to CASD taxpayers

Where we are now

- Will finish the year with millions more in charter school expenses than were budgeted for
- Need to take steps to get revenues and expenses to be equal
- Try to keep a positive fund balance after borrowing

Where we are now

- Charter Costs will go up by nearly \$4 million in 18-19
- Charter Enrollment is the big variable that could have a major impact on our budget
- Pension rate continues to increase, although at a slower rate than before
- Increased costs of \$400,000 for Vo-Tech based on formula

Where we are now

- Need to consider the maximum allowable tax increase
- Based on approved exceptions, that would be an 8.4% increase
- Each 1% tax increase is worth just under \$1 million

Where we are now

- A 1% tax increase is roughly equivalent to 10 teaching positions at the current average teacher salary with benefits
- Are currently in negotiations
- Have included the costs of our offer in the budget
- Anything less than the proposed increase will cause us to need to cut positions and programs as mentioned earlier

Where we are now

- Will need to vote on a Proposed Final Budget tonight
- The Final Budget is planned for adoption on May 29th
- That vote will set the tax rates for 2018-19
- Adopting earlier than required by the state for cash flow reasons
- Large debt service payments are due in early August
- Sending tax bills in July will help with cash flow

Budget Town Halls and Contact Information

- Community members are encouraged to share their ideas and suggestions by emailing them to budgetfeedback18@casdschools.org
- May 2, 6 p.m. at Caln Elementary School Cafeteria
- May 3, 6 p.m. at Kings Highway Elementary Cafeteria
- May 8, 6 p.m. at East Fallowfield Elementary School Cafeteria