

Palmyra Area School District

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PALMYRA AREA SCHOOL DISTRICT RELEASES 2018-19 PROPOSED BUDGET

The Palmyra Area School District today released a proposed 2018-19 budget of \$52.1 million.

The proposed budget requires an increase in the real estate tax of .185 mills from 14.8 to 14.985 mills, an increase of 1.25%. At 14.985 mills, a district resident with a property at the median assessment of \$187,500 will pay an additional \$35 per year.

The proposed budget in May reflected a 2.0% tax increase. The reduction in the tax increase by .75% was accomplished through a combination of increased revenues from local sources and decreases in expenditures.

Real estate revenues were increased by approximately \$100,000 due to the favorable settlement of a tax appeal. The School District successfully pursued a “reverse” tax appeal for a commercial property identified as assessed substantially below its value.

Expenditures were decreased by \$125,000 upon finalizing various contracts for the 18-19 fiscal year. The School District negotiated lower costs than anticipated for several contracts and equipment leases. Also, savings from several late retirements are reflected in the final budget.

The Administration fine-tuned its projections for long-range staffing needs. The 2018-19 budget includes the following additional staff positions: 3 Middle School teachers, .5 High School Social Studies teacher, 1 kindergarten aide, 1 Special Education Supervisor, 1 Special Education teacher for

an autistic support class, 3 special education aides, 1 custodian for Middle school addition, and a Human Resources support person. Future needs in 2019-22 include additional Special Education positions, possible Kindergarten staff, possible Security personnel, High School Social Studies and Science positions, an additional Social Worker, an additional School Psychologist, a Middle School Dean of Students, and increased wages for substitute teachers.

Planning for future staffing needs and known debt service increases for existing construction projects continues to be in the forefront of decision-making.

The proposed 2018-19 budget is balanced using \$172,000 of committed fund balance. Director of Business Affairs Darcy Brenner-Smith projects that at the end of the 2018-19 fiscal year, the fund balance will be \$3.9 million or 7.5 percent of annual expenditures. This is within the Board's parameters for sound fiscal policy to maintain an unreserved fund balance of 4-8%. It is also below legislated restrictions limiting undesignated fund balance to 8% of budgeted expenditures. The maintenance of a healthy fund balance is closely scrutinized by the bond rating agencies and has resulted in proven savings in borrowing costs. The existence of a healthy fund balance also prevents the incurrence of borrowing costs when the state does not fulfill its obligation to pass a budget on time and release funds to school districts on schedule.