

# 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 \$52.2 million.

The proposed budget requires an increase in the real estate tax of .30 mills from 14.8 to 15.1 mills, an increase of 2%. At 15.1 mills, a district resident with a property at the median assessment of \$187,500 will pay an additional \$56 per year.

Under the parameters of Act 1, the Palmyra Area School District is limited to an increase of .44 mills based on the 3.0% index released by the Pennsylvania Department of Education (PDE) and approved referendum exceptions.

Enrollment growth is the most significant factor driving the increase in expenditures and necessitating a tax increase above the Act 1 index. The district experienced an increase of 379 students, or 11%, within the past five years. 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.

Net debt service has been increased by \$237,600 to phase in the impact of borrowing for an addition and renovations to the Middle School, renovations to Northside and Forge Road Elementary Schools, and an athletic turf project. Additional Revenues have been budgeted for fundraising and sponsorships

to offset the additional debt service for the turf project. More information about these building projects can be found on the district's website.

The 2018-19 budget reflects the retirement contribution rate set by PSERS of 33.43%, an increase of 2.6% from the current contribution rate of 32.57% of salaries. This results in a net increase in spending of \$94,000.

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.

Board President Chris Connell states, "The administration and Board will continue to aggressively explore areas for further savings up until the time when the final budget is adopted in June. The Board has taken into consideration numerous factors in the development of this budget, including staffing needs as a result of growing enrollment, particularly the special education population, debt service for construction projects, rising pension costs, and long-range fund balance projections. We are also cognizant of the impact of a tax increase on our taxpayers and remain committed to minimizing the tax burden further."

Superintendent Lisa Brown states, "Palmyra Area School District continues to offer excellent educational opportunities at a per pupil cost that is one of the lowest of all districts across the state. The district has accommodated increased enrollments, improved facilities, expanded curricular offerings including a continued emphasis on the arts, and maintained strong athletic and extracurricular programs within the constraints imposed through Act 1. The district continues to lead in the areas of Keystone and PSSA scoring. In the US News & World Report's 2017 Ranking of all High Schools, Palmyra Area School District ranked in the top 15% of all PA districts, while the district is consistently in the lowest 5-10% of all PA districts with regard to cost per pupil".