

The 2012-13 General Fund Budget was developed a month ahead of schedule due to the early national elections. Revenue is projected to increase \$203,185 over last year's budget while expenditures are projected to increase \$656,872.

The budget anticipates a 2% increase in basic education subsidies from the State. This increase will yield an additional \$80,167 in revenue. This budget also anticipates the District receiving \$49,824 in Accountability Block Grant Funding. Those funds are used to pay for the majority of the cost of the District's elementary guidance teacher. This Preliminary 2012-13 General Fund Budget does not project an increase in Armstrong County real estate taxes. It does project a 2.42% increase in Westmoreland County real estate taxes. Due to the state multi-county real estate tax equation formula, it is not possible to have a zero % real estate tax change for both Armstrong and Westmoreland County for the 2012-13 budget. As a result of these projected real estate taxes revenue is projected to decrease \$16,305. Delinquent real estate tax revenue is estimated to reduce by \$61,525 as a result of using a 6 year prior collection average. The major increase in revenue is subsidy reimbursement for retirement contributions which increased \$181,212. As employment retirement expenses went up 3.71% the state reimbursable share of this expense also went up the same percentage.

As mentioned above expenditures for the 2012-13 year increased \$656,872 over last year's budget. Significant budget increases are: \$233,147 employer retirement cost increase as a result of the rate increasing from 8.65% of wages in 2011-12 to 12.35% in 2012-13; a \$175,000 increase in capital fund transfer to pay for lighting upgrades; \$86,204 health care increase based on a projected 7% increase in rates; \$64,570 teacher salary increases though this increase would be almost twice this amount if not for the two retirees being replaced with a lower wage employee; the \$57,055 transportation cost increase includes an additional \$35,000 for extra transportation to Westmoreland County Career Technology Center; and a \$32,197 increase in charter school payments.

The 2012-13 General Fund Budget reflects no change in current staffing. Two teachers retired in 2011-12 and were/are being replaced by teachers being paid at a lower salary. Aide, secretary, custodial and maintenance employees, as well as cafeteria staffing are all projected to remain at the same levels as 2011-12. The 2011-12 Budget update reflects the retirement of the Elementary Principal with the Superintendent assuming those staffing responsibilities at an increased salary.

All other line items of the Budget were estimated based on current expectations of cost increases or planning changes.

This Budget presentation utilizes \$936,325 of fund balance to balance expenditures with the above mentioned reduced revenue. Of those expenditures \$350,000 is projected not to occur based on prior year budget results (unspent budget line items/additional revenue received). Of the remaining total,

\$175,000 is a one-time cost used to help pay for the fluorescent light upgrade required throughout the buildings as a result of federal laws making the district's current fluorescent lights obsolete. It should be noted the 2012-13 General Fund Budget could experience significant changes once the Governor announces his Education Budget.