



New Hope-Solebury School District Finance Committee Meeting

September 14, 2016

6PM—Upper Elementary School LGI

Per Policy 006.2, all public meetings of the Board of School Directors, including committees, are audio recorded.

Agenda Items

Call to Order

Approve Minutes from August 17, 2016 Meeting

Old Business

- None

New Business

- PFM – New Money Discussion – Scott Shearer
- Baird – Market Conditions – Les Bear
- 2017 – 2018 Act 1 Budget Timeline
- 2015 – 2016 Fiscal Dashboard Review
- Audit Update
- Breakfast Program Pilot
- Contracts
 - New
 - Renew
 - Pitney Bowes – Price Quote for current meter/machine

Informational Item

- Extra Duty Responsibility

Public Comment Adjournment



New Hope-Solebury School District Finance Committee Meeting Minutes

August 17, 2016

6:00PM— Upper Elementary School Library

Per Policy 006.2, all public meetings of the Board of School Directors, including committees, are audio recorded.

Agenda Items

Attendance:

- **School Board** – Mark Cowell, Neale Dougherty, Doug McDonough
- **Administration** - Andrew Lechman, Dr. Steve Yanni, Dave Hansel, Chuck Malone, Peter Rivera
- **Committee Members** – Johnathan Adar, Stanley Marcus, Ellen Stiefel
- **Public** - Melvin Band

Mr. Cowell called the meeting to order at 6:00PM.

The committee approved the minutes from the June 15, 2016 meeting.

Mr. Cowell reminded the committee that per policy 006.2, all committee meetings are now being audio recorded.

Old Business

- None

New Business

- 2015-2016 Fiscal Dashboard Review – Mr. Lechman provided an update on the 15-16 projections. The annual fiscal audit will take place in September and preparation for closing the fiscal year and the audit is a primary focus. Current trends are showing \$37.03M in revenue and \$38.5M in expenditure. The net effect of the current projections of usage of \$1.2M less of fund balance than budget planned. This is a positive for fund balance at end of year but it does not change the future budget structural deficit. Further updates will be provided as the audit process occurs.
- Series A of 2016 Bonds – Mr. Lechman provided an update on the next steps in the financing process for the campus revitalization project. The tentative timeline is the authorization to proceed at the September board meeting, adopt the parameters

resolution at the October board meeting, price the bonds by the end of October and settlement by the end of November.

- 2016 – 2017 Renewal of School Physician and School Dentist
 - School Physician – Dr. James Rigney – Annual Fee of \$4,000
 - School Dentist – Dr. Steven Covino - \$5 per student charge
- Contracts New
 - ABA Connect, LLC agreement for BCBA Services for the 2016-2017 year. This contract has been under discussion with the special education committee to decide if we would bring this position in house or remain in an outsourced model. The special education committee is recommending to the finance committee an outsourced provider that fits our needs at a much reduced rate. The cost of the agreement is \$450 per day for a minimum of 3 days per week. This rate is below the prior year cost of \$900 per day.
 - Penn Literacy Network – The University of Pennsylvania – Started to engage with the Penn Literacy Network, a premier K-12 professional development content area writing and literacy provider. The district has been sending teachers individually to this training and now have the ability to bring in house for three days of targeted PD. The total cost is \$6,000 and it will be paid for using Title II funds.
 - SAP – Student Assistance Program (SAP Team). A county liaison that works with us to facilitate meetings, make referrals based on Mental Health, Drug and Alcohol, and provide counseling support to families to our school community through this program. This year, The Council of Southeast PA Inc., will provide free training at the upper elementary and lower elementary school. Early intervention is vital and this program will assist with that. Flat rate regardless of the work done and she opens the doors to other services that our students may require.
 - Vantage-Leagueminder – Dr. Yanni has identified that there are multiple district calendars which can be difficult to navigate. Schooldude is our current provider but it doesn't encompass the athletic calendar. Leagueminder is the name of the program used by Vantage learning for athletics. This software will provide us with the opportunity of pulling all district calendar's into one to better coordinate activities district wide. Calendar function is free for the first three years. This is at a reduced cost as compared to our current solution.
- Contract Renewals
 - Postage Lease Agreement – Pitney Bowes current lease agreement ends in September. The current cost is \$334 per month and our current model is discontinued and will no longer be supported. The new lease is for the newest version of the current model that we utilize at a cost of \$282 per month for 60 months. This is a savings of \$50 per month. A mail solution is still a requirement as the district processes over 15,000 pieces of mail. The

committee was not in favor of moving this current lease agreement forward to the board for consideration at this time. The committee recommended the business administrator discuss further options with Pitney Bowes about possibly maintaining the current equipment on a month to month basis as this is further analyzed. The committee also recommended that the amount of mail across the district be analyzed to see if it can be reduced.

- Pennsylvania Trust in partnership with Conrad Siegel to provide the required GASB 45/75 Actuarial Valuation. This valuation is required of all school districts. This is the same firm that we have contracted with for the past four valuations and are utilized by many districts across the state for this work. The prior four valuations have cost \$6,000 and are valid for two years. This work must be completed by June 30, 2017.
- Interquest Detection Canines assists in the process of completing necessary drug searches of our buildings. This work is typically completed four times annually at the high and middle school at a cost of \$250 per search. Estimated annual cost is \$1,000.

Mr. Adar made the motion and Mr. Marcus seconded the motion to move all items except the Pitney Bowes lease agreement to the board meeting for consideration.

Public Comment

- There was no public comment

Mr. Adar made the motion to adjourn the meeting at 7:02PM.

Respectfully submitted,

Andrew Lechman
Business Administrator

Act 1 Timeline for 2017-2018 Budget Process – KKAL Version

Preliminary Notes: (1) This document is a work in progress based on the PDE Timeline format – with appropriate dates and other changes, additions, and explanations from KKAL. (2) Timeline dates apply to all school districts except Philadelphia, Pittsburgh, and Scranton. (3) Concerning the various forms referred to in this Timeline, forms listed with the **title typed in bold are PDE forms**; forms listed with the **title typed in bold italics are KKAL forms**.

Act 25 Exceptions Change Note: *On June 30, 2011, Act 25 was adopted and signed into law. Act 25 eliminates all referendum exceptions other than: (1) grandfathered debt; (2) debt approved by voter referendum; (3) special education costs, net of state reimbursement, in excess of the index (measured by look back – compare 2 prior years); (4) PSERS cost in excess of the index. For PSERS cost, the exception freezes the wage base at 2011-12 levels, such that the exception cannot be used to cover increased costs applicable to wage base increases, even if the district hires new employees or total salary costs otherwise exceed the 2011-12 wage base. The exception applies based on the increase between the current year and estimated payments for the next year, as determined by PDE. PDE provides guidance on how to calculate estimated payments in the PDE annual publication entitled "Referendum Exceptions Submitted to PDE Guidelines" and also in the "Retirement Contributions Referendum Exception Worksheet."*

Date/Deadline	Description	Law Section
Now	School district begin development of 2017-2018 Proposed Preliminary Budget. As part of this process, the business office should prepare a specific timeline for its school district to take each applicable step set forth in this Act 1 Timeline.	Unless otherwise stated, Law Section references are to Act 1, 53 P.S. § 6926.101 et seq.
September 1, 2016 <i>(annual deadline)</i>	Department of Education deadline to publish in Pennsylvania Bulletin 2017-2018 permitted tax increase base index.	Section 333(1)
September 30, 2016 <i>(annual deadline)</i>	Department of Education deadline to notify school districts of applicable base index or adjusted index; and of next year budget process timeline.	Section 313(1)
November/December 2016 <i>(If school district will adopt Accelerated Budget Opt Out Resolution, this step does not apply)</i>	School district adopt Resolution Authorizing Proposed Preliminary Budget Display and Advertising – Documents #4, #5, and #5A. (Note: Unless school district intends to adopt an opt out resolution, must display and advertise. Although KKAL believes this resolution authorizing public display and advertising is optional, PDE recommends this step. School districts should follow the PDE recommended process unless there is a compelling reason to do otherwise. See discussion at end of timeline on Required Budget Votes and Related Steps .)	Sections 503(b)(2); 324(2)
December 15, 2016 – tax certification deadline <i>(annual deadline)</i>	School district (that imposed earned income tax in 2015 and had residents paying tax on compensation imposed by Philadelphia under Sterling Act) deadline to certify to the Department of Education the total amount of 2015 tax credits claimed by school district residents based on the school district tax rate. Certification is accomplished by filing Sterling Act Tax Credit Data – Document #2.	Sections 503(b)(2); 324(2)

December 27, 2016 (30 days prior to preliminary budget display deadline)	Department of Education deadline to notify school districts of school year AFR data to be used when calculating referendum exception under Section 333(f)(2)(v).	Section 333(j)(4)
December 31, 2016 – homestead notice (annual deadline – 60 days prior to March 1 homestead application deadline)	School district deadline to notify by first class mail owner of each parcel of residential property – which can be limited to owners not currently approved or whose approval is due to expire – stating that the owner must submit a completed application to county assessment office to qualify for homestead exclusion. Mailing must include application, instructions, and deadline. (See also March 1 concerning application deadline.)	Section 341(b)
December 2016/January 2017	School districts should meet with the county assessment office to engage in dialogue concerning Act 1 homestead/farmstead approval and property transfer rules, and procedures to be followed for May 1 certification of approved properties. This step is optional, but should help avoid later problems with the county homestead and farmstead list.	
January 26, 2017 – preliminary budget public display or opt out (110 days prior to primary election – or 20 days prior to preliminary budget adoption)	School district deadline to either: (1) make 2017-2018 Proposed Preliminary Budget on form PDE-2028 available for public inspection (public display) pursuant to resolution; or (2) adopt opt out resolution pursuant to Section 311(d)(1) stating district will not raise the rate of any tax by more than index (Accelerated Budget Opt Out Resolution – Document #6).	Sections 311(c); 311(d)(1)
January 31, 2017 (or 5 days after opt out resolution adoption)	School district deadline to submit to Department of Education copy of opt out resolution and related proposed tax rate increases (Real Estate Tax Rate Report – Document #10).	Section 311(d)(2)(iii)
<i>If school district adopts Accelerated Budget Opt Out Resolution</i>	If school district adopts Accelerated Budget Opt Out Resolution , the accelerated budget and Act 1 exception and primary election steps that follow do not apply – skip Timeline items other than Feb. 10, Feb. 15 as to tax collector compensation, March 1, Apr. 15, and after.	Section 311(d)(2)
February 5, 2017 (or 10 days prior to preliminary budget adoption) (n/a if opt out)	School district deadline to publish notice of intent to adopt 2017-2018 Preliminary Budget (Preliminary Budget Notice – Document #5 or #5A – must advertise at least 10 days before preliminary budget adoption – unless opt out resolution was adopted).	Section 311(c)
February 10, 2017 (or 10 days after PDE receipt of opt out resolution)	Department of Education deadline to notify school districts that adopted opt out resolution whether the proposed tax rates are equal to or less than index.	Section 311(d)(4)

<p>February 15, 2017 – Preliminary Budget (90 days prior to primary election) (n/a if opt out)</p>	<p>School district deadline to adopt Preliminary Budget on form PDE-2028 unless opt out resolution was adopted (Resolution Approving Preliminary Budget [and Authorizing Referendum Exception and Final Budget Notice] – Documents #7, #8, and #9). If school district does not intend adoption of a Proposed Final Budget, school board president sign and send to PDE Certification of Use of PDE-2028 – Document #14. (See also May 31, and discussion at end of timeline on Required Budget Votes and Related Steps.)</p>	<p>Section 311(a)</p>
<p>February 15, 2017 – elected tax collector compensation (deadline is Feb. 15 of municipal election year – every 4 years – the next applicable year is 2017)</p>	<p>School districts that collect real estate taxes directly, and also those with elected tax collectors, should complete data collection and analysis to establish official elected tax collector compensation rate. February 15, 2017 is deadline for school board action to establish or change the compensation rate applicable to anyone who runs for office, is elected, or serves for years starting 2018.</p>	<p>Section 36a (Local Tax Collection Law)</p>
<p>Elected or municipality appointed tax collector qualification</p>	<p>In the first year of service by, or in the first year of a new term of, an elected or municipality appointed tax collector, prior to delivery of the tax duplicate or tax bills to the collector, the school district should receive copies of:</p> <ul style="list-style-type: none"> (1) DCED Qualified Tax Collector Certificate; (2) Criminal history background information report; (3) Bond in proper form; (4) Evidence of appointment of deputy in compliance with applicable rules. 	<p>School district deadline to submit to Department of Education Preliminary Budget and related proposed tax rate increases (PDE-2028, including Real Estate Tax Rate Report – Document #10).</p>
<p>February 19, 2017 (85 days prior to primary election) (n/a if opt out)</p>	<p>School district deadline to publish and post on district website notice of intent to apply to Department of Education for referendum exceptions (Act 1 Referendum Exception Notice – Document #5A or #8).</p>	<p>Section 333(e)</p>
<p>February 23, 2017 (or 1 week prior to filing referendum exception request) (n/a if opt out)</p>	<p>Homeowner deadline to file homestead application (and, if applicable, farmstead application) with county assessment office. (See also Dec. 31, 2016.)</p>	<p>Section 333(j)(2)</p>
<p>March 1, 2017 – Homestead Application (annual deadline)</p>	<p>Department of Education deadline to notify school districts (that did not adopt an opt out resolution and therefore submitted a Preliminary Budget to PDE) whether the proposed tax rates are equal to or less than index.</p>	<p>Sections 341(c), (e), (i)</p>
<p>March 2, 2017 (75 days prior to primary election) (n/a if opt out)</p>	<p>School district deadline to request approval from Department of Education for referendum exceptions (Referendum Exception Application – Document #11).</p>	<p>Section 333(e)</p>
<p>March 2, 2017 – file referendum exception request (75 days prior to primary election) (n/a if opt out)</p>	<p>Section 333(j)</p>	

March 17, 2017 (60 days prior to primary election) (n/a if opt out)	School district deadline to submit primary election referendum question seeking voter approval of tax rate increase in excess of index to county election officials (for each county in which the school district is located), unless referendum exception request has been submitted to Department of Education. If the school district proposed tax rate increase would exceed the index even if all referendum exception requests were approved, and if it intends to submit a referendum question for that part of the tax rate increase, it must do so by this date. (See March 27 if referendum exception request submitted.)	Section 333(c)(3)
March 22, 2017 (55 days prior to primary election) (n/a if opt out)	Department of Education deadline to rule on school district request for referendum exception.	Section 333(j)(5)(i)
March 27, 2017 (50 days prior to primary election) (n/a if opt out)	School district deadline, if Department of Education denies all or a part of referendum exception request, to submit to county election officials primary election referendum question seeking voter approval of tax rate increase in excess of index for denied portion of the referendum exception request.	Section 333(j)(5)(ii)
April 15, 2017 (annual deadline)	Secretary of Budget certifies total amount of slot money revenue in Property Tax Relief Fund and Property Tax Relief Reserve Fund and total amount available for distribution.	Sections 503(a)(1), (e)
April 20, 2017 (annual deadline)	Secretary of Budget notifies Department of Education whether it is authorized to provide school districts with slot money allocations.	Section 503(d)
May/June of 2017	School district consider final and future budget and long term financial planning steps, including: (1) fund transfer to capital reserve fund or other budget category transfers, and (2) general fund balance designation for particular future needs. Factors to consider include future capital needs and School Code § 688 general fund balance limits. (Note: As to timing for budgetary transfers, the School Accounting Manual, under Budgetary Transfers, states that: "Transfers may not be made after the end of the budgeted fiscal year." However, relying on Municipal Code legal authority, many school districts make transfers to the capital reserve fund as part of finalizing the audit after the end of the fiscal year. As to timing for fund balance designation, this may occur at any time, but is often done before the end of the fiscal year in connection with budget adoption, or after the end of the fiscal year in connection with financial statement preparation and audit.)	Section 687 (School Code); Section 1432 (Municipal Code)
May 1, 2017 – slot money notice (annual deadline)	Department of Education notifies school districts of slot money allocation amount. This amount is used in calculating the homestead exclusion amount for tax bills.	Section 505(a)(4)
May 1, 2017 – county homestead report (annual deadline)	County assessment office provides each school district a certified report of homestead and farmstead properties per 53 Pa.C.S.A. § 8584(i).	Section 341(g)(3)

<p>May 16, 2017 – primary election <i>(fourth Tuesday in April for Presidential election year; otherwise, third Tuesday in May) (n/a if opt out)</i></p>	<p>Primary election. If school district budget requires tax rate increase in excess of index and approved exceptions, county election officials place referendum question on the ballot pursuant to school district request. In addition, county election officials, in conjunction with school board, draft nonlegal interpretative statement to accompany referendum question. (See also March 17 and March 27.)</p>	<p>School district appoint tax collector for direct collection of real estate taxes as required by School Code § 683 (<i>Direct Tax Collection Tax Collector Appointment Resolution</i> and <i>Direct Tax Collection Acceptance of Appointment as Tax Collector</i> – Documents #12 and #12A) – if school district collects directly rather than through elected tax collector. School district approve any tax collection procedure changes. School district adopt any changes to existing LTEA taxes. (See also May 31 concerning other required LTEA steps. If LTEA taxes changed and advertising required, deliver advertisement to newspaper of general circulation/Law Review for publication once a week for 3 weeks as required by LTEA § 306. Also, consider preliminary action at prior school board meeting.)</p>	<p>School district deadline to adopt resolution declining slot money and allowing voter decision. (See also June 6 and July 29)</p>	<p>Section 333(c)(4)</p>
<p>May regular school board meeting</p>	<p>School district deadline to report to, and file certified copy with, the Department of Community and Economic Development, new LTEA tax enactments and repeals and changes of LTEA taxes or tax collector (to require employer withholding of a new tax, withholding at a new rate, or to suspend withholding of a tax effective July 1, and otherwise to comply with filing requirements). (Note: DCED encourages e-filing using form CLGS-501. Certified copies of tax enactments may be filed by pdf email attachment.)</p>	<p>School district deadline to report to, and file certified copy with, the Department of Community and Economic Development, new LTEA tax enactments and repeals and changes of LTEA taxes or tax collector (to require employer withholding of a new tax, withholding at a new rate, or to suspend withholding of a tax effective July 1, and otherwise to comply with filing requirements). (Note: DCED encourages e-filing using form CLGS-501. Certified copies of tax enactments may be filed by pdf email attachment.)</p>	<p>Section 351(f)(1); LTEA Sections 310, 312, 511; 71 P.S. § 965</p>	<p>Section 683(a)(1) (School Code)</p>
<p>May 30, 2017 <i>(annual deadline/optional action)</i> <i>(adoption must occur within 30 days of receipt of PDE notice of slot money; see note above)</i></p>	<p>School district deadline to adopt Proposed Final Budget (Resolution Authorizing Proposed Final Budget Display and Advertising – Documents #13 and #9) – and for school board president to sign and send to PDE Certification of Use of PDE-2028 – Document #14. (Note: PDE believes this action should occur in all cases, even if the school district adopted a Preliminary Budget. KKAL believes this action approving the specific Proposed Final Budget before adoption is mandatory if the school board previously adopted an opt out resolution and therefore did not previously adopt a Preliminary Budget. KKAL believes this step is optional if the school board previously adopted a Preliminary Budget. However, KKAL recommends following the PDE recommended process unless there is a compelling reason to do otherwise. See discussion at end of timeline on Required Budget Votes and Related Steps.)</p>	<p>School district deadline to adopt Proposed Final Budget (Resolution Authorizing Proposed Final Budget Display and Advertising – Documents #13 and #9) – and for school board president to sign and send to PDE Certification of Use of PDE-2028 – Document #14. (Note: PDE believes this action should occur in all cases, even if the school district adopted a Preliminary Budget. KKAL believes this action approving the specific Proposed Final Budget before adoption is mandatory if the school board previously adopted an opt out resolution and therefore did not previously adopt a Preliminary Budget. KKAL believes this step is optional if the school board previously adopted a Preliminary Budget. However, KKAL recommends following the PDE recommended process unless there is a compelling reason to do otherwise. See discussion at end of timeline on Required Budget Votes and Related Steps.)</p>	<p>Section 687(a)(1) (School Code)</p>	
<p>May 31, 2017 <i>(annual deadline – Act 1 § 351(f)(1) and LTEA § 511 state a June 1 deadline to report tax information; however, LTEA § 312 states a May 31 deadline. LTEA § 310 also requires filling a certified copy within 15 days after effective date.)</i></p>				

June 4, 2017 (or 5 days after slot money rejection resolution adoption)	School district deadline to submit copy of resolution declining slot money to Department of Education. (See also May 30 and July 29)	Section 903(b)
June 10, 2017 – budget public display (20 days prior to final budget adoption)	School district deadline to make Proposed Final Budget on form PDE-2028 available for public inspection (public display).	Section 312(c); School Code Section 687(a)(2)(i)
June 20, 2017 (or 10 days prior to final budget adoption)	School district deadline to publish notice of intent to adopt Final Budget (Final Budget Notice – Document #9).	Section 312(c)
June 30, 2017 – Final Budget (annual deadline) (the final budget must be adopted no later than the last day of the 2016-2017 fiscal year)	School district deadline to adopt Final Budget on form PDE-2028 (Final Budget for General Fund Approval Resolution – Document #15).	Section 312(a)
June 30, 2017 – homestead exclusion (annual deadline)	School district deadline to adopt resolution implementing homestead/farmstead exclusion (Homestead and Farmstead Exclusion Resolution – Document #16).	Sections 321(d), 342, 505(a)(4)
June 30, 2017 – tax levy (annual deadline)	School district deadline to adopt Annual Tax Levy Resolution – Document #17 (real estate tax levy, School Code per capita tax levy (if any), and summary of LTEA taxes not requiring annual levy). (Note: In school districts where a county-wide reassessment is applicable for the first time this year, calculating the permissible real estate tax rate requires two steps – an initial step of calculating a lower, revenue neutral tax rate, and a second step of calculating the permissible tax rate – using the Act 1 index for the preceding year (not the current year). Act 91 previously required a two-vote procedure, with initial adoption of Reassessment Year – Preliminary Resolution Establishing Revenue Neutral Tax Rate , followed by Reassessing Final Tax Rate – Final Resolution Levying Taxes and Establishing Final Tax Rate . The two-vote procedure is now optional for school districts.) (Note: Lancaster County reassessment will be effective January 1, 2018.)	Section 687 (School Code) 53 Pa.C.S.A. § 8823
July 1, 2017 – tax bills (annual deadline)	School district deadline to furnish tax collector with tax duplicate/ Tax Bills – Document #18. (Note: Tax bills should be dated July 1 and mailed on or before July 1.)	
July 15, 2017 (annual deadline)	School district deadline to submit copy of Annual Tax Levy Resolution to Department of Community and Economic Development. (Copy may be filed by pdf email attachment.)	71 P.S. § 965

<p>July 15, 2017 <i>(annual deadline – within 15 days after final budget adoption)</i></p> <p>School district deadline to submit Final Budget to Department of Education on form PDE-2028. In order to show compliance with School Code § 688 eight percent (8%) general fund balance limit, also file Certification of Estimated Ending Fund Balance from 2015-2016 General Fund Budget. In addition, if referendum exceptions were approved, must file Certification of Utilization of Referendum Exceptions – Document #19.</p>	<p>Department of Education deadline to notify election officials of applicable county of school districts that have taken action to decline slot money and allow voter decision. (See also May 30 and June 6)</p>	<p>Department of Education pays school district 50% of slot money allocation.</p>	<p>Department of Education pays school district 50% of slot money allocation.</p>	<p>School district deadline to report to, and file certified copy with, the Department of Community and Economic Development, new LTEA tax enactments and repeals and changes of LTEA taxes or tax collector (to require employer withholding of a new tax, withholding at a new rate, or to suspend withholding of a tax effective January 1, and otherwise to comply with filing requirements). (Note: DCEP encourages e-filing using form CLGS-501. Certified copies of tax enactments may be filed by pdf email attachment.)</p>
<p>July 29, 2017 <i>(or 60 days after deadline for school district to notify PDE of slot money rejection resolution adoption)</i></p>				
<p>August 24, 2017 <i>(Fourth Thursday in August)</i></p>				
<p>October 26, 2017 <i>(Fourth Thursday in October)</i></p>				
<p>November 1, 2017</p>	<p>Date on which unpaid school district real estate tax becomes delinquent. School district or tax collector send delinquent tax notice to taxpayers who have not paid real estate tax or real estate tax installment due on or before October 31. Notice should include reference to applicable penalty and December 31 turnover to County Tax Claim Bureau or delinquent tax collector.</p>		<p>General election. For school districts that rejected slot money allocation, county election officials place referendum question on the ballot for voters to determine if the school district will be eligible to receive slot money allocation in 2017-2018. In addition, county election officials, in conjunction with school board, draft nonlegal interpretative statement to accompany referendum question. (See also May 30, June 6, and July 29)</p>	<p>School district deadline to report to, and file certified copy with, the Department of Community and Economic Development, new LTEA tax enactments and repeals and changes of LTEA taxes or tax collector (to require employer withholding of a new tax, withholding at a new rate, or to suspend withholding of a tax effective January 1, and otherwise to comply with filing requirements). (Note: DCEP encourages e-filing using form CLGS-501. Certified copies of tax enactments may be filed by pdf email attachment.)</p>
<p>December 1, 2017 <i>(annual deadline – Act 1 § 351(f)(2) and LTEA § 511 state a December 1 deadline)</i></p>				<p>School district deadline to report to, and file certified copy with, the Department of Community and Economic Development, new LTEA tax enactments and repeals and changes of LTEA taxes or tax collector (to require employer withholding of a new tax, withholding at a new rate, or to suspend withholding of a tax effective January 1, and otherwise to comply with filing requirements). (Note: DCEP encourages e-filing using form CLGS-501. Certified copies of tax enactments may be filed by pdf email attachment.)</p>

Meaning of deadlines: Various deadlines require the school district to “submit” various items or to “seek approval” by specified dates. Act 1 does not expressly state whether this requires receipt by the other party by the specified date, or merely requires mailing by the specified date. In order to avoid any question, the school district should assume that the item must be received by the other party by the specified date.

Deadlines that fall on Saturday or Sunday: The Pennsylvania Statutory Construction Act, 1 Pa. C.S.A. § 1908, provides as follows: “When any period of time is referred to in any statute, such period in all cases … shall be so computed as to exclude the first and include the last day of such period. Whenever the last day of any such period shall fall on Saturday or Sunday, or on any day made a legal holiday by the laws of this Commonwealth or of the United States, such day shall be omitted from the computation.” However, for statutes that require action on a specified annual date, such as December 15, February 15, March 1, or May 1, the law is unclear as to what deadline applies when the specified date falls on a Saturday or Sunday. To avoid issues, school districts should assume the deadlines are not extended.

Required Budget Votes and Related Steps:

1. Act 1 of 2006 §§ 311 and 312 enacted new provisions governing the budget process. When these provisions were written, the drafters failed to consider the pre-existing School Code § 687 provisions on the budget process. The end result is inconsistency and uncertainty on how to reconcile the Act 1 and School Code § 687 budget process provisions.
2. School Code § 687 provisions that predated Act 1 include the following:
 - Section 687 refers to a **Proposed Budget**. (Before Act 1, the Proposed Budget was often referred to as the Preliminary Budget. However, there was no reference in § 687 or any other statute to a Preliminary Budget, Preliminary Budget Proposal, or Proposed Final Budget. Under § 687, the only document expressly required to be approved before the Final Budget was the Proposed Budget.)
 - Section 687 mandates that the school board adopt the Proposed Budget at least 30 days before adoption of the **Final Budget**.
 - Section 687 mandates public display of the Proposed Budget at least 20 days before adoption of the Final Budget, and mandates publishing notice of the Proposed Budget at least 10 days before adoption of the Final Budget.
3. Section 687 mandates that, on the date of school board adoption of the Proposed Budget, the school board president certify to PDE that the Proposed Budget was prepared, presented, and will be made available for public inspection using PDE form 2028. For this purpose, PDE has directed use of the PDE form **Certification of Use of PDE-2028 – Document #14**.
4. School Code §§ 671 and 672 mandate adoption by June 30 of the Final Budget.

3. Act 1 provisions include the following:

- Unless an opt out resolution is adopted, § 311 mandates that the school board adopt a **Preliminary Budget Proposal** at least 90 days before the primary election.
- Act 1 mandates 20-day public display and 10-day published notice of intent to adopt before adoption of the Preliminary Budget Proposal (but does not state any requirement for a school board vote prior to adoption of the Preliminary Budget Proposal 90 days before the primary election).
- Act 1 next repeats the School Code requirements for adoption of the Final Budget by June 30, and for 20-day public display and 10-day published notice of intent to adopt before adoption of the Final Budget. (Once again, other than the requirement for adoption of the Preliminary Budget Proposal 90 days before the primary election, Act 1 does not state any requirement for the school board to vote on the Final Budget before its adoption by June 30.)
- 4. Act 1 does not address whether the **Act 1 Preliminary Budget Proposal** is the same as or something different from the School Code § 687 **Proposed Budget**. KKAL believes these two terms should be interpreted as meaning the same thing, and that adoption of the Preliminary Budget Proposal early in the year satisfies the School Code § 687 requirement for adopting a proposed budget 30 days before adoption of the Final Budget. However, PDE takes a different view. PDE interprets the **Act 1 Preliminary Budget Proposal** as something different from the § 687 Proposed Budget, and therefore believes school districts that have not adopted an opt out resolution are required to adopt both a Preliminary Budget Proposal and also another version labeled **Proposed Final Budget** at least 30 days in advance of adopting the Final Budget. In fact, PDE also believes school districts that do not intend to adopt an opt out resolution should also adopt a **Proposed Preliminary Budget** before adopting the **Preliminary Budget Proposal**.

5. PDE's interpretation is that **4 separate votes** are required as follows if the school district has not adopted an opt out resolution:

December/January/February

1. Adopt Proposed Preliminary Budget
2. Adopt Preliminary Budget

May/June

3. Adopt Proposed Final Budget (at least 30 days before step 4)
 4. Adopt Final Budget
6. Although KKAL believes that steps 1 and 3 are optional if the school district has not adopted an opt out resolution, we suggest following PDE's interpretation in order to avoid unnecessary questions.

Tax and Fund Balance Limits (other than Act 1):

1. LTEA limits the amount of taxes that may be imposed under LTEA. Under LTEA § 320, the aggregate amount of all taxes imposed under LTEA during one fiscal year may not exceed the amount that is equal to the market value of all real estate in the district times 12 mills. In calculating whether a district has exceeded the limit, realty transfer taxes are not included for any year in which 100 or more new homes or major improvements were constructed.
2. The School Code also limits the amount of real estate taxes that may be levied. Under School Code § 672, school districts are limited to a tax rate of 25 mills. There is an exception to the 25 mill tax limit. Taxes may be levied in an unlimited amount to pay salaries and debt service. If a school district tax levy will exceed 25 mills, additional language should be added to the Resolution Levying Taxes.
3. School Code § 688 imposes limits on school district unreserved fund balances. A school district is prohibited from increasing real estate taxes unless its general fund budget has an estimated ending unreserved fund balance less than the percentage provided below.

School district <u>budget size</u>	Fund balance <u>limit</u>
≤ \$11,999,999	12.0%
\$12,000,000 - \$12,999,000	11.5%
\$13,000,000 - \$13,999,000	11.0%
\$14,000,000 - \$14,999,000	10.5%
\$15,000,000 - \$15,999,000	10.0%
\$16,000,000 - \$16,999,000	9.5%
\$17,000,000 - \$17,999,000	9.0%
\$18,000,000 - \$18,999,000	8.5%
≥ \$19,000,000	8.0%

Delayed Budget Adoption: School Code § 671(b) permits schools districts to delay adoption of the annual budget beyond June 30 when state legislation providing the appropriation for basic education has not been enacted by June 15. In such event, a district must adopt its budget no later than 15 days after the state enacts the basic education funding provisions, and must provide the public with 10 days notice prior to final action. School Code § 672 allows delay of the annual tax levy beyond June 30 to a date no later than 20 days after enactment of the basic education funding provisions.

New Hope - Solebury School District
2015 - 2016 Fiscal Dashboard - Current Projections
June 30, 2016

	14-15 Budget	14-15 Actual	15-16 Original Budget	15-16 Unaudited	15-16 YTD %	Variance To Budget	14-15 Actual to 15-16 Projection
Beginning Uncommitted Fund Balance	6,008,727	6,008,727	5,131,939	5,131,939			
Committed Fund Balance - PSERS	1,200,000	1,200,000	1,200,000	1,200,000			
Total Beginning Fund Balance - July 1st	7,208,727	7,208,727	6,331,939	6,331,939			
Revenues							
Local Revenue							
Real Estate Taxes	24,917,657	24,851,205	25,555,657	25,419,912	99%	(135,745)	568,707
Delinquent Tax	701,000	684,207	600,000	743,248	124%	143,248	59,041
Transfer Tax	774,000	739,476	760,000	943,076	124%	183,076	203,600
Earned Income Tax	3,646,000	3,749,239	4,000,000	3,749,681	94%	(250,319)	442
Other Local Revenue	315,268	426,204	325,067	442,132	136%	117,065	15,928
State Revenue - General	2,869,477	2,784,456	2,748,796	2,751,291	100%	2,495	(33,165)
State Revenue - Retirement/FICA Subsidy	2,432,780	2,511,491	3,011,700	2,951,515	98%	(60,185)	440,024
Federal Revenue	97,341	77,853	87,000	88,318	102%	1,318	10,465
Total Revenue	35,753,523	35,824,131	37,088,220	37,089,173	100%	953	1,265,042
Expenditures							
Salaries and Wages	16,873,537	17,466,071	18,028,630	18,033,385	100%	(4,755)	567,314
Benefits & Taxes	8,886,899	8,151,799	9,910,508	9,874,902	100%	35,606	1,723,102
Professional Services	2,539,607	2,120,189	2,621,497	2,043,782	78%	577,715	(76,407)
Property Services and Utilities	751,902	780,950	814,443	723,598	89%	90,845	(57,352)
Purchased Services	2,941,386	2,855,465	2,999,716	2,948,775	98%	50,941	93,310
Supplies, Books, Software and Fuel	1,261,729	940,162	1,240,917	800,642	65%	440,275	(139,520)
Equipment	332,325	303,525	275,606	127,384	46%	148,222	(176,141)
Interest, Fees, and Dues	757,102	564,565	654,633	669,993	102%	(15,360)	105,428
Principal and Transfers	3,358,634	3,518,192	3,172,504	3,176,373	100%	(3,869)	(341,819)
Total Expenses	37,703,120	36,700,919	39,718,455	38,398,834	97%	1,319,621	1,697,915
ACTIVITY FOR YEAR	(1,949,597)	(876,788)	(2,630,235)	(1,309,661)		1,320,574	(432,873)
PROJECTED ENDING UNCOMMITTED FUND BALANCE	4,059,130	5,131,939	3,001,704	4,322,278			
Fund Balance Percentage of Expenditures	10.77%	13.98%	7.56%	11.26%			
PROJECTED ENDING COMMITTED FUND BALANCE	1,200,000	1,200,000	700,000	700,000			
TOTAL ENDING FUND BALANCE - JUNE 30TH	5,259,130	6,331,939	3,701,704	5,022,278			

Fiscal Dashboard - 2015-2016 Projections Highlights

Projections Summary as of September 14, 2016

- These are unaudited figures but all accounts have been reconciled in preparation for the audit.

Revenue

- Revenue increased by about \$50,000 for the August delinquent tax that we received.

- State

- PlanCon receivable remains removed as there is no confirmation that payment will be received to record for the 2015-2016 year.
- This will just be recorded as revenue in the year it is received.

Expenses

- Expenses are trending about \$1.3M below budget - which is in line with prior projections.

Net effect is approximately usage of \$1.3 M less of fund balance than anticipated

- Planned use of fund balance was \$2.6M and projection is use of only \$1.3M

New Hope - Solebury School District
2015 - 2016 Fiscal Dashboard - Future Projections
June 30, 2016

	16-17 Budget	Change from 15-16	17-18 Projection	18-19 Projection	19-20 Projection
Beginning Uncommitted Fund Balance	4,322,278		2,916,206	1,069,517	(909,461)
Committed Fund Balance - PSERS	700,000		700,000	700,000	700,000
Total Beginning Fund Balance - July 1st	5,022,278		3,616,206	1,769,517	(209,461)
Revenues					
Local Revenue					
Real Estate Taxes	26,826,194	1,270,537	27,376,981	27,938,784	28,511,824
Delinquent Tax	600,000	0	600,000	600,000	600,000
Transfer Tax	760,000	0	760,000	760,000	760,000
Earned Income Tax	3,800,000	(200,000)	3,800,000	3,800,000	3,800,000
Other Local Revenue	322,817	(2,250)	322,817	322,817	322,817
State Revenue - General	2,794,910	46,114	2,793,453	2,782,652	2,782,652
State Revenue - Retirement/FICA Subsidy	3,331,452	319,752	3,705,542	3,871,727	4,062,243
Federal Revenue	269,515	182,515	69,515	69,515	69,515
Total Revenue	38,704,888	1,616,668	39,428,308	40,145,496	40,909,051
Expenditures					
Salaries and Wages	18,132,048	103,418	18,672,422	18,923,398	19,413,347
Benefits & Taxes	10,703,968	793,460	11,656,655	12,212,256	12,834,716
Professional Services	2,224,688	(396,809)	2,224,688	2,224,688	2,224,688
Property Services and Utilities	869,085	54,642	869,085	869,085	869,085
Purchased Services	3,348,823	349,107	3,388,188	3,432,749	3,478,352
Supplies, Books, Software and Fuel	1,001,978	(238,939)	1,001,978	1,001,978	1,001,978
Equipment	236,771	(38,835)	236,771	236,771	236,771
Interest, Fees, and Dues	971,913	317,280	1,433,063	1,401,454	1,353,116
Principal and Transfers	2,621,686	(550,818)	1,792,147	1,822,096	1,852,003
Total Expenses	40,110,960	392,505	41,274,997	42,124,474	43,264,057
ACTIVITY FOR YEAR	(1,406,072)		(1,846,689)	(1,978,978)	(2,355,006)
PROJECTED ENDING UNCOMMITTED FUND BALANCE	2,916,206		1,069,517	(909,461)	(3,264,468)
Fund Balance Percentage of Expenditures	7.27%		2.59%	-2.16%	-7.55%
PROJECTED ENDING COMMITTED FUND BALANCE	700,000		700,000	700,000	700,000
TOTAL ENDING FUND BALANCE - JUNE 30TH	3,616,206		1,769,517	(209,461)	(2,564,468)

Assumptions

Revenue

- Act 1 Index - 4.8% in 16-17 and 2.0% beyond
- EIT reduction to match current trend
- State - Education subsidy amount adjusted to reflect current state subsidy amount per 15-16 approved budget
 - Retirement/FICA subsidy increase with Expenditure increases
- Federal - Increase in 16-17 for ACCESS revenue used to cover Special Ed contingency

Expenditure

- 16-17 is reflecting all actual budget reductions being factored into the current budget discussions.
- Beyond 16-17 Salary - Average increase of 3%
 - Average increase of 3%
 - Payroll Benefits - 3% to match salary increase
 - Medical - 6% increase
 - Retirement - Increase based on PSERS schedule
 - Insurance - Increase 3% per year
 - Debt Service - Matches current debt projections

New Hope-Solebury Breakfast Program

Background

NHSD is currently one of the few districts that does not offer breakfast to their students.

We are proposing to begin a trial breakfast program at the Middle School level. Middle School was chosen for the pilot for the following reasons:

- MS students arrive at the cafeteria in the morning
- Able to add this offering with only 30 additional minutes for one staff member per day or 2.5 hours per week.

Benefits to NHSD:

Students / Families

- Qualifying students could receive breakfast either free or at a reduced cost of .30
 - Goal – No student starts the day hungry
- Students can purchase a “meal” at a reduced cost

NHSD Food Service Department

- Additional revenue opportunity with minimal cost increases to continue to build the path toward fiscal solvency of the food service department. NHSD would be able to:
 - Submit for government reimbursement
 - Increase commodity banks
 - Increase ala-carte sales during the lunch period due to PDE’s regulation on ala-carte items.
 - If an item is sold during a meal it can be sold ala-carte during the same day.

Proposed Cost:

Secondary - \$1.75

Elementary - \$1.50 (if expanded to the elementary level)

BREAKFAST@SCHOOL

helps keep kids healthy and gives them the energy they need to learn.

Kids who eat a nutritious breakfast pay better attention in class, behave better, and perform better in the classroom and on standardized tests. And studies show that kids who eat breakfast also tend to eat healthier throughout the day.

But these great benefits only kick in **IF KIDS EAT BREAKFAST!** Modern households are hectic places in the morning, and kids might not be hungry yet by the time they rush out the door. And if kids skip breakfast or just gulp down something quick and junky, they can't concentrate in school AND their overall wellness suffers.

We've got a solution: **BREAKFAST@SCHOOL!** The breakfasts we serve are always convenient, economical, and healthy. And this year, we began implementing new USDA regulations for our breakfasts that will ensure our commitment to good nutrition just keeps getting stronger! The new regulations will help guarantee that:

- All school breakfasts are **COMPLETE MEALS**, including milk, fruit or veggie, and grain (meat can substitute for grain on some menus).
- Half of all grains we serve must be **WHOLE GRAIN RICH**, and by next year all grains must be whole grain rich.
- We'll be **LIMITING SUGAR, SATURATED FAT, AND TRANS FATS** -- which means that **ADDED SUGAR** in our meals will be limited, as well. And every item we serve contains **ZERO TRANS FATS**.
- And, as always, families who qualify for free or reduced-price lunch automatically qualify for free or reduced-price breakfast.

Don't let your kids miss out on the benefits of a healthy breakfast. If there's no time for breakfast at home, join us for **BREAKFAST@SCHOOL!**



BREAKFAST @SCHOOL

For first-class learning!





PRICE QUOTE FOR YEAR '16/'17

PERIOD: 07/01/2016 – 06/30/2017
8/22/2016 12:58 PM

YOUR 10 DIGIT PITNEY BOWES ACCOUNT NUMBER AND THE MODEL AND SERIAL NUMBERS OF YOUR EQUIPMENT MUST BE REFERENCED ON YOUR PURCHASE ORDER TO ENSURE ACCURACY

ACCOUNT # AND LOCATION

0011910733
NEW HOPE SOLEBURY SCHOOL
180 W BRIDGE ST
NEW HOPE, PA 18938-1392
United States

<u>MODEL</u>	<u>SERIAL</u>	<u>DESCRIPTION</u>	<u>BILL CYCLE</u>	<u>ANNUAL AMOUNT</u>
<u>Rental – Billed Annually</u>				
1R00	2001411	DM Series Postage Meter	\$252.00 Quarterly	\$1008.00

Maintenance Coverage – Billed annually

DJW2	0012994	DM550 WOW - DIM RATING READY	Annual	\$421.00
DEB0	0078382	DM400/DM500/DM550 Printer/Finishing MODU	Annual	\$348.00
DHU0	4405156	DM550 Feeder Without Platform (CLASS B)	Annual	\$613.00
MP30	0191009	15/30 lb Weighing Platform	Annual	\$223.00

\$2,613.00

Quoted prices do not include supplies or postage charges during the coverage period

Quoted prices do not include any applicable taxes

*Please make sure model and serial numbers are included in your Purchase Order and submitted to:

Pitney Bowes Inc.
2225 American Dr.
Neenah, WI. 54956