

GARNET VALLEY SCHOOL DISTRICT

80 Station Road

Glen Mills, PA 19342

June 18, 2019 FOR IMMEDIATE RELEASE AND PUBLICATION

Garnet Valley School District Adopts Final Budget for School Year 2019-20

On Monday, June 17, 2019, the Garnet Valley School Board approved the 2019-20 general fund budget totaling \$112,694,243, which represents a \$5,666,172 (5.29%) increase in expenditures over the current year. The budget requires a property tax millage rate of 33.0721 (Bethel: 33.4400) mills, an increase of 1.8% over the current year. A property assessed at \$100,000 in Chester Heights or Concord would incur tax of \$3,307.21, a \$58.45 increase over the current year. A property assessed at \$100,000 in Bethel would incur tax of \$3,344.00 which represents a \$58.10 increase over the current year.

Pennsylvania's Act 1 of 2006 requires all districts to comply with a state mandated index which is comprised of the state SAWWS (Statewide Average Weekly Wage) index and the federal ECI (Employment Cost) index. The unenhanced base index for 2019-20 is 2.3%. The school district's proposed tax increase for next year is below the Act 1 limit without the use of PDE exceptions.

On May 1, 2019, the state's Department of Education announced that \$1,467,473 of property tax relief from casino slot machine tax revenue would be available to approved homesteads in the district in the form of a tax credit. Garnet Valley School District residents with an approved homestead will receive a \$217.32 homestead tax credit on their July 1, 2019 school tax bills.

The budget includes no increase in staff over the current year. Employee health benefit increased \$834,000 due to reflected changes in participation, district claims experience, coverage elections, fees, and contingency reserves. The budget will fund a state retirement (PSERS) rate of 34.29% next year (33.43% current year), a 2.6% increase in pension expense. The district's contribution rate will increase to a projected rate of 36.3% in fiscal year 2023-2024.

Fiscal Year	Gross Rate
19-20	34.29%
20-21	34.77%
21-22	35.19%
22-23	35.84%
23-24	36.30%

The district's cost of the PSERS retirement for next year will increase by \$1,025,608 after applying subsidy reimbursement, the net expense to taxpayers will total \$512,803. The budget utilizes \$1,700,000 of committed fund balance. The District's unreserved fund balance is at 5.379% of expenditures. The total available fund balance at the end of next year is estimated to be \$8,500,000. Approximately \$2,450,000 of the district's total fund balance is committed for the district's early retirement incentive program (ERIP) future liability and future PSERS increases. While the economic environment presents a significant challenge, the district maintains its commitment to provide quality educational opportunities for all students.

The final 2019-20 budget in PDE format is available at the Garnet Valley District Administration Office, 80 Station Road, Glen Mills, PA. This document can also be downloaded from our district website: <http://www.garnetvalleyschools.com>.