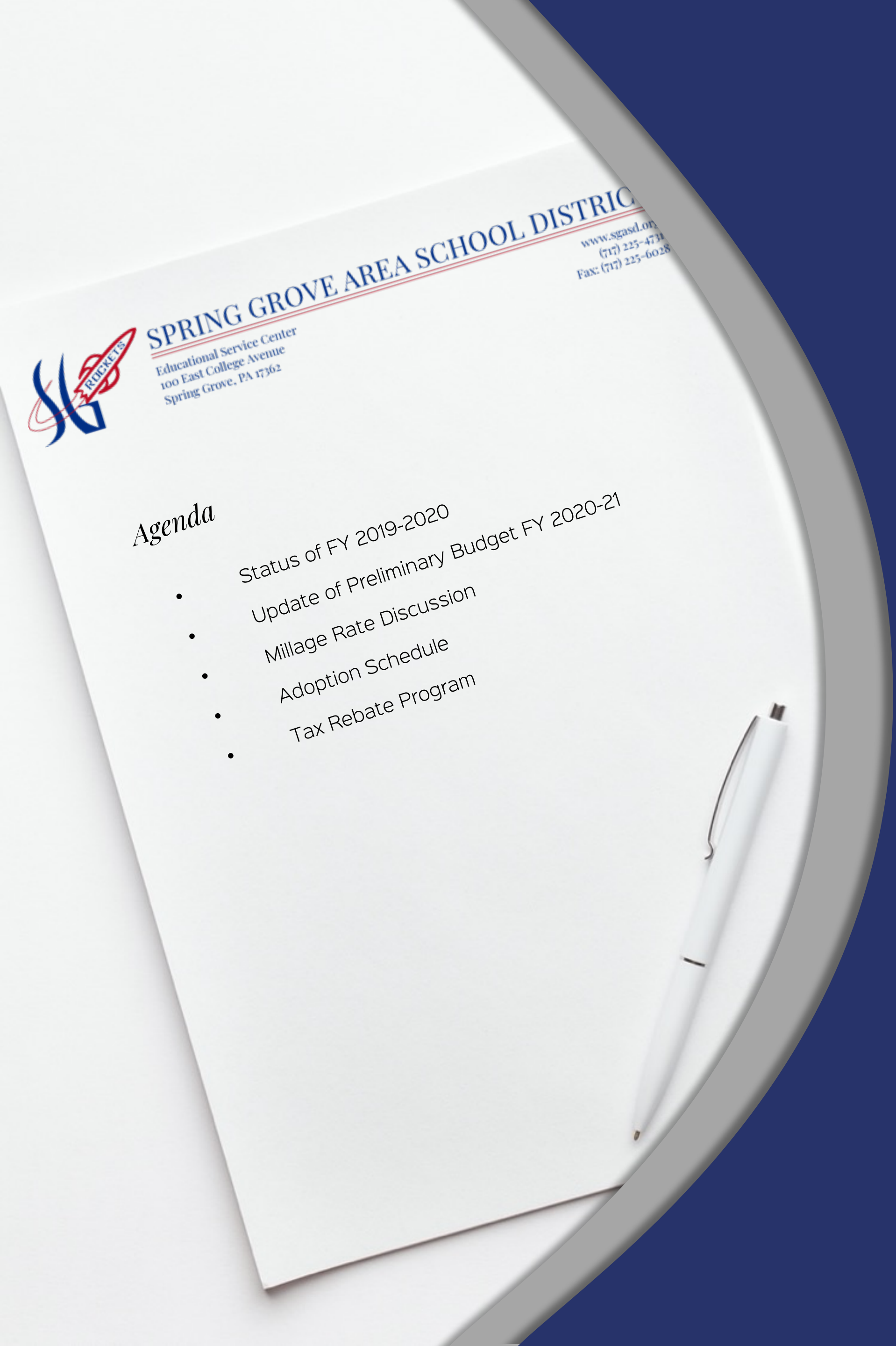
May 4, 2020 Directors' Study Forum

FY 2020-21 BUDGET INFORMATION

SPRING GROVE AREA SCHOOL DISTRICT



Agenda

- Status of FY 2019-2020
- Update of Preliminary Budget FY 2020 -21
- Millage Rate Discussion
- Adoption Schedule
- Moving Forward

Status of FY 2019-20

REVENUES THROUGH MARCH 2020

Total Collected: $62,870,876 (91%) | Total Budgeted: $69,162,533

Local: $70,000 above budget - Still Expecting:

- Earned Income Tax - $700K
- Delinquent Tax Collection - $600K

State: $17,302,762 (73%)

- Still Expecting Subsidy Payments *(timing may be an issue)*

Federal: $649,301 (115%)

Status of FY 2019-20

EXPENDITURES THROUGH END OF SCHOOL YEAR

Reduced Expenditures (-)

- Staffing
- Transportation
- Utilities
- Athletics
- Consumables

Increased Expenditures (+)

- Nutrition Services

Status of FY 2019-20

FUND BALANCE

Original Deficit: $4,581,688

Revised Deficit: $1,831,688

- May be better as we finalize the overall impact on curriculum materials, nutrition, custodial/maintenance
- Results in a stronger beginning balance for FY 2020 -21

2020-21 FY Budget Update

ORIGINAL 2020 -21 DRAFT

Beginning Fund Balance*	$ 2,820,614
Revenues	$70,897,774 *(w/o state subsidy changes)*
Expenses	$75,606,252
Ending Fund Balance*	$ (1,887,865)
	Deficit of $4,708,478

**Unassigned (not included in assigned fund balance are: $1.0 tech; $2.0 healthcare cos $3.0 capital projects; $0.5 PSERS; for a total of $6.5M)*

2020-21 FY Budget Update

UPDATED 2020 -21 DRAFT WITH 3.3%

Beginning Fund Balance*	$ 4,420,614
Revenues	$70,897,774 *(w/o state subsidy changes)*
Expenses	$75,606,252
Ending Fund Balance*.	$ (287,865)
	Deficit of $4,708,478

Note: *Unassigned (not included in assigned fund balance are: $1.0 tech; $2.0 healthcare cos $3.0 capital projects; $0.5 PSERS; for a total of $6.5M)*

2020-21 FY Budget Update

UPDATED 2020 -21 DRAFT WITH 0% NO INCREASE

Beginning Fund Balance*	$ 4,420,614
Revenues	$69,584,372 *(w/o state subsidy changes)*
Expenses	$75,606,252
Ending Fund Balance*	$ (1,601,267)
	Deficit of $6,021,880

Footnote: **Unassigned (not included in assigned fund balance are: $1.0 tech; $2.0 healthcare cos $3.0 capital projects; $0.5 PSERS; for a total of $6.5M)*

Millage Rate Discussion

3.3% INCREASE IN MILLAGE RATE

YIELDS APPROX. $1.3M

Property of 100,000 assessed value

- Tax at 24.4471 $2,444.71
- Increase from 2019-20 $78.10

Impact of Millage Increase

	Potential Tax Increase	Generated Revenue	Resulting Deficit	Ending Unassigned Fund Balance 6/30/2021		Tax Increase on 100K of Assessed Value
Initial Budget	3.30%	1,313,000	4,708,478	(287,865)	*	78.10
	3.05%	1,213,530	4,807,948	(387,335)		72.18
	2.80%	1,114,061	4,907,417	(486,804)		66.27
	2.55%	1,014,591	5,006,887	(586,274)		60.35
	2.30%	915,121	5,106,357	(685,744)		54.43
	2.05%	815,652	5,205,826	(785,213)		48.52
	1.80%	716,182	5,305,296	(884,683)		42.60
	1.55%	616,712	5,404,766	(984,153)		36.68
	1.30%	517,242	5,504,236	(1,083,623)		30.77
	1.05%	417,773	5,603,705	(1,183,092)		24.85
	0.80%	318,303	5,703,175	(1,600,865)		18.93
	0.55%	218,833	5,802,645	(1,919,168)		13.02
	0.00%	-	6,021,880	(2,138,001)		-

*We need to transfer a portion of the Assigned Fund Balance to the Unassigned Fund Balance to cover the shortfall.

Budget Adoption

FINAL BUDGET APPROVAL ON MAY 18, 2020

BUDGET RESOLUTION - Approval of the Proposed General Fund Budget for the 2020 -2021 fiscal year, with total revenues of $70,897,774, total expenditures of $75,606,252, with the shortfall of $4,708,478 to be funded from the General Fund Unreserved Fund Balance, and setting the real estate tax millage rate at 24.4471 mills, an increase of .7808 mills from the millage rate of 23.6663; in addition, earned income tax of ½% and real estate transfer tax of ½% under Act 511.

Budget Adoption Schedule

PROPOSED FINAL BUDGET APPROVED ON APRIL 6, 2020

- Need direction on millage rate to use to prepare the PDE Budget Document

FINAL BUDGET APPROVAL ON MAY 18, 2020

Moving Forward

CONSIDER TAX INCREASE

- Do we increase at all? How much?
- Impact for future years (lost revenue)

STATE

- Proposal to “freeze” tax rates at 2019-20 levels
- Eliminate the 10% penalty period

Moving Forward

BIG QUESTION: What does FY 2021-22 look like?

- PSERS
- Transportation
- Social Distancing
- Additional Sick Leave

QUESTIONS?

Impact of Millage Increase

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