



FY 2020-21 BUDGET INFORMATION

February 10, 2020
Directors' Study Forum

Agenda

- ▶ Review and update budget parameters
- ▶ Discuss millage rate
- ▶ Factors that influence the budget
- ▶ Discuss components of the budget
- ▶ Preview preliminary budget
- ▶ Review County Data

Budget Parameters - Expenditures

- ▶ Maintain current instructional and service programs
- ▶ Salaries / benefits
 - ▶ PSERS rate at 34.51% (current year is 33.43%)
 - ▶ Increase in healthcare rates at 3%
- ▶ Transportation contracted services
 - ▶ Increase of 2.5% in contract / 0% in fuel
- ▶ Debt service
 - ▶ Level at \$7.1 million
- ▶ All other items at 2019-20 levels

Budget Parameters - Revenues

- ▶ **Act I Index**

- ▶ SGASD Enhanced Index of 3.3%

- ▶ **LOCAL**

- ▶ Assume current growth in AV / 3.3% increase in millage rate
 - ▶ All other revenues sources - 0% increase

- ▶ **STATE**

- ▶ No increase in Basic and Special Ed Subsidies from 2019-20
 - ▶ PSERS and FICA subsidy based on personnel costs

- ▶ **FEDERAL**

- ▶ No increase

Millage Rate Discussion

▶ Base Millage 2019-20	23.6663
▶ Index Limit (3.3%)	<u>0.7808</u>
▶ Potential 2020-21 mills	24.4471

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 \$77.75

Components of the Revenue Budget

- ▶ **\$70,897,774 – 2.51% increase over 2019-20 year**
 - ▶ Includes a 3.3% millage rate increase
 - ▶ Taxable assessed values increased by 0.54% from October
 - ▶ Revenue includes the Church & Dwight property (100%)
 - ▶ Non-real estate tax revenue increased slightly
 - ▶ No changes in Basic and Special Education subsidies
 - ▶ Other subsidies included with increases due to salary costs (Social Security and PSERS)

Components of the Expenditure Budget

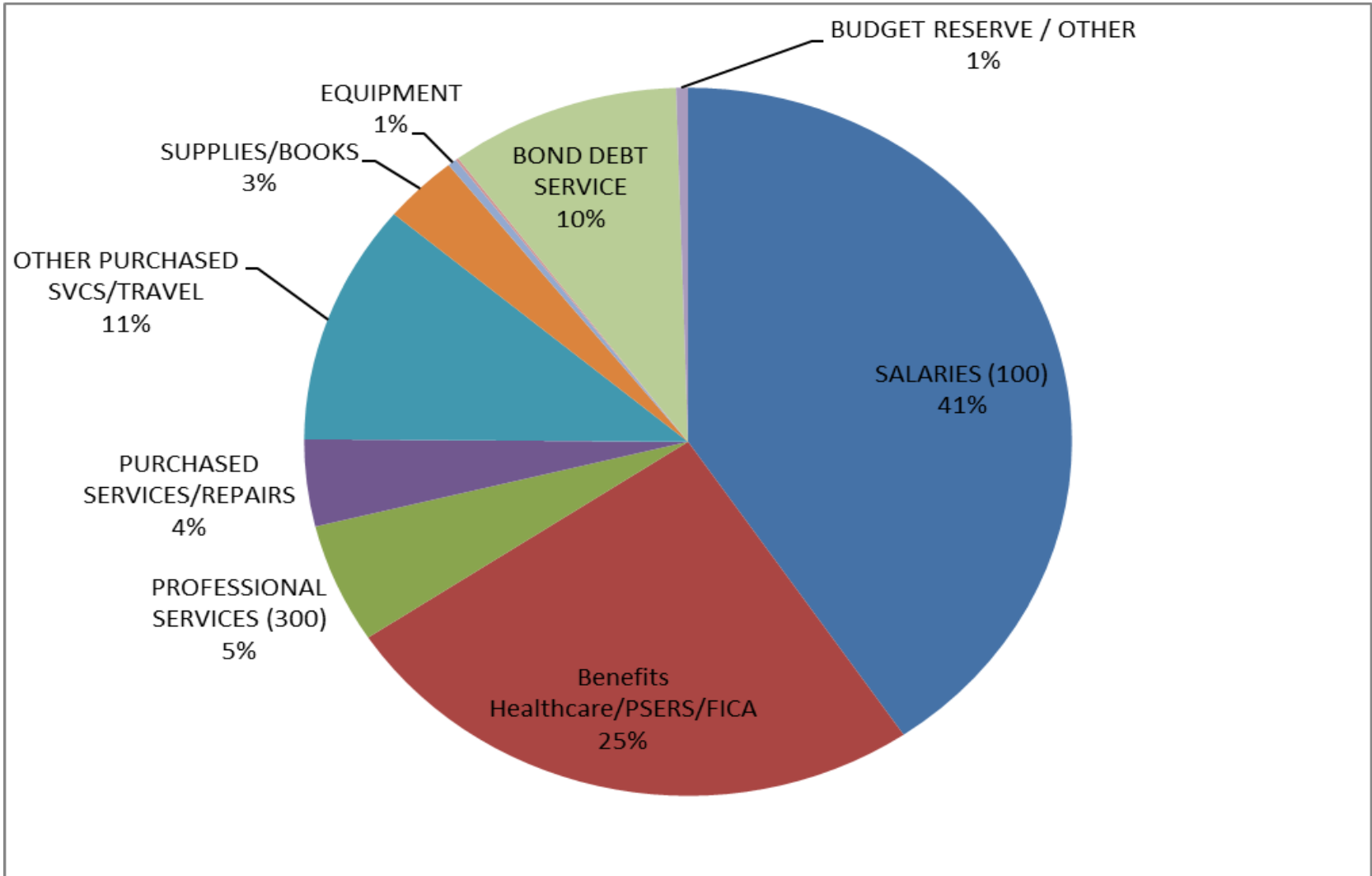
- ▶ **\$75,606,252 – 2.52% increase over this year**
 - ▶ Salaries – still reviewing this year's AND next year's numbers
 - ▶ PSERS increase of \$330K or 2.9% (based on newly certified rate of 34.51%)
 - ▶ Transportation increase of \$79K or 2.5% (includes Special Education services)
 - ▶ Charter school tuition increase \$200K or 16.6%

Key Points/Challenges

- ▶ **Expenditures:** Benefits, tuition (charter) costs, and contracted services grow at greater rates than revenues
- ▶ **Revenues:** Real estate taxes are the single largest line item – no other significant increases except through millage rate

How Our Budget Is Spent

FY 2018-19 Actuals



Fund Balance

- ▶ Anticipating the 2019-2020 budget will have a slightly smaller deficit than budgeted
 - ▶ Expenditure and Revenue status for February 2020 will be an indicator of ending fund balance for the current year
 - ▶ Budget will be updated to include the Governor's proposed budget in February
- ▶ Continue fiscally responsible planning

Draft of 2020-21 fiscal year budget

▶ 2020-21 Draft

▶ Beginning Fund Balance*	\$ 1,670,614
▶ Revenues	\$70,897,774
▶ Expenses	\$75,606,252
▶ Ending Fund Balance*	\$ (3,037,865)

Deficit of \$4,708,478

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

Fund Balance

	Actual 2017-18	Actual 2018-19	Budgeted 2019-20	Projected 2019-20	Proposed 2020-21
Beginning Fund Balance*	5,604,301	5,270,367	5,252,302	5,252,302	1,670,614
Revenues	67,100,632	70,190,563	69,162,533	69,252,533	70,897,774
Expenditures	67,434,566	70,208,628	73,744,221	73,194,221	75,606,252
Surplus/(Deficit)	(333,935)	(18,065)	(4,581,688)	(3,941,688)	(4,708,478)
Other					
Ending Fund Balance*	5,270,367	5,252,302	1,670,614	2,310,614	(3,037,865)
Assigned Fund Balance	7,500,000	7,500,000	6,500,000	6,500,000	
		use of Assigned F/B	1,000,000	1,000,000	
RE Millage Rate	22.6768	23.0891	23.6663	23.6663	
Ending F/B as % of Exp	7.82%	7.48%	2.27%		
Index	3.20%	3.00%	2.90%	2.90%	3.30%
Δ% in Revenues	2.62%		3.20%		2.51%
Δ% in Expenditures	4.05%		4.96%		2.52%

Equalized Mills

	2013-14		2014-15		2015-16		2016-17		2017-18	
School District	Eq Mills	Rank	Eq Mills	Rank	Eq Mills	Rank	Eq Mills	Rank	Eq Mills	Rank
York City SD	33.40	6	30.70	9	33.70	2	34.20	3	35.20	2
Northeastern York SD	21.20	115	23.60	67	24.30	62	25.90	41	25.30	54
York Suburban SD	22.80	80	23.40	72	24.20	65	24.50	61	24.90	64
West York Area SD	20.80	127	22.50	93	23.00	91	24.30	68	24.70	66
Dallastown Area SD	22.40	90	22.80	87	22.60	99	23.90	76	24.50	70
Eastern York SD	19.50	166	20.70	140	21.30	135	23.20	89	24.50	70
Hanover Public SD	19.80	158	22.00	108	22.20	107	23.70	81	24.40	74
Dover Area SD	22.40	90	23.20	77	23.20	81	23.80	79	24.10	80
South Eastern SD	21.00	119	22.20	101	22.90	93	23.20	89	22.90	102
Red Lion Area SD	22.30	95	22.10	106	22.00	112	22.60	102	22.70	109
Spring Grove Area SD	18.90	194	19.70	174	20.40	163	21.00	145	21.90	127
Southern York Co SD	17.80	242	19.00	200	19.20	211	20.30	177	20.80	177
Central York SD	18.30	227	19.10	196	19.20	210	19.50	204	20.20	198
South Western SD	15.30	362	17.00	288	17.60	278	18.50	234	19.10	228
Average	21.14		22.00		22.56		23.47		23.94	

Equalized Mills.

A district's total taxes collected are divided by its taxable market value as certified by the State Tax Equalization Board to yield the equalized mills.

A higher equalized mills ranking indicates a greater taxation effort on the part of taxpayers when compared to other school districts. High equalized mills indicate a decreased ability to raise additional funds via taxes.

Equalized mills compare the property tax burden in the school district against all other school districts in Pennsylvania.

Revenue Data

School District	Current and Interim Real Estate Taxes Collected	2017 STEB Market Value	2017-18 Equalized Mills	Mills	\$ Per Mill
Dallastown Area SD	\$66,319,908.77	\$3,051,543,311	24.5	23.66	\$2,803,039.25
Central York SD	\$54,168,718.32	\$3,101,591,572	20.2	19.35	\$2,799,416.97
Red Lion Area SD	\$44,281,359.00	\$2,227,131,888	22.7	22.27	\$1,988,386.12
York Suburban SD	\$38,968,631.95	\$1,764,622,830	24.9	22.74	\$1,713,660.16
South Western SD	\$37,934,531.89	\$2,248,134,177	19.1	19.43	\$1,952,369.11
Northeastern York SD	\$37,337,948.19	\$1,681,181,024	25.3	26.09	\$1,431,121.05
Spring Grove Area SD	\$36,720,438.55	\$1,906,113,645	21.9	22.67	\$1,619,781.14
West York Area SD	\$35,514,433.00	\$1,595,775,985	24.7	24.22	\$1,466,326.71
Southern York County SD	\$29,497,723.86	\$1,700,367,492	20.8	18.92	\$1,559,076.31
South Eastern SD	\$28,404,343.66	\$1,428,241,535	22.9	22.25	\$1,276,599.72
York City SD	\$28,108,811.90	\$975,058,802	35.2	33.73	\$833,347.52
Dover Area SD	\$27,735,199.02	\$1,443,537,545	24.1	21.93	\$1,264,714.96
Eastern York SD	\$24,568,001.73	\$1,164,257,073	24.5	23.26	\$1,056,233.95
Northern York County SD	\$22,682,470.51	\$1,565,625,014	18.4	16.48	\$1,376,363.50
Hanover Public SD	\$20,408,044.00	\$941,567,106	24.4	21.99	\$928,060.21
Average	\$35,510,037.62	\$1,786,316,599.93	23.573333	22.5993	\$1,604,566.45

Items to Consider Next Month

- ▶ Millage rate discussion
- ▶ Update of state funding
- ▶ Continue current year's financial review and assess impact on next year's budget

Questions

