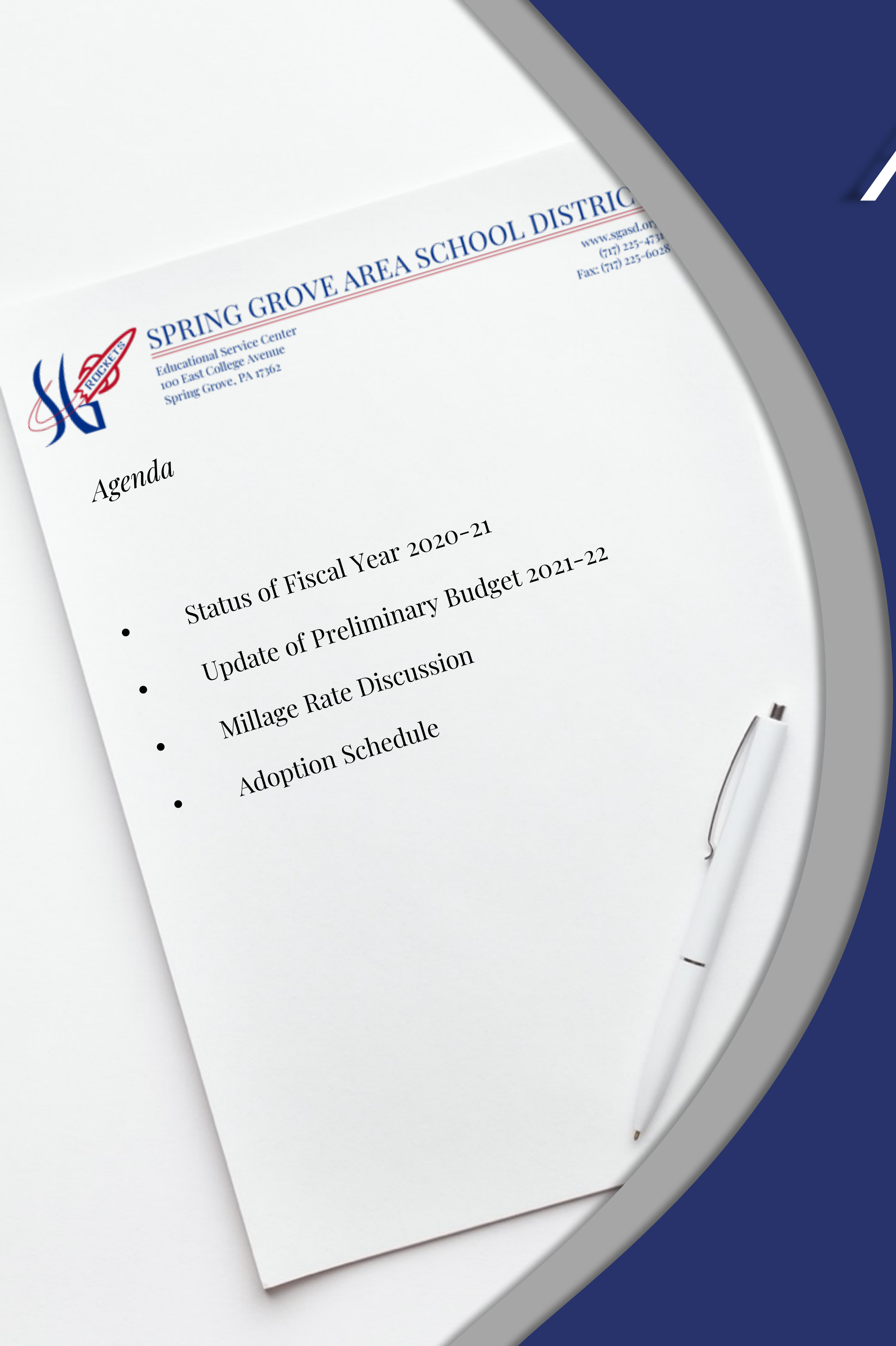
March 8, 2021 Directors' Study Forum

FY 2021 -22 BUDGET INFORMATION

SPRING GROVE AREA SCHOOL DISTRICT



Agenda

- Status of Fiscal Year 2020 -21
- Update of Preliminary Budget 2021 -22
- Millage Rate Discussion
- Adoption Schedule

Status of Fiscal Year 202021

- Revenues
  - Collected $625 K more than budgeted in real estate tax
  - Projecting
    - $325 K more than budgeted in tuition payments
- Expenditures
  - Assume not spending $350 K Budgetary Reserve
  - Working through projections for staffing, LIU contract costs, and charter costs
  - Debt refinancing savings - $700 K
  - Other expenditures tracking as budgeted/expected
  - Level debt payment – $200K
- Grants
  - Six grants allocated or received since COVID $2.6 million

Status of Fiscal Year 202021

- Overall, projecting a smaller deficit than budgeted
  - Original: $6,021,880
  - Updated: $3,821,880

Update of 2021-22 FY Budget

- Governor's Proposed Budget*
  - Basic Education Subsidy: $302,605 (2.71%)
  - Special Education Subsidy: $355,862 (15.0%)
  - Accountability Block Grant (ABG): no change
  - Total Increase for 2021-22 from the State: $658,467

- * Subject to legislative changes and PDE data updates, comparisons are to initial budget

Update of 2021-22 Fiscal Year Budget

Beginning Fund Balance*	$3,138,096	
Revenues	$71,541,536	(w/o state subsidy changes)
Expenses	$76,836,565	
Ending Fund Balance*	$ (2,156,933)	
Deficit of	$5,295,029	

**Unassigned*
Assigned fund balance includes: $1.0 tech; $2.0 healthcare costs;
$3.0 capital projects; $1.0 charter schools; $0.5 PSERS; for a total of $7.5M

Millage Rate Discussion

- Base Millage 2020 -21 23.6663
- Index Limit (3.7%) .8756
- Potential 2021 -22 millage 24.5419

Millage Rate Discussion

- 3.7% increase in millage rate yields approximately $1.5M
- Property of $100,000 assessed value
  - Tax Rate at 24.5419 $2,454.19
  - Increase from 2020 -21 $87.56

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	3.70%	1,489,866	5,295,029	(2,156,933)	*	87.57
	3.45%	1,389,199	5,395,696	(2,257,600)		81.65
	3.20%	1,288,533	5,496,362	(2,358,266)		75.73
	2.95%	1,187,866	5,597,029	(2,458,933)		69.82
	2.70%	1,087,200	5,697,695	(2,559,599)		63.90
	2.45%	986,533	5,798,362	(2,660,266)		57.98
	2.20%	885,866	5,899,029	(2,760,933)		52.07
	1.95%	785,200	5,999,695	(2,861,599)		46.15
	1.70%	684,533	6,100,362	(2,962,266)		40.23
	1.45%	583,866	6,201,029	(3,062,933)		34.32
	1.20%	483,200	6,301,695	(3,646,799)		28.40
	0.95%	382,533	6,402,362	(4,129,999)		22.48
	0.00%	-	6,021,880	(4,512,532)		-

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

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Adoption Schedule

- Proposed Final Budget Approval on April 12, 2021
  - Need direction on millage rate to use to prepare the PDE Budget Document
- Final Budget Approval on May 24, 2021

QUESTIONS?