

# Finance Committee Meeting

## October 12, 2021

# Meeting Agenda

1. L-S Debt Profile Review, Projections and Recommendations – Lauren Stadel and Olivia Atlasik (RBC Capital Markets)
2. Federal ESSER Funds
3. 2020–21 Preliminary Budget Outcome
4. 2021–22 Projected Budget Outcome
5. 2022–23 Budget Discussion
6. Items from the Committee and Community Input

# Lampeter-Strasburg School District

## Capital Projects Financing Review

October 12, 2021



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Capital  
Markets

**Lampeter-Strasburg School District**  
**Gross Debt Outstanding**  
**As of July 1, 2021**

<b>As of Fiscal Year Ending June 30</b>	<b>(1) 2002 Fixed DelVal Loan</b>	<b>(2) 2002 Fixed DelVal Loan</b>	<b>(3) 2017 G.O. Note</b>	<b>(4) 2021 G.O. Bond</b>	<b>Total</b>
<b>2022</b>	601,382	531,004	2,687,189	117,943	3,937,517
<b>2023</b>			630,613	1,518,143	2,148,756
<b>2024</b>			632,117	1,514,562	2,146,679
<b>2025</b>			628,260	1,520,781	2,149,040
<b>2026</b>			629,161	1,516,667	2,145,828
<b>2027</b>			624,701	1,522,353	2,147,054
<b>2028</b>				2,107,706	2,107,706
<b>Total</b>	601,382	531,004	5,832,040	9,818,154	16,782,580

(1) 2002 DelVal Fixed Rate Conversion Portion @ 2.635% 1/15/09

(2) 2002 DelVal Fixed Rate Conversion Portion @ 2.005% 9/25/11

(3) Series of 2017 Notes (BB&T Bank Loan), fixed rate of 2.41%, callable 3/1/23.

(4) Series of 2021 Bond (Key Bank Loan), fixed rate of 1.332%, 1% prepayment penalty until 4/1/22

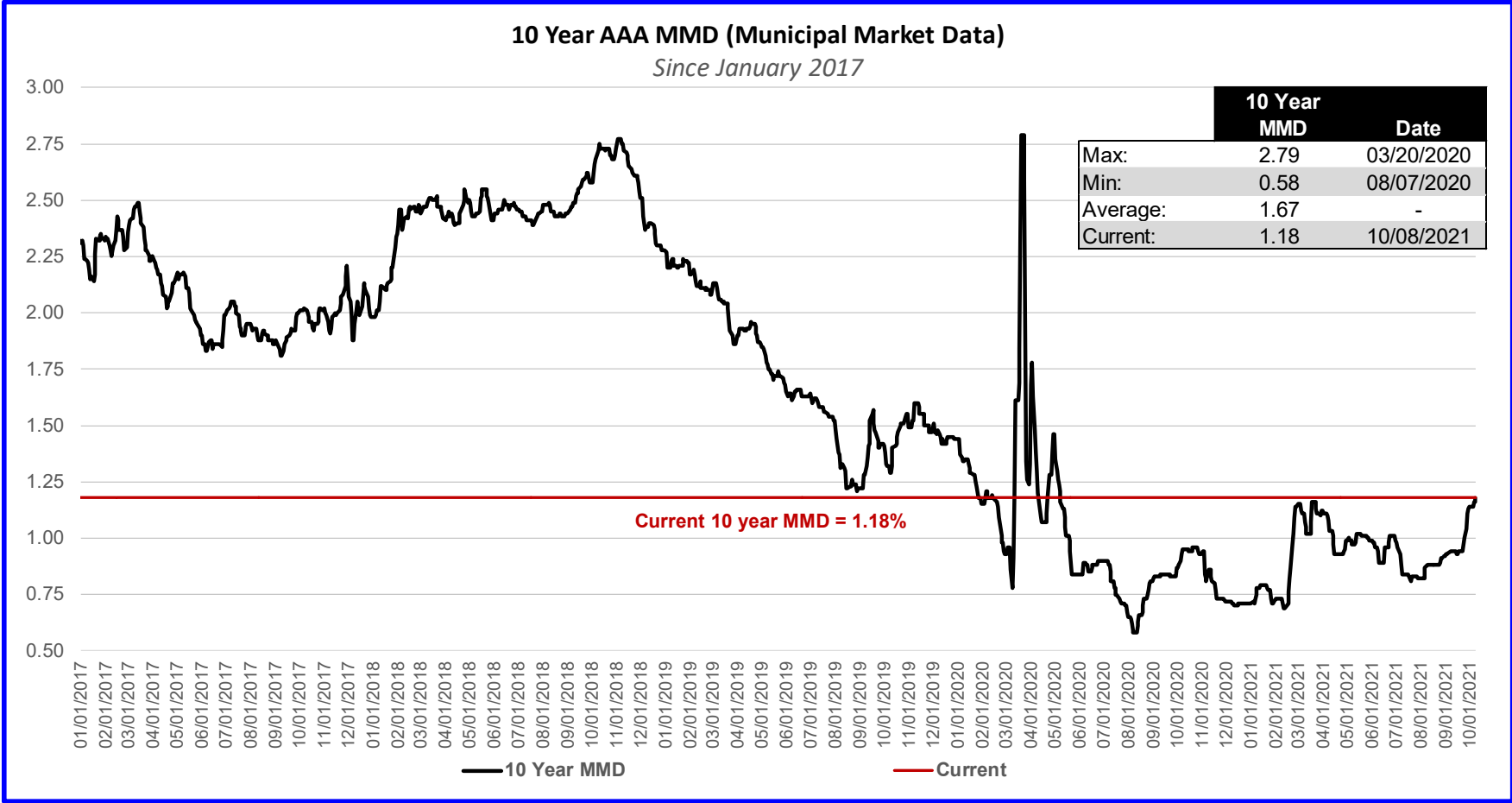
**Lampeter-Strasburg School District**  
**Net Debt Outstanding**  
**As of July 1, 2021**

<b>As of Fiscal Year Ending June 30</b>	<b>2002 Fixed DeVal Loan</b>	<b>2002 Variable DeVal Loan</b>	<b>2017 G.O. Note</b>	<b>2021 G.O. Bond</b>	<b>Total</b>
<b>2022</b>	546,509	482,552	2,561,057	117,943	3,708,060
<b>2023</b>			601,013	1,518,143	2,119,157
<b>2024</b>			602,447	1,514,562	2,117,009
<b>2025</b>			598,770	1,520,781	2,119,551
<b>2026</b>			599,629	1,516,667	2,116,296
<b>2027</b>			595,379	1,522,353	2,117,731
<b>2028</b>				2,107,706	2,107,706
<b>Total</b>	546,509	482,552	5,558,294	9,818,154	16,405,509

Local Effort	90.88%	90.88%	95.31%	100.00%
State Effort	9.12%	9.12%	4.69%	0.00%
CARF	41.76%	41.76%	41.76%	41.76%
Proj. Reimb.	21.85%	21.85%	11.24%	0.00%

# Interest Rate History (2017-YTD)

## Interest Rate History (2017 - YTD)



## Phased Borrowings – Producing \$85.9 MM for Projects – Zero millage impact

Fiscal Year Ending June 30	Total Net Outstanding D/S (1)	Series of 2021 \$9,175,000 Project Fund Net D/S (2)	Proposed Series of 2022 \$10,000,000 Project Fund Net D/S (3)	Proposed Series of 2023 \$25,000,000 Project Fund Net D/S (4)	Proposed Series of 2024 \$25,000,000 Project Fund Net D/S (5)	Proposed Series of 2025 \$16,725,000 Project Fund Net D/S (6)	Less: Interest Earnings/SD Reserves	Total Net Debt	Value of 1 Mill (7)	New Mills Req'd	Total Mills in Place (8)	Dollars Appropriated	Budget Surplus (Deficit)
2020	5,506,719	0	0	0	0	0		5,506,719	2,117,308	0.000	2.60	5,506,719	0
2021	6,483,587	0	0	0	0	0		6,483,587	2,133,188	0.000	2.60	5,548,019	-935,568
2022	3,590,118	117,943	0	0	0	0		3,708,060	2,149,187	0.000	2.60	5,589,630	1,881,570
2023	601,013	1,518,143	421,338	0	0	0		2,540,494	2,165,306	0.000	2.60	5,631,552	3,091,057
2024	602,447	1,514,562	373,600	1,099,000	0	0		3,589,609	2,181,545	0.000	2.60	5,673,788	2,084,180
2025	598,770	1,520,781	373,600	942,000	1,285,300	366,217		5,086,668	2,197,907	0.000	2.60	5,716,342	629,674
2026	599,629	1,516,667	373,600	942,000	1,286,400	862,800		5,581,096	2,214,391	0.000	2.60	5,759,214	178,119
2027	595,379	1,522,353	373,600	942,000	1,287,000	858,400		5,578,731	2,230,999	0.000	2.60	5,802,409	223,677
2028	0	2,107,706	373,600	942,000	1,292,000	863,800		5,579,106	2,247,732	0.000	2.60	5,845,927	266,821
2029	0	0	1,388,600	1,722,000	1,596,200	863,600		5,570,400	2,264,590	0.000	2.60	5,889,771	319,371
2030	0	0	1,388,000	1,720,800	1,597,600	863,000		5,569,400	2,281,574	0.000	2.60	5,933,944	364,544
2031	0	0	1,385,800	1,723,400	1,597,800	862,000		5,569,000	2,298,686	0.000	2.60	5,978,449	409,449
2032	0	0	1,387,000	1,724,600	1,596,800	860,600		5,569,000	2,315,926	0.000	2.60	6,023,287	454,287
2033	0	0	1,386,400	1,724,400	1,599,600	858,800		5,569,200	2,333,296	0.000	2.60	6,068,462	499,262
2034	0	0	1,389,000	1,722,800	1,596,000	861,600		5,569,400	2,350,795	0.000	2.60	6,113,975	544,575
2035	0	0	1,384,600	1,719,800	1,601,200	863,800		5,569,400	2,368,426	0.000	2.60	6,159,830	590,430
2036	0	0	1,388,400	1,720,400	1,599,800	865,400		5,574,000	2,386,189	0.000	2.60	6,206,029	632,029
2037	0	0	0	3,119,400	1,602,000	861,400		5,582,800	2,404,086	0.000	2.60	6,252,574	669,774
2038	0	0	0	3,120,800	1,602,600	862,000		5,585,400	2,422,116	0.000	2.60	6,299,468	714,068
2039	0	0	0	3,123,200	1,596,600	862,000		5,581,800	2,440,282	0.000	2.60	6,346,714	764,914
2040	0	0	0	3,121,400	1,599,200	861,400		5,582,000	2,458,584	0.000	2.60	6,394,315	812,315
2041	0	0	0	3,120,400	1,600,000	860,200		5,580,600	2,477,024	0.000	2.60	6,442,272	861,672
2042	0	0	0	3,120,000	1,599,000	863,400		5,582,400	2,495,602	0.000	2.60	6,490,589	908,189
2043	0	0	0	0	4,721,200	860,800		5,582,000	2,514,319	0.000	2.60	6,539,269	957,269
2044	0	0	0	0	4,721,600	862,600		5,584,200	2,533,176	0.000	2.60	6,588,313	1,004,113
2045	0	0	0	0	0	5,583,600		5,583,600	2,552,175	0.000	2.60	6,637,725	1,054,125
2046	0	0	0	0	0	4,160,000		4,160,000	2,571,316	0.000	2.60	6,687,508	2,527,508
2047	0	0	0	0	0	0		0	2,590,601	0.000	2.60	6,737,665	6,737,665
TOTAL	18,577,661	9,818,154	13,387,138	37,370,400	36,977,900	26,487,417	0	142,618,669		0.000			

(1) Annual Net Debt Service for Series of 2002 Del Val and 2017 Notes.

(2) Actual Series of 2021, \$9,250,000 New Money, Dated April 1, 2021. Fixed at 1.332%. Local Effort 100%. Produced \$9.175MM for project.

(3) Proposed Series of 2022, \$9,335,000 New Money, Dated February 15, 2022. Current rates + 1.00% contingency. Local Effort 100%. Produces \$10MM for project

(4) Proposed Series of 2023, \$23,550,000 New Money, Dated February 1, 2023. Current rates + 1.00% contingency. Local Effort 100%. Produces \$25MM for project.

(5) Proposed Series of 2024, \$23,430,000 New Money, Dated January 1, 2024. Current rates + 1.00% contingency. Local Effort 100%. Produces \$25MM for project.

(6) Proposed Series of 2025, \$15,695,000 New Money, Dated January 1, 2025. Current rates + 1.00% contingency. Local Effort 100%. Produces \$16.725MM for project.

(7) FY2019-20 mill is worth \$2,117,308 and grows at a rate of .75% a year per the administration as of January 2020.

## Phased Borrowings – Producing \$85.9MM for Projects – Shortened for lowest overall repayment

Fiscal Year Ending June 30	Total Net Outstanding D/S (1)	Proposed Series of 2021 \$9,175,000 Project Fund Net D/S (2)	Proposed Series of 2022 \$10,000,000 Project Fund Net D/S (3)	Proposed Series of 2023 \$25,000,000 Project Fund Net D/S (4)	Proposed Series of 2024 \$25,000,000 Project Fund Net D/S (5)	Proposed Series of 2025 \$16,725,000 Project Fund Net D/S (6)	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill (7)	New Mills Req'd	Total Mills in Place (8)	Dollars Appropriated	Budget Surplus (Deficit)
2020	5,506,719	0	0	0	0	0		5,506,719	2,117,308	0.000	2.60	5,506,719	0
2021	6,483,587	0	0	0	0	0		6,483,587	2,133,188	0.000	2.60	5,548,019	-935,568
2022	3,590,118	117,943	0	0	0	0		3,708,060	2,149,187	0.000	2.60	5,589,630	1,881,570
2023	601,013	1,518,143	2,424,721	0	0	0		4,543,878	2,165,306	0.000	2.60	5,631,552	1,087,674
2024	602,447	1,514,562	301,600	1,784,767	0	0		4,203,375	2,181,545	0.050	2.65	5,782,866	1,579,490
2025	598,770	1,520,781	301,400	1,501,800	1,553,383	0		5,476,134	2,197,907	0.050	2.70	5,936,133	459,998
2026	599,629	1,516,667	301,200	1,507,800	1,549,200	977,750	360,873	6,091,373	2,214,391	0.050	2.75	6,091,373	0
2027	595,379	1,522,353	301,000	1,502,600	1,553,400	978,800	204,923	6,248,608	2,230,999	0.050	2.80	6,248,608	0
2028	0	2,107,706	300,800	1,516,600	1,546,400	979,000	42,646	6,407,860	2,247,732	0.050	2.85	6,407,859	0
2029	0	0	2,035,600	1,889,000	1,548,600	978,600		6,451,800	2,264,590	0.000	2.85	6,455,918	4,118
2030	0	0	2,036,000	1,885,400	1,554,600	972,600		6,448,600	2,281,574	0.000	2.85	6,504,338	55,738
2031	0	0	2,033,600	1,890,200	1,549,200	976,200		6,449,200	2,298,686	0.000	2.85	6,553,120	103,920
2032	0	0	2,038,400	1,883,000	1,552,800	979,000		6,453,200	2,315,926	0.000	2.85	6,602,269	149,069
2033	0	0	0	3,924,200	1,550,000	976,000		6,450,200	2,333,296	0.000	2.85	6,651,786	201,586
2034	0	0	0	3,921,800	1,551,000	977,400		6,450,200	2,350,795	0.000	2.85	6,701,674	251,474
2035	0	0	0	3,924,200	1,550,600	978,000		6,452,800	2,368,426	0.000	2.85	6,751,937	299,137
2036	0	0	0	3,926,000	1,548,800	977,800		6,452,600	2,386,189	0.000	2.85	6,802,576	349,976
2037	0	0	0	1,352,000	4,120,600	976,800		6,449,400	2,404,086	0.000	2.85	6,853,596	404,196
2038	0	0	0	0	5,473,000	980,000		6,453,000	2,422,116	0.000	2.85	6,904,998	451,998
2039	0	0	0	0	5,475,600	977,200		6,452,800	2,440,282	0.000	2.85	6,956,785	503,985
2040	0	0	0	0	0	6,453,600		6,453,600	2,458,584	0.000	2.85	7,008,961	555,361
2041	0	0	0	0	0	3,120,000		3,120,000	2,477,024	0.000	2.85	7,061,528	3,941,528
2042	0	0	0	0	0	0		0	2,495,602	0.000	2.85	7,114,490	7,114,490
2043	0	0	0	0	0	0		0	2,514,319	0.000	2.85	7,167,848	7,167,848
2044	0	0	0	0	0	0		0	2,533,176	0.000	2.85	7,221,607	7,221,607
2045	0	0	0	0	0	0		0	2,552,175	0.000	2.85	7,275,769	7,275,769
2046	0	0	0	0	0	0		0	2,571,316	0.000	2.85	7,330,337	7,330,337
2047	0	0	0	0	0	0		0	2,590,601	0.000	2.85	7,385,315	7,385,315
TOTAL	18,577,661	9,818,154	12,074,321	32,409,367	33,677,183	23,258,750	608,442	129,206,994		0.250			

(1) Annual Net Debt Service for Series of 2002 Del Val and 2017 Notes.

(2) Actual Series of 2021, \$9,250,000 New Money, Dated April 1, 2021. Fixed at 1.332%. Local Effort 100%. Produced \$9.175MM for project.

(3) Proposed Series of 2022, \$9,335,000 New Money, Dated February 15, 2022. Current rates + 1.00% contingency. Local Effort 100%. Produces \$10MM for project

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(6) Proposed Series of 2025, \$15,695,000 New Money, Dated January 1, 2025. Current rates + 1.00% contingency. Local Effort 100%. Produces \$16.725MM for project.

(7) FY2019-20 mill is worth \$2,117,308 and grows at a rate of .75% a year per the administration as of January 2020.

(8) Mills in place for prior debt.



# Federal ESSER Funds thru 2023-24

Lampeter-Strasburg School District		
Elementary and Secondary School Emergency Relief (ESSER) Funds		
<a href="https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/CARESAct/Pages/default.aspx">https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/CARESAct/Pages/default.aspx</a>		
ESSER II	1,448,503	
American Rescue Plan (ARP) ESSER III	2,929,903	
ESSER III-20% to address learning loss		585,981
ESSER III balance		2,343,922
subtotal		2,929,903
ARP ESSER III 5% Set-aside Allocations for Learning Loss	162,657	
Min Allocation for Student Social, Emotional and Mental Health Support (30%)		48,797
Min Allocation for Prof Dev for Staff on Social, Emotional and Mental Health Support (10%)		16,266
Min Allocation for Reading Support and Improvement (8%)		13,013
Balance of ARP ESSER III 5% Set-aside Allocations for Learning Loss		84,581
subtotal		162,657
ARP ESSER III 1% Set-aside Allocations for Summer Enrichment	32,531	
ARP ESSER III 1% Set-aside Allocations for Afterschool Programs	32,531	
Grand Total	4,606,125	

# Federal ESSER Funds thru 2023-24

Students- Direct Learning Support	875,089		
after school and summer enrichment programs		377,697	
Reading and Math supplemental materials and online support		88,013	
Technology- Chromebooks		375,000	
Special Ed services directly related to COVID		34,379	
Student Support	2,153,115		
Social Emotional Learning (SEL) diagnostics program package		59,750	
new Social Worker		275,000	
Continue Social Worker and 2+ Guidance Counselors transition		1,202,201	
Student Assistance Program - additional half day for contractor		22,500	
new secretary position - assist Social Worker, Guidance		100,000	
new Board Certified Behavioral Analyst		150,000	
Professional Development (SEL)		66,266	
Crisis Prevention Intervention (SPI) Train the Trainers		7,398	
Technology - upgrade of wireless access system		270,000	
Maintenance and Building Needs	1,577,921		
enhanced COVID cleaning equipment, supplies and materials		200,000	
HVAC upgrades, UV bulbs		1,127,921	
furniture and equipment		250,000	
Total	4,606,125		

# 2020–21 Preliminary Budget Outcome

- The General Fund had a positive change in fund balance in the amount of \$218,784 as of June 30, 2021.
  - The General Fund had an ending fund balance of \$9,590,186 as follows:

➤ Nonspendable - Inventories	\$ 54,856
➤ Assigned for Retirement	\$ 1,111,500
➤ Assigned for Technology	\$ 48,000
➤ Assigned for Assessment Appeals	\$ 171,710
➤ Unassigned Fund Balance	\$ 8,204,120
  - Capital Reserve Fund had a balance of \$2,286,363 as of June 30, 2021.
  - Capital Projects Fund had a balance of \$9,151,364 as of June 30, 2021.
- The 2020-21 Financial Statements will be presented at the Board Workshop on October 18, 2021 and will be on the agenda to accept at the Board Meeting on November 1, 2021.

# 2020-21 Preliminary Budget Outcome – continued Revenue

	2020-21 Budget	2020-21 Actual	\$ Variance	% Variance
<b><u>Revenue:</u></b>				
Real Estate Taxes	35,137,208	35,859,350	722,142	2.06
Earned Income Taxes	2,880,650	3,391,064	510,414	17.72
Transfer Taxes	390,000	587,688	197,688	50.69
Delinquent Taxes	352,500	676,332	323,832	91.87
Interest Income	100,000	97,378	(2,622)	(2.62)
Gains (Losses) on Investments	-	(252,749)	(252,749)	-
IDEA & Access Revenue (Includes ESY Reimbursements)	519,750	606,997	87,247	16.79
Other Local Income	346,000	289,351	(56,649)	(16.37)
Basic Education Subsidy	4,492,170	4,492,116	(54)	(0.00)
Special Education Subsidy	1,486,450	1,473,213	(13,237)	(0.89)
State Share Soc Sec & Retirement	4,992,610	4,719,799	(272,811)	(5.46)
Transportation Subsidy	722,500	747,268	24,768	3.43
Plancon Subsidy (Includes Subsidy from CTC Debt)	484,520	601,103	116,583	24.06
Property Tax Relief	634,802	634,802	(0)	(0.00)
Safety Grant, PA Smart Grant, Equipment Grant	10,000	98,567	88,567	885.67
Other State Revenue	486,120	456,846	(29,274)	(6.02)
Federal Revenue - Title I, II, IV	478,310	369,076	(109,234)	(22.84)
Federal Revenue - Medical Access	-	5,011	5,011	-
Federal Revenue - COVID Related Grants	-	904,911	904,911	-
<b>Total Revenue</b>	<b>53,513,590</b>	<b>55,758,124</b>	<b>2,244,534</b>	<b>4.19</b>

# 2020-21 Preliminary Budget Outcome – continued Expenditures

	2020-21 Budget	2020-21 Actual	\$ Variance	% Variance
<b><u>Expenditures:</u></b>				
Salaries	23,244,220	22,371,688	(872,532)	(3.75)
Social Security & Retirement	9,829,850	9,231,804	(598,046)	(6.08)
Health Benefits	6,129,760	5,129,276	(1,000,484)	(16.32)
Tuition Reimbursement	235,000	206,721	(28,279)	(12.03)
Employer Share 403(b) - Retirements	58,500	250,669	192,169	328.49
Unemployment	10,000	18,748	8,748	87.48
Workers' Comp	169,760	127,757	(42,003)	(24.74)
Special Education Contracts & Tuition	2,623,530	2,639,000	15,470	0.59
Cyber & Charter School Tuition (Includes LLVS)	757,880	1,440,605	682,725	90.08
CTC Tuition	576,000	574,967	(1,033)	(0.18)
Technology Allocation	725,100	618,949	(106,151)	(14.64)
Allocations - Principal, Curriculum, Special Services, Music, Athletics, Security	1,166,280	1,082,040	(84,240)	(7.22)
Transportation Allocation	1,404,289	1,400,830	(3,459)	(0.25)
Custodial and Maintenance Allocation	641,495	587,796	(53,699)	(8.37)
Utilities	616,550	506,534	(110,016)	(17.84)
Debt Service	6,035,400	7,052,342	1,016,942	16.85
Federal Programs - Title I, II, IV	538,750	410,269	(128,481)	(23.85)
Federal Programs - COVID Related Grants	-	942,692	942,692	-
Budgetary Reserve	769,662	-	(769,662)	(100.00)
Balance of Other Expenditures	977,508	946,651	(30,857)	(3.16)
<b>Total Expenditures</b>	<b>56,509,534</b>	<b>55,539,339</b>	<b>(970,195)</b>	<b>(1.72)</b>
<b>Revenue Over (Under) Expenditures</b>		<b>218,784</b>		

# 2021–22 Projected Budget Outcome

# 2021-22 Projected Budget Outcome

## Comparison of Budget to Projected

		<b>2021-22 Budget</b>	<b>2021-22 Projected</b>	<b>\$ Difference</b>	<b>% Variance to Budget</b>
<b>Total Fund Balance - Beginning</b>		7,370,670	9,590,186	2,219,516	
<b>Revenue:</b>					
	Local	41,942,557	41,987,759	45,202	0.11
	State	13,018,006	13,078,161	60,155	0.46
	Federal	464,968	952,039	487,071	104.75
	Other Financing Sources	-	-	-	
	<b>Total:</b>	<b>55,425,531</b>	<b>56,017,959</b>	<b>592,428</b>	<b>1.07</b>
<b>Expenditures</b>		<b>53,055,621</b>	<b>52,096,055</b>	<b>(959,566)</b>	<b>(1.81)</b>
<b>Transfer to Food Service</b>		-	-	-	-
<b>Transfer to Capital Reserve</b>		<b>3,888,075</b>	<b>3,888,075</b>	-	-
<b>Total Expenditures and Transfers</b>		<b>56,943,696</b>	<b>55,984,130</b>	<b>(959,566)</b>	<b>(1.69)</b>
<b>Operating Balance:</b>		<b>(1,518,165)</b>	<b>33,829</b>		
<b>Total Fund Balance - Ending</b>		<b>5,852,505</b>	<b>9,624,015</b>		
<b>Assigned for Retirement</b>		<b>1,111,500</b>	<b>1,111,500</b>		
<b>Assigned for Lost Appeals</b>		<b>171,710</b>	<b>171,710</b>		
<b>Assigned for Technology</b>		<b>48,000</b>	<b>48,000</b>		
<b>Unassigned Fund Balance</b>		<b>4,521,295</b>	<b>8,292,805</b>		
<b>Total Fund Balance</b>		<b>5,852,505</b>	<b>9,624,015</b>		

# 2021-22 Projected Budget Outcome – cont.

## Revenue Differences

Revenue Type	2021-22 Budget	\$ Variance to Budget	% Variance to Budget	Comments
Real Estate and Interim Taxes	36,735,372	27,202	0.07	Slightly Higher Assessment than Budgeted
Earned Income Taxes	3,400,000	40,000	1.18	Lanc. Co. Tax Collection Bureau Projection
Delinquent Taxes	475,000	-	0.00	
Transfer Taxes	450,000	-	0.00	
Interest Earnings	100,000	-	0.00	
Intermediate Sources	543,685	-	0.00	
Other Local Revenue	238,500	(22,000)	(9.22)	Increased Gate Receipts, No Tax Cert Fees (LCTCB)
Basic Education Subsidy	4,492,124	7,876	0.18	Projected Subsidy from PDE
Special Education	1,473,252	26,748	1.82	Projected Subsidy from PDE
Vocational Education Subsidy	60,000	10,000	16.67	Projected Subsidy from PDE
Transportation Subsidy	762,450	(14,950)	(1.96)	Projected Subsidy from PDE
Property Tax Relief Funds	635,758	-	0.00	
Social Security and Retirement Subsidies	4,983,288	-	0.00	
PlanCon Subsidy	230,014	30,481	13.25	Includes CTC PlanCon Subsidy
Other State Subsidies	381,120	-	0.00	
Federal Revenue - Title I, II, ESSER	464,968	487,071	104.75	ESSER Funding (COVID) and Carryover of Title Funds
<b>Total</b>	<b>55,425,531</b>	<b>592,428</b>	<b>1.07</b>	



# 2021–22 Projected Budget Outcome – cont.

## Expenditure Differences

Account Type		2021-22 Budget	\$ Variance to Budget	% Variance to Budget	Comments
Salaries					
	Professional	19,438,770	(51,046)	(0.26)	Administrative and Teaching Staff
	Salary Exempt & Support	4,322,188	(67,621)	(1.56)	
	Total Salaries:	23,760,958	(118,667)	(0.50)	
Benefits					
	Social Security	1,812,605	(3,970)	(0.22)	Tied to Wages
	Retirement	8,179,863	(10,338)	(0.13)	Tied to Wages
	Unemployment Comp	10,000	-	-	
	Workers' Comp	169,506	(9,151)	(5.40)	
	Tuition Reimb.	239,475	-	-	
	Medical Benefits	6,372,362	(543,671)	(8.53)	Based on Projected Claims
	Employer Share TSA	58,500	-	-	
	Total Benefits:	16,842,311	(567,130)	(3.37)	

# 2021–22 Projected Budget Outcome – cont.

## Expenditure Differences

	<b>2021-22</b>	<b>\$ Variance</b>	<b>% Variance</b>	
<b>Account Type</b>	<b>Budget</b>	<b>to Budget</b>	<b>to Budget</b>	<b>Comments</b>
Purchased Professional Services	3,072,847	59,299	1.93	Increase to Special Education Contracts
Purchased Property Services	695,322	30,496	4.39	Updated CTC Payment to Offset Increased Subsidy
Other Purchased Services	3,878,779	149,586	3.86	Actual Liability Insurance, Increase to Charter Tuition
Supplies	1,866,551	(33,150)	(1.78)	Reduced Utility Expense
Equipment	518,200	-	-	
Dues & Memberships	47,833	-	-	
Debt - Interest & Principal	1,892,820	-	-	
Transfer to Capital Reserve	3,888,075	-	-	
Budgetary Reserve	480,000	(480,000)	(100.00)	
<b>Total All Expenditures:</b>	<b>56,943,696</b>	<b>(959,566)</b>	<b>(1.69)</b>	

# 2022–23 General Fund Budget

# 2022-23 Budget Schedule

- The Pennsylvania Department of Education (PDE) will be providing the base index, adjusted index and the Act 1 budget timeline for the 2022-23 Fiscal Year.
- The Act 1 base index has been set by PDE at 3.4%. The adjusted index for Lampeter-Strasburg School District is projected to be 3.8%.
- Important dates on the timeline are:
  - January 18, 2022: the deadline to adopt a Resolution indicating that the district will not raise the rate of tax by more than its adjusted index OR date by which 2022-23 Proposed Preliminary Budget must be available for public inspection. This is the last scheduled Board Workshop date prior to Commonwealth deadline of January 27, 2022.
  - February 7, 2022: the deadline to adopt a 2022-23 Preliminary Budget (only if a Resolution has not been adopted). This is the last scheduled Board Meeting date prior to Commonwealth deadline of Feb. 16, 2022.
  - May 2, 2022: the deadline to adopt a 2022-23 Proposed Final Budget (30 days in advance of adopting Final Budget). This is the last scheduled Board Meeting date prior to Commonwealth deadline of May 31, 2022.
  - June 13, 2022: the deadline to adopt a 2022-23 Final Budget. This is the last scheduled Board Meeting date prior to Commonwealth deadline of June 30, 2022.

# 2022–23 General Fund Budget – Assumptions

- 3.0% increase to total wages (matches CBA)
- Retirement rate – estimated 35.79% (increase from 2021-22 rate of 34.94%)
- 9% increase to medical insurance (based on pseudo rates for calendar year 2022)
- Cyber school - estimating flat enrollment for 2022-23 from current 2021-22 projection
- Capital Reserve transfer budgeted at net Debt Service level
- Millage Rate increased to Lampeter-Strasburg SD's adjusted Act 1 Index of 3.8%
  - Maintained historical assumptions for 2022-23 (growth rate 0.75%, collection rate 97%)
- Earned Income Tax based on historical growth assumptions
- State Subsidies held relatively flat

# 2022-23 Budget

## Adjusted Index 3.8% Millage Increase

	2021-22 Budget	2021-22 Projected	2022-23 Proposed	Difference	% Change
<b>Total Fund Balance - Beginning</b>	7,370,670	9,590,186	9,624,015	33,829	0.35
<b>Revenue:</b>					
Local	41,942,557	41,987,759	43,782,788	1,795,029	4.28
State	13,018,006	13,078,161	13,106,188	28,027	0.21
Federal	464,968	952,039	973,065	21,026	2.21
Other Financing Sources	-	-	-	-	
<b>Total:</b>	<b>55,425,531</b>	<b>56,017,959</b>	<b>57,862,042</b>	<b>1,844,083</b>	<b>3.29</b>
<b>Expenditures</b>	<b>53,055,621</b>	<b>52,096,055</b>	<b>54,378,664</b>	<b>2,282,609</b>	<b>4.38</b>
<b>Transfer to Food Service</b>	-	-	-		
<b>Transfer to Capital Reserve</b>	<b>3,888,075</b>	<b>3,888,075</b>	<b>3,431,723</b>		
<b>Total Expenditures and Transfers</b>	<b>56,943,696</b>	<b>55,984,130</b>	<b>57,810,387</b>	<b>1,826,257</b>	<b>3.26</b>
<b>Operating Balance:</b>	<b>(1,518,165)</b>	<b>33,829</b>	<b>51,655</b>		
<b>Total Fund Balance - Ending</b>	<b>5,852,505</b>	<b>9,624,015</b>	<b>9,675,670</b>		
<b>Assigned for Retirement</b>	<b>1,111,500</b>	<b>1,111,500</b>	<b>1,111,500</b>		
<b>Assigned for Lost Appeals</b>	<b>171,710</b>	<b>171,710</b>	<b>171,710</b>		
<b>Assigned for Technology</b>	<b>48,000</b>	<b>48,000</b>	<b>48,000</b>		
<b>Unassigned Fund Balance</b>	<b>4,521,295</b>	<b>8,292,805</b>	<b>8,344,460</b>		
<b>Total Fund Balance</b>	<b>5,852,505</b>	<b>9,624,015</b>	<b>9,675,670</b>		
<b>% of Unassigned Fund Balance to Total Expenditures</b>	<b>7.94%</b>	<b>14.81%</b>	<b>14.43%</b>		

# Fund Balance Discussion

- Per Act 1 the maximum Unassigned Fund Balance is 8% of Expenditures for the upcoming Budget or approximately \$4.6 M compared to \$8.3 M shown on previous slide
- \$3.7 M over the \$4.6 M maximum if using adjusted Act 1 Index of 3.8% millage rate increase
  - Lampeter-Strasburg's ten-year average millage rate increase is 1.4% and the District's Five-Year Long Range Projection has used 1.9%, so the actual millage rate will likely lower the Unassigned Fund Balance by \$700,000 to \$900,000
  - \$250,000 assign for Instructional Needs from the amount held in 2019-20 and 2020-21 budgets during the uncertainty of March-June 2020
  - \$1,000,000 transfer to Capital Reserve to replace funds not transferred following 2018-19 and 2019-20 fiscal years
  - \$1,500,000 transfer to Capital Projects Fund or Assign for future projects identified in the District's Feasibility Study and ongoing long range planning
  - Potential Personnel wage restructuring (still have \$1.1 M Assigned for Retirement)
  - Curriculum Resources (new editions – textbooks/online resources)
  - Food Service Fund losses

# – Items from the Committee and Community Input

## – Next Steps:

- Act 1 Resolution – January 2022

- Next Meeting Dates:

  - February 14, 2022?

  - April 11, 2022?

- *May 2 Board Meeting – Proposed Final Budget*

- *June 13 Board Meeting – Final Budget*