

FOR IMMEDIATE RELEASE

JULY 16, 2021

## SCRANTON SCHOOL BOARD STATEMENT ON PROPOSED PRELIMINARY BUDGET

The Scranton School District has made its Proposed Preliminary Budget, which includes no property tax increase and grows its fund balance to \$12 million dollars, available for public inspection. The budget expands programs for students, modernizes operations and lays a foundation for future planning. The document can be viewed on the [Business Office](#) page on the District website.

By monitoring its fiscal condition, and cautiously responding to the impacts of the COVID-19 pandemic, the District strengthened its financial position over the course of the last two years. A significant investment in public education at the state level and an influx of Elementary and Secondary School Emergency Relief (ESSER) funds from the federal government have combined to increase revenues in a meaningful and sustainable manner. With budgeted expenditures of approximately \$184 million dollars and anticipated revenues of approximately \$189 million dollars, the 2022 budget includes a potential budgetary reserve of \$5 million dollars. If realized, these dollars could be utilized to stave off future tax increases, pay down costly debt or offset unforeseen revenue loss or unanticipated increases in expenditures.

In the coming weeks, the administration will recommend potential uses of the fund balance for consideration by the Board of Education. Assigning these dollars allows for further investment toward public education for the students of the Scranton School District.

The Pennsylvania Department of Education recommends a budgetary reserve as a sound management practice and is the preferred method, rather than “padding” the budget, to prepare for unpredictable changes in the cost of goods and services not known at the time of budget adoption. The establishment of a budgetary reserve is also an initiative of the Recovery Plan as a way to restore the fund balance of the District.

Over the past several years, the District has benefited from additional state support by way of Empowerment Funds, the Ready to Learn Block Grant and, most recently, increased Basic and Special Education Funding enhanced by the Level Up initiative that focused \$100 million dollars to the 100 most underfunded Districts. The initiatives in the Recovery Plan have allowed the District to maximize the impact of these funds and achieve this positive financial position. By continuing to focus on the expenditure controls, increased efficiencies and streamlined processes therein, the District will be able to maintain solvency and continue to address its long-term debt and capital needs and, most importantly, to expand opportunities for our students.

###