

Canon-McMillan School District



District Finances Snapshot Report

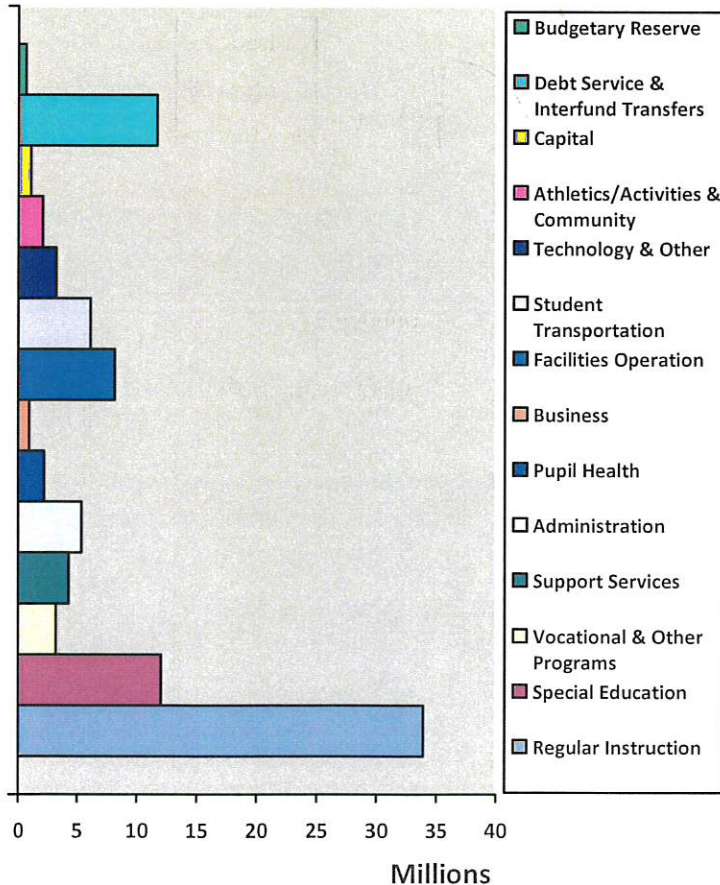
Final Budget 2021-2022

Publication Date September 2021

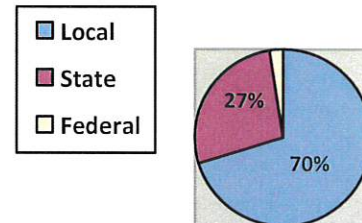
2020-2021 Budget in Summary

	2020-2021 Budget	Actuals (to date)	Change (to date)	2021-2022 Budget	Change (Budget to Budget)
Revenues	\$91,437,768	\$94,021,860		\$95,130,169	\$3,692,401
Expenses	\$92,113,423	\$88,065,400		\$95,118,718	\$3,005,295
Fund Balance	(\$675,655)	\$5,956,460		\$11,900	
		<i>These are not "audited" and estimates as of 8/31/21, and will change in September Transfers</i>			
Per Pupil Cost PDE363 7/28/2020	Regular Ed \$11,055 Special Ed \$22,150			Regular Ed \$11,249 Special Ed \$23,935	Per PDE 363 8/12/2021

Expenditures by Category



Revenue Distribution



Revenue

Local = \$66,824,786

State = \$25,911,528

Federal & Other = \$2,394,305

✓ Top 5 Budgeted: Expense Categories

1	Regular Education - \$33,906,850
2	Special Education - \$12,046,516
3	Debt Service - \$11,682,674
4	Facilities Operation - \$8,131,850
5	Transportation - \$6,105,056

Current Information

✓ Employee Retirement Contributions

CMSD continues to include this legislative mandate in long range budgeting process and regardless of pension reform, the district won't realize significant savings until the 2040's. Funding past-service pension liability for employees is a crucial obligation that greatly affects current and future budgets.

✓ State & Federal Revenue

The budget process becoming very complicated. The state budget was passed in a timely manner with some increases in it, but the future of the increases questionable, the state used federal monies for some of the increase. Additionally in addition to receiving Basic Ed, Special Ed and Ready to Learn subsidies the district also received a number of federal stimulus grants. The district received Federal CARES Act ESSER's Funds while wrapping up the School Safety & Security Grants. These monies are a one-time allocation thus administration spending funds carefully and avoiding reoccurring costs when expending these funds.

✓ Employee Contracts and Agreements

The Act93 agreement was renewed in 2020-2021, along with some stand-alone contracts.

✓ Capital Expenses

CMSD recognizes the need to plan for a deferred maintenance reduction plan for our facilities on a long range cycle. As a result, monies have been designated in the General Fund budget. In addition, the district created (2011-2012) a **Capital Reserve Fund** that may be used for improvements to facilities or one time equipment purchases. *These funds are restricted solely to capital expenditures and by law may not be used for salaries and benefits.*

✓ Gambling Fund - Slot revenues are available for real estate tax relief. CMSD is scheduled to receive **\$926,989.48** in property reductions for **2020-2021**. Result will be a reduction in the amount of taxes an approved homeowner will be required to pay on their tax bills. Qualified homeowners will receive a real estate tax reduction of **\$8,615**.

Highlights of 2020-2021 Finances

Why is there such a large surplus of funds?

- When building the 2020-2021 budget, it was determined that a traditional budget would be built. The knowledge at that time was the District would be returning to a 5 day a week in person instruction environment. *Now we know that did not occur last year. The most in person contact was two days per week primarily for the last semester of the year. As a result, many things budgeted that would happen with full in person instruction did not occur thus not expended.*
- When building the 20-21 budget determined at that time we would be transporting 5 days a week. Also the conversion of contracted carrier transportation for parochial and special education was not completed. *We now know the district did not transport 181 days as it typically does. It was very difficult to build a transportation budget with no baseline for the conversion along with Covid 19 interruption. Initially 39 van drivers, van purchases and monitors added to 20-21 budget. But, since a change in leadership and because no baseline had been established it was determined another 15 monitors needed to be added to the budget but that was not fully known until building the 21-22 budget. This left a surplus of approx. \$1.4M in 20-21 but will be expended in staffing and contracted runs in 21-22.*
- We now know that before the start of the 21-22 SY district had multiple mandates - expense that were not budgeted. For example, 5 tuition students & transportation. We also supplanted and had capital expenses paid with grant monies
- Big factor was revenue. Some revenues were anticipated to be much lower, (ie earned income) by statewide projections. *When in fact we saw numbers that did not come close to state averages. The budget also did not include revenue for some of the federal grant monies as they were in process and not approved at the time the budget was completed.*

We know from history of our state and federal government the long term negative implications of federal funds once they are gone. Funding Cliffs become a reality that school districts are left to navigate. In 2010, it resulted in districtwide wage freezes. To avoid history repeating, surplus funds will be earmarked for future dedicated projects as one-time expenses.

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ESSER FUNDS

*Prepared by Administration & Pandemic Team

Project Description	ESSER I (\$328,078)	ESSER II (\$1,458,125)	ESSER III (\$2,949,365.00) <i>*Subject to Change</i>		
	2020-2021	2021-2022	2021-2022	2022-2023	2023-2024
Non Public Share	19,688	N/A	N/A	N/A	N/A
Class Size Reduction	226,448.05	0	0	0	0
After School Tutoring	30,000.00	0	0	0	0
PPE, Plexiglass, and Cleaning Supplies	31,629.95	115,000	0	0	0
Expand Internet Connectivity Network	40,000	0	0	0	0
Google Enterprise and Malware	0	15,000.00	0.00	15,000	0
Student Device Replacement	0	36,000.00	0	36,000	36,000
Summer Program Supplies/Transportation	0	23,200	1,200	23,200	22,000
1/2 Time Reading Coach / Trainer	0	40,000		40,000	0
Day to Day Building Subs & District Nurse	0	419,999	0	420,000	0
Summer K-1 Intervention Program	0	20,000	20,000	20,000	0
Fusion Cyber Program (3 year cost)	0	30,000	15,000	15,000	15,000
Borland Manor Roof	0	500,318	0	0	0
Food Truck	0	75,000	0	0	0
Increase Social Work Services	0	95,000	0	50,000	0
COVID19 Coordination & Closures	0	18,554.00	0	0	0
Planning COVID-19 & ESSERS	0	0.00	0	19,500	0
Teamology	0	0	9,500.00	9,500	9,500
Mac Mart	0	0	5,000.00	0	0
Support Facility Parking	0	0	699,000.00	0	0
Textbooks	0	0	17,243.16	0	0
MS & HS Math Labs & Supplies	0	70,054	22,493.00	90,500	90,500
Hills Henderson HVAC	0	0	0	600,000	0
District Police Force (Start-up)	0	0	0	300,000	300,000
Building Level Initiatives	0	0	48299	0	0
			Sub Total: \$837,735.16	Sub Total: \$1,638,700	Sub Total: \$473,000
Total:	328,078	1,458,125	2,949,365		

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2020-2021 Millage: 11.9529

FINAL 2021-2022 MILLS: 11.9529

NO TAX INCREASE FOR 2021-2022
 Millage Phase-In for construction paused due to Refunding July 2020. Per Act 34 Hearing Phase-In For Middle School Project still required will Resume in 2022-2023 Budget.

Revenue generated by a **.1 mil:**
 ➤ Approximately \$464,000

*Data for taxes provided by Tax Collectors
 *Impact includes Discount Period

Note: Starting in 2019 the district did not receive an adjustment to the base index. As defined in Section 302 of Act 1, school districts with a market value/personal income aid ratio greater than .4000, will be adjusted upward. However, starting 2019 Canon McMillan's MV/PI Aid Ratio dropped to .3790 so no adjustment made to The base.

Historical Information - Act 1 Taxation Index					
Year	Base Index	CMSD Index	Tax Increase	CMSD Mills	Max Allowed Increase
91-92	n/a	n/a	8 Mills	83.0000	No Limit
92-93	n/a	n/a	0 Mills	83.0000 <small>*rebate offered</small>	No Limit
93-94	n/a	n/a	4 Mills	83.0000	No Limit
94-95	n/a	n/a	1.9 Mills	84.9000	No Limit
95-96	n/a	n/a	0 Mills	84.9000	No Limit
96-97	n/a	n/a	0 Mills	84.9000	No Limit
97-98	n/a	n/a	-1.9 Mills	83.0000	No Limit
98-99 Thru 05-06	n/a	n/a	0 Mills	83.0000	No Limit
06-07	3.9%	4.7%	3 Mills	92.0000	Allowed 4.1
07-08	3.4%	4.1%	2.5 Mills	94.5000	Allowed 3.70
08-09	4.4%	5.3%	2.5 Mills	97.0000	Allowed 5.00
09-10	4.1%	5%	4.85 Mills	101.85	Allowed 4.85
10-11	2.9%	3.5%	3.56 Mills	105.41	Allowed 3.56
11-12	1.4%	1.7%	0 Mills	105.41	Allowed 1.80
12-13	1.7%	2.1%	1.59 Mills	107.00	Allowed 2.21
13-14	1.7%	2.1%	0 Mills	107.00	Allowed 2.21
14-15	2.1%	2.5%	1 Mill	108.00	Allowed 2.65
15-16	1.9%	2.3%	0 Mills	108.00	Allowed 2.4840
16-17	2.4%	2.9%	2 Mills	110.00	Allowed 3.132
17-18	2.5%	2.9%	.2 Mills	11.0900	Allowed .3157
<i>17-18 Washington County reassessment implemented</i>					
18-19	2.4%	2.8%	3105 mills	11.4005	Allowed .3105
19-20	2.3%	2.3%	.2495 mils	11.6500	Allowed .2622
20-21	2.6%	2.6%	.3029 mils	11.9529	Allowed .3029
21-22	3.0%	3.0%	0 Mills	11.9529	Allowed .3585

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The Big Picture at a Glance

How do our taxes compare to other School Districts?

Washington County Millage Ranking

Rank Highest to Lowest	School District	2021-2022 Real Estate Mills CMSD 13 th	2020-2021 Real Estate Mills CMSD 13 th	2019-2020 Real Estate Mills CMSD 11 th	2018-2019 Real Estate Mills CMSD 11 th	2017-2018 Real Estate Mills CMSD 11 th	2016-2017 Real Estate Mills CMSD 13 th	2015-2016 Real Estate Mills CMSD 14 th	2014-2015 Real Estate Mills CMSD 11 th
1	Charleroi Area	0.0175739	0.0175739	0.016931	0.0163806	.0158306	143.0000	136.0000	133.0000
2	Washington Area	0.0151578	0.0151578	0.015158	0.0151578	.0151578	135.0000	133.0000	133.0000
3	Ringgold SD	0.0147705	0.0145205	0.014121	0.0139205	.0137205	127.0000	125.0000	123.0000
4	Peters Township	0.014580	0.01416	0.013810	0.0135000	.013190	113.44000	110.7500	107.1420
5	Trinity SD	0.01390	0.01365	0.013650	0.0133100	.01360	121.8000	113.0000	107.7000
6	Chartiers-Houston	0.013471	0.0129904	0.1012576	0.10122855	0.0119855	125.0000	122.0125	119.5125
7	Fort Cherry	0.0134347	0.0129304	0.012505	0.0121410	0.0117648	130.5000	126.5875	123.5000
8	Brownsville	0.013333	0.0130896	0.011852	0.0113727	0.010448	108.1000	108.5000	98.2700
9	Bentworth	0.01326	0.0101274	0.012310	0.0119400	0.01562	126.0000	123.0000	122.0000
10	McGuffey	0.01323	0.0123500	0.0123500	0.01191	130.0000	126.1500	123.2000	120.0000
11	California Area	0.0128865	0.0128650	0.011500	0.0107600	0.01042	104.5000	95.5000	93.0000
12	Burgettstown	0.0127529	0.0127529	0.012310	0.0118169	0.011368	132.0000	128.0000	122.0000
13	Canon-McMillan	0.0119529	0.0119529	0.011650	.0114005	.011090	110.0000	108.0000	108.0000
14	Avella	0.0115630	0.0111397	0.010774	0.0105260	.010361	124.0000	123.0000	123.0000
15	Beth - Center	0.0108643	0.0104065	0.010026	0.009696	.009696	113.6000	110.6400	108.6400

*2017-2018 – County wide re-assessment took place

The Big Picture at a Glance

Why do we see growth in new housing developments but my taxes keep going up?

The district is in a fortunate position that we are growing. This is a good thing because it increases tax revenues! But with growth comes added expenditures. Much of the residential growth yields additional children joining the district, so while there are additional revenues from the additional children it affects class sizes as well as all other academic, activity, transportation and athletic expenses.

What is an Unfunded Mandate? How does it affect the budget?

State and federal legislators have passed many laws requiring schools to do many good educational things—BUT they have not provided the funding to support them. Districts are required to build these items into their General Fund Budgets.

These mandates include things like...

- ✓ Requiring all buses to have stop sign arms on them that come out as a bus slows to a stop
- ✓ Providing programs for students with special learning needs
- ✓ Providing funding for district students to attend cyber & charter schools
- ✓ Graduation Exams
- ✓ Healthcare Requirements
- ✓ Mandated Pension Contributions (PSERS)
- ✓ Prevailing Wage
- ✓ Charter School
- ✓ English as a Second Language Program (ESL)

Why is fund balance important?

Understanding taxation limits and the maintenance of a fund balance is of paramount significance to the fiscal health of the school district. Credible professional organizations, including the Government Financial Officers' Association, the Association of School Business Officials International and Local Auditors recommend that fund balance levels be maintained between 5% and 8% of budgeted expenditures. (For example, a budget of \$60 million should be supported by a fund balance between \$3 million and \$6 million.) Here are just a few advantages to having a healthy fund balance.

- ✓ Provides a contingency for emergency expenditures without borrowing
- ✓ Provides adequate balances to cover temporary cash flow shortfalls
- ✓ Provides a resource for unfunded state mandates, spikes in current obligations outside of the district's control (for example projected PSERS rate increases, decreased state funding).
- ✓ **Allows the district to contribute to construction costs, minimizing tax impact**
- ✓ Positions the district for favorable bond ratings and offsets construction costs as was demonstrated with the Muse and High School/Stadium Projects' borrowing.

The Big Picture at a Glance

Long Range Planning and Unexpected Circumstances

PHASE 1: 2014-2015: **COMPLETED**

- Micro Redistricting to curb large class sizes and capacity issues.
 - Send % of Muse to Cecil Elementary; Send % of Cecil Elementary to Hills
 - Send % of Borland Manor to South Central
- Land acquisition for future Middle School and property around South Central for future use

PHASE 2: 2015-2016: **COMPLETED**

- Stadium - New Turf and Resurface Track
- Start construction of new K-4 (Muse)
- Support Facility – Roof and Masonry Work

PHASES 3 and 4: 2015-2018

- New Muse Elementary –**COMPLETED** (Capacity 800)
 - Able to fund with \$4M of our saved money
 - School Street - Currently being fund with residual construction funds
 - Closed Muse, Cecil Elementary and First Street
- **COMPLETED**
 - Renovate the High School
 - Stadium Project: locker rooms and visitor side bleachers

PHASE 5: **IN PROCESS** – Targeted Completion Date 2022-2023

Demographer Updating Demographics Fall 2017 – **Completed Spring of 2018**

- New Middle School (Capacity 900-1000) **In Process to be Complete 2022 School Year**
 - Act 34 Hearing 11/19/19: Maximum Project Costs Estimated: \$82,136,869 The Current Project from Architect is \$78,571,580
 - Debt Service Needed: Per Financial Advisor (JM 6/11/19): \$3,160,387 Revised 7/2020 due to \$27,630,000 bond refinancing. Instead of anticipated four year phase in, district now only needs one additional mil phase in. Plan still anticipates hiring Business Office Accounting Clerk, Para Professional and Custodial Support based on increased square footage.
 - Project Funding: 2019 District borrowed \$65,455,000 (yielding \$69,327,591 Bond Proceeds) has earmarked district funds \$10,188,069.87 as of 7/31/2020. Legislation in place to extend dates for PlanCon eligibility from 2019 until 2021
 - District Central Office will now be housed in the New Middle School

PHASE 6-8: TBD

Demographer Updating Demographics Spring 2021 – **In Process**

- Start construction of new K-4 at the Wylandville site (Capacity 700-800)
- Complete construction of new K-4 at the Wylandville site
- Renovate Hills (Capacity of 400-600)
- Close Wylandville and Borland Manor

*Upon completion of elementary project the district would implement Full Day Kindergarten and other programming enhancements to further address academic needs which would have staffing and other impacts.*Borrowing capacity may prohibit the completion of the plan unless saved money is used to offset costs. The district retains the ability to make additional debt payments.

The Big Picture at a Glance

Other On-Going Concerns:

- **COVID19 Impacts**
 - Future Funding State, Local, Federal all could be impacted by COVID 19
 - Budgeting and School Environment
 - Charter School Student Increases
 - Academic, Mental Health and Behavior Impact on Educational plans and budgets in terms of expenses
 - Staffing
 - Tax Appeals
 - Law Suits – Impact on Taxpayers
 - The Future of Remote Learning at Canon-McMillan
 - Construction Delays
 - Unknown Impacts not yet know

- PSERS Funding – In the short term, rates are anticipated to continue to increase

- PlanCon
 - Plancon advisory committee released recommendations in June 2018 to streamline the reimbursement process, however no new money has been added to the state budget since 2015. Still in a holding pattern, accepting no new applications.

- State Funding
 - Transportation reductions
 - Property Tax Reform
 - Future funding levels and funding the formula
 - Grant & Covid Impact on Future State Funding Unknown

- Federal Funds
 - Federal funding has continued to decrease pre-covid
 - Federal aid for Access funds reimbursement has also decreased
 - Grant & Covid Impact on Future Federal Funding Unknown

- Charter School Tuition Rates

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