

Canon-McMillan School District



District Finances Snapshot Report

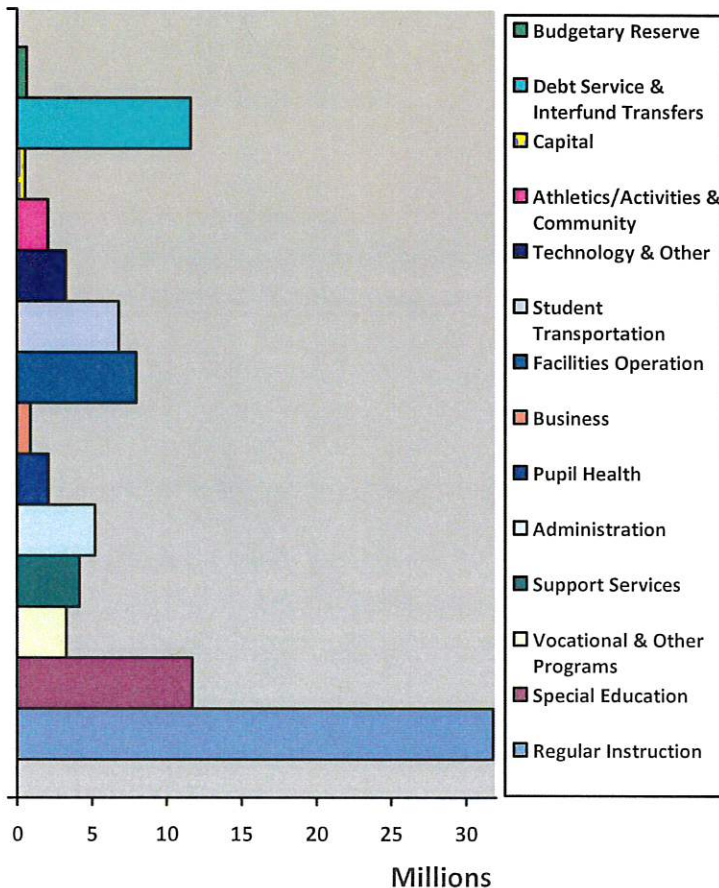
Final Budget 2020-2021

Publication Date August 2020

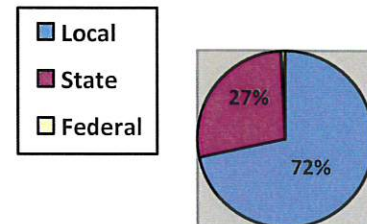
2020-2021 Budget in Summary

	2019-2020 Budget	Actuals (to date)	Change (to date)	2020-2021 Budget	Change (Budget to Budget)
Revenues	\$90,305,310	\$90,577,744	\$272,434	\$91,437,768	\$1,132,458
Expenses	\$89,922,429	\$85,994,843 Includes payroll proj	\$3,927,586	\$92,113,423	\$2,190,994
Fund Balance	382,881	\$4,582,901		(\$675,655)	
<i>These are not "audited" and estimates as of 8/7/20, and will change</i>					
Enrollment <i>10/1/19 Snapshot 5,394</i>	5,413 <i>*Used Demographer Projection</i>	5,292 <i>Used 7/31/2020 PIMS</i>	-80	5,292 <i>*Used 7/31/2020 Child Accounting (PIMS)</i>	
Per Pupil Cost	\$16,683			\$17,406	+714

Expenditures by Category



Revenue Distribution



Revenue

Local = \$65,555,034

State = \$25,043,935

Federal & Other = \$838,799

✓ Top 5 Budgeted: Expense Categories

1	Regular Education - \$31,814,212
2	Special Education - \$11,710,381
3	Debt Service - \$11,592,432
4	Facilities Operation - \$7,969,999
5	Transportation - \$6,784,489

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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 was very different amidst the covid19 crisis. Despite a time of turmoil the state budget was passed by June 1st. Highlights include: Basic Ed., Special Ed. and Ready to Learn subsidies were level funded. We also received Federal CARES Act Funds and School Safety & Security Grants. These monies will be a one-time allocation thus administration spending funds carefully and avoiding reoccurring costs when expending these funds.

✓ Employee Contracts and Agreements

No group employee contracts or agreements were up for renewal in 2019-2020.

✓ 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 Key District Initiatives

By Michael Daniels Superintendent of Schools

COVID19 – 2020 Year of the Pandemic

- March 13th an executive decision was made to delay school two weeks starting March 16th. Employees and students left for the day on March 13th not sure how the 2019-2020 school year would end
- An executive decision was made to ensure that employees would be paid during the two weeks of the initial school closure. This commitment to all of our employees was later made a legislative mandate by our legislature and Governor. But Canon-Mac was a leader in this effort
- Hats off to Administration, Technology, Teachers, Para- Educators, and Secretaries they were able to pivot to provide material, communications and remote instruction without much notice or preparation
- Hats off to Director of Business & Finance, Business Office & Financing Team, they were able to pay bills, complete payroll, closed the year to begin audit and kept the district running. They also completed a bond re-financing during the pandemic that had positive financial outcomes for the district
- Hats off to Central Office Staff and all those worked primarily remotely while deemed essential without missing a beat during this time
- Hats off to Transportation, Maintenance, Mechanics, and Custodians also job well done. Our buildings made safe, clean and our fleet ready to go and that included a massive conversion of our outsourced runs to be done in house.
- Special Thanks to Food Service who served **98,549** breakfasts and lunches to our families from March thru June
- Canonsburg Middle School Construction resumed as soon as it was able with only a slight delay

"We All Are In This Together"

We are looking forward to the 2020-2021 School Year. Knowing it will be school year like no other during these unprecedented, un-paralleled times. I envision my message on next year's snapshot to highlight the amazing things our employees in every department had done to navigate these uncharted waters with grace and poise with every student's success and well-being in mind.

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2019-2020 Millage: 11.6500

FINAL 2020-2021 MILLS: 11.9529

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

3029 Mill Increase – What is the Taxpayer Impact?

\$100,000 Property: \$29.68/Year or \$2.47/Month

\$200,000 Property: \$59.36/Year or \$4.95/Month

*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 *rebate offered	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	n/a	n/a	0 Mills	83.0000	No Limit
99-00	n/a	n/a	0 Mills	83.0000	No Limit
00-01	n/a	n/a	0 Mills	83.0000	No Limit
01-02	n/a	n/a	0 Mills	83.0000	No Limit
02-03	n/a	n/a	0 Mills	83.0000	No Limit
03-04	n/a	n/a	6 Mills	89.0000	No Limit
04-05	n/a	n/a	0 Mills	89.0000	No Limit
05-06	n/a	n/a	0 Mills	89.0000	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
17-18 Washington County reassessment implemented					
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%	.3029mils	11.9529	Allowed .3029

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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	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	2013-2014 Real Estate Mills CMSD 10 th
1	Charleroi Area	0.0175739	0.016931	0.0163806	.0158306	143.0000	136.0000	133.0000	130.0000
2	Washington Area	0.0151578	0.015158	0.0151578	.0151578	135.0000	133.0000	133.0000	133.0000
3	Ringgold SD	0.0145205	0.014121	0.0139205	.0137205	127.0000	125.0000	123.0000	120.0000
4	Peters Township	0.01416	0.013810	0.0135000	.013190	113.44000	110.7500	107.1420	102.0000
5	Trinity SD	0.01365	0.013650	0.0133100	.01360	121.8000	113.0000	107.7000	105.0000
6	Brownsville	0.0130896	0.011852	0.0113727	.010448	108.1000	108.5000	98.2700	91.1230
7	Chartiers – Houston	0.0129904	0.012576	0.0122855	.0119855	125.0000	122.0125	119.5125	110.5000
8	Fort Cherry	0.0129304	0.012505	0.0121410	.0117648	130.5000	126.5875	123.5000	121.0000
9	McGuffey	0.0101276	0.012350	0.0123500	.01191	130.0000	126.1500	123.2000	120.0000
10	Burgettstown	0.0127529	0.012310	0.0118169	.011368	132.0000	128.0000	122.0000	119.000
11	Bentworth SD	0.0101274	0.012310	0.0119400	.01562	126.0000	123.0000	122.0000	120.000
12	California Area	0.012865	0.011500	0.0107600	.01042	104.5000	95.5000	93.0000	91.0700
13	Canon-McMillan	0.0119529	0.011650	.0114005	.011090	110.0000	108.0000	108.0000	107.0000
14	Avella	0.0111397	0.010774	0.0105260	.010361	124.0000	123.0000	123.0000	120.8800
15	Beth - Center	0.0104065	0.010026	0.009696	.009696	113.6000	110.6400	108.6400	106.6400

*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)
 - 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

- 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
 - Construction Delays
- 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
- Federal Funds
 - Federal funding has continued to decrease
 - Federal aid for Access funds reimbursement has also decreased
- Charter School Tuition Rates