

Pennridge School District 2020-2021 Budget Proposed Final Budget Update

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Goals of Budget Presentation

- Discuss current economic situation in light of Covid -19
- Review District Capital Projects Fund balance
- Review Debt service
- Provide Status of 2020-2021 budget
- Define path moving forward for the 2020-2021 budget

Impact of Covid -19 on 2019-2020 Expenditures

- Act 13 requires school district's to continue to pay employees. Salary and benefits are 71% of the 19-20 budget
- Spending was cut off at the end of February with the exception of year end and previously earmarked purchases. i.e. graduation and year end activities.
- Spent approximately \$17,000 on cleaning supplies and technology supplies.
- Estimate Nutritional Services will lose \$250,000 – Consider GF financial support.
- Diesel Fuel and Gasoline contracts require the district to purchase at committed level. Approximately \$115,000 in diesel and \$32,000 in gas left to purchase.
- Estimated savings from substitutes for 12 weeks is \$325,000.
- Estimated savings from electricity use for 3 months \$65,000.

Impact of Covid -19 on 2019-2020 Revenues

- Impact on EIT revenue based on Unemployment and movement of the required filing date to July 15th
- Impact on Real Estate Transfer tax revenue
- Impact on Interest earnings due to rate cuts
- Impact on rental revenue due to building closure
- State guaranteed to hold 19-20 levels in Act 13.

Impact of Covid 19 in 2020-21 and beyond

Assumptions Prior to 3/13/2020

- Act 1 Base Index :
 - 2020-2021 2.6%
 - 2021-2022 3.2%
 - 2022-2023 3.3%
 - 2023-2024 3.4%
 - 2024-2025 3.5%

Assumptions Following 3/13/2020

- Impact on the statewide weekly wage and employment cost index.

Impact of Covid 19 in 2020-21 and beyond

Assumptions prior to 3/13/2020

- Basic Education Subsidy, Special Education Subsidy
- Earned Income Tax Projections – Solid Growth
- PSERS Actuarial Projections
 - 2020-2021 34.51%
 - 2021-2022 34.95%
 - 2022-2023 35.62%
 - 2023-2024 36.12%

Assumptions following 3/13/2020

- Budget is no longer for sure even at the current levels
- Impact of PA unemployment rate.
- PSERS 2020-2021 rate is certified. Future years will be impacted by stock market crash

Impact of Covid 19 in 2020-21 and beyond

Assumptions prior to 3/13/2020

- Real Estate Tax Collection Rates
- Attrition
- Tax Appeals
- Ability to Raise Taxes
- Investment Yields
- Special education costs
- Employee leaves under FMLA

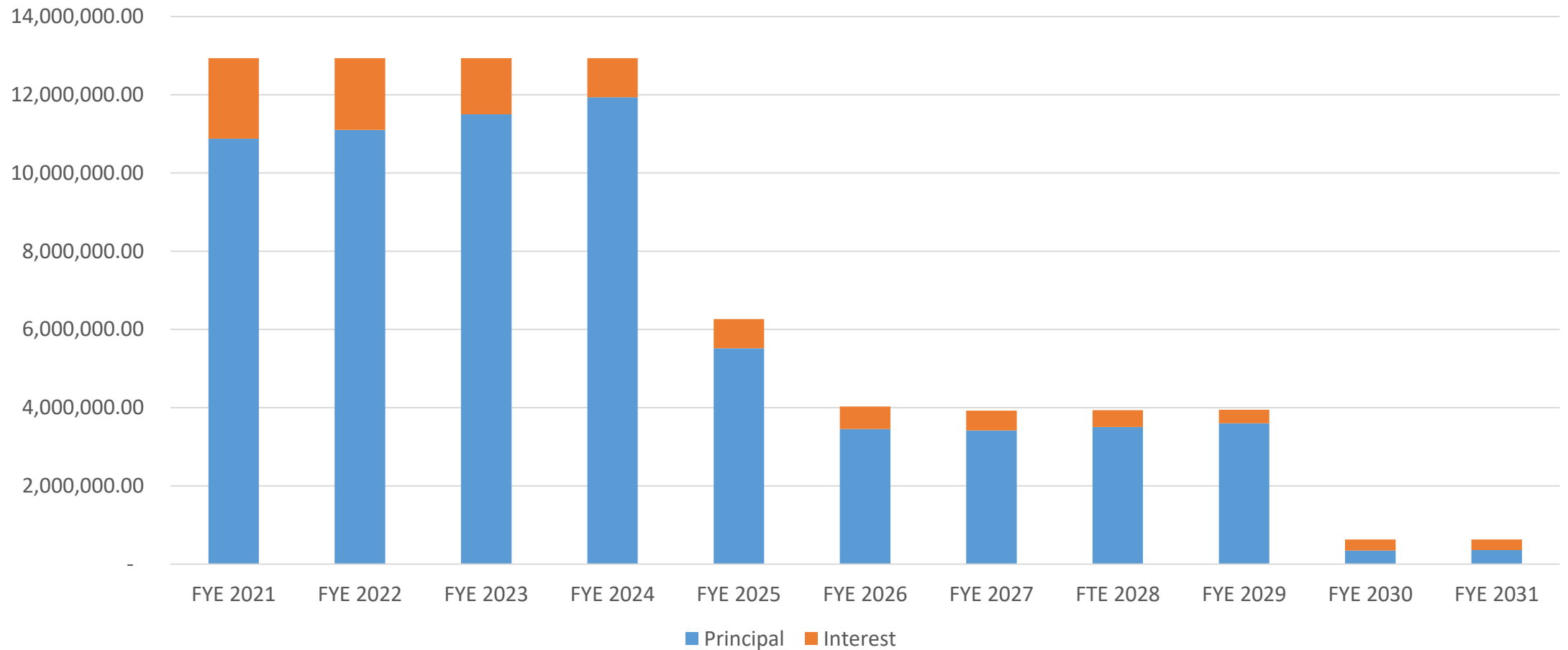
Assumptions following 3/13/2020

- May be impacted by Unemployment
- Individuals may be afraid to retire
- Likely to go up in poor economy
- Ability to raise taxes in recession
- Severely impacted
- Challenges as the result of the inability to meet FAPE
- Expanded employee leaves extending into 2021-2022

Capital Projects Funding

Description		
Capital Projects Fund Balance at 6/30/19		\$21,500,817
Expenditures:		
Summer Project Costs 2019 – Paid in 2019-2020	\$4,099,406	
Estimated Summer of 2020 Projects	\$3,660,859	
<ul style="list-style-type: none"> • ESCO \$2,455,138 • ESCO Addendum \$ 590 921 • Professional Services \$ 614 800 		
UBCTC Renovation	\$376,136	
Estimated Technology Project costs Summer 2020	\$430,000	
Estimates for Projects Under Discussion with Reynolds (Parking HS/MS, Basketball Courts, Tennis Courts, Sellersville Traffic Flow, West Rockhill Parking and Traffic Flow, District Wide Lighting)	\$10,593,342	
Estimated Long Term Facilities Maintenance Summer 2021 and beyond	Being Developed	
Estimated balance after commitments for estimated future projects		\$2,341,074

Pennridge Debt Service



Debt Service remains consistent at \$627K and ends after FYE 2044. This debt is PSD's share of the UBCTC Renovations.

ACT 1 INDEX TAX RATE IMPACT

Current 2019-2020 Real Estate Tax Rate (Mills)	135.2555
Median assessed property Real Estate taxes (\$31,200 for HS/FS)	\$4,219.97
<u>2020/21 Budget</u>	
Act 1 Allowable additional mills - 2.6%	3.5166
Allowable Real Estate Tax Rate (Mills)	138.7721
Median assessed property Real Estate taxes (\$31,200)	\$4,329.69
Impact to property owner at the medial assessed value	\$109.72
Total Additional Real Estate Revenue Allowed	\$2,223,749

Revenue Changes Since March 9, 2020

- None

Expenditure Changes Since March 9, 2020

Expenditure	Changes
100 Salaries	0
200 Employee Benefits	0
300 Purchased Professional Services	-139,000
400 Purchased Property Services	-115,000
500 Other Purchased Services	-31,000
600 Supplies	-182,800
700 Equipment	-300,000
800 Fees/Interest	-137,654
900 Principal Payments	0
Total Change in Expenditures	-904,734

REVENUE TO EXPENDITURE SUMMARY

Classification	2017-2018 Actual	2018-2019 Actual	2019-2020 Final Budget	2020-2021 Proposed Final March 9, 2020	2020-2021 Proposed Final April 14, 2020	% Increase
Revenue	\$135,131,094	\$140,554,788	\$141,513,253	\$143,723,278	\$143,723,278	1.56%
Expenditures	131,211,454	135,379,554	141,513,253	144,716,760	\$143,812,026	1.62%
Revenue over/(under expenditures)	\$3,919,640	\$5,175,234	\$0.00	\$(993,482)	\$(88,748)	

REVENUE SUMMARY

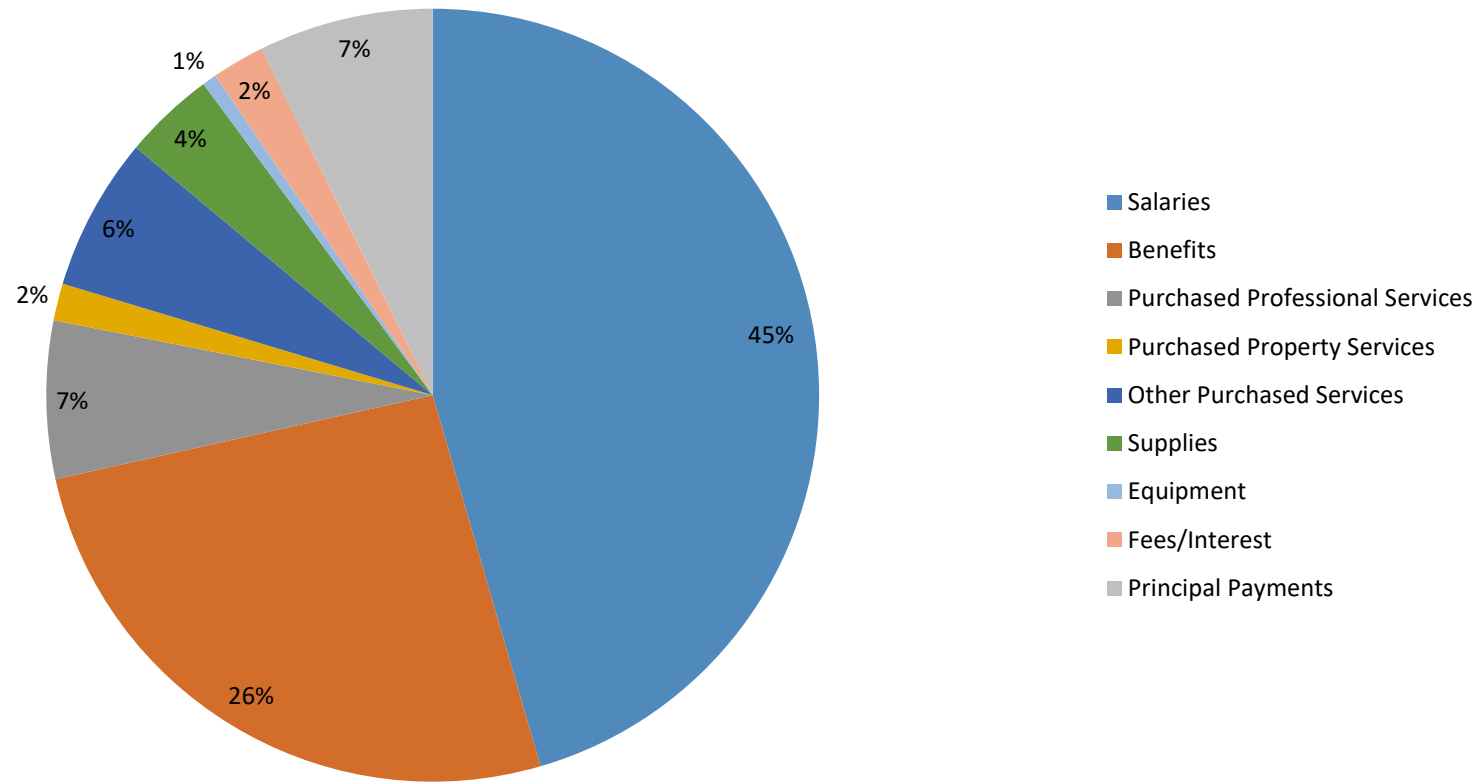
- Local Revenue does not include Act 1 Index of 2.6% or 3.5166 mills.
- No Change since March 9, 2020

Revenue	2017-2018 Actual	2018-2019 Actual	2019-2020 Final Budget	2020-2021 Proposed Budget
Local	\$103,866,254	\$106,200,042	\$106,370,065	\$108,494,568
State	30,390,603	32,993,012	34,318,188	34,403,710
Federal	874,237	1,361,735	825,000	825,000
Total Revenues	\$135,131,094	\$140,554,788	\$141,513,253	\$143,723,278

EXPENDITURE OBJECT SUMMARY

Expenditure	2017-2018 Actual	2018-2019 Actual	2019-2020 Final Budget	2020-2021 Proposed March 9, 2020	2020-2021 Proposed April 14, 2020	Variance
100 Salaries	\$58,308,387	\$60,594,096	\$62,971,631	\$65,428,510	\$65,428,510	\$2,456,879
200 Employee Benefits	34,793,817	36,473,474	37,747,253	37,410,015	37,410,015	(337,238)
300 Purchased Professional Services	7,878,919	7,634,364	8,451,798	9,629,928	9,490,928	1,039,130
400 Purchased Property Services	2,048,626	2,051,087	2,351,359	2,340,678	2,225,678	(125,681)
500 Other Purchased Services	8,721,072	9,001,682	9,629,470	9,258,387	9,227,387	(402,083)
600 Supplies	5,303,704	5,817,439	5,741,236	5,680,686	5,498,606	(242,630)
700 Equipment	948,559	974,059	1,104,352	1,157,285	857,285	(247,067)
800 Fees/Interest	3,443,368	3,138,351	3,446,154	3,301,271	3,163,617	(282,537)
900 Principal Payments	9,765,000	9,695,000	10,070,000	10,510,000	10,510,000	440,000
Total Expenditures	131,211,454	135,379,551	141,513,253	144,716,760	143,812,026	2,298,773

OBJECT SUMMARY



Budget Drivers

Major Cost Drivers

1. Contracts \$2.0 Million
2. Retirement \$1.3 Million
3. Tech School \$510 K
4. IU Services \$474 K
5. New Positions \$455 K
6. Social Security \$151 K

Total \$4.9 Million

Savings/Revenues

1. Revenue \$2.2 Million
2. Med/RX \$1.5 Million
3. Expense cuts \$1.1 Million

Total \$4.8 Million

Needed to Balance Budget \$88,748 (Down \$904,734)

Requested Positions

Proposed Positions	Salary	FICA	Retirement	WC	Health	Life	Total	Notes:
		7.65%	34.51%	0.68%	(family PPO)	insurance		
		220	230	260	271/272/275/276	0.15%		
1.0 Kindergarten Teachers	\$ 46,784	\$ 3,578.98	\$ 16,145.16	\$ 316.12	\$ 19,215.00	\$ 70.18	\$ 86,109	Targeted full day K
1.0 Kindergarten Aide	\$ 22,358	\$ 1,710.39	\$ 7,715.75	\$ 151.07	\$ 6,696.00	\$ 33.54	\$ 38,665	Targeted full day K
1.0 Emotional Support Teacher	\$ 46,784	\$ 3,578.98	\$ 16,145.16	\$ 316.12	\$ 19,215.00	\$ 70.18	\$ 86,109	Grasse
1.0 Emotional Support Aide	\$ 22,358	\$ 1,710.39	\$ 7,715.75	\$ 151.07	\$ 6,696.00	\$ 33.54	\$ 38,665	Grasse
1.0 Autistic Support Teacher	\$ 46,784	\$ 3,578.98	\$ 16,145.16	\$ 316.12	\$ 19,215.00	\$ 70.18	\$ 86,109	Deibler
2.0 Autistic Support Aides	\$ 44,716	\$ 3,420.77	\$ 15,431.49	\$ 302.15	\$ 13,392.00	\$ 67.07	\$ 77,329	Deibler
1.0 Emotional Support Teacher	\$ 46,784	\$ 3,578.98	\$ 16,145.16	\$ 316.12	\$ 19,215.00	\$ 70.18	\$ 86,109	Central
2.0 Emotional Support Aides	\$ 44,716	\$ 3,420.77	\$ 15,431.49	\$ 302.15	\$ 13,392.00	\$ 67.07	\$ 77,329	Central
1.0 Autistic Support Teacher	\$ 46,784	\$ 3,578.98	\$ 16,145.16	\$ 316.12	\$ 19,215.00	\$ 70.18	\$ 86,109	High School
1.0 Autistic Support Aide	\$ 22,358	\$ 1,710.39	\$ 7,715.75	\$ 151.07	\$ 6,696.00	\$ 33.54	\$ 38,665	High School
1.0 Cyber/blended/career coordinator	\$ 46,784	\$ 3,578.98	\$ 16,145.16	\$ 316.12	\$ 19,215.00	\$ 70.18	\$ 86,109	Support enrollment growth
.44 FTE - Expand Tech/Bus Office Secretary	\$ 18,460	\$ 1,412.19	\$ 6,370.55	\$ 124.73	\$ 9,110.64	\$ 27.69	\$ 35,506	Support expanded 1:1 program and new Tax Rebate Program
	\$ 455,670.00	\$ 34,858.76	\$ 157,251.72	\$ 3,078.96	\$ 171,272.64	\$ 683.51	\$ 822,815.58	

2020-2021 Budget Timeline

Description	Due Date	Completed
Finance Meeting/Budget Update	April 14	
Budget Secretary to certify total amount of revenue in the Property Tax Relief Fund	April 15	
PDE notifies school districts of the amount of their state allocation of property tax reduction funding	May 1	
Finance Meeting/Budget Update	May 5	
Proposed Final Budget Adoption Resolution to Reject 2020-21 Property Tax allocation	May 11	
School district deadline to make 2020-21 proposed final budget available for public inspection on PDE 2028	May 26	
Advertise intent to adopt final budget (10 days prior to adoption)	June 5	
Budget Update/Finance Meeting	June 8	

2020-2021 Budget Timeline

Description	Due Date	Completed
Final Budget Adopted Resolution implementing Homestead/Farmstead exclusion	June 15	

Questions
Discussion
Define Path Moving Forward