

Chambersburg Area School District

2020-2021 BUDGET PROJECTION

APRIL 21, 2020 – COMMITTEE OF THE WHOLE

Summary of the 2018-2019 Annual Financial Report

Total Operating Budget

◦ Revenue -	\$140,995,543
◦ Expenditures -	\$140,701,473
◦ Revenue over Expenditures-	\$294,070
◦ Increase to Fund Balance	\$2,227,850*
◦ Assigned Fund Balance -	\$7,844,895

2018-2019 Fund Balance Summary

Fund Balance
6/30/2019

Nonspendable - Purpose
Total Nonspendable

<i>Beg Bal</i>	<i>Additions</i>	<i>Expenditures</i>	<i>End Bal</i>
305,294	137,645	221,484	221,455

Restricted - Purpose
Total Restricted

<i>Beg Bal</i>	<i>Additions</i>	<i>Expenditures</i>	<i>End Bal</i>
383,395	1,150,306	215,027	1,318,674

Committed - Purpose
Total Committed

<i>Beg Bal</i>	<i>Additions</i>	<i>Expenditures</i>	<i>End Bal</i>
80,232	206,750	80,232	206,750

Assigned - Purpose
Total Assigned

<i>Beg Bal</i>	<i>Additions</i>	<i>Expenditures</i>	<i>End Bal</i>
6,594,999	1,610,599	360,703	7,844,895

Total Fund Balance

7,363,920	3,105,300	877,446	9,591,774
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2018-2019 Capital Reserve/Health Care Account

Capital Reserve

Balance -	<u>\$938,404</u>
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Assigned Fund Balance(Proposed Capital Projects)	\$1,000,000
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Health Care Account

Balance at 6/30/2019	\$4,599,597
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Balance at 3/31/2020	\$3,541,575
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2019-2020 Non-Budgeted Changes –Updated COVID -19

Technology	\$210,000*
C3 Teaching Stipends	\$165,000**
Security Vehicle	\$30,000*
Charter & Tuition Other LEAs	\$200,000**
C&I	\$100,000*
Total	\$705,000
EIT Reduction(5%)	\$1,000,000
Total	\$1,705,000

*Budgetary Reserve Transfer 19-20

**Budgetary Reserve Transfer Pending

2019-2020 COVID-19 Estimated Savings

Estimated Expenditure Reductions:

Substitutes	\$270,000
Transportation	\$279,000
Field and Athletic Trips	\$86,000
Athletic Fees	\$50,000
Xerox	\$81,000

2019-2020 COVID-19 Estimated Savings

Estimated Expenditure Reductions Continued:

K Registration Event	\$2,500
Travel Reimbursements	\$140,000
OT due to Vacancies	\$71,000
Departmental Savings	Being Calculated

<u>Total Estimated Savings</u>	<u>\$979,500</u>
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2019-2020 COVID-19 Estimated Revenue Reduction

Estimated Revenue Reductions:

Earned Income Tax	\$1,000,000*
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* As of 4/2020, EIT collections are at 57.64% of the budget of \$17,922,000 compared to 56.56% of the 18-19 budget

**5 months of EIT remain to be collected for 19-20 due to accruals from July – September.

*** All other local revenue is on trend to meet budget estimates

****Assuming receipt of Federal and State Revenues as scheduled

2019-2020 Non-Budgeted Revenue/Expenditure Savings

Updated to Include COVID-19 Assumptions

Salary/Benefit	\$200,000
NJROTC Revenue	\$50,000
District Insurance Savings	\$65,000
Tax Bureau Rent Increase	\$55,000
COVID-19 Reductions	\$979,500
NF PlanCon	\$1,031,000
Total	\$2,380,000
Bond 2018 Savings-Budgeted	\$194,000
Bond 2019 Savings	\$215,570
Bond 2019 A Savings	\$103,000
Proposed Assign to Capital Projects at 6/30/20	\$512,570

2019-2020 Non-Budgeted Summary – Updated COVID-19

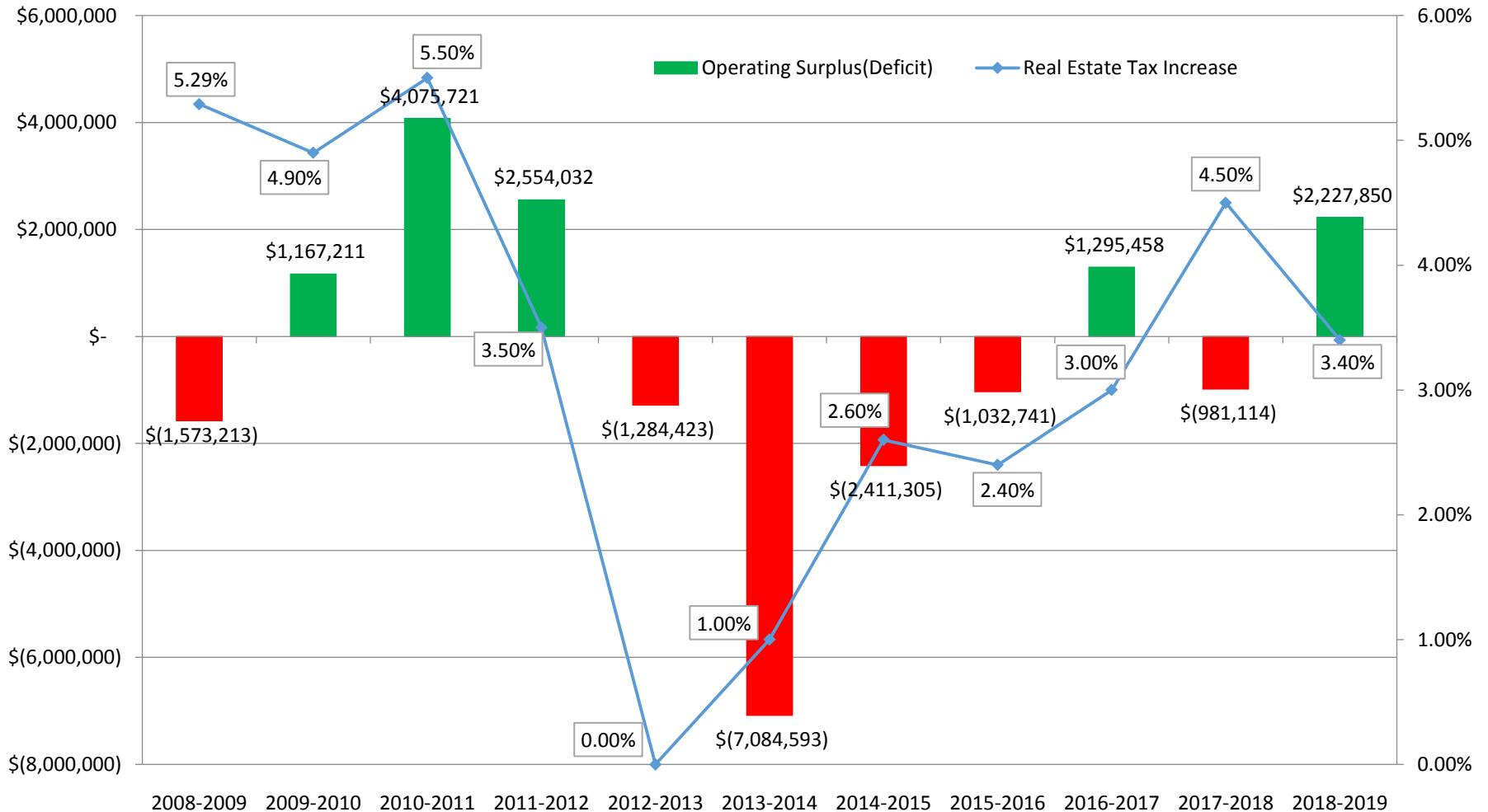
Needs Projected Expenditures/Revenue Reduction	\$(1,705,000)
Non-Budgeted Revenue/Expenditure Savings	\$2,380,000
Net Potential Impact to the Fund Balance	\$675,000
<i>Projected Assigned Fund Balance at 6/30/20</i>	<i>\$8,519,895</i>

<i>Projected Capital Reserve Balance at 6/30/20</i>	<i>\$938,404</i>
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**Assuming no Capital Project fund transfers*

Tax Increases/Surplus/Deficit

11 Years of General Fund Surplus (Deficit) and Real Estate Tax



General Fund Balance

Total SD spending: 2019 06 30 AFR

\$140,701,473

Per month average spending

\$11,725,122

Assigned/Unassigned Fund Balance

\$7,844,895

Fund Balance as a portion of average monthly spending

66.9%

Share of Fund Balance

20.3 Days

Fund Balance as a portion of Total Spending

5.6%

Budget Preparation

- Revenue Assumptions
- Expenditure Assumptions
 - Contracts – known and projected expenditures
 - Health Care: **5.9%**
 - Additional requests beyond 2019-2020 – Priorities
 - **PSERS Rate: 34.51%**
- **Act 1 Index: 3.4% Adjusted**
- **Mill Rate 118.9296**
- **Collected Mill Value \$617,371**
- Capital Project Needs/Additional Debt Service
- Zero-Based Department Budgets

Revenue Assumptions 2020-2021(Local)

1) 3.4%	Tax Increase
2) 94.5%	Collection Rate
3) \$733,000,000	Assessment Base Value*
4) \$4,219,429	Real Estate Tax Increase
5) \$-405,000	Interest Income Increase(-75%)
6) \$55,000	Facility Rentals Increase**
7) \$65,000	Miscellaneous Revenue Increase
8) -\$200,000	RE Transfer Decrease(-15%)
9) -\$3,584,000	EIT Decrease(-20%)
10) -\$10,000	Occupational Privilege Tax Decrease
11) -\$25,000	RE Interim(-10%)

*Updated with March County Assessment values

**Tax Office Lease

Revenue Assumptions 2020-2021(State)

1) \$0	Basic Education
2) \$0	Transportation Subsidy Increase
3) \$-22,300	Health Services Subsidy Decrease
4) \$-100,000	Court Placed Subsidy Decrease
5) \$40,500	Pre-K Counts Increase
6) \$563,257	PSERS/SS Reimbursement Increase
7) -\$270,000	Taxpayer Relief Subsidy Decrease

Revenue Assumptions 2020-2021(Federal)

1) \$180,000

Medical Access Increase

Expenditure Assumptions 2020-2021(Contractual/Mandates)

1) **\$1,906,847**

Contracted Salary Increases

2) **\$745,070**

Health Care Premium Increases

3) **\$1,015,469**

PSERS @ 34.51%

4) **\$166,850**

Social Security Increases

4) **\$200,000**

Charter Schools Increases

5) **\$40,000**

Liability Insurance Increases

\$4,404,236

Total Contractual/Mandates

Expenditure Assumptions 2020-2021(Adjustments)

1) \$500,000	Technology Increase (600 Obj)
2) -\$50,000	Xerox Decrease(400 Obj)
Subtotal:	\$450,000

Cabinet Recommended Adjustments:

3) -\$400,000	3 Admin Positions(100&200)
4) -\$98,000	7 Head Teacher Stipends(100&200)
5) -\$1,400,000	14 Teaching Positions(100&200)

(All departments utilized a zero-based budget process with reductions in 300 – 600 Objects.)

Expenditure Assumptions 2020-2021(Adjustments Cont.)

6) -\$80,000	1 Non-Bargaining Position(100&200)
7)-\$500,000	Student Services Program(300)
8) -\$25,000	Material Handling(300)
9)-\$525,000	Reduce Debt Svc-Planned Transfer
10) \$25,000	PPE Supplies(600)
Subtotal:	\$-3,003,000

Debt Service will be reduce to offset deficit vs. Level Funding - the 2019 & 2020 bond refunding savings planned for inter-fund transfer at the end of fiscal 2021.

Other considerations....

One-Time Revenue

1)New Franklin PlanCon	Estimated @	\$1,031,000*
2) Menno-Haven Protest	Estimated @	\$1,400,000**
3) CARES Federal Stimulus	Estimated @	\$1,800,000***

*New Franklin PlanCon received 3/20 added to 19-20 Fund Balance projection

**Menno-Haven Protest currently in the Restricted Fund Balance, does not represent new money.

*** Stimulus release has not be confirmed as of 4/21/2020 and not included in the 20-21 budget forecast

2020-2021 Budget Forecast

General Fund Projection Summary			
02/11/20 - 2020-2021 Budget Forecast			
	BUDGET 2020	REV / EXP PROJECTIONS 2021	%Δ
REVENUE			
Local	\$93,332,395	\$97,300,382	4.25%
State	\$46,870,796	\$47,673,062	1.71%
Federal	\$3,398,144	\$3,578,144	5.30%
Other Financing Sources	\$5,000,000	\$5,000,000	0.00%
TOTAL REVENUE	\$148,601,335	\$153,551,588	3.33%
EXPENDITURES			
Salary and Benefit Costs	\$97,528,858	\$101,363,094	3.93%
Other	\$51,072,477	\$53,053,552	3.88%
TOTAL EXPENDITURES	\$148,601,335	\$154,416,646	3.91%
SURPLUS / DEFICIT	\$0	(\$865,059)	
BEGINNING FUND BALANCE	\$7,844,895	\$7,844,895	
PROJECTED YEAR END BALANCE	\$7,844,895	\$6,979,836	
FUND BALANCE AS % OF EXPENDITURES	5.28%	4.52%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.63	0.54	

2019-2020 Revised Budget/2020-2021 Projection

General Fund Projection Summary				
02/11/20 - 2020-2021 Budget Forecast				
	BUDGET 2020	REV / EXP PROJECTIONS		
		2021	%Δ	
REVENUE				
Local	\$93,332,395	\$97,300,382	4.25%	
State	\$46,870,796	\$47,673,062	1.71%	
Federal	\$3,398,144	\$3,578,144	5.30%	
Other Financing Sources	\$5,000,000	\$5,000,000	0.00%	
TOTAL REVENUE	\$148,601,335	\$153,551,588	3.33%	
EXPENDITURES				
Salary and Benefit Costs	\$97,528,858	\$101,363,094	3.93%	
Other	\$51,072,477	\$53,053,552	3.88%	
TOTAL EXPENDITURES	\$148,601,335	\$154,416,646	3.91%	
SURPLUS / DEFICIT	(\$752,758)	(\$865,059)		
BEGINNING FUND BALANCE	\$7,844,895	\$7,092,137		
PROJECTED YEAR END BALANCE	\$7,092,137	\$6,227,078		
FUND BALANCE AS % OF EXPENDITURES	4.77%	4.03%		
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.57	0.48		

2020-2021 Budget COVID-19 Option 1

General Fund Projection Summary			
April 21, 2020 - COVID Budget Forecast			
	BUDGET 2020	2021 / EXPENDITURE PROJECTIONS	%Δ
REVENUE			
Local	\$93,332,395	\$93,547,424	0.23%
State	\$46,870,796	\$46,829,179	-0.09%
Federal	\$3,398,144	\$3,578,144	5.30%
Other Financing Sources	\$5,000,000	\$5,000,000	0.00%
TOTAL REVENUE	\$148,601,335	\$148,954,747	0.24%
EXPENDITURES			
Salary and Benefit Costs	\$97,528,858	\$100,976,124	3.53%
Other	\$51,072,477	\$53,063,553	3.90%
TOTAL EXPENDITURES	\$148,601,335	\$154,039,677	3.66%
SURPLUS / DEFICIT	\$0	(\$5,084,930)	
BEGINNING FUND BALANCE	\$7,844,895	\$7,844,895	
PROJECTED YEAR END BALANCE	\$7,844,895	\$2,759,965	
FUND BALANCE AS % OF EXPENDITURES	5.28%	1.79%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.63	0.22	

2019-2020 Revised Budget/2020-2021 Projection COVID-19 Option 1

General Fund Projection Summary			
April 21, 2020 COVID Budget Forecast			
	BUDGET 2020	REVENUE / EXPENDITURE PROJECTIONS 2021	%Δ
REVENUE			
Local	\$93,332,395	\$93,547,424	0.23%
State	\$46,870,796	\$46,829,179	-0.09%
Federal	\$3,398,144	\$3,578,144	5.30%
Other Financing Sources	\$5,000,000	\$5,000,000	0.00%
TOTAL REVENUE	\$148,601,335	\$148,954,747 	0.24%
EXPENDITURES			
Salary and Benefit Costs	\$97,528,858	\$100,976,124	3.53%
Other	\$51,072,477	\$53,063,553	3.90%
TOTAL EXPENDITURES	\$148,601,335	\$154,039,677 	3.66%
SURPLUS / DEFICIT	\$675,000	(\$5,084,930)	
BEGINNING FUND BALANCE	\$7,844,895	\$8,519,895	
PROJECTED YEAR END BALANCE	\$8,519,895	\$3,434,965	
FUND BALANCE AS % OF EXPENDITURES	5.73%	2.23%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.69	0.27	

2020-2021 Budget COVID-19 Option 2

General Fund Projection Summary			
April 21, 2020 COVID Budget Forecast - Cabinet Adjustments			
	BUDGET 2020	REV/ EXP PROJECTIONS 2021	%Δ
REVENUE			
Local	\$93,332,395	\$93,822,424	0.53%
State	\$46,870,796	\$46,929,179	0.12%
Federal	\$3,398,144	\$3,578,144	5.30%
Other Financing Sources	\$5,000,000	\$5,000,000	0.00%
TOTAL REVENUE	\$148,601,335	\$149,329,747	0.49%
EXPENDITURES			
Salary and Benefit Costs	\$97,528,858	\$99,426,124	1.95%
Other	\$51,072,477	\$51,812,714	1.45%
TOTAL EXPENDITURES	\$148,601,335	\$151,238,838	1.77%
SURPLUS / DEFICIT	\$0	(\$1,909,091)	
BEGINNING FUND BALANCE	\$7,844,895	\$7,844,895	
Menno Haven Escrow - Restricted Fund Balance		\$1,200,000	
PROJECTED YEAR END BALANCE	\$7,844,895	\$7,135,804	
FUND BALANCE AS % OF EXPENDITURES	5.28%	4.72%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.63	0.57	

2019-2020 Revised Budget/2020-2021 Projection COVID-19 Option 2

General Fund Projection Summary			
April 21, 2020 COVID Budget Forecast - Cabinet Adjustments			
	BUDGET 2020	REV/ EXP PROJECTIONS 2021	%Δ
REVENUE			
Local	\$93,332,395	\$93,822,424	0.53%
State	\$46,870,796	\$46,929,179	0.12%
Federal	\$3,398,144	\$3,578,144	5.30%
Other Financing Sources	\$5,000,000	\$5,000,000	0.00%
TOTAL REVENUE	\$148,601,335	\$149,329,747	0.49%
EXPENDITURES			
Salary and Benefit Costs	\$97,528,858	\$99,426,124	1.95%
Other	\$51,072,477	\$51,812,714	1.45%
TOTAL EXPENDITURES	\$148,601,335	\$151,238,838	1.77%
SURPLUS / DEFICIT	\$675,000	(\$1,909,091)	
BEGINNING FUND BALANCE	\$7,844,895	\$8,519,895	
Menno Haven Escrow - Restricted Fund Balance		\$1,200,000	
PROJECTED YEAR END BALANCE	\$8,519,895	\$7,810,804	
FUND BALANCE AS % OF EXPENDITURES	5.73%	5.16%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.69	0.62	

Budget Timeline

- 12/17/19 Board adopted the Accelerated Budget Opt Out Resolution
- 3/1/20 Deadline for Homestead Applications
- 4/15/20 Deadline for the state to certify the Property Tax Relief Fund
- 4/21/20 Tentative Final Budget Presented Committee of the Whole
- 4/22/20 Continue updating with COVID assumptions
- 5/5/20 Proposed Final Budget Presented to Board
- 5/6/20 Final Budget Publically Displayed(20 days prior to adoption)
- 6/9/20 Final Budget Presented to Board for adoption
- 6/10/20 County notified of tax rate increase to produce tax bills