

Chambersburg Area School District

2020-2021 BUDGET PROJECTION

FEBRUARY 11, 2020 – FINANCE COMMITTEE MEETING

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

Operating budget includes Revenues and Expenditures from all sources that are expected to reoccur, such as taxes and payroll. This excludes one time expenditures such as refinancing, sale of fixed assets and transfers. * Net increase to Fund Balance Difference due to bond refinancing.

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

<i>Beg Bal</i>	<i>Additions</i>	<i>Expenditures</i>	<i>End Bal</i>
7,363,920	3,105,300	877,446	9,591,774

2018-2019 Capital Reserve/Health Care Account

Capital Reserve

Balance -	<u>\$938,404</u>
Proposed Assigned Fund Balance	
Capital Projects	\$1,000,000

Health Care Account

Balance at 6/30/19	\$4,599,597
Balance at 12/31/19	\$4,822,633

*Two \$1 Million dollar shock claims expected January/February – Stop Loss @ \$200,000 per claim.

2019-2020 Non-Budgeted Needs

Technology	\$210,000
Substitute Rate Increase	\$50,000
*C3 Teaching Stipends	\$200,000
Security Vehicle	\$30,000
Charter School Projected	\$600,000
C&I	\$100,000
<i>Total</i>	<i>\$1,190,000</i>

*C3 need potential less based on second semester enrollment changes

2019-2020 Non-Budgeted Revenue/Expenditure Savings

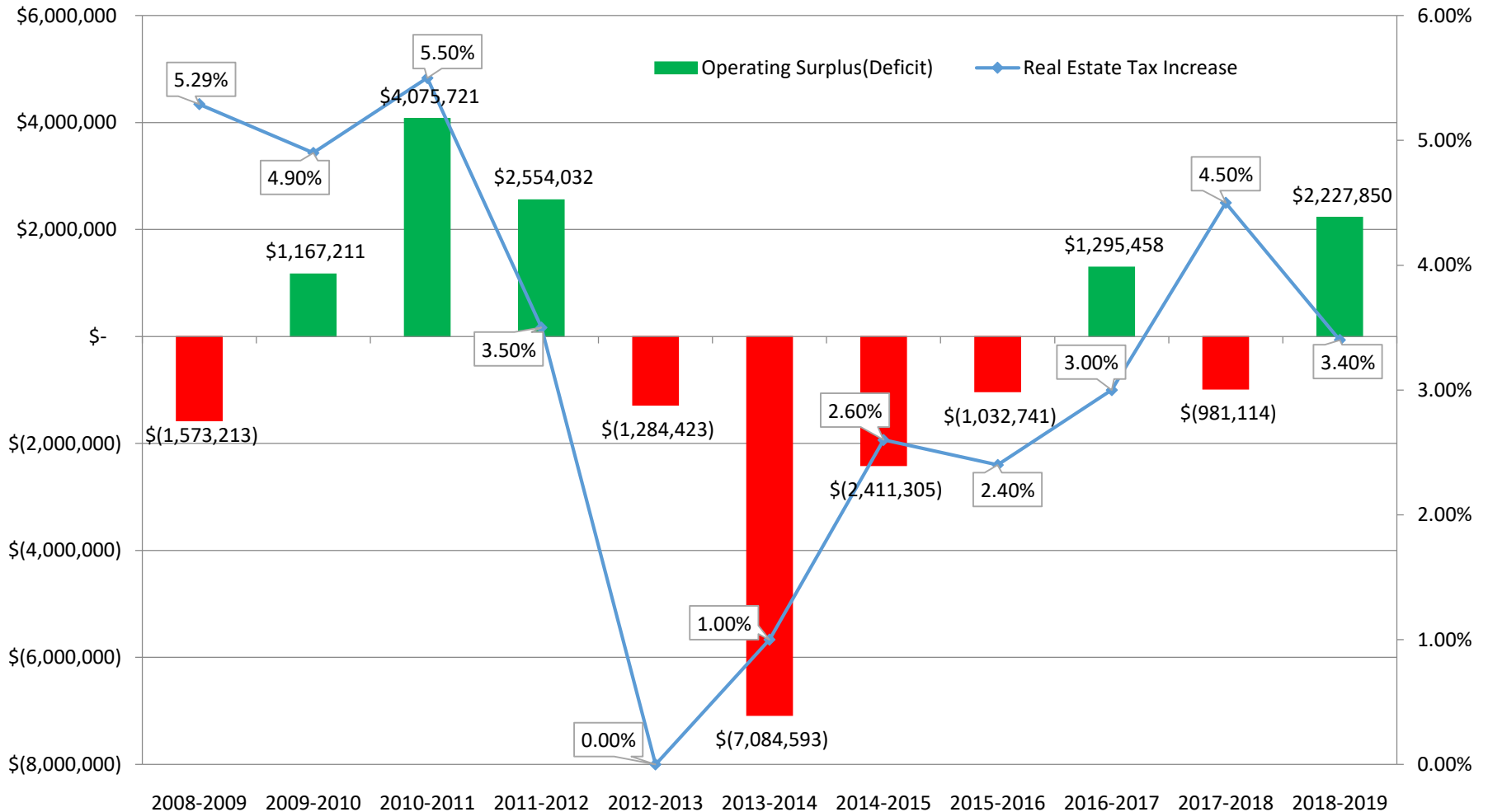
Salary/Benefit	\$217,242
NJROTC Revenue	\$50,000
District Insurance Savings	\$65,000
Tax Bureau Rent Increase	\$55,000
Xerox Print/Copy Reduction	\$50,000
Total	\$437,242
Bond 2018 Savings	\$194,000
Bond 2019 Savings	\$215,570
Bond 2019 A Savings	\$103,000
Proposed Assign to Capital Projects at 6/30/20	\$512,570

2019-2020 Non-Budgeted Summary

Needs Projected Expenditures	\$1,190,000
Non-Budgeted Revenue/Expenditure Savings	(\$437,242)
Net Potential Impact to the Fund Balance	\$752,758
 <i>Projected Assigned Fund Balance at 6/30/20</i>	 <i>\$7,092,137</i>
 <i>Projected Capital Reserve Balance at 6/30/20</i>	 <i>\$938,404</i>
<i>Assigned Funds</i>	<i>\$1,512,570</i>
<i>Total Available at 6/30/2020</i>	<i>\$2,450,974</i>

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 ACT 1 Projection – 7%
 - Additional requests beyond 2019-2020 – Priorities
 - **PSERS Rate: 34.77%**
- **Act 1 Index: 3.4% Adjusted**
- **Mill Rate 118.9296**
- **Collected Mill Value \$729,522**
- Capital Project Needs/Additional Debt Service
- Zero-Based Department Budgets

Revenue Assumptions 2020-2021(Local)

1) 3.4%	Tax Increase
2) 97 %	Collection Rate
3) \$732,000,000	Assessment Base Value*
4) \$3,747,987	Real Estate Tax Increase
5) \$100,000	Interest Income Increase
6) \$55,000	Facility Rentals Increase**
7) \$65,000	Miscellaneous Revenue Increase

*Updated with January County Assessment values

**Tax Office Lease

Revenue Assumptions 2020-2021(State)

1) \$220,000	Basic Education Increase
2) \$100,000	Transportation Subsidy Increase
3) \$-22,300	Health Services Subsidy Decrease
4) \$180,000	Medical Assistance Increase
5) \$-100,000	Court Placed Subsidy Decrease
6) \$40,500	Pre-K Counts Increase
7) \$563,257	PSERS/SS Reimbursement Increase

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 @ 34.77%

4) **\$166,850**

Social Security Increases

4) **\$530,000**

Charter Schools Increases

5) **\$40,000**

Liability Insurance Increases

\$4,404,236

Total Contractual/Mandates

Expenditure Assumptions 2020-2021(Programs/Departments)

1) \$100,000	C&I Increase(600 Obj)
2) \$400,000	Technology Increase (600 Obj)
3) \$200,000	C3 Stipends Increase (300 Obj)
4) \$120,000	1ESL Teacher(100/200 Obj)
5) -50,000	Xerox Decrease(400 Obj)

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

Expenditure Assumptions 2020-2021(Debt Service/Capital Projects)

1) **\$525,000**

Capital Project Transfer

Debt Service Level Funded with 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*

One-time revenue recommended for: Capital Reserve stabilization; Fund Balance stabilization, and Curriculum/Technology Resources, not currently in the 20-21 Budget Projection.

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

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		

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
- 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