



# Resource Planning Group

4.29.2020



# Initial Preliminary Budget

4.15.2020 Resource Planning Meeting

<b>Estimated Starting Fund Balance:</b>	<b>\$19,126,189</b>	
2020-2021 Revenues	\$98,926,524	
2020-2021 Expenditures	<u>&lt;\$103,811,264&gt;</u>	
Net Change:	<\$ 4,824,740>	
<b>Estimated Ending Fund Balance:</b>		<b>\$14,301,449</b>

***\*Totals do NOT include budgetary reserve/unassigned fund balance\****



# Initial Preliminary Budget

4.15.2020 Resource Planning Meeting

**Net Change/Fund Balance Drawdown:** <\$4,824,740>

Related to Capital Improvements: <\$1,493,830>

**ADJUSTED NET CHANGE:** <\$3,330,910>

Remainder to be balanced via:

1. Possible Tax Increase
2. Drawdown from remainder of fund balance (PSERS, Unassigned)



# Budget Cuts needed

The Resource Planning Group presented the task to have administration come up with budget cut reductions to offset the \$3 million adjusted net change.

The Group also suggested that revenues be lowered to reflect potential and likely effects of the COVID-19 closure.

These needed done before the Group would look into any possible tax increase to offset the deficit.



# 2020-2021 Revenues

If we up the collection to 94.5%, there is approx \$300k added back into revenue.

Revenues		
		Decreased collection percentage to 94% based on research into 2009/2010 budgetary projections and actuals during the last recession.
Decrease in R/E Tax	\$ (680,768)	
Decrease in Earned Income Tax	\$ (775,500)	Decreased earned income by approx 10%
Decrease in State FICA Reimb	\$ (25,500)	Tied to personnel changes
Decrease in State PSERS Reimb	\$ (80,500)	Tied to personnel changes
Decrease in R/E Transfer Tax	\$ (100,000)	Decrease real estate transfer tax
Other Revenue	\$ (272,067)	Tied to tech lease reduction
Federal Stimulus Relief	\$ 349,000	Estimated appropriation based on Title 1 formula
<b>Adjusted Revenue</b>	<b>\$ 97,401,189</b>	<i>does not include unassigned fund balance</i>
	\$ (1,585,335)	<i>Variance from 4.15.2020</i>

- *PSBA was projecting 1.6% decrease in total revenues across the state, this is 2% total revenue decrease from prior year.*
- *PASBO is projecting a 1.9%-2.25% annual decrease in local revenues, this is a 2.4% decrease in local revenues.*

# 2020-2021 Expenditures

Expenditures		
Department/Admin Prepared Cuts:	\$ (2,172,839)	ESTIMATED - Not finalized, still a few possible cuts
COVID-19 UC Costs	\$ 70,500	Adding into budget
Other Considerations		Programs/Personnel options that require School Board action/approvals
<i>Calculation Adjustment</i>	\$ 20,758	<i>Adjustment from estimated cuts to balance with reports</i>
<b>Adjusted Expenditures</b>	<b>\$ 101,729,683</b>	<i>does not include budgetary reserve</i>
	\$ (2,081,581)	<i>Variance from 4.15.2020</i>

## Numbers do not include budgetary reserve:

0.8% decrease in Personnel costs from prior year; \$76,177,570

7.6% increase in Mandated/Contractual costs from prior year; \$20,311,365

13.7% decrease in Non-Personnel/Non-Mandated costs; \$5,240,748



# 2020-2021 Totals

**Estimated Starting Fund Balance:**                      **\$19,358,923**                      *Slight increase in estimated starting fund balance relating to revised 2019-2020 estimated actuals.*

	94% R/E	94.5% R/E
2020-2021 Revenues	\$ 97,401,189	\$ 97,741,574
2020-2021 Expenditures	<u>&lt;\$101,729,683&gt;</u>	<u>&lt;\$101,729,683&gt;</u>
Net Change:	<\$ 4,328,494>	<\$ 3,988,109>

**Estimated Ending Fund Balance:**                      **\$15,030,429**                      **\$15,370,814**

***\*Totals do NOT include budgetary reserve/unassigned fund balance\****  
*Budgetary Reserve/Unassigned Fund Balance would add \$1,500,000 to both revenues and expenditures.*



# 2020-2021 Net Change

Net Change/Fund Balance Drawdown:	94% R/E <\$4,328,494>	94.5% R/E <\$3,988,109>
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Related to Capital Improvements:	<\$1,493,830>
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<b>ADJUSTED NET CHANGE:</b>	<b>&lt;\$2,834,664&gt;</b>	<b>&lt;\$2,494,279&gt;</b>
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Remainder to be balanced via:

1. Possible Tax Increase
2. Drawdown from remainder of fund balance (PSERS, Unassigned)
3. Additional Cuts

*Additional cuts can be done to offset any part of a tax increase and/or drawdowns from PSERS/Unassigned. These cuts would require School Board action.*



# 2020-2021 Tax Increase Options

% of Mill Incr	Mill Increase	Millage Rate	Annual Tax Bill Increase per \$100,000	Added Revenue @ 94% Collection	Adjusted Operating Cost Net Change	Ending Fund Balance	Added Revenue @ 94.5% Collection	Adjusted Operating Cost Net Change	Ending Fund Balance
0.00%	0.0000	19.5750	\$ -	\$ -	\$ (2,834,664)	\$ 15,030,429	\$ -	\$ (2,494,279)	\$ 15,370,814
0.25%	0.0489	19.6239	\$ 4.89	\$ 159,981	\$ (2,674,683)	\$ 15,190,410	\$ 160,832	\$ (2,333,447)	\$ 15,531,646
0.50%	0.0979	19.6729	\$ 9.79	\$ 319,961	\$ (2,514,703)	\$ 15,350,390	\$ 321,663	\$ (2,172,616)	\$ 15,692,477
0.75%	0.1468	19.7218	\$ 14.68	\$ 479,942	\$ (2,354,722)	\$ 15,510,371	\$ 482,495	\$ (2,011,784)	\$ 15,853,309
1.00%	0.1958	19.7708	\$ 19.58	\$ 639,922	\$ (2,194,742)	\$ 15,670,351	\$ 643,326	\$ (1,850,953)	\$ 16,014,140
1.25%	0.2447	19.8197	\$ 24.47	\$ 799,903	\$ (2,034,761)	\$ 15,830,332	\$ 804,158	\$ (1,690,121)	\$ 16,174,972
1.50%	0.2936	19.8686	\$ 29.36	\$ 959,883	\$ (1,874,781)	\$ 15,990,312	\$ 964,989	\$ (1,529,290)	\$ 16,335,803
1.75%	0.3426	19.9176	\$ 34.26	\$ 1,119,864	\$ (1,714,800)	\$ 16,150,293	\$ 1,125,821	\$ (1,368,458)	\$ 16,496,635
2.00%	0.3915	19.9665	\$ 39.15	\$ 1,279,845	\$ (1,554,819)	\$ 16,310,274	\$ 1,286,652	\$ (1,207,627)	\$ 16,657,466
2.25%	0.4404	20.0154	\$ 44.04	\$ 1,439,825	\$ (1,394,839)	\$ 16,470,254	\$ 1,447,484	\$ (1,046,795)	\$ 16,818,298
2.50%	0.4894	20.0644	\$ 48.94	\$ 1,599,806	\$ (1,234,858)	\$ 16,630,235	\$ 1,608,315	\$ (885,964)	\$ 16,979,129
2.60%	0.5089	20.0839	\$ 50.89	\$ 1,663,635	\$ (1,171,029)	\$ 16,694,064	\$ 1,672,484	\$ (821,795)	\$ 17,043,298

# Estimated Ending Fund Balance

94% R/E Option

	Options for Drawdown Allocation										
	No tax increase			1.0% Increase		1.5% Increase		2.0% Increase		2.6% Increase	
Added Revenue	Starting	Ending	drawdown	Ending	drawdown	Ending	drawdown	Ending	drawdown	Ending	drawdown
				\$ 643,326.00		\$ 964,989.00		\$ 1,286,652.00		\$ 1,672,484.00	
<b>TOTAL FUND BALANCE</b>	<b>\$ 19,358,923</b>	<b>\$ 15,030,429</b>	<b>\$ (4,328,494)</b>	<b>\$ 15,673,755</b>	<b>\$ (3,685,168)</b>	<b>\$ 15,995,418</b>	<b>\$ (3,363,505)</b>	<b>\$ 16,317,081</b>	<b>\$ (3,041,842)</b>	<b>\$ 16,702,913</b>	<b>\$ (2,656,010)</b>
Assigned (Capital & Athletic)	\$ 8,740,443	\$ 7,246,613	\$ (1,493,830)	\$ 7,246,613	\$ (1,493,830)	\$ 7,246,613	\$ (1,493,830)	\$ 7,246,613	\$ (1,493,830)	\$ 7,246,613	\$ (1,493,830)
<b>Capital Improvement</b>	<b>\$ 8,740,443</b>	<b>\$ 7,246,613</b>	<b>\$ (1,493,830)</b>	<b>\$ 7,246,613</b>	<b>\$ (1,493,830)</b>	<b>\$ 7,246,613</b>	<b>\$ (1,493,830)</b>	<b>\$ 7,246,613</b>	<b>\$ (1,493,830)</b>	<b>\$ 7,246,613</b>	<b>\$ (1,493,830)</b>
Committed (PSERS & GALA)	\$ 7,275,782	\$ 5,774,404	\$ (1,501,378)	\$ 5,774,404	\$ (1,501,378)	\$ 5,774,404	\$ (1,501,378)	\$ 5,785,876	\$ (1,489,906)	\$ 6,171,708	\$ (1,104,074)
Non-Spendable (Prepaid)	\$ 1,500,000	\$ 1,250,000	\$ (250,000)	\$ 1,250,000	\$ (250,000)	\$ 1,250,000	\$ (250,000)	\$ 1,250,000	\$ (250,000)	\$ 1,250,000	\$ (250,000)
Unassigned	\$ 1,842,699	\$ 759,413	\$ (1,083,286)	\$ 1,402,739	\$ (439,960)	\$ 1,724,402	\$ (118,297)	\$ 2,034,593	\$ 191,894	\$ 2,034,593	\$ 191,894
<b>Operating Drawdown</b>	<b>\$ 10,618,481</b>	<b>\$ 7,783,817</b>	<b>\$ (2,834,664)</b>	<b>\$ 8,427,143</b>	<b>\$ (2,191,338)</b>	<b>\$ 8,748,806</b>	<b>\$ (1,869,675)</b>	<b>\$ 9,070,469</b>	<b>\$ (1,548,012)</b>	<b>\$ 9,456,301</b>	<b>\$ (1,162,180)</b>

- Without a tax increase, \$1.5 million would need drawn down from PSERS and there would be less than \$1 million balance in Unassigned.
  - This means no more than the available “unassigned” balance would be available for budgetary reserve in the 2021-2022 school year budget.
- Incremental tax increases up to 1.5% can be used to offset the Unassigned balance, but would still require PSERS to have \$1.5 million drawn down.
- Incremental tax increases higher than 1.5% can be used to both bring Unassigned up to 2% of total expenditures and/or reduce/offset the drawdown from PSERS. Since we do not know how PSERS future rates will be affected, minimizing our PSERS draw-downs now and keeping balances available for future use would be recommended.



# “Other Considerations”

## Other Areas to Reduce

Once the Resource Planning Group has their recommendation set for 2020-2021 budget, including any tax increases, it will be presented to the School Board.

There are a few “Other Considerations” regarding programs and personnel changes that the School Board can take action on which can further reduce the budget. Those further reductions can be used to reduce the tax increase recommended OR can be used in addition to the tax increase to further reduce the “Operating” deficit.



# Decision / Group Vote

1. Revenues and Expenditures
  - a. As presented, or
  - b. As presented with any changes discussed during meeting that will be added before the School Board presentation
    - i. Revised reports will be provided to Resource Group PRIOR to the school board presentation
2. Current Real Estate Tax
  - a. No increase
  - b. Full increase, 2.6%
  - c. Other percentage increase as determined by the group
  - d. Elimination of “penalty” for those paid after designated timeframe



# Other Discussions / Adjournment of Meeting

Any further closing discussions

Adjournment of Meeting