

SOLANCO SCHOOL DISTRICT 2021-2022 PROPOSED BUDGET

December 7, 2020

2020-2021 ESTIMATES

- Revenue Estimates
 - \$2.5 million additional grant funding
 - Local funding - \$1.0 million reduction vs. 2019-20 actual
 - State subsidies same level as 2019-20
 - Federal funds - \$1.8 million increase
 - Total estimated revenue - \$900,000 increase
- Expenditure Estimates
 - Payroll/Benefits - 2.0% increase vs. 2019-20
 - PPE, disinfectant supplies, technology expansion, contracted services
- Estimate fund balance increase at 6/30/21

2021-2022 Budget Process

- December/January/February

- ~~1. Adopt Proposed Preliminary Budget~~

- ~~2. Adopt Preliminary Budget~~

- 3. Adopt 'Opt Out' Resolution** stating district will not raise the tax rate by more than adjusted index (3.5%). *(Target January 4, 2021)*

- Not eligible for special education exception

- May qualify for only \$20,000 retirement exception

- ~~4. Deadline to submit request for referendum exception~~

- May/June

- 3. Adopt Proposed Final Budget** – complete 30 days prior to step 4
(Target April 19, 2021)

- 4. Adopt Final Budget** *(Target June 7, 2021)*

Timeline for 2021-2022 Budget Process

- **January 4, 2021** - Adopt Accelerated Budget Opt Out resolution *(Target Date)*
 - *Deadline January 28, 2021*
- **January 28 - February 2, 2021 or 5 days after Opt Out Resolution Adoption** – Deadline to submit resolution and proposed tax rate increase to PDE
- **January 4, 2021** - Adopt resolution establishing tax collector policies for elected tax collectors *(Target Date)*
 - *Deadline February 15, 2021*
- **January 4, 2021** – Adopt resolution establishing elected tax collector compensation and rules *(Target Date)*
 - *Deadline February 15, 2021*

Timeline for 2021-2022 Budget Process

- **April 15, 2021**
 - **Secretary of Budget** certifies total amount of slot money revenue available for distribution.
- **April 19, 2021 – Propose Final Budget (Target Date)**
 - **School District** - adopt resolution to display and advertise Proposed Final Budget on form PDE-2028
 - Must be completed 30 days prior to budget adoption. Deadline is May 31, 2021.
 - Display Proposed Final Budget for public inspection. Deadline is June 10, 2021.
- **May 1, 2021 - Slot Money Notice**
 - **Department of Education** notifies school districts of slot money allocation amount used in calculating the homestead exclusion amount for tax bills.

Timeline for 2021-2022 Budget Process

- **May 1, 2021 - County homestead report**
 - County assessment office provides each school district a **certified** report of homestead and farmstead properties
- **May 17, 2021 - School District** adopt resolution to appoint tax collector for direct collection of real estate taxes as required by School Code (Business Manager).
- **May 31, 2021**
 - **School District deadline** to adopt resolution declining slot money and allowing voter decision.
 - **School District deadline** to report to, and file certified copy with, the Department of Community and Economic Development of tax rate changes

Timeline for 2021-2022 Budget Process

- **June 20, 2021** – Deadline to publish notice of intent to adopt final budget
- **June 30, 2021 – Final Budget**
 - **School District** deadline to adopt **Final Budget** on form PDE-2028 (*Resolution for Final Budget for General Fund*).
(Target June 7, 2021)
 - **School District** deadline to adopt resolution implementing homestead/farmstead exclusion
 - **School District** deadline to adopt *Annual Tax Levy Resolution*

Timeline for 2021-2022 Budget Process

- July 1, 2021 – Issue tax bills
- July 15, 2021
 - School District deadline to submit Final budget to Department of Education OR ***No later than 15 days after adoption of the budget***
 - Show compliance with 8% Fund balance Cap
- August 26, 2021
 - **Department of Education** pays school district 50% of slot money allocation
- October 28, 2021
 - **Department of Education** pays school district 50% of slot money allocation.

2021-2022 Revenue Budget Considerations

- Millage Rate - Solanco Adjusted Index - **3.5%**
 - Property Assessment Growth - less than 1%
 - Potential Tax Increase of \$38.36 per \$100,000 Assessed Value
 - Potential Tax Revenue Growth of \$1 million
- Earned Income Tax Collections
 - *Potential Reduction – Business Reopenings/Hirings?*
- Investment Earnings – Rate Less than 0.5%
- State Subsidies – Level Funding or Reduction
 - *Disclosed mid-February*
- **Federal Revenue - Grant Reductions**

2021-2022 Expenditure Budget Considerations

- **Potential \$4 Million Deficit**
- Year 3 of Collective Bargaining Agreement
- Staff Shortages
- Expansion of Contracted Services
- Pension Rate – 34.94%
 - Future Rate Increases to Mitigate Investment Shortfalls
- Estimated 10% Growth in Annual Healthcare Costs
 - \$3.6 Million Healthcare Reserve
- \$2 Million Committed General Fund Balance
 - Mitigate Revenue Reductions – One Time Use

