

SOLANCO SCHOOL DISTRICT 2021-2022 PROPOSED GENERAL FUND BUDGET

April 19, 2021

SOLANCO SCHOOL DISTRICT

2021-2022 Proposed General Fund Budget

	ACTUAL 2017-18	ACTUAL 2018-19	ACTUAL 2019-20	BUDGET 2020-21	ESTIMATED 2020-21	PROPOSED 2021-22	BUDGET TO BUDGET	% CHANGE
REVENUES	55,066,282	57,138,831	58,627,798	57,904,231	60,586,061	63,421,373	5,517,142	9.53%
EXPENDITURES	55,064,784	57,068,052	56,050,620	60,204,281	60,248,150	64,722,758	4,518,477	7.51%
VARIANCE / Fund Balance	1,498	70,779	2,577,178	(2,300,050)	337,911	(1,301,385)		

BUDGET CONSIDERATIONS

- REVENUE
 - Local Revenue Growth
 - Facility Use
 - Athletic Gate Receipts
 - Tax Collection (Property and Earned Income)
 - Investment Earnings
 - Level State Funding (Subsidies)
 - Expanded Federal Grants
 - ESSER Grants - Multi-year Awards
 - ✓ #1 (\$1,554,200 spent during 2020-21)
 - #2 (\$6,903,423 spend by 9/30/2023)
 - #3 (\$13,962,055 spend by 9/30/2024)

BUDGET CONSIDERATIONS

- EXPENDITURES
 - Payroll
 - 16 Retirements During 2020-21 School Year
 - 20+ Open Support Staff Positions
 - Competitive Labor Market > Pay Higher Rates
 - Added Positions: Technology Specialist, Lead Groundskeeper, Teacher
 - Benefits
 - PSERS: 0.43 Increase (34.94%)
 - Healthcare: Claims and Admin Fees Increased 25%

PROJECTED EMPLOYER CONTRIBUTION RATES AND TOTAL EMPLOYER CONTRIBUTIONS

****** (Presumes a 7.25% rate of return)

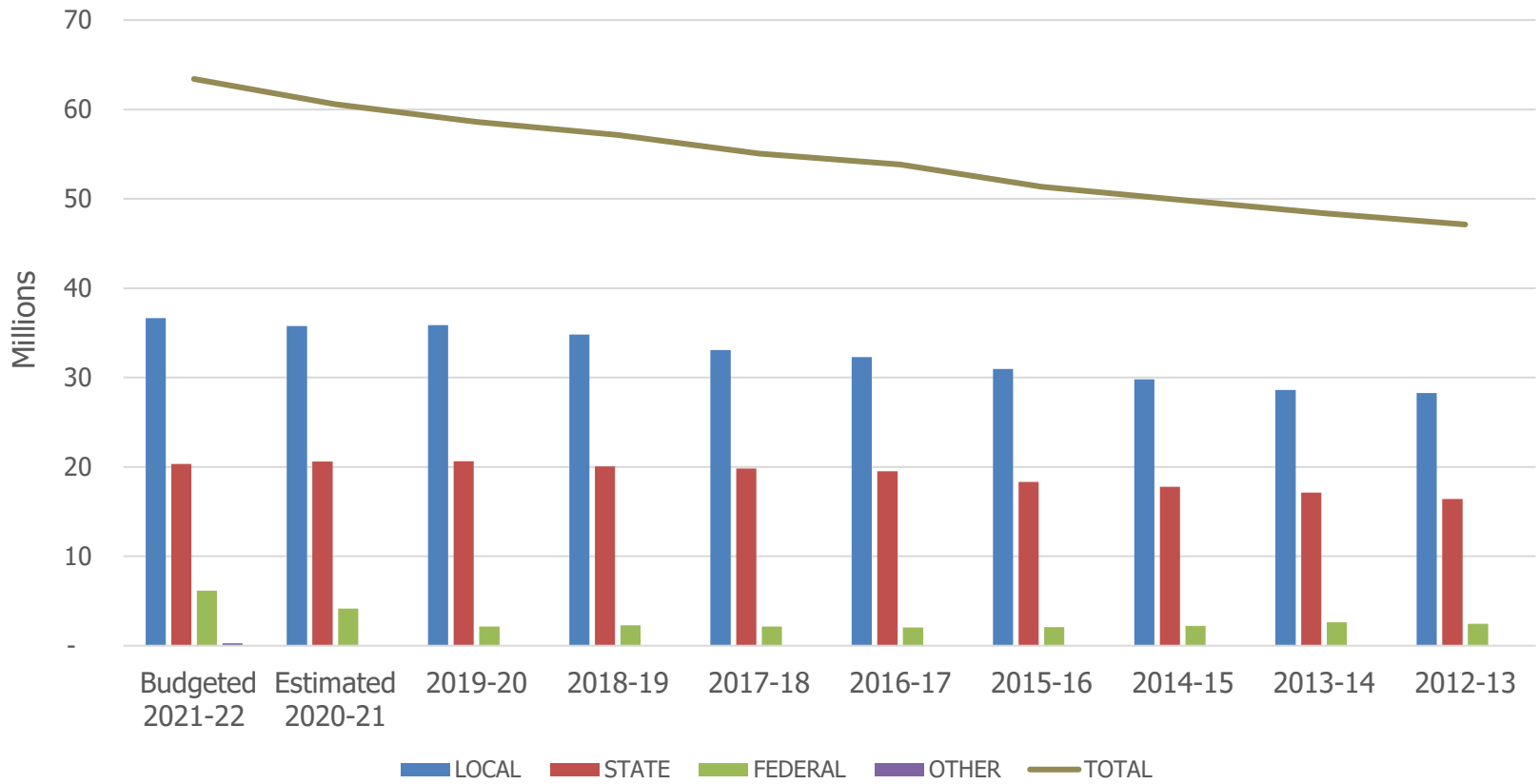
Fiscal Year Ending June	Total Employer Contribution Rate %	Projected Total Employer Contribution (thousands) \$
20/21	34.51	4,858,318
21/22	34.95	4,993,968
22/23	35.62	5,170,820
23/24	36.12	5,332,756
24/25	36.60	5,497,431
25/26	37.23	5,691,399
26/27	37.79	5,873,900
27/28	38.17	6,027,091

- **Contracted Personnel and Services**
 - Custodians
 - Behavioral Specialists
 - Traffic Monitors
 - Student Support Services

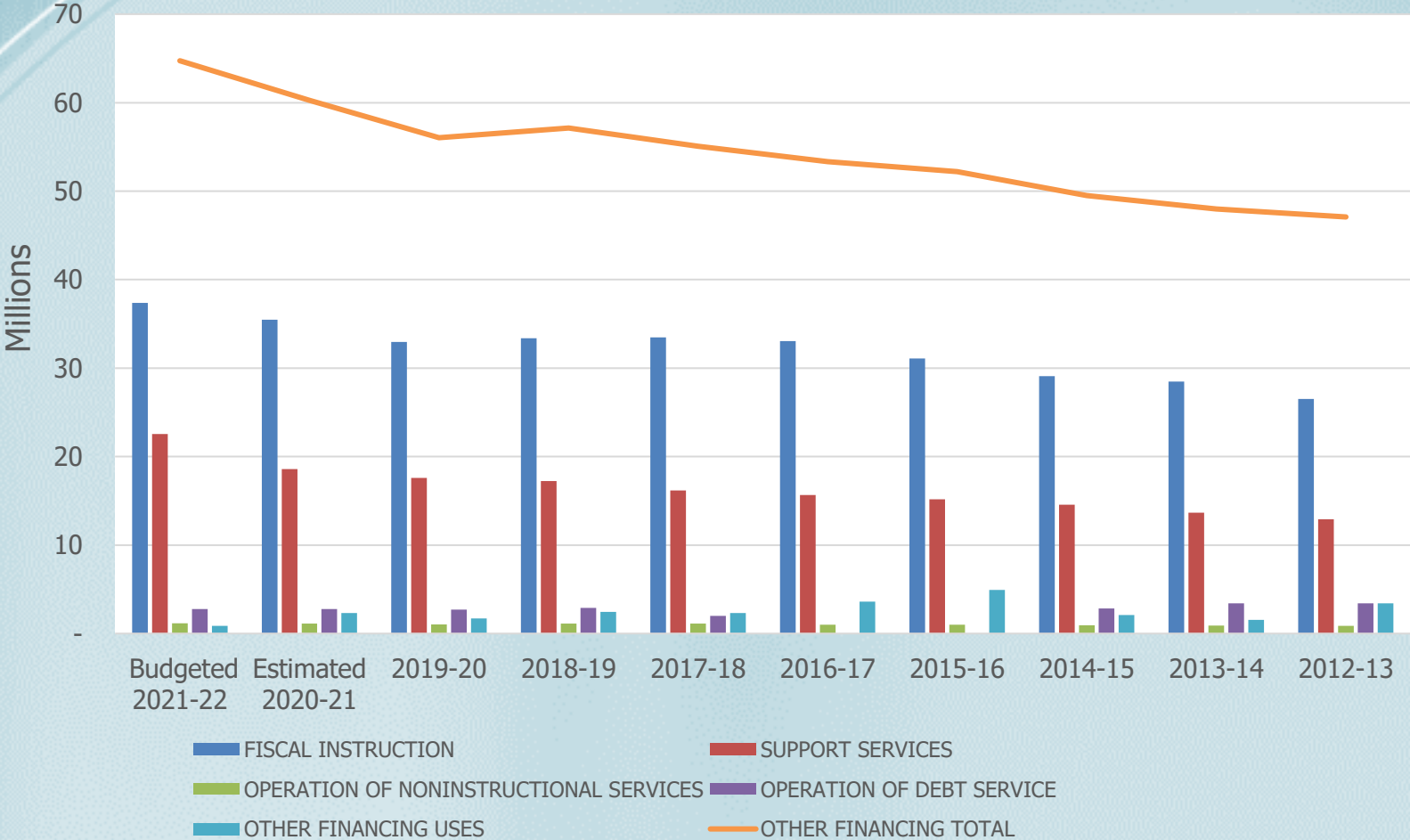
BUDGET CONSIDERATIONS

- Increased Charter School and Lancaster-Lebanon Virtual Academy Tuition
- Classroom Reconfiguration Costs
- Cleaning and Disinfecting Equipment and Supplies
- HVAC and Water System Upgrades
- Technology Purchases and Device Maintenance
- Programs to Address Student Learning Loss
- Increased Transportation Costs
- Increased Fuel and Energy Costs
- Maintain Existing Staff

GENERAL FUND REVENUES BY SOURCE IN DOLLARS



GENERAL FUND EXPENDITURES AND OTHER FINANCING USED



ESSER IMPLICATIONS

- Temporary Funding Stream
- Supplant Option
 - Payroll and Benefits – Must Fund with Local \$'s in Future or Delete Expenditure from Budget
 - Utilize Funds for One-Time/Non-Recurring Expenditures
- Mandated to Maintain Consistent Level of State/Local Spending as Prior Year
- Rigid Federal Competitive Procurement Regulations
- Multi-Year Award: Allocating Funds Among Years to Smooth Spending Level and Prepare for Loss of Funding Stream
- What Funding Available when Grant Ends and Technology Must be Replaced?

2020-21 COVID Grants

County CARES #1	113,904
County CARES #2	167,750
New Hope	17,822
A-TSI Foundational Support	67,417
PCCD Health & Safety #33702	255,566
FEMA/PEMA	10,097
ESSER	1,554,200
Special Education Mitigation Impact	23,034
GEERS - Continuity of Education	
Equity	47,150
COVID 19 Safety & Security PCCD	94,966
Total	2,351,906

Majority of funds utilized for technology and custodial expenditures. ESSER only grant repeating in future years.

ESSER II and III

- Utilize for Building System Upgrades
 - Increase System Efficiencies
 - Reduce Operating Costs
- Technology Devices and Infrastructure Expansion
- Cleaning and Disinfecting
- Student Support Services
- Costs Related to Continued Operations and Avoiding Layoff of Personnel
- 20% ESSER III Mandated for Addressing Student Learning Loss

STRATEGIC BUDGETING

- Future Five-Year Look Ahead
- School District Reliant on Local Funding in Future (Post-ESSER)
 - Uncertain State Funding Levels (Reduction Expected)
 - Federal Funding Reduced to/below Pre-Pandemic Level
- Potential Fund Balance Deficit
 - Property Assessment Growth
 - Millage Rate Increases
 - Act 1 Index Limits (Increase then Decline)
 - Unable to Increase Millage Rate when Additional Revenue Needed
 - Expanded Tax Base is Key

UNCLAIMED REAL ESTATE TAXES - TAX RATE BELOW INDEX						
						95%
FISCAL YEAR	ASSESSED TAXABLE PROPERTY VALUE	Millage Rate Increase	2018-19 Millage Rate	Tax Revenue	95% Collection Rate	
2019-20	2,483,729,800		0.0108251	26,886,623	25,542,292	No millage rate change from PY
2020-21	2,483,729,800		0.0109604	27,222,672	25,861,538	1.25% millage rate increase
2020-21	2,483,729,800		0.0111607	27,720,163	26,334,155	3.10% millage rate increase
					472,617	Lost Tax Revenue Year 1
2021-22	2,483,729,800	0.000390625	0.0115513	28,690,369	27,255,850	Millage Rate Increase at 3.5 % Index Limit
2021-22	2,483,729,800	0.000383614	0.0113440	28,175,466	26,766,692	
					489,158	Lost Tax Revenue Year 2
2022-23	2,483,729,800	0.000427399	0.01194195	29,660,575	28,177,546	Millage Rate Increase at 3.7% Index Limit
2022-23	2,483,729,800	0.000419729	0.01176374	29,217,958	27,757,060	Millage rate at 1.25% 2019-20 Rate
					420,486	Lost Tax Revenue Year 3
The school district did not increase its millage rate during 2019-20 to the Act 1 index of 3.10%. Increase to 1.25% only. Calculation reflects lost tax base					1,382,261	3-year Accumulated Loss of Tax Revenue
as a result.					2,223,233	5-Year Accumulated Loss of Tax Revenue

2019-2020 Tax revenue opportunity lost and cannot be reclaimed later. Consider utilizing Act 1 Index maximum when available to mitigate years index offers minimal increase.

PROPOSED 2021-22 MILLAGE RATE

2021-22 MILLAGE RATE CALCULATION AND ANALYSIS

		Adjusted Act 1 Cap	Millage rate with "0" referendum exception			
		3.50%		Mill Increase		
Current mills 20-21 FY	10.9604	20-21 ACT 1 CAP =	11.3440	0.3836	0 mills	11,878
*Assessed Value Includes Exelon		Exelon =	30,000,000			
2020-21 Assessed Value Estimate*	Millage Rate	Collection Rate	Budgeted Revenue	Cumulative Dollar Increase from Base Assessment	Increase Percent	Dollar Amount Per Incremental Increase
2,505,903,400	10.9604	0.9550	26,229,771	0	0	0
2,505,903,400	11.0700	0.9550	26,492,069	262,298	1.00	262,298
2,505,903,400	11.1248	0.9550	26,623,217	393,447	1.50	131,149
2,505,903,400	11.1796	0.9550	26,754,366	524,595	2.00	131,149
2,505,903,400	11.2344	0.9550	26,885,515	655,744	2.50	131,149
2,505,903,400	11.2892	0.9550	27,016,664	786,893	3.00	131,149
2,505,903,400	11.3166	0.9550	27,082,238	852,468	3.25	65,574
2,505,903,400	11.3440	0.9550	27,147,813	918,042	3.50	65,574

Proposed Tax Increase on \$100,000 Assessed Property Value is \$38.36

NEXT STEPS

- School Board Approve Resolution to Display and Advertise the 2021-22 Proposed Budget
- School Board Secretary will Advertise Final Budget Notice
- June 7, 2021
 - ✓ Final Budget Adoption
 - ✓ Homestead/Farmstead Exclusion Resolution Adopted
 - ✓ Annual Tax Levy Resolution Adopted

