



# Ambridge Area School District

2020-2021 Proposed Final Budget

# Financial Projection 2019-2020

	<b>Budgeted</b>	<b>Estimated</b>	<b>Variance</b>
Revenues	\$50,252,228	\$50,218,654	(\$33,574)
Expenditures	\$50,252,228	\$49,298,647	\$953,581
Change to FB			\$920,007
Beginning FB			\$918,098
Ending Fund FB			\$1,838,105

- Revenue variance due to slightly lower collection rate in Ambridge and lower than anticipated ACCESS revenues.
- Expenditures savings for energy, transportation, freeze on charter enrollments, field trip and athletic activities cancelled, supplies and copier spending lower, substitute costs, overtime.

# Budget must be reworked

- Proposed legislation to not permit tax increase.
- Future Act 1 index likely will be lower moving forward due to economic downshift.
- Earned Income Tax collection delay.
- Rate of unemployment caused a drop in EIT collections by 20%.
- Real estate transfer taxes dropped by 50%.
- Interest and Dividend earnings dropped by 75% due to market conditions.
- PSERS rate could be increased dramatically to cover lower interest rates in future years.
- Transportation subsidy uncertain due to contractor layoffs and potential to be wrapped into BEF.
- State budget may be adjusted to account for COVID-19 costs. Planning for zero increase.
- Teacher contract expires June 30, 2020.
- Special education costs may increase in order to provide summer services missed during closure.
- Summer programs may be extended.
- Substitute costs may increased due to expanded Paid Sick Leave and FMLA Leave under new laws.
- Additional costs of security and cleaning supplies under potential continuation of continued pandemic.

# Budget Summary

- Total Revenues                      \$49,044,387
- Total Expenditures                \$52,171,006
- Utilization of fund balance required is (\$3,126,619).
- Represents an increase in spending over estimated actuals for current year of \$2.87 million or 5.8%.
- Note that current year spending lower due to COVID-19 virus.
- Increase over prior year budget is \$1.9 million or 3.8%.

# Revenues by Source

Total Revenue = \$49,044,387

Decrease of (\$1,165,631) or -2.3%

## Local Breakdown:

Real Estate \$20,556,151

Other \$ 5,484,921

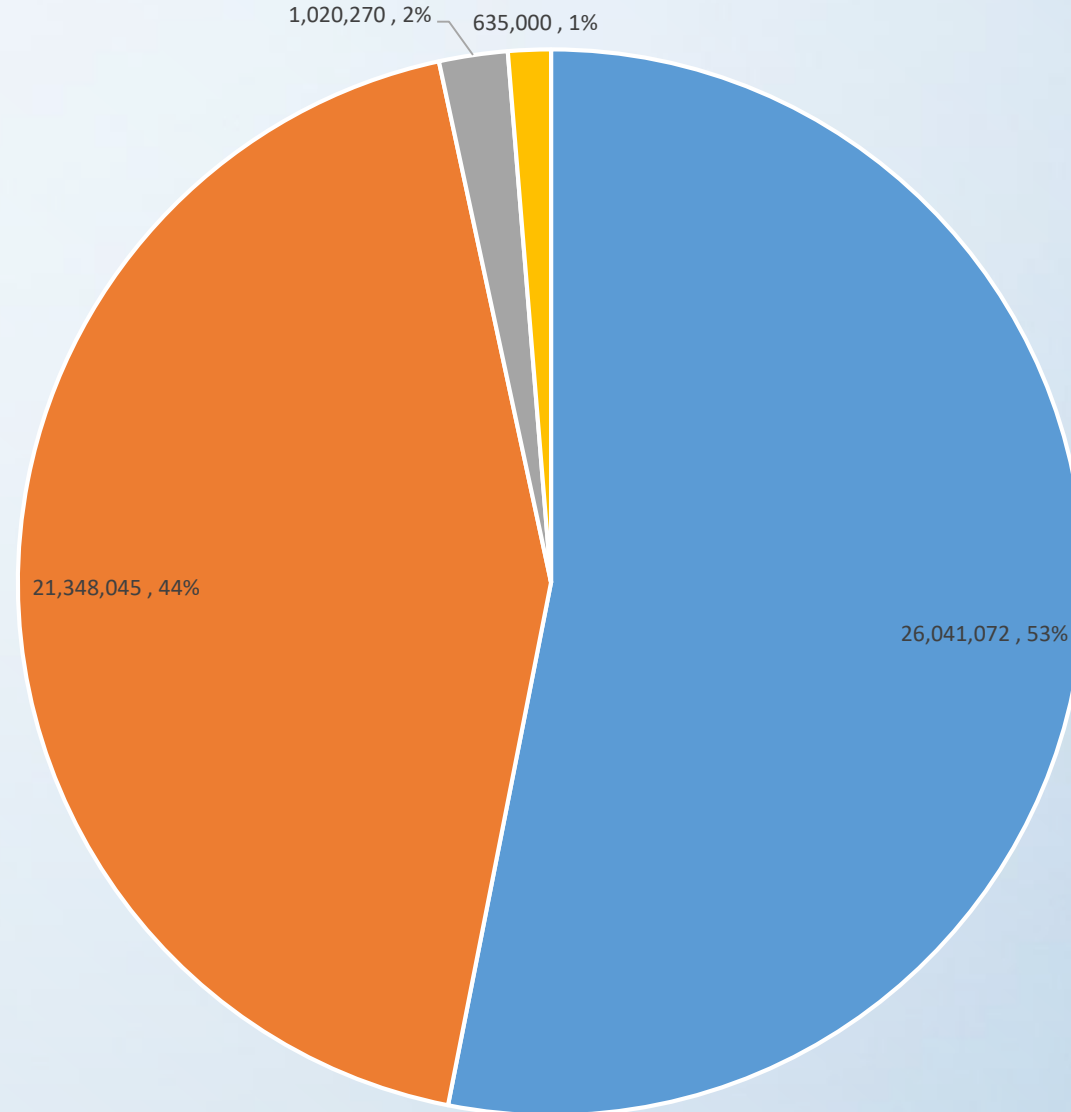
Basic Ed Subsidy \$11,124,931

Spec Ed Subsidy \$2,238,313

No increase in state funding.

Federal Funds continue to decline by -15.3%

Other sources represents funding for tech purchases and sale of Anthony Wayne School.



■ 6000 - Local ■ 7000 - State ■ 8000 - Federal ■ 9000 - Other

# Tax Assessment and Millage

- **No tax increase in Proposed Final Budget**
- Tax rate remains at **83.4709 mills**
- Tax Assessment **decrease** = (\$3,223,040)
  - Total assessed value = \$283,373,560
  - Revenue lost due to drop = (\$242,127) or (0.95 mills)
- Tax Reduction Allocation = \$1,053,274 (Estimated)
  - Tax Assessment Reduction on 6,314 approved homesteads/farmsteads is \$1,930.96
  - Tax Liability Reduction = \$166.82
- One mill generates approximately \$255,000 in tax revenue.

# Millage Increase Options

<u>Inr %</u>	<u>Mill Incr</u>	<u>New Rate</u>	<u>Revenue</u>	<u>Median Taxpayer Incr</u>
3.5%	2.9215	86.3924	\$756,330	\$68.51
3.0%	2.5041	85.9750	\$648,283	\$58.72
2.5%	2.0868	85.5577	\$540,236	\$48.94
2.0%	1.6694	85.1403	\$542,188	\$39.15
1.5%	1.2521	84.7230	\$324,141	\$29.36
1.0%	0.8347	84.3056	\$216,094	\$19.57

# Millage Rate History

Year	Millage Rate	Increase	% Incr
2010-2011	63.3390	2.3190	3.80%
2011-2012	69.8390	6.5000	10.3%
2012-2013	72.9390	3.1000	4.4%
2013-2014	73.9390	1.0000	1.4%
2014-2015	73.9390	0.0000	0.0%
2015-2016	75.8614	1.9224	2.6%
2016-2017	79.2941	3.4327	4.5%
2017-2018	79.2941	0.0000	0.0%
2018-2019	81.4350	2.1409	2.7%
2019-2020	83.4709	2.0359	2.5%
<b>2020-2021</b>	<b>83.4709</b>	<b>0.0000</b>	<b>0.0%</b>



## Expenditures by Operational Area

Total Expenditures = \$52,171,006

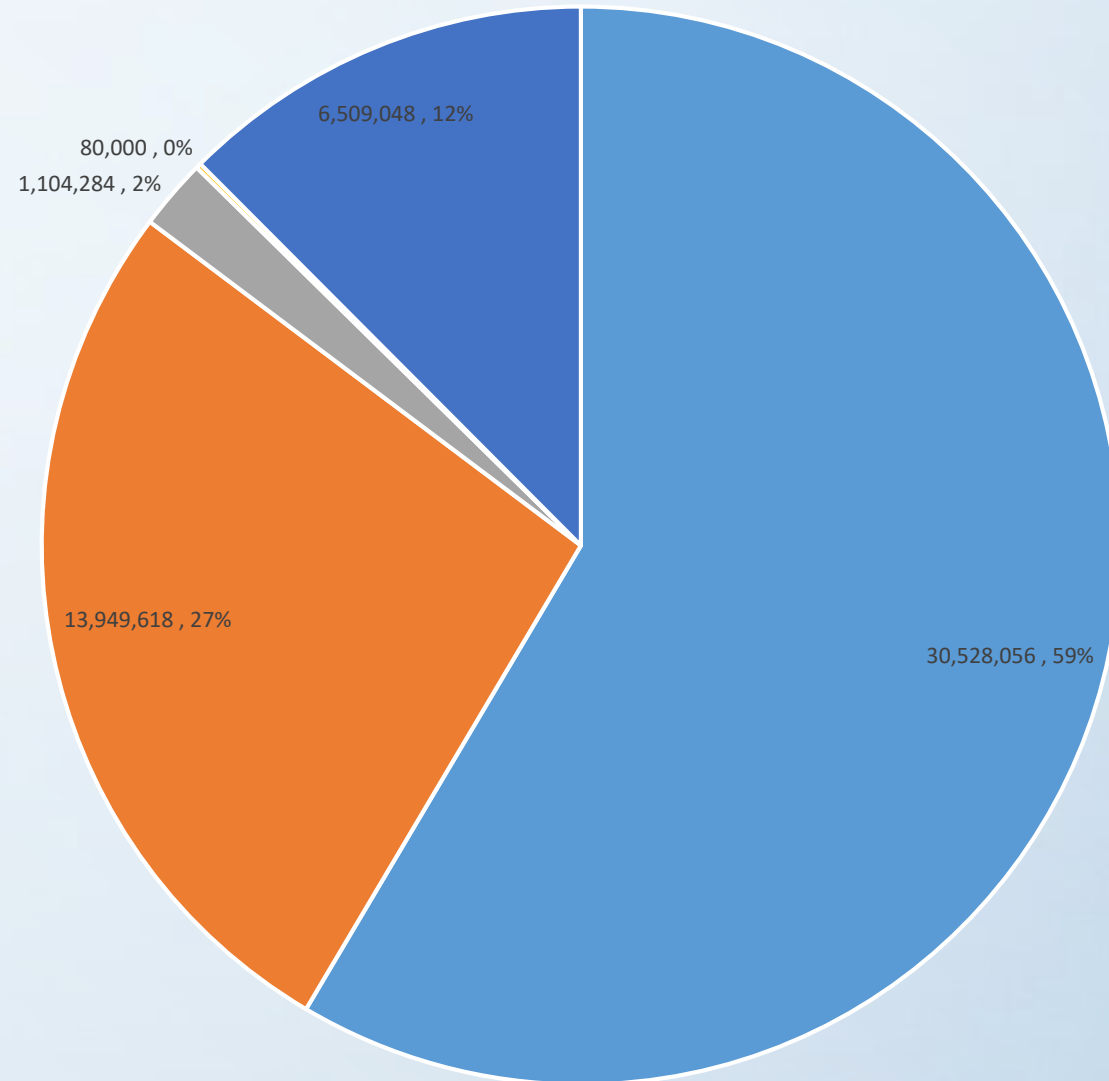
Direct Instruction = 58.5%

Support Services = 26.7%

Debt = 12.5%

Non Instruction = 2.1%

Capital Improvements = 0.2%



■ 1000 - Instruction   ■ 2000 - Support Services   ■ 3000 - Non Instructional   ■ 4000 - Capital Improve   ■ 5000 - Financing/Reserve

# Expenditures by Type

**Personnel Cost** comprise 54% or \$27.9 Million

Wages increase for all staff

Medical Insurance up 2.1%

PSERS rate increase from 34.29% to 34.51% creating an increase cost of 5%

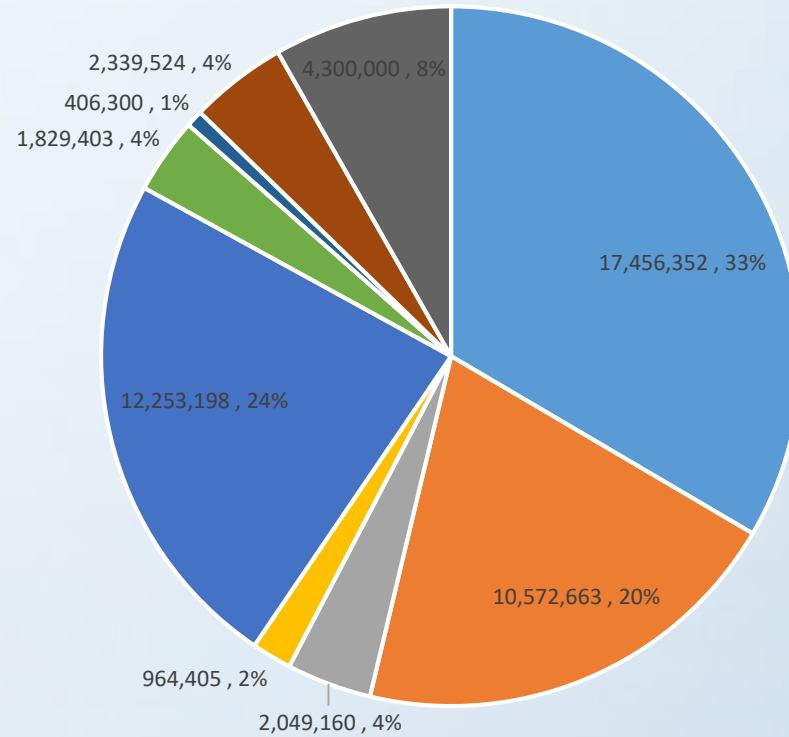
**Debt** -- 12% or \$6.1M

**Tuition** – 16.8% or \$8.7M

**Transportation** – 6% or \$3.1M

**Utilities** – 1.7% or \$900K

**Other contracts/services** – 4.3% or \$2.5M or 4.9%



- 100 - Wages
- 200 - Benefits
- 300 - Professional Srvc
- 400 - Property Srvc
- 500 - Other Srvc
- 600 - Supplies/Books
- 700 - Equipment
- 800 - Dues & Fees/Interest
- 900 - Financing

# Student Enrollment

<u>Year</u>	<u>Students Enrolled</u>	<u>Enrollment Chg</u>	<u>Enr %Chg</u>
2011-12	2704	-36	-1.3%
2012-13	2600	-104	-3.8%
2013-14	2575	-25	-1.0%
2014-15	2549	-26	-1.0%
2015-16	2463	-86	-3.4%
2016-17	2399	-64	-2.6%
2017-18	2254	-145	-6.0%
2018-19	2293	39	1.7%
2019-20	2339	46	2.0%
2020-21	2339	0	0 %
<b>Total</b>		<b>-401</b>	<b>-15%</b>

# Staffing Changes

- Anticipated reduction due to retirement of 4 FTE teaching positions. (\$482,454)
- Anticipated retirement of administrator. (\$12,577)
- Anticipated retirement of three custodial/maintenance staff. (\$38,522)



# Technology/Security Purchases

- Technology/security purchases will be made through with a 3 year lease program and include:

– New iPads (400)	\$172,000
– Replacement projectors	\$ 30,000
– Replacement of laptops	\$ 61,000
– Server upgrade	\$ 4,500
– Apple TVs	\$ 8,000
– Replacement headsets	\$ 4,000
– New security equipment	\$ 48,000

## Textbook Purchase

- Continued purchase of social studies and math series \$141,950

# Maintenance Projects

- Remove awning at MS back entrance \$ 50,000
- Replace clock system at MS \$ 25,000

# Repairs

- Preventative maintenance contracts \$ 189,690
- Required inspections (fire, bleachers, stage, playgrounds) \$ 23,125
- Building and equipment repairs \$ 215,600
- Security and technology repairs \$ 42,000
- Academic/Athletics \$ 24,250

# Capital Projects Deferred

- State Street: Paving \$ 525,000
- MS: replace ceiling tile, paint gym ceiling, rekey doors, and replace stage lighting and sound \$ 430,000
- Fieldhouse HVAC/Floors/Bleachers, etc. \$1,450,000

# Other Equipment Purchases

- Operations & Maintenance \$39,000
  - Two utility vehicles
  - Leaf blowers
- Athletics \$18,750
  - Uniforms for: bowling, cross country, golf, tennis, wrestling, MS basketball, MS soccer, MS wrestling.
- Academics \$21,050
  - Steel and bass drums, auxillary percussion, dolly for music stands, cymbals, keyboard, MS tech ed: robotics, testers, planner, drill press, chairs and tables, and special education FM system.



# FUND BALANCE

Est. Ending Undesignated Fund Balance – (\$1,333,514) or -2.6%

Utilization of Fund Balance – (\$3,126,619)

Restricted Fund Balance in General Fund for Legal Trust-- \$45,000

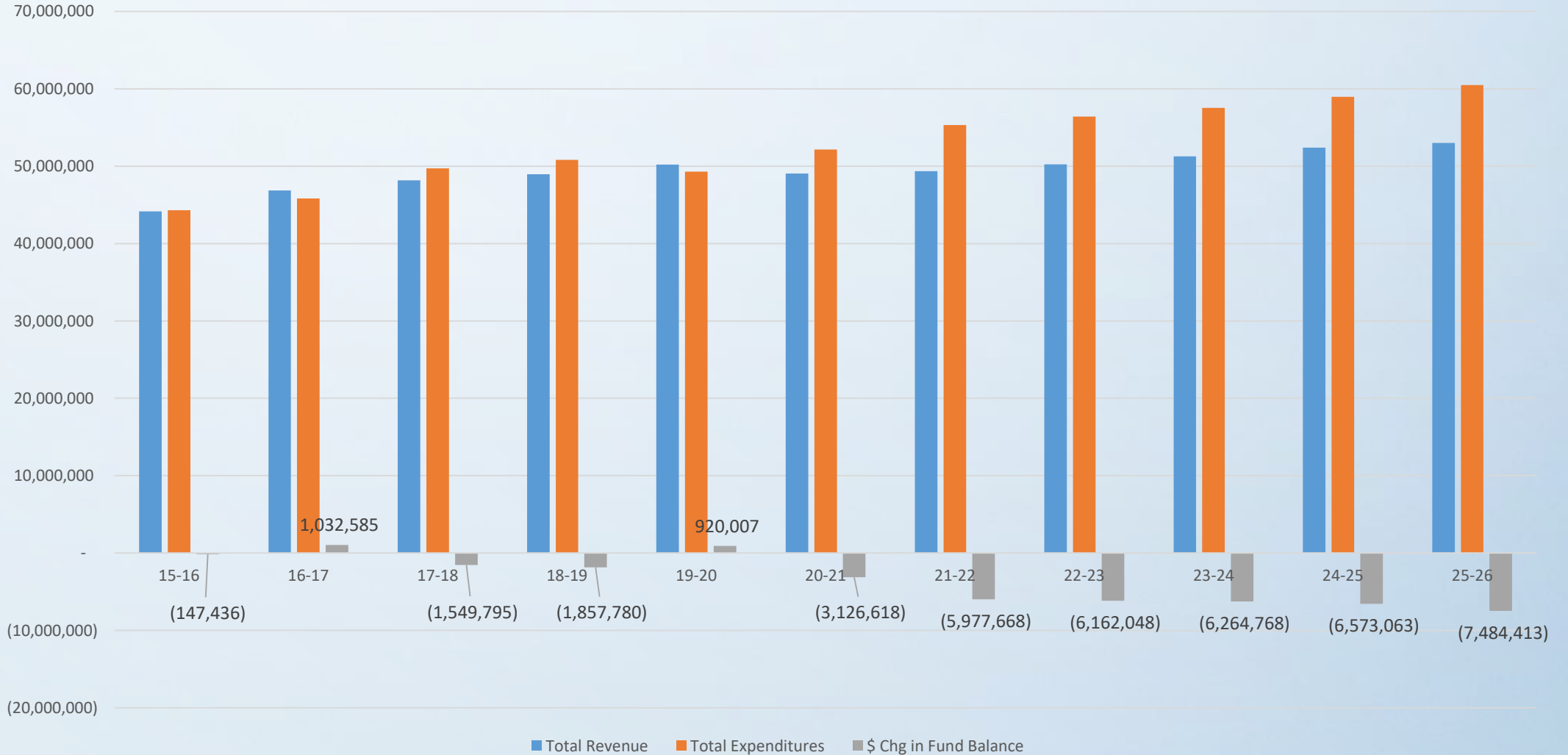
Fund Balance is estimated based on a projection of actuals revenues and expenditures for 2019-20 fiscal year.



# Long-Range Assumptions

- No tax increases moving forward.
- After 1.1% decline in assessed value, modest increases of 0% to 0.5% in subsequent years.
- Decrease in EIT rates of 20% and 10% before upswing of 1-3%.
- Interest rate decline from 4% to 1% and slow increase.
- Wages and Benefits increasing at 3 to 3.5%.
- PSERS rate increase 5% higher than actuarial projections (40%).
- Debt service remains level.
- Other expenditures range between 1 to 5% annual increases.

# Long-Range Projections



# General Fund Budget Summary

- Revenues \$49,044,387
- Expenditures (\$52,171,006)
- Utilization of Fund Balance (\$3,126,619)
- Estimated Ending Fund Balance
  - Undesignated \$ (1,333,514)
  - Restricted for Legal Trust \$ 45,000
  - Total Fund Balance \$ (1,288,514)
- Must have enough sources of funds to balance budget.

# Capital Reserve Funding

Year	Transfers In	Interest Earnings	Expenditures	Balance
2013-14	\$317,997	\$0	\$0	\$317,997
2014-15	\$3,800,000	\$159	\$0	\$4,118,156
2015-16	\$750,000	\$404	\$0	\$4,868,560
2016-17	\$1,305,897	\$26,594	(\$1,257,583)	\$4,943,468
2017-18	\$750,000	\$45,717	(\$885,711)	\$4,853,474
2018-19	\$0	\$110,065	(\$812,201)	\$4,151,338
2019-20 Est.	\$0	\$65,000	(\$1,312,268)	\$2,904,070
2020-21 Budget	<b>\$250,000</b>	\$30,000	<b>(\$125,000)</b>	\$3,059,070

# Capital Reserve Expenditures

Year	Project Costs	Debt Service Pymts
2016-17	\$723,078	\$534,505
2017-18	\$326,301	\$559,410
2018-19	\$251,701	\$560,500
2019-20 Est.	\$755,719	\$556,550
2020-21 Budget	<b>\$125,000</b>	\$0

- 2016-17: Turf project at High School, MS wireless project, pole vault mats
- 2017-18: MS renovations for restrooms and gymnasium
- 2018-19: MS renovations for restrooms
- 2019-20: Paving at Economy, fencing at HS (bridge project)
- **2020-21: Phase 2 of HVAC controls (Trane)**

# Capital Reserve Funds

- Funds may be used to make debt service payments or fund future capital projects.
- May not transfer funds to General Fund for operational uses.
- May replenish or build fund by fund transfers authorized by the Board of Directors.
- Bond refunding may also be placed in capital reserve or used to lower debt service.



Budget changes may continue after Proposed Final Budget is adopted on May 13, 2020 until final adoption date.

Changes will continue to be made during this 34 days period prior to final adoption of the budget in June.

Final approval of the 2020-2021 General Fund and Food Services Budgets will occur at the Board of Directors meeting on **June 17, 2020**.