



# East Penn School District

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## **Final Budget Update**

*May 26, 2020*

# Budget Timeline

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January 27, 2020

Presentation of the Preliminary Budget

February 10, 2020

Presentation of District Priorities - Staffing (Professional and Paraprofessional)

February 24, 2020

Presentation of District Priorities - Programmatic

March 9, 2020

Presentation of District Priorities - Staffing (Administrative)

Presentation of the Long Range Fiscal and Capital Plan

March 23, 2020

Budget Update

April 27, 2020

Presentation and Adoption of the Proposed Final Budget

May 11, 2020

Presentation of Budget Updates and Discussion of the Final Budget

**May 26, 2020**

**Special meeting: Budget Updates and Discussion of the Final Budget**

**June 8, 2020**

**Presentation and Adoption of the Final Budget**



# 2020-21 Budget

|    | A  | G                     | H                     | I                     | J                     | K                     | L                     | M                     |
|----|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|    | General Fund Summary - Projected           |                       |                       |                       |                       |                       |                       |                       |
|    |  | 2019-20               | 2019-20               | 2020-21               | 2021-22               | 2022-23               | 2023-24               | 2024-25               |
|    | Description                                | Budget                | Estimated             | Proposed              | Projected             | Projected             | Projected             | Projected             |
| 7  | Local Revenue                              | \$ 112,941,485        | \$ 112,064,823        | \$ 111,399,582        | \$ 115,807,448        | \$ 119,880,564        | \$ 122,955,464        | \$ 126,241,186        |
| 8  | State Revenue                              | 35,175,476            | 35,559,326            | 35,794,055            | 36,960,931            | 37,905,220            | 38,806,467            | 39,688,808            |
| 9  | Federal Revenue/Other Sources              | 1,585,600             | 1,617,639             | 1,618,579             | 1,642,858             | 1,667,501             | 1,692,513             | 1,717,901             |
| 10 | District Priorities (Revenue)              | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| 11 | <b>Total Revenue</b>                       | <b>\$ 149,702,561</b> | <b>\$ 149,241,788</b> | <b>\$ 148,812,216</b> | <b>\$ 154,411,237</b> | <b>\$ 159,453,285</b> | <b>\$ 163,454,445</b> | <b>\$ 167,647,895</b> |
| 15 | Salaries                                   | \$ 65,467,651         | \$ 64,797,158         | \$ 67,175,320         | \$ 68,960,658         | \$ 70,794,075         | \$ 72,676,877         | \$ 74,610,407         |
| 16 | Benefits                                   | 39,958,379            | 39,552,927            | 41,482,695            | 43,229,489            | 44,974,169            | 46,955,471            | 48,876,194            |
| 17 | D/W Instructional Services                 | 17,425,140            | 17,714,188            | 18,014,383            | 19,042,983            | 20,143,236            | 21,320,661            | 22,581,228            |
| 18 | D/W Non-Instructional Services             | 23,574,701            | 15,223,018            | 24,161,628            | 24,842,710            | 25,577,952            | 26,345,936            | 27,127,984            |
| 19 | District Priorities (Expense)              | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| 20 | Capital Reserve Fund Transfer              | 1,640,000             | 2,199,013             | 1,640,000             | 3,040,000             | 3,040,000             | 6,040,000             | 9,440,000             |
| 21 | Debt Service                               | 10,123,910            | 9,664,896             | 10,143,170            | 8,733,839             | 8,744,355             | 5,761,513             | 2,293,463             |
| 22 | <b>Total Expenditures</b>                  | <b>\$ 158,189,781</b> | <b>\$ 149,151,200</b> | <b>\$ 162,617,196</b> | <b>\$ 167,849,678</b> | <b>\$ 173,273,787</b> | <b>\$ 179,100,459</b> | <b>\$ 184,929,275</b> |
| 25 | Less: Budgetary Reserve                    | \$ (7,552,500)        | \$ -                  | \$ (7,746,550)        | \$ (7,992,842)        | \$ (8,251,133)        | \$ (8,528,593)        | \$ (8,806,156)        |
| 27 | <b>Anticipated Expenditures</b>            | <b>\$ 150,637,281</b> | <b>\$ 149,151,200</b> | <b>\$ 154,870,646</b> | <b>\$ 159,856,837</b> | <b>\$ 165,022,654</b> | <b>\$ 170,571,866</b> | <b>\$ 176,123,119</b> |
| 30 | Revenue - Anticipated Expenditures         | (934,720)             | 90,588                | (6,058,430)           | (5,445,600)           | (5,569,369)           | (7,117,421)           | (8,475,224)           |
| 31 | Fund Balance Required to Balance Budget    |                       |                       |                       |                       |                       |                       |                       |
| 32 | Also Known as Structural Surplus (Deficit) |                       |                       |                       |                       |                       |                       |                       |



# Expenditures

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- **Recommended reductions: Phase 1**

|                                     |                    |
|-------------------------------------|--------------------|
| Building & department budgets (10%) | \$700,000          |
| Staffing reductions                 | \$1,240,250        |
| Capital reserve contribution        | \$500,000          |
| Fund balance                        | \$500,000          |
| Debt restructuring                  | \$950,000          |
| Conferences & substitutes           | \$100,000          |
| <b>Phase 1 Total</b>                | <b>\$3,990,250</b> |



# Expenditures

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- **Recommended reductions: Phase 1 Other Adjustments**

|                                     |                  |
|-------------------------------------|------------------|
| Real Estate Tax (Assessment Growth) | \$58,000         |
| Breakage                            | \$188,000        |
| Property Insurance Package          | \$15,000         |
| Workers Compensation Insurance      | \$101,000        |
| LCTI Tuition                        | \$65,000         |
| <b>Other Adjustments Total</b>      | <b>\$427,000</b> |



# Expenditures

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- **Recommended reductions: Phase 2**

|                                   |                  |
|-----------------------------------|------------------|
| Staffing reductions               | \$245,000        |
| Transportation                    | \$100,000        |
| Copier contract                   | \$10,000         |
| Reduce secondary clubs/activities | \$15,000         |
| <b>Phase 2 Total</b>              | <b>\$370,000</b> |



# Closing the Budget Gap

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|                               |                     |
|-------------------------------|---------------------|
| <b>Budget Deficit</b>         | <b>\$ 6,058,430</b> |
| <b>Expenditure Reductions</b> | <b>\$ 4,787,250</b> |
| <b>Remaining Deficit</b>      | <b>\$ 1,271,180</b> |



# Expenditures

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- **Possible reductions: Phase 3**
  - Further reduce after school clubs/activities
  - Further reduce transportation (for clubs/activities, private, parochial, charter schools)
  - Staffing reductions (through attrition)
    - Elementary support staff
    - High school





# Property Tax Rebate Program

- Administrative Recommendation
  - Expand the East Penn SD Property Tax Rebate (PTR) program income eligibility guidelines from a maximum household income of \$20,000 to a maximum household income of \$22,000.
  - Align the East Penn SD PTR program income ranges with the Commonwealth of PA Property Tax or Rent Rebate Program (PTRR) income ranges.
  - Continue expanding the East Penn SD PTR program maximum household income level in future years to eventually align with the Commonwealth of PA Department of PTRR maximum household income of \$35,000.

RECOMMENDED INCOME ELGIBILITY GUIDELINES - TABLE A

| TOTAL HOUSEHOLD INCOME |             | MAXIMUM REBATE |
|------------------------|-------------|----------------|
| \$0                    | to \$8,000  | \$650.00       |
| \$8,001                | to \$15,000 | \$500.00       |
| \$15,001               | to \$18,000 | \$300.00       |
| \$18,001               | to \$22,000 | \$250.00       |

