



# East Penn School District

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## **Final Budget Update**

*May 11, 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

Status as of April 27, 2020

	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)	-	-	-	-	-	-	-
12	<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
23	<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)							



# Revenues

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## **Projected revenues = \$ 148,812,216**

- Primary reductions (as presented on April 27, 2020):
  - Current Real Estate Taxes \$ 2.23 million
  - Interim Real Estate Taxes \$ 0.69 million
  - Earned Income Taxes \$ 1.33 million
  - Real Estate Transfer Taxes \$ 0.40 million
  - Delinquent Real Estate Taxes \$ 0.13 million
  - Interest Income \$ 0.46 million
  - Pupil Transportation Subsidy \$0.80 million



# 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>



# Debt Service Restructuring

**EAST PENN SCHOOL DISTRICT**  
Restructuring Plan Illustration

**RESTRUCTURING PLAN**



	1
	<b>SERIES OF 2020</b>
Par Amount	\$3,445,000
Restructured Bonds	A Portion of Series of 2012
Tax Status	Tax-Exempt
PV of Cost	\$74,954
Assumed Rate [1]	2.00%

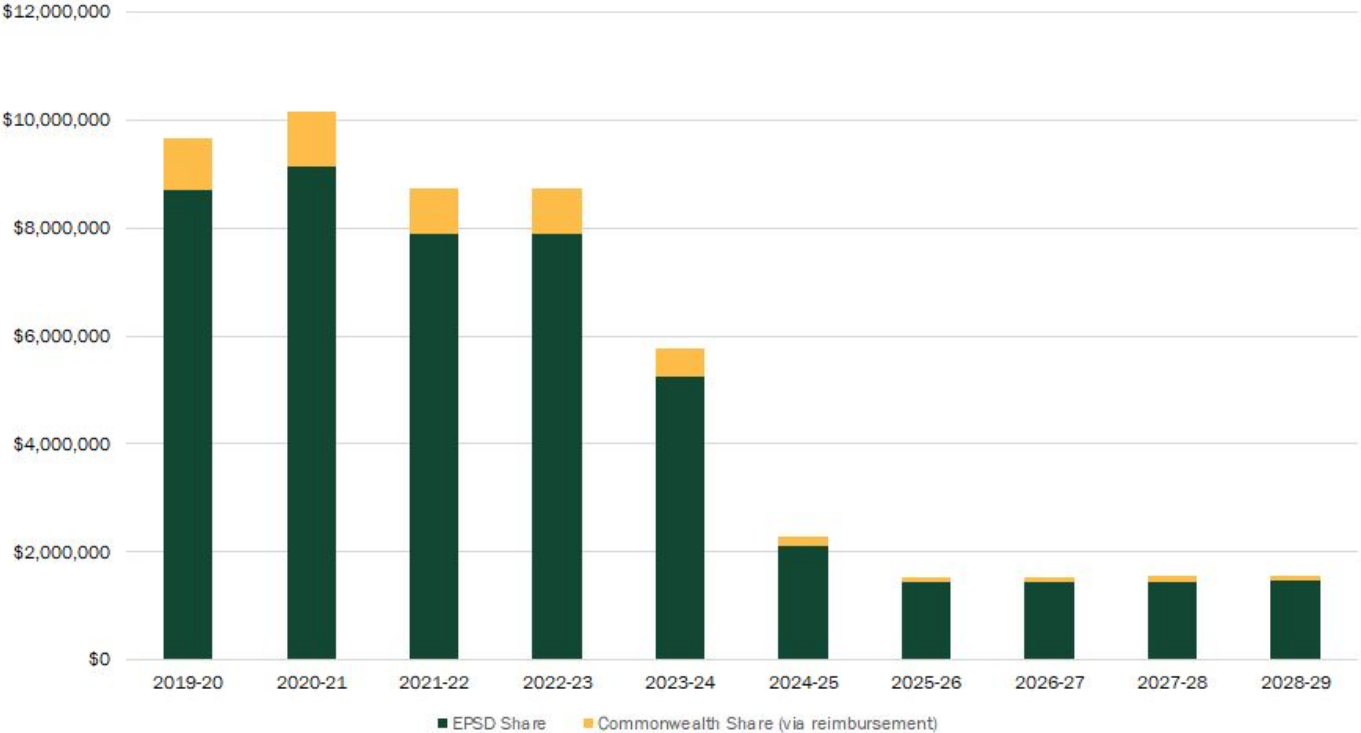
	2	3	4	5
	Fiscal Year Ending	Existing Local Effort	Change in Local Effort	Post Restructuring Local Effort
	6/30/2020	8,701,021		8,701,021
	6/30/2021	9,140,968	(947,287)	8,193,681
	6/30/2022	7,882,380	(679,397)	7,202,984
	6/30/2023	7,891,752	(1,233,212)	6,658,539
	6/30/2024	5,243,273	65,265	5,308,538
	6/30/2025	2,100,146	3,069,891	5,170,037
	6/30/2026	1,428,468		1,428,468
	6/30/2027	1,443,060		1,443,060
	6/30/2028	1,455,034		1,455,034
	6/30/2029	1,459,804		1,459,804
	6/30/2030			
	6/30/2031			
<b>TOTAL</b>	<b>\$46,745,906</b>	<b>\$275,260</b>	<b>\$47,021,167</b>	

[1] Assumes estimated interest rates for illustrative purposes



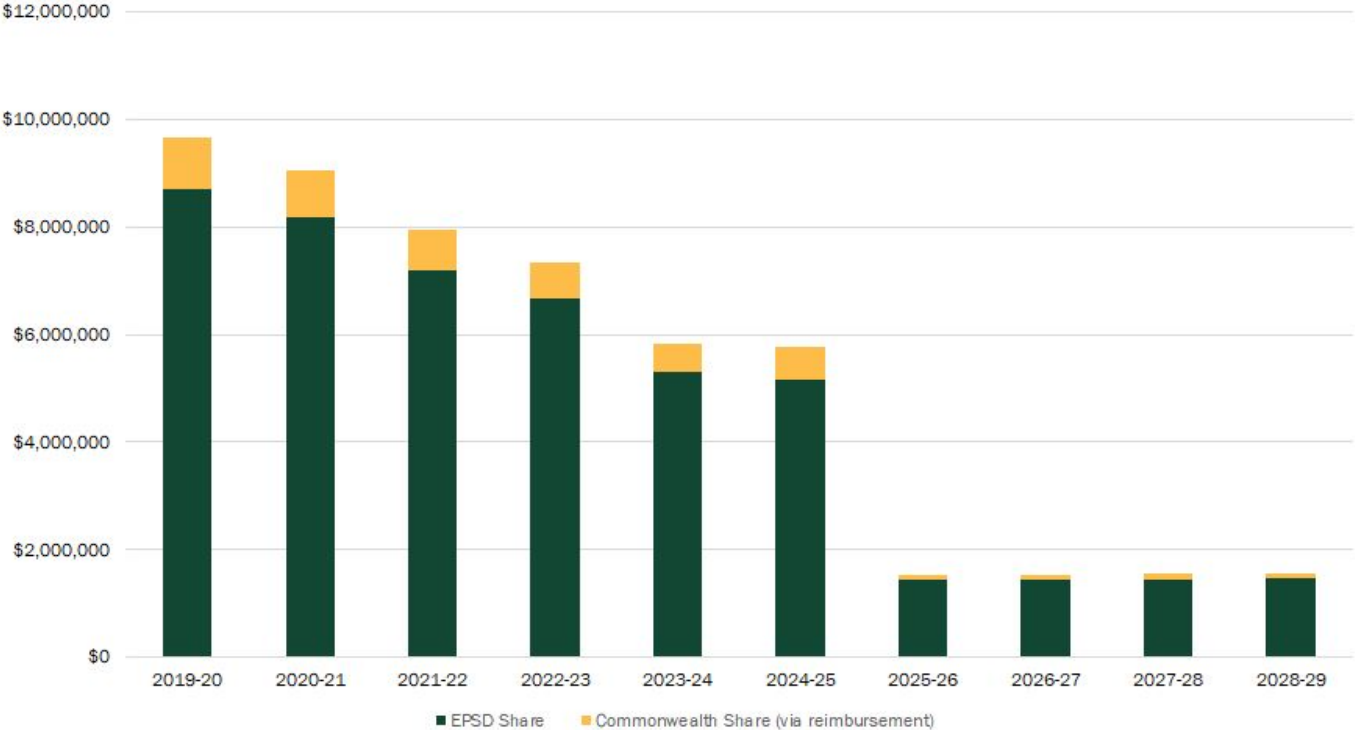
# Debt Service Restructuring

East Penn School District Existing Debt Service Structure



# Debt Service Restructuring

East Penn School District Proposed Debt Service Restructure





# Closing the Budget Gap

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<b>Budget Deficit</b>	<b>\$ 6,058,430</b>
<b>Expenditure Reductions</b>	<b>\$ 3,990,250</b>
<b>Remaining Deficit</b>	<b>\$ 2,068,180</b>



# Expenditures

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- **Possible reductions: Phase 2**
  - Further staffing reductions
    - Courses with low enrollment
    - Elementary level
  - Learning to Succeed Program
  - Technology Refresh Cycle
  - Transportation
  - School clubs/ activities

