

Gateway School District General Fund Budget

Proposed Final Budget Information for the
2020-2021 Fiscal Year

FINAL PUBLIC HEARING

As of June 2, 2020



Summary of Proposed Final Total Revenues for 2020-2021

- Projected Proposed Final Total Revenues for 2020-2021 of \$74,082,000. (Note: The Revenues currently DO NOT include a real estate tax increase in the total for 2020-2021.)
- Decrease of (\$3,187,000) or (4.12%) under the fiscal year 2019-2020 budgeted Total Revenues.

Summary of Proposed Final Total Expenditures for 2020-2021

- Projected Proposed Final Total Expenditures for 2020-2021 of \$75,376,000.
- Decrease of (\$1,893,000) or (2.45%) under the fiscal year 2019-2020 budgeted Total Expenditures.

Net Proposed Final Budgetary (Shortfall) or (Deficit) for 2020-2021

- Decrease in Revenues of (\$3,187,000) +
- Decrease in Expenditures of (\$1,893,000) =
- Net Proposed Final Budget (Shortfall) or (Deficit) for 2020-2021 of (\$1,294,000). To be balanced through the utilization of a combination of Unassigned Fund Balance and/or a full or partial real estate tax millage increase - ?

Reduction in 2020-2021 Budget (Deficit)

- 5/21/20 Meeting (Deficit) (\$3,578,000)
- 6/2/20 Meeting (Deficit) (\$1,294,000)
- **(Deficit) Decrease: (64%) (\$2,284,000)**

- **NOTE: Decrease primarily the result of the utilization of Option #1 and Option #2 Curtailment of Programs and Staff Reductions.**

COVID-19 PANDEMIC

- 1. Unknown magnitude of (Decrease) in the collection rates associated with all Local Tax Revenues (Current and Delinquent taxes).
- 2. Level funding of the Basic Education and the Special Education State subsidies (District would have possibly received an extra \$251,548 of combined State subsidy as originally proposed by Governor Wolf in February 2020).
- 3. Thus, decreasing or level funded revenues while expenditures are increasing makes it a nearly impossible task to balance the General Fund Budget.

3.0% Index - Equivalent in Mills

- The District is permitted to increase the millage rate by up to a 3.0% (Index) for the 2020-2021 fiscal year.
- Current Millage: 19.8675 Mills
- Multiplied by 3.0% Index: X .03
- Max Increase in Millage of: .5960 Mills
- Thus, the maximum amount the Real Estate Tax Millage Rate WOULD be for the 2020-2021 Fiscal Year is 19.8675 Mills + .5960 Mills = 20.4635 Mills.
- Maintain 14th lowest ranking for 2020-2021 - ?

Comparison of Current to Maximum Real Estate Tax Millage Rate for 2020-2021

- 2019-2020 Current Millage Rate: 19.8675 Mills
- 2020-2021 Maximum Millage Rate: 20.4635 Mills
- Maximum Increase of (.5960 Mills) in the Millage Rate.
- Maximum Increase of (3.0%) in the Millage Rate.
- **NOTE: An increase in the real estate tax millage rate has NOT been included in the Proposed Final Budget for the 2020-2021 fiscal year. A full increase of 3.0% would yield a net amount of approximately \$1,343,786.**

	REAL ESTATE	TAX	NUMBER	UTILIZATION OF	AMOUNT OF FUND
FISCAL YEAR	MILLAGE RATE	INCREASE	OF MILLS	FUND BALANCE	BALANCE BUDGETED
2019-2020	19.8675	NO	0.00	YES	\$ 2,177,000.00
2018-2019	19.8675	YES	0.5411	YES	\$ 1,812,000.00
2017-2018	19.3264	NO	0.00	YES	\$ 3,819,000.00
2016-2017	19.3264	NO	0.00	NO	\$ -
2015-2016	19.3264	YES	0.4345	YES	\$ 574,000.00
2014-2015	18.8919	NO	0.00	YES	\$ 1,777,000.00
2013-2014	18.8919	YES	0.3704	NO	\$ -
2012-2013	21.85	YES	0.83	YES	\$ 245,000.00
2011-2012	21.02	NO	0.00	YES	\$ 370,000.00
2010-2011	21.02	YES	1.61	NO	\$ -
2009-2010	19.41	NO	0.00	YES	\$ 2,663,000.00
2008-2009	19.41	NO	0.00	YES	\$ 342,000.00
2007-2008	19.41	NO	0.00	YES	\$ 390,000.00
2006-2007	19.41	NO	0.00	NO	\$ -
2005-2006	19.41	YES	1.00	NO	\$ -
2004-2005	18.41	YES	1.00	NO	\$ -
2003-2004	17.41	YES	0.86	YES	\$ 758,902.00
2002-2003	16.55	?	?	YES	\$ 622,190.00

\$ Amount of Real Estate Tax Maximum Millage Increase Per Median Taxable Value for 2020-2021

Monroeville:

- Based on Median taxable value of \$108,700.
- At Maximum 3.0% Index = \$64.79/YEAR.
- At Maximum 3.0% Index = \$5.40/MONTH.

Pitcairn:

- Based on Median taxable value of \$34,600.
- At Maximum 3.0% Index = \$20.62/YEAR.
- At Maximum 3.0% Index = \$1.72/MONTH.

Homestead Exclusion for 2020-2021

- State determined on April 15, 2020 that gaming revenues will be available for distribution to the school districts during the 2020-2021 fiscal year.
- PDE certified and officially released the actual distribution amount to the District on May 1, 2020. The amount of \$1,460,308.29 will be received by the District for the 2020-2021 fiscal year.
- Allegheny County Office of Property Assessments sent the District a CD containing all of the applicable Homestead properties that qualify to receive the Homestead Exclusion from the District.
- The 2020-2021 fiscal year will be the 13th year in a row for the District to receive and to distribute a State gaming revenue distribution.
- Impact of the distribution will be revenue neutral in the District's 2020-2021 fiscal year Budget.
- A new certification was made by the State on 5/19/20 which initially resulted in a 55% reduction from the 2020-2021 fiscal year's allocation. However, the State utilized federal stimulus funds to supplement the Property Tax Relief Fund to maintain the original District allocation amount for the 2020-2021 fiscal year.

Homestead Exclusion for 2020-2021

- Available ONLY to Allegheny County determined eligible homestead properties in both Monroeville & Pitcairn for 2020-2021.
- District has a total of 7,986 qualified homesteads eligible to receive the Homestead Exclusion.

	<u>Monroeville</u>	<u>Pitcairn</u>
Homesteads	7,447	512
Exclusion Amounts	<u>\$183.10</u>	<u>\$183.10</u>

Composition of Projected Ending Fund Balance at 6/30/20 for 2019-2020

- Unassigned Fund Balance \$3,903,980
- Nonspendable Fund Balance \$1,149,786
- Committed Fund Balance \$3,327,000
- Projected Total Fund Balance \$8,380,766
- (\$8,380,766/\$75,376,000 = 11.12%)

Total Recommended to be between 5% and 15%.

Projection of Total Fund Balance at 6/30/21 for 2020-2021 – (No Tax Increase)

- Projected Total Fund Balance as of 7/1/20 \$8,380,766
- Less: Fund Balance Required to Balance the Proposed Final Budget (Deficit) (\$1,294,000)
- **Projected Total Fund Balance as of 6/30/21 \$7,086,766**
- (\$7,086,766/\$75,376,000 = 9.40%)

Total Recommended between 5% and 15%.

(NOTE: Moody's Investors Services indicates the US Median for Total Fund Balance is 22% or would be \$16,582,720 in the above scenario.)

Projection of Total Fund Balance at 6/30/21 for 2020-2021 – (With Tax Increase)

- Projected Total Fund Balance as of 7/1/20 \$8,380,766
- Less: Fund Balance Required to Balance the
Proposed Final Budget (Deficit) (\$ 0)
-
- Projected Total Fund Balance as of 6/30/21 \$8,380,766
- (\$8,380,766/\$75,376,000 = 11.12%)

Total Recommended between 5% and 15%.

(NOTE: Moody's Investors Services indicates the US Median for
Total Fund Balance is 22% or would be \$16,582,720 in the above
scenario.)

Budget Process for 2020-2021

- A “not to exceed” Index (**3.0%**) resolution was previously adopted by the Board on December 3, 2019 for the 2020-2021 fiscal year.
- Thus, referendum exceptions have not been requested and will not be utilized by the District for the 2020-2021 fiscal year to further increase the millage rate above the 3.0% Index rate. 3.0% Index = Maximum .5960 mills increase.
- The Proposed Final 2020-2021 General Fund Budget was adopted by the Board on May 19, 2020. The Budget is currently displayed via the PDE-2028 form on the District’s website at www.gatewayk12.org
- Various summary and detailed Excel spread sheets is currently displayed on the District’s website at www.gatewayk12.org in .pdf files.
- Thus, the Pre-Act 1 budget timeline will continue to be followed by the District through final Budget adoption by the Board scheduled on Tuesday, June 30, 2020.