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 <u>\$74,082,000.</u> (Note: The <u>Revenues currently DO NOT include a</u> <u>real estate tax increase in the total for</u> <u>2020-2021.</u>)

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.

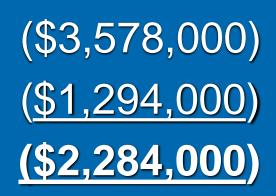
Net Proposed Final Budgetary (Shortfall) or (Deficit) for 2020-2021

<u>Decrease</u> in Revenues of <u>(\$3,187,000)</u> +
 <u>Decrease</u> in Expenditures of <u>(\$1,893,000)</u> =

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)
> 6/2/20 Meeting (Deficit)
> (Deficit) Decrease: (64%)



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

COVID-19 PANDEMIC

- I. 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 <u>\$251,548</u> 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.

<u>3.0% Index - Equivalent in Mills</u>

The District is permitted to increase the millage rate by up to a <u>3.0%</u> (Index) for the 2020-2021 fiscal year.

Current Millage: 19
 Multiplied by 3.0% Index:
 Max Increase in Millage of:

19.8675 Mills <u>X .03</u> .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 - ?

<u>Comparison of Current to Maximum Real</u> <u>Estate Tax Millage Rate for 2020-2021</u>

> 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

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

Monroeville:

<u>Pitcairn</u>:

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

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

At Maximum 3.0% Index = <u>\$1.72/MONTH</u>.

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 <u>\$1,460,308.29</u> 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 <u>13th year</u> in a row for the District to receive and to distribute a State gaming revenue distribution.
- Impact of the distribution will be <u>revenue neutral</u> 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 <u>7,986</u> 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>

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

> Unassigned Fund Balance \$3,903,980
 > Nonspendable Fund Balance \$1,149,786
 > Committed Fund Balance \$3,327,000

Projected Total Fund Balance <u>\$8,380,766</u>

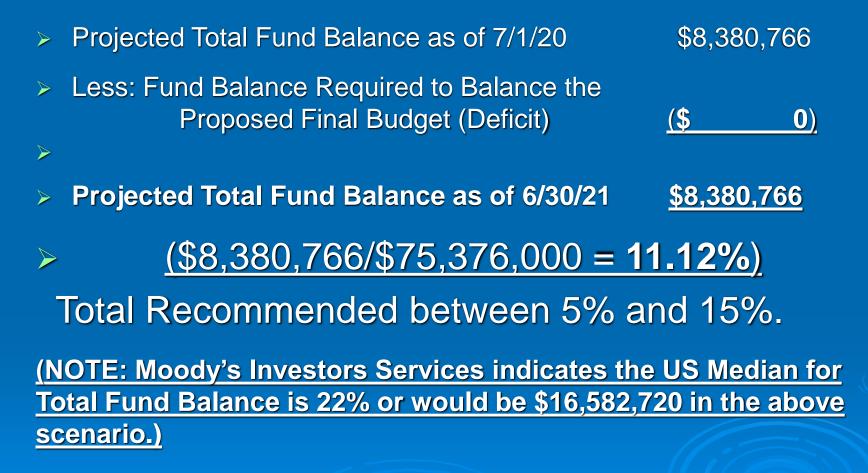
(\$8,380,766/\$75,376,000 = 11.12%)

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)	<u>(\$1,294,000)</u>				
	Projected Total Fund Balance as of 6/30/21	<u>\$7,086,766</u>				
	<u>(\$7,086,766/\$75,376,000 = 9</u>	<u>.40%)</u>				
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						
SC	enario.)					

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



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 <u>PDE-</u> <u>2028</u> form on the District's website at <u>www.gatewayk12.org</u>
- Various summary and detailed Excel spread sheets is currently displayed on the District's website at <u>www.gatewayk12.org</u> 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.