

Gateway School District General Fund Budget

Proposed Final Budget Information for the
2021-2022 Fiscal Year

FINAL PUBLIC HEARING

As of June 1, 2021



Summary of Proposed Final Total Revenues for 2021-2022

- Projected Proposed Final Total Revenues for the 2021-2022 fiscal year of \$87,146,000.
- Increase of \$11,286,000 or 14.88% over the 2020-2021 fiscal year budgeted Total Revenues.
- *NOTE: The Revenues currently DO INCLUDE a real estate tax increase in the total for the 2021-2022 fiscal year.*

Summary of Proposed Final Total Expenditures for 2021-2022

- Projected Proposed Final Total Expenditures for the 2021-2022 fiscal year of \$87,466,000.
- Increase of \$11,606,000 or 15.30% over the 2020-2021 fiscal year budgeted Total Expenditures.

Net Proposed Final Budgetary (Shortfall) or (Deficit) for 2021-2022

- Increase in Revenues of \$11,286,000 +
- Increase in Expenditures of \$11,606,000 =
- Net Proposed Final REMAINING Budget (Shortfall) or (Deficit) for the 2021-2022 fiscal year of (\$320,000).
- NOTE: AFTER the utilization of a tax increase and BEFORE the utilization of \$320,000 in Unassigned Fund Balance REQUIRED to balance the Budget.

Reduction in 2021-2022 Budget (Deficit)

- 5/4/21 Meeting (Deficit) (\$1,678,000)
- 6/1/21 Meeting (Deficit) (\$ 320,000)
- **(Deficit) (Decrease): (81%) (\$1,358,000)**
- **NOTE: (Decrease) primarily the result of various updates or increases to local tax revenues based on actual collections as well as changes or increases in assessed values for current real estate tax revenue. In addition, the shift of expenditures from ESSER III funds for the “Loss of Learning” expenditures to offset the new staff positions in the Budget.**

COVID-19 PANDEMIC

- 1. Still an unknown magnitude of (Decrease) in the collections associated with some 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 \$737,509 of combined State subsidy as originally proposed by Governor Wolf in February 2021).
- 3. Thus, (decreasing) or level funded revenues while expenditures are increasing makes it a nearly impossible task to balance the General Fund Budget.

3.6% Index - Equivalent in Mills

- The District is permitted to increase the millage rate by up to a 3.6% Index for the 2021-2022 fiscal year.
- Current Millage: 20.1655 Mills
- Multiplied by 3.6% Index: X .036
- Max Increase in Millage of: 0.7259 Mills
- Thus, the maximum amount the Real Estate Tax Millage Rate WILL be for the 2021-2022 Fiscal Year is 20.1655 Mills + 0.7259 Mills = 20.8914 Mills.
- Maintain 13th lowest ranking for 2021-2022?

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

- 2020-2021 Current Millage Rate: 20.1655 Mills
- 2021-2022 Maximum Millage Rate: 20.8914 Mills
- Maximum Increase of (0.7259 Mills) in the Millage Rate.
- Maximum Increase of (3.6%) in the Millage Rate.
- **NOTE: An increase in the real estate tax millage rate has been REQUIRED & INCLUDED in the Proposed Final Budget for the 2021-2022 fiscal year. A full increase of 3.6% yields a net amount of approximately \$1,681,004.**

	REAL ESTATE	TAX	NUMBER	UTILIZATION OF	AMOUNT OF FUND
FISCAL YEAR	MILLAGE RATE	INCREASE	OF MILLS	FUND BALANCE	BALANCE BUDGETED
2020-2021	20.1655	YES	0.2980	YES	\$ 416,000.00
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 2021-2022

Monroeville:

- Based on median taxable value of \$109,000.
- At Maximum 3.6% Index = \$79.12/YEAR.
- At Maximum 3.6% Index = \$6.59/MONTH.

Pitcairn:

- Based on median taxable value of \$34,600.
- At Maximum 3.6% Index = \$25.12/YEAR.
- At Maximum 3.6% Index = \$2.09/MONTH.

Homestead Exclusion for 2021-2022

- State determined on April 15, 2021 that gaming revenues will be available for distribution to the school districts during the 2021-2022 fiscal year.
- PDE certified and officially released the actual distribution amount to the District on May 1, 2021. The amount of \$1,459,344.11 will be received by the District for the 2021-2022 fiscal year.
- Allegheny County Office of Property Assessments sent the District a file containing all of the applicable Homestead properties that qualify to receive the Homestead Exclusion from the District.
- The 2021-2022 fiscal year will be the 14th 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 2021-2022 fiscal year Budget.

Homestead Exclusion for 2021-2022

- Available ONLY to Allegheny County determined eligible homestead properties in both Monroeville & Pitcairn for 2021-2022.
- District has a total of 7,908 qualified homesteads eligible to receive the Homestead Exclusion.

	<u>Monroeville</u>	<u>Pitcairn</u>
Homesteads	7,389	519
Exclusion Amounts	<u>\$184.77</u>	<u>\$184.77</u>

Composition of Projected Ending Fund Balance at 6/30/21 for 2020-2021

- Unassigned Fund Balance \$4,502,577
- Nonspendable Fund Balance \$ 649,557
- Committed Fund Balance \$3,327,000
- Projected Total Fund Balance \$8,479,134
- (\$8,479,134/\$87,466,000 = 9.69%)

Total Recommended to be between 5% and 15%.

Projection of Total Fund Balance at 6/30/22 for 2021-2022 – (With Tax Increase)

- Projected Total Fund Balance as of 7/1/21 \$8,479,134
- Less: 2. Fund Balance Required to Balance the Proposed Final Budget Deficit (\$ 320,000)
- **Projected Total Fund Balance as of 6/30/22 \$8,159,134**
- **(\$8,159,134/\$87,466,000 = 9.33%)**

Total Recommended between 5% and 15%.

(NOTE: Moody's Investors Services indicates the US Median for Total Fund Balance is 22% or would be \$19,242,520 in the above scenario.)

Budget Process for 2021-2022

- A “not to exceed” Index (**3.6%**) resolution was previously adopted by the Board on January 19, 2021 for the 2021-2022 fiscal year.
- Thus, referendum exceptions have not been requested and will not be utilized by the District for the 2021-2022 fiscal year to further increase the millage rate above the 3.6% Index rate. 3.6% Index = Maximum 0.7259 mills increase.
- The Proposed Final 2021-2022 General Fund Budget was adopted by the Board on May 11, 2021. The Budget is displayed via the PDE-2028 form on the District’s website at www.gatewayk12.org
- Various summary and detailed Excel spread sheets will also be posted on the District’s website at www.gatewayk12.org in .pdf files after the adoption of the Final 2021-2022 General Fund Budget.
- Thus, the Pre-Act 1 budget timeline will continue to be followed by the District through final Budget adoption by the Board scheduled to occur on June 15, 2021.