

# COATESVILLE AREA SCHOOL DISTRICT FINANCE COMMITTEE

Budget Timeline & Parameters

October 22, 2019



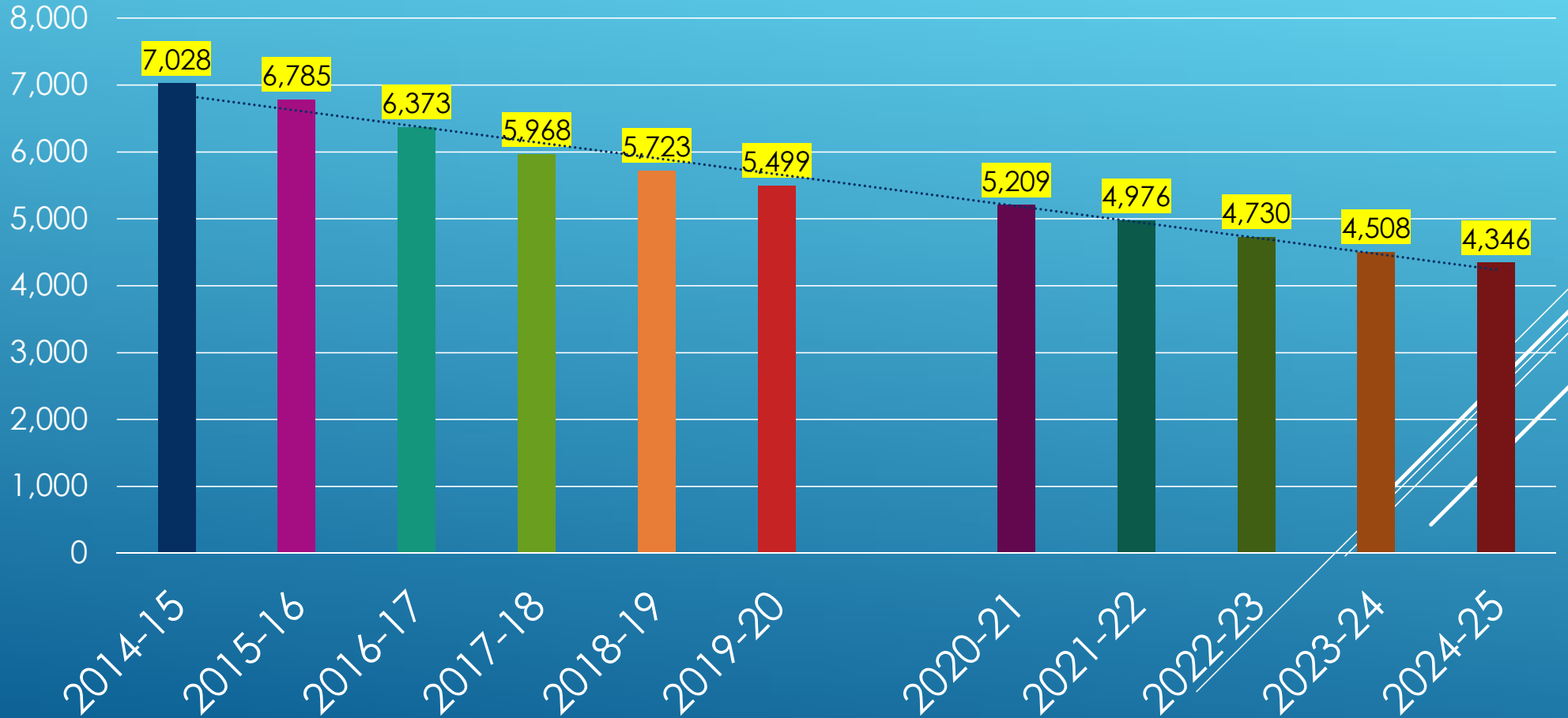
# COATESVILLE AREA SCHOOL DISTRICT BUDGET TIMELINE 2020-2021

## ACT 1 INDEX VS. MILLAGE RATES VS. SOCIAL SECURITY INCREASES

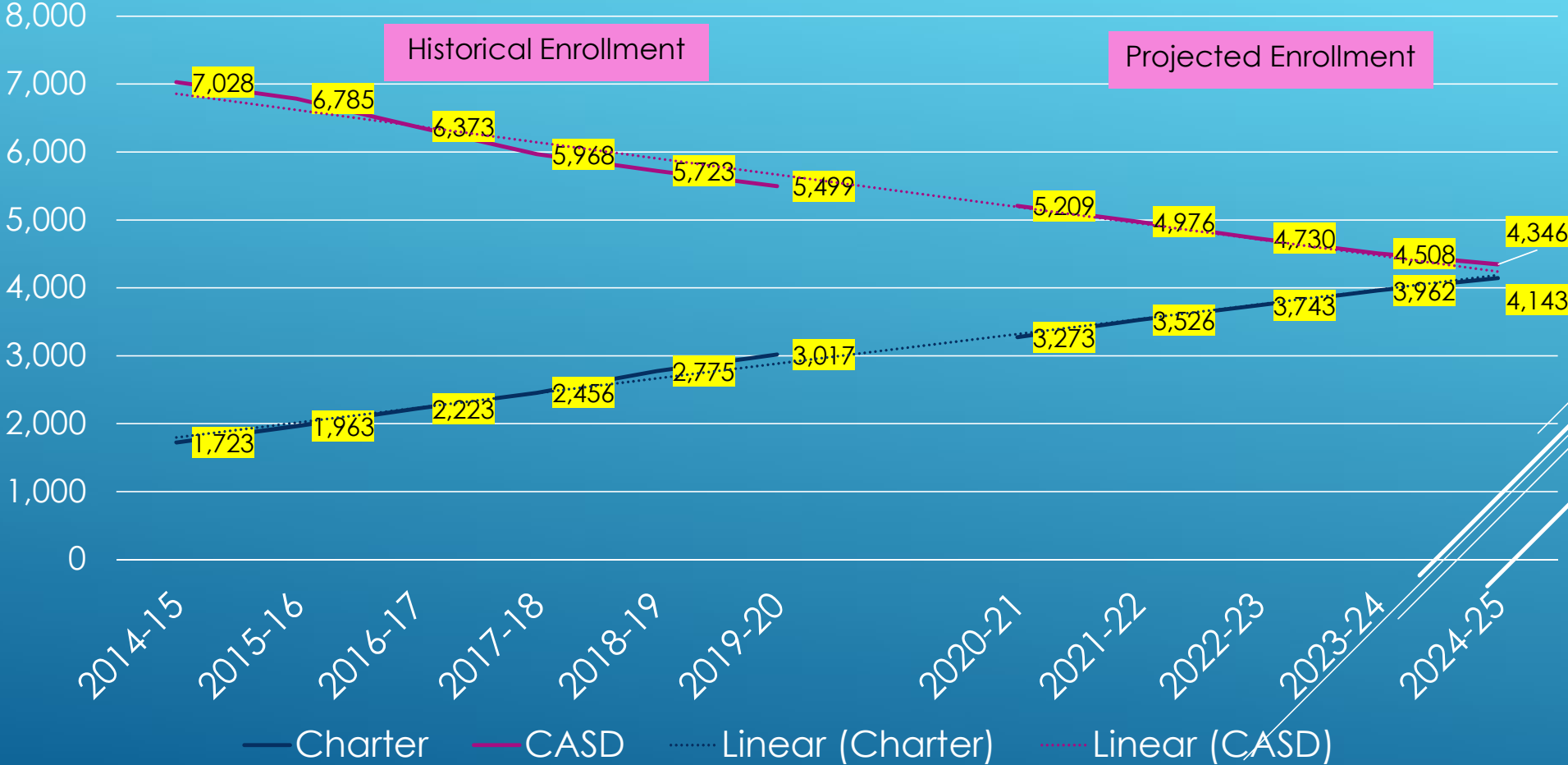
Fiscal Year	Act 1 Index (Adjusted Base)	CASD Millage Increase (%)	*CPI Increase
2020-21	3.3%	TBD	TBD
2019-20	2.9%	3.9%	1.6%
2018-19	3.0%	5.3%	2.8%
2017-18	3.2%	4.3%	2.0%
2016-17	3.1%	2.1%	0.3%
2015-16	2.4%	2.4%	0.0%
2014-15	2.6%	2.6%	1.7%
2013-14	2.1%	3.6%	1.5%
2012-13	2.1%	2.1%	1.7%
2011-12	1.7%	3.5%	3.6%
<b>Avg's</b>	<b>2.6%</b>	<b>3.3%</b>	<b>1.7%</b>

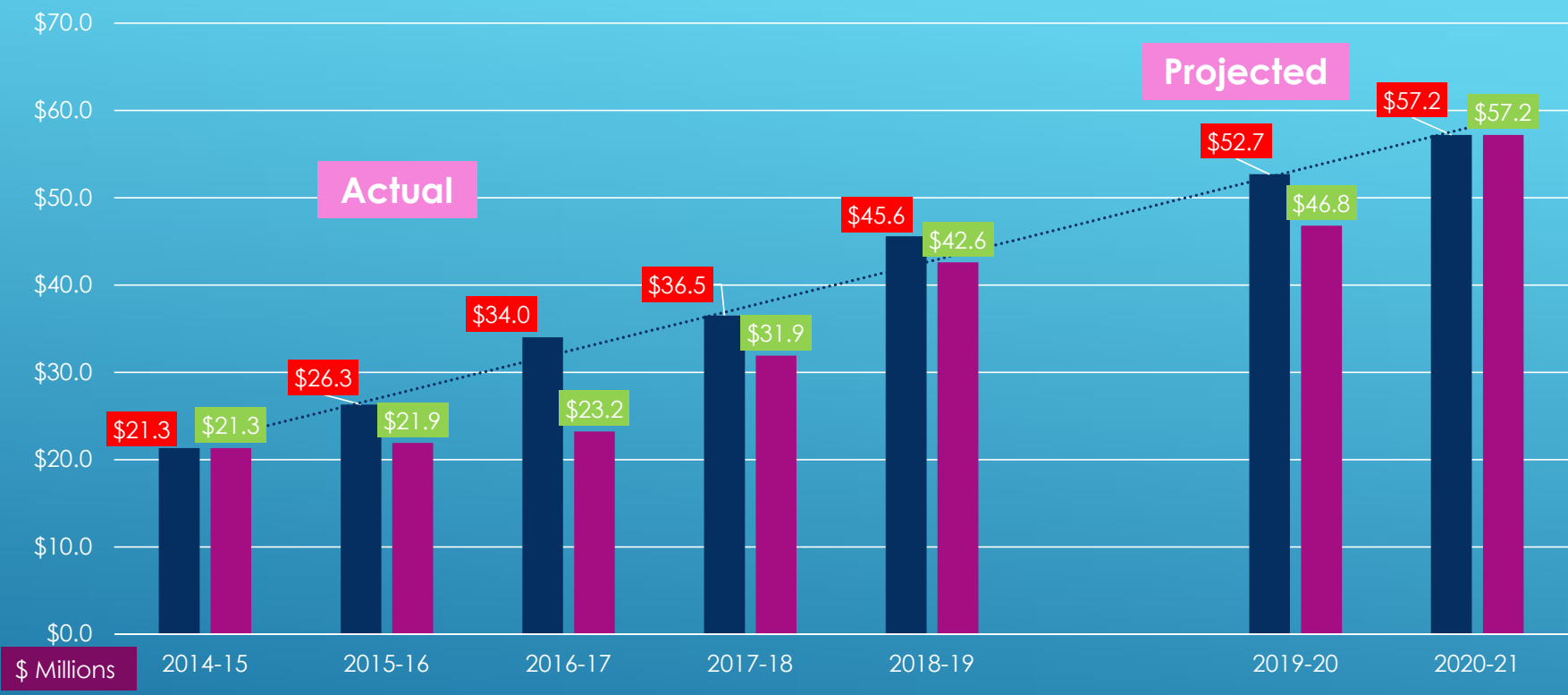
\*Social Security Cost-Of-Living Adjustments – Bureau of Labor Statistics January 1<sup>st</sup> of Year following the budget adoption

## Historical & Projected District Enrollment Based on October 1<sup>st</sup> Data

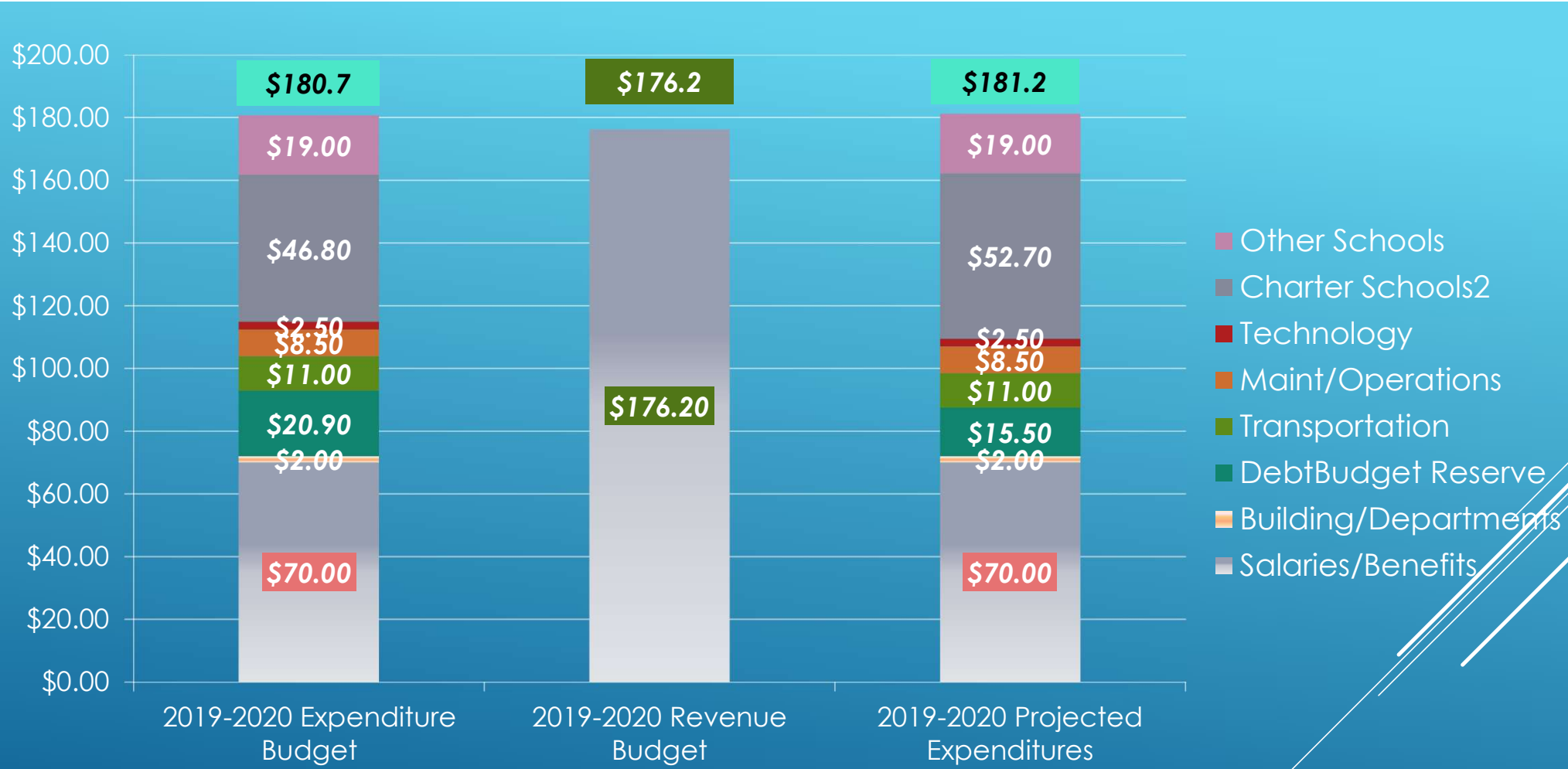


# CASD vs Charter School Enrollment Trend





# CHARTER SCHOOL COSTS AND PROJECTED COSTS



**BUDGET VS. PROJECTED ACTUAL VS. REVENUE BUDGET**

**2018-2019**

Budget Area	Original Budget	Amount Spent
Charter Schools	\$42,967,000	\$45,619,000
Legal	682,000	807,000
Security – Contracted	163,200	301,000
Maint/Custodial – Contracted	2,261,500	2,683,900
Transportation	10,747,000	10,928,300
Natural Gas	350,000	549,700

**2019-2020**

Budget Area	Original Budget	Anticipated Spending
Charter Schools	\$46,775,000	\$52,700,000
Additional Asst. Principals & Supervisors	0	1,105,000

**BUDGET AREAS WHERE WE HAVE OVERSPENT THE BUDGET LAST YEAR AND ANTICIPATED OVERSPENDING FOR THIS YEAR**



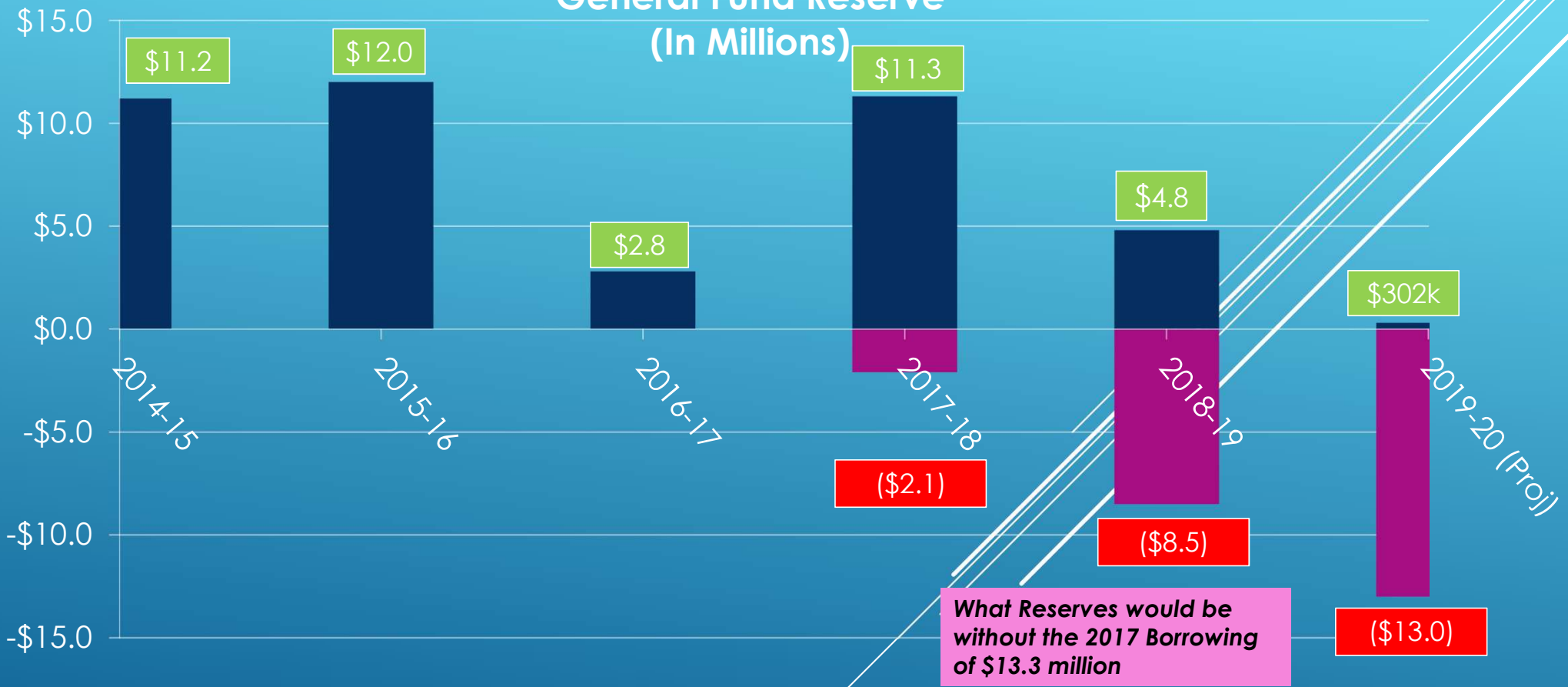
<b>2019-2020 Charter School Budget</b>	<b>\$46,775,000</b>
Estimated Costs based on Current Enrollment	\$52,700,000
Estimated Amount overbudget for 2019-2020	(\$5,925,000)

<b>2020-2021 Charter School Budget (Projected)</b>	<b>\$57,200,000</b>
Increase over 2019-2020 Budget	\$10,425,000
Cost to Average Taxpayer 2020-2021	<b>Total Cost -20.27 Mills \$2,128/Avg. Taxpayer</b> Increased Cost – 3.69 Mills \$387/Avg. Taxpayer

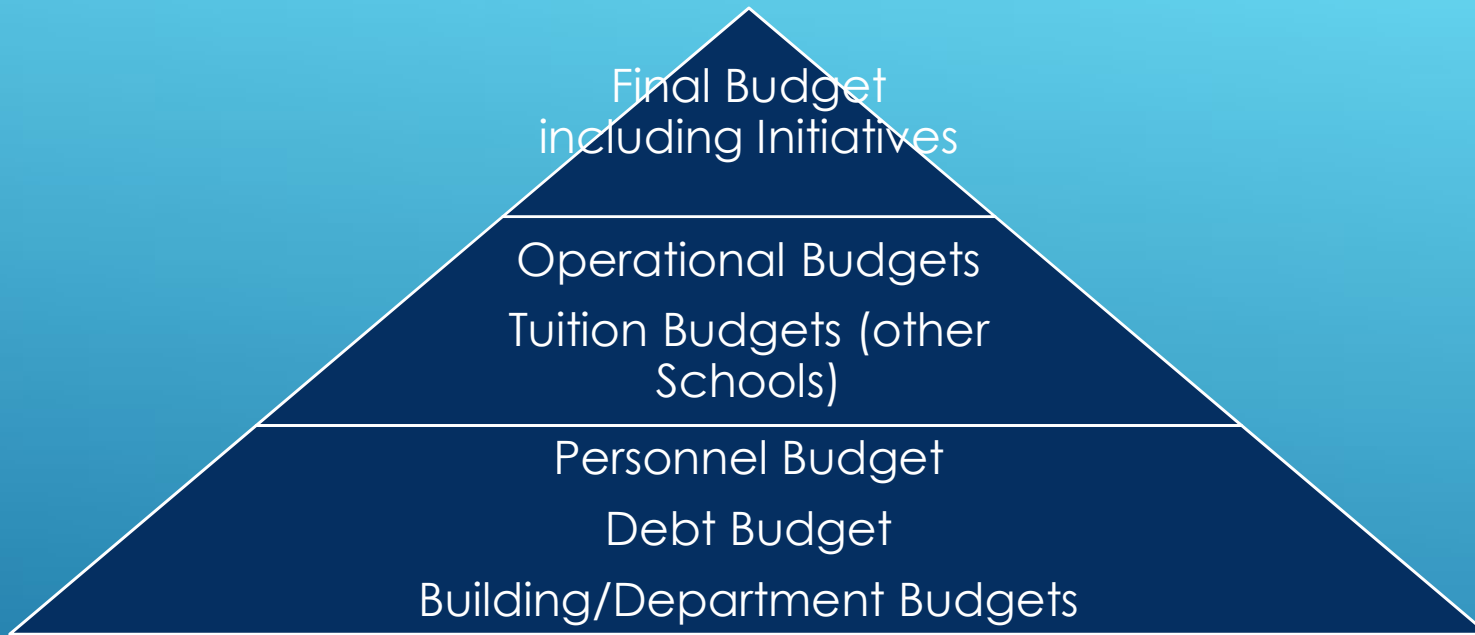
## CHARTER SCHOOL BUDGET VS. ACTUAL COST 2019-2020

## PROJECTED CHARTER SCHOOL COSTS 2020-2021

## General Fund Reserve (In Millions)



In Millions  
(Unless noted)



# BUDGET CONSTRUCTION

# Building a Budget:

Staffing:	38.0%	(\$72.0 million)	47.1%
Debt:	9.1%	(\$17.3 million)	
Support of Other Schools:	40.2%	(\$76.2million)	87.3%
Transportation:	5.8%	(\$11.0 million)	93.1%
Infrastructure:	4.5%	(\$8.5 million)	97.6%
Operating Costs:	2.4%	(\$4.5 million)	100.0%
Budgetary Reserve:	0.0%	(\$0.0 million)	

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**Total Budget: \$189,500,000**

**Total:**  
**\$189,500,000**

<b>Revenues: Funding the Budget</b>	
Local Sources	\$124.0 million
State Sources	52.6 million
Federal Sources	3.7 million
<b>TOTAL REVENUE</b>	<b>\$180.3 million</b>
<b>BUDGET GAP</b> before any tax increase	9.2 million
Use of Reserves	0.0 million
<b>TOTAL</b> before any tax increase	<b>\$180.3 million</b>
<b>BUDGET GAP</b> After proposed use of Reserves	<b>\$ 9.2 million</b>

# Variables

- Erosion of Reserves
- Economy
- Charter Schools
- Politics
  - State Budget
  - Looming Threat of Property Tax Reform
- Special Education
- Aging Infrastructure

# A 5-Year Financial Picture – No Tax Increases after 2019/20

## Assumptions:

- ▶ Assumes No Tax Increases (but assumes the starting of District initiated tax appeals for 20/21)
- ▶ Does not include any New Debt for building projects
- ▶ 1.0% net payroll increase for 2020/21 and thereafter
- ▶ 6% benefit increase( not including PSERs) for 2020/21 and 8% yearly increases thereafter
- ▶ PSERS increases at 34% for 2019/2020, and then 35%, 35%, 36% and 36% increases thereafter
- ▶ Starting Reserves Balance = \$300,000

	2020/21	2021/22	2022/23	2023/24	2024/25
Expenses	189,500,000	197,648,500	207,135,628	217,492,409	229,671,984
Revenue	180,300,000	184,807,500	190,166,918	195,491,591	200,769,864
Shortfall	<b>(9,200,000)</b>	<b>(12,841,000)</b>	<b>(16,968,711)</b>	<b>(22,000,818)</b>	<b>(28,902,120)</b>
Tax increase needed w/o using reserves to close the gap	11.8%	16.47%	21.77%	28.22%	37.07%
<b>Revenue after 0.0% tax increase</b>					
Revenue after 0.0% tax increase	180,300,000	184,807,500	190,166,918	195,491,591	200,769,864
Reserves needed to close budget gap	<b>(9,200,000)</b>	<b>(12,841,000)</b>	<b>(16,968,711)</b>	<b>(22,000,818)</b>	<b>(28,902,120)</b>
Reserves remaining	<b>(8,900,000)</b>	<b>(21,741,000)</b>	<b>(38,709,711)</b>	<b>(60,710,529)</b>	<b>(89,612,649)</b>



Preliminary Draft –  
October 2019

Draft Budget/Act 1  
Decision –  
November/December  
2019

Preliminary Final  
Budget/Final Budget  
April/June 2019

## TIMELINE



