



# 2020-2021 CASD

## *Final Budget*

June 9, 2020

# Variables



- Economy
  - Effect on Revenues
- COVID 19
- Politics
  - State Budget
- Special Education
- Benefits Costs
  - Pension/Health Care

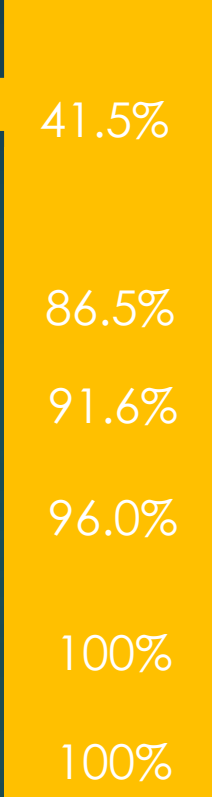
# Major Adjustments for 2020-2021:

- > Salaries/Benefits: -\$6.8 m
- Special Education: + \$300 k
  - Includes \$1.0m reduction for enhanced programs
- Charter Schools: +\$12.9m
- Transportation: -\$750k
- Operating Costs: -\$500k
- Vocational Tech: +300k
- > Other Financing: -\$7.7m (Includes New Debt)

# Staffing: Projected Reductions 2020-2021

	Proposed Reductions
Teachers	<b>45 – Professional Staff</b>
Administrators	<b>10 - Administrators</b>
Support	<b>3 - Support</b>
Other	<b>Adjustments to GCA/ABM Contract</b>
Estimated Total	58 positions decreased

# Building a Budget:



Staffing:	36.3%	(\$63.8 million)	41.5%
Debt:	5.2%	(\$9.3 million)	86.5%
Support of Other Schools:	45.0%	(\$79.0 million)	91.6%
Transportation:	5.1%	(\$9.0 million)	96.0%
Infrastructure:	4.4%	(\$7.8 million)	100%
Operating Costs:	4.0%	(\$7.0 million)	100%
Budgetary Reserve:	0.0%	(\$0.0 million)	100%

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**Total Budget: \$175,900,000**

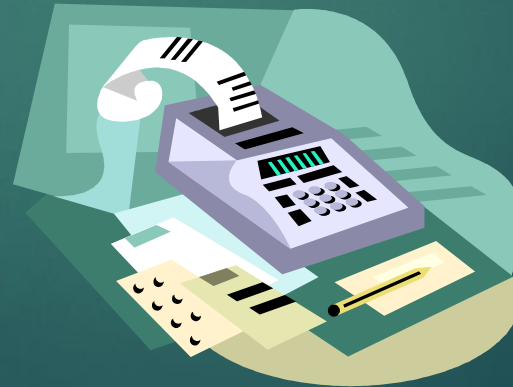
**Total:**  
**\$175,900,000**

<b>Revenues: Funding the Budget</b>	
Local Sources	\$ 119.5 million
State Sources	52.8 million
Federal Sources	3.6 million
<b>TOTAL REVENUE</b>	<b>\$ 175.9 million</b>
<b>BUDGET GAP</b> before any tax increase	0.0 million
Use of Reserves	0.0 million
<b>TOTAL</b> before any tax increase	<b>\$ 175.9 million</b>
<b>BUDGET GAP</b> After proposed use of Reserves	<b>\$ 0.0 million</b>

# A Look at Millage:

Current millage (19-20):	38.2018
Millage proposed to fund 20-21 budget:	38.2018
<b>Difference: 0.0%</b>	

Recommendation:  
"No Exceptions  
Needed"



Act 1 Index = 3.3%

# 5 Year Financial Projection

(Assumes No Tax Increases)

	2019/20 Projected	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Expenses	\$186,204,191	\$175,900,000	\$180,508,142	\$198,647,877	\$209,107,957	\$219,228,992
Revenues	177,176,045	175,900,000	177,090,283	178,149,912	179,202,511	179,966,585
Shortfall	(9,028,146)	0	(3,417,859)	(20,497,964)	(29,905,445)	(39,262,406)
Tax increase needed w/o using reserves to close the gap	N/A	0.0%	4.4%	26.3%	38.4%	50.4%
Revenue after 0.0% tax increase	177,176,045	175,900,000	177,090,283	178,149,912	179,202,511	179,966,585
Reserves needed to close budget gap		(4,243,597)	(3,417,859)	(20,497,964)	(29,905,445)	(39,262,406)
Reserves remaining	(\$4,243,597)	(\$4,243,597)	(\$7,661,456)	(\$28,159,420)	(\$58,064,865)	(\$97,327,272)



# Act 1 Index vs. Millage Rates vs. Social Security Increases

Fiscal Year	Act 1 Index	CASD Millage Increase (%)	*CPI Increase
2020-2021	3.3%	0.0%	TBD
2019-2020	2.9%	3.9%	1.6%
2018-2019	3.0%	5.3%	2.8%
2017-2018	3.2%	4.3%	2.0%
2016-2017	3.1%	2.1%	0.3%
2015-2016	2.4%	2.4%	0.0%
2014-2015	2.6%	2.6%	1.7%
2013-2014	2.1%	3.6%	1.5%
2012-2013	2.1%	2.1%	1.7%
2011-2012	1.7%	3.5%	3.6%
<b>Averages</b>	<b>2.43%</b>	<b>2.98%</b>	<b>1.69%</b>

\*Social Security Cost-Of-Living Adjustments – Bureau of Labor Statistics  
January 1<sup>st</sup> of Year (Following the New CASD Budget)

# Coatesville Area School District Budget Timelines

## Budget Items for June 9, 2020

- ▶ > Review of final Staffing Adjustments
- ▶ Approval of Final Budget

## Budget Calendar

- ▶ ~~**Apr 28:** Board adopted preliminary final budget and Parameters Resolution for Restructuring of Debt and New Capital Funds~~
- ▶ ~~**May 22:** Preliminary Final budget available for inspection (20 days before adoption)~~
- ▶ ~~**May 27:** Final Review of Budget and Adjustments~~
- ▶ ~~**May 30:** Public notice of intent to adopt final budget (10 days before adoption)~~
- ▶ **June 9:** Final budget adoption (must be before June 30)

# TAX (AND REVENUE) ANTICIPATION BORROWING

- ▶ A number of local government units, including counties, cities, boroughs, townships and school districts, regularly face temporary cash flow deficits during their fiscal year. An attractive financing vehicle that is available to help them meet these short-term deficits is a tax and revenue anticipation note (“TRAN” or “TAN”).
- ▶ States and other municipalities issue TANs and TRANs or other similar short-term notes to address the timing mismatch between the receipt of taxes or other revenues and ongoing expenditures. TANs and TRANs are generally backed by and rated based on the anticipated receipt of tax and other revenues over the course of a fiscal year or longer, in amounts sufficient to pay off the notes by maturity.
- ▶ Under the Debt Act, a school district is authorized to issue a TRAN to meet its immediate cash needs in anticipation of the receipt of current taxes and revenues. The procedure for issuing a TRAN is typically no more complicated or time consuming than arranging a bank loan, and provide a district with needed liquidity

# Coatesville Area School District Cash Flow Timelines

## June 23, 2020

- ▶ Review of Cash Flow Deficit
- ▶ Estimate the size of Tax Anticipation Note (TAN) Borrowing needed

## TAN Calendar

- ▶ June 23<sup>rd</sup> – Review TAN with Financial Advisors
- ▶ June 23<sup>rd</sup> – Board approves resolution authorizing TAN borrowing for 2020-2021
- ▶ Mid July - Settlement for TAN Receipts

