



# Preliminary Budget Presentation

April 11, 2021



# Act 1 Index Component Definitions



## **Statewide Average Weekly Wage**

That amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under Section 404(c)(2) of the act of December 5, 1936.

## **Employment Cost Index**

The most recent official figures, for the previous 12-month period beginning July 1 and ending June 30 for the Employment Cost Index Series for Elementary and Secondary Schools, reported by the Bureau of Labor Statistics of the Federal Department of Labor (Table 4).

## **Index**

Average of the percentage increase in the Statewide average weekly wage and employment cost index.



# Act 1: Index Components

School Year	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Statewide Average Weekly Wage (SAWW)	\$1,064.89	\$1,032.53	\$1,010.43	\$988.43	\$966.87
Employment Cost Index (EIC)	140.60	136.70	132.90	129.80	126.50
SAWW Percent (%) Increase	3.10%	2.20%	2.20%	2.20%	2.60%
ECI Percent (%) Increase	2.90%	2.90%	2.40%	2.60%	2.30%
Base Index	3.00%	2.60%	2.36%	2.40%	2.50%



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



Fiscal Year	Act 1 Index	GV Millage Increase	CPI Increase
2021-2022	3.00%	TBD	TBD
2020-2021	2.60%	1.22%	1.30%
2019-2020	2.30%	1.20%	1.60%
2018-2019	2.40%	2.40%	2.80%
2017-2018	2.50%	0.00%	2.00%
2016-2017	2.40%	2.40%	0.30%
2015-2016	1.90%	1.60%	0.00%
2014-2015	2.10%	2.10%	1.70%
2013-2014	1.70%	0.00%	1.50%
2012-2013	1.70%	2.90%	1.70%
2011-2012	1.40%	2.90%	3.60%
2010-2011	2.90%	1.50%	0.00%
2009-2010	4.10%	1.70%	0.00%
2008-2009	4.40%	2.80%	5.80%
2007-2008	3.40%	2.80%	2.30%
Average	2.59%	1.82%	1.76%



# What is a Mill?



- A mill is a unit of currency that is equivalent to one one-thousandth ( $1/1000$ ) of a dollar, and in property tax terms is equal to \$1.00 of tax for each \$1,000 of assessment. 21.81 mills, therefore, is equal to \$21.81 for every \$1,000 of assessed value. For example, the current 2020-2021 real estate tax rate of 21.81 mills results in a tax bill of \$2,181 for a home assessed at \$100,000.



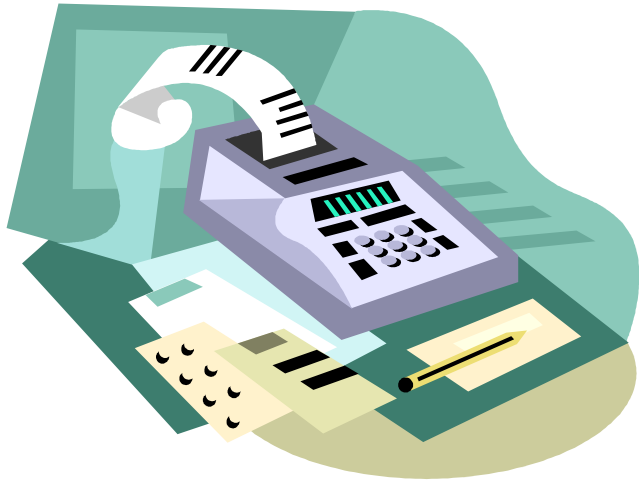
# A Look at Millage:



Current millage (20-21): 21.81

Maximum Millage under  
Act 1 to fund 21-22 budget: 22.46

Difference: 3.0%



Act 1 Index = 3.0%



# What Impact Does a 3% Increase Have on the Taxpayer?



Average  
Median



## Tax Increase of the Act 1 Index (3.0%)

\$158/per average home owner

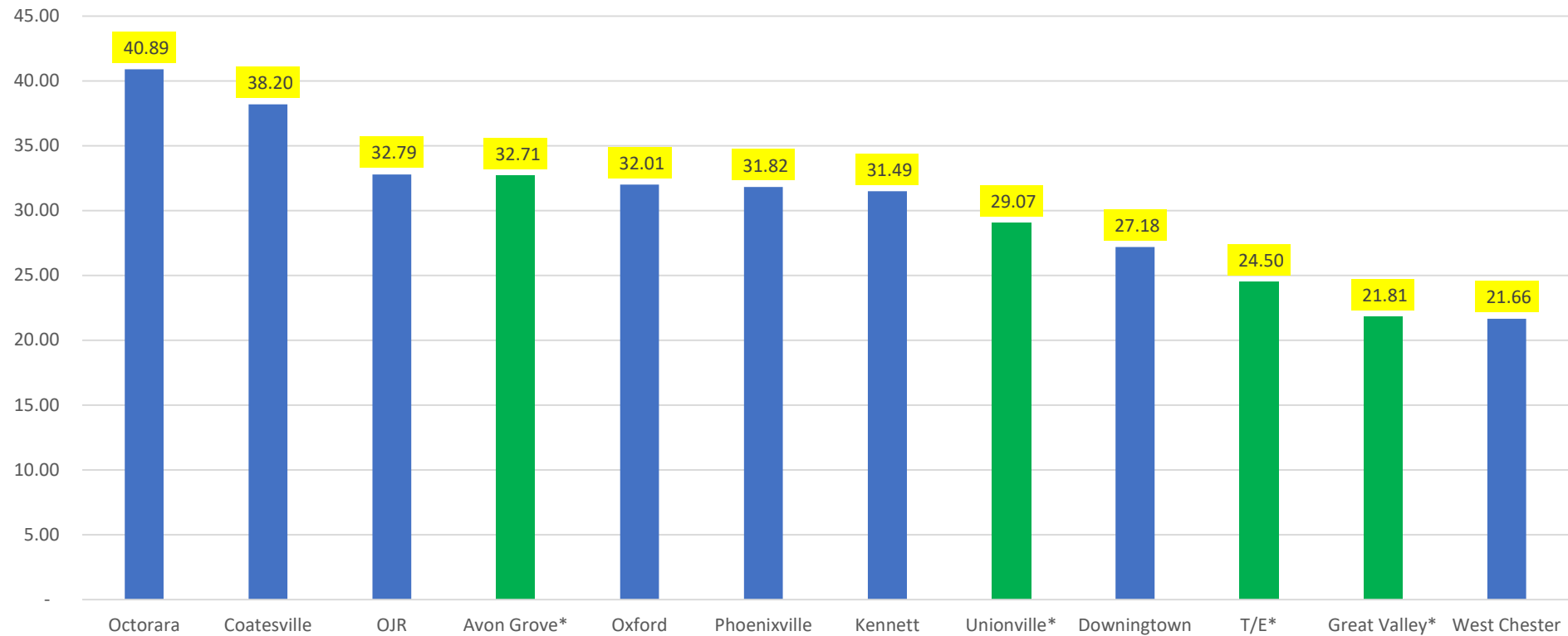
\$132/per median home owner

**Average Assessment -**  
\$242,687  
**Median Assessment -**  
\$203,270

Current millage (2020-2021) is 21.81 Millage  
with a 3% increase is 22.46



# How does the 2020-2021 GVSD millage rate compare to other Chester County Schools?



\* District with no Earned Income Tax revenue





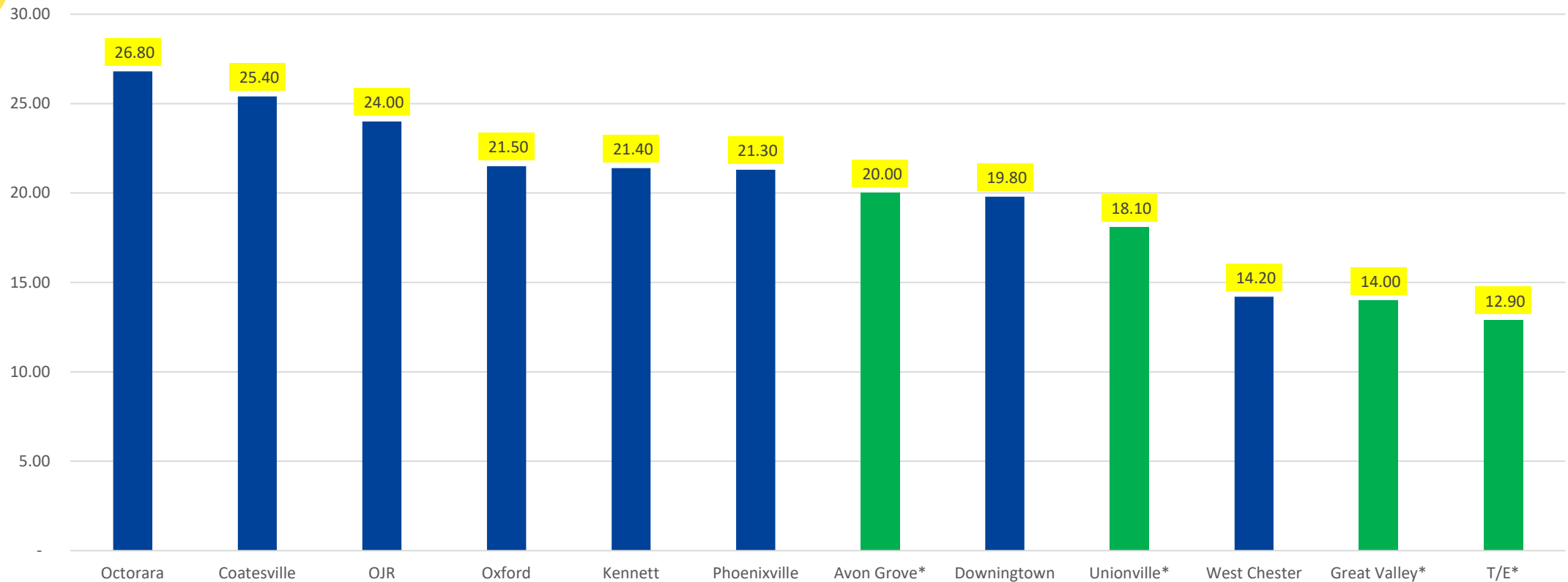
# What is an Equalized Mill?



- An equalized mill is a standard millage calculated by dividing a school district's total taxes by its total market value. In other words, equalized mills express tax rates as a percentage of market value. Equalized mills can be used to provide real comparisons of actual tax efforts across district lines. This comparison is important because the calculation includes the entire market value of school districts, including residential and commercial properties.



# 2017 - 2018 Equalized Mills of Chester County Schools



\* District with no Earned Income Tax revenue



# Local Revenue



## REVENUE FROM LOCAL SOURCES

	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET		
	2017-18	2018-19	2019-20	2020-21	2021-22	\$ Δ	%Δ
Taxes Levied	78,666,718	84,192,596	86,367,119	85,064,254	90,508,670	5,444,416	6.40%
Delinquency on Taxes Levied	1,743,603	1,262,784	1,143,695	,250,000	250,000	-	0.00%
Earnings on Investments	604,548	1,246,803	960,071	200,000	100,000	(100,000)	-50.00%
District Activities	259,591	598,157	352,560	50,000	250,000	-	0.00%
Intermediary Sources	553,534	633,804	1,099,758	550,000	550,000	-	0.00%
Other Revenue	449,800	469,338	528,610	204,000	204,000	-	0.00%
<b>TOTAL LOCAL REVENUE</b>	<b>82,277,794</b>	<b>88,403,482</b>	<b>90,451,813</b>	<b>87,518,254</b>	<b>92,862,670</b>	<b>5,344,416</b>	<b>6.11%</b>



# State Revenue



## REVENUE FROM STATE SOURCES

	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET		
	2017-18	2018-19	2019-20	2020-21	2021-22	\$ Δ	%Δ
Equalized Subsidy	2,620,619	2,649,735	4,300,607	2,745,000	4,490,954	1,745,954	63.60%
Specific Education Programs	1,647,818	1,751,971	1,711,487	1,640,000	1,640,000	-	0.00%
Non-Education Programs	2,514,870	2,296,015	2,550,859	2,273,212	2,273,212	-	0.00%
Commonwealth of PA	8,204,960	8,483,139	7,341,563	9,115,025	7,492,703	(1,622,322)	-17.80%
Other Revenue	136,602	136,602	136,601	120,000	138,556	18,556	15.46%
<b>TOTAL STATE REVENUE</b>	<b>15,124,869</b>	<b>15,317,462</b>	<b>16,041,117</b>	<b>15,893,237</b>	<b>16,035,425</b>	<b>142,188</b>	<b>0.89%</b>



# Federal Revenue



## REVENUE FROM FEDERAL SOURCES

	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET		
	2017-18	2018-19	2019-20	2020-21	2021-22	\$ Δ	%Δ
Restricted Grants-in-Aid - IDEA	386,626	497,001	448,414	430,114	415,114	(15,000)	-3.49%
AARA Grants	63,451	63,690	103,508	65,000	2,492,868	2,427,868	3735.18%
Medical Assistance Reimbursement	308,250	512,943	11,809	500,000	500,000	-	0.00%
<b>TOTAL FEDERAL REVENUE</b>	<b>758,327</b>	<b>1,073,634</b>	<b>563,731</b>	<b>995,114</b>	<b>3,407,982</b>	<b>2,412,868</b>	<b>242.47%</b>

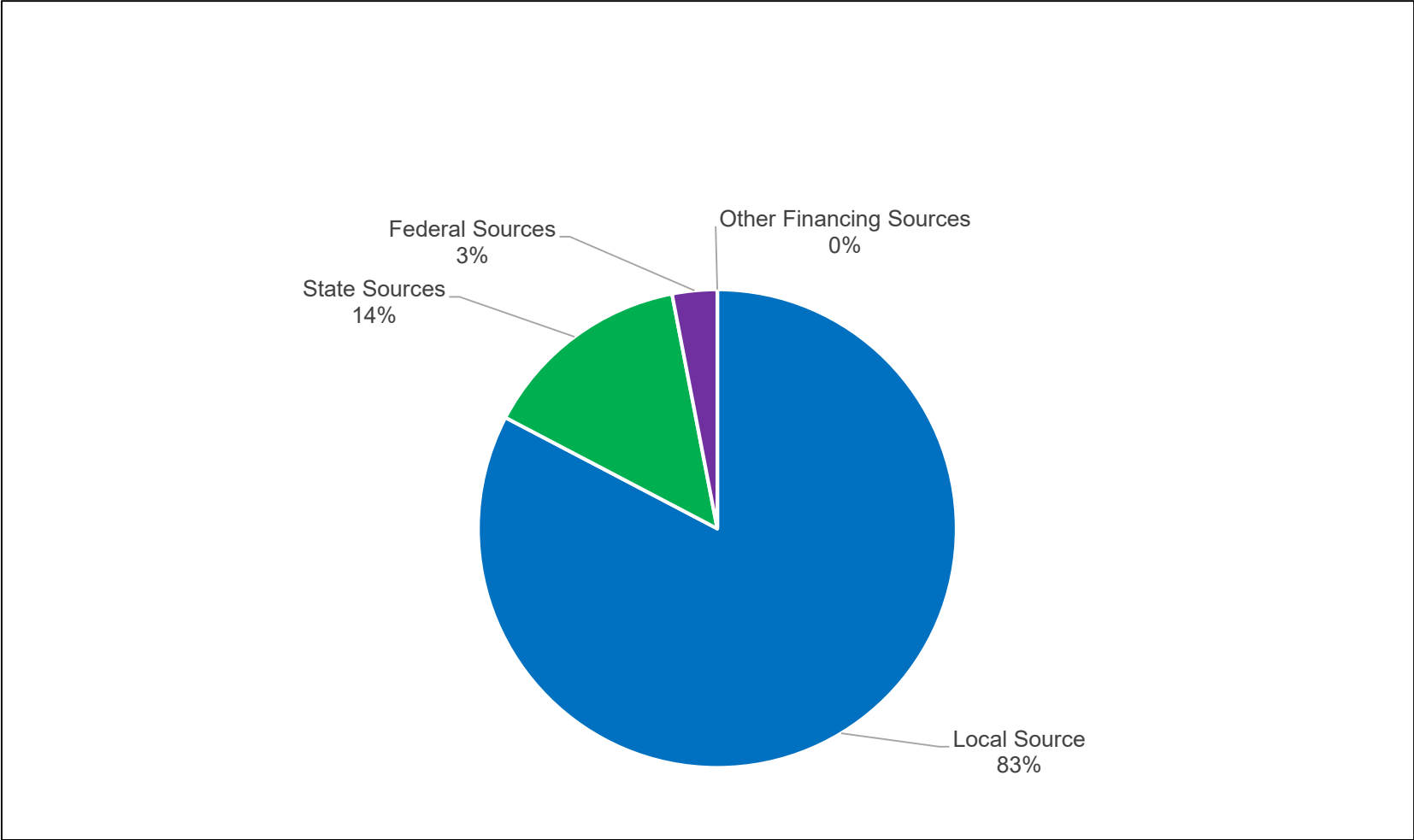


# Total Revenue



	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET		
	2017-18	2018-19	2019-20	2020-21	2021-22	\$ Δ	%Δ
Total Local Revenue	82,277,794	8,403,482	90,451,813	7,518,254	2,862,670	,344,416	6.11%
Total State Revenue	15,124,869	15,317,462	16,041,117	5,893,237	6,035,425	42,188	0.89%
Total Federal Revenue	758,327	1,073,634	563,731	995,114	3,407,982	2,412,868	242.47%
Total Revenue	98,160,990	104,794,578	107,056,661	104,406,605	112,306,077	7,899,472	7.57%

# 2021 BUDGETED REVENUES BY SOURCE





# Total Instructional Expenditures



	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	
	2017-18	2018-19	2019-20	2020-21	2021-22	%
Salaries	29,101,969	29,539,944	29,802,221	30,504,310	32,801,789	7.53%
Employee Benefits	17,617,987	17,839,787	17,546,964	21,128,795	21,790,375	3.13%
Professional and Technical Services	7,941,067	7,823,944	6,919,959	7,487,115	7,550,025	0.84%
Property Services	9,342	8,934	5,003	18,735	17,270	-7.82%
Other Purchased Services	5,072,015	4,374,109	4,649,214	4,958,078	4,950,816	-0.15%
Supplies	552,182	623,515	843,463	1,018,706	1,049,329	3.01%
Property	10,300	-	9,580	-	-	
Other Objects	21,521	33,260	40,448	33,561	41,183	22.71%
Other Uses of Funds	-	-	-	-	-	
TOTAL 1000 INSTRUCTION	60,326,383	60,243,493	59,816,851	65,149,300	68,200,787	4.68%





# Total Support Expenditures



	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	
	2018	2019	2020	2021	2022	%Δ
Salaries	10,464,884	10,444,554	11,644,458	11,497,037	11,835,039	2.94%
Employee Benefits	6,605,999	6,558,877	6,746,746	7,667,343	8,291,405	8.14%
Professional and Technical Services	2,244,444	2,537,919	2,512,725	3,181,451	2,534,328	-20.34%
Property Services	1,068,255	816,936	820,684	1,075,495	863,035	-19.75%
Other Purchased Services	5,007,199	5,273,501	4,855,987	5,591,182	5,523,946	-1.20%
Supplies	1,306,875	2,995,285	2,728,534	2,549,969	2,787,867	9.33%
Property	78,841	266,931	760	50,000	26,500	-47.00%
Other Objects	108,726	87,628	117,881	119,017	49,280	-58.59%
Other Uses of Funds	-	-	-	-	-	
<b>TOTAL 2000 SUPPORT SERVICES</b>	<b>26,885,223</b>	<b>28,981,631</b>	<b>29,427,775</b>	<b>31,731,494</b>	<b>31,911,400</b>	<b>0.57%</b>

# Total Non-Instructional Services Expenditures

	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	
	2018	2019	2020	2021	2022	%Δ
Salaries	926,436	899,307	945,495	938,653	955,537	1.80%
Employee Benefits	417,155	416,186	468,916	487,419	536,381	10.05%
Professional and Technical Services	50,547	58,062	47,643	55,800	60,000	7.53%
Property Services	23,640	23,985	24,374	31,125	33,325	7.07%
Other Purchased Services	149,562	155,611	87,566	165,547	161,412	-2.50%
Supplies	120,236	104,399	70,203	137,937	146,037	5.87%
Property	3,430	-	-	-	-	
Other Objects	16,204	27,808	16,986	30,695	27,656	-9.90%
Other Uses of Funds	-	-	-	-	-	
TOTAL 3000 Operation of Non-Instructional Svcs	1,707,210	1,685,358	1,661,183	1,847,176	1,920,348	3.96%



# Total Other Financing Uses Expenditures

	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	
	2018	2019	2020	2021	2022	%Δ
Salaries	-	-	-	-	-	
Employee Benefits	-	-	-	-	-	
Professional and Technical Services	-	-	-	-	-	
Property Services	-	-	-	-	-	
Other Purchased Services	-	-	-	-	-	
Supplies	-	-	-	-	-	
Property	-	-	-	-	-	
Other Objects	4	7	7	430,000	430,000	0.00%
Other Uses of Funds	10,048,200	11,968,500	10,383,197	8,248,548	9,857,929	19.51%
TOTAL 5000 Other Expenses and Financing Uses	10,048,204	11,968,507	10,383,204	8,678,548	10,287,929	18.54%



# Total Expenditures

	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	
	2018	2019	2020	2021	2022	%Δ
Total Instruction	60,326,383	60,243,493	59,816,851	65,149,300	68,200,787	4.68%
Total Support Services	26,885,223	28,981,631	29,427,775	31,731,494	31,911,400	0.57%
Total Non-Instructional Services	1,707,210	1,685,358	1,661,183	1,847,176	1,920,348	3.96%
Total Other Financing Uses	10,048,204	11,968,507	10,383,204	8,678,548	10,287,929	18.54%
Total Expenditures	98,967,020	102,878,989	101,289,013	107,406,518	112,320,464	4.58%

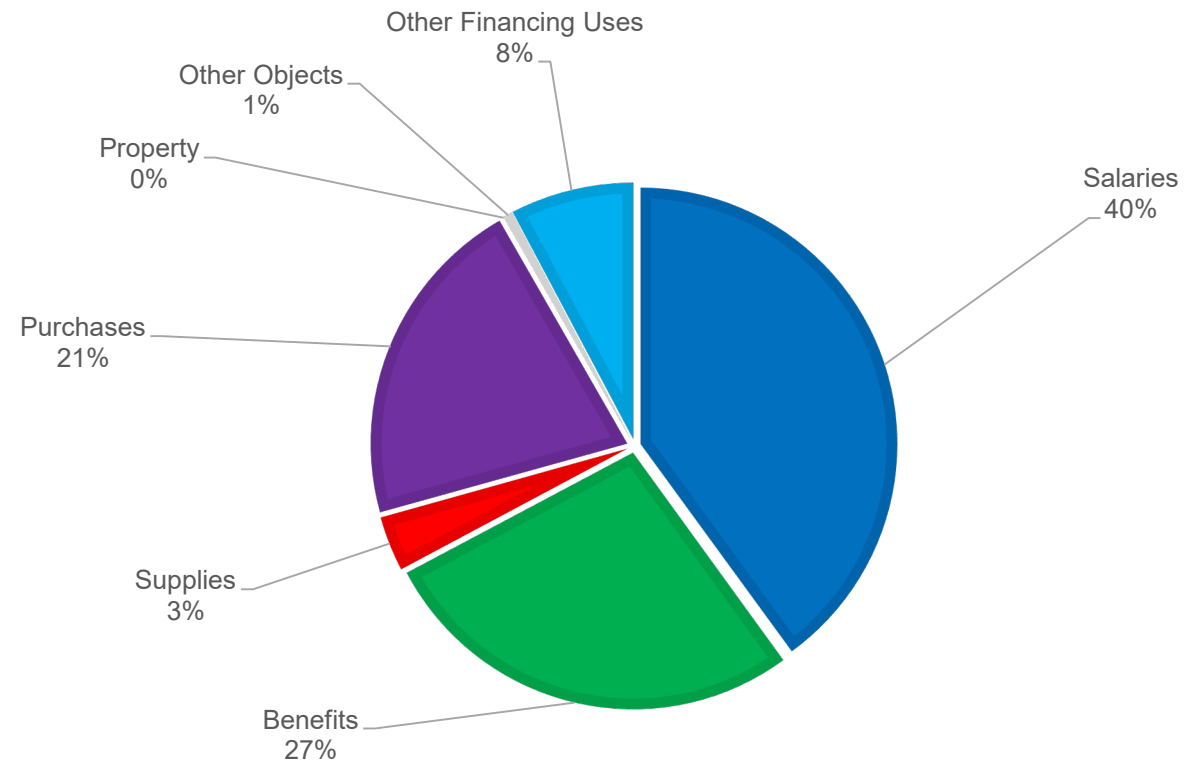


# Total Expenditures by Object

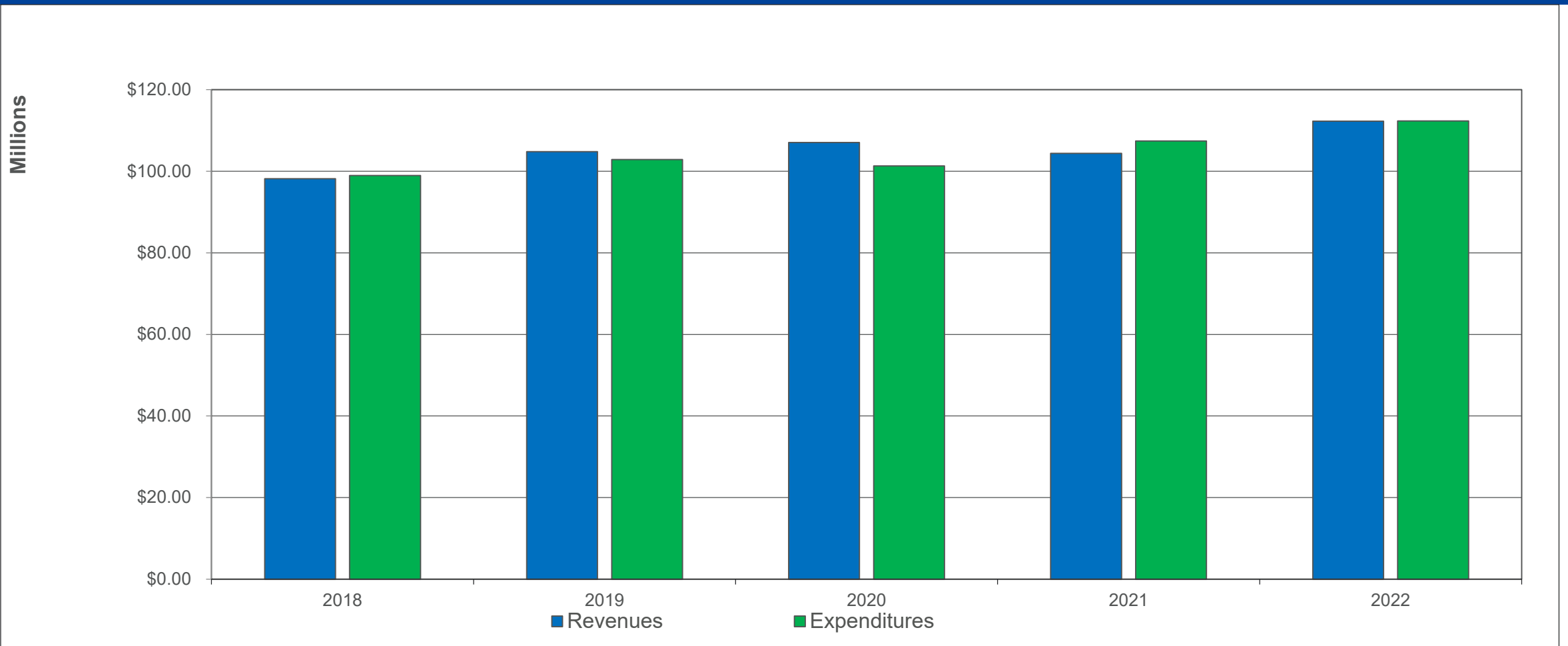
	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	
	2018	2019	2020	2021	2022	%Δ
Salaries	40,493,289	40,883,805	42,392,173	42,940,000	45,592,365	6.18%
Employee Benefits	24,641,141	24,814,850	24,762,626	29,283,557	30,618,161	4.56%
Professional and Technical Services	10,236,058	10,419,925	9,480,327	10,724,366	10,144,353	-5.41%
Property Services	1,101,237	849,855	850,060	1,125,355	913,630	-18.81%
Other Purchased Services	10,228,776	9,803,221	9,592,767	10,714,807	10,636,174	-0.73%
Supplies	1,979,293	3,723,199	3,642,201	3,706,612	3,983,233	7.46%
Property	92,571	266,931	10,340	50,000	26,500	-47.00%
Other Objects	146,455	148,703	175,321	613,273	548,119	-10.62%
Other Uses of Funds	10,048,200	11,968,500	10,383,197	8,248,548	9,857,929	19.51%
TOTAL	98,967,020	102,878,989	101,289,013	107,406,518	112,320,464	4.58%



# 2021 BUDGETED EXPEDITURES BY OBJECTS



# REVENUES VS. EXPENDITURES



# Preliminary Budget Summary

## Budget w/ 3% RE Tax Increase

Total Revenue	\$ 112,306,077
Total Expenditures	112,320,464
Budget Surplus/Deficit	\$ (14,387)

## Budget Without Tax Increase

Total Revenue	\$ 109,744,079
Total Expenditures	112,320,464
Budget Surplus/Deficit	\$ (2,576,385)







## Areas We Will Be Working On

- Year End Forecast
- 5-Year Forecast
- Strategic Initiatives
- Staffing
- 5/6 Center Forecast
- Budget Monitoring and Revisions
- Debt Service Planning
- Transportation
- Special Education
- Health Care Costs



# 2021-2022 Remaining Budget Calendar



April 12, 2021	Work Session – Budget discussions
April 19, 2021	Board Meeting - Preliminary budget adopted
May 3, 2021	Finance Committee Meeting
May 10, 2021	Work Session - Final budget available for inspection (20 days prior to adoption)
May 17, 2021	Board Meeting - Public notice of intent to adopt final budget (10 days prior to adoption)
June 7, 2021	Work Session and Special Board Meeting - Final budget adoption (must be prior to June 30 <sup>th</sup> )