

District Budget Update

Coatesville Area School District

February 27, 2018

Adopted Preliminary Budget

- Moves \$2 million of debt service to Capital Funds
- The Governor gave his budget address and proposed small increases to Basic Education Funding and Special Education Funding
- Combined that is an increase of \$376,000 and was included in the Preliminary Budget

Adopted Preliminary Budget

- Medical Access funds have been tracking higher both in completed 16-17 fiscal year and the current 17-18 fiscal year which is related to increased special education costs
- \$300,000 increase in revenue for that line item is included in the revised budget
- Closure of Friendship Elementary School should save \$1 million in operational and staffing costs

Adopted Preliminary Budget

- No change to the Charter School Tuition line, but to be clear on the calculation it uses an estimate of final 18-19 charter tuition coupled multiplied by the number of currently enrolled charter students
- Does not provide for growth
- An increase of \$400,000 for Occupational Education
- Budgetary Reserve of \$2.3 million is in budget to deal with that and other uncertainties
- When Final Budget is adopted those items will be revisited

Adopted Preliminary Budget

- Exceptions allow for an approximate 8.4% increase in the real estate tax rate
- An 8.4 % increase is included in the preliminary budget, but does not bind us to increase to that level at Final Budget adoption
- Exception requests have been approved by PDE in the amount of \$5,371,596

Adopted Preliminary Budget

- Total Revenues with the listed changes are now \$173,754,399
- Total Expenses are now \$180,998,561 (inclusive of \$2.3 million of Budgetary Reserve)
- A gap of just over \$7 million remains

Adopted Preliminary Budget

- There will likely be attritional savings due to resignations/retirements
- Not currently estimated, will revisit as time goes on
- There may be the need for furloughs
- Other cost savings ideas will also be discussed

Next Steps

- Spend the next few months examining expenses in detail and making cuts where possible
- Approve a final budget in May which uses only as many exceptions as are necessary to keep the District financially stable

Financing Transaction

- District has begun to form an Authority to perform a sales/leaseback transaction
- This will provide needed funds to avoid issuing annual Tax Revenue Anticipation Notes
- Will need 5 appointees to the Authority
- Recommended to be 2 School Board members and 3 others
- Appoint members and hold a hearing on the Authority on March 27

Wrap-up

- Discussion and Questions