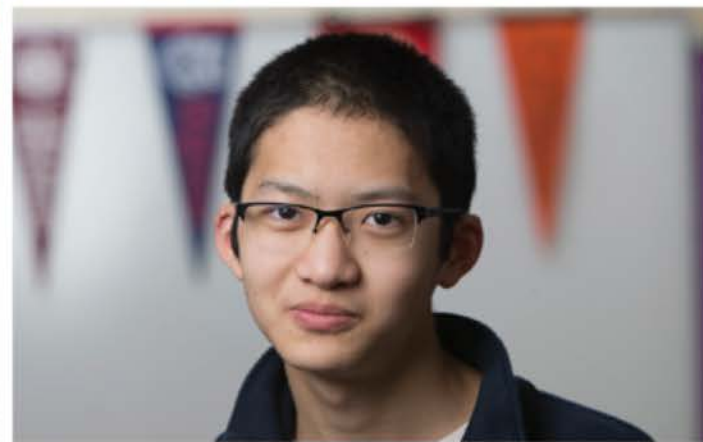


2020 Budget Update



Forecast at 2020 Budget Adoption (Dec. 2019)

	Adopted Year Ended 2019	Projected Year Ended 2019	Proposed Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$617,622,931	\$624,220,161	\$639,805,733	\$649,953,632	\$662,061,739	\$669,963,633
Total Expenditures	\$650,042,207	\$654,261,163	\$664,814,155	\$670,832,721	\$685,283,561	\$691,420,856
Beginning Balance	\$111,672,445	\$111,672,445	\$81,631,443	\$56,623,021	\$35,743,933	\$12,522,111
Operating Surplus/(Deficit)	(\$32,419,276)	(\$30,041,002)	(\$25,008,422)	(\$20,879,089)	(\$23,221,822)	(\$21,457,223)
Ending Fund Balance	\$79,253,169	\$81,631,443	\$56,623,021	\$35,743,933	\$12,522,111	(\$8,935,112)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	(\$16,100,000)	(\$16,100,000)	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$27,304,897)	(\$25,008,422)	(\$20,879,089)	(23,221,821.81)	(21,457,222.54)	(27,753,842.20)
Unassigned Fund Balance	\$33,348,272	\$38,023,021	\$33,243,933	\$10,022,111	(\$11,435,112)	(\$39,188,954)
% Budgeted Expenditures	5.13%	5.81%	5.00%	1.49%	-1.67%	-5.67%
Minimum Fund Balance per Board Policy #721	\$32,502,110	\$32,713,058	\$33,240,708	\$33,541,636	\$34,264,178	\$34,571,043
Compliance with Fund Balance Policy	Yes	Yes	Yes	No	No	No
Funds needed to comply with Fund Balance Policy				\$23,519,525	\$45,699,290	\$73,759,997

Forecast at 2019 Budget Closing (Mar 2020)

	Final Year Ended 2019	Adopted Year Ended 2020	Projected Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$619,833,105	\$639,805,733	\$619,748,839	\$628,824,789	\$639,337,344	\$647,168,416
Total Expenditures	\$642,670,668	\$664,814,155	\$647,570,701	\$657,454,200	\$671,716,902	\$677,727,153
Beginning Balance	\$111,672,445	\$81,631,443	\$88,834,882	\$61,013,019	\$32,383,609	\$4,051
Operating Surplus/(Deficit)	(\$22,837,564)	(\$25,008,422)	(\$27,821,862)	(\$28,629,410)	(\$32,379,558)	(\$30,558,738)
Ending Fund Balance	\$88,834,882	\$56,623,021	\$61,013,019	\$32,383,609	\$4,051	(\$30,554,686)
Less Projected Reservations	(\$5,503,091)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	(\$16,100,000)	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$27,821,862)	(\$20,879,089)	(\$28,629,410)	(32,379,557.95)	(30,558,737.56)	(36,977,566.78)
Unassigned Fund Balance	\$39,409,928	\$33,243,933	\$29,883,609	(\$2,495,949)	(\$33,054,686)	(\$70,032,253)
% Budgeted Expenditures	6.13%	5.00%	4.61%	-0.38%	-4.92%	-10.33%
Minimum Fund Balance per Board Policy #721	\$32,133,533	\$33,240,708	\$32,378,535	\$32,872,710	\$33,585,845	\$33,886,358
Compliance with Fund Balance Policy	Yes	Yes	No	No	No	No
Funds needed to comply with Fund Balance Policy			\$2,494,926	\$35,368,659	\$66,640,531	\$103,918,611

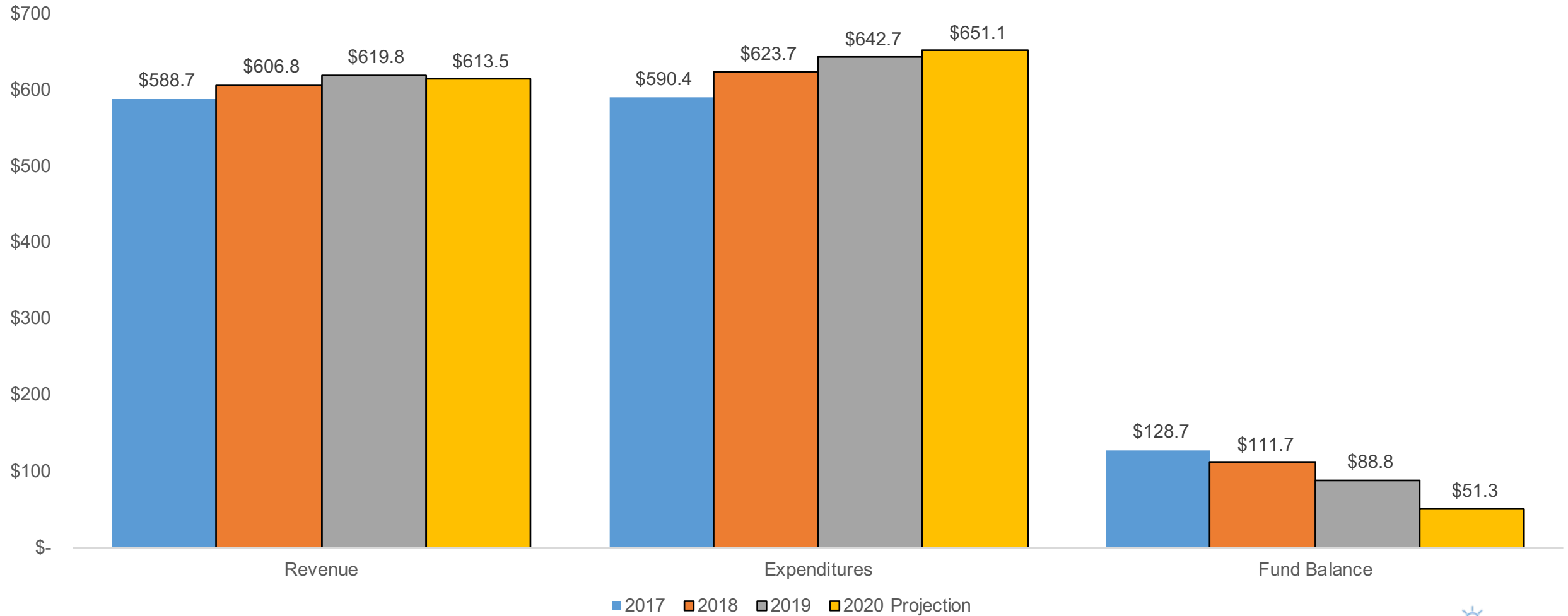
Expect great things.

Forecast at 2020 Budget Closing (July 2020)

	Adopted Year Ended 2020	Projected Year Ended 2020	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023
Total Revenues	\$639,805,733	\$613,491,311	\$622,051,199	\$634,130,460	\$641,754,684
Total Expenditures	\$664,814,155	\$651,061,036	\$657,603,925	\$671,878,617	\$677,935,147
Beginning Balance	\$81,631,443	\$88,834,882	\$51,265,156	\$15,712,430	(\$22,035,727)
Operating Surplus/(Deficit)	(\$25,008,422)	(\$37,569,725)	(\$35,552,726)	(\$37,748,158)	(\$36,180,463)
Ending Fund Balance	\$56,623,021	\$51,265,156	\$15,712,430	(\$22,035,727)	(\$58,216,190)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(\$20,879,089)	(\$35,552,726)	(37,748,157.74)	(36,180,463.00)	(42,753,223.67)
Unassigned Fund Balance	\$33,243,933	\$13,212,430	(\$24,535,727)	(\$60,716,190)	(\$103,469,414)
% Budgeted Expenditures	5.00%	2.03%	-3.73%	-9.04%	-15.26%
Minimum Fund Balance per Board Policy #721	\$33,240,708	\$32,553,052	\$32,880,196	\$33,593,931	\$33,896,757
Compliance with Fund Balance Policy	Yes	No	No	No	No
Funds needed to comply with Fund Balance Policy		\$19,340,621	\$57,415,924	\$94,310,121	\$137,366,171

Key Financial Indicators

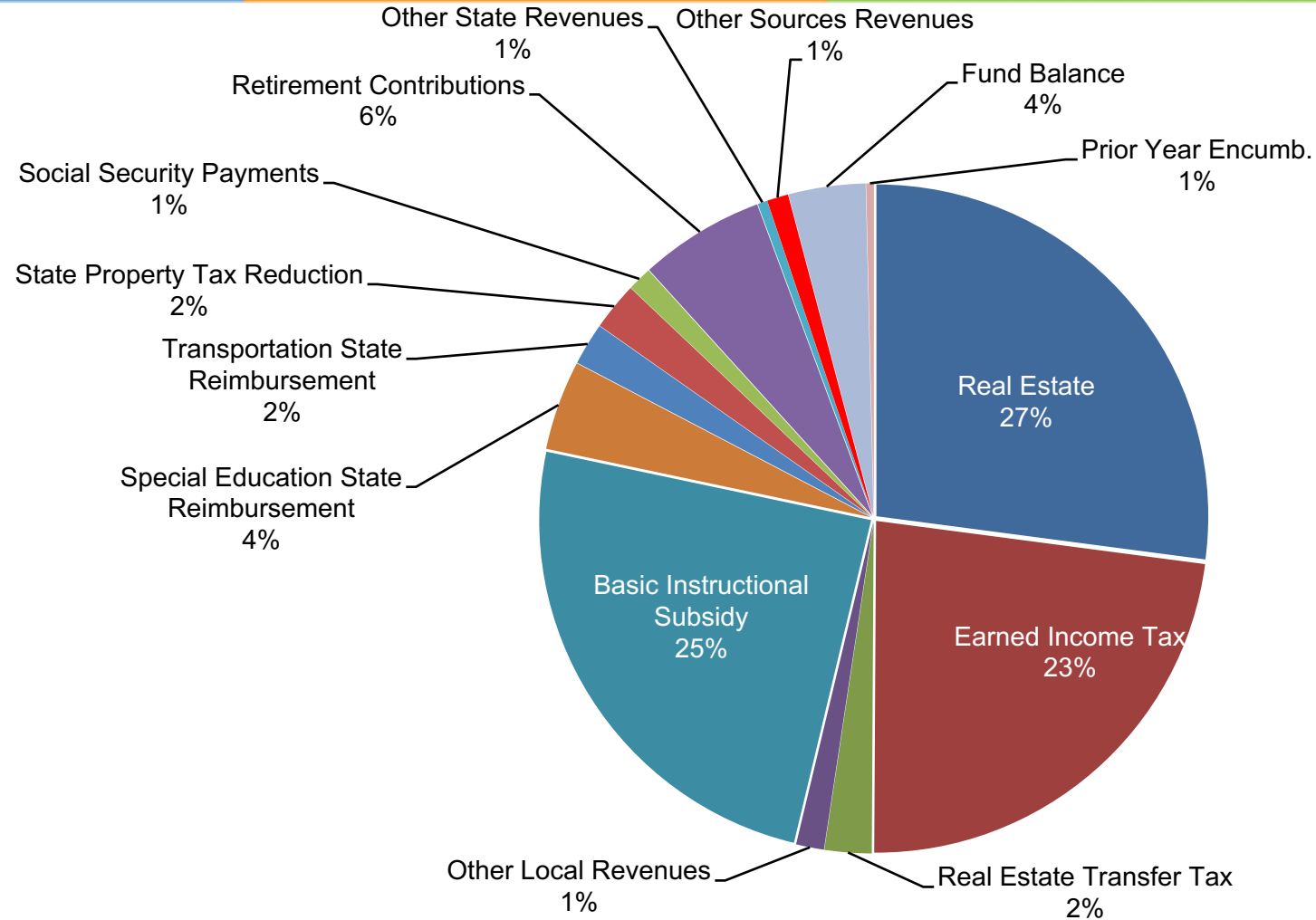
(values in millions)



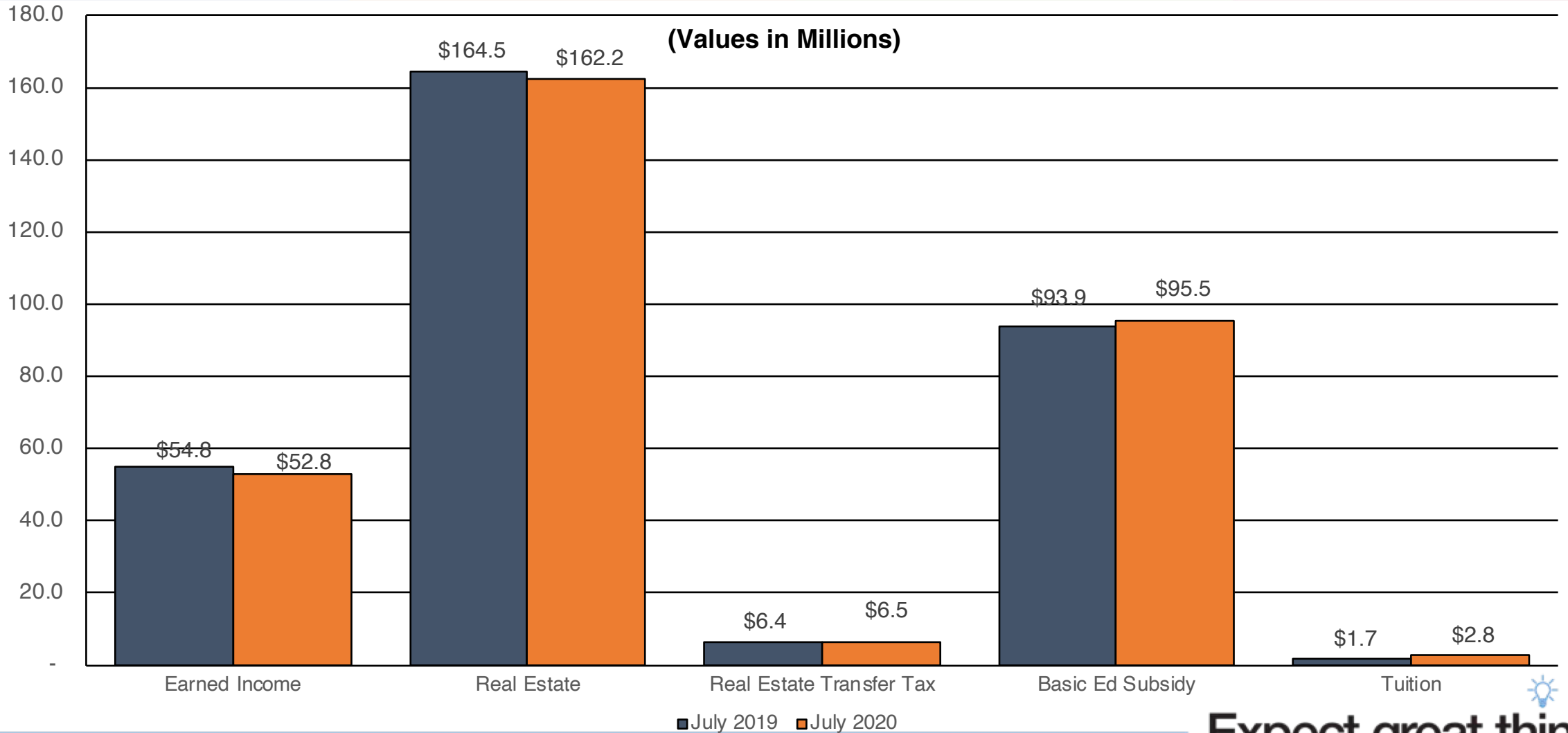
Fund Balance Projection



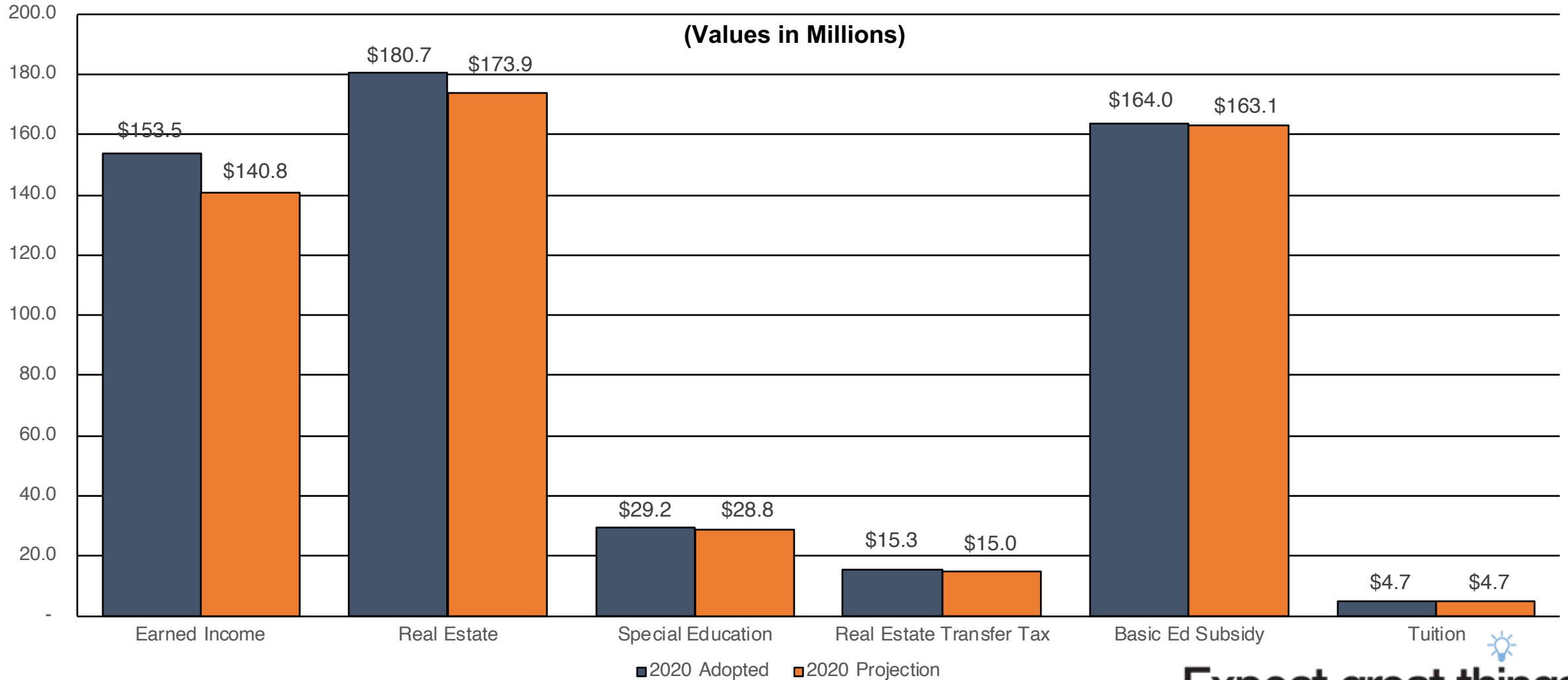
2020 Revenue at Budget Adoption



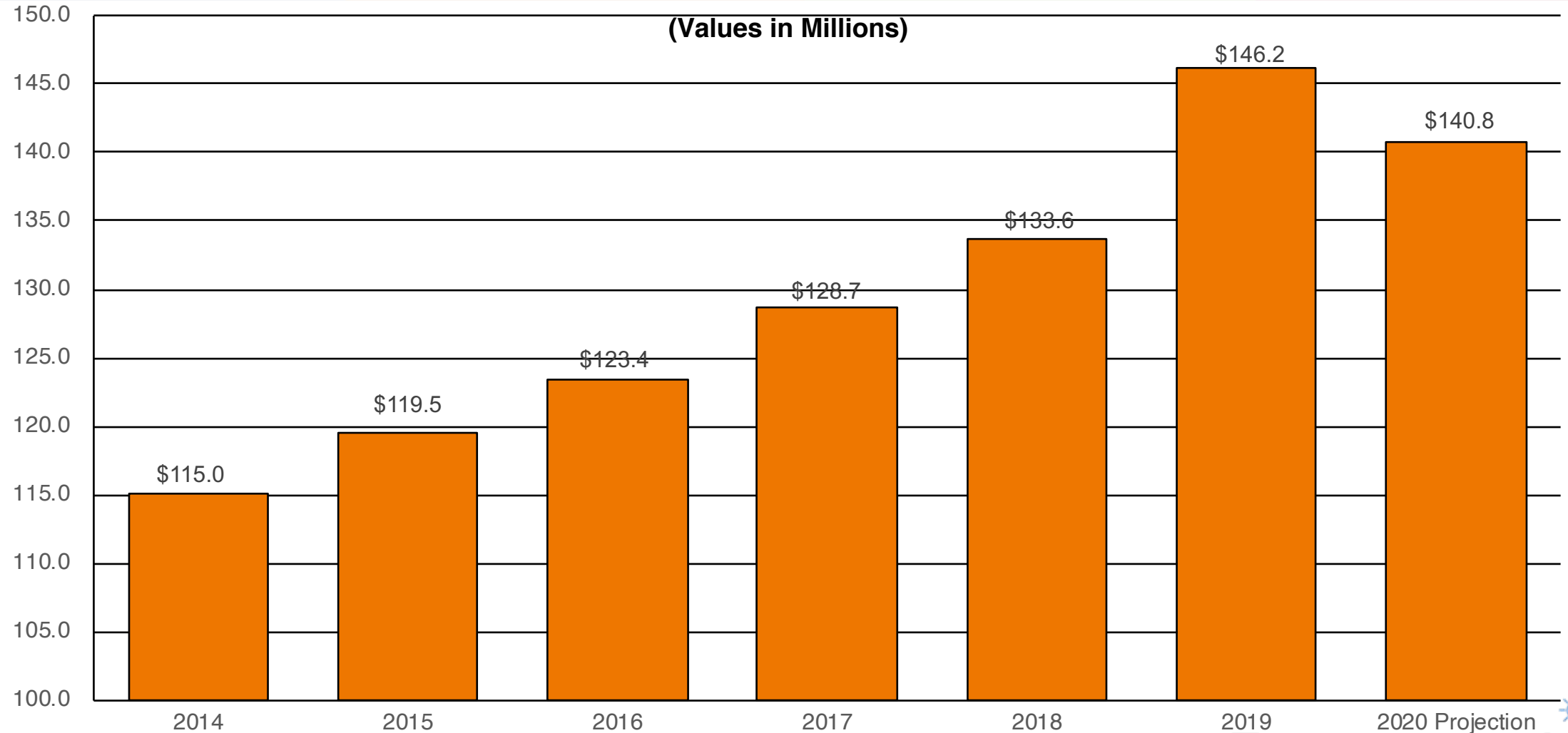
Year-to-Date Revenue Comparison



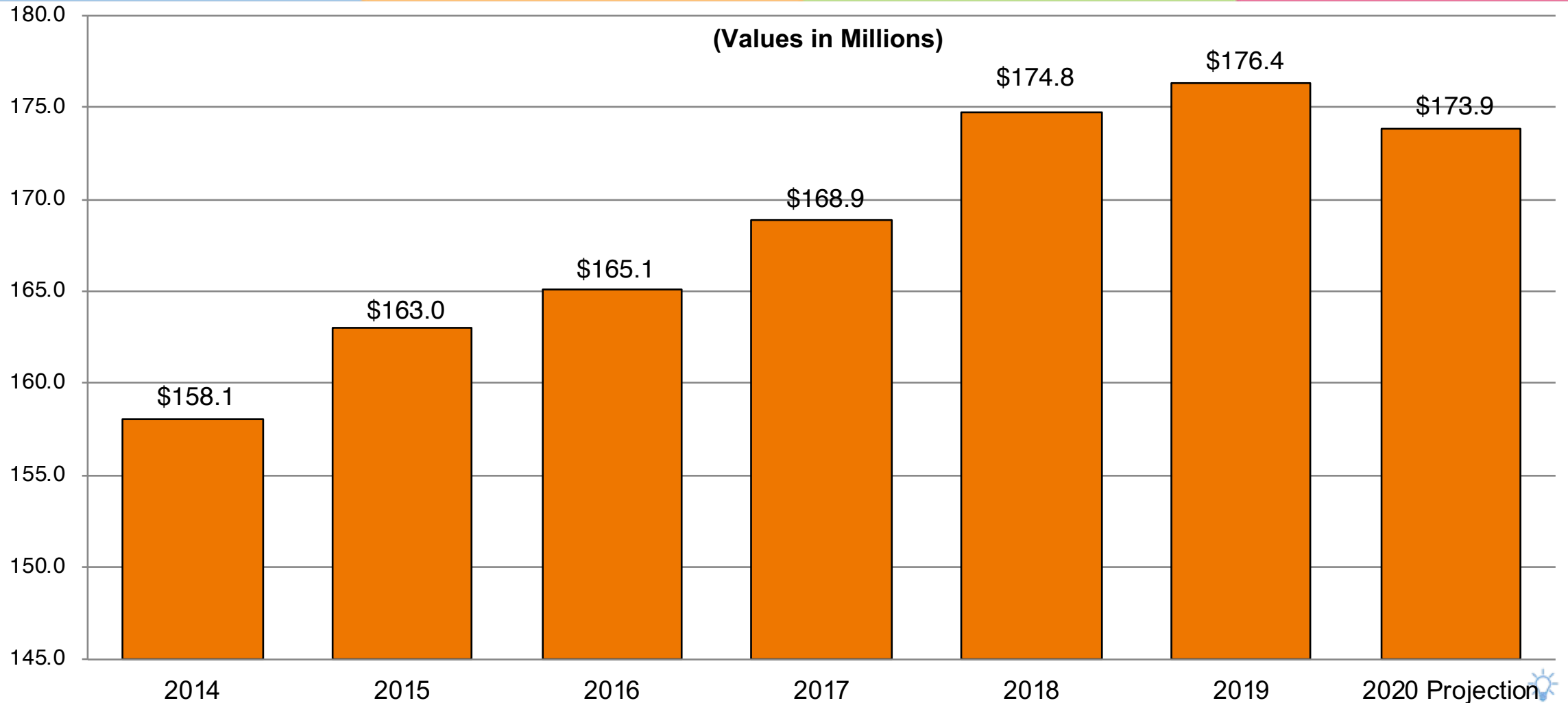
Major Revenue Comparison



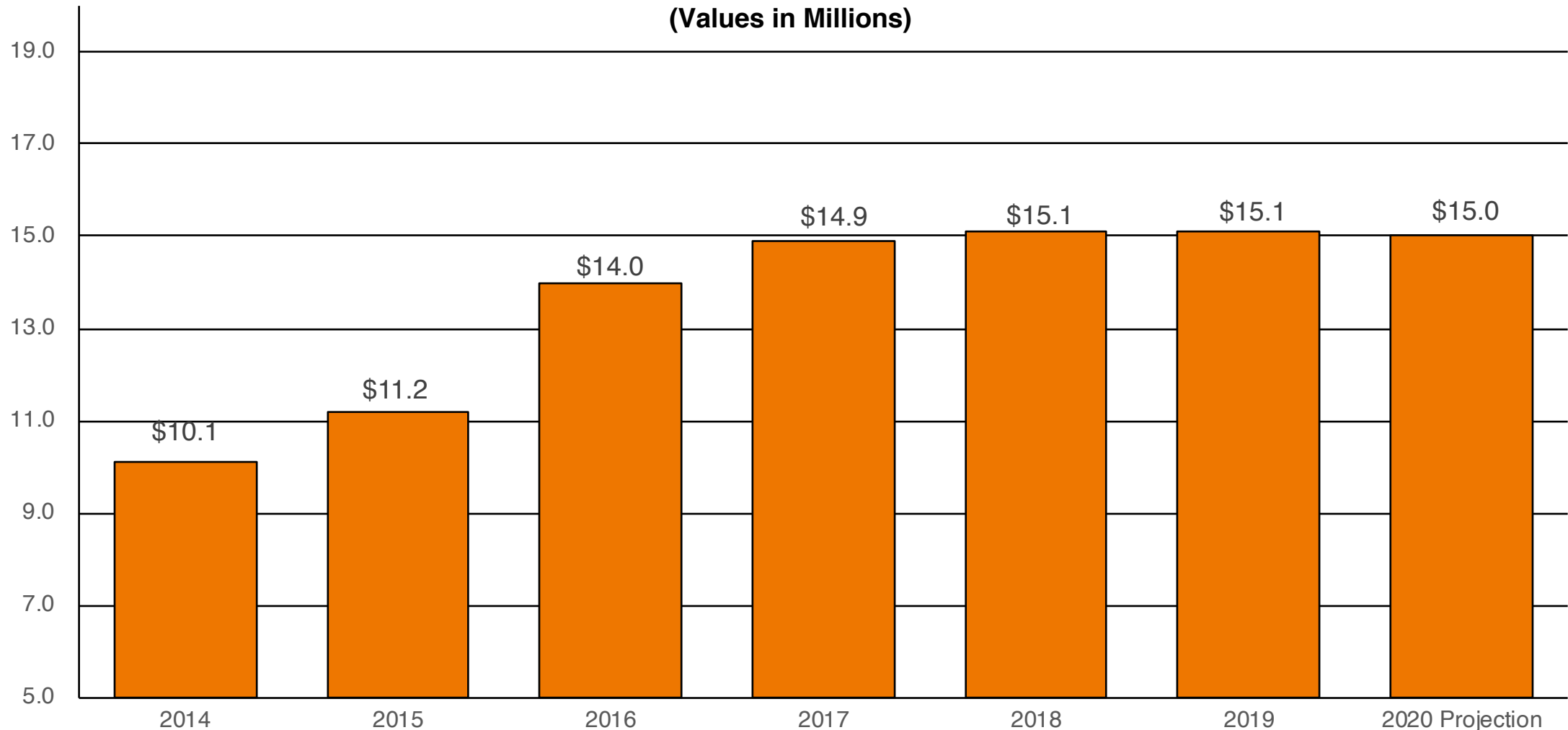
Earned Income Tax Revenue



Real Estate Revenue

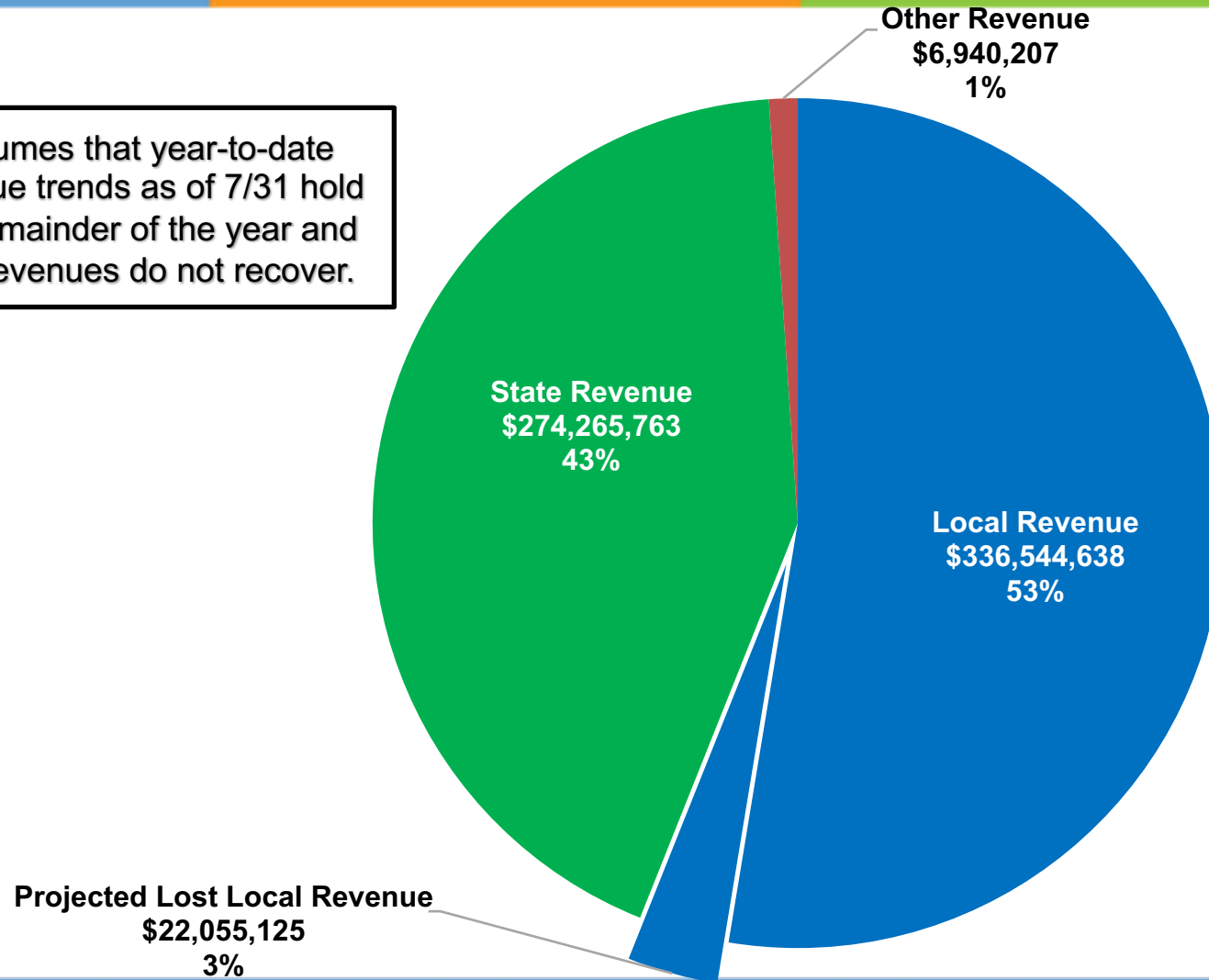


Realty Transfer Tax Revenue



Potential Lost Revenue

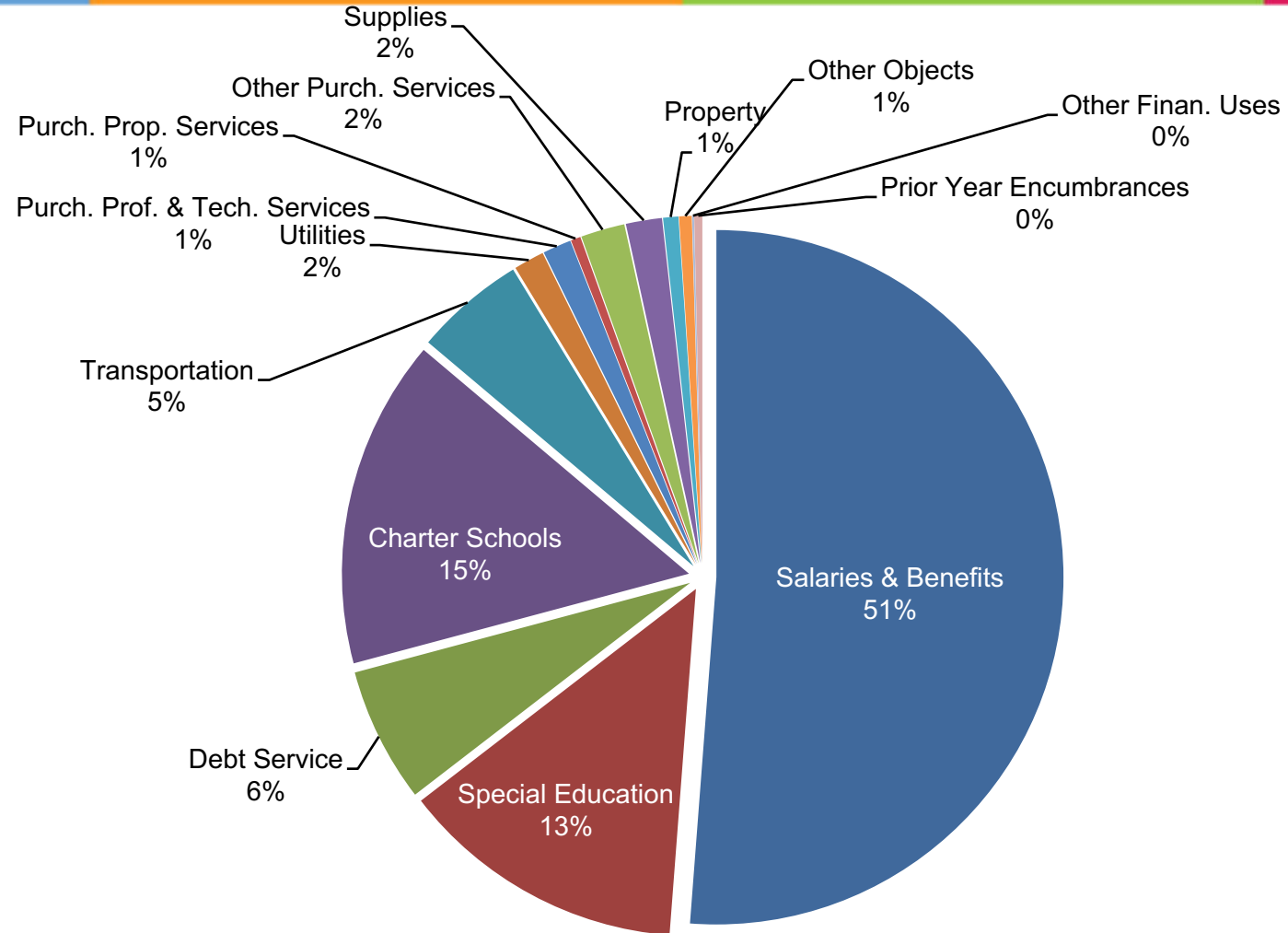
Assumes that year-to-date revenue trends as of 7/31 hold the remainder of the year and that revenues do not recover.



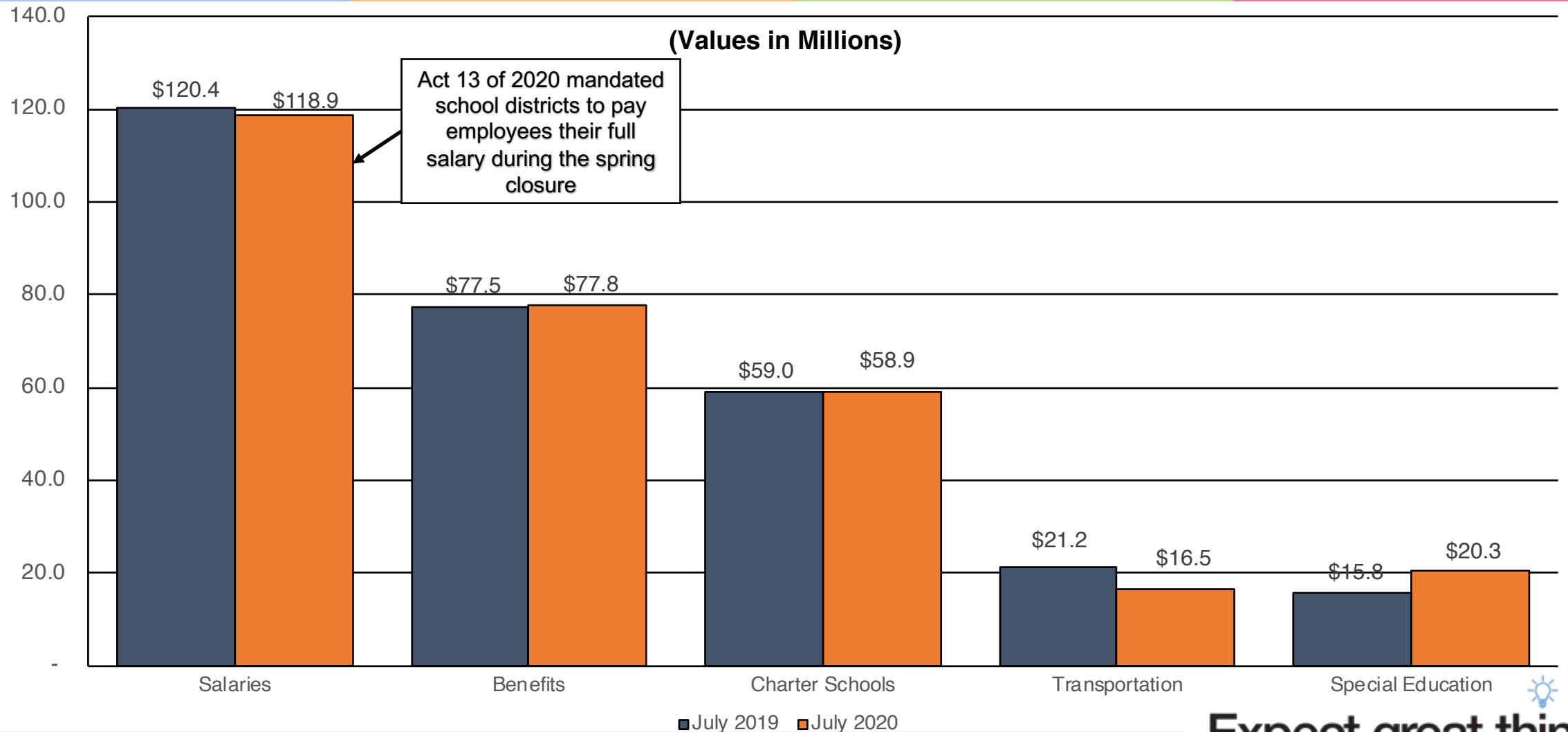
To put \$22 million into context

- We could do one of the following:
 - Hire 167 additional teachers
 - Hire 159 additional counselors or social workers
 - Purchase 15,000 laptops a year for the next 4 years
 - Completely renovate a school

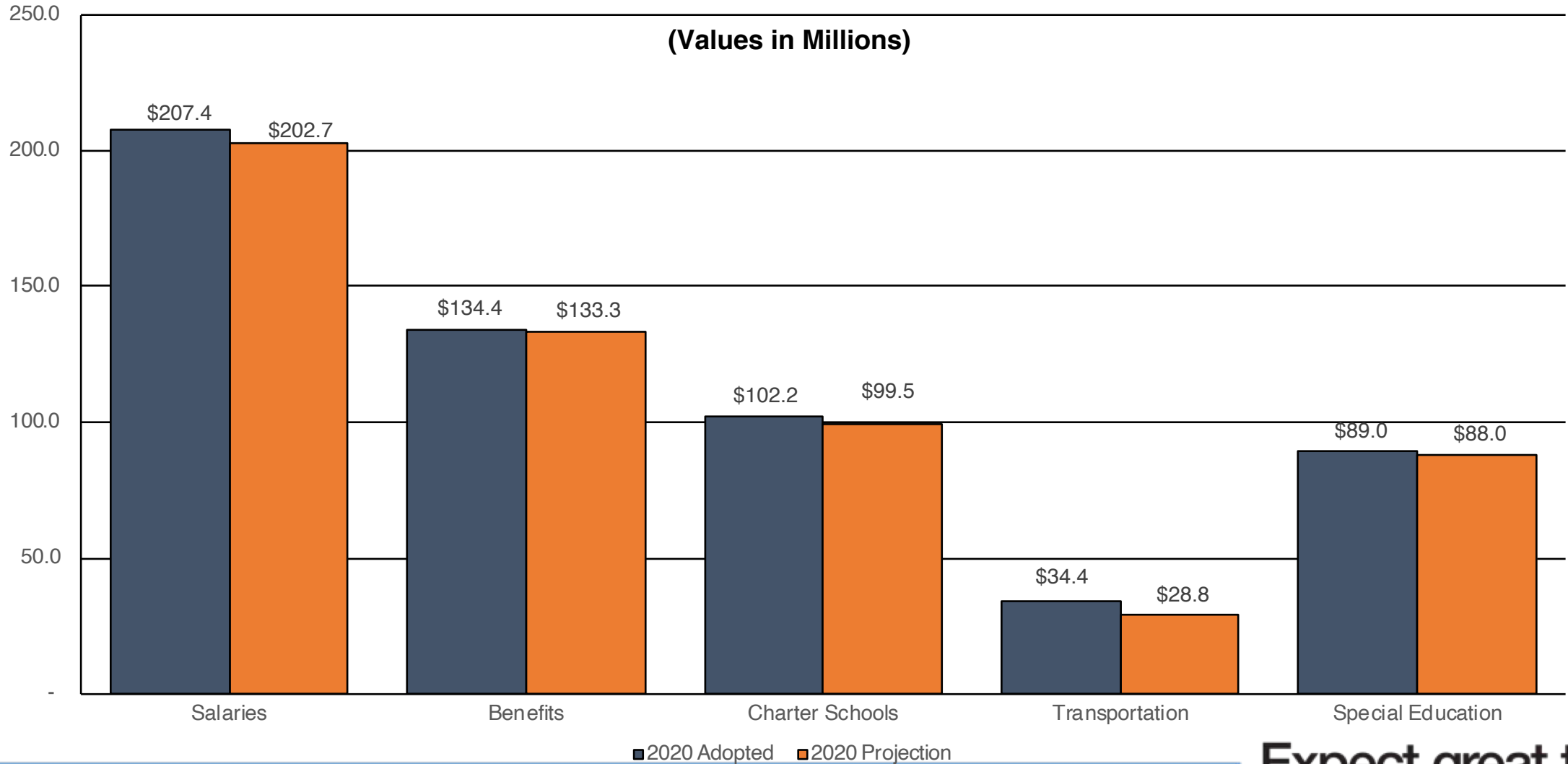
2020 Expenditures at Budget Adoption



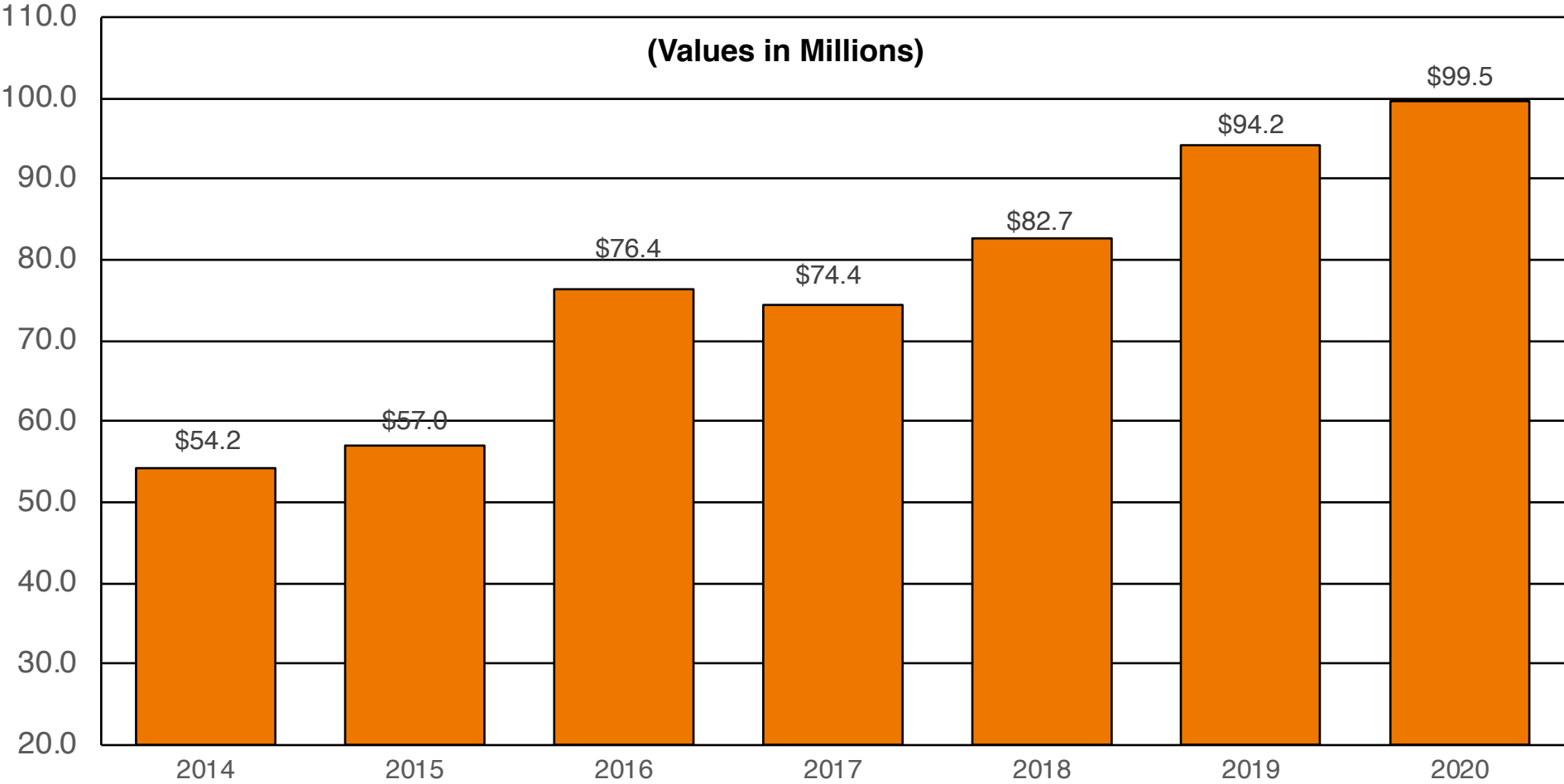
Year-to-Date Expenditure Comparison



Major Expenditure Comparison

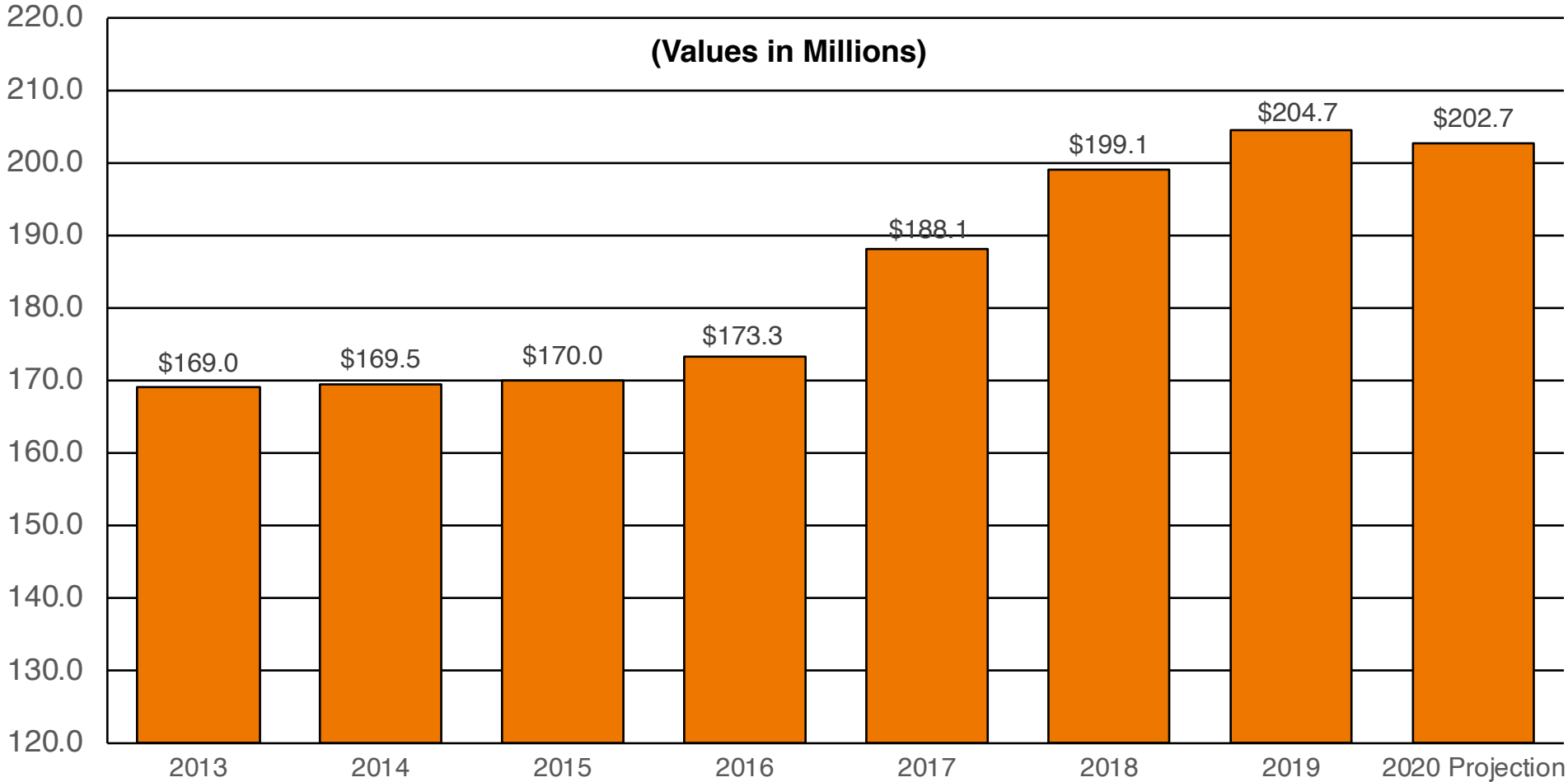


Charter School Tuition Costs

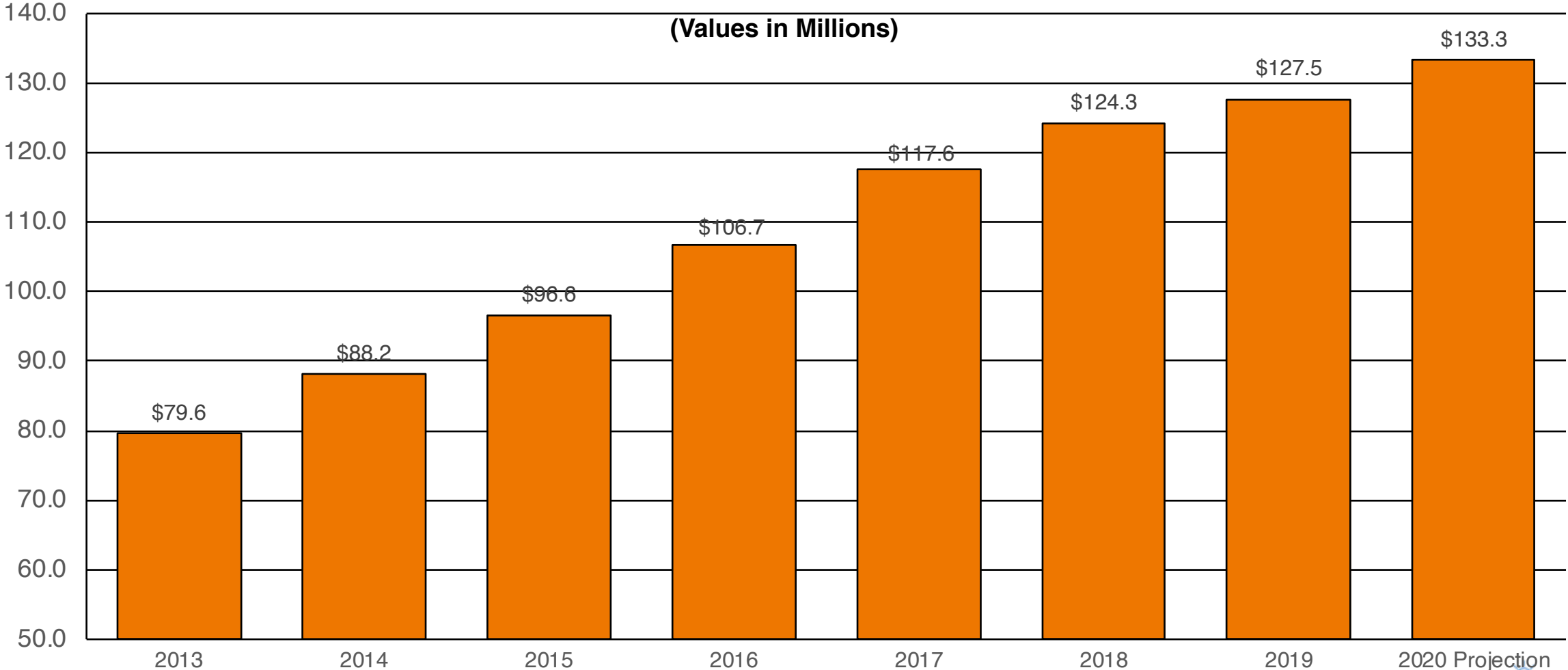


Expect great things.

Salaries



Benefits



Expect great things.

State Funding and Financial Outlook

- The Governor's proposal for increased BEF/SEF funding in 2020-21 was eliminated.
- BEF/SEF Allocations were identical to 2019-20.
- Education budget was funded through June 30, 2021.
- Other areas of state budget were funded only through November 30, 2020.
- Pennsylvania Independent Fiscal Office predicted statewide \$5 billion revenue loss by June 2021.
- Potential for cuts to BEF/SEF in 2021-22

The COVID-19 pandemic changed the way we deliver education to students

- We made a significant investment in technology as a result of COVID-19
- Total investment of \$10.2 million in K-12 devices
 - 22,000 devices
 - 18,000 student laptops
 - 2,000 student iPads
 - 2,000 staff laptops
- Total investment of \$818,984 in Pre-K devices
 - 2,137 devices
 - 1,919 student iPads
 - 218 staff laptops



Preparing for the 2021 budget

- We need to prioritize the following areas
 - Technology Replacement
 - Staffing and Vacancies
 - Resource allocation to schools
 - Cost Reduction
 - Facilities Master Plan

Upcoming Budget Workshops

October Budget Workshop

Review of 2021 Budget Priorities

Department Overviews

November Budget Workshop

2021 Preliminary Budget