



## District Finances Snapshot Report

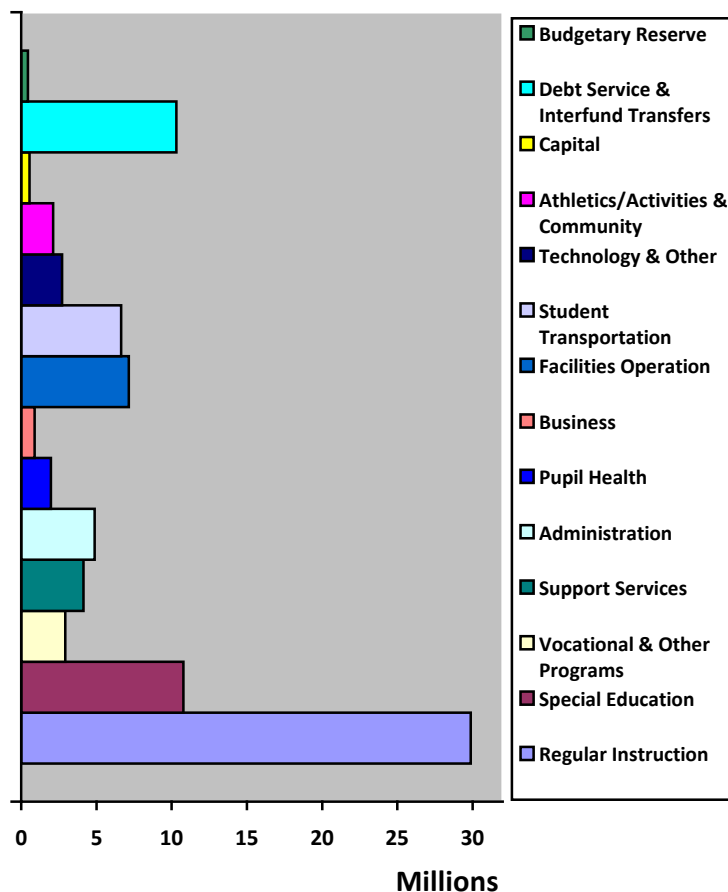
**Final Budget 2018-2019**

**Publication Date June 2018**

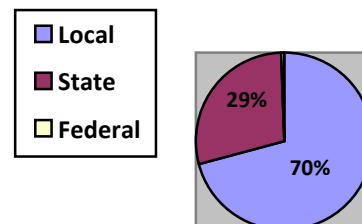
### 2018 – 2019 Budget in Summary

	2017-2018 Budget	Actuals (to date)	Change (to date)	2018-2019 Budget	Change (Budget to Budget)
Revenues	\$82,529,480	\$80,672,314	(1,857,166)	\$85,515,195	2,985,715
Expenses	\$82,529,334	\$78,750,040* Includes payroll proj	3,779,294	\$85,516,075	2,986,741
Fund Balance	146		1,922,128 Surplus	(880)	
		<i>These are not "audited" and estimates are as of 6/27/18, and will change</i>			
Enrollment	5,262			5,355	+93
Per Pupil Cost	\$15,684			\$15,969	+285

#### Expenditures by Category



#### Revenue Distribution



#### Revenue

Local = \$60,571,447

State = \$24,399,984

Federal & Other = \$543,764

#### ✓ Top 5 Budgeted: Expense Categories

1	Regular Education - \$29,874,550
2	Special Education - \$10,788,783
3	Debt Service - \$10,313,210
4	Facilities Operation - \$7,140,742
5	Transportation - \$6,641,025



#### Current Information

##### ✓ **Employee Retirement Contributions**

CMUSD continues to include this legislative mandate in long range budgeting process, regardless of pension reform, the district won't realize significant savings until the 2040's. Funding past-service pension liability for employees is a crucial obligation that greatly affects current & future budgets.

##### ✓ **State Revenue**

This year the budget process was much calmer than the last few years. The new formula was used and we realized a slight increase in Basic Education Subsidy (BEF) and SEF (Special Education Subsidy), the Ready to Learn Block Grant was level funded.

##### ✓ **Employee Contracts and Agreements**

District Administration and The Board of Directors successfully completed a number of contracts and agreements this year. They included current and future changes to health care, such as changes to spousal coverage. Next year the Professional Staff Contract will need negotiated.

##### ✓ **Capital Expenses**

CMUSD recognizes the need to plan for a deferred maintenance reduction plan for our facilities on a long range cycle. As a result monies have been designated in the General Fund budget. In addition, the district created (2011-2012) a **Capital Reserve Fund** that may be used for improvements to facilities or one time equipment purchases. *These funds are restricted solely to capital expenditures and by law may not be used for salaries and benefits.*

✓ **Gambling Fund** - Slot revenues are Available for real estate tax relief. CMUSD to receive **\$926,962.73** in property reductions for **2018-2019**. Result will be a reduction in the amount of taxes an approved homeowner will be required to pay on their tax bills. Qualified homeowners will receive a real estate reduction of **\$9,015**.

#### Highlights of District Initiatives

##### **Code to the Future**

- 1<sup>st</sup> School District in PA to teach code to all students, across all content areas, beginning in Kindergarten.
- 2017-2018 budget enabled implementation at Hills-Hendersonville, Wylandville & South Central elementary schools.
- 2018-2019 budget enables implementation at Borland Manor and Muse elementary schools
- Future budgets to address student needs by expanding to the intermediate, middle and high schools levels.
- Implementation began at the K level, research shows, coding is best learned when students are young as with any new language.

##### **1 to 1 Initiative**

- Technology equipment being purchased annually on a rotation schedule to move the district in the direction of providing technology devices for all students.

##### **New Website Design**

##### **Facility Improvements**

##### **Safety and Security**

##### **Drug Awareness – “Too Good For Drugs”**

##### **Curriculum Updates**

- Advanced Placement Courses
- Schoology Infusion
- Extended Day Kindergarten
- Career and College Readiness

#### Administrative Recommendation

##### **Proposed Mills – 11.4005**

Represents a .3105 mill increase of the allowable

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Current Millage:  
2017-2018 Millage: 11.0900

**PROPOSED MILLS: 11.4005**

Revenue generated by mil:  
➤ Approximately \$437,200

**.3105 Mill Increase – What is the Taxpayer Impact?**

\$100,000 Property: \$31.05/Year or \$2.59/Month

\$200,000 Property: \$62.10/Year or \$5.18/Month

\*Data for taxes provided by Tax Collectors

Historical Information - Act 1 Taxation Index					
Year	Base Index	CMS D Index	Tax Increase	CMSD Mills	Max Allowed Increase
91-92	n/a	n/a	8 Mills	83.0000	No Limit
92-93	n/a	n/a	<b>0 Mills</b>	83.0000 <small>*rebate offered</small>	No Limit
93-94	n/a	n/a	4 Mills	83.0000	No Limit
94-95	n/a	n/a	1.9 Mills	84.9000	No Limit
95-96	n/a	n/a	0 Mills	84.9000	No Limit
96-97	n/a	n/a	0 Mills	84.9000	No Limit
97-98	n/a	n/a	<b>-1.9 Mills</b>	83.0000	No Limit
98-99	n/a	n/a	0 Mills	83.0000	No Limit
99-00	n/a	n/a	0 Mills	83.0000	No Limit
00-01	n/a	n/a	0 Mills	83.0000	No Limit
01-02	n/a	n/a	0 Mills	83.0000	No Limit
02-03	n/a	n/a	0 Mills	83.0000	No Limit
03-04	n/a	n/a	6 Mills	89.0000	No Limit
04-05	n/a	n/a	0 Mills	89.0000	No Limit
05-06	n/a	n/a	0 Mills	89.0000	No Limit
06-07	3.9%	4.7%	3 Mills	92.0000	Allowed 4.1
07-08	3.4%	4.1%	2.5 Mills	94.5000	Allowed 3.70
08-09	4.4%	5.3%	2.5 Mills	97.0000	Allowed 5.00
09-10	4.1%	5%	4.85 Mills	101.85	Allowed 4.85
10-11	2.9%	3.5%	3.56 Mills	105.41	Allowed 3.56
11-12	1.4%	1.7%	0 Mills	105.41	Allowed 1.80
12-13	1.7%	2.1%	1.59 Mills	107.00	Allowed 2.21
13-14	1.7%	2.1%	0 Mills	107.00	Allowed 2.21
14-15	2.1%	2.5%	1 Mill	108.00	Allowed 2.65
15-16	1.9%	2.3%	0 Mills	108.00	Allowed 2.4840
16-17	2.4%	2.9%	2 Mills	110.00	Allowed 3.132
17-18	2.5%	2.9%	.2 Mills	11.0900	Allowed .3157
<i>17-18 Washington County reassessment implemented</i>					
18-19	<b>2.4%</b>	<b>2.8%</b>	<b>.3105 mills</b>	<b>11.4005</b>	<b>Allowed .3105</b>

# Canon-McMillan School District



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### The Big Picture at a Glance

*How do our taxes compare to other School Districts?*

Washington County Millage Ranking

Rank Highest to Lowest	School District	2017-2018* Real Estate Mills CMSD 11 <sup>th</sup>	2016-2017 Real Estate Mills CMSD 13 <sup>th</sup>	2015-2016 Real Estate Mills CMSD 14 <sup>th</sup>	2014-2015 Real Estate Mills CMSD 11 <sup>th</sup>	2013-2014 Real Estate Mills CMSD 10 <sup>th</sup>	2012-2013 Real Estate Mills CMSD 10 <sup>th</sup>	2011-2012 Real Estate Mills CMSD 9 <sup>th</sup>	2010-2011 Real Estate Mills CMSD 9 <sup>th</sup>
1	Burgettstown	.011368	132.0000	128.0000	122.0000	119.0000	117.0000	117.0000	117.0000
2	Charleroi Area	.0158306	143.0000	136.0000	133.0000	130.0000	130.0000	127.0000	125.0000
3	Bentworth	.01562	126.0000	123.0000	122.0000	120.0000	120.0000	118.5000	118.5000
4	Washington Area	.0151578	135.0000	133.0000	133.0000	133.0000	127.0000	127.0000	127.0000
5	Ringgold	.0137205	127.0000	125.0000	123.0000	120.0000	120.0000	120.0000	120.0000
6	Trinity	.01360	121.8000	113.0000	107.7000	105.0000	103.0000	102.0000	102.0000
7	Peters Township	.013190	113.4000	110.7500	107.1420	102.0000	100.3000	96.5100	95.2000
8	Chartiers – Houston	.0119855	125.0000	122.0125	119.5125	110.5000	108.5000	106.5000	105.3000
9	McGuffey	.01191	130.0000	126.1500	123.2000	120.0000	117.3000	117.3000	115.0000
10	Fort Cherry	.0117648	130.5000	126.5875	123.5000	121.0000	118.5000	117.3300	114.0000
11	<b>Canon-McMillan</b>	.011090	110.0000	108.0000	108.0000	107.0000	107.0000	105.4100	105.4100
12	Brownsville	.010448	108.1000	108.5000	98.2700	91.1230	91.1000	91.0700	91.1000
13	California Area	.01042	104.5000	95.5000	93.0000	91.0700	99.1100	93.2100	72.1000
14	Avella	.010361	124.0000	123.0000	123.0000	120.8800	120.9000	120.8800	119.0000
15	Beth - Center	.009696	113.6000	110.6400	108.6400	106.6400	105.6000	103.0000	103.0000

\*2017-2018 – County wide re-assessment took place



### The Big Picture at a Glance

#### Why do we see growth in new housing developments but my taxes keep going up?

The district is in a fortunate position that we are growing. This is a good thing because it increases tax revenues! But with growth comes added expenditures. Much of the residential growth yields additional children joining the district, so while there are additional revenues from the additional children it affects class sizes as well as all other academic, activity, transportation and athletic expenses.

#### What is an Unfunded Mandate? How does it affect the budget?

State and federal legislators have passed many laws requiring schools to do many good educational things—BUT they have not provided the funding to support them. Districts are required to build these items into their General Fund Budgets.

These mandates include things like...

- ✓ Requiring all buses to have stop sign arms on them that come out as a bus slows to a stop
- ✓ Providing programs for students with special learning needs
- ✓ Providing funding for district students to attend cyber & charter schools
- ✓ Graduation Exams
- ✓ Healthcare Requirements
- ✓ Mandated Pension Contributions (PSERS)
- ✓ Prevailing Wage
- ✓ English as a Second Language Program (ESL)

#### Why is fund balance important?

Understanding taxation limits and the maintenance of a fund balance is of paramount significance to the fiscal health of the school district. Credible professional organizations, including the Government Financial Officers' Association, the Association of School Business Officials International and Local Auditors recommend that fund balance levels be maintained between 5% and 8% of budgeted expenditures. (For example, a budget of \$60 million should be supported by a fund balance between \$3 million and \$6 million. Here are just a few advantages to having a healthy fund balance).

- ✓ Provides a contingency for emergency expenditures without borrowing
- ✓ Provides adequate balances to cover temporary cash flow shortfalls
- ✓ Provides a resource for unfunded state mandates, spikes in current obligations outside of the district's control (for example projected PSERS rate increases, decreased state funding).



✓ Allows the district to contribute to construction costs, minimizing tax impact  
Positions the district for favorable bond ratings and offsets construction costs as was demonstrated with the Muse and High School/Stadium Projects' borrowing.

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#### Long Range Planning and Unexpected Circumstances

##### PHASE 1: 2014-2015: **COMPLETED**

- Micro Redistricting to curb large class sizes and capacity issues.
  - Send % of Muse to Cecil Elementary
  - Send % of Cecil Elementary to Hills
  - Send % of Borland Manor to South Central
- Land acquisition for future Middle School
- Land acquisition around the South Central Elementary Site for future TBD use

##### PHASE 2: 2015-2016: **COMPLETED**

- Stadium - New Turf and Resurface Track
- Start construction of new K-4 (Muse)
- Support Facility – Roof and Masonry Work

##### PHASES 3 and 4: 2015-2018

- New Muse Elementary –**COMPLETED** (Capacity 800)
  - Able to fund with \$4M of our saved money
  - School Street - Currently being fund with residual construction funds
  - Closed Muse, Cecil Elementary and First Street
- **IN PROCESS**
  - Renovate the High School
  - Stadium Project: locker rooms and visitor side bleachers

##### PHASE 5: (*Starting Soon*)

- Demographer Updating Demographics Fall 2017 – **Completed Spring of 2018**
- New Middle School (Capacity 900-1000)
  - Approximate Minimum Cost: \$60M (District plans to contribute \$10-12M)
  - Debt Service Needed: Per Financial Advisor (JW 6/1/17): \$2.8-3.1M
  - Legislation in place to extend dates for Plan Con eligibility from 2019 until 2021

##### PHASE 6-8: TBD

- Start construction of new K-4 at the Wylandville site (Capacity 700-800)
- Complete construction of new K-4 at the Wylandville site
- Renovate Hills (Capacity of 400-600)
- Close Wylandville and Borland Manor

\*Upon completion of elementary project the district would implement Full Day Kindergarten and other programming enhancements to further address academic needs which would have staffing and other impacts.

\*Borrowing capacity may prohibit the completion of the plan unless saved money is used to offset costs. The district retains the ability to make additional debt payments.



## The Big Picture at a Glance

### Other On-Going Concerns:

- PSERS Funding – In the short term, rates are anticipated to continue to increase
- PlanCon
  - Plancon advisory committee released recommendations in June 2018 to streamline the reimbursement process, however no new money has been added to the state budget since 2015.
  - Thus, it is anticipated that another moratorium will be in place for 2018-2019.
- State Funding
  - Transportation reductions
  - Property Tax Reform
  - Future funding levels and funding the formula
- Federal Funds
  - Federal funding has continued to decrease
  - Federal aid for Access funds reimbursement has also decreased
- Health Care Costs
- Charter School Tuition Rates