



WAYNESBORO AREA SCHOOL DISTRICT

The Funding Story since 2009-10

\$26,280,990

State funding in 2018-19

\$19,240,257

State funding in 2009-10

\$ 7,040,733

Additional funding over 10 years

(\$ 790,244)

Pre-K Counts Funding

(\$ 2,748,002)

District Cost of Pension Increase

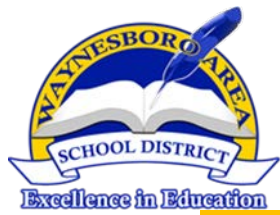
(\$ 1,425,947)

Additional Cyber Charter Costs

\$ 2,076,540

Net Additional State Funds Available for Programs since 2009-10

Average Daily Membership Increased by 205



WAYNESBORO AREA SCHOOL DISTRICT

2019-20 Fiscal Year

With the Governor's mandated closure of schools, why are we not saving money?

Act 13 of 2020 (Pennsylvania law) mandated payment of all school employees and coaches for their regular pay for the 2019-20 school year

WASD also has to continue paying all cyber charter costs, special education programs and building renovation bond payments

Food Services is currently losing approximately \$40,000 per week in revenue, but is mandated to pay all staff & benefits

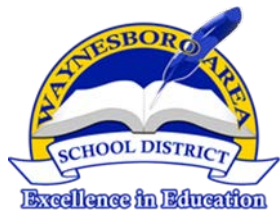
We also anticipate reductions in our 2019-20 revenues, such as real estate transfer taxes, earned income taxes, etc.

Act 13 of 2020 requires WASD to continue paying over \$8.0 million to the pension system for 2019-20

Pennsylvania also encourages the District to re-open transportation contracts and pay a portion of those contracts

To ensure enrichment and instruction, WASD has incurred expenditures for software & technology that were not budgeted

Our District is making every effort to save money by reducing utilities, implementing a hiring freeze and reviewing all educational purchases



WAYNESBORO AREA SCHOOL DISTRICT
2020-21 Preliminary General Fund Budget
UNFUNDED MANDATES BY PENNSYLVANIA

Did you know that Pennsylvania mandates Waynesboro do the following?

Pay \$8.5 million towards the pension system for 2020-21 – 13% of the budget

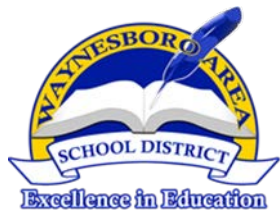
Provide free transportation to non-public schools in Maryland & Pennsylvania

Pay for students placed in outside placements such as youth detention facilities across PA

Pay \$2.0 million to cyber charter schools (these are the schools that advertise “free” classes)

Pay prevailing wage scale for all construction projects greater than \$25,000

Pay all additional costs for Special Education without additional funding – current gap = \$4+ million



WAYNESBORO AREA SCHOOL DISTRICT

2020-21 Preliminary General Fund Budget

How did the Preliminary budget change from a (\$400,000) deficit to a (\$3,000,000) deficit?

Prior to the pandemic, the District's preliminary budget had a (\$400,000) deficit

That budget was based on a 3.35 mill tax increase and the Governor's proposed budget for 20-21

The budget was also based on increases to earned income, real estate transfer and other revenues

The PA legislature discussed the potential of prohibiting tax increases for 2020-21, so the tax increase was removed

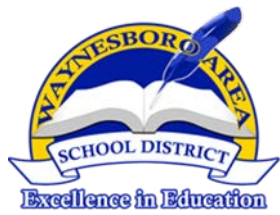
The additional revenue from the state is now in jeopardy and has been removed

Then the economy changed significantly due to the shutdown of businesses across Pennsylvania

Other local revenue streams decreased as well (EIT, LST, RE transfer, Collections rate, etc.)

Yet the state did not reduce WASD's pension costs, cyber charter or other mandatory expenses, in fact, those costs are even higher in 20-21

The result = The deficit increased due to revenue reductions while mandatory costs increased



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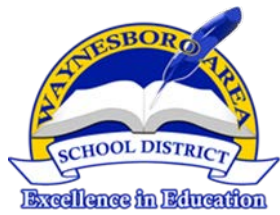
What mandatory major expenses are increasing for 2020-21?

\$764,000 in salaries, pension & social security to meet contractual obligations

\$600,000 in new Cyber Charter Tuition Costs

\$457,000 in Professional Services to provide Special Education

\$247,000 in capital bond debt, lease & interest payments



WAYNESBORO AREA SCHOOL DISTRICT 2020-21 Preliminary General Fund Budget

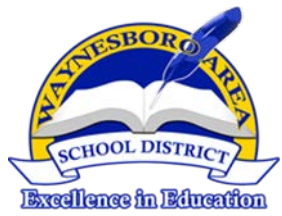
What major revenues are decreasing for 2020-21?

**(\$370,000) PA State Funding
from the initial 2020-21 budget**

**(\$500,000) potential decrease
in Earned Income Tax Revenue**

**Reductions to revenues for
Occupation Tax, Local Service
Tax & Real Estate Transfer Tax**

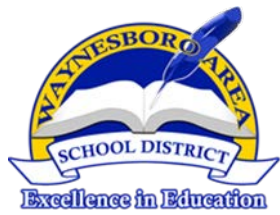
**Each 1% decline in Real Estate
Collection's rate lowers
revenues by (\$254,000)**



**WAYNESBORO AREA SCHOOL DISTRICT
2020-21 Preliminary General Fund Budget**

Current Budget Position

**Current Deficit is \$1.1 million with implementation of
Phase 1 & 2**



WAYNESBORO AREA SCHOOL DISTRICT

Life Skills House Summary – *Cost to WASD = \$0.00*

\$201,000 donations project-to-date – *cash in hand*

Pledges of \$50,000+ in addition to the cash in hand

Significant Repair & Renovation Services provided for FREE by Community Contractors & Vendors

\$141,308 funds expended project-to-date from donations

Project Management being provided free by local Community Leaders