

2021-2022
BUDGET
WORKSHOP

READING

SCHOOL DISTRICT

MAY 19, 2021

FINANCIAL/OPERATIONAL EFFECTIVENESS GOAL

We fund and support a quality education and fair employment practices, while ensuring the long-term sustainability of the district. We produce a balanced budget with accurate and timely reporting to our varied agencies. We provide leadership, in our areas of expertise to other departments.



**2021-2022 State Budget &
Funding Formulas**



**Areas
of Focus**



ESSER Funds



Impact on Reading School District



2021-2022 RSD Budget



Next Steps & Questions

2021-2022
**BUDGET
WORKSHOP**

EXECUTIVE SUMMARY

- PROPOSED BUDGET TOTALING \$349,958,437
 - OVERVIEW OF BASIC EDUCATION, SPECIAL EDUCATION AND CARES ACT FUNDING FORMULA
 - NO INCREASE IN PROPOSED STATE BASIC EDUCATION FUNDING
 - NO INCREASE IN PROPOSED STATE SPECIAL EDUCATION FUNDING
 - NEW ONE-TIME ESSER II FUNDING OF \$51,696,144 (AVAILABLE THROUGH 9/2023)
 - NEW ONE-TIME ARP ESSER III FUNDING OF \$104,554,555 (AVAILABLE THROUGH 9/2024)
 - ACCOUNT FOR ALL WAGE INCREASES PER CURRENT CBAS AND OPEN POSITIONS
 - 1.5% INCREASE IN DISCRETIONARY SPENDING TO ACCOUNT FOR INFLATION
-
- SUBJECT TO CHANGE AS MORE INFORMATION IS AVAILABLE

2021-2022
BUDGET
WORKSHOP

2021-2022

State Budget

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PROPOSED STATE BUDGET

- \$37.8 BILLION SPEND FOR 2021-2022
- PROPOSED EDUCATION BUDGET OF \$16.5 BILLION – PRE-K to 12
 - \$1.3 BILLION INCREASE FOR BEF – ALL RUN THROUGH THE FORMULA
 - \$200 MILLION INCREASE FOR SEF - \$187 MILLION IN FORMULA
 - \$41 MILLION FOR PRE-K COUNTS, HEAD START & EARLY INTERVENTION
 - \$190 MILLION INCREASE FOR PLANCON
 - \$16 MILLION INCREASE TO PUPIL TRANSPORTATION
 - \$32 MILLION INCREASE IN PSERS

PROGRAM BUDGET HIGHLIGHTS

- CHARTER SCHOOL REFORM POLICY
 - \$99 MILLION SAVINGS – APPLY ACT 16 SPECIAL EDUCATION CATEGORIES TO CHARTER SCHOOL STUDENTS/TUITION
 - \$130 MILLION SAVINGS – \$9,500 STATEWIDE CYBER CHARTER TUITION RATE (CURRENT RANGE IS \$9,170 TO \$22,300 – RSD IS BELOW \$9,500)
- CALLS FOR AN INCREASE TO THE MINIMUM TEACHER SALARY TO BE \$45,000
- INCREASE THE MINIMUM WAGE TO \$12 PER HOUR ON JULY 1, 2021 – WITH ANNUAL INCREASES TO \$15 PER HOUR BY JULY 1, 2027.
- RACP - \$1 BILLION EXPANSION IN FOR LEAD/ASBESTOS ABATEMENT
 - REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM ESTABLISHED IN 1986 FUNDED THROUGH STATE GO BONDS

2021-2022
BUDGET
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PDE Basic Education Funding

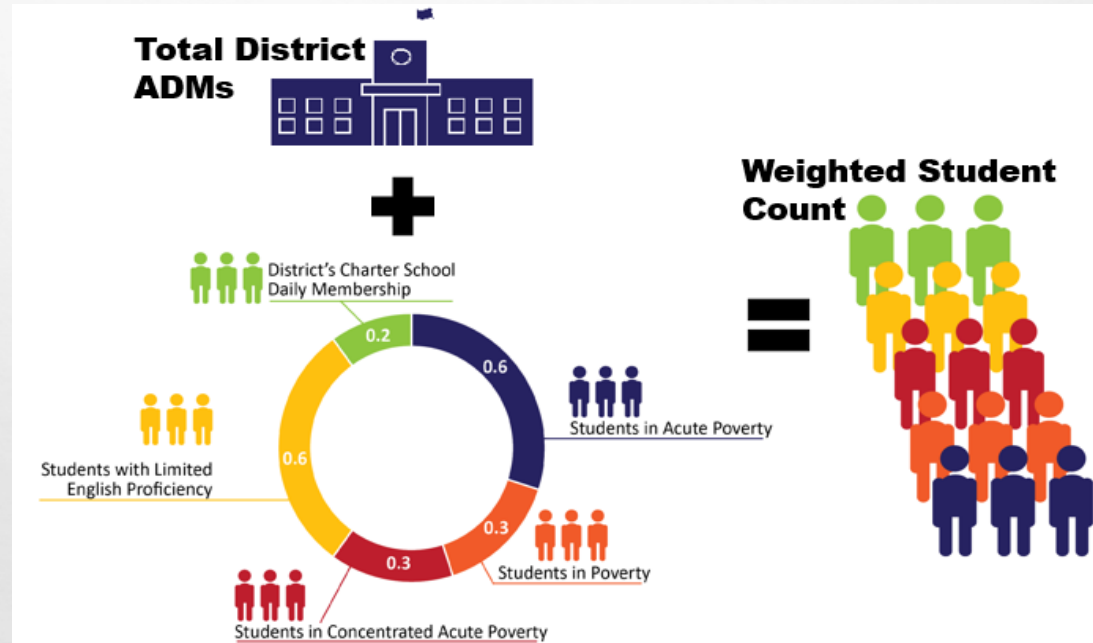
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BASIC EDUCATION FUNDING FORMULA

- FORMULA IS DESIGNED TO DIRECT RESOURCES TO DISTRICTS THAT NEED THEM THE MOST (GROWING DISTRICTS, HIGH POVERTY, HIGH ELL, HIGH CHARTER SCHOOL COSTS)
- OTHER FACTORS ARE DESIGNED TO ADDRESS DISTRICT GEOGRAPHIC AND FISCAL CAPACITY ISSUES
- FORMULA IS DYNAMIC AND DISTRIBUTION WILL RESPOND TO CHANGING DISTRICT DEMOGRAPHICS (NEW FUNDS ARE REDISTRIBUTED THROUGH THE FORMULA EACH YEAR)
- CHILD ACCOUNTING REPORTS NOW DRIVE REVENUE

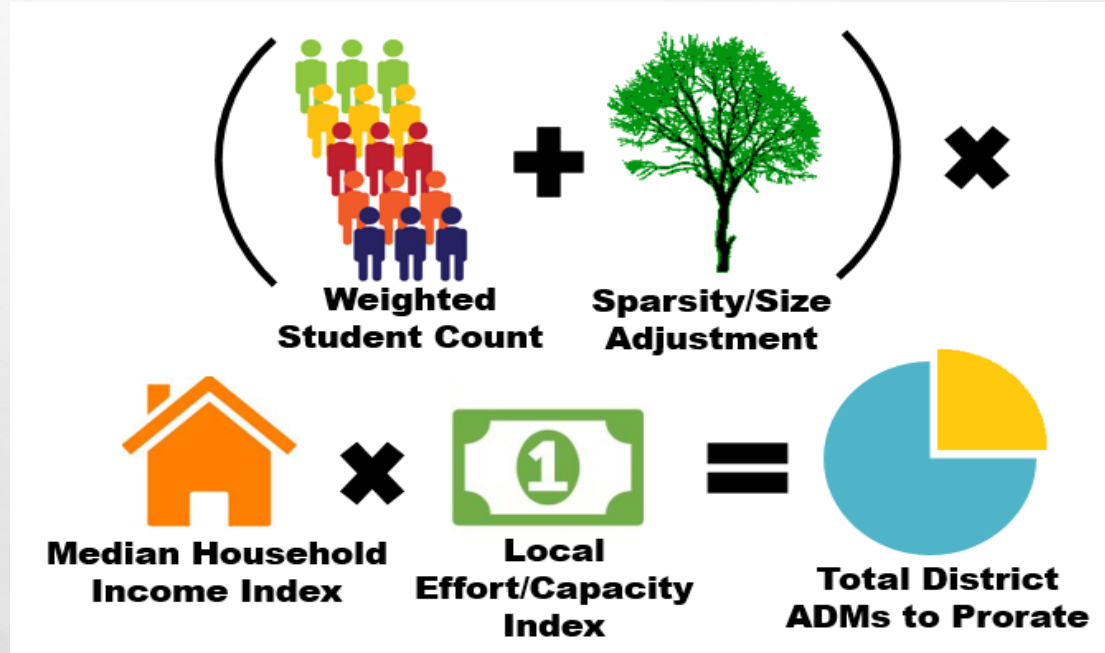
FORMULA COMPONENTS

- BEF FORMULA: PART 1
- DISTRICT ADM – 3 YEAR AVERAGE – 2016-2017 TO 2018-2019
- 2019 ACUTE ACS POVERTY – STUDENTS LIVING BELOW THE POVERTY LINE
- 2019 ACS CONCENTRATED POVERTY – APPLIES WHEN >30% OF STUDENTS ARE IN ACUTE POVERTY
- 2019 ACS MODERATE POVERTY – STUDENTS LIVING BETWEEN 100% AND 185% OF POVERTY
- 2018-2019 LIMITED ENGLISH PROFICIENCY AND CHARTER SCHOOL ADM

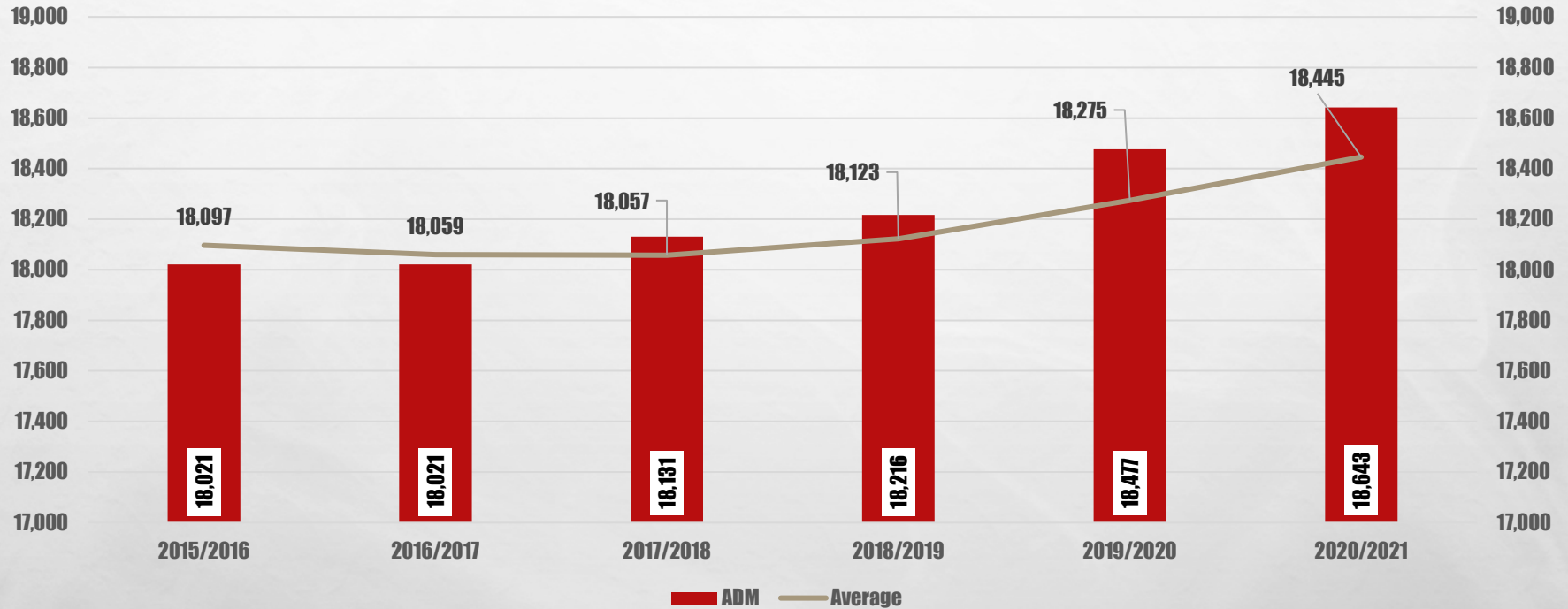


FORMULA COMPONENTS

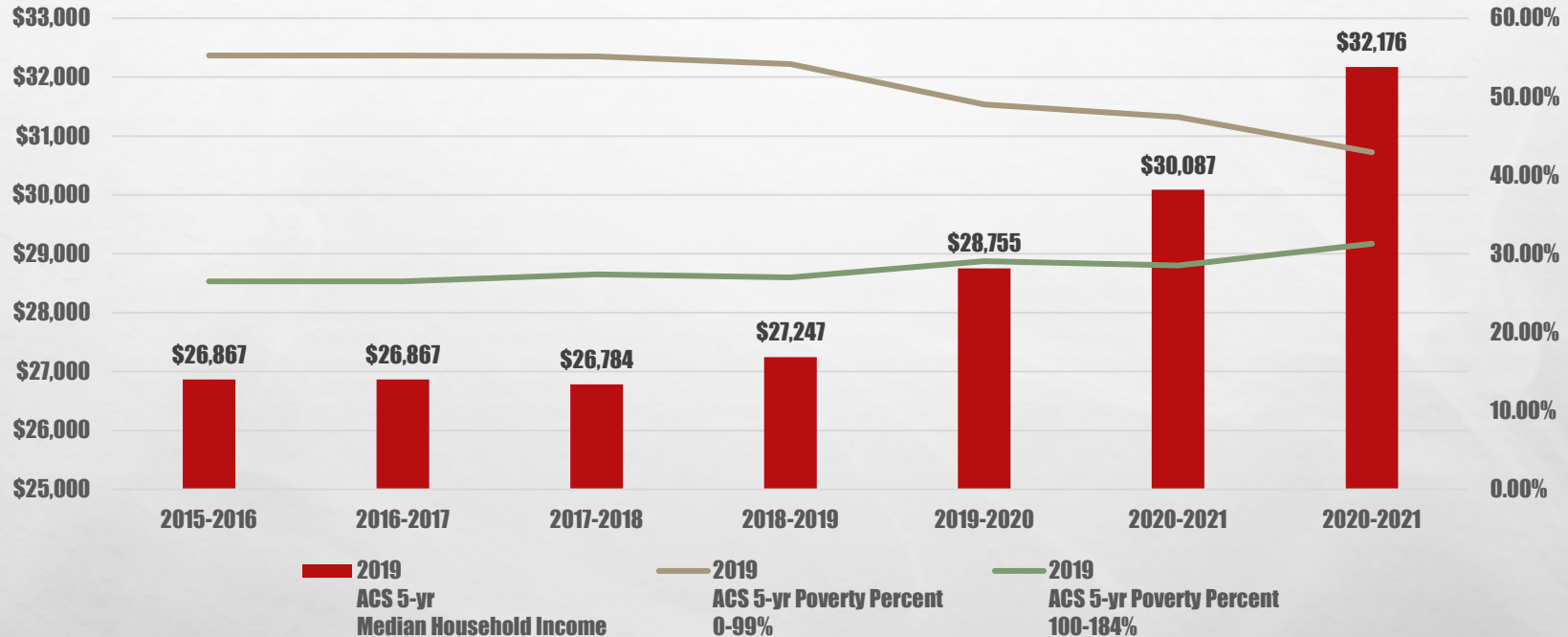
- BEF FORMULA: PART 2
- MEDIUM HOUSEHOLD INCOME USES 2019 CENSUS DATA TO COMPARE LCOAL MEDIAN HOUSEHOLD INCOME TO STATE MEDIAN HOUSEHOLD DATA
- LOCAL EFFORT – USES TOTAL TAX RELATED REVENUE, MHI AND NUMBER OF HOUSEHOLD, COMPARED TO STATE MEDIAN – ADJUSTMENTS ARE MADE BASED ON SCHOOL DISTRICT'S CURRENT EXPENDITURES/ADM
- LOCAL EFFORT – MEASURES A DISTRICT'S ABILITY TO GENERATE LOCAL TAX-RELATED REVENUE PER STUDENT – PROVIDED ADJUSTMENT ONLY IF A DISTRICT LOCAL CAPACITY PER STUDENT IS LESS THAT THE STATE MEDIAN



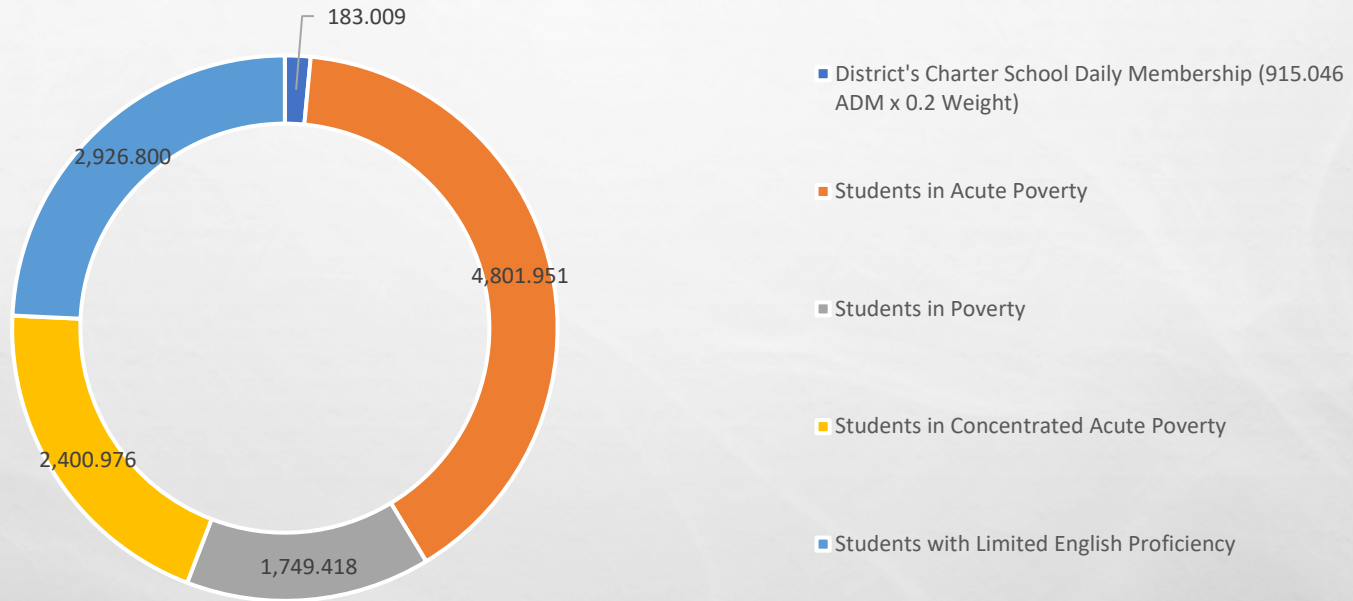
ADM & 3-YEAR AVERAGE ADM (PDE DID NOT UPDATE INFO)



ACS MEDIAN HOUSEHOLD INCOME & POVERTY PERCENTAGES



ADDITIONAL BEF ADMS (ONLY POVERTY DATA WAS UPDATED)



	ADJUSTED ADM	BEF 3-yr avg ADM	Student- weighted ADM ADD-ON w/ SS Adj	Total Student- Weighted ADM
2015-2016	18,020.654	18,096.506	12,570.632	30,667.138
2016-2017	18,020.654	18,095.341	12,735.032	30,830.373
2017-2018	18,130.615	18,095.273	13,066.908	31,162.181
2018-2019	18,216.438	18,119.848	13,194.788	31,314.636
2019-2020	18,482.261	18,274.806	12,947.906	31,222.712
2020-2021	18,482.261	18,274.806	12,947.906	31,222.712
2021-2022	18,642.563	18,445.264	12,062.154	30,507.418

WEIGHTED STUDENT COUNT

- RSD ADJUSTED ADM INCREASED BY 621.909 ADMS OR 3.5% FROM 2013-2014 TO 2018-2019 (PDE DID NOT UPDATE ADMS)
- BEF FUNDING STUDENT-WEIGHTED ADM DECREASED BY (159.720) OR (0.5)% FROM 2013-2014 TO 2018-2019 (SIGNIFICANTLY IMPACTED BY NOT UPDATING ADJUSTED ADMS)

RSD BASIC EDUCATION FUNDING ALLOCATION

	Total Estimated Weighted Poverty ADM	Estimated CS Weight @ 0.2	Estimated ELL Weight @ 0.6	BEF 3-YR AVG ADM	Total Student- Weighted ADM	2019 Median Household Income Index	Local Effort Capacity Index	Total Student- Weighted ADM * MHII * LEI	RSD Allocation Percentage
2015-2016	10,397.197	211.435	1,962.000	18,096.506	30,667.138	1.9770	1.8400	111,557.235	3.82%
2016-2017	10,397.197	211.435	2,126.400	18,095.341	30,830.373	1.9770	1.8400	112,151.031	3.84%
2017-2018	10,489.467	197.841	2,379.600	18,095.273	31,162.181	2.0012	1.8300	114,122.015	3.83%
2018-2019	10,357.138	179.650	2,658.000	18,119.848	31,314.636	2.0147	1.9100	120,501.131	4.09%
2019-2020	9,766.396	188.710	2,992.800	18,274.806	31,222.712	1.9806	1.8700	115,640.245	3.92%
2020-2021	9,766.396	188.710	2,992.800	18,274.806	31,222.712	1.9806	1.8700	115,640.245	3.92%
2021-2022	8,952.345	183.009	2,926.800	18,445.264	30,507.418	1.9189	1.8000	105,373.232	3.71%

PROPOSED BASIC EDUCATION FUNDING (DEAD ON ARRIVAL)

- STEP 1: RAISE ADDITIONAL REVENUE
 - REQUIRES THE COMMONWEALTH TO INCREASE PERSONAL INCOME TAX RATE TO 4.49% FROM 3.07%, WHICH IS A 46.25% INCREASE!
 - SIGNIFICANT PIT EXCLUSIONS/REDUCTION BASED ON INCOME
 - ESTIMATED 67% OF PENNSYLVANIANS WILL SEE DECREASE OR NO CHANGE

PROPOSED BASIC EDUCATION FUNDING (DEAD ON ARRIVAL)

- STEP 2: RUN ALL THE MONEY THROUGH THE BEF FORMULA
 - REDISTRIBUTE ALL \$6.25 BILLION IN BEF THROUGH FORMULA
 - REALLOCATES \$1.15B TO 164 LOWEST FUNDED DISTRICTS, CAUSING SOME DISTRICTS TO LOSE FUNDING COMPARED TO 2019/2020.
- STEP 3: MAKE LOSERS WHOLE WITH NEW REVENUE
 - USE \$1.15B OF NEW PIT REVENUE TO LEVEL-FUND DISTRICTS THAT LOST MONEY BY RUNNING ALL FUNDS THROUGH THE FORMULA

PROPOSED BASIC EDUCATION FUNDING (DEAD ON ARRIVAL)

- STEP 4: ADD AN ADDITIONAL \$200 MILLION ALLOCATED TO ALL 500 DISTRICTS USING THE BEF FORMULA
 - BASED ON NEW DATA – 2019 ACS HOUSEHOLD AND POVERTY DATA, 2019/2020 ADM & ANNUAL FINANCIAL REPORT
 - EVERY SCHOOL DISTRICT WILL RECEIVE AN INCREASE FROM 2019/2020 RANGING FROM \$24,000 TO \$43 MILLION

PROPOSED BASIC EDUCATION FUNDING IMPACT ON READING SCHOOL DISTRICT

Reading School District

Current Year BEF:	145,029,578.71
Full Formula Distribution:	232,267,693.00
Full Formula Shortfall:	-
New Additional BEF:	7,426,531.00
Total 2021-2022 BEF:	239,694,224.00
Increase:	94,664,645.29
Percent Increase:	65.27%

PROPOSED BASIC EDUCATION FUNDING IMPACT ON BERKS COUNTY SCHOOLS

School District	County	2021-22 Proposed Total BEF Feb 2021	2021-22 Proposed Student-Weighted Distribution of Existing Funds	2021-22 Proposed Fair Funding Formula Initiative ⁽¹⁾	2021-22 Proposed Student-Weighted Distribution of New Funds	2019-20 Final BEF May 2020 ⁽²⁾	Dollar Change over 2019-20	Percent Change over 2019-20
Antietam SD	Berks	\$5,512,366	\$5,341,574	\$0	\$170,792	\$3,881,727.19	\$1,630,639	42.01%
Boyertown Area SD	Berks	\$15,710,919	\$12,014,127	\$3,312,652	\$384,140	\$15,326,778.80	\$384,140	2.51%
Brandywine Heights Area SD	Berks	\$4,346,686	\$3,459,106	\$776,978	\$110,602	\$4,236,084.38	\$110,602	2.61%
Conrad Weiser Area SD	Berks	\$6,701,924	\$5,863,619	\$650,821	\$187,483	\$6,514,440.43	\$187,484	2.88%
Daniel Boone Area SD	Berks	\$8,896,547	\$5,438,047	\$3,284,624	\$173,876	\$8,722,671.29	\$173,876	1.99%
Exeter Township SD	Berks	\$9,236,988	\$8,172,352	\$803,333	\$261,303	\$8,975,684.82	\$261,303	2.91%
Fleetwood Area SD	Berks	\$6,373,603	\$4,870,665	\$1,347,203	\$155,735	\$6,217,868.12	\$155,735	2.50%
Governor Mifflin SD	Berks	\$9,938,525	\$9,630,596	\$0	\$307,929	\$6,606,639.48	\$3,331,886	50.43%
Hamburg Area SD	Berks	\$7,199,872	\$5,821,283	\$1,192,460	\$186,130	\$7,013,742.41	\$186,130	2.65%
Kutztown Area SD	Berks	\$3,628,649	\$3,163,027	\$364,488	\$101,135	\$3,527,514.13	\$101,135	2.87%
Muhlenberg SD	Berks	\$15,434,019	\$14,955,822	\$0	\$478,198	\$6,012,959.12	\$9,421,060	156.68%
Oley Valley SD	Berks	\$4,136,854	\$2,887,592	\$1,156,935	\$92,328	\$4,044,526.48	\$92,328	2.28%
Reading SD	Berks	\$239,694,224	\$232,267,693	\$0	\$7,426,531	\$145,029,578.71	\$94,664,645	65.27%
Schuylkill Valley SD	Berks	\$5,627,774	\$5,453,406	\$0	\$174,367	\$2,990,691.20	\$2,637,083	88.18%
Tulpehocken Area SD	Berks	\$4,397,759	\$3,849,098	\$425,590	\$123,071	\$4,274,688.12	\$123,071	2.88%
Twin Valley SD	Berks	\$8,140,555	\$7,888,333	\$0	\$252,222	\$5,624,544.99	\$2,516,010	44.73%
Wilson SD	Berks	\$16,861,588	\$16,339,160	\$0	\$522,429	\$8,682,736.95	\$8,178,851	94.20%
Wyomissing Area SD	Berks	\$6,394,360	\$6,196,241	\$0	\$198,119	\$1,847,750.05	\$4,546,610	246.06%
		\$378,233,212	\$353,611,741	\$13,315,084	\$11,306,388	\$249,530,627	\$128,702,588	51.58%

REALISTIC BASIC EDUCATION FUNDING

- MORE REALISTIC PROPOSALS MAKING TRACTION
 - \$300 MILLION ADDED TO THE FORMULA WITH A TWO-YEAR BUDGET
 - \$100 MILLION ADDED TO THE FORMULA WITH A ONE-YEAR BUDGET
 - ADDITIONAL FUNDS TO RSD IS APPROXIMATELY \$3.7-\$3.9 MILLION
 - LEVEL-UP CAMPAIGN – ALLOCATES FUNDS TO THE 100 MOST UNDERFUNDED SCHOOL DISTRICTS
 - HB 1167, SPONSORED BY REPRESENTATIVE MICHAEL SCHLOSSBERG (D – ALLENTOWN)
 - BASED ON \$100 MILLION IN FUNDING - ESTIMATED ALLOCATION TO RSD IS \$6,594,192

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PDE Special Education Funding

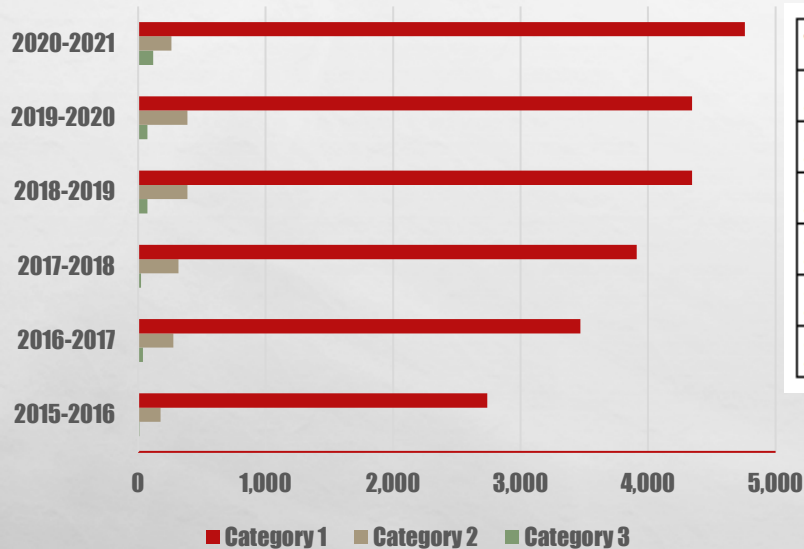
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SPECIAL EDUCATION FUNDING FORMULA

- THE BASIS FOR SPECIAL EDUCATION FUNDING IS THE CATEGORIZATION BY COST OF EDUCATION
 - CATEGORY 1: COSTS RANGE FROM \$0 TO \$25,000
 - CATEGORY 2: COSTS RANGE FROM \$25,000 TO \$50,00
 - CATEGORY 3: COSTS RANGE: COSTS IN EXCESS OF \$50,000
- THE STUDENT COUNT BY CATEGORY IS MULTIPLIED BY A FACTOR
 - CATEGORY 1: STUDENT COUNT MULTIPLIED BY 1.51
 - CATEGORY 2: STUDENT COUNT MULTIPLIED BY 3.77
 - CATEGORY 3: STUDENT COUNT MULTIPLIED BY 7.46
- THE TOTAL WEIGHTED STUDENT COUNT IS MULTIPLIED BY THE DISTRICT'S AID RATIO. FUNDING FORMULA PORTION IS PRORATED USING THE ADJUSTED WEIGHTED STUDENT COUNT.
- GOVERNOR'S PROPOSAL CALLS FOR A \$200 MILLION DOLLAR INCREASE TO SEF WITH \$187 MILLION IN FORMULA

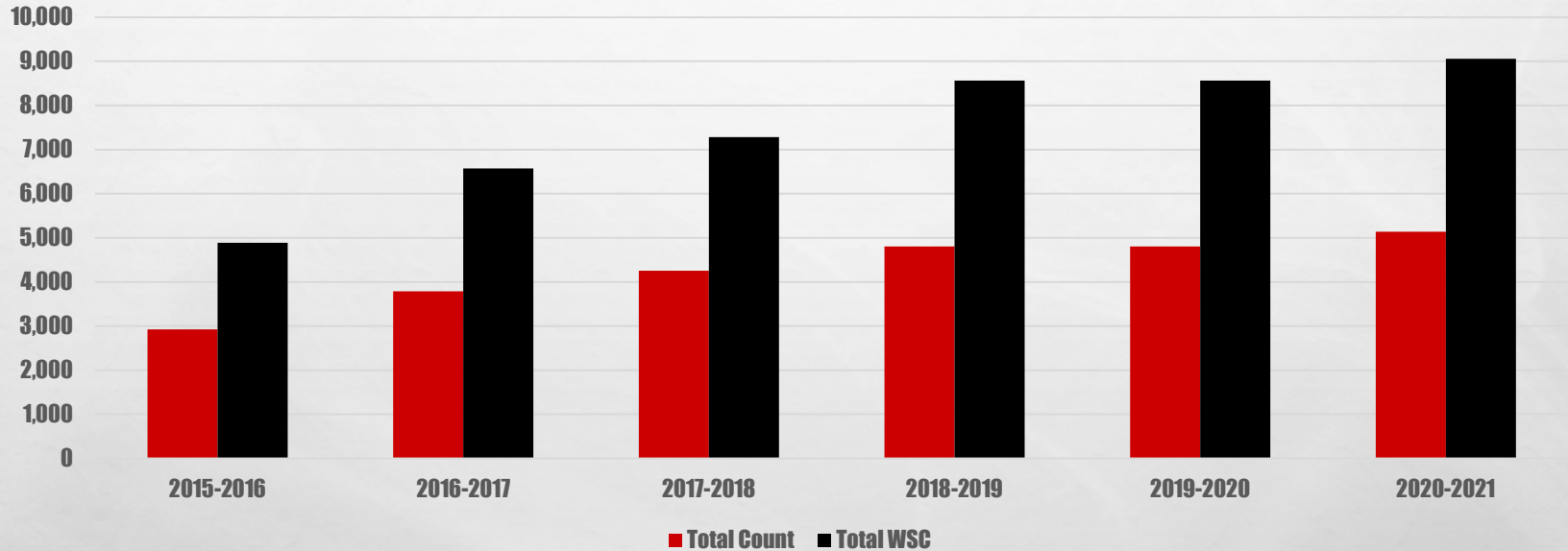
SPECIAL EDUCATION STUDENT COUNT

(COUNTS HAVE NOT BEEN UPDATED BY PDE)



Year	Category 1	Category 2	Category 3	Totals
2015-2016	2,738	176	12	2,926
2016-2017	3,469	277	39	3,785
2017-2018	3,910	318	24	4,252
2018-2019	4,344	388	73	4,805
2019-2020	4,344	388	73	4,805
2020-2021	4,758	263	118	5,139

STUDENT COUNT VS WEIGHTED STUDENT COUNT COMPARISON



RSD SPECIAL EDUCATION FUNDING

	<u>Student Count</u>	<u>Weighted Multiplier</u>	<u>Weighted Count</u>		<u>Funding Allocation</u>
Category 1	4,758	1.51	7,185.000	Adjusted Weighted Student Count	8,068.881
Category 2	263	3.77	992.000	Total Adjusted WSC - Statewide	<u>311,299.71</u>
Category 3	<u>118</u>	7.46	<u>880.000</u>	RSD Allocation	2.59%
Totals	5,139				
Weighted Student Count			9,057.000	Formula Based Allocation	336,599,998
Aid Ratio			0.8909	RSD Allocation	8,724,664
Equalized Mills Multiplier			1.000	RSD Base Allocation	9,265,619
Adjusted Weighted Student Count			8,068.881	Total RSD Allocation	17,990,283

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ESSER Fund Information

CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT (REFERRED TO AS ESSER II)

- ENACTED ON DECEMBER 27, 2020
- THE CRRSA ACT ALLOCATES \$53.4B TO K-12 EDUCATION VIA ESSER (KNOWN AS ESSER II)
- ALLOCATED TO EACH STATE BASED ON TITLE I-A ALLOCATIONS.
 - PENNSYLVANIA ALLOCATION IS \$2.22 BILLION – 100% ALLOCATION TO LEA
 - READING SCHOOL DISTRICT ALLOCATION IS \$54 MILLION
 - EQUITABLE SERVICES DOES NOT APPLY DUE TO DIRECT ALLOCATION TO NON-PUBLIC SCHOOLS

ESSER II FUND USES

ANY ACTIVITY AUTHORIZED BY ESSA, IDEA, ADULT EDUCATION AND FAMILY LITERACY ACT, PERKINS CAREER AND TECHNICAL EDUCATION ACT, OR MCKINNEY-VENTO HOMELESS ASSISTANCE ACT (SUBTITLE B OF TITLE VII ONLY)

1. COORDINATION OF PREPAREDNESS AND RESPONSE EFFORTS RELATED TO CORONAVIRUS
2. PROVIDING PRINCIPALS AND OTHER SCHOOL LEADERS WITH NECESSARY RESOURCES
3. ACTIVITIES (SUCH AS OUTREACH AND SERVICE DELIVERY) TO ADDRESS THE UNIQUE NEEDS OF LOW-INCOME STUDENTS, CHILDREN WITH DISABILITIES, ENGLISH LEARNERS, RACIAL AND ETHNIC MINORITIES, STUDENTS EXPERIENCING HOMELESSNESS, AND FOSTER CARE YOUTH
4. DEVELOPING AND IMPLEMENTING PROCEDURES AND SYSTEMS TO IMPROVE THE PREPAREDNESS AND RESPONSE EFFORTS OF LOCAL EDUCATIONAL AGENCIES

ESSER II FUND USES

5. TRAINING AND PROFESSIONAL DEVELOPMENT FOR STAFF OF THE LOCAL EDUCATIONAL AGENCY ON SANITATION AND MINIMIZING THE SPREAD OF INFECTIOUS DISEASES AND PURCHASING SUPPLIES TO SANITIZE AND CLEAN THE FACILITIES OF A LOCAL EDUCATIONAL AGENCY, INCLUDING BUILDINGS OPERATED BY SUCH AGENCY
6. PLANNING AND COORDINATION FOR LONG-TERM CLOSURES, ESPECIALLY RELATED TO MEALS, TECHNOLOGY, AND IDEA SUPPORT
7. PURCHASING EDUCATIONAL TECHNOLOGY (HARDWARE, SOFTWARE, AND CONNECTIVITY)
8. PROVIDING MENTAL HEALTH SERVICES AND SUPPORTS
9. PLANNING AND IMPLEMENTING ACTIVITIES RELATED TO SUMMER LEARNING AND AFTER SCHOOL PROGRAMS
10. OTHER ACTIVITIES THAT ARE NECESSARY TO MAINTAIN THE OPERATION AND CONTINUITY OF SERVICES

ADDITIONAL ESSER II FUND USES

- CONDUCT SCHOOL FACILITY REPAIRS AND IMPROVEMENTS TO ENABLE OPERATION OF SCHOOLS TO REDUCE RISK OF VIRUS TRANSMISSION AND EXPOSURE TO ENVIRONMENTAL HEALTH HAZARDS, AND TO SUPPORT STUDENT HEALTH NEEDS.
- ENGAGE IN INSPECTION, TESTING, MAINTENANCE, REPAIR, REPLACEMENT, AND UPGRADE PROJECTS TO IMPROVE THE INDOOR AIR QUALITY IN SCHOOL FACILITIES, INCLUDING MECHANICAL AND NON-MECHANICAL HEATING, VENTILATION, AND AIR CONDITIONING SYSTEMS, FILTERING, PURIFICATION AND OTHER AIR CLEANING, FANS, CONTROL SYSTEMS, AND WINDOW AND DOOR REPAIR AND REPLACEMENT.
- ADDRESS LEARNING LOSS AMONG STUDENTS BY ADMINISTERING AND USING HIGH QUALITY ASSESSMENTS TO ACCURATELY ASSESS STUDENTS' ACADEMIC PROGRESS AND ASSIST EDUCATORS IN MEETING STUDENTS' ACADEMIC NEEDS, IMPLEMENTING EVIDENCE-BASED ACTIVITIES TO MEET THE COMPREHENSIVE NEEDS OF STUDENTS, PROVIDING INFORMATION AND ASSISTANCE TO PARENTS AND FAMILIES ON HOW THEY CAN EFFECTIVELY SUPPORT STUDENTS AND TRACKING STUDENT ATTENDANCE AND IMPROVING STUDENT ENGAGEMENT IN DISTANCE EDUCATION.
- OTHER ACTIVITIES THAT ARE NECESSARY TO MAINTAIN THE OPERATION OF AND CONTINUITY OF SERVICES IN LOCAL EDUCATIONAL AGENCIES AND CONTINUING TO EMPLOY EXISTING STAFF OF THE LOCAL EDUCATIONAL AGENCY

AMERICAN RESCUE PLAN ACT OF 2021

(REFERRED TO AS ARP ESSER OR ESSER III)

- SIGNED INTO LAW ON MARCH 11, 2021
- THE ACT ALLOCATES FUNDS TO EDUCATION AS FOLLOWS:
 - \$122B TO K-12 EDUCATION VIA ESSER
 - \$2.75B TO NON-PUBLIC SCHOOLS
 - \$2.5B TO IDEA SERVICES (NO ADDITIONAL INFORMATION PROVIDED)
 - \$800M TO HOMELESS YOUTH INITIATIVES
- PENNSYLVANIA SHARE IS APPROXIMATELY \$5 BILLION

AMERICAN RESCUE PLAN ACT OF 2021

- ARP ESSER FUNDS ARE DISTRIBUTED TO STATE EDUCATION AGENCIES (SEA)
 - 90% TO LOCAL EDUCATION AGENCIES (LEA)
 - 10% FOR PDE SET ASIDES
 - 5% FOR LEARNING LOSS (SEA)
 - 1% FOR SUMMER ENRICHMENT
 - 1% FOR AFTER SCHOOL PROGRAMS
 - 2.5% FOR STATE ACTIVITIES
 - 0.5% FOR STATE ADMINISTRATION
- ESSER FUNDS ARE ALLOCATED AS FOLLOWS:
 - STATE SHARE: \$500 MILLION
 - LEA SHARE: \$4.5 BILLION
- ALLOCATIONS ARE BASED ON TITLE I-A SHARE AND EQUITABLE SERVICES DO NOT APPLY TO THE FULL AMOUNT

AMERICAN RESCUE PLAN ESSER FUND USES

- (1) SHALL RESERVE NOT LESS THAN 20 PERCENT OF SUCH FUNDS TO ADDRESS LEARNING LOSS THROUGH THE IMPLEMENTATION OF EVIDENCE-BASED INTERVENTIONS, SUCH AS SUMMER LEARNING OR SUMMER ENRICHMENT, EXTENDED DAY, COMPREHENSIVE AFTERSCHOOL PROGRAMS, OR EXTENDED SCHOOL YEAR PROGRAMS, AND ENSURE THAT SUCH INTERVENTIONS RESPOND TO STUDENTS' ACADEMIC, SOCIAL, AND EMOTIONAL NEEDS AND ADDRESS THE DISPROPORTIONATE IMPACT OF THE CORONAVIRUS ON THE STUDENT SUBGROUPS DESCRIBED IN SECTION 1111(B)(2)(B)(XI) OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 ([20 U.S.C. 6311\(B\)\(2\)\(B\)\(XI\)](#)), STUDENTS EXPERIENCING HOMELESSNESS, AND CHILDREN AND YOUTH IN FOSTER CARE; AND

AMERICAN RESCUE PLAN ESSER FUND USES

- (2) SHALL USE THE REMAINING FUNDS FOR ANY OF THE FOLLOWING:
 - (A) ANY ACTIVITY AUTHORIZED BY THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.
 - (B) ANY ACTIVITY AUTHORIZED BY THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.
 - (C) ANY ACTIVITY AUTHORIZED BY THE ADULT EDUCATION AND FAMILY LITERACY ACT.
 - (D) ANY ACTIVITY AUTHORIZED BY THE CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT OF 2006.
 - (E) COORDINATION OF PREPAREDNESS AND RESPONSE EFFORTS OF LOCAL EDUCATIONAL AGENCIES WITH STATE, LOCAL, TRIBAL, AND TERRITORIAL PUBLIC HEALTH DEPARTMENTS, AND OTHER RELEVANT AGENCIES, TO IMPROVE COORDINATED RESPONSES AMONG SUCH ENTITIES TO PREVENT, PREPARE FOR, AND RESPOND TO CORONAVIRUS.

AMERICAN RESCUE PLAN ESSER FUND USES

- (F) ACTIVITIES TO ADDRESS THE UNIQUE NEEDS OF LOW-INCOME CHILDREN OR STUDENTS, CHILDREN WITH DISABILITIES, ENGLISH LEARNERS, RACIAL AND ETHNIC MINORITIES, STUDENTS EXPERIENCING HOMELESSNESS, AND FOSTER CARE YOUTH, INCLUDING HOW OUTREACH AND SERVICE DELIVERY WILL MEET THE NEEDS OF EACH POPULATION.
- (G) DEVELOPING AND IMPLEMENTING PROCEDURES AND SYSTEMS TO IMPROVE THE PREPAREDNESS AND RESPONSE EFFORTS OF LOCAL EDUCATIONAL AGENCIES.
- (H) TRAINING AND PROFESSIONAL DEVELOPMENT FOR STAFF OF THE LOCAL EDUCATIONAL AGENCY ON SANITATION AND MINIMIZING THE SPREAD OF INFECTIOUS DISEASES.
- (I) PURCHASING SUPPLIES TO SANITIZE AND CLEAN THE FACILITIES OF A LOCAL EDUCATIONAL AGENCY, INCLUDING BUILDINGS OPERATED BY SUCH AGENCY.

AMERICAN RESCUE PLAN ESSER FUND USES

- (J) PLANNING FOR, COORDINATING, AND IMPLEMENTING ACTIVITIES DURING LONG-TERM CLOSURES, INCLUDING PROVIDING MEALS TO ELIGIBLE STUDENTS, PROVIDING TECHNOLOGY FOR ONLINE LEARNING TO ALL STUDENTS, PROVIDING GUIDANCE FOR CARRYING OUT REQUIREMENTS UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT AND ENSURING OTHER EDUCATIONAL SERVICES CAN CONTINUE TO BE PROVIDED CONSISTENT WITH ALL FEDERAL, STATE, AND LOCAL REQUIREMENTS.
- (K) PURCHASING EDUCATIONAL TECHNOLOGY (INCLUDING HARDWARE, SOFTWARE, AND CONNECTIVITY) FOR STUDENTS WHO ARE SERVED BY THE LOCAL EDUCATIONAL AGENCY THAT AIDS IN REGULAR AND SUBSTANTIVE EDUCATIONAL INTERACTION BETWEEN STUDENTS AND THEIR CLASSROOM INSTRUCTORS, INCLUDING LOW-INCOME STUDENTS AND CHILDREN WITH DISABILITIES, WHICH MAY INCLUDE ASSISTIVE TECHNOLOGY OR ADAPTIVE EQUIPMENT.
- (L) PROVIDING MENTAL HEALTH SERVICES AND SUPPORTS, INCLUDING THROUGH THE IMPLEMENTATION OF EVIDENCE-BASED FULL-SERVICE COMMUNITY SCHOOLS.

AMERICAN RESCUE PLAN ESSER FUND USES

- (M) PLANNING AND IMPLEMENTING ACTIVITIES RELATED TO SUMMER LEARNING AND SUPPLEMENTAL AFTERSCHOOL PROGRAMS, INCLUDING PROVIDING CLASSROOM INSTRUCTION OR ONLINE LEARNING DURING THE SUMMER MONTHS AND ADDRESSING THE NEEDS OF LOW-INCOME STUDENTS, CHILDREN WITH DISABILITIES, ENGLISH LEARNERS, MIGRANT STUDENTS, STUDENTS EXPERIENCING HOMELESSNESS, AND CHILDREN IN FOSTER CARE.
- (N) ADDRESSING LEARNING LOSS AMONG STUDENTS, INCLUDING LOW-INCOME STUDENTS, CHILDREN WITH DISABILITIES, ENGLISH LEARNERS, RACIAL AND ETHNIC MINORITIES, STUDENTS EXPERIENCING HOMELESSNESS, AND CHILDREN AND YOUTH IN FOSTER CARE, OF THE LOCAL EDUCATIONAL AGENCY, INCLUDING BY—
 - (I) ADMINISTERING AND USING HIGH-QUALITY ASSESSMENTS THAT ARE VALID AND RELIABLE, TO ACCURATELY ASSESS STUDENTS' ACADEMIC PROGRESS AND ASSIST EDUCATORS IN MEETING STUDENTS' ACADEMIC NEEDS, INCLUDING THROUGH DIFFERENTIATING INSTRUCTION;
 - (II) IMPLEMENTING EVIDENCE-BASED ACTIVITIES TO MEET THE COMPREHENSIVE NEEDS OF STUDENTS;
 - (III) PROVIDING INFORMATION AND ASSISTANCE TO PARENTS AND FAMILIES ON HOW THEY CAN EFFECTIVELY SUPPORT STUDENTS, INCLUDING IN A DISTANCE LEARNING ENVIRONMENT; AND
 - (IV) TRACKING STUDENT ATTENDANCE AND IMPROVING STUDENT ENGAGEMENT IN DISTANCE EDUCATION.

ARP ESSER FUND USES

- (O) SCHOOL FACILITY REPAIRS AND IMPROVEMENTS TO ENABLE OPERATION OF SCHOOLS TO REDUCE RISK OF VIRUS TRANSMISSION AND EXPOSURE TO ENVIRONMENTAL HEALTH HAZARDS, AND TO SUPPORT STUDENT HEALTH NEEDS.
- (P) INSPECTION, TESTING, MAINTENANCE, REPAIR, REPLACEMENT, AND UPGRADE PROJECTS TO IMPROVE THE INDOOR AIR QUALITY IN SCHOOL FACILITIES, INCLUDING MECHANICAL AND NON-MECHANICAL HEATING, VENTILATION, AND AIR CONDITIONING SYSTEMS, FILTERING, PURIFICATION AND OTHER AIR CLEANING, FANS, CONTROL SYSTEMS, AND WINDOW AND DOOR REPAIR AND REPLACEMENT.
- (Q) DEVELOPING STRATEGIES AND IMPLEMENTING PUBLIC HEALTH PROTOCOLS INCLUDING, TO THE GREATEST EXTENT PRACTICABLE, POLICIES IN LINE WITH GUIDANCE FROM THE CENTERS FOR DISEASE CONTROL AND PREVENTION FOR THE REOPENING AND OPERATION OF SCHOOL FACILITIES TO EFFECTIVELY MAINTAIN THE HEALTH AND SAFETY OF STUDENTS, EDUCATORS, AND OTHER STAFF.
- (R) OTHER ACTIVITIES THAT ARE NECESSARY TO MAINTAIN THE OPERATION OF AND CONTINUITY OF SERVICES IN LOCAL EDUCATIONAL AGENCIES AND CONTINUING TO EMPLOY EXISTING STAFF OF THE LOCAL EDUCATIONAL AGENCY.

AMERICAN RESCUE PLAN ESSER FUND ALLOCATION

- ALLOCATION IS BASED ON THE DISTRICT'S PERCENTAGE OF STATE TITLE I FUNDS RECEIVED
- RSD RECEIVED APPROXIMATELY 2.47% OF TITLE I FUNDING IN 2018/2019
- ARP ESSER ALLOCATION TO RSD IS \$104,554,555
 - 20% SET ASIDE MUST BE SHARED WITH NON-PUBLIC SCHOOLS – APPROXIMATELY \$900,000
- REQUIRES CONSULTATION WITH STAKEHOLDERS
 - SURVEYS OF STAFF, PARENTS, STUDENTS, AND COMMUNITY PARTNERS WILL BE CONDUCTED

2021-2022
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Impact to Reading School District

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CARES ACT ALLOCATION & IMPACT

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	2020/2021	2021/2022	2021/2022	2021/2022
Revenue Source	Actual	Allocation	Expected	New Funding
Basic Education Subsidy	145,035,326.00	239,694,224.00	145,035,326.00	145,035,326.00
Adding \$100 million to Formula				3,900,000.00
Possible Level-Up Funding				6,954,192.00
Special Education Subsidy	13,049,362.00	17,990,283.00	13,049,362.00	13,049,362.00
PDE Education Subsidies	158,084,688.00	257,684,507.00	158,084,688.00	168,938,880.00
Increase - Dollars		99,599,819.00	0.00	10,854,192.00
Increase - Percent		63.00%	0.00%	4.21%
	Full Allocation	Full Allocation	3-Year Spread	3-Year Spread
ESSER I Allocation	11,638,593.00	-	-	-
ESSER II Allocation*	-	51,696,144.00	17,232,048.00	5,744,016.00
ESSER III Allocation**	-	104,554,555.00	26,138,638.75	6,534,659.69
Less: Non-Public Share	(501,685.00)	(901,371.00)	(225,342.75)	(56,335.69)
Net ESSER Funding	11,136,908.00	155,349,328.00	43,145,344.00	12,222,340.00
Total allocation with ESSER Funds	169,221,596.00	413,033,835.00	201,230,032.00	181,161,220.00

*available to be used through September 30, 2023

**available to be used through September 30, 2024

2021-2022
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2021-2022 RSD Budget

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BUDGET HIGHLIGHTS

REVENUES

- NO INCREASE IN REAL ESTATE TAX MILLS
- IMPROVED ECONOMIC POSITION – RESTORES LOCAL REVENUES TO APPROXIMATELY 90-95% OF 2019/2020 LEVELS (REAL ESTATE TAXES, EARNED INCOME TAXES, AND REAL ESTATE TRANSFER TAX)
- ASSUMES LEVEL FUNDING IN BASIC EDUCATION FUNDING
- ASSUMES LEVEL FUNDING IN SPECIAL EDUCATION FUNDING
- ASSUMES 100% OF CARES ACT FUNDING TO BE RECEIVED
- ASSUMES 5% REDUCTION IN FEDERAL TITLE FUNDS – WAITING FOR ALLOCATION, THIS IS THE GREATEST REDUCTION RSD CAN RECEIVE

ALLOCATION OF REVENUE SOURCES

Source	Budget		Change	
	2020-2021	2021-2022	\$	%
State	\$ 218,788,846	\$ 218,529,370	\$ (259,476)	-0.12%
Local & Other	39,242,021	46,716,644	7,474,623	19.05%
Federal	35,496,757	75,575,729	40,078,972	112.91%
Subtotal	293,527,624	340,821,743	47,294,119	16.11%
Assigned FB	9,853,913	4,136,694	(5,717,219)	-58.02%
Unassigned FB	6,000,000	5,000,000	(1,000,000)	-16.67%
Total Revenues	<u>\$ 309,381,537</u>	<u>\$ 349,958,437</u>	<u>\$ 40,576,900</u>	<u>13.12%</u>

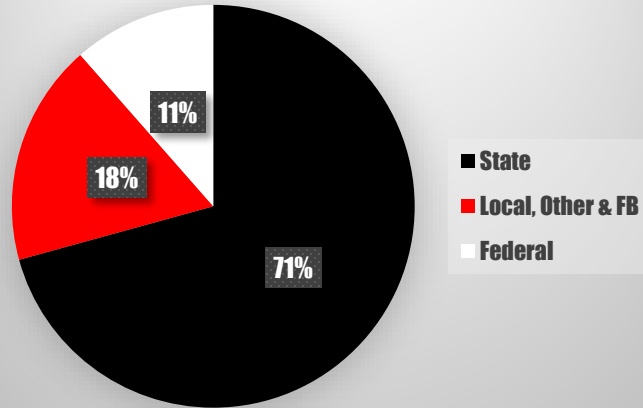
ALLOCATION OF REVENUE SOURCES

READING SCHOOL DISTRICT REVENUE BY SOURCES

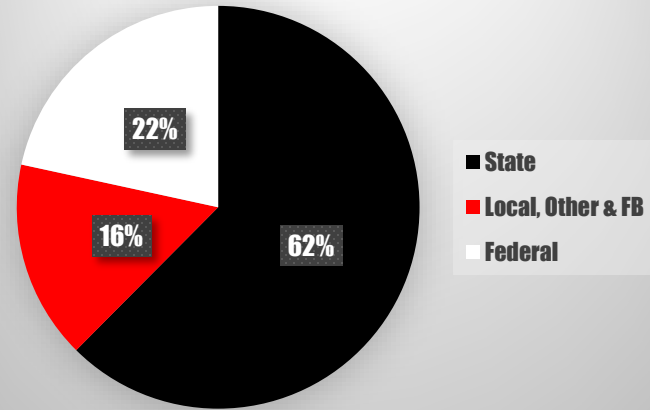


ALLOCATION OF REVENUE BY PERCENT

2020-2021



2021-2022



BUDGET HIGHLIGHTS

EXPENDITURES

- ASSUMES FULL COMPLEMENT OF STAFF
- ASSUMES INCREASE IN SALARIES & WAGES – PER CBA/ASSOC.
- ASSUMES NO INCREASE IN HEALTHCARE BLENDED TREND RATE BASED ON EXPERIENCE AND ACTUARIAL ANALYSIS
- ACCOUNTS FOR 1.2% INCREASE IN PSERS FROM 34.51% TO 34.94%
- ASSUMES 1.5% INFLATIONARY INCREASE FOR OTHER DISCRETIONARY EXPENDITURES DUE TO LEVEL FUNDING IN PRIOR YEAR

ALLOCATION OF EXPENDITURES

Use of Funds	Budget		Change	
	2020-2021	2021-2022	\$	%
Instruction	\$184,310,220	\$189,794,983	\$5,484,763	2.98%
Instructional Support Services	86,716,758	103,467,016	16,750,258	19.32%
Non-Instructional Services	3,896,407	4,129,644	233,237	5.99%
Debt Service	26,958,152	26,651,530	(306,622)	-1.14%
Other	1,500,000	20,915,264	19,415,264	1294.35%
Budgetary Reserve	6,000,000	5,000,000	(1,000,000)	-16.67%
Total	<u>\$309,381,537</u>	<u>\$349,958,437</u>	<u>\$40,576,900</u>	<u>13.12%</u>

ALLOCATION OF EXPENDITURES

Use of Funds	Budget		Inc (Dec)	
	2020-2021	2021-2022	\$	%
Salaries	\$113,925,404	\$119,489,310	\$5,563,906	4.88%
Benefits	85,893,310	84,903,629	(989,681)	-1.15%
Professional Services	20,427,946	39,167,815	18,739,868	91.74%
Property Services	2,770,597	3,232,162	461,565	16.66%
Other Purchased Services	36,201,662	35,811,139	(390,523)	-1.08%
Supplies	13,558,365	15,767,008	2,208,643	16.29%
Property	1,153,288	698,104	(455,183)	-39.47%
Other Objects (Interest)	18,445,965	33,003,270	14,557,305	78.92%
Other Financial Uses (Principal)	17,005,000	17,886,000	881,000	5.18%
Total	<u>\$309,381,537</u>	<u>\$349,958,437</u>	<u>\$40,576,900</u>	<u>13.12%</u>

ALLOCATION OF EXPENDITURES NON-ESSER VS ESSER FUNDS

Use of Funds	Budget			
	Non-ESSER	ESSER	Total	% ESSER
Salaries	\$110,913,623	\$8,575,687	\$119,489,310	7.18%
Benefits	79,399,808	5,503,821	84,903,629	6.48%
Professional Services	19,752,551	19,415,264	39,167,815	49.57%
Property Services	3,232,162	0	3,232,162	0.00%
Other Purchased Services	35,811,139	0	35,811,139	0.00%
Supplies	14,267,008	1,500,000	15,767,008	9.51%
Property	698,104	0	698,104	0.00%
Other Objects (Interest)	16,333,423	16,669,847	33,003,270	50.51%
Other Financial Uses (Principal)	17,886,000	0	17,886,000	0.00%
Total	<u>\$298,293,818</u>	<u>\$51,664,619</u>	<u>\$349,958,436</u>	<u>14.76%</u>

2021-2022 BUDGET MILLAGE PROPOSAL

READING SCHOOL DISTRICT 2021-22 BUDGET MILLAGE PROPOSAL

VALUE OF TAXABLE ASSESSMENT AS OF 4/01/2021	MILLAGE INCREASE	\$ VALUE	% INCREASE OF MILLAGE	\$ INCREASE	COLLECTION RATE	AMOUNT TO BE COLLECTED
1,431,423,800	0.01793	\$ 25,665,428.73				
1,431,423,800	0.01802	\$ 25,793,755.88	0.5%	\$ 128,327.14	88%	\$ 112,927.89
1,431,423,800	0.01811	\$ 25,922,083.02	1.0%	\$ 256,654.29	88%	\$ 225,855.77
1,431,423,800	0.01820	\$ 26,050,410.17	1.5%	\$ 384,981.43	88%	\$ 338,783.66
1,431,423,800	0.01829	\$ 26,178,737.31	2.0%	\$ 513,308.57	88%	\$ 451,711.55
1,431,423,800	0.01838	\$ 26,307,064.45	2.5%	\$ 641,635.72	88%	\$ 564,639.43
1,431,423,800	0.01847	\$ 26,435,391.60	3.0%	\$ 769,962.86	88%	\$ 677,567.32
1,431,423,800	0.01856	\$ 26,563,718.74	3.5%	\$ 898,290.01	88%	\$ 790,495.21
1,431,423,800	0.01865	\$ 26,692,045.88	4.0%	\$ 1,026,617.15	88%	\$ 903,423.09
1,431,423,800	0.01881	\$ 26,923,034.74	4.9%	\$ 1,257,606.01	88%	\$ 1,106,693.29

2021-2022 BUDGET MILLAGE PROPOSAL

- MEDIAN HOMEOWNER ANNUAL IMPACT

- MEDIAN VALUE WAS REDUCED BY \$100
- NO INCREASE: NO IMPACT
- 2% INCREASE: \$7.29
- 4.9% (MAX) INCREASE: \$17.82

Assessed Value	Taxes	Less HS/FS	Net RE Taxes	Increase
Estimated RE Tax at current millage: 17.93				
\$ 40,500.00	\$ 726.17	\$ 363.08	\$ 363.09	N/A
\$ 50,000.00	\$ 896.50	\$ 363.08	\$ 533.42	N/A
\$ 75,000.00	\$ 1,344.75	\$ 363.08	\$ 981.67	N/A
\$ 100,000.00	\$ 1,793.00	\$ 363.08	\$ 1,429.92	N/A
\$ 125,000.00	\$ 2,241.25	\$ 363.08	\$ 1,878.17	N/A
\$ 150,000.00	\$ 2,689.50	\$ 363.08	\$ 2,326.42	N/A
\$ 175,000.00	\$ 3,137.75	\$ 363.08	\$ 2,774.67	N/A
\$ 200,000.00	\$ 3,586.00	\$ 363.08	\$ 3,222.92	N/A
Estimated RE Tax at estimated max millage: 18.29				
\$ 40,500.00	\$ 740.75	\$ 370.37	\$ 370.37	\$ 7.29
\$ 50,000.00	\$ 914.50	\$ 370.37	\$ 544.13	\$ 10.71
\$ 75,000.00	\$ 1,371.75	\$ 370.37	\$ 1,001.38	\$ 19.71
\$ 100,000.00	\$ 1,829.00	\$ 370.37	\$ 1,458.63	\$ 28.71
\$ 125,000.00	\$ 2,286.25	\$ 370.37	\$ 1,915.88	\$ 37.71
\$ 150,000.00	\$ 2,743.50	\$ 370.37	\$ 2,373.13	\$ 46.71
\$ 175,000.00	\$ 3,200.75	\$ 370.37	\$ 2,830.38	\$ 55.71
\$ 200,000.00	\$ 3,658.00	\$ 370.37	\$ 3,287.63	\$ 64.71
Estimated RE Tax at estimated max millage: 18.65				
\$ 40,500.00	\$ 761.81	\$ 380.90	\$ 380.90	\$ 17.82
\$ 50,000.00	\$ 940.50	\$ 377.66	\$ 562.84	\$ 29.42
\$ 75,000.00	\$ 1,410.75	\$ 377.66	\$ 1,033.09	\$ 51.42
\$ 100,000.00	\$ 1,881.00	\$ 377.66	\$ 1,503.34	\$ 73.42
\$ 125,000.00	\$ 2,351.25	\$ 377.66	\$ 1,973.59	\$ 95.42
\$ 150,000.00	\$ 2,821.50	\$ 377.66	\$ 2,443.84	\$ 117.42
\$ 175,000.00	\$ 3,291.75	\$ 377.66	\$ 2,914.09	\$ 139.42
\$ 200,000.00	\$ 3,762.00	\$ 377.66	\$ 3,384.34	\$ 161.42

2020-2021
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Next Steps & Questions

NEXT STEPS

- CONTINUE TO WORK WITH DEPARTMENTS TO FINALIZE BUDGETS
- OBTAIN FEDERAL REVENUE UPDATE FROM PDE ONCE RELEASED
- APPROVE FINAL PROPOSED BUDGET AT THE COMMITTEE OF THE WHOLE BOARD MEETING ON MAY 19, 2021
- BUDGET WILL BE ON PUBLIC DISPLAY FOR 30 DAYS – VIA WEBSITE
- APPROVE FINAL BUDGET AT THE JUNE 23, 2021 BOARD MEETING

One vision. All students. One Reading.

