

SOLANCO SCHOOL DISTRICT
2023-2024
PROPOSED FINAL BUDGET

April 17, 2023

BUDGET CONSIDERATIONS

- Address Student Learning Loss and Provide Mental Health Supports
 - Afterschool, summer programs, tutoring services, supplemental services, student assessments
- Federal Funding Mandates
 - Varying Interpretations and Rigid Restrictions
 - Potential Loss of Funds for Non-Compliance
 - Procurement Complexities
- Employee Loss (Reduced Employment Pools > Higher Wages)
 - Payroll Increases to be Competitive
 - Increased Contracted Personnel Services
- Supply Shortages
 - Low Supply and High Demand = Higher Costs
 - Increased Fuel and Energy Costs
- Future Construction and Building Security Enhancements

SOLANCO SCHOOL DISTRICT

2023-2024 Proposed Final Budget

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Estimated	Proposed Final 2023-24
Local	35,857,916	36,852,900	38,880,149	38,923,608	40,504,119	41,347,599
State	20,629,535	20,659,186	20,846,717	21,100,001	21,960,013	23,703,470
Federal	2,123,977	4,303,209	5,224,215	19,842,057	9,895,932	17,715,014
Other	16,370	13,601	16,469	210,000	2,775	110,000
Total Revenue:	58,627,798	61,828,896	64,967,550	80,075,666	72,362,839	82,876,083
Total Expenditures:	56,050,620	61,662,263	64,099,517	80,882,647	72,245,850	83,066,581
Variance: Revenues over Expenditures	2,577,178	166,633	868,033	(806,981)	116,989	(190,498)

Inability to spend ESSER funds during 2022-23 resulted in reduced revenues for fiscal year. Unspent funds carry forward to 2023-24.

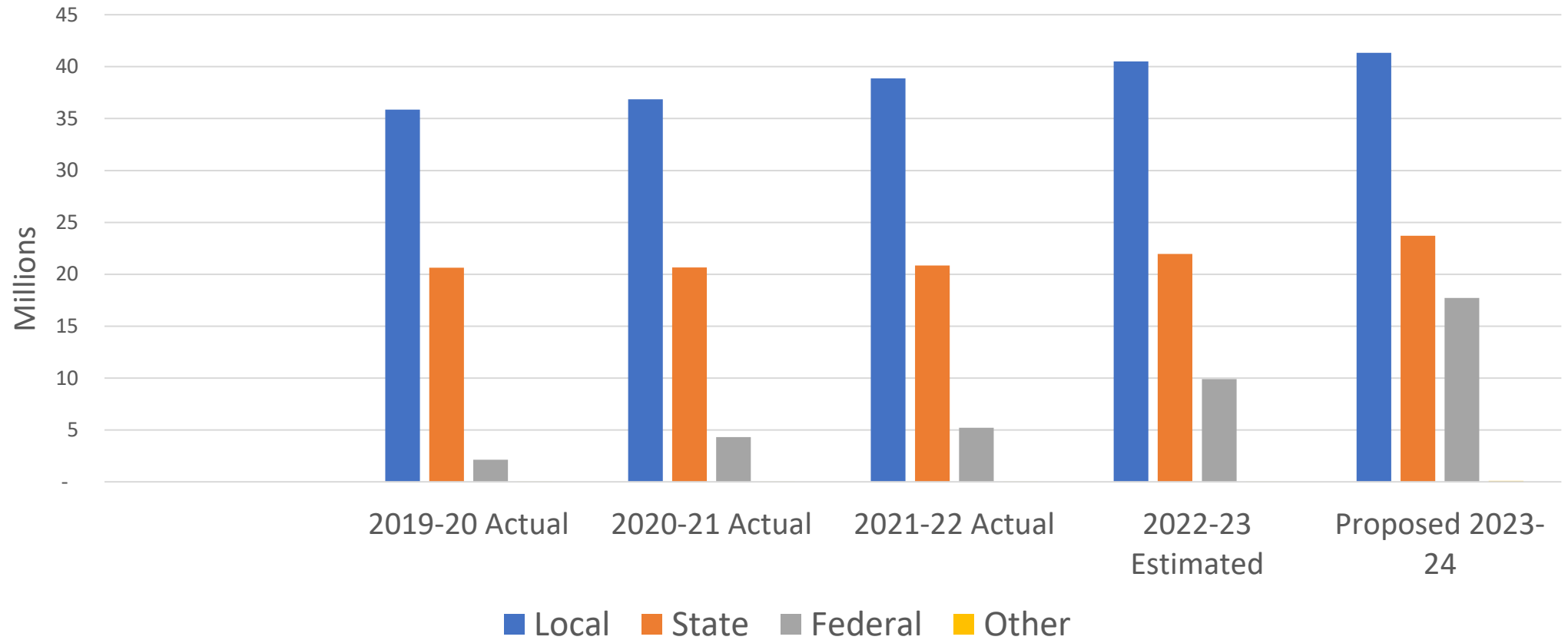
2023-24 Budget Highlights

- Total Budgeted Expenditures Increased \$2.2 million (2.7%)
 - \$19.3 Million Grant Funded
 - 2023-24 Expenditure Budget **Without** Grant Funds - \$63.8 million
- Support Staff Payroll – Increase Employment Competitiveness
 - Aggregate 3% Increase
- Increased Expenditure Projections:
 - Medical Care - 7.5%
 - RX - 9.8%
 - Electricity - 20%
 - Fuel - 20%
 - Contracted Transportation Services - 10%

Budget Highlights (Continued)

- Building Security Enhancements
- HVAC Upgrades
- Assistant Elementary Principal Addition
- Autistic Classroom Addition (One Autistic Teacher and Four Aides)
- Unspent ESSER III Funds Carried Forward to 2023-24
 - Reported as 'Fund Transfer' with Annual Debt Service
 - HVAC Upgrade Costs Reflected as Transfer to Capital Project Fund
- 2023-24 PSERS Rate Declined 1.26%
 - Payroll growth and demographic changes
 - Rate expected to increase slowly future years

REVENUE BY SOURCE



PAYROLL/BENEFIT HISTORIC TREND

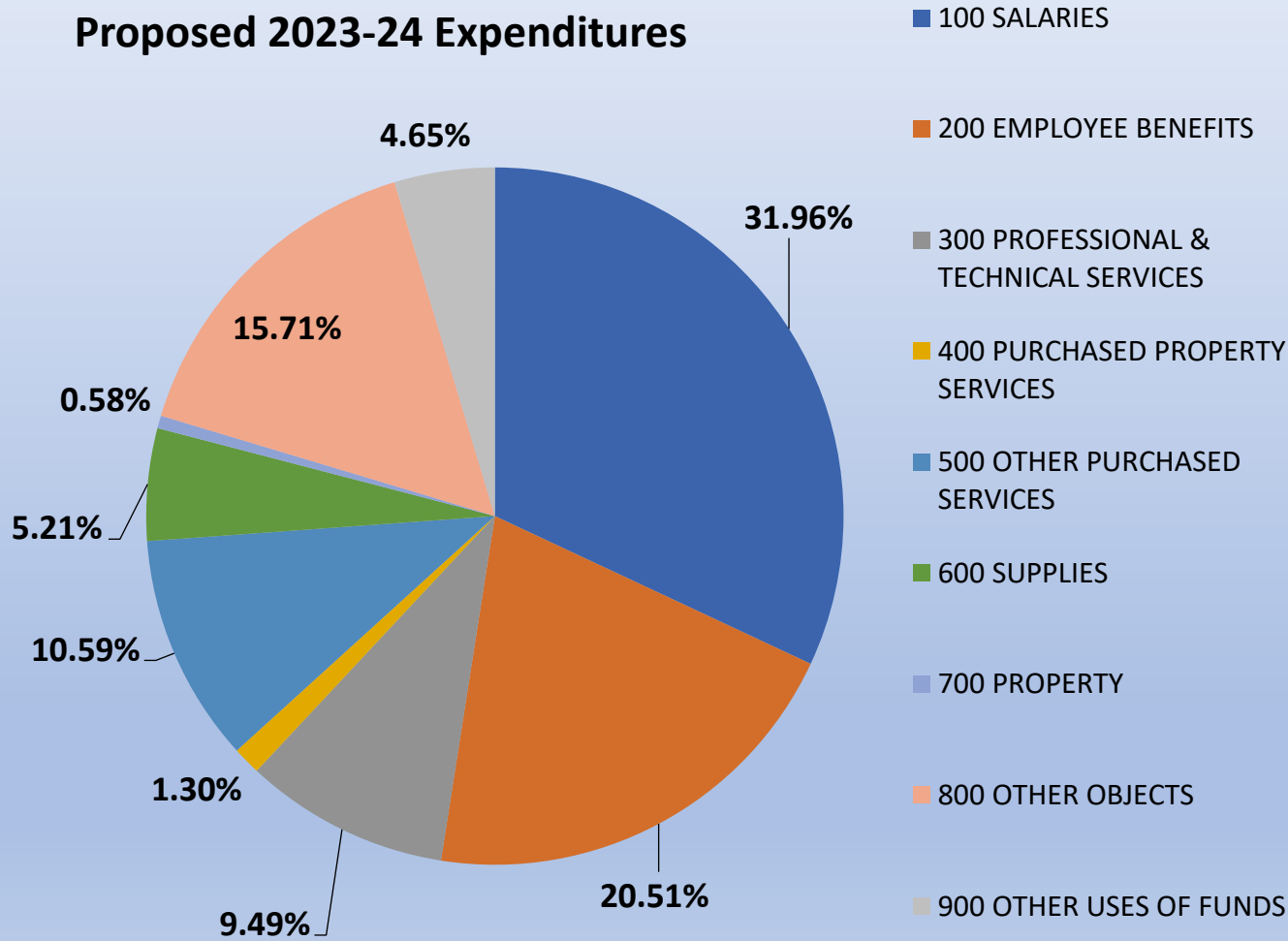
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Estimated	PROPOSED
	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Payroll	21,824,975	21,864,126	22,271,157	22,259,093	23,164,495	24,778,501	26,551,816
Benefits	13,209,177	13,855,742	14,100,035	14,277,178	15,872,805	16,148,160	17,035,459
Combined Totals	35,034,151	35,719,868	36,371,193	36,536,271	39,037,300	40,926,661	43,587,275
\$ Increase	417,907	685,717	651,325	165,078	2,501,029	1,889,361	2,660,614
% Increase	1.2%	2.0%	1.8%	0.4%	6.8%	4.8%	6.5%

Actual Payroll/Benefits Increased 11.4% During 5-Year Period (2017-18 through 2021-22). Pandemic Impacted 2019-20 and 2020-21 Payroll/Benefits. Support Staff Compensation Study Results Implemented 2022-23.

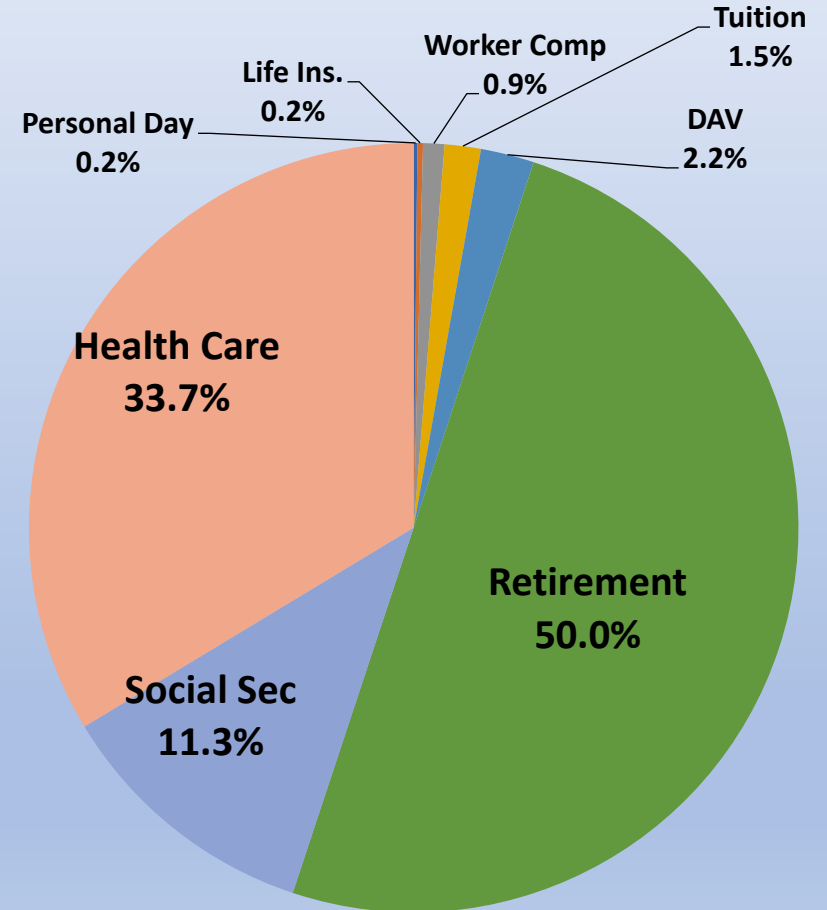
PAYROLL/BENEFITS MUST BE INCREASED TO ATTRACT AND MAINTAIN STAFF.

BUDGETED PAYROLL/BENEFITS

Proposed 2023-24 Expenditures

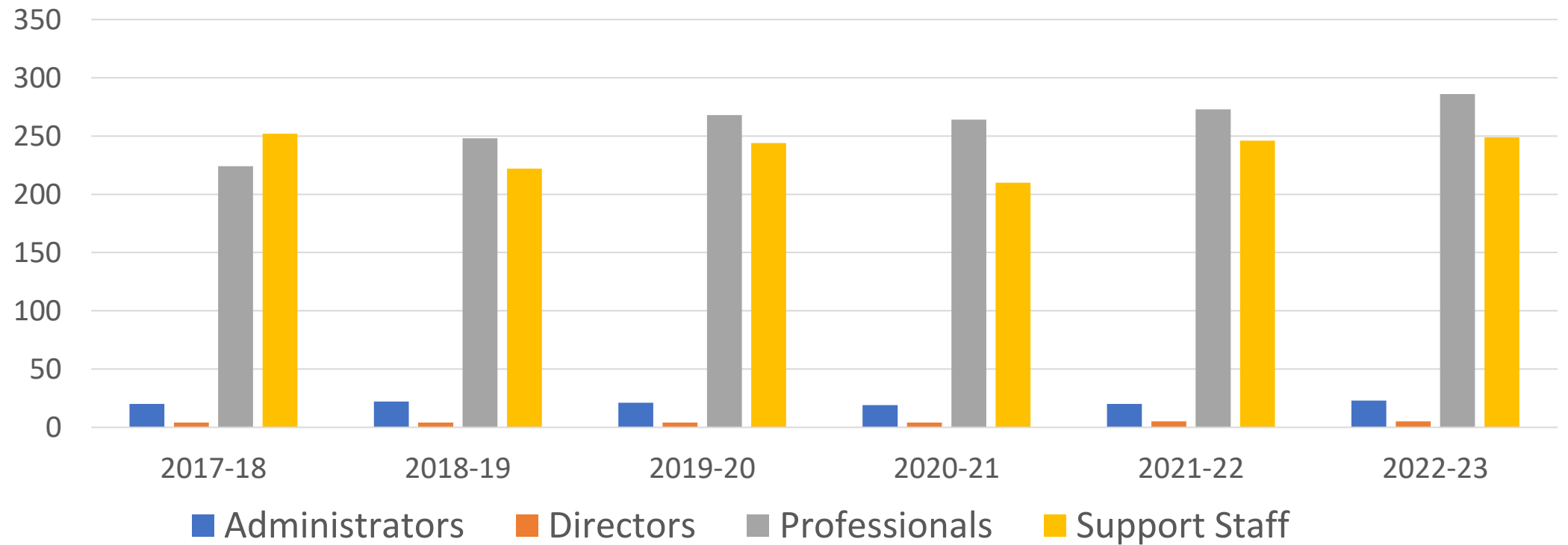


Proposed 2023-24 Benefits - Percent Share Composite



SOLANCO PERSONNEL – RECENT SIX YEARS

SUPPORT STAFF LEVELS REMAIN BELOW 2017-2018 FISCAL YEAR

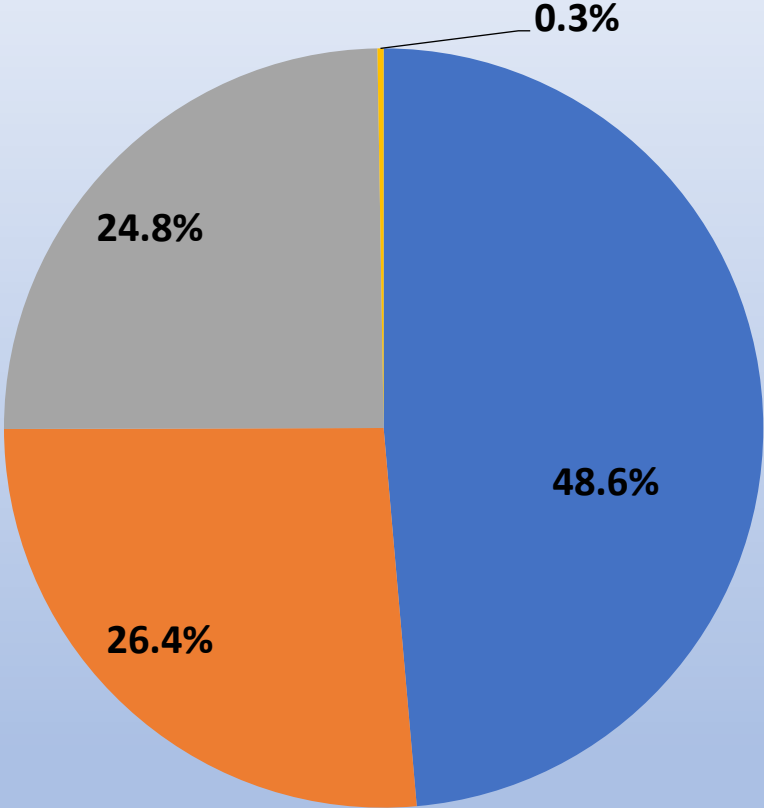


REVENUE

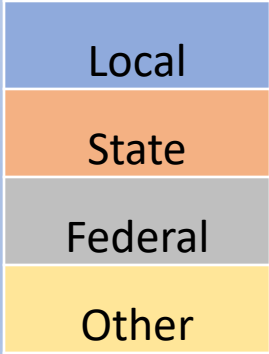
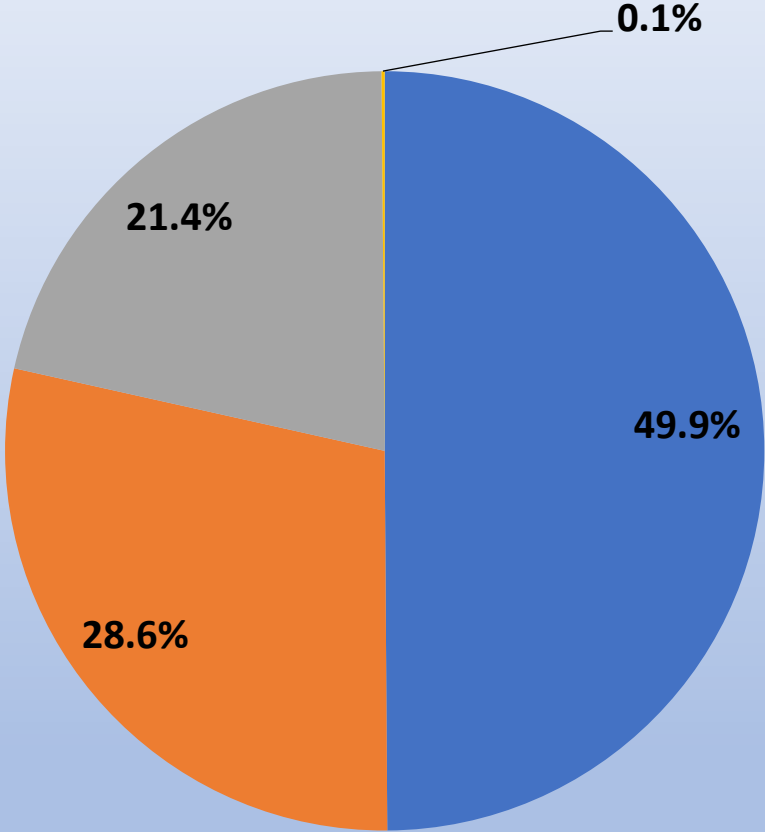
- Federal Funds
 - ESSER – FUNDS ARE TEMPORARY - DISAPPEAR September 2024
 - Provides funding to address pandemic impact
 - Assist with maintaining staff and continued operations
 - Address student learning loss and emotional support
 - HVAC Upgrades
- State Revenue
 - Commonwealth Budget Not Passed – Expect 12.3% increase
- Local Revenue
 - Property Tax - Primary Revenue Stream Under Board Control
 - Future Earned Income Collections - limited growth
 - Investment Earnings - rates near 5%

REVENUES AS % OF TOTAL REVENUE 2022-23 VS. 2023-24

2022-23 Budget



Proposed 2023-24



REVENUE SOURCES ARE COMPARIBLE

2023-2024 PROPOSED REAL ESTATE TAX

- Assessed Taxable Property Value - \$2,563,090,200
 - Increase of \$24,598,200 or 0.97%
- Proposed Millage Rate **Below** Act 1 Adjusted Index
 - 12.2696 Mills
 - 4.0% Increase or .04719 Mills
 - Act 1 Adjusted Index 4.7%
- Tax Increase per \$100,000 Property Value = \$47.19

ACT 1 INDEX HISTORY

ACT 1 INDEX IS DETERMINED BY A STATE FORMULA USING ECONOMIC FACTORS. THE CHANGE IN STATE WAGES, CHANGE IN NATIONAL SCHOOL EMPLOYEE COMPENSATION AND SCHOOL DISTRICT WEALTH ARE FACTORS.

THE INDEX WILL DECLINE AS EMPLOYMENT INCREASES AND PERSONAL INCOME GROWS.

	ADJUSTED ACT 1 INDEX HISTORY	
	2011-12	1.7%
	2012-13	2.1%
	2013-14	2.1%
	2014-15	2.6%
	2015-16	2.3%
	2016-17	2.9%
	2017-18	3.0%
	2018-19	2.8%
	2019-20	2.7%
	2020-21	3.1%
	2021-22	3.5%
	2022-23	4.0%
	2023-24	4.7%
<i>Projection</i>	2024-25	5.4%
	Aggregate	36.8%
	<i>13-Year Average</i>	<i>2.8%</i>

TAXABLE PROPERTY ASSESSMENT

FY Budget	Assessment Date	Tax Assessment	Assessment Increase from PY	Assessment Increase % from PY	
2014-15	6/9/2014	1,860,655,600	21,274,300	1.16%	
2015-16	6/9/2015	1,879,493,000	18,837,400	1.01%	
2016-17	6/7/2016	1,902,435,800	22,942,800	1.22%	
2017-18	6/6/2017	1,913,924,100	11,488,300	0.60%	
2018-19	6/5/2018	2,438,346,000	2,426,857,700	126.80%	Reassessment
2019-20	6/4/2019	2,473,343,700	34,997,700	1.44%	
2020-21	6/16/2020	2,492,046,500	18,702,800	0.76%	
2021-22	6/7/2021	2,515,156,000	23,109,500	0.93%	
2022-23	6/2/2022	2,527,842,100	12,686,100	0.93%	
2023-24	4/17/2023	2,563,090,200	35,248,100	0.97%	
	Average Annual Increase, Excluding Reassessment Year		\$22,143,000	Average Annual Increase 1.0%	

NEXT STEPS

- **Approve Resolution to Display Proposed Final Budget**
- Secretary of Budget certifies amount of slot money available for real estate tax reduction
- County Assessment Office forwards certified homestead/farmstead information for exemption calculation

SCHEDULED - JUNE 5, 2023

- Approve Final Budget Resolution
- Approve Homestead/Farmstead Resolution
- Approve Tax Levy Resolution
- Print and Mail Tax Bills
- Submit Approved Final Budget to PDE

QUESTIONS

