

**2024-2025 SOLANCO SCHOOL DISTRICT
PROPOSED FINAL GENERAL FUND
BUDGET**

June 3, 2024

BUDGET CONSIDERATIONS

- Close Out of ESSER Funding
- Attracting and Maintaining Personnel
 - SEA Negotiations
 - Higher Wages
 - Benefits – Rising Healthcare & Retirement Costs
- Charter School Cost Increases
- Contracted Service Cost Increases
 - Transportation
 - Student Support Services (therapy, emotional support, behavioral)
 - Maintenance (HVAC)
 - Substitute Teachers



BUDGET CONSIDERATIONS (Continued)

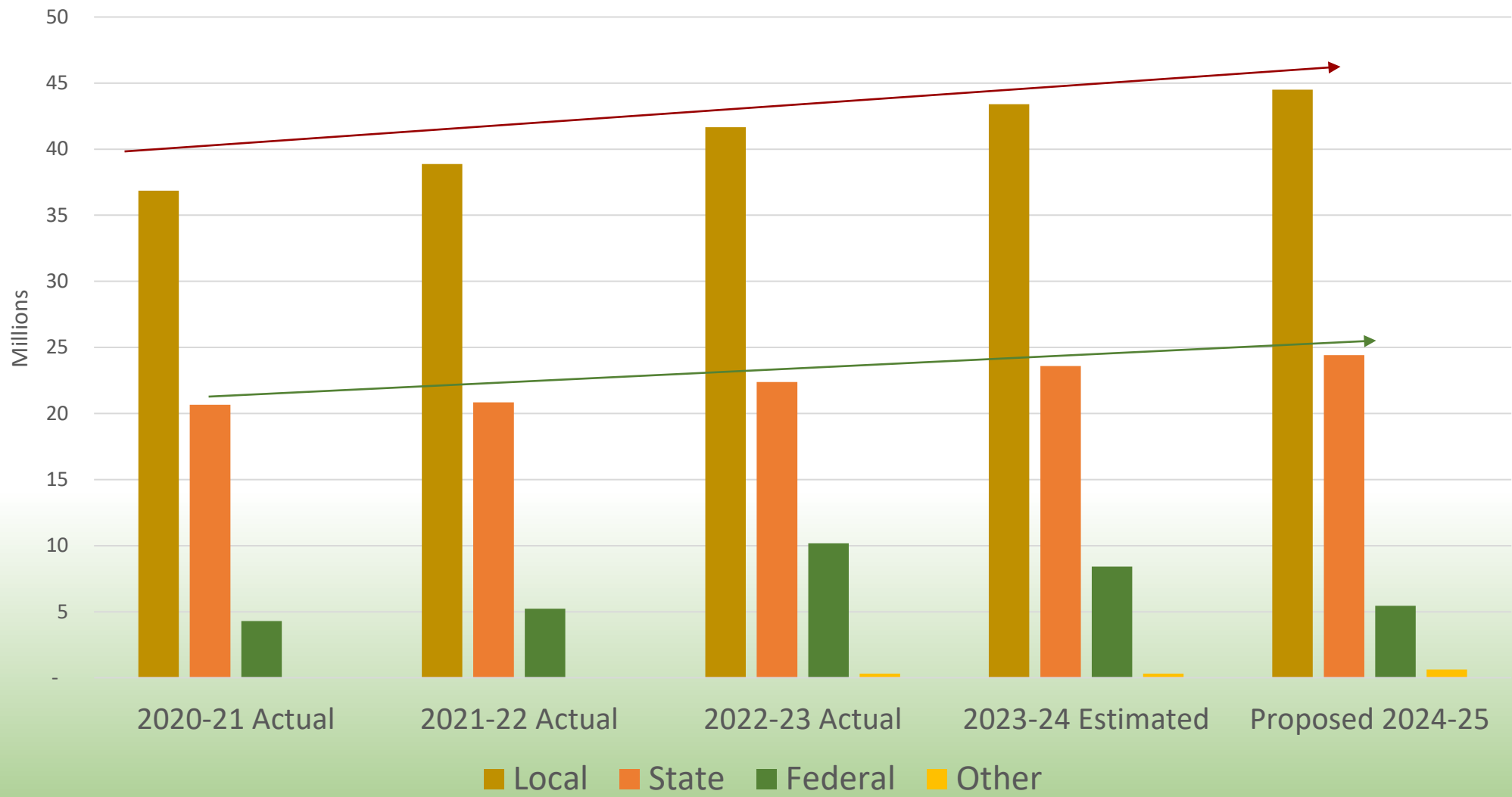
- Technology
 - Upgrades
 - Security Protections
 - Expand Access
- Inflation – Cost Increases
 - Fuel and Energy
 - Furnishing Replacements
 - Supplies
- Construction
 - Utility Inefficiencies
 - Unknowns
- PDE and Other Governmental Mandates
 - IRS
 - Commonwealth Budget – Not Approved



PROPOSED FINAL 2024-25 GENERAL FUND BUDGET

Revenues Sources \$'s	<u>2020-21</u> <u>Actual</u>	<u>2021-22</u> <u>Actual</u>	<u>2022-23</u> <u>Actual</u>	<u>Budgeted</u> <u>2023-24</u>	<u>2023-24</u> <u>Estimated</u>	<u>Proposed</u> <u>2024-25</u>
Local	36,852,903	38,880,148	41,664,492	41,616,359	43,395,483	44,499,670
State	20,659,185	20,846,718	23,377,395	23,702,709	23,589,595	24,418,925
Federal	4,303,209	5,224,214	10,181,888	17,281,323	8,420,223	5,454,605
Other	13,601	16,469	327,719	110,000	327,775	627,500
Total Revenue:	61,828,898	64,968,549	74,550,794	82,710,391	75,733,076	75,000,700
Total Expenditures:	61,662,268	64,099,513	74,430,673	82,911,378	75,670,641	75,202,654
Variance: Revenues over Expenditures	166,630	869,036	120,121	(200,988)	62,435	(201,954)

REVENUE BY SOURCE



LOCAL FUNDING REPLACING FEDERAL ESSER FUNDING
STATE FUNDING INCREASING AT LOWER RATE

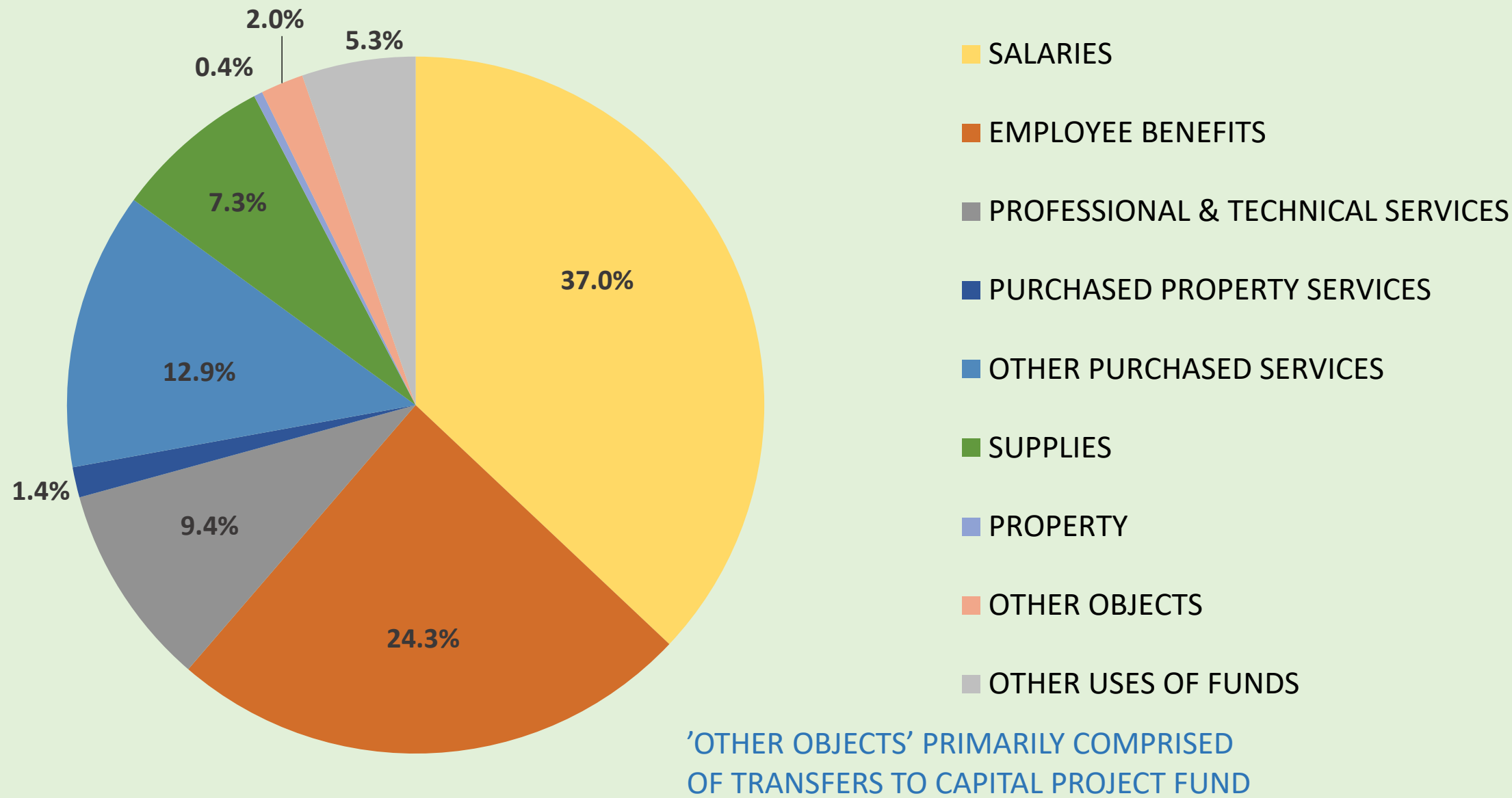
2024-2025 PROPOSED BUDGET

SUMMARY OF EXPENDITURES BY FUNCTION

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Proposed 2024-25	\$ Budget to Budget	Percent Change
Instruction	34,934,838	36,973,262	37,893,188	40,152,475	40,044,196	42,635,860	2,483,385	6.2 %
Student Support	17,817,706	20,317,837	21,154,286	23,839,075	22,068,850	25,614,269	1,775,194	7.5 %
Student Activities	1,078,756	1,210,271	1,409,945	1,332,765	1,345,371	1,514,216	181,451	13.6 %
Other Uses	7,830,963	5,598,143	13,973,254	17,587,063	12,212,224	5,438,309	(12,148,754)	(70.5)%
TOTAL	61,662,263	64,099,513	74,430,673	82,911,378	75,670,641	75,202,654	7,708,724	(9.3)%

‘Student Support’ includes: guidance, psychological, therapy, social work, library, technology, professional development, pupil health, plant operations, transportation and other operational services. ‘Other Uses’ include transfers to Capital Project for construction and other building improvements.

Proposed 2024-25 Expenditure Object Summaries as % of Total Expenditures



PAYROLL/BENEFIT HISTORIC TREND

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	PROPOSED
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Payroll	21,864,126	22,271,157	22,259,093	23,164,495	24,184,434	25,264,886	26,559,041
Benefits	13,855,742	14,100,035	14,277,178	15,872,805	15,449,680	15,999,721	17,098,102
Combined Totals	35,719,868	36,371,193	36,536,271	39,037,300	40,926,661	41,264,607	43,657,143
\$ Increase	685,717	651,325	165,078	2,501,029	1,889,361	337,946	2,392,536
% Increase	2.0%	1.8%	0.4%	6.8%	7.5%	0.8%	5.8%

Shortage of available staff and increased competition results in higher payroll costs. SEA agreement for next 4 years finalized, 2024-25 salary estimates included in final proposed expenditures. Additional staff hired to address student needs including psychologist and speech therapist. 22% growth in payroll/benefits during 7-year period.

LONG TERM FISCAL PLANNING

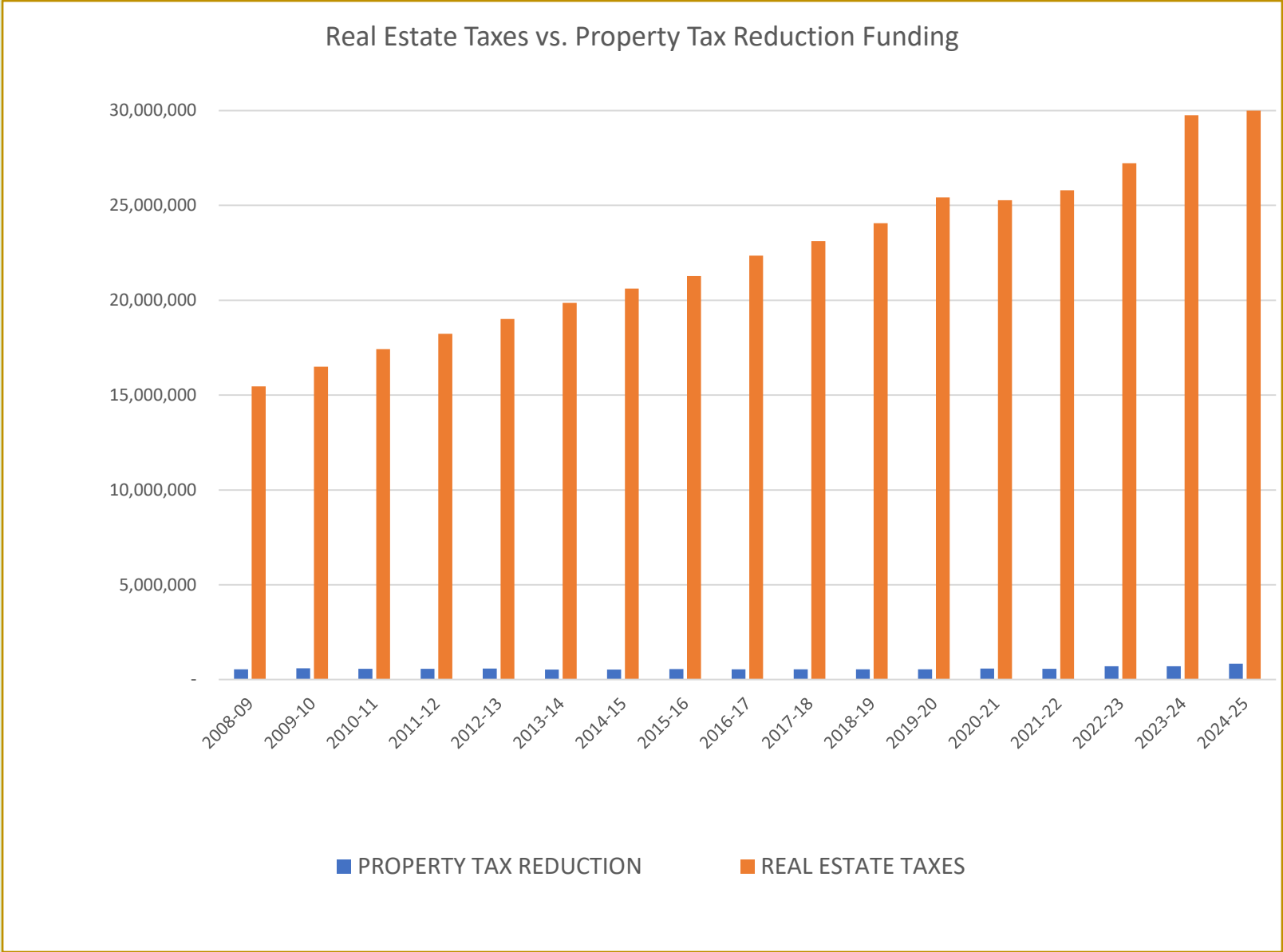
- Board has limited ability to generate revenue
- No guaranteed funding commitments from federal or state governments
- Act 1 regulations restrict ability to generate local revenue
- Future capital projects
 - HVAC system upgrades – High School in progress
 - Building security upgrades in progress
 - Administrative Office replacement
 - Technology upgrades
- Fund Balance Commitments
 - Future facility repairs/upgrades
 - Future supplemental debt service payments
 - Future facility and technology enhancements

*Self Insurance Fund - \$4 million
Food Service Fund - \$2 million
Capital Project Fund - \$22 million*

2024-2025 Millage Rate

- Solanco Tax Assessed Property Value = \$2.6 billion
- Solanco 2024-25 Adjusted Act 1 Index = 5.3%
- 2024-25 Budget Based on **4%** Increase, not full index
- Proposed Real Estate Tax Millage Rate = **12.7604**
 - 0.4908 Mill Increase
 - \$49.08 Tax Increase per \$100,000 Assessed Value
 - Collection Rate to 96%
- Property Tax Reduction Funding = \$835,984
 - Homestead/Farmstead Reduction = **\$120.65**
 - 6,974 Eligible Properties
 - Property Assessed Value Exclusion = \$9,455

HOMESTEAD/FARMSTEAD EXCLUSION HISTORY



	PROPERTY TAX REDUCTION	REAL ESTATE TAX NET REDUCTION	% of Difference
2008-09	540,357	14,917,375	3.5%
2009-10	593,798	15,902,090	3.6%
2010-11	565,590	16,856,926	3.2%
2011-12	571,882	17,667,631	3.1%
2012-13	585,507	18,431,413	3.1%
2013-14	529,191	19,328,182	2.7%
2014-15	529,192	20,081,728	2.6%
2015-16	553,770	20,725,650	2.6%
2016-17	545,973	21,813,468	2.4%
2017-18	545,938	22,574,602	2.4%
2018-19	548,128	23,514,972	2.3%
2019-20	548,986	24,872,995	2.2%
2020-21	583,010	24,695,551	2.3%
2021-22	567,596	25,232,645	2.2%
2022-23	704,565	26,525,513	2.6%
2023-24	703,547	29,053,075	2.4%
2024-25	835,984	30,375,099	2.7%

Next Steps

BOARD ACTIONS

- Approve
 - Final Budget Resolution
 - Homestead/Farmstead Resolution
 - Tax Levy Resolution

BUSINESS OFFICE

- Print and Mail Tax Bills - July 1, 2024
- File General Fund Budget with PDE
- Finalize 2023-2024 Fiscal Year Accounting and Audit
- Issue Purchase Orders for 2024-25 Fiscal Year
- Ongoing Review of 2024-2025 Budget Estimates



Thank you!
Any Questions?

