

2024-2025 Proposed Final Budget

High Level Recap
Board of School Directors
May 20, 2024

Agenda

- Process
- Analysis of Current Position
 - Expenditures
 - Facilities
 - Revenues
 - Fund Balance
 - Strengths/Challenges
- FY25 Proposed Budget
- Real Estate Tax Impact & Comparison
- Long-term Considerations

24-25 Budget Process

December 11, 2023 - Monthly Board Meeting Adopt resolution indicating taxes will not be raised above the index.	
January 4, 2024 – School District deadline to adopt resolution pursuant to Section 311(d)(1) indicating that it will not raise the rate of any tax by more than its index.	
February 19, 2024 (School Closed) – Budget Committee Meeting	Finance/Budget Committee Meeting Building Budget Presentations (Principals) High School, Middle School, New Bloomfield, Carroll, Blain
February 26, 2024 - Budget Committee Meeting	Finance/Budget Committee Meeting Department Budget Presentations (Directors) Transportation – Scott Kelley, Safety/Security – Lucas Clouse, Athletics – Ryan Anderson, Maintenance – Leonard Jumper
March 18, 2024 - Budget Committee Meeting	Finance/Budget Committee Meeting Department Budget Presentations (Directors) Curriculum & Instruction – Michele Dubaich, <i>Grant updates for 2024-25</i> – Michele Dubaich, Technology – Joan Adams
March 25, 2024 - Budget Committee Meeting	Finance/Budget Committee Meeting Department Budget Presentations & Special Requests (Directors) Special Education/Student Services – Paula Jones, Staffing/Salaries/Benefits – Superintendent/Business Manager, Special Requests – Superintendent/Business Manager/Directors as needed
April 29, 2024 – Budget Committee Meeting	Finance/Budget Committee Meeting Proposed Final Budget Presentation (Business Manager).
May 20, 2024 – Regular Board Meeting	Adopt 24-25 Proposed Final Budget and make available for public inspection.
<i>June 1, 2024 – West Perry deadline to offer public notice of intent to adopt the 24-25 final budget. (10 days prior to final adoption deadline)</i>	
May 31, 2024 – School District deadline to adopt the 24-25 proposed version of final budget and upload a certification of use document in CFRS.	
June 10, 2024 - School District Deadline to make 24-25 proposed budget available for public inspection on the General Fund Budget from CFRS. (20 days prior to final budget adoption deadline)	
June 10, 2024, 7:30 PM - Monthly Board Meeting	Adoption of 2024-2025 Final Budget
June 20, 2024 - School District deadline to offer public notice of its intent to adopt the 24-25 final budget. (10 days prior to final adoption deadline)	
June 30, 2024 - School District deadline to adopt the 24-25 final budget.	



24-25 Budget Expenses

- **Instructional spending** accounts for greater than 63% of overall spending
- Major **facilities improvements** (4000) has remained below 1% for all but 2 of the most recent 10 years
 - 5-Year Maintenance – 10 critical projects. \$2,160,000 (>4% of total expenditures) per year.
 - Comprehensive feasibility study - EI Associates
- Function 5000 (including **debt service**) has decreased significantly since 2018
 - Lowest level in at least 10 years
 - Current bonds expire 2033
- The **top three expenditures** by Object are Salaries, Benefits and Purchased Services (including tuition)
- **Average salary** has increased steadily over 10 years but continues to rank below average among peer group
- Overall **benefits** has increased steadily over 10 years and now ranks above average among peer group
 - Solid healthcare coverage options though the SCT
 - Current fund balance at 12.5 months of expenditures
- **Cyber charter tuition** accounts for the highest costs by far in the Other Purchased Services Object.
 - Spike in withdrawals to cyber began prior to 2020 was exacerbated by the pandemic
 - Recent data suggests leveling off in total numbers

5 Year Maintenance Plan

- Table of approximate costs

<u>5-YEAR FACILITIES PLAN</u>				
<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
MS HVAC	Blain HVAC	WPMS VAV	CAR WWT	WPMS Boiler
	NBE HVAC	NBE VAV	BLN WWT	Stadium Renovations
				WPMS Roof
\$ 2,800,000.00	\$ 2,500,000.00	\$ 1,000,000.00	\$ 5,000,000.00	\$ 1,500,000.00

- Calculation of 5-year maintenance line item

Total 5 Year Costs \$ 12,800,000.00
 Known Funding \$ 2,000,000.00
 Total Costs \$ 10,800,000.00
Budget per year \$ 2,160,000.00

24-25 Budget Revenues

- Revenues trend **with peer group**
- **Federal funding** remains near the 10-year average (3.25%)
 - Small spike FY22 to FY25 due to ESSER funds
 - All ESSER funds must be spent by September 30, 2024
 - Federal grants - Title
- 42% from **state sources** in FY23 (2.75% lower than 10-year average)
 - Basic Education funding
 - Special Education Funding
 - State grants – PCCD, Facilities
- 55% from **local sources** in FY23 (2.9% higher than 10-year avg)
 - **Investment Earnings**

Year	General Fund Investments	Cap Res Investments
2024 (1-10)	\$668,460	\$40,660
2023	\$494,542	\$3,821
2022	\$69,079	\$3,897
2021	\$69,178	\$4,397
2020	\$243,420	\$8,801

- **Real Estate taxes**

Year	Mills	HS/FS Credit
FY24	14.5653	\$178.26
FY23	14.35	\$142.04
FY22	13.74	\$143.43
FY21	13.22	\$141.78
FY20	12.79	\$142.04



24-25 Budget
Fund Balances

- **Non-Spendable** – South Central Trust \$4,955,942
- **Capital Reserve** \$1,308,500
- **Committed** (Pension & Health Care) \$5,545,027
- **Assigned** (stadium renovation, paving project, Blain HVAC) \$955,130
- **Unassigned** \$3,510,418 (6.78%)

Challenges

- Rural tax base (business revenue, Clean & Green, other)
 - Geographical size
 - ESSER expiration
 - Facilities
 - Enrollment trends
- Macro economic environment
- FY25 Budget deficit (~ \$2.27 million)

Strengths

- Investment Income
- State/local Grants
- Minimal Debt Service
- Non-spendable Fund Balance (SCT)
 - Committed Fund Balance
 - Fund Balance (Assigned & Unassigned)

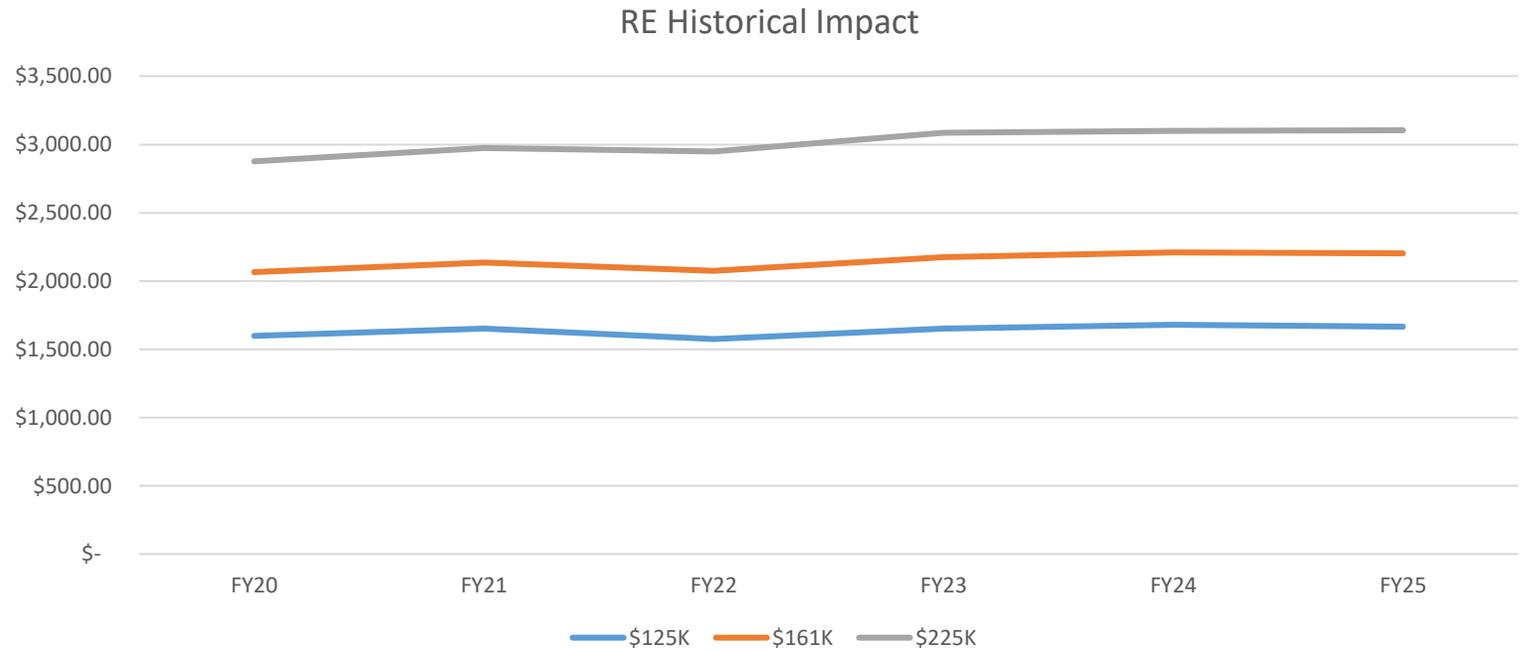
District FY23 Clean & Green Comparison	Parcel Count	Clean & Green Count	Percent in C&G	Loss in Market Value due to C&G
West Perry SD	9116	2612	28.65%	\$343,072,500.00
Greenwood SD	2634	738	28.02%	\$103,992,500.00
Newport SD	3681	666	18.09%	\$ 93,981,900.00
SusquenitaSD	6437	664	10.32%	\$ 81,655,600.00



- Expenditures
 - Deferred or cut \$191,000
 - Avoided \$477,000 (funding holiday)
- Fund Balances
 - Assigned Fund Balance -\$955,130
- Revenue
 - Real Estate 1.25% Increase
 - (14.7474 mills)
 - \$236,435
- Fund Balances
 - Unassigned Fund Balance -\$1,012,317
 - New balance \$2,498,101 (4.83%)

24-25 Budget RE Impact

	<u>Mills</u>	<u>HS/FS Credit</u>	<u>\$125K</u>	<u>\$161K</u>	<u>\$225K</u>
FY25	14.7474	\$214.49	\$1,665.17	\$2,203.45	\$3,103.68
FY24	14.5653	\$178.26	\$1,678.62	\$2,210.26	\$3,098.93
FY23	14.3500	\$142.04	\$1,651.97	\$2,175.75	\$3,086.71
FY22	13.7400	\$143.43	\$1,574.07	\$2,075.58	\$2,948.07
FY21	13.2200	\$141.78	\$1,652.50	\$2,135.03	\$2,974.50
FY20	12.7900	\$142.04	\$1,598.75	\$2,065.59	\$2,877.75



**24-25 Budget
RE Historical
Local Peer
Comparison**

District FY RE Tax Rate	FY23	FY24	Increase Proposed	FY25 Proposed
West Perry SD	14.35	14.5653	1.25%	14.7474
Newport SD	16.1146	16.598	5.00%	17.4279
SusquenitaSD	12.5992	12.6887	6.80%	13.5515
Greenwood SD	14.84	15.14	6.20%	16.0787

District FY RE Tax Rate	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Increase Proposed	FY25 Proposed
West Perry SD	10.21	10.49	10.75	11.43	12.03	12.41	12.79	13.22	13.74	14.35	14.5653	1.25%	14.7474
Newport SD	13.905	13.905	13.905	14.1831	14.4668	14.72	15.088	15.088	15.7216	16.1146	16.598	5.00%	17.4279
SusquenitaSD	12.2	12.134	12.126	12.957	12.97	12.973	13.033	12.905	13.074	12.5992	12.6887	6.80%	13.5515
Greenwood SD	12.42	13.29	13.63	14.06	14.06	14.06	14.19	14.46	14.7225	14.84	15.14	6.20%	16.0787

24-25 Budget
RE IU13 Peer
Comparison

School District	Adjusted Act 1 Index	FY25 Proposed Tax Increase
Millersburg Area SD	7.20%	7.20%
Susquenita SD	7.20%	6.80%
Lower Dauphin SD	6.50%	6.50%
Susquehanna Twp. SD	6.40%	6.40%
Greenwood SD	6.20%	6.20%
Steelton Highspire SD	8.50%	5.50%
West Shore SD	6.20%	5.50%
Cumberland Valley SD	5.30%	5.30%
South Middleton SD	5.30%	5.30%
Camp Hill SD	5.30%	5.00%
Newport SD	7.40%	5.00%
Mechanisburg Area SD	6.50%	3.90%
East Pennsboro SD	6.50%	3.75%
Halifax SD	7.00%	3.50%
Carlisle Area SD	6.90%	3.00%
Upper Dauphin SD	7.10%	3.00%
Derry Twp. SD	5.30%	1.90%
Northern York SD	7.00%	1.50%
West Perry SD	7.00%	1.25%
Big Spring SD	6.50%	0.00%
Central Dauphin SD	6.60%	0.00%
Harrisburg SD	8.10%	NR
Middletown Area SD	6.90%	NR
Shippensburg SD	7.10%	NR

Long-term Considerations

- Impact of 0% tax increases

Zero Impact	
Raise to Index (assume 5.3) in each of 5 years	\$ 5,572,254.00
Raise equivalent percentage in Year 5	\$ 5,012,064.00
Unrealized Revenue	\$ 560,190.00

- Continue to right-size cost center budgets (zero-based)
- Continue to seek strategic plan aligned grant opportunities and maximize investment earnings
- Utilize feasibility study data to drive long-term planning
- Leverage new money