



2024-25 Budget Update

Finance Committee Meeting

March 13, 2024

School District Budget Math:

EXPENDITURES = REVENUES

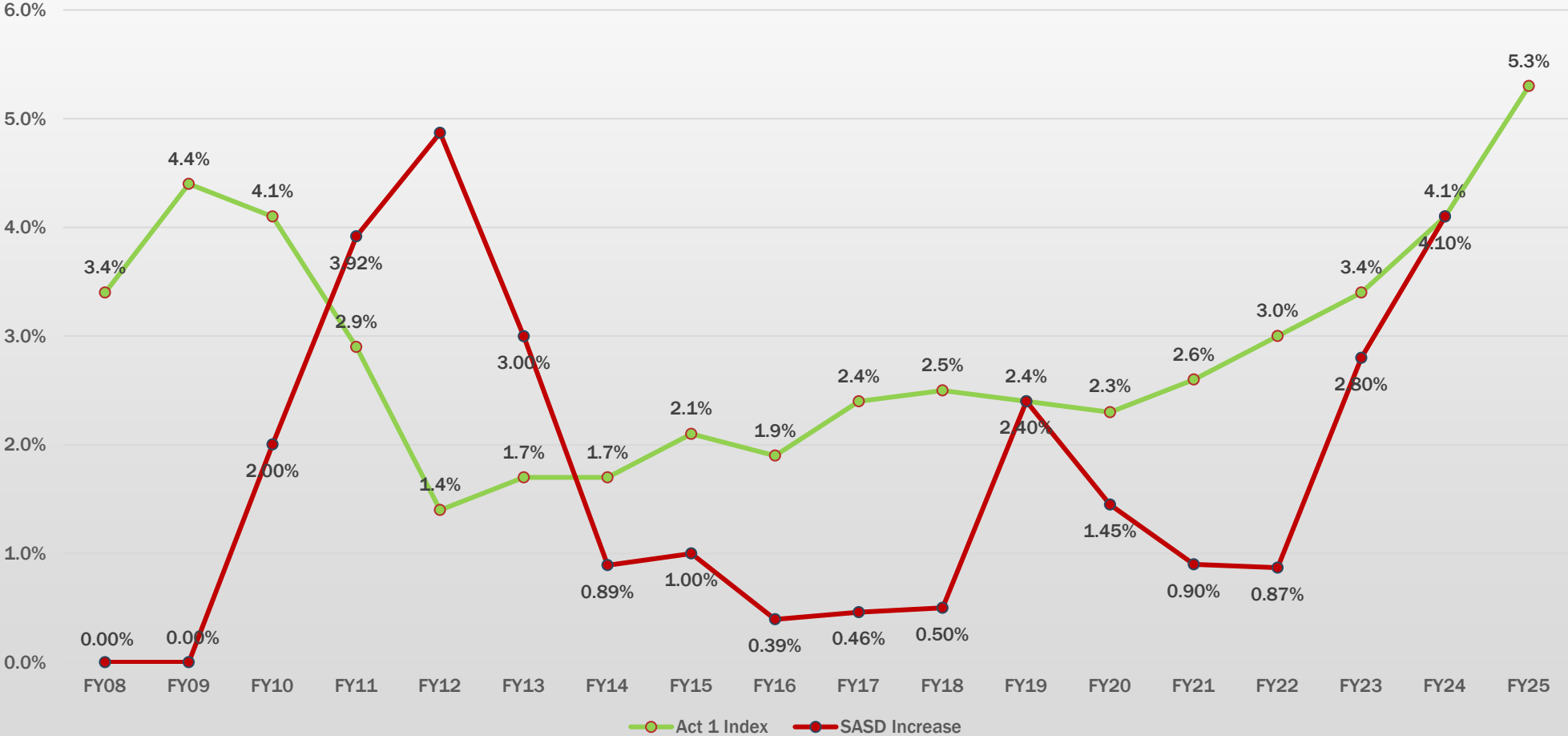


LOCAL REVENUES

	2022-23 Actual \$	2023-24 Final Budget	FY23 Collections thru Feb 2023	FY24 Collections thru Feb 2024	2024-25 Prelim. Budget
Real Estate Taxes	\$87,297,891	\$91,244,715	\$87,312,724	\$91,896,194	\$91,729,131 \$96,740,263
Budgeted Collection %		97%			97%
Real Estate Interims	561,417	451,000	373,250	227,634	300,000
Earned Income Taxes	10,144,361	9,625,000	6,005,613	6,652,565	10,500,000
Delinquent Real Estate	948,676	931,000	479,394	234,532	850,000
Per Capita Taxes	281,578	283,400	281,578	283,251	281,500
Real Estate Transfer Tax	1,716,847	1,925,000	1,229,048	942,903	1,500,000
Earnings on Investments	1,614,081	1,000,000	1,160,745	1,884,770	1,000,000

ACT 1 INDEX – 5.3% for 2024-25

Souderton Area School District Tax Rate History



GOVERNOR'S PROPOSED BUDGET



Doubling Down on Investments in Children, Students, and Educators

Investing in Basic Education Funding

- **\$1.072 billion** increase in basic education funding
 - \$872 million for first-year adequacy investment per BEFC recommendation
 - \$200 million for the Basic Education Funding Formula
- **\$50 million** increase in special education funding

Instituting Cyber Charter Reform

- Implement reforms to align cyber tuition with the actual cost of online education, saving school districts **\$262 million** annually

Providing Career and Technical Education Opportunities

- Maintain **\$7 million** for dual enrollment programs
- **\$2.4 million** for Career and Technical Education

GOVERNOR'S PROPOSED BUDGET

Doubling Down on Investments in Children, Students, and Educators, cont.

Ensuring Safe and Healthy School Facilities

- **\$300 million** in sustainable funding for environmental repairs
- **\$50 million** for school safety and security
- **\$3 million** for feminine hygiene products

Supporting PA's Youngest Learners

- **\$30 million** to Pre-K Counts to raise wages and stabilize the workforce
- **\$2.7 million** to the Head Start Supplemental Assistance Program

Recruiting and Retaining Top Talent in Education

- **\$10 million** for the Educator Talent Recruitment Account
- **\$5 million** to increase funding for student teacher stipends
- **\$5 million** for educator professional development



BASIC AND SPECIAL EDUCATION

- **Basic Education - \$325,179 (2.7%) increase for SASD**
 - \$872 million increase for first-year adequacy investment per BEFC recommendation
 - \$200 million increase for the Basic Education Funding Formula
- **Special Education - \$136,732 (3.6%) increase for SASD**
 - Formula data will change final allocation

FEDERAL REVENUES

- Flat federal funding for Title and Access revenue
 - Title I - \$738,274
 - Title II - \$136,572
 - Title III - \$ 66,818
 - Title IV - \$ 29,043

 - Access - \$250,000
 - Medical Assistance - \$ 5,000

Expenditures by Function

Major Expenditure Function	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Expenditures</i>	\$146,206,157	\$147,595,007	\$ 91,599,184	\$156,682,821
Instruction	90,880,570	89,779,138	53,297,160	97,459,228
Support Services	41,939,629	43,251,626	26,739,462	45,669,980
Operation Of Non-Instructional Services	1,901,525	1,973,745	1,265,355	10,563,996
Facilities Acquisition, Construction, And Improvement Services	77,445	25,000	476,780	30,000
Other Expenditures And Financing Uses	11,406,989	12,565,498	9,820,428	11,455,000

* The Function describes the activities for which a service or material is acquired.

Expenditures by Function (Instruction)

Major Expenditure Function	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Expenditures - Instruction</i>	\$ 90,880,570	\$ 89,779,138	\$ 53,297,160	\$ 97,459,228
Regular Programs	57,727,723	60,202,642	32,868,435	62,780,697
Special Programs	30,499,127	27,111,698	18,335,823	31,827,141
Vocational Education	1,735,101	1,735,101	1,340,459	1,755,000
Other Instructional Programs	772,127	570,291	638,480	945,725
Nonpublic School Programs	9,766	10,000	4,436	10,000
Adult Education Programs	136,726	149,406	109,527	140,665

* The Function describes the activities for which a service or material is acquired.

Expenditures by Function (Support Services)

Major Expenditure Function	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Expenditures – Support Services</i>	\$ 41,939,629	\$ 43,251,626	\$ 26,739,462	\$ 45,669,980
Support Services – Students	5,811,314	6,009,232	3,557,397	6,477,111
Support Services – Instructional Staff	5,081,455	5,449,245	2,969,071	5,206,692
Support Services – Administration	5,914,744	6,188,296	3,876,673	6,206,095
Support Services – Pupil Health	1,625,965	1,597,962	909,400	1,741,626
Support Services – Business	1,021,883	1,060,869	740,490	1,081,188
Operation And Maintenance Of Plant Services	10,500,521	11,149,671	7,009,745	12,269,322
Student Transportation Services	8,564,133	8,765,786	5,476,758	9,033,105
Support Services – Central	3,338,938	2,948,065	2,123,878	3,572,341
Other Support Services	80,677	82,500	76,051	82,500

* The Function describes the activities for which a service or material is acquired.

Expenditures by Object

Major Expenditure Object	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Expenditures</i>	\$146,206,157	\$147,595,007	\$ 91,599,184	\$156,672,821
Personnel Services - Salaries	59,024,306	60,895,813	31,982,593	63,089,483
Personnel Services - Benefits	36,527,063	37,051,109	20,611,697	38,502,487
Purchased Professional & Tech Services	10,014,849	6,072,333	6,906,415	10,563,996
Purchased Property Services	1,499,278	1,496,591	1,201,233	1,848,407
Other Purchased Services	21,110,908	21,800,775	14,579,074	21,925,339
Supplies	5,510,287	7,183,286	4,249,640	8,359,674
Property	859,129	224,450	1,199,561	641,075
Other Objects	2,500,951	3,042,832	1,648,971	2,687,360
Other Uses of Funds	9,159,386	9,827,818	9,220,000	9,055,000

* The Object Dimension is the service or commodity bought.

Special Education

Major Expenditure Object	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Expenditures</i>	\$ 30,499,127	\$ 27,111,698	\$ 18,335,823	\$ 31,827,141
Personnel Services - Salaries	10,070,118	10,476,793	5,472,803	10,938,945
Personnel Services - Benefits	6,144,780	6,279,385	3,637,321	6,553,893
Purchased Professional & Tech Services	7,779,990	3,976,083	5,014,482	8,052,246
Purchased Property Services	0	0	207	650
Other Purchased Services	6,347,816	6,230,737	4,100,340	6,098,417
Supplies	136,983	142,450	110,569	181,140
Property	0	3,500	0	0
Other Objects	19,440	2,100	100	1,850
Other Uses of Funds	0	0	0	0

* The Object Dimension is the service or commodity bought.

Benefits

Major Expenditure Object	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Benefits Expenditures</i>	\$ 36,527,063	\$ 37,051,109	\$ 20,611,697	\$ 38,502,487
Group Insurance – Contracted Provider	123,600	127,285	86,772	128,751
Social Security Contributions	4,308,348	4,654,944	2,333,235	4,827,802
PSERS Retirement Contributions	20,529,140	20,586,181	10,738,207	21,309,668
Tuition Reimbursement	233,693	240,500	116,144	241,000
Unemployment Compensation	2,975	31,008	8,194	35,178
Workers’ Compensation	278,033	190,639	203,553	186,909
Group Insurance – Self Insurance	10,938,304	11,099,685	7,033,222	11,654,669
Other Current Employee Benefits	112,971	120,867	92,370	118,510

* The Object Dimension is the service or commodity bought.

Purchased Professional and Technical Services

Major Expenditure Object	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Purchased Prof & Tech Services Expenditures</i>	\$ 10,014,849	\$ 8,156,235	\$ 9,375,405	\$ 10,563,996
Professional – Educational Services	4,016,728	2,083,902	2,468,991	4,884,612
<i>Professional Educational Services – IUs</i>	<i>3,432,213</i>	<i>1,542,250</i>	<i>2,142,305</i>	<i>4,097,200</i>
<i>Professional Educational Services – Other Educational Agencies</i>	<i>559,252</i>	<i>373,700</i>	<i>313,967</i>	<i>650,412</i>
<i>Professional Educational Services – Other</i>	<i>25,263</i>	<i>167,952</i>	<i>12,719</i>	<i>137,000</i>
Other Professional Services	5,803,499	3,745,688	4,339,492	5,394,169
<i>Other Prof Services – Special Education</i>	<i>4,375,878</i>	<i>2,364,033</i>	<i>2,983,136</i>	<i>3,999,246</i>
Technical Services	56,902	80,203	29,141	95,000
Security / Safety Services	37,173	58,170	19,943	55,915
Employee Training And Development Services	28,525	12,800	12,467	31,790
Other Purchased Professional And Technical Services	72,021	91,570	36,380	102,510

* The Object Dimension is the service or commodity bought.

Other Purchased Services

Major Expenditure Object	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Other Purchased Services Expenditures</i>	\$ 21,110,908	\$ 21,800,775	\$ 14,579,074	\$ 21,925,339
Student Transportation Services	8,774,686	9,059,687	5,593,470	9,265,128
Insurance – General	465,001	404,765	462,696	464,470
Communications	536,064	759,165	399,371	740,652
Advertising And Public Relations	3,152	5,900	3,253	4,760
Printing And Binding	65,560	70,200	49,568	59,150
Tuition	11,093,307	11,329,585	7,940,935	11,217,704
Travel	36,124	30,750	15,109	31,775
Miscellaneous Purchased Services	137,014	140,723	114,671	141,700

* The Object Dimension is the service or commodity bought.

Other Purchased Services (Tuition)

Major Expenditure Object	2023 Actual \$	2024 Budget	2024 YTD	2025 Budget
<i>Total Tuition Expenditures</i>	\$ 11,093,307	\$ 11,329,585	\$ 7,940,935	\$ 11,217,704
<i>Tuition To Other School Districts Within The State</i>	184,021	275,000	92,295	265,000
<i>Tuition To Pennsylvania Charter Schools</i>	4,566,129	4,593,393	3,550,404	4,801,814
<i>Tuition To Nonpublic Schools</i>	2,468,328	2,538,828	1,710,599	2,208,379
<i>Tuition To Career And Technology Centers/Area Vocational Technical Schools</i>	1,735,101	1,735,101	1,340,459	1,755,000
<i>Tuition To Institutions Of Higher Education And Technical Institutes</i>	13,400	15,000	10,050	13,000
<i>Tuition To Approved Private Schools (Aps) And Pa Chartered Schools</i>	351,283	308,291	0	292,911
<i>Tuition To Private Residential Rehabilitative Institutions (Prri) [In-State] And Detention Centers</i>	1,772,991	1,858,972	1,236,742	1,878,200
<i>Tuition - Other</i>	2,054	5,000	387	3,400

* The Object Dimension is the service or commodity bought.

FUTURE CONSIDERATIONS - REVENUES

- **Monitor local revenues sources**
 - Real estate tax collection %
 - Earned income and transfer taxes have not dropped off to date
 - Continue to look for allowable investments to maximize interest earnings
- **Future state/federal funds**
 - State budget situation
 - Tax Assessment Adjustments

FUTURE CONSIDERATIONS - EXPENDITURES

- Review positions and factoring of retirements
- Medical benefit trends
- Charter school costs – cyber enrollment changes
- Special education costs and individual student needs
- Five Year Forecast and Trend Analysis

Debt Service Local Effort & Future Capital Improvements

5 Year Actual's

- 2017-18 - \$8,696,965
- 2018-19 - \$8,947,314
- 2019-20 - \$8,950,163
- 2020-21 - \$9,127,746
- 2021-22 - \$9,311,753
- 2022-23 - \$10,619,978

5 Year Forecast

- 2023-24 - \$11,263,015
- 2024-25 - \$10,468,163
- 2025-26 - \$6,301,660*
- 2026-27 - \$6,301,398*
- 2027-28 - \$6,299,448*
- Debt Service remains around \$6.3M through 2034-35*

* Current Amortization, Budget Forecast is \$9M Annually

2024-25 BUDGET OVERVIEW

	2022-23 Final Budget	2022-23 Actual	2023-24 Prelim. Budget *	2023-24 Final Budget	2024-25 Prelim. Budget *
Revenues	\$139,975,287	\$142,116,235	\$142,092,031	\$145,632,789	TBD
Expenditures	142,106,340	146,206,158	152,082,637	147,595,007	156,682,821
Surplus(Deficit)	(2,131,053)	(4,089,923)	(9,990,606)	(1,962,218)	TBD

	Millage Increase 1.0%	Millage Increase 2.0%	Millage Increase 3.0%	Millage Increase 4.0%	Millage Increase 5.3%
Total Revenues	\$147,375,350	\$148,320,866	\$149,266,383	\$150,211,900	\$151,440,965
Expenditures	156,682,821	156,682,821	156,682,821	156,682,821	156,682,821
Surplus(Deficit)	(9,307,471)	(8,361,955)	(7,416,438)	(6,470,921)	(5,241,855)

* As of 3/1/2024 Assessments, assumes 97% collection and flat homestead/farmstead allocation

2024-25 Budget Calendar

Date	Event	Description
3/13/2024	Finance Committee Meeting	Budget Presentation
4/10/2024	Finance Committee Meeting	Present Proposed Final Budget
4/25/2024	Board Meeting	Approve Proposed Final Budget
5/08/2024	Finance Committee Meeting	
6/05/2024	Finance Committee Meeting	Present Final Budget
6/20/2024	Board Meeting	Approve Final Budget