



2024-25 Budget Update

Finance Committee Meeting

May 8, 2024

Grant Funding

PA Commission on Crime & Delinquency

PCCD Meritorious Grants

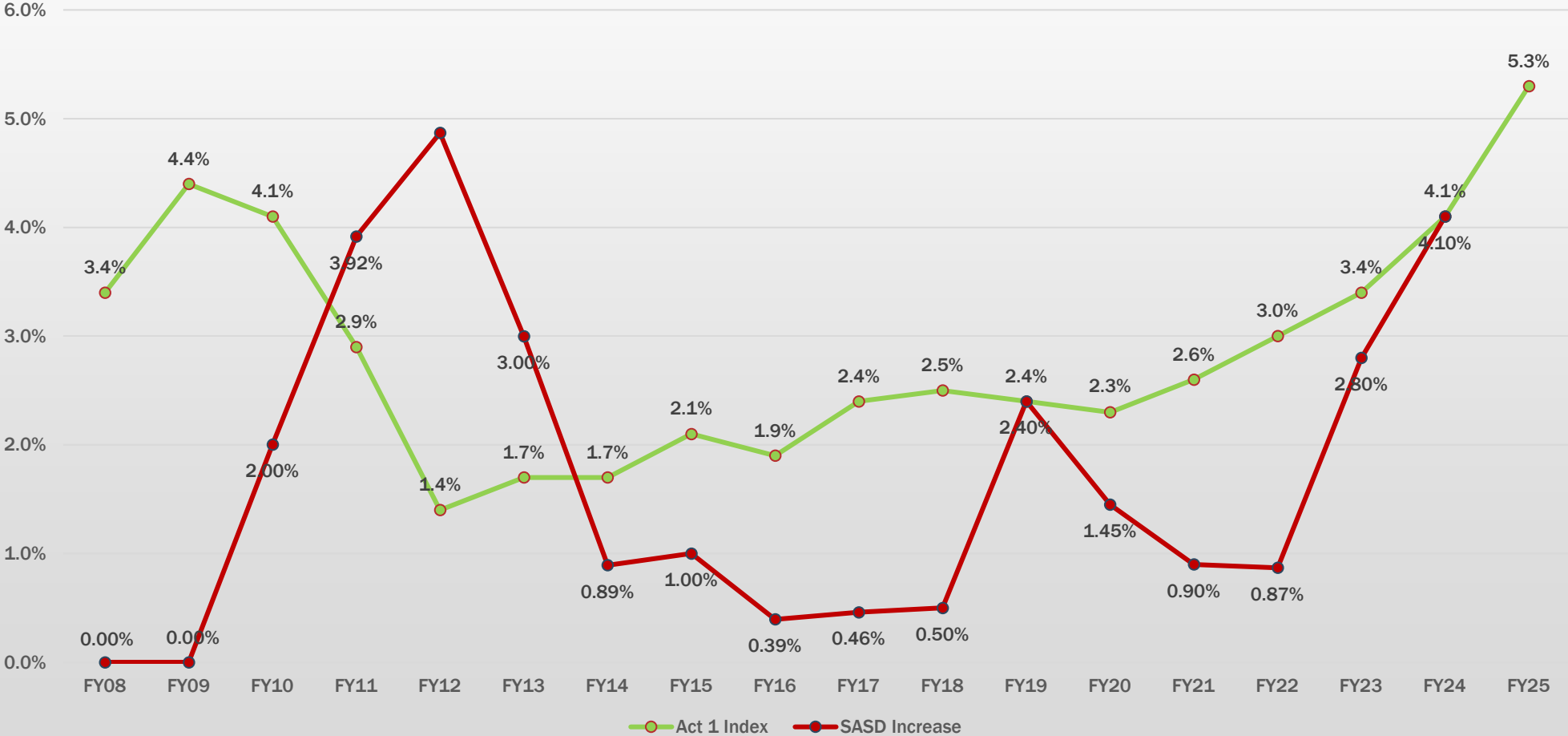
- ***PCCD Safety: \$45,000***
 - Camera upgrades
- ***PCCD Mental Health: \$177,048***
 - 1 full-time long-term substitute counselor
 - 1 full-time school psychologist
 - Spanish language counseling
 - MCIU Mental Health Baseline Assessment

PCCD Competitive

- *Awarded \$257,344 to address safety and security upgrades*

ACT 1 INDEX – 5.3% for 2024-25

Souderton Area School District Tax Rate History



LOCAL REVENUES

	2022-23 Actual \$	FY23 Collections thru April 2023	FY24 Collections thru April 2024	2024-25 Prelim. Budget	2024-25 Proposed Final Budget
Real Estate Taxes	\$87,297,891	\$87,303,565	\$91,863,899	\$91,729,131 \$96,740,263	\$91,320,369 \$96,338,888
Budgeted Collection %				97%	97%
Real Estate Interims	561,417	515,217	330,863	\$300,000	300,000
Earned Income Taxes	10,144,361	7,385,025	7,655,439	\$10,500,000	10,500,000
Delinquent Real Estate	948,676	622,830	446,904	\$850,000	850,000
Per Capita Taxes	281,578	281,578	283,251	\$281,500	281,500
Real Estate Transfer Tax	1,716,847	1,408,506	1,114,832	\$1,500,000	1,500,000
Earnings on Investments	1,614,081	1,443,177	2,213,923	\$1,000,000	1,500,000

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

Revised Budget Projections

- **State Property Tax Reduction Allocation**
 - Increase Allocation from the State for 2024-25
 - \$559,568.96 increase for a total of \$3,366,317.96
- **Real Estate Taxes**
 - Increase assessment and reduction from the State Property Tax Reduction Allocation
 - Decrease of \$435,871
- **Special Education Support Services Conversion**
 - Budget revision provides a savings of \$1,232,394

Cyber Charter School Reform

- **Proposed Cyber Charter Reform**

- Implement reforms to align cyber tuition with the actual cost of online education, saving school districts \$262 million annually
- Sets one tuition rate for Cyber Charter Tuition at \$8,000 per student annually
- Projections estimate \$609,960 in potential reduced Cyber Charter Tuition Costs for Souderton
- **2022-2023 Charter School Tuition**
 - Brick & Mortar \$3,264,506.96
 - Cyber Charter \$1,301,622.35

- **Souderton's Charter School Tuition Rates**

- **2009-10**
 - NonSpecial Education 9,059.19
 - Special Education 20,454.42
- **2023-24**
 - NonSpecial Education 14,197.34
 - Special Education 34,796.09
- **2023-24 Charter School Enrollment**
 - **Brick & Mortar**
 - NonSpecial Education 161 – 78.5%
 - Special Education 44 – 21.5%
 - **Cyber Charter**
 - NonSpecial Education 37 – 75.5%
 - Special Education 12 – 24.5%

FUTURE CONSIDERATIONS - REVENUES

- **Monitor local revenues sources**
 - Real estate tax collection %
 - Earned income has not dropped off to date
 - Transfer taxes have slowed
 - 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
- Monitor progress on the Governor's Proposed changes to Cyber Charter Funding
- 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 Actual	2023-24 Prelim. Budget *	2023-24 Final Budget	2024-25 Prelim. Budget *	2024-25 Draft Budget *
Revenues	\$142,116,235	\$142,092,031	\$145,632,789	TBD	TBD
Expenditures	146,206,158	152,082,637	147,595,007	156,682,821	155,420,622
Surplus(Deficit)	(4,089,923)	(9,990,606)	(1,962,218)	TBD	TBD

	Millage Increase 1.0%	Millage Increase 2.0%	Millage Increase 3.0%	Millage Increase 4.0%	Millage Increase 5.3%
Total Revenues	\$148,426,139	\$149,372,995	\$150,319,852	\$151,266,709	\$152,497,516
Expenditures	155,420,622	155,420,622	155,420,622	155,420,622	155,420,622
Surplus(Deficit)	(6,994,483)	(6,047,627)	(5,100,770)	(4,153,913)	(2,923,106)

* As of 4/1/2024 Assessments, assumes 97% collection and flat homestead/farmstead allocation

2024-25 Budget Calendar

Date	Event	Description
5/08/2024	Finance Committee Meeting	Present Proposed Final Budget
5/23/2024	Finance Committee Meeting	Approve Proposed Final Budget
6/12/2024	Finance Committee Meeting	Present Final Budget
6/26/2024	Board Meeting	Approve Final Budget