

Souderton Area
School District



A community where character counts

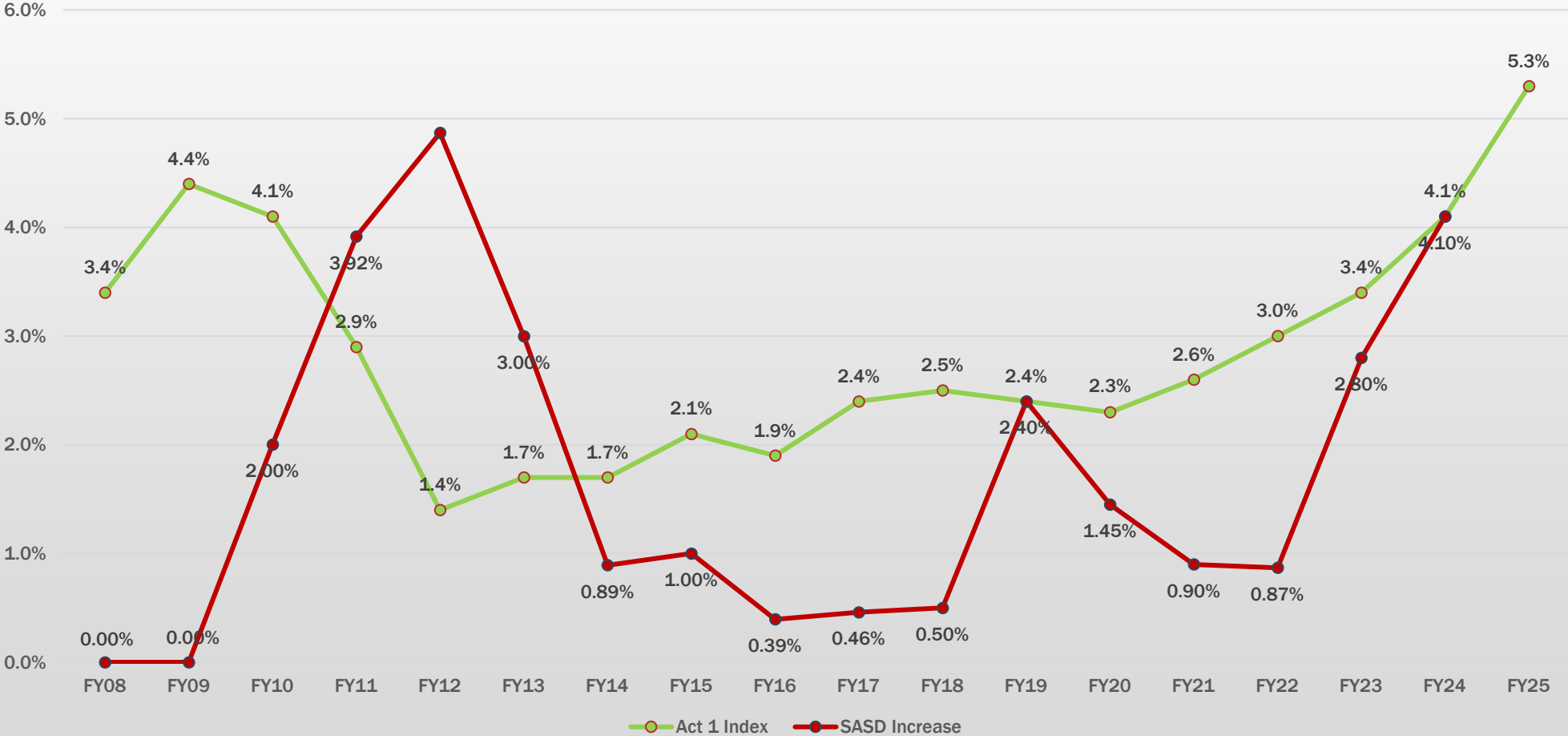
2024-25 Budget Update

Finance Committee Meeting

June 12, 2024

ACT 1 INDEX – 5.3% for 2024-25

Souderton Area School District Tax Rate History



LOCAL REVENUES

	2022-23 Actual \$	FY23 Collections thru May 2023	FY24 Collections thru May 2024	2024-25 Prelim. Budget	2024-25 Proposed Final Budget
Real Estate Taxes	\$87,297,891	\$87,303,565	\$91,833,691	\$91,729,131 \$96,740,263	\$91,761,620 \$96,774,474
Budgeted Collection %				97%	97%
Real Estate Interims	561,417	533,783	378,275	\$300,000	400,000
Earned Income Taxes	10,144,361	9,385,917	9,878,238	\$10,500,000	10,500,000
Delinquent Real Estate	948,676	683,621	672,307	\$850,000	881,000
Per Capita Taxes	281,578	281,578	283,251	\$281,500	281,500
Real Estate Transfer Tax	1,716,847	1,471,664	1,250,670	\$1,500,000	1,500,000
Earnings on Investments	1,614,081	1,550,088	2,397,130	\$1,000,000	1,750,000

STATE & FEDERAL FUNDING

- Basic Education - \$325,179 (2.7%) increase for SASD
- Special Education - \$136,732 (3.6%) increase for SASD

- Federal Programs – Reductions to Title Programs **(-\$44,956)**
 - Title I - \$687,279
 - Title II - \$118,483
 - Title III - \$ 64,400
 - Title IV - \$ 55,589

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

Revised Budget Projections

- **Revenue Adjustments**

- Increase Real Estate Tax Assessments - \$134,082
- Local Revenue Projections - \$620,600
- Earnings on Investments - \$250,000
- District Staffing – (\$71,117)
- Federal Funding
 - Title Programs – (\$44,956)

- **Expenditure Adjustments**

- Operations – (\$500,000)
- District Staffing – (\$484,551)
- Cyber Charter Reform – (\$600,000)

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**
 - 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 Final Budget	2024-25 Prelim. Budget *	2024-25 Final Budget *
Revenues	\$142,116,235	\$145,632,789	TBD	TBD
Expenditures	146,206,158	147,595,007	156,682,821	153,836,071
Surplus(Deficit)	(4,089,923)	(1,962,218)	TBD	TBD

	Millage Increase 2.0%	Millage Increase 3.0%	Millage Increase 4.0%	Millage Increase 5.3%
Total Revenues	\$150,260,536	\$151,207,717	\$152,154,897	\$153,386,125
Expenditures	153,836,071	153,836,071	153,836,071	153,836,071
Surplus(Deficit)	(3,575,535)	(2,628,354)	(1,681,174)	(449,946)

* As of 6/1/2024 Assessments, assumes 97% collection and flat homestead/farmstead allocation

NEXT STEPS

- June 26th Board Action Meeting – approval of Final Budget