

# 2023-2024 Pottstown School District Budget



Maureen K. Oakley, Business Administrator

# 2023-2024 BUDGET TIMELINE

<b>9/29/22</b>	<b>ACT 1 Base Index 4.10% &amp; Pottstown Adjusted Index 6.0% Released by PDE</b>
<b>11/10/22</b>	<b>Finance Committee Meeting- Opt out Resolution discussion</b>
<b>11/17/22</b>	<b>Board Action- Opt out Resolution (pde DEADLINE 1/26/23)</b>
<b>2/9/23</b>	<b>Finance Committee First Look Budget Presentation</b>
<b>2/17/23</b>	<b>Governor Proposed Budget Presentation (PASBO Review)</b>
<b>3/9/23</b>	<b>Finance Committee Second Look</b>
<b>4/13/23</b>	<b>Finance Committee Preliminary Budget Review</b>
<b>4/20/23</b>	<b>Preliminary Budget Adoption</b> (PDE Deadline 5/31/21 or at least 30 prior to Final Budget Adoption)
<b>5/18/23</b>	<b>Final Budget Adoption- including HF Resolution</b> (PDE Deadline 6/30/21 or at least 30 prior to Final Budget Adoption)
	<b>Deadline to File PDE 2028</b> (or 15 days within Final Budget Adoption)

# Tax Base

\*2015 Certified Tax Duplicate \$810,196,679

2020 Certified Tax Duplicate \$761,992,039

2021 Certified Tax Duplicate \$761,470,629

2022 Certified Tax Duplicate \$762,090,941

2023 Certified Tax Duplicate \$ 761,331,952

# 1st Look

## February 2023

<b>REVENUES</b>	<b>78,527,209</b>
<b>EXPENDITURES</b>	<b>79,119,996</b>
<b>BUDGET SHORTFALL</b>	<b>(592,587)</b>

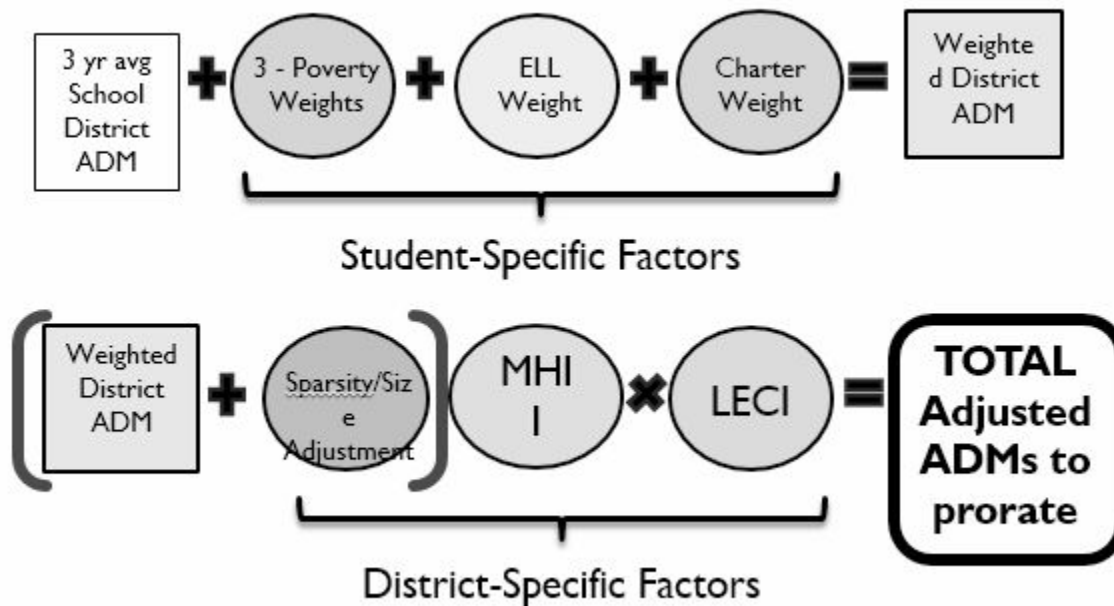
\*\*2023-2024 ACT 1 Index Base 4.1%

\*\*\*Pottstown Adjusted Index 6%

# Proposed State Revenue

<b><i>22/23 BASE</i></b>	<b><i>\$9,996,823.99</i></b>
<b><i>22/23 Level Up</i></b>	<b><i>\$1,593,426.75</i></b>
<b><i>22/23 Student Weight</i></b>	<b><i>\$5,569,825</i></b>
<b><i>22/23 Total BEF</i></b>	<b><i>\$17,160,076</i></b>
<b><i>23/24 New BASE</i></b>	<b><i>\$11,590,250.74</i></b>
<b><i>22/23 Student Weight</i></b>	<b><i>???</i></b>
<b><i>23/24 Total BEF</i></b>	<b><i>???</i></b>

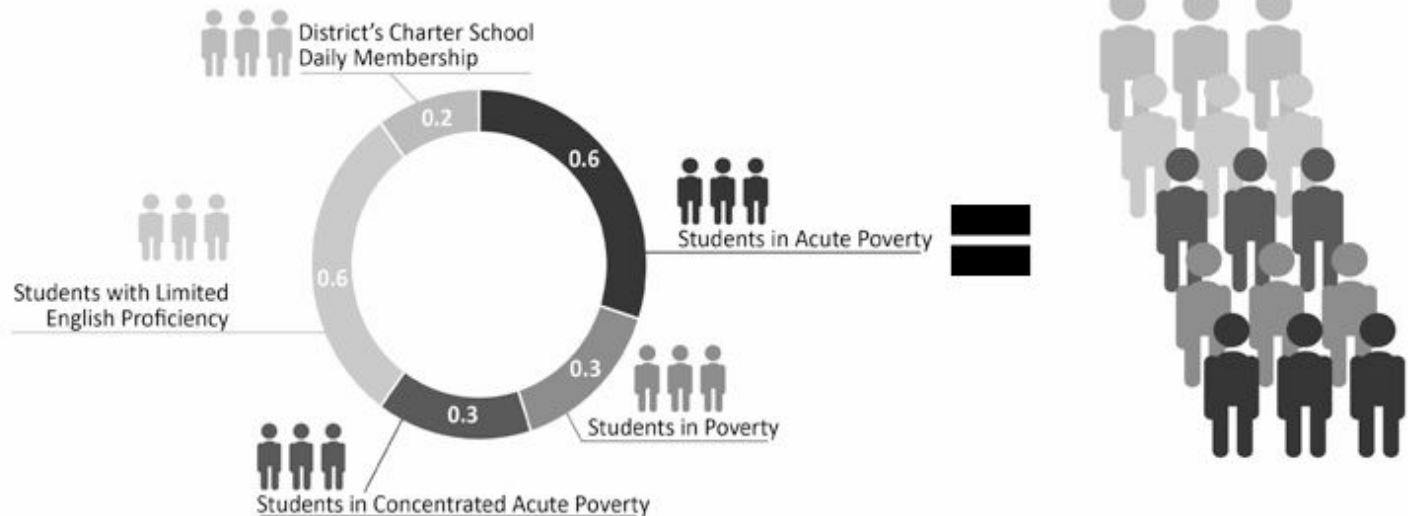
# Basic Education Subsidy (BEF)



# BEF: Student Weights

## Acute, Concentrated & Poverty

Start with 3 year average ADMs 



# **BEF: Acute & Concentrated Poverty**

<b>2015-2016</b>	<b>29.34%</b>
<b>2016-2017</b>	<b>29.34%</b>
<b>2017-2018</b>	<b>34.94%</b>
<b>2018-2019</b>	<b>40.35%</b>
<b>2019-2020</b>	<b>39.22%</b>
<b>2020-2021</b>	<b>32.97%</b>
<b>2021-2022</b>	<b>30.19%</b>
<b>2022-2023</b>	<b>23.79%</b>
<b>2023-2024</b>	<b>21.96%</b>

Data Source



# BEF: Moderate Poverty

<b>2015-2016</b>	<b>24.92%</b>
<b>2016-2017</b>	<b>24.92%</b>
<b>2017-2018</b>	<b>24.29%</b>
<b>2018-2019</b>	<b>15.66%</b>
<b>2019-2020</b>	<b>15.44%</b>
<b>2020-2021</b>	<b>17.40%</b>
<b>2021-2022</b>	<b>15.51%</b>
<b>2022-2023</b>	<b>29.60%</b>
<b>2023-2024</b>	<b>38.95%</b>

# **BEF: Student ADM**

(Avg. Daily membership)

PART 2: ADD COMPONENTS TOGETHER



# **BEF: ADM (weighted)**

<b>2015-2016</b>	<b>8,962</b>
<b>2016-2017</b>	<b>8,967</b>
<b>2017-2018</b>	<b>12,213</b>
<b>2018-2019</b>	<b>11,827</b>
<b>2019-2020</b>	<b>12,080</b>
<b>2020-2021</b>	<b>11,015</b>
<b>2021-2022</b>	<b>11,482</b>
<b>2022-2023</b>	<b>10,659</b>
<b>2023-2024</b>	<b>?</b>

# **BEF: Adjust Multipliers**

(Our Piece of the \$\$\$ Pie)

## PART 3: ADJUST BY MULTIPLIERS



# **BEF: Median Household Income**

<b><i>2015-2016</i></b>	<b><i>\$45,724</i></b>
<b><i>2016-2017</i></b>	<b><i>\$45,724</i></b>
<b><i>2017-2018</i></b>	<b><i>\$43,075</i></b>
<b><i>2018-2019</i></b>	<b><i>\$45,051</i></b>
<b><i>2019-2020</i></b>	<b><i>\$45,634</i></b>
<b><i>2020-2021</i></b>	<b><i>\$49,377</i></b>
<b><i>2021-2022</i></b>	<b><i>\$50,331</i></b>
<b><i>2022-2023</i></b>	<b><i>\$50,130</i></b>
<b><i>2023-2024</i></b>	<b><i>\$52,722</i></b>

# BEF: 2022-2023

BASIC EDUCATION 2022-23 COMPONENTS			
2022-23 Base BEF	\$5,656,411,806	= District original base allocation plus any adds to base since; including Level up. (Base does not run through the formula.)	
2022-23 Estimated Student-Weighted Distribution	\$1,423,667,243	= Last year's \$898,667,235 plus this years \$525 million	
Sum #1	\$7,080,079,049		
PLUS Level Up	\$225,000,000	= Gets added to Base next year	
PLUS Soc Sec	\$545,045,000	( Soc.Sec. does NOT run through the formula)	
Total BEF	\$7,850,124,049		
Note 1: Base will be \$5,881,411,806 for 2023-24			
Note 2: The \$1.423 bn distribution is 24% or 26% of the Base (with or without Level up adjustment).			

2022-23 BEF numbers	
2022-23 Estimated Student-Weighted Distribution	\$1,423,667,243
Total Student Weighted ADM x MHII x LECI	2,724,499.111
Value of each weighted Student ADM lost or gained at current formula distribution amount of \$1.4 billion	\$522.54

# BEF: Calculation

## PART 4: PRORATE BASED ON SHARE



This number divided by the total statewide ADMs is your SHARE OF BEF!

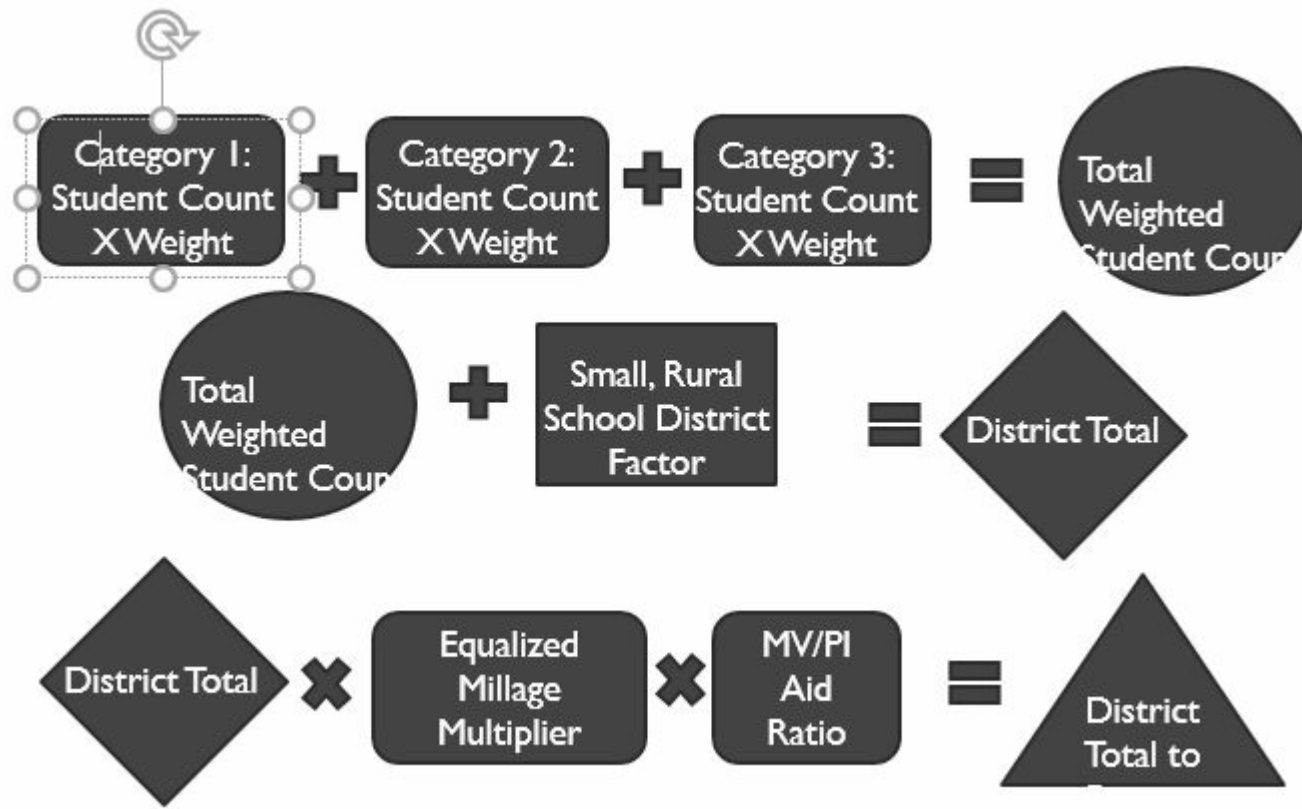
# Special Education Funding:

BASE DOES NOT CHANGE; INCREASES COME FROM STATE APPROPRIATIONS

FY	Base SEF	Formula SEF	Change
2014-15	\$947,535,830	\$19,800,000	
2015-16	\$947,535,830	\$46,750,000	\$26,950,000
2016-17	\$947,535,830	\$65,622,524	\$18,872,525
2017-18	\$947,535,830	\$88,825,000	\$23,202,475
2018-19	\$947,535,830	\$102,850,000	\$14,025,000
2019-20	\$947,535,830	\$149,600,000	\$46,750,000
2020-21	\$947,535,830	\$149,600,000	\$0
2021-22	\$947,535,830	\$196,349,999	\$46,750,000
2022-23	\$947,535,830	\$289,850,000	\$93,500,000
2023-24	\$947,535,830	?	?



# Special Education Funding: Formula



# Special Education Funding:

<b><i>Category</i></b>	<b><i>1</i></b>	<b><i>2</i></b>	<b><i>3</i></b>	<b><i>4</i></b>	<b><i>Total</i></b>
<b><i>2017-2018</i></b>	<b><i>701</i></b>	<b><i>21</i></b>	<b><i>21</i></b>	<b><i>9</i></b>	<b><i><u>757</u></i></b>
<b><i>2018-2019</i></b>	<b><i>781</i></b>	<b><i>26</i></b>	<b><i>19</i></b>	<b><i>13</i></b>	<b><i><u>839</u></i></b>
<b><i>2019-2020</i></b>	<b><i>792</i></b>	<b><i>26</i></b>	<b><i>18</i></b>	<b><i>12</i></b>	<b><i><u>848</u></i></b>
<b><i>2020-2021</i></b>	<b><i>742</i></b>	<b><i>37</i></b>	<b><i>26</i></b>	<b><i>10</i></b>	<b><i><u>815</u></i></b>

# First Look Assumptions

EXPENDITURES		
<b>2020-2021 FINAL</b>	<b>\$ 65,291,050</b>	
<b>2022-2023 BUDGET</b>	<b>\$ 68,467,437</b>	
<b>2023-2024 BUDGET</b>	<b>\$ 79,119,996</b>	
***new	\$ 4,091,625	ARP ESSER (ESSER III)
***new	\$ 465,000	GEAR UP GRANT
	\$ 475,000	Addl Staff
	\$ 2,814,046	Tuition Increase
	\$ 416,607	Med / RX Increase
	\$ 255,000	Capital Proj.
	\$ 276,000	Energy & Insurance Inc.
	<b>\$ 70,326,718</b>	

REVENUES		
<b>2020-2021 FINAL</b>	<b>\$ 71,188,388</b>	
<b>2022-2023 BUDGET</b>	<b>\$ 67,727,309</b>	
<b>2023-2024 BUDGET</b>	<b>\$ 78,527,209</b>	
***new	\$ 4,091,625	ARP ESSER (ESSER III)
***new	\$ 465,000	GEAR UP GRANT
	\$ 300,000	INTEREST ON INVESTMENTS
	\$ 3,199,576	BASIC ED EQUALIZED SUBS
	\$ 351,612	SPECIAL ED SCHOOL AGE
	\$ 352,500	REC'D PA PREK COUNTS
	\$ 175,000	ACCESS
	<b>\$ 69,591,896</b>	

# First Look Assumptions

- State Subsidy Budgeted Flat at 22/23 Allocation inc. Level Up funds
- Medical and Prescription Rates Projection from October 2021:10% increase
- Energy, Insurance, and Service Contracts and Projections Not Finalized
- Title and Federal Allocations Not Finalized
- 34% PSERS Rate
- Insurance 15% Increase
- Energy 37% Electricity Increase
- Tuitions Increased \$5.7M (Budget) to \$8.2M based on current projection
- Powerschool SIS Upgrade
- ESSER Funds Inclusive in 2023-2024 Budget
- Gear Up Grant Included in 2023-2024 Budget
- Pre K Counts, 21st Century, PCCD Mental & Physical Safety, PAHWF are included in 2023-2024 Budget
- Capital Projects increase \$255k

# First Look Assumptions

- Additional Supervisor for Special Education MA Access Funded
- Professional Staff Contractual Increase
- Support and Exempt Contractual Increase
- ACT 93 Increase salaries to 19/20 Montgomery County Average (5 years old)
- Additional 2 MS teachers for Smooth Scheduling
- Summer 2023 Programming ESSER Funded
- Gear Up Grant Counseling Program
- 21st Century After School Program - Final Year Cohort 10
- ESSER Funded Technology, Curriculum, Mental Health Services & Professional Development

# First Look Assumptions

## Charter Spend

VENDOR	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
	\$ -	-\$174,100	\$7,661	\$13,520	\$8,984	\$ -	
0051 AGORA CYBER CHAR	\$695,059	\$807,152	\$617,407	\$546,784	\$532,205	\$598,487	
11371 PA. VIRTUAL CHAR	\$122,887	\$293,518	\$257,491	\$254,172	\$311,893	\$247,408	
11592 COMMONWEALTH C	\$390,175	\$409,836	\$454,926	\$466,808	\$607,896	\$822,866	
11606 PA CYBER CHARTER	\$193,571	\$195,968	\$191,572	\$138,136	\$128,859	\$110,582	
11624 PA LEADERSHIP CH	\$207,403	\$226,423	\$314,990	\$273,478	\$263,821	\$276,515	
11625 PA DISTANCE LEAR	\$81,844	\$113,069	\$114,991	\$109,966	\$43,325	\$33,705	
14073 DR. R. KETTERER	\$10,038	\$ -					
14407 SUSQ-CYBER CHART			\$2,578		\$6,200	\$11,235	
50827 RENAISSANCE ACAD				\$793,957	\$1,101,734	\$1,103,013	
51103 ASPIRA BILING CY	\$4,869	\$9,758					
51482 REACH CYBER CHAR	\$11,921	\$154,862	\$361,391	\$392,102	\$332,078	\$455,004	
51906 INSIGHT PA CYBER		\$83,092	\$86,292	\$105,761	\$151,875	\$161,000	
6611 COLLEGIUM CHARTE	\$12,530	\$32,059	\$27,057	\$56,782	\$67,632	\$89,712	
7451 21ST CENTURY CYB	\$14,187	\$32,469	\$91,939	\$121,861	\$221,798	\$208,074	
7888 ACHIEVEMENT HOUS	\$51,093	\$69,890	\$44,938	\$48,521		\$25,043	
9043 RENAISSANCE ACAD	\$451,443	\$523,065	\$665,123				
	\$2,247,022	\$2,777,060	\$3,238,354	\$3,321,850	\$3,778,298	\$4,142,645	
<b>year over year increase</b>		<b>\$530,038</b>	<b>\$461,293</b>	<b>\$83,496</b>	<b>\$456,448</b>	<b>\$364,347</b>	<b>\$379,125</b>

# First Look Assumptions

## Charter Enrollment

	2022-2023	2021 - 2022	2020 - 2021	2019-2020
July	182	22	74	169
August	175	96	77	171
September	274	210	193	170
October	276	222	222	192
November	277	220	207	191
December	270	227	202	193
January	273	232	220	189
February	16	238	214	178
March	0	238	227	190
April	0	251	218	188
May	0	252	214	168
June	0	244	140	167

# First Look Assumptions

## Tuitions (Private & Charter)

**PY Total \$5.3 M**

0051 AGORA CYBER CHAR	\$	397,959.74	\$	417,091.64	
11371 PA. VIRTUAL CHAR	\$	209,918.00	\$	165,601.12	
11592 COMMONWEALTH CHA	\$	613,046.13	\$	467,609.03	
11606 PA CYBER CHARTER	\$	149,399.66	\$	79,917.99	
11624 PA LEADERSHIP CH	\$	165,011.80	\$	204,000.00	
11625 PA DISTANCE LEAR	\$	60,497.12	\$	136,012.24	
14407 SUSQ-CYBER CHART	\$	-	\$	15,000.00	
50827 RENAISSANCE ACAD	\$	578,016.09	\$	921,983.91	
51482 REACH CYBER CHAR	\$	334,266.80	\$	307,423.07	
51906 INSIGHT PA CYBER	\$	113,096.43	\$	101,160.78	
6611 COLLEGIUM CHARTE	\$	86,819.71	\$	64,999.16	
7451 21ST CENTURY CYB	\$	136,203.20	\$	315,389.38	
7888 ACHIEVEMENT HOUS	\$	54,038.70	\$	99,346.08	
	<b>\$</b>	<b>2,898,273.38</b>	<b>\$</b>	<b>3,295,534.40</b>	\$ 6,193,807.78
	\$	-	\$	-	
1222 DEVEREUX FOUNDAT	\$	91,502.00	\$	208,198.00	
15163 NEW STORY, LLC.	\$	268,890.00	\$	308,650.00	
15741 VALLEY FORGE ED.	\$	272,104.64	\$	82,045.36	
50384 RIVER ROCK ACADE	\$	18,029.26	\$	23,970.74	
51574 WOODS SERVICES	\$	28,965.82	\$	46,034.18	
51851 COTTAGE SEVEN ED	\$	181,500.00	\$	342,900.00	
53074 GEMMA SERVICES	\$	21,747.00	\$	43,253.00	
53401 ACCESS SERVICES,	\$	15,180.00	\$	29,820.00	
6394 UHS OF DOYLESTOW	\$	19,787.00	\$	82,213.00	
6877 CAMPHILL SPECIAL	\$	50,732.76	\$	57,267.24	
	<b>\$</b>	<b>968,438.48</b>	<b>\$</b>	<b>1,224,351.52</b>	\$ 2,192,790.00



# Tax Scenarios

<b>INDEX</b>	<b>(+/-) MILLAGE</b>	<b>NEW MILLAGE</b>	<b>(+/- ) Revenue</b>
<b>-.5</b>	<b>-.20</b>	<b>41.75</b>	<b>-147,237</b>
<b>-1</b>	<b>-.41</b>	<b>41.54</b>	<b>-300,370</b>
<b>-1.5%</b>	<b>-.62</b>	<b>41.33</b>	<b>-453,503</b>
<b>-2%</b>	<b>-.83</b>	<b>41.12</b>	<b>-606,636</b>
<b>-2.4</b>	<b>-1.00</b>	<b>40.96</b>	<b>-729,142***</b>
<b>1%</b>	<b>.41</b>	<b>42.38</b>	<b>\$312,000</b>
<b>2%</b>	<b>.83</b>	<b>42.80</b>	<b>\$618,000</b>
<b>4.1%*</b>	<b>1.72</b>	<b>43.68</b>	<b>\$1,261,500</b>
<b>6%**</b>	<b>2.51</b>	<b>44.48</b>	<b>\$1,843,400</b>

\* ACT 1 Base 4.1%

\*Pottstown Adjusted Index 6%

\*\*\*Average Household Impact @ -1.00 Millage (\$79,000 avg. AV) \$78/ year

# **Tax Relief**

## OPTIONS:

- Reduction of Millage
- Increase \$\$\$ Homestead/ Farmstead
- Commit Dollars to offset Future Tax Increases
- Rebate Program

# ACT 1 HISTORICAL

	<b>ACT 1 BASE</b>	<b>ACT 1 ADJUSTED</b>	<b>Millage</b>
<b>2015-2016</b>	<b>1.9</b>	<b>2.7</b>	<b>39.25</b>
<b>2016-2017</b>	<b>2.4</b>	<b>3.4</b>	<b>39.25</b>
<b>2017-2018</b>	<b>2.5</b>	<b>3.6</b>	<b>39.25</b>
<b>2018-2019</b>	<b>2.4</b>	<b>3.5</b>	<b>40.62</b>
<b>2019-2020</b>	<b>2.3</b>	<b>3.3</b>	<b>41.96</b>
<b>2020-2021</b>	<b>2.6</b>	<b>3.8</b>	<b>41.96</b>
<b>2021-2022</b>	<b>3.0</b>	<b>4.4</b>	<b>41.96</b>
<b>2022-2023</b>	<b>3.4</b>	<b>5.0</b>	<b>41.96</b>
<b>2023-2024</b>	<b>4.1</b>	<b>6.0</b>	<b>41.96</b>

# 2023 Est. Homestead Farmstead Rebate

	<u>2021-2022</u>	<u>2022-2023*</u>
Allocation	\$1,624,782.00	\$2,040,708.11
Homesteads	3,798	3,715
HF Reduction	\$427.81	\$549.33
Reduction in Assessed Value	\$10,195.65	\$13,091.65

# Fund Balance

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Unassigned	5,144,225	5,233,089	5,280,749	5,957,395
Committed PSERS	3,799,409	3,799,409	3,799,409	3,799,409
Assigned <small>Capital</small>	1,361,626	3,463,955	7,535,435	7,535,435
Assigned <small>Next Year Budget</small>	457,324	1,707,479	1,425,451	740,132
Assigned <small>Tuition &amp; Transp.</small>			2,102,329	5,029,873
Capital Projects	2,159,379	2,189,511	2,192,117	2,194,488
<b>TOTAL</b> (excludes Non Spend, Restricted & Non Major)	<b>12,921,963</b>	<b>16,393,443</b>	<b>22,335,490</b>	<b>25,256,732</b>

# What Is Fund Balance?

Most think of fund balance as cash or other money sitting in a bank, however, fund balance is the difference between assets and liabilities and represents the spendable (tangible) and non-spendable (intangible) resources available to meet future obligations.

Additionally, fund balance is a snapshot of the difference between assets and liabilities at a very specific point in time. Since the vast majority of public schools submit annual financial reports for the fiscal year ending on June 30, the fund balance amounts included in annual fund balance information capture the balance on that specific date.

According to the [Government Finance Officers Association](#), “it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government’s general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.”

# Why Fund Balance?

Conservative and prudent public finance---General Fund provides the **BASE** from which all instruction is delivered....reserves are utilized to stabilize and **protect** the General fund from variability and operating unknowns....which protects student programs. (not vice versa)

## Unpredictable Revenues and Expenses

- Insurance claims (medical and Rx self-insured, workers compensation, larger deductibles on package and liability policies)
- Emergency needs, repairs, major HVAC or roof issues
- State budget impasses
- Mandates / charter
- Local or wider economic downturns...and for how long?

Specific high cost line item reserves ( Health care, Planned major Capital expenditures; buildings, technology, curriculum revisions or adds)...one-time vs on-going Cash Flow...