

2023-2024 Pottstown School District Budget



Maureen K. Oakley, Business Administrator

2023-2024 BUDGET TIMELINE

9/29/22	ACT 1 Base Index 4.10% & Pottstown Adjusted Index 6.0% Released by PDE
11/10/22	Finance Committee Meeting- Opt out Resolution discussion
11/17/22	Board Action- Opt out Resolution (pde DEADLINE 1/26/23)
2/9/23	Finance Committee First Look Budget Presentation
3/7/23	Governor Proposed Budget Presentation
3/9/23	Finance Committee Second Look
3/14/23	Governor Proposed Budget Presentation (PASBO Review)
4/13/23	Finance Committee Preliminary Budget Review
4/20/23	Preliminary Budget Adoption <small>(PDE Deadline 5/31/21 or at least 30 prior to Final Budget Adoption)</small>
5/18/23	Final Budget Adoption- including HF Resolution <small>(PDE Deadline 6/30//21 or at least 30 prior to Final Budget Adoption)</small>
	Deadline to File PDE 2028 <small>(or 15 days within Final Budget Adoption)</small>

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

**Feb 2023 \$781,486,302

1st Look

February 2023

REVENUES	78,527,209
EXPENDITURES	79,119,996
BUDGET SHORTFALL	(592,587)

**2023-2024 ACT 1 Index Base 4.1%

***Pottstown Adjusted Index 6%

2nd Look

“Pending Gov. Proposal”

March 2023

REVENUES	81,315,459
EXPENDITURES	79,841,574
SURPLUS	+1,273,884

**2023-2024 ACT 1 Index Base 4.1%

***Pottstown Adjusted Index 6%

Governor Shapiro Proposed Budget

March 7, 2023

- \$567 million increase in BEF--being distributed through the BEF formula. There are no new Level-Up funds included in the proposal (and remember that school district Social Security Funds are included in the overall BEF appropriation)
- \$104 million increase in SEF--most of this is distributed through the SEF formula
- \$100 million in school safety and security grants for physical safety through PCCD
- \$100 million in school mental health support grants
- \$100 million school environmental repair and improvement grants
- \$38.5 million for free breakfasts and free lunches for reduced-price students
- \$25 million in new funds for career and technical education through a series of investments in targeted funding and partnerships in addition to \$80 million through the CTE subsidy

Governor Shapiro Proposed Budget

March 7, 2023

BEF appropriation Nuances

- First, since 2019/20, in a House Republican-insisted move that reduces transparency, social security reimbursement payments have been included in the overall BEF appropriation.
- Second, per Act 55 of 2022 (the omnibus 2022/23 School Code), the 2022/23 Level Up Supplement becomes part of the
- BEF base in 2023/24 and beyond. Therefore, while the Level Up Supplement does not receive new funding, the school districts that received funding in the previous two iterations will continue to receive those funds as part of their base BEF allocation.

Basic Education Funding (BEF) \$ amounts in thousands	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Actual FY 21-22	Available FY 22-23	Budget FY 23-24	Proposed Increase:		Last Year's Increase:	
							23-24 Budget less 22-23 Available		22-23 Available less 21-22 Actual	
Total BEF Appropriation	\$6,095,079	\$6,742,838	\$6,794,489	\$7,082,304	\$7,625,124	\$8,421,751	\$796,627	10.4%	\$542,820	7.7%
BEF Portion	\$6,095,079	\$6,255,079	\$6,255,079	\$6,555,079	\$7,080,079	\$7,872,444	\$792,365	11.2%	\$525,000	8.0%
Social Security Portion	\$0	\$487,759	\$539,410	\$527,225	\$545,045	\$549,307	\$4,262	0.8%	\$17,820	3.4%
Level Up Supplement	\$0	\$0	\$0	\$0	\$225,000	\$0	-\$225,000	-100.0%	\$225,000	
BEF Portion + Level Up	\$6,095,079	\$6,255,079	\$6,255,079	\$6,555,079	\$7,305,079	\$7,872,444	\$567,365	7.8%	\$750,000	11.4%

Notes:

- BEF portion in 21/22 included \$100 million for Level Up
- Social Security Portion in 2021/22 included a \$15.5 million supplemental appropriation; 2020/21 current year costs were \$501.8 million (the amount shown included \$37.6 million to cover shortfalls from prior years)

Proposed State Revenue

<i>22/23 BASE</i>	<i>\$9,996,824</i>
<i>22/23 Level Up</i>	<i>\$1,591,862</i>
<i>22/23 Student Weight</i>	<i>\$5,566,392</i>
<i>22/23 Total BEF</i>	<i>\$17,155,078</i>
<i>23/24 New BASE</i>	<i>\$11,590,250</i>
<i>22/23 Student Weight</i>	<i>\$8,009,331</i>
<i>23/24 Total BEF</i>	<i>\$19,599,583</i>
	<i>14.25% Proposed increase</i>

First Look Assumptions

EXPENDITURES		
2020-2021 FINAL	\$ 65,291,050	
2022-2023 BUDGET	\$ 68,467,437	
2023-2024 BUDGET	\$ 79,119,996	
***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.
	\$ 70,326,718	

REVENUES		
2020-2021 FINAL	\$ 71,188,388	
2022-2023 BUDGET	\$ 67,727,309	
2023-2024 BUDGET	\$ 78,527,209	
***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
	\$ 69,591,896	

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	
year over year increase		\$530,038	\$461,293	\$83,496	\$456,448	\$364,347	\$379,125

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	
	\$	2,898,273.38	\$	3,295,534.40	\$ 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	
	\$	968,438.48	\$	1,224,351.52	\$ 2,192,790.00

2nd Look Assumptions

- **2nd Look Medical & Rx Rates**
 - **25% Increase Stop Loss Premium**
- **Updated BEF based on Gov. Proj 3/7/23**
- **Updated SEF based on Gov Proj 3/7/23**
 - **Pupil Transportation Subsidy**
 - **Vocation Education Subsidy**
- **Workers Compensation Insurance Rates**
- **Updated Charter and Special Ed. Tuitions**

- **Possible Recommendation to Increase Staffing**

Tax Relief

OPTIONS:

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

Tax Scenarios

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

* ACT 1 Base 4.1%

*Pottstown Adjusted Index 6%

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

ACT 1 HISTORICAL

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

ACT 1 HISTORICAL

Local Tax Revenue

Millage	Revenue	From Current 41.96
39.25	\$26,597,735	-\$1,982,218
40.62	\$27,597,344	-\$982,609
41.96	\$28,579,953	

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 & Transp.</small>			2,102,329	5,029,873
Capital Projects	2,159,379	2,189,511	2,192,117	2,194,488
TOTAL (excludes Non Spend, Restricted & Non Major)	12,921,963	16,393,443	22,335,490	25,256,732

2nd Look

“Pending Gov. Proposal”

March 2023

REVENUES	81,315,459
EXPENDITURES	79,841,574
SURPLUS	+1,273,884

**2023-2024 ACT 1 Index Base 4.1%

***Pottstown Adjusted Index 6%