



# 2023-24 Budget

Regular School Board Meeting  
June 26th, 2023

# Agenda



- Multi - County School District Tax Rate Rebalancing
- Millage and Assessment Trends
- Local Revenue Trends
- State and Federal Funding Updates
- Expenditure Overview and Major Cost Drivers

# Role of the School Board and the Budget

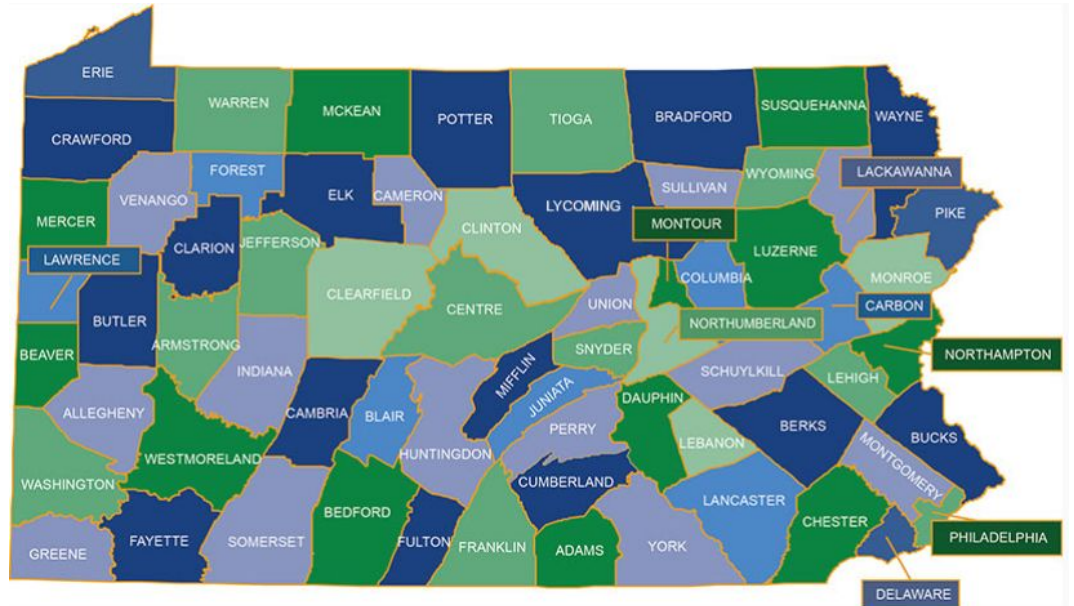
- A school district budget, no matter how large or small, is a delicate balance of policy choices.
- Adopting a budget is one of the most important functions of the school board.
- Budgets provide school boards with the opportunity to directly influence the educational environment of the district.
- Adoption of the budget provides administrative staff with direction and guidance to act.
- Almost every major decision made by the school board is or needs to be incorporated into the budget.

Reference: Understanding School Finance - A Basic Guide for Pennsylvania School Directors. Published by the Pennsylvania School Boards Association

# Multi-County School District Tax Rate Rebalancing

There are 500 Public Schools in Pennsylvania, 89 of those School Districts educate students in more than one county

- 78 are in 2 counties
- 10 are in 3 counties
- 1 is in 4 counties



## PA School Code Section 672.1

School Districts lying in more than one county or in more than one municipality; limitation on total tax revenues

- (a) Whenever a school district shall lie in more than one county, the total taxes levied on real estate within the school district in each county shall be subject to:
  - (1) the limitation that the ratio which such total taxes bears to the most recent valuation of the same properties by the State Tax Equalization Board (STEB) shall be uniform in all of the counties, and the school district shall adjust its rate of taxation applicable to the portion of the district in each county to the extent necessary to achieve such uniformity.
- Calculates different tax rates based on share of STEB market value in each county.

# STEB Market Values and Assessments

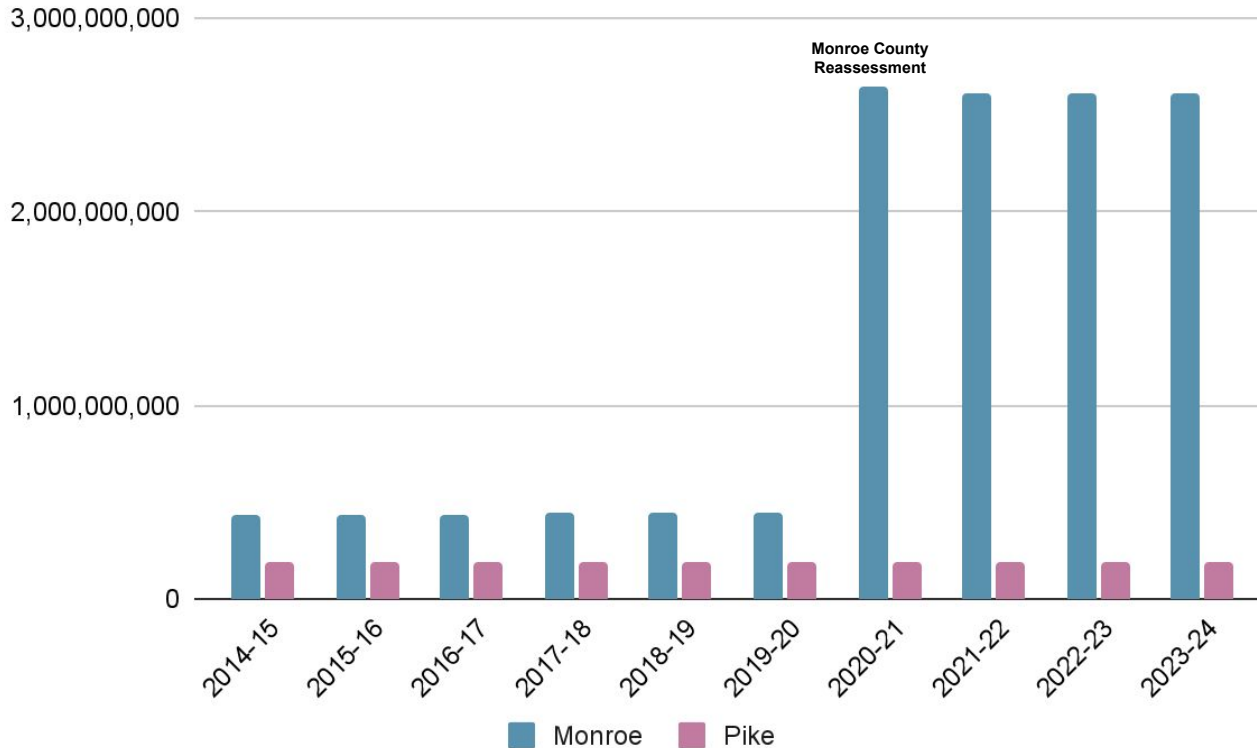
<b>County</b>	<b>2020 Market Value</b>	<b>2021 Market Value</b>	<b>Change from Prior Year</b>
Monroe	\$2,206,694,165 <b>76.34%</b>	\$2,197,516,209 <b>76.25%</b>	(\$9,177,956) <b>-0.42%</b>
Pike	\$683,932,869 <b>23.66%</b>	\$684,557,946 <b>23.75%</b>	\$625,077 <b>0.09%</b>
<b>County</b>	<b>2023 Assessment</b>	<b>2024 Assessment</b>	<b>Change from Prior Year</b>
Monroe	\$2,616,686,801 <b>93.08%</b>	\$2,608,545,206 <b>93.06%</b>	(\$8,141,595) <b>-0.31%</b>
Pike	\$194,584,610 <b>6.92%</b>	\$194,585,070 <b>6.94%</b>	\$460 <b>0.00%</b>

# STEB Market Value Impact on Millage

<b>County</b>	<b>2022-23 Budget Millage</b>	<b>2023-24 Rebalanced Millage</b>	<b>Change from Prior Year</b>
Monroe	30.79	30.79	0.0%
Pike	128.33	128.52	0.01%

The 2022-23 STEB rebalanced millage is the new base millage for 2023-24 budget discussions and decisions.

# Districtwide Property Assessment Value

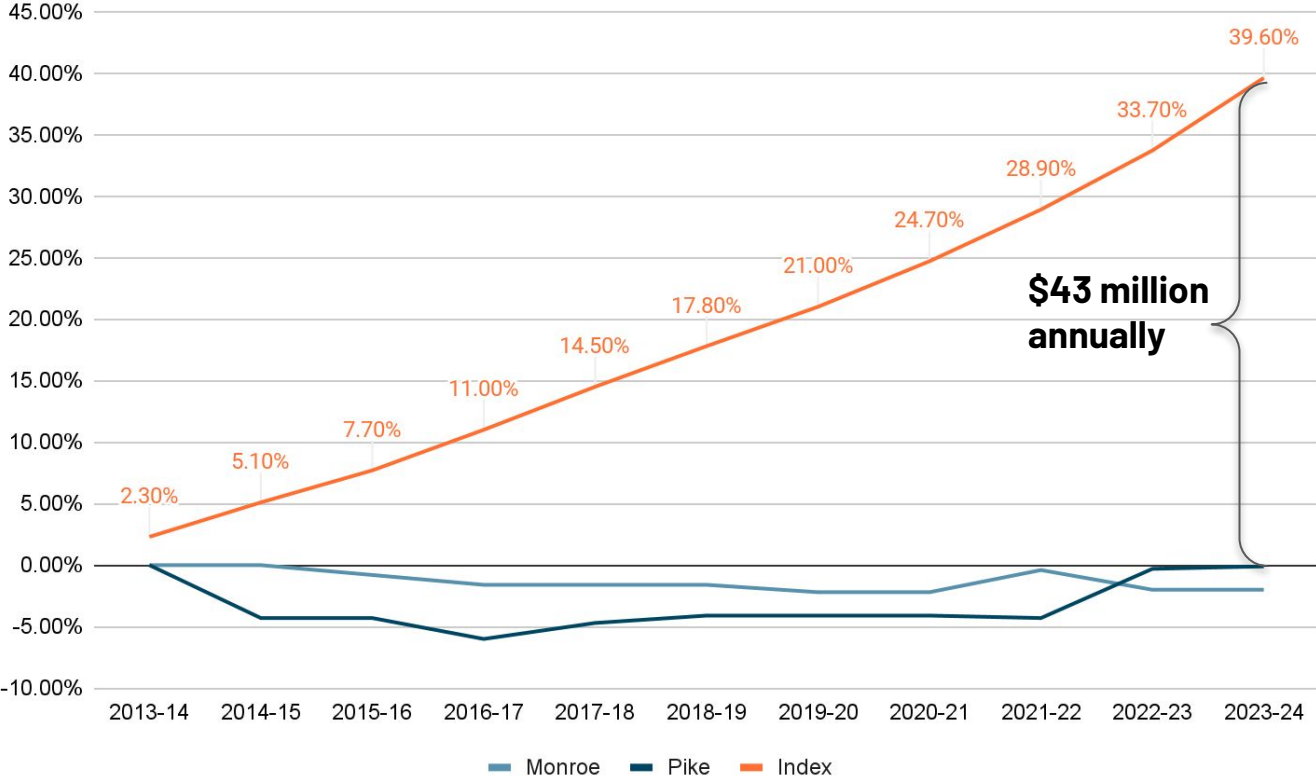


Flat assessment value has limited additional revenue opportunities

Over \$2 million in Property Tax revenue has been lost to assessment appeals since the Monroe County reassessment. Appeals are primarily Commercial property.



# Compounded Millage change compared to Act 1 Index



2023-24 Adjusted Act 1 Index is 5.9%

Maximum allowable tax levy in 2023-24 would generate an additional \$6 million in revenue.

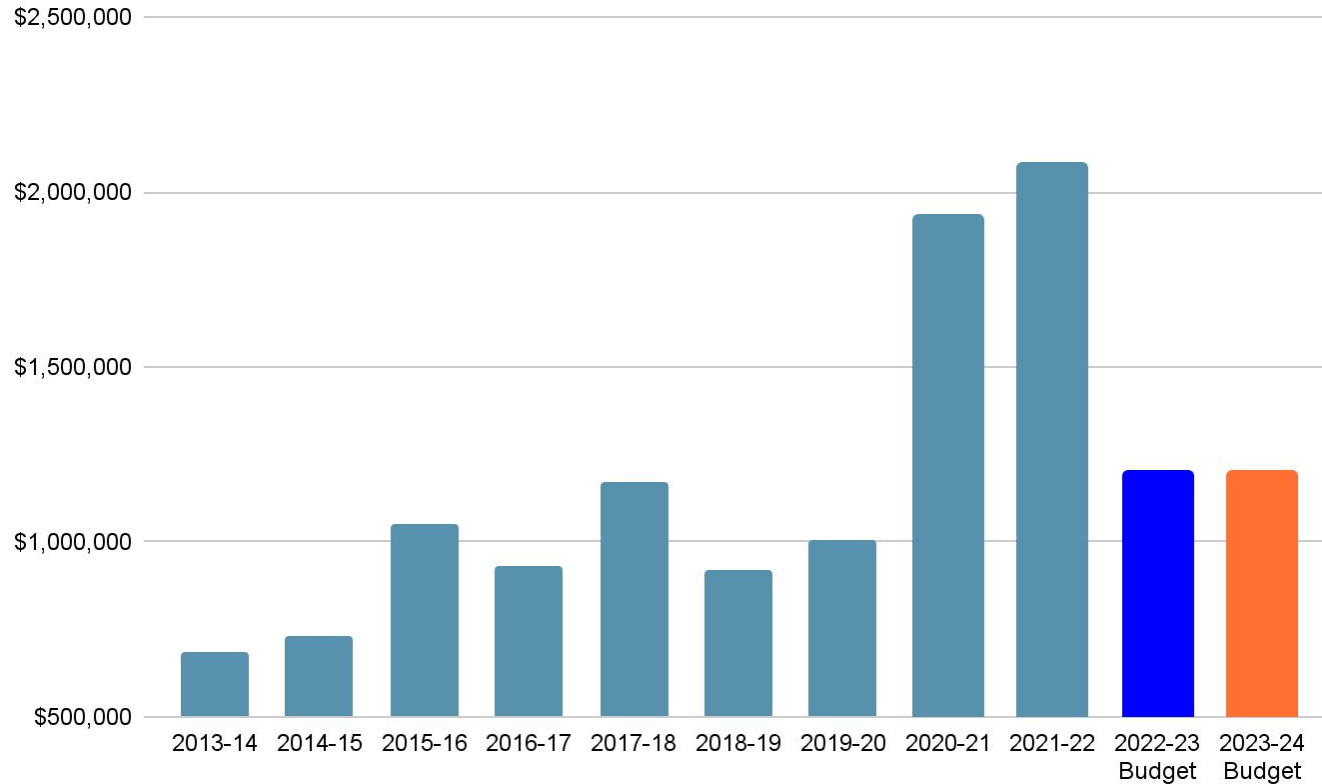
# 2023-24 Revenue Summary

	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
Local	\$108,656,038	\$108,724,651	\$68,613	0.1%
State	55,542,691	60,522,762	4,980,071	9.0%
Federal	13,302,548	9,987,030	(3,315,518)	-24.9%
Other	1,999,316	50,000	(1,949,316)	-97.5%
<b>Total Revenue</b>	<b>\$179,500,593</b>	<b>\$179,284,443</b>	<b>(\$216,150)</b>	<b>-0.01%</b>

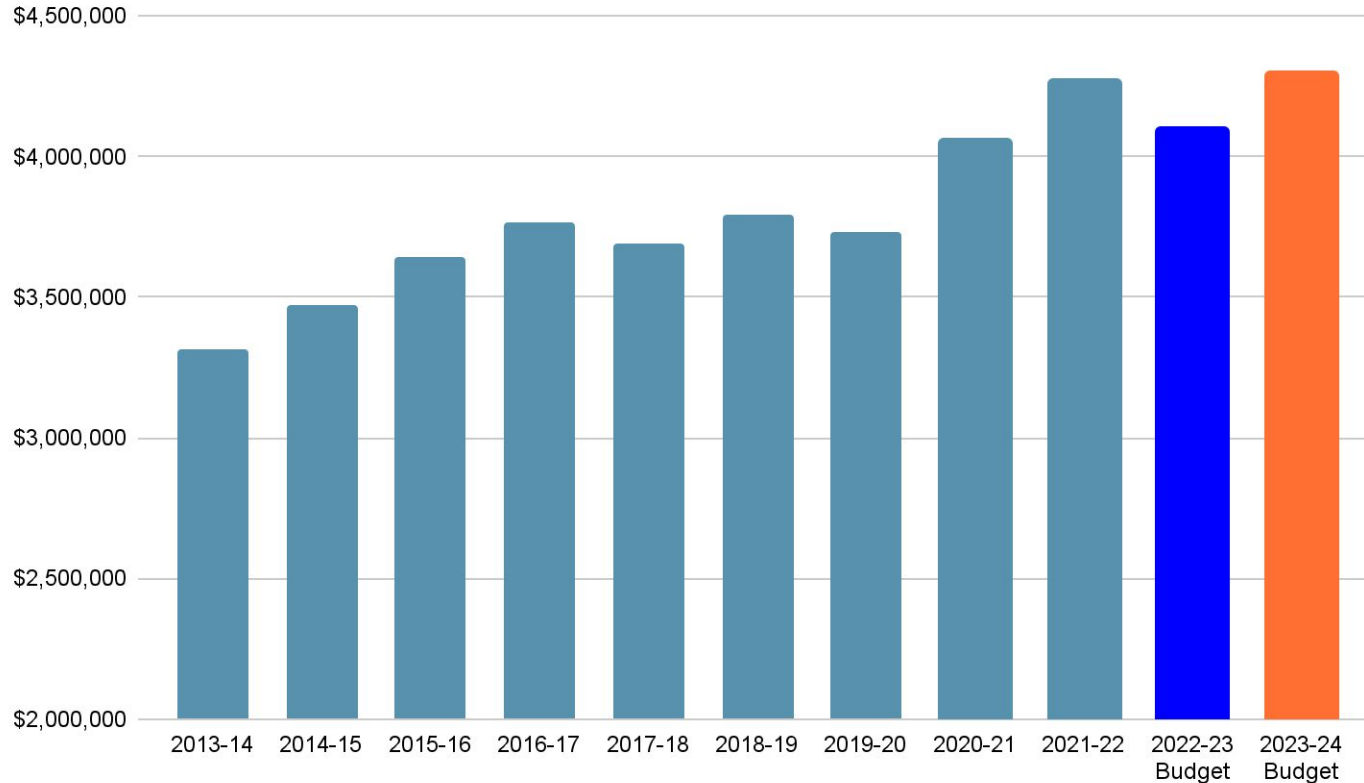
## 2023-24 Revenue Highlights

- Local
  - Property Tax rates reflect rebalancing only
  - Leveling off of Earned Income Tax, Transfer Tax and Delinquent Tax collections after historic increases in recent years
  - Interest income reflective of current/forecasted rate environment
- State
  - Includes July 2022 BEF and SEF increase
  - Included an additional \$1.7 million from proposed 23-24 state budget.
- Federal
  - Phase out of pandemic related ESSER Funds begins
- Other
  - Reclassification of IT lease to purchase (Present Value impact only)

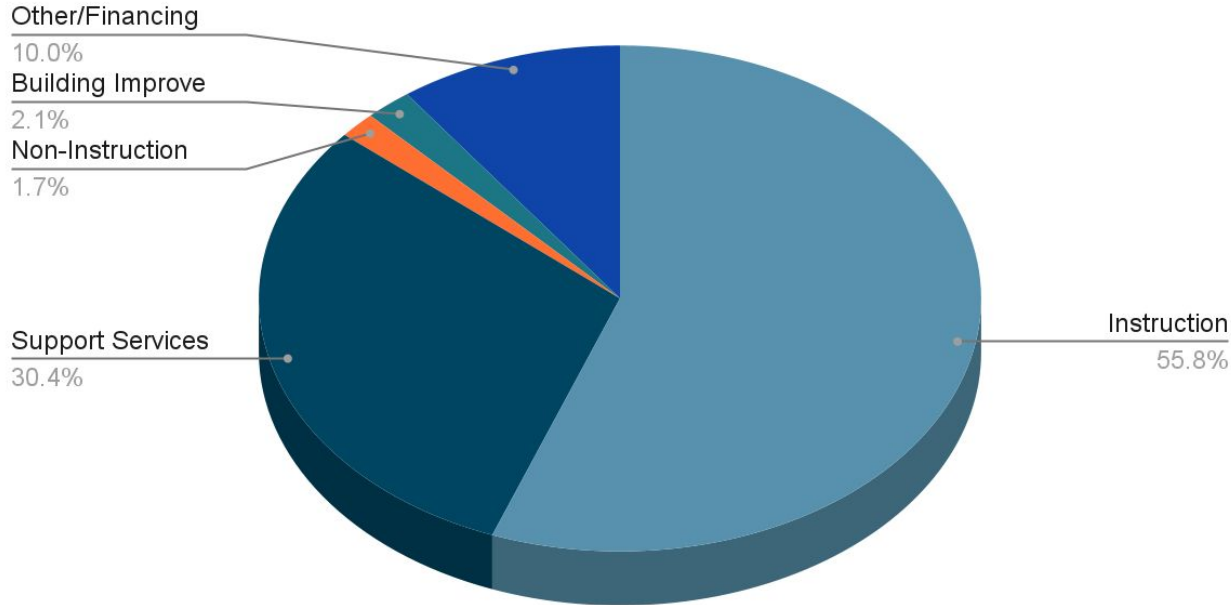
# Local Revenues - Real Estate Transfer Tax



# Local Revenues - Earned Income Tax

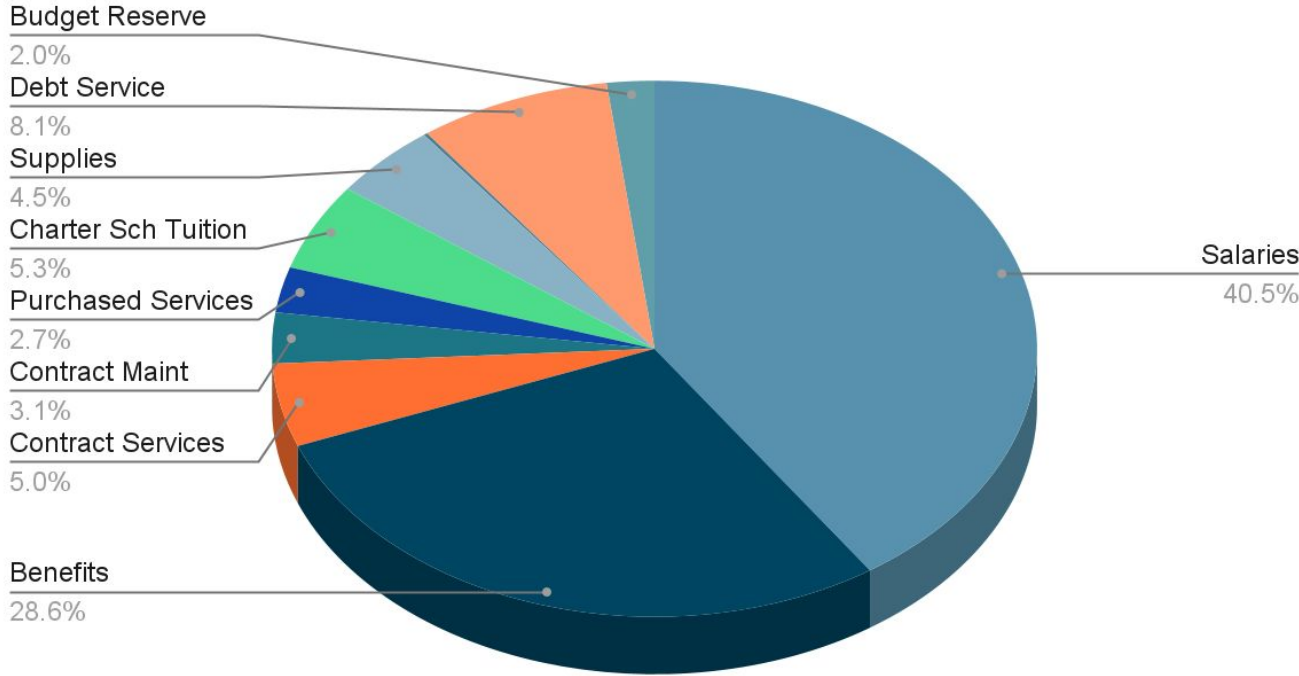


# 2023-24 Budget Expenditure by Function



\$104,023,696	Instruction
\$57,484,796	Support Services
\$3,161,562	Non-Instruction Services
\$4,000,000	Building Improvements
\$19,113,944	Other / Financing Uses
<b>\$187,783,998</b>	<b>Total</b>

# 2023-24 Budget Expenditure by Object



\$76,282,360	Salaries
53,842,329	Benefits
9,435,897	Contracted Services
5,801,379	Contracted Maintenance
5,223,023	Purchased Services
9,000,000	Charter School Tuition
8,634,123	Supplies
272,000	Capitalized Equipment
15,475,981	Debt Service
3,816,906	Budget Res/Cap Trans/Fees
<b>\$187,783,998</b>	<b>Total</b>

# 2023-24 Budget Cost Drivers

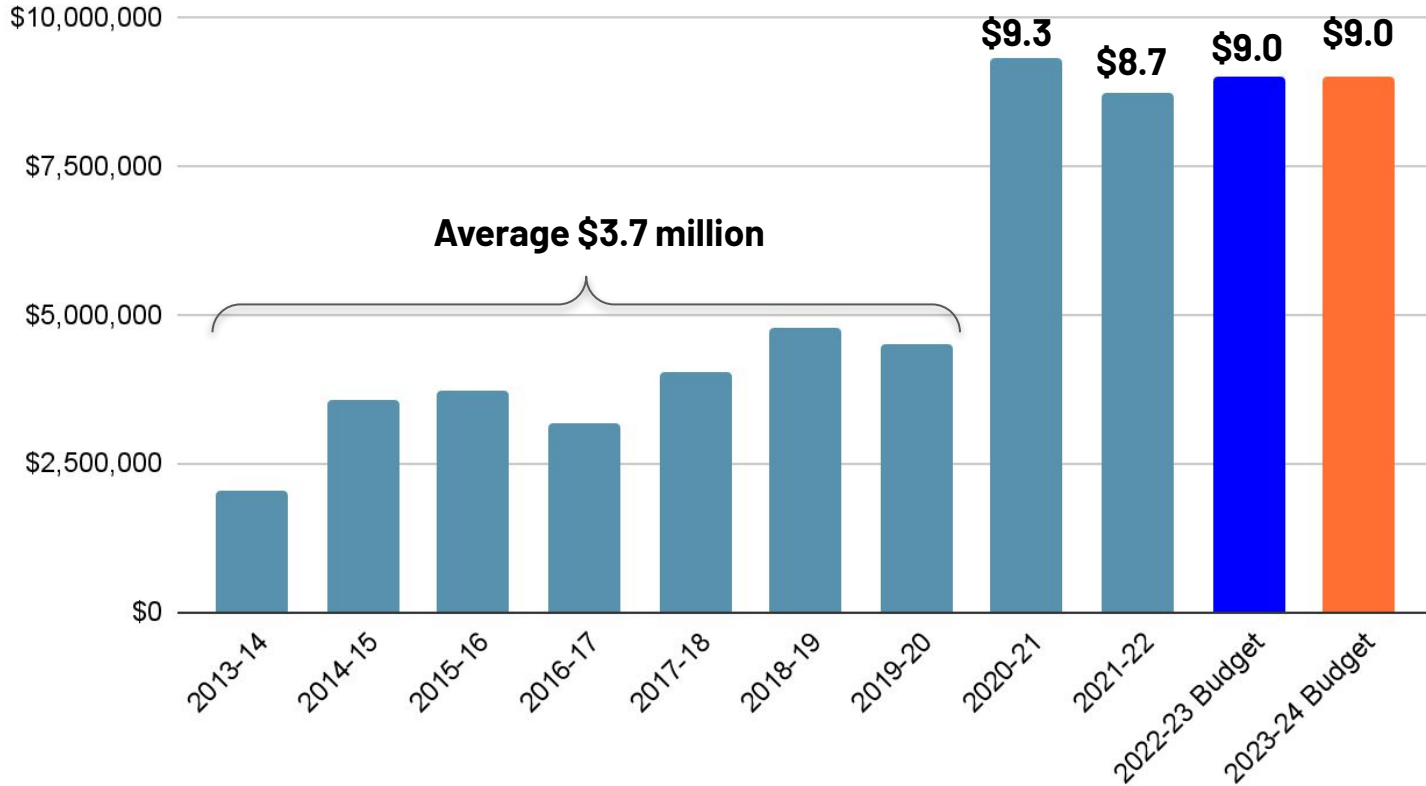
	<b>2023-24 Budget</b>	<b>Increase / (Decrease) over 2022-23 \$</b>	<b>Increase / (Decrease) over 2022-23 %</b>
Salaries	\$76,282,360	\$4,162,239	5.8%
Benefits	53,842,329	1,568,998	3.0%
Charter Schools	9,000,000	0	0%
Utilities	2,647,748	600,895	29.4%
Debt Service	15,475,981	290,767	1.9%
Bus Propane	625,000	250,000	66.7%
ESSER	5,736,877	(1,737,790)	-23.2%
Everything Else	24,173,703	(3,128,092)	-11.3%
<b>Total Expenditures</b>	<b>\$187,783,998</b>	<b>\$2,007,017</b>	<b>1.0%</b>



# 2023-24 Budget Comparison to Prior Year

	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
Revenue	\$179,500,593	\$179,284,443	(216,150)	-0.01%
Expenditures	185,776,981	187,783,998	2,007,017	1.0%
Revenue over Expenditures	(6,276,388)	(8,499,555)	(14,775,943)	99.9%
Beginning Fund Balance	49,153,726	42,877,338	(6,276,388)	-12.8%
Ending Fund Balance	\$42,877,338	\$34,377,783	(\$8,499,555)	-19.8%

# Charter School Tuition Cost



## Tuition Rates:

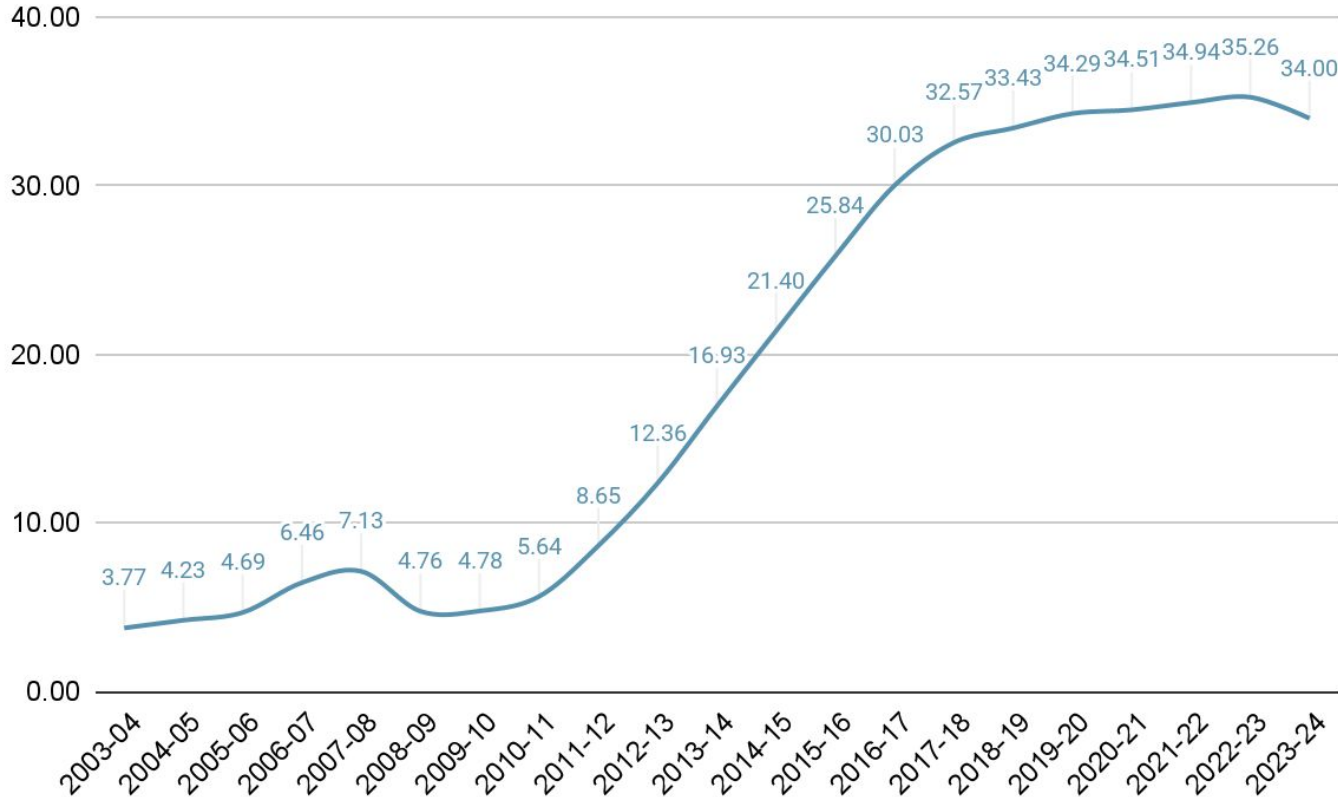
Regular Ed -

\$15,603

Special Ed -

\$41,169

# PSERS - Employer Contribution Rate



The 2023-24 rate of 34.0 was determined by PSERS' actuary and certified by the PSERS Board of Trustees at its meeting on December 16, 2022. This is the first rate decline since 2008-09.

ESASD PSERS costs budgeted to increase by \$1 million in 2023-24 to a total cost of \$26 million.

## General Fund balance as of June 30, 2023

**Total: \$49,153,726**

- Nonspendable: \$667,814
  - Prepaid expenses
- Committed: 9,500,445
  - PSERS Rate Stabilization - \$9,500,445
  - Future Healthcare Costs - \$6,000,000
- Assigned: \$25,775,943
  - Future Budget Expenditures - \$5,000,000
  - Future Educational Programs - \$6,000,000
  - Balance the 2022-23 Budget - \$6,276,388
  - Balance the 2023-24 Budget - \$8,499,555
- Unassigned: \$7,209,524; 3.8% of expenditures

## General Fund balance as of June 30, 2024(proj.)

**Total: \$34,277,783**

- Nonspendable: \$667,814
  - Prepaid expenses
- Committed: \$15,000,445
  - PSERS Rate Stabilization - \$9,500,445
  - Future Healthcare Costs - \$6,000,000
- Assigned: \$11,000,000
  - Future Budget Expenditures - \$5,000,000
  - Future Educational Programs - \$6,000,000
- Unassigned: \$7,209,524; 3.8% of expenditures

# 2023-24 Budget Timeline



- June 20, 2023 - Finance Committee Budget Presentation
- June 26, 2023 - School Board Budget Presentation
  - ***Final Budget Vote***