

Budget and Finance Committee

May 22, 2023



2023-24 April 24, 2023

	23-24 Budget
Revenues	\$36,565,783
Expenditures	(\$37,236,593)
Surplus (Deficit)	(\$670,810)



Taxes Result on Budget and Households

* with Full Proposed State Funding

Tax Rate	% Increase	Tax Revenue Change	23-24 Budget (Deficit)	*If Full Proposed BEF/SEF	Average Tax Increase
29.9543	0.00%		(\$670,810)	- \$420,707	
30.3957	1.47%	\$300,000	(\$370,810)	- \$120,707	\$53
30.6899	2.46%	\$500,000	(\$170,810)	+ \$79,293	\$88
30.9412	3.29%	\$670,810	-	+ \$250,103	\$117
31.1824	4.10%	\$834,778	\$163,968	+ \$414,071	\$146



2023-24 May 22, 2023- Update

- After review of Charter school rosters for 23-24 including 12th grade, incoming Kindergarten, and several students enrolling at KAHS the Charter expenditures have been reduced by \$125,000

	23-24 Budget
Revenues	\$36,565,783
Expenditures	(\$37,111,593)
Surplus (Deficit)	(\$545,810)



Tax Adjustments in PA 2015-2023

- 9 Counties with significant reassessments
- 4 Tax reductions
 - Reduced Enrollment
 - and /or Industrial Revenue Growth
- 12 No increase or decrease
- 500 School Districts in PA



PA School District – Employee Cost Math

Example Salary=

\$85,572 (KATA Step 8, Master +24)

**Mandated PSERS Employer Contribution=
34%**

PSERS + FICA= 43%

Health Insurance= \$22,270 (Family)

Expense=

\$85,572 + (\$85,572 x .43) + \$22,270

Expense = \$144, 637



PSERS Employer Costs –

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
PSERS Employer Cost	\$2,235,185	\$2,843,285	\$3,453,022	\$4,074,182	\$4,368,434	\$4,584,984	\$4,545,145	\$4,804,717	\$5,040,923
% of Total Expenses	7.43%	9.56%	11.13%	12.34%	13.45%	13.96%	13.84%	14.07%	14.23%



KASD- Enrollment and Staffing (FTE)- 2015-2022

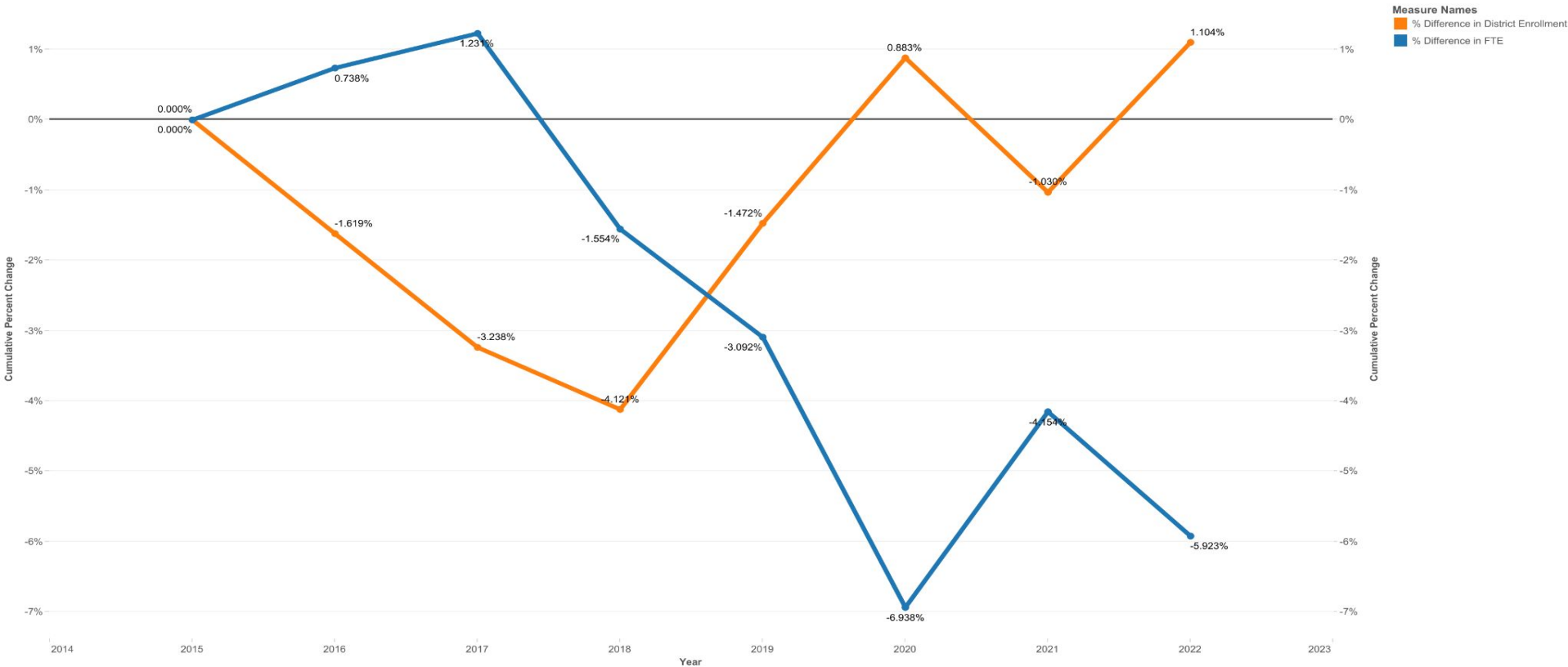
FTE Change versus Enrollment Change

Cumulative Change from Base Year

District: Kutztown Area SD

Position(s): Elementary Special Ed. Teacher, Elementary Teacher, Guidance and 6 more

Source: DOE - Salary and Enrollment Records



KASD Enrollment + Public Charters

	2022-23	2018-2019
Total Enrollment	1,344	1,336
Brick & Mortar Charter	39	42
Cyber Charter	49	28
Total KASD + Public Charter	1,432	1,406

Likely Additional Cost of 26 Additional Students	\$0
Projected Additional Cost of 26 Student Attending Charter School 22-23	\$587,180
Charter Cost 22-23 per student Regular Education Special Education	\$17,831.73 \$ 37,633.32



Non-Public and Charter Transportation Costs

22-23 Non-Public and Brick and Mortar (B&M) Charter Students	59 + 23
22-23 Estimated Non-Public and B&M Charter Transportation Costs	\$260,463



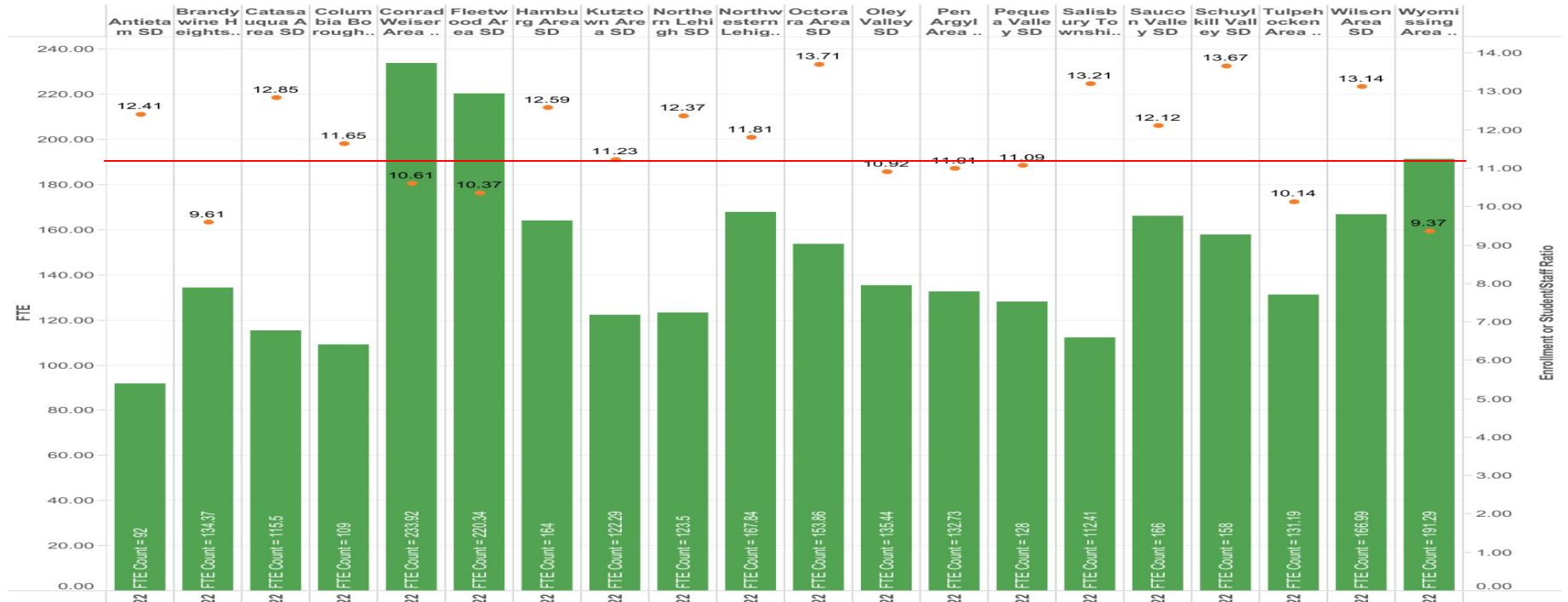
KASD- 2022 FTE to Student Ratio

Measure Names

- Enrollment or Student/Staff Ratio
- FTE

Staffing Ratios

District(s): Antietam SD, Brandywine Heights Area SD, Catasauqua Area SD and 17 more
 Position(s): Elementary Special Ed. Teacher, Elementary Teacher, Guidance and 6 more
 Source: DOE - Salary and Enrollment Records

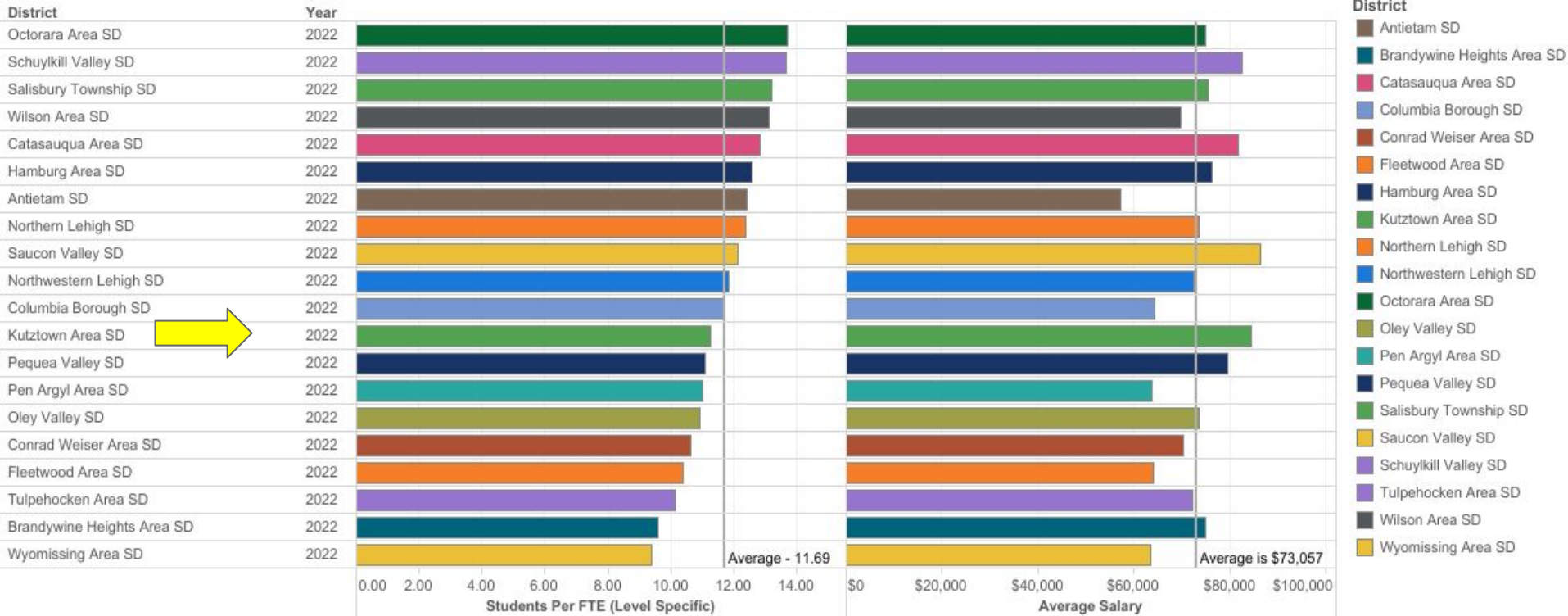


KASD- 2022 FTE to Student Ratio

District Position Control Analysis

District(s): Antietam SD, Brandywine Heights Area SD, Catasauqua Area SD and 17 more
 Position(s): Elementary Special Ed. Teacher, Elementary Teacher, Guidance and 6 more
 School Level: All Schools

Source: DOE - Salary and Enrollment Records



Potential Budget Savings

Position	Impact	Projected Savings
5th Grade Section at KES -“6th District Section”	10-12 Students currently at KES would move to GES for 5th Grade Result- 23 Class avg	\$130,000
1 Social Studies Position at KAHS	Lose “1 teacher, 1 grade” model Reduces flexibility(1 vs 2 sections) Move electives AP US History Every other year(7)	\$130,000
PIMS Coordinator	Outsource PIMS Redistribute Data Review Loss of long time staff Impact all buildings + Depts	\$66,585



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Expense=

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Current Open Positions

Position	Projected Expense
Assistant Superintendent	\$230,000
Family and Consumer Sciences	\$130,000
8th Grade Math	\$130,000
Agricultural Sciences	\$130,000
Elementary Special Education	\$130,000



Support Staff Salary Study

- 2020-2021 Study set Berks Avg
- Multi Year Plan to target Berks Average
- Inflationary Period creates increased challenges




Cost Neutral Strategies for Targeted Increases – Support Staff

1. Continue to replace FT retirements with PT
 - 29.5 Hours vs 35 hours per week
 - Health Benefits account for 36% or more of the full expense
2. Outsource PT Support Staff when possible
 - PSERS/FICA (43%) vs ESS (31%)*

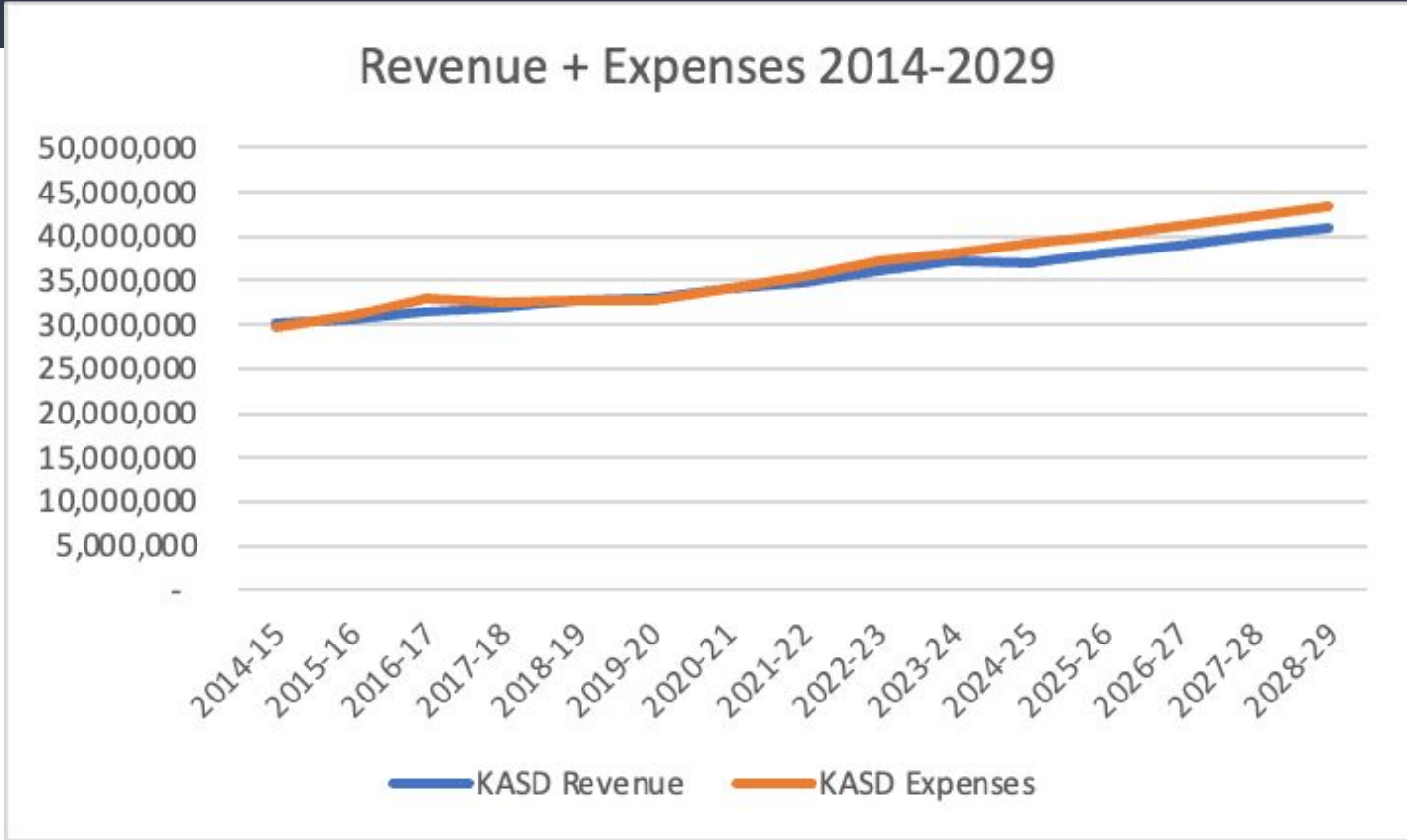
Use the difference in expenses to implement targeted salary increases for support staff positions



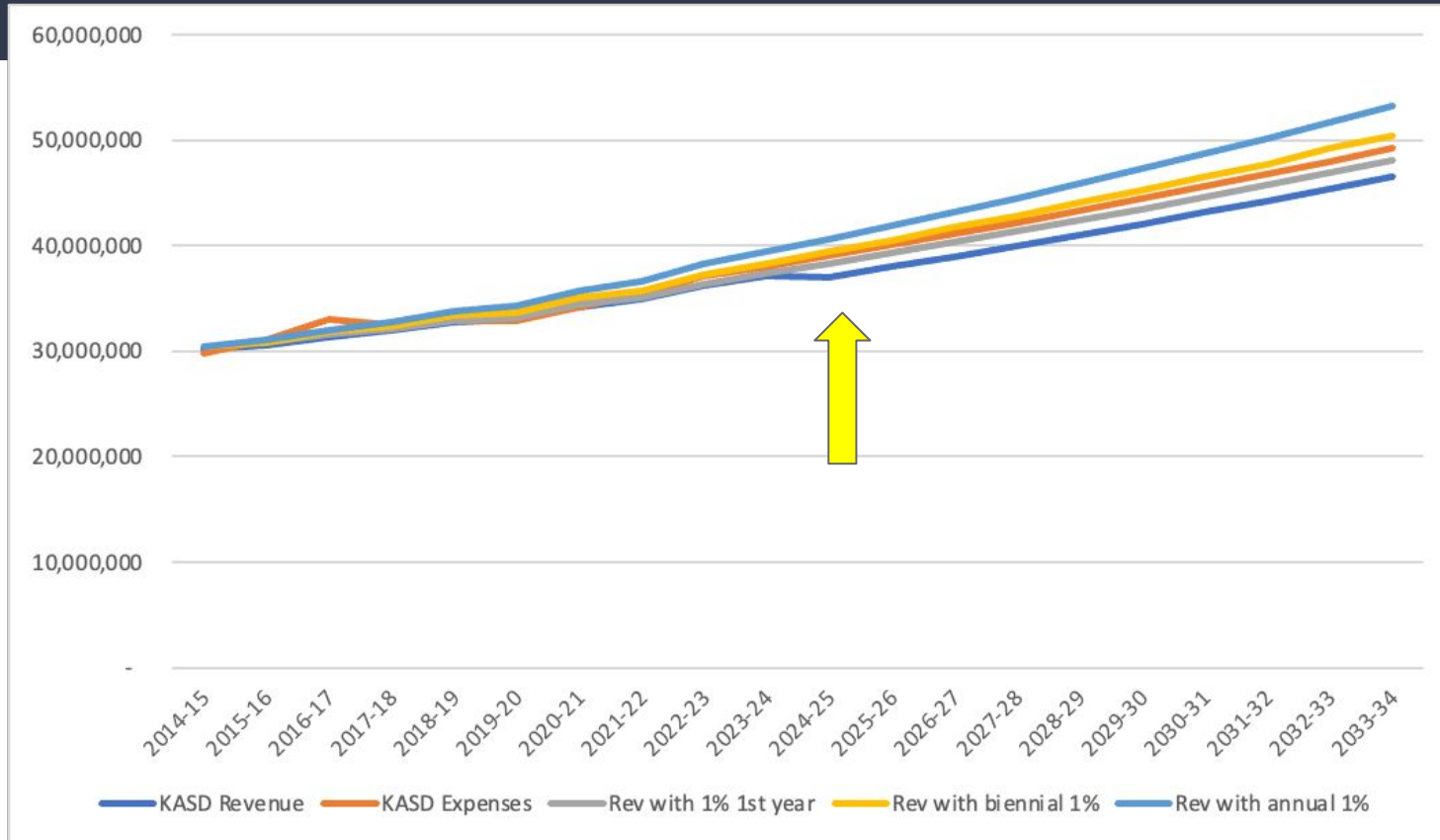
2023–2024 Proposed Budget with Updates

Options as of May 22nd, 2023	Potential Additional State Funding	
1) Approve budget with a 2.68% tax increase (\$545,810) for a balanced budget	<p>\$250,103</p> <ul style="list-style-type: none">● Unknown until July● Assumption of receiving 50% of proposed SEF/BEF 	
2) Approve Deficit Budget with planned used of fund balance (or increased state funding), including reductions presented today. (\$219,224)		
3) Approve budget with a 1.08% tax increase (\$219,224) for a balanced budget.		
4) Some combination of the above options		
5) Additional cuts impacting programming and supports		

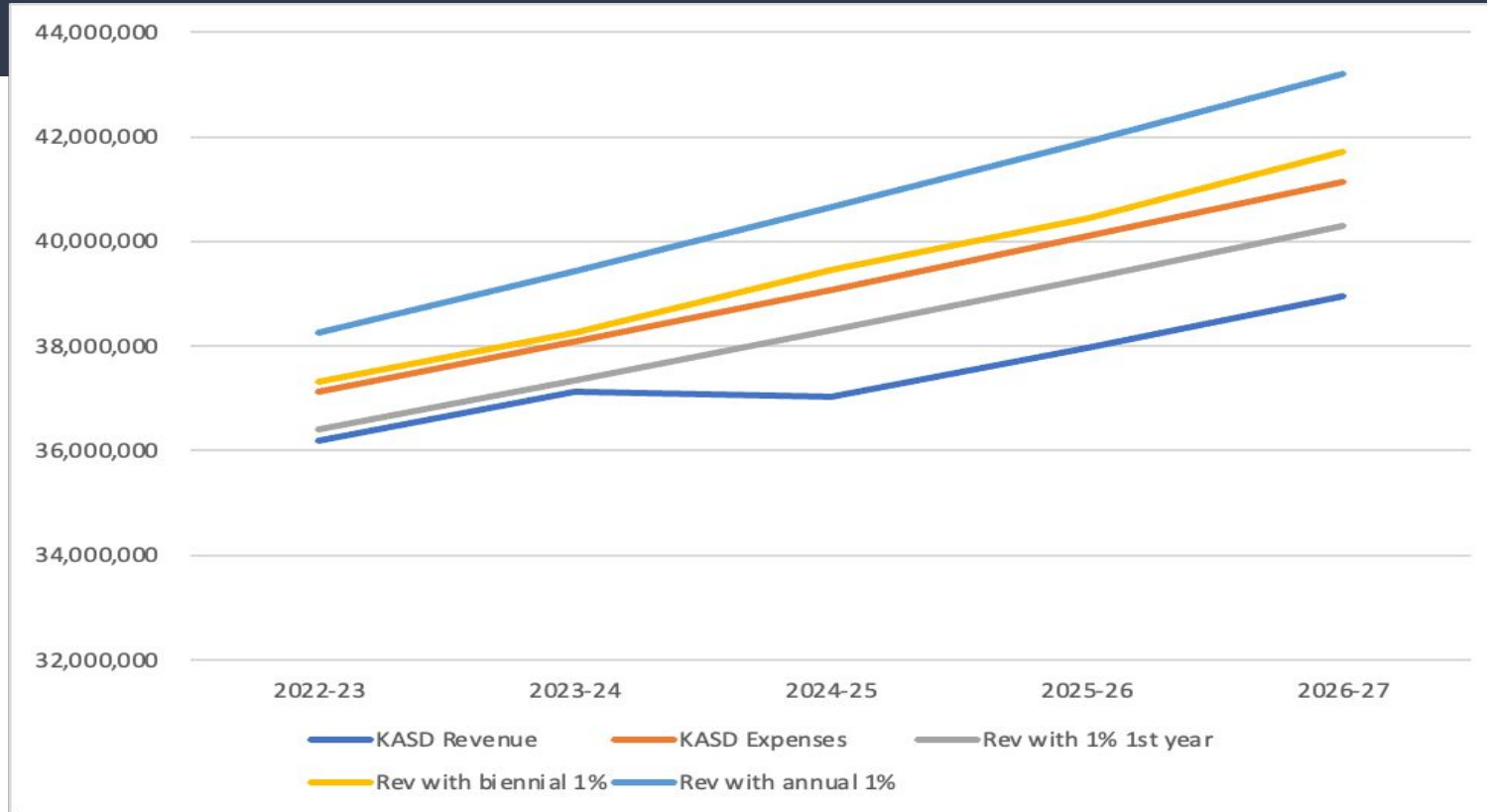
Longitudinal Revenue and Expenditures



Expense vs Revenue Future Scenarios



Expense vs Revenue Future Scenarios (Zoomed in)



Local RE Revenue vs Potential if increase (Annual 1% Increase)

	Actual Tax Rate	Local RE Tax Billed	Local RE Tax if INDEX Increase	Additional Annual Revenue Cumulative	Cumulative Increase in Taxes for Avg Assessed Value (\$119,000)
2018-19	30.253	\$21,043,908	\$21,254,317	\$210,409	\$35.64
2019-20	30.556	\$21,244,317	\$21,671,270	\$426,953	\$71.64
2020-21	30.861	\$21,630,350	\$22,285,739	\$655,389	\$108.00
2021-22	31.170	\$21,720,908	\$22,602,817	\$881,909	\$144.73
2022-23	31.482	\$21,840,600	\$22,954,639	\$1,114,039	\$181.82

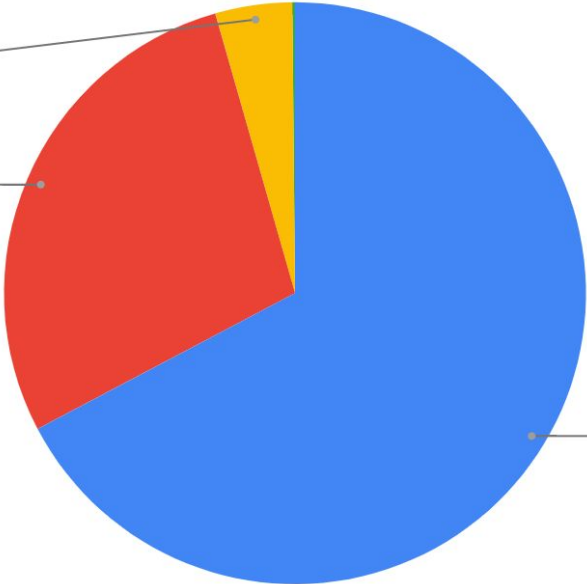
Percentage of Revenue by Source

Revenue Sources

Federal
4.3%

State
28.3%

Local
67.3%



What does tax increase to close the deficit look like?

Tax Increase	Revenue	Annual Increase on Avg Assessed Property (\$119,000 Assessed Value)	Monthly Impact on Avg Assessed Real Estate
3.29%	\$670,810	\$117	\$9.75
2.68%	\$545,810	\$96	\$8.00
1.08%	\$219,000	\$ 38	\$3.17



Tax Rebate and Support Programs

KASD Senior Volunteer Tax Rebate Program

- Proposed expansion from \$500 max to \$1,200
- Volunteer hours available at rate of minimum wage
- Opportunities including clerical, building support, and facilities



APPLICATION INSIDE

HOMEOWNERS



INCOME

MAX. REBATE

\$0 to \$8,000

\$650

\$8,001 to \$15,000

\$500

\$15,001 to \$18,000

\$300

\$18,001 to \$35,000

\$250

RENTERS



INCOME

MAX. REBATE

\$0 to \$8,000

\$650

\$8,001 to \$15,000

\$500

NOTE

Applicants can exclude one-half of all Social Security income.

IMPORTANT DATES

Application deadline: **JUNE 30, 2023**

Rebates begin: **EARLY JULY, 2023**

NOTE: The department may extend the application deadline if funds are available.



Benefits Older Pennsylvanians.
Every Day.



Rebates for eligible seniors, widows, widowers and people with disabilities.

PROPERTY TAX RENT REBATE PROGRAM

2020 DISBURSEMENT BY SCHOOL DISTRICT

KUTZTOWN AREA

ANALYSIS OF REBATES BY HOUSEHOLD INCOME

ANALYSIS OF REBATES BY TYPE OF CLAIMANT

TOTAL CLAIMANTS

HOUSEHOLD INCOME	BASE NUMBER	BASE AMOUNT	SUPPLEMENTS NUMBER	SUPPLEMENTS AMOUNT	TOTAL AMOUNT
\$0- \$8,000	111	\$61,705	**	**	**
\$8,001- \$15,000	151	\$75,022	57	\$14,250	\$89,272
\$15,001- \$18,000	34	\$9,935	**	**	**
\$18,001- \$35,000	193	\$48,018	53	\$6,625	\$54,643
	489	\$194,679	146	\$29,075	\$223,754

OWNERS

HOUSEHOLD INCOME	BASE NUMBER	BASE AMOUNT	SUPPLEMENTS NUMBER	SUPPLEMENTS AMOUNT	TOTAL AMOUNT
\$0- \$8,000	22	\$14,300	**	**	**
\$8,001- \$15,000	73	\$36,378	57	\$14,250	\$50,628
\$15,001- \$18,000	34	\$9,935	**	**	**
\$18,001- \$35,000	193	\$48,018	53	\$6,625	\$54,643
	322	\$108,631	146	\$29,075	\$137,706

RENTERS

HOUSEHOLD INCOME	TOTAL NUMBER	TOTAL AMOUNT
\$0- \$8,000	89	\$47,405
\$8,001- \$15,000	78	\$38,643
	167	\$86,049

TOTAL CLAIMANTS

CLAIMANT TYPE	NUMBER	TOTAL AMOUNT	INCOME	RENT OR TAXES PAID
AGED 65+	420	\$185,993	\$7,233,944	\$1,595,317
SPOUSE 65+	**	**	**	**
WIDOWED	**	**	**	**
DISABLED	**	**	**	**
	489	\$223,754	\$7,930,553	\$1,901,003

OWNERS

CLAIMANT TYPE	NUMBER	TOTAL AMOUNT	INCOME	RENT OR TAXES PAID
AGED 65+	295	\$122,531	\$6,178,414	\$984,522
SPOUSE 65+	**	**	**	**
WIDOWED	**	**	**	**
DISABLED	**	**	**	**
	322	\$137,706	\$6,591,318	\$1,076,766

RENTERS

CLAIMANT TYPE	NUMBER	TOTAL AMOUNT	INCOME	RENT OR TAXES PAID
AGED 65+	125	\$63,462	\$1,055,530	\$610,795
SPOUSE 65+	**	**	**	**
WIDOWED	**	**	**	**
DISABLED	**	**	**	**
	167	\$86,049	\$1,339,235	\$824,237



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