



**Northern York County
School District**

**2023-2024
General Fund Budget**

For Final Board Approval in May 2023



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Introduction

General Fund, Capital Reserve Fund, and Food Service Fund budgets for the Northern York County School District are prepared annually for the Board of School Directors review prior to the preliminary and final budget adoptions. Budget discussions will be focused on programs and personnel with limited presentations from cost centers. The Board may request to hear from any of the cost centers, however at this time, only a few cost centers will have planned presentations. Cost center administrators are aware they may be expected to discuss their budgets with the Board to provide further insight about the educational value of their budgets and answer questions the Board may have. In keeping with the practice from recent years, board members are requested to direct questions to Mr. Hlatky, Chair of the Budget and Finance Committee, prior to budget meetings. These questions will then be forwarded to the CFOO no later than the day prior to the committee meeting so that all questions and answers can be shared with the entire board.

New for the board this year is the a General Fund Budget Narrative for the upcoming fiscal year created by the Superintendent's Cabinet. The 2023-24 budget is a reflection of our commitment to advancing the goals and priorities outlined in the District Strategic Plan. As you review this document, you will see how the budget supports the initiatives and areas of focus identified in the plan and provides timely information and updates on their progress.

The narrative also serves as a useful resource for the Board, offering a common and big picture overview of the fiscal state of the district, providing information on revenue and expenses, staffing, projections, programs and services, and more. It is our hope that this narrative will be a valuable tool for the Board as you make informed decisions about the allocation of resources.

Within the budget narrative, you will find examples of how we are working to achieve the district's strategic goals. These include efforts to enhance student achievement, improve school safety and security, expand access to technology and digital resources, and foster a positive and supportive learning environment. The budget narrative highlights the investments we are making in these and other important areas and demonstrates our commitment to providing students with the best possible education.

We are proud of the work we have accomplished in the past year and are excited about the opportunities ahead. The General Fund Budget Narrative provides a detailed and transparent overview of our financial planning and decision-making processes, and we hope it serves as a valuable resource for the Board and our community.

2023-2024 Budget Development Timeline

October 2022	School Board and Administration Preliminary Discussions
December 2022	Cost centers provided with Budget Documents
January 9, 2023	Cost center budgets due to the CFOO
January 24, 2023	Board passed a resolution not to exceed the Act 1 adjusted index
February 2023	Budgets are presented/reviewed by the Superintendent and CFOO
February 27, 2023	Budget Committee Meeting – Budget Overview and Personnel Discussions
March 9, 2023	Budget Committee Meeting – Personnel and Building and Grounds Discussion
March 29, 2023	Budget Committee Meeting – Personnel and Program Discussion
April 13, 2023	Budget Committee Meeting – Cost Center Presentations (as needed)
April 18, 2023	Preliminary Final Budget Adoption
May 16, 2023	Regularly Scheduled Committee Meeting – Review of Final Budget
May 23, 2023	Final Budget Adoption

Planning for Success – Mr. Steve Kirkpatrick, Superintendent

The 2023-2024 school year holds great promise for the Northern York County School District as we have a strategic plan firmly in place and look forward to making substantial progress in capital improvement plans for our district’s facilities.

Strategic Plan

Finalized in the fall of 2022, our Strategic Plan captures the district’s path forward for strategic growth and improvement. The plan is organized into four strategic target areas: academics, safety and well-being, community outreach, and operational excellence. Each area is clarified by priorities and supported by strategies for action.

Informing this plan was a year’s worth of research and planning. Over that time, we gathered feedback from stakeholder groups, hearing their questions, concerns, and ideas; investigated the district’s strengths, weaknesses, opportunities, and threats; analyzed performance and demographic data; and synthesized themes that emerged along the way. From the school board and the superintendent to the principals and educators, the district has used this plan as a blueprint to construct its annual goals. The plan ensures our collective efforts are aligned, our focus is consistent, and our resources are allocated appropriately.

The Strategic Plan provides context for the district’s direction—capturing its mission and vision, the findings from our data and research, and the goals established to measure and achieve success. Our inclusive approach to the research and planning phases of this plan has been mirrored in its implementation, monitoring, evaluation, and realization.

Capital Improvement Plan

The Northern York County School District is in the planning process of several large scale building and grounds projects. This process began in 2019 but was delayed for two years due to the COVID-19 pandemic. Also, for the 2021-2022 school year, the district welcomed Washington Township students into Northern schools. In 2022, after reviewing two feasibility studies, the Board took action on naming an architect, Schrader Group. The Board also partnered with Sundance Associates, a highly qualified demographer, to complete a district-wide enrollment study. This study plays an integral role in planning the future of capacity needs in our buildings.

The focus of building wide renovations will be on Northern Middle School and Northern Elementary School. The planning will also include the future of the Sports and Learning Center and large maintenance projects, including several roof replacements and HVAC upgrades at South Mountain Elementary and Northern High School. As the caretakers of taxpayer-funded properties, the district is



working closely with our architects to understand the most effective and efficient way to provide high-quality education for our students.

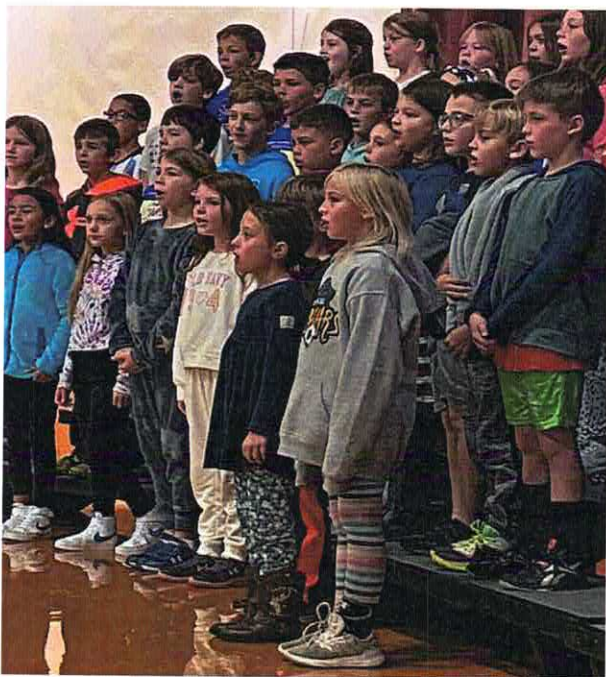
The goal is to have projects begin as early as fall 2023 for maintenance upgrades and spring 2024 for building renovations. Schrader Group will be providing monthly updates to the Board to discuss the progress of this work throughout 2023.

As a result of our strategic and capital improvement plans, the district stands poised to support our students' success, growth, and achievement and honor its commitment to help the entire school community BELONG, BECOME, & BE NORTHERN.

Strategic Plan Target Area: *Academics*

Curriculum, Instruction & Assessment – Dr. Matthew Meakin, Assistant Superintendent

During the 2023-24 school year, we will continue to focus on utilizing resources in a fiscally responsible manner that best maximizes the chances of student learning. This means ensuring that our teachers have the correct professional development to implement curricular and instructional materials. In addition, we will continue to strengthen the elementary instructional framework and complete visioning



for our middle level grades. Our major purchases will be for new curriculum in K – 5th grade ELA writing, middle school math, high school STEM / Production courses, and high school social studies. Although the workload is heavy, there is a need to ensure that our students have access to high quality, equitable curriculum supported by research-based materials and pedagogy.

We are up to the task! In the future, we will need to carefully monitor the class sizes and enrollment in Grades K – 5 and develop a solid approach for the use of technology for learning in grades 6 through 12. We will examine a number of outcome indicators through assessment and data analysis to ensure our emphasis on excellent teaching is leading to excellent learning. We appreciate the Board's commitment to high

quality education at NYCSD.

Strategic Plan Target Area: *Safety & Well Being*

Student Safety and Well Being – Mr. Matthew LaBuda, Assistant to the Superintendent

Like many districts, NYCSD continues to see an increase in overall student need. Year over year, we saw a 200% increase in the number of students who qualified as homeless, a 107% increase in the number of students referred to our student assistance team, and a 50% increase in the number of students in foster care. Multiple student-support positions were added during the 2022-2023 school year which have helped provide for these student needs. State ESSER funds enabled the district to hire its' first school social worker. This position has successfully provided for student/family needs across our community. Also, two elementary teachers were added for the 2022-2023 school year which enabled the school district to provide an elementary counselor at each elementary building every day for student access.

In addition to staffing, the district entered into an agreement with an outside vendor to provide school-based counseling for our students. This service is especially helpful to our families who struggle with transportation capability. This agreement has resulted in dozens of students receiving outpatient counseling within the school setting during a study hall or flex period. As the therapists become credentialed through additional insurance carriers, the program will become accessible to more students.

The district continues to devote many hours to student safety and school security. We have joined efforts with our local police departments to do walkthroughs in our buildings to enhance their awareness of our internal blueprints. NYCSD continues to consult and maintain relationships with experts in the field of school safety and security for the purposes of informing our current practices and giving feedback on the need for potential facility safety considerations. The biggest obstacle to this is not having the funding to complete the recommendations.

State ESSER funding was utilized this year to provide enhanced visitor screening equipment, additional emergency radios, and upgraded video surveillance. The district also piloted bathroom sensors that detect the presence of nicotine, THC, and other chemicals not permitted in school.



All district staff were provided training on Crisis Response, Active Assailant, and Situational Awareness this school year. This included both general sessions as well as individual trainings at each building and the district office.

Moving forward there is continued pressure within the student safety and well-being department. Specifically, needs exist in the student health services division as well as school safety and security. An agreement with an agency who provides substitute nurses, increased hourly rates, and additional staffing are all being considered for student health services. Increasing from 2 to 3 school safety and security officers is also a consideration. Efforts will continue in this area as we strive to provide a safe environment in which our students can learn.

Student Services and Special Education – Mr. Dave Borrell, Director of Student Services

We continue to see an increase in special education enrollment numbers (2020 – 471, 2021 – 546, 2022 – 552) along with special education costs. With the increase in these two areas, the number of students within the district who need more intensive services continues to increase as well. Last year the pandemic had a significant impact on the identification and evaluation of students with disabilities. This has resulted in an unusually high number of primary students (current K-2) being identified this year and it is highly likely that this trend will continue for at least one more year before it is projected to level off.

Out of District Placements

In order to better use resources, the district will continue its effort to reduce the number of students in out-of-district placements and will continue to explore ways to deliver these services in a more cost-effective manner by collaborating with neighboring districts through our consortium and creating new instructional delivery models with private provider partnerships. Some examples of this approach are:

- **Consortium** – By using our consortium relationship with other districts, we continue to operate our own classes and avoid the need to place these students in more expensive IU and/or private programs. We currently have 11 students in consortium programs (Life Skills, Multiple Disabilities, and Therapeutic Emotional Support) out of the district. In addition, we are hosting six consortium students in our Multiple Disabilities and Intensive Learning Support programs currently located at Wellsville and Northern Elementary Schools respectively. Consortium classrooms have a positive impact on the special education budget because the cost of educating a student in this model provides a significant savings in tuition costs.
- **Private Providers** – We continue to work with our private providers to create local programs that reduce the need to use the IU or other high cost programs.
 - **Yellow Breeches (YBEC):** YBEC's programs are running extremely well, and we continue to see YBEC students returning back into District buildings with success.
 - **River Rock:** We will continue to work with River Rock to adapt their services to the current demands. River Rock has responded by consolidating its Alternative Education for Disruptive Youth or AEDY program to one location at the Carlisle Campus while providing a private academic licensed special education program at its Shiremanstown facility.

- **New Story:** We currently utilize New Story’s Carlisle and New Cumberland facilities. New Story also offers classrooms within the South Middleton School District that we have toured and inquired about utilizing for the 2023-24 school year.

District Emotional Support Program

Our emotional support program continues to evolve so that we can meet the everchanging needs of our students. The ultimate goal is to reduce the overall number of students we need to send to out-of-district programs. For the 2023-2024 school year, it is our hope to continue to refine our instruction and additional support services at all levels, so students are able to remain in their home building. At the elementary level, we currently combine our Emotional Support (ES) and Autistic Support (AS) as one “behavior support” program. At the high school level, we believe there may be a need to adjust our current model so we can better meet the emotional needs of our students through small group instruction, coteaching practices, etc. We believe this transition will not involve any additional staffing. As we move toward the 23-24 school year, we will continue to strive to meet our obligation of Least Restrictive Environment (LRE) for our entire student population.

Autistic Classrooms

Currently, the district provides the IU with two classrooms (DES and SME) for their autistic program. Northern students make up 60-70% of the student enrollment of these classrooms. The number of Early Intervention (EI) students, identified as having autism, who enroll in our District continues to increase. We are at the point where it will be cost effective for us to Transfer the Entity of these classrooms back to the district. This would allow our students to remain in district while also providing a significant savings for the district.

Budgetary Stressors

Properly staffing the programs continues to be problematic. While the District is able to survive without some positions, we are getting to a point where programming for our students will be significantly impacted if additional support staff is not hired/recruited.

Out-of-District Placements have increased over the last couple of years for a variety of reasons (new students, mental health, etc.). This has caused a shortage of slots in the various programs/places. As we move forward, it is important that the district continues to review our programs/models and make the necessary adjustments with the hope that we do not have to rely on others to service our students.



Strategic Plan Target Area: Operational Excellence

Technology – Mr. Patrick Schild, Director of Technology

The district and the technology department are working hard on many projects, but our primary focus has been on cybersecurity, standardization, best practices, and reliable one-to-one devices. In recent years, and especially as a result of the pandemic, schools have experienced a rapid change in the use and proliferation of technology. The district enjoys a one-to-one device to student ratio from kindergarten to grade 12. Our distribution of devices for fall 2023 across our grades will be:

- K-2 – iPads
- 3-7 – Chromebooks
- 8-12 – Windows Laptops

The current lease of teacher laptops for middle and high school teachers has expired and will need to be replaced. The administrative staff computers are also due for replacement. Assuring greater flexibility and mobility, their desktop devices will be replaced with laptops.

The technology focus for classrooms includes installation of ViewSonic interactive boards, replacing Smartboards and projectors. In fiscal years 21-22 and 22-23, we were able to furnish these boards for grades 3-5, with plans to have them in grades K-2 for the start of next school year. We also installed document cameras for all K-5 classrooms. Once the elementary classrooms are completed, we will look to move to the high school and then address the middle school as part of their renovation.



More than ever technology is at the center of everything we do in the district, and a strong technology infrastructure is critical to our success. Using discounts from the federal E-rate program, the technology department is looking to upgrade our infrastructure switches. Since going one-to-one and with the increased use of internet and bandwidth, we have updated our infrastructure to ensure reliable, secure networks. We are also increasing the bandwidth of our internet/WAN speeds to ensure adequate levels of connection and transmission. Over the last two years we have upgraded all our Wi-Fi access points (AP) and wireless controllers.

Cyber safety and security remain a top priority in our technology planning. With the increased use of technology and devices, we have moved to Multi Factor Authentication (MFA) to better protect us. The Technology Team is working with the Safety and Security Team to get grant funds to upgrade our aging camera system. We also installed vape sensors in the high school bathrooms to aid in their detection and discourage their use.

The addition of the Technology Integrator has been a huge asset to the district. This position works closely with our educators to ensure a uniform and standard way of using our technology as a tool to support our students' needs and enhance their learning experience.

The district's investment in technology ensures that we have a secure and safe environment, optimizes learning, and increases student engagement.

Finance and Operations – Mr. Jason Young, Chief Finance and Operations Officer

Buildings and Grounds

The district owns seven buildings and has been fortunate that these buildings, including our grounds, have been kept in good condition without the need for increased funding. However, aging buildings and the deferred planning on construction projects, due to the pandemic, are catching up to the operations of the district. Roofing projects continue to be a priority district wide as well as staying ahead of HVAC upgrades to increase both energy efficiency and reliability.

Energy costs have remained low for the last four years as the district was able to take advantage of hedging opportunities in times of low energy markets. These savings are coming to an end with the 2023-2024 fiscal year as hedging opportunities have not presented themselves recently and markets have been more volatile.

While existing Capital Reserve Funds had been diminished, there has been a concerted effort to plan for larger than historical transfers to this fund for both short- and long-term projects. This funding will aid in deferring future project costs in any one fiscal year as the district continues the buildup of capital funds.

Transportation

The District had a sizeable increase to its geographical footprint with the addition of Washington Township for the 2021-2022 school year. In serving students in our eight municipalities, the district covers 119 square miles. In addition to providing transportation to all students that attend NYCSD schools, we utilize bus and van transportation to serve special need students that are educated off site, non-public students that are educated at private schools, high school students that attend the Cumberland Perry Area Career & Technical Center, and foster and homeless students that may be displaced from housing that are protected under the federal



McKinney Vento Act. We use four contractors to service the transportation needs of the district: Rohrer, Kauffman, E&B, and the CAIU. Pressure to offer services outside of the normal bus schedule have increased in recent years and have caused a significant strain on both human and financial resources.

Fiscal Administration

In recent years, the school board and administration have taken steps to improve the financial outlook of the district. As of the 2022-2023 fiscal year, after a few years of instability, the district is in a sound fiscal situation. This position is the result of difficult decisions that were made for the 2020-2021 budget that reduced spending in many areas of the underlying budget. Areas that have also contributed to the turnaround of our fiscal health have been the addition of pandemic related federal grants and added local revenue related to the addition of Washington Township.

While the district has done its part to address its fiscal outlook, there are several mandates that have a significant toll on the continued operating budget. The first is **special education**. The district puts students first and looks to address student needs in the most effective and efficient way possible. Mandates that have been created by the Legislature, and expanded by the courts and advocates, continue to drive the costs of educating special need students higher annually. State requirements that go above and beyond what is federally required continues to affect all aspects of our operations and applies added pressure on our budget.

The second mandate is **charter school tuition**. The charter school tuition rates are based upon NYCSD's total annual expenditures, with a few items excluded. Illogically, this total is inclusive of the tuition rates for charter school attendees. For the 2022-2023 school year, NYCSD pays \$12,462 for a regular education student and \$27,450 for a special education student. These rates are based on direct costs NYCSD incurs to educate a student in our buildings and under our programming.

The third mandate is the **retirement system**. There have been many adjustments to this system in recent history, however our cost for retirement is 34% on every salary dollar that we spend with very limited exceptions. The state reimburses us 50% of these costs for a net cost to the district of 17% in 2023-2024. The rate is projected to stay between 35-40% over the next 15+ years.

It is estimated that 60% of the district's annual budget will be spent on personnel costs. This is not abnormal as school districts are a service-providing organization. Our teachers, or professional staff, have a collectively bargained contract with the School Board that calls for a 3% increase in salaries. This increase is in total dollars spent on teacher salary and does not correlate to a 3% increase for all staff. Step increases vary across the salary schedule. The 2022-2023 school year will be year three of a five-year contract. Support staff and administration are not unionized, and the salary increases for each of these groups are established by the Board annually in connection with the budget process.

Health benefits are the second largest benefit behind retirement. The district remains self-insured through the Lincoln Benefit Trust (LBT) for medical and vision benefits and utilizes United Concordia for dental benefits. The finances of LBT are on strong fiscal footing. After a very positive claims year in 2021-2022, the district took a funding holiday (not paying premiums into the trust) for January 2023 and has been able to minimize the annual premium increase to 2% for the 2023-2024 fiscal year.

The main driver of increased expenditures for the next several years will be funding additional debt. The district is planning several large capital improvements and added debt capacity within the general fund budget is needed. It is anticipated that most of the tax increase recommended for the 2023-2024 budget will go directly towards future debt service payments on bonds for the upcoming projects. As a result, we are expecting a commitment of fund balance to be upwards of \$3 million by June 2024.

Historical and Projected Financials

Table 1. Three Year History/Projection: Revenues, Expenditures and Fund Balance as of February 21, 2023

Three Year History / Three Year Projection						
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	Actual	Actual	Actual	Projected	Proposed	Estimated
	Actual	Actual	Actual	Actual	Budget	Budget
Revenue	49,353,071	52,766,329	57,673,314	60,917,222	62,506,138	64,298,180
Expenditures	49,880,094	51,855,037	56,341,064	58,135,144	63,841,597	65,155,720
Gain/Deficit	-527,023	911,292	1,332,250	2,782,078	-1,335,459	-857,540
Ending Fund Balance	4,985,384	6,269,553	7,601,803	10,383,881	9,048,422	8,190,882
Restatement of Fund Balance	372,877					
Total Ending Fund Balance	5,358,261					
Less:						
Unspendable Fund Balance	-427,469	-285,042	-277,954	-280,000	-280,000	-280,000
Restricted	-220,661	-234,613	-216,598	-220,000	-220,000	-220,000
Committed Fund Balance	-389,049	-374,136	-1,496,228	-3,681,228	-4,581,228	-3,744,228
Assigned Fund Balance	-474,008	-346,115	-87,075	-100,000	-100,000	-100,000
Ending Unassigned Fund Balance	3,847,074	5,029,647	5,523,948	6,102,653	3,867,194	3,846,654
% of Unassigned Fund Balance to Expenditures	7.71%	9.70%	9.80%	10.50%	6.06%	5.90%

The table above shows three years of actual, audited data (2020 through 2022). FYE 2023 are the projected actual amounts as of February 21, 2023, as presented at the February Committee Meeting during the Treasurer Report presentation. FYE 2024 is the proposed budget that is included in this report and FYE 2025 are estimated budget figures.

Significant assumptions made in the presented information above are as follows:

- Real Estate Tax increase in 2024 is 2.8% and in 2025 is 2.5%. Estimated assessment increases are 0.5% for 2024 and 0.7% for 2025.
- 2023 and 2024 includes a 2% increase in Basic Education, 2% increase in Special Education, and no increase in the Ready to Learn Block Grant.
- Salaries have a projected increase of 2.75% in 2025
- Retirement rate is based on the PSERS rate of 34.00% for 2024 and 35.49% for 2025
- Health Care has a 2% increase for 2024 and 2025

Revenues

Table 2. Three Year History and Two-Year Projection: Revenues as of February 21, 2023

Revenues					
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Actual *	Actual*	Actual*	Est. Actual	Budget
Local	32,239,442	33,894,760	38,489,250	40,485,000	41,593,505
State	16,777,512	17,131,774	17,573,461	19,330,549	19,996,633
Federal	336,117	1,739,795	1,313,009	1,101,473	916,000
Total	49,353,071	52,766,329	57,375,720	60,917,022	62,506,138
% of Change	1.60%	6.92%	8.74%	6.17%	2.61%

* Excludes bond refunding proceeds

Revenue Variances

FYE 2022 local revenues increased due to a large increase in real estate taxes of \$4,251,000. \$2,858,000 of this increase was created by the addition of Washington Township real estate revenue and \$1,393,000 was generated by a 3.8% millage and assessed value increases. Earned Income Taxes increased \$550,000, the majority due to the addition of Washington Township. Delinquent real estate taxes decreased \$260,000 due to collections becoming more current. State revenues increased due to Basic Ed Subsidy of \$236,000, Special Ed Subsidy of \$115,000, and retirement reimbursement of \$283,000. These increases were offset by a reduction in PLANCON revenue of \$197,000. The district continued to receive additional federal grant dollars due to the pandemic. While still significant, there was a decrease in these funds of \$516,000. Federal Title grant revenue increased \$89,000.

FYE 2023 local revenues are estimated to have increased \$1,996,000. This is caused by and increase in real estate taxes of \$1,193,000 due to a millage increase of 3% and assessed value increases. Earned Income Taxes are estimated to increased \$528,000 and interest earnings are estimated to increase \$190,000. State revenues are estimated to increase \$1,757,000. That main drivers of this are an increase in Basic Education Subsidy of \$735,000, Special Education Subsidy of \$146,000, Transportation reimbursement of \$210,000, and FICA and Retirement reimbursement of \$166,000. The district also received a one-time grant of \$298,000 for safety and mental health. Federal revenues are estimated to decrease \$185,000 due to a reduction in the pandemic response grants.

The FYE 2024 budget is presented with revenues increasing \$1,589,116 or 2.61% over estimated FYE 2023 revenues. There is a real estate tax millage increase of 2.8% which is below the district's adjusted Act 1 Index, combined with an increase of .50% in assessed values. In total, current real estate taxes are budgeted to increase \$1,020,000 over estimated FYE 2023. Other local revenue increases are in Earned Income Taxes of \$200,000 and Real Estate Transfer Taxes of \$100,000 over FYE 2023

estimates. These increases are offset by budgeted decreases in Delinquent Real Estate Taxes of \$45,000 and refund of prior year receipts of \$100,000. State revenue increases include Basic Education of \$952,000, which includes the estimated amount from Washington Township, Special Education of \$40,000, Transportation Reimbursements of \$50,000, and FICA and Retirement Subsidies of \$70,000. Decreases in state funding is \$298,000 in a safety and mental health grant and \$115,000 in property tax reduction funds. Federal Title I, II, and IV revenues are budgeted with a reduction of \$31,000. Federal pandemic funds are budgeted with a reduction of \$155,000.

Tables 3, 4, and 5 show historical real estate tax data. 2020 through 2023 amounts are actuals while 2024 is what is being proposed in the preliminary budget.

Table 3. Five Year History: Real Estate Millage

Five Year Real Estate Millage Rate History					
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Rate	17.4716	18.0481	18.7339	19.2959	19.8631
Adjusted Act 1 Index	2.90%	3.30%	3.80%	4.60%	5.30%
Actual/Budgeted Increase	2.90%	3.30%	3.80%	3.00%	2.80%

Table 4. Five Year History: Real Estate Revenue

Five Year Current Real Estate Revenue History					
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Actual	Actual	Actual	Estimate	Budget
Collected	24,355,978	25,465,266	29,716,972	30,900,000	31,843,000
Change	940,380	1,109,288	4,251,706	1,183,028	943,000
% of change	4.02%	4.55%	16.70%	3.98%	3.05%

Table 5. Five Year History: Assessed Value

Five Year Assessment History					
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Actual	Actual	Actual	Actual	Estimate (1)
Taxable Value	1,487,397,107	1,496,640,615	1,673,457,341	1,684,637,603	1,701,995,588
Change	14,092,291	9,243,508	176,816,726	11,180,262	17,357,985
% of change	0.95%	0.62%	11.81%	0.67%	1.03%

(1) Based on December 2022 assessment values

Staffing

Description

The district's agreement with the professional staff, which is represented by Pennsylvania State Educations Association (PSEA), is effective through June 30, 2026. The annual salary increase for the 2023-2024 fiscal year are based on the salary schedules negotiated as part of the agreement.

Support staff members of the district are not represented by any association or union at this time. Support staff personnel are considered to be full-time employees and eligible for benefits when they are employed for six or more hours a day (30 hours a week) for the school year. Support staff employees are evaluated annually and have historically received an increase in salary based on merit.

The administrative staff, excluding the Superintendent, Assistant Superintendent, Business Manager, and Supervisor of Human Resources, are covered under an Act 93 agreement which is effective through June 30, 2025. The Board has begun discussions with this group for a new agreement. For this proposed budget, wage increases are budgeted at 3%.

2023-2024 Staffing Changes:

No staffing additions have been included in the 2023-2024 budget. There will be a discussion on personnel considerations as part of the budget discussions, however any staff addition will need to be funded with an additional tax increase.

Proposed General Fund Expenditure Budget

Below is the full 2022-2023 budget to 2023-2024 budget comparison by major function and object.

General Fund Budget by Major Function/Major Object Code Variances						
	Function Description	Object Description	2022-2023	2023-2024	\$ Variance	% Variance
1100-100	Reg Prog Elem/Sec	Salaries	\$12,131,087	\$12,399,755	\$268,668	2.21%
1100-200	Reg Prog Elem/Sec	Benefits	\$8,420,660	\$8,530,839	\$110,179	1.31%
1100-300	Reg Prog Elem/Sec	Professional Services	\$471,843	\$484,393	\$12,550	2.66%
1100-400	Reg Prog Elem/Sec	Property Services	\$103,785	\$94,400	-\$9,385	-9.04%
1100-500	Reg Prog Elem/Sec	Other Services	\$2,277,400	\$2,173,200	-\$104,200	-4.58%
1100-600	Reg Prog Elem/Sec	Supplies	\$702,021	\$856,049	\$154,028	21.94%
1100-700	Reg Prog Elem/Sec	Property & Equipment	\$21,615	\$32,090	\$10,475	48.46%
1100-800	Reg Prog Elem/Sec	Other	\$30,155	\$28,680	-\$1,475	-4.89%
1100	Reg Prog Elem/Sec	TOTAL	\$24,158,566	\$24,599,406	\$440,840	1.82%
1200-100	Spec Prog Elem/Sec	Salaries	\$2,679,464	\$2,720,109	\$40,645	1.52%
1200-200	Spec Prog Elem/Sec	Benefits	\$1,704,668	\$1,701,480	-\$3,188	-0.19%
1200-300	Spec Prog Elem/Sec	Professional Services	\$3,381,325	\$3,975,375	\$594,050	17.57%
1200-400	Spec Prog Elem/Sec	Property Services	\$6,750	\$6,725	-\$25	-0.37%
1200-500	Spec Prog Elem/Sec	Other Services	\$481,400	\$880,850	\$399,450	82.98%
1200-600	Spec Prog Elem/Sec	Supplies	\$76,695	\$67,375	-\$9,320	-12.15%
1200-700	Spec Prog Elem/Sec	Property & Equipment	\$22,000	\$19,320	-\$2,680	-12.18%
1200-800	Spec Prog Elem/Sec	Other	\$3,300	\$2,300	-\$1,000	-30.30%
1200	Spec Prog Elem/Sec	TOTAL	\$8,355,602	\$9,373,534	\$1,017,932	12.18%
1300-100	Vocational Ed	Salaries	\$164,662	\$176,287	\$11,625	7.06%
1300-200	Vocational Ed	Benefits	\$119,010	\$128,651	\$9,641	8.10%
1300-300	Vocational Ed	Professional Services	\$0	\$0	\$0	0.00%
1300-400	Vocational Ed	Property Services	\$1,600	\$1,600	\$0	0.00%
1300-500	Vocational Ed	Other Services	\$539,995	\$565,010	\$25,015	4.63%
1300-600	Vocational Ed	Supplies	\$10,500	\$10,000	-\$500	-4.76%
1300-700	Vocational Ed	Property & Equipment	\$2,000	\$2,000	\$0	0.00%
1300-800	Vocational Ed	Other	\$3,700	\$5,000	\$1,300	35.14%
1300	Vocational Ed	TOTAL	\$841,467	\$888,548	\$47,081	5.60%
1400-100	Other Inst/Prog	Salaries	\$105,369	\$108,161	\$2,792	2.65%
1400-200	Other Inst/Prog	Benefits	\$79,404	\$79,485	\$81	0.10%
1400-300	Other Inst/Prog	Professional Services	\$15,000	\$12,000	-\$3,000	-20.00%
1400-400	Other Inst/Prog	Property Services	\$0	\$0	\$0	0.00%
1400-500	Other Inst/Prog	Other Services	\$600	\$1,500	\$900	150.00%
1400-600	Other Inst/Prog	Supplies	\$100	\$80	-\$20	-20.00%
1400-700	Other Inst/Prog	Property & Equipment	\$0	\$0	\$0	0.00%
1400-800	Other Inst/Prog	Other	\$0	\$0	\$0	0.00%
1400	Other Inst/Prog	TOTAL	\$200,473	\$201,226	\$753	0.38%
2100-100	Support Serv/Pupil Pers	Salaries	\$1,400,583	\$1,454,135	\$53,552	3.82%
2100-200	Support Serv/Pupil Pers	Benefits	\$1,102,697	\$1,086,531	-\$16,166	-1.47%
2100-300	Support Serv/Pupil Pers	Professional Services	\$6,800	\$8,800	\$2,000	29.41%
2100-400	Support Serv/Pupil Pers	Property Services	\$0	\$0	\$0	#DIV/0!
2100-500	Support Serv/Pupil Pers	Other Services	\$8,200	\$14,600	\$6,400	78.05%
2100-600	Support Serv/Pupil Pers	Supplies	\$96,100	\$106,250	\$10,150	10.56%
2100-700	Support Serv/Pupil Pers	Property & Equipment	\$0	\$2,000	\$2,000	0.00%
2100-800	Support Serv/Pupil Pers	Other	\$1,200	\$3,165	\$1,965	163.75%
2100	Support Serv/Pupil Pers	TOTAL	\$2,615,580	\$2,675,481	\$59,901	2.29%

2200-100	Support Serv/Instruction	Salaries	\$603,789	\$646,252	\$42,463	7.03%
2200-200	Support Serv/Instruction	Benefits	\$635,954	\$636,280	\$326	0.05%
2200-300	Support Serv/Instruction	Professional Services	\$98,158	\$81,458	-\$16,700	-17.01%
2200-400	Support Serv/Instruction	Property Services	\$0	\$0	\$0	#DIV/0!
2200-500	Support Serv/Instruction	Other Services	\$78,950	\$104,500	\$25,550	32.36%
2200-600	Support Serv/Instruction	Supplies	\$37,701	\$57,426	\$19,725	52.32%
2200-700	Support Serv/Instruction	Property & Equipment	\$0	\$0	\$0	#DIV/0!
2200-800	Support Serv/Instruction	Other	\$2,500	\$2,500	\$0	0.00%
2200	Support Serv/Instruction	TOTAL	\$1,457,052	\$1,528,416	\$71,364	4.90%
2300-100	Support Serv/Admin	Salaries	\$1,901,855	\$1,930,485	\$28,630	1.51%
2300-200	Support Serv/Admin	Benefits	\$1,279,861	\$1,260,576	-\$19,285	-1.51%
2300-300	Support Serv/Admin	Professional Services	\$294,600	\$324,800	\$30,200	10.25%
2300-400	Support Serv/Admin	Property Services	\$6,200	\$8,300	\$2,100	33.87%
2300-500	Support Serv/Admin	Other Services	\$197,750	\$210,900	\$13,150	6.65%
2300-600	Support Serv/Admin	Supplies	\$42,924	\$44,450	\$1,526	3.56%
2300-700	Support Serv/Admin	Property & Equipment	\$9,500	\$13,500	\$4,000	0.00%
2300-800	Support Serv/Admin	Other	\$32,100	\$32,565	\$465	1.45%
2300	Support Serv/Admin	TOTAL	\$3,764,790	\$3,825,576	\$60,786	1.61%
2400-100	Support Serv/Pup Health	Salaries	\$414,674	\$443,340	\$28,666	6.91%
2400-200	Support Serv/Pup Health	Benefits	\$309,674	\$313,588	\$3,914	1.26%
2400-300	Support Serv/Pup Health	Professional Services	\$41,600	\$52,500	\$10,900	26.20%
2400-400	Support Serv/Pup Health	Property Services	\$0	\$300	\$300	#DIV/0!
2400-500	Support Serv/Pup Health	Other Services	\$600	\$1,800	\$1,200	200.00%
2400-600	Support Serv/Pup Health	Supplies	\$11,750	\$11,300	-\$450	-3.83%
2400-700	Support Serv/Pup Health	Property & Equipment	\$14,000	\$0	-\$14,000	-100.00%
2400-800	Support Serv/Pup Health	Other	\$2,800	\$1,800	-\$1,000	-35.71%
2400	Support Serv/Pup Health	TOTAL	\$795,098	\$824,628	\$29,530	3.71%
2500-100	Support Serv/Business	Salaries	\$340,441	\$375,765	\$35,324	10.38%
2500-200	Support Serv/Business	Benefits	\$270,250	\$281,671	\$11,421	4.23%
2500-300	Support Serv/Business	Professional Services	\$12,200	\$9,300	-\$2,900	-23.77%
2500-400	Support Serv/Business	Property Services	\$1,550	\$3,500	\$1,950	125.81%
2500-500	Support Serv/Business	Other Services	\$13,400	\$19,500	\$6,100	45.52%
2500-600	Support Serv/Business	Supplies	\$38,100	\$45,100	\$7,000	18.37%
2500-700	Support Serv/Business	Property & Equipment	\$0	\$0	\$0	#DIV/0!
2500-800	Support Serv/Business	Other	\$7,500	\$8,000	\$500	6.67%
2500	Support Serv/Business	TOTAL	\$683,441	\$742,836	\$59,395	8.69%
2600-100	Op/Maint Plant Services	Salaries	\$1,104,216	\$1,324,704	\$220,488	19.97%
2600-200	Op/Maint Plant Services	Benefits	\$894,535	\$1,052,485	\$157,950	17.66%
2600-300	Op/Maint Plant Services	Professional Services	\$303,952	\$203,778	-\$100,174	-32.96%
2600-400	Op/Maint Plant Services	Property Services	\$517,850	\$565,665	\$47,815	9.23%
2600-500	Op/Maint Plant Services	Other Services	\$54,755	\$51,515	-\$3,240	-5.92%
2600-600	Op/Maint Plant Services	Supplies	\$835,200	\$981,450	\$146,250	17.51%
2600-700	Op/Maint Plant Services	Property & Equipment	\$54,750	\$44,500	-\$10,250	-18.72%
2600-800	Op/Maint Plant Services	Other	\$2,675	\$2,500	-\$175	-6.54%
2600	Op/Maint Plant Services	TOTAL	\$3,767,933	\$4,226,597	\$458,664	12.17%

2700-100	Student Transportation	Salaries	\$58,660	\$60,420	\$1,760	3.00%
2700-200	Student Transportation	Benefits	\$47,013	\$47,529	\$516	1.10%
2700-300	Student Transportation	Professional Services	\$0	\$0	\$0	#DIV/0!
2700-400	Student Transportation	Property Services	\$0	\$0	\$0	0.00%
2700-500	Student Transportation	Other Services	\$2,902,300	\$3,145,700	\$243,400	8.39%
2700-600	Student Transportation	Supplies	\$7,000	\$10,000	\$3,000	42.86%
2700-700	Student Transportation	Property & Equipment	\$19,000	\$19,000	\$0	0.00%
2700-800	Student Transportation	Other	\$0	\$0	\$0	0.00%
2700	Student Transportation	TOTAL	\$3,033,973	\$3,282,649	\$248,676	8.20%
2800-100	Student Services/Central	Salaries	\$172,422	\$180,031	\$7,609	4.41%
2800-200	Student Services/Central	Benefits	\$144,808	\$146,434	\$1,626	1.12%
2800-300	Student Services/Central	Professional Services	\$731,687	\$608,500	-\$123,187	-16.84%
2800-400	Student Services/Central	Property Services	\$15,000	\$15,000	\$0	0.00%
2800-500	Student Services/Central	Other Services	\$400	\$400	\$0	0.00%
2800-600	Student Services/Central	Supplies	\$57,080	\$240,000	\$182,920	320.46%
2800-700	Student Services/Central	Property & Equipment	\$476,625	\$1,474,400	\$997,775	209.34%
2800-800	Student Services/Central	Other	\$500	\$500	\$0	0.00%
2800	Student Services/Central	TOTAL	\$1,598,522	\$2,665,265	\$1,066,743	66.73%
2900-500	Other Support Services	Other Services	\$31,000	\$31,000	\$0	0.00%
2900	Other Support Services	TOTAL	\$31,000	\$31,000	\$0	0.00%
3200-100	Student Activities	Salaries	\$677,135	\$684,278	\$7,143	1.05%
3200-200	Student Activities	Benefits	\$283,625	\$301,687	\$18,062	6.37%
3200-300	Student Activities	Professional Services	\$179,300	\$190,650	\$11,350	6.33%
3200-400	Student Activities	Property Services	\$46,640	\$56,270	\$9,630	20.65%
3200-500	Student Activities	Other Services	\$131,550	\$142,150	\$10,600	8.06%
3200-600	Student Activities	Supplies	\$303,600	\$368,950	\$65,350	21.53%
3200-700	Student Activities	Property & Equipment	\$14,400	\$35,000	\$20,600	143.06%
3200-800	Student Activities	Other	\$48,000	\$45,450	-\$2,550	-5.31%
3200	Student Activities	TOTAL	\$1,684,250	\$1,824,435	\$140,185	8.32%
3300-600	Community Services	Supplies	\$1,000	\$1,000	\$0	0.00%
3300	Community Services	TOTAL	\$1,000	\$1,000	\$0	0.00%
5100-800	Other Expend/Finances	Other	\$1,020,000	\$1,323,000	\$303,000	29.71%
5100-900	Other Expend/Finances	Other uses of funds	\$3,715,500	\$4,678,000	\$962,500	25.90%
5100	Other Expend/Finances	TOTAL	\$4,735,500	\$6,001,000	\$1,265,500	26.72%
5200	Fund Transfers	Other Uses	\$324,000	\$400,000	\$76,000	23.46%
5900	Budgetary Reserve	Other Uses	\$750,000	\$750,000	\$0	0.00%
	TOTAL		\$58,798,247	\$63,841,597	\$5,043,350	8.58%

Major Function and Object Summaries

Table 10 below shows a variance report by function comparing 2022-2023 actual expenditure projections against the 2023-2024 proposed expenditure budget. This shows an increase of 9.82%.

Table 10. Major Function Summary

		Est Actual	Budget			
	Function	2022-2023	2023-2024	\$ Variance	% Variance	% of Budget
1100	Reg Prog Elem/Sec	\$ 23,933,946	\$ 24,599,406	\$ 665,460	2.78%	38.53%
1200	Spec Prog Elem/Sec	8,916,434	9,373,534	457,100	5.13%	14.68%
1300	Vocational Ed	842,640	888,548	45,908	5.45%	1.39%
1400	Other Inst/Prog	191,764	201,226	9,462	4.93%	0.32%
2100	Support Serv/Pupil Pers	2,609,222	2,675,481	66,259	2.54%	4.19%
2200	Support Serv/Instruction	1,434,575	1,528,416	93,841	6.54%	2.39%
2300	Support Serv/Admin	3,738,139	3,825,576	87,437	2.34%	5.99%
2400	Support Serv/Pupil Health	783,210	824,628	41,418	5.29%	1.29%
2500	Support Serv/Business	687,750	742,836	55,086	8.01%	1.16%
2600	Op/Maint Plant Services	4,180,925	4,226,597	45,672	1.09%	6.62%
2700	Student Transportation	3,029,363	3,282,649	253,286	8.36%	5.14%
2800	Student Services/Central	1,624,153	2,665,265	1,041,112	64.10%	4.17%
2900	Other Support Services	-	31,000	31,000	#DIV/0!	0.05%
3000	Student Activities	1,630,556	1,825,435	194,879	11.95%	2.86%
4600	Capital Improvements	7,500	-	(7,500)	-100.00%	0.00%
5100	Other Expend/Financing	4,088,373	6,001,000	1,912,627	46.78%	9.40%
5200	Fund Transfers	436,594	400,000	(36,594)	-8.38%	0.63%
5900	Budgetary Reserve	-	750,000	750,000	0.00%	1.17%
	TOTAL	\$ 58,135,144	\$ 63,841,597	\$ 5,706,453	9.82%	100.00%

The major function summary details how funds are distributed between the various District functions.

1000 – Instruction: Includes all those activities dealing directly with the interaction between teachers and students, and the related costs which can be directly attributed to a program of instruction.

2000 – Support Services: Services that provide administrative, technical, and logistic support to facilitate and enhance instruction.

3000 – Operation of Non-Instructional Services: Activities concerned with providing non-instructional services to students, staff, or the community.

4000 – Facilities Acquisition, Construction, and Improvement Services: Expenditures incurred to purchase land, buildings, service systems and built-in equipment.

5000 – Other Expenditures and Financing Uses: This category includes debt service expenditures and all fund transfers.

Table 11 below shows a variance report by object comparing the 2022-2023 expenditure budget against the 2023-2024 proposed expenditure budget. This shows a budget-to-budget increase of 8.58%.

Table 11. Major Object Summary

	Object	Budget	Budget	\$ Variance	% Variance	% of Budget
		2022-2023	2023-2024			
100	Salaries	\$ 21,754,357	\$ 22,503,722	\$ 749,365	3.44%	35.25%
200	Benefits	15,292,159	15,567,236	275,077	1.80%	24.38%
300	Purchased Professional Services	5,536,465	5,951,554	415,089	7.50%	9.32%
400	Purchased Property Services	699,375	751,760	52,385	7.49%	1.18%
500	Other Purchased Services	6,718,300	7,342,625	624,325	9.29%	11.50%
600	General Supplies	2,219,771	2,799,430	579,659	26.11%	4.38%
700	Equipment	633,890	1,639,810	1,005,920	158.69%	2.57%
800	Dues and Fees	1,904,430	2,207,460	303,030	15.91%	3.46%
900	Other Financing Uses	4,039,500	5,078,000	1,038,500	25.71%	7.95%
	TOTAL	\$ 58,798,247	\$ 63,841,597	\$ 5,043,350	8.58%	100.00%

The major object summary variance report shows how funds are distributed between the major object codes of the budget. Salary and benefits account for 59.6% of the total budget, down from 63.0% in 2022-2023. Salaries increased 3.44% from prior year which is caused by an overall average salary increase in all classes of employees. No new positions have been added to these budgeted amounts. Discussion on personnel considerations will be had as part of the budget process. Table 12 breaks down the benefit costs which have an increase of 1.80%.

Object code 300 for Professional Services increased \$415,089 or 7.50%. This increase is mainly driven by placements for special services student tuitions. These placements will continue to be monitored into the spring and adjustments will be made prior to the final budget adoption in May.

Object code 400 increased \$52,385 of 7.49%. This is mainly caused by an increase in building and equipment repairs and maintenance.

Object code 500 increased \$624,325 or 9.29% and includes Other Contracted Services such as transportation and cyber charter school costs. This object also includes the tuition being paid to Dover Area SD and York County School of Tech following the Washington Township transition plan. Cyber charter payments are estimated to increase approx. \$660,000. Transportation costs are estimated to increase \$240,000 due to a 6% increase in the cost index as well as continued pressures on adding vans for homeless, foster, and special education students. These two increases are offset by a reduction of \$350,000 for the tuition paid to Dover Area SD for tuition students. FYE 2024 will be the final year of a three-year transition plan.

Object code 600 increased \$579,659 or 26.11% and includes supplies and textbooks as well as all utility/energy costs. Supplies increased \$100,000 driven by inflation that is occurring nationwide. Textbooks are budgeted to increase \$60,000 as new curriculum is being written. Utility costs are budgeted to increase \$147,000 as many of the low hedges are ending and the cost of energy increase. Software costs have increased due to additional technology security and licensing of \$150,000.

Object code 700 increased \$1,005,920 or 158.69% and includes equipment purchases throughout the district. This increase is driven by moving away from leasing computer purchases and buying staff laptops and devices of \$450,000. Also included is the final stage of the Viewsonic viewboard

purchases of \$115,000 and new Apple ipads for elementary students of \$136,000. Technology eRate projects are planned to be at \$200,000 in 2024.

Interest paid on School District debt is recorded in object 800. A \$538,000 increase was caused by the new debt for 2022A bonds of \$10M for maintenance items including roofs and HVAC replacements. Included in this line item in both fiscal years is a budgetary reserve of \$750,000. While the District does not feel anything is owed to Dover Area SD for ongoing costs, this is set aside in reserve for unintended costs of this transfer.

Debt principal and transfers to the Capital Projects and Food Service Fund are recorded in object code 900. The transfer to the Capital Reserve account increased \$100,000. \$50,000 was added for the principal payment on the 2022A bonds. \$855,000 was added to the principal account for future debt service for a Middle School and Northern Elementary School renovation. This addition takes the total amount budgeted for future debt payments to \$1,550,000. This amount will likely not be spent in 2022-2023, however funding is being phased in over several years to be prepared for sizeable capital improvements to the district.

Table 12. Benefit Object Breakdown

200 Object Breakdown						
	Object	Budget	Budget	\$ Variance	% Variance	% of Budget
		2022-2023	2023-2024			
211	Dental Insurance	197,106	204,306	\$ 7,200	3.65%	1.31%
213	Life Insurance	49,779	51,060	1,281	2.57%	0.33%
214	Short Term/Long Term Disability	109,309	114,630	5,321	4.87%	0.74%
215	Vision Insurance	52,090	53,599	1,509	2.90%	0.34%
220	Social Security	1,648,343	1,717,129	68,786	4.17%	11.03%
230	Retirement (PSERS)	7,482,241	7,508,743	26,502	0.35%	48.23%
240	Tuition Reimbursement	250,000	235,000	(15,000)	-6.00%	1.51%
250	Unemployment Insurance	6,000	6,000	-	0.00%	0.04%
260	Workers Compensation Insurance	109,607	114,542	4,935	4.50%	0.74%
270	Health Insurance	5,338,884	5,498,427	159,543	2.99%	35.32%
290	Other Reimbursements	48,800	63,800	15,000	30.74%	0.41%
	TOTAL	\$ 15,292,159	\$ 15,567,236	\$ 275,077	1.80%	100.00%

All employee benefits are budgeted in the 200 object code which increased 1.80%.

The district's contribution to PSERS is budgeted with an increase of \$26,502 or .35% over the previous budget. The PSERS rate decrease to 34.0% for 2024 and this is the first time this rate has decreased since 2009 when the rate was only 4.76%.

Medical benefits increased \$159,543 or 2.99% due to an 2% rate increase in the medical rate for 2023-2024. Through rate increases in the past several years, the district is now fully funding it health plan with Lincoln Benefit Trust and had a very positive year in 2022 and is projected to have a positive year in 2023.

Budget Projections

Projection 1 – Tax increase to cover debt increase

	(Actual) 2019	(Actual) 2020	(Actual) 2021	(Actual) 2022	(Estimated) 2023	(Budget) 2024	(Projected) 2025	(Projected) 2026	(Projected) 2027
REVENUES VS. EXPENDITURES									
Total Revenues	48,574,585	49,353,071	52,766,329	57,673,314	60,917,222	62,506,138	64,298,180	65,812,270	66,951,535
Total Expenditures	49,602,267	49,880,094	51,855,037	56,341,064	58,135,144	63,841,597	65,155,720	67,918,962	70,505,016
Net Operating Balance	(1,027,682)	(527,023)	911,292	1,332,250	2,782,078	(1,335,459)	(857,540)	(2,106,692)	(3,553,481)
GENERAL FUND BALANCE									
Beginning of the Year	6,540,089	5,512,407	5,358,261	6,269,553	7,601,803	10,383,881	9,048,422	8,190,882	6,084,190
Restatement		372,877							
End of the Year	5,512,407	5,358,261	6,269,553	7,601,803	10,383,881	9,048,422	8,190,882	6,084,190	2,530,709
As a % of Expenditures	11.11%	10.74%	12.09%	13.49%	17.86%	14.17%	12.57%	8.96%	3.59%

Assumptions made above are:

- Real Estate Tax increases are 2.8% for 2024, 2.5% for 2025, 2.2% for 2026, and 2.1% for 2027. All of this increase will go towards the additional debt payments for the construction projects. All years have an estimated assessment increase of .70%.
- State Revenues – Basic Ed and Special Ed increases of 2.0% for 2025 through 2027. The only other increases are with Social Security Subsidy and Retirement Subsidy which are based on estimated salary increases and known PSERS rates.
- Federal Revenues – ESSER and other pandemic generated grants are budgeted as \$650,000 in 2024. No additional ESSER grant dollars are budgeted beyond 2024.
- Salaries have a budgeted increase of 3% for all classifications
- Retirement rate is based on the PSERS rates as of December 31, 2022
- Health insurance is based on a 2% increase for all years
- Debt payments and reimbursements follow the current debt schedule plus the allowance for new debt
- Operating costs are based on 2023 estimated amounts with 2-3% increases year over year
- A \$750,000 budgetary reserve is included in all future fiscal years and estimated additional state subsidy revenue for Washington Twp is included in these projections

Projection 2 – Tax increase to cover debt and to cover loss of ESSER grants

	(Actual) 2019	(Actual) 2020	(Actual) 2021	(Actual) 2022	(Estimated) 2023	(Budget) 2024	(Projected) 2025	(Projected) 2026	(Projected) 2027
REVENUES VS. EXPENDITURES									
Total Revenues	48,574,585	49,353,071	52,766,329	57,673,314	60,917,222	62,506,138	64,627,064	66,451,794	67,929,493
Total Expenditures	49,602,267	49,880,094	51,855,037	56,341,064	58,135,144	63,841,597	65,112,640	67,829,870	70,411,825
Net Operating Balance	(1,027,682)	(527,023)	911,292	1,332,250	2,782,078	(1,335,459)	(485,577)	(1,378,076)	(2,482,332)
GENERAL FUND BALANCE									
Beginning of the Year	6,540,089	5,512,407	5,358,261	6,269,553	7,601,803	10,383,881	9,048,422	8,562,845	7,184,770
Restatement		372,877							
End of the Year	5,512,407	5,358,261	6,269,553	7,601,803	10,383,881	9,048,422	8,562,845	7,184,770	4,702,438
As a % of Expenditures	11.11%	10.74%	12.09%	13.49%	17.86%	14.17%	13.15%	10.59%	6.68%

All assumptions are identical to Projection 1 except for the Real Estate Tax increase.

Projection 2 assumes an additional .9% tax increase to cover the loss of ESSER funding by 2025.

Fund Balances

Table 13. Committed Fund Balance

	<u>21-22</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>
Beginning Committed Fund Balance	374,136	1,496,228	2,851,228	3,651,228
Additions:				
Debt	1,100,000	1,150,000	800,000	0
Student Activities	22,092	0	0	0
Health Insurance	0	415,000	0	0
Deletions:				
Debt	0	0	0	-837,000
Special Needs	0	-210,000	0	0
Ending Committed Fund Balance	<u>1,496,228</u>	<u>2,851,228</u>	<u>3,651,228</u>	<u>2,814,228</u>
	146,228	--- Student Activities ---		146,228
	210,000	--- Special Needs ---		0
	1,100,000	--- Debt ---		2,213,000
	0	--- Health Ins ---		415,000
	40,000	--- Transportaion ---		40,000
	<u>1,496,228</u>			<u>2,814,228</u>

Table 13 shows the planned additions to and usage of committed fund balance for the next three years. As of June 30, 2022, there were four commitments, one for Special Education, one for transportation, one for debt service, and one for student activities. It is recommended that \$1.15M be committed in FYE 2023 for future debt service needs and potentially another \$800K committed in FYE 2024. The exact usage of these fund will be determined in the future once the district has clarity on the bond issues needed for the building renovations, but it is likely that debt usage will begin in FYE 2025.

Summary

The information provided on the previous pages is intended to give readers of this document an overview of the district's proposed 2023-2024 budget. The information is to be used as a guide for generating discussion and making informed decisions regarding the 2023-2024 general fund operating budget. The Administration and Board will continue to refine projections and costs until the final budget is adopted in May.

The 2023-2024 General Fund Budget is proposed with an increase to Real Estate Taxes. The total unassigned fund balance at June 30, 2023 will not exceed the 8% threshold set by the State.

The budget as presented does not include the Capital Reserve Fund but does include a transfer to this fund. The Capital Reserve budget will be presented and discussed as part of the Building and Grounds cost center presentation.

APPENDIX A:

OBJECT CODE DESCRIPTIONS

100/200	<p>SALARIES & BENEFITS Gross salaries and benefits paid to or on behalf of employees of the LEA who are considered to be in positions of a permanent nature or hired temporarily, including substitutes.</p>
300	<p>PURCHASED PROFESSIONL & TECHNICAL SERVICES Services that by their nature require persons or firms with specialized skills and knowledge. Architects, engineers, auditors, lawyers, consultants, etc.</p>
400	<p>PURCHASED PROPERTY SERVICES Services purchased to operate, repair, maintain and rent property owned and/or used by the District. These services are performed by persons other than District employees.</p>
500	<p>OTHER PURCHASED SERVICES Expenditures paid for services not provided by District personnel but rendered by organizations or personnel, other than Professional and Technical Services and Purchased Property Services. Student transportation, insurance, communications, advertising, printing, student tuition, travel, etc.</p>
600	<p>SUPPLIES Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorate in use; or items that lose their identity through fabrication or incorporation into different or more complete units or substances. General supplies, energy, software, books, etc.</p>
700	<p>PROPERTY Expenditures for the acquisition of fixed/capital assets, including expenditures for land and existing buildings and improvements of groups; initial equipment; additional equipment and replacement equipment.</p>
800	<p>OTHER OBJECTS Dues and fees for memberships, associations or payments to a paying agent for services rendered. Interest, fees for entrance or admission to events for students, refunds of prior years' receipts, and budgetary reserves.</p>
900	<p>OTHER USES OF FUNDS Redemption of debt principal and fund transfers.</p>