



DOWNINGTOWN AREA SCHOOL DISTRICT

2024-25 GENERAL FUND BUDGET PROPOSAL

March 13, 2024

AGENDA



Budget Proposal

- Goals & Overview
 - Original Full-Day Kindergarten Budget Plan
 - Revised Full-Day Kindergarten Budget Plan
 - Construction Capital Fund
 - Full-Day Kindergarten Staffing Fund
- Revenue
- Expenses
- Enrollment Trend
- Multi-Year Projections



Recommendation

- Budget Proposal for 2024-25

2024-25 PROPOSED BUDGET GOALS

- **K-12 Educational Programs**

- Curriculum Cycle Progress: Science
- Meet Growth Needs of Special Education

- **Operations**

- Transportation, Facilities, Technology
 - Elementary School Projects

- **Property Sale**

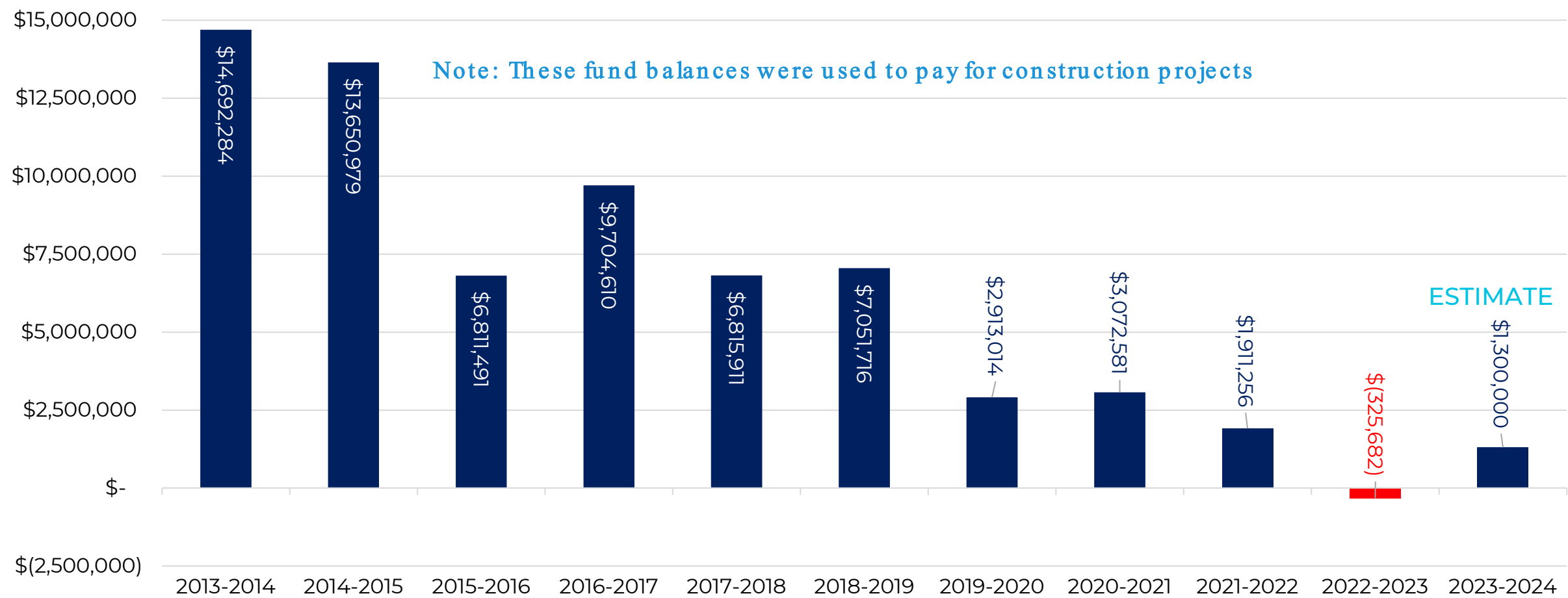
- **District Initiatives**

- Late School Start 2024-25
- Lunch and Learn 2024-25
- Full Day Kindergarten by 2025-26

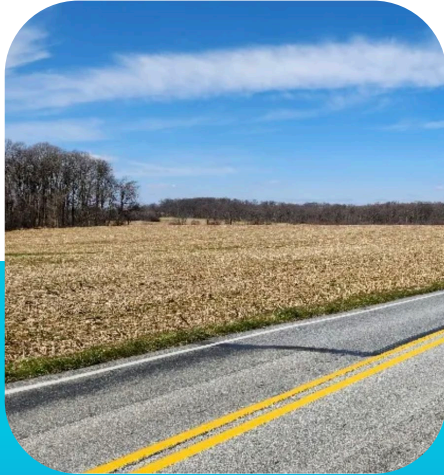


HISTORICAL NET OPERATING BUDGET BALANCES

(revenues minus expenses)



ORIGINAL PLAN TO ACHIEVE FULL-DAY KINDERGARTEN



SELL SIEMENS PROPERTY

To fund construction
of 5/6 Center



FUND STAFFING NEEDS FOR 5/6 & FDK

3.5% tax increase per
year for 5 years



CONSTRUCT NEW 5/6 CENTER

Make MC a 5/6 Center



FULL-DAY KINDERGARTEN 2028-29

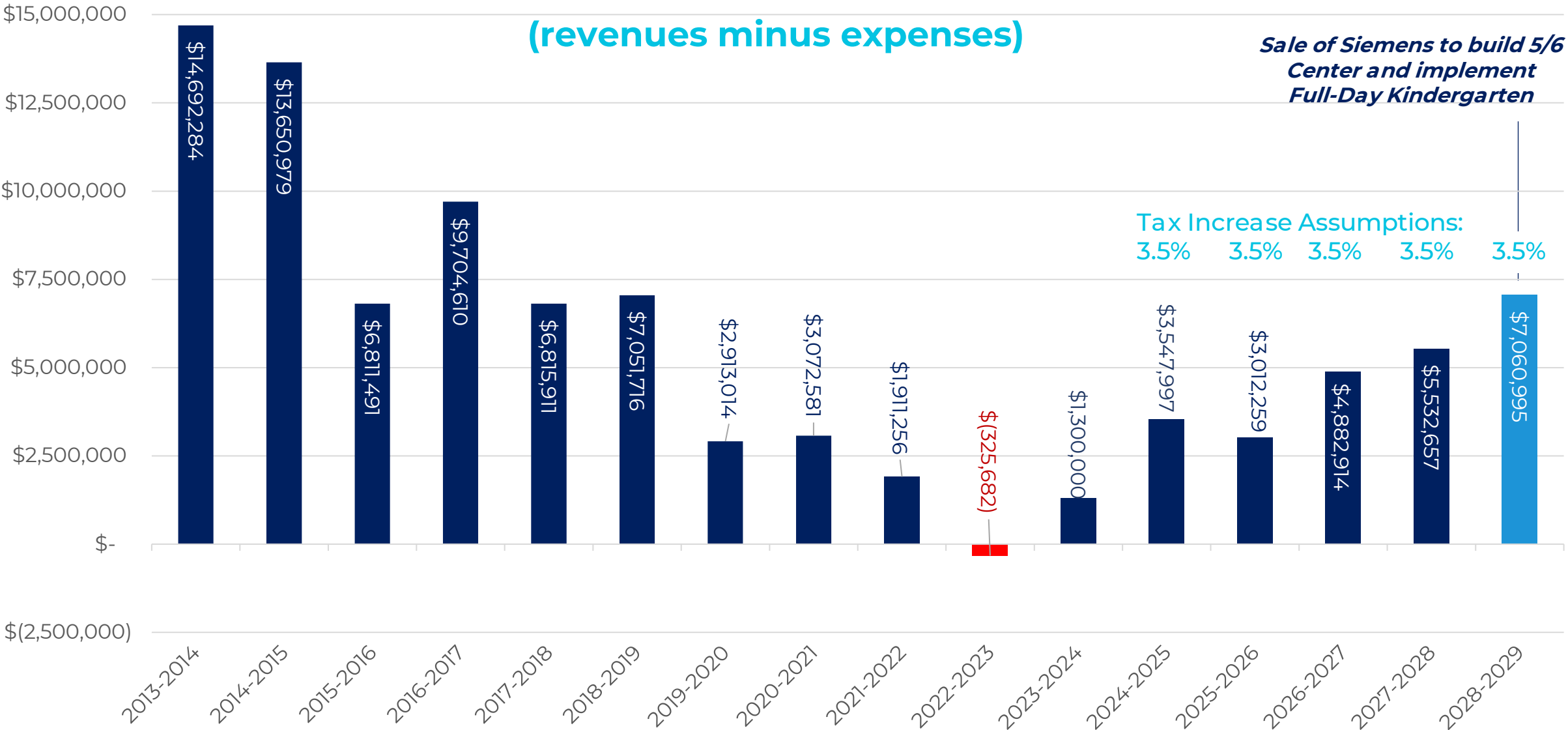
SIEMENS PROPERTY

- Termination of \$96M sales agreement Nov '23
- Future sale proceeds estimated 4-5 years from a new contract date
- Delays consideration of 5-6 Center construction

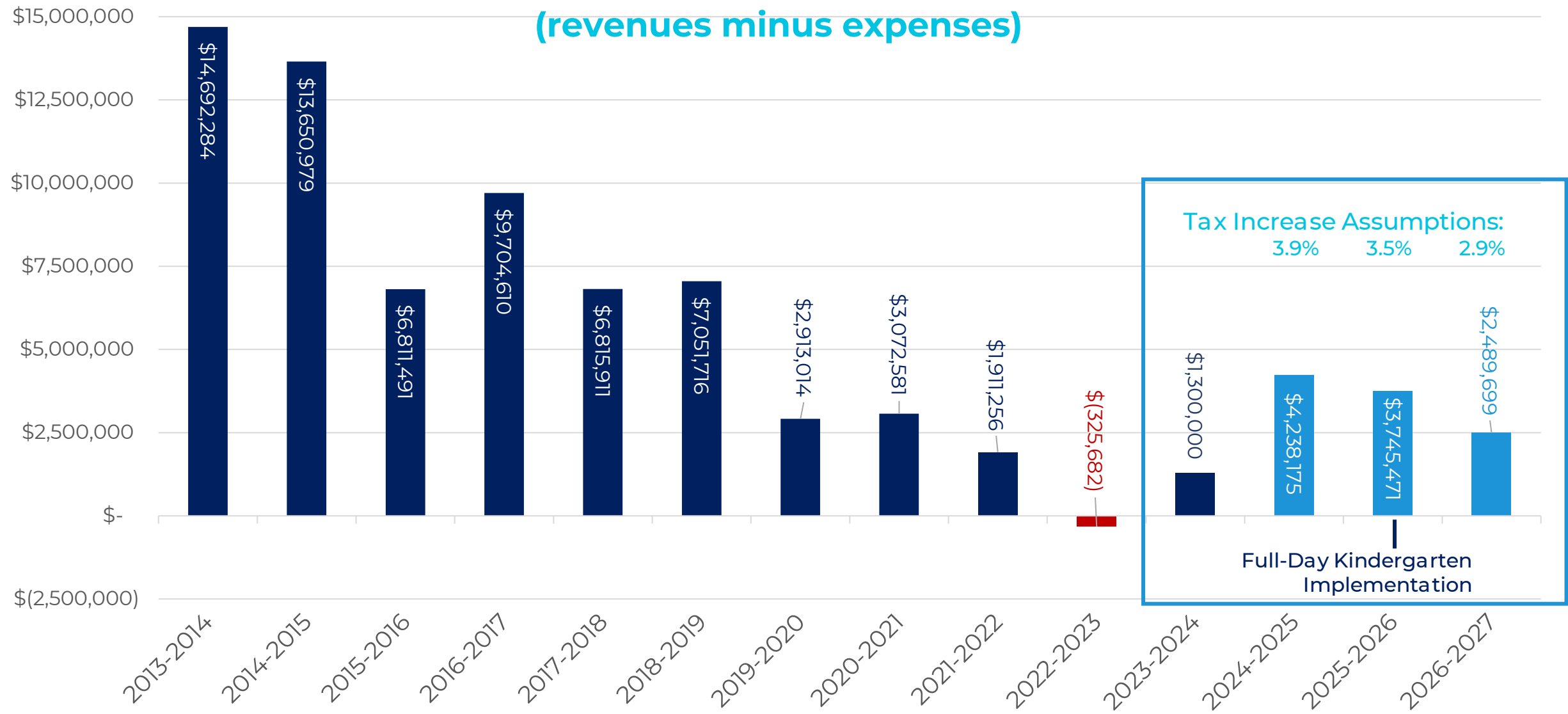


**Siemens Property in
Uwchlan Township
(Lionville Station Road)**

ORIGINAL PLAN TO ACHIEVE FULL-DAY KINDERGARTEN



REVISED PLAN TO ACHIEVE FULL-DAY KINDERGARTEN & ADDRESS ELEMENTARY FACILITIES



REVISED PLAN TO ACHIEVE FULL-DAY KINDERGARTEN & ADDRESS ELEMENTARY FACILITIES

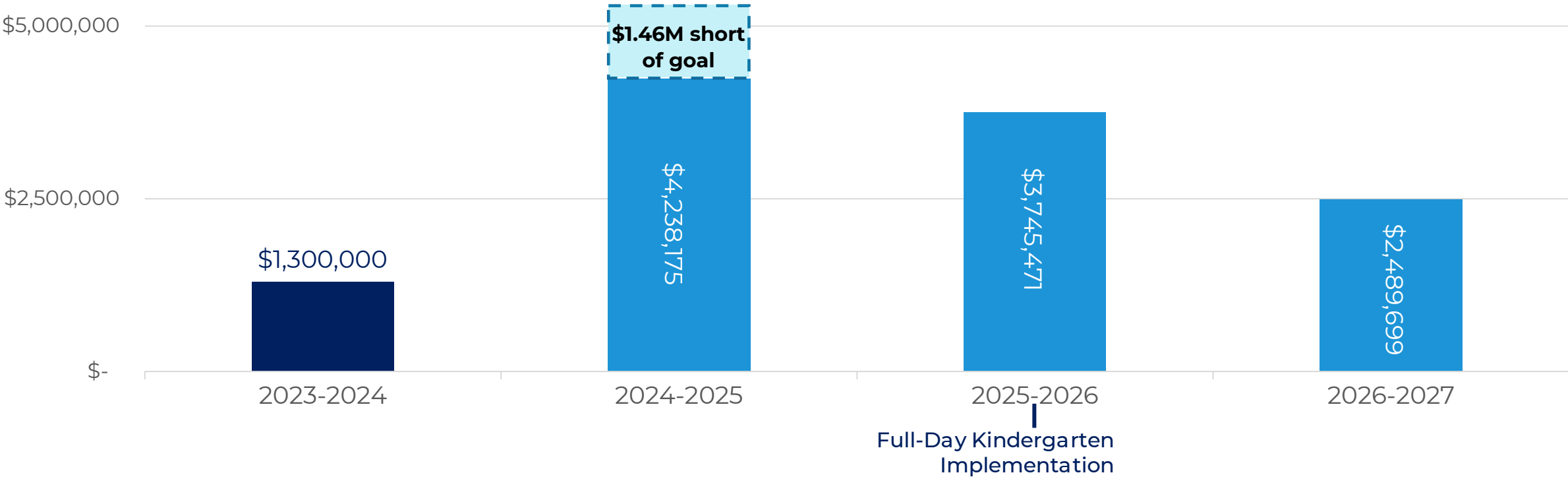
Tax Increase Assumptions:

7.00%

7.50%

8.00%

Funding Future FDK Construction	\$5.7M	\$1.73M	\$2.385M
Funding Need for Full Day K Staff	\$0M	\$2M	\$0.1M
Total Need	\$5.7M	\$3.73M	\$2.485M



BUDGET PROPOSAL AREAS TO REFINE FOR 2024-25

- Healthcare Costs Second Look
- Special Education Early Intervention Numbers
- Revenue Refinement
- Transportation Route Evaluation for 2024-25
- Charter School Student Costs
- Insurance (property & casualty) Second Look



CLOSE THE \$1.46M
GAP IN 2024-25
BUDGET
PROJECTION

CONSTRUCTION CAPITAL FUND UPDATE

Construction/capital fund balance (from past savings)	Amount
Capital Funds Available for Construction	\$ 122,000,000
Less projected East construction	\$ - 29,000,000
Less projected West construction	\$ - 35,000,000
Less projected BC construction costs	\$ - 31,000,000
Less projected WB construction costs	\$ - 24,000,000
Projected balance at construction completion	\$ 3,000,000

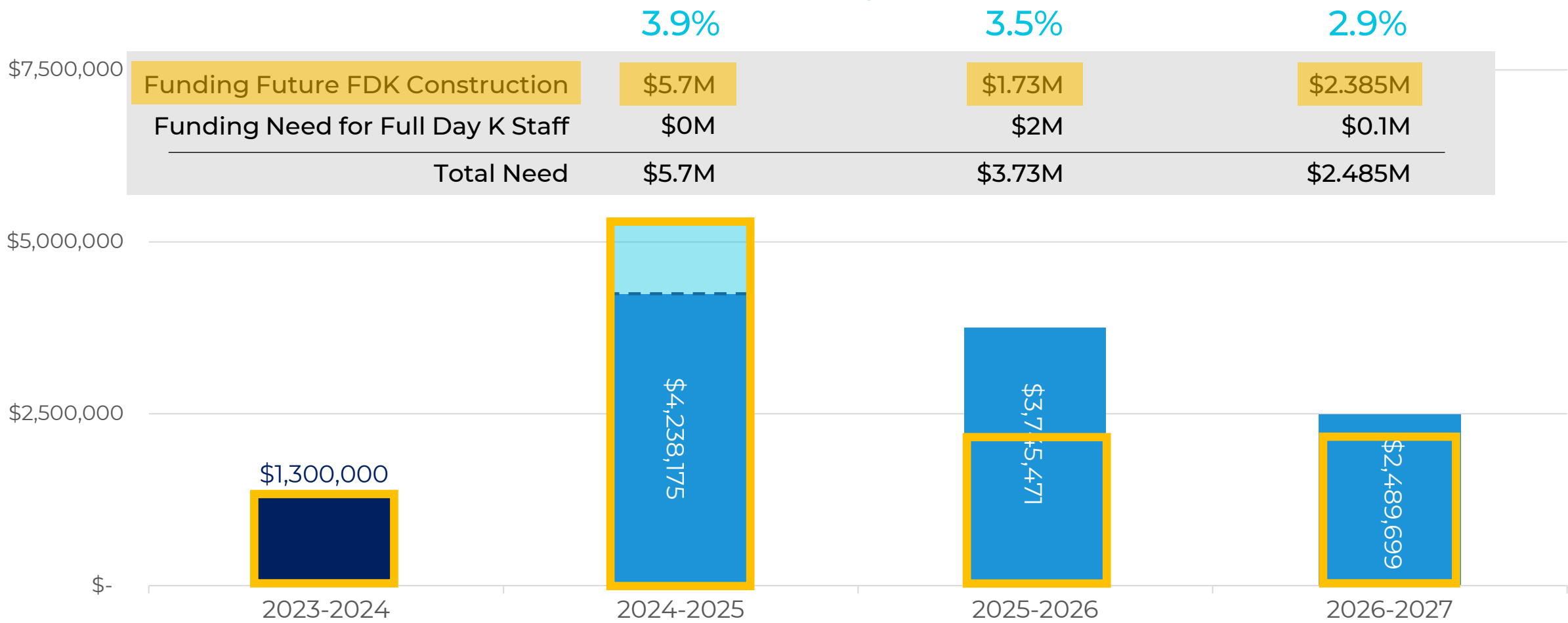
CONSTRUCTION CAPITAL FUND FOR FUTURE ELEMENTARY CONSTRUCTION



Balance	\$3 million

REVISED PLAN TO ACHIEVE FULL-DAY KINDERGARTEN & ADDRESS ELEMENTARY FACILITIES

Tax Increase Assumptions:

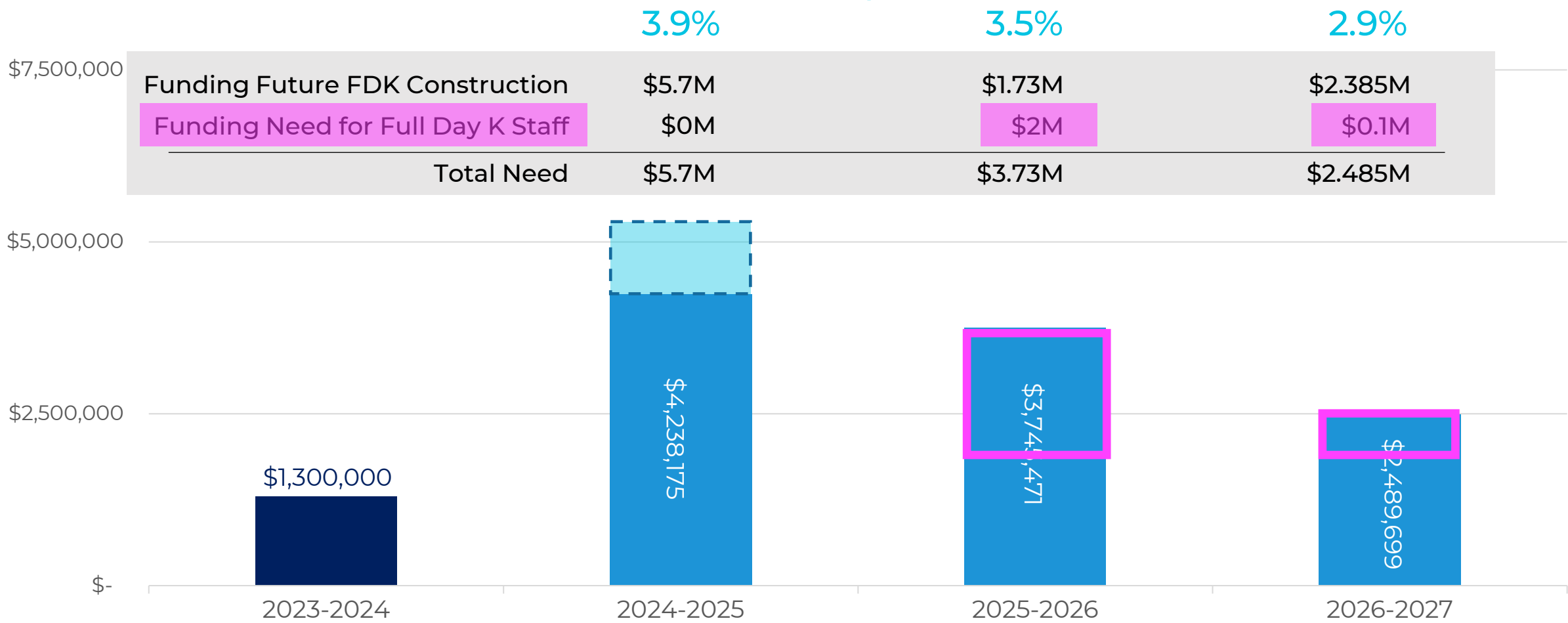


CONSTRUCTION CAPITAL FUND FOR FUTURE ELEMENTARY CONSTRUCTION

Balance	\$3 million
2023-24	\$1.3 million
2024-2025	\$5.7 million
2025-2026	\$1.73 million
2026-2027	\$2.39 million
TOTAL	\$14.12 million

REVISED PLAN TO ACHIEVE FULL-DAY KINDERGARTEN & ADDRESS ELEMENTARY FACILITIES

Tax Increase Assumptions:



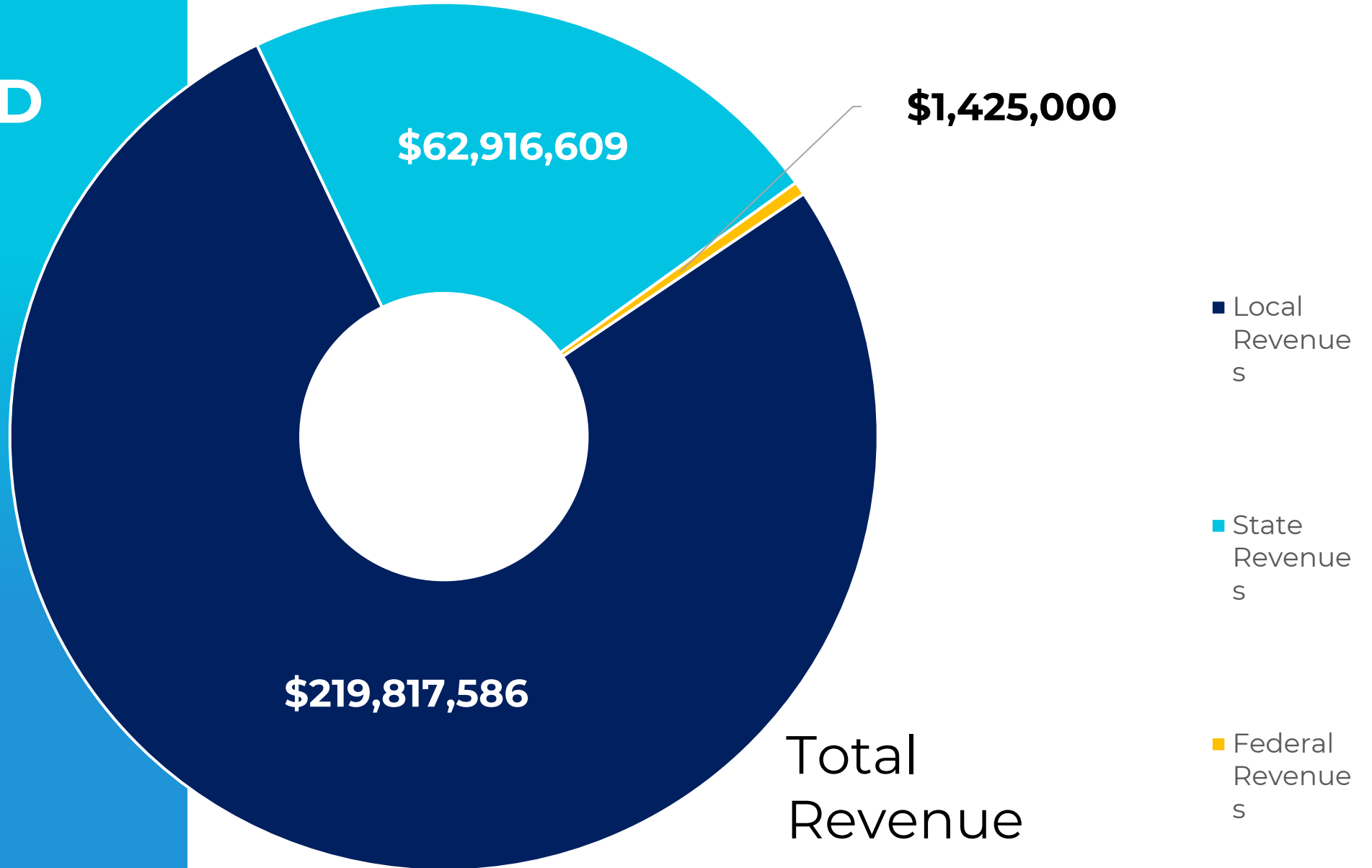


FULL-DAY KINDERGARTEN STAFFING

2025-26

- Hire 16-20 kindergarten teachers
- Other potential positions
 - Encore faculty
 - Paraprofessionals
 - 1st and 2nd grade teachers (pending shift of charter and private school students)
 - Dean / Assistant Principal for largest K – 5 Schools
- Approximate cost - \$2.1M

2024-25 BUDGETED REVENUE



LOCAL REAL ESTATE TAX ISSUES



\$-840k
2024-25
Assessment
Appeals



01

Two of our largest commercial taxpayers (Wegmans & Home Depot)

- Losing \$650,000 in 2023-24
- Losing \$820,000 in 2024-25

02

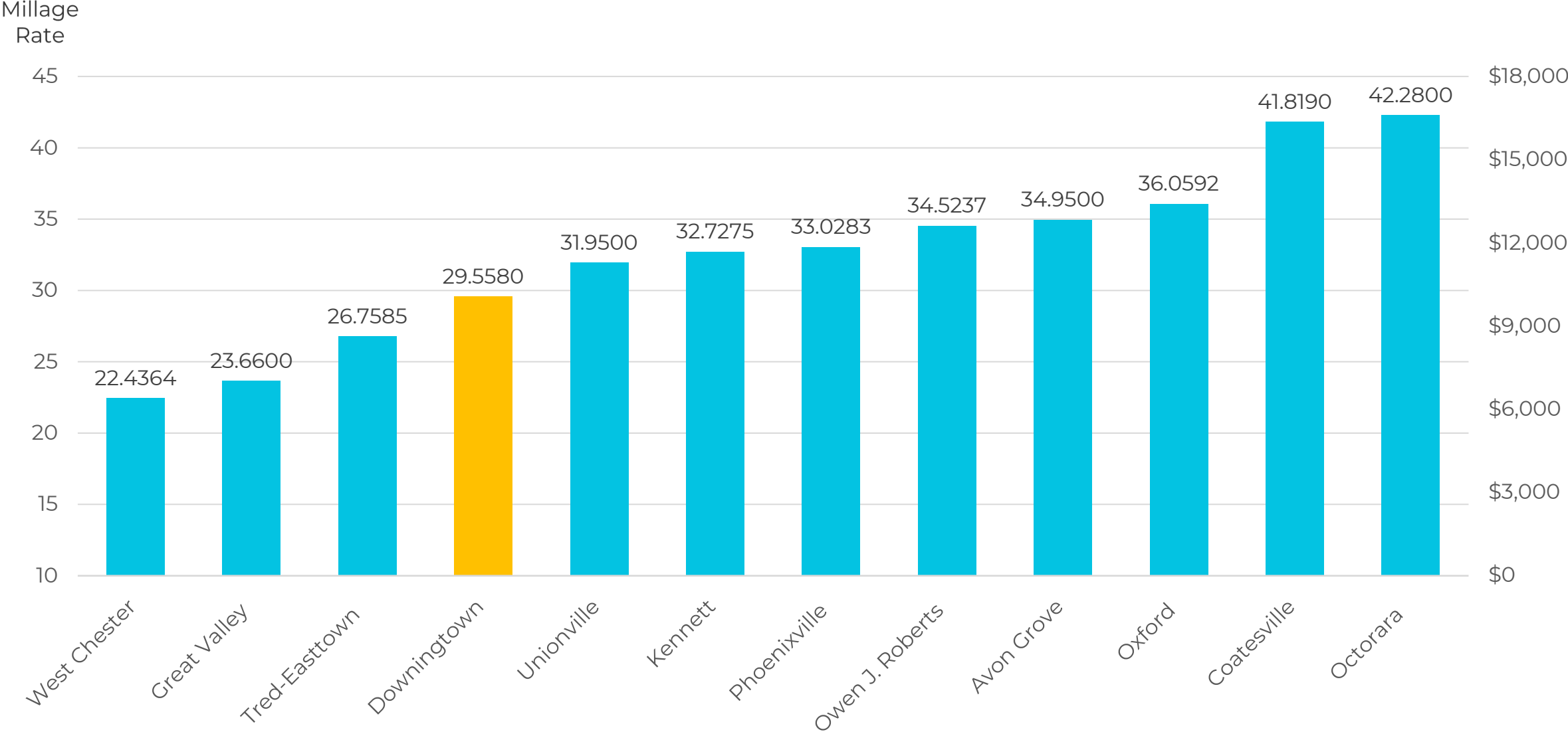
Commercial properties make future downward adjustments likely

03

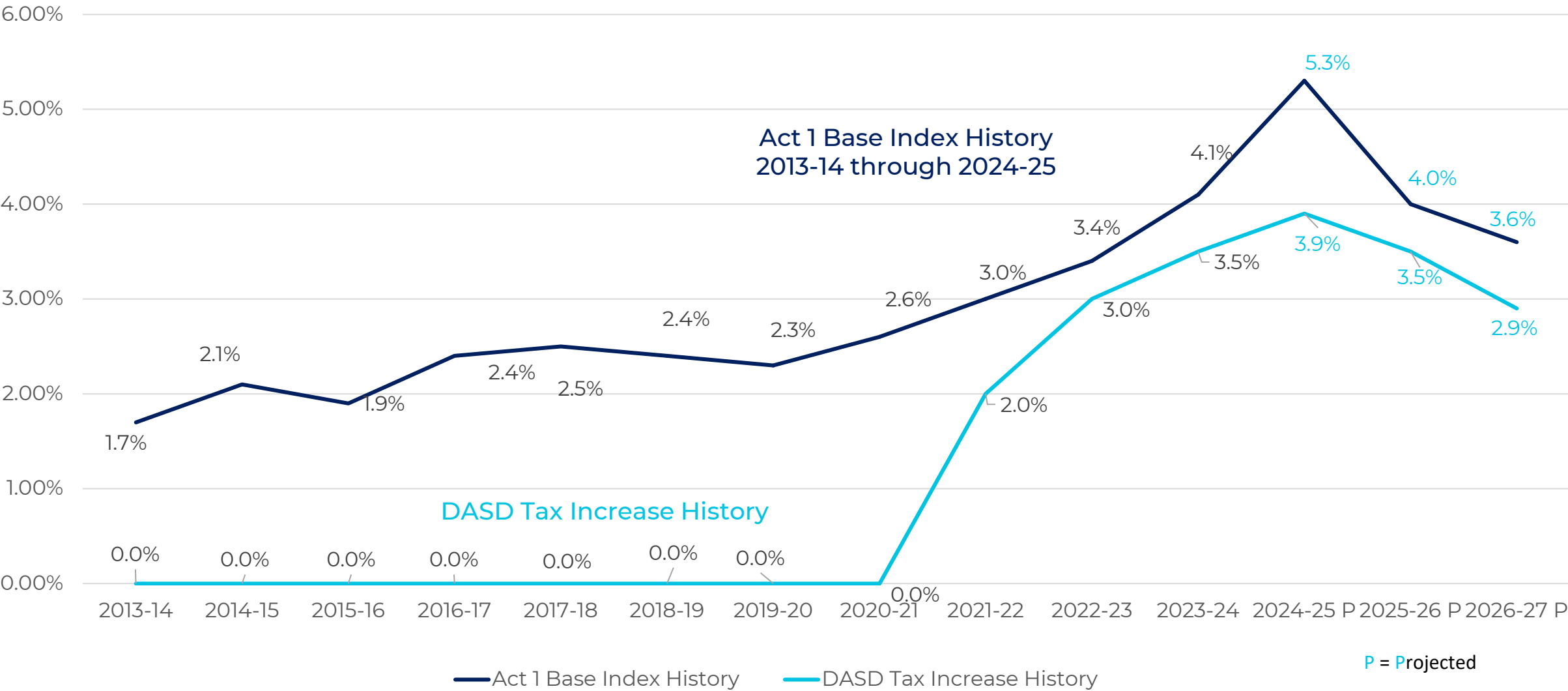
Governor's budgeted revenue for schools may offset some losses

CHESTER COUNTY

2023-24 MILLAGE RATES



ACT 1 INDEX VS. DASD TAX INCREASE HISTORY

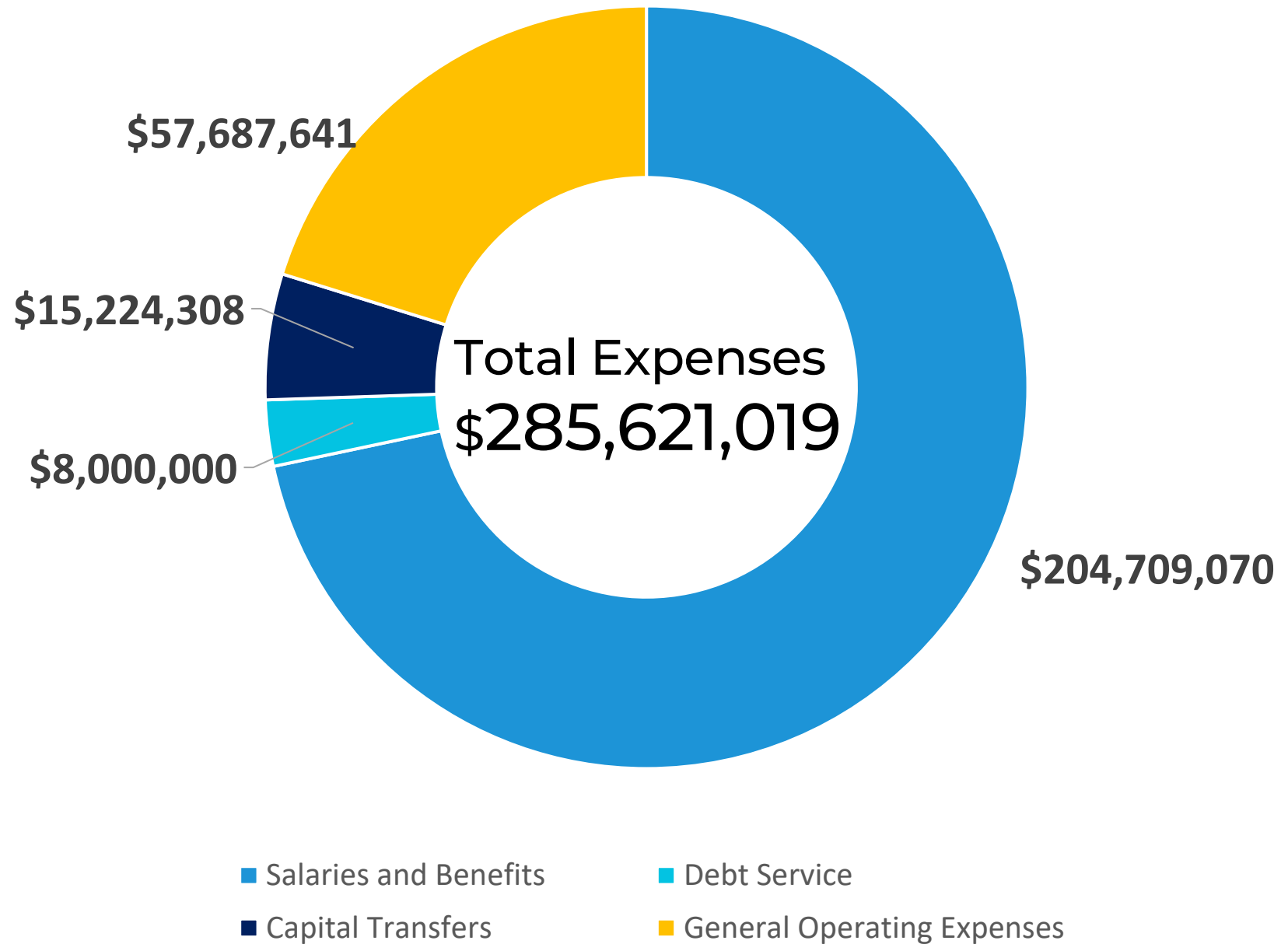


CHESTER COUNTY PDE SECONDARY TUITION COSTS PER STUDENTS FOR 2022-23

Tuition Rate



2024-25 BUDGETED EXPENDITURES



Decreases Millage Growth

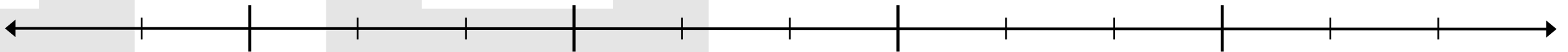
- PSERS Rate Slowing
- Positive Earned Income Growth
- Increased State Subsidies
- Software License Reduction
- Investment Interest Rates

- Real Estate Assessment Appeals
- Healthcare Premiums
- Facility Needs
- Employment Contracts
- Special Education
- Driver Wages
- General Inflation

Increases Millage Growth

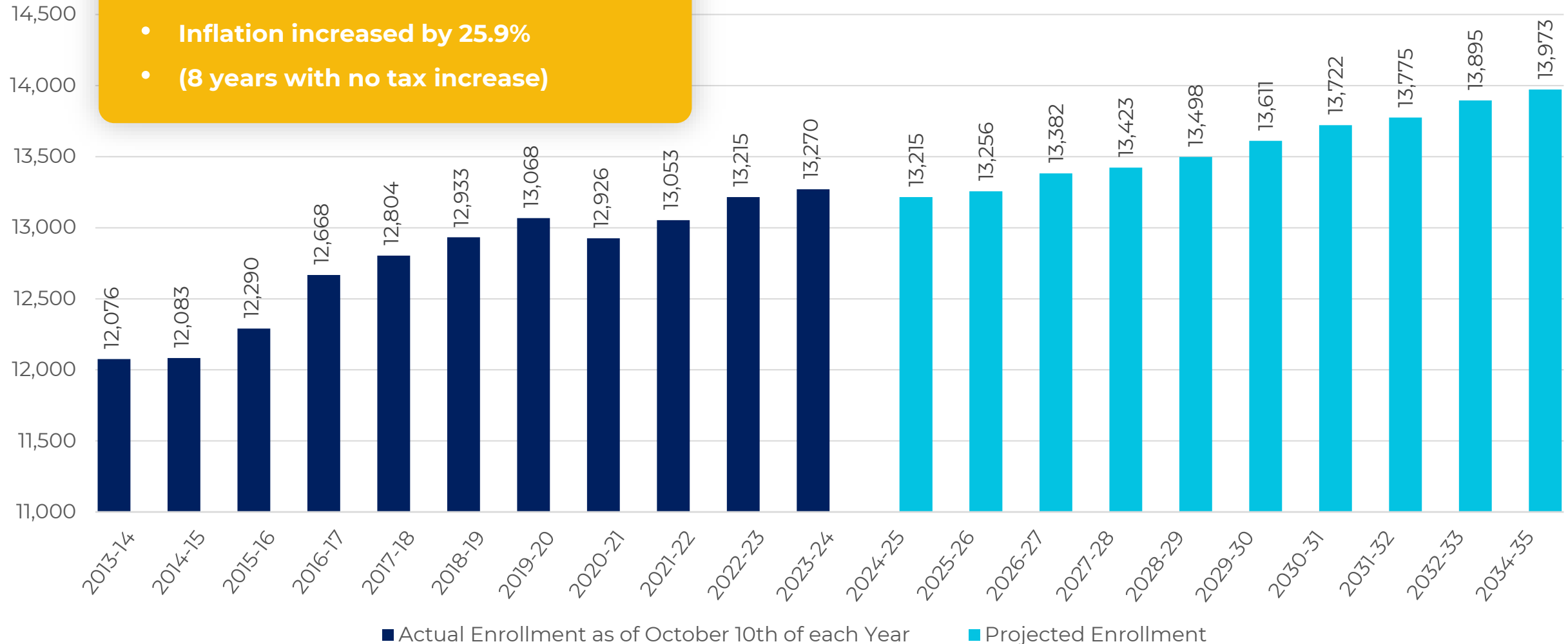
IMPACTS ON MILLAGE RATES

Millage rate determines property taxes



11-YEAR STUDENT ENROLLMENT TREND

- Enrollment increased by 1,159 or 9.6%
- Real Estate Taxes increased 8.5%
- Inflation increased by 25.9%
- (8 years with no tax increase)



ESTIMATED FUTURE LOOK

	Prelim Budget 2024-2025	Prelim Budget 2025-2026	Prelim Budget 2026-2027
Tax % Increase	3.90%	3.50%	2.90%
Total Revenue	\$284,159,195	\$299,698,703	\$314,472,227
Operating Expenditures	\$270,396,711	\$285,748,232	\$301,397,528
Transfer to Capital Fund – Annual Capital Expenses	\$9,524,308	\$10,205,000	\$10,585,000
Total Annual Expenditures	\$279,921,019	\$295,953,232	\$311,982,528
Revenue Minus Expenses	\$4,238,175	\$3,745,471	\$2,489,699
Transfer to Capital Fund – Future Construction	\$5,700,000	\$1,730,000	\$2,385,000
Full-Day Kindergarten Expenses	\$0	\$2,000,000	\$100,000
Total Annual Expenditures	\$285,621,019	\$299,683,232	\$314,467,528
Net Operating Surplus/Deficit	(\$1,461,825)	\$15,471	\$4,699

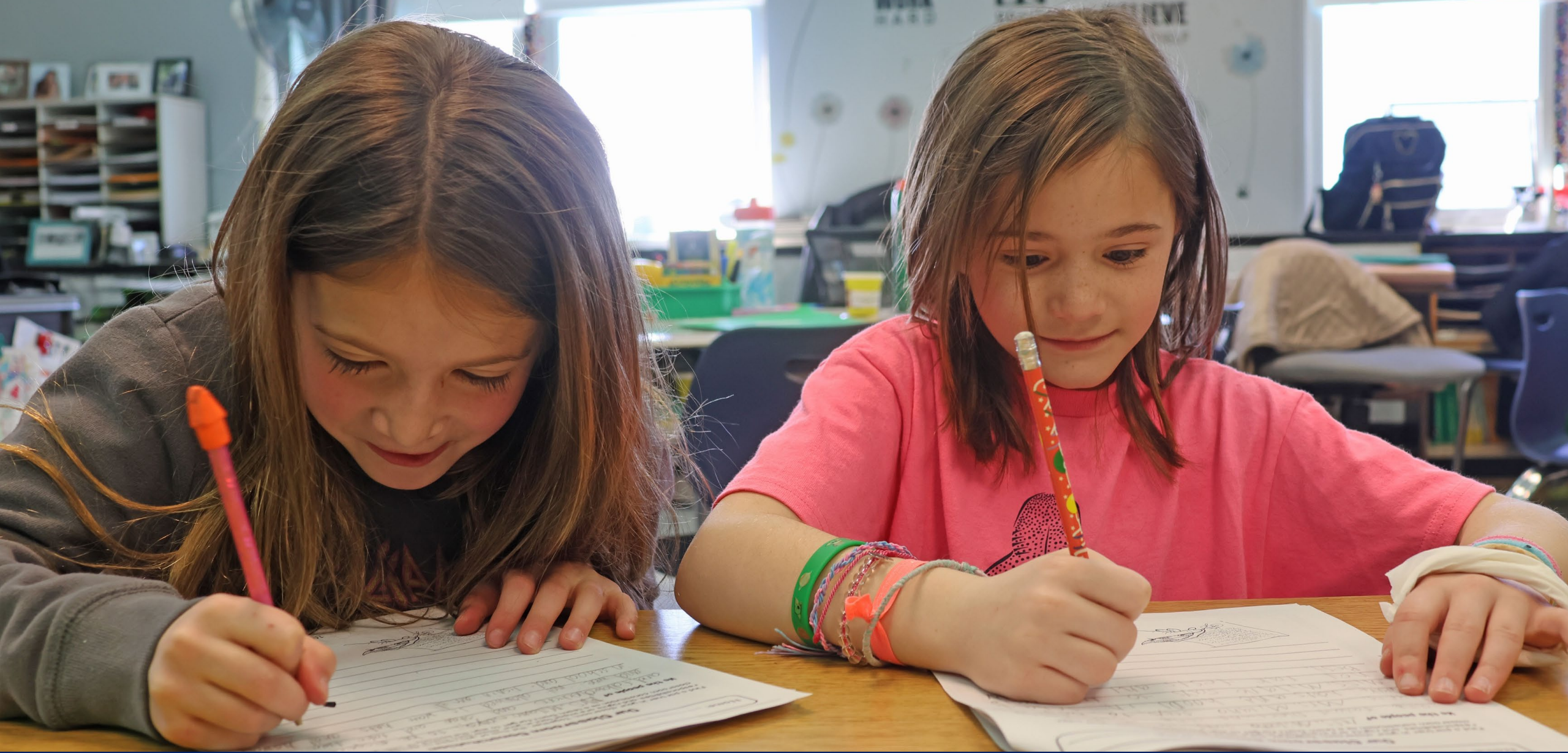
ADMINISTRATIVE RECOMMENDATIONS



- **3.9% tax increase IN 2024-25**
 - Below the Act 1 base index of 5.3%
 - Act 1 Homestead Tax Rebate Estimate - \$260
 - Average Tax Bill increase of \$213
 - Avg. Assessed value = \$185,000
- **Full-Day K in 2025-26**

CALENDAR

- April 3 – Staffing Proposal
- April 8 - Approval of Proposed Budget (30+days before final approval)
- May 8 - Board Vote for Full Day K Plan
- May 8 - Approval of Final Budget



QUESTIONS