



DOWNINGTOWN AREA SCHOOL DISTRICT

2024-25 GENERAL FUND BUDGET PROPOSAL

AGENDA



Budget Proposal

- Goals & Overview
- Revenue
- Expenses
- 2024-25 Staffing Requests
- Planning for the Future
 - Revised Full-Day Kindergarten Budget Plan
 - Construction Capital Fund
 - Full-Day Kindergarten Staffing



Summary

- 2024-25 Recommendation

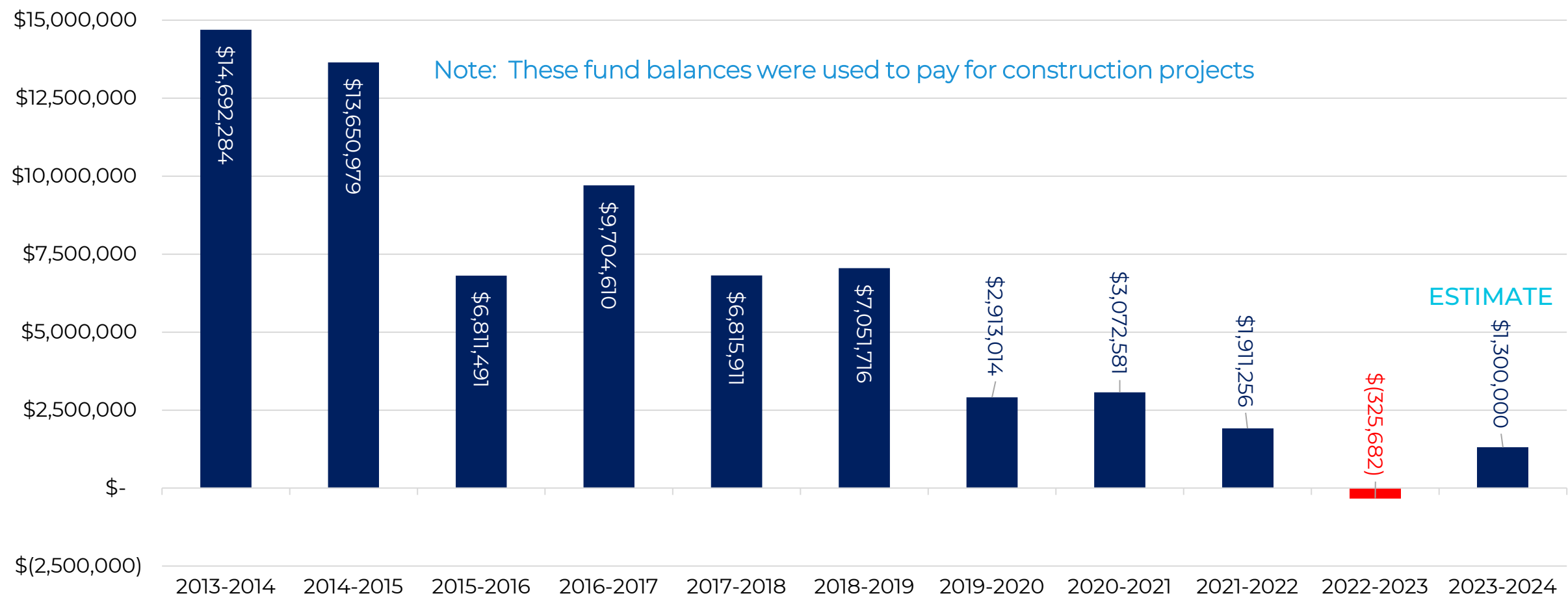
2024-25 PROPOSED BUDGET GOALS

- **K-12 Educational Programs**
 - Curriculum Cycle Progress: Science & Math
 - Meet Growth Needs of Special Education
- **Operations**
 - Transportation, Facilities, Technology
 - Elementary School Projects
- **Fiscal Responsibility**
 - Lower-Cost FDK Plan
 - Controlled Operational Expenses
 - 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

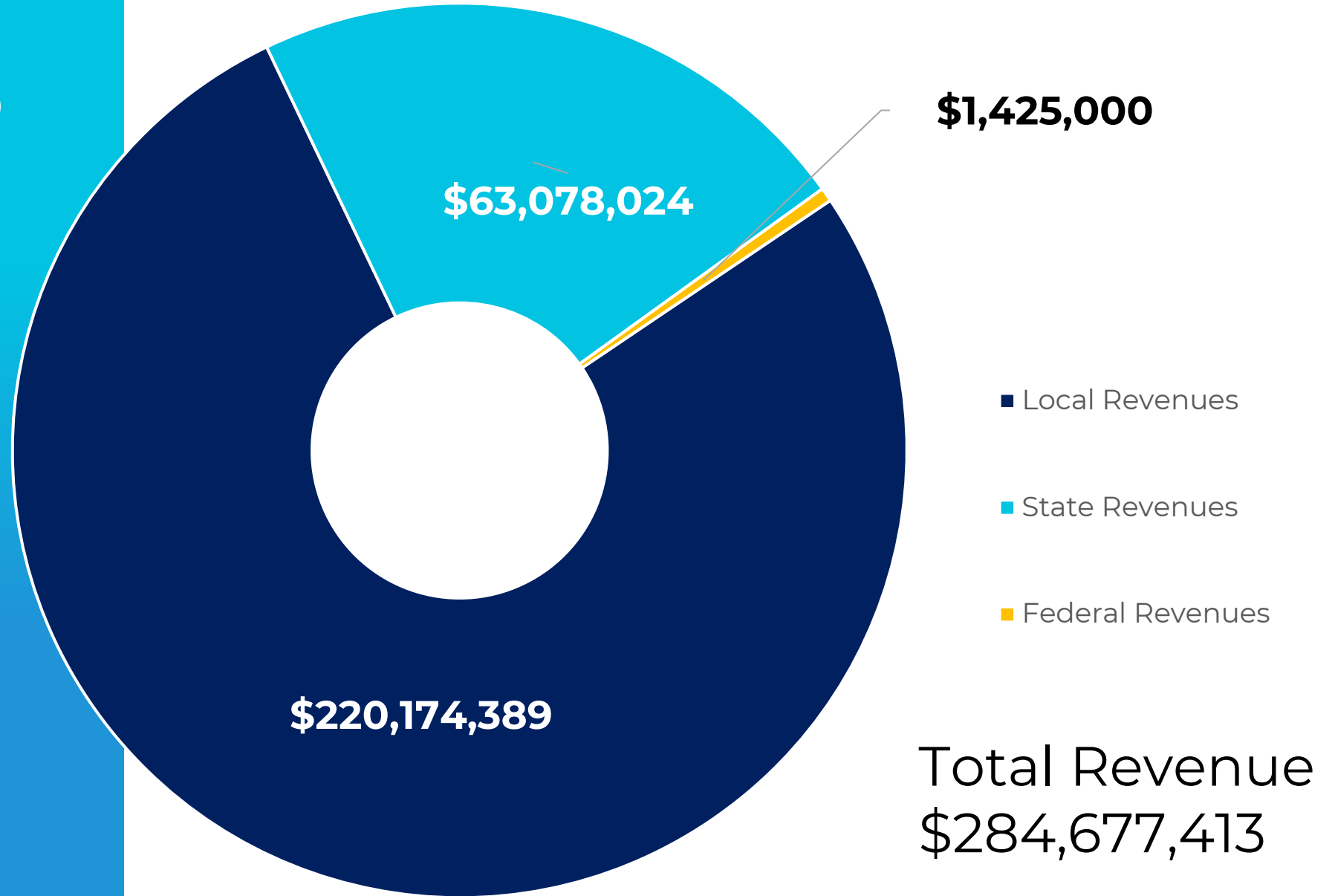
(revenues minus expenses)





REVENUE

2024-25 PROJECTED 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

Additional reductions expected from multiple commercial properties

03

Governor's budgeted revenue for schools may offset some losses

Slows Millage Growth

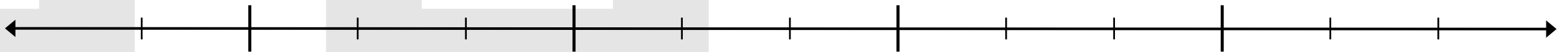
- PSERS Rate Slowing
- Positive Earned Income Growth
- Increased State Subsidies
- Investment Interest Rates
- One-Time and Annual Revenue from Siemens Property Sale

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

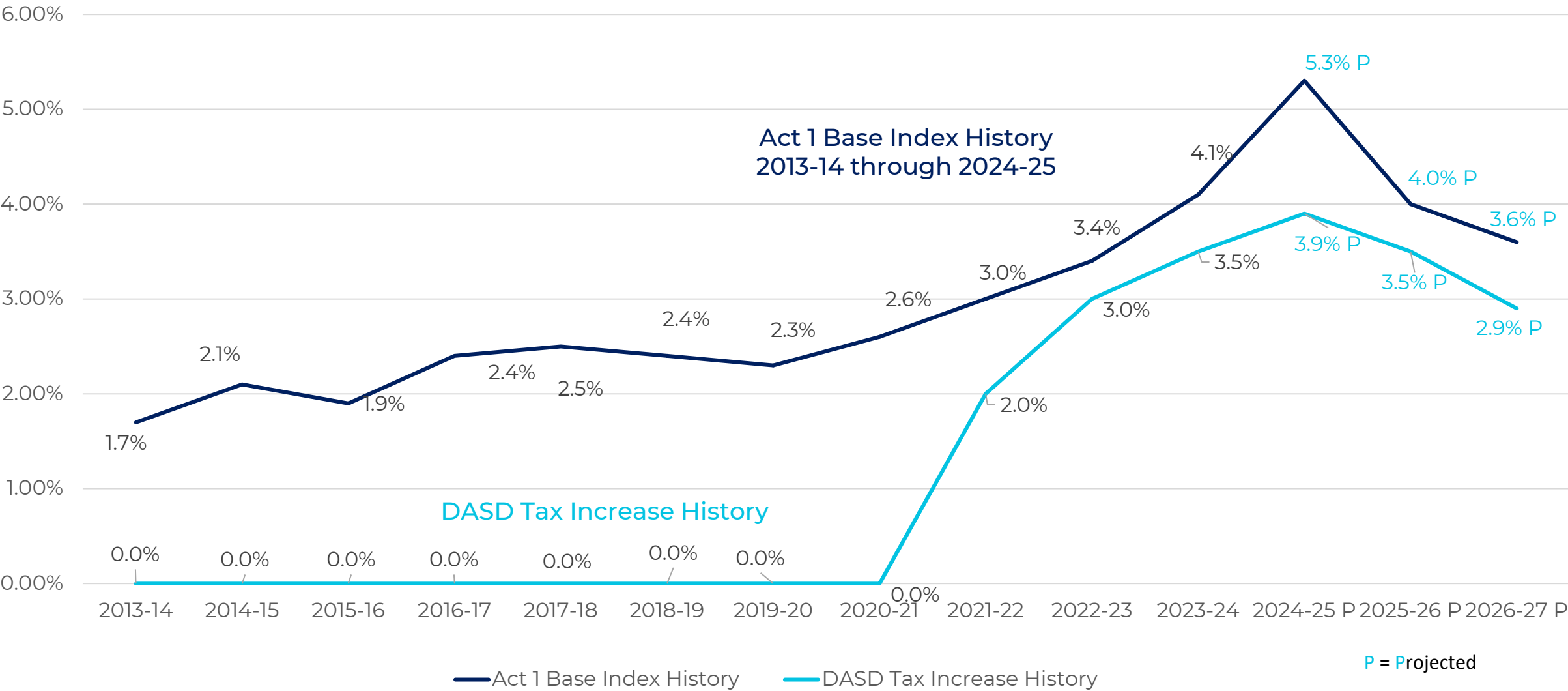
Increases Millage Growth

IMPACTS ON MILLAGE RATES

Millage rate determines property taxes



ACT 1 INDEX VS. DASD TAX INCREASE HISTORY



SIEMENS PROPERTY

- Termination of \$96M sales agreement Nov '23
 - Property no longer needed for future school
- Obligation to get market price and best value for property to help off-set future construction costs
 - Sale proceeds estimated 4-5 years from a new contract date
- Delays consideration of 5-6 Center construction
- Trying to address neighbor concerns while moving forward in a fiscally responsible way

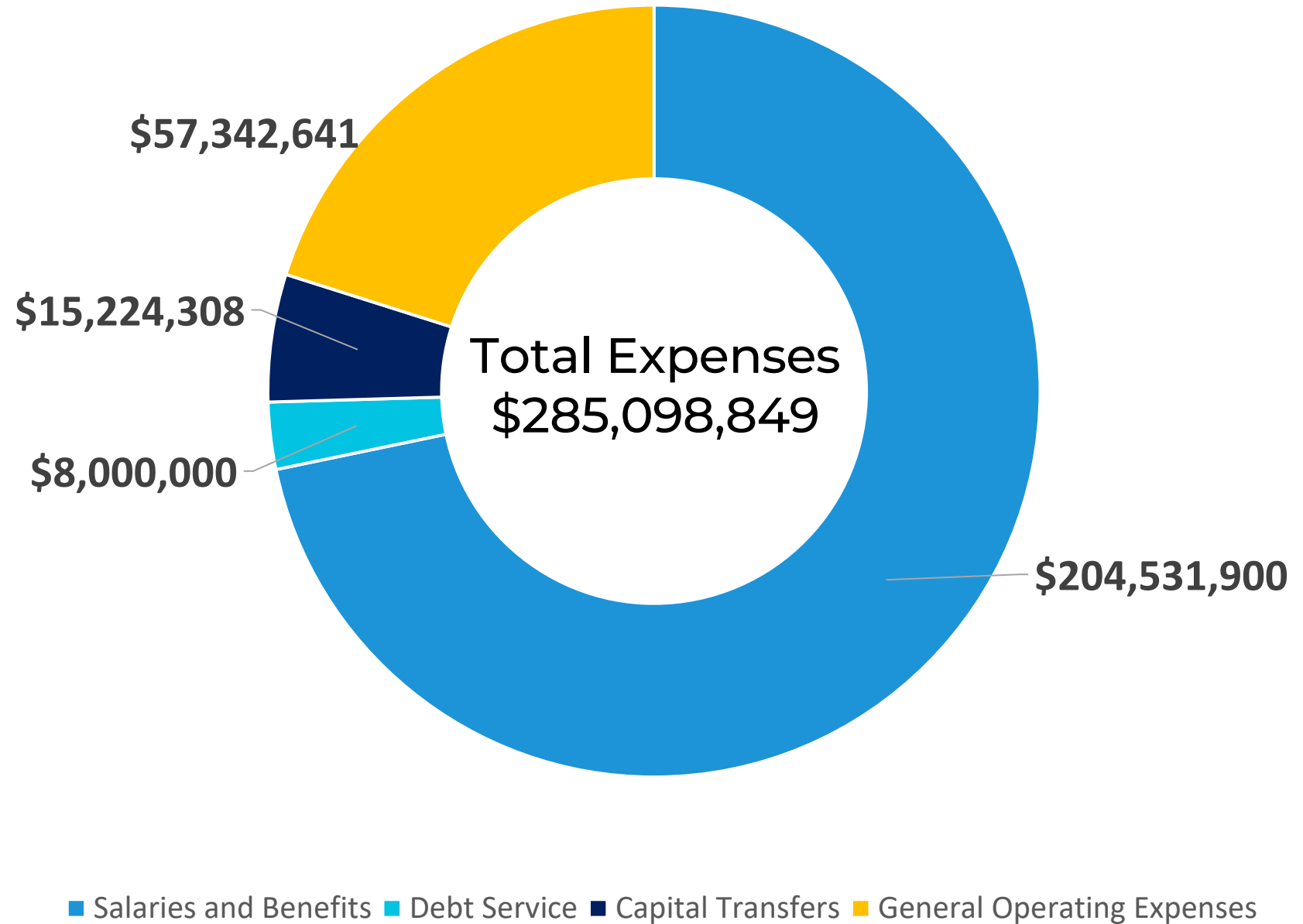


**Siemens Property in
Uwchlan Township
(Lionville Station Road)**



EXPENSES

2024-25 PROPOSED BUDGET EXPENDITURES



5-YEAR EXPENSE VS. ENROLLMENT GROWTH

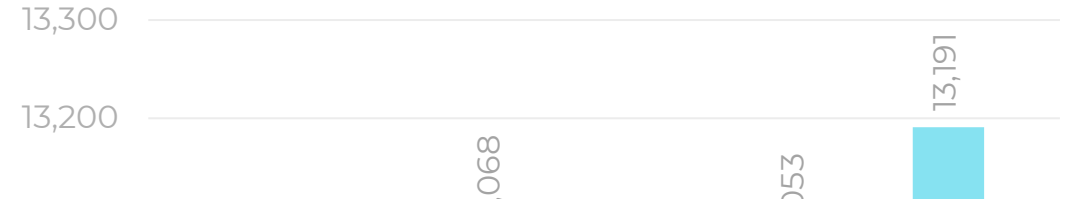
ACTUAL EXPENSES

	2017-2018	2022-2023
Salaries	91,499,335	115,979,740
Benefits	53,839,391	76,733,747
Total Salaries and Benefits	145,338,726	192,713,488

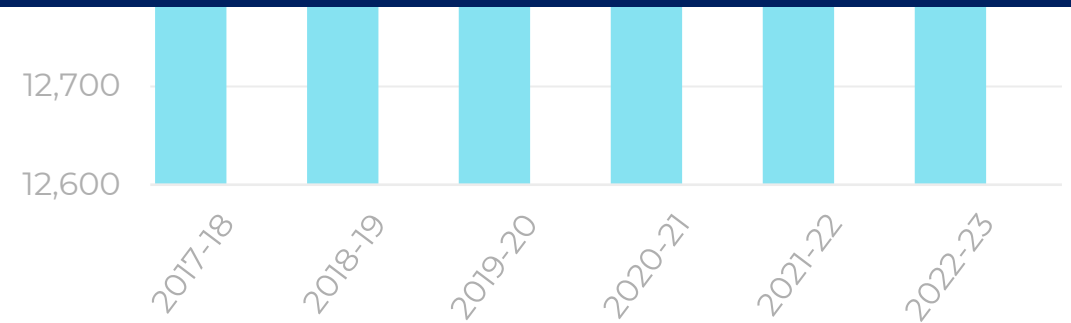
Other Operating Expenses

<1% increase in total other operating expenses

Human Resource & Substitute Costs	1,633,789	2,593,267
Curriculum and Pupil Svcs, Instructional Software, Texts	2,521,835	2,346,441
Insurance, Legal, Tax and Other Financial Fees	1,049,588	1,627,385
Technology - Software, Support Fees, Maint	1,288,930	1,332,272
Admin Operations, Safety and Security	379,832	1,113,007
Total Other Operating Expenses	58,783,770	59,359,132
Total Operating Expenses	204,122,496	252,072,619



Enrollment growth of 387 students



■ Actual Enrollment as of October 10th of each Year



EXAMPLE AREAS OF COST-SAVINGS



Human Resources

- Prudent Rx prescription savings
- SwiftMD telemedicine



Technology

- Papercut paper-saving software
- District-Wide 1:1 Chromebook Initiative

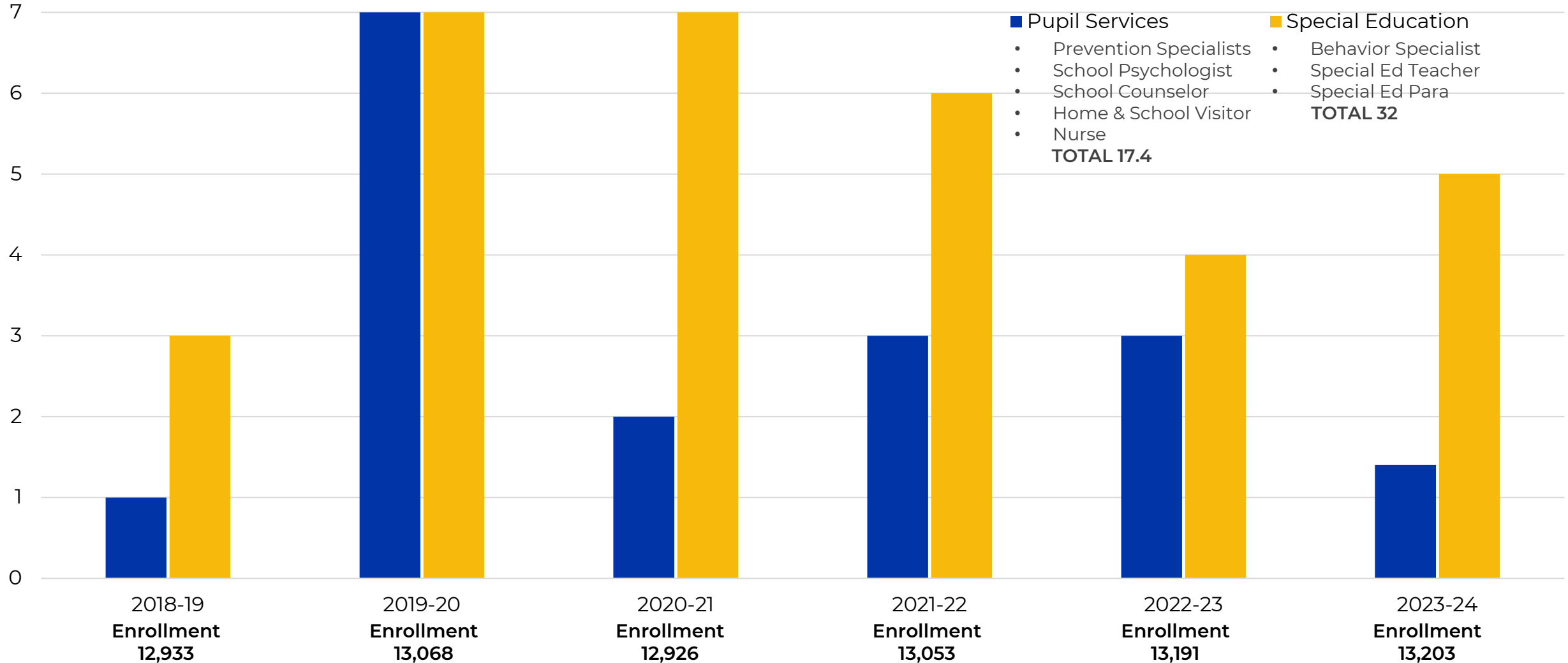


Curriculum

- Assessment database software
- Reduction of software licenses

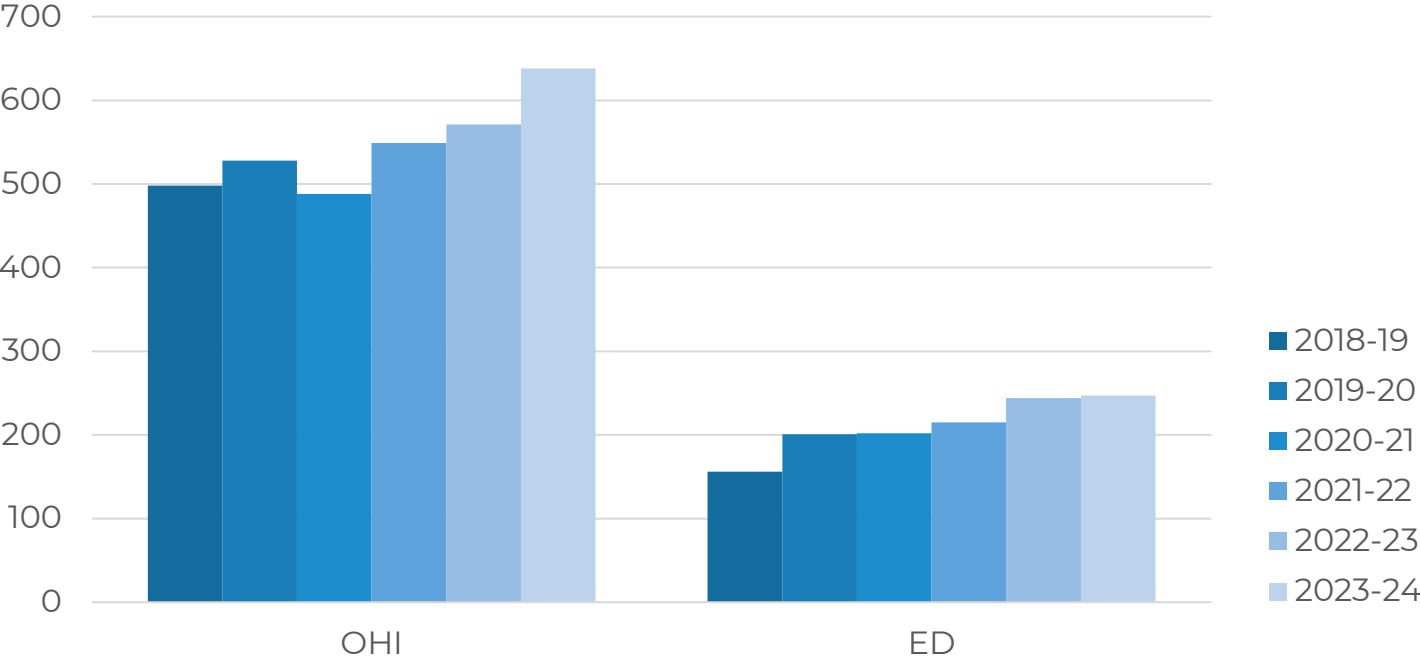
PUPIL SERVICES & SPECIAL EDUCATION POSITIONS ADDED

2018-19 to 2023-24



STUDENTS PARTICIPATING IN SPECIAL EDUCATION SERVICES AND SUPPORTS WITH OTHER HEALTH IMPAIRMENTS (OHI) AND EMOTIONAL DISTURBANCE (ED) DISABILITIES

STUDENTS RECEIVING SPECIAL EDUCATION SERVICES WITH OHI AND ED DISABILITIES



School Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL CHANGE
OHI (OTHER HEALTH IMPAIRMENTS)	498	528	488	549	571	638	+28%
ED (EMOTIONAL DISTURBANCE)	156	201	202	215	244	247	+58%

NEW UNFUNDED MANDATE FOR STUDENTS 21+ RECEIVING SPECIAL EDUCATION SERVICES

Year	Total Student # who may remain until age 22	Total Costs
23-24	4	\$88,492.29
24-25	13	\$781,410.54
25-26	14	\$990,410.01
26-27	26	\$1,435,567.66
27-28	19	\$498,251.37
TOTAL	76	\$3,794,131.87



2024-25 STAFFING REQUESTS

SUMMARY OF 2024-25 STAFFING PROPOSAL

PUPIL SERVICES

- 1.0 Home and School Visitor
- 1.0 Autistic Support
- 3.0 Itinerant Special Education

INSTRUCTIONAL

- 2.0 Secondary Math Teachers

ADMINISTRATIVE

- 1.0 Associate Athletic Director

SUPPORT

- 2.0 Daytime Custodians
- Increasing 1.0 Secretary from 10 to 12 months



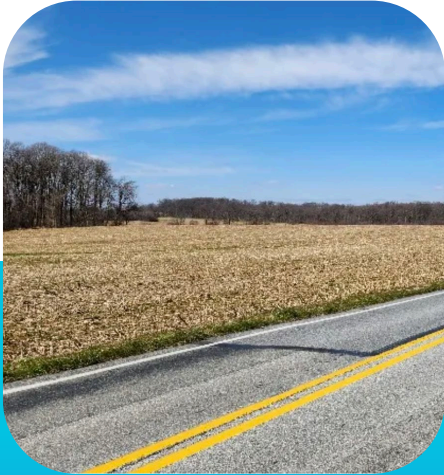
PLANNING FOR THE FUTURE



CONSTRUCTION CAPITAL FUND UPDATE

Construction/capital fund balance (from past savings)	Amount
Capital Funds Available for Construction	\$ 122,000,000
Less projected East construction costs	\$ - 29,000,000
Less projected West construction costs	\$ - 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

PLAN TO ACHIEVE FULL-DAY KINDERGARTEN



SELL SIEMENS PROPERTY

To fund future facility work



FUND STAFFING NEEDS FOR FDK

\$2 million in 2025-26

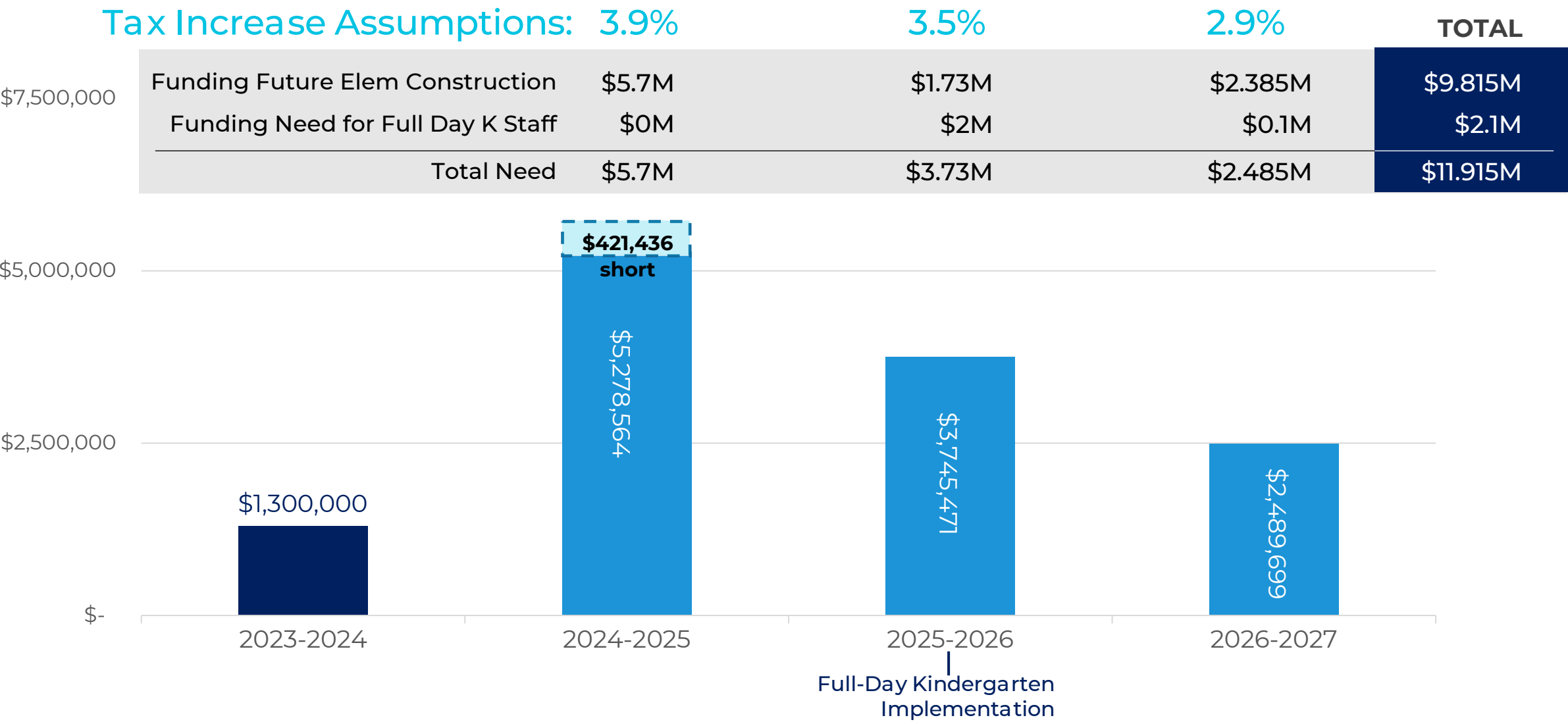


CREATE SPACE IN EXISTING ELEMENTARY SCHOOLS



FULL-DAY KINDERGARTEN 2025-26

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



BUDGET REFINEMENTS

Preliminary Deficit (March 13, 2024) **(1,461,825)**

Revenues

Additional Assessment Growth 356,804

Revised State Revenue Estimate 161,415

Expenditures

Reduced Healthcare Cost Estimate 177,170

Reduction in Estimated Additional Buses 200,000

Lower Bus Fuel Pricing 75,000

Reduced Charter School Cost Estimate 50,000

Insurance Cost Reduction / Property Casualty 20,000

Special Education 0

Revised Deficit **(421,436)**



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



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

ESTIMATED FUTURE LOOK

Proposed Tax % Increase	3.90%	3.50%	2.90%
Annual Operational Budget	Prelim Budget 2024-2025	Prelim Budget 2025-2026	Prelim Budget 2026-2027
Total Revenue	\$284,677,413	\$299,698,703	\$314,472,227
Total Annual Expenditures	\$279,398,849	\$295,953,232	\$311,982,528
Revenue Minus Expenses	\$5,278,564	\$3,745,471	\$2,489,699

Designated Funds to Achieve FDK and Address K-5 Enrollment Growth

Transfer to Capital Construction Fund	\$5,700,000	\$1,730,000	\$2,385,000
Full-Day Kindergarten Expenses	\$0	\$2,000,000	\$100,000
Total Annual Expenditures	\$285,098,849	\$299,683,232	\$314,467,528
Net Operating Surplus/Deficit	(\$421,436)	\$15,471	\$4,699

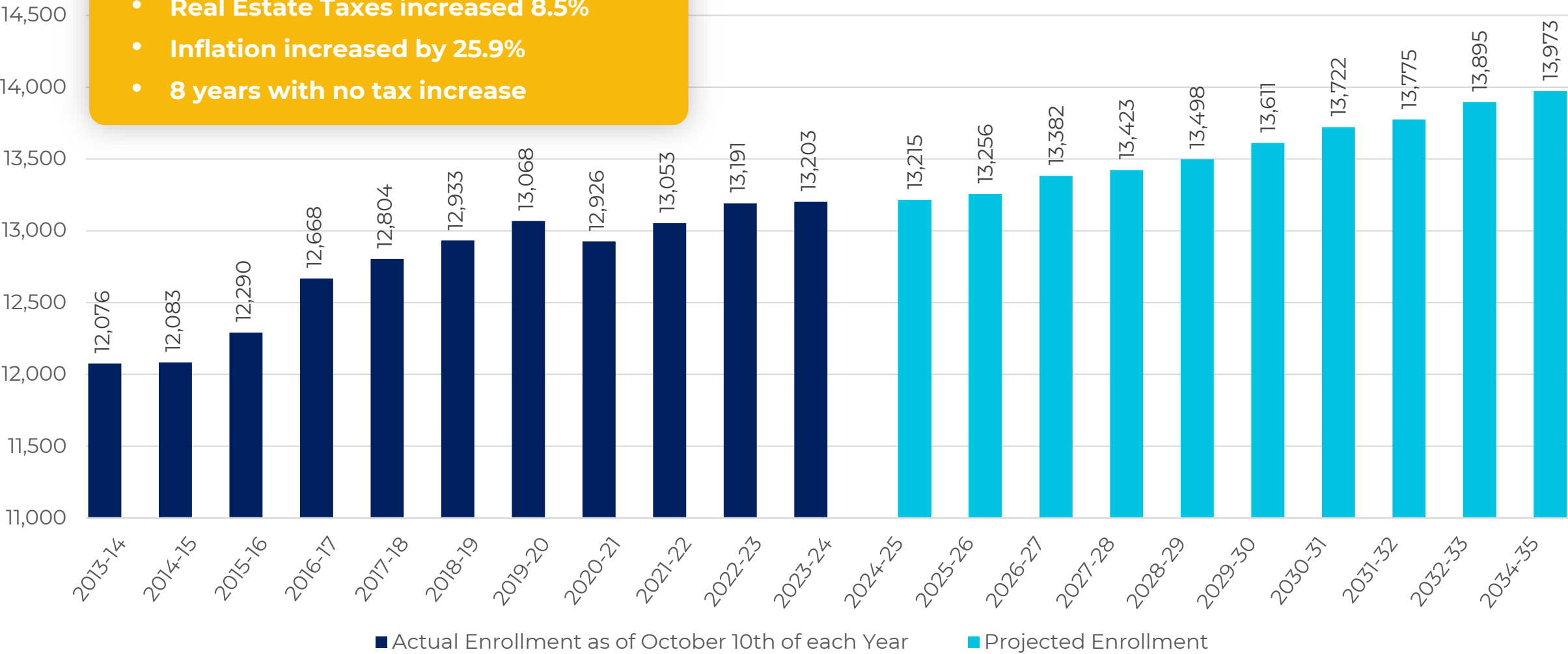


SUMMARY

STUDENT ENROLLMENT

SINCE 2013-14:

- Enrollment increased by 1,127 or 9.63%
- Real Estate Taxes increased 8.5%
- Inflation increased by 25.9%
- 8 years with no tax increase





THE COST OF A 0% TAX INCREASE IN 2024-25

2024-25

REVENUE LOST \$6.8M

EXPENSES TO CUT (proposed)

- Capital Construction Funding \$5.7M
- New Positions \$1.0M
- Other Reductions \$100K

2025-26

- Postpone Full-Day Kindergarten
- Postpone construction projects

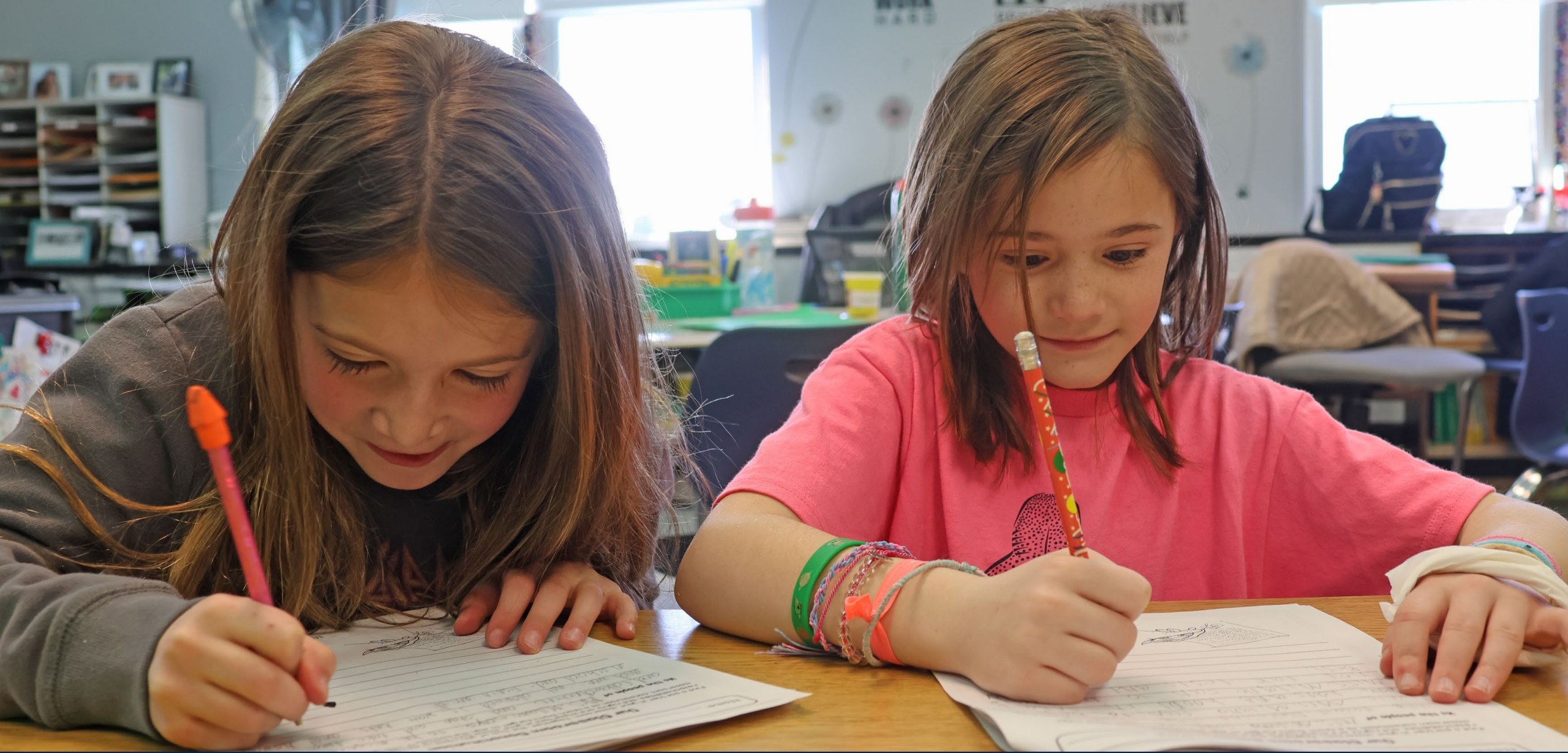


ADMINISTRATIVE RECOMMENDATIONS

BUDGET CALENDAR

- February 14 Capital Budget Proposal
- March 6 Demographic Report Update
- March 13 Budget Presentation
- April 8 Proposed Budget Presentation (staffing)
- April 8 Vote on Proposed Budget
30+ days before final budget vote
- May 8 Vote on Final Budget

- **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**



QUESTIONS