



2023-24 Budget The Revenue Side

Burgettstown Area School District

This Evening's Topics

The Revenue Side of the Budget

- ? Act 1 (timelines, the index, etc.)
- ? Sources of Revenue
- ? The Preliminary Budget

What is Act 1 and why is it relevant?

- ? The Pennsylvania Taxpayer Relief Act
- ? Passed in June 2006
- ? Designed to help school districts reduce real estate taxes by shifting the tax burden and using gaming revenue
- ? School district taxes may be increased up to the adjusted index without approval from PDE
- ? BASD's adjusted index for 2022-2023 is 4.4%
- ? BASD's adjusted index for 2023-2024 is 5.4%
- ? Can raise taxes 0.7203 mils without approval from PDE
- ? 0.7203 would generate an additional \$428,000

Burgettstown's Adjusted Index History

<u>Year</u> <u>Dollars</u>	<u>Index</u>	<u>Tax</u>
2023-2024	5.4%	\$428,000
2022-2023 \$326,561	4.4%	Potential:
2021-2022	3.9%	\$299,077
2020-2021	3.5%	\$277,429
2019-2020	3.1%	\$286,181
2018-2019	3.3%	\$226,998
2017-2018	3.4%	\$116,083

Burgettstown's Millage History

<u>Year</u>	<u>Millage</u>
2023-2024	???
2022-2023	13.3390
2021-2022	12.7529
2020-2021	12.7529
2019-2020	12.3098
2018-2019	11.8169
2017-2018	11.3680

There are three categories of revenue

Revenue from Local Sources

Total: 2022-2023: \$10,932,676

Revenue from State Sources

Total: 2022-2023: \$11,768,872

Revenue from Federal Sources

Total: 2022-2023: \$1,580,414***

***2022-2023 Federal includes projected use of ESSER/ARP funds

What are our some of our specific sources of revenue?

- ? E.I.T. collections
- ? Property tax collections (current millage: 13.3390)
- ? Delinquent property tax collections
- ? Per Capita Tax
- ? Real estate transfer tax
- ? Basic Education Subsidy
- ? Special Education Subsidy
- ? Transportation Subsidy
- ? Title I Allocation
- ? Title II Allocation
- ? Property Tax Relief
- ? Sinking Fund Reimbursements
- ? Rentals
- ? Subterranean Leases

EIT Tax Collections

- ? Pennsylvania Act 32, was enacted in 2008 and came into effect January 1, 2012
- ? Established county-wide earned income tax collection districts
- ? Requires employers to withhold local earned income and remit those withholdings to the appropriate local tax collection company
- ? The District utilizes the Keystone Collections Group for the collection of EIT
- ? Collections increased 60% after Keystone took over collections, and has increased a small percentage each year
- ? 2019-2020: \$1,088,839
- ? 2020-2021: \$1,052,861
- ? 2021-2022: \$1,166,327 (Budgeted \$900,000)
- ? 2022-2023: \$1,000,000 (Budgeted)
- ? With the pandemic, we are monitoring this because it is tied to employment. We have not seen a decrease, which is good, because it can be a barometer by which to measure a taxpayer's ability to pay real estate taxes

Real Estate Tax Collections

The District is comprised of four separate Boroughs/Townships for real estate tax collection

- ? Burgettstown Borough
- ? Hanover Township
- ? Jefferson Township
- ? Smith Township

Our current millage is 13.3390

- ? This means that a homeowner pays approximately \$13.34 for every \$1,000 of assessed value.
- ? Another way to look at it is that a house is currently assessed at a value of \$120,000.00, the school district property tax bill would be \$1,600.68

Currently, our real estate tax accounts for \$7,211,944 of revenue

Delinquent Tax Collections

The local tax collectors submit their lien sheets to the Washington County Tax Claim Bureau in January every year. The Tax Claim Bureau then attempts to collect any delinquent amounts owed. After collections, the funds are dispersed to the appropriate taxing bodies.

2022-2023 Budgeted Amount: \$300,000

2021-2022 Amount: \$431,006

2020-2021 Amount: \$503,413

2019-2020 Amount: \$343,792

Per Capita Tax

The Per Capita Tax is a flat rate local tax payable by all adult (18 years and older) residents living within a taxing jurisdiction. Per Capita Tax is commonly known as a “head tax”. This tax is due yearly and is based solely on residency, not employment or property ownership. It is not a large revenue stream, by any means.

2022-2023 Budgeted Amount: \$18,000

2021-2022 Amount: \$16,576

2020-2021 Amount: \$18,563

2019-2020 Amount: \$18,155

Real Estate Transfer Tax

- ? Pennsylvania realty transfer tax is imposed at a rate of 1% on the value of real estate transferred by deed, instrument, long-term lease or other writing
- ? The tax is collected by Washington County Recorder of Deeds
- ? The Recorder of Deeds in turn, remits 0.5% of collection to the District
- ? We receive our share monthly
- ? In 2022-2023, we budgeted \$150,000 in revenue from transfer taxes
- ? This number changes from year to year, and is often a projected number based upon historical data
- ? The current housing market, with historical high selling prices, may mean an increase in this revenue stream

Basic Education Subsidy

The District receives usually around 52% of our total funding from state sources such as Basic Ed Subsidy, Special Ed Subsidy and Transportation Subsidy. Most years the allocation is level funded. The last four years allocations were as follows:

2022-2023 Allocation:	\$6,704,425
2021-2022 Allocation:	\$6,521,079
2020-2021 Allocation:	\$6,454,358
2019-2020 Allocation:	\$6,363,939

Special Education Subsidy

The last three years allocations for Special Education Subsidy were:

2022-2023 Allocation: \$996,245 Estimated

2021-2022 Allocation: \$920,631

2020-2021 Allocation: \$929,290

2019-2020 Allocation: \$929,327

Transportation Subsidy

These allocations have been dramatically affected as a result of COVID. The allocation is based on information submitted to PDE from the District, such as total annual miles, daily miles with/without students, number of days, year of the bus, to name a few. The subsidy is payable for the current year, based on last years data. For example, we are receiving subsidy payable this year, 2022-2023, for school year 2021-2022. Prior years allocations are:

2021-2022 Allocation: \$790,017 Payable 2022-2023

2020-2021 Allocation: \$509,255 Payable 2021-2022

2019-2020 Allocation: \$564,808 Payable 2020-2021

Title I Allocation

- ? 100% Federally Funded
- ? Supplemental education program that provides financial assistance to local educational agencies to improve educational opportunities for educationally deprived children
- ? Our allocation is mainly used for salaries/benefits for two teachers
- ? \$223,522 - 2021-2022 Allocation
- ? \$219,569 - 2022-2023 Allocation

Title II Allocation

- ? 100% Federally Funded
- ? Supplemental educational program that provides financial assistance to improved the skills of teachers and the quality of instruction in core academic subjects
- ? Our allocation is mainly used for professional development and supplies
- ? \$37,984 - 2021-2022 Allocation
- ? \$36,203 - 2022-2023 Allocation

Property Tax Relief

This law eases the financial burden of home ownership by providing school districts the means to lower property taxes to owners, via the funding of gaming revenue. The Commonwealth's Budget Secretary has to certify the total amount of revenue in the Property Tax Relief Fund and the Property Tax Relief Reserve Fund and the total amount available for distribution by April 15 each year. That amount is given to us by PDE.

2022-2023 Allocation: \$672,886
2021-2022 Allocation: \$532,366
2020-2021 Allocation: \$532,490

Sinking Fund Reimbursements

When a school district undertakes a major construction project and seeks reimbursement from the Commonwealth, a process known as PlanCon is initiated. The PlanCon forms are designed to 1) document the district's planning process; 2) provide justification for the project to the public; 3) ascertain compliance with state laws and regulations; and 4) establish the level of state participation. After we make our debt service payments, the business manager then submits for reimbursement to PDE based off of the reimbursable percentage approved by PDE.

2022-2023 Budgeted Amount: \$357,000

2021-2022 Amount: \$331,647

2020-2021 Amount: \$205,441

Rentals

This revenue account is used to record any revenue received from a vendor for rental of our facilities. Examples of this are Dance schools, Pre-K (Blueprints), Headstart (Blueprints). Revenue royalties received from Range Resources are also recorded here.

2022-2023 Budgeted Amount: \$130,000

2021-2022 Amount: \$167,862

2020-2021 Amount: \$136,160

2019-2020 Amount: \$90,392

Subterranean Leases

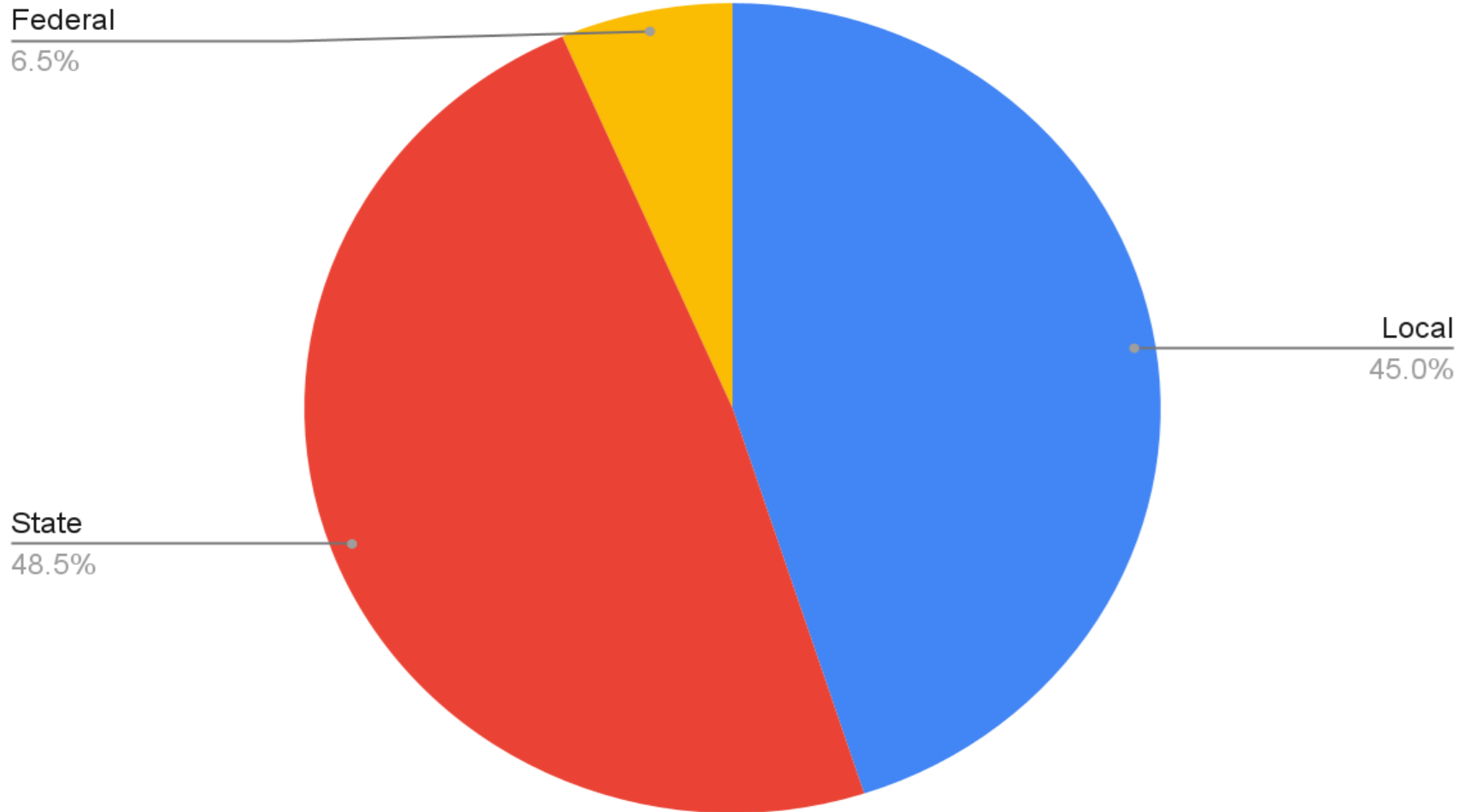
Range Resources - The school district has an active lease with Range Resources for the gas rights to our property.

- ? The 2022-2023 Budget projects revenue of \$75,000.00
- ? This rate can fluctuate from year to year, so we use historical data in our budgeting in this area.

2023-2024 Budget Timeline

- February 13, 2023 - Adopt 2023-2024 Preliminary Budget
- March 13, 2023 - Board Mtg/Budget Workshop
- April 10, 2023 - Board Mtg/Budget Workshop
- May 8, 2023 - Adopt 2023-2024 Proposed Final Budget
- June 12, 2023 - Adopt 2023-2024 Final Budget

From where will our funding come???



What will .7203 mil in new school taxes cost a homeowner?

A home assessed at:	\$120,000.00	\$150,000.00	\$200,000.00
currently pays in taxes:	\$1,600.68	\$2,000.85	\$2,667.80
with a .7203 mil increase will owe an additional:	\$86.44	\$108.05	\$144.06
minus estimated relief from gambling revenue:	-\$269.26	-\$269.26	-\$269.26
for an overall tax burden of:	\$1,417.86	\$1,839.64	\$2,542.60

What's happening with school taxes across the county?

WASHINGTON COUNTY MILLAGE COMPARISON				
DISTRICT	2022-2023 Millage	Change from previous		2021-2022 Millage
Beth Center	11.3966	+4.8%	+0.5323	10.8643
Avella	12.0602	+4.3%	+0.4972	11.563
Canon-Mac	12.0000	+3%	+0.0471	11.9529
Burgettstown	13.3390	+4.5%	+0.5861	12.7529
California	13.4921	+4.7%	+0.6056	12.8865
McGuffey	13.2300	0%	0	13.2300
Bentworth	13.8700	+4.6%	+0.61	13.2600
Fort Cherry	14.0258	+4.4%	+0.5911	13.4347
Chartiers Houston	13.4710	+0%	0	13.4710
Trinity	14.4800	+4.2%	+0.58	13.9000
Peters Township	15.0700	+3.4%	+0.49	14.5800
Ringgold	15.1705	+2.7%	+0.4	14.7705
Washington	15.1578	0%	0	15.1578
Charleroi	18.4350	+4.9%	+0.8611	17.5739

What's happened with school taxes across the county? (millage)

