



2024-25 Finance Presentation

April 22, 2024
Presented By: Chief Financial Officer



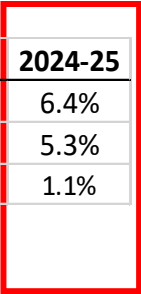
Agenda

- 2024-25 Real Estate Tax Increase Scenarios
- 2024-25 Budgeted Revenues
- 2024-25 Budgeted Expenditures
 - By Major Function
 - By Major Object
- 2024-25 Budget Uncertainties
- State Funding: History and Projected 2024-25
- PSERS Rate History and Future Projections
- Key Budgetary Dates
- Closing Comments

Act 1 Index 2024-25

- Boyertown's Adjusted Index: 6.4%
- Adjusted Index history:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Boyertown Adjusted Index	2.6%	2.3%	2.9%	3.1%	2.9%	2.8%	3.2%	3.7%	4.2%	5.0%	6.4%
Statewide Base Index	2.1%	1.9%	2.4%	2.5%	2.4%	2.3%	2.6%	3.0%	3.4%	4.1%	5.3%
Increase above Statewide Index	0.5%	0.4%	0.5%	0.6%	0.5%	0.5%	0.6%	0.7%	0.8%	0.9%	1.1%





2024-25 Real Estate Tax Increase Scenarios

2023-24 Millage Rate: 30.814 mills

% Increase	Millage Rate	Real Estate Tax Revenue	Budget (Deficit)/Surplus	% Increase	Millage Increase	Monthly \$ increase based on \$143,000 Assessment
0%	30.814	84,195,010	(3,800,469)	1%	0.308	3.67
1%	31.122	85,036,578	(2,958,901)	2%	0.616	7.34
2%	31.430	85,878,145	(2,117,334)	3%	0.924	11.01
3%	31.738	86,719,713	(1,275,766)	4%	1.232	14.68
4%	32.046	87,561,280	(434,198)	5%	1.540	18.35
5%	32.354	88,402,848	407,369	6.4%	1.972	23.50
6.4%	32.786	89,583,229	1,587,750			



2024-25 Real Estate Tax Increase Scenarios – Fund Balance Impact

2024-25							
Real Estate Tax Increase Options	6.4%	5.0%	4.0%	3.0%	2.0%	1.0%	0.0%
Local Revenue	102,200,147	101,019,766	100,178,198	99,336,631	98,495,063	97,653,496	96,811,928
State Revenue	42,756,961	42,756,961	42,756,961	42,756,961	42,756,961	42,756,961	42,756,961
Federal Revenue	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000
Total Budgeted Revenue	<u>146,397,108</u>	<u>145,216,727</u>	<u>144,375,159</u>	<u>143,533,592</u>	<u>142,692,024</u>	<u>141,850,457</u>	<u>141,008,889</u>
1100 Regular Education	67,638,074	67,638,074	67,638,074	67,638,074	67,638,074	67,638,074	67,638,074
1200 Special Education	24,916,909	24,916,909	24,916,909	24,916,909	24,916,909	24,916,909	24,916,909
1300 Vocational Education	2,027,280	2,027,280	2,027,280	2,027,280	2,027,280	2,027,280	2,027,280
1400 Other Instructional	190,156	190,156	190,156	190,156	190,156	190,156	190,156
1800 Pre-Kindergarten	541,773	541,773	541,773	541,773	541,773	541,773	541,773
2000 Support Services	40,345,717	40,345,717	40,345,717	40,345,717	40,345,717	40,345,717	40,345,717
3000 CoCurricular Services	1,962,023	1,962,023	1,962,023	1,962,023	1,962,023	1,962,023	1,962,023
5000 Debt and Other Expenditures	<u>7,187,426</u>	<u>7,187,426</u>	<u>7,187,426</u>	<u>7,187,426</u>	<u>7,187,426</u>	<u>7,187,426</u>	<u>7,187,426</u>
	<u>144,809,358</u>	<u>144,809,358</u>	<u>144,809,358</u>	<u>144,809,358</u>	<u>144,809,358</u>	<u>144,809,358</u>	<u>144,809,358</u>
Projected increase/(decrease) in fund balance	<u>1,587,750</u>	<u>407,369</u>	<u>(434,199)</u>	<u>(1,275,766)</u>	<u>(2,117,334)</u>	<u>(2,958,901)</u>	<u>(3,800,469)</u>



2024-25 Budgeted Revenues

Local Revenue	99,336,631		\$27,037,096 "Educational Subsidies"
State Revenue	42,756,961	→	\$14,539,865 "Cost Reimbursement Subsidies"
Federal Revenue	<u>1,440,000</u>		\$1,180,000 State Grants
Total Budgeted Revenue	<u>143,533,592</u>		

Important Notes:

- Governor's Proposed Basic Education Funding of \$21,346,633 is included in our 2024-25 Proposed Budget
 - \$2,581,367 increase over current year
- Local Revenue is currently budgeted at a 3% tax increase



Basic Education Funding Commission and Recent Legal Ruling

- February 7, 2023: PA Commonwealth Court found current school funding is unconstitutional, “failing to provide a thorough and efficient system of public education” as provided for in Pennsylvania’s constitution
- Basic Education Funding Commission, bi-partisan team of experts and legislators :
 - Determined PA School Districts collectively unfunded by \$5.4 Billion
 - Proposed the state close this gap:
 - \$5.1 Billion to close the gap in 7-years
 - Plus \$956 Million “tax equity supplement” over 7 years for districts that have faced the steepest local tax burdens
 - Governor Shapiro’s 2024-25 Proposed Budget takes a step towards closing this funding gap



Expenditures

- Expenditures by Major Function

	2024-25
1100 Regular Education	67,638,074
1200 Special Education	24,916,909
1300 Vocational Education	2,027,280
1400 Other Instructional	190,156
1800 Pre-Kindergarten	541,773
2000 Support Services	40,345,717
3000 CoCurricular Services	1,962,023
5000 Debt and Other Expenditures	<u>7,187,426</u>
	144,809,358

- Expenditures by Major Object

100 Personnel Salaries	\$ 58,156,049
200 Personnel Benefits	39,612,734
300 Contracted Services	15,767,842
400 Purchased Property Services	998,513
500 Other Purchased Services	15,702,933
600 Supplies	6,306,119
700 Property	953,413
800/900 Debt Service, Dues and Fees	<u>7,311,755</u>
Total Budgeted Expenditures	<u>\$ 144,809,358</u>

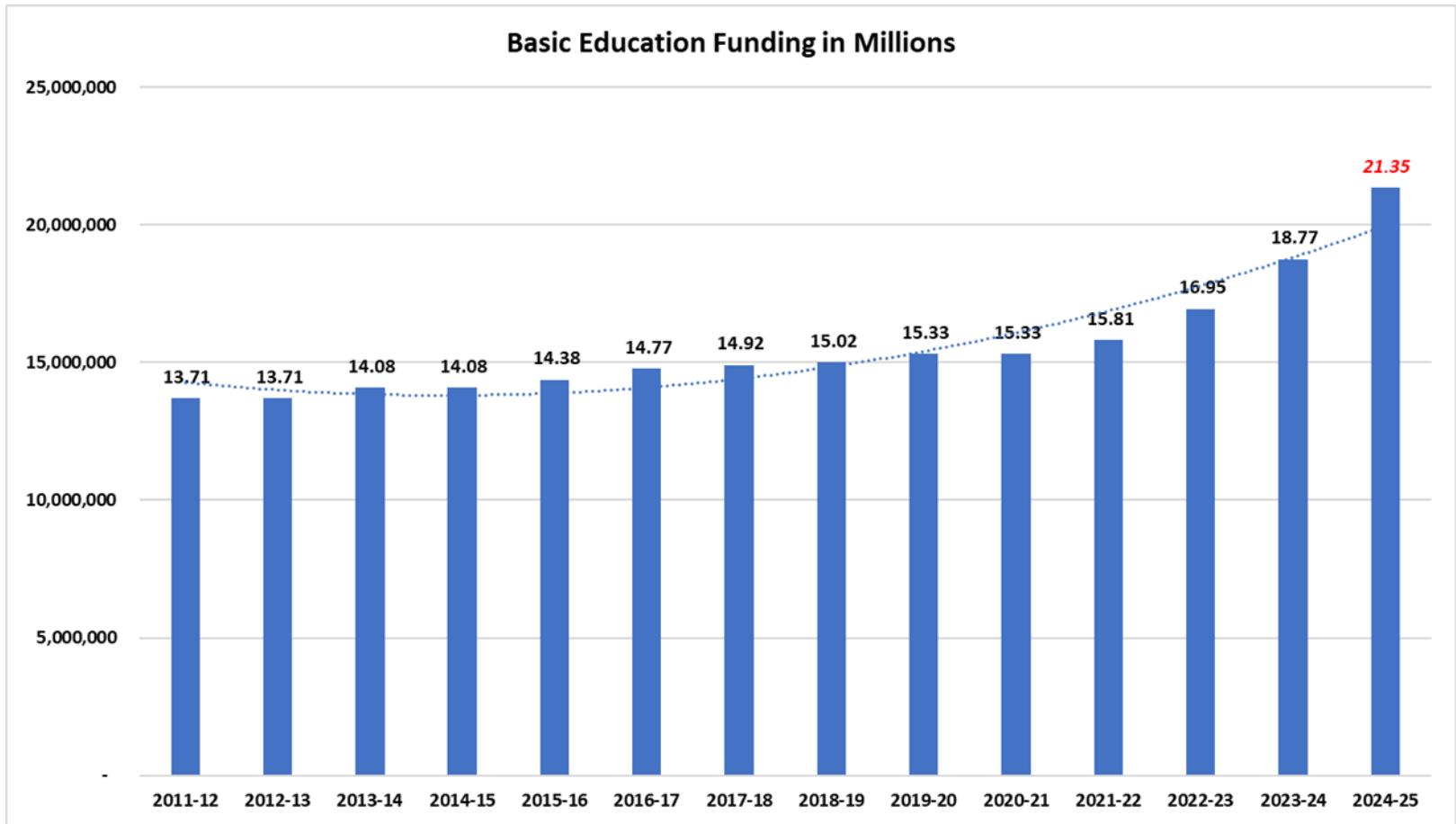
2024-25 Budgetary Uncertainties

- State Funding
 - Governor's Proposed Funding
 - Regular Education: \$21,346,633 (\$2.5 Million increase over 23-24)
 - Special Education: \$4,913,631 (\$214,000 increase over 23-24)
- Charter School Costs
- Healthcare Costs
- Average annual cost of additional teacher: \$137,321





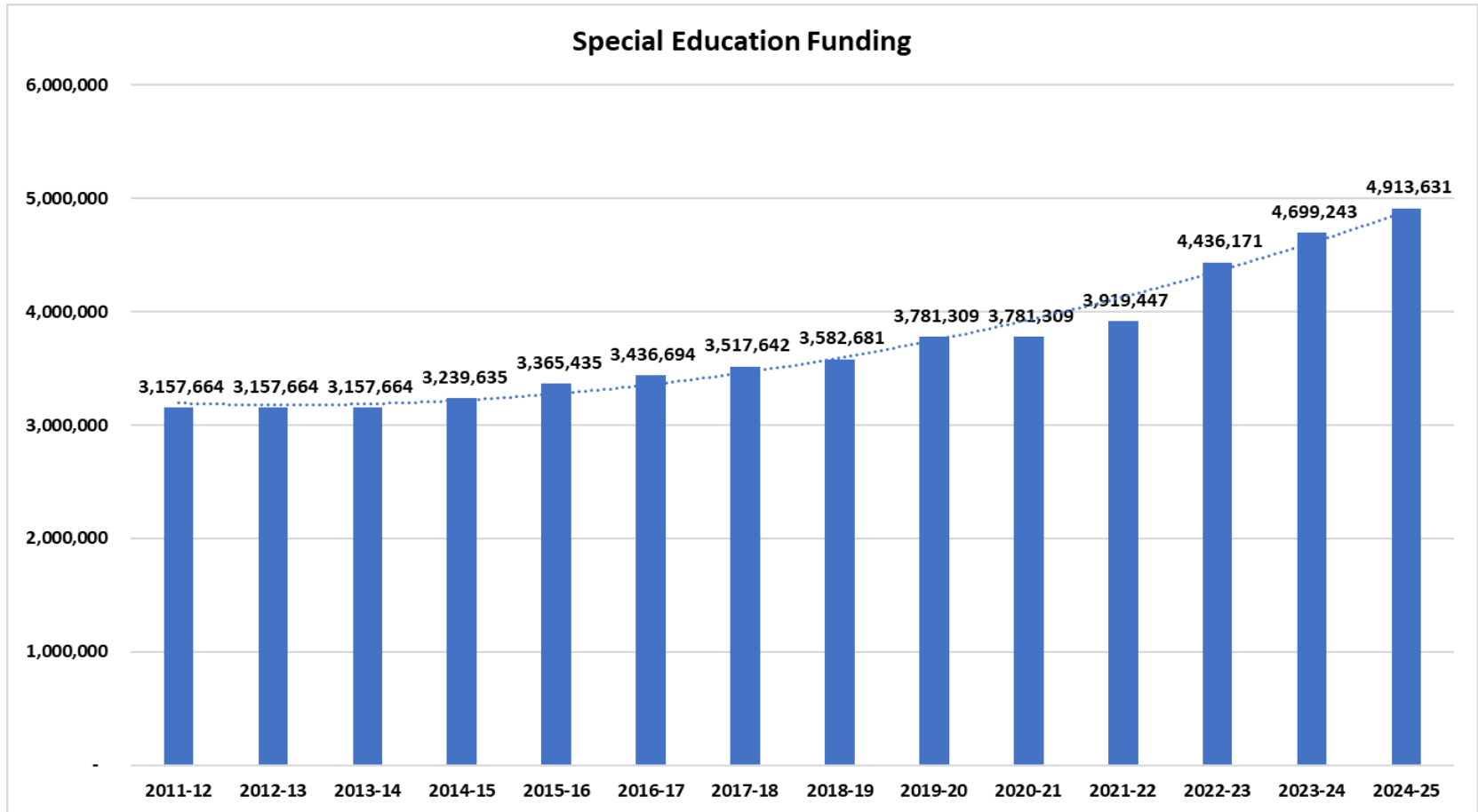
Basic Education Funding



Projected 2024-25 is based on Governor Shapiro's Proposed Budget

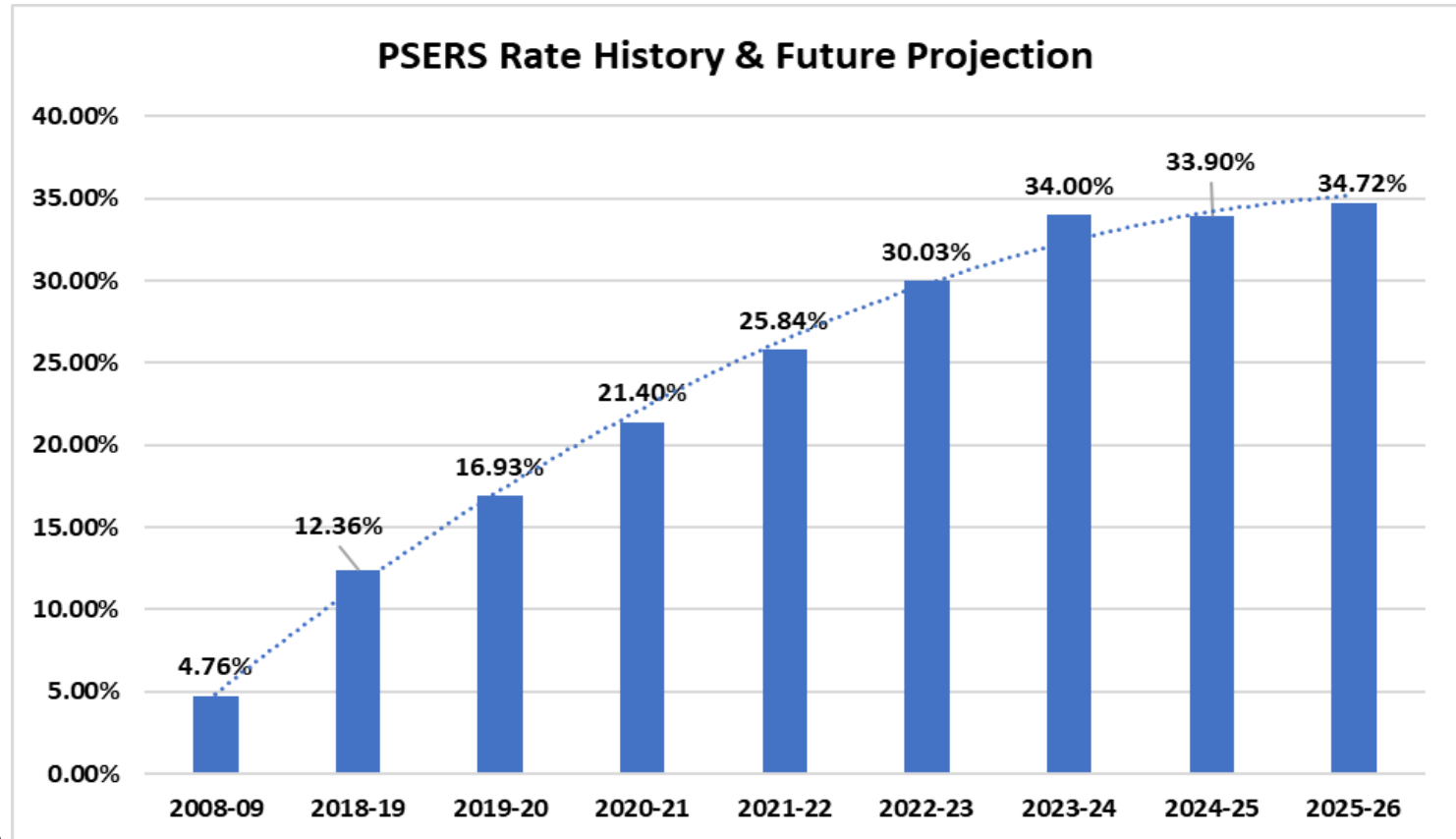


Special Education Funding



Projected 2024-25 is based on Governor Shapiro's Proposed Budget

PSERS Rate History & Future Projections



2024-2025 Key Budgetary Dates

Adopt Proposed Final Budget by May 30, 2024

- May 14, 2024 COW Meeting



Adopt Final Budget by June 30, 2024

- June 25, 2024 Board Meeting





THANK YOU