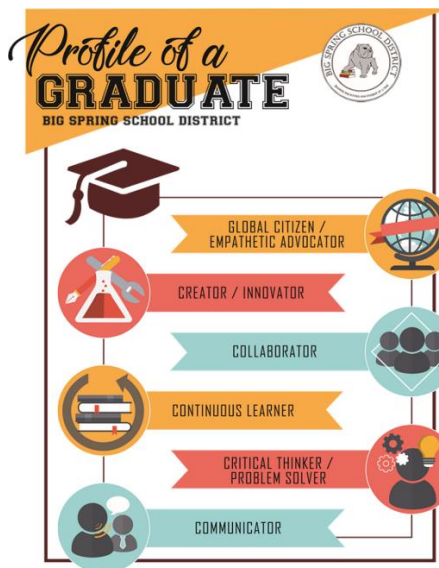




2022-23 General Fund Budget

For Board Approval on 20 June 2022



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From the Superintendent....

Leading the Way

The 2022-2023 school year marks an exciting time for the Big Spring School District with the implementation of an updated District Strategic Plan. Over the course of the last year, the District has engaged our school community (students, families, staff, community members, and educational partners) in several opportunities to gather input and feedback to guide the development of this plan. Ultimately, our Strategic Plan guides our every action as we move forward to prepare our students for their future and as contributing members of our society.

Utilizing the feedback gathered from our school community, we have focused our revised Strategic Plan on steps to ensure that we are helping our students to develop core competencies in our updated Profile of a Graduate. Working to help students become skilled communicators, critical thinkers, key collaborators, and creative problem solvers who embrace and value continuous learning is mission critical to a successful citizenry. Our staff leverage high-interest lessons and authentic learning experiences to realize these goals. Through these real-world learning experiences, engaging course work, quality internships and apprenticeships, and learning experiences tailored to meet each individual's learning goals, our students are succeeding!

The 2022-2023 budget strategy continues to focus on the community's investment in each and every student to become life ready. Unfortunately, due to inadequate funding levels from the state and federal government the Big Spring Community funds nearly 65% of our annual budget. When compared to other states, Pennsylvania ranks 44th in the nation for the share of state revenue that it provides to public education. Again, our Bulldog Community continues to ensure that regardless of the inadequate funding from Harrisburg or Washington, D.C., that our students at Big Spring continue to receive a high-quality education and as a result, will be ready to enter the workforce, the military, or continue their formal education beyond Big Spring. Your investment directly ensures that each student will be equipped to pursue their unique pathway in life.

Beyond the support of all students with their development of competencies around the Profile of a Graduate, the Big Spring School District also works to support each student's unique needs. Through high quality, specialized programming the District supports our learners with unique challenges and provides meaningful support for the health and wellness of our students. Targeted assessments, quality student and staff evaluations, and additional support services provide for a comprehensive approach to supporting all learners to reach their greatest potential.

Post Pandemic Curriculum, Instruction & Assessment

The 21-22 school year will be an opportunity to use the curriculum audit results to strategically plan for and improve K-12 curriculum, instruction and assessment in support of the Profile of a Graduate.

Moving forward, staff will continue to collaborate and grow in their development of performance-based assessments and integration of 6C learning opportunities in the classroom. Additionally, the 21-22 budget supports a continued focus on early literacy through the purchase of decodable texts and math training for elementary staff. At the secondary level expanded curricular offerings in support of STEM will be added. The COVID-19 pandemic leveraged technology in new ways to support teachers and students across K-12 classrooms; instructional coaches, teacher leaders and administration are working to take the best of “COVID learning” to make it an integrated part of our classrooms moving forward. The Board’s continued financial commitment allows Big Spring students to explore, experience and pursue a variety of topics and skills necessary for post-secondary success.

Safety & Security

The Big Spring School District mission is, in part, to provide challenging curricular and extracurricular opportunities within a safe environment that meet the unique needs of every individual. Given this core principle, school safety, and security remain an area of focus for the District moving forward. Due in part to the use of local, state, and federal funding, the District has been able to successfully navigate the COVID-19 Pandemic and safely maintain face to face instruction for all students over the course of the past school year and look to do the same for the upcoming school year. The District will use local, state, and federal monies to support and sustain the planning, training, relationships, technologies, and facility upgrades needed to best ensure the safety and well-being of all students, staff, and visitors at all Big Spring School District buildings and events. Key components of this process include the All Hazards Plan and the building level Critical Incidence Response Plans which focus on emergency preparedness and proactive safety. The District will continue to consult and maintain relationships with experts in the field of school safety and security to inform on current practices and planning, provide necessary training, and give feedback on the need for potential facility safety considerations. Additionally, District resources will be deployed in the form of technology tools used to monitor internet traffic for concerning behaviors and provide enhanced visitor screening. Based on this systemic and collaborative approach, the District will continue to prioritize the safety, security and well-being of all stakeholders.

Technology

Technology is now a way of life in schools, and it's been a tremendous benefit to Big Spring students and educators. Teachers’ use of technology enhances student engagement which promotes meaningful learning experiences.

The technology focus for FY23 in the classroom includes installation of interactive panels replacing outdated SmartBoards and projectors at the high school and middle school. Originally planned for the summer of 2021 but delayed due to the pandemic, this will complete an overall objective to implement interactive panels district wide that was started in 2018.

Technology powers nearly every aspect of the district's operations and as such several projects are planned to ensure that the district technology infrastructure continues to be secure and reliable. Utilizing discounts from the federal E-Rate program, the technology staff will replace all network switching and Wi-Fi hardware district wide.

Every student in the district is provided with their own mobile computing device. Tablets and Chromebooks for our youngest students through 8th grade and laptops for high school students. Approximately 18% of the technology budget is set aside to sustain the 1:1 device program.

Laptops help teachers and staff in many ways. In May 2022, the board of school directors approved a new three-year lease to replace all teacher laptops. The existing teacher laptops will be re-purposed for aides and staff.

Technology affects the life of people and changes their learning, thinking, and communication. The promise of educational technology lies in what educators do with it and how it is used to best support their students' needs. The district's investment in technology is an important part of building that foundation.

Student Support & Special Education

The District continues to see an increase in special education costs, even though our overall number of students is in decline. This is because the number of students within the district who need more intensive services continues to increase. Our enrollment figures show that the pre-pandemic trend of students with learning disabilities continues to decline while the number of students with more complex needs, especially students with behavioral needs continues its exponential growth. Last year the pandemic had a significant impact on the identification and evaluation of students with disabilities. This trend has resulted in an unusually high number of primary students (current K-2) being identified this year. At last count, our rising 3rd grade class is almost 3 times the size of last year's 3rd grade. It is highly likely that this trend will continue for at least one more year before it begins to (hopefully) level out.

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 specific 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 or private programs. We currently have approximately 10 students in consortium programs out of the District. In addition, we are hosting more than 30 consortium students from 4 different districts in our Life Skills, MDS, Autism and Learning Support programs, as well as providing Deaf and Hard of Hearing services to consortium students from 5 other Districts. Overall, there was a significant savings in tuition and we recovered nearly half that cost through consortium placements. For 22-23 we will see that savings trend continue as we anticipate our consortium numbers increasing as elementary students age into our Middle School Autistic support program.

- **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 costs programs.

- Yellow Breeches (YBEC): YBEC's programs are running well and we continue to see YBEC students returning back into District buildings with success. Our overall number of YBEC slots will not change for next year as several students will return to District programming or graduate, freeing up space for other students who are showing need.
- River Rock: As noted in last year's budget, we continue to work with River Rock to adapt their services to a changing world. River Rock has responded by consolidating its Alternative Education for Disruptive Youth or AEDY program to one location in Carlisle and shifting its other local programs (one at Newville and one in Shiremanstown) to a private academic licensed special education program. Our hope is that this will provide us another alternative for Emotional Support students we are currently sending to the IU.
- New Story: As planned, New Story opened a new site in Carlisle, which has reduced transportation costs for these students. The program continues to grow and has been very successful.

- **District Emotional Support Program:**

We are moving forward with a re-design our Emotional Support program at all 3 levels in order to build our capacity to work with more challenging students. The goal is to reduce the overall number of students we need to send to out of district programs, thus eliminating the need to pay tuition or transportation costs. For 22-23 we will continue our focus on a rebranding of emotional support and autistic support as one "behavior" support program

and refining both our instruction and our additional support services for these students. We now have one Big Spring staff member who has earned her credentials as a Board Certified Behavior Support Analysts (BCBA) and we will continue our contract with Therabilities to provide behavior support services. Our final step is to develop therapeutic services for those students who need them. We are currently contracting with Laurel Life for these services; but we are also looking at capitalizing on the increase in availability of tele-therapy models. Our hope is to make this an integrated component of our program which will allow us to avoid using the higher cost therapeutic IU program which runs \$70,000 to \$80,000 per slot.

- **District Life Skills/Intensive LS program**

We are in the process of redesigning our self contained academic program at the elementary level. Beginning next year we will shift one elementary teacher from life skills to a primary diagnostic program. The hope for this program is that we'll be able to better identify students special education "pathway" by the beginning of second grade in order to ensure that we have them in the correct district placement. Doing so will help with our overall numbers in each program and hopefully reduce the need for out of district placements. Along with this change we will redefine our elementary Life Skills program as one 2nd – 5th grade classroom. In addition, we are adding a primary Intensive Learning Support program for students in 1st and 2nd grade. This new program is necessary for two reasons. First, we have long struggled with a placement for students in 2nd grade. These students have often remained in the primary life skills classroom. Second, as noted above we have seen a significant increase in the number of students who are being identified in Kindergarten and first grade and we need another classroom placement to assign these students to because other caseloads have reached the state allowed maximum.

Student Support – Counseling

In addition to our special education students, we are seeing a rising need for additional mental health support for all our students. To address this, we are continuing to work with Shippensburg University as well as our consortium to help better develop the skills of our counseling staff. In addition, we have partnered with a local counseling firm to provide access to on-site counseling services for students who have been referred through the SAP process. Finally, we have instituted a screening system to help us better identify students who are at risk and may need support.

Fiscal Unpredictability

The administration and Board are committed to the students of Big Spring. However, we continue to face uncertain and wavering fiscal support and direction from both Commonwealth and National political leaders. Under the new funding formula, our district faces smaller increases in basic education funding even as PSERS, Charter Tuition, Medical & RX bills and Special Education payments continue their uncontrolled increases in excess of CPI or inflation. Given this unpredictability of Commonwealth subsidy, the District's reliance on fund balance and property taxes increases as we attempt to provide a stable and appropriate educational environment and opportunity for our students.

While each year is a fiscal challenge in Pennsylvania due to the unreliable legislative funding process, COVID created its own funding requirements. This is somewhat offset by all of the federal ESSER funds; but that funding will expire in the Fall of 2024 and really should not be used to offset recurring expense (such as salary & benefits) as it creates a hole in revenue the following years.

Mandates

The shape and size of the budget remains hostage to the laws and regulations promulgated at the Commonwealth and Federal levels contained in a series of unfunded mandates. Three great examples of mandates that control the budget process are: special education, charter school tuition and the PSERS retirement system. (see PSBA reports titled, "[School District Mandates: Their Impact on Public Education](#)" and "[Recommendations for Meaningful Charter School Reform](#)")

Special education is a permissive environment created by the mandates of the Legislature and expanded by the courts and advocates. As the district searches for the right services for our students, we face complex service arrangements driven by advocacy and generally supported by the Commonwealth; but, without a matching subsidy. As before, the legislative requirements for special education remain above and beyond what is mandated by federal law and affects almost all aspects of our operation, including transportation. The individualized transport in special education, along with requirements to transport non-resident homeless students, is both inefficient and expensive resulting in excess funding by local taxpayers.

The **charter school tuition** process in Pennsylvania is illogical at best. The funding process forces us to pay tuition based on District costs – not the charter schools. The District pays \$14,128.69 for a regular education student \$36,281.15 for a special education student – which we do not get to evaluate or approve. Charter school tuition is based on Big Spring's spending for high quality, personalized student program that focuses on diverse experiences and the opportunity to explore – none of which the charter schools offer – instead, they pay for advertising and excess CEO pay. Worse, they face no enforcement of academic or graduation standards.

The **retirement system** funding structure continues to strain the District and Commonwealth. The PSERS increase for the FY23 budget is \$211,477 for a total of \$7,194,289 or 12.1% of the total budget.

Medical Spending

After four years of decreasing rates, then COVID, we faced a significant increase in our medical spending during 2021 and 2022, leading to a 25% increase in the District's insurance premiums for FY22. FY22 medical spend saw a change in a positive direction. We were able to build our reserves back up to a recommend amount. In working with Conrad-Siegel, the District will not be increasing premiums for the FY23 due to adequate reserves and favorable trends in our spending. Medical spending tends to be a fluid expense and will continued to be monitored monthly.

2022-23 Budget – A Serious Challenge

Looking at the revenues, the overall increase is 5.6% over FY22 largely due to spending ESSER dollars for an interactive TV project, costing \$1.1M. We continue to see excellent real estate collection rates and EIT had set a record high monthly rate in May of this year.

Fund balance is a critical component of a District's finances – it is the rainy-day emergency fund. More than that, it allows the district to make payroll in the spring/summer when the state subsidies are stopped, and the property taxes are not coming in. And, in situations like this, it allows the District some time to plan and reorganize to meet the challenge.

As a people business, our district spends over 60% of our budget on salary and benefits. However, a structural imbalance continues through the 5-year projection with salaries going up by 3%+ due to inflationary trends, benefits by more than 5% due to medical spend and cyber-charter and special education approaching double-digit inflation. The District did cut 9 teaching positions for FY22 to counter this spending trend.

The Commonwealth provides about 34% of our revenue – down by 1% over last year but still a big part. Commonwealth funding is erratic given the opposing forces in the Legislature. We assume subsidy remains the same as last year based on this uncertainty; but that only increases pressure on local taxes. With the poor fiscal management of the Legislature, PA districts will remain in a precarious position unless a stable subsidy process is developed.

Based on a strong year for EIT, the FY23 EIT budget increased significantly. On the other hand, the District made \$410,412 in investment income in 2018/19; for FY23 that estimate is \$10,000.

In the end, it is a very lean budget. Without doubt, it will require continued reductions in personnel and related expenses to manage the growth in local taxes and lack of increase in long-term state

and federal subsidy. Ultimately, that will reduce the student experience and opportunity.

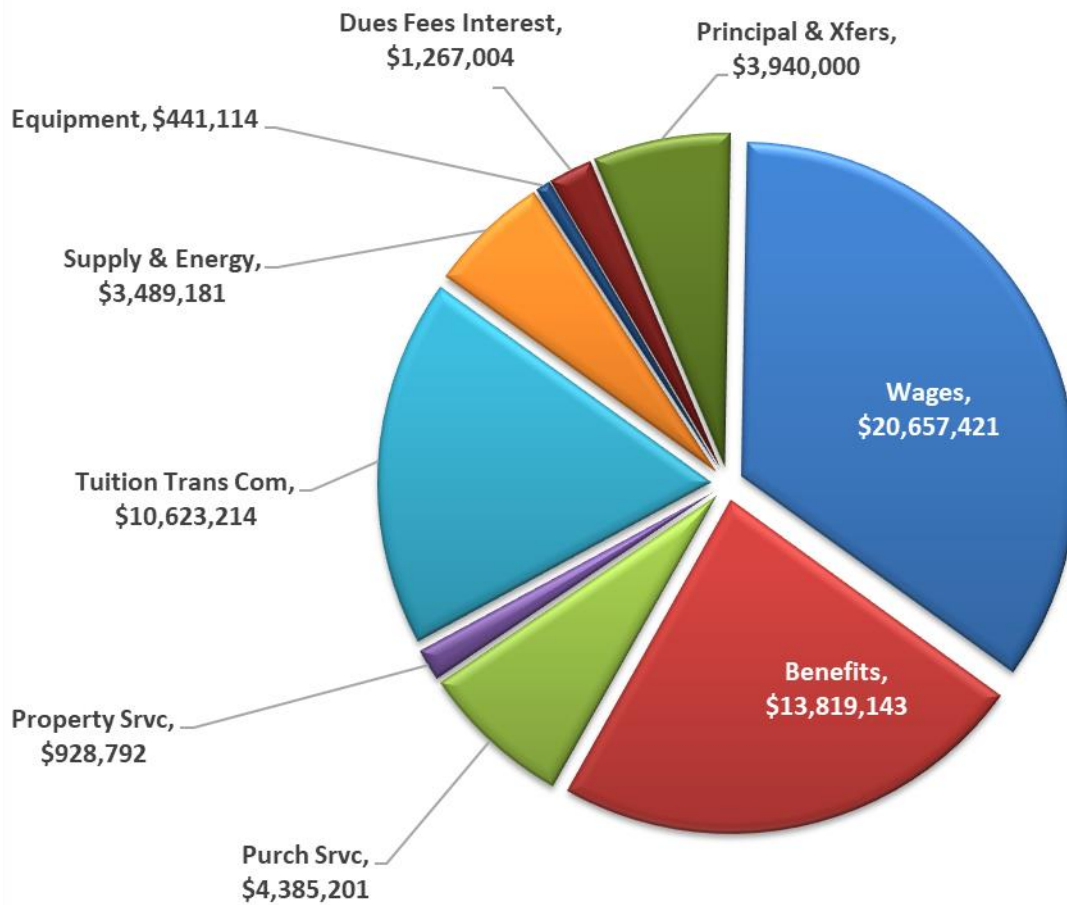
Budgets In Brief

<u>Description</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund Expense	\$50,396,578	\$52,354,735	\$54,156,086	\$56,225,238	\$59,551,070
General Fund Revenue	\$50,176,931	\$51,898,319	\$52,981,082	\$56,225,238	\$59,368,370
Fund Balance Required	\$219,647	\$456,416	\$1,175,004	\$0	\$182,700
Increase in Expense (as %)	2.13%	3.90%	3.44%	3.82%	5.92%
Increase in Revenue (as %)	2.05%	3.40%	2.09%	6.12%	5.59%
Transfer - Capital Reserve Fund		\$250,000		\$409,245	\$200,000
Transfer - Café Fund	\$65,000	\$65,000	\$78,000	\$79,500	\$50,000
Contingency	\$171,731	\$99,500	\$99,500	\$99,500	\$100,000
Medical Premium Change	-3.55%	-2.33%	5.75%	25.00%	0.00%
Tax Rate (as mills)	14.3238	14.7392	15.0123	15.5002	15.8877
Tax Increase / \$100,000 (~ in \$)	\$28	\$32	\$37	\$49	\$39

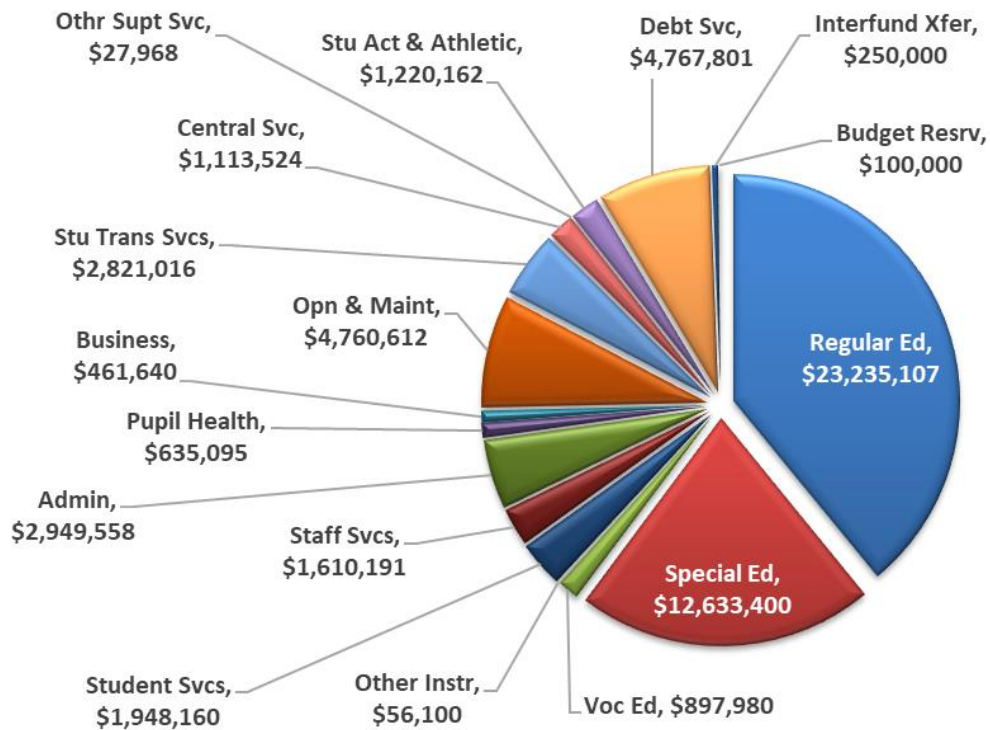
II. Expenditures

FY23 Budget

\$59,511,070



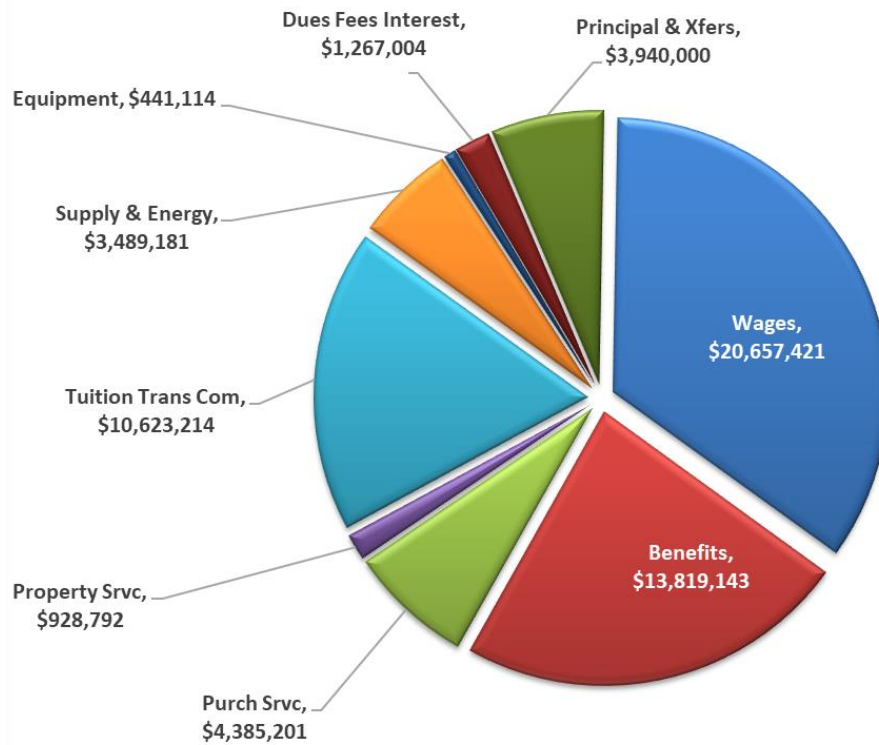
A. Budget Expenditure by Function (Department). The District's budget for 2022/23 is \$59,511,070 – shown here by Department (or *function*):



Func	Description	AFR 2018/19	AFR 2019/20	AFR 2020/21	Budget 2021/22	YTD-5.31.22 2021/22	Budget 2022/23
1100	Regular Ed	\$19,824,081	\$20,477,260	\$22,254,657	22,544,229	17,351,181	\$23,235,107
1200	Special Ed	\$9,019,045	10,237,980	\$9,970,449	9,836,214	9,517,432	\$12,633,400
1300	Voc Ed	\$641,342	689,350	\$782,698	947,700	867,396	\$897,980
1400	Other Instr	\$78,687	103,585	\$57,287	192,802	105,689	\$56,100
1500	NonPub Schl	\$2,964	3,079	\$1,950		3,324	\$2,500
1700	Dual Enrollment				500		
2100	Student Svcs	\$1,701,132	1,831,773	\$1,940,244	2,026,568	1,533,498	\$1,948,160
2200	Staff Svcs	\$1,484,486	1,562,084	\$1,534,119	1,629,557	1,376,193	\$1,610,191
2300	Admin	\$2,747,652	2,838,621	\$3,036,947	3,002,389	2,523,981	\$2,949,558
2400	Pupil Health	\$540,931	551,485	\$747,593	592,253	502,209	\$635,095
2500	Business	\$394,699	438,895	\$464,529	430,028	398,902	\$461,640
2600	Opn & Maint	\$4,163,374	4,110,464	\$4,387,440	4,688,702	4,427,379	\$4,760,612
2700	Stu Trans Svcs	\$2,519,368	2,468,623	\$2,313,243	2,660,326	2,043,060	\$2,821,016
2800	Central Svc	\$1,017,795	1,130,797	\$1,049,785	1,101,834	983,713	\$1,113,524
2900	Othr Supt Svc	\$27,760	27,828	\$27,864	28,000	27,968	\$27,968
3200	Stu Act & Athletic	\$963,799	1,010,291	\$1,067,176	1,195,688	951,474	\$1,220,162
3300	Comty Svc	\$26,426	23,558	\$16,605	17,303	27,438	\$20,256
5100	Debt Svc	\$4,678,405	3,564,813	\$4,374,755	4,742,900	4,620,957	\$4,767,801
5200	Interfund Xfer	\$577,099	2,264,227	\$2,228,165	488,745		\$250,000
5900	Budget Resrv				99,500		\$100,000
Total		\$50,409,045	\$53,334,715	\$56,255,505	\$56,225,238	\$47,261,793	\$59,511,070

B. Budget by Object or Type.

The chart below shows the same \$59,511,070 by type or *object* spending:



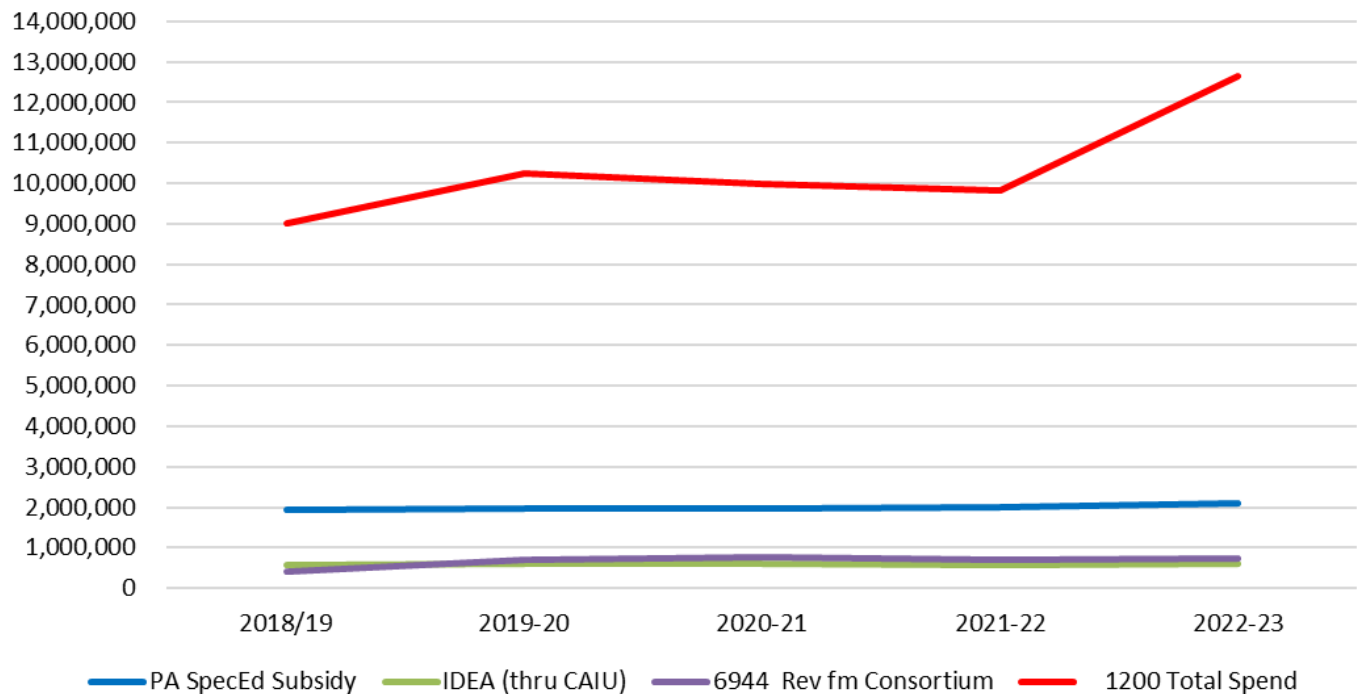
Object Description	AFR 2018/19	AFR 2019/20	AFR 2020/21	Budget 2021/22	YTD-5.31.22 2021/22	Budget 2022/23
100 Wages	\$19,620,886	\$20,057,868	\$20,091,346	20,092,705	16,132,956	\$20,657,421
200 Benefits	11,305,683	12,430,043	13,089,436	13,462,938	10,815,462	\$13,819,143
300 Purch Srvc	3,096,813	4,291,776	3,695,987	4,186,754	3,559,141	\$4,385,201
400 Property Srvc	758,656	737,488	827,149	758,778	696,986	\$928,792
500 Tuition Trans Com	7,351,759	7,619,183	8,675,359	9,214,028	8,288,542	\$10,623,214
600 Supply & Energy	2,244,234	1,999,816	2,467,295	2,564,257	1,968,668	\$3,489,181
700 Equipment	723,310	278,248	747,908	532,963	1,122,778	\$441,114
800 Dues Fees Interest	1,400,605	1,146,067	1,187,548	1,259,070	776,678	\$1,267,004
900 Principal & Xfers	3,907,099	4,774,227	5,473,478	4,153,745	3,900,581	\$3,940,000
Total	\$50,409,045	\$53,334,715	\$56,255,505	\$56,225,238	\$47,261,793	\$59,551,070

C. Selected Expenditure Items

1. Special Education. The Special Education budget for 2022/23 is \$12,633,400; an increase of \$2,797,186 or 28.4%. The increase is due to charter school enrollment trend and additional outside placements. Special Education tuition alone had a \$2,475,797 increase in budgeted costs. In the graph below, the special education budget is in red with the revenues below. As you can see the Commonwealth and Federal government do little to subsidize a highly mandated educational program.

1200 Special Ed	AFR	AFR	AFR	AFR	Budget	Budget
Account	2017-18	2018-19	2019-20	2019-20	2020-21	2021-22
100 Salaries	3,209,263	3,296,568	3,548,077	3,398,633	3,422,762	3,264,582
200 Benefits	1,810,404	1,887,928	2,116,698	2,135,869	2,108,873	2,238,582
300 Prof & Svcs	881,652	1,189,916	1,581,501	1,837,200	1,665,618	1,607,850
400 Property Svcs	3,981	4,033	4,500	2,954	4,500	4,500
500 Other Svcs	2,411,095	2,500,750	1,833,650	2,750,768	2,145,850	2,495,850
600 Supplies	94,746	123,198	187,950	101,815	196,201	221,100
700 Property	23,500	16,399	1,000	10,489	1,000	3,000
800 Other Objects	253	253	750	253	750	750
1200 Total Spend	\$8,434,894	\$9,019,045	\$9,274,126	\$10,237,981	9,545,554	9,836,214

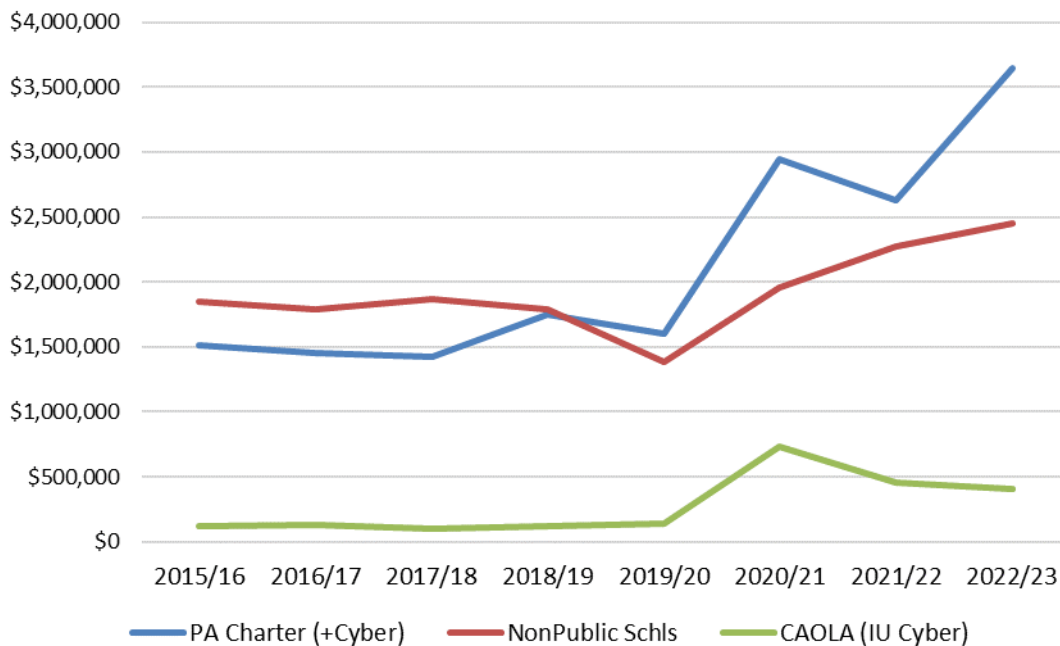
Special Education Finances



2. Tuition. One of the District's challenges is tuition paid to send students outside the district -- \$7,493,148 -- a 22.0% increase -- largely drive by a 38.9% increase in cyber-charter tuition. Unfortunately, we saw a similar increase in private tuition for special and alternate education students. The district is continuing to grow its own cyber school as an alternate to cyber-charter through the CAIU (CAOLA) program. The pandemic also caused a surge in CAOLA as you can see in the chart below. Based on current usage, cyber-charter

Tuition		<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
561	Tuition Other PA LEAs	\$244,975	\$385,004	\$292,717	\$348,473	\$225,000	345,623	200,000	369,000
562	PA Charter (+Cyber)	\$1,510,009	\$1,457,450	\$1,426,932	\$1,747,187	\$1,598,900	2,944,418	2,624,400	3,645,918
563	NonPublic Schls	\$1,844,926	\$1,787,842	\$1,865,900	\$1,792,362	\$1,387,100	1,952,519	2,271,000	2,455,250
564	Tuition to CPAVTS	\$550,447	\$536,454	\$589,580	\$641,342	\$730,000	782,698	947,700	897,980
566	Tuition to HigherEd		\$0	\$0	\$0	\$0	0	0	0
567	Aprv Priv Schls	\$134,737	\$76,705	\$69,284	\$24,067	\$45,000	74,090	100,000	100,000
568/9	Other	\$18,553	\$0	\$6,576	\$6	\$0	0	0	25,000
Total		\$4,303,647	\$4,243,455	\$4,250,989	\$4,553,437	\$3,986,000	\$6,099,347	\$6,143,100	\$7,493,148
322	CAOLA (IU Cyber)	\$125,118	\$126,094	\$101,798	\$117,540	\$145,000	\$735,977	\$454,505	\$404,605
Total Tuition		\$4,428,765	\$4,369,549	\$4,352,787	\$4,670,977	\$4,131,000	\$6,835,324	\$6,597,605	\$7,897,753

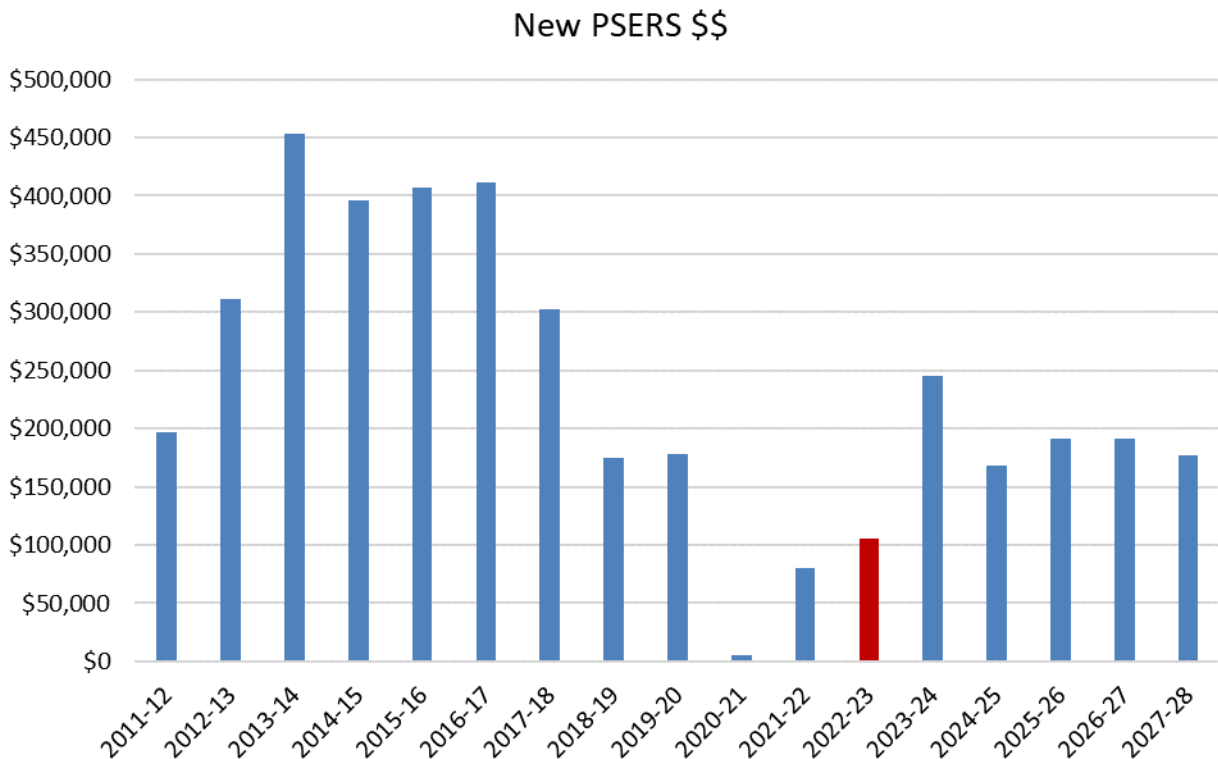
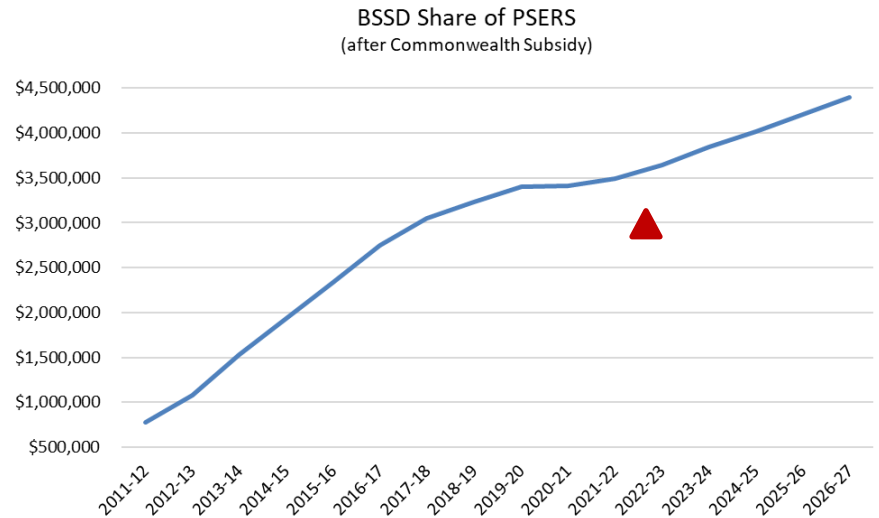
may be underfunded in the budget for 2021/22.



3. PSERS.

The chart at right summarizes the District's PSERS challenge. In 2011/12 we paid a total of \$771,750 for our share of PSERS; in this 2022-23 budget that increased to \$3,597,145 (after PA subsidy). This

budget requires a year over year increase of only \$105,739 for the District's share of contributions; however, the estimate for next year is a much larger \$245,508 increase (below).



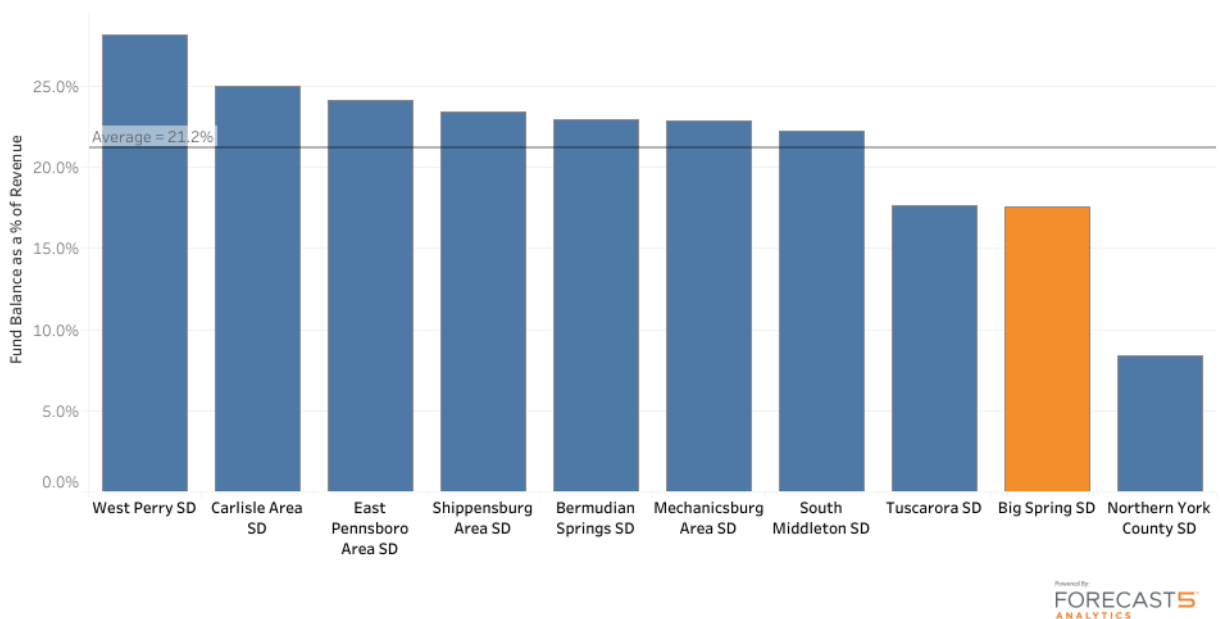
4. Debt Service Payments for FY23.

2022-2023 BOND PAYMENTS

<u>Bond</u>	<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	8/15/2022	-	240,531	240,531
2018	9/1/2022	-	189,717	189,717
2021	9/1/2022	-	35,152	35,152
2017	2/15/2023	5,000	240,531	245,531
2018	3/1/2023	5,000	189,717	194,717
2021	3/1/2022	3,680,000	35,152	3,715,152
Totals		3,690,000	930,800	4,620,800

5. Fund Balance Comparison.

The graph below shows fund balance as a % of revenue for the [General Fund](#) for 2020.



6. Personnel Changes for 1 Jul 2022

- a. 3.4% increase for CBA.
- b. 3.0% for Administrators below the IU average; 2.1% for those above the average.
- c. 3.0% increase for classified staff along with selected higher increases for certain steps in the matrix.
- d. Medical premiums remain the same.
- e. Personnel status for FY23:

*note Full-Time (FT) = medical benefits

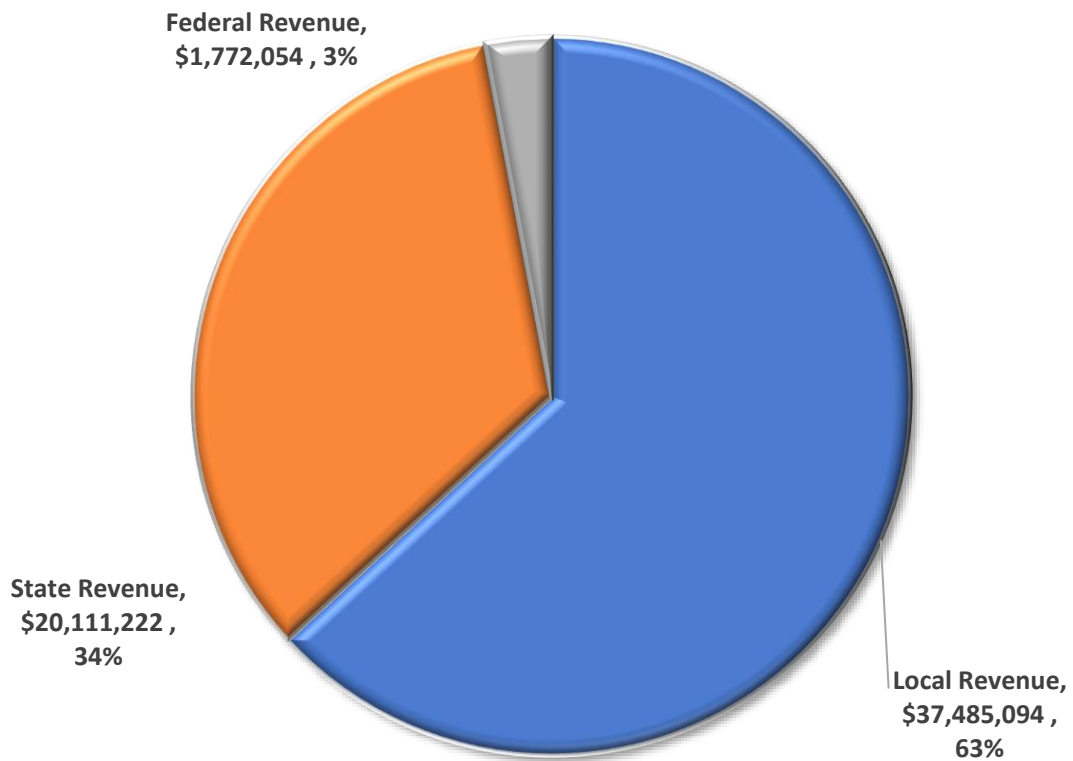
Type	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Admins	16	16	15	15	15	14	14	14	15
Professionals - FT	226	228	227	226	226	228	222	212	211
Professionals - PT	2	0	0	0	0	0	0	0	0
Secretaries - FT	22	23	22	22	22	24	25	25	25
Secretaries - PT	4	4	4	4	4	3	2	2	2
Aides - FT	21	21	23	22	22	22	20	18	17
Aides - PT	52	47	39	33	28	27	21	16	15
Maint FT	17	17	16	17	19	19	5	5	5
Maint PT	25	25	24	23	23	22	1	1	1
Custodians- FT						14	17	17	19
Custodians - PT						21	17	17	13
Technology - Full Time	3	3	2	2	2	2	2	2	2
Tech - Part-time			1	1	1	1	1	1	0
FT Total	305	308	305	304	306	309	305	293	294
PT Total	83	76	68	61	56	53	42	37	31
BSSD Total	388	384	373	365	362	362	347	330	325
ESS Pt Aides						2	4	4	4
ESS FT Aides						46	39	46	46
ESS permanent bldg subs						7	8	8	8
Total ESS Posns						55	51	58	58
Professional Svc Providers								4	4
Svc Provider Assts								3	3
Therabilities Total								7	7

390

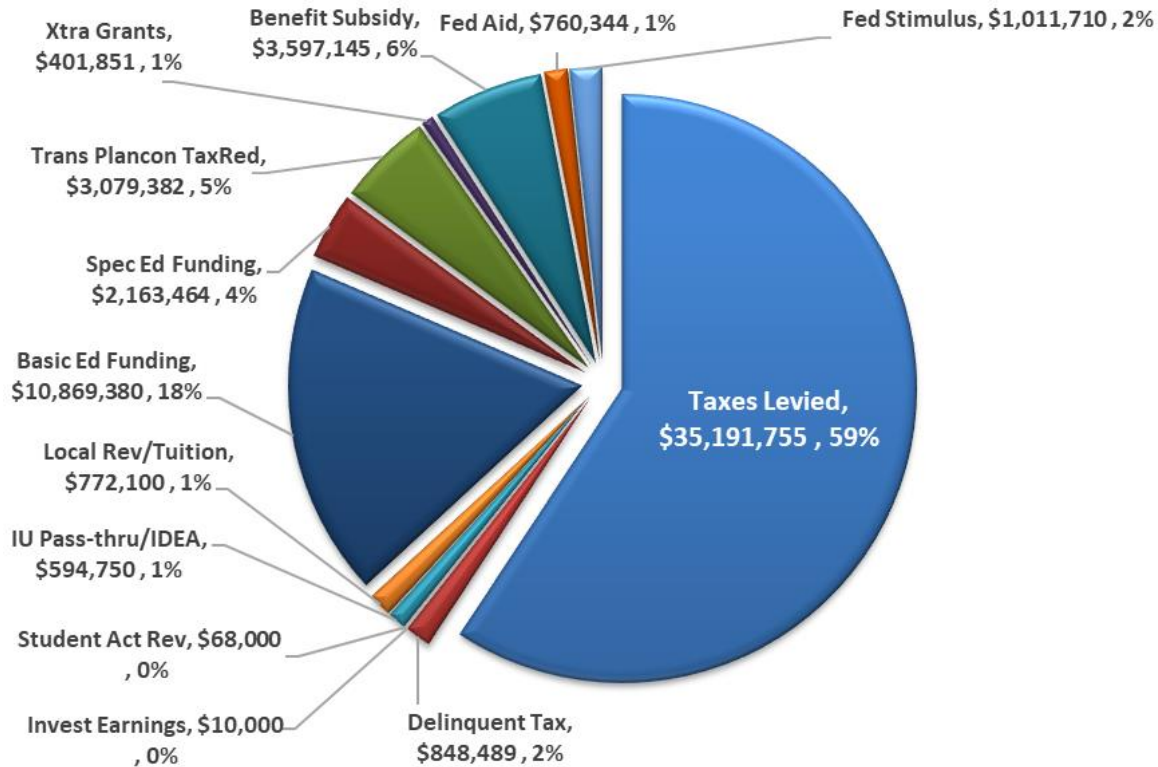
III. Revenue

FY23 Budget

\$59,368,370



The graph & matrix below summarize the District's revenue of **\$59,345,523** for FY23:



Revenue	AFR	AFR	AFR	Budget	YTD-5.31.22	Budget
Object Description	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
6100 Taxes Levied	29,721,166	30,705,307	33,052,208	33,432,024	33,184,996	\$35,191,755
6400 Delinquent Tax	865,492	867,613	1,177,113	863,216	714,808	\$848,489
6500 Invest Earnings	410,412	293,328	28,838	30,000	5,347	\$10,000
6700 Student Act Rev	66,642	56,175	29,189	23,900	101,109	\$68,000
6800 IU Pass-thru/IDEA	575,876	603,507	602,370	587,000		\$594,750
6900 Local Rev/Tuition	466,649	752,775	871,560	732,057	263,004	\$772,100
7100 Basic Ed Funding	9,472,759	10,351,100	10,470,868	10,443,321	7,730,181	\$10,869,380
7200 Spec Ed Funding	2,022,301	2,103,845	2,058,368	2,067,274	1,611,519	\$2,163,464
7300 Trans Plancon TaxR	3,037,516	3,025,315	2,866,692	2,956,359	2,506,919	\$3,079,382
7500 Xtra Grants	401,851	417,525	436,482	445,770	401,851	\$401,851
7800 Benefit Subsidy	3,952,926	3,395,517	3,412,687	3,491,406	1,392,979	\$3,597,145
8500 Fed Aid	608,416	604,227	595,921	777,011	259,004	\$760,344
8700 Fed Stimulus		16,226	568,929	375,900	762,458	\$1,011,710
9400 Sales of Assets					7,094	
Total	\$51,602,006	\$53,192,460	\$56,171,223	\$56,225,238	\$48,941,268	\$59,368,370

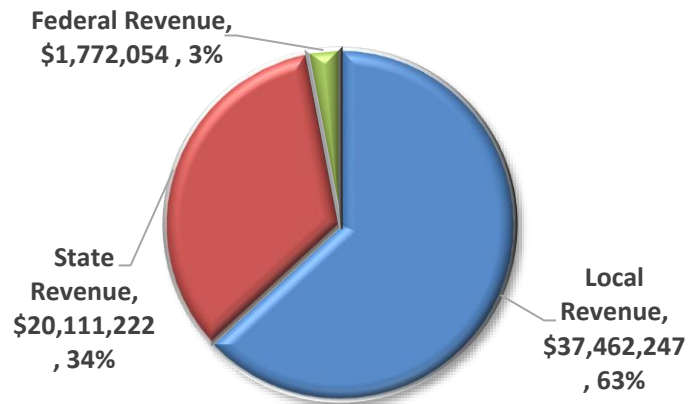
A. Commonwealth Revenue. This is a unique budget year because of the uncertainty caused by ESSER funds and the unknown state budget. Additionally, this is Governor Wolf's final budget with uncertainty surrounding additional funding. The good news is we did not see a significant cut, so far, due to COVID-19. The bad news is there is no known increase in state subsidy to offset the mandated increases as this budget goes final.

Major State Subsidies	AFR 2015/16	AFR 2016/17	AFR 2017/18	AFR 2018/19	AFR 2019/20	AFR 2020/21	Budget 2021/22	Budget 2022/23
Basic Education Fund (BEF)	9,087,149	9,488,526	9,359,201	9,449,788	9,653,657	9,653,650	9,653,657	10,055,310
Special Education Funding	1,827,743	1,883,516	1,882,431	1,923,054	1,983,551	1,983,483	1,990,000	2,090,084
Ready to Learn	401,851	401,854	401,851	401,851	401,851	401,851	401,851	401,851
Transportation	1,673,676	1,456,682	1,469,341	1,552,431	1,605,546	1,488,001	1,620,694	1,573,000
PLANCON Subsidy	718,646	776,400	767,379	641,205	578,022	502,320	510,586	489,996
SocSec	688,215	679,495	696,438	713,518	669,121	777,971	766,764	791,170
PSERS	2,430,097	2,853,219	3,135,351	3,239,408	3,395,517	3,412,687	3,491,406	3,597,145
Total of Major PA Subsidy	\$16,827,377	\$17,539,692	\$17,711,992	\$17,921,255	\$18,287,265	\$18,219,963	\$18,434,958	\$18,998,556

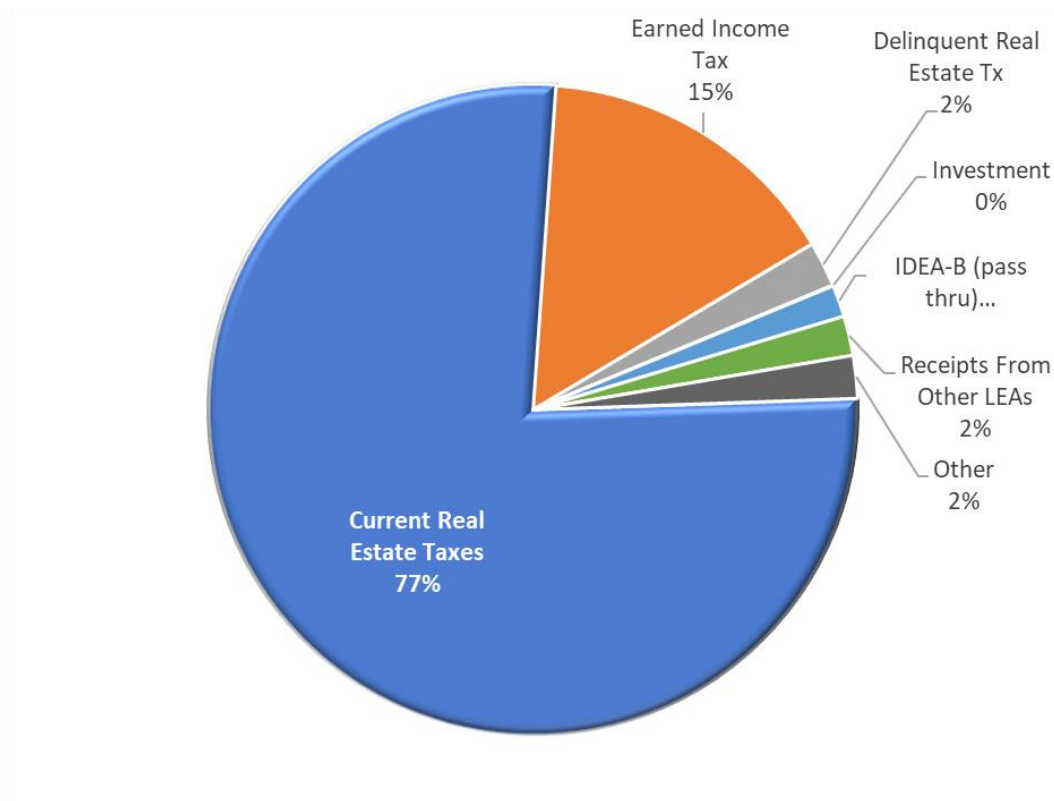
B. Revenue from Federal Sources This year we are projecting one year increase in federal funding due to the COVID funding (ESSER).

Federal Revenue Sources	AFR 2015/16	AFR 2016/17	AFR 2017/18	AFR 2018/19	AFR 2019/20	AFR 2020/21	Budget 2021/22	Budget 2022/23
<i>(local from IU) IDEA-B</i>	552,661	568,120	561,894	575,876	599,507	598,562	585,000	592,000
Title I	423,460	496,724	428,677	477,110	472,240	467,461	633,405	615,853
Title II	135,184	122,087	94,465	100,528	96,278	92,791	108,558	97,626
Title IV			10,633	30,778	35,709	35,669	35,048	46,665
ESSER					16,226	568,929	375,900	1,011,710
Total Major FED Subsidy	\$1,111,305	\$1,186,931	\$1,095,669	\$1,184,292	\$1,219,960	\$1,763,411	\$1,737,911	\$2,363,854

C. Local Effort.



Local effort makes up 63% of the revenue. Most of the local effort is from real estate taxes (below), with a median assessed home value of \$180,700 in the District. The charts show the makeup of total revenue (above) and then local effort (below) in the 2022/23 budget. Note that the Board elected to not collect the individual per capita (act 679 & 511) taxes again this year.



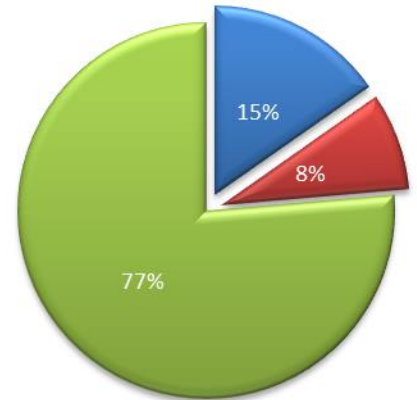
D. Real Estate Assessment & Tax Increase – Statler NEEDS TO UPDATE

One of the challenges unique to Big Spring is the considerable farm property that is in Clean & Green. This results in a loss of approximately \$5,895,482 in tax revenue per the chart below.

6/1/2022 (FY23)

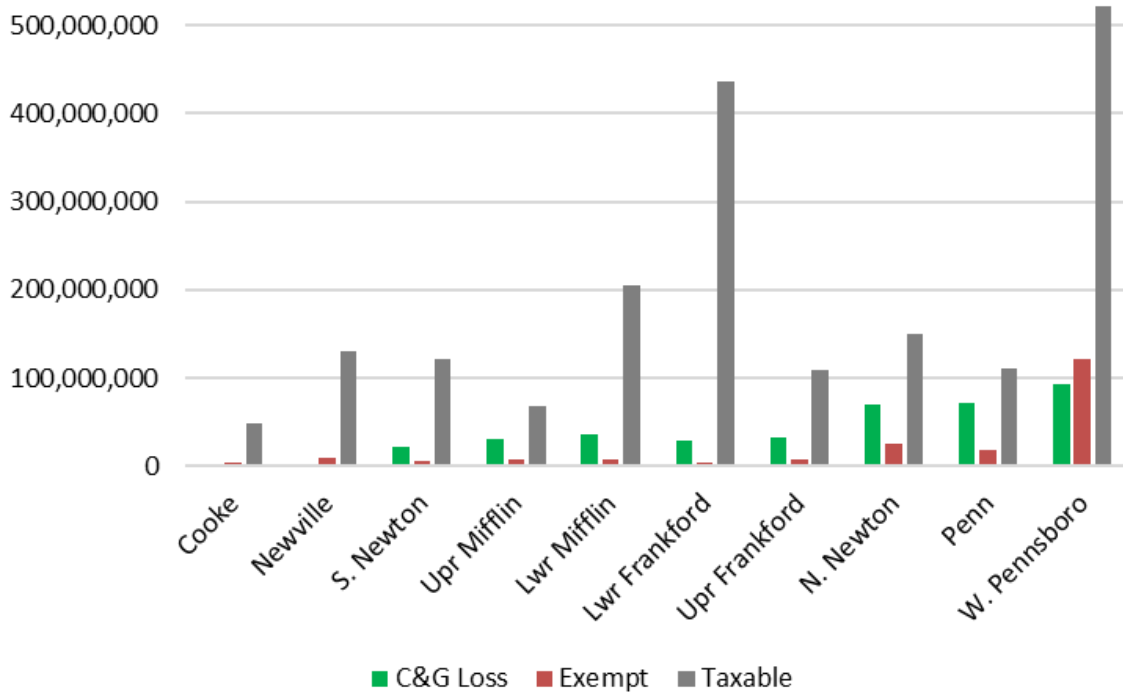
<u>Muni</u>	<u>C&G Loss</u>	<u>Exempt</u>	<u>Taxable</u>
Cooke	1,563,000	4,317,700	48,565,900
Newville	0	9,391,700	130,352,800
S. Newton	21,379,500	4,829,200	121,559,100
Upr Mifflin	30,327,700	7,521,000	68,422,900
Lwr Mifflin	35,123,900	7,179,100	205,106,900
Lwr Frankford	28,233,300	3,181,000	436,656,700
Upr Frankford	32,675,600	7,742,300	109,343,700
N. Newton	68,881,700	24,611,400	149,931,600
Penn	71,099,800	17,285,200	110,354,300
W. Pennsboro	92,759,000	120,793,400	565,674,400
Assessment	\$382,043,500	\$206,852,000	\$1,945,968,300
2022 Tax Dollars	\$6,069,793	\$3,286,403	\$30,916,961

Big Spring Property Assessment



■ C&G Loss ■ Exempt ■ Taxable

2022 Local Municipal Assessments



■ C&G Loss ■ Exempt ■ Taxable

The calculation for 2022/23 real estate taxes is shown below. The 4.3% adjusted index allows a maximum increase of .6665 mills and a maximum millage of 16.2097 for next year. The Board chose to reduce the increase to 2.5% or 0.3875 mills for a total rate of 15.8877 mills in 2022/23. The budgeted collection rate for FY23 is 96.0%, due to the increase trend in the actual collection rate over the past three years.

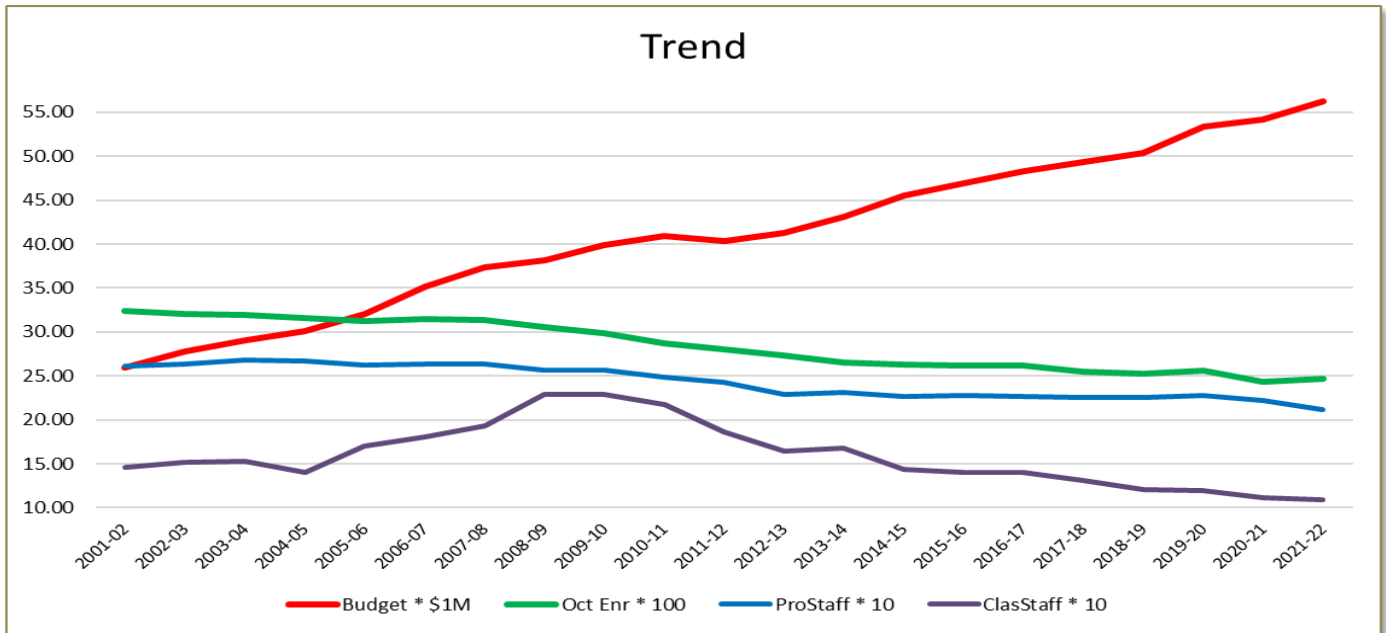
	19/20 Actual	20/21 Actual	21/22 Budget	22/23 Budget - 2.5%
Mill Value @ Assessed Value	\$1,725,500	\$1,877,205	\$1,896,451	\$1,942,993
Tax Base Growth	1.46%	5.57%	1.03%	2.45%
Tax Base as of May 1st	\$1,778,120,400	\$1,877,204,600	\$1,896,451,100	\$1,945,968,300
Previous Mill Total	14.3238	14.6461	15.0123	15.5002
Index Mills	0.4154	0.4687	0.5555	0.6665
Board Approved Increase	2.25%	2.50%	3.25%	2.50%
Approved (Proposed) Increase as Mills	0.3223	0.3662	0.4879	0.3875
Total Mills	14.6461	15.0123	15.5002	15.8877
Tax Levy - Property Tax Relief	\$25,271,844	\$27,408,348	\$28,618,791	\$29,945,775
Collection rate	95.0%	93.0%	95.0%	96.0%
Value of Collected Tax	\$24,008,252	\$25,489,764	\$27,187,851	\$28,747,944
Total Increase in Tax Collected	\$893,000	\$1,481,512	\$1,698,087	\$1,560,093
Mill value @ collected value	\$1,639,225	\$1,697,931	\$1,754,038	\$1,809,447
Tax on \$100K Assessed Value	\$1,465	\$1,501	\$1,550	\$1,589
\$ ▲ / \$100k Assessed Value	\$ 32.23	\$ 36.62	\$ 48.79	\$38.75

IV. The Future

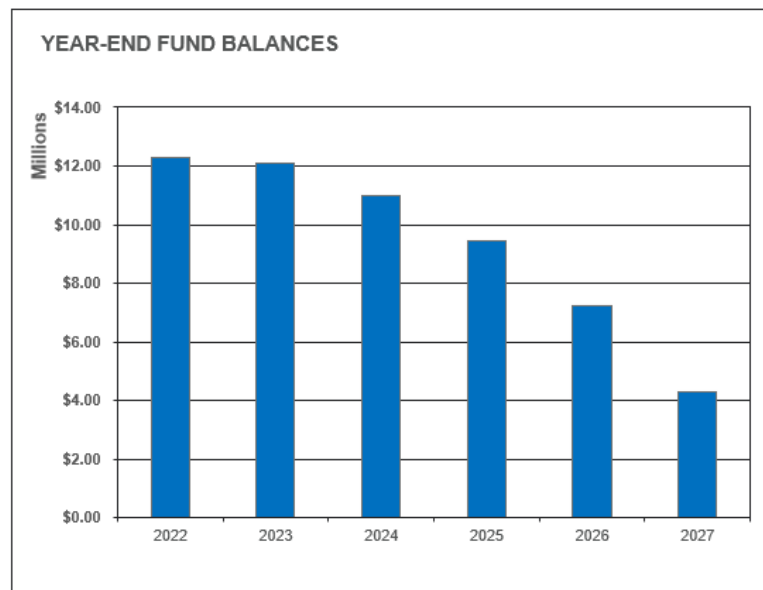
A quick look back at the history of the interaction between the budget, personnel, and student count point to the future issue(s) the district faces. As the student count has gone down, the Board reduced positions; including 9 positions for the 2022-2023 school year. Even with that, the mandated costs, inflation, and covid associated spending still forced the overall budget up.

Big Spring remains a school district that depends on property tax as the largest source of revenue. Any elimination or reform that decreases the real estate tax will increase the District's dependency on an already erratic legislative funding process in Pennsylvania. The COVID pandemic has highlighted an imbalance with expenses growing faster than revenues for the foreseeable future

requiring tax increases. Looking at the revenues, the required increase was 5.5% yet the total increase in expenditures was 5.9%. This structural imbalance continues through the 5-year



projection and the excess spend consumes most of the fund balance (reserves) – see chart below. Fund balance is a critical component of a District’s finances – it is the rainy-day emergency fund. More than that, it allows the district to make payroll in the spring/summer when the state subsidies are paid out and the taxes are not coming in. It helps offset future construction/renovation projects. And, in situations like this, it allows the District some time to plan and reorganize to meet the current challenge(s).



Enclosures

- 1 Budget Summaries
- 2 Revenue Detail
- 3 Expenditure Detail by Function & Object (PDE 2028)
- 4 Healthcare Summary
- 5 Long Term Debt
- 6 Funds Update
- 7 Homestead / Farmstead
- 8 5Yr Projection
- 9 Board Budget Resolutions – Not Prepared As of 06.06.22
- 10 Link to official [PDE-2028: Final General Fund Budget](#) – Not Prepared As of 06.06.22