

**FAIRFIELD AREA SCHOOL DISTRICT
BOARD STUDY SESSION**

2024-2025 PROPOSED BUDGET

April 8, 2024

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2024-2025 BUDGET PRESENTATION



- FAIRFIELD AREA SCHOOL DISTRICT PROJECTED REVENUES, MILLAGE, AND ADJUSTED ACT 1 INDEX
- FAIRFIELD AREA SCHOOL DISTRICT PROJECTED REVENUE AND EXPENDITURES
- TIMELINES
- DISCUSSION/QUESTIONS

BUDGET CONSIDERATIONS (2024-2025)



- The 2024-2025 budget was developed by looking at historical trends of each revenue and expenditure line.
- All revenue and expenditures were budgeted at the actual amount that was expected to be received or expended. Therefore, a \$125,000 contingency line is budgeted under the Business Office.



What is the Act 1 Index?

- The Act 1 Index is used to determine the maximum tax increases of a district (without voter approval or PDE exceptions).
- The base index is calculated based on the % changes in wages statewide and % changes in school employee compensation. Therefore, the base index is a rate of change in compensation.
- There is an adjustment to the base index based on the relative wealth of the district, with lower wealth districts receiving the largest upward adjustment.
- Over the past 10 years the base index has averaged 2.90% in Fairfield Area.

PROJECTED REVENUE ANALYSIS (2024-2025)



- Act 1 Index 6.40%
- Current Millage Rate 11.5757
- ***Recommended Millage Rate (increase 3.63%)*** ***11.9958***

Average assessed residential property in Fairfield is \$233,778

1% increase = \$27 annually*

2% increase = \$54 annually*

2.5% increase = \$67 annually*

3% increase = \$81 annually*

3.5% increase = \$94 annually*

3.63% increase = \$98 annually*

*Increase in school tax bill based on \$233,778 assessed value

MILLAGE HISTORY (FAIRFIELD AREA)



▶ 2017-2018	10.2798	3.1%
▶ 2018-2019	10.4597	1.75%
▶ 2019-2020	10.7421	2.7%
▶ 2020-2021	10.9032	1.5%
▶ 2021-2022	11.1305	2.08%
▶ 2022-2023	11.1305	0.00%
▶ 2023-2024	11.5757	4.00%

ADAMS COUNTY MILLAGE RATES (2024)



• CONEWAGO	15.6691
• UPPER ADAMS	15.6383
• LITTLESTOWN	13.0459
• BERMUDIAN	12.8390
• <i>FAIRFIELD</i>	<i>11.5757</i>
• GETTYSBURG	11.2589

CAPITAL PROJECTS



Projects to be funded from Assigned Fund Balances

• State Police Safety Study	\$ 121,000	Maintenance Building Roof	\$16,000
• Greenhouse Repairs	\$ 32,372	ES Sewer Pump & Sky Lights	\$12,000
• Elem Playground	\$ 73,909	HS Office Renovation	\$13,000
• HS Gym Scoreboard	\$ 71,153	Weight Room Upgrade	\$10,000
• HS Gym Painting	\$ 32,847	Pole Vault Equipment	\$25,000
• ES Gym Flooring	\$ 12,000	Soccer Goals	\$10,000
• Infield Tiller	\$ 7,000	Field Hockey Goals	\$10,000
• Elem Kitchen Grease Trap	\$ 15,000	Scorers Table (HS Gym)	\$ 8,000
• Industrial Arts	\$ 51,800	Athletic Banner Project	<u>\$ 2,000</u>
			\$523,081

Projects not being funded

• Tractor	\$ 30,000
• HS Courtyard Project	\$ 16,000 (students to raise \$3,000)
• Sealing HS Parking Lot	\$ 100,000
• Athletic Field LED Lights	<u>\$ 60,000</u>
	\$ 206,000

HISTORICAL PSERS RATES



	RATE
• FY12	8.65%
• FY13	12.36%
• FY14	16.93%
• FY15	21.40%
• FY16	25.84%
• FY17	30.03%
• FY18	32.57%
• FY19	33.43%
• FY20	34.29%
• FY21	34.51%
• FY22	34.94%
• FY23	35.26%
• FY24	34.00%
• FY25	33.90%
• FY26	34.72% Projected
• FY27	35.41% Projected
• FY32	38.26% Projected

REVENUE ASSUMPTIONS & UPDATES



- NO MILLAGE INCREASE CURRENTLY INCLUDED IN PROPOSED BUDGET. ACT 1 INDEX IS 6.40%
- LOCAL REVENUES BASED ON HISTORICAL OR ANTICIPATED TRENDS
- ALL OTHER REVENUE LINES CONSISTENT WITH CURRENT TRENDS

CURRENT BUDGETARY POSITION (2024-2025)



Proposed Revenues	\$21,648,582
Proposed Expenditures	<u>\$21,821,387</u>
Current Projected Deficit	\$ (172,805)

*(Above does not include projects being funded from
Assigned Fund Balance)*

ACTI Funding not included in the above \$200,000

LOCAL REVENUE (2024-2025)



- Total Assessed Value increased from the previous year by \$3,016,700 which equates to the additional real estate tax of \$34,920.
- Current real estate tax collection is calculated at 97% for the District.
- Proposed budget contains no increase to current millage rate.

LOCAL REVENUE (2024-2025) - cont.



6000 - Local Receipts	23-24 Budget	24-25 Budget	Budget \$ Change
10 R 6111 Real Estate Tax	9,465,868	9,575,593	109,725
10 R 6112 Interim Real Estate Tax	59,725	49,275	(10,450)
10 R 6113 Public Utility Realty Tax	11,500	11,000	(500)
10 R 6114 Payment in Lieu of Taxes	15,520	15,520	0
10 R 6151 Earned Income Tax	2,300,000	2,491,350	191,350
10 R 6153 Real Estate Transfer	250,000	230,000	(20,000)
10 R 6154 Amusement Tax	20,000	25,000	5,000
10 R 6411 Delinquent Real Estate Tax	280,000	125,000	(155,000)
10 R 6510 Interest on Investments	35,000	402,000	367,000
10 R 6710 Gate Receipts	20,000	15,900	(4,100)
10 R 6741 Athletic Physicals	9,000	9,000	0
10 R 6742 Student Fees	10,000	7,900	(2,100)
10 R 6831 LIU Access Transportation	20,000	27,000	7,000
10 R 6832 IDEA Pass Thru	185,000	190,000	5,000
10 R 6910 Rentals	7,500	2,500	(5,000)
10 R 6920 Contributions	35,055	26,432	(8,623)
10 R 6944 Receipts from other LEA's & Misc	75,000	267,000	192,000
Total	12,799,168	13,470,470	

STATE REVENUE (2024-2025)



- All State revenue budgeted based on actual trends.

STATE REVENUE (2024-2025) - cont.



7000 - State Receipts	23-24 Budget	24-25 Budget	\$ Change
10 R 7110 Basic Instructional Subsidy	4,100,089	4,200,000	99,911
10 R 7160 Section 1305 & 1306 Tuition	7,500	12,000	4,500
10 R 7220 Vocational Ed	5,000	9,400	4,400
10 R 7271 Special Education Subsidy	713,993	764,312	50,319
10 R 7311 Transportation	440,000	486,000	46,000
10 R 7312 Non-Public Transportation	5,000	10,000	5,000
10 R 7320 Bond Payment Reimbursement	16,500	98,000	81,500
10 R 7330 Medical Dental Services	16,000	16,300	300
10 R 7340 State Property Tax Reduction	579,459	579,419	(40)
10 R 7360 PCCD Safety & MH Grant	181,958	0	(181,958)
10 R 7505 Ready to Learn	147,924	147,924	0
10 R 7599 Other State Revenue	0	0	0
10 R 7810 Social Security	308,116	311,022	2,906
10 R 7820 Retirement	1,352,839	1,368,337	15,498
Total State Revenue	7,874,378	8,002,714	128,336

FEDERAL REVENUE (2024-2025)



- Title I – Increase of \$19,181
- Title II – Increase of \$170
- Title IV – No increase - same as 23-24
- ARP ESSER Funds – Decrease of \$374,533

FEDERAL REVENUE (2024-2025) - cont.



8500 - Federal Revenue	23-24 Federal	24-25 Federal
10 R 8514 Title I	121,824	141,005
10 R 8515 Title II	24,223	24,393
10 R 8517 Title IV	10,000	10,000
10 R 8751 ARP ESSER	374,533	0
Total Federal Revenue	530,580	175,398



PROJECTED EXPENSES 2024-2025

SALARIES & WAGES



SALARIES & WAGES				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
100 - Salaries and Wages	\$8,069,242	\$8,261,419	\$192,177	2.38%

Significant Factors affecting this budget category:

- PCCD grant for add'l salaries eliminated from budget
- School Psychologist salary no longer in this budget category

EMPLOYEE BENEFITS



EMPLOYEE BENEFITS				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
200 - Employee Benefits	\$4,815,421	\$4,829,177	\$13,756	.29%

Significant Factors affecting this budget category:

*** No significant changes**

PROFESSIONAL & TECHNICAL SERVICES



PURCHASED PROFESSIONAL AND TECHNICAL SERVICES				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
300 - Purchased Technical Services	\$1,992,691	\$1,986,971	\$(5,720)	(.29)%

Significant Factors affecting this budget category:

- Increases in SE Autistic placements \$148,500; Audit increases for catch up yr \$37,000; School Psychologist services \$177,500; BCBA \$57,900. Decreases in PCCD grant expired \$32,500; less LIU services \$400,000

PROPERTY SERVICES



PURCHASED PROPERTY SERVICES				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
400 - Purchased Property Services	\$270,535	\$332,380	\$61,845	22.86%

Significant Factors affecting this budget category:

*** Maintenance and Tech repairs increased \$61,845; consistent with current spending levels**

OTHER PURCHASED SERVICES



OTHER PURCHASED SERVICES				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
500 – Other Purchased Services	\$2,566,780	\$3,060,031	\$493,251	19.22%

Significant Factors affecting this budget category:

*** Increases in Bus transportation \$14,500; SE transportation \$148,599; Non-pub transportation \$53,300; SE placements at Brook Lane and Merakey \$148,556; SE consortium increases of multi-handicapped \$104,500**

SUPPLIES/BOOKS/SOFTWARE/FUEL



SUPPLIES/BOOKS/SOFTWARE/FUEL				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
600 - Supplies	\$806,526	\$1,174,630	\$368,104	45.64%

Significant Factors affecting this budget category:

*** Increases in costs related to Ready to Learn Grant \$147,900 (offset in revenue); Tech software previously in object code 700 \$159,000.**

EQUIPMENT/SITE IMPROVEMENT



EQUIPMENT/SITE IMPROVEMENT				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget % Difference
700 - Equipment/Site Improvement	\$317,181	\$84,600	\$(232,581)	(73.33)%

Significant Factors affecting this budget category:

*** PCCD grant no longer in budget \$57,000; Tech equipment reclassified to object 600 \$159,000**

DUES/FEES/INTEREST



DUES/FEES/INTEREST				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget % Difference
800 - Dues, Fees, & Interest	\$958,859	\$903,939	\$(54,920)	(5.73)%

Significant Factors affecting this budget category:

*** \$50,000 related to legal tax appeal eliminated
from budget**

DEBT SERVICE PRINCIPAL



DEBT SERVICE PRINCIPAL				
Object	2023-2024 Budget	2024-2025 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
900 - Debt service principal	\$1,100,000	\$1,188,240	\$78,240	7.11%

Significant Factors affecting this budget category:

- * General Obligation Bond principal payment
- * Transfer to Cafeteria Fund in the amount of \$50,000;
in FY24 was zero

BUDGET-TO-BUDGET COMPARISON



Expenses 2023-2024 Budget vs 2024-2025 Proposed Budget

Object Codes	2023-2024	2024-2025	\$ Difference
100 - Salaries and Wages	\$8,069,242	\$8,261,419	\$192,177
200 - Employee Benefits	\$4,815,421	\$4,829,177	\$13,756
300 - Purchased Technical Services	\$1,992,691	\$1,986,971	\$(5,720)
400 - Purchased Property Services	\$270,535	\$332,380	\$61,845
500 - Purchased Property Services	\$2,566,780	\$3,060,031	\$493,251
600 - Supplies	\$806,526	\$1,174,630	\$368,104
700 - Equipment/Site Improvement	\$317,181	\$84,600	\$(232,581)
800 - Dues, Fees, & Interest	\$958,859	\$903,939	\$(54,920)
900 - Debt service principal	\$1,110,000	\$1,188,240	\$78,240
	\$20,907,235	\$21,821,387	\$914,152

EXPENDITURES BY FUNCTION



	FY24	FY25	Difference
• 1000 Instructional	\$11,775,375	\$12,055,860	\$280,485
• 2000 Support Services	\$6,628,684	\$7,155,158	\$526,474
• 3000 Non-Instructional	\$653,631	\$720,010	\$66,379
• 5000 Other Expenditures/Financing	\$1,849,545	\$1,890,359	\$40,814
• Total	\$20,907,235	\$21,821,387	\$914,152

BOND PAYMENTS



The school district has three outstanding bond series. The table below shows no significant reductions in payments for the next 14 years.

Year	Principal	Interest	Total
2024	\$1,041,981	\$745,263	\$1,787,244
2025	\$1,067,240	\$702,119	\$1,769,359
2026	\$1,070,000	\$660,120	\$1,730,120
2027	\$1,110,000	\$618,170	\$1,728,170
2028-2032	\$6,250,000	\$2,436,288	\$8,686,288
2033-2037	\$6,965,000	\$1,198,105	\$8,163,105
2038-2039	\$3,155,000	\$112,979	\$3,267,979

BUDGET TIMELINE (2024-2025)



- To date the Act 1 Index has been published and the Board, in a timely manner, adopted the resolution stating it would not raise taxes beyond the Index.
- **April 12, 2024** – Advertise intent to adopt preliminary budget
- **April 22, 2024**– Board adopts preliminary budget
- **May 20, 2024** – Board adopts proposed final budget
- **May 21, 2024** - Advertise proposed budget 20 days prior to final adoption
- **May 21, 2024** – Deadline for district to make the proposed final budget available for public inspection ----This must be done 20 days prior to final budget adoption date.
- **June 24, 2024** – Board adopts final budget

DISCUSSION & QUESTIONS

