

HOLLIDAYSBURG AREA SCHOOL DISTRICT BASIC EDUCATION FUNDING



Working to develop and support leaders in school business operations

BASIC EDUCATION FUNDING

- Act 51 of 2014 created the Basic Education Funding Commission
- They held 15 public hearings in 2014 and 2015; taking testimony from 110 individuals
- They worked with the IFO to conduct a survey of 125 SDs to determine costs for various factors that became the basis for the weights in the BEF formula
- The Commission issued its final report and recommendations in June 2015
- The new formula went into effect for 2015-16



IMPORTANT NOTES ON THE BEF FORMULA

- The formula only distributes “new” funds—BEF appropriated beginning in 2015-16
- Formula is designed to direct resources to districts that need them the most (growing districts, high poverty, high ELL, high charter school costs)
- Other factors are designed to address district geographic and fiscal capacity issues
- Formula is dynamic and distribution will respond to changing district demographics (new funds are redistributed through the formula each year)
- The formula is factor-specific; it does not distribute new dollars in the same way to all urban, suburban and rural districts



Basic Education Funding 22-23

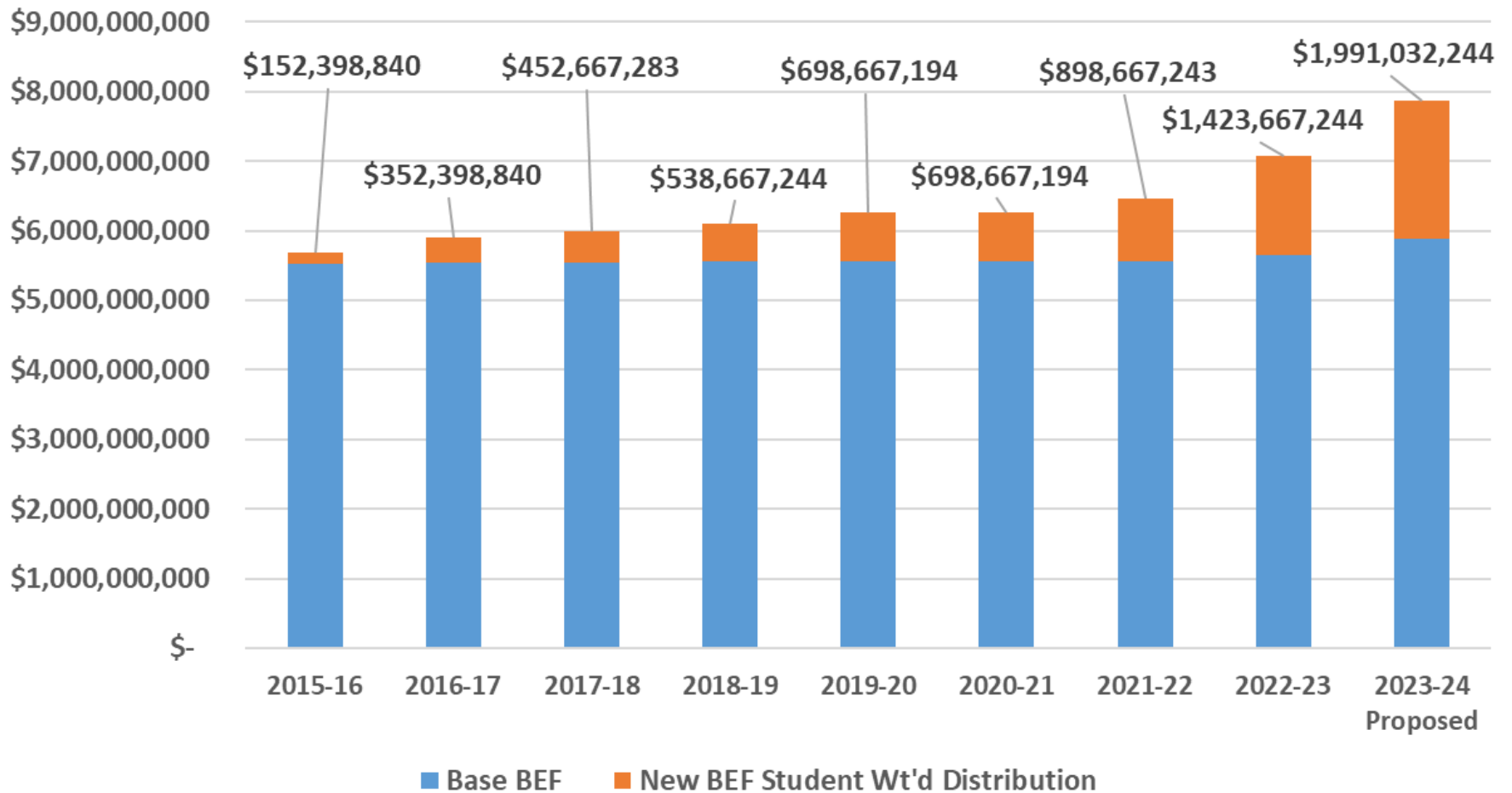
BEF Base	\$5,656,411,805
BEF Formula	\$1,423,667,243
Level-Up Supplement	\$225,000,000
SD Social Security Reimbursement	\$545,045,000
TOTAL BEF Appropriation	\$7,805,124,041



Basic Education Funding 23-24

BEF Base	\$5,881,411,806
BEF Formula	\$1,991,032,244
Level-Up Supplement	None Proposed
SD Social Security Reimbursement	\$549,307,000
TOTAL BEF Appropriation	\$8,421,751,049

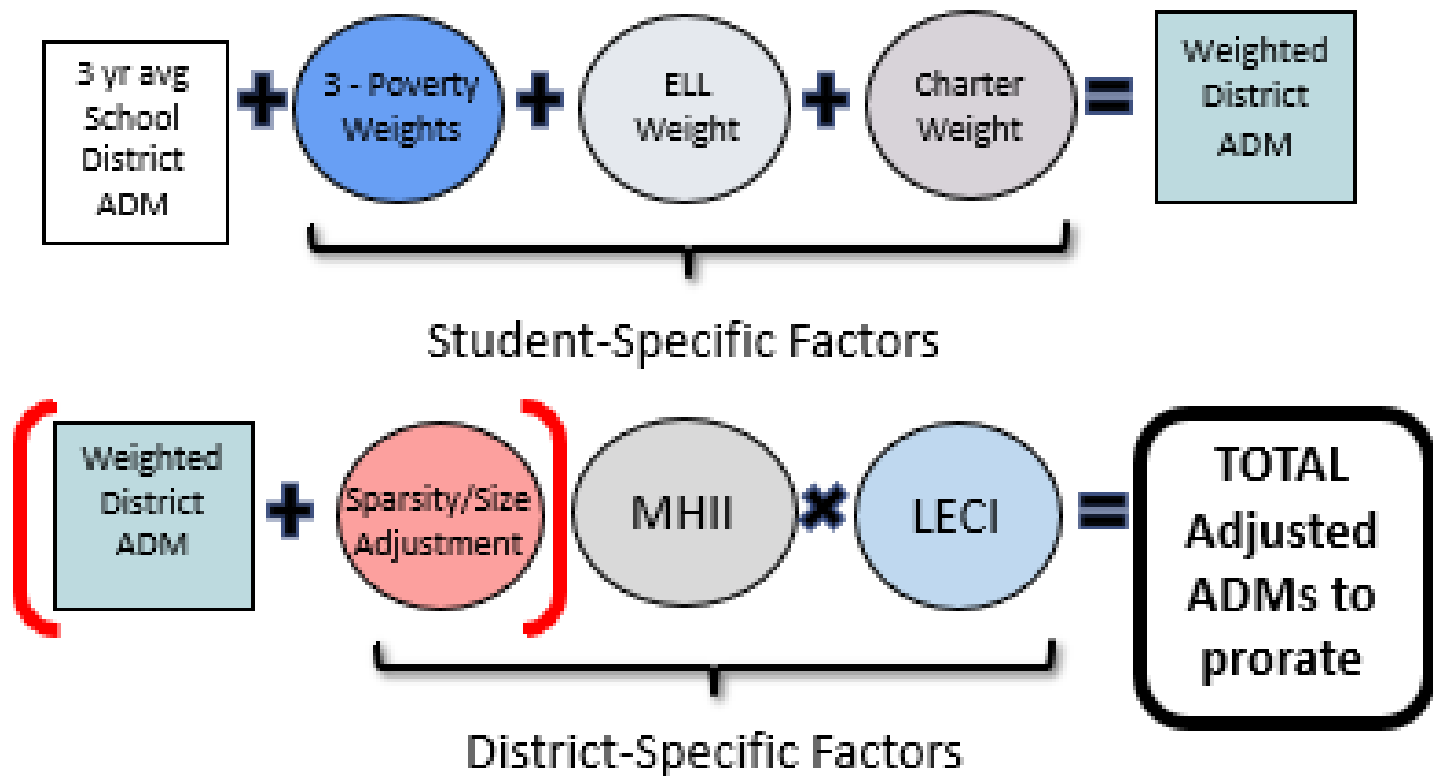




FY	Base BEF Amount	BEF Formula Amount	Change	Level up
2015-16	\$5,527,680,160	\$152,398,840		
2016-17	\$5,542,411,717	\$352,398,840	\$200,000,000	
2017-18	\$5,542,411,717	\$452,667,283	\$100,268,443	
2018-19	\$5,556,411,756	\$538,667,244	\$85,999,961	
2019-20	\$5,556,411,806	\$698,667,194	\$159,999,950	
2020-21	\$5,556,411,806	\$698,667,194	\$0	
2021-22	\$5,556,411,806	\$898,667,243	\$200,000,049	\$100,000,000
2022-23	\$5,656,411,806	\$1,423,667,244	\$525,000,000	\$225,000,000
2023-24	\$5,881,411,806	\$1,991,032,244	\$567,365,001	
			\$1,841,268,404	\$325,000,000

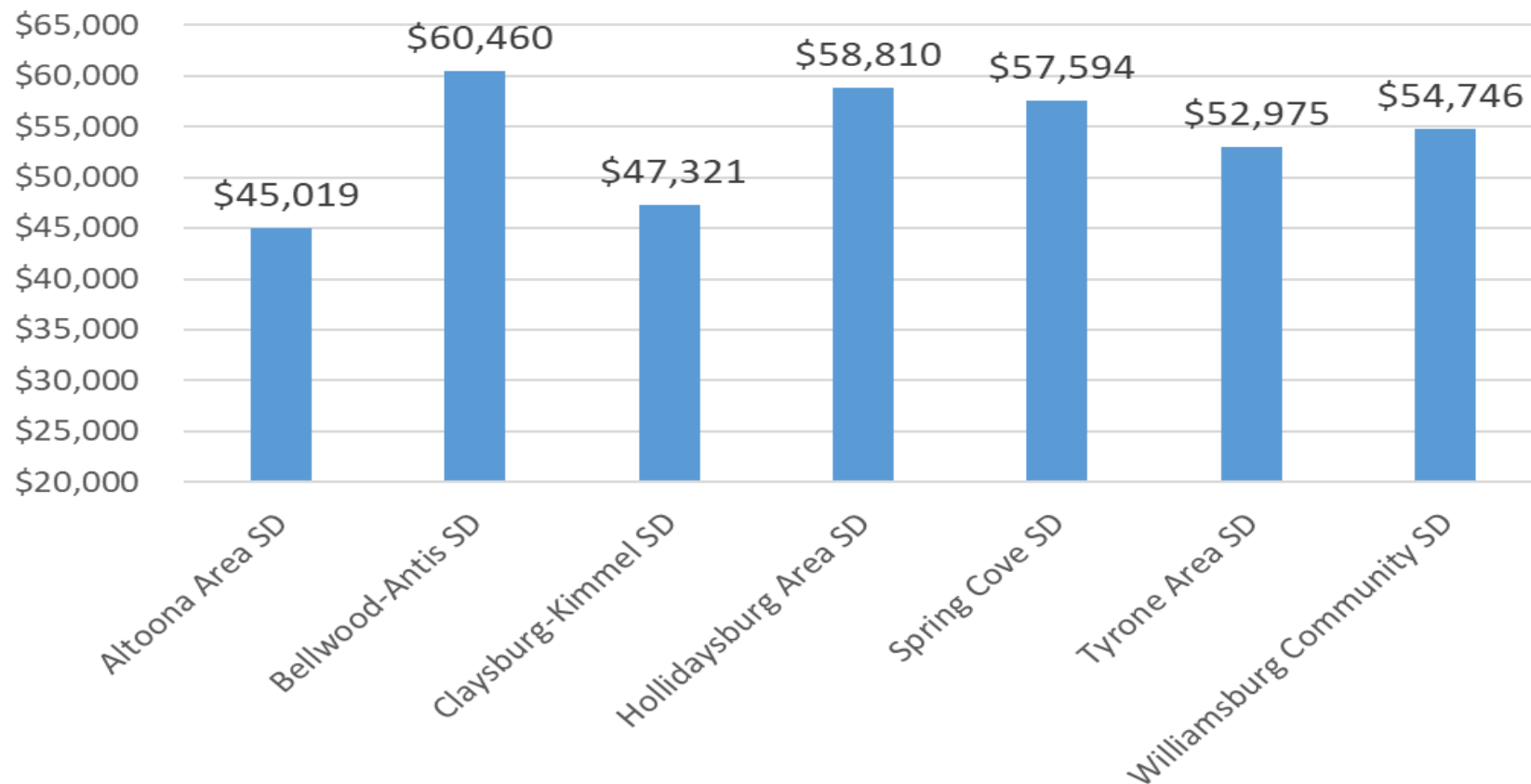


BASIC EDUCATION FUNDING FORMULA



BLAIR CO MHHI....STATE \$67,587 MEDIAN

Blair Co. 2021
ACS 5-yr
Median Household Income

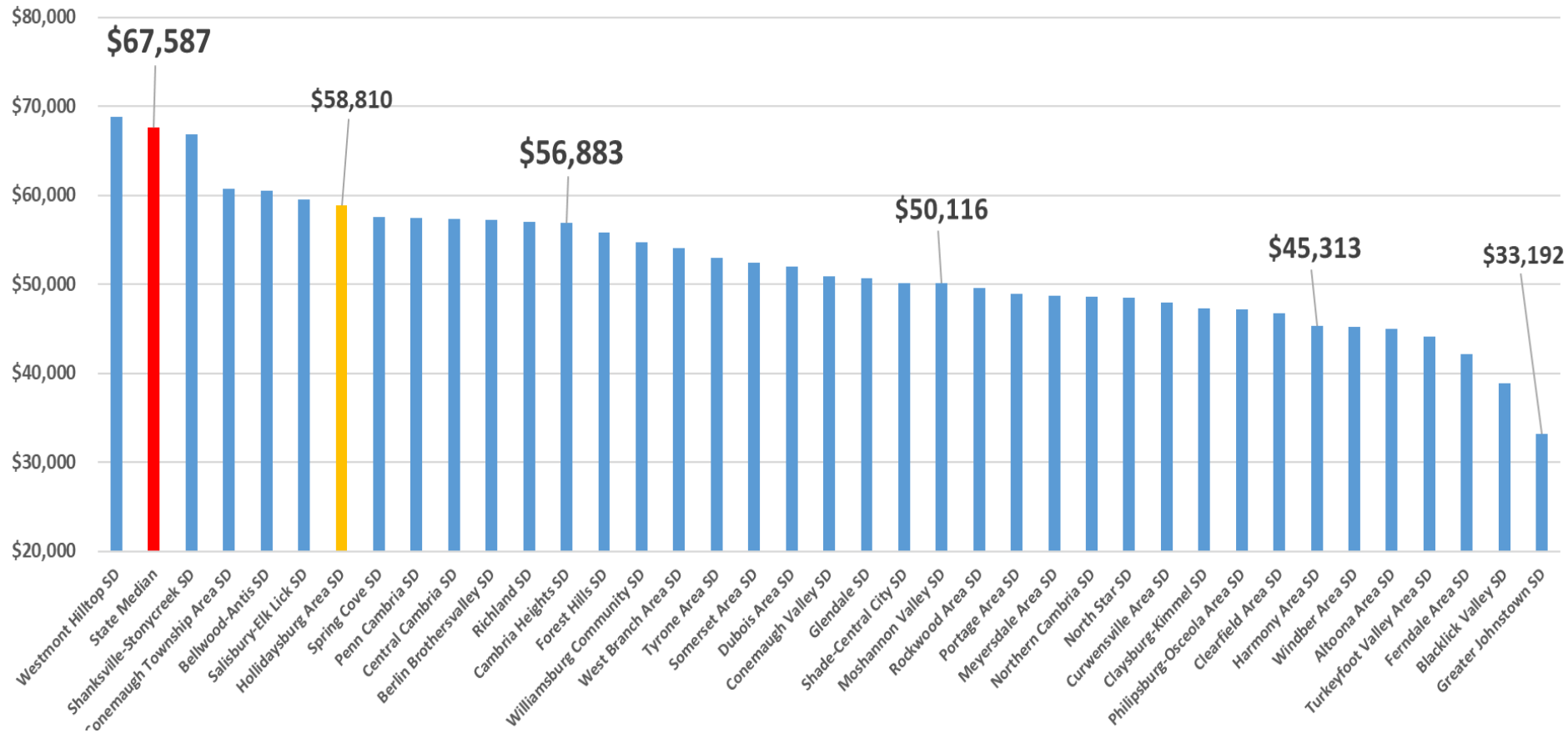


4 County (Blair, Cambria, Clearfield, Somerset)

2021

ACS 5-yr

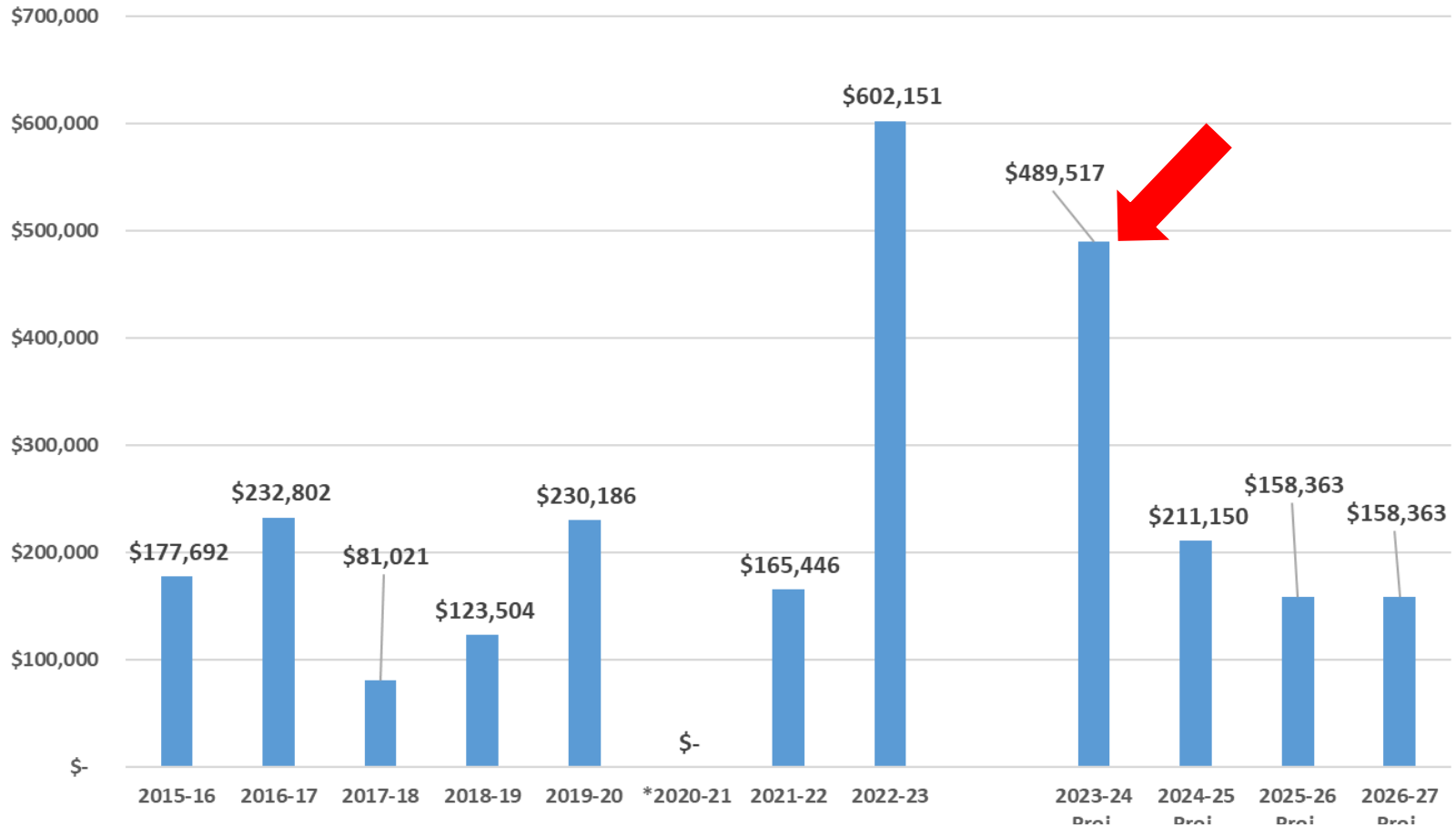
Median Household Income



	Total Student-Weighted ADM * MHII * LECI	Estimated Student-Weighted Distribution	SD change	Your District's Share	Amount in student weighted BEF Distribution	Amount per Total wtd ADM after multipliers	Share Change
2015-16	3,407.688	\$177,692.03		0.001166	\$ 152,398,840	\$ 52.14	
2016-17	3,406.134	\$410,493.76	\$232,802	0.001165	\$ 352,398,840	\$ 120.52	-0.1%
2017-18	3,235.953	\$491,515.26	\$81,002	0.001086	\$ 452,667,283	\$ 151.89	-6.8%
2018-19	3,362.992	\$615,019.58	\$123,504	0.001142	\$ 538,667,294	\$ 182.88	5.2%
2019-20	3,567.707	\$845,205.17	\$230,186	0.001210	\$ 698,667,194	\$ 236.90	6.0%
*2020-21	3,567.707	\$845,205.17	\$0	0.001210	\$ 698,667,194	\$ 236.90	0.0%
2021-22	3,202.080	\$1,010,651.52	\$165,440	0.001125	\$ 898,667,194	\$ 315.62	-7.0%
2022-23	3,088.355	\$1,612,802.91	\$602,151	0.001133	\$ 1,423,667,194	\$ 522.22	0.7%
2023-24 ?	2,775.462	\$2,102,035.02	\$489,232	0.001056	\$ 1,991,032,243	\$ 757.36	-6.8%



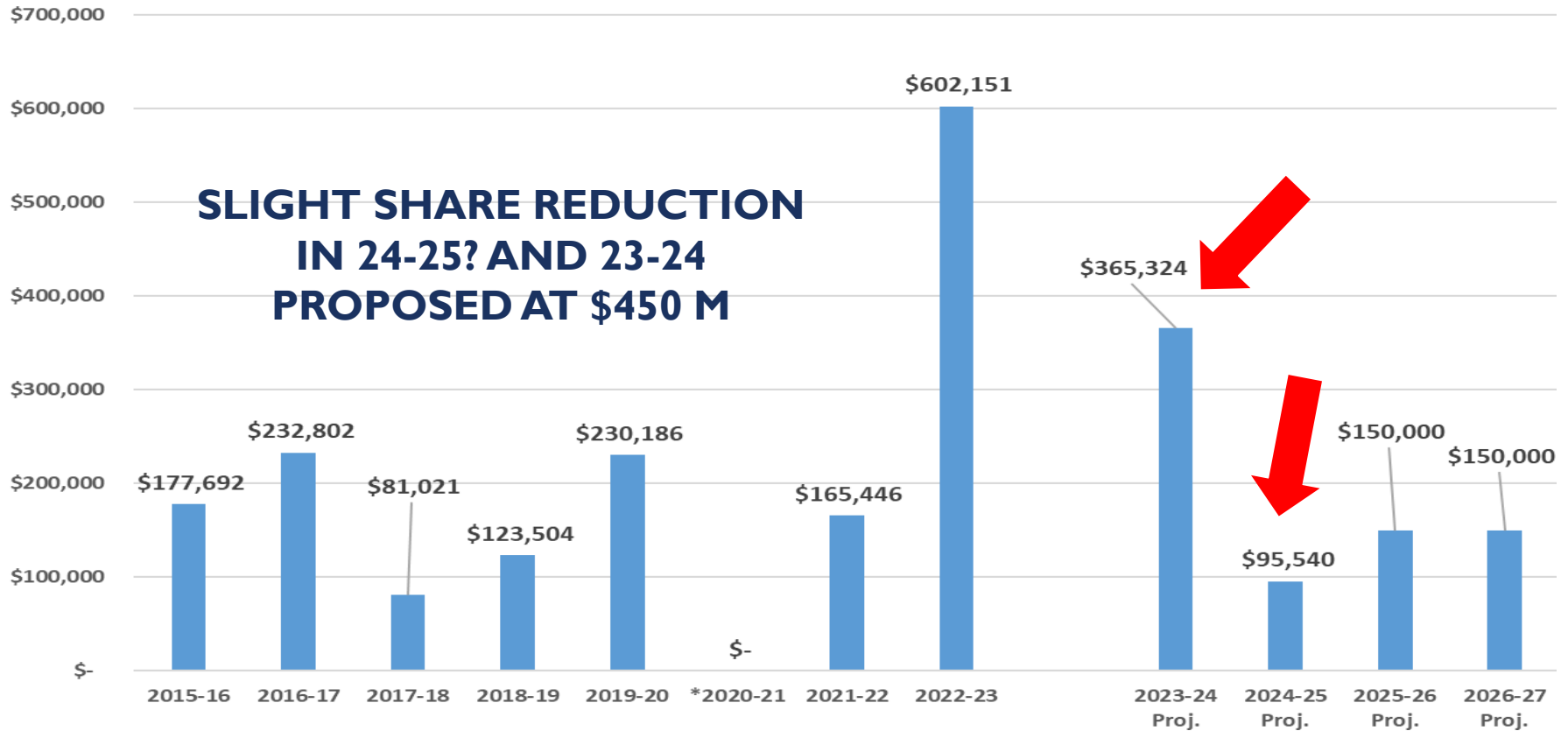
LEA's Student Wtd Amount Annual Increase



Projections based on Estimated State Adds and share estimates	2023-24 Proj.	\$ 567,635,002	\$ 1,991,302,196	0.001056	\$ 2,102,320.02	\$ 489,517
	2024-25 Proj.	\$ 200,000,000	\$ 2,191,302,196	0.001056	\$ 2,313,470.30	\$ 211,150
	2025-26 Proj.	\$ 150,000,000	\$ 2,341,302,196	0.001056	\$ 2,471,833.00	\$ 158,363
	2026-27 Proj.	\$ 150,000,000	\$ 2,491,302,196	0.001056	\$ 2,630,195.71	\$ 158,363
Four Year Projections		\$ 1,067,635,002				\$ 1,017,393



LEA's Student Wtd Amount Annual Increase



Projections based on Estimated State Adds and share estimates	2023-24 Proj.	\$ 450,000,000	\$ 1,873,667,194	0.001056	\$ 1,978,126.71	\$ 365,324
	2024-25 Proj.	\$ 200,000,000	\$ 2,073,667,194	0.001000	\$ 2,073,667.19	\$ 95,540
	2025-26 Proj.	\$ 150,000,000	\$ 2,223,667,194	0.001000	\$ 2,223,667.19	\$ 150,000
	2026-27 Proj.	\$ 150,000,000	\$ 2,373,667,194	0.001000	\$ 2,373,667.19	\$ 150,000
Four Year Projections		\$ 950,000,000				\$ 760,864



SEF Share	BEF Share	PT Share	Total Budget
4.5%	24.0%	43.0%	
Total Shares	28.5%	43.0%	71.5%
Assumed Increase	2.0%	2.0%	
Budget Impact	0.57%	0.86%	1.43%

SEF Share	BEF Share	PT Share	Total Budget
4.5%	24.0%	43.0%	
Total Shares	28.5%	43.0%	71.5%
Assumed Increase	2.00%	0.0%	
Budget Impact	0.57%	0.00%	0.57%

The out years for continued BEF at ½ billion dollar adds? Do increases return to pre-pandemic levels?



SEF Share	BEF Share	PT Share	Total Budget
4.5%	24.0%	43.0%	
Total Shares	28.5%	43.0%	71.5%
Assumed Increase	3.0%	3.0%	
Budget Impact	0.86%	1.29%	2.15%

SEF Share	BEF Share	PT Share	Total Budget
4.5%	24.0%	43.0%	
Total Shares	28.5%	43.0%	71.5%
Assumed Increase	3.75%	4.0%	
Budget Impact	1.07%	1.72%	2.79%

The out years for continued BEF at ½ billion dollar adds? Do increases return to pre-pandemic levels?



SEF Share	BEF Share	PT Share	Total Budget
4.5%	24.0%	43.0%	
Total Shares	28.5%	43.0%	71.5%
Assumed Increase	3.75%	0.0%	
Budget Impact	1.07%	0.00%	1.07%

SEF Share	BEF Share	PT Share	Total Budget
4.5%	24.0%	43.0%	
Total Shares	28.5%	43.0%	71.5%
Assumed Increase	1.50%	2.5%	
Budget Impact	0.43%	1.08%	1.50%

The out years for continued BEF at ½ billion dollar adds? Do increases return to pre-pandemic levels?



Pension Differential over time: Actual

Revenue Versus Expense History

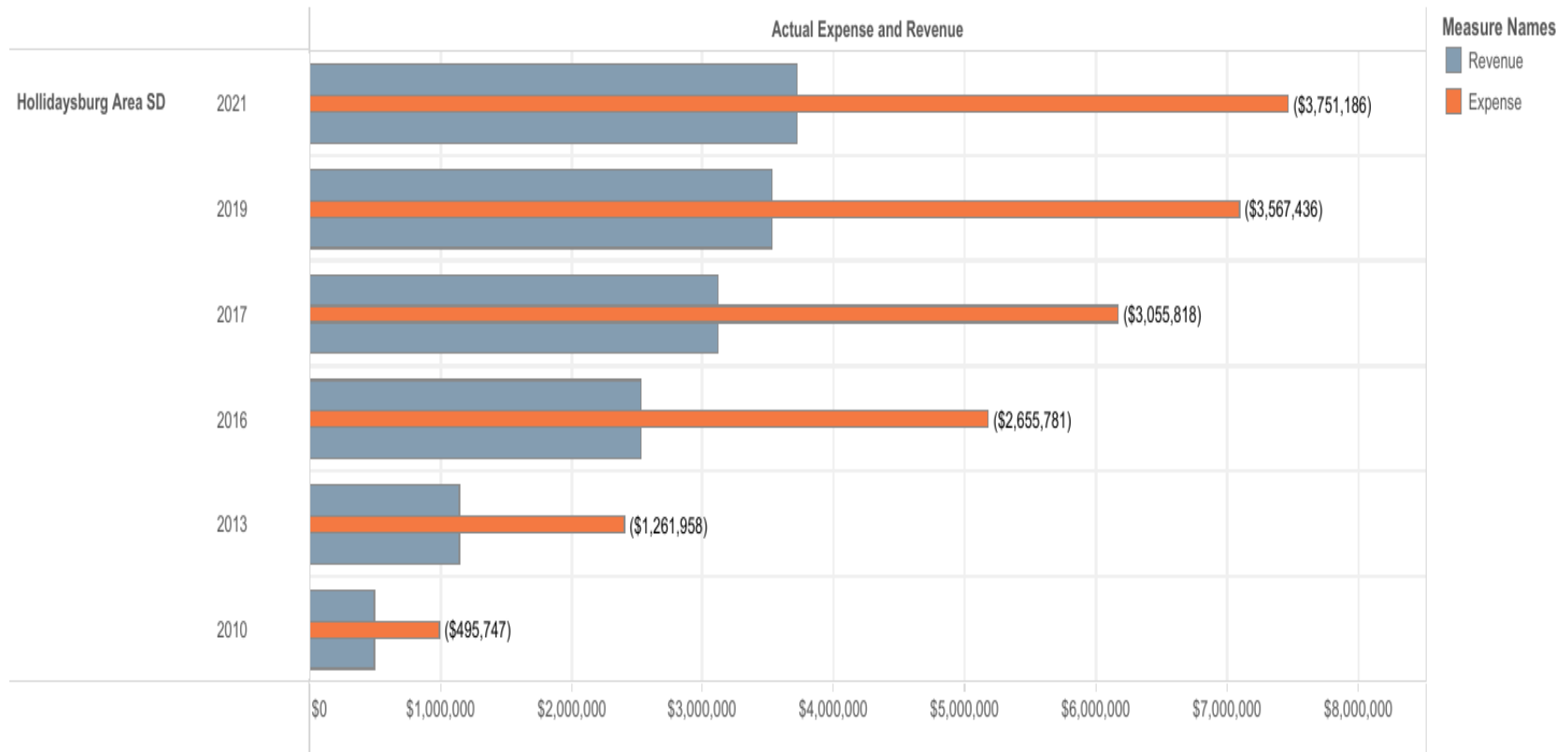
Pension

Revenues: Function Level 4: 7820

Expenses: Object level 2: 230

Source: Pennsylvania Department of Education

Note: Expense/Revenue Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Pension Differential over time: Actual P/ S

Revenue Versus Expense History

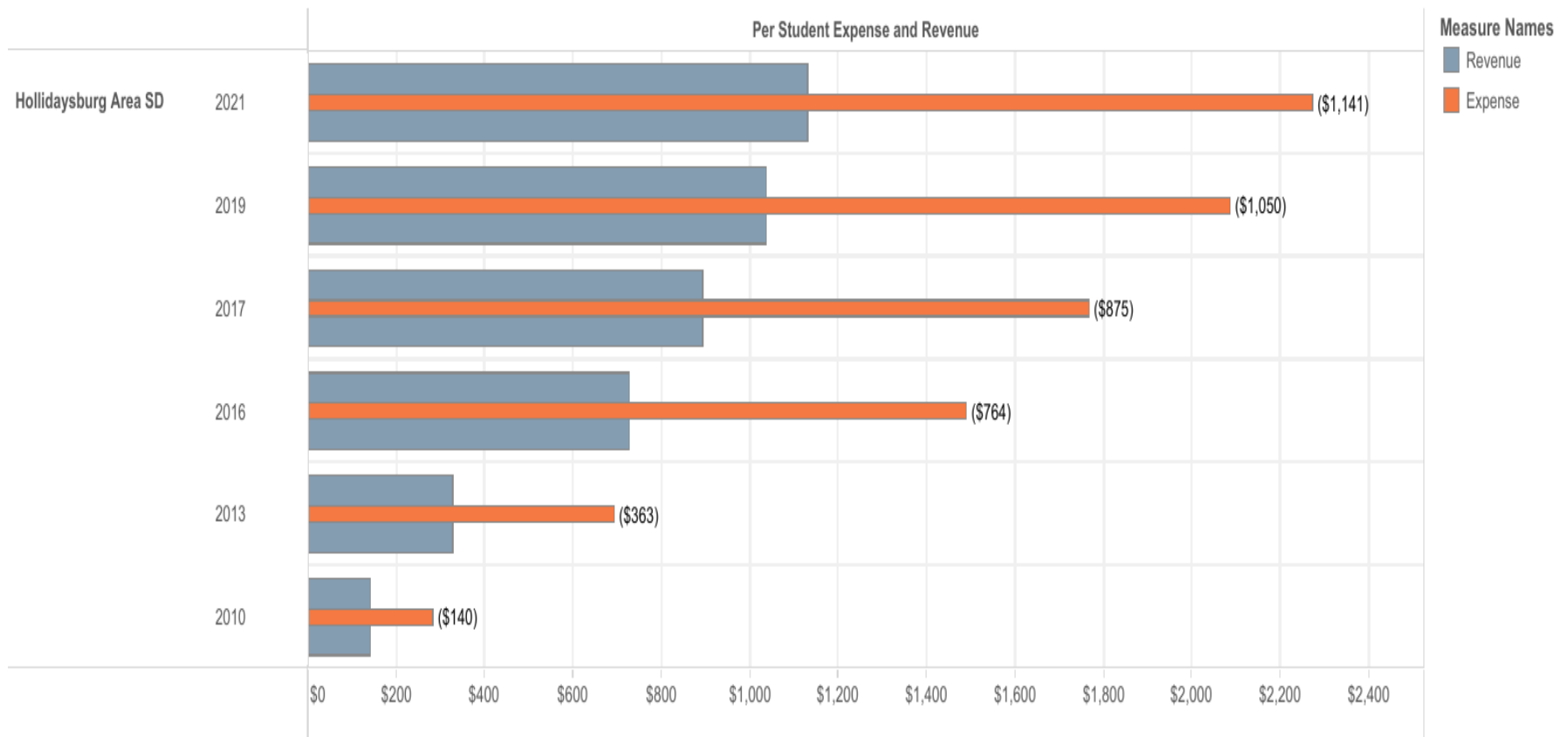
Pension

Revenues: Function Level 4: 7820

Expenses: Object level 2: 230

Source: Pennsylvania Department of Education

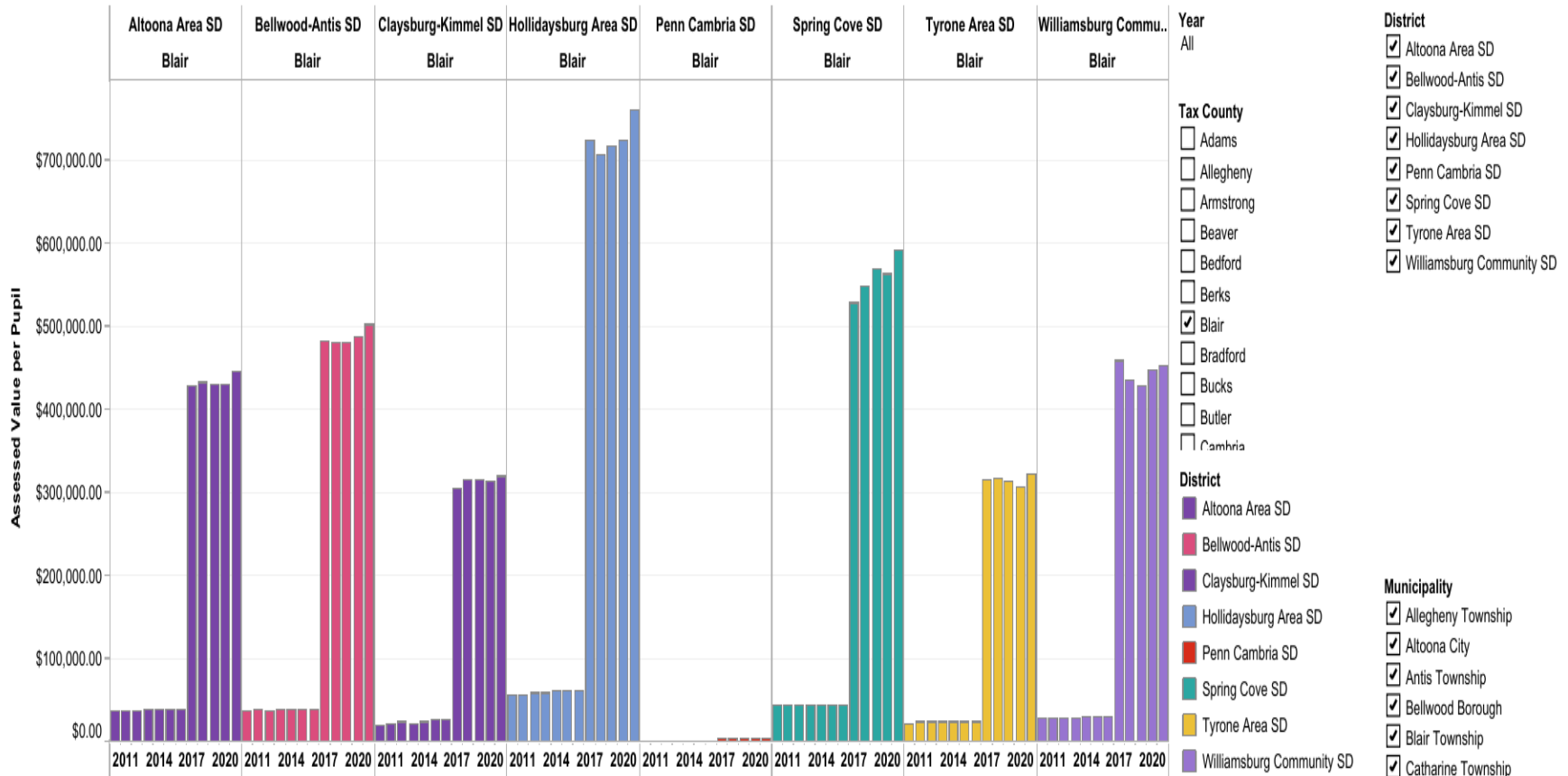
Note: Expense/Revenue Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Assessed Value

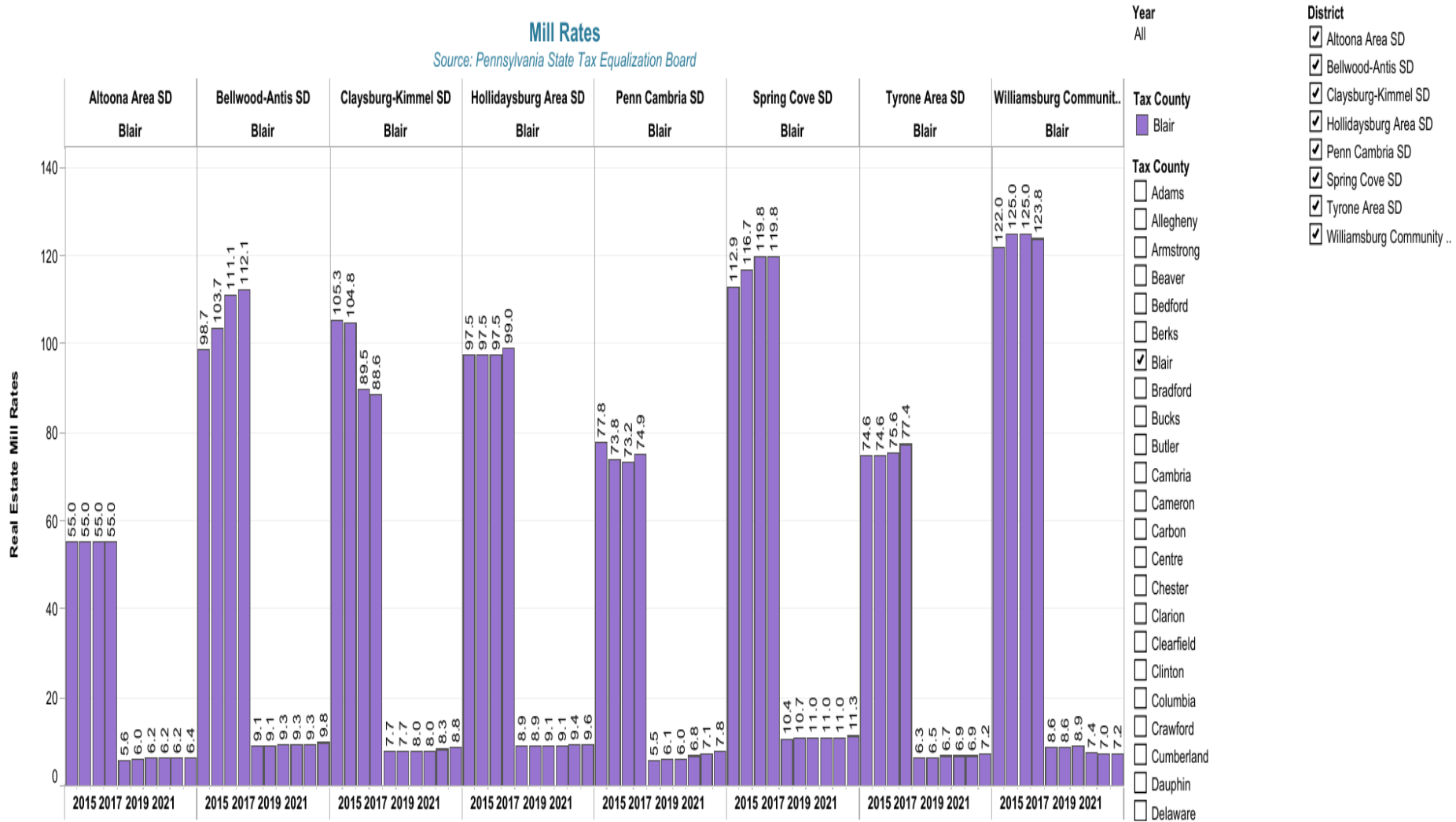
Assessed Value per Pupil

Source: Pennsylvania State Tax Equalization Board



Mill Rates

Source: Pennsylvania State Tax Equalization Board



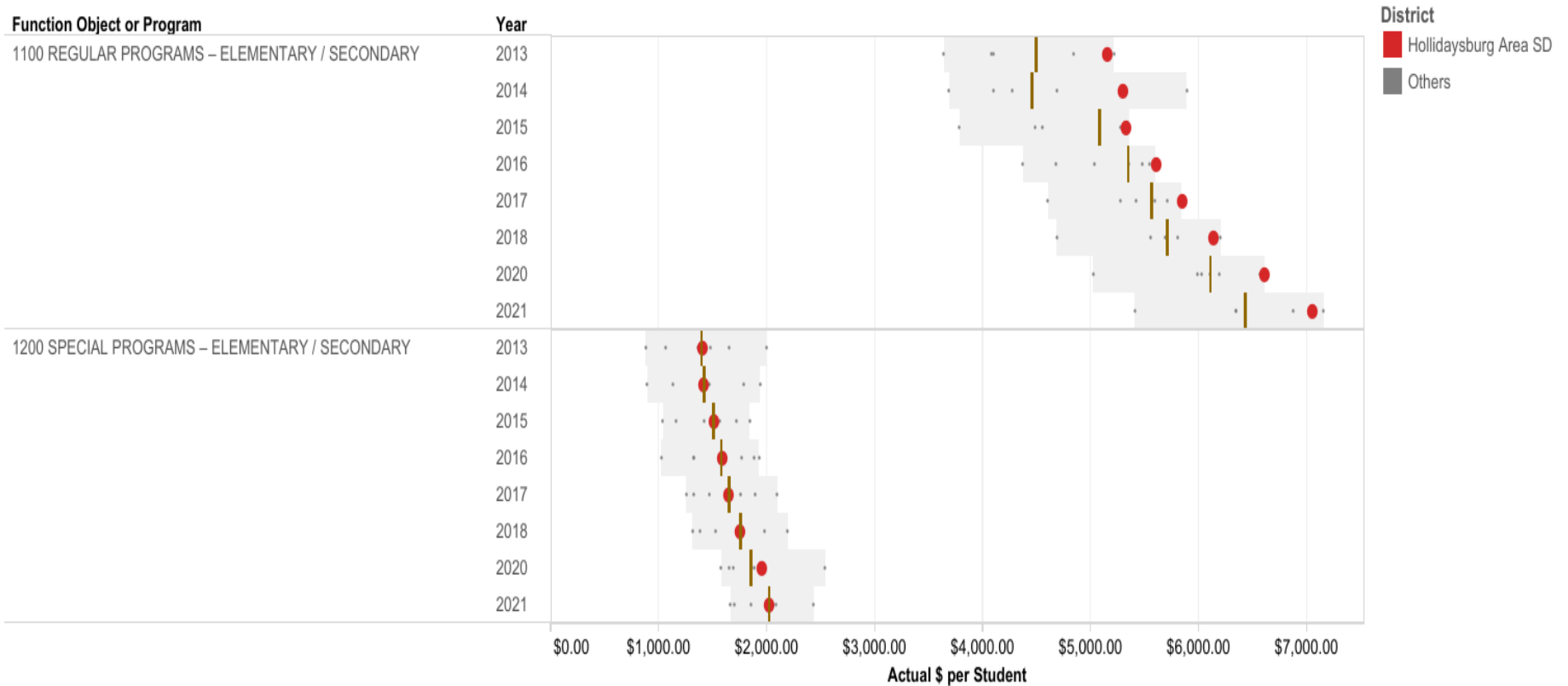
Blair County SDs

Benchmark Comparison - Expenses

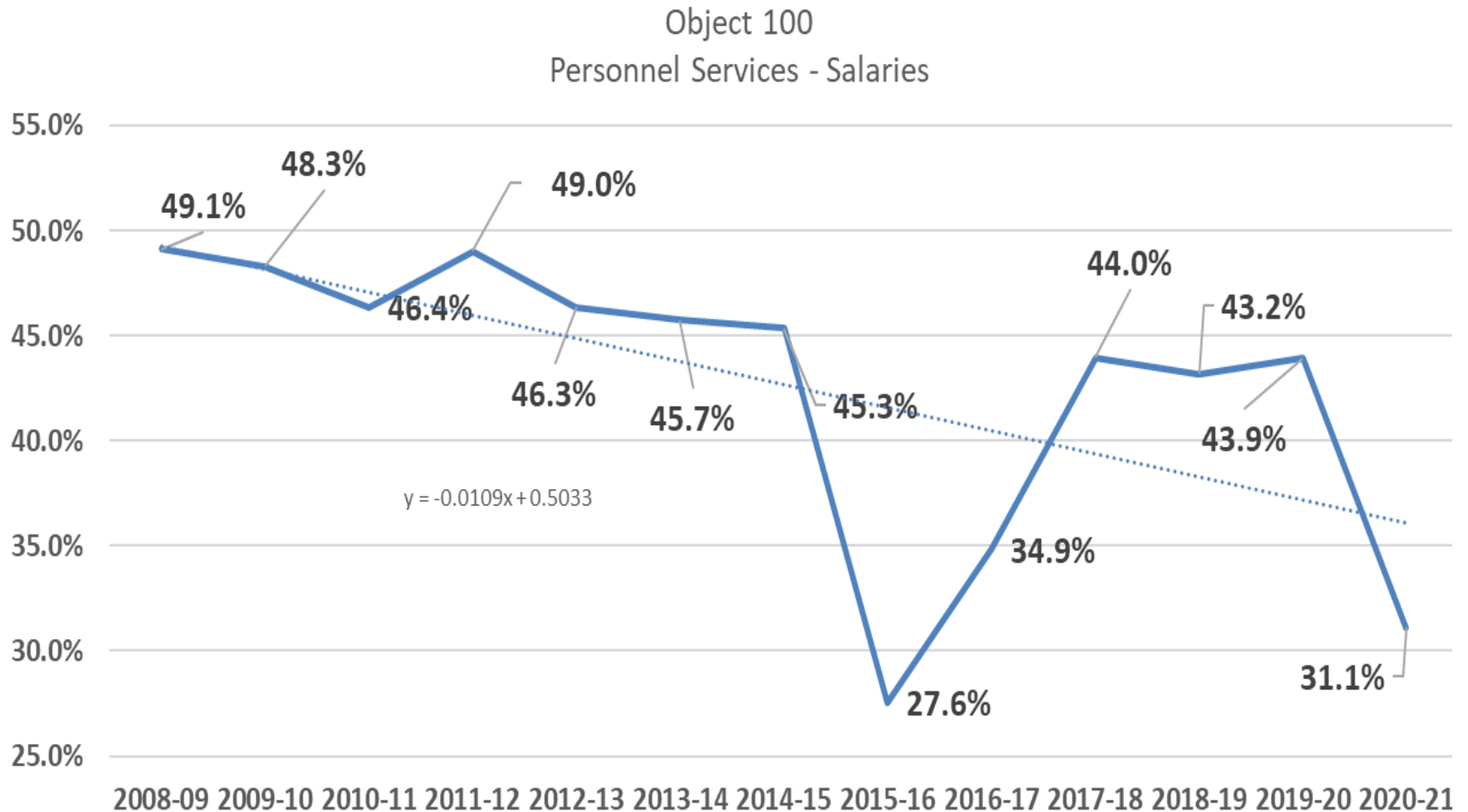
District: Hollidaysburg Area SD

Source: Pennsylvania Department of Education

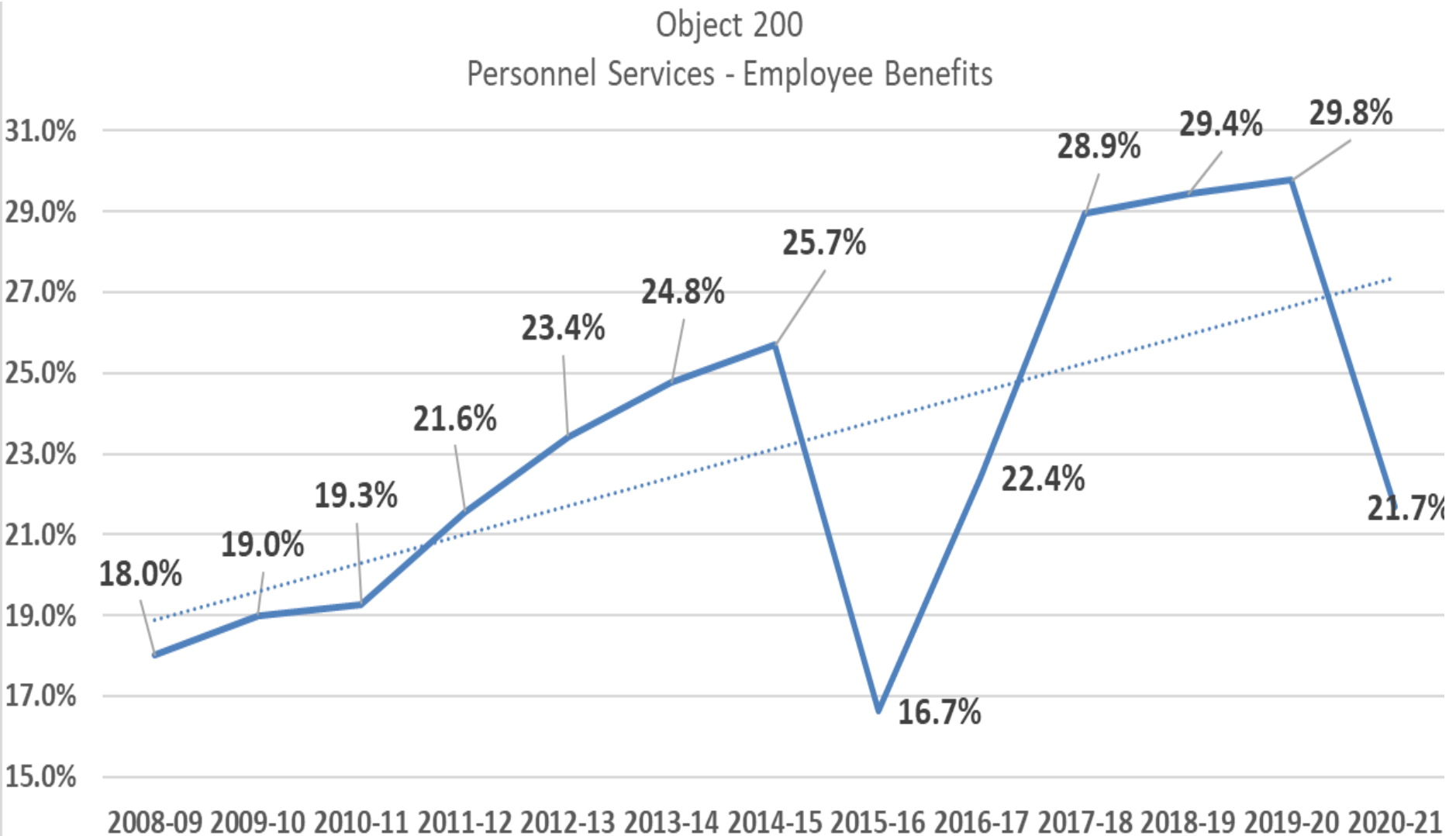
Note: Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



HASD: 100s from about 50% to 38% share

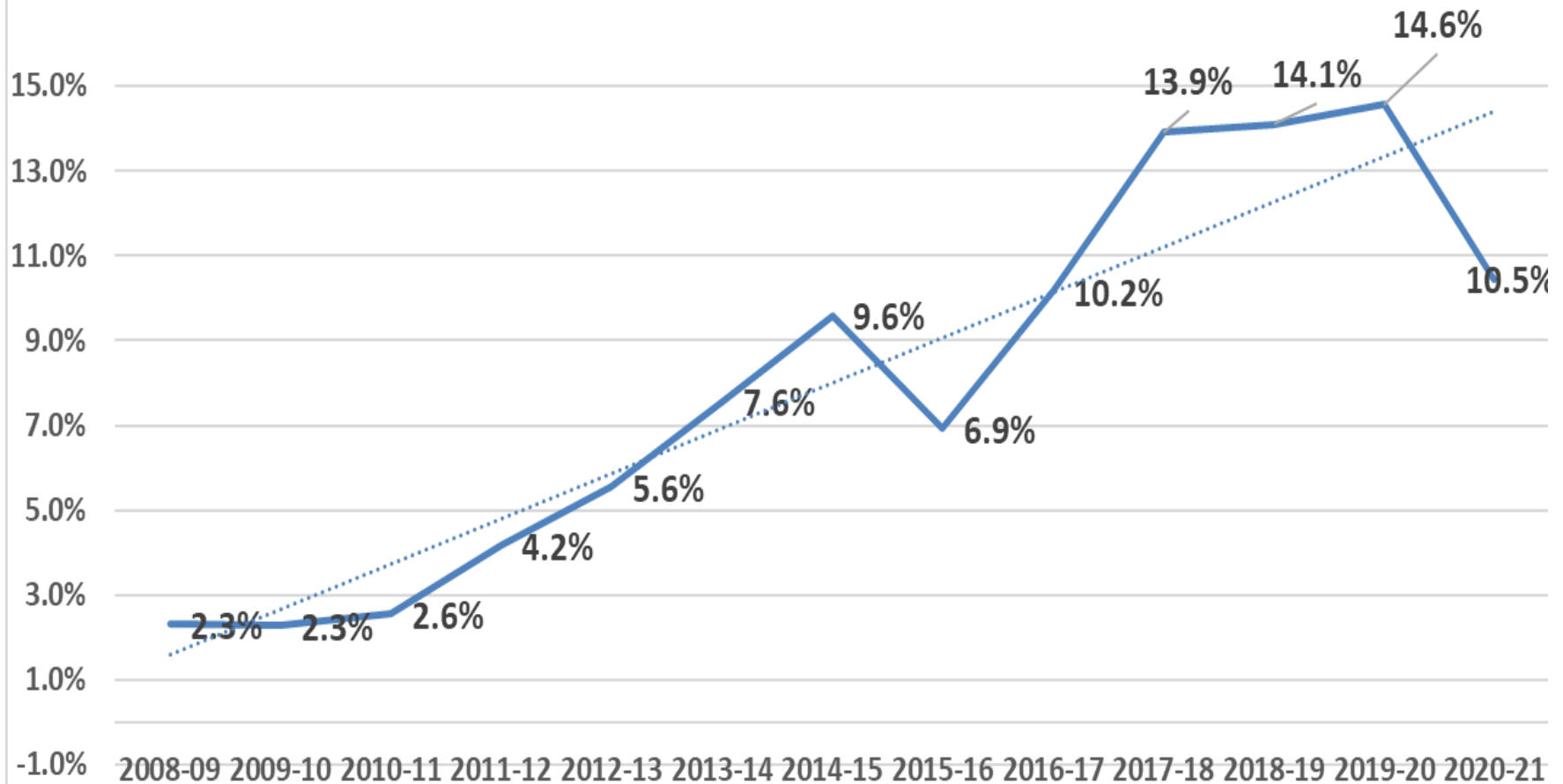


HASD: 200s 18% to 30% share

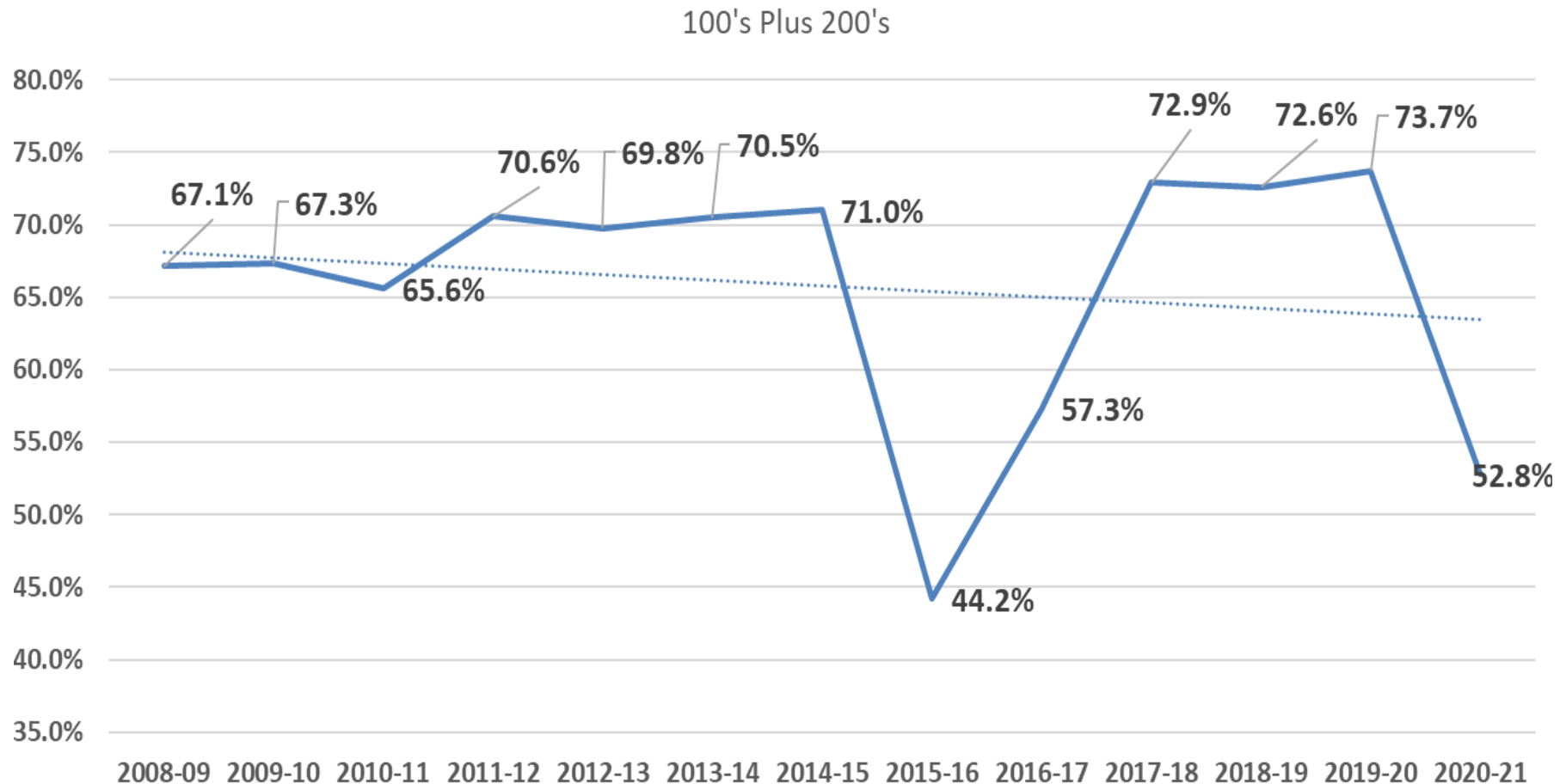


Pension grew its share by about 13% of total expenditures

Object 230 Retirement Contribution



Salary share declined while benefit share increased, total combined share stayed flat



Board Authority—the extent to which a change in property tax revenue at the Act I index will cover your district's increasing costs.

Total Budget	\$100 million	\$60 million
Budgeted increases (charter tuition, SE, pension/benefits increases, etc.)	3.00%→\$3 million	2.5%→\$1.5 million
Local Revenue Reliance	63%→\$63 million	25%→\$15 million
Max Act I Index	4.0%	4.2%
Board Authority	2.52% of \$100 million→\$2.52 million	1.05% of \$60 million→\$630,000
Outside of Board Authority	\$480,000	\$870,000



BA = 0.86% of total budget at 2% increase;
\$2.1 million behind in inflation in PTs since 2017

PT share of Total	42.3%	42.8%	43.0%	30.9%					
% increase?	2.0%	2.0%	2.0%						
Board Authority of total	0.85%	0.86%	0.86%						
PT change	\$ 775,876	\$ 440,012	\$ 152,902	\$ 898,626	\$ 465,604	\$ 171,161			
PT change %	3.7%	2.0%	0.7%	4.1%	2.0%	0.7%	Avg 2.2%		
	\$ 20,727,356.00						\$ 25,701,921.44		
	1.24 BLS Inflation								
						\$ 2,070,384.44			

CPI Inflation Calculator

\$

1.00

in

January

2017

has the same buying power as

\$1.24

in

February

2023

Calculate

\$2,1 million behind inflation with property tax revenue

	Assessed Valuation	Levy	Millage Rate	Assessed Value % Change
<u>2018</u>	\$ 2,331,982,100	\$ 20,727,356	8.8883	
<u>2019</u>	\$ 2,419,273,850	\$ 21,503,232	8.8883	3.74%
<u>2020</u>	\$ 2,412,379,325	\$ 21,943,244	9.0961	-0.28%
<u>2021</u>	\$ 2,429,189,025	\$ 22,096,146	9.0961	0.70%
<u>2022</u>	\$ 2,437,797,826	\$ 22,994,772	9.4326	0.35%
<u>2023</u>	\$ 2,456,455,226	\$ 23,460,376	9.5505	0.77%
<u>2024</u>	\$ 2,474,376,951	\$ 23,631,537	9.5505	0.73%



STATE FUNDING AND LOCAL FUNDING SHARES: IF ONE SHARE DOES NOT LIFT, THE OTHER CANNOT BALANCE

Local share lever is the only one available to school boards, and it is limited not just by Act I, but by the actual Board Authority as measured by control of the total budget.

The tortoise versus the hare (with Act I, there is no 'hare' option if needed).

One side either lifts along the way, or it does not. One is a choice, and the other is a choice made for you.

