




HOLLIDAYSBURG AREA SCHOOL DISTRICT

2022-2023

BUDGET DISCUSSION

MAY 25, 2022



POSSIBLE BUDGET REDUCTIONS

Budget Item	Dollar Amount
Insurance Renewal Savings	\$ 125,000
CTC Tuition Adjustment	\$ 11,884
Subtotal	\$ 136,884
Use of ESSER Funds	\$ 1,000,000
Department Cuts (In process)	\$ 200,000
Additional Teacher Position	\$ 65,000
Reduce Curriculum Purchases	\$ 3,000
Subtotal	\$ 268,000
TOTAL	\$ 1,404,884

HOMESTEAD AND FARMSTEAD

- THE TAXPAYER RELIEF ACT, ACT 1 OF SPECIAL SESSION 1 OF 2006, WAS SIGNED INTO LAW ON JUNE 27, 2006. THE TAXPAYER RELIEF ACT PROVIDES FOR PROPERTY TAX REDUCTION ALLOCATIONS TO BE DISTRIBUTED BY THE COMMONWEALTH TO EACH SCHOOL DISTRICT. PROPERTY TAX REDUCTION WILL BE THROUGH A “HOMESTEAD OR FARMSTEAD EXCLUSION.” GENERALLY, MOST OWNER OCCUPIED HOMES AND FARMS ARE ELIGIBLE FOR PROPERTY TAX REDUCTION. ONLY A PRIMARY RESIDENCE IS ELIGIBLE FOR PROPERTY TAX RELIEF.
- TO RECEIVE SCHOOL PROPERTY TAX RELIEF FOR TAX YEARS BEGINNING JULY 1 OR JANUARY 1, AN APPLICATION FOR HOMESTEAD OR FARMSTEAD EXCLUSIONS MUST BE FILED BY THE PRECEDING MARCH 1. SCHOOL DISTRICTS ARE REQUIRED TO NOTIFY HOMEOWNERS BY DECEMBER 31 OF EACH YEAR IF THEIR PROPERTY IS NOT APPROVED FOR THE HOMESTEAD OR FARMSTEAD EXCLUSION OR IF THEIR APPROVAL IS DUE TO EXPIRE.
- CURRENTLY 6742 HOMESTEAD EXCLUSIONS AND 21 FARMSTEAD EXCLUSIONS
- SOURCE: DCED ([HTTPS://DCED.PA.GOV/LOCAL-GOVERNMENT/PROPERTY-TAX-RELIEF-HOMESTEAD-EXCLUSION](https://dced.pa.gov/local-government/property-tax-relief-homestead-exclusion))

BUDGET FORECASTING MODEL - Proposed Budget

	<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue		\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717

Budgeted Expenses						
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 8,091,353	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 19,292,218	\$ 19,678,062	\$ 20,071,623	\$ 20,473,056
Budget Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses		\$ 55,422,517	\$ 56,843,329	\$ 58,076,933	\$ 59,481,321	\$ 60,883,206

Revenues over Expenditures	\$ (3,958,121)	\$ (4,349,645)	\$ (4,533,375)	\$ (4,866,892)	\$ (5,176,489)	
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -	
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451	
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)						
Projected Ending Deficit/Surplus	\$ (3,208,971)	\$ (3,768,073)	\$ (3,960,076)	\$ (4,274,593)	\$ (4,600,038)	\$ (19,811,751)
Total Projected Mills Needed thru 2026-2027					8.15	
Projected Unassigned Fund Balance	\$ 589,769	\$ (3,178,304)	\$ (7,138,380)	\$ (11,412,974)	\$ (16,013,011)	

BUDGET FORECASTING MODEL - Adjustments & ESSER

	<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue		\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717

Budgeted Expenses						
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 7,984,283	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 18,879,236	\$ 19,256,821	\$ 19,641,957	\$ 20,034,796
Budget Adjustments		\$ (404,884)	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -
Total Expenses		\$ 54,017,633	\$ 55,323,277	\$ 57,655,692	\$ 59,051,655	\$ 60,444,947

Revenues over Expenditures	\$ (2,553,237)	\$ (2,829,593)	\$ (4,112,134)	\$ (4,437,226)	\$ (4,738,229)	
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -	
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451	
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)						
Projected Ending Deficit/Surplus	\$ (1,804,087)	\$ (2,248,021)	\$ (3,538,835)	\$ (3,844,927)	\$ (4,161,778)	\$ (15,597,649)
Total Projected Mills Needed thru 2026-2027					6.42	
Projected Unassigned Fund Balance	\$ 1,994,653	\$ (253,368)	\$ (3,792,203)	\$ (7,637,131)	\$ (11,798,909)	

BUDGET FORECASTING MODEL - Adjusted & Act 1 Max

	<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ 919,243	\$ 919,243	\$ 919,243	\$ 919,243	\$ 919,243
Total Revenue		\$ 52,383,639	\$ 53,412,927	\$ 54,462,801	\$ 55,533,672	\$ 56,625,961

Budgeted Expenses						
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 7,984,283	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 18,879,236	\$ 19,256,821	\$ 19,641,957	\$ 20,034,796
Budget Adjustments		\$ (404,884)	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -
Total Expenses		\$ 54,017,633	\$ 55,323,277	\$ 57,655,692	\$ 59,051,655	\$ 60,444,947

Revenues over Expenditures	\$ (1,633,994)	\$ (1,910,350)	\$ (3,192,891)	\$ (3,517,983)	\$ (3,818,986)
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)					
Projected Ending Deficit/Surplus	\$ (884,844)	\$ (1,328,778)	\$ (2,619,592)	\$ (2,925,684)	\$ (3,242,535) \$ (11,001,432)
Total Projected Mills Needed thru 2026-2027					4.53
Projected Unassigned Fund Balance	\$ 2,913,896	\$ 1,585,119	\$ (1,034,473)	\$ (3,960,157)	\$ (7,202,692)

Average Residential Assessed Value	\$ 173,192
Millage increase	0.3962
Average Taxpayer Annual Increase	\$ 68.62
Projected Average HS/FS Increase	\$ (21.00)
Total Average Increase	\$ 47.62
Average Taxpayer Monthly Increase	\$ 3.97

BUDGET FORECASTING MODEL - Adjusted & 1/2 Act 1

<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ 459,622	\$ 459,622	\$ 459,622	\$ 459,622	\$ 459,622
Total Revenue		\$ 51,924,018	\$ 52,953,306	\$ 54,003,179	\$ 55,074,050	\$ 56,166,339

<u>Budgeted Expenses</u>		<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 7,984,283	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 18,879,236	\$ 19,256,821	\$ 19,641,957	\$ 20,034,796
Budget Adjustments		\$ (404,884)	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -
Total Expenses		\$ 54,017,633	\$ 55,323,277	\$ 57,655,692	\$ 59,051,655	\$ 60,444,947

Revenues over Expenditures	\$ (2,093,615)	\$ (2,369,971)	\$ (3,652,512)	\$ (3,977,605)	\$ (4,278,608)	
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -	
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451	
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)						
Projected Ending Deficit/Surplus	\$ (1,344,465)	\$ (1,788,399)	\$ (3,079,213)	\$ (3,385,306)	\$ (3,702,157)	\$ (13,299,540)
Total Projected Mills Needed thru 2026-2027					5.47	
Projected Unassigned Fund Balance	\$ 2,454,275	\$ 665,875	\$ (2,413,338)	\$ (5,798,644)	\$ (9,500,800)	

Average Residential Assessed Value	\$ 173,192
Millage increase	0.1981
Average Taxpayer Annual Increase	\$ 34.31
Projected Average HS/FS Increase	\$ (21.00)
Total Average Increase	\$ 13.31
Average Taxpayer Monthly Increase	\$ 1.11

BUDGET FORECASTING MODEL - Adjusted & 1.25%

	<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ 273,546	\$ 273,546	\$ 273,546	\$ 273,546	\$ 273,546
Total Revenue		\$ 51,737,942	\$ 52,767,230	\$ 53,817,103	\$ 54,887,974	\$ 55,980,263

Budgeted Expenses						
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 7,984,283	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 18,879,236	\$ 19,256,821	\$ 19,641,957	\$ 20,034,796
Budget Adjustments		\$ (404,884)	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -
Total Expenses		\$ 54,017,633	\$ 55,323,277	\$ 57,655,692	\$ 59,051,655	\$ 60,444,947

Revenues over Expenditures	\$ (2,279,691)	\$ (2,556,048)	\$ (3,838,588)	\$ (4,163,681)	\$ (4,464,684)	
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -	
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451	
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)						
Projected Ending Deficit/Surplus	\$ (1,530,541)	\$ (1,974,476)	\$ (3,265,289)	\$ (3,571,382)	\$ (3,888,233)	\$ (14,229,920)
Total Projected Mills Needed thru 2026-2027					5.86	
Projected Unassigned Fund Balance	\$ 2,268,199	\$ 293,723	\$ (2,971,566)	\$ (6,542,948)	\$ (10,431,180)	

Average Residential Assessed Value	\$ 173,192
Millage increase	0.1179
Average Taxpayer Annual Increase	\$ 20.42
Projected Average HS/FS Increase	\$ (21.00)
Total Average Increase	\$ (0.58)
Average Taxpayer Monthly Increase	\$ (0.05)

BUDGET FORECASTING MODEL - Adjusted & 1.25% Annually

<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ 273,546	\$ 550,572	\$ 831,078	\$ 1,114,832	\$ 1,402,299
Total Revenue		\$ 51,737,942	\$ 53,044,256	\$ 54,374,635	\$ 55,729,261	\$ 57,109,016

<u>Budgeted Expenses</u>						
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 7,984,283	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 18,879,236	\$ 19,256,821	\$ 19,641,957	\$ 20,034,796
Budget Adjustments		\$ (404,884)	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -
Total Expenses		\$ 54,017,633	\$ 55,323,277	\$ 57,655,692	\$ 59,051,655	\$ 60,444,947

Revenues over Expenditures	\$ (2,279,691)	\$ (2,279,022)	\$ (3,281,056)	\$ (3,322,394)	\$ (3,335,931)	
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -	
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451	
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)						
Projected Ending Deficit/Surplus	\$ (1,530,541)	\$ (1,697,450)	\$ (2,707,757)	\$ (2,730,095)	\$ (2,759,480)	\$ (11,425,323)
Total Projected Mills Needed thru 2026-2027					4.70	
Projected Unassigned Fund Balance	\$ 2,268,199	\$ 570,749	\$ (2,137,008)	\$ (4,867,103)	\$ (7,626,583)	

Average Residential Assessed Value	\$ 173,192
Millage increase	0.1179
Average Taxpayer Annual Increase	\$ 20.42
Projected Average HS/FS Increase	\$ (21.00)
Total Average Increase	\$ (0.58)
Average Taxpayer Monthly Increase	\$ (0.05)

BUDGET FORECASTING MODEL - Adjusted & 3% Annually

<u>PROJECTION NOTES</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	
Budgeted Revenues	2% Overall Increase Projected	\$ 51,464,396	\$ 52,493,684	\$ 53,543,558	\$ 54,614,429	\$ 55,706,717
Mill Increase	\$242,973 per 1/10 mill	\$ 656,602	\$ 933,628	\$ 1,214,134	\$ 1,497,889	\$ 1,785,355
Total Revenue		\$ 52,120,998	\$ 53,427,312	\$ 54,757,692	\$ 56,112,318	\$ 57,492,073

<u>Budgeted Expenses</u>						
Salaries	2% Increase Projected	\$ 22,784,807	\$ 23,240,503	\$ 23,705,313	\$ 24,179,419	\$ 24,663,008
Retirement	PSERS Projected Rates	\$ 7,806,304	\$ 7,984,283	\$ 8,225,532	\$ 8,503,532	\$ 8,751,326
Medical Health Care	4% Increase Projected	\$ 5,980,053	\$ 6,219,255	\$ 6,468,025	\$ 6,726,746	\$ 6,995,816
Other Expenses	2% Increase Projected	\$ 18,913,939	\$ 18,879,236	\$ 19,256,821	\$ 19,641,957	\$ 20,034,796
Budget Adjustments		\$ (404,884)	\$ -	\$ -	\$ -	\$ -
ESSER II Funds		\$ (62,586)	\$ -	\$ -	\$ -	\$ -
ESSER III Funds		\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -
Total Expenses		\$ 54,017,633	\$ 55,323,277	\$ 57,655,692	\$ 59,051,655	\$ 60,444,947

Revenues over Expenditures	\$ (1,896,635)	\$ (1,895,965)	\$ (2,898,000)	\$ (2,939,337)	\$ (2,952,874)	
Use of Technology Department Assigned Funds	\$ 183,429	\$ -	\$ -	\$ -	\$ -	
Use of Retirement Rate Stabilization Funds	\$ 415,721	\$ 431,572	\$ 423,299	\$ 442,299	\$ 426,451	
Use of Capital Reserve Projects Assigned Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
(Total Projected 21/22 Unassigned Fund Balance \$3,798,740)						
Projected Ending Deficit/Surplus	\$ (1,147,485)	\$ (1,314,393)	\$ (2,324,701)	\$ (2,347,038)	\$ (2,376,423)	\$ (9,510,039)
Total Projected Mills Needed thru 2026-2027					3.91	
Projected Unassigned Fund Balance	\$ 2,651,255	\$ 1,336,863	\$ (987,838)	\$ (3,334,876)	\$ (5,711,299)	

Average Residential Assessed Value	\$ 173,192
Millage increase	0.2830
Average Taxpayer Annual Increase	\$ 49.01
Projected Average HS/FS Increase	\$ (21.00)
Total Average Increase	\$ 28.01
Average Taxpayer Monthly Increase	\$ 2.33