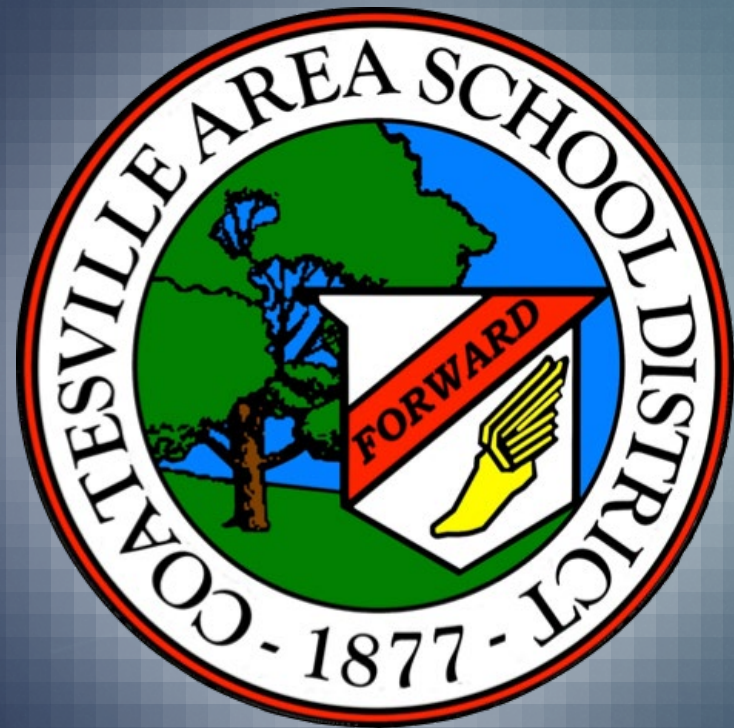


# COATESVILLE AREA SCHOOL DISTRICT

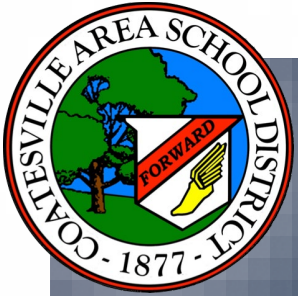


## BUDGET DEVELOPMENT

2025-2026

Finance Committee

May 13, 2025



# Major Areas of Expenditures

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Salaries and Benefits

---

Pennsylvania School Employees Retirement System (PSERS)

---

Charter School Tuition

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Transportation Services (Public, Charter, Non-Public/Private)

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Debt Service

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Special Education

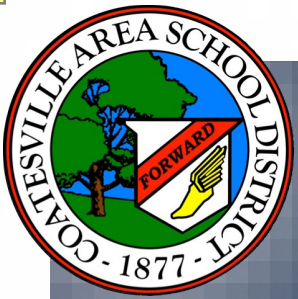
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Operations & Technology



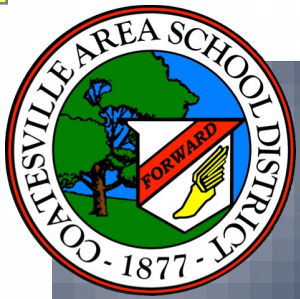
# Preliminary Expense Projections

Categories	2024-2025	2025-2026	\$ Change	% Change
<i>Salaries &amp; Benefits (100s and 200s)</i>	\$ 74,791,797	\$ 79,961,191	\$5,169,394	6.91%
<i>Purchased Services (300s, 400s &amp; 500s)</i>	119,844,481	129,150,291	9,305,810	7.76%
<i>Supplies (600s)</i>	10,553,335	6,437,793	(4,115,542)	(39.00%)
<i>Property (700s)</i>	1,429,203	1,444,120	14,917	1.04%
<i>Other Objects (800s)</i>	10,776,035	10,303,456	(472,579)	(4.39%)
<i>Debt Service (900s)</i>	<u>14,005,149</u>	<u>14,703,149</u>	<u>698,000</u>	4.98%
<b>Total</b>	<b><u><u>\$231,400,000</u></u></b>	<b><u><u>\$242,000,000</u></u></b>	<b><u><u>\$10,600,000</u></u></b>	<b>4.58%</b>



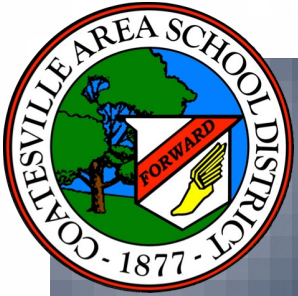
# Preliminary Revenue Projections

Sources	2024-2025	2025-2026	\$ Change	% Change
<i>Local</i>	\$150,025,134	\$150,067,674	\$42,540	0.03%
<i>State</i>	66,702,562	75,615,576	8,913,014	13.36%
<i>Federal</i>	<u>10,172,304</u>	<u>4,416,750</u>	<u>(\$5,755,554)</u>	<u>(56.58%)</u>
<i>Total</i>	\$226,900,000	\$230,100,000	\$3,200,000	1.41%
<i>Use of Fund Balance</i>	<u>\$ 4,500,000</u>	<u>TBD</u>		
<i>Total Funds Available</i>	<u><u>\$231,400,000</u></u>	<u><u>\$230,100,000</u></u>		



# Budget Gap

	2025-2026
<b><i>Anticipated Revenues</i></b>	<b>\$230,100,000</b>
<b><i>Anticipated Expenditures</i></b>	<b><u>242,000,000</u></b>
<b><i>Projected Operational Deficit</i></b>	<b>(\$11,900,000)</b>
<b><i>Revenue from Property Tax Increase</i></b>	<b>TBD</b>
<b><i>Budget Reductions/Fund Balance Use</i></b>	<b>TBD</b>

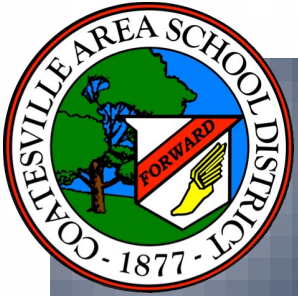


# General Fund 2025-2026 Budget Parameters

Act 1 Base index of 2025-2026 is	4.00%
<u>Act 1 Exceptions</u>	<u>0.00%</u>
Allowable Act 1 Tax Increase is	4.00%
Act 1 Adjusted index of 2025-2026 is	5.10%
<u>Act 1 Exceptions</u>	<u>0.00%</u>
Allowable Act 1 Adjusted Tax Increase is	5.10%

# Potential Property Tax Increase

Property Tax (6111)		2025-2026	2025-2026	2025-2026	2025-2026	2025-2026		
		No Tax Increase	2.50%	3.50%	4.00%	5.10%		
Assessed Valuation	\$ 3,221,267,918	\$ 3,221,267,918	\$ 3,221,267,918	\$ 3,221,267,918	\$ 3,221,267,918	\$ 3,221,267,918		
Millage Rate	42.864	43.936	44.364	44.579	45.050			
Total Taxes	\$ 138,076,428	\$ 141,528,339	\$ 142,909,103	\$ 143,599,485	\$ 145,118,326			
Property Tax Reductions due to Homestead Exclusions	6,727,786	6,727,786	6,727,786	6,727,786	6,727,786			
Tax Collection Rate	95%	95%	95%	95%	95%			
Property Tax Projections (6111)	\$ 124,781,210	\$ 128,060,525	\$ 129,372,251	\$ 130,028,114	\$ 131,471,013			
Percentage Change	0.60%	3.24%	4.30%	4.83%	5.99%			2024-2025 Budget
Dollar Change	\$ 742,694	\$ 4,022,010	\$ 5,333,736	\$ 5,989,599	\$ 7,432,497		Property Tax (6111)	\$ 124,038,515



# Budget Development Timeline

January

Board Adopted Resolution to stay within the Adjusted Act 1 Index of 5.1%

April

Preliminary Budget Adoption

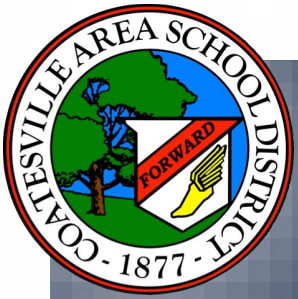
May

May 13<sup>th</sup> Finance Committee Meeting Budget Discussions

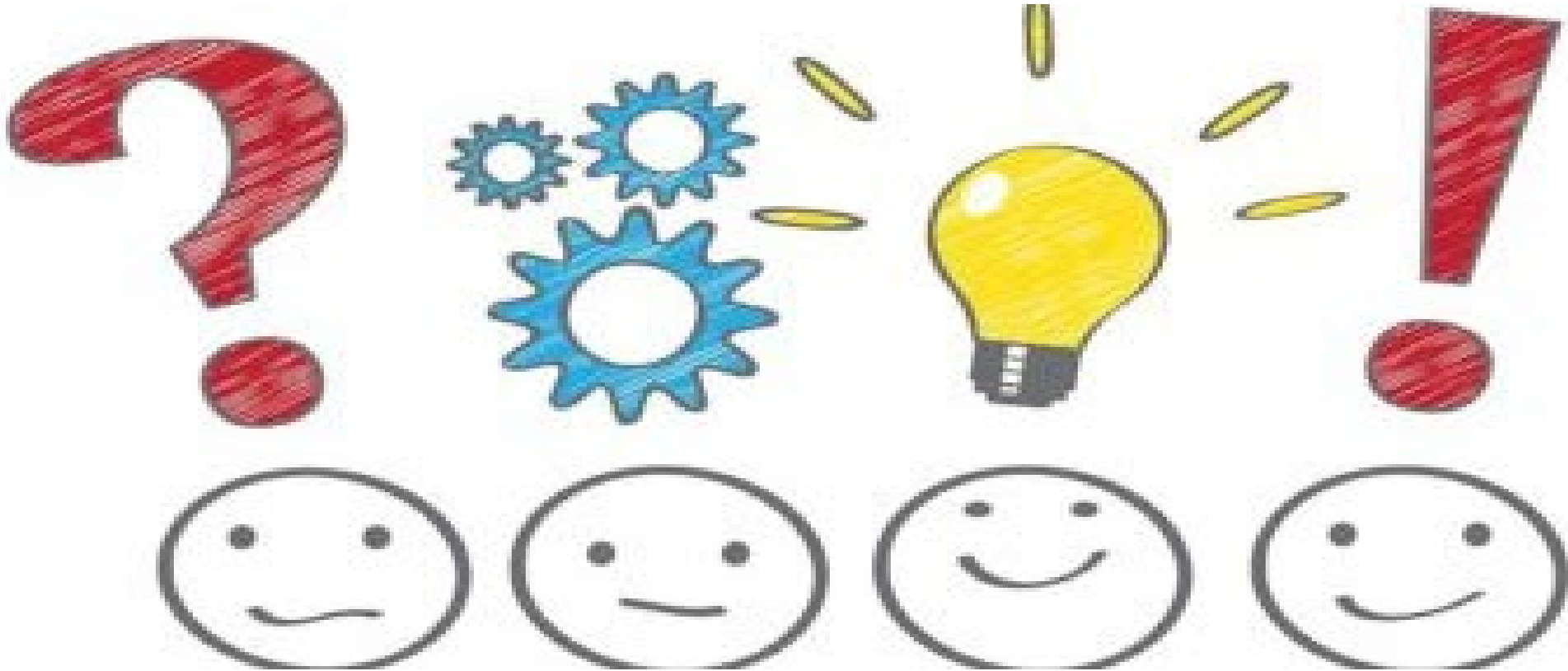
May 27<sup>th</sup> Board Meeting Budget Discussions

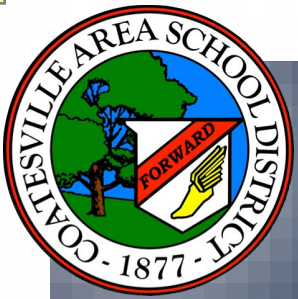
June

June 10<sup>th</sup> – Special School Board Meeting – Final Budget Adoption  
(must be before June 30<sup>th</sup>)



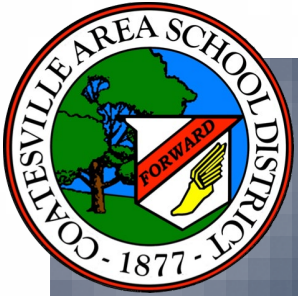
# Questions?





# Informational

- Budget Development
- Enrollments
- Personnel
- Expenditures by Object
- Revenue Sources – Local, State, and Federal
- Balance the Budget



# Budget Development

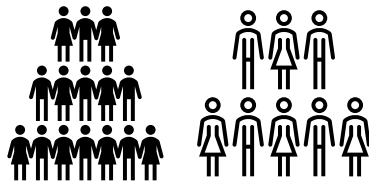
1

**Review enrollment numbers**



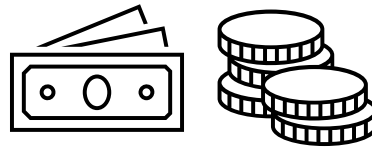
2

**Determine personnel requirements**



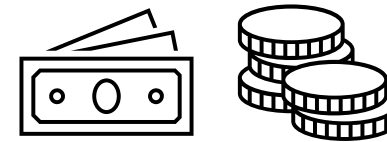
3

**Estimate expenditures**



4

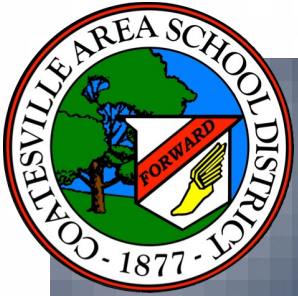
**Estimate revenues**



5

**Balance the budget**





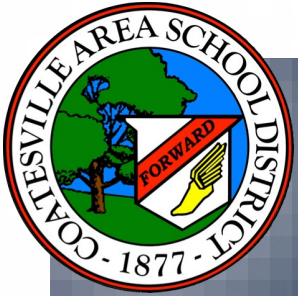
# Enrollments

## **We consider**

- Historical enrollments as of October 1st for both district and charter schools
- Projections based on the Cohort survival method, which looks at how students advance or progress through our system, for example K to 1, 1 to 2, etc.

## **Allows us to determine**

- School budget allocations and operational needs
- Our charter school budget



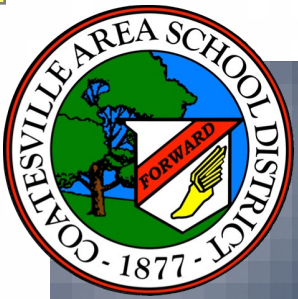
# Personnel

## **We consider**

- The number of personnel required for the school year at all levels

## **Based on**

- Classroom sizes based on policy
- Course selections
- Changes in curriculum
- Grade realignments (moving to traditional middle school – grades 6-8)
- Incoming kindergarten enrollments
- Board Goals



# Expenditures by Object

## ■ State Required

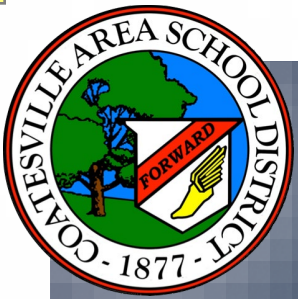
- 100 – Salaries
- 200 – Benefits
- 300 – Contracted Services – attorneys, auditors, substitute teachers, IU Services
- 400 – Property Services – cleaning/custodial services, snow removal, lawn care, utilities
- 500 – Other Purchased Services – charter schools, approved private schools, transportation
- 600 – Supplies & Textbooks - general supplies, gas and electric, books, technology
- 700 – Equipment – capital equipment, improvements of grounds
- 800 – Other – dues and fees, claims and judgements, interest portion of our debt
- 900 – Debt – principle from debt



# Revenue Sources

## **Three Major Areas:**

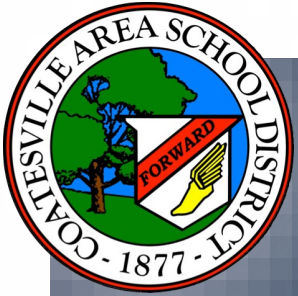
- Local
- State
- Federal



# Local Revenue Sources

## **Includes:**

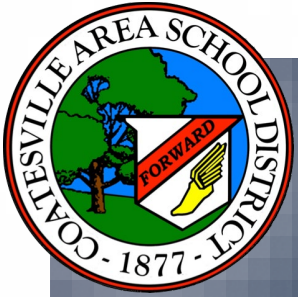
- Current Real Estate Tax
- Interim, Transfer, and Delinquent taxes
- Local Service Tax
- Earned Income Tax
- Earnings on Investments
- IDEA Funds Passed through the IU



# State Revenue Sources

## **Includes:**

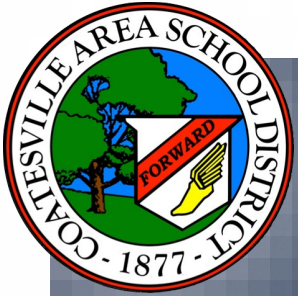
- Basic Education Funding (BEF)
- Special Education Funding (SEF)
- Transportation
- Rental & Sinking Funds
- State Property Tax Reduction
- Ready to Learn Block Grant



# Federal Revenue Sources

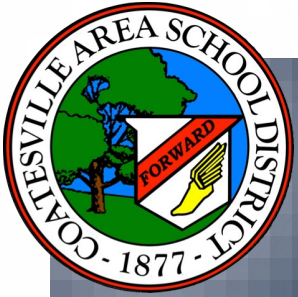
## **Includes:**

- Title Funds I, II, III, and IV
- Access Medical Assistance
- Medical Assistance Transportation



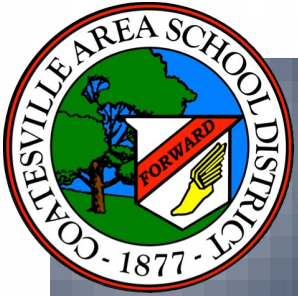
# Balance the Budget

- Last major step in completing the budget
- Total planned expenditures must equal total planned revenues
- If expenditures are greater, we must explore our options, which include:
  - Reducing expenditures
  - Increasing revenues
  - Use of fund balance



# Historical Data

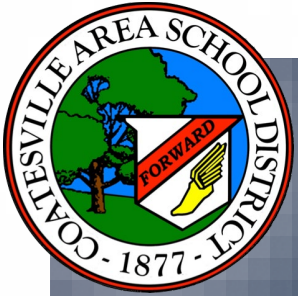
- Enrollment Breakdown (District Level)
- Special Education Costs per Student
- Funding for Charter Schools 2022-2023 School Year vs. SD Actuals for 2022-2023
- Millage Rates



# Enrollment Breakdown (District Level)

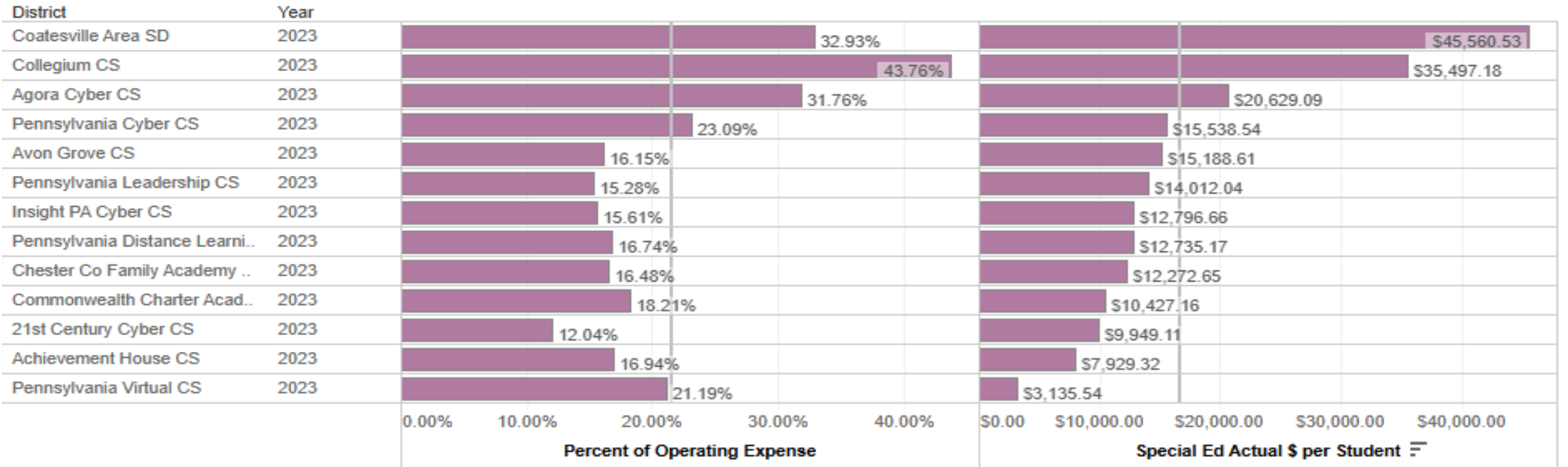
Coatesville Area School District  
Source: PA DOE Enrollment Data

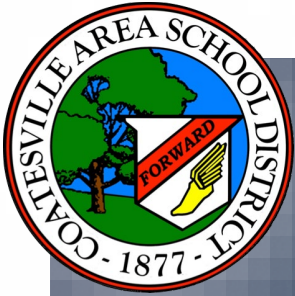




# Special Education Cost per Student

Source: Pennsylvania Department of Education and Annual Financial Report Data



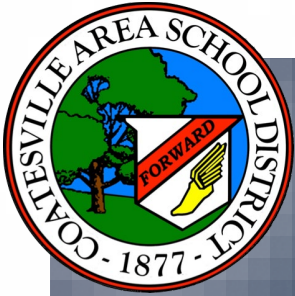


# Funding for Charter Schools 2022-2023 School Year

<b>FOR NONSPECIAL EDUCATION STUDENTS</b>		
TOTAL EXPENDITURES		<u>\$184,623,743.00</u> (a)
<i>Minus</i> TOTAL DEDUCTIONS (see page 2)	Title funds, Special Ed, transportation, debt service	<u>\$78,831,633.00</u> (b)
SELECTED EXPENDITURES (a - b)		<u>\$105,792,110.00</u> (c)
AVERAGE DAILY MEMBERSHIP	<u>8,592.196</u> (d)	
<b>FUNDING FOR NONSPECIAL EDUCATION STUDENTS</b> (c / d)		<u>\$12,312.58</u> (e)
(SELECTED EXPENDITURES PER AVERAGE DAILY MEMBERSHIP)		

Budgeted amounts for 2021-2022

<b>FOR SPECIAL EDUCATION STUDENTS</b>		
1200 SPECIAL EDUCATION EXPENDITURES		<u>\$54,298,555.00</u> (f)
<i>Minus</i> SPECIAL EDUCATION DEDUCTIONS (see page 2)	IDEA and ESSER funds	<u>\$1,547,028.00</u> (g)
SELECTED EXPENDITURES (f - g)		<u>\$52,751,527.00</u> (h)
AVERAGE DAILY MEMBERSHIP <i>multiplied by</i> 0.16 (d x 0.16)	<u>1,374.751</u> (i)	
SPECIAL EDUCATION EXPENDITURES <i>divided by</i> 0.16 AVERAGE DAILY MEMBERSHIP (h / i)	<u>\$38,371.70</u> (j)	
<b>FUNDING FOR SPECIAL EDUCATION STUDENTS</b> (e + j)		<u>\$50,684.28</u> (k)

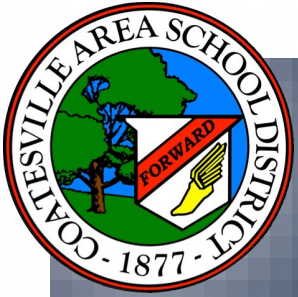


# Funding for Charter Schools 2022-2023 School Year Based on Actual Special Education Percentage

<b>FOR NONSPECIAL EDUCATION STUDENTS</b>		
TOTAL EXPENDITURES		<u>\$184,623,743.00</u> (a)
<i>Minus</i> TOTAL DEDUCTIONS (see page 2)	Title funds, Special Ed, transportation, debt service	<u>\$78,831,633.00</u> (b)
SELECTED EXPENDITURES (a - b)		<u>\$105,792,110.00</u> (c)
AVERAGE DAILY MEMBERSHIP	<u>8,592.196</u> (d)	
<b>FUNDING FOR NONSPECIAL EDUCATION STUDENTS</b> (c / d) (SELECTED EXPENDITURES PER AVERAGE DAILY MEMBERSHIP)		<u>\$12,312.58</u> (e)

Budgeted amounts for 2021-2022

<b>FOR SPECIAL EDUCATION STUDENTS</b>		
1200 SPECIAL EDUCATION EXPENDITURES		<u>\$54,298,555.00</u> (f)
<i>Minus</i> SPECIAL EDUCATION DEDUCTIONS (see page 2)	IDEA and ESSER funds	<u>\$1,547,028.00</u> (g)
SELECTED EXPENDITURES (f - g)		<u>\$52,751,527.00</u> (h)
AVERAGE DAILY MEMBERSHIP <i>multiplied by</i> 0.247 (d x 0.247)	<u>2,122.272</u> (i)	
SPECIAL EDUCATION EXPENDITURES <i>divided by</i> 0.0247 AVERAGE DAILY MEMBERSHIP (h / i)	<u>\$24,856.15</u> (j)	
<b>FUNDING FOR SPECIAL EDUCATION STUDENTS</b> (e + j)		<u>\$37,168.73(k)</u>



# Millage Rate

Source: Pennsylvania State Tax Equalization Board

