

Budget Meeting Agenda

February 15, 2023

5:00 P.M.

- 1) Update on 2022-2023 Budget
 - a. Treasurer’s Report
 - b. Revenues (See **Revenue Report** handout)
 - c. Expenses by Object (See **HASD – Budget vs Actual by Dimension** handout)

- 2) Accelerated Budget Opt Out Resolution was adopted on 1/26/2023 in lieu of approving a Preliminary General Fund Budget for 2023-2024. Basically, this guarantees that taxes cannot be raised above the Act 1 index of 5.9%. Therefore, the Hazleton Area School District will not be applying for the referendum exceptions this year.

- 3) Budget cycle timeline
 - a. Adopt the **Proposed** Final General Fund Budget by May 31, 2023 (must be 30 days prior to the June adoption date) – Thursday, May 18, 2023 Regular Monthly School Board Meeting
 - b. Adopt **Final** General Fund Budget by June 30, 2022 (20 days of public display and 10 days advertising requirement apply) – Thursday, June 22, 2023 Regular Monthly School Board Meeting

- 4) 5-Year History on past budgets - 22-23, 21-22, 20-21, 19-20 & 18-19
 - Total Budget Expenditures Amounts
 - 4 Largest **Revenue** Sources
 - 3 Largest **Expenditure** Sources

BUDGET	5 Year Increase	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Real Estate Taxes (Local – 6111)	\$9,415,641	\$52,092,908	\$50,739,148	\$48,389,253	\$45,231,818	\$42,677,267
Basic ED Funding (State – 7110)	\$12,635,145	\$51,018,605	\$39,787,676	\$39,787,676	\$39,787,920	\$38,383,460
State Share of Retirement Contributions (7820)	\$3,528,640	\$17,545,799	\$15,792,887	\$15,255,628	\$14,894,801	\$14,017,159
Act 511 Taxes (Local – 6150)	\$2,100,000	\$12,000,000	\$11,300,000	\$9,000,000	\$10,800,000	\$9,900,000

BUDGET	5 Year Increase	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Total Budget Expenses	\$53,419,507	\$210,430,212	\$187,731,041	\$166,186,717	\$162,610,276	\$157,010,705
Total Salaries (Object - 100's)	\$13,092,129	\$82,965,669	\$75,761,721	\$73,682,687	\$72,344,775	\$69,873,540
Total Benefits (Object - 200's)	\$8,650,774	\$56,486,142	\$52,753,991	\$50,032,031	\$50,875,978	\$47,835,369
Debt Service (Object – 832 & 912)	\$381,028	\$14,485,107	\$14,562,785	\$14,126,296	\$14,318,366	\$14,104,079

5) Distribution percentage on revenue

REVENUE	BUDGET 2022-2023	% of TOTAL REVENUE
LOCAL	\$76,332,238	37.02%
STATE	\$98,384,657	47.71%
FEDERAL	\$31,462,064	15.26%
OTHER FINANCING SERVICES	\$15,000	0.01%

6) Health Care Costs (General Fund ONLY)

a. History on Budget vs. Actual Costs

SCHOOL YEAR	ACTUAL	BUDGETED	(OVER) / UNDER BUDGET
2010-2011	\$13,736,171.00	\$13,043,326.74	(\$692,844.26)
2011-2012	\$12,782,036.12	\$13,860,815.84	\$1,078,779.72
2012-2013	\$11,795,662.08	\$14,102,803.50	\$2,307,141.42
2013-2014	\$12,541,988.72	\$15,165,201.00	\$2,623,212.28
2014-2015	\$14,274,294.14	\$12,772,547.00	(\$1,501,747.14)
2015-2016	\$14,421,946.39	\$13,033,686.00	(\$1,388,260.39)
2016-2017	\$14,738,697.70	\$13,108,344.00	(\$1,630,353.46)
2017-2018	\$17,139,505.95	\$16,520,114.24	(\$619,391.71)
2018-2019	\$14,740,561.18	\$16,386,539.05	\$1,645,977.87
2019-2020	\$15,180,005.39	\$17,809,437.18	\$2,629,431.79

SCHOOL YEAR	ACTUAL	BUDGETED	(OVER) / UNDER BUDGET
2020-2021	\$15,720,436.27	\$15,715,746.33	(\$4,689.94)
2021-2022	\$16,115,324.06	\$15,790,556.77	(\$324,767.29)
2022-2023	\$9,360,680.88	\$16,897,313.81	

**** To date as of 12/31/2022**

- **The Total Net Cost is the addition of Admin Fees, Medical Claims, Rx Claims and Stop Loss premium and then subtracting out the Stop Loss reimbursements and Rx Rebates.**
- **The 2023 HSA funding is included, we should start to see a reduction in medical and Rx claims until the deductibles are reached.**
- **Amounts collected by HASD for Premium Share through payroll deduction are netted out of this amount.**

7) PSERS retirement rate increases

SCHOOL YEAR	PSERS RATE	HASD BUDGETED RATE	ACTUAL	BUDGETED
2011-2012	8.65%	10.00%	\$3,876,037	\$5,362,697
2012-2013	12.36%	12.36%	\$6,799,241	\$6,766,941
2013-2014	16.93%	16.93%	\$10,273,955	\$9,596,393
2014-2015	21.40%	21.40%	\$13,840,953	\$13,419,205
2015-2016	25.84%	25.84%	\$15,640,398	\$16,902,680
2016-2017	30.03%	30.03%	\$19,317,390	\$19,431,664
2017-2018	32.57%	32.57%	\$21,487,629	\$21,289,082
2018-2019	33.43%	33.43%	\$22,840,581	\$23,361,932
2019-2020	34.29%	34.29%	\$24,099,622	\$24,824,669
2020-2021	34.51%	34.51%	\$24,031,864	\$26,321,478
2021-2022	34.94%	34.94%	\$24,819,001	\$26,471,145
2022-2023	35.26%	35.26%		\$29,242,998
2023-2024	34.00%	34.00%		^^\$28,208,327

SCHOOL YEAR	PSERS RATE	HASD BUDGETED RATE	ACTUAL	BUDGETED
2024-2025	34.73%			^^\$28,813,977
2025-2026	35.49%			^^\$29,444,516

^^ *Estimated* based on Total Budgeted Salaries (2022-2023) of \$82,965,669

NOTE: At least half of the annual increase will be made up by State Revenue.

8) Tuition / Purchased Services paid by HASD for Charter Schools/other educational agencies vs. Charter School Revenue from PDE

SCHOOL YEAR	REGULAR EDUCATION TUITION	SPECIAL EDUCATION TUITION	TOTAL TUITION	CHARTER SCHOOL REIMBURSEMENT (PDE)
2009-2010	\$1,523,012	\$761,610	\$2,284,622	\$350,527
2010-2011	\$1,677,745	\$721,264	\$2,399,009	\$225,632
2011-2012	\$2,152,658	\$811,226	\$2,963,884	\$0
2012-2013	\$1,407,120	\$1,780,561	\$3,187,681	\$0
2013-2014	\$1,504,899	\$1,722,829	\$3,227,728	\$0
2014-2015	\$1,644,132	\$1,769,612	\$3,413,744	\$0
2015-2016	\$1,696,374	\$2,030,173	\$3,726,547	\$0
2016-2017	\$1,693,845	\$1,835,016	\$3,528,861	\$0
2017-2018	\$2,147,584	\$2,127,342	\$4,274,926	\$0
2018-2019	\$2,191,765	\$3,019,458	\$5,211,223	\$0
2019-2020	\$2,652,340	\$3,518,782	\$6,171,122	\$0
2020-2021	\$4,166,995	\$3,998,029	\$8,165,024	\$0
2021-2022	\$3,676,104	\$4,023,080	\$7,699,184	\$0

9) History on Tax Rates

- H.A.S.D. has the **4th lowest** millage rate in Luzerne County
- H.A.S.D. has the **lowest** millage rate in Schuylkill County
- H.A.S.D. has the **lowest** millage rate in Carbon County

LUZERNE, SCHUYLKILL AND CARBON COUNTIES TAX MILLAGE RATES								
	17-18	18-19	19-20	20-21	21-22	22-23	Differences Between	
	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	MILLAGE	21-22/22-23 MILLAGE	
LUZERNE COUNTY								
HANOVER AREA	17.5771	18.1747	18.7743	18.7743	18.7743	18.7743	0.0000	
WYOMING AREA	15.9367	16.4496	16.9596	17.5554	17.9152	18.7392	0.8240	
WILKES-BARRE AREA	17.4434	18.0364	18.4332	18.4332	18.4332	18.4332	0.0000	
WYOMING VALLEY WEST	15.9900	16.7500	17.2900	17.2900	18.0300	18.0300	0.0000	
PITTSTON AREA	15.4865	15.9820	15.9820	16.5413	16.5413	16.5413	0.0000	
DALLAS	13.4323	13.6338	13.6338	13.6338	13.6338	13.6338	0.0000	
GREATER NANTICOKE AREA	11.4974	11.9113	11.9113	11.9113	12.4473	12.8083	0.3610	
NORTHWEST AREA	10.7452	10.7452	11.0783	11.4660	11.9246	12.4731	0.5485	
HAZLETON AREA	9.9010	10.3680	10.9300	11.4470	11.8370	12.0520	0.2150	
CRESTWOOD	9.8481	10.3899	11.0539	11.3302	11.7494	12.0314	0.2820	
LAKE-LEHMAN	10.6046	11.0345	11.5761	11.5761	11.9138	11.9167	0.0029	
BERWICK AREA	10.7200	10.8500	10.7900	11.3700	11.3700	11.7600	0.3900	
SCHUYLKILL COUNTY								
PANTHER VALLEY	51.1200	53.4100	56.8000	60.2000	60.2000	60.6900	0.4900	
SHENANDOAH VALLEY	56.9750	56.9750	56.9750	56.9749	56.9750	56.9750	0.0000	
MAHANOEY AREA	47.9000	49.6000	51.3000	51.3000	52.8000	53.8000	1.0000	
NORTH SCHUYLKILL	39.9600	41.3400	42.3400	43.6500	45.1400	46.7600	1.6200	
MINERSVILLE AREA	40.0200	40.0200	40.0200	40.0200	41.7800	44.7900	3.0100	
SCHUYLKILL HAVEN AREA	41.6300	42.4600	42.4600	42.4600	42.4600	44.4980	2.0380	
POTTSVILLE AREA	38.5740	40.5986	41.9383	43.5319	43.5319	44.4025	0.8706	
BLUE MOUNTAIN	37.2544	38.2540	39.4010	41.2580	42.8250	42.8250	0.0000	
TAMAQUA AREA	36.5800	38.4700	38.4700	39.8500	39.8500	41.7600	1.9100	
PINE GROVE AREA	39.7500	40.7500	41.7500	41.7500	41.7500	41.7500	0.0000	
TRI VALLEY	33.3160	34.3820	35.4470	35.4470	36.8970	38.5870	1.6900	
SAINT CLAIR AREA	36.9180	36.9180	38.1360	38.1360	38.1360	38.1360	0.0000	
WILLIAMS VALLEY	34.6800	34.6800	34.6800	34.6800	36.2400	36.4275	0.1875	
HAZLETON AREA	34.7700	32.1430	33.5680	33.9370	37.0870	35.9850	-1.1020	
CARBON COUNTY								
PANTHER VALLEY	60.1900	61.1900	64.6900	65.4500	65.4500	64.5600	-0.8900	
PALMERTON AREA	56.7793	56.7793	56.7793	57.7793	60.1482	62.9150	2.7668	
LEHIGHTON AREA	47.8800	47.8800	48.8800	50.6396	52.7664	52.7664	0.0000	
WEATHERLY AREA	45.9600	47.3800	48.8400	48.8400	49.8400	49.8400	0.0000	
JIM THORPE AREA	45.5200	45.5200	45.5200	45.5200	45.5200	45.5200	0.0000	
HAZLETON AREA	26.5090	26.2120	27.1690	27.6060	29.0670	30.4910	1.4240	
							INCREASE	
This district is in 2 counties							DECREASE	
This district is in 2 counties, the other is Columbia County which is not on this spreadsheet								

10) History on Student Enrollment

SCHOOL YEAR	STUDENT ENROLLMENT
2000-2001	8,387
2006-2007	10,000
2007-2008	10,474
2008-2009	10,265
2009-2010	10,314
2010-2011	10,301
2011-2012	10,337
2012-2013	10,429
2013-2014	10,560
2014-2015	10,871
2015-2016	10,976
2016-2017	11,223
2017-2018	11,405
2018-2019	11,450
2019-2020	11,605
2020-2021	11,472
2021-2022	12,442
2022-2023	12,760

11) HASD Rank (Expenditure / Enrollment)

Rank (Enrollment)	Rank (Employees)	Rank (Net Revenues)	Rank (Net Expenditures)	Rank (Exp. / Enroll.)	Rank (Exp. / Emp.)	SCHOOL DISTRICT	AUN	FIRST 3	ENROLLMENT (2020-2021)	EMPLOYEES (2020-2021)	REVENUES NET 9120 (2020-2021)	EXPENDITURES NET 5120 (2020-2021)	NET SURPLUS (DEFICIT) (2020-2021)	EXP. / ENROLLMENT	EXP. / EMPLOYEE	2020-21 LEP COUNT	2020-2021 AFR FUND BALANCE	2020-2021 MV / PI AID RATIO
1	1	1	1	14	8	Philadelphia City SD	126515001	126	124,111	21,579	\$3,791,073,043	\$3,781,656,588	\$9,416,455	\$30,470	\$175,247	21,050	\$16,336,438	0.7146
2	2	2	2	8	29	Pittsburgh SD	102027451	102	21,407	4,891	\$693,673,267	\$705,183,603	(\$11,510,336)	\$32,942	\$144,180	978	\$133,082,806	0.2762
3	5	7	7	475	323	Reading SD	114067002	114	17,659	2,608	\$283,073,114	\$280,868,845	\$2,204,270	\$15,905	\$107,695	4,635	\$38,645,695	0.8909
4	3	4	4	313	279	Central Bucks SD	122092102	122	17,571	2,973	\$344,772,491	\$332,281,216	\$12,491,275	\$18,911	\$111,766	392	\$44,599,567	0.1807
5	4	3	3	190	137	Allentown City SD	121390302	121	16,231	2,767	\$350,131,828	\$340,464,713	\$9,667,115	\$20,976	\$123,045	3,353	\$14,461,387	0.7849
6	7	5	5	117	63	Bethlehem Area SD	120481002	120	13,005	2,194	\$299,284,574	\$291,521,695	\$7,762,879	\$22,416	\$132,872	969	\$46,141,853	0.4799
7	6	12	12	367	333	Downingtown Area SD	124152003	124	12,909	2,199	\$235,913,775	\$235,016,700	\$897,075	\$18,206	\$106,874	199	\$19,526,889	0.3661
8	8	8	8	156	126	North Penn SD	123465702	123	12,603	2,180	\$276,364,751	\$272,073,840	\$4,290,911	\$21,588	\$124,805	806	\$41,259,778	0.1852
9	11	14	13	397	274	Upper Darby SD	125239452	125	12,420	1,975	\$223,471,807	\$221,191,932	\$2,279,875	\$17,809	\$111,996	1,265	\$28,173,997	0.7053
10	9	9	10	209	173	West Chester Area SD	124159002	124	11,972	2,067	\$261,224,019	\$247,526,976	\$13,697,042	\$20,675	\$119,752	512	\$66,334,097	0.1500
11	12	17	17	379	303	Central Dauphin SD	115221402	115	11,894	1,948	\$209,933,101	\$214,395,146	(\$4,462,044)	\$18,025	\$110,059	1,222	\$24,487,287	0.4606
12	18	25	26	497	332	Hazleton Area SD	118403302	118	11,551	1,536	\$171,473,275	\$164,260,123	\$7,213,152	\$14,220	\$106,940	2,331	\$22,190,331	0.6869
13	16	10	11	88	32	Council Rock SD	122092353	122	10,494	1,719	\$253,103,077	\$243,160,234	\$9,942,843	\$23,171	\$141,454	194	\$32,760,505	0.1500
14	10	11	9	71	145	Lancaster SD	113364002	113	10,384	2,028	\$243,404,931	\$248,940,796	(\$5,535,865)	\$23,973	\$122,752	2,080	\$25,160,393	0.6815
15	14	13	15	180	139	Erie City SD	105252602	105	10,310	1,773	\$225,481,396	\$218,055,147	\$7,426,248	\$21,150	\$122,987	1,027	\$8,169,673	0.7676
16	13	15	16	109	201	Pennsbury SD	122098202	122	9,544	1,845	\$216,994,708	\$216,911,211	\$83,497	\$22,727	\$117,567	221	\$17,666,307	0.3125
17	21	18	18	254	96	Parkland SD	121395103	121	9,541	1,485	\$192,059,873	\$189,423,547	\$2,636,325	\$19,854	\$127,558	309	\$46,910,228	0.3277
18	23	36	34	474	317	Cumberland Valley SD	115211603	115	9,403	1,376	\$149,722,786	\$149,622,866	\$99,920	\$15,912	\$108,738	380	\$25,453,298	0.3366
19	20	27	28	430	337	Scranton SD	119357402	119	9,216	1,491	\$170,217,576	\$158,661,186	\$11,556,390	\$17,216	\$106,413	849	\$15,997,540	0.7687
20	27	31	36	466	247	Chambersburg Area SD	112281302	112	9,039	1,285	\$158,072,299	\$146,108,464	\$11,963,835	\$16,164	\$113,703	833	\$28,913,282	0.5559
21	28	19	19	196	24	Neshaminy SD	122097502	122	8,991	1,285	\$187,754,292	\$187,998,349	(\$244,057)	\$20,910	\$146,302	232	\$47,340,394	0.3377
22	15	6	6	7	9	Lower Merion SD	123464502	123	8,603	1,735	\$288,144,407	\$288,028,657	\$115,750	\$33,480	\$166,011	214	\$42,856,682	0.1500
23	22	21	20	175	120	North Allegheny SD	103026852	103	8,499	1,444	\$179,939,175	\$180,955,488	(\$1,016,313)	\$21,291	\$125,315	120	\$21,151,206	0.2843
24	25	30	25	246	138	Abington SD	123460302	123	8,359	1,362	\$161,093,287	\$167,550,444	(\$6,457,157)	\$20,044	\$123,018	206	\$33,190,588	0.3680
25	17	16	14	33	60	Pocono Mountain SD	120455403	120	8,290	1,651	\$215,930,586	\$219,955,245	(\$4,024,658)	\$26,533	\$133,225	305	\$26,380,378	0.5718

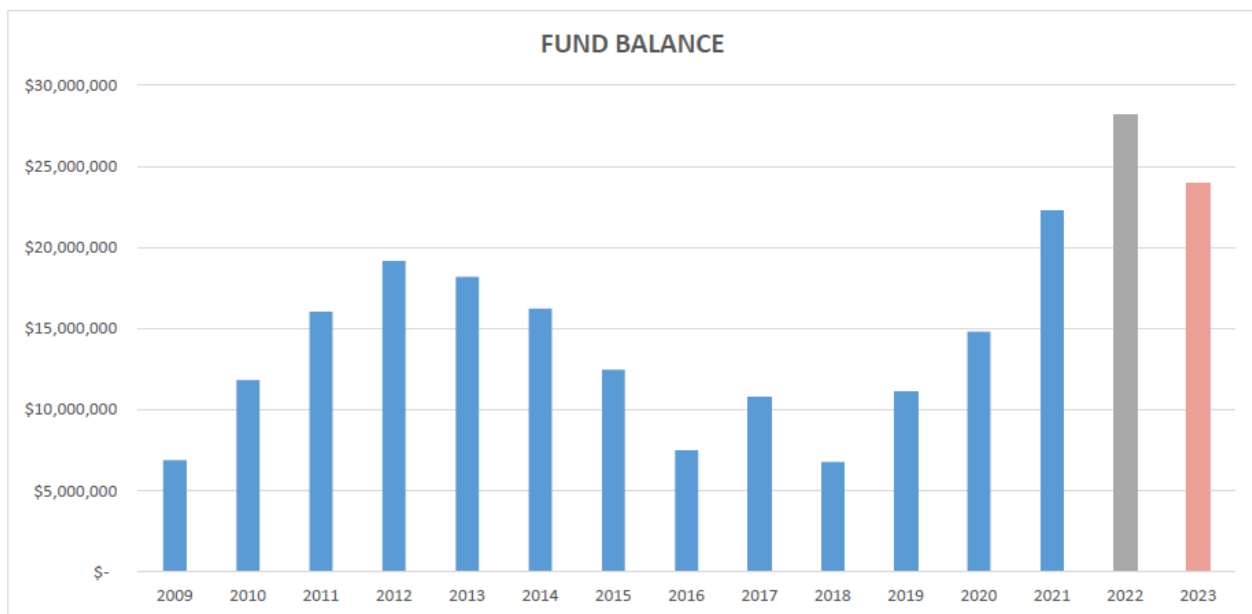
- The Hazleton Area School District ranks **497 out of 499** PA School Districts in the amount we spend per student.
- As of 2020-2021 the HASD is the 12 largest school district in terms of enrollment

12) Fund Balance Update

Hazleton Area School District

Fund Balance Analysis

Yearend	Total	Reserved	Nonspendable,					
			Unreserved, Undesignated	Inventory/ Prepaid	Restricted	Committed	Assigned	Unassigned
2009	\$ 6,891,506	\$ 3,146,464	\$ 3,711,489	\$ 33,553				
2010	\$ 11,834,254	\$ 5,152,969	\$ 6,618,556	\$ 62,729				
2011	\$ 16,042,169			\$ 104,764	\$ -	\$ 7,204,005	\$ 2,000,549	\$ 6,732,851
2012	\$ 19,164,000			\$ 81,442	\$ -	\$ 11,396,448	\$ 2,000,549	\$ 5,685,561
2013	\$ 18,192,406			\$ 49,292	\$ -	\$ 9,396,448	\$ 2,000,000	\$ 6,746,666
2014	\$ 16,240,632			\$ 44,380	\$ -	\$ 9,396,448	\$ 2,000,000	\$ 4,799,804
2015	\$ 12,475,053			\$ 386,421	\$ -	\$ 5,896,448	\$ 2,000,000	\$ 4,192,184
2016	\$ 7,512,765			\$ 505,251	\$ -	\$ 2,326,448	\$ 500,000	\$ 4,181,066
2017	\$ 10,807,912			\$ 415,890	\$ -	\$ 2,326,448	\$ 500,000	\$ 7,565,574
2018	\$ 6,788,428			\$ 238,826	\$ -	\$ 1,345,942	\$ 500,000	\$ 4,703,660
2019	\$ 11,073,136			\$ 345,211	\$ -	\$ 1,345,942	\$ 500,000	\$ 8,881,983
2020	\$ 14,802,653			\$ 176,962	\$ -	\$ 1,345,942	\$ 500,000	\$ 12,779,749
2021	\$ 22,272,421			\$ 82,090	\$ -	\$ 8,595,942	\$ 500,000	\$ 13,094,389
2022	\$ 28,166,728			\$ 646,806	\$ -	\$ 12,095,942	\$ 500,000	\$ 14,923,980
2023	\$ 23,930,477			\$ 646,806	\$ -	\$ 12,095,942	\$ 500,000	\$ 10,687,729



	Budget 2023	Actual 2022
Revenue	206,193,960	194,515,447
Expense	210,430,211	188,621,140
Deficit	(4,236,251)	5,894,307
Unassigned	10,687,729	14,923,980
Policy %	5.1%	7.9%
Range 3%	6,312,906	5,658,634
Range 8%	16,834,417	15,089,691

NOTE:

School District policy is to maintain an unassigned general fund balance of not less than 3% and not more than 8% of the budgeted expenditures for that year.

13) Update on Current 2023-2024 Budget Process

- a. All school and department budgets are in the process of their initial (first-pass) review with each of the respective department heads and/or principals. At these meetings all positions will be reviewed and any open and new positions being requested will also be added to the budget going forward. All open and new positions requested will be identified to the School Board and discussed at future budget meetings (public or executive).
- b. Salary & benefit budgeting (budgeting for each individual position in the General Fund) will continue to occur as retirements, resignations and additional positions requested become evident.
- c. All State and Federal grants/subsidies/programs will be reconciled matching the expenses with the projected anticipated revenues once the revenue amounts become available. Unfortunately, until we get firm amounts from the State & Feds, this will be an educated guess at this point.
- d. The **Preliminary** General Fund Budget was not completed due to the fact the School Board requested and approved the **Accelerated Budget Opt Out Resolution**.
- e. The Business Office will not be applying for the 2023-2024 Referendum Exceptions.
- f. The Commonwealth Budget Seminar is not until Tuesday, March 21, 2023, this is over a month later than usual years.
- g. Preliminary General Fund Budget TOTALS (Revenues & Expenses) will be discussed at the Public Budget Meeting scheduled for Wednesday, April 19, 2023 at 5:00 P.M. and will continue with all Public Budget Meetings to follow.
- h. Second-pass review of school and department budgets will occur in May and June. This review is where additional budget cuts will be made.
- i. **Proposed** Final General Fund Budget is scheduled to be Board approved on Thursday, May 18, 2023 at the Regular Monthly School Board Meeting in May.
- j. **Final** General Fund Budget is scheduled to be Board approved on Thursday, June 22, 2023 at the Regular Monthly School Board Meeting in June.

14) Future Public Budget Meeting Schedule

- Wednesday, March 15, 2023 (Public) – 5:00 P.M.
- Wednesday, April 19, 2023 (Public) – 5:00 P.M.
- Wednesday, May 17, 2023 (Public) – 5:00 P.M.
- Wednesday, June 14, 2023 (Public) – 5:00 P.M.

15) Questions / Comments