

South WilliamSPORT Area School District

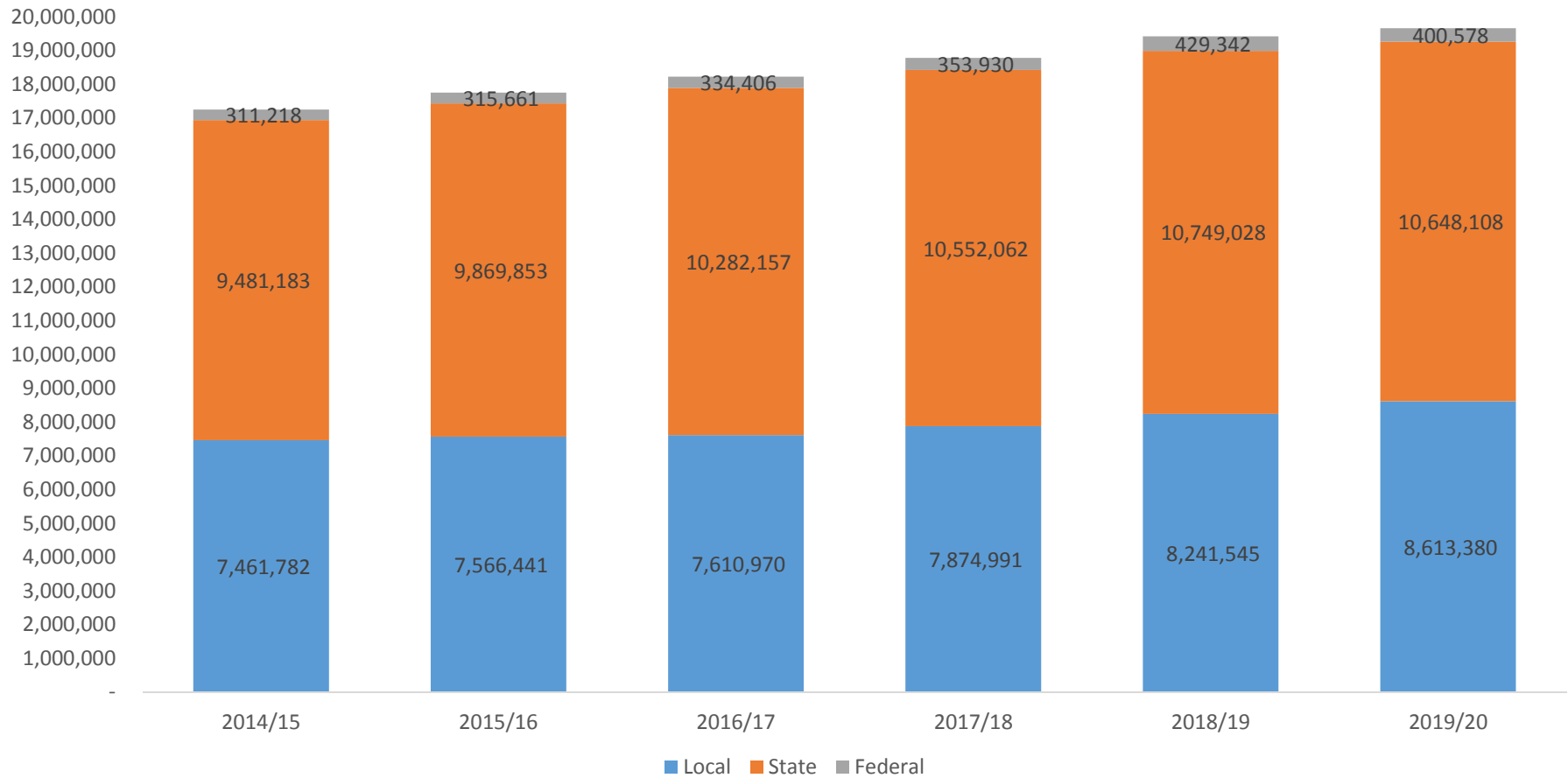
Deep Dive into School District Funding

1/20/2020

School District Funding

- School Districts receive funding from Federal, State, and Local Sources.
 - Local revenues account for 42-43% of total revenue.
 - State revenues account for 54-56% of total revenue.
 - Federal revenues account for 1-2% of total revenue.

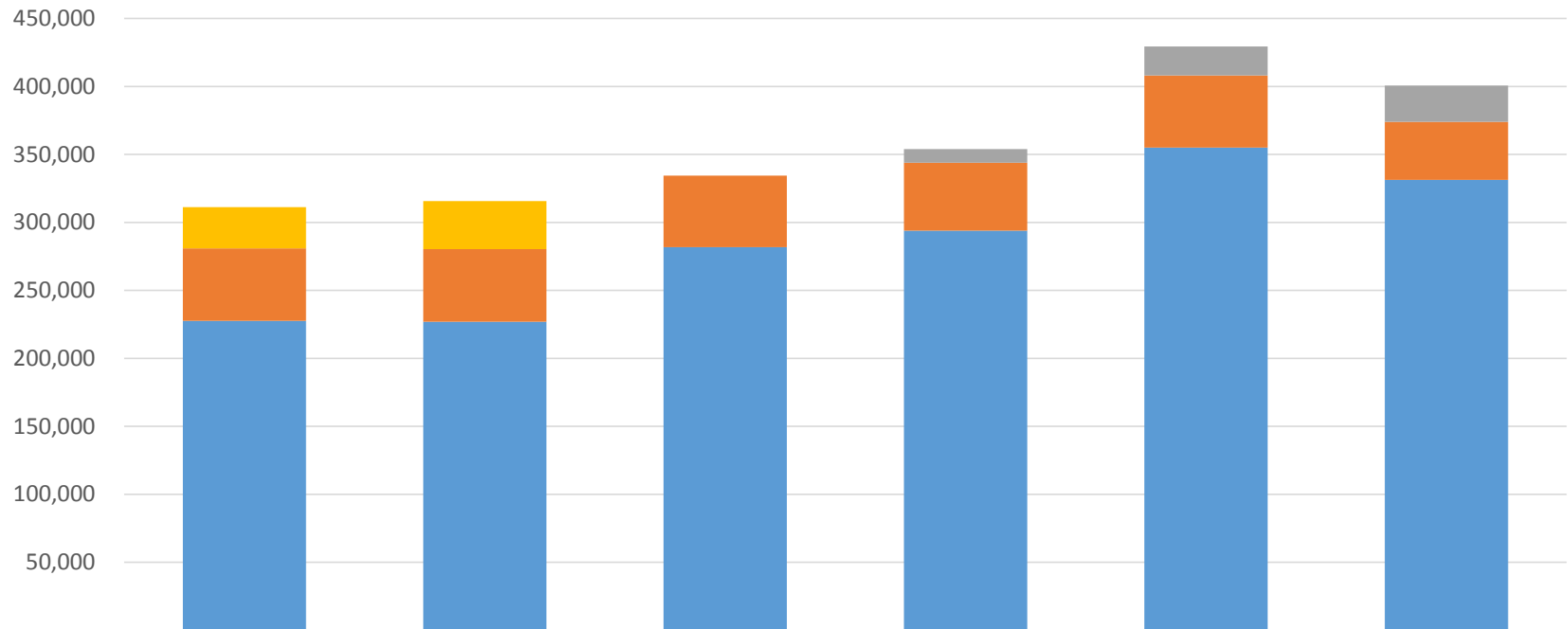
School District Funding



Federal Revenue

- Title I, Part A – Improving Basic Programs
- Title II, Part A – Supporting Effective Instruction
- Title IV, Part A – Student Support and Academic Enrichment

Federal Revenue



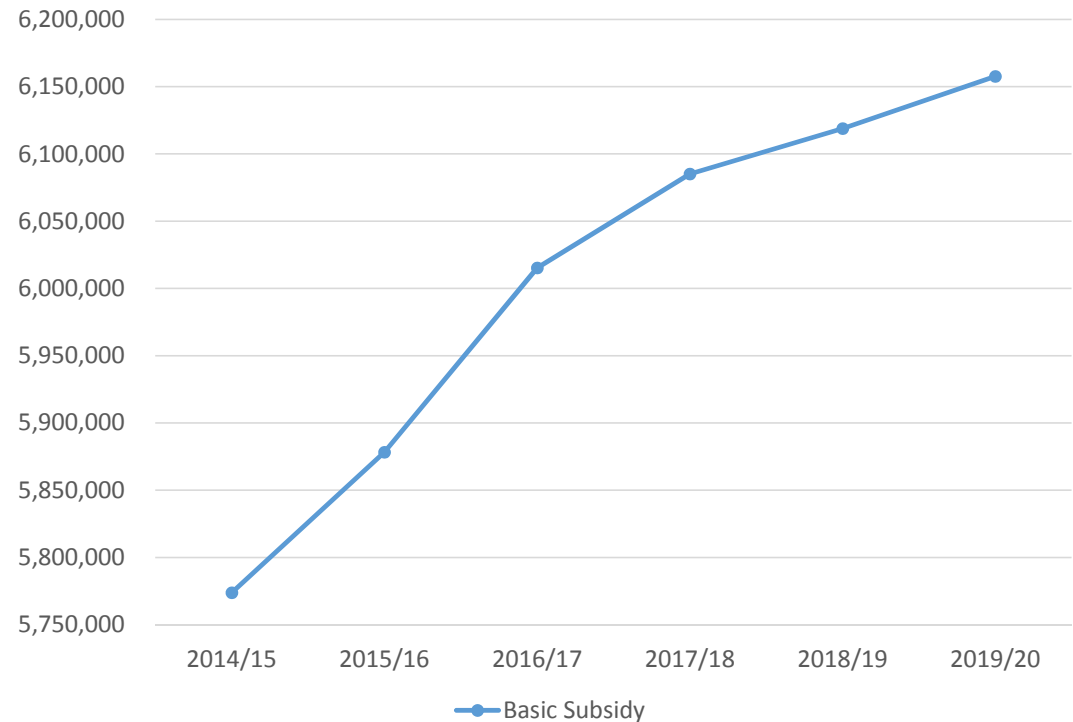
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Medical Assistance	30,350	35,350	-	-	-	-
Title IV	-	-	-	10,000	21,240	26,570
Title II	53,211	53,345	52,567	49,984	53,099	42,765
Title I	227,657	226,966	281,839	293,946	355,003	331,243

State Revenue

- Basic Instructional Subsidy
- Section 1305/1306
- Special Education Subsidy
- Transportation Subsidy
- Building Reimbursement Subsidy
- Health Services
- Property Tax Reduction Allocation
- School Safety & Security Grants
- Other Safe Schools Grants
- Ready to Learn Block Grant
- PA Smart Grant
- State Share of FICA
- State Share of PSERS

Basic Instructional Subsidy

- Funding set in the Commonwealth's budget
- Allocated to districts by a formula, consisting of 2 parts:
 - Base Allocation
 - Student-Weighted Distribution



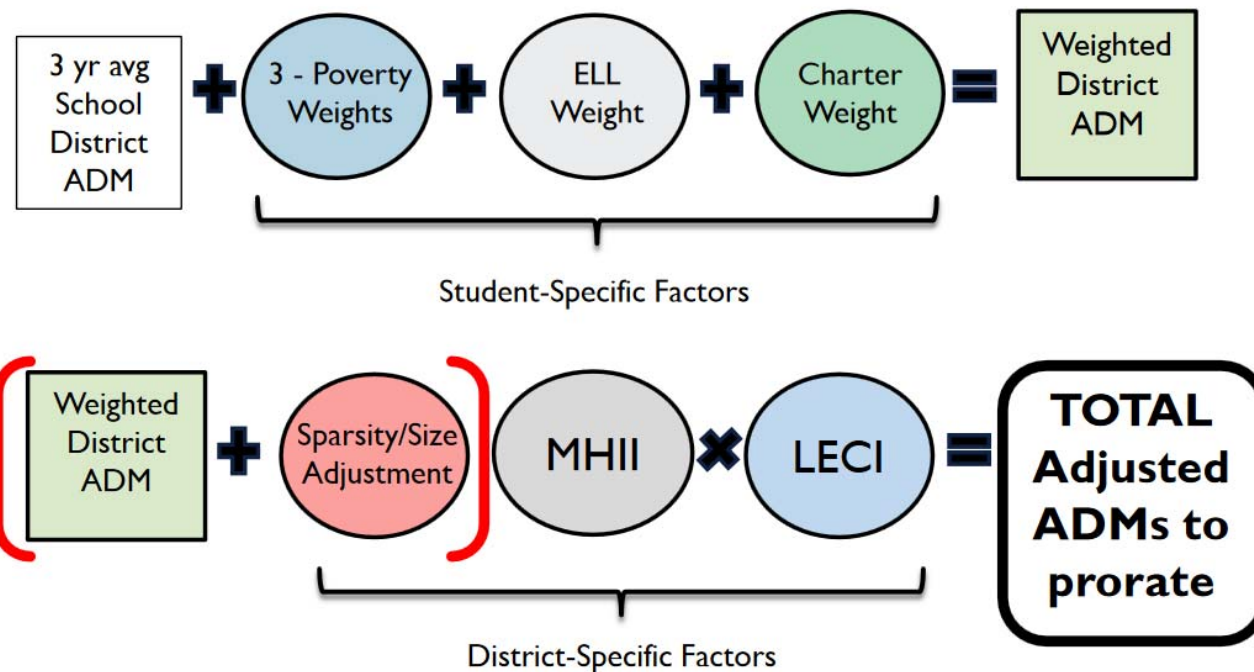
Basic Instructional Subsidy

- Base Allocation
 - “Grandfathered” funds that were distributed through the 2014-15 school year. Under current legislation, our share of these funds will never be changed. Our share of the base allocation is \$5,773,754.68.
- Student-Weighted Distribution
 - Our share of additional funds allocated from the Commonwealth. These funds are distributed based on the district’s student-weighted average daily membership multiplied by its median household income index and its local effort capacity index.
 - The cumulative amount of the Student-Weighted Distribution is allocated every year. This means that we have a potential to see a decrease in funds.

Basic Instructional Subsidy

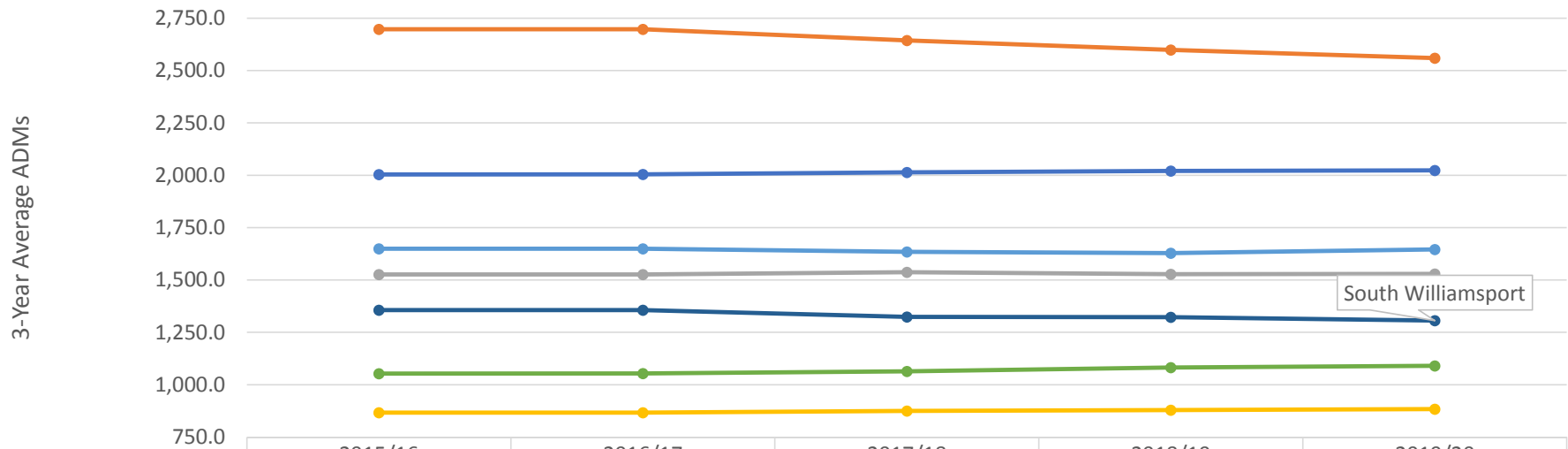
	South's Base Distribution	Commonwealth's Base	South Base as % of Total Base
2014/15	5,773,755	5,526,129,000	.1045%
	Increase in South's Subsidy	Increase in Commonwealth	
2015/16	104,468	152,398,840	
2016/17	136,978	200,000,000	
2017/18	69,880	100,268,444	
2018/19	33,815	85,999,960	
2019/20	38,764	160,000,000	
	South's SW Distribution	Commonwealth's SW Funds	South SW as % of Total SW
2015/16	104,468	152,398,840	.0685%
2016/17	241,445	352,398,840	.0685%
2017/18	311,325	452,667,283	.0688%
2018/19	345,140	538,667,244	.0641%
2019/20	383,903	698,667,244	.0549%

Student-Weighted Distribution



3-Year Average ADMS

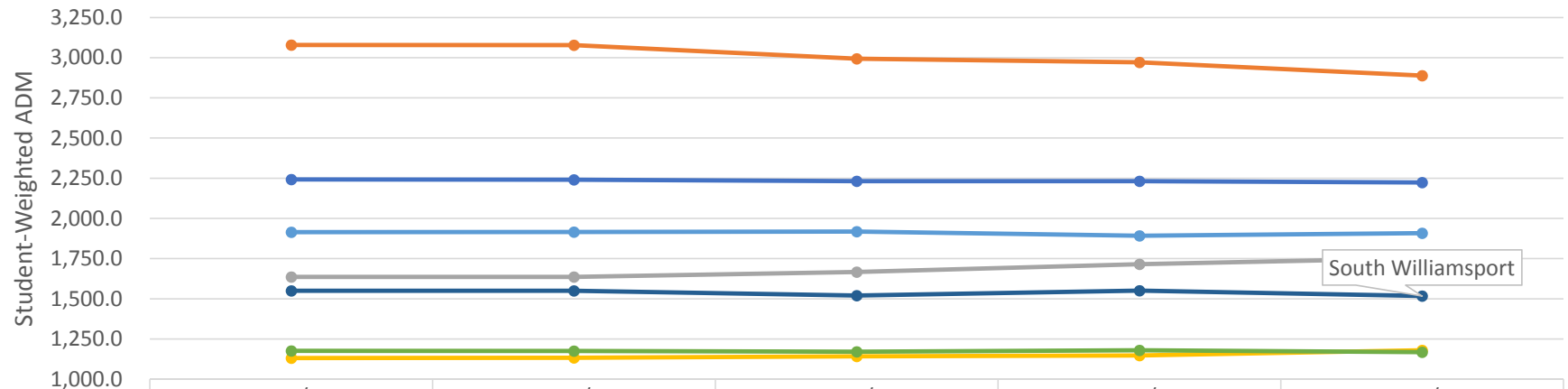
Lycoming County



	2015/16	2016/17	2017/18	2018/19	2019/20
East Lycoming	1,649.5	1,649.5	1,634.3	1,628.6	1,646.0
Jersey Shore	2,697.3	2,697.3	2,643.7	2,598.9	2,559.3
Loyalsock	1,526.5	1,526.5	1,537.3	1,528.0	1,528.9
Montgomery	867.1	867.1	875.2	878.8	883.9
Montoursville	2,003.9	2,004.2	2,014.3	2,021.0	2,023.7
Muncy	1,053.3	1,053.9	1,064.2	1,082.4	1,090.0
South Williamsport	1,356.4	1,356.4	1,323.7	1,322.5	1,306.4

Student-Weighted ADM

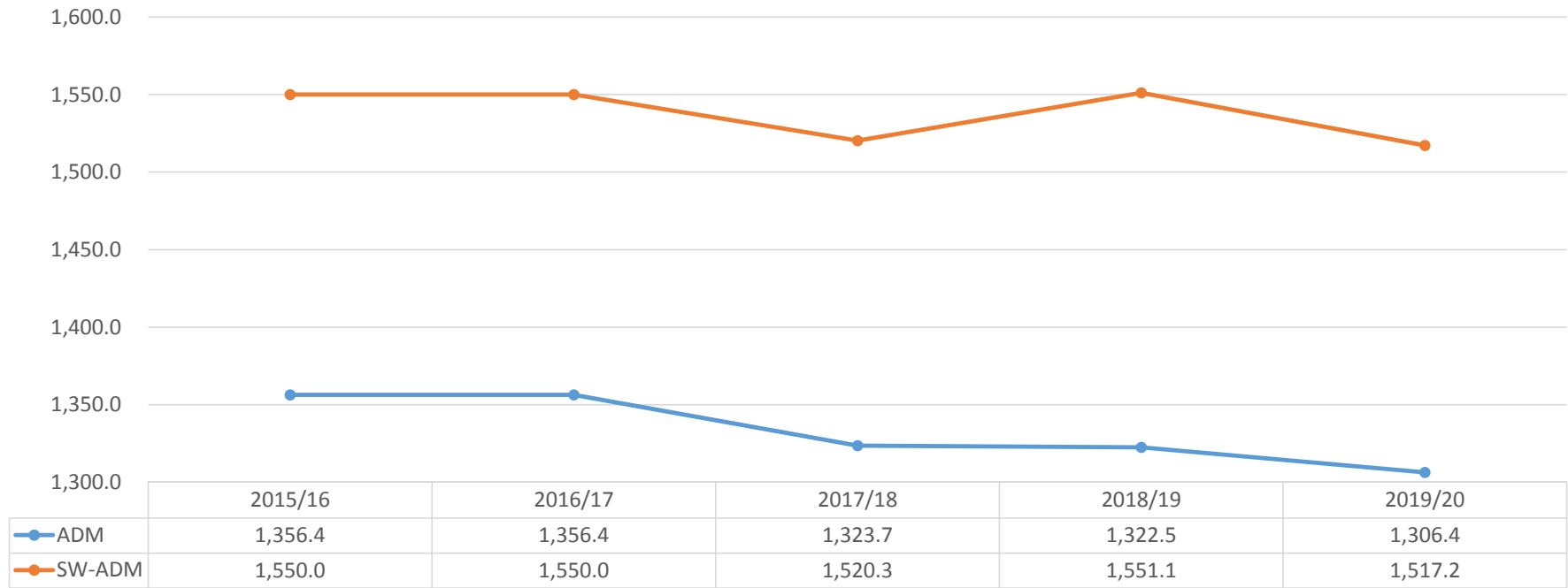
Lycoming County



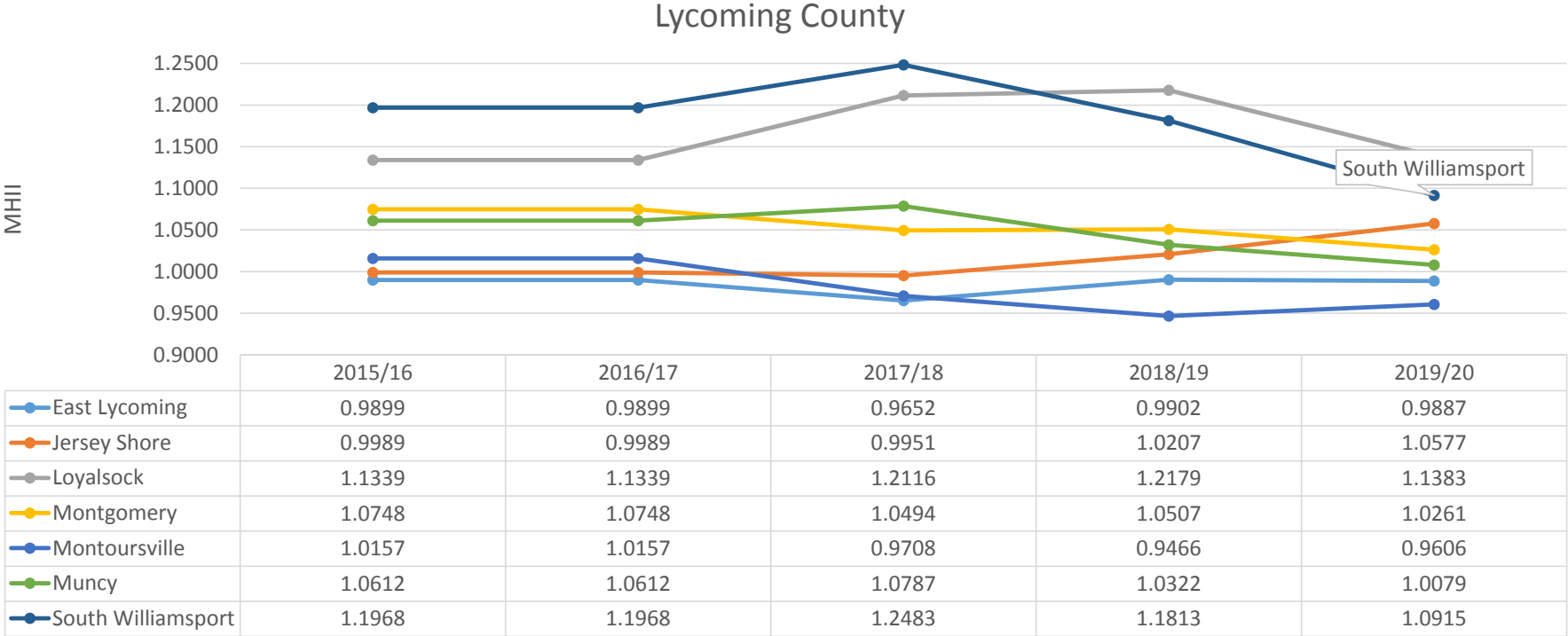
	2015/16	2016/17	2017/18	2018/19	2019/20
East Lycoming	1,914.7	1,915.8	1,918.2	1,892.4	1,908.1
Jersey Shore	3,078.9	3,078.3	2,993.5	2,970.7	2,888.4
Loyalsock	1,636.6	1,636.6	1,666.9	1,715.2	1,752.5
Montgomery	1,131.7	1,132.9	1,141.8	1,147.4	1,179.6
Montoursville	2,243.0	2,240.8	2,232.1	2,231.4	2,223.6
Muncy	1,176.6	1,175.7	1,170.4	1,180.0	1,168.4
South Williamsport	1,550.0	1,550.0	1,520.3	1,551.1	1,517.2

3-Year ADM vs SW-ADM

South Williamsport Area SD

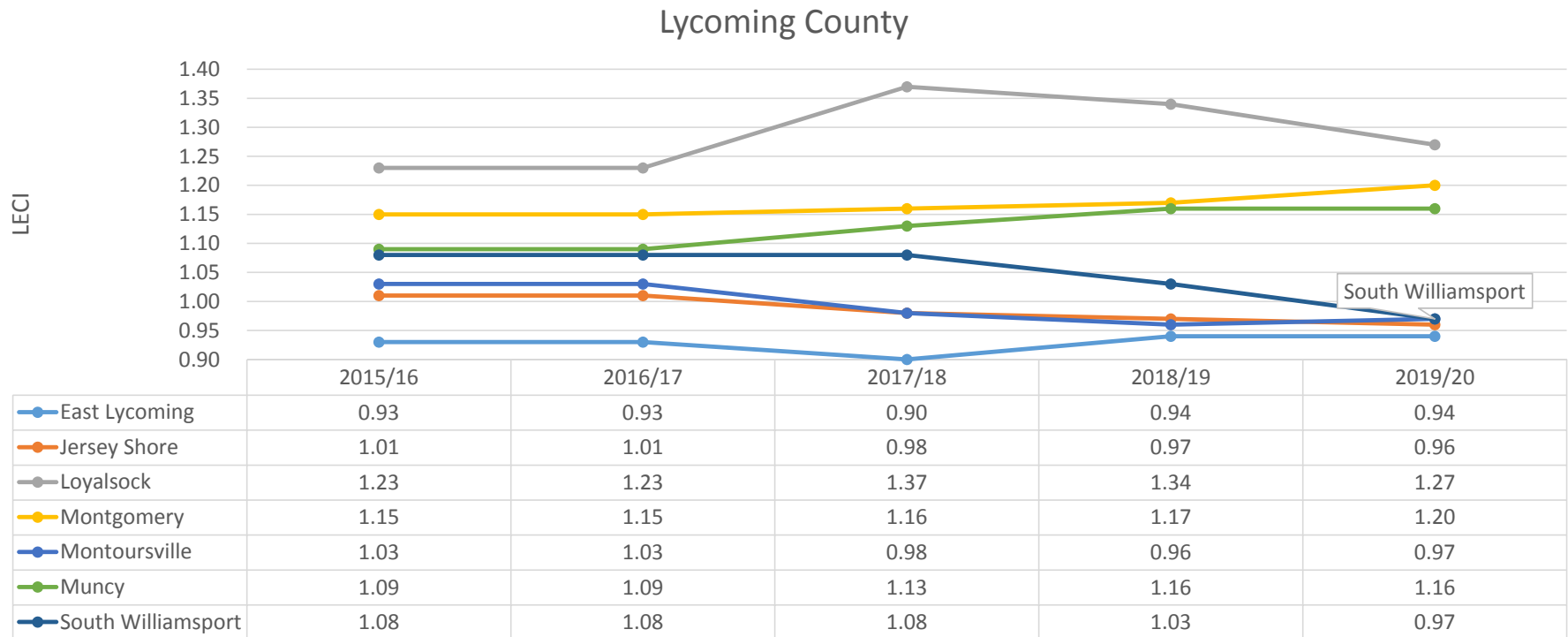


Median Household Income Index (MHII)



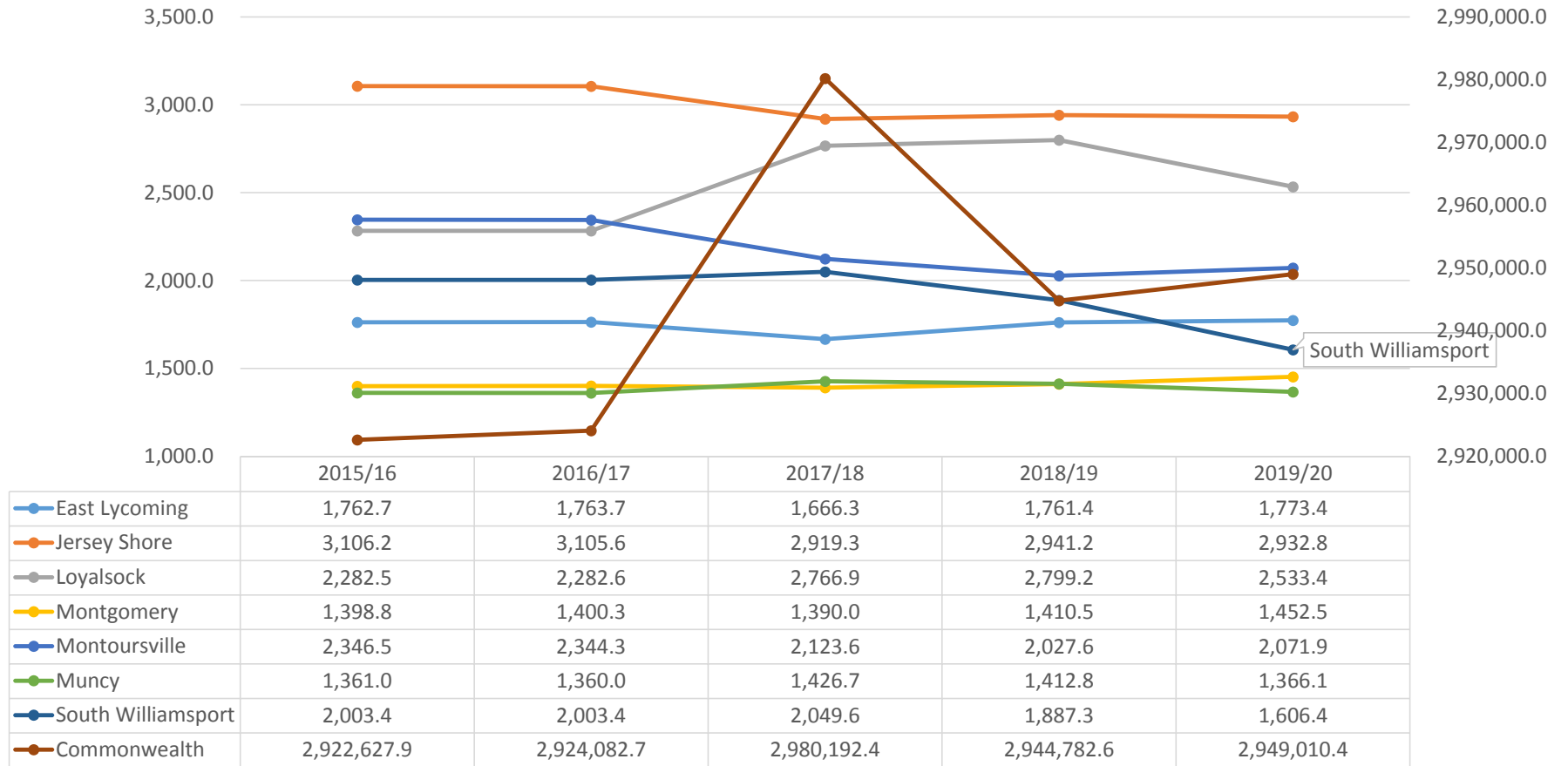
Median household income for each district is compared to the statewide median household income (\$54,895 in 18/19). If the district’s MHI is below the statewide median, their multiplier is greater than 1. If the district’s MHI is above the statewide median, their multiplier is less than 1.

Local Effort Capacity Index (LECI)



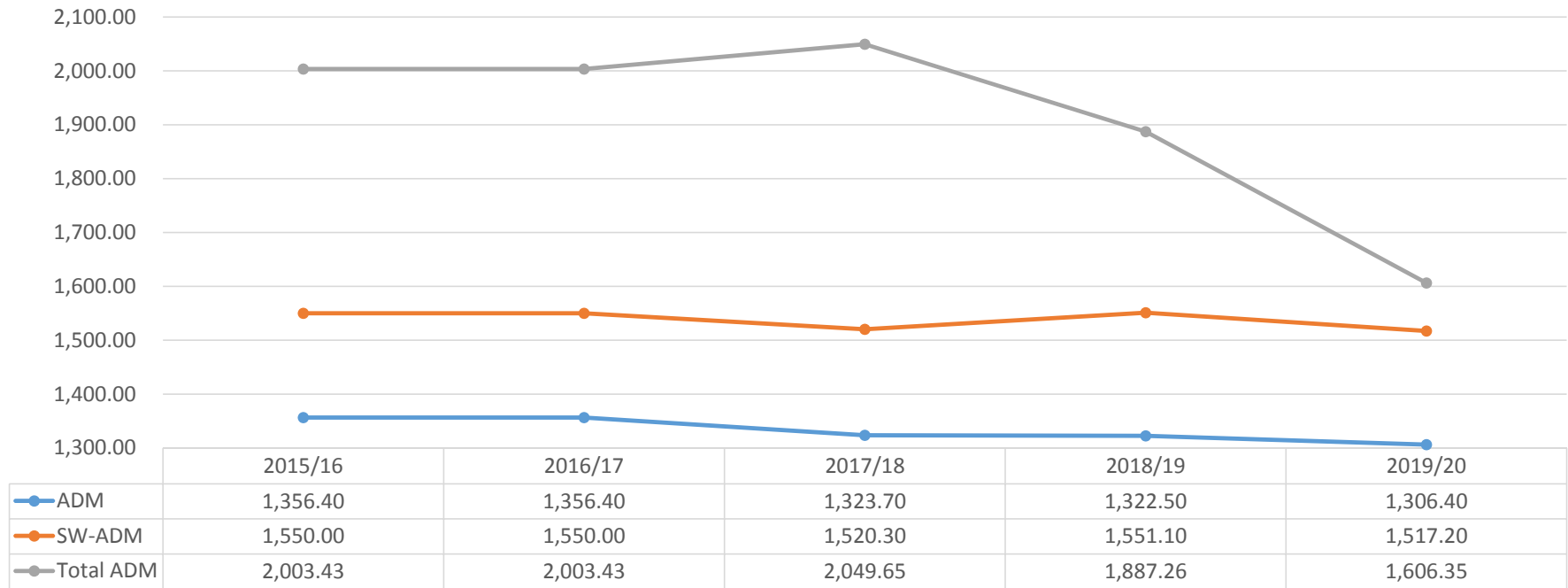
The LECI is calculated from the local effort index and the local capacity index. The local effort index measures the total local tax effort placed on each household at the median household income. The local capacity index measures the district's ability to generate local revenue on a per weighted student basis.

Total ADMs for Proration of Funds



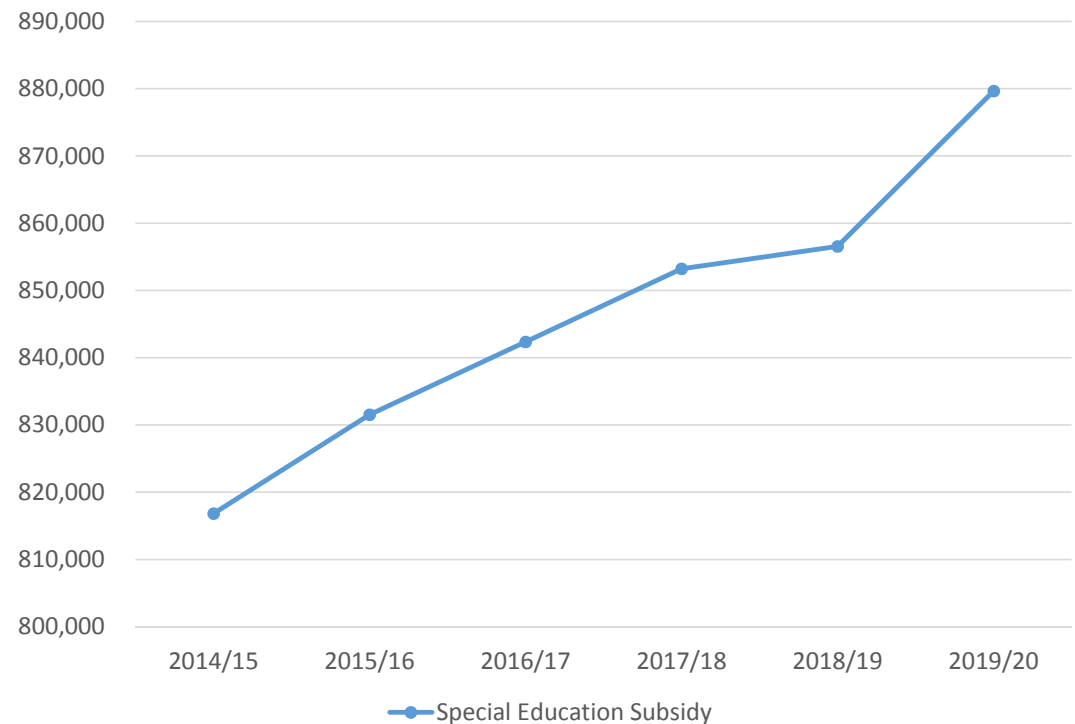
3-Year ADM vs SW-ADM vs Allocable ADM

South Williamsport Area School District



Special Education Subsidy

- Funding set in the Commonwealth's budget
- Allocated to districts by a formula, consisting of 2 parts:
 - Base Allocation
 - Student Based Allocation



Special Education Subsidy

- Base Allocation
 - “Grandfathered” funds that were distributed through the 2013-14 school year. Under current legislation, our share of these funds will never be changed. Our share of the base allocation is \$804,886.
- Student Based Allocation
 - Our share of additional funds allocated from the Commonwealth. These funds are distributed based on the District’s special education student population multiplied by our Local Tax Effort Factor and our Local Wealth Factor.
 - The cumulative amount of Student Based Allocation is allocated every year. This means that we have a potential to see a decrease in funds.

Special Education Subsidy

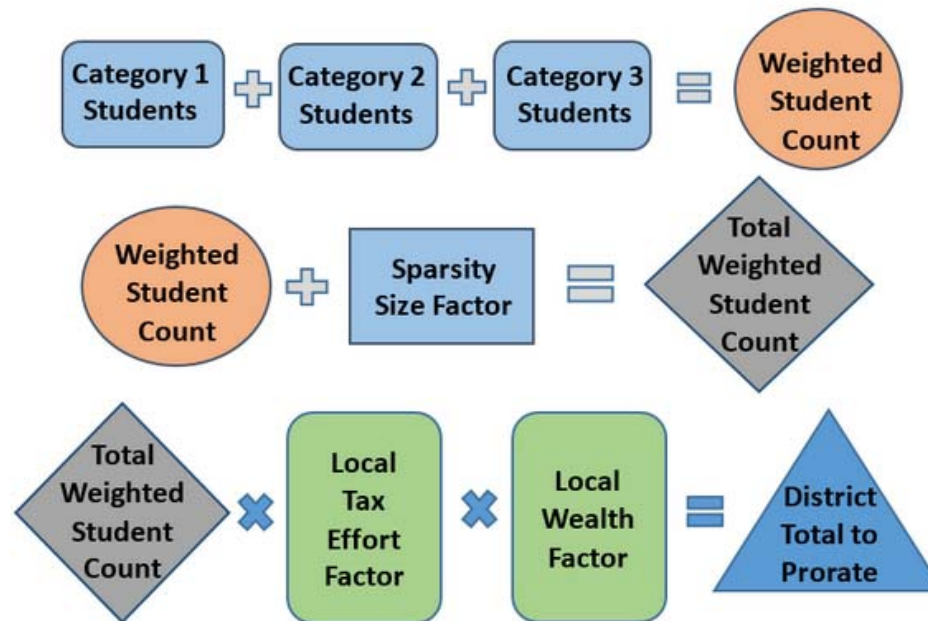
	South's Base Distribution	Commonwealth's Base	South Base as % of Total Base
2013/14	804,886	947,535,830	.0849%

	Increase in South's Subsidy	Increase in Commonwealth
2014/15	11,943	19,800,000
2015/16	14,685	26,950,000
2016/17	10,842	18,872,525
2017/18	10,869	23,202,475
2018/19	3,319	14,025,000
2019/20	23,106*	46,466,504

	South's Student Based Allocation	Commonwealth's Student Based Funds	South Student Based as % of Total SB
2014/15	11,943	19,800,000	.0603%
2015/16	26,628	46,750,000	.0570%
2016/17	37,470	65,622,525	.0571%
2017/18	48,338	88,825,000	.0544%
2018/19	51,657	102,850,000	.0502%
2019/20	74,763*	149,316,504	.0501%

*2019/20 is estimated subsidy. The Category 1, 2, and 3 student counts have not yet been updated in the calculation.

Student Based Allocation

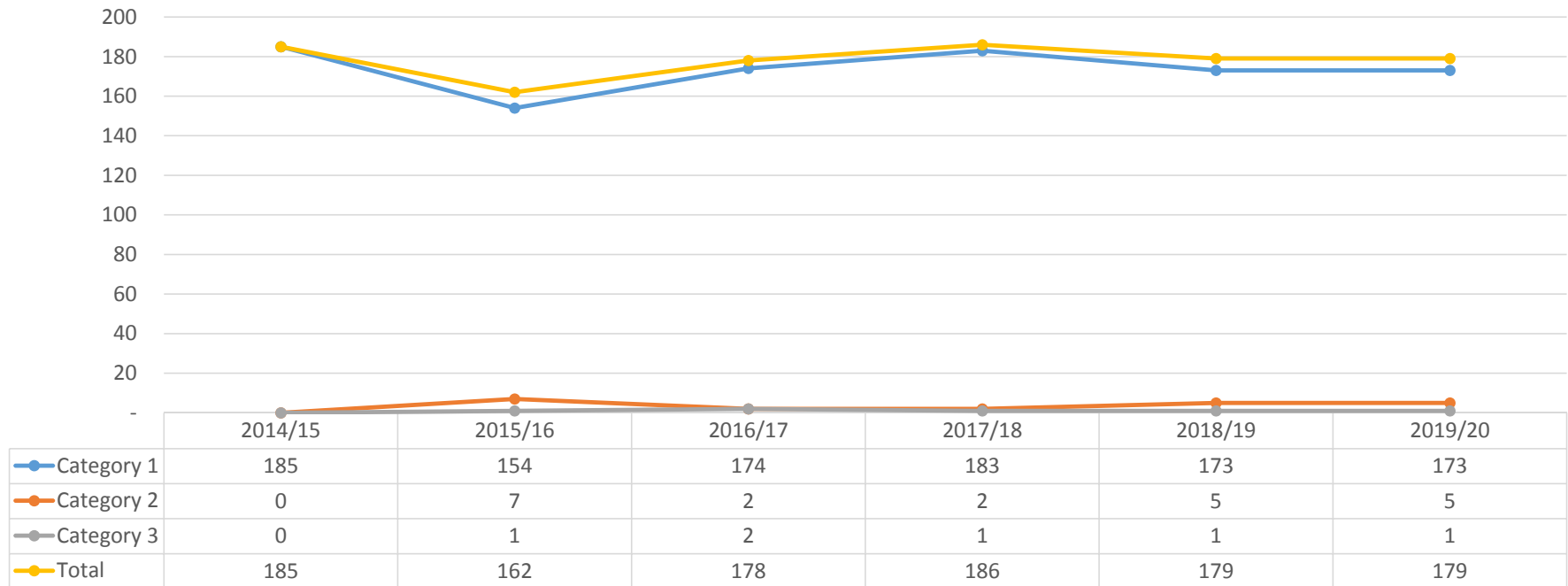


Category 1, 2 and 3 Students

- Act 16 of 2000 established the Reporting of Expenditures Relating to Exceptional Students. Per this Act, the Pennsylvania Department of Education asks each school district to report the number of students with disabilities for which expenditures are:
 - Category 1: \$1 - \$25,884.67
 - Category 2: \$25,884.68 - \$51,769.36
 - Category 3: \$51,769.37 - \$77,654.04
 - Category 4: \$77,654.05 and over
- Eligible costs include: prorated classroom teacher salary and benefits, prorated classroom aide (if assigned to multiple students), total costs of paraprofessional (if assigned to individual student), prorated general education costs, specialized transportation, prorated speech and language services, total costs of individual services, costs of materials or equipment as specified in the student's IEP.
- Ineligible costs include: administrative costs, nonspecialized transportation costs, general education costs which are not applicable to special education services.

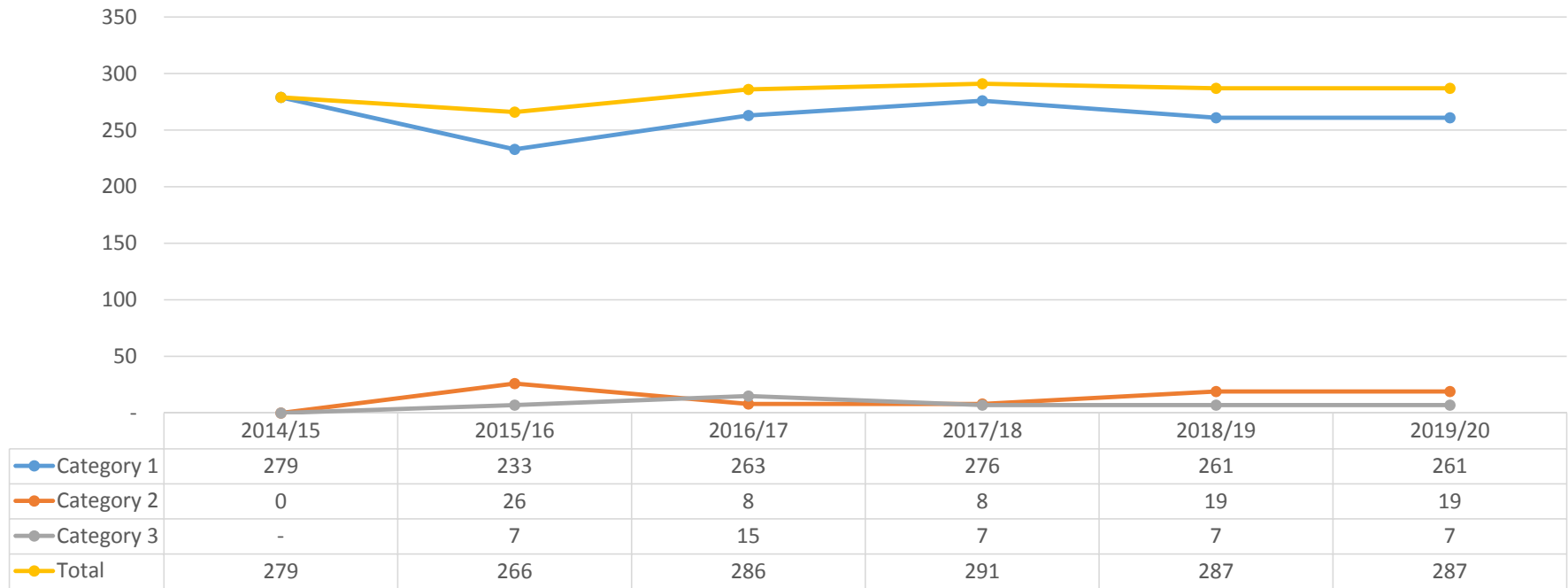
Category 1, 2 and 3 Students

South Williamsport Area SD



Category 1, 2 and 3 Students - Weighted

South Williamsport Area SD



Each Category is assigned a weight. Category 1 = 1.51; Category 2 = 3.77; Category 3 = 7.46

State Share of FICA and PSERS

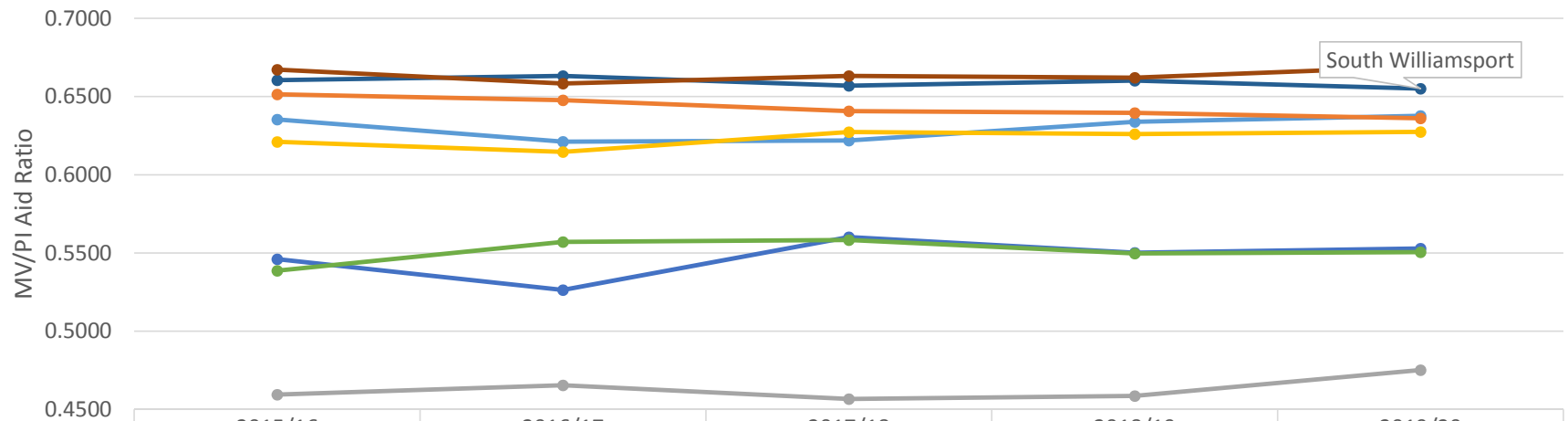
- Funds received designated as the Commonwealth's matching share of the district's contribution to Social Security and Medicare Taxes and Retirement Contributions for active members of the Public School Employees Retirement System (PSERS).
- The Commonwealth's share is calculated in accordance with Act 29 of 1994 which categorizes employees in 2 buckets:
 - "Existing" employees – employees employed by any school entity within the Commonwealth of Pennsylvania before July 1, 1994
 - "New" employees – employees with effective dates of employment after June 30, 1994
- Reimbursement for the classification of employees as follows:
 - "Existing" employees reimbursement = 50%
 - "New" employees reimbursement = the greater of 50% of the District's Market Value/Personal Income Aid Ratio

MV/PI Aid Ratio

- The MV/PI aid ratio is a measure of local wealth.
- It reflects the general wealth of the district based on the district's total market value and personal income per student in comparison to the state's total market value and personal income per student.
- A low MV/PI aid ratio is relatively wealthy.
- A high MV/PI aid ratio reflects low local wealth.
- For 2018/19, ratios across the state ranged from 0.15 to 0.8983.

MV/PI Aid Ratio

Lycoming County

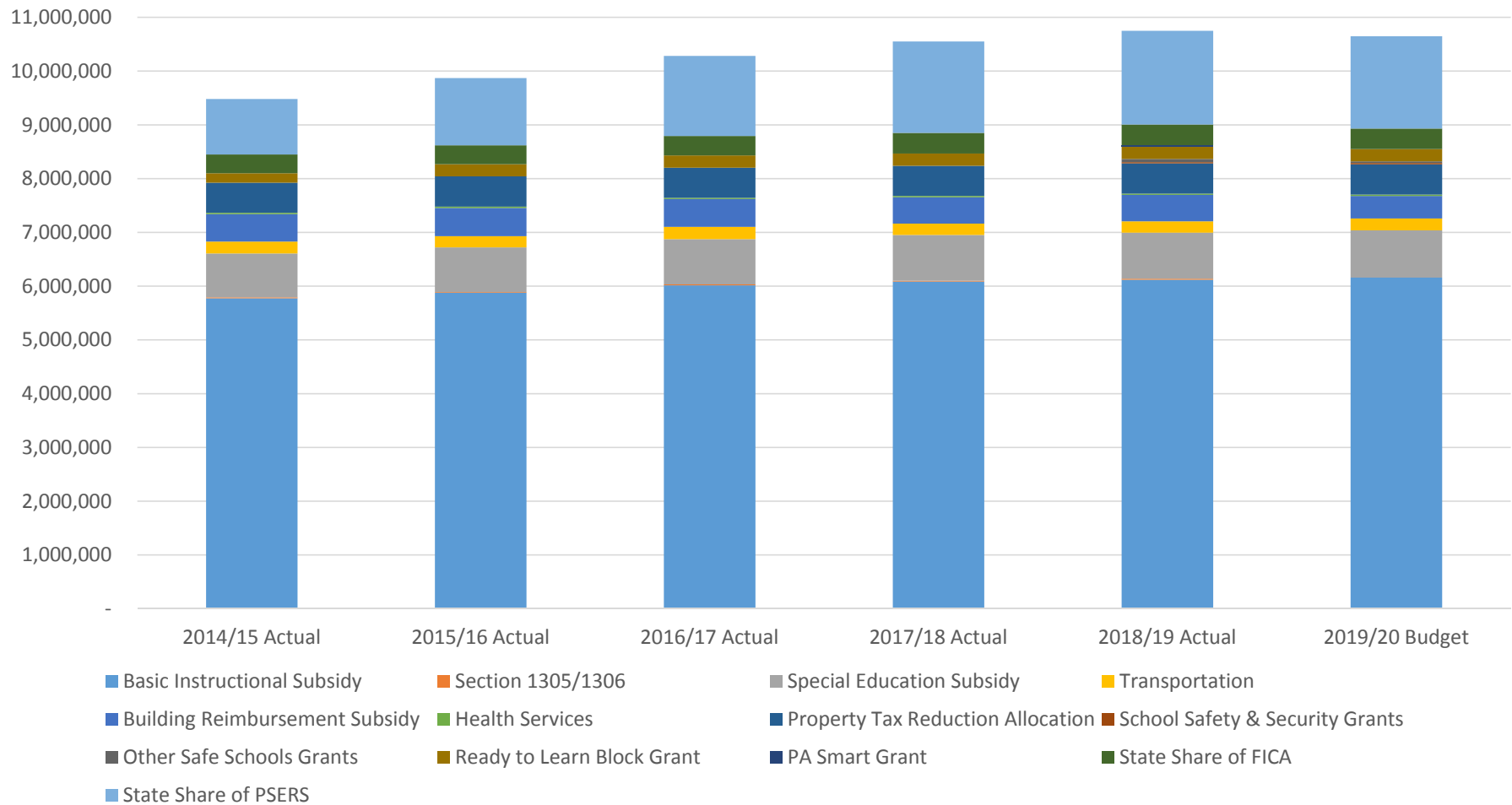


	2015/16	2016/17	2017/18	2018/19	2019/20
East Lycoming	0.6354	0.6212	0.6219	0.6339	0.6377
Jersey Shore	0.6514	0.6477	0.6407	0.6396	0.6361
Loyalsock	0.4595	0.4654	0.4567	0.4586	0.4752
Montgomery	0.6211	0.6146	0.6273	0.6260	0.6274
Montoursville	0.5461	0.5263	0.5602	0.5502	0.5529
Muncy	0.5387	0.5571	0.5583	0.5497	0.5505
South Williamsport	0.6605	0.6632	0.6569	0.6602	0.6551
Williamsport	0.6672	0.6583	0.6632	0.6621	0.6691

Other State Revenues

- Section 1305/1306 – Funds received as tuition for children who are placed in private homes by the court (foster homes).
- Transportation Subsidy – Funds received for pupil transportation to and from school. The subsidy uses a calculation based on vehicles, mileage, and pupils rostered to the bus.
- Building Reimbursement Subsidy – PLANCON reimbursements.
- Health Services – Funds received for health services (medical, dental & nurse) provided to students under Section 2505.1 of the PA School Code.
- Property Tax Reduction Allocation – Funds received designated for school district property tax reduction.
- School Safety & Security Grants – Funds received from the PA Commission on Crime and Delinquency for the School Safety and Security Grant program. Program began in the 2018/19 school year.
- Other Safe School Grants – Other funds received from the Commonwealth related to safe school programs. This was our School Resource Officer grant.
- Ready to Learn Block Grant – Funds received under Act 126 of 2014 to provide resources that focus on student achievement and academic success for pre-k or full-day kindergarten and other proven educational programs.
- PA Smart Grant – Funds received under the PA Smart Grant initiative.

State Revenue



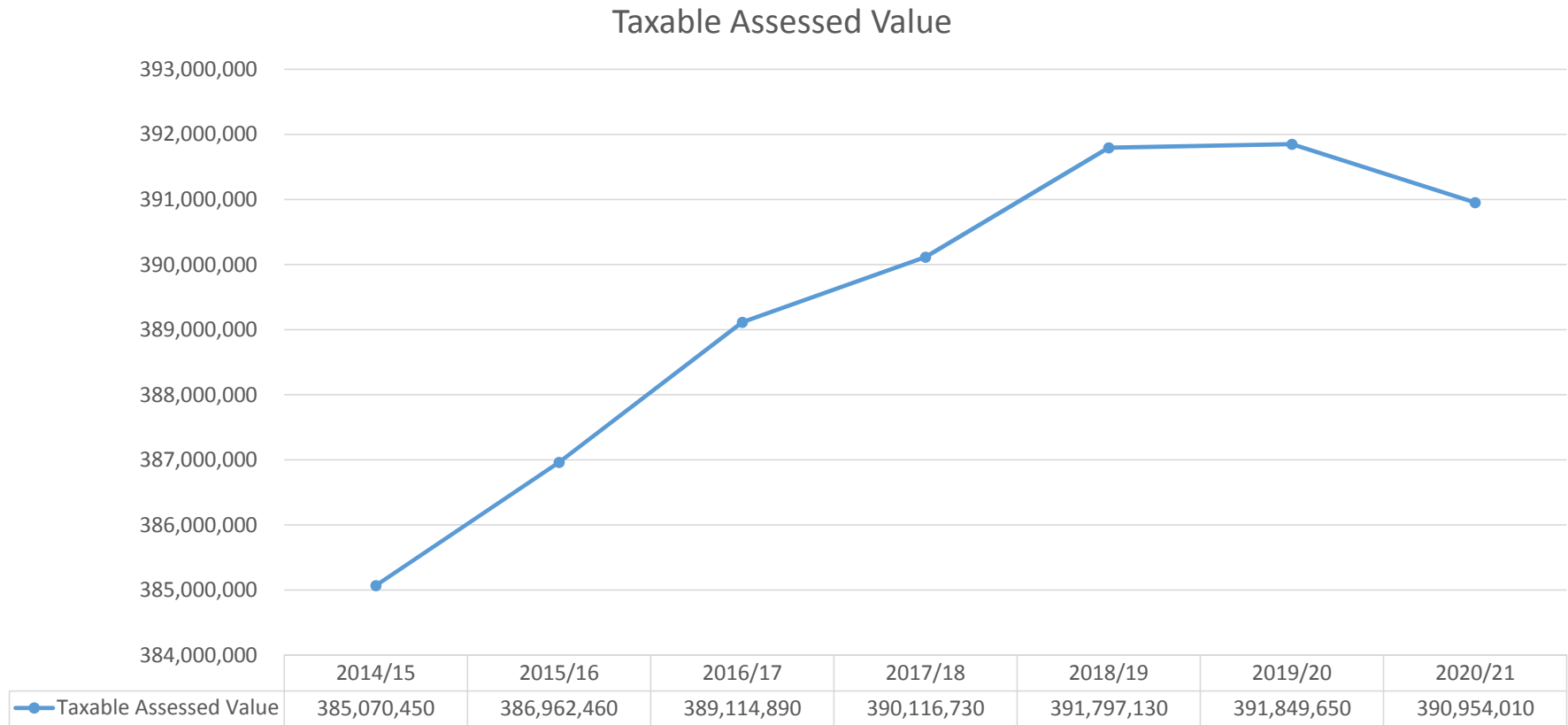
Local Revenue

- Real Estate Taxes (less discount, plus penalty)
- Public Utility Realty Taxes
- Payments in Lieu of Taxes (PILOT payments)
- Earned Income Taxes
- Real Estate Transfer Taxes
- Delinquent Real Estate Taxes
- Earnings on Investments
- Athletic Event Admissions
- IDEA Funding (from BLaST IU)
- IDEA Funding (MTSS grant)
- PBIS Grant
- Facility Rental Fees
- Private Donations (SWASDF)
- Tuition
- Receipts from other LEAs
- Miscellaneous Revenue
- Energy Incentive Rebate

Real Estate Taxes

- Real Estate Taxes are calculated by taking the taxable assessed value multiplied by the millage.
 - 1 mill = \$1 of tax for every \$1,000 of assessed value
 - Example: Mr. Smith's property is assessed at \$100,000. The millage rate for the 2019/20 school year was 16.78 mills. Mr. Smith's tax bill will be \$1,678.
 - If Mr. Smith's property is a homestead, he will receive a credit for his allocated share of gambling funds. The 2019/20 per property allocation was \$230.50. This would reduce his tax bill to \$1,447.50
- Property owners have 6 months to pay their bill. If they pay early, they receive a discount. If they pay later, they pay a penalty.
 - July 1 – Aug 31: Discount Period; 2% discount (Mr. Smith would pay \$1,418.55)
 - Sept 1 – Oct 31: Face Period; no discount or penalty (Mr. Smith would pay \$1,447.50)
 - Nov 1 – Dec 31: Penalty Period: 10% penalty (Mr. Smith would pay \$1,592.25)
- Property owners can also pay in 3 equal installments
 - 1st installment must be paid by July 31. If they miss this deadline, they cannot take advantage of paying in installments
 - Due dates for installment payments: July 31, Sept 30, Nov 30

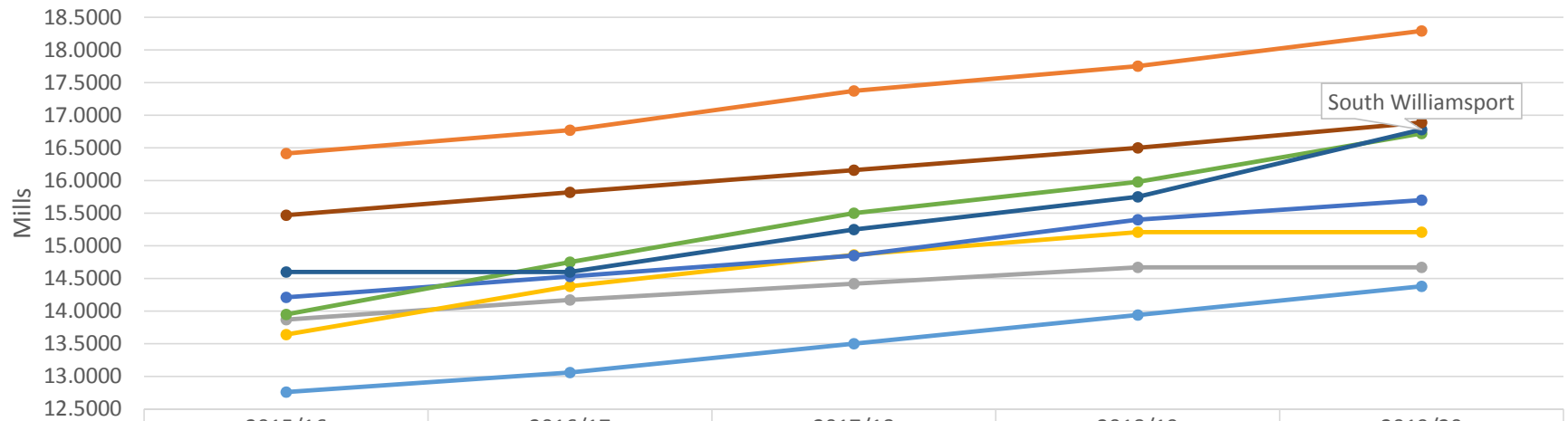
Taxable Assessed Value for SWASD



Note: 2020/21 Taxable Assessed Value is as of 1/17/2020. We will receive updated Taxable Assessed Values in May 2020.

Real Estate Mills

Lycoming County



	2015/16	2016/17	2017/18	2018/19	2019/20
East Lycoming	12.7600	13.0600	13.5000	13.9400	14.3800
Jersey Shore	16.4141	16.7720	17.3736	17.7513	18.2915
Loyalsock	13.8700	14.1700	14.4200	14.6700	14.6700
Montgomery	13.6400	14.3800	14.8600	15.2100	15.2100
Montoursville	14.2100	14.5300	14.8500	15.4000	15.7000
Muncy	13.9500	14.7500	15.5000	15.9800	16.7200
South Williamsport	14.6000	14.6000	15.2500	15.7500	16.7800
Williamsport	15.4700	15.8200	16.1600	16.5000	16.8900

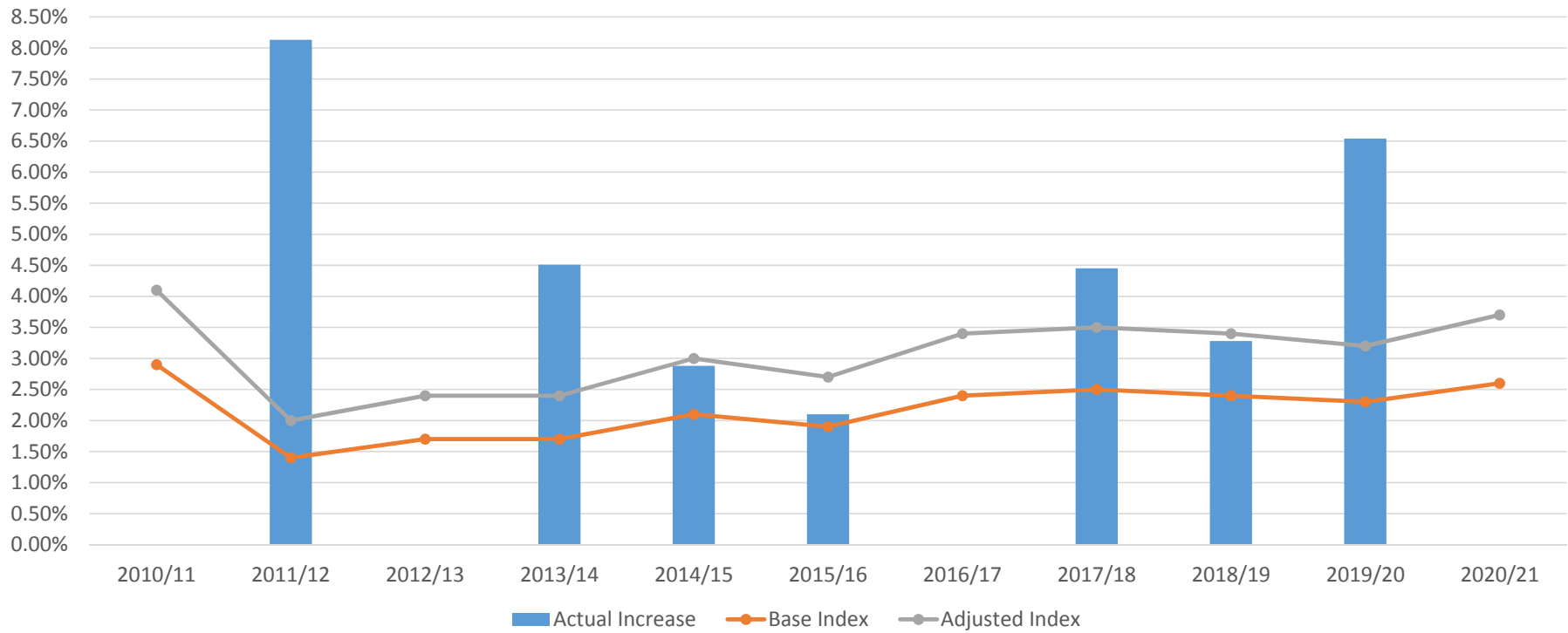
Act 1 Index

- The Act 1 index is used to determine the maximum real estate tax increases without filing for exceptions or voter approval.
- The base index is calculated by averaging the percent increases in the PA statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.
- For school districts with a market value/personal income (MV/PI) aid ratio greater than 0.4000, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI aid ratio.

Going Beyond the Act 1 Index

- A school district may seek approval from PDE for referendum exceptions to increase real estate taxes by more than its adjusted index
 - School Construction – Grandfathered Debt
 - School Construction – Electoral Debt
 - Special Education Expenditures
 - Retirement Contributions

Tax Increase vs. Act 1 Index



History of Millage Rates for SWASD

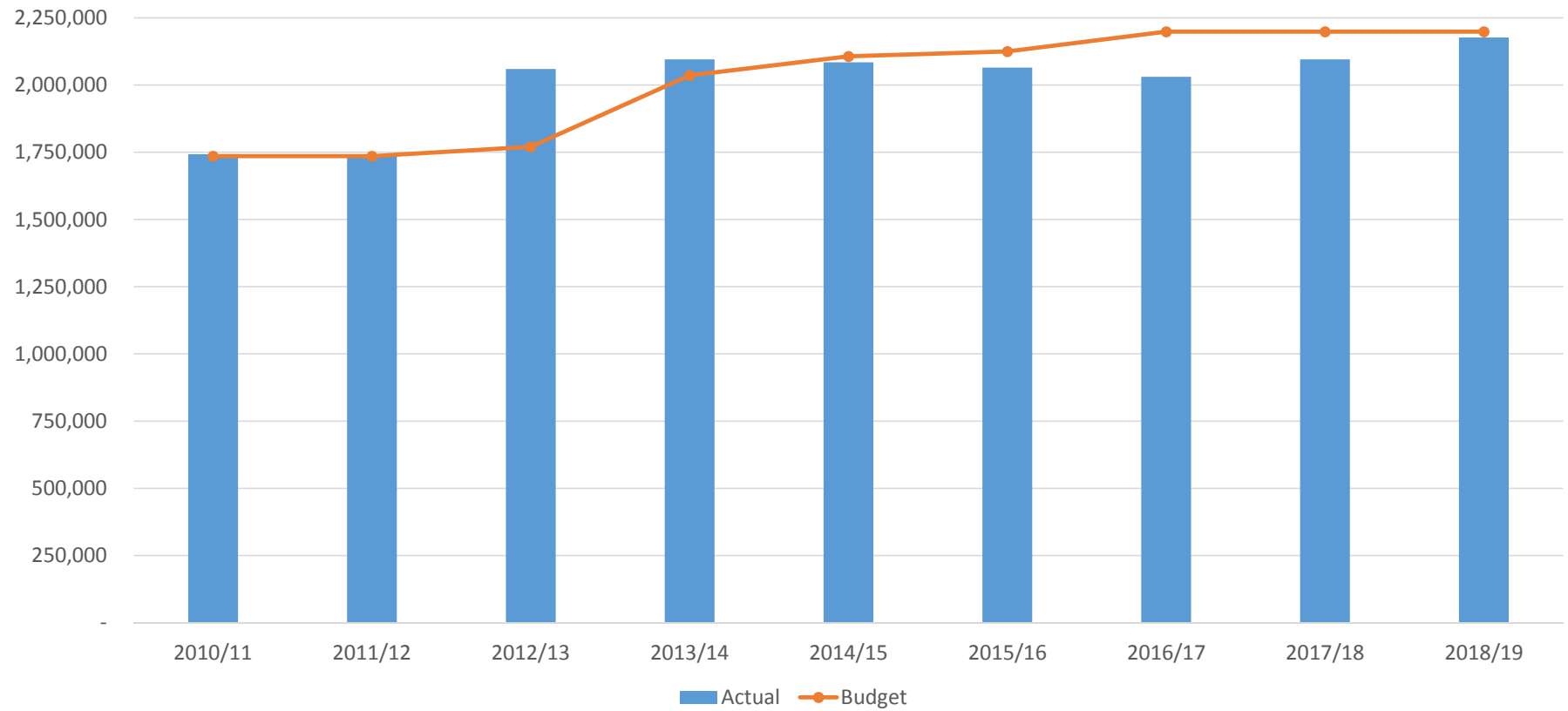
School Year	Millage	School Year	Millage
2005/06	11.90	2013/14	13.90
2006/07	11.90	2014/15	14.30
2007/08	12.30	2015/16	14.60
2008/09	12.30	2016/17	14.60
2009/10	12.30	2017/18	15.25
2010/11	12.30	2018/19	15.75
2011/12	13.30	2019/20	16.78
2012/13	13.30	2020/21	???

For 2020/21, the district did not qualify for any Act 1 Exceptions. Therefore, we must stay within the adjusted Act 1 index of 3.7%. This means that we can raise taxes by .62 mills, for a total of 17.40 mills.

Earned Income Tax

- Earned Income Tax (EIT) is a tax on residents of the district.
- It is charged on salaries/wages (W2 or 1099), commissions/bonuses/incentive payments (W2 or 1099), fees (W2 or 1099), tips (W2), sole proprietorship (Schedule C) net income, or partnership (K-1) ordinary income.
- The district receives 1.1% on earned income of residents of the district.
- The tax is collected by the Municipal and School Earned Income Tax Office.
- Funds are distributed to the district once a month.

Earned Income Tax History



Other Local Revenues

- Public Utility Realty Taxes – payments in lieu of real estate taxes on properties and buildings owned by public utilities in the district
- Payments in Lieu of Taxes – the district receives funds from Little League and the Commonwealth of Pennsylvania (on behalf of DCNR and the Game Commission) for not having to pay real estate taxes.
- Real Estate Transfer Taxes – the district receives .5% of the selling price of real estate sold. Funds are collected by the Lycoming County Register & Recorder and remitted to the district on a monthly basis.
- Delinquent Real Estate Taxes – real estate taxes not paid by Dec 31 are turned over to the Lycoming County Tax Claim Bureau. Funds recovered by the Tax Claim Bureau are remitted to the district on a monthly basis.
- Earnings on investments – interest earned on the district's bank accounts.
- Athletic Event Admissions – revenue generated from athletic events. We charge for Football, Volleyball, Basketball and Wrestling. Ticket prices are \$4 for adults/\$2 for students for varsity events and \$3 for adults/\$2 for students for JV events. Sports passes can be purchased for \$40 for adults/\$20 for students.
- IDEA Funding – received from BLaST IU (who receives it from Federal Department of Education). IDEA stands for Individuals with Disabilities Education Act.
- Facility Rental Fees – funds received from individuals or groups that rent our facilities.
- Private Donations (SWASDF) – funds received from the South Williamsport Education Foundation in the form of grants.
- Tuition – funds received if a student attends our school but does not have legal residence within the district. These are pre-approved by the superintendent.
- Receipts from other LEAs – funds received from other school districts for students in IU classrooms within our district who mainstream with our teachers for any part of the day.
- Miscellaneous – funds received that don't fit into any other category. These could include attendance fines, donations from local sources (such as the PTO), or other miscellaneous funds.
- Energy Incentive Rebate – funds received for participating in an energy curtailment program.

**South Williamsport Area School District
History of Revenue**

		2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Budget	
Local Revenue	6111	Real Estate Taxes	4,561,866	4,787,829	4,775,893	5,023,740	5,221,485	5,652,352
	6113	Public Utility Realty Taxes	8,447	8,101	8,084	7,542	7,514	8,000
	6114	Payments in Lieu of Current Taxes	19,570	19,570	19,570	22,095	22,095	19,570
	6151	Earned Income Taxes	2,084,653	2,064,670	2,030,364	2,095,144	2,176,922	2,198,266
	6153	Real Estate Transfer Taxes	95,231	158,408	204,326	133,654	146,745	100,000
	6400	Delinquent Real Estate Taxes	456,050	312,244	339,666	331,472	359,850	350,000
	6500	Earnings on Investments	6,425	5,270	6,530	20,429	39,517	30,000
	6700	Athletic Event Admissions	45,138	30,425	41,658	33,489	33,433	33,900
	6830	IDEA Funding (from BLAST IU)	156,543	156,991	165,175	160,145	182,043	180,292
	6832	IDEA Funding (MTSS Grant)	-	-	-	-	10,000	-
	6890	PBIS Grant	-	-	-	15,000	-	-
	6910	Facility Rental Fees	2,500	3,540	3,500	2,500	3,180	5,000
	6920	Private Donations (SWASDF)	14,947	8,783	9,197	10,307	16,818	20,000
	6941	Tuition	1,235	2,610	2,250	360	6,976	-
	6944	Receipts from other LEAs	1,359	-	-	16,405	11,317	10,000
	6990	Miscellaneous Revenue	1,484	825	781	761	3,399	1,000
	6992	Energy Incentive Rebate	6,334	7,175	3,975	1,948	252	5,000
	Total Local Revenue	7,461,782	7,566,441	7,610,970	7,874,991	8,241,545	8,613,380	
	% of Total Revenue	43.25%	42.62%	41.76%	41.93%	42.44%	43.81%	
State Revenue	7110	Basic Instructional Subsidy	5,773,755	5,878,222	6,015,200	6,085,079	6,118,894	6,157,658
	7160	Section 1305/1306	18,490	11,002	17,158	15,210	18,857	-
	7270	Special Education Subsidy	816,823	831,521	842,356	853,224	856,543	879,881
	7310	Transportation	219,674	210,199	228,044	208,689	212,719	221,566
	7320	Building Reimbursement Subsidy	509,226	523,628	516,494	491,202	491,760	420,242
	7330	Health Services	25,468	25,900	23,522	24,457	22,768	25,107
	7340	Property Tax Reduction Allocation	560,596	560,555	560,596	560,559	560,564	560,963
	7361	School Safety & Security Grants	-	-	-	-	25,000	25,000
	7369	Other Safe Schools Grants	-	-	-	-	60,000	30,000
	7505	Ready to Learn Block Grant	175,853	228,011	228,011	228,011	228,011	228,011
	7506	PA Smart Grant	-	-	-	-	27,386	-
	7800	State Share of FICA	349,202	350,971	362,518	383,706	385,297	382,194
	7820	State Share of PSERS	1,032,098	1,249,844	1,488,258	1,701,925	1,741,229	1,717,486
		Total State Revenue	9,481,183	9,869,853	10,282,157	10,552,062	10,749,028	10,648,108
	% of Total Revenue	54.95%	55.60%	56.41%	56.18%	55.35%	54.16%	
Federal	8514	Title I	227,657	226,966	281,839	293,946	355,003	331,243
	8515	Title II	53,211	53,345	52,567	49,984	53,099	42,765
	8517	Title IV	-	-	-	10,000	21,240	26,570
	8810	Medical Assistance	30,350	35,350	-	-	-	-
		Total Federal Revenue	311,218	315,661	334,406	353,930	429,342	400,578
	% of Total Revenue	1.80%	1.78%	1.83%	1.88%	2.21%	2.04%	
Total Revenue		17,254,183	17,751,955	18,227,533	18,780,983	19,419,916	19,662,066	

South Williamsport Area School District
 "Preliminary" Budget for 2020/21 as of 1/20/2020

		2019/20 Final Budget	2020/21 "Preliminary" Budget	Inc (Dec) from 2019/20 Budget	
Local Revenue	6111	Real Estate Taxes	5,652,352	5,638,224	(14,128)
	6113	Public Utility Realty Taxes	8,000	7,500	(500)
	6114	Payments in Lieu of Current Taxes	19,570	22,095	2,525
	6151	Earned Income Taxes	2,198,266	2,198,266	-
	6153	Real Estate Transfer Taxes	100,000	125,000	25,000
	6400	Delinquent Real Estate Taxes	350,000	350,000	-
	6500	Earnings on Investments	30,000	30,000	-
	6700	Athletic Event Admissions	33,900	33,900	-
	6830	IDEA Funding (from BLaST IU)	180,292	184,000	3,708
	6910	Facility Rental Fees	5,000	3,000	(2,000)
	6920	Private Donations (SWASDF)	20,000	20,000	-
	6944	Receipts from other LEAs	10,000	10,000	-
	6990	Miscellaneous Revenue	1,000	1,000	-
	6992	Energy Incentive Rebate	5,000	3,000	(2,000)
State Revenue	7110	Basic Instructional Subsidy	6,157,658	6,157,658	-
	7270	Special Education Subsidy	879,881	879,881	-
	7310	Transportation	221,566	212,718	(8,848)
	7320	Building Reimbursement Subsidy	420,242	-	(420,242)
	7330	Health Services	25,107	23,000	(2,107)
	7340	Property Tax Reduction Allocation	560,963	560,963	-
	7361	School Safety & Security Grants	25,000	35,000	10,000
	7369	Other Safe Schools Grants	30,000	-	(30,000)
	7505	Ready to Learn Block Grant	228,011	228,011	-
	7800	State Share of FICA	382,194	392,516	10,322
7820	State Share of PSERS	1,717,486	1,767,799	50,313	
Federal	8514	Title I	331,243	331,243	-
	8515	Title II	42,765	42,765	-
	8517	Title IV	26,570	26,570	-
Total Revenue		19,662,066	19,284,109	(377,957)	

Expenses	100	Salaries	8,326,401	8,551,481	225,080
	200	Employee Benefits	6,012,914	6,029,595	16,681
	300	Purchased Professional & Technical Services	839,462	839,462	-
	400	Purchased Property Services	303,024	303,024	-
	500	Other Purchased Services	1,496,799	1,496,799	-
	600	Supplies	820,910	830,910	10,000
	700	Property	99,195	99,195	-
	800	Other Objects	127,582	127,582	-
	900	Other Uses of Funds	1,717,676	1,300,000	(417,676)
	Total Expense		19,743,963	19,578,048	(165,915)

Increase or (Decrease) in Fund Balance	(81,897)	(293,939)
Add net expense for 4 Paras	(75,190)	
Beginning Fund Balance	974,194	817,107
Ending Fund Balance	817,107	523,168