

BUDGET UPDATE



LEGISLATIVE BOARD MEETING
NOVEMBER 21, 2022

Meeting Agenda



AGENDA:

- Introduction
- Budget Overview
- 2022-2023 Budget Status
- 2023-2024 Budget Cycle
- 2023-2024 Challenges
- Questions

INTRODUCTION



INTRODUCTION: IMPORTANCE OF BUDGET PROCESS

- Budget Determines How We Will Be Allocating Our Limited Resources
- Most Important Role of the Business Department: Development and Administration of the Budget
- Budget Update and Discussion at Every Finance Committee Meeting: Held 3rd Wednesday of Every Month. Meeting Calendar, Agendas, Presentations and Minutes Available on Board Docs and on The District Website.

BUDGET OVERVIEW



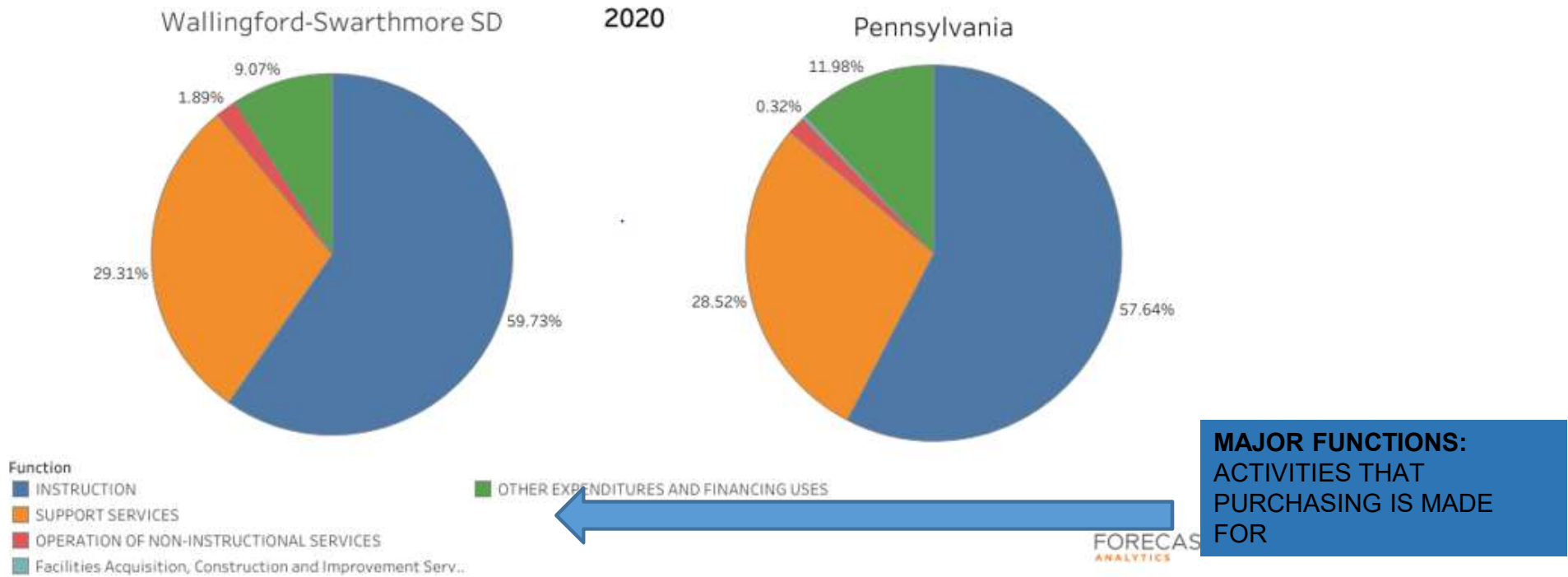
SUMMARY OF MAJOR OBJECTS /FUNCTIONS

MAJOR OBJECTS (WHAT PRODUCT/SERVICE)	MAJOR FUNCTION (PERTAINING TO WHAT ACTIVITY)
100 Personnel Services - Salaries	1000 Instruction
200 Personnel Services - Benefits	2000 Support Services
300 Purchased Professional & Technical Services	3000 Operation of Non-Instructional Services
400 Purchased Property Services	4000 Facilities Acquisition, Construction, and Improvement Services
500 Other Purchased Services	5000 Other Financing Uses
600 Supplies	
700 Property	
800 Other Objects	
900 Other Uses of Funds	

- Every Disbursement is categorized by an object and a function
- Examples: Books for the classroom (600-1000), Books for professional development (600-2000), Teacher salary (100-1000), Counselor salary (100-2000)

Wallingford-Swarthmore SD Expenditure Story

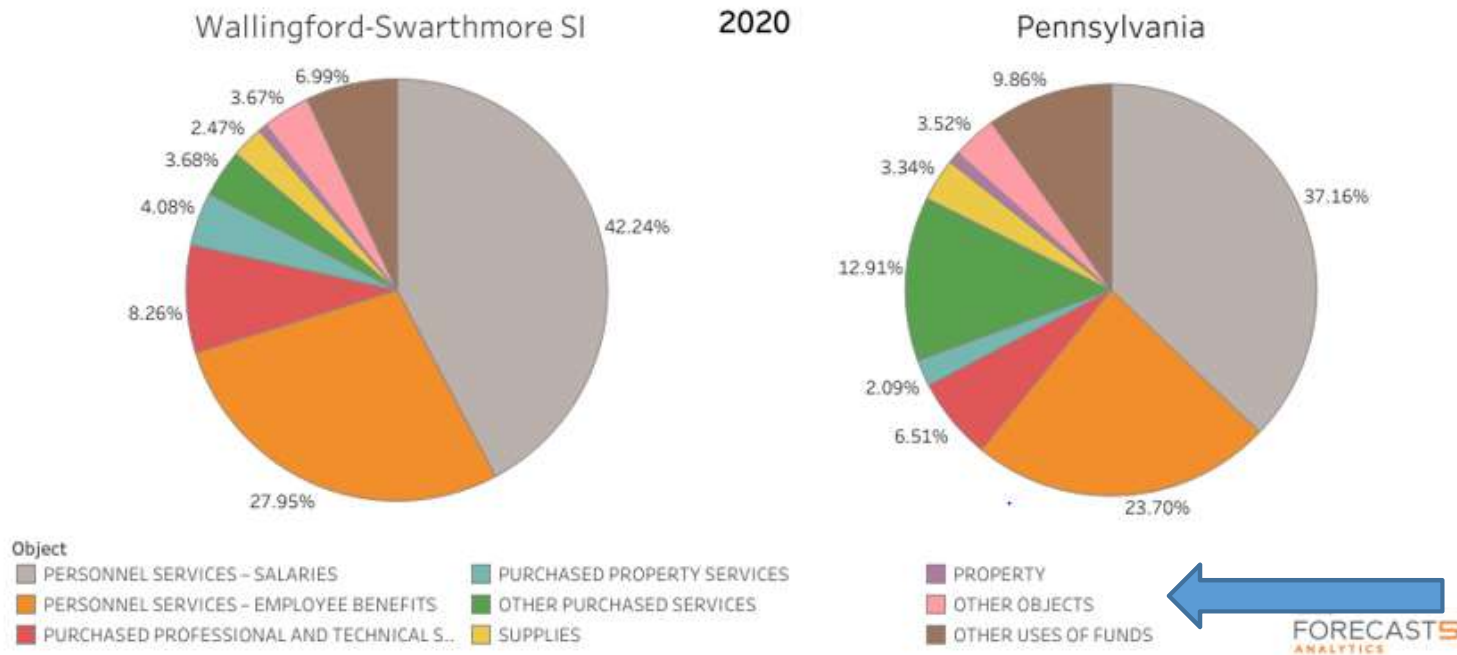
The chart below shows **General Funds** by function for our district compared to the whole state.



Our analytical software (Forecast5) allows us to compare our general funds by Function (- Activities for which purchases are made) with districts with similar demographic data. Include in brackets the total number of districts in PA representing, Rural, Suburban, Urban

Wallingford-Swarthmore SD Expenditure Story

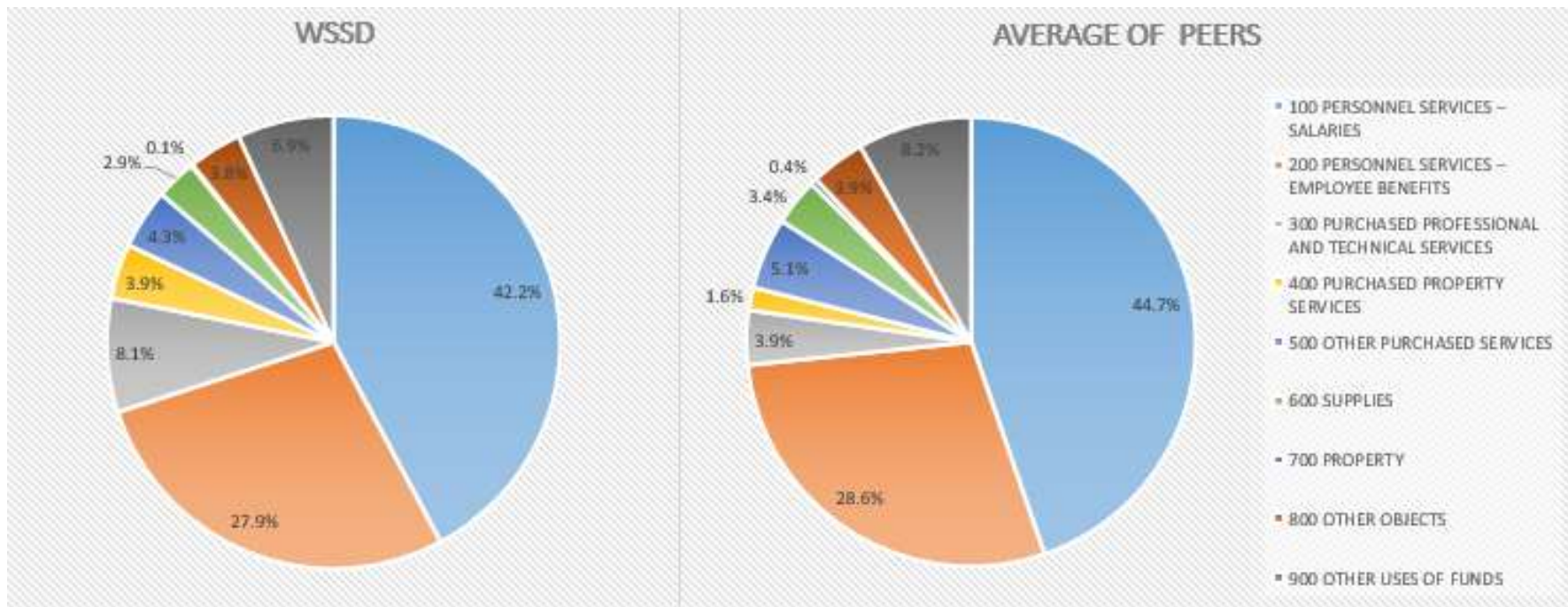
The chart below shows **General Funds** by object for our district compared to the whole state.



MAJOR OBJECTS:
GENERAL CATEGORIES OF
SERVICES AND
COMMODITY PURCHASES

Our analytical software (Forecast5) allows us to compare general funds by object (the item or service purchased) with state averages and to benchmark with districts having similar demographic data (e.g., student enrollment, Free and Reduced Lunch enrollment, Academic Rigor, etc.)

WSSD MAJOR OBJECT VS. AVERAGE OF PEERS



For more focused comparison, Major Object Data is compared to a similar Peer Group, based upon Enrollments, Socio-Economic level and Geographic Location (Peer Group shown here: Radnor, Rose Tree Media and Upper Dublin School Districts.)

2022-2023 BUDGET UPDATE



MAJOR OBJECT SPENDING: 2022-2023 VS 2021-2022 (Through 10/31)

MAJOR OBJECT CODE	MAJOR OBJECT DESCRIPTION	2022-2023			2021-2022		
		BUDGET	YTD EXPENDITURES	PERCENT OF BUDGET	BUDGET	EXPENDITURES	PERCENT OF BUDGET
100	PERSONNEL SERVICES - SALARIES	\$ 40,176,549	\$ 10,714,749	26.7%	\$ 37,977,594	\$ 10,180,558	26.8%
200	PERSONNEL SERVICES - BENEFITS	\$ 25,913,812	\$ 6,521,427	25.2%	\$ 24,719,087	\$ 6,216,712	25.1%
300	PURCHASED PROF & TECH SERVICES	\$ 7,899,023	\$ 1,467,627	18.6%	\$ 7,734,028	\$ 1,306,866	16.9%
400	PURCH PROPERTY SERV	\$ 3,676,488	\$ 1,857,085	50.5%	\$ 3,500,966	\$ 1,597,817	45.6%
500	OTHER PURCH SERVICES	\$ 3,397,423	\$ 1,138,981	33.5%	\$ 3,435,392	\$ 1,187,176	34.6%
600	SUPPLIES	\$ 3,272,011	\$ 834,436	25.5%	\$ 3,002,667	\$ 827,733	27.6%
700	PROPERTY	\$ 184,800	\$ 4,815	2.6%	\$ 71,100	\$ 7,310	10.3%
800	OTHER OBJECTS	\$ 1,874,435	\$ 272,939	14.6%	\$ 2,191,398	\$ 603,985	27.6%
900	OTHER USES OF FUNDS	\$ 5,336,552	-	-	\$ 6,493,000	-	
TOTALS		\$ 91,731,092	\$ 22,812,058	24.9%	\$ 89,125,232	\$ 21,928,159	24.6%

GENERALIZATIONS:

- As we are still early in the budget year, variances will become more meaningful later in the year
- Spending in line with prior year spending percentages – especially in the 2 major objects (Salaries & Benefits)
- Projection for Balance of Year: On track. No major operating deficit or surplus projected as of November 14.

2023-2024 BUDGET CYCLE



2023-2024 BUDGET CYCLE

- Creation of Budget Calendar – Approved by Board in September, 2022
- Distribution of Budget Packets and Guidelines to Budget Managers (“Owners”) – October, 2022
- All Budget Requests Due to Business Office by November 11, 2022
- Many Benchmark Due Dates From December, 2022 – May, 2023
- Presentation of Final Proposed Budget: May Legislative Board Meeting
- Adoption of Final Budget: June Legislative Board Meeting

2023-2024 BUDGET CYCLE: CURRENT FOCUS

Friday, November 11, 2022:	Data packets due back to Business Manager, complete. Data aggregated, analyzed. Meetings with Department Heads & Principals begin.	• Shown are the current and near term future benchmarks on our Budget Calendar
Nov 21 – Dec. 9, 2022:	Business Manager / Superintendent meetings to review data & projections. Meetings with Department Heads & Principals to continue.	• Requested Budgets completed.
Weds, December 21, 2022:	Finance Committee meeting – recommendation to Board to adopt Act 1 limitation or to seek exceptions. First look at 2023-2024 proposed budget. Budget updates at every Finance Committee, thereafter.	• Business Manager reviewing for completeness and organizing for presentation to Superintendent and schedule meetings with schools and Supervisors.

2023-2024 BUDGET CHALLENGES



2023-2024 CHALLENGES

- Received 24 new personnel requests, which will be evaluated, prioritized, quantified. Requests range from custodians, groundskeepers, instructional aides, teachers, math/literacy specialists, counselors, nurses and Athletic/Activities Director (6-12). Administration will evaluate and make recommendations to the Board
- Optimized mix of employee vs. outside contractors a goal (Total of outside contractors for 2021-2022 was approximately \$3,552,000)
- Current events and uncertainties (next slide)

CURRENT EVENTS: IMPACT ON BUDGET

- **Inflation:** Act 1 Index 4.1%
- **Energy Costs:** unpredictable – somewhat mitigated by consortium pricing (Total for 2021-2022 Actual was approximately \$716,000)
- **Economy and Real Estate Market:** Recession affects tax revenue collections, and generally, puts further strain on residents
- **Deferred Maintenance:** Athletic Fields, King Field, HS Pool, HS Trailers, Classrooms, Restrooms
- **Mental Health Services:** increasing need & expensive
- **Labor Market:** still reflects a booming economy. Puts employers at disadvantage

QUESTIONS

