

2025-2026 SOLANCO SCHOOL DISTRICT PROPOSED FINAL GENERAL FUND BUDGET

June 16, 2025

BUDGET CONSIDERATIONS

- Maintaining Qualified Personnel
 - Higher Wages
 - Benefits – Rising Healthcare
- Charter School Cost Increases
 - *What Legislative Changes Will be Proposed by State?*
- Projected Revenue Reductions
 - Earned Income Tax
 - Investment Income
- Cost Increases
 - *Status of Tariffs?*
 - Inflation



BUDGET CONSIDERATIONS (Continued)

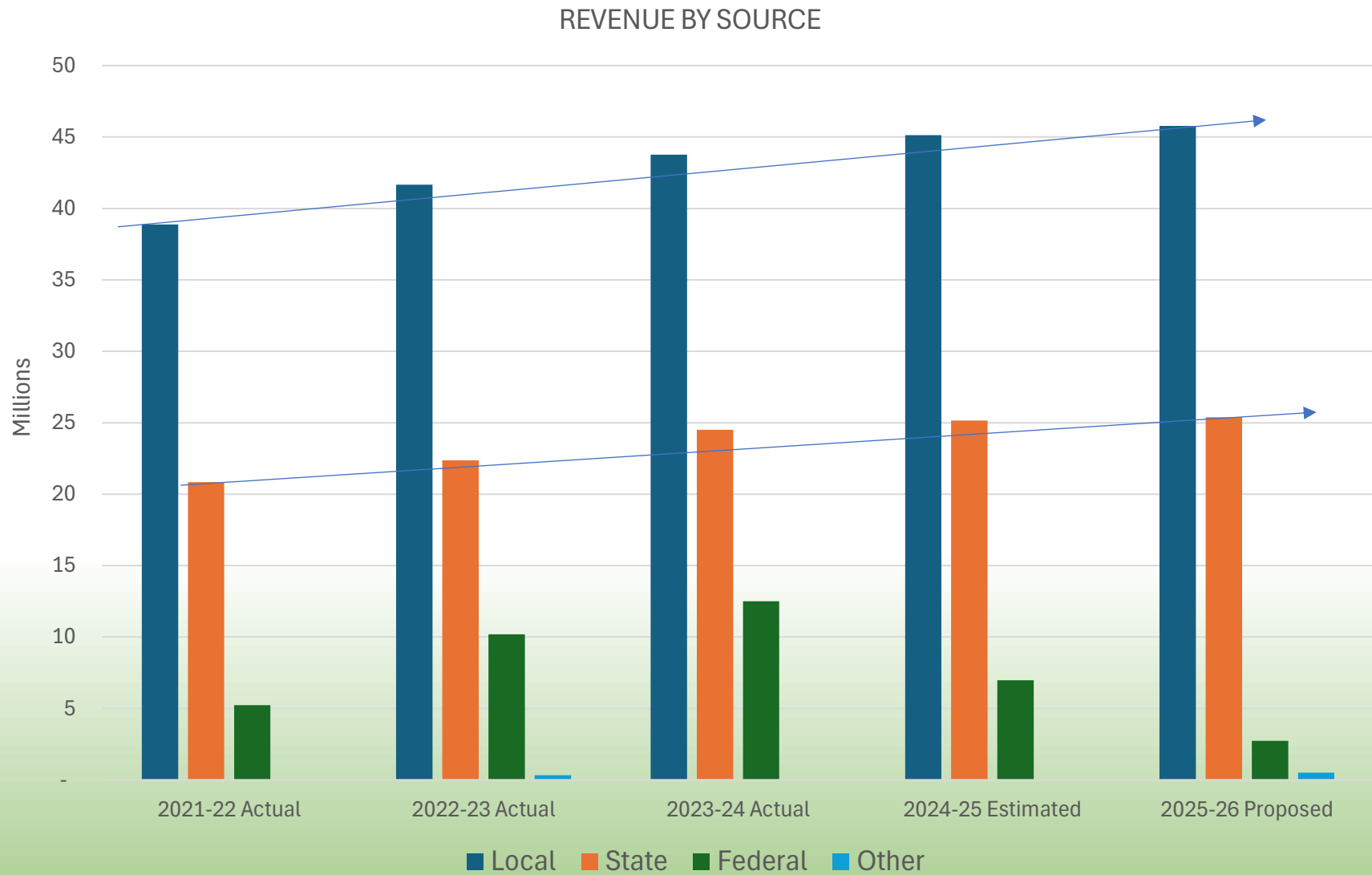
- Technology
 - Maintain/Enhance Security Controls
- Ongoing Building & Equipment
 - Repairs
 - Replacements
- PDE Commonwealth Budget
 - What Funding to be Received?
 - How Will PDE Restructuring Impact Operations?
 - PDE Grant?



PROPOSED FINAL 2025-26 GENERAL FUND BUDGET

Revenues Sources \$'s	<u>2021-22</u> <u>Actual</u>	<u>2022-23</u> <u>Actual</u>	<u>2023-24</u> <u>Actual</u>	<u>Budgeted</u> <u>2024-25</u>	<u>2024-25</u> <u>Estimated</u>	<u>Proposed</u> <u>2025-26</u>
Local	38,880,148	41,664,492	43,759,709	44,499,670	45,130,736	45,770,662
State	20,846,718	22,377,395	24,506,120	24,418,925	25,161,524	25,387,060
Federal	5,225,214	10,181,188	12,513,135	5,454,605	6,965,977	2,722,942
Other	16,469	327,719	21,069	627, 500	26,897	510,000
Total Revenue:	64,968,549	74,550,794	80,800,033	75,000,700	77,285,134	74,390,664
Total Expenditures:	64,099,513	74,430,673	80,541,588	75,202,657	76,681,496	75,859,614
Variance: Revenues over Expenditures	869,036	120,121	258,445	(201,957)	603,638	(1,468,950)

2024-25 Actual Total Expenditures Expected to Exceed Budgeted Expenditures – Budget Revision Not Required, Resulted from Carryforward of Federal ESSER Grant Funds.



**FEDERAL FUNDING INCREASED DURING 2021-22 THROUGH 2023-24,
STATE AND LOCAL REVENUE GREW AT A LOWER PACE**

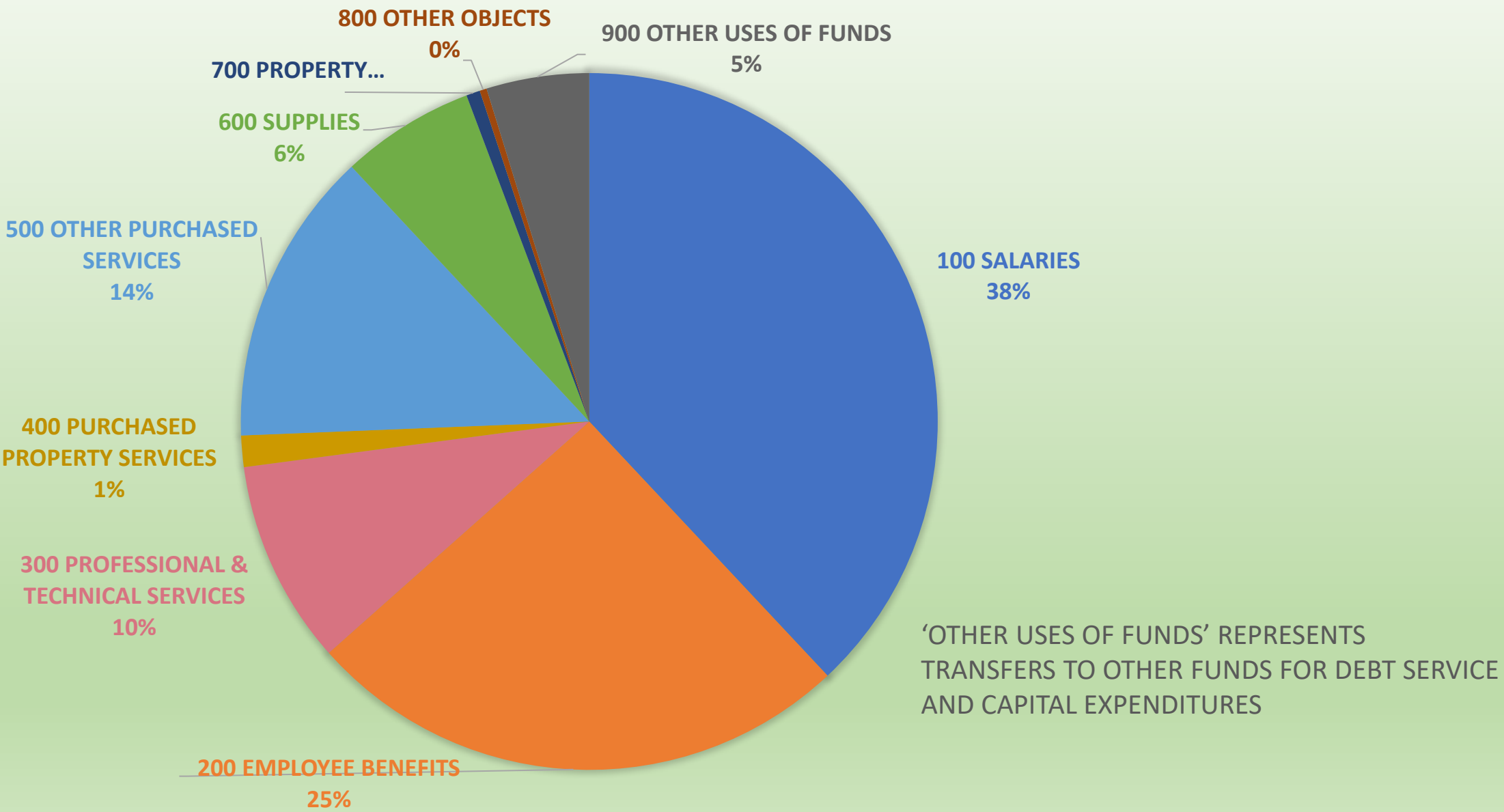
2025-2026 PROPOSED BUDGET

SUMMARY OF EXPENDITURES BY FUNCTION

	Actual 2021-22	Actual 2022-23	Actual 2023-24	Budget 2024-25	Estimated 2024-25	Proposed 2025-26	\$ Budget to Budget	Percent Change
Instruction	36,973,262	37,893,188	39,049,840	42,635,862	42,312,812	45,478,151	2,842,289	6.7%
Student Support	20,317,837	21,154,286	22,198,238	25,614,270	23,429,948	25,280,913	(333,357)	(1.3)%
Student Activities	1,210,271	1,409,945	1,401,771	1,514,216	1,424,791	1,482,357	(31,859)	(2.1) %
Other Uses	5,598,143	13,973,254	17,891,739	5,438,309	9,513,945	3,618,193	(1,820,116)	(33.5)%
TOTAL	64,099,513	74,430,673	80,541,588	75,202,657	76,681,496	75,859,614	656,957	0.9%

‘Student Support’ includes: guidance, psychological, therapy, social work, library, technology, professional development, pupil health, plant operations, transportation and other operational services. ‘Other Uses’ include transfers to Capital Project for construction and other building improvements.

2025-26 PROPOSED EXPENDITURES BY OBJECT



PAYROLL/BENEFIT HISTORIC TREND

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	PROPOSED
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Payroll	22,271,157	22,259,093	23,164,495	24,184,434	25,372,589	26,909,713	28,837,092
Benefits	14,100,035	14,277,178	15,872,805	15,449,681	16,510,428	17,590,214	19,287,143
Combined Totals	36,371,193	36,536,271	39,037,300	39,634,115	41,883,017	44,499,927	48,124,235
\$ Increase	651,325	165,078	2,501,029	596,815	2,248,902	2,616,910	3,624,308
% Increase	1.8%	0.4%	6.8%	1.5%	5.7%	6.2%	8.1%

Payroll and benefits comprise 63% of the total general fund budget. The four-year SEA collective bargaining agreement defines payroll and benefits for professional staff through June 30, 2028. Total payroll/benefits grew by 32% during this 7-year period.

2025-2026 BUDGETED DEFICIT

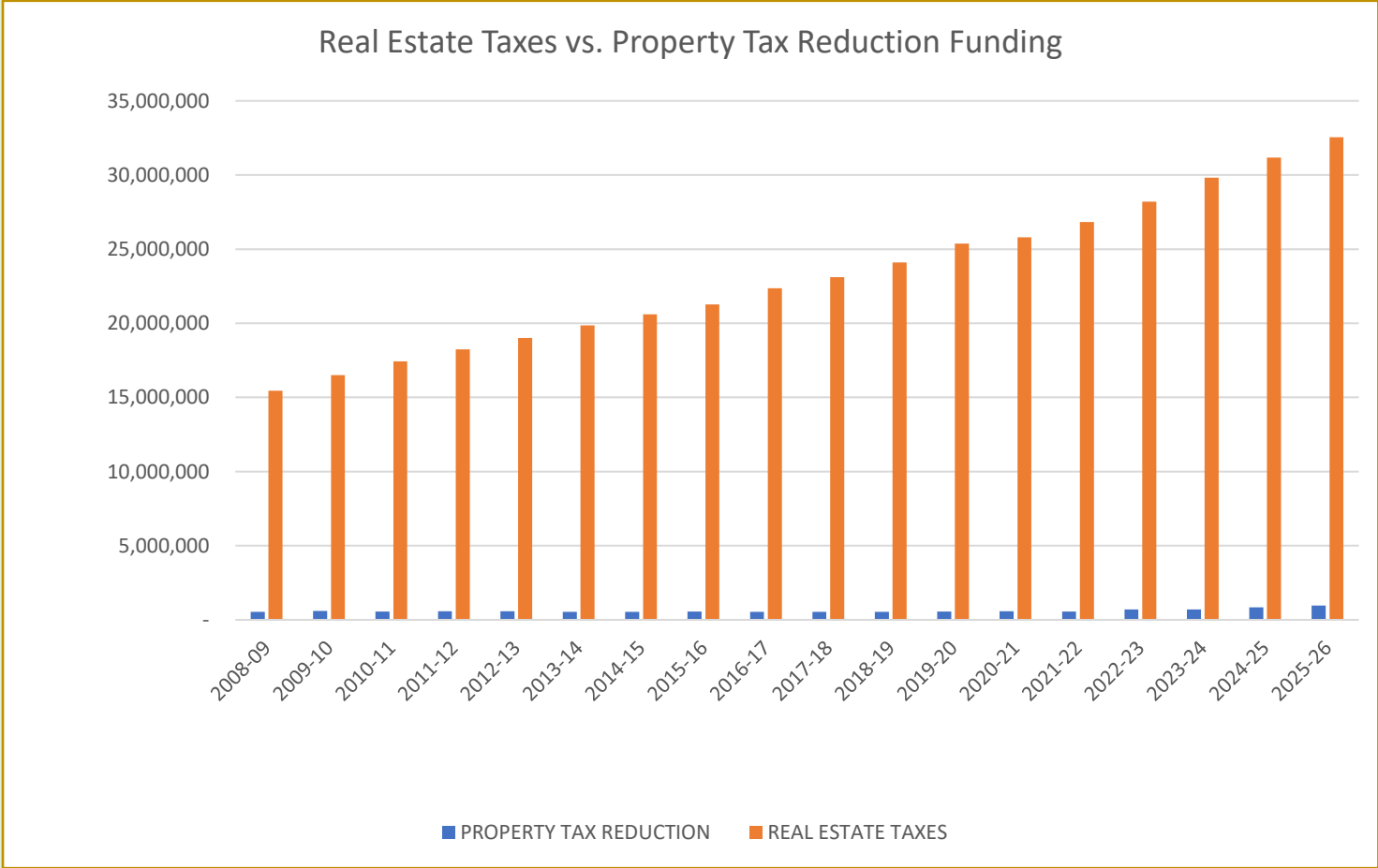
- Factors Contributing to 2025-2026 Budget Deficit
 - ESSER Funding Cliff
 - Reduced Employee Pool > Higher Cost for Wages/Benefits
 - Political and Economic Uncertainty
 - Projected Revenue Reductions
- Mitigating Resources
 - Existing Fund Balance
 - \$6.5 Million Fund Balance Commitments
 - Potential \$3 Million Transfer to Capital Project Fund or Fund Balance Commitment at 6/30/2025
 - Self Insurance Fund – Potential \$500,000 Transfer to General Fund
 - Intentional Cost Reduction and Revenue Enhancement Efforts
- Capital Project Funds Not Permitted to be Used for Operating Expenditures – Reserved for Construction and Capital Improvements

FUND BALANCE DETAILS						
		2021-22	2022-23	2023-24	2024-25	Proposed
		Actual	Actual	Actual	Estimated	2025-26
TOTAL REVENUE		64,968,550	74,550,794	80,800,033	77,285,134	74,390,664
TOTAL EXPENDITURES		64,099,517	74,430,676	80,541,588	76,681,496	75,859,614
CHANGE TO FUND BALANCE		869,033	120,118	258,445	603,638	(1,468,950)
JUNE 30th FUND BALANCE:						
NONSPENDABLE						
INVENTORY		221,842	342,399	297,483	297,483	297,483
PREPAID EXPENDITURES		72,345	104,629	71,160	71,160	71,160
COMMITTED (BOARD)		4,500,000	6,500,000	6,500,000	5,000,000	5,000,000
ASSIGNED (Budgeted Deficit)		806,985	200,988	201,954	1,468,950	-
UNASSIGNED		4,223,390	2,917,221	3,208,170	3,811,808	3,200,000
TOTAL GENERAL FUND BALANCE		9,824,562	10,065,237	10,278,767	10,649,401	8,568,643
CAPITAL PROJECT/CONSTRUCTION		12,663,912	17,891,164	25,445,788	27,323,418	Unavailable
Funds reserved for capital improvements and construction					estimated balance at 6/15/25	
Potential Committed funds at 7/1/25: \$3 million - future facility improvement, \$1.0 million - future debt service; \$1.0 million - future technology safety enhancements						
Unassigned fund balance at 6/30/2025 must be lower than 8% of 2025-26 budgeted expenditures. \$3,811,808 / \$75,859,614 :						

2025-2026 Millage Rate

- Solanco Tax Assessed Property Value = \$2.6 billion
- Solanco 2025-26 Adjusted Act 1 Index = 4.0%
- Proposed Real Estate Tax Millage Rate = **13.2708**
 - 0.5104 Mill Increase
 - \$51.04 Tax Increase per \$100,000 Assessed Value
 - Collection Rate to 96%
- Property Tax Reduction Funding = \$966,118
 - Homestead/Farmstead Reduction = **\$141.30**
 - 6,898 Eligible Properties
 - Property Assessed Value Exclusion = \$10,647.44
 - Additional narrative/calculation for 2025-26 resolution

HOMESTEAD/FARMSTEAD EXCLUSION HISTORY



PROPERTY TAX REDUCTION VS. BUDGETED REAL ESTATE TAXES				
	PROPERTY TAX REDUCTION	REAL ESTATE TAXES	Difference	% of Difference
2008-09	540,357	\$ 15,457,732	14,917,375	3.496%
2009-10	593,798	\$ 16,495,888	15,902,090	3.600%
2010-11	565,590	\$ 17,422,516	16,856,926	3.246%
2011-12	571,882	\$ 18,239,513	17,667,631	3.135%
2012-13	585,507	\$ 19,016,920	18,431,413	3.079%
2013-14	529,191	\$ 19,857,373	19,328,182	2.665%
2014-15	529,192	\$ 20,610,920	20,081,728	2.568%
2015-16	553,770	\$ 21,279,420	20,725,650	2.602%
2016-17	545,973	\$ 22,359,441	21,813,468	2.442%
2017-18	545,938	\$ 23,120,540	22,574,602	2.361%
2018-19	548,128	\$ 24,094,317	23,546,189	2.275%
2019-20	548,986	\$ 25,374,366	24,825,380	2.164%
2020-21	583,010	\$ 25,800,241	25,217,231	2.260%
2021-22	567,596	\$ 26,830,541	26,262,945	2.115%
2022-23	704,565	\$ 28,195,511	27,490,946	2.499%
2023-24	703,579	\$ 29,824,805	29,121,226	2.359%
2024-25	835,984	\$ 31,178,474	30,342,490	2.681%
2025-26	966,118	\$ 32,556,601	31,590,483	2.968%
Aggregate	11,019,164			
Average	612,175.79			

Next Steps

BOARD ACTIONS

- Approve
 - Final Budget Resolution
 - Homestead/Farmstead Resolution
 - Tax Levy Resolution

BUSINESS and TAX OFFICES

- Coordinate tax billing with Lancaster County Tax Collection Bureau - July 1, 2025
 - LCTCB to collect Solanco's real estate taxes for 2025-26
- File General Fund Budget with PDE
- Finalize 2024-2025 Fiscal Year Accounting and Audit
- Issue Purchase Orders for 2025-2026 Fiscal Year
- Review 2025-2026 Budget Estimates for Revenue Enhancement/Cost Reduction Opportunities



Thank you!
Any Questions?

