

SOLANCO SCHOOL DISTRICT
2026-2027
PROPOSED BUDGET

May 4, 2026

BUDGET CONSIDERATIONS

Status of Federal and State Funding

- State Budget not Finalized
- Anticipated Subsidy and Grant Reductions

Interest Rate and Earnings Reduction

2027 Lancaster County Property Reassessment

- Restricted Tax Revenue for 2027-28 Budget

Attract and Maintain Qualified Employees

- Offer Competitive Wages and Benefits
 - Healthcare Cost Trends: 9.2% - Medical and 11.0% - RX
- Potential State Hourly Minimum Wage Increase to \$15.00
 - Wage Floor Increased to \$14.50

BUDGET CONSIDERATIONS (*Continued*)

Unstable Economic / Global Environment

- Increased Fuel Costs
- Transition to Alternate Fuel Vendor with Monitoring Capabilities

Autistic Special Education Classroom Added

10% Increase in Substitute Costs

Student and Staff Safety

- Enhanced Building Security Systems

Continued Implementation of Technology Protections

Long-Term Financial Planning

Investment in Facilities - Aged Buildings and Infrastructure

SOLANCO SCHOOL DISTRICT

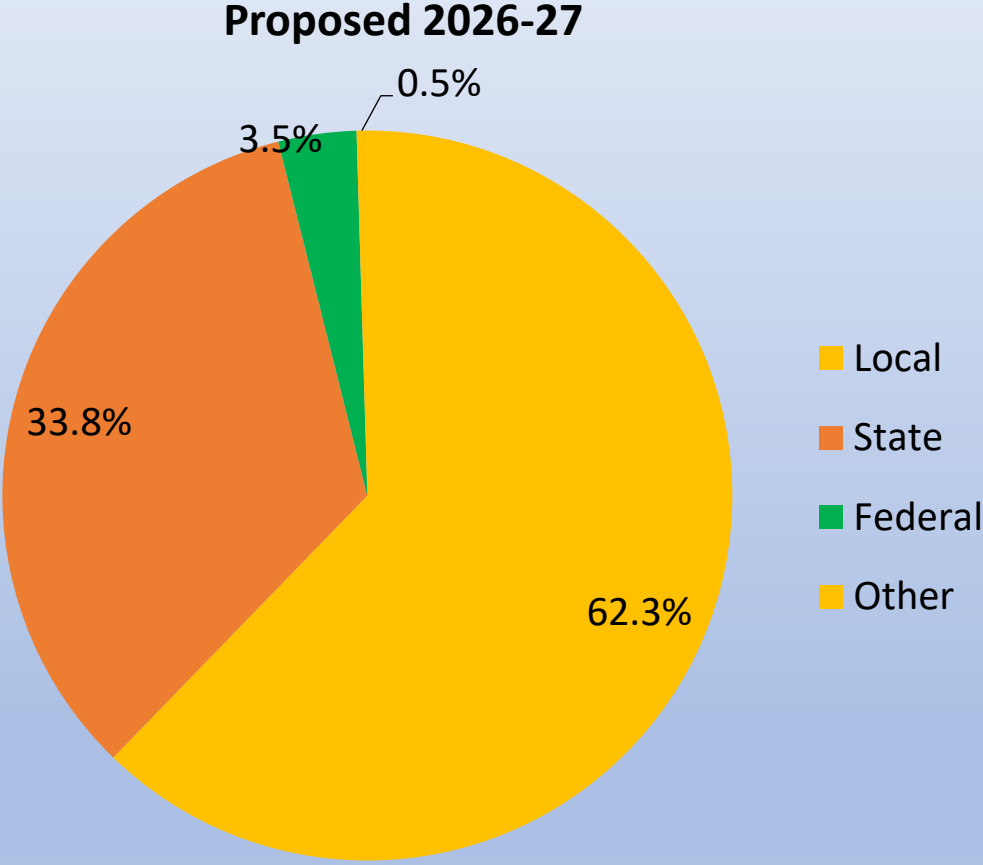
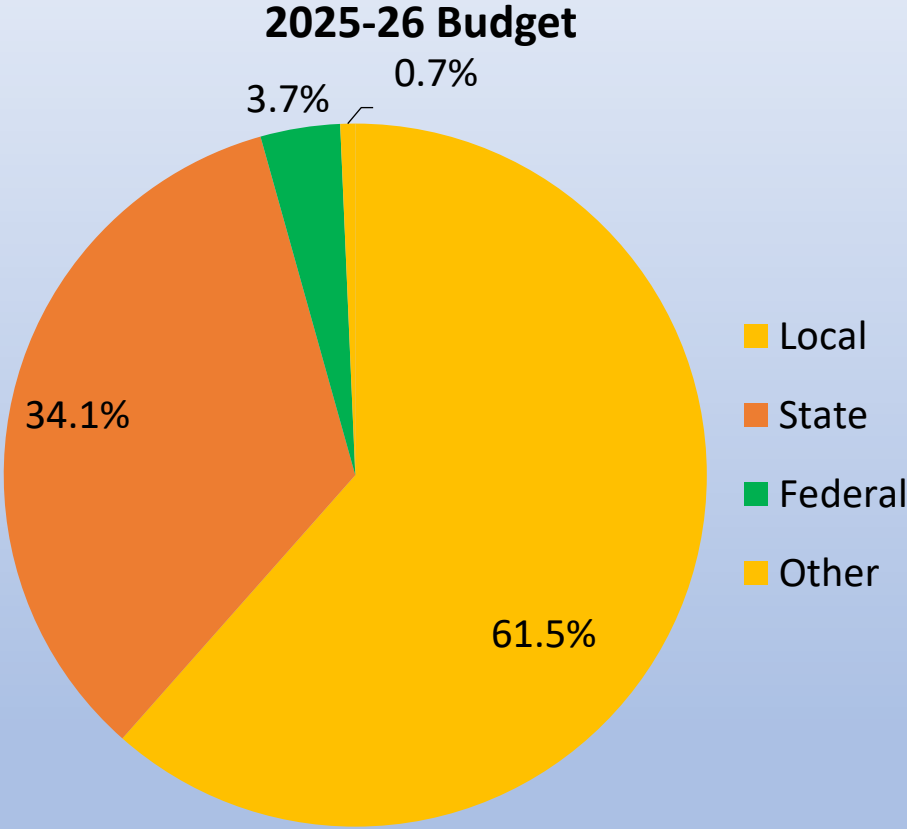
2026-2027 Proposed Final Budget

	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Estimated	Proposed 2026-27
Local	41,664,492	43,759,709	45,880,783	45,770,662	46,702,036	47,526,322
State	22,377,395	24,506,120	25,391,917	25,387,060	26,019,439	25,812,251
Federal	10,181,188	12,513,135	6,964,981	2,722,942	2,728,336	2,636,711
Other	327,719	21,069	26,897	510,000	10,000	360,000
Total Revenue:	74,550,794	80,800,033	78,264,578	74,390,664	75,459,810	76,335,284
Total Expenditures:	74,430,676	80,541,588	75,107,000	75,849,613	75,077,765	76,888,446
Variance: Revenues over Expenditures	120,118	258,444	3,157,578	(1,458,949)	382,045	(553,162)

TOTAL ANNUAL EXPENDITURES INCREASED 3.3% DURING 5-YEAR PERIOD, PRIMARILY FROM RISING PERSONNEL COSTS

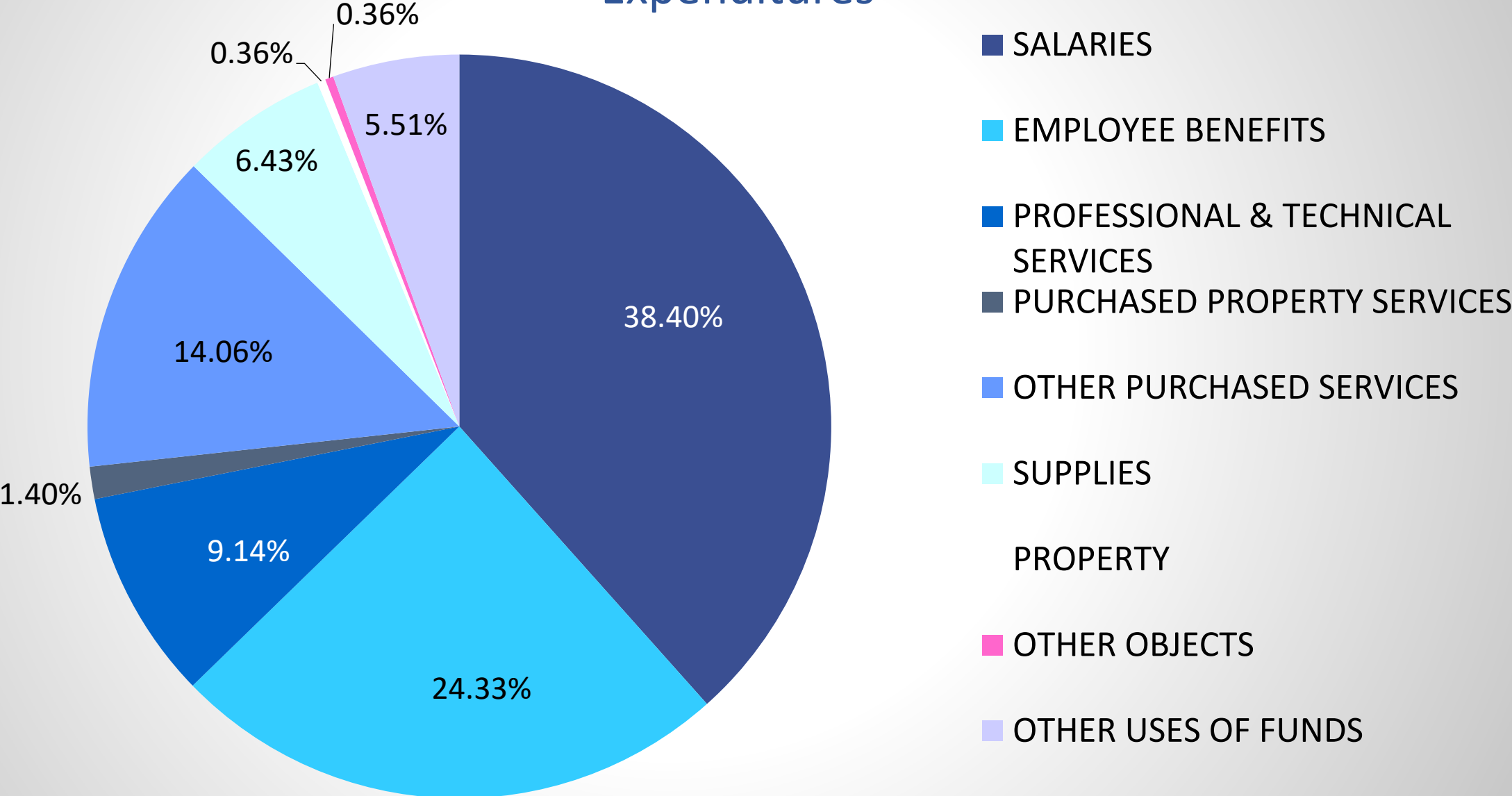
SOLANCO SCHOOL DISTRICT						5/4/26
FUND BALANCE DETAILS						
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>Proposed</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>2026-27</u>	
TOTAL REVENUE	74,550,794	80,800,033	78,264,578	75,459,810	76,335,284	
TOTAL EXPENDITURES	74,430,676	80,541,588	75,107,000	75,077,765	76,888,446	
CHANGE TO FUND BALANCE	<u>120,118</u>	<u>258,444</u>	<u>3,157,578</u>	<u>382,045</u>	<u>(553,162)</u>	
JUNE 30th FUND BALANCE:						
NONSPENDABLE						
INVENTORY	342,399	297,483	258,553	258,553	258,553	
PREPAID EXPENDITURES	104,629	71,160	462,851	462,851	462,851	
COMMITTED (BOARD)	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	
ASSIGNED (Budgeted Deficit)	200,988	201,954	1,468,949	553,162	553,162	
UNASSIGNED	<u>2,917,221</u>	<u>3,208,170</u>	<u>4,707,061</u>	<u>5,089,106</u>	<u>4,535,944</u>	
TOTAL GENERAL FUND BALANCE	<u>10,065,237</u>	<u>10,278,767</u>	<u>13,397,414</u>	<u>12,863,672</u>	<u>12,310,510</u>	
CAPITAL PROJECT/CONSTRUCTIC	17,891,164	25,445,788	27,501,398	30,551,409	Unavailable	
				<i>actual</i>		
<i>Funds reserved for capital</i>				<i>balance at</i>		
<i>improvements and construction</i>				<i>3/31/26</i>		
<p>The school district's finances are impacted by numerous external forces outside of the district's control. Fund Balance provides a channel of flexibility to maintain financial stability during economic downturns and future uncertainties. The fund balance reserve provides the school district with funding as expenditures are reviewed closely and adjustments made to reduce expenditures now and for future budgets. Funding has been set aside during the past few years to pay for planned major construction projects, enabling the district to avoid loans and bonds to pay for the projects.</p>						
<p>Committed funds at 7/1/25: \$3 million - future facility improvement, \$2 million - future debt service; \$1.5 million - future technology safety enhancements</p>						

REVENUE CATEGORIES AS % OF TOTAL REVENUES



MINIMAL CHANGE IN FUNDING STREAMS FROM YEAR TO YEAR

Proposed 2026-27 Expenditure Categories as % of Total Expenditures



PAYROLL/BENEFIT HISTORIC TREND

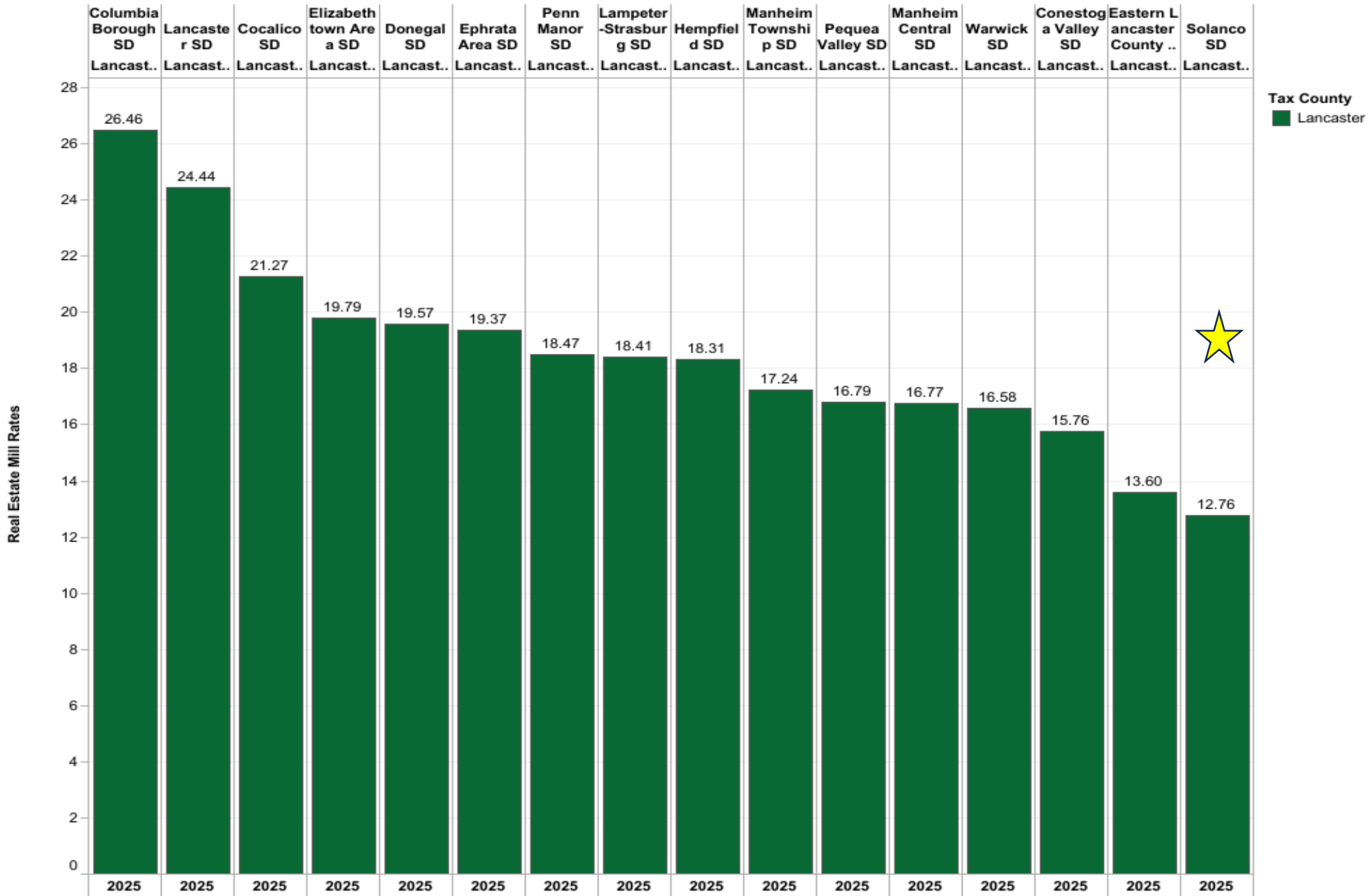
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGETED	PROPOSED
	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Payroll	22,259,093	23,164,494	24,184,434	25,372,589	26,349,827	28,837,092	29,527,876
Benefits	14,277,178	15,872,804	15,449,680	16,510,428	16,574,510	19,287,142	18,703,667
Combined Totals	36,536,271	39,037,298	39,634,114	41,883,017	42,924,337	48,124,234	48,231,543
\$ Increase	165,078	2,501,027	596,816	2,248,903	1,041,320	5,200,097	107,309
% Increase	0.4%	6.8%	1.5%	5.7	2.5	12.1%	0.2%

2026-2027 PROPOSED REAL ESTATE TAX

- Assessed Taxable Property Value - \$2,644,954,800
 - Increase of \$13,654,700 or 0.5%
- Proposed Millage Rate
 - 13.7352 Mills
 - 3.5% Increase or .4644 Mills
 - Act 1 Adjusted Index - 3.5%
- Tax Increase per \$100,000 Property Value = \$46.44

Mill Rates

Source: Pennsylvania State Tax Equalization Board



Solanco School District's millage rate has been the lowest Lancaster County rate for more than 30 years.

PA school districts may NOT generate more real estate tax revenue during a property reassessment year, compared to the prior fiscal year, limiting the amount of taxes available to pay for expenditures during reassessment year.

NEXT STEPS

- **May 1, 2026 – PDE Notification of Slot Money Allocation**
 - Secretary of Budget certified amount of slot money available for real estate tax reduction
 - County Assessment Office forwards certified homestead/farmstead information for exemption calculation
 - Calculate Homestead Farmstead Exclusion
- **May 4, 2026 - Approve Resolution to Display Proposed Final Budget**
- **May 4, 2026 – Approve Resolution to Appoint Tax Collector**
- **June 15, 2026**
 - Approve Final Budget Resolution
 - Approve Homestead/Farmstead Resolution
 - Approve Tax Levy Resolution
 - Lancaster County Tax Collection Bureau Print and Mail Tax Bills
 - Submit Approved Final Budget to PDE

QUESTIONS

