

**2026-2027 SOLANCO SCHOOL DISTRICT
PROPOSED FINAL GENERAL FUND
BUDGET**

June 15, 2026

BUDGET CONSIDERATIONS

- Maintaining Qualified Personnel
 - Higher Wages – Support Staff Minimum Hourly Rate - \$14.50
 - Benefits – Increasing Healthcare Cost Trends
- Declining Student Enrollment
 - Opportunity to Attrition Staff
- Increased Demand for Supplemental Student Services
- Charter School Cost – Growth Rate Slowed Temporarily
 - Revised Legislation
- Projected Revenue
 - State Subsidies – Level Funding
 - Earned Income Tax – Reduced % of Growth
 - Investment Income – Reduced % of Growth
 - Federal Grants – Net \$50,000 Increase

BUDGET CONSIDERATIONS (Continued)

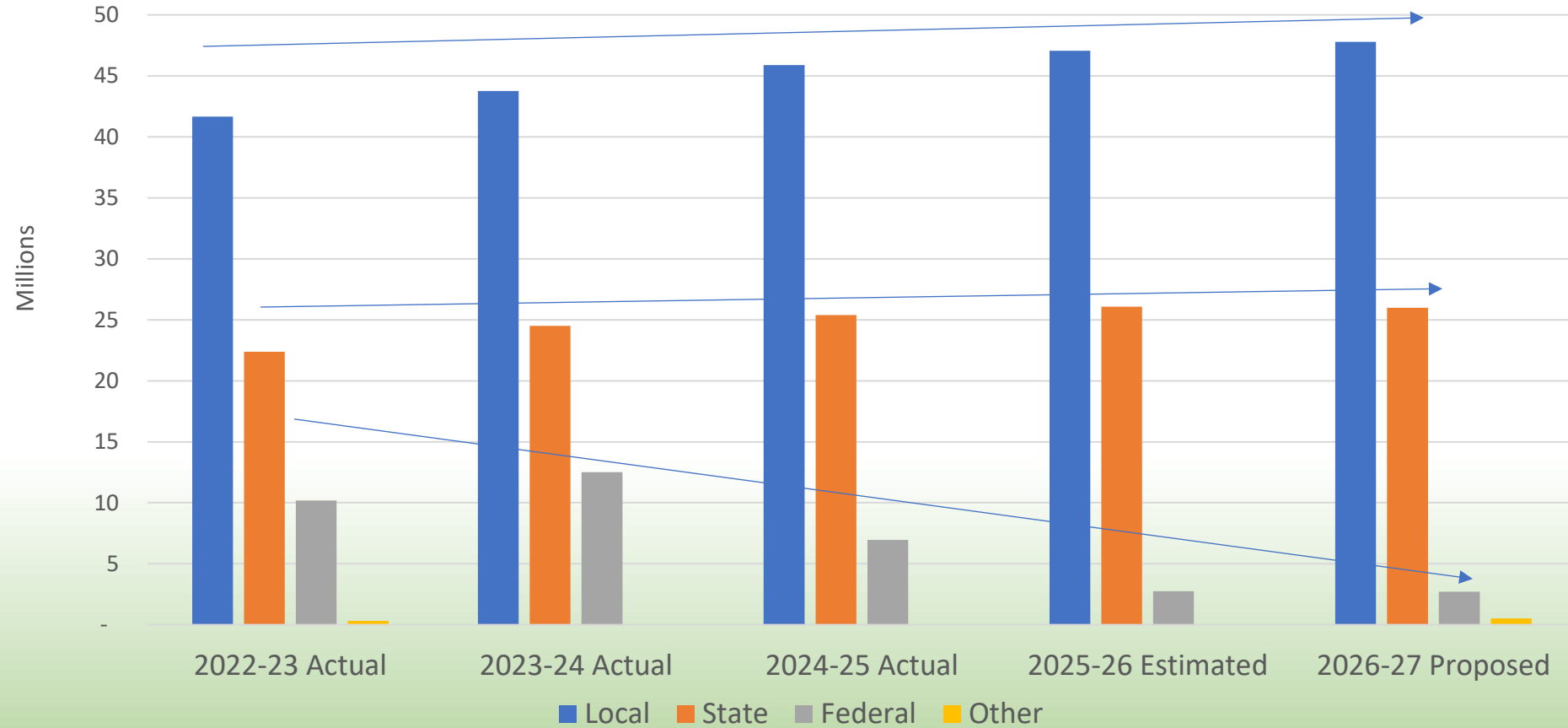
- Cost Increases - Inflation
- 2027 County Reassessment
- Technology
 - Maintain/Enhance Security Controls
- Ongoing Building & Equipment
 - Repairs
 - Replacements
- PDE Commonwealth Budget
 - State Funding Not Finalized
- Global Uncertainty

PROPOSED FINAL 2026-27 GENERAL FUND BUDGET

Revenues Sources \$'s	<u>2022-23</u> <u>Actual</u>	<u>2023-24</u> <u>Actual</u>	<u>2024-25</u> <u>Actual</u>	<u>Budgeted</u> <u>2025-26</u>	<u>2025-26</u> <u>Estimated</u>	<u>Proposed</u> <u>2026-27</u>
Local	41,664,492	43,759,709	45,770,662	45,770,662	47,064,617	47,778,322
State	22,377,395	24,506,120	25,075,820	25,387,060	26,075,820	25,992,453
Federal	10,181,188	12,513,135	2,722,942	2,722,942	2,751,525	2,697,191
Other	327,719	21,069	26,897	510,000	0	510,000
Total Revenue:	74,550,794	80,800,033	78,264,578	74,390,664	75,891,961	76,977,966
Total Expenditures:	74,430,673	80,541,588	75,107,000	75,859,613	75,594,387	77,969,509
Variance: Revenues over Expenditures	120,121	258,445	3,157,578	(1,468,949)	297,574	(991,543)

2024-25 Intentional Fund Balance Growth in Preparation of Post ESSER Revenue Reduction and Future Increased Personnel Costs.

REVENUE BY SOURCE



LOCAL FUNDING PROJECTIONS REFLECT SLIGHT GROWTH TO OFFSET FLAT STATE AND FEDERAL FUNDING

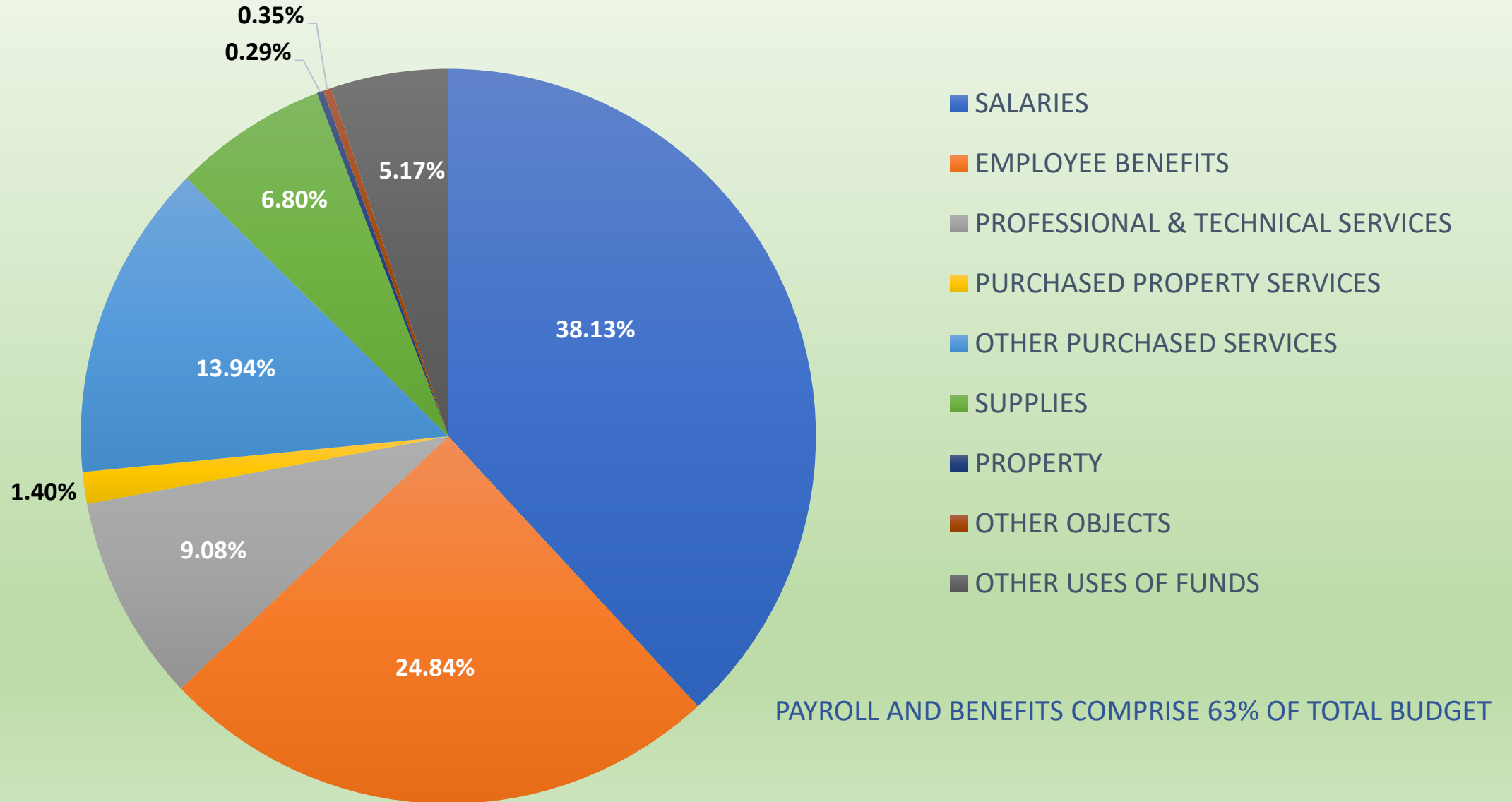
2026-2027 PROPOSED BUDGET

SUMMARY OF EXPENDITURES BY FUNCTION

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Budget 2025-26	Estimated 2025-26	Proposed 2026-27	\$ Budget to Budget	Percent Change
Instruction	37,893,188	39,049,840	40,828,985	45,478,151	44,633,818	46,182,273	704,122	1.5%
Student Support	21,154,286	22,198,238	22,825,083	25,280,912	24,655,913	26,228,177	947,265	3.7%
Student Activities	1,409,945	1,401,771	1,427,614	1,482,357	1,629,688	1,520,284	37,927	2.6%
Other Uses	13,973,254	17,891,739	10,025,317	3,618,193	4,674,968	4,038,775	420,582	11.6%
TOTAL	74,430,673	80,541,588	75,107,000	75,859,613	75,594,387	77,969,509	2,109,896	2.8%

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

Proposed 2026-27 Expenditures



PAYROLL/BENEFIT HISTORIC TREND

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	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	23,164,495	24,184,434	25,372,589	26,349,827	28,946,916	29,728,384
Benefits	14,277,178	15,872,805	15,449,681	16,510,428	16,574,510	18,635,628	19,370,731
Combined Totals	36,536,271	39,037,300	39,634,115	41,883,017	42,924,337	47,582,544	49,099,115
\$ Increase	165,078	2,501,029	596,815	2,248,902	1,041,320	4,658,207	1,516,571
% Increase	0.4%	6.8%	1.5%	5.7%	2.5%	10.9%	3.2%

The current four-year SEA collective bargaining agreement defines payroll and benefits for professional staff through June 30, 2028. The 2025-26 fiscal year represents the second year of the agreement. Total payroll/benefits are estimated to grow \$12.6 million or 34.4% (approximately 5% annually) during this 7-year period.

SOLANCO SCHOOL DISTRICT

FUND BALANCE DETAILS

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u> <u>Estimated</u>	<u>Proposed</u> <u>2026-27</u>
TOTAL REVENUE	74,550,794	80,800,033	78,264,578	75,891,961	76,977,966
TOTAL EXPENDITURES	<u>74,430,676</u>	<u>80,541,588</u>	<u>75,107,000</u>	<u>75,594,387</u>	<u>77,969,509</u>
CHANGE TO FUND BALANCE	<u>120,118</u>	<u>258,445</u>	<u>3,157,578</u>	<u>297,574</u>	<u>(991,543)</u>
JUNE 30th FUND BALANCE:					
NONSPENDABLE					
INVENTORY (including EOY change)	342,399	297,483	258,553	300,000	300,000
PREPAID EXPENDITURES	104,629	71,160	462,851	250,000	250,000
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	991,543	-
UNASSIGNED	<u>2,917,221</u>	<u>3,208,170</u>	<u>4,707,061</u>	<u>5,004,635</u>	<u>4,013,092</u>
TOTAL GENERAL FUND BALANCE	<u>10,065,237</u>	<u>10,278,767</u>	<u>13,397,414</u>	<u>13,046,178</u>	<u>11,063,092</u>
CAPITAL PROJECT/CONSTRUCTION	18,131,799	36,792,129	30,632,358	29,523,649	<i>Unavailable</i>
<i>Funds reserved for capital improvements and construction</i>				<i>estimated balance at 6/15/26</i>	
Potential Committed funds at 7/1/25: \$3 million - future facility improvement, \$2 million - future debt service; \$1.5 million - future technology safety enhancements					
Unassigned fund balance at 6/30/2026 must be lower than 8% of 2026-27 budgeted expenditures. \$5,004,635/\$77,969,509 = 6.4%.					
Annual change in inventory not included in General Fund calculation above.					
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. The fund balance reserve provides the school district with funding as expenditures are reviewed throughout the fiscal year and adjustments made to reduce expenditures now and for future budgets.					

2025-2026 FUND BALANCES

- Existing Fund Balances
 - \$6.5 Million General Fund Balance Commitments
 - \$3 million Future Facility Improvements
 - \$2 million Future Debt Service
 - \$1.5 million Future Technology and Safety Improvements
 - Potential \$1.3 Million Audit Transfer to Capital Project Fund
 - 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

2026-2027 Millage Rate

- Solanco Tax Assessed Property Value = \$2.6 billion
- Solanco 2026-27 Adjusted Act 1 Index = 3.5%
- Proposed Real Estate Tax Millage Rate = **13.7352**
 - 0.4644 Mill Increase
 - \$46.44 Tax Increase per \$100,000 Assessed Value
 - Collection Rate to 96%
- Property Tax Reduction Funding = \$964,163
 - Homestead/Farmstead Reduction = **\$142.25**
 - 6,831 Eligible Properties
 - Property Assessed Value Exclusion = \$10,356.60

Solanco School District Homestead / Farmstead History

Fiscal Year	Gambling funds allocated to Solanco residents	Approved HS & FS Properties	Exemption Amount	Properties Below Exemption Value	Millage	Exemption Value
2008-09	\$ 540,357	6852	\$ 79.09	111	9.6378	\$ 8,206
2009-10	\$ 593,798	7070	\$ 84.33	110	10.1582	\$ 8,302
2010-11	\$ 565,590	7201	\$ 78.80	82	10.5442	\$ 7,473
2011-12	\$ 571,882	7266	\$ 78.94	79	10.8500	\$ 7,276
2012-13	\$ 585,507	7287	\$ 80.57	75	11.2243	\$ 7,178
2013-14	\$ 529,191	7307	\$ 72.55	54	11.5161	\$ 6,300
2014-15	\$ 529,192	7330	\$ 72.31	50	11.8040	\$ 6,126
2015-16	\$ 553,770	7331	\$ 75.67	54	12.0991	\$ 6,254
2016-17	\$ 545,973	7291	\$ 75.05	50	12.4499	\$ 6,028
2017-18	\$ 545,938	7349	\$ 74.40	45	12.8109	\$ 5,808
2018-19	\$ 548,128	7396	\$ 74.43	122	10.4590	\$ 7,116
2019-20	\$ 548,986	7373	\$ 74.75	110	10.8251	\$ 6,905
2020-21	\$ 583,010	7256	\$ 80.66	106	10.9604	\$ 7,359
2021-22	\$ 567,596	7213	\$ 78.94	90	11.3440	\$ 6,959
2022-23	\$ 704,565	7111	\$ 99.57	139	11.7977	\$ 8,440
2023-24	\$ 703,579	7017	\$ 100.72	86	12.2696	\$ 8,209
2024-25	\$ 835,984	6820	\$ 120.65	158	12.7604	\$ 9,455
2025-26	\$ 966,118	6898	\$ 141.30	189	13.2708	\$ 10,647
2026-27	\$ 964,163	6831	\$ 142.25	182	13.7352	\$ 10,357
Nineteen Year Summary Cummulative	\$ 11,983,327		\$ 1,684.98			
19 - Year Average	\$ 630,701.42		\$ 88.68			\$ 7,600

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, 2026
- File General Fund Budget with PDE
- Finalize 2025-2026 Fiscal Year Accounting and Audit
- Issue Purchase Orders for 2026-2027 Fiscal Year
- Review 2026-2027 Budget Estimates for Revenue Enhancement/Cost Reduction Opportunities



Thank you!
Any Questions?

