




2025-2026
BUDGET DISCUSSION
04/08/2025
Carlynton School District



**WHAT ARE THE DRIVING COSTS
IN PUBLIC SCHOOL EDUCATION
IN PENNSYLVANIA?**

PSBA

Pennsylvania School Boards Association

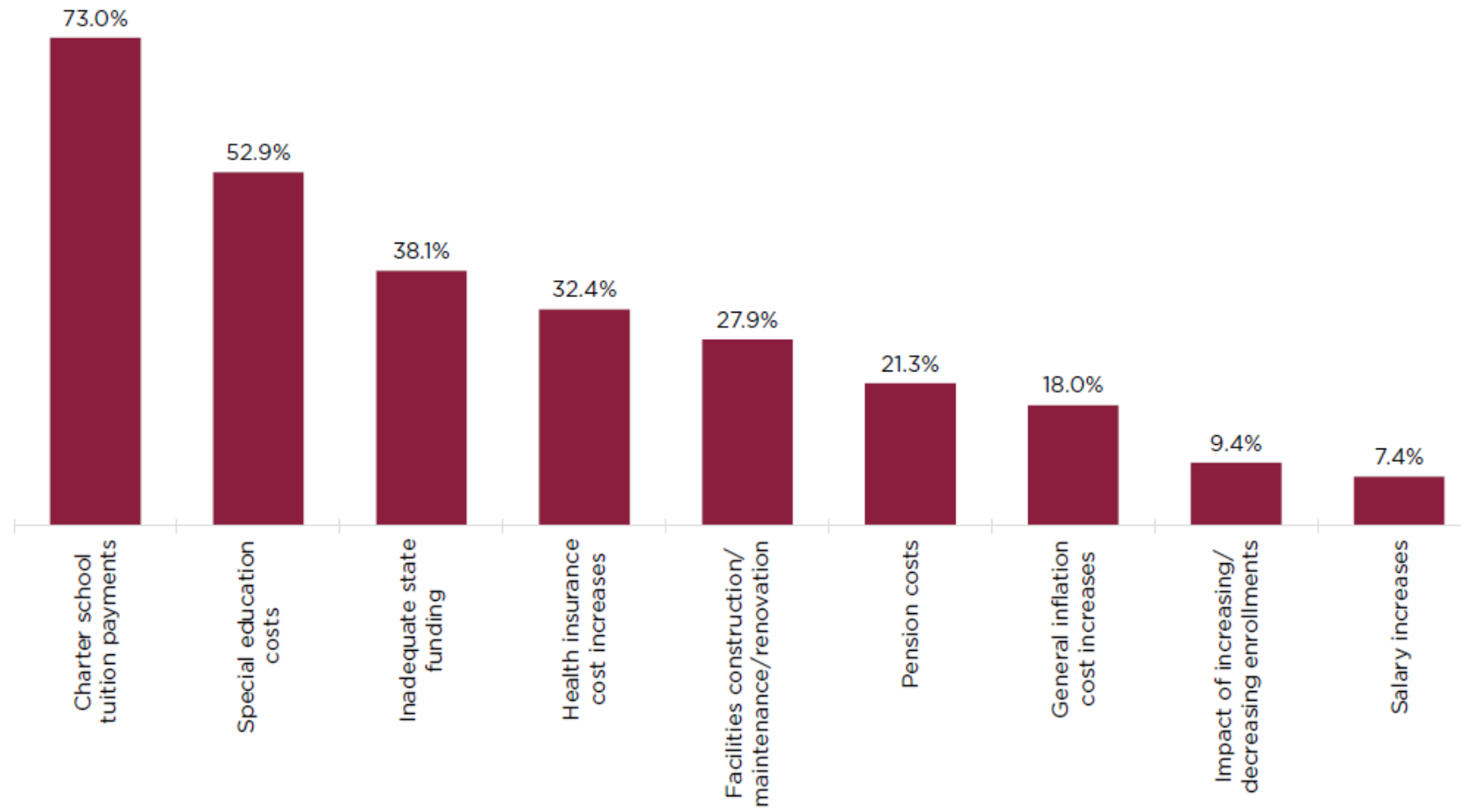


**2025 STATE OF
EDUCATION**

Top budget pressure for sixth straight year is charter tuition

Mandated costs for charter school tuition and special education, as well as the need for additional state education funding, continue to be the most commonly reported budget pressures for school districts. The number of survey respondents citing health insurance increases as one of their top budget pressures has also doubled from last year.

Top budget pressures



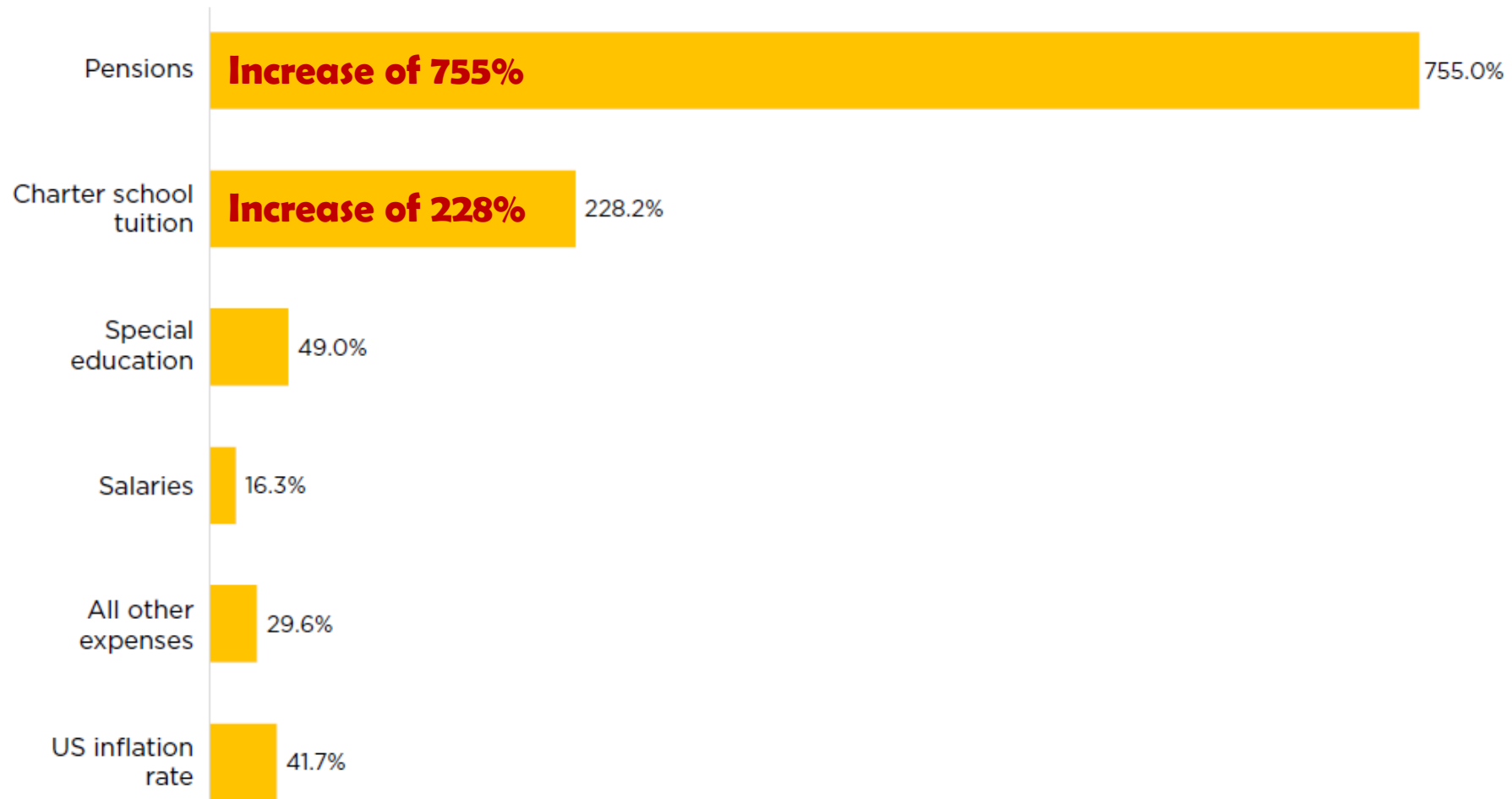
Top Budget Pressures

- 1. Charter School & Tuition Payments**
73%
- 2. Special Education Costs**
53%
- 3. Inadequate State Funding**
38%
- 4. Health Insurance Costs**
32%

School districts are controlling expenses

The growth in mandated expenses, particularly pension costs, charter school tuition payments and special education over the last 13 years, have drastically outpaced the growth in all areas of school spending.¹⁸ Yet, districts have kept the growth in other areas of spending well below the rate of inflation.

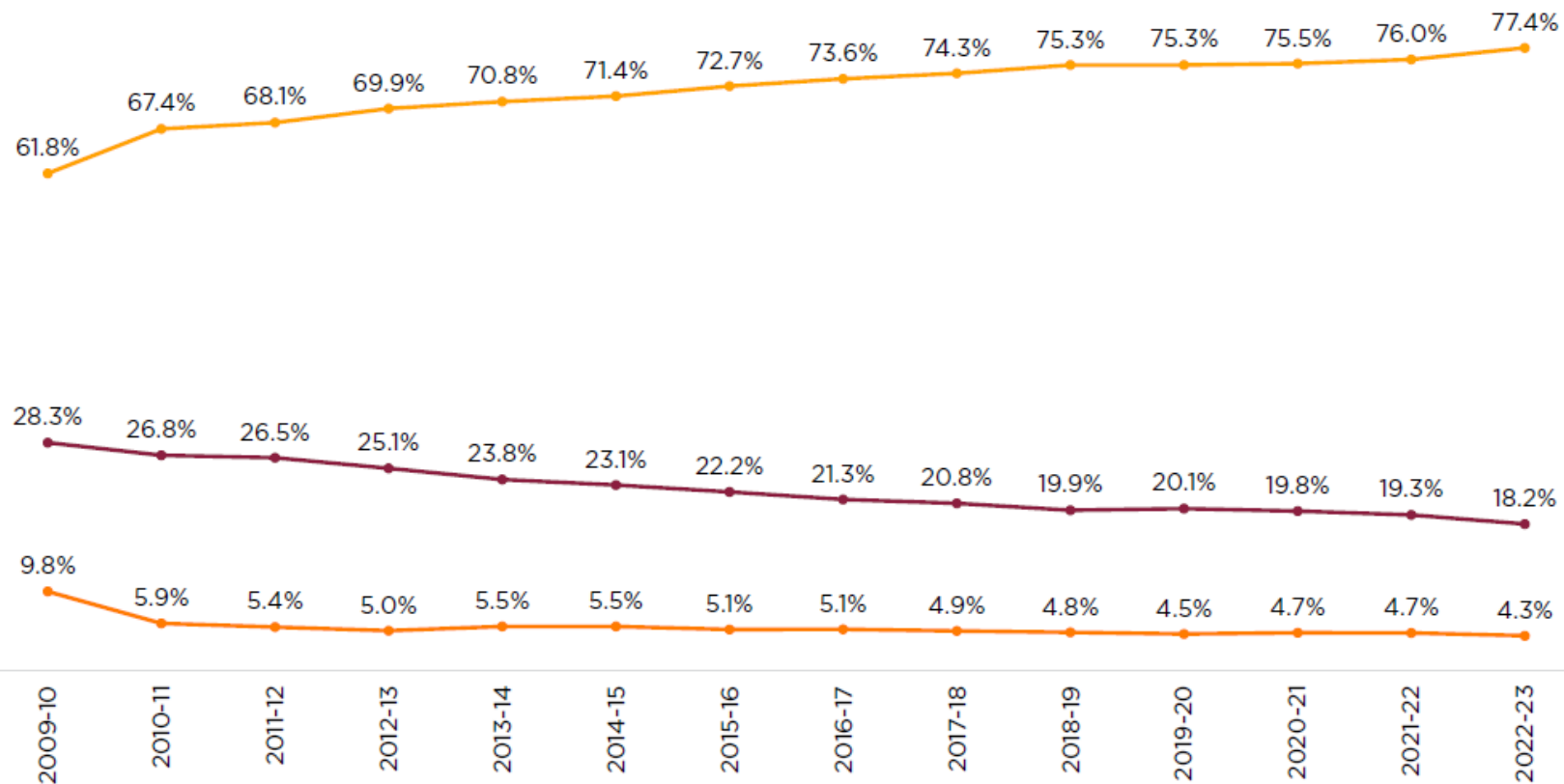
Growth in expenses from 2009-10 to 2022-23



State and federal shares of special education decreasing

As state and federal funding for special education have failed to keep up with the pace of growth in expenses, the share of special education expenses covered by state and federal funding have decreased as well. For most school districts, the difference is made up entirely by local funding.²³

Percent of special education funding by source



School District 77.4%

State Funding 18.2%

Federal Funding 4.3%



POLITICS & POLICY

Pennsylvania governor seeks more money for schools and transit, but relies heavily on surplus cash

Gov. Josh Shapiro's spending proposal requests \$51.5 billion for the 2025-2026 fiscal year beginning July 1, or 9% more.

FINANCIAL PROJECTION 2024-2025

	2024-2025 Budgeted	2024-2025 Estimated	Variance
Revenues	35,983,734	36,185,152	201,418
Expenditures	35,983,734	35,983,734	0
Change to Fund Balance	0	201,418	0
Beginning Fund Balance	9,454,022	9,454,022	0
Ending Fund Balance	9,454,022	9,655,440	201,418

- Revenue variance increased due to increased revenue from Earned Income Tax collections, investment income, State Subsidies higher than budgeted.

PROPOSED BUDGET 2025-2026

	2025-2026 Budget
Revenues	37,121,113
Expenditures	37,121,113
Change to Fund Balance	0
Beginning Fund Balance	9,655,440
Ending Fund Balance	9,655,440

- The proposed budget does not recommend an increase in taxes (milage rate)
- No utilization of fund balance is required
- Represents an increase in spending of \$1.13 million or 3.2% over 2024-2025 budgeted expenditures

REVENUES

Local Sources

Taxes	21,671,152
Delinquent Taxes	1,026,850
Earnings from Investments	650,000
Other Revenue from Local Sources	703,326
Total Local Sources	24,051,328

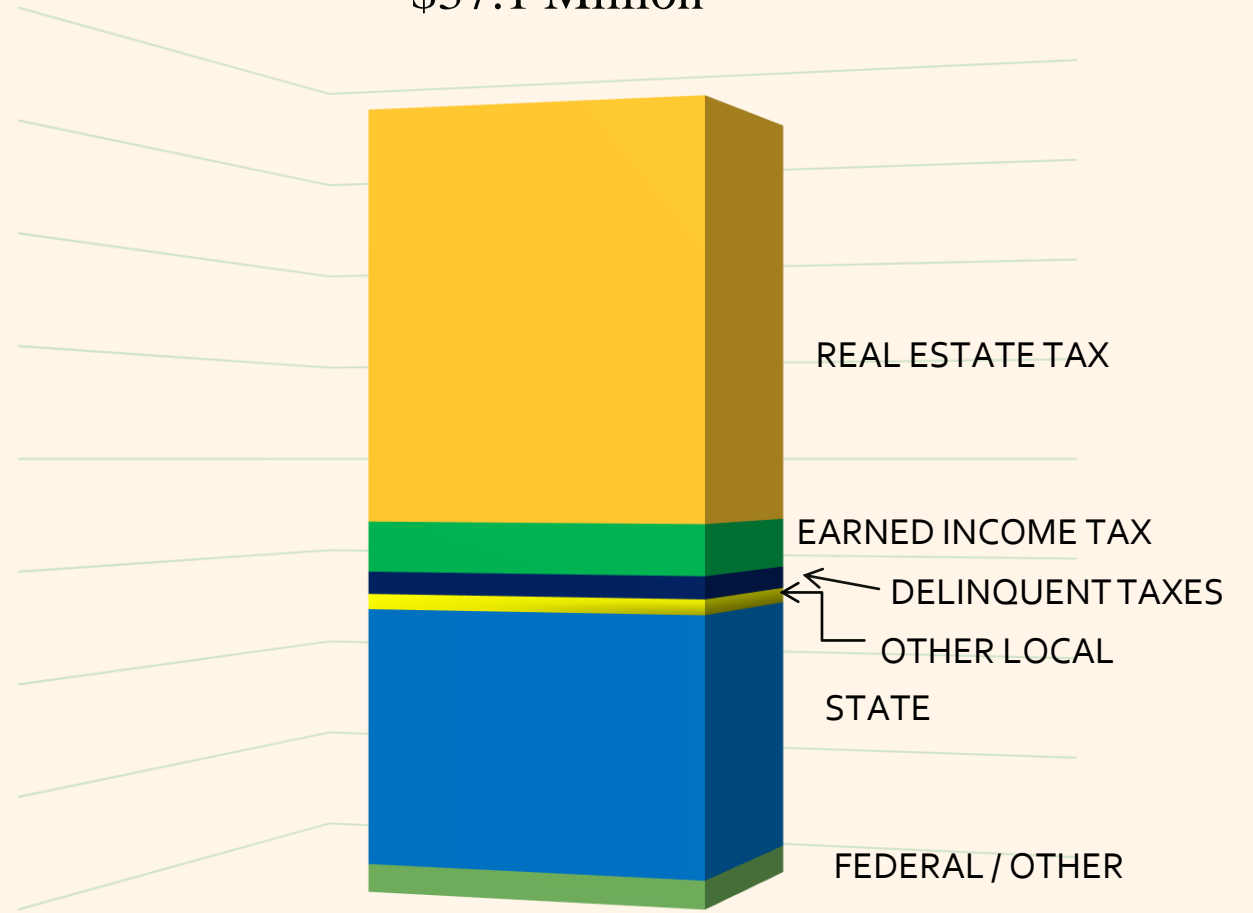
State Sources

State Subsidies	7,851,656
State Grants	1,455,470
Retirement Subsidies	2,479,164
Total State Sources	11,786,290

Federal Sources

Federal Grants	570,995
Medical Assistance	712,500
Total Federal Sources	1,283,495

\$37.1 Million



EXPENDITURES BY OPERATIONAL AREA

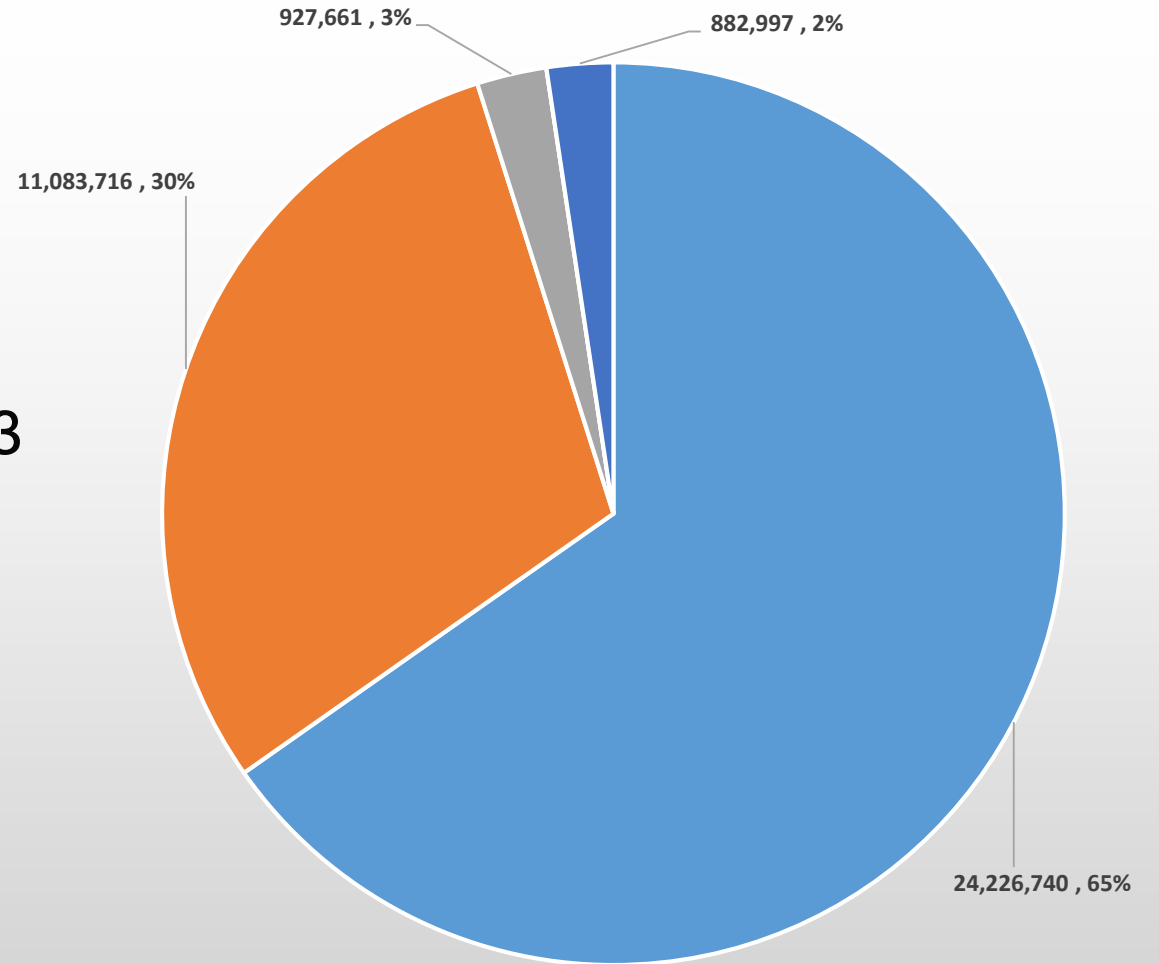
Total Expenditures = \$37,121,113

Direct Instruction = 65.3%

Support Services = 29.9%

Debt / Transfers = 2.3%

Non-Instruction = 2.5%



- 1000 - Instruction
- 2000 - Support Services
- 3000 - Non Instructional
- 4000- Capital Improve
- 5000 - Financing/Reserve

EXPENDITURES BY TYPE

Personnel Cost comprise **69.1%** or \$25.7 Million

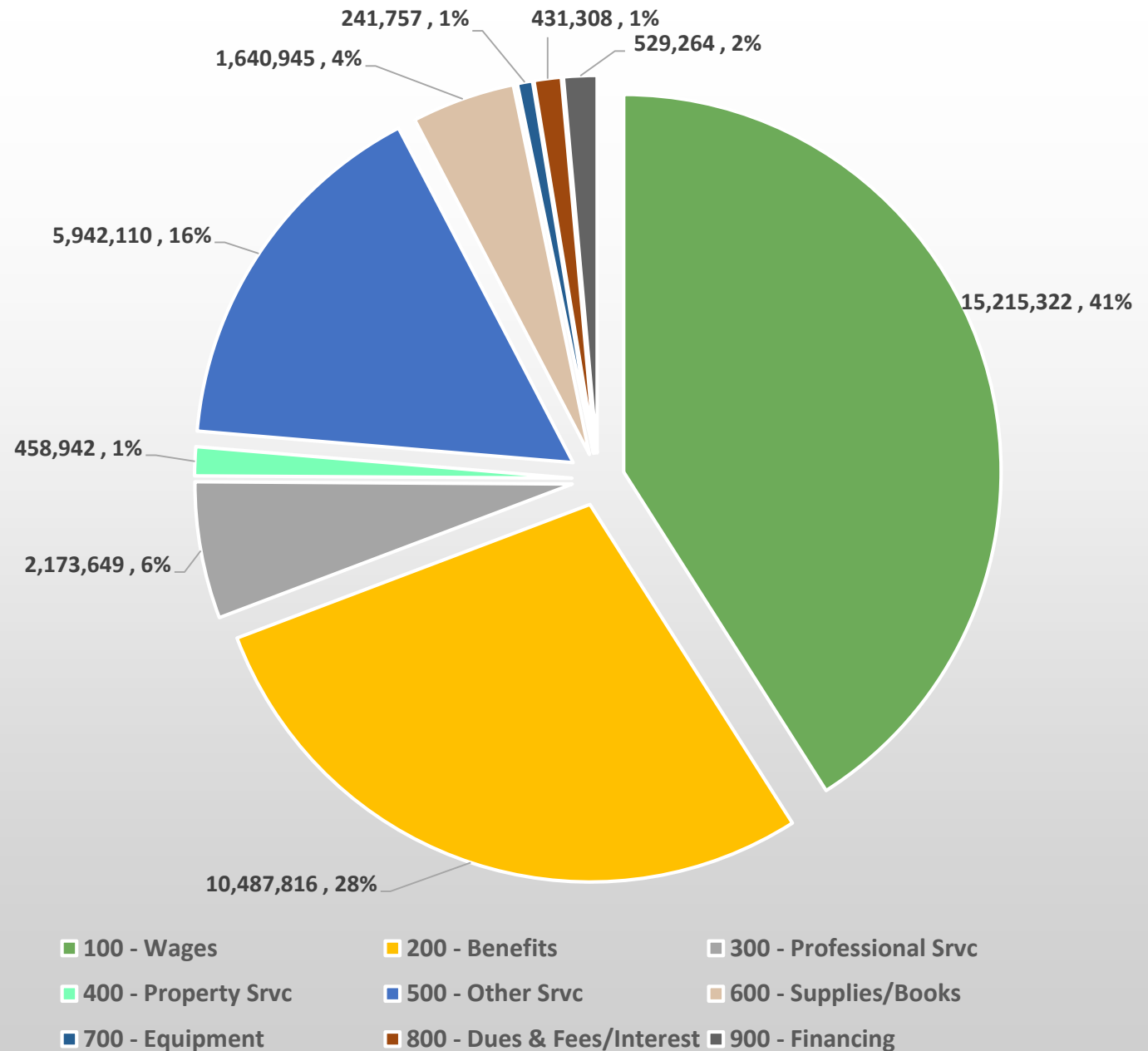
- Contractual wage increases
- Medical Ins costs up 5.7%
- PSERS rate increase from 33.99% to 34.00%

Debt – 2.3% or \$832K

Tuition – 9.2% or \$2.6M

- Charter schools – 1.5M (approx. 90 students)

Transportation – 7% or \$2.5M



CAPITAL RESERVE FUND

Fund 32 – Capital Reserve

2024-2025 Beginning Balance	\$693,142		
Transfer from General Fund	\$305,550		
2025-2026 Total Funds Available <i>as of 7-1-2025</i>	\$ 1,020,731		
Est. interest earnings	\$48,000		

*2025-2026 capital project expenditures based on District capital project plan.



MAY FINANCE MEETING TOPICS

- Capital projects plan
- 5-year budget projections
- Final review of 2025 - 2026 budget

Budget changes may continue after Proposed Final Budget is adopted at the April 15th Board meeting until final adoption date in June.

Proposed Final Budget will be posted for public inspection on the district website.

Final approval of the 2025-2026 General Fund Budget is scheduled for adoption at the Board of Directors meeting on **June 3, 2025**.



QUESTIONS?

