

2025-2026 Proposed Final Budget

May 13, 2025

Dr. Marcia Stokes, SFO



Agenda

- Budget Development Process
- Budget Overview
- Anticipated Revenues
 - Local, State, and Federal
- Proposed Expenditures
 - By Function and by Object
- Property Tax Details and Scenarios

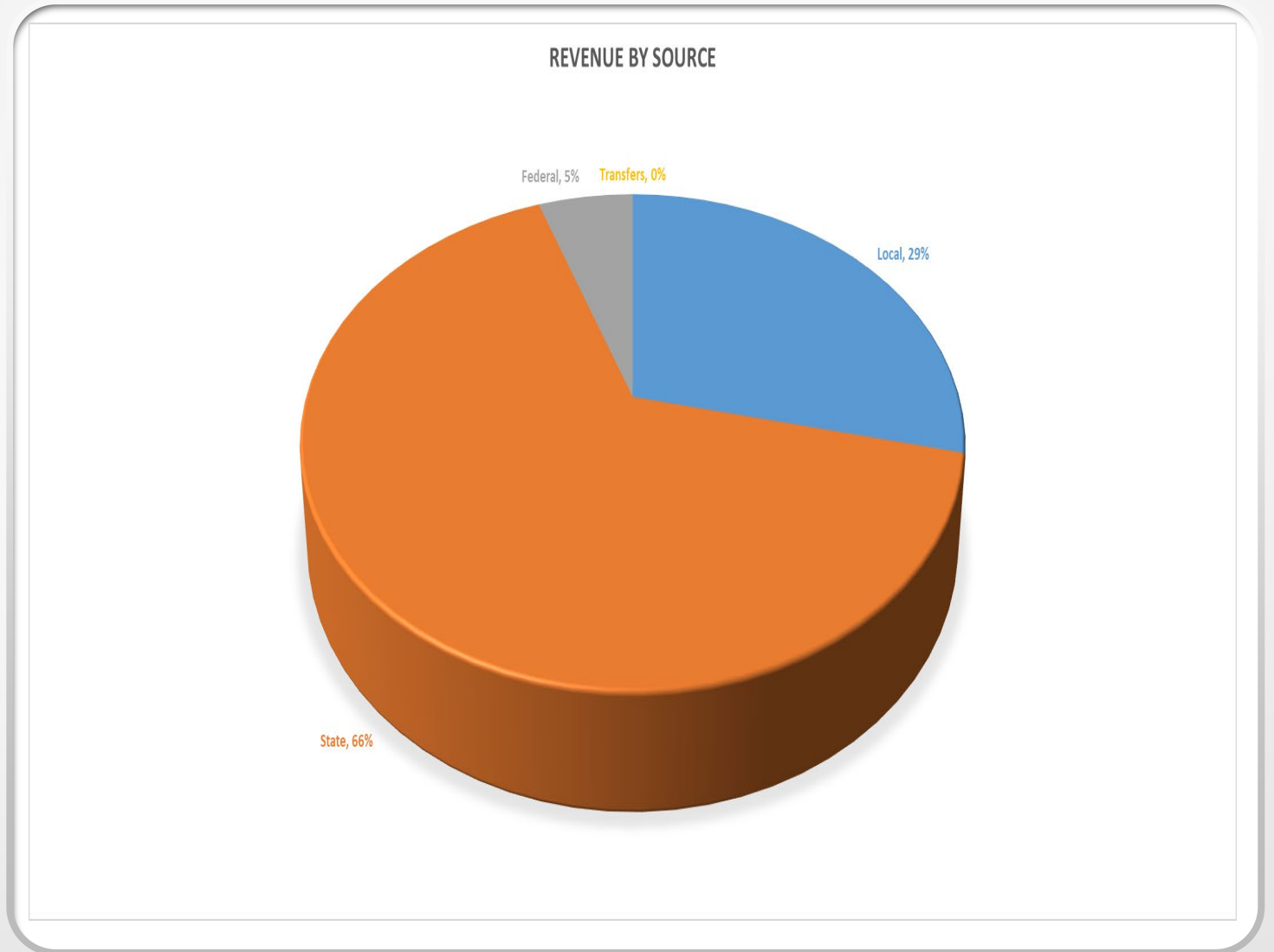
Budget Development Process

November 4, 2024	-Budget training at Leadership Meeting
November 15, 2024	-All Building and Department Budget Worksheets will be sent out by the Business Office and Human Resource Office
December 6, 2024	-Building and Department Staffing Plans are due to Dr. Henry, Mrs. Lang, & Dr. Stokes
December 9-19, 2024	-Building and Department Staffing Plan review meetings
January 10, 2025	-Budget Worksheets are due to Dr. Stokes
January 14, 2025	-Review of Tax Rate Resolution pursuant to Section 311(d)(1) at Committee of the Whole Meeting
January 21-February 14, 2025	-Building and Department Budget review meetings
January 28, 2025	-Board/Receiver approval of Tax Rate Resolution pursuant to Section 311(d)(1)
February 2, 2025	-Submission of opt out resolution and real estate tax report to PDE
February 28, 2025	-Cabinet team decisions on Staffing and Budget requests
March 14, 2025	-Preliminary grant budgets and program outline due to Dr. Stokes and Dr. Thompson
May 13, 2025*	-Board approval of Proposed Final Budget for 2025-2026

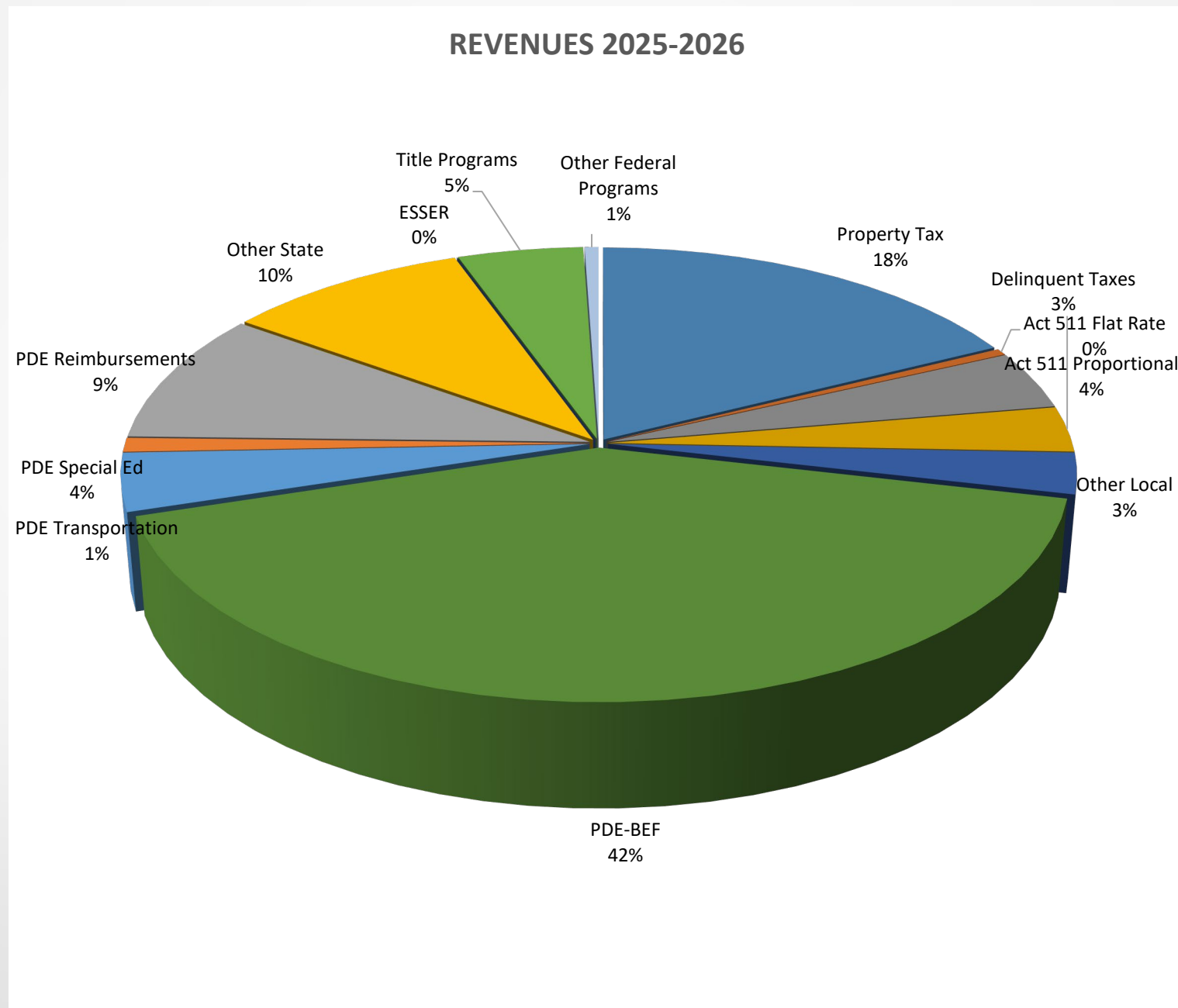
Budget Overview

	2024-25 PDE 2028	2025-26 Proposed Final Budget	2025-26 Proposed Final Budget Increase/ Decrease (Decrease)
<u>REVENUE</u>			
<i>Mill Rate</i>	30.7800	31.4000	0.6200
6000 Local Sources	\$62,714,512	\$60,593,081	(\$2,121,431)
7000 State Sources	132,082,158	139,603,835	\$7,521,677
8000 Federal Sources	20,841,411	11,631,454	(\$9,209,957)
9000 Other Revenue	1,600,000	0	(\$1,600,000)
Total Revenue	\$217,238,081	\$211,828,370	(\$5,409,711)
<u>EXPENDITURES</u>			
1100 Regular Instruction Programs	\$72,003,683	\$76,109,736	\$4,106,053
1200 Special Instruction Programs	35,924,606	34,614,278	(\$1,310,328)
1300 Vocational Education Programs	3,334,590	3,520,325	\$185,735
1400 Other Instructional Programs	3,335,654	5,954,205	\$2,618,551
1500 Non-Public School Programs	606,153	577,745	(\$28,408)
1600 Adult Education Programs	396,841	406,762	\$9,921
1800 Pre-Kindergarten	687,462	638,727	(\$48,735)
2100 Support Services -Students	7,061,910	10,018,025	\$2,956,115
2200 Support Services – Instructional Staff	9,545,263	7,313,389	(\$2,231,874)
2300 Support Services – Administration	11,374,286	11,085,253	(\$289,033)
2400 Support Services – Pupil Health	2,797,952	3,136,957	\$339,005
2500 Support Services Business	2,208,991	1,877,592	(\$331,399)
2600 Operation & Maintenance	18,332,364	16,395,269	(\$1,937,095)
2700 Student Transportation Services	5,655,335	5,708,803	\$53,468
2800 Support Services – Central	5,508,872	6,342,894	\$834,022
2900 Other Support Services	38,524	40,000	\$1,476
3200 Student Activities	1,334,571	1,389,266	\$54,695
3300 Community Services	1,163,234	725,715	(\$437,519)
4600 Existing Building Improvement Services	7,998,509	250,000	(\$7,748,509)
5000 Debt Service/Transfers	27,929,281	25,723,429	(\$2,205,852)
Total Expenditures	\$217,238,081	\$211,828,370	(\$5,409,711)

Revenues



2025-26 Estimated Revenues



Revenues- Local

	2024-25 PDE 2028	2025-26 Proposed Final Budget
6111 Real Estate Taxes	39,911,709	37,332,673
6113 Public Utility Realty Tax	53,000	53,000
6114 Pmt in Lieu of Current Tax	1,872,500	1,872,500
6140 Current Act 511-Flat Rate Assessments	970,000	985,000
6150 Proportional Assessments (511)	8,510,001	8,985,001
6400 Delinquency on Taxes Levied	6,244,500	6,980,511
6500 Earnings on Investments	3,000,000	2,500,000
6700 Revenue from LEA Activities	50,000	35,000
6800-Rev from IU/Pass Through Funds	1,204,248	1,038,800
6910 Rentals	338,554	340,596
6920 Contrib/Donations Private Sector	275,000	305,000
6940 Tuition from Patrons	0	0
6960 SVCS provide to other LEAs/Govt Units	10,000	10,000
6990 Refunds and Other Misc. Revenue	275,000	155,000
Total Local Sources	62,714,512	60,593,081

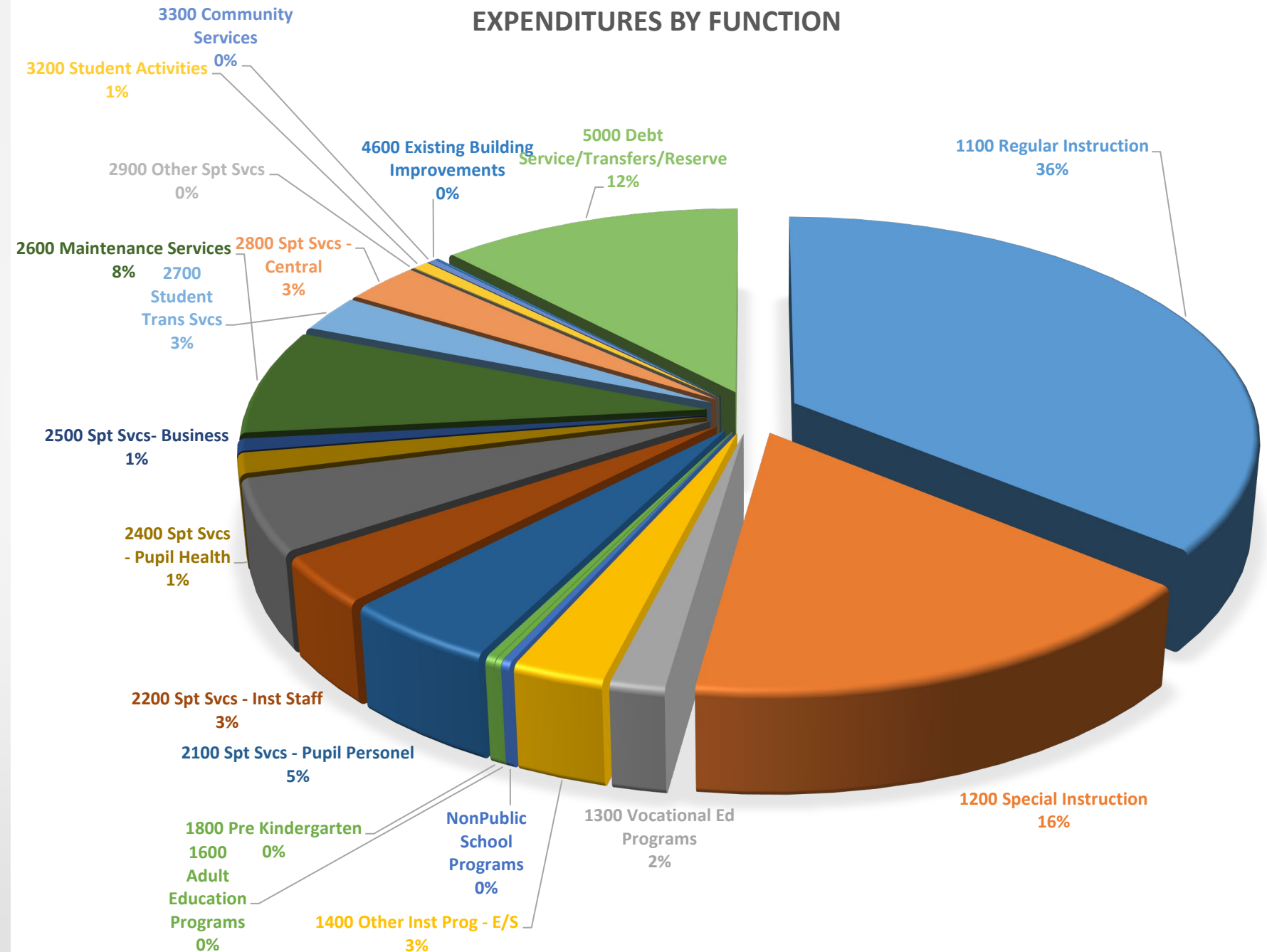
Revenues- State

	2024-25 PDE 2028	2025-26 Proposed Final Budget
7111 Basic Education Funding	86,351,376	88,046,818
7112 Basic Education Funding - SS	0	0
7160 Tuition for Orphans Subsidy	0	250,000
7271 Special Ed. Funding	8,604,278	8,916,027
7292 Pre-K Counts	680,000	714,000
7299 Other Program Revenue	25,000	25,000
7310 Transportation	2,070,000	2,158,918
7320 Rental & Sinking fund	2,258,863	2,763,458
7330 Health Services	75,000	95,000
7340 State Property Tax Reduction Allocation	4,101,391	4,504,247
7360 Safe Schools/Learn & Serve	694,000	325,000
7361 PCCD Grant - COVID 19	0	0
7531 Ready to Learn Block Grant	9,969,296	9,971,030
7532 Ready to Learn Block Grant-Adequacy	0	3,721,331
7533 Ready to Learn Block Grant-Tax Equity	0	721,299
7599 Other State Revenue	0	0
7810 State Share of SS and Medicare	3,137,376	3,142,234
7820 State Share of Retirement Contrib	14,115,578	14,249,473
Total State Sources	132,082,158	139,603,835

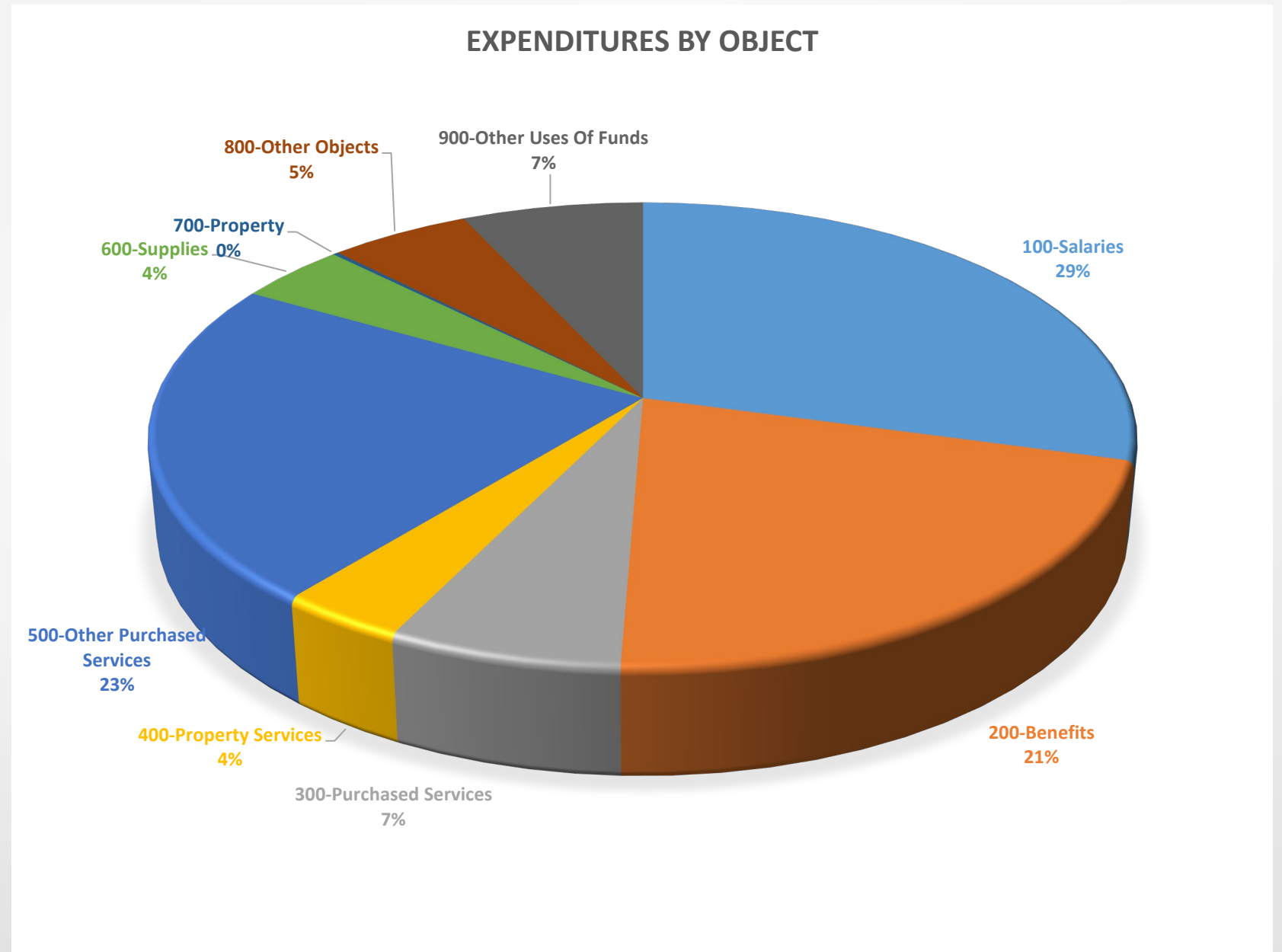
Revenues- Federal

	2024-25 PDE 2028	2025-26 Proposed Final Budget
8390 Grant in Aid Directly from Fed	717,420	35,000
8514 Title I	7,972,552	8,153,308
8515 Title II	481,317	481,317
8516 Title III	299,947	292,491
8517 Title IV	1,721,710	1,546,814
8690 Other Restricted Federal Grants	153,571	153,930
8732 ARRA QSCB	404,594	404,594
8741 CARES Act-ESSER I	0	0
8742 CARES Act GEER	0	0
8742 ESSER II	0	0
8743 ESSER III	8,000,000	0
8749 Other CARES Act Funding	0	0
8751 ARP ESSER Learning Loss	540,300	0
8752 ARP ESSER Summer Programs	0	0
8753 ARP ESSER Afterschool Programs	0	0
8755 ARP ESSER Emergency Relief	0	0
8810 Medical Assistance (ACCESS)	500,000	500,000
8820 Medical Assistance/Admin	50,000	64,000
Total Federal Sources	20,841,411	11,631,454

Expenditures -Function



Expenditures -Object



Expenditures- Instruction

1000- Instruction

	2024-25 Budget-PDE 2028	2025-26 Final Proposed Budget
100 Salaries	38,961,968	40,957,801
200 Employee Benefits	29,757,799	30,725,445
300 Purchased Prof & TechSvcs	6,997,148	5,224,294
400 Purchased Property Services	2,800	3,200
500 Other Purchased Services	37,117,952	40,753,329
600 Supplies	3,350,822	4,006,542
700 Property	0	0
800 Other Objects	100,500	151,167
Total 1000	116,288,989	121,821,778

Expenditures- Support Services

2000- Support Services

	2024-25 Budget-PDE 2028	2025-26 Final Proposed Budget
100 Salaries	19,636,520	20,086,352
200 Employee Benefits	14,112,666	13,971,383
300 Purchased Prof & TechSvcs	8,794,427	8,673,127
400 Purchased Property Services	7,238,276	7,354,330
500 Other Purchased Services	6,429,121	6,594,263
600 Supplies	5,266,865	4,624,048
700 Property	767,593	415,000
800 Other Objects	233,029	199,679
Total 2000	62,478,497	61,918,182

Expenditures-
Operation of
Non-
Instructional
Services

**3000- Operation of Non-
Instructional Services**

	2024-25 Budget-PDE 2028	2025-26 Final Proposed Budget
100 Salaries	1,143,051	965,552
200 Employee Benefits	715,188	519,224
300 Purchased Prof & TechSvcs	125,065	233,435
400 Purchased Property Services	55,700	56,800
500 Other Purchased Services	209,810	202,710
600 Supplies	229,991	110,260
700 Property	5,500	5,000
800 Other Objects	13,500	22,000
Total 3000	2,497,805	2,114,981

Expenditures-
Facilities
Acquisition,
Construction,
&
Improvement
Services

**4000 - Facilities Acquisition,
Construction, & Improvement**

	2024-25 Budget-PDE 2028	2025-26 Final Proposed Budget
300 Purchased Prof & TechSvcs	38,000	0
400 Purchased Property Svcs	7,960,509	250,000
600 Supplies	0	0
700 Property	0	0
Total 4000	7,998,509	250,000

Expenditures- Other Expenditures & Financing Uses

5000 - Other Expenditures & Financing Uses

	Budget-PDE	Final
300 Purchased Prof & TechSvcs	0	0
800 Other Objects	13,849,968	11,049,116
900 Other Financing Uses	14,079,313	14,674,313
Total 5000	27,929,281	25,723,429

Property Taxes

- Proposed Mill Increase 2%
 - Mill rate to increase from 30.78 to 31.40
- Property Tax Relief funds increased from \$4,101,390 to \$4,504,247 (State Revenue)
- Increase in the amount of the Homestead Exemption for qualified taxpayers due to a lesser number of qualified properties (5,489 for 25-26 vs. 5,541 for 24-25) and an increase in the Property Tax Relief funds. This will result in a decrease in property taxes for many of our owner-occupied homeowners.

Homestead Exemption

2023-2024	2024-2025	2025-2026
Property Tax Relief Funds: \$3,499,457.53	Property Tax Relief Funds: \$4,101,390.72	Property Tax Relief Funds: \$4,504,247.27
Qualified for Homestead Exemption: 5,561	Qualified for Homestead Exemption: 5,541	Qualified for Homestead Exemption: 5,489
Exemption Amount: \$20,496	Exemption Amount: \$24,140	Exemption Amount: \$26,342
Value of Exemption: \$630.87	Value of Exemption: \$743.03	Value of Exemption: \$827.14

Example Tax Bill Comparison-2% Increase

With Homestead Exemption	2024-25	2025-26
Mill Rate	30.78	31.4
Assessed Valuation	\$100,000	\$100,000
Homestead Exclusion Amt	\$24,140	\$26,342
Taxable Assessed Value	\$75,860	\$73,658
Estimated Tax Bill	\$2,335	\$2,313
Increase/Decrease Amount		-\$22.11

With Homestead Exemption	2024-25	2025-26
Mill Rate	30.78	31.4
Assessed Valuation	\$54,600	\$54,600
Homestead Exclusion Amt	\$24,140	\$26,342
Taxable Assessed Value	\$30,460	\$28,258
Estimated Tax Bill	\$938	\$887
Increase/Decrease Amount		-\$50.26

Example Tax Bill Comparison-4.81% Increase

With Homestead Exemption	2024-25	2025-26
Mill Rate	30.78	32.26
Assessed Valuation	\$100,000	\$100,000
Homestead Exclusion Amt	\$24,140	\$25,621
Taxable Assessed Value	\$75,860	\$74,379
Estimated Tax Bill	\$2,335	\$2,399
Increase/Decrease Amount		\$64.50

With Homestead Exemption	2024-25	2025-26
Mill Rate	30.78	32.26
Assessed Valuation	\$54,600	\$54,600
Homestead Exclusion Amt	\$24,140	\$25,621
Taxable Assessed Value	\$30,460	\$28,979
Estimated Tax Bill	\$938	\$935
Increase/Decrease Amount		-\$2.70

Example Tax Bill Comparison-6.10% Increase Act 1

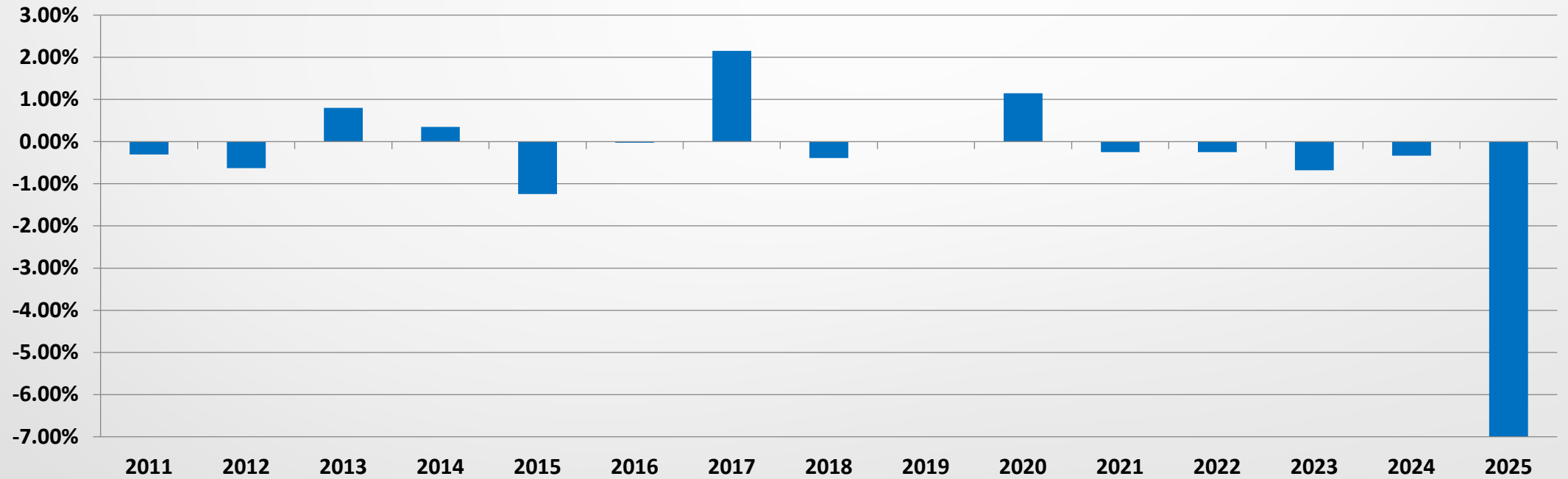
With Homestead Exemption	2023-24	2025-26
Mill Rate	30.78	32.658
Assessed Valuation	\$100,000	\$100,000
Homestead Exclusion Amt	\$24,140	\$25,301
Taxable Assessed Value	\$75,860	\$74,699
Estimated Tax Bill	\$2,335	\$2,440
Increase/Decrease Amount		\$104.55

With Homestead Exemption	2023-24	2025-26
Mill Rate	30.780	32.658
Assessed Valuation	\$54,600	\$54,600
Homestead Exclusion Amt	\$24,140	\$25,301
Taxable Assessed Value	\$30,460	\$29,299
Estimated Tax Bill	\$938	\$957
Increase/Decrease Amount		\$ 19.28

Year	Mill Rates	Mill Increase	% Increase
2016-17	27.80	-0.116	-0.4%
2017-18	27.80	0.000	0.0%
2018-19	28.80	1.001	3.6%
2019-20	29.78	0.979	3.4%
2020-21	29.78	0.000	0.0%
2021-22	29.78	0.000	0.0%
2022-23	30.78	1.000	3.4%
2023-24	30.78	0.000	0.0%
2024-25	30.78	0.000	0.0%
2025-26*	31.40	0.620	2.0%
Average Increase		0.348	1.20%

Mill Rate History

Assessment Growth/Decline History



History and Impact of Exempt Properties

Total Assessed Valuation of Exempt Properties

- 2022-\$1,511,098,700 (48%)
- 2023-\$1,526,323,230 (49%)
- 2024-\$1,547,463,930 (49%)
- 2025*-\$1,570,035,530 (51%)

Revenue Impact of Exempt Properties

- 2022- \$46,511,617.99 (30.78 mills)
- 2023-\$46,980,231.79 (30.78 mills)
- 2024-\$47,630,939.77 (30.78 mills)
- 2025*-\$49,299,115.64 (31.40 mills)

Value of 1 Mill

- 2022 \$1,624,244
 - 2023 \$1,613,229
 - 2024 \$1,607,818
 - 2025 \$1,495,436
- Growth in assessed value increases the value of 1 mill, thus increases the Property Tax Revenue without increasing the mill rate
 - Declines in assessed value decrease the value of 1 mill, thus decreasing the Property Tax Revenue without increasing the mill rate

Scenarios: Cumulative Impact of Small, Incremental Tax Increases

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	5 Year Gross Tax Revenue	Cumulative Impact of Increase
Taxable Assessed Values	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140		
0% Annual Increase	0.00%	0.00%	0.00%	0.00%	0.00%		
Mill Rate at 0% increase	30.78	30.78	30.78	30.78	30.78		
Gross Property Tax Revenue	\$ 46,029,524.39	\$ 46,029,524.39	\$ 46,029,524.39	\$ 46,029,524.39	\$ 46,029,524.39	\$ 230,147,621.95	
	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		
Taxable Assessed Values	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140		
1% Annual Increase	1.00%	1.00%	1.00%	1.00%	1.00%		
Mill Rate at 1% increase	31.09	31.40	31.71	32.03	32.35		
Gross Property Tax Revenue	\$ 46,489,819.63	\$ 46,954,717.83	\$ 47,424,265.01	\$ 47,898,507.66	\$ 48,377,492.73	\$ 237,144,802.86	\$ 6,997,180.92
	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		
Taxable Assessed Values	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140		
2% Annual Increase	2.00%	2.00%	2.00%	2.00%	2.00%		
Mill Rate at 2% increase	31.40	32.02	32.66	33.32	33.98		
Gross Property Tax Revenue	\$ 46,950,114.88	\$ 47,889,117.17	\$ 48,846,899.52	\$ 49,823,837.51	\$ 50,820,314.26	\$ 244,330,283.34	\$ 14,182,661.39
	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		
Taxable Assessed Values	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140		
3% Annual Increase	3.00%	3.00%	3.00%	3.00%	3.00%		
Mill Rate at 3% increase	31.70	32.65	33.63	34.64	35.68		
Gross Property Tax Revenue	\$ 47,410,410.12	\$ 48,832,722.42	\$ 50,297,704.10	\$ 51,806,635.22	\$ 53,360,834.28	\$ 251,708,306.14	\$ 21,560,684.19

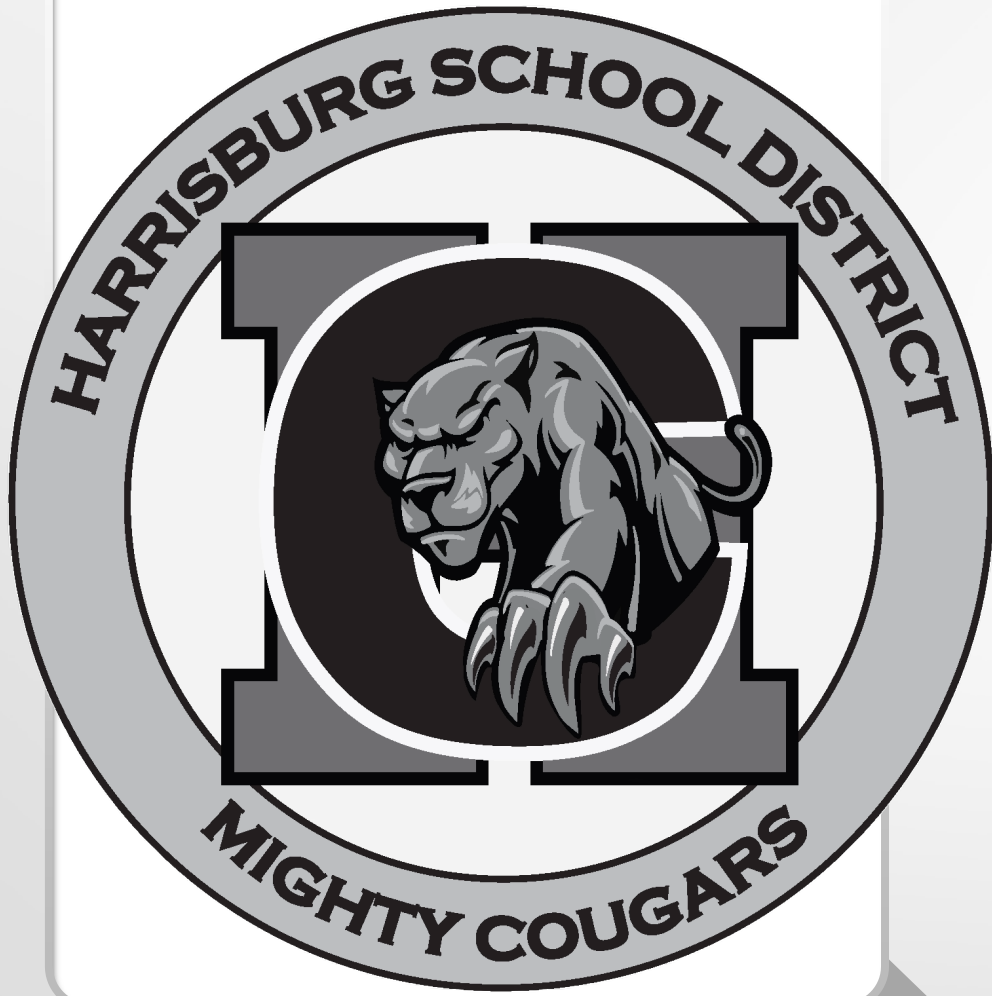
Scenarios: Cumulative Impact of Tax Increases based on PFM Projections and Act 1 Index

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		
Taxable Assessed Values	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140		
4.81% Annual Increase	4.81%	4.81%	4.81%	4.81%	4.81%		
Mill Rate at 4.81% increase	32.26	33.81	35.44	37.14	38.93		
Gross Property Tax Revenue	\$ 48,243,544.51	\$ 50,564,059.00	\$ 52,996,190.24	\$ 55,545,306.99	\$ 58,217,036.26	\$ 265,566,137.01	\$ 35,418,515.06

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		
Taxable Assessed Values	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140	1,495,436,140		
6.10% Annual Increase	6.10%	6.10%	6.10%	6.10%	6.10%		
Mill Rate at 6.10% increase	32.66	34.65	36.76	39.01	41.39		
Gross Property Tax Revenue	\$ 48,837,325.38	\$ 51,816,402.22	\$ 54,977,202.76	\$ 58,330,812.13	\$ 61,888,991.67	\$ 275,850,734.16	\$ 45,703,112.21

Revenues Assumptions

- Property Taxes-.62 Mill increase (2%)
- Basic Education Funding-100% of the Governor's proposed budget
- Special Education Funding-100% of the Governor's proposed budget
- Adequacy Supplement-50% of the Governor's proposed budget
- Tax Equity Supplement-100% of funding received in 24-25 deferred to 25-26
- Grants: PCCD Health and Safety, Title I, II, II, IV, BSCA-Stronger Communities, 21st Century, Boost, and RSIG



One Harrisburg: One Vision, One Community, One Future

2025-2026 Budget Adoption
June 24, 2025