



# 2026 General Fund Budget Update

December 2, 2025  
Virtual Meeting

# Agenda

## 2026 General Fund Budget Update

# 2026 Preliminary Budget

- Expenditures for 2026 are budgeted at **\$739.1 million**:
  - Represents a **2.08% decrease** from 2025 adopted budget
  - Includes an operating deficit of **\$12.2 million** in 2026 which is \$15.9 million less than the 2025 operating deficit of **\$28.1 million**
- The current budget **DOES NOT** adhere to Board's minimum **5 percent fund balance policy** for the General Fund through 2026 based on assumptions to date
- Projections as of 9/30/25 indicate final expenditures of **\$733.2 million** and an operating deficit of \$21.9 million
- Includes a 4% millage rate increase

# Budget Assumptions

- Revenue
  - Decrease in CY Real Estate due to increase in the property tax reduction allocation
  - Increasing Earned Income revenue
  - Stable State funding
  - 4% Millage Rate Increase
- Expenditures
  - Rising salary and benefit costs
  - Increases in utilities largely due to Pennsylvania-New Jersey-Maryland Interconnection (PJM) capacity fees
  - Rising transportation costs
  - Increased charter costs based on budgeted expenditures
  - Vacant positions are budgeted at full cost
  - Approval and implementation of the Future Ready Facilities Plan

# We Still Had More Work to do to Balance Our Budget

	Actual Year Ended 2023	Actual Year Ended 2024	Adopted Year Ended 2025	Projected Year Ended 2025	Projected Year Ended 2026	Projected Year Ended 2027	Projected Year Ended 2028
Total Revenues	\$682,258,983	\$698,526,179	\$724,160,527	\$711,226,326	\$724,417,973	\$738,741,328	\$756,625,096
Total Expenditures	\$678,916,579	\$705,591,642	\$752,283,642	\$733,168,566	\$736,597,758	\$753,281,206	\$782,583,619
Beginning Balance	\$80,564,452	\$83,906,856	\$76,841,394	\$76,841,394	\$54,899,154	\$42,719,369	\$28,179,490
Operating Surplus/(Deficit)	\$3,342,404	(\$7,065,462)	(\$28,123,115)	(\$21,942,240)	(\$12,179,785)	(\$14,539,879)	(\$25,958,523)
Ending Fund Balance	\$83,906,856	\$76,841,394	\$48,718,279	\$54,899,154	\$42,719,369	\$28,179,490	\$2,220,967
Less Projected Reservations	(\$2,335,748)	(\$10,016,796)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(29,685,901)	(\$28,123,115)	(\$12,179,785)	(\$12,179,785)	(14,539,879)	(25,958,523)	(27,885,757)
<b>Unassigned Fund Balance</b>	<b>\$51,885,207</b>	<b>\$38,701,482</b>	<b>\$34,038,494</b>	<b>\$40,219,369</b>	<b>\$25,679,490</b>	<b>(\$279,033)</b>	<b>(\$28,164,790)</b>
% Budgeted Expenditures	7.64%	5.48%	4.52%	5.49%	3.49%	-0.04%	-3.60%
Minimum Fund Balance per Board Policy #721	\$33,945,829	\$35,279,582	\$37,614,182	\$36,658,428	\$36,829,888	\$37,664,060	\$39,129,181
Compliance with Fund Balance Policy	Yes	Yes	No	Yes	No	No	No
Funds needed to comply with Fund Balance Policy	(\$17,939,378)	(\$3,421,900)	\$3,575,688	(\$3,560,941)	\$11,150,398	\$37,943,093	\$67,293,971

# We Now Have a State Budget

- Governor Shapiro signed the State budget into law of November 12, 2025.
- The 2025-26 State Budget includes the following:
  - \$105 million (1.29%) increase in Basic Education Funding
  - \$40 million (2.69%) increase in Special Education Funding
  - \$562 million (68.41%) increase in Ready to Learn Funding
  - \$9.5 million (3%) increase in PreK Counts funding
- Cyber Charter Transition funding was eliminated and replaced with Cyber Charter Reform.
- Cyber Charter Reform is estimated to reduce the District's cyber charter tuition payments by \$12.1 million annually.

# Impact of the State Budget on PPS

	2024-25	2025-26	VARIANCE	% CHANGE
BASIC EDUCATION FUNDING BASE	\$177,714,596	\$177,714,596	\$0	0.00%
STUDENT WEIGHTED DISTRIBUTION	\$2,446,886	\$3,416,655	\$969,769	39.63%
LEVEL UP SUPPLEMENT	\$0	\$0	\$0	N/A
<b>TOTAL BASIC EDUCATION FUNDING</b>	<b>\$180,161,482</b>	<b>\$181,131,251</b>	<b>\$969,769</b>	<b>0.54%</b>
FOUNDATION FUNDING	\$9,955,423	\$10,005,423	\$50,000	0.50%
ADEQUACY SUPPLEMENT	\$0	\$0	\$0	N/A
TAX EQUITY SUPPLEMENT	\$0	\$0	\$0	N/A
<b>TOTAL READY TO LEARN BLOCK GRANT</b>	<b>\$9,955,423</b>	<b>\$10,005,423</b>	<b>\$50,000</b>	<b>0.50%</b>
CAREER AND TECHNICAL EDUCATION	\$557,163	\$710,090	\$152,927	27.45%
CYBER CHARTER TRANSITION FUNDING	\$3,755,952	\$0	-\$3,755,952	-100.00%
SPECIAL EDUCATION FUNDING BASE	\$27,426,465	\$27,426,465	\$0	0.00%
STUDENT-BASED ALLOCATION	\$3,095,127	\$3,266,760	\$171,633	5.55%
<b>TOTAL SPECIAL EDUCATION FUNDING</b>	<b>\$30,521,592</b>	<b>\$30,627,530</b>	<b>\$105,938</b>	<b>0.35%</b>
<b>TOTAL</b>	<b>\$224,951,612</b>	<b>\$222,474,294</b>	<b>-\$2,477,318</b>	<b>-1.10%</b>

# We Were Projected to Have a Budget Surplus in 2026 After the Passage of the State Budget

	Actual Year Ended 2023	Actual Year Ended 2024	Adopted Year Ended 2025	Projected Year Ended 2025	Projected Year Ended 2026	Projected Year Ended 2027	Projected Year Ended 2028
Total Revenues	\$682,258,983	\$698,526,179	\$724,160,527	\$713,795,739	\$722,633,393	\$737,192,140	\$755,802,222
Total Expenditures	\$678,916,579	\$705,591,642	\$752,283,642	\$732,374,936	\$722,202,768	\$738,138,398	\$765,305,918
Beginning Balance	\$80,564,452	\$83,906,856	\$76,841,394	\$76,841,394	\$58,262,197	\$58,692,822	\$57,746,564
Operating Surplus/(Deficit)	\$3,342,404	(\$7,065,462)	(\$28,123,115)	(\$18,579,197)	\$430,625	(\$946,258)	(\$9,503,697)
Ending Fund Balance	\$83,906,856	\$76,841,394	\$48,718,279	\$58,262,197	\$58,692,822	\$57,746,564	\$48,242,868
Less Projected Reservations	(\$2,335,748)	(\$10,016,796)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(29,685,901)	(\$28,123,115)	(\$23,181,092)	\$430,625	(946,258)	(9,503,697)	(13,002,361)
<b>Unassigned Fund Balance</b>	<b>\$51,885,207</b>	<b>\$38,701,482</b>	<b>\$23,037,187</b>	<b>\$56,192,822</b>	<b>\$55,246,564</b>	<b>\$45,742,868</b>	<b>\$32,740,507</b>
% Budgeted Expenditures	7.64%	5.48%	3.06%	7.67%	7.65%	6.20%	4.28%
Minimum Fund Balance per Board Policy #721	\$33,945,829	\$35,279,582	\$37,614,182	\$36,618,747	\$36,110,138	\$36,906,920	\$38,265,296
Compliance with Fund Balance Policy	Yes	Yes	No	Yes	Yes	Yes	No
Funds needed to comply with Fund Balance Policy	(\$17,939,378)	(\$3,421,900)	\$14,576,995	(\$19,574,075)	(\$19,136,426)	(\$8,835,948)	\$5,524,789

# Budget Assumptions

- Revenue
  - Decrease in CY Real Estate due to increase in the property tax reduction allocation
  - Increasing Earned Income revenue
  - Stable State funding
  - 4% Millage Rate Increase
- Expenditures
  - Rising salary and benefit costs
  - Increases in utilities largely due to Pennsylvania-New Jersey-Maryland Interconnection (PJM) capacity fees
  - Rising transportation costs
  - **Increased charter costs based on budgeted expenditures**
  - Vacant positions are budgeted at full cost
  - **Approval and implementation of the Future Ready Facilities Plan**

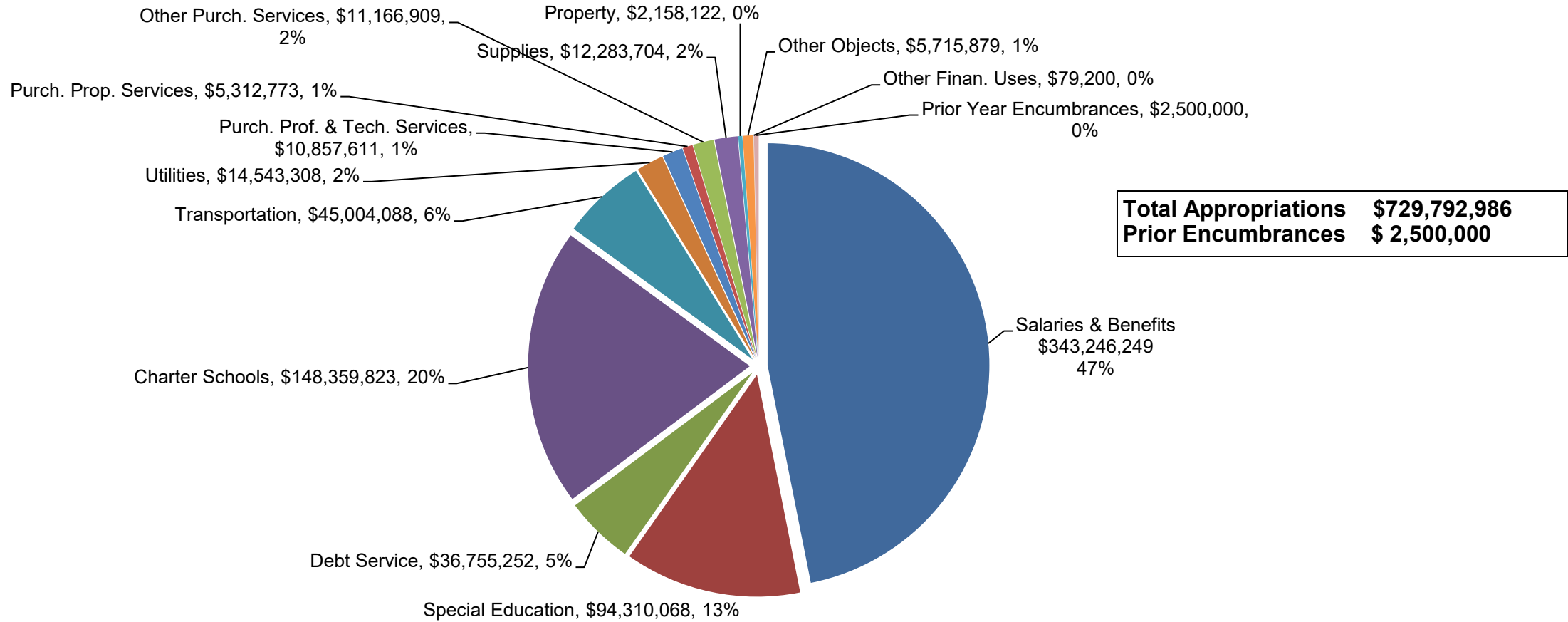
# Updated Budget Assumptions

- Revenue
  - Decrease in CY Real Estate due to increase in the property tax reduction allocation
  - Increasing Earned Income revenue
  - Stable State funding
  - 4% Millage Rate Increase
- Expenditures
  - Rising salary and benefit costs
  - Increases in utilities largely due to Pennsylvania-New Jersey-Maryland Interconnection (PJM) capacity fees
  - Rising transportation costs
  - Vacant positions are budgeted at full cost

# Updated 2026 General Fund Budget

- Expenditures for 2026 are budgeted at **\$732.3 million**:
  - Represents a **2.98% decrease** from 2025 adopted budget
  - Includes an operating deficit of **\$6.3 million** in 2026 which is \$21.8 million less than the 2025 operating deficit of **\$28.1 million**
- The current budget adheres to Board's minimum **5 percent fund balance policy** for the General Fund through 2026 based on assumptions to date
- Projections as of 10/30/25 indicate final expenditures of **\$732.7 million** and an operating deficit of \$18.4 million
- Includes \$12.1 million in savings from Cyber Charter Reform
- Includes a 4% millage rate increase

# 2026 Appropriations by Major Object



# Comparison to 2026 Preliminary Budget

<b>Expenditure Category</b>	<b>2026 Preliminary Budget</b>	<b>2026 Updated Budget</b>	<b>Increase/(Decrease)</b>	<b>% Change</b>
Salaries & Benefits	338,981,125	343,246,249	4,265,124	1.26%
Special Education	93,617,824	94,310,068	692,244	0.74%
Debt Service	36,755,252	36,755,252	-	0.00%
Charter Schools	160,470,169	148,359,823	(12,110,346)	-7.55%
Transportation	43,191,956	45,004,088	1,812,132	4.20%
Utilities	14,399,876	14,543,308	143,432	1.00%
Purch. Prof. & Tech. Services	10,720,851	10,857,611	136,760	1.28%
Purch. Prop. Services	5,301,273	5,312,773	11,500	0.22%
Other Purch. Services	10,906,734	11,166,909	260,175	2.39%
Supplies	13,862,755	12,283,704	(1,579,051)	-11.39%
Property	2,107,704	2,158,122	50,418	2.39%
Other Objects	6,203,039	5,715,879	(487,160)	-7.85%
Other Finan. Uses	79,200	79,200	-	0.00%
<b>Total</b>	<b>736,597,758</b>	<b>729,792,986</b>	<b>(6,804,772)</b>	<b>-0.92%</b>

# Financial Outlook

# Our Budget is Not Balanced and Our Deficits Continue

	Actual Year Ended 2023	Actual Year Ended 2024	Adopted Year Ended 2025	Projected Year Ended 2025	Projected Year Ended 2026	Projected Year Ended 2027	Projected Year Ended 2028
Total Revenues	\$682,258,983	\$698,727,965	\$724,160,527	\$713,951,239	\$723,476,714	\$737,052,681	\$754,415,145
Total Expenditures	\$678,916,579	\$705,591,642	\$752,283,642	\$732,374,636	\$729,792,986	\$749,761,071	\$773,915,302
Beginning Balance	\$80,564,452	\$83,906,856	\$76,841,394	\$77,043,179	\$58,619,782	\$52,303,510	\$39,595,121
Operating Surplus/(Deficit)	\$3,342,404	(\$6,863,677)	(\$28,123,115)	(\$18,423,397)	(\$6,316,272)	(\$12,708,390)	(\$19,500,157)
Ending Fund Balance	\$83,906,856	\$77,043,179	\$48,718,279	\$58,619,782	\$52,303,510	\$39,595,121	\$20,094,963
Less Projected Reservations	(\$2,335,748)	(\$10,016,796)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(29,685,901)	(\$28,123,115)	(\$23,181,092)	(\$6,316,272)	(12,708,390)	(19,500,157)	(23,670,647)
<b>Unassigned Fund Balance</b>	<b>\$51,885,207</b>	<b>\$38,903,268</b>	<b>\$23,037,187</b>	<b>\$49,803,510</b>	<b>\$37,095,121</b>	<b>\$17,594,963</b>	<b>(\$6,075,683)</b>
% Budgeted Expenditures	7.64%	5.51%	3.06%	6.80%	5.08%	2.35%	-0.79%
Minimum Fund Balance per Board Policy #721	\$33,945,829	\$35,279,582	\$37,614,182	\$36,618,732	\$36,489,649	\$37,488,054	\$38,695,765
Compliance with Fund Balance Policy	Yes	Yes	No	Yes	Yes	No	No
Funds needed to comply with Fund Balance Policy	(\$17,939,378)	(\$3,623,686)	\$14,576,995	(\$13,184,779)	(\$605,471)	\$19,893,090	\$44,771,448

# Key Takeaways for the 2026 Budget

- The 2026 budget includes an operating deficit of **\$6.3 million**
- The 2026 budget adheres to Board's minimum **5 percent fund balance policy** for the General Fund through 2026 based on assumptions to date
  - We CANNOT rely on fund balance to balance the 2029 budget
- Includes \$12.1 million in savings from Cyber Charter Reform
- Includes a 4% millage increase

# 2026 General Fund Budget Development Timeline

- December 2, 2025 – Presentation of 2026 General Fund Budget Update
- December 8, 2025 – Special Budget Hearing
- December 17, 2025 – Approval of the 2026 General Fund Budget and Tax Rates
- December 31, 2025 – Deadline to adopt the 2026 Budget

# Questions?