

Presentation Date: November 25, 2025

Elizabethtown Area School District



Every Student Graduates Ready to Live,
Learn, and Thrive in a Global Community.

Financial Presentation

25-26 Updates

Year To Date

PDE Early Warnings

Presented by:

Tom Strickler

Chief Financial & Operations Officer



Alignment to Board Goals

Goal 1:

Create a 5-year financial plan to include all operations and education including renovation and instruction.

Goal 2:

Promote and support broad opportunities and flexibility for individual learning while complying with core standards.

Goal 3:

Identify and remove barriers to help students grow educationally, emotionally, and socially and for staff to thrive and succeed.



Alignment to Pillars

Pillar 1: Student Learning

Pillar 2: Student Readiness

Pillar 3: Engaged, Well Rounded Students

Pillar 4: Well Being

Pillar 5: Effective Adults

Pillar 6: Community Connections

Pillar 7: Effective Systems

*Pillars highlighted in **GREEN** are relevant to the presentation*

EASD School Board
November Finance Presentation
Agenda



- ❖ *PA Updates*
- ❖ *Federal Updates*
- ❖ *2025-2026 Year To Date*
- ❖ *PDE Early Warning System*



PA Updates

PA 25-26 - Budget Review - Basic Education - Lancaster County



School District	2025-26 Estimated BEF Nov 2025	Base BEF for 2025-26	25-26 Est Student-Weighted Distribution	2023-24 Adj Daily Membership
Cocalico SD	\$9,535,388	\$9,192,979.86	\$342,408.02	2,886.716
Columbia Borough SD	\$11,296,445	\$10,762,222.32	\$534,222.83	1,379.880
Conestoga Valley SD	\$8,568,704	\$7,909,356.45	\$659,347.11	3,993.824
Donegal SD	\$9,612,185	\$9,247,886.78	\$364,298.34	2,847.388
Eastern Lancaster County SD	\$6,289,555	\$6,000,561.09	\$288,993.92	2,763.935
Elizabethtown Area SD	\$11,676,376	\$11,226,868.52	\$449,507.48	3,618.036
Ephrata Area SD	\$14,897,966	\$14,286,373.00	\$611,593.25	3,936.706
Hempfield SD	\$17,484,194	\$16,702,724.58	\$781,469.25	6,966.538
Lampeter-Strasburg SD	\$5,803,911	\$5,547,202.96	\$256,708.52	2,739.605
Lancaster SD	\$80,329,872	\$77,639,172.32	\$2,690,699.82	10,038.587
Manheim Central SD	\$9,369,730	\$9,019,478.16	\$350,252.11	2,844.519
Manheim Township SD	\$10,010,985	\$9,293,362.22	\$717,622.45	6,129.243
Penn Manor SD	\$15,423,374	\$14,798,947.85	\$624,426.58	5,556.866
Pequea Valley SD	\$3,557,407	\$3,412,589.50	\$144,817.80	1,404.839
Solanco SD	\$12,761,790	\$12,313,196.75	\$448,593.31	3,070.102
Warwick SD	\$12,663,748	\$12,216,130.53	\$447,617.84	3,854.452

PA 25-26 - Budget Review - Special Education - Lancaster County



School District	County	Estimated SEF Nov 2025	2013-14 Base SEF	Student-Based Allocation
Cocalico SD	Lancaster	\$2,449,966	\$1,597,519.34	\$852,446.48
Columbia Borough SD	Lancaster	\$2,057,836	\$1,176,993.27	\$880,842.36
Conestoga Valley SD	Lancaster	\$2,226,838	\$1,562,119.72	\$664,718.76
Donegal SD	Lancaster	\$2,148,807	\$1,259,425.39	\$889,381.27
Eastern Lancaster County SD	Lancaster	\$1,872,128	\$1,624,895.50	\$247,232.94
Elizabethtown Area SD	Lancaster	\$2,794,797	\$1,815,093.54	\$979,703.30
Ephrata Area SD	Lancaster	\$3,222,335	\$2,035,115.65	\$1,187,219.32
Hempfield SD	Lancaster	\$5,143,897	\$3,338,896.60	\$1,805,000.18
Lampeter-Strasburg SD	Lancaster	\$1,821,174	\$1,326,447.96	\$494,725.59
Lancaster SD	Lancaster	\$13,180,658	\$8,715,042.81	\$4,465,615.55
Manheim Central SD	Lancaster	\$1,929,042	\$1,511,991.68	\$417,049.99
Manheim Township SD	Lancaster	\$3,117,575	\$2,191,626.10	\$925,948.89
Penn Manor SD	Lancaster	\$4,233,767	\$2,567,567.35	\$1,666,199.94
Pequea Valley SD	Lancaster	\$950,301	\$830,435.04	\$119,865.68
Solanco SD	Lancaster	\$2,612,079	\$2,029,034.34	\$583,044.60
Warwick SD	Lancaster	\$2,741,939	\$2,148,656.83	\$593,282.05

PA 25-26 - Budget Review - Ready To Learn - Lancaster County



School District	2025-26 Estimated Ready to Learn Grant	2025-26 Ready to Learn Block Grant (Foundation)	2025-26 Estimated Adequacy Supplement	2025-26 Estimated Tax Equity Supplement
Cocalico SD	\$450,960.00	\$400,960.00	\$50,000.00	\$0.00
Columbia Borough SD	\$1,890,009.12	\$1,092,806.26	\$617,603.59	\$179,599.27
Conestoga Valley SD	\$3,192,809.35	\$1,770,879.79	\$1,421,929.56	\$0.00
Donegal SD	\$2,361,890.08	\$1,377,902.45	\$983,987.63	\$0.00
Eastern Lancaster County SD	\$297,418.00	\$247,418.00	\$50,000.00	\$0.00
Elizabethtown Area SD	\$1,262,736.84	\$867,877.92	\$394,858.92	\$0.00
Ephrata Area SD	\$3,520,157.53	\$2,017,652.62	\$1,502,504.91	\$0.00
Hempfield SD	\$2,050,330.53	\$1,370,004.22	\$680,326.31	\$0.00
Lampeter-Strasburg SD	\$792,946.87	\$537,040.56	\$255,906.31	\$0.00
Lancaster SD	\$9,412,320.64	\$5,880,687.70	\$3,531,632.94	\$0.00
Manheim Central SD	\$1,259,008.81	\$780,350.24	\$478,658.57	\$0.00
Manheim Township SD	\$3,990,040.20	\$2,232,087.57	\$1,757,952.63	\$0.00
Penn Manor SD	\$6,152,902.76	\$3,386,958.43	\$2,765,944.33	\$0.00
Pequea Valley SD	\$163,497.00	\$113,497.00	\$50,000.00	\$0.00
Solanco SD	\$1,321,833.66	\$740,401.31	\$581,432.35	\$0.00
Warwick SD	\$1,730,248.69	\$1,131,721.02	\$598,527.67	\$0.00

PA 25-26 - Budget Review



School District	2025-26 Estimated BEF Nov 2025	Base BEF for 2025-26	2025-26 Estimated Student-Weigh ted Distribution	2025-2026 EASD Budget	Difference
Elizabethtown Area SD	\$11,676,376	\$11,226,868.52	\$449,507.48	\$11,643,641	\$32,735
School District	2025-26 Estimated SEF Nov 2025	2013-14 Base SEF	2025-26 Student-Based Allocation		
Elizabethtown Area SD	\$2,812,801	\$1,815,093.54	\$979,703.30	\$2,794,797	\$18,004
School District	2025-26 Ready to Learn Grant Nov 2025	2025-26 Ready to Learn Grant (Foundation)	2025-26 Adequacy Supplement	Tax Equity	
Elizabethtown Area SD	\$1,262,736.84	\$867,877.92	\$394,858.92	\$0.00	\$394,767
	\$15,751,913.84			\$15,306,408	
TOTAL received OVER - Budget					\$445,506

PA 25-26 - Payments Received/Scheduled



DATE	Fiscal Year	Reason	Amount	
8/28/25	24-25	Property Tax Relief	\$522,554	
9/25/25	24-25	Plan CON	\$4,440	
10/8/25	24-25	Federal School Lunch	\$24,337	
10/23/25	24-25	Federal School Lunch	\$144,535	
10/23/25	24-25	Property Tax Relief	\$522,554	State Budget APPROVED
11/18/25	24-25	Transportation	\$340,218	
11/18/25	24-25	Social Security Reimb	\$266,789	
11/19/25	24-25	Vocational Ed	\$32,982	
11/19/25	25-26	Special Education - 1st payment	\$421,920	
11/20/25	24-25	Vocational Ed	\$32,982	
11/20/25	25-26	Special Education - 1st payment	\$421,920	
11/21/25	24-25	PSERS	\$1,228,536	Reimbursement - payment withheld (In & Out)
11/24/25	24-25	BEF	\$1,719,168	
11/24/25	24-25	BEF	\$1,719,168	
12/1/25	25-26	Fed Lunch	\$97,214	
12/1/25	25-26	Fed Breakfast	\$33,881	
12/1/25	25-26	State Breakfast	\$25,531	since Budget aprvd
		TOTAL	\$7,558,730	\$6,340,310



Federal Updates

Federal UPDATE



Programs moving from Department of Education to Department of Labor

- Title I, Part A: Improving Basic Programs Operated by Local Educational Agencies
- Title I, Part B: Improving Academic Achievement of the Disadvantaged—State Assessment Grants
- Title I, Part C: Education of Migratory Children
- Title I, Part D: Prevention and Intervention Programs for Children and Youth Who are Neglected, Delinquent or At-Risk
- Title II, Part A: Supporting Effective Instruction State Grants
- Title III, Part A: English Language Acquisition State Grants
- Title IV, Part A, Student Support and Academic Enrichment (SSAE)
- Title IV, Part B 21st Century Community Learning Centers
- Title V Small, Rural School Achievement and Rural and Low-Income School Programs
- Impact Aid
- Education for Homeless Children and Youths

NOTE: No Budget Dollars have been announced at this time



2025-2026
YTD Update

2025-2026 REVENUE July - October



	23/24	24/25	25/26
Local	\$ 43,018,554	\$ 4,359,235	\$46,278,724
State	\$ 5,139,348	\$ 5,844,879	\$ 1,085,849
Federal	\$ 381,899	\$ 1,703,603	\$ 1,279
TOTAL	\$ 48,539,802	\$ 51,907,717	\$ 47,365,852

2025 - 2026 Unanticipated Expenses



	EASD Staff	Parts	Contractors	TOTALS
July	\$6,730	\$3,829	\$12,562	\$23,121
August	\$6,197	\$12,775	\$90,281	\$109,253
September	\$3,264	\$18,391	\$23,909	\$45,564
October	\$6,120	\$20,624	\$60,437	\$87,181
November				\$0
December				\$0
January				\$0
February				\$0
March				\$0
April				\$0
May				\$0
June				\$0
TOTAL	\$22,310	\$55,619	\$187,189	\$265,119



***PDE Financial
Early Warning
System***

Part 1 of 2

PDE Financial Recovery Early Warning System



- ❖ Under section 611-A(c) of the Public School Code of 1949, the Secretary of Education is required to establish guidelines for the Early Warning System.
- ❖ The principal goal of the guidelines is to identify and provide technical assistance to school districts to prevent them from becoming Financial Recovery Status school districts.



PDE will follow process to identify, notify and provide technical assistance:

1. Compile and maintain data and current information on the financial condition of school districts.
2. Regularly analyze the financial condition of school districts.
3. Identify school districts potentially subject to being identified as in a —financial watch status and therefore eligible to receive technical assistance from the Department. (i) Level 1 Analysis – Early Warning System Components. (ii) Level 2 Analysis – School district-provided current financial data. (iii) Level 3 Analysis – Determination of financial watch status.
4. Officially notify school districts in financial watch status and request additional information, if necessary, to conduct a review of the financial condition of the school district.
5. Provide technical assistance to school districts in financial watch status

PDE Financial Recovery Early Warning System Level 1 Analysis



The Department will consider **Budget** and Other Financial Data, Additional Data relevant to financial condition, including Fiscal Measures and Socioeconomic Data, Act 47 Status of the host municipality, and Factors for Financial Recovery Status as part of the early warning system. The variables below were tested for validity and reliability by applying an examination of the criteria to school districts across the Commonwealth. The Department will continuously monitor the variables to assure their effectiveness.

- Fund Balance Ratio
- Borrowing Base Capacity Available
- Debt Ratio
- Advance Basic Ed Funding & Bond Intercept

PDE Financial Recovery Early Warning System Level 1 Analysis



➤ Fund Balance Ratio

○ Budget -

- Revenues higher than Expenses - increasing Fund Balance
- Revenues equal to or less than Expenses using ASSIGNED Fund Balance (specific extra expense-PSERS, Medical, Cyber, etc.)
- Revenues less than expenses using Fund Balance
- Revenues less than expenses using Fund Balance - multiple fiscal years decreasing Fund Balance
- Revenues less than expenses using Fund Balance - multiple fiscal years depleting Fund Balance
- Revenues less than expenses using Fund Balance - multiple fiscal years depleting Fund Balance and causing major cuts in education

○

PDE Financial Recovery Early Warning System Level 1 Analysis



- Borrowing Base Capacity Available -
 - Borrowing base capacity indicates to what extent a school district, according to law, can incur additional debt. A higher borrowing base capacity available **indicates a greater ability to borrow more money.**

- Debt Ratio
 - Debt ratio can be used to determine the school district's ability to be **approved to add additional debt.** A lower debt ratio indicates increased ability to incur more debt

PDE Financial Recovery Early Warning System Level 1 Analysis



- Advance Basic Ed Funding
 - BEF allocation payment made, pursuant to School Code section 2517(e), in advance of the dates set forth in section 2517(c) may indicate a decreased ability to meet fiscal obligations. Basic Education Funding advances may be a warning sign that a school district is experiencing difficulty managing its cash flow.

- Bond Intercept
 - An agreement entered into between a school district, the Department of Education and a bond trustee to have the Department make bond payments directly to a trustee via deduction from the school district's subsidies.

PDE Financial Recovery Early Warning System Level 1 Analysis



Additional Data Collected:

- Fiscal measures & Socioeconomic
 - Market Value / Personal Income / Aid Ratio
 - Financial wealth of the District
 - Equalized Mills
 - How is tax burden ranked based on property values
 - School Tax Ratio
 - What is the tax burden based on personal income

- Act 47 Status
 - Consider whether any political subdivision located within the school district is declared as financially distressed by the PA DCED.

- Factors for financial recovery status. The Department may include in its analysis of early warning system components the factors the Secretary may consider in determining whether to issue a declaration that a school district is in financial recovery status

PDE Financial Recovery Early Warning System Level 2 Analysis



Level 2 Analysis – School district-provided current financial data

- A. Upon completion of the Level 1 analysis, the Department will determine if a school district may be experiencing financial difficulty. Affected school districts will be contacted by the Department and will be asked to provide additional, current information about their financial status.

- B. Upon receipt of the additional financial data, the Department will, working directly with the school district, ensure the accuracy and timeliness of the data, analyze the data, and share the results of the analysis with the school district superintendent.

- C. As part of the information gathering process, the Department may consult with and interview school district officials as needed.

PDE Financial Recovery
Early Warning System
Level 3 Analysis



Level 3 Analysis – **Determination of Financial Watch Status**

- A. Based on the Department’s analysis of Level 1 and Level 2 information, the Department may decide to monitor the school district or designate the school district as being in financial watch status.
- B. Notification - The Department will notify the school district, including the superintendent, Board President and Solicitor, if the school district is designated as being in financial watch status.
- C. Technical Assistance – The Department will provide technical assistance to any school district designated as being in financial watch status.

Financial Recovery For School Districts



Act 86 of 2016 included the following revision to the Public School Code of 1949.

Addition to Article VI-A SCHOOL DISTRICT FINANCIAL RECOVERY Section 694-A. Additional criteria.

The secretary shall notify each school district that receives educational access program funding that is equal to or greater than \$2,000,000 in any one fiscal year that the school district has been identified for financial watch status. A school district identified for financial watch status under this subsection shall receive technical assistance as a financial watch district from the department as provided for in section 611-A(b) and shall develop a plan to improve the school district's finances based on the technical assistance provided by the department for approval by the secretary. The plan shall be submitted to the secretary no later than 180 days after the school district has been identified for financial watch status under this subsection. Each year after the initial submission of the plan, until the secretary determines otherwise, a school district subject to this subsection shall submit a report to the secretary outlining the status of the school district's plan, meet with the secretary or a designee of the secretary to review the report and the status of the school district's finances and hold an annual public hearing regarding the plan. A copy of the school district's approved plan and any subsequent annual reports to the secretary shall be posted on the publicly accessible Internet website of the school district and transmitted to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives, the chairperson and minority chairperson of the Education Committee of the Senate and the chairperson and minority chairperson of the Education Committee of the House of Representatives.

Financial Recovery For School Districts



FINANCIAL WATCH

- ❖ School district identified through the Early Warning System to be experiencing financial difficulty

The Pennsylvania Department of Education (PDE)'s Involvement/Process:

- ❖ PDE must notify any school district identified for Financial Watch
- ❖ PDE can request, from the district, all information needed to fully review the financial situation in the district – the district has 15 days to respond
- ❖ PDE may visit or correspond with employees at the district as part of the review process
- ❖ PDE shall provide technical assistance to a school district identified for Financial Watch status, which may include contracting with a financial consultant, to help the district avoid falling into Financial Recovery status

Financial Recovery For School Districts



FINANCIAL WATCH - Current School Districts

- ❖ Aliquippa School District - Beaver County
- ❖ Reading School District - Berks County
- ❖ Wilkesburg Borough School District - Allegheny County

Financial Recovery For School Districts



FINANCIAL RECOVERY

- ❖ Average Daily Membership greater than 7,500 AND receives an advance in basic education subsidy at any time; (moderate) OR
- ❖ Receives an advance of its basic education subsidy at any time AND is either subject to a declaration of financial distress OR engaged in litigation against the state where the district is seeking financial assistance to continue operation. (severe)
- ❖ Designated under 22 Pa. Code Chapter 18 (related to Financial Recovery). Chapter 18 sets forth criteria that the secretary may consider in determining whether to issue a declaration that a school district is in financial recovery status and whether a school district in financial recovery status shall be deemed a moderate financial recovery school district or a severe financial recovery school district.
- ❖ No more than nine school districts may be under a declaration of financial recovery status at any time.

PDE's Involvement/Process:

- PDE must make a public declaration that a school district is in Financial Recovery status
- The Secretary of Education may decline to issue a declaration that a school district is in Financial Recovery status, if in the last five years an emergency has caused the financial situation
- The Secretary of Education, within five days of the declaration of Financial Recovery, must appoint a Chief Recovery Officer (CRO) – This individual works with PDE and the district to create and implement a Financial Recovery Plan

Financial Recovery For School Districts



FINANCIAL RECOVERY - Current School Districts

- ❖ Chester-Upland School District
- ❖ Duquesne City School District
- ❖ Sto-Rox School District
- ❖ Steelton-Highspire School District

Financial Recovery For School Districts



FINANCIAL RECOVERY - Current School Districts

- ❖ Steelton-Highspire School District
 - March, 2025 (excerpt)

“based upon the most recently available public information, the District meets criteria to be placed in Financial Recovery Status pursuant to 22 Pa. Code § 18.5, including:

- A. The District’s unreserved fund balance has declined for three consecutive years and is less than five percent of the District’s annual expenditures.
- B. The District’s assigned and unassigned total fund balance is less than zero in the school district’s general fund.
- C. The District’s assigned and unassigned total fund balance in the school district’s general fund as a percentage of total expenditures is less than three percent.
- D. The District experienced a deficit of three percent or more for three consecutive school years, resulting in a reduction of unassigned fund balance each year.
- E. The assessed valuation of taxable real estate in the school district, as certified by the State Tax Equalization Board, has not increased over the previous 5 years.”

Financial Recovery For School Districts



RECEIVERSHIP

- The Secretary of Education shall petition the Court of Common Pleas, in the county where the largest part of the district resides, to appoint an individual to serve as a Receiver for the district if:
 - The school board rejects the CRO's Financial Recovery Plan;
 - The school board does not comply with directives issued by the CRO;
 - The school board does not satisfy the objectives in the Financial Recovery Plan during a period of time after its designation of financial recovery is terminated; or
 - In certain instances, related to severe financial recovery school districts, the school board votes to move to receivership.
- When the Receiver is approved by the courts all duties of the CRO and the school board transfer to the Receiver, with exception to the ability to levy taxes
 - The CRO could be appointed as the Receiver
 - The CRO could stay in place to advise the Receiver
- The Receiver must implement the Financial Recovery Plan which is attached to the petition provided to the Court of Common Pleas
- A Receivership shall expire three years after the initial appointment of the Receiver – the Secretary may petition the courts for an extension
- When a school district exits receivership, the school board will resume full control

Financial Recovery For School Districts



RECEIVERSHIP

- As of November 2025, **no Pennsylvania school districts are currently under state receivership.** The Harrisburg School District, the last one under receivership, was formally released from state control on **June 17, 2025**, returning governance to its local school board. Harrisburg was in state receivership since 2019.
- Harrisburg School District
 - **Duration:** 6 years in receivership.
 - **Reason:** Chronic financial mismanagement and academic struggles.
 - **Outcome:** Harrisburg became the **first district in Pennsylvania to exit receivership**, now continuing under local governance with oversight from a state-appointed **Chief Recovery Officer**.



Questions?

For more information on this presentation, contact:

Tom Strickler

tom_strickler@etownschools.org

Our Mission:

Every Student Graduates
Ready to Live, Learn, and
Thrive in a Global Community