

Presentation Date: December 2, 2025

Elizabethtown Area School District

Financial Presentation

PDE Early Warnings

Presented by:

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



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*



***PDE Financial
Early Warning
System***

Part 2 of 2

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

○

Level 1 Analysis



- Fiscal measures & Socioeconomic
 - Market Value / Personal Income / Aid Ratio
 - Financial wealth of the District

Aid Ratio for EASD:

The **Market Value/Personal Income Aid Ratio (MV/PI AR)** for the 2023-24 school year is **0.4977**. A **lower** MV/PI AR means the district is **relatively more wealthy** (i.e., higher market value and income per pupil compared to the state)

In order to compare district wealth with the adequacy investment, the market value/personal income aid ratio was used. The Department of Education states the aid ratio “represents the relative wealth (market value and income), in relation to the state average, for each pupil in a school district.” For the 416 districts, the FY 2023-24 aid ratio ranges from 0.2011 to 0.9040 (a lower ratio indicates higher district wealth). The median ratio is 0.6003.

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Fund Balance Ratio

Fund Balance Ratio = Annual General Fund / Expenditures
Unassigned (or unrestricted) Fund Balance

Where It's Used

- Government budgeting
- Bond ratings (Moody's, S&P, Fitch)
- Fiscal sustainability analysis
- Emergency preparedness (natural disasters, revenue downturns)
- Policy compliance (many states/cities set minimum fund balance targets)

Fund Balance 2013-2014 to 2024-2025



FUND BALANCE	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25 - Draft AUDIT
General Fund	\$5,526,037	\$5,564,185	\$6,665,781	\$6,712,370	\$4,873,437	\$6,561,801	\$7,614,926	\$9,598,730	\$11,798,143	\$16,296,627	\$11,220,876	\$5,273,333
Net Change in Fund Balance		\$38,148	\$1,101,596	\$46,589	(\$1,838,933)	\$1,688,364	\$1,053,125	\$1,983,804	\$2,199,413	\$4,498,484	(\$5,075,751)	(\$5,947,543)
Capital Projects	\$3,048,569	\$3,048,569	\$2,695,524	\$15,596,676	\$5,520,677	\$4,295,396	\$12,812,807	\$8,512,308	\$8,244,520	\$8,610,819	\$21,702,553	\$22,374,017
Net Change		\$0	(\$353,045)	\$12,901,152	(\$10,075,999)	(\$1,225,281)	\$8,517,411	(\$4,300,499)	(\$267,788)	\$366,299	\$13,091,734	\$671,464
Internal Service (Health)	\$1,687,521	\$1,032,581	\$367,479	\$782,168	\$1,378,049	\$1,534,644	\$1,958,775	\$1,370,733	\$446,804	\$172,280		
Net Change		(\$654,940)	(\$665,102)	\$414,689	\$595,881	\$156,595	\$424,131	(\$588,042)	(\$923,929)	(\$274,524)	\$14,064	\$640,467

2025-2026 PRELIMINARY BUDGET



Total REVENUES

(with 2.5% Real Estate Tax increase)

\$80,614,268

TOTAL GENERAL FUND EXPENDITURES

\$81,866,940

(with LIMITED PAYROLL & BENEFIT expenses included)

TRANSFER to CAP RESERVE - Building

\$228,693

Total EXPENDITURES

\$82,095,633

Increase (Decrease) FUND BALANCE

(\$1,481,365)

FINAL
BUDGET

Contract Approved

(\$1,000,000)

PA Budget Increase

\$445,506

Cyber Decrease Expense

\$320,000

Adjusted- Increase (Decrease) FUND BALANCE

(\$1,715,859)

Fund Balance 2016-2017 to 2025-2026(Budget)



FUND BALANCE	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25 - Draft AUDIT	25-26 Budget
General Fund	\$6,712,370	\$4,873,437	\$6,561,801	\$7,614,926	\$9,598,730	\$11,798,143	\$16,296,627	\$11,220,876	\$5,273,333	\$3,557,474
Net Change in Fund Balance	\$46,589	(\$1,838,933)	\$1,688,364	\$1,053,125	\$1,983,804	\$2,199,413	\$4,498,484	(\$5,075,751)	(\$5,947,543)	(\$1,715,859)
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Internal Service (Health)	\$782,168	\$1,378,049	\$1,534,644	\$1,958,775	\$1,370,733	\$446,804	\$172,280	\$186,344	\$826,811	
Net Change	\$414,689	\$595,881	\$156,595	\$424,131	(\$588,042)	(\$923,929)	(\$274,524)	\$14,064	\$640,467	

Fund Balance 2016-2017 to 2025-2026(Budget) As a Percent



FUND BALANCE	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25 - Draft AUDIT	25-26 Budget
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Fund Balance % of Budget Unassigned State allows 8%	12.21%	8.53%	11.25%	12.52%	15.45%	18.59%	23.94%	14.27%	6.39%	4.33%

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.”

Summary & Key Points



EASD —

- Not on PDE Watch List at this time
- If 25-26 is close to budget - third year of negative Fund Balance
- Current trend will impact Bond Ratings
- Lowest percent ever in previous 10 years
- Too low for Assigned and Unassigned - Total is Unassigned

Changing Direction



EASD —

- Increase Revenue / Expense Control
- No Deficit Budgets for a minimum of 8 years
- HS/MS Building that will reduce future budgets
- Strategic Realignment of Fiscal Policy
 - Begin with 2026-2027 Budget
- Act 1 discussion - next



Questions?

For more information on this presentation, contact:

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