

SSD BUDGET PRESENTATION #4

APRIL 2025

*“CULTIVATING LIFELONG LEARNERS READY FOR
AN EVER-CHANGING WORLD”*



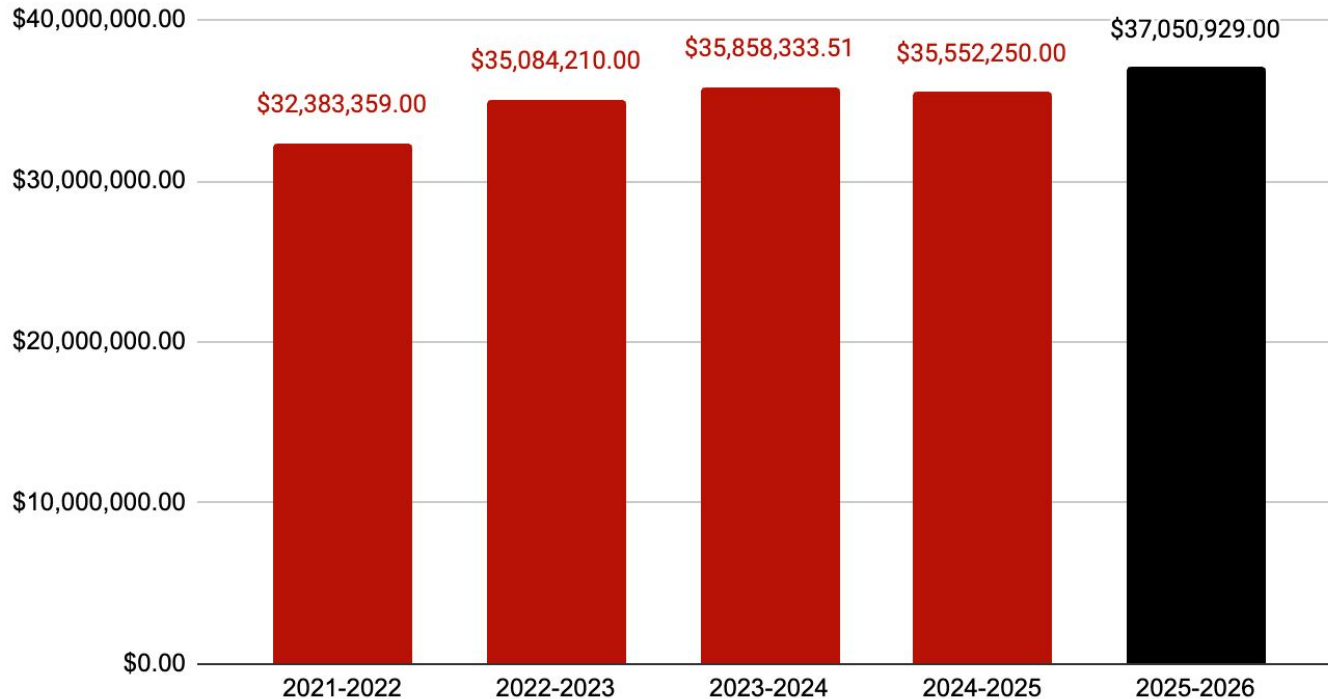
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5 Year Expenditures Analysis



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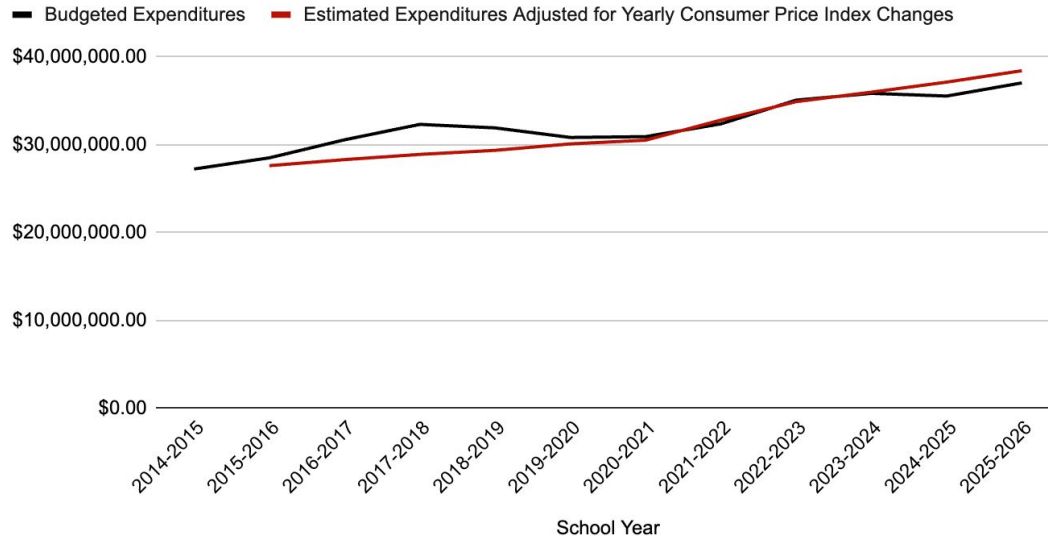


Expenditures Analysis

5 Year CPI Average Rate =
4.73%!!!!



Budgeted Expenditures and Increases Adjusted for Yearly Consumer Price Index Percentage Yearly Increases

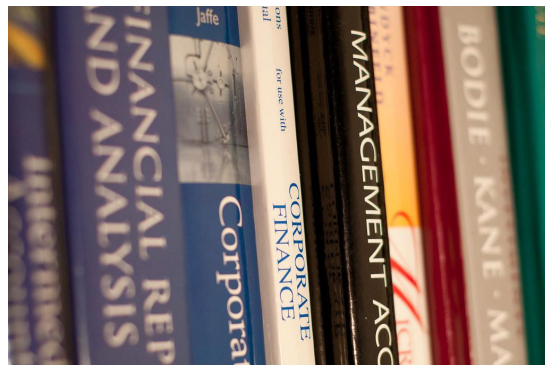
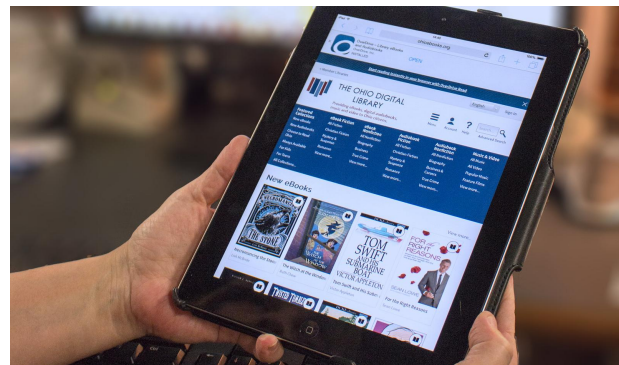


School Year	Budgeted Expenditures	Estimated Expenditures Adjusted for Yearly Consumer Price Index Changes	CPI Yearly Index (Jan to Jan)
2014-2015	\$27,240,475.00		
2015-2016	\$28,515,720.00	\$27,621,841.65	1.40%
2016-2017	\$30,571,279.00	\$28,312,387.69	2.50%
2017-2018	\$32,325,067.00	\$28,906,947.83	2.10%
2018-2019	\$31,926,627.00	\$29,369,459.00	1.60%
2019-2020	\$30,836,614.00	\$30,103,695.47	2.50%
2020-2021	\$30,928,386.00	\$30,525,147.21	1.40%
2021-2022	\$32,383,359.00	\$32,814,533.25	7.50%
2022-2023	\$35,084,210.00	\$34,914,663.38	6.40%
2023-2024	\$35,858,333.51	\$35,997,017.94	3.10%
2024-2025	\$35,552,250.00	\$37,138,123.41	3.17%
2025-2026	\$37,050,929.00	\$38,437,957.73	3.50%

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Items Currently In Budget

- 1) Same staffing as 24/25 School Year
- 2) \$150,000 for Curriculum Resources
- 3) \$109,000 for Technology Refresh of 1-to-1 Devices
- 4) 10% Increase for Medical Benefits
- 5) Approximately \$500,000.00 increase in salaries due to negotiating with 3 employee groups
- 6) 5% Increase in CWCTC expenses
- 7) Addition of one new Maintenance truck from 2010 fleet
- 8) PSERS Increased from 33.9% to 34%, an additional \$237,114.67
- 9) Additional Debt Service of \$635,000.
- 10) Reduced Expenditures in Electricity and Natural Gas of \$131,750.00
- 11) All But 2 Building/Department Level Budgets Held Flat for **4th** Year In a Row



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25/26 Commonwealth Budget Proposal Highlights

- \$526 million through the bipartisan adequacy formula
- \$75 million increase in basic education funding
- \$40 million increase in special education funding
- \$111 million for student mental health and school safety grants.
- The State is continuing universal free breakfasts – regardless of income.



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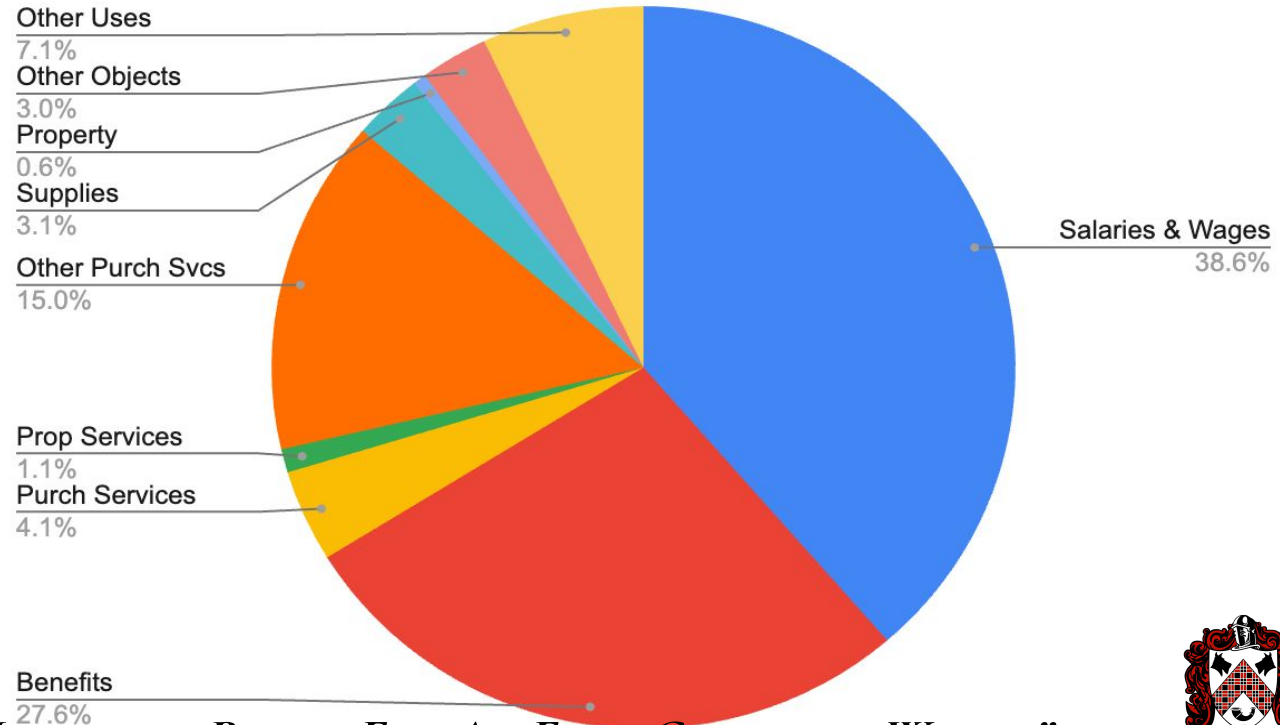


Preliminary Expenditures from Previous Presentations (revised for April 2025 Meeting)

Total Preliminary Expenditures:

\$37,050,929

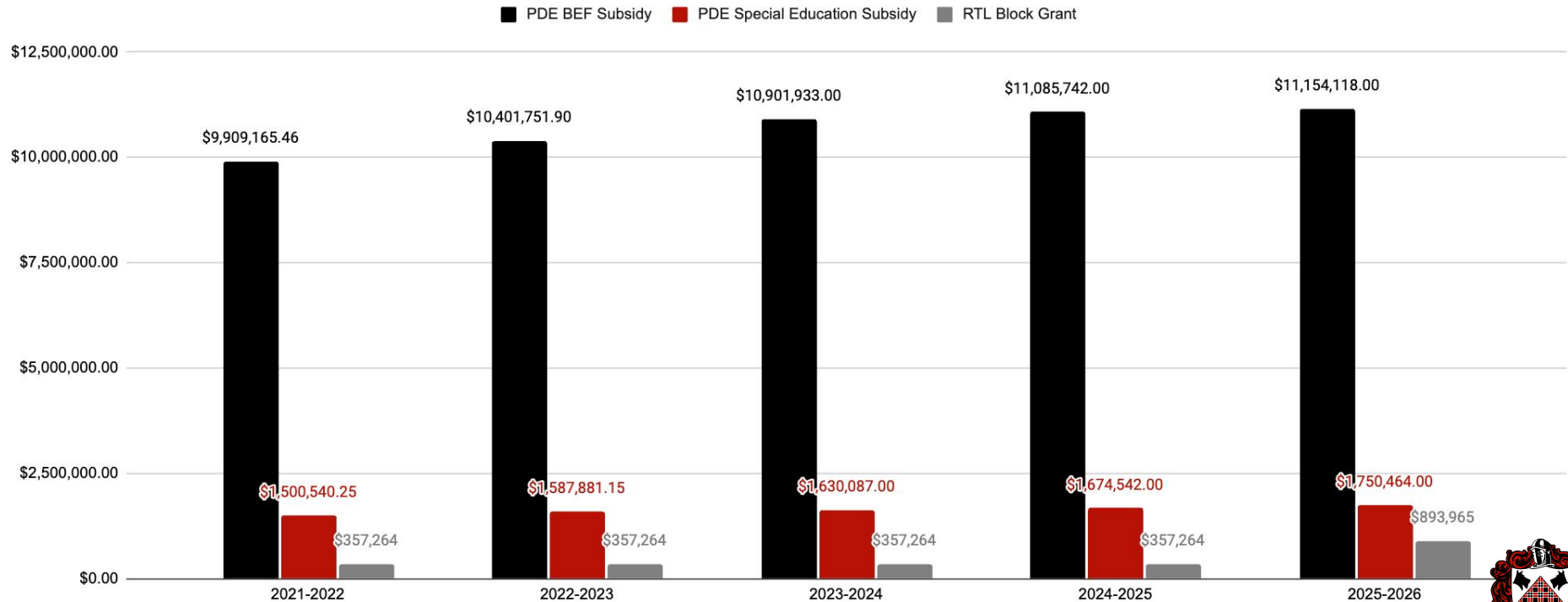
- 66.2% of Expenditures - Salaries & Wages/Employee Benefits



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5 Year State Revenues Analysis



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Revenues – What We Know for 25/26 School Year

Proposed Basic Education Funding (State):

\$11,154,118; **+0.62%**

Total Proposed State Funding:

\$13,798,547.00; +5.19%

Proposed Special Education Funding (State):

\$1,750,464.00; **+4.53%**

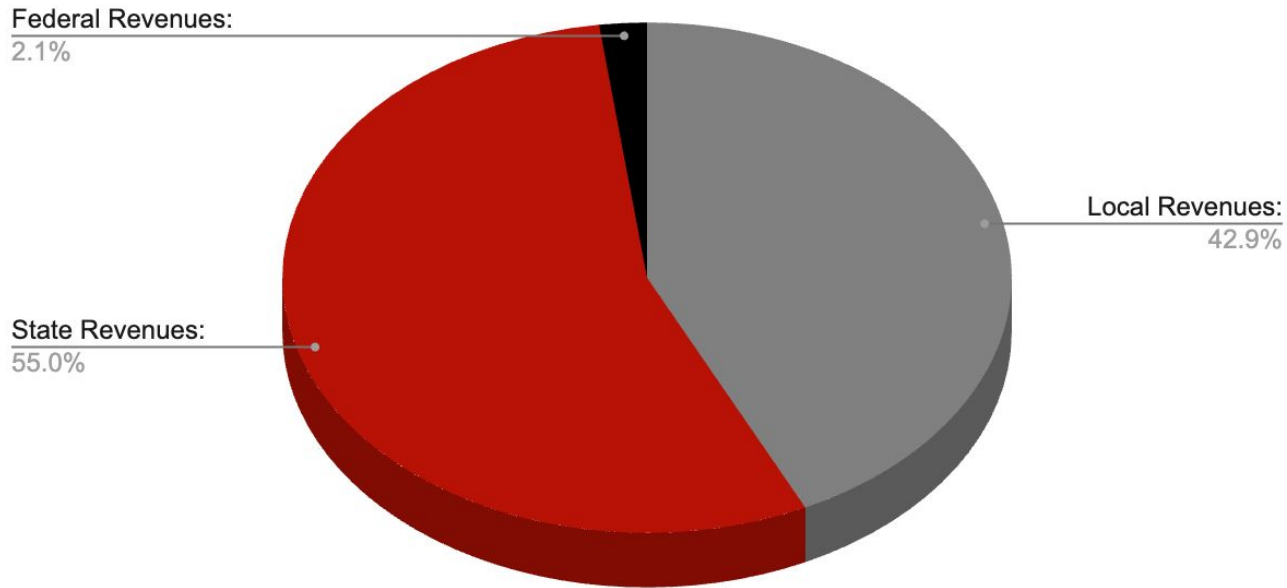
Proposed Ready to Learn Block Grant (State):

\$893,965; **+150.41%**

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Proposed Revenues



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Let's Take a Deeper Look Between 24/25 and 25/26

2024-2025 Expenditures	\$35,552,250.00
2025-2026 Expenditures	\$37,050,929.00
Difference	\$1,498,679.00

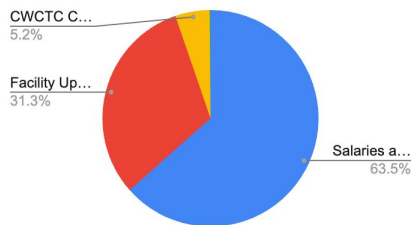
2024-2025 Revenues	\$35,559,411.00
2025-2026 Revenues	\$36,523,830.00
Difference	\$964,419.00

Total Change Expenditures vs Revenues

-\$534,260.00

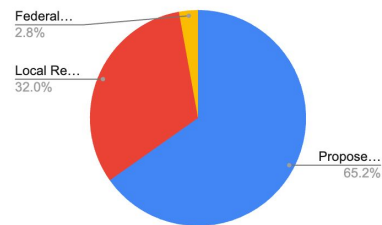
Why the Change in Expenditures?

Salaries and Benefits	\$1,021,573.47
Facility Upgrades and Maintenance	\$503,250.00
CWCTC Costs	\$82,995.00
WIU Costs	\$2,005.00
Other Costs	-\$111,144.47



Why the Change in Revenues?

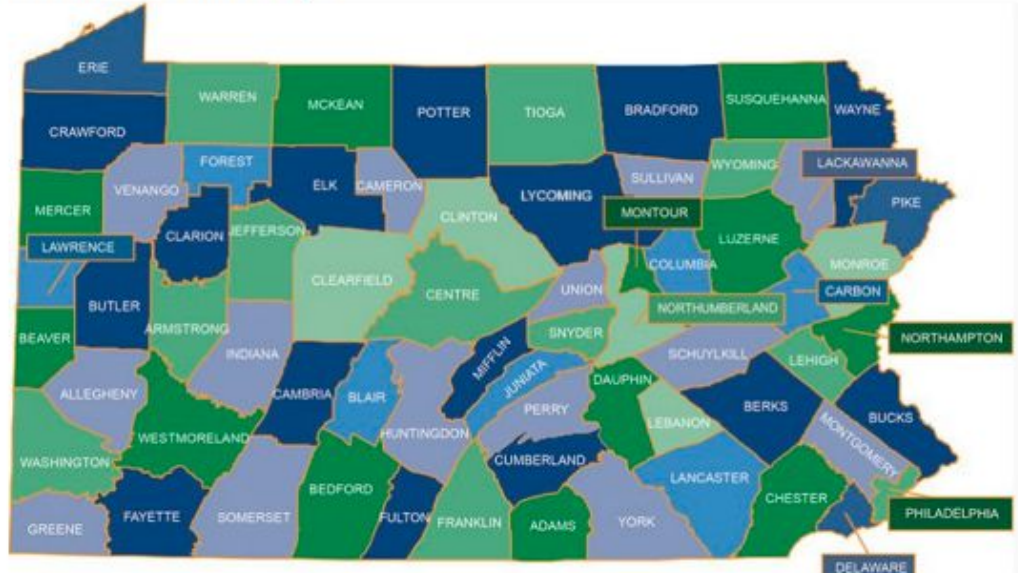
Proposed PDE BEF, SEF, RTL Changes	\$628,854.00
Local Revenues (EIT, etc)	\$308,154.00
Federal Sources	\$27,411.00



Reminder – Multi-County Rebalancing

There are 500 Public Schools in Pennsylvania, 89 of those School Districts educate students in more than one county

- 78 are in 2 counties
- 10 are in 3 counties
- 1 is in 4 counties



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Reminder – Multi-County Rebalancing

PA School Code Section 672.1

- School Districts lying in more than one county or in more than one municipality; limitation on total tax revenues
- Calculates different tax rates based on share of **STEB** market value in each county.

State Tax Equalization Board (STEB) was established by the General Assembly in Act 447 PL 1046, 1947, to compensate for the lack of assessment uniformity statewide in distributing school subsidies.

- The primary function of the **STEB** will determine annually the aggregate market value of taxable real estate property in each political subdivision and school district throughout the Commonwealth of Pennsylvania.
- The **STEB** is to establish a common level ratio of assessed value to market value for each county for the prior calendar year.



Reminder – Multi-County Rebalancing

Look Back to Last Year:

	2024-2025 Ending Rates	2025-2026 Starting Rates
Fayette County	17.07	17.1813 +0.65%
Westmoreland County	95.71	95.71

****These millage rates were totally based upon Assessed Values and were 100% independent of any budget decision made by the Southmoreland School District Board of Directors.****

**The 2024-2025 STEB
rebalanced millage will be the
new base millage rate for the
2025-2026 budget
discussions and decisions**



How Would a Change in Mills or Actual Dollars Affect the Budget?

*This Analysis Relates to Westmoreland County Residents; Fayette County Residents Would Be Affected Less

Amount of Increase in Mills	Amount of Increase in \$/Month (Median)	Projected Deficit
0	\$0.00	\$527,098.52
0.5	\$0.49	\$459,521.52
1	\$0.98	\$391,086.52
1.2	\$1.17	\$364,550.52
1.5	\$1.47	\$323,490.52
2	\$1.96	\$255,892.52
2.5	\$2.45	\$188,294.52
3	\$2.94	\$120,698.52
3.46	\$3.39	\$58,742.52

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Unknowns

- 3 Contracts/Agreements Being Negotiated Currently
- **Cyber Charter Funding Reform (This could save the district approximately \$557,000)**
- Exploring the Addition of Emotional Support Classrooms at SMS and SHS (This could save us a total of \$75,000.00-\$125,000.00)
- Continued Adequacy Funding Related to the Funding Commission's Work Due to the Recent Court Ruling Stating the State is Underfunding Schools (This could add up to \$536,000.00 to our State Revenues)
- Medical Insurance Rates - Will not be released until middle of April (Currently Budgeted at a 10% Increase)
- GESA Savings Update?
- Additional Homestead/Farmstead Allotments?



Next Steps

- 1) Advocate for the Proposed Governor's Budget
 - a) Cyber Charter Funding Reform
 - b) Adequacy Investment Amount
- 2) Determine Medical Benefits Rate and Contributions *(March - April)*
- 3) Determine Increases Due to Ongoing Collective Bargaining *(Beginning of May-End of June)*
- 4) Determine Homestead/Farmstead Exemption *(Middle of May)*
- 5) Determine Federal Funding Amounts (Title I-IV) *(Mid April)*
- 6) Determine Additional Capital Improvements/Possible Cuts *(April - May)*



- 1) Committee Meetings and Monthly Board Presentations
- 2) Final Proposed Budget - May 22, 2025
- 3) Final Budget Adoption - June 24, 2025

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