

SSD BUDGET PRESENTATION #1

Assumptions,
Fund Balance
Snapshot,
History,
Act 1
Requirement

January 2026



"CULTIVATING LIFELONG LEARNERS READY FOR AN EVER-CHANGING WORLD"

Agenda

01

Introduction/Budget Process, History

02

Fund Balance Analysis

03

Budget Assumptions

04

Act 1 Index Requirement

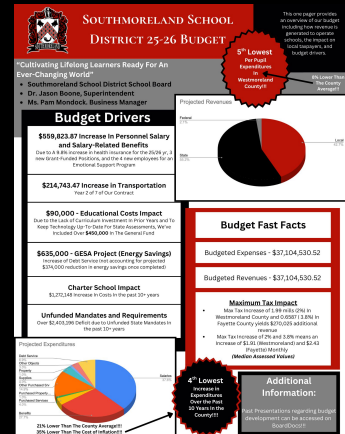
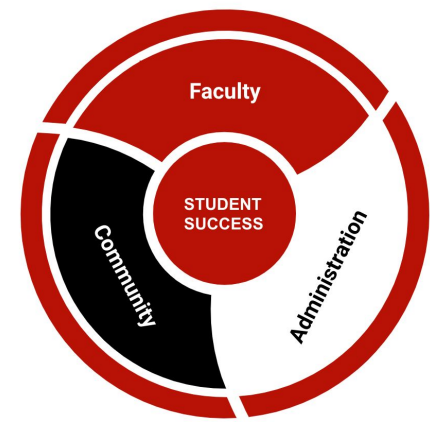
05

Next Steps





In Southmoreland School District, we provide a **safe, supportive, and adaptable learning environment** dedicated to nurturing individual growth and fostering active citizenship. Our mission is to **inspire** each student to achieve personal excellence, encouraging their journey as **lifelong learners, responsible community members, and engaged citizens** in southwestern Pennsylvania and beyond.



Final Budget Graphic
25/26



26/27 BUDGET FLOWCHART

STEP 1

January -
Examine Past Budgets;
Fund Balance; Known
Costs

STEP 2

February - Deeper
Analysis of Costs Per
Function Code; Initial State
Budget Revealed

STEP 4

April - Refine Costs and
Revenues

STEP 3

March - Examine Initial
Estimates of Revenues and
Get a Starting Point for
Deficit/Surplus

STEP 5

May - Make
Recommendations for
Proposed Budget

STEP 6

June - Vote on Final
Budget

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26/27 BUDGET UNKNOWNNS



LABOR COSTS

Agreements for
Administrative Assistants

HEALTH CARE COSTS

Last year, our costs
increased 10%

STATE REVENUE

We are unsure If the
Adequacy Funds will be
in the Ready to Learn
Block Grant again

MENTAL HEALTH GRANT

25/26 was the last year for
the Mental Health Grant
we were using for 2 Mental
Health Counselor Positions

FEDERAL REVENUE

We are unsure what, If any,
support we will get for Special
Education/Title I through the
Federal Governemnt

CWCTC/WIU COSTS

Last year, these Items
increased

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5 Year Fund Balance Analysis

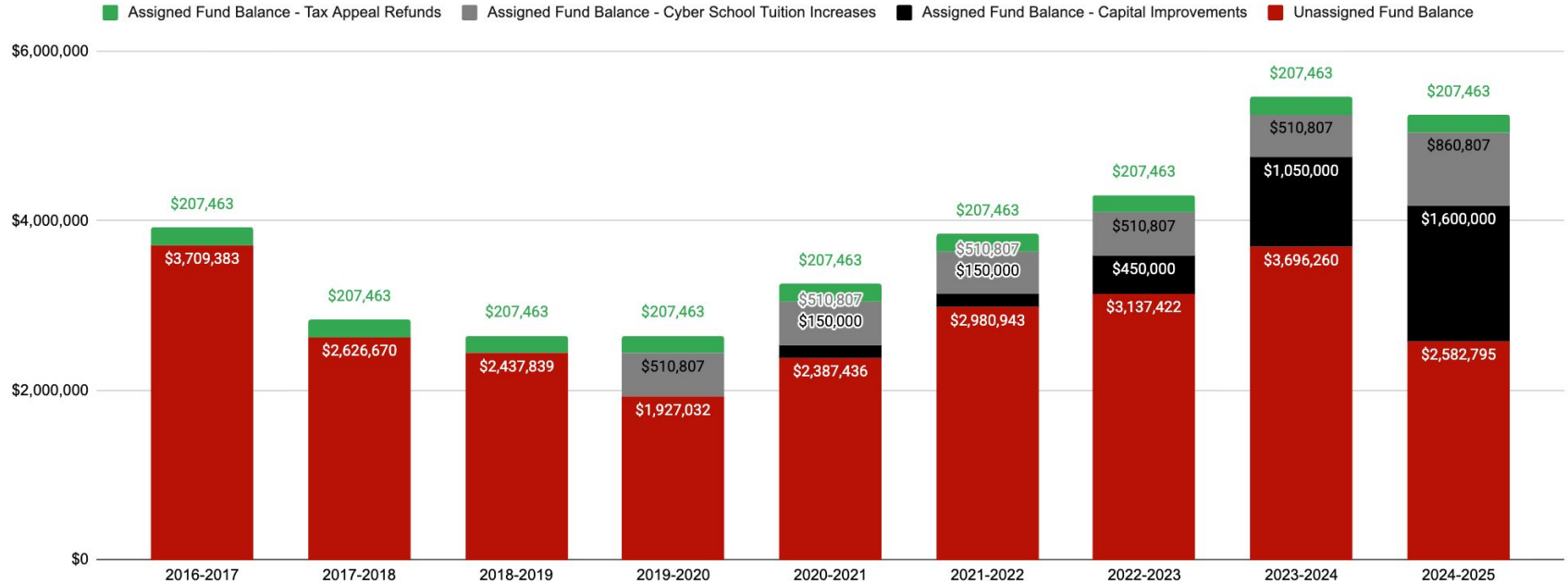


<u>FISCAL YEAR</u>	<u>2024/2025</u>	<u>2023/2024</u>	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>
Restricted Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Committed Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Assigned FB - Capital Projects	\$1,600,000.00	\$1,050,000.00	\$450,000.00	\$150,000.00	\$150,000.00
Assigned FB - Cyber Charter	\$860,807.00	\$510,807.00	\$510,807.00	\$510,807.00	\$510,807.00
Assigned FB - Tax Refunds	\$207,463.46	\$207,463.46	\$207,463.46	\$207,463.46	\$207,463.46
Unassigned Fund Balance	\$2,582,795.34	\$3,696,260.00	\$3,137,421.53	\$2,980,942.51	\$2,387,435.57
Total:	\$5,251,065.80	\$5,464,530.46	\$4,305,691.99	\$3,849,212.97	\$3,255,706.03

5 Year Fund Balance Analysis

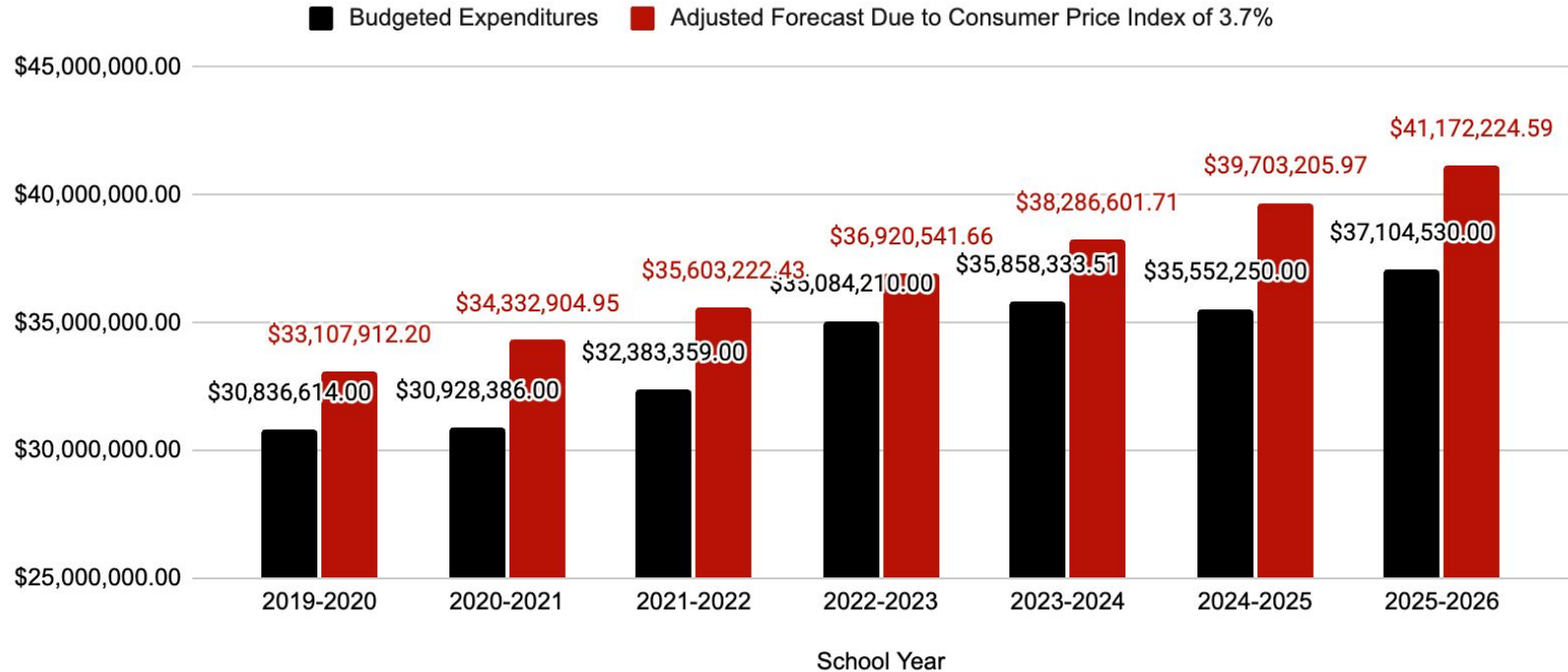


SSD Fund Balance



How Have We Stacked Up vs Inflation?

1. **5th Lowest - Per Pupil Expenditures In Westmoreland County!!!**
2. **4th Lowest Increase in Expenditures Over the Past 10 Years In the County!!!!**



- Overall Salary Increases: **\$572,178.05** which includes three additional van aides needed per IEP's
- The Administrative Assistant Agreement is up at the end of this fiscal year.
- Salary increases for the Admin Assistants are budgeted conservatively taking note of the county average.

Salary Assumptions



- **Medical**
 - Health budgeted at a 10% increase
 - Dental budgeted at same rate
 - Vision budgeted at same rate
- **PSERS**
 - Decreased from 34% to 33.59% this fiscal year.
 - Keep in mind - - projected to increase to 38% by 2033-2034 FY

Benefits



- Building/Department Budgets were held flat from last year with the exception of the Special Education & Athletics.
 - Athletics budget was increased by **\$15,753.00** to help combat transportation costs. Athletics transportation costs have risen \$43,936.50 since the 21/22 fiscal year.
 - Special Education has been raised by **\$32,629.09** due to current trends and average spending.



Building and Department Budgets - ***Less Than 5% of Overall Expenditures***

**Cyber Charter was
increased by \$254,000
due to current trends and
average spending!!!!**

Act 1 Index Requirement

What is Act 1?

Act 1 of 2006, also known as the **Taxpayer Relief Act**, is a Pennsylvania law that limits how much a school district may increase real estate taxes each year without voter approval.

What is an Act 1 Resolution?

An Act 1 Resolution is a **required annual action** taken by the School Board to state whether the district intends to:

- Stay within the state-established Act 1 Index for any tax increase, **or**
- Ask voters to approve a tax increase above the Act 1 Index.

Does adopting an Act 1 Resolution mean my taxes will increase?

No!!!



Adopting an Act 1 Resolution does **not** automatically raise taxes. It is a planning and compliance step required by state law, even if no tax increase is anticipated.

Why does the district have to adopt this resolution every year?

Pennsylvania law requires school districts to adopt an Act 1 Resolution each year by a specific deadline. This ensures transparency, fiscal responsibility, and compliance with state regulations during the annual budget process.



Act 1 Index Requirement

What is the Act 1 Index?

The Act 1 Index is a **maximum allowable percentage increase** set annually by the Pennsylvania Department of Education. It is based on economic factors such as inflation and wage growth.

What happens if the district wants to exceed the Act 1 Index?

If a district wishes to exceed the Act 1 Index, it must:

- Qualify for specific state-approved exceptions **or**
- Place a referendum on the ballot and receive voter approval.

What happens if the district does not adopt an Act 1 Resolution?

Failure to adopt the resolution could:

- Put the district out of compliance with state law
- Limit future financial flexibility
- Restrict the district's ability to respond to unexpected expenses or budget pressures



BUDGET PROCESS TIMELINE - NEXT STEPS

02

February

Initial Expenditures
Draft

03

March

Initial Revenues
Draft

04

April

Refined Budget
With A More
Accurate List of
Expenditures and
Revenues

05

May

Preliminary Budget
Prepared and
Approved

06

June

Final Budget
Adopted

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