# Finance Committee Meeting

April 22, 2025

# 2025-2026 Budget Update

# 2025-2026 Budget Summary Update

| | As of 3/17/2025 | As of 4/22/2025 | Difference |
|---|---|---|---|
| Revenues (does not include a RE tax increase) | $ 64,407,163 | $ 64,881,931 | $ 474,768 |
| Expenses | $ (67,110,706) | $ (66,781,931) | $ (328,775) |
| **Surplus/(Deficit)** | **$ (2,703,543)** | **$ (1,900,000)** | **$ (803,543)** |

## Major Contributors to Reduction:

- Inclusive of 70% of Governor's Proposed Funding for Education
- Increase in Transportation Revenue Subsidy
- Student Services Department Budget Decrease
- Transportation Department Decrease

# Tax Scenarios – Board Request

| Description | Millage Rate | Real Estate Tax Revenue | Additional Real Estate Tax Revenue |
|---|---|---|---|
| 2024/25 Millage Rate | 16.1260 | | |
| 2025/26 Millage Rate - No Increase | 16.1260 | $ 30,512,957.00 | |
| 2025/26 Millage Rate - 0.5% Increase | 16.2066 | $ 30,671,076.00 | $ 158,119.00 |
| 2025/26 Millage Rate - 1% Increase | 16.2873 | $ 30,829,390.00 | $ 316,433.00 |
| 2025/26 Millage Rate - 1.5% Increase | 16.3679 | $ 30,987,509.00 | $ 474,552.00 |

# Act 1 Index – Future Outlook

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Big Spring SD | 2.2% | 2.7% | 2.4% | 3.1% | 3.2% | 3.0% | 2.9% | 3.2% | 3.7% | 4.3% | 5.1% | 6.5% | 5.0% |
| **Base Index:** | **1.7%** | **2.1%** | **1.9%** | **2.4%** | **2.5%** | **2.4%** | **2.3%** | **2.6%** | **3.0%** | **3.4%** | **4.1%** | **5.3%** | **4.0%** |

Source: PDE - https://www.education.pa.gov/Policy-Funding/PropertyTax/Pages/Act1.aspx

IFO INDEPENDENT FISCAL OFFICE

## Act 1 Index Forecast

| | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
|---|---|---|---|---|---|---|---|---|
| **Base Index** | 3.4% | 4.1% | 5.3% | 4.0% | 3.7% | 3.4% | 3.2% | 3.2% |
| SAWW | 4.7% | 5.3% | 5.6% | 3.7% | 3.7% | 3.5% | 3.3% | 3.3% |
| ECI | 2.1% | 2.9% | 4.9% | 4.3% | 3.8% | 3.6% | 3.4% | 3.2% |
| **November 2023 (Base Index)** | | | | 4.0% | 3.6% | 3.2% | 3.1% | -- |
| Revision | | | | 0.1% | 0.1% | 0.2% | 0.1% | -- |

Notes: SAWW is statewide average weekly wage. ECI is employment cost index.

Source: Reported by the Department of Education through 25-26, forecast by IFO thereafter.

Source: PA Independent Fiscal Office - IFO - File Download

- **2025-2026 Tax Increase to Index:** $1,581,775
- **2025-2026 Salaries & Benefit Increase:** $810,429

# Tax Scenarios – Outcome on Taxpayers

| Millage Rates | |
|---|---|
| 2024/25- Actual Rate | 16.1260 |
| 2025/26 - 0.5% Tax Increase | 16.2066 |

| | | | Median Assessed Value 2024/25 | | | |
|---|---|---|---|---|---|---|
| **Assessed Values** | **100,000** | **150,000** | **181,500** | **250,000** | **350,000** | **500,000** |
| **TOTAL TAX BILL** | | | | | | |
| 2024/25- Actual Rate | $ 1,612.60 | $ 2,418.90 | $ 2,926.87 | $ 4,031.50 | $ 5,644.10 | $ 8,063.00 |
| 2025/26 - 0.5% Tax Increase | $ 1,620.66 | $ 2,430.99 | $ 2,941.50 | $ 4,051.65 | $ 5,672.31 | $ 8,103.30 |
| **INCREASE IN TAX BILL** | | | | | | |
| **2025/26 - 0.5% Tax Increase - Annual Cost** | **$ 8.06** | **$ 12.09** | **$ 14.63** | **$ 20.15** | **$ 28.21** | **$ 40.30** |
| **2025/26 - 0.5% Tax Increase - Per Month Cost** | **$ 0.67** | **$ 1.01** | **$ 1.22** | **$ 1.68** | **$ 2.35** | **$ 3.36** |

# Tax Scenarios – Outcome on Taxpayers

| Millage Rates | |
|---|---|
| 2024/25- Actual Rate | 16.1260 |
| 2025/26 - 1.0% Tax Increase | 16.2873 |

| | | | Median Assessed Value 2024/25 | | | |
|---|---|---|---|---|---|---|
| **Assessed Values** | **100,000** | **150,000** | **181,500** | **250,000** | **350,000** | **500,000** |
| **TOTAL TAX BILL** | | | | | | |
| 2024/25- Actual Rate | $ 1,612.60 | $ 2,418.90 | $ 2,926.87 | $ 4,031.50 | $ 5,644.10 | $ 8,063.00 |
| 2025/26 - 1.0% Tax Increase | $ 1,628.73 | $ 2,443.10 | $ 2,956.14 | $ 4,071.83 | $ 5,700.56 | $ 8,143.65 |
| **INCREASE IN TAX Bill** | | | | | | |
| **2025/26 - 1.0% Tax Increase - Annual Cost** | **$ 16.13** | **$ 24.19** | **$ 29.28** | **$ 40.32** | **$ 56.45** | **$ 80.65** |
| **2025/26 - 1.0% Tax Increase - Per Month Cost** | **$ 1.34** | **$ 2.02** | **$ 2.44** | **$ 3.36** | **$ 4.70** | **$ 6.72** |

# Tax Scenarios – Outcome on Taxpayers

| Millage Rates | |
|---|---|
| 2024/25- Actual Rate | 16.1260 |
| 2025/26 - 1.5% Tax Increase | 16.3679 |

| Assessed Values | 100,000 | 150,000 | Median Assessed Value 2024/25<br>181,500 | 250,000 | 350,000 | 500,000 |
|---|---|---|---|---|---|---|
| **TOTAL TAX BILL** | | | | | | |
| 2024/25- Actual Rate | $ 1,612.60 | $ 2,418.90 | $ 2,926.87 | $ 4,031.50 | $ 5,644.10 | $ 8,063.00 |
| 2025/26 - 1.5% Tax Increase | $ 1,636.79 | $ 2,455.19 | $ 2,970.77 | $ 4,091.98 | $ 5,728.77 | $ 8,183.95 |
| **INCREASE IN TAX Bill** | | | | | | |
| **2025/26 - 1.5% Tax Increase - Annual Cost** | **$ 24.19** | **$ 36.28** | **$ 43.90** | **$ 60.47** | **$ 84.66** | **$ 120.95** |
| **2025/26 - 1.5% Tax Increase - Per Month Cost** | **$ 2.02** | **$ 3.02** | **$ 3.66** | **$ 5.04** | **$ 7.06** | **$ 10.08** |

# Budget Timeline

## FY 2026 Budget Schedule

| Day | Date | Description |
| --- | --- | --- |
| Thursday | 5/1/2025 | PDE notifies school districts of their property tax reduction allocation |
| ~~Tuesday~~ | ~~5/13/2025~~ | ~~Publish FY 26 Proposed Final Budget~~ |
| Monday | 5/19/2025 | Finance Committee Meeting |
| **Monday** | **5/19/2025** | **Adopt Proposed Final Budget** |
| Monday | 6/2/2025 | Finance Committee Meeting |
| No later than | 6/3/2025 | Publish FY 26 Proposed Final Budget for public inpsection (20 days prior to final budget adoption) |
| No later than | 6/13/2025 | Advertising Final Budget Adoption (at least 10 days prior to final budget adoption) |
| **Monday** | **6/23/2025** | **Adopt Final Budget, Tax Rate and HS/FS Reduction** |

Finance Committee Meeting/April 22, 2025

# Debt Service

| | Principal | Interest | Total Payment | State Reimbursement | Local Effort | Principal & Interest Remaining After 2024-2025 | Maturity |
|---|---|---|---|---|---|---|---|
| Series of 2017 | $ 80,000.00 | $ 480,825.00 | $ 560,825.00 | $ - | $ 560,825.00 | $ 13,548,450.00 | 2028-2029 |
| Series of 2021 | $ 3,705,000.00 | $ 23,712.00 | $ 3,728,712.00 | $ 409,838.60 | $ 3,318,873.40 | $ - | 2024-2025 |
| Series of 2023 | $ 5,000.00 | $ 942,275.00 | $ 947,275.00 | $ - | $ 947,275.00 | $ 25,846,287.50 | 2034-2035 |
| Total Payments for 2024-2025 | $ 3,790,000.00 | $ 1,446,812.00 | $ 5,236,812.00 | $ 409,838.60 | $ 4,826,973.40 | $ 39,394,737.50 | |

| | Principal | Interest | Total Payment | State Reimbursement | Local Effort | Principal & Interest Remaining After 2025-2026 | Maturity |
|---|---|---|---|---|---|---|---|
| Series of 2017 | $ 3,405,000.00 | $ 478,425.00 | $ 3,883,425.00 | $ - | $ 3,883,425.00 | $ 9,665,025.00 | 2028-2029 |
| ~~Series of 2021~~ | ~~$ -~~ | ~~$ -~~ | ~~$ -~~ | ~~$ -~~ | ~~$ -~~ | ~~$ -~~ | ~~2024-2025~~ |
| Series of 2023 | $ 5,000.00 | $ 942,143.76 | $ 947,143.76 | $ - | $ 947,143.76 | $ 24,899,143.74 | 2034-2035 |
| Total Payments for 2025-2026 | $ 3,410,000.00 | $ 1,420,568.76 | $ 4,830,568.76 | $ - | $ 4,830,568.76 | $ 34,564,168.74 | |

# Questions

# Thank you!

**Cristy Lentz, Business Manager**

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