

**FAIRFIELD AREA SCHOOL DISTRICT  
BOARD MEETING**

**2025-2026 PROPOSED BUDGET**

**May 12, 2025**

**Mr. Scott Wilt, Business Manager**



4840 Fairfield Road  
Fairfield, PA 17320  
(717) 642-8228  
[www.fairfieldpaschools.org](http://www.fairfieldpaschools.org)

# 2025-2026 BUDGET PRESENTATION



- **FAIRFIELD AREA SCHOOL DISTRICT PROJECTED REVENUES, MILLAGE, AND ADJUSTED ACT 1 INDEX**
- **FAIRFIELD AREA SCHOOL DISTRICT PROJECTED REVENUE AND EXPENDITURES**
- **TIMELINES**
- **DISCUSSION/QUESTIONS**

# BUDGET CONSIDERATIONS (2025-2026)



- The 2025-2026 budget was developed by looking at historical trends of each revenue and expenditure line.
- All revenue and expenditures were budgeted at the actual amount that was expected to be received or expended. Therefore, a \$150,000 contingency line is budgeted under the Business Office.



# What is the Act 1 Index?

- The Act 1 Index is used to determine the maximum tax increases of a district (without voter approval or PDE exceptions).
- The base index is calculated based on the % changes in wages statewide and % changes in school employee compensation. Therefore, the base index is a rate of change in compensation.
- There is an adjustment to the base index based on the relative wealth of the district, with lower wealth districts receiving the largest upward adjustment.
- Over the past 10 years the base index has averaged 2.90% in Fairfield Area.

# PROJECTED REVENUE ANALYSIS (2025-2026)



- Act 1 Index 4.80%
- Current Millage Rate 11.9958
- ***Recommended Millage Rate (increase 2.5%)*** ***12.2957***

Average assessed residential property in Fairfield is \$227,800

1% increase = \$27 annually\*

2% increase = \$55 annually\*

2.5% increase = \$68 annually\*

3% increase = \$82 annually\*

4% increase = \$109 annually\*

4.8% increase = \$131 annually\*

\*Increase in school tax bill based on \$227,800 assessed value

# MILLAGE HISTORY (FAIRFIELD AREA)



▶ 2017-2018	10.2798	3.1%
▶ 2018-2019	10.4597	1.75%
▶ 2019-2020	10.7421	2.7%
▶ 2020-2021	10.9032	1.5%
▶ 2021-2022	11.1305	2.08%
▶ 2022-2023	11.1305	0.00%
▶ 2023-2024	11.5757	4.00%
▶ 2024-2025	11.9958	3.63%

# ADAMS COUNTY MILLAGE RATES (2025)



• CONEWAGO	16.7971
• UPPER ADAMS	15.6383
• LITTLESTOWN	13.5387
• BERMUDIAN	13.3012
• <b><i>FAIRFIELD</i></b>	<b><i>11.9958</i></b>
• GETTYSBURG	11.3714

# CAPITAL PROJECTS



## Projects to be funded from Assigned Fund Balances

• High School auditorium stage curtains	\$ 35,000
• Elementary gym floor	\$130,000
• Maintenance building roof	\$ 35,000
• Utility Vehicle	\$ 15,000
• Stadium Scoreboard	\$ 76,000
• Stadium Lights	\$158,000
• Library refresh up to:	<u>\$ 88,000</u>
• TOTAL	\$537,000



# HISTORICAL PSERS RATES



	RATE
• FY12	8.65%
• FY13	12.36%
• FY14	16.93%
• FY15	21.40%
• FY16	25.84%
• FY17	30.03%
• FY18	32.57%
• FY19	33.43%
• FY20	34.29%
• FY21	34.51%
• FY22	34.94%
• FY23	35.26%
• FY24	34.00%
• <b>FY25</b>	<b>33.90%</b>
• FY26	<b>34.00%</b>
• FY27	34.72% Projected
• FY32	35.26% Projected

# REVENUE ASSUMPTIONS & UPDATES



- **PROPOSED MILLAGE INCREASE OF 2.50% IS CURRENTLY INCLUDED IN PROPOSED BUDGET. ACT 1 INDEX IS 4.80%**
- **LOCAL REVENUES BASED ON HISTORICAL OR ANTICIPATED TRENDS**
- **ALL OTHER REVENUE LINES CONSISTENT WITH CURRENT TRENDS**

# CURRENT BUDGETARY POSITION (2025-2026)



Proposed Revenues	\$22,899,995
Proposed Expenditures	<u>\$23,436,995</u>
Current Projected Deficit	\$ (537,000)

*(Above includes projects being funded from Assigned Fund Balance)*

ACTI Funding is included in the above expenses in the amount of \$100,000

# LOCAL REVENUE (2025-2026)



- Total Assessed Value increased from the previous year by \$16,474,200 which equates to the additional real estate tax of \$184,979 at existing millage rate.
- Current real estate tax collection is calculated at 97% for the District.
- Proposed budget contains a 2.50% increase to the current millage rate.

# LOCAL REVENUE (2025-2026) - cont.



6000 - Local Receipts	24-25 Budget	25-26 Budget	\$ Change
10 R 6111 Real Estate Tax	9,941,939	10,160,189	218,250
10 R 6112 Interim Real Estate Tax	49,275	49,275	0
10 R 6113 Public Utility Realty Tax	11,000	11,714	714
10 R 6114 Payment in Lieu of Taxes	15,520	15,520	0
10 R 6151 Earned Income Tax	2,491,350	2,534,000	42,650
10 R 6153 Real Estate Transfer	230,000	230,000	0
10 R 6154 Amusement Tax	25,000	25,000	0
10 R 6411 Delinquent Real Estate Tax	125,000	150,000	25,000
10 R 6510 Interest on Investments	402,000	415,714	13,714
10 R 6710 Gate Receipts	15,900	10,000	(5,900)
10 R 6741 Athletic Physicals	9,000	0	(9,000)
10 R 6742 Student Fees	7,900	10,000	2,100
10 R 6831 LIU Access	27,000	22,000	(5,000)
10 R 6832 IDEA Pass Thru	190,000	200,000	10,000
10 R 6910 Rentals	2,500	800	(1,700)
10 R 6920 Contributions	26,432	37,879	11,447
10 R 6944 Receipts from other LEA's & MIsc	267,000	215,380	(51,620)
Total	13,836,816	14,087,471	

# STATE REVENUE (2025-2026)



- All State revenue budgeted based on actual trends.

# STATE REVENUE (2025-2026) - cont.



7000 - State Receipts	24-25 Budget	25-26 Budget	\$ Change
10 R 7110 Basic Instructional Subsidy	4,200,000	4,300,000	100,000
10 R 7140 Cyber Charter Transition	0	23,000	23,000
10 R 7160 Section 1305 & 1306 Tuition	12,000	11,000	(1,000)
10 R 7220 Vocational Ed	9,400	15,000	5,600
10 R 7271 Special Education Subsidy	764,312	725,000	(39,312)
10 R 7311 Transportation	486,000	486,000	0
10 R 7312 Non-Public Transportation	10,000	10,000	0
10 R 7320 Bond Payment Reimbursement	98,000	96,913	(1,087)
10 R 7330 Medical Dental Services	16,300	16,300	0
10 R 7332 Feminine Hygiene Product Funding	0	1,645	1,645
10 R 7340 State Property Tax Reduction	579,419	802,279	222,860
10 R 7531 Ready to Learn	147,924	147,924	0
10 R 7532 Ready to Learn Adequacy	0	217,233	217,233
10 R 7810 Social Security	311,022	330,816	19,794
10 R 7820 Retirement	1,368,337	1,466,893	98,556
Total State Revenue	8,002,714	8,650,003	647,289

# FEDERAL REVENUE (2025-2026)



- Title I – Decrease of \$ 9,855
- Title II – Decrease of \$ 3,640
- Title IV –Increase of \$ 618



# FEDERAL REVENUE (2025-2026)

8000 Federal Revenue	24-25 Federal	25-26 Federal
10 R 8514 Title 1	141,005	131,150
10 R 8515 Title II	24,393	20,753
10 R 8517 Title IV	10,000	10,618
Total Federal Revenue	175,398	162,521



# PROJECTED EXPENSES 2025-2026

# SALARIES & WAGES



SALARIES & WAGES				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
100 - Salaries and Wages	\$8,261,419	\$8,657,671	\$396,252	4.80%

## Significant Factors affecting this budget category:

- Planned rate of increase is 4.5%
- New Autism Classroom in the middle school
- Budget includes maximum coaching staff
- Collapsed Staff Accountant Generalist position

# EMPLOYEE BENEFITS



EMPLOYEE BENEFITS				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
200 - Employee Benefits	\$4,829,177	\$5,077,634	\$248,457	5.15 %

**Significant Factors affecting this budget category:**

- **Planned increase of 4% for health insurances**
- **New Autism Classroom in the middle school**

# PROFESSIONAL & TECHNICAL SERVICES



PURCHASED PROFESSIONAL AND TECHNICAL SERVICES				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
300 - Purchased Technical Services	\$2,099,305	\$1,829,950	\$(269,355)	(12.83)%

**Significant Factors affecting this budget category:**  
**Decrease due to two SE students in placement graduating.**  
**Mental Health PCCD grant ended.**  
**Some reduction based on historical spending trends.**  
**Added Co-op fees for Football**

# PROPERTY SERVICES



PURCHASED PROPERTY SERVICES				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
400 - Purchased Property Services	\$332,380	\$294,690	\$(37,690)	(11.34)%

## Significant Factors affecting this budget category:

- Decrease due to discontinuance of old copier maintenance agreements
- Decrease due to Football Co-op. Maintenance on equipment no longer needed
- Other changes are just an alignment with historical spending



# OTHER PURCHASED SERVICES

OTHER PURCHASED SERVICES				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
500 – Other Purchased Services	\$3,060,031	\$3,363,908	\$303,877	9.9%

**Significant Factors affecting this budget category:**  
**Includes Increase in Budget of \$449,000 for charter school tuition. Total spend on charter tuition is budgeted at \$1,420,000. FY25 spend to date is \$1,317,530**  
**Decreases include savings in transportation with the new contract with one vendor.**

# SUPPLIES/BOOKS/SOFTWARE/FUEL



SUPPLIES/BOOKS/SOFTWARE/FUEL				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
600 - Supplies	\$1,181,830	\$1,504,486	\$322,656	27.30%

## Significant Factors affecting this budget category:

- Increases in costs related to Ready to Learn Grant Adequacy supplement \$217,233 (offset in revenue). Other increases are just general across the board increases such as in utilities, athletic uniform replacements and software subscription increases.
- Also some dollars moved here from the 700's object codes.



# EQUIPMENT/SITE IMPROVEMENT



EQUIPMENT/SITE IMPROVEMENT				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget % Difference
700 - Equipment/Site Improvement	\$112,400	\$78,000	\$(34,400)	(30.60)%

**Significant Factors affecting this budget category:**

- \* **No longer budgeting items less than \$5000 in the 700 object accounts.**

# DUES/FEES/INTEREST



DUES/FEES/INTEREST				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget % Difference
800 - Dues, Fees, & Interest	\$903,589	\$932,286	\$28,697	3.17%

**Significant Factors affecting this budget category:**  
**Increases due to Compensatory Ed costs and**  
**increase to contingency for unexpected Special**  
**Education costs.**  
**Interest costs to drop \$42,000 in FY26**

# DEBT SERVICE PRINCIPAL



DEBT SERVICE PRINCIPAL/OTHER TRANSFERS				
Object	2024-2025 Budget	2025-2026 Budget	Budget to Budget \$ Difference	Budget to Budget \$ Difference
900 - Debt service principal	\$2,019,321	\$1,698,370	\$(320,951)	(15.89)%

## Significant Factors affecting this budget category:

- \* General Obligation Bond principal payment dropping
- \* \$537,000 funding of capital projects.

# BUDGET-TO-BUDGET COMPARISON



## Expenses 2024-2025 Budget vs 2025-2026 Proposed Budget

<b>Object Codes</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>\$ Difference</b>
<b>100 - Salaries and Wages</b>	<b>\$8,261,419</b>	<b>\$8,657,671</b>	<b>\$396,252</b>
<b>200 - Employee Benefits</b>	<b>\$4,829,177</b>	<b>\$5,077,634</b>	<b>\$248,457</b>
<b>300 - Purchased Technical Services</b>	<b>\$2,099,305</b>	<b>\$1,829,950</b>	<b>\$(269,355)</b>
<b>400 - Purchased Property Services</b>	<b>\$332,380</b>	<b>\$294,690</b>	<b>\$(37,690)</b>
<b>500 - Other Purchased Services</b>	<b>\$3,060,031</b>	<b>\$3,363,908</b>	<b>\$303,877</b>
<b>600 - Supplies</b>	<b>\$1,181,830</b>	<b>\$1,504,486</b>	<b>\$322,656</b>
<b>700 - Equipment/Site Improvement</b>	<b>\$112,400</b>	<b>\$78,000</b>	<b>\$(34,400)</b>
<b>800 - Dues, Fees, &amp; Interest</b>	<b>\$903,589</b>	<b>\$932,286</b>	<b>\$28,697</b>
<b>900 - Debt service principal/other transfers</b>	<b>\$2,019,321</b>	<b>\$1,698,370</b>	<b>\$(320,951)</b>
	<b>\$22,799,452</b>	<b>\$23,436,995</b>	<b>\$637,543</b>

# EXPENDITURES BY FUNCTION



	FY25	FY26	Difference
• 1000 Instructional	\$12,168,404	\$13,132,653	\$964,249
• 2000 Support Services	\$7,189,948	\$7,186,456	\$ (3,492)
• 3000 Non-Instructional	\$719,660	\$759,396	\$ 39,736
• 5000 Other Expenditures/Financing	\$2,721,440	\$2,358,490	\$(362,950)
• Total	\$22,799,452	\$23,436,995	\$ 637,543

# BOND PAYMENTS



*The school district has three outstanding bond series. The table below shows no significant reductions in payments for the next 14 years.*

Year	Principal	Interest	Total
2025	\$1,067,240	\$702,119	\$1,769,359
2026	\$1,070,000	\$660,120	\$1,730,120
2027	\$1,110,000	\$618,170	\$1,728,170
2028-2032	\$6,250,000	\$2,436,288	\$8,686,288
2033-2037	\$6,965,000	\$1,198,105	\$8,163,105
2038-2039	\$3,155,000	\$112,979	\$3,267,979

# BUDGET TIMELINE (2025-2026)



- **May 19, 2025**– Administration reports back to the Board to adopt a proposed final budget.
- **May 20, 2025** – Advertise proposed budget 20 days prior to final adoption
- **May 20, 2025** – Deadline for district to make the proposed final budget available for public inspection ----This must be done 20 days prior to final budget adoption date.
- **June 23, 2025** – Board adopts final budget

# DISCUSSION & QUESTIONS





# Direction to Administration



- **May 12, 2025** – After Board discussion of the 2025-2026 budget presentation, the Board directed the Administration to develop a budget with a 2% tax increase, inclusive of 1% for future ACTI programming.