Souderton Area School District

A community where character counts SM

2026-27 Budget Update

Finance Committee Meeting

March 11, 2026

School District Budget Math:
EXPENDITURES = REVENUES

Governor's Budget Proposal
Basic and Special Education Funding

- **Basic Education - $98,433 (0.79%) increase for SASD**
  - $50 million (0.61%) increase for the Basic Education Funding Formula
  - $12,616,366 Proposed Total Allocation for Souderton
- **Special Education - $122,400 (2.98%) increase for SASD**
  - $50 million (3.27%) increase for the Special Education Funding Formula
  - $4,363,613 Proposed Total Allocation for Souderton
  - Formula data will change final allocation
- **Ready to Learn Block Grant - $50,000 (8.70%) increase for SASD**
  - $565 million (40.84%) increase for the Ready to Learn Block Grant
  - $624,477 Proposed Total Allocation for Souderton

LOCAL REVENUES

	2024-25 Actual $	2025-26 Final Budget	FY25 Collections thru Feb 2025	FY26 Collections thru Feb 2026	2026-27 Budget
Total Local Revenue	*$116,849,079*	*$121,064,837*	*$110,100,450*	*$114,953,734*	*$123,861,537*
Current Real Estate Taxes	96,284,526	100,715,199	96,319,880	100,980,662	104,528,887
Interim Real Estate Taxes	723,544	550,000	568,120	254,860	450,000
Public Utility Realty Taxes	96,502	95,000	96,502	0	95,000
Payments in Lieu	378,068	380,000	378,068	386,421	386,000
Per Capita Taxes	284,730	283,000	283,994	286,776	0
Earned Income Taxes	10,857,788	11,150,000	7,122,131	7,233,623	11,225,000
Real Estate Transfer Taxes	1,737,425	1,800,000	1,210,467	991,992	1,550,000
Delinquencies on Taxes Levied	761,069	869,000	209,487	693,818	850,000
Earnings on Investments	2,279,802	1,950,000	1,792,803	1,592,097	1,500,000

LOCAL REVENUES

	2024-25 Actual $	2025-26 Final Budget	FY25 Collections thru Feb 2025	FY26 Collections thru Feb 2026	2026-27 Budget
Revenues from LEA Activities	510,745	581,501	414,358	385,797	562,100
Revenues from Pass-Through Funds	1,366,323	1,292,692	560,371	501,403	1,303,190
Rentals	96,403	140,000	58,521	63,837	105,000
Contributions & Donations	88,619	76,000	13,443	12,160	55,000
Tuition from Patrons	125,777	105,000	78,553	149,256	150,000
Services Provided	41,932	90,000	0	27,634	30,000
Revenue from Community Services Activities	661,262	635,445	702,894	829,582	674,000
Refunds and Other Miscellaneous Revenue	554,565	352,000	290,859	563,815	349,000

STATE REVENUES

	2024-25 Actual $	2025-26 Final Budget	FY25 Collections thru Feb 2025	FY26 Collections thru Feb 2026	2026-27 Budget
Total State Revenue	*$37,450,290*	*$37,469,721*	*$17,817,214*	*$18,114,951*	*$38,070,527*
Basic Education Funding	12,342,703	12,483,873	6,943,256	7.028,988	12,616,366
CS Expenditure Subsidy	0	60,000	60,573	0	0
Tuition for Orphans Sub	45,878	150,000	0	0	50,000
Special Education Funding	4,245,506	4,264,593	2,442,368	2,544,724	4,363,613
Pupil Transportation Sub	2,278,479	1,836,000	871,321	1,253,164	1,836,000
Nonpublic and Charter School Pupil Transportation Subsidy	373,065	343,500	186,533	153,230	343,500
Rental and Sinking Fund Payments / Building Reimbursement Subsidy	769,072	49,905	769,072	47,227	49,950

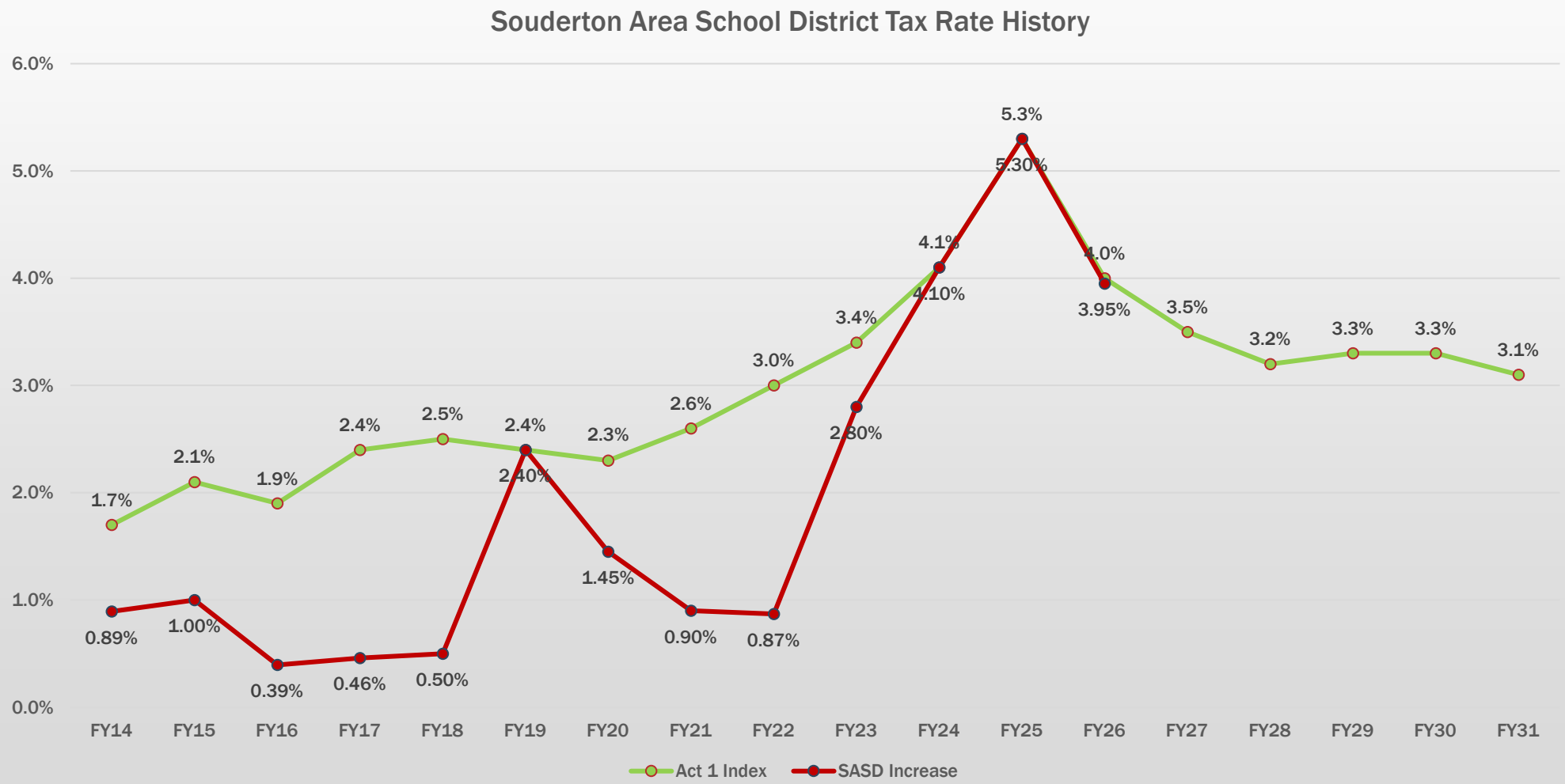
STATE REVENUES

	2024-25 Actual $	2025-26 Final Budget	FY25 Collections thru Feb 2025	FY26 Collections thru Feb 2026	2026-27 Budget
Health Services (Medical, Dental, Nurse, Act 25)	0	134,000	119,503	0	130,000
State Property Tax Reduction Allocation	3,366,318	3,703,675	3,366,318	3,703,675	3,703,675
Ready to Learn Block Grant	0	524,477	0	0	624,477
State Share of Social Security and Medicare Taxes	2,195,496	2,560,058	875,337	901,462	2,646,936
State Share of Retirement Contributions	10,810,287	11,359,640	1,506,094	1,571,676	11,706,010

FEDERAL REVENUES

	2024-25 Actual $	2025-26 Final Budget	FY25 Collections thru Feb 2025	FY26 Collections thru Feb 2026	2026-27 Budget
Total Federal Revenue	*$1,648,716*	*$1,215,200*	*$740,673*	*$633,941*	*$1,064,354*
Title I	647,357	624,121	283,737	333,467	577,062
Title II	118,540	124,569	36,317	38,919	127,055
Title III	59,622	55,672	29,004	26,547	55,178
Title IV	55,859	46,838	55,859	10,084	47,059
ESSER Funding	483,575	0	314,677	0	0
School-Based Access Medicaid Reimbursement Program (SBAP)	250,000	359,000	0	250,000	0250,000
Medical Assistance Reimbursement	15,876	5,000	13,114	6,501	8,000

ACT 1 INDEX – 3.5% for 2026-27



Expenditures by Function (Instruction)

Major Expenditure Function	2024-25 Actual $	2025-26 Final Budget	2025-26 YTD	2026-27 Budget
Total Expenditures - Instruction	*$97,588,254*	*$100,874,031*	*$61,975,105*	*$107,134,214*
Regular Programs	61,117,313	64,095,140	39,682,681	68,270,276
Special Programs	33,302,386	33,789,767	20,089,023	35,688,333
Vocational Education	1,858,252	1,755,000	1,417,536	1,855,500
Other Instructional Programs	1,166,945	1,098,051	696,014	1,181,143
Nonpublic School Programs	14,649	0	9,623	11,500
Adult Education Programs	128,709	136,073	80,228	127,462

* The Function describes the activities for which a service or material is acquired.

Expenditures by Function (Support Services)

Major Expenditure Function	2024-25 Actual $	2025-26 Final Budget	2025-26 YTD	2026-27 Budget
Total Expenditures – Support Services	*$45,797,196*	*$47,011,594*	*$29,548,051*	*$48,299,366*
Support Services – Students	6,491,435	6,927,928	4,163,997	7,103,752
Support Services – Instructional Staff	5,177,898	5,435,539	3,062,255	5,694,847
Support Services – Administration	6,412,938	6,385,364	4,446,487	6,583,672
Support Services – Pupil Health	1,734,870	1,848,809	1,155,894	2,019,155
Support Services – Business	1,176,316	1,201,277	813,681	1,214,826
Operation And Maintenance Of Plant Services	11,733,869	11,962,307	7,856,322	12,269,750
Student Transportation Services	9,209,813	9,616,600	5,399,732	9,777,304
Support Services – Central	3,785,047	3,548,270	2,572,339	3,552,560
Other Support Services	75,011	82,500	77,345	83,500

* The Function describes the activities for which a service or material is acquired.

Expenditures by Function (Non-Instructional & Other Expenditures and Financing Uses)

Major Expenditure Function	2024-25 Actual $	2025-26 Final Budget	2025-26 YTD	2026-27 Budget
Total Expenditures – Non-Instructional	*$2,282,219*	*$2,113,083*	*$1,365,167*	*$2,224,191*
Student Activities	2,247,684	2,080,583	1,365,167	2,184,691
Community Services	7,935	0	0	7,000
Scholarships and Awards	26,600	32,500	0	32,500
Major Expenditure Function	**2024-25 Actual $**	**2025-26 Final Budget**	**2025-26 YTD**	**2026-27 Budget**
Total Expenditures – Other Expenditures	*$11,213,740*	*$9,785,734*	*$8,212,078*	*$11,430,790*
Debt Service / Other Expenditures and Financing Uses	11,213,740	8,235,734	8,115,626	10,326,143
Capital Reserve Transfer	0	800,000	0	0
Budgetary Reserve	0	750,000	0	750,000

* The Function describes the activities for which a service or material is acquired.

Expenditures by Object

Major Expenditure Object	2024-25 Actual $	2025-26 Final Budget	2025-26 YTD	2026-27 Budget
Total Expenditures	*$157,020,257*	*$159,784,442*	*$102,135,247*	*$168,733,914*
Personnel Services - Salaries	64,584,740	66,986,083	38,052,596	70,007,231
Personnel Services - Benefits	40,345,100	41,111,956	27,806,856	43,788,485
Purchased Professional & Tech Services	7,470,643	7,776,680	3,710,799	7,626,891
Purchased Property Services	1,793,088	1,484,352	2,106,453	1,496,306
Other Purchased Services	23,491,340	23,293,545	15,884,191	24,908,218
Supplies	6,678,623	8,491,432	5,664,490	9,019,210
Property	1,204,252	543,668	637,117	484,000
Other Objects	2,980,044	5,375,706	4,462,746	7,156,845
Other Uses of Funds	8,472,426	4,721,020	3,810,000	4,246,728

* The Object Dimension is the service or commodity bought.

The Index (Sections 302, 313, 333(l))

- Each September, PDE publishes the index for use in the determination of allowable tax rate increases in the following fiscal year. The base index is the average of the percentage increase in the statewide average weekly wage, as determined by the PA Department of Labor and Industry, for the preceding thirty-six months ending December 31 and the percentage increase in the Employment Cost Index for Elementary and Secondary Schools, as determined by the Bureau of Labor Statistics in the U.S. Department of Labor, for the previous 12-month period ending June 30. For a school district with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, its index equals the base index multiplied by the sum of 0.75 and its MV/PI AR for the current year.
  - For the 2026-2027 fiscal year, the base index is 3.5%.

Referendum Exceptions – Special Education Expenditures

- General provisions (Section 333(f)(1), (2))
  - If approved by PDE, a school district may, without seeking voter approval, increase the rate of a tax levied for the support of public schools by more than its index if all of the following apply:
    - (1) The revenue raised by the allowable increase under the school district's index is insufficient to balance the proposed budget due to one or more of the expenditures listed in paragraph (2).
    - (2) The revenue generated by increasing the rate of a tax by more than the school district's index will be used to pay for any of the following:
- Special Education Expenditures
  - If costs for special education programs and services for students with disabilities increased by more than the school district's index between 2023-2024 and 2024-2025, the school district is eligible for an exception equal to the increase in the school district's share of expenditures (i.e. costs in each year not offset by state Special Education Funding and Contingency Funds) that exceed its index.

Referendum Exceptions – Submission

- Exceptions being sought from PA Department of Education (Filed March 3, 2026)
  - Special Education Expenditures 333(f)(2)(v) - $892,077

- **Department of Education** deadline to rule on school district request for referendum exception.
  - March 25, 2026

Charter School Tuition Rates - 2025-26

Prior to State Budget

- Funding for Nonspecial Education Students
  - All Charter Schools - $15,803.30
- Funding for Special Education Students
  - Brick & Mortar Charter Schools - $44,247.93
  - Cyber Charter Schools - $38,577.56

Changes with Passed State Budget

- Funding for Nonspecial Education Students
  - Brick & Mortar Charter Schools - $15,893.52
  - Cyber Charter Schools - $14,296.36
- Funding for Special Education Students
  - Brick & Mortar Charter Schools - $44,520.49
  - Cyber Charter Schools - $27,020.12

FUTURE CONSIDERATIONS - REVENUES

- Monitor local revenues sources
  - Continue to monitor Earned Income and Real Estate Transfer Taxes
  - Continue to monitor Interest Rates and Earnings
- Future state/federal funds
  - State Budget Proposal
  - Federal Programs Allocations
  - Tax Assessment Adjustments

FUTURE CONSIDERATIONS - EXPENDITURES

- Review positions and factoring of retirements
- Medical benefit trends
- Charter school costs – cyber enrollment changes
- Special education costs and individual student needs
- Five Year Forecast and Trend Analysis

Debt Service Local Effort & Future Capital Improvements

5 Year Actual's

- 2019-20 - $9,637,994
- 2020-21 - $9,307,856
- 2021-22 - $10,002,537
- 2022-23 - $11,317,475
- 2023-24 - $11,945,428
- 2024-25 - $11,038,987

5 Year Forecast

- 2025-26 - $8,235,734*
- 2026-27 - $10,196,643*
- 2027-28 - $10,481,085*
- 2028-29 - $10,481,424*
- 2029-30 - $10,482,329*
- Debt Service remains around $10.2M through 2047-48*

* Current Amortization, Budget Forecast is $10.8M Annually

2026-27 BUDGET OVERVIEW

	2024-25 Actual	2025-26 Prelim. Budget *	2025-26 Final Budget	2026-27 Prelim. Budget *
Revenues	$156,176,452	$158,397,088	$159,785,442	$169,088,428
Expenditures	157,020,257	164,166,755	159,784,442	169,088,561
Surplus(Deficit)	(843,805)	(5,769,667)	1,000	(133)**

	Millage Increase 2.0%	Millage Increase 2.5%	Millage Increase 3.0%	Millage Increase 3.5%
Total Revenues	$161,429,362	$161,951,617	$162,473,871	$162,996,418
Expenditures	168,733,914	168,733,914	168,733,914	168,733,914
Surplus(Deficit)	(7,304,552)	(6,782,297)	(6,260,043)	(5,737,496)

* As of 2/2/2026 Assessments, assumes 97% collection and flat homestead/farmstead allocation
** Exceeds Act 1 Index, Requires Approval of Referendum Exceptions

2026-27 Budget Calendar

Date	Event	Description
3/11/2026	Finance Committee Meeting	Budget Update
4/15/2026	Finance Committee Meeting	Present Proposed Final Budget
4/30/2026	Board Meeting	Approve Proposed Final Budget
5/13/2026	Finance Committee Meeting	Budget Update
6/10/2026	Finance Committee Meeting	Present Final Budget
6/18/2026	Board Meeting	Approve Final Budget

2026-27 Act 1 Index – 3.5%

The District expects to file for the Special Education Expenditures Referendum Exceptions in March