

# Proposed Final Budget 2026/27



**Athens Area School District**  
Building Foundations for Future Success

# Budget Timeline

## May 12<sup>th</sup> – Preliminary Budget Approval

- Copy of Preliminary Budget on display at the Athens Area Administration Office (100 Canal St, Athens) for 30 days.

## June 16<sup>th</sup> – Final Budget Approval



**#wildcatpride**



# The district's past operating results and the 2025/2026 budget highlighted the necessity of evaluating expenses.

GENERAL FUND:	
6/30/2024 Fund Balance	\$8,801,283
Actual 24/25 Loss	<u>(\$1,893,196)</u> ←
6/30/2025 Fund Balance	\$6,908,087
Budgeted 25/26 Loss	<u>(\$2,759,213)</u> ←
Estimated 6/30/2026 Fund Balance	\$4,148,874

It was time for a comprehensive, bottom-up review of the budget.



## How did the district go from a \$1.3 million surplus in the 23/24 school year to a deficit in years later?

- ESSER funding was fully expensed by 6.30.2024
  - District received \$8.4 million in temporary funding from 2021-2024
- One-time medical access revenue
  - District recorded \$1 million in revenues in 23/24
- Salary increases
- Health insurance
  - increased 7% from 23/24 to 24/25
  - 8.2% from 24/25 to 25/26.
- Cyber charter tuition
  - Tuition has increased from \$789K in the 20/21 school year to \$1.4 million in the 24/25 school year.

Increased expenses and temporary funding caused the financial turn.



# Prepared the 26/27 budget using the zero-based budgeting approach

Process started last November/December 2025.

- Administration committed to no furloughs and no program cuts
- Multiple meetings with Administrators
  - Programs were evaluated.
  - Class sizes were reviewed.
  - Student schedules were reviewed.
  - 98% of expenses were line item budgeted.
  - Prices were obtained for products/services.
- Conversations were about the community and students.
- Monthly budget committees since January
  - Details of every department or building budget were shared.

**Administration left no stone unturned in searching for budget savings...**



# If expenses had remained unchanged, the district could have faced a loss exceeding \$4 million

## Operating Loss Scenario: No Cost Controls Applied:

2025/2026 Budgeted Loss	(2,759,213)
26/27 Teacher Salary Increase - 3.4%	534,817
Health Insurance Increase - 13%	<u>729,765.</u>
2026/2027 Budgeted Loss - if status quo	(4,023,795)
Actual Preliminary 26/27 Budgeted Loss	<u>(1,520,037)</u>
Budget Adjustments – both revenues and expense	2,503,758

Even though the 26/27 budget is not perfect, we made significant stride in fixing the future.



# Total Revenues

	ACTUAL 2024-2025	BUDGET 2025-2026	BUDGET 2026-2027	\$ VARIANCE FROM 25-26
<b>REVENUES</b>				
6000 Local Revenues	\$ 18,804,312	\$ 18,992,764	\$ 20,147,859	\$ 1,155,095
7000 State Revenues	\$ 26,271,317	\$ 25,049,793	\$ 26,196,935	\$ 1,147,142
8000 Federal Revenues	\$ 953,941	\$ 1,021,927	\$ 813,091	\$ (208,836)
<b>TOTAL REVENUES</b>	<b>\$ 46,029,570</b>	<b>\$ 45,064,484</b>	<b>\$ 47,157,885</b>	<b>\$ 2,093,401</b>

## Local:

- Included 2.9 mill tax increase (Local) - \$818,721
- Increased EIT \$400,000 – assumption based on Berkheimer estimates

## State:

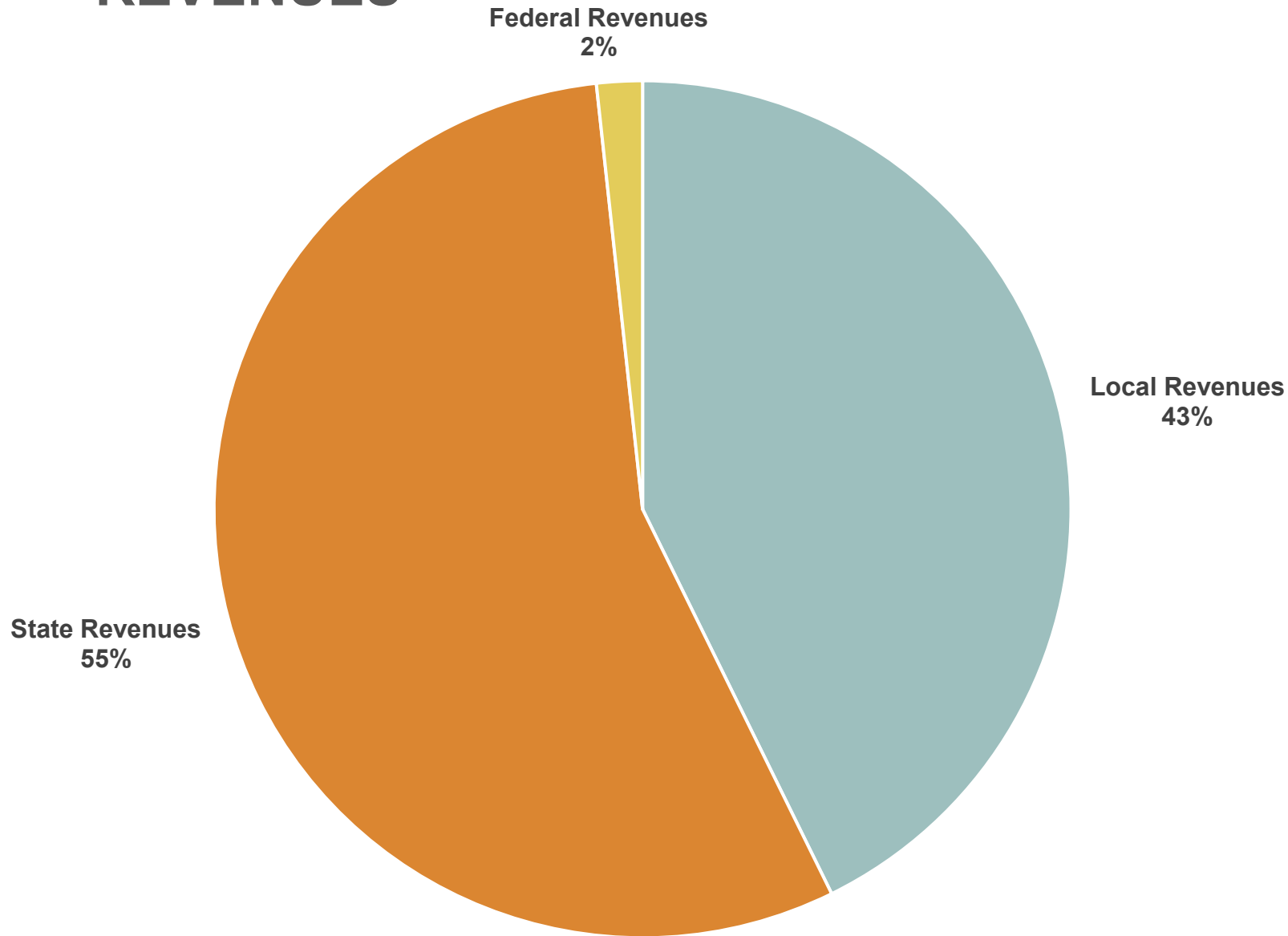
- Retirement & FICA – budgeted 66% of expense.
- State Basic Education Subsidy increase of \$58K.
- State Special Education Subsidy increase of \$90K.
- RTL - \$100K increase over prior year budget.

## Federal:

- Did not budget for any medical access revenues; Expecting no change in Title 1 & 2a.



# REVENUES



## Local Revenues:

- Taxes
- **EIT**

## State Revenues:

- State Reimbursements for PSERS, Social Security, Transportation
- Ready to Learn Grant
- Regular and Special Education State Funding

## Federal Revenues:

- Title Funds
- Medical Access



**Salaries & benefits are 68% of the total budget. Reducing expenses is difficult without change in staffing.**

	<b>ACTUAL 2024-2025</b>	<b>BUDGET 2025-2026</b>	<b>BUDGET 2026-2027</b>	<b>\$ VARIANCE FROM 25-26</b>
<b>Salaries - 100</b>	\$18,008,919	\$18,157,926	\$18,536,932	\$379,006
<b>Benefits - 200</b>	<u>\$13,699,652</u>	<u>\$14,413,955</u>	<u>\$14,842,894</u>	<u>\$428,939</u>
<b>Total Salary &amp; Benefits</b>	\$31,708,571	\$32,571,881	\$33,379,826	\$807,945

**Salaries:**

- Elimination of Lynch & SRU Librarians, SRU Classroom Teacher, Lynch Classroom Teacher, 2 Rowe Classroom Teachers; Total of 6 less teaching positions.
- Elimination of 4 part-time paraprofessional positions.
- 1 additional full-time paraprofessional position.
- Salary increases as included in each contract.

**Benefits:**

- 13% increase in health insurance, 33.59% PSERS contribution.
- Retiree health insurance - \$782K.



# Remaining Expenses

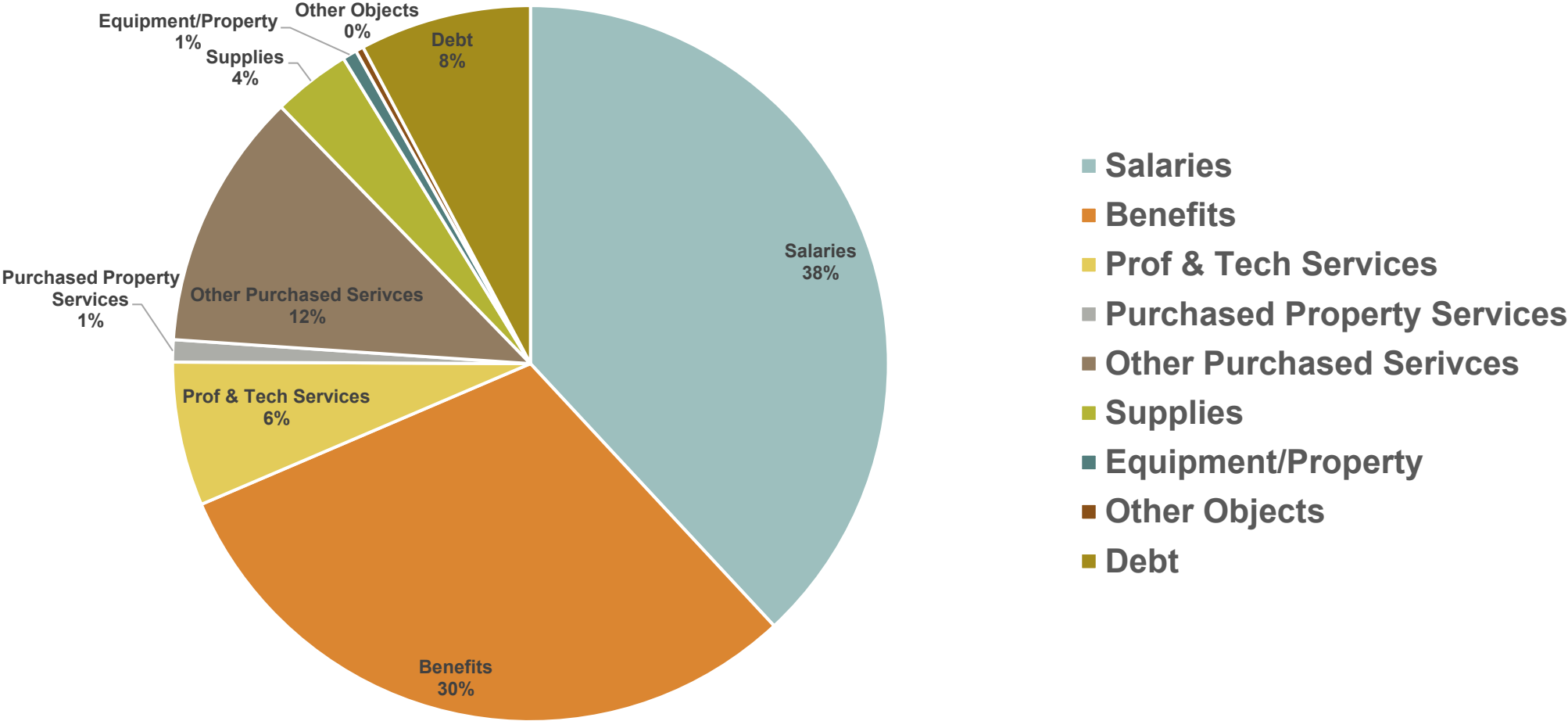
	<u>ACTUAL</u> <u>2024-2025</u>	<u>BUDGET</u> <u>2025-2026</u>	<u>BUDGET</u> <u>2026-2027</u>	<u>\$ VARIANCE</u> <u>FROM 25-26</u>
Prof & Tech Services - 300	\$3,182,801	\$2,841,836	\$3,162,314	\$320,478
Purchased Property Services - 400	\$584,596	\$825,731	\$487,149	\$(338,582)
Other Purchased Services - 500	\$5,671,100	\$5,218,798	\$5,674,505	\$455,707
Supplies - 600	\$2,432,008	\$2,416,916	\$1,713,167	\$(703,749)
Equipment/Property - 700	\$242,806	\$94,905	\$314,301	\$219,396
Other Object - 800	\$143,671	\$97,660	\$174,292	\$76,632
Debt - 900	<u>\$3,870,011</u>	<u>\$3,755,970</u>	<u>\$3,772,368</u>	<u>\$16,398</u>
<b>Total Other Expense</b>	<b>\$16,126,993</b>	<b>\$15,251,816</b>	<b>\$15,298,096</b>	<b>\$46,280</b>

## NOTES:

- Prof/Tech Services: ESS Substitutes, Questeq, IU Special Education Services
- Purchased Property Services: maintenance budgeted contracted repairs
- Other Purchased Services: Transportation (including IU transportation)
- Supplies: CKLA curriculum budgeted in prior year; athletic supplies reduced; liability insurance (7% increase), out of district tuition, offset with a reduction in cyber charter school tuition
- Equipment: maintenance truck, SRU well, replacement fencing, network infrastucture, Rowe PA system
- Other – budget contingency \$100,000
- Debt – includes \$117,000 transfer to capital reserve - \$17K is from gas royalty payments



# Expenses...



Salaries, benefits, and debt represent 76% of the district total budget...



**Although the 26/27 budget is a \$1.5 million loss we reduced the deficit by \$1.2 million from the prior year.**

	<b>ACTUAL</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>\$ VARIANCE</b>
	<b><u>2024-2025</u></b>	<b><u>2025-2026</u></b>	<b><u>2026-2027</u></b>	<b><u>FROM 25-26</u></b>
Revenues	\$46,029,570	\$45,064,484	\$47,157,885	\$2,093,401
Expenditures	<u>\$47,922,765</u>	<u>\$47,823,697</u>	<u>\$48,677,922</u>	<u>\$854,225</u>
Surplus (Deficit)	\$(1,893,195)	\$(2,759,213)	\$(1,520,037)	<b>\$1,239,176</b>



# Throughout the budget process we evaluated district expenses to confirm spending aligned with student opportunities & success.

## Eliminated:

- Did not fill 6 teaching positions
- Eliminated 4 part-time paraprofessional positions. Offset with 1 full-time paraprofessional position
- Eliminated all building-based substitutes
- The district will not pay for graduation gowns – both staff and students
- Not renewing contract with Penn York
- Eliminated 3 postage machines

## Reductions/Efficiencies

- Reduced athletic budget by \$100,000
  - Eliminated FWF Contract
- Reduced field trip transportation
- Reduced building budgets
- Reduced technology hardware K-5
- Reduced the number of curriculum and financial subscriptions
- Changed vendor or copier/printer maintenance agreement
- Students pay for summer school (credit recovery)
- Increased summer rec registration fees

Significant changes were implemented for the 26/27 school year.



# What's left to finalize the budget?

- **Revenues:**

- Final assessed values
- Continue to watch the state budget and how it impacts the district

- **Expenses:**

- BLAST special education budget
- Benefit changes due to open enrollment
- Paraprofessional needs



# 2026/2027 Budget Recommendations

- Tax increase to the Act 1 index or 5.1%.

Tax Increase Options:			
Operating Loss	26/27	Fund Balance	26/27
26/27 Budgeted Loss – No Tax Increase	(\$2,338,758)	6/30/27 Budgeted Fund Balance – No Tax Increase	\$1,810,116
Additional Revenue – ½ Index or 2.55%	<u>\$409,361</u>	Additional Revenue – ½ Index or 2.55%	<u>\$409,361</u>
26/27 Budgeted Loss – 2.55% Tax Increase	(\$1,929,397)	6/30/27 Budgeted Fund Balance – 2.55% Tax Increase	\$2,219,477
Additional Revenue – Index or 5.10%	<u>\$409,361</u>	Additional Revenue – Index or 5.10%	<u>\$409,361</u>
26/27 Budgeted Loss – 5.1% Tax Increase	(\$1,520,037)	6/30/27 Budgeted Fund Balance – 5.10% Tax Increase	\$2,628,837




Administration Recommendation

- Re-organize staff through attrition.
- Reduce expenditures.
- Continue to evaluate expense, contracts, agreements.

Financial stress is not going away and this is why.....



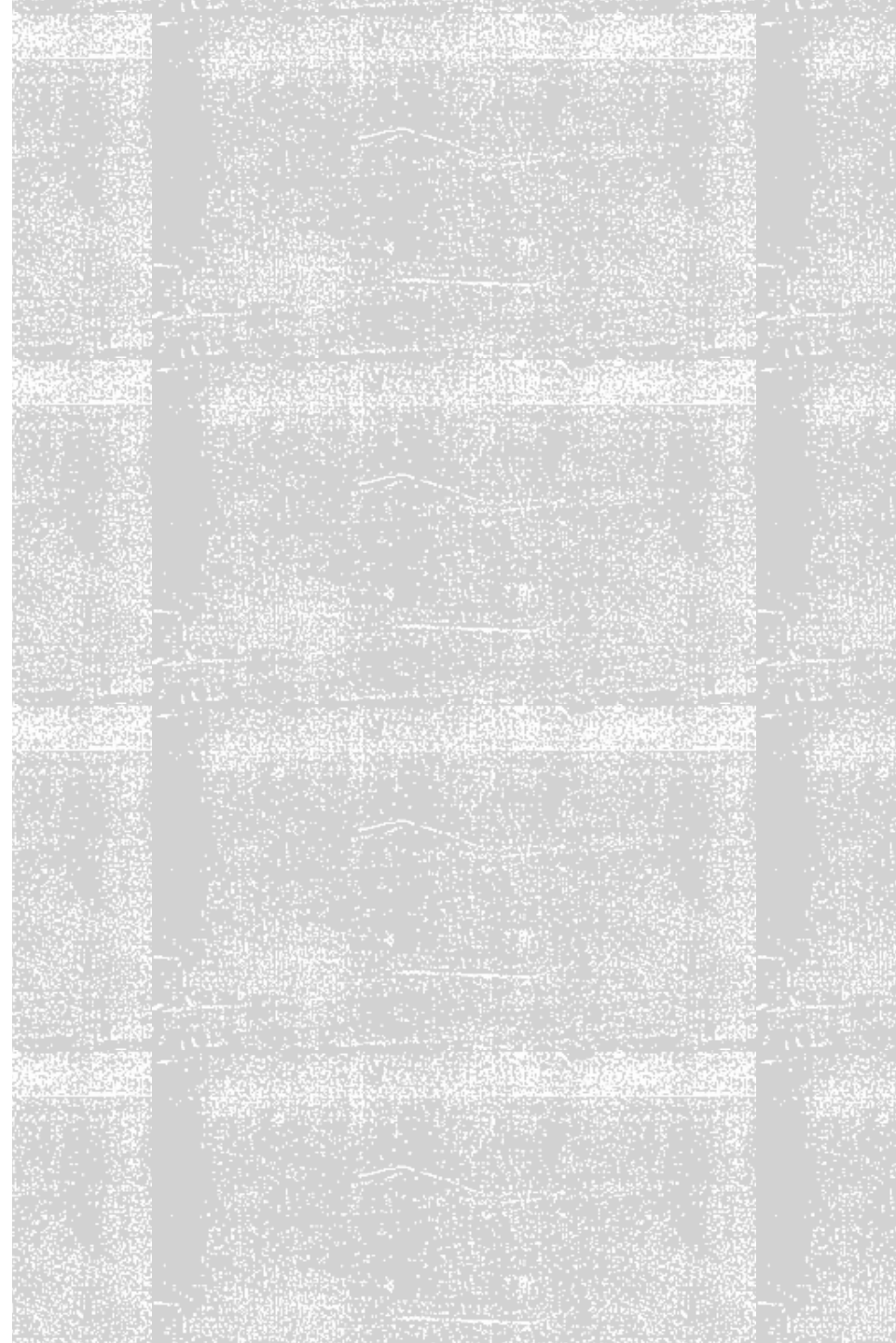
**By 6/30/26 the district could have fund balance of \$2.6 million, which is only 5.4% of total budgeted expenses.**

	General Fund
6/30/2025 Fund Balance	\$6,908,087
Budgeted 25/26 Loss	<u>(\$2,759,213)</u>
Estimated 6/30/2025 Fund Balance	\$4,148,874
Budgeted 26/27 Loss	<u>(\$1,520,037)</u>
Estimated 6/30/2026 Fund Balance	<b>\$2,628,837</b> 
Fund Balance as a % of Total Expense	5.40%

This challenge is ongoing, and we must remain proactive in evaluating expenses and programs while keeping students and the community at the center of our decisions.



# APPENDIX



Year	Millage	Increase
2016/2017	49.8	1
2017/2018	49.8	0
2018/2019	50.3	0.5
2019/2020	50.3	0
2020/2021	50.8	0.5
2021/2022	50.8	0
2022/2023	50.8	0
2023/2024	52.3	1.5
2024/2025	54.3	2.0
2025/2026	57.4	3.1
2026/2027	60.4	2.9

# Real Estate Tax History

### Value of Mill Adjustments

0.25	0.5	0.75	1.00	1.25	1.50	1.75	2.00	2.93
\$69,857	\$139,714	\$209,570	\$279,427	\$349,284	\$419,141	\$488,997	\$558,854	\$818,721
57.69	57.94	58.19	58.44	58.69	58.94	59.19	59.44	60.37

# Millage



- Value of 1 Mill = \$279,427
- Act 1 Index for AASD 5.1% or 2.93 Mills
- Value to Index = \$818,721



Assessed Value	1.5 Mill Increase	2.93 Mill Increase
\$30,900	\$46.35	\$90.54
\$62,400	\$93.60	\$182.83
\$98,950	\$148.43	\$289.92
\$103,500	\$155.25	\$303.26

# HOW DOES A TAX INCREASE AFFECT THE HOMEOWNER?

