

2023-2024 PRELIMINARY BUDGET

2/7/23 FINANCE COMMITTEE MEETING



BUDGET PROCESS

- The primary goal of the budget is to provide the necessary resources to complete the District's mission while maintaining fiscal responsibility to the taxpayers of Radnor Township
- Budget process begins in September with the publishing of the Act I Index by the Department of Education - Act I of 2006 establishes the limit of annual real estate taxes
 - 4.1% for the 2022-2023 school year
- Budget requests are submitted by each district department while the business office compiles salary, benefit, debt, and revenue budgets
- The Board of Directors passed a resolution in January not to exceed the Act I Index limit of 4.1% for the upcoming year
- The final budget is required to be passed by June 30 but can be approved earlier
 - Proposed final budget must be approved 30 days before the final budget to allow for public inspection

GENERAL FUND SUMMARY

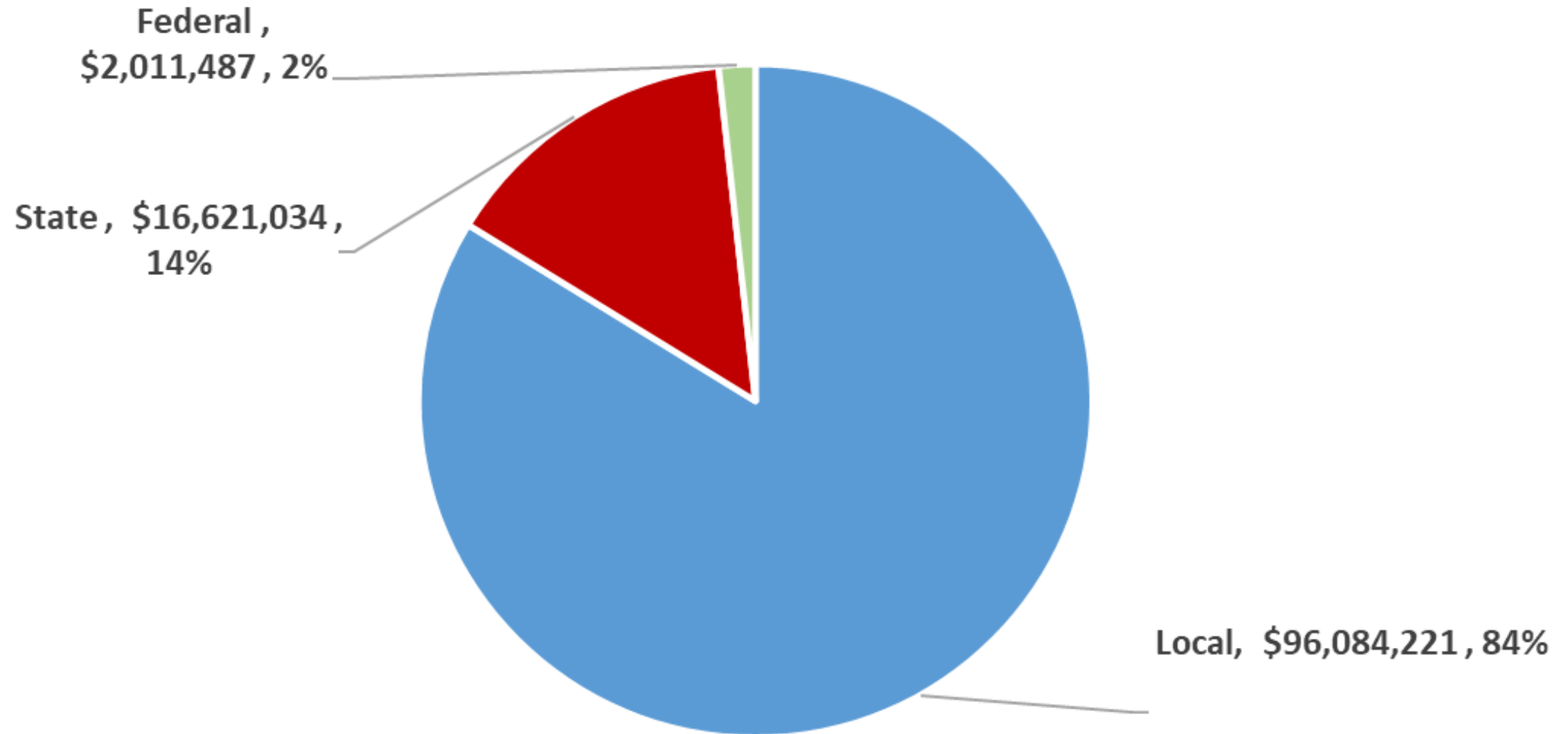
	Actual 2021-2022	Budget 2022-2023	Budget 2023-2024
Total Fund Balance July 1, 20XX	\$ 28,651,683	\$ 31,321,349	\$ 31,246,349
Total Revenue	\$ 108,171,473	\$ 110,373,456	\$ 114,726,742
Total Expenditures	\$ 105,905,449	\$ 110,448,456	\$ 114,726,742
Excess of Revenue Over (Under) Expenditures	\$ 2,266,023	\$ (75,000)	\$ -
Change in Other Fund Balances	\$ 403,643	\$ -	\$ -
Fund Balance June 30, 20XX	\$ 31,321,349	\$ 31,246,349	\$ 31,246,349

GENERAL FUND REVENUE

R/E Tax Increase: 1.90% 2.26% 3.09% (proposed)

	Actual 2021-2022	Budget 2022-2023	Budget 2023-2024
Revenue			
Local Sources	89,505,787	90,964,477	96,084,221
State Sources	15,790,164	17,281,539	16,621,034
Federal Sources	2,867,659	2,121,240	2,011,487
Other Sources	7,862	6,200	10,000
Total Revenue	\$ 108,171,473	\$ 110,373,456	\$ 114,726,742

2023-24 Budgeted Revenues - \$114.7 million



REVENUE BUDGET HIGHLIGHTS

- Real estate tax revenue includes the following:
 - 96.5% current tax collection assumption
 - Assessed property values adjusted from Delaware County data (\$6.29B to \$6.40B) - \$1.58m rev. increase
 - **3.09% increase in millage rate from 14.2371 to 14.6770 mills**
- Increase in real estate transfer taxes due to current market and collection data
- Interest revenue increased \$700k due to current interest rate environment
- State revenues budgeted to current year allocations
 - Increase in pension (PSERS) and Social Security/Medicare reimbursement based on salaries
 - Could be potential increases in subsidy
- Federal revenues
 - Title allocations level budgeted to current year allocations
 - ESSER III revenues of \$935,297 to match anticipated expenditures for the year – final year of spending

TAXATION OPTIONS

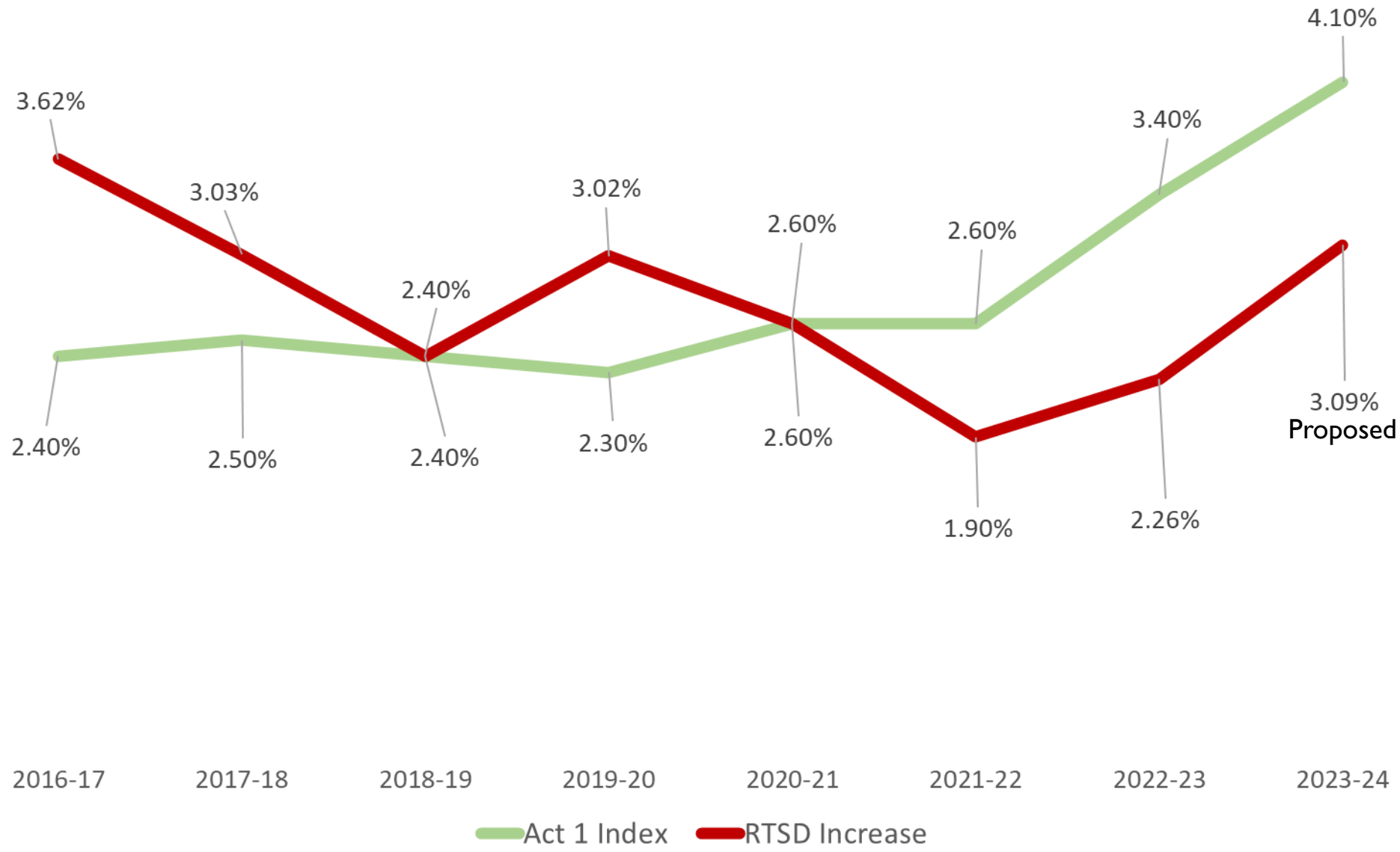
Millage Increase (%)	Total Revenue	Total Expense	Difference	Impact on Average Taxpayer (assessed value of \$723,335)
0%	\$112,008,793	\$114,726,742	(\$2,717,949)	\$0
1%	\$112,888,441	\$114,726,742	(\$1,838,301)	\$103
2%	\$113,767,829	\$114,726,742	(\$958,913)	\$206
3.09%	\$114,726,742	\$114,726,742	\$0	\$318
4.1%	\$115,647,824	\$114,726,742	\$921,082	\$422

1% tax increase/decrease = \$879k

\$500k expenditure increase/decrease = .57%

If \$500k were added to expenditures, tax increase to balance the budget would move from 3.09% to 3.66%

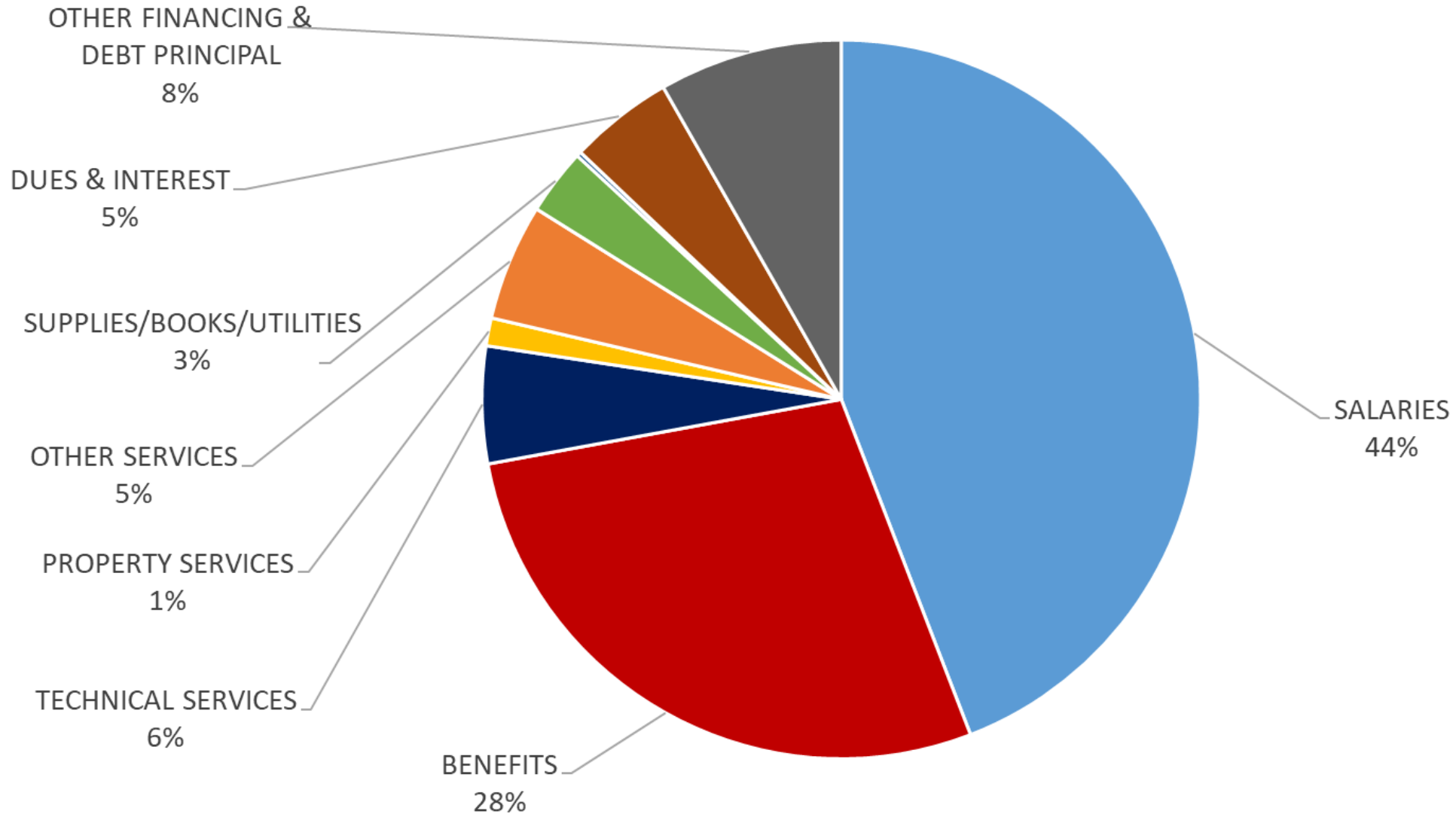
Radnor Township School District Tax Rate History



GENERAL FUND EXPENDITURES

	Actual 2021-2022	Budget 2022-2023	Budget 2023-2024
Expenditures			
Salaries	47,206,964	48,179,722	50,642,877
Benefits	30,093,840	31,432,508	32,098,677
Purchased Prof. Services	6,207,867	4,344,157	6,043,904
Purchased Prop. Services	1,366,233	1,288,374	1,434,216
Other Purchased Services	5,854,232	6,432,705	6,021,107
Supplies and Books	3,132,050	3,261,141	3,405,530
Property and Equipment	201,392	344,799	244,093
Other Objects	3,462,696	5,954,068	5,368,356
Other Uses of Funds	8,380,175	9,210,982	9,467,982
Total Expenditures	\$ 105,905,449	\$ 110,448,456	\$ 114,726,742

2023-24 Budgeted Expenditures - \$114.7 million



EXPENDITURE BUDGET HIGHLIGHTS

- Total increase of \$4.28m from 2022-23 budget (3.9% increase)
- Salaries
 - Overall salary increase of 5.5% which includes new positions and current contractual increases included while maintaining current class size recommendations
 - New positions include ELL teacher, 3 learning support floating positions, 3 counselor positions, and 1 staff nurse moved from 22-23 contingency to 23-24 salary budget
- Benefits
 - Medical benefits held flat based on first look rates
 - Increases to prescription and dental rates (first look rates not received yet)
 - PSERS pension employer rate decreased from 35.26% to 34.00%

EXPENDITURE BUDGET HIGHLIGHTS

- All departmental budget requests included in non salary and benefit accounts
- Debt service budgeted as scheduled
- Fund Transfers
 - Curriculum fund transfer: \$1,458,857
 - Technology fund transfer: \$1,250,807
 - Swim fund transfer: \$45,000
 - Capital reserve fund transfer: \$1,575,000 (\$1m for smaller projects, \$575k for transportation vehicles)
- Budgetary reserve/contingency
 - 11 FTE positions for WATCH/contingency: \$1,194,783
 - ESSER III anticipated expenditures: \$935,297

BUDGET CALENDAR

February 7 Finance Meeting – present preliminary budget

March Finance Meeting – budget update

April Finance Meeting – budget update and presentation of proposed final budget

April 25 Board Meeting – approval of proposed final budget

May Finance Meeting – budget update and presentation of final budget

May 30 Board Meeting – approval of final budget

NEXT STEPS

- Refine the budget by reviewing expenditures and revenues until final approval
- Evaluate additional staffing needs and projected elementary class sizes
- Monitor economic conditions and make potential inflation adjustments for goods and services and/or interest collections
- Determine potential state funding changes between Governor's budget address in early March and final budget approval
- Present further detail at future finance committee meetings
- Update financial projections for the current and future fiscal years to help guide current decision making
- Present the final budget for approval on May 30