

2024-2025 Preliminary Budget



FINANCE COMMITTEE MEETING

FEBRUARY 6, 2024

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 1 Index by the Department of Education - Act 1 of 2006 establishes the limit of annual real estate taxes
 - 5.3% for the 2024-2025 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 November not to exceed the Act 1 Index limit of 5.3% 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 2022-2023	Budget 2023-2024	Budget 2024-2025
Total Fund Balance July 1, 20XX	\$ 31,321,349	\$ 33,172,611	\$ 33,172,611
Total Revenue	\$ 113,317,146	\$ 115,105,357	\$ 120,337,899
Total Expenditures	\$ 112,139,752	\$ 115,105,357	\$ 121,187,000
Excess of Revenue Over (Under) Expenditures	\$ 1,177,394	\$ -	\$ (849,101)
Change in Other Fund Balances	\$ 673,868	\$ -	\$ -
Fund Balance June 30, 20XX	\$ 33,172,611	\$ 33,172,611	\$ 32,323,510

General Fund Revenue

R/E Tax Increase:

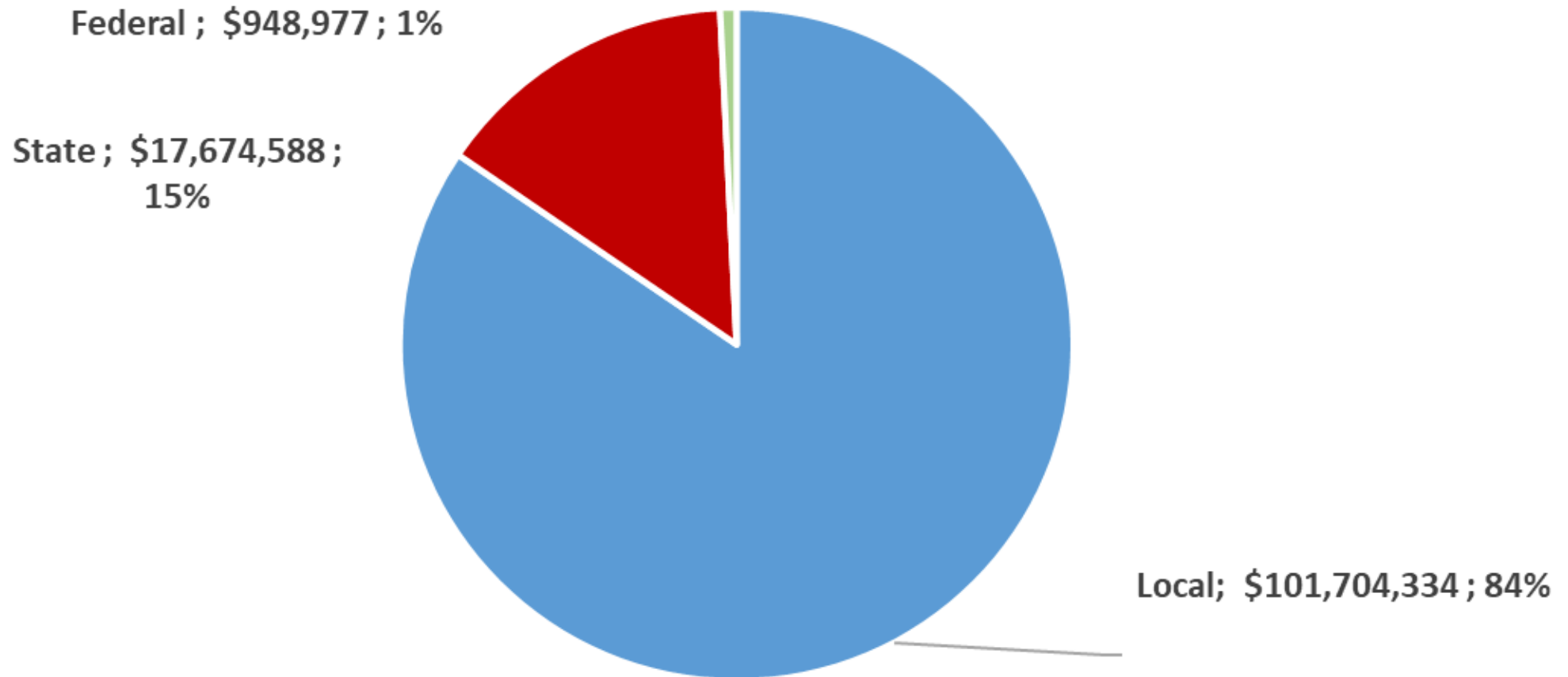
2.26%

2.78%

5.3% (proposed)

	Actual 2022-2023	Budget 2023-2024	Budget 2024-2025
Revenue			
Local Sources	93,961,657	96,269,372	101,704,334
State Sources	16,828,468	16,814,498	17,674,588
Federal Sources	2,179,287	2,011,487	948,977
Other Sources	347,734	10,000	10,000
Total Revenue	\$ 113,317,146	\$ 115,105,357	\$ 120,337,899

2024-25 Budgeted Revenues - \$121.2 million



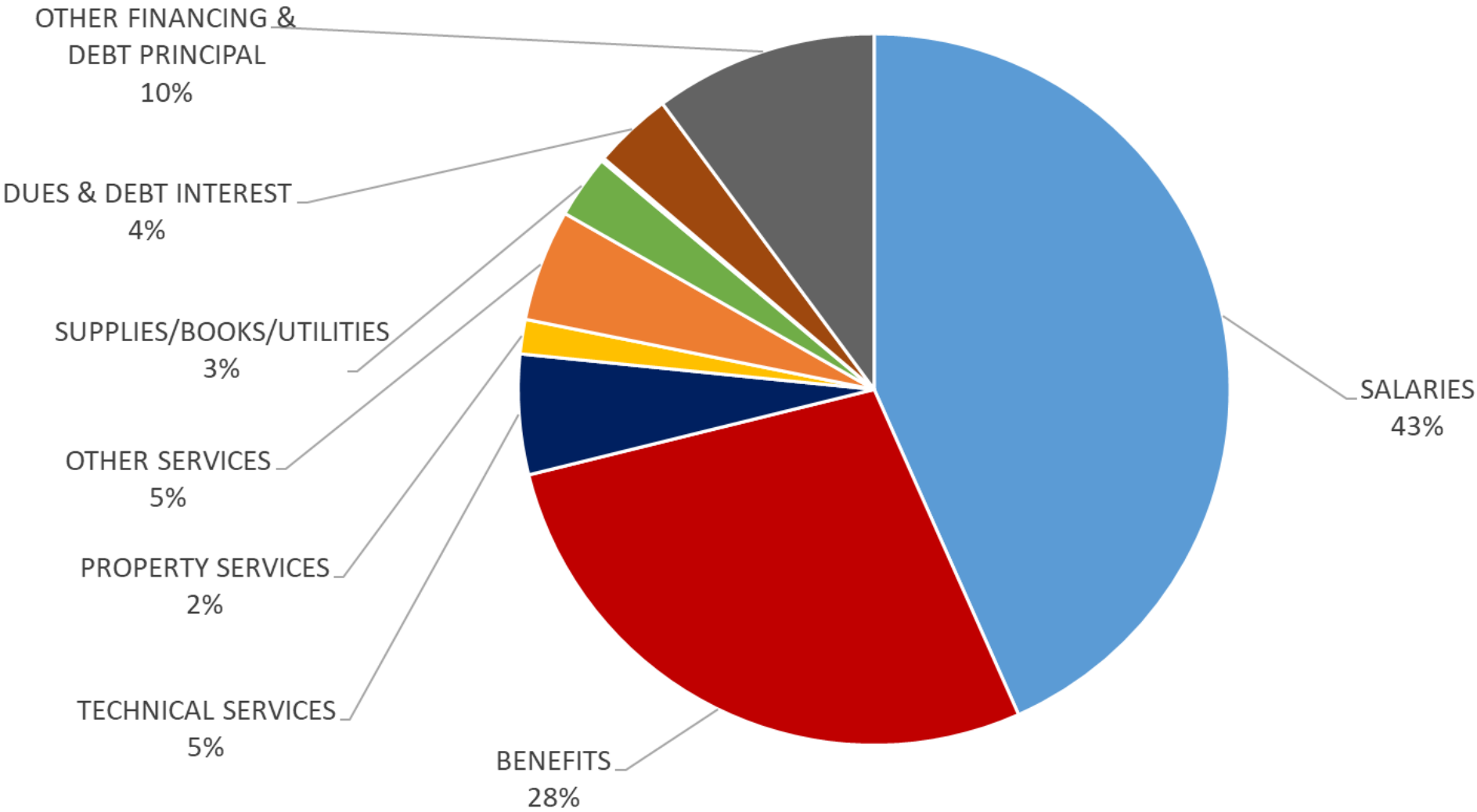
Revenue Budget Highlights

- Real estate tax revenue includes the following:
 - 97% current tax collection assumption (adjusted up from 96.5% in 2023-24 budget)
 - Assessed property values adjusted from Delaware County data (\$6.40B to \$6.46B) - \$803k rev. increase
 - **5.3% increase in millage rate from 14.6329 to 15.4084 mills**
- Decrease in real estate transfer taxes due to current market and collection data (\$300k)
- Interest revenue increase of \$300k due to current interest rate environment
 - Increase from 2023-24 budget but reduction from 2022-23 actuals based on forecasted fed rate decreases
- 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 removed from budget due to end of funding

General Fund Expenditures

	Actual 2022-2023	Budget 2023-2024	Budget 2024-2025
Expenditures			
Salaries	47,874,076	50,642,877	52,560,189
Benefits	31,105,938	32,611,385	33,689,257
Purchased Prof. Services	5,895,638	6,016,618	6,621,652
Purchased Prop. Services	1,741,147	1,434,216	1,896,056
Other Purchased Services	6,446,752	6,083,393	6,151,477
Supplies and Books	3,183,420	3,236,437	3,489,517
Property and Equipment	455,889	244,093	177,560
Other Objects	3,193,644	5,368,356	5,432,141
Other Uses of Funds	12,243,247	9,467,982	11,169,152
Total Expenditures	\$ 112,139,752	\$ 115,105,357	\$ 121,187,000

2024-25 Budgeted Expenditures - \$121.2 million



Expenditure Budget Highlights

- Total increase of \$6.08m from 2023-24 budget (5.28% increase)
- Salaries
 - Overall salary increase of 3.79% which includes new positions and current contractual increases included while maintaining current class size recommendations
 - New positions include 1 ES counselor, 3 autistic/emotional support positions, and 1 autistic/ES paraprofessional moved from 23-24 contingency funds to 24-25 salary budget
- Benefits
 - Medical benefits held flat based on first look rates
 - Increase to prescription based on first look rates of \$702k (24.9%)
 - PSERS pension employer rate decreased from 34.00% to 33.90%

Expenditure Budget Highlights

- All departmental budget requests included in non salary and benefit accounts
- Debt service - \$8,950,524
 - Existing debt service budgeted as scheduled
 - Added \$612k of new debt payments for 2023 Series A borrowing of \$9.6m (first borrowing for Ithan project)
- Fund Transfers - \$5,791,120
 - Curriculum fund transfer: \$1,458,857
 - Technology fund transfer: \$1,250,807
 - Swim fund transfer: \$45,000
 - Capital reserve fund transfer: \$3,036,456 (\$1m for projects, \$600k for transportation vehicles, \$1,436,456 for future Ithan debt)
- Budgetary reserve/contingency - \$1,658,595
 - 11 FTE positions for WATCH/contingency: \$1,194,417
 - \$477k for 2024 debt for Ithan (second borrowing for project)

	<i>Actual</i> STEP 1	<i>Estimated</i> STEP 2	<i>Estimated</i> STEP 3	<i>Estimated</i> STEP 4	<i>Estimated</i> STEP 5	TOTAL
Available for Projects	\$9,422,165	\$15,000,000	\$17,000,000	\$18,577,835	\$10,000,000	\$70,000,000
Settlement	December 07, 2023	July, 2024	July, 2025	July, 2026	March, 2027	
BQ Status	Bank Qualified	Non-BQ	Non-BQ	Non-BQ	Bank Qualified	
Term	30 years	30 years	29 years	28 years	27 years	



	7	8	9	10	11	12	13	14	15
Fiscal Year Ending	Existing Local Effort	Annual Local Effort [2]	Est. Annual Local Effort [1][2]	Est. Annual Local Effort [1][2]	Est. Annual Local Effort [1][2]	Est. Annual Local Effort [1][2]	Est. Annual Local Effort [1][2]	Ending Net Local Effort	Millage Equivalent [3]
6/30/2024	7,449,681							7,449,681	
6/30/2025	7,449,539	612,726	464,178					8,526,442	0.18
6/30/2026	7,454,339	515,969	750,875	522,667				9,243,850	0.12
6/30/2027	7,437,908	515,781	750,625	844,875	569,333			10,118,523	0.14
6/30/2028	7,443,712	515,594	750,375	844,625	919,875	482,892		10,957,073	0.14
6/30/2029	7,444,038	515,406	750,125	844,375	919,625	504,875		10,978,444	0.00
6/30/2030	7,553,584	515,188	749,875	844,125	919,375	504,625		11,086,772	0.02
6/30/2031	7,857,926	514,938	749,625	843,875	919,125	504,375		11,389,864	0.05

Ithan Debt Service and Fund Transfers

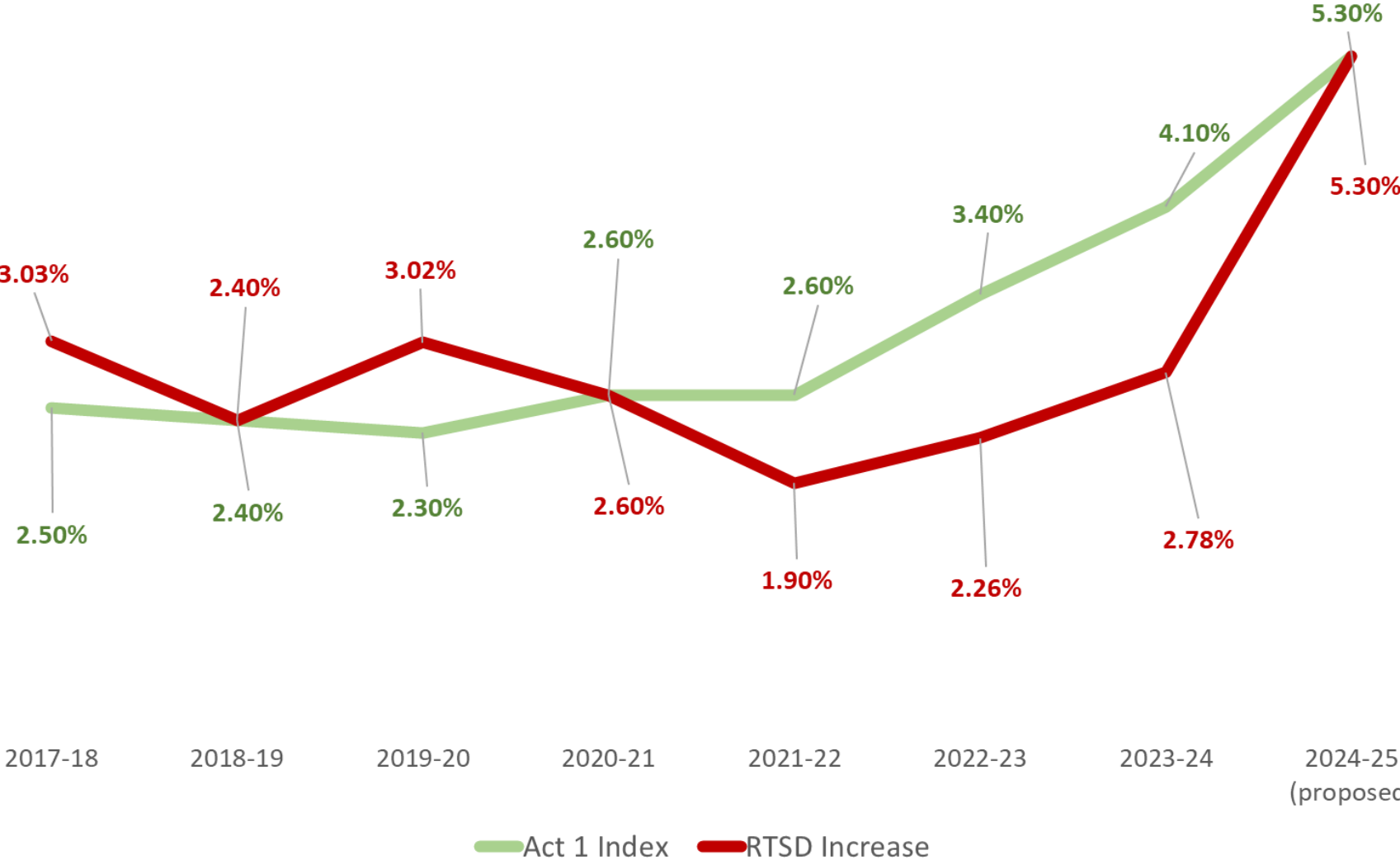
	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Reserve Transfer (excl. busses)					
Dedicated for Cap. Res.	\$1,000,000	\$0	\$0	\$0	\$0
Future Ithan Debt	\$0	\$2,436,456	\$1,723,849	\$832,746	\$0
Ithan Project Debt (Current)	\$0	\$1,076,904	\$1,789,511	\$2,680,614	\$3,513,360
Total	\$1,000,000	\$3,513,360	\$3,513,360	\$3,513,360	\$3,513,360

Taxation Options – with full Ithan debt

1% tax increase/decrease = \$916k

Millage Increase (%)	Total Revenue	Total Expense	Difference	Impact on Average Taxpayer (assessed value of \$730,613)
3%	\$118,229,564	\$121,187,000	(\$2,957,436)	\$321
4%	\$119,146,204	\$121,187,000	(\$2,040,796)	\$428
5%	\$120,062,844	\$121,187,000	(\$1,124,156)	\$535
5.3%	\$120,337,899	\$121,187,000	(\$849,101)	\$567

Radnor Township School District Tax Rate History



PRE ACT 1

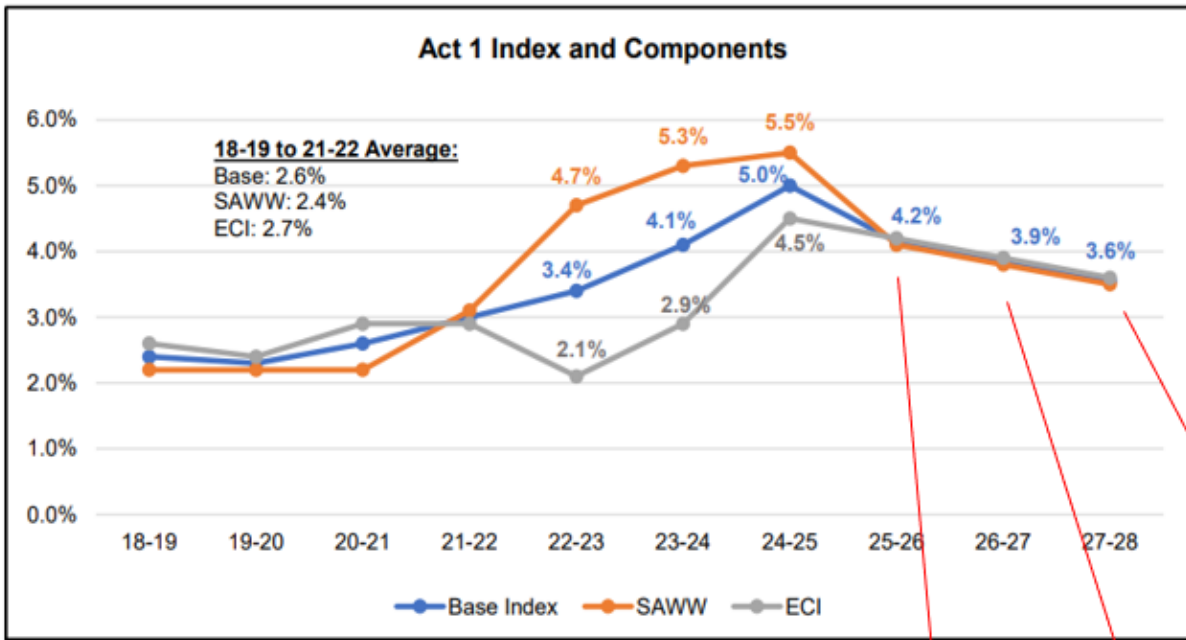
YEAR	MILLAGE	MILLAGE INCREASE	% MILLAGE INCREASE
1993-94	337.2	27.3	8.80%
1994-95	364.3	27.1	8.00%
1995-96	391	26.7	7.30%
1996-97	412.1	21.1	5.40%
1997-98	430.9	18.8	4.60%
1998-99	455.5	25.4	5.70%
1999-00	477.9	22.4	4.90%
2000-01*	12.91	Reassessment	
2001-02	13.5	0.59	4.57%
2002-03	14.17	0.67	4.96%
2003-04	14.92	0.75	5.29%
2004-05	15.64	0.72	4.83%
2005-06	16.41	0.77	4.92%

POST ACT 1 of 2006

YEAR	MILLAGE	MILLAGE INCREASE	% MILLAGE INCREASE	Act 1 Index
2006-07	17.367	0.957	5.83%	3.90%
2007-08	18.2359	0.8689	5.00%	3.40%
2008-09	19.5118	1.2759	7.00%	4.40%
2009-10	20.2731	0.7613	3.90%	4.10%
2010-11	20.8611	0.588	2.90%	2.90%
2011-12	21.1439	0.2828	1.36%	1.40%
2012-13	21.8227	0.6788	3.21%	1.40%
2013-14	21.7122	(0.1105)	-0.51%	1.70%
2014-15	21.7122	0	0.00%	2.10%
2015-16	22.1247	0.4125	1.90%	1.90%
2016-17	22.9262	0.8015	3.62%	2.40%
2017-18	23.6199	0.6937	3.03%	2.50%
2018-19	24.1867	0.5668	2.40%	2.40%
2019-20	24.9181	0.7314	3.02%	2.30%
2020-21	25.5659	0.6478	2.60%	2.60%
2021-22*	13.9224	(11.6435)	1.90%	2.60%
2022-23	14.2371	0.3147	2.26%	3.40%
2023-24	14.6329	0.3958	2.78%	4.10%

Act 1 Projections

June 2023
Vs.
November 2023



	2024-25	2025-26	2026-27	2027-28	2028-29
Base Index	5.3%	4.0%	3.6%	3.2%	3.1%
SAWW	5.6%	3.5%	3.1%	2.9%	3.2%
ECI	4.9%	4.5%	4.0%	3.5%	3.0%
Weighted Index	6.0%	4.5%	4.1%	3.6%	3.5%

Notes: Base index and components computed and published by PDE for FY 2024-25, projected by IFO thereafter. Weighted index calculated by the IFO for all years.



Basic Education Funding Commission

- The Basic Education Funding Commission (BEFC) met on January 11 with 2 reports presented
 - “Majority” report approved by 8-7 vote
 - Included 8 recommendations including reducing the volatility of the funding formula, calculate adequacy targets for each district, invest in school facilities, examine charter school funding, invest in education workforce, and invest in student supports.
 - Recommended providing at least a \$200 million increase through the BEF each year
 - Radnor impact - \$117,523
 - State should provide \$871 million annually for seven years to cover \$5.1 billion adequacy shortfall
 - RTSD not considered to have an adequacy gap so \$0 would be provided
 - State should provide \$955 million in tax equity supplement for “high tax effort districts”
 - RTSD does not qualify and would receive \$0
 - Nothing in the report should be deemed as “set in stone” or a commitment of funding.

Property Tax/Rent Rebate Program

- 2021 Dept. of Revenue statistics (published July 2023)
 - Total claimants – 135 base, 77 supplements
 - Payments - Base - \$55,004, Supplements - \$14,925, Bonus - \$48,951, **Total - \$118,880**
- RTSD statistics (100% match of state rebate)
 - 2021 – 31 applications, \$21,623 in rebates
 - 2022 YTD – 19 applications, \$9,450 in rebates
- Program changes – Act 7 of 2023
 - Increased income limit to \$45,000 for homeowners (from \$35,000)
 - Maximum rebate increased to \$1,000 (from \$650)
 - Annual CPI adjustment for income limit

Governor's Budget Address – Feb. 6

- Education investment of \$1.1 billion in new funding for schools with no school getting less than last year
 - \$900m of that sent to schools deemed inadequately funded
 - \$200m through basic education formula - \$116,918 for RTSD
- \$50m allocated for special education funding - \$15,762 for RTSD
- Fund summer food service program and continue funding universal breakfast program
- \$1.5 billion investment in school facilities (\$300m this year)
- Cyber charter school funding reform to reflect a flat, universal rate
- Supportive of PA Award for Student Success (PASS) scholarships for students residing in a school ranked in the bottom 15% of performance

February 6 Finance Meeting – present preliminary budget

March Finance Meeting – budget update

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

April 16 Board Meeting – approval of proposed final budget

May Finance Meeting – budget update and presentation of final budget

May 21 Board Meeting – approval of final budget

Budget Calendar
