

# 2025-2026 Preliminary Budget



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FINANCE COMMITTEE MEETING

FEBRUARY 11, 2025

# Budget Process

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- 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
  - 4.0% for the 2025-2026 school year (1.3% less than 2024-2025)
- 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 4.0% 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

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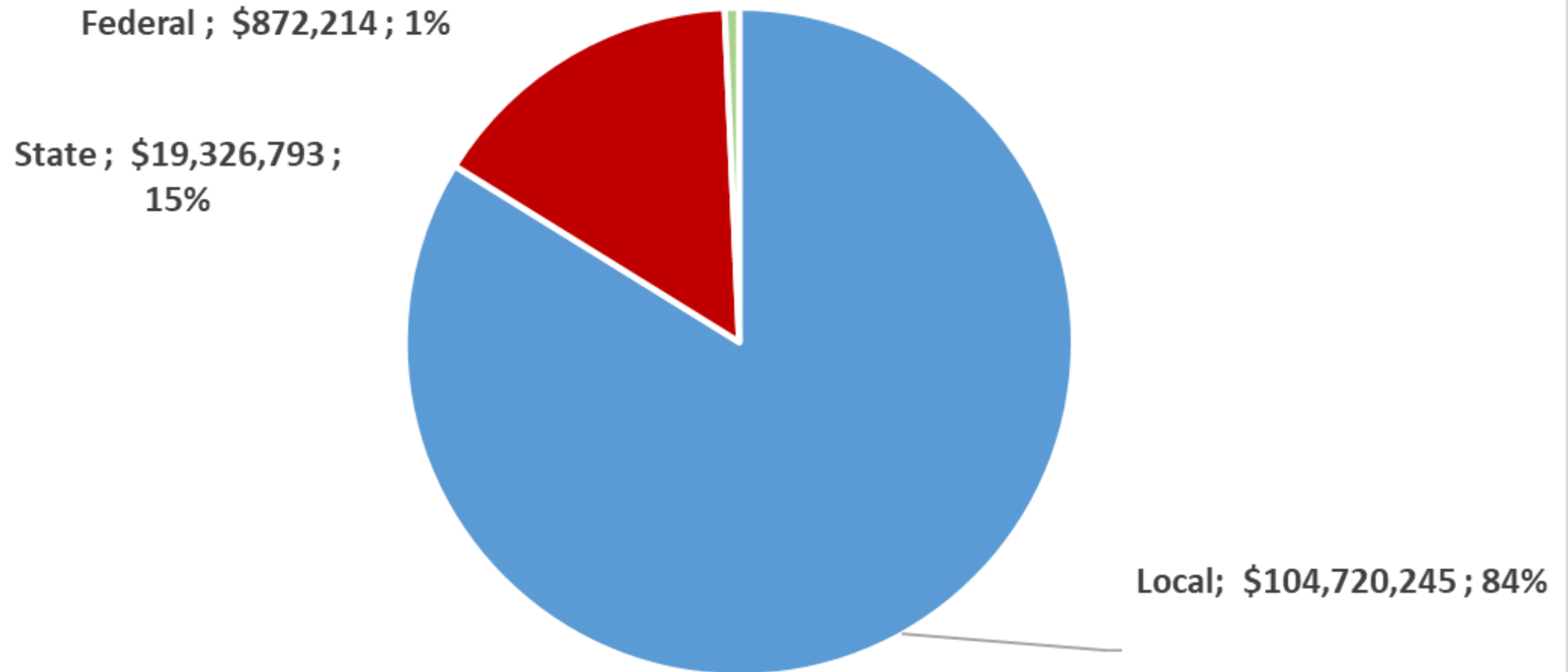
	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
<b>Total Fund Balance July 1, 20XX</b>	\$ 33,172,602	\$ 35,125,054	\$ 35,125,054
<b>Total Revenue</b>	\$ 119,368,346	\$ 120,009,557	\$ 124,929,252
<b>Total Expenditures</b>	\$ 116,207,409	\$ 120,009,557	\$ 125,540,378
<b>Excess of Revenue Over (Under) Expenditures</b>	\$ 3,160,937	\$ -	\$ (611,126)
<b>Change in Other Fund Balances</b>	\$ (1,208,485)	\$ -	\$ -
<b>Fund Balance June 30, 20XX</b>	<b>\$ 35,125,054</b>	<b>\$ 35,125,054</b>	<b>\$ 34,513,928</b>

# General Fund Revenue

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	R/E Tax Increase:	2.78%	3.95%	4.0% (proposed)
		<b>Actual 2023-2024</b>	<b>Budget 2024-2025</b>	<b>Budget 2025-2026</b>
<b>Revenue</b>				
Local Sources		99,691,028	100,742,040	104,720,245
State Sources		17,791,702	18,308,540	19,326,793
Federal Sources		1,855,072	948,977	872,214
Other Sources		30,544	10,000	10,000
<b>Total Revenue</b>		<b>\$ 119,368,346</b>	<b>\$ 120,009,557</b>	<b>\$ 124,929,252</b>

## 2025-26 Budgeted Revenues - \$124.9 million



# Revenue Budget Highlights

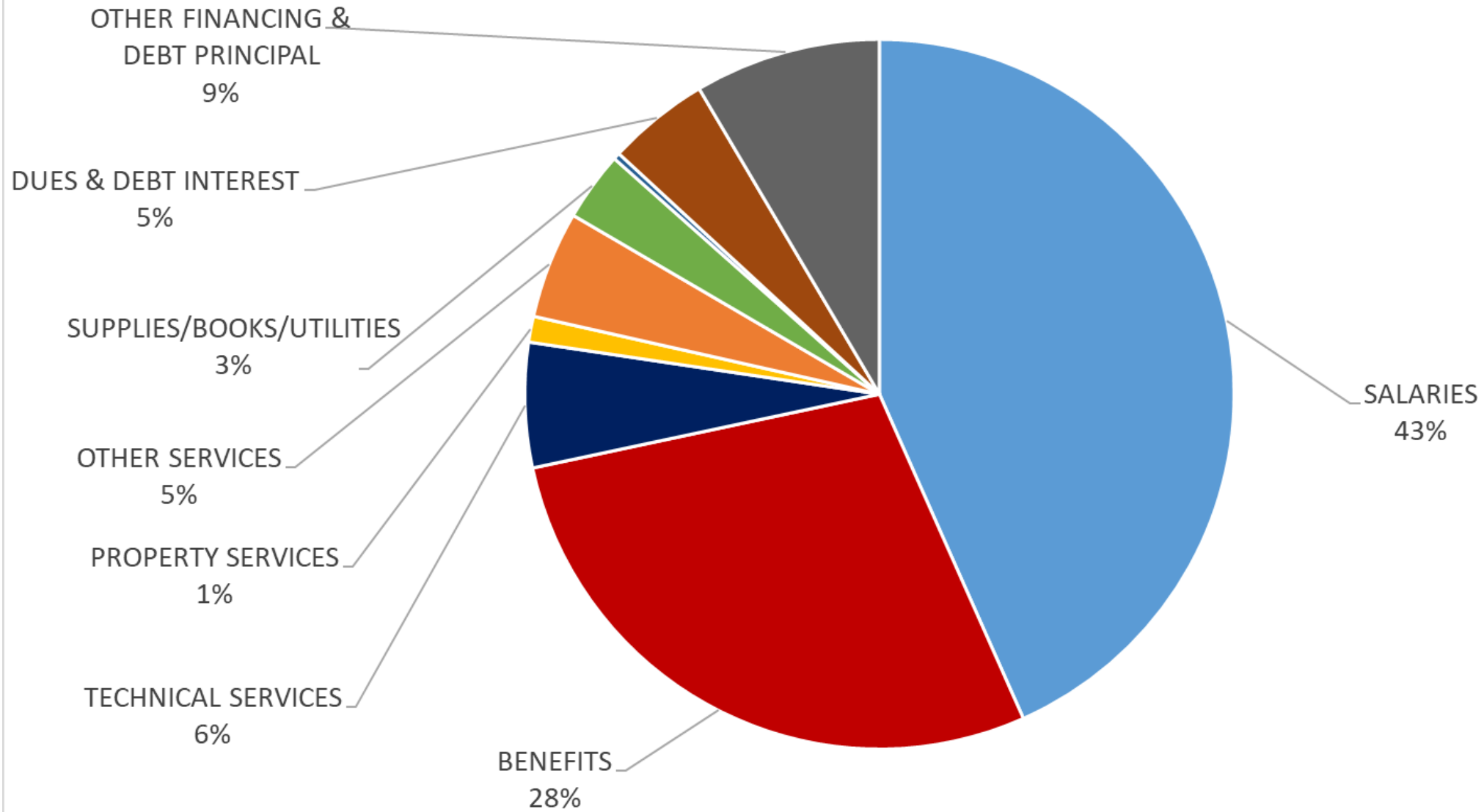
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- Real estate tax revenue includes the following:
  - 97% current tax collection assumption
  - Assessed property values adjusted from Delaware County data (\$6.46B to \$6.49B) - \$413k rev. increase
  - **4.0% increase in millage rate from 15.2109 to 15.8193 mills**
- Flat real estate transfer taxes due to current market and collection data
- Interest revenue decrease of \$200k 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
  - Continued monitoring of federal funding changes

# General Fund Expenditures

	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
<b>Expenditures</b>			
Salaries	50,300,223	52,530,762	54,420,224
Benefits	31,131,959	33,699,345	35,547,264
Purchased Prof. Services	6,197,859	6,696,652	7,136,880
Purchased Prop. Services	1,456,193	1,796,056	1,478,639
Other Purchased Services	6,225,901	6,151,477	6,131,335
Supplies and Books	3,549,466	3,496,855	3,951,035
Property and Equipment	178,583	177,560	381,000
Other Objects	4,112,405	5,374,444	5,836,124
Other Uses of Funds	13,054,818	10,086,406	10,657,877
<b>Total Expenditures</b>	<b>\$ 116,207,409</b>	<b>\$ 120,009,557</b>	<b>\$ 125,540,378</b>

## 2024-25 Budgeted Expenditures - \$125.5 million





# Expenditure Budget Highlights

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- Total increase of \$5.5m from 2024-25 budget (4.6% increase)
- Salaries
  - Overall salary increase of 3.6% which includes current contractual increases included while maintaining current class size recommendations
  - Additional costs budgeted for supplemental review
- Benefits
  - Medical benefits increased 3%
  - Increase to prescription of 2%
  - PSERS pension employer rate increased from 33.90% to 34.00%

# Expenditure Budget Highlights

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- All departmental budget requests included in non salary and benefit accounts
- Debt service - \$9,318,690
  - Existing debt service budgeted as scheduled
  - Added new debt payments for 2024 Series (second borrowing for Ithan project)
- Fund Transfers - \$5,113,791
  - Curriculum fund transfer: \$1,458,857
  - Technology fund transfer: \$1,250,807
  - Swim fund transfer: \$25,000
  - Capital reserve fund transfer: \$2,379,127 includes all future Ithan debt and transportation vehicles
- Budgetary reserve/contingency - \$1,752,158
  - 10 FTE positions for WATCH/contingency: \$1,104,425
  - \$647k for 2025 debt for Ithan (third borrowing for project)

	<i>Actual</i> <b>STEP 1</b>	<i>Actual</i> <b>STEP 2</b>	<i>Estimated</i> <b>STEP 3</b>	<i>Estimated</i> <b>STEP 4</b>	<i>Estimated</i> <b>STEP 5</b>	<b>TOTAL</b>
<b>Available for Projects</b>	\$9,422,165	\$9,807,089	\$21,000,000	\$20,500,000	\$14,593,154	\$75,322,408
<b>Settlement</b>	December 07, 2023	December 05, 2024	July, 2025	April, 2026	March, 2027	
<b>BQ Status</b>	Bank Qualified	Bank Qualified	Non-BQ	Non-BQ	Non-BQ	
<b>Term</b>	30 years	30 years	30 years	30 years	30 years	

7	8	9	10	11	12	13	14
<b>Fiscal Year Ending</b>	<b>Existing Local Effort</b>	<b>Annual Local Effort [2]</b>	<b>Annual Local Effort [2]</b>	<b>Est. Annual Local Effort [1][2]</b>	<b>Est. Annual Local Effort [1][2]</b>	<b>Est. Annual Local Effort [1][2]</b>	<b>Ending Net Local Effort</b>
6/30/2024	7,449,681						7,449,681
6/30/2025	7,449,539	612,726	85,451				8,147,716
6/30/2026	7,454,339	515,969	444,338	647,733			9,062,379
6/30/2027	7,437,908	515,781	444,088	1,045,875	885,960		10,329,611
6/30/2028	7,443,712	515,594	443,838	1,045,625	1,020,625	704,819	11,174,213
6/30/2029	7,444,038	515,406	443,588	1,045,375	1,020,375	737,125	11,205,907
6/30/2030	7,553,584	515,188	443,338	1,045,125	1,020,125	736,875	11,314,234
6/30/2031	7,857,926	514,938	443,088	1,044,875	1,019,875	736,625	11,617,326
6/30/2032	7,545,917	514,688	442,863	1,044,625	1,019,625	736,375	11,304,092
6/30/2033	7,652,862	514,438	442,663	1,044,375	1,019,375	736,125	11,409,837
6/30/2034	7,543,257	514,188	442,463	1,044,125	1,019,125	735,875	11,299,032
6/30/2035	4,709,701	513,931	442,263	1,043,875	1,018,875	735,625	8,464,270
6/30/2036	4,705,325	513,669	442,063	1,043,625	1,018,625	735,375	8,458,681
6/30/2037	4,704,800	513,406	441,863	1,043,375	1,018,375	735,125	8,456,944
6/30/2038	4,709,300	513,144	441,663	1,043,125	1,018,125	734,875	8,460,231
6/30/2039	4,707,200	512,881	441,463	1,042,875	1,017,875	734,625	8,456,919
6/30/2040	4,708,300	512,619	441,263	1,042,625	1,017,625	734,375	8,456,806
6/30/2041	4,707,300	512,356	441,063	1,042,375	1,017,375	734,125	8,454,594
6/30/2042		998,969	1,009,263	1,953,750	1,738,625	1,089,750	6,790,356
6/30/2043		1,001,669	1,010,363	1,955,500	1,735,500	1,085,875	6,788,906
6/30/2044		997,925	1,010,066	1,954,750	1,735,500	1,091,000	6,789,241
6/30/2045		1,001,863	1,008,356	1,956,375	1,733,500	1,090,000	6,790,094

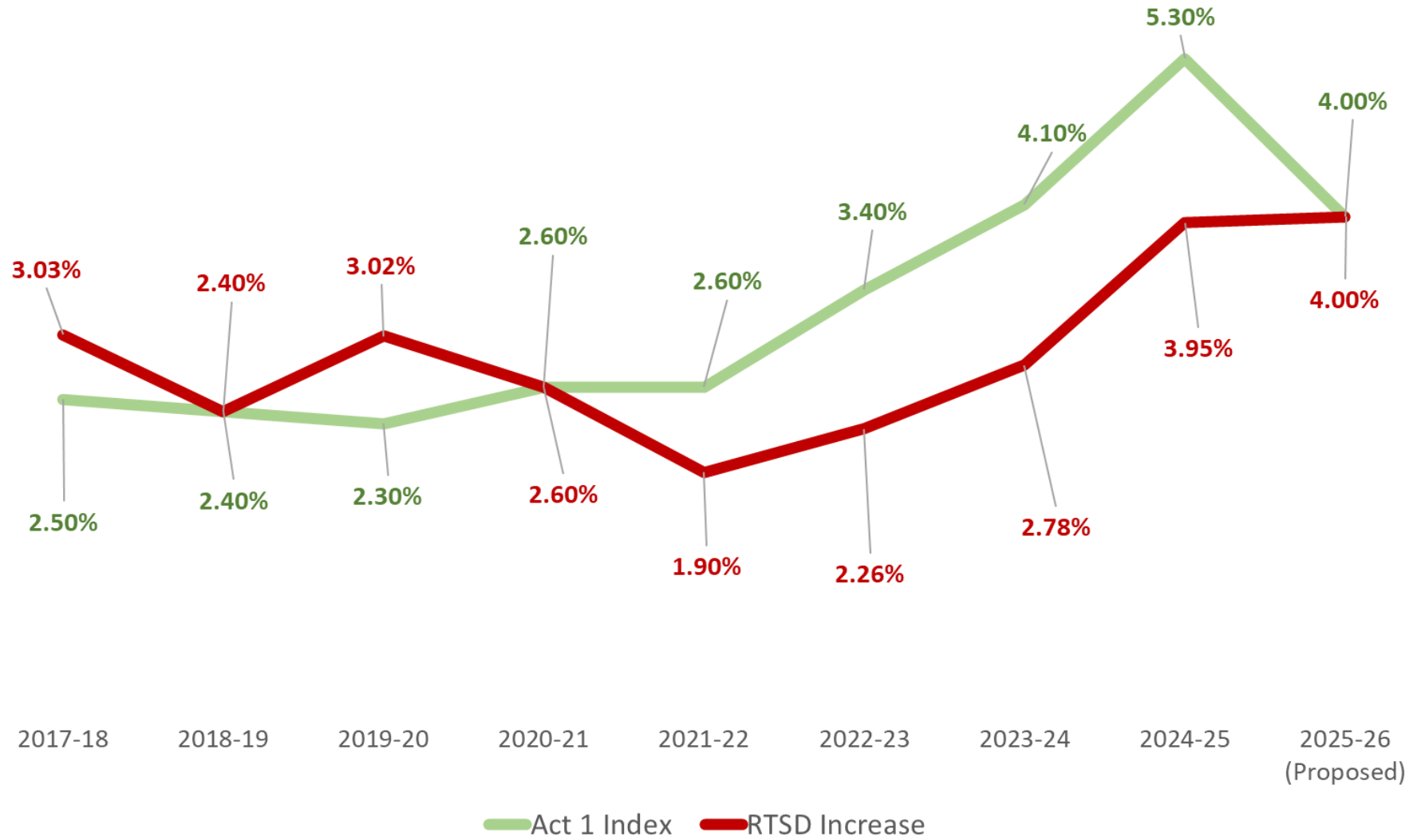
# Taxation Options

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1% tax increase/decrease = \$957k

Millage Increase (%)	Total Revenue	Total Expense	Difference	Impact on Average Taxpayer (assessed value of \$728,876)
2%	\$123,078,108	\$125,540,378	(\$2,462,270)	\$222
3%	\$124,035,180	\$125,540,378	(\$1,505,198)	\$333
4%	\$124,992,252	\$125,540,378	(\$611,126)	\$443

## 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%

\* - Countywide reassessment year

## 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%
2024-25	15.2109	0.5780	3.95%	5.30%

# Act 1 Index Forecast

October 2024

	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
<b>Base Index</b>	3.4%	4.1%	5.3%	4.0%	3.7%	3.4%	3.2%	3.2%
SAWW	4.7%	5.3%	5.6%	3.7%	3.7%	3.5%	3.3%	3.3%
ECI	2.1%	2.9%	4.9%	4.3%	3.8%	3.6%	3.4%	3.2%
<b>November 2023 (Base Index)</b>				4.0%	3.6%	3.2%	3.1%	--
Revision				0.1%	0.1%	0.2%	0.1%	--
<p>Notes: SAWW is statewide average weekly wage. ECI is employment cost index.</p> <p>Source: Reported by the Department of Education through 25-26, forecast by IFO thereafter.</p>								



# Governor's Budget Address – Feb. 4

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- Education investment of \$905 million in new funding for schools
  - \$526m sent to schools deemed inadequately funded
  - \$75m through basic education formula - \$40,857 for RTSD
- \$40m allocated for special education funding - \$14,961 for RTSD
- Fund summer food service program and continue funding universal breakfast program
- \$125m investment in school facilities improvement grants
- \$100m in safety/security grants



# Upcoming Budget Considerations

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- Review of medical and Rx costs
- Supplemental salaries review
- Staffing reviews
- Technology/curriculum transfers
- Capital projects and lthan costs
- Interest rates
- State funding
- Federal uncertainty

February 11 Finance Committee – Preliminary Budget

March 25 Board Meeting – In-depth Budget Review

April 8 Finance Committee – Proposed Final Budget Review

April 22 Board Meeting – Proposed Final Budget Approval

May 6 Finance Committee – Final Budget Review

May 27 Board Meeting – Final Budget Approval

# Budget Calendar