

SCHOOL DISTRICT OF
HAVERFORD TOWNSHIP

PRELIMINARY BUDGET

APRIL 3, 2025

2025-26 OPERATING BUDGET

- Revenues
 - Act 1 Index
 - Aid Ratio

- Expenditures
 - Cost Drivers

- Fund Balance
 - Current and Projected



ACT 1 INDEX

ACT 1 INDEX			
Fiscal Year	SAWW	ECI	Base
2020-21	2.2%	2.9%	2.6%
2021-22	3.1%	2.9%	3.0%
2022-23	4.7%	2.1%	3.4%
2023-24	5.3%	2.9%	4.1%
2024-25	5.6%	4.9%	5.3%
2025-26	3.7%	4.3%	4.0%
2026-27	3.7%	3.8%	3.7%
2027-28	3.5%	3.6%	3.4%
2028-29	3.3%	3.4%	3.2%
2029-30	3.3%	3.2%	3.2%

SAWW: statewide average weekly wage

ECI: employment cost index

Reported by the Department of Education through 25-26, forecast thereafter by IFO, Pennsylvania Independent Fiscal Office



AID RATIOS

Fiscal Year	Issued	Market Value Aid Ratio (MV)		Personal Income Aid Ratio (PI)		Market Value / Personal Income Aid Ratio (MV/PI)	
2024-25	AUG 2024	0.2484	-0.0577	0.1752	0.0425	0.2190	-0.0176
2023-24	JUL 2023	0.3061	0.0100	0.1327	-0.0570	0.2366	-0.0168
2022-23	JUL 2022	0.2961	0.0240	0.1897	0.0290	0.2534	0.0260
2021-22	AUG 2021	0.2721		0.1607		0.2274	

MV: Lower MV generally leads to a higher aid ratio, indicating greater need for state funding

PI: Lower personal income typically results in a higher aid ratio, suggesting a greater reliance on state assistance to support education

MV/PI: Lower MV/PI Aid Ratio, shows less dependency on state funding



AID RATIOS – IMPACT ON FUNDING

Basic Education Funding (BEF)

- Relies heavily on MV/PI AR. Funds are directed towards districts with the greatest need, based on their relative wealth and ability to generate local tax revenue.

Special Education Finding (SEF)

- Utilizes MV/PI AR to determine the level of funding each district receives. Districts with lower property values and personal income levels receive a higher proportion of state funding to support special education programs



AID RATIOS-IMPACT ON FUNDING

Transportation Subsidy

- Utilizes MV AR to determine the level of reimbursement each district receives. Ensures that districts with lower property values receive a higher proportion of state funding for transportation costs, recognizing their limited ability to raise local tax revenue.

Authority Rentals and Sinking Fund

- Applies MV AR to determine the level of assistance each district receives. Ensures that districts with lower property values receive a higher proportion of state funding for school construction projects, recognizing their limited ability to raise local tax revenue



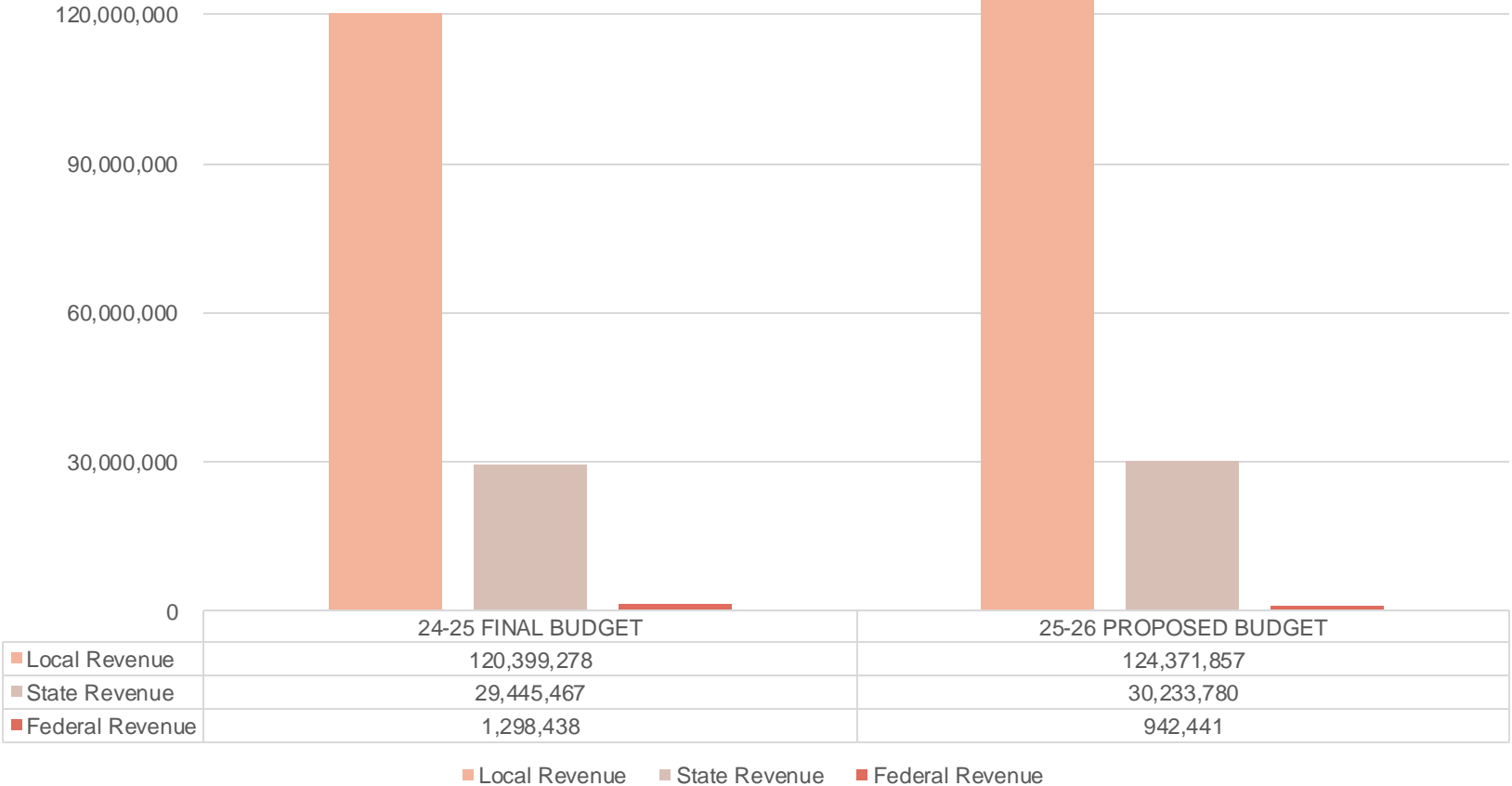
2025-26 PROPOSED REVENUE

	24-25 FINAL BUDGET	25-26 PROPOSED REV BUDGET	BUDGET TO BUDGET \$ CHANGE	BUDGET TO BUDGET % CHANGE
Local Revenue	120,399,278	124,371,857	3,972,579	3.30%
State Revenue	29,445,467	30,233,780	788,313	2.68%
Federal Revenue	1,298,438	942,441	*(355,997)	-27.42%
TOTALS	151,143,184	155,548,078	4,404,894	2.91%

**A result of the completion of ESSER programs, not a true reduction in federal funds and carryover funds for Title I and II.*



2025-26 PROPOSED REVENUE



2025-26 PROPOSED TAX REVENUE

Assessed Value			100% Tax	HOMESTEAD	AVAIL FOR COLLECTIONS	96.75%	TAX REVENUE
2024-2025	6,378,075,300	18.8951	120,514,371	3,212,879	117,301,491	113,489,194	116,702,073
2025-2026	6,361,043,902	18.8951	120,192,561	3,212,879	116,979,681	113,177,843	116,390,722
	<u>(17,031,398)</u>		<u>(321,810)</u>		<u>(321,810)</u>	<u>(311,351)</u>	<u>(311,351)</u>
1.00%	6,361,043,902	19.0841	121,394,798	3,212,879	118,181,919	114,341,006	117,553,886
1.50%	6,361,043,902	19.1785	121,995,280	3,212,879	118,782,401	114,921,973	118,134,852
1.75%	6,361,043,902	19.2258	122,296,158	3,212,879	119,083,278	115,213,072	118,425,951
2.00%	6,361,043,902	19.2730	122,596,399	3,212,879	119,383,520	115,503,555	118,716,435
2.50%	6,361,043,902	19.3675	123,197,518	3,212,879	119,984,638	116,085,138	119,298,017
3.00%	6,361,043,902	19.4620	123,798,636	3,212,879	120,585,757	116,666,720	119,879,599
3.50%	6,361,043,902	19.5564	124,399,119	3,212,879	121,186,240	117,247,687	120,460,566
4.00%	6,361,043,902	19.6509	125,000,238	3,212,879	121,787,358	117,829,269	121,042,148

*1% Increase = approx. \$1.163 million in additional resources



2025-26 PROPOSED REVENUE

- Local Revenue (*80% of Total Revenue Budget*)
 - Millage increase of 4.00%, maximum allowable of 4.00% (Act 1 Index)
 - 3.73% increase due to a reduction in total assessed value from prior year

- State Revenue (*19% of Total Revenue Budget*)
 - Basic Ed Funding
 - *Smallest proposed increase in BEF in 10+ years*
 - \$6,135,248 = 24-25 Base + Hold Harmless Relief Supplement
 - \$ 318,223 = 24-25 Student-weighted distribution (SWD)
 - \$ 107,132 = 25-26 Student-weighted distribution (SWD)

 - Special Ed Funding
 - *Smallest proposed increase in SEF since 2014-15*
 - \$2,356,920 = 13-14 Base SEF
 - \$ 682,043 = 24-25 Student-based allocation (SBA)
 - Potential for a reduction of \$4,247 in State Budget for SBA
 - Student data not yet updated, distribution among districts will change



2025-26 PROPOSED REVENUE

➤ State Revenue

➤ Cyber Charter Reimbursement

➤ *Not part of the 2025-26 Proposed State Budget*

➤ *2024-25 Funding: \$52,137, results in a net BEF increase of \$54,995*

➤ Federal Revenue (1% of Total Revenue Budget)

➤ \$1,277,006 = IDEA: educational services received from the intermediate units

➤ \$ 585,200 = ACCESS: school counseling and Supv. of Special Programs

➤ \$ 332,241 = Title I, II, IV Programs: staff, professional services and supplies

➤ *\$2,194,447*

A loss of Federal funds would have resulted in a budget with staffing cuts, prioritizing retaining staff in direct contact with students first

➤ \$1,141,412 = Food Services revenue received during 23-24

➤ *A loss of Federal funds would have resulted in an operating deficit of \$627,204 which the district budget would have needed to cover*



2025-26 PROPOSED EXPENDITURES

	24-25 FINAL EXP BUDGET	25-26 PRELIM EXP BUDGET	\$ INCR. / (DECR.)	% INCR. / (DECR.)
Salaries	72,409,764	74,144,426	1,734,662	2.40%
Employee Benefits	42,655,035	44,252,020	1,596,985	3.74%
Purchased Professional Svcs	4,255,907	4,930,465	674,558	15.85%
Purchased Property Services	3,762,227	3,905,573	143,346	3.81%
Other Purchased Services	9,247,037	9,593,428	346,391	3.75%
Supplies	5,102,945	5,776,357	673,412	13.20%
Equipment	957,950	599,459	(358,491)	-37.42%
Dues/Fees/Debt Svc	14,823,598	15,130,233	306,635	2.07%
TOTALS	153,214,463	158,331,961	5,117,498	3.34%
Capital Projects Funds Transfer	2,040,000	1,000,000	(1,040,000)	-50.98%



2025-26 EXPENDITURES OVERVIEW

- Maintains all current programs with no cuts or reductions
- Maintains all contractual obligations and associated benefit costs
- Increases in the following non-salary categories
 - Intermediate unit services based on student needs
 - Tuition to non-public schools and Approved Private Schools
 - Electricity costs
 - Curriculum materials
 - Debt service associated with facility renovation projects



2025-26 PROPOSED BUDGET

- Summary

- Revenues \$155,548,078
- Expenditures \$158,331,961 (net of Cap Proj Transfer)
- Increase / (Deficit) (\$ 2,783,883)

- *Increase / (Deficit) (\$ 3,119,383) presented on March 6th meeting*
 - *Change in deficit related to:*
 - *Increase in updated Rx premiums*
 - *Attritional savings on 2 FTEs*
 - *Operational department budget reductions*
 - *Maintenance vehicles deferred from 2024-25 budget, deferred again for the 2025-26 budget*



FUND BALANCE

- **Unassigned Fund Balance**

• Beginning Balance - July 1, 2024	\$10,884,819
• <u>2025-2026 Operating Budget Shortfall</u>	<u>(\$ 2,283,883)</u>
• Ending Balance - June 30, 2026	<u>\$ 8,600,937</u>
• Unreserved Fund Balance %	5.40%

Reliance on Fund Balance increases incrementally over time, resulting in the need for conservative budgeting

- **Committed Fund Balance – Balance Budget**

• Beginning Balance - July 1, 2024	\$ 2,071,279
• 2024-2025 Operating Budget	<u>*(\$ 2,071,279)</u>

**Balanced the budget, with the hope to not require the full amount of resources*

- **Committed Fund Balance – Capital Projects**

• Beginning Balance - July 1, 2024	\$ 6,428,498
• <u>Summer 2024 Projects</u>	<u>(\$ 2,153,531)</u>
• Ending Balance - June 30, 2025	\$ 4,274,967
• Summer 2025 Projects	(\$ 1,000,000)
• <u>2025-2026 Operating Budget Shortfall</u>	<u>(\$ 500,000)</u>
• Ending Balance - June 30, 2026	<u>\$ 2,774,967</u>



CAPITAL PROJECTS

- **Committed Fund Balance – Capital Projects**

• Beginning Balance - July 1, 2024	\$ 6,428,498
• <u>Summer 2024 Projects</u>	<u>(\$ 2,153,531)</u>
• Ending Balance - June 30, 2025	\$ 4,274,967
• Summer 2025 Projects	(\$ 1,000,000)*
• <u>2025-2026 Operating Budget Shortfall</u>	<u>(\$ 500,000)</u>
• Ending Balance - June 30, 2026	<u>\$ 2,774,967</u>

**This includes a set aside of \$676,430 for the Solar For Schools Project at Lynnewood Elem.*

- *\$202,929 = Solar for Schools Grant \$ 30,911 = PA PUC*
- *\$202,929 = Investment Tax Credit \$239,661 = Local funds*
- *DCED received 88 grant applications from schools across 25 counties for the Solar for Schools program, requesting \$88 million in funding, more than 3 times the available \$25 million*
- *Projects such as District wide concrete work, high school gym bleachers and HVAC controls upgrades, and the Chestnutwold boiler replacement will be deferred for Summer 2025. Future projects for consideration are listed within the 5 Year Facilities Plan*



3 YEAR PROJECTION

PROPOSED BUDGET SUMMARY	24-25 FINAL BUDGET	25-26 PROP BUDGET	26-27 EST BUDGET	27-28 EST BUDGET
REVENUE				
6000 Revenue From Local Sources	120,399,278	124,371,857	128,867,293	133,264,670
7000 Revenue From State Sources	29,445,467	30,233,780	31,207,821	31,909,091
8000 Revenue From Federal Sources	1,298,438	942,441	942,441	942,441
9000 Other Financing Sources	0	0	0	0
TOTAL REVENUE	151,143,184	155,548,078	161,017,555	166,116,202
EXPENDITURES				
1000 Instruction	90,717,581	93,578,147	97,383,506	100,588,511
2000 Support Services	45,814,410	47,587,183	49,654,862	51,283,013
3000 Non-Instructional Services	1,970,772	2,196,198	2,227,797	2,299,538
4000 Facilities Acq., Constr., Improv.	24,000	0	0	0
5000 Other Financing Uses	14,687,700	14,970,433	14,844,539	14,875,883
5000 Capital Projects Funds Transfer	2,040,000	1,000,000	1,000,000	1,000,000
TOTAL EXPENDITURES	155,254,463	159,331,961	165,110,704	170,046,945
BUDGET SHORTFALL	(4,111,279)	(3,783,883)	(4,093,149)	(3,930,743)



PROJECTED ENDING FUND BALANCE

FUND BALANCE	2023-2024 ENDING BAL	2024-2025 ENDING BAL	2025-2026 ENDING BAL	2026-2027 ENDING BAL	2027-2028 ENDING BAL
Nonspendable	225	-	-	-	-
Committed					
Capital Projects	6,428,498	4,388,498	2,888,498	1,888,498	888,498
Balance 2024-2025 Budget	2,071,279	-	-	-	-
Subtotal	8,499,777	4,388,498	2,888,498	1,888,498	888,498
<i>Unassigned</i>	10,884,819	10,884,819	8,600,937	5,507,788	2,577,045
TOTAL FUND BALANCE	19,384,821	15,273,317	11,489,435	7,396,286	3,465,543
Unassigned F/B as a % of Exp Budget	7.01%	6.83%	5.21%	3.24%	1.52%



NEXT STEPS

- April 24, 2025 Proposed Final Budget Adoption
- April 28, 2025 Finance Committee Meeting
Further Discussion and Analysis of Proposed Budget
- May 16 2025
Budget Available on PDE-2028 for Public Inspection
(20 days prior to final budget adoption)
- May 26, 2025
Public Notice of Final Budget Adoption
(10 days prior to final budget adoption)
- June 5, 2025
Final Budget Adoption



Questions?

