

2026-2027 Preliminary Budget



FINANCE COMMITTEE MEETING

FEBRUARY 10, 2026

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
 - 3.5% for the 2026-2027 school year (0.5% less than 2025-2026)
- 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 3.5% 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

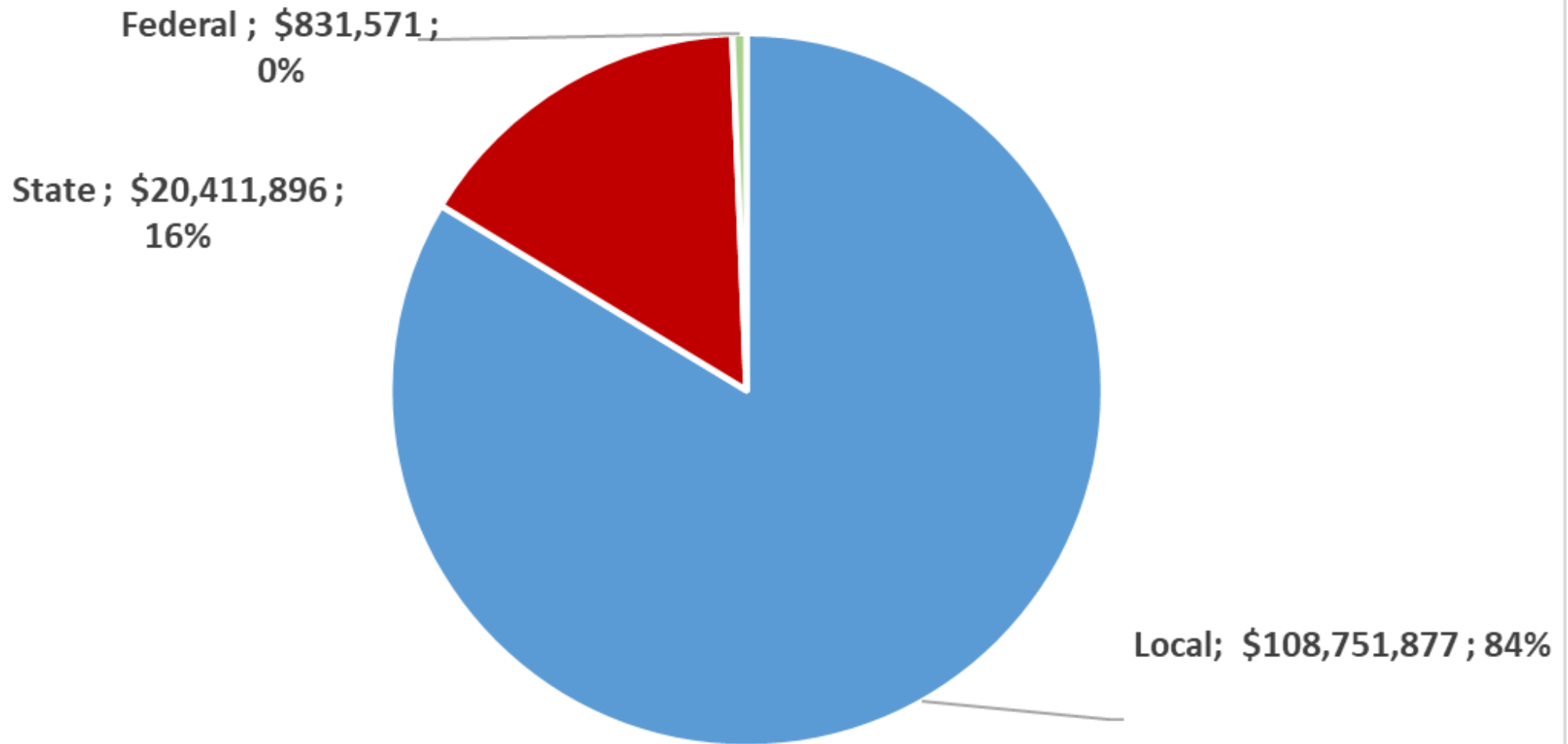
General Fund Summary

| | Actual 2024-2025 | Budget 2025-2026 | Budget 2026-2027 |
|---|---------------------|---------------------|---------------------|
| Beginning Fund Balance | \$ 35,125,054 | \$ 33,076,655 | \$ 33,076,655 |
| Total Revenues | \$ 123,453,597 | \$ 124,998,193 | \$ 130,030,344 |
| Total Expenditures | \$ 126,934,853 | \$ 124,998,193 | \$ 130,773,701 |
| Total Revenues Less Expenditures | \$ (3,481,255) | \$ - | \$ (743,357) |
| Change in Other Fund Balances | \$ 1,432,856 | \$ - | \$ - |
| Ending Fund Balance | \$ 33,076,655 | \$ 33,076,655 | \$ 32,333,298 |

General Fund Revenue

| | R/E Tax Increase: | 3.95% | 3.85% | 3.5% (proposed) |
|------------------------------|-------------------|-----------------------------|-----------------------------|-----------------------------|
| | | Actual 2024-2025 | Budget 2025-2026 | Budget 2026-2027 |
| Revenues | | | | |
| Revenue from Local Sources | | 103,542,499 | 104,487,478 | 108,751,877 |
| Revenue from State Sources | | 19,020,544 | 19,628,501 | 20,411,896 |
| Revenue from Federal Sources | | 650,801 | 872,214 | 831,571 |
| Other Financing Sources | | 239,753 | 10,000 | 35,000 |
| Total Revenues | | \$ 123,453,597 | \$ 124,998,193 | \$ 130,030,344 |

2026-27 Budgeted Revenues - \$130.03 million



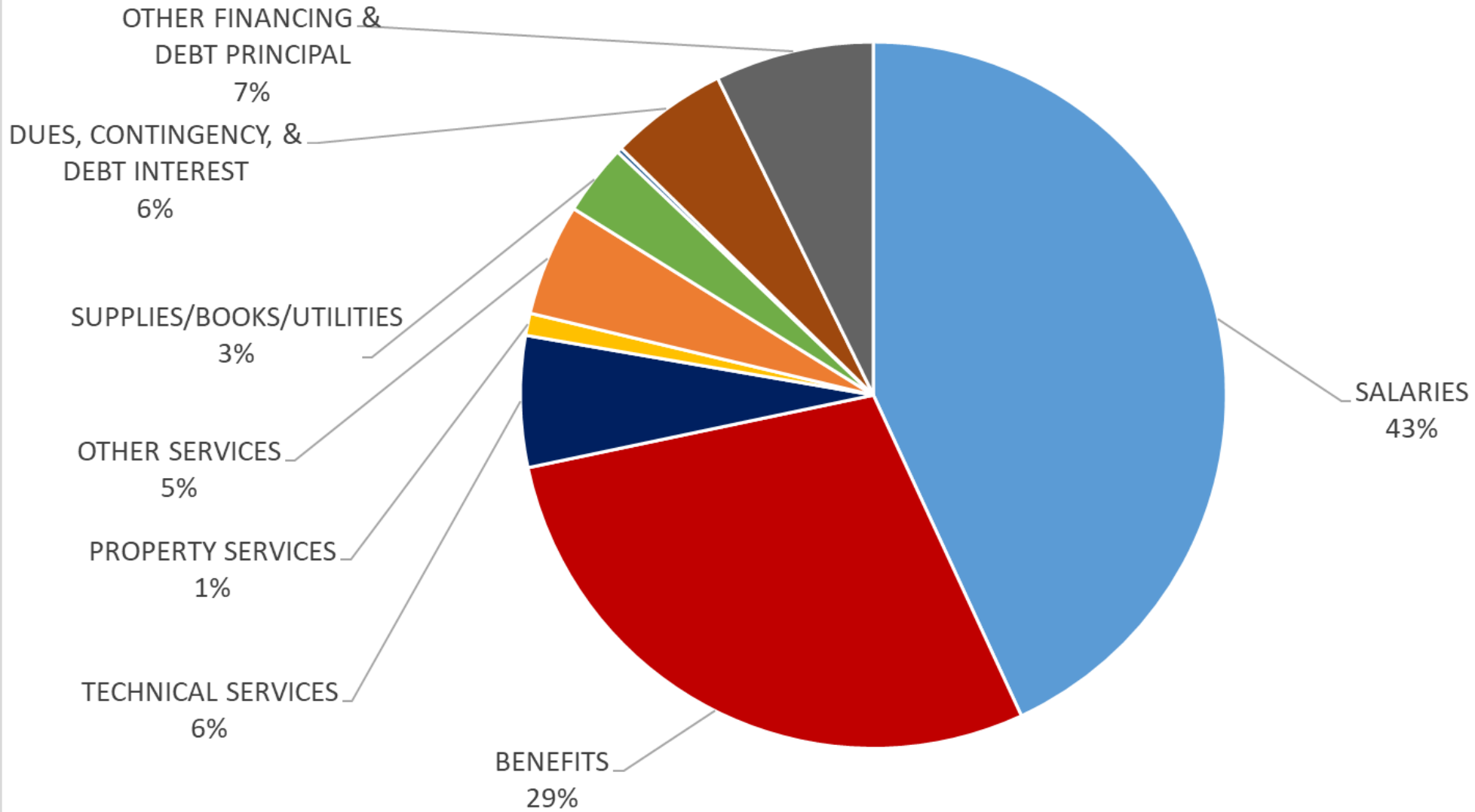
Revenue Budget Highlights

- Real estate tax revenue includes the following:
 - 97% current tax collection assumption
 - Assessed property values adjusted from Delaware County data (\$6.49B to \$6.54B) - \$738k rev. increase
 - **3.5% increase in millage rate from 15.7965 to 16.3494 mills**
- \$100k real estate transfer tax increase due to current market and collection data
- Interest revenue decrease of \$200k due to current interest rate environment (anticipated 2 rate drops in c/y 2026)
- State revenues budgeted to current year allocations
 - Increase in pension (PSERS) and Social Security/Medicare reimbursement based on salaries
 - Could be potential increases to subsidies
- Federal revenues
 - Title allocations level budgeted to current year allocations
 - Continued monitoring of federal funding changes

General Fund Expenditures

| | Actual 2024-2025 | Budget 2025-2026 | Budget 2026-2027 |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Expenditures | | | |
| Wages/Salaries | 52,374,826 | 54,420,232 | 56,382,455 |
| Employee Benefits | 33,057,394 | 35,547,264 | 37,387,616 |
| Professional and Tech Services | 6,991,982 | 7,032,659 | 7,858,804 |
| Purchased Property Services | 1,062,095 | 1,365,789 | 1,323,766 |
| Other Purchased Services | 6,650,166 | 6,030,929 | 6,701,764 |
| Supplies | 3,485,591 | 3,996,205 | 4,242,553 |
| Equipment/Furniture | 106,076 | 332,000 | 302,000 |
| Other Objects | 4,018,835 | 5,615,239 | 7,067,163 |
| Other Uses of Funds | 19,187,888 | 10,657,877 | 9,507,580 |
| Total Expenditures | \$ 126,934,853 | \$ 124,998,193 | \$ 130,773,701 |

2026-27 Budgeted Expenditures - \$130.77 million



Expenditure Budget Highlights

- Total increase of \$5.28m from 2025-26 budget (4.2% 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 increases approved this year
- Benefits
 - Medical benefits increased 6.7%
 - Increase to prescription of 4.8%
 - PSERS pension employer rate decreased from 34.00% to 33.59%

Expenditure Budget Highlights

- All departmental budget requests included in non salary and benefit accounts
- Debt service - **\$9,338,371**
 - Existing debt service budgeted as scheduled
 - Added new debt payments for 2025 Series (third borrowing for Ithan project)
- Fund Transfers - **\$4,293,191**
 - Curriculum fund transfer: \$1,458,857
 - Technology fund transfer: \$1,250,807
 - Swim fund transfer: \$25,000
 - Capital reserve fund transfer: \$1,558,527 includes future 2027 Ithan debt (**\$958,527**) and transportation vehicles (\$600,000)
- Budgetary reserve/contingency - **\$2,620,600**
 - 10 FTE positions for WATCH/contingency: \$1,100,000
 - **\$1.02m** for 2026 Ithan debt (fourth borrowing for project)
 - \$500k for Administration building upgrades

| | Actual STEP 1 | Actual STEP 2 | Actual STEP 3 | Estimated STEP 4 | Estimated STEP 5 | TOTAL |
|------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------|
| Available for Projects | \$9,422,165 | \$9,807,089 | \$9,816,098 | \$22,632,663 | \$22,702,000 | \$74,380,015 |
| Settlement | December 07, 2023 | December 05, 2024 | December 11, 2025 | September, 2026 | March, 2027 | |
| BQ Status | Bank Qualified | Bank Qualified | Bank Qualified | Non-Bank Qualified | Non-Bank Qualified | |
| Term | 30 years | 30 years | 30 years | 30 years | 30 years | |



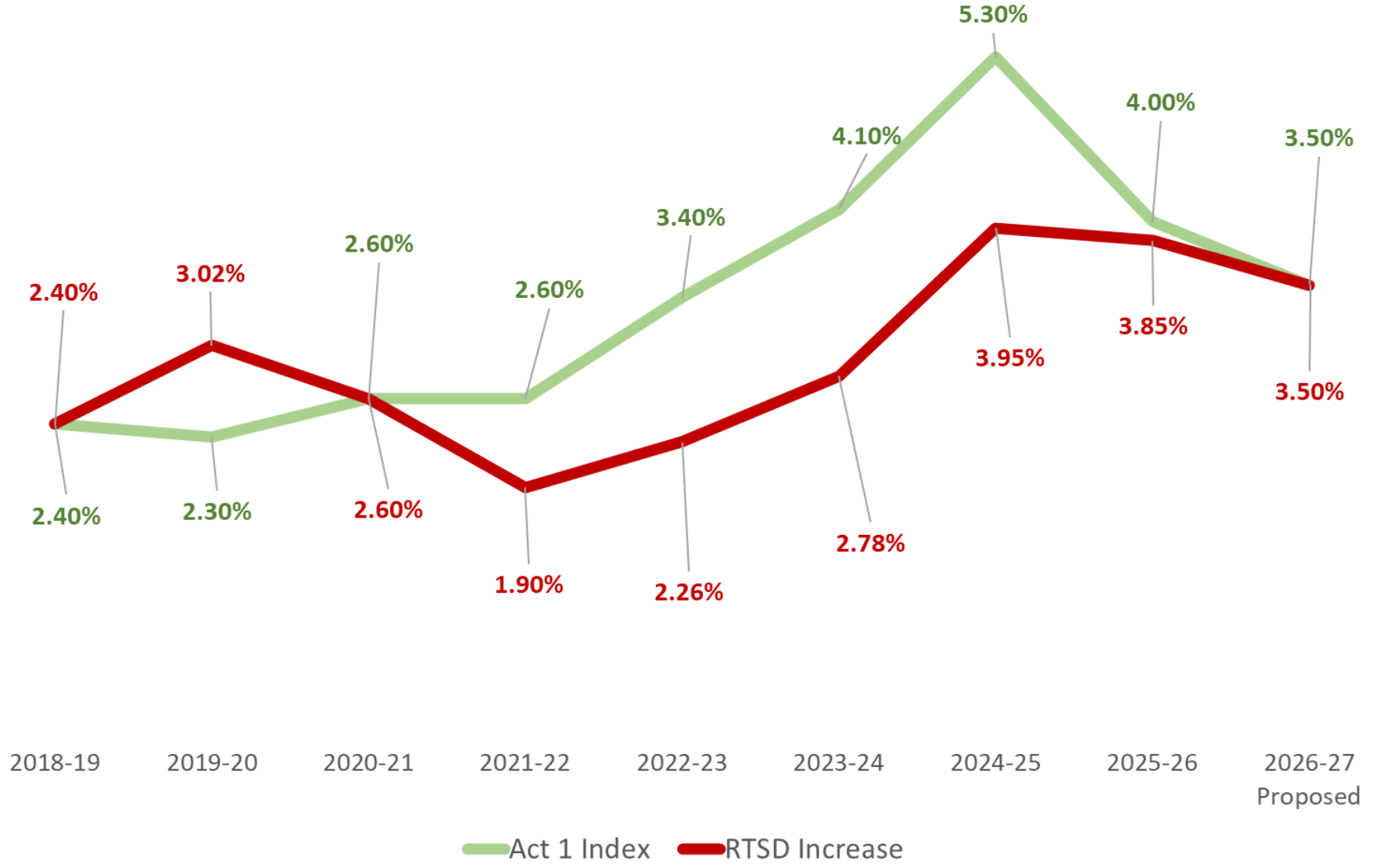
| 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|--------------------|-----------------------|-------------------------|-------------------------|-------------------------|---------------------------------|---------------------------------|-------------------------|------------------------|
| Fiscal Year Ending | Existing Local Effort | Annual Local Effort [2] | Annual Local Effort [2] | Annual Local Effort [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 | 85,451 | | | | 8,147,716 | 0.11 |
| 6/30/2026 | 7,454,339 | 515,969 | 444,338 | 85,911 | | | 8,500,556 | 0.06 |
| 6/30/2027 | 7,437,908 | 515,781 | 444,088 | 488,175 | 568,511 | | 9,454,462 | 0.16 |
| 6/30/2028 | 7,443,712 | 515,594 | 443,838 | 488,025 | 1,252,813 | 1,201,815 | 11,345,796 | 0.31 |
| 6/30/2029 | 7,444,038 | 515,406 | 443,588 | 487,875 | 1,252,538 | 1,257,213 | 11,488,637 | 0.01 |
| 6/30/2030 | 7,553,584 | 515,188 | 443,338 | 487,725 | 1,252,263 | 1,256,938 | 11,509,034 | 0.02 |
| 6/30/2031 | 7,857,926 | 514,938 | 443,088 | 487,575 | 1,251,988 | 1,256,663 | 11,812,176 | 0.05 |
| 6/30/2032 | 7,545,917 | 514,688 | 442,863 | 487,375 | 1,251,713 | 1,256,388 | 11,498,942 | |
| 6/30/2033 | 7,652,862 | 514,438 | 442,663 | 487,125 | 1,251,438 | 1,256,113 | 11,604,637 | |
| 6/30/2034 | 7,543,257 | 514,188 | 442,463 | 486,875 | 1,251,163 | 1,255,838 | 11,493,782 | |
| 6/30/2035 | 4,709,701 | 513,931 | 442,263 | 486,625 | 1,250,888 | 1,255,563 | 8,658,970 | |
| 6/30/2036 | 4,705,325 | 513,669 | 442,063 | 486,375 | 1,250,613 | 1,255,288 | 8,653,331 | |
| 6/30/2037 | 4,704,800 | 513,406 | 441,863 | 486,125 | 1,250,338 | 1,255,013 | 8,651,544 | |
| 6/30/2038 | 4,709,300 | 513,144 | 441,663 | 485,875 | 1,250,063 | 1,254,738 | 8,654,781 | |
| 6/30/2039 | 4,707,200 | 512,881 | 441,463 | 485,625 | 1,249,788 | 1,254,463 | 8,651,419 | |
| 6/30/2040 | 4,708,300 | 512,619 | 441,263 | 485,375 | 1,249,513 | 1,254,188 | 8,651,256 | |
| 6/30/2041 | 4,707,300 | 512,356 | 441,063 | 485,125 | 1,249,238 | 1,253,913 | 8,648,994 | |
| 6/30/2042 | | 998,969 | 1,009,263 | 855,375 | 2,085,313 | 1,929,525 | 6,878,444 | |
| 6/30/2043 | | 1,001,669 | 1,010,363 | 850,750 | 2,086,363 | 1,929,925 | 6,879,069 | |
| 6/30/2044 | | 997,925 | 1,010,066 | 855,125 | 2,084,663 | 1,932,988 | 6,880,766 | |
| 6/30/2045 | | 1,001,863 | 1,008,356 | 848,500 | 2,085,075 | 1,938,438 | 6,882,231 | |
| 6/30/2046 | | 998,313 | 1,010,513 | 850,875 | 2,082,463 | 1,936,275 | 6,878,438 | |
| 6/30/2047 | | 1,002,838 | 1,006,534 | 852,000 | 2,086,550 | 1,931,638 | 6,879,559 | |
| 6/30/2048 | | 1,000,300 | 1,010,850 | 851,875 | 2,087,063 | 1,929,388 | 6,879,475 | |
| 6/30/2049 | | 1,000,700 | 1,008,338 | 850,500 | 2,084,000 | 1,938,975 | 6,882,513 | |
| 6/30/2050 | | 998,900 | 1,009,444 | 852,750 | 2,087,088 | 1,930,400 | 6,878,581 | |
| 6/30/2051 | | 999,763 | 1,009,063 | 853,500 | 2,086,050 | 1,933,663 | 6,882,038 | |
| 6/30/2052 | | 998,150 | 1,013,625 | 847,875 | 2,085,750 | 1,933,350 | 6,878,750 | |
| 6/30/2053 | | 998,925 | 1,012,750 | 850,750 | 2,085,913 | 1,929,463 | 6,877,800 | |
| 6/30/2054 | | 1,001,813 | 1,009,625 | 851,875 | 2,081,400 | 1,936,588 | 6,881,300 | |
| 6/30/2055 | | | | 2,859,750 | 2,081,938 | 1,939,313 | 6,881,000 | |
| 6/30/2056 | | | | | 5,014,200 | | 6,937,250 | |
| 6/30/2057 | | | | | | 6,940,763 | 6,940,763 | |
| 6/30/2058 | | | | | | | | |
| 6/30/2059 | | | | | | | | |
| 6/30/2060 | | | | | | | | |
| TOTAL | 115,784,690 | 21,841,044 | 20,296,139 | 21,319,286 | 52,286,686 | 53,457,865 | 284,985,710 | 0.72 |

Taxation Options

1% tax increase/decrease = \$1m

| Millage Increase (%) | Total Revenue | Total Expense | Difference | Impact on Average Taxpayer (assessed value of \$734,038) |
|-----------------------------|----------------------|----------------------|-------------------|---|
| 2.0% | \$128,527,979 | \$130,773,701 | (\$2,245,722) | \$232 |
| 3.0% | \$129,529,556 | \$130,773,701 | (\$1,244,145) | \$348 |
| 3.5% | \$130,030,344 | \$130,773,701 | (\$743,357) | \$409 |

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 | 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% |
| 2025-26 | 15.7965 | 0.5856 | 3.85% | 4.00% |

Act 1 Index

| | Actual | | | | Forecast | | | |
|------------|--------|-------|-------|-------|----------|-------|-------|-------|
| | 19-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 | 30-31 |
| Base Index | 3.0% | 5.3% | 4.0% | 3.5% | 3.2% | 3.3% | 3.3% | 3.1% |
| SAWW | 3.3 | 5.6 | 3.7 | 3.4 | 3.5 | 3.7 | 3.5 | 3.3 |
| ECI | 2.6 | 4.9 | 4.3 | 3.5 | 2.9 | 3.0 | 3.2 | 2.9 |

Note: SAWW is Pennsylvania statewide average weekly wage. ECI is national employment cost index for elementary/secondary school employees. The rate for 19-24 represents an average of the index from FY 2018-19 to FY 2023-24.

Source: Pennsylvania Department of Education through FY 2026-27, projected by the IFO after.





Governor's Budget Address – Feb. 3

- 5.4% general fund spending increase (\$53.2 billion)
 - \$526m sent to schools deemed inadequately funded (adequacy funding)
 - Includes minimum amount for each district in Ready To Learn allocation - \$50k for RTSD
 - \$50m through basic education formula - \$30,522 for RTSD
 - \$50m allocated for special education funding - \$17,205 for RTSD
- Continue funding universal breakfast program
- \$125m investment in school facilities improvement grants
- \$100m in safety/security grants

Upcoming Budget Considerations

- Review of medical and Rx costs
- Staffing and department reviews
- Technology/curriculum transfers
- Capital projects and Admin. building costs
- Interest rates
- State funding

February 10 Finance Committee – Preliminary Budget

March 17 Finance Meeting – In-depth Budget Review

April 7 Finance Committee – Proposed Final Budget Review

April 21 Board Meeting – Proposed Final Budget Approval

May 5 Finance Committee – Final Budget Review

May 26 Board Meeting – Final Budget Approval

Budget Calendar