Owen J. Roberts School District

Inspiring Each Student for Success Today and Greatness Tomorrow








Proposed Budget
For Fiscal Year 2026-27

Presented By:
David Francella, Director of Business & Operations
Elizabeth Polinski, Director of Finance
March 9, 2026

Owen J. Roberts School District

Inspiring Each Student for Success Today and Greatness Tomorrow

2026-27 Budget Planning and Development Calendar

Act 1 Timeline

September 30, 2025	**Deadline for PDE to Release Act 1 Tax/Inflation Index Cap** ▪ Limits the following year's tax increase to a maximum of 3.5%
November 10, 2025	**School Board Working Session:** ▪ Review 2026-27 Act 1 Budget Timeline
December 15, 2025	**Sterling Act Tax Credit Certification Deadline**
December 31, 2025	**Homestead Notice Mailing Deadline (New Homesteads)**
January / February / March 2026	**Superintendent and Director of Business and Operations Internal Budget Meetings with Cost Center Managers (Principals and District-wide Department Administrators)**
January 12, 2026	**School Board Working Session:** ▪ Review 2026-27 Proposed Enrollment Forecast ▪ Review Accelerated Budget Opt-Out Resolution stating the District will not raise the rate of any tax by more than the Index (3.5%)
January 26, 2026	**School Board Meeting:** ▪ Acknowledge Receipt of 2026-27 Enrollment Forecast ▪ Review Accelerated Budget Opt-Out Resolution stating the District will not raise the rate of any tax by more than the Index (3.5%)

Owen J. Roberts School District

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2026-27 Budget Planning and Development Calendar

Act 1 Timeline

March 2, 2026	**Finance/Buildings & Grounds Committee Meeting:** ▪ Review Proposed 2026-27 Instructional Cost Center Budgets ▪ Review Proposed 2026-27 Operational Cost Center Budgets
March 9, 2026	**School Board Working Session:** ▪ Review 2026-27 Proposed Staffing Allocations ▪ Review 2026-27 Proposed Budget and Forecast
March 23, 2026	**School Board Meeting:** ▪ Approval of 2026-27 Proposed Staffing Allocations
April 6, 2026	**School Board Working Session:** ▪ Review Proposed Final 2026-27 Budget and Forecast ▪ Review Proposed 2026-27 Capital Budget and Forecast
April 13, 2026	**School Board Meeting:** ▪ Approval of Proposed Final 2026-27 Budget
May 18, 2026	**School Board Meeting:** ▪ Approval of Final 2026-27 Budget

Notes: **1.** Additional Board Workshops and public meetings may be added as we work through the Budget Development Process.
2. Town Hall Meetings have been scheduled for Wednesday, November 12, 2025 at 6:00pm and Wednesday, April 8, 2026 at 6:00pm at the OJR District Service Center, 932 Sanatoga Road, Pottstown, PA 19465.

2026-27
General Fund Budget
Significant Revenue Trends

Federal Revenue

- Slight decrease in Title Funding ($79,500)
- Significant decrease in ACCESS funding ($547,000 over two years)

State Revenue

- Slight increase in Regular and Special Education Subsidies Received in 2025-26 ($35,000 budget impact) – 2026-27 funding has not been announced
- Decreased Transportation Subsidy ($836,000) is projected for 2026-27 – Uncertainty surrounding future funding calculations

Local Revenue

- Real Estate Taxes – slight increase in assessed property values of .87% (3.00% tax increase produces a 3.9% increase in revenue)
- Earned Income Taxes continue to trend upward ($500,000)

2026-27
General Fund Budget
Significant Expenditure Trends

Expenditures

Significant increase in the ***rate of inflation***, primarily impacting:

- Supplies, software licenses, utilities, and equipment costs
- Transportation costs increasing by $510,064 (6.85%)

Chester County ***unemployment rate*** of only 2.6%

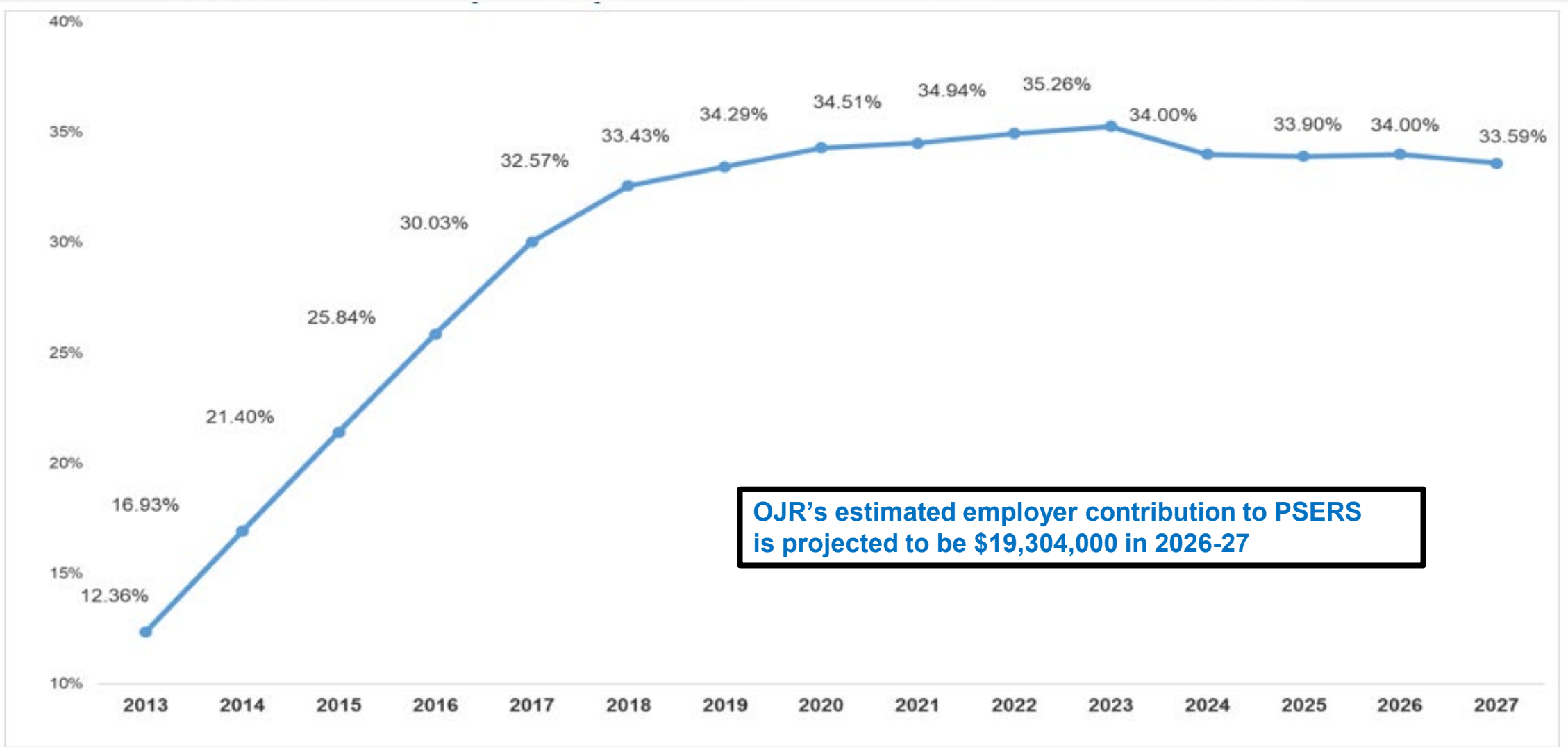
- Recruiting and hiring challenges
- Salaries and benefits are projected to increase by $3.1 Million, or 3.39%, due to rising healthcare costs (4.19% increase in salaries and 2.13% in benefits)
- Anticipating a $150,000 (7.50%) increase in the cost of teacher and para professional substitutes

Charter School tuition costs are projected to stabilize in 2026-27 following years of increases:

- $3.4 Million actual costs for 2024-25 (prior year)
- $4.0 Million projected 2025-26 (current year)
- $4.0 Million budgeted for 2026-27 (next year)

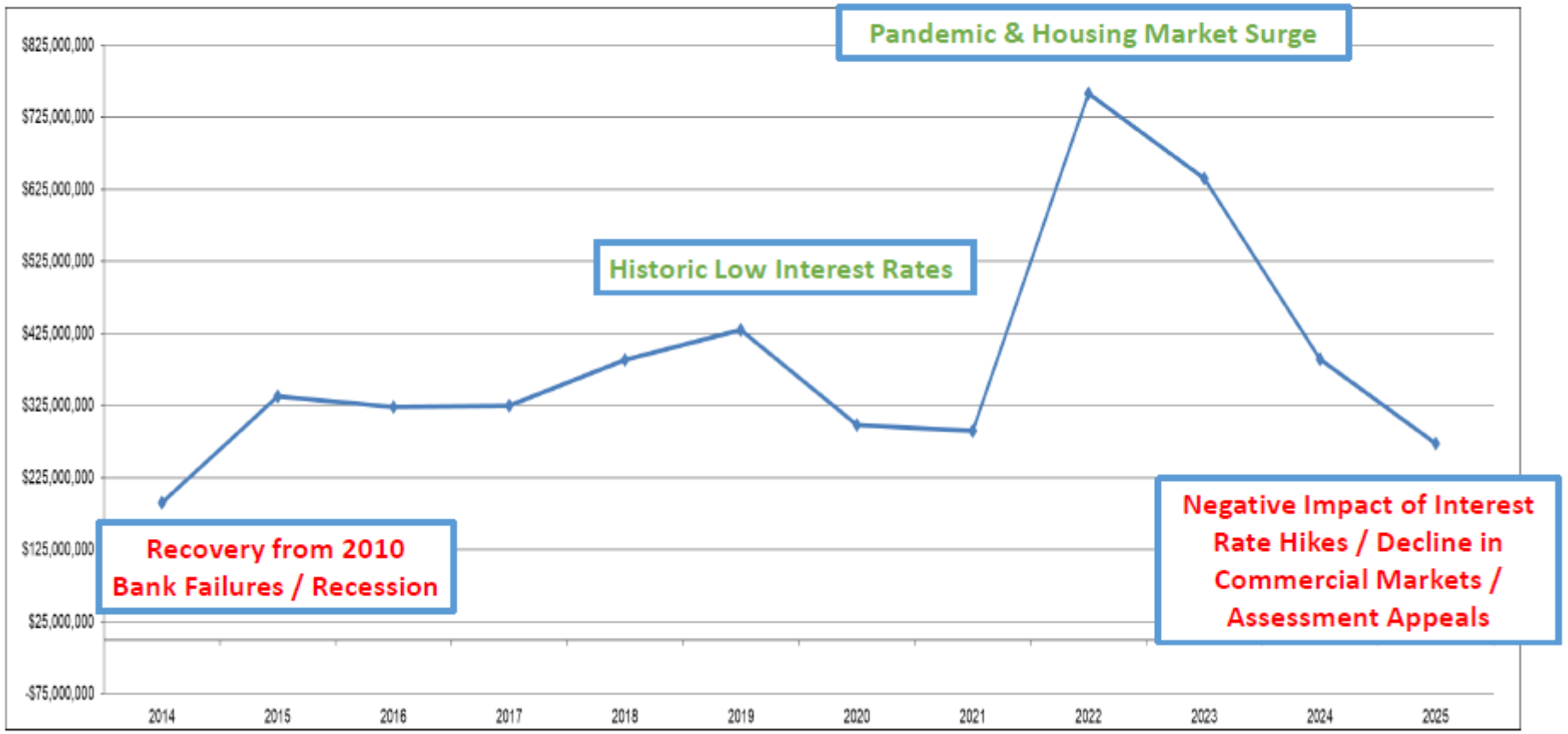
Business Services are projected to increase by $981,000, primarily to increase phasing in debt service costs for the issuance of general obligation bonds to fund the Long Term Facility Plan

2026-27 Budget Impact Item: Pension Costs
Mandated Employer Contributions to PA School Employees' Retirement System (PSERS)

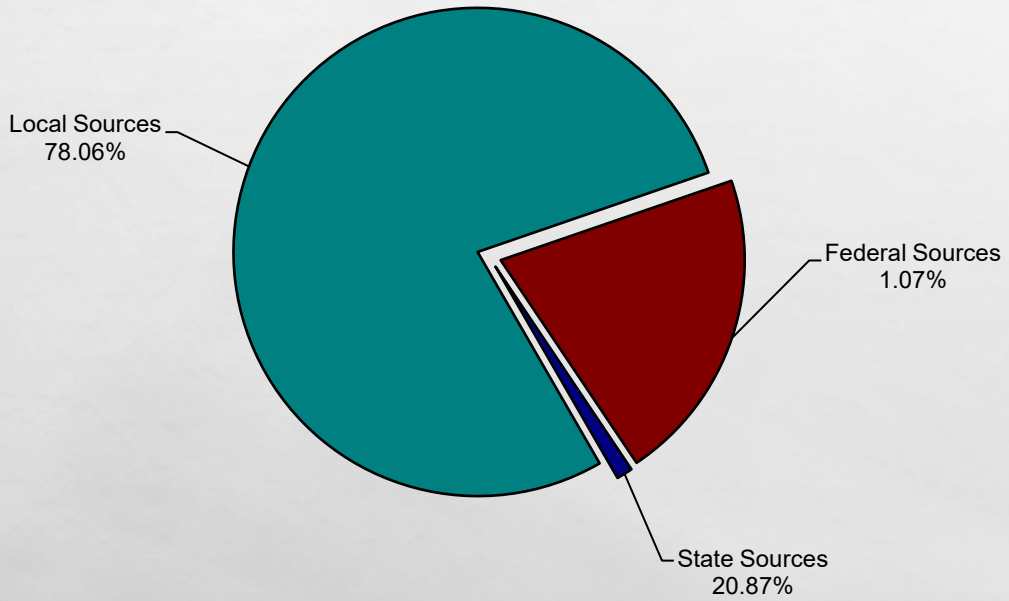


OJR's estimated employer contribution to PSERS is projected to be $19,304,000 in 2026-27

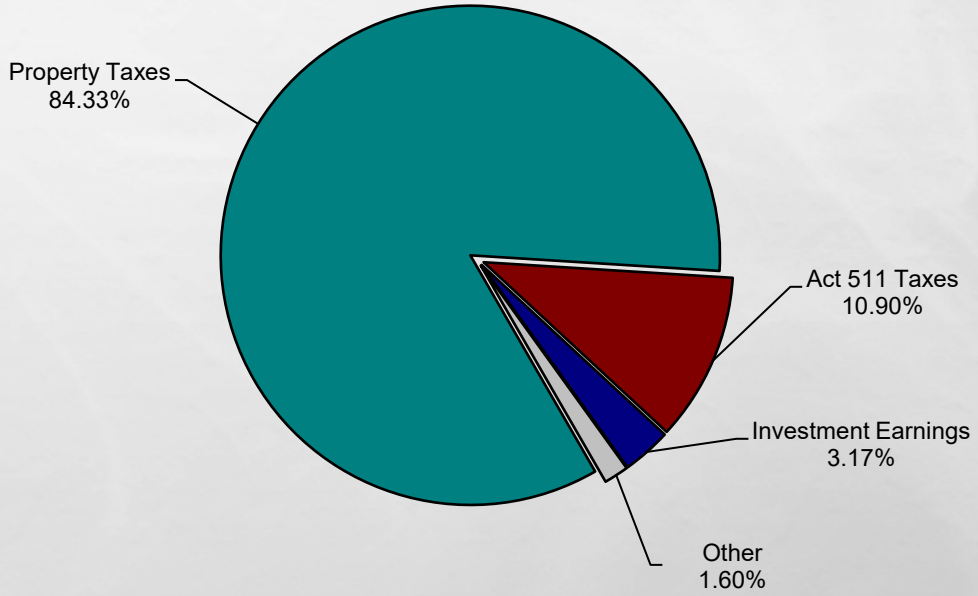
Annual Property Assessment Growth in Chester County



GENERAL FUND REVENUE BY SOURCE 2026-27 BUDGET



GENERAL FUND LOCAL REVENUE ANALYSIS 2026-27 BUDGET



Proposed General Fund Budget
Sources of Revenue

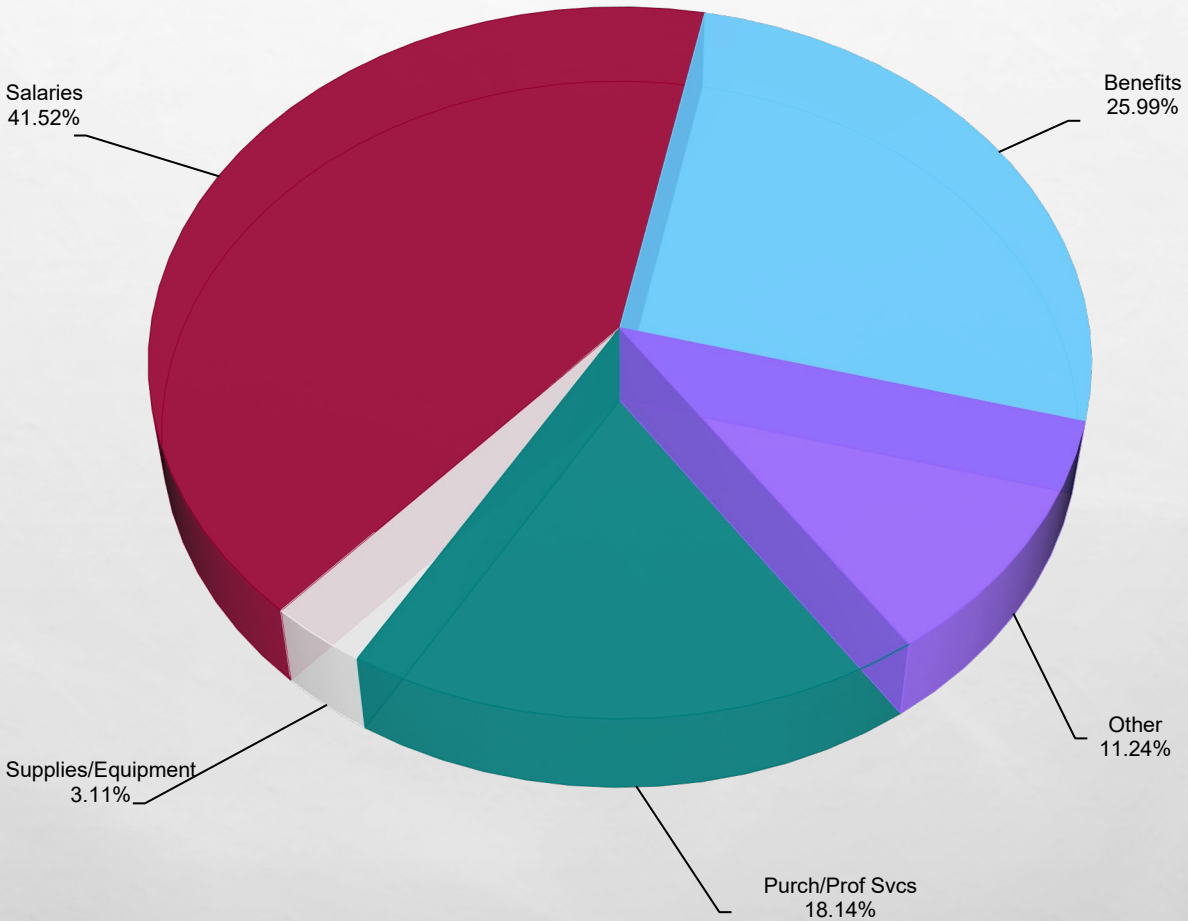
	Final Budget 2025-26	Proposed Budget 2026-27	$ Difference	% Difference
REVENUE				
6000 Local Sources	$ 105,375,323	$ 110,519,226	$ 5,143,903	4.88%
7000 State Sources	29,982,996	29,542,724	(440,272)	(1.47%)
8000 Federal Sources	2,144,895	1,513,129	(631,766)	(29.45%)
TOTAL REVENUE	$ 137,503,214	$ 141,575,079	$ 4,071,865	2.96%

LOCAL Increase primarily due to a 3.00% real estate tax increase and other increases in Earned Income Tax (EIT) revenue, transfer tax, and interest income.

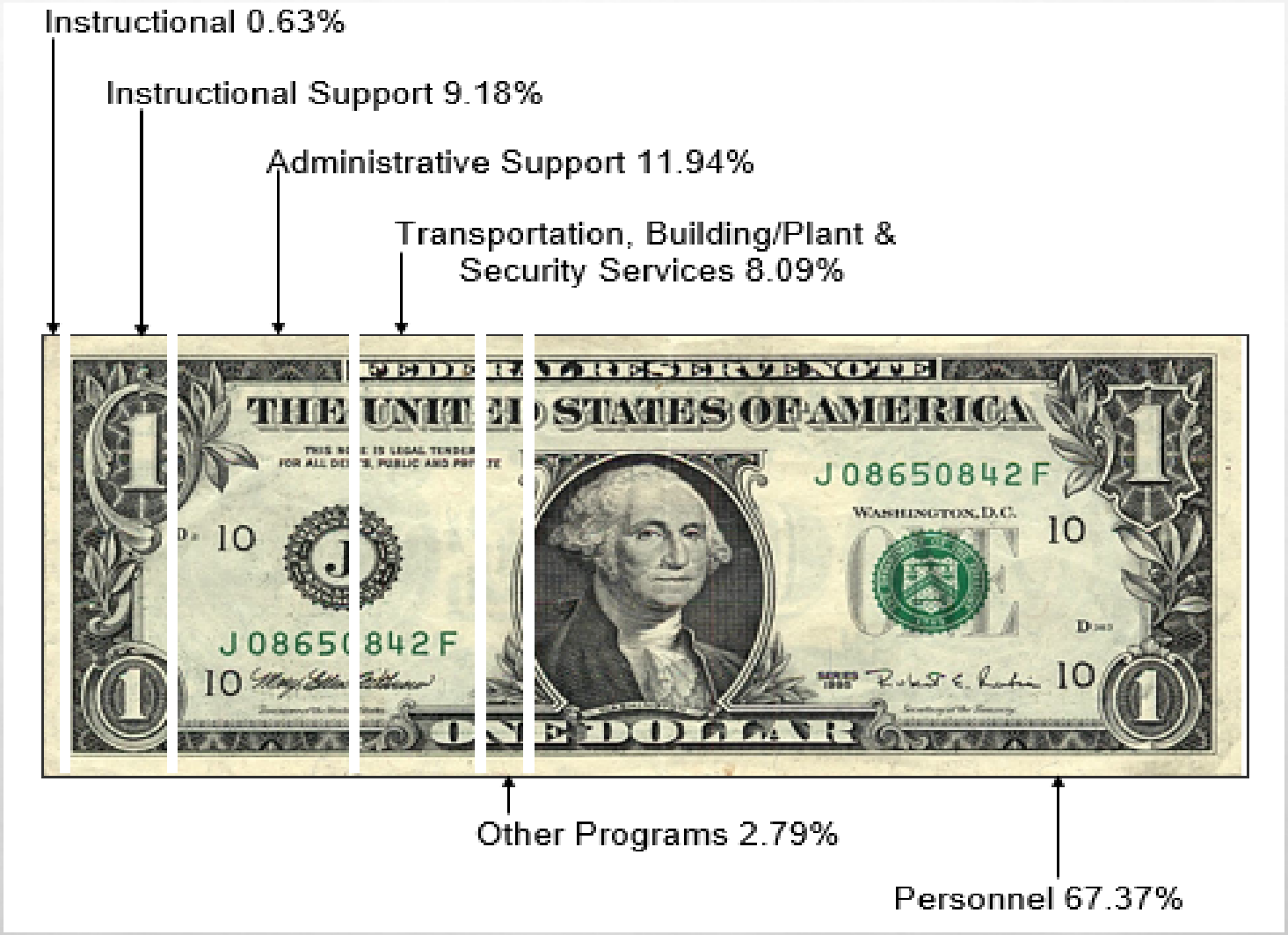
STATE Decrease primarily due to transportation subsidies projected in 2026-27. It is unclear whether the state will continue to fund going forward at the same level in future years.

FEDERAL Decrease primarily due to ACCESS funding ($547,000 over two years), as well as slight decreases in Title funding.

GENERAL FUND EXPENDITURES
BY OBJECT
2026-27 BUDGET



GENERAL FUND EXPENDITURES
BY RESPONSIBILTY COST CENTERS 2026-27 BUDGET



General Fund Budget
Responsibility Cost Centers – Expenditures
Budgets at a Glance

Responsibility Cost Centers	Final Budget 2025-26	Proposed Budget 2026-27	$ Difference	% Difference
Total Instructional Cost Centers	$ 895,745	$ 895,745	$ -	0.00%
Total Instructional Support Cost Centers	12,928,596	12,994,173	65,577	0.51%
Total Administrative Support Cost Centers	15,900,232	16,900,264	1,000,032	6.29%
Total Operational Support Cost Centers	10,833,872	11,452,003	618,131	5.71%
Total Other District Programs	4,765,759	3,950,565	(815,194)	(17.11%)
Total Personnel Costs	92,179,010	95,382,329	3,203,319	3.48%
TOTAL GENERAL FUND EXPENDITURES	$ 137,503,214	$ 141,575,079	$ 4,071,865	2.96%
TOTAL GENERAL FUND REVENUE	$ 137,503,214	$ 141,575,079	$ 4,071,865	

General (Operating) Fund
2026-27 Summary Proposed Budget and
Budget Forecasts 2027-28 through 2029-30

	Final Budget 2025-26	Proposed Budget 2026-27	Forecast Budget 2027-28	Forecast Budget 2028-29	Forecast Budget 2029-30
TOTAL REVENUE	$ 137,503,214	$ 141,575,079	$ 145,803,463	$ 150,517,510	$ 155,435,035
TOTAL EXPENDITURES	137,503,214	141,575,079	145,803,463	150,517,510	155,435,035
PROJECTED Balanced Budgets	$ -	$ -	$ -	$ -	$ -

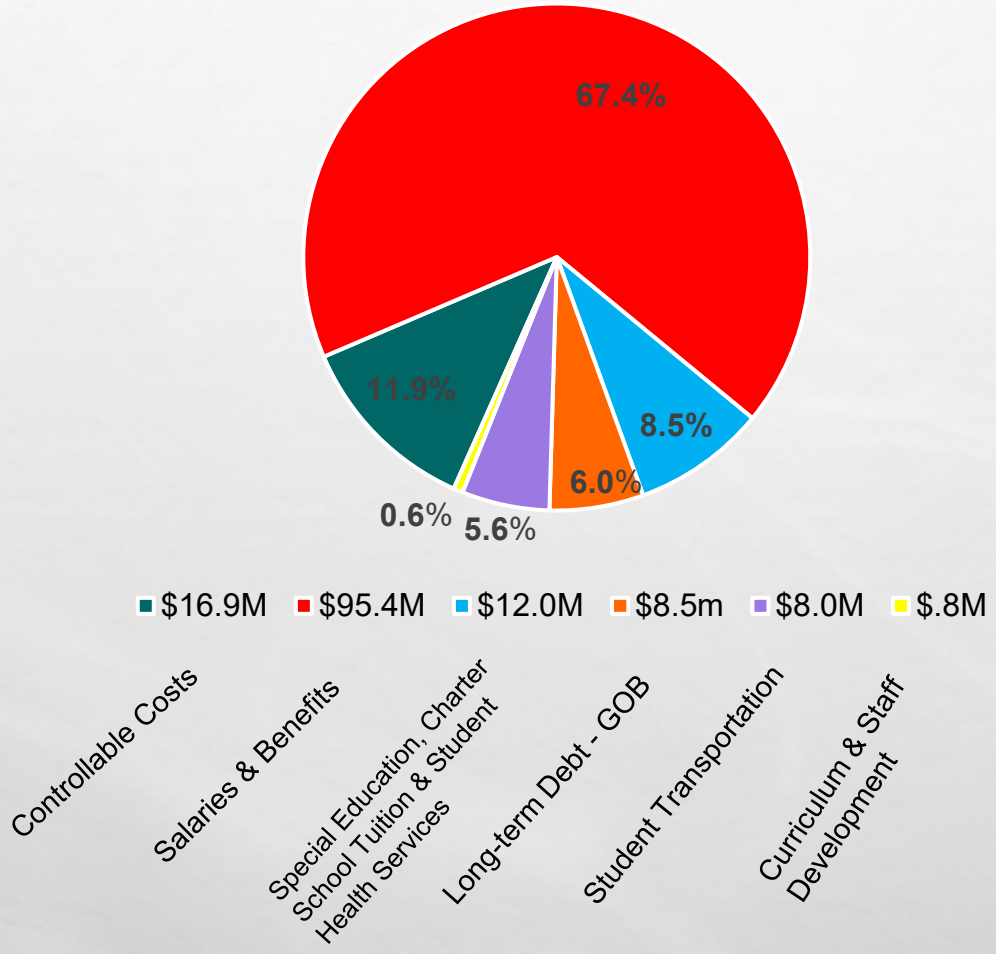
Millage Increase	0.8868	1.0908	0.9363	0.9597	0.9837
Millage Rate	36.3599	37.4507	38.3870	39.3467	40.3304
Tax Increase – Act 1 Limit	4.00%	3.50%	3.20%	3.30%	3.30%
Tax Increase – OJR Actual (Projected 2025-26 through 2028-29)	2.50%	3.00%	2.50%	2.50%	2.50%

Notes:
(1) 2026-27 through 2029-30 Act 1 Index Projections Source – Pennsylvania Independent Fiscal Office (IFO) – www.ifo.state.pa.us

Non-Mandated vs. Mandated/Contractually Obligated

Non-Mandated Costs $16.9M (12%):

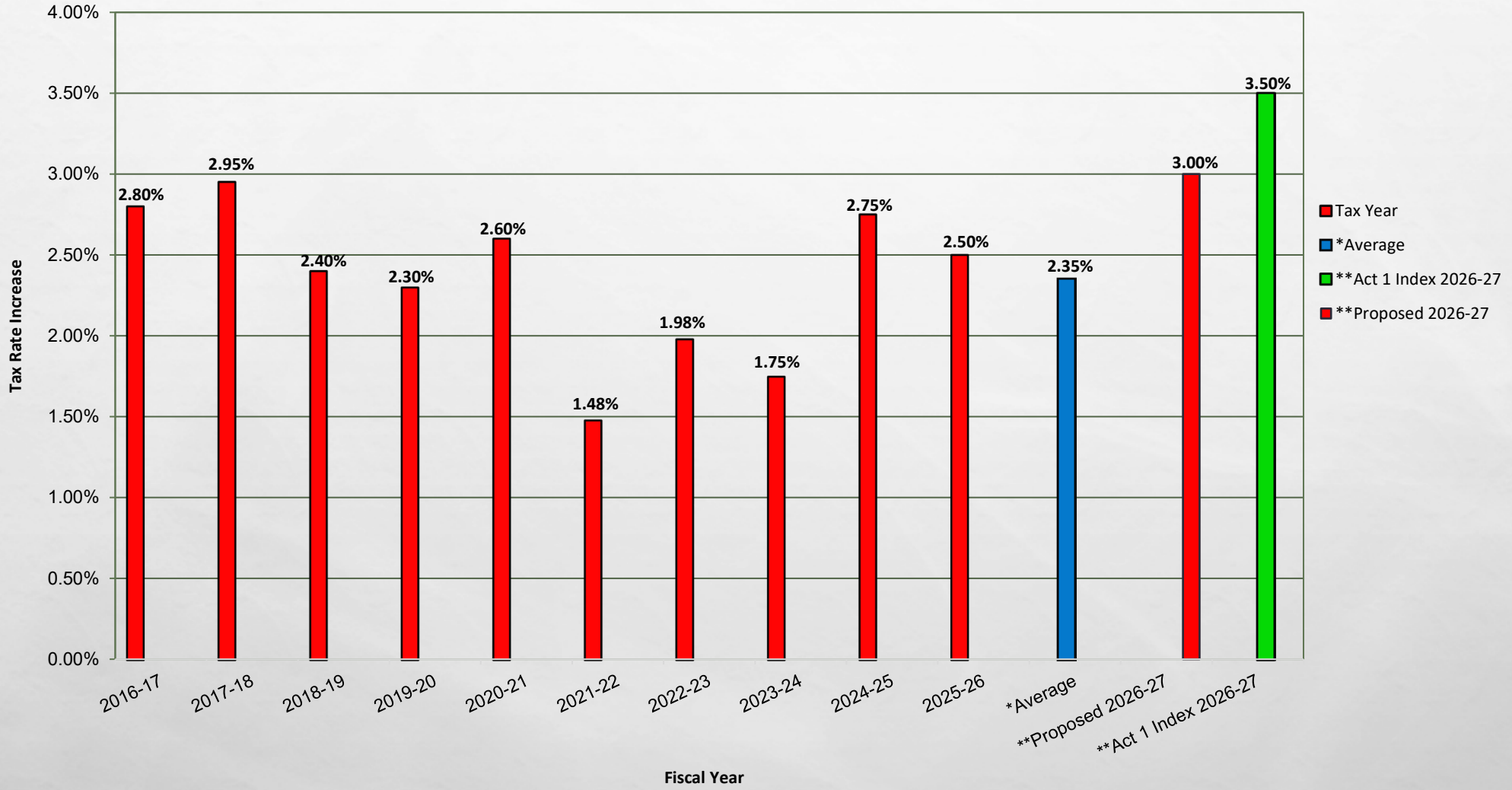
- Facilities, athletics, technology equipment, hardware & software to support all students & staff, building supplies, security, transfers to the capital reserve fund to support long-term building maintenance and technology, and expenditures related to federal, state, and local grants.



Mandated/Contractually Obligated Costs $124.7M (88%):

- Salaries & Benefits – Employment Contracts
- Special Education, Charter School Tuition, & Student Health Services
- Long-term Debt/General Obligation Bonds
- Student Transportation
- Curriculum & Staff Development required to meet State Standards.

Real Estate Tax Increases – 10 Year History



*Average real estate tax increase for the last 10 years (2016-17 to 2025-26).

** The Act 1 Index (tax ceiling imposed by PDE) for 2026-27 is 3.5%, compared to OJR's proposed increase of 3.0%.