

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
April 6, 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 <ul style="list-style-type: none"> ▪ Limits the following year's tax increase to a maximum of 3.5%
November 10, 2025	School Board Working Session: <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ▪ Review Proposed 2026-27 Instructional Cost Center Budgets ▪ Review Proposed 2026-27 Operational Cost Center Budgets
March 9, 2026	School Board Working Session: <ul style="list-style-type: none"> ▪ Review 2026-27 Proposed Staffing Allocations ▪ Review 2026-27 Proposed Budget and Forecast
March 23, 2026	School Board Meeting: <ul style="list-style-type: none"> ▪ Approval of 2026-27 Proposed Staffing Allocations
April 6, 2026	School Board Working Session: <ul style="list-style-type: none"> ▪ Review Proposed Final 2026-27 Budget and Forecast ▪ Review Proposed 2026-27 Capital Budget and Forecast
April 13, 2026	School Board Meeting: <ul style="list-style-type: none"> ▪ Approval of Proposed Final 2026-27 Budget
May 18, 2026	School Board Meeting: <ul style="list-style-type: none"> ▪ 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

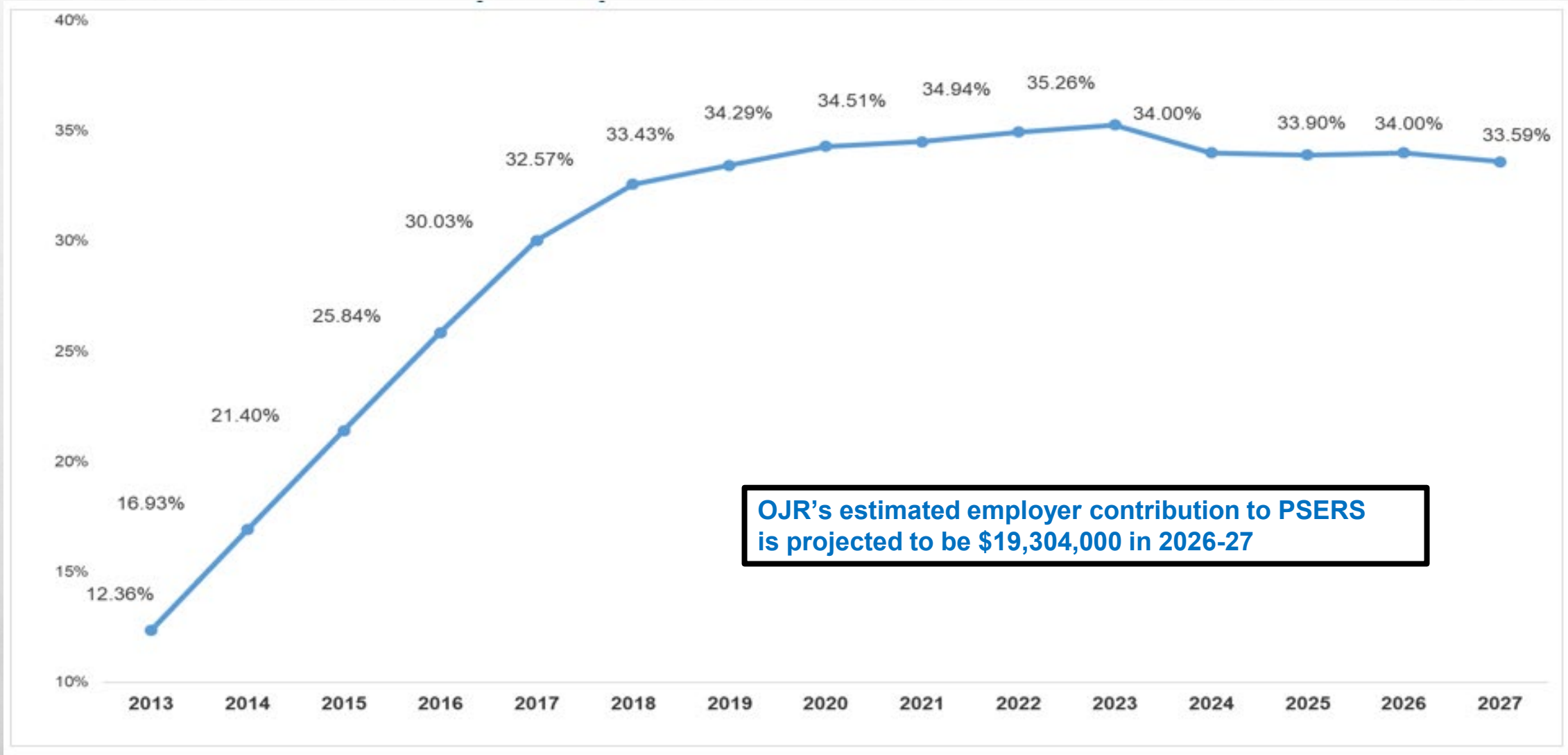
Charter School tuition costs are projected to stabilize in 2026-27 following years of increases:

- ❖ \$3.4 Million actual costs for 2024-25 (prior year)
- ❖ \$4.0 Million projected 2025-26 (current year)
- ❖ \$3.7 Million budgeted for 2026-27 (next year)

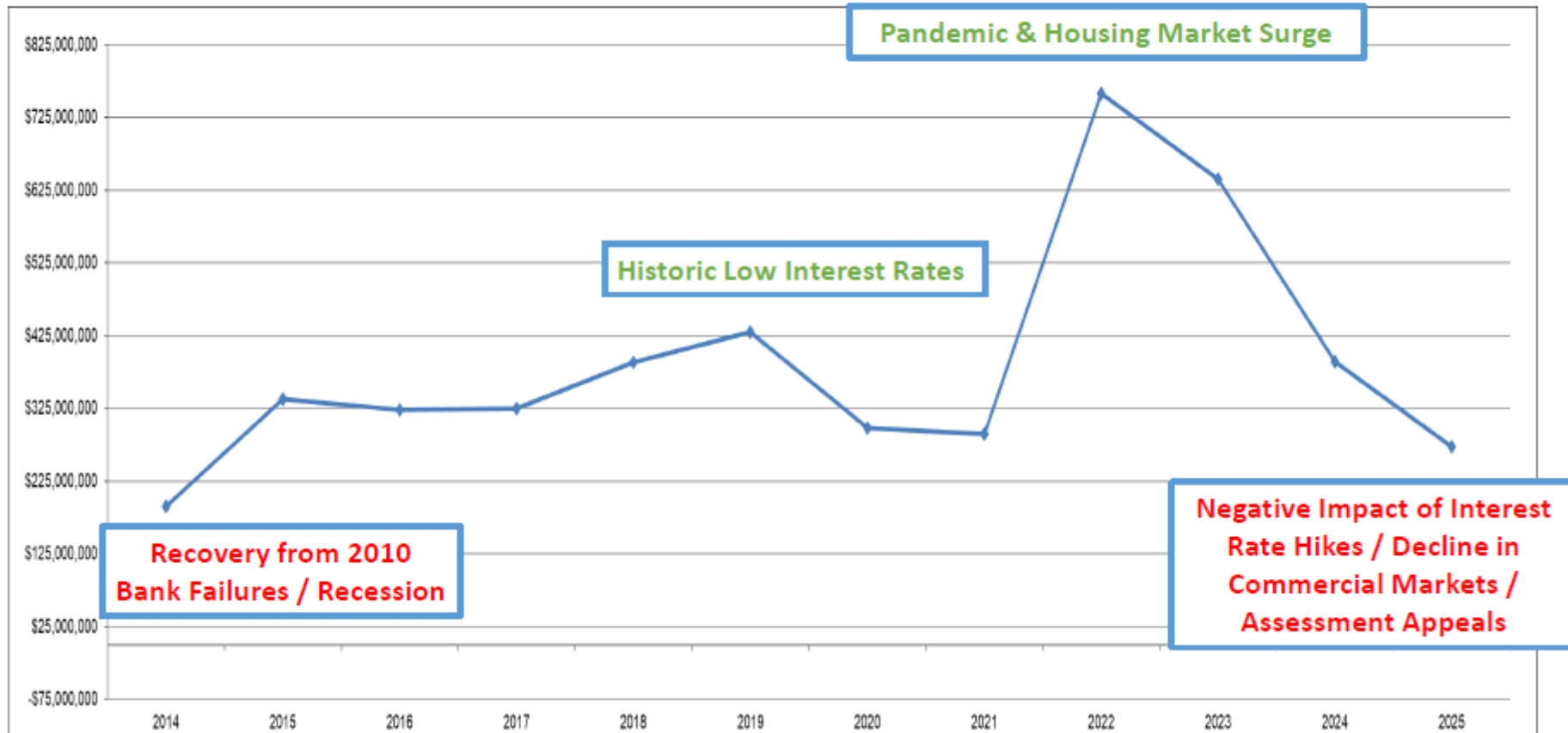
Business Services are projected to increase by \$981,000, primarily to increase phasing in debt service costs for the issuance of general obligation bonds to fund the Long Term Facility Plan



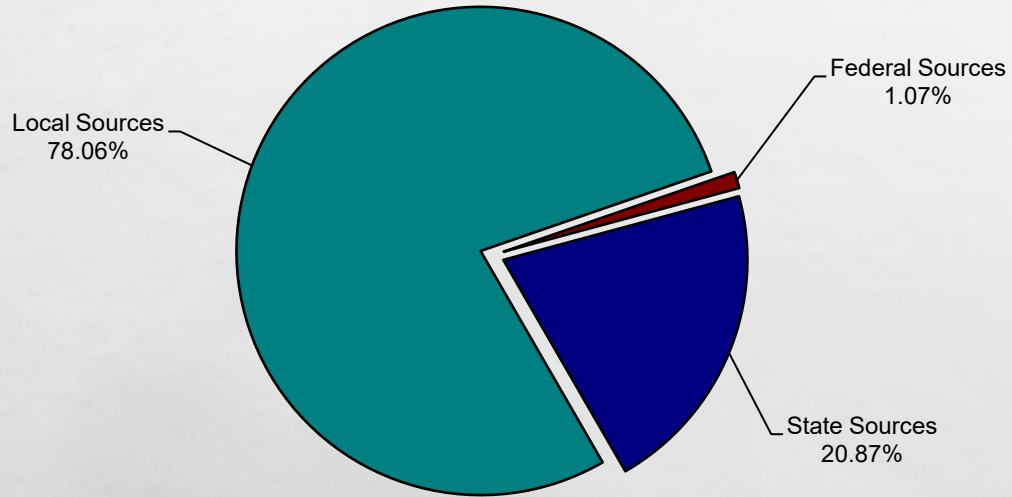
2026-27 Budget Impact Item: Pension Costs Mandated Employer Contributions to PA School Employees' Retirement System (PSERS)



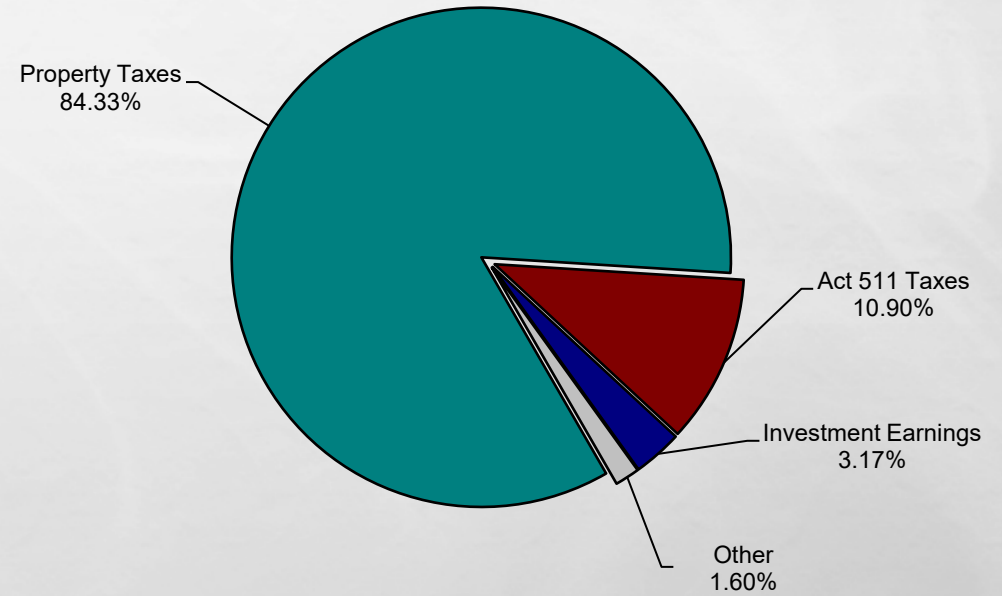
Annual Property Assessment Growth in Chester County



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	<u>2,144,895</u>	<u>1,513,129</u>	<u>(631,766)</u>	<u>(29.45%)</u>
TOTAL REVENUE	<u>\$ 137,503,214</u>	<u>\$ 141,575,079</u>	<u>\$ 4,071,865</u>	<u>2.96%</u>

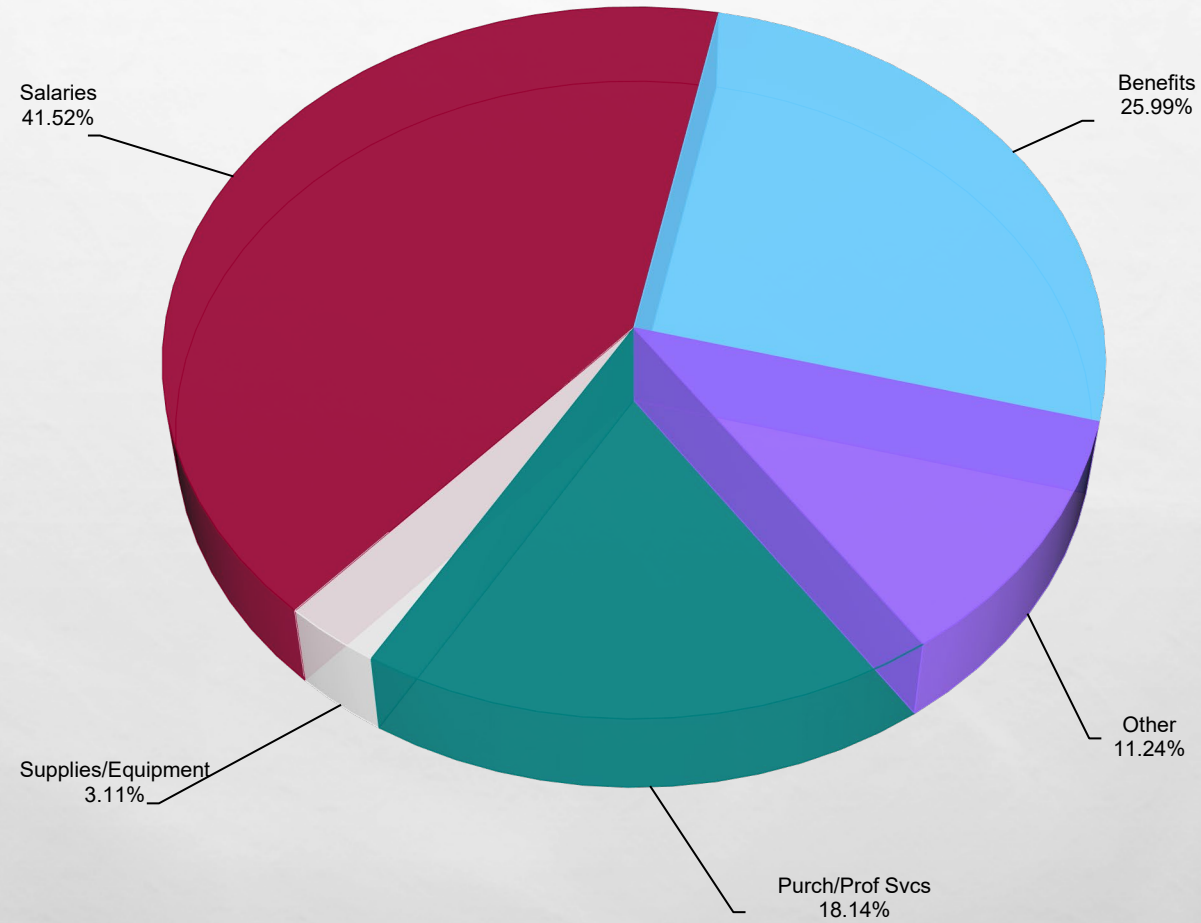
LOCAL Increase primarily due to a 3.00% real estate tax increase and other increases in Earned Income Tax (EIT) revenue, transfer tax, and interest income.

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.

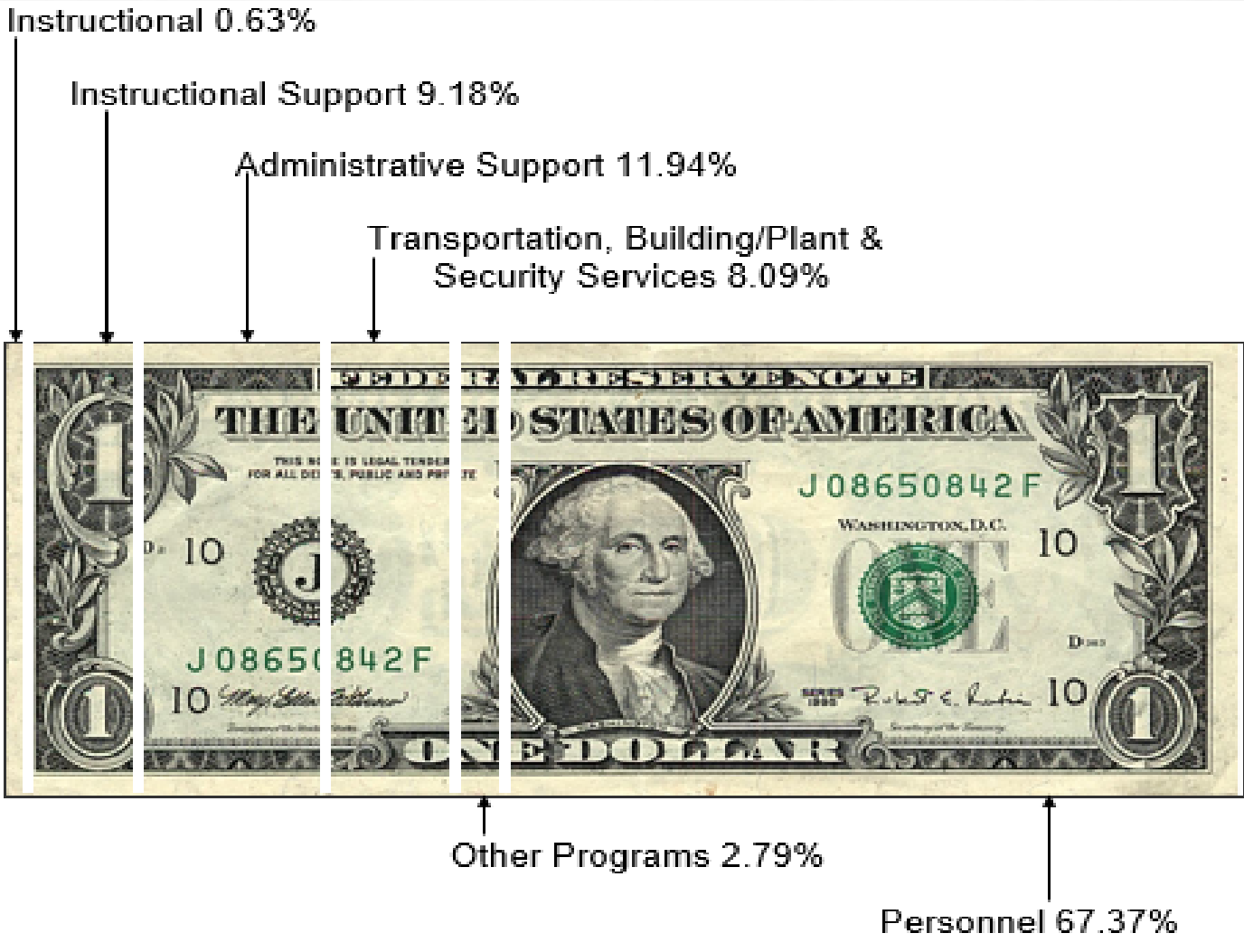
FEDERAL Decrease primarily due to ACCESS funding (\$547,000 over two years), as well as slight decreases in Title funding.



**GENERAL FUND EXPENDITURES
BY OBJECT
2026-27 BUDGET**



**GENERAL FUND EXPENDITURES
BY RESPONSIBILITY COST CENTERS 2026-27 BUDGET**



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

Responsibility Cost Centers	Final Budget 2024-25	Actual 2024-25	Final Budget 2025-26	Proposed Budget 2026-27	\$ Difference	% Difference
Total Instructional Cost Centers	\$ 889,745	\$ 757,493	\$ 895,745	\$ 895,745	\$ -	0.00%
Total Instructional Support Cost Centers	11,773,178	12,833,222	12,928,596	12,994,173	65,577	0.51%
Total Administrative Support Cost Centers	15,221,838	20,633,349	15,900,232	16,900,264	1,000,032	6.29%
Total Operational Support Cost Centers	10,115,248	9,850,113	10,833,872	11,452,003	618,131	5.71%
Total Other District Programs	4,467,556	5,645,713	4,765,759	3,950,565	(815,194)	(17.11%)
Total Personnel Costs	<u>89,166,393</u>	<u>86,796,084</u>	<u>92,179,010</u>	<u>95,382,329</u>	<u>3,203,319</u>	<u>3.48%</u>
TOTAL GENERAL FUND EXPENDITURES	\$ 131,633,958	\$ 136,515,974	\$ 137,503,214	\$ 141,575,079	\$ 4,071,865	2.96%
TOTAL GENERAL FUND REVENUE	<u>\$ 131,633,958</u>	<u>\$ 136,515,974</u>	<u>\$ 137,503,214</u>	<u>\$ 141,575,079</u>	<u>\$ 4,071,865</u>	



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

	Final Budget 2024-25	Actual 2024-25	Final Budget 2025-26	Proposed Budget 2026-27	Forecast Budget 2027-28	Forecast Budget 2028-29	Forecast Budget 2029-30
TOTAL REVENUE	\$ 131,633,958	\$ 136,835,331	\$ 137,503,214	\$ 141,575,079	\$ 145,803,463	\$ 150,517,510	\$ 155,435,035
TOTAL EXPENDITURES	\$ 131,633,958	\$ 136,515,974	\$ 137,503,214	\$ 141,575,079	\$ 145,803,463	\$ 150,517,510	\$ 155,435,035
PROJECTED Balanced Budgets	\$ -	\$ 319,357	\$ -	\$ -	\$ -	\$ -	\$ -

Millage Increase	0.9494		0.8868	1.0908	0.9363	0.9597	0.9837
Millage Rate	35.4731		36.3599	37.4507	38.3870	39.3467	40.3304
Tax Increase – Act 1 Limit	5.30%		4.00%	3.50%	3.20%	3.30%	3.30%
Tax Increase – OJR Actual (Projected 2025-26 through 2028-29)	2.75%		2.50%	3.00%	2.50%	2.50%	2.50%

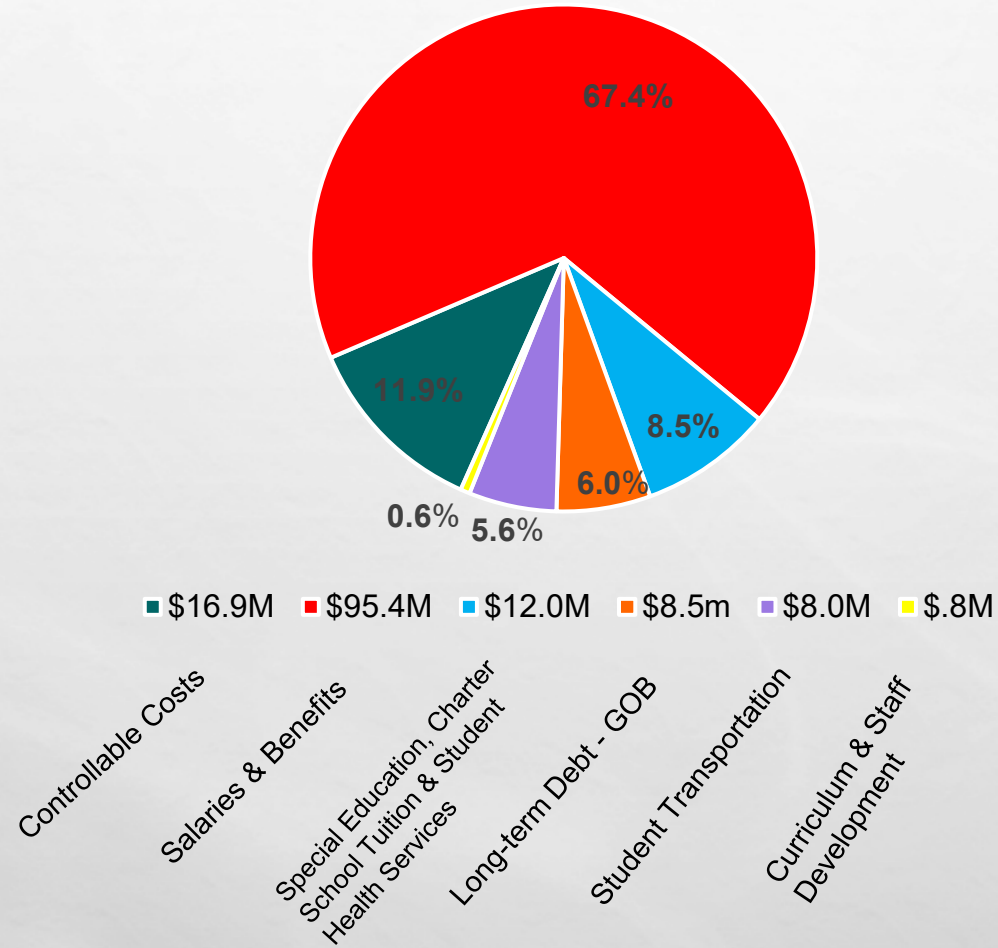
Notes:
(1) 2026-27 through 2029-30 Act 1 Index Projections Source – Pennsylvania Independent Fiscal Office (IFO) – www.ifo.state.pa.us



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.

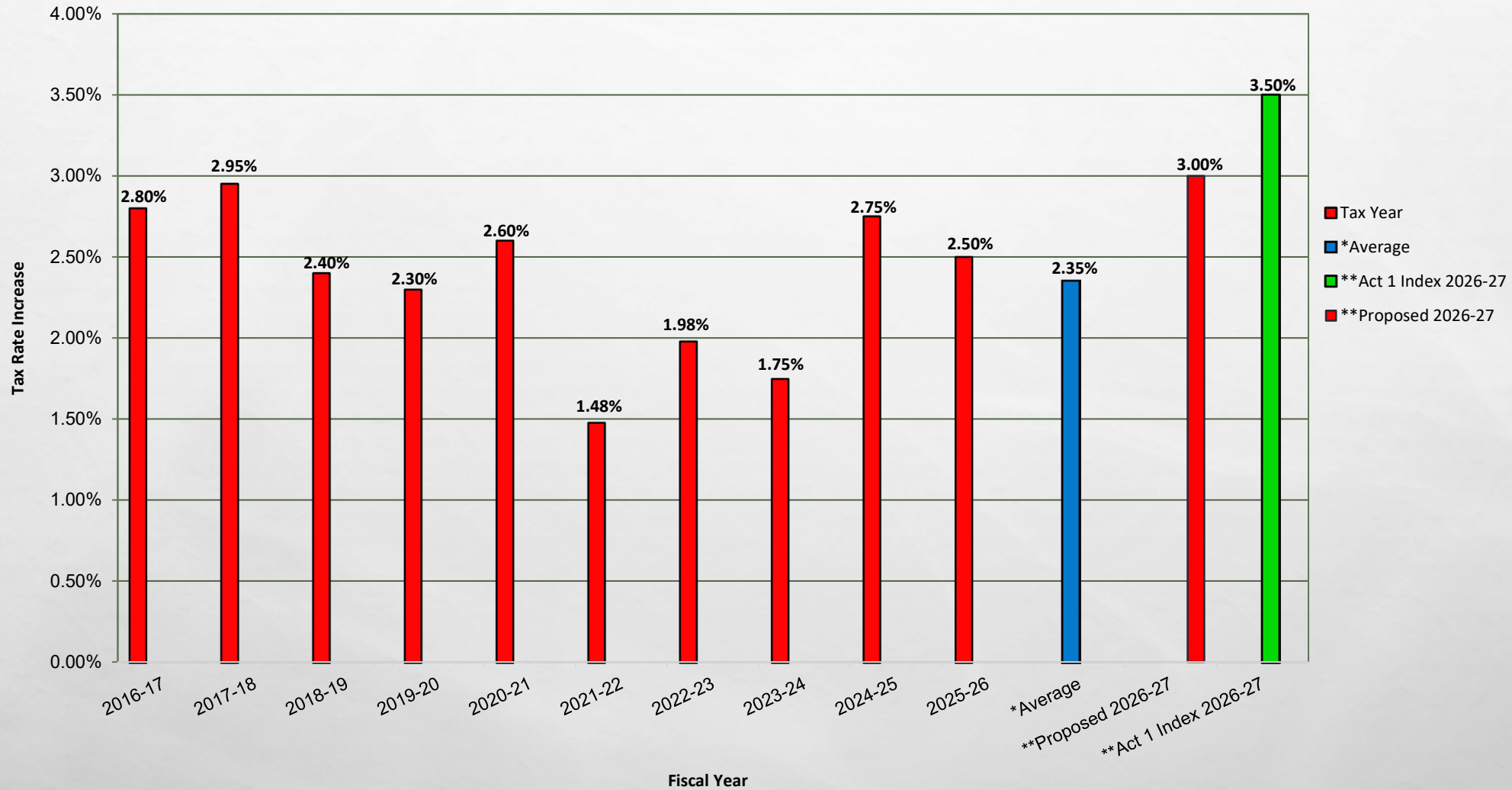


Mandated/Contractually Obligated Costs \$124.7M (88%):

- 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%.

