2026-2027
Final Budget
June 16th, 2026

2026 – 2027 ACT 1 Index

May 28, 2026

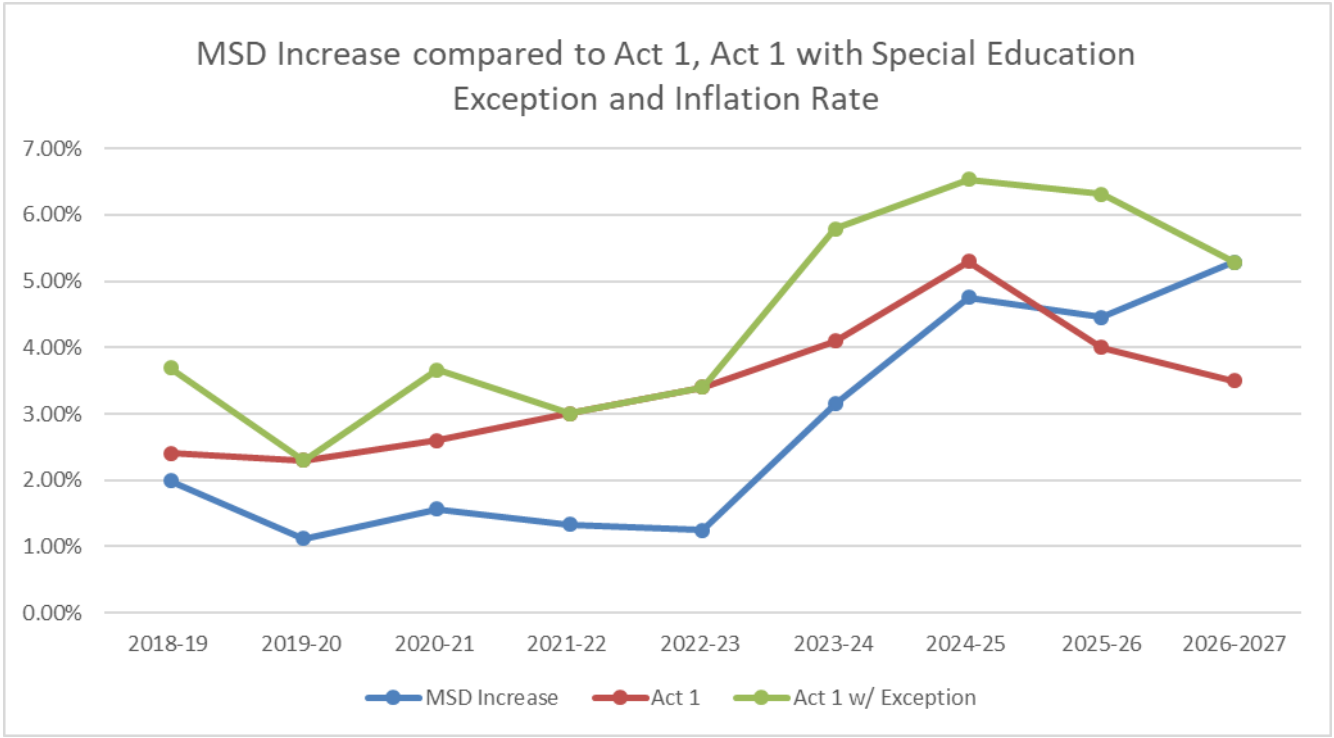
Revenue Category	Amount
Local	$113,308,435
State	$29,737,020
Federal	$409,644
Total	**$143,455,099**

Expense Category	Amount
Salary & Benefits	$94,400,836
Operational	$35,979,847
Debt & Transfers	$13,074,416
Total	**$143,455,099**

ACT 1 – 3.5%

MSD Final Budget Increase – 5.29%

Net Tax Levy = $96,822,779.45



Special Education Exception Calculation

	2023-2024	2024-2025
Special Education Costs	$25,294,589	$27,818,244
Special Education Subsidy	($2,735,490)	($2,720,080)
Net Cost (Special Ed. Exp. – Revenues)	$22,559,099	$25,098,164
Net Cost Increase 23-24 to 24-25		$2,539,065
ACT 1		3.5%
2023-2024 Net Cost * ACT 1		$789,568
Allowable Exception – Difference in net cost increase and ACT 1		**$1,749,497**

Taxpayer Impact

REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2025/26 = **35.7219 mills**
- Proposed Real Estate tax rate 2026/27 = **37.6116 mills**
  - **§ Total Increase of 5.2900% (or 1.88968851 mills)**
  - **§ Increase of 0.6395 mills for Special Education Exception**

Estimated increased tax bill for a home assessed at the district median of $176,620 is $333.76

Overall tax bill calculation: 37.6116 (millage) X $176,620 = $6,642.96

Estimated tax bill for other home assessed values (based on 5.2900% increase = 1.8897 mills or 37.6116 mills):

Value*	Assessment	Increase	Total Tax	
$100,000.00	$35,460.99	$67.01	$1,333.74	
$200,000.00	$70,921.99	$134.02	$2,667.49	
$300,000.00	$106,382.98	$201.03	$4,001.23	
$400,000.00	$141,843.97	$268.04	$5,334.98	
$498,068.40	$176,620.00	$333.76	$6,642.96	MSD Avg.
$500,000.00	$177,304.96	$335.05	$6,668.72	
$1,000,000.00	$354,609.93	$670.10	$13,337.44	
$2,000,000.00	$709,219.86	$1,340.20	$26,674.89	

Budget to Budget Object Comparison

Object	26-27 Final	25-26 Budget	Budget to Budget	Budget to Budget
Salaries	$57,586,469.71	$55,478,081.28	$2,108,388.43	3.80%
Benefits	$36,814,365.74	$35,348,094.00	$1,466,271.74	4.15%
Professional Services	$13,299,589.31	$12,086,439.71	$1,213,149.60	10.04%
Purchased Property Services	$1,324,842.53	$1,619,306.49	(-$294,463.96)	(-18.18%)
Tuition/Travel & Transportation	$16,908,464.62	$15,306,357.81	$1,602,106.81	10.47%
Supplies/Software Books/Utilities	$4,437,363.32	$4,925,826.12	(-$488,462.80)	(-9.92%)
Equipment	$9,587.61	$48,000.00	(-$38,412.39)	(-80.03%)
Debt Service, Transfers and Leases	$13,074,416.28	$12,964,460.59	$109,805.69	.85%
TOTAL	**$143,455,099.12**	**$137,776,916.00**	**$5,678,183.12**	**4.12%**

Object Comparison Detail

May 28, 2026

Salaries - Increase of $2.1 Million (3.80%)

- Contractual increases across all bargaining units ~ $3 million
- Reduction of 10 MEA positions and 1 Administrative positions ~ $1.8 Million
- Addition of 8 Personal Care Assistant (PCA) positions and 3 District employed psychologists
  ~ $1,000,000 (shift from outsourced professional services)

Benefits – Increase of $1.5 Million (4.15%)

- Healthcare and prescription costs - $725,000 (over and above the $475,000 capacity built in)
- FICA and PSERS increases - $600,000
- Tuition - $50,000
- Workers Comp - $85,000

Object Comparison Detail

Professional Services – Increase of $1.2 Million (10.04%)

- Align budget to actual costs - $2.4 Million
- Wilson reading services - $450,000
- Intermediate Unit (IU) services - $300,000
- REACH program - $246,000
- Reduction of 1 unarmed security guard - $52,000
- Building substitutes (24 to 12) - $549,000
- LTS for teacher on assignment– High School - $66,000
- Psychologists and Special Education support to salaries - $1,000,000
- Legal costs - $135,000

Object Comparison Detail

May 28, 2026

Purchased Property Services – Decrease of $294,500 (-18.18%)

- Delayed implementation of PM Contracts

Tuition/Travel/Transportation – Increase of $1.6 Million (10.47%)

- Tuition – Out of district Special Education placements - $1.4 Million
- Transportation
  - Out of district Special Education placements and homeless students - $265,000
  - Fuel costs - $55,000
  - Route Efficiency - $91,000

Supplies/Software/Curriculum/Utilities – Decrease of $488,500 (-9.92%)

- General supplies (across all areas)- $206,900
- Electricity and natural gas costs - $270,700
- Curriculum - $552,300 (Based on curriculum refresh cycle)

Object Comparison Detail

May 28, 2026

Other Objects and Other of Funds – Increase of $109,806 (.85%)

- Based on debt schedule - Assumes $30 Million of planned capital borrowing
- No budgeted transfer to capital fund
- High School returned to National School Lunch Program - no food service transfer from General Fund - $250,000
- Budgetary Reserve – $340,000
  - Medical
  - Special Education
  - Curriculum

Revenue and Expenditure Comparison

Program	Proposed 27	Budget 26	Budget to Budget	Budget to Budget
Salaries & Benefits	$ 94,400,836	$ 90,826,175	$ 3,574,661	3.94%
Support Services	$ 31,532,896	$ 29,012,104	$ 2,520,792	8.69%
Supplies & Equipment	$ 4,446,951	$ 4,974,176	$ (527,225)	-10.60%
Debt, Transfers, Leases & Other	$ 13,074,416	$ 12,964,461	$ 109,955	0.85%
Grand Total	$ 143,455,099	$ 137,776,916	$ 5,678,183	4.12%

	Proposed 27	Budget 26	Budget to Budget	Budget to Budget
Local Sources	$ 113,308,435	$ 108,303,160	$ 5,005,275	4.62%
State Sources	$ 29,737,020	$ 29,056,834	$ 680,186	2.34%
Federal Sources	$ 409,644	$ 416,922	$ (7,278)	0.00%
Other Sources	$ -	$ -	$ -	-
TOTAL REVENUES	$ 143,455,099	$ 137,776,916	$ 5,678,183	4.12%

Projected Operating Deficit $ -

NOTE: Across Montgomery County, school district tax increases ranged from 1.00% to 10.81%. Seventeen of the county's 22 districts (81%) adopted tax increases at or above the Act 1 Index, and five districts exceeded the Index, reflecting the fiscal pressures facing public schools throughout the region.