

Tredyffrin/Easttown School District

FY 2026-27 Budget Development

Board Meeting – Priority Discussion
April 27, 2026

TESD FY 26-27 Budget Timeline

Draft

2025	2026				
December	January	March	April	May	June
First review of budget and major cost impacts in Finance Committee Meeting	Display/Adopt the Budget OR pass resolution to stay at or below the Act 1 Index of 3.5%	Budget Workshop I - March 9	Budget Workshop II - April 13 Proposed Final Budget adoption at April 27 Board Meeting	Finance Meeting May 11 Regular Board Meeting May 26	Finance Meeting June 4 Final Budget adoption at June 8 Board Meeting

Finance Committee Meetings:

December 15, 2025

January 12, 2026

February 9, 2026

March 9, 2025

April 13, 2026

May 11, 2026

June 4, 2026

Budget Workshops:

March 9, 2026

April 13, 2026

Board Meetings:

January 5, 2026

January 28, 2026

February 23, 2026

March 22, 2026

April 27, 2026


May 26, 2026

June 8, 2026

□ Development of the FY26-27 Operating Budget

1. Property Tax Revenue (includes assessment growth, assessment appeals gains/losses and historic collection rates) - \$1.8M Decrease
2. Governor's Proposed Budget - \$248K Increase
3. Capital Funds Transfer - \$6M Flat
4. Special Education Department - \$2.9M Increase
5. Debt Service for Bond Issue - \$523K Increase
6. Projected Professional Staffing Adjustments - \$840K Increase
7. Second Look Healthcare Projection - \$200K Decrease (Medical 7% Inc; Rx 5% Inc, Dental Flat)
8. Departmental Reductions District-wide - \$1.5M

Contributions from GF to the Capital Fund

<u>Fiscal Year</u>	<u>Amount</u>	
□ FY 2007-08	□ \$0	
□ FY 2008-09	□ \$0	
□ FY 2009-10	□ \$0	
□ FY 2010-11	□ \$0	
□ FY 2011-12	□ \$0	
□ FY 2012-13	□ \$10,387,537	
□ FY 2013-14	□ \$0	
□ FY 2014-15	□ \$0	
□ FY 2015-16	□ \$0	
□ FY 2016-17	□ \$650,000	
□ FY 2017-18	□ \$1,700,000	
□ FY 2018-19	□ \$4,000,000	
□ FY 2019-20 (COVID-19 Impact)	□ \$5,200,000	
□ FY 2020-21 (COVID-19 Impact)	□ \$3,000,000	
□ FY 2021-22	□ \$7,000,000	
□ FY 2022-23	□ \$5,000,000	 5 Year Avg Contribution to Capital Fund = \$5,100,000
□ FY 2023-24	□ \$5,000,000	
□ FY 2024-25	□ \$5,500,000	

Tax Impact from Act 1 Index and Exceptions

Draft

(Act 1 Index of 3.5%)

	<u>FY 2026-27</u>	<u>Tax Rate</u>	<u>Projected Revenue</u>	<u>Mills</u>
1				(Current Rate = 29.6567)
2	Act 1 Index	3.5%	\$5,175,324	1.0379
3	Projected Referendum Exceptions:			
4	Special Education Expenditures	1.49%	\$2,207,776	0.4418
5	Employer Retirement Contributions	0.0%	\$0	0.0000
6	Total	4.99%	\$7,383,100	1.4797
7				(New Rate = 31.1364)

History of TESD Property Tax Rate

Draft

**Avg Tax Rate
Increase for
Last 5 Years
is 3.9%**

A	B	C	D	E	F
		Exceptions			
<u>Year</u>	<u>Act 1 Index</u>	<u>PSERS</u>	<u>Special Ed</u>	<u>Tax Increase</u>	<u>Avg. Increase</u>
2025-26	4.0%	-	0.660%	4.66%	\$350
2024-25	5.3%	-	1.011%	5.90%	\$415
2023-24	4.1%	-	-	3.50%	\$235
2022-23	3.4%	-	-	2.95%	\$190
2021-22	3.0%	-	-	2.50%	\$157
2020-21	2.6%	-	-	2.60%	\$162
2019-20	2.3%	0.022%	1.59%	3.91%	\$229
2018-19	2.4%	0.020%	-	2.42%	\$139
2017-18	2.5%	0.363%	0.337%	3.20%	\$178
2016-17	2.4%	0.60%	0.60%	3.60%	\$191
2015-16	1.9%	1.14%	0.77%	3.81%	\$194
2014-15	2.1%	1.10%	-	3.20%	\$157
2013-14	1.7%	-	-	1.70%	\$82
2012-13	1.7%	1.04%	0.56%	3.30%	\$155
2011-12	1.4%	1.20%	1.17%	3.77%	\$171
2010-11	2.9%	-	-	2.90%	\$126
2009-10	4.1%	-	-	2.95%	\$126
2008-09	4.4%	-	-	4.37%	\$171
2007-08	3.4%	-	-	3.37%	\$128
2006-07	3.9%	(Act 1 of 2006 Becomes Law)		3.90%	\$145

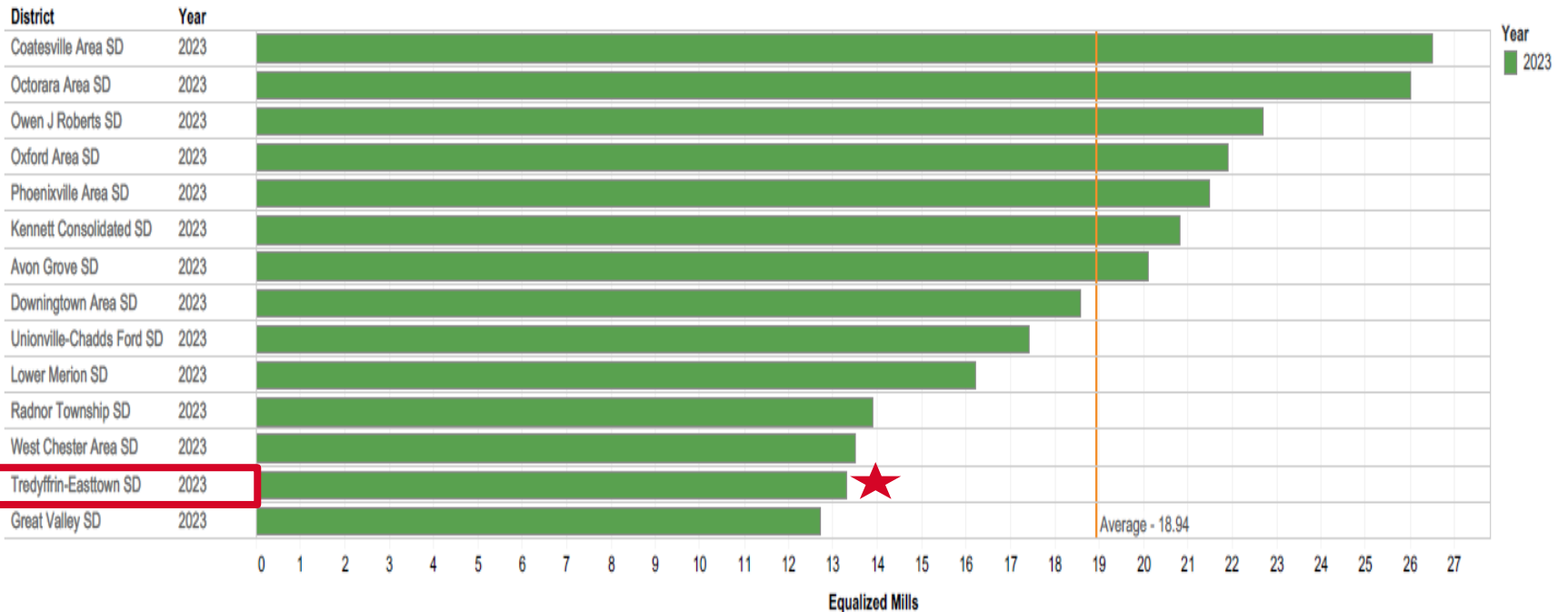
Equalized Mill (Tax Effort) Rate Comparison

Chester County and Others Avg 18.94
Tredyffrin-Easttown: 13.30

Equalized Mill Rate Comparison
2023

Source: Pennsylvania Department of Education

Note: Equalized Mills are determined by dividing a school district's total taxes collected by its total Market Value. Generally, high Equalized Mills represent a higher tax burden than low Equalized Mills.



The lower the District's equalized mill rate, the lower the tax effort of the community based on the actual market values of the properties

FY 2025-26 General Fund Fund Balance Commitments

Draft

	A	B
1	Prepaid Expenses - Nonspendable	\$197,304
2	Subsequent Year's Budget	\$6,116,607
3	Capital Projects	\$6,000,000
4	Vested Employee Services	\$10,347,822
5	PSERS Contingency	\$5,145,235
6	Healthcare Contingency	\$5,300,000
7	Assigned to Athletic Fund	\$294,120
8	TOTAL FUND BALANCE	\$33,401,088

FY 2025-26 Budget and Year-end Projection Draft

		A	B	C
		Budget	Projection	
	Revenues	2025-2026	2025-2026	Variance
1	Total Revenue from Local Sources	\$ 160,055,821	158,598,397	\$ (1,457,424)
2	Revenue from State Sources	\$ 16,577,163	17,007,737	\$ 430,574
3	PSERS Subsidy from State	\$ 12,661,696	13,049,227	\$ 387,531
4	Total Revenue from Federal Sources	\$ 1,005,292	1,005,292	\$ -
5	Total Revenues	\$ 190,299,972	\$ 189,660,653	\$ (639,319)
	Expenditures			
6	Salaries	\$ 76,260,157	77,214,850	\$ 954,693
7	Benefits	\$ 19,464,515	18,116,403	\$ (1,348,112)
8	PSERS Expenditures	\$ 25,323,392	26,153,049	\$ 829,657
9	Other Expenditures	\$ 72,368,515	72,079,262	\$ (289,253)
10	Total Expenditures	\$ 193,416,579	\$ 193,563,564	\$ 146,985
11	Budget Imbalance	\$ (3,116,607)	\$ (3,902,911)	\$ (786,304)

Budget Scenarios FY 2026-27

	A	B	C	D
		FY 26-27 Budget	FY 26-27 Budget	FY 26-27 Budget
		No New Tax Revenue	Act 1 Index - 3.5%	Act 1 Index and exceptions**
1	Budgeted Anticipated Revenue	\$188,200,554	\$188,200,554	\$188,200,554
2	*Budgeted Anticipated Expenditures	\$200,362,510	\$200,362,510	\$200,362,510
3	Property Tax Revenue from Tax Increase	\$0	\$5,175,324	\$7,383,100
4	Budget Reductions/Fund Balance Contributions	\$0	\$0	\$0
5	Projected Operational Deficit	(\$12,161,956)	(\$6,986,632)	(\$4,778,856)

*Does not include Contingency

** Projections indicate the District will be eligible for Special Education Referendum Exception but ineligible for the PSERS Referendum Exception

FY 2026-27 Budget Development Summary Draft

1	Budgeted Revenue	\$188,200,554	
2	Budgeted Tax Rate Increase (Act 1 Index)	\$5,175,324	3.5%
3	Budgeted Tax Rate Increase (Special Education Exception)	\$2,207,776	1.49%
4	Total Budgeted Revenue	<u>\$195,583,654</u>	
5	Total Budgeted "Anticipated" Spending	\$200,362,510	
6	Balance	<u>(\$4,778,856)</u>	Satisfied with General Fund Balance Contribution
7	*Budgetary Reserve/Contingency	\$4,500,000	General Fund Balance Commitment
8	Total Budgeted "Authorized" Spending	<u>\$204,862,510</u>	Preliminary Budget
	<u>*Budgetary Reserve/Contingency</u>		
9	Operating (1.0%)	\$2,100,000	
10	Revenue Projection	\$1,200,000	
11	Special Education	\$1,200,000	
12	Total Budgetary Reserve/Contingency	<u>\$4,500,000</u>	

FY 2026-27 Proposed Final Budget Resolution

Draft

Recommended Action: That the Board of School Directors adopts the following resolutions that pertain to the approval of the 2026 – 2027 Proposed Final Budget submitted by the District’s administration:

WHEREAS, a Proposed Final Budget for the 2026 – 2027 school year has been prepared by the District’s administration and submitted to the Board of School Directors for the Tredyffrin/Easttown School District for its consideration; and

WHEREAS, the Board has reviewed and fully considered said Proposed Final Budget;

WHEREAS, although the Public School Code requires that the Board approve a Proposed Final Budget before it can adopt a Final Budget, such approval does not limit the consideration of further changes prior to adoption of a Final Budget.

NOW, THEREFORE, pursuant to Section 687 of the Public School Code, the Board of School Directors for the Tredyffrin/Easttown School District, Wayne, Chester County, Pennsylvania, hereby approves and adopts the Proposed Final Budget as follows:

- 1. The Proposed Final Budget for the 2026 – 2027 school year is in the amount of \$195,583,654 revenue, \$9,278,856 fund balance transfers and \$204,862,510 for appropriations on a tentative basis.**
- 2. Public notice of said Proposed Final Budget will be given at least ten (10) days before its final adoption.**
- 3. The Proposed Final Budget will be printed or otherwise made available for public inspection to all persons who may have an interest therein, at least twenty (20) days prior to final adoption of the said budget by the Board of School Directors.**

Property Tax Rent Rebate Program

The Pennsylvania legislature enacted a law that expanded the Property Tax/Rent Rebate (PTRR) program to give more Pennsylvanians a rebate and increase the amount of the rebates.

The rebate program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older. The income limit is \$48,110 a year for homeowners and renters after excluding half of Social Security income/benefits.

The Property Tax/Rent Rebate Program is one of five programs supported by the Pennsylvania Lottery and slots gaming.

Homeowners/Renters may be eligible to receive the following rebates based on income:

Income	Maximum Rebate
\$0 to \$8,550	\$1,000
\$8,550 to \$16,040	\$770
\$16,040 to \$19,240	\$460
\$19,241 to \$48,110	\$380

<https://www.revenue.pa.gov/IncentivesCreditsPrograms/PropertyTaxRentRebateProgram/Pages/default.aspx>

FY 2026-27 Key Dates for Budget Development

Draft

- A. April 27, 2026 – Adopt Proposed Final Budget for FY 2026-27
- B. June 8, 2026 – Adopt Final Budget for FY 2026-27