

2025-2026 Pottstown School District First Look Budget



Maureen K. Oakley, Business Administrator

2025 - 2026 BUDGET TIMELINE

9/30/2024	ACT 1 Base Index 4% & Pottstown Adjusted Index 5.8% Released by PDE
11/14/2024	Finance Committee Meeting- Opt out Resolution discussion
11/21/2024	Board Action- Opt out Resolution
02/13/2025	Finance Committee First Look Budget Presentation
3/14/2025	Finance Committee Preliminary Budget Review
4/17/2025	Preliminary Budget Adoption
5/15/2025	Final Budget Adoption- including HF Resolution & 2024-2025 READY-TO-LEARN BLOCK GRANT TAX EQUITY SUPPLEMENT
6/30/2025	School District Deadline to Adopt 2024/2025 Budget
7/15/2025	Deadline to File PDE 2028 (or 15 days within Final Budget Adoption)

Historical ACT 1 Index & Millage

<u>Year</u>	<u>BASE</u>	<u>ADJUSTED</u>	<u>Millage</u>
2025-2026	4.0%	5.8%	
2024-2025	5.3%	7.9%	41.96
2023-2024	4.1%	6.0%	41.96
2022-2023	3.4%	5.0%	41.96
2021-2022	3%	4.4%	41.96

***PSD raised taxes to half (50%) of the allowable rate as indicated by the index for the 2012-13 school year while there was no tax increase in the 2015-16, 2016-17 and 2017-18 school years. The district raised taxes to the adjusted index 3.5% for a millage rate of 40.62 in 2018-2019 and raised taxes to the adjusted index 3.3% for a millage rate of 41.96 in 2019-2020. The District did not raise taxes in 2020-21, 2021-22, 2022-23, 2023-24, or 2024-25 the millage rate remains at 41.96.

In the Past 10 years the school district raised taxes **2 times** (18/19 & 19/20) the year the Hospital came off the tax role and the following year.

Tax Base

*2015 Certified Tax Duplicate \$810,196,679

2020 Certified Tax Duplicate \$761,992,039

2021 Certified Tax Duplicate \$761,470,629

2022 Certified Tax Duplicate \$762,090,941

2023 Certified Tax Duplicate \$ 761,331,952

2024 Certified Tax Duplicate \$ 758,342,862

2025 Certified Tax Duplicate \$ 760,445,232

Act 1

<u>Index</u>	<u>Millage+ / -</u>	<u>New Millage</u>	<u>Addl Revenue</u>
0.5	0.21	42.17	\$ 132,413
1	0.42	42.38	\$ 285,247
1.75	0.73	42.69	\$ 514,499
2	0.84	42.80	\$ 590,916
2.5	1.05	43.01	\$ 743,750
3	1.26	43.22	\$ 896,584
3.5	1.47	43.43	\$ 1,049,419
4	1.68	43.64	\$ 1,202,253
4.5	1.89	43.85	\$ 1,355,087
4.75	1.99	43.95	\$ 1,431,504
5	2.10	44.06	\$ 1,507,922
5.25	2.20	44.16	\$ 1,584,339
5.8	2.43	44.39	\$ 1,752,456

2025-2026 Budget

Assumptions

- **State Revenues @ 50% of Governor's Proposal**
- **PA Property Tax Rebate Program \$0**
- **Healthcare & Insurance 4% Increases**
- **Charter & Special Ed Tuition Increases based on actuals**
- **Federal Funding Flat**
- **No Change to Staffing / Programming**

2025-2026 Budget

Assumed Increases

100's	Salaries	\$3.5M
200's	Benefits	\$2.1M
300's	Services	\$2M
510's	Transportation	\$1.1M
560's	Tuition	\$2.7M

2025-2026 Budget

Tuition (560's)

	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u> <u>YTD</u>	<u>25/26.</u> <u>Budget</u>
1100 Reg Ed	\$1,825,099	\$2,171,176	\$2,469,782	\$2,650,776	\$3,100,000	\$3,410,000
1200 Spl Ed	\$3,746,140	\$3,625,042	\$4,824,864	\$5,572,541	\$6,500,000	\$7,150,000
1400 Alt Ed	\$139,714	\$128,456	\$199,330	\$345,804	\$375,000	\$412,500
TOTAL	\$5,710,954	\$5,924,675	\$7,493,977	\$8,569,122	\$9,975,000	\$10,972,500

*****2023-2024 Actual to 2025-2026 Budget \$2,403,000 increase in 2 years**

Proposed State Revenue from Governor's Proposal BEF (Basic Ed. Subsidy)

Budget = \$20,549,721

<i>25/26 Base</i>	<i>\$20,018,806</i>
<i>25/26 Proposed BEF (Feb 2025)</i>	<i>\$21,081,638</i>
<i>25/26 Budgeted BEF</i>	<i>\$20,549,721</i>
<i>23/24 Actual</i>	<i>\$19,577,500</i>
<i>24/25 Projected</i>	<i>\$20,810,644</i>

Proposed State Revenue from Governor's Proposal SEF (Special Ed. Subsidy)

Budget \$3,632,1080

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
SEF Subsidy	2,178,878	2,232,034	2,437,714	2,437,564	2,663,200	3,024,777	3,210,321
Spl. Ed Expend	12,677,319	13,729,409	13,850,055	13,482,875	13,925,463	16,367,184	18,850,781

Proposed State Revenue from Governor's Proposal R2L (Ready To Learn)

Budget = \$5,969,990

<i>25/26 R2L Foundation</i>	<i>\$4,999,655</i>
<i>25/26 Proposed Adequacy</i>	<i>\$892,056</i>
<i>25/26 Proposed Tax Equity</i>	<i>\$1,048,614</i>
<i>25/26 TOTAL R2L Proposed</i>	<i>\$6,940,327</i>
<i>24/25 R2L Foundation</i>	<i>\$3,059,007</i>
<i>24/25 Proposed Adequacy</i>	<i>\$891,826</i>
<i>24/25 Proposed Tax Equity</i>	<i>\$1,048,614</i>
<i>24/25 TOTAL R2L</i>	<i>\$4,999,448</i>

1st Look

February 13, 2025

REVENUES	\$87,247,889
EXPENDITURES	\$96,435,736
BUDGET SHORTFALL	(\$9,187,847)
USE OF FUND BALANCE	?

Homestead Farmstead Rebate

	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Allocation	\$2,040,708	\$2,047,500	\$2,456,885
Homesteads	3,715	3,645	3,664
HF Reduction	\$549	\$561	\$670.55
Reduction in Assessed Value	\$13,091	\$13,388	\$15,980

8,758 Total Parcels
7,601 Residential
830 (Commercial, Industrial, Apartment)
327 (Utility & Exempt)
Median 2024 Value 78,995

PA Property Tax / Rent Rebate Program

- The Property Tax/Rent Rebate Program supports homeowners and renters across Pennsylvania. This program provides a rebate ranging from \$380 to \$1,000 to eligible older adults and people with disabilities age 18 and older.

Income	Maximum Rebate
\$0 - \$8,000	\$1,000
\$8,001 - \$15,000	\$770
\$15,001 - \$18,000	\$460
\$18,001 - \$45,000	\$380

- **Age Criteria**

- 65 and older
- Widows and widowers 50 and older
- People with disabilities 18 and older

- **Income Criteria**

- In addition to age requirements, to qualify for the Property Tax/Rent Rebate, your household income must be \$45,000 or less annually.

PA Property Tax / Rent Rebate Program

Income	
\$0 - \$8,000	\$750
\$8,001 - \$15,000	\$578
\$15,001 - \$18,000	\$345
\$18,001 - \$35,000	\$285
\$35,001 - \$45,000	\$285

- 2024 Program increased maximum from \$650 to \$1,000
- Pottstown Rebate Amount \$285-\$750
- 2024 Income Requirement Raised from \$35k to \$45k
- Claimant Data based off \$35k income threshold
- Pottstown median Household Income (2022) \$57,647

PA Property Tax / Rent Rebate Program

Income	number	NEW Maximum Rebate	Amount	Supplements	Supplements	at 50%	at 60%	at 75%	Plus Supplements	
\$0 - \$8,000	376	\$1,000	\$376,000	40	\$12,836	\$188,000	\$225,600	\$282,000	\$ 9,627	
\$8,001 - \$15,000	257	\$770	\$197,890	109	\$27,250	\$98,945	\$118,734	\$148,418	\$ 20,438	
\$15,001 - \$18,000	42	\$460	\$19,320	33	\$4,950	\$9,660	\$11,592	\$14,490	\$ 3,713	
\$18,001 - \$35,000	234	\$380	\$88,920	92	\$11,500	\$44,460	\$53,352	\$66,690	\$ 8,625	
\$35,001 - \$45,000	unknown	\$380	\$114,000	150	\$57,000	\$57,000	\$68,400	\$85,500	\$ 42,750	
	909		\$ 796,130		\$ 113,536	\$398,065	\$477,678	\$597,098	\$ 85,152	
									\$ 682,250	
**unknown estimated at 300										

Pottstown Property Tax / Rent Rebate Program

How are we doing?

<u>Number of Applicants</u>	<u>Total \$\$ Rebated</u>	<u>Homeowners</u>	<u>Renters</u>
190	\$87,609	134	56

- State Report had 909 Eligible Participants
- 3 ineligible address (Pottsgrove or OJR)
- 3 Rebates at 100% so \$0 rebate amount

Fund Balance

	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Unassigned	5,280,749	5,957,395	6,394,253	6,785,182
Committed PSERS	3,799,409	3,799,409	3,799,409	3,119,774
Assigned Capital	7,535,435	7,535,435	9,535,435	9,535,435
Assigned Next Year Budget	1,425,451	740,132	679,635	37,636
Assigned Tuition & Transp.	2,102,329	5,029,873	5,029,873	5,105,130
Capital Projects	2,192,117	2,194,488	2,274,297	2,427,149
TOTAL (excludes Non Spend, Restricted & Non Major)	22,335,490	25,256,732	27,712,902	27,800,719