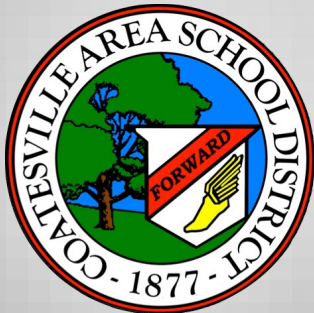


COATESVILLE AREA SCHOOL DISTRICT 2026-2027 BUDGET DEVELOPMENT

PRIOR YEAR VS PROPOSED PRELIMINARY BUDGET

FINANCE COMMITTEE – MAY 12, 2026



BUDGET BY MAJOR OBJECT

Major Object	Category	Examples
100s	Salaries	Teachers, Administrators, Paraprofessionals, Secretaries, Custodians, & Maintenance Staff
200s	Benefits	Social Security, PSERS Retirement, Health Insurance, Tuition Reimbursement, Unemployment Compensation, & Workers' Compensation
300s	Purchased Professional & Technical Services	Consultants, Legal Services, Audit Services, IU Services, & Professional Development Providers
400s	Purchased Property Services	Water & Sewer, Cleaning Services, Equipment Repairs, Equipment Leases, & Extermination Services
500s	Other Purchased Services	Transportation, Insurance, Communications, Advertising, Printing & Binding, Tuition to Other LEAs, & Charter School Tuition
600s	Supplies	General Supplies, Electric & Gas, Meals, Books & Periodicals, & Technology Supplies
700s	Property	Vehicles, Technology Equipment, & Furniture
800s	Other Objects	Dues & Fees, Judgments, & Interest on Debt
900s	Other Uses of Funds	Principal Portion of Debt Service Payments

BUDGET OVERVIEW EXPENDITURES

- TOTAL PRIOR YEAR BUDGET: \$242,000,000
- TOTAL PROPOSED BUDGET: \$258,000,000
- TOTAL CHANGE: \$16,000,000
- OVERALL INCREASE: 6.61%



PRELIMINARY EXPENSE PROJECTIONS

Major Object	Description	Prior Year 2025-2026	Proposed 2026-2027	Change
100 & 200	Salaries & Benefits	\$ 77,411,930	\$ 81,730,765	\$ 4,318,835
300	Purchased Professional & Technical	\$ 27,179,022	\$ 31,433,609	\$ 4,254,587
400	Purchased Property Services	\$ 3,655,076	\$ 3,809,219	\$ 154,143
500	Other Purchased Services	\$ 98,298,461	\$ 100,043,592	\$ 1,745,131
600	Supplies	\$ 6,212,860	\$ 6,387,605	\$ 174,745
700	Property	\$ 1,444,120	\$ 1,496,500	\$ 52,380
800	Other Objects	\$ 13,095,382	\$ 17,312,561	\$ 4,217,179
900	Other Uses of Funds	\$ <u>14,703,149</u>	\$ <u>15,786,149</u>	\$ <u>1,083,000</u>
	TOTAL	\$ <u>242,000,000</u>	\$ <u>258,000,000</u>	\$ <u>16,000,000</u>

KEY EXPENDITURE DRIVERS



Salaries (100s) & Benefits (200s) increased due to contractual obligations, staffing needs, wage adjustments, and rising employee benefit costs.



Professional & Technical Services (300s) increased due to expanded special education services and contracted supports.



Purchased Property Services (400s) increased due to facility maintenance, technology infrastructure, and operational needs.



Other Purchased Services (500s) increased due to charter school tuition and transportation expenditures.



Supplies (600s) increased due to instructional materials, technology, and safety and security needs.



Property (700s) increased due to planned equipment and capital purchases.



Other Objects (800s) & Other Uses (900s) increased due to debt service obligations and financing commitments.

REVENUE OVERVIEW

Category	Sources
Local	Property-Based Taxes: <ul style="list-style-type: none">• Real Estate• Interim Tax• Transfer Tax• Delinquent Tax Income Based Taxes <ul style="list-style-type: none">• Earned Income• Local Service Tax Earnings on Investments
State	Basic Education Funding Special Education Funding Transportation State Property Tax Reduction Retirement & Social Security Subsidy Ready to Learn Grants
Federal	Title Funding

BUDGET OVERVIEW REVENUES

- TOTAL PRIOR YEAR BUDGET: \$235,500,000
- TOTAL PROPOSED BUDGET: \$247,122,825
- TOTAL CHANGE: \$11,622,825
- OVERALL INCREASE: 4.94%



PRELIMINARY REVENUE PROJECTIONS

Category	Prior Year 2025-2026	Proposed 2026-2027	Change
Local	\$ 155,410,904	\$ 157,631,076	\$ 2,220,172
State	\$ 75,672,346	\$ 85,107,768	\$ 9,435,422
Federal	\$ 4,416,750	\$ 4,383,981	\$ (32,769)
Total Revenue	<u>\$ 235,500,000</u>	<u>\$ 247,122,825</u>	<u>\$ 11,622,825</u>
Use of Fund Balance	<u>\$ 6,500,000</u>	<u>\$ 0</u>	<u>\$ (6,500,000)</u>
Total Funds Available	<u>\$ 242,000,000</u>	<u>\$ 247,122,825</u>	<u>\$ 5,122,825</u>

BUDGET GAP

(Before Balancing Strategies)

Category	Proposed 2026-2027
Expenditures	\$ 258,000,000
Revenues	<u>\$ 247,122,825</u>
Projected Budget Gap	<u>\$ (10,877,175)</u>

2026-2027 ACT 1 BUDGET PARAMETERS

Base index:	3.50%
<u>Exceptions:</u>	<u>0.00%</u>
Maximum Allowable Increase:	3.50%
Adjusted index:	4.50%
<u>Exceptions:</u>	<u>0.00%</u>
Maximum Allowable Adjusted Increase:	4.50%

2026–2027 PROPERTY TAX REVENUE PROJECTIONS (6111)

Property Tax Revenue Scenarios

	No Tax Increase	3.50%	4.00%	4.50%
Assessed Valuation	\$3,269,306,180	\$3,269,306,180	\$3,269,306,180	\$3,269,306,180
Millage Rate	44.364	45.917	46.139	46.360
Total Taxes Levied	\$145,039,499	\$150,115,882	\$150,841,079	\$151,566,277
Homestead Exclusions	(\$6,720,444)	(\$6,720,444)	(\$6,720,444)	(\$6,720,444)
Collection Rate	97%	97%	97%	97%
Projected Revenue (6111)	\$134,169,484	\$139,093,575	\$139,797,017	\$140,500,458
% Change	3.71%	7.51%	8.06%	8.60%
Dollar Change	\$4,797,233	\$9,721,324	\$10,424,766	\$11,128,207

Percent change reflects increase over the 2025–2026 budgeted property tax revenue of \$129,372,251. Projected revenue assumes a 97% collection rate based on historical district collection experience.

BUDGET GAP

(3.50% Tax Increase Scenario)

Category	Proposed 2026-2027
Expenditures	\$ 258,000,000
Revenues	<u>\$ 252,046,916</u>
Projected Budget Gap	<u>\$ (5,953,084)</u>

BUDGET GAP

(4.00% Tax Increase Scenario)

Category	Proposed 2026-2027
Expenditures	\$ 258,000,000
Revenues	<u>\$ 252,750,358</u>
Projected Budget Gap	<u>\$ (5,249,642)</u>

BUDGET GAP

(4.50% Tax Increase Scenario)

Category	Proposed 2026-2027
Expenditures	\$ 258,000,000
Revenues	<u>\$ 253,453,799</u>
Projected Budget Gap	<u>\$ (4,546,201)</u>

PRIMARY DRIVERS OF THE 2026-2027 PRELIMINARY BUDGET GAP



Charter School Tuition



Special Education Costs



Salaries & Benefits



Transportation Costs



Debt Service Obligations
(Fixed/Predetermined Payments)

NEXT STEPS / AREAS OF FOCUS



Finalize staffing needs and align to instructional priorities



Complete detailed review of school-level budgets



Complete departmental budget reviews for expenditure reduction and operational efficiencies



Evaluate charter enrollment trends and financial impact



Finalize local, state, and federal revenue projections



Analyze tax increase scenarios under the adjusted Act 1 Index (4.50%)



Continue balancing efforts through expenditure reductions, revenue enhancements, and strategic use of fund balance

BUDGET DEVELOPMENT TIMELINE

May

May 12th – Finance Committee Meeting Budget Discussions
May 26th – Board Meeting

June

June 9th – Special School Board Meeting – Final Budget Adoption
(must be before June 30th)



QUESTIONS?