

DISTRICT BUDGET OVERVIEW

2024-25 BUDGET



We are dedicated to crafting a budget that preserves our district's excellence, maintains property values, and minimizes the financial impact on our community.

Tax increases are often needed to cover rising costs associated with federal and state mandates (including special education, retirement contributions & charter school tuition) and to manage revenue challenges: Pennsylvania covers the 5th smallest percentage of public education costs in the nation; the federal government provides approximately 1% of our district's revenue. This places a heavy reliance on local taxes to fund schools.

ACT 1

What is it?

Districts operate under a state-mandated limit on tax increases known as Act 1, limiting the revenue they can collect through property taxes.

What does it do?

Act 1 limits the millage rate increase from the previous year to no more than the average between the rise in the state weekly wage and the federal employment cost index for elementary and secondary schools.

For Fiscal Year 2024-25, the Act 1 index is set at 5.3%.

That means RTMSD is limited to increasing the millage rate by no more than 5.3%, without an exception or a referendum vote. The Board has proposed an increase of 3.5% -- below the Act 1 limit.

Over the last ten years, the average RTMSD tax increase is 2.67%. Over the same period, the average Act 1 increase is 2.91%.

ACT 1 INDEX VS. RTMSD INCREASE

Proposed 2024-25	Act 1 Index	RTMSD Increase
2024-25	5.3%	3.5%
2023-24	4.1%	3.7%
2022-23	3.4%	3.4%
2021-22	3.0%	2.6%**
2020-21	2.6%	2.6%
2019-20	2.3%	2.2%
2018-19	2.4%	2.4%
2017-18	2.5%	2.9%*
2016-17	2.4%	2.4%
2015-16	1.9%	1.9%
2014-15	2.1%	1.8%

Note:** 2017-18 was the only year in the last 10 years that RTMSD exceeded the Act 1 index. That year, RTMSD raised taxes by the Act 1 limit of 2.5% plus the inclusion of an additional 0.4% PSERS (retirement cost) exception. The PDE received and approved referendum exception requests from 129 Pennsylvania school districts for the 2017-18 budget year. Exception requests from 122 of the 129 school districts that year were based in whole or in part upon "pension obligations." *Note:** Due to countywide reassessment, district tax increase could not exceed the 2020-21 Act 1 index.

2024-25 BUDGET TIMELINE

September 30, 2023

PDE published the Act 1 Index of 5.3%

December 21, 2023

Adopt resolution to not exceed the Act 1 Index Deadline: Jan. 4, 2024

December 26, 2023

Submit Real Estate Tax Rate Report to PDE five days after resolution adoption

March 11, 2024

Special Work Session: Finance and Operations Budget Review

April 11, 2024

Finance and Operations Work Session - Budget Review

April 25, 2024

Legislative Meeting - Adoption of the 2024-2025 Proposed Final Budget and Certification of Use of PDE 2028

May 3, 2024

Proposed Final Budget available for public inspection

May 13, 2024

Deadline to offer public notice of intent to adopt the 2024-2025 Final Budget

May 23, 2024

Legislative Meeting - Adoption of the 2024-2025 Final Budget

ELEMENTS OF THE BUDGET

*Proposed
 **Budgeted
 ***Audited



REVENUES

Source	2024-25*	2023-24**	2022-23***	2021-22***
Local	\$100,215,786	\$94,180,691	\$91,365,046	\$85,827,668
State	\$20,045,383	\$19,842,444	\$19,120,714	\$19,138,572
Federal	\$468,388	\$464,874	\$1,557,838	\$1,773,316
TOTAL	\$120,729,557	\$114,488,009	\$112,043,598	\$106,739,556

OPERATING BUDGET

Covers the day-to-day costs of running the district, known as the General Fund.

What does the General Fund Cover?	2024-25*	2023-24**	2022-23***	2021-22***
Instruction	\$66,709,945	\$65,131,736	\$60,369,439	\$58,216,843
Student Support Services	\$40,616,097	\$38,216,540	\$34,853,468	\$32,672,472
Operations / Non-Instructional Services	\$2,036,899	\$1,978,095	\$1,891,329	\$1,796,645
Site Improvements	\$0	\$0	\$5,016,006	\$0
Debt Service / Transfers / Budgetary Reserve	\$12,251,537	\$11,712,155	\$11,062,033	\$13,134,351
TOTAL	\$121,614,478	\$117,038,526	\$113,194,498	\$105,820,916

CAPITAL BUDGET

Funds significant, long-term capital projects and expenditures. Although the cost of capital projects comes from a separate budget funded by selling bonds, the debt service needed to pay back each year comes from the operational budget financed by local, state, and federal sources.

FUND BALANCE

The difference between current assets and liabilities; includes cash and short-term investments, taxes receivable, and intergovernmental receivables.

- A healthy fund balance reflects a school district's operational efficiency, short-term liquidity, and the accumulation of sufficient assets to make designated purchases or cover unforeseen expenditure needs.
- It also provides financial stability and affects a district's bond rating, which impacts debt issuance costs.
- Pennsylvania law limits school district fund balances to no more than 8% of operating expenses; the Government Finance Officers Association generally recommends a fund balance to cover two months (or approximately 15%) of operating expenses.
- Board Policy 620 charges the district with maintaining a fund balance of between 2% and 8% of budgeted expenditures.



RTMSD FUND BALANCE

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Fund Balance	\$9,327,205	\$4,289,928	\$7,417,533	\$5,471,407	\$4,598,574	\$5,492,934	\$4,874,587	\$2,980,808	\$1,782,808
% of Budget	7.97%	3.86%	6.92%	5.19%	4.40%	5.55%	5.09%	3.21%	1.98%



CAPITAL PROJECTS

Capital projects encompass significant initiatives involving our facilities' construction, renovation, or improvement. These projects are thoughtfully planned and executed to enhance the learning environment and meet the evolving needs of our educational community.

The Rose Tree Media School District continues to prepare for the future growth of our district by executing our long-term facilities plan. The School Board is pursuing a staged investment plan to address our capital projects including the building of a new elementary school in a manner that prioritizes and addresses our needs through a responsible and beneficial plan for our district and community.

Our school district conducts a Facility Feasibility Study every 5 to 10 years. In December 2022, the school board approved such a study. Building upon the [October 2023 findings](#) from the latest feasibility study, the district administration presented a comprehensive capital projects plan to the school board in the fall of 2023.

Our current focus is addressing maintenance items and completing a two-year plan to add air conditioning to the elementary schools.

APPROVED CAPITAL PROJECTS *(January 2024)*

PENNCREST HIGH SCHOOL

- **Athletics:** Long jump and pole vault area repairs
- **Electrical:** Replace electrical panel in M wing
- **Energy/Performance:** Upgrade auditorium lighting to LED- and DMX-based system
- **Mechanical:** Upgrade HVAC controls
- **Plumbing:** Add domestic water booster pump; Replace valves V1, V4, V5, V10 *(some heating and some cooling)*

SPRINGTON LAKE MIDDLE SCHOOL

- **Athletics:** Track
- **Mechanical:** Upgrade HVAC controls; Replace rooftop ductwork
- **Paving:** Asphalt Repair
- **Plumbing:** Replace water heater
- **Roofing:** Add maintenance platforms around roof equipment

GLENWOOD ELEMENTARY SCHOOL

- **Accessibility:** Add ADA lift to stage
- **Mechanical:** Replace library remote terminal unit; Upgrade HVAC controls; Upgrade system to include air conditioning and update ventilation requirements

BOND USES & VALUE

Through bonds, school districts essentially borrow the money and pay it off with interest over a long period, much like a homeowner pays off a mortgage. This helps to reduce overall tax increases.

Municipal bonds issued by Rose Tree Media School District enable critical investments in our six schools and throughout district facilities.

The district's most recent Official Statement (OS) for its general obligation bond series provides valid debt, tax, demographic, and bond credit rating information. It is largely based on the district's recent audited financial data.

INDIAN LANE ELEMENTARY SCHOOL

- **Mechanical:** Upgrade HVAC controls; Replace unit ventilators in main office and library
- **Playground:** Rubberized surface area and tree removal

MEDIA ELEMENTARY SCHOOL

- **Exterior:** Replace skylight over atrium; Exterior waterproofing in identified area
- **Mechanical:** Upgrade HVAC controls

ROSE TREE ELEMENTARY SCHOOL

- **Exterior:** Repair exterior stucco
- **Mechanical:** Replace air handling unit in library; Upgrade HVAC controls; Upgrade system to include air conditioning and dehumidification and update ventilation requirements - *Phase I*
- **Windows:** Replace remainder of school windows

TRANSPORTATION

- **Bus Purchases:** Five 48-passenger vehicles and one 72-passenger vehicle