UCFI Unionville-Chadds Ford School District

October 2026 Budget Update

OUR CORE STRATEGIC VALUES

Educational Excellence

Delivering a top-tier educational program is the cornerstone of all that we do.

Superior School Experience

The school environment should be a place where students want to be.

People-Centered Culture

The strength and success of our school community relies on the individuals in it and their engagement.

Principled Stewardship

We will ensure the responsible planning and management of our resources.

2025/26 Financial Outcome: Overall Budget Variance

TOTAL NET VARIANCE

-$2,700,000

Net Use of Fund Balance (Deficit)

While core operational spending remained strictly controlled, unforecasted cost pressures across mandated categories required drawing from the district fund balance.

Special Education Costs -$1,700,000

Mandated out-of-district placements, specialized contracted services, and personal care assistants exceeded budgeted projections.

Healthcare & Benefits -$800,000

Rising claim volumes and healthcare cost inflation drove benefits spending beyond original budget allocations, although we had a positive year over year experience.

District Salaries & Substitute Cost -$400,000

Although we ended the year slightly over budget total salary and substitute spending remained tightly managed within 0.8% of budget.

2025/26 Budget Execution: Operational Discipline

CABINET OPERATIONAL PERFORMANCE

+$295,600

Favorable Budget Variance

Collective departmental control points finished under budget through disciplined day-to-day management.

Discretionary Cost Control

Outside of fixed salaries, benefits, and mandated special ed, Cabinet members held operational budgets strictly in check across all departments.

Principled Stewardship in Action

Prudent spending across building allocations, curriculum, athletics, and technology protected core academic offerings.

Strategic Financial Takeaway

Internal operational spending is lean, efficient, and well-managed.

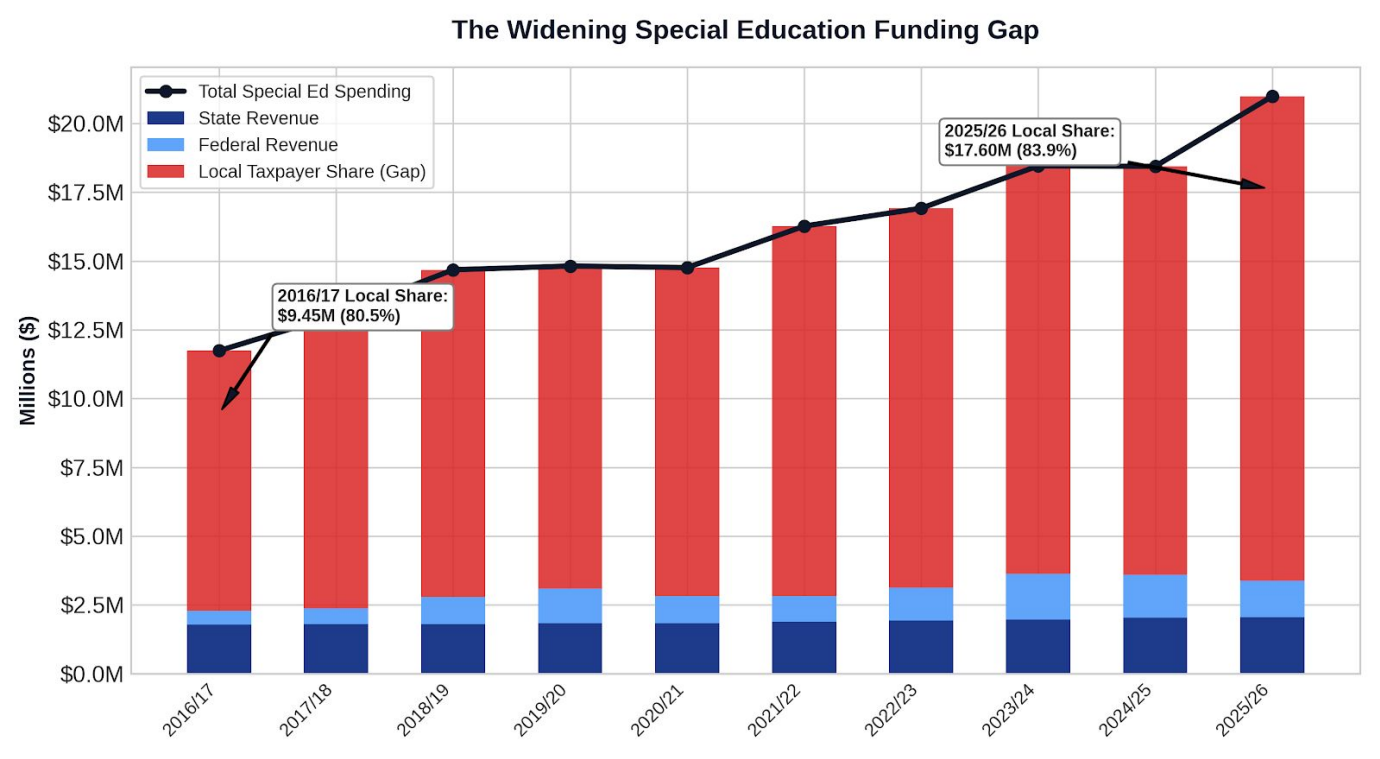
⇄ CONTEXTUALIZING THE CHALLENGE

Why Special Education Is Driving the District Deficit

Our preliminary 2027/28 budget deficit is not the result of local operational overspending—our Cabinet proved we manage budgets strictly, finishing **$295k under budget** in 2025/26.

Rather, it is the direct consequence of a long-term structural disconnect: state and federal funding for our neediest students has stagnated, while mandatory service costs have exploded.

The Widening Special Education Funding Gap



KEY TAKEAWAYS FOR UCFSD

Spending Doubled: Expenditures climbed from $11.7M to $21.0M (an average increase of 6.7% annually).

Flat State Funding: State revenue rose only 1.5% annually.

Lagging Federal Revenue: Federal funding grew by an average of only 2.1% annually.

Unfunded Obligation: UCFSD local funding increased from 80% to 84% of total special ed costs.

Declining State & Federal Revenue Share

2016/17 BASELINE

19.5%

State/Federal special ed funding share.

2025/26 BUDGET

16.1%

Decreasing state/federal special ed support.

NET LOCAL IMPACT

+$8.15M

10-year special ed local tax subsidy increase.

Special Education Needs and Staffing Have Increased Despite Overall Enrollment Declines

STUDENT DEMOGRAPHICS

4,021 → 3,586

Total District Enrollment: Down by 435 students (-10.8%) since 2016/17.

597 → 657

Special Ed Enrollment: Increased by 60 students (+10.1%) over the same period.

Divergence: Special Education needs rose counter to the broader district enrollment decline.

PROFESSIONAL STAFFING

72.1 FTE

Up from 62.6 FTE (+15.2%)

To support the growing Special Education demographic, professional certified staff expanded by **9.5 FTE** positions.

SUPPORT STAFF COMPOSITION

90 → 123

Total Support Staff (+36.7%)

District Support Staff: Reduced from **80 to 36** positions (-55%).

Contracted Support Staff: Skyrocketed from **10 to 87** positions.

High-Cost Placements & Settlement Agreements Drive Expenditures

Out-of-District Placements

25 to 30 students

Increased from 2016/17 to 2025/26, requiring expensive specialized private facility tuition.

Settlement Agreements

11 to 17 students

Expanded significantly over the same timeframe, further compounding mandatory non-discretionary commitments.

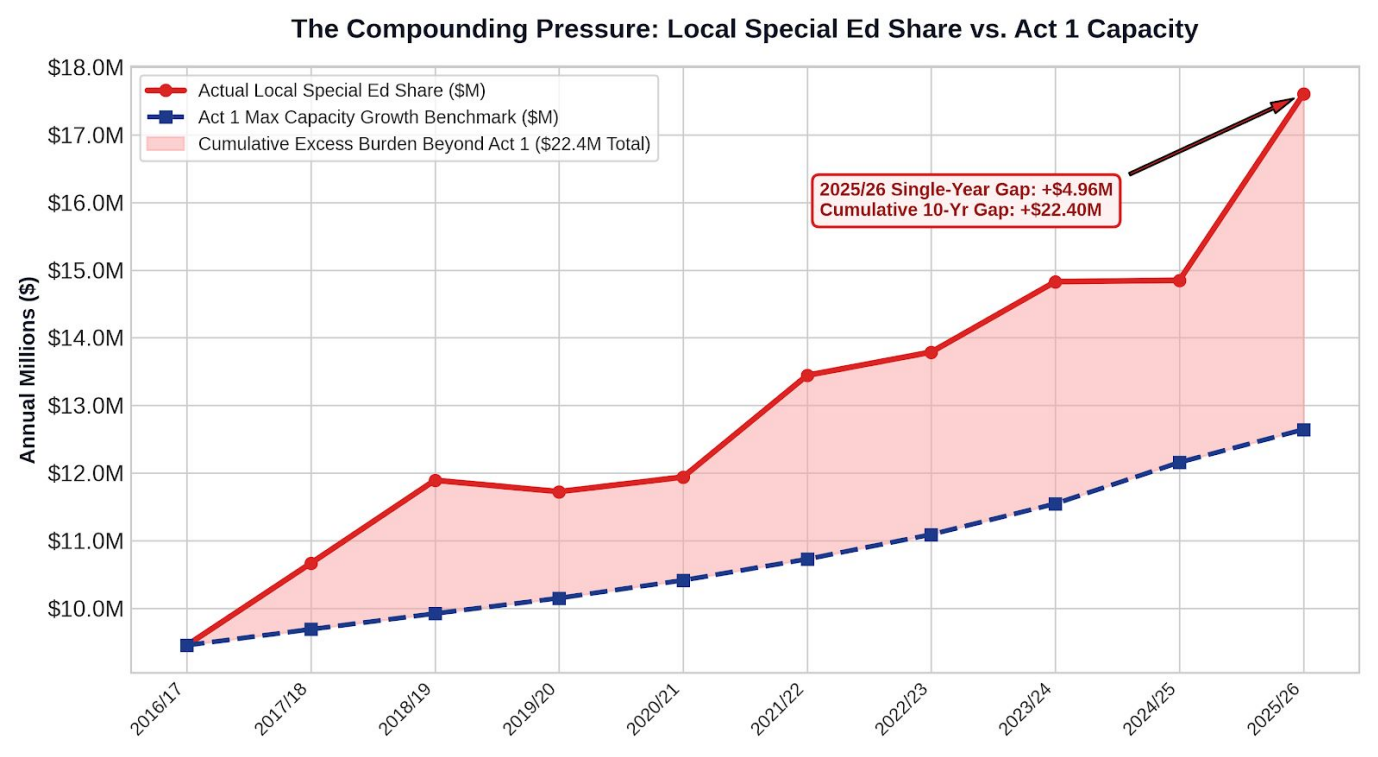
Cost Impact Analysis

High Individual Price Tags: Each additional professional staff member, contracted vendor, out-of-district placement, and settlement agreement carries a remarkably high price tag.

Primary Budget Driver: External drivers place immense pressure on the budget. Collectively, these mandatory external services drive the overall increase in special education costs.

State Subsidy Impact: Declining overall district enrollment negatively impacts the growth of key state subsidies, such as Basic Education and Transportation funding.

The Compounding Pressure vs. Act 1 Capacity



THE STRUCTURAL REVENUE DEFICIT

Act 1 Benchmark: Caps tax increases at ~2.5% to 4.0%.

2025/26 Annual Wedge: $4.96M single-year gap beyond Act 1.

10-Year Cumulative Deficit: $22.4M total unfunded local gap.

Impossible Equation: 18% cost surges cannot fit 3%-4% revenue caps.

The Squeeze on the Budget

Program Squeeze

Reduces funding for non-mandated expenditures.

Reserve Drawdowns

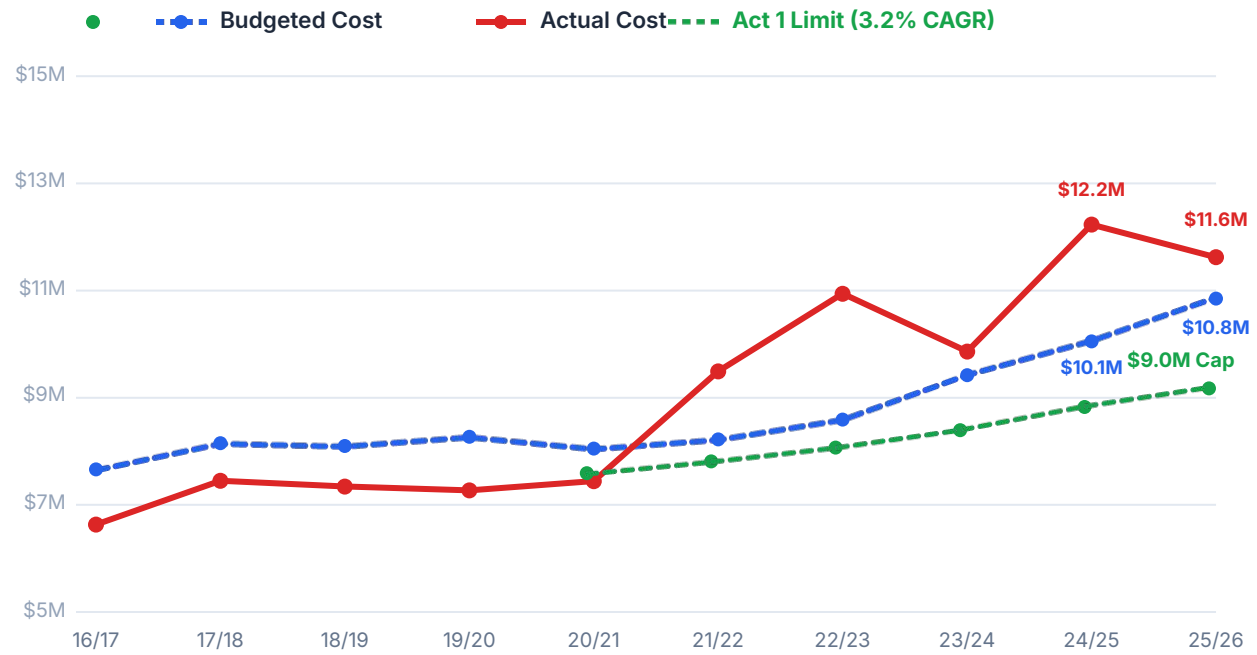
Depletes fund balance reserves for recurring costs.

Tax Exceptions

Forces reliance on special education tax exceptions.

Because special education services are non-discretionary, all cost overages must be subsidized by UCFSD's general fund.

Healthcare Cost History: 10-Year Expenditure Trend



10-Year Cumulative Growth

+75.3% Total Surge: Healthcare expenditures escalated from $6.63M in 2016/17 to $11.62M in 2025/26.

5-Yr Act 1 Capacity vs. Healthcare

Funding Capacity Gap: Act 1 capped annual growth at ~4.56% CAGR, while healthcare surged 11.9% annually (+64% total / +$4.78M over 5 yrs).

Peak Budget Overages

$2.37M Single-Year Spike: FY 2024/25 saw actual costs exceed budget expectations by over 24%.

Key Budget Adoption Dates: 2027/28 Fiscal Year

JANUARY 11, 2027

Proposed Preliminary Adoption

Presentation and adoption of proposed preliminary budget during January Work Session.

JANUARY 28, 2027

Public Notice / Act 1 Resolution

Deadline to make proposed preliminary budget available to public or pass Act 1 Resolution (110 days prior to Primary).

FEBRUARY 16, 2027

Preliminary Budget Adoption

Formal Preliminary Budget Adoption at February Board Meeting.

FEBRUARY 17, 2027

Statutory Adoption Deadline

Statutory deadline for preliminary budget adoption (90 days prior to Primary).

APRIL 12, 2027

Budget Book Distribution

Comprehensive Budget Book provided to School Board Members ahead of public hearings.

MAY 3, 2027

Public Budget Hearing

Public hearing on the proposed budget prior to final presentation and adoption.

MAY 17, 2027

Proposed Final Budget Adoption

Adoption of Proposed Final Budget at May Board Meeting (at least 30 days before Final Adoption).

JUNE 21, 2027

Final Budget Adoption (June Regular Board Meeting)

Final Board vote and enactment of the official 2027/28 UCFSD General Fund Budget.

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Early Look: 2027/28 Preliminary Budget Estimate

Category	Component Details	Amount
Additional Revenue	Tax ($2.90M) + Exception ($1.75M) + Subsidies ($285K)	**+$4,935,000**
Salary & Benefits	Salaries ($1.75M) + Health ($1.40M) + PSERS/FICA ($570K)	**-$3,720,000**
Balance for Ops	Net operating growth after personnel obligations	**+$1,215,000**
Non-Personnel Ops	Fuels/Utilities ($100K) + Insurance ($80K) + Charter ($100K)	**-$280,000**
Debt Service	Scheduled debt service growth	**-$500,000**
Special Education	**Out-of-district placements, contracted services & PCAs**	**-$2,300,000**

NET PROJECTED POSITION

-$1,865,000

Structural Deficit to Balance