

Methacton School District

2012-13 Budget Presentation

January 24, 2012



Introduction

- Budget Status, Goals & Challenges
- Sources of Revenue
- Expenditures
- Fund Balance
- Future Budget Concerns
- Summary



Budget Status

- Timeline

- September–January – Work towards Preliminary Budget Approval
- February-May – Continue Development with Board & Public
- May 15 – Proposed Budget Adopted
- June 19 – Final Adoption

- Budget Available for Public Inspection – May 16

- Presentation of State Budget - February

- Act 1 Impact

- Real Estate Tax Limit – 1.70%
- Preliminary Budget Tax Increase – 2.95%
- Estimated Taxpayer Relief Act Reduction – \$224.51
- Exceptions – Increase includes 1.25% PSERS Exception



Goals of 2012-13 Budget

Maintain Educational Quality with Limited Funding Support:

- Balance Budget with Limited Funding
- Support District Mission
- Preservation of Program and Class Size
- Maximization of Instructional Staff
- Continuation of Curriculum Development



Challenges in Budget Building

- Uncertainty of State Funding
- Continued Real Estate Market Impact
 - Low Collections in Interim Tax Collections
 - Stagnant R/E Transfer Tax Collections
 - Stagnant Earned Income Tax Collections
- Balancing the Budget with Stagnant Revenues and Large PSERS Increase



Revenue Assumptions

Budget to Budget

- Real Estate Assessments Flat
- Real Estate Collection Rate Stable – 97.25%
- Local Revenue Down \$137,136
- State Funding Up \$1,365,331 – Net of PSERS
- Federal Revenue Up Due to Increased ACCESS Funds



Assessment Growth



Assessment Growth in Dollars

Economic Impact on Revenues

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
R/E Interim	\$ 815,569	\$ 367,856	\$ 445,210	\$ 472,543	\$ 594,474	\$ 600,000
RE Transfer	1,334,979	1,475,822	564,882	740,511	734,255	750,000
Investment Income	1,140,278	858,122	291,500	61,382	21,677	50,000
ESBE	5,988,154	6,109,914	6,238,097	6,414,064	6,599,655	6,291,752
Sp Ed	2,300,912	2,382,892	2,437,070	2,452,078	2,381,297	2,346,813
Transportation	1,713,574	1,317,573	1,634,336	1,627,085	1,389,453	1,350,000
Total	13,293,466	12,512,179	11,611,095	11,767,663	11,720,811	11,388,565
Change from Prior Year		(781,287)	(901,084)	156,568	(46,852)	(332,246)
Change from 2006-07						(1,904,901)

Revenue Distribution

• Local Taxes	\$72,014,604	77.4%
• Other Local Revenue	1,587,200	1.7
• State Revenue	15,707,955	16.9
• Federal Revenue	1,140,000	1.2
• Financing Proceeds	1,038,709	1.1
• Fund Balance	<u>1,550,000</u>	<u>1.7</u>
• Total	\$93,038,468	



Expenditure Assumptions

- Salary Increases per Contractual Terms
- Medical/Prescription Costs down \$236,108 due to Self-funding Consortium and reduced number of enrollees
- PSERS Costs up a Net \$931,244 due to Rate Increase
- Non-Salary/Benefits Costs Down \$91,373



Mandated Programs

- No Child Left Behind
 - AYP
- Chapter 4 Regulations
- Non-Public Transportation
- Special Education
- PSERS (Retirement) Contribution



Expenditure Breakdown

• Salaries	\$45,815,702	48.6%
• Benefits	21,275,158	26.6
• Debt Service	11,000,000	11.7
• Instructional Costs	8,360,531	8.9
• Non-Instructional	<u>7,877,850</u>	8.4
Total	\$94,329,241	



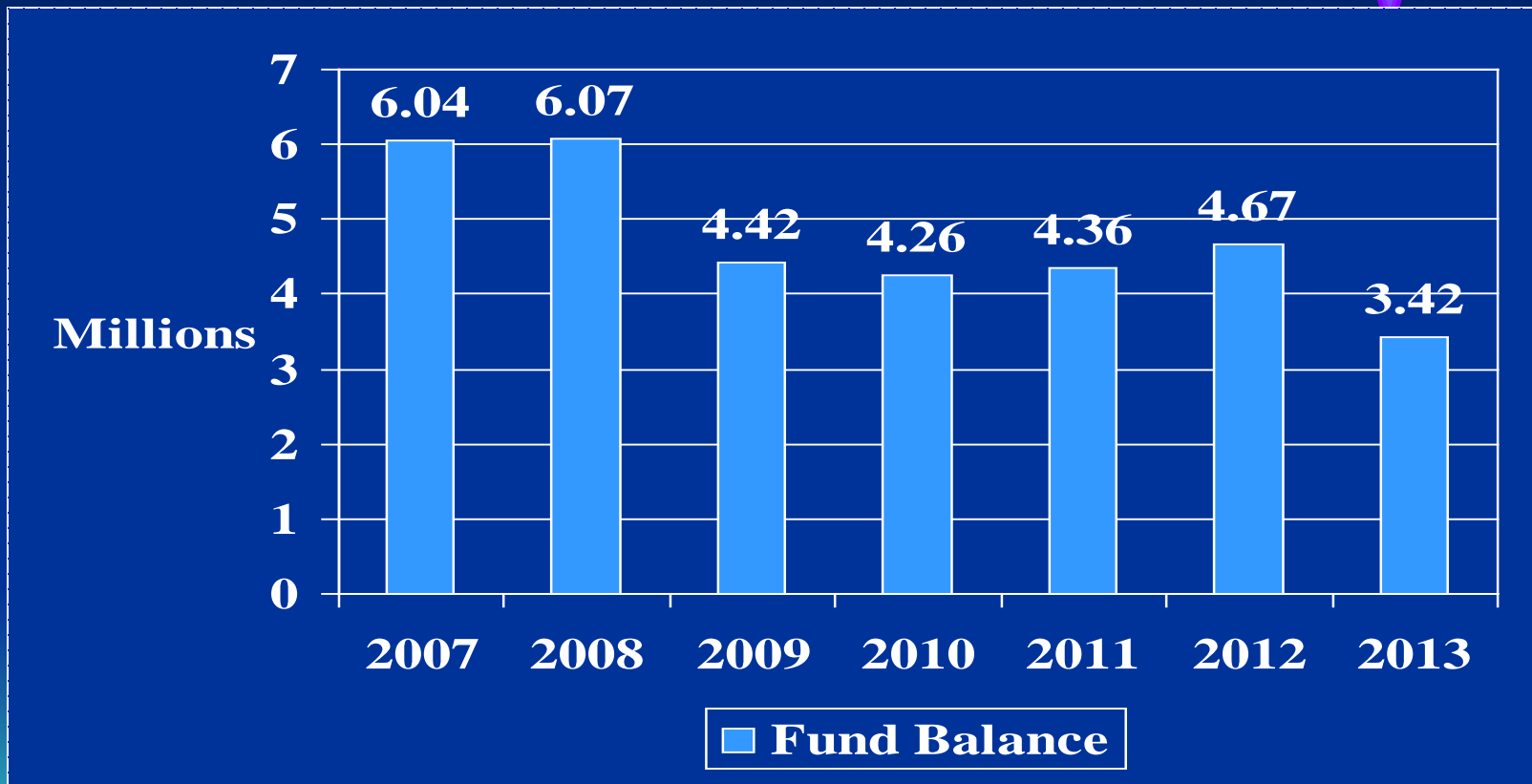
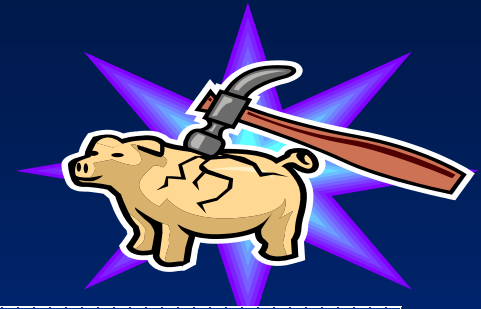
Mandated PSERS Rate Projections/Contributions

• 2009-10	4.78%	1,983,398
• 2010-11	5.64%	2,467,471
• 2011-12	8.65%	3,800,312
• 2012-13	12.36%	5,668,563
• *2013-14	16.69%	7,694,380
• *2014-15	21.18%	9,794,348

*Using Projected Salaries



Fund Balance Usage



Prior Year's Reductions

- 15 Teaching Positions
 - 10.5 Support Positions
 - 1 Administrator
- } 3% Staffing Cut
- Return Special Ed Students to District Classes
 - Outsource Food Service Dept – 43 Employees
 - Defer Textbook Purchases
 - Eliminate After School Activity Bus Runs
 - Institute Activities Fee
 - Freeze Building and Department Spending



County Rankings – 21 Districts

- Overall Cost per Pupil
– Average per District 12th
– Average per District \$17,651
– Methacton 16,827
- Millage 13th
- Administrative Costs 18th
- Enrollment 8th
- Wealth State 28th
- Wealth County 12th

Source: 2011-12 MCIU Data Book

Qualified Exceptions

Subject to Act 1 Limit	1,071,469
Act 1 Index Limit	1.70%
PSERS Exception	\$786,682
Percentage Increase	1.25%
Special Education Exception	\$39,187
Percentage Increase	.06%
Total Allowable Increase	3.01%

Millage Impact

Revenues	\$92,471,090
Expenditures	<u>94,329,241</u>
Surplus (Deficit)	(\$1,858,151)
R/E Value Per Mill	\$2,394,666
Current Millage	26.32
Additional Millage Required	.762
Proposed Millage Rate	27.082
Percentage Increase	2.95%
Tax Increase Ave Household	\$140.35

Tax Impact

- Average Residential Assessment \$180,767
- 2011-12 Tax Bill \$4,757.79
- 2012-13 Tax Bill 4,898.14
- Increase 140.35
- Est. Homestead/Farmstead Credit \$224.51



Looking Forward

- Final Budget Approval - June 19
- Evaluate Budget with State Funding Impact
- Investigate Revenue Enhancements
- Evaluate Enrollment Impact on Staffing
- Analyze and Plan for a Reduction in Fund Balance Usage



2013-14 Budget Issues

- Act 1 Index - Unknown
- Exceptions
- PSERS Rate increase from 12.36% to 16.69% to 21.18% in 2014-15
- MEA Contract expires 6-30-13
- Healthcare Premium Costs
- Future of Economy



Comments/Questions

