

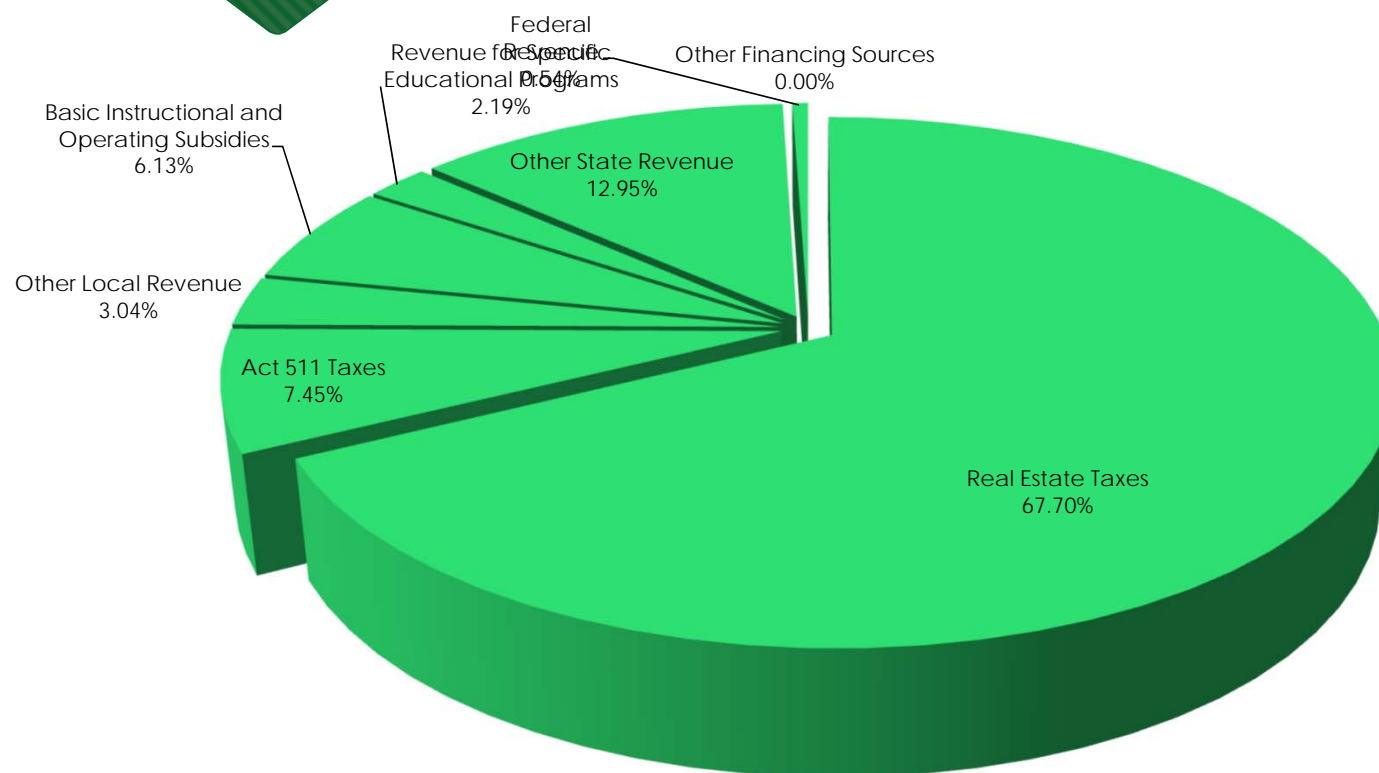
Presented 5/19/2020

# Methacton School District

2020-2021

Proposed Final Budget

# 2020-2021 Proposed Final Budget Revenue Summary



# 2020-2021 Proposed Final Budget Revenue

## ○ Local Revenue

- Local Real Estate Tax Revenue \$76,191,256.04.
  - Total Millage increase from 2019-2020 is \$2,285,680.16.
  - Millage increased from 30.3781 to 31.1781. Millage increase is 2.6334%.
  - Takes into consideration the most recent April 2020 County Assessment Data.
  - Uses a collection rate of 95.64%.
- Elimination of the Delinquent Per Capita & Occupation Tax resulted in a reduction of \$180,000 from prior year.

## ○ State Revenue

- Basic Subsidy increased by \$352,837; Special Education Subsidy increased by \$51,029; Ready to Learn Grant increase by \$2,829.
- Property Tax Relief increased by 69,970.17.
- School Safety and Security Grant of \$221,370.
- PSERS & Social Security updated based on staffing changes. PSERS increased by \$31,691.52 while Social Security decreased by \$5,617.11.

## ○ Federal Revenue

- Title II funding decreased by \$749.00 based on awarded amount.

## ○ COVID-19 Impact on Revenue

- Earned Income Tax budgeted at 90% of original projection.
- Interest Income lowered due to drop in both operating and investment rates available in the market place.
- Transportation subsidy reduced to account for lack of bussing.



# Proposed Final Budget - Real Estate Tax

	2020-2021 Proposed Final	2020-2021 Preliminary	2019-2020 Final	Varaince 19-20 Final v 20-21 Proposed Final
Taxable Assessed Value	\$2,623,177,761.00	\$2,609,124,521.00	\$2,601,489,739.00	\$ 21,688,022.00
Millage Increase	2.6000%	2.6000%	1.1150%	1.49%
MILLAGE RATE	31.1679	31.1679	30.3781	0.7898
Gross TAX LEVY	\$ 81,758,942.14	\$ 81,320,932.16	\$ 79,028,315.44	\$ 2,730,626.70
PSERS Exception	\$ -	\$ 37,229.00	\$ -	\$ -
SE Exception	\$ 26,756.41	\$ 845,085.00	\$ -	\$ 26,756.41
Gross Tax Levy Adjustment	\$ 26,756.41	\$ 882,314.00	\$ -	\$ 26,756.41
Adjusted Millage	31.1781	31.5061	30.3781	0.8000
Adjsuted Act 1	2.6334%	3.7131%	1.1151%	1.52%
Less Gaming Funds	\$ (2,121,064.46)	\$ (2,051,359.00)	\$ (2,051,359.00)	\$ (69,705.46)
Net Tax Levy	\$ 79,664,634.09	\$ 80,151,887.16	\$ 76,976,956.44	\$ 2,687,677.65
COLLECTION RATE*	95.64%	96.24%	96.01%	(0.37%)
Gross Current Real Estate Taxes	\$ 76,191,256.04	\$ 77,138,176.20	\$ 73,905,575.88	\$2,285,680.16

Typically Methacton School District uses a three year average to project the collection rate. This would have resulted in a rate of 96.24%. However due to the impact the COVID-19 virus has had on the economy the collection rate was adjusted to 95.64%.

The 95.64% is based on the 2008-2009 collection rate, which is the closest financial crisis that can be used to estimate the impact COVID-19 will have on real estate tax collections.

# 2020-2021 Proposed Final Budget Real Estate Tax Analysis

## REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2019/20 = **30.3781 mills**
- Proposed Real Estate tax rate 2020/21 = **31.1781 mills**
- § Total Increase of 2.63% (or 0.8 mills)**
- § Increase of 0.0000 mills for Special Education Exception**
- § Increase of 0.0000 mills for PESRS Exception**

Estimated increased tax bill for a home assessed at the district average of \$174,095 is \$139.28

Overall tax bill calculation: 31.1781 (millage) X \$174,095 = \$5,427.95

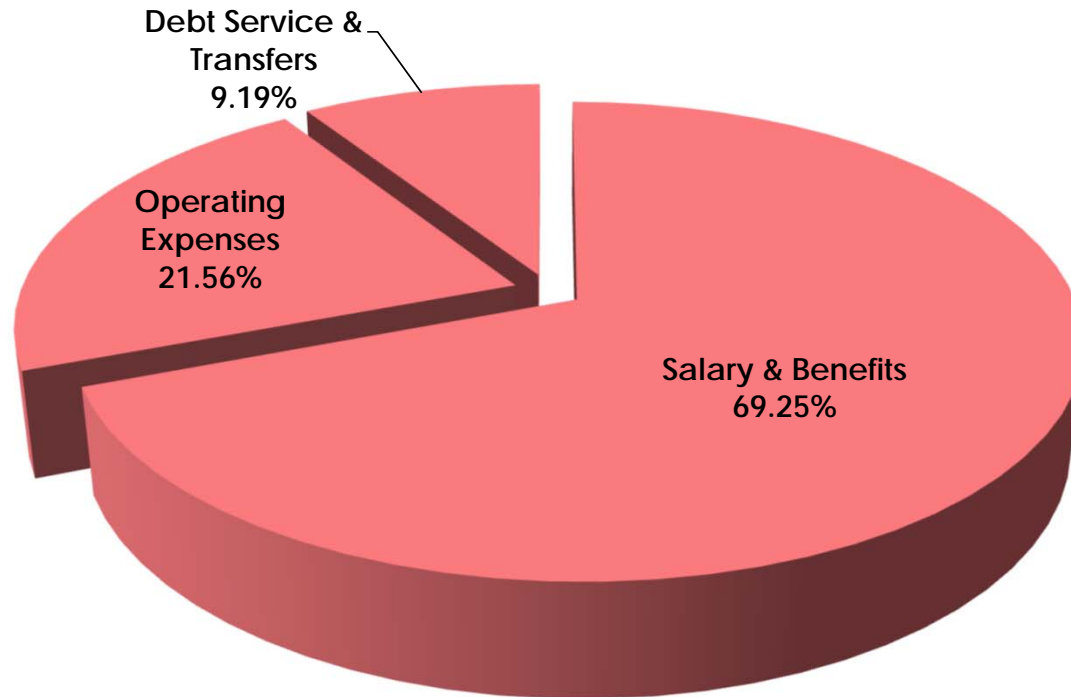
Estimated tax bill for other home assessed values (based on 2.63% increase = 0.8000 mills or 31.1781 mills):

Value*	Assessment	Increase	Total Tax
\$406,000.00	\$200,000.00	\$160.00	\$6,235.62
\$812,000.00	\$400,000.00	\$320.00	\$12,471.24
\$1,218,000.00	\$600,000.00	\$480.00	\$18,706.86
\$1,624,000.00	\$800,000.00	\$640.00	\$24,942.48
\$2,030,000.00	\$1,000,000.00	\$800.00	\$31,178.10

[Find your home's assessed values in Montgomery County PA at www.propertyrecords.montcopa.org](http://www.propertyrecords.montcopa.org)

\* Montgomery County Common Level Ratio is 2.03 as of July 1, 2019 (<https://www.montcopa.org/2710/Realty-Transfer-Tax>)

# 2020-2021 Proposed Final Budget Expenditure Summary



# 2020-2021 Proposed Final Budget Staffing

	PROFESSIONAL STAFF			SUPPORT & MAINTENANCE			ADMINISTRATORS			TOTAL		
	Cur. 19-20	Proposed Changes	Budget 20-21	Cur. 19-20	Proposed Changes	Budget 20-21	Cur. 19-20	Proposed Changes	Budget 20-21	Cur. 19-20	Proposed Changes	Budget 20-21
Arrowhead	36.85	-	36.85	16.46	-	16.46	1.25	-	1.25	54.56	-	54.56
Eagleville	35.55	-	35.55	15.50	-	15.50	1.25	-	1.25	52.30	-	52.30
Woodland	42.55	-	42.55	15.26	-	15.26	1.25	-	1.25	59.06	-	59.06
Worcester	34.15	-	34.15	12.25	-	12.25	1.25	-	1.25	47.65	-	47.65
Skyview	64.90	-	64.90	22.68	-	22.68	2.50	-	2.50	90.08	-	90.08
Arcola	66.10	-	66.10	20.74	-	20.74	2.50	-	2.50	89.34	-	89.34
MHS	121.40	-	121.40	37.46	-	37.46	6.00	-	6.00	164.86	-	164.86
Districtwide / Facilities	-	-	-	22.38	-	22.38	2.00	-	2.00	24.38	-	24.38
Farina	1.00	-	1.00	20.87	-	20.87	11.00	-	11.00	32.87	-	32.87
<b>Total</b>	<b>402.50</b>	<b>-</b>	<b>402.50</b>	<b>183.60</b>	<b>-</b>	<b>183.60</b>	<b>29.00</b>	<b>-</b>	<b>29.00</b>	<b>615.10</b>	<b>-</b>	<b>615.10</b>

## Staffing Details

- ❖ Staffing includes all active staff and all open positions.
- ❖ Director of Technology & Supervisor of Curriculum are in the staffing count, but costs are not in the budget.
- ❖ A MESPA position with the Business Office is in the staffing count, but costs are not in the budget.
- ❖ Athletic and Activities Director will be absorbed within administrators at HS.
- ❖ No new positions added from the 2019-2020 Budget.



# 2020-2021 Proposed Final Budget Expenditure Changes

## ○ Salary

- A net reduction in salaries of \$109,906.86 from the 2019-2020 budget.
- 2 Administration and 1 MESPA position retained, but not budgeted.
- Includes all required staffing increases according to contractual obligations
  - MAO – 3%
  - Confidentials – 2.75%
  - MESPA – 2.50%
  - Teamsters – 2.50%
  - MEA – currently no increase included in the budget.
- Open Positions, retirees and resignations are anticipated to be filled by new staff.
  - MEA positions are typically budgeted for at B+15 Step 3, while the rest of the positions are budgeted for based on the job classification and the required pay.



# 2020-2021 Proposed Final Budget Expenditure Changes

- Benefits
  - Change from 2019-2020 Budget is an increase of \$420,537.05
  - Uses the 3<sup>rd</sup> Look on Health Care Costs.
    - Medical increased at an average of 7.9% for the 4 plans maintained by Methacton School District.
    - Prescription increased by 7.7%.
  - Dental, vision and life insurance costs included no increase.
  - PSERS rate is 34.51% and is applied to the budgeted salaries.
  - Social Security rate is 7.65% and applied to the budgeted salaries.
  - Unemployment costs were lowered to \$20,000 based on current experiences saving \$80,000.

# 2020-2021 Proposed Final Budget Expenditure Changes

- Operating Expenses
  - Overall Operational Expenses increased by \$59,079.15 from the 2019-2020 Budget.
  - 300 - PURCHASED PROFESSIONAL AND TECHNICAL SERVICES
    - Increased by \$576,767.49 from 2019-2020
      - Includes the addition of Reach program at the High School. This costs is offset by the grant the school district received. This totals an increase of \$221,370.
  - 400 - PURCHASED PROPERTY SERVICES
    - Decreased by \$72,316.47 from 2019-2020
  - 500 - OTHER PURCHASED SERVICES
    - Decreased by \$4,800.66 from 2019-2020
  - 600 – SUPPLIES
    - Decreased by \$317,874.90
      - \$216,763.70 of the costs anticipated for the 2020-2021 Budget were associated with new curriculum books and online subscriptions which were purchased in the 2019-2020 budget to provide budgetary relief.
  - 700 – PROPERTY
    - Decreased by \$122,696.31 due to the removal of one time purchases.

# 2020-2021 Proposed Final Budget Expenditure Changes

- Debt Service & Transfers
  - Includes the following new Borrowings
    - Refunding the District's General Obligation Notes, Series A of 2013 and a portion of the District's General Obligation Bonds, Series of 2016.
    - Issuance of General Obligation Bonds, Series A of 2020 to fund various capital projects of the School District as further described in the Resolution.

# 2020-2021 Proposed Final Budget Potential Changes

		<b>Current Budget Status</b>		
Revenue	\$112,222,354.26	Act 1 + Exceptions - Millage Increase is 2.6334%		
Expenditures	\$112,222,354.26			
<b>Net Balance</b>	<b>\$0.00</b>			
<b>Options for Budget Changes</b>				
Tax Increase	Reduction Required	New Budget	2019-2020 Budget	19-20 Bud. to 20-21 Bud Chg.
0.00%	(\$2,098,542.20)	\$110,215,308.50	\$111,863,608.65	(\$1,648,300.15)
0.50%	(\$1,700,081.50)	\$110,596,396.31	\$111,863,608.65	(\$1,267,212.34)
1.00%	(\$1,301,620.79)	\$110,977,484.13	\$111,863,608.65	(\$886,124.52)
1.50%	(\$903,160.10)	\$111,358,571.94	\$111,863,608.65	(\$505,036.71)
2.00%	(\$504,699.39)	\$111,739,659.76	\$111,863,608.65	(\$123,948.89)
2.50%	(\$106,238.70)	\$112,120,747.57	\$111,863,608.65	\$257,138.92
2.60%	(\$26,756.41)	\$112,196,764.43	\$111,863,608.65	\$333,155.78
Area	Amount	Millage Impact	Note	
Salaries & Benefits	(\$232,040.97)	0.3045%	Staffing Change at Arcola (FCS & Phys Ed)	
Transportation	(\$370,000.00)	0.4855%	Combine bell times at Skyview & Arcola saves 7-8 routes	
Revenue	(\$424,698.89)	0.5573%	Loss of Transportation Subsidy	
	<b>(\$1,026,739.86)</b>	<b>1.3473%</b>		
Potential Budget	\$111,195,614.40	1.2861%		



# Budget Timeline & Decision Points

<b>Budgetary Item</b>	<b>Date</b>	<b>Action</b>
Full Board Review of Draft Proposed Preliminary Budget	7-Jan-20	
Board authorization to make available for public inspection – or – adopt Resolution not to increase taxes above the Act 1 Index – Deadline January 9, 2020 or 10 days prior to Preliminary Budget Adoption	7-Jan-20	Board authorization to make Prelim. Budget available for public inspection
Authorize to publicly advertise Proposed Preliminary Budget and Referendum Exceptions Deadline January 19, 2020 or 10 days prior to preliminary budget adoption to advertise Deadline for Referendum is February 13, 2020	7-Jan-20	Authorize to publicly advertise Proposed Preliminary Budget and Exceptions
1. Data submission (tax data only, real estate and other taxes) 2. Upload of Act 1 Resolution		
If Resolution to increase taxes above the Act 1 Index is not adopted on January 7, 2020, then full Board to Adopt Proposed Preliminary Budget Deadline January 29, 2020	21-Jan-20	Adopt the Preliminary Budget
1. Data submission (all budget data) 2. Upload of Accuracy Certification Statement (ACS)	3-Feb-20	Upload documents to PDE
Continued Review of 2020-2021 Budget by Finance Committee	February – April 2020	
Finance Committee Review 2020-2021 Proposed Final Budget	13-May-20	
Special Meeting for adoption of Proposed Final Budget/Advertise Final Adoption Date and submit Certification of Use to PDE	19-May-20	Adopt the Proposed Final Budget & Advertise Final Adoption Date (06/23/20)
Final review of Budget with Finance Committee	10-Jun-20	
Board Adoption of Final 2020-2021 Budget Deadline is June 30, 2020	23-Jun-20	Adopt Final 2020-2021 Budget