

Presented 04/14/2021

Methacton School District

2021-2022

Budget Update – April

Revenue Changes

- Assessments increased by \$4,815,935.
- Millage changed to 2.398%, a reduction of 0.37%.
- Interest Income updated to reflect current balances.
- Staffing updated changing social security and PSERS.

Local		
February Update		\$90,303,695.02
Changes		(\$142,858.23)
REAL ESTATE TAX	(\$142,773.59)	
Interest Income	(\$84.64)	
March Update		\$90,160,836.79
State		
February Update		\$24,468,950.18
Changes		(\$26,417.76)
Social Security	(\$4,745.15)	
Retirement	(\$21,672.61)	
March Update		\$24,442,532.42
Federal		
February Update		\$623,009.82
Changes		\$0.00
March Update		\$623,009.82
Total Revenue		
Preliminary Budget		\$115,395,655.02
Changes		(\$169,275.99)
March Update		\$115,226,379.03

Impact to Home Owners

REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2019/20 = **30.8534 mills**
- Proposed Real Estate tax rate 2020/21 = **31.5933 mills**

§ Total Increase of 2.3980% (or 0.7399 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 \$174,280 is \$128.95

Overall tax bill calculation: 31.5933 (millage) X \$174,280 = \$5,506.08

Estimated tax bill for other home assessed values (based on 2.40% increase = 0.7399 mills or 31.5933 mills):

Value*	Assessment	Increase	Total Tax	
\$100,000.00	\$46,948.36	\$34.74	\$1,483.25	
\$150,000.00	\$70,422.54	\$52.11	\$2,224.88	
\$200,000.00	\$93,896.71	\$69.47	\$2,966.51	
\$250,000.00	\$117,370.89	\$86.84	\$3,708.13	
\$300,000.00	\$140,845.07	\$104.21	\$4,449.76	
\$371,216.40	\$174,280.00	\$128.95	\$5,506.08	MSD Avg.
\$400,000.00	\$187,793.43	\$138.95	\$5,933.01	
\$500,000.00	\$234,741.78	\$173.69	\$7,416.27	
\$1,000,000.00	\$469,483.57	\$347.37	\$14,832.54	
\$2,000,000.00	\$938,967.14	\$694.74	\$29,665.07	

[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 2.13 as of July 1, 2019 (<https://www.montcopa.org/2710/Realty-Transfer-Tax>)

Expenditure Changes

- Staffing updated changing salary, social security, PSERS and health care benefits.
- Workman's Compensation updated based on budget provided by carrier (SDIC).

Salary	
February Update	\$48,338,135.62
Changes	(\$124,056.19)
Salary	(\$124,056.19)
March Update Salary	\$48,214,079.43
Benefits	
February Update	\$32,775,661.72
Changes	(\$45,219.80)
Medical Insurance	\$22,467.36
Prescription Insurance	\$5,219.73
Eye Care Insurance	\$25.21
Dental Insurance	(\$302.58)
Social Security Contrib	(\$9,490.30)
Retirement Contrib	(\$43,345.23)
Workman's Comp	(\$19,793.99)
March Update Benefits	\$32,730,441.92
Total Salary & Benefits	
Preliminary Budget	\$81,093,513.65
Changes	(\$169,275.99)
March Update Salary & Benefits	\$80,924,237.66

Operating Expenses	
February Update	\$23,722,884.93
Changes	(\$3,000.00)
Coding Change	(\$3,000.00)
March Update Operating Expenses	\$23,719,884.93
Debt Service & Transfers	
February Update	\$10,558,972.75
Changes	\$3,000.00
Coding Change	\$3,000.00
March Update Debt Service & Transfers	\$10,561,972.75
Total Expenditures	
February Update	\$115,395,655.02
Changes	(\$169,275.99)
March Update Total Expenditures	\$115,226,379.03

Health Care Look Increases 2nd Look								
Plan	OC 1	OC 2	POS	OC 3	Rx 10/20/35	Rx 15/25/40	Dental	Vision
Increase	13.85%	15.04%	14.44%	10.00%	21.15%	0.00%	0.00%	0.00%

Current Budget Status

Summary

Revenue	February Update	Change	March Update
Local	\$90,303,695.02	(\$142,858.23)	\$90,160,836.79
State	\$24,468,950.18	(\$26,417.76)	\$24,442,532.42
Federal	\$623,009.82	\$0.00	\$623,009.82
Total	<u>\$115,395,655.02</u>	<u>(\$169,275.99)</u>	<u>\$115,226,379.03</u>
Expenditures	February Update	Change	March Update
Salary	\$48,338,135.62	(\$124,056.19)	\$48,214,079.43
Benefits	\$32,775,661.72	(\$45,219.80)	\$32,730,441.92
Operating Expenses	\$23,722,884.93	(\$3,000.00)	\$23,719,884.93
Debt Service & Transfers	\$10,558,972.75	\$3,000.00	\$10,561,972.75
Total	<u>\$115,395,655.02</u>	<u>(\$169,275.99)</u>	<u>\$115,226,379.03</u>
Surplus / (Shortfall)	<u>\$0.00</u>	<u>(\$0.00)</u>	<u>\$0.00</u>

Deferred or Paid via Committed Funds

- \$500k of charter school costs to be paid from committed funds should the amounts exceed budgeted cost.
 - Calculation for the amount is based on 50% returning to Methacton School District.
 - The costs for the remaining 50% of the increased enrollment and associated costs will be paid from these committed funds.
 - If the return to Methacton School District is greater than 50%, the committed funds will be decommitted the following year.
 - If the return to Methacton School District is less than 50%, there will be a budget shortfall in this item.
- \$400k of IT costs to align our 1 to 1 costs paid in 2020-2021
- \$272k of Debt Service reduced
 - Paid off ESCO Lease saving \$163,578.69
 - Pending payoff of the NMTCC Lease saving \$107,966.00
- CIA purchase of text books for the 2021-2022 classes purchased in 2021-2022 for an amount of \$152,465.00. This will be an increase in the subsequent budget as this is not a one time cost.
- Lowered legal costs by \$175,000.00, which is dependent on legal costs being reduced in the future.
- Lowered substitute costs an additional \$250,000.00 from prior year's budget.

This totals \$1.75M of reductions removed from the budget.

Timeline and Key Items

Remaining Updates by Month

March	April	May	June
February EOM Assessments Millage (if applicable) Staffing Changes NMTCC actual Cost Technology Lease Actual 2nd Look Medical & Rx	March EOM Assessments Millage (if applicable) Staffing Changes Workman's Comp	April EOM Assessments Millage (if applicable) Staffing Changes Property/EO Insurance 3rd Look Medical & Rx	May EOM Assessments Millage (if applicable) Staffing Changes

- ❖ All major changes with the control of the School District have been incorporated into the budget with the above items being the only remaining items.
- ❖ Open Contracts with Confidentials, MAO, MESPA & Teamsters are still open and will be included once finalized.