

Presented 01/18/2022

# Methacton School District

2022-2023

Proposed Preliminary Budget

# Budget Timeline

<b><u>Budgetary Item</u></b>
Finance Committee to Review draft of Preliminary Budget
Full Board Review of Draft Proposed Preliminary Budget
Board authorization to make available for public inspection – or – adopt Resolution not to increase taxes above the Act 1 Index– Deadline January 27, 2022 or 10 days prior to Preliminary Budget Adoption
Authorize to publicly advertise Proposed Preliminary Budget and Referendum Exceptions Deadline February 6, 2022 or 10 days prior to preliminary budget adoption to advertise Deadline for Referendum is March 3, 2022
Special Meeting on scheduled School Board Work Session if Resolution to increase taxes above the Act 1 Index is not adopted on January 27, 2022, then full Board to Adopt Proposed Preliminary Budget Deadline February 16, 2022
Special Meeting for adoption of Proposed Final Budget/Advertise Final Adoption Date and submit Certification of Use to PDE
Board Adoption of Final 2022-2023 Budget Deadline is June 30, 2022

<b><u>Date</u></b>	<b><u>Action</u></b>
1/12/2022	
1/18/2022	
1/25/2022	Board authorization to make Prelim. Budget available for public inspection  Authorize to publicly advertise Proposed Preliminary Budget and Exceptions
2/15/2022	Adopt the Preliminary Budget
5/18/2022	Adopt the Proposed Final Budget & Advertise Final Adoption Date (06/21/22)
6/21/2022	Adopt Final 2022-2023 Budget



## Our *Vision*

The Methacton School District will *empower* all learners to develop talents, *encourage* personal growth and success, and *inspire* leadership to transform our future.

## Our *Mission*

The Methacton School District is an exemplary *student-focused* and *community-centered* environment that prepares learners to meet the demands of our evolving world.

## Our *Core Values*



Yusra Yancey

Paul Lepre

Zoe Pruitt

Linda Hargesheimer

Ananya Thazhathe  
Kalathil

Duperly Hadrick

Ryan Motour

Dan McDonough

Wyatt Dilella

Motivate to  
Succeed

Empower all  
Learners

Trust in  
Teamwork

Honor  
our Heritage

Appreciate  
our  
Diversity

Commitment  
to Growth

Transform  
our Future

Open new  
Opportunities

Nurture our  
Talents

Learn, Lead, Succeed - **Together!**

**Methacton**  
SCHOOL DISTRICT



Last updated 01/18/2022



# Budgetary Direction

- Per Finance Committee Meeting on November 10, 2021 use the ACT 1 Index with exceptions for the proposed preliminary budget.
- Use zero based budgeting methodology.

# Methacton School District – General Data

## Lower Providence Township

- Population: 25,625\*
- Square Miles: 15.25
- Median Household Income: \$97,670\*

## Worcester Township Population

- Population: 10,317\*
- Square Miles: 16.22
- Median Household Income: \$128,417\*

## Unemployment\*\*

- Montgomery County: 5.3%
- Pennsylvania: 6.2%

**The Methacton School District serves approximately 12,900 total households.**

## Supportive Community and Families

- Methacton Education Foundation provided \$441,000 of financial support to the District.
- Active Home & School associations at every school, acting under the umbrella of an independent 501c3 Coordinating Council.
  - \$100,000 raised on average annually to support schools and teachers
  - Thousands of volunteer hours support school operations and cultural events and activities.
- Booster organizations that raise more than \$50,000 to support athletic teams annually.
- Post Prom Committee raises tens of thousands for a prom night event designed to keep students safe.

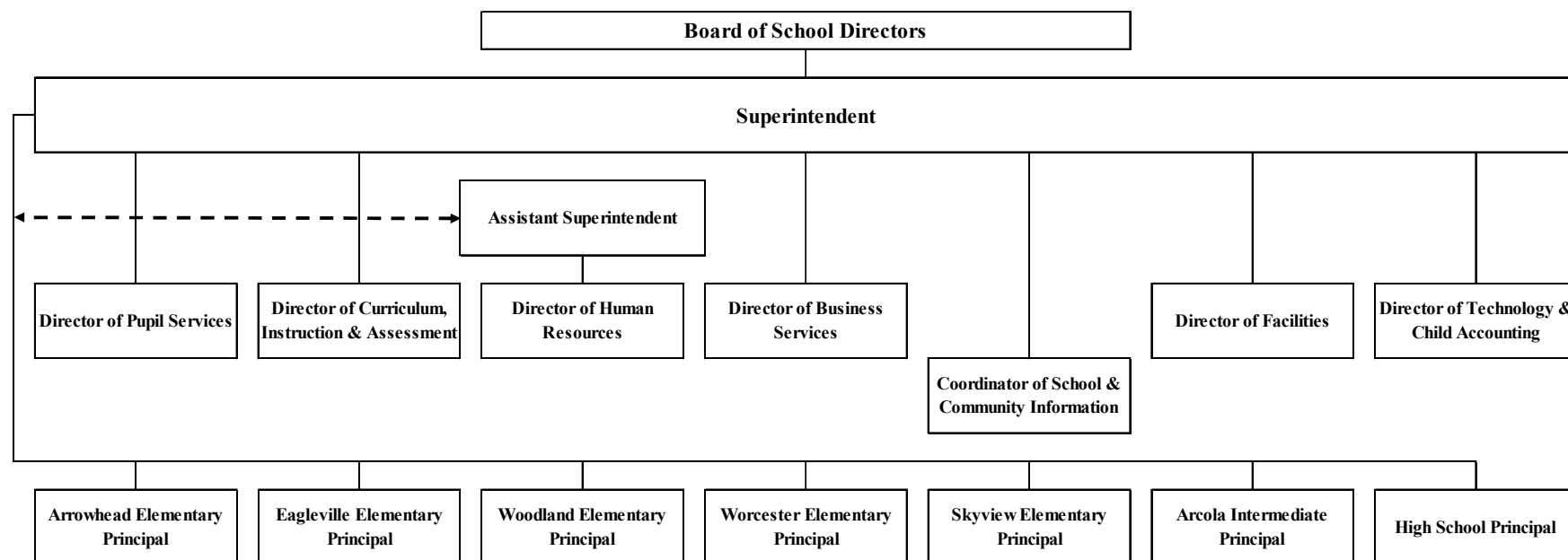
\*Source: 2020 United States Census

\*\*Source: United States Bureau of Labor and Statistics (August 2020)



# Departments/Structure

## METHACTON SCHOOL DISTRICT ORGANIZATION CHART EFFECTIVE JANUARY 1, 2021



Complete Organizational Chart: <https://www.methacton.org/organizationalchart>

# Enrollment

## October 1, 2021 Enrollment: 4,610

### Ethnicity

○ American Indian	<1%
○ Asian	15%
○ Black	5%
○ Hispanic	6%
○ Multi-Racial	6%
○ Native Hawaiian	<1%
○ White	67%

### Pupil Services/Special Education 2021-2022 (as of 10/01/21)

- 18.5% of the total population - 853 Unduplicated Students
- 6% of the total population - 257 Students Identified as Gifted
- 35 Homeschool Students
- 92 Charter School Students (*74 Students the previous year*)

# Technology

## **Approximate number of devices used throughout the district to support learning**

- Student computers – 600
- Staff computers - 767
- Tablets – 700
- Chromebooks – 4,949
- SMART Board / Interactive projectors – 222
- Projectors - 402
- Wireless access points – 352
- Network switches/components – 165/425

### **Other supported areas:**

- 3 TV Studios – High School, Arcola & Woodland
- Libraries
- Planetarium

## **Top 10 core systems used throughout the district to support learning**

- Student Information System – PowerSchool
- Learning Management System/Google Apps – Google Classroom
- Video Conferencing - Zoom
- Finance and Human Resource Systems – FIS
- Library System – Destiny
- Content Management Systems – Blackboard
- IEP Management System – IEP Writer
- Transportation System – BusBoss
- Food Service System – Food Service Solutions
- Interoperability System – Proprietary system



# Schools/Buildings

## Schools

- 1 High School (Gr. 9-12)
- 1 Intermediate School (Gr. 7-8)
- 1 Upper Elementary School (Gr. 5-6)
- 4 Elementary Schools (Gr. K-4)

## Buildings

- Farina Education Center
- Facilities
- Transportation Center
- Audubon Property

# Methacton High School

## Grades 9-12

- Strong core curriculum with opportunities to explore various academic and personal interests.
- Vocational-Technical training available through the North Montco Technical Career Center.
- Full range of School Counseling services for students and parents.
- Programs leverage state of the art technology services and applications for instruction.
- Advanced Placement programs with 21 courses offered.
- College level dual enrollment offerings through Montgomery County Community College.
- Extensive music and arts programs.
- Access to 16 extracurricular athletic opportunities.
- Access to 33 district sponsored clubs including but not limited to Key Club, National Honor Society, Academic Decathlon, FBLA, Robotics, Science Fair, Electric Car Club, and Best Buddies.

# Methacton High School

## Grades 9-12

### Performance Data

- % Scoring Proficient or Advanced on the Keystone Exams (2018-19)—no date 2019-20 due to Covid-19 , 2020-21 pending
  - 79.8% Algebra 1    84.4% Literature    78.4% Biology
- 2021 AP Test Results –89% scoring 3+
- SAT –
 

	Mean Reading/Writing	Math
• MHS	643	655
• State	587	602
• National	544	556
- ACT – Mean Composite Score
  - MHS            28.1
  - State           25.0
  - National      21.4

- Graduation Rate – 95.71%
- 91% plan to continue their formal education.
- Participation
  - Athletics        30%

### The most popular colleges attended by MHS graduates are:

- Montgomery County Community College
- Temple University
- The University of Pittsburgh
- Pennsylvania State University
- West Chester University
- Drexel University
- Millersville University

\*Employee counts include some staff shared among buildings.



# Arcola Intermediate School

## Grades 7 & 8

- Students are provided a rigorous curriculum in the core subjects, have access to health and physical education, and expressive arts that include art, music, wellness and technology education. All students have a class in one of three world languages as part of their schedule.
- Two full-time counselors provide school counseling services.
- Access to a variety of co-curricular programs, including yearbook, homework club, band, orchestra, and chorus.
- Access to 12 district-sponsored extracurricular programs offered to students, including theater, National Junior Honor Society, Reading Olympics, and engineering.
- Access to 13 extracurricular athletic sports opportunities.

# Skyview Upper Elementary School

## Grades 5 & 6

- Students at Skyview are grouped into teams.
- A typical fifth grade student day includes instruction in English language arts, math, social studies and science.
- A typical sixth grade student day includes instruction in reading, English, math, science and geography.
- Skyview students have access to special area classes including: art, music, physical education, computer literacy, library, health and technology education.
- Each team has dedicated “flex” time throughout the six-day cycle to provide the opportunity for extension and supports.
- Skyview students have access to a variety of co-curricular programs, including band, orchestra, and chorus, and extracurricular programs including an after-school sports program (grade 5), and student council.

# Elementary Schools – Grades K-4

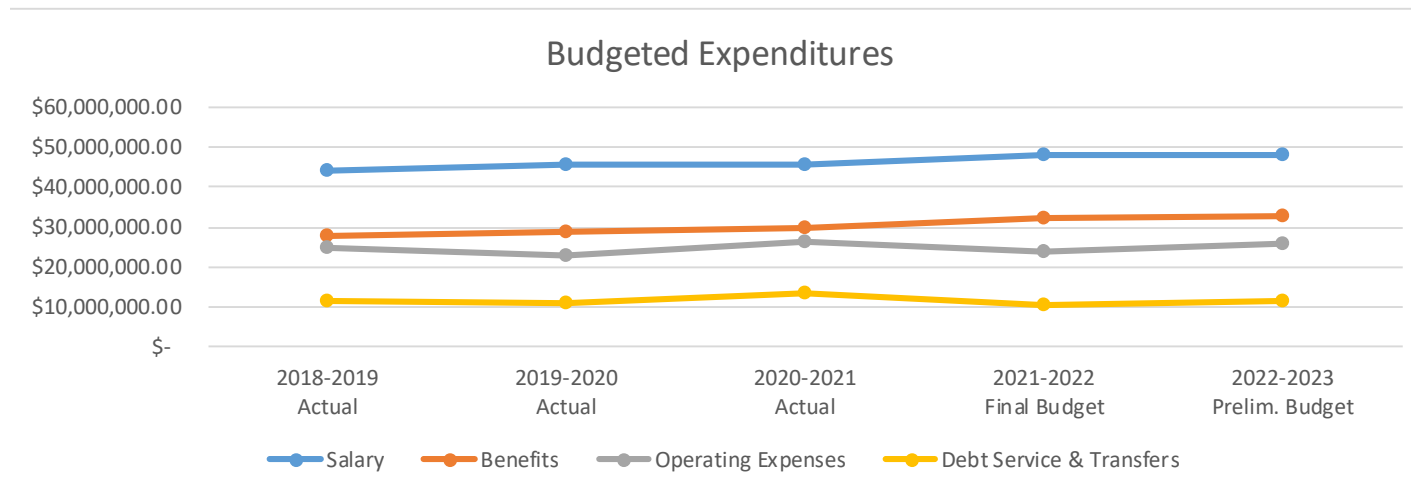
## *Arrowhead, Eagleville, Woodland, and Worcester*

- Full Day Kindergarten is included in the Budget both staffing and supplies.
- The curriculum at the elementary school level includes: English language arts, mathematics, science, social studies, art, music, health and physical education, and library.
- A developmental guidance curriculum is taught by counselors at all grade levels.
- Methacton elementary schools are equipped with laptops, iPads, Smart Boards, and Chromebooks as part of an integrated approach to technology instruction.
- Elementary school students have access to co-curricular music programs including band, orchestra, and chorus, as well as extra-curricular activities that vary by building, such as:
  - Student Council
  - Homework Club
  - Environmental Club
  - After-school sports and intramurals



# Historical Budgeted Figures

	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Final Budget	2022-2023 Prelim. Budget
Revenue	\$110,071,406.91	\$111,615,744.49	\$114,290,685.49	\$114,392,640.67	\$118,468,751.36
Salary	\$ 44,156,674.00	\$ 45,455,469.22	\$ 45,551,357.80	\$ 47,885,072.64	\$ 48,004,709.38
Benefits	\$ 27,748,613.67	\$ 29,010,336.49	\$ 29,534,528.07	\$ 32,167,482.66	\$ 32,771,664.41
Operating Expenses	\$ 24,914,798.37	\$ 23,064,744.89	\$ 26,097,223.57	\$ 23,767,884.74	\$ 25,957,004.25
Debt Service & Transfers	\$ 11,441,348.75	\$ 10,908,100.31	\$ 13,446,302.67	\$ 10,572,200.63	\$ 11,735,373.32



# Proposed Preliminary Budget 2022-2023 Summary

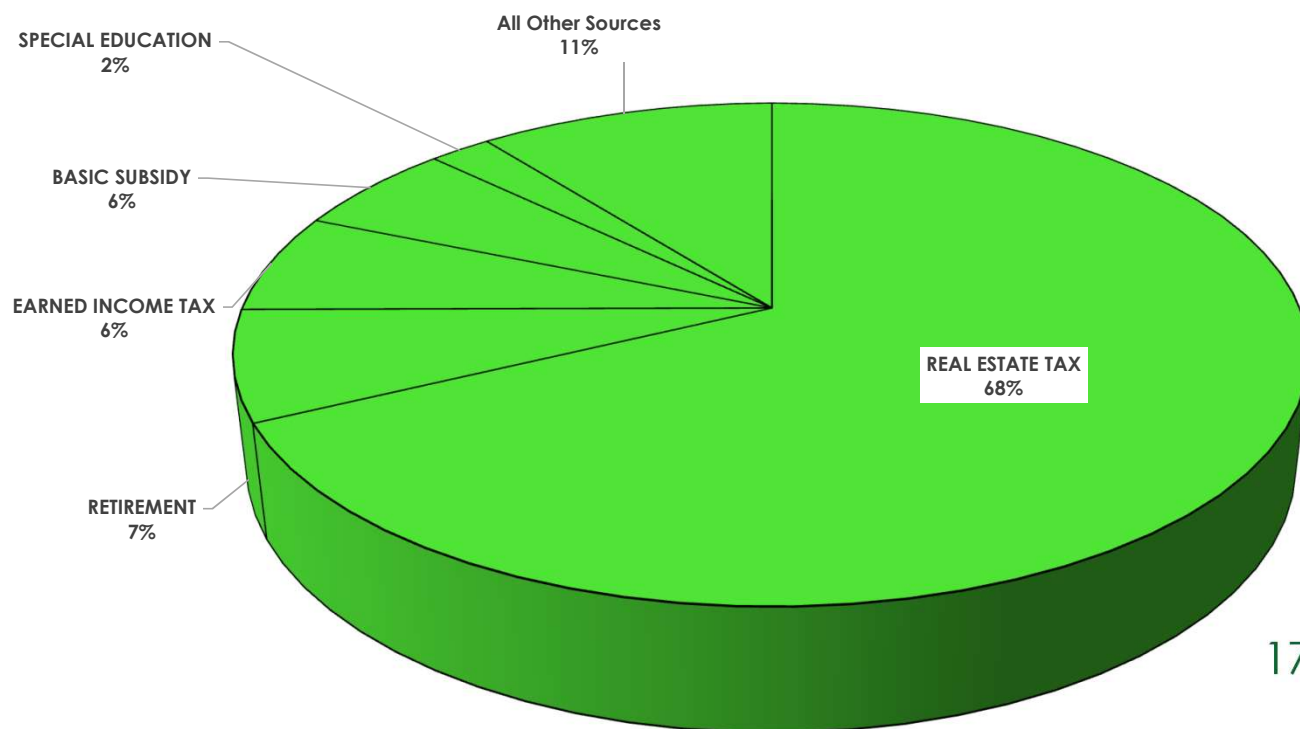
Revenue	21-22 Budget	22-23 Prelim.Budget	Change
Local Revenue	\$ 89,412,170.02	\$ 93,349,640.13	\$ 3,937,470.11
State Revenue	\$ 24,357,956.83	\$ 24,493,352.09	\$ 135,395.26
Federal Revenue	\$ 622,513.82	\$ 625,759.14	\$ 3,245.32
Other Revenue	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 114,392,640.67</b>	<b>\$ 118,468,751.36</b>	<b>\$ 4,076,110.69</b>
<b>Expenditures</b>	<b>21-22 Budget</b>	<b>22-23 Prelim.Budget</b>	<b>Change</b>
Salary	\$ 47,885,072.64	\$ 48,004,709.38	\$ 119,636.74
Benefits	\$ 32,167,482.66	\$ 32,771,664.41	\$ 604,181.75
Operating Expenses	\$ 23,767,482.26	\$ 25,957,004.25	\$ 2,189,521.99
Debt Service & Transfers	\$ 10,572,603.11	\$ 11,735,373.32	\$ 1,162,770.21
<b>Total Expenses</b>	<b>\$ 114,392,640.67</b>	<b>\$ 118,468,751.36</b>	<b>\$ 4,076,110.69</b>
<b>Net Revenue less Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.00)</b>

# Proposed Preliminary Budget 2022-2023

## Revenue Summary

Source	% of Revenue
Local Revenue	78.80%
State Revenue	20.67%
Federal Revenue	0.53%
Other Revenue	0.00%

**Top 5 Revenue Sources**





# Proposed Preliminary Budget 2022-2023

## Revenue Assumptions/Comments

### REVENUE

#### ○ Local Revenue

- Real Estate Taxes increased by \$2.96M
  - Millage Rate increased by Act 1 Index of 2.59%
  - Collection Rate reduced from 96.08 % to 95.98%
  - Based on Assessed Values as of December 2021
- EIT increased by \$475k based on Berkheimer Forecast
- Delinquent Real Estate collections increased by \$400k
- Interest Income increased by \$29.8k

### REVENUE

#### ○ State Revenue

- Special Education subsidy increased by \$126k
- Grant income reduced by \$100k
- SS & PSERS increased by \$109k

#### ○ Federal Revenue

- Total increase of \$3.2k

# Proposed Preliminary Budget 2022-2023

## Act 1 Index Exceptions

Eligibility for the following Act 1 exceptions for the 2022-2023 budget:

- PSERS (Public School Employees' Retirement System) = \$0
- Special Education = \$0

Methacton School District is not eligible for ACT 1 Index exceptions.

# Proposed Preliminary Budget 2022-2023

## Act 1 Index Exception – PSERS

2011-2012 Salary Base - Total		\$43,409,025	
2011-2012 Salary Base - Federal		\$584,675	
Budgeted School District Share of Payments to PSERS		Actual Dollar Value of Estimated Payments for 2019-2020	Actual Dollar Value of Estimated Payments for 2020-2021
(a)	Salary Base - Total	\$45,455,469	\$45,551,358
	Salary Base - Total to use for Referendum Exception	\$43,409,025	\$43,409,025
(b)	PSERS Employer Contribution Rate	34.77%	34.94%
(c)	Expenditure Object 230 (a x b)	\$15,093,318	\$15,167,113
(d)	Revenue 7820	\$7,546,659	\$7,583,557
(e)	Percent State (d ÷ c)	50.00%	50.00%
(f)	Expenditure Object 230 - Local and Federal Share of Total (c - d)	\$7,546,659	\$7,583,556
(g)	Salary Base - Federal	\$584,675	\$584,675
	Salary Base - Federal to use for Referendum Exception	\$584,675	\$584,675
(h)	Expenditure Object 230 - Federal Share of Total (g x b)	\$203,291	\$204,285
(i)	Expenditure Object 230 - State Share of Federal (h x e)	\$101,646	\$102,143
(j)	Expenditure Object 230 - Local Share (f - i)	\$7,445,013	\$7,481,413
School District's Index for 2019-2020			3.4%
(k)	Index multiplied by 2019-2020 budgeted school district share of payments to PSERS:		\$253,130
(l)	2020-2021 net budgeted amount minus 2019-2020 net budgeted amount:		\$36,400
Allowable Retirement Contributions Exception (l - k):		Does Not Qualify	



# Proposed Preliminary Budget 2022-2023

## Act 1 Index Exception – Special Education

**(a.1) Expenditure Function & Description for Special Education (General Fund Only)**

1200 - Special Education Instruction  
 less: 1243 - Gifted Support  
 Special Education Instruction for Students with Disabilities

Actual Amount for 2018-2019	Actual Amount for 2019-2020	Variance
\$16,826,454.57	\$16,723,542.14	-\$102,912.43
<b>\$1,173,935.02</b>	<b>\$1,171,668.78</b>	<b>-\$2,266.24</b>
\$15,652,519.55	\$15,551,873.36	-\$100,646.19

**(a.2)**

2120 - Guidance Services  
 2140 - Psychological Services  
 2150 - Speech Pathology and Audiology Services  
 2160 - Social Work Services  
 2260 - Instruction and Curriculum Development Services  
 2350 - Legal Services  
 2420 - Medical Services  
 2440 - Nursing Services  
 2700 - Student Transportation Services  
 Special Education Services for Students with Disabilities

\$217,112.33	\$265,773.29	\$48,660.96
\$493,141.86	\$671,812.66	\$178,670.80
\$0.00	\$0.00	\$0.00
\$20,120.00	\$23,257.00	\$3,137.00
\$28,021.45	\$51,915.96	\$23,894.51
\$100,724.09	\$136,227.95	\$35,503.86
\$348,041.76	\$523,651.60	\$175,609.84
\$130,749.81	\$129,577.07	-\$1,172.74
\$747,101.55	\$600,312.53	-\$146,789.02
\$2,085,012.85	\$2,402,528.06	\$317,515.21

**(a.3) Total Special Education Expenditures (a.1 + a.2)**

**\$17,737,532.40**      **\$17,954,401.42**      **\$216,869.02**

**(b) Revenue Function & Description for Special Education (General Fund Only)**

7271 - Special Education Funding for School Aged Pupils  
 7272 - Early Intervention

Actual Amount for 2018-2019	Actual Amount for 2019-2020	Variance
\$2,609,065.61	\$2,643,688.17	\$34,622.56
<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Total Special Education Revenues**

**\$2,609,065.61**      **\$2,643,688.17**      **\$34,622.56**

**Special Education Expenditures minus Revenues (a.3 - b)**

**\$15,128,467.00**      **\$15,310,713.00**      **\$182,246.00**

**(c) School District's Index for Budget Year**

3.4%

**(d) Index multiplied by 2018-2019 Net Special Education Expenditures:**

\$514,368.00

**(e) 2019-2020 Net Expenditures minus 2018-2019 Net Expenditures:**

\$182,246.00

**Allowable Exception: Special Education Expenditures (e - d):**

**Does Not Qualify**

# Proposed Preliminary Budget 2022-2023

## Real Estate Tax

	<b>2022-2023</b>	<b>2021-2022</b>	<b>Variance</b>
	<b>Preliminary</b>	<b>Final</b>	<b>21-22 Final v 22-23 Proposed Final</b>
Taxable Assessed Value	\$ 2,675,123,262.00	\$ 2,643,048,442.00	\$ 32,074,820.00
Millage Increase	2.5900%	1.3325%	1.26%
MILLAGE RATE	32.0743	31.2645	0.8098
Gross TAX LEVY	\$ 85,802,706.04	\$ 82,633,588.01	\$ 3,169,118.03
PSERS Exception	\$ -	\$ -	\$ -
SE Exception	\$ -	\$ -	\$ -
Gross Tax Levy Adjustment	\$ -	\$ -	\$ -
Adjusted Millage	32.0743	31.2645	0.8098
Adjusted Act 1	2.5900%	1.3324%	1.26%
Less Gaming Funds	(\$2,106,750.72)	(\$2,106,750.72)	\$ -
Net Tax Levy	\$ 83,695,955.32	\$ 80,526,837.29	\$ 3,169,118.03
COLLECTION RATE*	95.98%	96.08%	(0.10%)
Gross Current Real Estate Taxes	\$ 80,332,294.80	\$ 77,367,484.17	\$2,964,810.63

Factoring in Discounts/Penalties, Return to County, Escrow, and Refunds, the actual collection rate has been:

18/19 FY=95.95%  
19/20 FY=95.99%  
20/21 FY=96.08%

### **BUDGET COLLECTION RATE** **22/23 FY=95.98%**

Collection Rate Determined Annually by using a trailing 3 year average.

# Proposed Preliminary Budget 2022-2023 Analysis

## REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2019/20 = **31.2645 mills**
- Proposed Real Estate tax rate 2020/21 = **32.0743 mills**

**§ Total Increase of 2.5900% (or 0.8098 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 \$174,400 is \$141.23

Overall tax bill calculation: 32.0743 (millage) X \$174,400 = \$5,593.76

Estimated tax bill for other home assessed values (based on 2.59% increase = 0.8098 mills or 32.0743 mills):

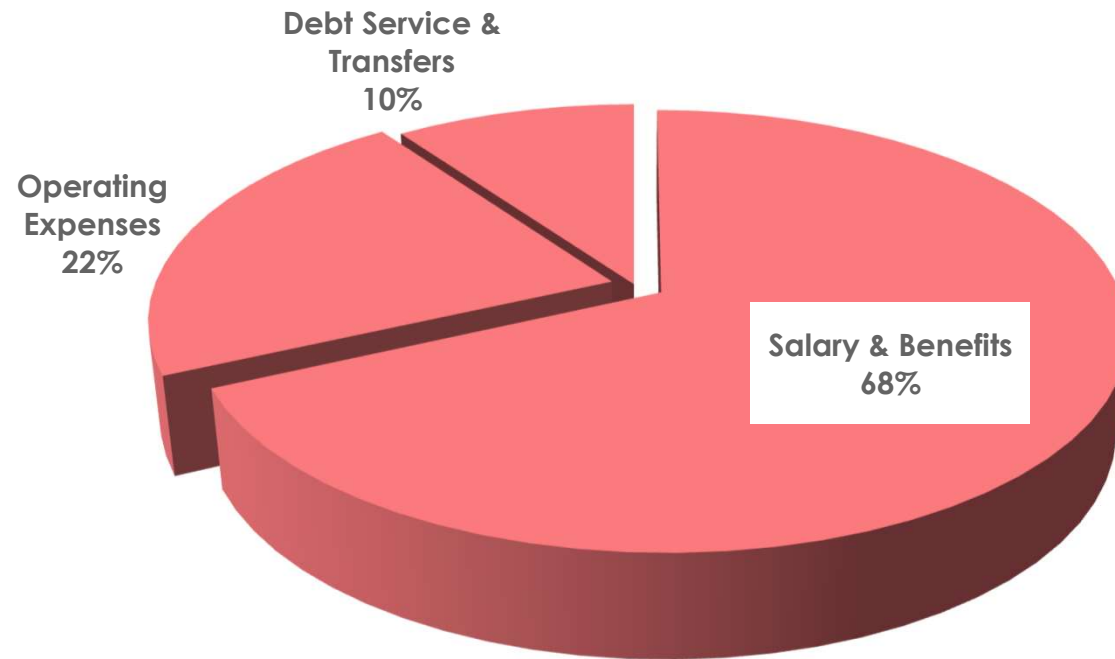
Value*	Assessment	Increase	Total Tax	
\$100,000.00	\$46,948.36	\$38.02	\$1,505.84	
\$150,000.00	\$70,422.54	\$57.03	\$2,258.75	
\$200,000.00	\$93,896.71	\$76.04	\$3,011.67	
\$250,000.00	\$117,370.89	\$95.05	\$3,764.59	
\$300,000.00	\$140,845.07	\$114.06	\$4,517.51	
\$371,472.00	\$174,400.00	\$141.23	\$5,593.76	MSD Avg.
\$400,000.00	\$187,793.43	\$152.08	\$6,023.34	
\$500,000.00	\$234,741.78	\$190.09	\$7,529.18	
\$1,000,000.00	\$469,483.57	\$380.19	\$15,058.36	
\$2,000,000.00	\$938,967.14	\$760.38	\$30,116.71	

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>)



# Proposed Preliminary Budget 2022-2023 Expenditure Summary



# Proposed Preliminary Budget 2022-2023

## Staffing

	PROFESSIONAL STAFF				SUPPORT & MAINTENANCE				ADMINISTRATORS				TOTAL			
	BOY 21-22	Chgs. 21-22	Prop. Chgs	Budget 22-23	BOY 21-22	Chgs. 21-22	Prop. Chgs	Budget 22-23	BOY 21-22	Chgs. 21-22	Prop. Chgs	Budget 22-23	BOY 21-22	Chgs. 21-22	Prop. Chgs	Budget 22-23
Arrowhead	34.85	-	-	34.85	14.35	(0.80)	-	13.55	1.25	-	-	1.25	50.45	(0.80)	-	49.65
Eagleville	36.55	(2.50)	-	34.05	16.88	3.99	-	20.87	1.25	-	-	1.25	54.68	1.49	-	56.17
Woodland	43.05	(1.00)	-	42.05	14.82	-	-	14.82	1.25	-	-	1.25	59.12	(1.00)	-	58.12
Worcester	33.65	1.50	-	35.15	15.11	0.07	-	15.18	1.25	-	-	1.25	50.01	1.57	-	51.58
Skyview	65.40	(2.00)	-	63.40	22.68	(0.20)	-	22.48	2.50	-	-	2.50	90.58	(2.20)	-	88.38
Arcola	64.00	(1.40)	-	62.60	20.44	(1.20)	-	19.24	2.50	-	-	2.50	86.94	(2.60)	-	84.34
MHS	121.00	1.40	-	122.40	37.42	1.30	-	38.72	6.00	-	-	6.00	164.42	2.70	-	167.12
Districtwide / Facilities	2.00	-	-	2.00	22.38	2.62	-	25.00	2.00	-	-	2.00	26.38	2.62	-	29.00
Farina	-	-	-	-	21.20	(0.20)	-	21.00	12.00	1.00	-	13.00	33.20	0.80	-	34.00
<b>Total</b>	<b>400.50</b>	<b>(4.00)</b>	<b>-</b>	<b>396.50</b>	<b>185.28</b>	<b>5.58</b>	<b>-</b>	<b>190.86</b>	<b>30.00</b>	<b>1.00</b>	<b>-</b>	<b>31.00</b>	<b>615.78</b>	<b>2.58</b>	<b>-</b>	<b>618.36</b>

# Proposed Preliminary Budget 2022-2023 Expenditure Assumptions/Comments

## Expenditures

### Preliminary Budget

- Staffing - increase of \$0.2 M, with no new staffing
  - Increased are based off of contractual obligations
    - MEA – Uses the 3<sup>rd</sup> matrix adjustment plus \$250 at the top step for those without step movement.
    - MESPA – Has a 2.50% increase for all staff
    - Teamsters – Has a 2.50% increase for all staff
    - Confidentials – Has a 2.50% increase for all staff
  - Replacement Staff
    - Current MEA retirements are replaced by new staff at B+15, step 3
    - 14 Retirees are included in the Preliminary Budget



# Proposed Preliminary Budget 2022-2023 Expenditure Assumptions/Comments

## Expenditures

### Proposed Preliminary Budget (continued)

- Benefits - increase of \$0.6 M
  - Health Care
    - Medical & Prescription - 6.4% based on consolidated First Look
      - Included in increase for both Medical and Prescription is the new requirement to have 1/3 of 2 month shortfall added to the required increases.
    - Vision & Dental – 2.00% increase
    - Staffing contributions based on contracts
  - PSERS Rate for 2022-2023 increased from 34.94% to 35.26%
    - This is a 0.9% increase in PSERS costs.

# Proposed Preliminary Budget 2022-2023 Expenditure Assumptions/Comments

## Expenditures

### Proposed Preliminary Budget (continued)

- Operating Costs - increase of \$2.2M
  - Building Budgets increased by roughly \$29.8K
  - Departmental Budgets
    - Charter School costs increased by \$314.0k. This is flat to anticipated costs in 2021-2022; however, the committed funds used for 2021-2022 will be depleted based on current run rates.
    - Technology Costs for Regular Education submitted by Curriculum has increased by \$100.9k.
    - Autistic support, learning support, physical therapy, costs have increased by \$480.0k
    - Reach Program costs previously paid for by grants are now included in the budget totaling \$240.0k
    - Legal Costs have been increased by \$575.0k to cover the increasing Right To Know costs.

# Proposed Preliminary Budget 2022-2023 Expenditure Assumptions/Comments

## Expenditures

### Proposed Preliminary Budget (continued)

- Debt and Transfer Costs – Increased by \$1.16 M
  - Capital Reserve Transfer Costs increased by \$700k, was removed from last year's budget to reduce cost
    - Plan is to have Capital Reserve maintained at a minimum of 2.0% of total budget
  - Bond Costs increased by \$416,659.57



# Proposed Preliminary Budget 2022-2023

## Capital Reserve Recommendations

### Capital Expenditure Recommendations

- Items below have been requested by Facilities & Athletics.
- Estimated cost of all items is \$163k.
- These are one time purchases.
- All items are needed, by using Capital Reserve funds the budget will not be impacted.

1	Toro Wide Area Mower	\$	67,537.10	Replace 21 year old Jacobson Mower at High School. Keep with broom unit on it for snow removal
1	Zero turn mower	\$	11,598.60	Replace 2003 X-Mark mower, replace with Scag 72" Machine
1	John Deere Gator	\$	15,000.00	Need utility vehicle for Arcola/Skyview, returning existing gator to high school Athletics
1	Golf Cart	\$	8,000.00	Golf Cart
2	Ventrac	\$	48,010.00	Locate at Eagleville Elementary and Arcola Skyview for snow removal
1	Ride on Scrubber	\$	13,622.75	Cleaning 2nd floor High School
<b>Total Estimated Cost:</b>		<b>\$</b>	<b>163,768.45</b>	

# Proposed Preliminary Budget 2022-2023

## Top Ten Expenditures

<i>Rank</i>	<i>Amount</i>	<i>% of Total</i>	<i>Object</i>	<i>Name</i>
1	33,727,768	28.47%	121	<i>Professional – Educational - Regular Salaries</i>
2	16,820,465	14.20%	230	<i>Psers Retirement Contributions</i>
3	9,160,263	7.73%	211	<i>Medical Insurance</i>
4	7,320,000	6.18%	912	<i>Serial Bonds – Principal Payments</i>
5	6,479,929	5.47%	513	<i>Contracted Carriers</i>
6	4,606,913	3.89%	111	<i>Official / Administrative - Regular Salaries</i>
7	3,870,274	3.27%	330	<i>Other Professional Services</i>
8	3,657,186	3.09%	220	<i>Social Security Contributions</i>
9	3,031,077	2.56%	832	<i>Interest – Serial Bonds</i>
10	2,430,035	2.05%	171	<i>Operative And Laborer - Regular Salaries</i>
Other	27,364,841	23.10%		<i>Other Objects</i>
<b>TOTAL</b>	<b>118,468,751</b>	<b>100.00%</b>		

# Proposed Preliminary Budget 2022-2023

## Major Object Summary

		2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Budget
100	Salaries	\$44,156,674.00	\$45,455,469.22	\$45,551,357.80	\$47,885,072.64	\$48,004,709.38
200	Benefits	\$27,748,613.67	\$29,010,336.49	\$29,534,528.07	\$32,167,482.66	\$32,771,664.41
300	Professional Services	\$7,594,622.76	\$7,003,152.87	\$8,498,968.47	\$6,637,647.86	\$8,030,721.55
400	Property Services	\$2,321,260.43	\$2,269,859.87	\$2,520,429.49	\$2,325,254.67	\$2,469,419.50
500	Other Purch. Services	\$11,434,060.66	\$9,726,542.27	\$10,257,390.35	\$11,292,473.63	\$11,631,404.55
600	Supplies	\$3,290,561.93	\$3,625,017.75	\$4,280,399.31	\$3,361,811.50	\$3,811,940.20
700	Property	\$274,292.59	\$440,172.13	\$540,035.95	\$150,294.60	\$13,518.45
800	Other Objects	\$2,873,042.05	\$3,058,077.21	\$3,851,974.12	\$3,357,603.11	\$3,715,373.32
900	Other Uses of Funds	\$8,568,306.70	\$7,850,023.10	\$9,594,328.55	\$7,215,000.00	\$8,020,000.00
<b>Grand Total</b>		<b>\$108,261,434.79</b>	<b>\$108,438,650.91</b>	<b>\$114,629,412.11</b>	<b>\$114,392,640.67</b>	<b>\$118,468,751.36</b>
Change over Prior Year \$			\$177,216.12	\$6,190,761.20	(\$236,771.44)	\$4,076,110.69
Change over Prior Year %			0.16%	5.71%	(0.21%)	3.56%



# 2022-2023 Proposed Preliminary Budget

	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Budget
<b>Revenue</b>					
Local	\$86,135,658.19	\$86,833,474.31	\$89,375,137.95	\$89,412,170.02	\$93,349,640.13
State	\$23,262,130.88	\$24,093,320.83	\$23,789,982.19	\$24,357,956.83	\$24,493,352.09
Revenue	\$673,617.84	\$676,509.17	\$1,102,398.52	\$622,513.82	\$625,759.14
Other	\$0.00	\$12,440.18	\$23,166.83	\$0.00	\$0.00
<b>Revenue Total</b>	<b>\$110,071,406.91</b>	<b>\$111,615,744.49</b>	<b>\$114,290,685.49</b>	<b>\$114,392,640.67</b>	<b>\$118,468,751.36</b>
<b>Expenditures</b>					
Salary	\$44,156,674.00	\$45,455,469.22	\$45,551,357.80	\$47,885,072.64	\$48,004,709.38
Benefits	\$27,748,613.67	\$29,010,336.49	\$29,534,528.07	\$32,167,482.66	\$32,771,664.41
Operational	\$24,914,798.37	\$23,064,744.89	\$26,097,223.57	\$23,767,482.26	\$25,957,004.25
Debt & Transfers	\$11,441,348.75	\$10,908,100.31	\$13,446,302.67	\$10,572,603.11	\$11,735,373.32
<b>Total Expenditures</b>	<b>\$108,261,434.79</b>	<b>\$108,438,650.91</b>	<b>\$114,629,412.11</b>	<b>\$114,392,640.67</b>	<b>\$118,468,751.36</b>
<b>Net Operating Balance</b>	<b>\$1,809,972.12</b>	<b>\$3,177,093.58</b>	<b>(\$338,726.62)</b>	<b>\$0.00</b>	<b>\$0.00</b>

# Five Year Projection – Assumptions (2023-2027)

## REVENUE

- Growth rate based on assessed value as of 11/30/2021.
- Annual growth rate of 0.50% for taxable assessed value.
- Annual Earned Income Tax growth rate of 2.00%.
- Annual Collection Rate 95.98%.
- Growth projected for Transfer Tax=0.20%; Investments=0.00%; Interim Real Estate=0.50% for 2022 forward
- All other revenue at 0% other than SS/PSERS

## EXPENDITURES

- Increases for staff is based on current labor agreements with MEA, MESPA, Teamsters and Act 93
- Medical – All plans increased at 6.4%
- Prescription – All plans increased at 6.4%
- Vision – 2.00% increase
- Dental – 2.00% increase
- PSERS Rates: 23 – 35.26%, 24 – 35.69%, 25 – 36.06%, 26 – 36.48% and 27 – 36.78%
- No change in General Supplies from base year
- Special Education Operating Costs = 3.70% each year
- Transportation = 1.70% each year
- Tuition to Pennsylvania Charter Schools = 5.86% each year
- Vocational Education = 2.6% each year

# Five Year Projection

2022 Millage Increase of 2.59%  
 No Property Tax Increase – 2023-2026

	Preliminary 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
<b>REVENUES</b>					
Real Estate Taxes	81,125,420	81,125,420	81,125,420	81,125,420	81,125,420
Act 511 Taxes	9,180,000	9,180,000	9,180,000	9,180,000	9,180,000
Other Local Revenue	3,044,220	3,044,220	3,044,220	3,044,220	3,044,220
Basic Instructional and Operating Subsidies	8,860,494	8,860,494	8,860,494	8,860,494	8,860,494
Revenue for Specific Educational Programs	2,619,149	2,619,149	2,619,149	2,619,149	2,619,149
State Reimbursements	8,810,233	8,810,233	8,810,233	8,810,233	8,810,233
Transportation Revenue	1,758,896	1,758,896	1,758,896	1,758,896	1,758,896
Other State Revenue	2,444,580	2,444,580	2,444,580	2,444,580	2,444,580
Federal Revenue	625,759	625,759	625,759	625,759	625,759
Other Financing Sources					
<b>TOTAL REVENUES</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>
<b>EXPENDITURES</b>					
Salaries and Benefits	80,776,373	82,805,075	84,883,464	87,093,993	89,070,589
Operating Expenses	25,957,005	27,373,148	28,956,968	30,740,576	32,763,128
Debt Service & Transfers	11,735,373	11,818,778	11,893,731	11,980,983	12,082,857
<b>TOTAL EXPENDITURES</b>	<b>118,468,751</b>	<b>121,997,001</b>	<b>125,734,163</b>	<b>129,815,552</b>	<b>133,916,574</b>
<b>NET OPERATING BALANCE</b>	<b>-</b>	<b>(3,528,250)</b>	<b>(7,265,412)</b>	<b>(11,346,801)</b>	<b>(15,447,823)</b>
<b>UNASSIGNED FUND BALANCE (Beg. Of Year)</b>	<b>8,007,485</b>	<b>8,007,485</b>	<b>4,479,235</b>	<b>(2,786,177)</b>	<b>(14,132,978)</b>
<b>UNASSIGNED FUND BALANCE (End Of Year)</b>	<b>8,007,485</b>	<b>4,479,235</b>	<b>(2,786,177)</b>	<b>(14,132,978)</b>	<b>(29,580,801)</b>



# Five Year Projection

Property Tax Increase 2022-2026  
 2022= 2.59% (Act 1 & Exceptions); 2023=2.0%; 2024=2.0%; 2025=2.0%; 2026=2.0%

	Preliminary 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
<b>REVENUES</b>					
Real Estate Taxes	81,125,420	83,195,509	85,317,493	87,492,672	89,722,383
Act 511 Taxes	9,180,000	9,334,500	9,492,036	9,652,669	9,816,460
Other Local Revenue	3,044,220	3,044,220	3,044,220	3,044,220	3,044,220
Basic Instructional and Operating Subsidies	8,860,494	8,897,066	8,934,369	8,972,418	9,011,229
Revenue for Specific Educational Programs	2,619,149	2,619,149	2,619,149	2,619,149	2,619,149
State Reimbursements	8,810,233	9,013,337	9,047,653	9,032,083	9,079,625
Transportation Revenue	1,758,896	1,758,896	1,758,896	1,758,896	1,758,896
Other State Revenue	2,444,580	2,444,580	2,444,580	2,444,580	2,444,580
Federal Revenue	625,759	625,759	625,759	625,759	625,759
Other Financing Sources					
<b>TOTAL REVENUES</b>	<b>118,468,751</b>	<b>120,933,016</b>	<b>123,284,155</b>	<b>125,642,446</b>	<b>128,122,301</b>
<b>EXPENDITURES</b>					
Salaries and Benefits	80,776,373	82,805,075	84,883,464	87,093,993	89,070,589
Operating Expenses	25,957,005	27,373,148	28,956,968	30,740,576	32,763,128
Debt Service & Transfers	11,735,373	11,818,778	11,893,731	11,980,983	12,082,857
<b>TOTAL EXPENDITURES</b>	<b>118,468,751</b>	<b>121,997,001</b>	<b>125,734,163</b>	<b>129,815,552</b>	<b>133,916,574</b>
<b>NET OPERATING BALANCE</b>	<b>-</b>	<b>(1,063,985)</b>	<b>(2,450,008)</b>	<b>(4,173,106)</b>	<b>(5,794,273)</b>
<b>UNASSIGNED FUND BALANCE (Beg. Of Year)</b>	<b>8,007,485</b>	<b>8,007,485</b>	<b>6,943,500</b>	<b>4,493,492</b>	<b>320,386</b>
<b>UNASSIGNED FUND BALANCE (End Of Year)</b>	<b>8,007,485</b>	<b>6,943,500</b>	<b>4,493,492</b>	<b>320,386</b>	<b>(5,473,887)</b>

# Five Year Projection

## Staff Costs Breakout

	Preliminary 2023		Projected 2024		Projected 2025		Projected 2026		Projected 2027	
COSTS										
Salaries	\$48,004,709	40.52%	\$49,228,307	40.35%	\$50,483,198	40.15%	\$51,770,188	39.88%	\$53,090,099	39.64%
*Retirement	\$20,477,651	17.29%	\$20,713,761	16.98%	\$20,940,427	16.65%	\$21,237,925	16.36%	\$21,237,925	15.86%
Medical Insurance	\$9,160,263	7.73%	\$9,610,948	7.88%	\$10,083,807	8.02%	\$10,579,930	8.15%	\$11,100,463	8.29%
Prescription Insurance	\$2,204,281	1.86%	\$2,314,495	1.90%	\$2,430,219	1.93%	\$2,551,730	1.97%	\$2,679,317	2.00%
Other Employee Benefits	\$929,469	0.78%	\$937,564	0.77%	\$945,813	0.75%	\$954,220	0.74%	\$962,785	0.72%
SUM										
Salary/Benefits Total	\$80,776,373	68.18%	\$82,805,075	67.87%	\$84,883,464	67.51%	\$87,093,993	67.09%	\$89,070,589	66.51%
BUDGETED EXPENSES	\$118,468,751		\$121,997,001		\$125,734,164		\$129,815,552		\$133,916,575	

2023-2027 figures based on Slide 35 - Five Year Projection – Assumptions

\*Retirement includes PSERS & Social Security and represents full amount (district responsible for half of stated figure)

# Proposed Preliminary Budget 2022-2023

## Sensitivity Analysis

Millage Increase	3.40%	3.00%	2.59%	2.50%	2.00%	1.00%	0.00%
<b>TOTAL REVENUES</b>	<b>119,118,871</b>	<b>118,797,663</b>	<b>118,468,751</b>	<b>118,396,345</b>	<b>117,995,027</b>	<b>117,192,134</b>	<b>116,389,499</b>
Salaries and Benefits	80,052,555	80,052,555	80,052,555	80,052,555	80,052,555	80,052,555	80,052,555
Operating Expenses	23,767,482	23,767,482	23,767,482	23,767,482	23,767,482	23,767,482	23,767,482
Debt Service & Transfers	10,572,603	10,572,603	10,572,603	10,572,603	10,572,603	10,572,603	10,572,603
<b>TOTAL EXPENDITURES</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>	<b>118,468,751</b>
<b>Net Operating Income</b>	<b>650,120</b>	<b>328,911</b>	<b>-</b>	<b>(72,407)</b>	<b>(473,725)</b>	<b>(1,276,617)</b>	<b>(2,079,253)</b>
<b>Current Millage Increase:</b>	<b>2.59%</b>						

Each 0.50% change in millage amounts to a change of \$401,318 of Revenue



# PDE-2028

**PDE 2028 attached as a separate document**

# Initial Building Requests-Projects

ITEM	Item(s) Requested	ITEM	Item(s) Requested
AC-1	Install three new card readers on outside doors (Gym door & Stairwell door)	HS-8	TV Studio Camera: BlackMagic Design URSA
AC-2	Update Arcola arts rooms, new shelves, tables, cabinets etc.	HS-9	Landscaping paving project in front of school
AC-3	Kilns for art room as one not working - enclose kiln area	HS-10	Campus Branding
AC-4	Electronic basketball nets to work with key and motor	HS-11	Cameras in parking lot
AC-5	Two murals need to be painted over 1st and 2nd floor	HS-12	Replacement cameras for building (East Wing 2nd Floor; Cafeteria 2 blind spots)
AC-6	New student lockers to fit backpacks	SV-1	Flexible Learning Pod (in ballroom)
AT-1	Shed Football Field	SV-2	Playground Equipment
AT-2	Golf Cart	SV-3	Projector and Installation in Cafeteria
EV-1	Paint Hallways	WD-1	Cleaning the soffits outside
EV-2	New Carpet in Library	WD-2	Painting on blacktop for car pickup
HS-2	Card Reader outside Health rooms/ bathrooms	WD-3	Painting office and faculty room
HS-3	Carpet Removed A wing, A125, A123, A200, A204 (include adjoining office); 4568/class;	WD-4	Replace Carpets
HS-4	Bottle Fillers replacing water fountains (outside C149)	WD-5	Overhang on the outside of gym for water prevention
HS-5	Painting Main office, Principal's Office, Special Ed Supervisor's Office, East Office, Nursing suite, Halls	WR-1	Professional Power Washing for Exterior of School
HS-6	Phys ed locker rooms updating - replacing lockers, showers, painting, updating facility (budget of 2019 was supposed to cover this and it did not get done)	WR-2	Painting approximately 5 classrooms
HS-7	C102 and stage doors retrofitted to allow grand piano to be moved in and out	WR-3	New Playground Equipment for Worcester

**NOTE: Total expenditure will not exceed \$150k.**

HS	– High School	AC	– Arcola	SV	– Skyview	AH	– Arrowhead
EV	– Eagleville	WD	– Woodland	WR	– Worcester	FA	– Farina

# APPENDIX

- Budget Process History



# Budget Process History

- Record of Changes
  - 01/12/2022 – Proposed Preliminary Budget Presentation to Finance Committee
  - 01/18/2022 – Proposed Preliminary Budget Presentation to School Board