

Presented 01/10/2024

Methacton School District

2024-2025

Preliminary Budget

Timeline

<u>Budgetary Item</u>	<u>Date</u>	<u>Action</u>
Full Board Review 2024-2025 Act 1 Index Status	11/28/2023	
Board authorization to make available for public inspection – or – adopt Resolution not to increase taxes above the Act 1 Index – Deadline January 4, 2024 or 20 days prior to Preliminary Budget Adoption	12/4/2023	Board authorization to make Prelim. Budget available for public inspection
Authorize to publicly advertise Proposed Preliminary Budget and Referendum Exceptions Deadline January 14, 2024 or 10 days prior to preliminary budget adoption to advertise Deadline for Referendum is February 8, 2024		Authorize to publicly advertise Proposed Preliminary Budget and Exceptions
If Resolution to increase taxes above the Act 1 Index is not adopted on January 4, 2024, then full Board to Adopt Proposed Preliminary Budget Deadline January 24, 2024	1/23/2024	Adopt the Preliminary Budget
Special Meeting for adoption of Proposed Final Budget/Advertise Final Adoption Date and submit Certification of Use to PDE	4/24/2024	Adopt the Proposed Final Budget & Advertise Final Adoption Date (06/20/23)
Board Adoption of Final 2024-2025 Budget Deadline is June 30, 2024	5/28/2024	Adopt Final 2024-2025 Budget

Considerations

- Based on the School Board vote in December the millage increase will not exceed the Act 1 index of 5.3%.
- PSERS (PA State Employees' Retirement System) rate has been set at 33.9%.
- Health Care – Medical & Rx increased by 16%, Dental and Vision there was no increase.
- Collection Rate is set at 96.93%.
- Interest Income is based on current rates and balances.
- EIT Income was set by Berkheimer's analytics group.
- Salary increases based on contractual obligations.
- Staffing is based on the anticipated needs of the District.

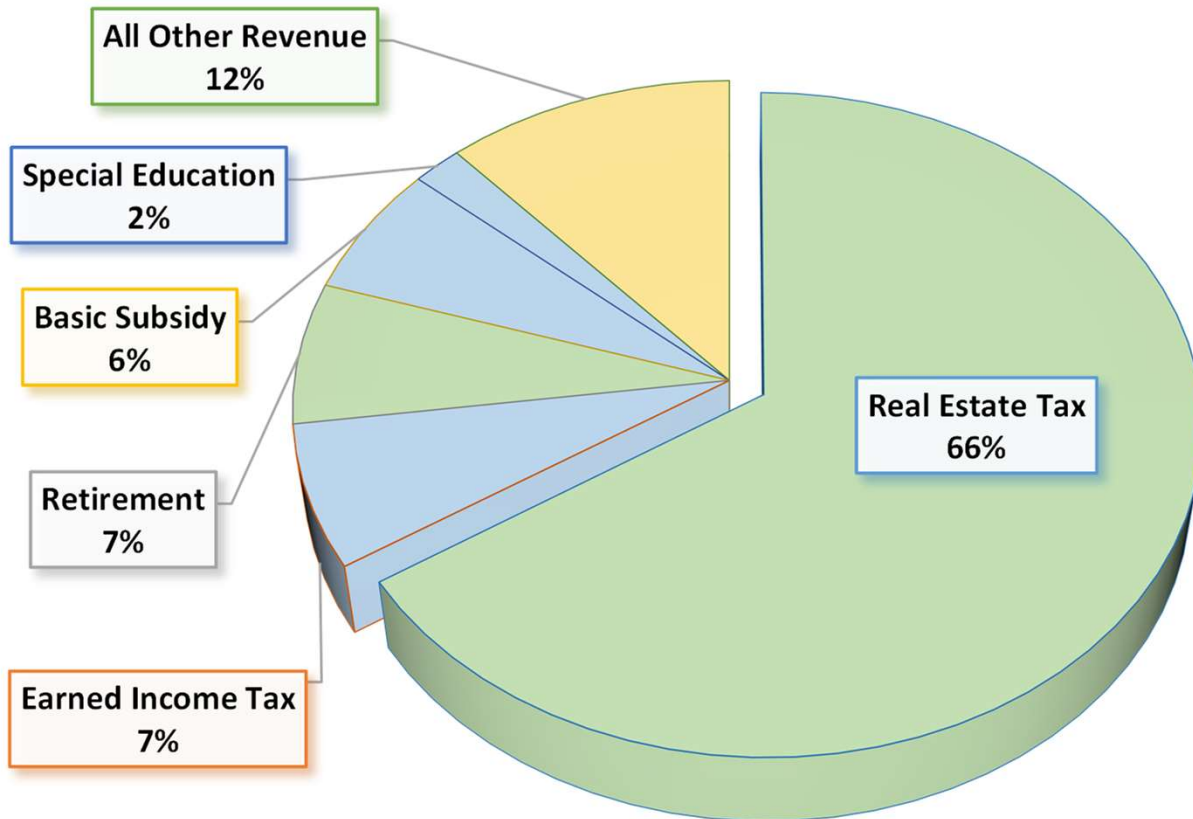
2024-2025 Preliminary Budget Summary

Preliminary Millage Increase Required 3.94%

	2023-2024 Budget	2024-2025 Proposed Preliminary	Amount Change	Percent Change
Revenue				
Local	\$99,588,671.05	\$104,818,143.43	\$5,229,472.38	5.25%
State	\$26,582,835.73	\$27,878,825.79	\$1,295,990.06	4.88%
Federal	\$413,608.65	\$416,922.41	\$3,313.76	0.80%
Other	\$0.00	\$0.00	\$0.00	N/A
Revenue Total	\$126,585,115.43	\$133,113,891.63	\$6,528,776.20	5.16%
Expenditures				
Salary	\$52,851,050.89	\$54,787,923.48	\$1,936,872.59	3.66%
Benefits	\$33,099,459.03	\$35,157,188.64	\$2,057,729.61	6.22%
Operational	\$27,344,419.51	\$31,030,453.16	\$3,686,033.65	13.48%
Debt & Transfers	\$13,290,186.00	\$12,138,326.35	(\$1,151,859.65)	(8.67%)
Total Expenditures	\$126,585,115.43	\$133,113,891.63	\$6,528,776.20	5.16%
Surplus / Shortfall		\$0.00		

2024-2025 Preliminary Budget Revenue Summary

TOP 5 SOURCES OF REVENUE



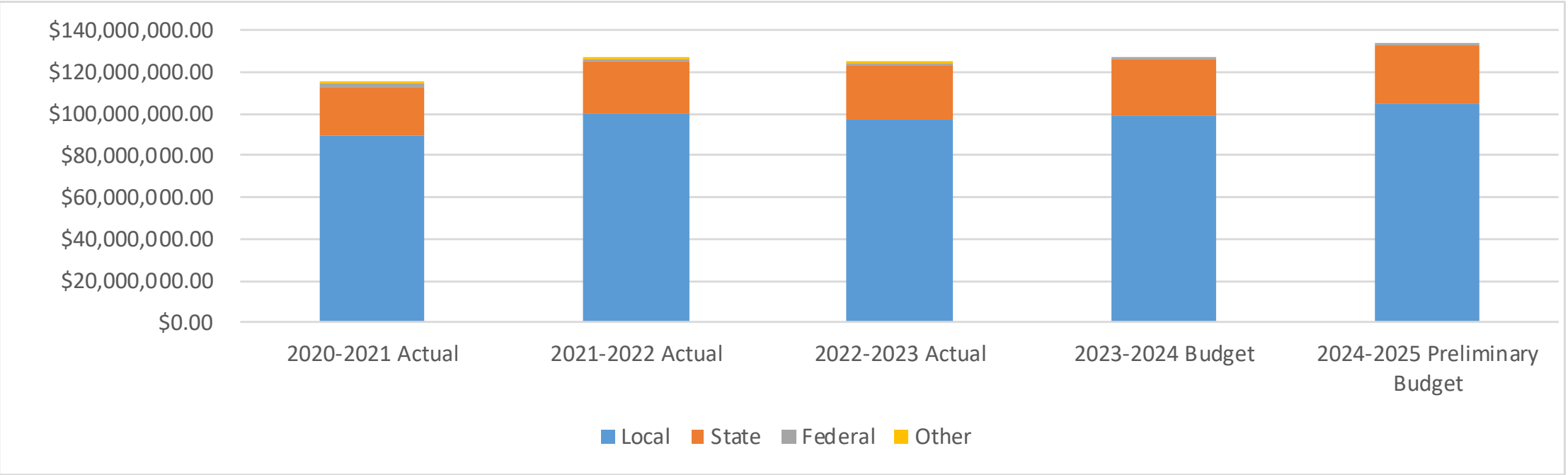
Real Estate Tax	\$87,732,612.36
Earned Income Tax	\$9,300,000.00
Retirement	\$9,239,023.05
Basic Subsidy	\$8,614,773.00
Special Education	\$2,682,395.00
All Other Revenue	\$15,545,088.22

Revenue

Local Sources	\$104,818,143.43
State Sources	\$27,878,825.79
Federal Sources	\$416,922.41
Other	\$0.00
Revenue Total	\$133,113,891.63

Historical Budget Trends

Revenue



Revenue					
Local	\$89,375,137.95	\$100,033,752.81	\$97,231,285.81	\$99,588,671.05	\$104,818,143.43
State	\$23,789,982.19	\$24,727,297.28	\$26,340,363.02	\$26,582,835.73	\$27,878,825.79
Federal	\$1,102,398.52	\$987,491.28	\$1,021,009.48	\$413,608.65	\$416,922.41
Other	\$23,166.83	\$1,670,989.87	\$237,607.74	\$0.00	\$0.00
Revenue Total	\$114,290,685.49	\$127,419,531.24	\$124,830,266.05	\$126,585,115.43	\$133,113,891.63

2024-2025 Preliminary Budget

Local Revenue

LOCAL REVENUE

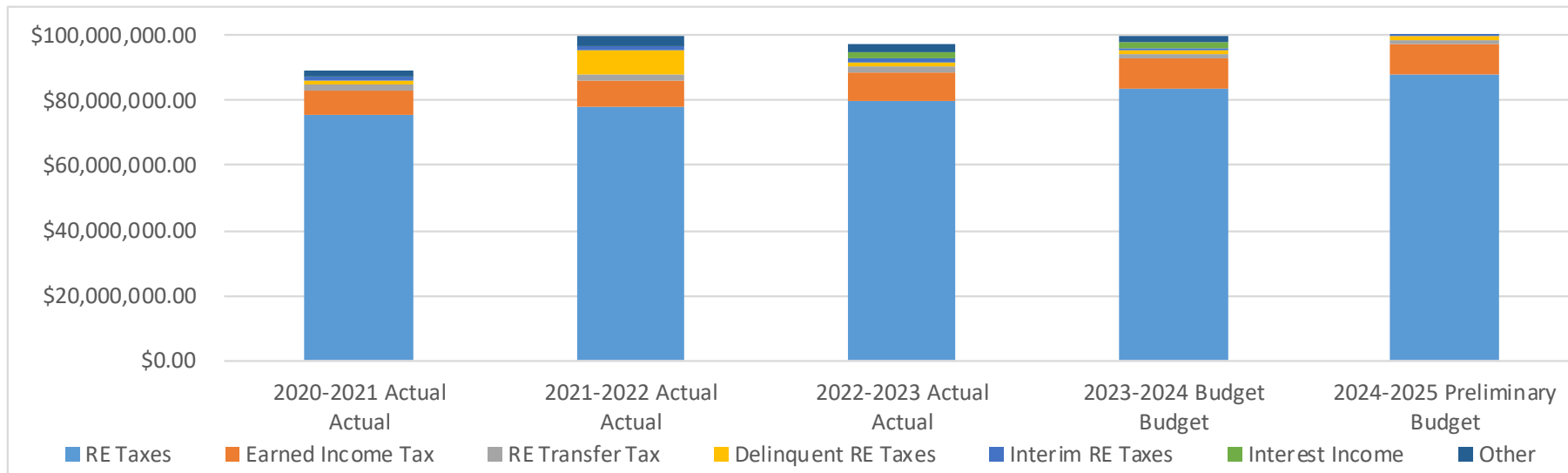
- Real Estate Taxes total \$87.7M
 - Millage Rate increased by 3.94%; ACT 1 is 5.30%
 - Collection Rate will be 96.93%
 - Based on Assessed Values as of December 2023
- EIT projection by Berkheimer is \$9.3M
- Interest Income is estimated to be \$1.99M
- RE Transfer Taxes are projected to be \$1.63M
- Delinquent Real Estate Taxes are projected to be \$1.10M
- IDEA (Individuals w/ Disabilities Education Act)
Total \$0.91M
- All Other Local Revenue totals \$2.16M

Local Revenue Summary

Category	Budgeted Amt	% of Local Rev.
Real Estate Tax	\$87,732,612.36	83.70%
Earned Income Tax	\$9,300,000.00	8.87%
Interest Income	\$1,990,715.94	1.90%
Real Estate Transfer Tax	\$1,627,735.43	1.55%
Delinquent Real Estate Taxes	\$1,098,903.17	1.05%
Individuals W/ Disabilities Education Act	\$906,760.15	0.87%
All other Local Revenue	\$2,161,416.38	2.06%
Total Local Revenue	\$104,818,143.43	100.00%

Historical Budget Trends

Local Revenue



LOCAL Revenue

RE Taxes	\$75,661,147.35	\$78,044,316.69	\$79,860,387.14	\$83,873,828.71	\$87,732,612.36
Earned Income Tax	\$7,483,892.73	\$8,292,787.93	\$8,971,299.85	\$8,850,000.00	\$9,300,000.00
RE Transfer Tax	\$1,569,928.78	\$1,765,050.96	\$1,548,226.54	\$1,484,754.07	\$1,627,735.43
Delinquent RE Taxes	\$1,515,178.12	\$7,574,081.60	\$1,377,883.96	\$1,098,903.17	\$1,098,903.17
Interim RE Taxes	\$866,771.16	\$1,101,897.30	\$1,215,271.92	\$805,604.28	\$1,061,313.46
Interest Income	\$273,270.34	\$161,371.81	\$1,614,963.63	\$1,557,686.64	\$1,990,715.94
Other	\$2,004,949.47	\$3,094,246.52	\$2,643,252.77	\$1,917,894.18	\$2,006,863.07
Revenue Total	\$89,375,137.95	\$100,033,752.81	\$97,231,285.81	\$99,588,671.05	\$104,818,143.43

2024-2025 Proposed Preliminary Budget Real Estate Tax Calculation

	2024-2025 Preliminary	2023-2024 Final	Variance
Taxable Assessed Value	\$2,741,880,070.00	\$2,727,069,180.00	\$ 14,810,890.00
Millage Increase	3.9400%	3.1500%	0.79%
MILLAGE RATE	33.9356	32.6492	1.2864
Gross TAX LEVY	\$ 93,047,345.30	\$ 89,036,627.07	\$ 4,010,718.23
PSERS Exception	\$ -	\$ -	\$ -
SE Exception	\$ -	\$ -	\$ -
Gross Tax Levy Adjustment	\$ -	\$ -	\$ -
Adjusted Millage	33.9356	32.6492	1.2864
Adjusted Act 1	3.9400%	3.1500%	0.79%
Less Gaming Funds	(\$2,540,603.73)	(\$2,540,603.73)	\$ -
Net Tax Levy	\$ 90,506,741.57	\$ 86,496,023.34	\$ 4,010,718.23
COLLECTION RATE*	96.93%	96.97%	(0.03%)
Gross Current Real Estate Taxes	\$ 87,732,612.36	\$ 83,873,828.71	\$3,858,783.65

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

20/21 FY=97.00%
21/22 FY=96.92%
22/23 FY=96.83%

BUDGET COLLECTION RATE **24/25 FY=96.93%**

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

2024-2025 Proposed Preliminary Budget Property Tax Analysis

REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2023/24 = **32.6492 mills**
- Proposed Real Estate tax rate 2024/25 = **33.9356 mills**

§ Total Increase of 3.9400% (or 1.2864 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 \$175,820 is \$226.17

Overall tax bill calculation: 33.9356 (millage) X \$175,820 = \$5,966.56

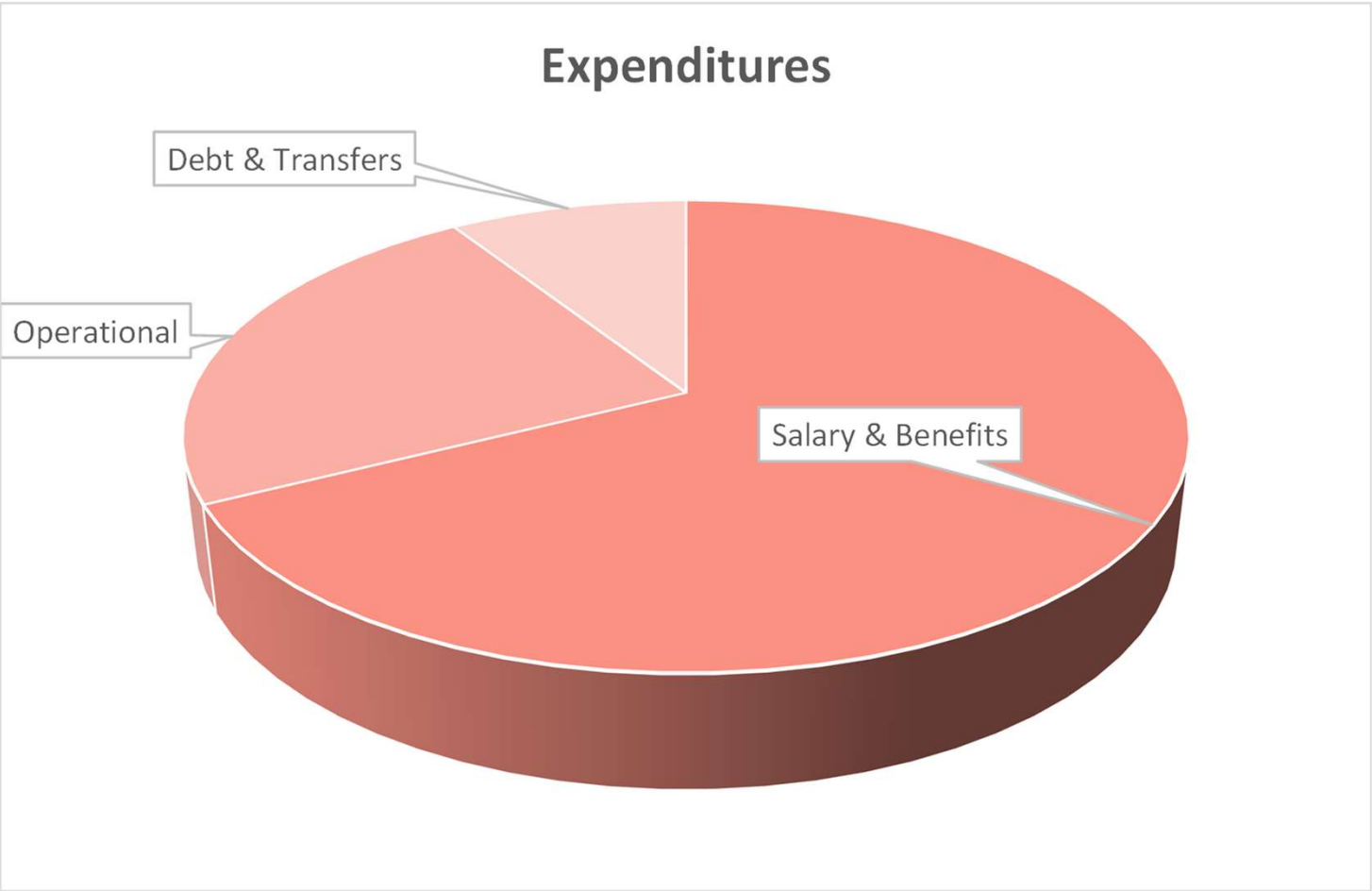
Estimated tax bill for other home assessed values (based on 3.94% increase = 1.2864 mills or 33.9356 mills):

Value*	Assessment	Increase	Total Tax	
\$100,000.00	\$39,525.69	\$50.85	\$1,341.33	
\$150,000.00	\$59,288.54	\$76.27	\$2,011.99	
\$200,000.00	\$79,051.38	\$101.69	\$2,682.66	
\$250,000.00	\$98,814.23	\$127.11	\$3,353.32	
\$300,000.00	\$118,577.08	\$152.54	\$4,023.98	
\$400,000.00	\$158,102.77	\$203.38	\$5,365.31	
\$444,824.60	\$175,820.00	\$226.17	\$5,966.56	MSD Avg.
\$500,000.00	\$197,628.46	\$254.23	\$6,706.64	
\$1,000,000.00	\$395,256.92	\$508.46	\$13,413.28	
\$2,000,000.00	\$790,513.83	\$1,016.92	\$26,826.56	

[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 2.53 as of July 1, 2022 (<https://www.montcopa.org/2710/Realty-Transfer-Tax>)

2024-2025 Preliminary Budget Expenditure Summary



Category	Budgeted Amt	% of Budget
Salary & Benefits	\$89,945,112.12	67.57%
Operational	\$31,030,453.16	23.31%
Debt & Transfers	\$12,138,326.35	9.12%
Total Expenditures	\$133,113,891.63	

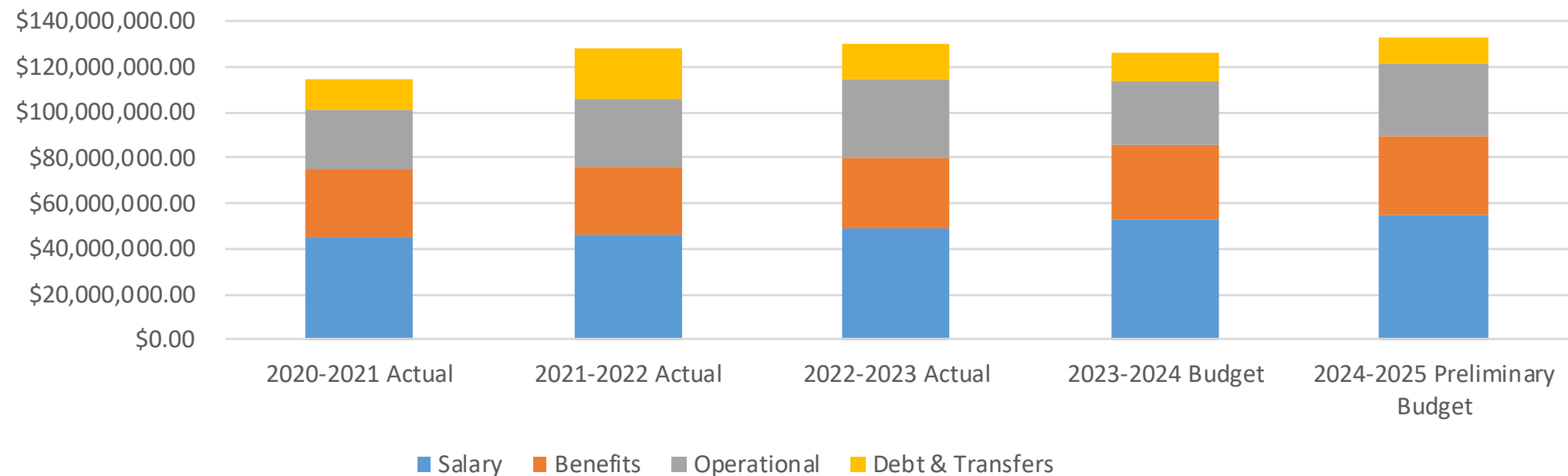
2024-2025 Preliminary Budget Staffing Review

	PROFESSIONAL STAFF				SUPPORT & MAINTENANCE				ADMINISTRATORS				TOTAL			
	Budget 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25	Budget 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25	Budget 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25	BOY 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25
Arrowhead	38.60	-	-	38.60	14.41	0.87	(0.87)	14.41	1.25	-	-	1.25	54.26	0.87	(0.87)	54.26
Eagleville	37.80	(1.00)	-	36.80	14.45	(0.40)	(0.87)	13.18	1.25	-	-	1.25	53.50	(1.40)	(0.87)	51.23
Woodland	39.80	1.00	-	40.80	14.62	-	(0.87)	13.75	1.25	-	-	1.25	55.67	1.00	(0.87)	55.80
Worcester	37.90	1.00	-	38.90	13.61	(0.80)	(0.87)	11.94	1.25	-	-	1.25	52.76	0.20	(0.87)	52.09
Skyview	61.40	-	-	61.40	24.24	2.04	-	26.28	2.50	-	-	2.50	88.14	2.04	-	90.18
Arcola	64.60	0.05	-	64.65	21.15	(1.17)	-	19.98	2.50	-	-	2.50	88.25	(1.12)	-	87.13
MHS	125.40	(1.05)	-	124.35	41.46	(1.79)	(1.74)	37.93	6.00	-	-	6.00	172.86	(2.84)	(1.74)	168.28
District / Facilities	3.00	-	2.00	5.00	22.49	2.38	(1.00)	23.87	3.00	-	-	3.00	28.49	2.38	1.00	31.87
Farina	-	-	-	-	22.00	-	-	22.00	12.00	-	-	12.00	34.00	-	-	34.00
Total	408.50	-	2.00	410.50	188.43	1.13	(6.22)	183.34	31.00	-	-	31.00	627.93	1.13	(4.22)	624.84

- Preliminary Budget – Unfilled positions were removed (Accounting Specialist, Drivers Ed Paraprofessional, Instructional Aide, 4 PCAs). Added 2 Math Specialist and a Communication Specialist.

Historical Budget Trends

Expenditures

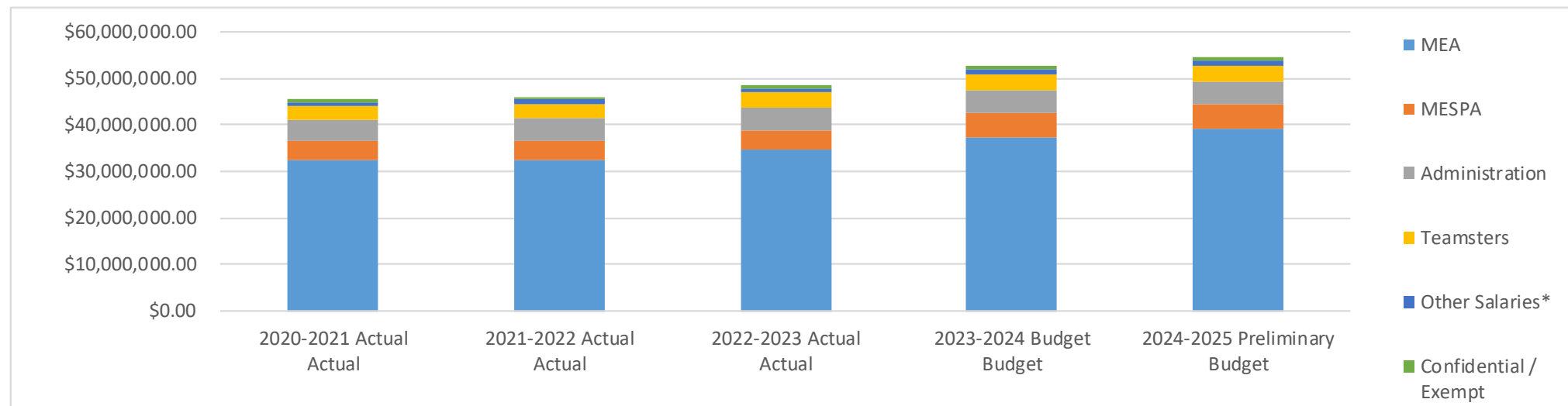


Expenditures

Salary	\$45,551,357.80	\$46,136,209.15	\$48,699,970.96	\$52,851,050.89	\$54,787,923.48
Benefits	\$29,534,528.07	\$30,347,973.53	\$31,460,289.18	\$33,099,459.03	\$35,157,188.64
Operational	\$26,097,223.57	\$29,283,951.89	\$34,352,172.15	\$27,344,419.51	\$31,030,453.16
Debt & Transfers	\$13,446,302.67	\$22,144,938.50	\$15,786,643.08	\$13,290,186.00	\$12,138,326.35
Total Expenditures	\$114,629,412.11	\$127,913,073.07	\$130,299,075.37	\$126,585,115.43	\$133,113,891.63

Historical Budget Trends

Salary Expenditures

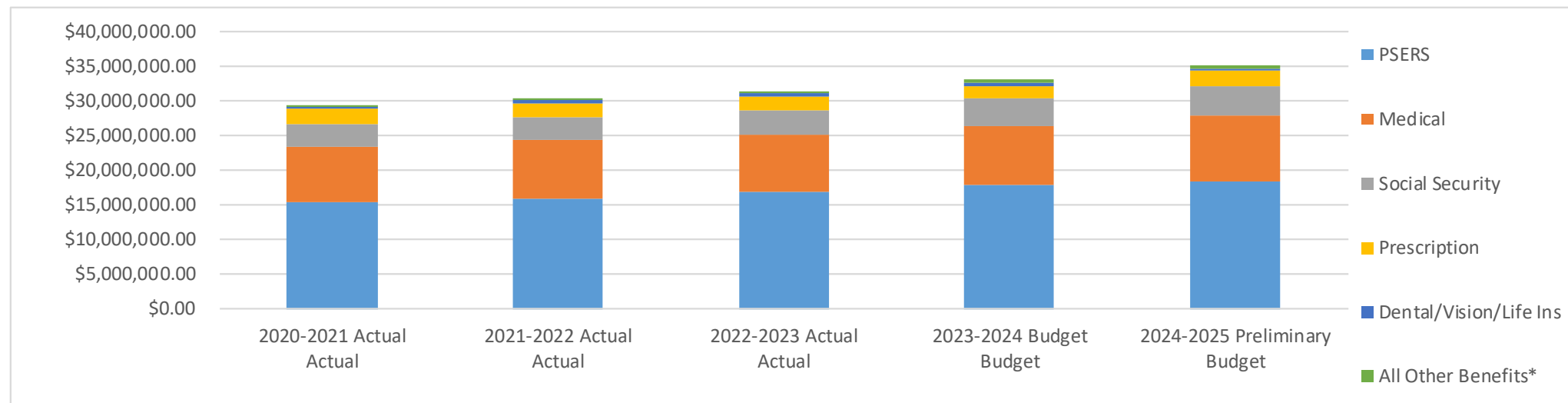


Salary Expenditures	2020-2021 Actual Actual	2021-2022 Actual Actual	2022-2023 Actual Actual	2023-2024 Budget Budget	2024-2025 Preliminary Budget	23-24 v 24-25 % Chg
MEA	\$32,615,016.14	\$32,531,347.30	\$34,629,312.33	\$37,470,685.00	\$39,145,730.98	4.5%
MESPA	\$4,092,210.04	\$4,139,445.33	\$4,315,510.17	\$5,226,473.16	\$5,160,774.15	(1.3%)
Administration	\$4,271,625.66	\$4,657,156.84	\$4,754,069.67	\$4,892,054.67	\$4,923,473.30	0.6%
Teamsters	\$2,989,016.18	\$3,150,676.23	\$3,232,423.13	\$3,454,578.74	\$3,610,329.18	4.5%
Other Salaries*	\$968,300.95	\$1,008,504.45	\$1,053,321.57	\$1,074,196.55	\$1,184,655.73	10.3%
Confidential / Exempt	\$615,188.83	\$649,079.00	\$715,334.09	\$733,062.77	\$762,960.14	4.1%
Total Salary Expenditures	\$45,551,357.80	\$46,136,209.15	\$48,699,970.96	\$52,851,050.89	\$54,787,923.48	3.7%

* Other Salaries include Coaches, Game Workers, Supplemental Contracts, Extra duty Contracts, Department Chair, Mentor & ISSS pay.

Historical Budget Trends

Benefit Expenditures

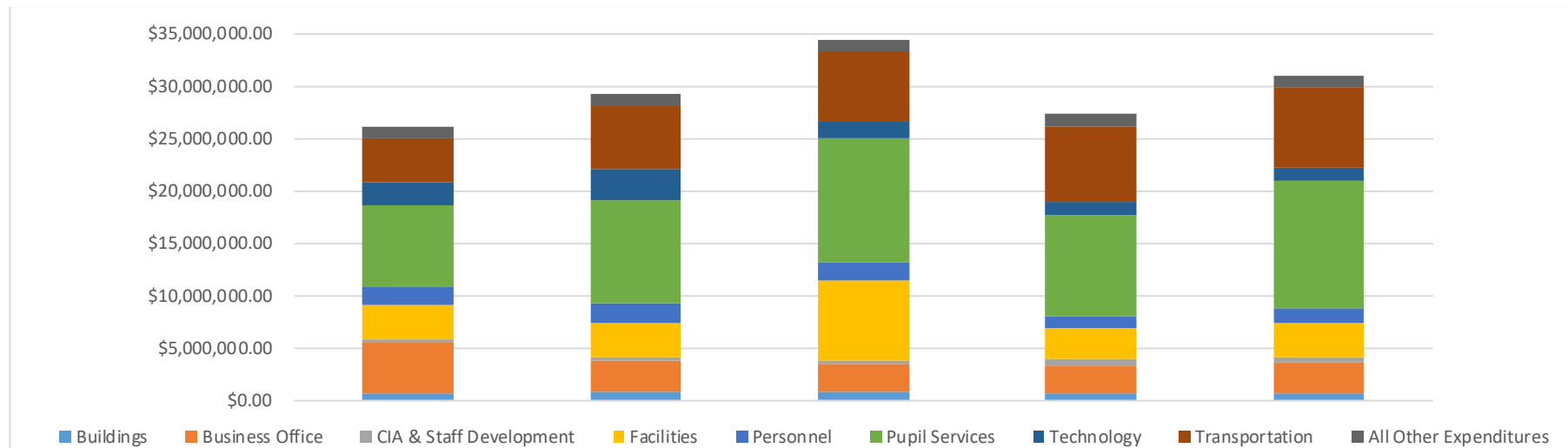


Benefit Expenditures	2020-2021 Actual Actual	2021-2022 Actual Actual	2022-2023 Actual Actual	2023-2024 Budget Budget	2024-2025 Preliminary Budget	23-24 v 24-25 % Chg
PSERS	\$15,498,013.47	\$15,910,163.67	\$16,970,734.68	\$17,874,853.07	\$18,478,046.10	3.4%
Medical	\$7,952,655.32	\$8,453,511.52	\$8,252,478.21	\$8,484,910.29	\$9,396,394.48	10.7%
Social Security	\$3,263,587.78	\$3,294,871.63	\$3,506,773.10	\$4,019,699.46	\$4,180,390.04	4.0%
Prescription	\$2,083,776.79	\$2,041,536.42	\$2,015,737.32	\$1,828,867.58	\$2,303,244.80	25.9%
Dental/Vision/Life Ins	\$382,450.79	\$361,222.72	\$380,746.09	\$420,515.63	\$416,000.20	(1.1%)
All Other Benefits*	\$354,043.92	\$286,667.57	\$333,819.78	\$470,613.00	\$383,113.02	(18.6%)
Total Benefit Expenditure:	\$29,534,528.07	\$30,347,973.53	\$31,460,289.18	\$33,099,459.03	\$35,157,188.64	6.2%

* This includes Tuition, Worker's Compensation and Unemployment.

Historical Budget Trends

Operating Expenditures



Operating Expenditures	2020-2021 Actual Actual	2021-2022 Actual Actual	2022-2023 Actual Actual	2023-2024 Budget Budget	2024-2025 Preliminary Budget	23-24 v 24-25 % Chg
Buildings	\$707,765.87	\$863,348.70	\$871,682.33	\$682,149.59	\$712,584.50	4.5%
Business Office	\$4,778,213.87	\$2,991,392.68	\$2,574,446.75	\$2,626,043.00	\$2,920,934.62	11.2%
CIA & Staff Development	\$334,829.79	\$207,290.10	\$320,774.45	\$630,258.49	\$487,419.09	(22.7%)
Facilities	\$3,327,598.38	\$3,374,212.71	\$7,688,420.67	\$3,058,770.01	\$3,305,310.00	8.1%
Personnel	\$1,737,955.08	\$1,921,021.27	\$1,677,663.50	\$1,032,400.00	\$1,416,852.50	37.2%
Pupil Services	\$7,730,792.08	\$9,727,371.59	\$11,840,758.23	\$9,611,450.00	\$12,127,799.78	26.2%
Technology	\$2,218,248.94	\$3,046,987.68	\$1,612,228.60	\$1,258,004.00	\$1,301,289.52	3.4%
Transportation	\$4,269,890.49	\$6,081,718.52	\$6,722,893.01	\$7,205,440.76	\$7,632,399.92	5.9%
All Other Expenditures	\$991,929.07	\$1,070,608.64	\$1,043,304.61	\$1,239,903.66	\$1,125,863.23	(9.2%)
Total Expenditures	\$26,097,223.57	\$29,283,951.89	\$34,352,172.15	\$27,344,419.51	\$31,030,453.16	13.5%

* This includes Activities, Athletics, Communications, Community Ed, Superintendent and Title Programs

Historical Budget Trends

Debt & Transfer Expenditures



	2020-2021 Actual	2021-2022 Actual	2022-2023 Actual	2023-2024 Budget	2024-2025 Preliminary	23-24 v 24-25
Debt & Transfers	Actual	Actual	Actual	Budget	Budget	% Chg
Principal - Serial Bonds	\$8,723,760.96	\$7,215,000.00	\$7,320,000.00	\$7,240,000.00	\$7,185,000.00	(0.8%)
Interest - Serial Bonds	\$2,662,936.13	\$2,719,417.76	\$3,031,077.32	\$3,026,011.00	\$2,261,400.00	(25.3%)
Other Fund Transfers	\$838,904.00	\$11,793,232.62	\$4,776,319.87	\$1,633,836.28	\$1,517,012.30	(7.2%)
Leases	\$0.00	\$0.00	\$19,136.56	\$787,294.72	\$732,153.70	(7.0%)
Miscellaneous Expenditures	\$919.40	\$3,299.75	\$73,803.00	\$222,074.00	\$217,770.80	(1.9%)
Dues And Fees	\$147,390.54	\$88,958.19	\$198,141.12	\$120,970.00	\$116,689.55	(3.5%)
Claims & Judgments	\$317,720.94	\$324,332.26	\$334,024.63	\$260,000.00	\$105,800.00	(59.3%)
All Other Debt & Transfers	\$754,670.70	\$697.92	\$34,140.58	\$0.00	\$2,500.00	N/A
Total Debt & Transfers	\$13,446,302.67	\$22,144,938.50	\$15,786,643.08	\$13,290,186.00	\$12,138,326.35	(8.7%)

* This includes Prior Year Refunds and Misc. Expenditures

2024-2025 Preliminary Budget

Top Ten Expenditures

Rank	Amount	% of Budget	Category
1	\$38,990,730.98	29.29%	Professional Education - Reg Salaries
2	\$18,278,703.07	13.73%	PSERS Retirement Contributions
3	\$9,388,581.28	7.05%	Medical Insurance
4	\$7,476,976.92	5.62%	Contracted Carriers
5	\$4,850,973.30	3.64%	Administration - Reg Salaries
6	\$4,692,258.05	3.52%	Professional Educational Services – Other
7	\$4,135,416.84	3.11%	Social Security
8	\$3,542,338.00	2.66%	Other Professional Services
9	\$2,634,067.07	1.98%	Instructional Assistant - Salaries
10	\$2,546,876.80	1.91%	Operative And Labor - Salaries
All Other	\$36,576,969.32	27.48%	
Total	\$133,113,891.63	100.00%	

2024-2025 Preliminary Budget

Major Object Summary

		2020-2021 Actual	2021-2022 Actual	2022-2023 Actual	2023-2024 Budget	2024-2025 Preliminary Budget
100	Salary	\$45,551,357.80	\$46,136,209.15	\$48,699,970.96	\$52,851,050.89	\$54,787,923.48
200	Benefits	\$29,534,528.07	\$30,347,973.53	\$31,460,289.18	\$33,099,459.03	\$35,157,188.64
300	Professional Services	\$8,498,968.47	\$10,452,036.81	\$11,734,497.42	\$8,594,589.00	\$11,505,366.05
400	Property Services	\$2,520,429.49	\$2,408,802.65	\$5,882,626.44	\$1,647,746.19	\$1,903,997.00
500	Other Purchased Service	\$10,257,390.35	\$11,015,077.67	\$12,225,279.31	\$12,927,266.76	\$13,437,809.77
600	Supplies	\$4,280,399.31	\$3,411,842.50	\$3,781,415.47	\$4,160,396.51	\$4,125,821.75
700	Property	\$540,035.95	\$1,996,192.26	\$728,353.51	\$14,421.05	\$57,458.59
800	Other Objects	\$3,851,974.12	\$3,136,705.88	\$3,671,320.21	\$4,416,349.72	\$3,436,314.05
900	Property	\$9,594,328.55	\$19,008,232.62	\$12,115,322.87	\$8,873,836.28	\$8,702,012.30
Total Major Object Expenditures		\$114,629,412.11	\$127,913,073.07	\$130,299,075.37	\$126,585,115.43	\$133,113,891.63
Change from Prior Year \$			\$13,283,660.96	\$2,386,002.30	(\$3,713,959.94)	\$6,528,776.20
Change from Prior Year %			11.59%	1.87%	(2.85%)	5.16%

2024-2025 Budget Remaining Timeline and Key Variables

February

January EOM Assessments
Millage (if applicable)
Staffing Changes
NMTCC actual Cost

March

February EOM Assessments
Millage (if applicable)
Staffing Changes
2nd Look Medical & Rx
Workman's Comp

April

March EOM Assessments
Millage (if applicable)
Staffing Changes
3rd Look Medical & Rx
Updated EIT

May

April EOM Assessments
Millage (if applicable)
Staffing Changes
Property/EO Insurance
Technology Lease Actual

APPENDIX

- Budget Process History
 - 11/21/2023 – Act 1 Index Presentation
 - 01/10/2024 – Act 1 Resolution Presentation