



**2014-15 METHACTON SCHOOL  
DISTRICT  
PROPOSED FINAL BUDGET**

**MAY 20, 2014**



## BUDGET TIMELINE

- September 2013 – Prepared Budget Calendar and Distributed
- November 15, 2013 – Deadline for Bldg/Departmental Budget Submission
- Nov/December 2013 – Individual Meetings with Bldg Principals/Department Supervisors
- January 2014 – Initial Budget Meetings with Finance Cmte and Full School Board
- Feb 18, 2014 – Approval of Preliminary Budget
- March/May – Finance Cmte and Full Board Updates on Budget
- May 20, 2014 – Finance Cmte and Full Board Review of Proposed Final Budget
- May 27, 2014 – Board Approval of Proposed Final Budget
- May 28-June 16 – Public Advertisement
- June 17, 2014 – Board Approval of 2014-15 Final Budget
- July 1, 2014 – Start of 2014-15 Fiscal Year



# SIGNIFICANT CHANGES SINCE FEB 18TH

- TRANSPORTATION OUTSOURCING – (\$600K) –  
PSERS NET SAVINGS (\$300K)
- BLDG/DEPARTMENT BUDGET REDUCTIONS – (\$170K)
- TEACHER RETIREMENTS (\$230K)
- MEDICAL/RX INSURANCE RATE DECREASE – (\$500K)
- EIT, INTEREST EARNINGS, TRANSP REIMB,  
EVANSBURG – \$579K
- LEGAL FEES – (\$110K)
- UTILITIES – (\$100K)
- DEBT, BUDGET RESERVE – (\$90K)
- ABG/RTL GRANT – (\$244K)

# HISTORICAL BUDGET SAVINGS OVERVIEW:

- ARAMARK – 09/10 GF CONTRIBUTION OF \$380,000 – CURRENTLY \$0
- ACTIVITY FEE - \$77K IN 12/13, \$62.3K IN 13/14 (TO DATE)
- STS – PROF LTS - \$175K SAVINGS
- EARLY RETIRMENT INCENTIVES - \$786K SAVINGS 13/14
- BUCKS/MONTCO HEALTH CONSORT - \$900K SAVINGS 13/14;  
\$500K+ SAVINGS IN 14/15
- REDUCED BLDG BUDGETS – ALL BLDGS REDUCED  
BUDGETS BY \$10K IN 13/14
- REDUCING PROF. STAFF – 445 IN 10/11; 422 PRESENT

# BUDGET CHANGES FROM PRELIMINARY BUDGET TO PROPOSED FINAL - REVENUES

	<u>ORIGINAL</u>	<u>5/20/2014</u>	
<b>REVENUES</b>	<b>96,759,287</b>	<b>96,759,287</b>	
<b>6000 UNEMPLOY/BUDGET RESERVE</b>		<b>700,000</b>	<b>EST. BUS SALE \$ TO OFFSET \$450K UNEMP, \$250K BUDGET RESERVE</b>
<b>6000 EIT TAX/INTERIM RE TAX/PURTA</b>		<b>253,000</b>	<b>INCREASED COLLECTIONS AND TAX ASSESSMENTS</b>
<b>7000 TRANSP SUBSIDY/6000 EVANSBURG</b>		<b>326,798</b>	<b>POTENTIAL INCREASED SUBSIDY - BUS REPLACEMENTS VIA CONTRACTING</b>
<b>6000 IDEA/8000 TITLE I/II FUNDING</b>		<b>70,317</b>	<b>ELIM OF FED SEQUESTRATION CUTS</b>
<b>6000 INTEREST EARNINGS</b>		<b>30,000</b>	<b>INCREASED EARNINGS</b>
<b>6000 RE TAX</b>		<b>24,470</b>	<b>INCREASED ASSESSMENT MINUS INCREASED GAMING FUNDS - NET IMPACT</b>
<b>7000 STATE FICA/PSERS/HEALTH SVCS</b>		<b><u>(7,660)</u></b>	<b>DECREASED SUBSIDY DUE TO RETIREMENTS, DECREASED HEALTH SUBSIDY REIMB</b>
<b>TOTAL REVENUES</b>	<b>96,759,287</b>	<b>98,156,212*</b>	

*\*DOES NOT REFLECT ANY RE TAX INCREASE*

# BUDGET CHANGES FROM PRELIMINARY BUDGET TO PROPOSED FINAL - EXPENDITURES

	<u>ORIGINAL</u>	<u>5/20/2014</u>	
<b>EXPENDITURES</b>	<b>99,852,325</b>	<b>99,852,325</b>	
1100 REG INSTRUCTION		(198,416)	STAFF UNPAID LVS DEC/PSERS/SUPPLIES DEC/CHARTER UP/BENEFITS UP/RETIREMENTS
1200 SP EDUCATION		29,847	STAFF SAL DEC/BENEFITS UP/LEGAL DEC/TUITION INC/PROF SVC UP/SUPPLIES DEC
1300 VOCATIONAL ED		(48,209)	STAFF SAL DEC/BENEFITS UP/NMTCC DEC
1400 DRIVER ED/HOUBOUND		(731)	STAFF SAL DEC/BENEFITS UP
2100 PUPIL SVC, GUIDANCE		158,052	STAFF SAL & BENEFITS UP/PROF SVC UP/SUPPLIES/TUITION DEC
2200 LIBRARY, AV, STAFF DEV		191,882	TITLE II SWAP TO GF FOR SUPPLIES, STAFF COSTS (SALARY/BENEFITS)
2300 SCH BD, PRINC, SUPT, ASST. SUPT		(104,668)	BENEFITS UP/PROF SVCS - LEGAL DEC/TRAVEL & SUPPLIES DOWN
2400 NURSES		(3,003)	SAL DEC/BENEFITS UP/SUPPLIES DEC/PROF SVC DEC
2500 BUSINESS OFFICE		63,787	BENEFITS UP/PROP INS UP - REMOVED FROM TRANSP DUE TO OUTSOURCING
2600 FACILITIES		(111,648)	BENEFITS UP/UTILITIES DEC/SUPPLIES DEC/PROF SVC DEC/EQUIP DEC/DUE&FEES DEC
2700 TRANSPORTATION*		(111,609)	SALARY & BENEFITS DEC/SUPPLIES DEC/FIRST STUDENT OUTSOURCING
2800 TECHNOLOGY		(58,464)	BENEFITS UP/SUPPLIES- MFP, CSIU SOFTWARE DECREASE
3200 STUDENT ACTIVITIES		(10,485)	SALARIES DEC/BENEFITS INC/SUPPLIES INC
5100 DEBT SERVICE		(41,287)	ADJUST DEBT TO UPDATED DEBT SCHEDULE
5900 BUDGET RESERVE		<u>(50,000)</u>	REDUCTION FROM \$250-\$200K
<b>TOTAL EXPENDITURES</b>	<b>99,852,325</b>	<b>99,557,372</b>	

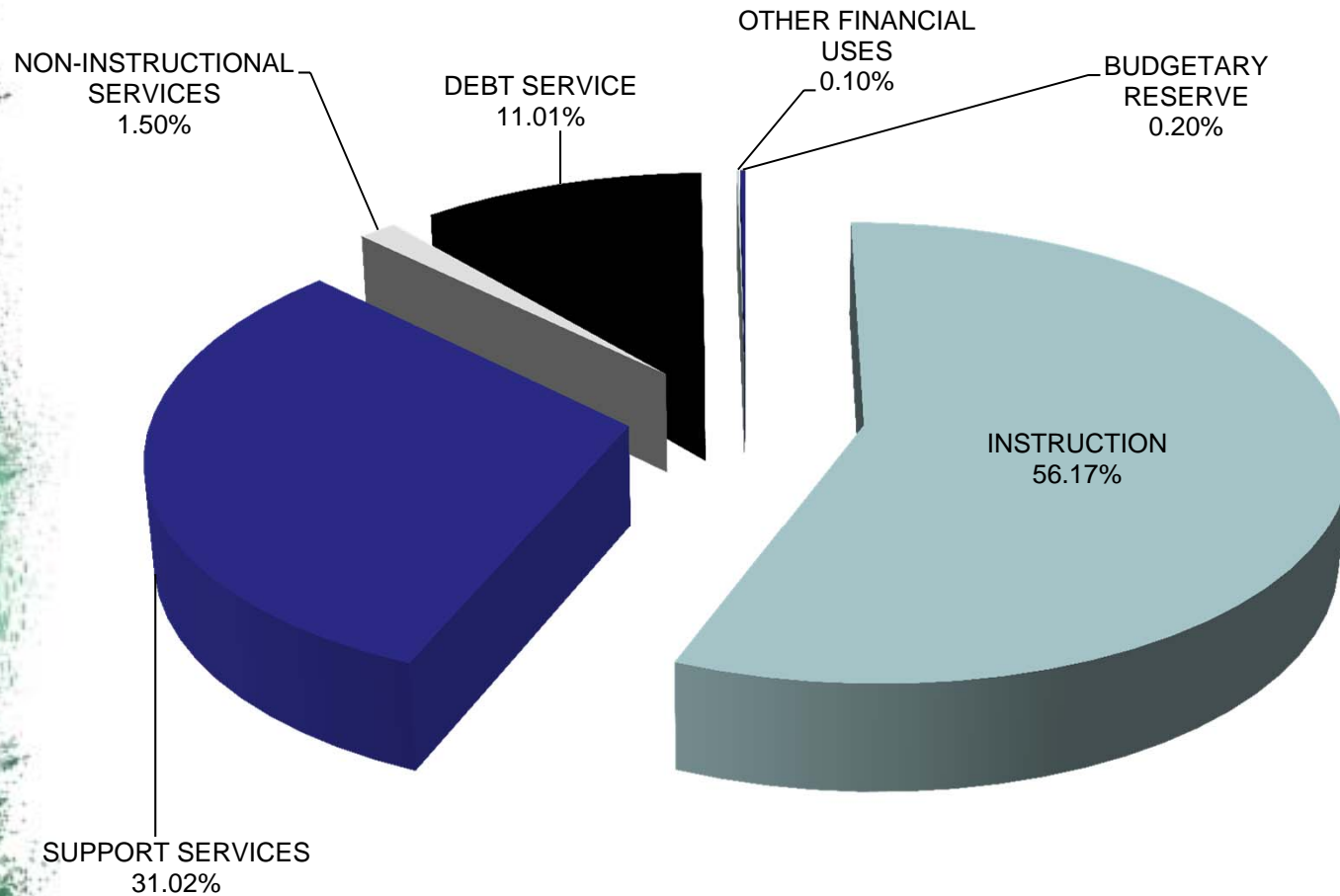
\* THIS DOES NOT INCLUDE ADDITIONAL TRANSPORTATION SUBSIDY AND \$375K FOR FLEET SALE – LISTED UNDER REVENUES



# PROPOSED FINAL EXPENDITURES BY CATEGORY

	<u>2013-14</u>	<u>2014-15</u> <u>PROPOSED</u>
1100-1600 INSTRUCTION	\$53,360,166	\$55,920,158
2100-2900 SUPPORT SERVICES	29,207,123	30,886,492
3200-3300 NON-INSTRUCTIONAL SERVICES	1,371,749	1,492,009
5100 DEBT SERVICE	11,109,034	10,958,713
5200 OTHER FINANCIAL USES	-	100,000
5900 BUDGETARY RESERVE	200,000	200,000
TOTAL	\$95,248,072	\$99,557,372

# PROPOSED FINAL EXPENDITURES



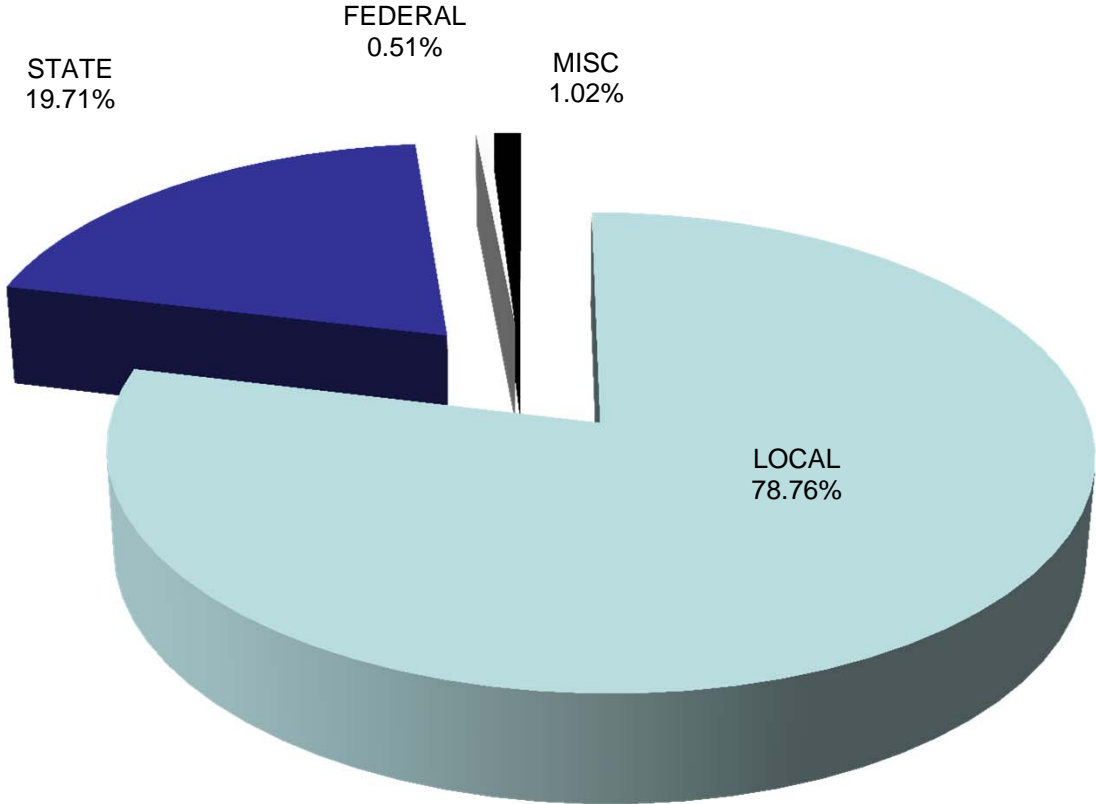


# PROPOSED FINAL REVENUES

	<u>2013-14</u>	<u>2014-15</u>
6000 LOCAL	\$ 75,341,847	\$78,407,559
7000 STATE	18,333,399	19,625,754
8000 FEDERAL	572,828	509,059
9000 MISC	<u>1,000,000</u>	<u>1,015,000</u>
TOTAL REVENUES	\$95,248,074	\$99,557,372*

\* REFLECTS 2.1% ACT 1 INDEX TAX INCREASE

# PROPOSED FINAL REVENUES



# PSERS PENSION PROJECTIONS

<u>FY</u>	<u>SALARIES</u>	<u>PSERS</u>	<u>CONTRIBUTION</u>	<u>INCREASE</u>
2013-14	45,393,833.00	16.93%	7,685,175.93	N/A
2014-15*	42,567,227.00	21.40%	9,109,386.58	1,424,210.65
2015-16	44,227,348.85	25.84%	11,428,346.94	2,318,960.37
2016-17	45,952,215.46	29.27%	13,450,213.46	2,021,866.52
2017-18	47,744,351.86	30.25%	14,442,666.44	992,452.97
2018-19	49,606,381.58	31.28%	15,516,876.16	1,074,209.72

*\*REFLECTS SAVINGS DUE TO TRANSPORTATION OUTSOURCING*

# RE TAX – PRELIMINARY VS PROPOSED FINAL

## PRELIMINARY BUDGET

- 4.52%\* OR \$222.34 AVG TAX INCREASE

\*THIS REPRESENTS ACT 1 INDEX AND PSERS AND SPECIAL ED EXCEPTIONS

## PROPOSED FINAL BUDGET

- 2.10% OR \$103.73 AVG TAX INCREASE
- .40% OR \$19.77 AVG TAX INCREASE FOR PENSION RESERVE - \$267,000
- 2.50% OR \$123.50 AVG TAX INCREASE

FOR 2013-14, RE TAX INCREASE WAS 1.85%, .50 MILLS OR \$89.62 FOR AVG HOMEOWNER

INDEX - .57 MILL OR 2.10%	1,401,160	2014-15 ACT 1 BASE INDEX
PSERS - .36 MILL OR 1.32%	880,996	PENSION EXCEPTION
SP ED - .30 MILL OR 1.10%	735,857	SPECIAL EDUCATION EXCEPTION



## HOMESTEAD/FARMSTEAD

- FOR 2014-15, HOMESTEAD/FARMSTEAD ALLOCATION FROM PDE IS \$1,922,482, WHICH REPRESENTS AN INCREASE OF \$100,183 OVER THE \$1,822,299 RECEIVED IN 2013-14.
- BASED UPON THIS ALLOCATION FOR 14-15, ANY APPROVED HOMESTEAD/FARMSTEAD PROPERTY WILL RECEIVE A MAXIMUM TAX REDUCTION OF \$227.61 OR \$12.29 ADDITIONAL OVER THE 2013-14 REDUCTION OF \$215.32.

# RE TAX AND HOMESTEAD/FARMSTEAD

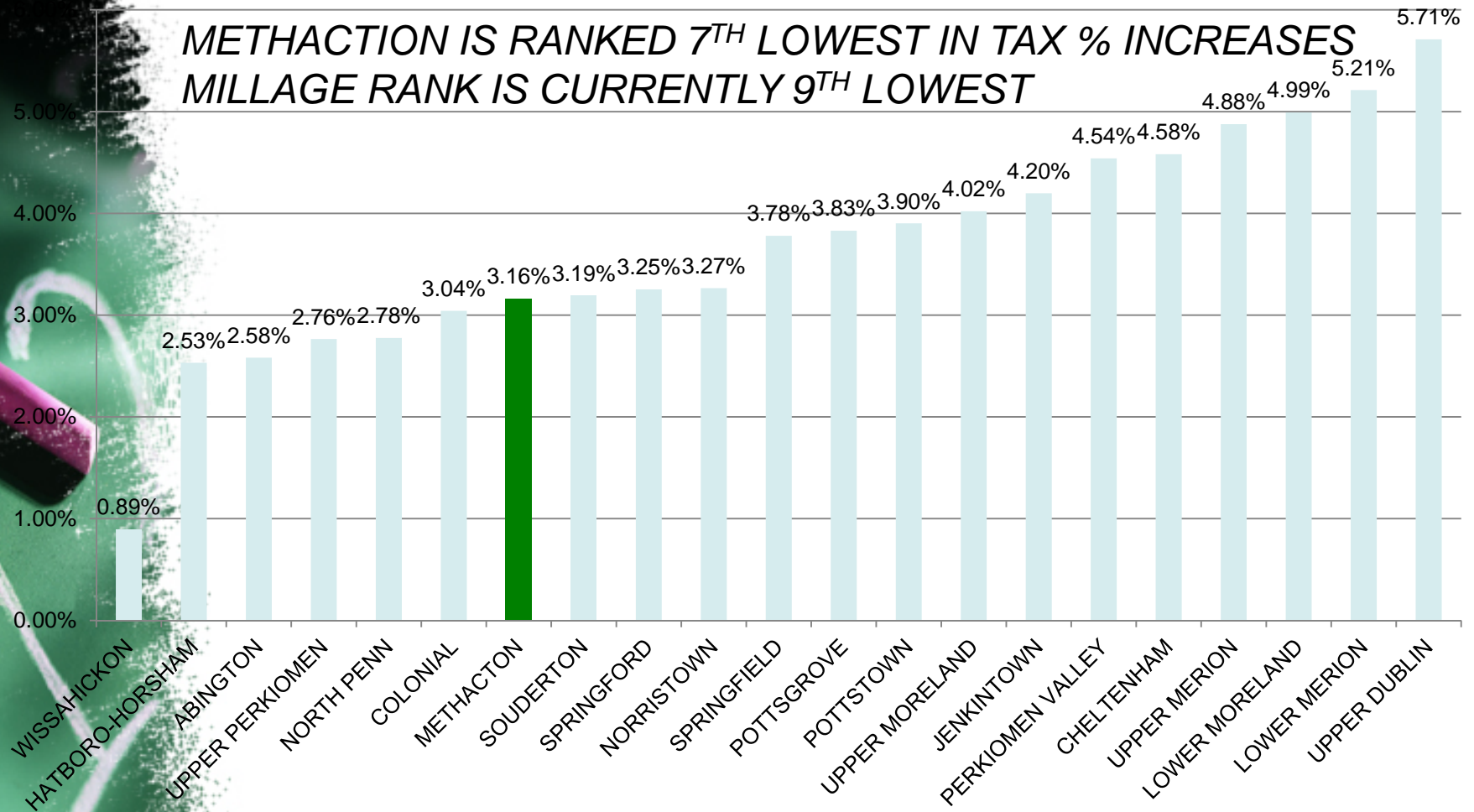
	AVG HOMEOWNER	INCREASED ALLOCATION	NET TAX IMPACT – AVG HOMEOWNER	PER MONTH
BUDGET - 2.1%	103.73	12.29	91.44	7.62
PENSION RESERVE - 2.5%	123.50	12.29	111.21	9.27



# WHERE DOES METHACTON RANK IN RE MILLAGE TAX INCREASE

**MONTGOMERY COUNTY SCHOOL DISTRICT AVERAGE %  
MILLAGE INCREASE FROM 2004-05 TO 2013-14**

*METHACTON IS RANKED 7<sup>TH</sup> LOWEST IN TAX % INCREASES  
MILLAGE RANK IS CURRENTLY 9<sup>TH</sup> LOWEST*





## NEXT STEPS

- MAY 27, 2014 – BOARD APPROVAL OF PROPOSED FINAL BUDGET
- PUBLIC ADVERTISEMENT OF PROPOSED FINAL BUDGET (MINIMUM OF 20 DAYS)
- JUNE 17, 2014 – BOARD APPROVAL OF FINAL BUDGET FOR 2014-15
- JULY 1, 2014 – START OF 2014-15 BUDGET



**QUESTIONS???**

