

Presented 03/10/2021

# Methacton School District

2021-2022

Budget Update – March

# Revenue Changes

- Assessments increased by \$423,390.
- Millage changed to 2.768%.
- Staffing updated changing social security and PSERS.
- Transportation Subsidy updated to reflect the 2020-2021 actual amount.
- Interest Income updated to reflect current balances.
- Reach Grant received and added to budget.

Local		
Preliminary Budget		\$90,454,646.24
Changes		(\$168,400.95)
REAL ESTATE TAX	(\$168,400.95)	
<b>February Update</b>		<b>\$90,286,245.29</b>
State		
Preliminary Budget		\$24,428,182.81
Changes		\$58,217.10
Interest Income	\$17,449.73	
Social Security	(\$8,091.90)	
Retirement	(\$35,937.71)	
Transportation Sub Pub	(\$21,363.02)	
Transportation Sub Non-Pub	\$6,160.00	
Reach Grant	\$100,000.00	
<b>February Update</b>		<b>\$24,486,399.91</b>
Federal		
Preliminary Budget		\$623,009.82
Changes		\$0.00
<b>February Update</b>		<b>\$623,009.82</b>
Total Revenue		
Preliminary Budget		\$115,505,838.87
Changes		(\$110,183.85)
<b>February Update</b>		<b>\$115,395,655.02</b>



# Historical Millage Rates

School District	17-18	18-19	19-20	20-21	4 Yr Inc.	4 Yr Inc. %	4 Yr % Rank Low to High
ABINGTON	31.7700	31.7700	31.7700	31.7700	0.0000	0.00%	1
CHELTENHAM	45.9511	47.0539	48.2773	49.5325	3.5814	7.79%	16
COLONIAL	21.4040	21.9170	22.7720	23.3640	1.9600	9.16%	20
HATBORO-HORSHAM	28.1410	28.8020	29.4740	30.0240	1.8830	6.69%	8
JENKINTOWN	40.3000	41.2672	42.2143	43.3043	3.0043	7.45%	14
LOWER MERION	28.0740	28.7477	29.4088	30.1734	2.0994	7.48%	15
LOWER MORELAND	34.3069	35.1906	35.8576	36.7205	2.4136	7.04%	12
METHACTON	29.4585	30.0431	30.3781	30.8534	1.3949	4.74%	4
NORRISTOWN	35.8790	36.9190	37.9520	39.2040	3.3250	9.27%	21
NORTH PENN	24.6704	25.5090	26.0957	26.7742	2.1038	8.53%	18
PERKIOMEN VALLEY	32.3500	33.2300	33.7200	34.5100	2.1600	6.68%	7
POTTSGROVE	37.8630	37.8630	38.1020	38.1020	0.2390	0.63%	2
POTTSTOWN	39.2522	40.6260	41.9666	41.9667	2.7145	6.92%	11
SOUDERTON	28.9259	29.6201	30.0495	30.3200	1.3941	4.82%	5
SPRINGFIELD	32.3913	33.0654	33.7102	34.4687	2.0774	6.41%	6
SPRING-FORD	26.2442	26.8599	27.4777	28.1869	1.9427	7.40%	13
UPPER DUBLIN	33.0254	33.6826	34.4202	35.2634	2.2380	6.78%	9
UPPER MERION	19.4300	19.8900	20.3400	20.7600	1.3300	6.85%	10
UPPER MORELAND	30.1366	30.8598	31.7559	32.5816	2.4450	8.11%	17
UPPER PERKIOMEN	24.3479	24.5407	25.2278	25.2278	0.8799	3.61%	3
WISSAHICKON	19.4400	20.0200	20.5900	21.1200	1.6800	8.64%	19

# 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 = **31.7074 mills**

**\$ Total Increase of 2.77% (or 0.854 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 \$148.84

Overall tax bill calculation: 31.7074 (millage) X \$174,280 = \$5,525.97

Estimated tax bill for other home assessed values (based on 2.77% increase = 0.8540 mills or 31.7074 mills):

Value*	Assessment	Increase	Total Tax
\$106,500.00	\$50,000.00	\$42.70	\$1,585.37
\$159,750.00	\$75,000.00	\$64.05	\$2,378.06
\$213,000.00	\$100,000.00	\$85.40	\$3,170.74
\$319,500.00	\$150,000.00	\$128.10	\$4,756.11
\$426,000.00	\$200,000.00	\$170.80	\$6,341.48
\$852,000.00	\$400,000.00	\$341.60	\$12,682.96
\$1,278,000.00	\$600,000.00	\$512.40	\$19,024.44
\$1,704,000.00	\$800,000.00	\$683.20	\$25,365.92
\$2,130,000.00	\$1,000,000.00	\$854.00	\$31,707.40

[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.
- 2<sup>nd</sup> Look Health Care rates incorporated into budget.
- NMTCC budget updated with lease removed.
- Charter school costs reduced due to committing of funds.
- Final technology lease costs used.
- Debt Service updated to reflect the payoff of the ESCO lease.

Salary		
February Update		\$48,543,846.62
Changes		(\$205,711.00)
Salary	(\$205,711.00)	
<b>February Update Salary</b>		<b>\$48,338,135.62</b>
Benefits		
February Update		\$32,590,234.41
Changes		\$185,427.31
Medical Insurance	\$260,050.40	
Prescription Insurance	\$10,256.47	
Eye Care Insurance	\$248.28	
Dental Insurance	\$2,931.37	
Social Security Contrib	(\$16,183.81)	
Retirement Contrib	(\$71,875.40)	
<b>February Update Benefits</b>		<b>\$32,775,661.72</b>
Total Salary & Benefits		
Preliminary Budget		\$81,134,081.03
Changes		(\$20,283.69)
<b>February Update Salary &amp; Benefits</b>		<b>\$81,113,797.34</b>

Operating Expenses		
February Update		\$24,323,240.87
Changes		(\$600,355.94)
NMTCC Bud. less Lease	(\$97,468.88)	
Charter Sch. Reduction	(\$501,088.06)	
Final Tech Lease	(\$1,799.00)	
<b>February Update Operating Expenses</b>		<b>\$23,722,884.93</b>
Debt Service & Transfers		
February Update		\$10,722,551.44
Changes		(\$163,578.69)
Debt Interest Pmts	(\$39,421.16)	
Debt Principal Pmts	(\$124,157.53)	
<b>February Update Debt Service &amp; Transfers</b>		<b>\$10,558,972.75</b>
Total Expenditures		
February Update		\$116,179,873.34
Changes		(\$784,218.32)
<b>February Update Total Expenditures</b>		<b>\$115,395,655.02</b>

Health Care 2nd Look Increases								
Plan	OC 1	OC 2	OC 3	OC 4	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	Preliminary Budget	Change	February Update
Local	\$90,454,646.24	(\$168,400.95)	\$90,286,245.29
State	\$24,428,182.81	\$58,217.10	\$24,486,399.91
Federal	\$623,009.82	\$0.00	\$623,009.82
<b>Total</b>	<b>\$115,505,838.87</b>	<b>(\$110,183.85)</b>	<b>\$115,395,655.02</b>
Expenditures	Preliminary Budget	Change	February Update
Salary	\$48,543,846.62	(\$205,711.00)	\$48,338,135.62
Benefits	\$32,590,234.41	\$185,427.31	\$32,775,661.72
Operating Expenses	\$24,323,240.87	(\$600,355.94)	\$23,722,884.93
Debt Service & Transfers	\$10,722,551.44	(\$163,578.69)	\$10,558,972.75
<b>Total</b>	<b>\$116,179,873.34</b>	<b>(\$784,218.32)</b>	<b>\$115,395,655.02</b>
<b>Surplus / (Shortfall)</b>	<b>(\$674,034.47)</b>	<b>\$674,034.47</b>	<b>(\$0.00)</b>

# Year to Year Comparison

Category	2019-2020 A	2019-2020 B	2020-2021	2021-2022	Change	Change % 20-21 v 21-22
Salary	\$45,455,469.22	\$46,778,495.09	\$46,231,853.83	\$48,338,135.62	\$2,106,281.79	4.56%
Benefits	\$29,010,336.49	\$30,244,354.45	\$30,628,490.21	\$32,775,661.72	\$2,147,171.51	7.01%
Operating Expenses	\$23,604,116.83	\$24,516,754.11	\$23,553,203.58	\$23,719,884.93	\$166,681.35	0.71%
Debt	\$10,368,728.37	\$10,324,005.00	\$11,376,653.15	\$10,561,972.75	(\$814,680.40)	(7.16%)
<b>Total</b>	<b>\$108,438,650.91</b>	<b>\$111,863,608.65</b>	<b>\$111,790,200.77</b>	<b>\$115,395,655.02</b>	<b>\$3,605,454.25</b>	<b>3.23%</b>

- Salary
  - Increase due to contractual obligations and estimated impact of open contracts (MESPA, Teamsters, Confidential, & MAO).
- Benefits
  - Health Care increases – Medical is the main contributor by \$1.1M.
  - PSERS increased rate applied to staffing salaries at increased rates \$926k.
- Operational Costs
  - Increase in utilities
  - Increase in contractual transportation costs.
- Debt Service
  - Reduction includes the removal of the ESCO and NMTCC leases.

# Timeline and Key Items

April	May	June
March EOM Assessments Millage (if applicable)	April EOM Assessments Millage (if applicable)	May EOM Assessments Millage (if applicable)
3rd Look Medical & Rx Workman's Comp Salaries - Staff Chgs Benefits - Staff Chgs	Property/EO Insurance Salaries - Staff Chgs Benefits - Staff Chgs	Salaries - Staff Chgs Benefits - Staff Chgs

- ❖ 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.
- ❖ Based on the remaining items above the projected Millage increase will be roughly 2.7% when the final budget is presented for approval.