

Presented 01/17/2023

Methacton School District

2023-2024

Proposed Preliminary Budget

Budget Timeline

<u>Budgetary Item</u>
Finance Committee provides budgetary direction
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 26, 2023 or 10 days prior to Preliminary Budget Adoption
Authorize to publicly advertise Proposed Preliminary Budget and Referendum Exceptions Deadline February 5, 2023 or 10 days prior to preliminary budget adoption to advertise Deadline for Referendum is March 2, 2023
Special Meeting on scheduled School Board Work Session if Resolution to increase taxes above the Act 1 Index is not adopted on January 26, 2023, then full Board to Adopt Proposed Preliminary Budget Deadline February 20, 2023
Special Meeting for adoption of Proposed Final Budget/Advertise Final Adoption Date and submit Certification of Use to PDE
Board Adoption of Final 2023-2024 Budget Deadline is June 30, 2023

<u>Date</u>	<u>Action</u>
1/11/2023	
1/17/2023	
1/24/2023	Board authorization to make Prelim. Budget available for public inspection Authorize to publicly advertise Proposed Preliminary Budget and Exceptions
2/15/2023	Adopt the Preliminary Budget
5/17/2023	Adopt the Proposed Final Budget & Advertise Final Adoption Date (06/20/23)
6/20/2023	Adopt Final 2023-2024 Budget

2023-2024 Proposed Preliminary Budget Act 1 Index Exceptions

Eligibility for the following Act 1 exceptions for the 2023-2024 budget:

- PSERS (Public School Employees' Retirement System) = \$0
- Special Education = \$1,459,221

2023-2024 Proposed Preliminary Budget 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 2020-2021	Actual Dollar Value of Estimated Payments for 2021-2022
Salary Base - Total	\$45,551,358	\$46,136,209
Salary Base - Total to use for Referendum Exception	\$45,551,358	\$43,409,025
PSERS Employer Contribution Rate	34.94%	34.94%
Expenditure Object 230 (a x b)	\$15,915,644	\$15,167,113
Revenue 7820	\$7,957,822	\$7,583,557
Percent State (d ÷ c)	50.00%	50.00%
Expenditure Object 230 - Local and Federal Share of Total (c - d)	\$7,957,822	\$7,583,556
Salary Base - Federal	\$584,675	\$584,675
Salary Base - Federal to use for Referendum Exception	\$584,675	\$584,675
Expenditure Object 230 - Federal Share of Total (g x b)	\$204,285	\$204,285
Expenditure Object 230 - State Share of Federal (h x e)	\$102,143	\$102,143
Expenditure Object 230 - Local Share (f - i)	\$7,855,679	\$7,481,413
School District's Index for 2019-2020		4.1%

Index multiplied by 2019-2020 budgeted school district share of payments to PSERS: \$322,083

2020-2021 net budgeted amount minus 2019-2020 net budgeted amount: -\$374,266

Allowable Retirement Contributions Exception (l - k): **Does Not Qualify**

2023-2024 Proposed Preliminary Budget Act 1 Index Exception – Special Education

	Actual Amount for 2020-2021	Actual Amount for 2021-2022	Variance
(a.1) Expenditure Function & Description for Special Education (General Fund Only)			
1200 - Special Education Instruction	\$17,059,320.80	\$18,157,086.83	\$1,097,766.03
less: 1243 - Gifted Support	(\$1,248,964.12)	(\$1,243,066.63)	\$5,897.49
Special Education Instruction for Students with Disabilities	\$15,810,356.68	\$16,914,020.20	\$1,103,663.52
(a.2)			
2120 - Guidance Services	\$260,556.19	\$267,331.16	\$6,774.97
2140 - Psychological Services	\$568,925.96	\$1,330,526.50	\$761,600.54
2150 - Speech Pathology and Audiology Services	\$0.00	\$0.00	\$0.00
2160 - Social Work Services	\$17,879.05	\$18,483.40	\$604.35
2260 - Instruction and Curriculum Development Services	\$42,017.40	\$56,191.67	\$14,174.27
2350 - Legal Services	\$96,519.80	\$109,386.25	\$12,866.45
2420 - Medical Services	\$494,477.77	\$518,793.46	\$24,315.69
2440 - Nursing Services	\$134,134.31	\$154,364.87	\$20,230.56
2700 - Student Transportation Services	\$460,274.55	\$653,630.53	\$193,355.98
Special Education Services for Students with Disabilities	\$2,074,785.03	\$3,108,707.84	\$1,033,922.81
(a.3) Total Special Education Expenditures (a.1 + a.2)	\$17,885,141.71	\$20,022,728.04	\$2,137,586.33
(b) Revenue Function & Description for Special Education (General Fund Only)			
7271 - Special Education Funding for School Aged Pupils	\$2,619,149.35	\$2,671,608.81	\$52,459.46
7272 - Early Intervention	\$0.00	\$0.00	\$0.00
Total Special Education Revenues	\$2,619,149.35	\$2,671,608.81	\$52,459.46
Special Education Expenditures minus Revenues (a.3 - b)	\$15,265,992.00	\$17,351,119.00	\$2,085,127.00
(c) School District's Index for Budget Year		4.1%	
(d) Index multiplied by 2020-2021 Net Special Education Expenditures:		\$625,906.00	
(e) 2021-2022 Net Expenditures minus 2020-2021 Net Expenditures:		\$2,085,127.00	
Allowable Exception: Special Education Expenditures (e - d):		\$1,459,221	

2023-2024 Proposed Preliminary Budget Starting Point with Special Education Exception

Millage Increase Required 5.75%

	2022-2023 Budget	2023-2024 Proposed Preliminary	Amount Change	Percent Change
Revenue				
Local	\$93,290,868.58	\$101,667,009.27	\$8,376,140.69	8.24%
State	\$24,995,505.56	\$26,232,510.60	\$1,237,005.04	4.72%
Federal	\$582,756.82	\$381,994.51	(\$200,762.31)	(52.56%)
Other	\$0.00	\$0.00	\$0.00	N/A
Revenue Total	\$118,869,130.96	\$128,281,514.38	\$9,412,383.42	7.34%
Expenditures				
Salary	\$48,473,416.54	\$53,319,816.28	\$4,846,399.74	9.09%
Benefits	\$32,828,236.47	\$36,285,623.11	\$3,457,386.64	9.53%
Operational	\$25,007,692.63	\$26,696,036.06	\$1,688,343.43	6.32%
Debt & Transfers	\$12,559,785.32	\$12,387,419.12	(\$172,366.20)	(1.39%)
Total Expenditures	\$118,869,130.96	\$128,688,894.57	\$9,819,763.61	7.63%
Surplus / Shortfall		(\$407,380.19)		

2023-2024 Proposed Preliminary Budget Finance Committee Budgeting Direction

- Per Finance Committee Meeting on November 19, 2022 use the ACT 1 Index without exceptions for the proposed preliminary budget.
- Use zero based budgeting methodology.

2023-2024 Proposed Preliminary Budget Adjustments to Starting Point

The following changes were made to meet budgetary guidance:

- Removed \$1,459,221 of Local Real Estate Taxes derived from the SE Exception
- Moved \$150,000 of Admin Projects to Capital Project Fund
- Moved \$250,000 of Age 22 Costs to ESSERS III Grant
- Moved \$110,043.33 of Technology improvements to Capital Project Fund
- Reduced Technology software costs by \$78,069.97
- Reduced High School Budget by \$83,268.01
- Removed proposed Evening Supervisor & Floating Custodian \$264,793.16
- Reduced existing historically unfilled PCA staff by 7 Positions \$456,990.89
- Reduced staffing costs due to retirees \$280,441.30

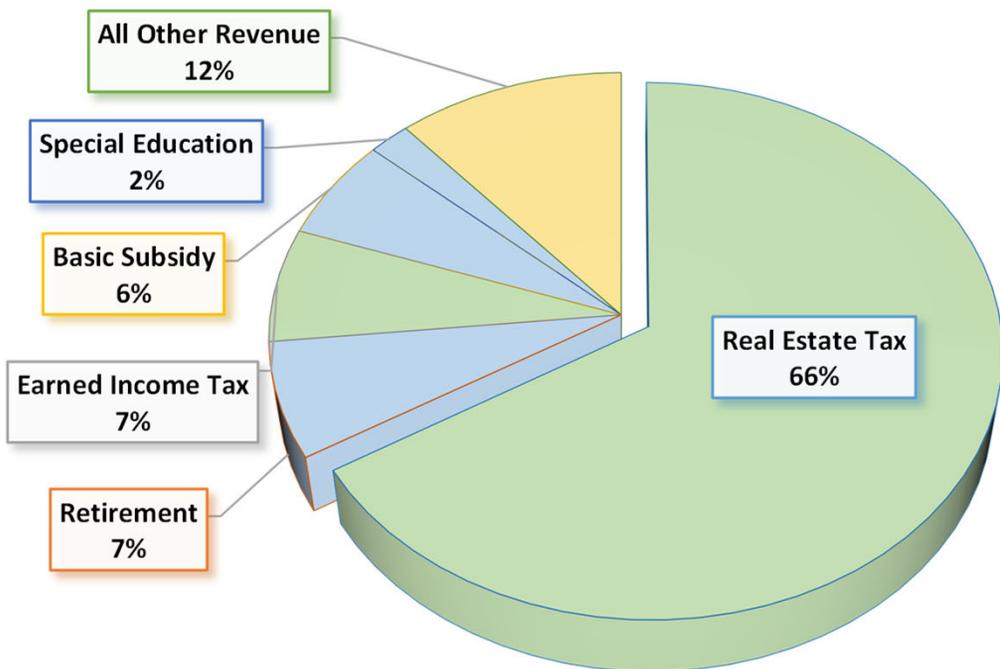
2023-2024 Proposed Preliminary Budget Summary

Millage Increase Required 4.10%

	2022-2023 Budget	2023-2024 Proposed Preliminary	Amount Change	Percent Change
Revenue				
Local	\$93,290,868.58	\$100,207,788.27	\$6,916,919.69	7.41%
State	\$24,995,505.56	\$26,232,510.60	\$1,237,005.04	4.95%
Federal	\$582,756.82	\$381,994.51	(\$200,762.31)	(34.45%)
Other	\$0.00	\$0.00	\$0.00	N/A
Revenue Total	\$118,869,130.96	\$126,822,293.38	\$7,953,162.42	6.69%
Expenditures				
Salary	\$48,473,416.54	\$52,454,742.09	\$3,981,325.55	8.21%
Benefits	\$32,828,236.47	\$35,955,477.42	\$3,127,240.95	9.53%
Operational	\$25,007,692.63	\$26,024,654.75	\$1,016,962.12	4.07%
Debt & Transfers	\$12,559,785.32	\$12,387,419.12	(\$172,366.20)	(1.37%)
Total Expenditures	\$118,869,130.96	\$126,822,293.38	\$7,953,162.42	6.69%
Surplus / Shortfall		\$0.00		

2023-2024 Proposed Preliminary Budget Revenue Summary

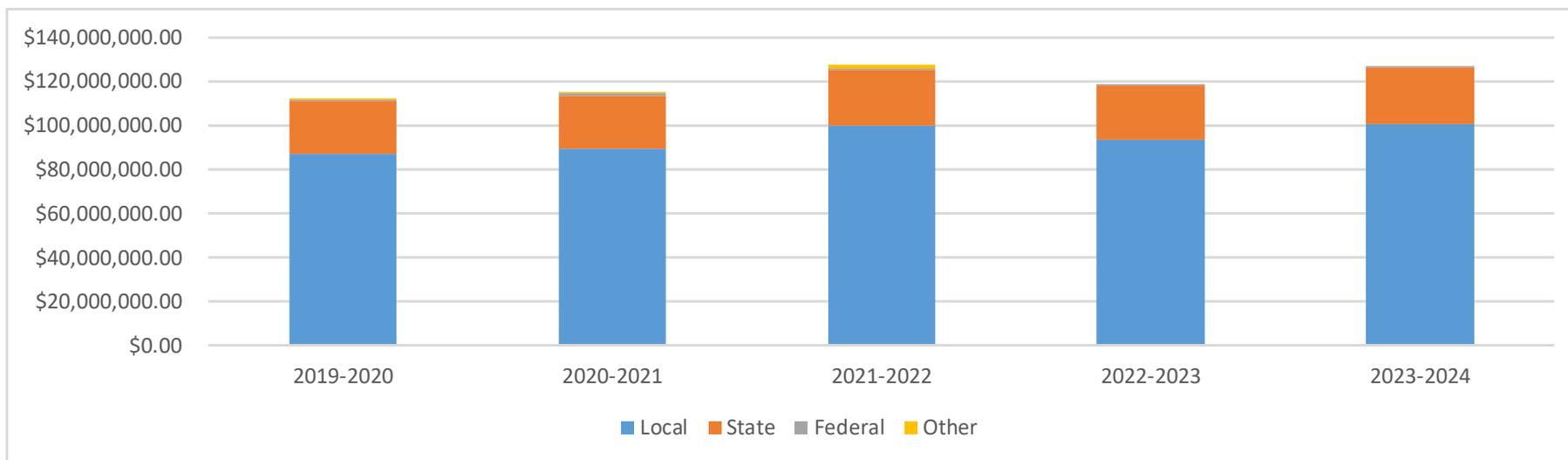
TOP 5 SOURCES OF REVENUE



**2023-2024
Proposed Preliminary**

Revenue	
Local	\$100,207,788.27
State	\$26,232,510.60
Federal	\$381,994.51
Other	\$0.00
Revenue Total	\$126,822,293.38

Historical Budget Trends Revenue



Revenue					
Local	\$86,833,474.31	\$89,375,137.95	\$100,033,752.81	\$93,290,868.58	\$100,207,788.27
State	\$24,093,320.83	\$23,789,982.19	\$24,727,297.28	\$24,995,505.56	\$26,232,510.60
Federal	\$676,509.17	\$1,102,398.52	\$987,491.28	\$582,756.82	\$381,994.51
Other	\$12,440.18	\$23,166.83	\$1,670,989.87	\$0.00	\$0.00
Revenue Total	\$111,615,744.49	\$114,290,685.49	\$127,419,531.24	\$118,869,130.96	\$126,822,293.38

2023-2024 Proposed Preliminary Budget Local Revenue

LOCAL REVENUE

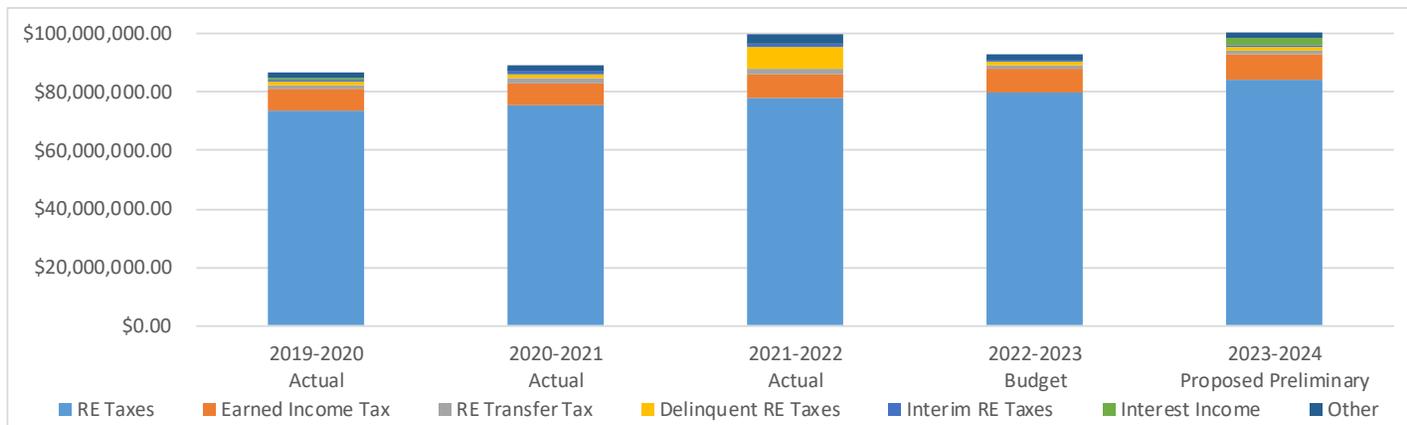
- Real Estate Taxes total \$84.2M
 - Millage Rate increased b1y 4.10%; ACT 1 is 4.10%
 - Collection Rate will be 96.97%
 - Based on Assessed Values as of December 2022
- EIT projection by Berkheimer is \$8.75M
- Interest Income is estimated to be \$1.94M
- RE Transfer Taxes are forecasted to be \$1.84M
- Delinquent Real Estate Taxes are projected to be \$1.1M
- Interim Real Estate taxes are budgeted at \$0.8M

Local Revenue Summary

Category	Budgeted Amt	% of Local Rev.
Real Estate Tax	\$84,251,604.56	84.08%
Earned Income Tax	\$8,750,000.00	8.73%
Interest Income	\$1,895,782.51	1.89%
Real Estate Transfer Tax	\$1,484,754.07	1.48%
Delinquent Real Estate Taxes	\$1,098,903.17	1.10%
Interim Real Estate Tax	\$805,604.28	0.80%
All other Local Revenue	\$1,921,139.68	1.92%
Total Local Revenue	\$100,207,788.27	100.00%

Historical Budget Trends

Local Revenue



LOCAL Revenue

RE Taxes	\$73,889,330.20	\$75,661,147.35	\$78,044,316.69	\$79,973,163.65	\$84,251,604.56
Earned Income Tax	\$7,270,155.99	\$7,483,892.73	\$8,292,787.93	\$7,950,000.00	\$8,750,000.00
RE Transfer Tax	\$1,119,282.48	\$1,569,928.78	\$1,765,050.96	\$1,500,000.00	\$1,484,754.07
Delinquent RE Taxes	\$1,331,865.58	\$1,515,178.12	\$7,574,081.60	\$869,395.29	\$1,098,903.17
Interim RE Taxes	\$448,144.37	\$866,771.16	\$1,101,897.30	\$650,000.00	\$805,604.28
Interest Income	\$753,528.10	\$273,270.34	\$161,371.81	\$460,297.75	\$1,895,782.51
Other	\$2,021,167.59	\$2,004,949.47	\$3,094,246.52	\$1,888,011.89	\$1,921,139.68
Revenue Total	\$86,833,474.31	\$89,375,137.95	\$100,033,752.81	\$93,290,868.58	\$100,207,788.27

2023-2024 Proposed Preliminary Budget Real Estate Tax Calculation

	2023-2024 Preliminary	2022-2023 Final	Variance
Taxable Assessed Value	\$2,713,377,850.00	\$2,685,155,952.00	\$ 28,221,898.00
Millage Increase	4.1000%	1.2400%	2.86%
MILLAGE RATE	32.9499	31.6522	1.2977
Gross TAX LEVY	\$ 89,405,528.82	\$ 84,991,093.22	\$ 4,414,435.60
PSERS Exception	\$ -	\$ -	\$ -
SE Exception	\$ -	\$ -	\$ -
Gross Tax Levy Adjustment	\$ -	\$ -	\$ -
Adjusted Millage	32.9499	31.6522	1.2977
Adjusted Act 1	4.1000%	1.2400%	2.86%
Less Gaming Funds	(\$2,519,919.01)	(\$2,519,919.01)	\$ -
Net Tax Levy	\$ 86,885,609.81	\$ 82,471,174.21	\$ 4,414,435.60
COLLECTION RATE*	96.97%	96.97%	(0.00%)
Gross Current Real Estate Taxes	\$ 84,251,604.56	\$ 79,973,163.65	\$4,278,440.91

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

19/20 FY=96.99%
20/21 FY=97.00%
21/22 FY=96.92%

**BUDGET COLLECTION RATE
23/24 FY=96.97%**

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

2023-2024 Proposed Preliminary Budget Property Tax Analysis

REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2022/23 = **31.6522 mills**
- Proposed Real Estate tax rate 2023/24 = **32.9499 mills**

§ Total Increase of 4.1000% (or 1.2977 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 \$226.32

Overall tax bill calculation: 32.9499 (millage) X \$174,400 = \$5,746.46

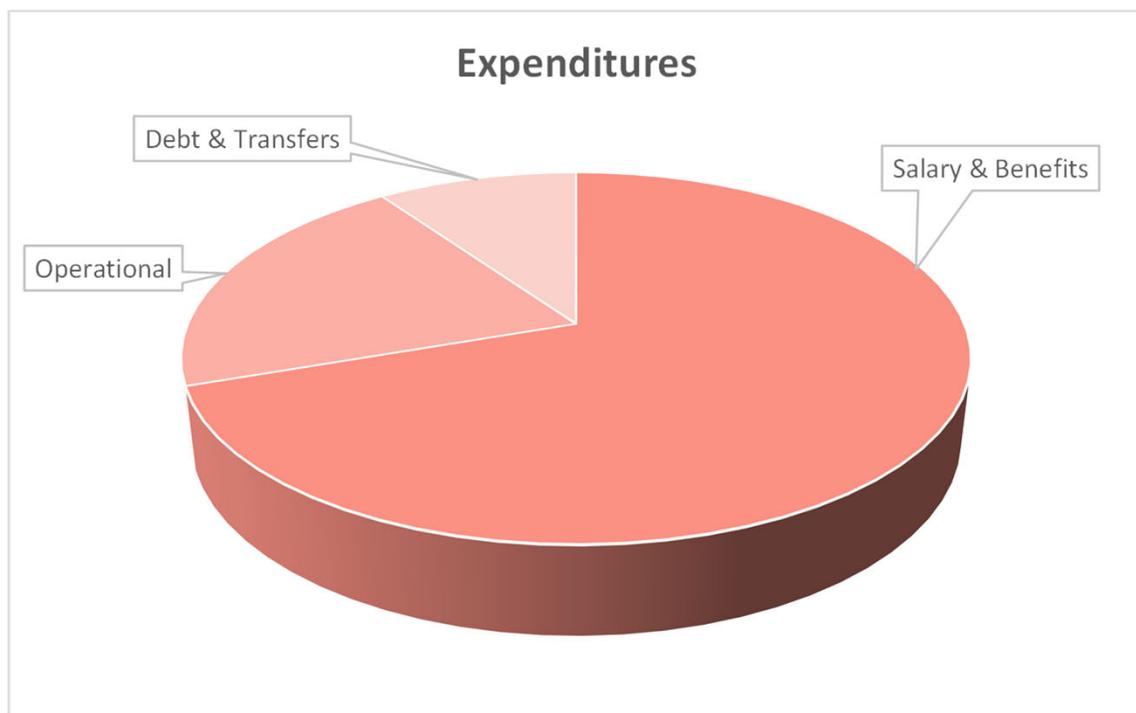
Estimated tax bill for other home assessed values (based on 4.10% increase = 1.2977 mills or 32.9499 mills):

Value*	Assessment	Increase	Total Tax	
\$100,000.00	\$39,525.69	\$51.29	\$1,302.37	
\$150,000.00	\$59,288.54	\$76.94	\$1,953.55	
\$200,000.00	\$79,051.38	\$102.58	\$2,604.74	
\$250,000.00	\$98,814.23	\$128.23	\$3,255.92	
\$300,000.00	\$118,577.08	\$153.88	\$3,907.10	
\$441,232.00	\$174,400.00	\$226.32	\$5,746.46	MSD Avg.
\$400,000.00	\$158,102.77	\$205.17	\$5,209.47	
\$500,000.00	\$197,628.46	\$256.46	\$6,511.84	
\$1,000,000.00	\$395,256.92	\$512.92	\$13,023.68	
\$2,000,000.00	\$790,513.83	\$1,025.85	\$26,047.35	

[Find your home's assessed values in Montgomery County PA at www.propertyrecords.montcopa.org](http://www.propertyrecords.montcopa.org)

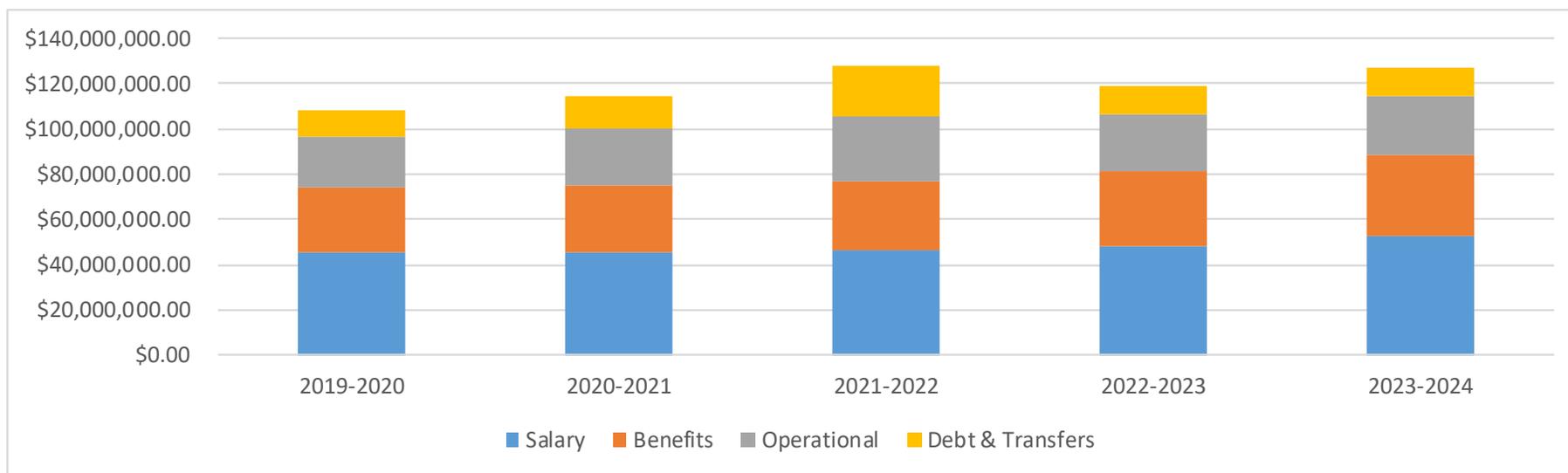
* Montgomery County Common Level Ratio is 2.53 as of July 1, 2022 (<https://www.montcopa.org/2710/Realty-Transfer-Tax>)

2023-2024 Proposed Preliminary Budget Expenditure Summary



Category	Budgeted Amt	% of Budget
Salary & Benefits	\$88,410,219.51	69.71%
Operational	\$26,024,654.75	20.52%
Debt & Transfers	\$12,387,419.12	9.77%

Historical Budget Trends Expenditures



Expenditures

Salary	\$45,455,469.22	\$45,551,357.80	\$46,136,209.15	\$48,473,416.54	\$52,454,742.09
Benefits	\$29,010,336.49	\$29,534,528.07	\$30,347,973.53	\$32,828,236.47	\$35,955,477.42
Operational	\$22,367,820.84	\$25,347,690.57	\$28,823,753.89	\$25,007,692.63	\$26,024,654.75
Debt & Transfers	\$11,605,024.36	\$14,195,835.67	\$22,605,136.50	\$12,559,785.32	\$12,387,419.12
Total Expenditures	\$108,438,650.91	\$114,629,412.11	\$127,913,073.07	\$118,869,130.96	\$126,822,293.38

2023-2024 Proposed Preliminary Budget Staffing Review

	PROFESSIONAL STAFF				SUPPORT & MAINTENANCE				ADMINISTRATORS				TOTAL			
	BOY 22-23	Changes 22-23 FY	Budget Changes	Budget 23-24	BOY 22-23	Changes 22-23 FY	Budget Changes	Budget 23-24	BOY 22-23	Changes 22-23 FY	Budget Changes	Budget 23-24	BOY 22-23	Changes 22-23 FY	Budget Changes	Budget 23-24
Arrowhead	37.60	-	-	37.60	13.55	0.07	-	13.61	1.25	-	-	1.25	52.40	0.07	-	52.46
Eagleville	35.80	1.00	-	36.80	16.78	0.07	(1.00)	15.85	1.25	-	-	1.25	53.83	1.07	(1.00)	53.90
Woodland	39.80	-	-	39.80	14.95	3.57	(1.00)	17.52	1.25	-	-	1.25	56.00	3.57	(1.00)	58.57
Worcester	37.40	0.50	-	37.90	15.94	0.07	(2.00)	14.01	1.25	-	-	1.25	54.59	0.57	(2.00)	53.16
Skyview	61.40	-	-	61.40	23.62	(3.14)	-	20.48	2.50	-	-	2.50	87.52	(3.14)	-	84.38
Arcola	64.60	-	-	64.60	21.64	0.30	(1.00)	20.94	2.50	-	-	2.50	88.74	0.30	(1.00)	88.04
MHS	124.40	-	-	124.40	42.37	-	(2.00)	40.37	6.00	-	-	6.00	172.77	-	(2.00)	170.77
District / Facilities	3.00	-	-	3.00	21.49	-	-	21.49	2.00	-	-	2.00	26.49	-	-	26.49
Farina	-	-	-	-	22.00	-	-	22.00	12.00	-	-	12.00	34.00	-	-	34.00
Total	404.00	1.50	-	405.50	192.34	0.93	(7.00)	186.27	30.00	-	-	30.00	626.34	2.43	(7.00)	621.77

○ Current Year

- Addition of 1.5 unbudgeted professional staff & increased FTE count of 0.93 for Office Assistants and Paraprofessionals.

○ 2023-2024 Budget Proposed Changes

- Reduction of PCAs by 7 FTE, which are being filled by outsourced staff due to certification needs

2023-2024 Proposed Preliminary Budget Salary Expenditure Assumptions/Comments

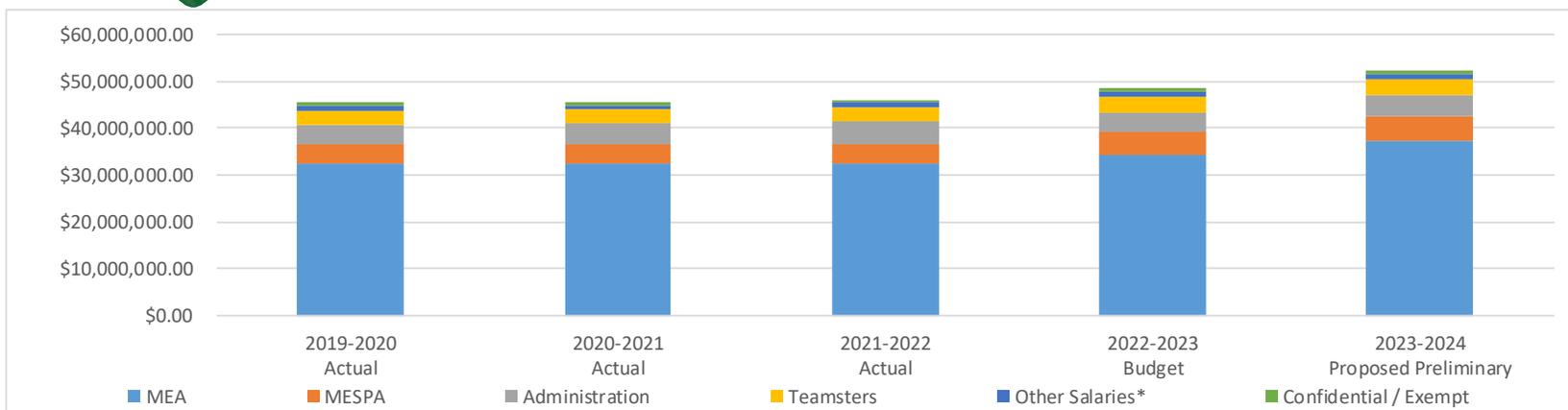
Expenditures

Proposed Preliminary Budget

- Staffing - increase of \$4.0 M from 2022-2023 budget
 - Increases are based off of contractual obligations
 - MEA – Increases based on contract salary matrix
 - MESPA – Increases based on contract rates
 - Teamsters – Increases based on contract rates
 - Confidentials – Increases based on agreement
 - Replacement Staff
 - Current MEA retirements are replaced by new staff at Masters, step 5
 - Only 3 Retirees are included in the Preliminary Budget

Historical Budget Trends

Salary Expenditures



Salary Expenditures	2019-2020 Actual	2020-2021 Actual	2021-2022 Actual	2022-2023 Budget	2023-2024 Proposed Preliminary	22-23 v 23-24 % chg
MEA	\$32,636,517.32	\$32,615,016.14	\$32,531,347.30	\$34,380,091.50	\$37,333,635.00	8.6%
MESPA	\$4,135,596.34	\$4,092,210.04	\$4,139,445.33	\$4,685,316.45	\$5,163,178.90	10.2%
Administration	\$4,150,553.53	\$4,271,625.66	\$4,657,156.84	\$4,461,692.68	\$4,717,806.12	5.7%
Teamsters	\$2,958,573.12	\$2,989,016.18	\$3,150,676.23	\$3,281,328.08	\$3,409,442.74	3.9%
Other Salaries*	\$969,629.09	\$968,300.95	\$1,008,504.45	\$1,012,067.06	\$1,071,096.56	5.8%
Confidential / Exempt	\$604,599.82	\$615,188.83	\$649,079.00	\$652,920.77	\$759,582.77	16.3%
Total Salary Expenditures	\$45,455,469.22	\$45,551,357.80	\$46,136,209.15	\$48,473,416.54	\$52,454,742.09	8.2%

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

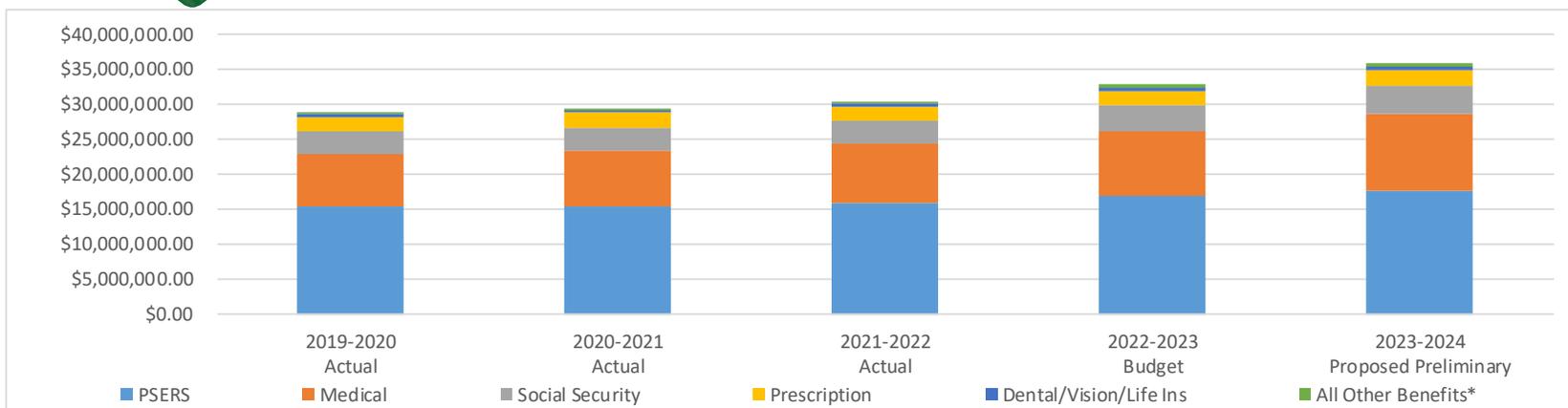
2023-2024 Proposed Preliminary Budget Benefit Expenditure Assumptions/Comments

Expenditures

Proposed Preliminary Budget (Continued)

- PSERS
 - PSERS Rate actually reduced from 35.26% to 34.00%, a savings of \$755,433.92 based on budgeted salaries
 - This represents the full amount, 50% of which is offset in Revenue
- Medical & Prescription
 - Figures are based on the first look of three.
 - Rate increases are between 14.00% - 15.27% for medical and Rx costs are at 0.00%
- Social Security
 - Rate is constant at 7.65% and represents the full amount, 50% of which is offset in Revenue
- Dental / Vision / Life Insurance
 - Assumes no increase in rates

Historical Budget Trends Benefit Expenditures



Benefit Expenditures	2019-2020 Actual	2020-2021 Actual	2021-2022 Actual	2022-2023 Budget	2023-2024 Proposed Preliminary	22-23 v 23-24 % chg
PSERS	\$15,448,383.82	\$15,498,013.47	\$15,910,163.67	\$16,925,311.76	\$17,740,108.14	4.8%
Medical	\$7,544,690.65	\$7,952,655.32	\$8,453,511.52	\$9,286,006.32	\$10,832,345.83	16.7%
Social Security	\$3,275,311.04	\$3,263,587.78	\$3,294,871.63	\$3,692,900.14	\$3,992,229.17	8.1%
Prescription	\$1,973,233.90	\$2,083,776.79	\$2,041,536.42	\$1,993,366.32	\$2,407,176.26	20.8%
Dental/Vision/Life Ins	\$321,221.17	\$382,450.79	\$361,222.72	\$445,199.94	\$505,181.86	13.5%
All Other Benefits*	\$447,495.91	\$354,043.92	\$286,667.57	\$485,451.99	\$478,436.16	-1.4%
Total Benefit Expenditure:	\$29,010,336.49	\$29,534,528.07	\$30,347,973.53	\$32,828,236.47	\$35,955,477.42	9.5%

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

2023-2024 Proposed Preliminary Budget Operating Expend. Assumptions/Comments

Expenditures

Proposed Preliminary Budget (continued)

- Operating Expenditures – Increased by \$1.0M
 - Building Budgets – Decrease of \$80.8k.
 - Removes all (new) K-12 Math textbook and consumable materials (year 1 of 6) from K-8 building budgets to CIA department budget
 - Change accounts for roughly \$60k of the building budget reduction
 - Departmental Budgets
 - Athletics budget increased by \$42.2k due to replacement equipment needs, such as helmets
 - Business Office down \$209.2k as legal costs have been reduced to \$402k
 - CIA is up \$181.7k, which includes the acquisition of a new Math textbook/consumable materials
 - Communication cost increase includes \$15k for communication consultant (Strategic Plan)

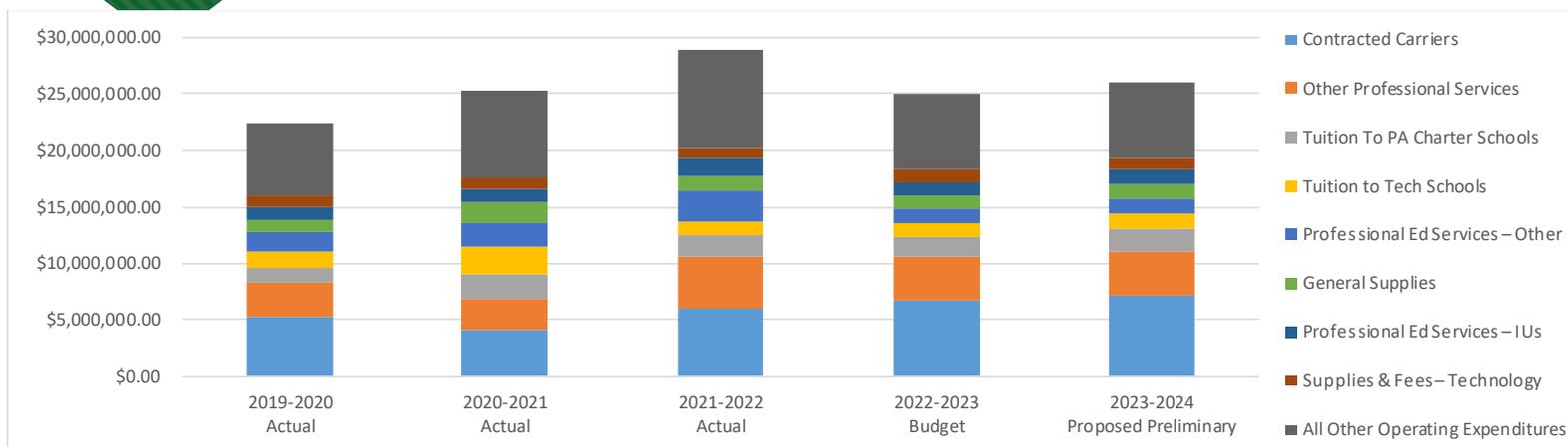
2023-2024 Proposed Preliminary Budget Operating Expend. Assumptions/Comments

Expenditures

Proposed Preliminary Budget (continued)

- Departmental Budgets (continued)
 - Facilities increased by \$64.8k due to increased utilities and material costs
 - Pupil Services is up \$938.6k
 - Professional Services for Emotional Support and Autistic Support are up \$400k
 - Charter Schools costs have increased by \$342.0k
 - Outplacement Tuition has increased by \$175.0k
 - Technology has a net increase of \$80.8k
 - New software added and increasing software costs account for \$67.0k
 - Transportation increased by \$31.9k
 - Includes the proposed extension of the First Student contract

Historical Budget Trends Operating Expenditures



Operating Expenditures	2019-2020 Actual	2020-2021 Actual	2021-2022 Actual	2022-2023 Budget	2023-2024 Proposed Preliminary	22-23 v 23-24 % chg
Contracted Carriers	\$5,292,393.78	\$4,035,151.79	\$6,028,837.05	\$6,702,455.94	\$7,088,228.52	5.8%
Other Professional Services	\$3,026,937.88	\$2,764,582.33	\$4,542,482.81	\$3,870,273.92	\$3,898,047.00	0.7%
Tuition To PA Charter Schools	\$1,267,618.24	\$2,244,677.03	\$1,864,467.09	\$1,733,000.00	\$2,075,000.00	19.7%
Tuition to Tech Schools	\$1,358,279.56	\$2,359,632.77	\$1,339,274.00	\$1,343,654.00	\$1,398,743.81	4.1%
Professional Ed Services – Other	\$1,738,650.65	\$2,255,635.11	\$2,726,705.50	\$1,232,792.00	\$1,373,250.00	11.4%
General Supplies	\$1,196,440.73	\$1,810,183.43	\$1,225,712.52	\$1,187,121.61	\$1,255,863.12	5.8%
Professional Ed Services – IUs	\$1,194,383.13	\$1,212,980.02	\$1,645,393.90	\$1,202,303.00	\$1,240,800.00	3.2%
Supplies & Fees – Technology	\$1,017,470.88	\$1,021,794.06	\$936,028.44	\$1,081,724.23	\$1,083,904.24	0.2%
All Other Operating Expenditures	\$6,275,645.99	\$7,643,054.03	\$8,514,852.58	\$6,654,367.93	\$6,610,818.06	-0.7%
Total Operating Expenditures	\$22,367,820.84	\$25,347,690.57	\$28,823,753.89	\$25,007,692.63	\$26,024,654.75	4.1%

2023-2024 Proposed Preliminary Budget Debt & Transfer Exp. Assumptions/Comments

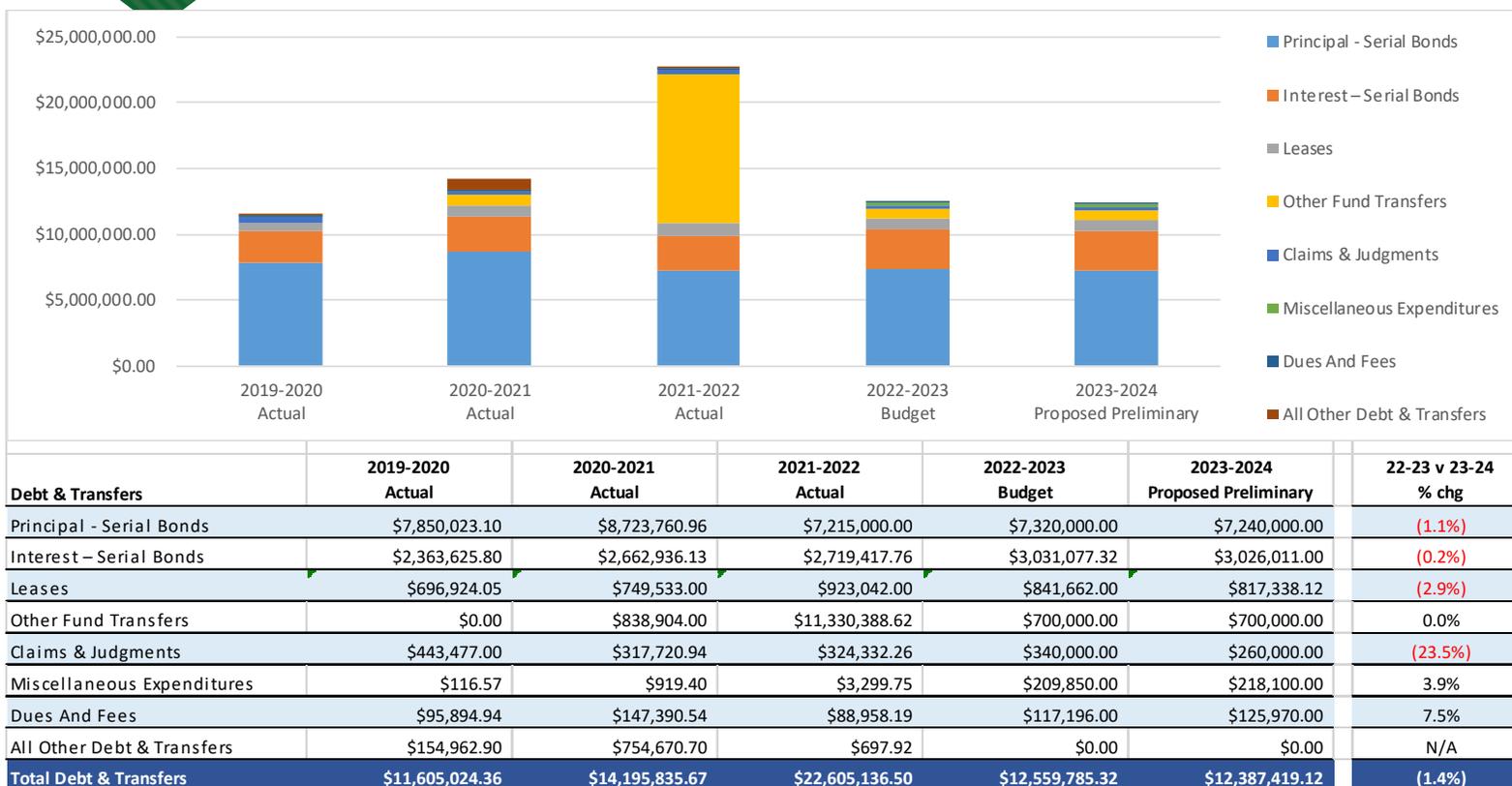
Expenditures

Proposed Preliminary Budget (continued)

- Debt & Transfers decreased by \$172.4k
 - Bonds
 - Payments on bonds decreased by \$85.1k
 - Leases
 - Payments on leases decreased by \$43.8k
 - Transfer to Capital remained flat.
 - Claims and Judgements were reduced by \$80.0k
 - Miscellaneous Expenses increased by \$8,3k
 - Budgetary Reserve remained constant, while exam fees increased by \$13.6k
 - Dues & Fees increased by \$8.8k

Historical Budget Trends

Debt & Transfer Expenditures



2023-2024 Proposed Preliminary Budget Top Ten Expenditures

Rank	Amount	BENEFIT	Category
1	\$37,179,735.00	29.32%	Professional Educational - Reg Salaries
2	\$17,740,108.14	13.99%	Pasers Retirement Contributions
3	\$10,832,345.83	8.54%	Medical Insurance
4	\$7,240,000.00	5.71%	Serial Bonds – Principal Payments
5	\$7,088,228.52	5.59%	Contracted Carriers
6	\$4,642,806.12	3.66%	Administration - Reg Salaries
7	\$3,992,229.17	3.15%	Social Security
8	\$3,898,047.00	3.07%	Other Professional Services
9	\$3,026,011.00	2.39%	Interest – Serial Bonds
10	\$2,758,667.69	2.18%	Instructional Assistant - Salaries
All Other	\$28,424,114.91	22.41%	
Total	\$126,822,293.38	100.00%	

2023-2024 Proposed Preliminary Budget Major Object Summary

		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
		Actual	Actual	Actual	Budget	Proposed Preliminary
100	Salary	\$45,455,469.22	\$45,551,357.80	\$46,136,209.15	\$48,473,416.54	\$52,454,742.09
200	Benefits	\$29,010,336.49	\$29,534,528.07	\$30,347,973.53	\$32,828,236.47	\$35,955,477.42
300	Professional Services	\$7,003,152.87	\$8,498,968.47	\$10,452,036.81	\$7,620,531.92	\$7,685,376.00
400	Property Services	\$1,572,935.82	\$1,770,896.49	\$1,948,604.65	\$1,737,624.50	\$1,650,180.01
500	Other Purchased Service	\$9,726,542.27	\$10,257,390.35	\$11,015,077.67	\$11,820,346.23	\$12,665,614.22
600	Supplies	\$3,625,017.75	\$4,280,399.31	\$3,411,842.50	\$3,822,990.98	\$3,999,643.65
700	Property	\$440,172.13	\$540,035.95	\$1,996,192.26	\$6,199.00	\$23,840.87
800	Other Objects	\$3,755,001.26	\$4,601,507.12	\$3,596,903.88	\$4,539,785.32	\$4,427,972.68
900	Property	\$7,850,023.10	\$9,594,328.55	\$19,008,232.62	\$8,020,000.00	\$7,959,446.44
Total Major Object Expenditures		\$108,438,650.91	\$114,629,412.11	\$127,913,073.07	\$118,869,130.96	\$126,822,293.38
Change from Prior Year \$			\$6,190,761.20	\$13,283,660.96	(\$9,043,942.11)	\$7,953,162.42
Change from Prior Year %			5.71%	11.59%	(7.07%)	6.69%

Five Year Projection – Assumptions (2024-2028)

REVENUE

- Growth rate based on assessed value as of 11/30/2022.
- Annual growth rate of 0.56% for taxable assessed value.
- Annual Earned Income Tax growth rate of 2.00%.
- Annual Collection Rate 96.97%.
- Growth projected for Transfer Tax=0.20%
- Growth projected for Investments=0.00%
- Growth projected for Interim Real Estate=0.50%
- 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 5.0%
- Prescription – All plans increased at 2.0%
- Vision – 1.00% increase
- Dental – 1.00% increase
- PSERS Rates: 24 – 34.00%, 25 – 34.25%, 26 – 34.50%, 27 – 34.75% and 28 – 35.00%
- No change in General Supplies from base year
- Special Education Operating Costs = 5.00% each year
- Transportation = 8% in 24-25 and then 4.5% each year

Five Year Projection

2023-2024 Millage Increase of 4.10%

Chart has No Property Tax Increase – 2024-2025 thru 2027-2028

	2023-2024 Proposed Preliminary	2024-2025 Projected	2025-2026 Projected	2026-2027 Projected	2027-2028 Projected
Revenue					
Local	\$100,207,788.27	\$102,453,950.11	\$104,754,210.06	\$107,109,877.24	\$109,522,292.53
State	\$26,232,510.60	\$26,232,510.60	\$26,232,510.60	\$26,232,510.60	\$26,232,510.60
Federal	\$381,994.51	\$381,994.51	\$381,994.51	\$381,994.51	\$381,994.51
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenue Total	\$126,822,293.38	\$129,068,455.22	\$131,368,715.17	\$133,724,382.35	\$136,136,797.64
Expenditures					
Salary	\$52,454,742.09	\$54,468,354.84	\$56,744,624.61	\$59,120,579.37	\$61,600,719.18
Benefits	\$35,955,477.42	\$37,499,454.21	\$39,212,373.64	\$41,008,156.90	\$42,890,901.54
Operational	\$26,024,654.75	\$26,611,680.95	\$27,002,452.14	\$27,438,638.61	\$27,922,284.15
Debt & Transfers	\$12,387,419.12	\$13,137,419.12	\$13,887,419.12	\$14,637,419.12	\$15,387,419.12
Total Expenditures	\$126,822,293.38	\$131,716,909.12	\$136,846,869.51	\$142,204,794.00	\$147,801,323.99
Beginning Balance	\$17,308,356.31	\$17,308,356.31	\$14,659,902.41	\$9,181,748.07	\$701,336.42
Net Change	\$0.00	(\$2,648,453.90)	(\$5,478,154.34)	(\$8,480,411.65)	(\$11,664,526.35)
Ending Balance	\$17,308,356.31	\$14,659,902.41	\$9,181,748.07	\$701,336.42	(\$10,963,189.93)

Five Year Projection

Property Tax Increase each year 2024-2028

2024 4.10% (Act 1 & No Exceptions); 2025=2.45%; 2026=2.45%; 2027=2.45%; 2028=2.45%

	2023-2024 Proposed Preliminary	2024-2025 Projected	2025-2026 Projected	2026-2027 Projected	2027-2028 Projected
Revenue					
Local	\$100,207,788.27	\$102,453,950.11	\$104,754,210.06	\$107,109,877.24	\$109,522,292.53
State	\$26,232,510.60	\$26,709,376.84	\$27,254,340.80	\$27,826,004.04	\$28,425,694.41
Federal	\$381,994.51	\$381,994.51	\$381,994.51	\$381,994.51	\$381,994.51
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenue Total	\$126,822,293.38	\$129,545,321.46	\$132,390,545.37	\$135,317,875.79	\$138,329,981.45
Expenditures					
Salary	\$52,454,742.09	\$54,468,354.84	\$56,744,624.61	\$59,120,579.37	\$61,600,719.18
Benefits	\$35,955,477.42	\$37,499,454.21	\$39,212,373.64	\$41,008,156.90	\$42,890,901.54
Operational	\$26,024,654.75	\$26,611,680.95	\$27,002,452.14	\$27,438,638.61	\$27,922,284.15
Debt & Transfers	\$12,387,419.12	\$13,137,419.12	\$13,887,419.12	\$14,637,419.12	\$15,387,419.12
Total Expenditures	\$126,822,293.38	\$131,716,909.12	\$136,846,869.51	\$142,204,794.00	\$147,801,323.99
Beginning Balance	\$17,308,356.31	\$17,308,356.31	\$15,136,768.65	\$10,680,444.51	\$3,793,526.30
Net Change	\$0.00	(\$2,171,587.66)	(\$4,456,324.14)	(\$6,886,918.21)	(\$9,471,342.54)
Ending Balance	\$17,308,356.31	\$15,136,768.65	\$10,680,444.51	\$3,793,526.30	(\$5,677,816.24)

Five Year Projection

Updated 01/17/2023

Staff Costs Breakout

	2023-2024		2024-2025		2025-2026		2026-2027		2027-2028	
	Proposed Preliminary		Projected		Projected		Projected		Projected	
Costs										
Salary	\$52,454,742.09	41.4%	\$54,468,354.84	41.4%	\$56,744,624.61	41.5%	\$59,120,579.37	41.6%	\$61,600,719.18	41.7%
*Retirement	\$21,732,337.31	17.1%	\$22,686,069.80	17.2%	\$23,775,997.71	17.4%	\$24,919,324.20	17.5%	\$26,118,704.94	17.7%
Medical Insurance	\$10,832,345.83	8.5%	\$11,373,963.12	8.6%	\$11,942,661.28	8.7%	\$12,539,794.34	8.8%	\$13,166,784.06	8.9%
Prescription Insuranc	\$2,407,176.26	1.9%	\$2,455,319.79	1.9%	\$2,504,426.19	1.8%	\$2,554,514.71	1.8%	\$2,605,605.00	1.8%
Other Employee Benei	\$983,618.02	0.8%	\$984,101.50	0.7%	\$989,288.46	0.7%	\$994,523.65	0.7%	\$999,807.54	0.7%
Salary/Benefits Total	\$88,410,219.51	69.7%	\$91,967,809.05	69.8%	\$95,956,998.25	70.1%	\$100,128,736.27	70.4%	\$104,491,620.72	70.7%
Total Budget	\$126,822,293.38		\$131,716,909.12		\$136,846,869.51		\$142,204,794.00		\$147,801,323.99	

2023-2024 through 2027-2028 figures based on Slide 30 - Five Year Projection – Assumptions

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

2023-2024 Proposed Preliminary Budget Sensitivity Analysis

Millage Increase	4.10%	4.00%	3.50%	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%	0.00%
Total Revenues	\$126,822,293	\$126,739,150	\$126,322,644	\$125,906,401	\$125,489,894	\$125,073,388	\$124,657,145	\$124,240,639	\$123,824,396	\$123,407,889
Salary	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742	\$52,454,742
Benefits	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477	\$35,955,477
Operational	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655	\$26,024,655
Debt & Transfers	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419	\$12,387,419
Total Expenditures	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293	\$126,822,293
Net Operating Income	\$0	(\$83,143)	(\$499,650)	(\$915,893)	(\$1,332,399)	(\$1,748,905)	(\$2,165,148)	(\$2,581,655)	(\$2,997,898)	(\$3,414,404)
Curent Millage	4.10%									

Each 0.50% change in millage amounts to a change of \$416,506 of Revenue

2023-2024 Proposed Preliminary Budget PDE-2028

**IF THE BOARD ADPOTS THE RESOLUTION NOT EXCEED THE ACT 1 INDEX
THERE IS NO PDE 2028**

PDE 2028 attached as a separate document if applicable

Final Budget will include PDE 2028

Initial Building Requests-Projects

ITEM	Item(s) Requested
WD-1	Canopies for outside two gym exits
WD-2	Repair gym floors by the doors after canopies installed
WD-3	Badge scanner outside gym/recess doors
SV-1	Flexible Learning Space
SV-2	New Carpeting in Main Office
AC-1	Update Arcola Art rooms: Shelves and Cabinets
AC-2	Electronic basketball nets to work with key and motor
AC-3	Paint over mural in hallway
AC-4	New student lockers
AC-5	Upgrade green/white gym with insulation, bleachers, etc.
AC-6	Two 10 X 10 sheds for the water retention area near the football field.
AC-7	12 Diversified Woodcrafters Science Table
AC-8	60 Chairs for science tables

ITEM	Item(s) Requested
HS-1	TV Studio- New TV Camera
HS-2	Flooring Repairs
HS-3	Bottle fillers (Cafeteria; C149; A201; Auditorium)
HS-4	Painting the stairwells ; painting schedule
HS-5	FCS Kitchen remodel
HS-6	Parking Lot Cameras
HS-7	Elevator Repairs / Maintenance
HS-8	Traffic study in east wing
HS-9	Tennis court repaving
HS-10	Auditorium lighting and sound
HS-11	Locker rooms
HS-12	Boys gym floor ; boys/girls gym padding on walls
CO-1	Press Box Graphics

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

Above list includes all requests and does not represent what will be addressed.

2023-2024 Budget Remaining Timeline and Key Variables

Remaining Updates by Month

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

June

May EOM Assessments
Millage (if applicable)
Staffing Changes

APPENDIX

- Budget Process History

Budget Process History

- Record of Changes
 - 01/13/2023 – Proposed Preliminary Budget Presentation to Finance Committee
 - 01/17/2023 – Proposed Preliminary Budget Presentation to School Board

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 Thazhathil
Kalathil

Duperly Hadrick

Ryan Matour

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 – General Data

Lower Providence Township

- Population: 25,625*
- Square Miles: 15.25
- Median Household Income: \$94,840*

Worcester Township Population

- Population: 10,317*
- Square Miles: 16.22
- Median Household Income: \$133,339*

Unemployment**

- Montgomery County: 3.7%
- Pennsylvania: 4.2%

The Methacton School District serves approximately 13,200 total households.

Supportive Community and Families

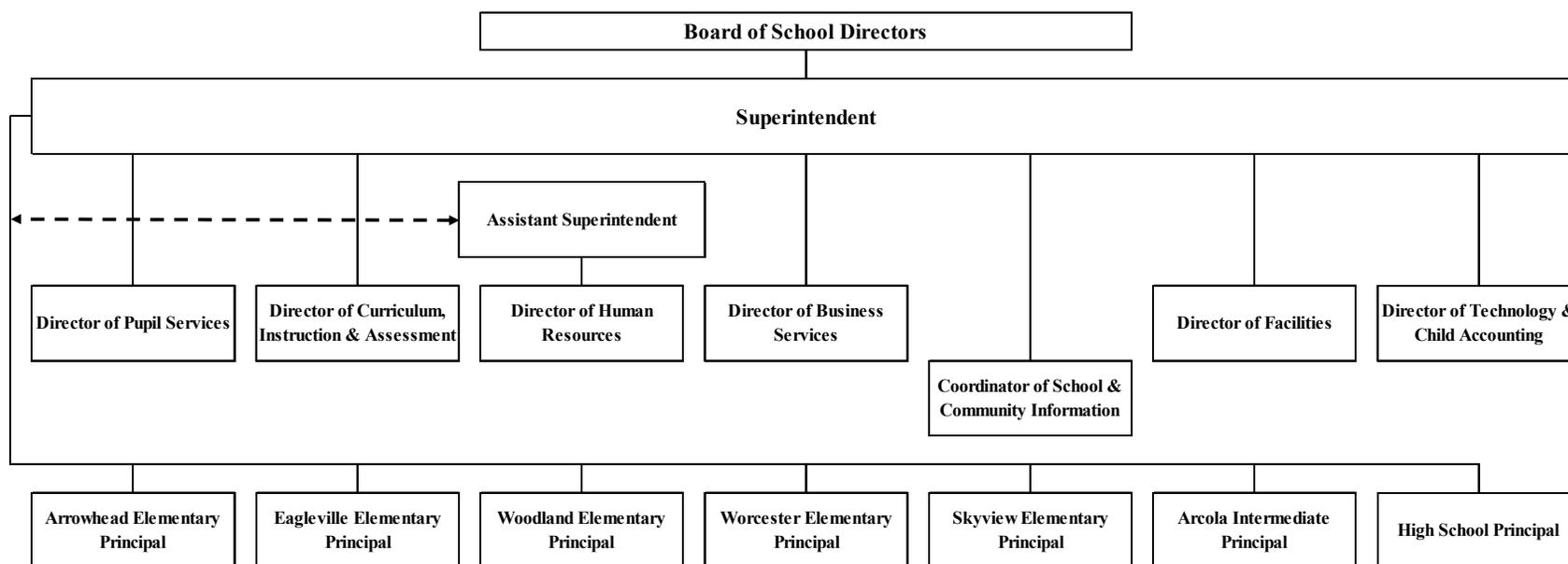
- Methacton Education Foundation provided \$972,000 of financial support to the District.
- Active Home & School associations at every school, acting under the umbrella of an independent 501c3 Coordinating Council.
 - \$100,000 raised on average annually to support schools and teachers
 - Thousands of 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 2022)

Departments/Structure

METHACTON SCHOOL DISTRICT ORGANIZATION CHART EFFEICTIVE JANUARY 1, 2021



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

Enrollment

October 1, 2022 Enrollment: 4,583

Ethnicity

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

Pupil Services/Special Education 2022-2023 (as of 10/01/22)

- 18.2% of the total population - 847 Unduplicated Students
- 6% of the total population - 230 Students Identified as Gifted
- 49 Homeschool Students
- 93 Charter School Students (*92 Students the previous year*)

Technology

Approximate number of devices used throughout the district to support learning

- Chromebooks – 5,200
- Computers (PC) – 1,147
- Tablets – 646
- SMART Board / Interactive projectors – 270
- Projectors - 177
- Wireless access points – 354
- Network switches/components – 173/425

Other supported areas:

- 4 TV Studios – High School, Arcola, Arrowhead & 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 – Google Meet
- 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 23 courses offered.
- College level dual enrollment offerings through Harrisburg Area 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.

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