



# METHACTON SCHOOL DISTRICT

2016-17 ESTIMATED BUDGET PRESENTATION  
AND ACT 1 TIMELINE

DECEMBER 7, 2015

# 2016-17 BUDGET

- THE PURPOSE OF TONIGHT'S PRESENTATION IS TO PROVIDE AN ESTIMATED 2016-17 BUDGET.
- THERE ARE MANY UNKNOWN FACTORS THAT CAN IMPACT THIS BUDGET OVER THE NEXT 7 MONTHS (JUNE 2016 FINAL ADOPTION).
- ACT 1 RE TAX OPTIONS AND ASSOCIATED TIMELINES REQUIRE A DECISION TO BE FINALIZED AS A FIRST STEP FOR THE BOARD/DISTRICT IN ESTABLISHING A PATH TOWARD OUR FINAL OPERATIONAL BUDGET FOR THE 2016-17 FISCAL YEAR.

# BUDGET UNKNOWNNS – 2016-17

STATE BUDGET FUNDING - \$20+ MILLION

LOCAL BUDGET IMPACTS ON RE TAXES, ACT 1 CHANGES

MEDICAL/RX INSURANCE INCREASES - \$11+ MILLION (FIRST LOOK 8.2%)

SPECIAL EDUCATION MOVE INS, CHANGING STUDENT NEEDS - \$5+ MILLION

CHARTER SCHOOL ENROLLMENTS - \$1+ MILLION

FEDERAL FUNDING - \$492K

# ACT 1 OPTIONS - 2016-17

## OPTION 1: **STAY WITHIN 2.4% INDEX**

- BOARD ACTION NO LATER THAN JANUARY 7, 2016
- RESOLUTION AND TAX PORTION OF PDE 2028 IS SUBMITTED TO PA DEPARTMENT OF EDUCATION NO LATER THAN JANUARY 12, 2016
- MAY 2016 – PROPOSED FINAL BUDGET
- JUNE 2016 – FINAL BUDGET

## OPTION 2: **2.4% INDEX + EXCEPTIONS**

- PUBLIC ADVERTISEMENT AND SEEKING OF PSERS AND SP ED EXCEPTIONS PUBLICIZED NO LATER THAN JANUARY 7, 2016
- (PUBLIC ADVERTISEMENT OF PROPOSED PRELIMINARY BUDGET FOR 2016-17)
- BOARD APPROVES PRELIMINARY BUDGET NO LATER THAN JANUARY 27, 2016
- MAY 2016 – PROPOSED FINAL BUDGET
- JUNE 2016 – FINAL BUDGET

# ESTIMATED 2016-17 EXPENDITURES - MANDATORY

<u>BUDGET CATEGORY</u>	<u>2015-16 BUDGET</u>	<u>2016-17 ESTIMATED*</u>	<u>DESCRIPTION</u>
SALARIES (INCLUDING STS SUBS)	44,259,022	45,533,393	INCLDS STS SUBS - ESTIMATED 16/17
PSERS - RETIREMENT CONTRIBUTIONS	10,976,579	12,990,382	29.69% OF SALARIES
MEDICAL/DENTAL/VISION/RX/WORK COMP	10,708,128	11,469,716	8.2% ESTIMATED INCREASE
DEBT SERVICE PAYMENTS	9,835,749	9,952,663	PER DEBT SCHEDULE
TRANSPORTATION (F.STUDENT AND FUEL)	6,276,178	6,433,082	2.5% INC
SPECIAL ED/PUPIL SVCS	4,957,000	5,155,280	4% INC
EMPLOYEEER FICA - EMPLOYEE SALARIES	3,249,645	3,347,135	7.65% OF SALARIES
FACILITIES (BUILDING UTILITIES/REPAIRS)	2,939,364	3,027,545	3% INC
NORTH MONTCO TUITION	1,169,299	1,197,362	2.4% INC
CHARTER SCHOOLS	1,100,000	1,122,000	2% INC
STAFF TUITION REIMB	390,000	380,000	MEA - \$10K DECREASE
UNEMPLOYMENT COMP.	<u>58,739</u>	<u>58,739</u>	NOT EXPECTING CHANGE
<b>TOTAL MANDATORY</b>	<b>95,919,703</b>	<b>100,667,297</b>	<b>TOTAL OF ABOVE</b>
<b>TOTAL OPERATION</b> (INST. SUPPLIES, TEXT BOOKS, TECH SUPPLIES, ATHLETICS, LEGAL, CAPITAL PROJECTS)	<b>5,204,388</b>	<b>5,007,378</b>	<b>EST. OPERATIONAL BUDGET</b>
<b>TOTAL BUDGET</b>	<b>101,124,091</b>	<b>105,674,675</b>	<b>4.45% EST. OVERALL INCREASE</b>
<b>% MANDATORY</b>	<b>95%</b>	<b>95%</b>	<b>% MANDATORY OF OVERALL BUDGET</b>

# 2016-17 ESTIMATED REVENUES

REVENUE CATEGORY	2015-16	2016-17*	EXPLANATION
LOCAL	78,688,665	79,475,552	1% INC - NO RE TAX INC
STATE	20,060,088	21,108,088	PSERS/FICA
FEDERAL	492,074	492,074	NO CHANGE
MISC – LEASE REIMB	1,024,450	1,024,450	NO CHANGE
BUDGET SURPLUS	<u>858,813</u>	=	NON-RECURRING REVENUE
<b>TOTAL REVENUES</b>	<b>101,124,090</b>	<b>102,100,164</b>	

\*ESTIMATED

# ESTIMATED - EXPENDITURES VS REVENUES 2016-17

EXPENDITURES = \$105,674,675

REVENUES = \$102,100,164

**BUDGET SHORT = \$ (3,574,511)**

## ACT 1 BASE INDEX AND EXCEPTIONS – 2016-17\*

BASE INDEX = 2.4% - \$1,612,346

PSERS EXCEPTION = 1.05% - \$ 724,689

TOTAL INCREASE = 3.45% - \$2,337,032

ESTIMATED BUDGET SHORT = (\$3,574,511)

ESTIMATED BUDGET SHORT = (\$1,237,479)  
WITH ACT 1+ EXCEPTIONS

*\*BASED ON CURRENT ASSESSED VALUES AND PSERS CALCULATION ON ESTIMATED SALARIES*





# 2016-17 BUDGET

## ACT 1 RE TAX OPTIONS

- OPTION 1:

STAY WITHIN 2.4% INDEX

- OPTION 2:

2.4% INDEX + EXCEPTIONS