

Methacton School District

March 15, 2016 Board Workshop
Meeting

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PSERS PROJECTIONS:

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
SALARIES – EST 3% - 17/18 FORWARD	42,479,023	43,973,025	45,292,216	46,650,982	48,050,511	49,492,027
PSERS RATE	25.84%	30.03%	32.04%	33.27%	34.20%	33.51%
CONTRIBUTION	10,976,579	13,205,099	14,511,626	15,520,781	16,433,274	16,584,778
INCREASE YR TO YR		2,228,520	1,306,527	1,009,155	912,493	151,504

MANDATORY COST DRIVERS- 15-16 to 16-17



	BUDGET	3/9/2016	INCREASE
BUDGET CATEGORY	2015-16	PRELIM. 2016-17	15-16 TO 16-17
SALARIES - INCLUDING STS	44,259,022	45,573,025	1,314,003
PSERS	10,976,579	13,153,119	2,176,540
MEDICAL/DENTAL/RX/VISION/WORK COMP*	10,708,128	10,317,114	(391,014)
DEBT PAYMENTS*	10,835,749	10,701,411	(134,338)
TRANSPORTATION	6,276,178	6,306,116	29,938
SPECIAL EDUCATION/PUPIL SERVICES	4,957,000	5,128,500	171,500
EMPLOYER FICA	3,249,645	3,350,695	101,050
FACILITIES	2,939,364	2,929,925	(9,439)
NORTH MONTCO TUITION	1,169,299	1,264,849	95,550
CHARTER SCHOOLS	1,100,000	1,200,000	100,000
STAFF TUITION	390,000	405,000	15,000
EMPLOYEE SEVERANCE	175,000	390,000	215,000
UNEMPLOYMENT	58,739	58,739	-
TOTAL MANDATORY	97,094,703	100,778,494	3,683,791
TOTAL BUDGET	101,124,091	105,763,056	
% MANDATORY	96%	95%	

MANDATORY COST DRIVERS- 17-18 and 18-19 PROJECTION

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	PROJECTION	PROJECTION	
BUDGET CATEGORY	2017-18	2018-19	EXPLANATION
SALARIES - INCLUDING STS	46,892,503	48,251,278	3% EST
PSERS	14,511,718	15,520,880	PSERS RATES PROJ
MEDICAL/DENTAL/RX/VISION/WORK COMP*	10,823,872	11,365,065	5% EST
DEBT PAYMENTS*	10,701,411	10,701,411	PER SCHEDULE
TRANSPORTATION	6,463,769	6,625,364	2.50% - CONTRACT
SPECIAL EDUCATION/PUPIL SERVICES	5,538,780	5,981,882	8% - TREND
EMPLOYER FICA	3,464,876	3,568,823	7.65% - ACTUAL RATE
FACILITIES	3,017,823	3,108,358	3% - TREND
NORTH MONTCO TUITION	1,302,794	1,341,878	3% - EST
CHARTER SCHOOLS	1,300,000	1,400,000	\$100K INC EST
STAFF TUITION	400,000	400,000	ESTIMATED
EMPLOYEE SEVERANCE	250,000	250,000	ESTIMATED
UNEMPLOYMENT	58,739	58,739	ESTIMATED
TOTAL MANDATORY	104,726,286	108,573,678	
TOTAL BUDGET	110,575,676	115,606,869	
% MANDATORY	95%	94%	

2016-17 PRELIMINARY BUDGET ASSUMPTIONS

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- › DEBT RESTRUCTURING SAVINGS - \$1 MILLION TOTAL
- › EARLY RETIREMENT INCENTIVE SAVINGS – EST. \$300K
- › CAPITAL RESERVE CONTRIBUTION - \$300K
- › TRANSPORTATION REVIEW SAVINGS - \$250K
- › ATHLETIC FIELD ESCROW - \$117K
- › NO NEW STAFF
- › LOCAL, STATE, FEDERAL FUNDING
- › TAX ASSESSMENT APPEALS

Budget Update: March 9, 2016

EMPLOYEE MEDICAL INSURANCE	(\$576K) – 5% TO 1.9% - Dental/Life Ins – 0%
DEBT REFUNDING	(\$425K) – 2009 G.O. BOND (\$3.8M SAVINGS)
DIESEL FUEL	(\$102K) - \$.74 CENT REDUCTION
DEPARTMENT/BUILDING REDUCTIONS	(\$ 96K) - BUDGET REDUCTIONS
NMTCC	\$ 70K - ROOF REPLACEMENT
EMPLOYEE SALARIES/FICA/RETIRE	<u>\$ 40K</u> - BASED ON CURRENT PROJECTIONS
TOTAL EXPENDITURE SAVINGS	(\$1.09M) – TOTAL FROM ABOVE
LOCAL REVENUES	\$304K – TAXABLE ASSESSMENTS/STATE REIMB
TOTAL BUDGET SAVINGS	\$1.39M
1/26/16 PRELIMINARY BUDGET SHORT	\$5.2 MILLION
2/16/16 PRELIMINARY BUDGET SHORT	\$4.1 MILLION
<i>3/9/16 PRELIMINARY BUDGET SHORT</i>	<i>\$3.8 MILLION</i>

2016-17 BUDGET SCENARIOS:

SCENARIO A: ACT 1 + PSERS

> BUDGET SHORT =	(\$3.8)M
> 2.4% TAX INC =	\$1.6M
> PSERS TAX INC =	<u>\$ 887K</u>
> BUDGET SHORT =	(\$1.3)M
> DEBT RESTRUCT =	\$ 575K
> ERIP =	\$ 300K
> BUS ROUTE EVAL =	<u>\$ 250K</u>
> BUDGET SHORT =	(\$ 188)K

SCENARIO B: ACT 1

> BUDGET SHORT =	(\$3.8)M
> 2.4% TAX INC =	<u>\$1.6M</u>
> BUDGET SHORT =	(\$2.2)M
> DEBT RESTRUCT =	\$ 575K
> ERIP =	\$ 300K
> BUS ROUTE EVAL =	<u>\$ 250K</u>
> BUDGET SHORT =	(\$1.07)M

*PSERS = \$887K OF TAX VALUE

SCENARIO C: NO TAX INC

> BUDGET SHORT =	(\$3.8)M
> BUDGET SHORT =	(\$3.8)M
> DEBT RESTRUCT =	\$ 575K
> ERIP =	\$ 300K
> BUS ROUTE EVAL =	<u>\$ 250K</u>
> BUDGET SHORT =	(\$2.67)M

*ACT 1 = \$1.6M, PSERS = \$887K OF TAX VALUE

2016-17 PRELIMINARY BUDGET DIRECTION

RE TAXES

- ACT 1 INDEX - \$1.6M
- PSERS EXCEPTION - \$887K

EXPENDITURE REDUCTIONS

- DEBT RESTRUCTURING - \$575K
- BUS ROUTE EVALUATION - \$250K EST.
- ERIP - \$300K EST.

MOVING FORWARD

- ADMINISTRATIVE DIRECTION TO 2016-17 PRELIMINARY BUDGET