



METHACTON SCHOOL DISTRICT

2014-15 PRELIMINARY BUDGET UPDATE

MARCH 18, 2014



•BUDGET PRIORITIES FOR 14/15 AND BEYOND

SUSTAINABILITY

NEED TO PROVIDE SUSTAINABLE FUNDING FOR OPERATIONS BOTH SHORT AND LONG TERM. THIS INCLUDES CAPITAL RESERVE AND FUND BALANCE.

5 YR BUDGET MODEL

DEVELOP 5 YEAR BUDGET MODEL BASED ON HISTORICAL AUDITED INFORMATION AND FUTURE KNOWN FACTORS.

ACT 1

ACT 1 FUNDING LIMITATIONS PLACE SIGNIFICANT CONSTRAINTS ON YEAR TO YEAR OPERATIONS AND LITTLE TO NO ABILITY TO ADDRESS CARRY OVER BUDGET SHORTFALLS.



•BUDGETARY IMPACTS

- PSERS – 21.4% IN 14/15 OR \$9.9M; 30.14% IN 18/19 OR \$16.3 MILLION
- SPECIAL EDUCATION – 11 YR HISTORICAL AVERAGE OF 8.29% GROWTH OR APPROX. DOUBLE REST OF BUDGET
- CHARTER SCHOOLS - \$400,000 INCREASE FROM 10/11 TO 14/15



• BUDGET CHANGES SINCE FEB 18TH

	<u>ORIGINAL</u>	<u>3/11/2014</u>	
<u>REVENUES</u>	96,759,287	96,759,287	
STATE ABG		244,748	GOV'S BUDGET
EIT TAX		200,000	INCREASED COLLECTIONS
ADDT TRANSP SUBSIDY		183,295	INCREASED SUBSIDY DUE TO REPLACING BUS FLEET VIA CONTRACTING
DELINQUENT TAX		100,000	INCREASED COLLECTIONS
TRANSFER TAX		100,000	INCREASED COLLECTIONS
ASSESSMENT/COLLECTION %		51,875	WAWA ASSESSMENT INC/INCREASE COLLECTION %
IDEA FUNDING		49,195	ELIM OF FED SEQUESTRATION CUTS
INTEREST EARNINGS		15,000	INCREASED EARNINGS
TITLE I AND II		14,891	ELIM OF FED SEQUESTRATION CUTS
INTERIM TAXES		(30,000)	DECREASED COLLECTIONS
HEALTH SVCS REIMB	-	(3,000)	DECREASE SUBSIDY
TOTAL REVENUES	96,759,287	97,685,291	

• BUDGET CHANGES SINCE FEB 18TH

	<u>ORIGINAL</u>	<u>2/26/2014</u>	
<u>EXPENDITURES</u>	99,852,325	99,852,325	
TUITION PAYMENTS		155,141	SPECIAL EDUCATION AND CHARTER SCHOOLS
PROF SVCS		118,315	SPECIAL EDUCATION - BASED ON EXPENSE TRENDS IN 13/14
NMTCC		66,000	DEBT SERVICE - BASED ON SUBMITTED BUDGET
SUPPLIES		11,381	FACILITIES - BASED ON EXPENSE TRENDS 13/14
MEDICAL		(228,373)	RATE DECREASE VS 13/14 BOTH MEDICAL (3.2%) AND RX (9%)
SPECIAL EDUCATION		(30,500)	LEGAL JUDGEMENTS - BASED ON 13/14 TRENDS
DECREASED UTILITIES		(65,500)	EXPENDITURE COMPARISON BETWEEN 12/13 AND 13/14
EQUIPMENT	-	<u>(6,000)</u>	SPECIAL EDUCATION AND FACILITIES - EXPENDITURE TRENDS 13/14
TOTAL EXPENDITURES	99,852,325	99,872,789	

• HISTORICAL BUDGET REDUCTIONS

- 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



• 5 YEAR BUDGET MODEL

- ADMINISTRATION BEGAN WORKING ON LONG-TERM BUDGET MODEL IN SEPTEMBER 2013. THIS MODEL PULLS HISTORICAL AUDITED DATA AS WELL AS FUTURE KNOWN COST INCREASES. THE IMPORTANCE OF THIS INFORMATION IS THAT IT PROVIDES INFORMATION TO MAKE PRUDENT SHORT AND LONG-TERM FINANCIAL DECISIONS.

