

Methacton



SCHOOL DISTRICT

2015-16 PROPOSED FINAL BUDGET

MAY 26, 2015 REGULAR SCHOOL BOARD MEETING

7:00PM

15/16 BUDGET PROCESS: PAST, PRESENT, FUTURE

- **SEPTEMBER 2014** – BUDGET CALENDAR DISTRIBUTED TO ALL ADMINISTRATIVE STAFF
- **NOVEMBER 14, 2014** – DEADLINE FOR ADMINISTRATION TO SUBMIT BUDGET REQUESTS
- **JANUARY 13, 2015** – INITIAL DRAFT BUDGET REVIEW WITH FINANCE COMMITTEE. FINANCE RECOMMENDS TO BOARD TO LIMIT TAX INCREASE TO ACT 1 INDEX
- **JANUARY 20, 2015** – SCHOOL BOARD AFFIRMS AND VOTES TO LIMIT TAX INCREASE TO ACT 1 LIMIT OF 1.9%
- **FEBRUARY 17, 2015** – UPDATED DRAFT BUDGET REVIEW WITH FINANCE COMMITTEE
- **MARCH 23, 2015** – UPDATED DRAFT BUDGET REVIEW WITH FINANCE COMMITTEE
- **APRIL 23, 2015** – DRAFT BUDGET UPDATE TO BOARD ALONG WITH TENTATIVE BUDGET APPROVAL TIMELINE BETWEEN PROPOSED FINAL AND FINAL BUDGET

15/16 BUDGET PROCESS: PAST, PRESENT, FUTURE - *Cont.*

- **MAY 14, 2015 – DRAFT BUDGET REVIEW WITH FINANCE COMMITTEE**
- **MAY 26, 2015** – PROPOSED FINAL BUDGET ADOPTION BY SCHOOL BOARD (PUBLIC NOTICE, CERTIFICATION OF USE, NEWSPAPER AD, PDE 2028)
- **JUNE 16, 2015** – PROPOSED FINAL BUDGET REVIEW/UPDATES WITH FINANCE COMMITTEE
- **JUNE 25, 2015** – FINAL BUDGET ADOPTION BY SCHOOL BOARD
- **JULY 1, 2015** – START OF 2015-16 FISCAL YEAR

SALARY SAVINGS— PROFESSIONAL STAFF

	TOTAL
15 RETIREMENT - SALARIES/BENEFITS 15/16	1,794,207
14 REPLACEMENTS - SALARIES/BENEFITS 15/16	<u>1,063,003</u>
SAVINGS	731,204
	+
4 CURRENT STAFF MOVING TO RETIREMENT OPENINGS	<u>303,715</u>
	=
TOTAL SAVINGS GENERATED	1,034,919

*POSITIONS ELIMINATED:

- 1 – SKYVIEW UPPER ELEMENTARY
- 1 – HS BUSINESS ED
- 1 – HS FCS
- 1 – HS TECH ED
- 1 - WORCESTER

**NO PROGRAMS ELIMINATED*

CHANGES TO BUDGET SINCE MARCH 23, 2015

MARCH 23, 2015

MEDICAL INSURANCE – 1.3% INCREASE = \$350K SAVINGS

DIESEL FUEL - \$1 PER GALLON SAVINGS = \$170K SAVINGS

TRANSPORTATION – REVISE PROJECTION = \$150K SAVINGS

SAVINGS = \$670K

MAY 14/26, 2015

WORK COMP = \$27K DECREASE

15 RETIREMENTS/5 NON-REPLACEMENTS = \$1.03M SAVINGS

ERIP INCENTIVE= \$150K INCREASE

SAVINGS = \$911K

G.TOTAL SAVINGS = \$1.58 MILLION

BUDGET COMPARISON BY OBJECT

<u>CATEGORY</u>	<u>2014-15</u>	<u>2015-16</u>	<u>DIFF</u>	<u>% DIFF</u>	<u>EXPLANATION</u>
100 SALARIES	\$42,567,227	\$42,479,023	(\$88,204)	-0.21%	ERIP INCENTIVE – 5 FEWER POSITIONS
200 BENEFITS	24,362,190	25,988,904	\$1,626,714	6.68%	PSERS, MEDICAL, NEW STAFF
300 PROF. SERVICES	5,524,249	6,012,685	\$488,436	8.84%	TITLE II FROM SALARIES TO STAFF DEV, LEGAL SVCS, COMMUNITY ED INSTRUCTORS
400 PROPERTY SERVICES	2,331,407	2,503,842	\$172,435	7.40%	TECHNOLOGY REPAIRS, MAINTENANCE, COPIER LEASES, ATHLETIC REPAIRS/MAINT
500 OTHER PURCH. SVCS	9,483,940	9,759,594	\$275,654	2.91%	DIESEL, FIRST STUDENT
600 SUPPLIES	3,405,570	2,621,705	(\$783,865)	-23.02%	REMOVE FUEL, ATHLETIC RECODING
700 PROPERTY	1,294,503	1,211,969	(\$82,534)	-6.38%	REDUCE INSTRUCTIONAL EQUIP
800 OTHER OBJECTS	4,529,572	4,594,099	\$64,527	1.42%	DUES/FEES/BONDS INTEREST – BUDGETARY RESERVE
900 OTHER FIN USES	6,058,713	6,035,749	(\$22,964)	-0.38%	BONDS PRINCIPAL – CAPITAL RESERVE
TOTAL	\$99,557,372	\$101,207,570	\$1,650,198	1.66%	

PSERS IMPACT GOING FORWARD

<u>FISCAL YR</u>	<u>SALARIES</u>	<u>PSERS</u>	<u>TOTAL CONTR</u>	<u>GROSS INCREASE</u>	<u>NET INCREASE</u>
2014-15	42,567,227	21.40%	9,109,387	n/a	
2015-16	42,479,023	25.84%	10,976,580	1,867,193	933,596
2016-17	43,753,394	29.27%	12,806,618	1,830,039	915,019
2017-18	45,065,996	30.25%	13,632,464	825,845	412,923
2018-19	46,417,975	31.28%	14,519,543	887,079	443,540
2019-20	47,810,515	32.08%	15,337,613	818,070	409,035

TOTAL NET INCREASE = \$3,114,113

SUSTAINABILITY INITIATIVES

CAPITAL RESERVE – \$100K IN 14/15 TO \$200K IN 15/16

SHANNONDELL TAX APPEAL - \$500K FOR 15/16

BUDGET RESERVE - \$200K

EACH ONE OF THE ABOVE ITEMS WAS PART OF THE DISTRICT'S ONGOING LONG-TERM SUSTAINABILITY PLAN TO ADDRESS OUR FACILITY NEEDS, ONGOING TAX ASSESSMENT APPEALS, AND UNANTICIPATED EXPENDITURES

BUDGET UPDATE: MAY 26, 2015

	<u>2015-16</u>
REVENUES	100,229,734
*FUND BALANCE	977,836
EXPENDITURES	<u>101,207,570</u>
SURPLUS/(DEFICIT)	\$0
TAX INCREASE	\$0
AVG TAX BILL INC*	\$0

*AS OF JUNE 30, 2014, THE DISTRICT HAD AN AUDITED FUND BALANCE OF \$5.2 MILLION. THE FUND BALANCE TO BE USED TO BALANCE THE 15/16 BUDGET WILL NOT DECREASE THE AUDITED FUND BALANCE. THE PROCEEDS FROM ONE-TIME NON RECURRING REVENUES IN 2014-15 WILL BE USED. FOLLOWING THE 2014-2015 FINANCIAL AUDIT DUE IN OCTOBER OF 2015, THE REMAINING BALANCE WILL BE REVIEWED BY FINANCE COMMITTEE FOR RECOMMENDATION TO THE BOARD FOR PLACEMENT INTO THE FUND BALANCE AND/OR CAPITAL RESERVE.

TAX BILL CALCULATION: MEDIAN ASSESSMENT = \$172,880 X MILLAGE RATE / 1,000 = TAX BILL. THIS AMOUNT DOES NOT INCLUDE HOMESTEAD EXCLUSION AMOUNT