

METHACTON SCHOOL DISTRICT

2016-17 PRELIMINARY BUDGET UPDATE – 2/16/16

PRELIMINARY BUDGET – JANUARY 26, 2016

• EXPENDITURES - \$106,866,172

• REVENUES - \$101,600,222

SHORT (\$ 5,265,950)

TAX INC. 6.74%

5 - YEAR BUDGET PROJECTION MODEL

		BUDGET	PRELIM. BUDGET	PROJECTION EST. BUDGET	PROJECTION EST. BUDGET	PROJECTION EST.BUDGET	PROJECTION EST.BUDGET
BUDGET AREA DESCRIPTION		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
EXPENDITURES*	TOTAL	101,124,091	105,973,999	110,749,035	115,637,434	120,907,239	126,257,760
REVENUES*	TOTAL	101,124,091	101,829,415	103,013,146	104,059,615	104,580,165	105,103,424
SURPLUS/(DEFICIT)			(4,144,584)	(7,735,889)	(11,577,819)	(16,327,074)	(21,154,337)

**PROJECTION AS OF FEB 16, 2016. THIS INFORMATION IS BASED ON 13 YRS OF HISTORICAL AUDITED NUMBERS. NO TAX INCREASE IS REFLECTED ON REVENUES.*

PSERS IMPACT – 2016-17 TO 2020-21

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
SALARIES – EST 3% - 17/18 FORWARD	42,479,023	43,944,157	45,262,482	46,620,356	48,018,967	49,459,536
PSERS RATE	25.84%	30.03%	30.62%	31.56%	32.23%	32.02%
CONTRIBUTION	10,976,579	13,196,430	13,859,372	14,713,384	15,476,513	15,836,943
INCREASE YR TO YR		2,219,851	662,942	854,013	763,129	360,430

THIS REFLECTS EXPENDITURES SIDE ONLY OF PSERS IMPACT. STATE CURRENTLY REIMB 50% OF TOTAL COSTS.

2016-17 BUDGET CHANGES – PRELIMINARY BUDGET (1/26/15) TO PRESENT (2/16/16)

EMPLOYEE MEDICAL INSURANCE	(\$551K) – 5% TO 1.9%
DEBT REFUNDING	(\$130K) – 2009 G.O. BOND
DIESEL FUEL	(\$102K) - \$.74 CENT REDUCTION
DEPARTMENT/BUILDING REDUCTIONS	(\$ 96K) - BUDGET REDUCTIONS
EMPLOYEE SALARIES/FICA/RETIRE	<u>(\$ 18K)</u> - BASED ON CURRENT PROJECTIONS
TOTAL EXPENDITURE SAVINGS	(\$897K) – TOTAL FROM ABOVE
LOCAL REVENUES	\$228K – TAXABLE ASSESSMENTS
TOTAL BUDGET SAVINGS	\$1.1M
1/26/16 PRELIMINARY BUDGET SHORT	\$5.2 MILLION
2/16/16 PRELIMINARY BUDGET SHORT	\$4.1 MILLION

RECOMMENDATIONS TO ADDRESS THE 2016-17 PRELIMINARY BUDGET SHORT

- DEBT REFUNDING/RESTRUCTURING
- CONTINUE BUILDING AND DEPARTMENTAL BUDGET REVIEW
- TRANSPORTATION ROUTE REVIEW
- EXPAND EMPLOYEE MEDICAL WAIVER INCENTIVE
- PROFESSIONAL STAFF EARLY RETIREMENT INCENTIVE

BUDGET SHORT RECOMMENDATIONS – 2016-17

	2016-17 AS OF 1/26	2016-17 AS OF 2/16	DIFFERENCE
EXPENDITURES	106,866,172	105,973,999	(892,173)
REVENUES	<u>101,600,222</u>	<u>101,829,414</u>	<u>229,192</u>
BUDGET SHORT	(5,265,950)	(4,144,585)	1,121,365
INDEX INCREASE – 2.4%	1,615,028	1,615,028	0
PSERS – 1.32%	889,470	889,470	0
SHORT (W/ACT 1 - 2.4% + PSERS EXCEPTION)	(2,761,452)	(1,640,086)	1,121,365
DEBT RESTRUCTURE – EST.	870,000	870,000	0
ERIP – EST.	300,000	300,000	0
BUS ROUTE REVIEW – EST.	250,000	250,000	0
REMAINING SHORT	(1,341,452)	(220,086)	1,121,365

CURRENT AND FUTURE BUDGET UNKNOWNNS

- STATE BUDGET FUNDING – BOTH 15/16 AND 16/17
- FEDERAL FUNDING – 16/17
- SCHOOL CONSOLIDATION – 17/18
- TAX ASSESSMENT APPEALS - ONGOING
- HIGH SCHOOL SCHEDULE REVIEW – DECEMBER 2016
- STAFFING - ONGOING
- FACILITIES ASSESSMENT – SUMMER 2016
- 3RD LOOK MEDICAL/RX INCREASE – MARCH/APRIL 2016
- CONTRACT NEGOTIATIONS – JANUARY 2017