

Presented 03/10/2021

Methacton School District

2021-2022

Budget Update – March

Revenue Changes

- Assessments increased by \$423,390.
- Millage changed to 2.768%.
- Staffing updated changing social security and PSERS.
- Transportation Subsidy updated to reflect the 2020-2021 actual amount.
- Interest Income updated to reflect current balances.
- Reach Grant received and added to budget.

Local		
Preliminary Budget		\$90,454,646.24
Changes		(\$168,400.95)
REAL ESTATE TAX	(\$168,400.95)	
February Update		\$90,286,245.29
State		
Preliminary Budget		\$24,428,182.81
Changes		\$58,217.10
Interest Income	\$17,449.73	
Social Security	(\$8,091.90)	
Retirement	(\$35,937.71)	
Transportation Sub Pub	(\$21,363.02)	
Transportation Sub Non-Pub	\$6,160.00	
Reach Grant	\$100,000.00	
February Update		\$24,486,399.91
Federal		
Preliminary Budget		\$623,009.82
Changes		\$0.00
February Update		\$623,009.82
Total Revenue		
Preliminary Budget		\$115,505,838.87
Changes		(\$110,183.85)
February Update		\$115,395,655.02

Historical Millage Rates

School District	17-18	18-19	19-20	20-21	4 Yr Inc.	4 Yr Rank Low to High
ABINGTON	31.7700	31.7700	31.7700	31.7700	0.0000	1
CHELTENHAM	45.9511	47.0539	48.2773	49.5325	3.5814	21
COLONIAL	21.4040	21.9170	22.7720	23.3640	1.9600	10
HATBORO-HORSHAM	28.1410	28.8020	29.4740	30.0240	1.8830	8
JENKINTOWN	40.3000	41.2672	42.2143	43.3043	3.0043	19
LOWER MERION	28.0740	28.7477	29.4088	30.1734	2.0994	12
LOWER MORELAND	34.3069	35.1906	35.8576	36.7205	2.4136	16
METHACTON	29.4585	30.0431	30.3781	30.8534	1.3949	6
NORRISTOWN	35.8790	36.9190	37.9520	39.2040	3.3250	20
NORTH PENN	24.6704	25.5090	26.0957	26.7742	2.1038	13
PERKIOMEN VALLEY	32.3500	33.2300	33.7200	34.5100	2.1600	14
POTTSGROVE	37.8630	37.8630	38.1020	38.1020	0.2390	2
POTTSTOWN	39.2522	40.6260	41.9666	41.9667	2.7145	18
SOUDERTON	28.9259	29.6201	30.0495	30.3200	1.3941	5
SPRINGFIELD	32.3913	33.0654	33.7102	34.4687	2.0774	11
SPRING-FORD	26.2442	26.8599	27.4777	28.1869	1.9427	9
UPPER DUBLIN	33.0254	33.6826	34.4202	35.2634	2.2380	15
UPPER MERION	19.4300	19.8900	20.3400	20.7600	1.3300	4
UPPER MORELAND	30.1366	30.8598	31.7559	32.5816	2.4450	17
UPPER PERKIOMEN	24.3479	24.5407	25.2278	25.2278	0.8799	3
WISSAHICKON	19.4400	20.0200	20.5900	21.1200	1.6800	7

Impact to Home Owners

REAL ESTATE TAX ANALYSIS

- Current Real Estate tax rate 2019/20 = **30.8534 mills**
- Proposed Real Estate tax rate 2020/21 = **31.7074 mills**

\$ Total Increase of 2.77% (or 0.854 mills)

\$ Increase of 0.0000 mills for Special Education Exception

\$ Increase of 0.0000 mills for PESRS Exception

Estimated increased tax bill for a home assessed at the district average of \$174,280 is \$148.84

Overall tax bill calculation: 31.7074 (millage) X \$174,280 = \$5,525.97

Estimated tax bill for other home assessed values (based on 2.77% increase = 0.8540 mills or 31.7074 mills):

Value*	Assessment	Increase	Total Tax
\$106,500.00	\$50,000.00	\$42.70	\$1,585.37
\$159,750.00	\$75,000.00	\$64.05	\$2,378.06
\$213,000.00	\$100,000.00	\$85.40	\$3,170.74
\$319,500.00	\$150,000.00	\$128.10	\$4,756.11
\$426,000.00	\$200,000.00	\$170.80	\$6,341.48
\$852,000.00	\$400,000.00	\$341.60	\$12,682.96
\$1,278,000.00	\$600,000.00	\$512.40	\$19,024.44
\$1,704,000.00	\$800,000.00	\$683.20	\$25,365.92
\$2,130,000.00	\$1,000,000.00	\$854.00	\$31,707.40

[Find your home's assessed values in Montgomery County PA at www.propertyrecords.montcopa.org](http://www.propertyrecords.montcopa.org)

* Montgomery County Common Level Ratio is 2.13 as of July 1, 2019 (<https://www.montcopa.org/2710/Realty-Transfer-Tax>)

Expenditure Changes

- Staffing updated changing salary, social security, PSERS and health care benefits.
- 2nd Look Health Care rates incorporated into budget.
- NMTCC budget updated with lease removed.
- Charter school costs reduced due to committing of funds.
- Final technology lease costs used.
- Debt Service updated to reflect the payoff of the ESCO lease.

Salary		
February Update		\$48,543,846.62
Changes		(\$205,711.00)
Salary	(\$205,711.00)	
February Update Salary		\$48,338,135.62
Benefits		
February Update		\$32,590,234.41
Changes		\$185,427.31
Medical Insurance	\$260,050.40	
Prescription Insurance	\$10,256.47	
Eye Care Insurance	\$248.28	
Dental Insurance	\$2,931.37	
Social Security Contrib	(\$16,183.81)	
Retirement Contrib	(\$71,875.40)	
February Update Benefits		\$32,775,661.72
Total Salary & Benefits		
Preliminary Budget		\$81,134,081.03
Changes		(\$20,283.69)
February Update Salary & Benefits		\$81,113,797.34

Operating Expenses		
February Update		\$24,323,240.87
Changes		(\$600,355.94)
NMTCC Bud. less Lease	(\$97,468.88)	
Charter Sch. Reduction	(\$501,088.06)	
Final Tech Lease	(\$1,799.00)	
February Update Operating Expenses		\$23,722,884.93
Debt Service & Transfers		
February Update		\$10,722,551.44
Changes		(\$163,578.69)
Debt Interest Pmts	(\$39,421.16)	
Debt Principal Pmts	(\$124,157.53)	
February Update Debt Service & Transfers		\$10,558,972.75
Total Expenditures		
February Update		\$116,179,873.34
Changes		(\$784,218.32)
February Update Total Expenditures		\$115,395,655.02

Health Care 2nd Look Increases								
Plan	OC 1	OC 2	OC 3	OC 4	Rx 10/20/35	Rx 15/25/40	Dental	Vision
Increase	13.85%	15.04%	14.44%	10.00%	21.15%	0.00%	0.00%	0.00%

Current Budget Status

Summary

Revenue	Preliminary Budget	Change	February Update
Local	\$90,454,646.24	(\$168,400.95)	\$90,286,245.29
State	\$24,428,182.81	\$58,217.10	\$24,486,399.91
Federal	\$623,009.82	\$0.00	\$623,009.82
Total	\$115,505,838.87	(\$110,183.85)	\$115,395,655.02
Expenditures	Preliminary Budget	Change	February Update
Salary	\$48,543,846.62	(\$205,711.00)	\$48,338,135.62
Benefits	\$32,590,234.41	\$185,427.31	\$32,775,661.72
Operating Expenses	\$24,323,240.87	(\$600,355.94)	\$23,722,884.93
Debt Service & Transfers	\$10,722,551.44	(\$163,578.69)	\$10,558,972.75
Total	\$116,179,873.34	(\$784,218.32)	\$115,395,655.02
Surplus / (Shortfall)	(\$674,034.47)	\$674,034.47	(\$0.00)

Year to Year Comparison

Category	2019-2020 A	2019-2020 B	2020-2021	2021-2022	Change	Change % 20-21 v 21-22
Salary	\$45,455,469.22	\$46,778,495.09	\$46,231,853.83	\$48,338,135.62	\$2,106,281.79	4.56%
Benefits	\$29,010,336.49	\$30,244,354.45	\$30,628,490.21	\$32,775,661.72	\$2,147,171.51	7.01%
Operating Expenses	\$23,604,116.83	\$24,516,754.11	\$23,553,203.58	\$23,719,884.93	\$166,681.35	0.71%
Debt	\$10,368,728.37	\$10,324,005.00	\$11,376,653.15	\$10,561,972.75	(\$814,680.40)	(7.16%)
Total	\$108,438,650.91	\$111,863,608.65	\$111,790,200.77	\$115,395,655.02	\$3,605,454.25	3.23%

- Salary
 - Increase due to contractual obligations and estimated impact of open contracts (MESPA, Teamsters, Confidential, & MAO).
- Benefits
 - Health Care increases – Medical is the main contributor by \$1.1M.
 - PSERS increased rate applied to staffing salaries at increased rates \$926k.
- Operational Costs
 - Increase in utilities
 - Increase in contractual transportation costs.
- Debt Service
 - Reduction includes the removal of the ESCO and NMTCC leases.

Timeline and Key Items

April	May	June
March EOM Assessments Millage (if applicable)	April EOM Assessments Millage (if applicable)	May EOM Assessments Millage (if applicable)
3rd Look Medical & Rx Workman's Comp Salaries - Staff Chgs Benefits - Staff Chgs	Property/EO Insurance Salaries - Staff Chgs Benefits - Staff Chgs	Salaries - Staff Chgs Benefits - Staff Chgs

- ❖ All major changes with the control of the School District have been incorporated into the budget with the above items being the only remaining items.
- ❖ Based on the remaining items above the projected Millage increase will be roughly 2.7% when the final budget is presented for approval.