

Presented 04/10/2024

Methacton School District

2024-2025

Proposed Final Budget

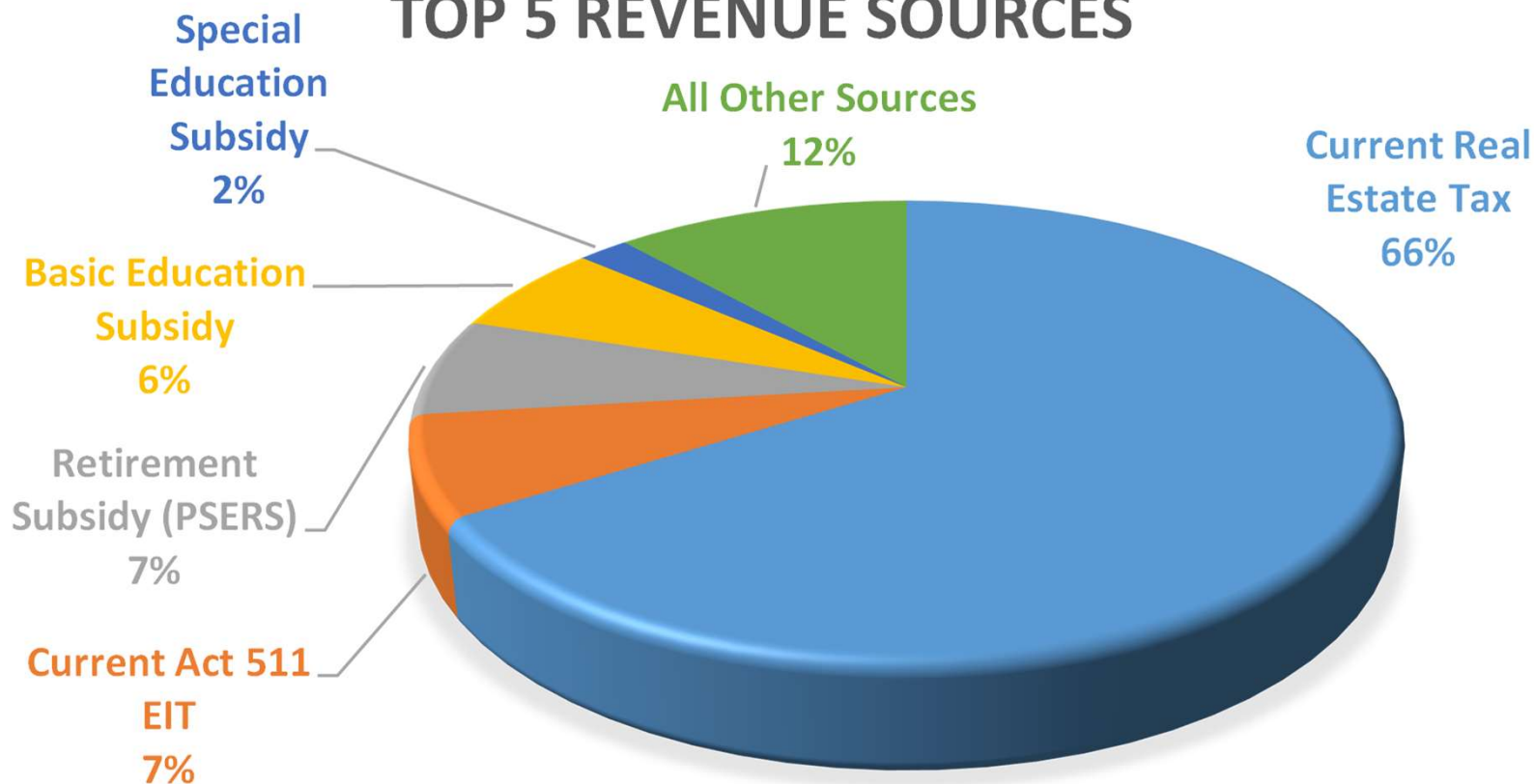
Timeline

<u>Budgetary Item</u>
Full Board Review 2024-2025 Act 1 Index Status
Board authorization to make available for public inspection – or – adopt Resolution not to increase taxes above the Act 1 Index – Deadline January 4, 2024 or 20 days prior to Preliminary Budget Adoption
Authorize to publicly advertise Proposed Preliminary Budget and Referendum Exceptions Deadline January 14, 2024 or 10 days prior to preliminary budget adoption to advertise Deadline for Referendum is February 8, 2024
If Resolution to increase taxes above the Act 1 Index is not adopted on January 4, 2024, then full Board to Adopt Proposed Preliminary Budget Deadline January 24, 2024
Special Meeting for adoption of Proposed Final Budget/Advertise Final Adoption Date and submit Certification of Use to PDE
Board Adoption of Final 2024-2025 Budget Deadline is June 30, 2024

<u>Date</u>	<u>Action</u>
11/28/2023	
12/4/2023	Board authorization to make Prelim. Budget available for public inspection Authorize to publicly advertise Proposed Preliminary Budget and Exceptions
1/23/2024	Adopt the Preliminary Budget
4/24/2024	Adopt the Proposed Final Budget & Advertise Final Adoption Date (04/25/24)
5/28/2024	Adopt Final 2024-2025 Budget

2024-2025 Proposed Final Budget Revenue Summary

TOP 5 REVENUE SOURCES



Revenue Source	Amount	Percent
Current Real Estate Tax	\$88,607,140	66.0%
Current Act 511 EIT	\$9,500,000	7.1%
Retirement Subsidy (PSERS)	\$9,261,703	6.9%
Basic Education Subsidy	\$8,614,773	6.4%
Special Education Subsidy	\$2,682,395	2.0%
All Other Sources	\$15,587,266	11.6%
Total Revenue Source	\$134,253,276	

Revenue Source	Amount	Percent
Local Revenue	\$105,820,318	78.8%
State Revenue	\$28,016,036	20.9%
Federal Revenue	\$416,922	0.3%
Other Revenue	\$0	0.0%
Revenue Total	\$134,253,276	

2024-2025 Proposed Final Budget

Local Revenue

LOCAL REVENUE

- Real Estate Taxes total \$88.6M
 - Millage Rate increased by 4.98%; ACT 1 is 5.30%
 - Collection Rate is 96.93%
 - Based on Assessed Values as of April 2023
- EIT projection by Berkheimer is \$9.50M
- Interest Income is projected to be \$1.91M
- RE Transfer Taxes are projected to be \$1.63M
- Delinquent Real Estate Taxes are projected to be \$1.10M
- All Other Local Revenue totals \$3.07M

Local Revenue Summary

Revenue Source	Amount	Percent
Current Real Estate Tax	\$88,607,140	66.0%
Current Act 511 EIT	\$9,500,000	7.1%
Interest On Investments	\$1,912,399	1.4%
Curr Act 511 Real Est	\$1,627,735	1.2%
Delinquent Real Estate	\$1,098,903	0.8%
All Other Sources	\$3,074,141	2.3%
Total Revenue Source	\$105,820,318	

2024-2025 Proposed Final Budget

Real Estate Tax Calculation

	2024-2025 Proposed Final	2023-2024 Final	Variance
Taxable Assessed Value	\$2,741,043,071	\$2,727,069,180	\$13,973,891
Millage Increase	4.9800%	3.1500%	1.83%
MILLAGE RATE	34.2751	32.6492	1.6259
Gross TAX LEVY	\$93,949,525	\$89,036,627	\$4,912,898
PSERS Exception	\$0	\$0	\$0
SE Exception	\$0	\$0	\$0
Gross Tax Levy Adjustment	\$0	\$0	\$0
Adjusted Millage	34.2751	32.6492	1.6259
Adjusted Act 1	4.9800%	3.1500%	1.83%
Less Gaming Funds	(\$2,540,604)	(\$2,540,604)	\$0
Net Tax Levy	\$91,408,922	\$86,496,023	\$4,912,898
COLLECTION RATE*	96.93%	96.97%	(0.03%)
Gross Current Real Estate Taxes	\$88,607,140	\$83,873,829	\$4,733,311

Factoring in Discounts/Penalties, Return to County, Escrow, and Refunds, the actual collection rate has been:

20/21 FY=97.00%
21/22 FY=96.92%
22/23 FY=96.83%

BUDGET COLLECTION RATE **24/25 FY=96.93%**

Collection Rate Determined Annually by using a trailing 3 year average.

2024-2025 Proposed Final Budget Property Tax Analysis

REAL ESTATE TAX ANALYSIS

○ Current Real Estate tax rate 2023/24 = **32.6492 mills**

○ Proposed Real Estate tax rate 2024/25 = **34.2751 mills**

§ Total Increase of 4.9800% (or 1.6259 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 \$175,820 is \$285.87

Overall tax bill calculation: 34.2751 (millage) X \$175,820 = \$6,026.25

Estimated tax bill for other home assessed values (based on 4.98% increase = 1.6259 mills or 34.2751 mills):

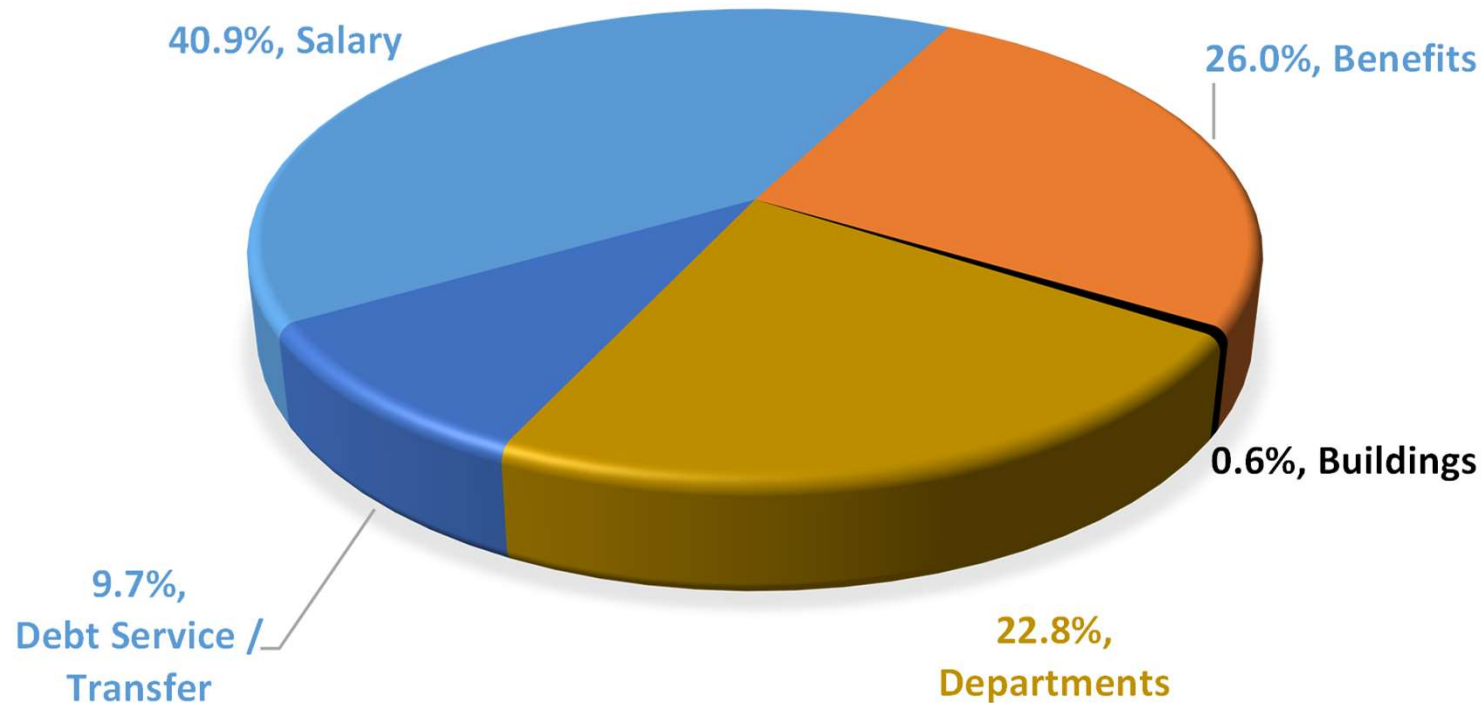
Value*	Assessment	Increase	Total Tax	
\$100,000.00	\$39,525.69	\$64.26	\$1,354.75	
\$150,000.00	\$59,288.54	\$96.40	\$2,032.12	
\$200,000.00	\$79,051.38	\$128.53	\$2,709.49	
\$250,000.00	\$98,814.23	\$160.66	\$3,386.87	
\$300,000.00	\$118,577.08	\$192.79	\$4,064.24	
\$400,000.00	\$158,102.77	\$257.06	\$5,418.99	
\$444,824.60	\$175,820.00	\$285.87	\$6,026.25	MSD Avg.
\$500,000.00	\$197,628.46	\$321.32	\$6,773.74	
\$1,000,000.00	\$395,256.92	\$642.65	\$13,547.47	
\$2,000,000.00	\$790,513.83	\$1,285.30	\$27,094.94	

[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 2.53 as of July 1, 2022 (<https://www.montcopa.org/2710/Realty-Transfer-Tax>)

2024-2025 Proposed Final Budget Expenditure Summary

EXPENDITURES



Expenditure	Amount	Percent
Salary	\$54,922,211	40.9%
Benefits	\$34,903,190	26.0%
Buildings	\$758,611	0.6%
Departments	\$30,662,522	22.8%
Debt Service / Transfer	\$13,006,743	9.7%
Expenditure Total	\$134,253,276	

2024-2025 Proposed Final Budget Staffing Review

	PROFESSIONAL STAFF				SUPPORT & MAINTENANCE				ADMINISTRATORS				TOTAL			
	Budget 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25	Budget 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25	Budget 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25	BOY 23-24	Changes 23-24 FY	Budget Changes	Budget 24-25
Arrowhead	38.60	-	-	38.60	14.41	0.87	(0.87)	14.41	1.25	-	-	1.25	54.26	0.87	(0.87)	54.26
Eagleville	37.80	(1.00)	-	36.80	14.45	(0.40)	(0.87)	13.18	1.25	-	-	1.25	53.50	(1.40)	(0.87)	51.23
Woodland	39.80	1.00	-	40.80	14.62	0.07	(0.87)	13.82	1.25	-	-	1.25	55.67	1.07	(0.87)	55.87
Worcester	37.90	1.00	-	38.90	13.61	(0.80)	(0.87)	11.94	1.25	-	-	1.25	52.76	0.20	(0.87)	52.09
Skyview	61.40	-	-	61.40	24.24	2.04	-	26.28	2.50	-	-	2.50	88.14	2.04	-	90.18
Arcola	64.60	0.05	-	64.65	21.15	(1.17)	-	19.98	2.50	-	-	2.50	88.25	(1.12)	-	87.13
MHS	125.40	(1.05)	-	124.35	41.46	(1.79)	(1.74)	37.93	6.00	-	-	6.00	172.86	(2.84)	(1.74)	168.28
District / Facilities	3.00	-	2.00	5.00	22.49	2.71	(1.00)	24.20	3.00	-	-	3.00	28.49	2.71	1.00	32.20
Farina	-	-	-	-	22.00	1.00	-	23.00	12.00	-	1.00	13.00	34.00	1.00	1.00	36.00
Total	408.50	-	2.00	410.50	188.43	2.53	(6.22)	184.74	31.00	-	1.00	32.00	627.93	2.53	(3.22)	627.24

- Summary of Staffing Changes
 - Removed: Accounting Specialist, Drivers Ed Paraprofessional, Instructional Aide, and 4 PCAs
 - Added: 2 Math Specialist
 - Removed: Coordinator of Technology position
 - Added: Assistant Director Technology and System Administrator

2024-2025 Proposed Final Budget

Top Ten Expenditures

Rank	Amount	% of Budget	Category
1	\$38,961,858.98	29.02%	Professional Educational - Reg Salaries
2	\$18,523,406.60	13.80%	PSERS
3	\$9,261,301.64	6.90%	Medical Insurance
4	\$7,476,976.92	5.57%	Contracted Carriers
5	\$7,190,000.00	5.36%	Serial Bonds – Principal Payments
6	\$4,975,588.48	3.71%	Administration - Reg Salaries
7	\$4,650,792.55	3.46%	Professional Educational Services – Other
8	\$4,190,825.78	3.12%	Social Security
9	\$3,664,838.00	2.73%	Other Professional Services
10	\$3,277,452.77	2.44%	Interest – Serial Bonds
All Other	\$32,080,234.72	23.90%	
Total	\$134,253,276	100.00%	

2024-2025 Proposed Final Budget Revenue Changes by Month

Preliminary Budget		\$133,113,892	February Budget Presentation		\$134,325,935	March Budget Presentation		\$134,313,121
CHANGES EACH ROUND	Real Estate Tax	\$990,874	Real Estate Tax	(\$55,593)	Real Estate Tax	(\$60,754)		
	Interest Income	\$15,018	Interest Income	(\$69,222)	Interest Income	(\$24,112)		
	Social Security	\$34	Social Security	\$576	Social Security	\$4,607		
	Retirement	\$153	Retirement	\$2,113	Retirement	\$20,415		
	Occupational Privilege Tax	\$5,000	Pupil Transportation	\$95,067				
	Earned Income Tax	\$200,000	Nonpublic Transportation	\$14,245				
	Activity Fees	\$1,013						
	Tuition Adult Evening School	(\$48)						
	Total Revenue Changes	\$1,212,044	Total Revenue Changes	(\$12,815)	Total Revenue Changes	(\$59,844)		
February Budget Presentation		\$134,325,935	March Budget Presentation		\$134,313,121	Proposed Final Budget		\$134,253,276

2024-2025 Proposed Final Budget Expenditure Changes by Month

Preliminary Budget		\$133,113,892	February Budget Presentation		\$134,325,935	March Budget Presentation		\$134,313,121
CHANGES EACH ROUND	Medical Insurance	\$52,629	Salary	\$12,944	Salary	\$120,441		
	Med/Rx/Vis/Dent/Worker Comp	\$2,767	Med/Rx/Vis/Dent/Worker Comp	\$2,767	Med/Rx/Vis/Dent/Worker Comp	(\$377,350)		
	Retirement (PSERS & SS)	\$5,378	Retirement (PSERS & SS)	\$5,378	Retirement (PSERS & SS)	\$50,043		
	MCIU Membership	(\$74)	North Montco Tech Career Center	\$27,274	Insurance	\$20,989		
	Bonds	\$1,021,053	Disposal Costs	\$19,879	Security	\$172,265		
	Transfers	\$125,000	Technology Software	\$1,360	Substitutes	\$208,535		
			Transportation IU Costs	(\$56,742)	Spec. Ed Prof Svcs	(\$254,767)		
			Athletics	\$9,200				
			Technology Lease	(\$34,876)				
	Total Expenditure Changes	\$1,206,753	Total Expenditure Changes	(\$12,815)	Total Expenditure Changes	(\$59,844)		
February Budget Presentation		\$134,320,644	March Budget Presentation		\$134,313,121	Proposed Final Budget		\$134,253,276

2024-2025 Proposed Final Budget Summary

Proposed Final Budget Millage Increase Required 4.98%

Revenue	Prelim Budget	February	March	Proposed Final
Local Revenue	\$104,818,143	\$106,030,000	\$105,905,184	\$105,820,318
State Revenue	\$27,878,826	\$27,879,013	\$27,991,014	\$28,016,036
Federal Revenue	\$416,922	\$416,922	\$416,922	\$416,922
Other Revenue	\$0	\$0	\$0	\$0
Revenue Total	\$133,113,892	\$134,325,935	\$134,313,121	\$134,253,276

Expenditures	Prelim Budget	February	March	Proposed Final
Salary	\$54,787,923	\$54,788,825	\$54,801,769	\$54,922,211
Benefits	\$35,157,189	\$35,222,352	\$35,230,497	\$34,903,190
Buildings & Departm	\$31,273,214	\$31,273,140	\$31,274,112	\$31,421,133
Debt Service / Transf	\$11,895,566	\$13,041,619	\$13,006,743	\$13,006,743
Expenditure Total	\$133,113,892	\$134,325,935	\$134,313,121	\$134,253,276

2024-2025 Proposed Final Budget

Increased Revenue Source Explanation

2023-2024	Budgtd Revenue	\$126,585,115
2024-2025	Budgtd Revenue	\$134,253,276
Change in Budget		\$7,668,161

Key Areas of Change		
Revenue Source	Amount	%
Local Real Estate Taxes	\$4,733,311	61.7%
Basic Subsidy	\$731,915	9.5%
Earned Income Tax (EIT)	\$650,000	8.5%
Retirement (PSERS)	\$446,677	5.8%
Interest Income	\$354,713	4.6%
Interim Real Estate Taxes	\$255,709	3.3%
Real Estate Transfer Tax	\$142,981	1.9%
Transportation Subsidy	\$109,785	1.4%
Social Security	\$112,818	1.5%
Total of Key Areas of Change	\$7,537,908	98.3%
Remaining Variance	\$130,253	1.7%

- Local Real Estate Taxes
 - Assessments \$2.74B
 - Millage Increase 4.98%
 - Collection Rate of 96.93%
- Basic Education Subsidy based on current year allocation
- Earned Income Tax projections from Berkheimer at the high end of the projection
- PSERS & Social Security is 50% of the associated expenses
- Interest Income based on current balances and rates
- Interim Real Estate Taxes based on trend of homes coming on line
- Real Estate Transfer Taxes based on trending sales information
- Transportation Subsidy based on actual subsidy information from the state

2024-2025 Proposed Final Budget

Increased Expenditures Explanation

2023-2024	Budgtd Expenditures	\$126,585,115
2024-2025	Budgtd Expenditures	\$134,253,276
Change in Budget		\$7,668,161

Key Areas of Change		
Expenditures	Amount	%
Salaries	\$2,071,160	27.0%
Benefits	\$1,803,731	23.5%
Special Education Costs	\$1,776,235	23.2%
Substitutes	\$542,987	7.1%
Transportation Costs	\$357,306	4.7%
Facility & Maintenance Costs	\$268,307	3.5%
Legal	\$213,000	2.8%
Charter Schools	\$205,600	2.7%
Bond Increased Costs	\$201,442	2.6%
Total of Key Areas of Change	\$7,439,767	97.0%
Remaining Variance	\$228,394	3.0%

- Salaries are based on staffing changes and contractual obligations
- Benefits
 - Medical and Prescription increased by 12% (\$1.05M increase)
 - PSERS increased by \$650k, despite rate dropping .1% to 33.9%
- Special Education costs have been increased, which is evident by MSD qualified for the Special Education Exception to the Act 1 Index. This increase aligns the budget to actual costs incurred
- Substitute increase includes contractual staff days allotted for Professional Staff and Nurses, and 3 LTS required for coaching
- Transportation costs increased based on the contract
- Maintenance costs increased in utilities, disposal, and HVAC repairs
- Legal increased costs associated with general legal counsel, Right To Know and Special Education
- Charter schools are based on 78 Reg Ed and 23 Spec Ed students
- Bond increase is based on a \$10M bond, the amount is net of the reduction that would have occurred.

2024-2025 Budget Remaining Timeline and Key Variables

Remaining Updates by Month

February	March	April	May
February EOM Assessments	March EOM Assessments	April EOM Assessments	May EOM Assessments
Millage (if applicable)	Millage (if applicable)	Millage (if applicable)	Millage (if applicable)
Staffing Changes	Staffing Changes	Staffing Changes	Staffing Changes
Charter School Adjustments	Charter School Adjustments	Charter School Adjustments	Charter School Adjustments
2nd Look Medical & Rx	NMTCC actual Cost	3rd Look Medical & Rx	Property/EO Insurance
	Workman's Comp	Technology Lease Actual	Budgetary Reserve

APPENDIX

- Budget Process History
 - 11/21/2023 – Act 1 Index Presentation
 - 01/10/2024 – Preliminary Budget Presentation to Finance Committee
 - 02/15-2024 – Budget update presented to Finance Committee
 - 02/27/2024 – Budget update presented to School Board
 - 03/13-2024 – Budget update presented to Finance Committee
 - 03/26/2024 – Budget update presented to School Board
 - 04/10/2024 – Proposed Final Budget presented to Finance Committee