

# MUHLENBERG SCHOOL DISTRICT

TOWNHALL MEETING

APRIL 27, 2011

# Entity as a Whole

- Governmental Funds
  - General Fund
  - Capital Project
  - Debt Service
  - Athletic Fund
- Proprietary Fund
  - Food Service
- Fiduciary Funds
  - Private Purpose Trust Fund
  - Agency Fund Student Activities

# General Fund

- General operating fund of the District
- Annual Budget
- Debt service payments
- Capital project (capital reserve)

# Budget Process

- Act 1 Timeline
- Preliminary estimates
- Monitoring process
- Proposed in May
- Adopted in June

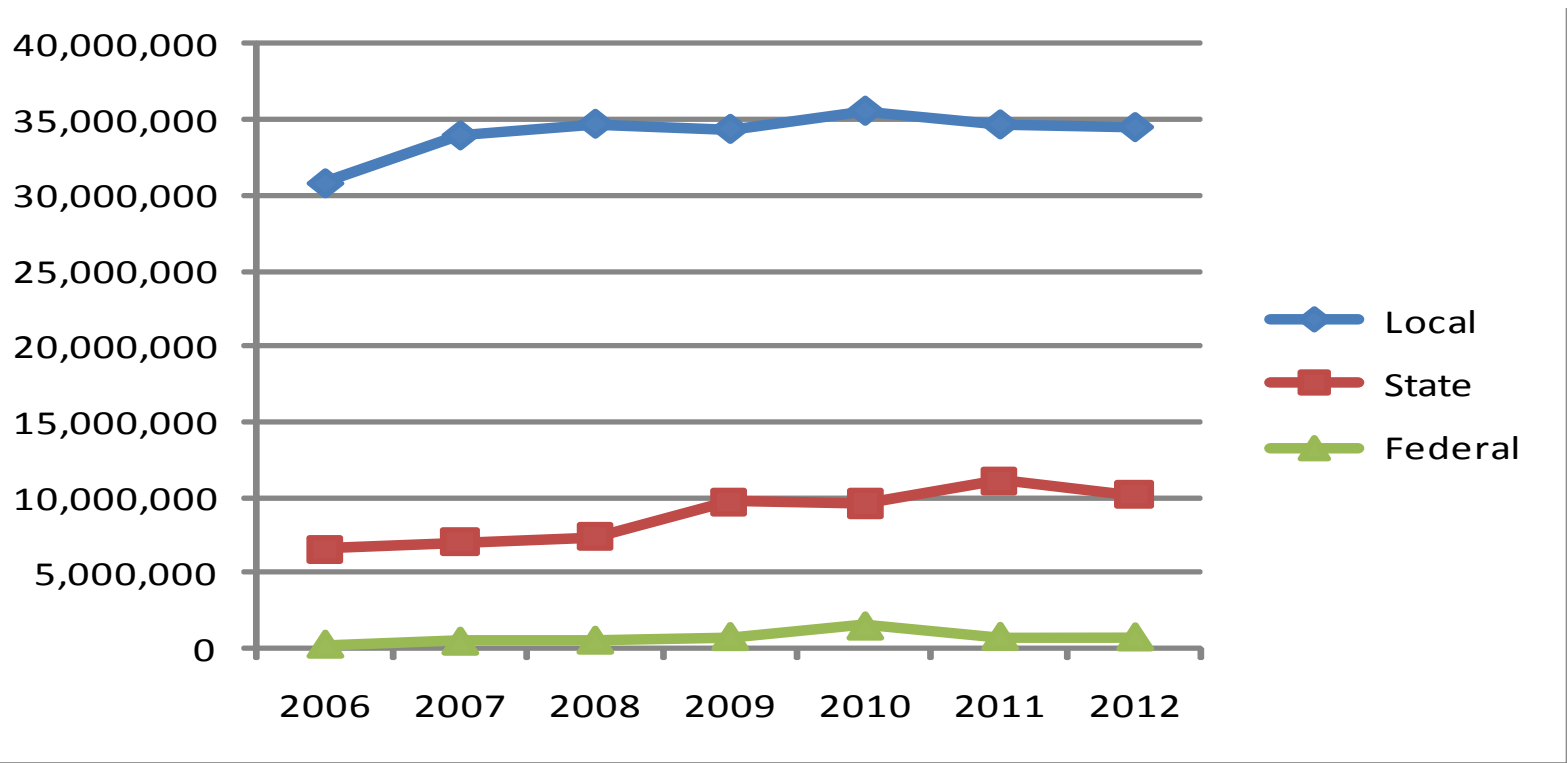
# Basic Formula for General Fund Budget

- Estimated fund balance, beginning of budget year
- Add: Estimated revenues and other financing sources
- Total appropriable resources, budget year
- Deduct: Estimated expenditures (appropriations) and other uses of financial resources
- Estimated fund balance, end of year

# General Fund Revenues

- Local
- State
- Federal

# REVENUES



# SIGNIFICANT LOCAL REVENUES

- Real Estate Taxes
  - Interim real estate taxes
  - Delinquent
  - Transfer taxes
- Earned Income Taxes
- Business Privilege Taxes
- Investment Earnings

# REAL ESTATE TAX REVENUE - Actual

FISCAL YEAR ENDED, JUNE 30	MILLAGE	DOLLARS
2007	23.31	27,218,390
2008	23.81	28,428,638
2009	24.31	28,114,258
2010	25.06	28,999,222

# REAL ESTATE TAXES – CONT'D

FISCAL YEAR ENDING, JUNE 30	MILLAGE	DOLLARS
2011 – actual through March, 2011	25.56	30,028,064
2012 – estimated revenues for 2011/12 budget at zero tax increase	25.56	29,587,481

# REAL ESTATE TAXES – 2011-12 Budget

Millage	Dollars	Increase (Decrease)
25.56	29,587,481	(440,483)
25.81	29,888,005	300,524
26.02	30,140,445	552,964
26.27	30,440,969	853,488
26.52	30,741,494	1,154,013
26.77	31,042,018	1,454,537
26.853	31,141,792	1,554,311

# RE Taxes – Cost to Residents

Millage	Assessed Property Value			
	100,000	Increase	200,000	Increase
25.56	\$2,556		\$5,112	
25.81	\$2,581	\$25	\$5,162	\$50
<b>26.02</b>	<b>\$2,602</b>	<b>\$46</b>	<b>\$5,204</b>	<b>\$92</b>
26.27	\$2,627	\$71	\$5,254	\$142
26.52	\$2,652	\$96	\$5,304	\$192
26.77	\$2,677	\$121	\$5,354	\$242
26.8530	\$2,685	\$129	\$5,371	\$259

# 2010-2011 Millage Rates Berks County

Antietam	32.3500
Brandywine	30.0000
Exeter	29.6240
Daniel Boone	28.4218
Kutztown	28.2770
Wyomissing	27.8940
Tulpehocken	27.4500
Fleetwood	27.2800
<b>Muhlenberg</b>	<b>25.5600</b>
Hamburg	25.2100
Schuylkill Valley	25.1300
Conrad Weiser	24.3200
Oley Valley	23.8200
Governor Mifflin	23.2000
Wilson	21.9500
Twin Valley – Berks County	21.7000
Boyertown – Berks County	20.7700
Reading	16.4600

# INTERIM/DELINQUENT/TRANSFER REAL ESTATE TAX REVENUE ACTUAL

FISCAL YEAR ENDED, JUNE 30	INTERIM	DELINQUENT	TRANSFER
2007	632,985	811,697	689,848
2008	237,139	1,007,610	670,256
2009	400,988	1,064,847	370,272
2010	460,084	1,091,213	414,563

# INTERIM/DELINQUENT/TRANSFER REAL ESTATE TAX REVENUE ACTUAL VS BUDGET

FISCAL YEAR ENDING, JUNE 30, 2011	INTERIM	DELINQUENT	TRANSFER
Actual through March, 2011	70,173	545,543	136,160
2010-11 - BUDGET	397,309	600,000	310,000

# Earned Income Taxes/Business Privilege Tax

FISCAL YEAR ENDED, JUNE 30	Earned Income Taxes	Business Privilege Tax
2007	1,986,263	861,385
2008	2,035,971	851,021
2009	2,294,238	985,140
2010	2,408,639	876,329

# Earned Income Taxes

<b>FISCAL YEAR ENDING, JUNE 30</b>	<b>Earned Income Taxes</b>	<b>Business Privilege Tax</b>
2011 – actual through 3/31	1,658,792	158,821
2010-11 - budget	2,013,317	813,000

# Investment Earnings

Fiscal year ended, June 30	Revenue generated
2007	860,028
2008	626,301
2009	251,523
2010	30,951

# Investment Earnings

Fiscal year ending, June 30, 2011	Amount
Actual through 3/31/2011	24,293
2010-11 budget	33,000

# State Revenue

- Subsidies from PA Department of Education
  - Basic Education Funding
  - Charter Schools Reimbursement
  - Special Education State Subsidy
  - State property tax reduction
  - Accountability block grant
  - State subsidy – FICA
  - State subsidy - Retirement

# Governor's Budget

- Basic education funding reduced –13.1%
- Charter school reimbursement eliminated
- Accountability block grant eliminated

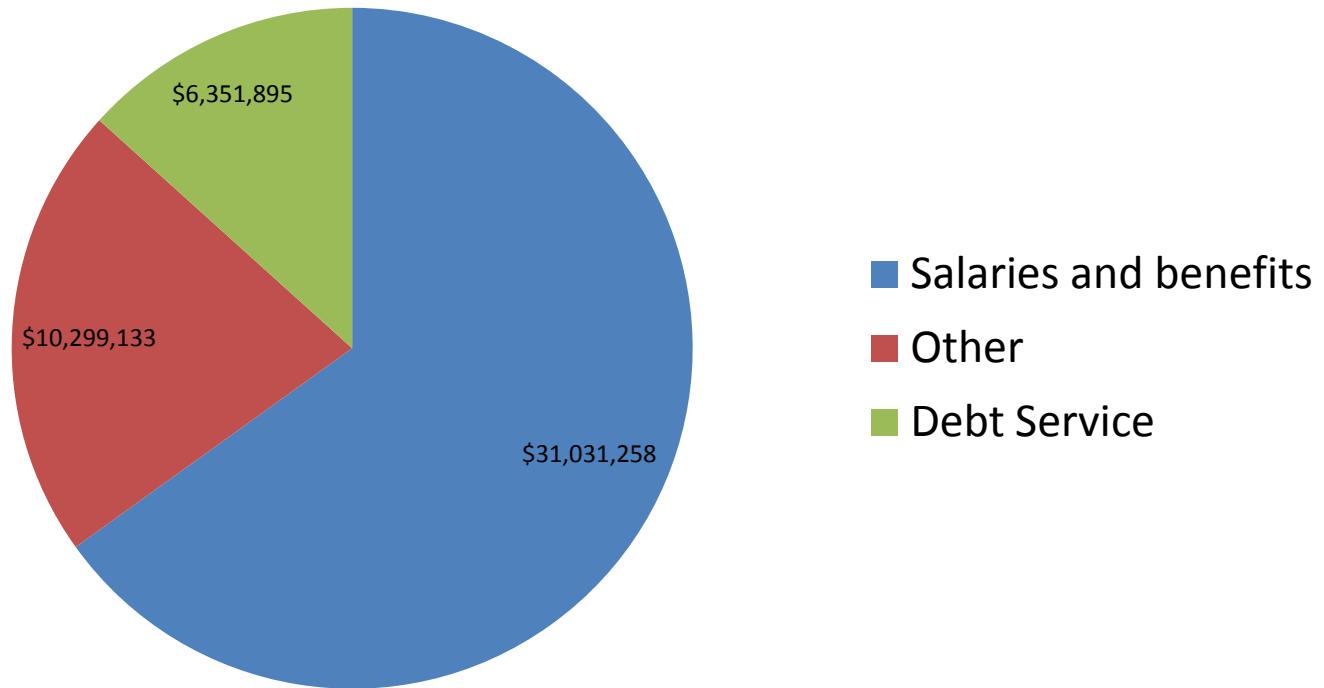
# Federal Revenue

- American Reinvestment and Recovery Act Funds
- Federal programs
  - Title I
  - Title II
  - Title III

# Expenditures

- Schools
- Athletics
- Buildings and grounds/utilities/transportation
- Special education
- Technology
- Administrative
- Personnel
- Debt service

## Budgeted Expenditures – 2011-2012



# ADMINISTRATORS' SALARIES

Position	Ranking (lowest to highest)	Average
Superintendent	6 of 19	Below
Assistant	6 of 16	Below
Business Manager	13 of 20	Below
High School Principal	7 of 22	Below
Middle School Principal	23 of 26	Above
Cole Principal	12 of 26	Below
MEC Principal	10 of 59	Below
Assistant Business Manager	3 of 10	Below

# PRELIMINARY BUDGET

- Deficiency of revenues under expenditures

**\$4,030,280**

# Updates to Preliminary Budget

- Deficiency of Revenues under expenditures

**\$2,250,881**

# Reductions

<b>Deficiency per preliminary budget</b>	<b>\$4,030,280</b>
Net revenue increases	25,423
MEC, Cole, MMS and MHS – (text and library books)	(16,027)
RMCTC	(108,101)
Technology	(151,000)
Salary freeze	(1,015,000)
Retirements/resignations	(237,298)
PSERS	(99,829)
Medical	(53,000)
FICA	(73,721)
Revised deficiency with above changes	\$2,250,881

Amount Needed

**\$2,250,881**

# Business Decisions

- Programs
- Personnel
- Essential spending
- Real estate taxes

# Programs

- Kindergarten
- Driver education
- Business education

# Instructors

- Kindergarten teachers (4)
- Driver education teacher
- Business education teacher
- Computer teacher to ½ time
- Elementary band teacher to ½ time
- Elementary art teacher to ½ time
- Elementary music teacher to ½ time
- Elementary physical education teacher to ½ time
- ESL teacher to ½ time
- Special Education ES teacher to ½ time
- Two high school music teachers to ½ time

Support Staff

Thirty-one positions

# Administrative Staff

Three positions

# Other

- Reduce the following budgets by 10 percent
  - MEC
  - Cole
  - MMS
  - MHS
  - Athletics
  - Nursing
  - Buildings and Grounds
  - Special Projects

# Other - continued

- Eliminate Summer help
  - Technology
  - Custodial
- Co-curricular
  - Eliminate \$20,000 positions
  - Ten percent reduction in all remaining co-curricular positions

# Other - continued

- Reduce technology budget by \$125,000
- Charge students activity fee
- Reduce the following revenue items:
  - Interim taxes
  - Transfer taxes
  - Business privilege taxes

# PRIOR YEAR DECISIONS

- Reduced library book budgets by 50%
- Did not replace positions through retirements:
  - Reading specialist
  - Teacher Assistant
  - Latin Teacher
  - Custodian
  - Second grade teacher
  - Security secretary

# PRIOR YEAR Decisions – cont'd

- Eliminated four co-curricular activities (duplicate activity, no advisor, or less than 10 students)
- Eliminated Administrative Position – assistant principal at High School

# Subsequent Years

- Retirements/resignations
- PSERS – double-digit
- Teacher’s contract – expires June 30, 2011
- MESPA contract – expires June 30, 2012

# PSERS

FISCAL YEAR ENDING JUNE	ESTIMATED PAYROLL	EMPLOYER CONTRIBUTION RATE	PROJECTED TOTAL EMPLOYER CONTRIBUTION
2011	15,000,000	5.64	846,000
2012	15,000,000	8.65	1,297,500
2013	15,000,000	12.19	1,828,500
2014	15,000,000	16.69	2,503,500
2015	15,000,000	21.18	3,177,000

# BUDGET 2011 -12

- Review proposed preliminary budget

# Questions