

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

February 17, 2020

The Finance Committee Meeting was held at the Upper Perkiomen Education Center with the following committee members attending: Melanie Cunningham (chairperson), Keith McCarrick, Judy Maginnis, and Raeann Hofkin. Others in attendance were: Dr. Allyn Roche, Sandy Kassel, and Dan Direso.

Motion by Keith McCarrick, seconded by Judy Maginnis, to approve the **January 20, 2020, meeting minutes**. Motion carried; all voted aye.

REVENUE –

Mrs. Kassel handed out a detail revenue document. The beginning of the document describes the budget process and the required timelines as outlined in school code. The applicable dates for Upper Perkiomen were also identified along with dates of interest. The dates of interest are deadlines for state certification and notification.

An explanation was provided regarding the use of slot money and how the homestead/farmstead allocation is computed and where it shows on the real estate bill.

A revenue summary was provided showing no millage increase and another one showing the maximum 3.2 millage increase.

Federal subsidies was the first section reviewed with the committee. Amounts and descriptions were provided. Although only a small part of the overall budget, it reflected a \$58,956 proposed increase. Federal revenue is 1% or less of the budgeted revenue. These numbers are tentative.

State subsidies was the second section reviewed. The subsidy provided 31.3% of last years budgeted revenue. The district estimated an approximate increase of \$365,631 or 1.8% over last year's budget with most of the increase coming from transportation and rental subsidy. Actual subsidy amounts will not be determined until the state budget is passed and district student data is updated at the state level.

Revenue amounts along with revenue descriptions were provided and reviewed with the committee.

A five year revenue history was provided. The history is used to help estimate certain revenues for the new budget year.

The committee continued to review basic subsidy, special education, transportation rental and health services subsidy. An explanation was provided on the multiple components of all subsidies.

The determination of the Act 1 index was explained and how it is affected by the market value and assessed value.

Local subsidies information was provided which included a no millage real estate increase and with the Act 1 maximum millage increase. The committee reviewed current assessed values and their effect on the increased real estate tax revenue along with the effect of the STEB and the Act 1 index. A history of the state market values and assessed values was provided in addition to an 18 year history on the past millages. Due to the importance of the effect of the State Tax Equalization Board ratio on Upper Perkiomen real estate taxes an explanation and information was provided on the value for 2020-2021 and the historical information on the STEB effect since the change in the methodology.

The discussion continued on the source of other local revenues such as interim real estate taxes (result of new buildings and additions), Public Utility Realty Tax (fund collected by the state in lieu of real estate taxes and paid to the district for public utilities located in the district), per capita taxes (flat rate tax \$10.00), wage tax (.5% of earnings or net profits), real estate transfer tax (.5% on sales of real estate), delinquent real estate, delinquent per capita, IDEA, interest on accounts, rentals and other local revenues.

For information purposes a copy of the Accelerated Opt-Out resolution that was adopted in November was provided along with the required portion of the General Budget that was submitted to PDE showing the estimated district tax revenues.

The committee asked for additional information on the calculation of transportation subsidy. The current PDE 2576 was provided and reviewed along with information regarding the information needed for each vehicle that goes into the calculation of the subsidy.

Motion by Keith McCarrick, seconded by Judy Maginnis, to adjourn the meeting at 7:47 pm. Motion carried; all voted aye.