



LOWER MERION

SCHOOL DISTRICT

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OUR DISTRICT WELCOMES

students of all races, ethnicities and nationalities
students with diverse abilities
students who are LGBT
students of all family structures
students who are English language learners
students of all religions
students from all socio-economic backgrounds
students of all body types

...YOU



Safe, Supportive, Inclusive

Lower Merion School District is committed to providing a safe, supportive and inclusive learning environment for all students and employees.


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Lower Merion Board of School Directors

PROPOSED FINAL 2020-21 BUDGET PRESENTATION

April 20, 2020



Some important highlights

The District did not file a Preliminary Budget with the state this year.

A Preliminary Budget is associated with the request to apply for exceptions which is not part of this year's financial plan.

Our use of fund balance to balance the budget will be \$4.8 million compared to \$1.6 million in this year's budget.

The higher revenues we originally forecasted will not occur due to COVID-19 impact.

We continue to have challenges due to increased enrollment.

We continue to plan both for near and long term goals.

2020-21 Budget Cycle

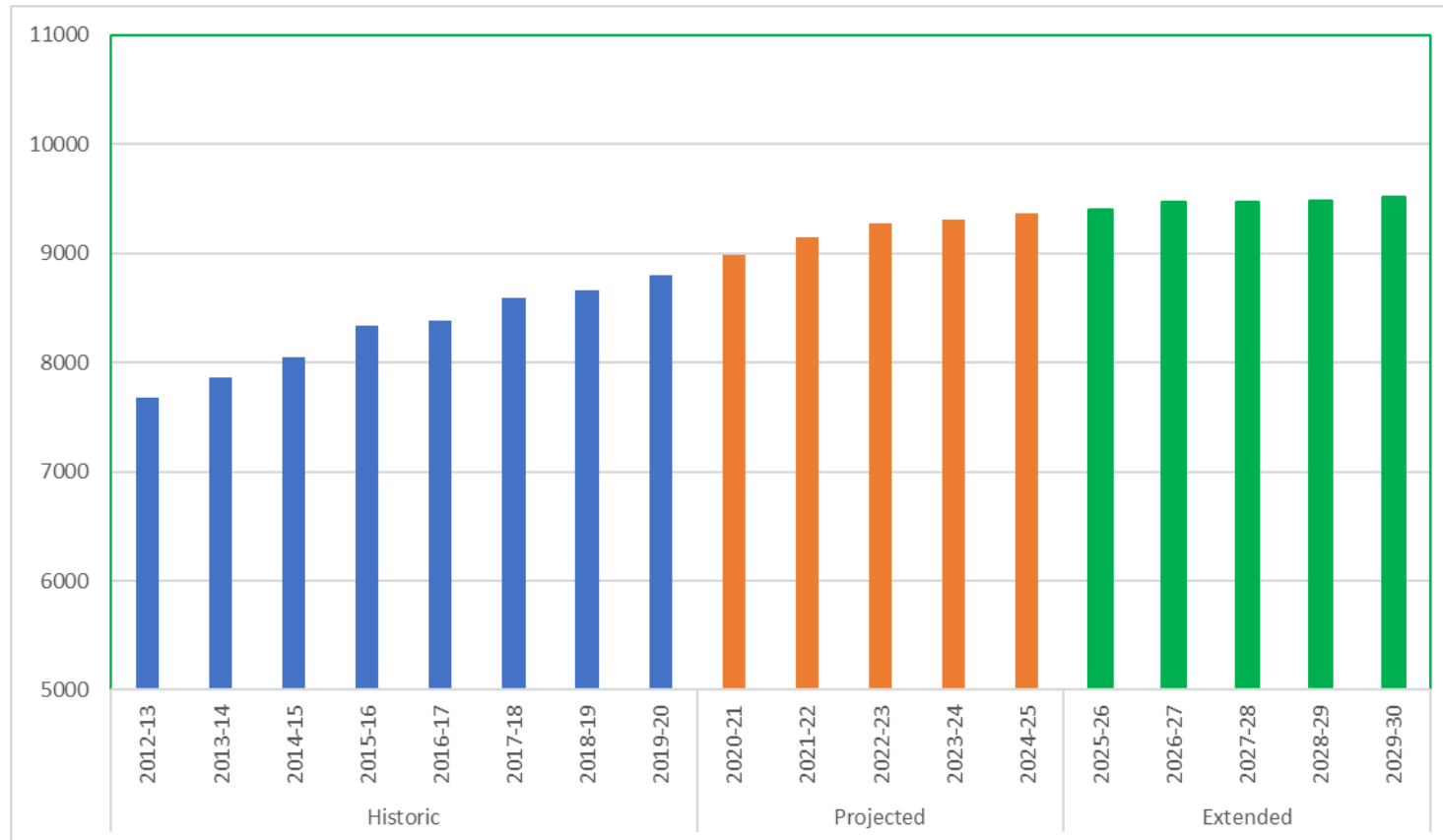
Act 1

- Adopt Resolution certifying millage rate will not exceed 2.6% index
- Budget Finance Committee Meetings:
 - Operations Presentation 3/25/20
 - Student Services Presentation 4/22/20
 - Staffing and Information Systems 4/29/20
 - Curriculum Presentation 5/13/20
- Adopt Proposed Final Budget
- Adopt Final Budget

What Drives the Budget?

1. Instructional Programs - maintaining low class size while continuing student programs
 - a. Enrollment Growth
 - b. Personnel Costs
 - c. Special Education Mandates
2. No/Minimal Increase in State or Federal Funding

District-wide Enrollment Projections K-12



Historic	2012-13	7682
	2013-14	7859
	2014-15	8053
	2015-16	8341
	2016-17	8382
	2017-18	8590
	2018-19	8660
	2019-20	8800
Projected	2020-21	8991
	2021-22	9152
	2022-23	9278
	2023-24	9314
	2024-25	9367
Extended	2025-26	9400
	2026-27	9469
	2027-28	9474
	2028-29	9483
	2029-30	9515

Source of Data: Montgomery County Planning Commission 2019 Enrollment Projection Update

2020-21 PROJECTED PERSONNEL NEEDS DRIVEN BY ENROLLMENT GROWTH AND PROGRAMMATIC ENHANCEMENTS

Professional Positions			
Level	Schools	Position	FTE
ELEMENTARY	CYES	Gifted Support Teacher to support enrollment growth and compliance	0.5
	PVES	Kindergarten teacher to support enrollment growth and student needs	0.5
	PWES	First grade teacher to support enrollment growth and student needs	0.5
	PWES	Special Education teacher to support enrollment growth and compliance	1
	ALL ES	ELD Teacher to support enrollment growth and compliance	1
	Total		3.5
MIDDLE			
	BCMS	Special Education teacher to support enrollment growth and compliance	1
	Total		1
HIGH	HHS	Science teacher to support enrollment growth and student selection	1
	HHS	Special Education teacher to support enrollment growth and compliance	1
	LMHS	Math/Computer science teacher to support enrollment growth and program structure change	1.4
	LMHS	English teacher to support enrollment growth and program requirements	0.8
	LMHS	Special Education teacher to support enrollment growth and compliance	1
	LMHS	ELD Teacher to support enrollment growth and compliance	1
	LMHS	Counselor to support enrollment growth and caseloads	0.5
	Total		6.7
Total			11.2

**2020-21 PROJECTED PERSONNEL NEEDS DRIVEN BY
ENROLLMENT GROWTH AND PROGRAMMATIC ENHANCEMENTS (con't)**

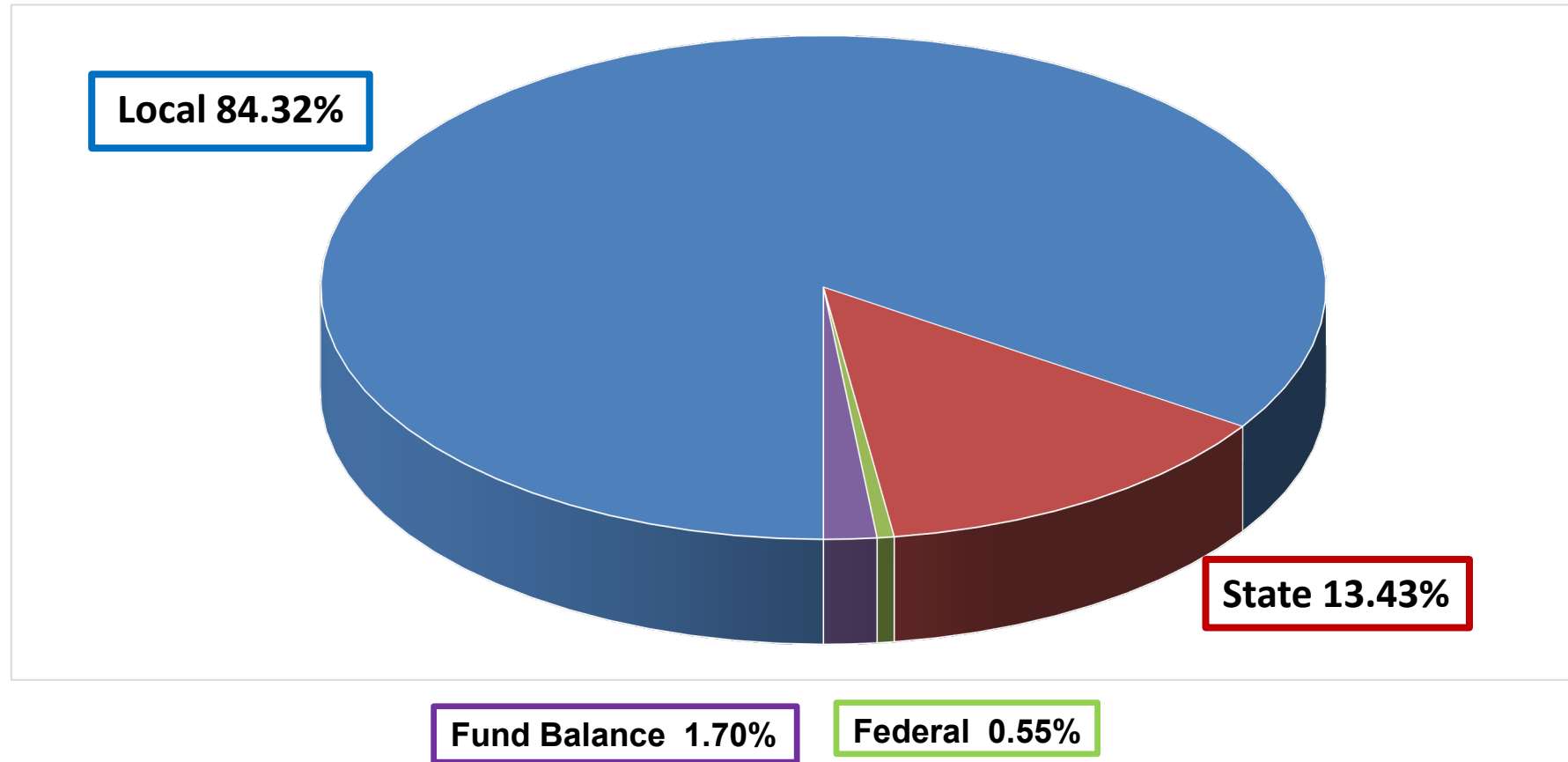
Support Staff Positions			
Level	School/Dept	Position	FTE
All	MRES	Night Custodian to support enrollment growth	0.5
	LMHS	Night Custodian to support enrollment growth	0.5
	Total		1
	Transportation	Safety Department Secretary to support compliance	1
	Total		1
	Information Systems	Information Technology Support Technician to support enrollment growth	1
		Information Technology Security Specialist	1
	Total		2
	Student Services	Instructional Assistants to fill anticipated needs	3
	Total		3
Total			7

2020-21 Budget Highlights

Uncertain Issues

- Current and Future tax revenues
 - Overall COVID-19 impact
 - Estimated 2019-20 operational savings from school closure offset by loss of revenue due to COVID-19 economic impact
 - Opening of new middle school in the midst of unknown economic impact on revenue
- State Budget – Governor presented the Commonwealth Budget in February
 - Great concern on ability of state to maintain funding at previous or proposed levels
- Pending Budget Litigation

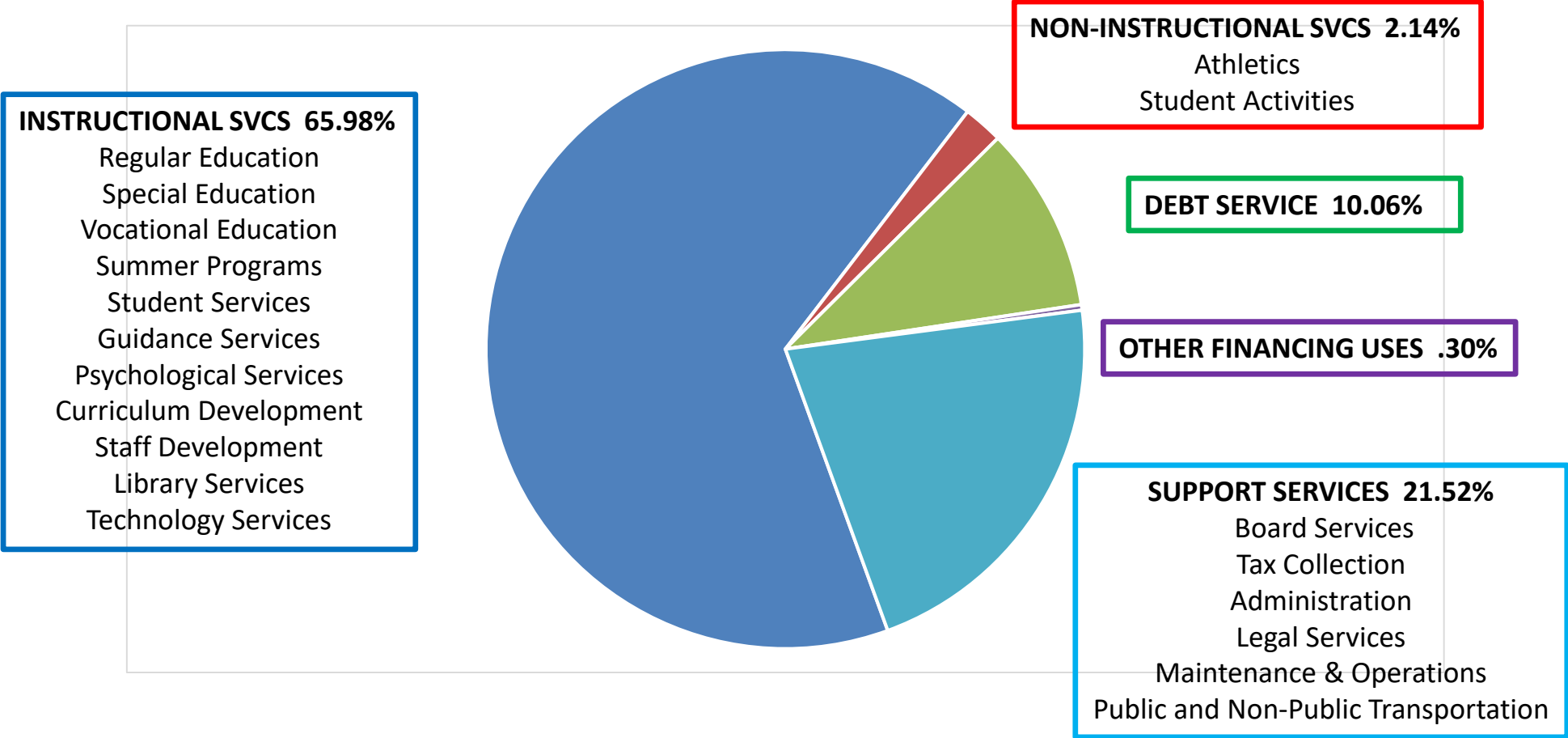
Where the Money Comes From



Anticipated Revenue		
	Budget	Proposed Final Budget
Description	2019-20	2020-21
Fund Balance Funds Designated as a Revenue	1,519,781	4,797,575
<u>Local Sources</u>		
Current Real Estate Taxes	223,664,664	227,624,950
Interim Real Estate Taxes	800,000	500,000
Public Utility Realty Tax	218,000	218,000
Local Services Tax	212,000	213,000
Realty Transfer Taxes	4,000,000	3,500,000
Delinquent Real Estate Taxes	3,750,000	3,750,000
Interest Income	2,500,000	250,000
Tuition - Summer Programs	170,000	170,000
IU Federal Funds	1,250,000	1,300,000
Misc. Other Local Sources	235,000	360,000
Total Local Sources	236,799,664	237,885,950

Anticipated Revenue (cont'd)	Budget 2019-20	Proposed Final Budget 2020-21
<u>State Sources</u>		
Basic Education Funding-Formula	3,992,490	4,176,646
Basic Education Funding-Social Security	4,875,000	5,150,000
Special Education Subsidy	2,979,328	3,044,498
Transportation Subsidy	2,425,000	2,000,000
Revenue for Retirement	22,000,000	23,000,000
State Property Tax Reduction Allocation	3,473,584	-
Health Services Subsidies	250,000	250,000
Rental & Sinking Fund Reimbursement	200,000	200,000
Misc. Other State Subsidies	25,000	65,000
Total State Sources	40,220,402	37,886,144
<u>Federal Sources</u>	1,537,000	1,542,000
Total Revenue	278,557,066	277,314,094
Total Revenue and Designated Fund Balance	280,076,847	282,111,669

How Does The Money Support Our Children?



Proposed Budget Expenditures		
DESCRIPTION	Budget 2019-20	Proposed Final Budget 2020-21
Salaries	132,268,403	134,596,630
Benefits	80,700,668	87,852,927
Other <ul style="list-style-type: none"> - Purchased Professional and Technical Svcs (IU services, consultants, etc) - Purchased Property Svcs (utilities, repair work, leases etc) - Other Purchased Svcs (tuition payments to charters, special ed, vo-tech, general insurance, contracted transportation) - Supplies (general supplies, books, software licenses, fuel, etc) - Property (equipment) - Other Objects (debt service payments) 	66,307,776	64,780,138
Budget Reserve	800,000	800,000
	280,076,847	288,029,695
Tax Monies required to balance the Budget		5,918,026
Budgeted Mill Value	7,719,935	7,740,029
Additional Increase in Mills Required		0.7646
Total Mills	29.4088	30.1734
Mills Increase		2.60%
Budget Expenditure Increase		2.84%

Real Estate Tax Change

Median Household Assessment			\$250,680
2019-20 Real Estate Tax mill rate		29.4088	
	Face amount of 2019-20 Real Estate Tax		7,372
2020-21 Real Estate Tax mill rate		30.1734	
	Face amount of 2020-21 Real Estate Tax		7,564
		Tax Increase	\$192
Median household assessments provided by Montgomery Co. Board of Assessments			

Financial Impact of Millage Uncertainty

Current Unassigned Fund Balance	\$ 5,300,000+
Available Unassigned Fund Balance	500,000+
Assigned Fund Balance (Segregated for Litigation-for 4 years)	16,000,000+

For each year that we don't have resolution to budget litigation, we segregate \$4+ million. 2020-21 segregated funds are not reflected above. The District will need to segregate another \$4+ million.

If the District does not prevail in the litigation, it would cause a drastic reduction in fund balance which would have a negative impact on our credit rating.

Budget Calendar - 2020

Finance Committee Meetings - Presentations on the following departments budget:

Operations Presentation 3/25/20

Student Services Presentation 4/22/20

Staffing and Information Systems 4/29/20

Curriculum Presentation 5/13/20

April 20 - Proposed Final Budget Approval

May 18 - Public Inspection Deadline of Proposed Final Budget

May - Superintendent presentation to Federations (date to be determined)

May 24 - Public Notice of Intent to adopt 2019-20 Budget

June 8 - Final Budget Approval/Adoption

Lower Merion School District: A Public School System

Independent schools implement a stringent vetting process designed to ensure that students entering will be successful. Public schools encourage all students – no matter where they are from , no matter their skills in language or mathematics, no matter their religion or beliefs and strive to provide a superior education – and we represent what has been a crown jewel in our republic – a public education.

