



# 2021-22 SCHOOL YEAR BUDGET

## BUDGET SUMMARY

The Rose Tree Media School District offers excellent, award-winning educational programs that help us maintain and increase property values in our community. We achieve this through a serious and balanced approach to year-round fiscal responsibility.

The Board of School Directors must carefully balance the needs of our students with those of our taxpayers. Our goal, always, is to craft a budget that preserves our district's excellence, maintains property values, and minimizes the financial impact on our community. District administrators consistently look for ways to improve efficiencies and cut costs while maintaining programs for students.

At this time, more than 82 percent of the district's revenue is generated at the local level (with 93 percent of the local revenue coming from annual real estate taxes). A 2.6 percent tax increase is included in the final budget for 2021-22, resulting in an average annual tax bill increase of \$91.

RTMSD continues to face revenue challenges due to state and federal funding that fails to keep up with the costs of operating our schools. The district operates under a state-mandated limit on tax increases known as Act 1, limiting the amount of revenue it can collect through property taxes.

The Board strives to minimize any property tax increase. However, an increase is necessary for the district to maintain its current staffing levels and to continue to provide a high-quality educational experience to our students, while paying rising costs associated with charter school tuition, transportation, pensions, and special education.

Budget Final	Expenditures	2020-2021	2021-2022
Instructional	1000	58,624,776	59,914,156
Support Services/Operations	2000	33,471,623	33,643,609
Non-Instructional Services	3000	1,899,093	1,897,590
Other Financing Services	5000	11,439,548	11,684,395
<b>TOTAL</b>		<b>105,435,040</b>	<b>107,139,750</b>

Budget Final	Revenues	2020-2021	2021-2022
Local	6000	83,055,327	85,497,823
State	7000	17,332,487	17,640,079
Federal	8000	576,390	510,896
<b>Sub-Total</b>		<b>100,964,204</b>	<b>103,648,798</b>
Fund Balance		4,470,836	3,490,952
<b>TOTAL</b>		<b>105,435,040</b>	<b>107,139,750</b>

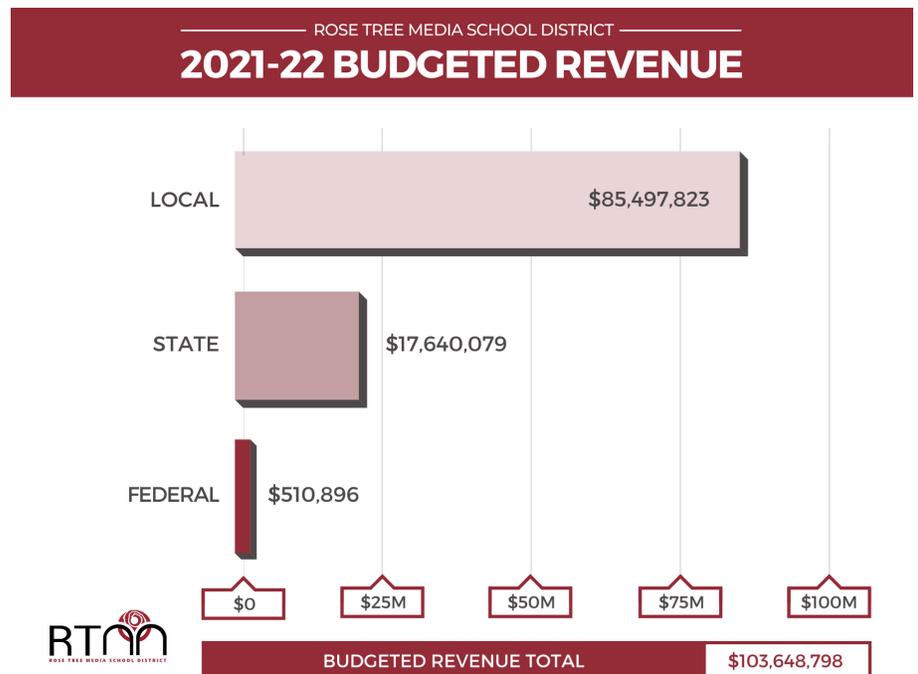
# DISTRICT REVENUE

District revenue consists of four sources:

- **Local revenue** sources include real estate taxes, tuition, earnings on investments, and miscellaneous revenue.
- **State revenue** sources include state subsidies for basic education funding, special education, and transportation, state property tax relief, reimbursement for social security, and retirement payments.
- **Federal revenue** consists of Title I & II, IDEA, and ACCESS funds that have restricted uses.
- **Fund balance** is the difference between current assets and current liabilities and results when revenues are greater than expenditures.

Below are key facts and figures related to revenue for the 2021-22 district budget:

- 1 millage point (mill) is equal to approximately \$5.72 million
- Total tax increase: 2.60%
- 2020-21 Homestead exemption: \$219
- 2021-22 Homestead exemption: \$217
- Average homeowner assessment: \$405,516
- Median homeowner assessment: \$361,640
- Average homeowner tax bill in 2021-22: \$5,744
- Increase in average homeowner tax bill for 2021-22: \$91
- Use of \$3.49 million in fund balance
- Increase in state revenue is due to a rising PSERS rate

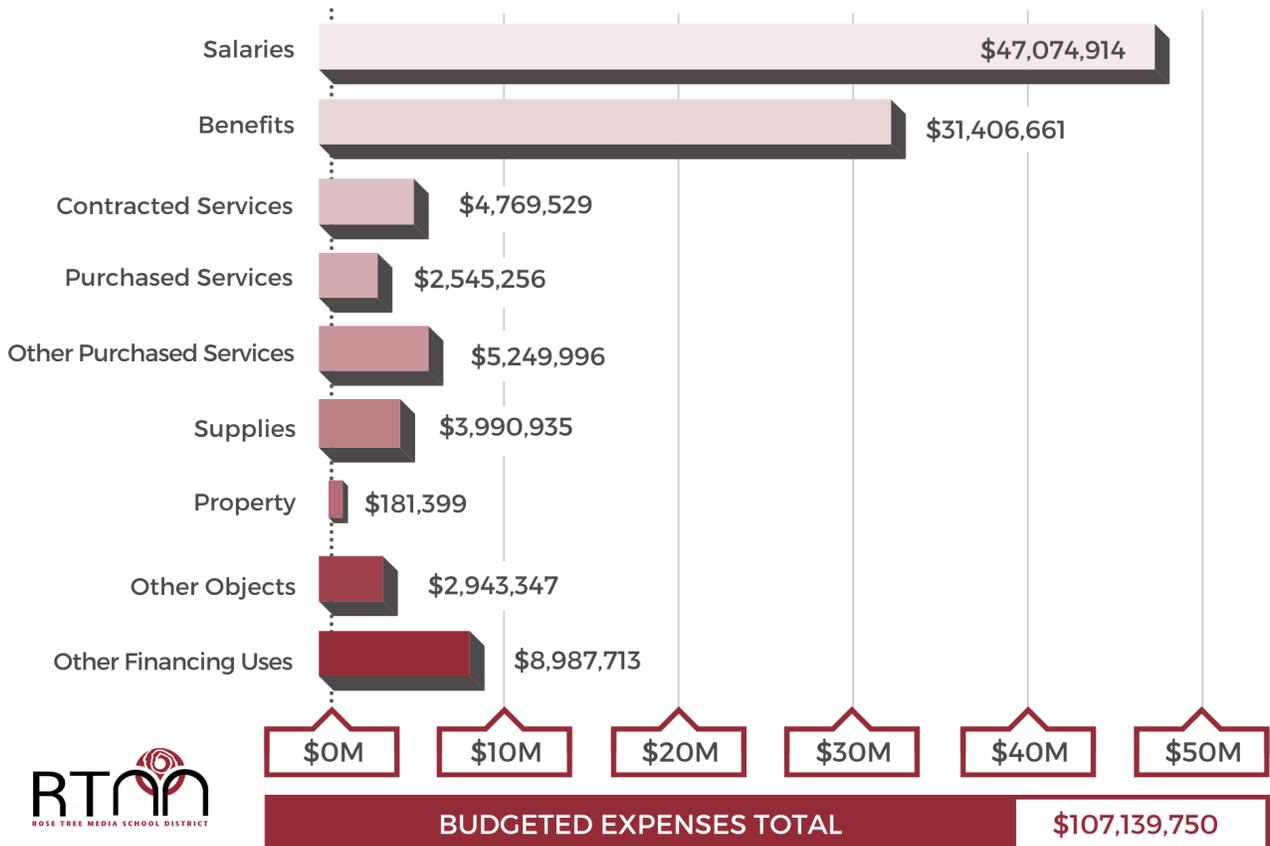


# DISTRICT EXPENSES

Below are key considerations related to expenses for the 2021-22 district budget:

- Staffing:
  - Salaries and benefits comprise 73% of district expenditures
  - 13 retirements
  - Additional classroom teachers, support staff, and one administrative position to meet increased enrollment needs
- Increase in the PSERS retirement rate from 34.51% to 34.94%
- Increased debt service
- Change of medical plans:
  - Employees have the choice of two new medical plans, including one with a 14% less expensive premium. A new prescription plan saves the district 12% this coming year.
- Maintaining current programs

## ROSE TREE MEDIA SCHOOL DISTRICT 2021-22 BUDGETED EXPENSES





# STATE-MANDATED EXPENSES

Like many school districts across Pennsylvania, Rose Tree Media does not receive sufficient funding from federal and state sources and operates under strict [Act 1](#) index limitations. While state law serves to reduce overall property taxes, it does not protect school districts from rising, mandatory costs related to special education, retirement contributions, and charter and cyber-charter school tuition.

At the same time, Pennsylvania ranks 44th among the states when it comes to covering public education costs (National Education Association's 2020 [Ranking of the States](#)). As a result, districts like RTMSD must rely heavily on local tax dollars to fund school operations. For our district, local revenue covers 82.5 percent of annual costs, while state revenue funds just 17 percent. Federal funds represent less than half a penny per dollar spent.

Adding to the challenges is the fact that rapidly increasing expenditures—most of which are out of school districts' control—consume ever-larger amounts of the available funds. In May 2020, the Pennsylvania School Boards Association released a report, [School District Mandates: Their Impact on Public Education](#). It chronicles the significant costs these unfunded and underfunded mandates place on school districts and their local taxpayers.

RTMSD is hit particularly hard by state-mandated expenditures for [Charter School Tuition](#), the Pennsylvania School Employees Retirement System (PSERS), and student transportation cost. There is a fundamental flaw in the Commonwealth's Charter School Law that overfunds cyber charter schools at the expense of public schools.

During the current school year alone, RTMSD is estimated to spend \$1.4 million in taxpayer money for 65 students to attend [poorly performing](#) cyber charter schools—more than \$21,000 per student. This takes funding away from students attending our traditional public schools.

You can read more about how these costs affect our district and ongoing efforts to reform this state law: <https://www.rtmsd.org/content/2380>.

Additionally, state law requires school districts to make payments to PSERS, but only reimburses 50 percent of these costs, leaving local school districts and local taxpayers to make up the difference. RTMSD has experienced a \$13 million increase in PSERS retirement costs over the past 10 years, with a greater than 62 percent projected increase between the 2015-16 and 2021-22 school years alone (from \$10.0 million to \$16.3 million).

## Contact Your State Legislators

Below is the contact information for local state legislators. Contact them today to share your concerns and to discuss the need to adjust state mandates and funding that affect our district budget and your tax bill.

### State Sen. Tim Kearney

*Media Boro & Upper Providence*

Phone: (717) 787-1350

[www.senatorkearney.com/contact](http://www.senatorkearney.com/contact)

### State Sen. John Kane

*Edgemont & Middletown*

Phone: (717) 787-4712

Email: [kane@pasenate.com](mailto:kane@pasenate.com)

### State Rep. Christopher Quinn

*Represents all of the Rose Tree Media School District*

Phone: (610) 325-1541

[www.repchrisquinn.com/contact.aspx](http://www.repchrisquinn.com/contact.aspx)