

SPRING-FORD

AREA SCHOOL DISTRICT

PROPOSED FINAL BUDGET

2018 / 2019



May 21, 2018



AGENDA

- ❖ Challenges
- ❖ Expenditure changes year/year
- ❖ Revenue changes year/year
- ❖ 2018/2019 Tax impact
- ❖ How does Spring-Ford compare?
- ❖ Next Steps – Timeline



Spring-Ford Area School District 2018/2019 Proposed Final Budget

Challenges

❖ State Budget

- ✓ 2018/2019 state budget – not yet passed.

- ✓ Result - Unknowns for 2018/2019:

 - Education Subsidy

 - Transportation Subsidy

 - Special Education Subsidy

 - Any further property tax reforms

❖ Increases in Special Education

- ✓ Unfunded mandates (\$35MM budget vs \$5.8MM funding)

❖ Professional contract

- ✓ Increases 5.1% all-in (assuming no changes year/year)



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Highlights

Expenditures - Major Items (year/year)

1. Personnel related costs – remains 68% of total budget	
➤ Professional EE increases (all-in)	\$ 3.68MM
➤ Non-Professional EE increases (all-in)	<u>733k</u>
Subtotal	\$ 4.58MM
➤ Additional Staff (all-in)	
➤ Special Education – teachers & aides	\$ 723k
➤ Professional staff	330k
➤ Security personnel	189k
➤ Tech and administrative support	<u>188k</u>
Total Personnel	\$ 5.84MM
2. Non-personnel related –	
➤ Special Education related services	870k
➤ Transportation	250k
➤ Western Center tuition	100k
➤ Debt Service	<u>(400k)</u>
Total Changes	\$ 6.66MM



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Expenditures:

Highlights

Object	Budget 2018/2019	Budget 2017/2018	\$ Change	% Change
Salaries	\$ 68,768,293	\$ 65,658,547	\$ 3,109,746	4.74%
Benefits	43,596,462	40,865,350	2,731,112	6.68%
Professional Services	7,897,970	7,126,268	771,702	10.80%
Property Services	4,310,918	4,107,961	202,957	4.94%
Other Services	16,297,229	16,189,657	107,572	0.60%
Supplies	5,883,384	5,769,938	113,446	1.97%
Equipment	62,650	76,900	- 14,250	-18.53%
Financing and Other Items	14,843,862	15,362,642	-518,780	-0.24%
Transfers (cap projects, self finance)	2,483,882	2,330,398	153,484	6.59%
Budgetary Reserve	300,000	300,000	0	0.00%
TOTAL	\$ 164,444,650	\$ 157,787,661	\$ 6,656,989	4.20%



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Revenues - Major Items

Highlights

❖ Local – approximately 80% of total budget		
➤ Assessment value up 1.5%		\$ 1.50MM
➤ Collection rate remains steady @ 98%		
➤ Delinquent tax collections decrease		<u>(440k)</u>
	Total Local	\$ 1.06MM
❖ State – approximately 20% of total budget		
➤ Based on 2018/2019 state estimates		
➤ Basic Education Funding subsidy		\$ 140k
➤ Special Ed subsidy		50k
➤ Increase PSERS/Soc. Sec. rebate		910k
➤ Increase transportation subsidy		<u>100k</u>
	Total State	\$ 1.20MM
❖ Federal – less than 1% of total budget		
➤ No change		
	Total Changes	\$ 2.26MM



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Highlights

Revenues:

Source	Budget 2018/2019	Budget 2017/2018	\$ Change	% Change
Local	\$ 120,271,582	\$ 119,239,160	\$ 1,032,422	0.80%
State	32,614,131	31,385,108	1,229,023	3.90%
Federal	717,392	717,392	0	0.00%
TOTAL	\$ 153,603,105	\$ 151,341,660	\$ 2,261,445	1.40%



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Budget Gap?

Highlights

Source	Budget 2018/2019
Total Expenses	\$ (164,444,650)
Total Revenues	\$ 153,603,105
Fund Balance Appropriation	4,000,000
Transfer Committed Retirement Funds Reserve	1,125,000
Allocation of reserves	3,300,000
Net (Shortfall)/Surplus	\$ (2,416,545)



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Closing the Gap – proposed tax increase

Fiscal Year	Millage	\$ Increase per \$100k	% Increase
2018 / 2019	26.8599	\$ 61.57	2.35%
2017 / 2018	26.2442	\$ 0.00	0.00%
2016 / 2017	26.2442	\$ 21.32	0.70%
2015 / 2016	26.061	\$ 31.50	1.22%
2014 / 2015	25.746	\$ 49.20	1.95%
2013 / 2014	25.254	\$ 48.50	1.96%
2012 / 2013	24.769	\$ 47.80	1.97%
2011 / 2012	24.291	\$ 76.10	3.23%



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Closing the Gap – tax change trend

Five year averages:

❖ 2014/2015 – 2018/2019	1.24%
❖ 2009/2010 – 2013/2014	2.62%
❖ 2004/2005 – 2008/2009	4.13%



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Mills Rank	School District	2017-18 R/E Mills
21	Cheltenham SD	45.9511
20	Pottstown SD	39.2522
19	Jenkintown SD	40.7000
18	Pottsgrove SD	37.8630
17	Norristown Area SD	34.3890
16	Lower Moreland Township SD	34.3069
15	Upper Dublin SD	33.0254
14	Perkiomen Valley SD	32.3500
13	Springfield Township SD	32.3913
12	Abington SD	31.7700
11	Upper Moreland Township SD	30.1360
10	Souderton Area SD	28.9259
9	Methacton SD	29.4585
8	Hatboro-Horsham SD	28.1410
7	Lower Merion SD	28.0740
6	Spring-Ford Area SD	26.2442
5	North Penn SD	24.6704
4	Upper Perkiomen SD	24.3479
3	Colonial SD	21.4040
2	Upper Merion Area SD	19.4300
1	Wissahickon SD	18.7900



Closing Summary

Spring-Ford Rates...

- **3rd Highest Student Population Size**
- **5th Lowest Per/Student Cost**
- **6th Lowest in Millage Rate (tax rate)**



Spring-Ford Area School District 2018/2019 Proposed Final Budget

Next Steps

- ❖ **Adopt Proposed Final Budget – 5/28/2018**
- ❖ **Proposed Final Budget made public**
 - ❖ **By 5/29/2018**
- ❖ **Public notice of intent to adopt as Final Budget**
 - ❖ **By 6/8/2018**
- ❖ **Adopt Final Budget on 6/18/2018**



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