

# SPRING-FORD

AREA SCHOOL DISTRICT

## PROPOSED FINAL BUDGET

2017 / 2018



May 15, 2017



## AGENDA

- ❖ **Challenges/approach**
- ❖ **Expenditure changes year/year**
- ❖ **Revenue changes year/year**
- ❖ **2017/2018 Tax impact**
- ❖ **How does Spring-Ford compare?**
- ❖ **Next Steps – Timeline**



## Challenges/Approach

### ❖ State Budget

- ✓ 2017/2018 state budget – not yet passed.
- ✓ Unknowns for 2017/2018:
  - Education Subsidy
  - Transportation Subsidy
  - Special Education Subsidy
  - Any further property tax reforms

### ❖ Short Term Budgeting vs, Long Term Strategy

- ✓ Identify/quantify significant future financial events
- ✓ Forward looking financial forecasting
- ✓ Bottoms-up approach
- ✓ Trends analysis
- ✓ Review current and future resources



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Millage Comparison (highest to lowest)

Rank	Mills School District	2016-17 R/E Mills	Student Population
21	Cheltenham Township SD	45.0943	4,555
20	Pottstown SD	39.2522	3,156
19	Jenkintown SD	38.9836	655
18	Pottsgrove SD	37.7158	3,244
17	Norristown Area SD	34.3890	7,123
16	Lower Moreland Township SD	33.3179	2,215
15	Upper Dublin SD	32.2862	4,187
14	Perkiomen Valley SD	31.6000	5,647
13	Springfield Township SD	31.4212	2,348
12	Abington SD	30.8300	7,816
11	Upper Moreland Township SD	29.4016	3,082
10	Souderton Area SD	28.7820	6,512
9	Methacton SD	28.7400	4,863
8	Hatboro-Horsham SD	27.4870	4,791
7	Lower Merion SD	27.3963	8,388
<b>6</b>	<b>Spring-Ford Area SD</b>	<b>26.2442</b>	<b>7,944</b>
5	North Penn SD	24.1890	12,736
4	Upper Perkiomen SD	23.6388	3,295
3	Colonial SD	20.9638	4,761
2	Upper Merion Area SD	18.9600	4,016
1	Wissahickon SD	18.7900	4,443



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Highlights

### Expenditures - Major Items (year/year)

#### 1. Personnel related costs – 68% of total budget

➤ Professional EE increase	\$ 2.6MM
➤ Non-Professional EE increase	<u>650k</u>
Subtotal	\$ 3.25MM

➤ PSERS mandated increase to 32.57%  
(on 16/17 base wages)

➤ Increase taxes/benefits over prior year	<u>820k</u>
Total Personnel	\$ 4.88MM

#### 2. Non-personnel related –

➤ Special Ed related services	800k
➤ Western Center tuition	200k
➤ Technology initiatives/upgrades	300k
➤ Transportation additions/increases	130k
➤ All Other	<u>190k</u>
Total Changes	\$ 6.5MM <sub>5</sub>



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Highlights

### Expenditures:

Object	Budget 2017/2018	Budget 2016/2017	\$ Change	% Change
Salaries	\$ 65,658,547	\$ 62,408,216	\$ 3,250,331	5.20%
Benefits	40,865,350	39,230,786	1,634,564	4.16%
Professional Services	7,126,268	6,426,520	699,748	10.89%
Property Services	7,157,861	7,278,381	- 120,520	-1.66%
Other Services	15,706,871	15,123,811	583,060	3.85%
Supplies	4,702,824	4,590,099	112,725	2.46%
Equipment	76,900	338,900	- 262,000	-77.31%
Financing & Other Items	16,193,040	15,526,138	666,902	4.30%
Budgetary Reserve	300,000	300,000	0	0.0%
<b>TOTAL</b>	<b>\$ 157,787,661</b>	<b>\$ 151,222,851</b>	<b>\$ 6,564,810</b>	<b>4.34%</b>



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Highlights

### Revenues - Major Items

- ❖ **Local – Remains @ 80% of total budget**
  - Assessment value up 2% (\$2MM increase at discount)
  - Increase collection rate to 98% based on recent trends (\$2.5MM)
  
- ❖ **State – 20% of total budget**
  - Based on 2017/2018 state estimates
    - Increase of \$250k Basic Education Funding subsidy
    - Increase of \$50k Special Ed subsidy
  - Increase PSERS/Soc. Sec. rebate (\$1.MM +)
  - Increase transportation subsidy (\$300k)
  
- ❖ **Federal – less than 1% of total budget**
  - Minor additions (< \$100k)



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Highlights

### Revenues:

Source	Budget 2017/2018	Budget 2016/2017	\$ Change	% Change
Local	\$ 119,239,160	\$ 114,493,890	\$ 4,745,270	4.14%
State	31,385,108	29,488,134	1,896,974	6.43%
Federal	717,392	639,290	78,102	12.2%
<b>TOTAL</b>	<b>\$ 151,341,660</b>	<b>\$ 144,621,314</b>	<b>\$ 6,720,346</b>	<b>4.65%</b>





# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Highlights

### Budget Gap?

Source	Budget 2017/2018
Total Expenses	(157,787,661)
Total Revenues	\$ 151,341,660
Fund Balance Appropriation	4,000,000
Transfer Committed Retirement Funds Reserve	860,000
Allocation of reserves	1,586,000
<b>Net (Shortfall)/Surplus</b>	<b>\$ 0</b>



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

Fiscal Year	Millage	\$ Increase per \$100k	% Increase
<b>2017 / 2018</b>	<b>26.2442</b>	<b>\$ 0.00</b>	<b>0.00%</b>
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%



# Spring-Ford Area School District 2017/2018 Proposed Final Budget

Spring-Ford Area School District  
Forecast - SUMMARY

## Crystal Ball

Fiscal Years:

### Revenues

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Local Sources	114,493,951	119,239,160	120,271,582	122,835,193	126,756,224	131,243,703	135,689,985	139,602,415
State Sources	29,488,134	31,385,109	32,535,586	33,586,323	34,489,133	35,349,431	35,455,442	35,590,961
Federal Sources	639,290	717,392	717,392	717,392	717,392	717,392	717,392	717,392
Other Funding Sources	1,100,000	1,586,000	2,862,000	2,962,000	3,212,000	2,462,000	1,584,258	-
<b>Total Revenues &amp; Other Funding Sources</b>	<b>145,721,375</b>	<b>152,927,660</b>	<b>156,386,560</b>	<b>160,100,908</b>	<b>165,174,749</b>	<b>169,772,526</b>	<b>173,447,077</b>	<b>175,910,768</b>
Year/year revenue growth budgeted		4.65%	1.44%	2.35%	3.07%	3.30%	2.72%	2.36%

### Operating Expenses

Personnel Services - Salaries	62,408,216	65,658,547	67,378,526	68,904,516	71,138,951	73,117,377	74,696,594	76,164,653
Personnel Services - Benefits	39,230,786	40,865,350	43,293,546	45,511,873	47,589,595	49,561,094	49,925,676	51,256,159
Purchased Professional & Technical Svcs	6,426,520	7,126,268	7,268,793	7,414,169	7,562,453	7,713,702	7,867,976	8,025,335
Purchased Property Services	7,278,381	7,157,861	7,355,114	7,555,209	7,758,201	7,964,149	8,117,912	8,274,750
Other Purchased Services	15,123,811	15,706,871	16,021,009	16,341,429	16,668,257	17,001,622	17,341,655	17,688,488
Supplies	4,283,439	4,702,824	4,796,880	4,892,818	4,990,674	5,090,488	5,192,298	5,296,144
Property	645,560	76,900	78,455	79,690	81,256	83,153	84,782	86,444
Other Objects & Debt Interest	4,924,110	4,869,567	4,872,470	4,875,430	4,878,450	4,881,531	4,884,672	2,163,620
Budgetary Reserves/Debt Principle	10,902,028	11,623,473	11,359,207	11,361,515	11,363,822	11,366,130	11,366,130	9,097,213
<b>Total Operating Expenses</b>	<b>151,222,851</b>	<b>157,787,661</b>	<b>162,424,000</b>	<b>166,936,649</b>	<b>172,031,659</b>	<b>176,779,245</b>	<b>179,477,694</b>	<b>178,052,804</b>
Year/year expense growth budgeted		4.34%	2.94%	2.78%	3.05%	2.76%	1.53%	-0.79%

<b>Difference in Revenues and Expenses</b>	<b>(5,501,477)</b>	<b>(4,860,000)</b>	<b>(6,037,441)</b>	<b>(6,835,741)</b>	<b>(6,856,910)</b>	<b>(7,006,719)</b>	<b>(6,030,617)</b>	<b>(2,142,037)</b>
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Fund Balance Appropriation	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
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Transfer from Committed Fund Balance	1,501,477	860,000	625,000	550,000	100,000	374,676	-	-
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<b>Annual Forecasted Gap</b>	<b>0</b>	<b>(0)</b>	<b>(1,412,441)</b>	<b>(2,285,741)</b>	<b>(2,756,910)</b>	<b>(2,632,043)</b>	<b>(2,030,617)</b>	<b>1,857,963</b>
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# Spring-Ford Area School District 2017/2018 Proposed Final Budget

## Next Steps

- ❖ **Adopt Proposed Final Budget – 5/22/2017**
- ❖ **Proposed Final Budget made public**
  - ❖ **By 6/6/2017**
- ❖ **Public notice of intent to adopt as Final Budget**
  - ❖ **By 6/16/2017**
- ❖ **Adopt Final Budget on 6/26/2017**



## Closing Summary

### Spring-Ford Rates...

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



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