

SPRING-FORD

AREA SCHOOL DISTRICT



PROPOSED FINAL BUDGET 2019 / 2020

April 23, 2019



Spring-Ford Area School District 2019/2020 Proposed Final Budget

AGENDA

- ❖ **Budgeting Obstacles**
- ❖ **Revenue changes year/year**
- ❖ **Expenditure changes year/year**
- ❖ **2019/2020 Tax impact**
- ❖ **How does Spring-Ford compare?**
- ❖ **Next Steps – Timeline**



Spring-Ford Area School District 2019/2020 Proposed Final Budget

Obstacles

❖ State Budget

- ✓ 2019/2020 state budget – not yet passed.
- ✓ Result - Unknowns for 2019/2020:
 - Education Subsidy
 - Transportation Subsidy
 - Special Education Subsidy
 - Any further property tax reforms

❖ Increases in Special Education

- ✓ Underfunded mandate (\$35MM expense vs \$5.8MM state/federal funding)

❖ Professional contract – no step year

- ✓ Increases 2.5%



Spring-Ford Area School District 2019/2020 Proposed Final Budget

Revenues - Major Items

Highlights

❖ Local – approximately 80% of total budget	
➤ Assessment value up .85% (collect 97% of face value)	\$ 340k
➤ Earned interest, EIT, Interim RE taxes, other	970k
➤ Delinquent tax collections decrease	<u>(397k)</u>
	Total Local
	\$ 913k
❖ State – approximately 20% of total budget	
➤ Based on 2018/2019 state estimates	
➤ Basic Education Funding subsidy	\$ 370k
➤ Special Ed subsidy	35k
➤ Increase PSERS/Soc. Sec. rebate	690k
➤ Increase transportation subsidy	<u>70k</u>
	Total State
	\$ 1.17MM
❖ Federal – less than 1% of total budget	
➤ No change	
	Total Changes
	\$ 2.08MM



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Highlights

Revenues:

Source	Budget 2019/2020	Budget 2018/2019	\$ Change	% Change
Local	\$ 123,601,480	\$ 122,688,227	\$ 913,253	0.70%
State	33,786,485	32,624,131	1,162,354	3.50%
Federal	717,392	717,392	0	0.00%
TOTAL	\$ 158,105,357	\$ 156,029,750	\$ 2,075,607	1.30%



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Highlights

Expenditures - Major Items

1. Personnel related costs – remains 70% of total budget

➤ Teachers EE increases (including benefits)	\$ 1.40MM
➤ Administration/Support/Nurses/etc. (including benefits)	<u>480k</u>
Subtotal	\$ 1.88MM
➤ New Hires (including benefits)	
➤ Special Education (Teachers & aides)	\$ 815k
➤ Non-Special Education Teachers	222k
➤ Security personnel	227k
➤ Support staff	<u>164k</u>
Total Personnel	\$ 3.30MM

2. Non-personnel

➤ Special Education services	117k
➤ Transportation	185k
➤ WC Tuition & Debt Service	250k
➤ Charter School Tuition	300k
➤ Tech Equipment	280k
➤ All other districtwide	<u>329k</u>
Total Changes	\$ 4.77MM



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Expenditures:

Highlights

Category	Budget 2019/2020	Budget 2018/2019	\$ Change	% Change
Salaries	\$ 70,639,055	\$ 68,768,293	\$ 1,870,762	2.70%
Benefits	45,026,323	43,596,462	1,429,861	3.20%
Professional Services	8,183,666	7,897,970	285,696	3.60%
Property & Equipment	4,515,521	4,373,568	141,953	3.20%
Other Services	16,943,434	16,297,229	646,205	3.90%
Supplies	5,883,168	5,883,384	-216	0.00%
Financing and Other Items	15,069,367	14,843,862	225,505	1.50%
Transfers (cap proj., self finance)	2,653,592	2,483,882	169,710	6.80%
Budgetary Reserve	300,000	300,000	0	0.00%
TOTAL	\$ 169,214,126	\$ 164,444,650	\$ 4,769,476	2.90%



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Highlights

Budget Gap?

Source	Budget 2019/2020
Total Expenses	\$ (169,214,126)
Total Revenues	\$ 158,105,357
Fund Balance Appropriation	4,000,000
Transfer Committed Retirement Funds Reserve	1,710,000
Allocation of reserves	2,962,000
Net Deficit	\$ (2,436,769)



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Closing the Gap – proposed tax increase

Fiscal Year	Millage	\$ Increase per \$100k	% Increase
2019 / 2020	27.4787	\$ 61.88	2.30%
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:

❖ 2015/2016 – 2019/2020	1.32%
❖ 2010/2011 – 2014/2015	2.22%
❖ 2005/2006 – 2009/2010	4.02%
❖ 2000/2001 – 2004-2005	6.01%



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Mills Rank	School District	2018-19 R/E Mills
21	CHELTENHAM	47.0539
20	JENKINTOWN	41.2672
19	POTTSTOWN	40.6260
18	POTTSGROVE	37.8630
17	NORRISTOWN	36.9190
16	LOWER MORELAND	35.1906
15	UPPER DUBLIN	33.6826
14	PERKIOMEN VALLEY	33.2300
13	SPRINGFIELD	33.0654
12	ABINGTON	31.7700
11	UPPER MORELAND	30.8598
10	METHACTON	30.0431
9	SOUDERTON	29.6201
8	HATBORO-HORSHAM	28.8020
7	LOWER MERION	28.7477
6	SPRING-FORD	26.8599
5	NORTH PENN	25.5090
4	UPPER PERKIOMEN	24.5407
3	COLONIAL	21.9170
2	WISSAHICKON	20.0200
1	UPPER MERION	19.8900



Spring-Ford Area School District 2019/2020 Proposed Final Budget

Spring-Ford...

Closing Summary

- **4th Highest Student Population Size**
- **6th Lowest in Millage Rate (tax rate)**
- **Debt reduction \$162MM over 10 years**
- **Achieved Moody's rating AA1**
- **Spring-Ford rated one of the top school districts in PA**
- **Recognized as a top HS in State/Country**



Spring-Ford Area School District 2019/2020 Proposed Final Budget

Next Steps

- ❖ **Adopt Proposed Final Budget – 4/23/2019**
- ❖ **Proposed Final Budget made public**
 - ❖ **By 5/7/2019**
- ❖ **Public notice of intent to adopt as Final Budget**
 - ❖ **By 5/17/2019**
- ❖ **Adopt Final Budget on 5/28/2019**



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