



Spring-Ford Area
School District
Preliminary
January 2013/14
Budget
Presentation





Purpose

- The purpose of the Proposed Preliminary Budget Presentation tonight is to present the budget and allow for a minimum of 20 days for public inspection.
- The Preliminary Budget is required to be approved by February 25, 2013. Final Budget will be approved in June.
- The district is following the Act 1 timelines, and the purpose of tonight's meeting is to determine if the district will need to have a voter referendum on the ballot.
- The district is making a commitment to stay within the state index and allowable exceptions.



Budget Shortfall

	2012/13	2013/14	Difference
Expenses	126,318,484	132,005,372	5,686,888
Revenue	126,318,484	129,475,268	3,156,784
Difference	0	2,530,104	
		Shortfall	

PDE Requirement to Balance Budget – Revenues must match Expenditures

Revenue		129,475,268	
Amount needed for Tax Increase or consider other alternative (ie Allocate from Fund Balance Reserve)		2,530,104	
New Revenue Total		132,005,372	



Allowable Exceptions

PA Department of Education	2012/13	2013/14
1. Special Education Expenditures	799,714	0
2. Retirement Contribution 12.36% to 16.93%	995,367	1,213,882
3. Debt	0	0
Total Exceptions	1,795,081	1,213,882
Millage Conversion	2.136%	1.40%
State Tax Index	<u>1.70%</u>	<u>1.70%</u>
Total Allowable w/o voter referendum	3.836%	3.10%
Actual Tax Increase	1.97%	TBD



Budget Comparison

Expenditures	Budget 2012/13	Budget 2013/14	Budget to Budget Increase	Percent of Total
100 Salaries	57,500,333	59,392,805	1,892,472	45.00%
200 Employee Benefits	27,083,559	28,848,477	1,764,918	21.85%
300 Professional Services	4,310,371	4,290,114	- 20,257	3.25%
400 Property Services	5,901,096	5,981,033	79,937	4.53%
500 Contracted Services	12,896,927	13,567,115	670,188	10.28%
600 Supplies/Books	3,075,795	3,279,441	203,646	2.48%
700 Equipment	320,328	412,728	92,400	.32%
800 Other Objects	6,368,702	5,564,016	-804,686	4.21%
900 Other Financing	8,861,373	10,669,643	1,808,270	8.08%
Total	126,318,484	132,005,372	5,686,888	100.00%



2013/14 Expense Changes

Description of expense changes	Amount
Salaries – All Personnel Salaries for 1,000+ Employees	1,892,472
Benefits – Retirement \$2,923,239; Soc. Sec. \$29,647; Health Care (\$1,025,473); Prescription (\$162,495)	1,764,918
Transportation	223,981
Student Costs Outside the District – Charter Schools \$252,841; Vo-Tech Tuition \$47,258; APS \$125,498; Alternative Schools (\$115,000); Other \$109,690	420,287
Debt Service Transfer (in 2012/13 not 2013/14)	1,000,000
Miscellaneous	<u>385,230</u>
Total Expense Changes	5,686,888



2013/14 Revenue

Functions	Budget 2012/13	Budget 2013/14	Budget to Budget Increase	Percent of Total
6000 Local	99,608,167	100,662,434	1,054,267	76.26%
7000 State	22,124,925	24,402,442	2,277,517	18.49%
8000 Federal	1,118,342	943,342	-175,000	0.71%
9000 Other	0	0	0	0.00%
Fund Balance Appropriations	<u>3,467,050</u>	<u>5,997,154</u>	<u>2,530,104</u>	4.54%
				Increase
Total	126,318,484	132,005,372	5,686,888	100.00%



2013/14 Revenue Changes

Description of revenue changes	Amount
Real Estate Taxes – Due to Assessment Changes	1,125,000
Interim Real Estate Taxes	- 400,000
EIT, R.E. Transfers, Delinquent. Taxes	450,000
Retirement Reimbursement	2,259,746
Receipts from other LEA's	- 100,000



2013/14 Revenue Changes

Description of revenue changes	Amount
Loss of Federal Funds	- 200,000
Additional Fund Balance Appropriation	2,530,104
Miscellaneous	<u>22,038</u>
Total Expense Changes	5,686,888



PSERS Retirement – Unfunded Liability

		Increase %	% Increase	Estimated			
	PSERS	from Prior	from prior	Retirement	Net District	Change	Percent
	Rate	Year	Year	Gross	Costs	in dollar value	Tax Increase
	(A)			(B)	(A) * (B) * 50%		
2009/10	4.78%			55,835,152	1,334,460		
2010/11	5.64%	0.86%	17.99%	57,975,391	1,634,906	300,446	0.35%
2011/12	8.65%	3.01%	53.37%	56,256,601	2,433,098	798,192	0.92%
2012/13	12.36%	3.71%	42.89%	58,445,745	3,611,947	1,178,849	1.36%
2013/14	16.93%	4.57%	36.97%	59,367,037	5,025,420	1,413,473	1.63%
2014/15	21.25%	4.32%	25.52%	61,148,048	6,496,980	1,471,560	1.69%
2015/16	25.56%	4.31%	20.28%	62,982,490	8,049,162	1,552,182	1.79%
						6,714,702	7.72%
<u>Future Projections</u>							
2016/17	26.26%	0.70%	2.74%	64,871,964	8,517,689	468,527	0.54%
2017/18	26.80%	0.54%	2.06%	66,818,123	8,953,629	435,940	0.50%
2018/19	27.53%	0.73%	2.72%	68,822,667	9,473,440	519,812	0.60%



2013/14 Budget Challenges

- **PSERS (Pension) Increases**
- **Erosion of Tax Base due to Assessment Appeals**
- **Declining Local Revenue in some areas (Interest, Interims)**
- **State Subsidy Frozen (Basic Ed – 2 years, Special Education - 5 years)**
- **Federal Subsidy – Sequestration cuts will impact State/Districts Budgets**
- **Contractual Increases & Cost of Benefits**
- **Increase Cost of Services (Transportation, Utilities, etc.)**
- **Cost of Programs outside the District (Charter Schools, IU, Voc. Tech, APS, etc.)**
- **Act 1 Tax Limitations**



Important Budget Dates

Proposed Preliminary Budget Vote Moves the Budget Process Forward

January/February 2013

Preliminary Budget

June 2013

Final Budget



Additional time allows for the following:

Updated State Revenue, Local Tax Considerations, Other Budgets (MCIU, WMTCTS, APS, Alternative Ed. Etc.) On-going District Budget Evaluations, etc.

Important Dates

January 22 – Board approves the Advertising of the Preliminary Budget for public inspection

February 19 – Board approves Preliminary 2013/14 Budget

February 20 – State deadline to adopt Preliminary Budget

May 20 - Presentation/Advertisement of Proposed Final Budget

June 17 - Approval of Final Budget