



# Spring-Ford Area School District May 2013/14 Budget Presentation





# Purpose

- The district is following the Act 1 timelines, and the purpose of tonight's meeting is to present the Proposed Final 2013/14 Budget
- Receive approval for the Proposed Final Budget (30 days before Final Budget Adoption and have available for public inspection (at least 20 days before Final Budget Adoption. The 2013/14 Budget is also available on '[www.Spring-Ford.net/Departments/Business Office/2013-14 Budget Documents](http://www.Spring-Ford.net/Departments/BusinessOffice/2013-14%20Budget%20Documents)'
- The Final Budget is scheduled to be approved June 24, 2013.



# 2013-14 Tax Increase of 1.96% = \$48.50 Increase per \$100,000 Assessment Value

2012-13 Tax Bill	2013-14 Millage	Assessment Value	Increase from 2012-13	2013-14 Tax Bill
\$2,476.90*	25.254	\$100,000	\$48.50	\$2,525.40
\$4,953.80*	25.254	\$200,000	\$97.00	\$5,050.80
\$7,430.70*	25.254	\$300,000	\$145.50	\$7,576.20
\$9,907.60*	25.254	\$400,000	\$194.00	\$10,101.60
\$12,384.50*	25.254	\$500,000	\$242.50	\$12,627.00
* Example/Sample Tax Bills				



# 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% or 37% increase	995,367	1,190,218
3. Debt	0	0
<b>Total Allowable Exceptions</b>	<b>1,795,081</b>	<b>1,190,218</b>
Millage Conversion	2.136%	1.37%
State Tax Index	<u>1.70%</u>	<u>1.70%</u>
Total Allowable w/o voter referendum	3.836%	3.07%
Actual Tax Increase	1.97%	1.96%



# 2013/14 Expense Budget

<b>Expenditures</b>	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Budget to Budget Increase</b>	<b>Percent of Total</b>
<b>100 Salaries</b>	<b>57,500,333</b>	<b>59,041,805</b>	<b>1,541,472</b>	<b>44.88%</b>
<b>200 Employee Benefits</b>	<b>27,083,559</b>	<b>29,217,480</b>	<b>2,133,921</b>	<b>22.21%</b>
<b>300 Professional Services</b>	<b>4,310,371</b>	<b>4,303,533</b>	<b>- 6,838</b>	<b>3.27%</b>
<b>400 Property Services</b>	<b>5,901,096</b>	<b>6,063,842</b>	<b>162,746</b>	<b>4.61%</b>
<b>500 Contracted Services</b>	<b>12,896,927</b>	<b>13,809,326</b>	<b>912,399</b>	<b>10.50%</b>
<b>600 Supplies/Books</b>	<b>3,075,795</b>	<b>3,201,113</b>	<b>125,318</b>	<b>2.43%</b>
<b>700 Equipment</b>	<b>320,328</b>	<b>668,485</b>	<b>348,157</b>	<b>.51%</b>
<b>800 Other Objects</b>	<b>6,368,702</b>	<b>5,574,850</b>	<b>-793,852</b>	<b>4.24%</b>
<b>900 Other Financing</b>	<b>8,861,373</b>	<b>9,663,300</b>	<b>801,927</b>	<b>7.35%</b>
<b>Total</b>	<b>126,318,484</b>	<b>131,543,734</b>	<b>5,225,250</b>	<b>100.00%</b>





# 2013/14 Expense Changes

Description of expense changes	Amount	Equivalent Tax Inc.
Salaries – All Personnel Salaries for 1,000+ Employees	1,541,472	1.76%
Benefits – Retirement \$2,940,508; Soc. Sec. \$37,450; Workers' Compensation \$99,749; Health Care (\$942,589); Other (\$1,197)	2,133,921	2.43%
Transportation	250,078	.29%
Student Costs Outside the District – Charter Schools \$337,841; Vo-Tech Tuition \$47,258; APS \$115,257; Alternative Schools (\$103,000); Other \$251,270	648,626	.74%
Technology Equipment – Classroom \$250,000	343,500	.39%
Miscellaneous	<u>307,653</u>	<u>.35%</u>
Total Expense Changes	5,225,250	5.96%



# 2013/14 Revenue

Functions	Budget 2012/13	Budget 2013/14	Budget to Budget Increase	Percent of Total
6000 Local	99,608,167	103,103,877	3,495,710	78.38%
7000 State	22,124,925	23,329,465	1,204,540	17.74%
8000 Federal	1,118,342	643,342	-475,000	0.48%
9000 Other	0	0	0	0.00%
Fund Balance Appropriations	<u>3,467,050</u>	<u>4,467,050</u>	<u>1,000,000</u>	3.40%
Total	126,318,484	131,543,734	5,225,250	100.00%



# 2013/14 Revenue Changes

Description of revenue changes	Amount
Real Estate Taxes – Tax/Assessment Increases	3,461,482
Interim Real Estate Taxes	-400,000
EIT, R.E. Transfers, Delinquent Taxes	500,000
Transportation	-207,377
Retirement Reimbursement	1,461,619





# 2013/14 Revenue Changes

Description of revenue changes	Amount
Receipts from other LEA's	-100,000
Loss of Federal Funds	-475,000
Fund Balance Appropriations	1,000,000
Miscellaneous	<u>-15,474</u>
Total Revenue Changes	5,225,250



# 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%	59,041,805	4,997,889	1,385,942	1.59%
2014/15	21.25%	4.32%	25.52%	61,148,048	6,496,980	1,499,091	1.72%
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

- ❑ **Assessment Appeals – Currently over 4 million in back tax dollars are in appeal/litigation equaling approximately 1 million annually.**
- ❑ **Sluggish Economy – downturn in revenue from the Federal/State/Local continues to impacts school district budget**
- ❑ **Outside services beyond control of school districts – i.e. Charter/Cyber Schools, IU Services, Transportation Services to Non-Public schools within 10 mile radius, Approved Private Schools, etc.**



## 2013/14 Budget

### What have we done to save costs?

- ❑ **Energy conservation and participated in buying consortium. Saved over \$1 Million a year.**
- ❑ **Use of Capital Reserve Funds to invest in long term Energy efficient systems (i.e. LED Lighting, new HVAC systems, Light and water sensors, etc.)**
- ❑ **Participate in Self-Funded Health Insurance Programs – Saved 2.7 million**