



Spring-Ford Area
School District
2012/2013
Proposed Final
Budget

June, 2012

Budget Comparison

Revenues: Funding the Budget	Preliminary Dec. Budget	Final Budget
1 million paid – Debt Account	\$130,262,214	\$126,318,484
Local Sources	\$100.6 million	\$98 million
State Sources	22.1 million	22.1 million
Federal Sources	1.1 million	1.1 million
TOTAL REVENUE	\$123,837,003	\$121,199,112
BUDGET GAP before any tax increase	6.4 million	5.1 million
Use of Fund Balance	3.5 million	3.5 million
TOTAL before any tax increase	\$127,304,053	\$124,666,162
BUDGET GAP After proposed use of Reserves and no tax increase	\$2,958,161	\$1,652,322
Loss of Tax because of Assessment Losses	\$2,000,000	
Tax Increase	7.07%	1.97%

**2012 – 13 Tax Increase of 1.97% = \$47.80 Increase
per \$100,000 Assessment Value**

2011-12 Tax Bill	12-13 Millage	Assessment Value	Increase from 11-12	2012-13 Tax Bill
\$2,429.10*	24.769	\$100,000	\$47.80	\$2,476.90
\$4,858.20*	24.769	\$200,000	\$95.60	\$4,953.80
\$7,287.30*	24.769	\$300,000	\$143.40	\$7,430.70
\$9,716.40*	24.769	\$400,000	\$191.20	\$9,907.60
\$12,145.50*	24.769	\$500,000	\$239.00	\$12,384.50

* Example / Sample Tax Bills

2012/13 Revenue

Functions	Revenues	Budget 2011/12	Budget 2012/13	Budget to Budget Increase	2012/13 Budget Percentage of Total
6000	Local	\$96,936,883	\$ 99,608,167	\$2,671,284	78.86%
7000	State	\$20,398,348	\$22,124,925	\$1,726,577	17.51%
8000	Federal	\$1,309,342	\$1,118,342	-\$191,000	0.89%
9000	Other	\$0	\$0	\$0	0.00%
Fund Balance Appropriations		\$4,467,050	\$3,467,050	-\$1,000,000	2.74%
TOTAL		\$123,111,623	\$126,318,484	\$3,206,861	100.00%

Economic Reality – Sustainable Budget

Expenses				Revenues				
(Audited years 05/06 to 10/11)				(Audited years 05/06 to 10/11)				Revenues
Prior 5 Years	Expenses	Increase From Prior Yr		Prior 5 Years	Revenue	Increase From Prior Yr		Exceeding Expenses
2005/06	92,899,136	6,619,966	7.67%	2005/06	95,794,598	7,943,282	9.04%	2,895,462
2006/07	101,912,310	9,013,174	9.70%	2006/07	102,118,600	6,324,002	6.60%	206,290
2007/08	109,049,480	7,137,170	7.00%	2007/08	107,565,721	5,447,121	5.33%	(1,483,759)
2008/09	111,905,567	2,856,087	2.62%	2008/09	112,620,700	5,054,979	4.70%	715,133
2009/10	119,174,031	7,268,464	6.50%	2009/10	116,014,971	3,394,271	3.01%	(3,159,060)
	Average	6,578,972	6.70%		Average	5,632,731	5.74%	(825,934)
Last 3 Years				Last 3 Years				
2010/11	113,034,380	(6,139,651)	-5.15%	2010/11	120,991,033	4,976,062	4.29%	7,956,653
2011/12	123,111,623	10,077,243	8.92%	2011/12	123,111,623	2,120,590	1.75%	-
2012/13	126,343,484	3,231,861	2.63%	2012/13	126,343,484	3,231,861	2.63%	-
	Average	2,389,818	2.13%		Average	3,442,838	2.89%	7,956,653

What is the District Doing to Counter the Revenue Crisis

- ❑ Reduced Positions – About 98 over 3 years
- ❑ We challenged the ‘status quo’ on how we do business ...
 - ❖ Transportation
 - ❖ Use of Technology to do more with less
 - ❖ Energy consumption and evaluate impact of building usage
 - ❖ Eliminate curriculum areas with decreasing demand
 - ❖ Freezing school budgets and other departments
- ❑ Updated and instituted approved user fees and charges were appropriate
- ❑ Our district philosophy for reductions are done to “protect the instructional core”

HISTORICAL TAX LISTING SPRING-FORD AREA SCHOOL DISTRICT

Year	Assessment	<u>Millage</u>		Tax	Dollar	Percent	
				Amount	Amount	Increase	
2012/2013	100,000	0.247690	=	\$2,476.90	\$47.80	1.97%	2.40% - 3 year avg.
2011/2012	100,000	0.024291	=	\$2,429.10	\$76.10	3.23%	
<u>2010/2011</u>	<u>100,000</u>	<u>0.023530</u>	=	<u>\$2,353.00</u>	<u>\$46.00</u>	<u>2.00%</u>	
2009/2010	100,000	0.023070	=	\$2,307.00	\$88.00	3.95%	4.03% - 05/06 – 09/10
2008/2009	100,000	0.022190	=	\$2,219.00	\$92.00	4.32%	
2007/2008	100,000	0.021270	=	\$2,127.00	\$87.00	4.27%	
2006/2007	100,000	0.020400	=	\$2,040.00	\$71.00	3.63%	
<u>2005/2006</u>	<u>100,000</u>	<u>0.019690</u>	=	<u>\$1,969.00</u>	<u>\$75.00</u>	<u>3.97%</u>	
2004/2005	100,000	0.018940	=	\$1,894.00	\$81.00	4.47%	6.02% - 00/01 – 04/05
2003/2004	100,000	0.018130	=	\$1,813.00	\$102.00	5.97%	
2002/2003	100,000	0.017110	=	\$1,711.00	\$97.00	6.01%	
2001/2002	100,000	0.016140	=	\$1,614.00	\$83.00	5.44%	
2000/2001	100,000	0.015310	=	\$1,531.00	\$116.00	8.20%	

10-Year History of Tax and Expenditure Increases

Year	Enrollment Increase	Budget Increase	Tax Increase	Final Budget
2003-2004	173	13.26 %	5.97 %	\$80,261,485
2004-2005	366	9.46 %	4.47 %	\$87,857,895
2005-2006	250	8.03%	3.97%	\$94,913,285
2006-2007	231	8.06%	3.63 %	\$102,567,560
2007-2008	107	7.37 %	4.27 %	\$110,130,466
2008-2009	191	6.37 %	4.32 %	\$117,145,893
2009-2010	115	3.15 %	3.95 %	\$120,838,710
2010-2011	41	3.82%	2.00%	\$125,463,931
2011-2012	32	-1.87%	3.23%	\$123,111,623
2012-2013	TBD	2.60%	1.97%	\$126,318,484
Total	1,506			

2012/13 Allowable Exceptions – Legislatures Reduced from 10 to 3

PA Department of Education	2012/13	2011/12
1. Special Education Expenditures	\$ 799,714	\$ 778,400
2. Retirement Contributions 8.65% to 12.36% (42.89 Percent increase)	\$ 995,367	\$ 837,108
3. Debt	0	0
Health Care – Related Benefits	No Longer Available	\$ 1,252,933
Total Exceptions	\$ 1,795,081	\$ 2,868,441
Millage Conversion	2.136%	3.4346%
State Tax Index	<u>1.70%</u>	<u>1.40%</u>
Total Allowable without Voter Referendum	3.836%	4.8346%
Actual Tax Increase	1.97%	3.23%

Spring-Ford Revenues

- ❑ Stimulus is gone
- ❑ Federal program subsidies are declining
- ❑ State Basic Education Subsidy equal 2008/09; PA ranks 45th (near the bottom) in the nation in state aid to districts; Costing Out Study Adequacy Shortfall for Spring-Ford is \$6,040,178
- ❑ Special Education Subsidies – no growth for 4 years
- ❑ Mandated Expenses – Charter/Cyber Schools, Transportation, providing relief from Special Ed. Costs, etc.
- ❑ Local Economic Reality – Recession
 - Losing R.E. Taxes due to assessment appeals
 - Earned income taxes growth as slowed
 - Interim R.E. Taxes are declining
 - R.E. Transfer taxes are declining
 - Interest earnings on investment are declining
 - Employee costs – Retirement, Health Care, etc.

2012/13 Revenue Local Changes

Local - Exelon	Last Year of 5 Year Agreement	(\$ 104,172)
Local - EIT		\$ 200,000
Local - Real Estate Transfer Taxes		(\$ 200,000)
Local - Delinquencies on Taxes		\$ 250,000
Local - Loss of Tuition		(67,310)
Local -(3M to 1M) for Assessment Appeals		\$2,000,000
Local - Increase in Real Estate Taxes		<u>\$ 592,766</u>
Local Total Changes		\$2,671,284

2012/13 State Revenue Changes

Student Achievement Education Block Grant	??
State – Basic Education	\$ 191,904
State – Soc. Sec.	\$ 737,690
State – Transportation	(\$ 165,000)
State – Transportation – Non-Pub. & Charter	\$ 5,000
State - Special Education – 4 year’s w/o Increase	\$ 0
State – Retirement - ½ back from State	\$ 1,018,938
State – Rental & Sinking Funds (Debt Payments)	-(\$ 78,955)
State – Other Miscellaneous	<u>\$ 17,000</u>
Increase in State Funds	\$ 1,726,577

2012/13 Federal/Other Revenue Changes

Federal – Stimulus IDEA Funds – Completed	(\$ 141,000)
Federal – Medical Access Funds	(\$ 50,000)
Designated Fund Balance Reduction - \$4,467,050 to \$3,467,050	<u>(\$ 1,000,000)</u>
Total Federal/Other Revenue	(\$1,191,000)

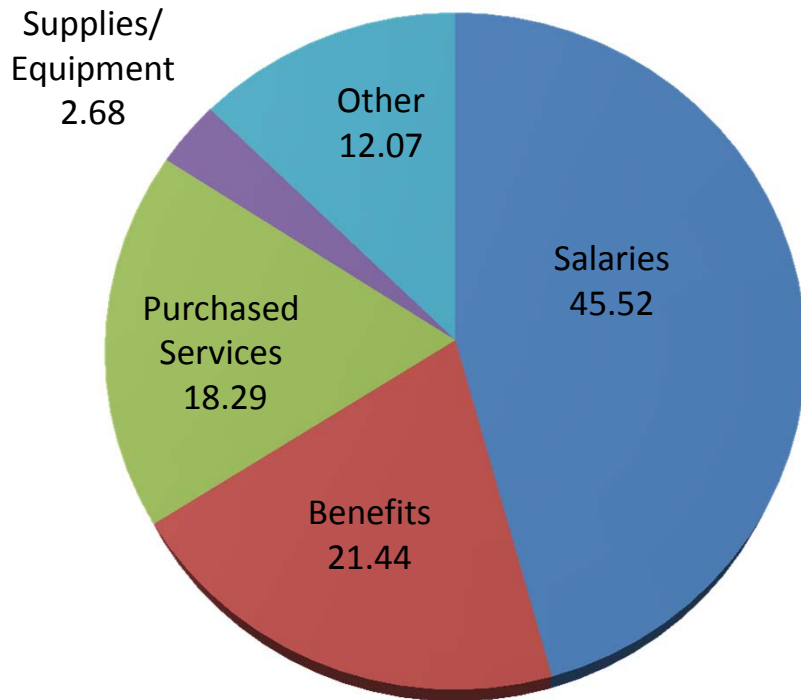
2012/13 Expense Budget

Expenditures	Budget 2012/2013	Budget 2011/2012	Budget to Budget Increase	2012/13 Budget Percentage of Total
Salaries	\$57,500,333	\$56,256,601	\$1,243,732	45.52%
Employee Benefits	\$27,083,559	\$25,011,300	\$2,072,259	21.44%
Professional Services	\$4,310,371	\$4,841,588	(\$531,217)	3.41%
Property Services	\$5,901,096	\$5,190,902	\$710,194	4.67%
Contracted Services	\$12,896,927	\$12,310,158	\$586,769	10.21%
Supplies/Books	\$3,075,795	\$3,481,517	(\$405,722)	2.43%
Property/Equipment	\$320,328	\$427,492	(\$107,164)	.25%
Other Objects	\$6,368,702	\$6,837,509	(\$468,807)	5.05%
Other Financing	\$8,861,373	\$8,754,556	\$106,817	7.02%
TOTAL	\$126,318,484	\$123,111,623	\$3,206,861	100.00%

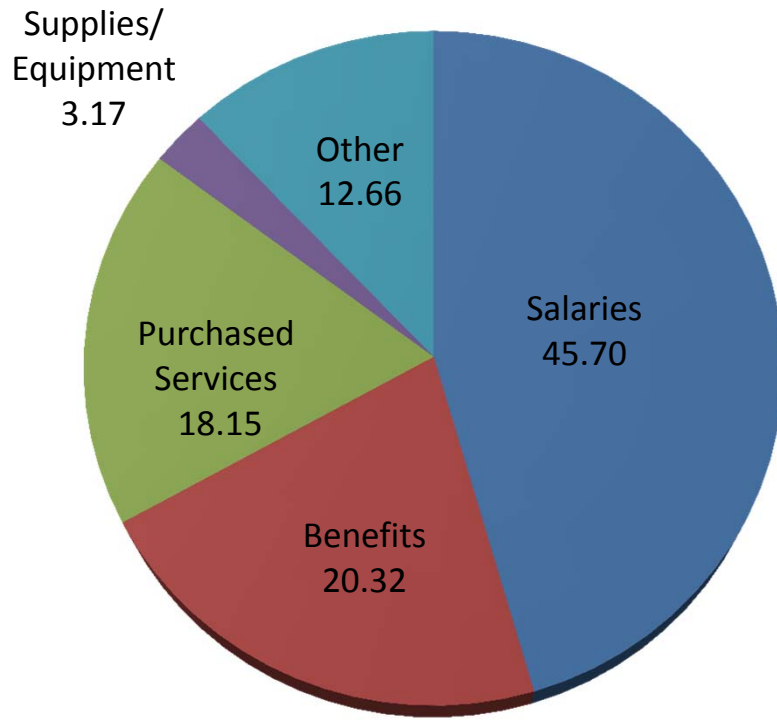
Spring-Ford Area School District

General Fund Expenditures by Object - Comparison of Total Expenditures Budgets

2012-13



2011-12



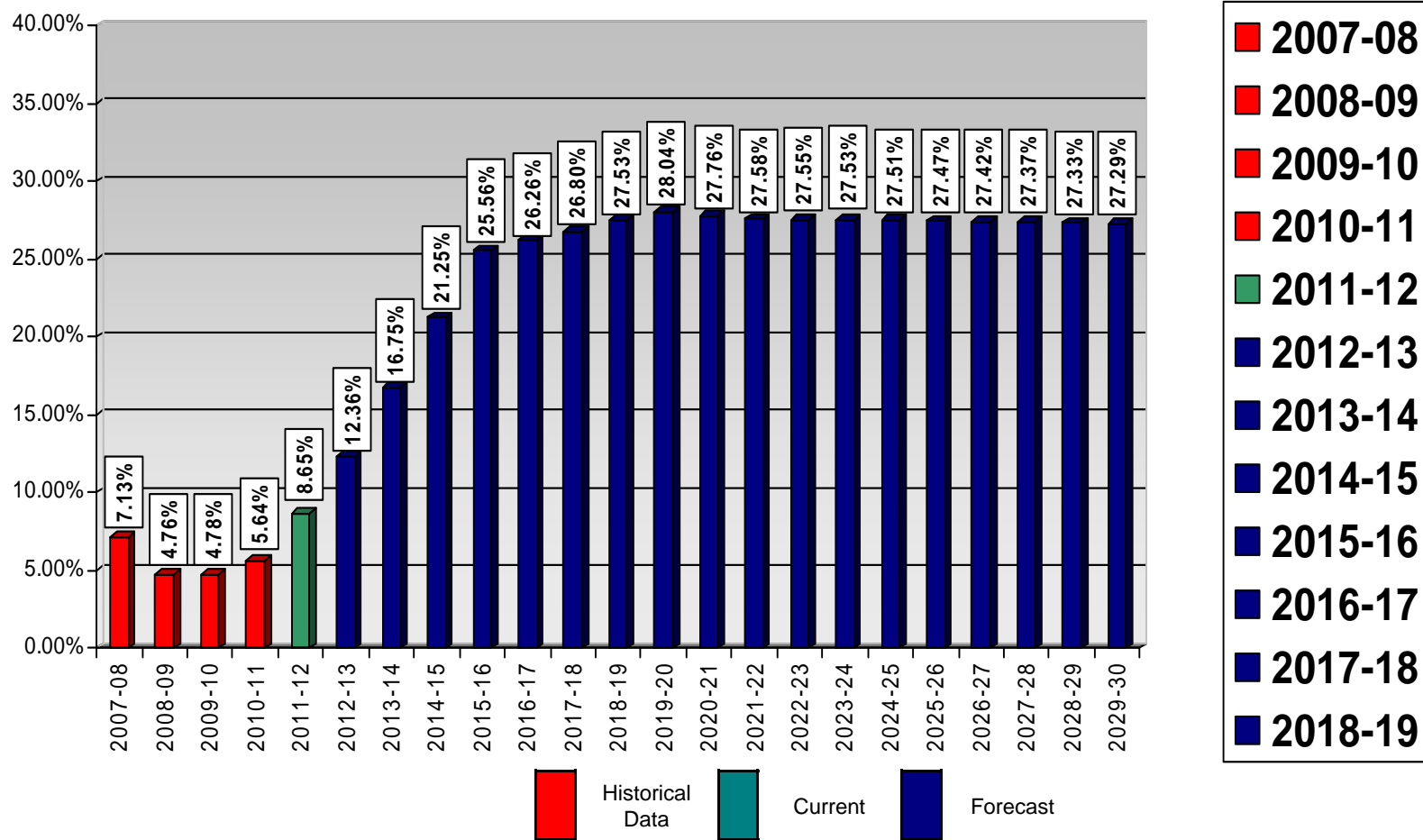
2012/13 Major Expense Changes			Tax
Salaries	All Personnel Salaries for 1,000+ Employees	\$1,243,732	1.5%
	Reductions through attrition (Inc. benefits)	(\$500,000)	(.60%)
Benefits	- Retirement \$2,214,784; Soc. Sec. \$268,916; Health Care \$235,447; Prescription (\$162,075); Tuition (\$195,300); Workers' Comp (\$44,010); Insurance (\$245,503)	\$2,072,259	2.5%
Books	- Curriculum Plan from \$50,000 to \$300,000	\$ 250,000	.30%
IU Services		(\$212,000)	(.25%)
Special Education Independent Contracts		\$416,506	.50%
Transportation Services		(\$232,464)	(.27%)

2012/13 Major Expense Changes	Tax	
Other Educational Schools Outside Spring-Ford- APS \$336,475; Voc. Tech \$67,652; Alternative Schools \$148,000; Other Schools \$90,100; Charter \$200,000; Other Non-Traditional Placement (\$4,155)	\$ 838,072	1.0%
Building Budgets (27% cuts)	(\$388,805)	(.46%)
Energy Conservation	(\$280,243)	(.33%)
Building equipment	(\$107,164)	(.13%)
Refinanced GOB 2002 & 2004 – Savings of \$1,400,000 (one time funds)		
Western Center Bond defeasance of 4.2 Million	(\$119,791)	(.14%)
2007 Series A defeasance of 4,759,000	(\$318,432)	(.38%)
Other Expenses	\$545,191	.65%
Total Expense Changes from 2011-12	\$3,206,861	

2012/13 Stakeholders Input

- ❑ **Recent Survey Responses** – Indicated stakeholders of the district expect high standards for both Educational and after school Co-Curricular activities, however with no new tax increase. This creates a fiscal challenge especially if the state and federal government continues to underfund districts. The adage of ‘do more with less’ will continue to be evaluated based on the district’s Strategic Plans (currently under review) and funding availability.
- ❑ **School Climate Survey** (March 29, 2012) – Stakeholders were invited to share their views concerning the education climate in the schools.
- ❑ **Community Feedback Survey** - The purpose of the survey was to inform stakeholders about issues in the district and to gather feedback about a number of areas, including: District Leadership; District Decisions; Budget and Financial Issues; Community Relations; School Operations; Sources Used to Find District Information

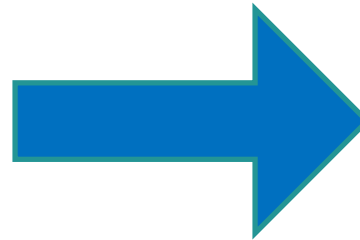
Public School Employees Retirement System (PSERS) Employer Contribution Rate



Tax Impact – 11/12 \$958,477; 12/13 \$2,214,784
13/14 \$1,596,303; 14/15 \$1,714,641

Proposed May Budget Vote Moves the Budget Process Forward

May Proposed 2012/13
Final Budget



June 2012/13
Final Budget

Additional time allows for the following:

State Subsidies, Local Tax Considerations, On-going District Budget Evaluation, Calculations of Homestead/Farmsteads credits, Etc..

Important Dates

- May 21, 2012 – Board gives approval to adopt the proposed final budget and Budget must be advertised and available for public inspection (30 days prior to June 25)
- June 25, 2012 - Budget approval