



Spring-Ford Area School District

2016/2017 Proposed Preliminary Budget

November 16, 2015





AGENDA

- ❖ Preliminary Budget Timeline – ACT 1
- ❖ Challenges in preparing the Preliminary Budget
- ❖ 2016/2017 Preliminary Budget Highlights
- ❖ Closing comments



Act 1 – Preliminary Budget Timeline

- ❖ **Available for Public Inspection**
Due by 1/7/2016
- ❖ **Public Notice to Adopt Preliminary Budget**
Due by 1/17/2016
- ❖ **Adoption of Preliminary Budget**
Due by 1/27/2016
- ❖ **Notice of Intent to File for Referendum Exceptions**
Due by 2/4/2016
- ❖ **File with PDE for Referendum Exceptions**
Due by 2/11/2016



Spring-Ford Area School District 2016/2017 Proposed Preliminary Budget

Challenges in Budget Preparation:

❖ Timing

- ✓ Early 2016 primary moves the calendar forward one month.
- ✓ Only 4 months into the current fiscal year.
- ✓ Only 2 months into the school year.
- ✓ Minimal budget vs actual data to analyze.

❖ State Budget

- ✓ To date the state budget is not approved (nor working draft).
- ✓ Unknowns for current year:
 - Education Subsidy
 - Transportation Subsidy
 - Special Education Subsidy
 - Any further property tax reforms
- ✓ Same unknowns for the 2016/2017 budget year.



2016/2017 Preliminary Budget Highlights

Expenditures - Major Items / Methodology

1. Salaries –

- Additions of new personnel are not considered.
- Wages are calculated using contracted steps and slides.

2. Benefits and Related –

- PSERS employer contribution mandated increase 15%.
- Increase for Medical 7%; Rx 10%; Dental/Vision 2%.

3. Debt Service –

- Actual debt and interest payment schedule used.



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2016/2017 Preliminary Budget Highlights

Expenditures:

Object	Budget 2016/2017	Budget 2015/2016	\$ Change	% Change
Salaries	\$ 61,365,491	\$ 60,336,862	\$ 1,028,629	1.70%
Benefits	38,790,274	35,604,608	3,185,666	8.90%
Professional Services	6,099,055	5,855,624	243,431	4.20%
Property Services	7,182,959	6,840,913	342,046	5.00%
Other Services	15,803,032	15,050,507	752,525	5.00%
Supplies	4,222,890	4,021,800	201,090	5.00%
Equipment	1,063,684	1,013,032	50,652	5.00%
Other Objects & Functions	15,822,865	14,788,608	1,034,257	7.00%
Budgetary Reserves	300,000	300,000	0	0.0%
TOTAL	\$ 150,650,250	\$ 143,811,954	\$ 6,838,296	4.80%



2016/2017 Preliminary Budget Highlights

Revenues - Major Items / Methodology

❖ Local:

- Generally not changed
- Removed Per Capita Tax (\$260k decrease)
- R/E Tax – applied current assessment value (\$1.04MM increase)

❖ State:

- Generally not changed
- Increased PSERS contribution (\$1.1MM)

❖ Federal:

- No changes



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Revenues:

Source	Budget 2016/2017	Budget 2015/2016	\$ Change	% Change
Local	\$ 112,480,586	\$ 111,690,636	\$ 789,950	0.70%
State	28,569,502	27,482,028	1,087,474	4.00%
Federal	639,290	639,290	0	0.00%
TOTAL	\$ 141,689,378	\$ 139,811,954	\$ 1,877,424	1.13%



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Preliminary Gap:

Source	Prelim Budget 2016/2017
Total Revenues	\$ 141,689,379
Total Expenses	(150,650,250)
Fund Balance Appropriation	4,000,000
Net (Shortfall)/Surplus	\$ (4,960,871)



Closing Comments

❖ Referendum Exceptions Estimate

➤ Special Education	\$1.70 MM
➤ Retirement Contributions	<u>.95 MM</u>
➤ Total Estimated Exceptions	\$2.65 MM

❖ Next Steps

- Deep-dive into expense lines
- Ground-up approach by department/building
- Side/side development of 5-year rolling plan/model
- File for PDE exceptions
- Keep an eye on Harrisburg



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