

SPRING-FORD

AREA SCHOOL DISTRICT

PROPOSED FINAL BUDGET 2016 / 2017



May 16, 2016



AGENDA

- ❖ **Challenges in preparing the 2016/2017 Budget**
- ❖ **Expenditure changes year/year**
- ❖ **Revenue changes year/year**
- ❖ **2016/2017 budget gap and tax impact**
- ❖ **How does Spring-Ford compare?**
- ❖ **Year/year notes recap**
- ❖ **Next Steps – Timeline**



Challenges in Budget Preparation:

❖ State Budget

- ✓ 2015/2016 recently passed with nominal increases.
- ✓ 2016/2017 state budget – not passed.
- ✓ Unknowns for 2016/2017:
 - Education Subsidy
 - Transportation Subsidy
 - Special Education Subsidy
 - Any further property tax reforms
- ✓ Must assume no changes year/year.



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

Millage Comparison (2015 / 2016)

Mills Rank	School District	FY 2015-16 Real Estate Mills	Student Population
1	Cheltenham Township SD	44.5156	4,584
2	Pottstown SD	39.2522	3,102
3	Jenkintown SD	38.0726	639
4	Pottsgrove SD	37.7159	3,214
5	Norristown Area SD	33.1790	7,089
6	Lower Moreland Township SD	32.3712	2,153
7	Upper Dublin SD	31.4099	4,206
8	Springfield Township SD	31.0766	2,315
9	Perkiomen Valley SD	30.8700	5,763
10	Abington SD	29.8900	7,674
11	Upper Moreland Township SD	28.7969	3,078
12	Souderton Area SD	28.6502	6,566
13	Methacton SD	27.9000	4,974
14	Hatboro-Horsham SD	26.8480	4,723
15	Lower Merion SD	26.2321	8,071
16	Spring-Ford Area SD	26.0610	7,870
17	North Penn SD	23.6223	12,736
18	Upper Perkiomen SD	23.0622	3,257
19	Colonial SD	20.5125	4,706
20	Upper Merion Area SD	18.9600	3,994
21	Wissahickon SD	17.9800	4,449



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

Expenditures - Major Items

Highlights

1. Personnel costs – 67% of total budget

➤ Professional contract increases	\$ 1.1MM
➤ Professional contract positions (Elem. Planning)	300k
➤ Professional staff additions (student pop/class size)	550k
➤ Professional staff – Spec. Ed (strategic/mandated)	250k
➤ Support staff agreement increases	<u>300k</u>
Subtotal	\$ 2.5MM
➤ Related retirement/taxes/medical	\$ 1.0MM
➤ PSERS mandated increase to 30.03% (existing wages)	1.3MM
➤ Increase medical benefits over prior year	<u>450k</u>
Total Personnel	\$ 5.25MM

2. Non-personnel related –

➤ Charter schools	\$ 200k
➤ Special Ed outside services	400k
➤ All Other	<u>200k</u>
Total Changes	\$ 6.05MM



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

Highlights

Expenditures:

Object	Budget 2016/2017	Budget 2015/2016	\$ Change	% Change
Salaries	\$ 62,670,736	\$ 60,336,862	\$ 2,333,874	3.87%
Benefits	38,455,381	35,604,608	2,850,773	8.01%
Professional Services	6,520,650	5,855,624	665,026	11.36%
Property Services	7,278,381	6,840,913	437,468	6.39%
Other Services	15,123,811	15,050,507	73,304	0.49%
Supplies	4,290,439	4,021,800	268,639	6.68%
Equipment	645,560	1,013,032	- 367,472	-36.27%
Other Objects & Functions	14,583,138	14,788,608	- 205,470	- 1.39%
Budgetary Reserves	300,000	300,000	0	0.0%
TOTAL	\$ 149,868,096	\$ 143,811,954	\$ 6,056,142	4.21%



Highlights

Revenues - Major Items

- ❖ **Local – 80% of total budget**
 - R/E Tax – applied current assessment value (\$1.7MM increase)
 - Increases to EIT based on recent trends
 - Increase to delinquent tax collections

- ❖ **State – 19% of total budget**
 - Based on 2015/2016 state budget amounts recently approved
 - Increase of \$220k original allocation
 - Increase of \$200k from new funding formula
 - Total represents 0.28% of SFASD budget
 - Increased PSERS rebate (\$1.6MM)

- ❖ **Federal – less than 1% of total budget**
 - No changes



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

Highlights

Revenues:

Source	Budget 2016/2017	Budget 2015/2016	\$ Change	% Change
Local	\$ 113,856,240	\$ 111,690,636	\$ 2,165,604	1.94%
State	29,547,734	27,482,028	2,065,706	7.52%
Federal	639,290	639,290	0	0.00%
TOTAL	\$ 144,043,264	\$ 139,811,954	\$ 4,231,310	3.03%



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

Highlights

Budget Gap:

Source	Budget 2016/2017
Total Revenues	\$ 144,043,264
Total Expenses	(149,868,096)
Fund Balance Appropriation	4,000,000
Net (Shortfall)/Surplus	\$ (1,824,832)



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

Closing the Gap – proposed tax increase

Fiscal Year	Millage	\$ Increase Per \$100k	% Increase
2016 / 2017	26.555	\$ 49.40	1.90%
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%



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

Millage Comparison (lataset data)

Mills Rank	School District	FY 2015-16 Real Estate Mills	Student Population	Estimated 2016/2017	% Change	% chg Rank
1	Cheltenham Township SD	44.5156	4,584	45.0943	1.30%	4
2	Pottstown SD	39.2522	3,102	39.2522	0.00%	1
3	Jenkintown SD	38.0726	639	38.9836	2.39%	8
4	Pottsgrove SD	37.7159	3,214	37.7159	0.00%	1
5	Norristown Area SD	33.1790	7,089	34.3403	3.50%	18
6	Lower Moreland Township SD	32.3712	2,153	33.4857	3.44%	17
7	Upper Dublin SD	31.4099	4,206	32.2862	2.79%	14
9	Perkiomen Valley SD	30.8700	5,763	31.6942	2.67%	13
8	Springfield Township SD	31.0766	2,315	31.6671	1.90%	5
10	Abington SD	29.8900	7,674	30.8226	3.12%	16
13	Methacton SD	27.9000	4,974	29.7800	6.74%	21
11	Upper Moreland Township SD	28.7969	3,078	29.4016	2.10%	7
12	Souderton Area SD	28.6502	6,566	29.3378	2.40%	9
14	Hatboro-Horsham SD	26.8480	4,723	27.4920	2.40%	9
15	Lower Merion SD	26.2321	8,071	27.3963	4.44%	19
16	Spring-Ford Area SD	26.0610	7,870	26.5550	1.90%	5
17	North Penn SD	23.6223	12,736	24.1901	2.40%	9
18	Upper Perkiomen SD	23.0622	3,257	23.7310	2.90%	15
19	Colonial SD	20.5125	4,706	21.0048	2.40%	9
20	Upper Merion Area SD	18.9600	3,994	18.9600	0.00%	1
21	Wissahickon SD	17.9800	4,449	18.7909	4.51%	20
Average Change %					2.54%	
Median					2.40%	



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

Cost per Pupil - 2014/2015 Comparison

Rank	School District	Expenditures	# Pupils	Cost/ Pupil
1	Lower Merion SD	\$ 227,893,842	8,071	\$ 28,236
2	Jenkintown SD	14,293,080	639	22,368
3	Wissahickon SD	99,051,687	4,449	22,264
4	Cheltenham Township SD	101,571,334	4,584	22,158
5	Upper Dublin SD	91,096,573	4,206	21,659
6	Colonial SD	100,779,335	4,706	21,415
7	Upper Merion Area SD	85,496,634	3,994	21,406
8	Springfield Township SD	48,116,631	2,315	20,785
9	Lower Moreland Township SD	44,375,307	2,153	20,611
10	Hatboro-Horsham SD	93,744,170	4,723	19,848
11	Methacton SD	97,958,324	4,974	19,694
12	Norristown Area SD	138,522,956	7,089	19,541
13	Pottsgrove SD	60,840,746	3,214	18,930
14	Upper Moreland Township SD	56,436,209	3,078	18,335
15	Souderton Area SD	119,348,677	6,566	18,177
16	Pottstown SD	56,030,138	3,102	18,063
17	Abington SD	137,529,050	7,674	17,921
18	North Penn SD	227,035,981	12,736	17,826
19	Spring-Ford Area SD	135,660,927	7,870	17,238
20	Perkiomen Valley SD	93,351,220	5,763	16,198
21	Upper Perkiomen SD	50,967,378	3,257	15,649
			Average Change %	19,920
			Median	19,694



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

Notes – Year/Year

- **2015/2016**
 - Tax increase of 1.22%.
 - However, there were no professional contract increases in 2015/2016.
- **2016/2017**
 - Professional contract increases in 2015/2016 of \$1.4MM (plus benefits).
 - State mandate PSERS increase to 30.03% of wages
 - ER share increase approximately \$1.3 MM.
 - Health benefits increase approximately \$450k.
 - Budget gap currently \$1.82MM or 1.90% (index = 2.4%)
 - = .494 mills increase - or - \$49.40 / \$100k assessed



Next Steps

- ❖ **Adopt Proposed Final Budget – 5/23/2016**
- ❖ **Proposed Final Budget made public**
 - ❖ **By 6/7/2016**
- ❖ **Public notice of intent to adopt as Final Budget**
 - ❖ **By 6/17/2016**
- ❖ **Adopt Final Budget on 6/27/2016**



Closing Summary

Spring-Ford Rates...

- **3rd Highest Student Population Size**
- **5th Largest Budget Size**

- **3rd Lowest Per/Student Cost**
- **6th Lowest in Millage Rate (tax rate)**



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