

# SPRING-FORD

AREA SCHOOL DISTRICT

## Proposed Preliminary Budget 2019 / 2020



November 19, 2018



# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## **AGENDA**

- ❖ **Preliminary Budget Timeline – ACT 1**
- ❖ **Challenges in preparing the Preliminary Budget**
- ❖ **2019/2020 Preliminary Budget Highlights**
- ❖ **Closing comments**



# Act 1 – Preliminary Budget Timeline

- ❖ **Available for Public Inspection**  
1/8/2019
- ❖ **Public Notice to Adopt Preliminary Budget**  
1/18/2019
- ❖ **Adoption of Preliminary Budget**  
1/28/2019
- ❖ **Notice of Intent to File for Referendum Exceptions**  
1/28/2019
- ❖ **File with PDE for Referendum Exceptions**  
3/7/2019



# Act 1 – Final Budget Timeline

- ❖ **Proposed Final Budget Presentation**  
**4/15/2019**
- ❖ **Adoption of Proposed Final Budget**  
**4/23/2019**
- ❖ **Make available for public inspection**  
**5/7/2019**
- ❖ **Notice of Intent to Adopt Final Budget**  
**5/17/2019**
- ❖ **Adoption of Final Budget**  
**5/28/2019**



# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## Challenges in Budget Preparation:

### ❖ Timing

- ✓ Work-back schedule of Act-1 due dates shortens the calendar.
- ✓ Only 4 months into the current fiscal year.
- ✓ Only 2 months into the school year.
- ✓ Very little budget vs actual data to analyze.

### ❖ State Budget

- ✓ Unknowns for 2019/2020 year:
  - Education Subsidy
  - Transportation Subsidy
  - Special Education Subsidy
  - Any further property tax reforms



# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## Highlights

### Expenditures - Major Items / Methodology

1. **Wages and benefits account for 70% of total budget.**
2. **Benefits and Related –**
  - **PSERS employer contribution mandated increase 4.1% (34.79% of total payroll).**
  - **Medical, Rx, Dental, Vision estimated at 5.25% increase.**
3. **Debt Service –**
  - **Actual debt and interest payment schedule used.**
4. **All other operational expenses –**
  - **Estimated at 2% year/year growth.**



# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## Expenditures

## Highlights

Object	Prelim Budget 2019/2020	Final Budget 2018/2019	\$ Change	% Change
Salaries	\$ 71,316,815	\$ 68,768,293	\$ 2,548,522	3.70%
Benefits	46,479,461	43,596,462	2,882,999	6.61%
Professional Services	8,049,810	7,897,971	151,839	1.92%
Property Services	4,450,128	4,310,918	139,210	3.23%
Other Services	16,617,360	16,297,229	320,131	1.96%
Supplies	5,989,831	5,883,384	106,447	1.81%
Property & Equipment	63,569	62,650	919	1.47%
Other Objects & Functions	17,630,438	17,327,743	302,695	1.75%
Budgetary Reserves	300,000	300,000	0	0.0%
<b>TOTAL</b>	<b>\$ 170,897,412</b>	<b>\$ 164,444,650</b>	<b>\$ 6,452,762</b>	<b>3.92%</b>



# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## Highlights

### Revenues - Major Items / Methodology

#### ❖ Local:

- Generally not changed
- R/E Tax – applied current assessment values (↑ \$880k)
- Delinquent tax collections decline (\$400k)

#### ❖ State:

- BEF year/year average increase 1.5% (↑ \$140k)
- Special Education subsidy (↑ \$55k)
- Increased PSERS/FICA offset (↑ \$1.0MM)

#### ❖ Federal:

- Based on current year expected income





# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## Highlights

### Revenues:

Source	Budget 2019/2020	Budget 2018/2019	\$ Change	% Change
Local	\$ 123,161,205	\$ 122,688,228	\$ 472,977	0.39%
State	33,890,555	32,614,130	1,276,425	3.91%
Federal	717,392	717,392	0	0.00%
Total Revenues	\$ 157,769,152	\$ 156,019,750	\$ 1,749,402	1.12%
Other Sources	2,962,000	3,300,000	-338,000	
TOTAL	\$ 160,731,152	\$ 159,319,750	\$ 1,411,402	.089%



# Spring-Ford Area School District 2019/2020 Proposed Preliminary Budget

## Highlights

### Preliminary Budget Gap:

Source	Prelim Budget
Total Revenues & Other Funding Sources	\$ 160,731,152
Total Expenses	(170,897,412)
Fund Balance Appropriation	4,000,000
Transfer from Committed Funds (retirement)	1,710,000
Net (Shortfall)/Surplus	\$ (4,456,260)



# Closing Comments

❖ 2019/2020 Act 1 Index = 2.3%

## ❖ Referendum Exceptions Estimate

➤ Special Education	\$1.07 MM
➤ Retirement Contributions	<u>.16 MM</u>
➤ Total Estimated Exceptions	<b>\$1.23 MM</b>

## ❖ Next Steps

- Deep-dive into expense lines
- Ground-up approach by department/building
- File for PDE exceptions
- Keep an eye on Harrisburg



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