



Spring-Ford Area School District Proposed Final May 2014/15 Budget

(Board Presentation May 19, 2014)





Purpose

- The district is following the Act 1 timelines, and the purpose of tonight's meeting is to present the Proposed Final 2014/15 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 2014/15 Budget is also available on '[www.Spring-Ford.net/Departments/Business Office/2014-15 Budget Documents](http://www.Spring-Ford.net/Departments/BusinessOffice/2014-15%20Budget%20Documents)'
- The Final Budget is scheduled to be approved June 23, 2014.



Historical Tax Listing

Year	Assessment	Millage		Tax Amount	Dollar Increase	Percent Increase	5 Yr. Avg	10 YR. AVG.	15 YR. AVG.
2014/2015	100,000	0.257460	=	\$2,574.60	\$49.20	1.95%	2.22%	3.12%	4.09%
2013/2014	100,000	0.252540	=	\$2,525.40	\$48.50	1.96%			
2012/2013	100,000	0.247690	=	\$2,476.90	\$47.80	1.97%			
2011/2012	100,000	0.024291	=	\$2,429.10	\$76.10	3.23%			
2010/2011	100,000	0.023530	=	\$2,353.00	\$46.00	2.00%			
2009/2010	100,000	0.023070	=	\$2,307.00	\$88.00	3.95%			
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%			
2005/2006	100,000	0.019690	=	\$1,969.00	\$75.00	3.97%			
2004/2005	100,000	0.018940	=	\$1,894.00	\$81.00	4.47%			
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%			



Budget Comparison

Expenditures	Budget 2013/14	Budget 2014/15	Budget to Budget Increase	Percent of Total Increase
100 Salaries	58,788,805	59,345,611	556,806	10.19%
200 Employee Benefits	29,217,480	32,799,324	3,581,844	65.57%
300 Professional Services	4,332,533	4,348,936	16,403	.30%
400 Property Services	6,063,842	5,931,202	(132,640)	(2.43)%
500 Contracted Services	14,040,450	14,811,858	771,408	14.12%
600 Supplies/Books	3,176,113	3,552,296	376,183	6.89%
700 Equipment	668,485	670,985	2,500	.05%
800 Other Objects	5,574,850	5,237,265	(337,585)	(6.18)%
900 – Other Financing	9,663,300	10,291,268	627,968	11.49%
Total	131,525,858	136,988,745	5,462,887	100.00%



2014/15 Expense Changes

Description of expense changes	Amount
Salaries – All Personnel Salaries for 1,000+ Employees New Personnel 912,000 – 355,194 = 556,806	556,806
Benefits – Retirement \$2,717,138; Soc. Sec. \$35,899; Health Care \$370,192; Prescription \$679,635; Tuition (\$254,414); other \$33,394	3,581,844
Transportation - 2.25% contract increase \$267,040; IU \$289,000; other (\$11,448)	544,592
Student Costs Outside the District – Charter Schools \$50,000; Vo-Tech Tuition \$65,016; APS \$8,735; Alternative Schools (\$20,050); Other \$196,355	300,056
Curriculum Increase – Hybrid Learning, AP Courses, Textbooks	250,762
Other	<u>228,827</u>
Total Expense Changes	5,462,887



2014/15 Revenue

Functions	Budget 2013/14	Budget 2014/15	Budget to Budget Increase	Percent of Total Increase
6000 Local	103,041,887	107,163,384	4,121,497	75.45%
7000 State	23,329,465	25,705,883	2,376,418	43.49%
8000 Federal	687,456	619,478	(67,978)	(1.24)%
9000 Other	0	0	0	0.00%
Fund Balance Appropriations	<u>4,467,050</u>	<u>3,500,000</u>	<u>(967,050)</u>	(17.70)%
Total	131,525,858	136,988,745	5,462,887	100.00%



2014/15 Revenue Changes

Description of major revenue changes	Amount
Real Estate Tax Increase (Includes Tax Increase of 1.95%; also includes assessment growth of \$483,214 from Dec 2013 to June 2014)	2,930,000
Payment in lieu of taxes – Exelon new 10 year agreement	153,740
Earned Income Taxes	750,000
Real Estate Transfer Taxes	300,000



2014/15 Revenue Changes

Description of revenue changes	Amount
Retirement Revenue	1,291,499
Miscellaneous	<u>37,648</u>
Total Revenue Changes	5,462,887



2014/15 Budget Challenges

- **PSERS (Pension) Increases – Estimated 1.4 million net increase each of the next 3 years**
- **Assessment Appeals Litigation – Erosion of Tax Base**
- **Slow Recovery of Local Revenue in some areas**
- **State Subsidy Frozen (Basic Ed – 3 years, Special Education - 6 years)**
- **Federal Subsidy – Cuts will impact State/Districts Budgets**
- **Cost of Benefits – PSERS, Health Care Costs**
- **Increase Cost of Services (Special Education, Transportation, Utilities, etc.)**
- **Cost of Programs outside the District (Charter Schools, IU, Voc. Tech, APS, etc.)**
- **Act 1 Tax Limitations**



Allowable Exceptions

PA Department of Education	2013/14	2014/15
1. Special Education Expenditures	0	732,058
2. Retirement Contribution 16.93% to 21.40%	1,190,218	1,123,222
3. Debt	0	0
Total Exceptions	1,190,218	1,855,280
Millage Conversion	1.37%	2.133%
State Tax Index	<u>1.70%</u>	<u>2.100%</u>
Total Allowable w/o voter referendum	3.07%	4.233%
Actual Tax Increase	1.96%	1.95%



Budget Shortfall

	2013/14	2014/15	Difference
Expenses	131,525,858	136,988,745	5,462,887
Revenue	131,525,858	134,541,959	3,016,101
Difference	0	2,446,786	
		Shortfall	

PDE Requirement to Balance Budget – Revenues must match Expenditures

Revenue		134,541,959	
Amount needed for Tax Increase		2,446,786	Tax Increase of 1.95%
New Revenue Total		136,988,745	