

Spring-Ford Area School District Proposed Final 2015/2016 Budget Presentation

May 18, 2015



Purpose

- The purpose of tonight's meeting is to present the Proposed Final 2015/2016 Budget, following the required Act 1 timeline.
- SFASD must 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 2015/2016 Budget is available online at www.spring-ford.net by clicking on "Departments" and then "Business Office."
- The Final Budget is scheduled to be approved during the June 22, 2015 board meeting.



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AREA SCHOOL DISTRICT



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Business Office

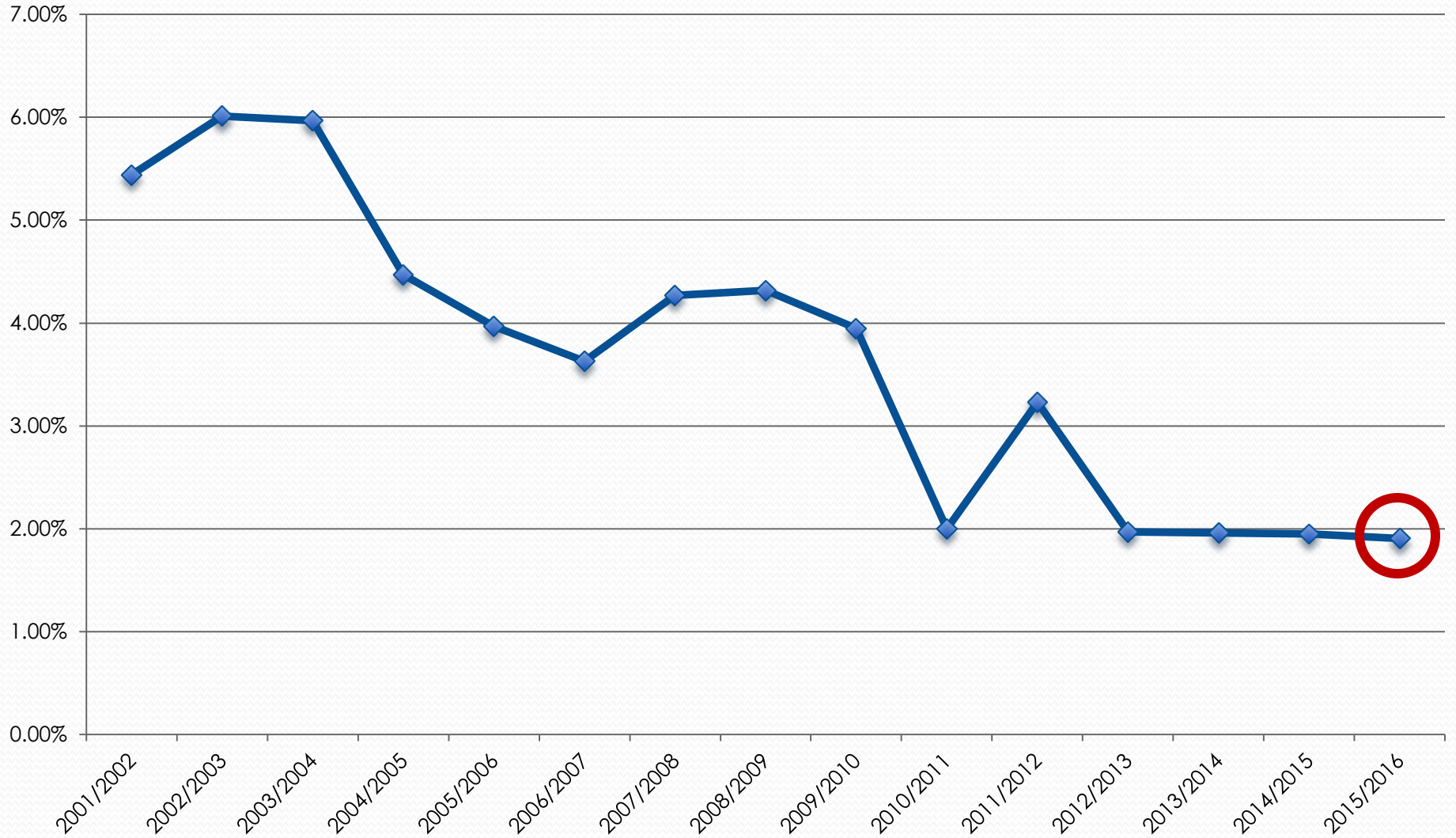


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Historical Tax Listing

Year	Assessment	Millage	Tax Amount	\$ Increase	% Increase	5 Year Average	10 Year Average	15 Year Average
2015/2016	100,000	0.026236 =	\$2,623.60	\$49.00	1.90%	2.20%	2.92%	3.67%
2014/2015	100,000	0.025746 =	\$2,574.60	\$49.20	1.95%			
2013/2014	100,000	0.025254 =	\$2,525.40	\$48.50	1.96%			
2012/2013	100,000	0.024769 =	\$2,476.90	\$47.80	1.97%			
2011/2012	100,000	0.024291 =	\$2,429.10	\$76.10	3.23%			
2010/2011	100,000	0.02353 =	\$2,353.00	\$46.00	2.00%			
2009/2010	100,000	0.02307 =	\$2,307.00	\$88.00	3.95%			
2008/2009	100,000	0.02219 =	\$2,219.00	\$92.00	4.32%			
2007/2008	100,000	0.02127 =	\$2,127.00	\$87.00	4.27%			
2006/2007	100,000	0.0204 =	\$2,040.00	\$71.00	3.63%			
2005/2006	100,000	0.01969 =	\$1,969.00	\$75.00	3.97%			
2004/2005	100,000	0.01894 =	\$1,894.00	\$81.00	4.47%			
2003/2004	100,000	0.01813 =	\$1,813.00	\$102.00	5.97%			
2002/2003	100,000	0.01711 =	\$1,711.00	\$97.00	6.01%			
2001/2002	100,000	0.01614 =	\$1,614.00	\$83.00	5.44%			

Historical Tax Listing



Budget Comparison

Expenditures	Budget 2014/2015	Budget 2015/2016	14/15-15/16 Increase	% of Total Increase
100 Salaries	\$60,273,731	\$60,385,562	\$111,831	1.50%
200 Employee Benefits	\$32,299,324	\$35,661,124	\$3,361,800	45.03%
300 Professional Services	\$4,219,570	\$5,855,624	\$1,636,054	21.91%
400 Property Services	\$6,139,448	\$6,840,913	\$701,465	9.40%
500 Contracted Services	\$14,311,858	\$15,050,507	\$738,649	9.89%
600 Supplies/Books	\$3,545,296	\$4,021,800	\$476,504	6.38%
700 Equipment	\$670,985	\$1,013,032	\$342,047	4.58%
800 Other Objects	\$5,237,265	\$5,312,670	\$75,405	1.01%
900 Other Financing	\$10,291,268	\$10,313,028	\$21,760	0.30%
TOTAL	\$136,988,745	\$144,454,260	\$7,465,515	100%

2015/2016 Expense Changes

Description of expense changes	Amount
Salaries: Includes all current employee salaries for 15-16 as well as proposed new personnel salaries Note: Substitute salary costs were shifted to Contracted Services Category (Reduced Salaries by \$1,451,063)	\$111,831
Benefits – Retirement \$2,862,411; Soc. Sec. \$62,811; Health Care \$335,140; Prescription \$286,999; Tuition (\$95,000); other (\$90,561); Benefits for New Personnel \$625,176	\$3,361,800
Contract Services - Transportation 2.25% contract increase \$193,358; IU \$43,326; Substitutes \$1,451,063; Legal Services \$155,000; Custodial Services \$438,000; other \$264,536	\$2,545,283
Student Costs Outside the District – Charter Schools \$338,159; Vo-Tech Tuition \$63,917; APS \$73,668; Alternative Schools \$323,950; Other (\$268,809)	\$530,885
Curriculum – \$537,090; Instructional Equipment \$331,000	\$868,090
Other	<u>\$47,626</u>
TOTAL EXPENSE CHANGES	\$7,465,515

2015/2016 Revenue

Functions	Budget 2015/2016	Budget 2014/2015	Budget to Budget Increase	Percent of Total Increase
6000 Local	\$112,332,942	\$107,163,384	\$5,169,558	69.25%
7000 State	\$27,482,028	\$25,705,883	\$1,776,145	23.79%
8000 Federal	\$639,290	\$619,478	\$19,812	0.27%
9000 Other	0	0	0	0%
Fund Balance Appropriations	\$4,000,000	\$3,500,000	\$500,000	6.69%
Additional Fund Balance Reserve	0	0	0	0%
TOTAL	\$144,454,260	\$136,988,745	\$7,465,515	100%

2015/2016 Revenue Changes

Description of Local Revenue changes	Amount
Real Estate Tax Increase (Includes Total Allowable Act 1 Tax Increase of 4.007%)	\$3,863,244
Earned Income Taxes	\$1,200,000
Real Estate Transfer Taxes	\$100,000
Other	<u>\$6,314</u>
TOTAL LOCAL REVENUE CHANGES	\$5,169,558

2015/2016 Revenue Changes

Description of State/Federal/Other Revenue changes	Amount
Retirement Subsidy	\$1,483,708
PA Accountability Grant	\$221,793
Additional Fund Balance Reserve	\$500,000
Other	<u>\$90,456</u>
Total State/Federal/Other Revenue Changes	\$2,295,957
TOTAL ALL REVENUE CHANGES	\$7,465,515

2015/2016 Budget Challenges

- **PSERS (Pension) Increases** – Est. \$1.5 mil. net increase each of the next 3 years.
- **Assessment Appeals and Litigation** – Impact on Tax Base
- **State Revenue** – discussions continue in Harrisburg
- **Federal Subsidy** – No change
- **Cost of Benefits**
- **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	2014/2015	2015/2016
1. Special Education Expenditures	\$732,058	\$868,374
2. Retirement Contribution 21.40% to 25.84%	\$1,123,222	\$1,101,091
3. Debt	0	0
Total Exceptions	1,855,280	1,969,465
Millage Conversion	2.133%	2.107%
State Tax Index	<u>2.100%</u>	<u>1.900%</u>
Total Allowable w/o voter referendum	4.233%	4.007%
ACTUAL TAX INCREASE	1.95%	1.9%

Budget to Budget

	2014/2015	2015/2016	Difference
Expenses	\$136,988,745	\$144,454,260	\$7,465,515
Revenue	\$136,988,745	\$144,454,260	\$7,465,515
Difference	0	0	

PDE Requirement to Balance Budget – Revenues must match Expenditures

Refunding of latest two bond issues will generate savings to be transferred out in June 2016.