

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

May 26, 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 2015 board meeting.



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AREA SCHOOL DISTRICT



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Business Office

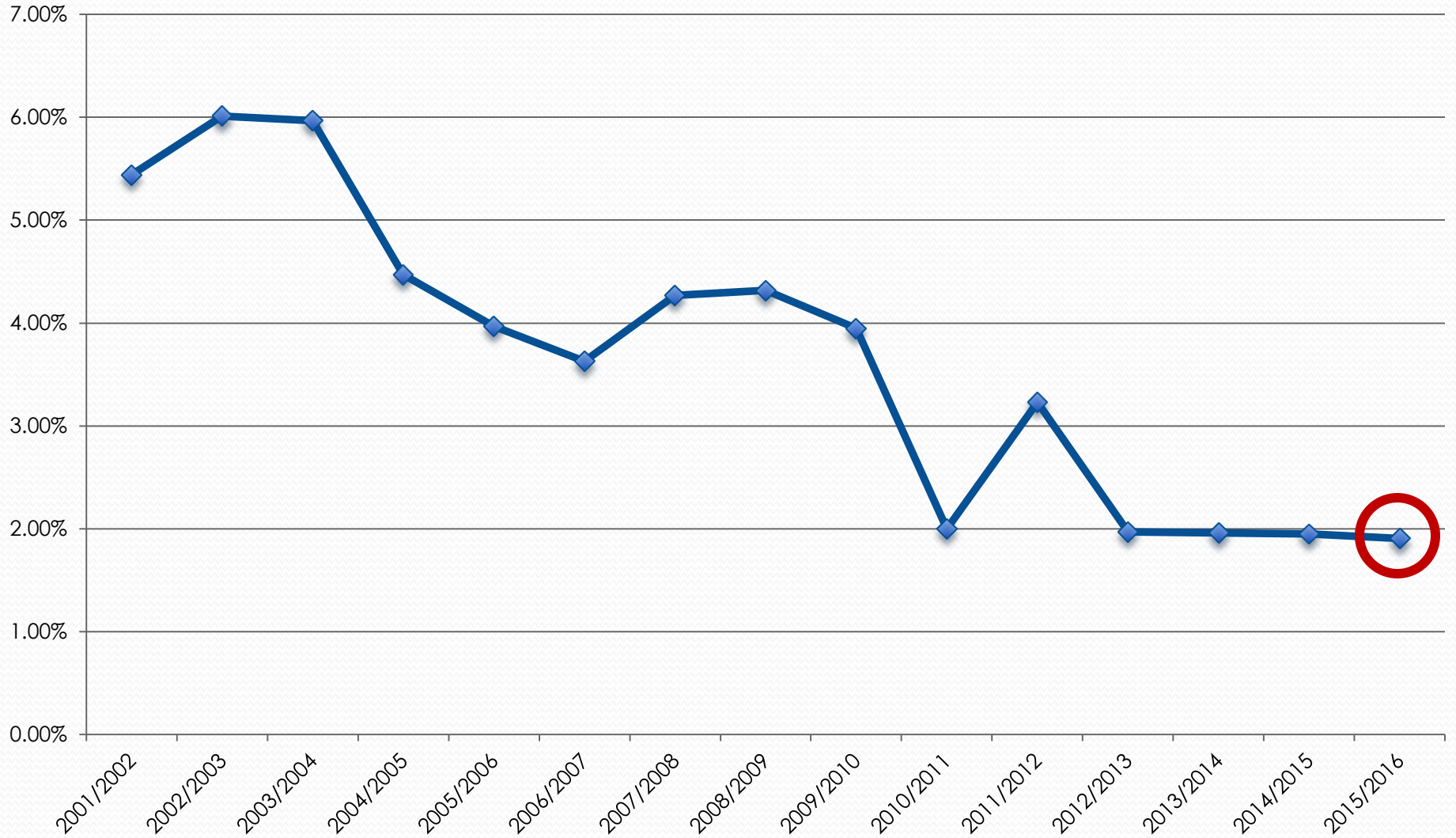


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Historical Tax Listing

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%	3.63%	3.97%	4.47%
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	Budget-to- Budget 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
<u>Salaries</u> : 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
<u>Benefits</u> – 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
<u>Contract Services</u> - 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
<u>Student Costs Outside the District</u> – Charter Schools \$338,159; Vo-Tech Tuition \$63,917; APS \$73,668; Alternative Schools \$323,950; Other (\$268,809)	\$530,885
<u>Curriculum</u> – \$537,090; Instructional Equipment \$331,000	\$868,090
<u>Other</u>	<u>\$47,626</u>
TOTAL EXPENSE CHANGES	\$7,465,515

New Positions Requested for 2015-2016

Tier 1 – Highest Priority

Position	Location	Rationale	Salary
Biology Teacher	SFAHS	Mandatory Keystone Exams - Needed for remediation courses	\$45,700
Math/Physics Teacher	SFAHS	Teacher needed for Project Lead the Way courses	\$45,700
Two (2) English/Gifted Teachers	SFAHS	Compliance: Gifted caseload max (65) and remediation for keystones	\$91,400
<u>Curriculum Supervisor</u>	District	Oversee K-12 Literacy: ELA, Library, ELL, Reading Specialists	\$105,000

New Positions Requested for 2015-2016

Tier 2 – High Priority

Position	Location	Rationale	Salary
Music – Strings Teacher	K-12	Increasing enrollment in Orchestra program, need to maintain 4 th grade	\$45,700
Part-time Emotional Support Teacher	SFAHS	Increased need/maintain students in SFAHS	\$25,000
Emotional Support Teacher	5/6/7	Increased need/support students in 5/6 Center	\$45,700
<u>Supervisor of Special Education</u>	K-12	Increased population and support needed for students	\$110,000
Secretary – Special Education Supervisor	K-12	Support to new administrator	\$31,500
<u>Communications and Marketing Manger</u>	District	Full-time position for public relations, marketing, advertising	\$75,000

New Positions Requested for 2015-2016

Tier 2 – High Priority

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<u>Communications and Marketing Manger</u>	District	Full-time position for public relations, marketing, advertising	\$75,000

New Positions Requested for 2015-2016

Tier 3 – Priority

Position	Location	Rationale	Salary
<u>Six (6) Instructional Support Teachers</u>	K-4	Institute the Instructional Support Team (IST) at all K-4 Elementary Schools	\$274,200
School Counselor	5/6/7	Increased need and support needed at 5/6	\$45,700
<u>Curriculum Supervisor</u>	District	Oversee K-12 Math, Science, Business, Tech Ed	\$105,000
Secretary, C & I Department	District	Support to new administrator	\$31,500

New Positions Requested for 2015-2016

Tier 3 – Priority

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Secretary, C & I Department	District	Support to new administrator	\$31,500

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%

Basic Education Funding

- The Governor is proposing an increase in the Basic and Special Education Funding formulas. The proposed Basic Education Funding increase will restore the Accountability Block Grant and Basic Education Funding that had been cut in previous years.
- In the Governor's proposed budget, the 2015-2016 Basic Education Funding allocation for Spring-Ford is proposed at \$9.5 million. Spring-Ford's budget for 2015-2016 is proposing \$9.1 million (2014-2015 funding amount) which is an increase of \$322 thousand from the 2014-2015 budget.
- *The full amount of the Governor's increase is not being considered.*

2015-2016 Revenue Changes

Description of Local Revenue changes	Amount
<u>Real Estate Tax Increase</u> (Includes new assessed tax dollars of \$1.8M)	\$3,863,244
<u>Earned Income Taxes</u>	\$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

Designated Fund Balance Allowable State Tax Increase w/Exceptions (From Preliminary Budget of 4.07% Tax Increase)

- Designated Fund Balance = \$803,555
- Allowable Act 1 Tax Increase (4.07%) = \$2,043,036

The preliminary budget that was presented at an allowable state tax increase with allowable exceptions (4.07%) reflected a real estate amount of \$2,043,036 plus a transfer from capital reserve of \$803,555. The real estate number of \$2,043,036 was eliminated due to the Board requesting an overall tax increase no greater than 1.9%. The additional amount of \$803,555 was eliminated due to positive changes in both revenue and expenses.

2015-2016 Budget Challenges

- **PSERS (Pension) Increases** – Est. \$1.5M 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**

Basic Education Funding Accountability Plan (eGrant submission potential \$294,427)

The Governor has proposed a \$400 million increase in Basic Education Funding (BEF). For the portion of the increase in BEF that exceeds the inflation-based state index of 1.9%, school districts are asked to submit an Accountability Plan in the eGrants system indicating how they plan to use the increase for the 2015-16 school year.

Eligibility for the potential funding requires the district to tax at or above the 1.9% Act 1 index. The proposed additional funds (\$294,427) were not considered in the budget for 2015-2016.

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

Comparison from 2014-2015 to 2015-2016

	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.