



Spring-Ford Area
School District
2011/2012
Preliminary Budget

2011/12 Expenses Changes

Salary	Support/Administration	\$1,433,417
Benefits		\$3,735,081
Books	Curriculum Plan	\$ 427,000
Charter Schools – and Cyber Charter Schools		\$ 400,000
Western Montgomery Career & Tech. Center		\$ 121,446
Other		<u>\$ 46,580</u>
Total Expense Changes		\$6,163,524

2011/12 Revenue Changes

Exelon	5 year Agreement (Year 3 of 5) \$1,704,604 to \$1,600,432	(\$ 104,172)
Interest	Investments Rate of Return	(\$450,000)
Federal Fiscal Stabilization Fund – Stimulus Funds		(\$750,100)
Other		\$121,208
Basic Instructional Subsidy increase over prior year		\$469,231
Social Security and Retirement – ½ back from State		\$217,542
Increase in Real Estate Taxes (7.60%)		<u>\$ 6,659,815</u>
Total Revenue Changes		\$6,163,524

2011/12 Draft Budget – Finance Mtg. 1/06/11

	2010/11	2011/12	Difference
Revenue	\$125,463,931	\$120,922,974	(\$4,540,957)
Expense	\$125,463,931	\$131,324,326	\$5,860,395
Total Difference	\$ 0	\$ 10,401,352	Budget not Balanced
Allowable State Index	1.40%	\$ 1,129,032	
Allowable PDE Exceptions PDE Approval Required	6.20%	<u>\$ 5,002,764</u>	
Allowable	7.60%	\$ 6,131,796	
Additional Adjustments	Difference	(\$ 4,269,556)	Adjustment to Budget

History of Act 1 Index

School Districts capped at Base Index and with allowable exceptions.

Operational		Value of	Allowable	Actual
Year	Base Index	Exceptions	Tax Increase	Tax Increase
2011/12	1.40%	6.20%	7.60%	TBD
2010/11	2.90%	6.72%	9.62%	2.00%
2009/10	4.10%	2.02%	6.12%	3.95%
2008/09	4.40%	3.31%	7.71%	4.32%
2007/08	3.40%	2.18%	5.58%	4.27%

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2011/12 Allowable Exceptions

PA Department of Education	2011/12	2010/11
1. Special Education Expenditures	\$ 778,400	\$ 1,724,150
2. Maintenance of Local Revenues or Actual Instructional Expense per ADM (TBD)	\$ 2,134,323	\$ 2,134,323
3. Health Care – Related Benefits	\$ 1,252,933	\$ 547,499
4. Retirement Contributions 5.64% to 8.65%	\$ 837,108	\$1,016,597
Total Exceptions	\$ 5,002,764	\$ 5,422,569
Millage Conversion	6.20%	6.72%
State Tax Index	<u>1.40%</u>	<u>2.90%</u>
Total Allowable without Voter Referendum	7.60%	9.62%
Actual Tax Increase	TBD	2.00%

2011/12 Proposed Preliminary Budget

		2011/12		
Revenue – Assessment Appeals		\$3,000,000	Tax Increase	3.72%
Revenue – ESBE – Stimulus Portion		\$1,044,666	Tax Increase	1.29%
				Total 5.01%
Other		<u>\$257,890</u>		
Submitted State Budget Includes Adjustments		\$4,269,556	Difference	% Incr.
2010/11		2011/12		
Revenue	\$125,463,931	\$131,627,455	\$ 6,163,524	4.91%
Expense	\$125,463,931	\$131,627,455	\$ 6,163,524	4.91%

On-Going Assessment Appeals – Possible \$3 Million Tax Loss

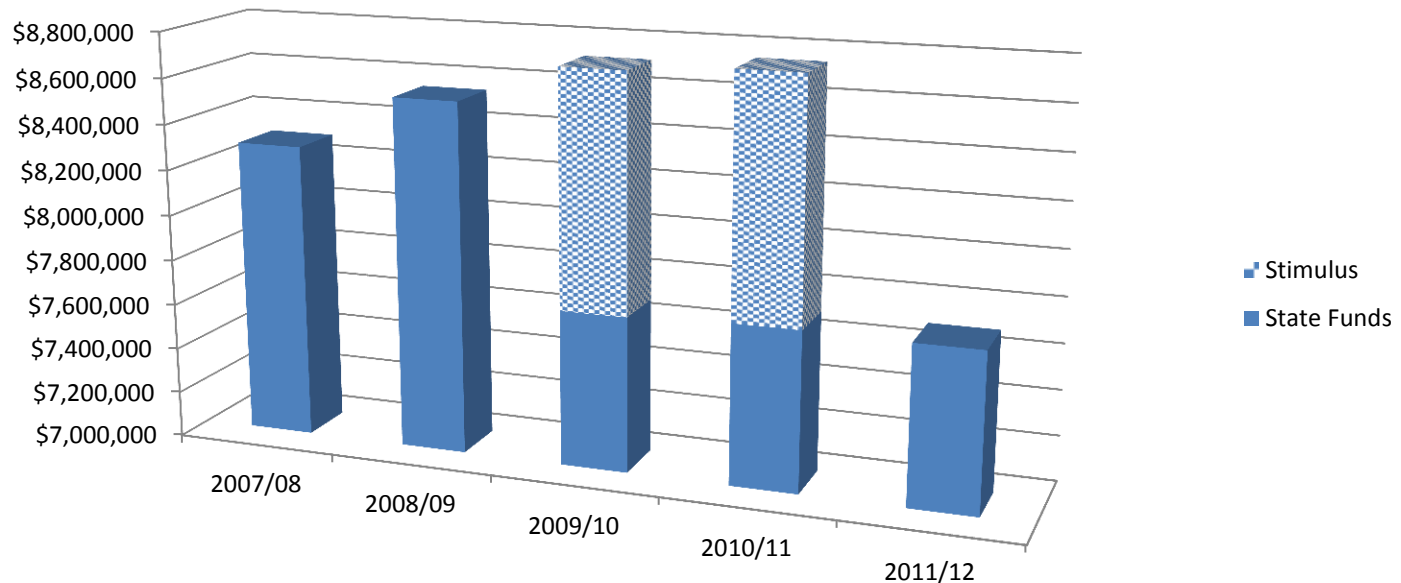
Assessment Appeal Judgments will also affect back taxes and accounting adjustment to prior years 2009/10; 2010/11; 2011/12; and future years

SmithKline Beecham Corporation	
SEI Corporation	
Ravensclaw Investors LP	
Oaks Association	
Spring-Ford Country Club	
Limerick Aviation	
Quest Diagnostics	
Spruce Street Properties	
Reitnour Investment Prop.	

2011/12 Impact to Tax Payers for Loss of Federal Stimulus Funds

(1) Basic Instructional Subsidy (ESBE)

	State Funds	Federal Stimulus	Total ESBE	Increase Decrease	Tax Increase
2007/08	\$8,296,966		\$8,296,966		
2008/09	\$8,542,409		\$8,542,409	\$245,443	-0.31%
2009/10	\$7,681,786	\$1,032,493	\$8,714,279	\$171,870	-0.21%
2010/11	\$7,702,496	\$1,044,666	\$8,747,162	\$32,883	-0.04%
2011/12	\$7,697,503		\$7,697,503	-\$1,049,659	1.31%

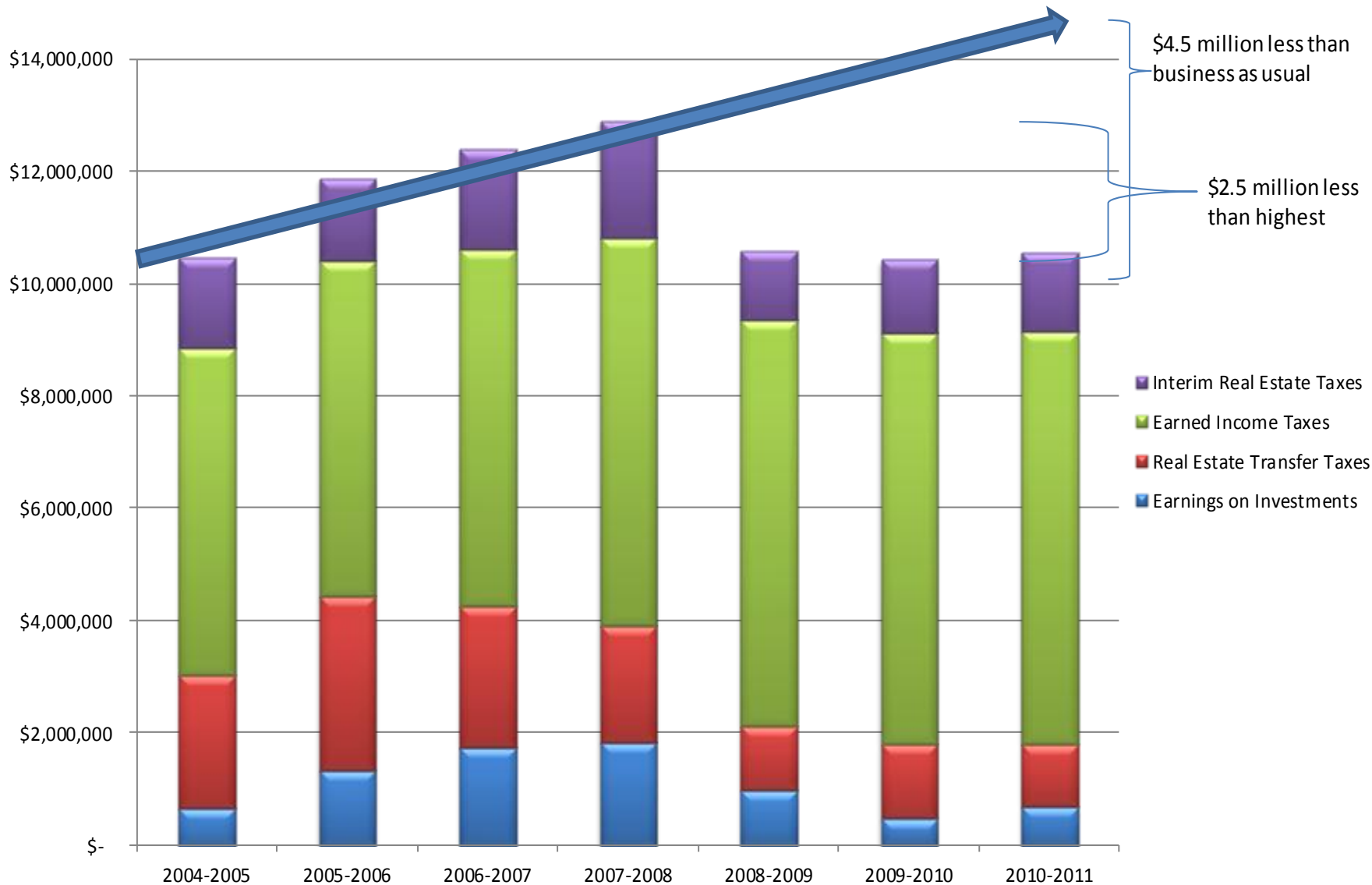


2011/12 Impact to Tax Payers for Loss of Federal Stimulus Funds

		2009/10	2010/11	2011/12
(2) IDEA/AARA Allocation	\$1,749,277	\$ 874,639	\$ 874,639	\$ -
Programs that are considered reoccurring expenses - Tax Dollars must replace Stimulus dollars				
Montgomery IU Cost Service Plan			\$435,000	
Speech and Language Services			\$90,100	
Transition Coordinator			\$85,000	
Other			<u>\$140,000</u>	
			\$750,100	0.94%
Additional Local Taxes - Increase Millage			\$1,799,759	2.25%

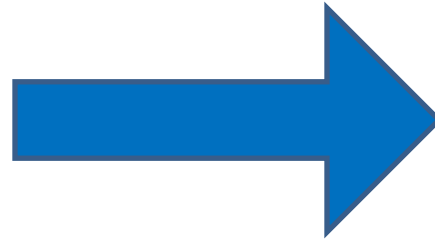
Local Revenues Impacted by Recession

Reflect a Loss of \$2.5M and a Reversal of a \$4.5M Trend



Preliminary Budget Vote Moves the Budget Process Forward

January/February 2011
Preliminary



June 2011
Final Budget

Additional time allows for the following:

Updated State Revenue, Local Tax Considerations, Other Budgets (MCIU, WCTS, APS, Alternative Ed, etc.), On-going District Budget Evaluation, Etc.

Important Dates

January 18– Board to approve the advertising of the proposed Preliminary Budget for public inspection

February 14 – Adoption of Preliminary 2011/12 Budget

February 16 – State deadline to adopt Preliminary Budget

February 21 - Intent to file exceptions with PDE