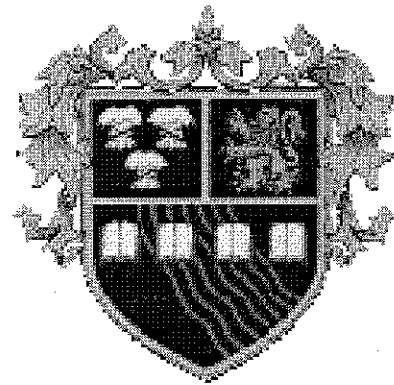


Spring-Ford School District Proposed Final Budget 2010-2011



Preliminary Proposed 2010-2011 Budget February 2010

\$129,402,201

6.98 % Tax Increase

Clear direction from the board to reduce the budget to lower the tax increase as much as possible.

Objectives in Reducing Preliminary 2010-2011 Budget

- Maintain the quality of our educational programs.
- Review all available information; solicit input from a variety of stakeholders.
- Present taxpayers with a fiscally sound and responsible budget.
- Provide a budget that will enable the district to maintain programs and services through the uncertain economic times ahead.

Large Expenditure Increases Budget to Budget

Expenditure	Budget 2009-10	Budget 2010-11	Difference	% of Inc./Dec.
Salaries				
Teachers	\$39,408,297	\$41,343,664	\$1,935,367	6.00%
All Others	\$17,012,749	\$16,561,598	(\$ 451,151)	(2.65%)
Benefits				
Teachers	\$12,522,194	\$15,359,851	\$2,837,657	22.60%
All Others	\$ 6,911,823	\$ 7,035,397	\$ 123,574	1.70%
Transportation				
	\$ 7,127,287	\$ 7,240,287	\$ 113,000	1.50%
Debt Service				
	\$16,037,349	\$16,452,803	\$ 415,454	2.50%
Unemployment Compensation				
	0	\$ 188,266	\$ 188,266	
Workers' Compensation				
	0	\$ 104,264	\$ 104,264	
Total Increases			\$ 5,266,431	4

Spring-Ford's PSERS Pension Dilemma

Increases for Spring-Ford through 2014

PSERS Rates

➤ **2010-2011**

8.22% = \$2,044,418

➤ **2011-2012**

10.59% = \$1,133,917

➤ **2012-2013**

29.22% = \$6,152,944

➤ **2013-2014**

32.09% = \$1,534,410

Proposed Adjusted Plan

(Smoothing out – 3% after 11/12)

8.22% = \$2,044,418

10.59% = \$1,133,917

13.59% = \$1,924,797

16.59% = \$2,069,577

Proposed Budget Reductions 2010-2011

Description	Expenditure Reductions
Administrative reductions (1)	\$136,000
Current professional staff (9)	\$525,110
Newly recommended professional staff (10)	\$685,778
Support staff reductions (15)	\$752,477
Support Staff Salaries Reductions due to new agreements	\$220,415
Playground Aides	\$161,162
Medical benefits	\$1,367,083

Proposed Budget Reductions 2010-2011

Description	Expenditure Reductions
Operations	\$265,000
Transportation	\$42,075
Building Budgets	\$273,283
Technology	\$200,000
Miscellaneous	\$32,140

Proposed Budget Reductions 2010-2011

Description	Expenditure Reductions
Community Education	\$31,000
Curriculum & Instruction	\$314,000
Professional Development	\$52,726
Substitutes and Overtime	\$113,680
Total Reduction	\$5,171,929

Proposed Budget Additions 2010-2011

Description	Expenditure Additions
Reservation of Funds for Future Obligations	\$1,016,129
Unemployment Compensation	\$188,266
Workers' Compensation	\$104,264
Total Additions	\$1,308,659

Proposed Student Fees

Description	Revenue Amount
Student Activity Fee (Grades 7-12)	\$75,000
Graduation Fee (\$30 to \$35)	\$2,500
Parking Fees (\$35 to \$50)	\$5,625

Proposed Final 2010-2011 Budget

2010-11 May Proposed

Final Budget

\$125,538,931

2009-10 Final Budget

\$120,838,710

Net Increase

\$4,700,221

Percent Tax Increase

2.00%

What the District Maintains With a 2.00% Tax Increase

- ✓ Appropriate class sizes (K-6)
- ✓ Art, music and physical education classes (K-6)
- ✓ Honors/AP classes
- ✓ Continuum of Special Education Services
- ✓ Co-taught classes
- ✓ After-school activities
- ✓ K-4 Environmental Education Program
- ✓ Kindergarten Bussing (noon bus run)
- ✓ Strings Program
- ✓ Grades 7-8 Athletics
- ✓ Crisis Counselors
- ✓ School Resource Officers

Revenue Sources

2010/11

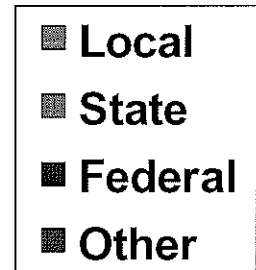
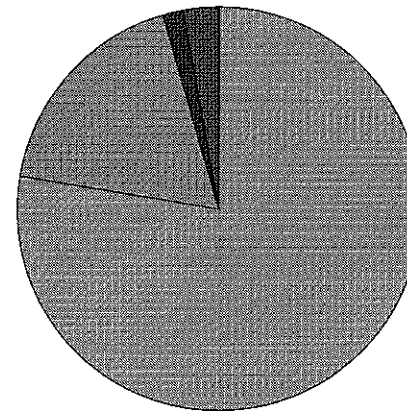
Local - \$ 97,402,698 – 77.59%

State - \$ 22,477,988 - 17.91%

Federal - \$ 2,059,848 - 1.64%

Other - \$ 3,598,397 - 2.87%

Total - \$125,538,931



2009/10 \$120,838,710

Increase \$ 4,700,221 3.89%

Revenue Comparison

Revenues	Budget 2010/11	Budget 2009/10	Budget to Budget Increase	2010/11 Percentage of Total
Local	\$97,402,698	\$94,320,954	\$3,081,744	77.59%
State	\$22,477,988	\$21,045,421	\$1,432,567	17.91%
Federal	\$2,059,848	\$2,062,204	-\$2,356	1.64%
Other	\$0	\$0	\$0	0.00%
Fund Balance Appropriations	\$3,598,397	\$3,410,131	\$188,266	2.87%
TOTAL	\$125,538,931	\$120,838,710	\$4,700,221	100.00%

Impact on Property Tax

Cost per \$100,000 Assessment:

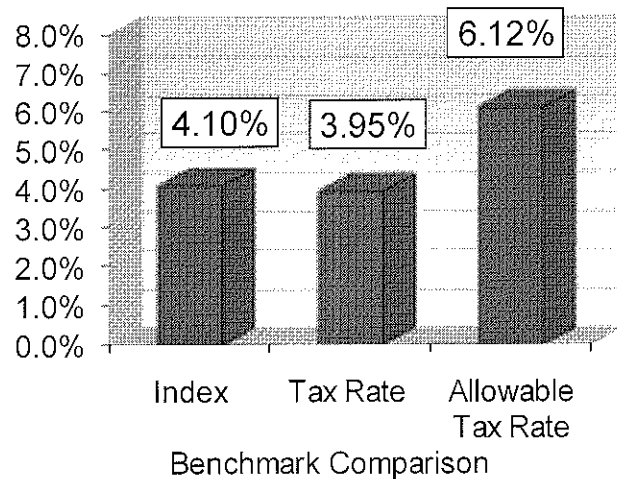
2010-2011 \$2,353.00 mill = 23.53

2009-2010 \$2,307.00 mill = 23.07

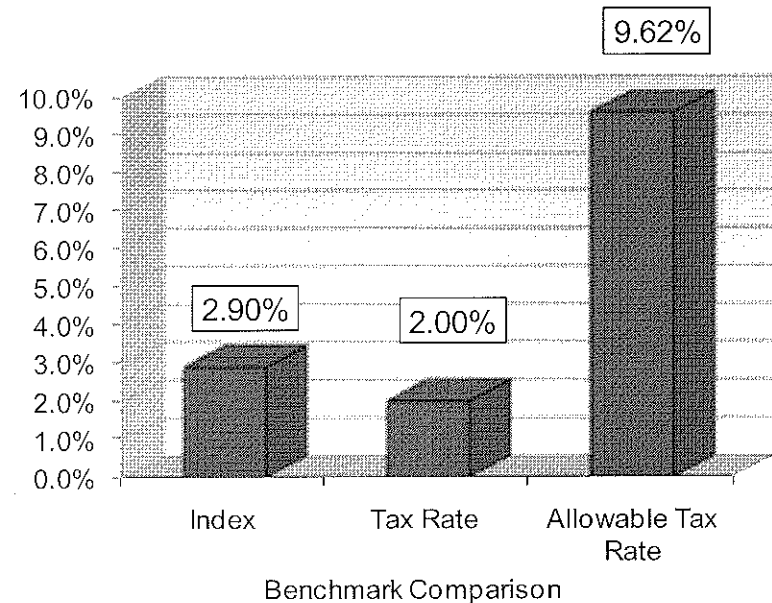
2010-2011 Tax increase of \$46.00/year
or 2.00%

Comparison of Increase in Tax Rate to Index for 2010-11

2009 - 10
Allowable Referendum Exceptions



2010 - 11
Allowable Referendum Exceptions



Index - SAWW 2.70% and ECI 3.00%

Exceptions = \$5,422,469 or 6.72 mills (Maint. Of Revenues - \$2,134,322; Special Education \$1,724,150; Health Care \$547,499; Retirement \$1,016,597)

Property Tax Relief

Year 1	July 1, 2008	11,052 Certified Properties	\$206.74 Per Homestead or 9,317 Assessment
Year 2	July 1, 2009	11,712 Certified Properties	\$198.72 Per Homestead or 8,613 Assessment
Year 3	July 1, 2010	11,971 Certified Properties	\$195.36 Per Homestead or 8,468 Assessment

**Gambling/Sterling (Philadelphia Wages)
Property Tax Relief = \$2,337,932.09**

10-Year History of Tax and Expenditure Increases

Year	Tax Increase	Budget Increase
1999-2000	5.75 %	10.69%
2000-2001	8.20%	20.02%
2001-2002	5.44%	5.34%
2002-2003	6.01%	7.05%
2003-2004	5.97 %	13.26 %
2004-2005	4.47 %	9.91 %
2005-2006	3.97%	7.65%
2006-2007	3.63 %	9.70%
2007-2008	4.27 %	7.00 %
2008-2009	4.32 %	2.62 %
2009-2010	3.95 %	7.98 %
2010-2011	2.00%	3.89%

Enrollment increased by 2,366 students or 44.38% during this ten year period ¹⁸

What the Future Holds

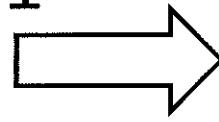
- Local revenue stream not keeping pace with expenditures.
- Ongoing large assessment appeals could result in significant loss of revenues.
- Possible Act I index of 1% - 1.5% or lower for 2011-12.
- Increased district obligation to PSERS.
- Uncertain state and federal aid (stimulus funds, state budget crisis, etc.).

What the Future Holds (continued)

- Increased special education costs with no increase in funding.
- Increased cost of health care.
- Increased energy costs.
- Enrollment increases will continue to drive the budget (staffing, materials, utilities, transportation, etc.).

Proposed May Budget Vote Moves the Budget Process Forward

May Proposed 2010/11
Final Budget



June 2010/11
Final Budget

Local Tax Considerations, On-going District
Budget Evaluation, Calculations of Homestead/
Farmstead credits, etc.

June 21, 2010 – Adoption of the Final Budget