

**Spring-Ford Area School
District**

Proposed

Preliminary

Budget

2008/2009

December 11, 2007

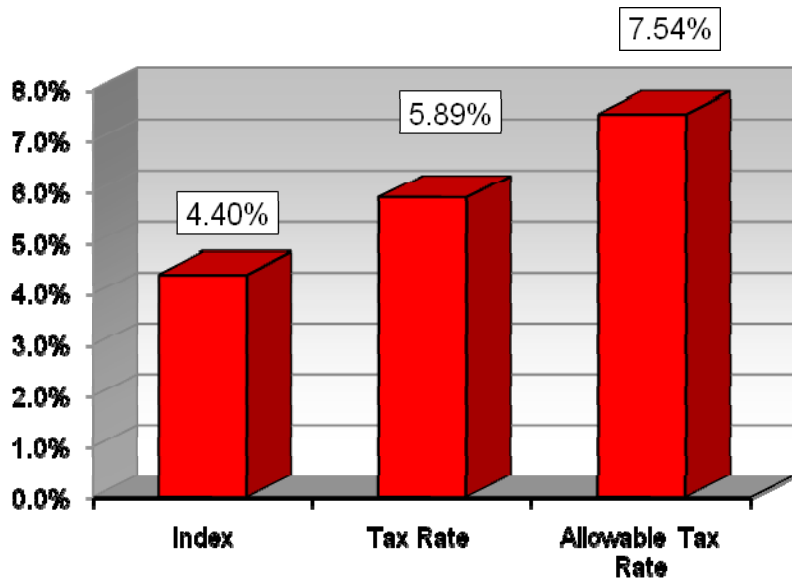
**Spring-Ford Area School District
199 Bechtel Road
Collegeville, PA 19426
(610) 705-6000
www.spring-ford.net**

Spring-Ford Area School District

General Fund Budget

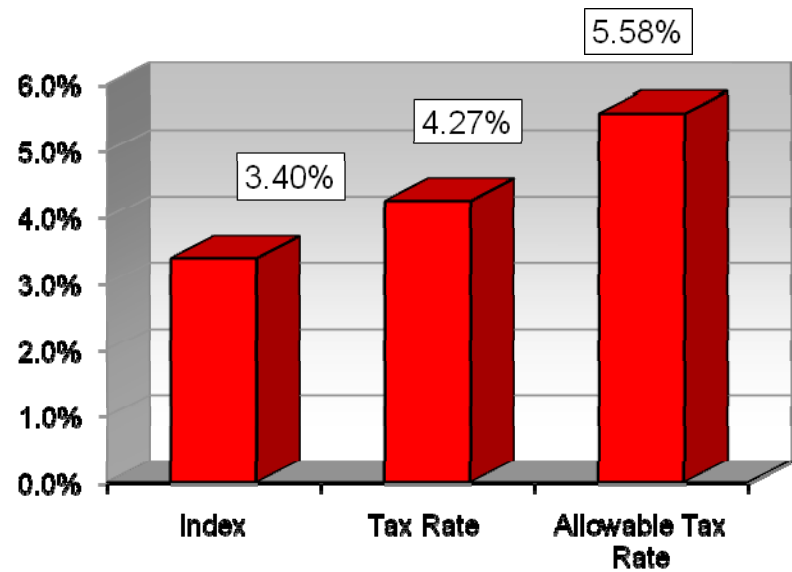
Comparison of Increase in Tax Rate to Index for 2008-09

2008 - 09 Allowable Referendum Exceptions



Benchmark Comparison

2007 - 08 Allowable Referendum Exceptions



Benchmark Comparison

Spring-Ford Area School District

Act Index - 2008/09 Budget

Act 1 Index

School Districts capped at Base Index and with allowable exceptions.

Operational Year	Base Index	SAWW Increase	ECI Increase	State Wide Weekly Wage	Employment Cost Index	Value of Exceptions	Allowable Tax Increase	Actual Tax Increase
2008/09	4.40%	4.30%	4.50%	\$788.47	105.00%	3.14%	7.54%	5.89%
2007/08	3.40%	2.80%	4.00%	\$756.18	100.50%	3.40%	7.68%	4.27%
2006/07	3.90%	4.20%	3.50%	\$735.29	96.60%			3.63%
2005/06	3.10%	3.30%	2.90%	\$705.81	164.60%			
2004/05	3.30%	2.30%	4.20%					
2003/04	2.90%	2.70%	3.10%					
2002/03	3.50%	4.00%	3.00%					
2001/02	3.50%	3.60%	3.40%					

Revenues

Expenditures



Balance Budget

MILLAGE CALCULATION

2008/2009	2007/2008	Difference	% Change
New Millage	Millage		
\$22.52	\$21.27	\$1.25	5.89%

Or \$2,252 per 100,000 assessed value
\$125.00 Increase per 100,000 assessment

Spring-Ford Area School District

Revenue and Assessments - 2008/09 Budget

	Proposed Preliminary Budget
	\$ 79,290,934
'2007/2008 Real Estate	\$69,585,911
	\$0
	\$0
Needed to balance Budget	\$4,155,938
Actual Additional tax increase	\$0
Natural Interim's Increase	\$2,773,902
	<u>\$ 76,515,751</u>

Actual June, 2007 New County Assessed Valuation	Estimated
1,240,631,584	36.60%
160,949,230	4.75%
1,873,688,480	55.27%
<u>3,275,269,294</u>	<u>96.62%</u>
114,662,680	3.38%
<u>3,389,931,974</u>	<u>100.00%</u>
130,413,809	
<u>3,520,345,783</u>	

R.E. Revenue

Estimated

Historical Tax Listing

Spring-Ford Area School District

Year	Millage	Tax Amount	Dollar Increase	Percent Increase
2008/09	.02252 =	\$2,252.00	\$ 125.00	5.89%
2007/08	.02127 =	\$2,127.00	\$ 87.00	4.27%
2006/07	.02040 =	\$2,040.00	\$ 71.00	3.63%
2005/06	.01969 =	\$1,969.00	\$ 75.00	3.97%
2004/05	.01894 =	\$1,894.00	\$ 81.00	4.47%
2003/04	.01813 =	\$1,813.00	\$ 102.00	5.97%

Summary of Referendum Exceptions for Budget Year 2008/09

Act 1 recognizes districts are faced with extraordinary expenses above the rate of inflation (index rate). Therefore, the legislators approved 10 exceptions available to school districts. Districts must qualify for the exceptions and receive approval.

<u>Exceptions approval for PA Department of Education</u>	2008/09
1 Academic School Construction Project	\$0
2 School Improvement Plan	\$0
3 Maintenance of Selected Revenue sources	\$0
4 Special Education Expenditures	\$1,152,165
<p style="margin-left: 20px;">Comparison of 2006/07 costs to 2005/06 Costs over the Index of 4.4%</p> <p style="margin-left: 20px;">Historically, because the State underfunds Special Education costs, Spring-Ford tax payers had to fund on the average of \$550,000 additional tax dollars each year to meet mandated programs.</p>	
5 Maintenance of Local Revenues or Actual Instructional Expense per ADM	\$0
<p style="margin-left: 20px;">Comparison of 2006/07 costs to 2005/06 cost over the Index of 4.4%</p> <p style="margin-left: 20px;">Growth of ADM by 819 students. Maintaining Local Revenue by ADM. Value equals \$73.88 per ADM.</p>	
6 Health Care - Related Benefits	\$943,637
<p style="margin-left: 20px;">Collective Bargaining Agreement in effect - ending 2009/10</p> <p style="margin-left: 20px;">Comparison of Budgeted 2008/09 costs to Budgeted 2007/08 costs</p>	
7 Retirement Contributions	\$0
<p style="margin-left: 20px;">Comparison of Budget 2008/09 cost to Budget 2007/08 costs over the index of 4.4%</p> <p style="margin-left: 20px;">Employer contribution to PSERS decreased from 7.13% to 4.97%</p>	
8 Nonacademic School Construction Project	\$0
9 Indebtedness Incurred Prior to Effective Date	\$0
10 Electoral Debt Incurred Under 53 PA CS PART VII SUBPART B	\$0
Allowable Tax Increase Value	\$2,095,802
Allowable	7.54

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Spring-Ford Area School District

Budget Concerns for 2008/09 Budget

Early Budget Process Preliminary in May, Final in June

Future Cost Considerations:

Retirement	Major impact in 2012/13
Health Care	Double digit increases
Debt Service	Enrollment drives - need for buildings
Existing Contracts	Personnel Contracts & Agreements
Special Education	Service costs is outpacing inflation
Legislative Changes	Spec.Ed./Charter Schools/etc.

Assessment Appeals



New Assessments

Spring-Ford Area School District

Highlights of 2008/09 Budget

- ACT 1 – Tax Payers Relief Act – Index 4.4%
 - \$1 Million Carry-over from 2007/08 for Start Up cost for Evans Elementary will be carried over for 2008/09 to balance budget
 - New Personnel cost of \$1,721,794
 - Regular Education 22 positions at a cost of \$1,081,558
 - Special Education 11 positions at a cost of \$590,312
 - Extracurricular 11 positions at a cost of \$49,924
 - Cost Savings Initiatives
 - Retirement Incentive Plan (2 year) – 36 teachers eligible. Projected savings over 5 year estimated to potentially exceed \$2,000,000
 - Flexibility of Capital Reserve Account to minimize tax impact by paying for one time capital items from the Capital Reserve Account versus the General Fund
 - Use of Capital Reserve Account to pay portion of Western Center Vo-Tech debt payment for 2008/09
-

Spring-Ford Area School District

Highlights of 2008/09 Budget

- Cost Saving Initiatives
 - Bond refinancing savings (Total savings \$2,969,578) – 2006/07 \$569,741; 2007/08 \$1,960,237; 2008/09 \$119,969; 2009/10 \$119,106; 2010-11 \$118,219; and 2011/12 \$82,306

 - Curriculum
 - Odyssey (Compass Learning) expanding to Grade 7-12 at a cost of \$125,000
 - New Curriculum Series purchasing of new textbooks at a cost of \$240,000 for Science, \$100,000 for English, \$80,000 for Reading, and \$107,000 High School subjects (Science, Calculus, FCS)
 - Skyward Administrative Software to include special education and cafeteria POS (cafeteria cost)
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Spring-Ford Area School District

Budget at a Glance

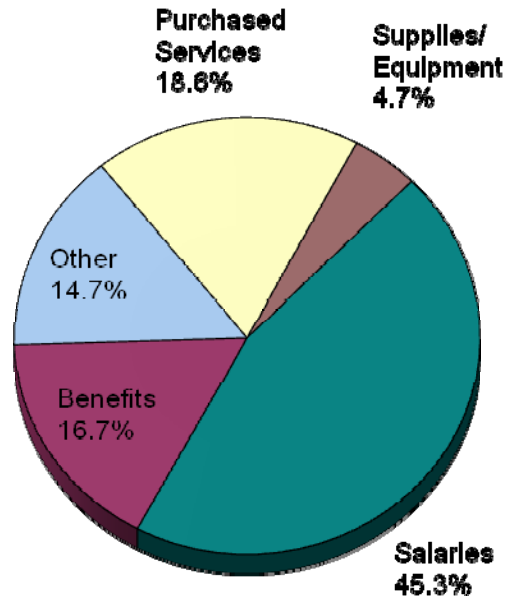
Functions	Revenues	Budget 2008/09	Budget 2007/08	Budget to Budget Increase	2008/09 Percentage Increase
6000	Local	\$94,482,338	\$86,971,894	\$7,510,444	8.64%
7000	State	\$17,880,924	\$17,696,302	\$184,622	1.04%
8000	Federal	\$1,052,139	\$1,052,139	\$0	0.00%
9000	Other	\$0	\$0	\$0	
	Fund Balance Appropriations	\$4,410,131	\$4,410,131	\$0	0.00%
	TOTAL	\$117,825,532	\$110,130,466	\$7,695,066	6.99%

Objects	Expenditures	Budget 2008/09	Budget 2007/08	Budget to Budget Increase	2008/09 Percentage of Total
100	Salaries	\$53,389,611	\$50,241,787	\$3,147,824	6.27%
200	Employee Benefits	\$19,606,750	\$18,165,628	\$1,441,122	7.93%
300	Professional Services	\$4,239,608	\$4,279,052	-\$39,444	-0.92%
400	Property Services	\$5,570,303	\$5,242,126	\$328,177	6.26%
500	Contracted Services	\$12,058,574	\$11,451,839	\$606,735	5.30%
600	Supplies/Books	\$4,917,285	\$4,267,039	\$650,246	15.24%
700	Property/Equipment	\$634,815	\$692,773	-\$57,958	-8.37%
800	Other Objects	\$7,700,696	\$6,916,056	\$784,640	11.35%
900	Other Financing	\$9,707,890	\$8,874,166	\$833,724	9.39%
	TOTAL	\$117,825,532	\$110,130,466	\$7,695,066	6.99%

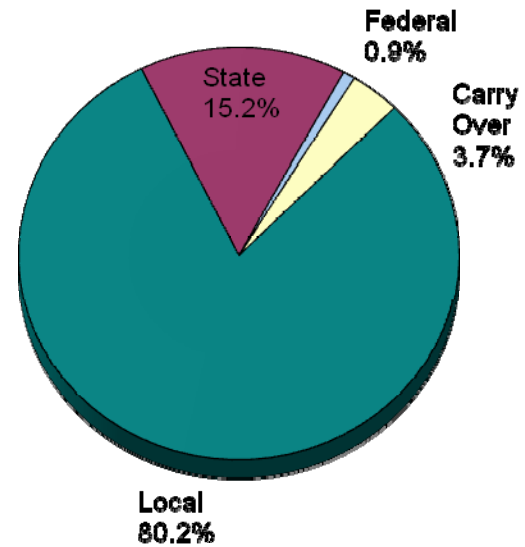
Spring-Ford Area School District

General Fund Expenditures and Revenues

2008-09 EXPENDITURES



2008-09 REVENUES



Spring-Ford Area School District

New Staffing Allocations Analysis by Staff Functions

	F.T.E.	Salary Benefits
Professional Staff	14.00	\$923,133
Support Staff	8.00	\$158,425
Professional Staff - Special Education	6.00	\$403,957
Special Education Support	5.00	\$186,355
Total	33.00	\$1,671,870

Spring-Ford Area School District

Tuition Comparisons

MONTGOMERY COUNTY UNIT INTERMEDIATE UNIT **Pennsylvania Department of Education**

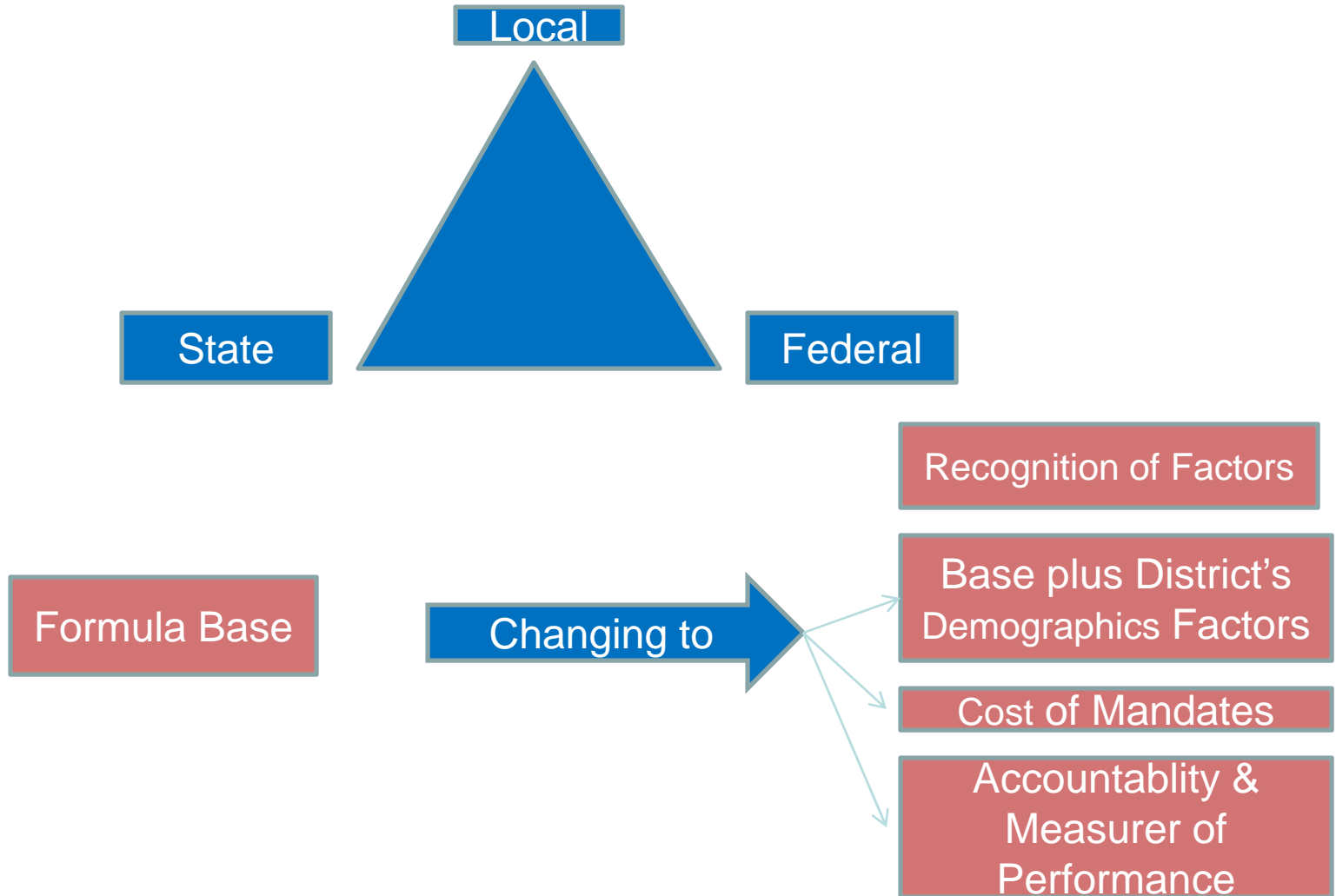
Tuition Rates for School Year 2006/2007

Rank Order (Low to High)

SCHOOL DISTRICT	ELEMENTARY	SCHOOL DISTRICT	SECONDARY
SOUDERTON	\$8,182.45	UPPER PERKIOMEN	\$8,415.70
UPPER PERKIOMEN	\$8,572.37	SPRING-FORD	\$9,021.73
POTTSTOWN	\$8,872.02	METHACTON	\$9,202.95
POTTSGROVE	\$8,874.88	UPPER DUBLIN	\$9,257.02
SPRING-FORD	\$8,909.45	POTTSGROVE	\$9,419.81
PERKIOMEN VALLEY	\$9,059.35	SOUDERTON	\$9,433.56
LOWER MORELAND	\$9,297.50	POTTSTOWN	\$9,505.08
METHACTON	\$9,598.62	UPPER MORELAND	\$9,645.19
UPPER MORELAND	\$9,614.71	NORTH PENN	\$10,030.52
UPPER DUPLIN	\$9,685.91	PERKIOMEN VALLEY	\$10,112.52
NORTH PENN	\$9,795.37	ABINGTON	\$10,232.19
HATBORO-HORSHAM	\$10,077.96	NORRISTOWN	\$10,653.25
NORRISTOWN	\$10,923.53	HATBORO-HORSHAM	\$10,752.68
ABINGTON	\$11,076.71	CHELTENHAM	\$10,796.56
COLONIAL	\$11,145.72	LOWER MORELAND	\$10,833.41
WISSAHICKON	\$11,217.26	SPRINGFIELD	\$11,096.47
CHELTENHAM	\$12,840.63	WISSAHICKON	\$11,355.92
JENKINTOWN	\$12,961.32	COLONIAL	\$11,485.01
SPRINGFIELD	\$13,043.04	UPPER MERION	\$12,454.54
UPPER MERION	\$13,537.60	LOWER MERION	\$15,316.03
LOWER MERION	\$15,908.24	JENKINTOWN	\$17,215.81
COUNTY AVERAGE	\$10,628.32	COUNTY AVERAGE	\$10,773.14

Spring-Ford Area School District

School Funding Partnership



Legislative Actions



Task Force on School Cost Reductions – Act 1 of 2006

- Tax Collection Recommendations
- Health Care Recommendations
- School Construction and Green Building Recommendations
- Special Education Recommendations
- Transportation Recommendations
- Charter and Cyber Charter Recommendations
- Shared Services Recommendations
- Mandate Waiver Recommendations

The Cost of Educating a Child in Pennsylvania – Act 114 of 2006

“For the first time, PSBA and other public education advocates have a research-based answer to question of how much it should cost to educate a student in Pennsylvania”. Said PSBA Executive Director Thomas J. Genzel

Spring-Ford Area School District

Cost out Study

2005/06	2005/06 ADM Enrollment	Proposed Spending Per Student	District Spending Per Student **	Difference	Percent Change in Funding
State Wide Average		\$12,057	\$9,512	(2,545)	
Boyertown	7,082	\$10,985	\$8,586	(2,399)	+28
Owen J. Roberts	4,716	\$11,883	\$10,240	(1,643)	+16
Pottsgrove	3,322	\$11,917	\$10,318	(1,599)	+15
Spring-Ford	7,245	\$11,029	\$9,846	(1,183)	+12
Perkiomen Valley	5,388	\$11,199	\$10,631	(568)	+5
Phoenixville	3,819	\$12,483	\$12,995	512	-4

Proposed additional Funding for Spring-Ford (\$1,183 x 7,245 ADM) equals \$8,570,835 additional dollars.

Spring-Ford Area School District

Formula Based to districts demographics?

1. Base Costs	\$ 8,003 in 2005/06
2. Cost "Weights"	0 Poverty (.43 x \$8,003 = \$3,441) Economic Disadvantage Students
Specific student-driven costs factors that vary between districts	0 Special Education Students (1.3 x \$8,003 = \$10,404)
	0 Gifted Students (min. .20 x \$8,003 = \$1,600)
	0 English Language Learners (1.48 x \$8,003 = \$11,844)
3. Additional "Cost Factors" - difference between School Districts	0 Size of District
	0 Enrollment Changes
	0 Urban or Living Difference
	0 Geographic Price Difference - Montgomery LCM 1.13

** Excluded are spending for transportation, construction, food service, debt and other non-classroom costs.

Proposed Preliminary Budget Vote Moves the Budget Forward

January 2008
Proposed
Preliminary



June 2008
Final Budget

No Need for Referendum

Additional time allows for the following:

Updated State Revenue, Other Budgets, Additional Reviews, Local Tax Considerations, Etc..
