

2014/15 Final General Fund Budget

For Board Approval 140602

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A. Leading The Way

"Wisdom is not a product of schooling but of the lifelong attempt to acquire it."
— Albert Einstein

In the Big Spring School District, one overarching goal drives all that we do. That goal is to cultivate a passion for learning in each and every Bulldog that enters our buildings. It is to ensure that when each student walks across the stage as a graduate of the Big Spring School District, he is equipped with a core set of skills that have prepared him to thrive in a globally interconnected society that is rich in information and resources. In our daily work with students, we strive to ensure that every graduate is able to pursue her passion and interests and find success.

Our comprehensive plan, which guides all district decisions, including finance, resources, and programming, supports this mission. Embedded within the comprehensive plan are a number of focus areas designed to provide the tools and supports necessary to facilitate the development of core 21st century skills. These focus areas include: literacy, learning, student supports, career pathways, and instructional technology.

The 2014/15 budget is a reflection of the District's commitment to these focus areas, with a specific focus on the area of instructional technology.

The ultimate goal in education is to provide learning opportunities for students that target their individual needs and capitalize on their strengths. The Big Spring School District remains committed to this approach and has made several significant steps in this direction, all leading to increased student achievement. At the elementary level, each student's unique needs are measured, diagnosed, and instruction is prescribed in a progressively intensive manner. This helps to ensure that all students get effective support. The commitment to this approach has led to increased achievement levels in literacy and mathematics for our elementary students.

Moving to the middle school level, similar structures are being established to ensure that all students achievement levels are closely monitored and needs are targeted to help our students reach their fullest potential. This effort is being coordinated with a redefined master schedule to provide for increased targeted instruction, higher levels of rigor within coursework, and increased opportunities for student choice in their learning.

At the high school level, significant professional development efforts have helped to target the development of literacy instructional strategies within staff, to support all students. Beyond this, our students continue to hone their career interests through the structure of their career pathways and selection of courses relevant to those career interests both within the traditional high school experience and beyond (dual enrollment, online learning, etc.).

Our District utilizes a technologically infused digital backbone to effectively and efficiently diagnose, prescribe, and deliver needs-based, relevant educational experiences for our students. In terms of student data, the District is able to access data dashboards that help integrate all student information to one location for more timely feedback to staff on student achievement. With regards to the delivery and engagement in this targeted instruction, during the 2013 - 2014 school year, the District began the first phase of a 1:1 (one device per student) program. As part of this program, each ninth grade student was provided with a Samsung Chromebook for educational use at school and at home. This was the first step in providing ubiquitous access to educational digital resources to ALL students. Due to the success of this phase of the program, the District has committed a substantial portion of the 14-15 budget to expansion of the 1:1 program. This will include distribution of Chromebooks to students in grades 6-12 in 14 - 15. Beyond that, the program will be expanded to provide access to students in grades K-12.

To support the expansion of a hybrid learning environment rich with digital resources and tools, the District has also committed funding for the purchase of a robust and integrated student information system (SIS) and learning management system (LMS). This integrated system, Aspen, will provide a synchronized learning portal for teachers, parents, and students and will house key resources such as demographic information, grades, and classroom learning resources. As a district on the leading edge of learning innovation, Big Spring is one of the first adopters of Aspen in Pennsylvania.

The 2014/15 Budget is $45,485,756. This is an increase of $1,922,316 or 4.4% over the 2013/14 budget of $43,563,440. The projected revenue for budget year 14/15 is $44,968,837 leaving a deficit of $516,920 coming from the general fund balance. The deficit is driven by the cost of the Chromebook deployment this year to all secondary students. The Board has designated over $900,000 in the general fund balance to support these technology initiatives and this budget is constructed to access those reserves via the deficit.

Big Spring continues to face uncertain and waivering fiscal support from the Commonwealth. While the funding is anything but predictable, the flow of mandates continues unbated. Over the last year the federal contraints on food services continued while services required on special education expanded under direction of the Legislature, Courts and Governor. Despite the open ended resource commitments made by the government and courts, the Governor and Legislature chose to again flat fund special education forcing more of the burden onto local taxpayers. Standardarized testing is following a tortured path forward causing confusion from the classroom to the boardroom. While the polictician stumble toward resolution of the annual funding puzzle, the District's reliance on the stable and predictible property taxes increases.

Unfortunately, the mismatch between mandates and funding support isn't the only serious challenge for the District. The retirement system continues to crush the District with an *additional* contribution of $870,928 with the Commonwealth reasponsible for half of that

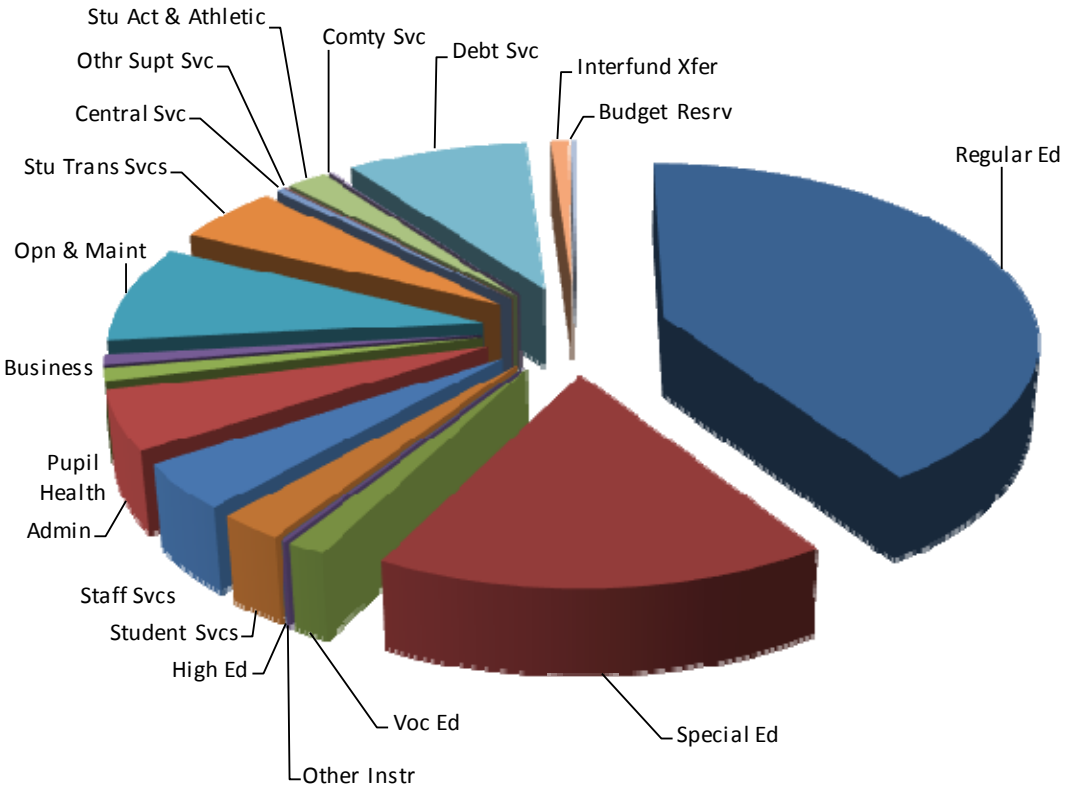
increase. The total contribution to the PSERS passes the $4 million mark this year and is quickly approaching 10% of the entire budget.

Based on several bad years of claims experience, medical insurance for employees is forecasted to rise 10.08% this year after a heavy 26.2% last year. As a result of the big increase last year, the District's reserve in the South Central Trust, used to pay medical claims as a self-funded entity, is expected to meet liabilities at year end and stop dragging on the general fund balance. Medical insurance is even close to 10% of the budget at $4.2 million for the year.

This year's budget is an increase in property taxes resulting in $977,175 additional revenue. Of that total increase, $433,352 came from assessment increase and $543,823 from the 2.7% tax increase.

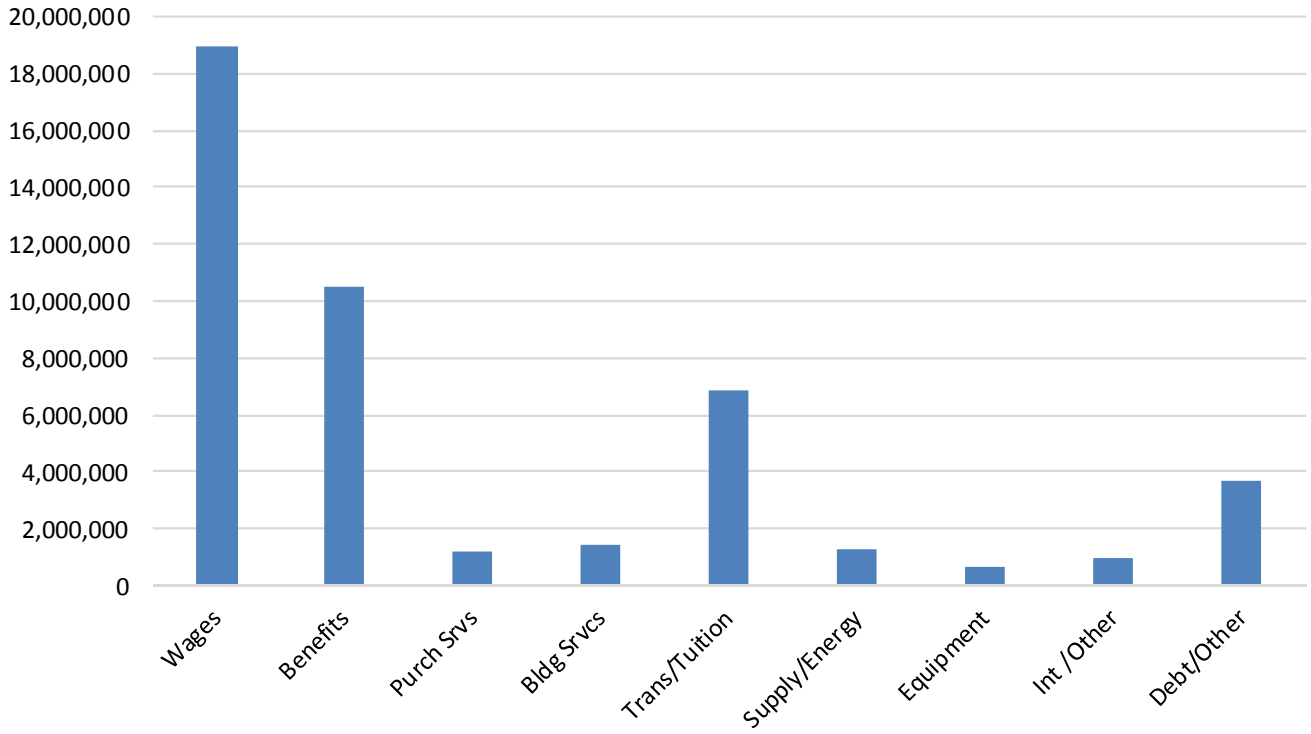
B. Expenditures Summary

1. The budget ($45,485,756) divided into Functions, or departments, of expense.



Func	Description	AFR 2012/13	Budget 2013/14	Budget 2014/15	%Tot
1100	Regular Ed	$16,120,517	$ 17,422,936	$ 18,540,596	41%
1200	Special Ed	6,709,985	7,081,622	7,657,913	17%
1300	Voc Ed	615,134	674,160	653,000	1%
1400	Other Instr	50,303	73,016	92,786	0%
1700	High Ed	0	3,000	-	0%
2100	Student Svcs	965,900	1,018,963	1,102,214	2%
2200	Staff Svcs	1,320,447	1,827,413	1,923,772	4%
2300	Admin	2,226,306	2,401,989	2,428,885	5%
2400	Pupil Health	448,481	504,175	524,444	1%
2500	Business	354,660	464,381	410,847	1%
2600	Opn & Maint	3,695,748	4,097,685	4,038,012	9%
2700	Stu Trans Svcs	2,355,216	2,274,441	2,368,635	5%
2800	Central Svc	177,269	189,902	215,215	0%
2900	Othr Supt Svc	0	27,000	28,000	0%
3200	Stu Act & Athletic	789,324	883,850	891,154	2%
3300	Comty Svc	28,980	37,033	37,148	0%
5100	Debt Svc	3,671,080	3,981,874	4,094,598	9%
5200	Interfund Xfer	2,602,000	500,000	378,537	1%
5900	Budget Resrv	0	100,000	100,000	0%
	Total	$42,131,351	$43,563,440	$45,485,756	

2. The budget ($45,485,756) divided into Objects, or categories, of expense.



Object	Description	AFR 2012/13	Budget 2013/14	Budget 2014/15	%Tot
100	Wages	$17,916,007	$18,757,630	$ 18,933,592	42%
200	Benefits	7,457,710	9,521,487	10,481,947	23%
300	Purch Srvc	1,137,139	1,077,263	1,198,260	3%
400	Property Srvc	1,289,458	1,445,213	1,405,491	3%
500	Tuition Trans Com	6,577,078	6,345,701	6,852,719	15%
600	Supply & Energy	1,161,518	1,344,663	1,266,300	3%
700	Equipment	257,162	410,960	689,864	2%
800	Dues Fees Interest	974,824	955,523	984,046	2%
900	P-Debt Xfers	5,387,000	3,705,000	3,673,537	8%
	Total	$42,157,896	$43,563,440	$ 45,485,756	

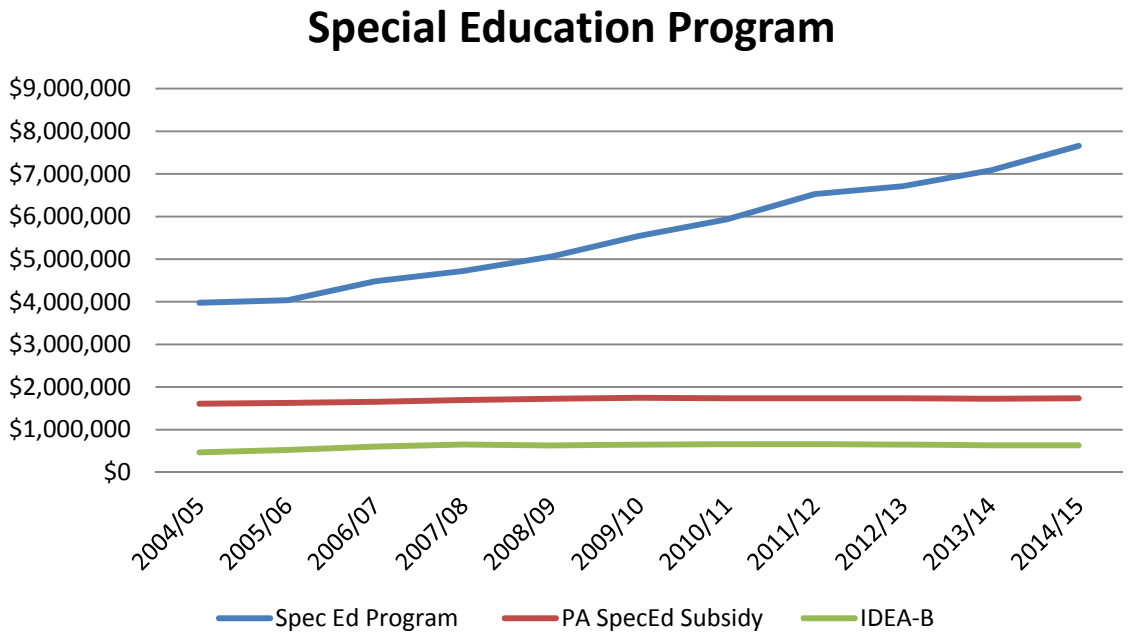
C. Budget Matrix (PDE Data)

This table combines the Function and Object accounts and summarizes the detail provided to PDE in a different format.

Budget 2015	100 Salary	200 Benefits	300 Pro Svcs	400 Prop Svcs	500 Oth Svcs	600 Supplies	700 Property	800 Fee/Int	900 Debt/Xfer	Total
1100 Reg Instruction	10,171,491	5,871,979	210,000	80,758	1,348,378	305,425	544,560	8,005		**18,540,596**
1200 Spec Instruction	3,136,347	1,733,432	463,000	4,500	2,204,534	83,350	32,000	750		**7,657,913**
1300 Vocational Instruction					653,000					**653,000**
1400 Alternative Instruction	30,000	8,536	14,000	0	40,250	0				**92,786**
1700 Higher Ed Instruction					0					**0**
2100 Student Supt Svcs	712,094	375,026		504	4,030	8,105		2,455		**1,102,214**
2200 Curriculum & Staff Supt	1,096,776	537,576	76,600	2,526	46,819	135,835	25,500	2,140		**1,923,772**
2300 Admin Svcs	1,366,330	741,498	190,105	2,774	45,574	34,191	20,310	28,103		**2,428,885**
2400 Pupil Health	323,581	183,363	7,900	167	250	7,800	983	400		**524,444**
2500 Business Svcs	207,265	123,403	17,500	2,579	10,900	17,700	30,000	1,500		**410,847**
2600 Operations & Maint	1,296,427	639,143	100,900	1,234,000	119,620	629,202	0	18,720		**4,038,012**
2700 Student Transport Svcs	59,016	28,777	500		2,276,430	3,452		460		**2,368,635**
2800 Central Supt Svcs	33,500	31,352	47,380	72,483		3,500	27,000			**215,215**
2900 Other Supt					28,000					**28,000**
3200 Athletics / Activities	478,015	203,264	70,375	400	74,934	37,740	4,511	21,915		**891,154**
3300 Community Svcs	22,750	4,598		4,800		0	5,000			**37,148**
4000 Facility Repair										**0**
5100 Debt Svc								899,598	3,195,000	**4,094,598**
5200 Fund Transfers									378,537	**378,537**
5900 Financing									100,000	**100,000**
Total =	**18,933,592**	**10,481,947**	**1,198,260**	**1,405,491**	**6,852,719**	**1,266,300**	**689,864**	**984,046**	**3,673,537**	**45,485,756**

D. Selected Expenditure Items

1. Special Education. The Special Education budget growth for 2014/15 is $7,657,913; an increase of $576,291, or 8.14%.

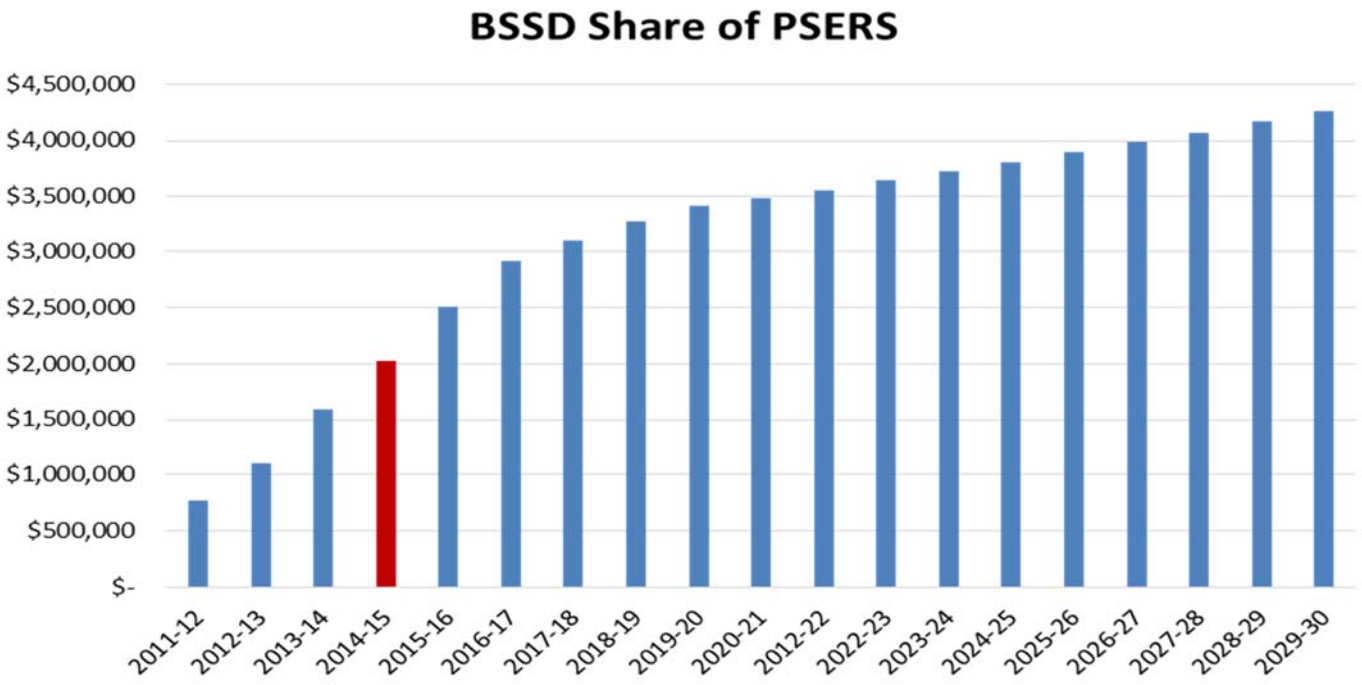


2. Tuition. One of the District's challenges is tuition paid outside the district -- $4,410,000 for 2014/15. The indications are that our cyber expense is moderating and that could be as a result of increased use of the Capital Area Online Learning Academy (CAOLA).

						<AFR	Budget>	
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
561	Tuition Other PA LEAs	$163,352	$337,637	$290,563	$340,967	$306,996	$488,000	$332,000
562	PA Charter (+Cyber)	$740,932	$805,586	$842,531	$1,162,013	$1,348,616	$1,400,000	$1,533,366
	CAOLA Tuition 322	$0	$20,082	$104,220	$81,576	$93,812	$107,884	$210,000
563	NonPublic Schls	$946,653	$1,093,034	$1,409,819	$1,304,216	$1,620,396	$1,126,899	$1,590,634
564	Tuition to CPAVTS	$545,187	$578,023	$679,144	$626,269	$615,134	$674,160	$653,000
566	Tuition to HigherEd	$0	$0	$5,130	$2,180	$5,130	$0	$0
567	Aprv Priv Schls	$30,203	$65,118	$69,646	$66,256	$84,860	$68,971	$91,000
568/9	Other	$9,432	$3,789	$1,843	$0	$0	$0	0
	Total	$2,435,758	$2,903,268	$3,402,896	$3,583,478	$4,074,946	$3,865,914	$4,410,000

3. Pennsylvania School Employees Retirement System.

The chart below summarizes the District's PSERS challenge. In 2011/12 we paid a total of $771,750 for PSERS; in this budget that increases to $1,596,681 and by 2019/20 it is estimated to be $3,422,988. The 2014/15 budget has a year over year increase of $438,000.



4. There are several expenditure items of note in this budget:

a. Transfer to Capital Projects in the amount of $313,537.

b. Budget Reserve of $100,000.

c. $516,920 for initial deployment of devices to 6th – 9th and 11th and 12th grade students.

E. Personnel Changes (for 1 Jul 2014)

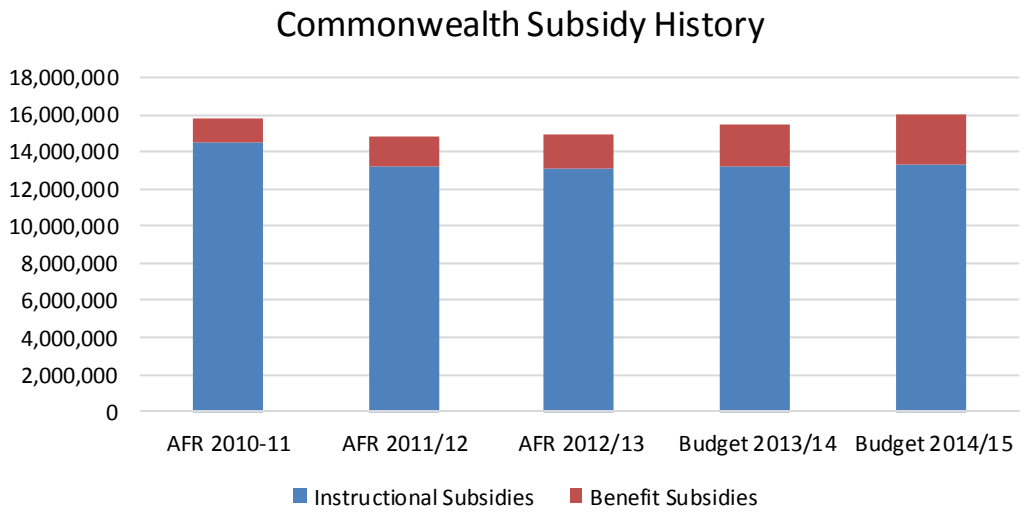
1. Some of the group changes in the personnel budget:
    a. 1.8% increase for CBA.
    b. 2.7% increase for admins.
    c. 2% increase for classified staff.
    d. Medical insurance up 10.08%.

2. The administration is recommending several changes to the personnel structure to meet the changing focus of the District:
    - Convert Director of Curriculum & Instruction to Supervisor of Curriculum and Instruction
    - Add the position of Assistant Supervisor of Special Education
    - Reduce one elementary secretary position from 190 day benefitted to 190 days @ 5.75 hours per day without benefits

F. Revenue from the Commonwealth

In February the Governor released his proposed budget for 14/15. It included several proposals that could benefit schools, including an additional $359,027 Ready To Learn grant. Those additional monies are NOT included in this budet due to legislative uncertainty.

	Major State Subsidies	AFR 2010-11	AFR 2011/12	AFR 2012/13	Budget 2013/14	Budget 2014/15
7110	Basic Education Fund (BEF)	7,953,153	8,780,162	8,779,810	8,924,141	8,942,389
7271	Special Education Funding	1,732,918	1,732,918	1,732,918	1,724,253	1,732,918
7501	Accountability Block Grant	435,495	171,093	171,093	171,093	171,093
7310	Transportation	1,571,384	1,675,919	1,617,014	1,564,253	1,564,253
7320	PLANCON Subsidy	829,049	869,330	790,846	806,000	879,647
7810	SocSec	709,157	706,189	669,105	711,900	720,517
7820	PSERS	564,380	853,009	1,143,932	1,569,907	2,005,371
	Total of Major Subsidy	**$15,768,279**	**$14,791,293**	**$14,904,718**	**$15,471,547**	**$16,016,188**



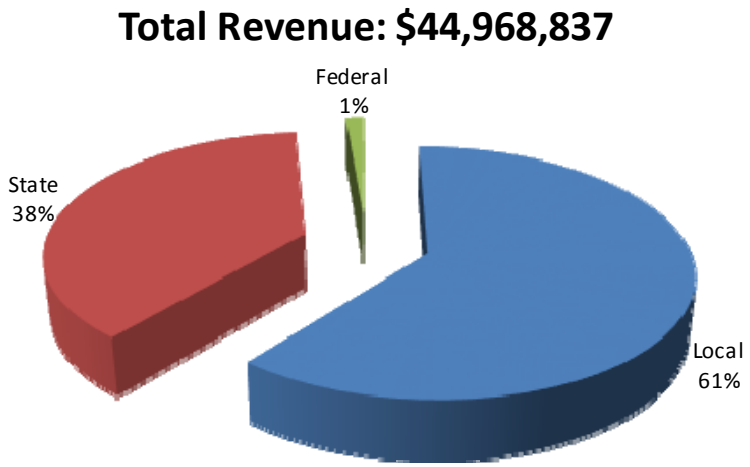
G. Revenue from Federal Sources

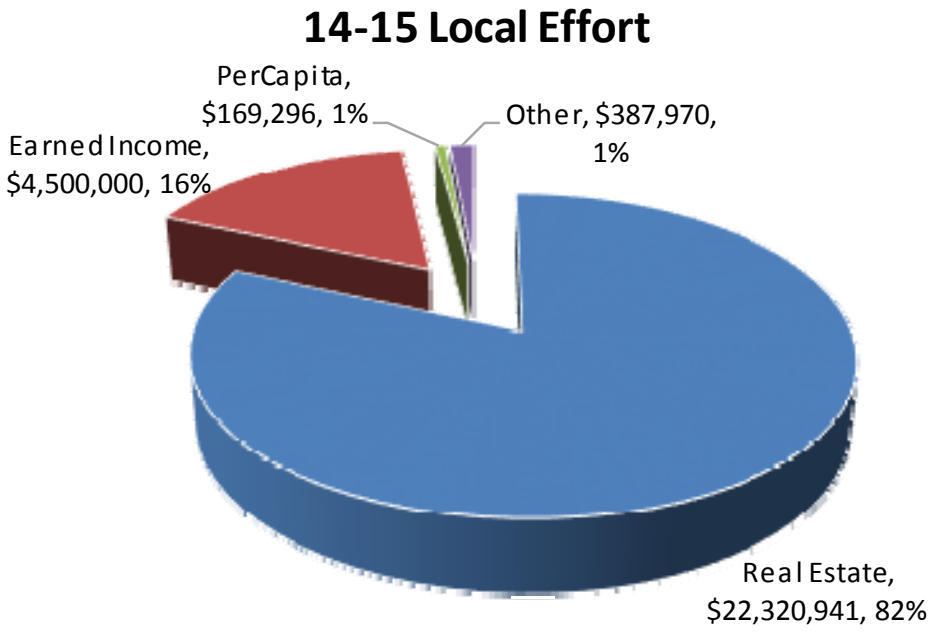
In recent years we've seen some relatively small losses in federal subsidies and a larger loss last year due to sequestration. This year we are projecting a hold on federal funds.

Federal Revenue Sources	AFR 2010-11	AFR 2011/12	AFR 2012/13	Budget 2013/14	Budget 2014/15
IDEA-B	660,065	656,516	647,413	629,754	630,000
IDEA-B ARRA	359,452				
Title I	430,473	423,189	461,874	400,760	447,872
Title I ARRA	0				
Title II	152,387	130,297	130,717	123,391	124,000
Fed Instruct Subsidy	1,602,377	1,210,002	1,240,004	1,153,905	1,201,872

H. Local Effort

Local effort makes up 61% of the revenue. Most of the local effort is from taxes, of course. The charts below shows the make up of total revenue and then local effort in the 2014/15 budget.





The Real Estate Tax calculation for 2014/15 is shown below. The 2.7% adjusted index allows a maximum of .3412 mills for the increase resulting in 12.9771 as the maximum for next year.

2014/15 Mill Calculation

2013/14 Assessed Value	$1,644,623,600
2013/14 Mills	12.6360
Adjusted Index for 14/15	2.70%
Adjusted Index as Mills	12.9772
Proposed 2014/15 Mills	**12.9771**
March Assessed Value	$1,677,878,700
Increase as %	$0
2014 Gross Tax Revenue	$21,773,966
2014 Assumed Collection rate	95.0%
2014 Collected Tax Revenue from Proposed Mills	$20,685,268
2014 Collected Mill Value	$1,593,982

Real Estate Tax Increase as $$	Mills	Taxes
2013/14 Mills / Tax on $100,000	12.6360	$1,264
2014/15 Mills / Tax on $100,000	12.9771	$1,298
Increase for 13/14 vs 14/15 on $100,000 =		**$34**

I. Other Revenues

There are some significant changes to revenue for this budget; they are:

1. The proposed final budget increased EIT from $4.2M to $4.5M; after consulting with the Cumberland County Tax Bureau some volitility remains in the system and we project $4.5 million again for 14/15.

2. After a few stagnant years of assessment value due to assessment appeals resulting from the County reassessment, the District had a 2.0 % increase in assessed property value.

3. Real Estate tax increase is proposed at the Adjusted Act 1 Index = 2.7% and a 95% collection rate.

J. Current District Debt Service

2014/15 Debt Service Expense

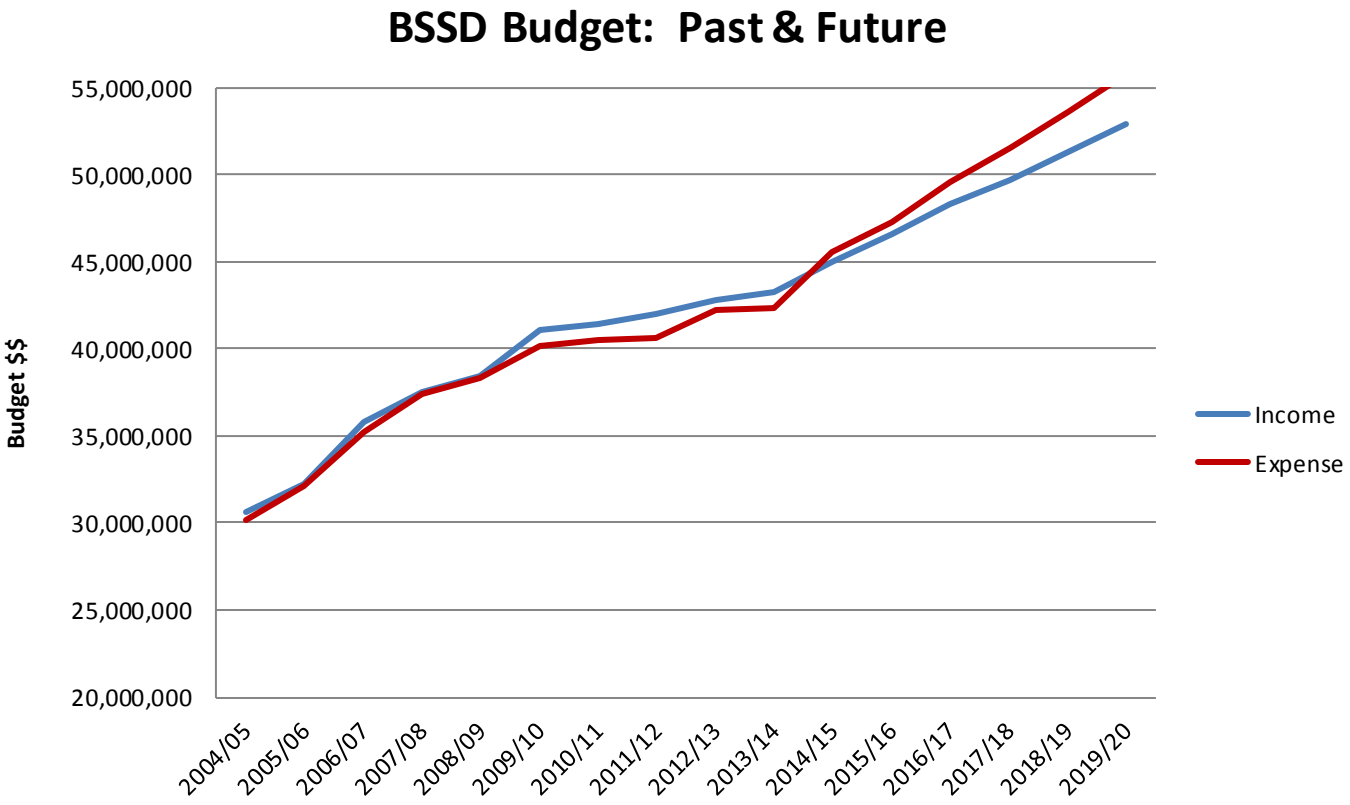
Bond	RBC Gross Outstanding	Principal	Interest
1999	$ 402,565	$ 340,000	$ 62,565
2010	740,394	530,000	210,394
2011	1,266,373	1,020,000	246,373
2012	193,678	5,000	188,678
2013	1,384,350	1,300,000	84,350
OF Proj.	101,239	-	101,239
Total	$ 4,088,599	$ 3,195,000	$ 893,598

2014/15 Debt Service PA State Reimbursement

Bond	Reimbursable Total	Principal	Interest
1999	$ 58,563	$ 49,462	$ 9,102
2010	82,902	59,344	23,558
2011	169,719	136,700	33,019
2012	41,798	1,079	40,719
2013	526,664	494,574	32,090
OF Proj.	-	-	-
Total	$ 879,647	$ 741,159	$ 138,487

K. The Future

As we look past next year, without significant tax base growth or increased government support, this District will enter an extended period of budget imbalance that will necessitate significant cuts or tax increases above the index. There are some indications that we'll see additional tax revenue from warehouse(s) construction and/or changes in state funding formulas.



Appendices

1. Food Service Fund Budget
2. Budget Resolutions
3. Act 1 – Property Tax Resolution

Appendix 1: Food Service Fund

	Audited 2012-2013	Budget 2013-2014	Budget 2014-2015
REVENUES			
Breakfast Secondary	$7,798	$5,400	$3,038
Breakfast Elementary		$3,402	$4,590
Reduced Breakfast		$702	$762
Elementary Paid Student Lunch		$143,043	$135,900
Middle School Paid Student Lunch		$96,426	$64,830
High School Paid Lunch		$128,640	$109,604
Reduced		$8,614	$8,323
All Lunch & Breakfast Sales	$326,542		
A la carte/Other Sales	$331,780	$364,867	$350,236
SALES TOTALS	**$666,120**	**$751,094**	**$677,282**
Federal Reimbursements			
State Reimbursements			
State & Federal Reimbursements	$476,761	$426,609	$450,140
TOTAL REVENUES	**$1,142,881**	**$1,177,703**	**$1,127,422**
FSMC EXPENSES			
Food	$439,395	$586,021	$510,031
Labor & Benefits	$620,860	$490,545	$486,056
Other Direct Costs		$84,132	$87,894
Administrative Fees		$71,190	$72,257
FSMC Management Fee		$26,607	$25,715
Director Dining Services			
FSMC Clerk			
Total FSMC Costs	$1,060,255	$1,258,495	$1,181,953
Less Rebates Discounts & Credits		-$72,084	-$60,625
Less Commodities		-$58,018	-$53,945
Total FSMC Expenses	$1,060,255	$1,128,393	$1,067,383
BSSD EXPENSES			
Wages - Secretary	$5,223		$7,700
Benefits - Secretary	$666		$2,838
Unemployment	$19,568		
Other Transitional Benefits	$11,431		
Supplies (Office & Miscellaneous)	$1,848	$2,500	$2,148
Equipment Replacement/Repairs BSSD	$18,680	$30,000	$21,680
Depreciation BSSD	$74,567	$87,302	$77,567
Miscellaneous (dues, fees) BSSD	$25	$1,000	$100
Travel BSSD	$167	$500	$200
Utilities & Fuel BSSD	$62,000	$73,000	$65,000
Total BSSD Expense	$194,175	$194,302	$177,233
TOTAL EXPENSES	$1,254,430	$1,322,695	$1,244,616
PROFIT/LOSS	($111,549)	($144,992)	($117,194)

Appendix 2: Budget Resolutions

A RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS OF THE
BIG SPRING SCHOOL DISTRICT, CUMBERLAND COUNTY, PENNSYLVANIA

Resolution No. __

REAUTHORIZATION OF PER CAPITA TAX
UNDER SECT. 679 OF THE SCHOOL CODE FOR THE 2014-2015 BUDGET

WHEREAS, by Section 679, of the Public School Code of 1949 of the Commonwealth of Pennsylvania, and its supplements and amendments, the duly constituted authorities of certain school districts were granted authority, for general revenue purposes, to levy, assess and collect a Per Capita Tax;

WHEREAS, this is reauthorization of an existing tax and is not a new tax as prohibited by Act 1 of 2006;

WHEREAS, it is the desire of the Big Spring School District to avail itself of the provisions of the said Act of Assembly for the purpose of levying and collecting a tax, for general revenue purposes, being a per capita tax of $5.00, on each and every person eighteen (18) years of age or over residing in the Big Spring School District, Cumberland County, Pennsylvania, during the fiscal year from July 1, 2014 to June 30, 2015;

NOW, THEREFORE, BE IT RESOLVED, and it is hereby resolved, that a per capita tax of Five ($5.00) Dollars, per person, upon each and every person eighteen (18) years of age or over residing in the Big Spring School District during the fiscal year, from the first day of July, 2014 to the thirtieth day of June, 2015, or any part hereof, be and is hereby levied, assessed and imposed. The respective Tax Collectors of Lower Frankford, Lower Mifflin, North Newton, South Newton, Penn, Cooke, West Pennsboro, Upper Frankford, and Upper Mifflin Townships and of the Borough of Newville are hereby appointed collectors to collect said tax.

THE ABOVE TAX shall be due and payable in the same manner as taxes levied and assessed on real estate for school purposes in said Big Spring School District and failure to pay the same at any time designated shall incur the same penalty as provided for in said Act.

ALL RIGHTS AND POWERS conferred by Act of Assembly of the Commonwealth of Pennsylvania for the collection of school taxes shall be enforced in the collection of the hereinabove mentioned tax.

THIS RESOLUTION adopted the 2d day of June, A.D., 2014 by Roll Call Vote, aye and nay, as follows:

Barrick	-
Blasco	-
Gutshall	-
McCrea	
Norris	-
Piper	-
Roush	-
Swanson	-
Wolf	-

BIG SPRING SCHOOL DISTRICT:

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Wilbur E. Wolf, Jr.
President, Board of School Directors

ATTEST:

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Robert L. Barrick
Secretary, Board of School Directors

(SEAL)

A RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS OF THE BIG SPRING SCHOOL DISTRICT, CUMBERLAND COUNTY, PENNSYLVANIA

Resolution No. __

IMPLEMENTING THE 2014-2015 BUDGET

WHEREAS, the Board of School Directors of the Big Spring School District has heretofore prepared and given due public notice of the proposed budget of the amount of funds that will be required by the Big Spring School District in its several departments for the fiscal year beginning July 1, 2014, and ending June 30, 2015.

NOW, THEREFORE, IT IS HEREBY RESOLVED, That the Board of School Directors of the Big Spring School District, Cumberland County, Pennsylvania, hereby adopts the annual Budget of and for said District for the fiscal year commencing July 1, 2014, as more fully set forth in a separate Budget document presented at this meeting and filed with the minutes hereof and incorporated herein by reference thereto; and

Further, that said Board of School Directors hereby authorizes the expenditure of ***Forty five million, four hundred eighty five thousand and seven hundred fifty six dollars*** and no cents ***($45,485,756***) during the school fiscal year July 1, 2014 through June 30, 2015, as more particularly and fully detailed in the proposed annual Budget as aforesaid; and

Further, that said Board of School Directors does hereby levy a real estate tax of ***twelve and nine thousand seven hundred seventy one thousandths (12.9771)*** mills (being $**1.29771** per hundred dollars) of the assessed valuation on all real estate within the Big Spring School District (pursuant to the authority of "The Public School Code of 1949," as amended) for the school fiscal year commencing July 1, 2014; and

Further, that said Board of School Directors does hereby indicate its intention to continue during the fiscal year commencing July 1, 2014, the following taxes heretofore levied pursuant to the "Local Tax Enabling Act", as amended:

(1) Wage and Other Earned Income Tax	- 1.65% (effective rate 1.15%)
(2) Realty Transfer Tax	- 1% (effective rate 1/2%)
(3) Per Capita (Section 679)	- $5.00
(4) Occupational Privilege Tax	- $10.00
(5) Per Capita (Act 511)	- $5.00

Further, that said taxes as levied, continued and intended to be levied shall provide revenue for the expenditure authorized above; and

Further, that appropriate authority be given to the several tax collectors and appropriate tax collecting agencies to proceed with collection of all taxes as of and commencing on July 1, 2014, on behalf of the Big Spring School District; and

Further, and with respect only to the real estate and per capita, (and excluding the wage and other earned income, realty transfer and occupational privilege taxes), the Board of School Directors hereby establishes the rates of discounts and penalties on such taxes as follows: all taxpayers subject to the payment of the above specified and included taxes shall be entitled to a discount of two per centum (2%) from the amount of such taxes upon making payment of the whole amount thereof within two (2) months after the date of the tax notice issued by the collectors; and all taxpayers who shall fail to make payment of any such taxes charged against them for four (4) months after the date of such tax notice shall be charged a penalty of ten per centum (10%) of the face or normal amount of such taxes, which penalty shall be added to the taxes by the collectors and collected by them.

RESOLVED AND ADOPTED this 2d day of June, A.D., 2014, by Roll Call vote, aye and nay as follows:

Barrick	-
Blasco	-
Gutshall	-
McCrea	-
Norris	-
Piper	-
Roush	-
Swanson	-
Wolf	-

BIG SPRING SCHOOL DISTRICT:

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Wilbur E. Wolf, Jr.
President, Board of School Directors

ATTEST:

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Robert L. Barrick
Secretary, Board of School Directors (SEAL)

Appendix 3: Property Tax Reduction

A RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS OF THE
BIG SPRING SCHOOL DISTRICT, CUMBERLAND COUNTY, PENNSYLVANIA

Resolution No. __

IMPLEMENTING THE HOMESTEAD AND FARMSTEAD EXCLUSION FOR THE 2011-2012 FISCAL YEAR IN ACCORDANCE WITH ACT 1 OF SPECIAL SESSION OF 2006.

The Big Spring School District, Cumberland County, Pennsylvania ("District"), is authorized to implement the homestead and farmstead exclusion for the 2014-2015 fiscal year for eligible properties pursuant to Act 1 of Special Session of 2006 ("Act 1"); and

The Commonwealth of Pennsylvania has announced that the District will receive a property tax reduction allocation of $774,579.60 for the 2014-2015 fiscal year.

Under Section 342 of Act 1, the District calculates the homestead and farmstead exclusion based upon the best available information for the purpose reducing school district property taxes. The calculations are based upon the amount of the property tax reduction allocation and the information provided by the County Assessment Office.

According to the certified information provided to the District by the Cumberland County Assessment Office, there are 5,572 eligible homestead properties and 207 eligible farmstead properties located within the District.

The Board of School Directors has reviewed its options and has chosen to proceed in the manner reflected in this Resolution for the 2014-2015 fiscal year.

RESOLVED, that the homestead and farmstead exclusions be implemented within the Big Spring School District as follows:

1. Taxpayers with eligible homestead or farmstead property approved by the Cumberland County Assessment Office under the requirements of Act 1 are eligible to receive exclusions on school real property taxes;

2. The farmstead exclusion amount shall be equal to the homestead exclusion amount;

3. The District has calculated the amount of the homestead exclusion to be $10,078.00 (or $130.78 in tax value) and the farmstead exclusion to be $10,078.00 (or $130.78 in tax value); and,

4. The District Administration is authorized to take all steps necessary to implement the homestead and farmstead exclusion amounts described in this Resolution and under Act 1, including but not limited to preparation of the real estate tax bills indicating the original amount of tax liability, the amount of the exclusion, the net amount of tax due and the required tax notices.

ADOPTED this 2d day of June, 2014.

BIG SPRING SCHOOL DISTRICT:

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Wilbur E. Wolf, Jr.
President, Board of School Directors

ATTEST:

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Robert L. Barrick
Secretary, Board of School Directors

(SEAL)

Big Spring School District 2014-15 Homestead / Farmstead Calculation

	Description	Calc:	Cd	Total	BSSD	
Data=						
	EIT / PIT Act 1 Tax Revenue, if Any			$0		
	Slot Machine Tax Revenue Share of Distribution			$774,579.60		
	Property Tax Rates (mills)				12.9771	
	Homestead Count				5,779	
	Farmstead Count				207	
	Properties with Unused Exclusion Allowance - Count				-130	**NOTE:** Number in Cell G10 MUST be negative
	Properties with Unused Exclusion Allowance - Value	$122,200.00			$631,052.00	
1	Revenues Applied to Tax Relief					
	EIT / PIT Act 1 Tax Revenue, if Any		a	$0		
	Slot Machine Tax Revenue Share of Distribution		b	$774,580		
	Total Revenue to be Applied To Homestead / Farmstead Tax Relief	a +b	c	$774,580		
2	County and State Assessment & Market Value Data					
	Predetermined Rato (County)		d		na	
	CLR		e		na	
	County 2 as Percent of County 1		f		na	
3	Property Tax Rates (mills)		g		12.9771	
4	Qualifying Property Counts					
	Homesteads		h	5,779	5,779	
	Farmsteads		i	207	207	
	Total property count	h + i	j	5,986	5,986	
5	Calculated Tax Relief Per Homestead					
	Tax Relief Per Homestead	c / j	k	$129.40	$129.40	
	Proof	k x j	l	$774,580	774,580	
	As Adjusted to Set Tax Relief per Homestead Equal	l / c =				
	to Revenue Available	na	m	$774,580	774,580	
	Revenue Allocation Percentages		n	100.00%	100.0000%	
6	Calculated Tax Relief Per Homestead	m / j	o		$129.40	
	Memo Proof (/ CLR) - Tax Relief is Equivalent After Applying CLR		p		na	
7	Homestead Exclusion Amount	o / g	q		$9,971	
	Divide Tax Relief Per Homestead by Tax Rate to Calc Excl Amt					
8	Re-allocation of Unused Exclusion Amounts Arising From					
	Total Original Property Counts	j	r	5,986	5,986	
	Less: Number of Properties Having Unused Exclusion Amounts		s	-130	-130	
	Number of Properties Participating in Re-allocation of Unused Exclusion Amou	r - s	t	5,856	5,856	
	Homesteads With Assessed Values Less than the Homestead Exclusion Amou	Material =				Calculation of Material Amount (algebra): X =
	Total Value of Unused Exclusion Amount From All Properties Below Threshold	$122,200	u	$631,052.00	$631,052.00	Material Assessment (>$0.50 tax relief per hom
	Total Value of Tax Relief From Unused Exclusion Amount	u x g	v	$8,189.22	$8,189.22	
						[(X * Proposed Mills P) / 1,000] / Net Homesteads H
	Additional Tax Relief Per Homestead					Net homesteads = those homesteads participating
	If this amount is immaterial (tax relief <$0.50) do not re-allocate				$1.40	homesteads below the exclusion threshold.
	Re-allocation of Remaining Unused Tax Relief	v	w	$8,189.22	$8,189.22	X * P <= {(.50 * H) * 1,000]
	Total Equivalent Homestead Exclusion Amount to be Re-allocated	u	x		$631,052.00	
	Total Equivalent Homestead Exclusion Amount to be Re-allocated -					X <= {{(.50 * H) * 1,000]} / P
	Per Remaining Homesteads	x / t	y		$107.76	
	Per Remaining Homesteads Rounded	y	z		$107.00	
	Total Original Homestead Exclusion Amounts	q	aa		$9,971.00	
	Exclusion Amounts After Re-Allocation	z + aa	ab		**$10,078.00**	
	Change in Tax Relief:					
	Total Original Homestead Exclusion Amounts as Taxed				$129.39	
	Exclusion Amounts After Re-Allocation as Taxed				**$130.78**	
	Change				$1.39	
	Summary of Total Tax Relief Distributed:					
	Homesteads & Farmsteads			5,856	5,856	
	Exclusion Amount Adjusted for Unused Exclusions from Homesteads Below Exclusion Threshold				$10,078.00	
	Proposed Tax Rate				0.012977	
	Subtotal Tax Relief Distributed to Fully Participating Homesteads and Farmsteads			$765,866.50	$765,866.50	
	Add: Partially Participating Homesteads: Amount of Tax Relief Used					
	Number of Homes Below Threshold				130	
	Initial Exclusion Amount Per Homestead				$9,971.00	
	Total Initial Exclusion Amount for Homesteads Below Threshold				$1,296,230.00	
	Less: Unused Amount of Exclusion Allowance				-$631,052.00	
	Amount of Exclusion Allowance Used by Homesteads Below Exclusion Allowance Threshold				$665,178.00	
	Tax Relief Provided to Partially Participating Homesteads			$8,632.00	$8,632.00	
	Total Tax Relief			$774,498.50	$774,498.50	
	Undistributed Amount of Slot Revenue			-$81.10	$774,498.50	

Notation: In accordance with the limits established on the exclusion for Homestead property in Article VIII of the Constitution of Pennsylvania, no governing body of a political subdivision (school district) shall authorize an exclusion for homestead property in excess of 50% of the Median assessed value of Homestead property in the political subdivision (school district).