

SPRING-FORD

AREA SCHOOL DISTRICT



Proposed Final Budget

2021 / 2022

EDUCATION



April 12, 2021



Spring-Ford Area School District 2021 /2022 Proposed Final Budget

AGENDA

- ❖ **Budgeting Obstacles**
- ❖ **Expenditure changes year/year**
- ❖ **Revenue changes year/year**
- ❖ **2021/2022 Tax impact**
- ❖ **Federal grants information**
- ❖ **Next Steps – Timeline**



Spring-Ford Area School District 2021/2022 Proposed Final Budget

Obstacles

❖ State Budget

- ✓ 2021/2022 state budget – not yet passed.
- ✓ Result - Unknowns for 2021/2022:
 - Education Subsidy
 - Transportation Subsidy
 - Special Education Subsidy
 - Any mandate reforms

❖ Federal Spending and Grants

- ✓ Historically minor to Spring-Ford's budget
- ✓ COVID grant spending very restrictive



Spring-Ford Area School District 2021 /2022 Proposed Final Budget

Highlights

Expenditures

Wages & benefits = 70% of total budget

1. Salaries & Wages

↑\$1,733k

- **Overall Professional wages ↑ \$1.283MM**
- **Overall Admin & Support wages ↑ \$450k**
 - **Additional wages due to growth/needs (included above)**
 - **Professional \$820k**
 - **Support \$156k**

2. Taxes & benefits related expenditures

↑\$2,290k

- **PSERS employer contribution mandated rate
34.51% to 34.94% of total payroll ↑1.2% - \$1,163k**
- **Medical coverage estimated at 5% ↑ - \$1,020k**
- **Payroll taxes overall ↑ \$107k**



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Highlights

Expenditures

3. Non-Personnel Related Costs

➤ Charter School Tuition	↑ \$ 700k
➤ Special Education Services	↑ \$ 508k
➤ Replace deferred funding from 2020/21 budget (facilities & curriculum)	↑ \$ 1,500k
➤ Western Center Tuition/Debt Service	↑ \$ 130k
➤ Canvas, Zoom	↑ \$ 110k
➤ Transportation/Increased Fuel Costs	↑ \$ 500k
➤ Replenish reserves for self-funded tech projects per long term plan	↑ <u>\$ 400k</u>
	\$ 3,848k



Spring-Ford Area School District 2021 /2022 Proposed Final Budget

Expenditures

Highlights

Object	Pr. Final Budget 2021/2022	Final Budget 2020/2021	\$ Change	% Change
Salaries	\$ 73,712,147	\$ 71,978,594	\$ 1,733,553	2.41%
Benefits & Taxes	48,052,711	45,761,305	2,291,406	5.01%
Professional Services	9,294,647	8,443,140	851,507	10.09%
Property Services	3,889,667	3,863,126	26,541	0.69%
Other Services	19,788,844	18,741,198	1,047,646	5.59%
Supplies	6,449,509	5,847,603	601,906	10.29%
Property & Equipment	43,405	48,200	-4,795	-9.95%
Other Objects & Functions	18,411,707	17,087,569	1,324,138	7.75%
Budgetary Reserves	300,000	300,000	0	0.0%
TOTAL	\$ 179,942,637	\$ 172,070,735	\$ 7,871,902	4.38%



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Highlights

Revenues - Major Items

❖ **Local (78% of total revenue):**

- R/E Tax – Assessment est. ↑ 1.5% based on trends ↑ \$1,656k
- Earned Income Tax – based on trends ↑ 700k
- Delinquent tax collections estimated ↓ 113k

❖ **State (21% of total revenue):**

- BEF estimate ↑ \$ 820k
- Transportation subsidy ↑ 200k
- Increased PSERS/FICA offset ↑ 520k

❖ **Federal (1% of total revenue):**

- Increase in Title & MA programs based on 2020/21 ↑ \$ 568k
- Other normal operations grants ↑ 110k



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Highlights

Revenues:

Source	Budget 2021/2022	Budget 2020/2021	\$ Change	% Change
Local	\$ 131,025,985	\$ 128,782,351	\$ 2,243,634	1.74%
State	36,416,867	34,858,629	1,558,238	4.47%
Federal	1,395,700	717,392	678,308	94.55%
Total Revenues	\$ 168,838,552	\$ 164,358,372	\$ 4,480,180	2.73%
Other Sources	2,462,000	3,212,000	-750,000	
TOTAL	\$ 171,300,552	\$ 167,570,372	\$ 3,730,180	2.23%



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Highlights

Proposed Final Budget Gap:

Source	Proposed Final Budget
Total Revenues & Other Funding Sources	\$ 171,300,552
Total Expenses	(179,942,637)
Fund Balance Appropriation	4,000,000
Transfer from Committed Funds (retirement)	675,000
Net (Shortfall)/Surplus	\$ (3,967,085)
Tax impact of Gap	3.50%



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Federal Grants

- ❖ **Spring-Ford awarded \$6.5MM since December 2020.**
- ❖ **General rule – To be used for COVID related costs only**
 - All items subject to federal and state purchasing rules regarding formal bids and/or bid protection.
 - Can be used for (examples):
 - Learning loss mitigation strategies
 - Student academic assessments
 - New tech equipment purchase initiatives as a result of COVID
 - New facilities upgrades/maintenance as a result of COVID
 - Cannot be used for (examples):
 - Replace revenue loss
 - Normal year-to-year operating expenditures
 - Charter school tuition increased costs
 - Non-COVID related projects
- ❖ **CAUTION: Funds are non-recurring**



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Next Steps

- ❖ **April 12 – Adopt Proposed Final Budget**
- ❖ **April 13 – Finance Committee Meeting to balance the budget as is required by law.**
- ❖ **May 4 (or earlier) – Make Proposed Final Budget available for public inspection on Form 2028.**
- ❖ **May 14 – Publish notice of intent to adopt Final Budget.**
- ❖ **May 24 – Adoption of Final Budget.**



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