

SPRING-FORD

AREA SCHOOL DISTRICT

PROPOSED FINAL BUDGET

2020 / 2021



April 20, 2020
Via Zoom

Expenditures

Object	WIP Budget 2020/2021	Final Budget 2019/2020	\$ Change	% Change
Salaries	\$ 73,946,218	\$ 70,639,055	\$ 3,307,163	4.68%
Benefits & Taxes	47,288,120	45,026,323	2,261,797	5.02%
Professional Services	8,344,060	8,183,666	160,394	1.95%
Property Services	3,931,960	4,054,891	-122,931	-3.00%
Other Services	17,281,757	16,943,434	338,323	1.90%
Supplies	5,970,557	5,883,168	87,389	1.40%
Property & Equipment	23,404	23,330	74	0.30%
Other Objects & Functions	18,697,512	18,160,259	537,253	2.90%
Budgetary Reserves	300,000	300,000	0	0.0%
TOTAL	\$ 175,783,588	\$ 169,214,126	\$ 6,569,462	3.88%

Revenues

Source	Prelim Budget 2020/2021	Final Budget 2019/2020	\$ Change	% Change
Local	\$ 127,447,459	\$ 126,033,935	\$ 1,413,524	1.12%
State	35,392,848	33,786,485	1,606,363	4.75%
Federal	717,392	717,392	0	0.00%
Total Revenues	\$ 163,557,699	\$ 160,537,812	\$ 3,019,887	1.88%
Other Sources	3,212,000	2,962,000	250,000	
TOTAL	\$ 166,769,699	\$ 163,499,812	\$ 3,269,887	1.99%

Budget Gap:

Source	Prelim Budget
Total Revenues & Other Funding Sources	\$ 166,769,699
Total Expenses	(175,783,588)
Fund Balance Appropriation	4,000,000
Transfer from Committed Funds (retirement)	500,000
Net (Shortfall)/Surplus	\$ (4,513,889)
Tax impact of Gap	4.12%

1. Gross Wages:

➤ Update New staffing to proposed actual	↓ \$ 90k
➤ Professional resignations/replacements (net)	↓ \$ 55k
➤ Professional retirements/replacements (net)	↓ \$ 488k
➤ True up salary books (model to actual)	↓ \$ 482k
• All non-prof departments (resign/replace, actual increases vs. forecast prior year, adjust Forecasted 20/21 COLA/merit to recent trends)	
➤ True up medical waiver	<u>↓ \$ 27k</u>
Total Changes in Gross Wages	<u><u>↓ \$ 1,142k</u></u>

Taxes & Benefits –

- FICA/Medicare/WC/Life Insurance ↓ \$ 386k
- Medical/Rx/Dental/Vision Insurance ↓ \$ 238k
- PSERS Retirement Contributions ↓ \$ 385k

Total Changes in Taxes & Benefits ↓ \$ 1,009k

Total Changes in Gross wages (previous page) ↓ \$ 1,142k

Total Changes in Personnel Related Costs ↓ \$ 2,151k

Departmental Increases/(Decreases)

➤ Special Education (based on load)	↑ \$	551k
➤ Athletics	↑ \$	30k
➤ Curriculum (prelim 10 yr plan)	↑ \$	460k
➤ Transportation	↓ \$	166k
➤ All Others	↓ \$	<u>20k</u>

Total Departmental Increases/(Decreases) ↑ \$ 855k

Revenue Related

2020/2021 Budget Update

Revenue Increases/Decreases

Local Revenues \$ 0

Federal Revenues \$ 0

State Revenues:

➤ Transportation Subsidy ↓ \$ 40k

➤ FICA Subsidy ↓ \$ 36k

➤ PSERS Retirement Subsidy ↓ \$ 192k

Total Revenue Increases/Decreases ↓ \$ 268k

SUMMARY

2020/2021 Budget Update

Changes in Revenues	↓ \$ 268k
Changes in Gross Wages	↓ \$ 1,142k
Changes in Taxes & Benefits	↓ \$ 1,009k
Changes in Departmental Costs	<u>↑ \$ 855k</u>
Net GAP Changes	<u>↓ \$ 1,028k</u>

GAP Reported at 2/11/2020 meeting (4.12%) \$ 4.514MM

Current Budget GAP (3.18%) \$ 3.486MM

Allowed GAP per Index (2.60%) \$ 2.850MM

(Note: 1% R/E Tax change is approx. \$1.1MM revenue)

As of 3/10/20

2020/2021 Budget Update

Budget Gap:

Source	Prelim Budget
Total Revenues & Other Funding Sources	\$ 166,500,964
Total Expenses	(174,487,801)
Fund Balance Appropriation	4,000,000
Transfer from Committed Funds (retirement)	500,000
Net (Shortfall)/Surplus	\$ (3,486,837)
Tax impact of Gap	3.18%

Expenditures

- **New Staffing s (level 2 to 3 based on needs):**
 - ❖ **Wages** ↓ \$ 168k
 - ❖ **Benefits & Taxes** ↓ 107k
 - ↓ \$ 275k

- **Departmental Expenses** ↓ 17k

- **Total Changes to Expenditures** ↓ \$ 292k

Changes since 3/10/20

20/21 Budget Update

Local Revenues:

➤ Interest on Deposits	↓ \$	500k
➤ Adjust R/E Tax Collection Rate	↓	275k
➤ Adjust Homestead/Farmstead ^(a)	↑	200k
➤ Decrease Assessments Goal	↓	390k
➤ Delinquent Tax Collections	↓	<u>350k</u>
		\$ 1.31M

State Revenues:

➤ Real Estate Tax Relief ^(a)	↓ \$	200k
➤ FICA Subsidy	↓	6k
➤ PSERS Retirement Subsidy	↓	<u>29k</u>
	↓ \$	<u>235k</u>

Total Revenue Increases/Decreases

↓ \$ 1.55M

SUMMARY as of 4/14/20

2020/2021 Budget Update

Changes in Revenues		↓ \$ 1,550k
Changes in Wages & Benefits		↓ 275k
Changes in Departmental Costs		↓ <u>17k</u>
Net GAP Changes		<u>↑ \$ 1,258k</u>
GAP Reported at 3/10/20 meeting	(3.18%)	\$ 3.486MM
Current Budget GAP (4/14/20)	(4.36%)	\$ 4.747MM
Allowed GAP per <u>Index</u>	(2.60%)	\$ 2.830MM
Allowed GAP per <u>Index + Exceptions</u>	(4.39%)	\$ 4.785MM

(Note: 1% R/E Tax change is approx. \$1.1MM revenue)

Budget Gap:

Source	Pr Final Budget
Total Revenues & Other Funding Sources	\$ 164,948,656
Total Expenses	(174,196,107)
Fund Balance Appropriation	4,000,000
Transfer from Committed Funds (retirement)	500,000
Net (Shortfall)/Surplus	\$ (4,747,451)
Tax impact of Gap	4.36%

Budget Accuracy Trend

2020/2021 Budget Update

Year	Final Budget	Budget vs Actual Difference	% Difference	Tax Increase
2018 / 2019	\$ 164,444,654	\$ 569,915	0.35%	2.35%
2017 / 2018	\$ 157,787,659	\$ 228,373	0.14%	0.00%
2016 / 2017	\$152,222,850	\$ 5,632,203	3.70%	0.70%

Notes:

- **1% R/E Tax change is approx. \$1.1MM revenue**
- **1% R/E Tax change = ↑\$27.48 per \$100k assessment**

What does this mean for Spring-Ford homeowners?

A 4.36% tax ↑ = \$119.81/yr per \$100k assessed

- **\$100,000 assessment = \$9.98/mo. or \$0.33/day**
- **\$200,000 assessment = \$19.97/mo. or \$0.66/day**