

# SPRING-FORD

AREA SCHOOL DISTRICT



## Proposed Final Budget

2023 / 2024

EDUCATION

April 17, 2023



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## AGENDA

- ❖ **Budgeting Obstacles**
- ❖ **Revenue changes year/year**
- ❖ **Expenditure changes year/year**
- ❖ **2023/2024 Tax impact**
- ❖ **Next Steps – Timeline**



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Obstacles

### ❖ State Budget

✓ **2023/2024 state budget – not yet passed.**

✓ **Result - Unknowns:**

- **Education Subsidy**
- **Transportation Subsidy**
- **Special Education Subsidy**
- **Any mandate reforms**

### ❖ Federal Spending and Grants

- ✓ **Historically minor to Spring-Ford's budget**
- ✓ **Title awards occur late June/July**



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Revenues

## Highlights

- ❖ **Local (78% of total revenue):**
  - R/E Tax –↑ 1.5% based on organic growth trends ↑\$1.8MM
  - Earned Income Tax consistently over-performing ↑\$500k
  - Earned interest ↑ \$1.0MM
  - Fees and rentals ↓\$200k
  
- ❖ **State (21% of total revenue):**
  - BEF estimate increase based on historical trend and proposed state budget ↑\$1.4MM
  - SE subsidy increase based on trend/proposed budget ↑\$380k
  - Transportation subsidy due to increased cost profile ↑\$180k
  - PSERS/FICA subsidy offset due to higher wage spend ↑\$190k
  - Plan Con due to fully paid bond issuances ↓\$410k
  
- ❖ **Federal (1% of total revenue):**
  - Decrease in COVID related grant spend/funding ↓\$500k



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Revenues:

## Highlights

Source	Proposed Final Budget 2023/2024	Final Budget 2022/2023	\$ Change	% Change
Local	\$ 143,283,545	\$ 140,121,470	\$ 3,162,075	2.25%
State	39,536,717	37,758,037	1,778,680	4.71%
Federal	1,834,077	2,339,940	(505,863)	-21.62%
Total Revenue	\$ 184,654,339	\$ 180,219,447	\$ 4,434,892	2.46%
Other Sources	850,000	2,634,258	(1,784,258)	
<b>TOTAL</b>	<b>\$ 185,504,339</b>	<b>\$ 182,853,705</b>	<b>\$ 2,650,634</b>	



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Expenditures

## Highlights

**Wages & benefits = 70% of total budget**

### 1. Salaries & Wages

**↑\$3.19MM**

- Overall Professional wages ↑ \$1.195MM
- SFCL salaries/supplemental service wages ↓\$51k
- Overall Admin & Support wages ↑ \$1.18MM
  - Additional wages due to growth/needs
    - Professional \$236k
    - Support \$622k

### 2. Taxes & benefits related expenditures

**↑\$2.72MM**

- PSERS employer contribution mandated rate to 34.0% of wages ↑\$400k
- Medical coverage ↑\$2.02MM
- ➤ Payroll taxes overall ↑\$300k



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Highlights

### Expenditures:

#### 3. Non-Personnel Related Costs

**\$2.01MM**

- Substitutes ↑ \$ 200k
- Security svcs/athletics/after school ↑ \$ 65k
- Other services ↑ \$ 75k
- Western Center Tuition/Debt Service ↑ \$ 200k
- Charter school tuition ↑ \$ 400k
- Transportation/Fuel Costs ↑ \$ 600k
- Insurances/legal ↑ \$ 125k
- General supplies ↑ \$ 300k
- Capital plan ↑ \$ 225k
- Debt service ↓ \$ 200k



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Expenditures

## Highlights

Object	Proposed Final Budget 2023/2024	Final Budget 2022/2023	\$ Change	% Change
Salaries	\$ 78,656,507	\$ 75,468,963	\$ 3,187,544	4.22%
Benefits & Taxes	51,779,840	49,058,165	2,721,675	5.55%
Professional Services	9,923,332	9,893,381	29,951	0.30%
Property Services	3,922,400	3,871,084	51,316	1.33%
Other Services	21,726,015	19,900,665	1,825,350	9.17%
Supplies	6,622,125	6,318,169	303,956	4.81%
Property & Equipment	2,700,460	58,696	2,641,764	Acctg Chg
Other Objects & Functions	15,141,998	17,984,581	-2,842,583	Acctg Chg
Budgetary Reserves	300,000	300,000	0	0.00%
<b>TOTAL</b>	<b>\$ 190,772,677</b>	<b>\$ 182,853,704</b>	<b>\$ 7,918,973</b>	<b>4.33%</b>





# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Proposed Final Budget Gap:

## Tax Impact

Source	Proposed Final Budget
Total Revenues & Other Funding Sources	\$ 184,754,339
Total Expenses	(190,772,677)
Transfer from Committed Funds (retirement)	750,000
<b>Net (Shortfall)/Surplus</b>	<b>\$ (5,268,338)</b>
<b>Tax impact</b>	<b>4.29%</b>

**(index = 4.1%    index + referendum exceptions = 6.27%)**



## Tax Impact

- 1% R/E Tax change is approx. \$1.225MM revenue
- 1% R/E Tax change = ↑\$29.67 per \$100k assessment

### What does this mean for Spring-Ford homeowners?

4.29% tax ↑ = \$127.29/yr per \$100k assessed

- \$100,000 assessment = \$10.61/mo. or \$0.35/day
- \$200,000 assessment = \$21.22/mo. or \$0.70/day

At INDEX 4.1% tax ↑ = \$121.65/yr per \$100k assessed

- \$100,000 assessment = \$10.14/mo. or \$0.33/day
- \$200,000 assessment = \$20.28/mo. or \$0.66/day



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

## Next Steps

- ❖ **April 17 – Adopt Proposed Final Budget (checkbox)**
- ❖ **May 4 (or earlier) – Make Proposed Final Budget available for public inspection on Form PDE-2028.**
- ❖ **May 9 – Finance Committee Meeting to balance the budget as is required by law.**
- ❖ **May 14 (or earlier) – Publish notice of intent to adopt Final Budget.**
- ❖ **May 24 – Adoption of Final Budget.**



# Spring-Ford Area School District 2023/2024 Proposed Final Budget

