

SPRING-FORD

AREA SCHOOL DISTRICT



Proposed Final Budget

2022 / 2023

EDUCATION



April 19, 2022



AGENDA

- ❖ **Review 2020/2021 Audited Results**
- ❖ **Review Projected Actual for 2021/2022**
- ❖ **2022/2023 Proposed Final Budget**
 - **Budgeting Obstacles**
 - **Revenue**
 - **Expenditures**
 - **Tax impact**
 - **Next Steps – Timeline**



2020/2021 Results & 2021/2022 Projected

Revenues

| Source | Audited Actual 2020/2021 | Projected 2021/2022 |
|---------------|-----------------------------|------------------------|
| Local | \$ 131,238,001 | \$ 137,691,180 |
| State | 34,985,894 | 36,211,600 |
| Federal | 4,182,947 | 3,655,900 |
| Other Sources | 3,037,013 | 2,462,000 |
| TOTAL | \$ 173,443,855 | \$ 180,020,680 |



2020/2021 Results & 2021/2022 Projected

Expenditures

| Object | Audited Actual 2020/2021 | Projected 2021/2022 |
|---------------------------|-----------------------------|------------------------|
| Salaries | \$ 71,215,562 | \$ 72,799,000 |
| Benefits & Taxes | 46,796,761 | 47,775,200 |
| Professional Services | 9,293,663 | 9,681,100 |
| Property Services | 3,390,520 | 3,308,900 |
| Other Services | 18,006,026 | 20,611,000 |
| Supplies | 6,036,069 | 5,979,800 |
| Property & Equipment | 1,364,298 | 688,600 |
| Other Objects & Functions | 16,923,300 | 17,829,100 |
| TOTAL | \$ 173,026,199 | \$ 178,672,700 |



2020/2021 Results & 2021/2022 Projected

Summary of Results

| Source | Audited Actual 2020/2021 | Projected 2021/2022 |
|--|-----------------------------|------------------------|
| Total Revenues & Other Funding Sources | \$ 173,443,855 | \$ 180,020,680 |
| Total Expenses | (173,026,199) | (178,672,700) |
| Net Surplus/(Deficit) | \$ 417,656 | \$ 1,347,980 |
| % Net Surplus/(Deficit) to Budget | 0.24% | 0.75% |



HIGHLIGHTS

PROPOSED FINAL BUDGET

2022/2023



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Obstacles

❖ State Budget

- ✓ 2022/2023 state budget – not yet passed.
- ✓ Result - Unknowns for 2022/2023:
 - 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
- ✓ COVID grant spending very restrictive



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Revenues – 22/23 Budget vs 21/22 Projected Actual

❖ **Local** (78% of total revenue):

- R/E Tax –↑ 1.8% based on organic growth trends ↑\$1.656MM
- Earned Income Tax over-performing 2021/22 by \$600k
- Transfer Tax over-performing 2021/22 by \$2.2MM

❖ **State** (21% of total revenue):

- BEF estimate nominal increase based on historical trend ↑\$150k
- Transportation subsidy due to increased cost profile ↑\$150k
- Increased PSERS/FICA offset due to higher wage spend ↑\$600k

❖ **Federal** (1% of total revenue):

- Decrease in Title & MA programs based on 2021/22 ↓\$300k
- Decrease in COVID related grant spend/funding ↓\$1.0MM



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Local Revenues:

| Source | Projected Actual 2021/2022 | Proposed Final Budget 2022/2023 |
|----------------------------|-------------------------------|---------------------------------------|
| Real Estate Tax | \$ 113,806,850 | \$ 115,884,821 |
| Earned Income Tax | 12,618,700 | 12,000,000 |
| Transfer Tax | 4,454,600 | 2,200,000 |
| Pmts in Addition to RE Tax | 1,763,780 | 1,750,000 |
| Other Local Sources | 5,047,250 | 5,028,719 |
| TOTAL | \$ 137,691,180 | \$ 136,863,540 |



Spring-Ford Area School District 2022/2023 Proposed Final Budget

State Revenues:

| Source | Projected Actual 2021/2022 | Proposed Final Budget 2022/2023 |
|---------------------------|-------------------------------|---------------------------------------|
| Basic Education Funding | \$ 11,350,000 | \$ 11,500,000 |
| Special Education Funding | 2,766,600 | 2,768,700 |
| Transportation | 2,469,325 | 2,600,000 |
| RE Tax Relief | 2,475,990 | 2,504,727 |
| FICA Reimbursements | 2,609,100 | 2,870,593 |
| PSERS Reimbursement | 12,910,355 | 13,257,136 |
| All Other State Sources | 1,630,030 | 1,698,607 |
| TOTAL | \$ 36,211,400 | \$ 37,199,763 |



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Federal Revenues:

| Source | Projected Actual 2021/2022 | Proposed Final Budget 2022/2023 |
|-----------------------------------|-------------------------------|---------------------------------------|
| Title Programs and Medical Access | \$ 1,662,700 | \$ 1,385,000 |
| COVID Related Grants | 1,993,200 | 954,940 |
| TOTAL | \$ 3,655,900 | \$ 2,339,940 |



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Revenues:

| Source | Projected Actual 2021/2022 | Proposed Final Budget 2022/2023 |
|-----------------------|-------------------------------|---------------------------------------|
| Local | \$ 137,691,180 | \$ 136,863,541 |
| State | 36,211,600 | 37,199,763 |
| Federal | 3,655,900 | 2,339,940 |
| Total Revenues | \$ 177,558,680 | \$ 176,403,244 |
| Other Sources | 2,462,000 | 1,684,258 |
| TOTAL | \$ 180,020,680 | \$ 178,087,502 |



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Expenditures – (22/23 Budget vs 21/22 Projected Actual)

Wages & benefits = 70% of total budget

1. Salaries & Wages ↑\$2.70MM

- Overall Professional wages ↑ \$1.375MM
- SFCL salaries/supplemental service wages ↑\$785k
- Overall Admin & Support wages ↑ \$540k
 - Additional wages due to growth/needs (included in above)
 - Professional \$635k
 - Support \$113k

2. Taxes & benefits related expenditures ↑\$1.32MM

- PSERS employer contribution mandated rate to 35.26% = ↑\$900k
- Medical coverage estimated at 2% ↑\$325k
- ➤ Payroll taxes overall ↑\$110k



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Highlights

Expenditures (Budget / Budget)

3. Non-Personnel Related Costs

| | | |
|---------------------------------------|---|---------|
| ➤ Special Education Services | ↑ | \$ 400k |
| ➤ Western Center Tuition/Debt Service | ↑ | \$ 190k |
| ➤ Substitutes | ↑ | \$ 150k |
| ➤ Transportation/Increased Fuel Costs | ↑ | \$ 325k |
| ➤ Tech plan replenish & Capital plan | ↑ | \$ 300k |
| ➤ General supplies | ↑ | \$ 350k |
| ➤ Equipment | ↓ | \$ 600k |



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Expenditures

| Object | Budget 2021/2022 | Projected Actual 2021/2022 | Pr. Final Budget 2022/2023 |
|---------------------------|-----------------------|----------------------------------|-------------------------------|
| Wages & Salaries | \$ 73,463,920 | \$ 72,799,000 | \$ 75,517,963 |
| Benefits & Taxes | 47,889,649 | 47,775,200 | 49,090,368 |
| Professional Services | 9,314,647 | 9,681,100 | 10,019,147 |
| Property Services | 3,889,667 | 3,308,900 | 3,956,084 |
| Other Services | 19,788,844 | 20,611,000 | 19,900,665 |
| Supplies | 5,981,286 | 5,979,800 | 6,320,381 |
| Property & Equipment | 43,404 | 688,600 | 58,696 |
| Other Objects & Functions | 17,906,019 | 17,829,100 | 18,129,581 |
| Budgetary Reserves | 300,000 | 0 | 300,000 |
| TOTAL | \$ 178,577,436 | \$ 178,672,700 | \$ 183,292,885 |



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Proposed Final Budget Gap:

Tax Impact

| Source | Proposed Final Budget |
|--|-----------------------|
| Total Revenues & Other Funding Sources | \$ 178,087,502 |
| Total Expenses | (183,292,885) |
| Transfer from Committed Funds (retirement) | 750,000 |
| Net (Shortfall)/Surplus | \$ (4,455,383) |
| Tax impact of Gap | 3.80% |
| (index = 3.40% index + exceptions = 3.95%) | |



Tax Impact

Notes:

- 1% R/E Tax change is approx. \$1.1MM revenue
- 1% R/E Tax change = ↑\$28.74 per \$100k assessment

What does this mean for Spring-Ford homeowners?

A 3.8% tax ↑ = \$109.21/yr per \$100k assessed

- \$100,000 assessment = \$9.10/mo. or \$0.30/day
- \$200,000 assessment = \$18.20/mo. or \$0.60/day

At INDEX 3.4% tax ↑ = \$97.72/yr per \$100k assessed

- \$100,000 assessment = \$8.14/mo. or \$0.22/day
- \$200,000 assessment = \$16.28/mo. or \$0.44/day



Spring-Ford Area School District 2022/2023 Proposed Final Budget

Next Steps

- ❖ **April 19 – Adopt Proposed Final Budget (checkbox)**
- ❖ **May 3 (or earlier) – Make Proposed Final Budget available for public inspection on Form 2028.**
- ❖ **May 10 – Finance Committee Meeting to balance the budget as is required by law.**
- ❖ **May 13 (or earlier) – Publish notice of intent to adopt Final Budget.**
- ❖ **May 23 – Adoption of Final Budget.**



Spring-Ford Area School District 2022/2023 Proposed Final Budget

