

# SPRING-FORD

AREA SCHOOL DISTRICT

## PROPOSED FINAL BUDGET

2018 / 2019



May 21, 2018



## AGENDA

- ❖ **Challenges**
- ❖ **Expenditure changes year/year**
- ❖ **Revenue changes year/year**
- ❖ **2018/2019 Tax impact**
- ❖ **How does Spring-Ford compare?**
- ❖ **Next Steps – Timeline**



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Challenges

### ❖ State Budget

- ✓ 2018/2019 state budget – not yet passed.
- ✓ Result - Unknowns for 2018/2019:
  - Education Subsidy
  - Transportation Subsidy
  - Special Education Subsidy
  - Any further property tax reforms

### ❖ Increases in Special Education

- ✓ Unfunded mandates (\$35MM budget vs \$5.8MM funding)

### ❖ Professional contract

- ✓ Increases 5.1% all-in (assuming no changes year/year)



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Highlights

### Expenditures - Major Items (year/year)

<b>1. Personnel related costs – remains 68% of total budget</b>		
➤ Professional EE increases (all-in)		\$ 3.68MM
➤ Non-Professional EE increases (all-in)		<u>733k</u>
	<b>Subtotal</b>	<b>\$ 4.58MM</b>
➤ <b>Additional Staff (all-in)</b>		
➤ Special Education – teachers & aides		\$ 723k
➤ Professional staff		330k
➤ Security personnel		189k
➤ Tech and administrative support		<u>188k</u>
	<b>Total Personnel</b>	<b>\$ 5.84MM</b>
<b>2. Non-personnel related –</b>		
➤ Special Education related services		870k
➤ Transportation		250k
➤ Western Center tuition		100k
➤ Debt Service		<u>(400k)</u>
	<b>Total Changes</b>	<b>\$ 6.66MM</b>



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Expenditures:

## Highlights

Object	Budget 2018/2019	Budget 2017/2018	\$ Change	% Change
Salaries	\$ 68,768,293	\$ 65,658,547	\$ 3,109,746	4.74%
Benefits	43,596,462	40,865,350	2,731,112	6.68%
Professional Services	7,897,970	7,126,268	771,702	10.80%
Property Services	4,310,918	4,107,961	202,957	4.94%
Other Services	16,297,229	16,189,657	107,572	0.60%
Supplies	5,883,384	5,769,938	113,446	1.97%
Equipment	62,650	76,900	- 14,250	-18.53%
Financing and Other Items	14,843,862	15,362,642	-518,780	-0.24%
Transfers (cap projects, self finance)	2,483,882	2,330,398	153,484	6.59%
Budgetary Reserve	300,000	300,000	0	0.00%
<b>TOTAL</b>	<b>\$ 164,444,650</b>	<b>\$ 157,787,661</b>	<b>\$ 6,656,989</b>	<b>4.20%</b>



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Revenues - Major Items

## Highlights

### ❖ Local – approximately 80% of total budget

➤ Assessment value up 1.5%	\$ 1.50MM
➤ Collection rate remains steady @ 98%	
➤ Delinquent tax collections decrease	<u>(440k)</u>
<b>Total Local</b>	<b>\$ 1.06MM</b>

### ❖ State – approximately 20% of total budget

➤ Based on 2018/2019 state estimates	
➤ Basic Education Funding subsidy	\$ 140k
➤ Special Ed subsidy	50k
➤ Increase PSERS/Soc. Sec. rebate	910k
➤ Increase transportation subsidy	<u>100k</u>
<b>Total State</b>	<b>\$ 1.20MM</b>

### ❖ Federal – less than 1% of total budget

- No change

**Total Changes \$ 2.26MM**



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Highlights

### Revenues:

Source	Budget 2018/2019	Budget 2017/2018	\$ Change	% Change
Local	\$ 120,271,582	\$ 119,239,160	\$ 1,032,422	0.80%
State	32,614,131	31,385,108	1,229,023	3.90%
Federal	717,392	717,392	0	0.00%
<b>TOTAL</b>	<b>\$ 153,603,105</b>	<b>\$ 151,341,660</b>	<b>\$ 2,261,445</b>	<b>1.40%</b>



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Budget Gap?

## Highlights

Source	Budget 2018/2019
Total Expenses	\$ (164,444,650)
Total Revenues	\$ 153,603,105
Fund Balance Appropriation	4,000,000
Transfer Committed Retirement Funds Reserve	1,125,000
Allocation of reserves	3,300,000
<b>Net (Shortfall)/Surplus</b>	<b>\$ (2,416,545)</b>





# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Closing the Gap – proposed tax increase

Fiscal Year	Millage	\$ Increase per \$100k	% Increase
<b>2018 / 2019</b>	<b>26.8599</b>	<b>\$ 61.57</b>	<b>2.35%</b>
2017 / 2018	26.2442	\$ 0.00	0.00%
2016 / 2017	26.2442	\$ 21.32	0.70%
2015 / 2016	26.061	\$ 31.50	1.22%
2014 / 2015	25.746	\$ 49.20	1.95%
2013 / 2014	25.254	\$ 48.50	1.96%
2012 / 2013	24.769	\$ 47.80	1.97%
2011 / 2012	24.291	\$ 76.10	3.23%



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Closing the Gap – tax change trend

### Five year averages:

❖ 2014/2015 – 2018/2019	1.24%
❖ 2009/2010 – 2013/2014	2.62%
❖ 2004/2005 – 2008/2009	4.13%



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

Mills Rank	School District	2017-18 R/E Mills
21	Cheltenham SD	45.9511
20	Pottstown SD	39.2522
19	Jenkintown SD	40.7000
18	Pottsgrove SD	37.8630
17	Norristown Area SD	34.3890
16	Lower Moreland Township SD	34.3069
15	Upper Dublin SD	33.0254
14	Perkiomen Valley SD	32.3500
13	Springfield Township SD	32.3913
12	Abington SD	31.7700
11	Upper Moreland Township SD	30.1360
10	Souderton Area SD	28.9259
9	Methacton SD	29.4585
8	Hatboro-Horsham SD	28.1410
7	Lower Merion SD	28.0740
<b>6</b>	<b>Spring-Ford Area SD</b>	<b>26.2442</b>
5	North Penn SD	24.6704
4	Upper Perkiomen SD	24.3479
3	Colonial SD	21.4040
2	Upper Merion Area SD	19.4300
1	Wissahickon SD	18.7900



## Closing Summary

### Spring-Ford Rates...

- **3<sup>rd</sup> Highest Student Population Size**
- **5<sup>th</sup> Lowest Per/Student Cost**
- **6<sup>th</sup> Lowest in Millage Rate (tax rate)**



# Spring-Ford Area School District 2018/2019 Proposed Final Budget

## Next Steps

- ❖ **Adopt Proposed Final Budget – 5/28/2018**
- ❖ **Proposed Final Budget made public**
  - ❖ **By 5/29/2018**
- ❖ **Public notice of intent to adopt as Final Budget**
  - ❖ **By 6/8/2018**
- ❖ **Adopt Final Budget on 6/18/2018**



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