

SPRING-FORD

AREA SCHOOL DISTRICT



Proposed Final Budget

2024 / 2025

EDUCATION



April 22, 2024



Spring-Ford Area School District 2024/2025 Proposed Final Budget

AGENDA

- ❖ **Budgeting Obstacles**
- ❖ **Changes since Proposed Prelim Budget**
- ❖ **Revenue changes year/year**
- ❖ **Expenditure changes year/year**
- ❖ **2024/2025 Tax impact**
- ❖ **Next Steps – Timeline**



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Obstacles

❖ State Budget

✓ **2024/2025 state budget – not yet passed.**

✓ **Result - Unknowns:**

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

❖ Federal Spending and Grants

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



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Changes since Prelim Budget

Expenses [increase/(decrease)]	
Departments/Building supply/activities budgets	\$ (464,820)
PSERS rate change	(383,616)
Decrease budgetary reserve from \$953k	(653,068)
Special Education	1,582,556
CBA & Meet/Discuss benefits plans/personnel hires	1,400,679
Decrease debt service	(1,000,000)
Workers Compensation Insurance estimate	(209,809)
Total expense changes	\$ 271,922



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Changes since Prelim Budget

Revenues & other sources [increase/(decrease)]	
Interest earnings estimate	\$ 1,300,000
State subsidies estimate	314,449
Transfer from committed funds for PSERS increases	150,000
Total revenue/other sources changes	\$ 1,764,449



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Changes since Prelim Budget

Summary of changes	
Proposed Preliminary Budget Gap (6.7%)	\$ 8,452,032
Revenue/other sources changes	1,764,449
Expense changes	271,922
Proposed Final Budget Gap	\$ 6,959,505
	5.36%



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Revenues

Highlights

- ❖ **Local (78% of total revenue):**
 - R/E Tax – based on organic growth ↑\$2.5MM
 - EIT & R/E Transfer Taxes consistently over-performing ↑\$1.3MM
 - Earned interest ↑\$900k
 - All other ↑\$396k

- ❖ **State (21% of total revenue):**
 - Subsidies for BEF, Special Ed, and Transportation ↑\$752k
 - Ready-to-Learn \$0
 - Transportation subsidy due to increased cost profile ↓\$270k
 - PSERS/FICA subsidy offset due to higher wage spend ↑\$939k

- ❖ **Federal (1% of total revenue):**
 - Decrease in COVID related grant spend/funding ↓\$449k



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Revenues:

Highlights

Source	Proposed Final Budget 2024/2025	Final Budget 2023/2024	\$ Change	% Change
Local	\$ 153,374,576	\$ 148,278,151	\$ 5,096,425	3.44%
State	40,888,115	39,466,801	1,421,314	3.60%
Federal	1,385,000	1,834,077	(449,077)	-24.49%
Total Revenue	\$ 195,647,691	\$ 189,579,029	\$ 6,068,662	3.20%
Other Sources	1,553,646	1,034,572	519,074	
TOTAL	\$ 197,201,337	\$ 190,613,601	\$ 6,587,736	



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Expenditures

Highlights

Wages & benefits = 67.27% of total budget

1. Salaries & Wages

↑\$4.73MM

- Overall Professional wages ↑ \$3.87MM
- Overall Admin & Support wages ↑ \$856k

2. Taxes & benefits related expenditures

↑\$2.32MM

- PSERS employer contribution mandated rate at 33.9% of wages ↑\$1.54MM
- Medical coverage ↑\$424k
- Payroll taxes overall ↑\$360k



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Highlights

Expenditures:

3. Non-Personnel Related Costs

\$6.49MM

➤ Special Education	↑ \$ 3.50MM
➤ Curriculum (offset by reserve)	↑ \$ 1.22MM
➤ Long-term security plan	↑ \$ 100k
➤ Western Center Tuition/Debt Service	↑ \$ 100k
➤ Charter school tuition	↑ \$ 150k
➤ Transportation/Fuel Costs	↑ \$ 780k
➤ General supplies	↑ \$ 300k
➤ Facilities/Capital plan	↑ \$ 245k
➤ Debt service	↑ \$ 100k



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Expenditures

Highlights

Object	Proposed Final Budget 2024/2025	Final Budget 2023/2024	\$ Change	% Change
Salaries	\$ 83,365,083	\$ 78,633,958	\$ 4,731,125	6.02%
Benefits & Taxes	53,969,549	51,644,813	2,324,736	4.50%
Professional Services	12,599,541	9,943,332	2,656,209	26.71%
Property Services	4,120,267	3,922,400	197,867	5.04%
Other Services	23,479,737	21,725,015	1,754,722	8.08%
Supplies	8,209,818	6,601,625	1,608,193	24.36%
Property & Equipment	2,818,465	2,700,460	118,005	4.37%
Other Objects & Functions	15,298,383	15,141,998	156,385	10.33%
Budgetary Reserves	300,000	300,000	0	0.00%
TOTAL	\$ 204,160,843	\$ 190,613,601	\$ 13,547,242	7.10%



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Proposed Final Budget Gap:

Tax Impact

Source	Proposed Final Budget
Total revenues & other funding sources	\$ 195,747,691
Total expenses	(204,160,843)
Transfer from committed funds (PSERS growth)	150,000
Transfer from curriculum reserve (as planned)	1,303,646
Net (shortfall)/surplus	\$ (6,969,506)
Tax impact	5.36%

Act 1 index = 5.3%



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Tax Impact

- **1% R/E Tax change is approx. \$1.3MM revenue**
- **1% R/E Tax change = ↑\$29.67 per \$100k assessment**

What does this mean for Spring-Ford homeowners?

5.36% tax ↑ = \$165.38/yr per \$100k assessed

- **\$100,000 assessment = \$13.78/mo.**
- **\$200,000 assessment = \$27.56/mo.**

At INDEX 5.3% tax ↑ = \$163.65/yr per \$100k assessed

- **\$100,000 assessment = \$13.64/mo.**
- **\$200,000 assessment = \$27.28/mo.**



Spring-Ford Area School District 2024/2025 Proposed Final Budget

Next Steps

- ❖ **April 22 – Adopt Proposed Final Budget (checkbox)**
- ❖ **May 8 (or earlier) – Make Proposed Final Budget available for public inspection on Form PDE-2028.**
- ❖ **May 14 – Finance Committee Meeting to balance the budget as is required by law.**
- ❖ **May 18 (or earlier) – Publish notice of intent to adopt Final Budget.**
- ❖ **May 28 – Adoption of Final Budget.**



Spring-Ford Area School District 2024/2025 Proposed Final Budget

