

SPRING-FORD

AREA SCHOOL DISTRICT

Proposed Preliminary Budget 2025 / 2026



November 25, 2024



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

AGENDA

- ❖ **2025/2026 Budget Timeline**
- ❖ **Challenges in preparing the Preliminary Budget**
- ❖ **2025/2026 Preliminary Budget Highlights**
- ❖ **Closing comments/next steps**



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

Budget Timeline

- ❖ **Available for Public Inspection by
12/31/2024**
- ❖ **Public Notice to Adopt Preliminary Budget by
1/10/2025**
- ❖ **Adoption of Preliminary Budget
1/21/2025**
- ❖ **Notice of Intent to File for Referendum Exceptions by
2/27/2025**
- ❖ **File with PDE for Referendum Exceptions
3/6/2025**



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

Budget Timeline

- ❖ **Proposed Final Budget Presentation & Adoption**
4/22/2025
- ❖ **Make available for public inspection by**
5/7/2025
- ❖ **Notice of Intent to Adopt Final Budget by**
5/17/2025
- ❖ **Adoption of Final Budget**
5/27/2025



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

Challenges in Budget Preparation:

❖ Timing

- ✓ Only 4 months into the current fiscal year
- ✓ Only 2 months into the school year
- ✓ Very little budget vs actual operating data to analyze

❖ State Budget

- ✓ Unknowns for 2025/2026 year:
 - Education Subsidy
 - Transportation Subsidy
 - Special Education Subsidy
 - Any further property tax reforms



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

Highlights

Expenditures - Major Items

1. Wages account for 41% of total budget

- Professional wages ↑ 7.9% - \$4.8MM
- Admin & Support wages ↑ 5.6% - \$1.24MM
- Additional wages due to growth/needs projections
 - Professional \$501k
 - Admin & Support \$560k

2. Taxes & benefits account for 27% of total budget

- PSERS employer contribution mandated projected rate increase from 33.90% to 34.72% = ↑\$2.8MM
- Health benefits initial estimate - ↑ \$360k
- Payroll taxes overall ↑ \$400k



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

Highlights

Expenditures - Major Items

3. Non-personnel related:

➤ Special education services	↑ \$ 862k
➤ Transportation costs	↑ \$ 403k
➤ Charter Schools	↑ \$ 132k
➤ Substitutes	↑ \$ 100k
➤ Curriculum	↓ \$1.28MM*
➤ Facilities	↑ \$ 449k
➤ Debt Service/CapEx	↑ \$1.30MM

* In accordance with long term plan



Spring-Ford Area School District 2025/2026 Proposed Preliminary Budget

Expenditures

Highlights

Object	Prelim Budget 2025/2026	Final Budget 2024/2025	\$ Change	% Change
Salaries	\$ 89,489,265	\$ 83,365,083	\$ 6,124,182	7.35%
Benefits & Taxes	58,882,055	55,313,647	3,568,408	6.45%
Professional Services	13,456,588	12,599,541	857,047	6.80%
Property Services	4,243,877	4,120,267	123,610	3.00%
Other Services	24,250,493	23,479,737	770,756	3.28%
Supplies (net)	7,077,154	8,209,818*	-1,132,664	-13.80%
Property & Equipment	2,822,965	2,818,465	4,500	0.16%
Other Objects & Functions	16,564,222	15,298,383	1,265,839	8.27%
Budgetary Reserves	300,000	300,000	0	0%
TOTAL	\$ 217,086,619	\$ 205,504,941	\$ 11,581,678	5.64%

* Includes \$1.3MM funded from curriculum reserve in accordance with LT plan



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Highlights

Revenues - Major Items

❖ Local:

- R/E Tax – estimated ↑ 1.3% based on trends - \$1.78MM
- Earned income taxes based on trends ↑ \$500k
- R/E transfer taxes based on trends ↑ \$250k
- Earned interest ↓ \$750k
- Behavioral health grant expiration ↓ \$121k

❖ State:

- BEF & SEF subsidies estimate ↑ \$200k
- Transportation subsidy based on trends ↓ \$120k
- PSERS/FICA subsidies ↑ \$1.64MM
- Plan Con due to debt roll off ↓ \$300k

❖ Federal:

- ESSER funding – No Changes



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Highlights

Revenues:

Source	Prelim Budget 2025/2026	Final Budget 2024/2025	\$ Change	% Change
Local	\$ 162,138,329	\$ 160,513,180	\$ 1,625,149	1.01%
State	42,288,787	40,888,115	1,400,672	3.43%
Federal	1,385,000	1,385,000	0	0%
Total Organic Rev	\$ 205,812,116	\$ 202,786,295	\$ 3,025,821	1.49%
Other Sources	200,000	2,718,646*	-2,518,646	
TOTAL	\$ 206,012,116	\$ 205,504,941	\$ 507,175	

* Includes \$1.3MM from curriculum reserve in accordance with LT plan



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Highlights

Preliminary Budget Gap:

Source	Prelim Budget
Total Revenues & Other Funding Sources	\$ 206,012,116
Total Expenses	217,086,619
Net (Shortfall)/Surplus	\$ (11,074,503)



Closing Comments

❖ **2025/2026 Act 1 Index = 4.0%**

❖ **Referendum Exceptions Estimate**

➤ **Total Estimated Exceptions** **\$1.4MM**

❖ **Next Steps**

- **Deep-dive into expense lines**
- **Ground-up approach by department/building**
- **Adopt proposed preliminary budget at the 1/21/2025 board meeting**
- **File for referendum exceptions**
- **Keep an eye on Harrisburg**



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