

SPRINGFIELD SCHOOL DISTRICT

2017 - 2018

GENERAL FUND

PROPOSED PRELIMINARY BUDGET



February 9, 2017

Tax Millage Summary

Preliminary to Final Budget

	Proposed Preliminary	Final Budget	Change
2017-18 % Increase from Prior Year	2.97%		
2016-17 % Increase from Prior Year	2.95%	2.36%	(0.59%)
2015-16 % Increase from Prior Year	3.19%	2.45%	(0.74%)
2014-15 % Increase from Prior Year	3.12%	2.25%	(0.87%)
2013-14 % Increase from Prior Year	3.37%	1.98%	(1.39%)
2012-13 % Increase from Prior Year	3.58%	2.70%	(0.88%)

FY 2017-2018 Budget Timeline

- February 9, 2017 - review and adopt Proposed Preliminary Budget
- February 19, 2017 – Filing deadline of Proposed Preliminary budget with PDE
- March 2, 2017 – Filing with PDE for approval of requested exceptions
- March 17, 2017 – Deadline to submit referendum question
 - Voter approval for tax increase in excess of Index and exceptions

FY 2017-2018 Budget Timeline

- May 22, 2017 – Regular School Board meeting to review and adopt Proposed Final Budget
- June 22, 2017 – Regular School Board meeting – adopt Final Budget and pass resolution to adopt annual tax levy and implement the Homestead/Farmstead exclusion
- July 15, 2017 – Approved Final Budget to be filed with PDE

2017-2018 Budget Objectives & Assumptions

- Budget projections do not reflect any changes to current funding levels:
 - Governor's budget draft for 2017-2018 due February 7th
 - State subsidies for basic education & special education remain at prior year funding levels
 - State subsidies for PSERS match and social security are projected to increase based on historical matching formula

- Budget projections include revenues from the Act 1 Index of 2.50% and anticipated PDE approved exceptions of 0.47%

2017-2018 Budget Objectives & Assumptions

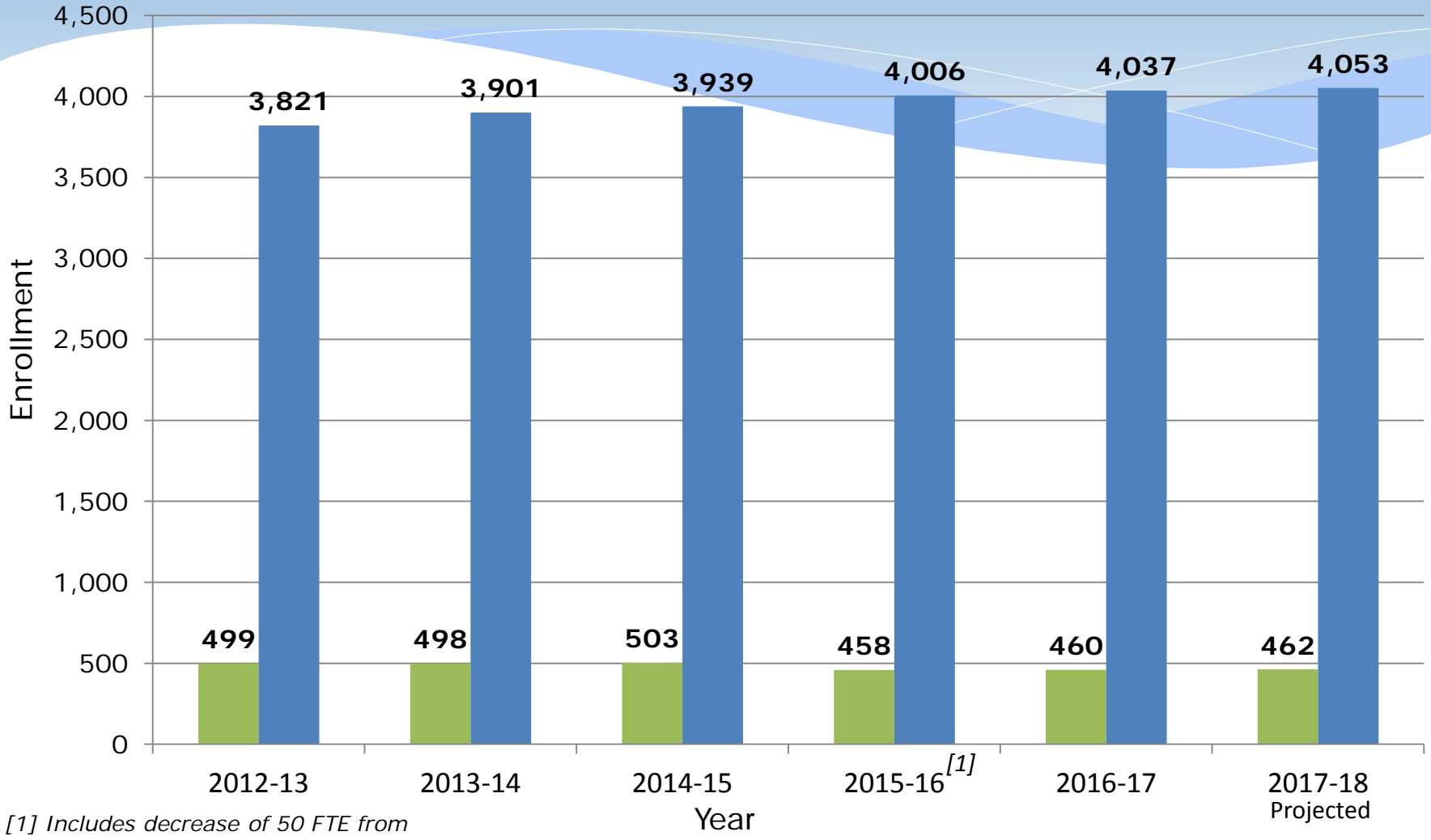
- Budget assumes economic impact on District revenues
 - 0.80% increase in assessed values from prior year
 - Improving economy = modest growth in local revenues and investment earnings

- Impact of continued enrollment growth
 - Increase of approximately 232 students over the last 5 years
 - Staffing levels include projected increase of 1 additional classroom staff and 1 administrator

- Public School Employee Retirement System (PSERS) increase
 - SSD rate increases from 30.03% in 2016-17 to 32.57% in 2017-18 (8.5% increase) and to 35.95% in 2020-21
 - \$494,000 net expenditure increase for 2017-18
 - \$878,000 net increase projected over the next 3 years

Total Staff and Enrollment

■ Total Staff ■ Total Enrollment



[1] Includes decrease of 50 FTE from transportation staff change

Staff and Student Enrollment

	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018 Projected
Staff Count					
Administrators	22	22	22	22	23
Certified Staff	269	274	278	281	282
Non-Certified Staff	207	207	158	157	157
Total Staff	498	503	458	460	462

Elementary	1843	1852	1866	1870	1870
Middle School	843	900	953	995	995
High School	1223	1203	1197	1258	1258
Total Enrollment	3901	3939	4006	4037	4053
Students per Certified Staff	14.50	14.38	14.41	14.37	14.37

2017-18 Proposed Preliminary Budget with Effect of PDE Exceptions

Prior year 2016-17 budgeted taxes	
31.4212 mills at \$1,785,440	\$ 54,454,211

PDE estimated exceptions over 2.50% Index	
Special education costs	\$ 0
PSERS State Retirement Costs	\$ 258,500
Sub total PDE estimated exceptions	\$ 258,500

2.50% of prior year budget 2016-2017	
31.4212 mills at \$1,785,440	\$ 2,084,711

Allowable budget increase with approved exceptions	\$ 2,343,211
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PDE permitted increase without referendum	\$ 56,797,422
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Proposed preliminary budget taxes - 32.354 mills	\$ 56,797,422
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2017-18 Proposed Exceptions Included in Budget (100% of total)	\$ 258,500
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2017-2018 Budget Issues

Revenues

- District's tenth budget under Act 1
 - The Index is 2.50% for 2017-18
 - Historical index ranges - 4.4% in 2008-09 to 1.40% in 2011-12
- State Funding for the Basic Education Subsidy is projected to remain at actual 2016-17 levels
- The State funding for Special Education is not projected to increase in 2017-2018
- The State's share of the Public School Employees' Retirement System (PSERS) contribution is projected to increase by \$495,000 due to a 8.5% increase in the employer contribution rate

**State
Actions
That
Result
In
Revenue
Shortfalls
and
Higher
Local
Real
Estate
Taxes**

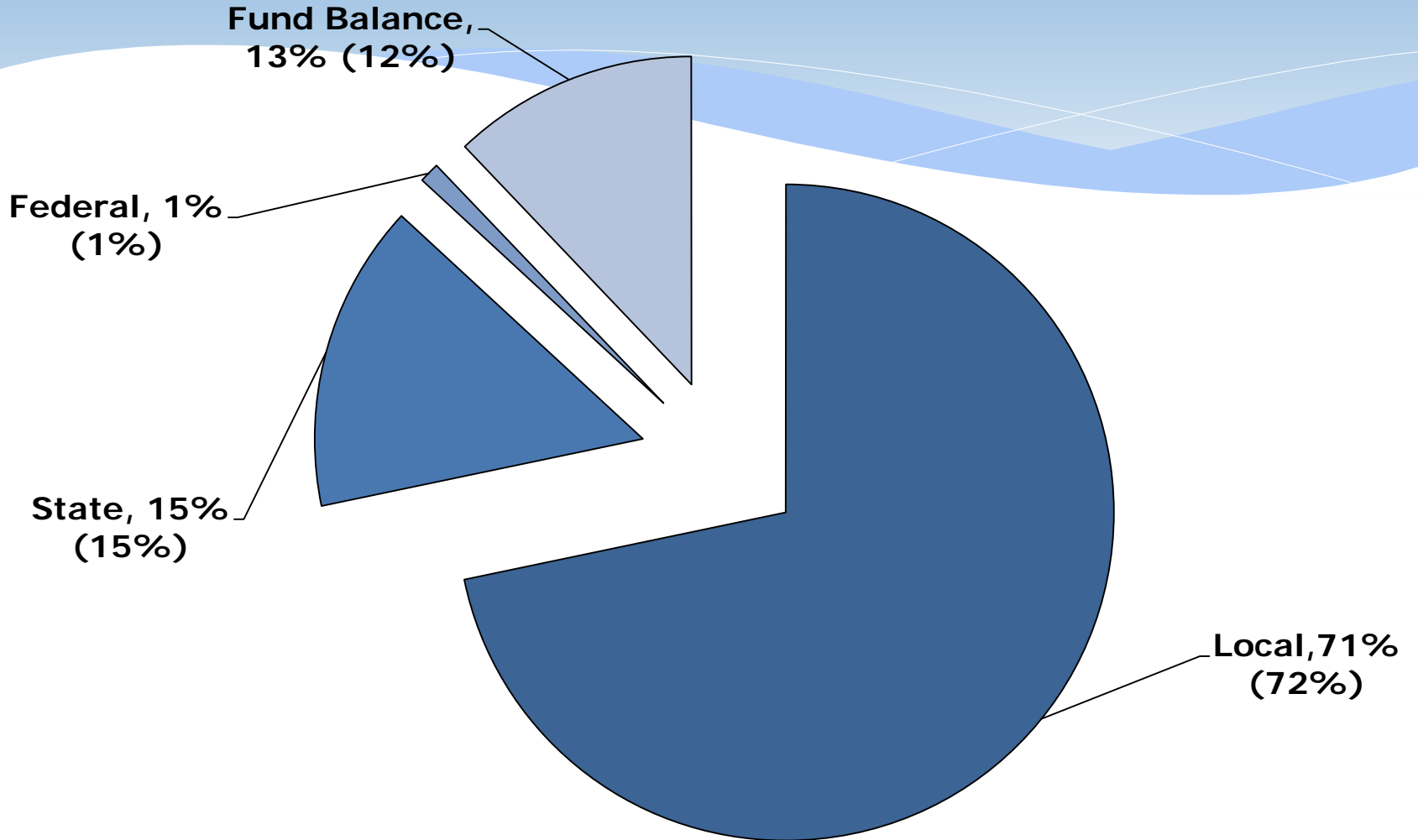
The diagram consists of a white rectangular box with a black border on the right side of the slide. Inside the box, the text 'State Actions That Result In Revenue Shortfalls and Higher Local Real Estate Taxes' is written in bold black font. Three black arrows point from the left side of the box to the first, second, and fourth items of the list on the left side of the slide.

Historical Revenues

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Projected 2017-18	Avg. % Change
Basic Instruction Subsidy	2,642,715	2,643,054	2,773,045	2,943,696	2,943,696	2.18%
Special Education Subsidy	1,552,295	1,581,630	1,627,096	1,657,060	1,657,060	1.32%
Interest Earnings	64,127	74,324	117,873	121,000	133,100	15.75%
Homestead Exclusion	1,219,072	1,219,273	1,219,273	1,219,273	1,219,273	0.00%
Real Estate Taxes	48,454,031	50,410,657	51,936,387	53,234,939	55,578,150	2.78%

Budget Revenue Chart

(previous year in parentheses)



Non - Real Estate Tax Revenue Projection

Description	2016-2017 Final Budget	2017-2018 Proposed Preliminary Budget
Interim/Delinq/Utility Taxes	\$ 1,218,500	\$ 1,209,270
Transfer Tax	656,250	689,063
Mercantile Tax	976,500	980,000
Interest & Miscellaneous	714,283	716,882
Basic Instructional Subsidy	2,773,128	2,943,696
Special Education Subsidy	1,627,060	1,657,486
Transportation	429,250	433,543
Authority Rental	83,797	83,831
Social Security Contribution	1,163,092	1,188,377
Retirement Contribution	4,493,226	4,987,429
State & Federal Grants	1,083,168	1,085,168
Revenue Subtotal	\$ 15,218,254	\$ 15,974,745

Total Revenue Projection

Description	2016-2017 Final Budget	2017-2018 Proposed Preliminary Budget
Subtotal – Previous Page	\$15,218,254	\$ 15,974,745
Homestead Exclusion (Projected)	1,219,272	1,219,272
Real Estate Taxes	53,234,939	\$55,578,150
Subtotal	\$69,672,465	\$72,772,167
Fund Balance - Committed	6,650,000	7,000,000
Fund Balance - Unassigned	3,561,442	3,658,149
Total	\$79,883,907	\$83,430,316

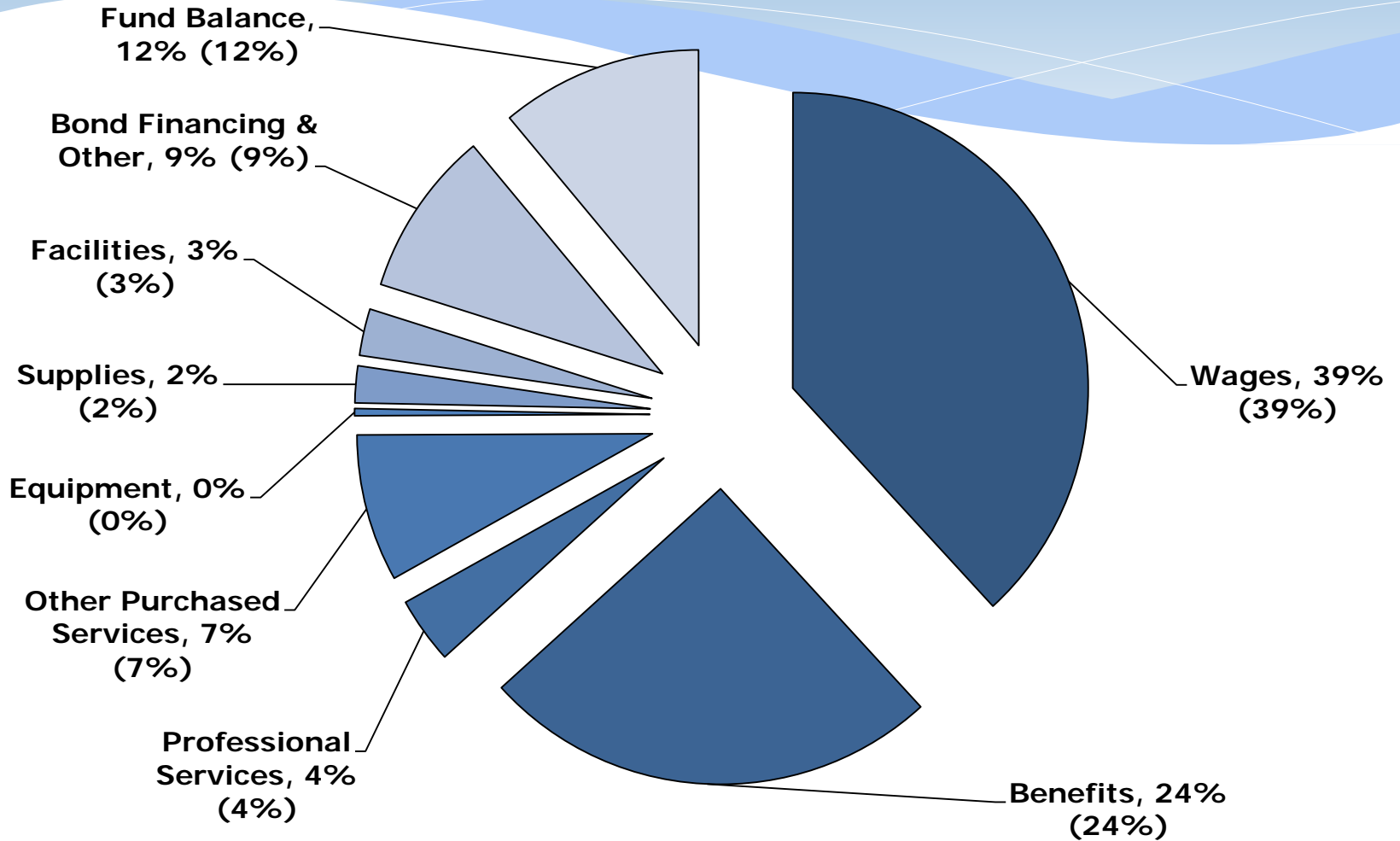
2017-2018 Budget Issues

Expenditures

- Compensation and benefit costs, not including PSERS contributions, are anticipated to increase by \$1,286,000 (3.2%)
 - None of these cost increases in excess of the Index are an approved PDE exception
- The district's 2016-2017 PSERS contribution is projected to increase by \$988,000 (11.0%) from 30.03% to 32.57%
 - Increases over the 2.50% index would be an allowable PDE exception
- Purchased services, supplies, property services and debt service are projected to increase by \$1,415,000 (6.7%) in 2017-2018

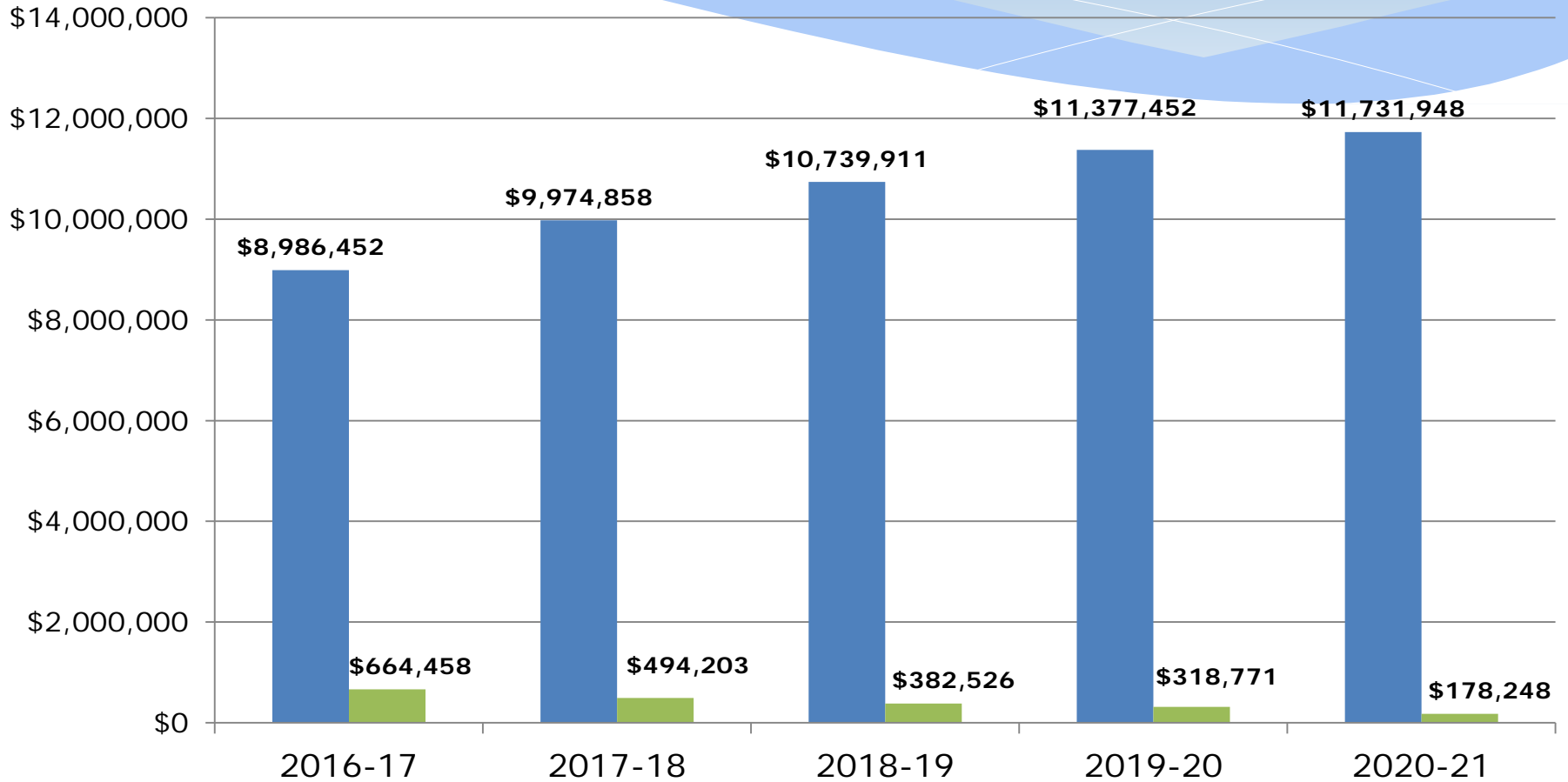
Budget Expense Chart 2016-2017

(previous year in parentheses)



PSERS Impact

■ SSD PSERS Expense ■ Annual Net PSERS Increase

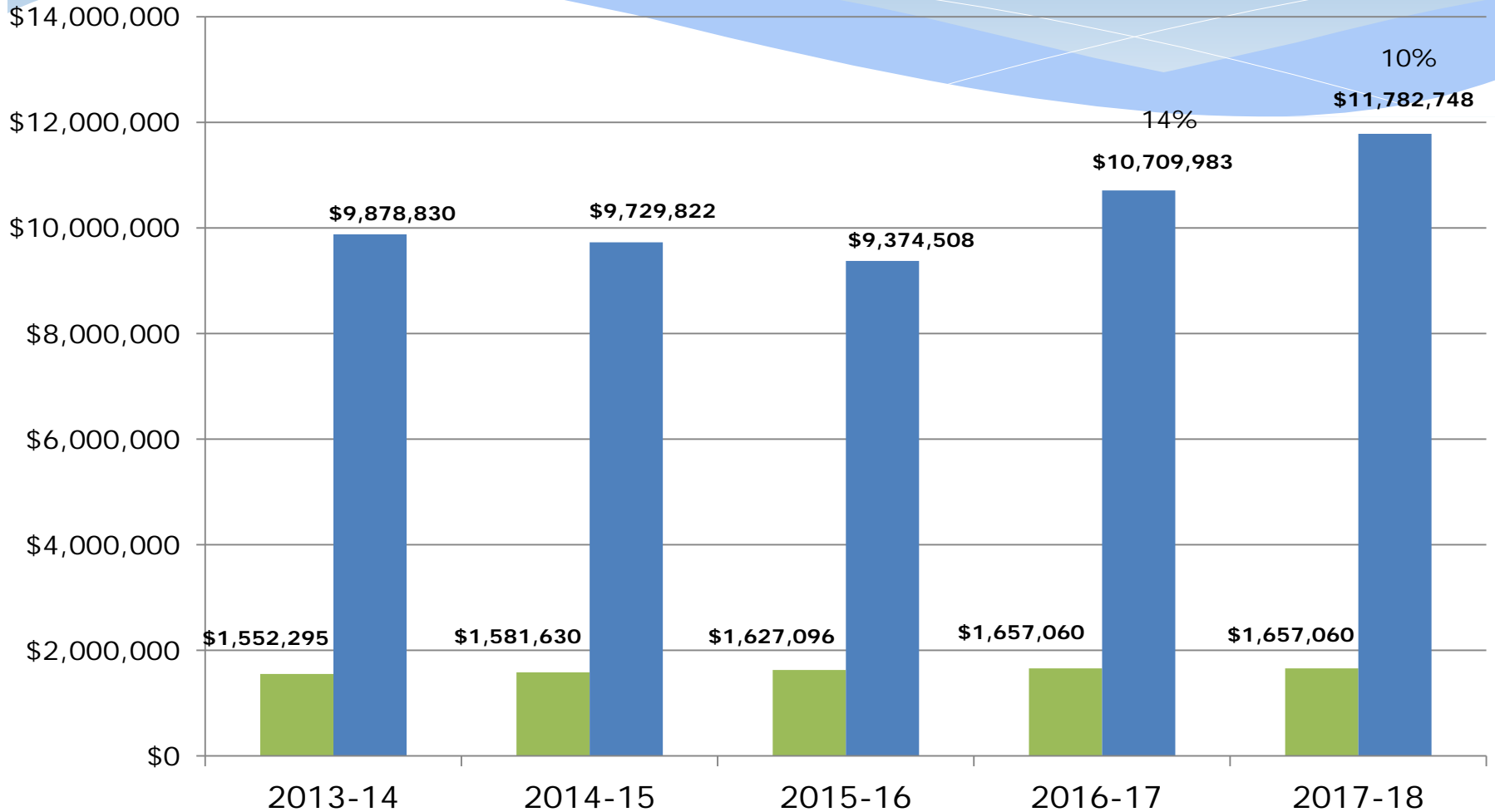


PSERS Impact

School Year	Act 1 Index	PSERS Rate Projection	PSERS Payroll	Total SSD Expense	Net SSD Expense	Net \$ Increase
2006-07	3.90%	6.46%				
2007-08	3.40%	7.13%				
2008-09	4.40%	4.76%				
2009-10	4.10%	4.78%				
2010-11	2.90%	5.64%				
2011-12	1.40%	8.65%				
2012-13	1.70%	1.36%	\$ 29,295,400	\$ 3,620,911	\$ 1,810,456	\$ 546,627
2013-14	1.70%	16.93%	\$ 29,800,520	\$ 5,045,228	\$ 2,522,614	\$ 712,158
2014-15	2.10%	21.40%	\$ 29,159,491	\$ 6,240,131	\$ 3,120,066	\$ 597,452
2015-16	1.90%	25.84%	\$ 29,634,427	\$ 7,657,536	\$ 3,828,768	\$ 708,703
2016-17	2.40%	30.03%	\$ 29,924,915	\$ 8,986,452	\$ 4,493,226	\$ 664,458
2017-18	2.50%	32.57%	\$ 30,625,907	\$ 9,974,858	\$ 4,987,429	\$ 494,203
2018-19	3.00%	34.18%	\$ 31,421,624	\$ 10,739,911	\$ 5,369,955	\$ 382,526
2019-20	3.00%	35.53%	\$ 32,022,100	\$ 11,377,452	\$ 5,688,726	\$ 318,771
2020-21	3.00%	35.95%	\$ 32,634,070	\$ 11,731,948	\$ 5,866,974	\$ 178,248

Special Education Revenues and Costs

Special Ed. Subsidy Special Ed. Costs



Expenditure Projection

Description	2016-2017 Final Budget	2017-2018 Proposed Preliminary Budget
Salaries & Benefits (net of PSERS)	\$40,510,111	\$41,796,518
Employer PSERS Contribution	8,986,452	9,974,858
Purchased Professional Services	3,123,917	3,017,177
Purchased Property Services	2,063,480	1,473,830
Other Purchased Services	6,339,550	7,099,968
Supplies	1,996,387	2,908,353
Property	324,085	92,138
Other Objects / Financing	7,128,483	7,799,172
Total Expenditures	\$70,472,465	\$74,162,014
Fund Balance - Committed	5,850,000	5,600,000
Fund Balance - Unassigned	3,561,442	3,668,302
Total	\$79,883,907	\$83,430,316

Real Estate Tax Calculation

	Final Budget 2015-2016	Proposed Preliminary Budget 2016-2017
Disbursements	\$79,883,907	\$83,430,316
Fund Balance	(10,211,442)	(10,658,149)
Receipts	(15,218,254)	(15,974,745)
R/E Tax Required	\$54,454,211	\$56,797,422
Additional R/E Tax Required	\$1,843,553	\$2,343,211

Millage Calculation

Proposed Preliminary Budget

	2016-2017 Final Budget	2017-2018 Proposed Preliminary
Total Assessment	\$1,790,440,543	\$1,804,543,358
Reassessment Loss Allowance	5,000,000	5,000,000
Billable Assessment	1,785,440,543	1,799,543,358
Taxable Mills	31.421	32.354
% Increase from Prior Year	2.36%	2.97%
Local Tax	56,100,652	58,222,502
Homestead Exclusion	1,219,272	1,219,272
Tax Levy Less Homestead Exclusion	54,881,380	57,003,230
Projected Payment Rate	97.00%	97.50%
Net Tax Revenue	\$53,234,939	\$55,578,150

Tax Summary

Proposed Preliminary Budget

	2016-2017 Final Budget	2017-2018 Preliminary	Change
Taxable Mills	31.421	32.354	0.905
% Increase from Prior Year	2.36%	2.97%	
Residential Property Example:			
School Taxes – \$100,000 assessed value	\$3,142	\$3,235	\$93
School Taxes – \$146,505 median value	\$4,603	\$4,740	\$137
School Taxes – \$250,000 assessed value	\$7,855	\$8,088	\$233
Projected Homestead Exclusion	\$181	\$181	