

SPRINGFIELD SCHOOL DISTRICT

2018 - 2019

GENERAL FUND

PROPOSED PRELIMINARY BUDGET



January 25, 2018

Tax Millage Summary

Preliminary to Final Budget

	Proposed Preliminary	Final Budget	Change
2018-19 % Increase from Prior Year	2.91%		
2017-18 % Increase from Prior Year	2.97%	2.50%	(0.47%)
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%)

FY 2018-2019 Budget Timeline

- January 25, 2018 - review and adopt Proposed Preliminary Budget
- February 19, 2018 – Filing deadline of Proposed Preliminary budget with PDE
- March 1, 2018 – Filing with PDE for approval of requested exceptions
- March 16, 2018 – Deadline to submit referendum question
 - Voter approval for tax increase in excess of Index and exceptions

FY 2018-2019 Budget Timeline

- May 24, 2018 – Regular School Board meeting to review and adopt Proposed Final Budget
- June 28, 2018 – Regular School Board meeting – adopt Final Budget and pass resolution to adopt annual tax levy and implement the Homestead/Farmstead exclusion
- July 15, 2018 – Approved Final Budget to be filed with PDE

2018-2019 Budget Objectives & Assumptions

- Budget projections do not reflect any changes to current funding levels:
 - Governor's budget draft for 2018-2019 due February 2018
 - 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 2.40% and anticipated PDE approved exceptions of 0.51%

2018-2019 Budget Objectives & Assumptions

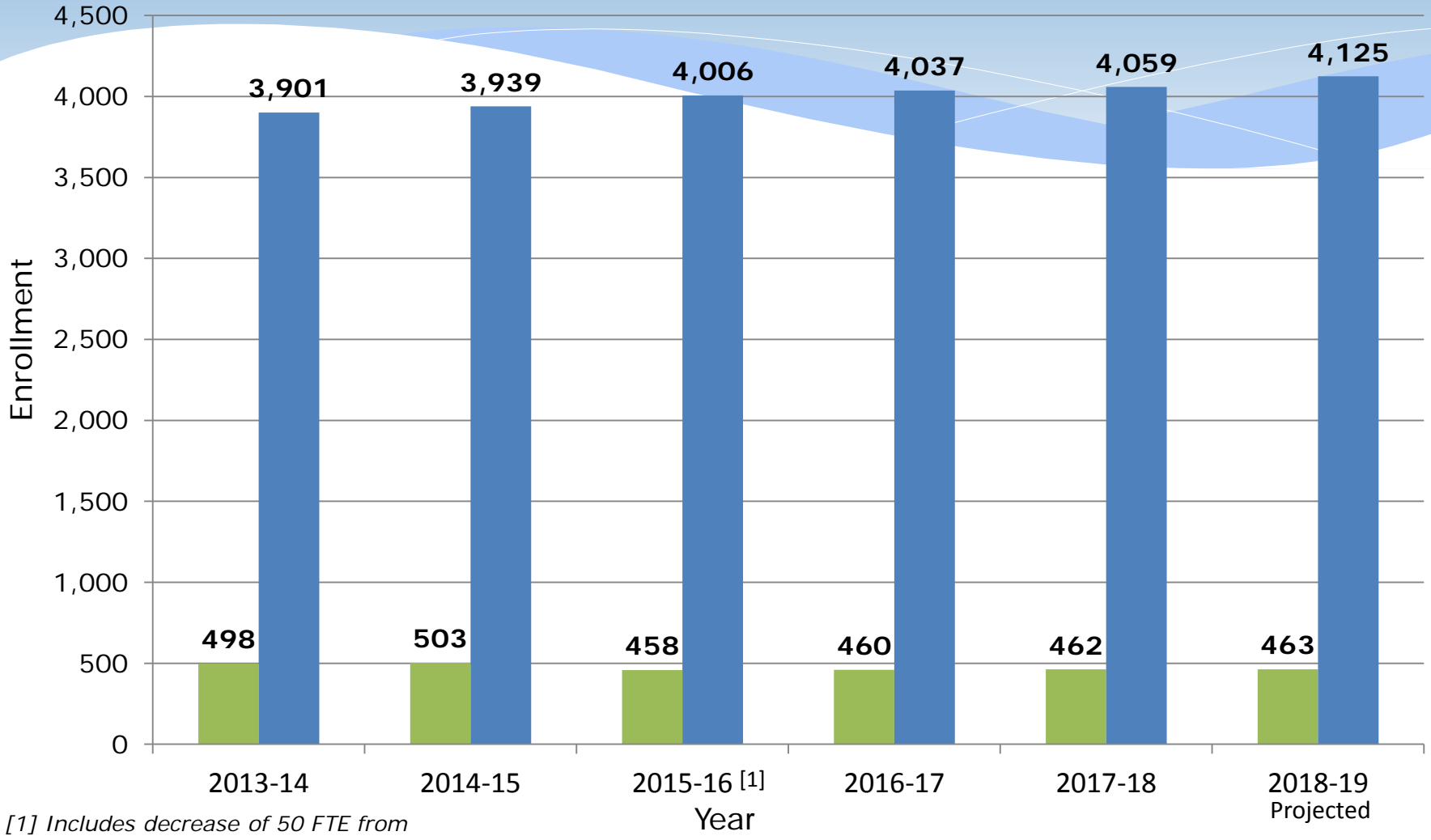
- Budget assumes economic impact on District revenues
 - 1.00% increase in assessed values from prior year
 - Improving economy = modest growth in local revenues and investment earnings

- Impact of continued enrollment growth
 - Increase of approximately 224 students over the last 5 years

- Public School Employee Retirement System (PSERS) increase
 - SSD rate increases from 32.57% in 2017-18 to 33.43% in 2018-19 (2.6% increase) and to 36.32% in 2022-23
 - \$228,000 net expenditure increase for 2018-19
 - \$795,000 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

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019 Projected
Staff Count					
Administrators	22	22	22	23	23
Certified Staff	274	278	281	282	282
Non-Certified Staff	207	158	157	157	158
Total Staff	503	458	460	462	463

Elementary	1852	1866	1849	1856	1854
Middle School	900	953	974	1008	1013
High School	1203	1197	1214	1195	1258
Total Enrollment	3939	4006	4037	4059	4125
Students per Certified Staff	14.38	14.41	14.37	14.39	14.63

2018-19 Proposed Preliminary Budget with Effect of PDE Exceptions

Prior year 2017-18 budgeted taxes	
32.2067 mills at \$1,799,543	\$ 56,561,615

PDE estimated exceptions over 2.40% Index	
Special education costs	\$ 2,036,076
PSERS State Retirement Costs	258,511
Sub total PDE estimated exceptions	\$ 2,294,587

2.40% of prior year budget 2017-2018	
32.2067 mills at \$1,799,543	\$ 1,677,048

Allowable budget increase with approved exceptions	\$ 3,971,635
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PDE permitted increase without referendum	\$ 60,533,250
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Proposed preliminary budget taxes - 33.144 mills	\$ 58,527,931
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2018-19 Proposed Exceptions Included in Budget (12.6% of total)	\$ 290,000
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2018-2019 Budget Issues

Revenues

- District's 13th budget under Act 1
 - The Index is 2.40% for 2018-19
 - 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 2017-18 levels
- The State funding for Special Education is not projected to increase in 2018-2019
- The State's share of the Public School Employees' Retirement System (PSERS) contribution is projected to increase by \$257,000 due to a 2.6% increase in the employer contribution rate

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

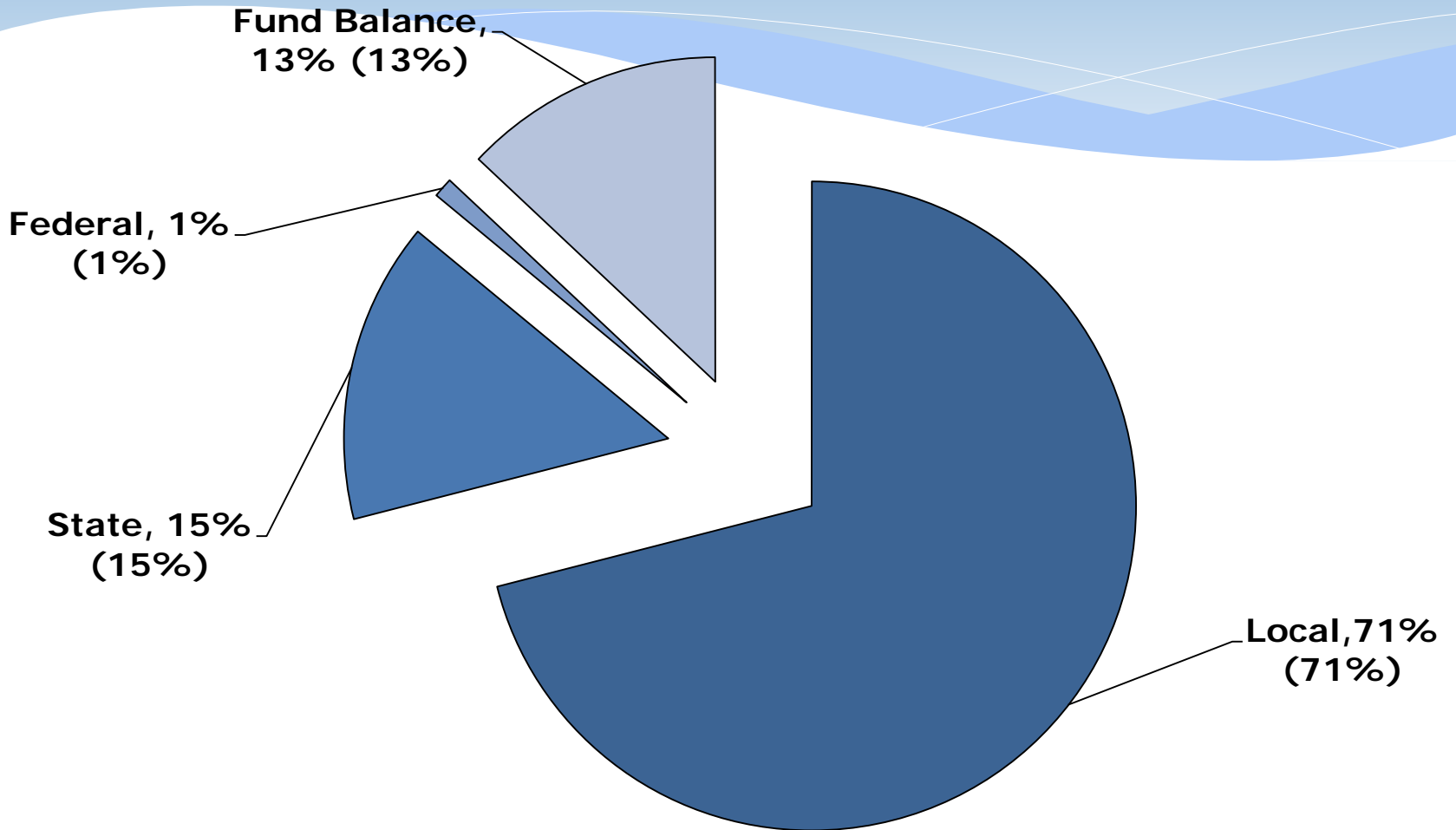
The diagram consists of a white rectangular box on the right side of the slide. Inside the box, the text 'State Actions That Result In Revenue Shortfalls and Higher Local Real Estate Taxes' is written in a bold, black, sans-serif font, arranged in ten lines. Three thick black arrows point horizontally from the left side of the box towards the main list of budget issues on the left. The top arrow points to the first bullet point under 'District's 13th budget under Act 1'. The middle arrow points to the 'State Funding for the Basic Education Subsidy' item. The bottom arrow points to the 'The State's share of the Public School Employees' Retirement System (PSERS) contribution' item.

Historical Revenues

	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budgeted 2017-18	Projected 2018-19	Avg. % Change
Basic Instruction Subsidy	2,643,054	2,773,045	2,943,720	2,943,696	2,998,696	2.18%
Special Education Subsidy	1,581,630	1,627,096	1,665,481	1,657,486	1,709,486	1.18%
Interest Earnings	74,324	117,873	202,533	210,000	231,100	25.57%
Homestead Exclusion	1,219,273	1,219,273	1,219,272	1,219,193	1,219,193	0.00%
Real Estate Taxes	50,410,657	51,936,387	53,372,902	55,342,422	57,308,738	2.60%

2018-2019 Budget Revenue Chart

(previous year in parentheses)



Non - Real Estate Tax Revenue Projection

Description	2017-2018 Final Budget	2018-2019 Proposed Preliminary Budget
Interim/Delinq/Utility Taxes	\$ 1,161,900	\$ 1,185,088
Transfer Tax	689,063	702,844
Mercantile Tax	980,000	999,600
Interest & Miscellaneous	798,282	842,283
Basic Instructional Subsidy	2,943,696	2,998,696
Special Education Subsidy	1,657,486	1,709,486
Transportation	433,543	437,878
Authority Rental	83,831	81,365
Social Security Contribution	1,181,673	1,210,866
Retirement Contribution	4,958,696	5,215,474
State & Federal Grants	1,104,284	1,104,284
Revenue Subtotal	\$ 15,992,454	\$ 16,487,864

Total Revenue Projection

Description	2017-2018 Final Budget	2018-2019 Proposed Preliminary Budget
Subtotal – Previous Page	\$15,992,454	\$ 16,487,864
Homestead Exclusion (Projected)	1,219,193	1,219,193
Real Estate Taxes	55,342,422	\$57,308,738
Subtotal	\$72,554,069	\$75,015,795
Fund Balance - Committed	7,000,000	7,000,000
Fund Balance - Unassigned	3,668,302	3,662,331
Total	\$83,222,371	\$85,678,126

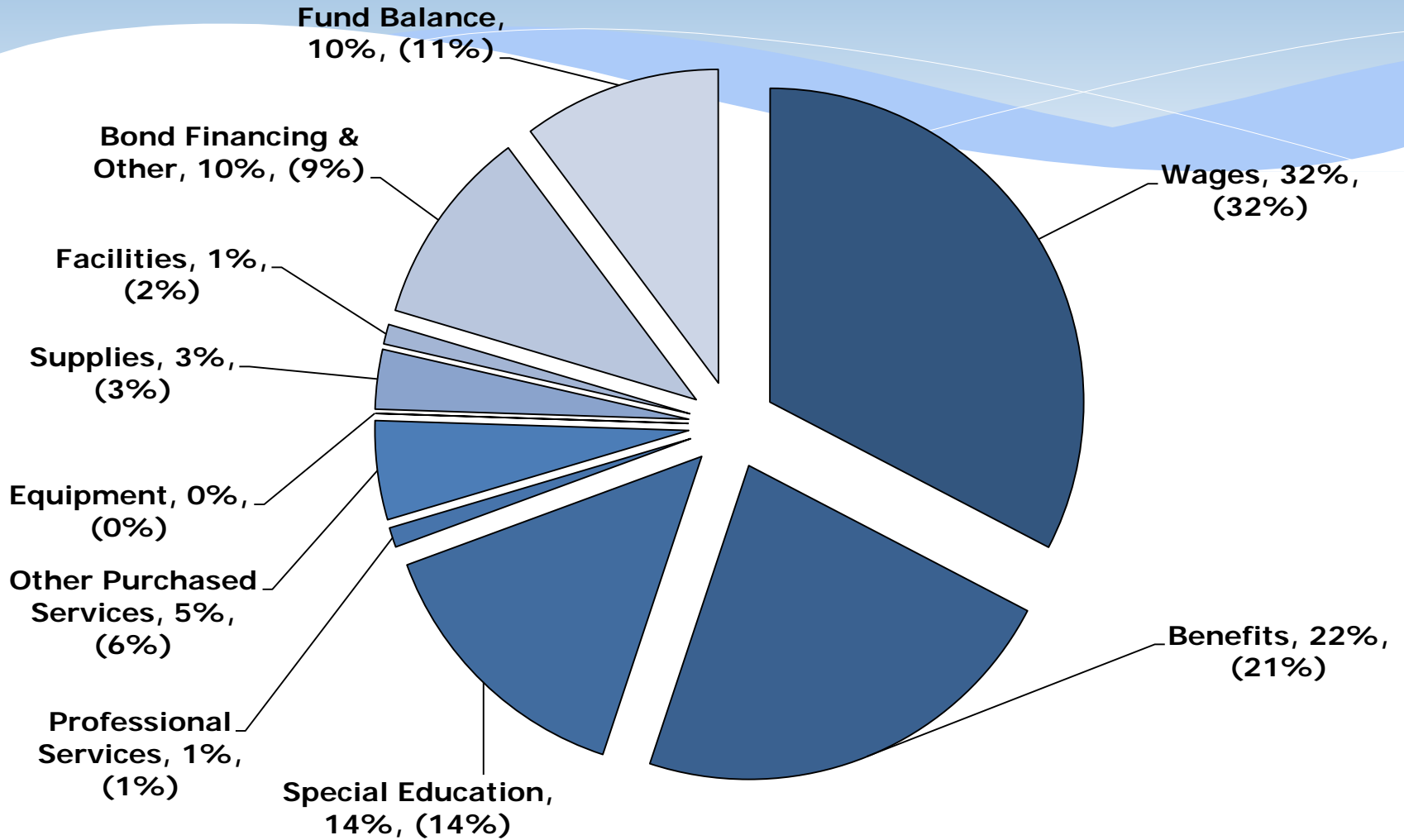
2018-2019 Budget Issues

Expenditures

- Compensation and benefit costs, not including PSERS contributions, are anticipated to increase by \$1,785,000 (4.3%)
 - None of these cost increases in excess of the Index are an approved PDE exception
- The district's 2018-2019 PSERS contribution is projected to increase by \$456,000 (4.6%) from 32.57% to 33.43%
 - Increases over the 2.40% index would be an allowable PDE exception
- Purchased services, supplies, property services and debt service are projected to increase by \$964,000 (4.3%) in 2018-2019

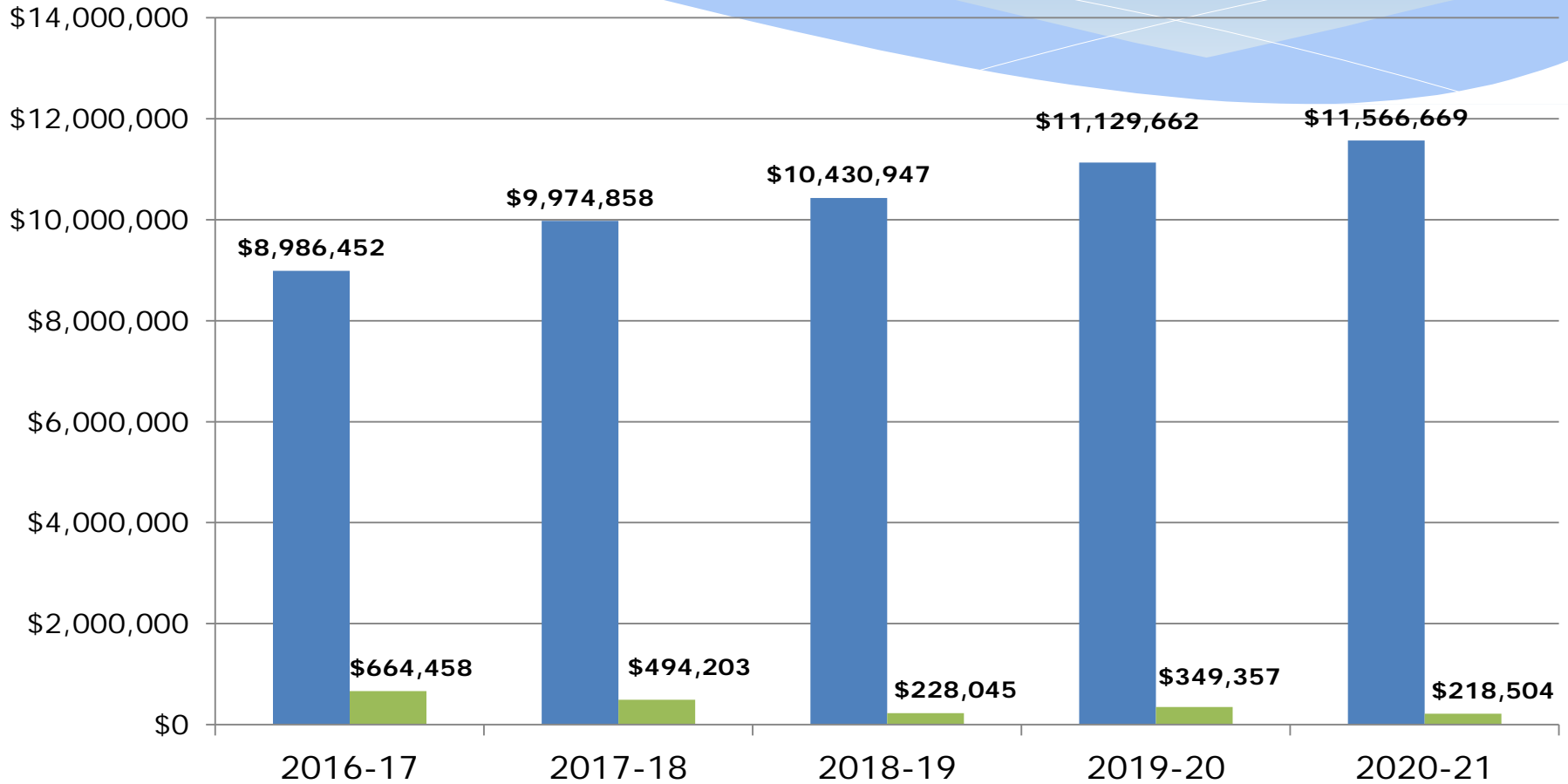
2018-2019 Budget Expense Chart

(2016-2017 year in parentheses)



PSERS Impact

■ SSD PSERS Expense ■ Annual Net PSERS Increase

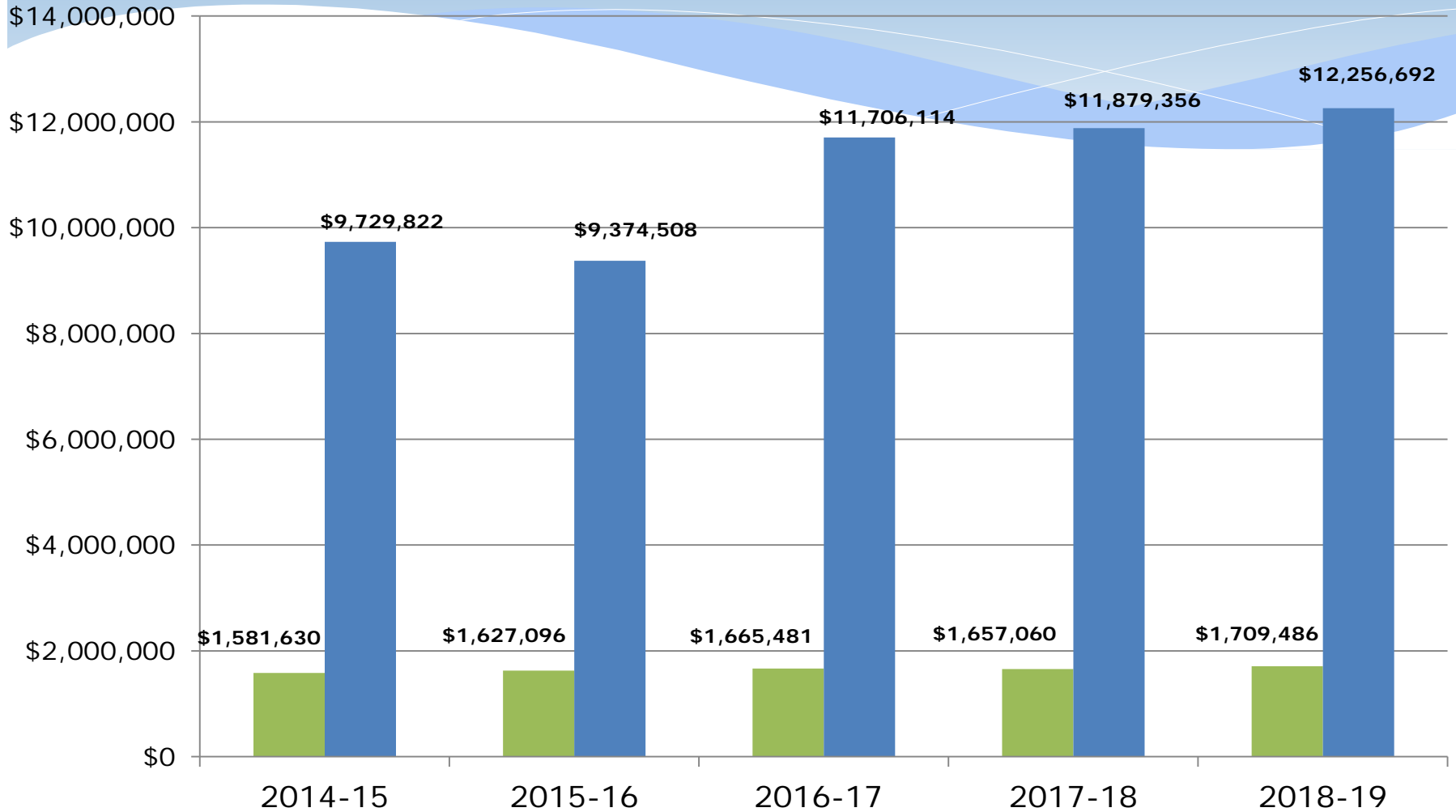


PSERS Impact

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	2.40%	33.43%	\$ 31,202,354	\$ 10,430,947	\$ 5,215,474	\$ 228,045
2019-20	2.60%	34.79%	\$ 31,990,980	\$ 11,129,662	\$ 5,564,831	\$ 349,357
2020-21	2.75%	35.26%	\$ 32,803,940	\$ 11,566,669	\$ 5,783,335	\$ 218,504

Special Education Revenues and Costs

■ Special Ed. Subsidy ■ Special Ed. Costs



Expenditure Projection

Description	2017-2018 Final Budget	2018-2019 Proposed Preliminary Budget
Salaries & Benefits (net of PSERS)	\$41,925,511	\$43,710,825
Employer PSERS Contribution	9,917,392	10,430,947
Purchased Professional Services	3,142,312	3,236,582
Purchased Property Services	1,255,519	1,280,629
Other Purchased Services	7,096,730	7,038,665
Supplies	2,796,799	2,824,767
Property	224,371	228,858
Other Objects / Financing	7,695,435	8,564,522
Total Expenditures	\$74,054,269	\$77,315,795
Fund Balance - Committed	5,500,000	4,700,000
Fund Balance - Unassigned	3,668,102	3,662,331
Total	\$83,222,371	\$85,678,126

Real Estate Tax Calculation

	Final Budget 2017-2018	Proposed Preliminary Budget 2018-2019
Disbursements	\$83,222,371	\$85,678,126
Fund Balance	(10,668,302)	(10,662,331)
Receipts	(15,992,454)	(16,487,864)
R/E Tax Required	\$56,561,615	\$58,527,931
Additional R/E Tax Required	\$2,107,404	\$1,966,316

Millage Calculation

Proposed Preliminary Budget

	2017-2018 Final Budget	2018-2019 Proposed Preliminary
Total Assessment	\$1,804,543,358	\$1,813,387,605
Reassessment Loss Allowance	5,000,000	5,000,000
Billable Assessment	1,799,543,358	1,808,387,605
Taxable Mills	32.207	33.144
% Increase from Prior Year	2.50%	2.91%
Local Tax	57,957,374	59,937,163
Homestead Exclusion	1,219,193	1,219,193
Tax Levy Less Homestead Exclusion	56,738,181	58,717,970
Projected Payment Rate	97.50%	97.60%
Net Tax Revenue	\$55,342,422	\$57,308,738

Tax Summary

Proposed Preliminary Budget

	2017-2018 Final Budget	2018-2019 Preliminary	Change
Taxable Mills	32.207	33.144	0.937
% Increase from Prior Year	2.50%	2.91%	
Residential Property Example:			
School Taxes – \$100,000 assessed value	\$3,221	\$3,314	\$93
School Taxes – \$146,505 median value	\$4,729	\$4,866	\$137
School Taxes – \$250,000 assessed value	\$8,051	\$8,286	\$235
Projected Homestead Exclusion	\$183	\$183	

Tax Increase From Master Plan Debt Service

