

SPRINGFIELD SCHOOL DISTRICT

2019 - 2020

GENERAL FUND

PROPOSED PRELIMINARY BUDGET



January 17, 2019

Tax Millage Summary Preliminary to Final Budget

| | Proposed Preliminary | Final Budget | Change |
|------------------------------------|----------------------|--------------|---------|
| 2019-20 % Increase from Prior Year | 2.87% | | |
| 2018-19 % Increase from Prior Year | 2.91% | 2.40% | (0.51%) |
| 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%) |

FY 2019-2020 Budget Timeline

- January 17, 2019 - review and adopt Proposed Preliminary Budget
- February 20, 2019 – Filing deadline of Proposed Preliminary budget with PDE
- March 1, 2019 – Filing with PDE for approval of requested exceptions
- March 22, 2019 – Deadline to submit referendum question
 - Voter approval for tax increase in excess of Index and exceptions

FY 2019-2020 Budget Timeline

- May 23, 2019 – Regular School Board meeting to review and adopt Proposed Final Budget
- June 27, 2019 – Regular School Board meeting – adopt Final Budget and pass resolution to adopt annual tax levy and implement the Homestead/Farmstead exclusion
- July 15, 2019 – Approved Final Budget to be filed with PDE

2019-2020 Budget Objectives & Assumptions

- Budget projections do not reflect any changes to current funding levels:
 - Governor's budget draft for 2019-2020 due February 2019
 - 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 2.30% and anticipated PDE approved exceptions of 0.57%

2019-2020 Budget Objectives & Assumptions

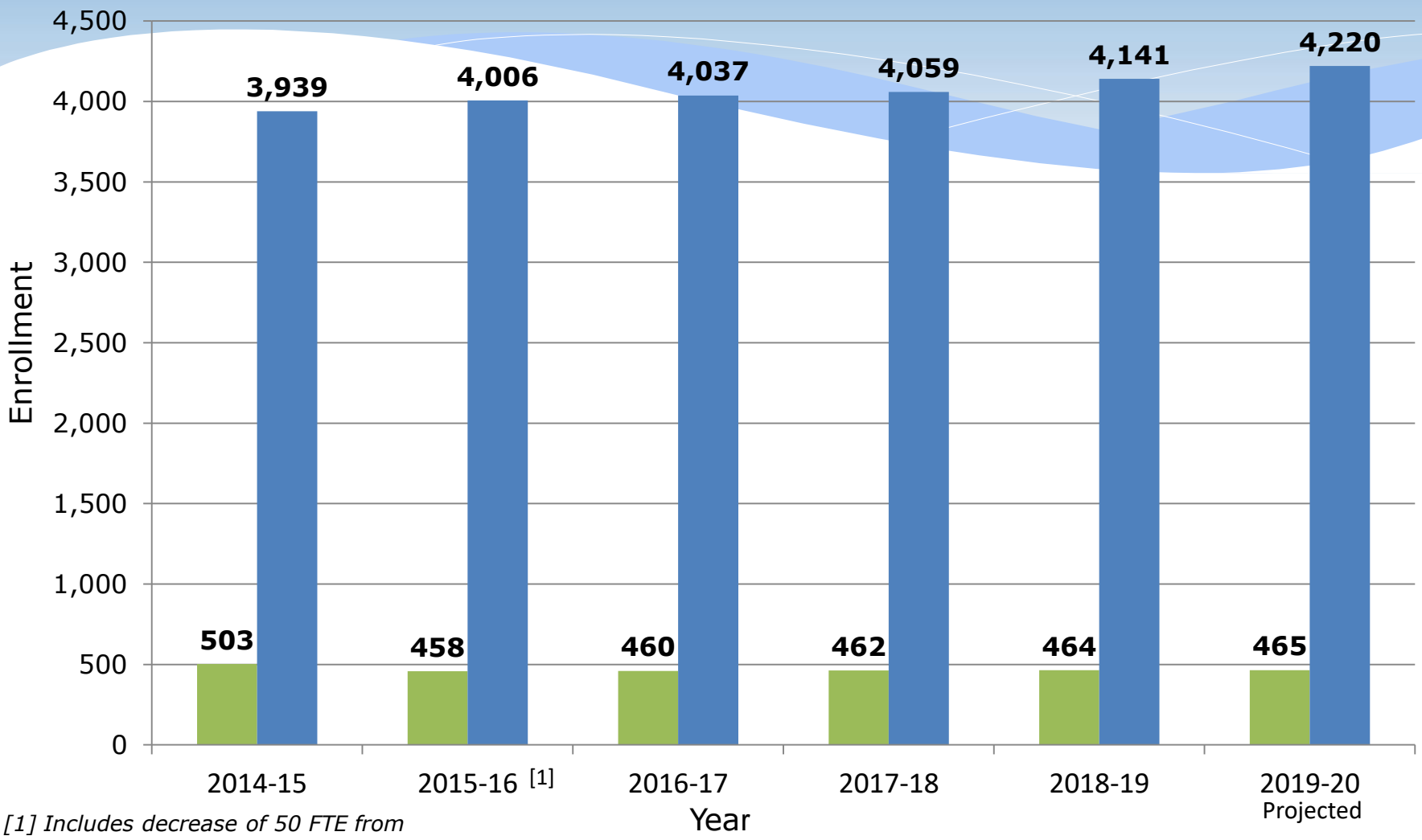
- Budget assumes economic impact on District revenues
 - Improving economy = modest growth in local revenues and investment earnings

- Impact of continued enrollment growth
 - Increase of approximately 281 students over the last 5 years

- Public School Employee Retirement System (PSERS) increase
 - SSD rate increases from 33.43% in 2018-19 to 34.29% in 2019-20 (2.6% increase) and to 36.32% in 2022-23
 - \$245,000 net expenditure increase for 2019-20
 - \$756,000 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

| | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 Projected |
|---------------------|------------------|------------------|------------------|------------------|----------------------------|
| Staff Count | | | | | |
| Administrators | 22 | 22 | 23 | 22 | 22 |
| Certified Staff | 278 | 281 | 284 | 286 | 287 |
| Non-Certified Staff | 158 | 157 | 155 | 156 | 156 |
| Total Staff | 458 | 460 | 462 | 464 | 465 |

| | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Elementary | 1866 | 1849 | 1856 | 1894 | 1921 |
| Middle School | 953 | 974 | 1008 | 1000 | 962 |
| High School | 1197 | 1214 | 1195 | 1247 | 1337 |
| Total Enrollment | 4006 | 4037 | 4059 | 4141 | 4220 |
| Students per Certified Staff | 14.41 | 14.37 | 14.29 | 14.48 | 14.70 |

2019-20 Proposed Preliminary Budget with Effect of PDE Exceptions

| | |
|-----------------------------------|---------------|
| Prior year 2018-19 budgeted taxes | |
| 32.9796 mills at \$1,808,388 | \$ 58,237,931 |

| | |
|---|--------------|
| PDE estimated exceptions over 2.30% Index | |
| Special education costs | \$ 974,670 |
| PSERS State Retirement Costs | 83,975 |
| Sub total PDE estimated exceptions | \$ 1,058,645 |

| | |
|--------------------------------------|--------------|
| 2.30% of prior year budget 2018-2019 | |
| 32.2067 mills at \$1,808,388 | \$ 1,343,375 |

| | |
|--|--------------|
| Allowable budget increase with approved exceptions | \$ 2,402,020 |
|--|--------------|

| | |
|---|---------------|
| PDE permitted increase without referendum | \$ 60,639,951 |
|---|---------------|

| | |
|--|----------------------|
| Proposed preliminary budget taxes - 33.9249 mills | \$ 59,910,298 |
|--|----------------------|

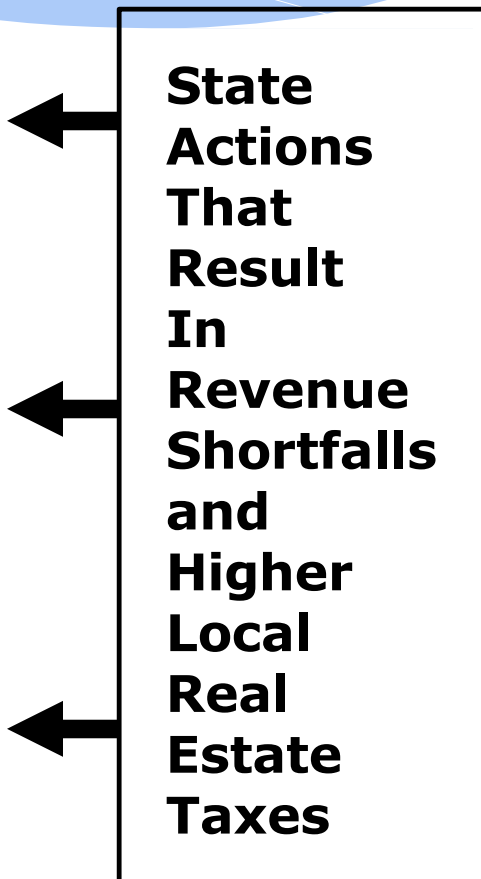
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|---|------------|
| 2019-20 Proposed Exceptions Included in Budget (31.1% of total) | \$ 329,591 |
|---|------------|

2019-2020 Budget Issues

Revenues

- District's 14th budget under Act 1
 - The Index is 2.30% for 2019-20
 - 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 2018-19 levels
- The State funding for Special Education is not projected to increase in 2019-2020
- The State's share of the Public School Employees' Retirement System (PSERS) contribution is projected to increase by \$245,000 due to a 2.6% increase in the employer contribution rate

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

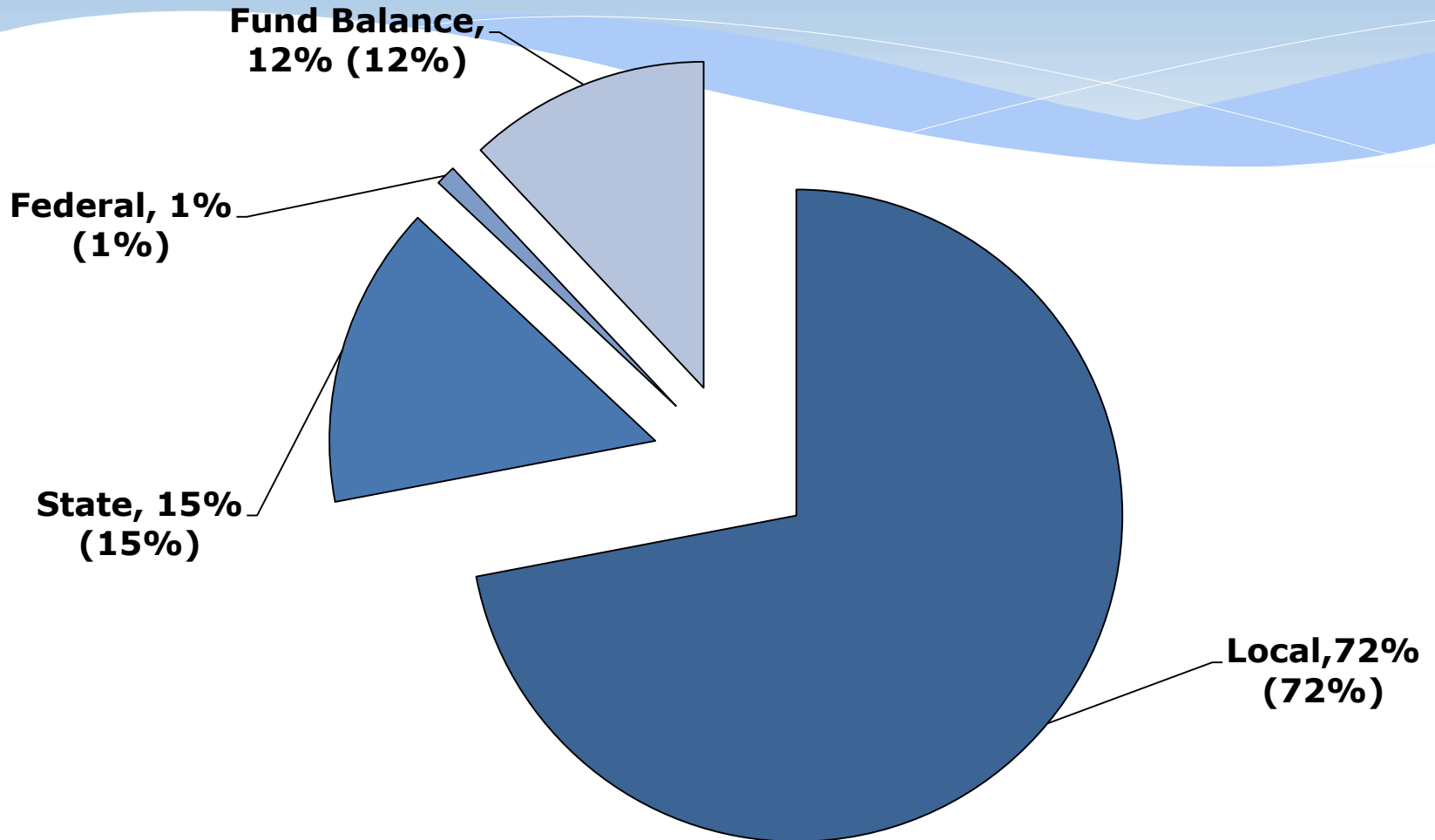


Historical Revenues

| | Actual 2015-16 | Actual 2016-17 | Actual 2017-18 | Budgeted 2018-19 | Projected 2019-20 | Avg. % Change |
|----------------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|--------------------------|
| Basic Instruction Subsidy | 2,773,045 | 2,943,720 | 2,998,175 | 2,998,696 | 3,034,283 | 1.82% |
| Special Education Subsidy | 1,627,096 | 1,665,481 | 1,700,812 | 1,709,486 | 1,724,262 | 1.17% |
| Interest Earnings | 117,873 | 202,533 | 258,769 | 290,000 | 362,500 | 25.19% |
| Homestead Exclusion | 1,219,273 | 1,219,272 | 1,219,193 | 1,219,203 | 1,219,203 | 0.00% |
| Real Estate Taxes | 51,936,387 | 53,372,902 | 55,563,617 | 57,018,738 | 58,691,095 | 2.47% |

2019-2020 Budget Revenue Chart

(previous year in parentheses)



Non - Real Estate Tax Revenue Projection

| Description | 2018-2019 Final Budget | 2019-2020 Proposed Preliminary Budget |
|------------------------------|---------------------------|--|
| Interim/Delinq/Utility Taxes | \$ 1,132,260 | \$ 1,184,908 |
| Transfer Tax | 702,844 | 716,901 |
| Mercantile Tax | 940,000 | 833,175 |
| Interest & Miscellaneous | 883,316 | 903,783 |
| Basic Instructional Subsidy | 2,998,696 | 3,034,283 |
| Special Education Subsidy | 1,709,486 | 1,724,262 |
| Transportation | 437,878 | 442,257 |
| Authority Rental | 81,365 | 83,016 |
| Social Security Contribution | 1,220,125 | 1,244,714 |
| Retirement Contribution | 5,256,122 | 5,501,109 |
| State & Federal Grants | 1,074,787 | 1,072,177 |
| Revenue Subtotal | \$ 16,436,879 | \$ 16,740,585 |

Total Revenue Projection

| Description | 2018-2019 Final Budget | 2019-2020 Proposed Preliminary Budget |
|---------------------------------|------------------------------|--|
| Subtotal – Previous Page | \$16,436,879 | \$ 16,740,585 |
| Homestead Exclusion (Projected) | 1,219,193 | 1,219,203 |
| Real Estate Taxes | 57,018,738 | \$58,691,095 |
| Subtotal | \$74,674,810 | \$76,650,883 |
| Fund Balance - Committed | 7,000,000 | 6,250,000 |
| Fund Balance - Unassigned | 3,037,355 | 3,896,805 |
| Total | \$84,712,165 | \$86,797,688 |

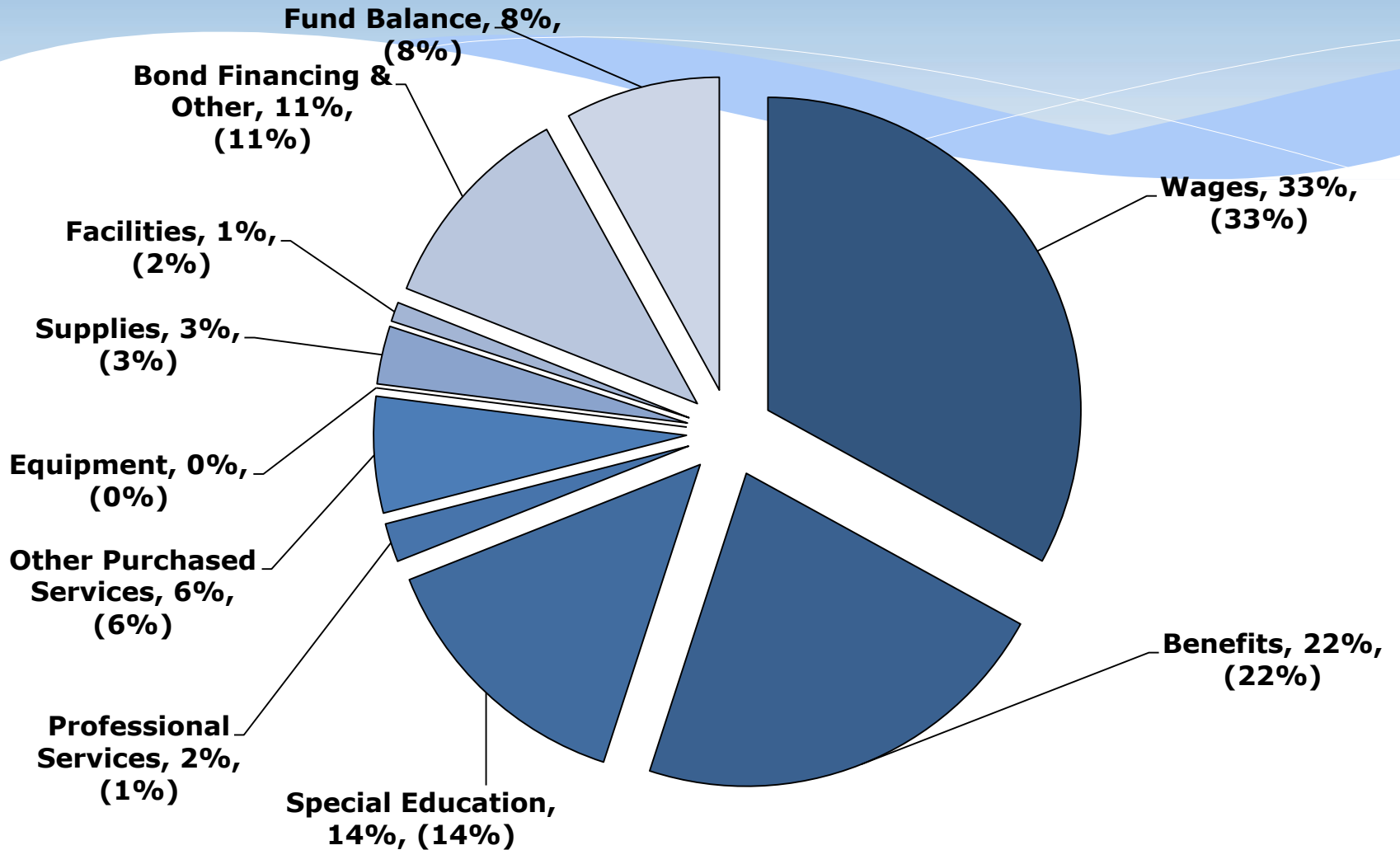
2019-2020 Budget Issues

Expenditures

- Compensation and benefit costs, not including PSERS contributions, are anticipated to increase by \$358,742
 - For 2019-2020 the increase in compensation and benefits is offset by \$497,000 in staff substitute costs now provided by a contractor and included in purchased professional services
- The district's 2019-2020 PSERS contribution is projected to increase by \$489,975 (4.7%) from 33.43% to 34.29%
 - Increases over the 2.30% index would be an allowable PDE exception
- Purchased services, supplies, property services and debt service are projected to increase by \$1,093,938 (6.0%) in 2019-2020

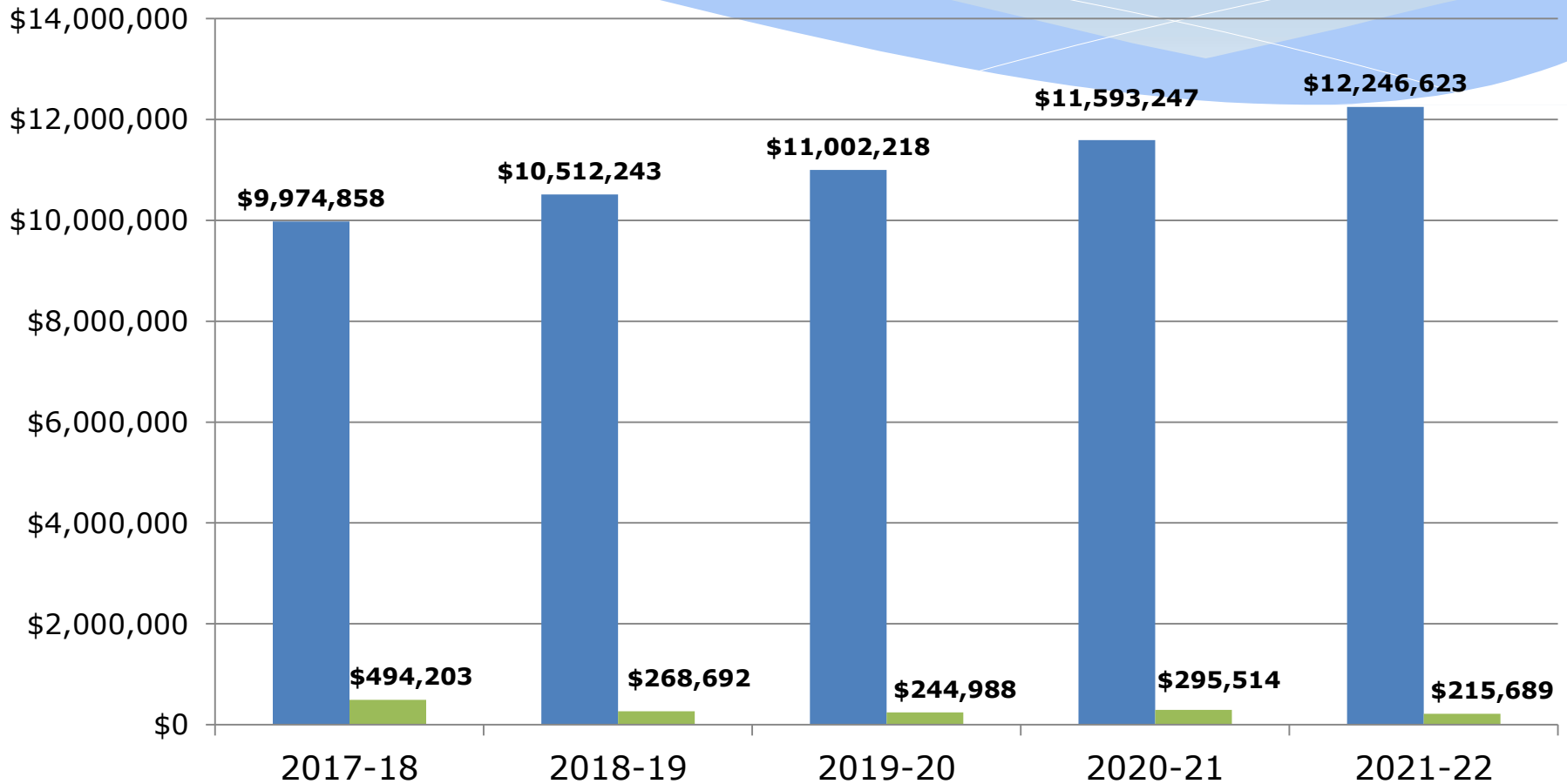
2019-2020 Budget Expense Chart

(2018-2019 year in parentheses)



PSERS Impact

■ SSD PSERS Expense ■ Annual Net PSERS Increase

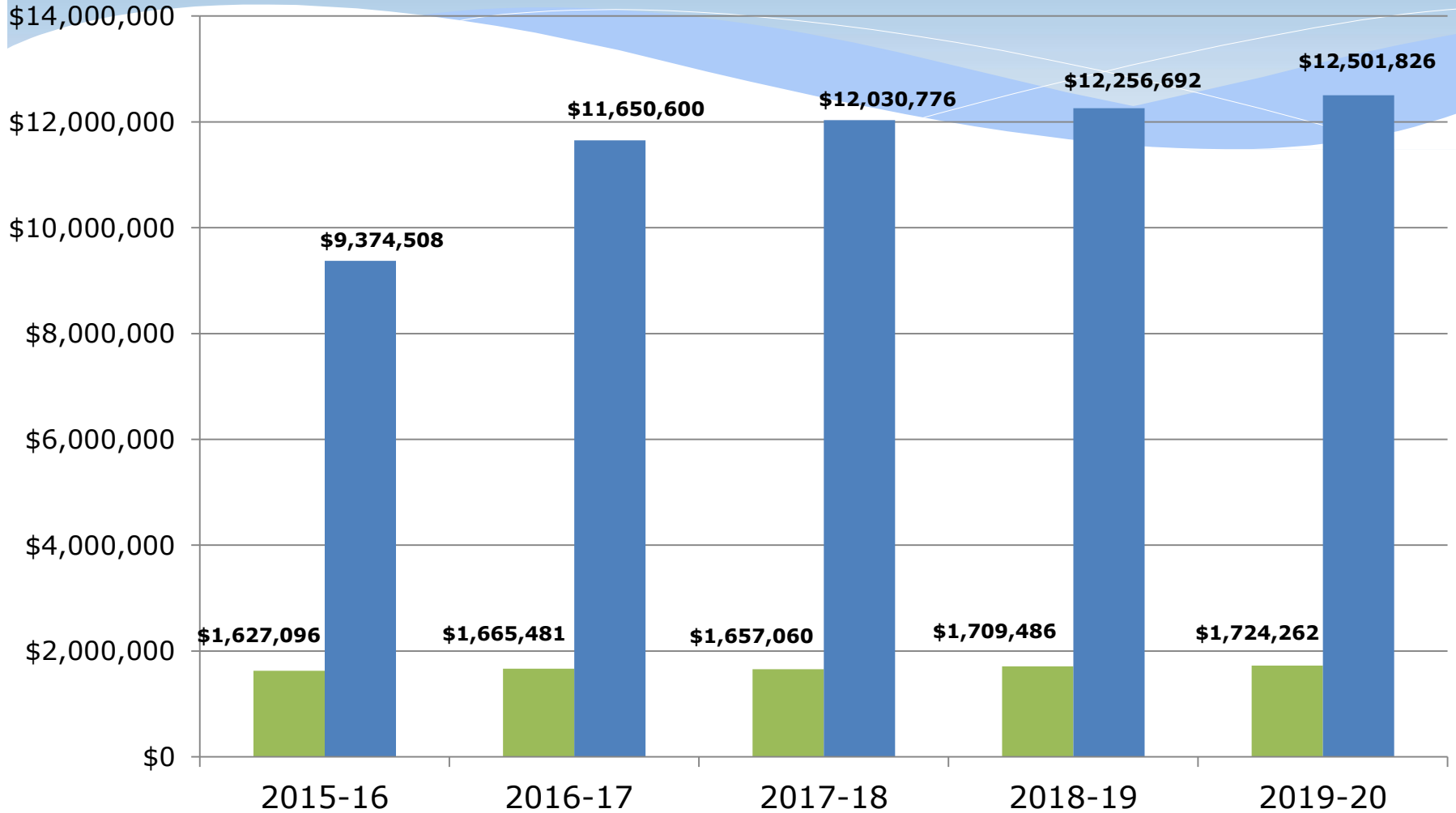


PSERS Impact

| School Year | Act 1 Index | PSERS Rate Projection | PSERS Payroll | Total SSD Expense | Net SSD Expense | Net \$ Increase |
|-------------|-------------|-----------------------|---------------|-------------------|-----------------|-----------------|
| 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% | \$ 31,445,537 | \$ 10,512,243 | \$ 5,256,121 | \$ 268,692 |
| 2019-20 | 2.30% | 34.29% | \$ 32,085,792 | \$ 11,002,218 | \$ 5,501,109 | \$ 244,988 |
| 2020-21 | 2.40% | 35.26% | \$ 32,879,316 | \$ 11,593,247 | \$ 5,796,623 | \$295,514 |
| 2021-22 | 2.50% | 35.68% | \$ 33,701,299 | \$ 12,246,623 | \$ 6,012,311 | \$ 215,689 |
| 2022-23 | 2.60% | 36.32% | \$ 34,552,879 | \$ 12,549,606 | \$ 6,274,802 | \$ 262,491 |

Special Education Revenues and Costs

Special Ed. Subsidy Special Ed. Costs



Expenditure Projection

| Description | 2018-2019 Final Budget | 2019-2020 Proposed Preliminary Budget |
|------------------------------------|------------------------------|--|
| Salaries & Benefits (net of PSERS) | \$43,188,481 | \$43,547,223 |
| Employer PSERS Contribution | 10,512,243 | 11,002,218 |
| Purchased Professional Services | 3,031,016 | 4,010,469 |
| Purchased Property Services | 1,604,150 | 1,254,600 |
| Other Purchased Services | 6,937,915 | 7,679,829 |
| Supplies | 2,781,952 | 2,420,815 |
| Property | 166,570 | 330,300 |
| Other Objects / Financing | 8,752,483 | 9,505,429 |
| Total Expenditures | \$76,974,810 | \$79,750,883 |
| Fund Balance - Committed | 4,700,000 | 3,150,000 |
| Fund Balance - Unassigned | 3,037,355 | 3,896,805 |
| | | |
| Total | \$84,712,165 | \$86,797,688 |

Real Estate Tax Calculation

| | Final Budget 2018-2019 | Proposed Preliminary Budget 2019-2020 |
|------------------------------------|-----------------------------------|--|
| Disbursements | \$84,712,165 | \$86,797,688 |
| Fund Balance | (10,037,355) | (10,146,805) |
| Receipts | (16,436,879) | (16,740,585) |
| R/E Tax Required | \$58,237,931 | \$59,910,298 |
| Additional R/E Tax Required | \$1,676,316 | \$1,672,367 |

Millage Calculation

Proposed Preliminary Budget

| | 2018-2019 Final Budget | 2019-2020 Proposed Preliminary |
|-----------------------------------|-----------------------------------|---|
| Total Assessment | \$1,813,387,605 | \$1,812,600,527 |
| Reassessment Loss Allowance | 5,000,000 | 5,000,000 |
| Billable Assessment | 1,808,387,605 | 1,807,600,527 |
| Taxable Mills | 32.979 | 33.9249 |
| % Increase from Prior Year | 2.40% | 2.87% |
| Local Tax | 59,640,032 | 61,322,721 |
| Homestead Exclusion | 1,219,193 | 1,219,203 |
| Tax Levy Less Homestead Exclusion | 58,420,839 | 60,103,518 |
| Projected Payment Rate | 97.60% | 97.65% |
| Net Tax Revenue | \$57,018,738 | \$58,691,095 |

Tax Summary

Proposed Preliminary Budget

| | 2018-2019 Final Budget | 2019-2020 Preliminary | Change |
|---|-----------------------------------|----------------------------------|---------------|
| Taxable Mills | 32.9796 | 33.9249 | 0.945 |
| % Increase from Prior Year | 2.40% | 2.87% | |
| Residential Property Example: | | | |
| School Taxes – \$100,000 assessed value | \$3,298 | \$3,392 | \$94 |
| School Taxes – \$146,505 median value | \$4,842 | \$4,970 | \$128 |
| School Taxes – \$250,000 assessed value | \$8,245 | \$8,481 | \$236 |
| Projected Homestead Exclusion | \$186 | \$186 | |

Tax Increase From Master Plan Debt Service

