

WALLINGFORD-SWARTHMORE SCHOOL DISTRICT

2013-2014 PROPOSED PRELIMINARY GENERAL FUND BUDGET

Presented – January 14, 2013

Rich Noonan
Superintendent

Lisa Palmer
Business Administrator



PRIORITIES IN DEVELOPING THE BUDGET

- Sustain quality and range of educational and co-curricular programs
- Balance commitment to excellence with fiscal restraint
- Protect the long-term financial and program stability of the District

ACHIEVEMENT SNAPSHOT

- Budget supports our educational commitments and aspirations
- Sampling of present achievements
 - 95% 2012 grads attending two or four-year colleges
 - SAT combined averages: 1,667 SHHS vs 1,477 National
 - Advanced Placement: 89% scoring 3 or higher, College Board AP Honor Roll
 - 12 National Merit Semifinalists, 21 Commended Students
 - *Newsweek* recognition of SHHS as a Best American High School
 - Multiple music and athletic honors

ENROLLMENT HISTORY AND OUTLOOK

	2011-2012	2012-2013	2013-2014
ELEMENTARY	1,442	1,506	1,528
MIDDLE SCHOOL	819	859	796
HIGH SCHOOL	1,232	1,176	1,190
DISTRICT	3,493	3,541	3,514

OPERATING BUDGET DEVELOPMENT

- **School / Department Base Budget Proposals**
 - “Flat Budgeting” directive to Principals and Directors
- **Staffing**
 - Identification of savings through reorganization and reductions
- **Other Variables**
 - Incorporated increases for: state-mandated PSERS contributions; collective bargaining agreements; costs for insurances including health, property/casualty, vehicle

CAPITAL PROJECT PLAN

- Renovations funded through annual budget without supplementary referendum
- STATUS OF PROJECTS
 - WES Renovation - completed and fully funded
 - NPE Renovation - ready to bid and fully funded

2013-2014 EXPENDITURE BUDGET – BY FUNCTION

	\$ BUDGET	% OF BUDGET
INSTRUCTION	\$39,152,972	57.4%
SUPPORT SERVICES	18,769,322	27.4%
ATHLETICS/ACTIVITIES	1,343,674	2.0%
BUILDING IMPROVEMENTS	183,430	0.3%
OTHER FINANCING USES	8,819,208	12.9%
	\$68,268,606	100.0%

2013-2014 EXPENDITURE BUDGET – BY OBJECT

	\$ BUDGET	% OF BUDGET
SALARIES	\$31,831,389	46.6%
BENEFITS	14,258,967	20.9%
PURCHASED SERVICES	10,468,753	15.3%
SUPPLIES, BOOKS, EQUIPMENT	2,772,976	4.1%
FEES, PRINCIPAL, INTEREST	8,136,521	11.9%
BUDGETARY RESERVE	800,000	1.2%
	\$68,268,606	100.0%

2013-2014 EXPENDITURE COMPARISONS

	CHANGE COMPARED TO 12-13	% OF CHANGE
INSTRUCTION	\$499,836	1.3%
SUPPORT SERVICES	646,789	3.6%
ATHLETICS/ACTIVITIES	45,532	3.5%
BUILDING IMPROVEMENTS	58,430	46.7%
OTHER FINANCING USES	(29,364)	(0.3%)
	\$1,221,223	1.8%

LARGEST COST DRIVER – PSERS CONTRIBUTIONS

SCHOOL YEAR	PSERS RATE	% OF INCREASE	WSSD COST	STATE REVENUE	NET INCR FROM PRIOR YR
2009-10	4.78%	0.4%	\$1,459,676	\$ 729,838	\$ 46,241
2010-11	5.64%	18.0%	\$1,750,638	\$ 875,319	\$ 145,481
2011-12	8.65%	53.4%	\$2,735,248	\$1,367,624	\$ 492,305
2012-13	12.36%	42.9%	\$3,959,924	\$1,979,962	\$ 612,338
2013-14	16.93%	36.9%	\$5,424,566	\$2,712,283	\$ 732,321
2014-15	21.31%*	25.9%	\$6,905,889	\$3,452,945	\$ 740,662
2015-16	25.80%*	21.1%	\$8,508,537	\$4,254,269	\$ 801,324
2016-17	28.30%*	9.7%	\$9,519,668	\$4,759,834	\$ 505,565
*ESTIMATED RATES					

2013-2014 REVENUE BUDGET

	\$ BUDGET	% OF BUDGET
LOCAL	\$56,493,012	82.8%
STATE	10,104,581	14.8%
FEDERAL	233,719	0.3%
USE OF FUND BALANCE	1,437,294	2.1%
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	\$68,268,606	100.0%

1.8% TOTAL REVENUE INCREASE OVER 2012-13

2.0% REAL ESTATE TAX REVENUE INCREASE OVER 2012-13

USE OF BUDGET EXCEPTION

- Exception for Increased Retirement Costs
 - Recommendation for use of approximately 25% of allowable exception
 - to smooth steep increases to required PSERS contributions
 - to hedge against the uncertainty surrounding State and Federal Funding

2013-2014 LOCAL TAXES

TAX INCREASE	
1.7%	LOCAL TAXES INCREASED AT INDEX
0.3%	EXCEPTION: INCREASED RETIREMENT COSTS
2.0%	TOTAL LOCAL TAX INCREASE OVER 12-13

THE PROPOSED TAX INCREASE

- The Proposed Preliminary Budget recommends a local tax increase of 2.0%. To the taxpayer, this means:

ASSESSED VALUE	ANNUAL TAXES	ANNUAL INCREASE OVER 12-13
\$57,000	\$2,263	\$44
\$177,000 (average)	\$7,026	\$138
\$377,000	\$14,964	\$293

ACT 1 INDEX and WSSD TAX INCREASE HISTORY

YEAR	INDEX	WSSD INCREASE (tax bill to tax bill)	
2006-2007	3.9%	8.0%	
2007-2008	3.4%	6.0%	
2008-2009	4.4%	5.8%	
2009-2010	4.1%	2.8%	
2010-2011	2.9%	2.9%	
2011-2012	1.4%	1.4%	
2012-2013	1.7%	2.0%	
2013-2014	1.7%	2.0%	PROPOSED

SUMMARY COMMENTS

- Second lowest tax rate increase in eight years, despite increased mandatory PERS contribution of \$732,321 and escalating healthcare costs.
- Provides District with protection against potential reduction in state and federal aid.
- Promotes the long-term financial and program security of District schools.

BUDGET MILESTONES

February 11, 2013	Adoption of Proposed Preliminary Budget
April 8, 2013	Adoption of Proposed Final Budget
May 28, 2013	Adoption of Final Budget