

# Mt. Lebanon School District

Preparation of Base Budget for 2021–2022

March 8, 2021

*Investment in our Children*



# Mission Statement: To provide the best education possible for each and every student.

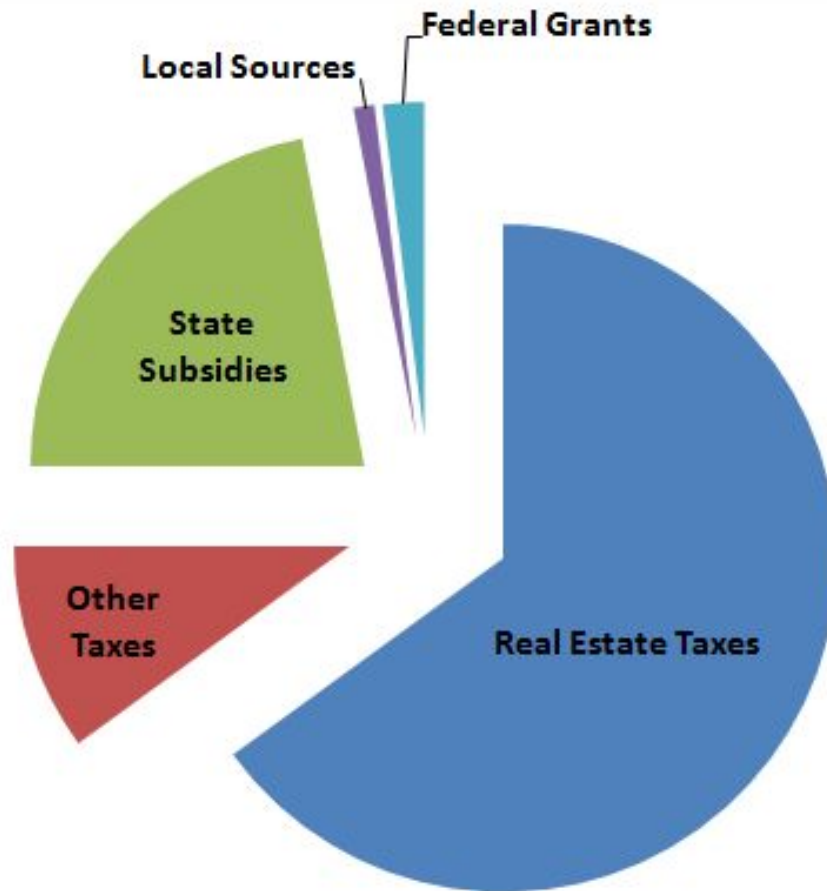
## ► Sustain the quality “Mt. Lebanon” educational experience in:

- Academics
- Arts
- Athletics
- Activities



## ► Guiding Philosophy: Continuous Improvement

# Revenues

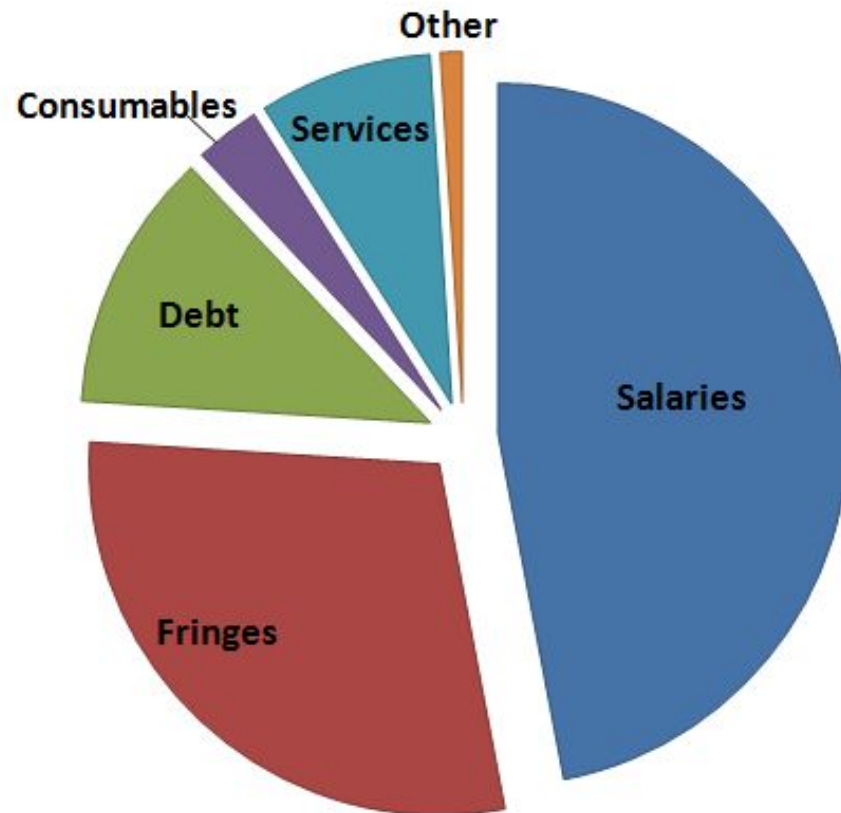


**Real Estate Tax 65%**  
**Other Taxes 10%**  
**State Subsidies 22%**  
**Local Sources 2%**  
**Federal Grants 1%**

**Where the money comes from.....**

# Expenditures

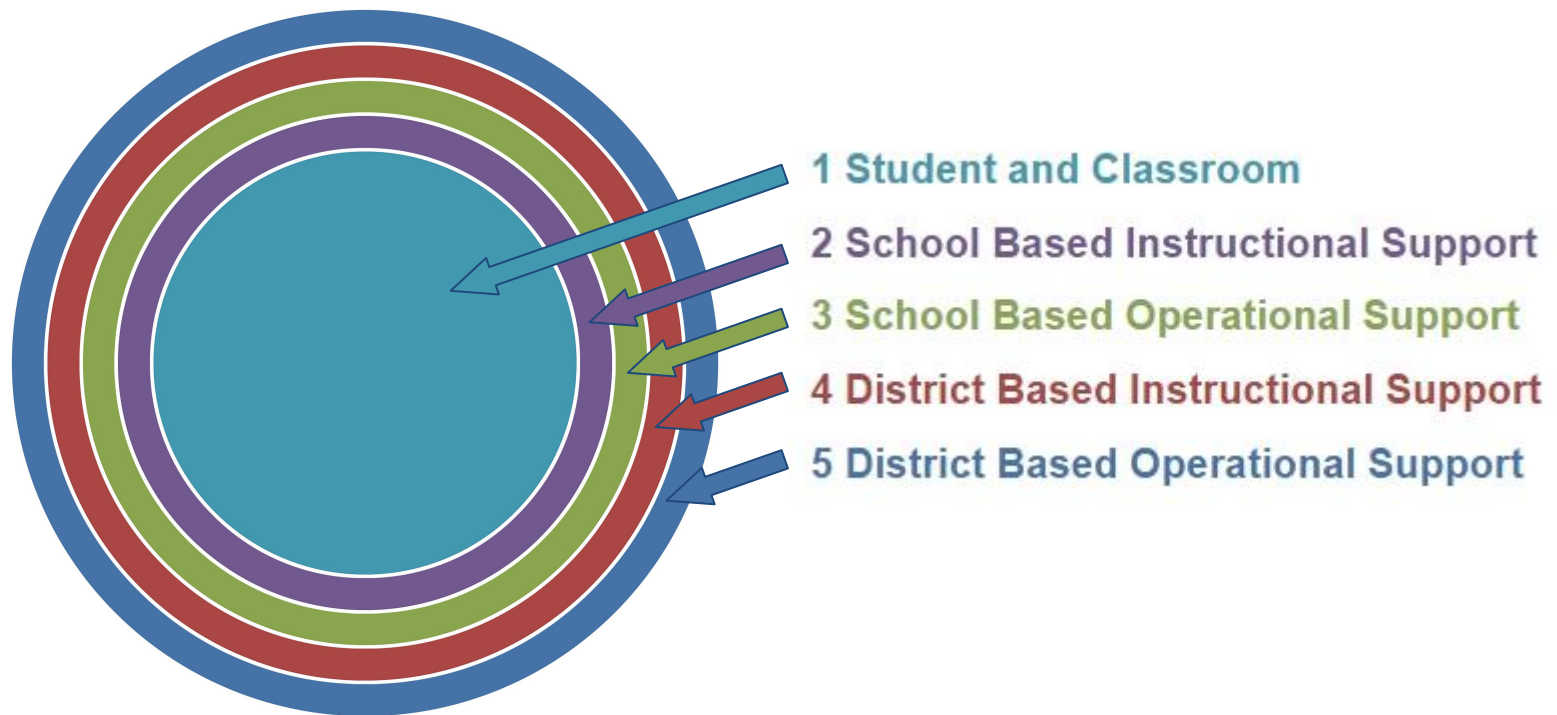
**Salaries 49%**  
**Fringes 30%**  
**Debt 10%**  
**Consumables 2%**  
**Services 8%**  
**Other <1%**



**Where the money goes....**

# Student-Centered Budgeting

An approach that keeps student learning at the core of the resource allocation and decision-making process.



# COVID Impact

- ▶ Use of \$2.775M fund balance – no millage increase 2020–2021
- ▶ Federal/State COVID Relief – Possible \$1,651,160
  - ESSER 1 – \$218,248
  - ESSER 2 – \$832,000 (application not yet finalized)
  - Special Ed Mitigation Grant – \$12,942
  - PCCD 1 – \$323,456
  - PCCD 2 – \$166,514
  - FEMA – \$98,000 (must exhaust other federal funds first)
- ▶ Local Revenue Shortfall

# General Budget Issues for 2021–2022

- ▶ Limitation on millage rate due to Act 1 of 2006
- ▶ PSERS Rate increase from 34.51% to 34.94%
- ▶ State Budget for 2021–2022 still uncertain
  - Preliminary governor's budget shows an *increase* of \$233,576
  - Will rely on charter school reform and PIT increase
- ▶ Local Revenue – Projected decreases
- ▶ Healthcare Costs – 5% Increase
- ▶ Special Education expenditures continue to rise

# Early Enrollment Projections 2021–2022\*

	2020-2021	2021-2022	Up/Down
<b>Elementary</b>	2,287	2,295	+8
<b>Middle Schools</b>	1,283	1,259	-24
<b>High School</b>	1,798	1,804	+6
Total	5,368	5,358	-10

\*No significant change anticipated



# Staffing Changes

	2009-10	2020-21	% change
Administration	30	24	-20%
Clerical	69	59	-15%
Specialists	32	29	-10%
Custodial	77	74	-4%
Personal Care Assistants	37	62.5	+64%
Special Ed Classroom Aides	19	20	+6%
Classroom Teachers	429	426	-1%
Totals	722	694.5	-4%
Student Enrollment	5,361	5,358	+.06%

## Since 2009 we have reduced –

### Administrators:

- Re-organization resulted in a net reduction of 6 administrative positions.

### Teachers:

- No furloughs
- Reductions through attrition whenever possible

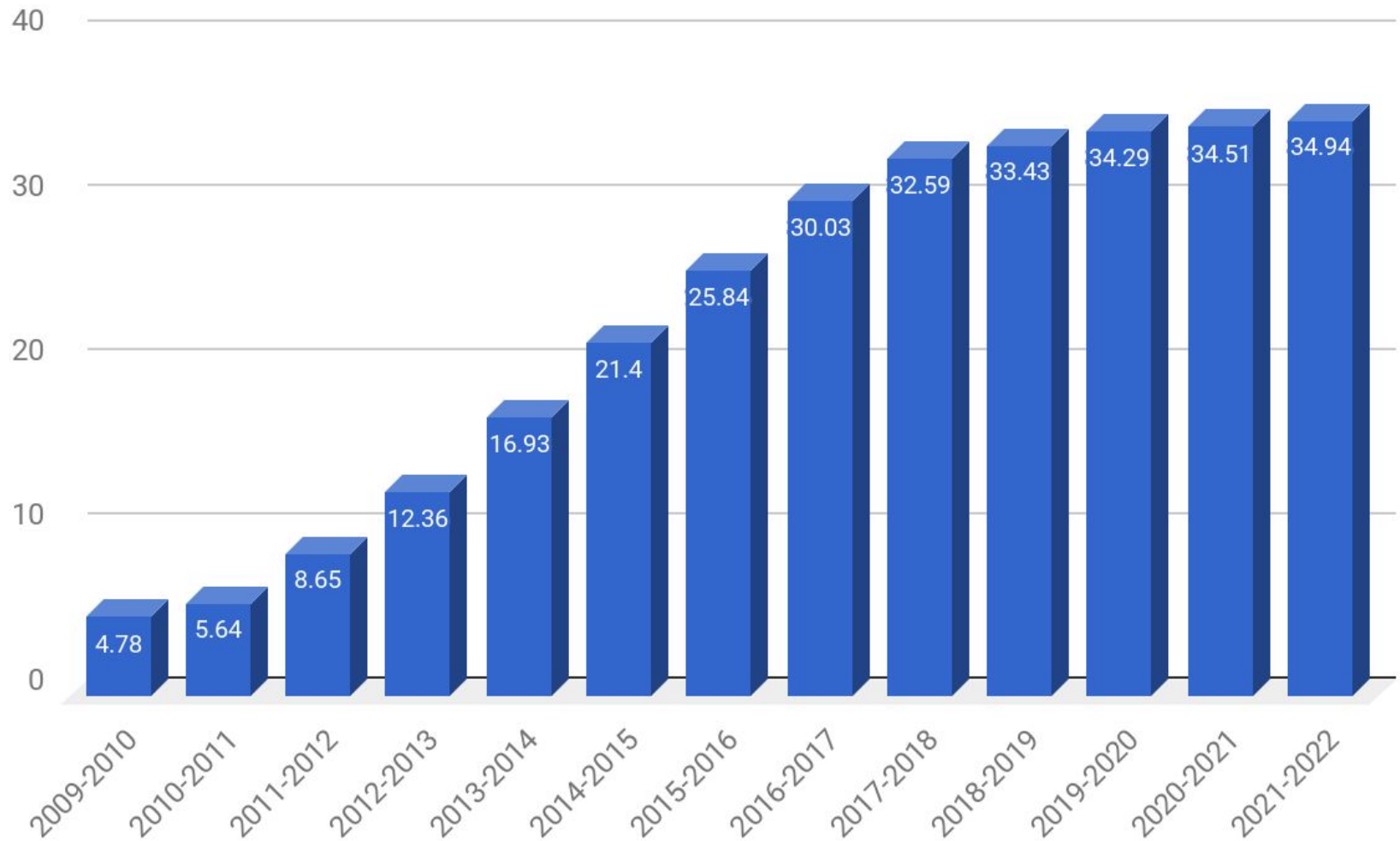
### Support staff:

- Furloughs of part-time clerical workers
- Reductions through attrition whenever possible
- Elimination of 3 specialist positions
- Addition of ABA classrooms required PCAs

# Employee Issues for 2021–2022

- ▶ Contractual salary increases for most staff 2.99%
- ▶ PSERS rate increase from 34.51% to 34.94%
- ▶ Healthcare increase 5% (3% last year)
- ▶ Negotiating two CBAs – Custodial and Food Service
- ▶ 11 teacher retirements (includes mid-year)

# PSERS Contributions Rise



# PSERS Increase

- ▶ Rate increase from 34.51% to 34.94%
- ▶ 1.24% increase
- ▶ 0.10 mill increase
- ▶ \$268,785

# Healthcare Costs for 2021–2022

- ▶ Healthcare cost increase
  - 5% increase
  - \$470,040
  - .1749 Mills
  - average increase since 2010 has been 3.35%
- ▶ Current employee healthcare contributions between 10.5–11.5% of premium for all employee groups

# Current Year Budget Trends

- Earned Income Tax – current collections are lagging behind, current projections have us \$134K short of our budget
- Realty Transfer Taxes – revenues are trending near budgeted amounts, however we had an \$8M property sale skewing the numbers
- **Interest Income – reduction of \$1M**
- Tuition for International Students – no tuition income
- Gate Revenue – We have not charged for Athletic Events
- Charter School Expenditures – 37 students enrolled currently, projections have us exceeding budget by \$228K

# Local Revenue Reductions

Category	19–20 Actual	20–21 Budget	21–22 Draft	Change \$	Change %
Real Estate Tax	65,220,177	64,975,731	64,973,113	(2,618)	0.00%
Earned Income Tax	8,050,963	8,324,336	8,000,000	(324,336)	–3.90%
Other Taxes	2,250,274	2,215,000	1,915,000	(300,000)	–13.54%
Interest Income	816,398	1,000,000	12,000	(988,000)	–98.80%
Other Income	1,080,152	1,520,000	1,320,000	(200,000)	–13.16%
Total	77,417,904	78,035,067	76,220,113	(1,814,954)	–2.33%

# Base Budget 2021–2022

Revenues (anticipated)	\$101,514,552
Expenditures (estimated)	\$108,644,894
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Out of Balance	(\$ 7,130,342)
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Millage Equivalent	2.6951
Index Cap	0.8675



# Budget with Tax Increase to Index

Revenues (anticipated)	\$103,846,397
Expenditures (estimated)	\$108,644,894
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Out of Balance	(\$ 4,798,496)
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Millage Equivalent	1.7854*
*Exceeds Index	

# Historical Tax Rate

(2013 was a reassessment year and had a decrease in millage rate of 4.52 mills)

July 1	Millage Increase	% Increase
2009-10	.30	1.3%
2010-11	2.52 (HS Bond)	10.5%
2011-12	.00	0.00%
2012-13	.50	1.9%
2013-14	-4.52 (reassessment)	n/a
2014-15	.54	2.4%
2015-16	.40	1.7%
2016-17	.38	1.6%
2017-18	.00	0.0%
2018-19	.39	1.6%
2019-20	.47	1.9%
2020-21	.00	0.00%
<b>Average</b>	<b>.46</b>	<b>1.91%</b>

# Information Not Yet Finalized

- ▶ District-wide teacher staffing needs
  - PDE guidelines for ratios (nurses, special education, etc.)
- ▶ Legislatively approved State funding levels
  - By June 30
- ▶ Federal funding allocations
  - No update on additional Stimulus

# Next Steps

## ▶ Remains Out of Balance – \$7.1M or \$4.8M

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- ▶ Reduce/Refine Expenditures
- ▶ Refine Revenues Projections
- ▶ Use of Fund Balance
  - (\$2,775,000 last year)
- ▶ Consider increases in Charges for Services
- ▶ Consider programmatic reduction
- ▶ Consider staffing eliminations

# Administration Prepares Information for Board Review

- ▶ Continue to prepare and refine more detailed information
- ▶ Determine/Review staffing for potential allocations/reductions
- ▶ Consider board priorities
- ▶ Consider use of other funds to offset
- ▶ Community Budget Forum
  - March 10
- ▶ Board Approves Proposed Budget
  - **April** (*post on website*)
- ▶ Board Approves Final Budget
  - **May**

# Return on Investment –ROI

- **Pittsburgh Business Times** – MTLSD ranked #3 in Allegheny County and #4 in the state for 2020
- **Niche.com** – MTLSD ranked # 28 in the country; #2 in the region; # 5 in PA for 2021
- **NAMM Best Communities for Music Education** – 11<sup>th</sup> consecutive year for MTLSD in 2020
- **National Green Ribbon School** – Mt. Lebanon High School selected by U.S. Department of Education as a 2018 National Green Ribbon School
- **School Digger** – MTLSD ranked #2 in PA for 2019
- **National Merit Semifinalists** – 7 High School students named National Merit Semifinalists for the Class of 2021
- **Cum Laude Society** – 68 students inducted in 2021
- **U.S. News & World Report** – Mt. Lebanon High School received a Silver Ranking among best high schools in the nation for 2020