

Upper Adams School District 2017-2018 Budget Workshop

Tuesday, April 18, 2017



Board of Directors

Elaine Jones
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Upper Adams School Board

"Metrics"



1. We value the student experience, from the academic program to the opportunities to get involved outside the classroom, as a critical component to learning. We want to protect these student opportunities and work not to eliminate programs.
2. We value the people in our organization. They help to make us a great school district. We want to protect jobs and not lay off employees.
3. We value the community that pays for our people and student experiences. We work to maintain quality programs that are affordable to our community.

Upper Adams School Board Shared Value



Workshop Introduction



- Where we started
 - Where we are to date
 - Recommendations
 - Where do we go from here
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- Note – We do not expect to balance the budget during this workshop. Discussions today will inform how we are to proceed.

Background on Process



- UASD Budget Timeline
- Previous Budget Factors were considered
- Another unique year with Uncertainty & Risk
- The Administrator's Budget Request in total can't exceed the approved prior year's amount – discussions/justifications of budgets
- Budget "impact items" were considered
- Multiple steps to balance the district budget
- Modified Zero Based Budget- using 15/16 Base

Declining State Funding at Upper Adams:

Basic Ed Funding and Costs per UASD student by School Year										State		District	
Rec'd :		For :		# of ADM's**	Amount Received		Funding Per ADM		Instructional Expense***		Cost Per ADM		% of Cost Rec'd from State
1990 - 1991		1989 - 1990		1,673.256	2,896,802		1,731.24		5,823,127		3,480.12		50%
1991 - 1992		1990 - 1991		1,714.783	3,359,638		1,959.22		6,354,114		3,705.49		53%
1992 - 1993		1991 - 1992		1,701.616	3,361,349		1,975.39		6,796,282		3,994.02		49%
1993 - 1994		1992 - 1993		1,687.734	3,359,899		1,990.78		7,276,285		4,311.27		46%
1994 - 1995		1993 - 1994		1,723.978	3,405,598		1,975.43		7,408,802		4,297.50		46%
1995 - 1996		1994 - 1995		1,754.239	3,567,907		2,033.88		7,797,666		4,445.04		46%
1996 - 1997		1995 - 1996		1,740.000	3,566,999		2,050.00		7,792,390		4,478.39		46%
1997 - 1998		1996 - 1997		1,763.489	3,654,391		2,072.25		8,250,504		4,678.51		44%
1998 - 1999		1997 - 1998		1,810.883	3,803,530		2,100.37		8,454,036		4,668.46		45%
1999 - 2000		1998 - 1999		1,844.782	3,893,847		2,110.74		8,866,990		4,806.52		44%
2000 - 2001		1999 - 2000		1,842.991	4,005,515		2,173.38		8,920,944		4,840.47		45%
2001 - 2002		2000 - 2001		1,851.888	4,180,541		2,257.45		9,722,188		5,249.88		43%
2002 - 2003		2001 - 2002		1,815.316	4,264,152		2,348.99		10,054,344		5,538.62		42%
2003 - 2004		2002 - 2003		1,804.261	4,353,231		2,412.75		10,777,491		5,973.35		40%
2004 - 2005		2003 - 2004		1,815.388	4,492,712		2,474.79		11,157,696		6,146.18		40%
2005 - 2006		2004 - 2005		1,850.229	4,729,720		2,556.29		11,560,855		6,248.34		41%
2006 - 2007		2005 - 2006		1,868.175	5,224,793		2,796.74		12,501,219		6,691.67		42%
2007 - 2008		2006 - 2007		1,826.459	5,381,850		2,946.60		13,158,157		7,204.19		41%
2008 - 2009		2007 - 2008		1,836.191	5,765,430		3,139.89		13,792,794		7,511.63		42%
2009 - 2010		2008 - 2009		1,789.947	6,234,683		3,483.17		15,423,826		8,616.92		40%
2010 - 2011		2009 - 2010		1,765.859	6,129,605		3,471.17		15,189,133		8,601.55		40%
2011 - 2012		2010 - 2011		1,813.306	5,952,430		3,282.64		15,485,933		8,540.17		38%
2012 - 2013		2011 - 2012		1,747.194	5,951,187		3,406.14		15,251,897		8,729.37		39%
2013 - 2014		2012 - 2013		1,720.544	6,066,285	**	3,525.79		16,186,277		9,407.65		37%
2014 - 2015		2013 - 2014		1,735.398	5,539,831	**	3,192.25		17,004,574		9,798.66		33%
2015 - 2016		2014 - 2015		1,731.006	6,066,304	**	3,504.50		17,006,837		9,824.83		36%

* Source - PDE 2548 (Basic Education Subsidy) as audited by the State, report no longer available beginning 2013/2014 to present

** Source- Basic Education Funding as per PDE Website History under Financial Data Elements

***Source - PDE 2058 (Instructional Expense Computation) as audited by the State

What are districts allowed to do to help make up for decreasing funds?

- Reduce district expenses
- Create additional revenue streams

Applied for Exceptions- 2017-2018

A Revenue option

- The State identifies what exceptions public school districts can apply for to see if the district qualifies. For example, Upper Adams qualified for a pension exception, which is due to the rising costs in retirement (PSERS) and increase in Special Education cost.
- Exceptions allow a school district to increase taxes above the ACT 1 Index.
 - UASD adjusted index is 3.5%
 - Index + .3222 mills or \$265,647 over index
 - Special Education \$ 238,548
 - Retirement Contributions \$ 27,099
- The “poorer” the district, the more you can potentially increase taxes. This doesn’t make sense and speaks to the importance of using a fair school funding formula.

How did we begin to balance the budget?

- November -December 2016 began with a \$3.02 + million dollar deficit.

Revenues without tax increases

\$26,515,224.00

Expenditures for 2017-2018

\$29,538,723.00

Deficit

(\$3,023,499.00)

How did we begin to balance the budget?

- Budget Reviews – line item – modified zero based budget approach using 15-16 actual cost

Expenditures (12/6/2016)	\$29,538,723
Budget Changes	<u>\$ 144,795</u>
Revised Expenditures	\$29,393,928

How do we balance the budget?

Revenue Options

No Tax Increase

Tax Increase to Index 3.5%

Tax Increase to Index + Exceptions

Tax Increase for Debt Only

Upper Adams School District									
Proposed/Preliminary Budget									
December 6, 2016									
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	No Tax Increase	Tax Increase to Index 3.5%	Tax Increase Using	Tax Increase
						2017/2018	2017/2018	Index Exceptions	Debt Only
	Actual	Actual	Actual	Budget	Proposed Preliminary Budget 12/6/2016	Budget Work in Progress 03/30/2017	Budget Work in Progress 03/30/2017	Budget Work in Progress 03/30/2017	Budget Work in Progress 03/30/2017
Total Local Sources	13,159,370	13,747,323	14,086,236	14,628,132	14,304,345	14,317,182	14,709,242	14,973,403	14,431,963
Total State Sources	10,549,762	10,992,845	11,459,079	11,746,069	11,905,054	12,099,912	12,099,912	12,099,912	12,099,912
Total Federal Sources	270,680	285,951	300,872	280,232	305,825	305,825	305,825	305,825	305,825
Total Revenue	23,979,812	25,026,119	25,846,187	26,654,433	26,515,224	26,722,919	27,114,979	27,379,140	26,837,700
Total Expenditures	23,969,170	24,060,708	26,105,351	27,488,576	29,538,723	29,393,928	29,393,928	29,393,928	29,393,928
Variance: Revenue over Expenditures	10,642	965,411	(259,164)	(834,143)	(3,023,499)	(2,671,009)	(2,278,949)	(2,014,788)	(2,556,228)
						* Note * Budget Work in Progress is a Working Document & Subjective to Change			

Budget Drivers

- PSERS – 9.07% Increase with the rate of 32.57%
- Debt included 69.4% Increase
- Healthcare - 6.90% Increase
- Cyber/Charter – 4.76% Increase over \$1,050,000
- Salary Increases 1.97% overall

How do we balance the budget?

Expenditure Options

- Remove 2 Budget impact positions
 - Tech Coach
 - IST Grades
- Reviewed class size K-12
 - Utilize current faculty expertise for retirements
 - Title 1
 - Middle School English
- Healthcare 11 vs 12 payments
- BHS Spring Musical

How do we balance the budget?

Expenditure Options

- Sports – Reviewed 5- year participation
 - Varsity Cross Country -Boys/Girls
 - Varsity Tennis -Boys/Girls
 - Junior High Track and Field -Boys/Girls
 - Junior High Fall/Winter Cheer Non-Competitive
- Fund Balance

Fund Balance History

<i>Beginning Date:</i>	<i>Beginning Balance</i>	<i>Increase (Decrease)</i>	<i>Assigned Fund Balance</i>	<i>Ending Unassigned Fund Balance</i>		<i>Expenditures ***</i>	<i>Fund Balance as a % of Expenditures</i>
7/1/2010	1,113,019	(226,982)		886,037	*	30,237,350	2.93%
7/1/2011	886,037	738,582		1,624,619	*	22,881,587	7.10%
7/1/2012	1,624,619	122,783		1,747,402	*	21,715,978	8.05%
7/1/2013	1,747,402	10,642		1,758,044	*	22,871,780	7.69%
7/1/2014	1,758,044	597,005		2,355,049	*	23,968,409	9.83%
7/1/2015	2,355,049	(259,851)	918,695	1,176,503	*	24,060,708	4.89%

* Actual Fund Balance as per Audit

Fund Balance Available

<i>Fund Balance Classifications:</i>		<i>As of July 1,2016</i>	
<i>Nonspendable</i>		<i>0</i>	
<i>Restricted</i>		<i>0</i>	
<i>Committed</i>		<i>0</i>	
<i>Assigned:</i>			
	<i>Debt</i>	<i>672,695</i>	<i>2.80%</i>
	<i>Health Benefits</i>	<i>228,661</i>	<i>0.95%</i>
	<i>PSERS(Retirement)</i>	<i>17,339</i>	<i>0.07%</i>
<i>Unassigned</i>		<i>1,176,503</i>	<i>4.89%</i>
<i>Board Policy #623, prescribes the fund balance guidelines</i>			

<i>Unassigned Fund Balance</i>			<i>1,176,503</i>
<i>2016/2017 Budget - Utilization of Fund Balance</i>			<i>(834,143)</i>
<i>2017/2018 Unassigned Fund Balance Available</i>			<i>342,360</i>
<i>2017/2018 Assigned Fund Balance Available</i>			<i>901,356</i>

How do we balance the budget?

Additional Options to Discuss

- Other options open for discussions
 - Revisit MS Principal position/Dean of Students
 - Administrative coverage for 4 – 6 Buildings
 - Teacher Conferences
 - Tuition Reimbursement

How do we balance the budget?

Additional Options to Discuss

- Other options
 - Program reductions
 - Music
 - Art
 - Library
 - Physical Education
 - Business Ed
 - Technology Ed
 - Vocational Agriculture
 - Family Consumer Science

Proposed Tax Increase Impact-

Index 3.5%

Proposed Tax Increase to Act 1 Index: Total Mills after increase:	.478292 Mills 14.1437 Mills
Average Assessed Value of a home in UASD:	\$181,646.84
Annual Increase based on Average Assessed Value:	\$86.86
Monthly Increase based on Average Assessed Value:	\$7.24

Proposed Tax Increase Impact- Index & Exceptions

Proposed Tax Increase to Act 1 Index: Total Mills after increase:	.800492 Mills 14.4659 Mills
Average Assessed Value of a home in UASD:	\$181,646.84
Annual Increase based on Average Assessed Value:	\$145.39
Monthly Increase based on Average Assessed Value:	\$12.12

Capital Improvements Update

\$1.5 Million Borrowed

- Biglerville High School Roof Replacement
COMPLETED

- District drives and parking areas with needed
blacktop repairs
SUMMER 2017

- Safety and Security
 - District Administration Office & Classroom Security
 - Bid Opening- April 13, 2017**SUMMER/EARLY FALL 2017**

Secondary Campus Cameras – 7 Installs will Complete project

Feasibility Study- Update

- Upper Adams School District Feasibility Study
 - Crabtree, Rohrbaugh and Associates (CRA) & Facility Committee recommendations.
 - Elementary Educational Program Study
 - Option 4B recommended
- 2017-2018 – refinance and new debt

Proposed Final Budget Timeline

- May 2, 2017 – Budget Presentation
- May 16, 2017 – Move to adopt the proposed final budget
- May 17, 2017 thru June 20, 2017 – Proposed budget on display
- June 6, 2017 – Intent to adopt final
- June 20, 2017 – Motion to adopt final budget
- June 30, 2017 – Final date to file budget

Upper Adams School District 2017-2018 Budget Workshop

Questions