

Upper Adams School District 2016-2017 Proposed Budget Presentation

Tuesday, May 3, 2016



Board of Directors

Elaine Jones

Christopher Fee

James Rutkowski

John Regentin

Ronald Ebbert

Tom Wilson

Richard Crouse

William Seibert

Tony McNevin

Wesley T. Doll, Superintendent

Belinda M. Wallen, Business Administrator/Board Secretary



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



Background on Process



- UASD Budget Timeline
- Previous Budget Factors Considered
- 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" considered to "restore"
- Multiple steps to balance the district budget
- Presenting a proposed balanced budget

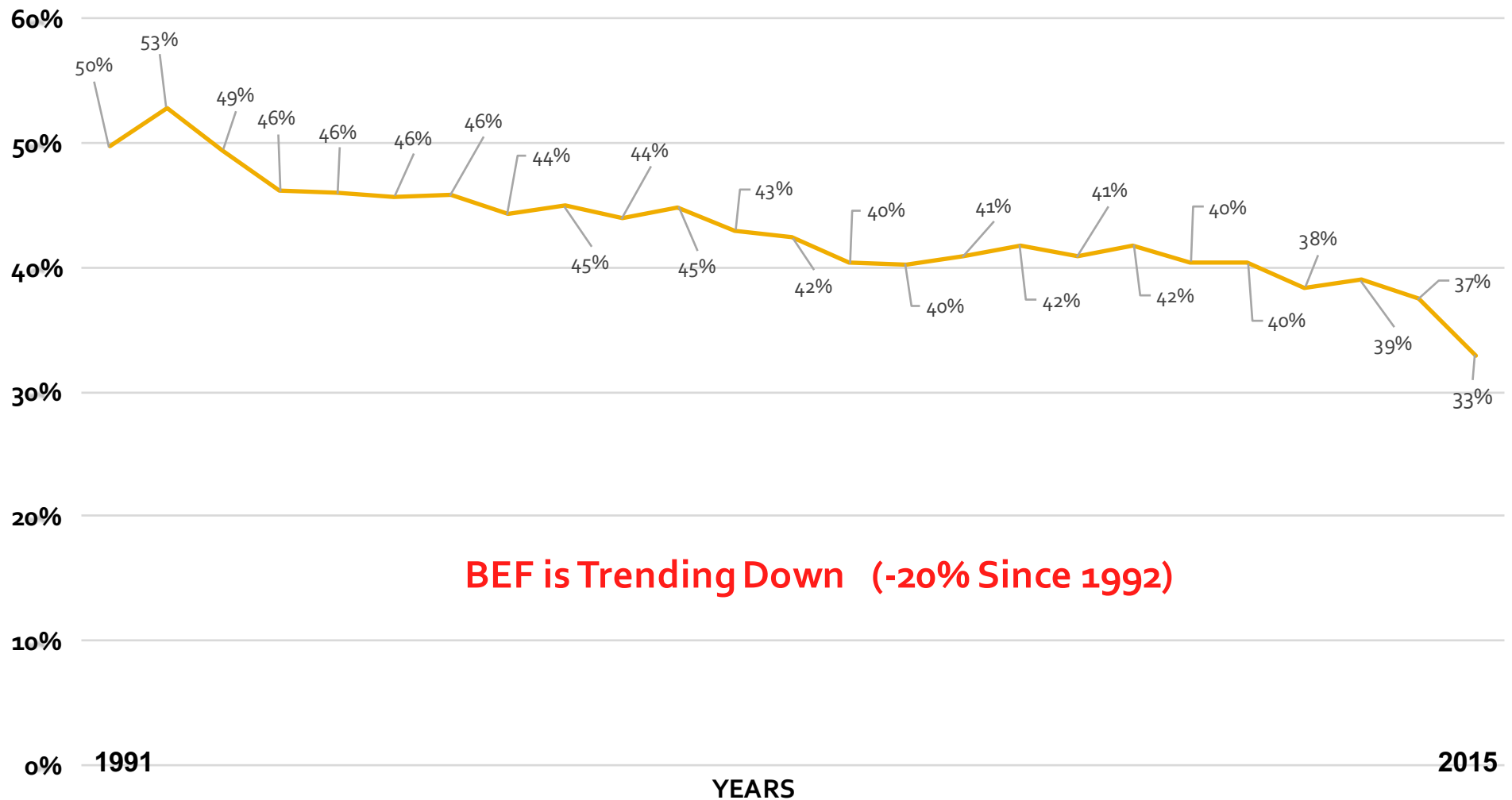
Decreasing State Funding at Upper Adams:

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%						

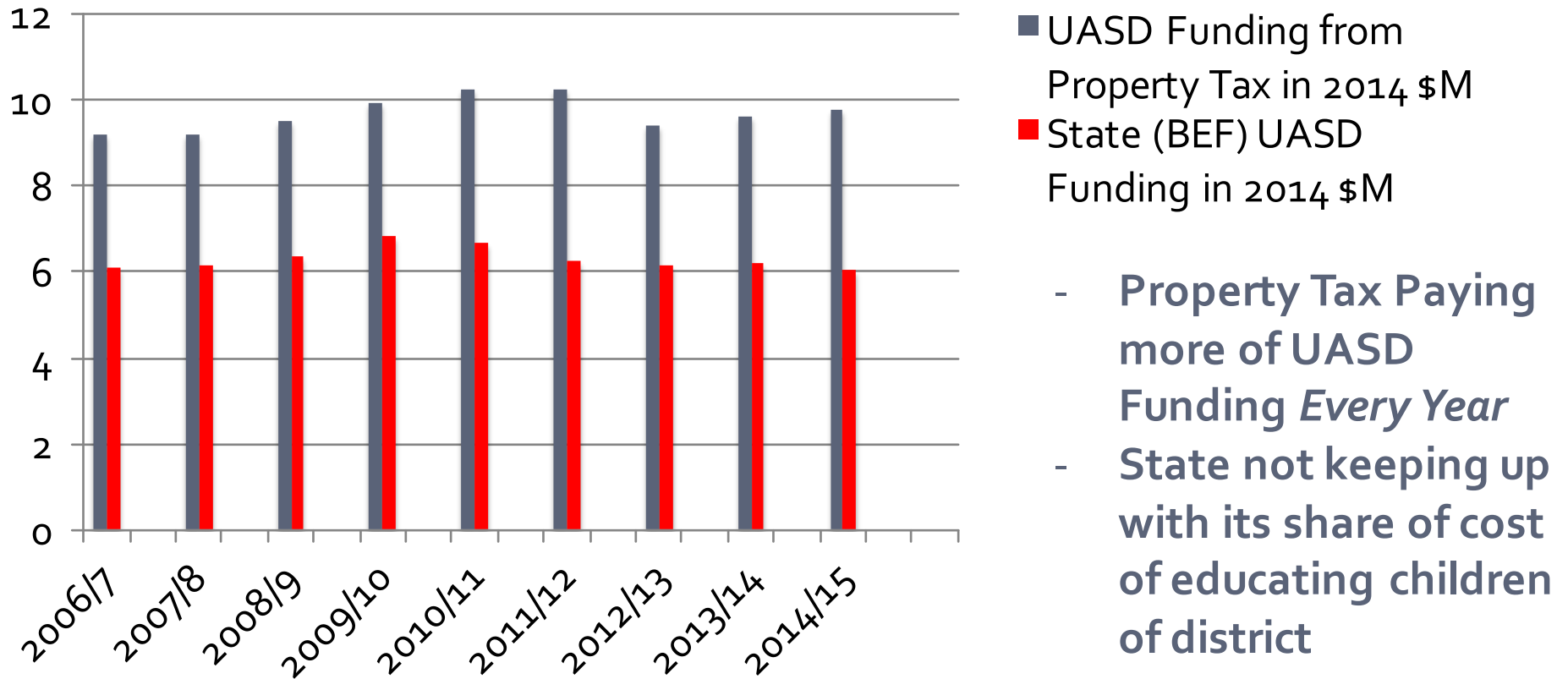
* Source - PDE 2548 (Basic Education Subsidy) as audited by the State

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

25 Years of Decreasing State Basic Education Funding at Upper Adams



State (BEF)/Local Funding UASD

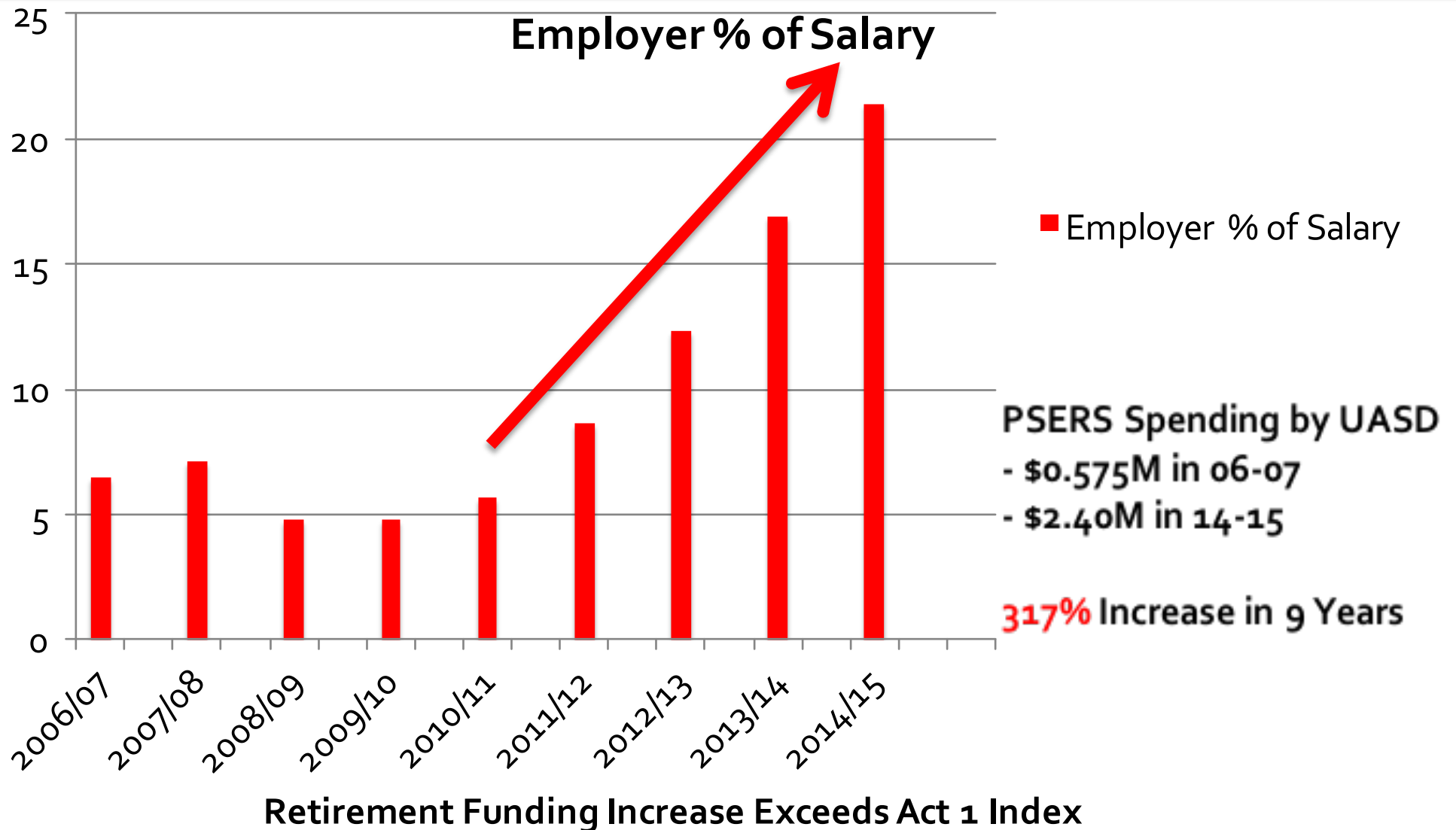


Ratio of State to Local Funding Continues Declining

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

- Reduce district expenses
- Create additional revenue streams

PSERS (Pension) Costs at UASD



ACT 1 Funding Impact

**Raising taxes to the
ACT 1 Index
generates \$361,780**

How does this money
impact our bottom line
for balancing the
budget?

- Pension increases
= \$592,048
 - \$361,780 - \$592,048 =
 - **(-\$230,268)**

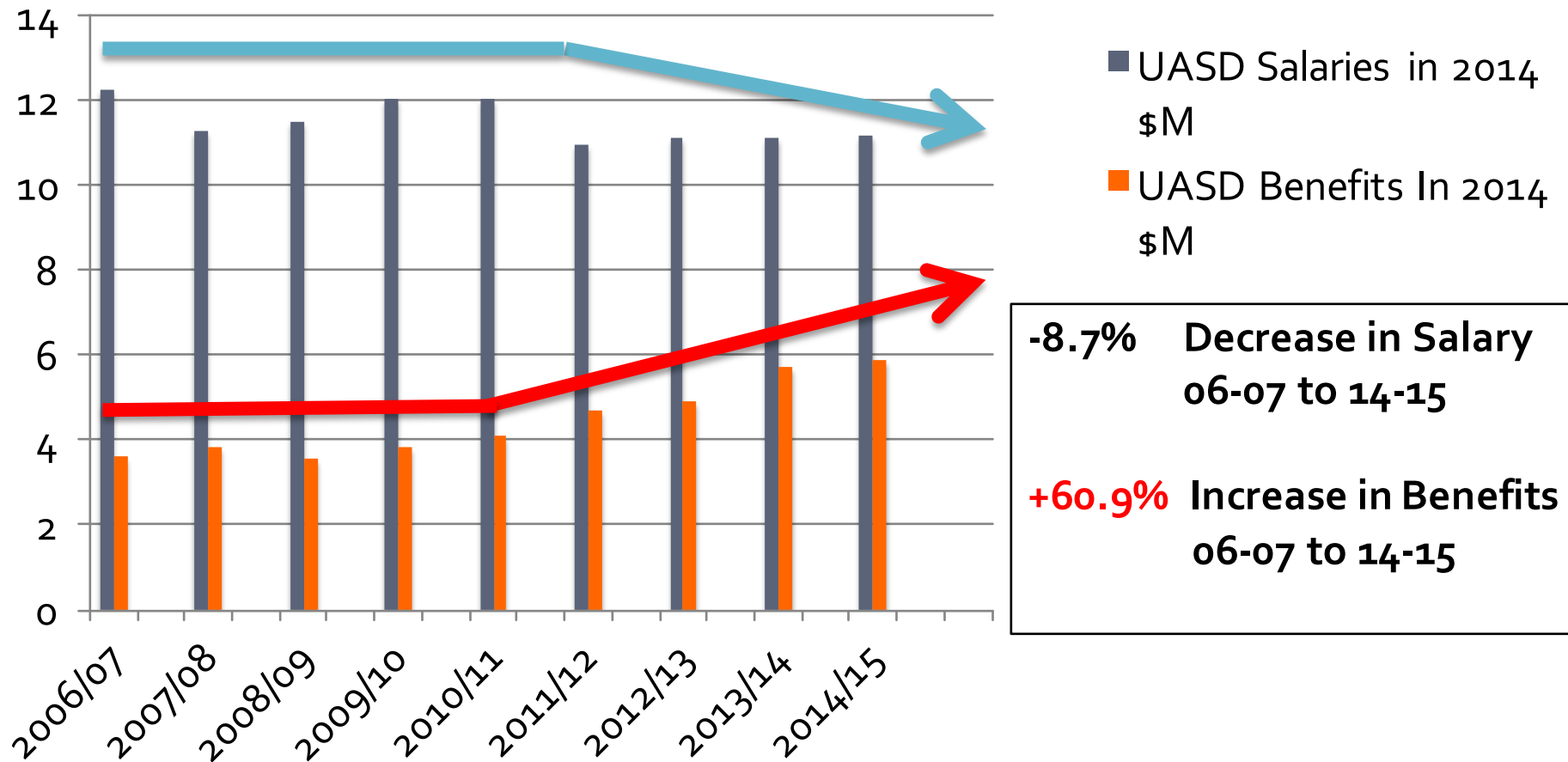
Pennsylvania School Employee Retirement System (PSERS)- Pension Projections

Year		Salaries	PSERS % Employer Rate	PSERS \$ Expense to UASD	\$ > Demanded
10/11		\$11,035,487	5.64%	\$622,401	
11/12		\$10,427,487	8.65%	\$901,978	\$279,576
12/13		\$10,784,255	12.36%	\$1,332,934	\$430,956
13/14		\$10,866,406	16.93%	\$1,839,683	\$506,749
14/15		\$11,146,745	21.4%	\$2,385,403	\$545,721
15/16		\$10,602,000	25.84%	\$2,739,557	\$354,153
16/17		\$10,995,395	30.3%	\$3,331,605	\$592,048
17/18	*	\$11,352,745	32.04%	\$3,637,420	\$305,815
18/19	*	\$11,721,710	33.27%	\$3,899,813	\$262,393
19/20	*	\$12,014,752	34.2%	\$4,109,045	\$209,233
20/21	*	\$12,315,121	33.51%	\$4,126,797	\$17,752
21/22	*	\$12,592,211	33.51%	\$4,219,650	\$92,853
22/23	*	\$12,875,536	33.75%	\$4,345,493	\$125,843
23/24	*	\$13,133,047	33.84%	\$4,444,223	\$98,730
24/25	*	\$13,395,708	33.94%	\$4,546,503	\$102,280
25/26	*	\$13,663,622	34.18%	\$4,670,226	\$123,723

* Salary increased based on contract

** Salary range estimated 2.0-2.5 %

Major Cost Categories: Salaries - Benefits



Salaries Per Person Flat – Benefits Sharply Up

Applying for Exceptions- Potential Option for Future- not 2016-2017

- The State identifies what exceptions public school districts can apply for to see if the district qualifies. For example, last year Upper Adams qualified for a pension exception, which is due to the rising costs in retirement (PSERS).
- Exceptions allow a school district to increase taxes above the ACT 1 Index.
- 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?

- January-March 2016 began with a \$2.9+ million dollar deficit.

Revenues without tax increases

\$25,832,500.00

Expenditures for 2016-2017

\$28,765,521.81

Deficit

(\$2,933,021.81)

2016-2017 – 8.12% Increase Preliminary Budget Changes

100 Salaries	\$393,392.13	Increase in Salaries (Contract Increases + 3 entry level positions added: K-12 Tech Coach, BHS Math, K-6 (1) Elementary)
200 Benefits	\$1,095,509.68	Increase in Benefits (15% Increase in medical plus added benefits for 3 new positions, 4.46% increase in PSERS now 30.3% of salary)
300 Purch Prof Services	\$19,000.00	Increase Purchased Services (Legal Services from prior year based on actual YTD ended June 30, 2015)
400 Purch Prop Services	\$103,000.00	Increase Electricity (\$50,000), Water/Sewer(\$25,000), and Repairs (\$28,000) all based on actual previous year ended June 30, 2015
500 Other Purch Services	(\$11,750.00)	Decrease Net (Increase in transportation, decrease in communications and travel)
600 Supplies	\$311,370.00	Increase Curriculum- Textbooks (\$215,000), Software (\$27,500), Maintenance Supplies (\$25,000), Technology Software (\$44,870)
700 Property	\$0.00	Increase in Technology
800 Other Objects	\$ 0.00	Increase in Interest Refinancing
900 Other Finance	\$250,000.00	Increase in Fund Transfer to Capital Reserve for Future Projects

How did we balance the budget?

- May 2016 (*after initial budget in March 22, 2016 & April 12, 2016*)

Revenues with a tax increase to the index

\$26,654,433.90

Expenditures for 2016-2017

\$27,488,576.92

Deficit

(\$834,143.02)

Fund Balance Carry Forward

\$1,488,049.00

Fund Balance Covers the Deficit to Balance

Remaining Fund Balance

\$653,905.98

2016-2017 – 3.32% Increase Proposed Final Budget Changes

100 Salaries	\$289,640.13	Increase in Salaries (Contract Increases + 3-1 entry level positions added: ~~K-12 Tech Coach, BHS Math, K-6 (1) Elementary~~)
200 Benefits	\$628,533.80	Increase in Benefits (~~15%~~ 0% Increase in medical plus added benefits for 3-1 new positions, 4.46% increase in PSERS now 30.3% of salary)
300 Purch Prof Services	\$12,000.00	Increase Purchased Services (Legal Services from prior year based on actual YTD ended June 30, 2015)
400 Purch Prop Services	\$103,000.00	Increase Electricity (\$50,000), Water/Sewer(\$25,000), and Repairs (\$28,000) all based on actual previous year ended June 30, 2015
500 Other Purch Services	(\$11,750.00)	Decrease Net (Increase in transportation, decrease in communications and travel)
600 Supplies	\$262,153.00	Increase Curriculum- Textbooks (~~\$215,000~~ \$201,000), Software (~~\$27,500~~ \$2,500), Maintenance Supplies (\$25,000), Technology Software (\$44,870)
700 Property	\$0.00	Increase in Technology
800 Other Objects	\$ 0.00	Increase in Interest Refinancing
900 Other Finance	(\$400,000.00)	~~Increase in Fund Transfer to Capital Reserve for Future Projects~~ Decrease in Fund Transfer to Capital Reserve for Future Projects, Decrease in Contingency

2016-2017 – 3.32% Increase

Proposed Final Budget Changes

100 Salaries	\$289,640.13	Increase in Salaries (Contract Increases + 1 entry level position added: BHS Math)
200 Benefits	\$628,533.80	Increase in Benefits (0% Increase in medical plus added benefits for 1 new position, 4.46% increase in PSERS now 30.3% of salary)
300 Purch Prof Services	\$12,000.00	Increase Purchased Services (Legal Services from prior year based on actual YTD ended June 30, 2015)
400 Purch Prop Services	\$103,000.00	Increase Electricity (\$50,000), Water/Sewer(\$25,000), and Repairs (\$28,000) all based on actual previous year ended June 30, 2015
500 Other Purch Services	(\$11,750.00)	Decrease Net (Increase in transportation, decrease in communications and travel)
600 Supplies	\$262,153.00	Increase Curriculum- Textbooks (\$201,000), Software (\$2,500), Maintenance Supplies (\$25,000), Technology Software (\$44,870)
700 Property	\$0.00	Increase in Technology
800 Other Objects	\$ 0.00	Increase in Interest Refinancing
900 Other Finance	(\$400,000.00)	Decrease in Fund Transfer to Capital Reserve for Future Projects, Decrease in Contingency

Proposed Final Budget Position- Revenue

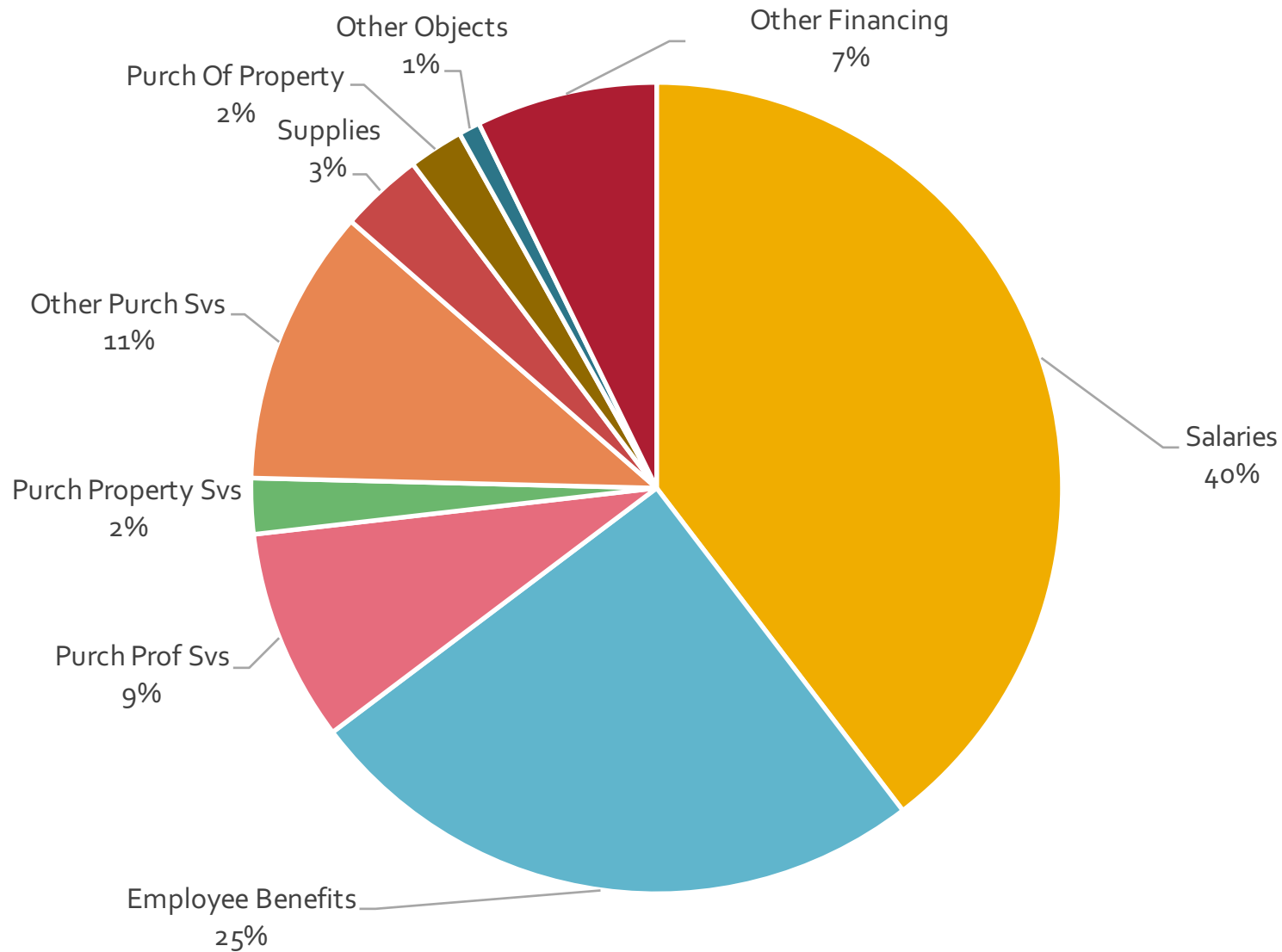
							Preliminary	Proposed Final
		2013-2014	2014-2015	2014-2015	2015-2016	2015-2016	2016-2017	2016-2017
Revenue Summary		Actual	Budget	Actual	Budget	Estimated	Budget	Budget
Local Revenue		13,913,394.00	14,187,000.00	13,747,323.00	14,617,000.00	14,055,323.00	14,708,000.00	15,444,853.49
State Revenue		9,735,969.00	9,972,565.00	10,992,845.00	10,645,000.00	10,562,936.00	10,655,000.00	10,929,348.43
Federal Revenue		270,680.00	286,435.00	285,951.00	281,000.00	274,500.00	274,500.00	280,231.98
Other Revenue		0.00	158,000.00	0.00	195,000.00	0.00	195,000.00	0.00
Totals		23,920,043.00	24,604,000.00	25,026,119.00	25,738,000.00	24,892,759.00	25,832,500.00	26,654,433.90
Fund Balance			510,000.00		867,000.00			834,143.02
Budget Total			25,114,000.00		26,605,000.00			27,488,576.92

Proposed Final Expenditures – 3.32% over 2015-2016 Budget

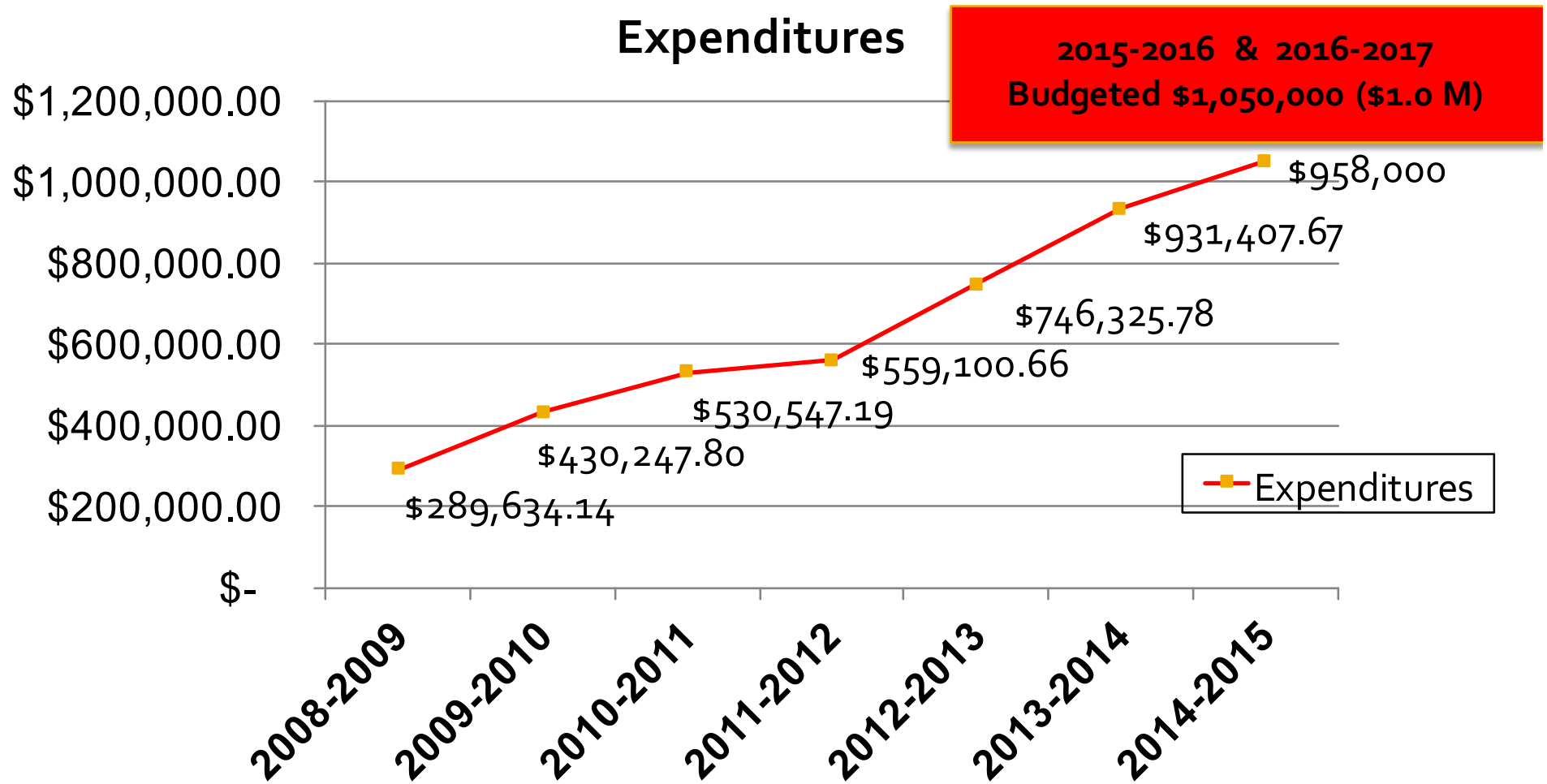
Object Code	Object Description	2014-2015 ACTUAL	2015-2016 BUDGET	2016-2017 PRELIMINARY BUDGET	Preliminary % Increase Over 2015- 2016 Budget	2016-2017 PROPOSED FINAL BUDGET	Proposed Final % Increase Over 2015- 2016 Budget
100	Salaries	10,880,394.55	10,602,000.00	10,995,392.13	3.71%	10,891,640.13	2.73%
200	Employee Benefits	5,887,203.17	6,270,693.06	7,366,202.74	17.47%	6,899,226.86	10.02%
300	Purchased Prof Svs	1,508,038.41	2,313,006.60	2,332,006.60	0.82%	2,325,006.60	0.52%
400	Purchased Property Svs	567,102.58	506,264.00	609,264.00	20.35%	609,264.00	20.35%
500	Other Purchased Svs	2,688,917.46	3,042,930.96	3,031,180.96	-0.39%	3,031,180.96	-0.39%
600	Supplies	610,665.72	647,976.51	959,346.51	48.05%	910,129.51	40.46%
700	Purchase of Property	344,997.25	602,504.87	602,504.87	0.00%	602,504.87	0.00%
800	Other Objects	521,240.47	485,124.00	485,124.00	0.00%	235,124.00	-51.53%
900	Other Financing	1,420,553.37	2,134,500.00	2,384,500.00	11.71%	1,984,500.00	-7.03%
	Budget Totals	24,429,112.98	26,605,000.00	28,765,521.81	8.12%	27,488,576.93	3.32%

2016-2017 Object Analysis

Proposed Final Expenditures By Object



Cyber / Charter School Cost Trend



Cyber / Charter School Costs

Do taxpayers know what they are paying for?

- It **IS NOT “FREE”** as advertised on TV ads, Radio ads, and other public locations like Hershey Park, Lego Kidsfest Harrisburg, billboards and other venues. Each is a cost for us as Taxpayers.
- Over \$7 Million of Adams County Taxpayer Dollars (2015)
- Upper Adams School District Taxpayers are paying over \$1,000,000 (one million dollars) and it is increasing annually.
(\$10,000 Regular Education & \$21,000+ Special Education)
- This is touted to be good competition for public schools, but at what cost? There is less accountability and little oversight by the state.

Proposed Tax Increase Impact

Proposed Tax Increase to Act 1 Index: Total Mills after increase:	.4366 Mills 13.6655 Mills
Average Assessed Value of a home in UASD:	\$180,788.32
Annual Increase based on Average Assessed Value:	\$78.93
Monthly Increase based on Average Assessed Value:	\$6.58

Scale - Estimated Tax Increase

	2015-2016		2016-2017		
	Mill Rate		Mill Rate		Max Index
	0.013229		0.0136656		13.6656 Mill Rate
Assessed Value (\$)	R/E Tax (\$)		R/E Tax (\$)		3.3% Increase (\$)
50,000	661		683		22
75,000	992		1,025		33
100,000	1,323		1,367		44
150,000	1,984		2,050		65
200,000	2,646		2,733		87
250,000	3,307		3,416		109
300,000	3,969		4,100		131
350,000	4,630		4,783		153
400,000	5,292		5,466		175
450,000	5,953		6,150		196
500,000	6,615		6,833		218

Annual Increase on Average Assessment

Fiscal Year	Average Assessed Value of a Home in UASD	R/E Tax \$	C/Y	R/E Tax \$	N/Y	Annual Increase	Monthly Increase
16/17	\$180,788.32	\$2,391.65	15/16	\$2,470.58	16/17	\$78.93	\$6.58
15/16	\$179,510.65	\$2,314.61	14/15	\$2,374.75	15/16	\$60.14	\$5.01
14/15	\$179,011.63	\$2,225.83	13/14	\$2,308.18	14/15	\$82.35	\$6.86
13/14	\$178,531.15	\$2,170.05	12/13	\$2,219.86	13/14	\$49.81	\$4.15
12/13	\$179,755.48	\$2,136.39	11/12	\$2,184.93	12/13	\$48.53	\$4.04
11/12- County Reassessment							
				5 Year		\$319.76	

2015-2016 Adams County Millage Information

Millage is the fixed rate of real estate taxes on assessed property value

District Name	Value of a Mill	# of Mills	Total Property Tax Revenue
Bermudian Springs	\$1,074,343	10.5775	\$11,363,863
Conewago Valley	\$2,245,572	11.6253	\$26,105,448
Fairfield Area	\$880,666	9.6898	\$8,533,477
Gettysburg Area	\$2,895,666	10.4853	\$30,361,926
Littlestown Area	\$1,290,730	10.7980	\$13,937,302
Upper Adams	\$869,953	13.2990	\$11,569,504
			<i>This column doesn't represent collected value of a Mill</i>

Upper Adams School District has the lowest value of a Mill in all six (6) Adams County School Districts. Therefore, Upper Adams has a higher number of Mills in place to generate similar amounts needed (i.e. see Bermudian Springs as an example).

Fund Balance History

<i>Beginning Date:</i>	<i>Beginning Balance</i>	<i>Increase (Decrease)</i>	<i>Ending Balance</i>
7/1/2010	1,113,019.00	(226,982.00)	886,037.00
7/1/2011	886,037.00	738,582.00	1,624,619.00
7/1/2012	1,624,619.00	122,783.00	1,747,402.00
7/1/2013	1,747,402.00	10,642.00	1,758,044.00
7/1/2014	1,758,044.00	597,005.00	2,355,049.00
<i>Estimated:</i>			
7/1/2015	2,355,049.00	(867,000.00)**	1,488,049.00**
07/1/2016	1,488,049.00**	(834,143.02)**	653,905.98**

** Dependent upon outcome of June 30, 2016 year end and budget impasse

Capital Improvements Update

\$1.5 Million Borrowed

- Biglerville High School Roof Replacement
COMPLETED
- District drives and parking areas with needed
blacktop repairs
SUMMER 2016
- Safety and Security
 - District Administration Office & Classroom Security
 - Bid Opening/Board Approval- June 7, 2016
 - Secondary Campus Cameras**SUMMER/EARLY FALL 2016**

Investigating Future Potential District Cost Savings

- Upper Adams School District Feasibility Study
 - Crabtree, Rohrbaugh and Associates (CRA) is currently formatting the data for committee discussions to begin.
 - Elementary Educational Program Study
 - One District Elementary School
 - Two District Elementary Schools
 - Three District Elementary Schools
 - Will changing our current elementary program potentially enhance the learning process and save future taxpayers dollars?
- 2017-2018 – the next callable bonds

Upper Adams School District 2016-2017 Budget Presentation

Questions

Upper Adams School District 2016-2017 Budget Presentation

