

# Upper St. Clair School District Proposed Final Budget 2023-2024

Presentation for May 17, 2023



# Purpose of Tonight's Presentation

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- State the priorities of 2023-24 budget
- Share proposed revenues and expenditures
- Provide budget context supporting recommended tax increase
- Present timeline to approve the final budget

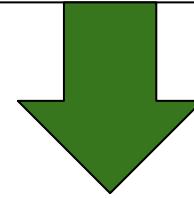
# Priorities of 2023-24 Budget

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- Deliver extraordinary learning experiences for our students.
- Balance the needs of the School District while recognizing our fiduciary responsibilities to the community.
- Remain cognizant of the interdependence of all aspects that directly and indirectly affect our students' school experience.

# Proposed Final Budget Recommendation

3.75% Recommended  
Tax Increase



|               | 2023-24 BUDGET No<br>Tax Increase | 2023-24 BUDGET<br>3% Tax Increase | 2023-24 BUDGET<br>3.75% Tax Increase | 2023-24 BUDGET<br>4.7% Tax Increase |
|---------------|-----------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| REVENUES      | \$97,625,061                      | \$99,649,327                      | \$100,155,393                        | \$100,795,229                       |
| EXPENDITURES  | \$100,147,255                     | \$100,147,255                     | \$100,147,255                        | \$100,147,255                       |
| TOTAL DEFICIT | (\$2,522,194)                     | (\$497,928)                       | \$8,138                              | \$647,974                           |

*\*Millage rate at 3.75% increase is 29.6339 mills*

# Context for 2023-24 Budgeting: EXTERNAL

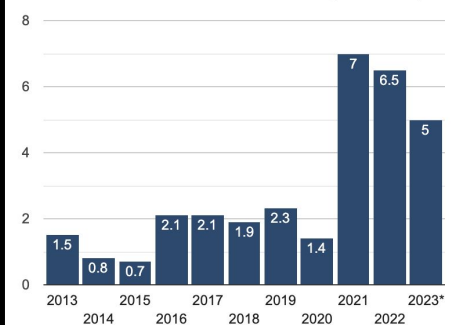
## EXTERNAL REVENUE INFLUENCERS

- **Common Level Ratio (CLR)**
  - Some uncertainty regarding the impact of new sales on real estate revenues
  - Significant impact moving forward
    - Previously experienced \$5-\$10 million in real estate growth annually
    - No growth being built into current budget to offset uncertainty surrounding CLR
- **ESSER funding no longer available**
  - USCSO received lowest amount (per-student) in the state in previous years
  - \$217,000 used in 22/23

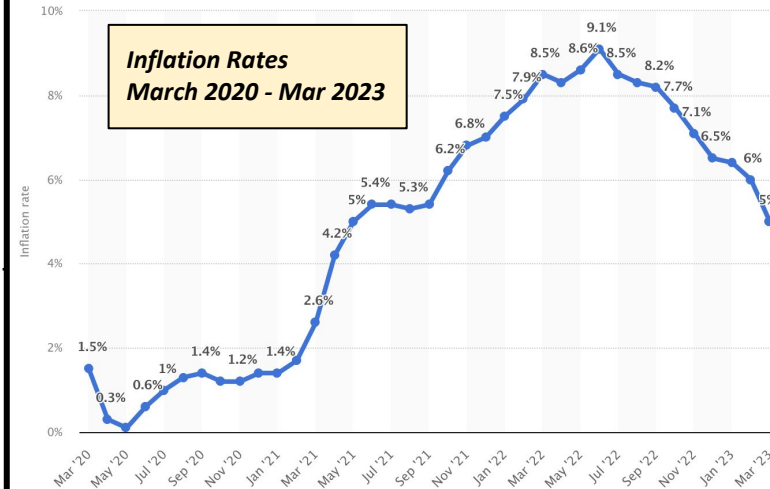
## EXTERNAL EXPENDITURE INFLUENCERS

- **Labor force challenges**
  - Reduced number of available workers in many areas, especially substitute groups
    - Need to compete continues to drive labor costs
- **Higher rates of inflation (CPI) in recent years**

Chart: United States Annual Inflation Rates (2013 to 2023)



Inflation Rates  
March 2020 - Mar 2023



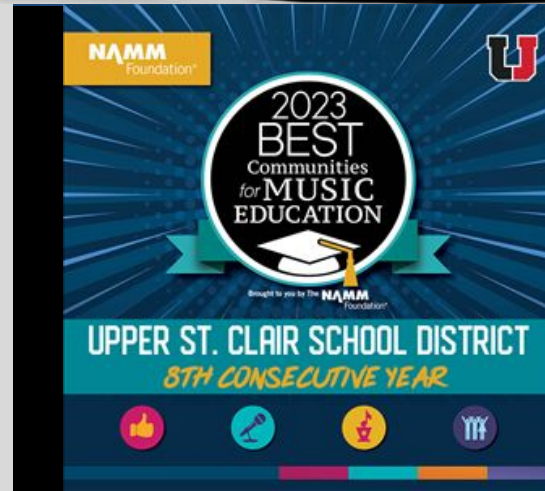
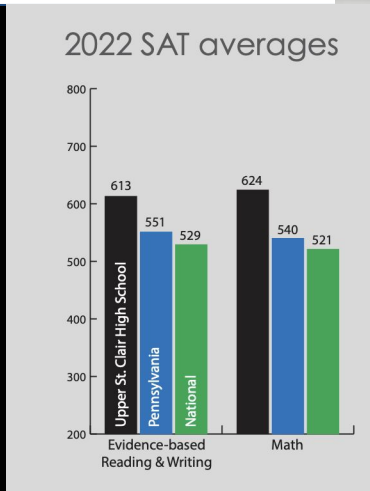
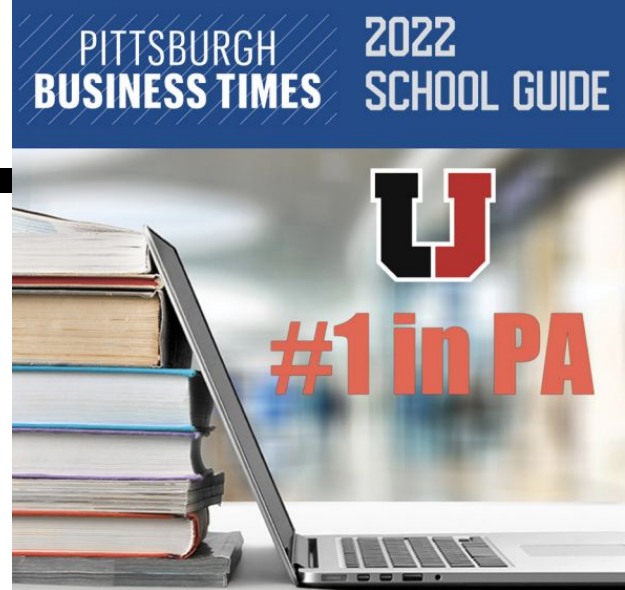
# Context for 2023-24 Budgeting: INTERNAL

## INTERNAL EXPENDITURE INFLUENCERS

- **Staffing Levels**
  - Retirements, attritional cuts, cancellations of several vacancies, general savings from top-step employees
  - Eleven professional staff retirements and eliminated five full-time positions
    - All eliminations are attritional cuts
- **Healthcare +14% (would be +~\$1,000,000 at current staffing levels)**
  - Negotiated favorable employee contribution rates
- **Maintaining fiscal stability for the future**
  - Will continue to avoid using fund balance for recurring costs
- **Capital improvements & expenditures**
  - Need for ongoing facility repairs and investments in line w/ feasibility study
  - Including significant investment in needed HS Roof, HS cafeteria furniture and HVAC control system
- **Need for continued high-level investments in key areas including safety/security**
  - Investments recommended at this time
- **Other factors impacting expenditures and revenue**
  - Salaries, benefits, and debt payments comprise approximately 84% of total budget
  - Requesting new municipal bond issue (added to the budget for capital projects) - annual estimated cost is \$345k and borrowing amount is \$8 million

# Investing In Excellence

*USCSD continues to deliver extraordinary learning experiences for our students.*



# PSSA Assessments (2022 Statewide Rankings)

|                           | Avg.<br>Rank | 3rd<br>ELA | 3rd<br>Math | 4th<br>ELA | 4th<br>Math | 4th<br>Sci | 5th<br>ELA | 5th<br>Math | 6th<br>ELA | 6th<br>Math | 7th<br>ELA | 7th<br>Math | 8th<br>ELA | 8th<br>Math | 8th<br>Sci |
|---------------------------|--------------|------------|-------------|------------|-------------|------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|
| UPPER ST. CLAIR SD        | 4.5          | 2          | 6           | 9          | 10          | 2          | 7          | 6           | 1          | 2           | 7          | 2           | 2          | 2           | 5          |
| PETERS TOWNSHIP SD        | 5.4          | 1          | 2           | 2          | 16          | 6          | 3          | 2           | 14         | 8           | 6          | 3           | 3          | 6           | 3          |
| LOWER MERION SD           | 8.7          | 11         | 4           | 4          | 1           | 11         | 14         | 7           | 8          | 4           | 15         | 4           | 20         | 5           | 14         |
| RADNOR TOWNSHIP SD        | 10.1         | 13         | 20          | 7          | 5           | 13         | 8          | 17          | 2          | 10          | 1          | 1           | 18         | 16          | 11         |
| TREDYFFRIN-EASTTOWN SD    | 10.1         | 12         | 30          | 5          | 7           | 16         | 1          | 11          | 13         | 18          | 2          | 13          | 4          | 4           | 6          |
| SOUTH FAYETTE TOWNSHIP SD | 11.1         | 9          | 9           | 6          | 9           | 5          | 16         | 16          | 6          | 1           | 8          | 9           | 13         | 8           | 40         |
| FOX CHAPEL AREA SD        | 13.6         | 7          | 1           | 15         | 12          | 46         | 10         | 4           | 5          | 7           | 13         | 24          | 17         | 3           | 27         |
| NORTH ALLEGHENY SD        | 15.1         | 8          | 10          | 14         | 14          | 18         | 2          | 3           | 15         | 34          | 16         | 19          | 16         | 10          | 33         |
| UNIONVILLE-CHADDS FORD SD | 16.3         | 3          | 41          | 3          | 17          | 10         | 11         | 9           | 7          | 51          | 14         | 20          | 15         | 20          | 7          |
| HAMPTON TOWNSHIP SD       | 19.7         | 15         | 14          | 17         | 15          | 31         | 5          | 13          | 35         | 69          | 10         | 18          | 7          | 25          | 2          |

\*Data shared by PDE is specific to individual schools. This table aggregates all school data across each district in the commonwealth as well as all cyber/charter schools.

# PSSA Assessments (Rankings in Recent Years)

2022

|                    | Avg. Rank | 3rd ELA | 3rd Math | 4th ELA | 4th Math | 4th Sci | 5th ELA | 5th Math | 6th ELA | 6th Math | 7th ELA | 7th Math | 8th ELA | 8th Math | 8th Sci |
|--------------------|-----------|---------|----------|---------|----------|---------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| UPPER ST. CLAIR SD | 4.5       | 2       | 6        | 9       | 10       | 2       | 7       | 6        | 1       | 2        | 7       | 2        | 2       | 2        | 5       |
| PETERS TOWNSHIP SD | 5.4       | 1       | 2        | 2       | 16       | 6       | 3       | 2        | 14      | 8        | 6       | 3        | 3       | 6        | 3       |
| LOWER MERION SD    | 8.7       | 11      | 4        | 4       | 1        | 11      | 14      | 7        | 8       | 4        | 15      | 4        | 20      | 5        | 14      |

2021

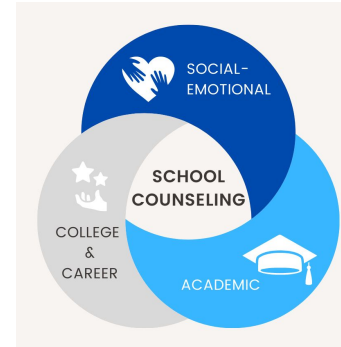
|                        | Avg. Rank | 3rd ELA | 3rd Math | 4th ELA | 4th Math | 4th Sci | 5th ELA | 5th Math | 6th ELA | 6th Math | 7th ELA | 7th Math | 8th ELA | 8th Math | 8th Sci |
|------------------------|-----------|---------|----------|---------|----------|---------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| TREDYFFRIN-EASTTOWN SD | 4.8       | 5       | 5        | 1       | 7        | 2       | 3       | 4        | 5       | 9        | 3       | 4        | 14      | 2        | 3       |
| UPPER ST. CLAIR SD     | 5.5       | 18      | 11       | 4       | 2        | 3       | 5       | 7        | 8       | 5        | 1       | 2        | 2       | 3        | 6       |
| LOWER MERION SD        | 7.9       | 4       | 2        | 9       | 5        | 16      | 9       | 3        | 13      | 6        | 6       | 5        | 20      | 5        | 8       |

2019

|                           | Avg. Rank | 3rd ELA | 3rd Math | 4th ELA | 4th Math | 4th Sci | 5th ELA | 5th Math | 6th ELA | 6th Math | 7th ELA | 7th Math | 8th ELA | 8th Math | 8th Sci |
|---------------------------|-----------|---------|----------|---------|----------|---------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| PETERS TOWNSHIP SD        | 10.9      | 1       | 3        | 12      | 19       | 48      | 16      | 9        | 3       | 1        | 5       | 3        | 11      | 5        | 16      |
| UPPER ST. CLAIR SD        | 11.1      | 8       | 10       | 10      | 9        | 58      | 4       | 2        | 7       | 9        | 2       | 4        | 6       | 10       | 17      |
| UNIONVILLE-CHADDS FORD SD | 12.4      | 3       | 6        | 5       | 15       | 16      | 8       | 20       | 16      | 46       | 7       | 8        | 12      | 4        | 7       |

**Increases in recent years to meet student needs:**

- SAFETY IS TOP PRIORITY.**
- 
- An illustration of various school supplies. At the top left is a green book with a yellow spine. Below it is a blue and green globe. To the right of the globe is a blue ruler. In the center is a large orange pencil with a silver eraser. To its right is a smaller brown pencil. At the bottom right is a row of colorful pencils in purple, blue, green, yellow, and orange.



# Investing in Excellence: Beyond Test Scores

## Opportunity for *connection* for all students:

- Performing Arts
  - Offered throughout the school day/after school at all levels
- WPIAL Sports
- Clubs
  - Numerous at USCHS, some offered at K-8



# Investing in Excellence: Beyond Test Scores

## *Key Strategic Initiatives*



***9-12 Wellness  
Remodel***



***5-8 EA  
Redesign***



***Safety/Security  
(Physical Plant)***



***Performing Arts  
Scheduling***



***School Start  
Time Changes***

# Value of a USCSD Education

**Average school real estate tax bill in Upper St. Clair is \$7,570**

- For home assessed at \$265,000 (~District average)

**Average costs to educate Upper St. Clair students are included below:**

- Based upon PDE 363, which is used to calculate funding for charter schools
  - Includes most budgeted expenditures, but excludes transportation, extra-curricular activities, athletics and debt service costs

|                                                          | 1 Regular Education Student | 2 Regular Education Students | 1 Special Education Student |
|----------------------------------------------------------|-----------------------------|------------------------------|-----------------------------|
| <b>District Cost</b><br>(Based upon PDE 363 calculation) | \$16,643                    | \$33,286                     | Avg. \$32,018               |
| <b>Avg. School Real Estate Tax Bill</b>                  | \$7,570                     | \$7,570                      | \$7,570                     |

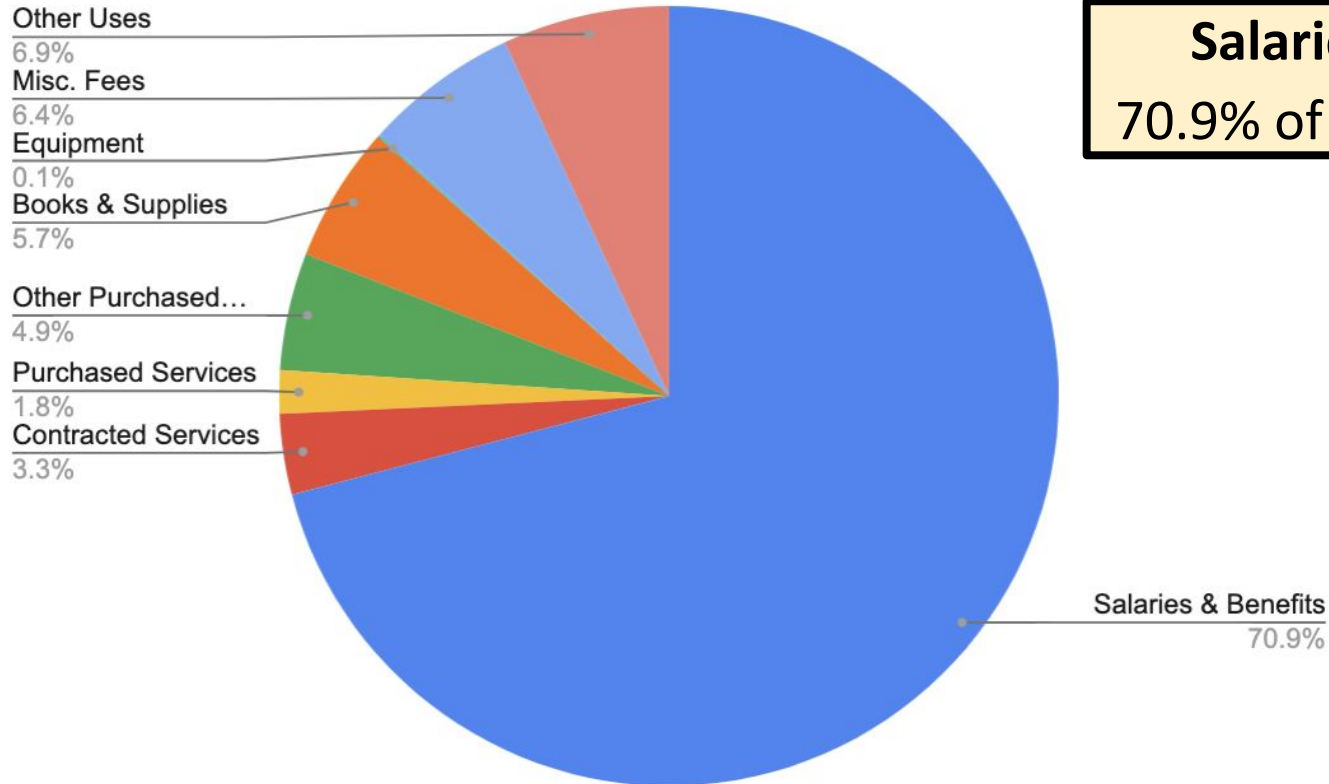
# Proposed Budget 2023-2024: EXPENDITURES



# 2023-24 Proposed Expenditures

| Object    | Account Title            | 2022-2023 Budget    | 5/17/2023 Budget     | % Increase | % of Budget | Variance Explanation                                                          |
|-----------|--------------------------|---------------------|----------------------|------------|-------------|-------------------------------------------------------------------------------|
| 100 & 200 | Salaries & Benefits      | 70,456,980          | 71,524,262           | 1.51%      | 71.42%      | Eleven professional staff retirements and eliminated five full-time positions |
| 300       | Contracted Services      | 3,375,636           | 3,346,030            | -0.88%     | 3.34%       |                                                                               |
| 400       | Purchased Services       | 1,682,666           | 1,803,124            | 7.16%      | 1.80%       |                                                                               |
| 500       | Other Purchased Services | 4,013,642           | 4,541,932            | 13.16%     | 4.54%       | Increase in transportation contracted carriers                                |
| 600       | Books & Supplies         | 4,443,091           | 5,826,701            | 31.14%     | 5.82%       | Elementary math book adoption & district-wide security upgrades               |
| 700       | Equipment                | 123,135             | 117,450              | -4.62%     | 0.12%       |                                                                               |
| 800       | Misc. Fees               | 5,622,358           | 6,247,545            | 11.12%     | 6.24%       | Increase in interest related to new bond issue and budgetary reserve          |
| 900       | Other Uses               | 6,033,784           | 6,740,210            | 11.71%     | 6.73%       | Increase in principal expense related to current bonds and new capital leases |
|           | <b>TOTAL</b>             | <b>\$95,751,292</b> | <b>\$100,147,255</b> |            | 100.00%     |                                                                               |

# Expenditure Breakdown



**Salaries/Benefits =**  
70.9% of the total budget

# Preliminary Budget 2023-2024: REVENUES

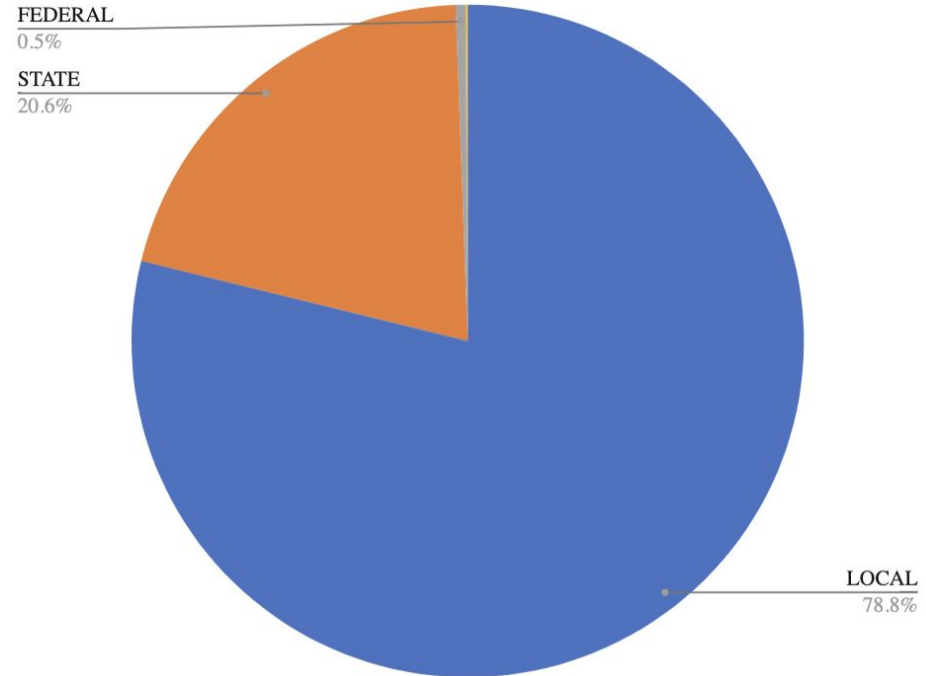


# Key Revenue Sources for 2023/24 Budget

- Approximately 80% of the District's revenue is derived from local taxes
- Real estate tax and earned income taxes account for 67% of the total revenue increase for 2023-24
- No remaining Federal COVID relief
- Pennsylvania public schools have seen very small increases in State revenue over the past decade
  - Annual increases in State revenue DO NOT fund the incremental cost related to mandated programs and services.

# 2023-24 Proposed Revenue Sources

| Revenue Source       | 2022-23 Budget With 3.0% Millage Increase | Percentage of Budget |
|----------------------|-------------------------------------------|----------------------|
| LOCAL                | \$78,946,001                              | 78.82%               |
| STATE                | \$20,634,640                              | 20.60%               |
| FEDERAL              | \$474,752                                 | 0.47%                |
| OTHER*               | \$100,000                                 | 0.10%                |
| <b>TOTAL REVENUE</b> | <b>\$100,155,393</b>                      | <b>100.00%</b>       |



*\*Other refers to sale of assets (i.e. buses, old computers, etc.)*

# Revenue Context

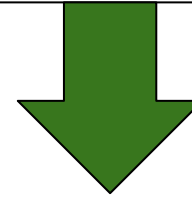
- Act 1 Index is set at 4.7% for 2023-24.
  - Adopted the Act 1 Resolution certifying that the District will not exceed Act 1 Index
- Revenue projections with percentage increments up to the 4.7% Act 1 index maximum are provided for consideration
- No growth in the assessed property value for the District has been included
  - Due to uncertainty surrounding impact of Common Level Ratio (CLR)
- State basic education subsidy budgeted to increase 3% in 2023-24
- No remaining pandemic-related funding is available

# Budget Impact & Other Considerations



# Proposed Final Budget Recommendation

3.75% Recommended  
Tax Increase



|               | 2023-24 BUDGET No<br>Tax Increase | 2023-24 BUDGET<br>3% Tax Increase | 2023-24 BUDGET<br>3.75% Tax Increase | 2023-24 BUDGET<br>4.7% Tax Increase |
|---------------|-----------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| REVENUES      | \$97,625,061                      | \$99,649,327                      | \$100,155,393                        | \$100,795,229                       |
| EXPENDITURES  | \$100,147,255                     | \$100,147,255                     | \$100,147,255                        | \$100,147,255                       |
| TOTAL DEFICIT | (\$2,522,194)                     | (\$497,928)                       | \$8,138                              | \$647,974                           |

*\*Millage rate at 3.75% increase is 29.6339 mills*

# Millage Impact On Cumulative Revenue

## Tax/Revenue Impact vs. 4.7%

| % millage increase | Increase in 2023-24 real estate taxes for an assessed home of \$250,000. | Revenue reduction in 2023-24 below 4.7% (1 year impact) | Cumulative reduction of revenue in 2028-29 (5 year impact) | Cumulative reduction of revenue in 2033-34 (10 year impact) |
|--------------------|--------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|
| 0.0%               | No increase                                                              | \$3,171,347                                             | \$16,837,112                                               | \$36,355,939                                                |
| 3.0%               | \$17.85/month                                                            | \$1,147,084                                             | \$6,090,025                                                | \$13,150,032                                                |
| 3.75%              | \$22.31/month                                                            | \$639,835                                               | \$3,396,973                                                | \$7,334,996                                                 |
| 4.7%               | \$27.97/month                                                            | -                                                       | -                                                          | -                                                           |

- The chart above uses a 4.7% tax increase as a baseline to calculate revenue reduction.
- Assumes 3.0% average annual millage rate increase moving forward

# Budget Timeline

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- April 24, 2023 - Detailed Budget Presentation
- May 17, 2023 - Adopt 2023-2024 *Proposed* Final Budget
- June 5, 2023 - Budget Update (if needed)
- June 19, 2023 - Adopt 2023-2024 Final Budget

**Questions?**

