

Upper St. Clair School District Proposed Final Budget 2022-2023

Budget Update for May 23, 2022



Purpose of Tonight's Presentation

- State 2022-23 Budget Priorities
- Discuss Key Considerations
- Provide Summary of Recent Budget Adjustments
- Share Updated Revenues and Expenditures
- Recommend Proposed Final Budget (with millage rate)
- Discuss Next Steps

Budget Priorities

- Maintain a high quality education 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

Key Considerations



Key Consideration #1: Sustaining Excellence

USCSD continues to deliver extraordinary learning experiences for our students.



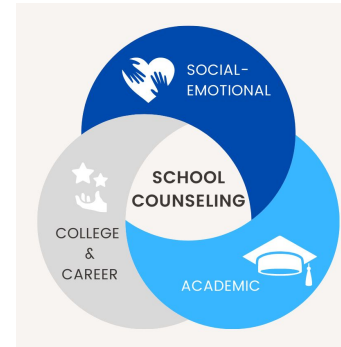
Sustaining Excellence: 3rd-8th PSSA Scores 2021

Rank	District	Test Rank Avg.	3 ELA	3 Math	4 ELA	4 Math	4 Sci	5 ELA	5 Math	6 ELA	6 Math	7 ELA	7 Math	8 ELA	8 Math	8 Sci
1	TREDYFFRIN-EASTTOWN SD	5.36	5	7	2	8	3	4	10	8	10	6	5	3	2	2
2	UPPER ST. CLAIR SD	6.00	15	9	4	1	4	8	11	11	3	3	3	2	3	7
3	LOWER MERION SD	8.79	7	2	12	4	17	10	3	16	4	7	7	22	4	8
4	FOX CHAPEL AREA SD	9.64	12	4	9	2	10	3	1	10	15	27	8	10	7	17
5	MT LEBANON SD	10.64	10	13	10	10	7	5	4	5	22	10	20	5	17	11
6	RADNOR TOWNSHIP SD	11.00	16	22	6	22	21	13	2	3	6	15	6	4	9	9
7	PETERS TOWNSHIP SD	12.07	3	6	5	11	24	6	14	22	16	9	9	12	22	10
8	UNIONVILLE-CHADDS FORD SD	13.21	2	10	15	6	25	9	16	15	29	13	19	11	11	4
9	SOUTH FAYETTE TOWNSHIP SD	14.36	14	8	7	25	12	14	31	18	17	8	13	8	14	12
10	SOUDERTON CS COLLAB.	17.36	8	51	35	32	47	1	5	1	5	1	4	6	13	34

Sustaining Excellence: Supporting Student Needs

Increases in recent years to meet student needs:

- Special Education
 - Required by law
- Nursing
 - Registered Nurse in all buildings
- School Counseling & School Psychologists
 - To support student needs
- School Police and Security
 - To ensure a safe learning environment



Sustaining 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



Extraordinary Learning Experiences

2022-23 Goal: Complete strategic planning process to design next steps in USCSD's future, including:

- Updating District Mission, Vision, and Core Values
- Defining instructional/learning vision for the district
- Identifying key focus areas within Operations (including facilities, capital projects, and more)



Value of a USCS D Education

Average school real estate tax bill in Upper St. Clair is \$7,335

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

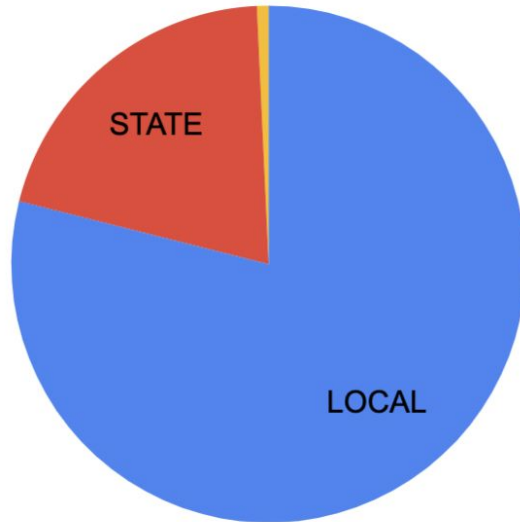
Average costs to educate Upper St. Clair students are included below:

- Based upon PDE 363, which is used to calculate tuition paid by the District to charter schools for each student
 - Includes most budgeted expenditures, but excludes transportation, extra-curricular activities, athletics and debt service costs

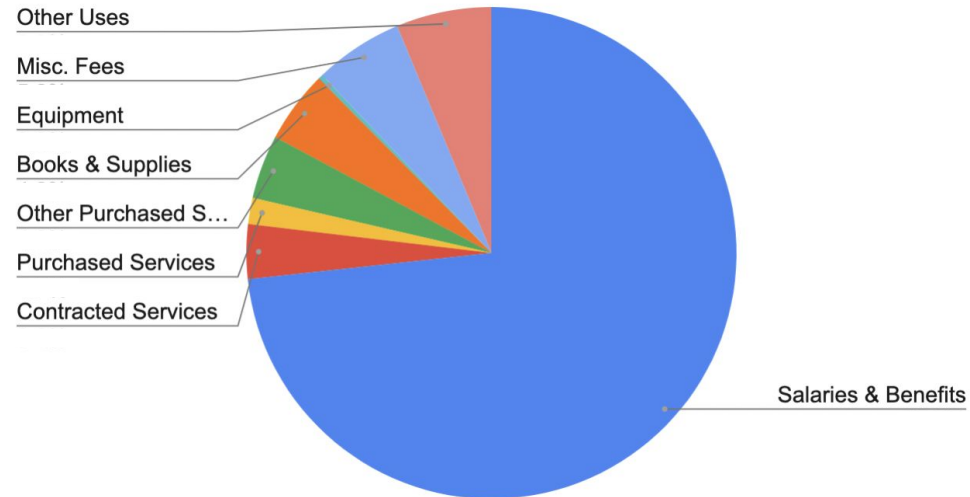
	1 Regular Education Student	2 Regular Education Students	1 Special Education Student
District Cost (Based upon PDE 363 calculation)	\$15,657.59	\$31,315.18	Avg. \$30,138.40
Avg. School Real Estate Tax Bill	\$7,335	\$7,335	\$7,335

Key Consideration #2: External Economic Factors

***Majority of revenue
from local taxes***



***Majority of expenditures are fixed
due to contractual obligations***



External Economic Factors: Minimal ESSER Funding

Remaining ESSER Funding will be used in 2022-23 school-year (\$217,574)

Title	Timeframe	Allotted	Prior/Planned Allocation of Funds
ESSER II	1/2021 - 12/2022	\$272,793	Operations equipment, instructional technology
ESSER III	3/2021 - 12/2024	\$551,718	Planned use: Summer remediation, software, instructional technology, contingency planning
TOTAL: \$824,511 (\$606,937 spent through 2021-22 school year)			

**USCSD received the lowest ESSER funding/student in the state

External Economic Factors: Act 1 Index

Table 3: Act 1 History and Forecast

Fiscal Year	SAWW ¹	ECI ²	Base Index ³	Weighted Index ⁴
2017-18	2.6	2.3	2.5	2.9
2018-19	2.2	2.6	2.4	2.7
2019-20	2.2	2.4	2.3	2.6
2020-21	2.2	2.9	2.6	3.0
2021-22	3.1	2.9	3.0	3.4
2022-23	4.7	2.1	3.4	3.9
2023-24	5.7	2.9	4.3	4.9
2024-25	5.6	3.0	4.3	4.9
2025-26	4.1	3.0	3.6	4.1

1 Statewide Average Weekly Wage.

2 Employment Cost Index.

3 Average of the SAWW and ECI.

4 Average of the index for each school district weighted by property tax collections.

Act 1 Index Projections

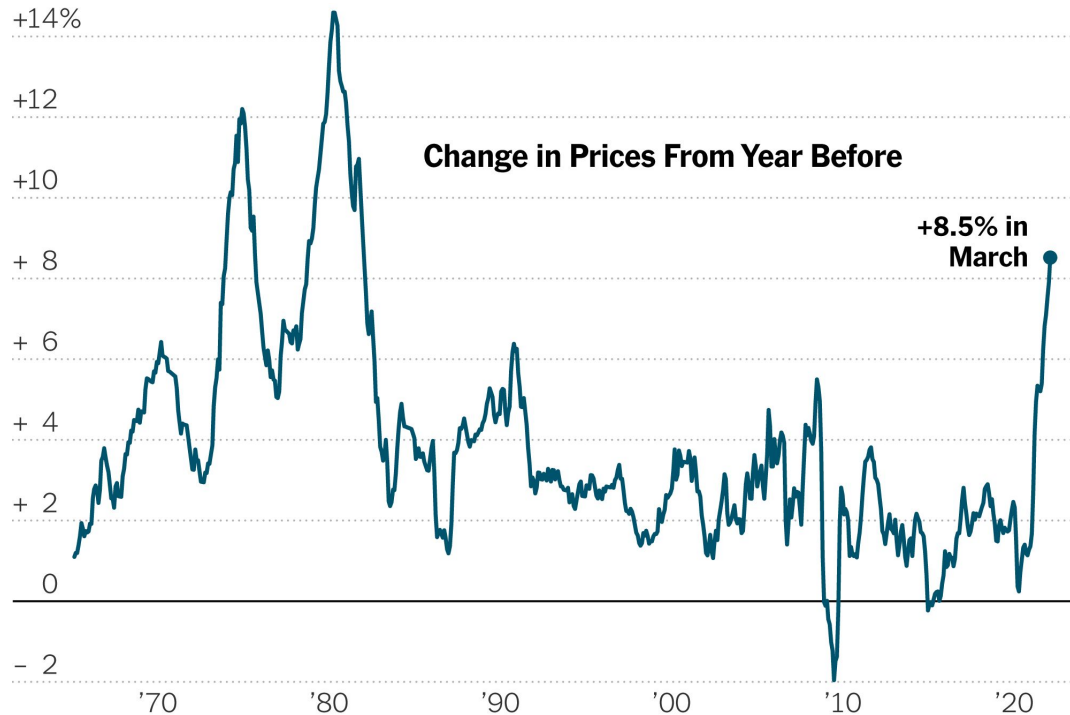
External Economic Factors: Supply Chain Issues

Budget Impact of Supply Chain Issues

- Greater lead times on many necessary purchases
- Strategy regarding purchase of key items
- Increased costs for some items



External Economic Factors: CPI (Inflation)



Inflation Impact

- Purchased goods
- Contracted services
- Vendor contracts
- Workforce market value

Key Consideration #3: Workforce Challenges

Due to market/external conditions:

- Reduced workforce availability
- Increased wages offered by outside
- Fewer local graduates w/ education degrees

USCSD response:

- Improved recruitment process
- New substitute positions
- Review wages/rates for employee groups

Current status:

- All services have continued, though challenges remain
- Need to increase compensation to support groups (non-teaching positions)
 - Including starting salary and substitute rates
- Budget impact anticipated for future budgets

NEW ETC Extended Teacher Certification Program

The Upper St. Clair School District, in partnership with the Allegheny Intermediate Unit, has developed an Extended Teacher Certification (ETC) Program. The program is a 12-month, full-time, on-site program for individuals with a bachelor's degree in education or a related field. The program is designed to provide a pathway to becoming a certified teacher. Participants will receive a stipend, health insurance, and a salary. The program is open to individuals who are currently employed by the district or who are seeking employment with the district. For more information, please contact the ETC Program Coordinator at (412) 231-1234 or visit the ETC website at www.uscisd.org/etcp.

Benefits:

- Stipend: \$10,000 per year
- Health Insurance: \$1,000 per year
- Salary: \$15,000 per year

Qualifications/Requirements:

- Bachelor's degree in education or a related field
- 100 hours of student teaching
- Letter of Recommendation
- Completion of the ETC program
- Application fee

Competitive For:

- New 21 Class positions
- 100 hours of student teaching
- \$10,000 per year stipend
- \$1,000 per year health insurance
- \$15,000 per year salary

Key for Stay-at-home Parents & Business:

- Day off (Monday)
- Day off (Tuesday)
- Day off (Wednesday)
- Day off (Thursday)
- Day off (Friday)
- Day off (Saturday)
- Day off (Sunday)

APPLY NOW

Visit www.uscisd.org/etcp or call (412) 231-1234 for more information.

6:30 p.m., Tuesday, Jan. 14
Upper St. Clair High School UGI room

9:30 a.m., Thursday, Jan. 23
District Administration Building

ETC online at www.uscisd.org/etcp
located under "Education"

For more information regarding the ETC Program or substitute teaching, please contact the ETC Program Coordinator at (412) 231-1234 or visit the ETC website at www.uscisd.org/etcp.

Key Consideration #4: Capital/Facility Considerations

Facility Usage in USCSD

- Significant use by both District and Community
- Maintenance needs are on-going
- Consideration for improvements to positively impact school community
- Feasibility study findings to be presented by Sitelogiq at June 6 Board Meeting

Projects Anticipated for Coming Years

- Boilers at USCHS
- Roof at USCHS
- Improvements at several District fields



Budget Adjustments



Budget Adjustments (Since April 25 Presentation)

Expense Reductions

- Salary and Benefits adjustments (+~\$29,000)
- Reduction of curriculum and supplies across all departments (-~\$170,000)
- Adjustments to District software (-~\$87,000)
- Reductions in Operations budget (-~\$88,000)
- Professional Development (-~\$25,000)

Revenue Increases

- Added sale of assets (~\$65,000)
 - School buses and technology equipment

TOTAL DEFICIT REDUCTIONS OF \$407,728

Updated Revenues & Expenditures



Expenditure Items of Note

- Salaries, benefits, and debt payments comprise approximately 85% of total budget
 - Represented salaries comprise approximately 40% of the budget
 - Benefits for the represented employees \$20,828,497 (22% of the budget)
 - 60% of total budgeted expenditures are determined by bargaining agreements
- Significant increases by line items:
 - Professional staff salaries > 36.6 employees move on the jump step (between steps 14-16)
 - Now ~2/3 of professional staff is at the top of the pay scale
 - Medical benefits (8% increase): +~\$ 491,094
 - PSERS net contribution: +\$275,000

Proposed Expenditures by Object

Proposed Expenditures by Object 2022-2023 School-Year

Object	Account Title	2021-2022 Budget	5/18/2022 Budget	Variance
100 & 200	Salaries & Benefits	67,355,797	70,426,256	3,070,459
300	Contracted Services	3,410,318	3,355,636	(54,682)
400	Purchased Services	1,503,026	1,682,666	179,640
500	Other Purchased Services	4,181,893	4,013,642	(168,251)
600	Books & Supplies	4,314,408	4,443,091	128,683
700	Equipment	179,408	123,135	(56,273)
800	Misc. Fees	5,231,298	5,622,358	391,060
900	Other Uses	5,704,834	6,033,784	328,950
	TOTAL	\$91,880,982	\$95,700,568	\$3,819,586

Revenue Context

- Act 1 Index is set at 3.4% for 2022-23
 - Adopted the Act 1 Resolution certifying that the District will not exceed Act 1 Index
- Growth in the assessed property value for the District continues between budget years
 - Certified assessed real estate tax base increased from \$2,348,592,366 to \$2,386,736,548 (+\$38,144,182)
 - Anticipated decline in commercial property revenue (South Hills Village) and potential tax refunds for decreases in commercial assessments
- State basic and special education subsidy budgeted to increase 3% in 2022-23
- PSERS reimbursement from state will increase, but expenditure will also increase from 34.94% to 35.26%
 - With 50% reimbursement, net budget impact is -\$275,000

Real Estate Tax Estimates

TITLE	2021-22 Budget with 2.9% Real Estate Tax increase	2022-23 Projected Budget <u>No</u> Real Estate Tax increase	2022-23 Projected Budget <u>3.2%</u> Real Estate Tax increase
CURRENT REAL ESTATE (Est.)	\$62,388,995	\$62,864,264	\$64,955,809

Each half percent (.5%) of millage increase represents approximately \$325,000 in revenue

Proposed Final Budget

Projection presented for Proposed Final Budget	3.2 % Tax Increase
REVENUES	\$95,719,444
EXPENDITURES	\$95,700,568
TOTAL	\$18,876

Proposed Final Budget millage rate recommended for Board approval is 28.5628

Millage Impact On Cumulative Revenue

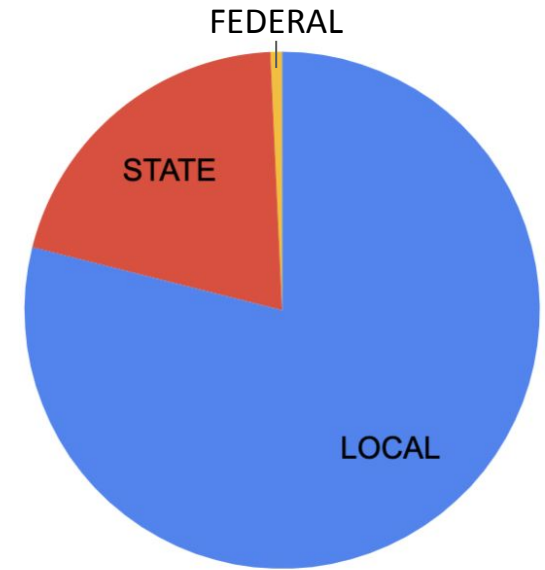
Tax/Revenue Impact vs. 3.4 %

% millage increase for 2022-23	Increase in 2022-23 real estate taxes for an house assessed at \$250k.	Revenue reduction in 2022-23 below 3.4% (1 year impact)	Cumulative reduction of revenue in 2027-28 (5 year impact)	Cumulative reduction of revenue in 2032-33 (10 year impact)
0.0%	No increase	\$2,222,443	\$11,658,249	\$24,810,763
3.2%	\$18.45/month	\$130,898	\$688,042	\$1,466,500
3.4%	\$19.60/month	-	-	-

- The chart above uses a 3.4% tax increase as a baseline to calculate revenue reduction
- Assumes 2.5% average annual millage rate increase moving forward

2022-23 Proposed Revenue Sources

Revenue Source	2021-22 Budget With 2.9% Millage Increase	2022-23 Budget With 3.2% Millage Increase	Percentage of Budget
LOCAL	\$71,721,531	\$75,157,614	78.52%
STATE	\$18,853,913	\$19,798,229	20.68%
FEDERAL*	\$1,305,538	\$698,601	0.73%
Sale of Assets		\$65,000	0.07%
TOTAL REVENUE	\$91,880,982	\$95,719,444	100.00%



**Federal funding is higher for 21/22 and 22/23 due to ESSER funding*

Fund Balance Summary

Fund Balance Year Ended June 30	Net Income/(Loss)	Ending Unassigned Fund Balance	Total Reserved and Designated Fund Balance	Total Fund Balance
2014	(\$1,124,849)	\$3,139,764	1,899,491	\$5,039,255
2015	(\$979,550)	\$2,579,740	1,479,959	\$4,059,699
2016	(\$558,340)	\$2,008,257	1,493,102	\$3,501,359
2017	\$1,278,595	\$3,326,881	1,453,075	\$4,779,956
2018	\$1,786,604	\$3,858,810	2,697,750	\$6,556,560
2019	\$2,475,367	\$5,568,583	3,473,342	\$9,041,925
2020	\$371,659	\$5,863,584	3,550,000	\$9,413,584
2021	\$571,176	\$6,434,760	3,550,000	\$9,984,760

***Anticipating a recommendation to use fund balance to cover costs of Boyce and Streams paving projects; cost estimate between \$500,000 - \$600,000*

Next Steps

- April 25, 2022 - Detailed Budget Presentation
- May 23, 2022 - Adopt 2022-2023 Proposed Final Budget
- June 27, 2022 - Adopt 2022-2023 Final Budget

Further adjustments can be made until final adoption at June 27 Board meeting

Questions?

