

Upper St. Clair School District

Preliminary Overview

2016-17 General Fund Budget

April 25, 2016



Customizing Learning,
Nurturing Potential...
Delivering Excellence



2015-16 HB 1589 (BEF, SEF and RTL)

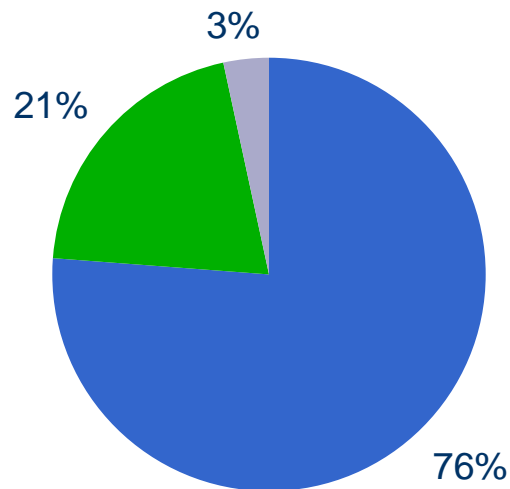
State and Federal Funding		Actual 2014-15	Budget 2015-16	Estimated 2015-16 State Revenues as of April 2016	Variance as Reported on 4/12/15	Estimated 2015-16 State Revenues per HB 1589 as of April 18, 2016	Variance as Reported on 4/18/15
R7000	State Revenues - Excluding PSERS and FICA Reimbursement						
R7110	Basic Instruction Subsidy	\$4,075,879	\$4,301,337	\$4,084,847	(\$216,490)	\$4,190,629	(\$110,708)
R7160	Tuition CT Placed/Ins CHI	\$32,679	\$0				
R7271	Special Ed Regular Programs	\$1,923,202	\$1,803,848	\$1,849,240	\$45,392	\$1,849,240	\$45,392
R7310	Transportation	\$849,195	\$992,742				
R7320	Rent & Sinking Fund Payments	\$929,438	\$933,518				
R7330	Medical & Dental Services	\$85,798	\$87,000				
R7340	State Poroperty Tax Reduction	\$1,387,506	\$1,389,004				
R7501	PA Accountability Grants/Ready to Learn Grant	\$243,125	\$100,000	\$255,057	\$155,057	\$332,045	\$232,045
R7599	Other State Grants		\$75,000				
R7000	State Revenues	\$9,526,822	\$9,682,449		(\$16,041)		\$166,729

2016-17 Budget Exceptions

<i>Final Budget Exceptions as of February 1, 2016</i>	2016-17	Millage Impact	Per \$200,000 Assessed Value	Average Single Family Home Assessed Value = \$265,791 (6,659 single family homes)
Adjusted Act 1 Index of 2.8%	\$1,382,206	0.6450	\$129	\$171
Pension Exception	\$496,008	0.2314	\$46	\$62
Special Education Exception	\$914,737	0.4269	\$85	\$113
<i>Total Maximum Tax Increase Allowed</i>	\$2,792,951	1.3033	\$261	\$346
<i>Monthly Impact</i>			\$22	\$29

2016-17 Proposed Budget

Includes Tax Increase of 2.8% Adj. Act 1 Index of .6450 Mills + Estimated Exceptions of .6583 mills = Total Increase of 1.3033 mills		Actual 2014-15	Final Budget 2015-16	Preliminary Budget 2016-17	\$ Increase (Decrease)	% Increase	Comments
Local Revenues		\$52,410,497	\$54,937,434	\$57,905,757	\$2,968,323	5.4%	Real estate revenues increase by 1.3033 mills, higher assessments and new construction
State Revenues		\$14,317,376	\$15,331,309	\$16,224,663	\$893,354	5.8%	Increase related to higher PSERS reimbursements, BEF and SEF at the 2015-16 levels and RTL of \$255,000
Federal Revenues		\$1,888,740	\$2,097,134	\$2,053,499	(\$43,635)	-2.1%	Decrease related to federal funding for IDEA
Total Revenues		\$68,634,956	\$72,365,878	\$76,183,919	\$3,818,042	5.3%	



2016-17 Proposed Budget

Staffing Update – Retirements

9 Professional positions announced

By building:

- 3 at High School
- 2 at Boyce
- 1 at Baker
- 2 at Eisenhower
- 1 at Streams

By discipline:

- 2 Elementary Teachers
- 1 Elementary Art Teacher
- 1 Elementary Guidance Counselor
- 1 Elementary Special Ed Teacher
- 1 Middle Level Industrial Arts Teacher
- 1 High School Level Foreign Language Teacher and CL
- 1 High School Level Music Teacher
- 1 High School Level Home Economics Teacher

Replacements costs are assumed in the current 2016-17 budget draft - savings estimated at \$450,000 for the 9 retirements

2016-17 Proposed Budget

<i>Includes Tax Increase of 2.8% Adj. Act 1 Index of .6450 Mills + Estimated Exceptions of .6583 mills = Total Increase of 1.3033 mills</i>		Actual	Final Budget	Proposed Budget	Change from		
		2014-15	2015-16	2016-17	15-16 Budget	% Change	Key Explanations
Revenue		\$68,634,956	\$72,365,878	\$76,183,919	\$3,818,042	5.3%	
Expenses							
100	Salaries	\$32,059,193	\$33,291,727	\$34,520,846	\$1,229,119	3.7%	Salary increases net of the 9 retirements
200	Benefits	\$16,878,031	\$18,619,650	\$20,911,412	\$2,291,763	12.3%	PSERS and health care increases
300	Contracted Services	\$4,040,246	\$4,036,635	\$4,243,012	\$206,377	5.1%	Higher professional educational services and ARA fee
400	Purchased Services	\$1,707,703	\$1,643,159	\$1,583,561	(\$59,598)	-3.6%	Projected energy savings
500	Other Purchased Services	\$2,933,574	\$2,899,949	\$3,140,287	\$240,339	8.3%	Higher tuition to other LEAs and APS
600	Books and Supplies	\$1,793,211	\$1,873,231	\$1,963,781	\$90,551	4.8%	General supplies
700	Equipment	\$1,104,516	\$1,436,455	\$1,481,882	\$45,428	3.2%	Lease payments for the additional iPad implementation
800	Miscellaneous Fees	\$5,903,158	\$5,948,826	\$5,708,063	(\$240,763)	-4.0%	Lower interest expense
900	Other Uses	\$3,194,878	\$2,996,065	\$3,449,815	\$453,750	15.1%	Higher principal payment
	Total Expenses	\$69,614,512	\$72,745,696	\$77,002,660	\$4,256,964	5.9%	
	Revenues Less Expenses	(\$979,556)	(\$379,818)	(\$818,741)			

2016-17 Proposed Budget

2016-17 Budget	As of April 12	<i>Comments</i>	As of April 25	<i>Variance</i>
Revenues	\$76,203,330	<i>Primarily related to lower PSERS and FICA</i>	\$76,183,919	(\$19,411)
Expenditures	\$77,151,851	<i>Salary adjustments</i>	\$77,002,660	(\$149,191)
<i>Possible Budget Outcome</i>	(\$948,521)		(\$818,741)	\$129,780

2016-17 Proposed Budget

Final Expenditure Budget for 2015-16	\$72,745,696	\$72,745,696	Key Changes
Proposed Budget	As of April 12	As of April 25	
Staff Salary Additions (Reductions):			
Business/HR Office Transition (retirement)	\$85,000	\$85,000	<i>Retirement transition</i>
Additional Staff member in Special Ed	\$50,000	\$50,000	
Additional Tech Support Staff member in Technology	\$50,000	\$50,000	
.4 FTE Addition at HS for Chemistry	\$20,000	\$20,000	
Additional Bus Attendants	\$24,688	\$24,688	
Total Staff Additions (Reductions)	\$229,688	\$229,688	
Educational, Programming and Technology Increases (Decreases):			
Technology Lease Payments:			
5th grade iPads, HS teacher iPads, and cases (\$213,759 leased for \$73,243/yr over 3 yrs. @ 1.90%)	\$95,453	\$73,243	
Cabling for HS wireless access points (\$85,000 funded through Capital Reserve)			<i>E-rate Eligible</i>
Replacement core switch (\$250,610 leased for \$53,238/yr over 5 yrs @ 2.5%)	\$41,732	\$53,238	<i>E-rate Eligible</i>
UPS for replacement core switch (\$8,424 leased for \$1,813/yr over 5 yrs @ 2.5%)	\$1,856	\$1,813	<i>E-rate Eligible</i>
Elementary teacher laptops (\$141,125 leased for \$29,562/yr over 5 yrs @ 1.90%)	\$27,294	\$29,562	
iPad applications for students and teachers	\$18,000	\$18,000	
Additional HS wireless access points for 1:1 expansion (\$120,000 funded through Capital Reserve)			<i>E-rate Eligible</i>
Ideal Integrations - network support	\$30,000	\$30,000	
Software Licensing Fees	\$101,857	\$101,857	<i>Newsela, Keyboarding, NoRedInk, New Vocabulary,</i>
Curriculum support including musical instruments, kiln and sanders for the Fab Lab	\$49,129	\$49,129	
Tuition to other LEAs and PRRI/APS	\$166,458	\$166,458	
Total Educational, Programming and Enabling Technologies Requests	\$531,779	\$523,300	

2016-17 Proposed Budget

Proposed Budget	As of April 12	As of April 25	
Existing Staff Salary and Benefit Cost Increases (Decreases):			
Higher PSERS employer contributions	\$1,846,647	\$1,815,708	
Overall salary increases, net of the \$450,000 savings from 9 retirements and staff increases denoted above	\$1,102,459	\$999,430	<i>Salary adjustments</i>
Higher healthcare cost due to 3% increase	\$244,561	\$244,561	
Tuition reimbursement	\$120,000	\$120,000	
Higher FICA cost	\$101,909	\$94,028	
Total Salary and Benefit Cost Increases	\$3,415,576	\$3,273,726	
Significant Business and Operational Increases (Decreases):			
Principal and interest payment	\$219,952	\$219,952	
Replacement for the Food Service Truck and a used wheelchair van	\$113,165	\$113,165	
Contracted carriers primarily related to Special Ed	\$100,000	\$100,000	
Lease cost for HS turf (to be reviewed and determined)	\$90,000	\$85,680	<i>Capital Reserve vs. GF</i>
Transportation supplies	\$45,000	\$45,000	
Higher Aramark Management Fee with offsetting guaranteed energy savings (to be further reviewed and determined)	\$22,569	\$22,569	
Estimated increase in insurance premiums	\$19,277	\$19,277	
Lower diesel fuel expense due to favorable market conditions	(\$79,026)	(\$79,026)	
All Others	(\$301,825)	(\$296,368)	
Total Business and Operational	\$229,112	\$230,249	
Total Increases (Decreases) Under Consideration as Outlined Above	\$4,406,156	\$4,256,964	
Total Preliminary Budgeted Expenses	\$77,151,851	\$77,002,660	(\$149,192)

2016-17 Proposed Budget

Base Budget Outcome		(\$818,741)
Budget Reduction Worksheet	(FTEs)	Estimated Savings
Targeted Teacher Attritional Reductions	4.50	\$405,000
Targeted Support Staff Attritional Reductions	6.00	\$300,000
		\$705,000
Proforma Budget Outcome		(\$113,741)
Other Potential Revenues		
Governor Wolf's April Proposal		\$250,947
E-rate for Technology Projects		\$181,000
Total Other Revenues		\$431,947
Proforma Budget Outcome		\$318,206

2016-17 Proposed Budget

Capital Budget

2016-17 Proposed Capital Reserve Budget

		Estimated Balance at 6/30/16			\$150,859	\$150,859	
		Proceeds from Bond Issue			\$766,957	\$766,957	
School	Room	Issue	Cost	Advancement Opportunity	Capital Reserve Balance with Turf	Capital Reserve Balance without Turf	Lease over 7 yrs.
Baker	Playground	Replace railroad ties	\$5,200		\$912,616	\$912,616	
Baker	Chilled Water Pump	Replace due to failed unit	\$9,000		\$903,616	\$903,616	
Baker	Baseball Field	Field Improvements	\$20,000		\$883,616	\$883,616	
Boyce	Woodshop Entrance	Install new swipe card unit	\$3,132		\$880,484	\$880,484	
Boyce	Front Interior Office Door	Install new swipe card unit	\$3,132		\$877,352	\$877,352	
Boyce	Flagpole at Field	Install lighted flagpole	\$5,800		\$871,552	\$871,552	
Boyce	New Lighting Panel Board	Replace due to accessibility issues with data	\$6,130		\$865,422	\$865,422	
Boyce	Playground	Replace the dirt area with asphalt	\$15,000		\$850,422	\$850,422	
Boyce	Security Cameras	Install additional cameras	\$20,500		\$829,922	\$829,922	
District	Parking Lot Lines	Repaint all lines	\$12,000		\$817,922	\$817,922	
District	Curbs and Concrete	Repair/replace concrete at Streams Main Entrance and Parking Lot Sidewalk; Baker sidewalks and pad outside of Music Room; and Catch Basin at HS Theater Entrance.	\$15,000		\$802,922	\$802,922	
Eisenhower	Entrances	New entry catch matting	\$4,200		\$798,722	\$798,722	
Eisenhower	102/103 windows	Re-caulking	\$5,000		\$793,722	\$793,722	
Eisenhower	Boiler 2	Repair/replace failing boiler	\$9,724		\$783,998	\$783,998	
Fort Couch	LGI entrance	Repair leaking canopy	\$1,000		\$782,998	\$782,998	
Fort Couch	Gym doors	Repair to gym doors	\$3,762		\$779,236	\$779,236	
High School	Catch basin	Brick catch basin collapsing, replace with concrete	\$2,800		\$776,436	\$776,436	
High School	Small Gym Scoreboard	Replace scoreboard	\$7,000	*	\$769,436	\$769,436	
High School	Pool Exhaust	Improve air flow	\$25,000		\$744,436	\$744,436	
High School	Large Gym Scoreboard	Replace scoreboard	\$35,000	*	\$709,436	\$709,436	
High School	Cafeteria Dishwasher	Replacement and 25+ year old unit	\$38,000		\$671,436	\$671,436	
High School	1:1 iPad Implementation	Cabling for HS wireless access points (Scanlon)	\$85,000		\$586,436	\$586,436	
High School	1:1 iPad Implementation	Additional HS wireless access points for 1:1 expansion (Dagostinos)	\$120,000		\$466,436	\$466,436	
High School	Multipurpose Center	Turf Replacement	\$501,725	*	(\$35,289)	\$466,436	\$85,680
Streams	Library Hall	Repair roof leak	\$4,000		(\$39,289)	\$462,436	
	GRAND TOTAL	with Turf	\$957,105		(\$39,289)		
		without Turf	\$455,380			\$462,436	

2016-17 Proposed Budget

- Next Steps
 - Continued due diligence through Budget adoption in June 2016
 - Committee and Board Meeting Dates
 - May 9
 - May 16 – Proposed Final Budget Deadline
 - June 6
 - June 21 – Final Budget Approval



Customizing Learning,
Nurturing Potential...
Delivering Excellence



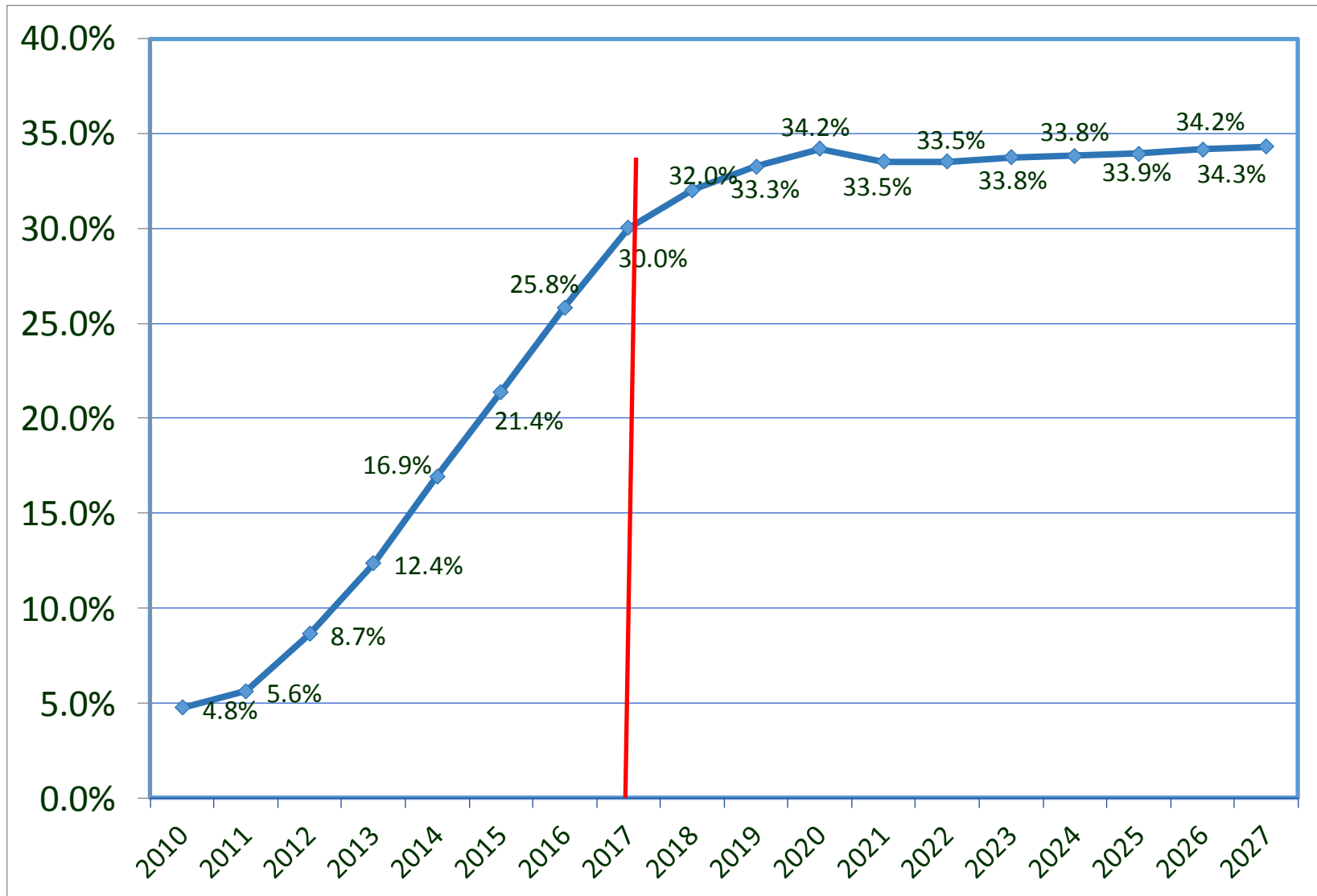
2016-17 Proposed Budget

Q & A

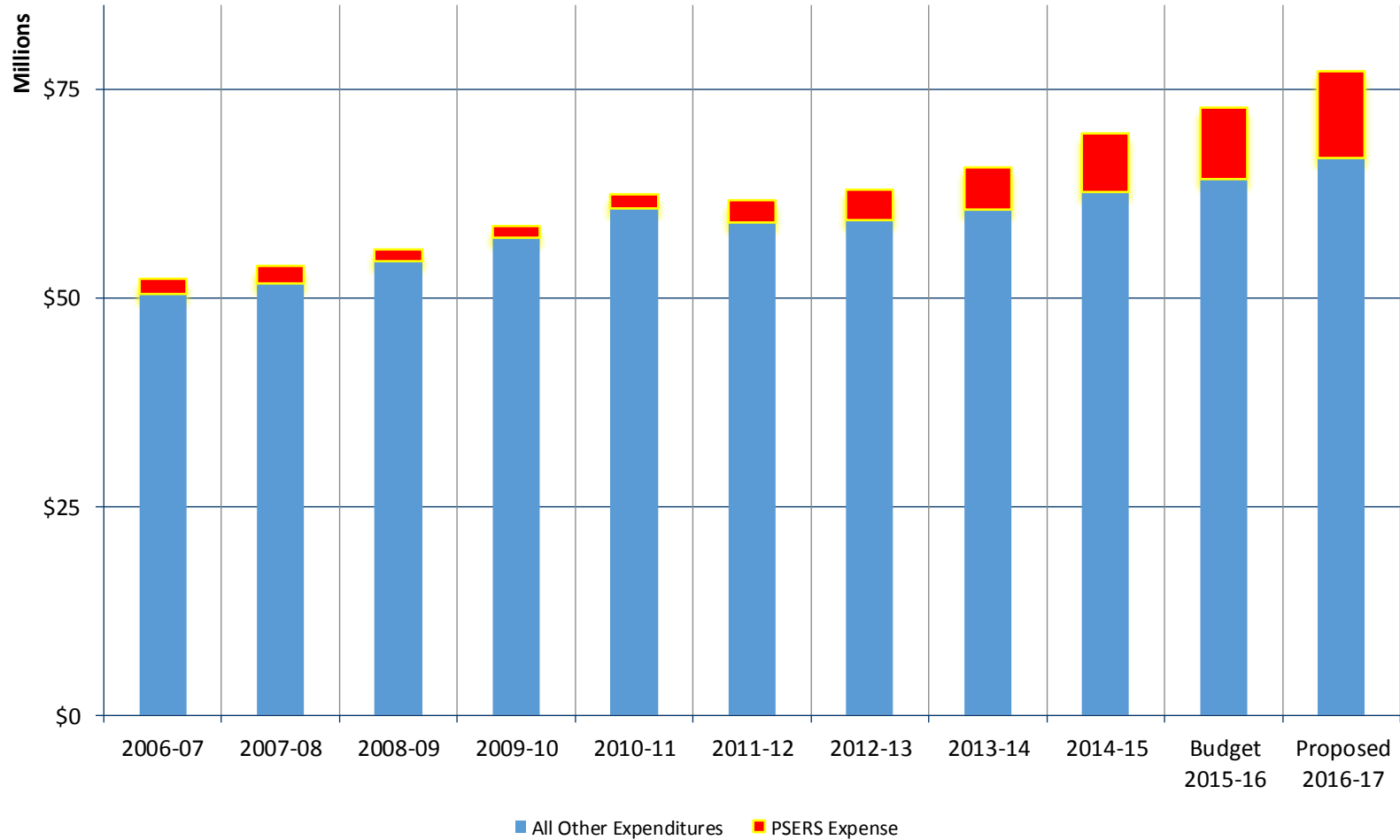
2016-17 Proposed Budget

Point of Reference

PSERS State-Mandated Employer Rates



Historical Expenditure Review



PSERS State-Mandated Employer Rates

2005-06 Total Payroll		\$27,945,100		
		PSERS Impact to the 2005-06 Payroll Cost		
Year Ended June 30	Employer Contribution Rate	Net PSERS Cost *	Annual Increase	Cumulative Net PSERS Cost
2006	4.69%	\$655,313		\$655,313
2007	6.46%	\$902,627	\$247,314	\$1,557,939
2008	7.13%	\$996,243	\$93,616	\$2,554,182
2009	4.76%	\$665,093	(\$331,149)	\$3,219,276
2010	4.78%	\$667,888	\$2,795	\$3,887,163
2011	5.64%	\$788,052	\$120,164	\$4,675,215
2012	8.65%	\$1,208,626	\$420,574	\$5,883,841
2013	12.36%	\$1,727,007	\$518,382	\$7,610,848
2014	16.93%	\$2,365,553	\$638,546	\$9,976,401
2015	21.40%	\$2,990,126	\$624,573	\$12,966,526
2016	25.84%	\$3,610,507	\$620,381	\$16,577,033



2016-17 Proposed Budget

	As of June 30, 2015	Final Budget 2015-16	Base Budget ** Proposed Budget 2016-17	% of 2016-17 Budget	Balanced Budget ** Proposed Budget 2016-17	% of 2016-17 Budget
Nonspendable:						
Inventory	\$1,479,959	\$1,479,959	\$1,479,959		\$1,479,959	
Total Nonspendable Fund Balance	\$1,479,959	\$1,479,959	\$1,479,959		\$1,479,959	
 Unassigned*	 \$2,579,743	 \$2,199,925	 \$1,381,184	 1.8%	 \$2,199,925	 2.9%
 Total Fund Balance	 \$4,059,702	 \$3,679,884	 \$2,861,143		 \$3,679,884	

* *Unassigned Fund Balance used in determining compliance with the 8% fund balance limitation related to real estate tax increases.*

** *Dependent upon the 2015-16 Budget Outcome.*

2016-17 Proposed Budget

Proforma Fund Balance Levels				
<i>Nonspendable:</i>	3.5%	4.0%	5.0%	6.0%
<i>Inventory</i>	\$1,479,959	\$1,479,959	\$1,479,959	\$1,479,959
<i>Total Nonspendable Fund Balance</i>	\$1,479,959	\$1,479,959	\$1,479,959	\$1,479,959
<i>Unassigned*</i>	\$2,695,093 	\$3,080,106 	\$3,850,133	\$4,620,160
<i>Total Fund Balance</i>	\$4,175,052	\$4,560,065	\$5,330,092	\$6,100,119
<i>Proforma Budget Outcome</i>	\$495,168	\$880,181	\$1,650,208	\$2,420,235