

Proposed 2019-2020 Final Budget

May 6, 2019

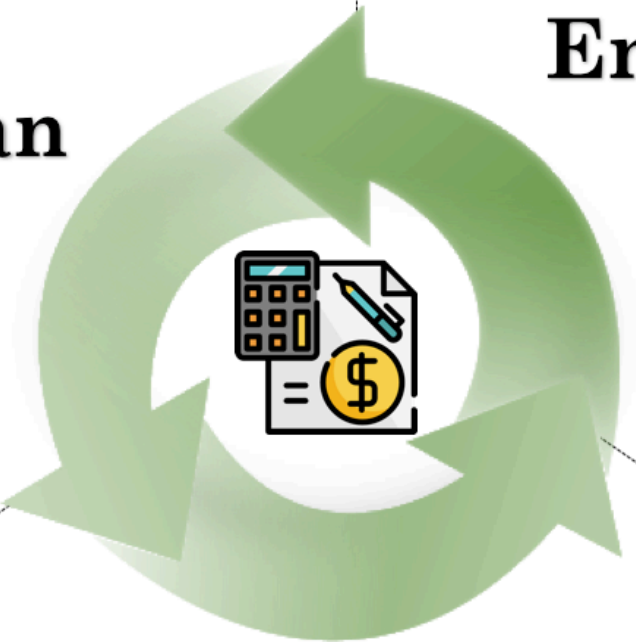


Customizing Learning,
Nurturing Potential...
Delivering Excellence

Investing in Excellence

**Mission &
Strategic Plan**

**Environmental
Factors**



**Fiscal
Responsibility**

Investing in Excellence



Investing in Excellence

Investing in Excellence



Full-time
counselors in
each building



Emphasis on daily, high-
quality, student-
centered learning



Customizing Learning,
Nurturing Potential...
Delivering Excellence

Highly skilled police
& security officer in
every school



Extensive
program of
studies



Investing in Excellence

Safetyand**Security**



Strategic Plan (2015-2020)



Investing in Excellence

Review of Budget

- Investments & Expenditures
 - Key drivers
 - Formal budget sheet
- Revenues
 - Formal
 - Impact at different millage rates
- Other Considerations
 - Long-term forecasting
 - Timeline for finalizing

2019-20 Budget Overview



- Act 1 Index is set at 2.3% for 2019-20.
- Revenues are budgeted to increase \$2.0 million dollars with a 2.0% real estate tax increase.
- Expenditures are budgeted to increase \$2.2 million dollars.
- Current deficit is **(\$209,034)** with a 2.0% real estate tax increase.
- Current year budget (2018-19) has a millage rate of 25.8603.
- One (1) mill is valued at approximately \$2,171,822.

Investments/ Expenditures

Notable Investments/Expenditures



- Salaries increased \$1.45 mil (+\$652k related to jump step)
- The PSERS contribution rate increased 33.43% to 34.29% (+\$456k)
- Charter school budget increased (+\$238k)
- Security budget increased (+\$501k)
- Student needs (support/wellness) increased (+\$285k)
- Replacement of seven buses for the 2019-20 school year (+\$104k)
- Healthcare premiums increased 1.9% (+\$110k)

Investment/Expenditure Breakdown

BUDGET

OTHER USES

5.6%

MISC FEES

6.3%

EQUIPMENT

0.2%

BOOKS & SUPPLIES

4.3%

OTHER PURCHASED SE...

4.7%

PURCHASED SERVICES

1.5%

CONTRACTED SERVICE

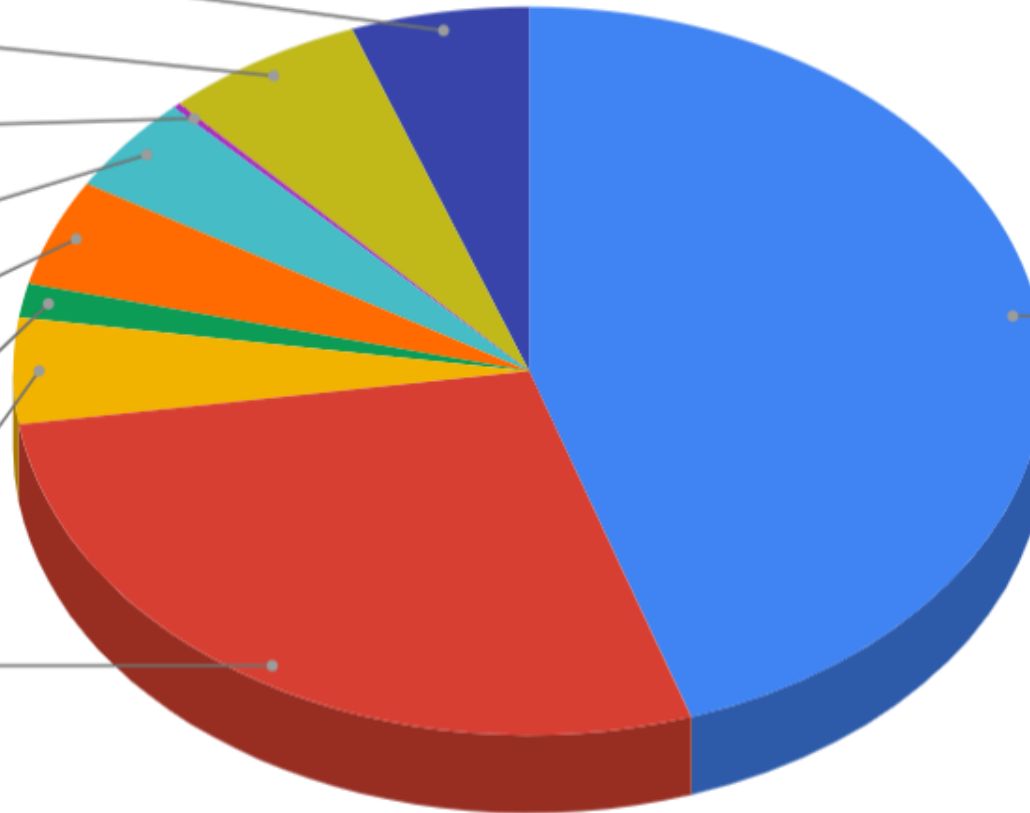
4.7%

BENEFITS

27.7%

Salary + Benefits = 72.6%
of all budget expenditures

SALARIES
44.9%



Professional Salary Factors

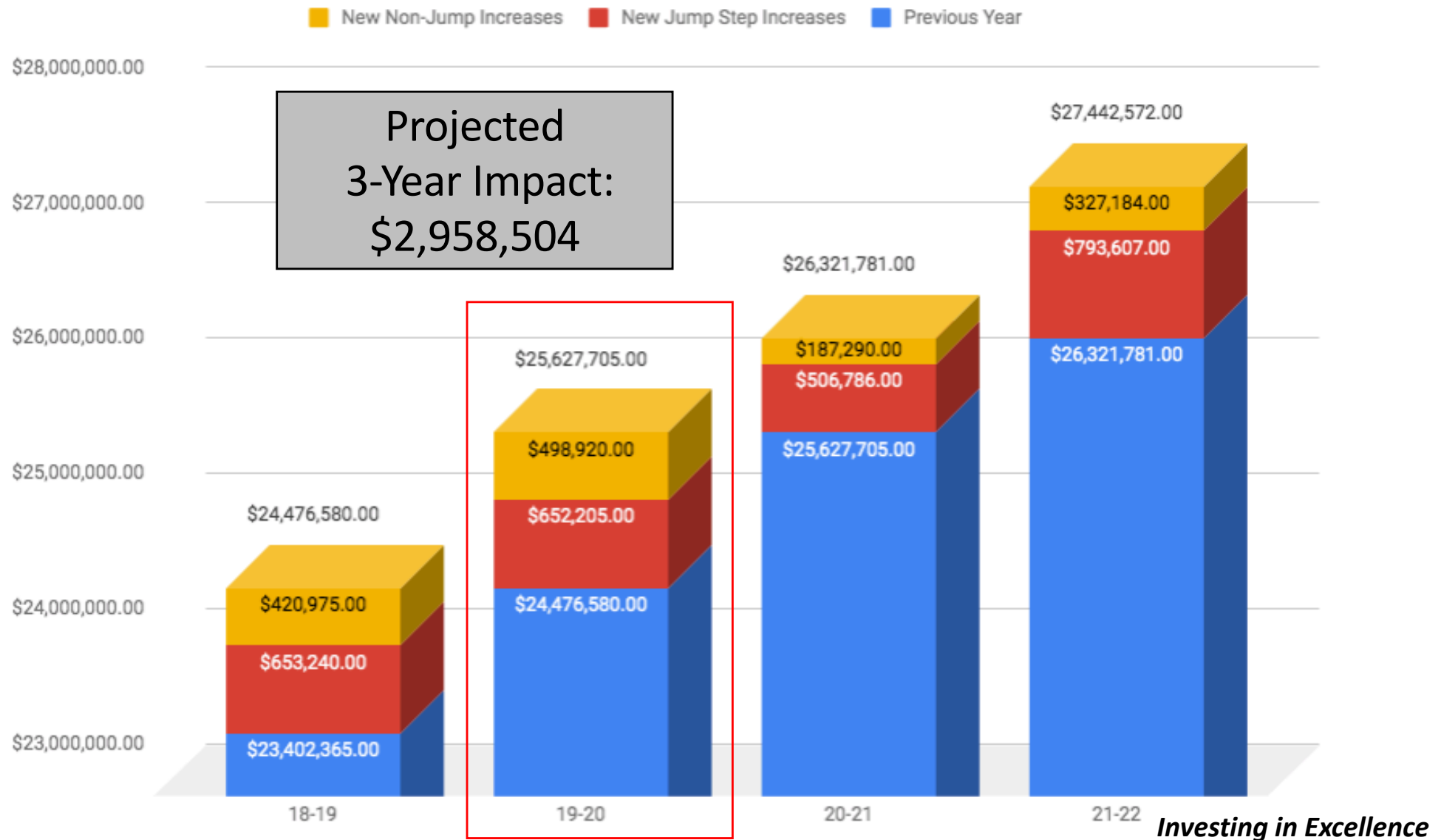
Education Level

Teacher Education Level (Projected for 2019/20)	
Bachelor's Degree	58
Master's Degree	238
Doctoral Degree	3

Step/Experience

Teacher Step Distribution (Projected for 2019/20)	
Step 1 - Step 10.5	75
Step 11 – Step 14	52
Step 15 – Step 16	172

Professional Salary Projections



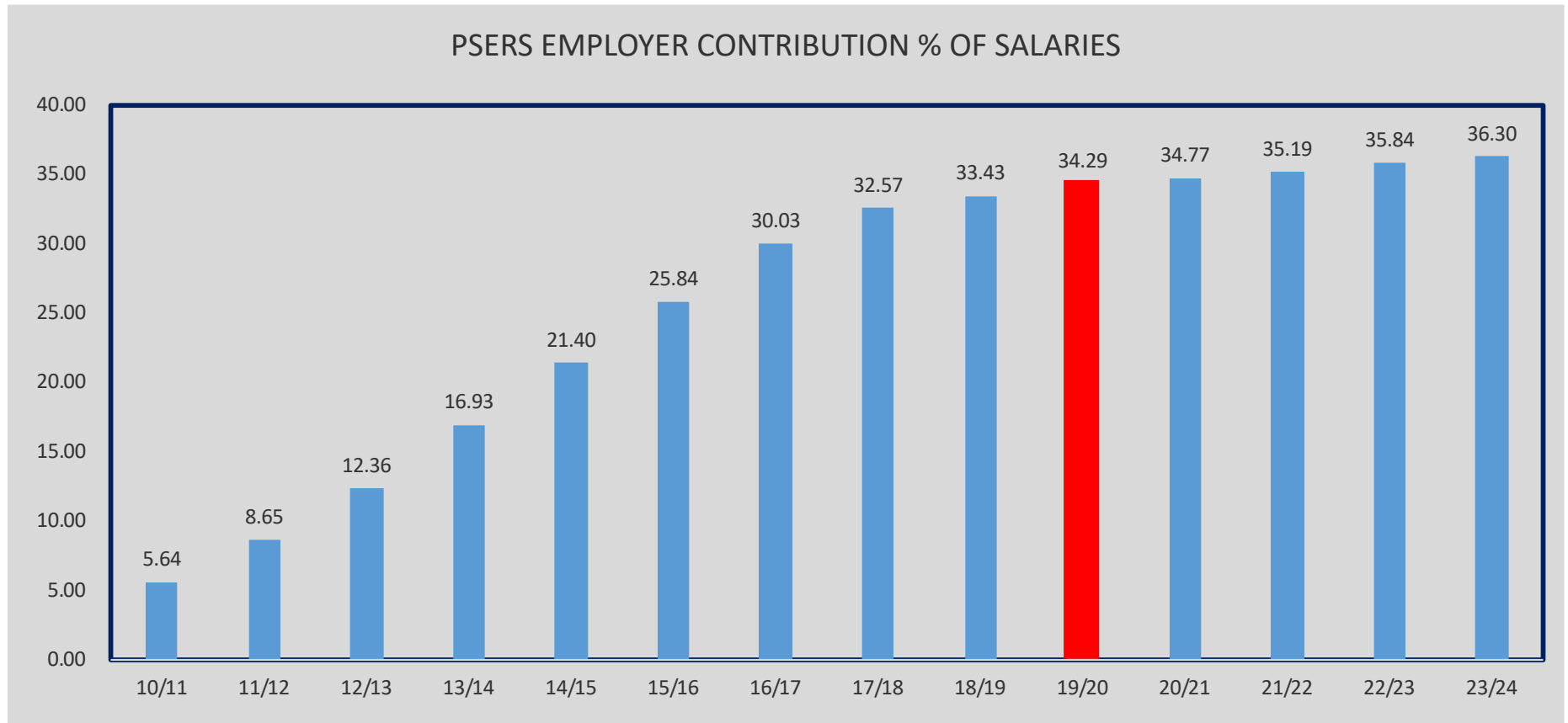
Projected 2019-20 Staff Change Estimates

Position	2018-2019 Actuals		2019-2020 Budgeted		Difference
<u>Retired/Resigned</u>	#		#		
Elementary Teacher (EI)	2	\$194,669	2	\$146,300	-\$48,369
Teachers Aide (Baker)	1	\$34,066	1	\$38,961	\$4,895
Special Ed Teacher (HS)	1	\$121,135	1	\$73,150	-\$47,895
FACS Teacher (Boyce)	1	\$121,135	1	\$73,150	-\$47,895
Special Ed Teacher (FC)	1	\$110,189	1	\$73,150	-\$37,039
Custodian (HS)	1	\$68,230	1	\$49,663	-\$18,567
<u>Planned Additions</u>					
Safety And Security Coord. (CO)	0	0	1	\$80,791	\$80,791
Math Teacher (HS)	.6	\$36,204	1	\$57,660	\$21,456
TOTALS	7.6	\$685,628	9	\$592,825	-\$92,803

**Extra 1.5 teachers tentatively budgeted as potential needs in multiple areas (World Language, Elementary, ESL)

**Budgeted at \$109,725 based upon salary/benefits at typical hiring step (Not included in -\$92,803 figure above)

PSERS State-Mandated Employer Rates



PSERS State-Mandated Employer Rates

PSERS	2010-11	2011-12	2012-13	2013-14	2014-15
Expense	\$1,761,483	\$2,708,042	\$3,806,954	\$5,204,310	\$6,779,701
PSERS Employer Rate	5.64%	8.65%	12.36%	16.93%	21.40%
State Reimbursement	\$855,946	\$1,406,124	\$1,903,477	\$2,602,155	\$3,389,850
Net PSERS Expense	\$905,538	\$1,301,918	\$1,903,477	\$2,602,155	\$3,389,850
NET millage required for PSERS	0.540	0.777	1.125	1.529	1.640
NET millage increase due to State-Mandated PSERS	0.089	0.236	0.348	0.405	0.111

PSERS	2015-16	2016-17	2017-18	2018-19	2019-20
Expense	\$8,428,395	\$10,131,981	\$11,523,487	\$12,334,183	\$13,246,206
PSERS Employer Rate	25.84%	30.03%	32.57%	33.43%	34.29%
State Reimbursement	\$4,214,198	\$5,065,991	\$5,761,744	\$6,167,092	\$6,623,103
Net PSERS Expense	\$4,214,198	\$5,065,991	\$5,761,744	\$6,167,092	\$6,623,103
NET millage required for PSERS	2.035	2.375	2.761	2.955	3.050
NET millage increase due to State-Mandated PSERS	0.395	0.340	0.386	0.194	0.094

**+\$456,011
for 19/20
budget
(7.39%)**

Cyber Charter Impact

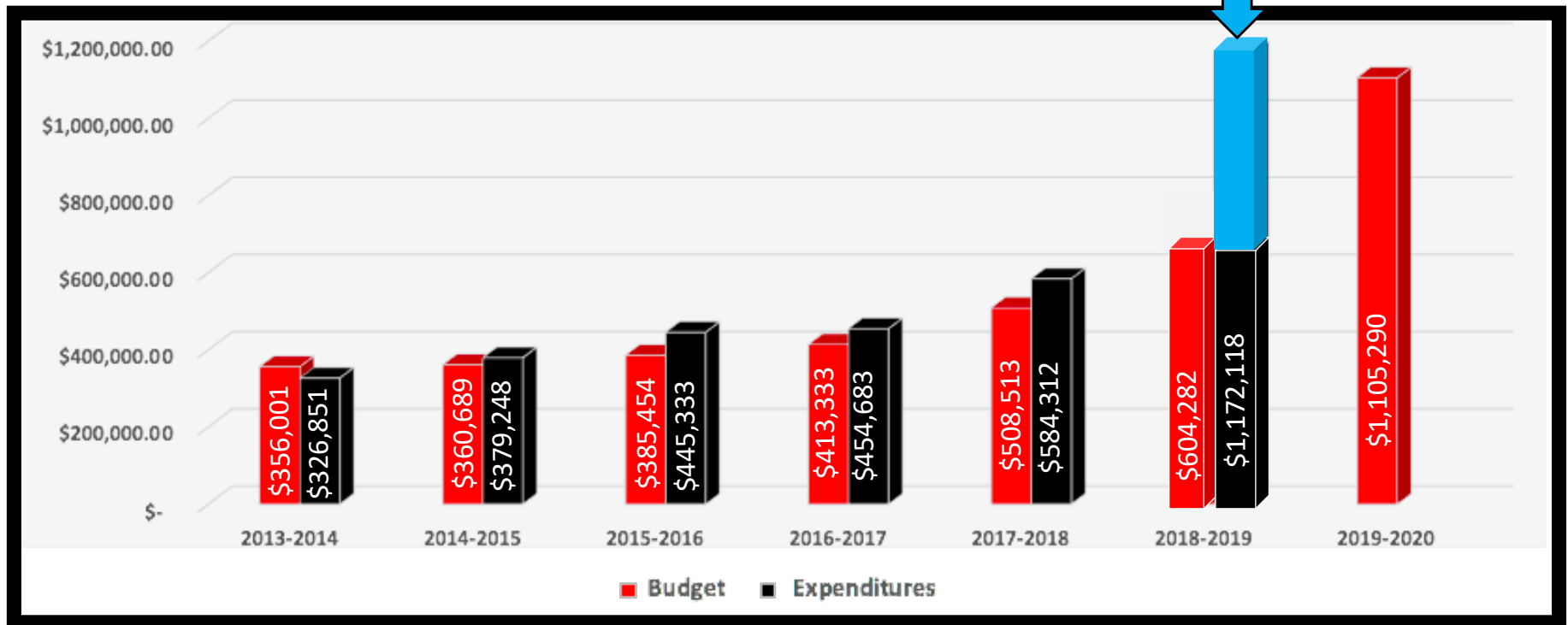
Cyber Charter Enrollment			
	17/18 (Actual)	18/19 (Budget)	19/20 (Budget)
Regular Ed	16	17	22
Special Ed	10	9	13
TOTAL	26	26	35

Cyber Charter Spending			
	17/18 (Actual)	18/19 (Budget)	19/20 (Budget)
Regular Ed	\$189,000	\$210,000	\$292,000
Special Ed	\$240,000	\$200,000	\$356,000
TOTAL	\$429,000	\$410,000	\$648,000

Budget Increase of \$238,000 for 19/20

Safety/Security Investments

Additional expenditures paid from fund balance and prepayments projected as of June 30, 2019



2019-20 Proposed Expenditures

BUDGET BY OBJECT		2016-17	2017-18	2018-19	2019-20	2019-20	YOY Difference	YOY Difference
		ACTUAL	ACTUAL	BUDGET	BUDGET	% of Budget	\$ Change	% Change
100	SALARIES	\$34,062,813	\$36,060,813	\$37,045,645	\$38,539,875	44.91%	\$ 1,494,230.31	4.03%
200	BENEFITS	\$20,295,826	\$21,589,017	\$22,885,628	\$23,812,956	27.75%	\$ 927,327.84	4.05%
300	CONTRACTED SERVICE	\$3,581,050	\$3,382,503	\$3,781,324	\$4,040,885	4.71%	\$ 259,560.91	6.86%
400	PURCHASED SERVICES	\$1,778,053	\$1,226,374	\$1,239,286	\$1,290,360	1.50%	\$ 51,073.79	4.12%
500	OTHER PURCHASED SERV	\$3,589,831	\$3,704,576	\$4,017,828	\$4,068,804	4.74%	\$ 50,975.84	1.27%
600	BOOKS & SUPPLIES	\$2,028,010	\$3,360,566	\$3,586,900	\$3,691,653	4.30%	\$ 104,752.67	2.92%
700	EQUIPMENT	\$292,926	\$59,205	\$160,186	\$191,654	0.22%	\$ 31,467.77	19.64%
800	MISC FEES	\$6,062,100	\$5,707,732	\$6,281,476	\$5,396,204	6.29%	\$ (885,272.02)	-14.09%
900	OTHER USES	\$3,855,412	\$4,660,426	\$4,622,078	\$4,789,799	5.58%	\$ 167,720.55	3.63%
TOTAL		\$ 75,546,022	\$ 79,751,213	\$ 83,620,352	\$ 85,822,189		\$2,201,837.66	
		4.44%	5.57%	4.85%	2.63%			



BAB Interest Reimbursement Payment of \$1,071,000 not included (Actual YOY % increase: 3.91% for comparability purposes)

2019-20 Proposed Expenditures

FUNCTION SUMMARY	2016-17	2017-18	2018-19	2019-20	2019-20	YOY Difference	YOY Difference
	Actual	Actual	Budget	Budget	% of Budget	\$ Change	% Change
1100 - REG ED REIMB	31,495,337	33,019,045	34,230,487	35,664,903	41.56%	\$ 1,434,415.87	4.3%
1200 - SPECIAL ED	9,240,019	9,202,193	10,403,024	10,725,898	12.50%	\$ 322,873.79	3.5%
1300 - VOCATIONAL ED	263,274	324,452	290,260	270,000	0.31%	\$ (20,260.00)	-6.2%
1400 - OTHER EDUCATION	219,304	354,120	262,325	223,491	0.26%	\$ (38,834.23)	-11.0%
2100 - SUPPORT SERV STUDENTS	2,032,873	2,267,125	2,581,190	2,756,879	3.21%	\$ 175,688.62	7.7%
2200 - SUPPORT SERVICES	2,075,817	2,661,640	2,809,544	2,741,723	3.19%	\$ (67,821.00)	-2.5%
2300 - SUPPORT SERV ADMIN	4,739,391	5,283,351	4,893,935	5,118,690	5.96%	\$ 224,755.33	4.3%
2400 NURSING SERV	628,994	679,818	653,951	697,825	0.81%	\$ 43,874.41	6.5%
2500 BUSINESS OFFICE	1,020,586	968,418	993,331	1,037,202	1.21%	\$ 43,870.45	4.5%
2600 - OPERATIONS	7,660,098	7,836,865	8,259,798	8,954,094	10.43%	\$ 694,295.83	8.9%
2700- TRANSPORTATION	4,020,191	4,136,901	4,502,972	4,453,914	5.19%	\$ (49,058.45)	-1.2%
2800 - TECH & HR	1,083,701	1,116,840	1,359,033	1,499,585	1.75%	\$ 140,552.45	12.6%
2900 -OTHER	61,480	134,509	59,560	61,751	0.07%	\$ 2,191.00	1.6%
3200 - STUDENT ACTIVITIES	1,552,224	1,721,811	1,780,654	1,818,254	2.12%	\$ 37,599.87	2.2%
5100 -DEBT	9,256,465	9,651,668	9,995,288	9,262,980	10.79%	\$ (732,308.14)	-7.6%
5200 - TRANSFERS	196,270	392,456	295,000	285,000	0.33%	\$ (10,000.00)	-2.5%
5900 - BUDGETARY RESERVE	0	0	250,000	250,000	0.29%	\$ -	
	\$ 75,546,022	\$ 79,751,213	\$ 83,620,353	\$ 85,822,189		2,201,836	
	4.44%	5.57%	4.85%	2.63%			

BAB Interest Reimbursement Payment of \$1,071,000 not included (Actual YOY % increase: 3.91% for comparability purposes)

Investing in Excellence

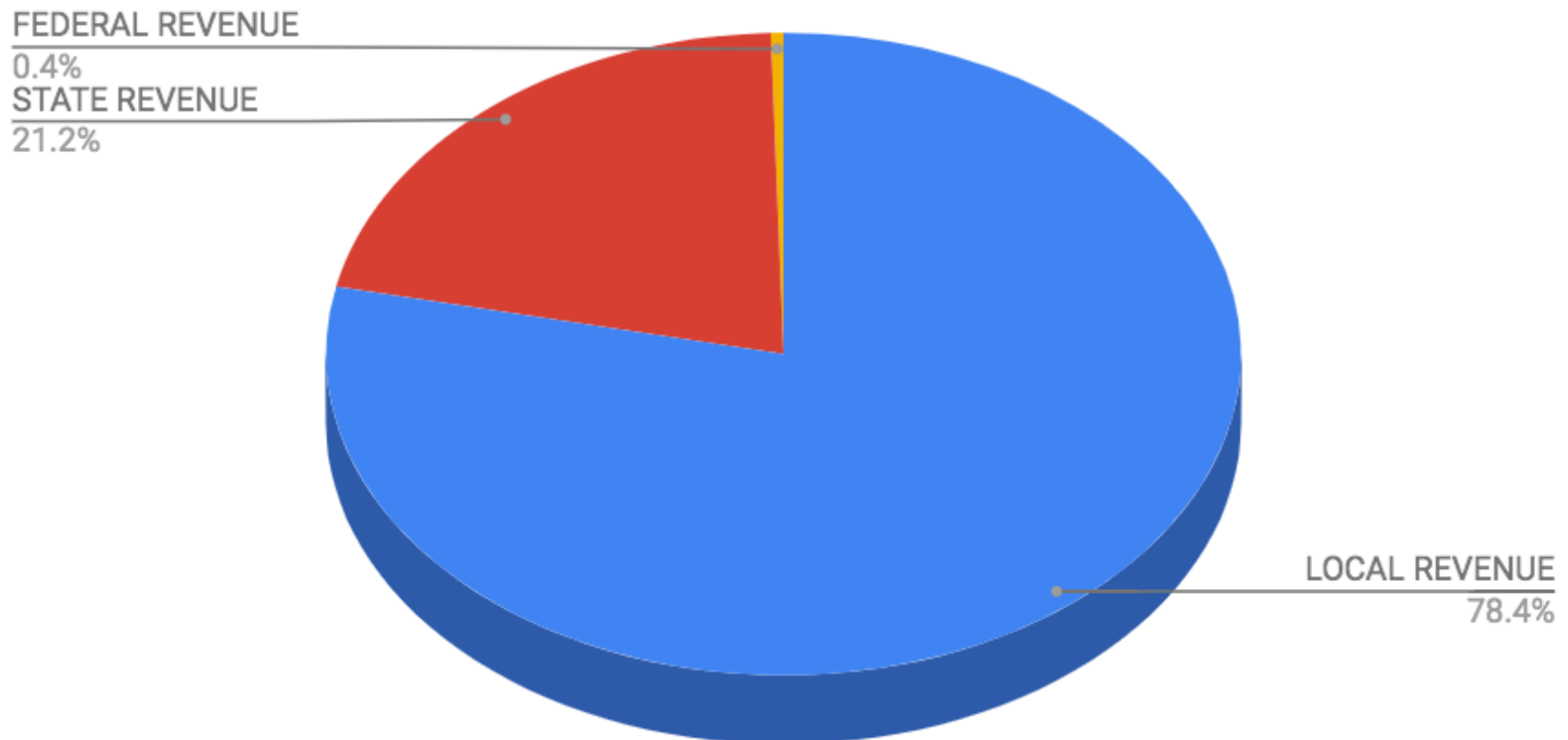
Revenues

Notable Revenue Considerations



- Act 1 Resolution set index of 2.3%
- No application for budget exceptions was submitted to PDE.
- Revenue projections with percentage increments up to the 2.3% Act 1 index maximum are provided for consideration.
- Growth in the assessed property value from \$2,235,513,841 to \$2,270,288,341 or \$34,774,500.
- State basic and special education subsidy have been budgeted to increase \$112k for next fiscal year. PSERS reimbursement from the State will continue to increase again next year.

USC 2019-20 Proposed Revenue



USC 2019-20 Proposed Revenue

REVENUE SOURCE	2017-18 ACTUAL	2018-19 BUDGET	BUDGET @ 2.0% increase	PERCENT OF BUDGET
LOCAL REVENUE	\$62,799,884	\$64,650,464	\$67,074,726	78.3%
STATE REVENUE	\$16,936,513	\$17,510,804	\$18,132,403	21.2%
FEDERAL REVENUE	\$1,600,946	\$1,452,027	\$381,027	0.4%
SALE OF FIXED ASSETS	\$70,647	\$0	\$25,000	0.0%
TOTAL REVENUE	\$81,407,990	\$83,613,295	\$85,613,155	100.0%

2019-20 Local Revenue Analysis

ACCOUNT	TITLE	2017-18 ACTUAL	2018-19 BUDGET	2019-20 BUDGET	2019-20 BUDGET	2019-20 BUDGET
		REAL ESTATE TAX INCREASE		1.80%	2.00%	2.30%
R6111	CURRENT REAL ESTATE	53,003,153	\$55,105,912	\$57,177,434	\$57,292,674	\$57,465,089
R6112	INTERIM REAL ESTATE	176,356	\$340,000	\$365,000	\$365,000	\$365,000
R6113	PUBLIC UTILITY REAL ESTATE	56,104	\$60,000	\$57,500	\$57,500	\$57,500
R6151	EARNED INCOME TAX	5,578,247	\$5,668,552	\$5,668,552	\$5,668,552	\$5,668,552
R6153	REAL ESTATE TRANSFER	976,336	\$650,000	\$650,000	\$650,000	\$650,000
R6157	MERCANTILE TAX	350,847	\$375,000	\$375,000	\$375,000	\$375,000
R6411	DEL REAL ESTATE TAX	571,182	\$500,000	\$575,000	\$575,000	\$575,000
R6451	DELINQUENT EIT	65,026	\$75,000	\$65,000	\$65,000	\$65,000
R6510	INTEREST INCOME	314,884	\$290,000	\$525,000	\$525,000	\$525,000
R6710	ATHLETIC REVENUE	164,181	\$175,000	\$175,000	\$175,000	\$175,000
R6832	IDEA PASS THRU	612,116	\$606,000	\$600,000	\$600,000	\$600,000
R6990	MISC. REVENUE	931,452	\$805,000	\$726,000	\$726,000	\$726,000

2019-20 State Subsidy Analysis

		2018-19	2019-20
ACCOUNT	TITLE	BUDGET	BUDGET
R7110	BASIC INSTRUCT SUBSIDY	\$4,496,621	\$4,609,832
R7271	SPEC ED REGULAR PROGRAMS	\$1,926,364	\$1,967,316
R7310	TRANSPORTATION	\$900,000	\$900,000
R7320	RENT & SINKING FUND	\$815,361	\$775,000
R7330	HEALTH SERVICES	\$85,000	\$84,000
R7340	STATE PROP TAX REDUCTION	\$1,389,632	\$1,389,632
R7505	READY TO LEARN BLOCK GRANT	\$332,045	\$332,045
R7810	SOCIAL SECURITY REIMBURSEMENT	\$1,404,289	\$1,454,842
R7820	RETIREMENT REIMBURSEMENT	\$6,161,492	\$6,619,736
TOTAL STATE SUBSIDY & REIMBURSEMENT		\$17,510,804	\$18,132,403

		2018-19	2019-20		
		BUDGET	BUDGET	\$ Increase	% of the Increase
SUBSIDY (EDUCATIONAL & NON-EDUACTIONAL PROGRAMS)		\$9,945,023	\$10,057,825	\$112,802	18.15%
REIMBURSEMENT (PSERS & SOCIAL SECURITY)		\$7,565,781	\$8,074,578	\$508,797	81.85%
	TOTAL	\$17,510,804	\$18,132,403	\$621,599	3.55%

REVENUE 2019-20 PROPOSED FINAL BUDGET

		2017-18	2018-19	2019-20	2019-20	2019-20
ACCOUNT	TITLE	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET
		REAL ESTATE TAX INCREASE		1.80%	2.00%	2.30%
R6111	CURRENT REAL ESTATE	53,003,153	\$55,105,912	\$57,177,434	\$57,292,674	\$57,465,089
R6112	INTERIM REAL ESTATE	176,356	\$340,000	\$365,000	\$365,000	\$365,000
R6113	PUBLIC UTILITY REAL ESTATE	56,104	\$60,000	\$57,500	\$57,500	\$57,500
R6151	EARNED INCOME TAX	5,578,247	\$5,668,552	\$5,668,552	\$5,668,552	\$5,668,552
R6153	REAL ESTATE TRANSFER	976,336	\$650,000	\$650,000	\$650,000	\$650,000
R6157	MERCANTILE TAX	350,847	\$375,000	\$375,000	\$375,000	\$375,000
R6411	DEL REAL ESTATE TAX	571,182	\$500,000	\$575,000	\$575,000	\$575,000
R6451	DELINQUENT EIT	65,026	\$75,000	\$65,000	\$65,000	\$65,000
R6510	INTEREST INCOME	314,884	\$290,000	\$525,000	\$525,000	\$525,000
R6710	ATHLETIC REVENUE	164,181	\$175,000	\$175,000	\$175,000	\$175,000
R6832	IDEA PASS THRU	612,116	\$606,000	\$600,000	\$600,000	\$600,000
R6990	MISC. REVENUE	931,452	\$805,000	\$726,000	\$726,000	\$726,000
R7110	BASIC INSTRUCT SUBSIDY	4,382,382	\$4,496,621	\$4,609,832	\$4,609,832	\$4,609,832
R7271	SPEC ED REGULAR PROGRAMS	1,887,520	\$1,926,364	\$1,967,316	\$1,967,316	\$1,967,316
R7310	TRANSPORTATION	910,603	\$900,000	\$900,000	\$900,000	\$900,000
R7320	RENT & SINKING FUND	879,787	\$815,361	\$775,000	\$775,000	\$775,000
R7330	HEALTH SERVICES	83,874	\$85,000	\$84,000	\$84,000	\$84,000
R7340	STATE PROP TAX REDUCTION	1,389,362	\$1,389,632	\$1,389,632	\$1,389,632	\$1,389,632
R7505	READY TO LEARN BLOCK GRANT/OTHER GRANTS	337,467	\$332,045	\$332,045	\$332,045	\$332,045
R7810	SOCIAL SECURITY REIMBURSEMENT	1,314,003	\$1,404,289	\$1,454,842	\$1,454,842	\$1,454,842
R7820	RETIREMENT REIMBURSEMENT	5,751,515	\$6,161,492	\$6,619,736	\$6,619,736	\$6,619,736
R8000's	FEDERAL SUBSIDY	1,600,946	\$1,452,027	\$381,027	\$381,027	\$381,027
9400	SALE OR COMPENSATION FOR LOSS OF FIXED ASSETS	70,647		\$25,000	\$25,000	\$25,000
		\$81,407,990	\$83,613,295	\$85,497,915	\$85,613,155	\$85,785,570

Other Considerations

**Table 3: Act 1 Index History
and Forecast**

Fiscal Year	SAWW ¹	ECI ²	Base Index ³	Weighted Index ⁴
2007-08	2.8%	4.0%	3.4%	4.3%
2008-09	4.3	4.5	4.4	4.9
2009-10	4.6	3.6	4.1	4.6
2010-11	2.7	3.0	2.9	3.3
2011-12	0.9	1.9	1.4	2.0
2012-13	2.1	1.3	1.7	1.9
2013-14	2.0	1.4	1.7	1.9
2014-15	2.6	1.6	2.1	2.5
2015-16	2.4	1.4	1.9	2.5
2016-17	2.5	2.2	2.4	2.7
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	2.0	2.6	2.3	2.6
2021-22	2.8	2.9	2.8	3.2
2022-23	3.0	3.0	3.0	3.4
2023-24	3.5	3.0	3.2	3.6

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.

Sources: Pennsylvania Department of Education, Pennsylvania Department of Labor and Industry and IHS Markit. Weighted index calculated by the IFO.

Act 1 Index Projections

Fund Balance

	As of June 30, 2015	As of June 30, 2016	As of June 30, 2017	As of June 30, 2018
Nonspendable:				
Inventory	\$1,479,959	\$1,479,959	\$1,380,419	\$1,267,420
Prepaid Expenditures		\$13,143	\$72,656	\$140,330
Total Nonspendable Fund Balance	\$1,479,959	\$1,493,102	\$1,453,075	\$1,407,750
Assigned to:				
Security Costs				\$300,000
Post-employment benefits (OPEB)				\$1,000,000
Total Assigned Fund Balance	\$0	\$0	\$0	\$1,300,000
Unassigned*	\$2,579,743	\$2,008,262	\$3,326,884	\$3,858,811
Total Fund Balance	\$4,059,702	\$3,501,364	\$4,779,959	\$6,566,561
* Unassigned Fund Balance used in determining compliance with the 8% fund balance limitation related to real estate tax increases.				

2019-20 Proposed Final Budget

Deficit summary based on tax increase percentage

	2019-20 BUDGET	2019-20 BUDGET	2019-20 BUDGET
	1.80 % Real Estate Tax increase	2.0% Real Estate Tax increase	2.3% Real Estate Tax increase
REVENUES	\$85,497,915	\$85,613,155	\$85,785,570
EXPENDITURES	\$85,822,189	\$85,822,189	\$85,822,189
TOTAL DEFICIT	(\$324,274)	(\$209,034)	(\$36,619)

Millage Impact on Cumulative Revenue

Tax/Revenue Impact vs. 2.3%

% millage increase for 2019/20	Increase in 2019/20 real estate taxes for an assessed home of \$250K.	Revenue reduction in 2019/20 below 2.3% (1 year impact)	Cumulative reduction of revenue in 2024/25 (5 year impact)	Cumulative reduction of revenue in 2029/30 (10 year impact)
1.8%	\$9.70/month	(\$287,655)	(\$1,549,809)	(\$3,303,277)
2.0%	\$10.77 /month	(\$172,415)	(\$909,759)	(\$1,904,398)
2.3%	\$12.39/month	-	-	-

USCSD 2019-20 Budget Timeline



Date	Budget Action
May 6, 2019	Detailed Budget Presentation
May 20, 2019	Adopt 2019-20 Proposed Final Budget (PDE 2028)
June 3, 2019	Budget Update & Capital Reserve Budget Presentation
June 19, 2019	Adopt 2019-20 Final Budget



Questions?

