

Upper St. Clair School District

Proposed Final

2016-17 General Fund Budget

June 6, 2016



Customizing Learning,
Nurturing Potential...
Delivering Excellence



2016-17 Proposed Final Budget

2016-17 Budget	As of April 12	Comments	As of April 25	Comments	As of May 9		As of June 6	Variance
Revenues	\$76,203,330	Primarily related to lower PSERS and FICA	\$76,183,919	Primarily related to additional assessed values that were not included in the County template related to new construction	\$76,298,306	Primarily due to actual ERI elections	\$76,298,723	\$417
Expenditures	\$77,151,851	Salary adjustments	\$77,002,660	Attritional reductions of 5.5 FTE professional positions and Technology reductions	\$76,226,129	Primarily due to lower insurance premiums and actual salary and benefit expenses related to ERI elections	\$76,174,487	(\$51,642)
Possible Budget Outcome	(\$948,521)		(\$818,741)		\$72,177		\$124,236	\$52,059

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Includes Tax Increase of 2.8% Adj. Act 1 Index of .6450 Mills + Estimated Exceptions of .6583 mills = Total Increase of 1.3033 mills. New Millage = 24.3388	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	\$76,298,723	\$3,932,845	5.4%	
Expenses						
100 Salaries	\$32,059,193	\$33,291,727	\$34,056,635	\$764,908	2.3%	Salary increases net of the 9 retirements and 6 support staff and related attritional reductions
200 Benefits	\$16,878,031	\$18,619,650	\$20,579,530	\$1,959,881	10.5%	PSERS and health care increases
300 Contracted Services	\$4,040,246	\$4,036,635	\$4,107,650	\$71,015	1.8%	Higher professional educational services and ARA fee
400 Purchased Services	\$1,707,703	\$1,643,159	\$1,720,061	\$76,902	4.7%	Higher energy expenses offset by lower insurance premiums
500 Other Purchased Services	\$2,933,574	\$2,899,949	\$3,112,822	\$212,873	7.3%	Higher tuition to other LEAs and APS
600 Books and Supplies	\$1,793,211	\$1,873,231	\$1,964,564	\$91,334	4.9%	General supplies
700 Equipment	\$1,104,516	\$1,436,455	\$1,477,648	\$41,193	2.9%	Lease payments for the additional iPad implementation
800 Miscellaneous Fees	\$5,903,158	\$5,948,826	\$5,705,762	(\$243,064)	-4.1%	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	\$76,174,487	\$3,428,792	4.7%	
Revenues Less Expenses	(\$979,556)	(\$379,818)	\$124,236			

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Base Budget Outcome	<i>Includes 5.4 FTE Professional and 6 Support Staff Attritional Reductions</i>	\$124,236
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	\$556,183

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	As of June 30, 2015	Final Budget 2015-16	Base Budget ** Proposed Budget 2016-17	% of 2016-17 Budget
Nonspendable:				
Inventory	\$1,479,959	\$1,479,959	\$1,479,959	
Total Nonspendable Fund Balance	\$1,479,959	\$1,479,959	\$1,479,959	
 Unassigned*	 \$2,579,743	 \$2,199,925	 \$2,324,160	 3.1%
 Total Fund Balance	 \$4,059,702	 \$3,679,884	 \$3,804,119	

* 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.

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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>	 \$2,666,107 	 \$3,046,979 	 \$3,808,724	 \$4,570,469
 <i>Total Fund Balance</i>	 <u>\$4,146,066</u>	 <u>\$4,526,938</u>	 <u>\$5,288,683</u>	 <u>\$6,050,428</u>
 <i>Proforma Budget Outcome</i>	 \$466,182	 \$847,055	 \$1,608,799	 \$2,370,544

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Per \$100,000 of Assessment	2015-16 Millage	2016-17 Proposed Millage	<i>Increase</i>	<i>% Increase</i>
Millage	23.0355	24.3388	1.3033	5.7%
Taxes per \$100,000 of Assessment	\$2,304	\$2,434	\$130	5.7%
Taxes per Median Home Value (5,908 Homesteads) of \$230,000	\$5,298	\$5,598	\$300	5.7%

Long Term Projections

<i>Forecast Reflecting the most recent State-Mandated PSERS Projections</i>	Actual 2014-15	Final Budget 2015-16	Proposed Final 2016-17	2017-18	2018-19	2019-20	2020-2021	2021-22
Total Revenues	\$68,634,956	\$72,365,878	\$76,298,723	\$78,953,743	\$81,559,083	\$84,195,333	\$86,611,027	\$89,233,271
Total Expenditures	\$69,614,512	\$72,745,696	\$76,174,487	\$78,878,756	\$81,433,038	\$83,965,778	\$85,962,313	\$88,476,050
Budget Outcome*	(\$579,556)	(\$379,818)	\$124,236	\$74,988	\$126,045	\$229,555	\$648,714	\$757,221
<i>Millage Increase, Including Act 1 Index Increase of 2.8%</i>	1.582	0.840	1.303	0.681	0.701	0.720	0.740	0.761
* State-mandated PSERS Expenditures, Net of Reimbursement	\$3,430,594	\$4,275,451	\$5,113,604	\$5,602,424	\$5,973,388	\$6,304,502	\$6,342,022	\$6,510,700
State-Mandated PSERS Employer Rate	21.40%	25.84%	30.03%	32.04%	33.27%	34.20%	33.51%	33.51%
Millage Required for State-Mandated PSERS	1.653	2.035	2.375	2.588	2.745	2.882	2.883	2.944
Net Millage increase due to state-mandated PSERS - year over year	0.820	0.421	0.782	0.226	0.170	0.151	0.017	0.076

Long Term Projections - March 2012

			DATA DEVELOPED FROM A HIGH LEVEL MODEL USING HISTORICAL DATA AND NOT BUDGET SUBMISSIONS FOR 2012-13.				
Scenario	Illustrative Millage Increases for 2012-13	Note: Model results include the use of \$402,000 PSERS credit from refinancing.	2012-13	2013-14	2014-15	2015-16	Total Staff Reductions
1	0.41		(\$1,393,433)	(\$4,683,820)	(\$5,777,861)	(\$6,652,026)	
		Professional Retirements	14	5	5	5	
		Professional Staff Reductions	10				10
		Support Staff Reductions	6				6
2	0.41		(\$370)	(\$986)	(\$838,511)	(\$1,481,344)	
		Professional Retirements	14	5	5	5	
		Professional Staff Reductions	24	29			53
		Support Staff Reductions	6	6			12
3	0.75		(\$837,513)	(\$4,115,371)	(\$5,196,600)	(\$6,057,664)	
		Professional Retirements	14	5	5	5	
		Professional Staff Reductions	10				10
		Support Staff Reductions	6				6
4	0.75		\$58,028	\$14,324	(\$840,697)	(\$1,497,750)	
		Professional Retirements	14	5	5	5	
		Professional Staff Reductions	19	29			48
		Support Staff Reductions	6	5			11
5	1.00		(\$428,202)	(\$3,696,835)	(\$4,768,631)	(\$5,620,050)	
		Professional Retirements	14	5	5	5	
		Professional Staff Reductions	10				10
		Support Staff Reductions	6				6
6	1.00		\$69,321	\$13,169	(\$855,394)	(\$1,523,544)	
		Professional Retirements	14	5	5	5	
		Professional Staff Reductions	15	29			44
		Support Staff Reductions	6	5			11

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- **From 2012-13 to 2016-17**
 - Staff concessions from all staff members
 - Salary rollbacks and salary freezes
 - Attritional staff reductions, where appropriate
 - Board and Community Commitment to the District
 - Millage increases from 20.0753 mills (24.1 mills adjusted by 16.7% reduction for the reassessment) for 2011-12 to 24.3388 in 2016-17 for a net increase of 4.2635 mills
 - This increase represents a \$426 increase for every \$100,000 of assessed value over the 5 years or about \$85/yr.

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- Next Steps
 - Continued due diligence through Budget adoption in June 2016
 - Committee and Board Meeting Dates
 - June 21 – Final Budget Approval



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Q & A