

Upper St. Clair School District

Preliminary Overview

2016-17 General Fund Budget

May 9, 2016



Customizing Learning,
Nurturing Potential...
Delivering Excellence



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

# FTEs	Positions
1.5	Elementary Classroom Teacher Sections will be reduced from a total of 57.5 to 56
0.5	Elementary Art Teachers will be reduced from 3 to 2.5
0.5	Elementary Resource Teachers will be reduced from a total of 9 to 8.5. Baker will go from 3 to 2.5
1	High School Social Studies teachers will be reduced from 12 to 11.
1	World Language teachers reduced from 18 to 17
1	Family and Consumer Science (FACS) will be reduced from 4 to 3, grades 5 to 12.
6	Secretarial and Aides Positions

2016-17 Proposed Budget

- Key Financial Updates:
 - Revenues – increase of \$146,626:
 - Several construction assessments (Bednar Farms) not included in the May 1 Template from the County
 - An additional \$10 million added to the assessments - about \$230,000 of additional revenues
 - Lower PSERS and FICA revenues due to 5.5 FTE reduction – about \$55,000
 - Other miscellaneous reductions of about \$30,000
 - Expenses – decrease of \$469,534:
 - Total salary and benefit reduction of about \$415,000 as a result of the 5.5 FTE professional attritional reduction
 - Net savings of approximately \$25,000 related to contracted services in lieu of the additional Special Ed teacher
 - Reduction of \$30,000 related to Technology

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. New Millage = 24.3388</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	\$76,330,545	\$3,964,668	5.5%	
Expenses							
100	Salaries	\$32,059,193	\$33,291,727	\$34,225,546	\$933,819	2.8%	Salary increases net of the 9 retirements
200	Benefits	\$16,878,031	\$18,619,650	\$20,741,792	\$2,122,142	11.4%	PSERS and health care increases
300	Contracted Services	\$4,040,246	\$4,036,635	\$4,250,650	\$214,015	5.3%	Higher professional educational services and ARA fee
400	Purchased Services	\$1,707,703	\$1,643,159	\$1,577,061	(\$66,098)	-4.0%	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	\$1,964,564	\$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	\$76,533,126	\$3,787,430	5.2%	
Revenues Less Expenses		(\$979,556)	(\$379,818)	(\$202,580)			

2016-17 Proposed Budget

<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

2016-17 Budget	As of April 12	Comments	As of April 25	Comments	As of May 9	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	\$76,330,545	\$146,626
Expenditures	\$77,151,851	Salary adjustments	\$77,002,660	Attritional reductions of 5.5 FTE professional positions and Technology reductions	\$76,533,126	(\$469,534)
Possible Budget Outcome	(\$948,521)		(\$818,741)		(\$202,580)	\$616,160

2016-17 Proposed Budget

Final Expenditure Budget for 2015-16	\$72,745,696	\$72,745,696	\$72,745,696	Key Changes
Proposed Budget	As of April 12	As of April 25	As of May 9	
Staff Salary Additions (Reductions):				
Business/HR Office Transition (retirement)	\$85,000	\$85,000	\$85,000	Retirement transition Replaced with contracted services
Additional Staff member in Special Ed	\$50,000	\$50,000		
Additional Tech Support Staff member in Technology	\$50,000	\$50,000	\$50,000	
.4 FTE Addition at HS for Chemistry	\$20,000	\$20,000	\$20,000	
Additional Bus Attendants	\$24,688	\$24,688	\$24,688	
Total Staff Additions (Reductions)	\$229,688	\$229,688	\$179,688	
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	\$73,243	
Cabling for HS wireless access points (\$85,000 funded through Capital Reserve)				E-rate Eligible
Replacement core switch (\$250,610 leased for \$53,238/yr over 5 yrs @ 2.5%)	\$41,732	\$53,238	\$53,238	E-rate Eligible
UPS for replacement core switch (\$8,424 leased for \$1,813/yr over 5 yrs @ 2.5%)	\$1,856	\$1,813	\$1,813	E-rate Eligible
Elementary teacher laptops (\$141,125 leased for \$29,562/yr over 5 yrs @ 1.90%)	\$27,294	\$29,562	\$29,562	
iPad applications for students and teachers	\$18,000	\$18,000	\$14,400	
Additional HS wireless access points for 1:1 expansion (\$120,000 funded through Capital Reserve)				E-rate Eligible
Ideal Integrations - network support	\$30,000	\$30,000	\$27,500	
Software Licensing Fees	\$101,857	\$101,857	\$81,334	Newsela, Keyboarding, NoRedInk, New Vocabulary (includes \$10,000 reduction for Blended Schools)
Curriculum support including musical instruments, kiln and sanders for the Fab Lab	\$49,129	\$49,129	\$49,129	
Additional contracted support for Special Ed in lieu of a new hire			\$25,000	
Tuition to other LEAs and PRRI/APS	\$166,458	\$166,458	\$166,458	
Total Educational, Programming and Enabling Technologies Requests	\$531,779	\$523,300	\$521,677	

2016-17 Proposed Budget

Proposed Budget	As of April 12	As of April 25	As of May 9	
Existing Staff Salary and Benefit Cost Increases (Decreases):				
Higher PSERS employer contributions	\$1,846,647	\$1,815,708	\$1,727,029	
Overall salary increases, net of the \$450,000 savings from 9 retirements and staff increases denoted above	\$1,102,459	\$999,430	\$754,130	<i>Net of 9 professional retirements with 5.5 attritional reductions</i>
Higher healthcare cost due to 3% increase	\$244,561	\$244,561	\$186,209	<i>Lower cost due to fewer staff members</i>
Tuition reimbursement	\$120,000	\$120,000	\$120,000	
Higher FICA cost	\$101,909	\$94,028	\$71,437	
Total Salary and Benefit Cost Increases	\$3,415,576	\$3,273,726	\$2,858,806	
Significant Business and Operational Increases (Decreases):				
Principal and interest payment	\$219,952	\$219,952	\$219,952	
Replacement for the Food Service Truck and a used wheelchair van	\$113,165	\$113,165	\$113,165	
Contracted carriers primarily related to Special Ed	\$100,000	\$100,000	\$100,000	
Lease cost for HS turf (to be reviewed and determined)	\$90,000	\$85,680	\$85,680	<i>Capital Reserve vs. GF</i>
Transportation supplies	\$45,000	\$45,000	\$45,000	
Higher Aramark Management Fee with offsetting guaranteed energy savings (to be further reviewed and determined)	\$22,569	\$22,569	\$22,569	
Estimated increase in insurance premiums	\$19,277	\$19,277	\$19,277	
Lower diesel fuel expense due to favorable market conditions	(\$79,026)	(\$79,026)	(\$79,026)	
All Others	(\$301,825)	(\$296,368)	(\$299,359)	<i>Primarily capital equipment such as Fab Lab investment</i>
Total Business and Operational	\$229,112	\$230,249	\$227,258	
Total Increases (Decreases) Under Consideration as Outlined Above	\$4,406,156	\$4,256,964	\$3,787,430	
Total Preliminary Budgeted Expenses	\$77,151,851	\$77,002,660	\$76,533,125	(\$469,535)

2016-17 Proposed Budget

Base Budget Outcome	Includes 5.5 FTE Attritional Reductions	(\$202,580)
Budget Reduction Worksheet	(FTEs)	Estimated Savings
Targeted Support Staff Attritional Reductions	6.00	\$300,000
		\$300,000
	Proforma Budget Outcome	\$97,420
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	\$529,367

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	\$76,330,545	\$78,988,439	\$81,596,105	\$84,234,522	\$86,650,919	\$89,274,559
Total Expenditures	\$69,614,512	\$72,745,696	\$76,533,126	\$79,254,038	\$81,824,291	\$84,373,114	\$86,383,256	\$88,912,453
Budget Outcome*	(\$579,556)	(\$379,818)	(\$202,580)	(\$265,600)	(\$228,186)	(\$138,592)	\$267,664	\$362,106
<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	\$5,138,966	\$5,630,431	\$6,003,488	\$6,336,526	\$6,374,498	\$6,544,312
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	2.387	2.601	2.759	2.896	2.898	2.959
Net Millage increase due to state-mandated PSERS - year over year	0.820	0.421	0.794	0.227	0.171	0.152	0.017	0.077

2016-17 Proposed Budget

Capital Budget

2016-17 Proposed Capital Reserve Budget

		<i>Estimated Balance at 6/30/16</i>			\$150,859	\$150,859	
		<i>Proceeds from Bond Issue</i>			\$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 Field	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 16 – Proposed Final Budget Deadline
 - June 6
 - June 21 – Final Budget Approval



Customizing Learning,
Nurturing Potential...
Delivering Excellence



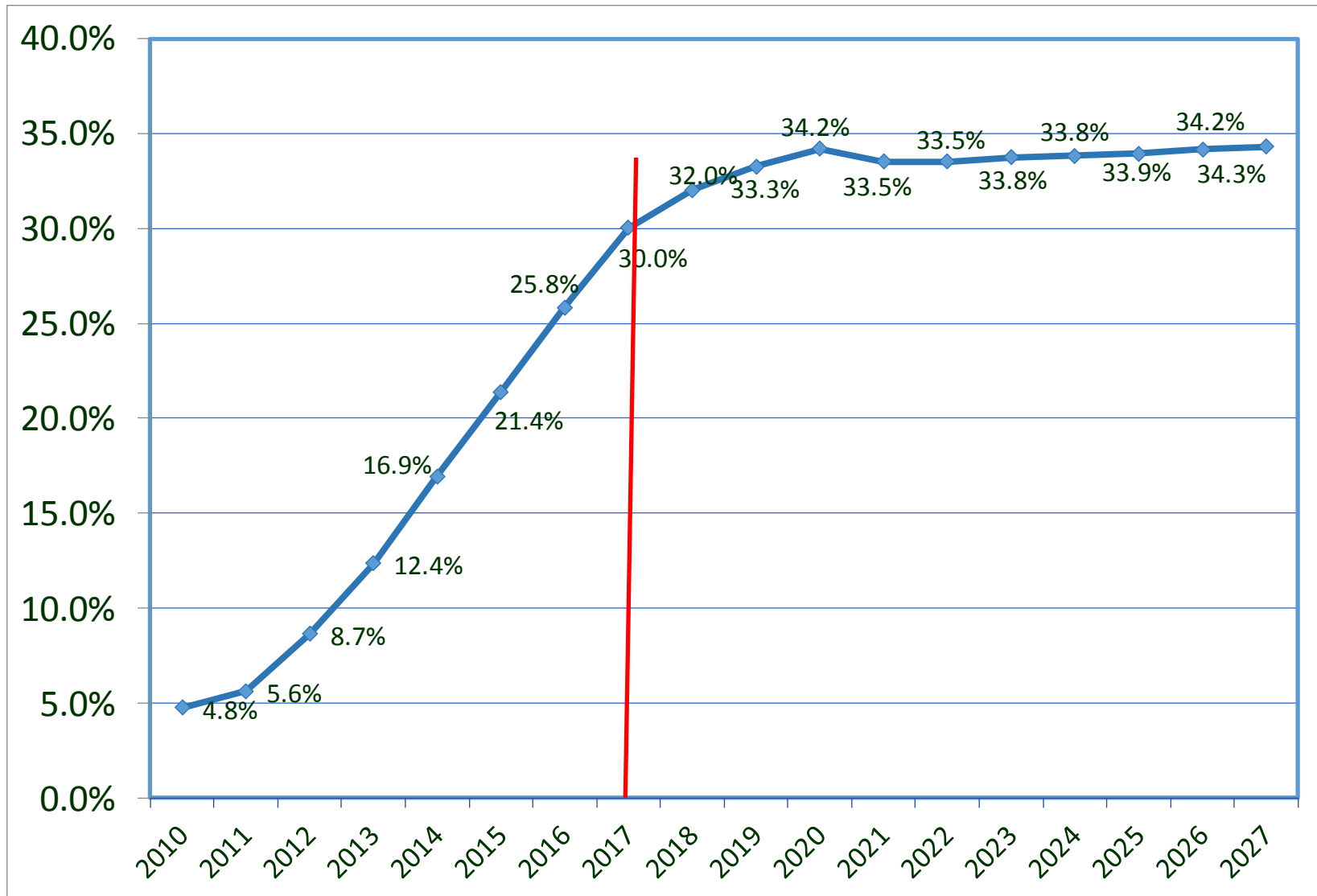
2016-17 Proposed Budget

Q & A

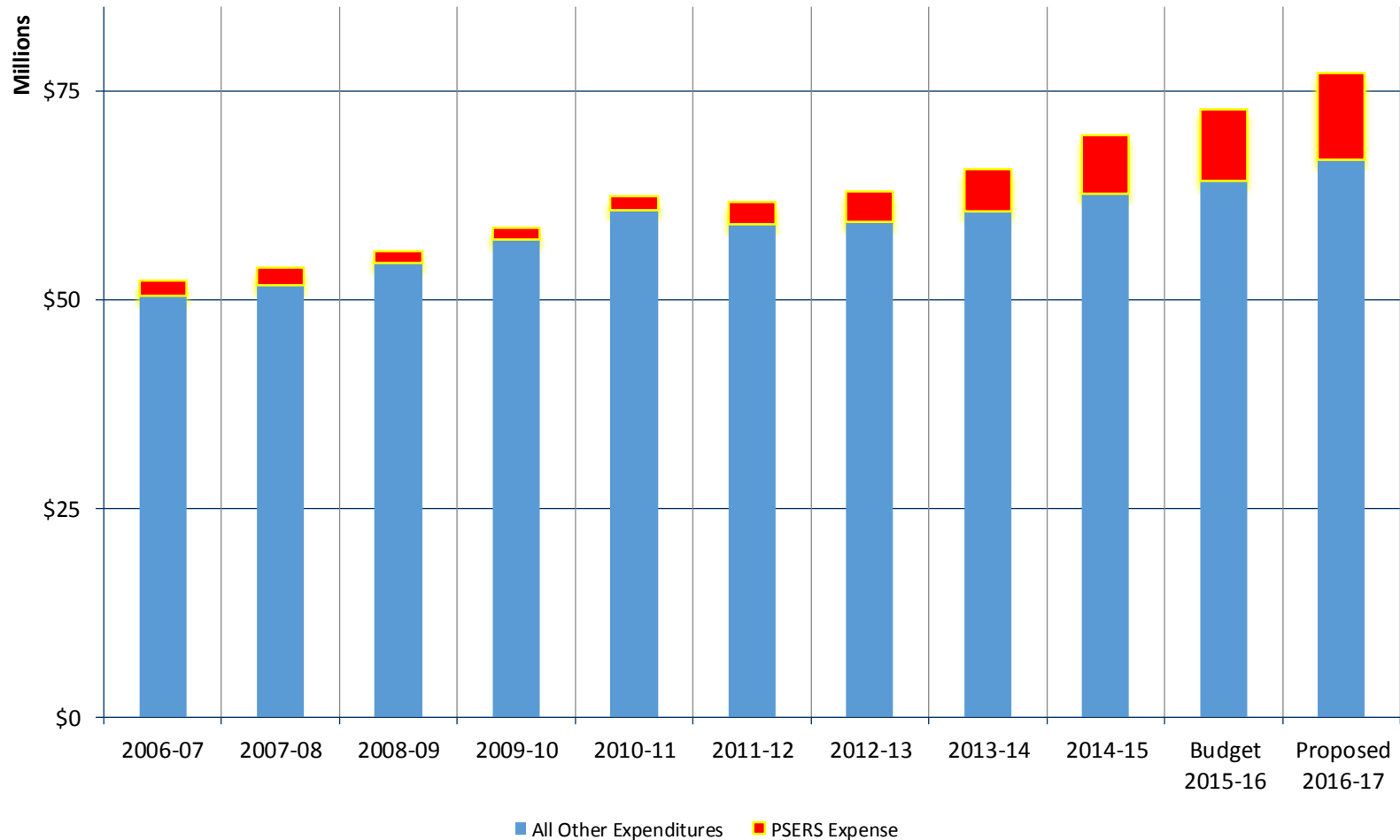
2016-17 Proposed Budget

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	 \$1,997,345	 2.6%	 \$2,199,925	 2.9%
 Total Fund Balance	 \$4,059,702	 \$3,679,884	 \$3,477,304		 \$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>	<i>3.5%</i>	<i>4.0%</i>	<i>5.0%</i>	<i>6.0%</i>
<i>Inventory</i>	\$1,479,959	\$1,479,959	\$1,479,959	\$1,479,959
<i>Total Nonspendable Fund Balance</i>	<i>\$1,479,959</i>	<i>\$1,479,959</i>	<i>\$1,479,959</i>	<i>\$1,479,959</i>
<i>Unassigned*</i>	\$2,695,093 	\$3,080,106 	\$3,850,133	\$4,620,160
<i>Total Fund Balance</i>	<i>\$4,175,052</i>	<i>\$4,560,065</i>	<i>\$5,330,092</i>	<i>\$6,100,119</i>
<i>Proforma Budget Outcome</i>	<i>\$495,168</i>	<i>\$880,181</i>	<i>\$1,650,208</i>	<i>\$2,420,235</i>