

To prepare students for lifelong success through excellence in education



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To: Board of Directors
 From: Robert O'Donnell, Randy Brown and Donna Watson
 Subject: 2022-2023 Budget Development
 Date: April 19, 2022

The purpose of this budget discussion is to provide an update since the most recent [update](#) on April 11. In that discussion, we proposed new staffing including programs and estimated cost. In this update, we want to provide additional information related to the proposal as well as supplemental tax rebate, virtual academy, expense analysis and a staffing summary.

Since the last update, we are proposing an additional special education teacher funded by the reduction of paraprofessionals, which we expect to better serve our student population. Also, the proposal includes the addition of four part-time teachers for our secondary virtual academy with funding already included in the budget. The final staffing item is an HVAC technician necessary to maintain our district equipment instead of contracting with third party providers. We will look for other expense reductions in the physical plant area to further offset this new position.

This budget proposal includes a tax increase of 3.4%, equal to the Act 1 Index for fiscal 2022-2023. Revenue is budgeted at \$177,027,175 with expenses totalling \$180,273,275. The shortfall of \$3,246,099 will be absorbed by the use of committed revenue shortfall and PSERS fund balance.

The district continues to be primarily locally funded at 79%, with the state and federal portions being 19% and 2%, respectively.

The proposal again this year includes \$100,000 for the supplemental tax rebate program which will be presented for your approval in June. Payments of \$63,657 have been made through early April for this program, down from approximately \$75,000 at this point in most other years.

PDE categorizes expenses by functional area.

Instruction: Includes all activities dealing directly with the interaction between teachers and students and related costs, which can be directly attributed to a program of instruction. This does not include administrative instructional support costs.

- Regular Programs - Activities designed to provide grades K-12 students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve physical, mental, social and/or emotional wellbeing.
- Special Programs - Activities designed primarily for students having special needs. The Special Programs include support classes for pre-k, kindergarten, elementary and secondary students identified as exceptional.
- Vocational Education - PDE approved programs under public supervision and control that provide organized learning experiences designed to develop skills, knowledge, attitudes, and work habits in order to prepare individuals for entrance into and progress through various levels of employment in occupational fields including agriculture, business, distribution, health, gainful, and useful home economics, and trade and industry.
- Other Instructional Programs- Elementary/Secondary- Activities that provide grades K-12 students with learning experiences not included in the above categories (i.e. Driver's Ed, Community Ed programs, and CEEL).

Support Services: Student support services (i.e. guidance, attendance, psychological services, and social work), instructional support (i.e. curriculum development, technology), and administrative support (i.e. tax collection, legal, accounting, board).

Non-Instructional Services: Activities related to providing non-instructional services to students, staff or the community such as student activities, athletics and community services.

Other Expense and Financing Uses: Includes debt service expenditures, transfers to other funds (capital reserve, capital projects, and food service), payments under swap termination agreement and budgeted contingency.

As would be expected, the instructional expenses are the largest category at 58%, with support services accounting for 30% of the total. Regular and special programs account for 69% and 24% of total instructional expenses. The presentation provides functional expense details. The traditional view of expense objects is also provided in the presentation of salary and benefits accounting for 74%, similar to past years budgets.

The presentation also includes a summary of the projected 2021-2022 and budgeted 2022-2023 virtual academy expenses at the elementary and secondary level. Current projections include a decrease of the elementary enrollment while secondary remains relatively flat. The addition of the part-time staff should require fewer supplemental contracts from our current staff to educate these secondary students.

The comparison of budgeted FTE's to the 2021-2022 budget is also included, which reflects the additions that have been presented in the budget development process. We will monitor enrollments closely to provide appropriate and adequate staffing for our students where needed. As always, we expect there will be enrollment shifts throughout the spring and summer until the start of school. The personnel budget has been built to provide adequate staffing to be responsive to the changing needs of our student population.

Although the 2022-2023 proposed budget has not changed significantly since our last presentation, the multi-year projections have been updated and provided for your review.

A proposal for new athletic ticket prices is also included for your review. The finance and audit committee reviewed the proposal for athletic ticket prices. Since that meeting, an additional proposal to begin charging admission for elementary intramural events has been developed.

Next steps include approval of the proposed final budget on May 3 in preparation for the final budget adoption on June 6.

Proposed New Staffing

The budget proposal includes resources for the following new roles and positions in addition to the current year budgeted staffing allocations:

Recurring:

1. *Teachers* (4 FTEs) To support the additional or shifting enrollments that could occur during the next four months. Budget estimate: \$468,000.
2. *Middle School Grade 6 Teacher* (1 FTE) - The request includes resources for increased teaching staff for the alignment of the sixth grade schedule with seventh and eighth grade schedules. Budget estimate: \$117,000.
3. *Middle School Art Teacher* (increase 2 teachers by .25 FTE each) - The request includes resources for increased teaching staff for the alignment of the sixth grade with seventh and eighth grade schedules. Budget estimate: \$42,000.
4. *Middle School Music Teacher* (increase 2 teachers by .17 FTE) - The request includes resources for increased teaching staff for the alignment of the sixth grade with seventh and eighth grade schedules. Budget estimate: \$42,000.
5. *Gifted Support Teacher* (increase total gifted teacher time by .6 FTE) - The request includes resources for increased teaching staff to support the GIEPs which have been identified through the Universal Screening process. Budget estimate: \$63,000.
6. *Human Resources Role for Recruitment and New Title IX requirements* - The position would be responsible for partnering with administrators to support recruiting search processes, as well as assist with interviewing, selections, onboarding and retention of professional and administrative positions. In addition, the role would assist the human resources director with new Title IX requirements. Budget estimate: \$52,000.
7. *HVAC Technician* (1 FTE) - This position is necessary to maintain our district equipment instead of contracting with third party providers. We will look for other expense reductions in the physical plant area to further offset this new position. Budget estimate: \$69,000.
8. *Special Education Teacher, offset by reduction in 3 paraprofessionals* (Reduction of 2 FTEs) - This position will provide additional teaching resources for increased student enrollment. Budget neutral.

9. *Secondary Virtual Academy teachers, offset by reduction in supplemental payments* (2 FTEs) - This structure will provide dedicated teachers to instruct virtual program students. Budget neutral.

Non-recurring:

10. *Middle School Science Teachers* (two teachers .5 FTE each) - The request includes resources for teaching staff because of required sections of advanced science and mathematics for the 2022-2023 school year. These teachers would support a group of accelerated sixth grade students, per their Gifted Individualized Education Plans (GIEPs). The request includes two .5 FTE individuals, one at each middle building. This is expected to be a one-year need. Budget estimate: \$117,000.