

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: March 18, 2022

This budget development [update](#) was presented and discussed with the Board's finance and audit committee on Wednesday, March 16. As part of our annual budget development, we are proposing the below list of new staffing. These represent several areas of high priority that are beyond our current funding. As a reminder, we do have several roles funded via ESSER grants that will remain in place through the 2022-2023 school year.

Proposed New Staffing

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

1. *Student Mental and Behavioral Wellness* - Our district continues to struggle to meet the emotional, psychological and social well-being needs of our students. Once plans for supporting these needs are further developed, additional budgetary resources may be necessary beyond the current proposal. In that case, a request will be provided in the near future.
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. *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.
6. *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.
7. *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.
8. *Faculty Staffing* - The current proposal includes elementary faculty staffing levels consistent with that budgeted in 2021-2022. If you recall, we added several elementary class sections with predictable term substitutes (PTS) in support of our students' return to daily in-person learning with physical distancing protocols this past fall. While we are currently engaged with kindergarten registration, as well as secondary scheduling, we will update the Board as to any refined requests within our ongoing budget development.

2022-2023 Budget Proposal

This budget development update is part of the proposed final budget for 2022-2023, which includes a 3.4% real estate tax increase, equal to the Act 1 Index (maximum). The only other changes in revenue since the last presentation are updates to retirement and social security reimbursement, both of which are related to changes in salary expenses and other federal revenue. These have been updated to match the expected expenses in ARP ESSER funding.

The expenses have been updated to reflect the following:

1. Salary and benefits reflect cost estimates for new proposed staffing and also include refined calculations related to current staffing levels at the next year actual or estimated rates.
2. Health insurance has been revised to reflect updated cost estimates from the actuarial consultant.
3. Retirement and other benefits have been increased to reflect the updated salary expenses.

4. Professional services increases are related to security, athletic transportation, and CEEL/Community Education providers.
5. Supplies and equipment increases are due to inflation (i.e. Natural gas and IT costs).

These changes in revenue and expense result in a projected \$663,000 increase in the use of committed fund balance for 2022-2023. The increased expenses in 2022-2023 carry over in the projection years, resulting in an increase in negative fund balance of \$6 million by 2031-2032. According to our fund balance projections, the committed fund balance would be depleted in 2026-2027. Obviously, we will continue to monitor these projections and make necessary adjustments.

Changes to the capital reserve fund in 2021-2022 include reducing net investment earnings and moving expenditures for athletics/recreation facilities out one year. This shift results from an inability to complete this work during the current year.

In addition to the budget calendar (Attachment A), the following have been provided:

- ❖ 2022-2023 Budget Comparative Statements (Attachment B)
- ❖ 2021-2022 Projection Comparative Statements (Attachment C)
- ❖ 2021-2022 Projection Compared to 2022-2023 Budget (Attachment D)
- ❖ 2021-2022 Budget Compared to 2022-2023 Budget (Attachment E)
- ❖ Multi-year Projection (Attachment F)
- ❖ Food Services Report (Attachment G)
- ❖ Printing Services Report (Attachment H)

An update of the programs funded by ARP ESSER has been provided under separate cover.

Next Steps

Future budget development updates will be provided at the April committee and board meetings, with the proposed final budget presented at the April 25 board meeting.