



# Upper St. Clair School District 2026-27 Budget Presentation

April 13, 2026

*UPPER ST. CLAIR SCHOOL DISTRICT*





# Purpose of Tonight's Presentation



- State the priorities of 2026-27 budget
- Review internal and external factors that impact the budget
- Discuss the value of an Upper St. Clair education
- Share proposed expenditures and revenues
- Provide additional budget information

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# Budget Timeline to Date



- Act 1 - No exceptions
  - Resolution approved in December 2025
- Department budgets submitted by January 31, 2026
- Budget meetings occurred in February and March, 2026
- Evaluation of all budgets led to initial budget adjustments

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# Priorities of 2026-27 Budget



- Prioritize the delivery of extraordinary learning experiences for our students
- Balance the needs of the School District while recognizing our fiduciary responsibilities to the community
- Remain cognizant of the interdependence of all aspects that directly and indirectly affect our students' school experience

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# External and Internal Factors



# Common Level Ratio: Overview



## Common Level Ratio (CLR) Definition/Explanation

- Defined: Ratio of property's assessed value to its current market value
- Purpose: An attempt to adjust current market value to base year used for last county-wide reassessment
  - Last occurred in 2013 in Allegheny County
- Issue for School Districts: Under current PA real estate laws, commercial and residential properties are grouped together. These types of properties don't trend together in most market conditions
- While residential values have increased dramatically in recent years, commercial property values have not, yet they use the same ratio for tax appeals
  - Commercial properties are able to take advantage of the dramatic increase in residential property values to reduce their tax liability

| Year | CLR   |
|------|-------|
| 2013 | 100%  |
| 2014 | 100%  |
| 2015 | 90.8% |
| 2016 | 92.0% |
| 2017 | 87.1% |
| 2018 | 87.4% |
| 2019 | 87.5% |
| 2020 | 86.2% |
| 2021 | 87.5% |
| 2022 | 63.5% |
| 2023 | 63.6% |
| 2024 | 54.5% |
| 2025 | 52.7% |
| 2026 | 50.1% |

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# Common Level Ratio: Impact on USCSD



## Common Level Ratio (CLR) Impact

- Significant impact moving forward
  - Previously experienced \$5-\$10 million in real estate growth annually
  - Total assessed value for Upper St. Clair Township/ School District is anticipated to DECREASE annually until a reassessment is completed by the County
  - Several commercial appeals could have impact on future revenue
    - \$800,000 budgeted for revenue loss due to CLR for 26/27 fiscal year

| Year                              | Amount Refunded<br>As of 4/2026 | Budgeted<br>Future Refunds |
|-----------------------------------|---------------------------------|----------------------------|
| 2019                              | \$197,599.12                    |                            |
| 2020                              | \$618,761.97                    |                            |
| 2021                              | \$932,865.45                    |                            |
| 2022                              | \$1,595,203.50                  |                            |
| 2023                              | \$1,577,006.17                  | \$800,000                  |
| 2024                              | \$474,062.28                    | \$800,000                  |
| 2025                              | \$117,705.44                    | \$800,000                  |
|                                   |                                 |                            |
|                                   | <b>\$5,513,203.93</b>           | <b>\$2,400,000</b>         |
| <b>Total Budgetary<br/>Impact</b> | <b>\$7,913,203.93</b>           |                            |

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# External Factors for 2026-27 Budget



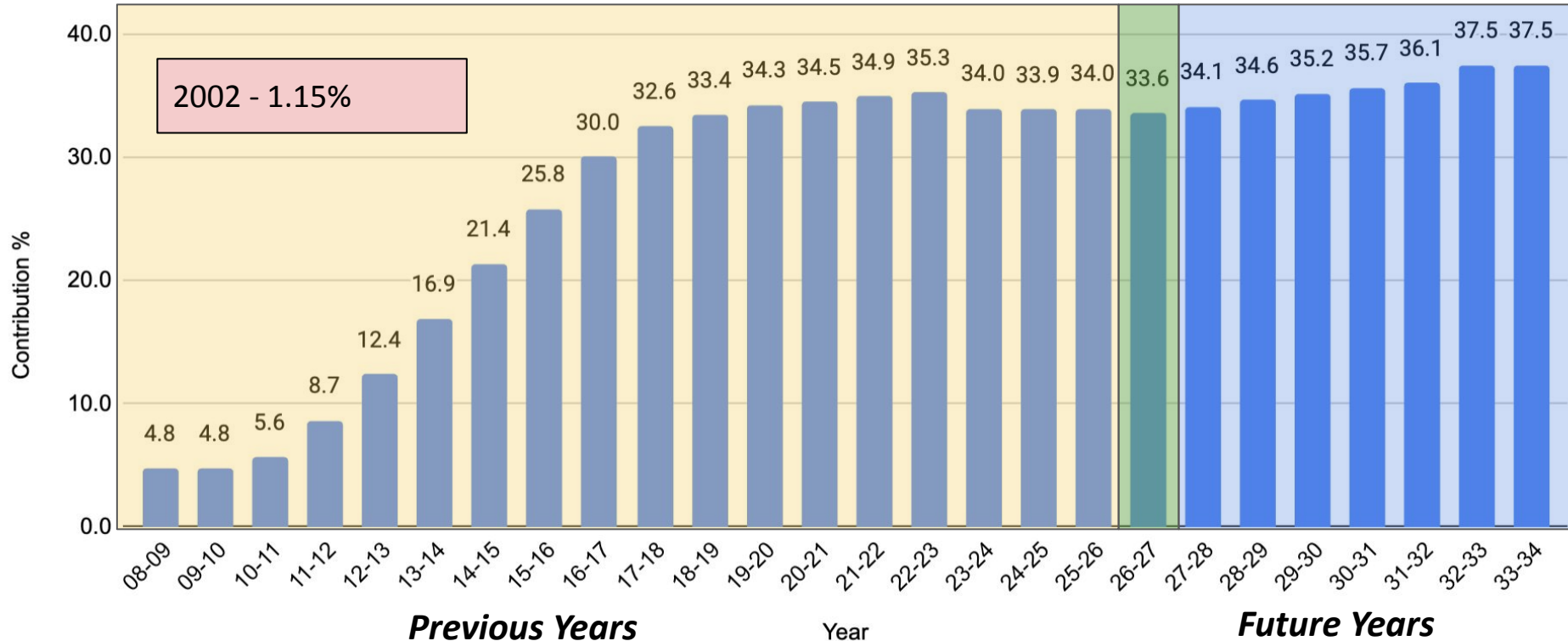
- Employer medical contribution coverage continuing to increase
  - Overall increase of last four years is 37% at ~\$3,155,000
    - 23/24: +14% for ~\$1,000,000 increase
    - 24/25: +9% for ~\$675,000 increase
    - 25/26: +5.7% for ~\$500,000 increase
    - 26/27: +8.3% for ~\$980,000 increase
- PSERS
  - Rate increased by ~25% over past 15 years
    - Currently at 33.59% for 2026/27, was at 8.65% in 2011/12
  - Net cost in 26/27: ~\$7.9 million



# PSERS State Mandated Employer Rates



PSERS Contribution % vs. Year





# Utility Increases



- Increasing utility bills
  - Electric: Budget to increase in excess of \$375,000 from 25/26
    - New contract for 26/27 includes increased rate and peak capacity charges
      - Regional grid (PJM) increasing infrastructure to meet higher peak capacity needs as mandated by regulations of Federal Energy Regulatory Commission (FERC)
      - All Electric Consortium Participants experiencing increases in 16-30% range
  - Other utility costs increasing as well, but not at same level as electricity



# External Factors: Total Budgetary Impact



- Major increases budgeted due to external factors
  - CLR Refunds - \$800,000 (reduced revenue)
  - Medical - \$980,000 (increased expenditure)
  - Electric - \$375,000 (increased expenditure)
  - Greater than \$2,155,000 TOTAL budget impact
  - Max 3.5% Real Estate Tax Increase: \$2,522,157



# Internal Factors: Context for 26/27 Budget



- Vast majority of internal costs are from contractual obligations
  - Salary/benefits accounts for 72% of budget
  - Debt services account for ~10% of budget
- Staffing levels will not increase
  - Five professional staff vacancies (due to retirement or resignation)
    - No additional professional (teaching) staff positions added for 26/27 budget
    - Evaluating potential for reduction through attrition
    - Savings through new hires at lower steps on salary scale
  - Evaluating classified staffing levels after retirements to determine potential for attritional cuts

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# Value of USCSD Education



# Tradition Excellence



## Tradition of Excellence

- Annually named by Pittsburgh Business Times as a top school district in region/state
- National Blue Ribbon designation at all schools
- SAT and ACT scores consistently rank at top of region and state annually
- Money Inc. #7 in nation (only school district in Pennsylvania)



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# High Quality Academic Programming



## High Quality Academic Programming

- High School Offerings at a variety of levels including: AP, IB/MYP, Honors/Academic/Conceptual
  - 25 AP courses
  - 31 IB diploma program courses
- Robust College in High School (CHS) course offerings (10 total)
- World Language offerings at all levels
  - One language in grades 1-4
  - Three languages in grades 5-8
  - Six languages in grades 9-12
- International Baccalaureate as option at all levels (PYP,MYP,DP)
- Extensive options for electives
- All facilitated by a unique bi-annual curriculum review process that is led by unique curriculum leader model
- 1:1 technology at all levels K-12

U.S. News & World Report

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**BEST**  
HIGH SCHOOLS  
U.S. News & World Report  
RANKINGS



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# Value of a USCSD Education: Co/Extracurriculars & Clubs



## Performing Arts

- Recognized annually as a Best Community for Music Education by NAMM (National Association of Music Merchants)
- Diverse performing arts offerings at all levels
  - Elementary: Choir, Orchestra, Musicals
  - Middle/High School: Band, Choir, Orchestra, Full Musicals

## Athletics

- 19 WPIAL sports teams at Varsity level
- 10 sports offered at middle school level

## Other Offerings

- Robotics program increasing
  - Nationally recognized teams at HS and MS levels
- Speech and Debate thriving up to a national level
  - Added middle school program in 25/26
- Diverse club offerings cover a variety of unique student interests



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# Value of a USCSD Education: Supporting Students' Needs



## Special Education

- Variety of specialty programming to meet students' needs
- Unique "Partners" programing
- Unified athletics programming
  - Added MS Unified Bocce in 25/26

## Counseling

- School counselors at each building
  - Deliver advisory programming to students
- School psychologists

## Other Full-time Staff at Each Building

- Nurses
- School librarians
- School police



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# Value of USCSD Education: Cost



Average school real estate tax bill in Upper St. Clair is ~\$8,000

- For home assessed at \$250,000 (~District residential average)

Average costs to educate Upper St. Clair students are included below:

- Based upon PDE 363, which is used to calculate funding for charter schools (includes most budgeted expenditures, but excludes transportation, extra-curricular activities, athletics and debt service costs)

|                                                          | 1 Regular Education Student | 2 Regular Education Students | 1 Special Education Student |
|----------------------------------------------------------|-----------------------------|------------------------------|-----------------------------|
| <b>District Cost</b><br>(Based upon PDE 363 calculation) | \$17,872                    | \$35,744                     | \$36,001                    |
| <b>Avg. School Real Estate Tax Bill</b>                  | ~\$8,000                    | ~\$8,000                     | ~\$8,000                    |

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# District Space Upgrades



| <b><u>Project</u></b>                    | <b><u>Rationale</u></b>                                                                                                                                                                                                                                                                                                      | <b><u>Desired Outcome</u></b>                                                                                                                                                                                                                          | <b><u>Cost</u></b>                                                                                                                        |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Library Furniture Upgrade                | The library continues to be the centerpiece of the academic wing and is well-used by 125+ students every period of the day. While the space is widely utilized, the nature of contemporary learning, collaboration, and innovation suggests that a renewed library/multi-purpose space would enhance the student experience. | To enhance opportunities for students to use modern, flexible space for the purpose of individual and small group collaboration and creation.                                                                                                          | ~\$565,200                                                                                                                                |
| Theater Renovations                      | The Upper St. Clair High School Theatre has served as a music and performance hall for nearly three decades. Updated seating and lighting, among other aesthetic enhancements, are necessary given the age of the facility and its regular school- and community-based use.                                                  | To continue to honor the arts through a facility that offers students with an up-to-date and refreshed performance space.                                                                                                                              | ~\$395,000                                                                                                                                |
| Special Education Transition Programming | Enhancement of special education program at the high school to support our students' transition planning through competitive employment and independent living skills.                                                                                                                                                       | By moving the teacher supplies to another space creates Warehouse 319 which will offer vocational skill opportunities. This opens up a space to create Apartment 404A, a studio apartment where students can practice their independent living skills. | -Under \$25,000<br>-Seeking grant funding up to \$4,000 for appliances funded through Community Foundation (pending application approval) |

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# Robotics Return to Campus



| <u>Project</u>            | <u>Rationale</u>                                                                                                                                                                                                                               | <u>Desired Outcome</u>                                                                                                                                                          | <u>Cost</u>           |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Robotics Return to Campus | Rapid program growth created increased space demands, making an initial off-campus move the most feasible short-term solution. Returning to campus would better support current and future needs while improving overall financial efficiency. | Establish a dedicated HS Robotics space in Room 150 and utilize the Boyce cafeteria for MS programs, improving quality, functionality and access during appropriate work times. | ~\$240,000 total cost |

## Current: All competitive teams using 108 Commerce

- All competitive Robotics programs are currently off-site and outside of USC
  - Includes annual rent payment as well as considerations for security/cleaning
  - Lease expires in October

## Plan for 26/27: Return to USCSD Buildings by August

- Renovations to HS rooms 150 (SGI, former Rifle Range) and 104A
  - Will serve as classroom for all robotics courses and after-school home for all competitive HS programs
    - Frees up room 305 for other academic uses
  - Access will also be provided to Resource Center after hours
  - MS program will move to Boyce cafeteria
    - Significantly larger space than currently available at 108 Commerce

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# Preliminary Budget 2026-2027: EXPENDITURES



# 2026-27 Budget Overview



- Act 1 Index is set at 3.5% for 2026-2027
- Proposed expenditures are budgeted to increase ~\$3.5 million dollars.
  - 3.3% increase
- Current year (2025-26) has a millage rate of 31.5150.
- One (1) mill with millage, set at the Act 1 Index, is valued at approximately 2.21 million dollars

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# 2026-27 Proposed Expenditures



| Function | Account Title             | 24/25 Actual  | Final 25/26 Budget | 26-27 Budget Request | % of Budget | Variance Explanation                                                                                                                                                                                                 |
|----------|---------------------------|---------------|--------------------|----------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1100     | Regular Education         | \$42,215,900  | \$43,889,035       | \$45,755,183         | 40.86%      | Salaries/benefits                                                                                                                                                                                                    |
| 1200     | Special Education         | \$12,535,047  | \$12,913,064       | \$13,921,893         | 12.43%      | Salaries/benefits & tuition                                                                                                                                                                                          |
| 1300     | Vocational Education      | \$328,941     | \$327,277          | \$338,642            | 0.30%       | Parkway West                                                                                                                                                                                                         |
| 1400     | Other Education           | \$133,094     | \$239,738          | \$132,162            | 0.12%       |                                                                                                                                                                                                                      |
| 1500     | Non-Public                | \$10,016      | \$6,758            | \$10,466             | 0.01%       |                                                                                                                                                                                                                      |
| 2100     | Support Services Students | \$3,539,625   | \$3,541,930        | \$3,969,207          | 3.54%       | Change is funding codes related to special services administration staff                                                                                                                                             |
| 2200     | Support Services          | \$5,642,531   | \$5,501,186        | \$5,012,507          | 4.48%       | Change is funding codes related to special services administration staff                                                                                                                                             |
| 2300     | Support Services Admin    | \$6,209,479   | \$6,076,751        | \$6,823,975          | 6.09%       | Salaries/benefits & residential fees                                                                                                                                                                                 |
| 2400     | Nursing Services          | \$884,894     | \$901,646          | \$973,886            | 0.87%       |                                                                                                                                                                                                                      |
| 2500     | Business Office           | \$1,198,801   | \$1,191,257        | \$1,276,389          | 1.14%       |                                                                                                                                                                                                                      |
| 2600     | Operations & Security     | \$10,183,483  | \$11,027,390       | \$11,544,342         | 10.31%      | Salaries/benefits & electric utility fees                                                                                                                                                                            |
| 2700     | Transportation            | \$5,680,832   | \$6,417,795        | \$6,321,074          | 5.65%       |                                                                                                                                                                                                                      |
| 2800     | Central Services          | \$632,381     | \$523,581          | \$576,046            | 0.51%       |                                                                                                                                                                                                                      |
| 2900     | Other Education           | \$600,324     | \$368,250          | \$819,000            | 0.73%       | Increase in pass-thru expenses for Southwood                                                                                                                                                                         |
| 3200     | Student Activities        | \$2,798,104   | \$3,105,987        | \$2,991,617          | 2.67%       | Robotics program budgeted to move into the HS                                                                                                                                                                        |
| 5000     | Debt                      | \$13,264,951  | \$12,404,396       | \$11,505,389         | 10.28%      | Decrease in capital lease interest/principal payments related to transportation and technology.. Increase in prior year refunds related to pending commercial RE appeals. Budgetary reserve was increased to \$350k. |
| TOTAL    |                           | \$105,858,403 | \$108,436,041      | \$111,971,778        | 100.00%     |                                                                                                                                                                                                                      |



# 2026-27 Proposed Expenditures



| Object | Account Title            | 24/25 Actual  | Final 25/26 Budget | Proposed 26/27 Budget | % of Budget | Variance Explanation                                                                                           |
|--------|--------------------------|---------------|--------------------|-----------------------|-------------|----------------------------------------------------------------------------------------------------------------|
| 100    | Salaries                 | \$46,032,800  | \$47,829,025       | \$49,468,147          | 44.18%      | Overall wage increase of 3.4% which includes retirement for 5 professional staff                               |
| 200    | Benefits                 | \$28,758,969  | \$29,825,237       | \$31,151,937          | 27.82%      | Medical benefits increased 8.3%                                                                                |
| 300    | Contracted Services      | \$3,565,587   | \$3,645,973        | \$3,786,465           | 3.38%       | Increase in special education services, tax collections services and PCCD grant not included in 25/26 of \$85k |
| 400    | Purchased Services       | \$1,808,175   | \$1,977,705        | \$1,932,155           | 1.73%       |                                                                                                                |
| 500    | Other Purchased Services | \$4,597,087   | \$4,902,530        | \$5,770,868           | 5.15%       | Charter school and special services tuition increases                                                          |
| 600    | Books & Supplies         | \$5,669,600   | \$6,926,100        | \$6,655,940           | 5.94%       |                                                                                                                |
| 700    | Equipment                | \$1,216,757   | \$150,828          | \$161,932             | 0.14%       |                                                                                                                |
| 800    | Misc. Fees               | \$6,501,460   | \$6,221,755        | \$6,382,631           | 5.70%       | Increase in pass-thru expenses for Southwood and residential placement fees                                    |
| 900    | Other Uses               | \$7,707,968   | \$6,956,888        | \$6,661,703           | 5.95%       |                                                                                                                |
| TOTAL  |                          | \$105,858,403 | \$108,436,041      | \$111,971,778         | 100.00%     | 3.3% Overall Increase                                                                                          |

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# Expenditure Breakdown



Proposed 26/27 Budget

Other Uses

5.9%

Misc. Fees

5.7%

Equipment

0.1%

Books & Supplies

5.9%

Other Purchased Se...

5.2%

Purchased Services

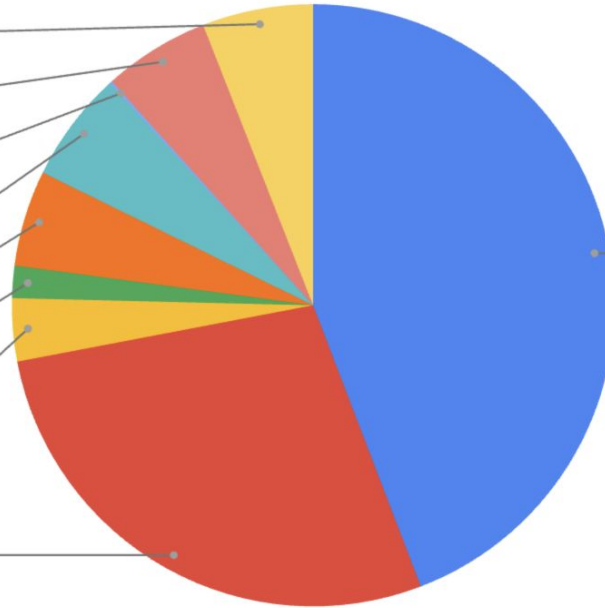
1.7%

Contracted Services

3.4%

Benefits

27.8%



**Salaries/Benefits =**

**72% of the total budget**

Salaries

44.2%

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# Preliminary Budget 2026-2027: REVENUES



# Key Revenue Sources for 2026-27 Budget



- Approximately 80% of the District's revenue is derived from local taxes
- Real estate tax and earned income taxes account for ~72% of the total revenue for 2026-27
- USCSD has seen small increases in State revenue over the past decade
- Annual increases in State revenue DO NOT fund the incremental cost related to mandated programs and services
- Governor's proposed budget includes increases that will not be finalized until after school district budgets must be approved by the School Board

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# 2026-27 Proposed Revenue Sources

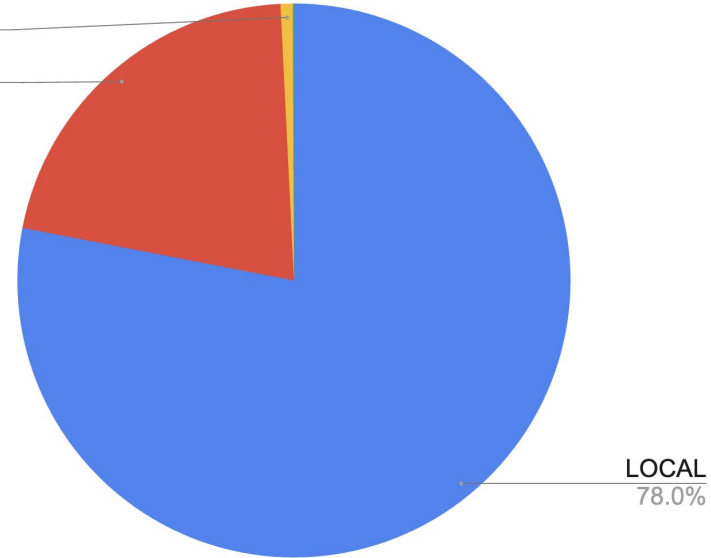


| REVENUE SOURCE | 2026-27 BUDGET WITH<br>3.5% MILLAGE INCREASE | PERCENTAGE OF BUDGET |
|----------------|----------------------------------------------|----------------------|
| LOCAL          | \$86,387,343                                 | <b>78.04%</b>        |
| STATE          | \$23,445,386                                 | 21.18%               |
| FEDERAL        | \$786,237                                    | 0.71%                |
| OTHER*         | \$75,000                                     | 0.07%                |
| TOTAL REVENUE  | \$110,693,966                                | 100.0%               |

*\*Other refers to sale of assets (e.g., buses, old computers, etc.)*

PERCENTAGE OF BUDGET

FEDERAL  
0.7%  
STATE  
21.2%



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# Revenue Context



- Act 1 Index is set at 3.5% for 2026-27
  - Adopted the Act 1 Resolution certifying that the District will not exceed Act 1 Index
- Revenue projections with percentage increments up to the 3.5% Act 1 index maximum are provided for consideration
- Total assessed value for Upper St. Clair Township/ School District is anticipated to DECREASE annually until a reassessment is completed by the County
- A decrease in the total assessed value is anticipated with refunds for commercial properties valued at ~\$800,000
- State basic and special education subsidies budgeted to increase 2.9% in 2026-27

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|         |                                            | Actual<br>2022-23<br>Revenue | Actual<br>2023-24<br>Revenue | Actual<br>2024-25<br>Revenue | Budget<br>2025-26<br>Revenue<br>3% Real Estate<br>Tax increase | 2026-27<br>Projected<br>Budget<br>No Real Estate<br>Tax increase | 2026-27<br>Projected<br>Budget<br>2% Real Estate<br>Tax increase | 2026-27<br>Projected<br>Budget<br>3% Real Estate<br>Tax increase | 2026-27<br>Projected<br>Budget<br>3.5% Real Estate<br>Tax increase |
|---------|--------------------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|
| ACCOUNT | TITLE                                      |                              |                              |                              |                                                                |                                                                  |                                                                  |                                                                  |                                                                    |
| R6111   | CURRENT REAL ESTATE                        | \$64,279,236                 | \$65,659,565                 | \$68,222,105                 | \$69,995,289                                                   | \$69,693,635                                                     | \$71,134,868                                                     | \$71,855,484                                                     | \$72,215,792                                                       |
| R6112   | INTERIM REAL ESTATE                        | \$411,519                    | \$193,824                    | \$162,848                    | \$200,000                                                      | \$200,000                                                        | \$200,000                                                        | \$200,000                                                        | \$200,000                                                          |
| R6113   | PUBLIC UTILITY REAL ESTATE                 | \$68,011                     | \$66,237                     | \$70,247                     | \$70,246                                                       | \$73,426                                                         | \$73,426                                                         | \$73,426                                                         | \$73,426                                                           |
| R6151   | EARNED INCOME TAX                          | \$7,425,907                  | \$7,580,321                  | \$7,444,741                  | \$7,886,000                                                    | \$7,898,125                                                      | \$7,898,125                                                      | \$7,898,125                                                      | \$7,898,125                                                        |
| R6153   | REAL ESTATE TRANSFER                       | \$783,061                    | \$720,682                    | \$698,430                    | \$700,000                                                      | \$700,000                                                        | \$700,000                                                        | \$700,000                                                        | \$700,000                                                          |
| R6157   | MERCANTILE TAX                             | \$427,902                    | \$460,534                    | \$483,321                    | \$525,000                                                      | \$525,000                                                        | \$525,000                                                        | \$525,000                                                        | \$525,000                                                          |
| R6311   | RE PENALTY AND INTEREST                    | \$0                          | \$0                          | \$0                          | \$0                                                            | \$150,000                                                        | \$150,000                                                        | \$150,000                                                        | \$150,000                                                          |
| R6351   | EIT PENALTY AND INTEREST                   | \$12,016                     | \$10,222                     | \$11,973                     | \$10,000                                                       | \$10,000                                                         | \$10,000                                                         | \$10,000                                                         | \$10,000                                                           |
| R6411   | DEL REAL ESTATE TAX                        | \$943,117                    | \$1,092,676                  | \$1,413,758                  | \$1,000,000                                                    | \$1,000,000                                                      | \$1,000,000                                                      | \$1,000,000                                                      | \$1,000,000                                                        |
| R6451   | DELINQUENT EIT & PENALTIES                 | \$2,435                      | \$11,974                     | \$117,286                    | \$125,000                                                      | \$125,000                                                        | \$125,000                                                        | \$125,000                                                        | \$125,000                                                          |
| R6510   | INTEREST INCOME                            | \$1,455,957                  | \$2,462,023                  | \$1,955,774                  | \$2,000,000                                                    | \$1,400,000                                                      | \$1,400,000                                                      | \$1,400,000                                                      | \$1,400,000                                                        |
| R6710   | ATHLETIC ADMISSIONS                        | \$134,792                    | \$124,688                    | \$168,655                    | \$125,000                                                      | \$125,000                                                        | \$125,000                                                        | \$125,000                                                        | \$125,000                                                          |
| R6740   | ATHLETIC FEES                              | \$95,918                     | \$91,593                     | \$94,848                     | \$90,000                                                       | \$90,000                                                         | \$90,000                                                         | \$90,000                                                         | \$90,000                                                           |
| R6832   | IDEA PASS THRU                             | \$583,325                    | \$631,376                    | \$625,313                    | \$625,000                                                      | \$630,000                                                        | \$630,000                                                        | \$630,000                                                        | \$630,000                                                          |
| R6910   | FACILITY RENTALS                           | \$71,653                     | \$179,077                    | \$111,005                    | \$100,000                                                      | \$100,000                                                        | \$100,000                                                        | \$100,000                                                        | \$100,000                                                          |
| R6990   | MISC. REVENUE                              | \$264,325                    | \$161,300                    | \$433,838                    | \$130,000                                                      | \$395,000                                                        | \$395,000                                                        | \$395,000                                                        | \$395,000                                                          |
| R6944   | RECEIPTS FROM OTHER LEA'S (Southwood pass- | \$148,268                    | \$412,200                    | \$674,700                    | \$300,000                                                      | \$750,000                                                        | \$750,000                                                        | \$750,000                                                        | \$750,000                                                          |
| R7110   | BASIC INSTRUCT SUBSIDY                     | \$5,291,515                  | \$5,665,375                  | \$5,917,032                  | \$5,947,574                                                    | \$6,000,982                                                      | \$6,000,982                                                      | \$6,000,982                                                      | \$6,000,982                                                        |
| R7271   | SPEC ED REGULAR PROGRAMS                   | \$2,256,893                  | \$2,387,126                  | \$2,344,255                  | \$2,368,311                                                    | \$2,559,434                                                      | \$2,559,434                                                      | \$2,559,434                                                      | \$2,559,434                                                        |
| R7311   | TRANSPORTATION                             | \$1,003,424                  | \$1,025,976                  | \$1,107,661                  | \$1,000,000                                                    | \$1,115,000                                                      | \$1,115,000                                                      | \$1,115,000                                                      | \$1,115,000                                                        |
| R7320   | RENT & SINKING FUND                        | \$942,717                    | \$779,982                    | \$889,065                    | \$959,509                                                      | \$953,153                                                        | \$953,153                                                        | \$953,153                                                        | \$953,153                                                          |
| R7331   | HEALTH SERVICES                            | \$81,789                     | \$80,804                     | \$89,931                     | \$82,000                                                       | \$82,000                                                         | \$82,000                                                         | \$82,000                                                         | \$82,000                                                           |
| R7340   | STATE PROP TAX REDUCTION                   | \$1,751,713                  | \$1,752,695                  | \$2,126,646                  | \$2,367,981                                                    | \$2,367,981                                                      | \$2,367,981                                                      | \$2,367,981                                                      | \$2,367,981                                                        |
| R7362   | STATE MENTAL HEALTH & SAFETY GRANTS        | \$170,236                    | \$213,226                    | \$115,000                    | \$0                                                            | \$85,570                                                         | \$85,570                                                         | \$85,570                                                         | \$85,570                                                           |
| R7505   | READY TO LEARN BLOCK GRANT/OTHER GRANT     | \$332,045                    | \$381,198                    | \$431,463                    | \$511,318                                                      | \$511,326                                                        | \$511,326                                                        | \$511,326                                                        | \$511,326                                                          |
| R7810   | SOCIAL SECURITY REIMBURSEMENT              | \$1,599,884                  | \$1,623,238                  | \$1,689,659                  | \$1,836,060                                                    | \$1,901,125                                                      | \$1,901,125                                                      | \$1,901,125                                                      | \$1,901,125                                                        |
| R7820   | RETIREMENT REIMBURSEMENT                   | \$7,518,715                  | \$7,304,216                  | \$7,536,230                  | \$7,943,377                                                    | \$7,868,815                                                      | \$7,868,815                                                      | \$7,868,815                                                      | \$7,868,815                                                        |
| R8000's | FEDERAL SUBSIDY                            | \$139,788                    | \$174,263                    | \$172,375                    | \$160,000                                                      | \$155,043                                                        | \$155,043                                                        | \$155,043                                                        | \$155,043                                                          |
| R8741   | FEDERAL GRANTS - COVID                     | \$161,346                    | \$72,551                     | \$112,323                    | \$0                                                            | \$0                                                              | \$0                                                              | \$0                                                              | \$0                                                                |
| R8800   | ACCESS                                     | \$435,338                    | \$335,665                    | \$295,029                    | \$532,019                                                      | \$631,194                                                        | \$631,194                                                        | \$631,194                                                        | \$631,194                                                          |
| 9100    | NET PROCEEDS FROM LEASES                   | \$1,337,197                  | \$1,030,209                  | \$1,134,997                  | \$0                                                            | \$0                                                              | \$0                                                              | \$0                                                              | \$0                                                                |
| 9400    | SALE OR COMPENSATION FOR LOSS OF FIXED AS  | \$110,990                    | \$37,650                     | \$39,670                     | \$75,000                                                       | \$75,000                                                         | \$75,000                                                         | \$75,000                                                         | \$75,000                                                           |
|         | TOTAL REVENUES                             | \$100,241,032                | \$102,722,466                | \$106,690,178                | \$107,664,684                                                  | \$108,171,809                                                    | \$109,613,042                                                    | \$110,333,658                                                    | \$110,693,966                                                      |



# Real Estate Tax Estimates



| ACCOUNT | TITLE               | Actual<br>2022-23<br>Revenue | Actual<br>2023-24<br>Revenue | Actual<br>2024-25<br>Revenue | Budget<br>2025-26<br>Revenue<br>3% Real<br>Estate Tax<br>increase | 2026-27<br>Projected<br>Budget No<br>Real Estate<br>Tax<br>increase | 2026-27<br>Projected<br>Budget<br>2% Real<br>Estate Tax<br>increase | 2026-27<br>Projected<br>Budget<br>3% Real<br>Estate Tax<br>increase | 2026-27<br>Projected<br>Budget<br>3.5% Real<br>Estate Tax<br>increase |
|---------|---------------------|------------------------------|------------------------------|------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|
|         |                     |                              |                              |                              |                                                                   |                                                                     |                                                                     |                                                                     |                                                                       |
| R6111   | CURRENT REAL ESTATE | \$64,279,236                 | \$65,659,565                 | \$68,222,105                 | \$69,995,289                                                      | \$69,693,635                                                        | \$71,134,868                                                        | \$71,855,484                                                        | \$72,215,792                                                          |

Each 1% R.E. tax increase =~\$720,000 in additional revenue

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# 2026-2027 State Subsidy Analysis



| ACCOUNT                             | TITLE                               | 2025-26 BUDGET | 2026-27 BUDGET |
|-------------------------------------|-------------------------------------|----------------|----------------|
| R7110                               | BASIC INSTRUCT SUBSIDY              | \$5,947,574    | \$6,000,982    |
| R7271                               | SPEC ED REGULAR PROGRAMS            | \$2,368,311    | \$2,559,434    |
| R7310                               | TRANSPORTATION                      | \$1,000,000    | \$1,115,000    |
| R7320                               | RENT & SINKING FUND                 | \$959,509      | \$953,153      |
| R7330                               | HEALTH SERVICES                     | \$82,000       | \$82,000       |
| R7340                               | STATE PROP TAX REDUCTION            | \$2,367,981    | \$2,367,981    |
| R7362                               | STATE MENTAL HEALTH & SAFETY GRANTS | \$0            | \$85,570       |
| R7505                               | READY TO LEARN BLOCK GRANT          | \$511,318      | \$511,326      |
| R7810                               | SOCIAL SECURITY REIMBURSEMENT       | \$1,836,060    | \$1,901,125    |
| R7820                               | RETIREMENT REIMBURSEMENT            | \$7,943,377    | \$7,868,815    |
| TOTAL STATE SUBSIDY & REIMBURSEMENT |                                     | \$23,016,130   | \$23,445,386   |

|                                                     |  | 2025-26<br>BUDGET | 2026-27<br>BUDGET | PERCENTAGE<br>of TOTAL<br>BUDGET<br>REVENUE<br>with 3 % TAX<br>INCREASE |
|-----------------------------------------------------|--|-------------------|-------------------|-------------------------------------------------------------------------|
| SUBSIDY (EDUCATIONAL &<br>NON-EDUCATIONAL PROGRAMS) |  | \$13,236,693      | \$13,675,446      | 12.74%                                                                  |
| REIMBURSEMENT (PSERS &<br>SOCIAL SECURITY)          |  | \$9,779,437       | \$9,769,940       | 9.10%                                                                   |
| TOTAL                                               |  | \$23,016,130      | \$23,445,386      | 21.84%                                                                  |

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# Additional Budget Information



# Professional Staff Salary Factors



## Education Level

### Degree Level Distribution

|                   |        |
|-------------------|--------|
| Bachelor's Degree | 54.2   |
| Master's Degree   | 241.75 |
| Doctoral Degree   | 12     |

## Step/Experience

| Contract Step<br>Distribution |        | % of Total<br>Prof Staff |
|-------------------------------|--------|--------------------------|
| Step 1-10.5                   | 78.6   | 26%                      |
| Step 11-14                    | 33     | 10%                      |
| Step 15-17                    | 196.35 | 64%                      |

*\*Professional staff comprises teachers, nurses, psychologists, librarians, counselors, curriculum leaders\**

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# 25-26 Professional Staff Step Detail



| 25-26 Step | # of Teachers |
|------------|---------------|
| 1          | 3             |
| 1.5        | 0             |
| 2          | 6             |
| 2.5        | 0             |
| 3          | 2             |
| 3.5        | 0             |
| 4          | 3             |
| 4.5        | 1             |
| 5          | 5             |
| 5.5        | 0             |
| 6          | 8             |
| 6.5        | 3             |
| 7          | 13            |
| 7.5        | 0             |
| 8          | 15            |
| 8.5        | 1.6           |
| 9          | 7             |

| 25-26 Step | # of Teachers |
|------------|---------------|
| 9.5        | 2             |
| 10         | 8             |
| 10.5       | 1             |
| 11         | 2             |
| 11.5       | 6             |
| 12         | 5             |
| 12.5       | 1             |
| 13         | 9             |
| 13.5       | 1             |
| 14         | 9             |
| 14.5       | 0             |
| 15         | 5             |
| 15.5       | 3             |
| 16         | 11.75         |
| 16.5       | 0             |
| 17         | 176.6         |
| TOTAL      | 307.95        |

## Key Takeaways

1. 5 retirements approved at end of 25/26 school year
2. 56% of the professional staff will be at the top step.
3. Largest pay increases occur when moving to steps 15, 16 & 17 (jump steps).

*\*Professional staff comprises teachers, nurses, psychologists, librarians, counselors, curriculum leaders\**

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# Millage Impact On Cumulative Revenue



## Tax/Revenue Impact vs. 3.5%

| % millage increase | Increase in 2026-27 real estate taxes for an assessed home of \$250,000. | Revenue reduction in 2026-27 below 3.5% (1 year impact) | Cumulative reduction of revenue in 2030-31 (5 year impact) | Cumulative reduction of revenue in 2035-36 (10 year impact) |
|--------------------|--------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|
| 0.0%               | No increase                                                              | \$2,522,157                                             | \$13,390,472                                               | \$28,913,699                                                |
| 2.0%               | \$13.13/month                                                            | \$1,080,924                                             | \$5,738,774                                                | \$12,391,585                                                |
| 3.0%               | \$19.70/month                                                            | \$360,308                                               | \$1,912,925                                                | \$4,130,528                                                 |
| 3.5%               | \$22.98/month                                                            | -                                                       | -                                                          | -                                                           |

ASSUMES AN AVERAGE OF 3% INCREASE PER YEAR FOR THE CUMULATIVE \$ IMPACT

\*The chart above uses the Act 1 Index maximum tax increase of 3.5% as a baseline to calculate revenue reduction\*

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# Role of Fund Balance



- Fund Balance is the total accumulation of operating surpluses and deficits since the beginning of a local government's existence
- A positive fund balance allows schools to:
  - Provide sufficient cash flow to meet operating needs and avoid excessive short term borrowing thereby avoiding associated interest cost
  - Accumulate sufficient assets to make designated purchases or cover unforeseen expenditure needs
  - Demonstrate financial stability and therefore preserve or enhance its bond rating, thereby lowering debt issuance costs
- Act 48 of 2003 limits Unreserved Undesignated Fund Balance to eight percent (8%) as a percentage of Total Budgeted Expenditures

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# Fund Balance Summary



## GENERAL FUND

| FUND BALANCE Year Ended<br>June 30 | Net Income/(Loss) | Ending Unassigned Fund<br>Balance | Total Reserved and Designated Fund<br>Balance | TOTAL FUND BALANCE |
|------------------------------------|-------------------|-----------------------------------|-----------------------------------------------|--------------------|
| 2014                               | (\$1,124,849)     | \$3,139,764                       | \$1,899,491                                   | \$5,039,255        |
| 2015                               | (\$979,550)       | \$2,579,740                       | \$1,479,959                                   | \$4,059,699        |
| 2016                               | (\$558,340)       | \$2,008,257                       | \$1,493,102                                   | \$3,501,359        |
| 2017 ^^                            | \$1,278,595       | \$3,326,881                       | \$1,453,075                                   | \$4,779,956        |
| 2018 ^^                            | \$1,786,604       | \$3,858,810                       | \$2,697,750                                   | \$6,566,561        |
| 2019 ^^                            | \$2,475,367       | \$5,568,583                       | \$3,473,342                                   | \$9,041,925        |
| 2020                               | \$371,659         | \$5,863,584                       | \$3,550,000                                   | \$9,413,584        |
| 2021                               | \$589,445         | \$6,434,760                       | \$3,568,269                                   | \$10,003,029       |
| 2022                               | \$704,750         | \$7,147,894                       | \$3,559,885                                   | \$10,707,779       |
| 2023                               | \$809,999         | \$7,569,398                       | \$3,948,380                                   | \$11,517,778       |
| 2024                               | \$682,642         | \$6,995,138                       | \$5,205,282                                   | \$12,200,420       |
| 2025                               | \$831,781         | \$7,171,832                       | \$5,860,369                                   | \$13,032,201       |

^^Net Income as a result of bond refinancing opportunities. The District cannot budget for bond refinancing proceeds.

*\*Using fund balance for recurring expenditures is not recommended for long-term financial stability.\**



# Proposed Final Budget



| BUDGET PROJECTION FOR<br>2026-27 | 2026-27 BUDGET No Tax<br>Increase | 2026-27 BUDGET 2% Tax<br>Increase | 2026-27 BUDGET 3% Tax<br>Increase | 2026-27 BUDGET 3.5%<br>Tax Increase |
|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|
| REVENUES                         | \$108,171,809                     | \$109,613,042                     | \$110,333,658                     | \$110,693,966                       |
| EXPENDITURES                     | \$111,971,778                     | \$111,971,778                     | \$111,971,778                     | \$111,971,778                       |
| TOTAL SURPLUS/DEFICIT            | (\$3,799,968)                     | (\$2,358,736)                     | (\$1,638,120)                     | (\$1,277,812)                       |

\*Currently considering use of fund balance to reduce one time expenditures  
for expiring leases (~\$812,000) and other one time expenses.

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# New and Ongoing Unfunded Public Education Requirements



- New and Ongoing requirements/programs from state
  - Act 55 required training
  - Safe2Say management
  - Act 47 Evidenced Based Reading
  - Online state testing (PSSA, Keystone)
  - School Code 1306-Southwood programmatic sites are increasing/relocated to USC resulting in more than 1/2 of a USCSD staff position
  - Right to Know-Increases in requests from non-residents and research agencies

None of these requirements have additional state or federal funding connected to their implementation.



# Alternative Funding



- Goal of Alternative Funding
  - Leverage outside funds to support unique programming
    - Often funds the pilot phase of a program to determine feasibility
    - Fund unique programs that district would not implement otherwise
- Grants Pursued/Received During 25/26 School-Year
  - Fall 2025-Awarded a Moonshot Grant for Civic Engagement Programming at the High School - \$15,000
  - Fall 2025-Pursued additional Moonshot Grant for innovative programming at Boyce Middle School-not awarded
  - January 2026-PCCD Grant-District awarded \$171,351 to support physical safety enhancements and student services
  - Spring 2026- Pursuing Public School Facilities Grant -requesting maximum amount of \$5,000,000
  - Donation to USCHS Baseball program to potentially help fund Old Pool renovations of \$250,00 over five years
  - Target funding for sponsorship of new Robotics Center

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# Key Takeaways



- Unique external factors significantly affecting budget
  - ~\$2.155 million impact between CLR refunds (\$800,000), medical increases (\$980,000) and electric bill increases (\$375,000)
- Salaries/benefits continue to be primary expense (~72% of expenditures)
  - Staffing may decrease in 26/27 due to attritional cuts
- Local revenue continues to be primary revenue source (~78%)
  - State/federal budget trends suggest that this will continue into future
- Fund balance will be used to off-set some one-time expenditures in 26/27
  - Current unassigned fund balance is ~7% of total expenditures and cannot exceed 8%



# Next Steps



- Continue to review expenditures
- Evaluate staffing levels in conjunction with student and District needs
- Anticipating attritional staffing reductions
- Prepare a proposed final budget recommendation

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# Budget Timeline



- April 13, 2026 - Detailed Budget Presentation
- May 4, 2026 - Adopt 2026-2027 Proposed Final Budget
- June 1, 2026 - Budget Update if Needed
- June 8, 2026 - Adopt 2026-2027 Final Budget

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# Questions?

*UPPER ST. CLAIR SCHOOL DISTRICT*

