

Upper St. Clair School District

Proposed Final

2015-16 General Fund Budget

May 18, 2015



Customizing Learning,
Nurturing Potential...
Delivering Excellence



2015-16 Proposed Final Budget

2015-16 Budget	As of April 27	Comments	As of May 4	Comments	As of May 18	Variance
Revenues	\$71,872,864	<i>Partial replacement to the Ready to Learn Grant - \$100,000. Possible increase in property tax values from Allegheny County property assessments received late last week</i>	\$71,972,864	<i>Increase in assessments and new construction activity resulted in higher real estate revenues of \$146,000 plus higher revenues from Advancement</i>	\$72,181,305	\$208,440
Expenditures	\$72,570,883	<i>Reduced ARA fee by \$100,000, reduced Charter/Cyber Schools by \$50,000 and reduced Contracted Carriers by \$50,000</i>	\$72,374,932	<i>Lower technology lease costs offset by higher personnel expenses</i>	\$72,518,038	\$143,106
Revenues less Expenditures	(\$698,019)		(\$402,068)		(\$336,734)	\$65,334
<i>Contingencies (\$250,000 overall + \$60,000 from Special Ed)</i>	\$310,000		\$310,000		\$310,000	
Possible Budget Outcome	(\$388,019)		(\$92,068)		(\$26,734)	\$65,334

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	<i>Includes Tax Increase of 1.9% Act 1 Index plus the Estimated Budget Exceptions - Total Increase of .8398 Mills</i>		Proposed Budget	Change from	% Change	Key Explanations
	Actual 2013-14	Final Budget 2014-15	2015-16	14-15 Budget		
Revenue	\$64,552,257	\$69,125,331	\$72,181,305	\$3,055,974	4.4%	<i>Includes Tax Increase for Act 1 and Budget Exceptions</i>
Expenses						
100 Salaries	\$30,989,181	\$31,800,846	\$33,207,101	\$1,406,255	4.4%	<i>4 retirements with 2 staff replacements and the continued professional support for the iPad initiative</i>
200 Benefits	\$14,637,911	\$16,808,061	\$18,553,261	\$1,745,200	10.4%	<i>PSERS rate and health care cost increases</i>
300 Contracted Services	\$3,706,004	\$3,784,367	\$3,926,768	\$142,401	3.8%	<i>Special education outside placements</i>
400 Purchased Services	\$1,733,022	\$1,567,210	\$1,673,609	\$106,399	6.8%	
500 Other Purchased Services	\$2,803,877	\$2,931,596	\$2,895,739	(\$35,857)	-1.2%	
600 Books and Supplies	\$1,849,699	\$2,023,892	\$1,915,215	(\$108,676)	-5.4%	
700 Equipment	\$807,119	\$1,251,206	\$1,401,455	\$150,248	12.0%	<i>Technology investment for remaining iPads in grades 5, 6 and 7. Three bus replacements and O&M vehicle replacements.</i>
800 Miscellaneous Fees	\$6,018,971	\$6,303,290	\$5,948,826	(\$354,464)	-5.6%	<i>Debt service - interest</i>
900 Other Uses	\$3,115,144	\$3,054,420	\$2,996,065	(\$58,355)	-1.9%	<i>Debt service - principal</i>
Total Expenses	\$65,660,928	\$69,524,888	\$72,518,038	\$2,993,151	4.3%	
Revenues Less Expenses	(\$1,108,670)	(\$399,557)	(\$336,734)			
PSERS Reserve		\$400,000				
Estimated Budget Outcome	(\$1,108,670)	\$443	(\$336,734)			
Contingencies (\$250,000 overall + \$60,000 from Special Ed)			\$310,000			
Alternative Budget if Governor Wolf's Budget is Approved - BEF and Special Ed funding + reduction in charter school tuition rate			\$72,277			
Budget Outcome above includes additional revenues from the .4181 mills related to budget exceptions			\$856,646			

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<i>Includes Tax Increase of 1.9% Act 1 Index plus the Estimated Budget Exceptions - Total Increase of .8398 Mills</i>		Actual 2013-14	Final Budget 2014-15	Proposed Budget 2015-16	\$ Increase (Decrease)	% Increase	Comments
	Local Revenues	\$49,257,456	\$52,467,497	\$54,771,473	\$2,303,977	4.4%	Real estate revenues increase by .8398 mills, higher assessments, new construction and 3% EIT growth
	State Revenues	\$13,018,569	\$14,457,201	\$15,315,640	\$858,439	5.9%	Increase related to higher PSERS reimbursements, modest 3% increase BEF and SEF funding plus \$100,000 in grant revenues as a partial replacement to the Ready to Learn Grant
	Federal Revenues	\$2,276,232	\$2,200,633	\$2,094,191	(\$106,442)	-4.8%	Decrease related to federal funding for ACCESS
Total Revenues		\$64,552,257	\$69,125,331	\$72,181,305	\$3,055,974	4.4%	
Expenses							
1100	Total Regular Education	\$25,969,382	\$28,391,955	\$30,202,309	\$1,810,355	6.4%	
1200	Total Special ED	\$7,869,729	\$8,489,915	\$8,866,972	\$377,057	4.4%	
1300	Vocational ED	\$107,867	\$156,329	\$152,179	(\$4,150)	-2.7%	
1400	Total Other Instructional Programs	\$186,591	\$249,401	\$265,683	\$16,283	6.5%	
2100	Total Instructional Support Services	\$1,929,211	\$2,074,259	\$2,047,432	(\$26,827)	-1.3%	
2200	Total Support Services - Instructional Staff	\$2,871,912	\$3,043,999	\$3,351,674	\$307,675	10.1%	
2300	Total Administration	\$3,850,622	\$4,057,681	\$4,373,089	\$315,409	7.8%	
2400	Total Pupil Health	\$506,984	\$560,035	\$608,295	\$48,260	8.6%	
2500	Total Business Services	\$580,925	\$631,838	\$654,379	\$22,541	3.6%	
2540	Duplicating Services	\$232,098	\$212,756	\$238,100	\$25,344	11.9%	
2600	Total Operations and Maintenance	\$7,369,306	\$7,230,357	\$7,579,518	\$349,161	4.8%	
2700	Transportation	\$3,933,358	\$4,054,326	\$4,161,689	\$107,364	2.6%	
2800	Central Support Services	\$221,364	\$232,384	\$246,396	\$14,012	6.0%	
2900	Other Support Services	\$74,350	\$69,201	\$66,142	(\$3,059)	-4.4%	
2990	Pass Through	\$481,857	\$300,000	\$0	(\$300,000)	-100.0%	
3200	Total Student Activities	\$1,353,494	\$1,423,101	\$1,504,219	\$81,117	5.7%	
5110	Debt Service	\$7,969,029	\$8,062,351	\$7,914,962	(\$147,389)	-1.8%	
5230	Fund Transfers	\$152,848	\$35,000	\$35,000	\$0	0.0%	
5900	Budgetary Reserve	\$0	\$250,000	\$250,000	\$0	0.0%	
Total Expenses		\$65,660,928	\$69,524,888	\$72,518,038	\$2,993,151	4.3%	
Budget Outcome		(\$1,108,670)	(\$399,557)	(\$336,734)	\$62,823		
PSERS Reserve			\$400,000				
Possible Budget Outcome			\$443	(\$336,734)			
Contingencies (\$250,000 overall + \$60,000 from Special Ed)				\$310,000			

2015-16 Proposed Final Budget

Final Expenditure Budget for 2014-15	\$65,660,928	\$69,524,888	Key Changes
Proposed Budget	As of May 4	As of May 18	
Staff Additions (Reductions):			
Two teaching positions remain unfilled through attrition	(\$146,285)	(\$146,285)	
Two additional teaching replacements at lower salaries	(\$94,637)	(\$50,637)	
Total Staff Additions (Reductions)	(\$240,922)	(\$196,922)	
Educational, Programming and Technology Increases (Decreases):			
Technology Lease Payments:			
<i>iPad Initiative (\$780,000 for 1200 ipads & cases for grades 5, 6, 7 @ 3% interest financed over a 3 yr. lease)</i>	\$275,754	\$255,092	<i>Interest rate reduced from 3% to 1.49%</i>
<i>MS/HS teacher laptop replacements (\$290,000 for 230 MacBooks @ 3% interest financed over a 5 yr. lease)</i>	\$63,323		
<i>HS Fab Lab/Innovation Hub desktop computers due to increased enrollment (\$46,000 for 40 desktops @ 3% interest financed over a 5 yr. lease)</i>	\$10,044	\$70,812	<i>Interest rate reduced from 3% to 1.9%</i>
<i>Administrator laptop replacements (\$35,000 for 20 desktops @ 3% interest financed over a 5 yr. lease)</i>	\$7,642		
Other technology investments including iPad applications, wireless upgrades and networking components	\$93,000	\$93,000	
Higher special education external placements	\$215,755	\$215,755	
Curriculum-related including musical instruments, textbooks, equipment, software licenses, etc.	\$60,977	\$60,977	
Lower Charter/cyber school enrollment	(\$50,000)	(\$50,000)	
Total Educational, Programming and Enabling Technologies Requests	\$676,495	\$645,636	
Existing Staff Salary and Benefit Cost Increases (Decreases):			
Higher PSERS employer contributions	\$1,727,805	\$1,749,334	
Overall salary increases, net of the \$200,000 savings from 4 retirements	\$1,322,938	\$1,406,255	<i>Salary corrections including the 2 instead of 3 teaching replacements</i>
Lower healthcare cost due to retirees reaching age 65	(\$185,466)	(\$151,895)	<i>Due to position eliminations</i>
Higher FICA cost	\$101,205	\$107,579	
Total Salary and Benefit Cost Increases	\$2,966,482	\$3,111,272	
Significant Business and Operational Increases (Decreases):			
Elimination of Southwood expenses as a Pass-Thru entity	(\$300,000)	(\$300,000)	
Lower debt service as a result of refinancing	(\$147,389)	(\$147,389)	
Lower Aramark Management Fee with transfer of certain locally sourced supply purchases (additional future energy savings with significant investment by ARA)	(\$110,857)	(\$110,857)	
Lower diesel fuel expense due to favorable market conditions	(\$83,490)	(\$83,490)	
Lower natural gas expense due to favorable market conditions	(\$30,280)	(\$30,280)	
Estimated increase in insurance premiums	\$56,549	\$56,549	
Lease payment of 3 new school buses, replacing 2004 buses/vans, (estimated cost of \$276,000 to be financed over 7 yrs)	\$42,590	\$42,590	
Lease payment for 3 maintenance vehicle replacements (model years of 1998 & 2000), grounds vehicle and/or floor scrubber (total estimated cost of \$80,000 to be financed over 7 yrs.)	\$13,329	\$13,329	
Startall for Bus Garage	\$9,000	\$9,000	
All Others	(\$1,461)	(\$16,286)	
Total Business and Operational	(\$552,010)	(\$566,835)	
Total Increases (Decreases) Under Consideration as Outlined Above	\$2,850,045	\$2,993,151	
Total Preliminary Budgeted Expenses	\$72,374,932	\$72,518,039	

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Per \$100,000 of Assessment	2014-15 Millage	2015-16 Proposed Millage	<i>Increase</i>	<i>% Increase</i>
Millage	22.1957	23.0355	<i>0.8398</i>	<i>3.8%</i>
Taxes per \$100,000 of Assessment	\$2,220	\$2,304	<i>\$84</i>	<i>3.8%</i>
Taxes per Median Home Value (5,933 Homesteads) of \$229,000	\$5,083	\$5,275	<i>\$192</i>	<i>3.8%</i>
Per \$100,000 of Assessment	2014-15 Millage	2015-16 Act 1 Millage Only	<i>Increase</i>	<i>% Increase</i>
Millage	22.1957	22.6174	<i>0.4217</i>	<i>1.9%</i>
Taxes per \$100,000 of Assessment	\$2,220	\$2,262	<i>\$42</i>	<i>1.9%</i>
Taxes per Median Home Value (5,933 Homesteads) of \$229,000	\$5,083	\$5,179	<i>\$97</i>	<i>1.9%</i>

2015-16 Proposed Final Budget

	As of June 30, 2014	Final Budget 2014-15	Proposed Final Budget 2015-16	% of 2015-16 Budget
Nonspendable:				
Inventory	\$1,499,491	\$1,499,491	\$1,499,491	
Total Nonspendable Fund Balance	\$1,499,491	\$1,499,491	\$1,499,491	
Assigned to:				
Future PSERS Obligations	\$400,000			
Total Assigned Fund Balance	\$400,000	\$0	\$0	
Unassigned*	\$3,139,761	\$3,140,204	\$2,803,471	3.9%
Total Fund Balance	\$5,039,252	\$4,639,695	\$4,302,962	

* *Unassigned Fund Balance used in determining compliance with the 8% fund balance limitation related to real estate tax increases.*

Capital Reserve Fund 2015-16

Bldg.	Project	Description	2015-16
Baker	Outside pad by music room	Concrete pad above Playground exit door is cracking	\$ 3,500
Baker	Computer Room	Stand alone HVAC unit runs continuously to maintain correct atmosphere in computer room. Unit operating since 2003	\$ 9,500
Baker	Baseball field repairs	Aerate, seed, remove infield lip	\$ 8,000
Boyce	2 room dividing doors	Pyrite in classrooms has made floor uneven, existing doors depend upon a level floor to lock into place. The electrical doors use a ceiling carriage system that does not depend upon a level floor.	\$ 36,000
District	Concrete	Repairs to concrete sidewalks, entrances and curbs throughout the district	\$ 15,000
District	Kitchen	12 fire suppression tanks	\$ 4,500
Eisenhower	Data room	Stand alone HVAC unit runs continuously to maintain correct atmosphere in computer room. Unit operating since 2003	\$ 6,190
Eisenhower	Dumpster gate post	4" post has pulled away from wall. New post and anchors need to be installed	\$ 1,950
High School	Small Gym	Safety straps to keep backboards from secure in case of a cabling failure.	\$ 4,710
High School	Pool Pac Compressor	Replacement compressor is under warranty. Labor costs are covered by the extended warranty but crane costs are not covered.	\$ 1,300
High School	Stadium lights	74 stadium lamps need replacing. Installed in 2003. Measured light levels are at 50-70% of new lamps. Includes all labor and crane costs	\$ 9,250
High School	Roof above the Band Room	Large section of the roof has become unglued and has formed a large bubble.	\$ 9,375
High School	Panther Pass	Replace top 2 in. of asphalt from stop light on McLaughlin Run Rd. to first "Y" intersection turnoff to travel to back of High School	\$ 42,600
Streams	Asphalt	Replace all asphalt. Township contractor strongly recommends complete replacement. Asphalt crumbling throughout site.	\$ 300,000
Total Capital for 2015-16			\$ 451,875

Upper St. Clair School District

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- **Continued due diligence**
 - Continued monitoring of revenues
 - Staffing/enrollment and class size considerations
 - Technology investment
 - O&M expenditures and contracted services
 - Transportation investment
 - Scheduling and electives
 - Administrative support
 - Operational reviews
- **Key dates**
 - June 8 – Budget update
 - June 22 – Final Budget approval



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Q & A