



South Fayette School District

2007-08 Preliminary Budget

Board/Community Presentation: Feb. 5, 2007

The mission of the South Fayette School District, as an integral part of the community, is to foster development and growth of each student's full academic, artistic and athletic potential by providing exemplary opportunities in a caring, safe, positive environment; to promote lifelong learning, and to cultivate ethical, responsible, contributing members in a global society.




Timeline for Budget Approval (Revised)

- **November 21, 2006** **Present Pre-Preliminary Budget, Review of Budget with School Board and Community**
- **November 28, 2006** **Board Adoption of Pre-Preliminary Budget**
- **January 10, 2007** **Pre-Preliminary Budget on display for the public (Website and Central Office - minimum 20 days required by Code)**
- **February 5, 2007** **Board Adoption of Preliminary Budget (Feb 14, 2007 – last possible date for adoption according to Act 1)**
- **February-May, 2007** **Discuss any changes, recommendations etc. to the preliminary budget**
- **May 15, 2007 (Election Day)** **Act 1 Tax Question (Front end Referendum) and Possible Tax Increase Question (Back end Referendum) on Voter Ballot**
- **May – June** **Budget revisions done based upon the Back end Referendum voting results**
- **June 26, 2007** **Approve Final Budget**



Budget Summaries


	2006-07 (current year) Budgeted
6000 Local Revenue	\$20,684,957
7000 State Revenue	\$5,679,190
8000 Federal	\$295,989
9000 Other	----
TOTAL REVENUES	\$26,660,136
1000 Instruction Expense	\$13,696,916
2000 Support Expense	\$9,755,080
3000 Operation Non-Instructional Expense	\$801,791
5000 Other Financing Expenses	\$4,452,394
TOTAL EXPENDITURES	\$28,706,181



How did we balance the 06-07 budget?


In 2006, the Board of School Directors voted to allocate \$2,046,045 from fund balance to balance the 06-07 annual budget while increasing millage by .9

	2006-07 Budgeted as of June 28, 2006
Beginning Fund Balance	\$2,852,419
Revenues	\$26,660,136
Expenditures	\$28,706,181
Results of Operations	\$(2,046,045)*
Ending Fund Balance	\$806,374



Finalizing the 06-07 Budget and Beginning the 07-08 Process

	2006-07 Estimated Oct. 2006
Beginning Fund Balance	\$2,965,213
Revenues	\$26,842,086
Expenditures	\$27,949,675
Results of Operations	\$(1,107,589)
Ending Fund Balance	\$1,857,624 Projected as of Oct. 2006



Finalizing the 06-07 Budget and Beginning the 07-08 Process

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Revenues	\$26,660,136	\$26,842,086
Expenditures	\$28,706,181	\$27,949,675
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Finalizing the 06-07 Budget and Beginning the 07-08 Process

	2006-07 Budgeted June 28, 2006	2006-07 Estimated as of Oct. 2006	2007-08 Proposed Jan. 16, 2007
Beginning Fund Balance	\$2,852,419	\$2,965,213	\$1,857,624
Revenues	\$26,660,136	\$26,842,086	\$27,064,894
Expenditures	\$28,706,181	\$27,949,675	\$30,594,322
Results of Operations	\$(2,046,045)*	\$(1,107,589)	(\$3,529,428)
Ending Fund Balance	\$806,374	\$1,857,624 Projected as of Oct. 2006	(\$1,671,804) Utilizing 100% of fund balance (would require 2.082 mills)
			(\$2,671,804) Maintaining \$1 million in fund balance (3.268%) (Would require 3.327 mills)



Allowable Millage Increase Without Referendum (Act 1 Legislation)

WITHOUT REFERENDUM, the Board of School Directors MAY NOT increase millage by more than the index established by PDE plus exceptions:

South Fayette Index: 3.4% = .72 mills

Allowable Exceptions:

- Maintenance of Local Revenues per ADM 0.76 mills
- Special Education 0.34 mills
- Retirement Contributions 0.09 mills
- Health Care Insurance 0.05 mills
- School Construction/Debt Service 0.01 mill

Total Exceptions	1.25 mills
Allowable Index Increase	<u>0.72 mills</u>
Total	1.97 mills
	(approx. \$1,576,000)

How Millage Affects the Taxpayer

Average South
Fayette Home Value

(according to 3/15/06 data):

\$112,784



If a house is assessed at \$100,000

1 mill of taxes = $.001 \times 100,000 =$

- \$100 per year or 8.33 per month or 28.8 cents per day

1.5 mills of taxes = $.0015 \times \$100,000$

- \$150 per year or 12.50 per month or 41.7 cents per day

2 mills of taxes = $.002 \times \$100,000 =$

- \$200 per year or \$16.66 per month or 55.5 cents per day

3 mills of taxes = $.003 \times \$100,000 =$

- \$300 per year or \$25 per month or 82.2 cents per day



Budget Options (handout)

Option 5: Millage increase = 1.97 mills (\$1,576,000 annually)

To achieve this, the Board could:

- CUT the proposed budget by \$124,00 to maintain a 0 (zero) fund balance
- CUT the proposed budget by \$1,042,000 to maintain a 3% (\$918,000) fund balance

Option 1: Millage increase = 0 mills

To achieve this, the Board could:

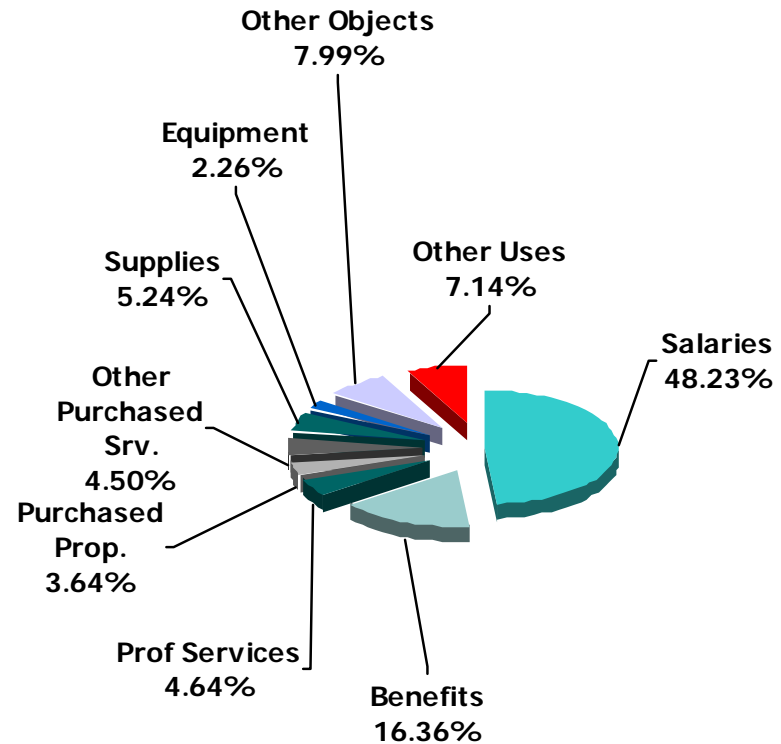
- CUT the proposed budget by \$1,700,000 to maintain a 0 (zero) fund balance
- CUT the proposed budget by \$2,618,000 to maintain a 3% (\$918,000) fund balance
- CUT the proposed budget by \$3,230,000 to maintain a 5% (\$1,530,000) fund balance

School District Millage Ranking in Allegheny County 06-07

1 Wilkinsburg	35.00	15 Bethel Park	22.75	29 Pine Richland	20.20
2 Brentwood	28.27	16 Riverview	22.74	30 West Jeff.	19.99
3 East Allegheny	25.54	17 Upper St. Clair	22.45	31 No. Allegheny	19.722
4 Sto-Rocks	25.00	18 Plum	22.20	32 Gateway	19.41
5 South Park	24.70	19 Clairton	22.00	33 Char. Valley	19.32
6 Baldwin	24.61	20 Allegheny Valley	21.50	34 Moon Area	19.11
7 Northgate	24.50	21 West Allegheny	21.50	35 Fox Chapel	19.07
8 Shaler	24.25	22 Elizabeth Fwd.	21.36	36 Steel Valley	18.92
9 Carlynton	24.15	23 Keystone Oaks	21.31	37 Quaker Valley	18.85
10 Woodland Hls	23.90	24 South Fayette	21.19	38 North Hills	18.50
11 Highlands	23.71	25 Duquesne	21.10	39 Montour	18.30
12 Mt. Lebanon	23.56	26 West Mifflin	21.092	40 So. Allegheny	18.21
13 Penn Hills	23.39	27 Cornell	20.89	41 Avonworth	18.2
14 Deer Lakes	23.00	28 Hampton	20.53	42 McKeesport	17.71

2007-08 Appropriations by Object

100	Salaries	\$14,821,629
200	Benefits	\$5,027,743
300	Professional Svcs.	\$1,425,403
400	Property Services	\$1,117,825
500	Other Services	\$1,382,389
600	Supplies	\$1,610,353
700	Equipment	\$695,422
800	Other Objects	\$2,455,186
900	Other Uses	\$2,194,000





Projected Staff Costs 07-08

Salaries	\$14,821,629	48.23% of total
Benefits	\$5,027,742	16.36% of total
Total Salary and Benefit	\$19,849,371	64.59% of total budget of \$30,729,951 (Nov. 21, 2006)



Other Fixed Costs

Utilities	\$1,097,420
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Debt Service	\$4,375,453
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(The debt service amount increased \$198,059 this year to complete the final stage of the stadium and purchase 7 acres of property. South Fayette School District's debt also includes the Elementary addition in 1988, Jr./Sr. High School renovation and pool construction in 1990, High School construction (2002), Middle School addition and renovation (2004), and Stadium and athletic fields (2005-06).)



Department/Building Budgets

(does not include staff compensation and benefits)

	2006-07	2007-08 proposed	Difference
High School	\$ 229,201	\$ 272,531	\$43,330
Middle School	\$144,943	\$138,795	\$(6,148)
Elementary School	\$174,156	\$179,216	\$5,060
Special Education	\$1,107,464	\$1,339,202	\$ 231,738
Assessment, Curriculum	\$81,430	\$89,826	\$8,396
Athletics	\$ 217,625	\$ 216,778	\$(847)
Technology	\$367,099	\$ 373,034	\$5,935
Custodial, Grounds, Maintenance	\$ 515,765	\$ 515,991	\$ 226
TOTALS	\$ 2,837,683	\$3,125,373	\$287,690



Summary of “FIXED COSTS”

	2006-07	% of Proposed \$30,600,000 Budget
Staff Costs (salary + benefits; includes proposed new staff)	\$20,000,000	65%
Utilities	\$1,100,000	3.5%
Debt Service	\$4,400,000	14.5%
TOTALS	\$25, 500,000	83%



What is our task tonight?

1. To identify the proposed revenues and expenditures provided to the Board on January 23, 2007.
2. To make revisions in revenues/expenditures based upon actual changes that have occurred since January 23, 2007.
3. To review the lists prepared by the departments/buildings, the costs associated with the items on the list, including not hiring proposed staff, and the effects/consequences of eliminating those items from the budget.
4. To make decisions regarding “cuts” from the proposed 2007-08 budget.
5. To pass a PRELIMINARY BUDGET (required by law prior to February 14). Budget is NON-BINDING and may be revised prior to passing the FINAL BUDGET by JUNE 30, 2007.

Tonight's Format

	Revenues	Expenditures	Difference	Explanations/ Consequences
Beginning amounts 1/23/07	\$ 27,064,894.00	\$ 30,594,322.00	\$ (3,529,428.00)	
Change in county assessments	\$ (110,033.34)		\$ (110,033.34)	Assess. Reduction from \$845M to \$839M
Removal of Gateway Rehab	\$ (125,000.00)	\$ (135,000.00)	\$ 10,000.00	Not currently planning to locate in district
Gateway Rehab Speech Service		\$ (5,577.50)	\$ 5,577.50	No service needed in South Fayette
Staff Retirements	\$ (18,104.77)	\$ (111,169.59)	\$ 93,064.82	Six teachers
Health Insurance Reduction		\$ (21,711.00)	\$ 21,711.00	Cut increase from 5% to 2%
Workers Comp Reduction	\$ -	\$ (58,654.00)	\$ 58,654.00	Cut from 1.15% to 0.7%, based on history
Amounts as of 2/5/07	\$ 26,811,755.89	\$ 30,262,209.92	\$ (3,450,454.03)	



Faculty Positions which will be retired as of June, 2007.

- High School English
- High School English
- High School Chemistry/Physics
- High School Special Ed/Life Skills
- Middle School Science (Grade 7)
- Elementary Physical Education

Annual Compensation for Additional Staff Positions Budgeted 07-08

	Salary	Benefits (Healthcare, retirement, payroll taxes)	Totals
Faculty (instrumental music; kindergarten (.5); 2 elementary; 1 HS Social Studies, Math, Spanish, 1 Sp. Ed (as needed); 1 MS Reading Spec. 2 other as needed; 1 post secondary transition (if no Project 720 funding))	\$488,661	\$238,937	\$727,598
Administrators and Leadership Team (Dir of Sports, Facilities and Activities)	\$60,000	\$24,194	\$84,194
Custodial/Maintenance (Daytime Floating Custodian)	\$21,487	\$13,944	\$35,431
Transportation (Driver)	\$21,763	\$11,049	\$32,812
Paraeducators/Student Monitors	\$42,328	\$21,900	\$64,228
Coaches HS (1)Cross Country; HS (2) Indoor Winter Track; MS (3) Track; MS (1) Cross Country	\$13,000	\$2,153	\$15,153
TOTALS	\$647,239	\$312,177	\$959,416



Building/Department Budget Reviews

- Elementary School
- Middle School
- High School
- Curriculum (Asst. Supt)
- Pupil Personnel
- Public Relations
- Technology
- Grounds, Custodial, Maintenance
- Transportation
- Athletics



Budgetary Legal Requirements

- The Board of School Directors must pass a PRELIMINARY (balanced) Budget for 2007-08 by no later than February 14, 2007.
- If the Budget exceeds a millage increase of 1.97 mills, a referendum question for the increase must be placed on the May 15, 2007 ballot.
- The 2007-08 Budget may continue to be reviewed and revised during the coming months with a FINAL (balanced) BUDGET passed by no later than June 30, 2007.



Summary of Proposed Budget Cuts

High School	\$ 74,218.28
Middle School	\$ 26,382.09
Elementary School	\$ 15,610.00
Athletics	\$ 39,598.60
Curriculum, Instruction, Assessment*	\$ 1,750.00
Pupil Personnel	\$ 500.00
Technology	\$ 74,967.00
Transportation	\$ 44,520.00
Maintenance	\$ 54,500.00
Custodial	\$15,000
Grounds	\$4,000
Public Relations	\$ 4,800.00
TOTAL	\$ 355,845.97
* Additional \$23,700 if we receive the Accountability Grant	



Elementary Budget Cuts

Elementary School		
First Grade Mail Box Magazine	\$	35.00
Third Grade General Supplies	\$	300.00
Fourth Grade General Supplies	\$	300.00
Physical Education Replacement Mats	\$	1,400.00
Building Replacement, Desks/Chairs (1/2)	\$	10,000.00
Guidance Career Day Refreshments Food for Guest	\$	200.00
Library Books	\$	3,000.00
Meals/Refreshments (1/2)	\$	375.00
TOTAL		\$15,610.00

Middle School Budget Cuts

TI-73 Calculators, Grade 7	\$ 712.80
Additional General Supplies (1/2)	\$ 1,000.00
Inservice/Refreshments (1/2)	\$ 500.00
Spanish CD, Culture, French Membership, etc.	\$ 524.74
Guidance Video	\$ 130.00
SAP Training	\$ 270.00
Counselor Memberships	\$ 635.00
School Librarian Memberships	\$ 50.00
Library Books (1/2)	\$ 4,000.00
Supplies - Grade 5 Sewing (1/2)	\$ 250.00
National Art Ed. Assoc Membership	\$ 74.00
Choral Music Grade 7-8 (1/2)	\$ 200.00
Choral Music Grade 5-6 (1/2)	\$ 135.00
Instrumental Music Storage	\$ 11,145.00
Yamaha MS Instruments	\$ 1,725.00
Membership PE	\$ 250.00
Bookshelves, Foreign Language	\$ 381.70
Food & Supplies, Cultural Events	\$ 650.00
German Magazine for Students	\$ 262.35
Foreign Language Dues	\$ 295.00
Microsoft Word Texts	\$ 3,107.50
National Science Teacher Journal	\$ 84.00
TOTAL	\$ 26,382.09



High School Budget Cuts

Mat Interns	\$ 10,000.00
Student Assemblies	\$ 300.00
Pressing/Cleaning Graduation Robes	\$ 600.00
Awards, Graduation Supplies, etc. (1/2)	\$ 2,000.00
Food Expense (1/2)	\$ 500.00
Music for Keyboarding Class (1/2)	\$ 250.00
New Instruments	\$ 2,000.00
PMEA Dues/Fees, Band and Chorus	\$ 1,250.00
TSA to California (1/3)	\$ 100.00
TSA State (1/2)	\$ 2,050.00
MS Office Text	\$ 14,625.00
MS Office Workbooks	\$ 50.00
MS Projects	\$ 200.00
Shipping/Handling	\$ 1,487.50
PBEA Membership	\$ 70.00
FBLA State Student Leadership (1/2)	\$ 4,810.00
FBLA Workshop (1/3)	\$ 385.00
Halogen Lamp, Media	\$ 270.00
Yearbook Cybershot Digital Camera	\$ 879.98
AHPERD - PE Membership	\$ 150.00
Lord of Flies, Of Mice and Men, Caesar DVD	\$ 103.82
NCTE Membership	\$ 150.00

High School Budget Cuts (cont'd)

Foreign Lanugage, Food and Suppies Cultural Events	\$ 200.00
Membership Foreign Language, German, Fr., Spanish	\$ 480.00
Geometric Demo Set	\$ 518.02
Protractors, Rulers, Compass	\$ 127.50
PSSA New Course, Teacher Materials, Shipping	\$ 3,486.26
Calculator Holder	\$ 32.87
Carnegie Learning	\$ 1,000.00
NCTM, PCTM Membership Dues, Math	\$ 780.00
NSTA Science Membership Dues	\$ 100.00
National Council Social Studies, Dues	\$ 480.00
PSAT for Junior Class	\$ 2,124.00
Guidance Dues	\$ 790.00
Library Storage Cabinet	\$ 905.83
HS Library Books	\$ 10,000.00
PSLA Conference	\$ 175.00
Refreshments (1/2)	\$ 350.00
Middle States Dues	\$ 1,000.00
Nurse Professional Dues	\$ 125.00
Senior Banquet (1/2)	\$ 1,812.50
Yearbook/Newspaper District Contribution	\$ 3,500.00
Music for Jazz Enzemble (1/2)	\$ 500.00
SAP Training	\$ 1,000.00
Musical Production, District Contribution (1/2)	\$ 2,500.00
TOTAL (2 slides)	\$ 74,218.28



Curriculum, Pupil Personnel & Public Relations Budget Cuts

Curriculum, Instruction, Assessment		
Refreshments for New Teacher Induction/Staff Dev. (1/2)	\$ 1,750.00	
TOTAL	\$ 1,750.00	
Pupil Personnel		
Conference	\$ 500.00	
TOTAL	\$ 500.00	
PUBLIC RELATIONS		
Staff Recognition, Anniversary	\$ 1,000.00	
Senior Citizen Dinner (Pay through Food Service)	\$ 1,500.00	
New Staff Reception (Cost to be paid through Food Serv.)	\$500.00	
Staff Breakfast (1/2)	\$ 1,800.00	
TOTAL	\$ 4,800.00	
NOTE: If Accountability Grant is received, budget may be cut by \$23,700 - On Hands and Blended Schools		



Technology Budget Cuts

TECHNOLOGY		
HS Computer Memory Upgrades	\$ 16,240.00	
MS Computer Memory Upgrades	\$ 7,280.00	
Microsoft Office (Decrease in New Cost from Previous)	\$41,000.00	
TV Brackets for Concession Stand	\$ 1,648.00	
MS TV's and DVD	\$ 4,399.00	
Elementary TV's (1/2)	\$ 4,400.00	
TOTAL	\$74,967.00	

Grounds, Custodian, Maintenance and Transportation Budget Cuts

GROUND		
Signage (1/2)	\$ 4,000.00	
TOTAL	\$ 4,000.00	
CUSTODIAL		
Window Cleaning	\$ 6,000.00	
Carpet Cleaning	\$ 9,000.00	
TOTAL	\$ 15,000.00	
MAINTENANCE		
Warning Light Repair	\$ 500.00	
Demolish Barracks	\$ 20,000.00	
Windows and Doors for Prev. Admin. Bldg.	\$ 34,000.00	
TOTAL	\$ 54,500.00	
TRANSPORTATION		
Bus Lease 72 Passenger	\$ 16,170.00	
Bus Lease 48 Passenger	\$ 15,750.00	
Summer Bus	\$ 2,600.00	
Activity Bus (1/2)	\$ 10,000.00	
TOTAL	\$ 44,520.00	



Athletics Budget Cuts

ATHLETICS		
Scouting	\$ 1,050.00	
Coaching Clinics (1/2)	\$ 6,100.00	
Wall Rack for Wrestling Mat	\$ 6,000.00	
Five Man Sled	\$ 4,825.00	
Golf Pants	\$ 700.00	
Boys' Premium Soccer Balls	\$ 719.00	
Volleyball Training Aids	\$ 408.85	
Weight Room Equipment for Strength Training	\$14,795.75	
Track and Cross County Contingency	\$ 5,000.00	
TOTALS	\$39,598.60	





Act 1 Questions

- Do you favor converting the school district's current earned income tax to a personal income tax at 1.4%? The revenue generated from the personal income tax will be used to reduce taxes on qualified residential property by an estimated \$731.60 and to replace the revenue from the school district's current earned income tax? The current earned income tax is 0.5%.



Act 1 Questions

- Do you favor imposing an additional 0.9 % earned income tax? The revenue generated from the increased tax rate will be used to reduce taxes on qualified residential properties by an estimated \$610.79. The current school district earned income tax rate is 0.5%.