



South Fayette School District

2008-2009 Proposed Preliminary Budget

Presentation to the South Fayette High School and Middle School Staff
February 4, 2008

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.




Why is it important for you to know this?

- So that you may better understand the current budget situation, why it exists and what the future holds.
- So that you may communicate accurate information to others.
- So that you may offer creative suggestions to the budget problem.

● ● ● | How do we know that there is a budget crisis?

- Projected **EXPENDITURES** significantly exceed projected **REVENUES**.
- Each year we need to use **FUND BALANCE** to budget the current budget.
- **EXPENDITURES** are expected to increase, over time, significantly more than **REVENUES**.



The BIG Question?


WHY is there a budget crisis?

Myth: Because the District built a stadium.

Fact: The debt payment for the stadium would NOT lead to a balanced budget.

Myth: With all of the new housing, shouldn't real estate taxes pay for the increased costs?

Fact: A “conservative” new home value in SF is \$200,000 thus bringing in \$4,638 in real estate taxes. The cost to educate a child in SF in 06-07 was \$13,083.03. (total budget / SF student enrollment)




The BIG Question?

WHY is there a budget crisis?

Myth: The commercial development that is about to begin in the township should bring significant dollars immediately to the School District.

Fact: The new commercial developments when built out and occupied will bring revenue to the School District over time and this development will eventually help the Schools. These properties are however subject to the five year LERTA phasing in of future revenues.



The BIG Question?

WHY is there a budget crisis?

Myth: Because the School Board did not follow the recommendation of the administration in 2005-06 to increase millage by 1.5 mills.

Fact: Although that would have increased revenue and helped the situation, an additional \$456,000 per year would not have balanced the current budget.



The BIG Question?

WHY is there a budget crisis?

Myth: Because too much building and renovation has occurred in the past 7 years leading to increased debt.

Fact: Beginning in 1992, students were housed in trailers. High school students continued this use until 2002; middle school students continued to use trailers until 2005. Before the rapid growth began, the buildings were already over crowded. Debt has increased as space was needed and continues to be needed due to increasing enrollment.



The BIG Question?


WHY is there a budget crisis?

Fact: Natural gas costs have increased 47.81% since 2002-03.

Fact: Water costs have increased 59.68% since 2002-03.

Fact: Electric costs have increased 20.29% since 2002-03.

Fact: Diesel fuel costs have increased 228.97% since 2002-03.



The BIG Question?

WHY is there a budget crisis?

Fact: Student enrollment increased 17.51% since 2002-03.

Fact: Special Education enrollment increased 18.98% since 2002-03.

Fact: The number of teachers increased from 129 to 152 since 2002-03; the number of paraeducators increased from 19 to 22.



The BIG Question?

WHY is there a budget crisis?

Fact: Debt service increased by \$1,566,352 since 2002-03 for high school construction, middle school construction/renovation, elementary school renovation, stadium construction plus football/soccer field, softball field and field house, bus garage move and renovation, army property acquisition (22 acres), Nagel Property acquisition (9.2 acres), Iagnemma property acquisition (6.9 acres).



The BIG Question?

WHY is there a budget crisis?

Fact: School DISTRICT expenditures (costs to maintain current staff, add new staff, pay for increases in utilities, fuel, etc. PLUS build new facilities) EXCEEDS District revenues.

Fact: Allegheny County's movement to property assessments at 2002 values caused major refunds in South Fayette on almost ALL new housing and properties previously appealed by the District. (Loss of \$400,000 annually)



The BIG Question?

WHY is there a budget crisis?

Fact: Health Insurance rates have increased by 52% since 2002-03. (District cost ~ \$2,726,929; Employee contribution \$329,130)

Fact: Mandated retirement rates have increased by 462 % since 2002-03. (1.15% - 6.46%)



The BIG Question?

WHY is there a budget crisis?

Fact: REVENUES initially were expected to increase by **\$386,807** in the 2008-09 school year. Figures released to us from Allegheny County on January 28th revealed an additional **\$307,000** in revenues (based upon 23.14 mills).

EXPENDITURES were initially expected to increase by **\$3,363,448** in 2008-09 based upon budgets prepared by building administrators and department leaders.



Budget Summaries

Including Fund Balance Information

	2005-06 Actual 20.29 mills	2006-07 Actual 21.19 mills (0.9 mill increase)	2007-08 Budget Approved as of June 30, 2007 23.14 mills (1.95 mill increase)	2007-08 Estimated Use of Funds (as of Oct. 2007) 23.14 mills	2008-09 Proposed Budget Nov. 20, 2007 Reflects 23.14 mills
Total Revenues	\$25,513,197	\$26,490,404	\$28,523,438	\$28,588,643	\$28,975,450
Total Expenditures	\$25,169,737	\$27,565,945	\$29,631,756	\$29,072,059	\$32,433,507
Results of Operations (Difference)	\$343,460*	(-\$1,075,541)**	(-\$1,108,318)***	(-\$483,416)	(-\$3,458,057)
Beginning Fund Balance	\$2,621,752	\$2,965,213	\$1,889,672	\$1,889,672	\$1,406,256
Ending Fund Balance	\$2,965,213	\$1,889,672	\$781,354	\$1,406,256	(-\$2,051,801)

*In 2005-2006, the results of operations would have been a deficit; however, the one time reimbursement from the sale of our portion of the Pathfinder School (\$131,625) and the refinancing of 2001 bonds (\$380,987) generated a small surplus.

**In 2006-07, 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 mills (\$1,075,451 was actually utilized in 2006-2007 to balance the budget.)

*** In 2007-08, the Board of School Directors voted to allocate \$1,108,318 from fund balance to balance the 07-08 annual budget while increasing millage by 1.95 mills.

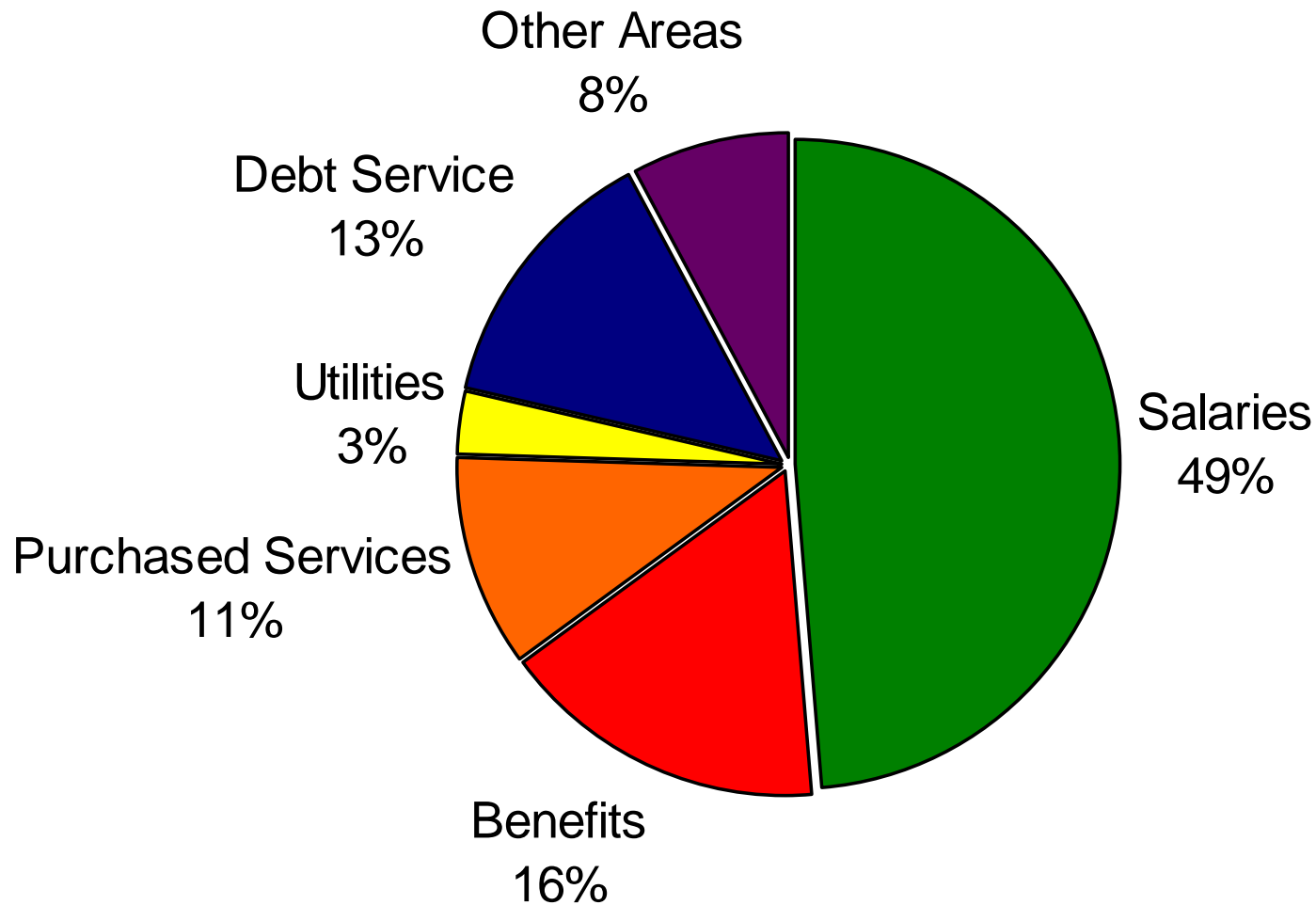
Budget Summaries

Including Fund Balance Information

	2007-08 Estimated Use of Funds (as of Oct. 2007) 23.14 mills	2008-09 Proposed Budget Nov. 20, 2007 Reflects 23.14 mills	2008-09 Preliminary Budget as of January 22, 2008 Reflects 24.32mills (1.18 mills) and cuts identified in this document. Note: Middle School Sports were put back into the budget and Varsity Wrestling added)	2008-09 Proposed Budget as of February 1, 2008 Reflects 24.32 mills (1.18 mills) and cuts identified in this document. (Includes additional County Revenue and additional retirements and excludes materials for academic courses not approved)
Total Revenues	\$28,588,643	\$28,975,450	\$30, 013,606	\$30,352,820
Total Expenditures	\$29,072,059	\$32,433,507	\$30,590,006	\$30,543,284
Results of Operations (Difference)	(-\$483,416)	(-\$3,458,057)	(-\$576,400)	(-190,464)
Beginning Fund Balance	\$1,889,672	\$1,406,256	\$1,406,256	\$1,406,256
Ending Fund Balance 15	\$1,406,256	(-\$2,051,801)	\$829,856 (2.71%)	\$1,215,792 (3.98%)



South Fayette School District Expenditures 2008-2009






Costs for Compensation Increases

(Existing School District Staff ~ Does not include 2008-2009 Proposed Positions)

	Salary Increases	SS Tax (7.65%)	Totals
Faculty*	\$506,646	\$38,758.42	\$545,404.42
Administrators* and Leadership Team	\$48,620.38	\$3,719.46	\$52,339.84
Custodial/Maintenance*	\$20,606	\$1,576.36	\$22,182.36
Transportation*	\$37,223	\$2,847.56	\$40,070.56
Assistants (Clerical)	\$15,267.91	\$1,168	\$16,435.91
Coaches and Activity Sponsors*	\$17,812	\$1,362.62	\$19,174.62
Paraeducators/Student Monitors*	\$16,246	\$1,242.82	\$17,488.82
TOTALS	\$662,421.29	\$50,675.24	\$713,096.53


*Compensation set by existing contract/agreements.



Expenditures Associated with New Proposed Items for 08-09

(The list includes items necessary to continue current service level offered by the District as requested by administrators and department leaders in November, 2007)

Staff	Budgeted
HS English Teacher	\$66,063.14
HS Math Teacher	\$66,063.14
MS Grade 5 Teacher	\$66,063.14
MS Grade 7-8 Teacher	\$66,063.14
MS Grade 7-8 Teacher	\$66,063.14
MS Grade 7-8 Teacher	\$66,063.14
ES Grade 1 Teacher	\$66,063.14
ES Grade 2 Teacher	\$66,063.14
ESL Teacher	\$66,063.14
Psychologist/Social Worker	\$84,039.22
Pupil Personnel Cler. Asst./ACCESS Coord.	\$46,225.47
Bus Driver	\$33,636.71
Receptionist (Move to 12 Months)	\$ 5,857.06
Receptionist (Move to 12 Months)	\$ 5,857.06



Annual Compensation for Proposed Additional 2008-09 Staff

	Total Salary	Benefits (Healthcare, retirement, payroll taxes)	Totals
New Faculty (12 proposed)	\$534,600	\$258,157.74	\$792,757.74
Administrators and Leadership Team (1 psychologist/social worker)	\$60,000	\$24,039.22	\$84,039.22
Transportation (1 bus driver)	\$22,413	\$11,223.71	\$33,636.71
Assistants/Clerical (1 pupil personnel, 2 current receptionists in ES and Admin to 12 months)	\$37,316	\$20,330.39	\$57,646.39
Paraeducators/Student Monitors (2 as needed paraeducators)	\$35,501.90	\$20,922.93	\$56,424.83
TOTALS	\$689,830.90	\$334,673.99	\$1,024,504.89



Annual Compensation for Additional 2008-2009 Staff (continued)

	Salary	Benefits	Total
Compensation Totals	\$689,830.90	\$334,673.99	\$1,024,504.89
Staff & Benefits Budgeted but not utilized to date	- \$108,812.50	- \$57,936.52	- \$166,749.02
New Monies Budgeted for Additional Staff in 08-09	\$581,018.40	\$276,737.47	\$857,755.87



Summary of Personnel Cost Changes That Influence 2008-09 Budget

Existing Staff Salary Increases and Social Security	\$	713,096.52
Existing Staff Retirement Contribution Increases	\$	159,456.50
Existing Staff Health Insurance Increases	\$	27,384.00
Tuition Reimbursement	\$	27,500.00
New Staff (Net)	\$	857,755.86
<u>Building/Dept. Budget Increases</u>	<u>\$</u>	<u>1,132,080.24</u>
TOTAL	\$	2,917,273.12
 <u>Amounts Budgeted last year not this year</u>	 <u>\$</u>	 <u>115,522.58</u>
NET TOTAL	\$	2,801,750.58



Expenditures Associated with New Proposed Items for 08-09 (November, 2007)

Elementary

Student Desks	\$10,000
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Middle School

Instruments	\$12,280
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Text books (Microsoft Word, Math, Science Social Studies)	\$11,202
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Furniture for new classrooms	\$10,982
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High School

Textbooks (AP French, books required for AP Audit, Business Technology, Pre- Calculus, Probability and Statistics, new Language Arts novel)	\$ 27,519
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Bassoon	\$3,350
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Expenditures Associated with New Proposed Items for 08-09 (November, 2007)

Athletics

Football Uniforms	\$18,018
Cheerleader Uniforms	\$9,126.50
Weight Equipment	\$10,296
Tackling Sled	\$1,100
Medical Whirlpool	\$3,295
Kwik Goals and Nets	\$4,788

Transportation

Lease/Purchase of 7 New Busses	\$96,336
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Expenditures Associated with New Proposed Items for 08-09 (November, 2007)

Grounds

Bus roadway repairs, New stairway from stadium lot, Elementary playground resurfacing and painting	\$81,500
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Maintenance


Pick-up Truck	\$25,000
Demolition of Barracks	\$50,000
Replacements Windows/Doors for former Administration Building	\$38,000



Expenditures Associated with New Proposed Items for 08-09

Technology


Laptops for New Staff (12 computers)	\$20,881
Laptops for Staff Rotation (50 computers)	\$78,500
HS Mobile Cart (32 computers)	\$57,926
Elem. Mobile Cart (26 computers)	\$47,564
HS Yearbook Computers (10 computers)	\$13,750
HS Tech Ed Computers (26 computers)	\$35,750
Replacement Computers in	
Business Tech Classroom (32 computers)	\$44,000
HS/MS School Security Monitors	\$15,495
Computers for Music Curriculum	\$18,562
Video Scoreboard Equipment	\$55,000



“As Needed” or “Contingency” Items in 2008-09 Budget

Expenditures in 2008-2009 Budget that are proposed
but identified “As Needed” or “Contingency” (ONLY USED IF NECESSARY)


<u>Item/Department/Building</u>	<u>Amount</u>
Teacher	\$66,063.14
Teacher	\$66,063.14
Teacher	\$66,063.14
Paraeducator	\$28,212.42
<u>Paraeducator</u>	<u>\$28,212.42</u>
TOTAL “As Needed” STAFF	\$254,614.27



“As Needed” or “Contingency” Items in 2008-09 Budget

Expenditures in 2008-2009 Budget that are proposed
but identified “As Needed” or “Contingency”

<u>Special Education Placements</u>	<u>Amount</u>
Children's Institute	\$21,087.00
Pressley Ridge	\$20,880.00
Tillotson School	\$14,760.00
Watson Institute	\$17,500.00
Pathfinder	\$50,000.00
Cyber Charter Schools (3)	\$34,215.80
Wesley Highlands	\$14,853.60
Holy Family Institute	\$26,460.20
Wesley Academy (2)	\$30,346.00
<u>Cooperative Work</u>	<u>\$ 4,299.75</u>
Total Special Education “As Needed”	\$234,402.35



“As Needed” or “Contingency” Items in 2008-09 Budget

Expenditures in 2008-2009 Budget that are proposed
but “As Needed” or “Contingency”

<u>Contingency Budgets</u>	<u>Amount</u>
Custodial/Maintenance	\$25,000.00
<u>Athletic Fund Transfer</u>	<u>\$14,000.00</u>
Total Contingencies	\$39,000.00
 “As Needed” GRAND TOTAL (Includes Staff, Special Education, Maintenance/Custodial, Athletics)	 \$528,016.61



Debt Service

(annual payments for monies borrowed for constructions/renovations/land purchases)

School Year	Debt Service	Annual Difference
2002-2003	\$2,574,112	
2003-2004	\$2,851,392	\$+277,280
2004-2005	\$3,538,073	\$+686,681
2005-2006	\$3,528,504	(\$-9,569)
2006-2007	\$4,140,464	\$+611,960
2007-2008	\$4,368,696	\$+228,232
2008-2009	\$4,373,116	\$+4,420

Debt service has increased since 2002 due to the completion of the High School, the addition and renovation of the Middle School, the renovation of the Elementary School, and the building of the Stadium complex including the turf field, softball field and fieldhouse, natural grass field, and administrative offices, Army Base Property Acquisition (22 acres), Nagel Property Purchase (9.2 acres), Iagnumma Property Purchase (6.9 acres)



Department/Building Budgets

As Presented In Detail by Each Dept/Building at Oct. 2007 Board Meetings (does not include staff compensation and benefits)

	2007-08	2008-09 proposed	Difference
Elementary School	\$163,606	\$162,479	(-\$1,127)
Explanation	Budget includes textbooks, workbooks and supplies, replacement classroom furniture, first aid supplies, library books, Global Connect, piano tuning, membership dues and fees, etc.		
Middle School	\$110,841	\$140,370	\$29,529
Explanation	Budget includes textbooks, library books, workbooks and supplies, Global Connect, Tech. Ed. maintenance, piano tuning, membership dues and fees; Increases are due to map and science supplies for new staff to setup new classrooms, new instruments (conga set, hand chimes, euphonium), new textbooks (Microsoft Word, other subjects as indicated by enrollment/wear), new piano, furniture for 2 new classrooms		
High School	\$195,101	\$228,257	\$33,156
Explanation	Budget includes textbooks, workbooks and supplies, Global Connect, instrument repair and tuning, diplomas, awards night supplies, tuition assistance for AP tests, dues and fees, library supplies, subscriptions; Increases are due to new textbooks (Microsoft Office, new novel in Language Arts), library books, one new instrument (bassoon).		

Department budgets presented in October, 2007 have been rounded to the nearest dollar amount.



Department/Building Budgets

(does not include staff compensation and benefits)

	2007-08	2008-09 proposed	Difference
Athletics	\$177,178	\$237,441	\$60,263
Explanation	Supplies for all District sports (51 teams), medical supplies, UPMC trainers, ambulance costs, maintenance for equipment, cleaning and reconditioning of uniforms, awards and letters; increases due to new football and cheerleading uniforms, weight equipment, hash lines on field (possible state mandate), medical full-body whirlpool		
Curriculum & Assessment	\$88,076	\$93,348	\$5,272
Explanation	Standardized testing supplies, curriculum development, test scoring, staff development, subscription fees for Blended Schools, PA Educator, etc.; Increases due to enrollment increases and cost increases		
Community & Public Relations	\$39,900	\$38,550	(-\$1,350)
Explanation	Printing and postage for district mailings (calendar, report card, newsletters, postcards), newspaper subscriptions, dues and fees, Act 1 required mailings		

Department budgets presented in October, 2007 have been rounded to the nearest dollar amount.



Department/Building Budgets

(does not include staff compensation and benefits)

	2007-08	2008-09 proposed	Difference
Business Office/Human Resources/Copy Center	\$314,870	\$320,230	\$5,360
Explanation	Copy center, audit fees, equipment maintenance, District telephone service, CSIU software maintenance costs, general supplies, membership dues and fees, employment advertising; Difference due to transfer of advertising fees from School Board to Business Office budget		
Superintendent's Office/ School Board	\$88,690	\$63,190	(-\$25,500)
Explanation	Security bonds, School Leaders Liability Insurance, advertising (meetings etc.), Student Accident Insurance Policy, general supplies, dues and memberships; Decrease due to transfer of employment advertising fees from School Board to Business Office budget		
Special Education/ Pupil Personnel	\$1,204,178	\$1,319,952	\$115,774
Explanation	IU contract services, tuition for outside placements, ESL services, supplies for Gifted programs, Social worker services, psychological evaluations; Increase due to Gateway Rehab facility opening is District (this increase will be offset by revenue), increase in Cyber Charter School costs		

Department budgets presented in October, 2007 have been rounded to the nearest dollar amount.



Department/Building Budgets

(does not include staff compensation and benefits)

	2007-08	2008-09 proposed	Difference
Building Grounds/ Facilities	\$171,835	\$251,780	\$79,945
Explanation	Snow removal, lawn maintenance, repair of equipment, fields maintenance, pest control; Increase due to plans for repair of roadway to bus garage, resurfacing and painting of Elementary playground, and new stairs from stadium parking lot to Elementary field		
Maintenance	\$1,315,411	\$1,363,934	\$48,523
Explanation	Boiler water treatments, swimming pool water testing, sewage water testing, trash and recycle hauling, all district utilities, building and equipment maintenance services; Increases due to gates for stadium, maintenance truck, heat pumps in classroom, replacement windows in former administration building, utility increases, barracks building demolition		
Custodial	\$154,300	\$155,050	\$750
Explanation	Laundry service (mats, mops), exterior window cleaning, gym floor refinishing, equipment maintenance, general cleaning supplies		

Department budgets presented in October, 2007 have been rounded to the nearest dollar amount.



Department/Building Budgets

(does not include staff compensation and benefits)

	2007-08	2008-09 proposed	Difference
Transportation	\$682,964	\$902,462	\$219,498
Explanation	Fuel, outside repairs, equipment rental (radios, repeater fee), vehicle rental, contracted carriers (students going to outside schools), insurance, required drug testing, parts and supplies, replacement busses, license fees and required first aid classes; Increase due to rising diesel costs, lease/purchase of 7 new school busses		
Technology	\$306,495	\$868,485	\$561,990
Explanation	Repair and maintenance of equipment, LCD projectors, security system monitors, memory upgrades, laptops for new staff, laptop rotation, replacement computers, mobile cart, membership dues and fee; Increases due to replacement of aging technology equipment, security system monitors, mobile carts needed to free up classroom space, Classrooms for the Future (to be utilized if funding support not provided by PDE)		
TOTALS	\$5,013,445	\$6,145,528	\$1,132,083

Department budgets presented in October, 2007 have been rounded to the nearest dollar amount.



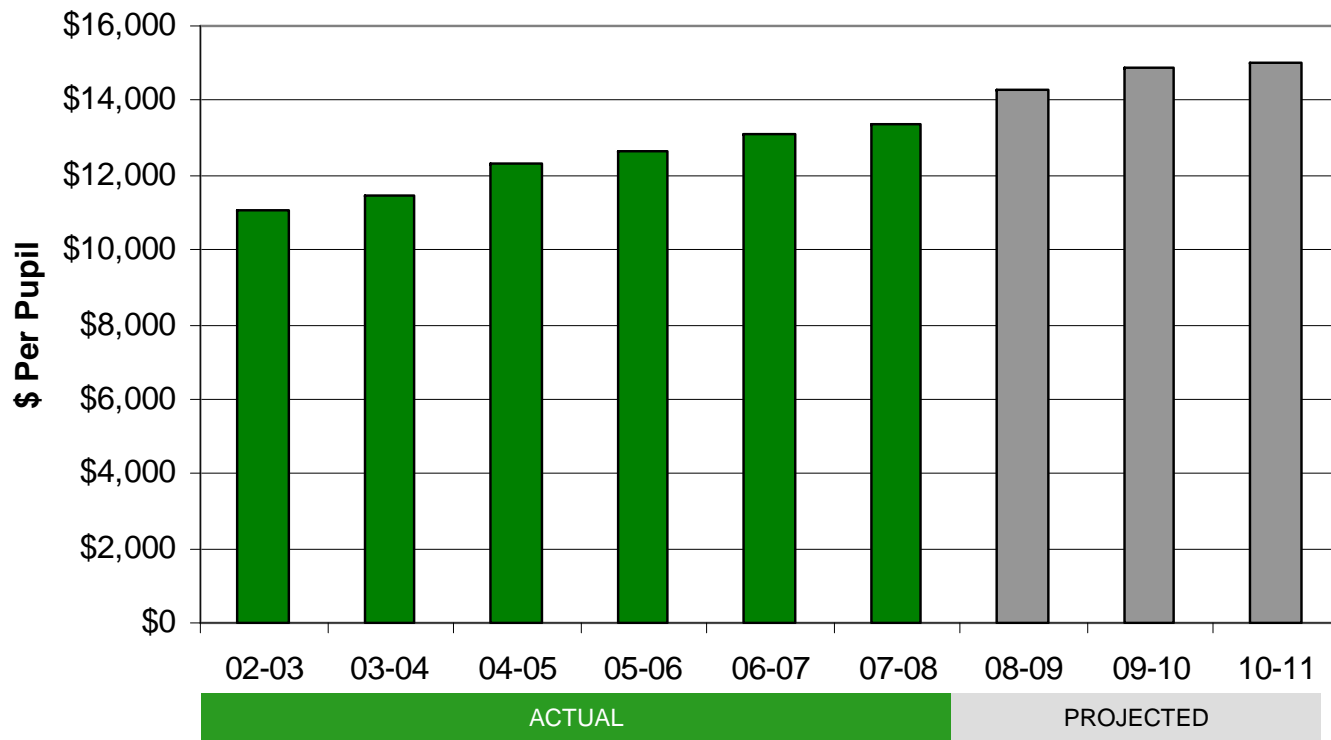
Student Enrollment

(Projections were established by District Administration; The demographer hired by the School District projected higher enrollments)

	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008 (10/1/07)	2008- 2009 (projected)	2009- 2010 (projected)	2010- 2011 (projected)
Elementary (K-4)	705	751	794	805	831	893	908	940	973
Middle School (5-8)	566	573	585	605	654	666	717	719	708
High School (9-12)	522	542	544	585	622	618	646	663	714
TOTALS	1793	1866	1923	1995	2107	2177	2271	2322	2395

Expenditures Per Pupil: 2002-03 to Present & Projected

(November, 2007)



	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Expenditures	\$19,808,908	\$21,354,136	\$23,738,263	\$25,161,437	\$27,565,945	\$29,072,059	\$32,433,507	\$34,477,740	\$35,926,690
Enrollment	1793	1866	1923	1995	2107	2177	2271	2322	2395
Per Pupil Expenditures	\$11,047.91	\$11,443.80	\$12,344.39	\$12,612.25	\$13,083.03	\$13,354.18	\$14,281.60	\$14,848.29	\$15,000.71



Revenue





2008-09 South Fayette School District Revenue - All Sources

(November, 2007)

Local: \$22,535,094

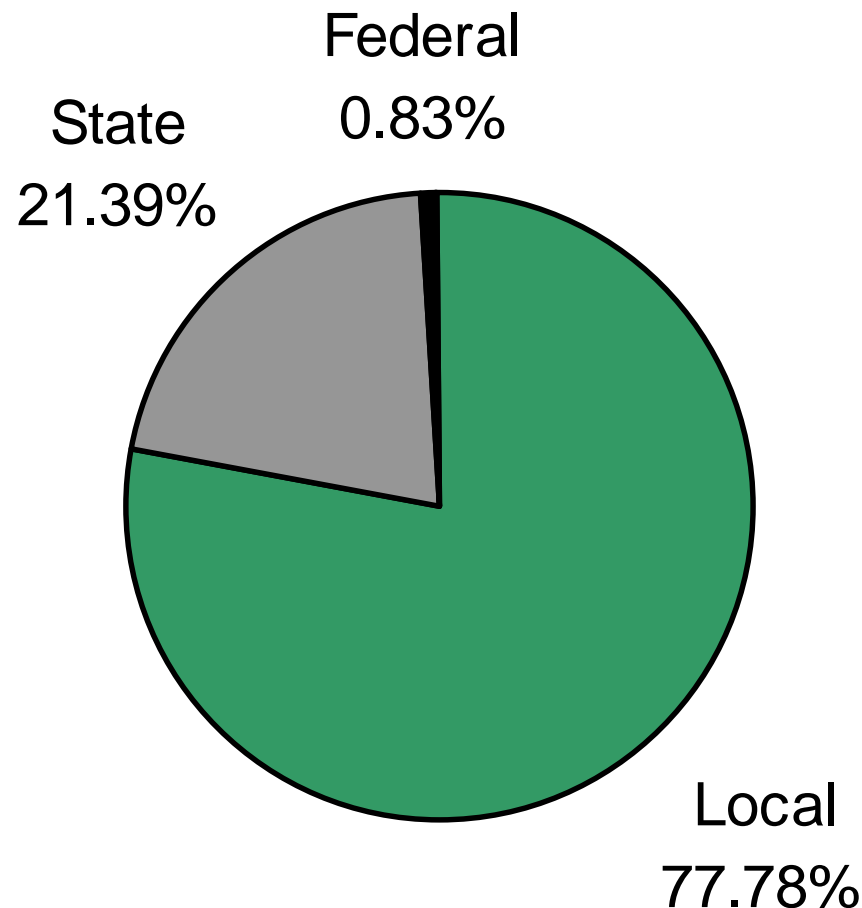
Current Real Estate Taxes, Interim Taxes, Delinquent Taxes, PURTA, Per Capita Tax, Occupational Privilege Tax, Real Estate Transfer Tax, Current and Delinquent Earned Income, Interest Earnings, IDEIA Passthrough Funds

State: \$6,198,751

Consists of: Basic Education Subsidy, Special Education Subsidy, Home Bound Instruction, Charter School Reimbursement, Transportation, Debt Service, Retirement, Social Security, Classrooms for the Future Grant, Accountability Block Grant, Dual Enrollment Funding

Federal: \$241,605

Title I, Title IIA, Title IID, Title V, Safe and Drug Free Schools, ACCESS Reimbursement





History of Assessed Property Valuations

<u>School Year</u>	<u>Assessed Value</u>	<u>% Inc</u>	<u>Tax Levy</u>	<u>Net Revenue</u>	<u>Millage</u>
2003-2004	\$749,345,966	2.15%	\$ 15,204,230	\$ 14,444,018	20.29
2004-2005	\$772,361,781	3.07%	\$ 15,671,221	\$ 14,839,000	20.29
2005-2006	\$801,057,893	3.72%	\$ 16,253,262	\$ 15,440,791	20.29
2006-2007	\$833,284,638	4.02%	\$ 17,657,301	\$ 16,774,436	21.19
2007-2008	\$839,675,848	0.77%	\$ 19,430,099	\$ 18,458,594	23.14
2008-2009	\$853,621,428**	1.67%	\$ 19,752,800	\$ 18,765,160	23.14
(projected, Nov. 2007)					
2008-2009	\$867,623,896	3.33%	\$ 21,100,613	\$ 20,045,582	24.32
(based upon Allegheny County Assessment Office figures received January 28, 2008)					

****08-09 Assessment as of November, 2007 calculated as follows:**

Taxable Valuation (per Jordan Tax) at 7/1/07	\$850,735,628
+Properties added to rolls from 7/1 to 11/1/07	<u>\$ 2,885,800</u>
08-09 assessment as of 11/1/07	\$853,621,428



2007 TAX BLOTTER (January 2007)

South Fayette Properties

(Source: Allegheny County)

CLASS	ASSESSMENT	PARCELS	% Assessment	AVERAGE Assessment	AVERAGE Tax Bill
Agriculture	\$4,266,400	65	.51%	\$65,637	\$1,519
Commercial	\$138,245,160	251	16.46%	\$550,778	\$12,745
Industrial	\$19,364,490	34	2.31%	\$569,544	\$13,179
Other	\$605,900	8	.07%	\$75,738	\$1,753
Utilities	\$42,500	5	.01%	\$8,500	\$197
Residential	\$677,151,398	6,136	80.64%	\$110,357.14	\$2,554
TOTALS	\$839,675,848	6,499	100.00%	\$129,200.78	\$2,990



2008 TAX BLOTTER (January 2008)

South Fayette Properties

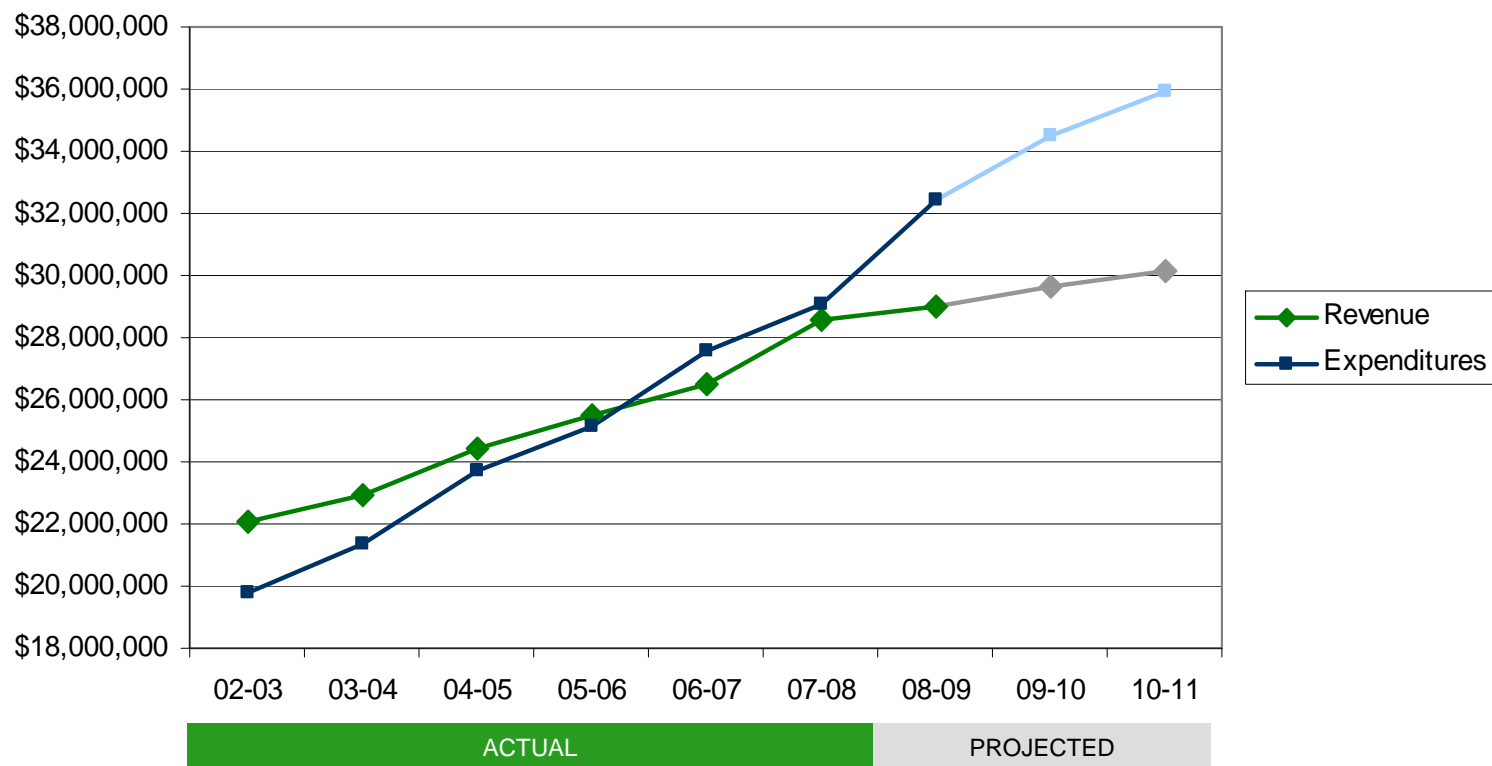
(Source: Allegheny County)

CLASS	ASSESSMENT	PARCELS	% Assessment	AVERAGE Assessment	AVERAGE Tax Bill
Agriculture	\$3,872,900	57	.45%	\$67,945	\$1,572
Commercial	\$139,320,578	257	16.06%	\$542,103	\$12,544
Industrial	\$20,033,390	33	2.31%	\$607,072	\$14,048
Other	\$1,324,900	9	.14%	\$147,211	\$3,406
Utilities	\$42,500	5	.01%	\$8,500	\$197
Residential	\$703,029,628	6,308	81.03%	\$111,450	\$2,579
TOTALS	\$867,623,896	6,669	100.00%	\$130,098	\$3,010



Revenue & Expenditures

(projected as of November, 2007)



	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Revenue	\$22,052,003	\$22,941,226	\$24,416,452	\$25,503,170	\$26,490,404	\$28,588,643	\$28,975,450	\$29,611,986	\$30,165,182
Expenditures	\$19,808,908	\$21,354,136	\$23,738,263	\$25,161,437	\$27,565,945	\$29,072,059	\$32,433,507	\$34,477,740	\$35,926,690



Proposed Budget: Summary of 2008-2009

(as of November, 2007)

Proposed Revenue	\$28,975,450
Proposed Expenditures	\$32,433,507
Difference (results of operations)	(-\$3,458,057)
Available Fund Balance	\$1,406,256



Proposed Budget:

Summary of 2008-2009 (as of Feb. 1, 2008)

(Includes items eliminated from the initial budget proposed in November, 2007, materials for high school academic courses not approved by the Board, addition of varsity wrestling, not eliminating middle school sports, additional staff retirements and additional County revenue from increased assessments.)

Proposed Revenue	\$30,352,820
Proposed Expenditures	\$30,543,284
Difference (results of operations)	(-\$190,464)
Available Fund Balance	\$1,406,256



Value of a Gross Mill of Tax & Collection Rate

	Value of a <u>Gross</u> Mill of Tax in South Fayette School District	Value of a <u>Collected</u> Mill of Tax (based on 95% collection rate)
2003-2004	\$749,346	\$711,879
2004-2005	\$772,362	\$733,744
2005-2006	\$801,097	\$761,042
2006-2007	\$833,285	\$791,620
2007-2008	\$839,676	\$797,692
2008-2009	\$867,624 (rev. 1-28-08)	\$824,243

Collection Rate

Why don't taxing jurisdictions collect 100% of the real estate tax levied?

- 2% Discount
- Exonerations
- Uncollectibles
- Appeal Dispositions
- County Administrative Changes (A4)

45

The average collection rate for schools located in Allegheny County is 94.70% South Fayette budgets at 95%

How Millage Affects the Taxpayer

Average South Fayette
Home Value

(according to 1/08 data):

\$111,450



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



Present Financial Facts

(Relative to 08-09 Budget)

- I. The PA Department of Education, through Act 1 permits the Board of School Directors to increase millage without referendum and without application for exceptions by 5.1% (.051 x 23.14 mills = **1.18 mills**).

$$1.18 \text{ mills} \times \$824,243 \text{ (value of collected mill)} = \text{\$972,607}$$

With this millage increase, if no items were eliminated from the proposed budget and all of fund balance was used, there would be a **\\$587,339** deficit in spending.

Using all but \$1,000,000 of Fund Balance, would result in a **\\$1,587,339** deficit.



Present Financial Facts

(Relative to 2008-2009 Budget)

- II. The Board of School Directors has authorized application for exceptions, thus allowing millage to be increased above 1.18 mills for increased enrollment, retirement and health care costs and increased special education costs. **ALTHOUGH THE BOARD APPLIED FOR EXCEPTIONS, it is NOT RECOMMENDED by the ADMINISTRATION to increase millage above 1.18 mills, nor the Board desire to do so.**
- III. The Board of School Directors may place a referendum on the May ballot which asks the public to vote on a millage increase to maintain current programs, class size and amenities.
- IV. No expenditures are included in the proposed 2008 – 2009 Budget, or future proposed budgets, for construction at this time.



The BRUTAL FACT

- The Board of School Directors, by law, **MUST** pass a **BALANCED BUDGET** by June 30, 2008.

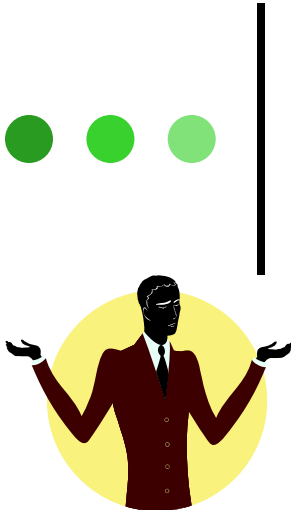


Balancing the Budget

(The following recommendation was made to the Board of School Directors with the information available in November, 2007:)

To “Balance” the 2008 – 2009 Budget, it is recommended that the Board of School Directors:

- A) Increase millage by the PDE Index – 1.18 mills generating \$956,905.66
- B) Use \$406,256 of Fund Balance, maintaining a \$1,000,000 Fund Balance (3.083%)
- C) Use a combination of decreases in expenditures and increases in revenues equivalent to a **net \$2,094,895.40** to balance the proposed preliminary budget.



The following POSSIBILITIES
were presented to the Board and
were eliminated from the initial
proposed preliminary budget in
order to adopt the 2008-09
PRELIMINARY Budget.

● ● ● Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently ELIMINATED	\$ Amount	Comments
Eliminate New High School English Teacher Position	\$66,063.14	We may have to offer less Media classes so that the Media teacher could teach English. Depending on student course selection, some English class sizes may increase to 30 or more students.
Eliminate New High School Math Teacher Position	\$66,063.14	Depending on course selection and scheduling, some math class enrollments could exceed 30 students. The Dean could be assigned additional math classes.
Eliminate New MS Grade 5 Teacher Position	\$66,063.14	Based on enrollment projections, total enrollment in grade 5 may exceed 190. Math and Language Arts in Grade 5 may have more than 30 students.
Eliminate New MS Grade 7-8 Teacher Position	\$66,063.14	Based on enrollment projections class size in Science and Social Studies classes in 7 and 8 may exceed 30.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget


Currently Eliminated	\$ Amount	Comments
Eliminate New MS Grade 7-8 Teacher position	\$66,063.14	Based on enrollment projections class size in Science and Social Studies classes in 7 and 8 may exceed 30.
Eliminate New MS Grade 7-8 Teacher position	\$66,063.14	Based on enrollment projections class size in Science and Social Studies classes in 7 and 8 may exceed 30.
Eliminate New ES Grade 2 Teacher position	\$66,063.14	Based on projected enrollment 23- 24 students would be placed in each second grade classroom.
Eliminate New ES Grade 1 Teacher position	\$66,063.14	Based on projected enrollment this would place 21- 22 students in each first grade classroom.

● ● ● Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
New Psychologist/Social Worker position	\$84,039.22	Services are needed for students who have multiple issues related to social, emotional, behavioral, academic, and family issues, etc. which impact the students in the school learning environment. This results in fewer referrals for special education evaluations. We now have 3 days of social worker services from AIU and costs continue to rise. SF has seen an increase in students with mental illness diagnoses and Autism Spectrum Disorders requiring services for "groups" and "individual" counseling. Our current contracted social worker is currently meeting with 28 students (K-12) and some weeks he cannot manage to see each child at least once. We also have a second contracted social worker for one day in this district who is running 4 groups at the elementary school and middle schools and she is individually counseling 4 students. This new position would deliver these services and could also be utilized to complete multi-disciplinary team evaluations when necessary and to attend special education IEP/GIEP/504 Service Plan meetings. Our current school psychologist had 65 evaluations to complete for 06-07 and for 07-08 she currently has 23 evaluations pending (NOT including reevaluations). We must stay in compliance with evaluations (60 school days to complete) and reevaluations due to the timelines given to us through PA Special Education Mandates.
New Pupil Personnel Clerical Asst./ ACCESS Coordinator position	\$46,225.47	Due to the increasing demands of special education paperwork, documentation, growing student population and the need to do ACCESS reimbursement paperwork, it is necessary to add clerical staff to the Department of Pupil Personnel. Also, if the district takes over programs from the Allegheny Intermediate Unit such as English-as-a-Second-Language, School Psychologist/Social Worker and Speech and Language Therapist it will be necessary to have additional clerical support to meet the increased demands of administrative responsibilities in supervising these programs from the Department of Pupil Personnel.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
New Bus Driver position	\$33,636.71	Monies would not be available to create a new bus run if one is deemed necessary. This was placed as a contingency.
Current Elementary Receptionist (move to 12 months)	\$5,857.06	No additional clerical assistance would be available during the summer months, despite increased enrollment.
Current Business Office Receptionist (move to 12 months)	\$5,857.06	The receptionist supports the business office and HR staff and summer hirings. This would not be available in the summer.
Eliminate all Field Trips (other than competitions)	\$9,428	Field trips would be cancelled or parents could be asked to pay for their child's field trip.
Eliminate all After-School Activity Busses	\$14,552	High School students who do not have their own transportation would not be able to stay after school for activities because they would not have a way to get home. Only those Middle School students who can provide their own transportation would have the opportunities to be tutored, participate in clubs, or be involved in the sports programs offered.
Do not Lease/Purchase 2 New Busses ⁵⁵	\$32,760	Program to implement upgrade of bus fleet would be extended. Older busses are prone to more maintenance, breakdowns, etc.



Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
No funding for High School Classrooms for the Future continuation if state funding is not provided)	\$200,000	Addition of mobile cart, interactive whiteboard, LCD Projector & productivity tools to support 21 st century learning would not occur unless the Classrooms of the Future Grant for 2008 was received.
No Laptops for New Staff (12)	\$20,881	Unless new faculty are hired, new laptops would not be necessary.
No Laptop Rotation for Staff (remove 45 of 50 requested)	\$70,650	Computers are currently 5 yrs + old. The replaced computers were to be moved into the Elementary School.
No HS Mobile Cart Replacement (32 computers)	\$57,926	Computers are 5 years old. The replaced computers were to be moved into Elementary.
No ES Mobile Cart (26 computers)	\$47,564	Requested due to increased enrollment and cross curricular technology integration. For 2008-2009 school year we would have had the computer lab and 26 computers on a mobile cart. Teachers would have had access to the lab once a week and would have had access to the mobile cart on a limited basis. There are 25 class slots per week on the mobile cart. The elementary technology is aging therefore some older computers malfunction.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
No HS Yearbook Computer Replacement (11)	\$13,750	Computers are 5 years old and used to produce HS Yearbook in house. Current systems are not designed to handle the software, performance is slow.
No HS Tech Ed Computer Replacement (26)	\$35,750	Computers no longer meet CAD Software Minimum specifications for hardware. No updated software could be used and class size would be limited to 20 (current # of computers in classroom)
No Replacement Computers in Business Tech Classroom (32)	\$44,000	Computers are 5 years old and are used an integral part of the Business Ed Curriculum. Without these computers, there will be a computer shortage in the elementary building. This was slated to be year one of a three year rotation.
No HS/MS School Security System enhancement.	\$15,494.68	The enhanced security (seeing down the hallways from the front desk) will be available.



Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
No Computers for Middle School Music Curriculum (Finale 2008)	\$18,562.90	Middle School Music Curriculum will not be revised to include music composition.
HS Study Island Math Software will not be unless the District is awarded the Accountability Grant	\$5,000	Software utilized for remediation, reinforcement, PSSA preparation and enrichment of the math curriculum as well as for after-school PSSA tutoring and SAT Prep course will not be purchased unless the Accountability Grant is received.
Grade 2 Software Adoption will only be purchased through the Accountability Grant	\$5,000	Software adoption for remediation, reinforcement, PSSA preparation and enrichment of curriculum. This would be purchased through the Accountability Grant if received.. This software would allow teachers to differentiate instruction.
Eliminate Additional Video Scoreboard Equipment	\$55,000	Partial equipment required to produce Live Video Feed for Stadium Scoreboard would not be purchased. Students would use same equipment as 07-08. Scoreboard would operate the same.
Do not Demolish the Barracks Building	\$50,000	The building is deteriorating due to a worn out roof. The building would continue to deteriorate.
Do not Replace Windows or Doors in former Administration Building	\$38,000	Plaster continues to peel due to leaking windows. The building is not air tight and is at low efficiency if it needs to be occupied.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget


Currently Eliminated	\$ Amount	Comments
Do not purchase new Football Uniforms	\$18,018	It has been 5 years since new uniforms were ordered; this is the standard rotation. They would be considered the following year.
Do not purchase new Cheerleading Uniforms	\$9,126.50	It has been 5 years since new uniforms were ordered and more are needed due to a larger squad; this is the standard rotation. They would be considered the following year.
Do not purchase new Elementary Desks	\$10,000	We would have to find old desks and chairs to handle the increased enrollment.
Do not purchase new Middle School Desks, Classroom Set-up	\$10,982.70	The middle school currently has only 17 desks available in storage for new students. Present classrooms cannot be accommodated beyond this number if student enrollment increases, and no new classrooms can be set up if enrollment warrants it. Old desks would have to be found.
Do not purchase new Library Books (all buildings) ES – \$4,000, MS - \$8,000, HS - \$10,000	\$22,000	HS – We would continue to lag behind in the numbers needed for an effective collection for a high school library. MS – We are still rebuilding the library as it was depleted during the move of the high school from the building and the move from the elementary school.. ES - We would not be able to add to our library collection and would not be able to add the most recent literature. Many children read literature series and this would prevent the library from adding new books from the series.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
No Bus Garage Roadway Repairs, New Stairway from Stadium Lot, Elementary Playground sealing and repainting	\$81,500	Roadway repairs will likely cost more at a later time as damage will continue to mount; The stairs would have heavy usage with track, band and football using both areas – students are currently walking up the steep grassy hill; Repairs to the Elementary Playground will likely cost more in the future and may result in a complete resurfacing
No Additional Social Worker Services (not covered by IDEIA Component 3)	\$38,545	Services would not be offered beyond our IDEIA allotment.
No payment for students at the Senior Banquet	\$4,250	Students would pay for their own meals; Currently, nearly every senior is in attendance at this traditional (and very special) end of the year event.
No District Contribution for Spring Musical	\$2,500	Other funds would need to be raised to maintain standards of the annual production

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
Do not purchase Maintenance Pick-up Truck	\$25,000	Employees would continue to use their personal vehicles and be reimbursed by District for mileage.
Eliminate All Standardized Testing (other than PSSA)	\$48,253	District would have no standardized scores or IQ scores to compare in future years; scores are used for screening and to show student progress from year to year on a norm reference test
Do not purchase new weight equipment.	\$10,296	No new stations could be added in weight room to accommodate increased participation. This equipment helps our athletes prepare for their competition.
Do not purchase new instruments (conga set, hand chimes, bassoon, euphonium, piano)	\$330; \$1,100; \$3,350; \$1,250; \$7,500	<p>The middle school piano used for performances is in deplorable condition. It is difficult to keep it tuned and many service calls are required. The sound is too small for the auditorium.</p> <p>Percussion instruments are lacking in the general music classes. Due to the size of the class and the curriculum requirements, additional instruments are necessary to accommodate all students and composition requirements.</p> <p>Hand chimes address the need for gross motor skill development, at an age where fine motor skills are not yet developed. These are also a natural bridge to the MIE keyboards used in the upper grade levels.</p> <p>The middle school band has one euphonium. A band of this size (74 students currently) should have four. We currently borrow one from the high school which leaves them with only two, an insufficient number for the 79-member band at that level.</p> <p>The High School Bassoon was requested last year and was cut from the budget. If cut again, we would not have a workable bassoon to adequately perform the high school concert band repertoire. Currently, the bassoon that we own is beyond repair.</p>



Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
Do not purchase new Football Tackling Sled	\$1,100	The sled will help our players practice the safety and proper technique for tackling in football. This would need to be funded elsewhere.
Do not purchase new Medical Full-Body Whirlpool	\$3,295	Treatment of injury is limited.
Do not purchase new Kwik Goals and Nets	\$4,788	Due to the increased number of participants in soccer, additional goals are needed. Failure to purchase would result in less efficient practices.
Put additional limitations on District travel to conferences (# of staff, location, etc.)	\$5,000	Additional limitations on conference and travel may affect some professional development and the ability to stay current with instructional strategies that lead to student achievement.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
Do not repair Media Equipment (6 years old)	\$2,600	Media equipment would not be repaired this year.
Do not purchase new black vinyl gate for track and field/cross country	\$5,000	This was requested so that electronic timing devise could be used for cross county as well as track.
Do not purchase new barrier gate and operator for stadium access	\$11,000	Access will have to be monitored by a worker at the game.
Do not purchase new hash marks on Field (possible state mandate)	\$9,000	District would not be able to implement state mandate this year should it be necessary or would use temporary paint on the turf field.
Reduce UPMC Sports Performance Services	\$10,000	Reduced services for weight/performance training for student athletes.
Reduce Hall of Fame Framing	\$1,000	Fewer items would be put on display each year. Some funds remain in PR Budget that covers entire District.
Do not purchase new Girls' Basketball Practice Uniforms	\$2,096	Girls would not have uniforms for practice.
Do not purchase new Golf Pants/Shirts	\$2,000	Golfers would purchase their own uniforms.

Items currently **ELIMINATED** to Adopt a Balanced Preliminary 2008-09 Budget

Currently Eliminated	\$ Amount	Comments
Do not purchase new Boys' Basketball Practice Uniforms	\$2,307	Boys would not have practice uniforms.
Do not purchase new Girls' 7/8 Grade Soccer Green Uniform	\$1,758	The team would not have uniforms (currently wear t-shirts)
Do not purchase new Girls' Soccer Varsity Uniforms	\$1,609	Uniforms for increased participation could not be provided.
Do not purchase new Boys' 7/8 Grade Soccer Green Uniform	\$1,625	The team would not have uniforms (currently wear t-shirts)
Do not purchase new Boys' JV Soccer Green Uniform	\$1,484	Uniforms for increased participation could not be provided.
Do not purchase new Volleyball Game Shorts	\$528	Players would not have new game shorts.

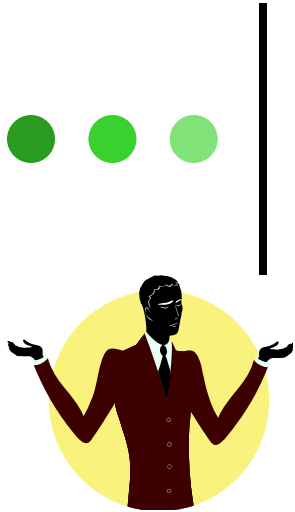
● ● ● | Items currently **ELIMINATED** to Adopt
a Balanced Preliminary
2008-09 Budget

Currently Eliminated	\$ Amount	Comments
Eliminate Hockey Club Contribution	\$4,500	Hockey program would be completely funded by participants. No district funding would be provided.

Revenue Items Included to Balance Preliminary 08-09 Budget

Increase Revenues*	\$ Amount	Comments
Activity Fee Charged for all students who participate. Further review and possible revenue should be considered.	\$81,250	POSSIBLE WAYS TO CHARGE ACTIVITY FEES: \$100 HS: Estimated 350 Students \$75 MS: Estimated 350 Students \$50 ES: Estimated 400 Students ** Collection can be modified; however, total revenue was included in the budget.
Determine Fee for Community/Athletic Groups to Use Facilities		Could possibly be considered
Reduce Fitness Center Hours and/or Increase Fees		Could possibly be considered

*Additional ideas will be requested from the District's Revenue Generating Committee.



The following ITEMS have
CHANGED since the **INITIAL
BUDGET** was proposed to the
Board of School Directors in
November, 2007.




CHANGES since the initial proposed 2008-09 budget in November, 2007 and reflected in present approved preliminary budget.

CHANGES THAT HAVE OCCURRED SINCE NOVEMBER, 2007	\$ Amount	Comments
5 teachers and 1 administrative assistant have submitted letters of retirement	Decrease budget expenditures by \$94,229	Retirements includes 3 elementary classroom teachers (2 – grade 2; 1 grade 3), 1 middle school teacher (grade 6), 1 reading specialist and 1 transportation/maintenance administrative assistant
“AP French,” “Statistics and Probability”, and “Music! Its Role and importance in our Lives” were not approved by the Board to be taught in 2008-09	Decrease budget expenditures by \$7,863,28	The total amount reflects the costs associated with the materials (primarily textbooks) needed to offer the classes. The number of textbooks would have been based upon the enrollment.
Varsity Wrestling was added to the budget with a “cap” on expenditures.	Increase budget expenditure by \$15,000	The Varsity Wrestling program will allow upcoming middle school students to participate in a high school program. South Fayette wrestlers, currently in the co-op Wrestling program at Chartiers Valley will return to South Fayette.
Middle School Sports was initially eliminated and then was voted to be placed back in the 2008-09 budget.	Increase budget expenditure by \$86,555.70	The Middle School Sports Program includes all programs offered in 2007-08; The amount reflects coaches’ salaries, transportation and equipment, ambulance services, trainers, reconditioning of equipment and awards necessary to operate the programs.



CHANGES since the initial proposed 2008-09 budget in November, 2007 and reflected in present approved preliminary budget.

CHANGES THAT HAVE OCCURRED SINCE NOVEMBER, 2007	\$ Amount	Comments
Revenue from increase in Market Value Assessment based upon County Blotter received on January 28, 2008.	Increase revenue by \$323,513.01	This based upon a millage rate of 24.32, an increase of 1.18 mills above the 23.14, 2007-08 rate.
Additional dollars per mill due to increase in market value assessment based on 1.18 mills	Increase revenue by \$15,701	This reflects the increased market value assessment from Allegheny County Office of Assessments.



Summary of 2008-09 Budget

(as of February 1, 2008)

Proposed 08-09 Revenue		\$29,298,963
1.18 Millage Increase	+	\$ 972,607
<hr/>		
08-09 Revenue with		
Proposed 1.18 mill increase		\$30,271,570
Proposed Activity Fee Revenue		\$ 81,250
		<hr/>
		\$30,352,820
Proposed 08-09 Expenditures		\$32,346,414
Total of Eliminated Items		-\$ 1,803,130
		<hr/>
Resulting Expenditure Total		\$30,543,284
NEW Revenue Total		\$30,352,820
NEW Expenditure Total		\$30,543,284
		<hr/>
Results of Operations		(-\$ 190,464)

\$190,464 of existing fund balance could be used to balance the budget – leaving \$1,215,792 (3.98%) remaining fund balance.



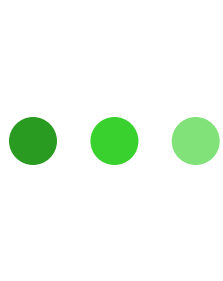
So --- where are we today?



The current approved preliminary budget is subject to change. Items will continuously be reviewed by the Administration and Board (at the beginning of each monthly meeting).

Based on today's information, possible Board options include:

- Maintain the elimination of ALL ITEMS identified (\$1.8 million +) and use the recent additional revenues from county assessments to DECREASE the proposed 1.18 millage increase proportionally (approximately .37 mills).
- Use a portion of the additional revenue to add items back to the budget, and adjust the 1.18 mill increase accordingly depending on the choices
- Apply all additional revenue to items identified as being eliminated and maintain the 1.18 mill increase.

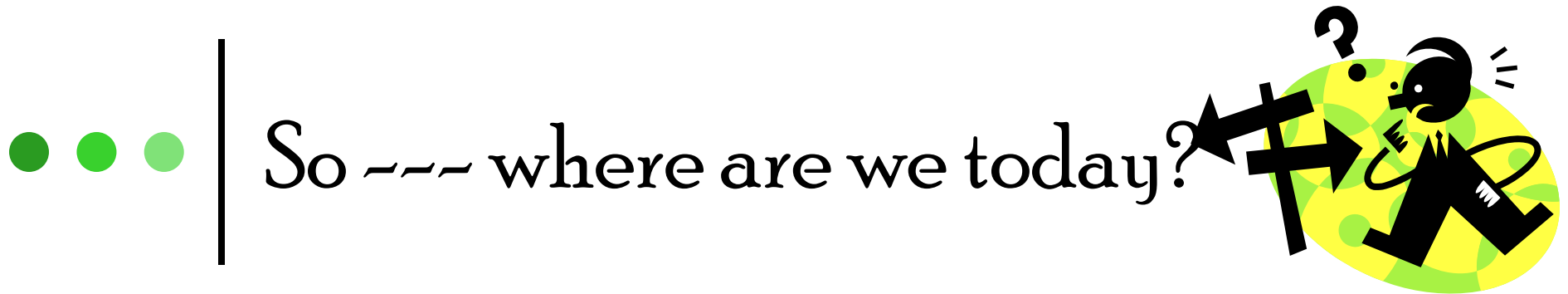


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- Use a portion of the additional revenue to add items back to the budget, and adjust the 1.18 mill increase accordingly depending on the choices
- Apply all additional revenue to items identified as being eliminated and maintain the 1.18 mill increase.



Note:

The Administration RECOMMENDS that NO FUND BALANCE DOLLARS in excess of the amount placed in the budget for contingencies, be utilized to balance the 2008-09 budget!!!

(This equates to approximately \$500,000 – current budget reflects use of \$190,000)



Significant Unknown Information



- Commonwealth of PA Subsidies (Governor's Budget)
 - Will be known when State budget is presented (*usually in February*)



Unless changes in funding sources occur or unanticipated sources generate significant revenue, or fuel, utility, benefit costs, etc. decrease significantly, THEN the future budgetary issues WILL CONTINUE!



Three Year Budget Projections

(as of November, 2007)

	2008-2009 Estimated as of Oct. 2007 23.14 mills	2009-2010 Estimated as of Oct. 2007 23.14 mills	2010-2011 Estimated as of Oct. 2007 23.14 mills
Total Revenues	\$28,975,450.00	\$29,611,985.51	\$30,165,181.19
Total Expenditures	\$32,433,507.00	\$34,477,739.52	\$35,926,689.53
Results of Operations	(-\$3,458,057.00)	(-\$4,865,754.01)	(-\$5,761,508.34)
Beginning Fund Balance	\$1,406,256	(-\$2,051,801.00)	(-\$6,917,555.01)
Ending Fund Balance	(-\$2,051,801.00)	(-\$6,917,555.01)	(-\$12,679,063.35)

● ● ● | What must we do???



We must prioritize; We must look at everything we do and see what it is we can do differently and more cost efficiently!!!

EVERY constructive idea must be considered.
Everyone's input is important!

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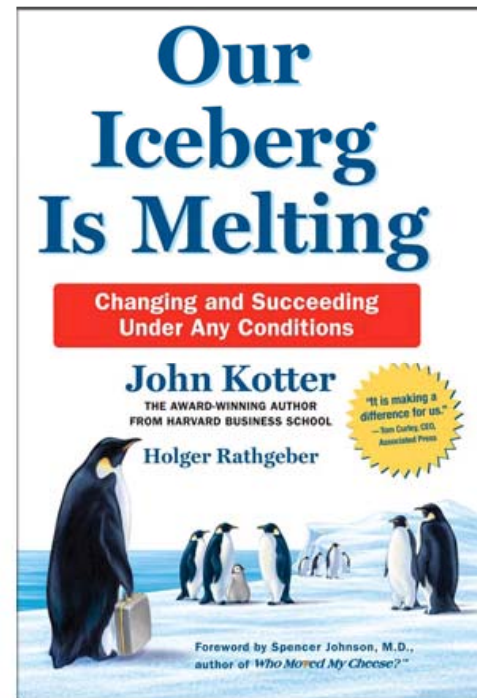
What are we asking of
YOU, as an employee in
the South Fayette
School District?

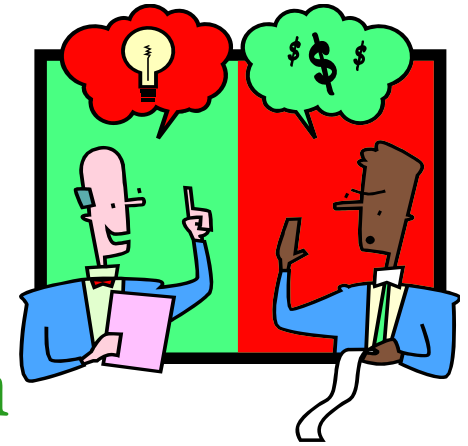


...To READ, synthesize the message and apply the learnings of “Our Iceberg is Melting – Changing and Succeeding under any Conditions”

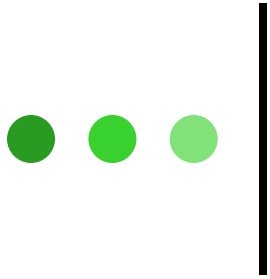


79





To be a “positive voice” in the community with ideas and solutions rather than a “negative voice” who expresses doom and gloom.



South Fayette School District has an outstanding reputation for excellence in all we do. This exists because of each and every one of YOU.

YOUR commitment has made our District what it is today.



You are a contributing member of a GREAT
(T_{ogether} E_{veryone} A_{ccomplishes} M_{ore}.)

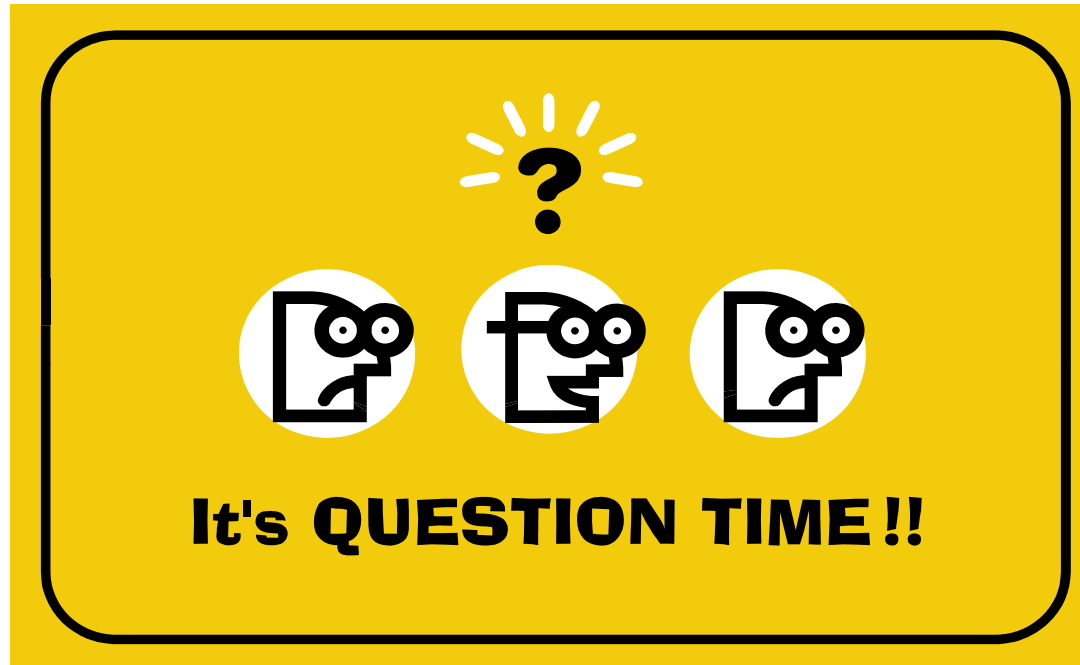
A GREAT TEAM:

- Works together to reach a common goal no matter how difficult the journey!
- Challenges each other to find solutions to even the most difficult problems.

82 • Never gives up!

● ● ●

In advance, thanks for helping us to
find creative, viable, solutions!



Send questions via e-mail to budget@southfayette.org.

● ● ● | Please Send Us Your Ideas

We welcome all ideas either in addition to those already listed as “FOR CONSIDERATION” or to “replace” those listed with something DIFFERENT but = or greater dollar amounts.

To offer your ideas for reductions in expenditures or ways to generate additional revenue, or if you have further questions, please send an e-mail to budget@southfayette.org



In advance, thank you!



Budget Timeline

- November 27, 2007 Discussion of Proposed Preliminary Budget
- January 2, 2008 Proposed Preliminary budget will be on display on website and in central office (The PA Department of Education requires a minimum of 20 days)
- January 15, 2008 Discussion of Proposed Preliminary Budget
- January 22, 2008 Board Adoption of Preliminary Budget (PDE deadline for adoption 1/23/08)
- February-June, 2008 Discuss any changes, recommendations etc. to the Preliminary Budget
- May 20, 2008 Deadline to pass Proposed Final Budget (Board Committee Meeting)
- May 27/June 17, 2008 Discussion of Proposed Final Budget
- June 24, 2008 Board Approval of Final 2008-2009 Budget



Supporting Data

The remaining slides contain supporting data that may be beneficial to you as you review and interpret information in the presentation.



Timeline for Public Comment on 2008-2009 Budget

The Budget is available on the South Fayette website at www.southfayette.org and in the District Administration Offices for public review.

Members of the community may also make public comment with regard to the budget during Board meetings on the following dates:

November 27, 2007
January 15, 2008
January 22, 2008
February 19, 2008
February 26, 2008
March 18, 2008
March 25, 2008

April 18, 2008
April 25, 2008
May 20, 2008
May 27, 2008
June 17, 2008
June 24, 2008

All meetings of the Board of School Directors take place in the High School Conference Center at 7 p.m. on the designated dates.



School District Millage Ranking in Allegheny County 2007-2008

1 Wilkinsburg	35.00	15 Riverview	23.36	29 Pine Richland	20.20
2 Brentwood	28.27	16 South Fayette	23.14	30 West Jeff.	19.99
3 East Allegheny	25.54	17 Bethel Park	22.75	31 Fox Chapel	19.71
4 Sto-Rocks	25.00	18 Upper St. Clair	22.45	32 Moon Area	19.61
5 South Park	24.70	19 Allegheny Valley	22.23	33 Gateway	19.41
6 Shaler Area	24.70	20 Plum	22.20	34 Quaker Valley	19.41
7 Woodland Hls	24.65	21 Cornell	21.74	35 North Allegheny	19.34
8 Baldwin	24.61	22 West Allegheny	21.50	36 Chartiers Valley	19.32
9 Northgate	24.50	23 Elizabeth-Forward	21.36	37 North Hills	19.10
10 Carlynton	24.15	24 Keystone Oaks	21.31	38 Montour	18.90
11 Deer Lakes	24.035	25 Steel Valley	21.21	39 Avonworth	18.80
12 Highlands	23.71	26 Duquesne Area	21.10	40 So. Allegheny	18.11
13 Mt. Lebanon	23.56	27 West Mifflin Area	21.092	41 McKeesport	17.71
14 Penn Hills	23.39	28 Hampton	20.53	42 Clairton	3.1 mills/ 75.0 land

Enrollment & Staff by Grade – Current and Projections

Grade Levels	Projected 07-08 Enrollment	Actual 07-08 Enrollment (10-1-07)	# Core Subject Staff	Projected 08-09 Enrollment	# Core Subject Staff projected
K	175	184	5	190	5
1	174	189	9	194	10 (+1)
2	163	167	8	189	9 (+1)
3	156	168	8	167	8
4	183	185	8	168	8
Elem. Total	851	893		908	
5	155	163	7	190	8 (+1)
6	178	183	7.5	163	7.5
7	168	176	6.5	187	8 (+1.5)
8	148	144	7	176	8.5 (+1.5)
Middle Total	649	666		716	5 th Gr. Teacher, Grades 7/8 Science/Lang. Arts/Social Studies
9	160	176		153	English
10	154	147		176	Math
11	175	169		147	
12	131	126		168	
HS Total	620	622		644	
TOTAL	2120	2177		2268	

District-wide Staffing in South Fayette

2005-2006 Through Projected 2010-2011

	05-06	06-07	07-08	08-09 Proposed	Explanation for proposed 08-09 additional staff	09-10 Projected	10-11 Projected
Faculty	143	149	157 (159.5 budgeted)	169	2 Teachers: Elementary (Gr.1&2) 4 Teachers: MS (1 - 5 th grade, 3 – 7 th &8 th grade Science/Social Studies/Language Arts) 2 Teachers: HS (English, Math) 1 Teacher: 1 ESL Teacher 3 Teachers: As Needed (2 regular-ed teachers, 1 special education teacher)	175	181
Paraeducators	18	21	24	26	2 Paraeducators: As Needed	28	30
Student Monitors	6	8	11	11		12	12



District-wide Staffing in South Fayette 2005-2006 Through Projected 2010-2011

	05-06	06-07	07-08	08-09 Proposed	Explanation for proposed 08-09 additional staff	09-10 Projected	10-11 Projected
Administration	10	10	10	11	Psychologist/Social Worker	11	11
Other Leadership Positions (PR, HR, Business Mgr)	3	3	3	3		3	3
Clerical Assistants	16	19	19	20	Pupil Personnel Clerical Assistant/ ACCESS Coordinator; 2 Current Receptionists Become 12 Month Employees	20	20
Technology Staff	6	7	7	7		7	7
Custodian Staff	22	25	26	26		26	26



District-wide Staffing in South Fayette 2005-2006 Through Projected 2010-2011

	05-06	06-07	07-08	08-09 Proposed	Explanation for proposed 08-09 additional staff	09-10 Projected	10-11 Projected
Transportation Staff (Director/Drivers/ Mechanics/Aides)	36	38	42	43	Bus Driver	44	45
Food Service Staff	27	27	28	28		28	28
TOTAL (all categories)	290	316	331	348		358	367



Employee Benefits



Group Health Insurance - Group Life Insurance - Retirement

Workers Compensation - Social Security - Tuition Reimbursement

Health Insurance ACSHIC Costs and Employee Enrollment Comparisons for 2007-2008 and 2008-2009

		07-08 (total)	08-09 (projected)		07-08 (total)	08-09 (projected)
	Keystone	144	161	PPO Blue (formerly Select Blue)	88	88
Family	\$13,903 (\$7,182 in 02-03)	45	62	\$14,603 (\$8,674 in 02-03)	28	28
Two Person	\$13,371 (\$6,907 in 02-03)	30	30	\$14,045 (\$8,343 in 02-03)	40	40
Parent /Child	\$11,040 (\$5,703 in 02-03)	0	0	\$12,052 (\$7,159 in 02-03)	1	1
Parent /Children	\$12,144 (\$6,273 in 02-03)	5	5	\$12,052 (\$7,159 in 02-03)	1	1
Single	\$ 4,922 (\$2,543 in 02-03)	64	64	\$ 5,170 (\$3,071 in 02-03)	18	18

ACSHIC (Allegheny County School Health Insurance Consortium) is currently projecting a 9% increase; however the goal for ACSHIC is for healthcare increases to be at 8%. **The above numbers reflect an 8% increase.**

Total Staff Health Insurance Costs:

\$2,726,829

Contributions of Staff:

\$ 329,130

State Mandated Retirement Contributions

State Mandated Retirement Contribution (PA School Employees Retirement System - PSERS)

Current Rate: 7.13%
Proposed Rate: 8.00% (estimate based on Allegheny County Intermediate Unit information)
An increase of: 12.2%
Cost of increase for existing staff = \$159,447

PSERS estimates the rate to be 12% at this time, but hopes to bring it to single digits

2003-04	3.77%	2009-10	4.73% *
2004-05	4.23%	2010-11	4.73% *
2005-06	4.69%	2011-12	4.73% *
2006-07	6.46%	2012-13	11.89% *
2007-08	7.13%	2013-14	10.26% *
2008-09	8.00%	2014-15	9.08% *

*These numbers are estimates from PSERS. Last year, the estimated rate for 08-09 was 4.97%.

General Information & District Comparisons





The Index: Act 1 of 2006

The *base index* is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.

Additionally, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR.

For example, if the base index is 4.4% and the school district's MV/PI AR is 0.6000, the school district's *adjusted index* is $4.4\% \times (0.75 + 0.6000) = 5.9\%$.



Local Tax Bill Comparisons

(Based on \$100,000 Assessed Value)

School District/ Municipality	School Millage	School Tax	Municipality Millage	Municipality Tax	County Millage	County Tax	TOTAL
South Fayette/ South Fayette	23.14	\$2314.00	4.00	\$400.00	4.69	\$469.00	\$3183.00
Upper St. Clair/ Upper St. Clair**	22.45	\$2245.00	2.60	\$260.00	4.69	\$469.00	\$2974.00
Mt. Lebanon/ Mt. Lebanon**	23.56	\$2356.00	4.97	\$497.00	4.69	\$469.00	\$3322.00
Chartiers Valley/ Scott Twp.	19.32	\$1932.00	5.00	\$500.00	4.69	\$469.00	\$2901.00
Chartiers Valley/ Bridgeville	19.32	\$1932.00	4.75	\$475.00	4.69	\$469.00	\$2876.00
West Allegheny/ North Fayette	21.50	\$2150.00	2.90	\$290.00	4.69	\$469.00	\$2909.00
Canon McMillan/ Cecil Township*	94.50	\$2362.50	16.00	\$400.00	21.40	\$535.00	\$3297.50
Peters Twp/ Peters Twp*	89.50	\$2237.50	12.00	\$300.00	21.40	\$535.00	\$3072.50

*Washington County assessments are based on 25% of market value. The assessed value of property is determined by each County independently.

** If you reside in Mt. Lebanon or Upper St. Clair, wage tax is 1.3%.