

# USCEA4270

Upper St. Clair Education Association

June 22, 2014

Dear Members,

On February 27, 2014, members of the USCEA Budget Committee met with Forsina Cordisco (Director of Business and Finance), Dr. Sharon Suritsky (Assistant Superintendent), and Dr. Patrick O'Toole (Superintendent) regarding the questions brought to the budget committee from our membership.

The USCEA members present for this discussion were Walt Michalski (AFT Representative), Patrick Manion (High School), William Gehrlein (Boyce), Samuel Gallaher (Boyce), and Connie Gibson (Ft. Couch).

The conversation between the two parties was honest and respectful. The next time a Budget Committee meeting takes place with the district, a report will be delivered in a more timely fashion.

If you are interested in joining the committee, please contact your building representative or myself at [wgehrlein@uscea4270.org](mailto:wgehrlein@uscea4270.org).

Sincerely,

William Gehrlein  
USCEA President

## **Questions from members about district spending**

*Q: What happened to the "shared sacrifice" we were told about when we took our pay cut? Why did Administration get a raise- albeit a modest one, when the rest of us took a cut?*

**Administrative positions are "different." Administrative salaries are driven by market forces and the need to keep and attract administrators. Administrators do not receive pay based on step scales like the teachers. Each administrator's salary for the next year is determined annually based on evaluation from the past year. Teachers currently are not leaving the district for other districts. The significant amount of sacrifice made by our membership in helping to balance the district's budget during the economic shortfalls was clearly noted as well.**

*Q: Could you please explain the need for the new administrative positions at the high school and middle school? Having eight administrators for three buildings seems a bit excessive and not very cost effective. How are their responsibilities different from what they or others in the district were doing? How is the district able to afford these additional positions?*

**Some of these positions took over some responsibilities from lost central office positions. The district needs to grow new administrators and seasoned people. Additional administrative staffing has been needed to support some significant leadership changes and curriculum/technology initiatives at Boyce and Ft. Couch. Hiring building level administrators was more cost-effective than hiring higher priced outside central administrators.**

*Q: Since we now have a Customization/Instructional Technology Curriculum leader would it be possible to get a copy of the Customization/Instructional Technology curriculum?*

**This curriculum doesn't exist. The purpose is to model new technologies. A discussion of the need to train teachers for the various ways of utilizing technology in the classroom occurred, and we will continue to need additional training in order to maximize its use most effectively. This technology is a tool that is not to be used to replace instruction. Technology devices do not take the place of an effective teacher.**

*Q: A former administrator has been retained by the district to continue some of her duties. Would it not have been more cost effective to have her train someone to do her job before*

*she left?*

**This will only be for one year because the district did not have someone ready. Someone internal will take it over next year.**

*Q: Could you explain the reasoning for the recent changes to the school police and transportation department? How have these positions impacted district spending? Are we paying more or less than we were before these changes?*

**Transportation was under contract from outside, and now it's under district control. The cost is the same.**

**Police are now going out to the other buildings. It does cost more. The District has received two grants in the amount of \$63,570 to help pay for the additional costs.**

**A discussion of safety in the school buildings occurred on this topic as well- we discussed how teachers currently feel much more prepared to handle a lock-down situation; if necessary when compared to previous school years.**

*Q: It seems like the curriculum leaders miss quite a bit of school for meetings. Given that they are paid extra and work 20 days over the summer, I have to wonder if their time is being used effectively. Are the summer hours and the days during the school year necessary?*

**They will be more efficient when meetings are scheduled. Summer is used to ready curriculum recs, to oversee hiring etc. With regards to staff being pulled to work on projects during the school day, it was mentioned that teachers could possibly work outside of school for pay instead of being pulled from the classroom. This can take place as long as all members in the workgroup agreed to work said hours outside of school hours in exchange for the cost of a full day sub per member (roughly 2-3 hours professional rate).**

*Q: How does the district decide what retirements will be replaced and which will not?*

**Based on need and enrollment. There is approximately a \$50,000 savings for the school district for each retiree on the highest salary step that is replaced with a step 1 teacher. For next year, 5 retirements have already been announced which will constitute for an estimated \$250,000 savings.**

*Q: Many technology decisions have been made with little input from teachers. Shouldn't we be involved in the process as we will be the one using the technology?*

**More opportunities for input will be given.**

*Q: What data has been collected to demonstrate that the technology we are adapting is effective before we buy it? How are we monitoring that it is getting results in our district?*

**No data has been collected.** (However, there was quite a bit of discussion around the area of engagement in students due to technology use. A question was asked about the performance-based data that has been available for the iPad pilot over the past few years. Is the money that is going to be invested in this technology worthwhile and proven?) **There was no data provided in terms of whether students leaving classrooms from the pilot had shown more advanced achievement/ preparation than students leaving classrooms that did not utilize iPads.** (A concern about the new teacher evaluation model occurred around this topic as well. Are teachers going to be able to produce results by teaching with iPads as effectively as they had before their implementation?) **The administration concurred that more additional training will be highly necessary for teachers to use iPads effectively in their classrooms and continue to achieve performance-based results on standardized assessments.**

**Since this meeting, the District has collected data and has posted on-line (see link below) the rationale for using technology in the classroom.**

<http://www.uscsd.k12.pa.us/site/default.aspx?PageType=3&DomainID=1&ModuleInstanceID=1323&ViewID=047E6BE3-6D87-4130-8424-D8E4E9ED6C2A&RenderLoc=0&FlexDataID=11736&PageID=1>

*Q: What is the source and justification for all the money being spent on technology and why is the technology more important than a reading curriculum?*

**Some of the money comes from grants and donations. A lack of a reading program isn't a money issue, it is a curricular or philosophical reason. No reading curricula have been brought forward. It was stated that a reading program is very important at this level. This may be resolved with new appointment. The decision was not based on monetary reasons.**

*Q: There have been some staff members who have received tuition reimbursement and then subsequently left the district. Are they required to repay the district for their tuition? If so, where is that money going?*

**Yes, money has been collected and it goes into the general fund. It is**

**important to note that teachers who left after the contract renegotiation did not have to pay tuition back because there was not tuition reimbursement.**

*Q: How much money will property reassessments, new homes and new business (Target, Bonefish, etc) bring to the school district?*

**Revenue increases related to growth in property assessments, new homes and new businesses were addressed in detail as part of the 2013-14 budget preparation. Due to the countywide reassessment, school districts are not permitted to realize any windfall from the reassessments. School districts are permitted to realize the same amount of revenues from real estate assessments in 2013-14 as in 2012-13, excluding new construction and unresolved tax appeals. The attached presentation from the May 2013 Board meeting (page 4) reflects the assessments for all properties, the new construction and the allowance for unresolved tax appeals. Excess collection of real estate revenues are to be placed in a liability account to determine whether such revenues would be returned to taxpayers. Increased assessments from new construction were estimated at \$7.8 million or about \$168,000 in revenues. In addition, our mercantile tax collection was about \$40,000 in excess of the budgeted \$200,000. This was directly related to Bonefish, Dicks and Target.**

Link to board meetings: <http://www.uscsd.k12.pa.us/Page/133>

*Q: Boyce and Fort Couch received LEED certification, which results in a "refund". How is this money being used?*

**By Boyce and Ft. Couch receiving a Silver LEEDS certification, the district has maintained a higher reimbursement rate on its principal and interest payments on its outstanding bonds. The amount that is preserved is \$42,000 each year for the 30 year life of the bonds. If we had not received the LEEDS certification, the reimbursement would have been decreased by \$42,000.**

*Q: How much did it cost to district to hire out the coordination of FMLA?*

**\$2.25 per employee per month, One time implementation fee \$5,000.00, One site training time and travel, costs for second and third opinions.**

**The administration of FMLA is very time sensitive and the District only has one individual who manages such leaves. As you are aware, the HR Director**

**has not been replaced and the workload for HR continues to increase. The potential risks to the District related to FMLA non-compliance are significant with federal and state law changes that occur on a frequent basis. The cost of outsource the FMLA administration is about \$12,000/year.**

**The administration feels that this contract was necessary due to the elimination of the HR Director position.**

*Q: Given the dire economic condition of the district why was it even an option for people to donate money for a new PA system at the high school stadium? Why was a new PA system such a high priority?*

**The decision was made by community as well as district members of the committee.**

*Q: How much money has been spent on the leadership academy? For example: training of teachers, cost of substitutes, shirts, food, travel for administrators to California and Belize, and time spent by administrators completing Leadership Academy work instead of assigned responsibilities. What data has been collected to demonstrate it's success and value?*

**No data, only anecdotal support. Budget information below.**

<b><u>Fully Burdened Costs</u></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Beginning Balance	\$1,804	\$2,031	\$7,248
<b><u>Revenues</u></b>			
Student Fees	\$21,133	\$50,275	\$59,662
Corporate Grants/Other Income	\$2,230	\$791	\$200
Total Revenues	\$23,363	\$51,066	\$59,862
<b><u>Expenses</u></b>			
Teacher Salary Expenses	\$18,495	\$35,527	\$47,475
Linsly Outdoor Center/Ligonier	\$1,456	\$2,176	\$1,980
T-Shirts	\$745	\$1,169	\$1,131
Leadership Luncheon	\$945	\$1,400	\$1,440

Miscellaneous Expenses	\$1,495	\$5,577	\$5,188
Total Expenses	\$23,136	\$45,850	\$57,214
<b><u>Net Profit</u></b>	<b>\$227</b>	<b>\$5,216</b>	<b>\$2,648</b>
<b><u>Ending Balance</u></b>	<b>\$2,031</b>	<b>\$7,248</b>	<b>\$9,895</b>

*Q: Why is replacing the track such a high priority at this difficult economic time?*

**Liability issue, capital bond money had to be used; not taking money away from other expenses. The track asset the helps generate support for the school from community members.**

*Q: Why was it necessary during these tough times to redo central office?*

**There was no significant district expenditure. The main purpose was for privacy issues: payroll needed own office for privacy. The entryway to the administrative offices is owned by the township and any renovations to this area were completed by the township; not the school district.**

*Q: Why was it deemed important to have new office furniture for the new administrative positions?*

**They needed an office- The new administrators have had a positive impact on the staff and students in their communication and availability in the buildings.**

*Q: How much did it cost the district to send teachers to RAC conferences at the AIU?*

**2500 per teacher plus substitute costs.**

*Q: What was the cost and need at this time to redo the gym floor at Eisenhower?*

**All gyms are on a cycle and are redone for liability reasons and preventative maintenance.**

*Q: What was the cost and need for the extravagance of Boyce Field?*

**Greater opportunity for rentals. However, the field does not accommodate all sports. For example, it is not used for track since it does not have a**

regulation track. But, it is rented out all of the time for programs. (See Below)

## PERMITS AT BOYCE FOR THE 2012-13 YEAR

2/21/2014

July 1, 2012 - June 20,2013

No. of Events	School District	Organization	Total Permit Fees
1		Beadling Soccer Club	\$250
1	Yes	Fort Couch Middle School	\$0
15		Pittsburgh Select Lacrosse	\$1,075
1		The Bible Chapel R19	\$0
35		USCAA Football	\$0
92		USCAA Travel Soccer	\$0
1		USC Resident	\$40
1		USC Alumni Game--Soccer	\$0
1	Yes	8th Football Conditioning	\$0
11	Yes	Boys Lacrosse Conditioning	\$0
2	Yes	Boys Lax Games	\$0
67	Yes	Fall Athletics--HS	\$0
9	Yes	Field Hockey	\$0
7	Yes	Girls Lacrosse Youth Clinic	\$0
3	Yes	usc football	\$0
<b>247</b>		<b>Total for 2012-13</b>	<b>\$1,365</b>

Q:

*What was the cost, need and educational value of the fountain at Boyce?*

**No hard numbers. It was done for aesthetic reasons and planned in 2008 before economic problems.**

*Q: What is the cost of food and beverages for all meetings, including back to school breakfasts, etc. and travel expenses. When money is tight, you don't travel or eat out. Members do not perceive that the district has made any effort to reduce expenses and would like to have those highlighted for my better understanding*

**No hard numbers. These expenses are reviewed every year, travel must be approved and has been cut.**

*Q: How did estimate projections change so dramatically from two years ago? Positions eliminated through attrition, contract renegotiations, and debts were refinanced to save costs.*

**"The short answer is that the School District took strong measures to significantly increase revenues and to decrease expenses. The most significant measure taken was the 1.618 mill real estate tax increase enacted in June 2012. The School Board had to enact that increase in order to have the funds available to fulfill the no furlough commitment that was the *quid pro quo* for the renegotiated contract with the teachers. This tax**



increase, together with other revenue generating measures (which includes a projected .783 mill increase in the 2014-15 Preliminary Budget), should result in more than \$15,000,000 in increased revenues when compared to the March 13, 2012 projections.

The more detailed answer is as follows: The projected deficits of \$3,220,629, \$7,272,867, and \$9,143,768 were projections as of March 13, 2012 before any steps were taken to reduce these deficits. The projections assumed no changes in the teacher contract or the salary programs for other district employees, no tax increases, no job eliminations, no other cost savings, and, importantly, no additional revenues.

The School District worked hard to reduce the projected deficits. The first step was the renegotiation of the teacher contract. In exchange for the guarantee of no teacher furloughs for two school years, the revised salary reduced the projected expense from teacher salaries by \$1,524,165 in the 2012-13 school year and \$2,202,834 in the 2013-14 school year.

The School Board's next big step was to increase millage by 1.618 on all real estate in USC. It enacted the full increase in 2012 so that the increased tax revenues would also be received in 2012-13, 2013-14 and 2014-15. Also, the current preliminary budget for 2014-15 increases millage by .783 mills. These millage increases, coupled with additional revenues from new construction, aggressive delinquent property tax collections, higher Earned Income Tax payments and other sources, should increase revenue to the School District by more than \$15 million versus the revenue shown in the March 13, 2012 projection. Specifically, the projected revenue as of March 13, 2012 was \$60,361,308. Due to the millage increases and the other revenue factors, revenues have increased or are projected to increase to the following amounts, compared to the \$60,361,308 in the March 13, 2012 projection.

- 2012-13 school year - \$63,812,906 minus \$60,361,308 = \$3,451,598; and
- 2013-14 school year - \$64,481,556 minus \$60,361,308 = \$4,120,248; and
- 2014-15 school year - \$68,015,974 minus \$60,361,308 = \$7,654,666; resulting in a total of \$15,208,512

In addition, the projected budget deficits have decreased due to the School District's continuing efforts to control all cost expenditures. Cost savings have been realized through debt refinancings, position eliminations, greater than anticipated retirements, attrition, and close monitoring of all expense items.

**Nonetheless, the School District continues to face a significant budget deficit in 2014-15, even if the .783 mill increase is adopted.”**

**-From an email from Forsina Cordisco dated Wed, Mar 12, 2014.**

*Other items reported:*

**The District wants a fund balance of 5-6% of expenditures in order to preserve its credit rating.**

**Since January, this dollar amount has chance to increase roughly \$157/year for every \$200,000 of property assessment.**

**Due to health care plan changes made by the consortium since January, the amount ended at \$400,000 not \$425,000 (based on the existing staff) for 2014-2015.**

**Furloughs: Below is part of the process that is explored when considering furloughs:**

- **The first option that admin looks at is cutting through attrition.**
- **The second option considered is horizontal cuts (furlough by seniority.)**
- **The third option is to cut vertically (cut departments, which provides the highest savings to the district).**

**Administration wants people to feel that their department is essential to the success of the district. It was stressed that all staff is important to them.**

**Since this meeting, administration takes great pride in presenting a budget that has again prevented teacher furloughs. The present budget has the maximum tax increase allowable by statute, Act 1.**