

Lancaster County Career & Technology Center  
Highlights/Background Information  
2015/16 Budget vs. 2016/17 Proposed Budget

**General Comments**

The proposed total District Contribution would increase by 2.4% 2015/16 budget vs. proposed 2016/17 budget. This follows the -0.5% reduction, 0.8%, 2.1% and 1.9% increases in Total District Contribution in the 2012/13, 2013/14, 2014/15 and 2015/16 budgets, respectively.

The proposed 2016/17 budget has provided funds to operate one less program to Lancaster County secondary students as were available in 2015/16. Current student recruitment is based on these offerings. As has been the practice, no class will operate without sufficient enrollment. These funds will be returned to the participating school districts through the year-end financial reconciliation.

PSERS's projected 2016/17 contribution rate of 29.69% has been used within this proposed budget. The PSERS Board is expected to certify the actual rate in early December 2015. This represents nearly \$137,000 net expense after reimbursement increase or 1.0% District contribution increase for 2016/17. It is important to note the LCCTC does not have a PSERS rate-stabilization fund reserve.

LCCTC's self-funded Health Insurance expenses were very high in 2014/15 and increased our 2015/16 pseudo-rates by nearly 30%. This increase alone accounts for nearly \$390,000 in additional expense and a 3.0% District contribution increase for 2016/17.

**Debt Service** - revenue/expense based on gross expenditures and assumes no PlanCon subsidy for 2016/17.

The original financing for the LCCTC Renovation Projects included estimated Plan Con subsidies. Approval was granted by the districts and Authority to move forward with debt levels of \$1.985M gross and \$1.332M net after subsidies. In 2012/13, LCCTC met with the Superintendents, JOC and Business Managers to discuss the lack of Plan Con subsidy payments. Based on those meetings LCCTC has borrowed to support the Renovation Projects in a manner to keep the districts' gross debt service as close to the \$1.332M net figure as possible. Originally the bonds were anticipated to be 20 years in length but have been issued for 25, 24 and 23 years, still within our approved parameters of up to 25 years. The discount rates for the three bond series are 3.50%, 4.55% and 3.52%. This financing allows the districts to keep their gross debt payments under the \$1.332M figure until the 2017/18 school year. At that time if Plan Con subsidies are not yet available, the gross figure will rise to approximately \$145,000 above the \$1.332M figure.

**Revenue**

Secondary Vocational Education Subsidies are budgeted to increase \$50,000 as we continue to see growth within student enrollments.

State FICA/PSERS revenues reflect funds to be received from the Commonwealth of PA as their share of expenses in these categories. This is based on the current arrangement that the Commonwealth reimburses LCCTC 50% of these costs.

## **Expense**

**Wages/Benefit** - (PSERS and Health Insurance impacts were noted above)

Instructor Salary Increase-LCCTC's collective bargaining agreement with its teachers ends 6/30/16. This expiring contract calls for LCCTC's teachers to receive on average the average of the 16 participating districts' salary increases in the following school year. The average of the districts' 2015/16 increase is projected to be 2.81% and is budgeted for 2016/17.

All other LCCTC staff categories are budgeted to receive this same increase. This reflects the Act 93 Compensation Agreement that ties their increase to the teacher average. Actual increases will be based on employee evaluations and salary increase pools established by the Joint Operating Committee.

These wage increases and the associated benefits represent approximately \$225,000 and a 1.7% increase to the District Contribution.

Tuition reimbursement budgets have been reduced to match need and additional scrutiny during review.

Unemployment Compensation budget has been reduced with fewer furloughs.

## **Instruction**

The proposed budget includes funding for all current program offerings less the Masonry program which did not have enough student interest for a second year in a row in 2015/16. LCCTC will continue recruiting for budgeted programs but if they do not have sufficient enrollment, then the program will not run and those funds will be returned to the districts.

All substitute instructors are contracted through STS as of 1/1/14. This is budgeted to continue into 2016/17.

Reduced the Student Assistance Program budget from \$6,000 to \$0 to match current needs as the LCCTFoundation has continued to support needs as they arise.

The current three-year lease for the Public Safety Training Center expires at 6/30/16 and the proposed budget includes a projected 5% increase to \$31,500.

Trimmed budgets within summer cosmetology, spring clinical support and Math/English/Speech instructional areas.

The retirement of LCCTC's Building Trades Coordinator at 6/30/16 will allow LCCTC to shift student supervision and hire a coordinator that will not be on the instructor pay schedule.

## **Administration**

PDE Chapter 339 review occurs every 5 years (including 2015/16) so that is not budgeted in 2016/17.

LCCTC is working with our Foundation to establish an Alumni Database to get back in touch with graduates. The software selected has a monthly fee of \$200 per month. The LCCTC website was also redesigned this past school year and \$3,500 has been added to the annual budget to maintain and advance our website.

## **Maintenance/Operations**

Proposed budget includes \$0.50 pay increase for all maintenance and custodial staff. This will bring their starting hourly rate up to \$11.50. It will also continue the effort approved by the Joint Operating Committee of bringing these positions closer to where the districts are for similar positions.

The Renovation Projects are now completed at all 3 schools. We did see energy savings in the 2013/14 and 2014/15 school years and the 2016/17 proposed budget reflects those savings of approximately 8% and 5% respectively. This despite the harsh winters. LCCTC continues several key energy savings initiatives, including four-day work week during summer months, lighting upgrades and IU13 cooperative purchasing efforts.

Unfortunately in 2015/16 budget the concerns of national and global pressures drove up property and liability insurance. Our efforts along with the IU-13 cooperative insurance program have allowed this line item to return to 2014/15 levels in the 2016/17 proposed budget.

**Transportation** - Projected 2.75% increase over expected 2015/16 costs.

**Student Activities** – Lancaster County students continue to excel at the Local and State competitions. The 2016/17 proposed budget is flat-funded for this area despite the increasing number of students competing at the National level.

**Budgetary Reserve** – The 2016/17 proposed budget maintains a flat Budgetary Reserve of \$75,000. This reflects less than 0.5% of projected expenses for 2016/17 at \$17,806,337.