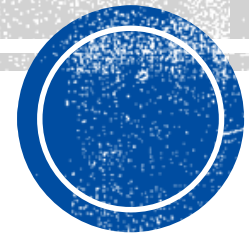


FINANCE COMMITTEE MEETING — APRIL 12, 2022



FINANCE COMMITTEE MEETING – APRIL 12, 2022

MISSION AND VISION

- **MISSION**

The mission of the Chartiers Valley School District, a community dedicated to shared leadership, is to graduate students who achieve personal success by providing an exceptional academic foundation in a safe, nurturing environment that inspires creativity and innovation while embracing diversity.

- **VISION**

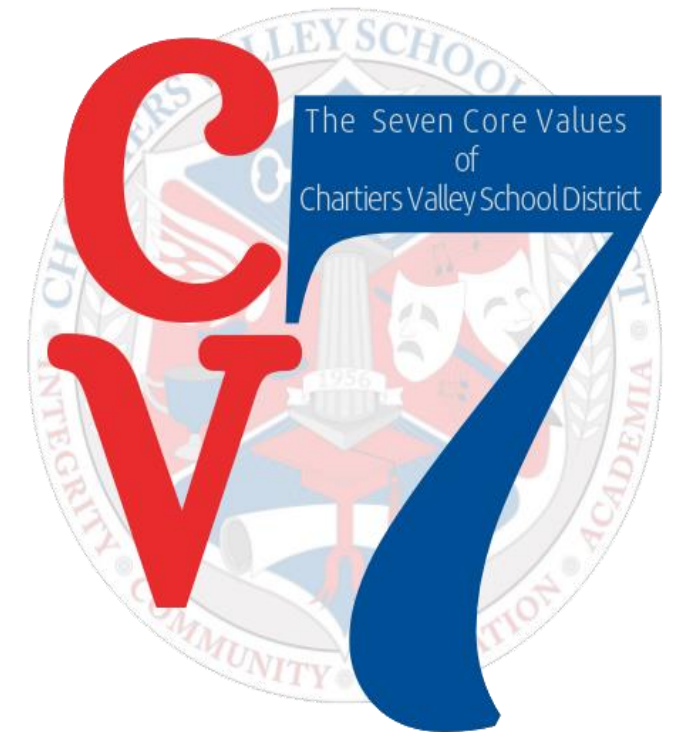
We will inspire excellence in instruction, learning and innovation to prepare our students to achieve personal success.

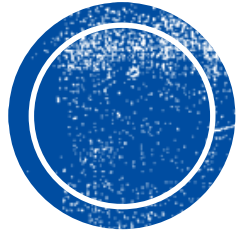


2021-2022 FINANCIAL QUARTERLY UPDATE

Chartiers Valley School District Seven Core Values

1. Demonstrate genuine care, concern and fondness for students.
2. Adopt an education-centered focus where students come first, followed closely by the needs of their parents.
3. Develop and nurture healthy, productive and cooperative relationships with colleagues.
4. Communicate regularly and clearly with students, their families and the community.
5. Create and cultivate a district-wide learning community where all employees and educators are valued.
6. Encourage innovation and creativity.
7. Embrace community and regional partnerships.





PROPOSED STATE BUDGET

HIGHLIGHTS FROM GOV. WOLF'S BUDGET



2022-23 GOVERNOR'S EXECUTIVE BUDGET

Tom Wolf
Governor

Greg Thall
Secretary of the Budget

Allison Jones
Secretary of Policy

February 8, 2022



- Historic increases in basic and special education
- Charter reform proposal is part of budget savings
- Minimum teacher salary increase to \$45k
- Minimum wage increase to \$12/hour
- \$36.6 million to county mental health



STATE FUNDING: ACT 35 OF 2016

- Only about 38% of the costs of public education is covered by the state. Local school districts are forced to make up the difference, mostly through property taxes.
- Asking districts to continually generate greater resources at the local level only serves to expand the inequities of the current system and widens the gap between poor and affluent school districts.
- Pennsylvania has the most inequitable spending per pupil in the United States, according to a 2015 Washington Post analysis of federal data on state and local funding.
- **Act 35 makes permanent the student-weighted basic education funding distribution formula**, as developed by the Basic Education Funding Commission.

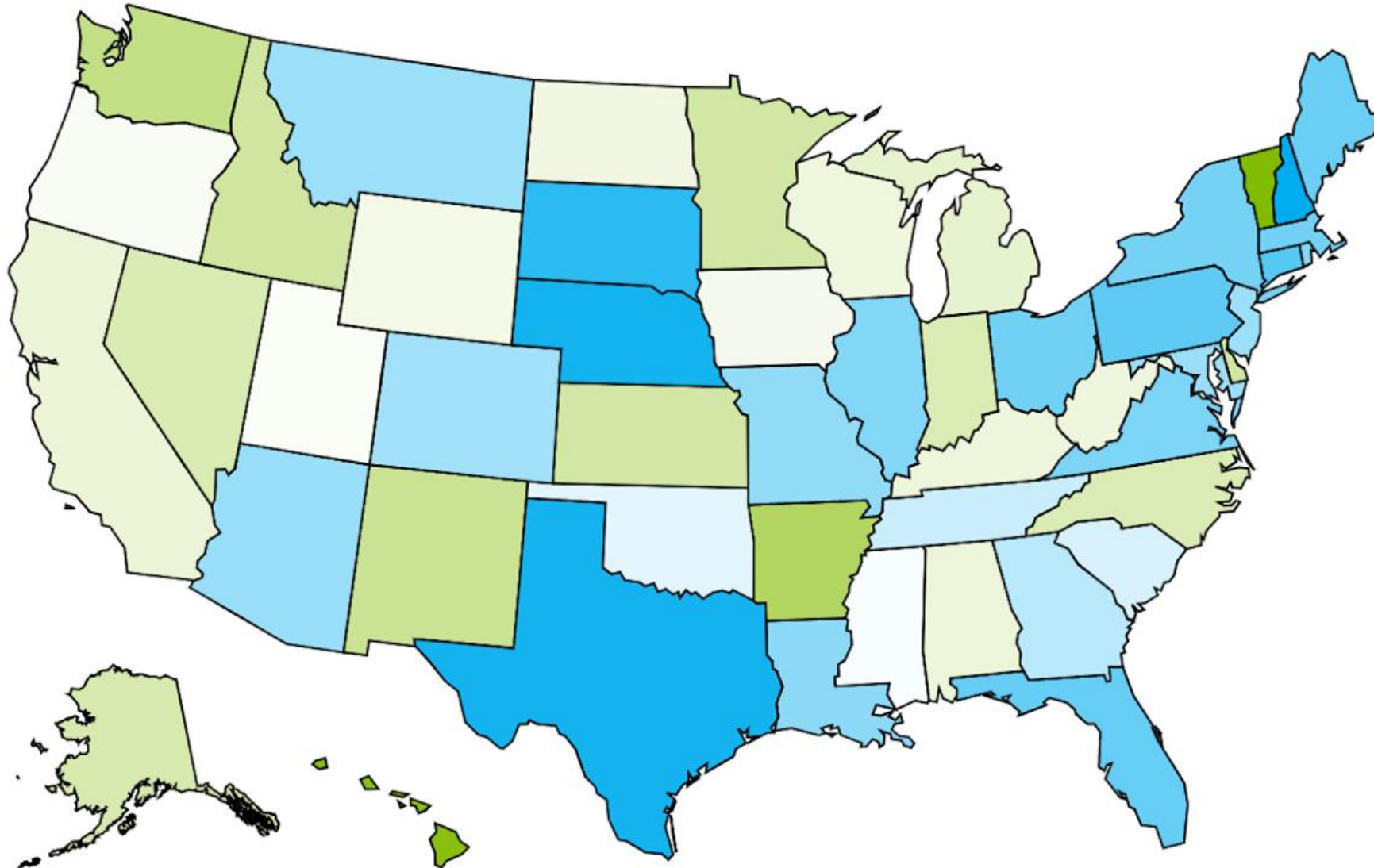


PA RANKS 45TH ON REVENUE SHARE RANKS

- Only about 38% of the costs of public education is covered by the state. Local school districts are forced to make up the difference, mostly through property taxes.
- Asking districts to continually generate greater resources at the local level only serves to expand the inequities of the current system and widens the gap between poor and affluent school districts.



NATIONAL REVENUE SHARES & RANKS

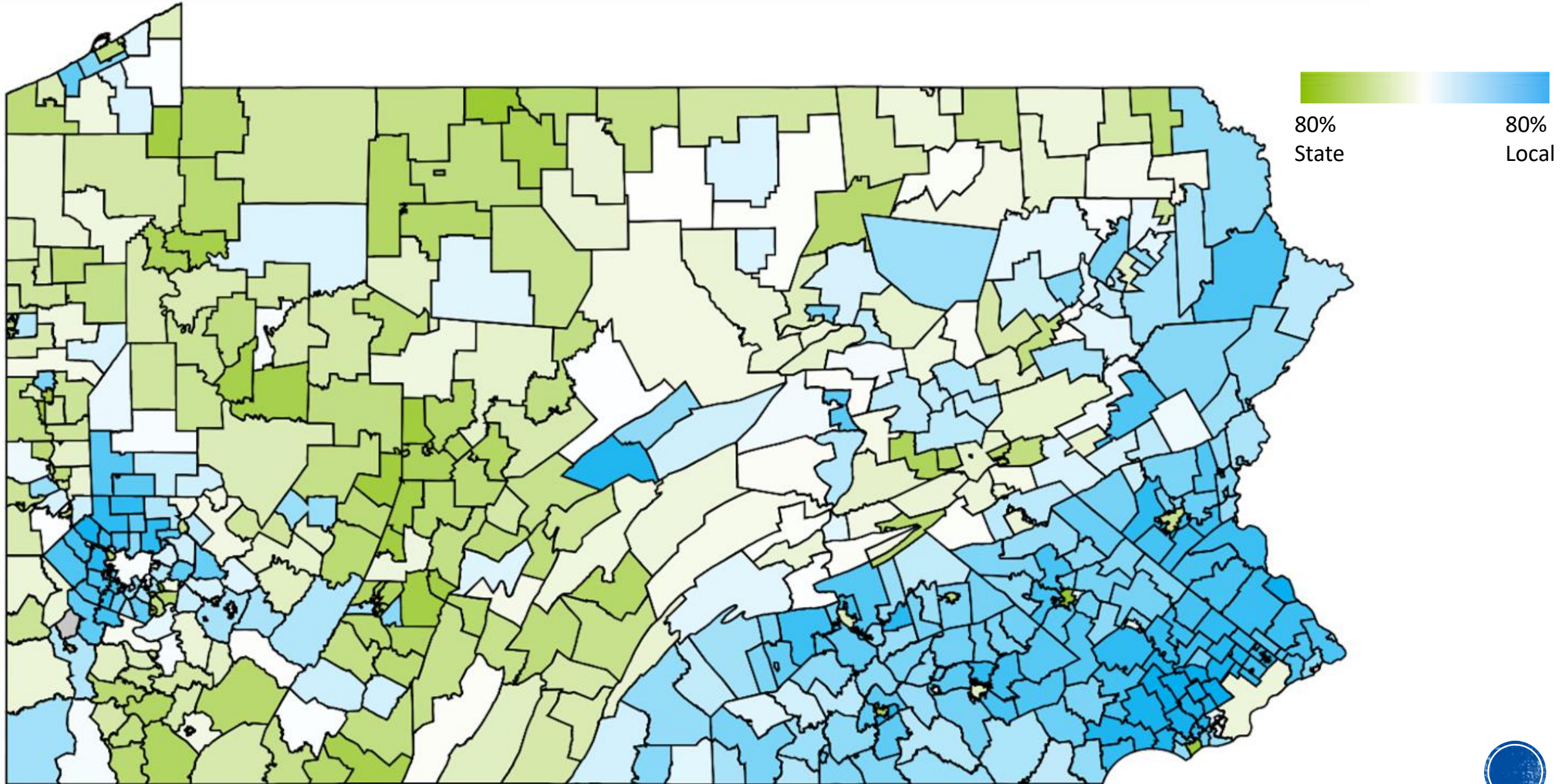


State Local

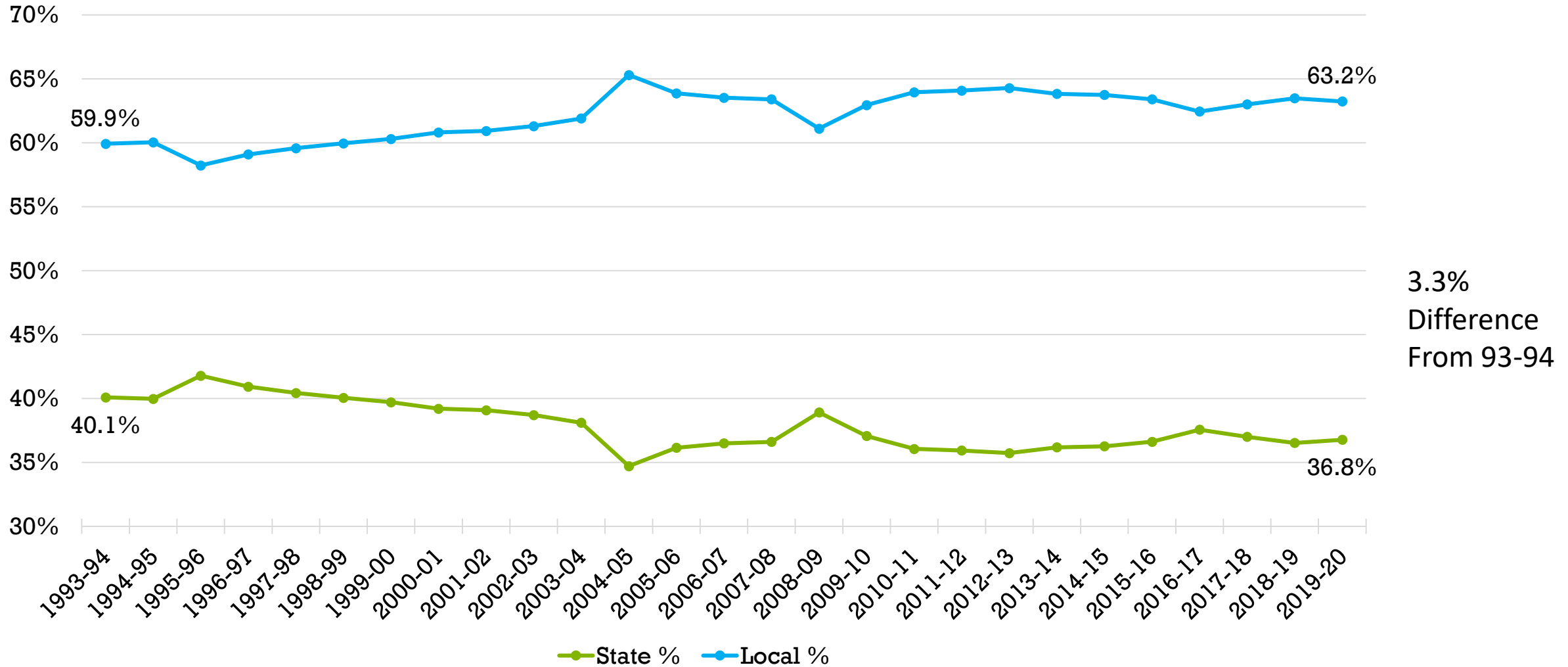
Rank/State	% State Revenue
U.S. Total	46.7%
45. Pennsylvania	37.9%
46. Connecticut	37.2%
47. South Dakota	34.1%
48. Texas	32.4%
49. Nebraska	32.3%
50. New Hampshire	30.7%

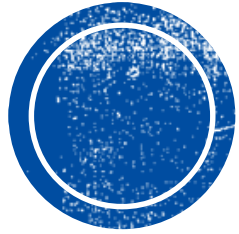


STATE/LOCAL SHARES BY SCHOOL DISTRICT



EDUCATION REVENUE SHARES (%) SINCE 1993-94

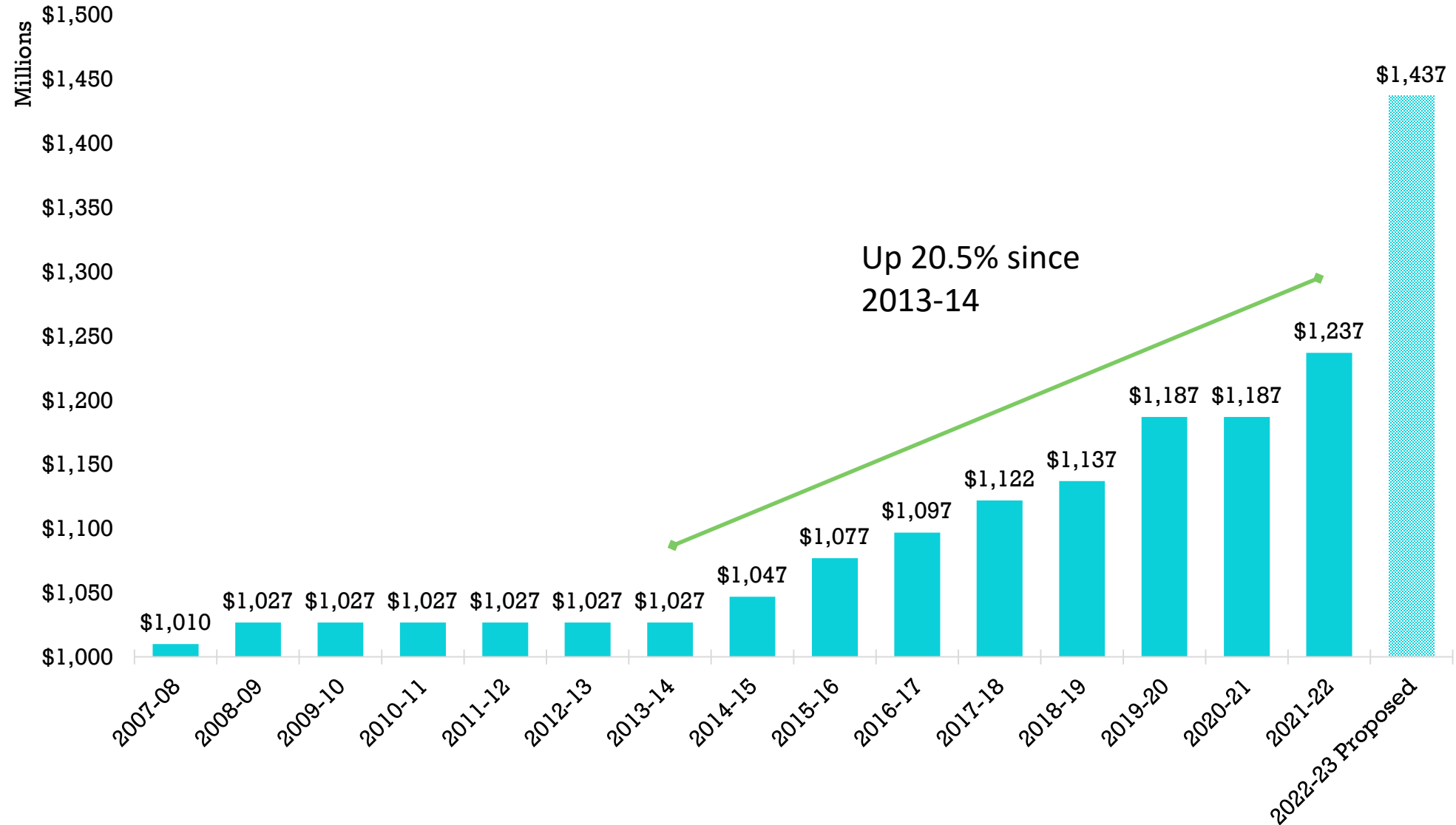




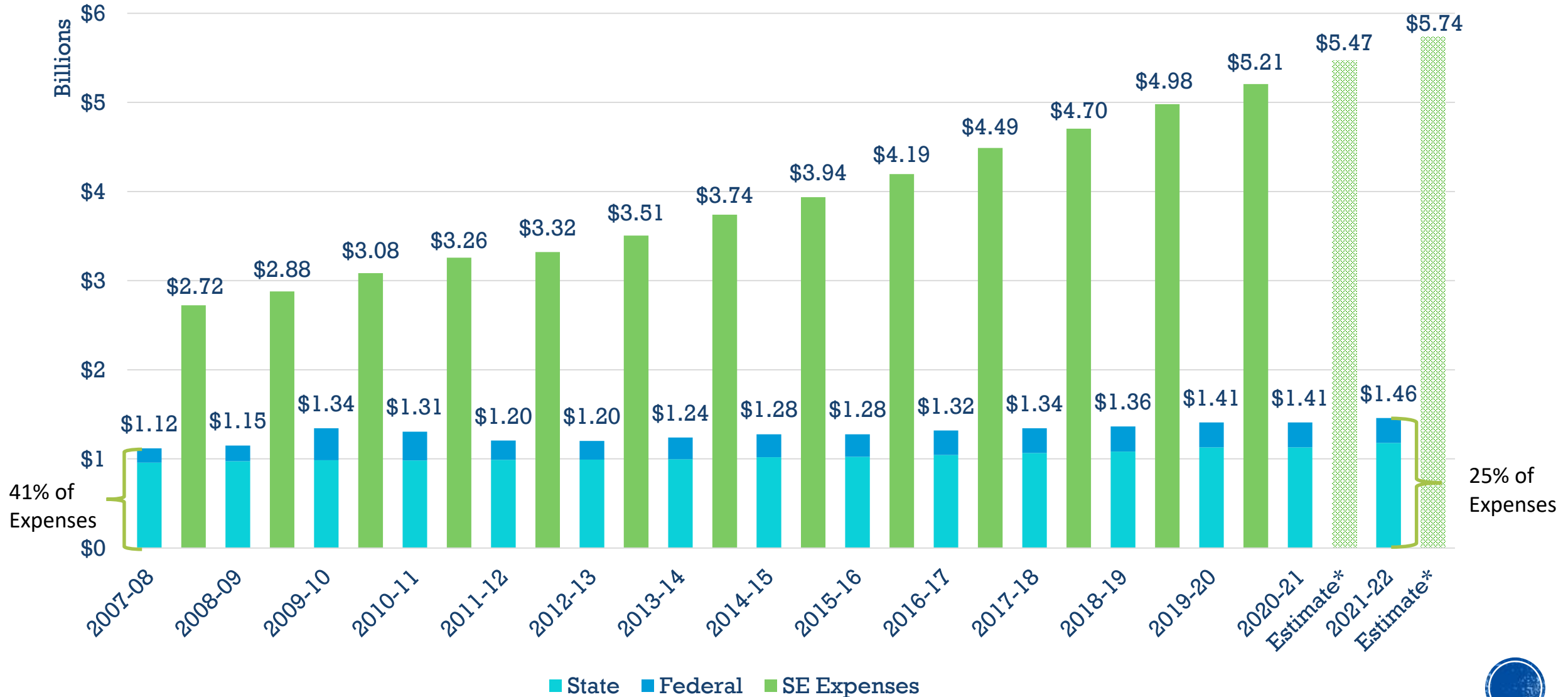
SPECIAL EDUCATION



SPECIAL EDUCATION FUNDING (SEF)



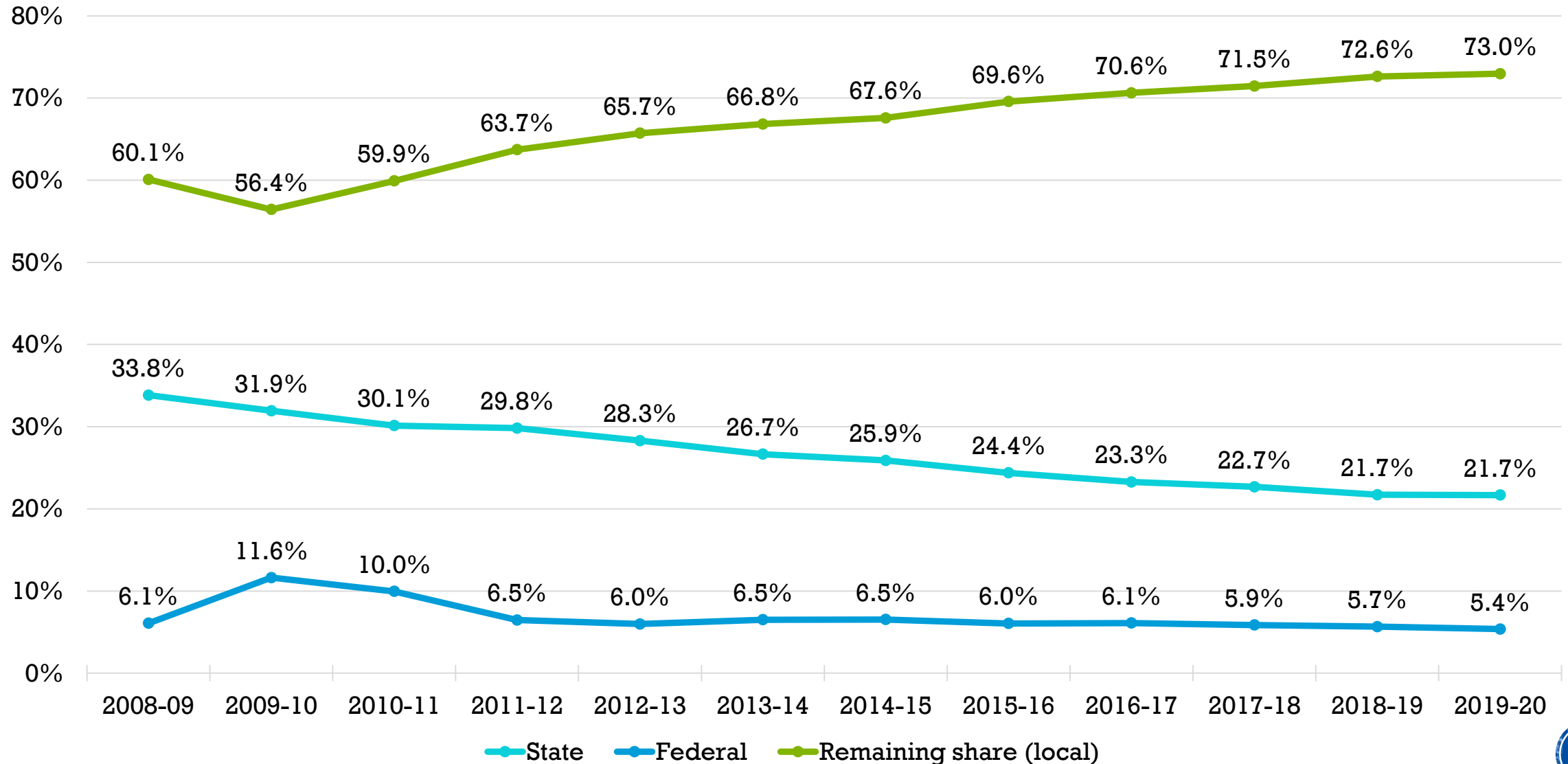
SPECIAL EDUCATION REVENUE VS EXPENSES

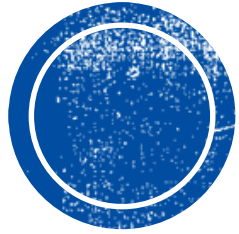


* Estimates based on 5% annual growth in SE Expenses



% SPECIAL EDUCATION REVENUE BY SOURCE



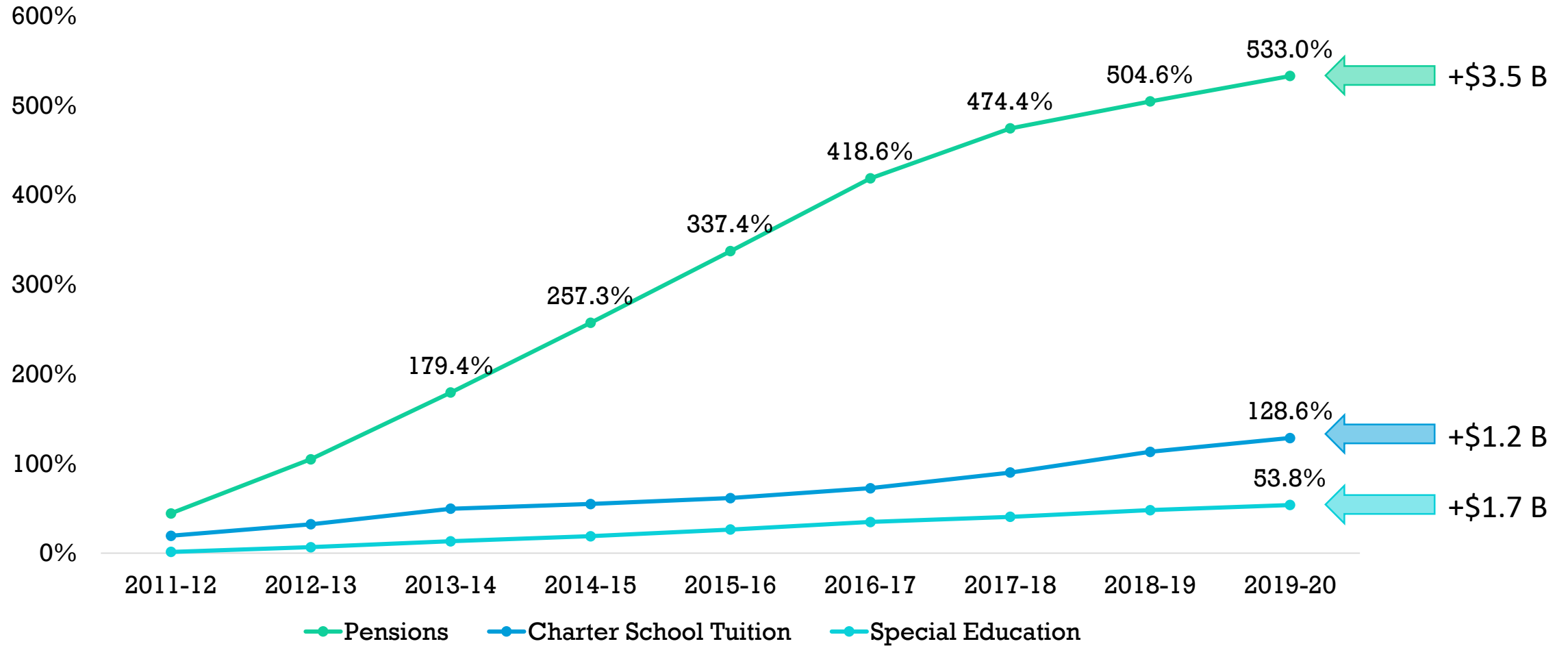


UNFUNDED MANDATES

There are currently 74 unfunded mandates by the state of Pennsylvania. These mandates require school districts to add staff or add to current positions without any funding to do so.

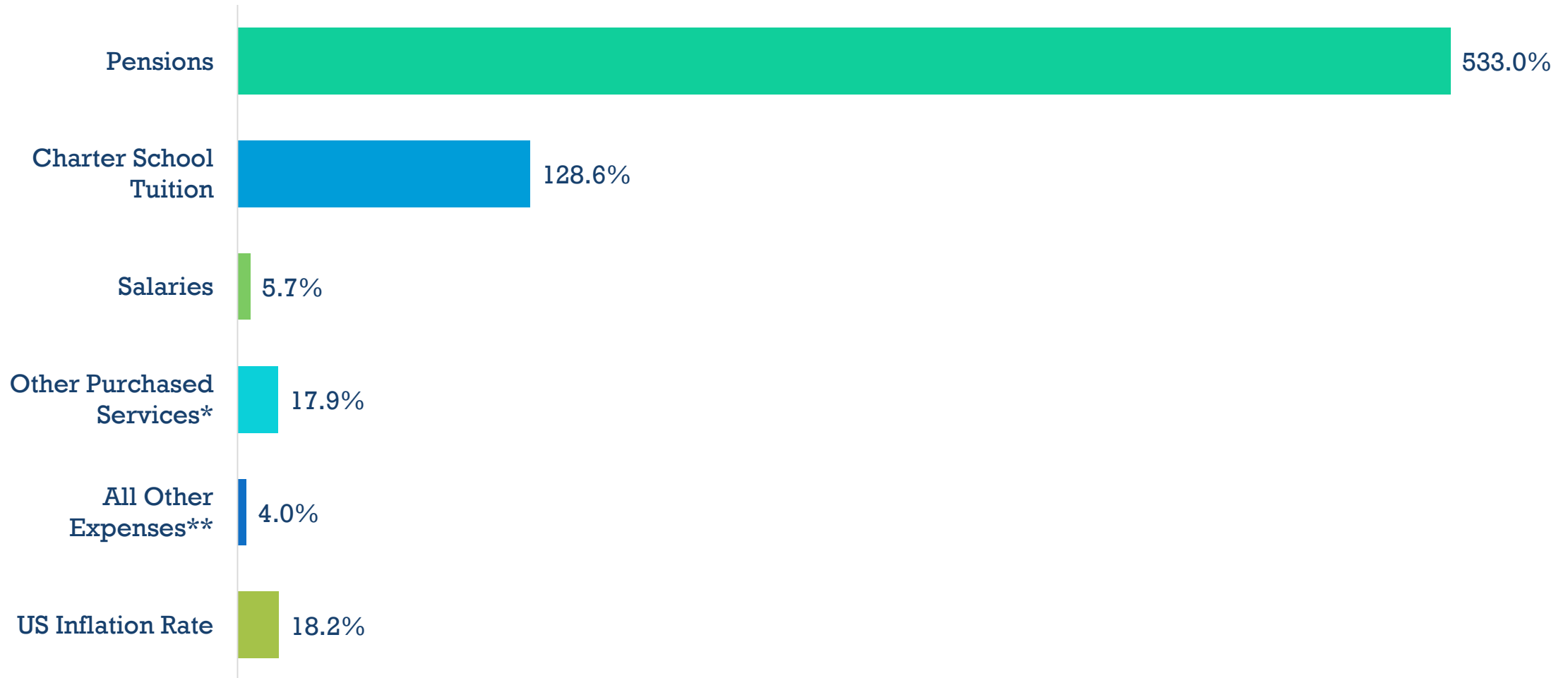
MANDATED COST INCREASES

From 2010-11



MANDATED COST GROWTH

2010-11 to 2019-20

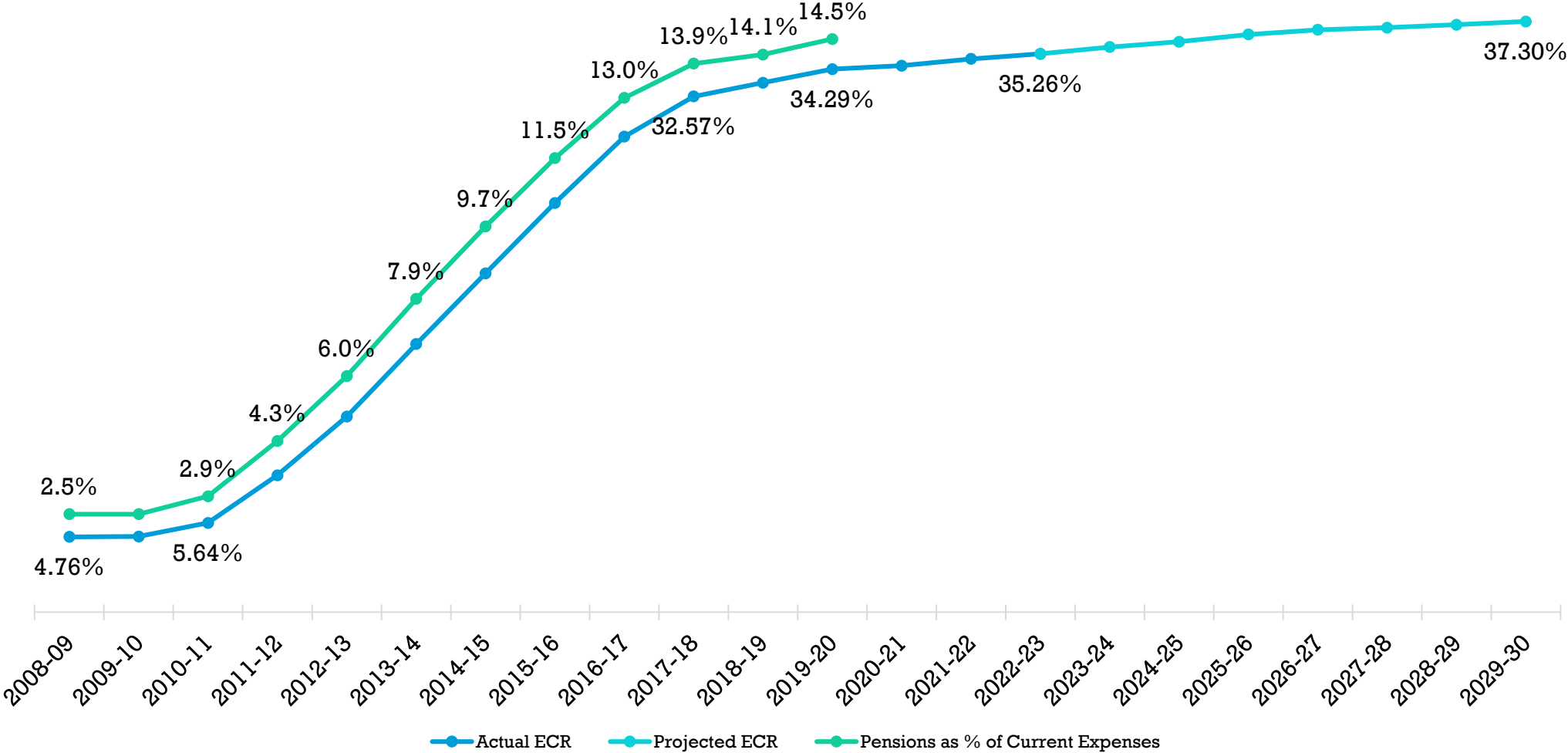


* These include outside educational services, transportation, food services, liability insurance, and other tuition payments

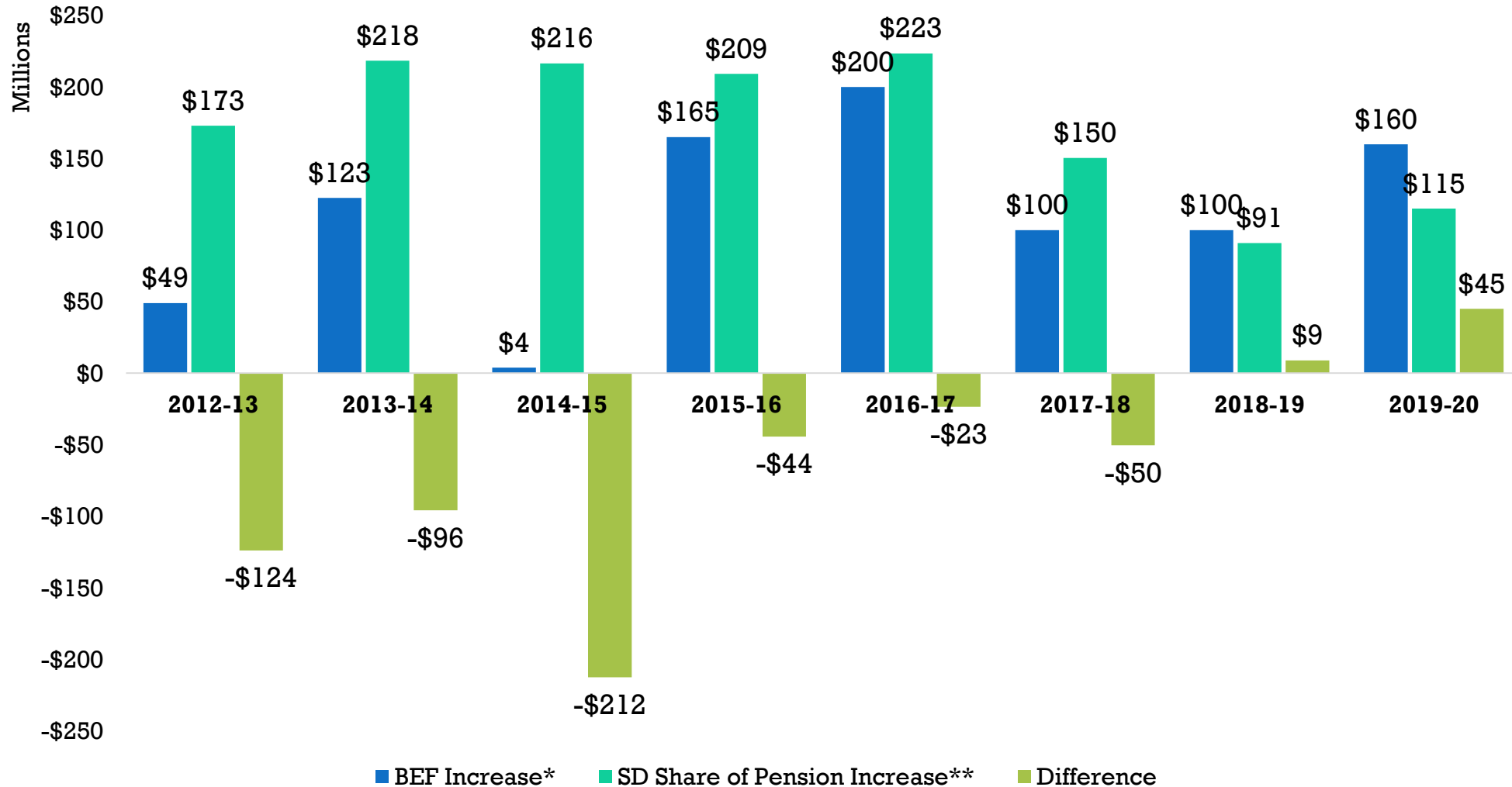
** These exclude fund transfers and debt service payments



PSERS EMPLOYER CONTRIBUTIONS & SPENDING



BEF INCREASES VS LOCAL PENSION INCREASES

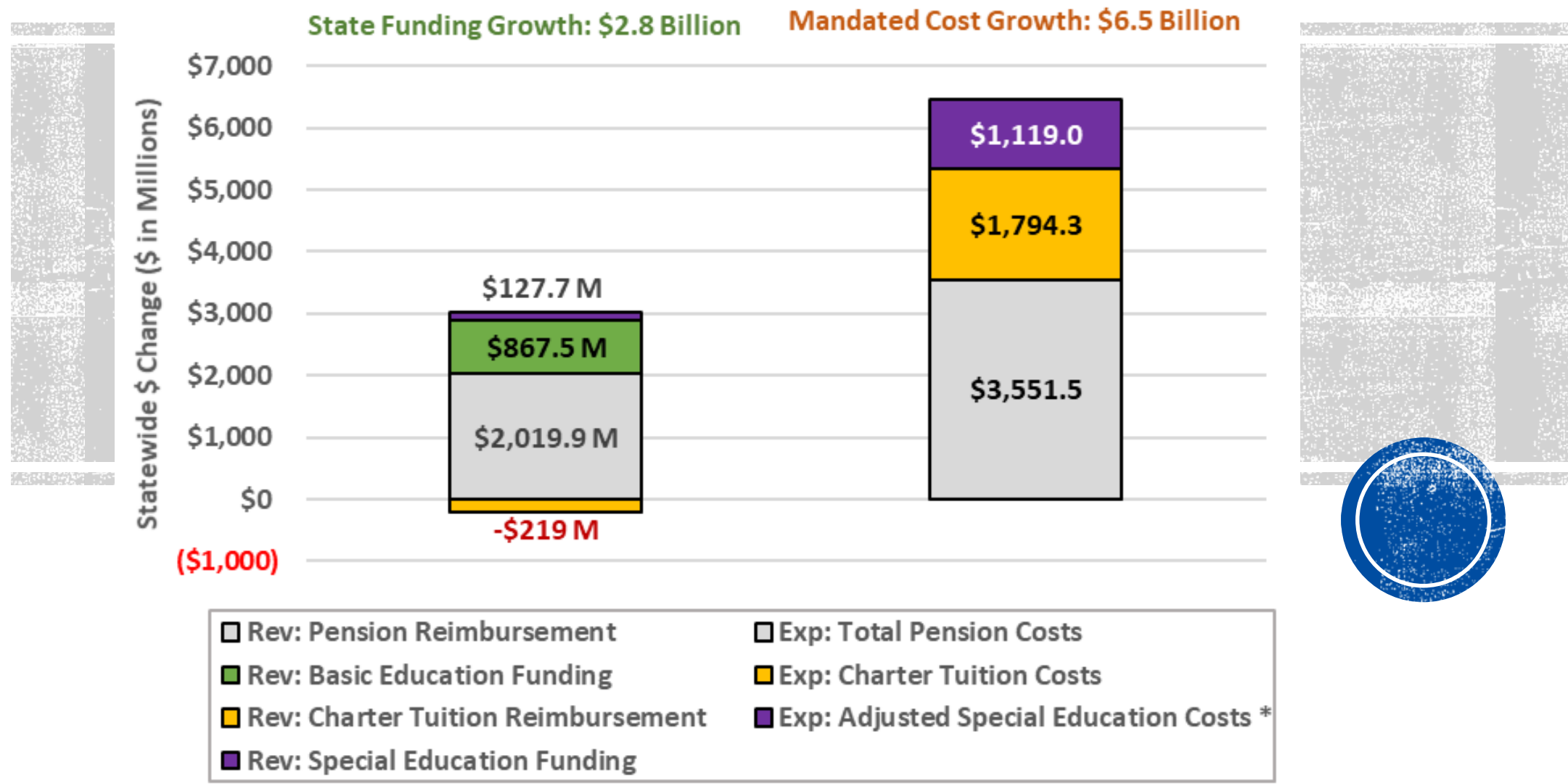


* BEF amounts and increases based on actual/available budget line item looking back at the prior year.

** Total school district pension contributions minus state share of retirement contributions. 2019-20 is most recent AFR data available.

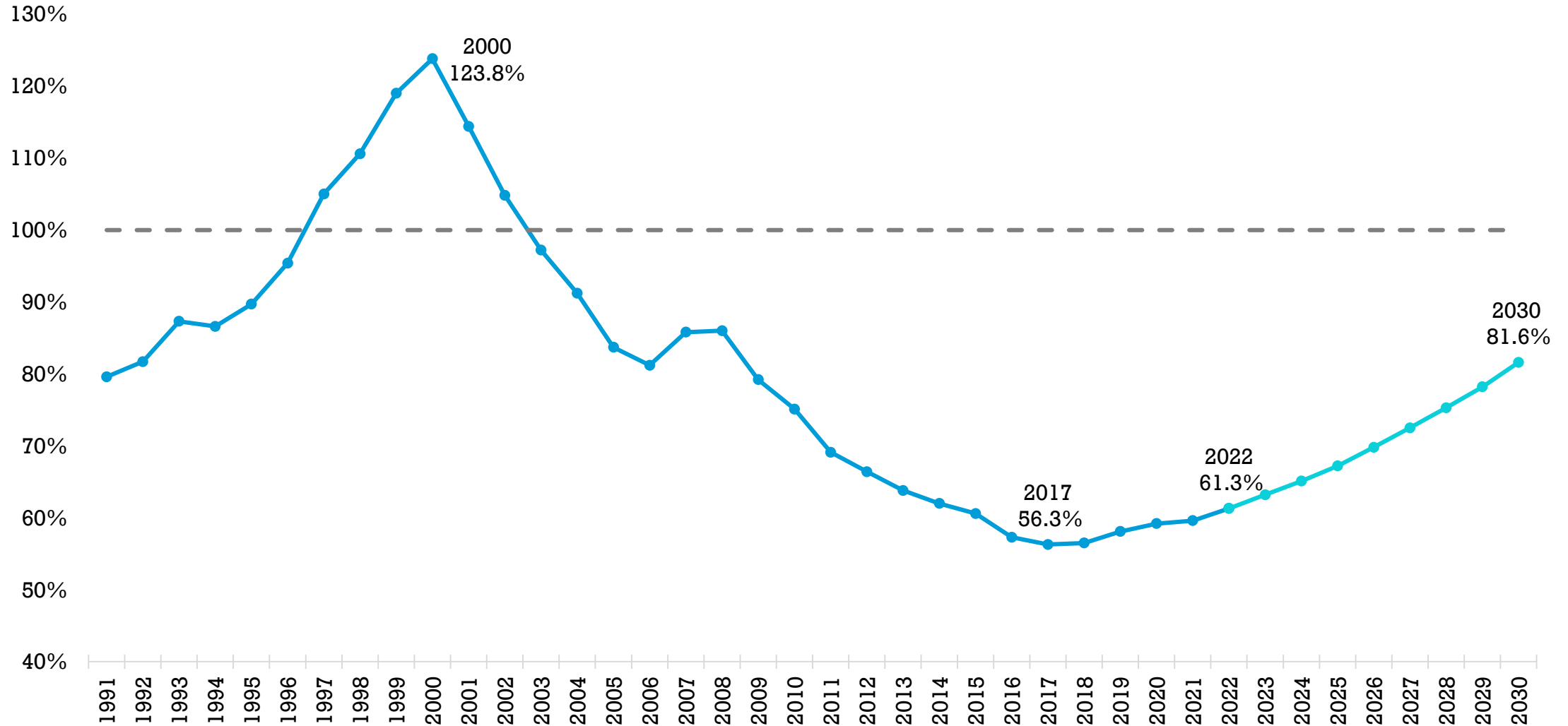


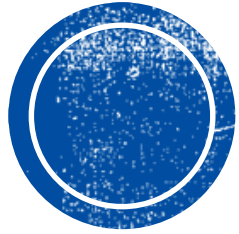
HISTORIC MANDATED COSTS ARE SIGNIFICANTLY OUTPACING STATE FUNDING GROWTH 2010-11 TO 2020-21



Source: PASBO, PASA, PARSS 2022 Budget Survey

PSERS FUNDED RATIO





CHARTER SCHOOL REFORM

CHARTIERS VALLEY CHARTER ENROLLMENT

In the 2020-21 school year, the district had a total of **78** charter students out of approximately 3300 students.

PDE classifies these students as 62 “regular education” and 16 “special education” students. Total Charter School costs for 2020-21 was **\$1,344,872**. This was broken down by the following:

⑩ **Regular Ed: \$904,138**

⑩ **Special Ed: \$440,734**

⑩ For the 2021-2022 school year, the District has **66** children which includes 54 regular education and 12 special education students. Charters Valley School District is projected to spend **1.1 million dollars** to charters schools under the current funding formula.



CHARTIERS VALLEY SCHOOLS CHARTER PER STUDENT

Please keep in mind that according to PDE's funding formula for identifying average districts cost per student is at \$12,266.50 for an elementary student and \$14,115.98 or a secondary student.

- ⑩ However, our charter tuition, the amount the district is required to pay for “regular education” students is \$14,582.87 and for “special education” (which includes speech and itinerant students) is \$27,545.86.
- ⑩ *When one reads or heard the phrase “Charter and Basic Education Funding formula (BEF)”, it is in regards CVSD costs to educate pupil and/or required to pay the charter school. NOT that CVSD is receiving “funding”.*



MUCH NEEDED CHARTER SCHOOL REFORM



Funding Formula, but ...also

Act 22 Charter School Code: Local District Responsibility:

- Must provide Transportation within a 10 mile radius
- The local school district/board must conduct an Annual Review of Charter Goals, Finances, Child Accounting
- Evaluate Annual fiscal report for state compliance
- Evaluate for Academic Performance
- It is the local school districts responsibility to monitor the charters compliance in all state mandates



GOVERNOR'S CHARTER REFORM PROPOSAL

Aligning charter school funding to actual costs -
\$373 million in savings

1. Apply the special education funding formula recommendations to charter schools
2. Establish a flat statewide cyber charter school tuition rate of no more than \$9,800

Budget proposal includes estimated savings from charter reform

Proposal	Est. Savings
Statewide cyber tuition rate	\$199 million
Special education formula	\$174 million
TOTAL	\$373 million



PASmart ADVANCED COMPUTER SCIENCE AND STEM GRANT

- ⑩ CVSD submitted for this grant in the amount of **496,000.00**
- ⑩ The grant is to expand computer science k-12 in the district, through a very intentional and strategic approach through course exposure, partnerships, which ultimately (the goal) will lead to workforce development within the region.
- ⑩ We have been asked to partner with Covestro (global stem company ie Bayer) for an educational initiative providing exposure to computer science and STEM
- ⑩ Thank you for your support with this grant



PCCD MENTAL HEALTH GRANT DUE TO PANDEMIC

- ⑩ Pa Commission on Crime and Delinquency established a grant opportunity for districts to provide mental health supports.
- ⑩ CVSD has applied for this grant to fund a partnership with Allegheny Health Network's Chill Project. Within this grant the Chill Room (a insensitive mental health and behavioral intervention room will be dedicated within the primary building (grades k-2). The grant is for a two year period and is for **150,000**.
- ⑩ The PS has noticed an increase in aggressive behavior in upwards of 15% since the pandemic. Biting, hitting, and other defiant behaviors have been identified with approximately 232 students out of approximately 810 needed supports.
- ⑩ These students would have an opportunity to work with a behavioral therapist within the school setting and communicate strategies with teachers and families.



DEVELOPING SPECIAL EDUCATORS AND PROGRAMS

- ⑩ Pattan released a \$25,000 grant opportunity which Chartiers Valley submitted for to develop Special Education Programs.
- ⑩ The District would like to utilize this grant if approved to further create a school store/cafe which would be a collaboration with our business department and our high school life skills classes.





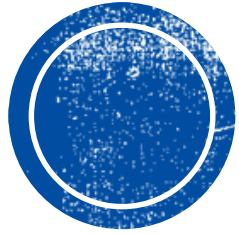
CVSD BUDGET UPDATE



GLOSSARY OF ACRONYMS

ARP	American Rescue Plan
BEF	Basic Education Funding
ESSER	Elementary and Secondary School Emergency Relief
FEMA	Federal Emergency Management Agency
OPEB	Other Post-Employment Benefits
PCCD	Pennsylvania Commission on Crime and Delinquency
PDE	Pennsylvania Department of Education
PEMA	Pennsylvania Emergency Management Agency
PSERS	Pennsylvania School Employees Retirement System
SEF	Special Education Funding





2021-2022 BUDGET UPDATE



2021-2022 BUDGET PROJECTIONS

- 2021-2022 Projected Revenue: \$70,595,808
- 2021-2022 Projected Expenses: \$71,122,205
- Projected Deficit as of April 12, 2022: \$ 526,397
- State Funding was **\$801,471** lower than state budget projections.
- Through fiscal management the District was able to narrow that projection to only a **\$526,397** deficit.



2021-2022 BUDGET: FISCAL DILIGENCE

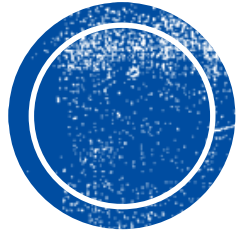
- Strategic use of ESSER funds
- Not replacing upper Administrative Positions until the years end
- Bond refinance
- Expenditure monitoring
- Grants
- Food Service surplus due to Federal Aid for student breakfast and lunch program



DISTRICT "SAVINGS" FUNDS AS OF JUNE 30, 2021

General Fund Balance:	\$7,070,396	
	\$3,371,296	Assigned
	\$3,699,100	Unassigned
Debt Stabilization Fund 6-30-21	\$3,833,414	
Usage to cover 2021-22 Deficit	<u>(\$ 526,397)</u>	
Projected Balance 6-30-22	\$3,307,017	
Capital Reserve 6-30-21	\$2,245,723	
Balance after HS roof and leases	\$ 120,439	
Transfer In 2021-22 (March 2022)	<u>\$ 750,000</u>	
Projected Balance 6-30-22	\$ 870,439	





2022-2023 PROPOSED BUDGET

2022-2023 BUDGET PROCESS

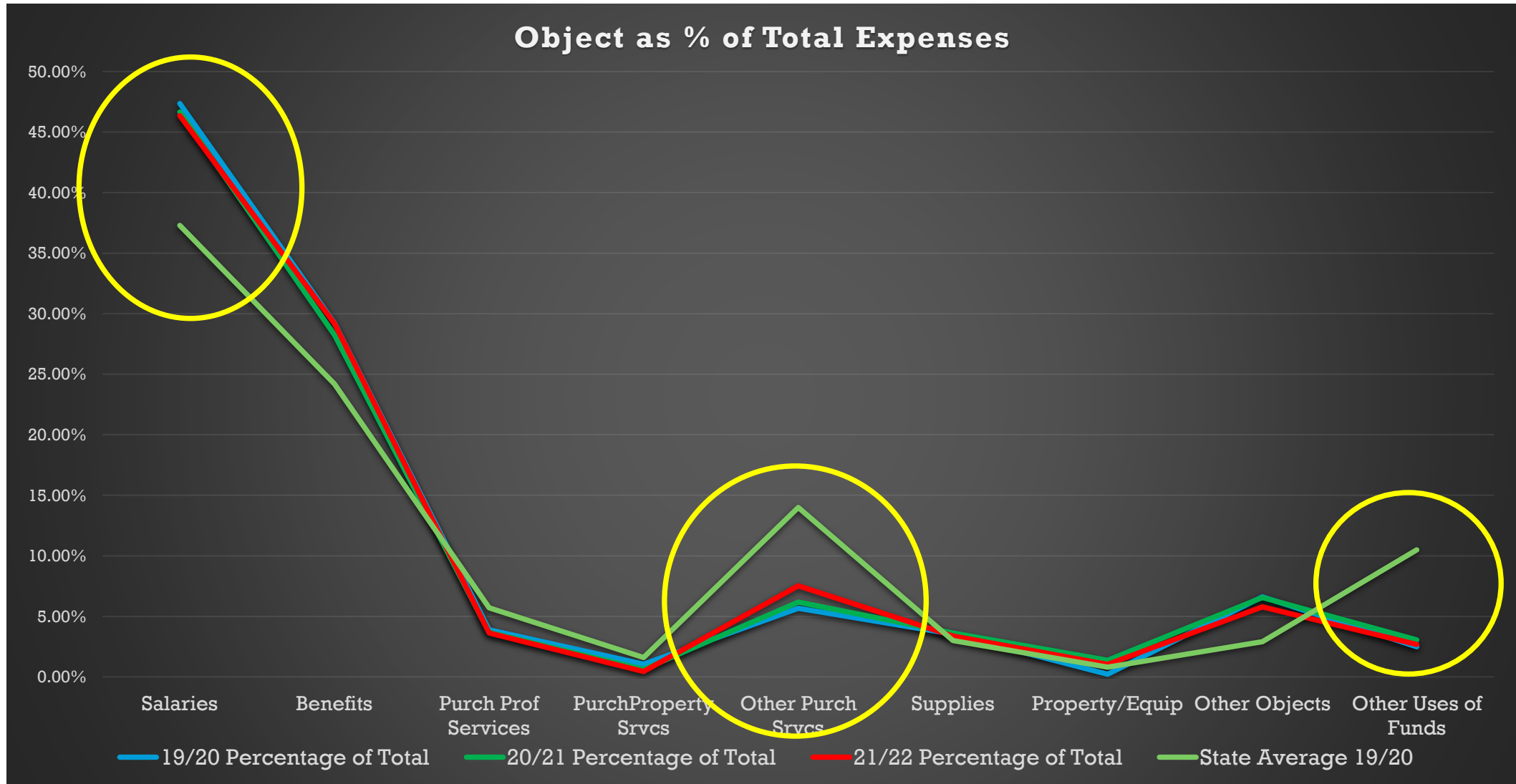
November/ December – first submission by Budget Managers; Salary and Benefits projected

January – second submission with Superintendent, Director of F/Ops, and Accounting Manager

February and March – additional cuts, further refinement, essential and basic elements of the budget preserved

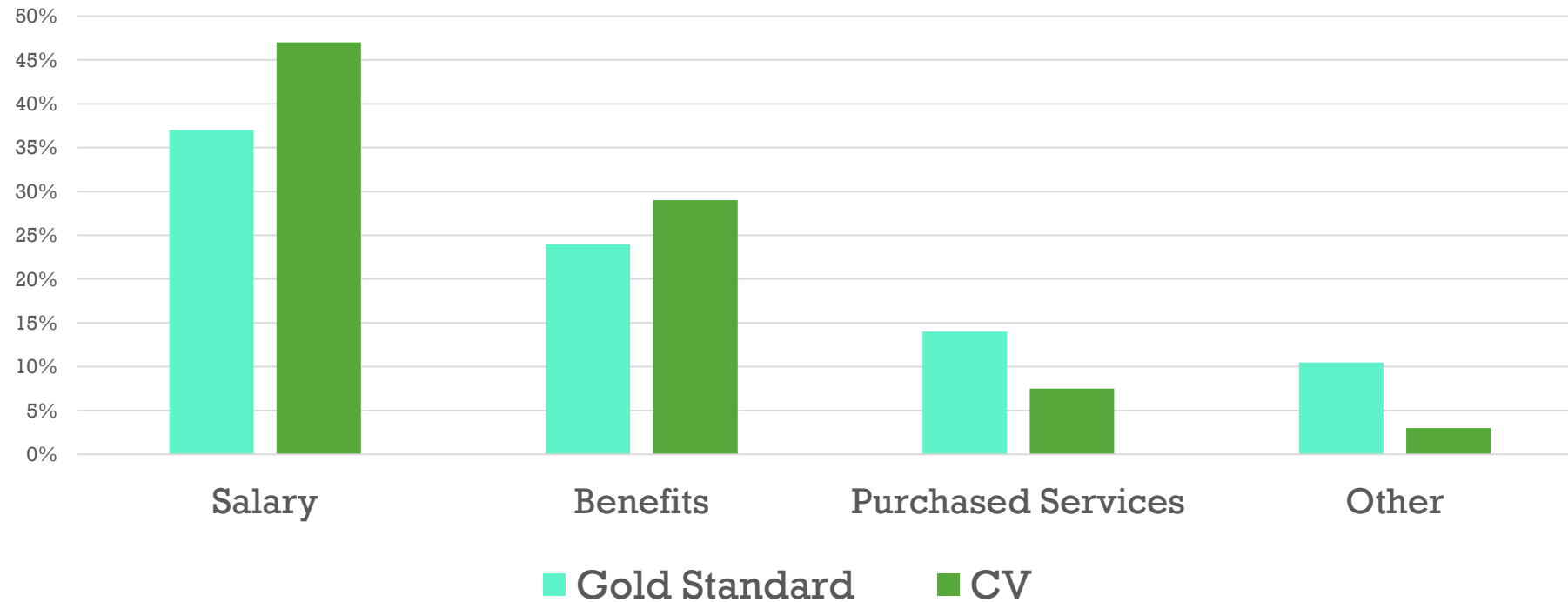


GOLD STANDARD BUDGETING



GOLD STANDARD BUDGETING

Budget Categories
State Averages Compared to Charters Valley



2022-2023 PROPOSED CAPITAL BUDGET

Chartiers Valley School District		
2022-23 Capital Reserve Budget		
<u>Account</u>	<u>Description</u>	<u>Budget</u>
32.5110.831.000.00.000.000.000.9200	17 Buses - Lease Interest	\$ 22,252
32.5110.911.000.00.000.000.000.9200	17 Buses Lease - Principal	\$ 158,778
32.5110.831.000.00.000.000.000.9200	2-Pick Up Trucks, 3 Vans, 7 Buses - Lease Interest	\$ 23,336
32.5110.911.000.00.000.000.000.9200	2-Pick Up Trucks, 3 Vans, 7 Buses - Lease Principal	\$ 130,242
32.5110.831.000.00.000.000.000.9200	4 Buses - Lease Interest	\$ 6,100
32.5110.911.000.00.000.000.000.9200	4 Buses - Lease Principal	\$ 52,594
	Total Budget	\$ 393,301



2022-2023 PROPOSED EXPENDITURES BY OBJECT

2022-23 Proposed Expenditures by Object

100	Salaries	✓	\$33,650,642	44.77%
200	Benefits	✓	\$21,610,259	28.75%
300	Purchased Prof Services	✓	\$3,647,111	4.85%
400	Purchased Property Services	✓	\$412,103	0.55%
500	Other Purchased Services	✓	\$4,752,576	6.32%
600	Supplies	✓	\$2,566,372	3.41%
700	Property	✓	\$2,260,740	3.01%
800	Other Objects	✓	\$3,719,630	4.95%
900	Other Uses of Funds	✓	\$2,550,244	3.39%
Total			<hr/> \$75,169,675	



2022-23 EXPENDITURE INCREASES

- Salaries adjusted per collective bargaining agreements
- 8% increase to healthcare; 3% increase to dental and vision
- Certified PSERS Rate 35.26%, .32 increase
- Projected charter school tuition with no change in funding formula
- 3% increase special education tuition
- Vocational budget increase, higher student enrollment at Parkway

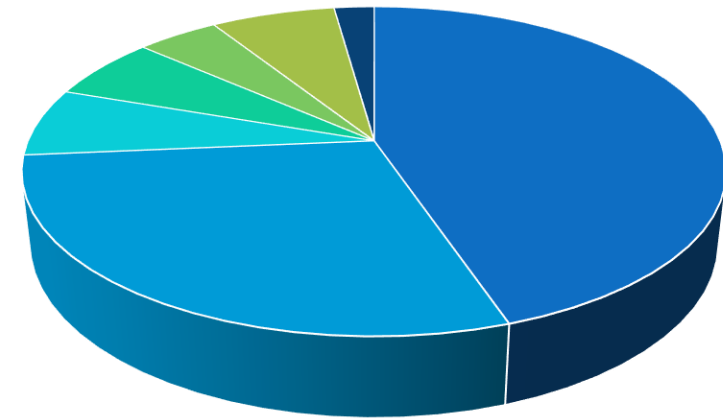


2022-23 PROPOSED FIXED COSTS

Salaries	44.8%
Fringe benefits	28.8%
Bonds – Interest, principal	6.7%
Transportation	6.2%
Tuition – charters, spec ed	4.5%
Buildings and Grounds –	6.8%

Only 2.2% available for all other expenses

Fixed and Committed Costs



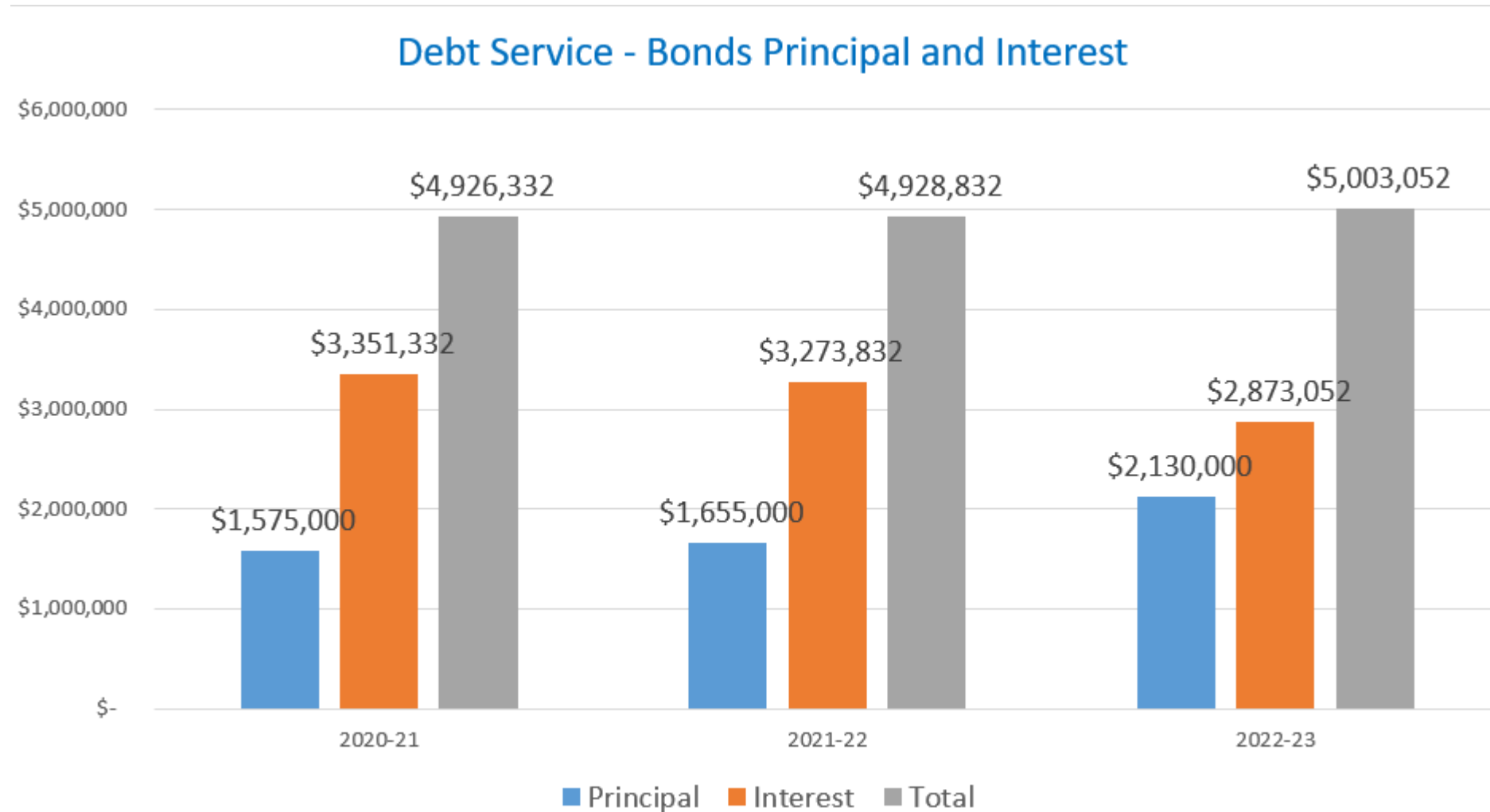
- Salaries
- Fringe benefits
- Bonds – Interest, principal
- Transportation
- Tuition – charters, spec ed
- Buildings and Grounds –
- Only 2.2% available for all other expenses



CVSD STIMULUS FUNDS SUMMARY

Grant	Dates	Utilization	Amount
CARES (ESSER I)	March 13, 2020 to Sept 30, 2021	Long-term subs and NPS share	\$ 292,307
PCCD	March 1, 2020 to Oct 30, 2020	Technology, i-Pads at PS	\$ 247,719
PCCD	March 1, 2020 to June 30, 2021	Technology, i-Pads at PS	\$ 96,825
ESSER II	March 13, 2020 to Sept 30, 2023		\$ 1,336,240
	2020-21 \$749,830	2021-22 \$586,410	
	- Long-Term Substitute Teachers	- Long-Term Substitute Teachers	
	- Online Learning Coverage	- Online Learning Coverage	
	- Curriculum Writing	- Curriculum Writing	
	- Summer Learning Loss	- Technology (Robotics, wireless, interactive boards)	
	- Professional Development		
	- Precision Substitute Service Cost		
ESSER III	March 13, 2020 to Sept 30, 2024		\$ 2,702,826
	2021-22 \$129,803	2022-23 \$2,395,467	
	- Chill Room, MAPS, Curriculum Writing \$129,803	- PS HVAC \$2M	
	- PS HVAC \$2M	- Chill Room, MAPS, Curr Writing, ELA, Science, Math Curr Assessments,	
ESSER III 7% Set Asides	July 1, 2021 to Sept 30, 2024	March 13, 2020, through September 30, 2024	\$ 210,070
	- Learning Loss \$78,026	78,026	
	- Mental Health \$45,015	45,015	
	- Mental Health Staff Prof Dev \$15,005	15,005	
	After School Program \$30,010	30,010	
	Summer Enrichment \$30,010	30,010	
	- Reading Focus Program \$12,004	12,004	
ESSER III Homeless Set Aside	July 1, 2021 and will terminate on September 30, 2024		\$ 7,087
ESSER 3 Special Ed	July 1, 2021 to September 30, 2022		\$ 114,137
		Total	\$ 5,007,211

2022-2023 PRELIMINARY BUDGET – DEBT SERVICE





2022-23 PROPOSED REVENUE



2022-23 REVENUE ANALYSIS

Local

Historical revenue analyzed and projected accordingly

State

Flat funding for Basic Education, Special Education, Transportation, and Ready to Learn

Federal

Flat funding on Title funding; ESSER 3 stimulus funding with set asides, \$2,395,467, one-time funding



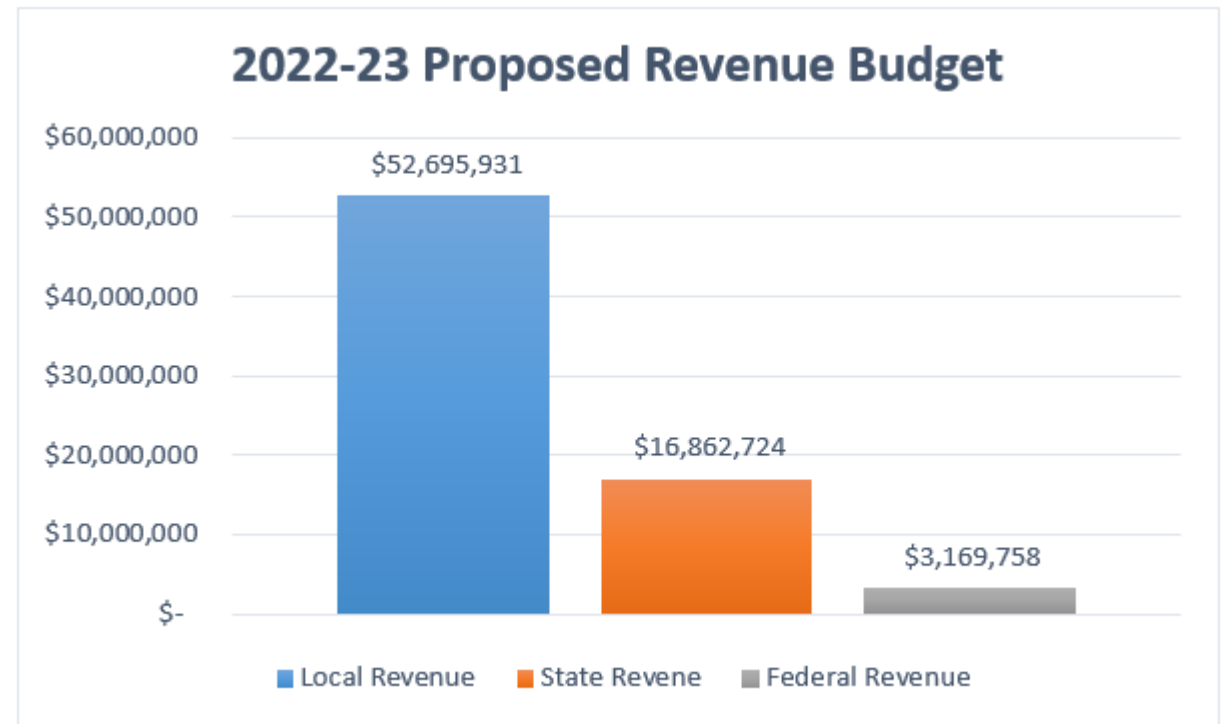
2022-23 PROPOSED REVENUE DETAIL

	2022-23 Preliminary Budget	
6100 Taxes Levied/Assessed by the LEA	✓ \$	50,229,213
6400 Delinquencies on Levied Taxes	✓ \$	1,217,959
6500 Earnings on Investments	\$	7,000
6700 Revenues from LEA Activities	\$	40,000
6800 Revenues from Pass Through Funds	\$	451,759
6900 Other Revenue Local Sources	✓ \$	750,000
7100 Basic Instructional + Operational Subsidies	✓ \$	6,778,324
7200 Revenue for Specific Educational Programs	\$	1,647,129
7300 Revenue for Non-Educational Programs	✓ \$	2,181,205
7500 State Revenue Not Listed Elsewhere	\$	303,975
7800 Revenue from the Commonwealth of PA	\$	5,952,091
8500 Federal Title Grants	✓ \$	479,291
8800 Medical Assistance	\$	295,000
Sub-Total Revenue Before ESSER 3	\$	70,332,946
8700 Federal Stimulus Funding ESSER 3	\$	2,395,467
Total Revenue	\$	72,728,413



2022-23 PROPOSED REVENUE SUMMARY

Local Revenue	\$52,695,931
State Revenue	\$16,862,724
Federal Revenue	<u>\$ 3,169,758</u>
Total	\$72,728,413



2022-23 BUDGET PROCESS TO DATE

Timeline of Budget	Current	February 2022	January 2022
Department Budgets	17,797,825	18,085,226	19,670,112
ESSER 3	\$ 2,350,452	\$ 2,350,452	\$ 2,350,452
Salary	\$ 33,488,042	\$ 33,803,626	\$ 33,803,626
Benefits	\$ 21,533,356	\$ 21,656,812	\$ 22,165,626
Sub-Total	\$ 55,021,398	\$ 55,460,438	\$ 55,969,252
Expenditure Total	\$ 75,169,675	\$ 75,896,116	\$ 77,989,816
Revenue Total (No Tax Increase)	\$ 72,728,413	\$ 72,728,413	\$ 72,728,413
Shortfall	\$ (2,441,262)	\$ (3,167,703)	\$ (5,261,403)



2022-23 PRELIMINARY BUDGET

- Through the budgeting process, the District continually evaluates and re-evaluates budgetary requests in attempts to provide a balanced budget to the Board
- Meetings with Budget Managers
- Analysis of every line item
- Analysis of salaries and benefits



2022-23 PRELIMINARY BUDGET

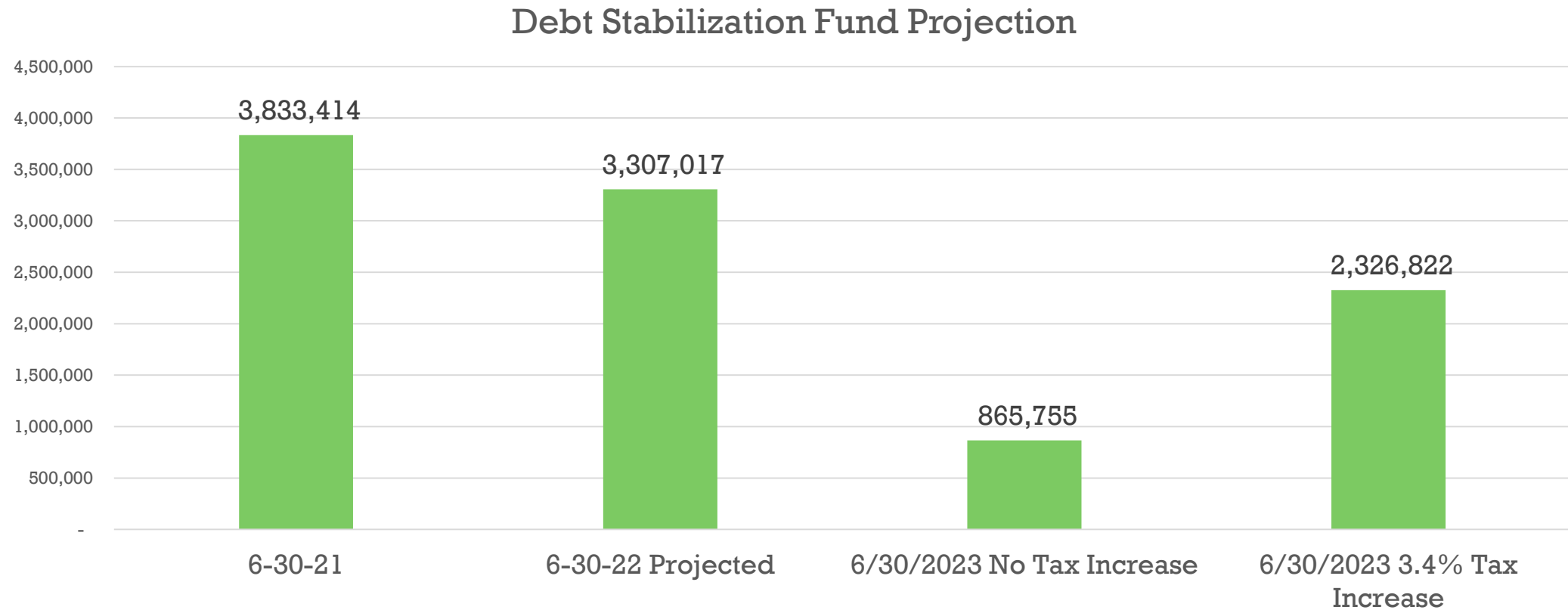
Expenses: \$75,169,675

Revenues: \$72,728,413

Revenue Shortfall: \$ 2,441,262



DEBT STABILIZATION OVERVIEW



2022-23 PRELIMINARY BUDGET TAX LEVY OPTIONS FOR CONSIDERATION

Act 1 Resolution (Board Action in January 2022)

Board will not increase taxes above the Act 1 Index, 3.4%

- Current 2021-22 Millage
.0187580
- 2022-23 Maximum Millage
.0193958
- Act 1 or 3.4% Increase (.0006378 mills)
- Revenue gained if District raises taxes to the Act 1 Index, 3.4%
.0193958 mills = \$1,461,067
- Max Millage Increase Impact
Average \$130,000 home
\$82.91 annual increase if taxes are raised to Act 1 Index
(.000637 x \$130,000) = \$82.91



2021-22 ALLEGHENY COUNTY MILLAGE BY DISTRICT

Brentwood	34.1187	Sto-Rox	25.0000	Allegheny Valley	20.8377
Penn Hills	30.0965	Highlands	24.8800	Hampton	20.3000
Upper St. Clair	27.6772	Cornell	24.5270	Fox Chapel	20.1269
Woodland Hills	26.9982	Shaler Area	23.5319	Keystone Oaks	20.0839
East Allegheny	26.9722	Riverview	23.2719	Pine-Richland	19.5867
Elizabeth Forward	26.7609	Deer Lakes	22.7652	Avonworth	19.5300
Carlynton	26.7432	Moon Area	22.6746	Quaker Valley	19.4711
South Fayette	26.7000	Baldwin-Whitehall	22.6300	North Allegheny	19.1408
Wilkinsburg	26.5000	Bethel Park	22.5271	North Hills	19.0400
Northgate	26.3200	West Jefferson Hills	22.2830	Chartiers Valley	18.7580
Steel Valley	26.1082	South Allegheny	21.1700	West Allegheny	18.5100
South Park	25.9600	Plum Borough	21.0757	Montour	17.9638
Mt Lebanon	25.5900	McKeesport	20.9600	Duquesne City	17.5000
West Mifflin	25.3765	Gateway	20.8914	Clairton City*	8.1300

2022-2023 VARIETY OF OPTIONS

Options

Millage increase of any variation within the Act 1 Index (3.4%)

0% millage remains 18.7580, 2022-23 planned use of debt stabilization fund \$2,441,262

OR

0.85 %	tax increase, 18.9174 mills, revenue \$ 365,267
1.70 %	tax increase, 19.0782 mills, revenue \$ 730,533
2.55%	tax increase, 19.2404 mills, revenue \$1,095,800
3.40%	tax increase, 19.3958 mills, revenue \$1,461,067



BUDGET TIMELINE

