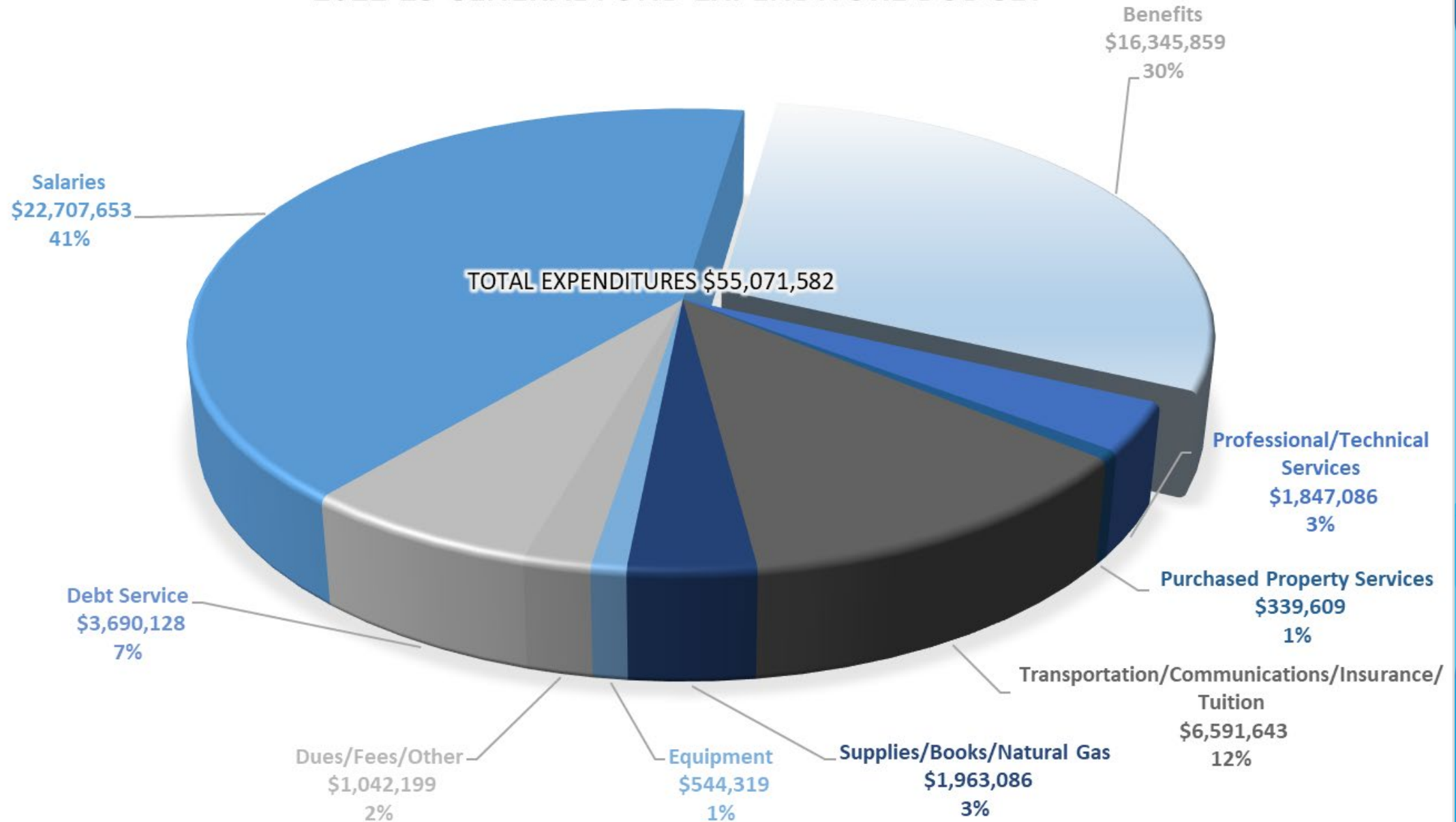


HOLLIDAYSBURG AREA SCHOOL DISTRICT

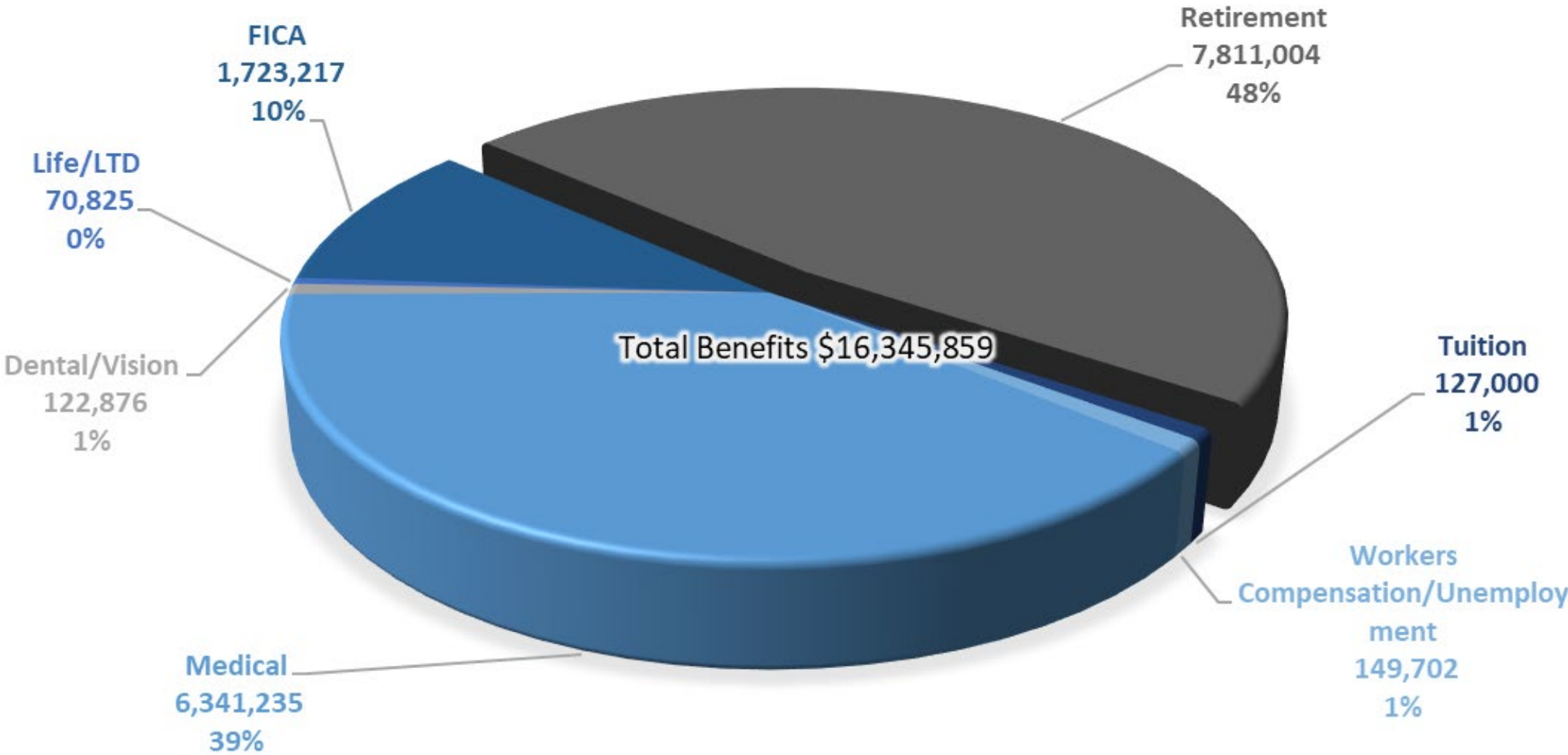
2023-24 BUDGET INFORMATION SESSIONS

#2 Retirement

2022-23 GENERAL FUND EXPENDITURE BUDGET



2022-23 GENERAL FUND BENEFITS



FY 2023-2024 Employer Contribution Rate

What is the FY 2023-24 Employer Contribution Rate?

On December 16, 2022, the Public School Employees' Retirement System (PSERS) Board of Trustees certified the FY 2023-24 employer contribution rate (ECR) at 34.00%. The ECR is the percentage of payroll that local school employers and the Commonwealth share and pay toward retired and current school employees' benefits.

- The 34.00% ECR represents the first year-to-year decline for school employers and the Commonwealth in more than a decade.
- The FY 2023-24 ECR is 3.6% lower than the current FY 2022-23 rate of 35.26%.
- School boards set their budgets based on the ECR percentage rate, and a lower ECR will equal real multi-year budgetary savings for their local taxpayers.

Pennsylvania Public School Employees' Retirement System Projection of Contribution Rates and Funded Ratios As of June 30, 2022 Assumes a 7.00% Annual Market Rate of Return

Fiscal Year Ending June 30	Appropriation Payroll (\$ Thousands)	Member Contribution Rate	Employer Normal Cost Rate DB Plan	Employer Unfunded Liability Rate	A Preliminary Employer Pension Rate	B Health Care Contribution Rate	C *DC Plan	D = A + B + C Total Employer Contribution Rate	**Total Employer Contribution (\$ Thousands)	Actuarial Funded Ratio	Unfunded Accrued Liability (\$ Millions)
2021										59.6 %	\$ 45,534.7
2022	\$ 14,289,000	7.56 %	7.20 %	26.79 %	33.99 %	0.80 %	0.15 %	34.94 %		61.6	43,965.5
2023	14,497,000	7.52	6.07	28.24	34.31	0.75	0.20	35.26		63.2	43,061.4
2024	15,260,000	7.44	5.86	27.23	33.09	0.64	0.27	34.00	5,188,400	64.6	42,313.9
2025	15,372,913	7.37	5.66	27.96	33.62	0.77	0.34	34.73	5,339,013	66.3	41,103.5
2026	15,489,907	7.30	5.49	28.82	34.31	0.78	0.40	35.49	5,497,903	68.4	39,256.6
2027	15,610,679	7.23	5.32	29.59	34.91	0.77	0.47	36.15	5,642,624	70.6	37,207.5
2028	15,731,799	7.16	5.15	30.20	35.35	0.78	0.54	36.67	5,768,420	72.9	34,935.1
2029	15,854,223	7.10	4.97	30.86	35.83	0.77	0.61	37.21	5,899,255	75.3	32,299.6
2030	15,975,648	7.05	4.77	31.56	36.33	0.77	0.67	37.77	6,034,795	78.2	28,984.5
2031	16,094,737	6.99	4.58	32.27	36.85	0.77	0.73	38.35	6,172,011	80.5	26,300.8

* Estimated average DC contribution rate. The actual employer DC contribution rate will be based on each employer's Class T-G, Class T-H and Class DC-only membership.

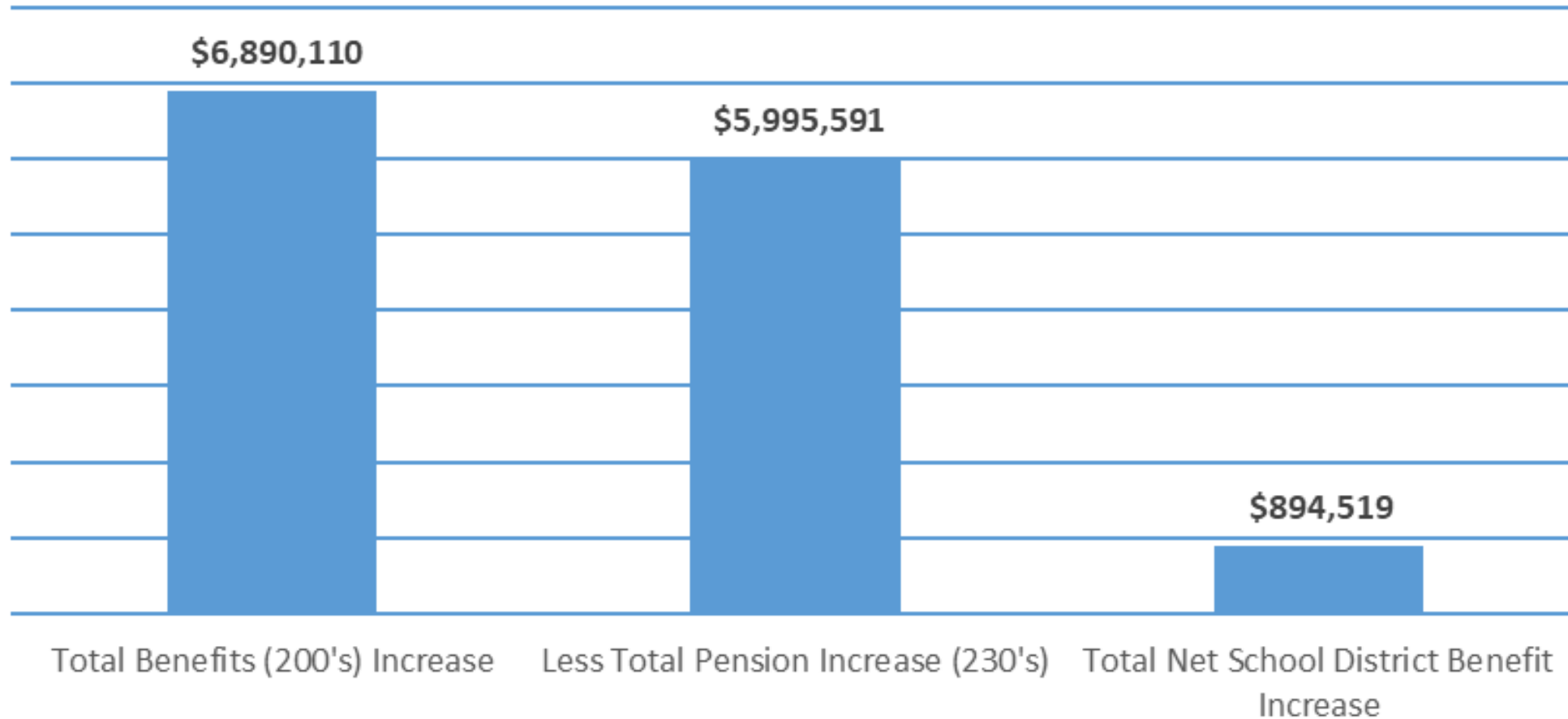
**Actuarial Disclaimer

The resulting contributions for each fiscal year may be different from actual results that will be determined in future actuarial valuations due to demographic and financial experience different than assumed. Accordingly, these results should not be used for any purpose other than providing the user with an estimate of future employer pension cost obligations.

60.3% of Total 10-Year SD Exp Increase Attributed to Pension and Charter Costs

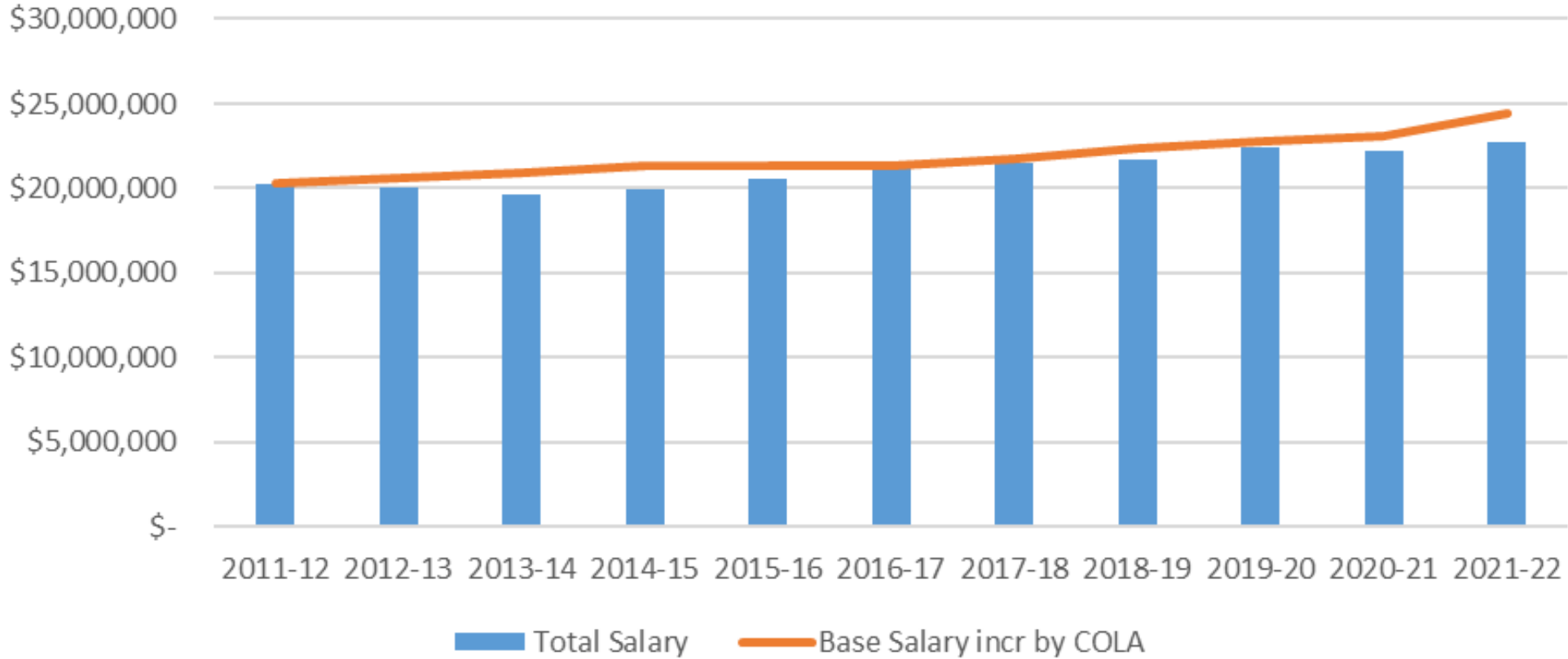
Fiscal Year	School District Total Expenditures as Per PDE AFR Data	SD Gross Pension (230 Object Code AFR)	SD Charter Tution Totals PDE AFR	*Charter & Pensions \$'s of Total Exp.	Charter & Gross Pension as a % of Exp.	NET: School District Total Expenditures NET of Charter and Pension (10 year Comparison)	Cost of Living Increase
2021-22	\$ 52,723,292	\$ 7,725,612	\$ 1,383,921	\$ 9,109,533	17.3%	\$ 43,613,759	
Less 2011-12	\$ 41,382,219	\$ 1,730,021	\$ 545,074	\$ 2,275,096	5.5%	\$ 39,107,124	
=10 Year Dollar Increase	\$ 11,341,073	\$ 5,995,591	\$ 838,847	\$ 6,834,438	60.3%	\$ 4,506,635	
10 Year Increase %	27.4%	346.6%	153.9%	60.3%		11.5%	
*Charter and Gross Pension Account for 60.3% of total School District expenditure increases over the past decade					Avg Net District total increase Per year; Divided by 10 years	\$ 450,664	
*The December 2022 COLA is 8.7% which would result in an updated 10 year average of 2.6%						1.15%	1.9%

10 Year Benefits Net of Pension



Translates to 1.3% average annual increase

10 Year Salary Change



Translates to an average annual increase of \$243,809 or 1.2% over 10 years

HOLLIDAYSBURG AREA SCHOOL DISTRICT RETIREMENT RATE STABILIZATION FUND (RRSF) UTILIZATION PLAN

CURRENT BALANCE IN RETIREMENT RATE STABILIZATION FUND \$3,388,662								
	Budgeted Retirement Wages Projected @ 3% Increase	Projected PSERS Rate as of Dec, 2022	Total Retirement Costs	State Reimbursement Rate	Net Retirement Costs	USE OF RETIREMENT RATE STABILIZATION FUNDS		
						Increase in Net Retirement From Prev Year	Total Committed RRSF \$3,388,662 Less <u>\$1,407,864</u> \$1,980,798	TOTAL USE OF RRSF
2022-23	\$23,105,122	35.26%	\$8,146,866	50.00%	\$4,073,433	\$114,863	\$300,858	\$415,721
2023-24	\$23,798,276	34.00%	\$8,091,414	50.00%	\$4,045,707	-\$27,726	\$239,991	\$212,265
2024-25	\$24,512,224	34.73%	\$8,513,095	50.00%	\$4,256,548	\$210,841	\$239,991	\$450,832
2025-26	\$25,247,591	35.49%	\$8,960,370	50.00%	\$4,480,185	\$223,637	\$239,991	\$463,628
2026-27	\$26,005,018	36.15%	\$9,400,814	50.00%	\$4,700,407	\$220,222	\$239,991	\$460,213
2027-28	\$26,785,169	36.67%	\$9,822,121	50.00%	\$4,911,061	\$210,654	\$239,991	\$450,645
2028-29	\$27,588,724	37.21%	\$10,265,764	50.00%	\$5,132,882	\$221,821	\$239,991	\$461,812
2029-30	\$28,416,386	37.77%	\$10,732,869	50.00%	\$5,366,434	\$233,552	\$239,994	\$473,546
TOTALS						\$1,407,864	\$1,980,798	\$3,388,662

February, 2022

HOLLIDAYSBURG AREA SCHOOL DISTRICT PROJECTED NET DEBT SERVICE COSTS

FISCAL YEAR	DEBT SERVICE PAYMENT	STATE SUBSIDY REIMBURSEMENT	NET DEBT SERVICE PAYMENT
2023-24	\$3,700,300	\$414,697	\$3,285,603
2024-25	\$3,576,550	\$482,680	\$3,093,870
2025-26	\$3,657,963	\$494,124	\$3,163,839
2026-27	\$3,693,650	\$498,343	\$3,195,307
2027-28	\$3,858,325	\$526,003	\$3,332,322
2028-29	\$3,756,225	\$512,084	\$3,244,141
2029-30	\$1,708,788	\$232,958	\$1,475,830
TOTAL	\$23,951,800	\$3,160,888	\$20,790,912