

**Penn Hills School District**

# **Financial Recovery Plan Amendment**

**May 26, 2020**

**Presented by Dr. Daniel J. Matsook  
Chief Recovery Officer**

# **Reason for Amendment**

**REV 1 Initiative Not Approved**

**PDE Directive to Address \$2.8M Void**

**Root Cause of Current Struggle  
to Balance the Budget**

# Recovery Strategy

**Cannot Tax Our Way Out of Recovery**

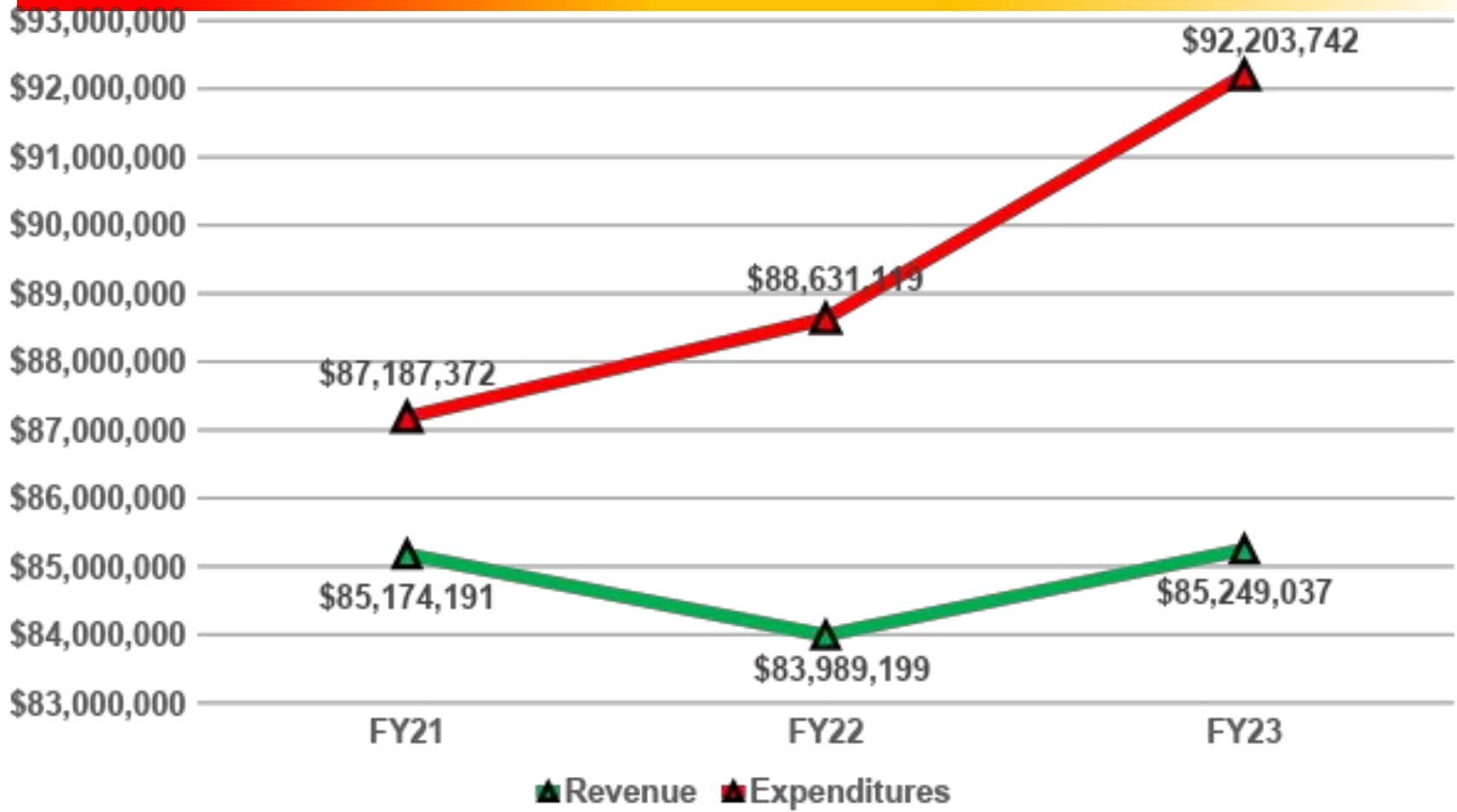
**75% Expenditure Reductions**

**25% Revenue Increase – “Reliable”**

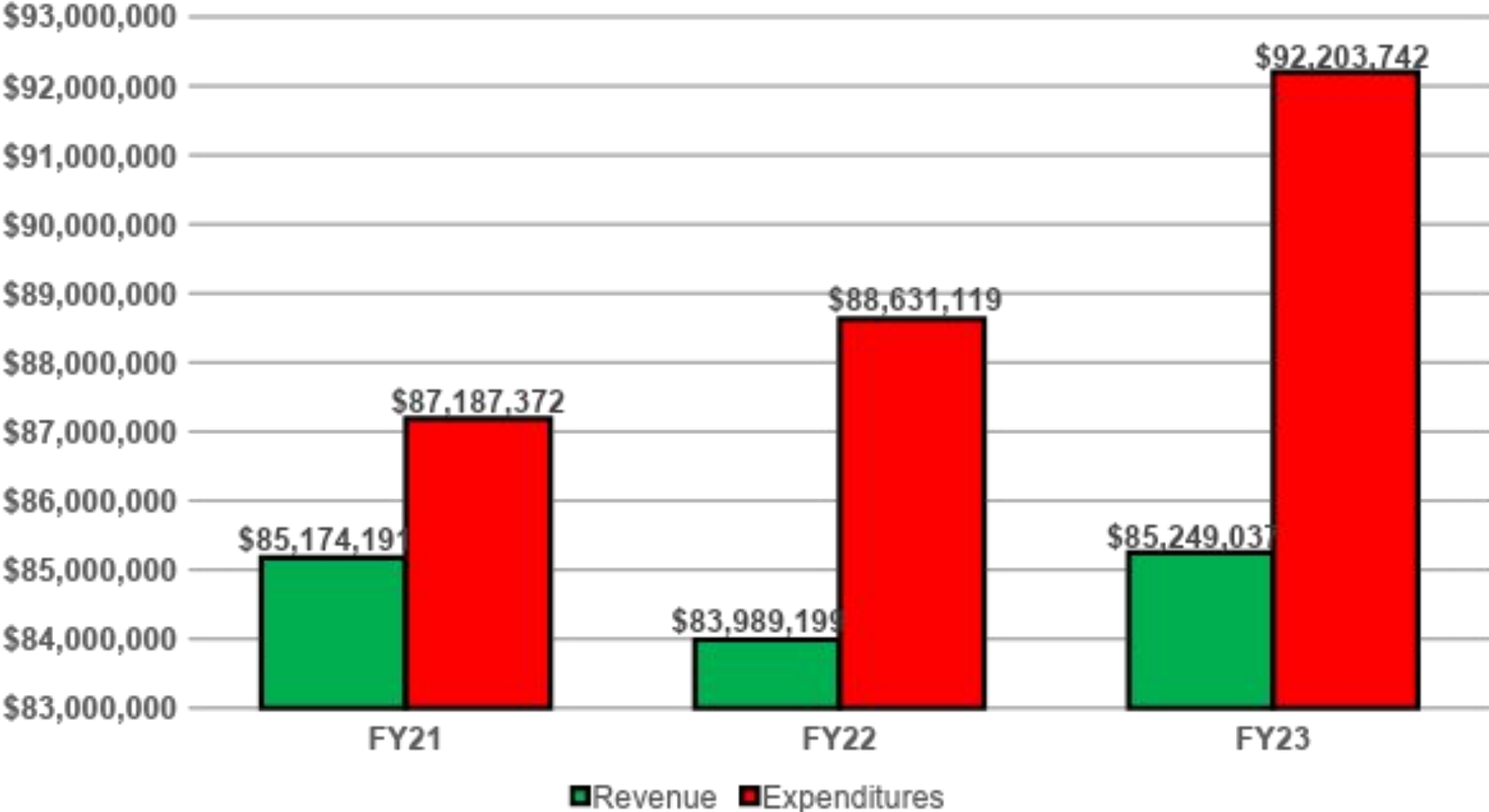
**Imbalance Exists with  
Underlying Financial Structure**

- **Balance expenditures with revenue**
- **Balance one-time funds with recurring funds**

## Projection with NO Tax Increase



# Projection with NO Tax Increase



# **Amendment: 2020-2021 Budget**

**Raise taxes .75 Mil (Minimum)**

**Approximately \$1 Million**

**Mitigate Some Damage Due to Pandemic**

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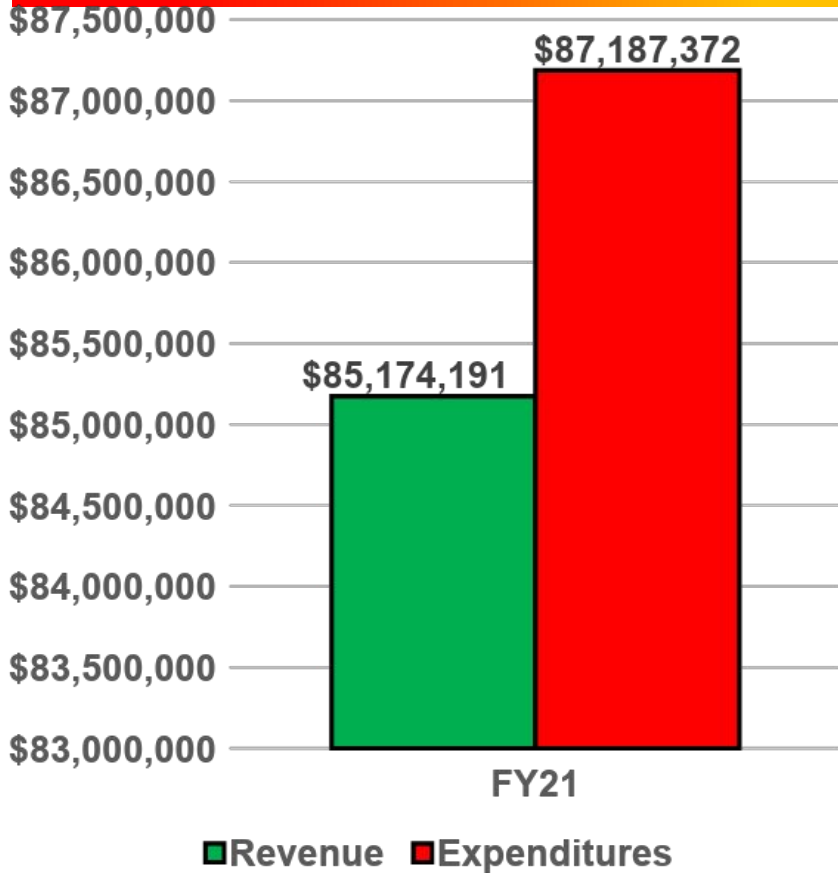
**Recommend 1.06 Mil (Maximum \$2.2M)**

**.75 Not Enough/May Result in More Cuts**

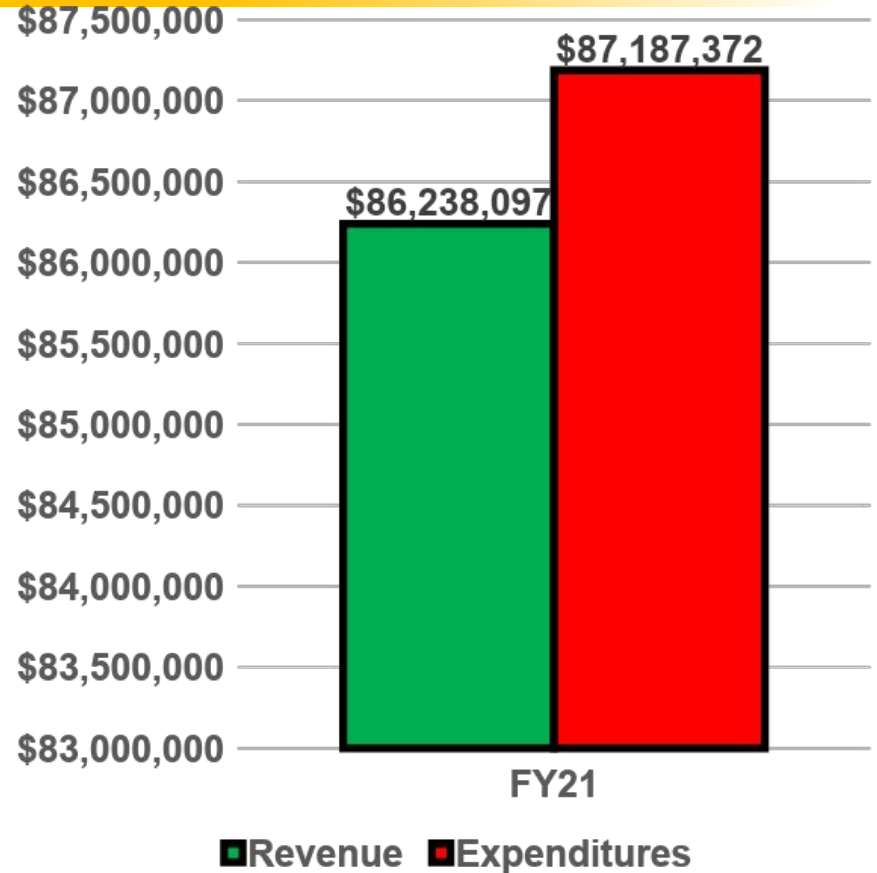
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**Response to Board Concerns/Community**

### Projection with NO Tax Increase



### Projection with Amendment (Floor)



# **Amendment: 2021 – 2022 Budget**

**Raise Taxes to the Index (Minimum)**

**Approximately \$1.5M\***

**Recover Loss of One-Time Funds in 20-21**

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**Recommend to the Exceptions (Max \$2.5M\*)**

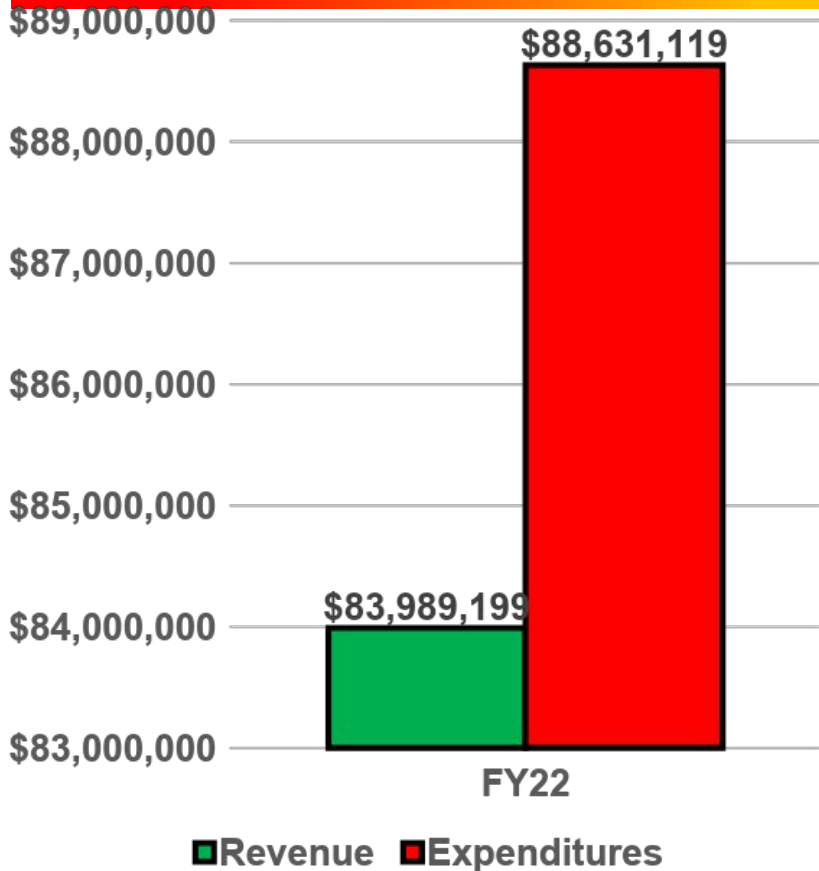
**Index Not Enough/May Result in More Cuts**

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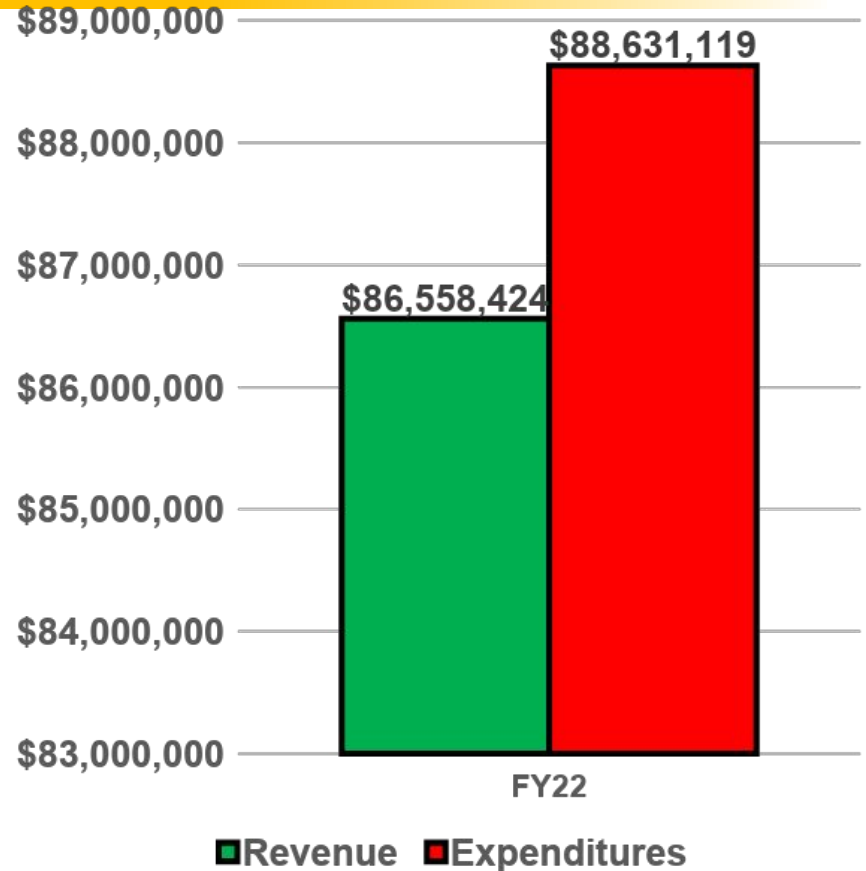
**Response to Board Concerns/Community**



### Projection with NO Tax Increase

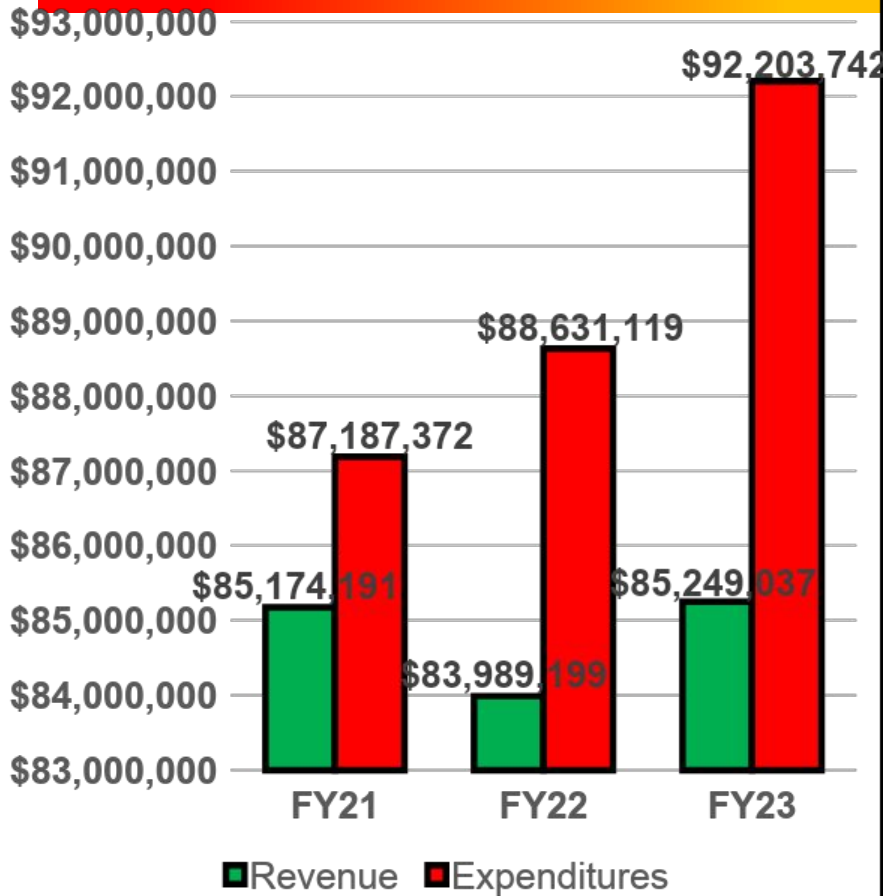


### Projection with Amendment (Floor)

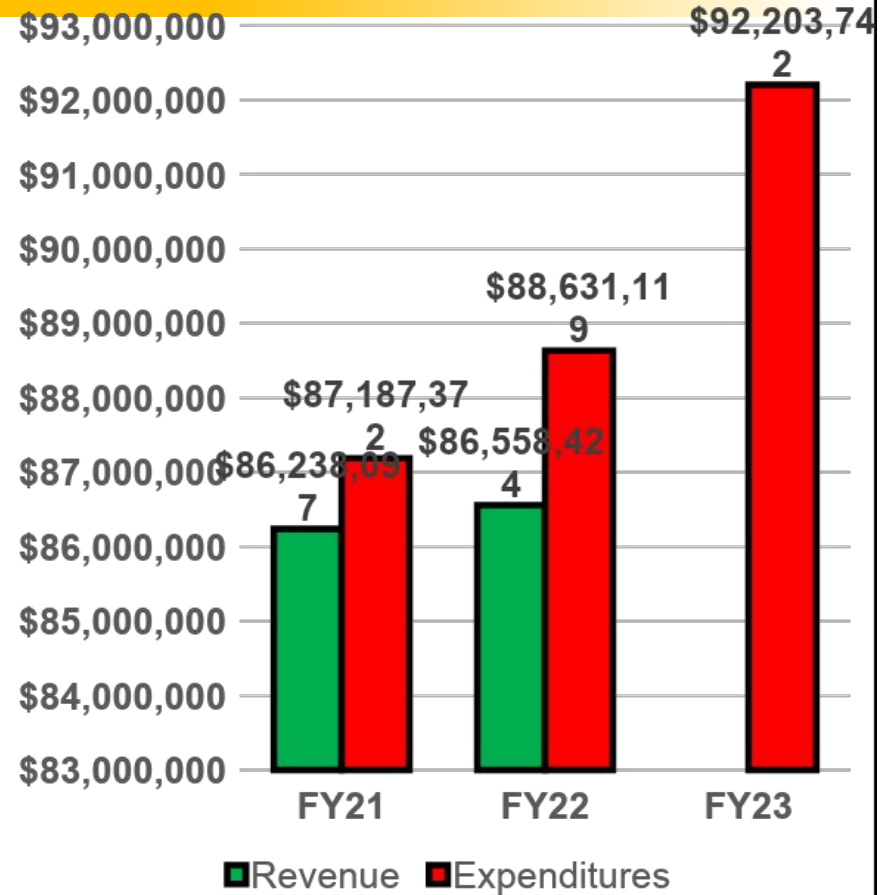


# 2022 and Beyond

## Projection with NO Tax Increase



## Projection with Amendment (Floor)



# **2022 and Beyond**

**Significant Jump in Expenditures**

**Two Years of Uncertainty-Pandemic Impact**

**Re-Visit Financial Recovery Plan**

**Three-Year Review**

**Target Date: February 1, 2022**

# **Other Directives in Amendment**

**Three-Year Budget Projections**

**0.5% Reserve (Approx. \$400,000)**

**Fund Balance Policy –  
Noncompliant/Progress**

# Closing Remarks

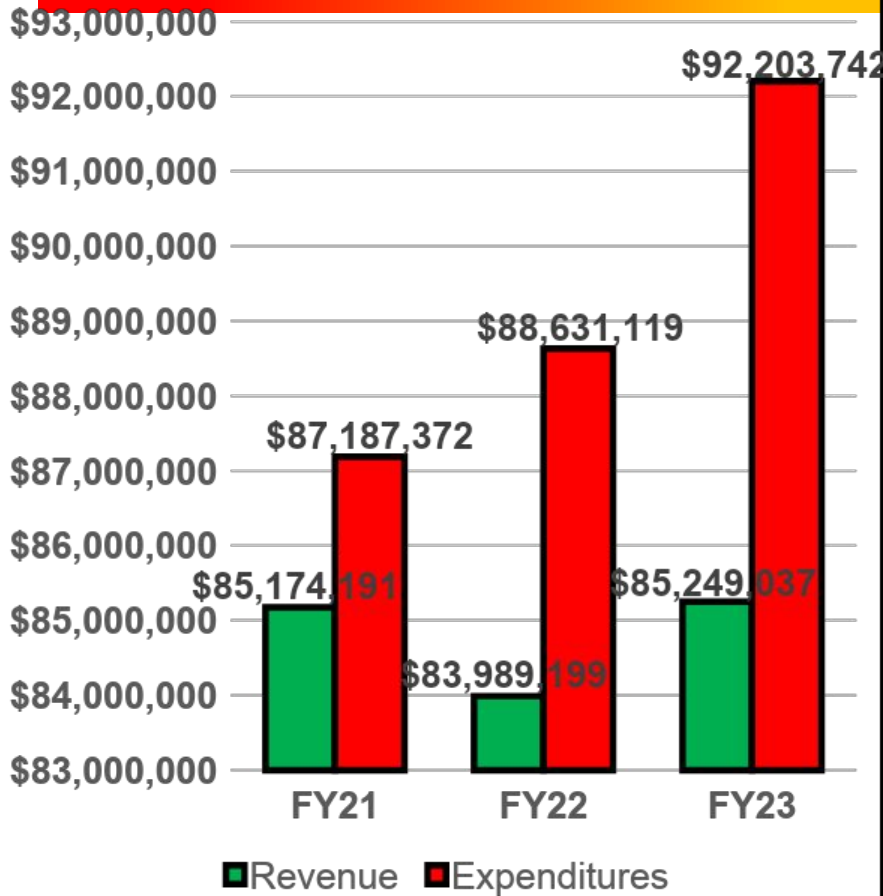
**Amendment Reflects Stakeholder Feedback**

**Penn Hills Schools are a Valuable Asset  
A Lot, Do a Little, for a Big Cause**

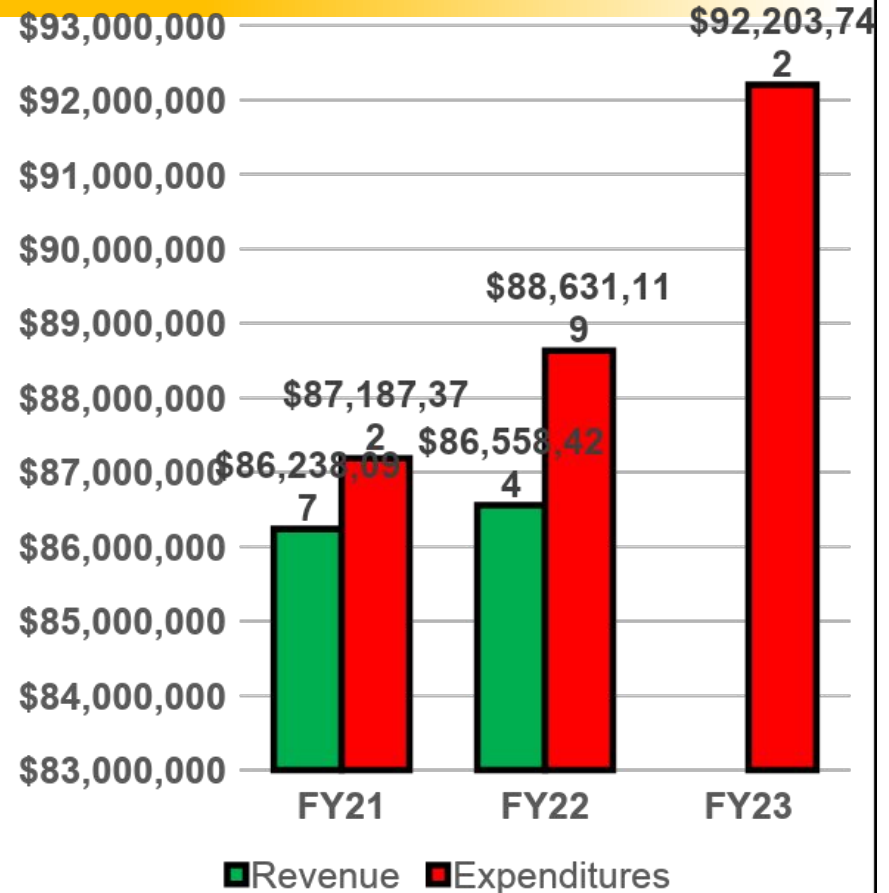
**Mitigate Anticipated Damage**

# 2022 and Beyond

## Projection with NO Tax Increase



## Projection with Amendment (Floor)



# **Next Steps/Process**

**Thirty-Day (30) Public Display**

**Board Action on June 29**

**Action PRIOR to Vote on Budget**