

Finance Committee Meeting

June 27, 2023



Mission and Vision

- **Mission**

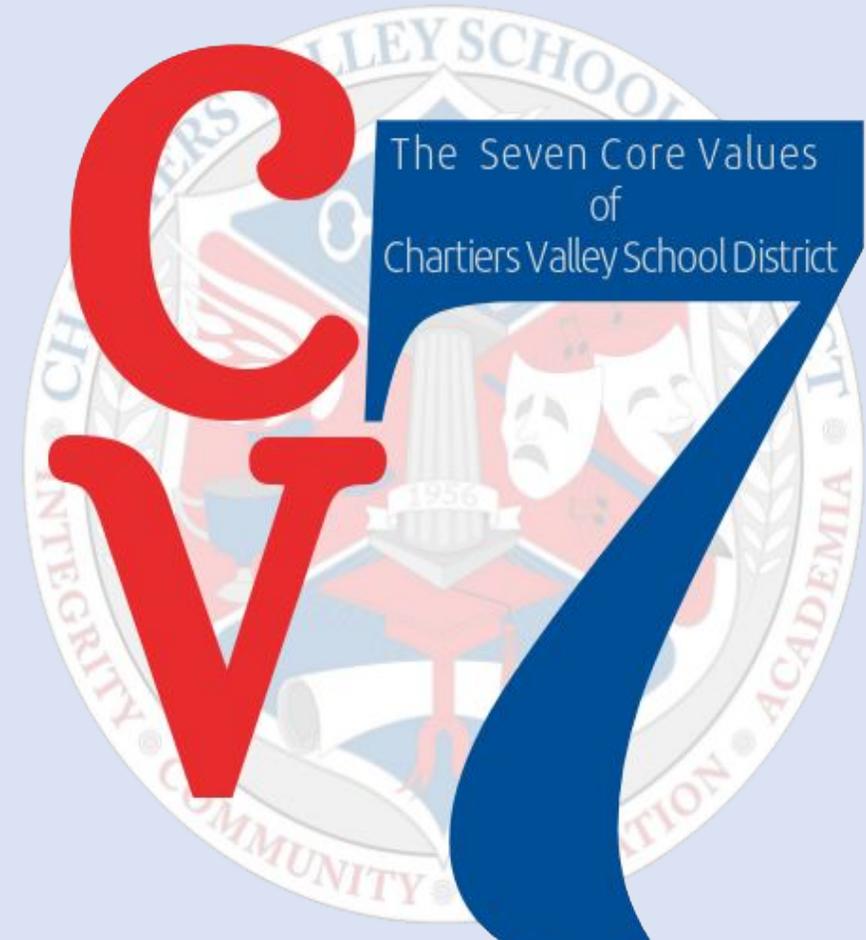
The mission of the Chartiers Valley School District, a community dedicated to shared leadership, is to graduate students who achieve personal success by providing an exceptional academic foundation in a safe, nurturing environment that inspires creativity and innovation while embracing diversity.

- **Vision**

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

Chartiers Valley School District 7 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.



2022-23 CVSD Budget Update



2022-23 CVSD Fiscal Responsibility

- ESSER 3 funds supporting one-time cost (i.e., PS HVAC)
- Open administrative positions
- PCCD Grant supports security with door swipes and cameras
- Cyber Academy supports online offering vs. Charter School enrollment
- Food Service surplus due to Federal Aid for student breakfast

Fund Balances at 6/30/22

	General Fund	Capital Improvement	Debt Stabilization	Designated Trust & Activities	TOTAL
Nonspendable	\$1,024,239	\$0	\$0	\$0	\$1,024,239
Restricted	0	16,620,107	0	0	16,620,107
Committed	1,687,618	953,120	3,213,945	123,070	5,977,753
Unassigned	4,080,403	0	0	0	4,080,403
TOTAL	\$6,792,260	\$17,573,227	\$3,213,945	\$123,070	\$27,702,502
Increase (Decrease) from 2021	(\$278,136)	\$15,327,505	(\$619,469)	\$5,225	\$14,435,125

General Fund Balance - June 30, 2022 (A Closer Look)

- CVSD Unassigned Fund Balance as a % of Expenditure Budget = **5.66%**
- 8% cap by PDE for budgeting of unassigned fund balance

2022-23 Year-End Projection

2022-23 Projected Revenue:	\$73,675,387
2022-23 Projected Expenses:	<u>\$74,586,589</u>
Projected Deficit:	\$ 911,202 (Debt Stabilization)

Further Details on Deficit

Increased cost for utilities 5-8%	\$ 48,259
Capital Reserve transfer	\$ 500,000
Capital Repairs (dump truck engine and PS water main break)	\$ 46,955
Due process cases	\$ 111,290
Increased number of special education placements	\$ 204,698

2023-2024 Proposed Capital Budget



2023-24 Capital Budget

- Capital Reserve is a fund to support capital expenditures including repairs, maintenance and capital purchases (building equipment, buses, vans, other vehicles, computers, chromebooks, iPads, etc.)
- Planning and budgeting the Capital Reserve Fund is a very important aspect of a multi-year financial plan to ensure future capital expenses and fund future projects and unforeseen emergencies

2023-24 Capital Budget \$487,515

<u>Account</u>	<u>Amount</u>	<u>Notes</u>
32.5110.831.000.00.000.000.000.9200	\$ 17,921	17 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 163,108	17 Buses Lease - Principal
32.5110.831.000.00.000.000.000.9200	\$ 23,336	2-Pick Up Trucks, 3 Vans, 7 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 130,242	2-Pick Up Trucks, 3 Vans, 7 Buses - Lease Principal
32.5110.831.000.00.000.000.000.9200	\$ 6,100	4 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 52,594	4 Buses - Lease Principal
32.5110.911.000.00.000.000.000.9200	\$ 22,625	5 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 71,589	5 Buses - Lease Principal
Total	\$ 487,515	

2023-2024 Proposed Final General Fund Budget



2023-24 Budget Process

October/November 2022 - District receives projected Act 1 Index from PDE; this number provides the structure which the district begins to build and project its budget

November/ December 2022 – first submission by Budget Managers; Salary and Benefits projected

January 2023 – second submission with Superintendent, Director of F/Ops, and Accounting Manager

February and March 2023– additional cuts, further refinement, essential and basic elements of the budget preserved

April, May and June 2023 - adjustments from retirements and PDE budget, essential and basic elements of the budget preserved

2023-24 Budget

The 2023-24 budget deficit with a tax increase is **\$1,521,023**

- Decrease from \$1,854,638 presented in the May Preliminary Budget
- Deficit was decreased due to
 - increased federal Title funding
 - ARP ESSER funds
 - unexpected PLAN CON back-payments
- NOTE: 2023-24 final Basic Education and Special Education funding has not been approved by the PA House and Senate; state revenue could increase

2023-24 Budgetary Outliers

What are the 2023-24 budget differentiators?

- 14% increase to healthcare; 3% increase to dental and vision premiums
 - **\$996,025** is the financial impact of these increases to the 2023-24 budget (Healthcare \$983,015; Dental \$11,358 and Vision \$1,780)
- CLR Lawsuit
 - **\$455,000** decrease in revenues due to property assessments and appeals
- Special Education Cost: **\$307,682** increase in special cost due to more out-of-district placements, students moving into the district with out of district placements and lack of special education funding from federal and state sources

Total: \$1,758,707

2023-24 Budgetary Outliers and Deficit

Deficit with a tax increase
\$1,521,023

2023-24 Budget Outliers
\$1,758,707

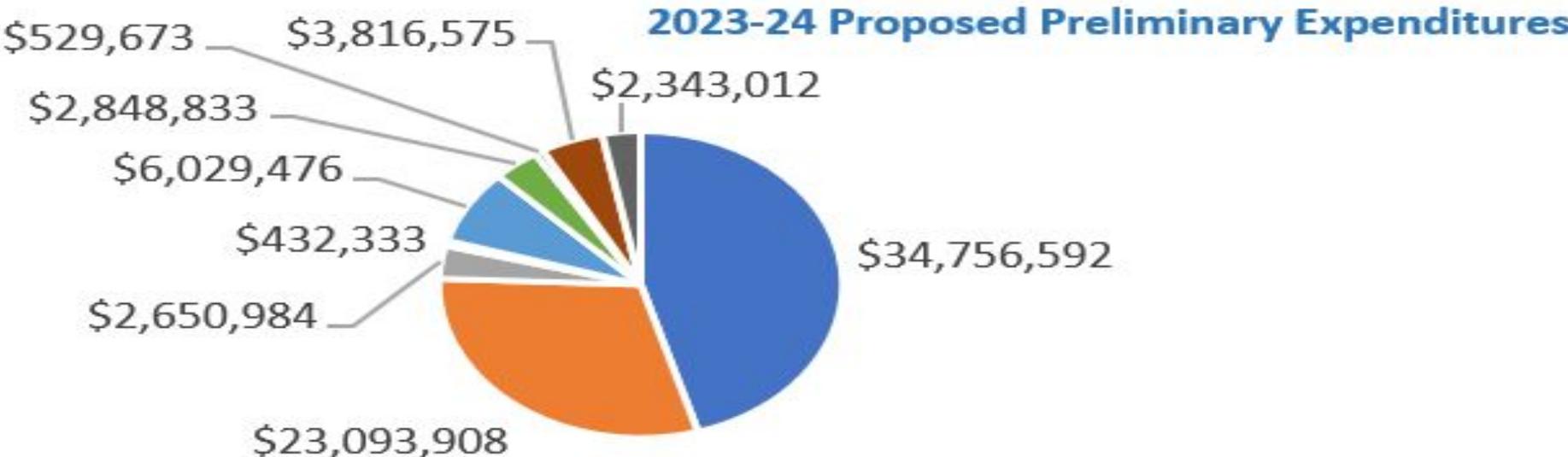
Without the outliers, the 2023-24 final budget would be balanced with a tax increase

2023-24 CVSD Fiscal Management

- *Mindfulness in Staffing Costs*
 - *The District evaluates and analyzes each and every line item with the goal of providing a balanced budget*
- *Sampling of Staffing Awareness*
 - *Assistant Superintendent Reduction through Attrition (2022-23)*
 - *Of the 4 retirees, the District has been able to reallocate staff resulting in only 1 hire*
 - *Through rescheduling of support personnel the district has been able to reduce 4 support positions*

Savings from Reductions: \$750,000

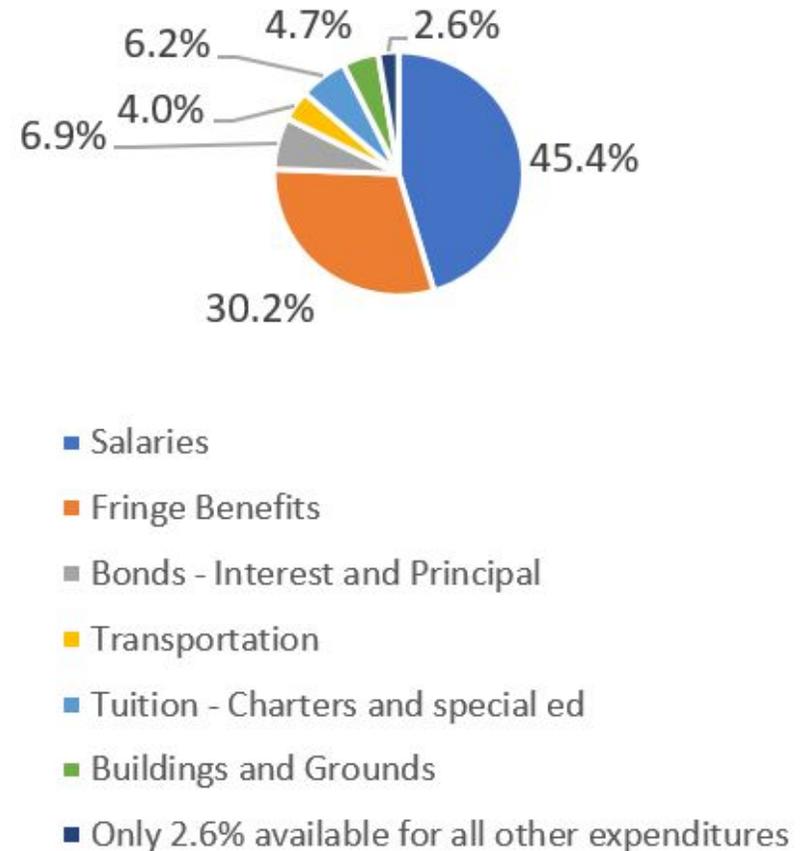
2023-24 Final Budget Expenditures



- 100 Salaries
- 200 Benefits
- 300 Purchased Prof Services
- 400 Purchased Property Services
- 500 Other Purchased Services
- 600 Supplies
- 700 Property
- 800 Other Object
- 900 Other Uses of Funds

2023-24 Final Budget Expenditures

Salaries	45.4%
Fringe Benefits	30.2%
Bonds - Interest and Principal	6.9%
Transportation	4.0%
Tuition - Charters and special ed	6.2%
Buildings and Grounds	4.7%
Only 2.6% available for all other expenditures	2.6%



2023-24 Final Budget Revenues



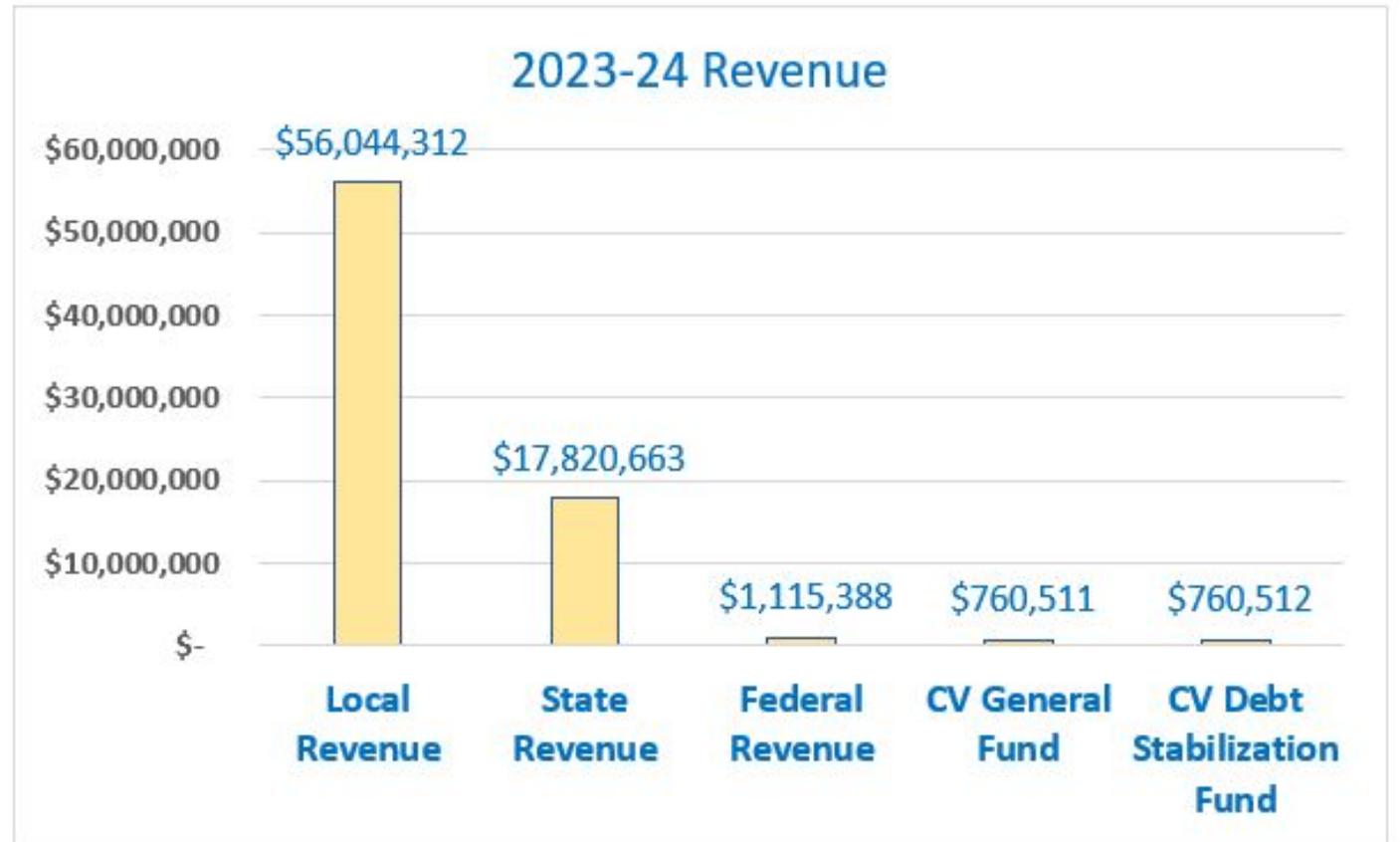
2023-24 Final Budget Revenue Streams

- 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

ESSER stimulus funding ends 2023-24

2023-24 Budget Revenue Summary

Local Revenue	\$	56,044,312
State Revenue	\$	17,820,663
Federal Revenue	\$	1,115,388
CV General Fund	\$	760,511
CV Debt Stabilization Fund	\$	760,512
Total	\$	76,501,386



2023-24 Proposed Budget Unknown Factors

- Legislative Approved State Funding
 - Basic Education Funding (BEF)
 - Special Education Funding (SEF)
- Additional Federal Funding
- Collective Bargaining Agreements

2023-2024 Proposed Final Budget

Expenses	\$ 76,501,386
Revenue with No Tax Increase	\$ 73,141,122
Shortfall - No Tax Increase	\$ 3,360,264
Shortfall - Full Tax Increase	\$ 1,521,023

- Even with a tax increase to the maximum index allowable by law, 4.1%, \$1,521,023 must be utilized which will reduce both the **General Fund and Debt Stabilization Fund** for the 2023-24 budget.
- Without a tax increase, we will continue to have a structural deficit and the General Fund and Debt Stabilization Fund balances will be even lower due to deficit spending

Projected Debt Stabilization and General Fund Balances

- If the 2023-24 millage is not increased and millage remains at 19.3958 mills, then the planned use of Debt Stabilization and General Fund balance is **\$3,360,264**

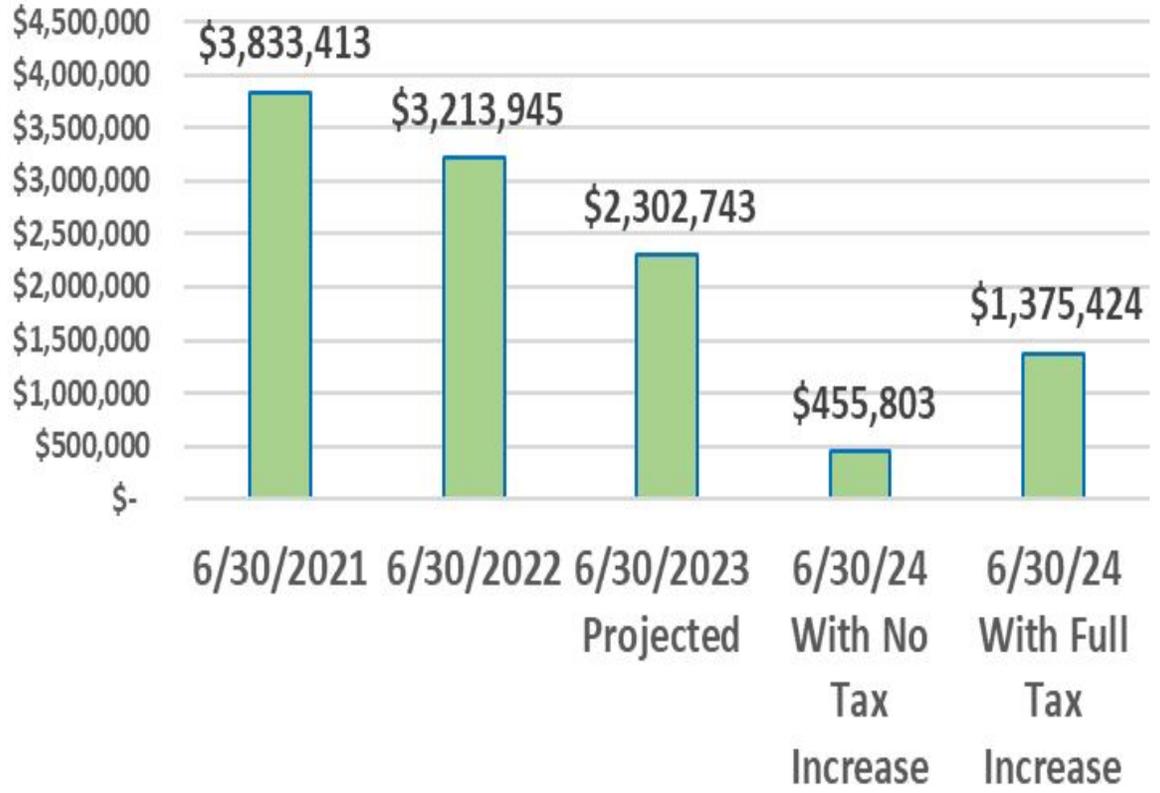
Debt Stabilization: \$1,680,132 (decreased to \$ 622,611)
General Fund: \$1,680,132 (decreased to \$5,112,128)

- If the 2023-24 millage is increased to the Act 1 Index, 20.1909 mills, then the planned use of Debt Stabilization and General Fund balance is **\$1,521,023**

Debt Stabilization: \$760,511 (decreased to \$1,542,232)
General Fund: \$760,512 (decreased to \$6,031,748)

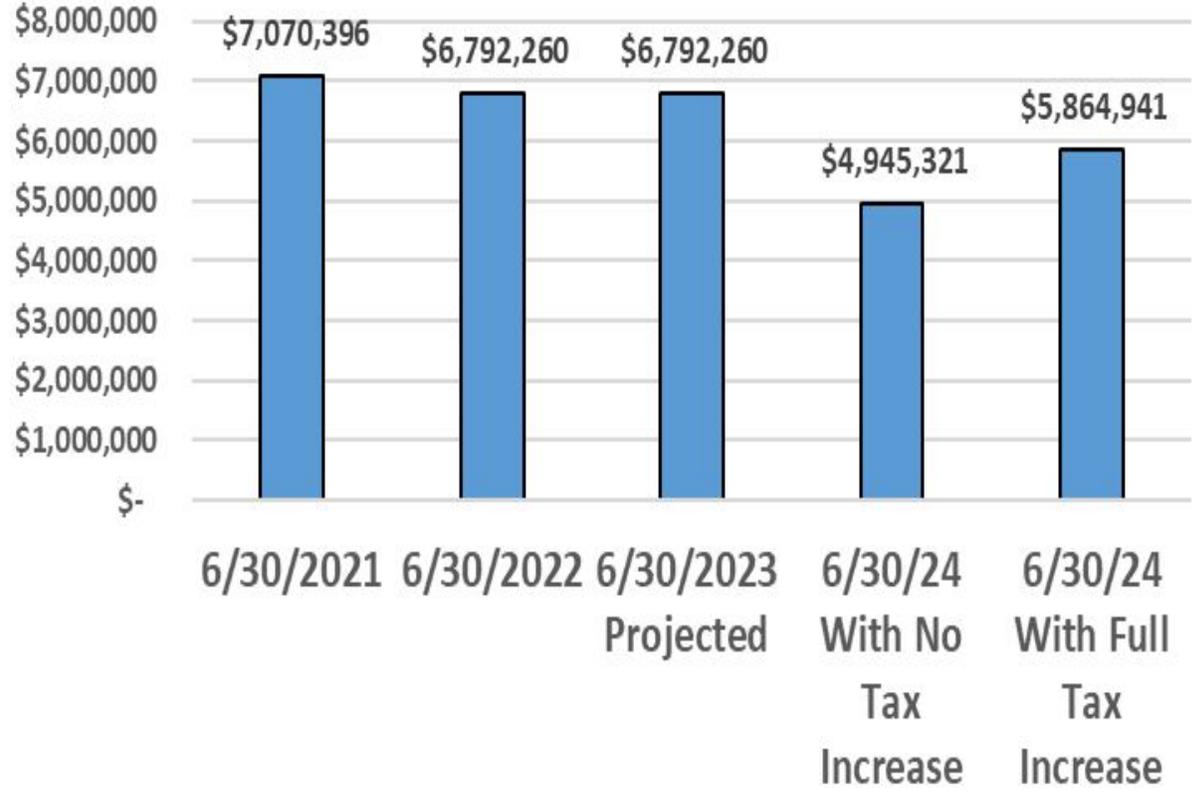
Projected Debt Stabilization Fund

Projected Debt Stabilization Fund



Projected General Fund

Projected General Fund Balance



2023-24 Tax Levy Options

Act 1 Resolution (Board Action in January 2023)

Board will not increase taxes above the Act 1 Index, 4.1%

Current 2022-23 Millage

.0193958

2023-24 Maximum Millage

.0201909

Act 1 Increase of 4.1% is an increase of .0007952 mills

Revenue gained if District raises taxes to the Act 1 Index, 4.1%

.0201909 mills = \$1,839,241

Example - Maximum Millage Increase Impact Average home = \$130,000

\$103.26 annual increase if taxes are raised to Act 1 Index

$(.0007943 \times \$130,000) = \103.26

2022-23 Allegheny County Millage by School District

2022-23 Allegheny County Millage Rates Highest to Lowest by School District

District	Millage		District	Millage		District	Millage
Brentwood	35.7905		Highlands	25.1300		McKeesport	20.9600
Penn Hills	30.5965		Cornell	25.1070		Allegheny Valley	20.8377
Wilkinsburg	29.5000		Riverview	23.6675		Keystone Oaks	20.4856
Upper St. Clair	28.5628		Shaler Area	23.5319		Fox Chapel	20.4288
Northgate	27.3200		South Allegheny	23.5000		Avonworth	20.1900
East Allegheny	26.9722		Bethel Park	23.428		Quaker Valley	20.0367
Steel Valley	26.8913		Woodland Hills	22.9982		North Allegheny	19.7400
Carlynton	26.7432		West Jefferson Hills	22.7730		North Hills	19.7000
South Fayette	26.7000		Deer Lakes	22.6900		Pine-Richland	19.5867
West Mifflin	26.5691		Moon Area	22.6746		Chartiers Valley	19.3957
Mt Lebanon	26.3900		Baldwin-Whitehall	22.6300		West Allegheny	18.5100
Sto-Rox	26.3250		Plum Borough	22.0241		Duquesne City	18.4800
Elizabeth Forward	26.3243		Gateway	21.7479		Montour	17.9638
South Park	25.9600		Hampton	20.9900		Clairton	8.1260

2023-24 Final Budget

- Questions and Comments
- Thank you

