



Pine-Richland School Board

Focused on Learning for Every Student Every Day

Message from the Pine-Richland School Board

June 14, 2022

Dear Pine-Richland Community,

This is always an exciting time of year for students and families. With the school year ending, we will say goodbye to our graduating seniors and wish them well. Students are preparing for summer break with hopefully many family activities planned.

Over summer break, much work is ongoing at the school. The 2022-2023 school district budget was approved at our June 6, 2022 board meeting. There will be no change in real estate taxes with rates remaining at 19.5897 mills. Our financial planning and attention to detail have allowed us to run a \$100 million organization without changing our millage rate since the 2017-2018 school year and while reducing our debt service from well over 12% in the early 2010s to under 9% in the current budget. While we approve a new budget each June, our focus on good planning happens all year long.



Future-Focused Planning

We have worked diligently as a board and administration to understand our future projects with a 10-year capital funding plan. This takes into account many variables including building and infrastructure age, district demographic changes, inflation, and current and future staffing needs.

Savings & Reduced Debt

Over the past 8 years, a major focus of the school board has been reducing our debt service and saving to fund future capital projects with cash, not debt. This results in overall cost savings for taxpayers. The 2022-23 budget devotes over \$1 million in fund balance for major renovation projects that improve our infrastructure. Since 2017, we have paid down nearly \$40 million in outstanding debt and reduced our annual debt service from 11.3% to just under 9% of total expenditures.

Management & Staffing

Approximately two-thirds of our district budget is allocated for personnel salaries and benefits. We continually improve our staffing processes to be competitive in the workplace and optimize our return on investment. Our staffing efficiency is reflected in two key metrics: flat teacher/student ratio and reduced administrative staffing. Relative to other Allegheny County schools, our district has a very high-efficiency ratio.

Looking Ahead

As planning for our 2023-24 budget begins, we need to understand the economic challenges that face all of us and prepare for the financial headwinds caused by increasing material and labor costs. We have seen examples of this in our recent HVAC and restroom projects in the district. The key to minimizing the impact of these unprecedented inflationary trends is to continue the good planning and sound management practices that we have implemented over the years. However, the best planning cannot eliminate all uncertainty and there remain areas of focused concern for the future. These include cyber/charter school tuition expenses, which have roughly doubled in the past five years and are expected to be \$1.3 million in 2022-23. Current inflationary pressure has resulted in recent project bids coming in at 30%-50% higher than budget.

The main source of income for the district is real estate taxes, and this income does not increase with inflation. Tax rates may not remain unchanged indefinitely. It is not sustainable to continue to offer the same level of services to students and community while continuing the positive trends in debt service and capital funding plan. The importance of balancing a wide range of programs and services for students with future tax rate decisions will continue to be viewed through a good stewardship lens.

We are committed to continued transparency in our planning and communications with you. If you require any further information, please consult our [Budget & Finance website](#) or feel free to contact the board or administration at boardsecretary@pinerichland.org.

Sincerely,
The Pine-Richland School Board

Board Website