

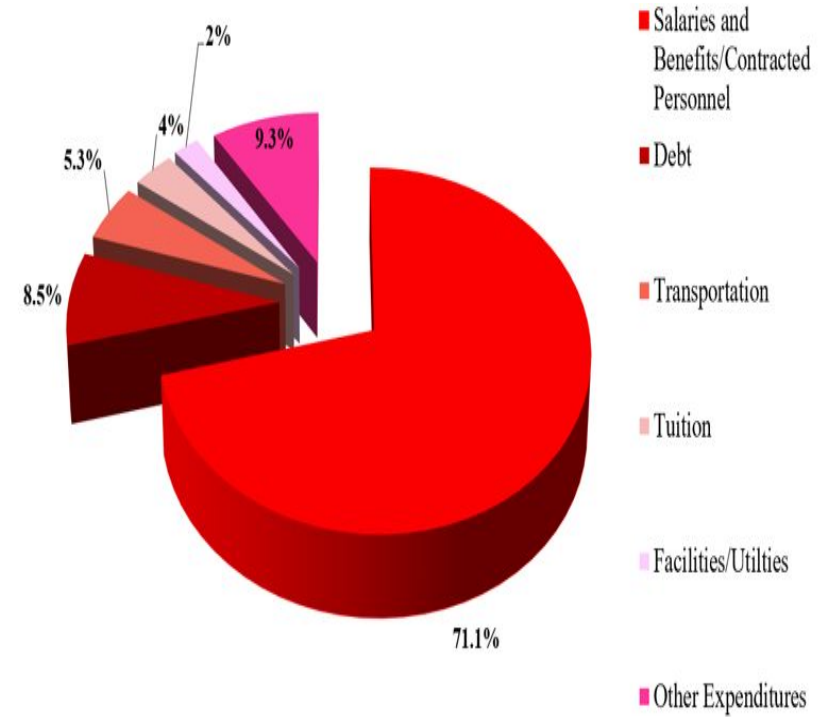
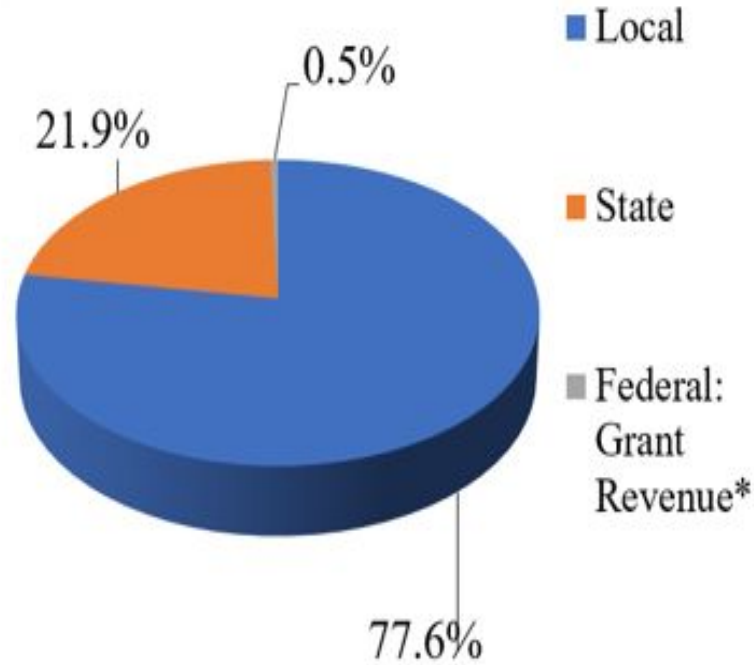


Finance Joint Governance Meeting

For December 16, 2024
Joint Governance (Finance) Meeting



Revenue & Expenditures



2025-2026 Budget Timeline & Important Dates



<p>January 30, 2025 <i>(110 days prior to primary election)</i></p>	<p>School district deadline to make 2025-2026 proposed version of preliminary budget available for public inspection or adopt resolution pursuant to Section 311(d)(1) indicating that it will not raise the rate of any tax by more than its index.</p>	<p>Section 311(c); 311(d)(1)</p>
<p>February 4, 2025 <i>(5 days after resolution adoption)</i></p>	<p>School district deadline to submit a copy of resolution adopted pursuant to 311(d)(1) and proposed tax rate increases to Department of Education in the Consolidated Financial Reporting System (CFRS) application.</p>	<p>Section 311(d)(2)</p>
<p>February 9, 2025 <i>(10 days prior to preliminary budget adoption deadline)</i></p>	<p>School district deadline to give public notice of the intent to adopt the 2025-2026 preliminary budget unless resolution was adopted under Section 311(d)(1) indicating that it will not raise the rate of any tax by more than its index.</p>	<p>Section 311(c)</p>
<p>February 14, 2025 <i>(10 days after receipt of resolution)</i></p>	<p>Department of Education deadline to notify school districts that adopted a resolution pursuant to Section 311(d)(1) whether the 2025-2026 proposed tax rates are equal to or less than their Index.</p>	<p>Section 311(d)(4)</p>
<p>June 10, 2025 <i>(20 days prior to final budget adoption deadline)</i></p>	<p>School district deadline to make 2025-2026 proposed final budget available for public inspection on the General Fund Budget from the CFRS application.</p>	<p>Section 312(c)</p>
<p>June 20, 2025 <i>(10 days prior to final budget adoption deadline)</i></p>	<p>School district deadline to offer public notice of its intent to adopt the 2025-2026 final budget.</p>	<p>Section 312(c) Section 687(a)(2)(i) (School Code)</p>
<p>June 30, 2025 <i>(Annual deadline)</i></p>	<p>School district deadline to adopt the 2025-2026 final budget.</p>	<p>Section 312(a)</p>



2025-2026 Budget Projection Scenario

Expenditures	24-25 Budget	25-26 Projection based on percentages	25-26 Projected increases
Total Exp including Cap Expenditures	113,134,994.05	119,134,055.03	5,999,060.97
Operating Expenditures	104,745,795.05	110,269,223.03	5,523,427.97
Revenues	24-25 Budget	25-26 Projection based on percentages	25-26 Projected increases
Total Revenue	105,755,644.24	107,217,915.39	1,462,271.15
Total Surplus/Deficit	(7,379,349.82)	(11,916,139.64)	
Total Operating Surplus/Deficit	1,009,849.18	(3,051,307.64)	

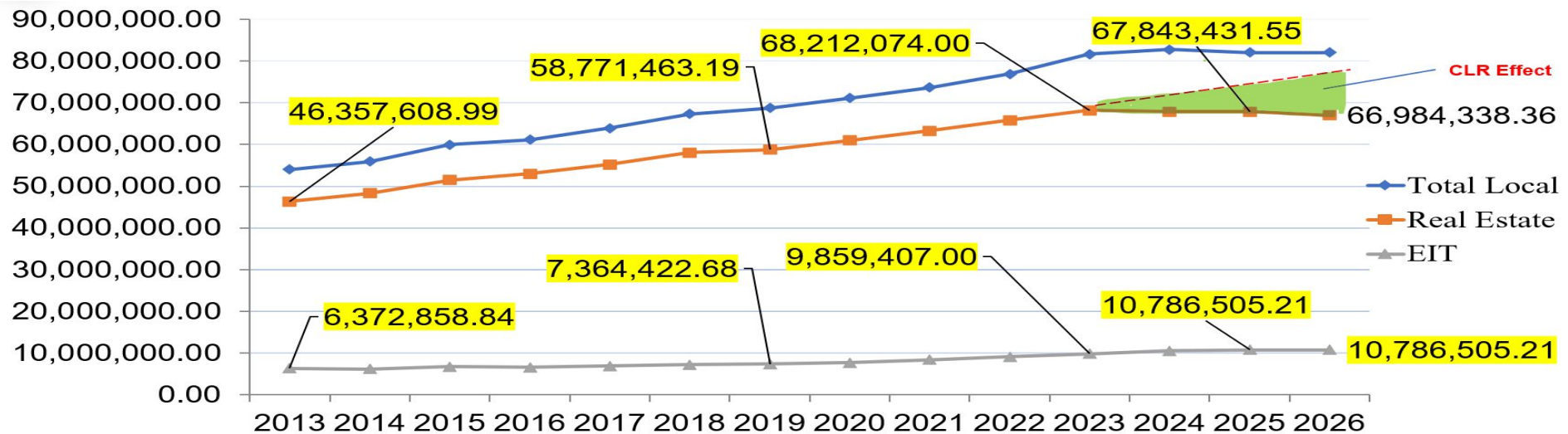
- The **2024-2025 Budget** was used as a base to use general projections to show a possible **scenario** for a **2025-2026 Budget Projection**
- In the 2024-2025 budget, the District was able to supplement Capital Projects with over \$1 million dollars of the operating budget

Projected Operational Deficit

“Focus on learning for every student every day.”

Common Level Ratio

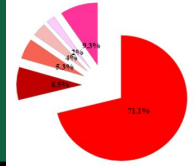
- **Common Level Ratio** has caused leveling, best-case, and declining real estate tax bases in Allegheny County
- The graph illustrates **the leveling and slight decrease** we have seen over the past two budgeting cycles.
- The District has estimated at least **\$57 million in assessment loss** that is compounded over the past three years. Per a trend analysis, **this will suppress real estate revenue by \$2.5 million in 2025-2026.**



*Note: 2023-2024 revenue is projected final. 2024-2025 is budgeted revenue.



Operational Efficiency/Expenditures



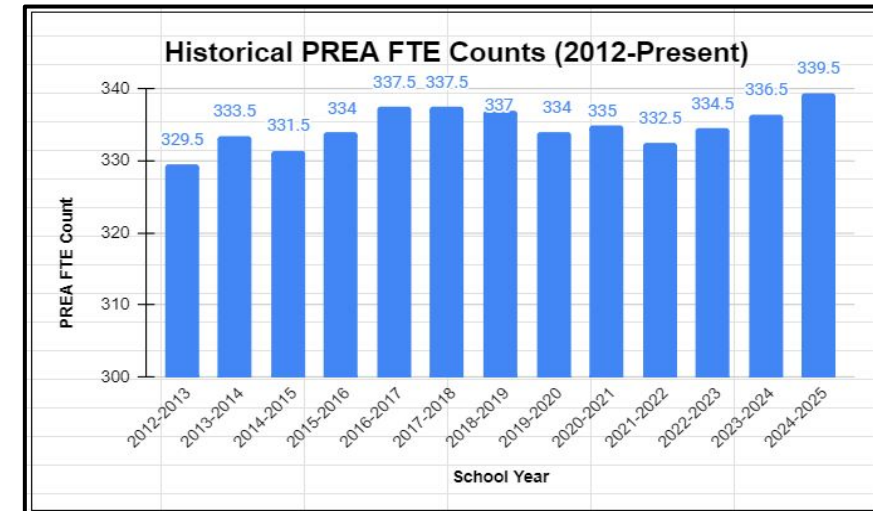
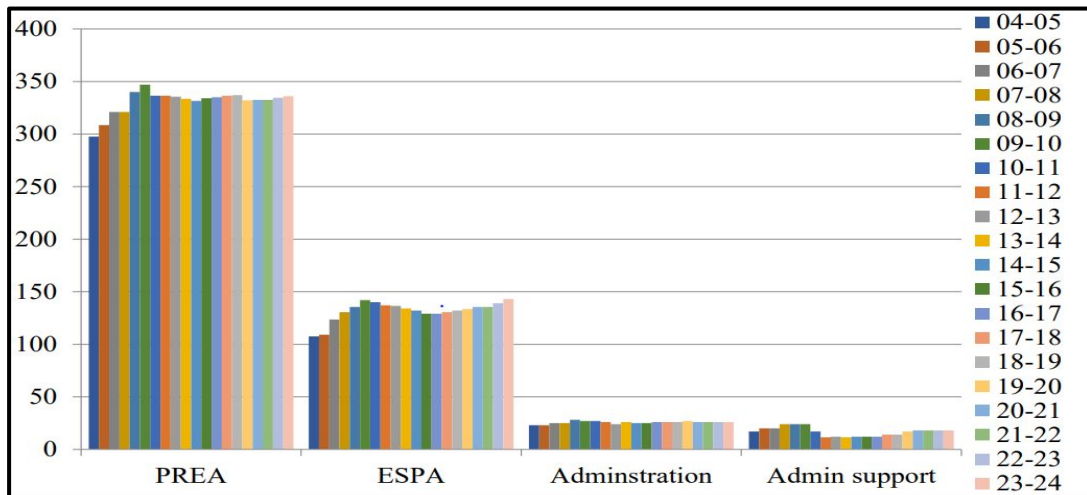
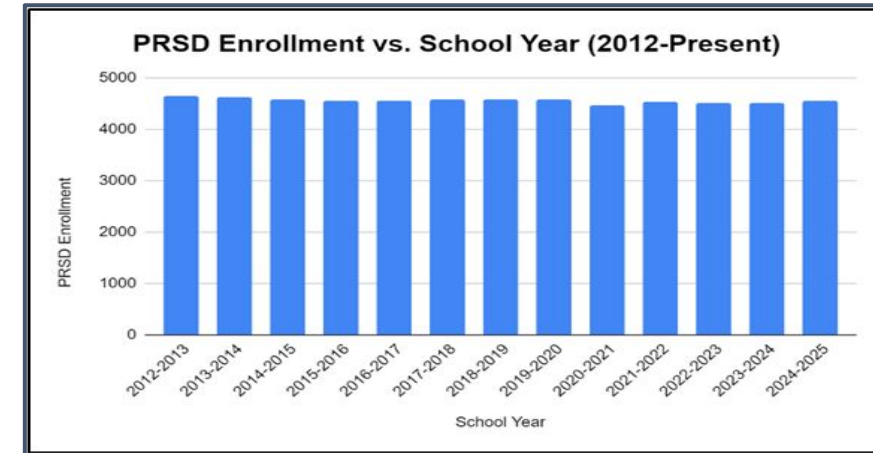
- Operational Efficiency/Expenditure Categories

- PRSD Staffing Levels - consistency

- Contracted Staff

- Debt – Expense level/Percentage decreasing

- Transportation/ Facilities (Utilities/Maintenance) Tuition (Charter and Out of District)/Textbooks/End User Devices



“Focus on learning for every student every day.”



Millage Rate History

- The last **millage increase** for Pine-Richland School District was in **2017 -1.97%**
- Fourth lowest millage rate in Allegheny County/**Third lowest millage rate** when removing Pittsburgh SD

Allegheny County Millage Rates
Updated as of September 2024
Benchmark Years beginning with 2013. Allegheny County millage reassessment adjustment

	2013 millage		2017 millage		2024 millage
1 Pittsburgh	9.6500	1 Pittsburgh	9.8400	1 Pittsburgh	10.2500
2 McKeesport Area	15.2200	2 Chartiers Valley	16.6067	2 Montour	17.9638
3 Chartiers Valley	16.2175	3 South Allegheny	17.2400	3 West Allegheny	18.5100
4 Montour	16.9000	4 McKeesport Area	17.3700	4 Pine-Richland	19.5867
5 Quaker Valley	16.9300	5 Duquesne Area	17.5000	5 North Allegheny	19.7400
6 North Hills	17.0600	6 Montour	17.9638	6 Chartiers Valley	20.1909
7 South Allegheny	17.2400	7 North Hills	18.0000	7 North Hills	20.3700
8 North Allegheny	17.4039	8 North Allegheny	18.0011	8 McKeesport Area	20.9600
9 Duquesne Area	17.5000	9 Quaker Valley	18.4009	9 Keystone Oaks	21.1002
10 Hampton	17.5900	10 West Allegheny	18.5100	10 Duquesne Area	21.1900
11 Avonworth	17.7000	11 Avonworth	18.6700	11 Quaker Valley	21.2362
12 West Jefferson	18.1040	12 Hampton	18.7700	12 Allegheny Valley	21.3890
13 Moon Area	18.1167	13 Keystone Oaks	19.0771	13 Avonworth	21.4300
14 Fox Chapel Area	18.4475	14 Gateway	19.3264	14 Fox Chapel Area	21.5128
15 West Allegheny	18.5100	15 Fox Chapel Area	19.3429	15 Hampton	23.0000
16 Keystone Oaks	18.6300	16 Pine-Richland	19.5867	16 Plum	23.3896
17 Plum	18.7580	17 Baldwin-Whitehall	19.6100	17 West Jefferson	23.6920
18 Gateway	18.8919	18 West Jefferson	20.2360	18 Gateway	24.0684
19 Carlynton	19.0890	19 Plum	20.2430	19 Deer Lakes	24.2500
20 Pine-Richland	19.2083	20 Moon Area	20.3028	20 Moon Area	24.5467
21 Baldwin-Whitehall	19.6100	21 Allegheny Valley	20.3494	21 Riverview	24.9409

- The **2017 millage increase** resulted in additional **\$37.84 in annual real estate tax per \$100,000** of assessment value of a property in PRSD.
- For the 2024-2025 budgeting cycle, **31 of 42 school districts increased their millage rates.** PRSD did not.

“Focus on learning for every student every day.”



Millage Rate Options

- For every **.25% increase** in PRSD millage rate, this **adds \$5 annually per \$100,000 of assessment value**
- Per the current District-wide assessment value, a full 4% increase to the Act 1 Index would result in projected revenue increases of \$2.556 million

PR Millage Rate Option Analysis				
	Millage Rate .25% Increments	Projected Revenue	Revenue Increase from current milage	\$100,000 Assessment
Current Millage Rate	19.5867	64,576,338.36		1,958.67
0.25%	19.6357	64,712,473.35	136,134.99	1,963.57
3.25%	20.2233	66,649,006.22	2,072,667.86	2,022.33
3.50%	20.2722	66,810,383.96	2,234,045.60	2,027.22
3.75%	20.3212	66,971,761.70	2,395,423.33	2,032.12
4.00%	20.3702	67,133,139.44	2,556,801.07	2,037.02



Debt Obligations

- PRSD has reduced debt by \$50 million in 4 years as referenced by the table below

Year End	Final Maturity	Remaining Principal	Remaining Interest	Total Debt Obligation
6/30/2020	2039	\$115,295,712	\$46,544,132	\$161,866,844
6/30/2021	2039	\$106,706,467	\$29,948,489	\$136,654,956
6/30/2024	2038	\$88,975,000	\$20,902,757	\$109,877,757
6/30/2024	2038	\$82,780,000	\$18,160,082	\$100,940,082

- PRSD’s responsible debt and financial management has allowed the District to achieve a **rating improvement** in its S&P Global GOB rating of **AA stable** in May. This rating allows the District to attract more favorable interest rates in borrowing or reissuance
- The current PRSD Debt portfolio is structured for principal and interest payments to remain **under \$9 million** annually through the **2036-2037 budget***
- Due to interest rates not decreasing as projected, possible debt refinancing opportunities may no be available



Capital Projects & Funding Plan

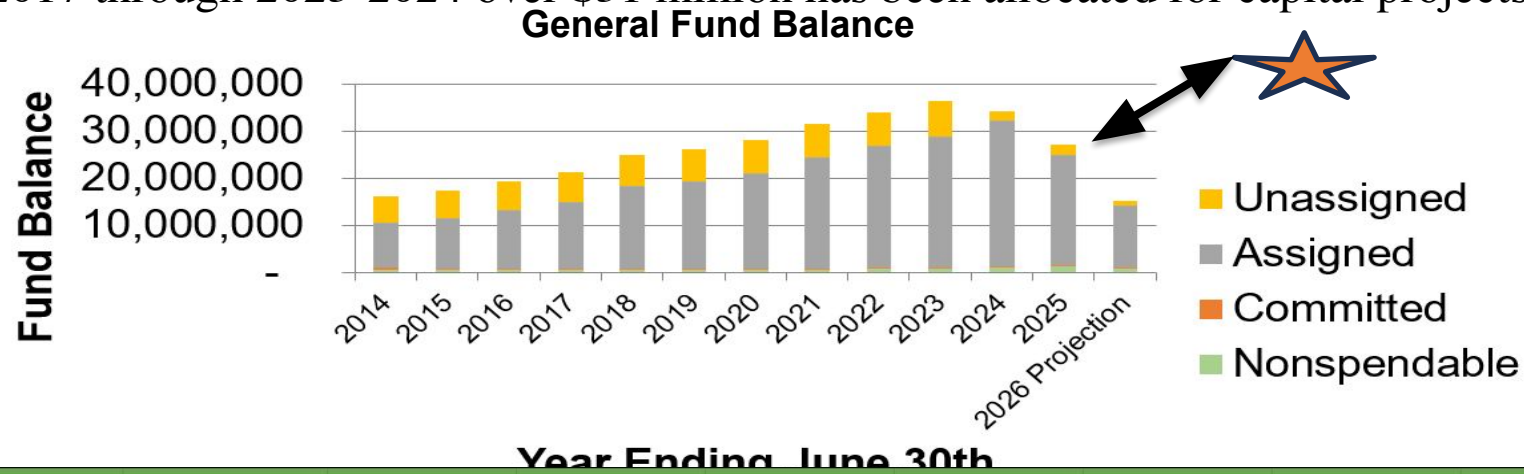
- A Building and Grounds meeting will be scheduled to discuss the Ten-year Capital Funding Plan, which is currently updated through 2034-2035.





Capital Reserve and Fund Balance

- A Ten-Year Capital Funding Plan is updated by the PRSD team to responsibly maintain facilities and fixed assets while building a financial plan to meet these needs
- PRSD has budgeted to fund \$8.4 million in capital projects in 2024-2025 and \$8.9 million in 2025-2026 per the current plan. From 2016-2017 through 2023-2024 over \$31 million has been allocated for capital projects while not taking new debt



	Balances as of 6/30/2017	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-2025	TOTAL
Increase/Decrease in Capital Project funds	\$ 5,016,425	\$ 349,159	\$ 2,580,081	\$ 1,695,305	\$ 926,658	\$ 724,690	\$ (1,330,336)	\$ 1,894,052		\$ 11,856,034
Increase/Decrease in General Fund Balance	\$ 21,378,332	\$ 3,593,300	\$ 1,208,387	\$ 1,889,798	\$ 3,519,897	\$ 2,456,680	\$ 2,339,769	\$ (2,068,171)	\$ (7,379,350)	\$ 26,938,642

Questions

Joint Governance (Finance) Meeting

December 16, 2024

Please feel free to ask any questions regarding this evening's presentation

