



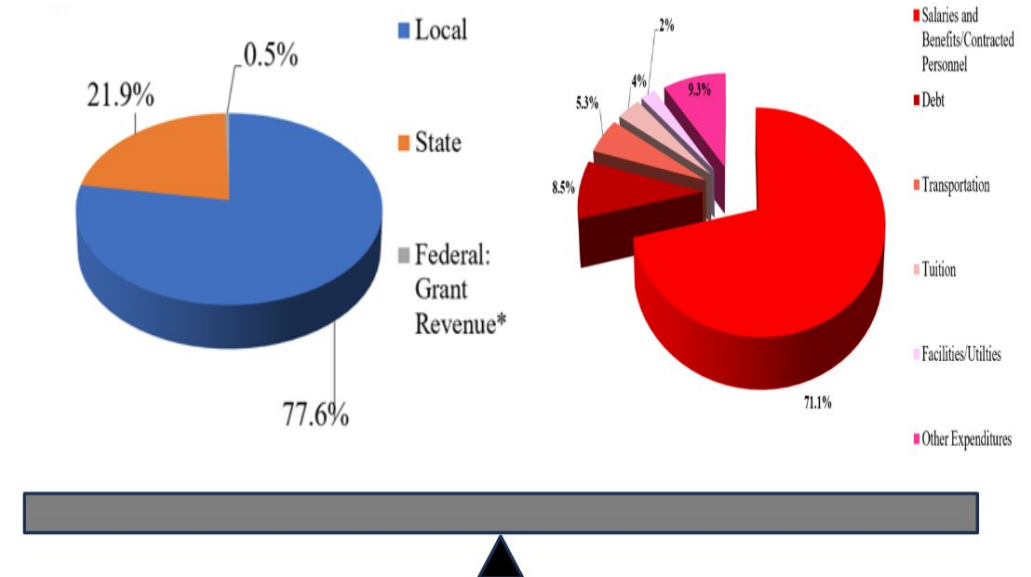
# **Finance Joint Governance Meeting 2025-2026 Draft of Proposed Final Budget Update**

**For February 10, 2025  
Joint Governance (Finance) Meeting**



# 2025-2026 Budget Process Recap

- September 16, 2024 - Revenue Presentation
- October 7, 2024 - Expenditure Presentation
- December 16, 2024 - General Fund Budget Update
- January 13, 2025 - PRSD passed the ACT 1 Resolution certifying that we will not raise taxes above the ACT 1 index of **4.0%** for the 2025-2026 Budget.
- January 21, 2025 - Buildings & Grounds Meeting - Capital Funding Plan





# 2025-2026 Proposed Final Budget - Draft One

Expenditures	24-25 Budget	25-26 Projection based on percentages	25-26 Draft 1 of Proposed Final Budget	25-26 Projected increases
Total Exp including Cap Expenditures	113,134,994.05	119,134,055.03	117,080,627.75	3,945,633.70
Operating Expenditures	104,745,795.05	110,269,223.03	110,150,295.75	5,404,500.70
Revenues	24-25 Budget	25-26 Pojection based on percentages	25-26 Draft 1 of Proposed Final Budget	25-26 Projected increases
Total Revenue	105,755,644.24	107,217,915.39	107,373,481.79	1,462,271.15
Total Surplus/Deficit	(7,379,349.82)	(11,916,139.64)	(9,707,145.96)	
Total Operating Surplus/Deficit	1,009,849.18	(3,051,307.64)	(2,776,813.96)	

- 2025-26 Contracted personnel costs were calculated and departments submitted budgets as of January 31, 2025
- The projected budget used historical percentages to provide a baseline for the 2025-2026 process
- [Calculations based on current millage rate 19.5867](#)

**December Projected Operational Deficit**

**02.10.25 Draft Operational Deficit**

“Focus on learning for every student every day.”



# Budget Summary - Current Status

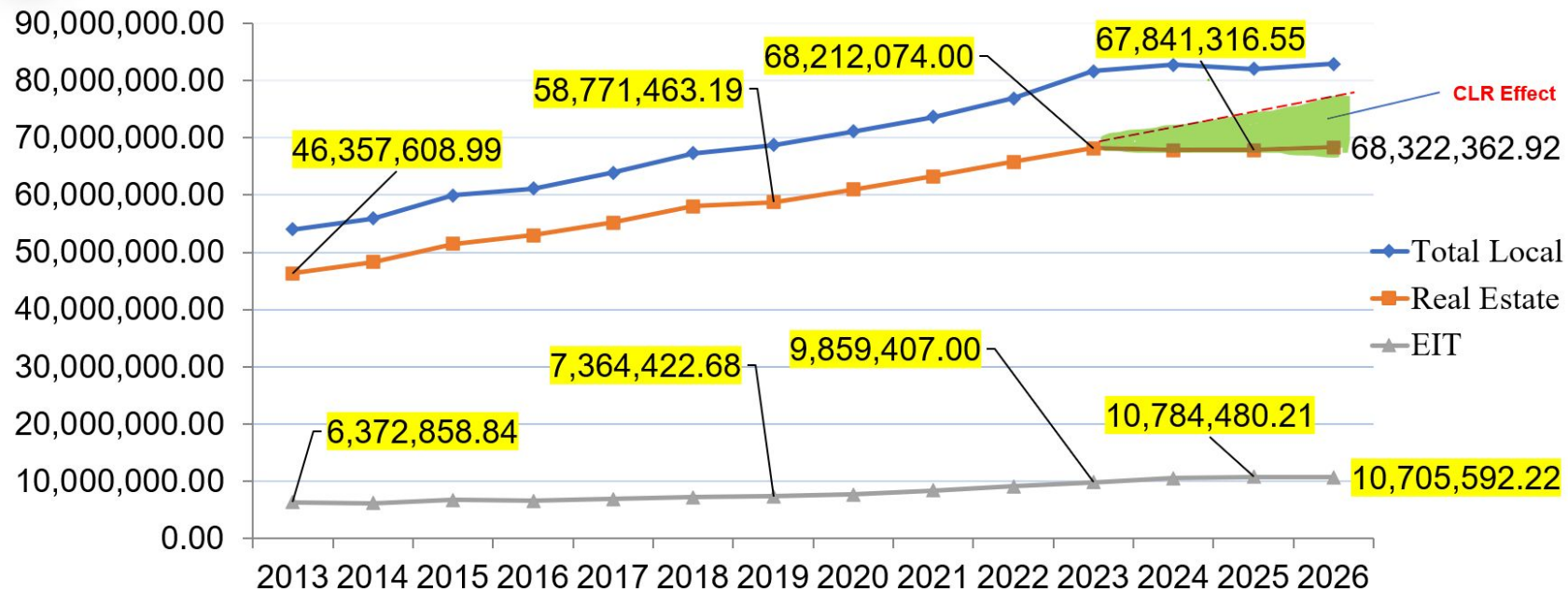
- Revenue\* \$107,373,482
  - Operational Expenditures (\$110,150,296)
  - Operational Deficit (\$2,776,814)
- 
- Total estimated Capital Funding Plan for 2025-2026 = \$6,930,332
  - Total budgeted usage of fund balance 2025-2026 \$9,707,146
  - Projected Fund Balance and Capital Reserve as of June 30, 2026 **\$29,087,533**

\*This draft does not include a tax increase.



# Common Level Ratio

- **Common Level Ratio** has caused leveling, best-case, and declining real estate tax bases in Allegheny County
- Pennsylvania Real Estate Law has anti-windfall provisions to prevent reassessments from unfairly causing increases in revenues by local officials

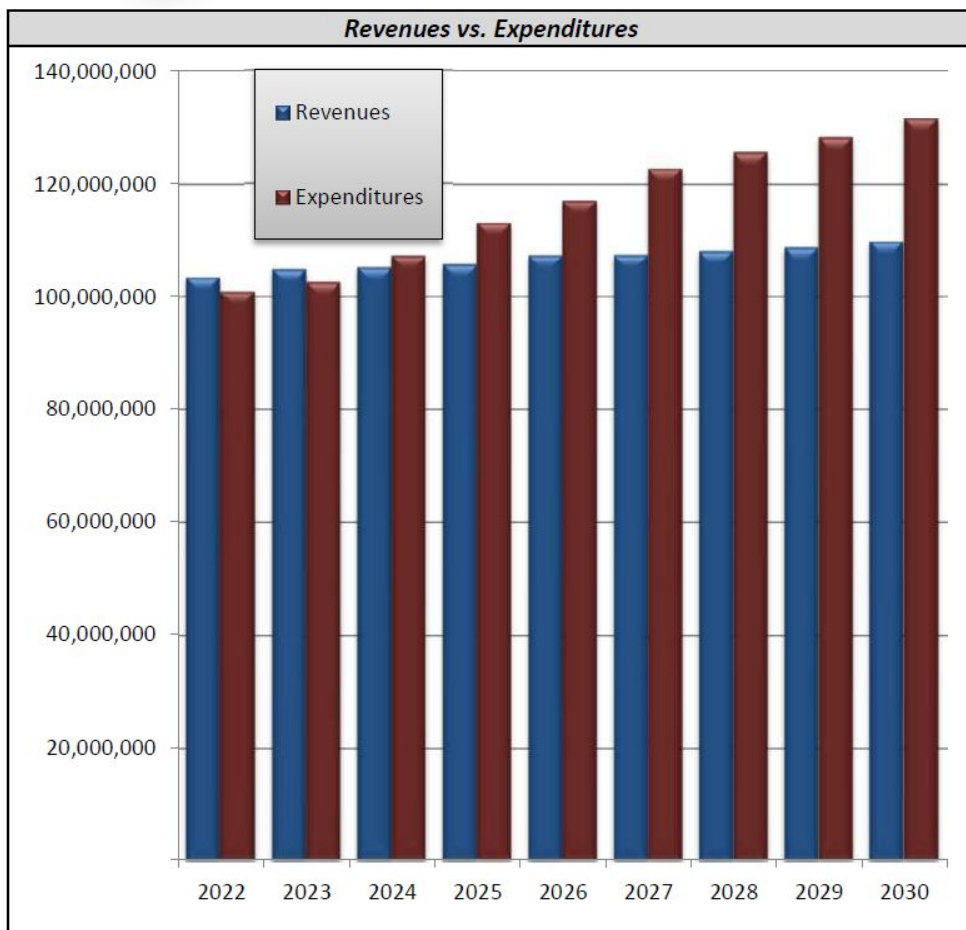


\*Note: 2023-2024 revenue is final. 2024-2025 is budgeted revenue.





# PFM Budgeting Projection Model



Home	Reports	(Actual) 2022	(Actual) 2023	(Actual) 2024	(Budget) 2025	(Projected) 2026	(Projected) 2027	(Projected) 2028	(Projected) 2029	(Projected) 2030
REVENUES										
Real Estate Taxes		62,677,687	64,273,732	65,517,537	65,496,317	65,953,165	66,307,344	66,595,233	66,884,594	67,175,442
Act 511 Taxes		10,893,737	11,267,959	11,659,734	11,755,410	12,066,639	12,320,039	12,578,759	12,842,913	13,112,615
Other Local Revenue		3,326,513	5,670,849	5,593,067	4,766,665	4,848,893	4,065,162	3,707,829	3,564,423	3,528,724
Basic Instructional and Operatin		7,004,822	7,433,111	7,882,857	8,183,364	8,479,702	8,610,384	8,743,979	8,880,572	9,020,251
Revenue for Specific Educationa		1,747,236	1,872,833	1,956,490	1,956,567	2,062,358	2,082,982	2,103,812	2,124,850	2,146,098
Other State Revenue		10,604,976	11,296,797	12,296,527	13,059,597	13,409,338	13,497,092	13,809,847	13,891,181	14,213,435
Federal Revenue		1,257,904	1,462,739	243,159	537,725	553,386	565,000	576,857	588,963	601,324
Other Financing Sources		5,885,050	1,675,188	112,594						
TOTAL REVENUES		103,397,926	104,953,208	105,261,963	105,755,645	107,373,481	107,448,002	108,116,316	108,777,498	109,797,890
EXPENDITURES										
Salaries and Benefits		63,177,781	64,569,584	67,804,712	72,680,965	76,312,966	80,138,770	83,830,824	87,581,727	91,580,167
Operating Expenses		17,675,462	21,077,507	21,083,907	21,046,511	22,912,686	23,745,476	24,619,030	25,535,875	26,498,721
Debt Service & Transfers		20,088,002	16,966,348	18,441,516	19,407,518	17,854,972	18,841,540	17,139,849	15,183,487	13,580,253
TOTAL EXPENDITURES		100,941,246	102,613,439	107,330,135	113,134,994	117,080,624	122,725,786	125,589,702	128,301,089	131,659,142
NET OPERATING BALANCE		2,456,680	2,339,768	(2,068,172)	(7,379,348)	(9,707,143)	(15,277,783)	(17,473,386)	(19,523,591)	(21,861,252)
FUND BALANCE (BEGINN		31,589,713	34,046,393	36,386,162	34,317,989	26,938,641	17,231,498	1,953,715	(15,519,672)	(35,043,263)
FUND BALANCE (END OF		34,046,393	36,386,162	34,317,989	26,938,641	17,231,498	1,953,715	(15,519,672)	(35,043,263)	(56,904,515)

“Focus on learning for every student every day.”



# Potential Structural and Temporary Actions

- Structural Actions

- Raise Millage - Increase Revenue up to \$2.6 million (Index 4%)
- Bond Refunding - Decrease expenditure around \$140,000 (if market conditions warrant)
- Evaluating additional transportation-related actions to increase subsidy reimbursement
- Increase facility use fees, participation fees, and parking fees
- Reduce Legal Fees to Five-Year Average

- Temporary Actions

- Use of Assigned Fund Balance for Debt Reduction
- Reduce Budgetary Reserve
- Technology Refresh Delay
- Reduce Managed Print Overage
- Text/Resources Refresh Delay
  - These options provide savings in current year but eventually increase in following years

Staffing - We deliver on our mission through our workforce. Benchmarking demonstrates operational efficiency in ratios (student/staff/admin ratios). The disciplined review of each position will continue with recommendations to the board.

“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 \$2.602 million** (prior presentation \$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	65,056,627.51		1,958.67
	0.25%	19.6357	65,219,269.08	162,641.57	1,963.57
	2.00%	19.9784	66,357,760.06	1,301,132.55	1,997.84
	2.50%	20.0764	66,683,043.20	1,626,415.69	2,007.64
	3.00%	20.1743	67,008,326.34	1,951,698.83	2,017.43
	3.50%	20.2722	67,333,609.48	2,276,981.96	2,027.22
	4.00%	20.3702	67,658,892.61	2,602,265.10	2,037.02





# Budget Timeline and Next Steps.....

- March 17th Finance Joint Governance Meeting - Continued drafting of the budget
- May 12th Finance Joint Governance Meeting - Proposed Final Budget
- June 9th School Board Planning Meeting - Possible Final Budget approval
- June 23rd School Board Combined Meeting - Second approval date if needed

**\*Current Recommendation from the Director of Financial and Operational Services is a millage increase up to the 4% Act 1 index while continuing to research other structural actions to reduce expenditures**



# Questions

Joint Governance (Finance) Meeting

February 10, 2025

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

