

Pine-Richland School District



2014-2015
Budget Discussion
March 24, 2014

Act 1 Budgeting Process



- **Proposed Preliminary Budget**
 - Presented in January 2014 and placed on public display
 - Approved at the February 10, 2014 board meeting
 - Large amount of unknown factors
 - Developed using trend analysis at a high level
- **Essentially, the Proposed Preliminary version of the budget allows the school district to apply for referendum exceptions to increase taxes above the Act 1 adjusted index, if necessary**
 - Provides the largest amount of options in budget development

Referendum Exceptions



- The school district did submit documentation to the Pennsylvania Department of Education for approval of two referendum exceptions on March 4, 2014:

○ Special Education Expenditures	\$823,641
○ Retirement Contributions	<u>\$541,351</u>
○ Total	\$1,364,992

These are available on the Pine-Richland School District website under:
At Your Service – Budget/Finances

Current Budget Status



• Projected expenditures	\$73,934,754
• Projected revenues	<u>(\$72,877,063)</u>
• Budgetary deficit	\$1,057,691
• Utilization of assigned fund balance for capital improvements	<u>(\$590,374)</u>
• Budgetary deficit after proposed utilization of fund balance	\$467,317

Millage impact = 0.0099 mills or less than 1%

Factors Impacting Revenue



- **Real estate assessed values**
 - Growth in Township of Pine from prior estimates
 - Still a large number of outstanding appeals from prior year County-Wide reassessment
 - Updated values will be received late April / early May
- **Earned income tax**
 - Improved collections under Act 32
 - Will continue to analyze collection rate and potential community growth
- **Ready to Learn Block Grant**
 - Increased State funding
 - Subject to final approval in State Budget
 - Currently structured with restrictions on how funds are spent

Factors Impacting Expenditures



- Unresolved collective bargaining agreement with PREA
- 5.75% increase in healthcare premiums vs. 9% increase included in the Proposed Preliminary Budget
- 4.47% increase in PSERS employer contribution rate from 16.93% to 21.4% of payroll cost
 - Cost increase is shared by State through subsidy reimbursement
 - Pension reform is currently being debated at the State level
- Increasing costs for out-of-district tuition
 - Vocational
 - Special education
 - Cyber/charter



**Tax Levy
Options
Under
Act 1**

	Millage rate	Median assessed value as of 4/22/2013	Tax levy (options)	Increase	
Current	19.2083	\$228,400	\$4,387.18	\$ -	0%
Required to balance	19.2182	\$228,400	\$4,389.44	\$2.26	0.5%
Adjusted Index	19.6885	\$228,400	\$4,496.85	\$109.67	2.5%
Index & Exceptions (pending approval)	20.2416	\$228,400	\$4,623.18	\$236.00	5.4%

Next Steps



- **Analyze staffing**
 - Possible retirements
 - Scheduling implications
- **Review technology needs and potential sources for funding**
 - Equipment refresh of \$239,066 included in Vartek agreement
 - End-user technology allocation of \$858,224 remaining from High School Expansion project – Fund 35 (Capital Projects Fund)

Timeline



- March 26, 2014 – school district will receive approval/denial of referendum exceptions
- April 28, 2014– finance committee meeting
- May 1, 2014 – PA Department of Education notifies school districts of their state allocation of property tax reduction funding and Allegheny County assessor’s office will provide a listing of approved homesteads
- May 5, 2014 – adoption of proposed final budget
 - Budget documents must be advertised and on display for at least 20 days prior to adoption of final budget
- May 19, 2014 – finance committee meeting
- June 9, 2014– adoption of tax rates & final budget