

2018-2019
Proposed Final General Fund Budget



**PINE-RICHLAND
SCHOOL DISTRICT**

APRIL 16, 2018

Act 1 Budgeting Process



- **Draft Proposed Preliminary Budget**
 - Presented in December 2017
 - Large amount of unknown factors
 - Developed using trend analysis at a high level
- **Act 1 Resolution**
 - Approved January 15, 2018
 - Certifying the school board will not raise taxes above the base index of 2.4% for the 2018-2019 fiscal year
- **Finance committee meetings**

Current Budget Status



● Projected revenues*	\$87,489,707
● Projected expenditures	<u>(\$87,712,600)</u>
● Budgetary deficit	(\$222,893)
○ Utilization of assigned fund balance – capital improvements	

*This draft does not include a tax increase.



Act 1 of 2006

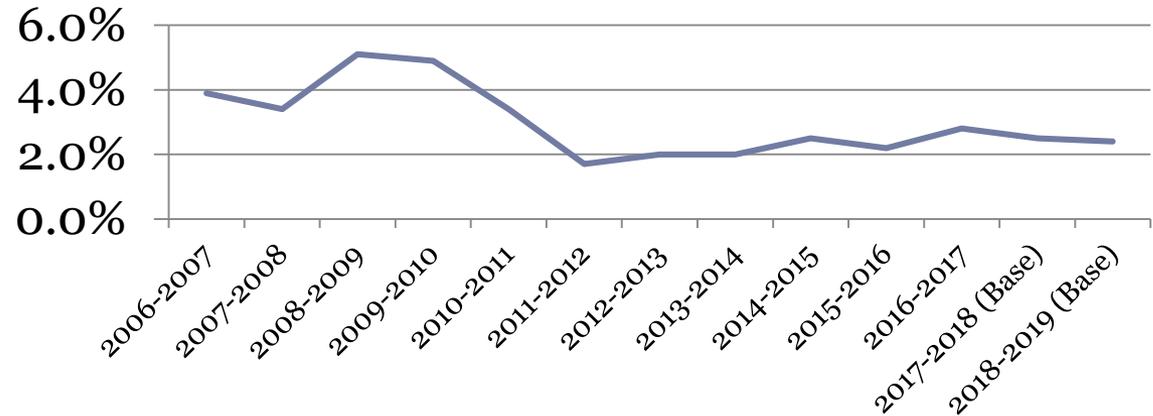
Index is calculated on the statewide average weekly wage & federal employment cost index.

Regulates the annual index rate at which each school district can raise property taxes in Pennsylvania ~ similar to COLA (cost of living adjustment)

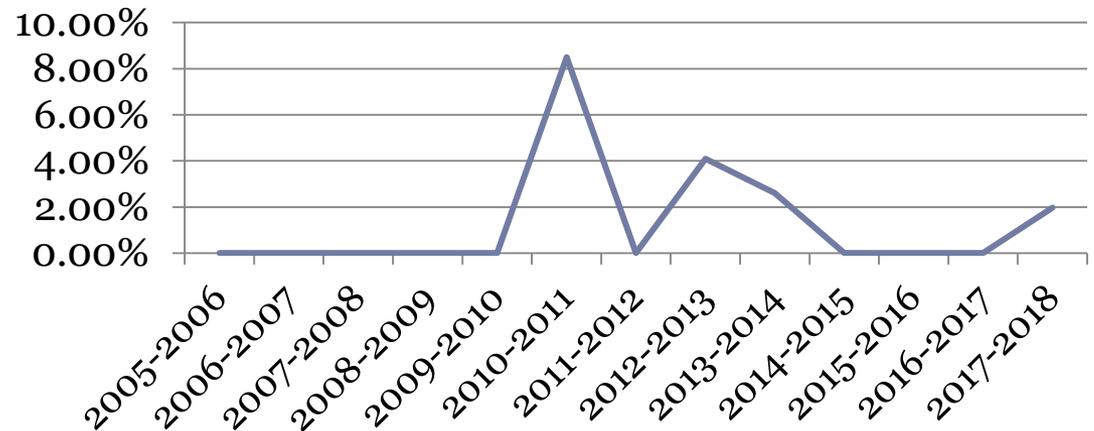
Exceptions to the limitation:

- Special education costs
- Retirement rate costs
- Certain construction costs

Index: Pine-Richland



History of % change in millage rate

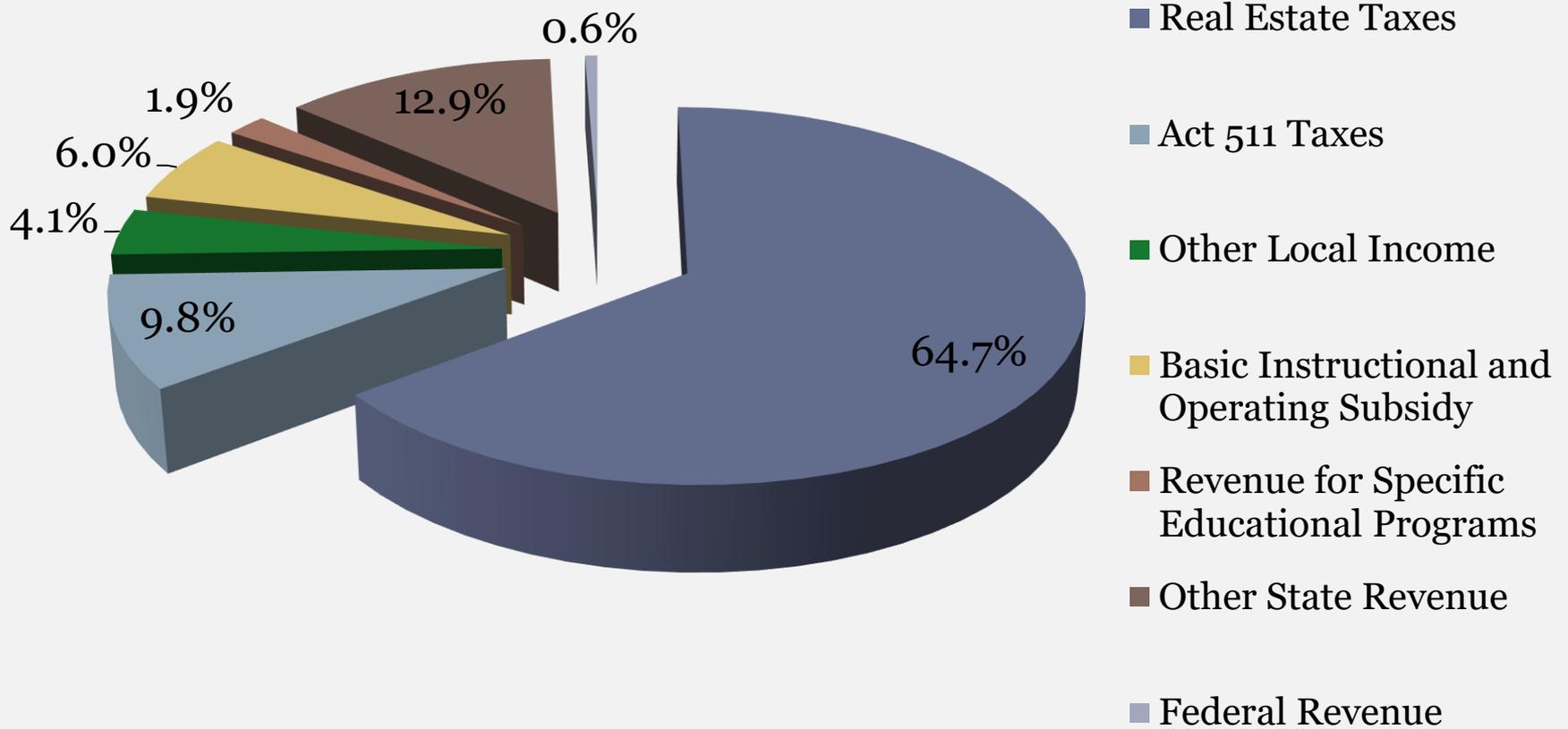




**Tax
Levy
Options
Under
Act 1**

	Millage rate	Tax levy (options)	Median assessed value as of 4/27/2017	Annual Impact on homeowner (assuming median assessed value)	Percent Change
Current	19.5867	\$4,754.67	\$242,750	\$ -	0%
Base Index	20.0568	\$4,776.93	\$242,750	\$22.26	2.4%

Revenue

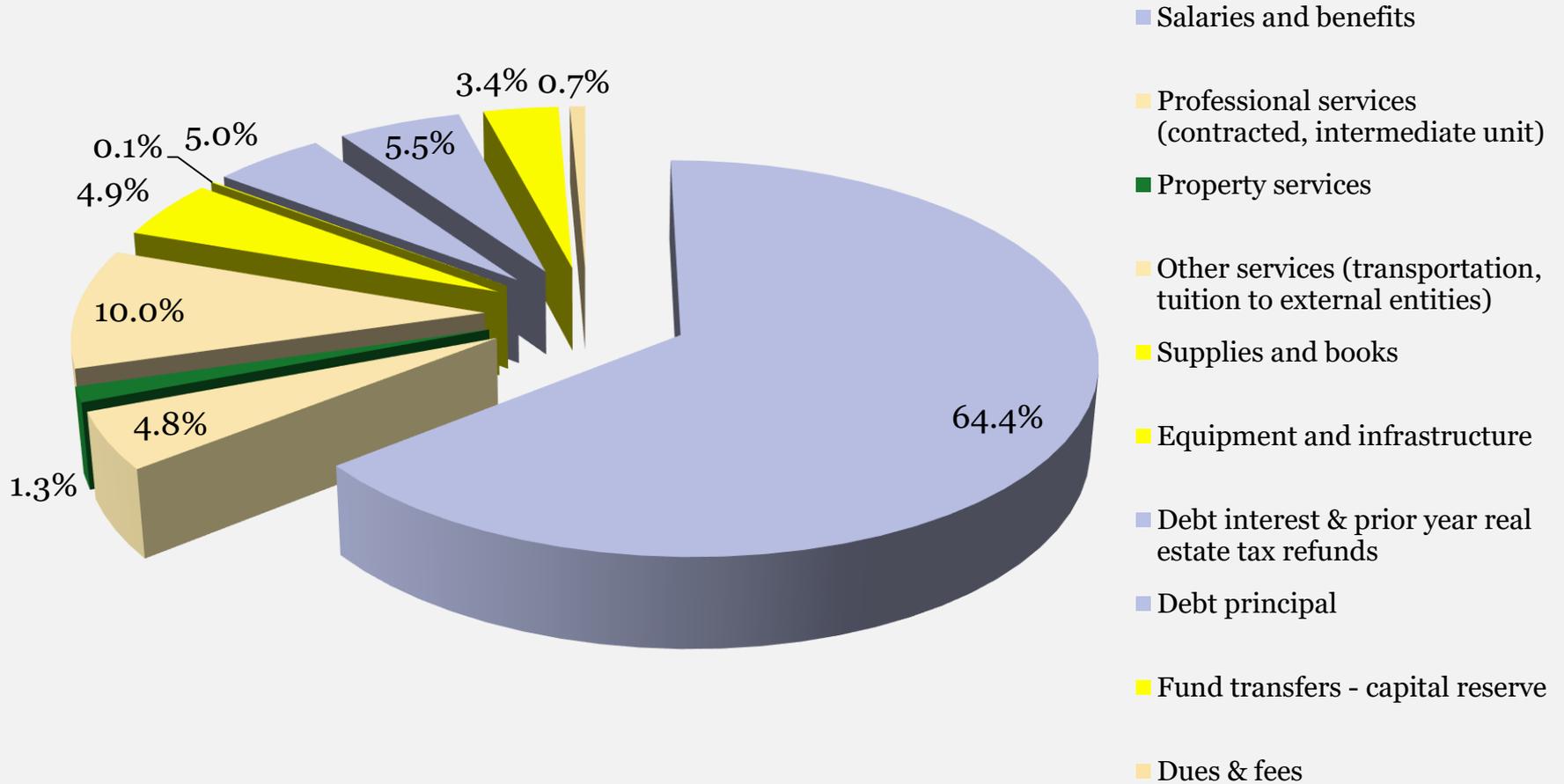


Factors Impacting Revenue



- **Real estate assessed values**
 - Updated values will be received from Allegheny County in May 2018 - New residential and commercial properties
 - Property tax appeals continually being processed at the County level
- **State budget uncertainty**
 - Projections have been included based on Governor's proposal
 - State budget has not been approved
 - Subsidy levels / funding formulas
 - ✦ Basic Education
 - ✦ Special Education

Expenditures



Factors Impacting Expenditures



- 0.86% increase in PSEERS employer contribution rate from 32.57% to 33.43% of payroll cost (approximately \$390,419 in the year-over-year net increase)
 - Cost increase is shared by State through subsidy reimbursement
 - Pension reform has been enacted at the State level for new employees
- Unknown cost factors
 - Personnel budget – finalize staff scheduling
 - Workers' Compensation & Liability Coverage rates to be available May / June 2018
- Increasing costs for out-of-district tuition

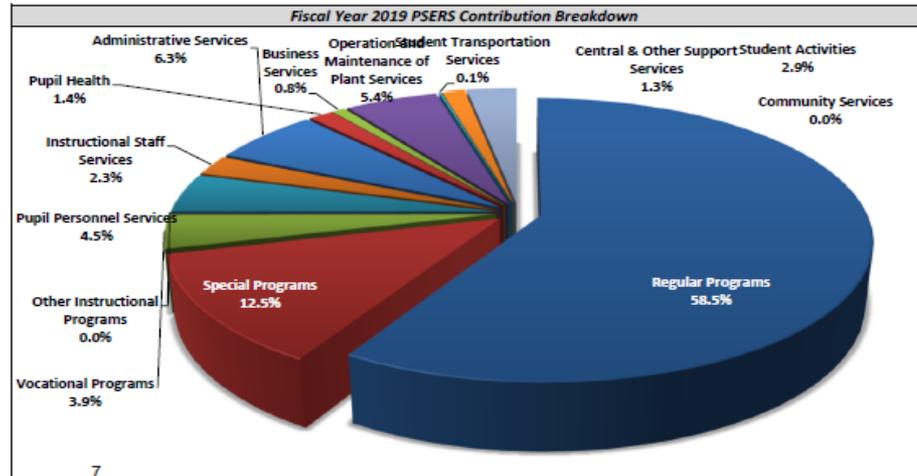
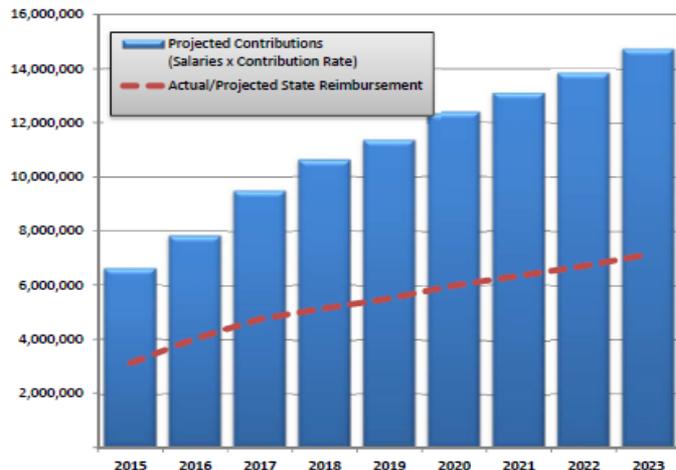
PSEERS Employer Contributions

Pine-Richland School District

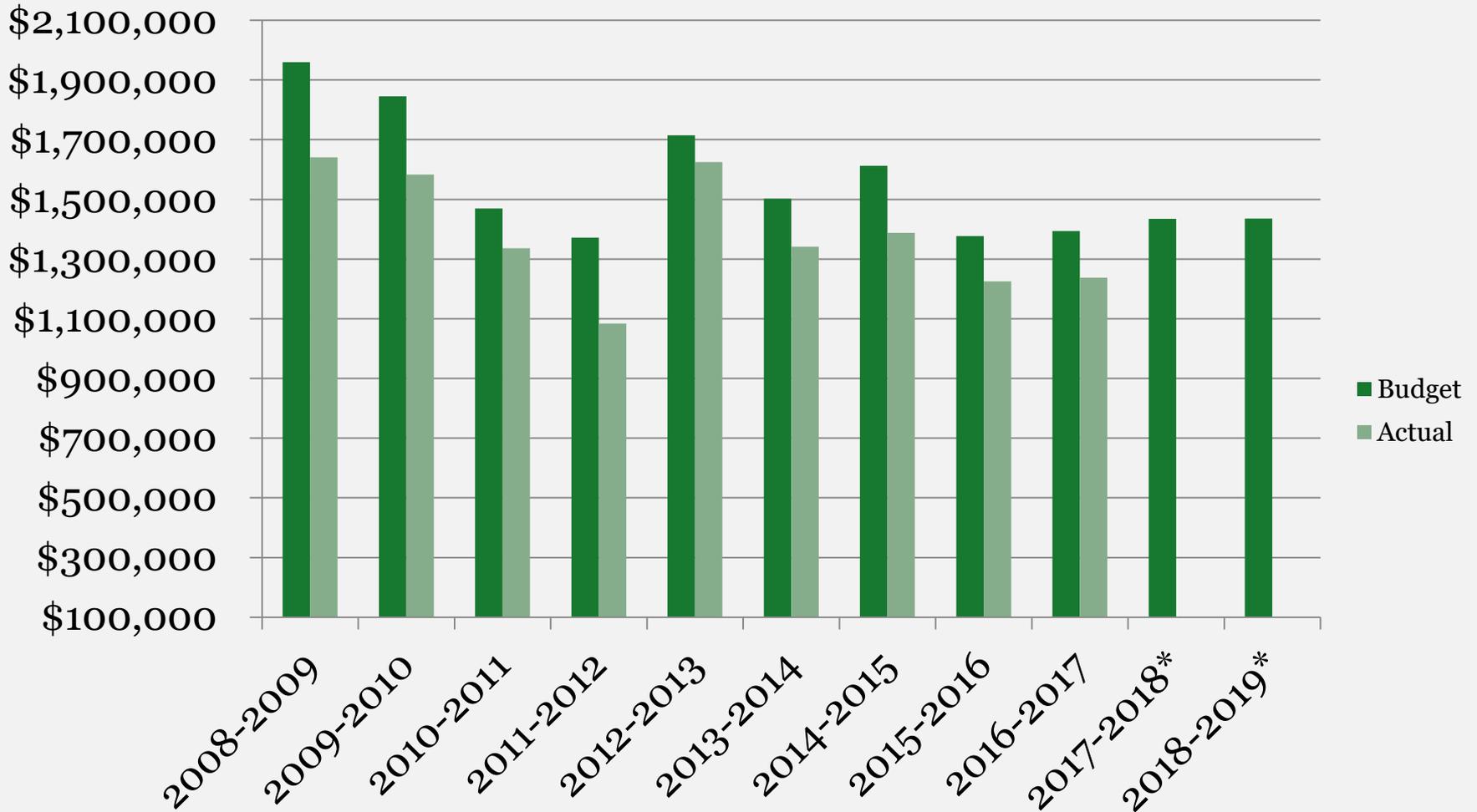
Retirement Planning



	(Actual) 2015	(Actual) 2016	(Actual) 2017	(Budget) 2018	(Projected) 2019	(Projected) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023
Total Revenue	130,365,767	84,374,922	89,576,028	84,079,405	87,489,707	89,723,406	91,617,512	93,551,081	95,585,672
Total Expenditures	128,951,833	82,565,693	87,520,776	84,079,405	87,712,600	92,729,743	96,811,078	99,665,739	103,046,000
Other Revenues/(Expenditures)	(4)	-	-	-	-	-	-	-	-
Operating Balance	1,413,930	1,809,229	2,055,252	0	(222,893)	(3,006,337)	(5,193,565)	(6,114,659)	(7,460,327)
EXPENDITURES									
100 Personnel Services - Salaries	30,857,440	30,371,958	31,649,009	32,628,740	34,053,078	35,583,485	37,185,405	38,862,254	40,617,612
PSEERS Contribution Rates *	21.40%	25.84%	30.03%	32.57%	33.43%	34.79%	35.26%	35.68%	36.32%
Projected Contributions <i>(Salaries x Contribution Rate)</i>	6,603,492	7,848,114	9,504,197	10,627,181	11,383,944	12,379,494	13,111,574	13,866,052	14,752,317
230 Actual Contributions (from AFR)	6,588,974	7,800,834	9,487,168	10,627,310					
* Source: PSERS as of December 7, 2016. Contribution rates in blue can be modified to reflect different budgeted contribution rates									
REVENUES									
Projected Contributions (from above)	6,603,492	7,848,114	9,504,197	10,627,181	11,383,944	12,379,494	13,111,574	13,866,052	14,752,317
Projected State Reimbursement	48.37%	3,194,109	3,796,133	4,597,180	5,140,367	5,506,414	5,987,961	6,342,068	6,707,009
7820 Actual Reimbursement (from AFR)	3,113,877	4,022,505	4,746,870	5,140,061					
Actual State Reimbursement % <i>(Average)</i>	49.62%	47.26%	51.57%	50.03%	48.37%				
Net PSERS Contribution	3,475,097	3,778,329	4,740,298	5,487,249	5,877,667	6,391,533	6,769,506	7,159,043	7,616,621
Net Increase Over Prior Year		303,232	961,969	746,951	390,419	513,866	377,973	389,537	457,578



Building-Level Spending



These costs do not include personnel or out-of-district tuition

Timeline



- April 16, 2018– finance committee meeting
- April 16, 2018 – 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 1, 2018 – 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
- June 4, 2018– adoption of tax rates & final budget