

Proposed Final 2019-2020 General Fund Budget



PINE-RICHLAND SCHOOL DISTRICT

FOCUSED ON LEARNING FOR EVERY STUDENT EVERY DAY

APRIL 8, 2019

Act 1 Budgeting Process



- Act 1 Resolution
 - Approved January 14, 2019
 - Certifying the school board will not raise taxes above the base index of 2.3% for the 2019-2020 fiscal year
- Adoption of proposed final budget
 - April 8, 2019
 - Budget documents must be advertised and on display for at least 20 days prior to adoption of final budget

Current Budget Status



● Projected revenues*	\$91,230,147
● Projected expenditures	<u>(\$91,499,535)</u>
● Current budgetary deficit	(\$269,389)
○ Utilization of assigned fund balance for capital improvements	

*This budget does not include a tax increase.

Staffing



- Staffing represents 64.36% of operational costs given existing outsourcing of technology, transportation, and food service.
- Comparisons (2018 AIU Directory):
 - Professional Staff: Student
 - ✦ PRSD = 1 professional staff member:13.71 students (31 of 42 school districts in AIU have a lower ratio)
 - Administration: Professional Staff
 - ✦ PRSD = 1 administrator:13.44 professional staff members (27 of 42 school districts in the AIU have a lower ratio)
 - Administration: Student
 - ✦ PRSD = 1 administrator:184.28 students (34 of 42 school districts in AIU have a lower ratio)
- **Higher ratios support operational efficiency for staffing.** Our efficiency is also consistent across all three indicators (equally lean).



Act 1 of 2006

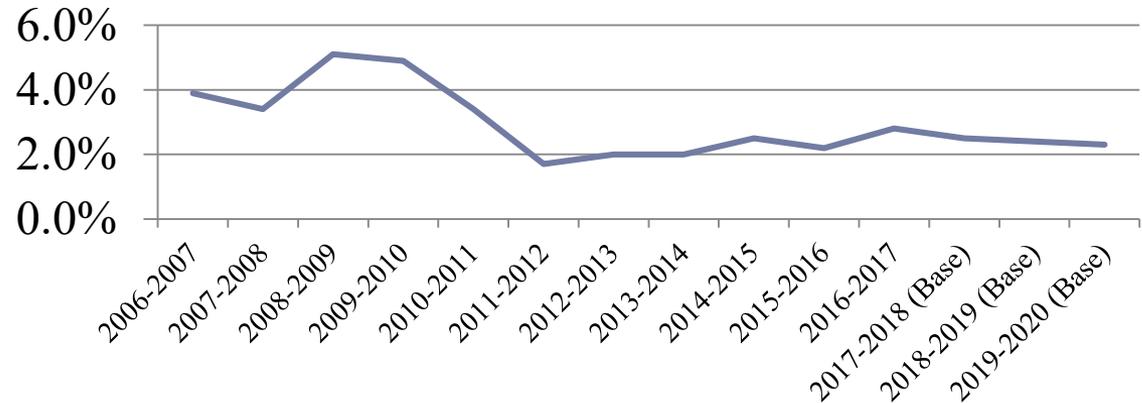
Index is calculated on the statewide average weekly wage & federal employment cost index.

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

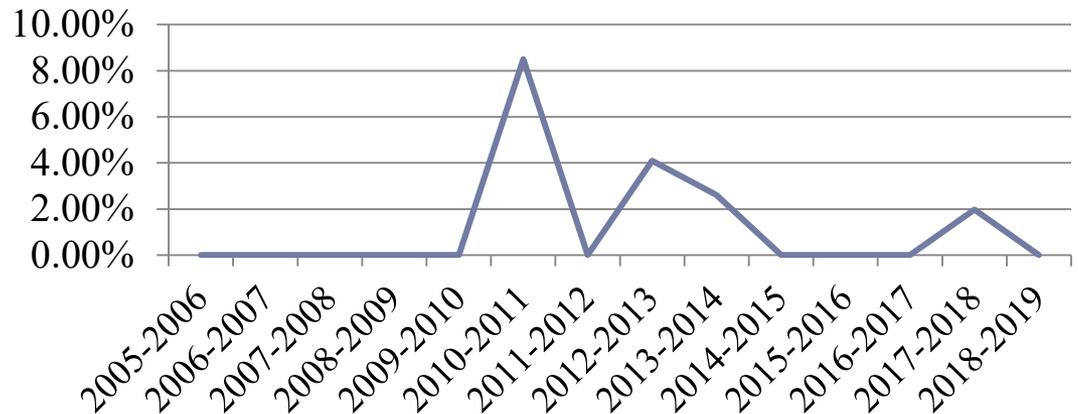
Exceptions to the limitation:

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

Index: Pine-Richland



History of % change in millage rate

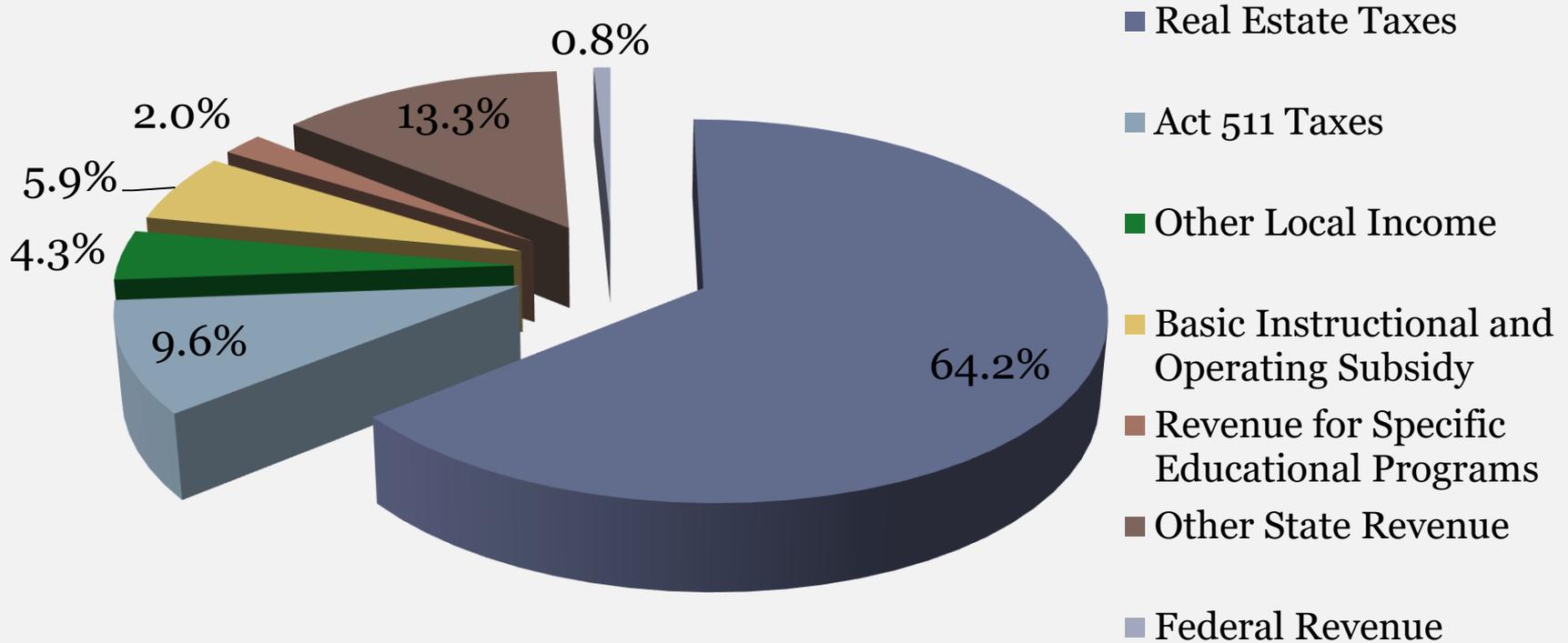




**Tax Levy
Options
Under
Act 1**

	Millage rate	Tax levy (options)	Median assessed value as of 4/27/2018	Annual Impact on homeowner (assuming median assessed value)	Percent Change
Current	19.5867	\$4,862.40	\$248,250	\$ -	0%
Base Index	20.0371	\$4,974.21	\$248,250	\$111.81	2.3%

Revenue

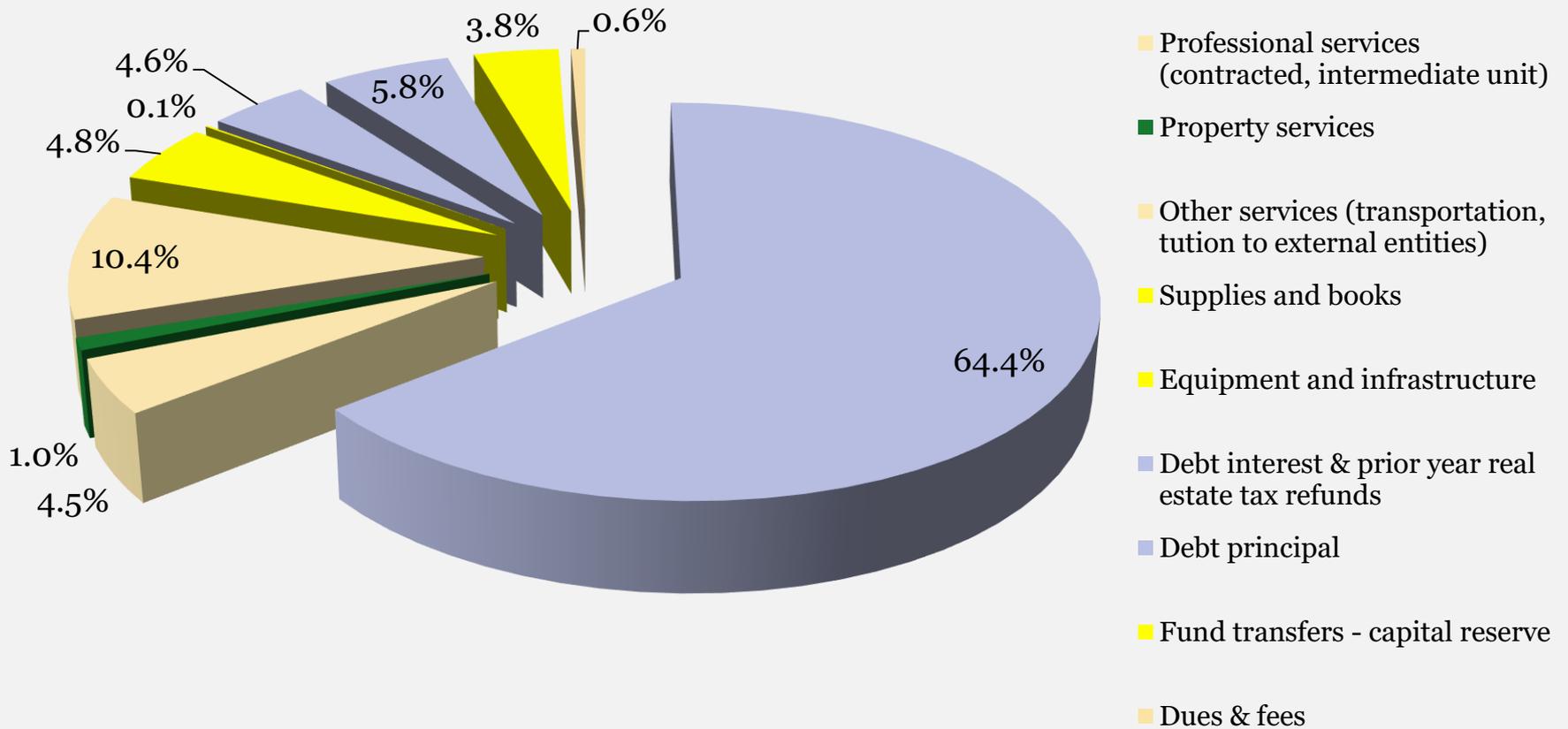


Factors Impacting Revenue

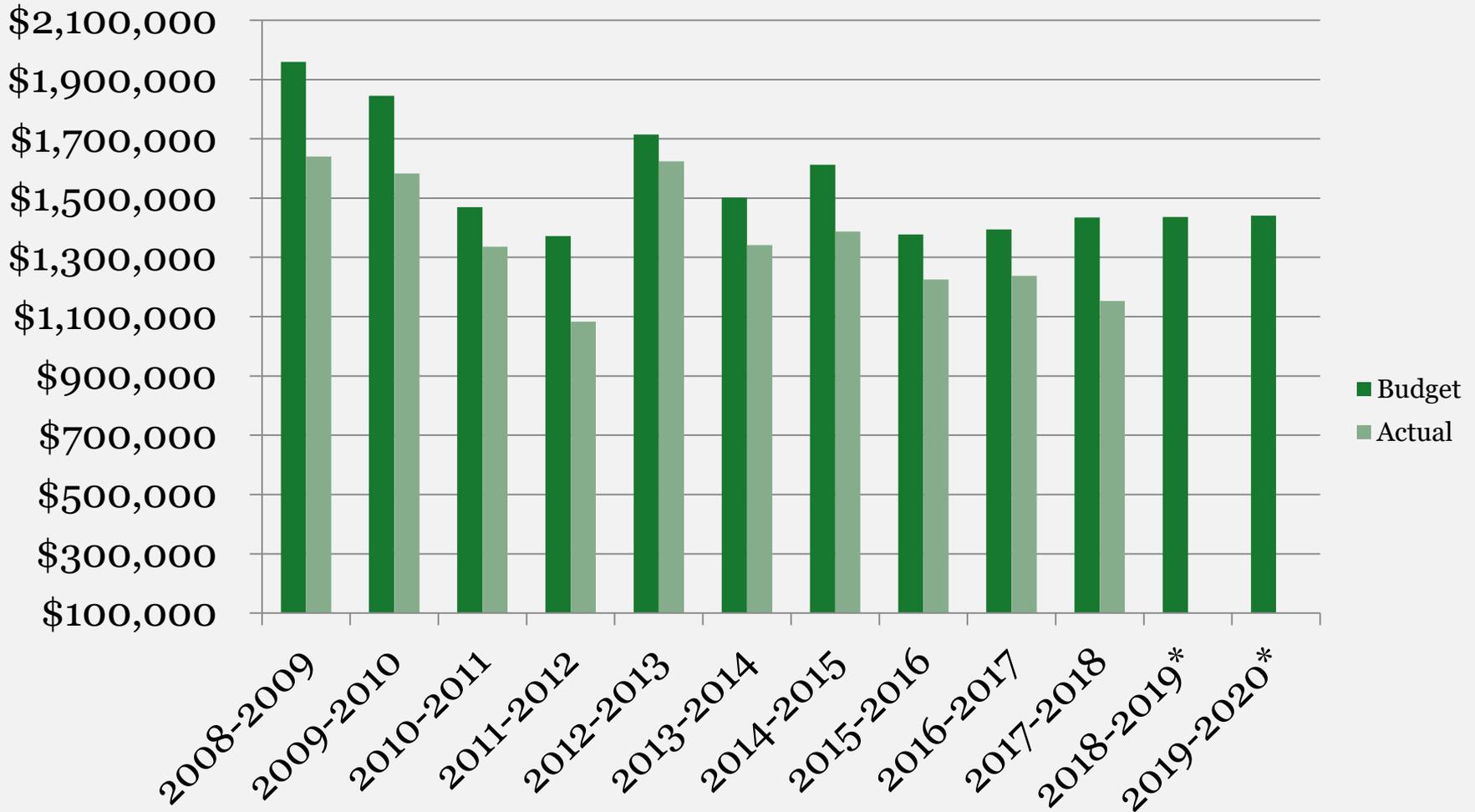


- Real estate assessed values
 - Updated values will be received from Allegheny County in May 2019 - New residential and commercial properties
 - Property tax appeals continually being processed at the County level
- State budget uncertainty
 - State budget has not been approved
 - Subsidy levels / funding formulas
 - ✦ Basic Education
 - ✦ Special Education

Expenditures



Building-Level Spending



*Current year and projected year reflect only budgeted expenditures.
These costs do not include personnel or out-of-district tuition

Factors Impacting Expenditures



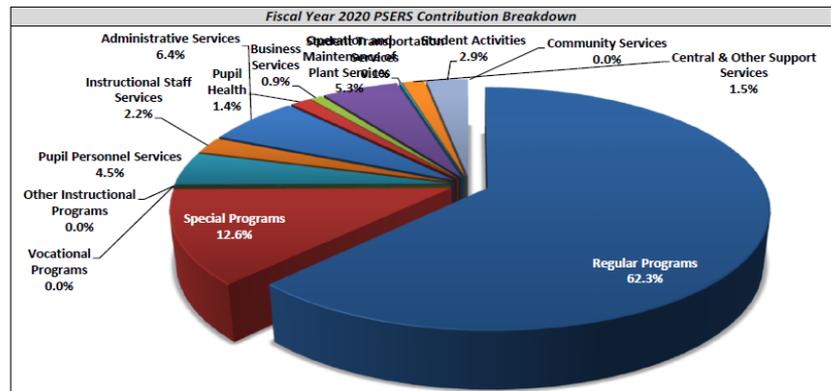
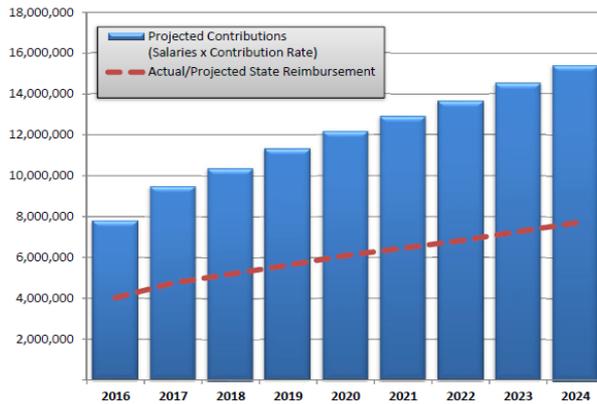
- 0.86% increase in PSERS employer contribution rate from 33.43% to 34.29% of payroll cost (approximately \$382,040 in the year-over-year net increase)
 - Cost increase is shared by State through subsidy reimbursement
 - Pension reform has been enacted at the State level for new employees
- Unknown cost factors
 - Personnel budget – staff scheduling to occur in April 2019
 - Workers' Compensation & Liability Coverage rates to be available May / June 2019
- Increasing costs for out-of-district tuition

PSEERS Employer Contributions

Pine-Richland School District Retirement Planning



	(Actual) 2016	(Actual) 2017	(Actual) 2018	(Budget) 2019	(Projected) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024
Total Revenue	84,374,922	89,576,028	85,553,435	87,672,081	91,230,147	93,155,955	95,156,768	97,263,110	99,391,168
Total Expenditures	82,565,693	87,520,776	81,960,137	87,672,081	91,499,535	97,563,252	99,481,273	102,418,168	106,127,541
Other Revenues/(Expenditures)	-	-	-	-	-	-	-	-	-
Operating Balance	1,809,229	2,055,252	3,593,298	0	(269,389)	(4,407,297)	(4,324,505)	(5,155,058)	(6,736,373)
EXPENDITURES									
100 Personnel Services - Salaries	30,371,958	31,649,009	31,901,927	33,890,961	35,525,966	37,120,694	38,789,872	40,537,051	42,365,958
Less: Non-PSEERS Eligible Salaries	(182,973)	(56,709)	(89,360)	411	411	411	411	411	411
Net PSEERS Eligible Salaries	30,188,985	31,592,300	31,812,567	33,891,372	35,526,377	37,121,105	38,790,282	40,537,462	42,366,369
PSEERS Contribution Rates *	25.84%	30.03%	32.57%	33.43%	34.29%	34.77%	35.19%	35.84%	36.30%
Projected Contributions (Salaries x Contribution Rate)	7,800,834	9,487,168	10,361,353	11,329,886	12,181,995	12,907,008	13,650,300	14,528,626	15,378,992
230 Actual Contributions (from AFR)	7,800,834	9,487,168	10,361,353						
<small>* Source: PSEERS as of December 7, 2018. Contribution rates in blue can be modified to reflect different budgeted contribution rates</small>									
REVENUES									
Projected Contributions (from above)	7,800,834	9,487,168	10,361,353	11,329,886	12,181,995	12,907,008	13,650,300	14,528,626	15,378,992
Projected State Reimbursement	50.00%	3,900,417	4,743,584	5,180,677	5,664,943	6,090,997	6,453,504	6,825,150	7,264,313
7820 Actual Reimbursement (from AFR)	4,022,505	4,746,870	5,183,231						
Actual State Reimbursement % (Average)	50.54%	51.57%	50.03%	50.02%					
Net PSEERS Contribution	3,778,329	4,740,298	5,178,122	5,707,996	6,090,036	6,453,504	6,825,150	7,264,313	7,689,496
Net Increase Over Prior Year	961,969	437,824	529,873	382,040	363,468	371,646	439,163	425,183	



Timeline



- May 1, 2019 – 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 3, 2019 – adoption of tax rates & final budget