



2020-2021 Proposed Final General Fund Budget

For April 6, 2020 - Finance Committee Meeting and Board Planning Meeting



Act 1 Budgeting Process

- Act 1 Resolution
 - December 9, 2019 Combined Planning / Voting Meeting Agenda
 - Certifying the school board will not raise taxes above the base index of 2.6% for the 2020-2021 fiscal year
- Proposed Final Budget
 - Adoption – April 6, 2020
 - Budget documents must be advertised and on display for at least 20 days prior to adoption of final budget
 - Unknown factors related to projected revenue (i.e. real estate, transportation subsidy, economy, etc.)



Current Budget Status

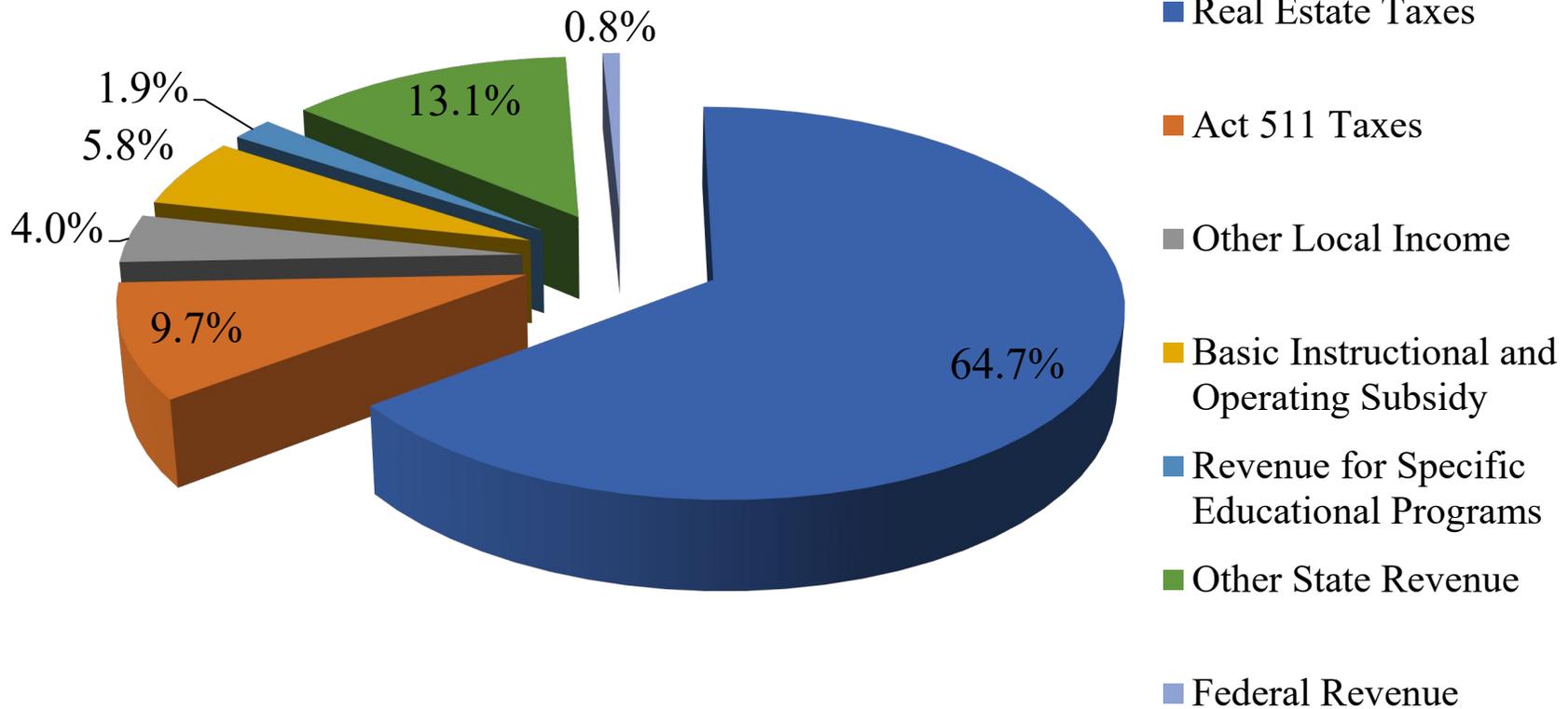
• Projected revenue*	\$92,698,944
• Projected expenditures	(\$93,384,421)
• Current budgetary deficit	(\$685,477)

Deficit is shown as Utilization of Assigned Fund Balance for Capital Improvements

- *The proposed final general fund budget does not include a tax increase.



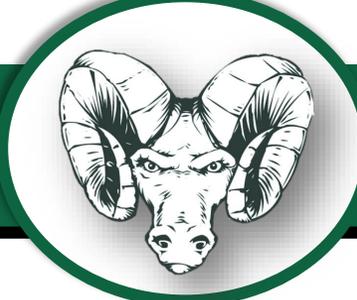
Revenue



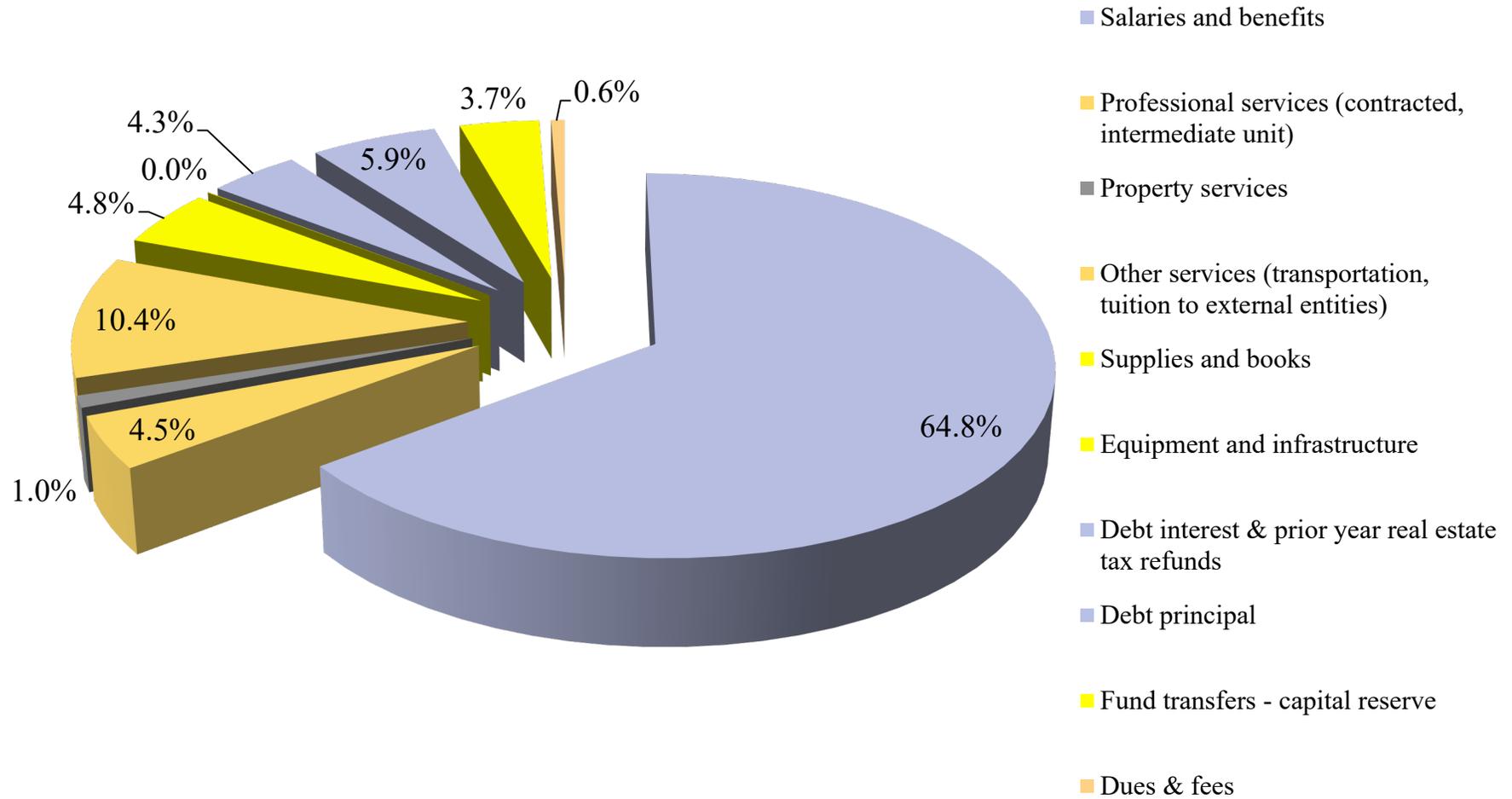


Factors Impacting Revenue

- Real estate
 - Updated assessed values will be received from Allegheny County in April / May 2020 - New residential and commercial properties
 - Property tax appeals continually being processed at the County level
 - Some commercial properties could have a significant effect – estimates are currently embedded in these calculations
 - Economic conditions
- State funding
 - State budget has not been approved
 - Subsidy levels / funding formulas
 - Uncertainty regarding transportation subsidy



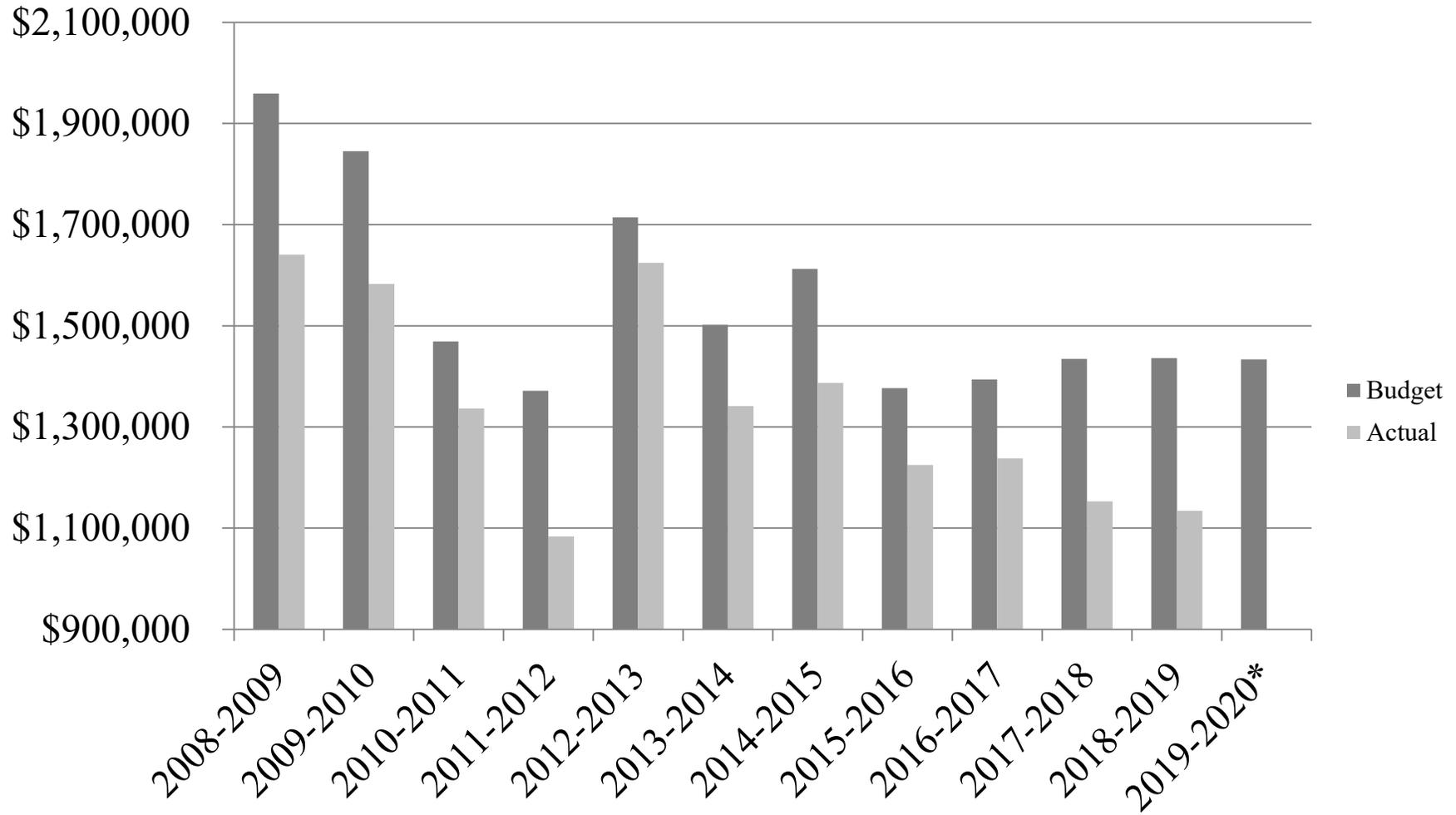
Expenditures



“Focus on learning for every student every day.”



Building Level Spending





Factors Impacting Expenditures

- 0.22% increase in PSERS employer contribution rate from 34.29% to 34.51% of payroll cost (approximately \$248,970 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
- Cost factors – continue to be reviewed
 - Personnel budget – staff scheduling to occur in April 2020
 - Detailed operational line items
 - Workers' Compensation & Liability Coverage rates to be available May 2020
 - Outplacement tuition – review current year budget to actual & projections
 - Capital Funding Plan projects



Pine-Richland School District

Retirement Planning



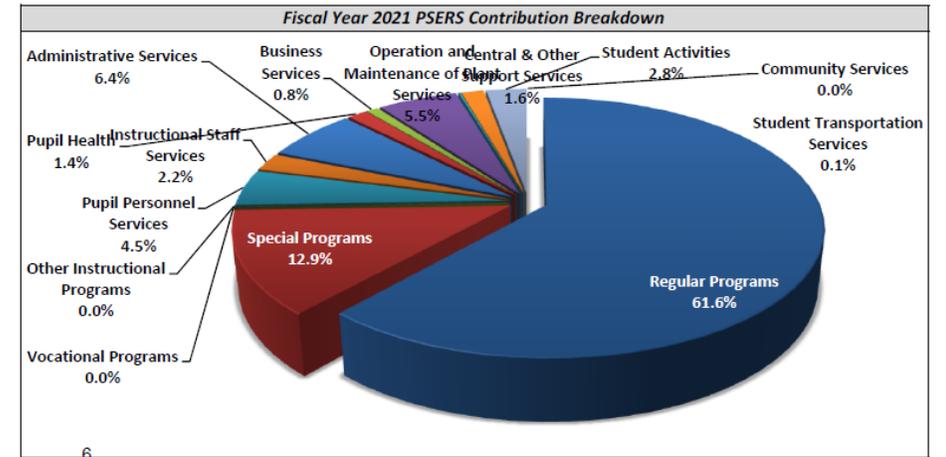
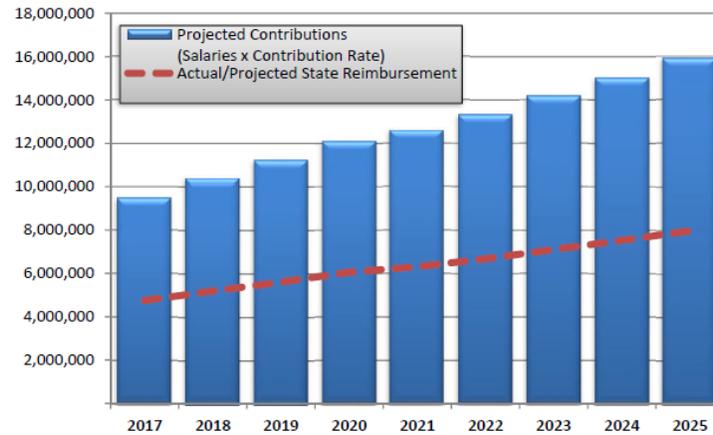
	(Actual) 2017	(Actual) 2018	(Actual) 2019	(Budget) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025
Total Revenue	89,576,028	85,553,435	97,425,532	91,457,895	92,698,944	94,677,519	96,757,879	98,863,373	101,024,526
Total Expenditures	87,520,776	81,960,137	96,217,142	91,457,895	93,384,421	97,911,214	101,738,681	110,003,965	113,763,893
Operating Balance	2,055,252	3,593,298	1,208,389	(0)	(685,477)	(3,233,695)	(4,980,802)	(11,140,592)	(12,739,367)

EXPENDITURES										
100	Personnel Services - Salaries	31,649,009	31,901,927	33,747,393	35,307,676	36,523,741	38,150,386	39,852,706	41,634,309	43,498,981
	Less: Non-PSERS Eligible Salaries	(56,709)	(89,360)	(115,351)	(2,392)	(2,392)	(2,392)	(2,392)	(2,392)	(2,392)
	Net PSERS Eligible Salaries	31,592,300	31,812,567	33,632,042	35,305,284	36,521,350	38,147,994	39,850,314	41,631,918	43,496,589
	PSERS Contribution Rates *	30.03%	32.57%	33.43%	34.29%	34.51%	34.95%	35.62%	36.12%	36.60%
	Projected Contributions <i>(Salaries x Contribution Rate)</i>	9,487,168	10,361,353	11,243,192	12,106,182	12,603,518	13,332,724	14,194,682	15,037,449	15,919,752
230	Actual Contributions (from AFR)	9,487,168	10,361,353	11,243,192						

* Source: PSERS as of December 2019. Contribution rates in blue can be modified to reflect different budgeted contribution rates

REVENUES											
	Projected Contributions (from above)	9,487,168	10,361,353	11,243,192	12,106,182	12,603,518	13,332,724	14,194,682	15,037,449	15,919,752	
	Projected State Reimbursement	50.00%	4,743,584	5,180,677	5,621,596	6,053,091	6,301,759	6,666,362	7,097,341	7,518,724	7,959,876
7820	Actual Reimbursement (from AFR)	4,746,870	5,183,231	5,591,777							
	Actual State Reimbursement % <i>(Average)</i>	49.93%	50.03%	50.02%	49.73%						

	Net PSERS Contribution	4,740,298	5,178,122	5,651,415	6,053,091	6,302,061	6,666,362	7,097,341	7,518,724	7,959,876
	Net Increase Over Prior Year		437,824	473,293	401,676	248,970	364,301	430,979	421,383	441,152





Tax Levy Options Under Act 1

	Millage Rate	Tax Levy (Options)	Median Assessed Value as of April 2019	Annual Impact on Homeowner (assuming median assessed value)	Percent Change
Current	19.5867 mills	\$4,978.94	\$254,200	\$ -	0%
Base Index	20.096 mills	\$5,108.39	\$254,200	\$129.45	2.6%



Timeline

- April 2020 – finance committee meeting
- April 2020 – 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, 2020 – 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 2020 – adoption of tax rates & final budget