



Draft – 2021-2022 Proposed Final General Fund Budget Update

For March 1, 2021 - Finance Committee Meeting



Act 1 Budgeting Process

- Act 1 Resolution
 - December 14, 2020 Combined Planning / Voting Meeting Agenda
 - Certifying the school board will not raise taxes above the base index of 3.0% for the 2021-2022 fiscal year
- Draft Proposed Final Budget
 - Large amount of unknown factors
 - Developed using trend analysis at a high level
 - Estimated personnel costs (objects 100 through 299)
 - Most line item detail has been included for operational costs (objects 300 through 999)

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Current Budget Status

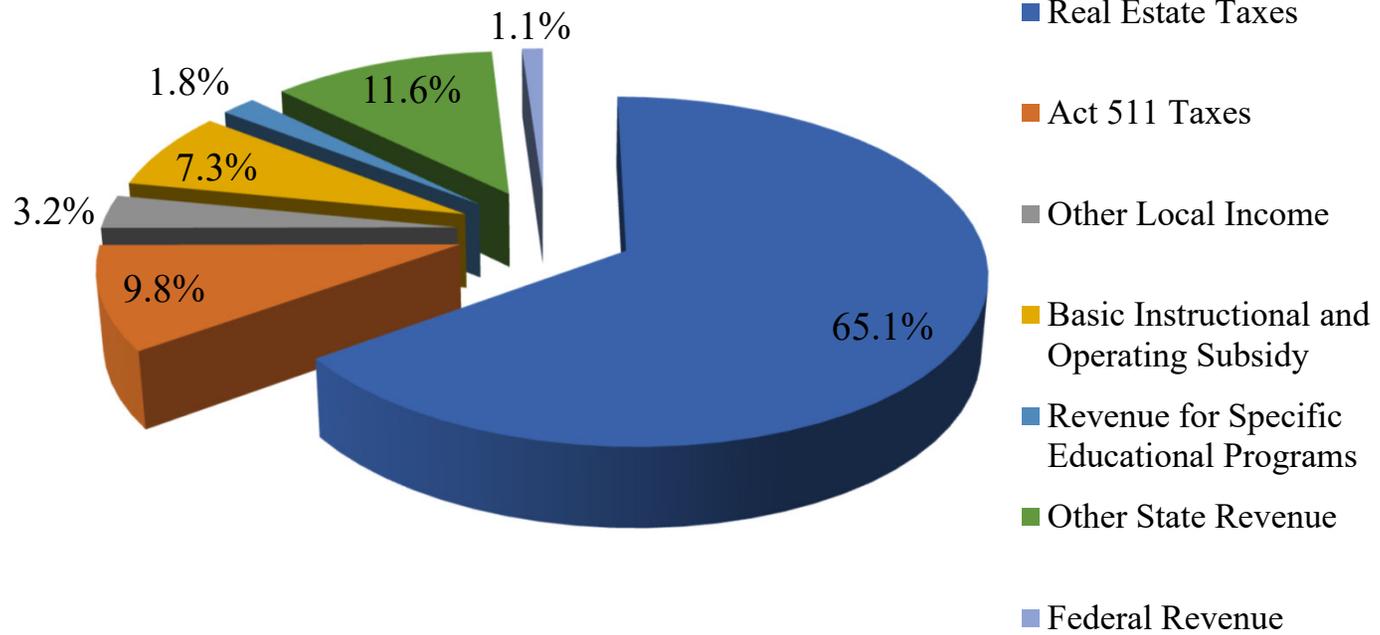
- Projected revenue* \$94,808,321
- Projected expenditures (\$96,756,744)
- Current budgetary deficit (\$1,948,423)
- In this draft, the deficit is shown as Utilization of Assigned Fund Balance for Capital Improvements

- *This draft does not include a tax increase.



PINE-RICHLAND SCHOOL DISTRICT

Revenue



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Factors Impacting Revenue

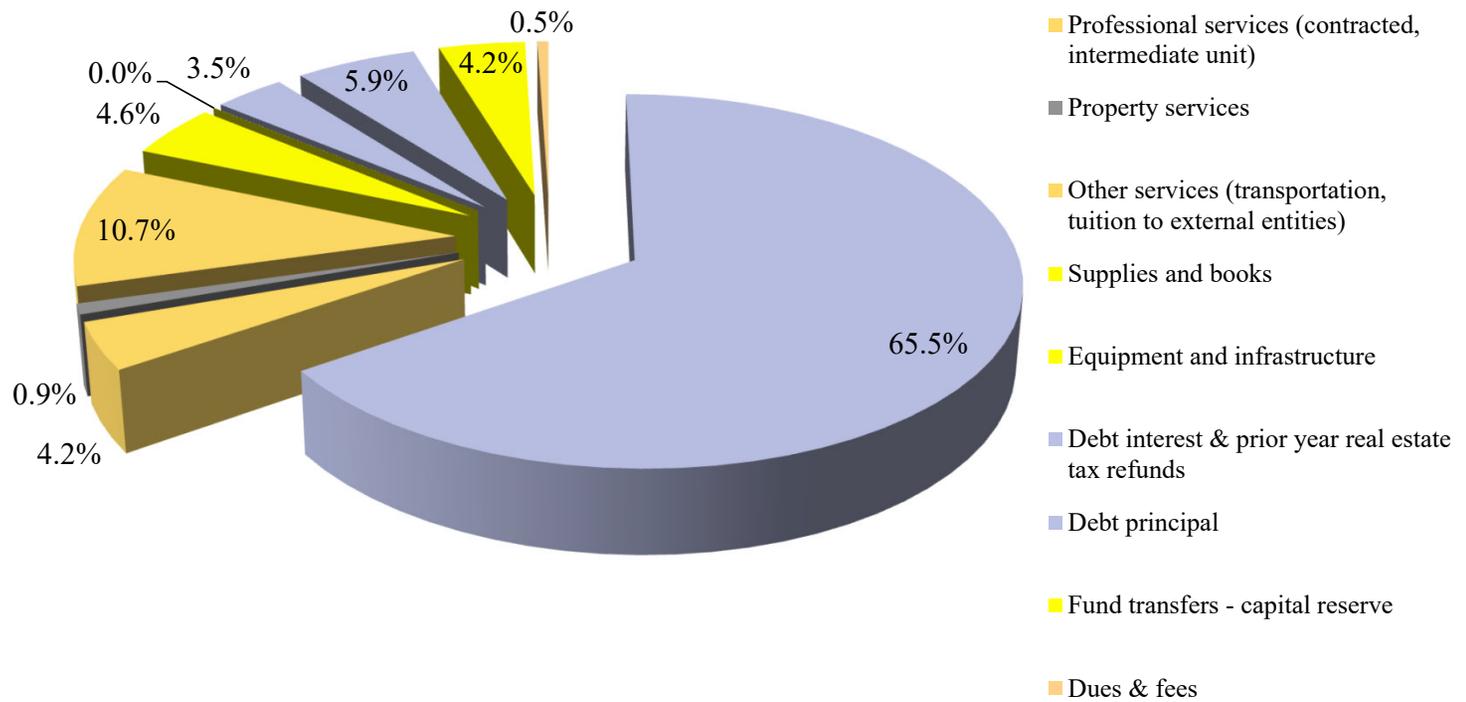
- Real estate assessed values
 - Updated values will be received from Allegheny County in April / May 2021
 - New residential and commercial properties
 - Property tax appeals continually being processed at the County level
 - Some commercial properties could have a significant effect – estimates are currently embedded in these calculations
- State budget uncertainty
 - State budget has not been approved
 - Subsidy levels / funding formulas
 - Basic Education
 - Special Education
 - Pupil Transportation

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PINE-RICHLAND SCHOOL DISTRICT

Expenditures

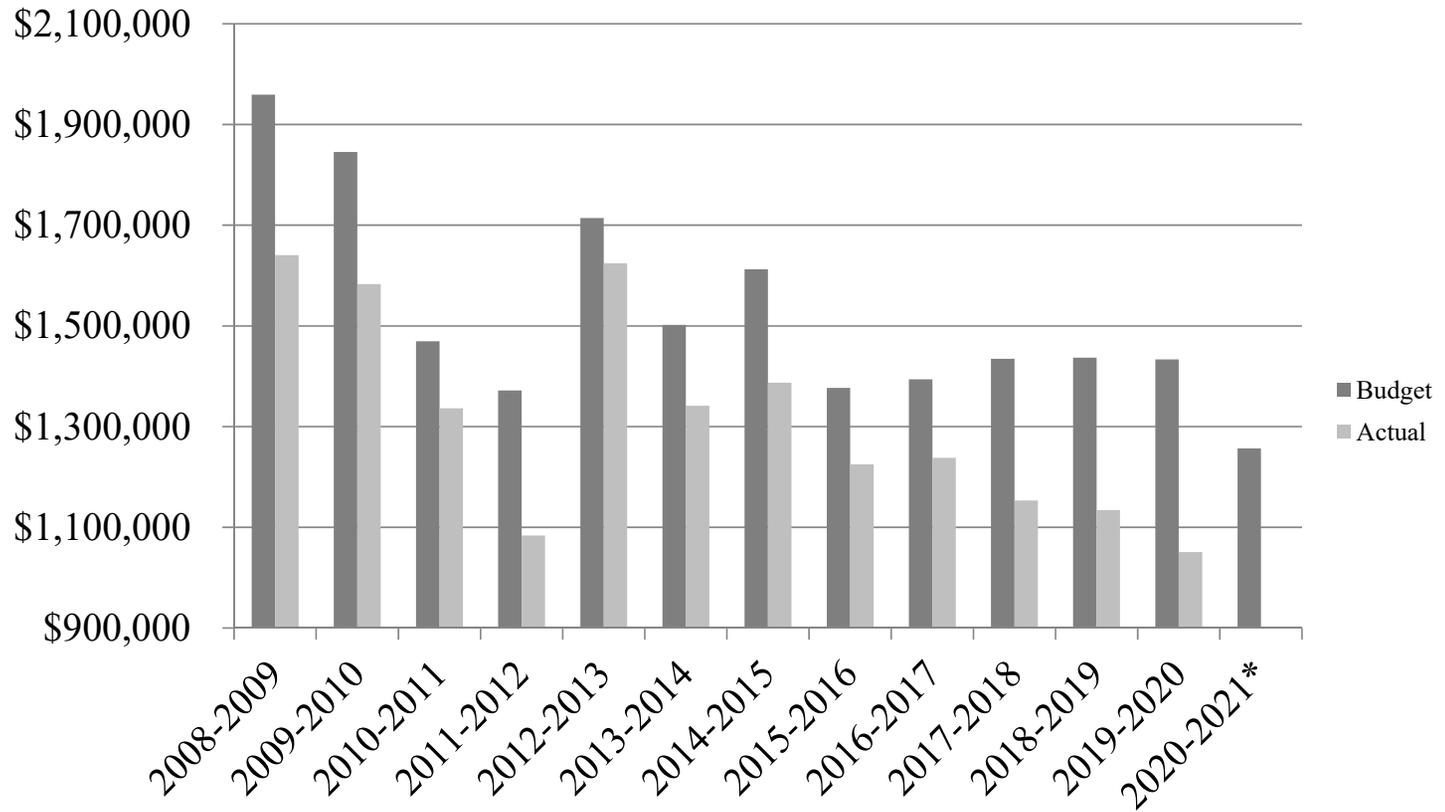


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PINE-RICHLAND SCHOOL DISTRICT

Building Level Spending



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Factors Impacting Expenditures

- 0.43% increase in PSERS employer contribution rate from 34.51% to 34.94% of payroll cost (approximately \$359,405 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 2021 - currently personnel costs are estimated based on trends and employment groups as a whole
 - Detailed operational line items continue to be reviewed
 - Workers' Compensation & Liability Coverage rates to be available May 2021
 - Cyber / charter school impact
- Increasing costs for outplacement tuition

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Pine-Richland School District

Retirement Planning



	(Actual) 2018	(Actual) 2019	(Actual) 2020	(Budget) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025	(Projected) 2026
Total Revenue	85,553,435	97,425,532	101,227,632	92,421,756	94,808,321	96,392,748	98,505,392	100,674,257	102,940,860
Total Expenditures	81,960,137	96,217,142	99,337,835	92,772,751	96,756,744	100,246,209	108,137,331	114,331,754	114,146,631
Operating Balance	3,593,298	1,208,389	1,889,797	(350,995)	(1,948,423)	(3,853,462)	(9,631,938)	(13,657,497)	(11,205,771)

EXPENDITURES

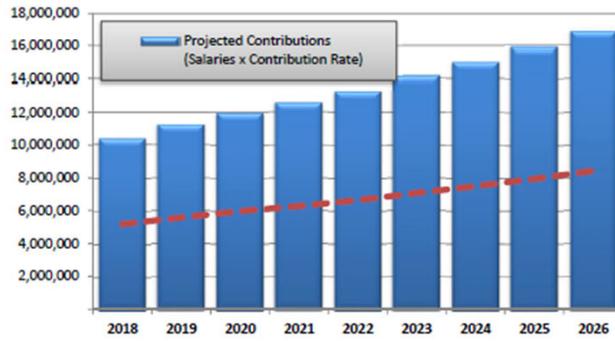
100	Personnel Services - Salaries	31,901,927	33,747,393	35,026,501	36,445,673	38,053,325	39,751,159	41,528,060	43,387,802	45,334,341
	Less: Non-PSERS Eligible Salaries	(89,360)	(115,351)	(107,507)	(1,040)	(1,040)	(1,040)	(1,040)	(1,040)	(1,040)
	Net PSERS Eligible Salaries	31,812,567	33,632,042	34,918,994	36,444,633	38,052,285	39,750,119	41,527,020	43,386,762	45,333,301
	PSERS Contribution Rates *	32.57%	33.43%	34.29%	34.51%	34.94%	35.62%	36.12%	36.60%	37.23%
	Projected Contributions (Salaries x Contribution Rate)	10,361,353	11,243,192	11,973,723	12,577,043	13,295,468	14,158,992	14,999,560	15,879,555	16,877,588
230	Actual Contributions (from AFR)	10,361,353	11,243,192	11,973,723						

* Source: PSERS as of December 3, 2020. Contribution rates in blue can be modified to reflect different budgeted contribution rates

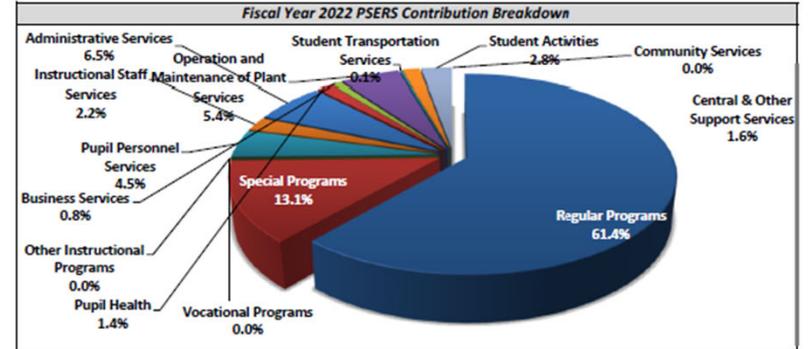
REVENUES

	Projected Contributions (from above)	10,361,353	11,243,192	11,973,723	12,577,043	13,295,468	14,158,992	14,999,560	15,879,555	16,877,588
	Projected State Reimbursement 50.00%	5,180,677	5,621,596	5,986,861	6,288,522	6,647,734	7,079,496	7,499,780	7,939,778	8,438,794
7820	Actual Reimbursement (from AFR)	5,183,231	5,591,777	5,971,027						
	Actual State Reimbursement % (Average)	49.88%	50.02%	49.73%	49.87%					

	Net PSERS Contribution	5,178,122	5,651,415	6,002,696	6,288,329	6,647,734	7,079,496	7,499,780	7,939,778	8,438,794
	Net Increase Over Prior Year	437,824	473,293	351,281	285,633	359,405	431,762	420,284	439,998	499,016



PFM Budget Model



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PINE-RICHLAND SCHOOL DISTRICT

Tax Levy Options Under Act 1

	Millage Rate	Tax Levy (Options)	Median Assessed Value as of April 2020	Annual Impact on Homeowner (assuming median assessed value)	Percent Change
Current	19.5867 mills	\$5,063.16	\$258,500	\$ -	0%
Base Index	20.1743 mills	\$5,215.06	\$258,500	\$151.90	3.0%

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Timeline

- March 2021 – finance committee meeting
- May 2021 – possible finance committee meeting
- May 2021 – 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, 2021 – 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 2021 – adoption of tax rates & final budget

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