



# **Draft – 2022-2023 Proposed Final General Fund Budget Update**

**For March 7, 2022  
Joint Governance (Finance) Meeting**



# Act 1 Budgeting Process

- Act 1 Resolution
  - January 10, 2022 Combined Planning / Voting Meeting Agenda
  - Certifying the school board will not raise taxes above the base index of 3.4% for the 2022-2023 fiscal year
- Draft Proposed Final Budget
  - Large amount of unknown factors
    - Personnel costs / staffing projections
    - Revenue (local and state)
  - Developed using trend analysis at a high level
    - Estimated personnel costs (objects 100 through 299)
    - Line item detail has been included for operational costs (objects 300 through 999)



# Fund Balance – as of June 30, 2021

• Nonspendable – prepaid expenditures	\$743,167.52
• Committed – PSERS employer retirement costs	\$192,471.00
• Assigned for capital improvements	\$14,628,019.93
• Assigned for 2021-2022 general fund budget	\$1,008,637.00
• Assigned for general fund – athletic cash account	\$337.12
• Assigned for debt service expenditures	\$635,638.00
• Assigned for employee benefit obligations	\$7,212,932.63
• Unassigned fund balance	<u>\$7,168,510.50</u>
• Total	\$31,589,713.70

\*Source: audited financial statements as of June 30, 2021

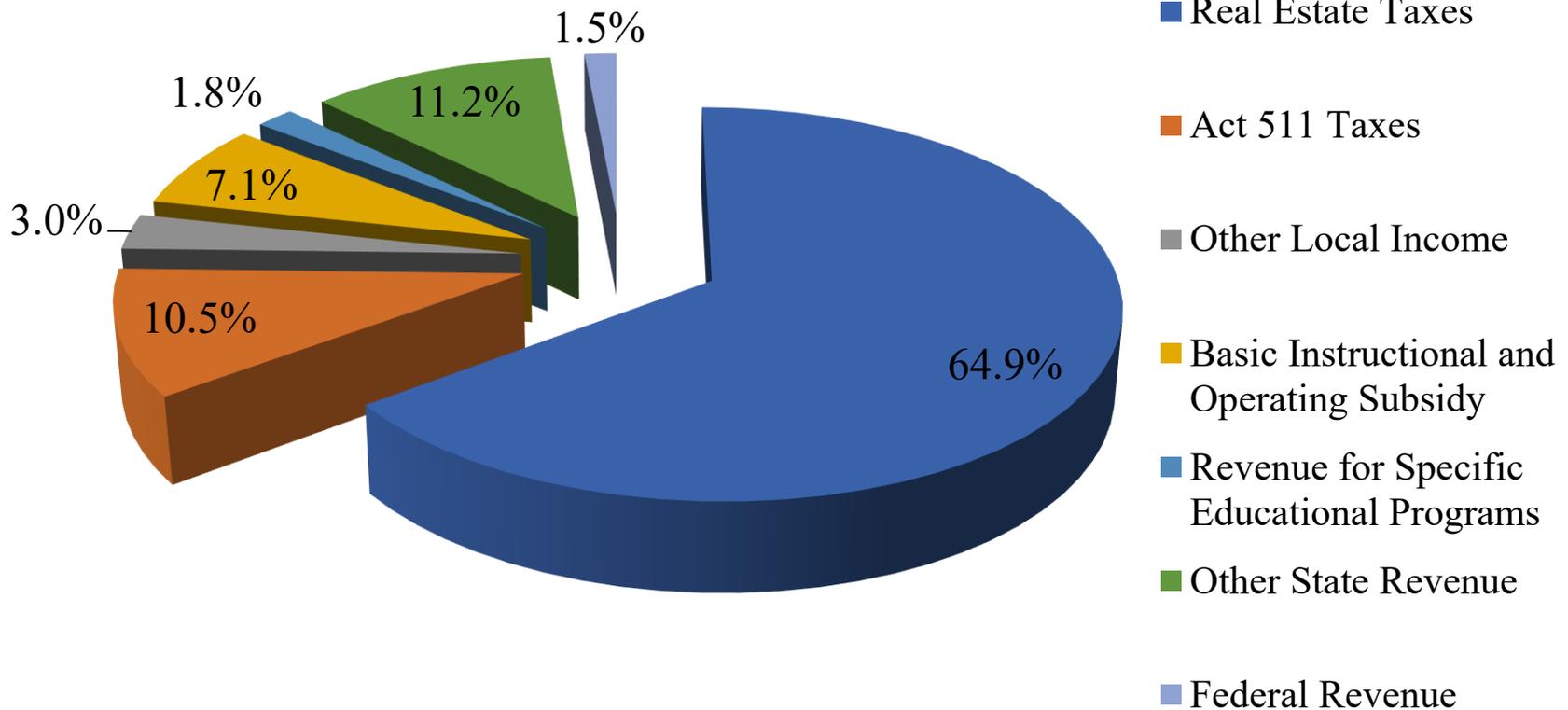


# Current Budget Status

- Projected revenue\* \$99,125,685
- Projected expenditures (\$100,936,366)
- Current budgetary deficit (\$1,810,681)
  - In this draft, the deficit is shown as Utilization of Assigned Fund Balance for Capital Improvements
  - Capital Funding Plan for 2022-2023 = \$5,060,006
  - \*This draft does not include a tax increase.



# Revenue



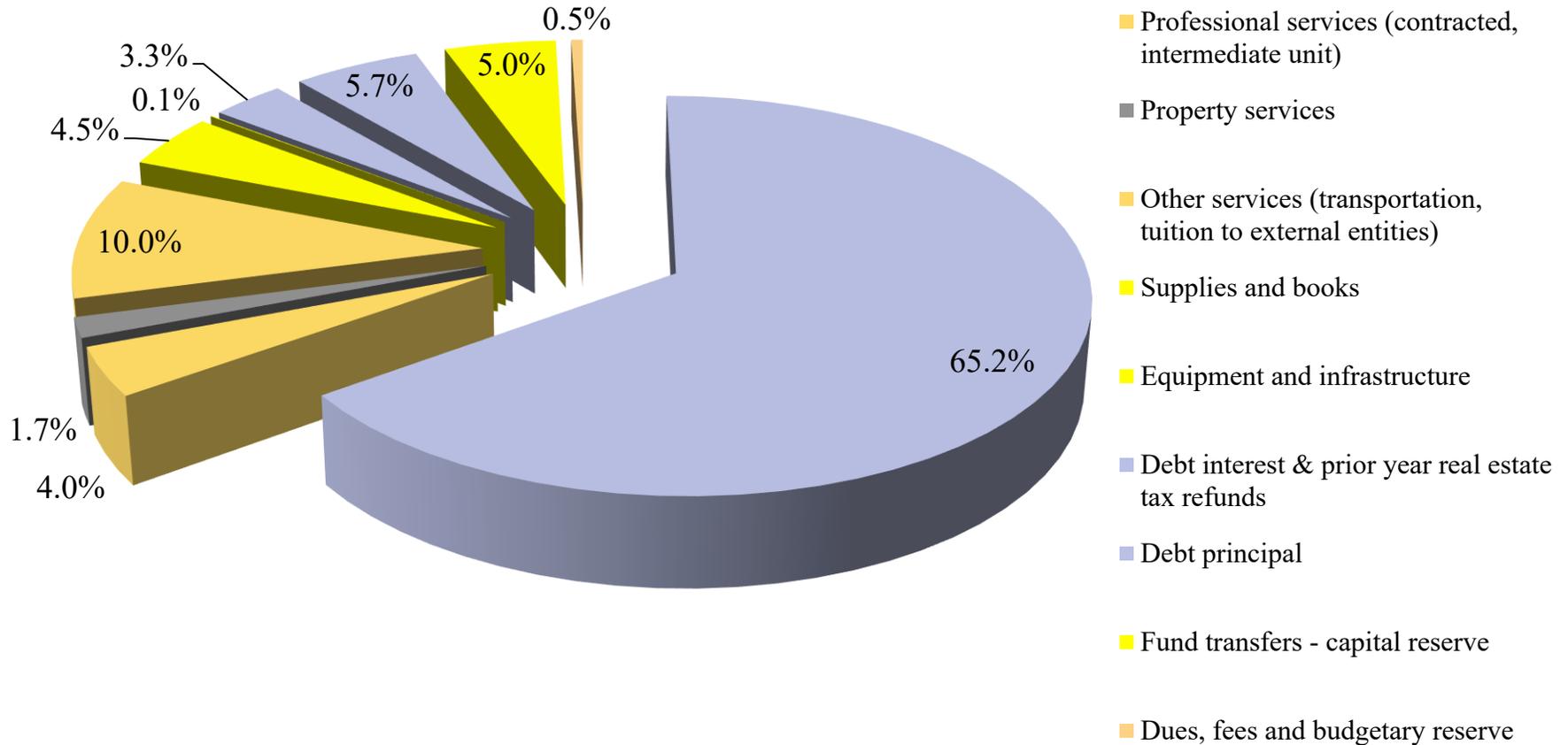


# Factors Impacting Revenue

- Real estate assessed values
  - Updated values will be received from Allegheny County in May 2022 - 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

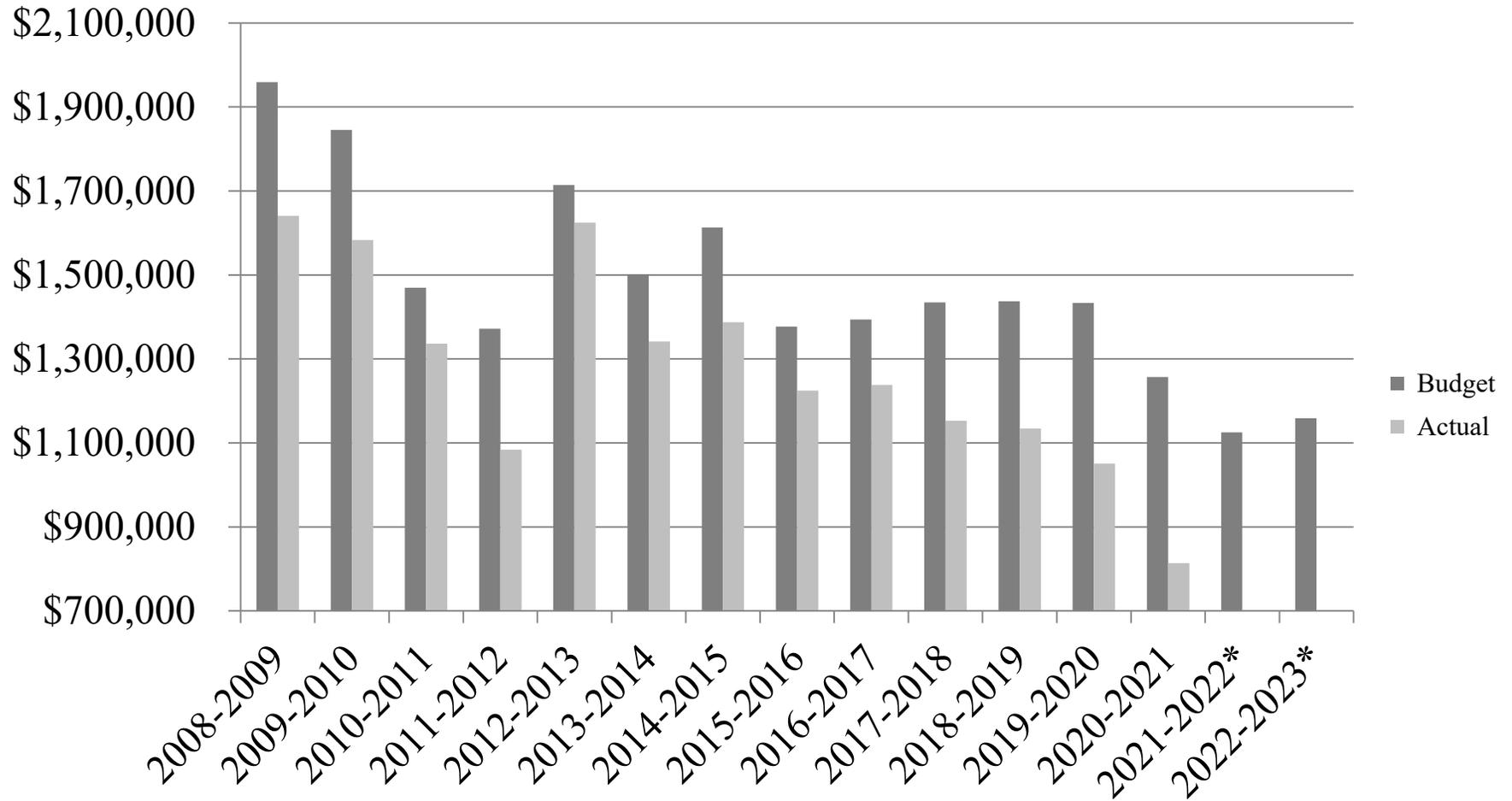


# Expenditures





# Building Level Spending



\*Budgeted figures are included in the chart above for 2021-2022 and 2022-2023

“Focus on learning for every student every day.”



# Factors Impacting Expenditures

- 0.32% increase in PSERS employer contribution rate from 34.94% to 35.26% of payroll cost (approximately \$300,072 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 2022 - 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 2022
  - Cyber / charter school impact
- Increasing costs for outplacement tuition



# Pine-Richland School District

Retirement Planning



	(Actual) 2019	(Actual) 2020	(Actual) 2021	(Budget) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025	(Projected) 2026	(Projected) 2027
Total Revenue	97,425,532	101,227,632	137,112,341	94,746,409	99,125,685	100,423,324	102,902,344	105,507,221	107,955,538
Total Expenditures	96,217,142	99,337,835	133,592,444	95,755,046	100,936,366	105,547,510	111,457,668	113,613,532	118,302,568
Operating Balance	1,208,389	1,889,797	3,519,897	(1,008,637)	(1,810,681)	(5,124,186)	(8,555,324)	(8,106,311)	(10,347,030)

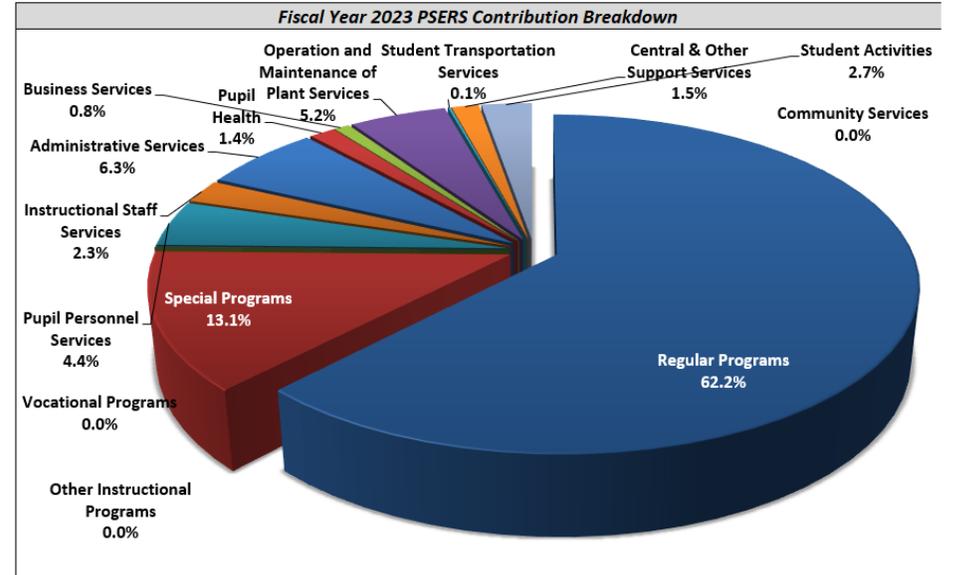
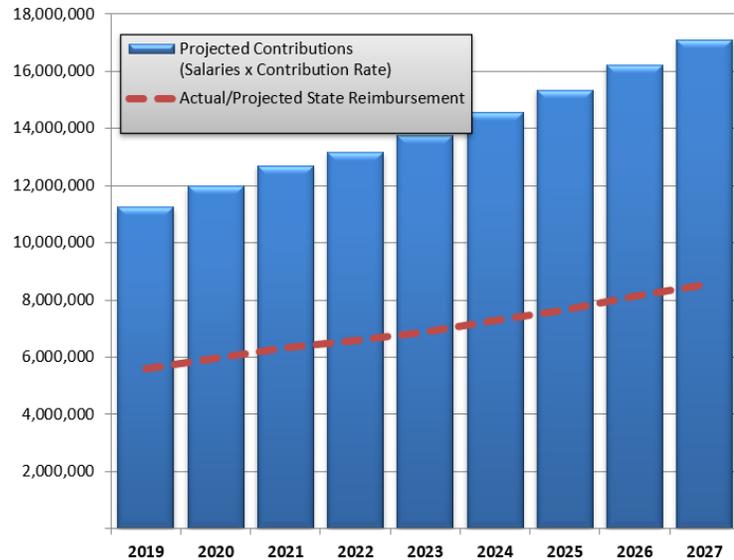
## EXPENDITURES

<b>100</b>	<b>Personnel Services - Salaries</b>	33,747,393	35,026,501	36,996,454	37,801,746	39,168,112	40,911,918	42,737,057	44,647,414	46,647,063
	<b>Less: Non-PSERS Eligible Salaries</b>	(115,351)	(107,507)	(190,137)	(152,000)	(158,000)	(158,000)	(158,000)	(158,000)	(158,000)
	<b>Net PSERS Eligible Salaries</b>	<b>33,632,042</b>	<b>34,918,994</b>	<b>36,806,318</b>	<b>37,649,746</b>	<b>39,010,112</b>	<b>40,753,918</b>	<b>42,579,057</b>	<b>44,489,414</b>	<b>46,489,063</b>
	<b>PSERS Contribution Rates *</b>	<b>33.43%</b>	<b>34.29%</b>	<b>34.51%</b>	<b>34.94%</b>	<b>35.26%</b>	<b>35.69%</b>	<b>36.02%</b>	<b>36.48%</b>	<b>36.78%</b>
	<b>Projected Contributions</b> <i>(Salaries x Contribution Rate)</i>	<b>11,243,192</b>	<b>11,973,723</b>	<b>12,701,860</b>	<b>13,154,821</b>	<b>13,754,966</b>	<b>14,545,073</b>	<b>15,336,976</b>	<b>16,229,738</b>	<b>17,098,677</b>
<b>230</b>	<b>Actual Contributions (from AFR)</b>	11,243,192	11,973,723	12,701,860						

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

## REVENUES

	<b>Projected Contributions (from above)</b>	11,243,192	11,973,723	12,701,860	13,154,821	13,754,966	14,545,073	15,336,976	16,229,738	17,098,677
	<b>Projected State Reimbursement 50.00%</b>	<b>5,621,596</b>	<b>5,986,861</b>	<b>6,350,930</b>	<b>6,577,411</b>	<b>6,877,483</b>	<b>7,272,537</b>	<b>7,668,488</b>	<b>8,114,869</b>	<b>8,549,339</b>
<b>7820</b>	<b>Actual Reimbursement (from AFR)</b>	5,591,777	5,971,027	6,334,157						
	<b>Actual State Reimbursement %</b>	49.82%	49.73%	49.87%	49.87%					
	<b>(Average)</b>									
	<b>Net PSERS Contribution</b>	<b>5,621,596</b>	<b>5,986,861</b>	<b>6,350,930</b>	<b>6,577,411</b>	<b>6,877,483</b>	<b>7,272,537</b>	<b>7,668,488</b>	<b>8,114,869</b>	<b>8,549,339</b>
	<b>Net Increase Over Prior Year</b>	<b>473,293</b>	<b>365,266</b>	<b>364,069</b>	<b>226,480</b>	<b>300,072</b>	<b>395,054</b>	<b>395,952</b>	<b>446,381</b>	<b>434,469</b>





# Tax Levy Options Under Act 1

	Millage Rate	Tax Levy (Options)	Median Assessed Value as of April 2021	Annual Impact on Homeowner  (assuming median assessed value)	Percent Change
Current	19.5867 mills	\$5,129.76	\$261,900	\$ -	0%
Base Index	20.2526 mills	\$5,304.16	\$261,900	\$174.40	3.4%



# Timeline

- May 1, 2022 – 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 2, 2022 – joint governance (finance) meeting
- May 2, 2022 – adoption of proposed final budget
  - Budget documents must be advertised and on display for at least 20 days prior to adoption of final budget
- June 6, 2022 – adoption of tax rates & final budget