



2022-2023 Proposed Final General Fund Budget Update

**For May 2, 2022
Joint Governance (Finance) Meeting & School Board Planning 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
- Proposed Final Budget
 - Adoption – May 2, 2022
 - Budget documents must be advertised and on display for at least 20 days prior to adoption of final budget
 - Unknown factors
 - Revenue (local real estate listing from Allegheny County and state subsidy projections)
 - Expenditures (outplacement/cyber/charter tuition estimates, workers' compensation and liability insurance rates)



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

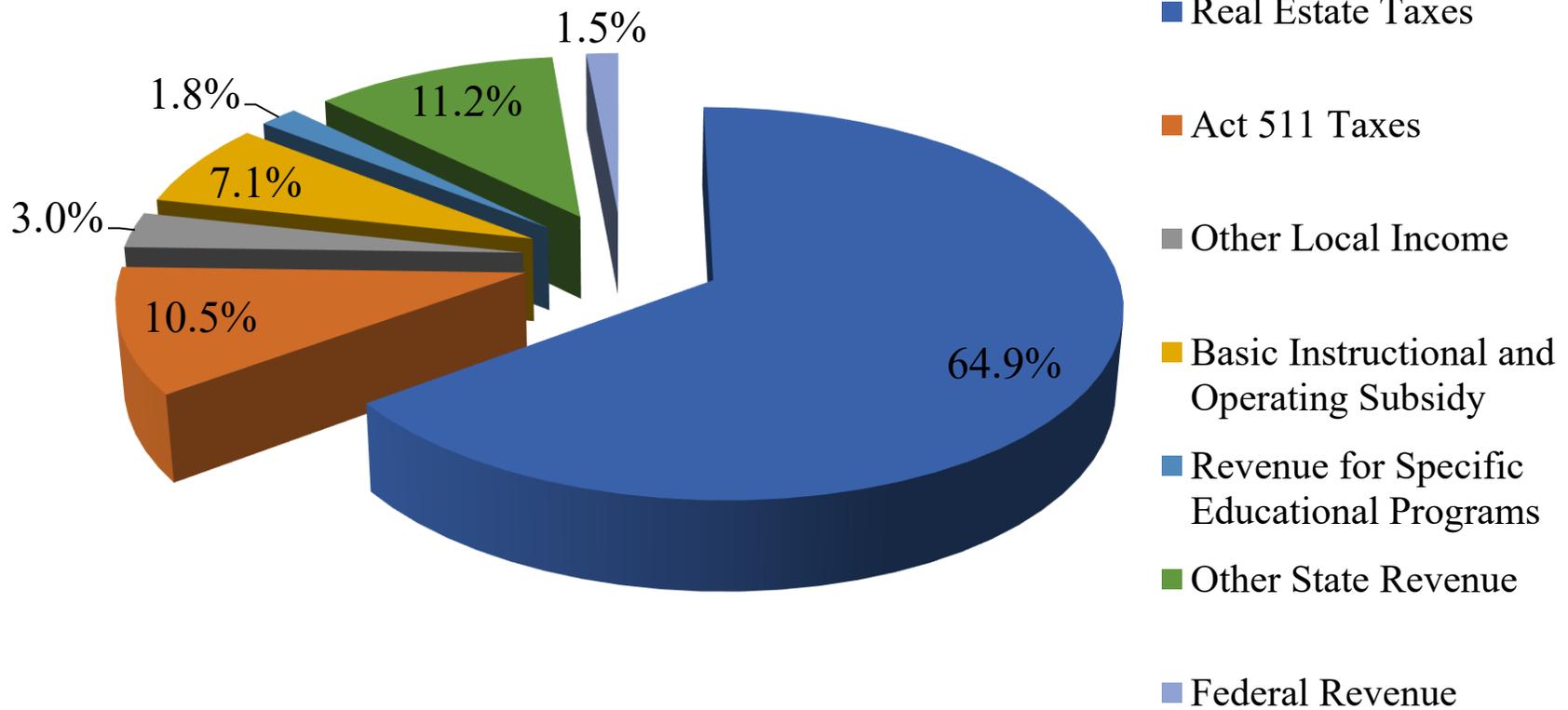


Current Budget Status

- Projected revenue* \$99,244,802
 - Projected expenditures (\$101,226,939)
 - Current budgetary deficit (\$1,982,137)
- The deficit is shown as Utilization of Assigned Fund Balance for Capital Improvements
 - Capital Funding Plan for 2022-2023 = \$4,969,529
 - *The proposed final budget 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

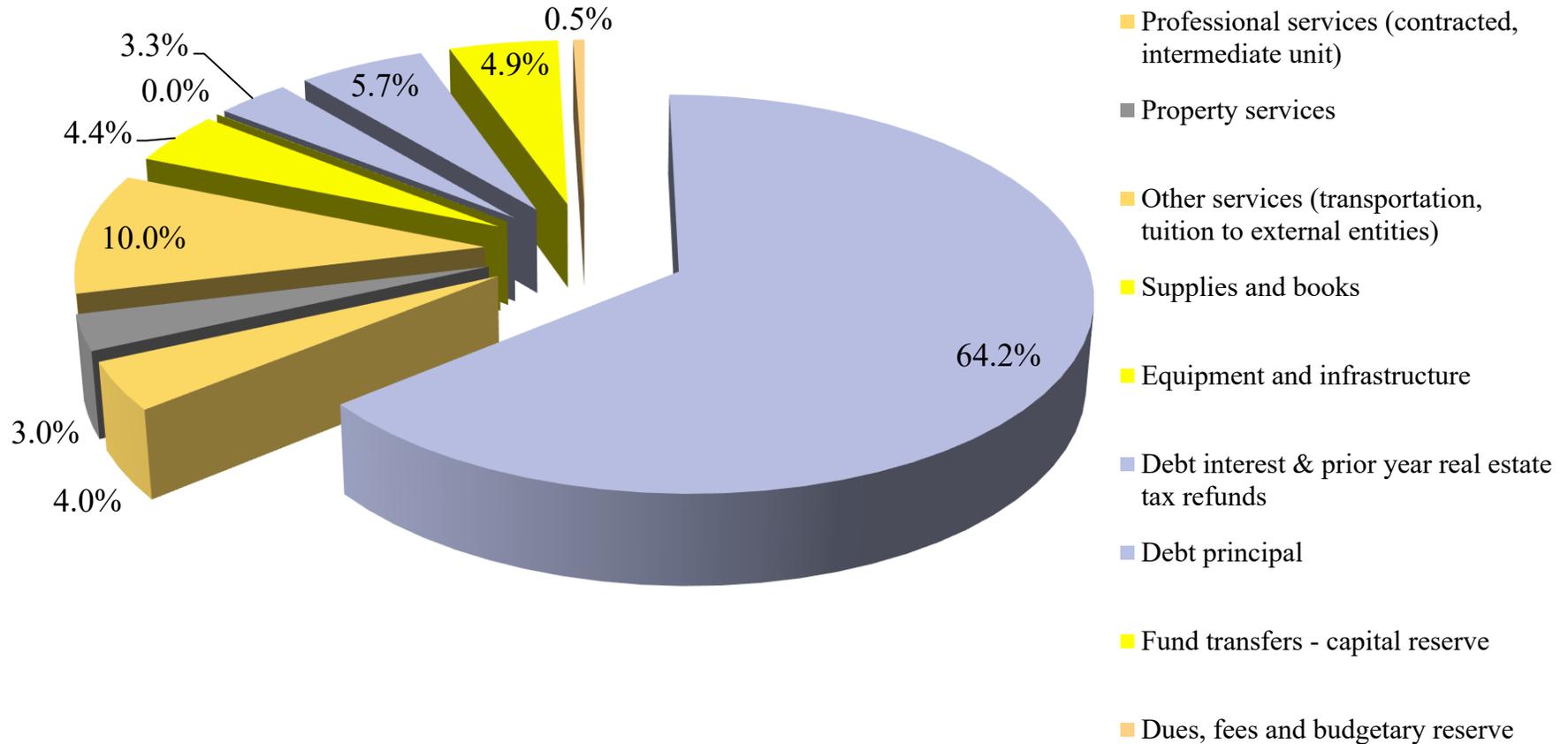


Federal Grants

- Title I
 - Reading Specialist (personnel) & non-public share
- Title IIA
 - Class Size Reduction for newly added section (personnel) & non-public share
- Title IV
 - Portion of Naviance Software & non-public share
- IDEA
 - Special education personnel and specialized services
- ARP ESSER
 - HVAC project (three primary schools)
- ARP ESSER Set Asides
 - Learning Loss, After School Programming and Summer School Programming
- Other possible grants: IDEA, Part B – Section 611 (MTSS), IDEA, Part B – Section 619, Title III (English Language Acquisition), School-Based ACCESS



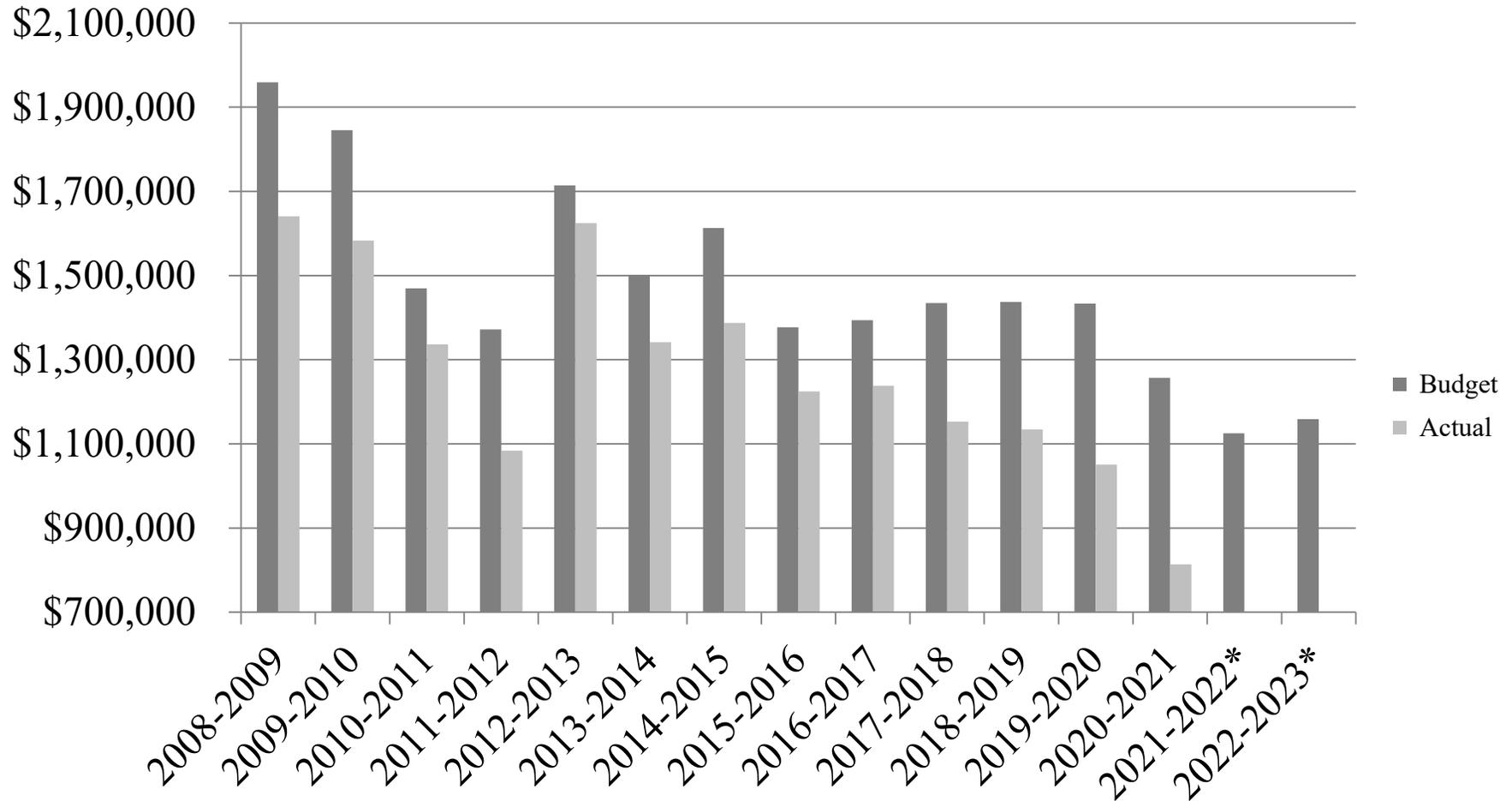
Expenditures



“Focus on learning for every student every day.”



Building Level Spending



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



Factors Impacting Expenditures

- 0.32% increase in PSERS employer contribution rate from 34.94% to 35.26% of payroll cost (approximately \$258,699 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
 - Detailed operational line items
 - Workers' Compensation & Liability Coverage rates to be available May 2022
 - Outplacement tuition – review current year budget to actual & projections
 - Cyber / charter school impact
 - Capital funding plan projects – adjustments to estimated costs / timing

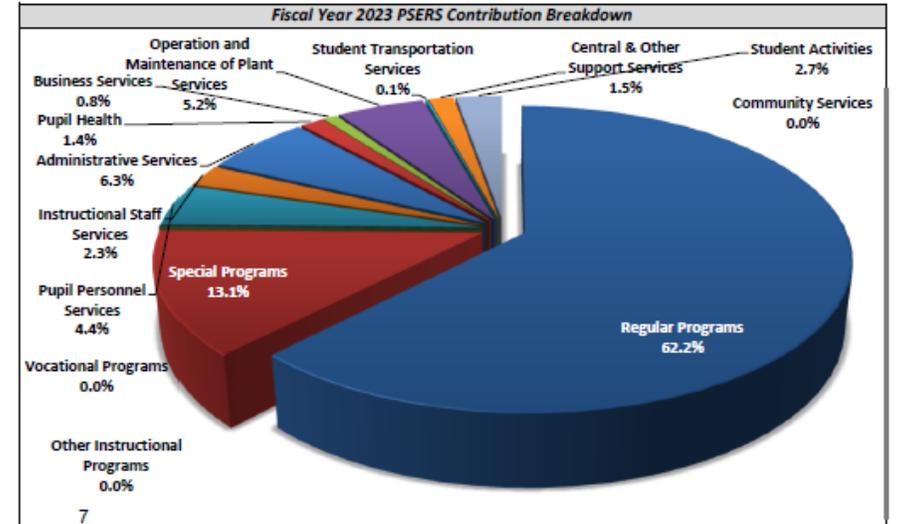
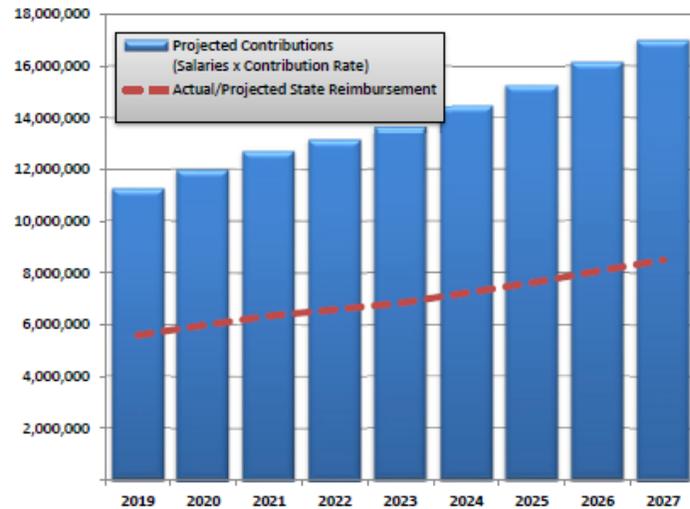


Pine-Richland School District

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	99,244,802	100,543,845	103,024,266	105,630,349	108,080,054
Total Expenditures	96,217,142	99,337,835	133,592,444	95,755,046	101,226,939	104,764,326	110,529,124	112,643,148	117,358,776
Operating Balance	1,208,389	1,889,797	3,519,897	(1,008,637)	(1,982,137)	(4,220,481)	(7,504,859)	(7,012,798)	(9,278,722)
EXPENDITURES									
100 Personnel Services - Salaries	33,747,393	35,026,501	36,996,454	37,801,746	38,930,437	40,664,600	42,479,681	44,379,547	46,368,252
Less: Non-PSERS Eligible Salaries	(115,351)	(107,507)	(190,137)	(152,000)	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)
Net PSERS Eligible Salaries	33,632,042	34,918,994	36,806,318	37,649,746	38,775,437	40,509,600	42,324,681	44,224,547	46,213,252
PSERS Contribution Rates *	33.43%	34.29%	34.51%	34.94%	35.26%	35.69%	36.02%	36.48%	36.78%
Projected Contributions <i>(Salaries x Contribution Rate)</i>	11,243,192	11,973,723	12,701,860	13,154,821	13,672,219	14,457,876	15,245,350	16,133,115	16,997,234
230 Actual Contributions (from AFR)	11,243,192	11,973,723	12,701,860						
<small>* Source: PSERS as of December 3, 2020. Contribution rates in blue can be modified to reflect different budgeted contribution rates</small>									
REVENUES									
Projected Contributions (from above)	11,243,192	11,973,723	12,701,860	13,154,821	13,672,219	14,457,876	15,245,350	16,133,115	16,997,234
Projected State Reimbursement	50.00%	5,621,596	5,986,861	6,350,930	6,577,411	6,836,110	7,228,938	7,622,675	8,066,557
7820 Actual Reimbursement (from AFR)	5,591,777	5,971,027	6,334,157						
Actual State Reimbursement %	49.82%	49.73%	49.87%	49.87%					
(Average)									
Net PSERS Contribution	5,621,596	5,986,861	6,350,930	6,577,411	6,836,110	7,228,938	7,622,675	8,066,557	8,498,617
Net Increase Over Prior Year	473,293	365,266	364,069	226,480	258,699	392,829	393,737	443,882	432,060





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