



# Finance

# Joint Governance Meeting

## Preliminary Budget Update

January 12, 2026



# 2026-2027 Budget Update as of 1.12.26

## 2026-2027 Preliminary Budget

2026-2027 Budget	No Millage Increase 19.5867	3.5% Index Increase 20.2721	<b>Not Confirmed Referendum Exceptions</b>
Revenues	\$107,061,289	\$109,327,383	\$110,484,836
Expenditures	\$111,774,281*	\$111,774,281*	\$111,774,281*
Operating Deficit	(\$4,712,992)	(\$2,446,898)	(\$1,289,445)
Capital Transfers (from Fund Balance)	\$5,804,193	\$5,804,193	\$5,804,193
Fund Balance Usage	(\$10,517,185)	(\$8,251,091)	(\$7,093,638)

PRSD is submitting the **Referendum Exceptions** column for the Proposed 2026-2027 Budget. This only gives the District the option to raise the millage rate to this level **(5.2-5.3%)** if approved by PDE. At the current date, raising the millage rate to index of 3.5% would increase revenue by \$2.266 million. If the referendum exceptions are approved, the district would could realize an additional \$1.157 million in revenue.

- \*This number will continue to reduce as structural actions are taken



# Budget Changes since 12.08.26

## Deficit has been reduced by \$269,924

### Pine-Richland School District 2026-2027 Budget Adjustments

Budget Item	Description	Changes to Operational Deficit	
December 8, 2025 Operational Deficit	Projection completed for December 8th Finance Joint Governance Meeting	\$	(4,983,715.44)
Hance Elementary	Reduced building budget	\$	1,133.00
Real Estate Adjustment 12/09/25	Net Adjustment to Real Estate due to updated value per County Profiles 12/05/25	\$	(23,190.00)
UC Adjustment	Unemployment Comp Adjustment	\$	250.84
Healthcare Adjustment	Due to recently updated adjustments and review of plan selection	\$	99,549.16
Facility Department Adjustment	Adjustment in Utility Increases	\$	(76,632.02)
Wexford Elementary	Reduced building budget	\$	208.00
Richland Elementary	Reduced building budget	\$	109.00
Delinquent Taxes	Delinquent Tax adjustment due to actuals	\$	20,335.43
Human Resources	Human Resource Budget Adjustment	\$	165.00
PSERS Rate	PSERS issued rate for 26-27 at 33.59% lowered from the projected 34.72%	\$	519,851.38
PSERS Reimbursement	Net Effect of the 50% State reimbursement due to PSERS rate drop	\$	(259,925.69)
Athletics Supplementals	Adjustment due to Fall Extended Season Actuals	\$	(12,069.76)
High School	Reduced building budget	\$	942.16
Miscellaneous	Miscellaneous adjustments		
	<b>Preliminary Proposed Budget Operational Deficit</b>	\$	<b>(4,712,988.94)</b>
Raise to Index	3.5% Millage Rate Increase	\$	2,266,094.00
Referendum Exceptions	\$1,157,454 allowable exception - additional 1.79% in millage increase	\$	1,157,454.00
	<b>Preliminary Proposed Budget Operational Deficit</b>	\$	<b>(1,289,440.94)</b>

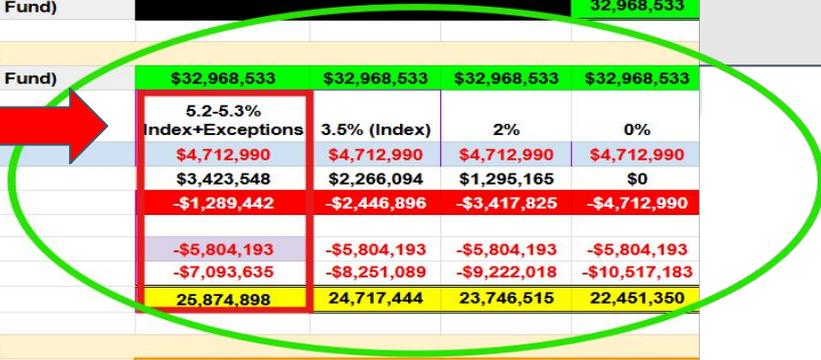
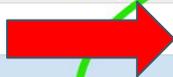


# Projected Deficit and Fund Balance

Future-Focused Financial Comparison Chart (1.12.26)

<b>2025 - 2026</b>				
Total Reserves on June 30, 2025 (Combined Fund Balance and Capital Reserve Fund)				\$46,352,249
Outstanding Capital Projects carried to 2025-2026				\$6,236,550
2025-2026 Final Budget Operating Deficit				\$1,225,334
Millage Adjustment for 2025 - 2026				0%
<b>Use/Addition of Reserves (Fund Balance Use for Operations)</b>				<b>-\$1,225,334</b>
Additional Millage Revenue				\$0
Use of Reserves (Capital Funding Plan Projects)				-\$6,921,832
Total Use of Reserves (Combined Fund Balance and Capital Reserve Fund)				-\$8,147,166
Projected Total Reserves on June 30, 2026 (Combined Fund Balance and Capital Reserve Fund)				32,968,533
<b>2026 - 2027</b>				
Projected Total Reserves on June 30, 2026 (Combined Fund Balance and Capital Reserve Fund)	\$32,968,533	\$32,968,533	\$32,968,533	\$32,968,533
Future Millage Adjustment	5.2-5.3% Index+Exceptions	3.5% (Index)	2%	0%
Projected Starting Operating Deficit (9% Healthcare Increase and Stable FTEs)	\$4,712,990	\$4,712,990	\$4,712,990	\$4,712,990
Additional Millage Revenue	\$3,423,548	\$2,266,094	\$1,295,165	\$0
Use/Addition of Reserves (Fund Balance Use for Operations)	-\$1,289,442	-\$2,446,896	-\$3,417,825	-\$4,712,990
Use of Reserves (Capital Funding Plan Projects)	-\$5,804,193	-\$5,804,193	-\$5,804,193	-\$5,804,193
Total Use of Reserves (Combined Fund Balance and Capital Reserve Fund)	-\$7,093,635	-\$8,251,089	-\$9,222,018	-\$10,517,183
Total Reserve Balance Projection (Combined Fund Balance and Capital Reserve Fund)	25,874,898	24,717,444	23,746,515	22,451,350
<b>2027 - 2028</b>				
Future Millage Adjustment (Held at 0% in Future to Illustrate Impact of Current Decision)	0%	0%	0%	0%
Projected Starting Operating Deficit (9% Healthcare Increase and Stable FTEs)	\$5,053,306	\$6,210,760	\$7,181,689	\$8,476,854
Additional Millage Revenue	\$0	\$0	\$0	\$0
Use/Addition of Reserves (Fund Balance Use for Operations)	-\$5,053,306	-\$6,210,760	-\$7,181,689	-\$8,476,854
Use of Reserves (Capital Funding Plan Projects)	-\$7,388,040	-\$7,388,040	-\$7,388,040	-\$7,388,040
Total Use of Reserves (Combined Fund Balance and Capital Reserve Fund)	-\$12,441,346	-\$13,598,800	-\$14,569,729	-\$15,864,894
Total Reserve Balance Projection (Combined Fund Balance and Capital Reserve Fund)	13,433,552	11,118,644	9,176,786	6,586,456

Index Plus  
Referendum  
Exceptions if  
approved.





# Continuing Revenue Issues

- **Common Level Ratio (CLR)** - Since the release of the certified property assessment values in January of 2025, District real estate revenue has decreased \$435,000. Expectation is continued decreases.
- **Slowed Growth** - The District has not seen the historical growth as it has in the past with new construction. In prior years, this growth helped reduce the CLR impact and added interim tax revenue.
- **State Funding** - Due to the historical financial strength of PRSD, state funding for the District has been level.
- **Interest Rate Decline/Fund Balance Usage** - The District strategically allocated funds for large capital projects, but as these funds are spent down less can be invested. Declining interest rates reduce interest earnings even further.



# Closing the Deficit: “And” not “Or”



## Expenditures

- Attrition (Case-by-Case Where Possible)
- Cyber-Charter Cost Structure
- Athletic Structure (Exp)
- Text(s)/Resource(s)
- Buildings (Combined)
- Technology Hardware
- Bond Refunding
- Safety and Security
- Substitutes
- Budgetary Reserve
- Outside Testing
- Utilities (Contain)
- Transportation (Contain)

## Revenue

- Millage
- Athletic Structure (Rev)
- AFJROTC Cost Sharing (Rev)
- Cellular Tower
- Naming Rights/Advertising
- Parking

**Educational Excellence**  
**Community Value**



# Referendum Exception Timeline

## Act 1 Key Dates for Preliminary Budget Adoption

- **January 12, 2026** - 2026-2027 Preliminary Budget as Information Item on Board Agenda
- **January 16, 2026** - Public notice of intent to adopt Preliminary Budget
- **February 9, 2026** - Preliminary Budget adoption
- **February 12, 2026** - Upload of preliminary budget to PDE and advertising of intent to request exceptions in a newspaper
- **March 5, 2026** - PDE issues a ruling on the requested tax rate increase from the exceptions