



# Finance Joint Governance Meeting

April 20, 2026



# Purpose

## GOAL



Preserve educational excellence in academics, athletics, arts and activities as a critical foundation of community value.

## CHALLENGE



Ongoing structural budget deficit (\$4.7M) driven by declining property tax revenue (Common Level Ratio) projected to worsen in 2027 – 2028.

## TASK



Further drive operational efficiency from a multi-year perspective through recurring, structural expense cuts combined with recurring, beneficial revenue increases.



# Act 1 Budget Timeline

- **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 (not yet received at this time)
- **March 25, 2026** - PDE sends notification informing districts of proposed tax increase (i.e., **PRSD Qualified**)
- **May 4, 2026** - Proposed final budget must be adopted by the School Board to then advertise for 30 days (changes can still occur prior to final)
- **June 8, 2026** - Final budget adoption by the School Board



# Potential Millage Adjustment

Since PRSD did qualify for special education exceptions, the maximum millage rate increase is 5.29%.

	Last Reassessment	Last Tax Increase	Current Millage	Index 3.5%	Index/Exceptions 5.29%
Year	2013-2014	2017-2018	2025-2026	2026-2027	2026-2027
Homestead/Farmstead Exclusion	\$192.08	\$186.00	\$293.21	\$293.21	\$293.21
Millage Rate	19.2803	19.5867	19.5867	20.2722	20.6228
Assessment Value	Tax Obligation	Tax Obligation	Tax Obligation	Tax Obligation	Tax Obligation
\$250,000.00	\$4,628.00	\$4,710.68	\$4,603.47	\$4,774.84	\$4,862.49
\$500,000.00	\$9,448.07	\$9,607.35	\$9,500.14	\$9,842.89	\$10,018.19
<b>Additional Revenue per each Millage Increase</b>				<b>\$2,254,472.00</b>	<b>\$1,157,453.00</b>
2025 Homestead Farmstead Exclusion					

If the District raised taxes the full allowable 5.29% the taxpayer would only pay an estimated additional 3.3% from 2017-2018 obligation

Given the Homestead Exclusion, a taxpayer in 2025 paid \$107 less for their PRSD Real Estate than they did in 2017 - 2018.



# Closing the Deficit: Potential Expense Cuts

Topic	Reduction	Impact
Staffing Level Attrition	(\$1,100,000)	Approximately seven additional positions for a total of 19.5 positions in two years
Healthcare Premium	(\$98,328)	Reduced from the estimated 9% to actual 8.3%
Text/Resources	(\$393,000)	One-time reduction with increased spending for 2027-2028
Athletics	(\$177,000)	Eliminates four teams, 11 supplementals, some supplies, and software
Safety/Security	(\$122,000)	Confidential reduction in specific expenses
Building Budgets	(\$104,000)	Reduction in supplies, equipment, etc.
Bond Refunding	(\$65,000)	Anticipated reduction when market conditions support refunding
AW Beattie	(\$52,000)	One-time reduction based on enrollment formula
Budgetary Reserve	(\$25,000)	Further reduction limiting flexibility for unanticipated needs
Technology Devices	(\$25,000)	Reduction in refresh and replacement cycle



# Closing the Deficit: Potential Revenue

Topic	Add	Impact
Millage	\$3,400,000	5.29% reflects 3.5% Act 1 Base Index and 1.79% Special Education Exceptions
Athletics with Activity Fee, Ticketing, Advertising	\$165,000	Options A - D provided to the board; Ticketing prices to \$6 adults/\$4 students; Tiered Booster Fee (\$3500/\$2500/\$1500)
Transportation Subsidy	\$122,000	Hazardous Routes
AFJROTC Cost Sharing	\$55,000	Per Cadet Cost Sharing Methodology
Naming Rights	\$50,000	TBD
Parking	\$25,000	Board member suggested shift from \$100 to \$150
Facility Use	\$17,000	Increases to offset utility and personnel costs
Stepping Stones	TBD	Revised agreement consistent with facility use



# Recommendation

Given approval of the special education exception, **Mr. Juzwick and Dr. Miller recommend:**

- **5.29% approximate increase (adds a maximum of \$3.4M in revenue)**
- **Cuts/adds of approximately \$2.1M in structural actions (including attrition);**
- **Cut \$560K in one-time expense cuts.**

**These combined actions total approximately \$6M.** Beyond the stated \$4.7M deficit, this full effort will offset some capital expense for 2026 – 2027, preserve fund balance levels, and better position the district for operations in 2027 – 2028 and beyond. The seriousness of the CLR-driven challenge will still exist. **All of these efforts are projected to put our initial 2027 – 2028 operational deficit at \$3M.**



# CLR Impact on Real Estate Value

- As a result of CLR and tax payer-initiated reassessment appeals, the overall value of the PRSD real estate footprint continues to decline (e.g., \$119,000 of real estate revenue was lost in the past month).
  - In other words, a 5.29% increase in June 2026 is worth less than a 5.29% increase in February 2026 (i.e., exception is a dollar amount and base index is a percentage).
- PDE approved the special education referendum exception in the amount of \$1,157,453. In February 2026, that amount equaled approximately 1.79%. Given the declining value of the real estate footprint, the current equivalent of \$1,157,453 is slightly greater than 1.79%.



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PINE-RICHLAND SCHOOL DISTRICT

# Additional Discussion/Questions

