



Finance Joint Governance Meeting

March 16, 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.



Closing the Deficit: Potential Expense Cuts

Impact
Discussion

- **Attrition (Recurring) - Scheduled for April**
- Healthcare (One-Time) - (\$98,328)
- **Text/Resources* (One-Time, Variable) - (\$393,000)**
- **Athletics* (Recurring) - (\$175,000)**
- Safety/Security (Recurring) - Confidential
- **Building Budgets* (Recurring) - (\$90,000 - 100,000)**
- AW Beattie (One-Time) - (Draft Stages Reduction Likely)
- Bond Refunding (Recurring) - Scheduled for May
- Budgetary Reserve (Recurring) - (\$25,000)
- Technology Devices (Recurring) - (\$25,000)

*More detail on the next slide

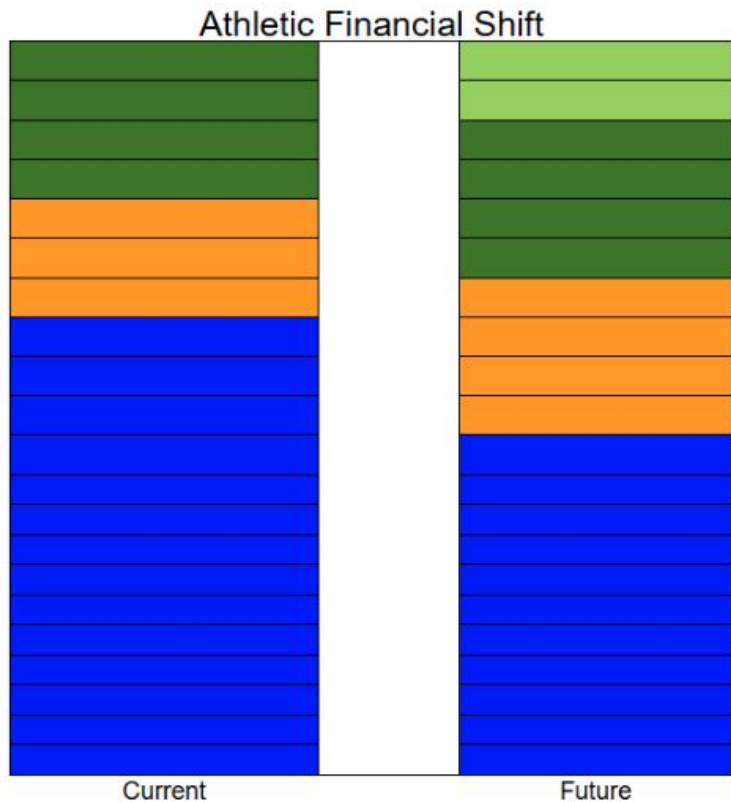


Closing the Deficit: Potential Expense Cuts

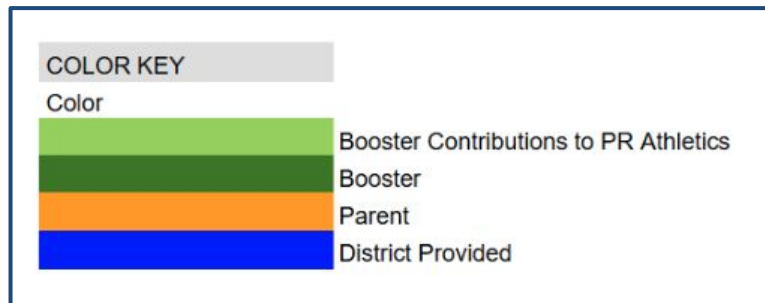
- Text/Resources (One-Time) - (\$393,000)
 - Increase for 2027 - 2028 for K - 5 Math and Others
- Athletics (Recurring) - (\$175,000)
 - Four (4) MS Teams (All costs)
 - Eleven (11) Other Supplementals
 - Supplies
 - Reduction to Partially Funded Sports
 - Software Consolidation
- Building Budgets (Recurring) - (\$90,000 - 100,000)
 - Supplies, Supplemental Resources, etc.

Impact
Discussion

Task: Reduce overall athletic expenditures and increase athletic revenue



Athletic Example
“We Concept”



Examples of Expenditure Reductions and Revenue Increases

Expenses		Revenue	
Middle School Teams (Coaches, Travel, Officials, Supplies, Etc.)	(\$55,000)	Participation Fee (Per Sport/Club/Activity v. One-Time)	\$100,000 Additional
Other Supplemental Coaching Positions	(\$65,000)	Event Tickets Split for District and Boosters (Excluding FB, BBB)	\$15,000 Additional
Supplies/Equipment Across All Athletic Programs Combined	(\$40,000)	Advertising (Digital, Programs, Banners, etc.) or Direct Booster Contribution	\$50,000 Additional
Partially Funded Total Reduction	(\$10,000)	Naming Rights (Stadium, Turf, Gym, Gym Floor)	\$50,000 New
Software	(\$7,000)		
Total Reductions	(\$177,000)	Total Revenue	\$215,000
Total Athletics Adjustment = \$392,000			

Middle School Teams (Coaches, Travel, Officials, Supplies, Etc.)	(\$55,000)
Other Supplemental Coaching Positions	(\$65,000)

(4) Teams
(17) Supplemental Positions

4 Teams = 6 Positions

11 Additional Positions Through Other Programs





Closing the Deficit: Potential Revenue Adds

- **Millage (Recurring) - Scheduled for May/June**
- **Athletics* (Recurring) - \$165,000 (without naming)**
- Transportation Subsidy (Recurring) - \$112,000
- Naming Rights* - In Discussion
- Cellular Tower (Recurring) - In Discussion
- **Facility Use* (Recurring) - \$17,000**
- Stepping Stones (Recurring) - In Discussion
- AFJROTC (Recurring) - Per Cadet Cost Share with Mars
- Parking - TBD

Impact
Discussion

*More detail on the next slide



Closing the Deficit: Potential Revenue Adds

- Facility Use (Recurring) - \$17,000
 - Increase \$2/hour Class III and \$5/hour Class IV
 - Increase \$5/hour Labor for Class II, III, and IV
- Athletics (Recurring) - \$165,000 (without naming rights)
 - Activity/Participation Fee - (\$250 / \$150 for Max \$400)
 - Ticketing - \$6 and \$4 with booster split
 - Advertising - Tiered Rate with Sponsorship
- Naming Rights - In Discussion
 - Board Approval Required
 - Stadium/Turf/Gym/Floor

Impact
Discussion



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., whether PRSD qualified for exceptions)
- **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



Projected Deficit and Fund Balance

2026 - 2027					
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		5.29% 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
2027 - 2028					
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



PINE-RICHLAND SCHOOL DISTRICT

Additional Discussion/Questions

