



# Finance Joint Governance Meeting

May 4, 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.



# Communicating Context



Given many years of “organic revenue growth” through residential and commercial expansion, it is critical to repeatedly communicate the change in context:

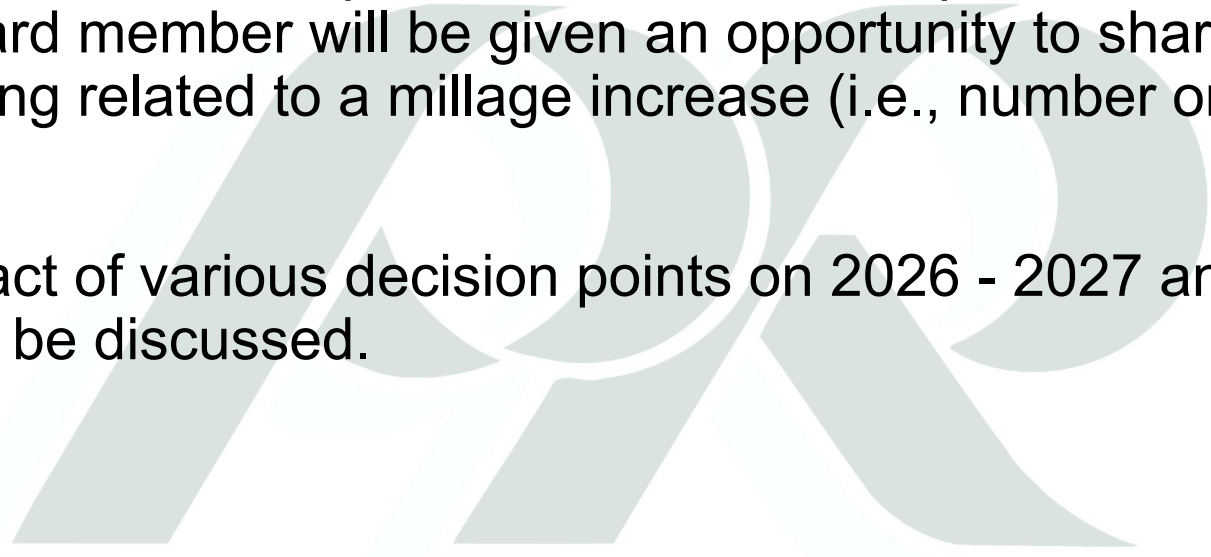
- Local revenue conditions changed in 2022 - 2023 with the common level ratio (CLR) and new construction growth is slowing
- Local revenue conditions will continue to worsen while cost of living increases
- PRSD is already low in millage rate and lean in operations (people and resources)
- High quality education is good for the community (with/without children in school)
- SLT has expertise in this area and a proven track record for fiscal responsibility working with the board.



# Current Perspectives



- Given discussion and presentations over the past 6 - 18 months, each board member will be given an opportunity to share her or his thinking related to a millage increase (i.e., number or range).
- The impact of various decision points on 2026 - 2027 and 2027 - 2028 will be discussed.





# Activity Fee Structure



Modified Pay Per <b>Option C</b> \$400 Individual Cap		Modified Pay Per <b>Option D</b> \$300 Individual Cap	
Athletics Only	<b>Band/</b> Non-Athletics	Athletics Only	<b>Band/</b> Non-Athletics
\$250 for first	\$150 for first	\$200 for first	\$100 for first
\$150 for second	\$150 for second	\$100 for second	\$100 for second
\$0 for third	\$100 for third	\$0 for third	\$100 for third
	\$0 for fourth		\$0 for fourth
Any combination of columns until reach \$400		Any combination of columns until reach \$300	
Current Revenue = \$202,500 Projected Revenue = <b>\$415,000 - \$430,000</b>		Current Revenue = \$202,500 Projected Revenue = <b>\$315,000 - \$330,000</b>	



# Other Structural Items



- Facility Use Increases
- Tiered Booster Contribution for Advertising and Sponsorship
- Athletic Ticket Sales
- Parking





Two areas of consideration:

- Cyber-Charter Costs and Resolution Update
- Allegheny County Reassessment





# Capital Funding



Major Projects	Major Projects	Major Projects
Wexford Elem. HVAC - Phase 2	Richland Elem Roof Payment Cycle 1	Hance Elem Roof Payment Cycle 1
Richland Elem. HVAC - Phase 2		Richland Elem Roof Payment Cycle 2
Wexford Elem. Roof Project 52% funding	Wexford Elem. Roof Project 48% funding	Eden Hall HVAC Equip. (Air H/Temp)
Paving & Concrete funded in 2026-2027 Phase 1		Pool Repairs and Maint. Phase 1
Hance Elem HVAC 28% funded. Phase 1 starting to 2026-2027	Paving & Concrete Phase 2	Paving & Concrete Phase 3
MS Flooring - Phase 1	Hance HVAC Begins. Remaining Funding in 2027-2028	Hance Elem HVAC 72% funded. Phase 2
High School Terrazzo Flooring - Phase 2	MS Flooring - Phase 2	MS Flooring - Phase 3
	High School Terrazzo Flooring - Phase 3	
<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>
\$ 352,000.00	\$ 226,000.00	\$ 249,000.00
\$ 913,250.00	\$ 1,560,500.00	\$ 1,952,300.00
<b>\$ 3,102,082.00</b>	<b>\$ 1,124,693.00</b>	<b>\$ 2,975,740.00</b>
<b>\$ 1,625,000.00</b>	<b>\$ 2,482,000.00</b>	<b>\$ 1,000,000.00</b>
\$ 495,000.00	\$ 335,000.00	\$ 575,000.00
\$ 434,500.00	\$ 76,000.00	\$ 636,000.00
\$ 6,921,832.00	\$ 5,804,193.00	\$ 7,388,040.00

↑  
Shifted approximately \$2.9M from 2026 - 2027



# Capital Funding Plan and Fund Balance



Capital Funding Plan **attachment (February 9, 2026 in BoardDocs)**

- 2026 – 2027 \$5.8M
- 2027 – 2028 \$7.4M
- 2028 – 2029 \$6.2M

Fund Balance Estimated for June 30, 2026 (\$32.9M)

- \$20M in capital projects over the next three years puts our fund balance at \$13M
- \$13M projects to about 11% (assigned, committed, and unassigned)
- Board Policy 620 puts unassigned at a minimum of 5% and state maximum of 8%



# 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.**



# 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



# 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



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PINE-RICHLAND SCHOOL DISTRICT

# Additional Discussion/Questions

