

Finance Committee Meeting

April 11, 2023



Mission and Vision

- Mission

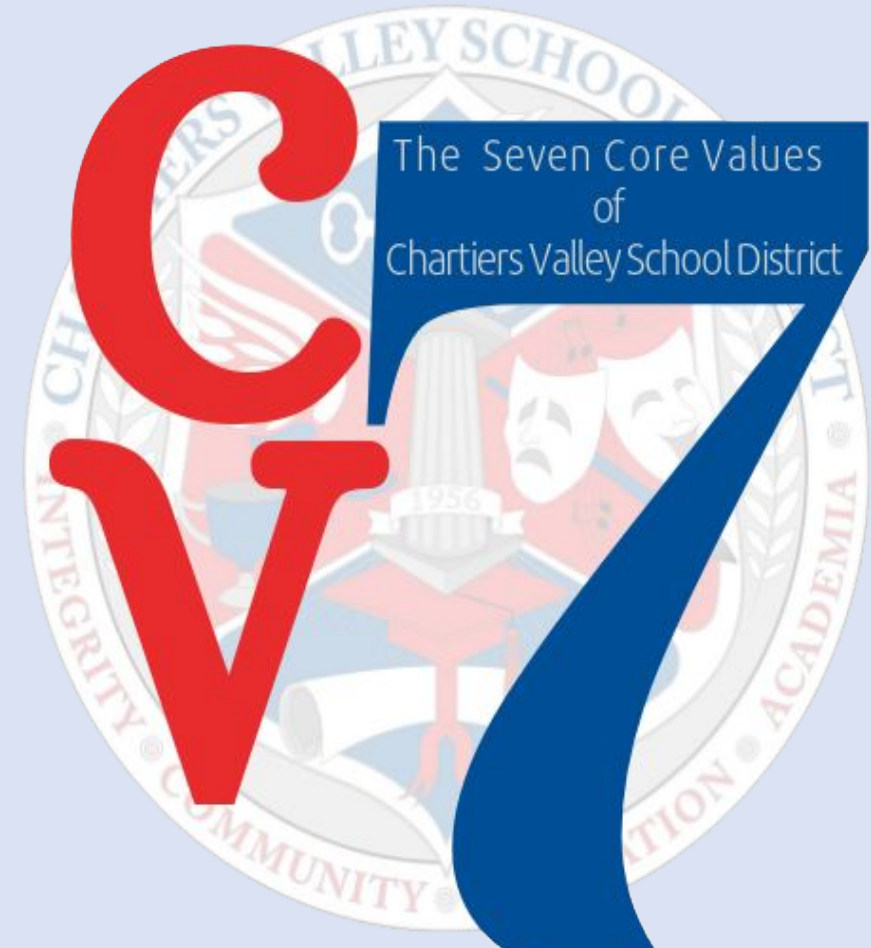
The mission of the Chartiers Valley School District, a community dedicated to shared leadership, is to graduate students who achieve personal success by providing an exceptional academic foundation in a safe, nurturing environment that inspires creativity and innovation while embracing diversity.

- Vision

We will inspire excellence in instruction, learning and innovation to prepare our students to achieve personal success.

Chartiers Valley School District 7 Core Values

1. Demonstrate genuine care, concern and fondness for students.
2. Adopt an education-centered focus where students come first, followed closely by the needs of their parents.
3. Develop and nurture healthy, productive and cooperative relationships with colleagues.
4. Communicate regularly and clearly with students, their families and the community.
5. Create and cultivate a district-wide learning community where all employees and educators are valued.
6. Encourage innovation and creativity.
7. Embrace community and regional partnerships.



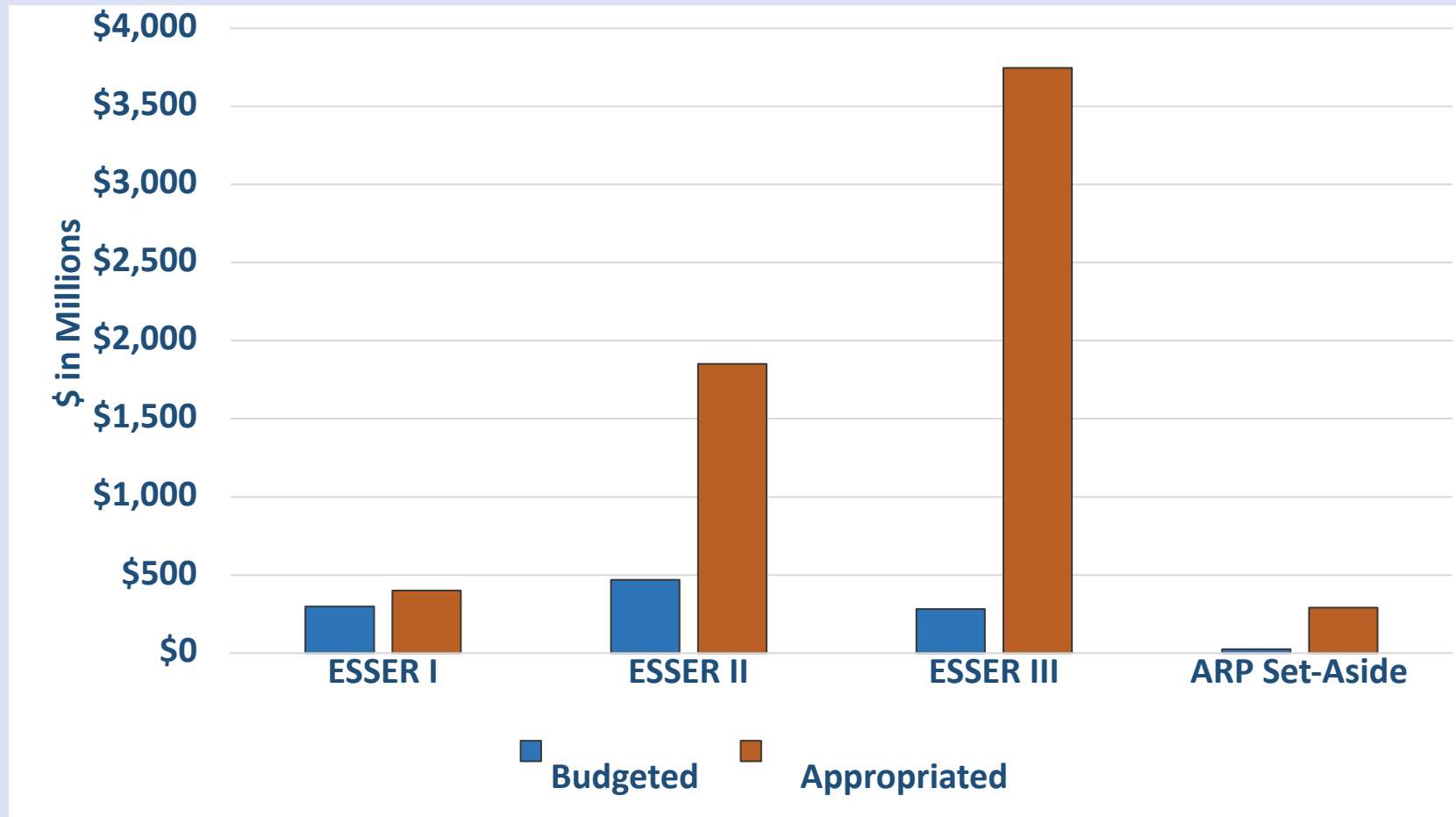
2022-23 CVSD Budget Update: ESSERS



ESSER Funding Challenge – Spending the Funds by 2024

Elementary and Secondary School Emergency Relief Fund

ESSER Funds - District Budgeted & Federally Appropriated



Source: PASBO, PASA, PARSS 2022 Budget Survey

Chartiers Valley Stimulus Funds and Other Grants

<u>Grant</u>	<u>Dates</u>	<u>Utilization</u>	<u>Amount</u>
CARES (ESSER I)	March 13, 2020 to Sept 30, 2021	Long-term subs and NPS share	\$ 292,307
PCCD	March 1, 2020 to Oct 30, 2020	Technology, iPads at PS	\$ 247,719
PCCD	March 1, 2020 to June 30, 2021	Technology, iPads at PS	\$ 96,825
ESSER II	March 13, 2020 to Sept 30, 2024		\$ 1,336,240
	2020-21 \$749,830	2021-22 \$586,410	
	- Long-Term Substitute Teachers	- Long-Term Substitute Teachers	
	- Online Learning Coverage	- Online Learning Coverage	
	- Curriculum Writing	- Curriculum Writing	
	- Summer Learning Loss	- Technology (Robotics, wireless, interactive boards)	
	- Professional Development		
	- Precision Substitute Service Cost		

Chartiers Valley Stimulus Funds and Other Grants (Cont.)

ESSER III	March 13, 2020 to Sept 30, 2024				\$ 2,702,826
990	2021-22	\$129,803	2022-23	\$2,573,023	
	- Chill Room, MAPS, Curriculum Writing \$129,803		- PS HVAC \$2M		
	- PS HVAC \$2M		- Chill Room, Curr Writing		
ESSER III 7% Required Set Asides	July 1, 2021 to Sept 30, 2024			March 13, 2020, through September 30, 2024	\$ 210,070
994	- Learning Loss	\$78,026		78,026	
	- Mental Health	\$45,015		45,015	
	- Mental Health Staff Prof Dev	\$15,005		15,005	
996	-After School Program	\$30,010		30,010	
995	-Summer Enrichment	\$30,010		30,010	
	- Reading Focus Program	\$12,004		12,004	

Chartiers Valley Stimulus Funds and Other Grants (Cont.)

ESSER III Homeless Set Aside	July 1, 2021 and will terminate on September 30, 2024		\$ 12,374
ESSER 3 Special Ed	July 1, 2021 to September 30, 2022		\$ 114,137
PCCD Grant Mental Health	August 1, 2022 to July 31, 2024	Chill Rooms 2022-23	\$ 150,681
PCCD Grant Safety and Security	August 1, 2022 to July 31, 2024	Cameras at PS and IS, PA System at PS, cameras on school buses, QBS Crisis Prevention Training	\$ 150,681
Total			\$ 5,313,860

2022-23 CVSD Budget Update



2022-23 CVSD Fiscal Notes

- Monitoring discretionary expenditures closely
- ESSER 3 funds supporting **one-time cost** (i.e., PS HVAC)
- Two open administrative positions
- PCCD Grant supports security with door swipes and cameras
- Cyber Academy supports online offering vs. Charter School enrollment
- Food Service surplus due to Federal Aid for student breakfast

Fund Balances at 6/30/22

	General Fund	Capital Improvement	Debt Stabilization	Designated Trust & Activities	TOTAL
Nonspendable	\$1,024,239	\$0	\$0	\$0	\$1,024,239
Restricted	0	16,620,107	0	0	16,620,107
Committed	1,687,618	953,120	3,213,945	123,070	5,977,753
Unassigned	4,080,403	0	0	0	4,080,403
TOTAL	\$6,792,260	\$17,573,227	\$3,213,945	\$123,070	\$27,702,502
Increase (Decrease) from 2021	(\$278,136)	\$15,327,505	(\$619,469)	\$5,225	\$14,435,125

General Fund Balance - June 30, 2022 (A Closer Look)

	Fiscal Year		
	2020	2021	2022
Fund Balance, July 1	\$ 1,486,659	\$ 2,925,777	\$ 7,070,396
Net Change in Fund Balance	1,439,118	4,144,619	(278,136)
Fund Balance, June 30	<u>\$ 2,925,777</u>	<u>\$ 7,070,396</u>	<u>\$ 6,792,260</u>
Fund Balance Breakdown:			
Nonspendable	688,118	1,052,022	1,024,239
Committed	150,226	2,319,274	1,687,618
Unassigned	<u>2,087,433</u>	<u>3,699,100</u>	<u>4,080,403</u>
	<u>\$ 2,925,777</u>	<u>\$ 7,070,396</u>	<u>\$ 6,792,260</u>

General Fund Balance - June 30, 2022 (A Closer Look)

- CVSD Unassigned Fund Balance as a % of Expenditure Budget = **5.66%**
- 8% cap by PDE for budgeting of unassigned fund balance

2022-23 Year-End Projection Projection

2022-23 Projected Revenue: \$73,675,387

2022-23 Projected Expenses: \$73,366,105

Projected Deficit as of April 11, 2023: \$ 459,282 (Debt Stabilization)

- Increased number of special education placements
- Increased utilities 5-8%
- Capital Reserve transfer of \$250,000 recommended

2023-2024 CVSD Proposed Budget



2023-24 Budget Process

November/ December – first submission by Budget Managers; Salary and Benefits projected

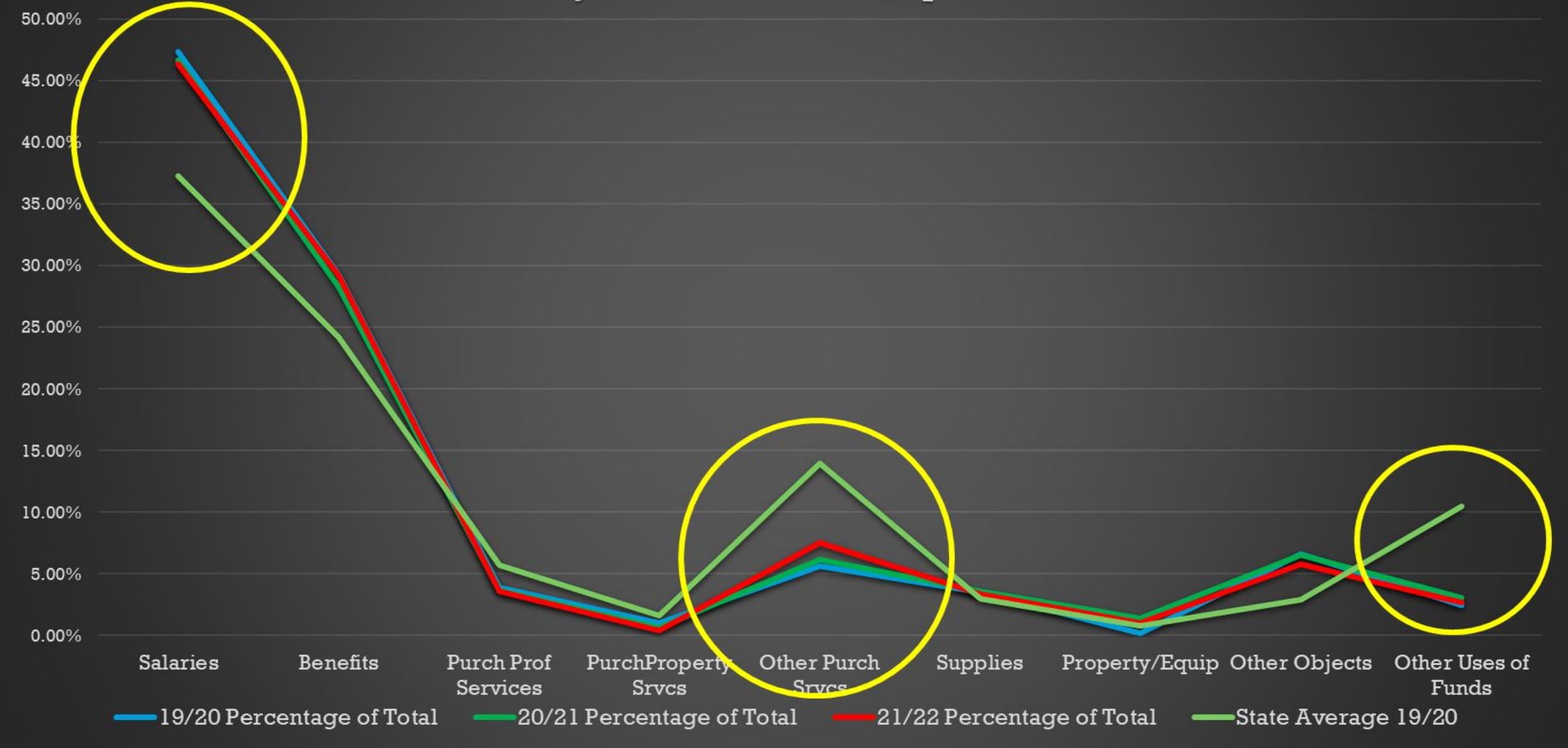
January – second submission with Superintendent, Director of F/Ops, and Accounting Manager

February and March – additional cuts, further refinement, essential and basic elements of the budget preserved

April, May and June - adjustments from retirements and PDE budget, essential and basic elements of the budget preserved

Gold Standard Budgeting

Object as % of Total Expenses



Gold Standard Budgeting

Budget Categories
State Averages Compared to Chartiers Valley



2023-24 Proposed Expenditure Increases

- Salaries adjusted per collective bargaining agreements
- 14% increase to healthcare; 3% increase to dental and vision premiums
 - The financial impact of these increases to the 2023-24 budget is **\$996,025** (Healthcare \$983,015; Dental \$11,358 and Vision \$1,780)
- Certified PSERS Rate 34.00%
- Projected charter school tuition with no change in funding formula

2023-24 Proposed Expenditure Increases

- 3% increase special education tuition plus we have an increased number of students in outplaced settings
The financial impact of these increases to the 2023-24 budget is **\$307,682**
- Vocational budget increase and a higher student enrollment at Parkway, 2023-24 projected budget \$956,263
Enrollment
 - 2020-21 177
 - 2021-22 178
 - 2022-23 190

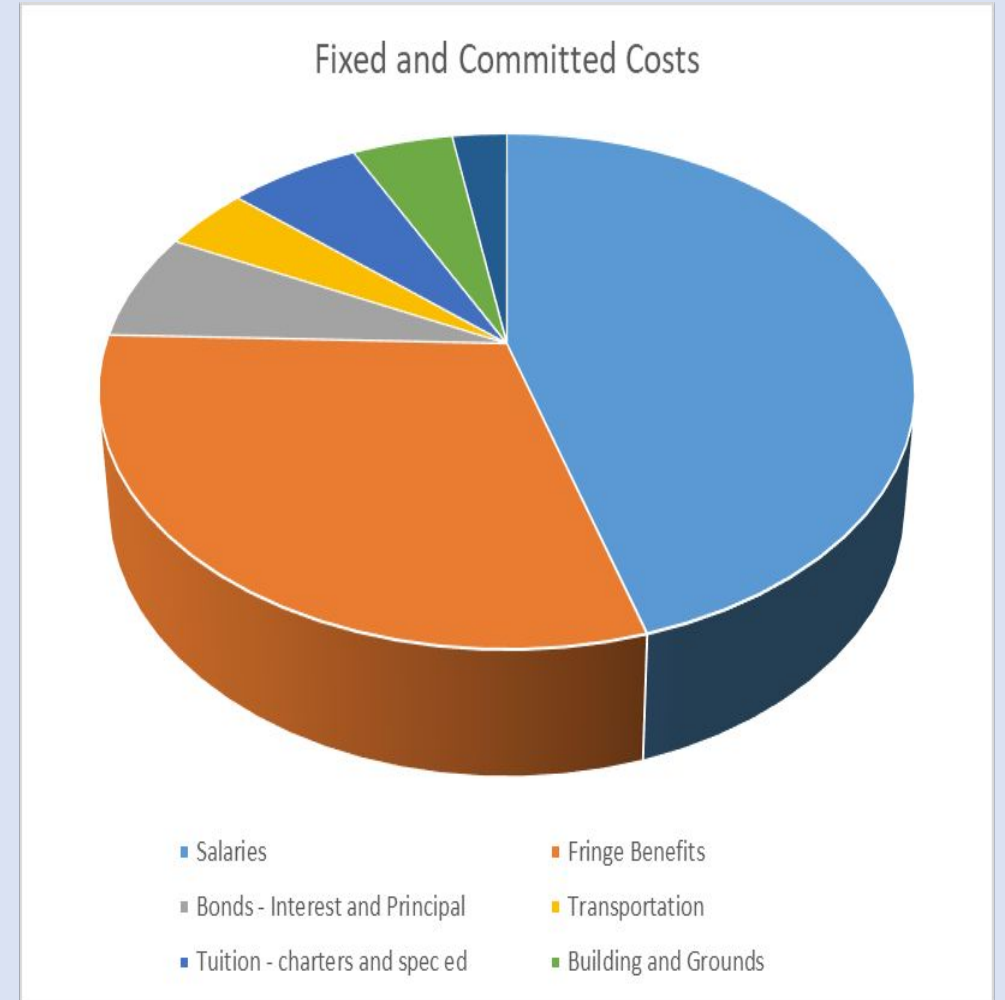
2023-24 Proposed Expenditures

2023-24 Proposed Expenditures by Object

Object	Description			
100	Salaries	✓	\$35,192,752	45.4%
200	Benefits	✓	\$23,422,417	30.2%
300	Purchased Prof Services	✓	\$2,597,790	3.3%
400	Purchased Property Service	✓	\$453,633	0.6%
500	Other Purchased Services	✓	\$6,104,151	7.9%
600	Supplies	✓	\$3,070,672	4.0%
700	Property	✓	\$559,747	0.7%
800	Other Object	✓	\$3,841,155	5.0%
900	Other Uses of Funds	✓	\$2,343,012	3.0%
Total			<u>\$77,585,328</u>	

2023-24 Proposed Expenditures

Salaries	45.4%
Fringe Benefits	30.2%
Bonds - Interest and Principal	6.8%
Transportation	4.1%
Tuition - charters and spec ed	6.2%
Building and Grounds	4.8%
Only 2.6% available for all other expenditures	



2023-24 Proposed Revenues

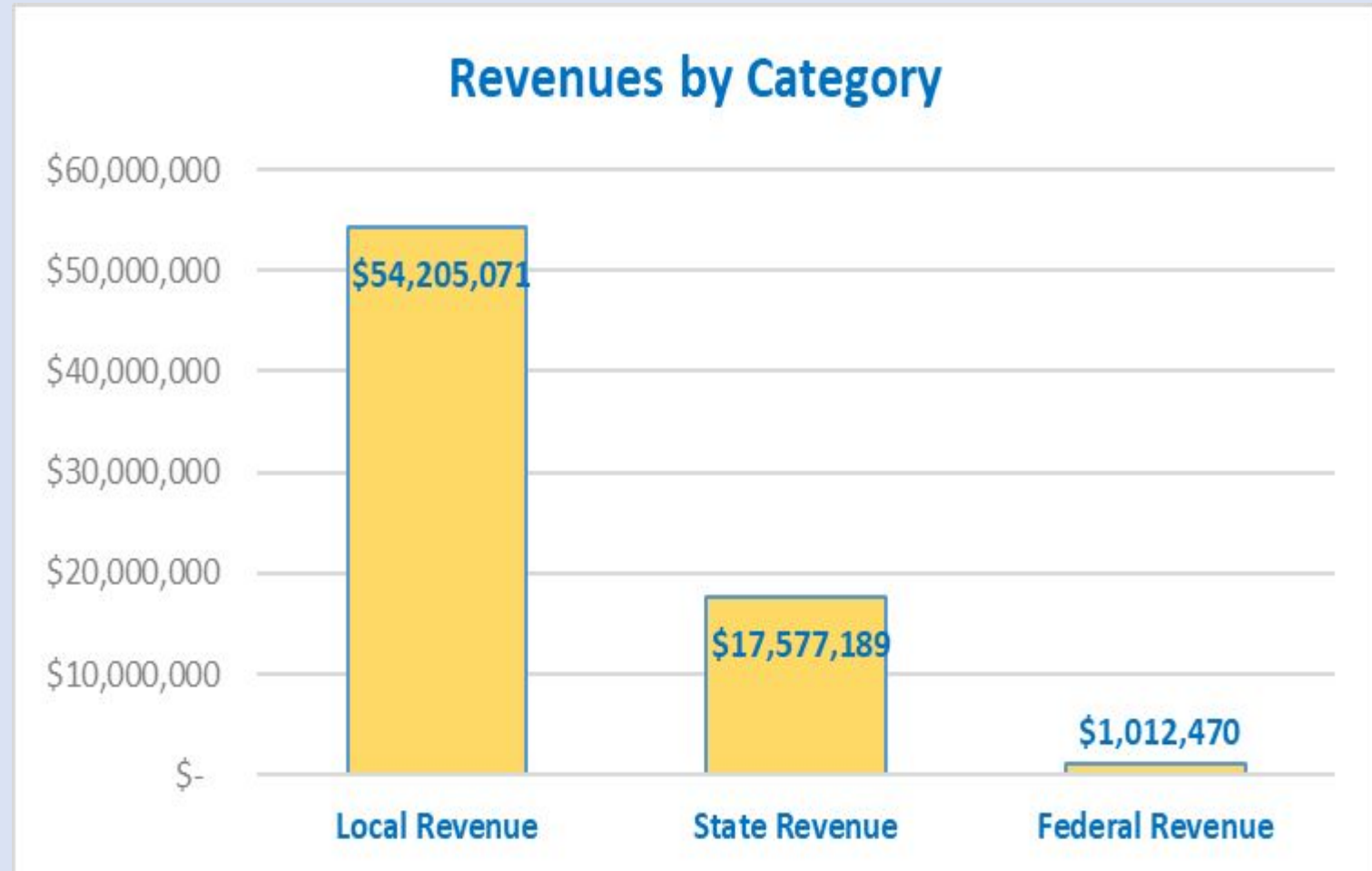


2023-24 Proposed Revenue Streams

- Local
Historical revenue analyzed and projected accordingly
- State
Flat funding for Basic Education, Special Education, Transportation, and Ready to Learn
- Federal
Flat funding on Title funding; ESSER 3 stimulus funding with set asides, \$2,395,467, one-time funding

2023-24 Proposed Revenue Summary

Local Revenue	\$	54,205,071
State Revenue	\$	17,577,189
Federal Revenue	\$	1,012,470
Total	\$	72,794,730



2023-24 Proposed Revenue Detail

6100 Taxes Levied/Assessed by the LEA	\$	51,651,225
6400 Delinquencies on Levied Taxes	✓ \$	1,276,088
6500 Earnings on Investments	\$	7,000
6700 Revenues from LEA Activities	✓ \$	63,633
6800 Revenues from Pass Through Funds	✓ \$	457,125
6900 Other Revenue Local Sources	✓ \$	750,000
7100 Basic Instructional + Operational Subsidies	✓ \$	7,376,251
7200 Revenue for Specific Educational Programs	\$	1,760,281
7300 Revenue for Non-Educational Programs	✓ \$	2,184,072
7500 State Revenue Not Listed Elsewhere	\$	303,975
7800 Revenue from the Commonwealth of PA	\$	5,952,610
8500 Federal Title Grants	✓ \$	566,789
8700 Federal Stimulus Funds	\$	150,681
8800 Medical Assistance	\$	295,000
Total Revenue	\$	72,794,730

2023-24 Proposed Revenue - Common Level Ratio (CLR)

The Common Level Ratio (CLR) is the percentage applied to real estate sales to determine taxable value

September 1, 2022: Judge Hertzberg issued Court Order lowering the 2021 CLR from 81.1% to 63.53%

The CLR of 63.53% will be used in appeal cases

More appeals are expected- CVSD projected annual revenue loss in 2023-24 is \$455,000

Example – A median home at \$100,000 taxable value will decrease from \$81,100 to \$63,530

Calculation – CVSD 2022-23 millage rate of .0193957 applied to these values:

$\$81,100 \times .0193957 = \$1,573$ school tax

$\$63,530 \times .0193957 = \underline{\$1,232}$ school tax

Difference = **\$341 less in revenue**

2023-24 Budget Process Progression to Date

	2023-24 ROUND 2 Budget	2023-24 ROUND 1 Budget	2022-23 Final Budget
Department Budgets	\$ 18,970,159	\$ 21,917,939	\$ 17,791,756
ESSER 3	0	0	\$ 2,031,147
Salary	\$ 35,192,753	\$ 35,976,430	\$ 33,347,963
Benefits	\$ 23,422,416	\$ 24,092,558	\$ 21,458,991
Expenditures	\$ 77,585,328	\$ 81,986,927	\$ 74,629,857
Revenue Tax Increase	\$ 74,633,971	\$ 73,864,548	\$ 74,383,412
Revenue Tax Without Increase	\$ 72,794,730	\$ 72,025,307	n/a
Deficit Full Tax Increase	\$ (2,951,357)	\$ (8,122,379)	\$ (246,445)
Deficit No Tax Increase	\$ (4,790,598)	\$ (9,961,620)	n/a

2023-24 Proposed Budget Unknown Factors

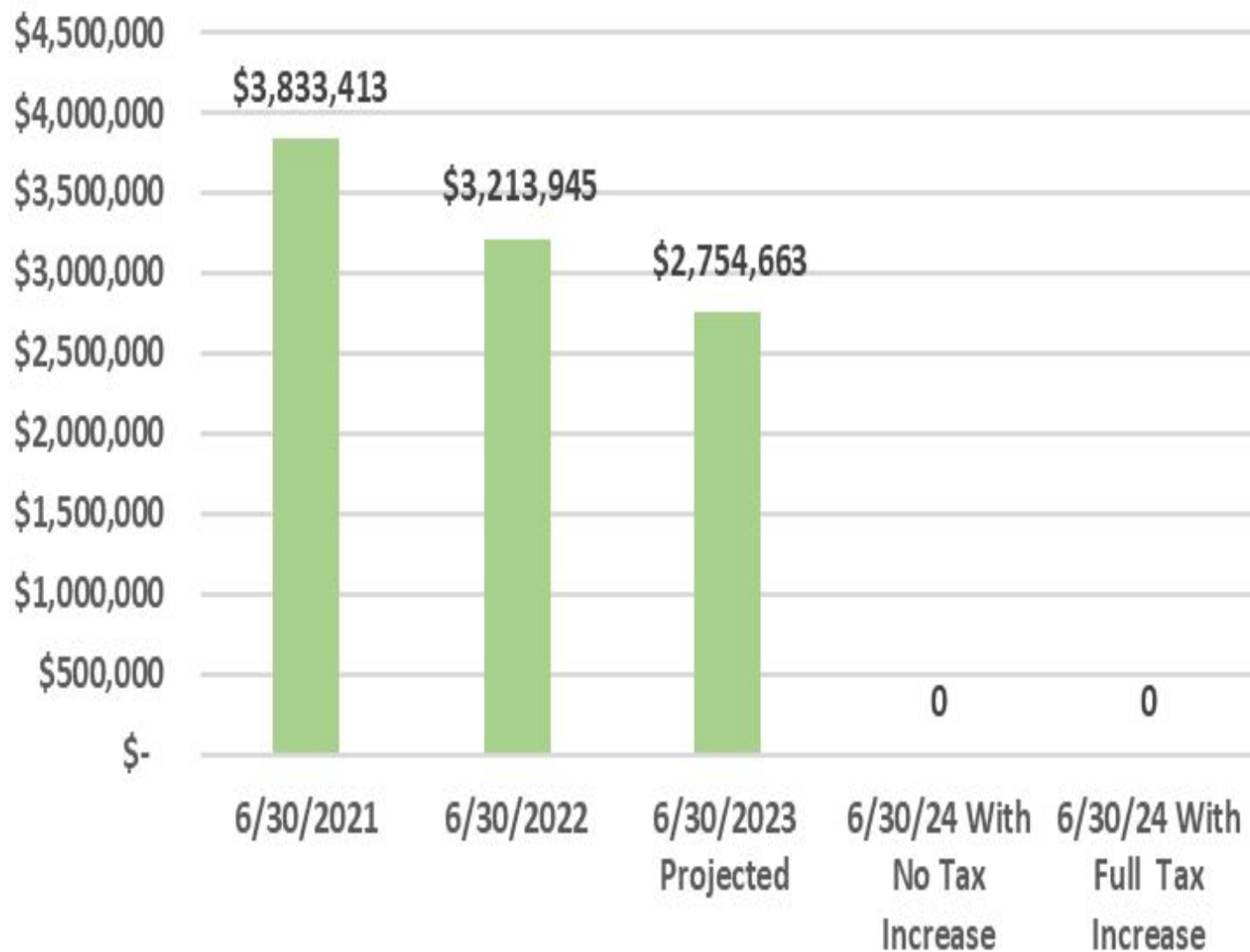
- Retirements
- Legislative approved state funding
 - Basic Education Funding (BEF)
 - Special Education Funding (SEF)
- Federal funding
- Collective Bargaining Agreements

2023-24 Proposed Budget as of April 11, 2023

Expenses	\$ 77,585.328
Revenue with No Tax Increase	\$ 72,794,730
Shortfall - No Tax Increase	\$ 4,790,598
Shortfall - Full Tax Increase	\$ 2,951,357

Even with a tax increase to the maximum index allowable by law, 4.1%, we must utilize \$2,951,357 which will **deplete the Debt Stabilization Fund** plus use part of the General Fund balance for the 2023-24 budget.

Debt Stabilization Fund



- Debt Stabilization Fund Balance as of 6-30-22: **\$3,213,945**
- Less 2022-23 projected deficit of (\$459,282) brings the balance to **\$2,745,663**
- The 2023-24 preliminary budget deficit, with or without raising taxes, will be depleted the Debt Stabilization Fund

Update on Capital Reserve Fund

- Capital Reserve is a fund to support capital expenditures including repairs, maintenance and purchases
- Capital expenses include building equipment, busses, vans, other vehicles, and computers
- Planning and budgeting the Capital Reserve Fund is a very important aspect of a multi-year financial plan to ensure future capital expenses and fund future projects and unforeseen emergencies

2023-24 Proposed Capital Reserve Budget

<u>Account</u>	<u>Amount</u>	<u>Notes</u>
32.5110.831.000.00.000.000.000.9200	\$ 17,921	17 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 163,108	17 Buses Lease - Principal
32.5110.831.000.00.000.000.000.9200	\$ 23,336	2-Pick Up Trucks, 3 Vans, 7 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 130,242	2-Pick Up Trucks, 3 Vans, 7 Buses - Lease Principal
32.5110.831.000.00.000.000.000.9200	\$ 6,100	4 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 52,594	4 Buses - Lease Principal
32.5110.911.000.00.000.000.000.9200	\$ 22,625	5 Buses - Lease Interest
32.5110.911.000.00.000.000.000.9200	\$ 71,589	5 Buses - Lease Principal
Total	\$ 487,515	

Capital Reserve Fund Balance

2021-22 Audited Capital Reserve Balance 6/30/22 :	\$953,120
2022-23 Projected Use, vehicle leases:	\$393,300
2023-24 Projected Use, vehicle leases:	<u>\$487,515</u>
Projected Balance 6/30/24	\$ 72,305

Consideration: Transfer \$250,000 from the General Fund into Capital Reserve by 6/30/23

2023-24 Preliminary Tax Levy Overview

Act 1 Resolution (Board Action in January 2023)

Board will not increase taxes above the Act 1 Index, 4.1%

Current 2022-23 Millage

.0193958

2023-24 Maximum Millage

.02019010

Act 1 Increase of 4.1% is an increase of .0007952 mills

Revenue gained if District raises taxes to the Act 1 Index, 4.1%

.0201910 mills = \$1,839,241

Maximum Millage Increase Impact

Average home = \$130,000

\$103.26 annual increase if taxes are raised to Act 1 Index

$(.0007943 \times \$130,000) = \103.26

2022-23 Allegheny County Millage by School District

2022-23 Allegheny County Millage Rates Highest to Lowest by School District

District	Millage		District	Millage		District	Millage
Brentwood	35.7905		Highlands	25.1300		McKeesport	20.9600
Penn Hills	30.5965		Cornell	25.1070		Allegheny Valley	20.8377
Wilkinsburg	29.5000		Riverview	23.6675		Keystone Oaks	20.4856
Upper St. Clair	28.5628		Shaler Area	23.5319		Fox Chapel	20.4288
Northgate	27.3200		South Allegheny	23.5000		Avonworth	20.1900
East Allegheny	26.9722		Bethel Park	23.428		Quaker Valley	20.0367
Steel Valley	26.8913		Woodland Hills	22.9982		North Allegheny	19.7400
Carlynton	26.7432		West Jefferson Hills	22.7730		North Hills	19.7000
South Fayette	26.7000		Deer Lakes	22.6900		Pine-Richland	19.5867
West Mifflin	26.5691		Moon Area	22.6746		Chartiers Valley	19.3957
Mt Lebanon	26.3900		Baldwin-Whitehall	22.6300		West Allegheny	18.5100
Sto-Rox	26.3250		Plum Borough	22.0241		Duquesne City	18.4800
Elizabeth Forward	26.3243		Gateway	21.7479		Montour	17.9638
South Park	25.9600		Hampton	20.9900		Clairton	8.1260

2023-24 Act 1 Index Options

The Act 1 Index options include a millage increase from 0% to any increase to the Act 1 Index (4.1%)

- If the 2023-24 millage is not increased and millage remains at 19.3958 mills, then the planned use of Debt Stabilization and General Fund balance is \$4,790,598

Debt Stabilization:	\$2,754,663 (will be depleted)
General Fund:	\$2,035,935 (decreased to \$4,756,325)

- If the 2023-24 millage is increased to the Act 1 Index, the shortfall is \$2,951,357 and Debt Stabilization will be depleted with \$196,694 pulled from General Fund Balance

2023-24 Act 1 Index Options

Partial to full tax increase options

- | | | |
|----|--------|--|
| 1. | 1.025% | tax increase, 19.5946 mills, revenue \$ 459,810 |
| 2. | 2.05% | tax increase, 19.7934 mills, revenue \$ 919,621 |
| 3. | 3.075% | tax increase, 19.9922 mills, revenue \$1,379,431 |
| 4. | 4.10% | tax increase, 20.1910 mills, revenue \$1,839,241 |

The administration continues to focus on balancing the 2023-24 budget

**Depleting the balance in the Debt Stabilization Fund
exposes the district to risk and should be avoided.**

