

Finance Committee Meeting

Chartiers Valley School District
January 24, 2023



Mission and Vision

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

Shared 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.

Finance Committee Meeting

Agenda

- 1. 2021-22 Year End Fiscal Update**
- 2. 2022-23 Projection**
- 3. 2023-24 Preliminary Budget**



2021-22

Year End Fiscal Update



2021-22 Audit Complete

- Maher Duessel, CPAs to present 2021-22 Financial Statements in February

- Highlights
 - * No findings
 - * 2021-22 Food Service + \$379,000
 - Overage must remain in Food Service per PDE requirements
 - * Capital Assets re-valuated and booked

- Concerns
 - * **(\$624,860)** 2021-22 deficit
 - * **Debt Stabilization Fund (\$3.2M)** will cover shortfall however, this further impacts next years budget.



FUND BALANCE RECAP

<u>2020-2021 Fund Balance 6-30-21 Audited:</u>	\$ 7,070,396
<u>2021-2022 Debt Stabilization Fund 6-30-22 Projected:</u>	\$ 3,208,554
<u>2021-2022 Fund Balance 6-30-22 Projected:</u>	\$ 6,120,396

Breakdown of General Fund Balance

Nonspendable - Prepaid Expenditures	\$ 1,052,022
Committed - Future benefits and pension obligations	\$ 353,520
Committed - Other Post Employment Benefits	\$ 1,765,754
Unassigned - District's liquid savings	\$ 2,949,100



2022-23 Budget Update



2022-23 Increases in Expenses

Over current year

(\$1,526,000)

- Increased special education expenses
- Increased English Learners expenses
- Increased utility and fuel costs
- **We are closely monitoring all expenditures**



2022-23 Projected Revenue Loss (\$1,526,000) – Continued

Revenue Loss

The Common Level Ratio (CLR)

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%

CLR of 63.53% will be used in appeals cases from July 1, 2022 to June 30, 2023

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 x .0193957 = \$1,573 school tax

\$63,530 x .0193957 = \$1,232 school tax

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

More appeals expected; CVSD projected annual revenue loss of (\$455,000)



2023-24 Preliminary Budget



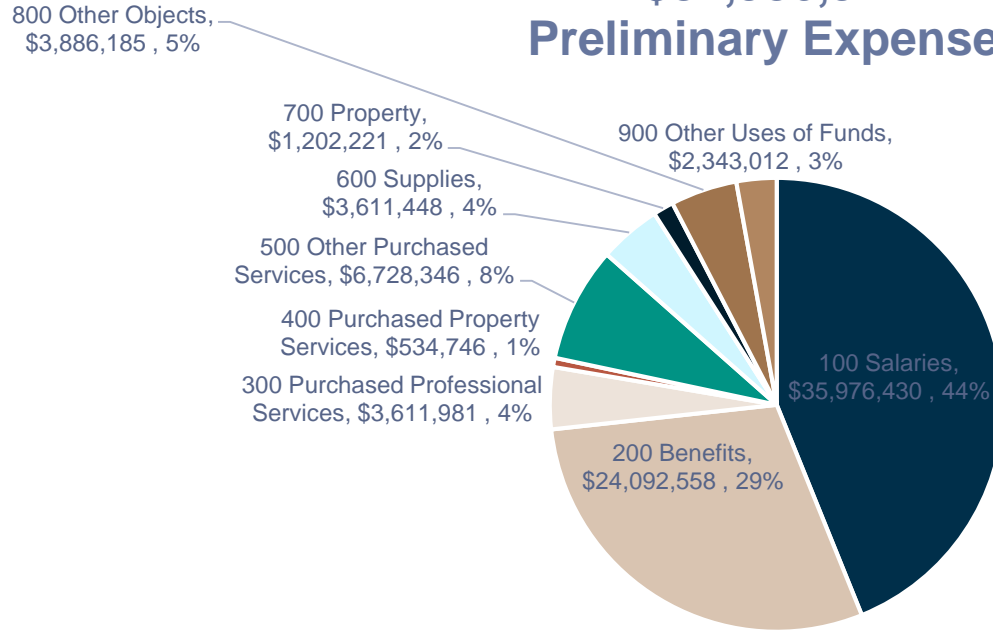
2023-24

Preliminary Expenditures

Object	Description	Amount	%age
100	Salaries	\$35,976,430	44%
200	Benefits	\$24,092,558	29%
	Purchased		
300	Professional Services	\$3,611,981	4%
	Purchased Property		
400	Services	\$534,746	1%
	Other Purchased		
500	Services	\$6,728,346	8%
600	Supplies	\$3,611,448	4%
700	Property	\$1,202,221	1%
800	Other Objects	\$3,886,185	5%
900	Other Uses of Funds	\$2,343,012	3%
	Total	\$81,986,927	



\$81,986,927 Preliminary Expenses



- 100 Salaries
- 200 Benefits
- 300 Purchased Professional Services
- 400 Purchased Property Services
- 500 Other Purchased Services
- 600 Supplies
- 700 Property
- 800 Other Objects
- 900 Other Uses of Funds



2023-24 Preliminary Budget

Expenditure Key Points

Salaries

- **44%** of total preliminary budget
- Calculated based upon current collective bargaining agreements

Benefits

- **29%** of total preliminary budget
- Certified PSERS rate of 34.00%
- Healthcare insurance - projected **15-18%** increase (Final Premiums April)
- Dental and Vision – projected 3% increase (Final Premiums April)
- Disability, unemployment and worker compensation

Departmental Budgets Ongoing analysis occurring



2023-24 Expenditure Key Points (continued)

Committed Budgeted Expenses - Examples

• Salaries	\$35,976,430
• Benefits	\$24,092,558
• Charter School tuition	\$ 1,256,614
• Special education tuition and services (PT, OT)	\$ 3,969,440
• Parkway tuition and jointure	\$ 956,263
• Curriculum support	\$ 894,767
• Precision Substitute Service	\$ 600,000
• Transportation Contracted Carriers	\$ 1,210,000
• Transportation diesel and gas fuel	\$ 224,246
• Transportation – vehicle repair and maint	\$ 128,415
• Insurances (liability, earth movement, cyber, etc.)	\$ 388,306
• Debt service (bond/lease principal/interest)	\$ 5,258,404
• Technology infrastructure	\$ 467,810
• Student technology replacement	\$ 475,000
• Buildings and grounds infrastructure (i.e., utilities, equipment, supplies)	\$ 2,007,547



2023-24 Preliminary

Revenue Key Points

Three Revenue Categories: Local, State, and Federal

LOCAL

- Real Estate taxes are the primary source of revenue for all school districts

STATE

- State revenue is generally flat; dependent upon governor's budget

FEDERAL

- Federal revenue is also generally flat; ESSER 3 funds will support the PS HVAC and mental health programs (CHILL Room, MAPS) and curriculum



2023-24 Preliminary

Revenue Key Points

2023-24 Preliminary Budget Revenue Projections:

- Revenue gained with a full tax increase to Act 1 Index 4.1%: \$1,800,000
- 2023-24 Preliminary Budget Shortfall
(revenue below projected expenses)

With Full Tax Increase:	(\$8,122,379)
Without a Tax Increase:	(\$9,961,620)

With a Full Tax Increase yielding \$1,800,000, the District **MUST** reduce its expenditures by \$8,122,379.00 to achieve a balanced budget.

The District has to evaluate all expenses



2023-24 Preliminary Budget

Unknown Factors

- Retirements
- Health insurance increases although final numbers will be available in April 2023.
- Legislative approved state funding
 - * Basic Education Funding (BEF)
 - * Special Education Funding (SEF)
- Federal funding
- Collective Bargaining Agreements



2023-24 Preliminary Budget

Revenue Key Points

Act 1 Index – the maximum percentage a school district can raise taxes without referendum vote

Chartiers Valley School District's 2023-24 Act 1 Index is 4.1%

Referendum vote on Primary Ballot is required for a District to exceed the Act 1 Index

District may apply for Exceptions
Special Education and Retirement

Action Steps for Exceptions

1. Must pass 2023-24 Preliminary Budget
2. Apply for exceptions through PDE in February



2023-24 Preliminary Budget District's Options

1. Approve 2023-24 Preliminary Budget for public inspection to allow for maximum flexibility

OR

2. Adopt a resolution indicating that the Board will not raise taxes beyond the 2023-24 Act 1 Index of 4.1% to meet the Act 1 deadline



2022 Budget Timeline

- **January 24, 2023** – Act 1 2023-24 Preliminary Budget
- **April 11, 2023** – 2023-24 Preliminary Budget Presentation
- **May 19, 2023** – Approval of 2023-24 Preliminary Budget, then public inspection
- **June 13, 2023** – Approval of 2023-24 Final Budget



Questions and Discussion