



PRE-BUDGET LETTER ALERT FOR FY 2023-2024

As we end the calendar year, we wanted to share some important updates which are still being finalized, but which will impact your budgeting for FY23/24. While we anticipate being able to issue the annual budget letter mid-February, the following items have come to our attention which we wanted to let you know about sooner, to aid in your planning, as they may have a significant impact. Please note these are all intended to be "guidance" and will be superseded by the annual budget letter in February.

Property Insurance

Appraisals are wrapping up as part of our 5-year cycle and we are seeing increases in building values around 20% or greater. For those buildings on a non-appraisal year, our insurance carrier is requiring a minimum 15% increase in building value and 8% increase in contents. All of these factors will result in an increase of insurance premiums of at least 15% or more depending on your location and if you were appraised in the current year.

Liability Insurance

Liability insurance premiums are based on the number of employees at your location and the loss experience the entire Archdiocese has. We expect this to increase on a per employee basis by at least 10%.

PRF Loan Rate

PRF loan rate are increasing to 2.5% effective January 1, 2023 for new loans. For existing loans, this increase will not be applicable until July 1, 2023.

PRF Savings Rate

The savings rate paid on PRF deposits will increase to 2.0% effective January 1, 2023.

Compensation

Lay compensation ranges are increasing 12%. It is recommended that you budget for a minimum of 3.5% increase for lay employees (excluding those with covenants).

Parish Assessment

Since ordinary income increased 6.81% from the prior year, the assessment rate will be changing to 8.19% of assessable income.

Schools – Per Pupil Tax

The per pupil fee will move from being assigned as a flat fee and will instead be assessed as a percentage of a school's stated tuition – for elementary schools it will be for 23-24: $0.40\% \times \text{tuition} \times \text{enrollment}$.

Stock Donations

For the remainder of the month of December, until January 3, we will not selling any stock gifts.

As we approach the holiday time frame, we will stop our regular process of immediately selling all donations of stock, until we receive direction to sell from the parish/school/entity receiving the donation. We will send the pastoral assistant for administration or equivalent an email as soon as we have received the stock donation, to let you know we have it, however, we will expect to receive directions back from the parish or entity if they would like to sell the stock or transfer to their brokerage account, starting January 3. Note that donors will still receive an acknowledgement for the full donation valued as of the time the donation of stock reaches our stockbroker, we will just be holding the securities in the account until January directions are provided. In addition, if your parish would like to elect to always hold, and not immediately sell any stock gifts in the future, please notify PFS.

Effective January 1, for entities that don't pay an assessment on their revenue to fund the general operations of the Archdiocese (all non-parishes, including parish schools), we will charge a 2% processing fee to recoup our office costs, to a maximum of \$5K.