

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

April 19, 2021

The Finance Committee Meeting was held virtually with the following committee members attending: Melanie Cunningham (chairperson), Keith McCarrick, and Judy Maginnis. Others in attendance were: Sandy Kassel, Dan Direso, Allyn Roche, Andrea Farina, Doug Kenwood and Georgie Fisher.

Motion by Judy Maginnis, seconded by Keith McCarrick, to approve the April 6, 2021 Finance Committee Meeting minutes. Motion carried.

DISCUSSION –

a. 2021 – 2022 Budget

The process of the latest budget review was described. Dr. Roche, Mrs. Kassel, Dr. Farina and Mr. Direso met with each department; Technology, Curriculum and Instruction, Facilities and Special Education to review line by line their budget requests and the rationale for the requests.

A review of the timeline and important dates were reviewed. The committee was reminded that the passage of the Proposed Final Budget on May 13th can be increased or decreased prior to the final adoption in June.

Based on the review with the departments the staff adjustments were presented resulting in a budget increase of \$7,505. Changes in professional, technical, and other services resulted in a savings of \$222,709. The majority of the savings is due to the elimination of the Lakeside counselors. This year the counselors are funded by a grant which will be used next year for full-day Kindergarten as it was in the past. Additional savings were found by reducing supplies, books and periodicals, support and tech related fees along with dues and fees for an additional savings of \$81,417. The total reduction amounted to \$296,621.

Expenditures in the current budget but not expended this year were shown as they still are being carried over into next year. The total of these expenses is \$324,263.

The adjusted expenditure summary by major function code displaying a total budget of \$70,431,632 which includes an increase of \$1.5 million in Charter School expenses.

The Revenues to support the budget show a need of \$4,565,957 if there is no tax increase. If the taxes are increased to the maximum index the fund balance needed is \$3,117,908.

A few revenue adjustments were made resulting in an increase of \$58,423 in the revenue.

It was mentioned that due to the decrease in interest rates we will not make this year's budgeted revenue.

Another issue affecting our current expenses is the extreme increase in unemployment compensation being paid. Our current expenses have reached over \$125,000 while normally our costs are only a few thousand.

Next the major areas of increases were listed with salaries, benefits and charter education being the major factors.

The budget detail by object was reviewed which helped to show the changes in salaries, benefits, and other common areas from all functions.

The summary by function followed showing the increases between 2021-2022 and 2020-2021 for each function.

The committee was informed of Act 136 regarding transportation subsidy. This is being further investigated. In order to receive the same reimbursement for 2021-2022 we would need to pay our contractor for revenue lost minus variable costs. A further explanation of how transportation subsidy is determined was provided. We are working on the calculation to determine what would be in the best interest of the district.

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Information shared on the budget will be presented at the Workshop.

Mrs. Maginnis asked how much we have received in Federal funds, how much are we expecting, where is it going and how does it factor in to the budget.

We explained that some of it is in the 2020-2021 budget. We spent the major part of the PCCD Grant and the second part of that grant is being used for the Power Up Camp. The county funds were spent on PPE and Technology. The ESSER fund expenditures can occur up until September of 2024. The committee was reminded that these are one time funds so this needs to be taken into consideration when planning for the expenditures.

Mrs. Maginnis asked if we were budgeting to keep the extra nursing staff. Mrs. Kassel responded that no additional funds are budgeted for contracted nurses or custodial services.

Ms. Pennepacker asked what can be given up to reduce costs. Full-Day Kindergarten is a must.

The committee asked if there is anything we can do to bring back charter students. Dr. Roche explained that a survey is going out to collect information from parents as to their intent for next year.

The committee expressed their concern about raising taxes in a pandemic year. They were reminded of the added programs and the need to support the expenditures.

Mrs. Cunningham asked for what we have in fund balance. The next meeting will be May 3, 2021 at 5:30 p.m.

Judy Maginnis seconded by Keith McCarrick adjourned the meeting at 7:00 pm.