



Fox Chapel Area School District

Budget Update
4/26/2021

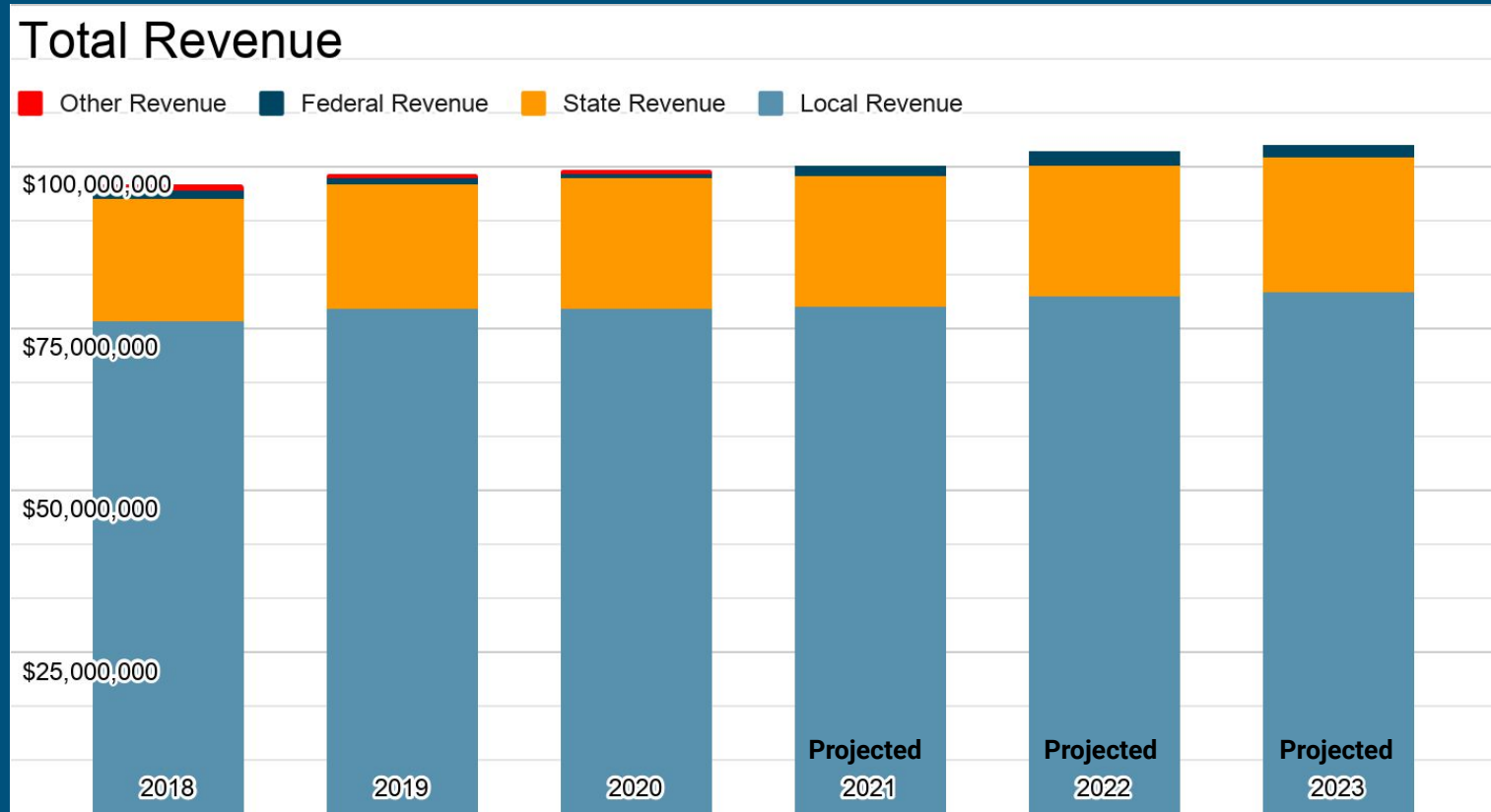


2021-2022 Preliminary Budget

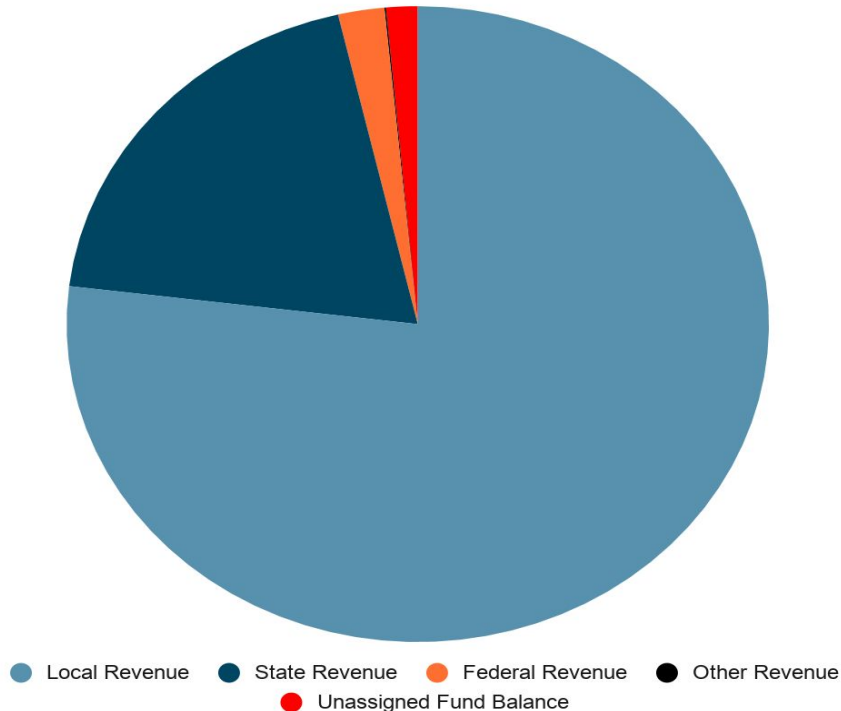
NOTE: These numbers are based on the current iteration of the Preliminary Budget with numbers from April 2021. THESE NUMBERS MAY CHANGE

	4.12.2021	4.26.2021	Change
Revenues			
New Revenues	\$102,262,371	\$102,253,371	<\$9,000>
Unassigned Fund Balance	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$0</u>
Total Revenues	\$103,762,371	\$103,753,371	<\$9,000>
Expenditures			
New Expenditures	\$103,874,950	\$103,334,486	<\$540,464>
Budgetary Reserve	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$0</u>
Total Expenditures	\$105,374,950	\$104,834,486	<\$540,464>
Net Change	<\$1,612,579>	<\$1,081,115>	\$531,464

Revenue Trends



2021-2022 Preliminary Budgeted Revenue Snapshot*



Revenues by Source:

Local -	\$79,792,784
State -	\$20,172,893
Federal -	\$2,212,694
Other -	<u>\$75,000</u>
Subtotal	\$102,253,371

Unassigned FB	<u>\$1,500,000</u>
Total	\$103,753,371

*as of 4/21/2021

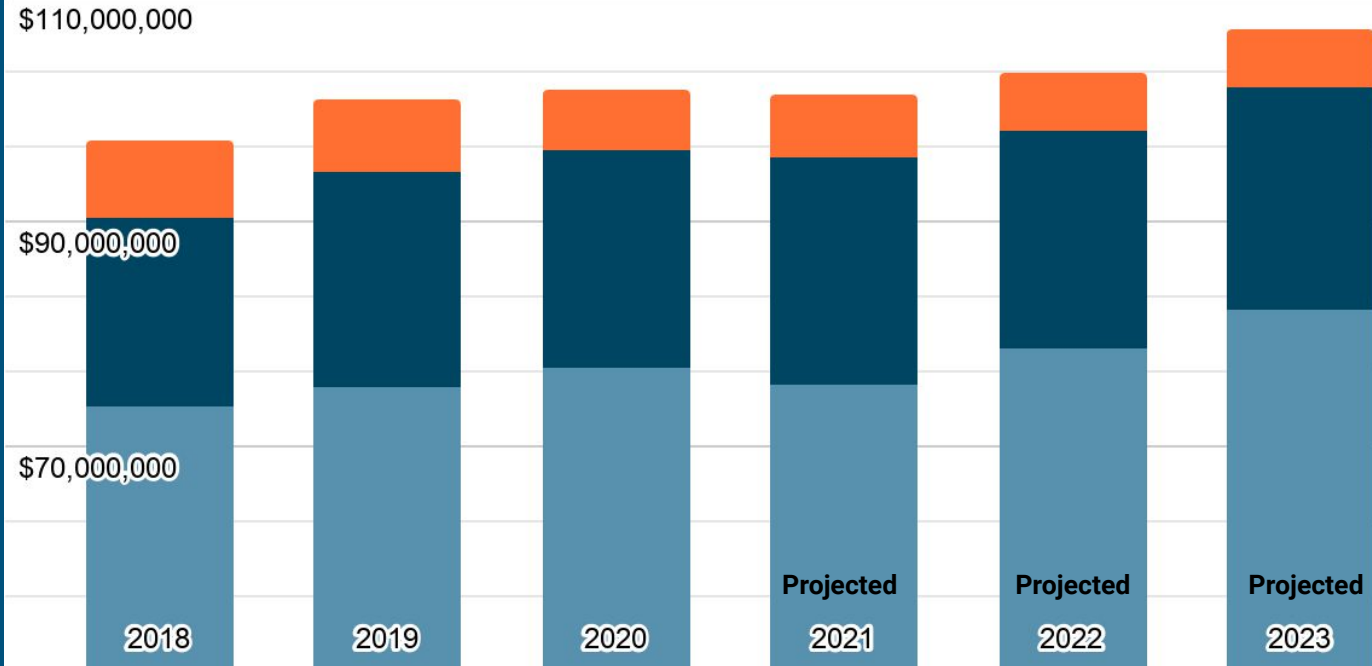
Variables/Unknowns to Revenue

- PA State Budget
- PDE Subsidy Calculations
- Final Assessment Value & Homestead Property Tax Reductions
- Millage increase
- COVID recovery

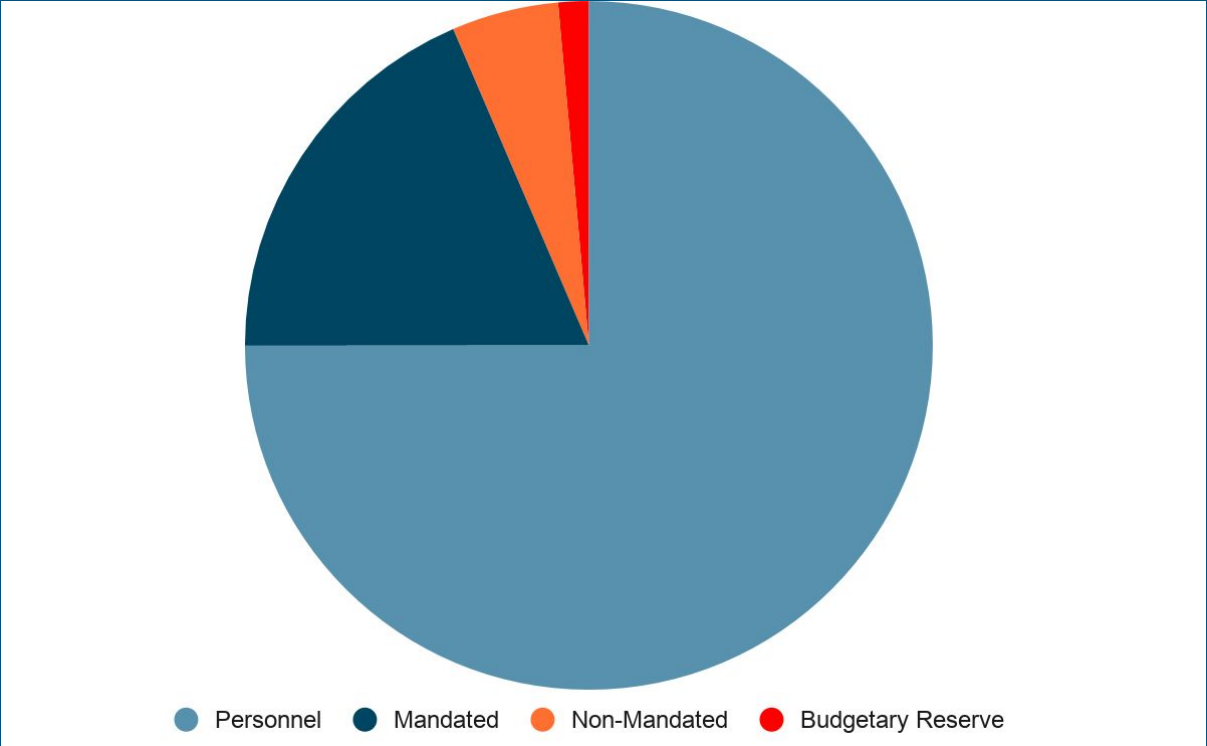
Expenditure Trends

Total Expenditures

Non-Mandated Mandated/Contractual Personnel



2021-2022 Preliminary Budgeted Expenditures Snapshot*



Expenditures by Category:

Personnel -	\$78,608,597
Mandated -	\$19,456,612
Non-Mandated -	<u>\$5,269,278</u>
Subtotal	\$103,334,486

Budgetary Reserve	<u>\$1,500,000</u>
Total	\$104,834,486

*as of 4/21/2021

2020-2021 Budget Considerations

The below items were reduced from the 2020-2021 budget and are being added back in to the 2021-2022 budget :

- Books
- Dues & Fees
- Equipment
- Meals & Refreshments
- Printing
- Professional Services
- Repair
- Transportation (field trips, activity busses etc)
- Travel
- Utilities
- Maintenance Reduction
- Technology Equipment
- Software/Tech
- Software Pricing Reduction
- Staff Development – Trainings
- Conference Moratorium
- Summer Contracted Staffing
- Copier Lease
- Summer Learning Academy

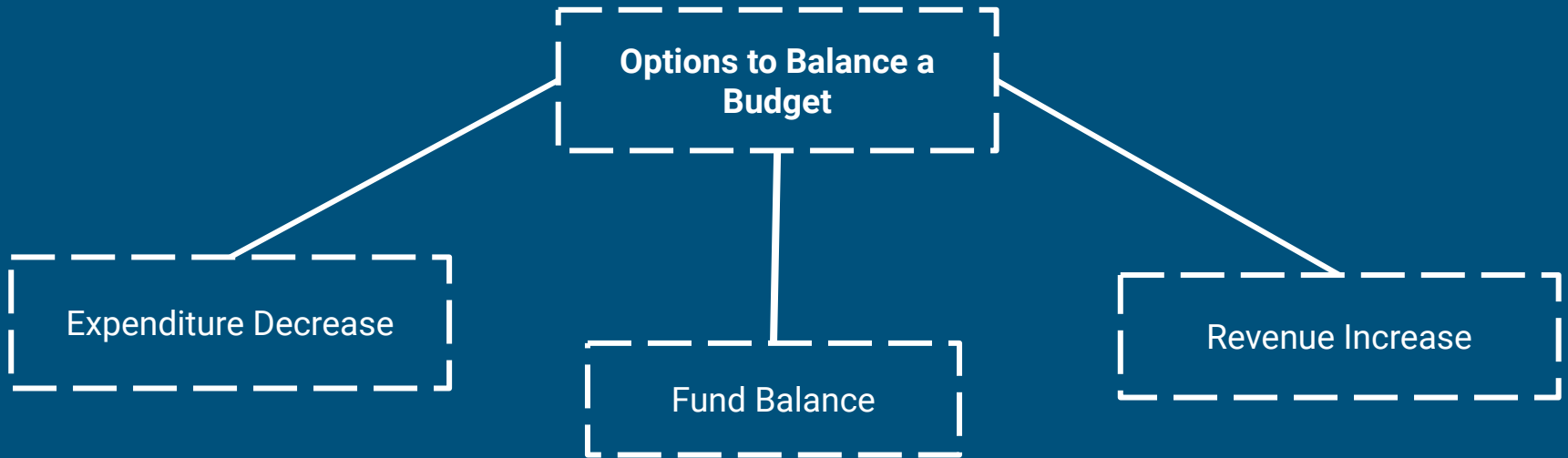
Overall savings from 2019-2020 to 2021-2022 is approximately \$800,000

Variables/Unknowns to Expenditures

- COVID recovery
 - Estimated to be a 5 - 7 year recovery plan*
 - Continued needs still unknown
 - Student
 - Staff
 - Facility
- Enrollment & Staffing
- Capital Projects Plan
- PSERS

Balancing the Budget

2021-2022 Preliminary Budget Deficit = $\langle \\$1,081,115 \rangle$



Using Fund Balance Drawdown

- Non-Spendable
- Committed
 - PSERS
 - GALA
- Assigned
 - Athletics
 - Capital Projects
- Unassigned

PSERS Costs & Fund Balance Drawdown

2021-22 Employer Contribution: 34.94%

Total Cost: \$16,789,962 *(50% reimbursed by the state)*

Increase from Prior Year: \$949,303

Net Increase (Total increase less state reimbursement): \$475,652

Mileage required to cover 21-22 PSERS net increase: 0.7%

Average Annual Increase (10 years): total = \$1.3 million/year, net = \$682 thousand

Planned drawdowns from fund balance would be used to offset the millage increase needed just to cover added PSERS costs

Using Expenditure Decreases

- Current 2021-2022 Budget reductions of over \$1 million in expenditures from the March Preliminary budget
 - Redesign of Summer Learning Academy
 - Personnel realignment and expenditure reductions
 - Reconfiguring equipment purchases
 - Re-aligning some budget accounts to prior year actuals

Further reductions may result in changes in programming

Using Revenue Increases

Current Millage = 19.8686

100% Collection = \$69.7 million in Real Estate Revenue

96% Collection = \$66.4 million

Act 1 Index = 3%

Millage Rate = 20.4647

100% Collection = \$71.8 million in Current Real Estate Revenue

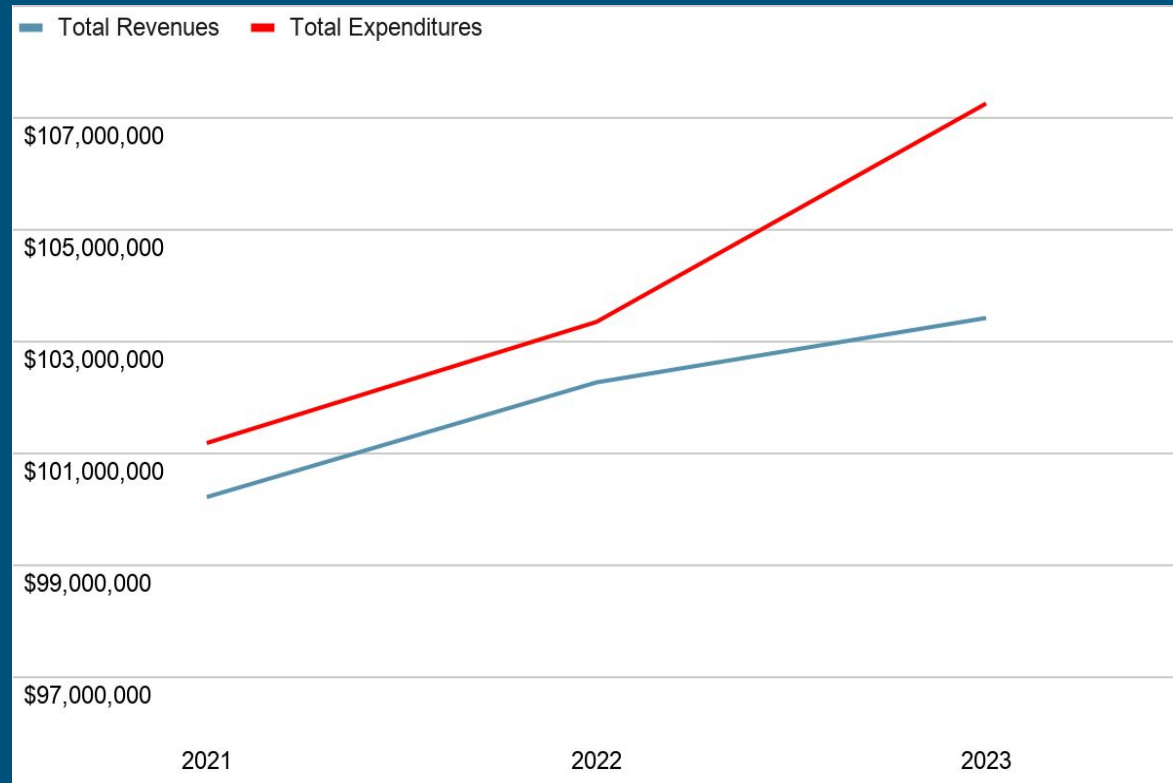
96% Collection = \$68.9 million

Scenario 1 - No Tax Increase, Full Drawdown from Fund Balance

No Tax increase
Millage rate 19.8686

96% Collection
\$66,382,135

Ending Unassigned Fund Balance
\$4,298,257

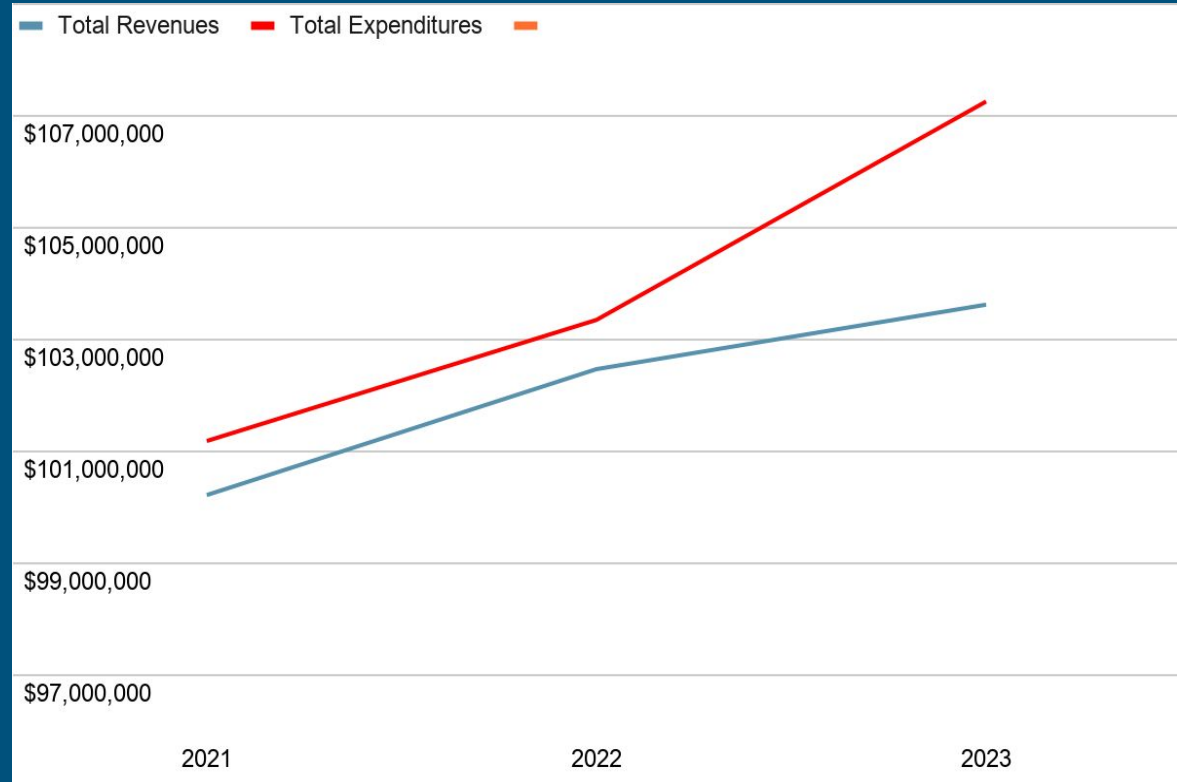


Scenario 2 - Minimum Tax Increase & Planned Fund Balance Drawdown (0.3%)

0.3% Tax increase
Millage rate 19.9282

96% Collection
\$67,144,791

Ending Unassigned Fund Balance
\$4,499,089



Scenario 3 - 1% Tax Increase with Reduced Planned FB Drawdown

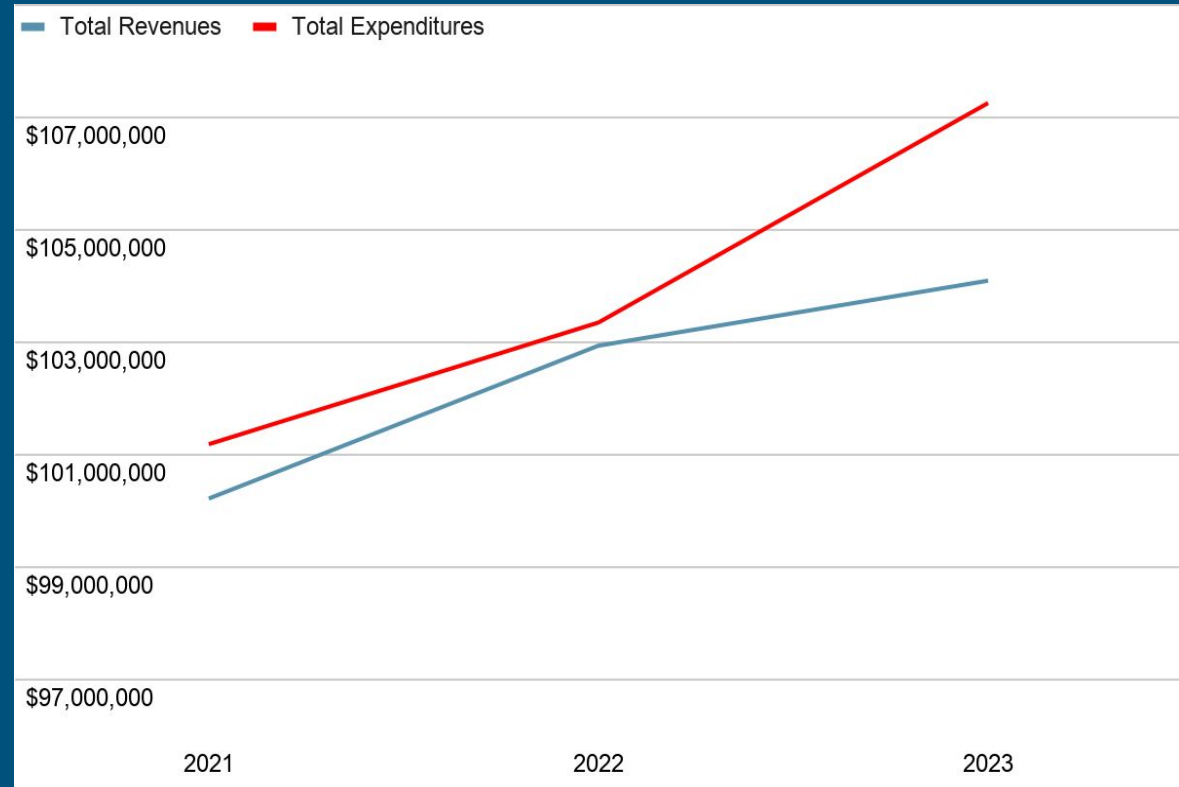
1% Tax increase

Millage rate 20.1269

96% Collection = \$67,814,231

**Ending Unassigned Fund
Balance**

\$4,493,661

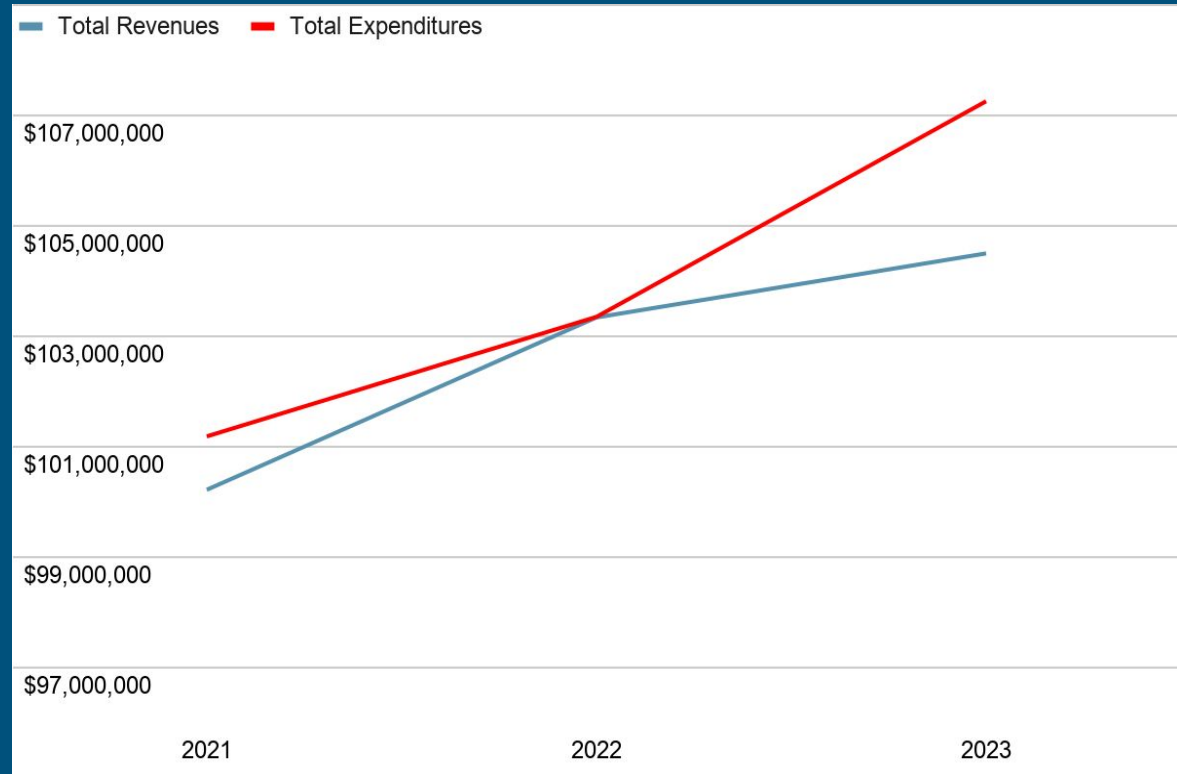


Scenario 4 - 1.6% Tax Increase, minimal deficit balanced through Fund Balance

1.6% Tax increase
Millage rate 20.1865

96% Collection
\$68,015,063

Ending Unassigned Fund Balance
\$4,895,324



Scenario 5 - Full Index Tax Increase with Planned FB Drawdown

3% Tax increase

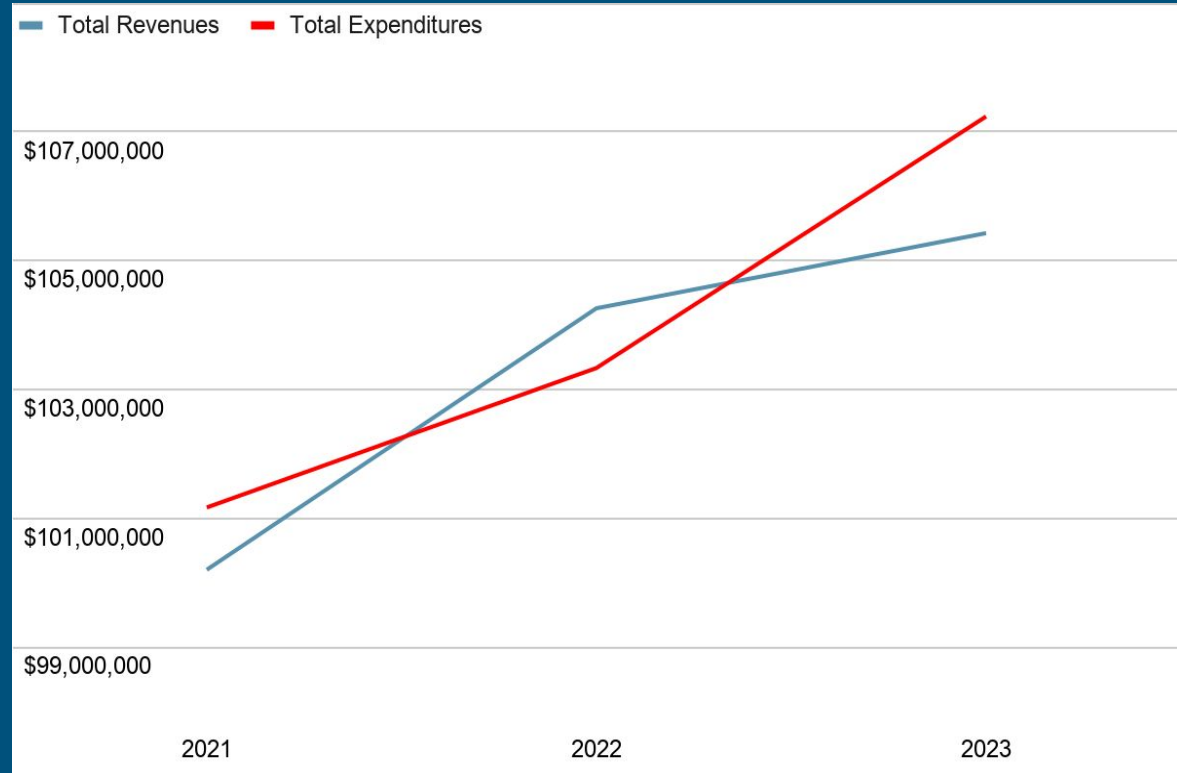
Millage rate 20.4647

96% Collection

\$68,952,278

Ending Unassigned Fund Balance

\$5,382,540



Recommendation to Balance the 2021-2022 Budget

1.6% Millage Increase

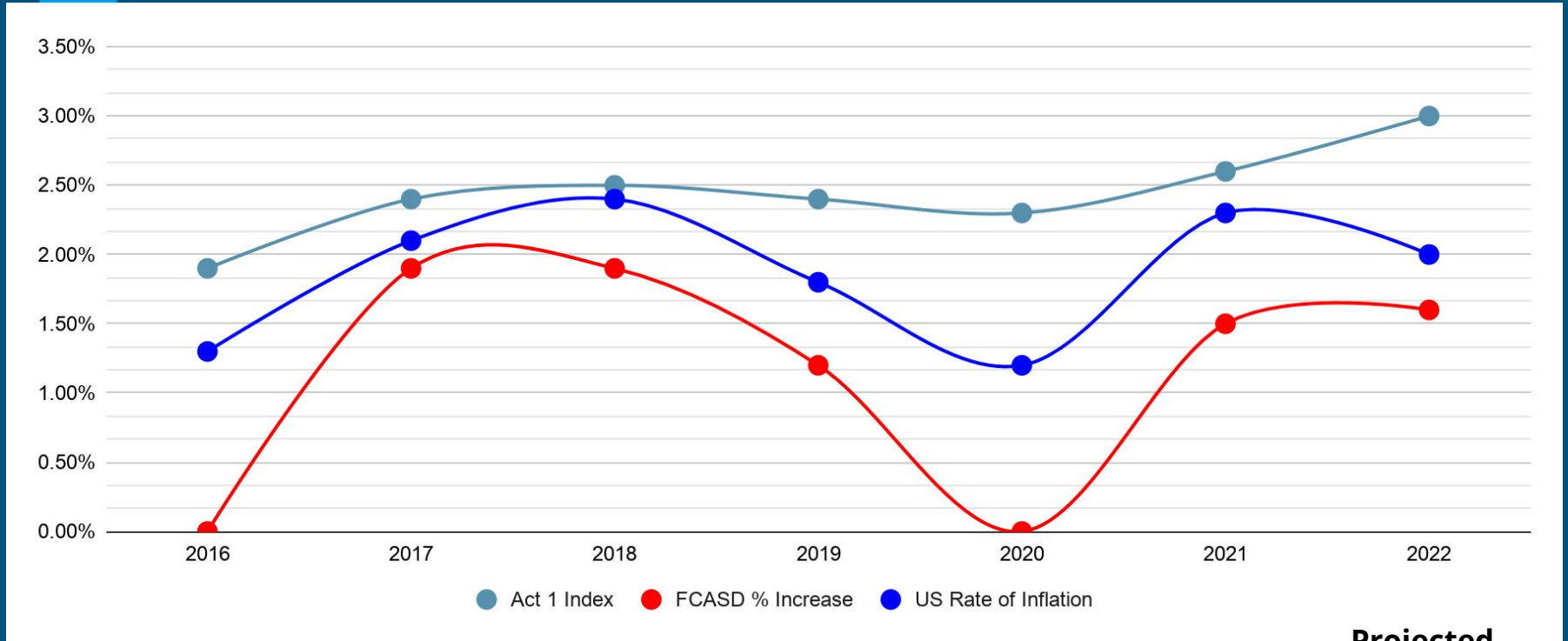
Addition of \$1,071,103 into the budget

Total Fund Balance reduction of <\$10,012>

Preserves Fund Balance for future year unknowns:

- Ending PSERS FB = \$6,805,782
- Ending Capital Projects FB = \$7,160,737
- Ending Unassigned FB = \$4,895,324

FCASD Historic Tax Millage Increase Compared to Rate of Inflation



Projected

2021-2022 Recommended Preliminary Budget

Revenues

New Revenues	\$103,324,474
Unassigned Fund Balance	<u>\$1,500,000</u>
Total Revenues	\$104,824,474

Expenditures

New Expenditures	\$103,334,486
Budgetary Reserve	<u>\$1,500,000</u>
Total Expenditures	\$104,834,486

Net Change **<\$10,012>**



Questions?

Next Steps

May 3, 2021 - Proposed Final Budget presentation

May 10, 2021 - Proposed Final Budget adoption

Proposed Final Budget posted on FCASD Website for Public Inspection

District Advertise intent to adopt Final Budget

June 7, 2021 - Final Budget presentation

June 14, 2021 - Final Budget adoption