
Fox Chapel Area School District

— Proposed Final Budget —

5.27.2020

2020-2021 FCASD / PDE Budget Timeline

- **September 1, 2019 – FCASD receives their 2020-21 Act 1 Base Index, 2.6%.**
 - FCASD does not receive an adjusted index because of our current aid ratio.
- **November 7, 2019 - Forms distributed to building principals & department managers to begin with their zero-based budget prep**
 - Online Budget Prep module is opened in PowerSchool eFinance
- **December 15, 2019 - Sterling Tax Credit report is provided to PDE**
- **December 20, 2019 - Final day to enter requested budget information in budget prep module.**
- **December 31, 2019 – District deadline to provide applications to homeowners eligible for Homestead/Farmstead property exemptions**
- **January 13, 2020 – School Board adopts resolution indicating that it will not raise taxes above the index**
- **January - March 2020 - Administration reviews requested budget and meets with building and department administration to amend requested budget amounts**
- **February 26, 2020 - First meeting of Resource Planning/Advisory Group**
- **March 1, 2020 – Homeowner deadline to submit applications for Homestead/Farmstead exemption.**
- **April 15, 2020 - Second meeting of Resource Planning/Advisory Group**
- **April 29, 2020 - Third meeting of Resource Planning/Advisory Group**
- **April - May 2020 - Administration prepared Preliminary Proposed Budget for School Board**
- **May 1, 2020 – PDE deadline to provide Districts with Property Tax Refund revenues.**
- **May 18, 2020 - Public School Board meeting to review and discuss Preliminary Proposed Budget**
 - School Board submits recommendation to administration to prepare Proposed Final Budget
- **May 27, 2020 – School Board meeting to adopt a proposed version of the final budget (PDE deadline 5/30/2020)**
- **June 10, 2020 – District deadline to make proposed version of the final budget available for public inspection.**
- **June 20, 2020 (or 10 days prior to final budget adoption) – District deadline to advertise it's intent to adopt a final budget.**
- **June 30, 2020 – District deadline to adopt a final 2020-2021 budget.**

Budget Iterations

2/26/2020 - Pre-COVID Closure

REVENUES	- \$101,607,523
EXPENDITURES	- <u>\$104,482,614</u>
NET CHANGE	(\$2,875,091)
<i>Capital Projects</i>	(\$693,830)
<i>Operating Deficit</i>	(\$2,181,261)

Budget includes normal revenue increase, but there was still an initial deficit that would have needed balanced via expense reductions and a likely tax increase.

4/15/2020 - Initial COVID Closure

REVENUES	- \$100,486,524
EXPENDITURES	- <u>\$105,311,264</u>
NET CHANGE	(\$4,824,740)
<i>Capital Projects</i>	(\$1,493,830)
<i>Operating Deficit</i>	(\$3,330,910)

- Slight revenue decrease
- Expense increase relating to COVID construction delays. \$800,000 fund transfer for HS paving moved from 19/20 estimated expense to 20/21 budget

Recommendation from Resource Group - Find \$1-\$3 million in expense reduction to reduce operating deficit, reduce revenue projections

4/29/2020 - Final Resource Group

REVENUES	- \$99,241,574
EXPENDITURES	- <u>\$103,229,683</u>
NET CHANGE	(\$3,988,109)
<i>Capital Projects</i>	(\$1,493,830)
<i>Operating Deficit</i>	(\$2,494,279)

- Continued revenue decrease
- \$2.1 million in expenditure reductions by administration

Recommendation from Resource Group:

- *Tax Millage increase around 1%*
- *Fund balance drawdown of no more than \$1 million*
- *Additional expenditure reductions.*

Additional cuts would require School Board input and action, and therefore the Resource Group concluded their participation and the process moved to the School Board.

5/18/2020 - School Board Meeting

REVENUES	- \$98,936,393
EXPENDITURES	- <u>\$102,962,688</u>
NET CHANGE	(\$4,026,295)
<i>Capital Projects</i>	(\$1,493,830)
<i>Operating Deficit</i>	(\$2,532,465)

- Slight revenue decrease relating to revised state revenue projections
- Slight reduction in expenditures relating to continued admin cuts that weren't final by the 4/29/2020 RPG meeting

Recommendation/Direction from School Board:

- *Millage increase up to 1.5%*
- *Additional expenditure reductions relating to what was discussed during meeting*
- *Fund Balance draw down of no more than \$1 million*

2020-2021 Proposed Final Budget - Overview

Revenue increased by \$696,974

- 1.5% Millage increase
- Decrease in transportation subsidy
- Decrease in PSERS & FICA reimbursement relating to personnel changes
- NOTE: Property Tax Revenue from State will be updated 6/1/2020 and will likely be reduced between Proposed Final and Final budget.
 - The reduction in the state revenue should be at least partially offset by local revenue

Expenditures decreased by \$954,395

- Personnel changes
 - Absorption of 6 ERI vacancies (DMS/HS)
 - CLP converted to supplemental
 - Pause on incoming Spanish Immersion 1st Grade
 - Temporary reassignment of Act 93 personnel to OH
- Elimination of Township Resource Officers
- Additional line item reductions
 - Meals & Refreshments
 - Medical insurance premium rate decrease
 - Supplies & equipment

***\$1,651,369 reduced off of deficit**
***\$880k operating deficit remains - will be drawn down from Fund Balance**

2020-2021 Revenues

Revenues*	-	\$98,133,367
Unassigned Fund Balance	-	<u>\$1,500,000</u>
Total Revenues	-	\$99,633,367

Local Revenue: \$77,282,888

1.0% decrease from prior year Original Budget

- 1% increase from prior year Current Real Estate Taxes
 - 1.5% millage increase coupled with reduced collection percentage
- 8.2% decrease in Act 511 Taxes
- 33.5% decrease in "Other Local Revenue"
 - Related to 77% decrease in Earnings on Investments
 - Reduced revenues from Primary Teacher Academy, etc

State Revenue: \$19,447,508

1.5% decrease from prior year Original Budget

- Subsidies estimated at 2019-20 allocation levels
- 13.8% decrease in "Other State Revenue"
 - Reduced Transportation Subsidy
 - Decrease in PSERS Reimbursement relating to personnel changes

Federal Revenue: \$1,162,971

48% increase from prior year Original Budget

- Title funds estimated at 2019-20 allocation amounts
- Medicaid reimbursement estimated at 2019-20 allocation amounts
- Includes \$349,000 in Federal Stimulus allocation
 - Still unknown how this will be paid.

Other Revenue: \$240,000

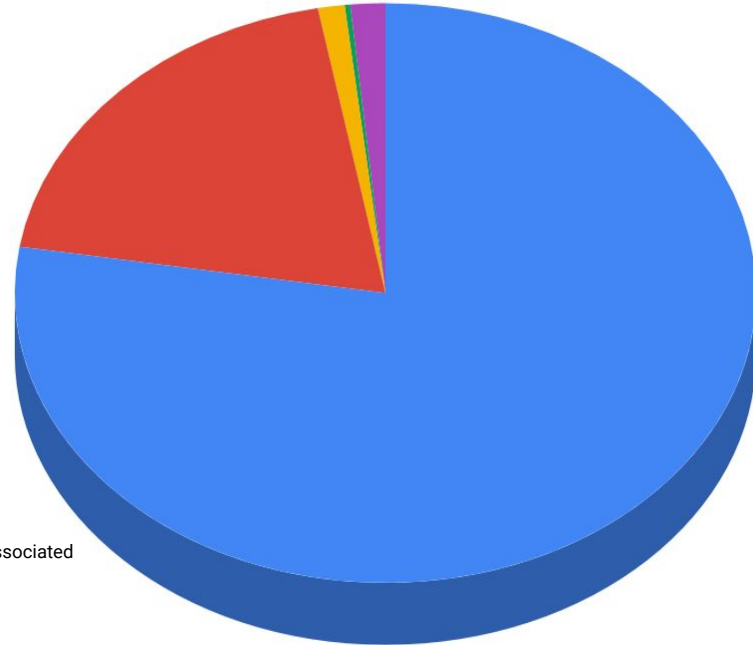
67.9% decrease from prior year Original Budget

- Smaller 2020 Technology Lease is expected under expenditures therefore the revenues associated with the lease would also decrease
- No change to anticipated sale of fixed assets

Unassigned/Available Fund Balance: \$1,500,000

28.6% decrease from prior year Original Budget

- Offsets Budgetary Reserve in the expenditures



Total Revenues reflect a **1.8% decrease** from prior year Original Budget.

***1.3% decrease** when omitting Unassigned FB

2020-2021 Expenditures

Expenditures* -	\$100,508,293
Budgetary Reserve -	<u>\$1,500,000</u>
Total Expenditures + Reserve -	\$102,008,293

Instructional: **\$61,208,371**

(Regular Education, Special Education, Vocational Education, Other Programs [Including Summer], Non-Public Education and Pre-K)

1.96% decrease from prior year Original Budget

Support Services: **\$29,514,441**

(Pupil Personnel, Instructional, Administrative, Pupil Health, Business Office, Operations & Maintenance, Student Transportation, & District Office Support)

3.75% decrease from prior year Original Budget

Non-Instructional: **\$2,668,443**

(Athletics, Student Activities, Community Services)

2.46% decrease from prior year Original Budget

Facilities: **\$693,830**

(Site Improvement, Construction, Architectural Services)

173.05% increase from prior year Original Budget

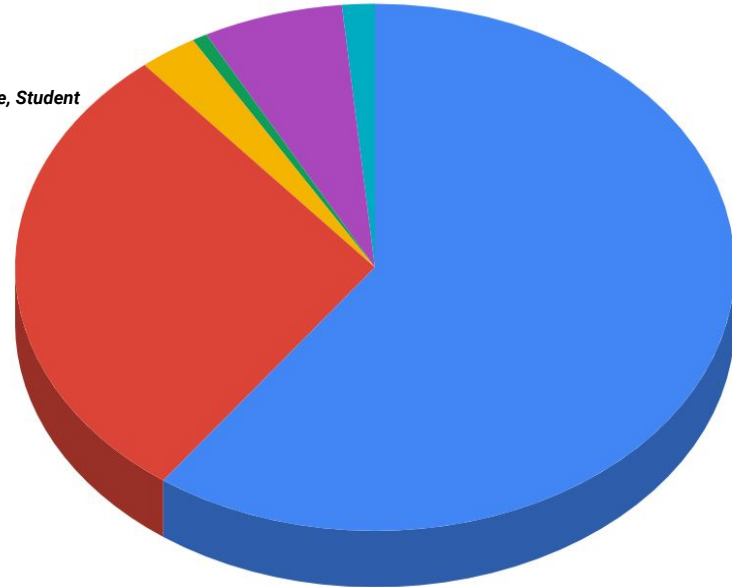
Debt Service/Other: **\$6,423,208**

(Debt Service, Fund Transfers)

14.3% increase from prior year Original Budget

Budgetary Reserve: **\$1,500,000**

28.63% decrease from prior year Original Budget



Total Expenditures + Reserve reflect a 1.73% decrease from prior year Original Budget.

*1.17% decrease when omitting Unassigned FB

2020-2021 Proposed Final Budget Summary

Estimated Starting Fund Balance: \$19,302,129

Total Revenues: \$99,633,367

Total Expenditures: \$102,008,293

Net Change: (\$2,374,926)

Capital Assigned Drawdown: (\$1,493,830)

PSERS Drawdown: (\$ 750,000)

Unassigned Drawdown: (\$ 129,718)

GALA Drawdown: (\$ 1,378)

Ending Fund Balance: \$16,927,203

PSERS Committed: \$6,505,782

GALA Committed: \$ 14,729

Athletic Assigned: \$ 78,389

Capital Assigned: \$7,164,174

Non-Spendable: \$1,500,000

Unassigned/Available: \$1,664,130