






Fox Chapel Area School District

2023-2024 Preliminary Budget Update

Committee of the Whole Meeting
4/11/2023



2023-24 General Fund Budget Timeline

Budget Milestones Completed:

- ★ Act 1 Index set - 4.1%
- ★ Requested Budgets due 12/9/2022
- ★ **School Board - Act 1 Resolution (1/9/2023 meeting)**

Current Step:

- ★ Preliminary Budget Revisions (January-May)

Upcoming Budget Milestones:

- ★ **School Board - Proposed Final Budget (5/8/2023 meeting, due by 5/31)**
- ★ **School Board - Final Budget adoption (6/12/2023 meeting, due by 6/30)**

Budget Implications

- Capital Projects Multi-Phase Plan
- Personnel
 - PSERS
 - Healthcare
- Mandated & Contractual Costs
- Rising Costs due to Inflation

2023-24 budget planning affects future year budgets

Multi-Phase Capital Project Plan

- Fox Chapel Area High School
 - Domestic Hot Water Upgrades
 - Boiler Demolition & Upgrade
 - Rooftop Units Upgrades
 - Classroom HVAC Improvements
 - Direct Digital Controls & Commissioning
 - Other Miscellaneous

Multi-Phase Capital Project Plan

- Dorseyville Middle School
 - Windows
 - Boiler Room Upgrades
 - Direct Digital Controls & Commissioning
 - Switchgear
 - Other Miscellaneous

Multi-Phase Capital Project Plan

- O'Hara Elementary School
 - Boiler Room Upgrades
 - Direct Digital Controls & Commissioning
 - Other Miscellaneous

Multi-Phase Capital Project Plan

- Fairview Elementary School
 - LED Lighting
 - Classroom HVAC Improvements
 - Air Handling Unit & Rooftop Unit Replacements
 - Direct Digital Controls & Commissioning
 - Switchgear & Electrical Wire Upgrades
 - Other Miscellaneous

Multi-Phase Capital Project Plan

- Hartwood Elementary School
 - HVAC Replacement
 - Other Miscellaneous

Multi-Phase Capital Project Plan

- Athletics
 - Turf Replacement
 - High School Tennis Courts
 - Other Miscellaneous

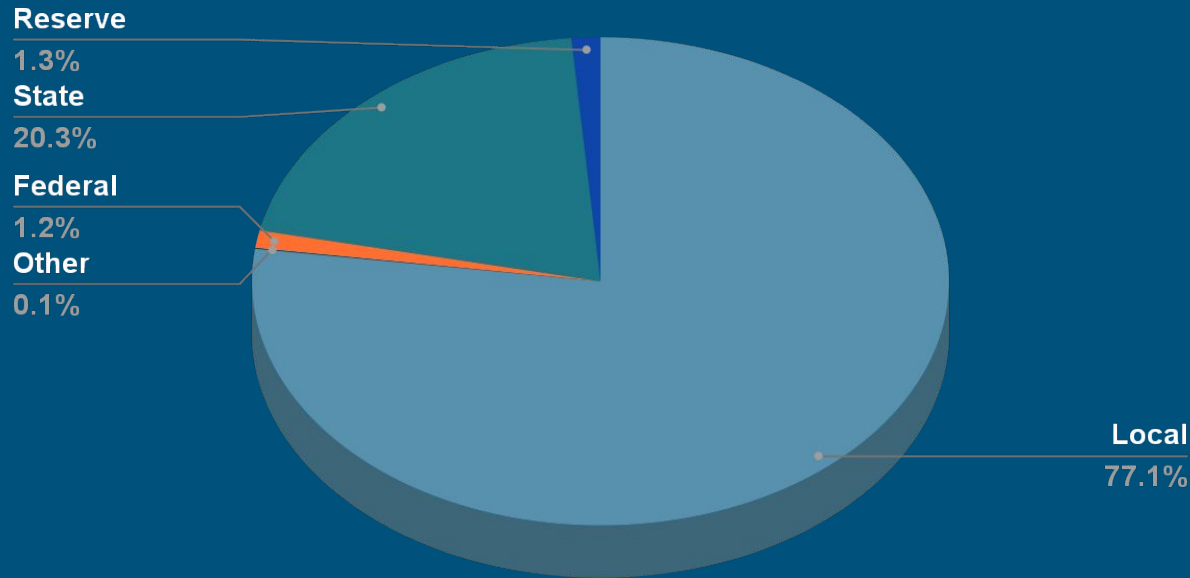
2023-24 Revenues

Base Revenues	\$110,501,590
Unassigned Fund Balance:	<u>\$ 1,500,000</u>
Total Revenues	\$112,001,590

Areas of Note:

- Base Revenues based on 0% millage increase
 - Final property assessment data due in May
- Increase in Earned Income Tax Revenue
- Potential increase in interest earnings
- Includes over \$600,000 in COVID Grant Usage
- PA State Budget / PA State Revenues
 - State Budget won't be passed until AFTER school budget
 - Homestead Tax Reduction from Gaming Revenues due in May

2023-24 Preliminary Budget - Revenues Snapshot*



Revenues by Source:

Local -	\$ 86,386,138
State -	\$ 22,749,576
Federal -	\$ 1,305,876
Other -	<u>\$ 60,000</u>
Subtotal	\$110,501,590

Unassigned FB	<u>\$ 1,500,000</u>
Total	\$112,001,590

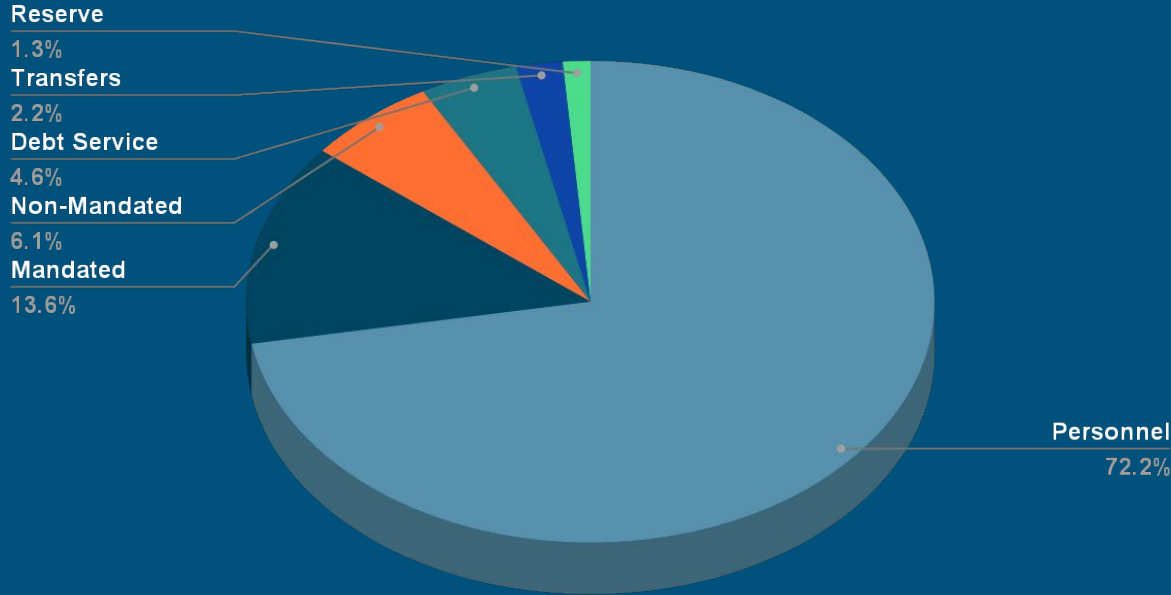
2023-24 Expenditures

Base Expenditures	\$ 111,445,139
Capital Reserves Transfer	\$ 2,500,000
Budgetary Reserve	<u>\$ 1,500,000</u>
Total Expenditures	\$115,445,139

Areas of Note:

- Multi-Phase Capital Projects Plan
- Personnel
 - PSERS
 - Health Insurance
- GO Bond Series 2022
- Elementary Literacy Textbook Adoption
- Return of expenditures previously on hold due to COVID
- Rising Costs due to Inflation

2023-24 Preliminary Budget - Expenditures Snapshot*



Expenditures by Category:

Personnel -	\$ 83,354,458
Mandated -	\$ 15,655,373
Non-Mandated -	\$ 7,089,865
Debt Service -	\$ 5,320,443
Fund Transfers -	<u>\$ 2,525,000</u>
Subtotal	<u>\$113,945,139</u>

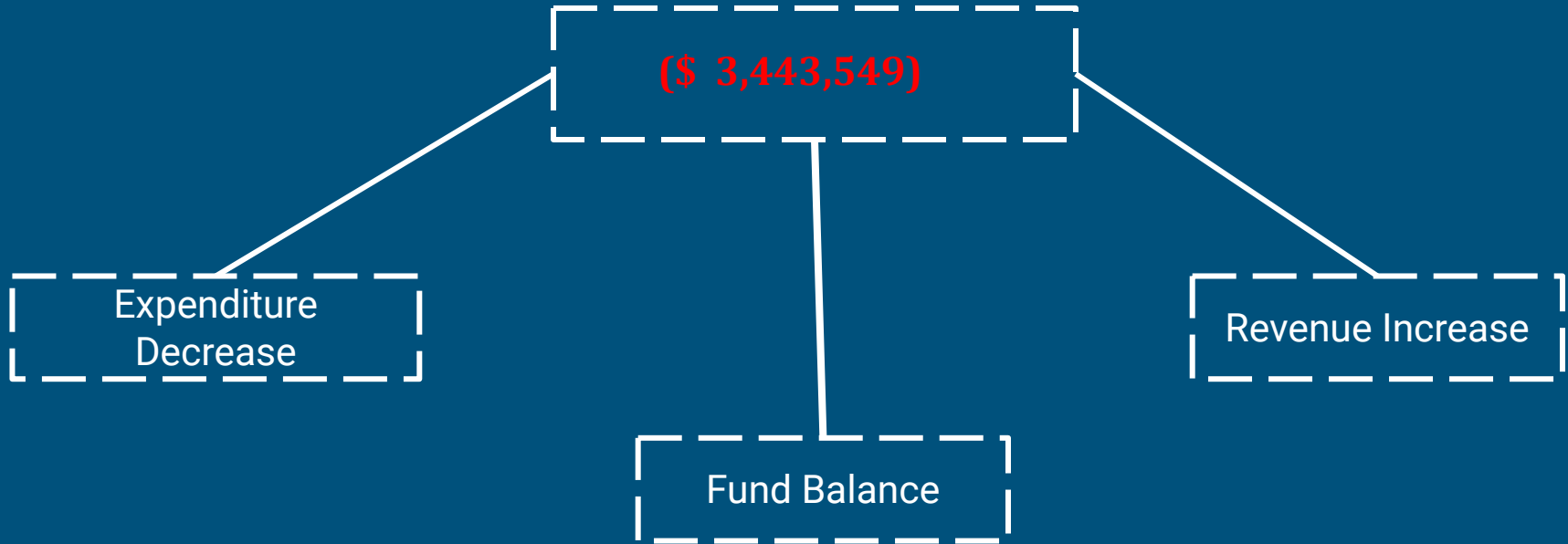
Budgetary Reserve	<u>\$ 1,500,000</u>
Total	<u>\$115,445,139</u>

2023-24 Preliminary Budget as of 4/11/2023

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

Total Revenues	\$112,001,590
Total Expenditures	<u>\$115,445,139</u>
Net Change:	(\$ 3,443,549)

Options to Balance a Budget



Expenditure Decreases

2023-24 Preliminary Budget as of 4/11/2023 reflects close to \$500,000 in expenditure reductions throughout the entire budget process to date.

Fund Balance Drawdown

2023-24 Planned Drawdown*:

Capital Projects Fund Balance: **(\$1,000,000)**

Athletic Activities Fund Balance: **(\$ 15,000)**

Total Planned Drawdown: \$1,015,000

**Planned Drawdown BEFORE potential Unassigned Utilization*

Planned Fund Balance Drawdown

2023-24 Net Change:	(\$ 3,443,549)
Less Planned Fund Balance Drawdown:	<u>(\$ 1,015,000)</u>
Amount remaining to be balanced:	(\$ 2,428,549)

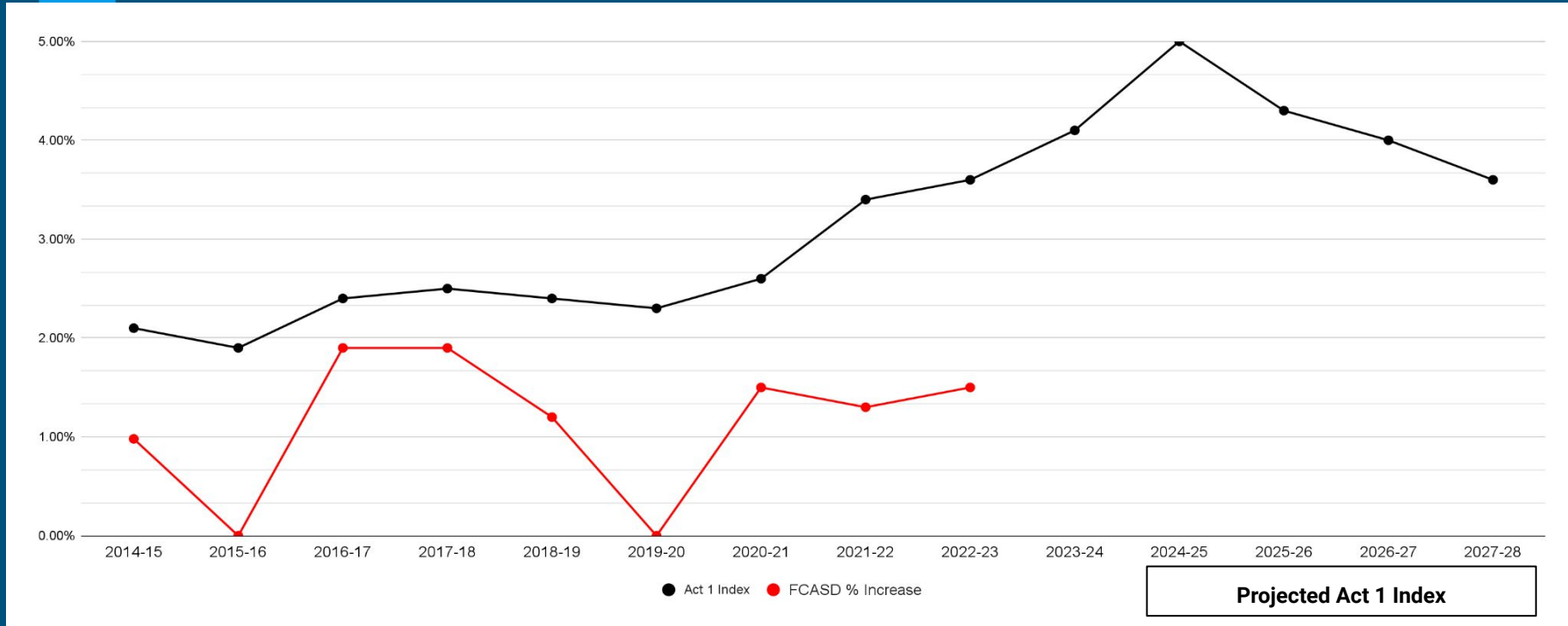
Potential Revenue Increases

Act 1 Index = 4.1%

Full Index increase - Added revenue potential: \$2.9 million (96% Collection Rate)

District's Historical Average Increase = 45%-50% of Index

FCASD Historic Tax Millage Increase Compared to Act 1 Index



Act 1 Index beyond 2023-24 based on both PASBO projections & PA's Independent Fiscal Office projections & subject to change

Potential Balancing Options for 2023-24

	No Increase	Range of Prior Year Averages			Max Increase
	0% Increase	1.5% Increase	1.75% Increase	2.05% Increase (50% Act 1 Index)	4.10% Increase (Full Act 1 Index)
<i>Equivalent annual increase per \$100,000 assessment</i>	\$0	\$28.60	\$35.75	\$41.88	\$83.76
Added Tax Revenue	\$0	\$1,065,962	\$1,243,622	\$1,456,815	\$2,913,629
Total Revenues	\$ 112,001,590	\$ 113,067,552	\$ 113,245,212	\$ 113,458,405	\$ 114,915,219
Total Expenditures	<u>\$ 115,445,139</u>	<u>\$ 115,445,139</u>	<u>\$ 115,445,139</u>	<u>\$ 115,445,139</u>	<u>\$ 115,445,139</u>
Net Change	\$ (3,443,549)	\$ (2,377,587)	\$ (2,199,927)	\$ (1,986,734)	\$ (529,920)
Planned Fund Balance Drawdown	\$ (1,015,000)	\$ (1,015,000)	\$ (1,015,000)	\$ (1,015,000)	\$ (1,015,000)
Amount Remaining to be Balanced*	\$ (2,428,549)	\$ (1,362,587)	\$ (1,184,927)	\$ (971,734)	\$ 485,080

*as of 4/11/2023

Next Steps

May 1, 2023 - Proposed Final Budget presentation

May 8, 2023 - Recommended Board Approval of Proposed Final Budget

June 5, 2023 - Final Budget presentation

June 12, 2023 - Final Budget adoption



Questions?