



Quakertown Community School District

2020/2021 General Fund Budget Summary

Millage

2019/2020 Millage Rate = **168.83**

2020/2021 Millage Rate at 0.0% Increase = **168.83**

Revenue Generated from Increase = **\$0**

NOTES: The revenue will show a reduction due to projections that tax collection rates will decrease.

Expenditures

2019/2020 Budgeted Expenditures (excludes reserve) = **\$114,580,937**

2020/2021 Budgeted Expenditures (excludes reserve) = **\$119,505,241**

Percentage Increase = **4.3%**

NOTES: Expenditure increase includes approximately \$2 million from the sale of the schools. Removing the one time expenditure, which came from a one-time revenue, the budget increase is 2.57%

Revenues

2019/2020 Budgeted Revenue = **\$113,194,994**

2020/2021 Budgeted Revenue = **\$111,744,673**

Percentage Decrease = **1.28%**

Notes: The total use of fund balance includes the proceeds from the sale of two schools. Revenues show a reduction to reflect COVID impact on economy.

Fund Balance

2020/2021 Budgeted **Total** Use of Fund Balance = **\$7,760,568**

2020/2021 Budgeted **Structural** Use of Fund Balance = **\$5,783,527**

2019/2020 Projected Fund Balance (includes sale of schools proceeds) = **\$24,949,528**

2020/2021 Projected Fund Balance = **\$17,188,960**

Notes: Under the Administrative assumptions, the use of fund balance is projected to be less due to savings strategies. However, the final impact of COVID-19 on the economy is unknown. [SEE REVENUE HEAT MAP](#)

Impact on Taxpayer

Average Homestead/Farmstead Assessment = **23,857**

Average Homestead/Farmstead Tax Bill (2019/20) = **\$4,027.77**

Average Homestead/Farmstead Tax Bill (2020/21) = **\$4,027.77**

Tax (millage) Increase to average Homestead Farmstead Tax Bill = **\$0**

Notes: Individual tax bills may vary due to the homestead/farmstead tax reduction.

Projected Changes for June Final Budget

Attritional Savings – In the last two weeks the District has received 6 teacher retirements and one resignation. The total reduction in salaries/benefits (if not filled) is approximately \$900k. The final budget will show a reduction of approximately half that due to replacing staff (FTES in the budget) with new staff at a lower salary. The Administrative recommendation is to replace the FTEs in the budget but not fill them unless absolutely necessary. This will result in a reduction to spend of another \$450k by end of year 20-21.

Administrative Recommendation and Board Finance Committee Direction

The direction from the Board Finance Committee and administrative recommendation is not to cut the budget to reduce the deficit on paper. With so many unknown variables (see below) it is recommended to keep the budget as is and work toward reducing the spend through the 20/21 school year to reduce the actual deficit by year end. Strategies to reduce the budget include:

- Reduction in force through attrition (hiring freeze)
- Extending/Delaying capital projects plan
- Using remaining Neidig bond money to pay for capital projects
- Freezing travel (conferences)
- Reducing curriculum and other supply purchases

Potential Impact on Budget of a Virtual vs. Brick and Mortar Fall Opening (unknown variables)

To help combat unknown variables, in addition the recommendation above, the administration is recommending increasing the budgetary reserve from the traditional \$800k to \$1.2 million.

Virtual

- May experience significant expenditure reductions in the following: Elimination of Transportation, elimination of need for PPE and sanitizing/custodial costs, reduction in supply costs, reduction in utility costs, and attritional savings from not backfilling retirements and resignations.
- May see an increase in expenditures for software and other technology needs.
- May see significant losses in the food services fund which will require a transfer from the general fund (continuing to feed students but at a loss in revenue).

Brick and Mortar

- May experience significant costs in the following: PPE and sanitizing efforts (equipment and FTE), increase in bussing costs (need for more buses to abide by social distancing),
- May see a reduction in staffing costs due to retirements and leave of absences.