



2011-2012 Budget Development

Budget Workshop

March 24, 2011

Goals for the Development of the 2011-2012 Budget

- Support the *Roadmap to Educational Excellence 2010-2014* and the multi-year financial goals of the BASD.
- Be responsible financial stewards--practice "**sustainable budgeting**". Align BASD programs and operations to reliable sources of revenue.
- Assure adequate financial resources to sustain *mandated* programs and existing contracts/ agreements.
- Establish a final budget not to exceed a **1.7%** tax increase.

Context: 2010-2011 vs. 2011-2012

- 2010-2011--Final Budget included \$5.1 million in cuts to balance the budget.
- 2011-2012--on course to making \$13 million in cuts to balance the budget at a 1.7% tax increase
- Total expenditures will be less in 2011-2012 than in 2010-2011 despite increases in mandated costs.

In the months prior to this evening's workshop...

- The BASD Administration has already presented **\$4.3 million** of 2011-2012 expenditure reductions:
 - 15 teachers through anticipated retirement
 - 10 elementary teachers due to enrollment patterns
 - 3 supervisors: 2 Curriculum Office, 1 Asst. Maintenance
 - 2 clerical FTEs and 2 hall monitors
 - Healthcare costs
 - School bus replacement cycle costs
 - HVAC repair costs
 - SPARK Personnel/Costs (to align to Pre-K counts Grant)
 - Cohort IV Aspire Grant Personnel

On February 24...

- The Budget gap stood at approx. \$6.0 million.
- Approximately \$3.9 million in additional spending cuts would be needed to reach a Budget Gap of \$2.1 million.
- A \$2.1 million Budget Gap can be closed with a tax increase at the index (1.7%)

On March 8, 2011....

The Governor Presented His Budget

- Reduction/Elimination of numerous state supports/grants to the BASD including:
 - Basic Education Funding (\$2,511,567)
 - Accountability Block Grants (\$1,726,521)
 - Education Assistance Program (\$750,330)
 - Charter School Reimbursement (\$1,750,147)
 - Social Security Reimbursement (\$366,009)
- Largest percentage reduction (20%) in the Lehigh Valley
- Because of the Governor's budget and continued refinement of budgetary projections, the BASD's Budget Gap balloons from \$6 million to over \$11 million.

Tonight's Goal

- Tonight's Goal: Propose **six to seven million in spending reductions** to reach an approximate \$4.5 million Budget Gap that would require a 3.64% tax increase.
- Subsequent budget workshops would require at least \$2.4 million more in cuts to reach a 1.7% tax increase.

Longer-Term Issues Facing School District Budgets

- Having to live within the Act 1 Index without exceptions
- 2012 Index expected to be lower than this year's index
- Without reform of the PSERS retirement system, the BASD's retirement contributions will grow from 8.65% to 25.0% within five years.

To Reduce \$6 to \$7 Million....

- Focus first on reducing **non-mandated, non-instructional programs, services, and personnel**.
- However, a deficit this large (and current laws) require significant **program change** and corresponding reductions in professional personnel.
- **Share the sacrifice** throughout all departments
- Future years' budgets may require *structural* change to the BASD.

Priority Areas to **Shield** from Significant Reductions

- The notion of a **comprehensive school experience** for students--avoid "gutting" specific programs.
- The *Roadmap to Educational Excellence*.
- **Class sizes** in the core subjects K-12 at their current levels
- Supports for the **most at-risk elementary students**--especially Reading Specialists.