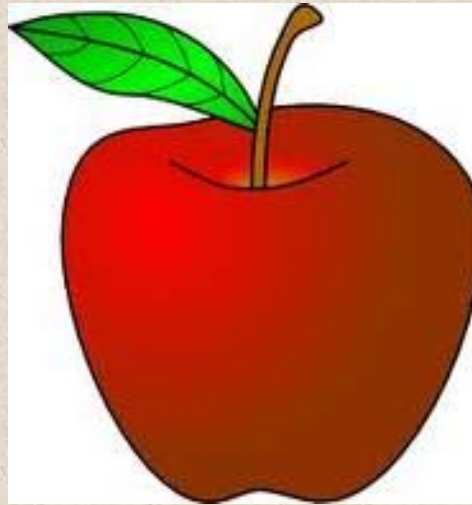


*Bethlehem Area School District*

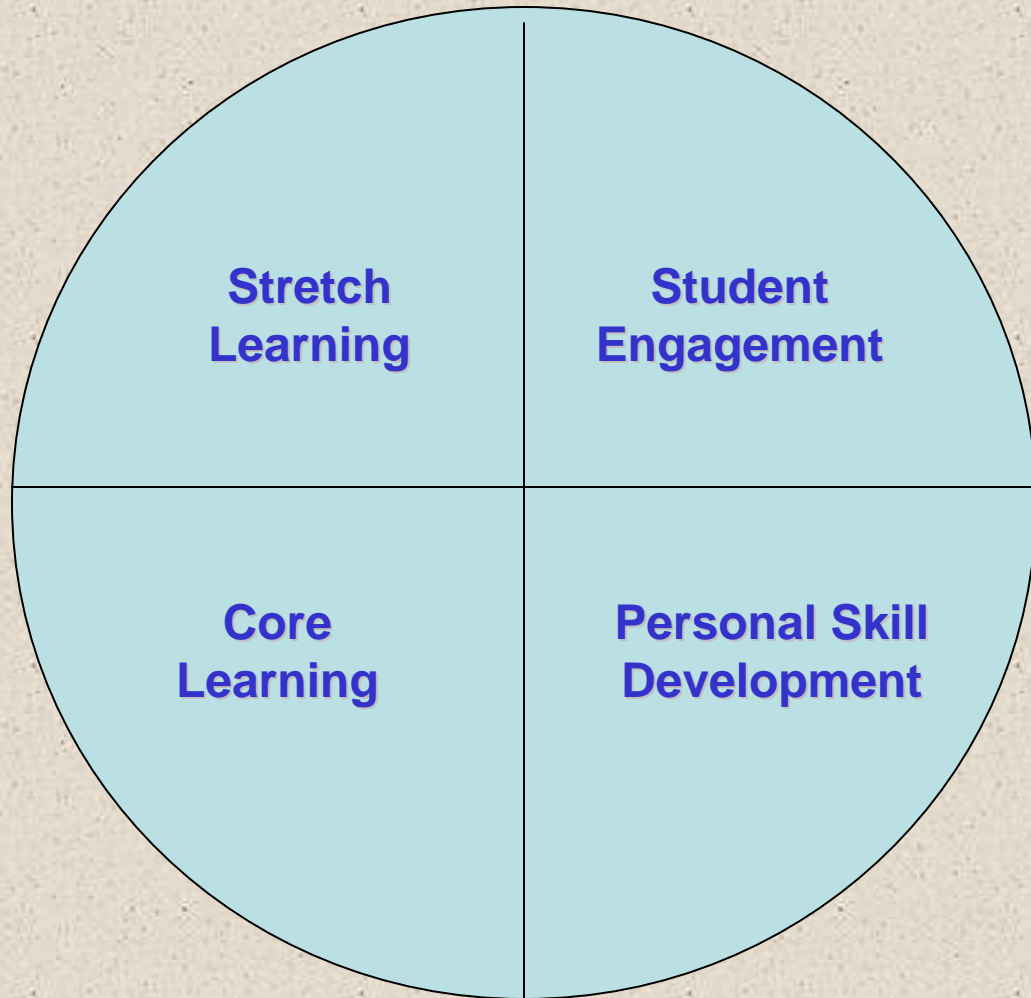


*2011-12 Preliminary General  
Fund Budget*

*April 26, 2011*

# 2011-12 Budget Goals

**Roadmap to Educational Excellence 2010-2014**



# 2011-12 Budget Goals

- Maintain Comprehensive School Experience
- Maintain Class Size In Core Subjects
- Maintain In-School Support for the Most At-risk Elementary Students

# 2011-12 Budget Goals

- Sustainable Budgeting
  - Align programs to reliable revenue sources
- Assure Adequate Financial Resources
- Sustain mandated programs
  - Sustain existing contracts & agreements
- Multi-Year Financial Goals
- Target 1.7% Tax Increase

# *2011-12 Proposed Budget .... The Beginning*

*\$11,550,858*

*Deficit*

*4.0930*

*Millage Needed*

*9.27%*

*Percentage Increase*

# Stimulus??

Title I	(\$ 540,000)
IDEA	(\$ 1,479,922)
State Fiscal Stabilization	(\$3,089,051)
Total	(\$5,109,973)

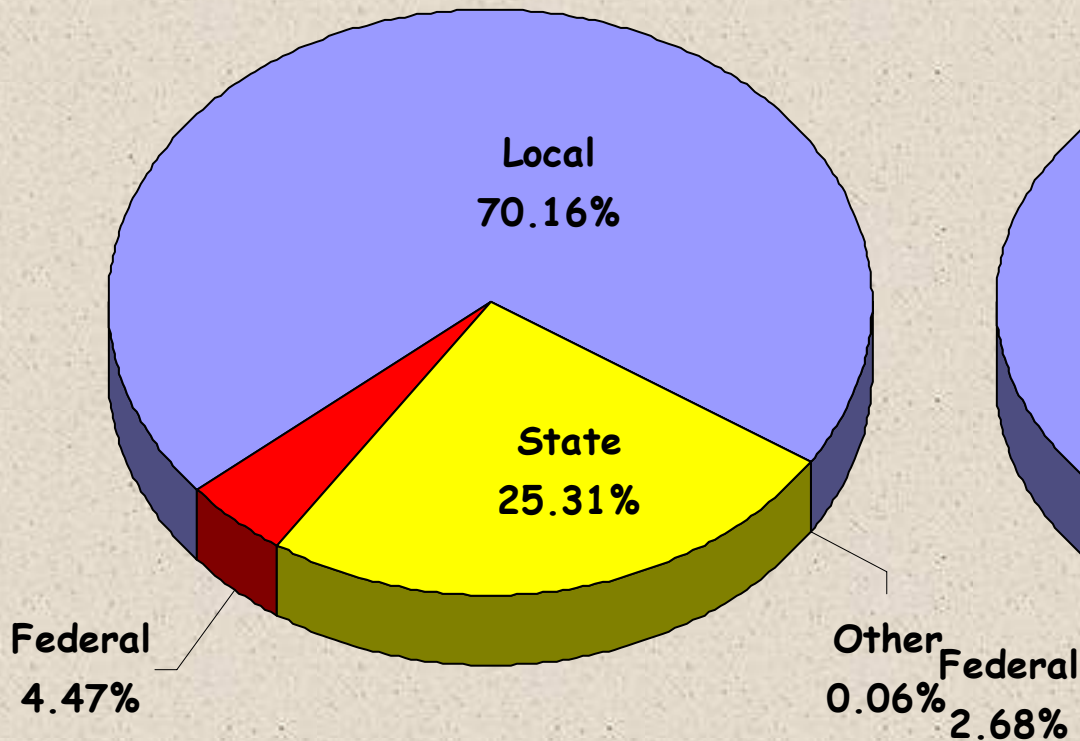
# What New Money is Proposed for ~~BA~~SD in 2011-12??

Basic Subsidy	(\$ 684,770)
Accountability Block Grant	(\$ 1,873,209)
Educational Assistance Pgm	(\$ 904,159)
Charter Schools	(\$ 1,806,167)
Special Education	\$ 46,786
Social Security	(\$ 207,386)
Total	(\$ 5,428,905)

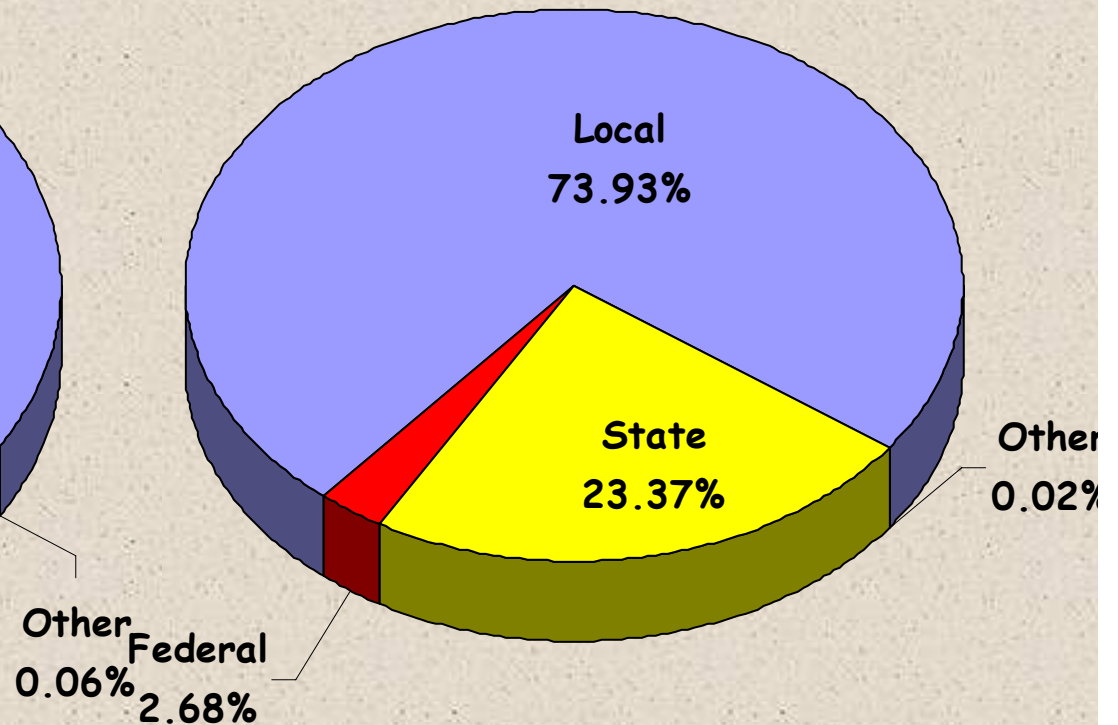
# 2011-12

## Revenues by Source

2010-11  
\$207,246,829



2011-12  
\$200,330,356





# *Decreases to get to today.....*

- Pre-K Program
- Family Centers
- Technology Reductions
- Resource Officers
- Full Day Kindergarten
  - MS Teaming
- Align K-12 Programs to Enrollment
  - HS Electives
    - ESOL
  - Professional Development
  - Instructional Coaches
    - Guidance Services
- Extra-Curricular/Co-Curricular Activities
  - General Operating Expenses

*\$14,177,027*

# *Decreases to get to today...*

*Total Reductions = 174.5*

*96.5 Professional Staff*

*78.0 Non-Professional Staff*

# *Increased Revenues*

- BAVTS Annual Reconciliation
- Improved Delinquent Tax Collections
- Sports Passes Price Increase
- Athletic Admission Price - Adult
- Annual MS/HS \$25 Co-Curricular/Extra-Curricular Activity Fee

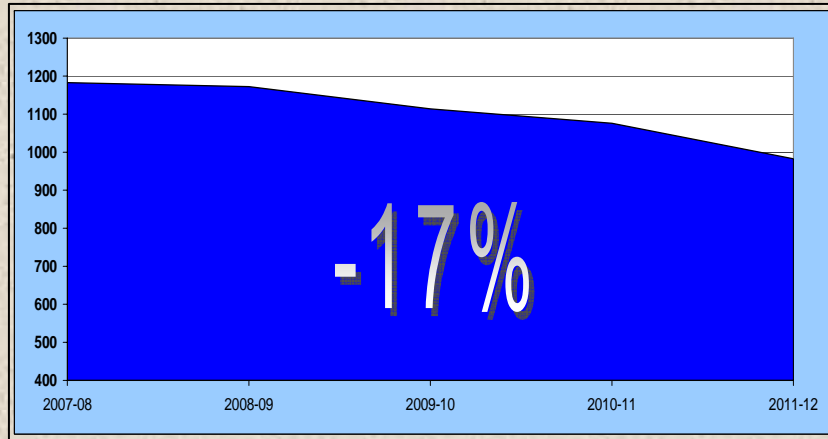
# *Annual Staffing Review Process*

- District-Wide Enrollment Projections by Building
- Student Course Selection
- Principal Review In Conjunction with C & I

## Proposed Program Changes

	Resulting Staff Reduction
<b>Pre-K Program</b> <b>→10 Teachers + 1 Principal</b>	<b>-11</b>
<b>Elimination of Full-Day Kindergarten</b>	<b>-6</b>
<b>Reduction in Elementary Classes</b>	<b>-10</b>
<b>Middle School Reorganization</b>	<b>-18</b>
<b>Minimum Enrollment for High School Electives</b>	<b>-20</b>
<b>Guidance Counselor Reorganization</b>	<b>-3</b>
<b>Elimination of Teacher-Coach Program</b>	<b>-5</b>
<b>Restructure ESOL Classes due to Targeted Grouping &amp; Decline in ESOL Students</b>	<b>-3</b>
<b>Program Reductions</b>	<b>-76</b>
<b>Other Non-Programmatic Reductions</b>	<b>-20.5</b>
<b>Total Professional Reductions</b>	<b>-96.5</b>

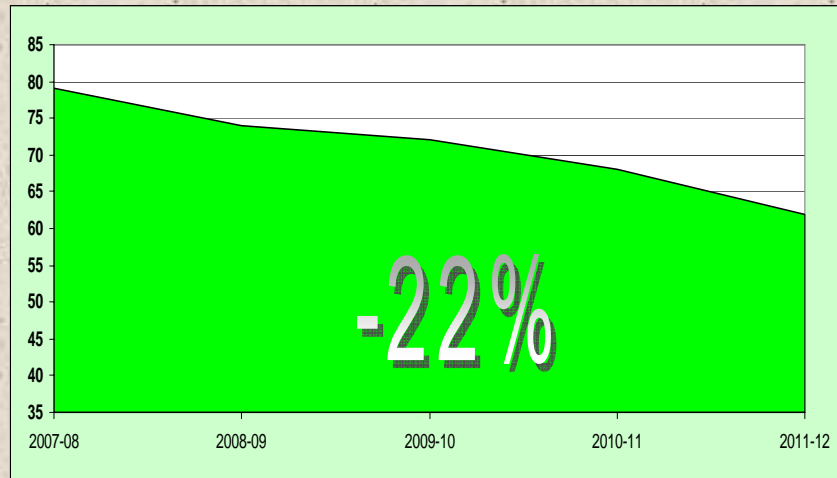
# Historical Staffing Reductions



An overall **17% reduction** of Teacher Staffing:

2007-2008: 1,182 positions

2011-2012: 982 positions



Overall **22% reduction** of Administrative Staffing (including Directors, Supervisors, Principals, Assistant Principals):

2007-2008: 79 positions

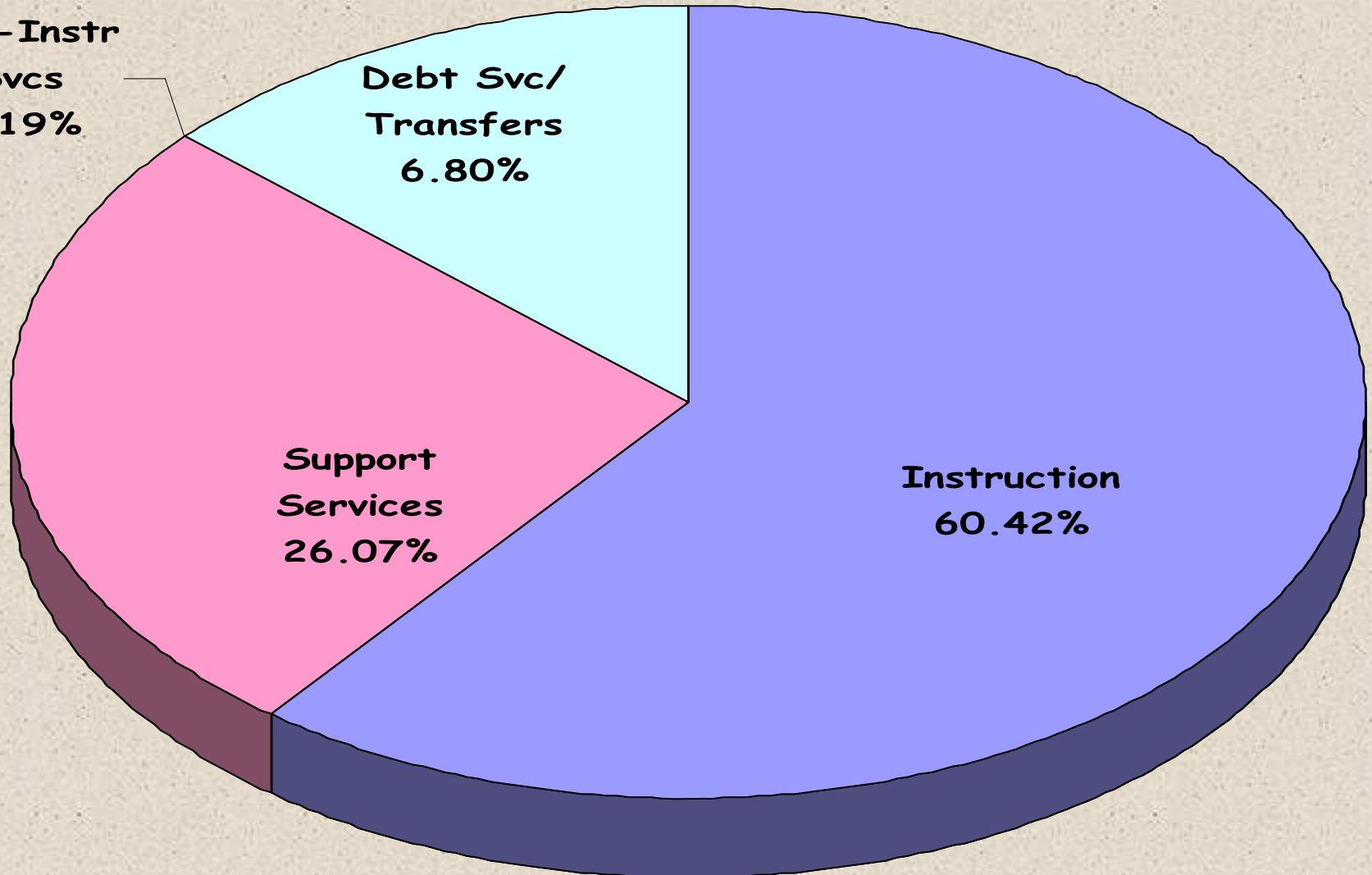
2011-2012: 62 positions

# 2011-12 Proposed Budget Expenditure Summary

	<u>2011-12 Budget</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u><i>Expenditures:</i></u>			
Instruction	\$122,515,889	(\$3,144,082)	-2.50%
Support Services	\$52,787,690	(\$1,502,837)	-2.77%
Non-Instr Svcs	\$393,910	(\$55,302)	-12.31%
Debt Svc/Transfers	\$26,751,718	(\$95,401)	-0.36%
<b><i>Total Expenditures</i></b>	<b>\$202,449,207</b>	<b>(\$4,797,622)</b>	<b>-2.31%</b>

# *2011-12 Proposed Budget Expenditures by Category*

Non-Instr  
Svcs  
0.19%

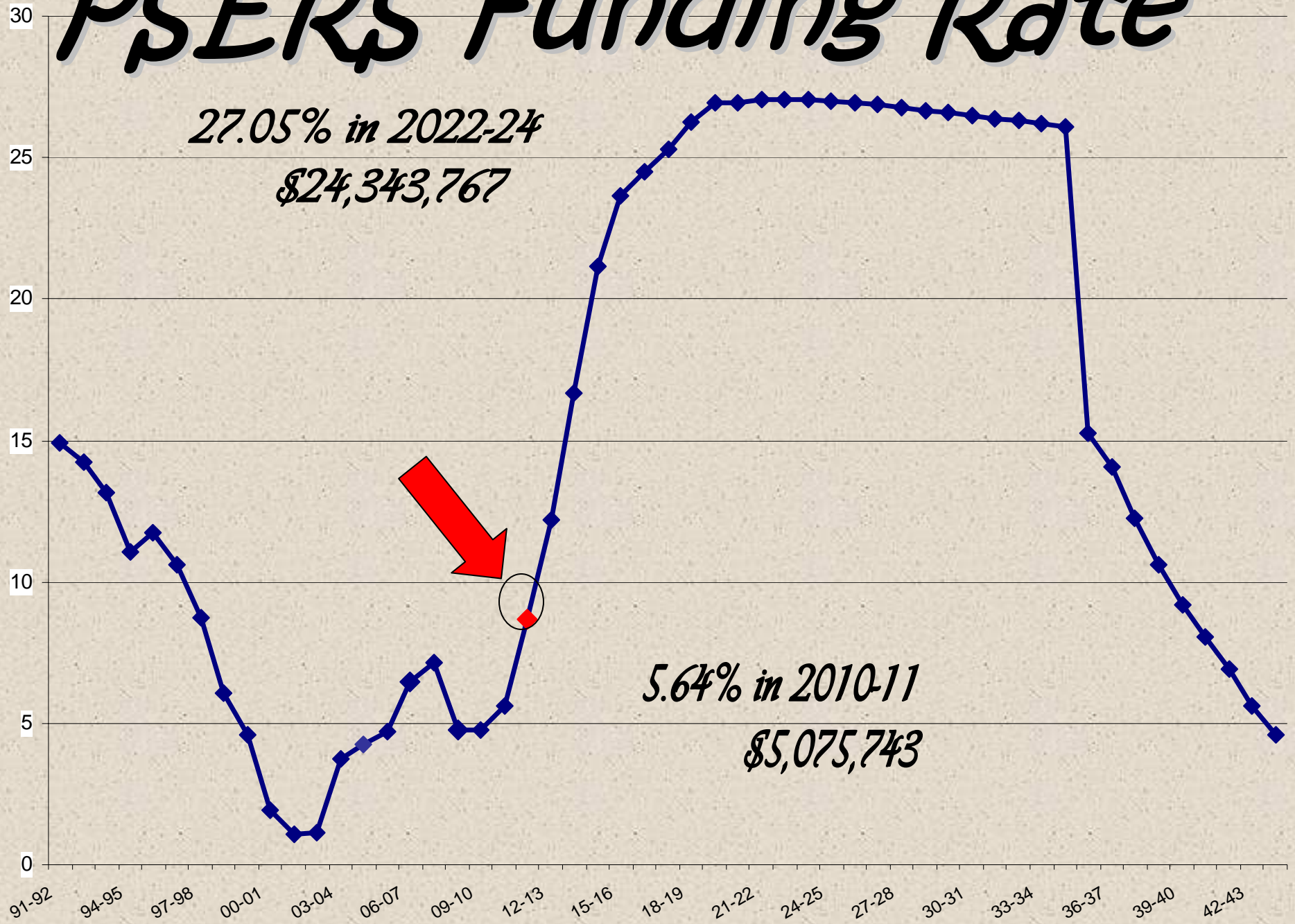




# *Salaries as a Percentage of Budget*

Professional	\$63,324,422	74.69%
Administration	\$ 5,768,864	6.80%
Custodial/Maintenance	\$ 7,580,877	8.94%
Bus Drivers	\$ 2,094,524	2.47%
Technical	\$ 402,223	0.47%
Secretarial/Clerical	\$ 3,382,311	3.99%
Instructional Aides	\$ 2,231,349	2.63%
Total Salaries	\$84,784,570	43.46%
Associated Benefits	\$39,905,524	20.46%
Total		63.92%

# PSERS Funding Rate



# *Non Discretionary Expenditures*

	<u>Expenditures</u>	<u>% of Budget</u>	
Salary & Benefits	\$ 124,690,094	62%	} 95%
IU Services/Alt Ed/Sp Ed	\$ 9,343,527	5%	
Debt Service	\$ 23,954,389	12%	
Transportation	\$ 2,200,525	1%	
Tuition Outside Student Pgms	\$ 16,597,745	8%	
Utilities	\$ 5,137,724	3%	
Federal Programs	\$ 7,510,181	4%	
Insurance	\$ 633,500	0%	
<b>Total Budget</b>	<b>\$ 202,449,207</b>		

# *Expenditures by Program Area*

	<u>Expenditures</u>	<u>Per Dollar Cost</u>	
Instructional Programs	\$116,560,987.00	\$0.58	} \$0.83
Instructional Support	\$19,643,384.00	\$0.10	
Maintenance	\$16,488,752.00	\$0.08	
Federal Programs	\$7,510,181.00	\$0.04	
Transportation	\$6,093,373.00	\$0.03	
Health Services	\$1,719,562.00	\$0.01	
Security	\$435,987.00	\$0.00	
Administrative Support	\$7,030,791.00	\$0.03	
Debt Svc/Transfers/Reserves	\$26,751,718.00	\$0.13	
Non-Instructional Costs	\$360,600.00	\$0.00	
	<b>\$202,449,207.00</b>	<b>\$1.00</b>	

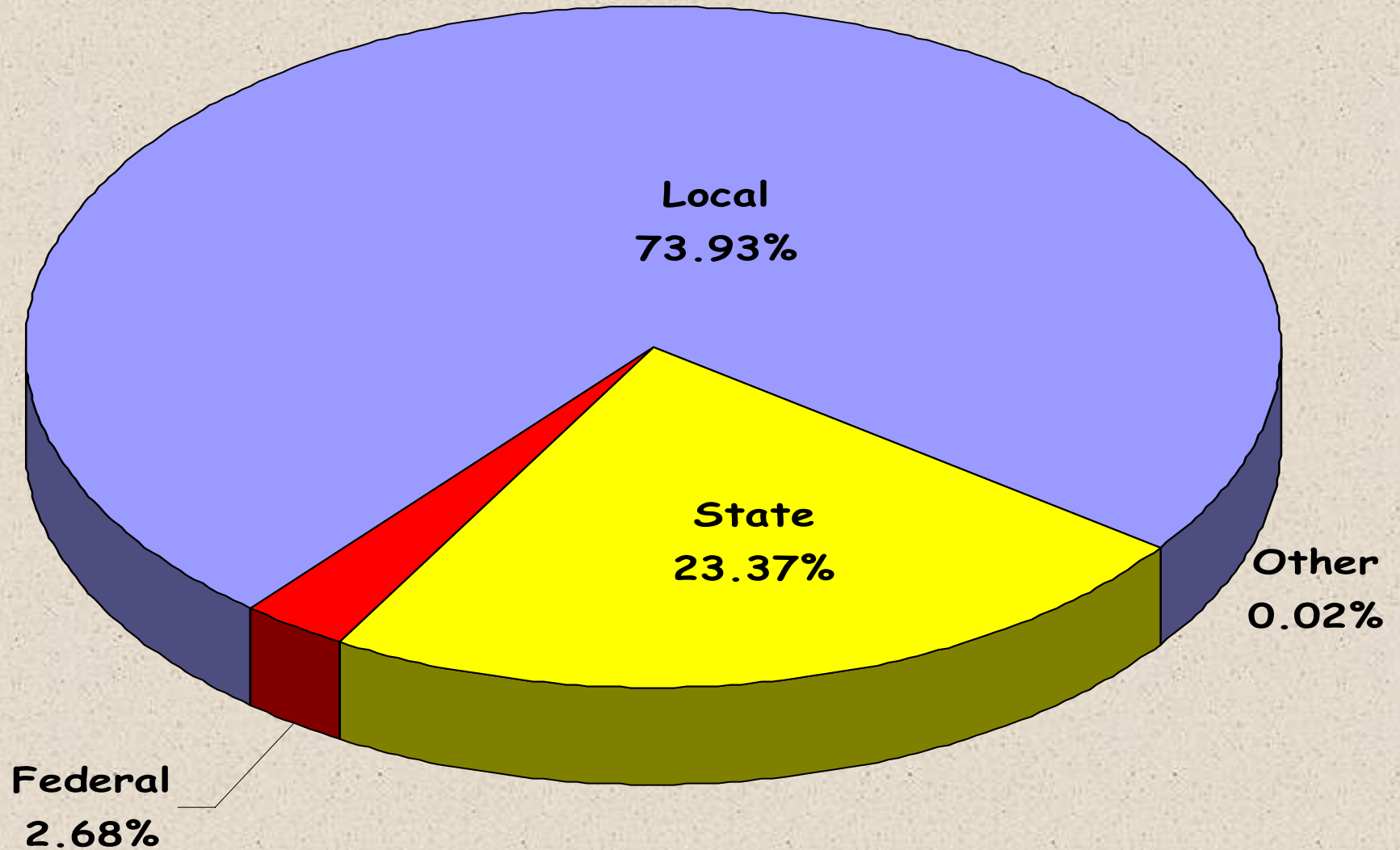
# 2011-12 Proposed Budget Expenditure Summary

	<u>2011-12 Budget</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u><i>Expenditures:</i></u>			
Instruction	\$122,515,889	(\$3,144,082)	-2.50%
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Debt Svc/Transfers	\$26,751,718	(\$95,401)	-0.36%
<b><i>Total Expenditures</i></b>	<b><i>\$202,449,207</i></b>	<b><i>(\$4,797,622)</i></b>	<b><i>-2.31%</i></b>

# 2011-12 Revenue Summary

	<u>2011-12 Budget</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<b><u>Revenues:</u></b>			
Local	\$148,104,061	\$2,701,952	1.86%
State	\$46,820,465	(\$5,643,560)	-10.76%
Federal	\$5,365,830	(\$3,897,865)	-42.08%
Other	\$40,000	(\$77,000)	-65.81%
<b>Total Revenue</b>	<b>\$200,330,356</b>	<b>(\$6,916,473)</b>	<b>-3.34%</b>

# 2011-12 Revenues by Source



# Fund Balance Review

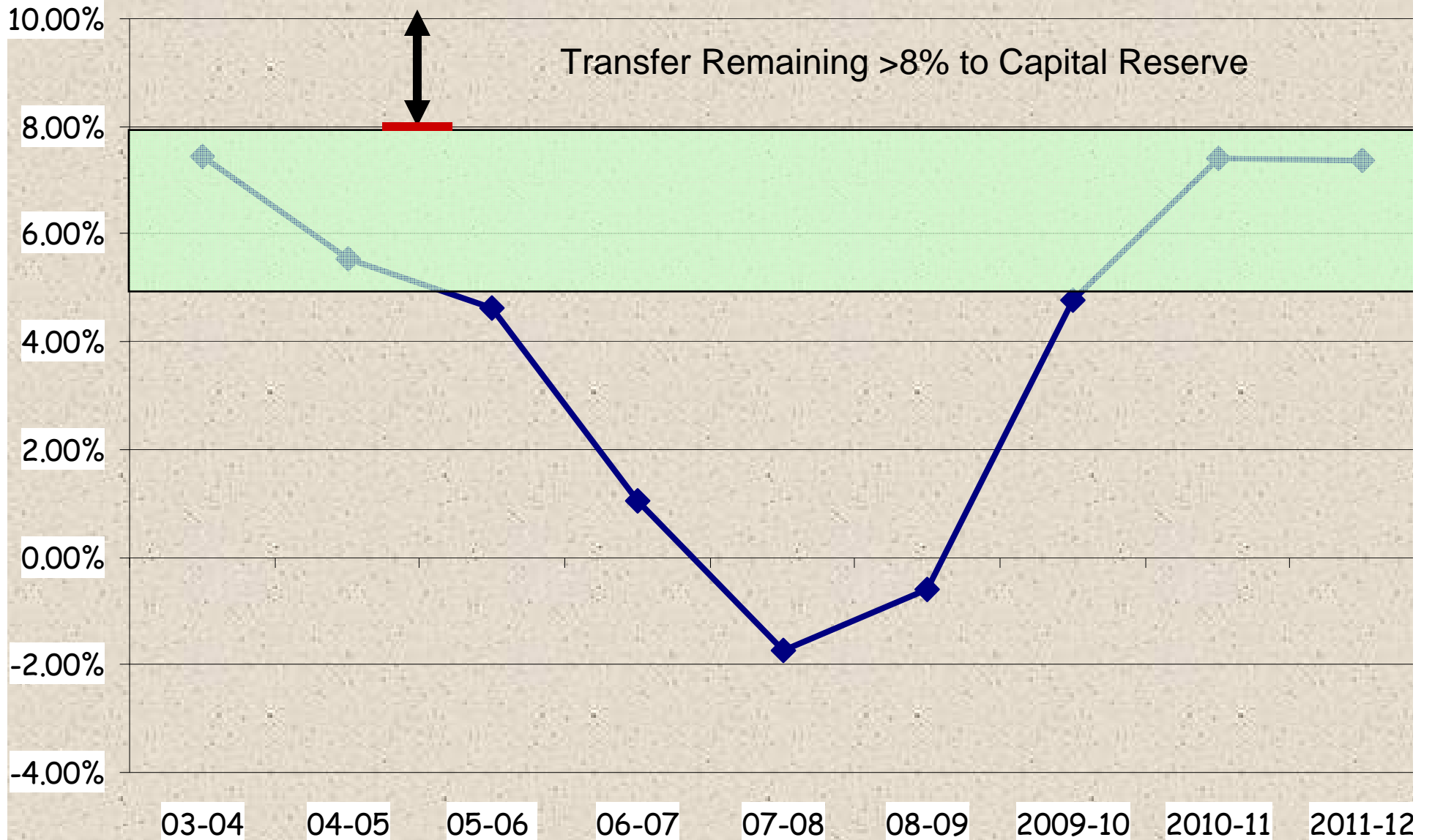
	<i>Beginning Fund Balance</i>	<i>Ending Fund Balance</i>	<i>Variance</i>
2007-08 Actual	\$ 1,975,953	\$ (3,169,965)	\$ (5,145,918)
2008-09 Actual	\$ (3,169,965)	\$ (1,119,232)	\$ 2,050,733
2009-10 Actual	\$ (1,119,232)	\$ 8,912,723	\$ 10,059,322
2010-11 Estimated	\$ 8,912,723	\$ 14,912,723	\$ 6,000,000



# Fund Balance Review

	<i>Beginning Fund Balance</i>	<i>Ending Fund Balance</i>	<i>Variance</i>
<i>2010-11 Estimated</i>	<i>\$ 8,912,723</i>	<i>\$ 14,912,723</i>	<i>\$ 6,000,000</i>
		<i>Planned Increase</i>	<i>\$ -2,000,000</i>
		<i>Sands Casino Increased Assessment</i>	<i>\$ -1,200,000</i>
		<i>Underspent Budget Expenditures</i>	<i>\$ 2,800,000</i>
		<i>Variance = 1.39% of Operational Budget</i>	

# Bethlehem Area School District Fund Balance History



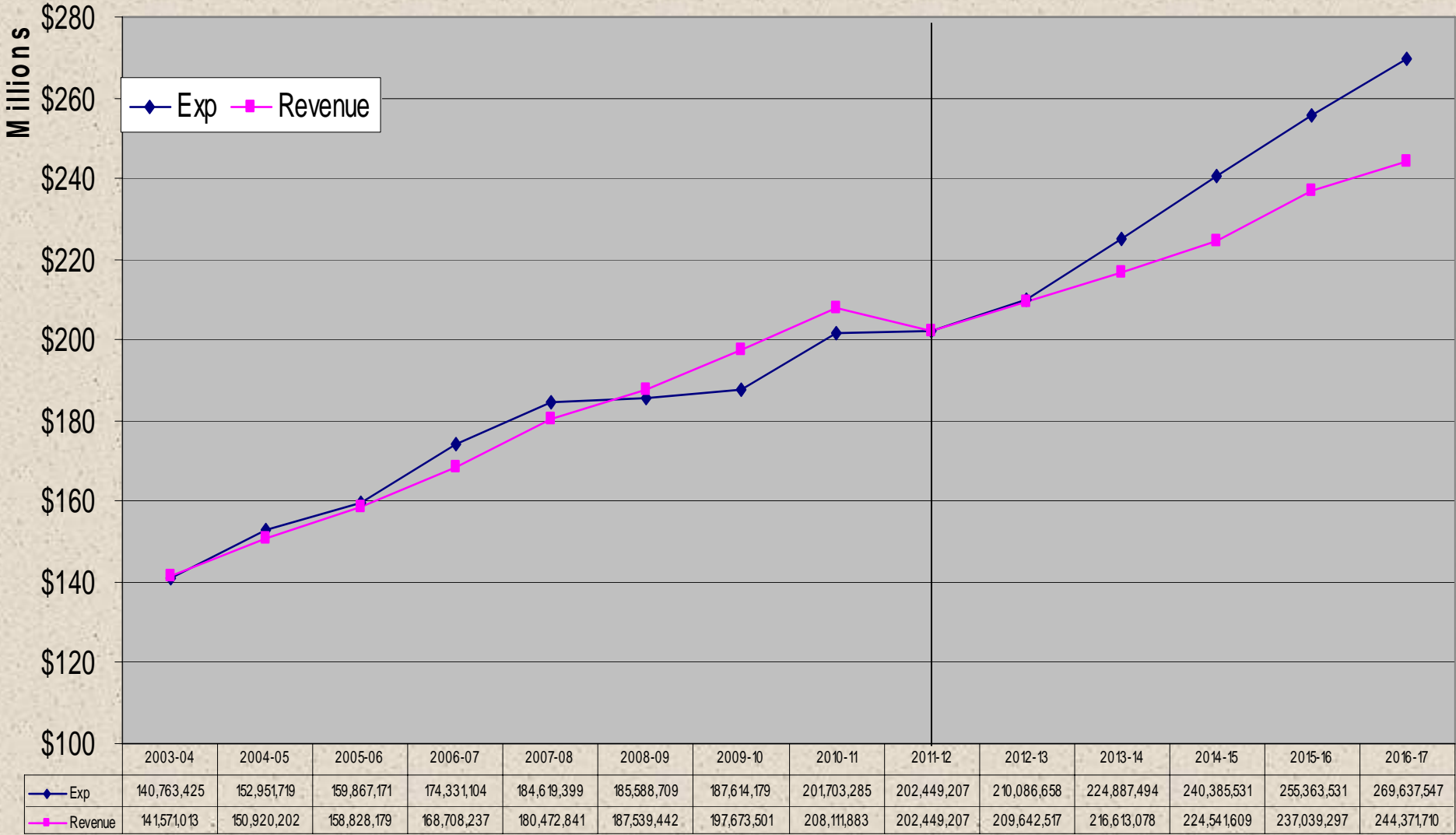
# New Fund Balance Reservations

GASB 54

- Non-spendable – Inherently Non-spendable
- Restricted - External Limitation on Use
- Committed – Board action
  - Can be used for Stabilization Funds as Board approved
  - Can be used for Termination Fund
- Assigned – Intended Use Limitation
  - Stabilization Funds have serious limitations:
    - Circumstances wouldn't occur routinely
    - Must be sufficiently detailed (not emergency)
    - Anticipated Revenue Shortfall would NOT qualify unless of magnitude beyond normal course of governmental operations
- Unassigned – Total Remaining

# 5-Year Projection

## Expenditure & Revenue Comparison



# 5-Year Projection

- Sustainability for Operations
- Balance stability with today's current economic reductions
- Recommend reducing the line item for fund balance restoration

# *2011-12 Proposed Budget Following Consideration by Administration*

Expenditure for Budgetary Reserve	\$2,600,000
Reduction	<b>(\$1,000,000)</b>
Recommended Budgetary Reserve	\$1,600,000

*Total Expenditure Reductions*

*April 26, 2011 \$ (1,000,000)*

# *2011-12 Proposed Budget Following Consideration by Administration*

Expenditures \$202,449,207

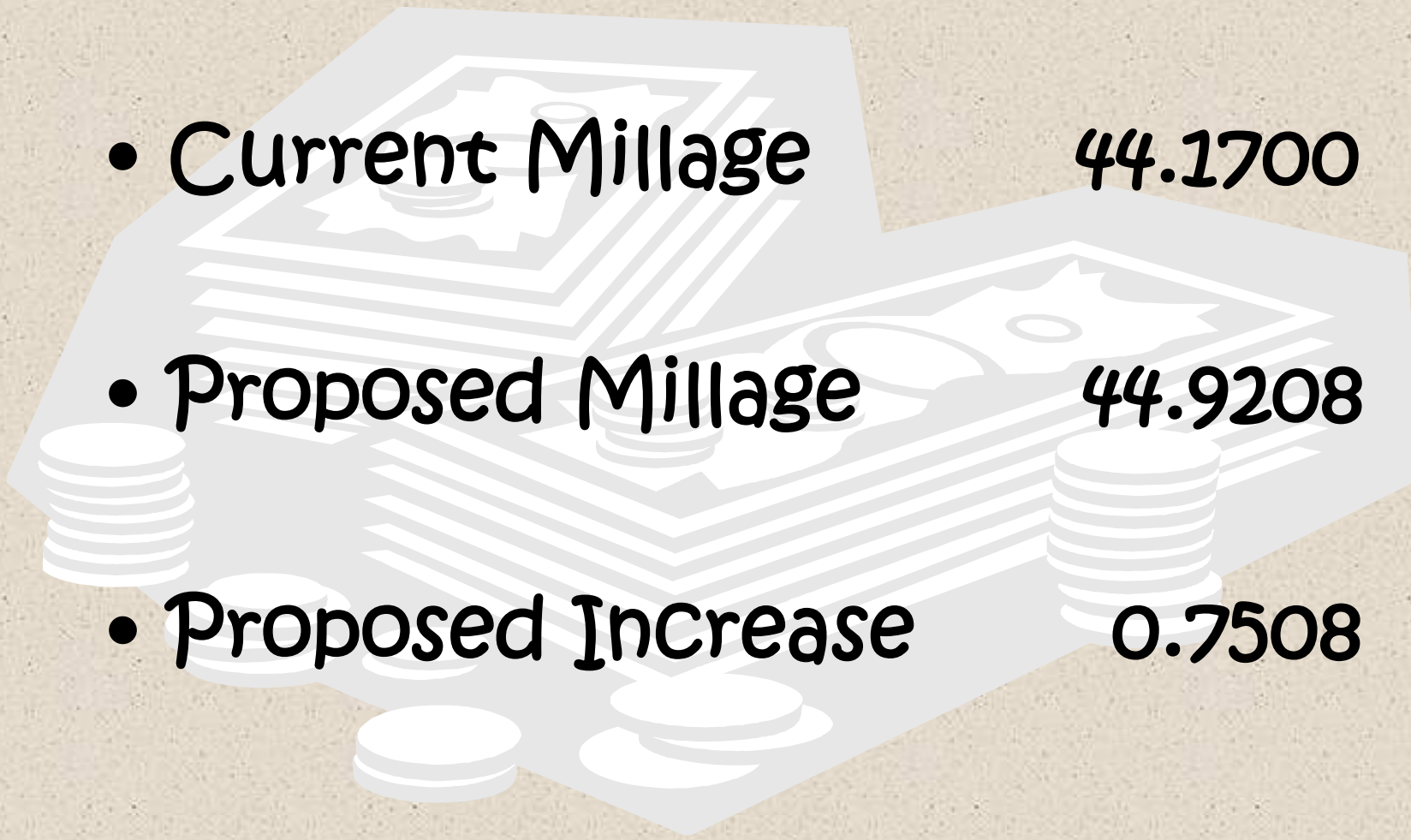
Revenues \$200,330,356

Deficit \$2,118,851

Millage Needed 0.75

*Percent Tax Increase 1.70%*

# 2011-12 Millage Requirements

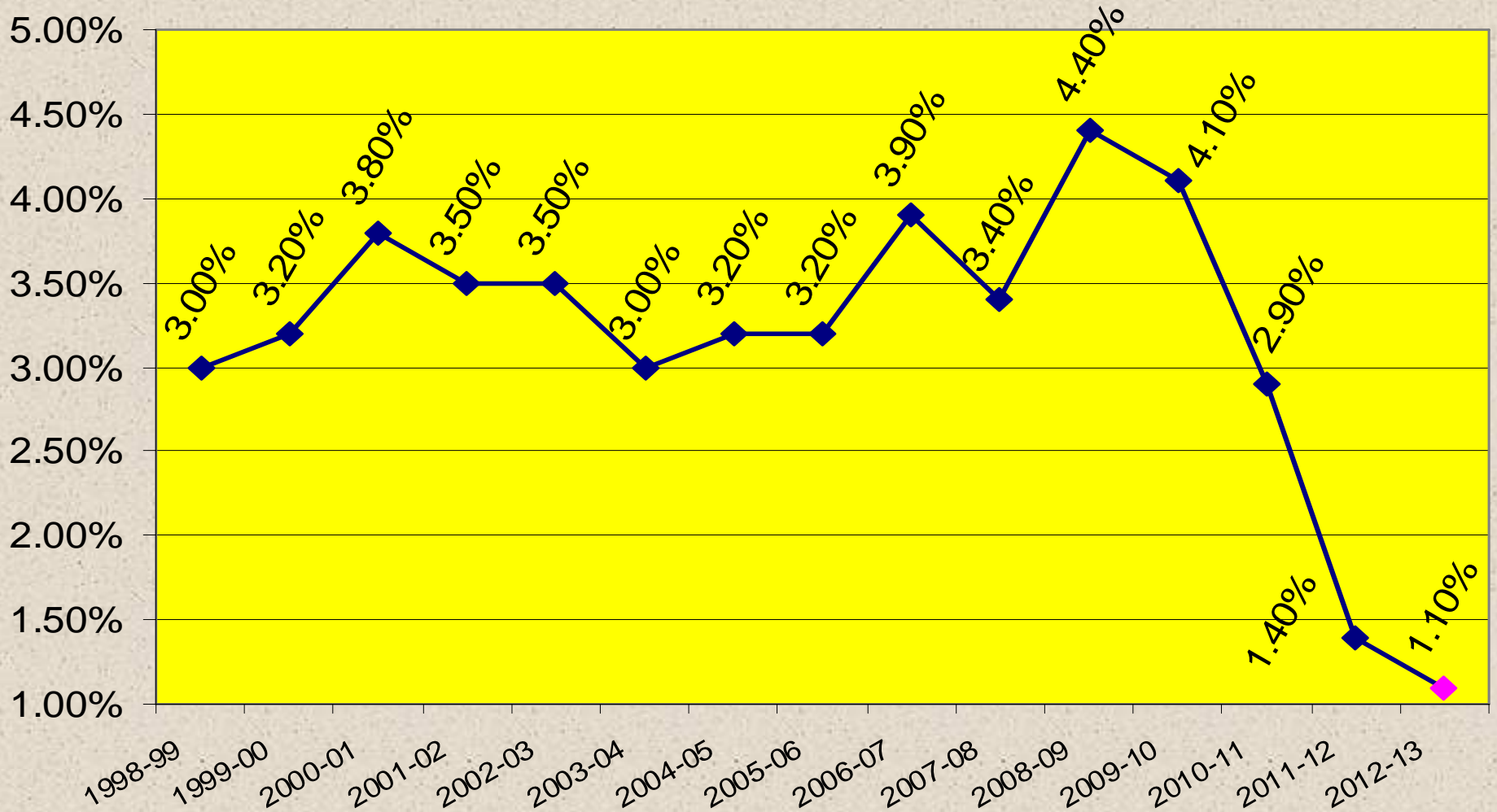
- 
- Current Millage 44.1700
  - Proposed Millage 44.9208
  - Proposed Increase 0.7508



# 2011-12 Millage Requirements

- *Total Millage@ 1.7%* **0.7508**
- *Millage for Debt* **0.3658**
- *Millage for Operations* **0.3850**

# Act 1 Index – Historical Index



# Act 1 Index - Available Exceptions

		<u>Mills</u>	
Allowable Index 2011-12 -- 1.7%	\$ 2,118,851	0.7508	1.70%

## Approved Exceptions:

School Construction - Debt	\$ 214,657	0.0761	0.17%
Special Education	\$ 1,166,481	0.4133	0.94%
Retirement Contributions	\$ 1,388,924	0.4922	1.11%
School Improvement Plan	\$ 120,915	0.0428	0.10%
	<b>\$ 2,890,977</b>	<b>1.0243</b>	<b>2.32%</b>

## **Total Allowable Increase Under**

<b>Act 1 Provisions</b>	<b>\$ 5,009,828</b>	<b>1.7751</b>	<b>4.02%</b>
-------------------------	---------------------	---------------	--------------

# Effect of Proposed Budget on Average Tax Bill

0.7508 mills

2011 Average Assessment \$ 75,032.00

2010-11 Millage 44.1700

Tax Bill \$ 3,314.16

Proposed Millage 44.9208

Tax Bill with Proposed Millage \$ 3,370.50

Percentage Increase 1.70%

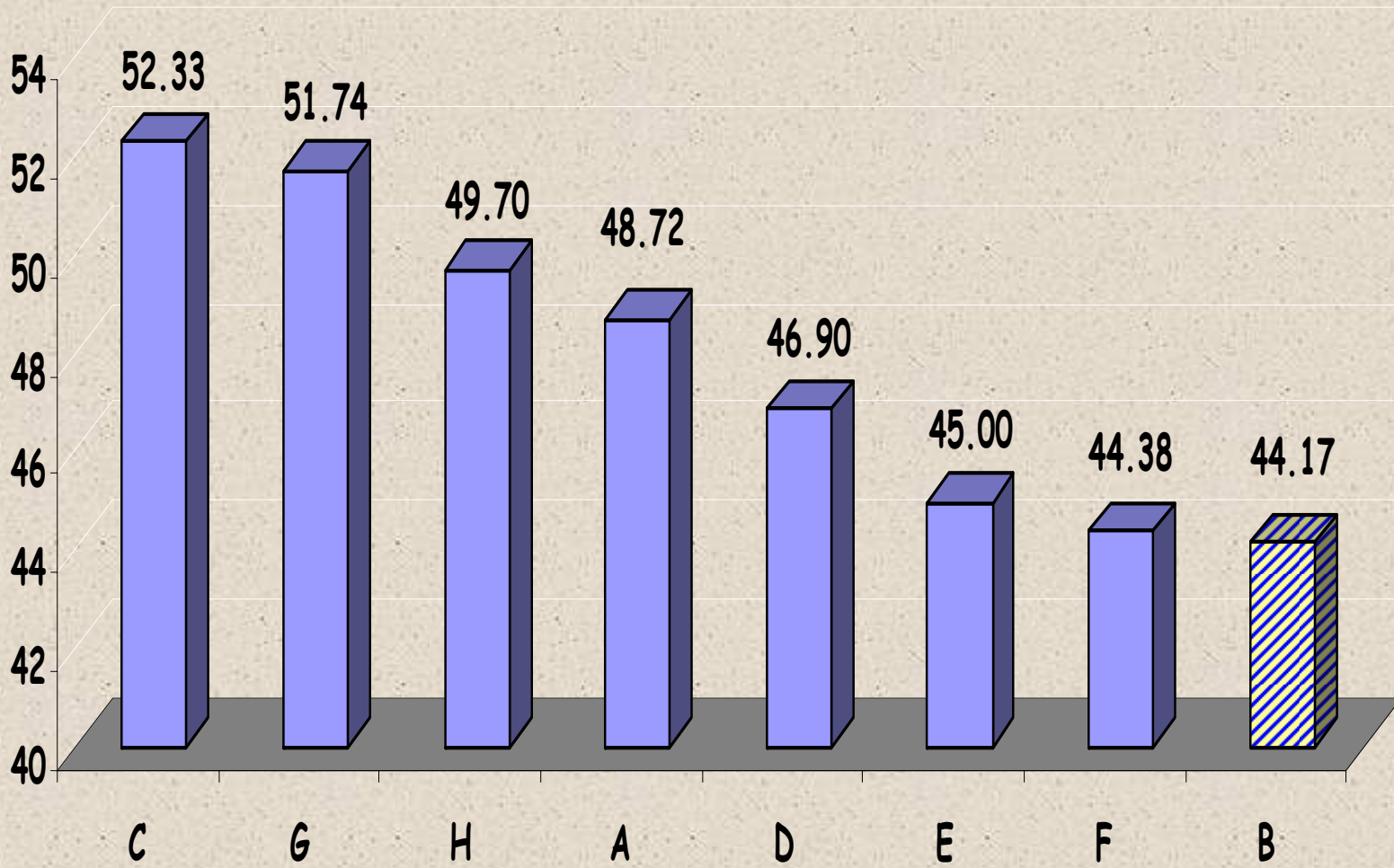
**Yearly Increase in Average Bill \$ 56.33**

**Monthly Increase in Average Bill \$ 4.69**

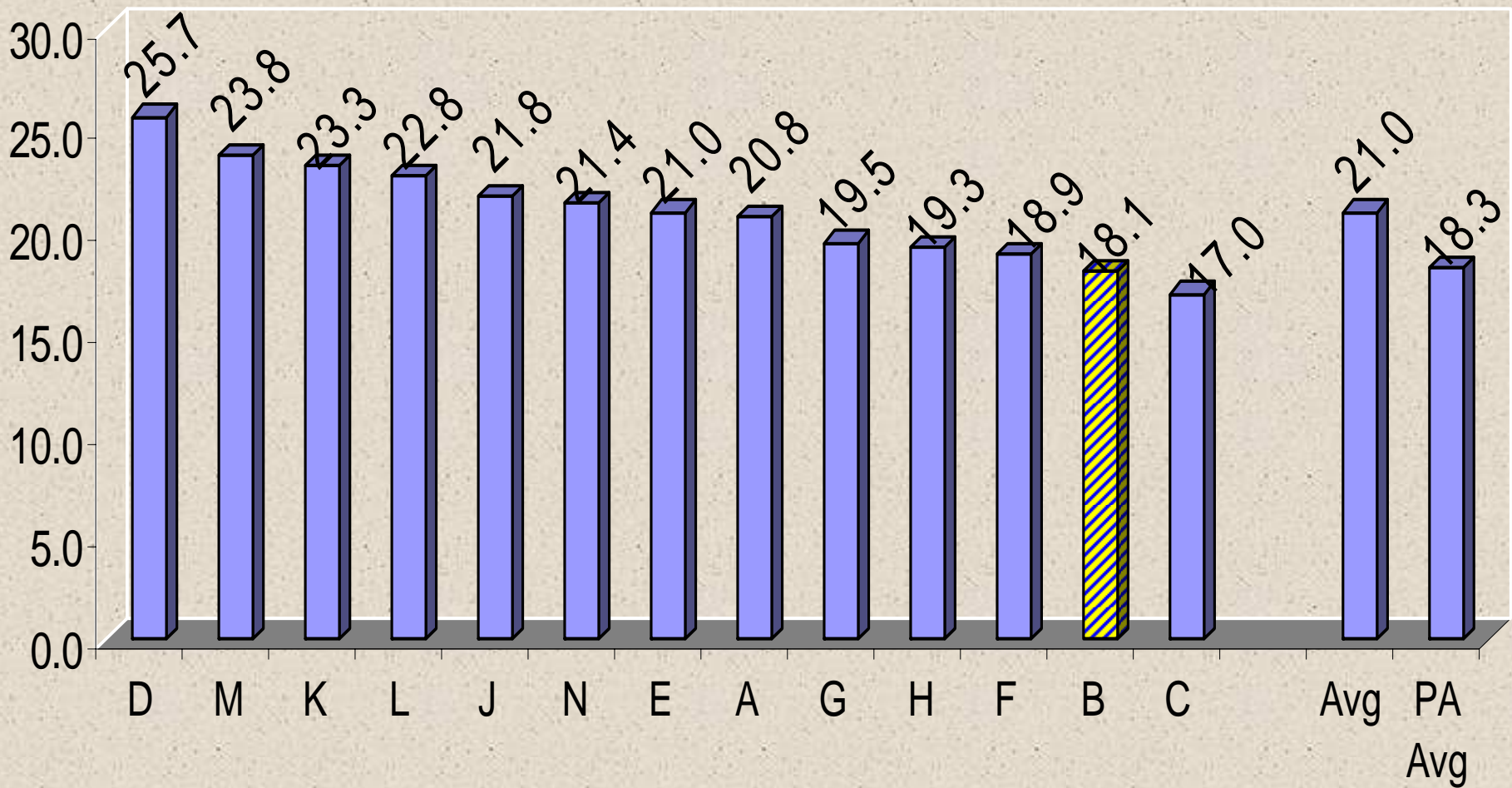
Weekly Increase in Average Bill \$ 1.08

Daily Increase in Average Bill \$ 0.15

# Northampton County 2010-11 Millage Comparison



# 14 20 Equalized Mills



# Glide Path to Today

<b><i>MILESTONES &amp; WORKSHOPS/HEARINGS</i></b>	<b>DATES</b>	<b>R/E-GAP (\$) Mill Increase (%)</b>
<b>Proposed Preliminary Budget</b>	<b>Jan. 10, 2011</b>	\$17,194,557 13.79%
Budget Workshop	Jan. 27, 2011	\$11,550,858 9.27%
<b>PRELIMINARY BUDGET</b>	<b>Feb. 7, 2011 Sp. Bd. Mtg</b>	<b>\$7,677,491 6.16%</b>
Budget Workshop	Feb. 23, 2011	\$6,027,491 4.83%
Governor's Budget	March 8, 2011	\$11,131,717
Budget Workshop	March 24, 2011	\$4,543,730 3.64%
Budget Workshop	April 7, 2011	\$3,017,530 2.42%
Budget Hearing #1	April 26, 2011	\$2,118,851 1.7%

# Options for Board Consideration

## A. Accept Proposed Budget as Presented

- ▶ \$202,449,207 supported by 1.7% tax increase

## B. Offset Proposed Reductions with New Reductions

## C. Restore Selected Proposed Reductions with Act 1 Exceptions



# ?? Open Questions ??

- Requested BAVTS Budgetary Reductions
- Possible Increased State Revenue

## Priority Restoration for Any Improved Revenues or Estimated Expenditure Reductions

	Cost	Mills	% Tax Incr
<b>Increase HS Guidance ratio to 300:1 (3 FTEs)</b>	<b>\$187,200</b>	<b>0.0663</b>	<b>0.150%</b>
<b>Mid-day Kindergarten Bus Runs</b>	<b>\$114,500</b>	<b>0.0406</b>	<b>0.092%</b>
<b>Retain High School Resource Officers (2.0)</b>	<b>\$140,000</b>	<b>0.0496</b>	<b>0.112%</b>
<b>Eliminate Activity Fee</b>	<b>\$50,000</b>	<b>0.0177</b>	<b>0.040%</b>
<b>MS Co-Ed Soccer</b>	<b>\$24,000</b>	<b>0.0085</b>	<b>0.019%</b>
<b>Eliminate Extra Curricular cuts to Building Allocations</b>	<b>\$10,000</b>	<b>0.0035</b>	<b>0.008%</b>
<b>Eliminate Senior early arrival/early dismissal - HS Staffing Impact (+6.0)</b>	<b>\$374,400</b>	<b>0.1327</b>	<b>0.300%</b>
<b>Total</b>	<b>\$900,100</b>	<b>0.2120</b>	<b>0.480%</b>

# Glide Path Going Forward

<i>MILESTONES &amp; WORKSHOPS/HEARINGS</i>	<i>DATES</i>	<i>R/E-GAP (\$) Mill Increase (%)</i>
Budget Hearing #1	April 26, 2011	\$2,118,851 1.7%
<b>Implement Program Changes &amp; Staff Notification</b>	<b>Immediately thru June 7, 2011</b>	
<b>PROPOSED FINAL BUDGET Due 30 days prior to final adoption</b>	<b>May 9, 2011 Sp. Bd. Mtg</b>	<b>\$2,118,851 1.7%</b>
Budget Hearing #2	May 25, 2011	
Budget Workshop	Early June	
<b>Tentative 2011-12 Tentative Teaching Assignment Due</b>	<b>June 8, 2011</b>	
<b>FINAL BUDGET ADOPTION</b>	<b>June 13, 2011 Sp. Bd. Mtg</b>	