

Bethlehem Area School District



***2012-13 Proposed Preliminary
General Fund Budget***

February 23, 2012

2012-13 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*
 - *Address Cyclical Needs (Buses, Facilities, Uniforms)*
- *Target 4.0% Tax Increase*

2012-13 Preservation

- *2011-12 Goal of Sustainability*
 - *Concentric circles*
- *2012-13 Goal of Preservation*
 - *Stabilize following dramatic changes*
 - *Evaluate losses of 2011-12 reductions and changes*
 - *Preservation vs. Restoration*
- *Address Structural Deficit*

Reductions to Reach 4% Target

| | |
|--|-----------|
| <i>Reduced 11.9 Teaching Positions Due to Declining Enrollment Projections</i> | \$621,092 |
| <i>Anticipated Savings for Projected Retirements</i> | \$582,461 |
| <i>Technology</i> | \$100,000 |
| <i>Maintenance Projects</i> | \$100,000 |
| <i>Anticipated Transportation Efficiencies</i> | \$100,000 |
| <i>Savings on Tax Collection Process</i> | \$ 35,000 |

Programs Retained

- *Full Day Kindergarten (6 Sections)*
- *School Resource Officers*
- *Targeted Class Sizes*
- *Fully Scheduled HS Students*

Changes Since January

- *Savings on Tax Collection Process*
 - *\$100,000*
- *Natural Gas Distribution Agreement Expiration*
 - *+\$134,000*
- *Demand Response Revenue*
 - *\$ 57,000*

2012-13 Governor's Budget

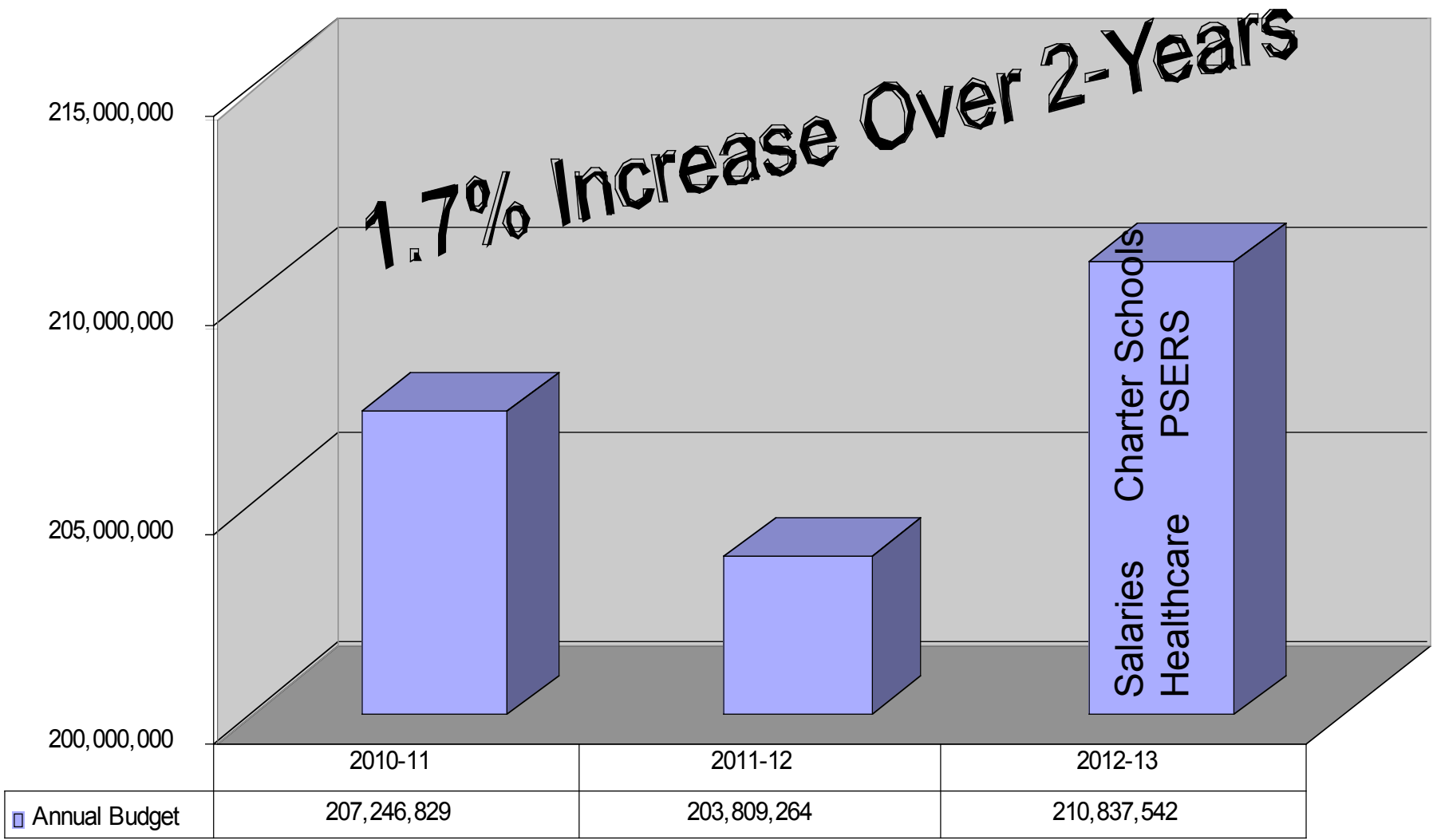
| | <u>2012-13 PDE</u> | <u>2012-13 Preliminary Budget</u> | <u>2011-12 PDE</u> |
|--|--------------------|---|--------------------|
| <i>Estimated Basic Education Funding</i> | \$27,044,017 | \$27,035,855 | \$27,044,017 |
| <i>Estimated Social Security Subsidy *</i> | \$3,815,934 | \$3,579,145 | \$3,484,698 |
| <i>Estimated Pupil Transportation Subsidy */**</i> | \$1,695,716 | \$2,370,421 | \$1,515,485 |
| <i>Estimated Nonpublic & CS Pupil Transportation Subsidy *</i> | \$874,719 | | \$858,165 |
| <i>Accountability Block Grant***</i> | \$0 | \$0 | \$665,439 |
| <i>Proposed Student Achievement Education Block Grant</i> | \$33,430,386 | \$32,985,421 | \$33,567,804 |

* Subject to final 2011-12 actual subsidy

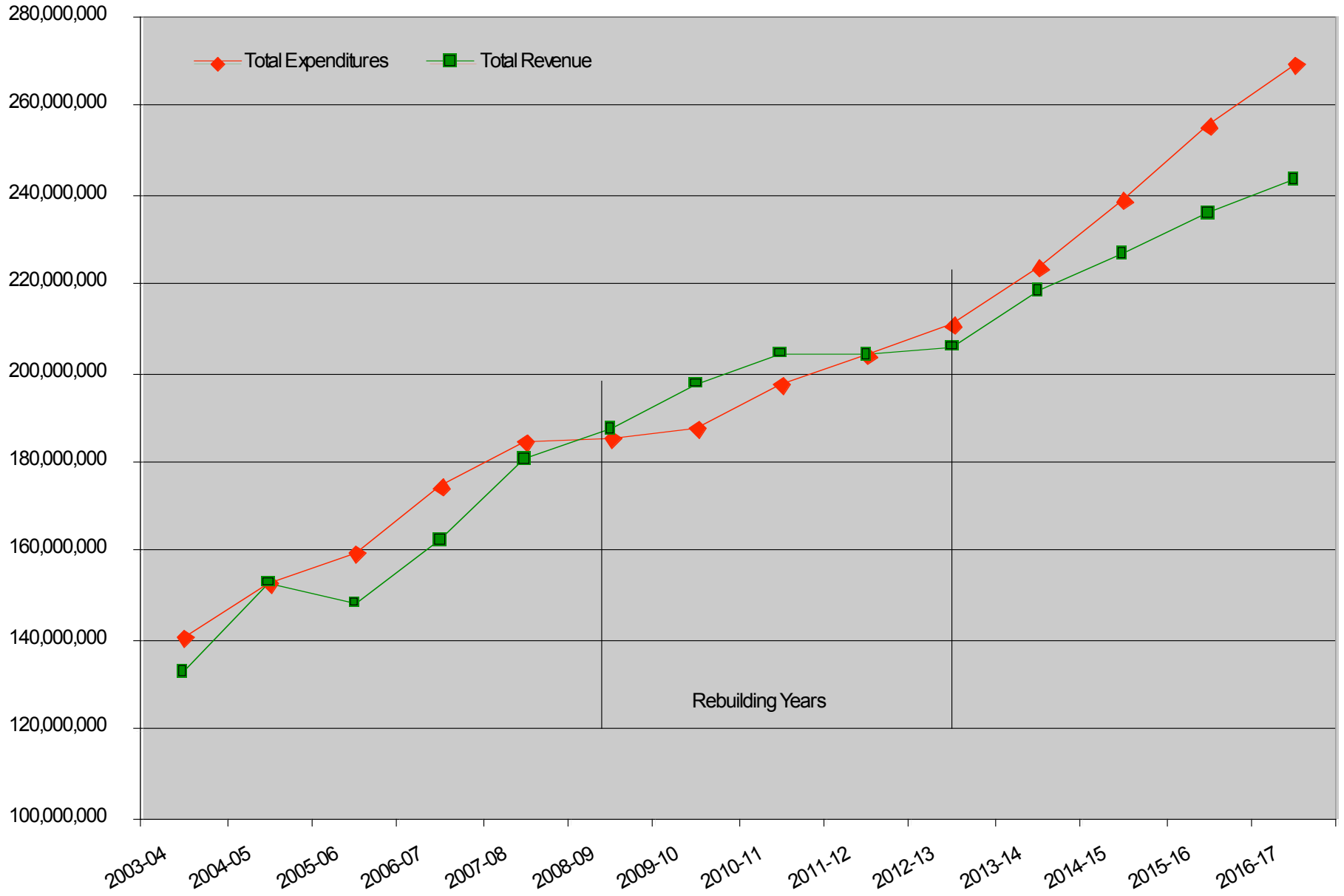
** Includes IU Transportation Subsidy which will need to be forwarded

*** Funded in 2010-11 PDE Budget to be used as revenue in 2011-12 BASD Budget

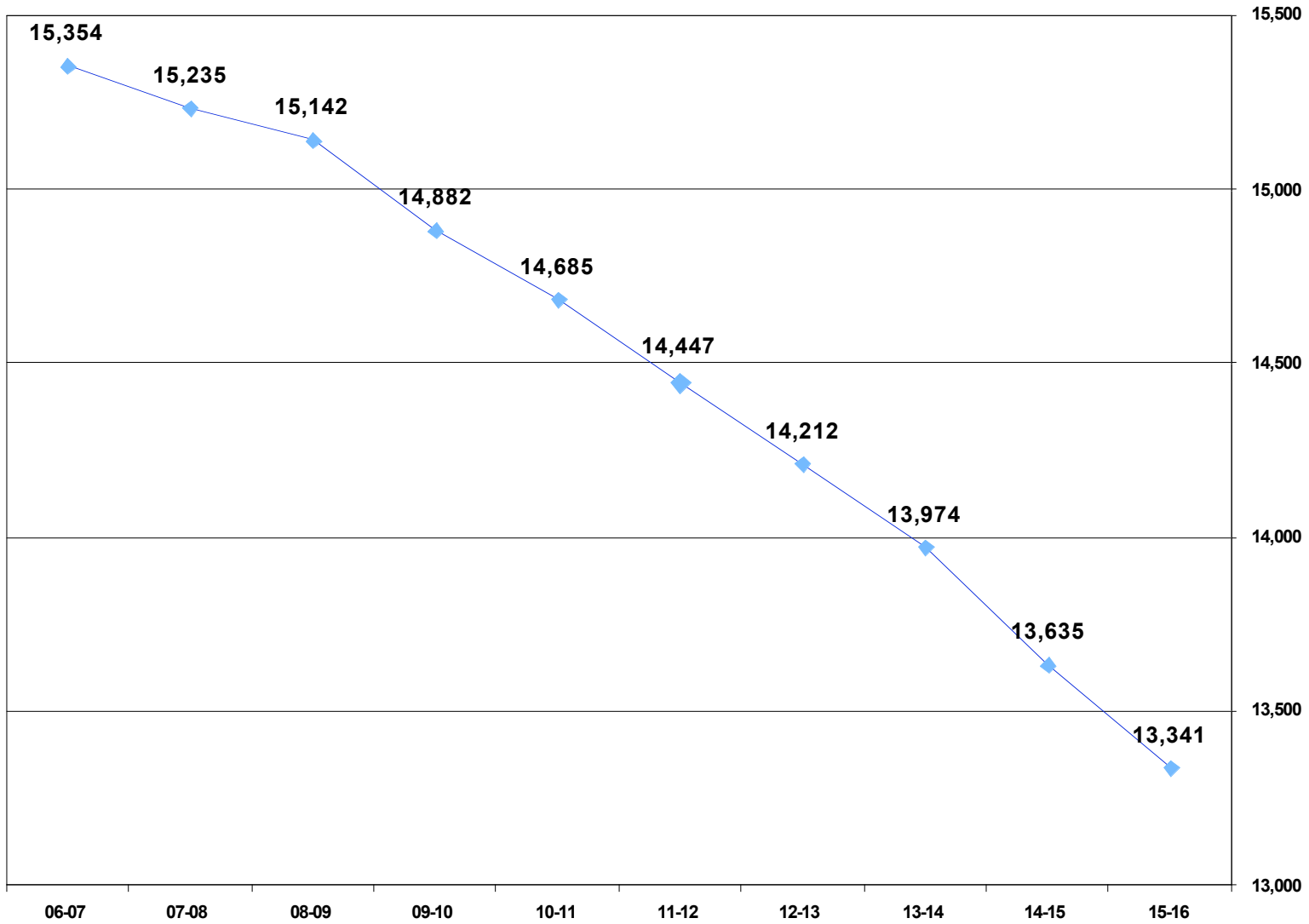
Recent Budget Growth



Five Year Budgetary Projection



Enrollment Trends



Competing Long Range Financial Issues

- *Recovery Built to Last*
 - *Fund Balance*
- *PSERS*
- *Collective Bargaining Agreements*
- *Healthcare Costs*
- *Reassessments*
- *Debt Restructuring*
- *Charter School Funding*

What is the long term impact of the 2012-13 budget?

- *Sustainability*
- *Build an Adequate Revenue Base*
 - *Equalize Annual Increases*
- *Preservation vs. Restoration*

Priorities for Sustainability & Preservation

- *Short Term*
 - *PSERS*
 - *Buses*
 - *Capital Improvements*
 - *Technology*
 - *Charter Schools*
- *Long Term*
 - *Wages*
 - *Collective Bargaining*
 - *Tuition/Column Mvmt*
 - *Healthcare*
 - *PSERS*
 - *Capital Improvements*
 - *Technology*
 - *Charter Schools*
 - *Facility Utilization Analysis*

Full Day Kindergarten

- *All Students*
 - *Staffing - Add 20 Teachers* *\$1,347,732*
- *Lottery - One per Building*
 - *Staffing - Add 8 Teachers* *\$544,441*
- *Lottery - Paired Buildings*
 - *Staffing - Add 4 Teachers* *\$276,676*

6th Grade Teaming

- *Restore Teaming at Grade 6*
 - *Estimated Seven (7) Teachers*

\$470,095

Shelf Items

| | |
|-------------------------------------|--------------------|
| <i>Capital Improvements</i> | <i>\$1,000,000</i> |
| <i>Buses</i> | <i>\$500,000</i> |
| <i>Technology</i> | <i>\$300,000</i> |
| <i>Band Uniforms</i> | <i>\$150,000</i> |
| <i>Alternative Education</i> | <i>\$450,000</i> |
| <i>Public Relations</i> | <i>\$75,000</i> |
| <i>Contingency Staff (6)</i> | <i>\$400,000</i> |
| <i>Total</i> | <i>\$3,000,000</i> |
| <i>Still Outstanding</i> | |
| <i>PSERS Reserve</i> | |
| <i>Aging Equipment Replacements</i> | |

Capital Improvements

| <i>Project</i> | <i>Cost</i> | <i>Running Cost</i> |
|--|-------------------|---------------------|
| <i>Miscellaneous asbestos repairs</i> | <i>\$ 60,000</i> | <i>\$ 60,000</i> |
| <i>HVAC Control Software Upgrade</i> | <i>\$ 170,000</i> | <i>\$ 230,000</i> |
| <i>Transportation and Maintenance Radio Upgrade (FCC compliance)</i> | <i>\$ 35,000</i> | <i>\$ 265,000</i> |
| <i>Freedom Security Camera Replacement</i> | <i>\$ 90,000</i> | <i>\$ 355,000</i> |
| <i>Miscellaneous Masonry and Roofing Repairs</i> | <i>\$ 240,000</i> | <i>\$ 595,000</i> |
| <i>Miller Heights Roof Replacement</i> | <i>\$ 420,000</i> | <i>\$1,015,000</i> |

Act 1 Index – Available Exceptions

| | | <u>Mills</u> | |
|---|---------------------|---------------|--------------|
| Allowable Index 2012-13 -- 2.1% | \$ 2,660,896 | 0.9400 | 2.10% |
| <u>Preliminary Estimated Exceptions:</u> | | | |
| School Construction - Debt | \$ 896,984 | 0.3169 | 0.70% |
| Special Education | \$ 2,512,957 | 0.8877 | 1.98% |
| Retirement Contributions | \$ 1,506,291 | 0.5321 | 1.18% |
| | \$ 4,916,232 | 1.7367 | 3.86% |
| Total Est Increase Under Act 1 | | | |
| Provisions | \$ 7,577,128 | 2.6767 | 5.96% |
| <i>Amount Needed to Reach 4% Target</i> | \$ (2,406,129) | (0.8500) | |
| Est. Exceptions Remaining | \$ 2,510,103 | 0.8867 | |

March Budget Workshop

- *Alternative Revenue*
 - *Advertising*
- *School Bus Lease vs. Buy Analysis*
- *Cost & Revenue Refinements*
- *Board Inquiries*