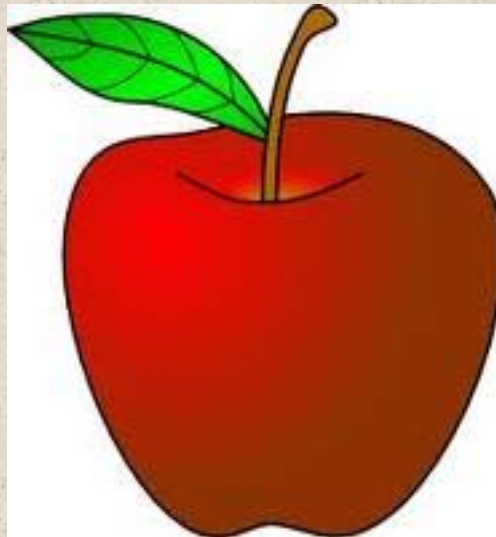


# *Bethlehem Area School District*



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

*January 11, 2012*

# *Why Prepare 2012-13 Budget Now?*

- *Act 1 of 2006*
  - *Limits Local Taxation to an Annual Index (2.1%)*
  - *Timelines Based Upon Primary Election*  
*(April 24, 2012)*
    - *Board Adoption Preliminary Budget 90 days prior*
  - *Resolution to Not Tax Above Index (2.1%)*
  - ✓ *Exceptions for Certain Expenditures (3)*
  - *Referendum Question if Exceed Index plus*  
*Exceptions*
- *May-June School Code Timelines Apply*

# *2012-13 Budget Goals*

- *Maintain BASD Assets*

*Neighborhood Schools*

*Targeted Class Size*

*Diverse Curricular Offerings*

*Student Academic Support*

*Well Maintained Facilities*

*Up to Date Technology*

*Professional Development Opportunities*

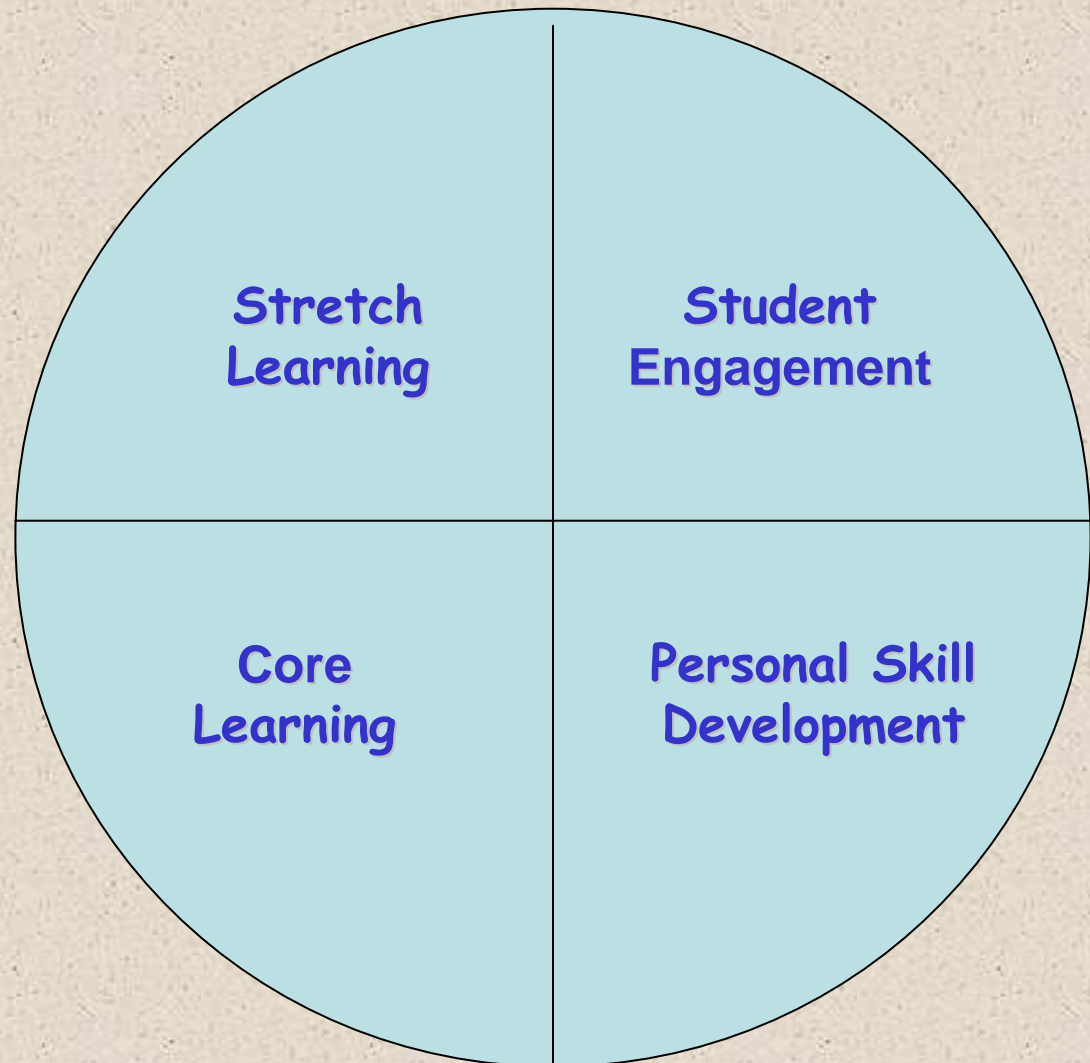
*Co-Curricular Activities*

*Continue to Reduce Variable Rate Debt*

- *Maintain Current Programming in Support of Roadmap to Excellence*

# *2012-13 Budget Goals*

Roadmap to Educational Excellence 2010-2014



# *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*

# *Reflect Upon 2011-12 Reductions...*

- Pre-K Program
- Full Day Kindergarten
  - MS Teaming
  - HS Electives
- Family Centers
- Personnel (126.5 positions)
  - Teachers, Librarians, Academic Coaches, Curriculum Supervisors, Teaching Assistants, Athletic Coaches, Family Development Specialists, Secretaries, Hall Monitors, After School Coordinators, Administrators
- Forgone Cyclical Needs
  - Buses, Facilities, Equipment
- General Operating Expenses

# *2012-13 Proposed Budget .... The Beginning*

*\$5,067,025*

*Deficit*

*1.7900*

*Millage Needed*

*4.0%*

*Percentage Increase*

# *Reductions to Reach 4% Target*

- *Reduced 11.9 Teaching Positions Due to Declining Enrollment Projections*
- *Anticipated Savings for Projected Retirements*
- *Technology*
- *Maintenance Projects*
- *Anticipated Transportation Efficiencies*
- *Savings on Tax Collection Process*
- *Increased Revenue from Sands Expansion*



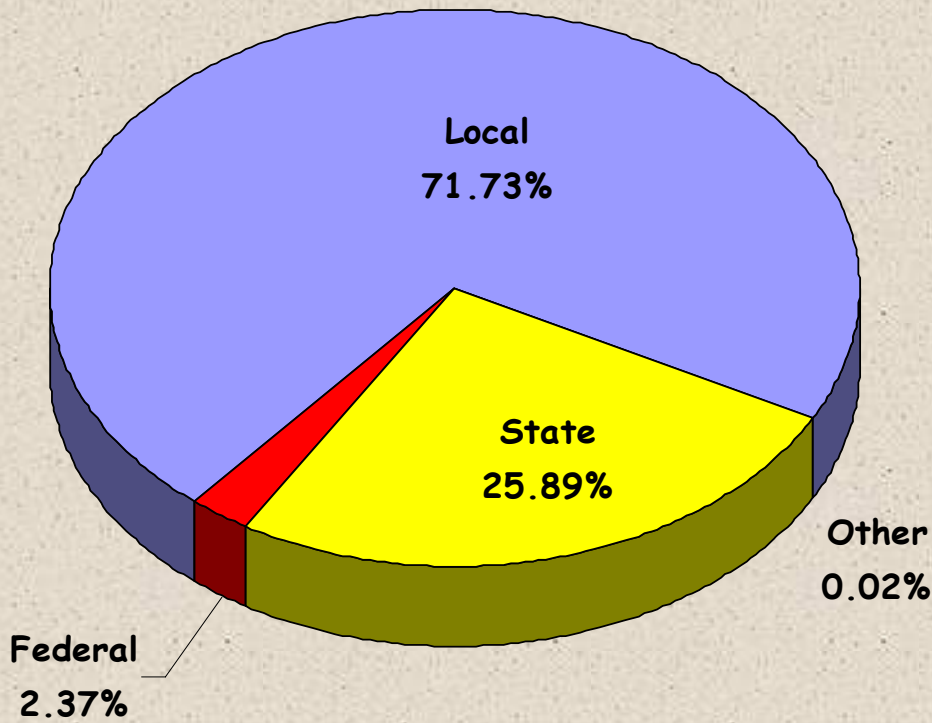
# What New Money is Proposed for ~~BASD~~ in 2012-13??

Basic Subsidy	\$ 4,025
Accountability Block Grant	(\$ 665,439)
Tuition Orphans/Group Homes	(\$15,000)
Vocation Programs	(\$38,000)
State Reimbursement Debt	(\$158,995)
State Share Retirement	\$ 2,083,796
Total	\$ 1,210,387

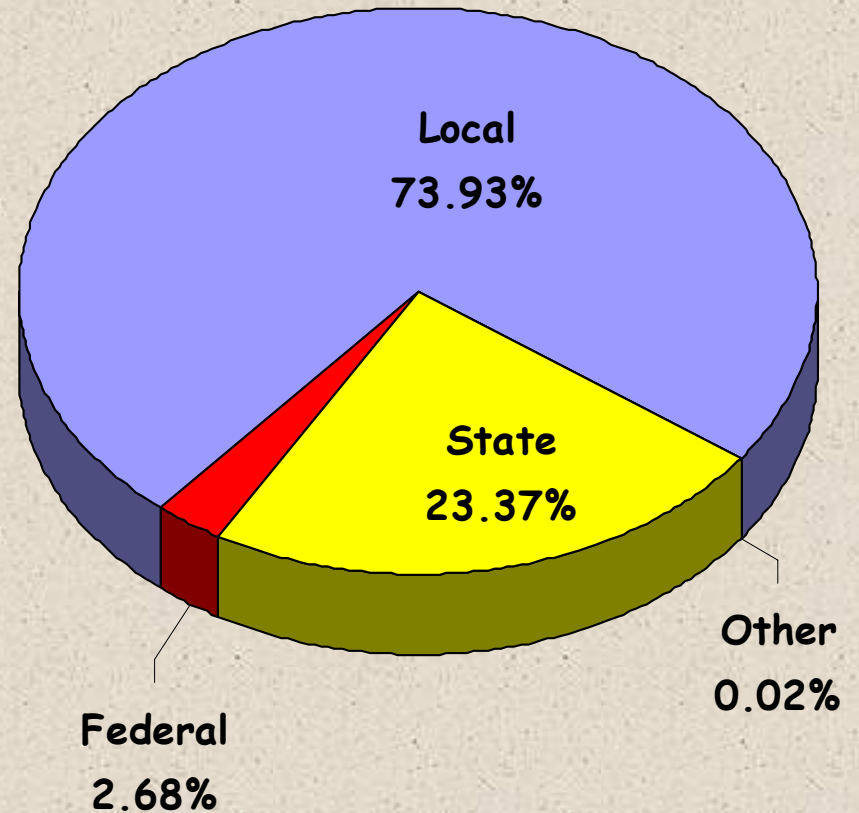
# 2012-13

## Revenues by Source

2011-12  
\$203,809,264



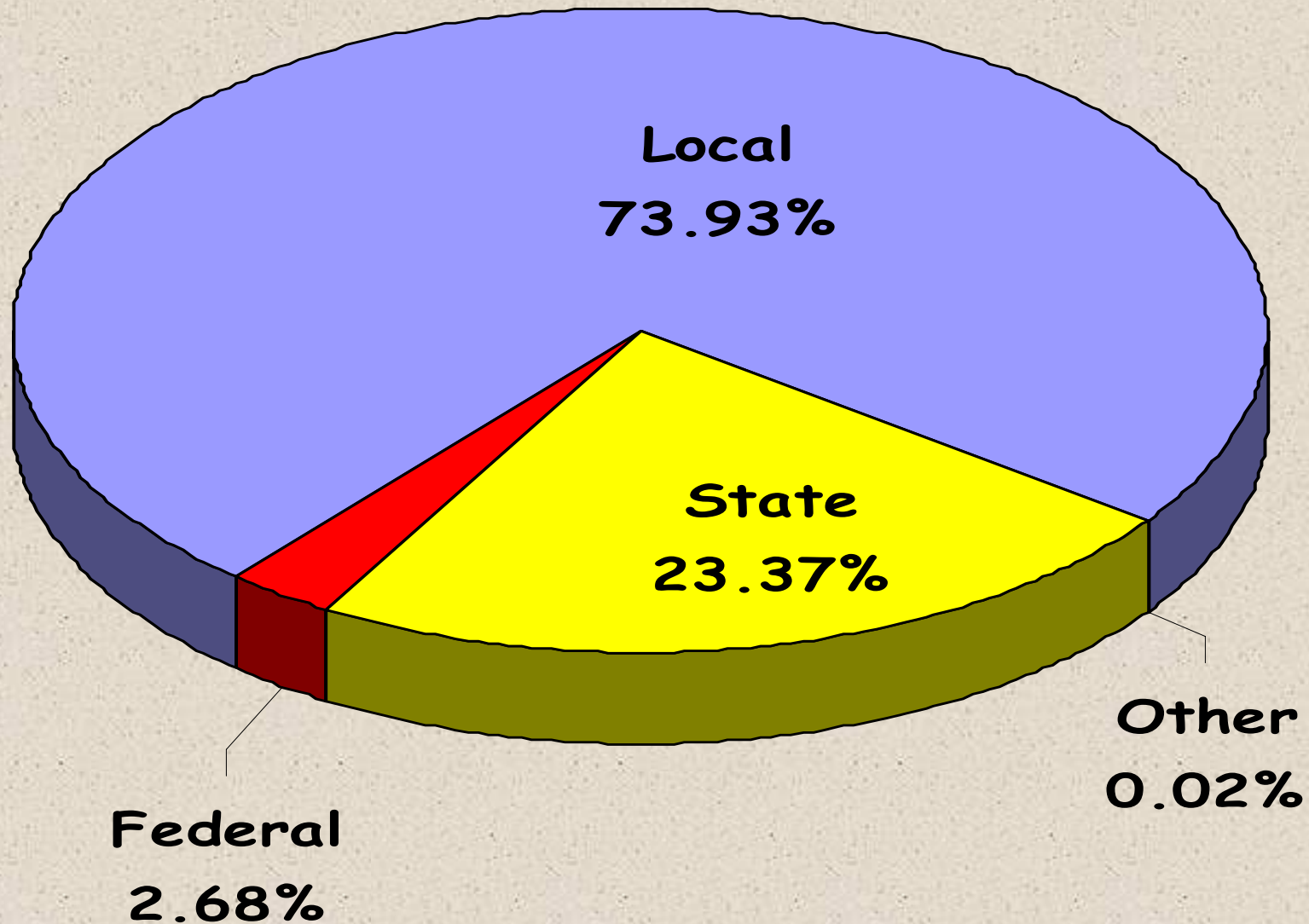
2012-13  
\$205,770,517



# 2012-13 Revenue Summary

	<b>2012-13 <u>Budget</u></b>	<b>Dollar <u>Change</u></b>	<b>Percentage <u>Change</u></b>
<b><u>Revenues:</u></b>			
Local	\$146,158,482	\$118,121	0.08%
State	\$54,591,940	\$2,192,025	4.18%
Federal	\$4,987,595	(\$341,393)	-6.41%
Other	\$32,500	(\$7,500)	-18.75%
<b>Total Revenue</b>	<b>\$205,770,517</b>	<b>\$1,961,253</b>	<b>0.96%</b>

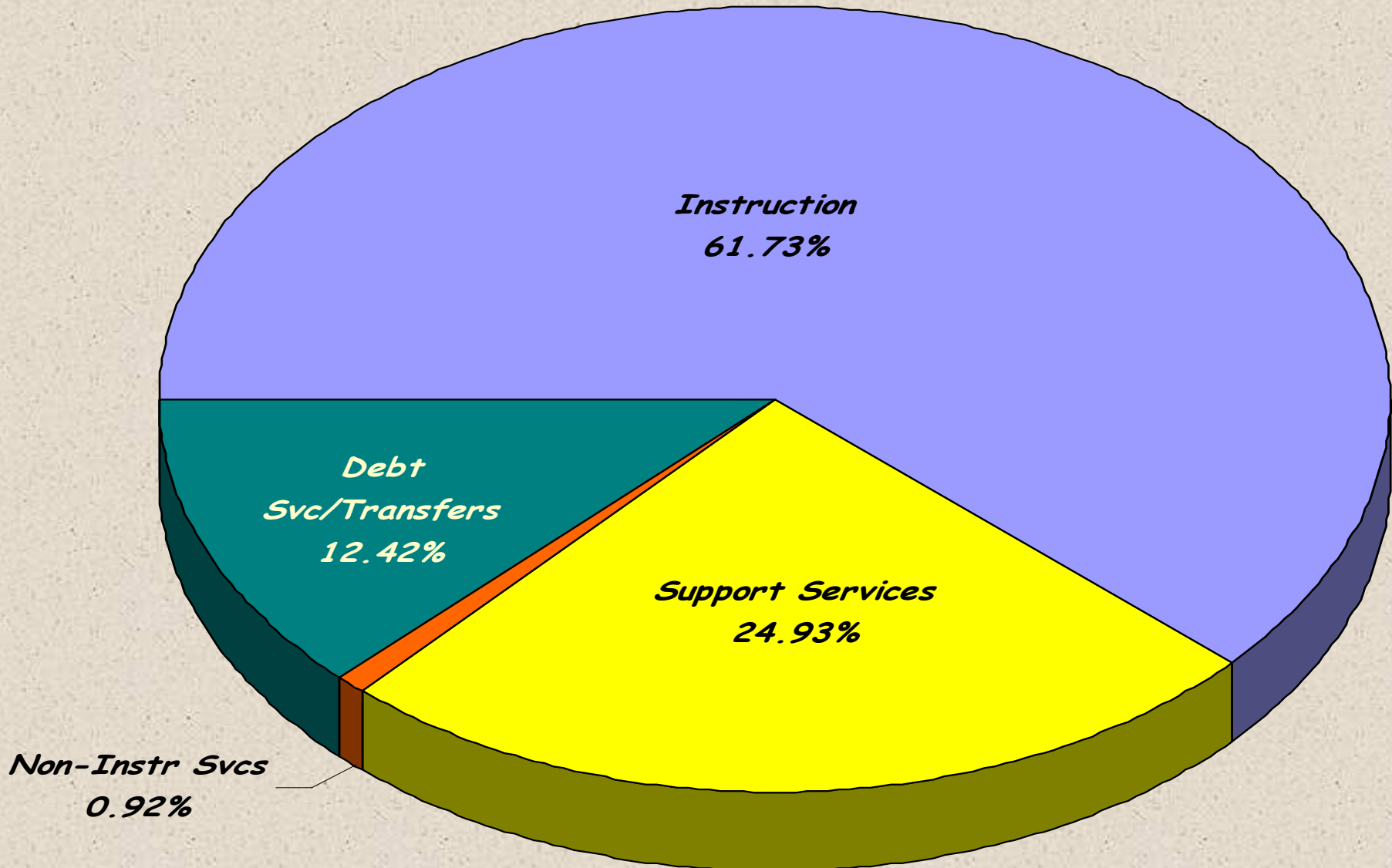
# 2012-13 Revenues by Source



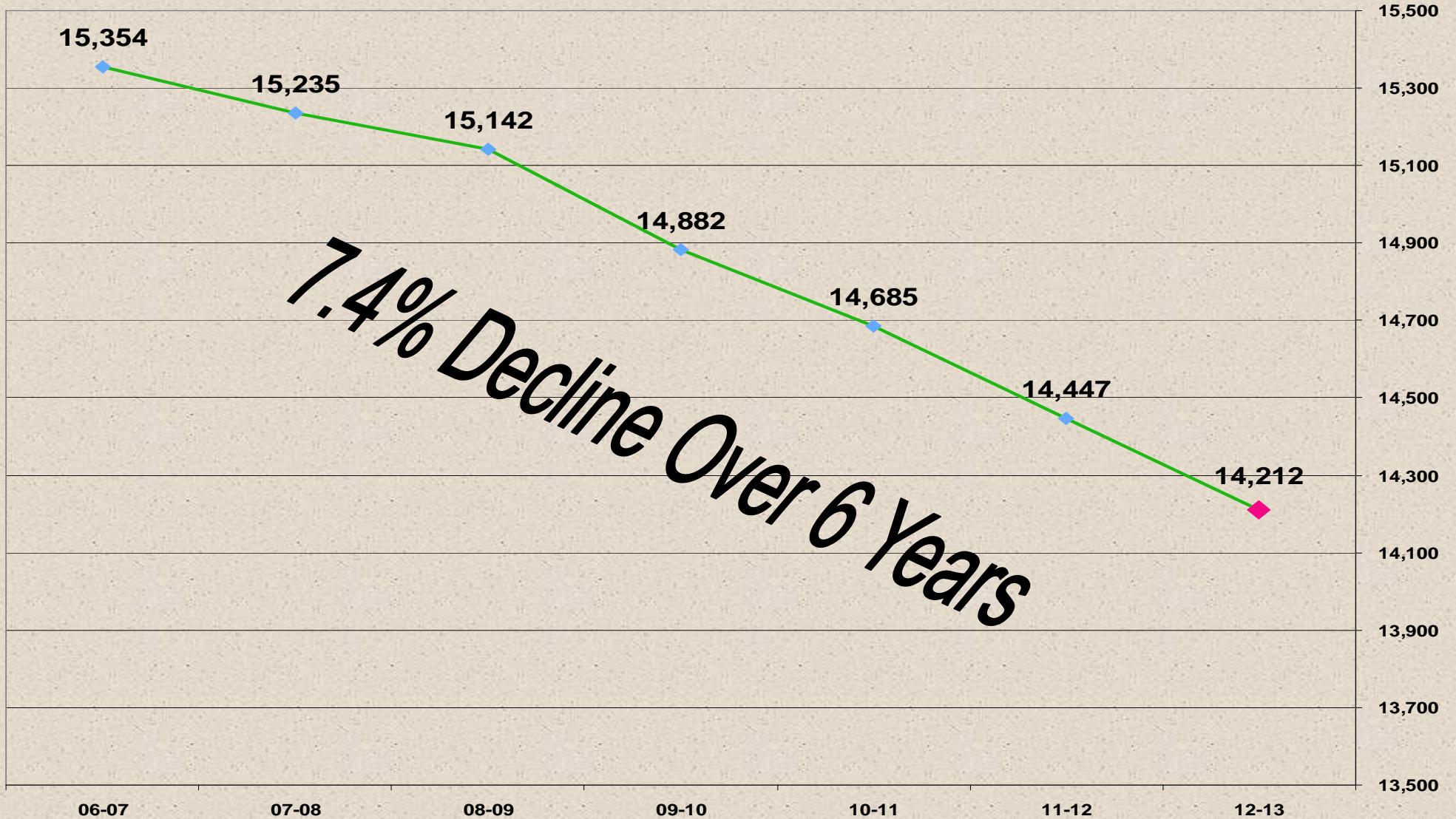
# *2012-13 Proposed Budget Expenditure Summary*

	<b>2012-13 <u>Budget</u></b>	<b>Dollar <u>Change</u></b>	<b>Percentage <u>Change</u></b>
<b><u>Expenditures:</u></b>			
Instruction	\$130,145,902	\$6,336,069	5.12%
Support Services	\$52,559,246	\$34,662	0.07%
Non-Instr Svcs	\$1,946,917	\$137,564	7.60%
Facilities	\$3,443	\$3,443	
Debt Svc/Transfers	\$26,182,034	\$516,540	2.01%
<b><i>Total Expenditures</i></b>	<b><i>\$210,837,542</i></b>	<b><i>\$7,028,278</i></b>	<b><i>3.45%</i></b>

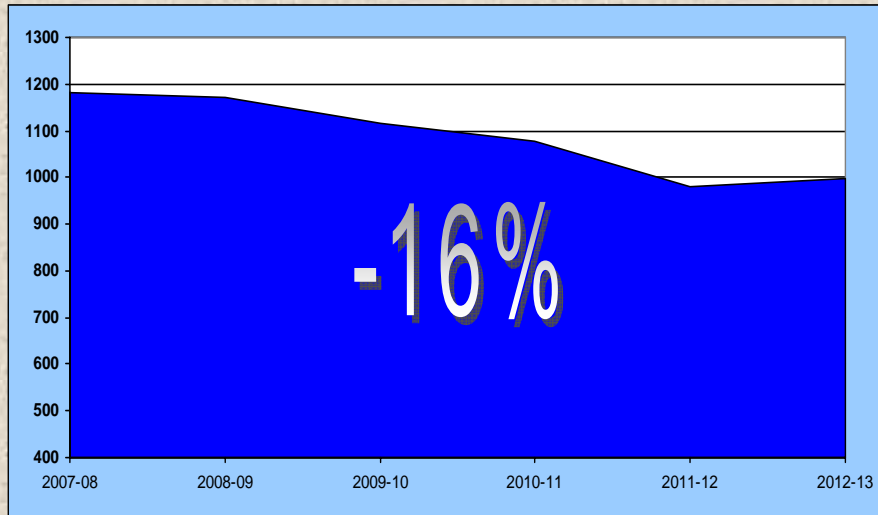
# *2012-13 Proposed Budget Expenditures by Category*



# BASD Enrollment Projections



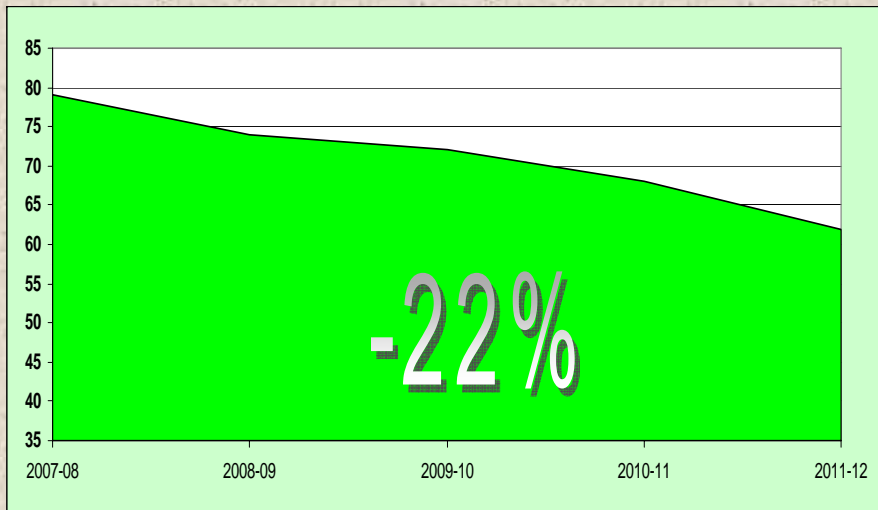
# Historical Staffing Reductions



An overall **16% reduction** of Teacher Staffing:

2007-2008: 1,182 positions

2012-2013: 996 positions



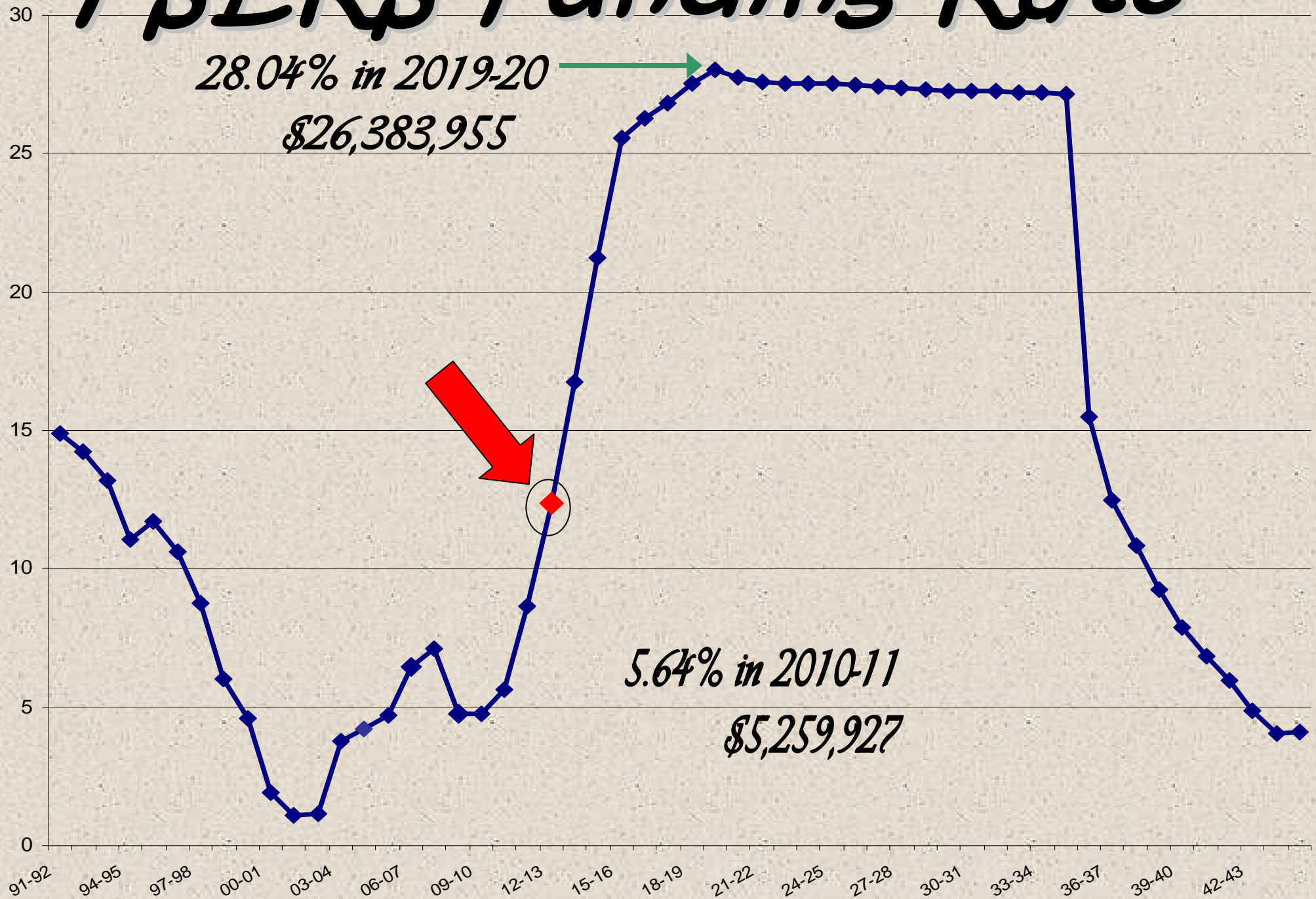
Overall **22% reduction** of Administrative Staffing (including Directors, Supervisors, Principals, Assistant Principals):

2007-2008: 79 positions

2012-2013: 62 positions



# PSERS Funding Rate



# Expenditures by Program Area

	<u>Expenditures</u>	<u>Per Dollar Cost</u>	
Instructional Programs	\$125,985,564	\$0.60	} \$0.80
Maintenance	\$16,136,878	\$0.08	
Instructional Support	\$12,737,336	\$0.06	
Transportation	\$6,570,062	\$0.03	
Federal Programs	\$4,987,595	\$0.02	
Health Services	\$1,870,439	\$0.01	
Security	\$644,898	\$0.00	
Administrative Support	\$13,775,819	\$0.07	
Debt Svc/Transfers/Reserves	\$26,182,034	\$0.12	
Non-Instructional Costs	\$1,946,917	\$0.01	
	<b>\$210,837,542</b>	<b>\$1.00</b>	

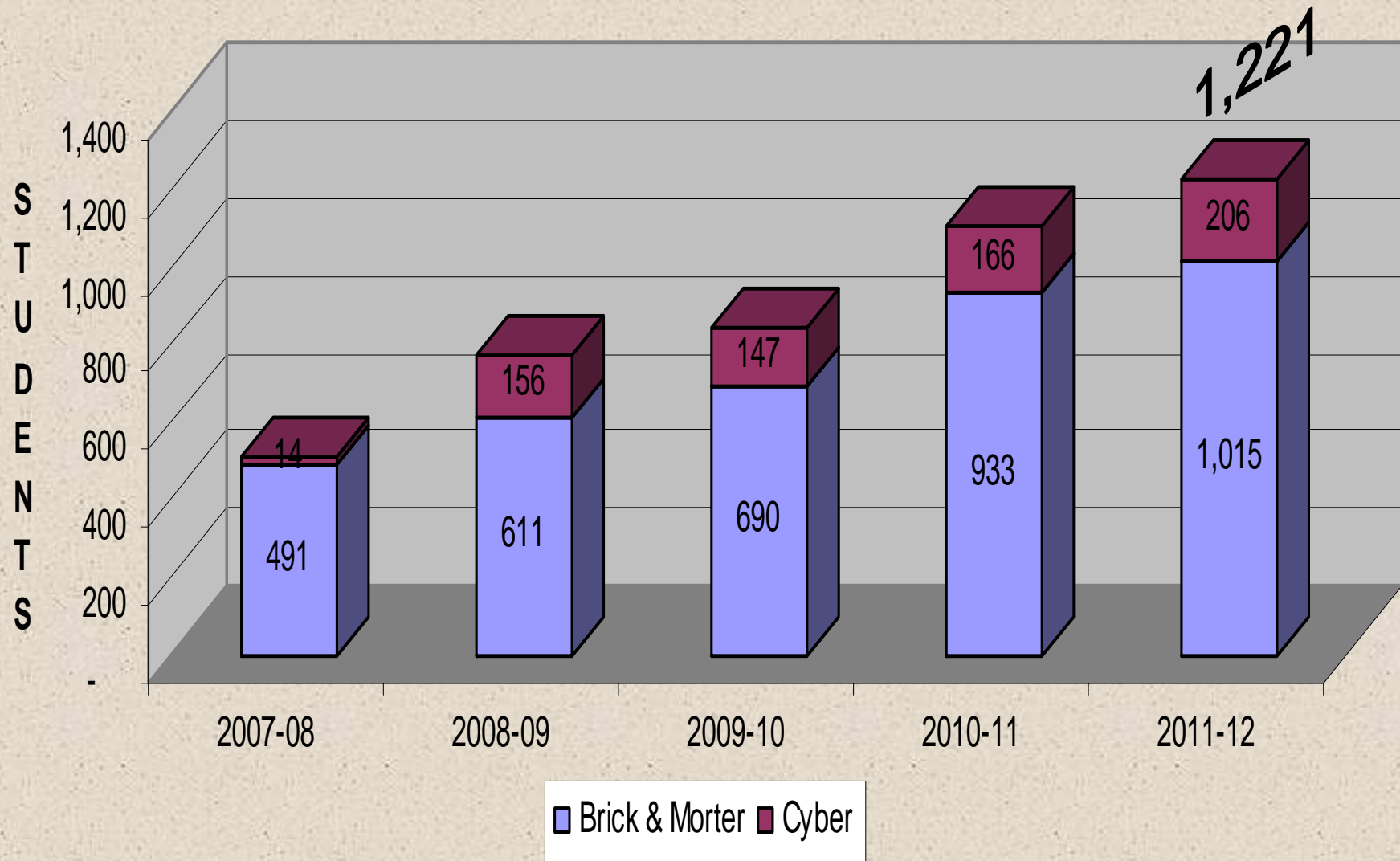
# *Salaries as a Percentage of Budget*

Professional	\$70,497,833	75.32%
Administration	\$ 6,152,098	6.57%
Salaries-Custodian	\$ 4,837,803	5.17%
Salaries-Clerical	\$ 3,839,976	4.10%
Salaries-Instr Asst	\$ 2,799,418	2.99%
Salaries-Tech	\$ 2,689,541	2.87%
Salaries-Bus Drivers	\$ 2,356,317	2.52%
Salaries-Technical	\$ 420,584	0.45%
<b>Total Salaries</b>	<b>\$93,593,570</b>	<b>44.39%</b>
Associated Benefits	\$46,472,390	22.04%
<b>Total</b>		<b>66.43%</b>

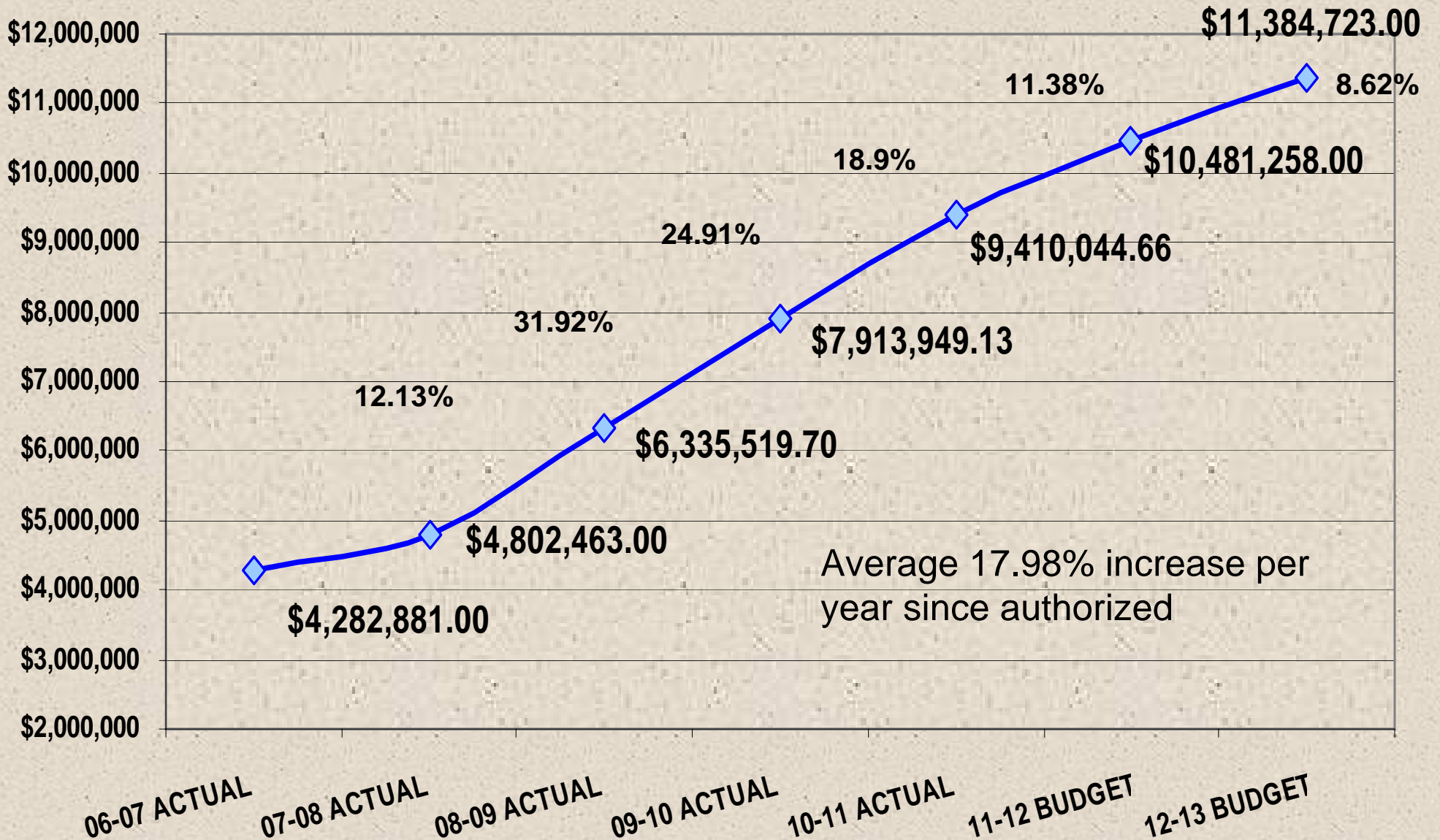
# *Non Discretionary Expenditures*

	<u>Expenditures</u>	<u>% of Budget</u>	
Salary & Benefits	\$ 140,065,960	66%	} 98.6%
IU Services/Alt Ed/Sp Ed	\$ 7,271,887	3%	
Debt Service	\$ 23,182,034	11%	
Transportation	\$ 6,590,062	3%	
Tuition Outside Student Pgms	\$ 20,266,942	10%	
Utilities	\$ 4,881,717	2%	
Federal Programs	\$ 4,987,595	2%	
Insurance	\$ 709,448	0%	
<b>Total Budget</b>	<b>\$ 210,837,542</b>		

# Charter School Enrollment



# Charter School Costs



# Items NOT Included in the Proposed Preliminary Budget

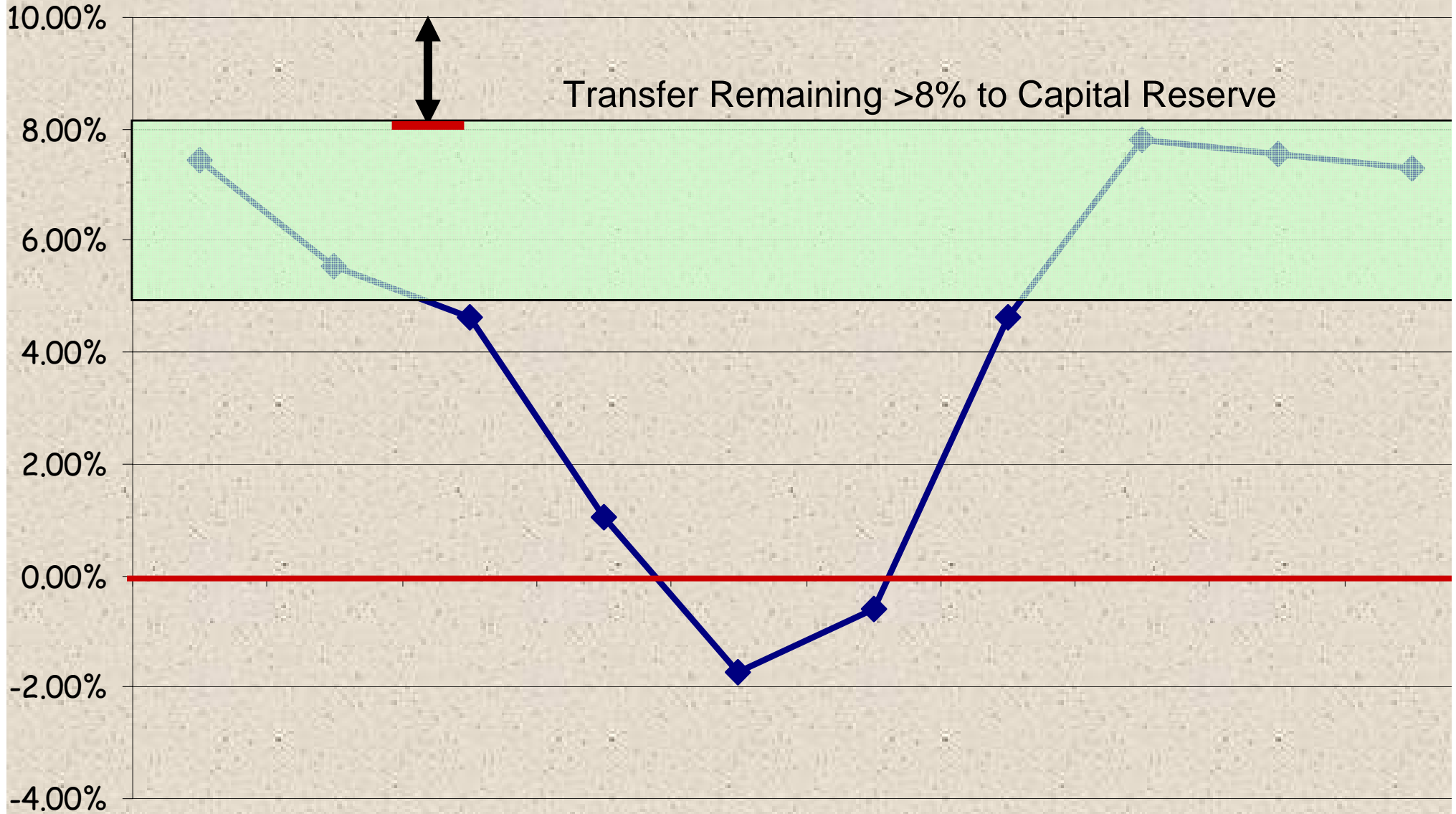
	<b>Cost</b>	<b>Mills</b>	<b>% Tax Incr</b>
<b>Academic Support/Tutoring</b>	<b>\$100,000</b>	<b>0.0353</b>	<b>0.079%</b>
<b>Ongoing Facility Maintenance/Improvements</b>	<b>\$2,000,000</b>	<b>0.7065</b>	<b>1.573%</b>
<b>School Buses</b>	<b>\$1,000,000</b>	<b>0.3533</b>	<b>0.787%</b>
<b>Technology Replacements</b>	<b>\$500,000</b>	<b>0.1766</b>	<b>0.393%</b>
<b>Band Uniforms</b>	<b>\$150,000</b>	<b>0.0530</b>	<b>0.118%</b>
<b>Equipment Replacements</b>			
<b>Contingency for Enrollment or Class Size Increases</b>			
<b>Total</b>	<b>\$3,750,000</b>	<b>1.325</b>	<b>2.949%</b>

# 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 Actual	\$ 8,891,090	\$ 15,675,420	\$ 6,784,330



# 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

# *2012-13 Proposed Budget Following Consideration by Administration*

Expenditures \$210,837,542

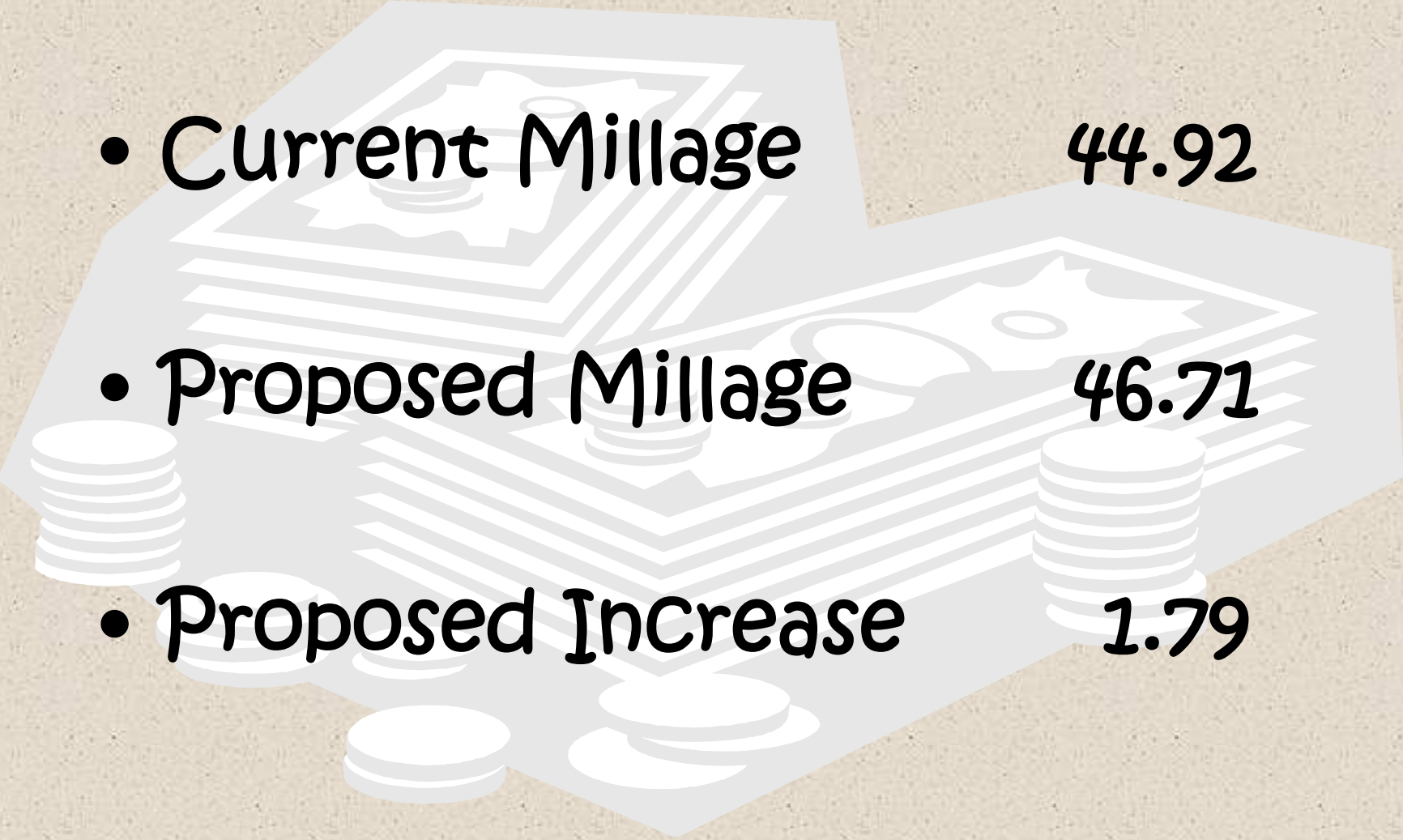
Revenues \$205,770,517

Deficit \$5,067,025

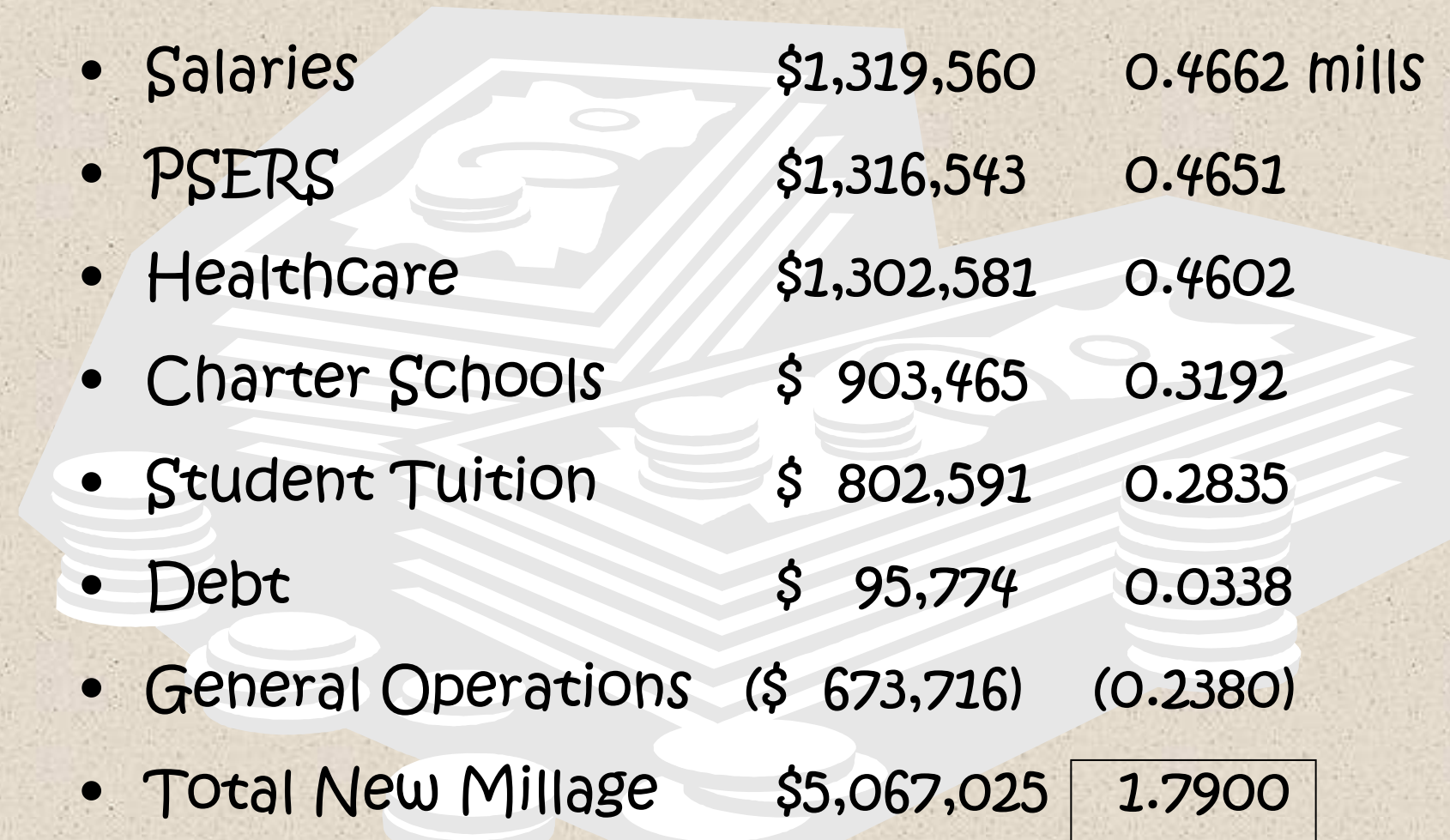
Millage Needed 1.79

**Percent Tax Increase 4.00%**

# 2012-13 Millage Requirements

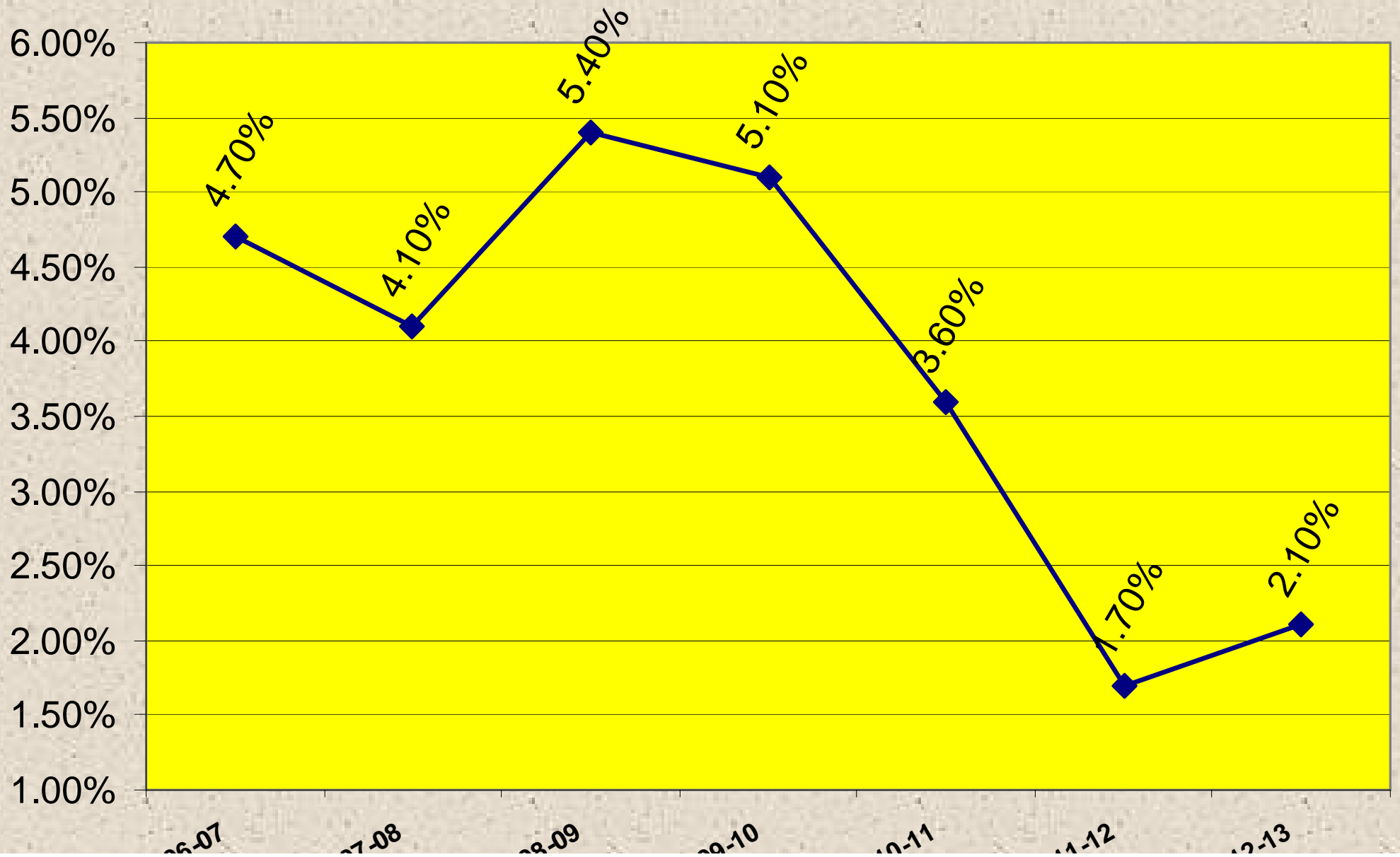
- 
- Current Millage 44.92
  - Proposed Millage 46.71
  - Proposed Increase 1.79

# 2012-13 Budget Cost Drivers



• Salaries	\$1,319,560	0.4662 mills
• PSERS	\$1,316,543	0.4651
• HealthCare	\$1,302,581	0.4602
• Charter Schools	\$ 903,465	0.3192
• Student Tuition	\$ 802,591	0.2835
• Debt	\$ 95,774	0.0338
• General Operations	(\$ 673,716)	(0.2380)
• Total New Millage	\$5,067,025	1.7900

# Act 1 Index – Historical Index



# Act 1 Index - Available Exceptions

		<u>Mills</u>	
Allowable Index 2012-13 -- 2.1%	\$ 2,670,237	0.9433	2.10%

## Preliminary Estimated Exceptions:

School Construction - Debt	\$ 50,967	0.0180	0.04%
Special Education	\$ 2,538,298	0.8967	2.00%
Retirement Contributions	\$ 1,389,549	0.4909	1.09%
	<b>\$ 3,978,814</b>	<b>1.4056</b>	<b>3.13%</b>

## **Total Est Increase Under Act 1**

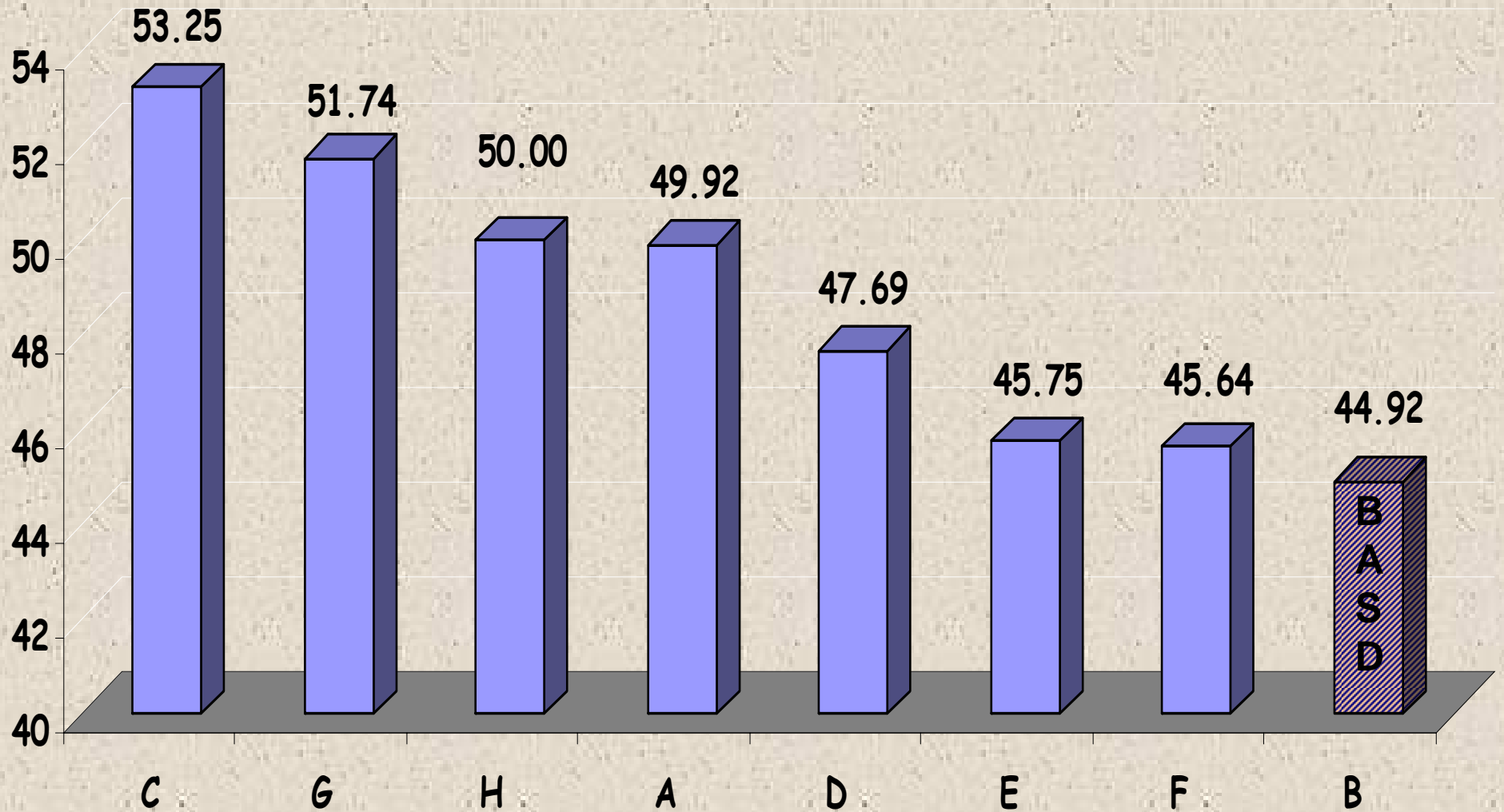
<b>Provisions</b>	<b>\$ 6,649,051</b>	<b>2.3489</b>	<b>5.23%</b>
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# Effect of Proposed Budget on Average Tax Bill

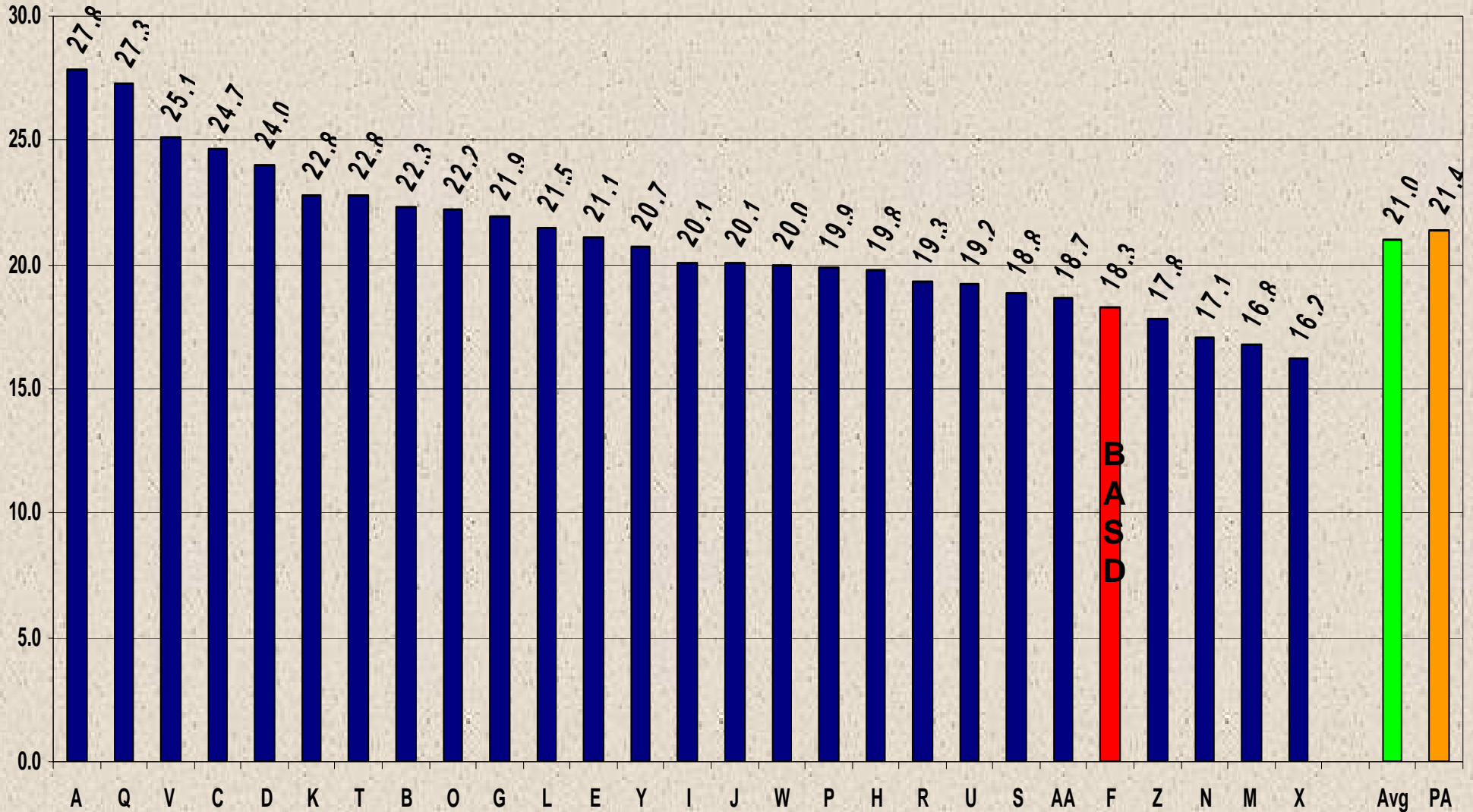
	<u>1.79 mills</u>
2011 Average Assessment	\$ 75,082.00
2011-12 Millage	44.9200
Tax Bill	\$ 3,372.68
2012-13 Proposed Millage	46.7100
Tax Bill with Proposed Millage	\$ 3,507.08
Percentage Increase	3.98%
<b>Yearly Increase in Average Bill</b>	<b>\$ 134.40</b>
<b>Monthly Increase in Average Bill</b>	<b>\$ 11.20</b>
Weekly Increase in Average Bill	\$ 2.58
Daily Increase in Average Bill	\$ 0.37



# *2011-12 Millage Rates Northampton County*



# Lehigh Valley Equalized Millage Rates



# Other Comparative Data

- BASD is
  - 6<sup>th</sup> largest SD in student enrollment
  - 11<sup>th</sup> of 27 in wealth in Lehigh Valley
  - 150<sup>th</sup> most wealthy SD in PA
  - 127<sup>th</sup> in market value per student in PA
  - 166<sup>th</sup> in personal income per student in PA
- BASD spends 14% less than the average school district per student in Lehigh Valley & PA

# Recommended Next Steps ....

**Accept Proposed Budget as Presented  
on January 23, 2012**

- ▶ **\$210,837,542 supported by 4.0% tax increase**

**Authorize the Administration to Apply  
for Act 1 Exceptions**

# Timeline for Spring

<b>WORKSHOPS</b>	<b>DATES</b>
<b>PRELIMINARY BUDGET ADOPTION</b>	<b>January 23, 2012</b>
Governor's Budget	On or about Feb. 8, 2012
Budget Workshop	Feb. 23, 2012
Budget Workshop	March 28, 2012
Budget Workshop	April 26, 2012
<b>Proposed Final Budget Adoption</b>	<b>May 14, 2012 (Special Meeting)</b>
<b>FINAL BUDGET ADOPTION</b>	<b>June 18, 2012 (Special Meeting)</b>