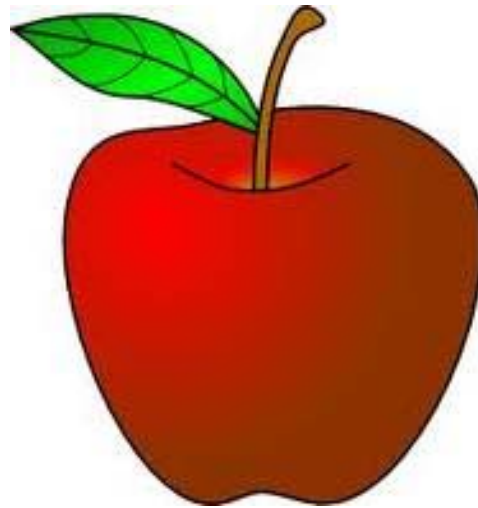


Bethlehem Area School District

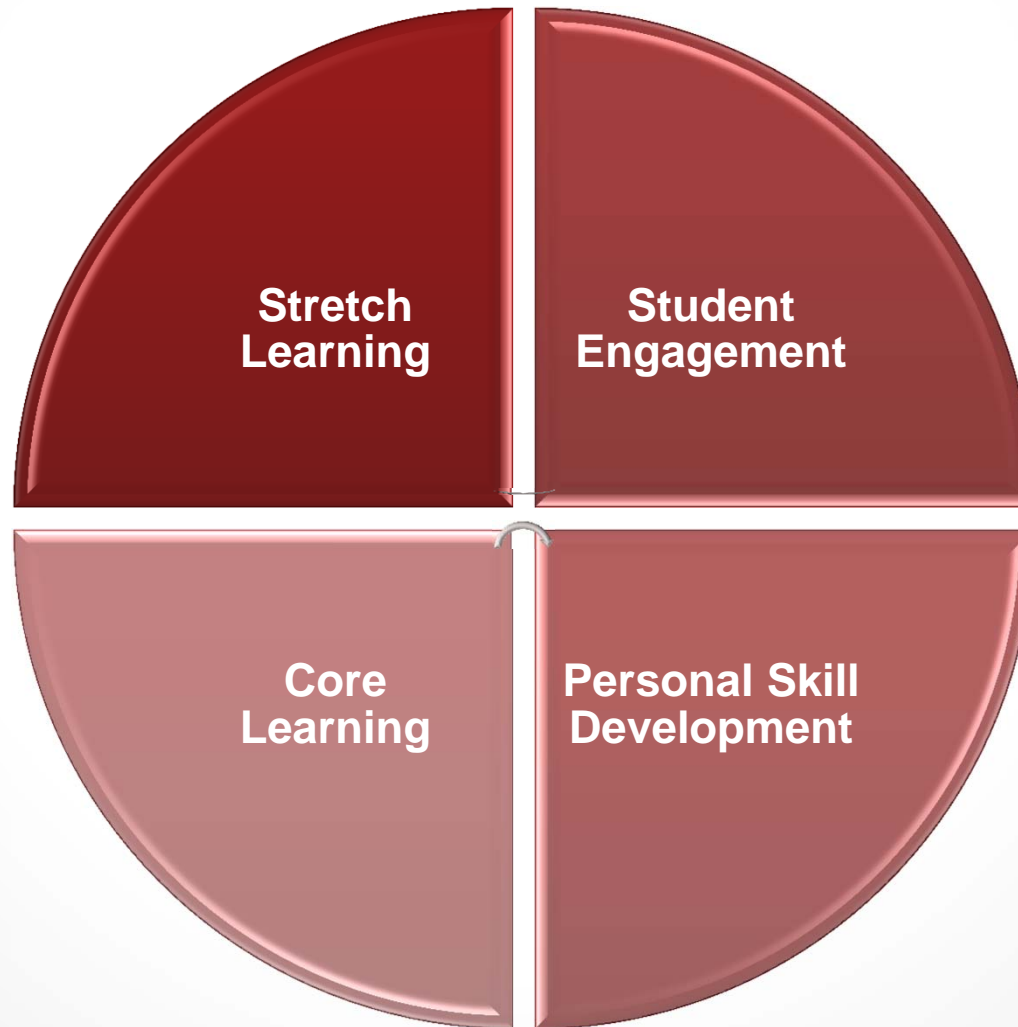


***2012-13 Proposed Preliminary
General Fund Budget***

March 29, 2012

2012-13 Budget Goals

Roadmap to Educational Excellence 2012-2014



Tonight's Objective

*Determine the direction or tolerance
of the Board relative to*

a) Rate of tax increase

b) Shelf Items



2012-13 Budget Goals

- *Sustainable Budgeting*
 - *Align programs to reliable revenue sources*
 - *Assure Adequate Financial Resources*
- *Address Structural Deficit*
- *Sustain mandated programs, existing contracts & agreements*
- *Preservation*
 - *Stabilize following dramatic changes*
 - *Evaluate result of 2011-12 reductions and changes*
 - *Preservation vs. Restoration*
- *Multi-Year Financial Goals*
 - *Address Cyclical Needs (Buses, Facilities, Technology)*

2012-13 Structural Deficits

January 2012

- 
- **Salaries**
 - **PSEERS**
 - **Healthcare**
 - **Charter Schools**
 - **Student Tuition**
 - **Debt**

Programs Retained After Loss of Accountability Block Grant

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

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Preliminary Budget Reductions

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

Preliminary Budget Operational Reductions

<i>Unemployment</i>	<i>-\$132,000</i>	<i>Electricity</i>	<i>-\$480,274</i>
<i>Severance</i>	<i>-\$41,580</i>	<i>Natural Gas</i>	<i>-\$68,291</i>
<i>Prof Educ Svcs</i>	<i>-\$273,882</i>	<i>Heating Oil</i>	<i>-\$24,824</i>
<i>Other Prof Svcs</i>	<i>-\$180,368</i>	<i>Fuel</i>	<i>-\$19,335</i>
<i>Disposal Svcs</i>	<i>-\$46,892</i>	<i>Equipment</i>	<i>-\$357,143</i>
<i>Lawn Care</i>	<i>-\$28,000</i>	<i>Construction</i>	<i>-\$100,000</i>
<i>Contract Transportation</i>	<i>-\$22,464</i>	<i>Advertising</i>	<i>-\$12,000</i>
<i>Security</i>	<i>-\$14,245</i>	<i>Delinq Real Est. Tax</i>	<i>\$1.9M</i>

Changes Since January

<i>Savings on Tax Collection Process</i>	<i>(\$100,000)</i>
<i>Natural Gas Distribution Agreement Expiration</i>	<i>\$134,000</i>
<i>Demand Response Revenue</i>	<i>(\$ 57,000)</i>
<i>BAVTS Tuition</i>	<i>\$175,154</i>
<i>Add'l BEF & Transportation Subsidy Projection (due to IU20)</i>	<i>(\$208,176)</i>
<i>2012-13 IU Transportation with No PDE Funding</i>	<i>\$50,515</i>
<i>Business Office Software Savings</i>	<i>(\$126,976)</i>
<i>Add'l Conversion & Training CSIU Software</i>	<i>\$10,000</i>
<i>Add'l Retirements</i>	<i><u>(\$334,638)</u></i>
<i>Net Budget Increase of All Changes & Proposals</i>	<i><u>(\$457,121)</u></i>

Still Unknown Impact of Allentown NIZ

Full-Day Kindergarten (FDK) Challenges

GOAL:

Reduce the Enrollment and Financial Impact (out-going per pupil costs) of the Charter Schools' FDK programs upon the BASD

- ***What would it take to expand FDK in the BASD?***
 - *All Students = +20 Teachers*
 - *Lottery :*
 - *One FDK per Building = +8 Teachers*
 - *Lottery :*
 - *One FDK per Paired Buildings = +4 Teachers*

Full-Day Kindergarten (FDK) Challenges

- ***Would Expanded FDK in the BASD Reduce the Financial Impact of the Charter Schools' FDK programs ?***
 - ***No. The BASD would be committing to on-going additional costs without the promise of reducing per pupil Charter School Enrollment costs to help pay for it.***
 - *Potential increase of half-day enrollment from nonpublic students not already enrolled into BASD Kindergartens*
 - *Charter Schools' FDK would likely still have waiting lists*

Full-Day Kindergarten (FDK) Challenges

- *The BASD wants to preserve its potential to unfund Charter School Kindergarten programs that go beyond what the BASD provides its own students (half-day Kindergarten for all students)*

RECOMMENDATION:

***Maintain Current Levels of FDK
in the BASD for At-Risk Students Only***

Helping Our Middle Schools

GOALS:

- *Creating smaller learning environments within the school*
- *More time for instruction*
- *More time for adult collaboration in support of students*
- *Restore Teaming Structure at Grade 6 would require adding 7.0 teachers = approx. \$470,095*
- *A more detailed MS Plan at the April 2 Curriculum Committee Mtg.*

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Revised Shelf Items

	February 2012	March 2012
<i>Capital Improvements</i>	\$1,000,000	\$600,000
<i>Buses</i> <ul style="list-style-type: none"> • Average Age 10.2 yrs • 28 Buses 15 yrs or older • 5 Buses 20 yrs or older 	\$500,000	\$300,000
<i>Technology</i> <ul style="list-style-type: none"> • MS Laptops Yr 2 of 4, replace remaining iBooks at MS /HS, district wide equipment upgrades 	\$300,000	\$232,000
<i>Communications/PR</i>	\$ 75,000	\$ 20,000
<i>Reduce 5.5 vs. 11.9 Tchr Positions</i>	\$400,000	\$351,718
<i>Other Items Previously Considered</i>	\$725,000	\$ 0
<i>Total</i>	\$3,000,000	\$1,503,718
Still Outstanding:	Off the Shelf:	
<i>Status of Gov. Budget & IU Transp Costs</i>	<i>PSERS Reserve</i>	
<i>Impact of Allentown NIZ</i>	<i>Aging Equipment Replacements</i>	
	<i>Band Uniforms</i>	
•	<i>Alternative Education</i>	•

Act 1 Index – Available Exceptions

<i>Allowable Index 2012-13 -- 2.1%</i>	<i>\$ 2,660,896</i>	<i>2.10%</i>
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Approved Exceptions:

<i>School Construction - Debt</i>	<i>\$ 799,554</i>	<i>0.62%</i>
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<i>Special Education</i>	<i>\$ 2,538,298</i>	<i>2.00%</i>
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<i>Retirement Contributions</i>	<i>\$ 1,533,216</i>	<i>1.21%</i>
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	<i>\$ 4,871,068</i>	<i>3.83%</i>
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Total Est Increase Under Act 1

<i>Provisions</i>	<i>\$ 7,531,964</i>	<i>5.92%</i>
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<i>Amount Needed Preliminary Budget</i>	<i>\$ 2,400,782</i>	<i>1.88%</i>
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<i>Est. Exceptions Remaining</i>	<i>\$ 2,470,286</i>	<i>1.94%</i>
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Blend of Long & Short Term Needs Recommendations for 2012-13 Rev. March 2012

	<u>Feb 2012</u>	<u>Mills</u>	<u>March 2012</u>	<u>Mills</u>
<i>Est. Value of Act 1 Exceptions</i>	\$ 2,510,103	0.89	\$ 2,470,286	0.87
PSERS – 42.89% Rate Increase in 2012-13	\$ 760,103	0.27	\$0	0.00
Shelf Items				
–Capital Improvements	\$ 1,000,000	0.35	\$ 600,000	0.21
–Buses	\$ 450,000	0.16	\$ 300,000	0.11
-Technology	\$ 300,000	0.11	\$ 232,000	0.08
Communications/PR			\$ 20,000	0.01
Reduce 5.5 of 11.9 Tchrs			\$ 351,718	0.12
Total	\$ 2,510,103	0.89	\$ 1,503,718	0.53
	Millage Incr	1.98%	Millage Incr	1.18%

2012-13 Budget Cost Drivers

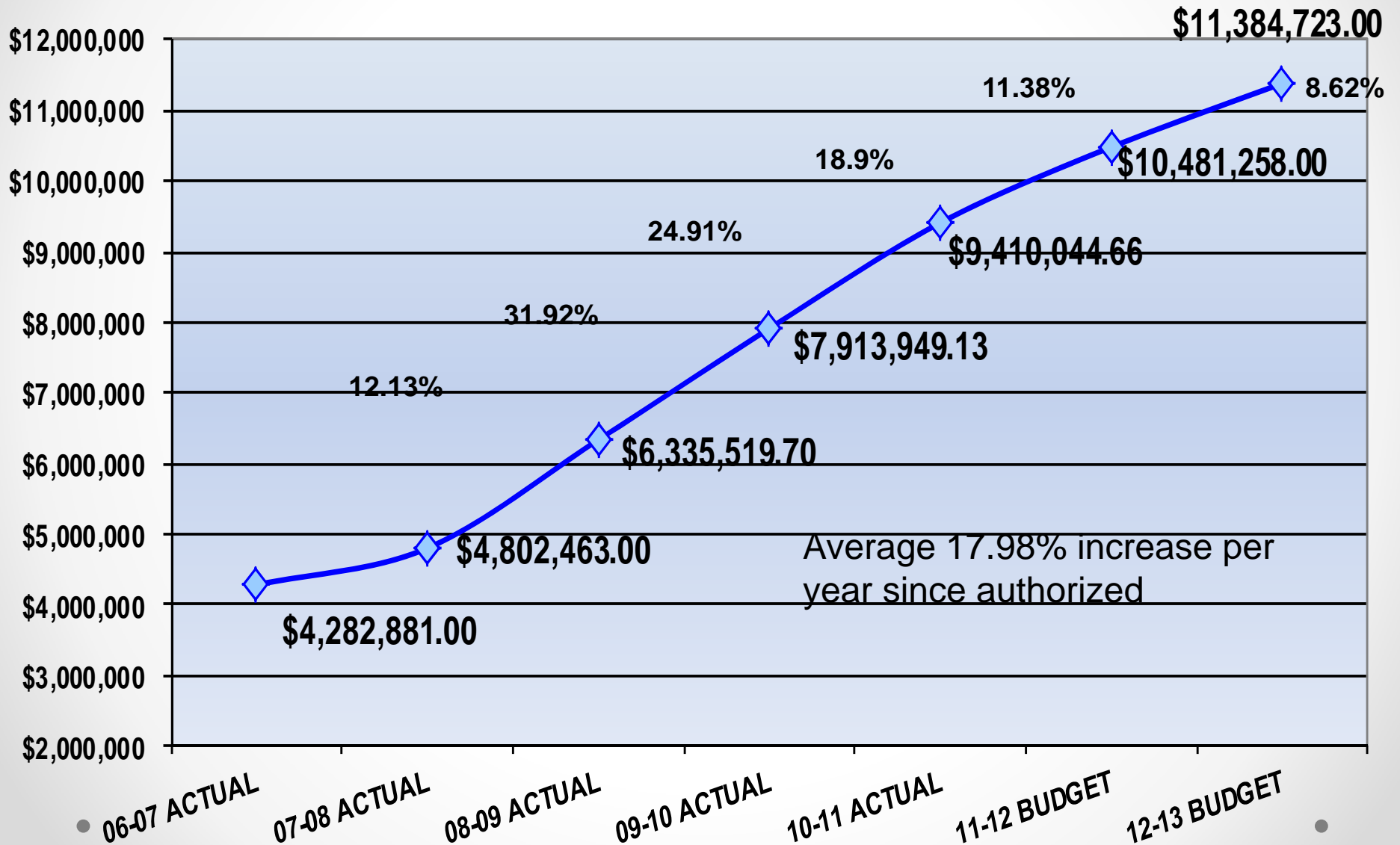
January 2012

• Salaries	\$1,319,560
• PSERS	\$1,316,543
• Healthcare	\$1,302,581
• Charter Schools	\$ 903,465
• Student Tuition	\$ 802,591
• Debt	<u>\$ 95,774</u>

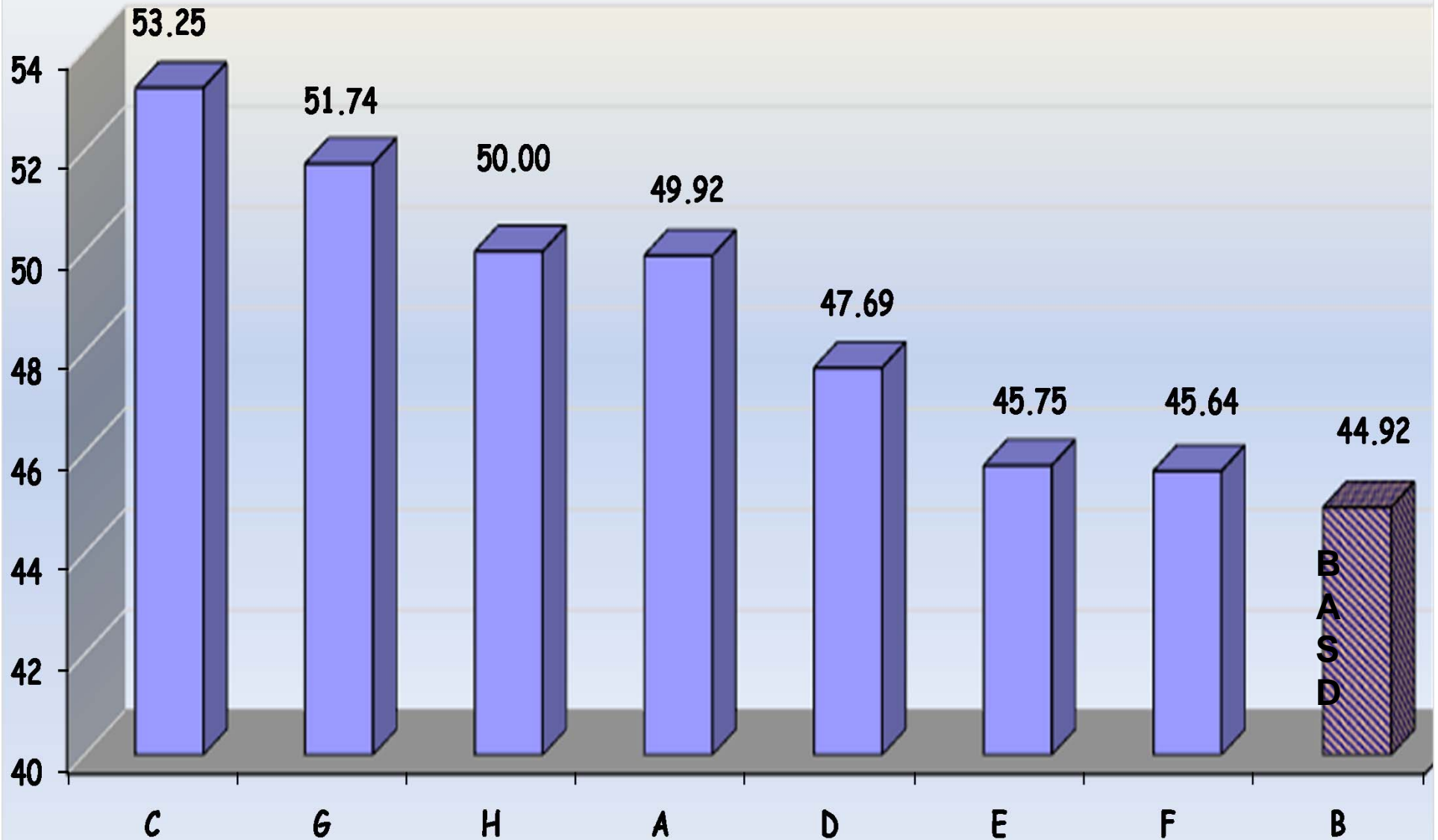
Total \$5,740,514 2.0278 mills

Total Jan Increase	\$5,067,025	1.7900	3.98%
Total Feb Proposal	\$7,577,128	2.6800	5.96%
Total March Proposal	\$6,153,330	2.1700	4.84%

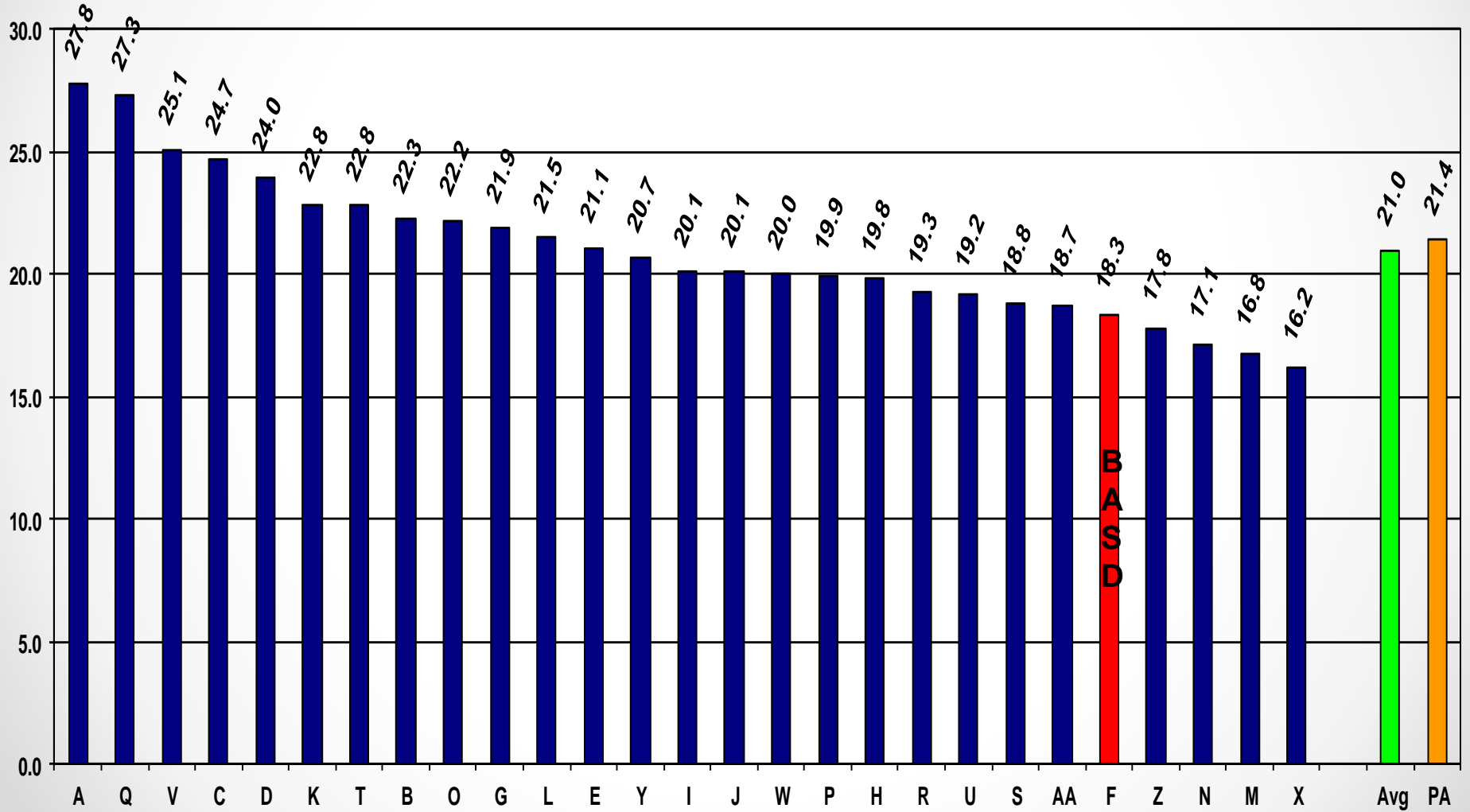
Charter School Costs



2011-12 Millage Rates Northampton County



Lehigh Valley Equalized Millage Rates



2012-13 Proposed Budget Following Revisions

Expenditures \$212,148,344

Revenues \$205,995,014

Deficit \$6,153,330

Millage Needed 2.17

Percent Tax Increase **4.84%**

2012-13 Proposed Impact on Average Tax Bill

	<u>2.17 mills</u>
2011 Average Assessment	\$ 75,082.00
2011-12 Millage	44.9200
Tax Bill	\$ 3,372.68
2012-13 Proposed Millage	47.0900
Tax Bill with Proposed Millage	\$ 3,535.61
Percentage Increase	4.8%
Yearly Increase in Average Bill	\$ 162.93
Monthly Increase in Average Bill	\$ 13.58
Weekly Increase in Average Bill	\$ 3.13
Daily Increase in Average Bill	\$ 0.45

Board Discussion & Direction

