



**Ramping Up...
2014-2015
BASD Budget Development**

January 6, 2014

1



Budget Context

- **Goal:** Maintain BASD “assets” and current programming in support of the *Roadmap to Educational Excellence* and the BASD Goals
- **Realities:** Difficult economic times present us with “Structural Deficits” that make it increasingly difficult to achieve our goals.

2

Why Prepare 2014-15 Budget Now?

- Act 1 of 2006
 - Limits Local Taxation to an Annual Index (2.6%)
 - Timelines Based Upon Primary Election
 - Board Adoption Preliminary Budget 90 days prior
 - Resolution to Not Tax Above Index (2.6%)
 - ✓ **Exceptions for Certain Expenditures (3)**
 - Referendum Question if Exceed Index plus Exceptions
 - May-June School Code Timelines Apply

3

Act 1 Timeline

January 13, 2014 - Review Preliminary Budget

February 10, 2014 - Approve Preliminary Budget as Presented

Authorize the Administration to Apply for Act 1 Exceptions

4

Timeline for Spring

WORKSHOPS	DATES
PRELIMINARY BUDGET ADOPTION	February 10, 2014 (Special Meeting)
Governor's Budget	On or about Feb 4, 2014
Budget Workshop	March 19, 2014
Budget Workshop	April 24, 2014
Tentative Final Budget Adoption	May 12, 2014 (Special Meeting)
FINAL BUDGET ADOPTION	June 16, 2014 (Special Meeting)

5

Structural Budget Issues

- Structural deficit is caused by the growth of mandated and contractual expenses exceeding the natural growth of revenues
- Revenue into the BASD has remained flat
- Fixed costs of the BASD (employee salaries & benefits, operating costs, etc.) continue to grow
- BASD contributions to the PSERS retirement system continue to grow
- Public charter school costs continue to grow
- Act 1 limits millage increases (the "Index")

6

Identifying and Prioritizing District Assets

- What are those qualities of the BASD that are “non-negotiable” and must be maintained in 2014-2015?

7

How do we prioritize all of the things we value?

- Neighborhood schools
- Targeted class sizes
- Transportation services
- Diverse curricular offerings
- Well-maintained facilities
- Professional development opportunities
- Co-curricular activities
- Eliminating variable rate debt
- Up-to-date technology
- Additional supports for struggling students

8

2011-2012 Budget = Real Pain

- Dramatic reduction in the Pre-K program
- Reduced Full-Day Kindergarten sections
- Eliminated Middle School Teaming
- Reduced number of High School Electives
- Significant reduction in BASD personnel: classroom teachers, librarians, instructional coaches, curriculum office supervisors, teaching assistants, athletic coaches, family development specialists, and secretaries.
- Deferred new bus purchases, facilities projects, and equipment/supplies replacement
- 1.7% Tax Increase

9

2012-2013 Budget = Sustainable & Efficient

- Maintained Staffing Levels
- Reinstated 6th Grade Teaming
- Leased 20 New School Buses
- \$600,000 for ongoing Facility Repairs and Maintenance
- Technology Replacements
- Savings from Financial Software, In-house Tax Collection, Energy, and Retirements
- PA Trust provided Catastrophic Healthcare Protection at no additional cost
- Cyber Course offerings to serve student needs and reduce Cyber Charter school costs
- Stabilized Fund Balance for improved financial health and Bond ratings
- 4.84% Tax Increase

10

2013-2014 Budget = Sustainable & Restorative

- Maintained Staffing Levels
- Reinstated 7th Grade Teaming, Academic Supports, MS Library Services, Social Services, Drop Out Prevention
- Expanded Full Day Kindergarten (5+1)
- Savings for Capital Improvements & Nitschmann MS
- Leased 10 New School Buses
- \$600,000 for ongoing Facility Repairs and Maintenance
- Technology Replacements
- Savings from TimeClock Software, Energy, and Retirements
- Stabilized Fund Balance for improved financial health and bond ratings
- 2.72% Tax Increase

11

Budget Balancing Considerations

- Expenditure Reductions
- Greater Operating Efficiency
- Future Cost Avoidance
- Enhancing Revenues
- Raising Taxes

12

Option: Greater Operating Efficiency

- More efficient and equitable tax collection
- Energy savings
- Reduced material/supply use
- Increased Transportation efficiency
- Improved procurement and renegotiate lower pricing

13

Option: Expenditure Reduction

- Wage and Salary Savings
- Program Reductions/Eliminations
- Defer Cyclical Purchases
- Reduce/Eliminate Non-Mandated Services

14

Option: Enhancing Revenues

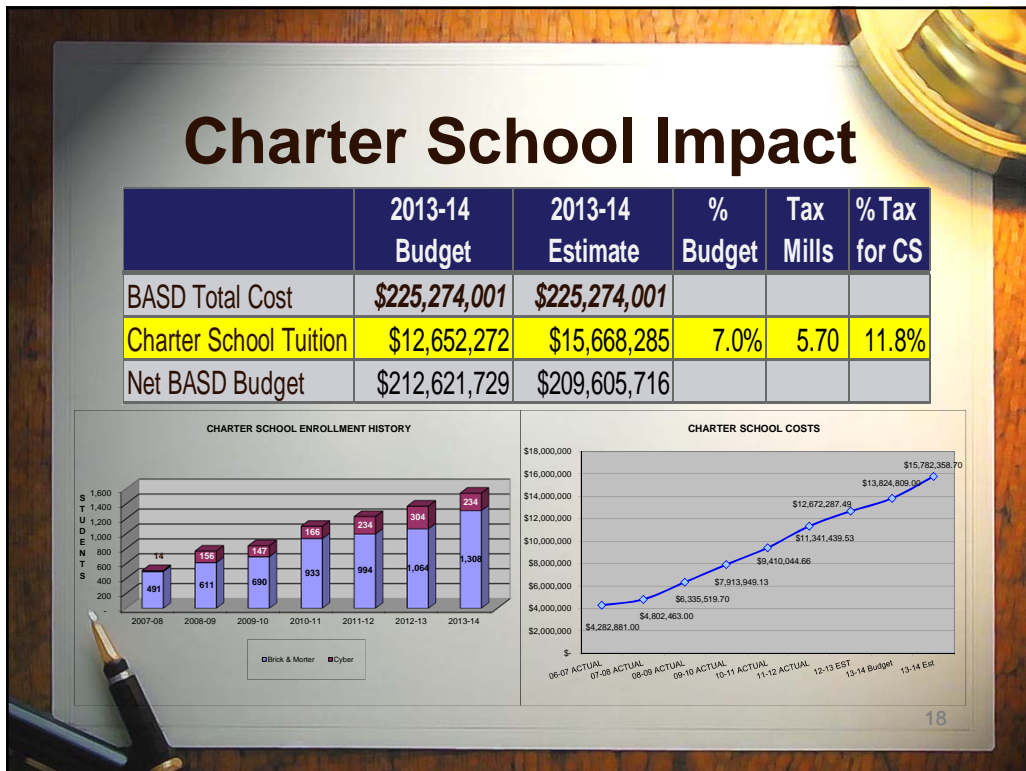
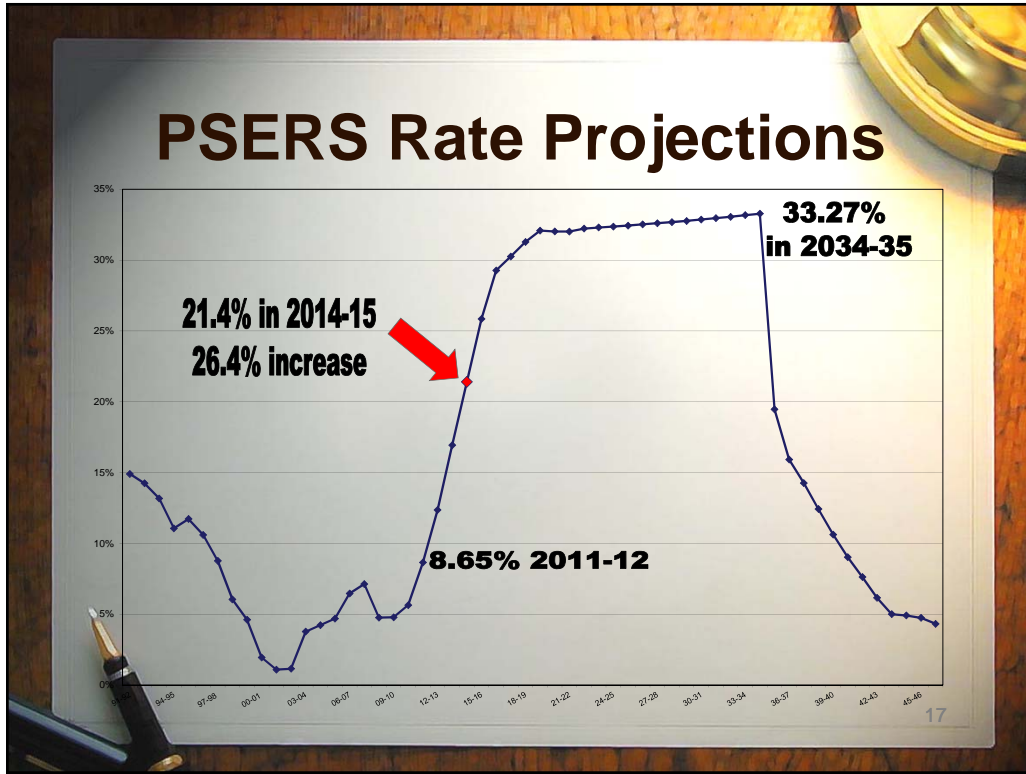
- Municipal Appeals
- Payments in Lieu of Taxes
- Delinquent Tax Collection
- Educational Foundation/Community Partnerships
- Naming Rights
- Advertising allowed by PA School Code

15

Option: Future Cost Avoidance

- Outsourcing
- More cost efficient collective bargaining agreements
- Reduce long-term interest costs
- Address long-term PSERS costs
- Charter School Finance Reform

16



What is the Value of \$1 Million?

- 1/3 Tax Mill
- Approximately 12 New Teachers
- 2/3 of all Sports/Activities
- 12 New School Buses
- 833 Laptop Computers or 2,004 iPads

\$225,274,001

19

Getting Ready for 2014-15 BASD Budget Development

- Collect Needed Data and Projections
- Meet with Focus Groups (students, teachers, parents, community partners, etc.) to help prioritize district assets
- Meet with Board Members

20

Outstanding Questions???

- Will State funding be maintained?
- Will overall local revenue be stronger?
- Will Charter School Reform Legislation pass?
- Will PSERS Reform Legislation pass?