



**Wednesday, April 29, 2015**  
**Education Center, Edgeboro Room**

**Agenda**

- 6:00 p.m. Budget Workshop**
1. Courtesy of the Floor (15 minutes allowed)
  2. Presentation of Budget Information
  3. Board of School Directors Discussion
  4. Courtesy of the Floor (15 minutes allowed)

# *Bethlehem Area School District*

## *2015-16 General Fund Budget Workshop*

*April 29, 2015*



# ***COMMON THEMES THROUGHOUT THIS BUDGET PROCESS***

**Controlled Growth of Local Expenditures**

**Lack of Adequate State Funding**

**Charter School Funding Reform**

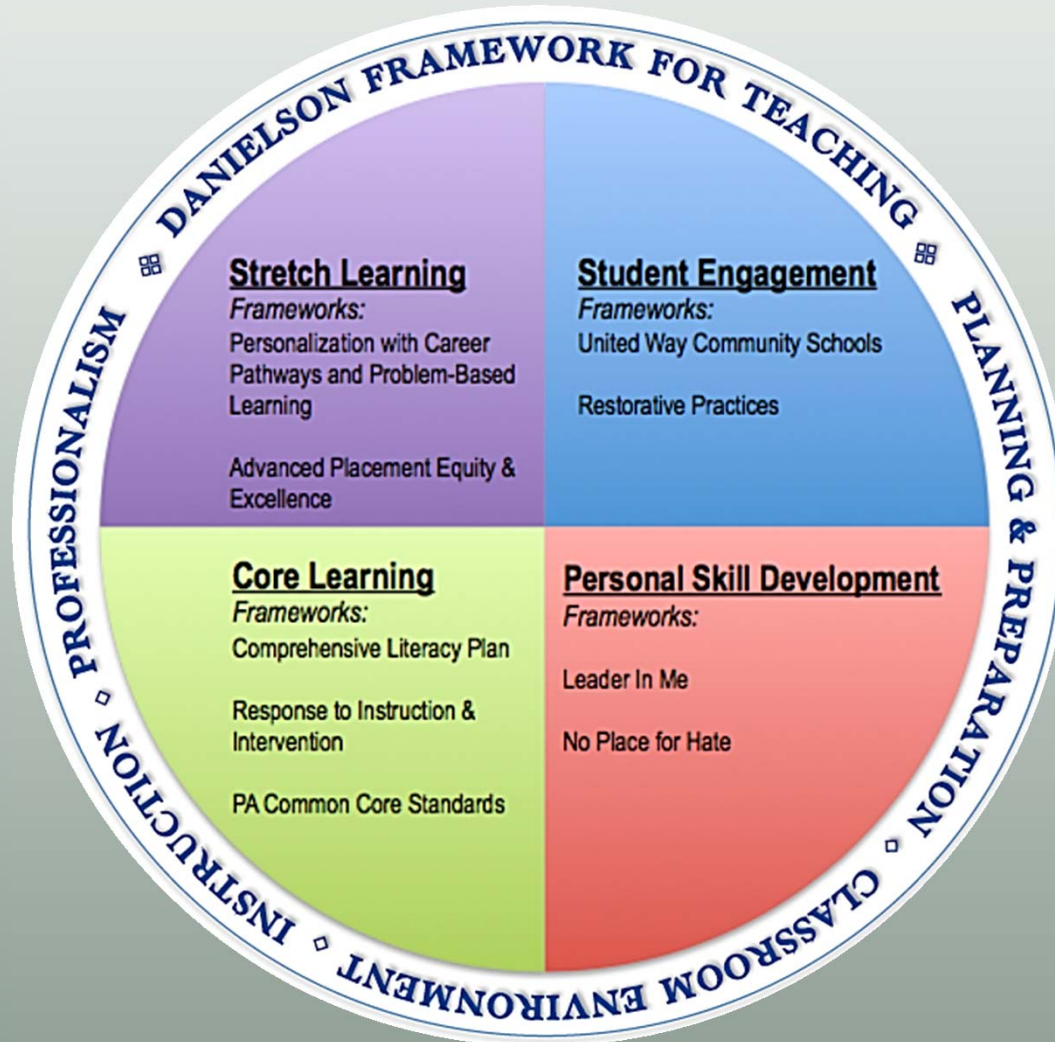
**PSERS Reform**

# 2015-16 BUDGET GOALS

Neighborhood Schools  
Full Day Kindergarten  
Targeted Class Size  
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

# 2015-16 BUDGET GOALS

## Roadmap 2.0 to Educational Excellence



# 2015-16 BUDGET GOALS

## *.... The Beginning*

	<u>Preliminary Budget</u>	<u>Increase</u>
<b>Charter Schools</b>	<b>\$21,072,064</b>	<b>\$721,218</b>
<b>PSERS</b>	<b>\$25,224,505</b>	<b>\$4,678,070</b>
<b>Everything Else</b>	<b>\$200,996,765</b>	<b>\$6,262,209</b>
<b>Initial Deficit</b>		<b>\$11,661,497</b>

# CHANGES SINCE FEBRUARY 2015

BAVTS Tuition	\$ (56,013)
NCC Tuition	\$ (101,705)
IU20 GOB	\$ 5,701
IDEA Revenue	\$ (123,777)
Retirees	\$ (317,467)
Salary & Benefit Corrections	\$ 343,373
BEA Contract Benefits	\$ 135,065
Administrative Reductions	\$ (235,328)
Staffing Reductions	\$ (718,807)
LHS Allocation	\$ (6,670)
Utilities	\$ (89,000)
Technology	\$ (416,808)
Maintenance Projects	\$ (728,000)
Special Education	\$ 161,266
Additional State Subsidy	\$ (733,595)
<b>Total Net Reductions to Date</b>	<b><u><u>\$(2,881,765)</u></u></b>

# CHANGES SINCE MARCH 2015

Partial Hospitalization	\$ (164,308)
Cyber Charter School Tuition	\$ (212,314)
IT Staffing Changes	\$ (85,225)
Salary & Benefit Corrections	\$ (92,589)
Administrative Adjustment **	\$ 195,269
After Hours/Weekend Monitoring	\$ (150,000)
Child Care Rent/Utility charges	\$ (300,000)
RE Assessment Growth	\$(1,390,627)
State Revenue Increase	\$(1,500,000)
TIF adjustment	\$ (74,000)
Monocacy Sale for wireless	\$ (367,350)
Bus Lease	\$ 150,000
LV Muhlenburg Program Change	\$ (11,548)
Federal Programs Adjustments	\$ (13,963)
<b>Total Net Reductions to Date</b>	<b><u><u>\$(4,016,656)</u></u></b>



# STAFFING REDUCTIONS

5 Teachers – Secondary

5 Teachers - Elementary

1 Supervisor Maintenance Operations

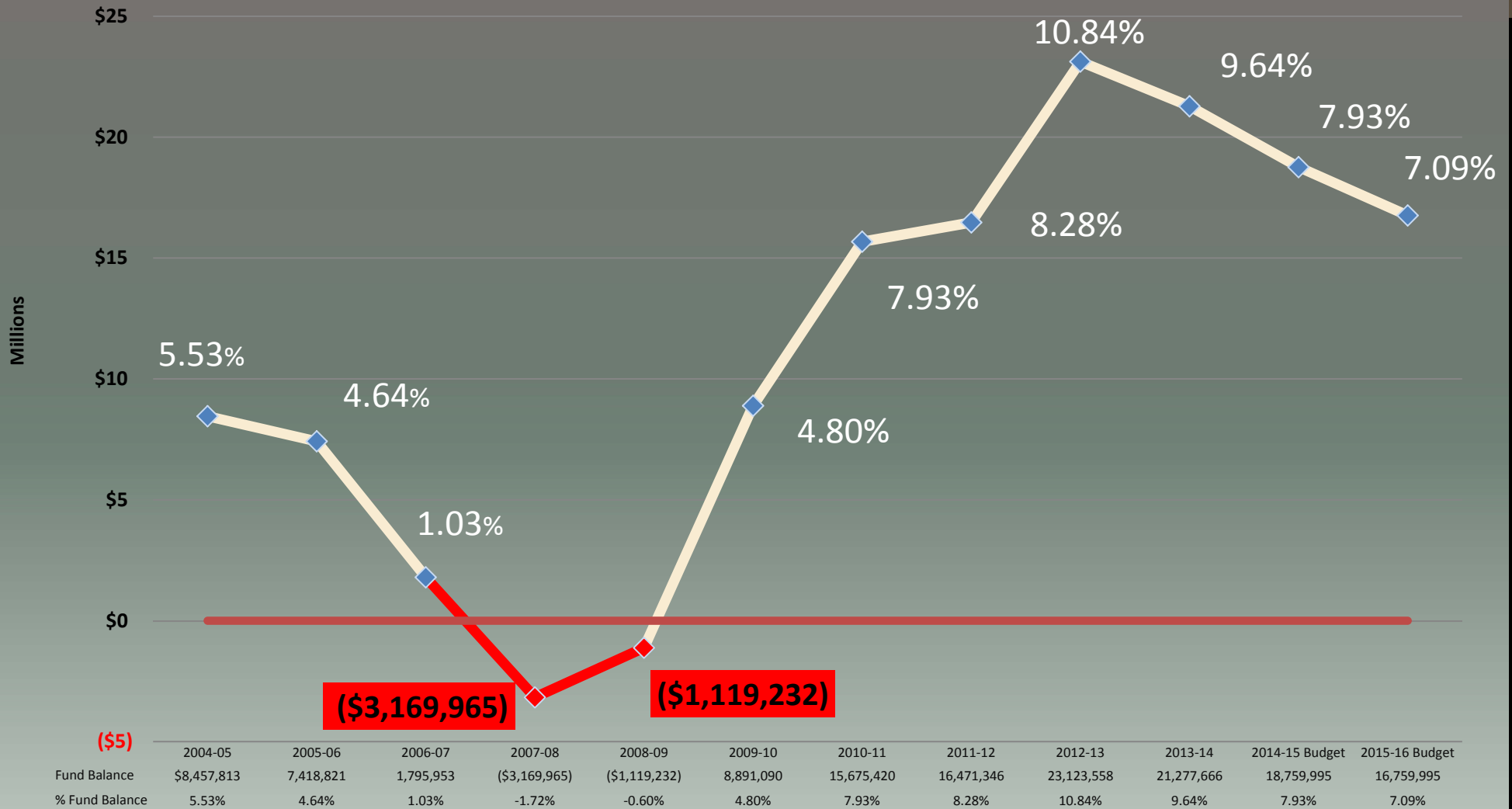
1 Educational Programs/Student Services

4 After Hour/Weekend Personnel

2 Technology Support

2 Clerical Support

# FUND BALANCE REVIEW



# 2015-16 BUDGET EXPENDITURE SUMMARY

	<u>2015-16 Budget</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<b><u>Expenditures:</u></b>			
<i>Instruction</i>	\$115,146,493	\$2,272,445	2.01%
<i>Support Services</i>	\$54,046,855	\$857,372	1.61%
<i>Non-Instr Svcs</i>	\$2,548,514	(\$157,048)	-5.80%
<i>Debt Svc/Transfers</i>	\$27,073,388	\$224,589	0.84%
<b><i>BASD</i></b>	<b>\$198,815,250</b>	<b>\$3,197,358</b>	<b>1.63%</b>
<b><i>PSERS</i></b>	<b>\$25,085,302</b>	<b>\$4,538,867</b>	<b>22.09%</b>
<b><i>CHARTER SCHOOLS</i></b>	<b>\$20,859,751</b>	<b>\$508,905</b>	<b>2.50%</b>
<b><i>Total Expenditures</i></b>	<b>\$244,760,303</b>	<b>\$8,245,130</b>	<b>3.49%</b>

# ACT 1 INDEX – ESTIMATED EXCEPTIONS

**Allowable Index 2015-2016 2.3%                    \$    3,400,361**

## Preliminary Estimated Exceptions:

<b>School Construction - Debt</b>	<b>\$</b>	<b>-</b>
<b>Special Education</b>		2,879,214
<b>Retirement Contributions</b>		1,662,516
		<b>4,541,730</b>

<b>Total Est Increase Under Act 1 Provisions</b>	<b>\$</b>	<b>7,942,091</b>
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# CHANGES SINCE MARCH 2015

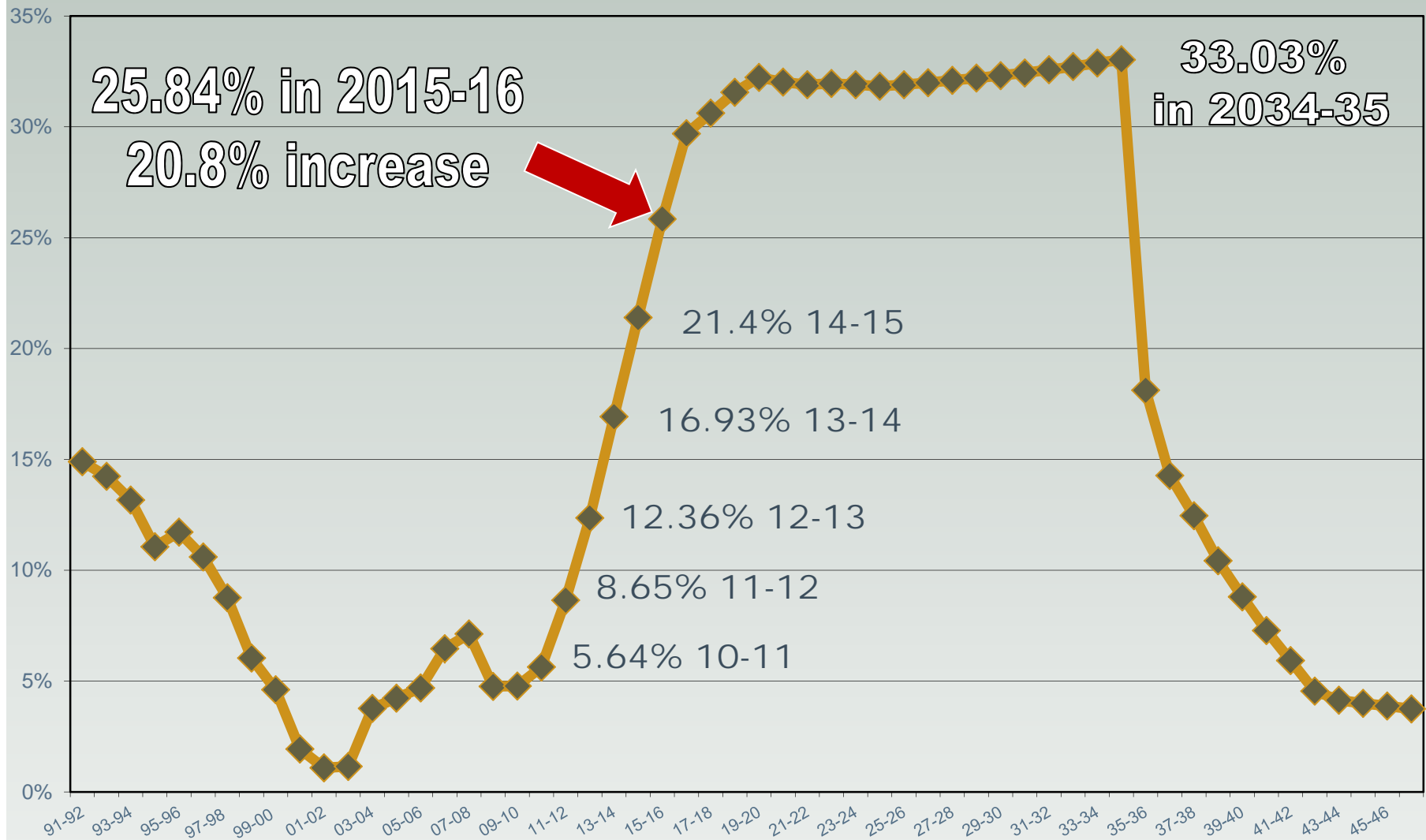
	<u>Preliminary Feb 2015</u>	<u>March 2015</u>	<u>April 2015</u>	<u>Net Change Since Preliminary Budget</u>
Revenue	\$235,631,838	\$236,344,176	\$239,996,239	\$4,364,401
Expenditure	\$247,293,335	\$245,123,908	\$244,760,303	(\$2,533,032)
Deficit to be Funded	<u>(\$11,661,497)</u>	<u>(\$8,779,732)</u>	<u>(\$4,764,064)</u>	<u>(\$6,897,433)</u>
Act 1 plus Est Exceptions			\$7,942,091	
Amount Below Act 1 plus Est Exceptions			\$3,178,027	

# 2015-16 BUDGET COST DRIVERS

(April 29, 2015)

	Feb 2015	March 2015	April 2015
•PSERS	\$ 4,678,070	\$ 4,560,649	\$ 4,538,867
•Salaries	\$ 4,116,716	\$ 3,129,045	\$ 3,037,672
•Technology	\$ 1,355,168	\$ 938,365	\$ 938,365
•Charter Schools	\$ 721,218	\$ 721,218	\$ 508,905
•Student Tuition	\$ 566,758	\$ 409,040	\$ 394,317
•Healthcare	\$ 258,174	\$ 536,738	\$ 382,891
•General Operations	\$ (34,607)	\$ (1,515,323)	\$ (5,036,953)
•Net Deficit Remaining	\$ 11,661,497	\$ 8,779,732	\$ 4,764,064

# PSERS FUNDING RATE



# WHAT NEW MONEY IS TENTATIVE IN GOVERNOR'S BUDGET

	<u>January</u> <u>Preliminary</u>	<u>Gov. Wolf</u> <u>Proposal</u>	<u>Potential</u> <u>Increase</u>
Basic Ed Funding	\$ 27,803,331	\$ 28,117,183	\$ 313,852
Ready to Learn	\$ -	\$ 1,399,034	\$ 1,399,034
ABG	\$ 665,439	\$ 1,061,082	\$ 395,643
EAP	\$ -	\$ 750,330	\$ 750,330
Charter Schl Reimb	\$ -	\$ 1,658,176	\$ 1,658,176
Special Ed Funding	\$ 6,584,843	\$ 7,502,504	\$ 917,661
	<u>\$ 35,053,613</u>	<u>\$ 40,488,309</u>	<u>\$ 5,434,696</u>

Subject to Enactment by the Legislature



# OPTION FOR BUDGET BALANCING

<b>Preliminary Deficit</b>	<b>\$11,661,497</b>
<b>Deficit Reductions to Date</b>	<b>(5,397,433)</b>
<b><i>State Revenue Increase</i></b>	<b><i>(1,500,000)</i></b>
<b><i>2.9% Tax Increase</i></b>	<b><i>(4,764,064)</i></b>
<b><i>Remaining Deficit</i></b>	<b><i>\$ -0-</i></b>

# 2015-16 PROPOSED IMPACT ON MEDIAN HOMESTEAD TAX BILL

<b><i>District Average Tax Increase</i></b>	<b>2.90%</b>	
	<b><i>Northampton</i></b>	<b><i>Lehigh</i></b>
<i>2014 Median Homestead Assessment</i>	\$ 66,637	\$ 147,950
<i>2014-15 Millage</i>	50.99	15.77
<i>Tax Bill</i>	\$ 3,397.82	\$ 2,333.17
<i>2015-16 Proposed Millage</i>	52.34	16.43
<i>Tax Bill with Proposed Millage</i>	\$ 3,487.78	\$ 2,430.82
<b><i>Yearly Increase in Average Bill</i></b>	<b>\$ 89.96</b>	<b>\$ 97.65</b>
<b><i>2014 Homestead Rebate</i></b>	<b>\$ 181.42</b>	<b>\$ 181.42</b>
<i>Monthly Increase in Average Bill</i>	\$ 7.50	\$ 8.14
<i>Weekly Increase in Average Bill</i>	\$ 1.73	\$ 1.88
<i>Daily Increase in Average Bill</i>	\$ 0.25	\$ 0.27

# ONGOING INVESTMENTS FOR 2015-16

- **Full Day Kindergarten**
- **Project Lead the Way (PLTW)**
- **College and Career Pathways**
- **Service Learning Projects**
- **Community Schools**
- **Leader In Me**
- **Arts and Music**
- **AP Course Offerings**
- **Online and Blended Learning**
- **Wireless Infrastructure**
- **School Bus Cycle**
- **Increased Instructional Time (15 min/day , i.e., equivalent of 6 school days)**
- **Improved Staffing Efficiencies**
- **New Nitschmann Middle School**

# DISCUSS KEY QUESTIONS



- Tolerance for Cuts to BASD Programs



- Tolerance for Tax Increase Index + Exceptions



- Risk Tolerance for Additional State Revenue



- Use of Fund Balance



- Capital Planning

# ***TIMELINE FOR SPRING***

## **WORKSHOPS**

## **DATES**

**TENTATIVE FINAL BUDGET ADOPTION**

**May 11, 2015  
(Special Meeting)**

**FINAL BUDGET ADOPTION**

**June 15, 2015  
(Special Meeting)**