

Ramping Up...

2016-2017 BASD Budget Development



December 7, 2015

Budget Context

- **Goal:** Maintain BASD “assets” and programming in support of the *Roadmap to Educational Excellence 3.0* and the BASD Goals
- **Realities:** Difficult economic times present us with “Structural Deficits” that make it increasingly difficult to achieve our goals.

Why Prepare 2016-17 Budget Now?

- ❖ Act 1 of 2006
 - Limits Local Taxation to an Annual Index (2.9%)
 - Timelines Based Upon Primary Election
 - Board Adoption Preliminary Budget 90 days prior
 - Resolution to Not Tax Above Index (2.9%)
 - **Exceptions for Certain Expenditures (3)**
 - Referendum Question if Exceed Index plus Exceptions
 - May-June School Code Timelines Apply

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Act 1 Timeline

**January 11, 2016 - Review Preliminary Budget
@ Bd Curr. Comm. Mtg**

**January 25, 2016 - Approve Preliminary Budget
as Presented @ Reg. Bd Mtg**

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

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Timeline for Spring

WORKSHOPS	DATES
PRELIMINARY BUDGET ADOPTION	January 25, 2016 (Regular Meeting)
Governor's Budget	On or about February 2, 2016
Budget Workshop	March 30, 2016
Budget Workshop	April 27, 2016
Tentative Final Budget Adoption	May 9, 2016 (Special Meeting)
FINAL BUDGET ADOPTION	June 13, 2016 (Special Meeting)

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Structural Budget Issues

- ❖ Structural deficit is caused by the growth of mandated and contractual expenses exceeding the natural growth of revenues
- ❖ Revenue to BASD has remained flat
- ❖ Federal funds continue a gradual decline
- ❖ 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")

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Identifying and Prioritizing District Assets

- ❖ BASD Roadmap 3.0 Goals and Strategic Initiatives
 - Five Year Planning Document
- ❖ What are those qualities of the BASD that are “non-negotiable” and must be maintained in 2016-2017?

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How do we prioritize all of the things we value?

- ❖ Neighborhood Schools
- ❖ Grade Level Reading by Grade 3
- ❖ 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 Summer Programs

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2011-12 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

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2012-13 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

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2013-14 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

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2014-15 Budget = Sustainable & Restorative

- ❖ Reinstated 8th Grade Teaming
- ❖ Introduced Project Lead the Way
- ❖ Cut MS After School Programming
- ❖ Lost Elementary After School Programming Grant
- ❖ Wage Freezes
- ❖ Delayed School Bus Cycle
- ❖ 0.25% BASD Expenditure Increase After PSERS & Charter Schools
- ❖ 4.99% Tax Increase

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2015-16 Budget = Sustainable & Forward Leaning

- ❖ Implemented Full Day Kindergarten
- ❖ Start of Nitschmann Middle School Construction Project
- ❖ Wireless Infrastructure Project
- ❖ Continued Key Educational Initiatives (Project Lead the Way, College & Career Pathways, Hybrid Learning, Community Schools, Leader In Me, & AP offerings)
- ❖ Leased 9 New School Buses
- ❖ 2.9% Tax Increase

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Budget Balancing Considerations

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

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Greater Operating Efficiency

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

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Expenditure Reduction

- ✓ Wage and Benefit Savings
- ✓ Health Care Management
- ✓ Program Reductions/Eliminations
- ✓ Defer Cyclical Purchases
- ✓ Reduce/Eliminate Non-Mandated Services

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Enhancing Revenues

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

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Future Cost Avoidance

- ✓ Service Delivery Options
- ✓ More cost efficient collective bargaining agreements
- ✓ Reduce long-term interest costs
- ✓ Residency Verification
- ✓ Charter School oversight

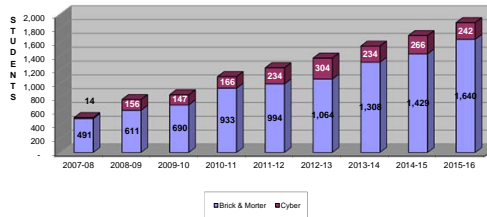
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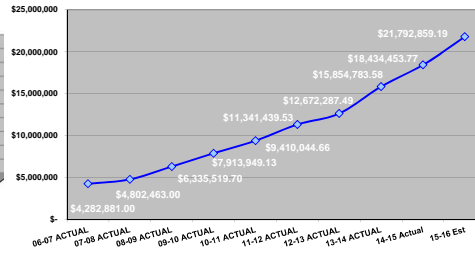
Charter School Impact

	2015-16 Budget	2015-16 Estimate	% Budget	Tax Mills	% Tax for CS
BASD Total Cost	\$244,867,303	\$244,867,303			
Charter School Tuition	\$20,859,751	\$21,792,859	8.9%	5.7	14.8%
Net BASD Budget	\$224,007,552	\$223,074,444			

CHARTER SCHOOL ENROLLMENT HISTORY



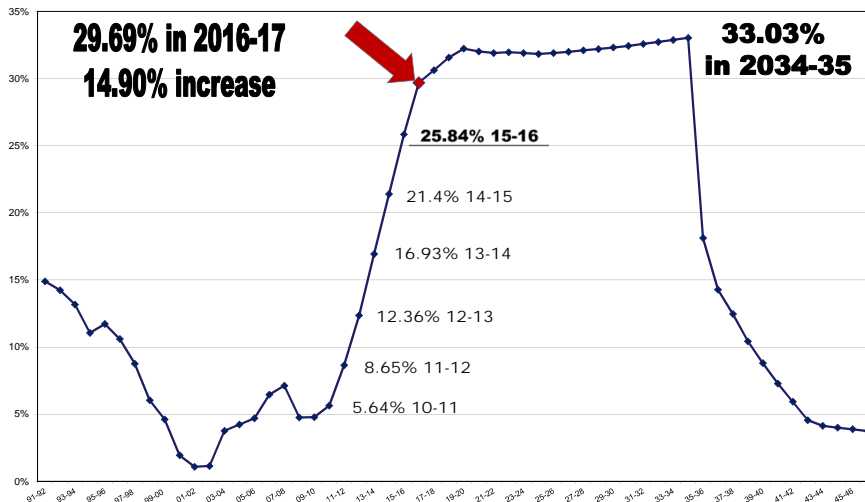
CHARTER SCHOOL COSTS



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PSERS Rate Projections



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What is the Value of \$1 Million?

- ❖ 1/4 Tax Mill
- ❖ Approximately 12.5 New Teachers
- ❖ 1/3 of all Sports/Activities
- ❖ 12 New School Buses
- ❖ 952 Laptop Computers
- ❖ 3,076 Chromebooks

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2016-17 BASD Budget Development

- ❖ Collect Necessary Data and Projections
- ❖ Analyze Budget Trends vs District Priorities
- ❖ Board Workshops & Finance Committee Discussions

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Outstanding Questions???

- ❖ Are Governor Wolf's education priorities achievable and sustainable?
- ❖ Will State funding be improved?
- ❖ Will overall local revenue improve?
- ❖ Will Charter School Reform Legislation pass?
- ❖ Will PSERS Reform Legislation pass?
- ❖ Will State mandates be reduced?

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