

Bethlehem Area School District

2017-18 General Fund Budget Workshop

April 26, 2017



COMMON THEMES THROUGHOUT THIS BUDGET PROCESS

Controlled Growth of Local Expenditures

Lack of Adequate State Funding

Charter School Funding Reform

PSERS Reform

2017-18 BUDGET GOALS

Roadmap 4.0 to Educational Excellence



2017-18 BUDGET GOALS

	<u>January 2017</u>	<u>March 2017</u>	<u>April 2017</u>	<u>Net Change</u>
Revenue	\$262,791,195	\$266,720,435	\$268,503,050	\$5,711,855
PSERS	\$33,737,206	\$33,398,346	\$33,233,368	(\$503,838)
Charter Schools	\$26,697,857	\$26,697,857	\$26,697,857	\$0
Everything Else	\$214,919,833	\$213,204,920	\$212,051,984	(\$2,867,849)
Deficit	(\$12,563,701)	(\$6,580,688)	(\$3,480,159)	(\$9,083,542)

Ongoing Prioritized Educational Investments Remaining in April for 2017-18

Reading By Grade 3 (RBG3)

Math Curriculum Revision – Algebra

Project Lead the Way

**Collective Impact Efforts: Community
Schools, Partnerships, etc.**

HS Computer Science

Blended/Personalized Instruction

Educational Program Reductions Totally or Partially Moved to Shelf

January

Curriculum Revisions other than Reading and Math

Afterschool Programming

Summer Programming

Excellence Through Equity Initiatives

Classroom Technology Purchases

Professional Development

Educational Program Reductions Totally or Partially Moved to Shelf

March

Elementary Spanish Program

Band Uniforms, Musical Instruments

After School and Summer Programming

Excellence Through Equity Initiatives

Classroom Technology Purchases

Professional Development

Transportation for Academic Programs

Textbook Replacements & Supplies

Technology Replacement Cycle

CHANGES SINCE FEBRUARY 2017

Fund Balance	\$(3,000,000)
BEF/SEF	\$(1,100,000)
CIU20	\$ 167,900
BAVTS	\$ (169,901)
NCC	\$ (39,231)
Maintenance Repairs	\$ (100,000)
Curriculum	\$ (182,114)
Social Media	\$ 20,000
Supplemental Custodians	\$ (168,281)
e-Payables Rebate	\$ (35,000)
Retirees	\$ (916,631)
Retiree Benefits	\$ 178,900
Transportation Wages/Benefits	\$ (351,789)
Special Ed Wages/Benefits	\$ 40,526
Social Workers	\$ (75,000)
Summer Guidance	\$ (60,132)
Technology	\$ (267,100)
Title I Non Public	\$ 74,840
Total Net Reductions to Date	<u>\$(5,983,013)</u>

Educational Program Reductions Totally or Partially Moved to Shelf

April

Professional Staff

Instructional Assistants

Social Workers

CHANGES SINCE MARCH 2017

Fund Balance	\$ (1,000,000)
Building Budgets	\$ (141,098)
PlanCon NMS Bonds	\$ (113,592)
Professional Staff	\$ (967,169)
Instructional Assistants	\$ (118,310)
Social Workers	\$ (60,000)
IT Summer Student Workers	\$ 32,518
Real Estate Tax Assessments	\$ (732,878)
Total Net Reductions to Date	<u>\$ (3,100,529)</u>

TOTAL REDUCTIONS TO DATE

Preliminary Deficit \$12,563,701

Deficit Reductions March \$ (5,983,013)

Deficit Reductions April \$ (3,100,529)

Total Reductions to Date \$ (9,083,542)

2017-18 BUDGET EXPENDITURE SUMMARY

	<u>Jan. 2017</u>	<u>March 2017</u>	<u>April 2017</u>	<u>% of Total Budget</u>	<u>Change from 16-17 Budget</u>
<u>Expenditures:</u>					
Instruction	\$125,003,433	\$123,873,786	\$123,410,784	45.37%	\$3,313,166
Support Services	\$60,680,054	\$60,094,788	\$59,816,629	21.99%	\$3,511,488
**Non-Instr Svcs	\$2,645,862	\$2,645,862	\$2,645,862	0.97%	\$154,201
**Debt Svc/Transfers	\$26,590,484	\$26,590,484	\$26,178,709	9.63%	\$237,351
BASD	\$214,919,833	\$213,204,920	\$212,051,984	77.96%	\$7,216,206
PSERS	\$33,737,206	\$33,398,346	\$33,233,368	12.22%	\$3,306,957
CHARTER SCHOOLS	\$26,697,857	\$26,697,857	\$26,697,857	9.82%	\$704,056
Total Expenditures	\$275,354,896	\$273,301,123	\$271,983,209	100.00%	\$11,227,219

2017-18 BUDGET COST DRIVERS

(April 26, 2017)

	Jan 2017	March 2017	April 2017
•PSERS	\$ 3,810,795	\$ 3,471,935	\$ 3,306,957
•Academic Initiatives	\$ 2,602,905	\$ 2,034,637	\$ 2,034,637
•Salaries	\$ 2,726,088	\$ 1,476,379	\$ 1,086,723
•Student Tuition	\$ 1,214,815	\$ 1,005,683	\$ 1,005,683
•Charter Schools	\$ 704,056	\$ 704,056	\$ 704,056
•General Operations	\$ 1,505,042	\$ (2,112,002)	\$ (4,657,897)
•Net Deficit Remaining	\$ 12,563,701	\$ 6,580,688	\$ 3,480,159

ACT 1 INDEX – ESTIMATED EXCEPTIONS

Est Allowable Index 2017-2018 3.1% \$ 4,018,033

Preliminary Exceptions:

School Construction - Debt \$ -

Special Education \$ 2,682,083

Retirement Contributions \$ 677,619

\$ 3,359,702

Total Est Increase Under Act 1 Provisions \$ 7,377,735

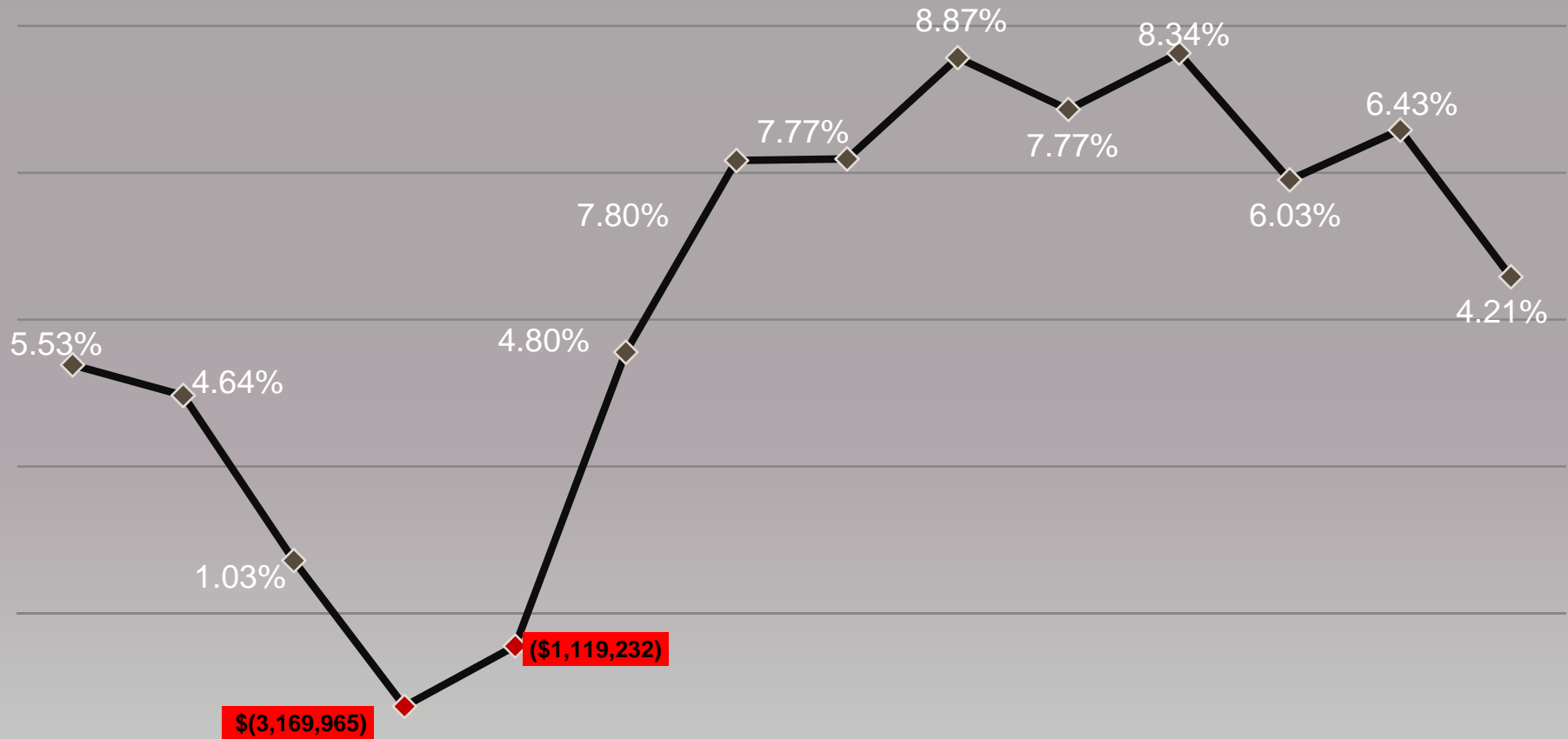
CHANGES SINCE MARCH 2017

	<u>Jan 2017</u>	<u>March 2017</u>	<u>April 2017</u>	<u>Net Change</u>
Revenue	\$262,791,195	\$266,720,435	\$268,503,050	\$5,711,855
Expenditure	\$275,354,896	\$273,301,123	\$271,983,209	(\$3,371,687)
Balance	(\$12,563,701)	(\$6,580,688)	(\$3,480,159)	(\$9,083,542)

Est Act 1 Index	\$4,018,033	\$4,018,033	\$4,018,033
Est Exceptions	\$3,460,821	\$3,359,702	\$3,359,702

Excess Over Act 1 plus Est Exceptions	(\$5,084,847)	\$797,047	\$3,897,576
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FUND BALANCE REVIEW



	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Est. Budget	2017-18 Budget
Unassigned	\$8,457,814	7,418,821	1,795,953	(\$3,169,965)	(\$1,119,232)	8,891,091	15,418,727	15,471,346	18,918,779	17,155,765	19,074,393	14,757,959	16,457,959	11,457,959

OPTIONS FOR BUDGET BALANCING

Preliminary Deficit	\$12,563,701
Deficit Reductions to Date	\$ (5,083,542)
<i>Fund Balance</i>	<i>\$ (4,000,000)</i>
<i>Tax Increase</i>	<u><i>\$ (3,480,159)</i></u>
<i>Remaining Deficit</i>	<u><u><i>\$ -0-</i></u></u>

2017-18 BUDGET SUMMARY

	<u>2015-16 Actual</u>	<u>2016-17 Budget</u>	<u>2017-18 Budget April 2017</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u>Revenues:</u>					
Local	\$177,534,238	\$180,868,457	\$184,801,463	\$3,933,006	2.17%
State	\$63,944,944	\$69,475,831	\$72,231,666	\$2,755,835	3.97%
Other	\$1,469,898	\$4,939,353	\$6,023,900	\$1,084,547	21.96%
Federal	\$5,574,291	\$5,472,349	\$5,446,021	(\$26,328)	-0.48%
Total Revenue	\$248,523,371	\$260,755,990	\$268,503,050	\$7,747,060	2.97%
<u>Expenditures:</u>					
Instruction	\$114,568,457	\$120,097,618	\$123,410,784	\$3,313,166	2.76%
Support Services	\$54,143,338	\$56,305,141	\$59,816,629	\$3,511,488	6.24%
Non-Instr Svcs	\$2,536,599	\$2,491,661	\$2,645,862	\$154,201	6.19%
Debt Svc/Transfers	\$27,222,320	\$25,941,358	\$26,178,709	\$237,351	0.91%
BASD	\$198,470,714	\$204,835,778	\$212,051,984	\$7,216,206	3.52%
PSERS	\$24,719,112	\$29,926,411	\$33,233,368	\$3,306,957	11.05%
CHARTER SCHOOLS	\$21,622,269	\$25,993,801	\$26,697,857	\$704,056	2.71%
Total Expenditures	\$244,812,095	\$260,755,990	\$271,983,209	\$11,227,219	4.31%

DISCUSS KEY QUESTIONS

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- Tolerance for Cuts to BASD Programs

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- Tolerance for Tax Increase Index + Exceptions

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- Use of Fund Balance

TIMELINE FOR SPRING

WORKSHOPS

DATES

Tentative Final Budget Adoption

May 15, 2017
(Special Meeting)

Final Budget Adoption

June 19, 2017
(Special Meeting)