

# ***Bethlehem Area School District***



## ***2018-2019 General Fund Budget Workshop***

***March 26, 2018***

# ***COMMON THREADS THROUGHOUT THIS BUDGET PROCESS***

- Maintaining BASD Assets
- Controlled Growth of Local Expenditures
- Inadequate State Funding
- Charter School Funding Reform
- PSERS Reform

# 2018-19 BUDGET GOALS

## Roadmap 4.0 to Educational Excellence



# 2018-19 PRIORITIES



Literacy



Technology



Student Services/Support

# ***2018-19 STRATEGIC INITIATIVES***

- ▶ **ELEMENTARY** (in addition to ESSA measures)
  - ▶ Each student will read at grade level by the end of Grade 3.
  
- ▶ **SECONDARY** (in addition to ESSA measures)
  - ▶ Each student will learn and grow in a personalized manner.
  - ▶ Each student will navigate a BASD Career Pathway to be ready for a college or a career upon graduation.

# 2018-19 BUDGET GOALS

	<u>Jan-18</u>	<u>Mar-18</u>	<u>Net Change</u>
Revenue	\$273,045,491	\$276,584,532	\$3,539,041
PSERS	\$35,146,932	\$34,882,265	(\$264,667)
Charter Schools	\$29,257,173	\$29,257,173	\$0
Everything Else	\$219,345,366	\$217,839,722	(\$1,505,644)
Deficit	(\$10,703,980)	(\$5,394,628)	\$5,309,352

# ***2018-19 PRIORITIZED EDUCATIONAL INVESTMENTS REMAINING IN MARCH***

- **Reading By Grade 3 (RBG3)**
- **Core Curriculum Revision**
- **PROJECT LEAD THE WAY**
- **Collective Impact Efforts: Community Schools, Partnerships, etc.**
- **Elementary Related Arts**
- **HS Computer Science**
- **Blended/Personalized Instruction**

# 2018-19 FOCUSED EDUCATIONAL INVESTMENTS

Mental Health Services	\$250,000
Reading By Grade 3	\$4,000,000
World Language (Elementary Spanish, American Sign, Level I in MS)	\$120,000
Digital Literacy/Libraries	\$50,000
FIRST IN MATH	\$40,000
Middle School Program of Studies	\$50,000
United States History (Gr. 8 & 9)	\$185,000
Biology	\$160,000
Algebra II	\$105,000
Music K-12	\$250,000
Art 6-12	\$75,000
Health & PE K-12	\$90,000
PLTW BioMed	\$80,000
PLTW New Equipment	\$100,000
Computer Science Pathway/Requirement	\$45,000



# ***2018-19 FOCUSED INVESTMENTS***

HS Business Lab Computers	\$1,022,000
Teacher Laptops	\$850,000
Core & Firewall Network Equipment	\$330,250
Security System Infrastructure	\$202,000
Facility Maintenance Projects	\$565,000
School Bus Cycle	\$300,000

# ***EDUCATIONAL PROGRAM REDUCTIONS TOTALLY OR PARTIALLY MOVED TO SHELF***

## **March**

Teacher Additional Duty

Teacher Conferences

Published Materials & Supplies

Band Uniforms

Elem Library & Teacher Laptops

# ***CHANGES SINCE FEBRUARY 2018***

BAVTS	\$ (145,263)
NCC	\$ (61,737)
BEF	\$ (550,000)
SEF	\$ (150,000)
Fund Balance	\$ (3,000,000)
Technology	\$ (210,000)
Curriculum	\$ (438,016)
2018 FRN Refunding	\$ 11,746
Retirees	\$ (852,932)
Retiree Benefits	\$ 86,850
	<hr/>
	\$ (5,309,352)

# STATE FUNDING IMPACT

<b>Basic Ed. Funding (BEF)</b>	<b>BEF</b>	<b>BEF Increase</b>	<b>PSERS Increase</b>
<b>2013-14 BEF Actual</b>	<b>\$ 27,816,168</b>	<b>\$ 771,493</b>	<b>\$ 2,272,789</b>
<b>2014-15 BEF Actual</b>	<b>\$ 27,927,942</b>	<b>\$ 111,774</b>	<b>\$ 1,838,240</b>
<b>2015-16 BEF Actual</b>	<b>\$ 29,220,357</b>	<b>\$ 1,292,415</b>	<b>\$ 2,452,477</b>
<b>2016-17 BEF Actual</b>	<b>\$ 30,914,201</b>	<b>\$ 1,693,844</b>	<b>\$ 2,318,791</b>
<b>2017-18 BEF Budget</b>	<b>\$ 31,777,834</b>	<b>\$ 863,633</b>	<b>\$ 1,881,443</b>
<b>2018-19 BEF Budget</b>	<b>\$ 32,327,379</b>	<b>\$ 549,545</b>	<b>\$ 1,701,825</b>
<b>Final Allocation not confirmed until late May 2018 after 2016-17 enrollment data is finalized. Estimates are subject to change.</b>		<b>\$ 5,282,704</b>	<b>\$ 12,465,564</b>

# ***STATE FUNDING IMPACT***

	<b>New State Funds</b>
Est. BEF/SEF Increase	\$ 700,000
Less PSERS (net of state share)	\$(1,554,379)
Net Funds Available for Programs	\$(854,379)

# 2018-19 BUDGET EXPENDITURE SUMMARY

	<u>Jan. 2018</u>	<u>March 2018</u>	<u>Reduction Since Jan</u>	<u>Change</u>
<b><u>Expenditures:</u></b>				
<b>Instruction</b>	\$128,946,988	\$127,891,089	(\$1,055,899)	-0.88%
<b>Support Services</b>	\$61,998,471	\$61,686,980	(\$311,491)	-0.55%
<b>**Non-Instr Svcs</b>	\$2,816,883	\$2,666,883	(\$150,000)	-6.02%
<b>Facilities</b>	\$565,000	\$565,000	\$0	0.00%
<b>**Debt Svc/Transfers</b>	\$25,018,024	\$25,029,770	\$11,746	0.05%
<b>BASD</b>	\$219,345,366	\$217,839,722	(\$1,505,644)	-0.74%
<b>PSERS</b>	\$35,146,932	\$34,882,265	(\$264,667)	-0.88%
<b>CHARTER SCHOOLS</b>	\$29,257,173	\$29,257,173	\$0	0.00%
<b>Total Expenditures</b>	\$283,749,471	\$281,979,160	(\$1,770,311)	-0.68%

# ***2018-19 BUDGET COST DRIVERS***

	<b>Jan 2018</b>	<b>March 2018</b>
•PSERS	\$ 1,966,492	\$ 1,701,825
•Salaries	\$ 2,661,412	\$ 2,163,412
•Academic Initiatives	\$ 3,593,384	\$ 2,801,706
•General Operations	\$ 718,735	\$ 511,735
•Student Tuition	\$ 2,559,316	\$ 2,559,316
•Charter Schools	\$ (795,359)	\$ (4,343,366)
•Net Deficit Remaining	\$ 10,703,980	\$ 5,394,628

# 2017-18 PRELIMINARY BUDGET REPORT

<b>Preliminary Budget</b>	<b>\$281,979,160</b>	
Less: Salary & Benefits	(\$176,557,803)	63%
Charter Schools	(\$29,257,173)	10%
<b>Costs Remaining for Further Deficit Reduction</b>	<b>\$76,164,184</b>	
Less: Debt Service	(\$22,029,770)	8%
NCC, BAVTS	(\$10,509,265)	4%
IU Special & Alt Education	(\$10,552,904)	4%
Electricity, Nat'l Gas, Water, Sewer	(\$2,995,000)	1%
<b>Balance For Further Reductions</b>	<b>\$30,077,245</b>	<b>11%</b>



# ***COST OF SCHOOL CHOICE***

<b>Expenditures:</b>		
	BASD	\$ 217,839,722
	PSERS	\$ 34,882,265
	<b>Total BASD Programs</b>	<b>\$ 252,721,987</b>
<b>Total Revenue before any tax increase</b>		<b>\$ 276,584,532</b>
	<b>Excess Revenue over BASD Cost</b>	<b>\$ 23,862,545</b>
	<b>CHARTER SCHOOLS</b>	<b>\$ 29,257,173</b>
	<b>Deficit Due to Charter School Tuition</b>	<b>\$ (5,394,628)</b>
		13,721 students
		2,050 students

# 2018-19 BUDGET GOALS

	<u>Jan 2018</u>	<u>March 2018</u>	<u>Net Change</u>
Revenue	\$273,045,491	\$276,584,532	\$3,539,041
Expenditure	\$283,749,471	\$281,979,160	(\$1,770,311)
Balance	<u>(\$10,703,980)</u>	<u>(\$5,394,628)</u>	<u>(\$5,309,352)</u>

Est Act 1 Index	\$4,959,775
Est Exceptions	\$2,362,390

Excess Over Act 1 plus Est Exceptions	(\$3,381,815)	\$1,927,537
--	---------------	-------------

# ***DISCUSS KEY QUESTIONS***



- Tolerance for Cuts to BASD Programs



- Tolerance for Tax Increase Index + Exceptions

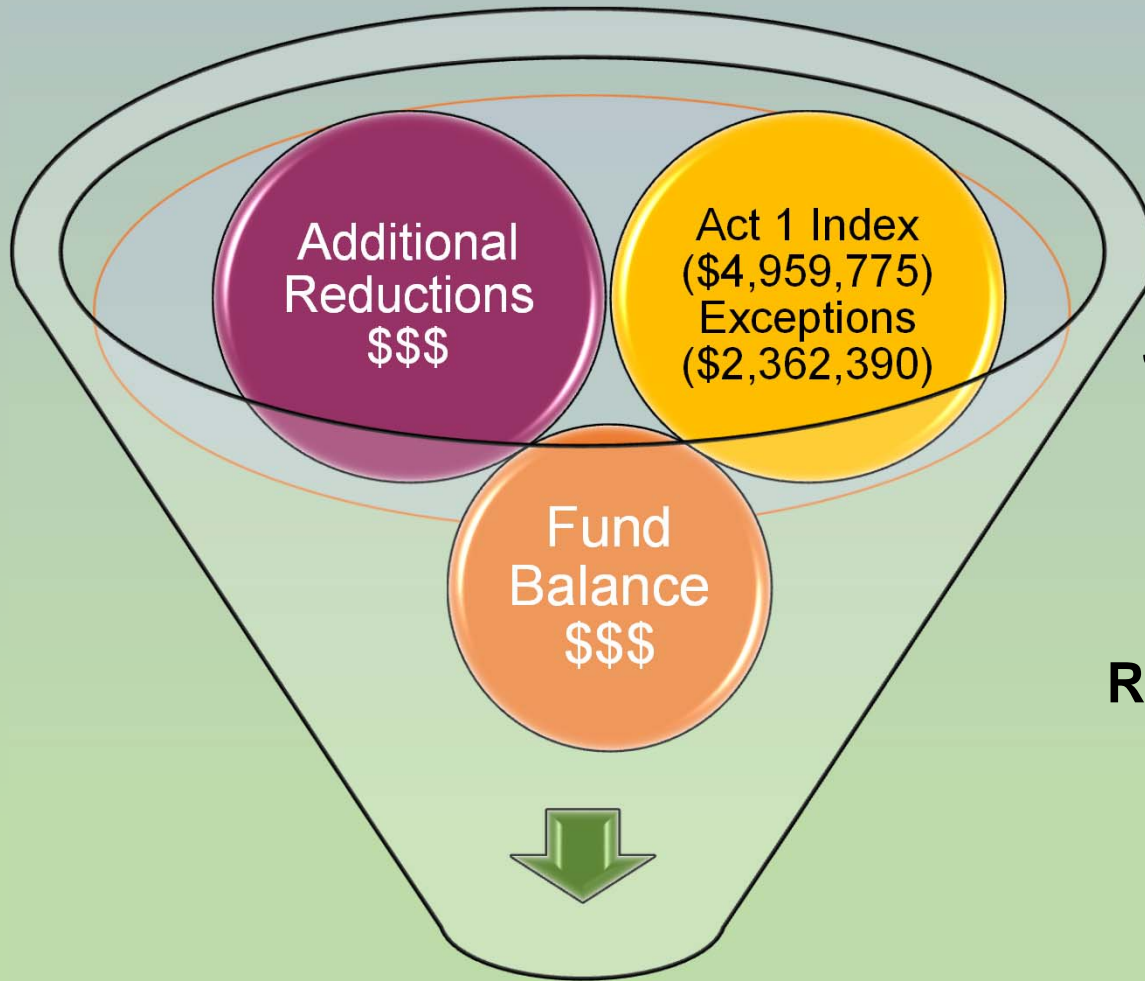


- Use of Fund Balance



- Risk Tolerance for Additional State Revenue

# BUDGET BALANCING OPTIONS



**January Gap**      **\$ 10,703,980**

**Reductions**      **(5,309,352)**

**Remaining Gap**      **\$ 5,394,628**

**Remaining Gap**  
**\$5,394,628**

# ***RECOMMENDED NEXT STEPS .....***



**Administration Continues Budget and  
Program Refinement to Reach Targeted  
Tentative Budget for April 30, 2018  
Workshop**

# TIMELINE FOR SPRING

WORKSHOPS	DATES
Budget Workshop	April 30, 2018
<b>Tentative Final Budget Adoption</b>	<b>May 14, 2018</b> (Special Board Meeting)
<b>FINAL BUDGET ADOPTION</b>	<b>June 18, 2018</b> (Special Board Meeting)

