

Bethlehem Area School District

2018-2019 General Fund Budget Workshop

April 30, 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 PRIORITY INVESTMENTS



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>Apr-18</u>	<u>Net Change</u>
Revenue	\$273,045,491	\$276,584,532	\$277,497,060	\$4,451,569
PSERS	\$35,146,932	\$34,882,265	\$34,922,447	(\$224,485)
Charter Schools	\$29,257,173	\$29,257,173	\$29,758,475	\$501,302
Everything Else	\$219,345,366	\$217,839,722	\$216,696,242	(\$2,649,124)
Deficit	(\$10,703,980)	(\$5,394,628)	(\$3,880,104)	

2018-19 FOCUSED EDUCATIONAL INVESTMENTS

Mental Health Services	\$250,000
Reading By Grade 3	\$2,900,000
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	\$722,000
Teacher Laptops	\$850,000
Core & Firewall Network Equipment	\$330,250
Security System Infrastructure	\$202,000
Facility Maintenance Projects	\$265,000
School Bus Cycle	\$250,000

EDUCATIONAL PROGRAM REDUCTIONS TOTALLY OR PARTIALLY MOVED TO SHELF

March

Teacher Additional Duty

Teacher Conferences

Published Materials & Supplies

Band Uniforms

Elem Library & Teacher Laptops

MARCH 2018 CHANGES

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
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	(\$5,309,352)
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REDUCTIONS TOTALLY OR PARTIALLY MOVED TO SHELF

April

HS Business Education Computers

School Bus Lease Reduction

LHS Roof Repairs

EDUCATIONAL STAFFING ADDITIONS

April

<i>Substitute Teacher Staffing Changes</i>	<i>Additional Staff +5.5 FTE</i>
10 Addt'l Building Subs	American Sign Language
Increase Daily Rates \$10	BASD Media
Add 95% Attendance Bonus	Digital Literacy
	Instructional Coaching
	Elementary Guidance
	ELL +200 Students
	HS Computer Science
	HS Course Enrollments

CHANGES SINCE MARCH 2018

BAVTS	(\$74,961)
HS Business Labs	(\$200,000)
LHS Roof Repairs	(\$300,000)
School Bus Lease	(\$50,000)
Substitute Teacher Rate Increase	\$405,250
Professional Staff	\$358,241
Charter Schools Tuition Formula	\$501,302
Curriculum	(\$1,100,000)
RE Assessment Changes	(\$888,066)
Retirees	(\$183,660)
Retiree Benefits	\$17,370
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	(\$1,514,524)
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TOTAL REDUCTIONS TO DATE

January Preliminary Deficit	\$10,703,980
Deficit Reductions March	\$ (5,309,352)
Deficit Reductions April	\$ (1,514,524)
Total Reductions to Date	\$ (6,823,876)



2018-19 BUDGET EXPENDITURE SUMMARY

	<u>Jan. 2018</u>	<u>March 2018</u>	<u>April 2018</u>	<u>Reduction Since Jan</u>	<u>% Change from Jan 2018</u>
<u>Expenditures:</u>					
<i>Instruction</i>	\$128,946,988	\$127,891,089	\$127,044,372	(\$1,902,616)	-1.53%
<i>Support Services</i>	\$61,998,471	\$61,686,980	\$61,740,215	(\$258,256)	-0.43%
<i>**Non-Instr Svcs</i>	\$2,816,883	\$2,666,883	\$2,666,885	(\$149,998)	-5.67%
<i>Facilities</i>	\$565,000	\$565,000	\$265,000	(\$300,000)	0.00%
<i>**Debt Svc/Transfers</i>	\$25,018,024	\$25,029,770	\$24,979,770	(\$38,254)	-0.15%
BASD	\$219,345,366	\$217,839,722	\$216,696,242	(\$2,649,124)	-1.25%
PSERS	\$35,146,932	\$34,882,265	\$34,922,447	(\$224,485)	-0.68%
CHARTER SCHOOLS	\$29,257,173	\$29,257,173	\$29,758,475	\$501,302	1.88%
Total Expenditures	\$283,749,471	\$281,979,160	\$281,377,164	(\$2,372,307)	-0.87%

2018-19 BUDGET COST DRIVERS

	Jan 2018	March 2018	April 2018
•Charter Schools	\$ 2,559,316	\$ 2,559,316	\$ 3,060,618
•Salaries	\$ 3,593,384	\$ 2,801,706	\$ 2,921,958
•Academic Initiatives	\$ 2,661,412	\$ 2,163,412	\$ 2,163,412
•PSERS	\$ 1,966,492	\$ 1,701,825	\$ 1,742,007
•Student Tuition	\$ 718,735	\$ 511,735	\$ 436,774
•General Operations	\$ (795,359)	\$ (4,343,366)	\$ (6,444,665)
•Net Deficit Remaining	\$ 10,703,980	\$ 5,394,628	\$ 3,880,104

ACT 1 INDEX – ESTIMATED EXCEPTIONS

Est. Allowable Index 2018-19 3.0% \$ 4,959,775

Preliminary Estimated Exceptions:

School Construction - Debt \$ -

Special Education 2,362,390

Retirement Contributions -

2,362,390

Total Est Increase Under Act 1 Provisions \$ 7,322,165

CHANGES SINCE MARCH 2018

	<u>Jan 2018</u>	<u>March 2018</u>	<u>April 2018</u>	<u>Net Change</u>
Revenue	\$273,045,491	\$276,584,532	\$277,497,060	\$4,451,569
Expenditure	\$283,749,471	\$281,979,160	\$281,377,164	(\$2,372,307)
Balance	(\$10,703,980)	(\$5,394,628)	(\$3,880,104)	(\$6,823,876)

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

Amount Below Act 1 plus Est Exceptions	(\$3,381,815)	\$1,927,537	\$3,442,061
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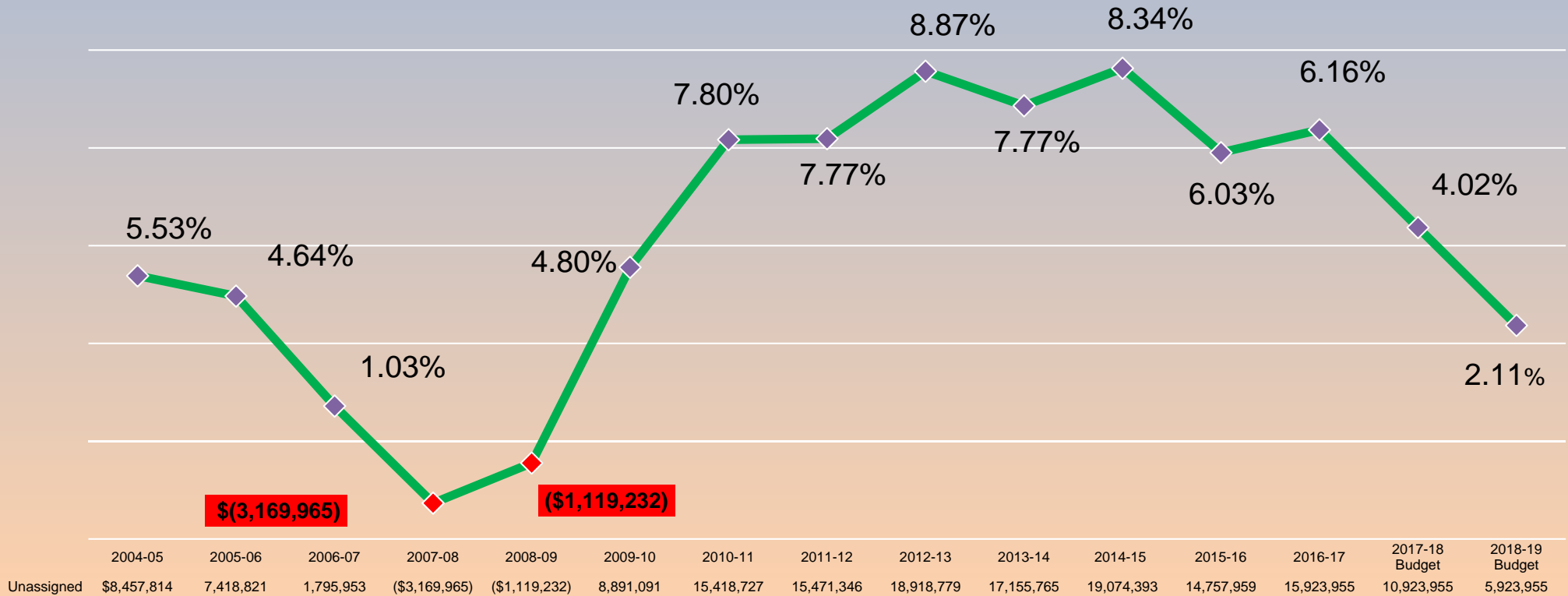
2018-19 BUDGET SUMMARY

	<u>2016-17 Actual</u>	<u>2017-18 Budget</u>	<u>2018-19 Budget April 2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<i>Revenues:</i>					
Local	\$183,643,305	\$188,775,452	\$193,381,350	\$4,605,898	2.44%
State	\$69,230,282	\$72,164,533	\$73,803,925	\$1,639,392	2.27%
Other	\$14,276	\$5,446,428	\$5,281,785	(\$164,643)	-3.02%
Federal	\$5,539,586	\$5,446,021	\$5,030,000	(\$416,021)	-7.64%
Total Revenue	\$258,427,449	\$271,832,434	\$277,497,060	\$5,664,626	2.08%
<i>Expenditures:</i>					
Instruction	\$119,066,166	\$124,260,173	\$127,044,372	\$2,784,199	2.24%
Support Services	\$55,352,368	\$59,803,473	\$61,740,215	\$1,936,742	3.24%
Non-Instr Svcs	\$2,652,031	\$2,645,862	\$2,666,885	\$21,023	0.79%
Facilities	\$20,340	\$0	\$265,000	\$265,000	**
Debt Svc/Transfers	\$28,494,013	\$25,244,629	\$24,979,770	(\$264,859)	-1.05%
BASD	\$205,584,918	\$211,954,137	\$216,696,242	\$4,742,105	2.24%
PSERS	\$29,404,241	\$33,180,440	\$34,922,447	\$1,742,007	5.25%
CHARTER SCHOOLS	\$23,320,498	\$26,697,857	\$29,758,475	\$3,060,618	11.46%
Total Expenditures	\$258,309,657	\$271,832,434	\$281,377,164	\$9,544,730	3.51%

OPTIONS FOR BUDGET BALANCING

Preliminary Deficit	\$ 10,703,980
Deficit Reductions to Date	\$ (6,823,876)
Additional Fund Balance	\$ ()
Tax Increase	\$ ()
Remaining Deficit	\$ 3,880,104

FUND BALANCE REVIEW



OPTIONS FOR BUDGET BALANCING

Preliminary Deficit	\$ 10,703,980
Deficit Reductions to Date	\$ (6,823,876)
Additional Fund Balance	\$ ()
2.495% Avg Tax Increase	\$ (3,880,704)
Remaining Deficit	\$ -0-

2018-19 AVERAGE TAX BILL

	<u>Northampton</u>	<u>Lehigh</u>
<i>% of District</i>	82.8%	17.2%
<i>2017 Median Homestead Assessment</i>	\$ 60,900	\$ 139,550
<i>2017-18 Millage</i>	54.55	18.04
<i>Tax Bill</i>	\$ 3,322.10	\$ 2,517.48
<i>2018-19 Proposed Millage</i>	55.98	18.38
<i>Tax Bill with Proposed Millage</i>	\$ 3,409.18	\$ 2,564.93
<i>Yearly Increase in Average Bill</i>	\$ 87.09	\$ 47.45
<i>2017 Homestead Rebate</i>	\$ 188.73	\$ 188.73
<i>Monthly Increase in Average Bill</i>	\$ 7.26	\$ 3.95
<i>Weekly Increase in Average Bill</i>	\$ 1.67	\$ 0.91
<i>Daily Increase in Average Bill</i>	\$ 0.24	\$ 0.13

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 14, 2018 (Special Board Meeting)
FINAL BUDGET ADOPTION	June 18, 2018 (Special Board Meeting)

