



Ramping Up...

2012-2013 BASD Budget Development

December 5, 2011



Budget Context

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



Structural Budget Issues

- The structural deficit is caused by the growth of mandated and contractual expenses exceeding the natural growth of revenues.
- Revenue into the BASD has remained flat; revenue actually declined in 2011-2012
- Fixed costs of the BASD (employee salaries & benefits, operating costs, etc.) continue to grow.
- Costs associated with public charter schools and non-public schools continue to grow.
- BASD contributions to the PSERS retirement system continue to grow.
- Act I limits millage increases (the “index”)



Identifying and Prioritizing **District Assets**

- Before getting into the “nitty-gritty” of the budget, what are those qualities of the BASD that are “non-negotiable” and must be maintained in 2012-2013?



How do we prioritize all of the things we value?

- Neighborhood schools
- 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 struggling students



Context: 2011-2012 Budget = Real Pain

- Dramatic reduction in the Pre-K program
- Reduced Full-Day Kindergarten sections
- Elimination of Middle School Teaming
- Reduced number of HS Electives
- Significant reduction in BASD personnel: classroom teachers, librarians, instructional coaches, curriculum office supervisors, teaching assistants, athletic coaches, family development specialists, secretaries.
- Forgone new bus purchases, forgone facilities projects, forgone equipment/supplies replacement
- a 1.7% tax increase



Budget Balancing Considerations

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



Option: Expenditure Reduction

- Wage and Salary Savings
- Program Reductions/Eliminations
- Defer Cyclical Purchases
- Reduce/Eliminate Non-Mandated Services
- *Note: Total expenditures in the 2011-2012 Budget were lower than total expenditures in the 2010-2011 Budget.*



Option: Greater Operating Efficiency

- More efficient and equitable tax collection
- Energy savings
- Reducing material/supply use
- Transportation efficiency



Option: Future Cost Avoidance

- Outsourcing
- Less expensive and more cost efficient collective bargaining agreements
- Insurance Trusts
- Reduce higher, long-term interest costs
- Addressing long-term PSERS costs



Option: Enhancing Revenues

- **Municipal Appeals**
- **Payment in lieu of taxes**
- **Collecting delinquent taxes**
- **Educational Foundation/Community Partnerships**
- **Naming Rights/Trademarks**
- **Advertising allowed by PA School Code**



Context: What Costs \$1 Million?

- 1/3 of a mill
- Approximately 12 teaching positions
- 2/3 of all sports/activities
- 12 new buses
- 833 laptop computers



Getting Ready for the Development of the 2012-2013 BASD Budget

- **Collect Needed Data and Projections**
- **Meet with Focus Groups (students, teachers, parents, community members, program partners, etc.) to help prioritize district assets**
- **Meet with Individual Board Members**



Starting Numbers...

- A millage tax increase to “the Index (2.1%) plus exceptions (3.1%)” or a 5.2% millage increase would yield approximately \$6.6 million in new revenue.
- However, the Administration recommends starting the budget development process by limiting a millage tax increase to 4% (below the index plus exceptions) in the *2012-2013 Preliminary Budget*.
- At 4% the new revenue will fall short of the committed expenses (largely salary & benefit cost increases in contract) built into the 2012-2013 Budget.
- Therefore, the *2012-2013 Preliminary Budget* will require additional personnel and program reductions.



The Question Marks???

- Will State funding be maintained? How safe is existing state revenue?
- Will overall local revenue be stronger this year?
- Will Charter School costs continue to rise?