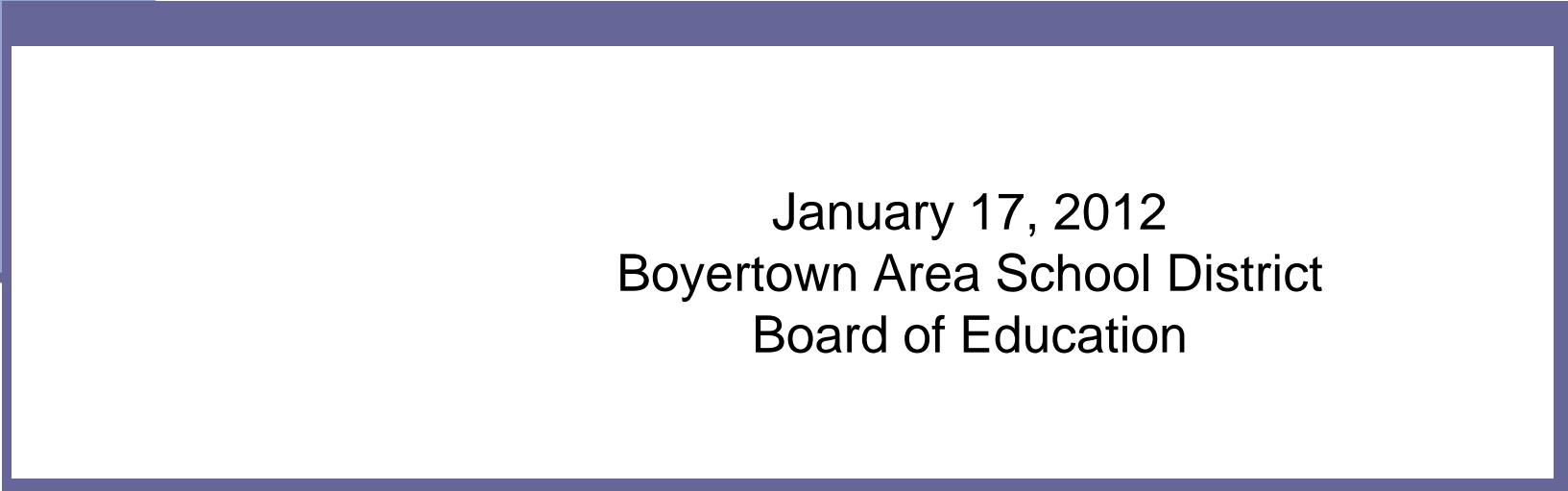




# 2012-2013 BUDGET PRESENTATION

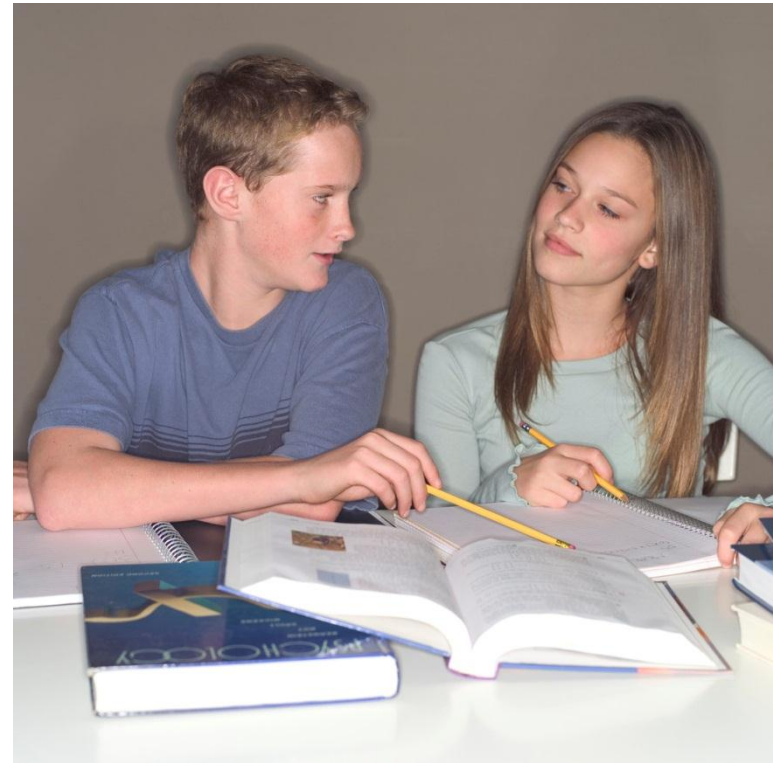


January 17, 2012  
Boyertown Area School District  
Board of Education

# Key Budget Factors

- All factors focus on students

- Five Themes of High-Performing Schools
- Strategic Plan
- Professional Education
  - New Teacher Induction
- Technology Plan
- Special Education Plan



# 2011 Montgomery County Tax Rates

CHELTENHAM	41.60	UPR MORELAND	26.77
POTTSTOWN	36.81	METHACTON	26.32
JENKINTOWN	35.18	HATBORO-HORS	24.99
POTTSGROVE	35.00	SPRING FORD	24.29
NORRISTOWN	30.29	LOWER MERION	23.03
LWR MORELAND	29.53	NORTH PENN	21.96
SPRINGFIELD	28.75	UPPER PERK	21.95
PERK VALLEY	28.59	<b>BOYERTOWN</b>	<b>21.50</b>
ABINGTON	27.80	COLONIAL	18.48
UPPER DUBLIN	27.61	WISSAHICKON	17.93
SOUDERTON	27.19	UPPER MERION	17.19

# 2011 Berks County Tax Rates

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ANTIETAM	32.96	SCH. VALLEY	25.73
B. HEIGHTS	30.54	HAMBURG	25.46
EXETER	29.98	C. WEISER	24.61
DANIEL BOONE	28.96	OLEY VALLEY	24.15
WYOMISSING	28.29	GOV. MIFFLIN	23.70
KUTZTOWN	28.28	WILSON	23.31
FLEETWOOD	27.62	TWIN VALLEY	22.00
TULPEHOCKEN	27.45	<b>BOYERTOWN</b>	<b>21.88</b>
MUHLENBERG	26.31	READING	16.46

# Act 1 Index

Index Calculation for 2012-2013:

ECI Index equals 1.7%

times: Aid Ratio Allow

$(.75 + .4589) \times \underline{1.2089}$

BASD Index (from PDE) 2.1%

<u>County</u>	<u>Millage</u>	<u>Index</u>	<u>Increase</u>
Berks	21.88	2.1%	.46
Mont.	21.50	2.1%	.45

1 Mill = \$2.3 Million times .46 = \$1,058,000

# Act 1 & Budgeting

Below is the BASD historical Act 1 data:

FY	<u>Base Index</u>	<u>BASD Index</u>	<u>BASD % Tax Incr**</u>
07-08	3.4%	4.1%	2.2%
08-09	4.4%	5.3%	2.6%
09-10	4.1%	4.9%	0.0%
10-11	2.9%	3.5%	3.7%
11-12	1.4%	1.7%	5.5%

\*\* Average Tax Increase subject to tax equalization calculation

# Budget Update

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Budget development began in September with Building and Department meetings

November 22<sup>nd</sup> - Board review of budget projections

December 20<sup>th</sup> - Curriculum & Personnel

January 3<sup>rd</sup> – Technology and Special Education

January 10<sup>th</sup> – Transportation and Facilities

January 17<sup>th</sup> – Preliminary Budget Review

# Budget Process

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- January 24<sup>th</sup> – Preliminary Budget Adoption  
Due to Presidential Election/Primary Election
- February 7<sup>th</sup> – Governor's Budget Address
- March through May – Budget sessions as needed
- April 24<sup>th</sup> – Final Proposed Budget Adoption
- June 5<sup>th</sup> – Final Budget Adoption





# 2012-2013 Revenue Projections



# Revenue Discussion Items & Concerns

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Overall Economic Situation

Unemployment

Real Estate Market Down – assessment appeals

Low Interest Rates

Retirement Subsidy – Contributions

Tax Equalization – Berks vs. Montgomery

Tax Relief/Gaming Funds – April

State and Federal Budgets

# Revenue Projections – General Fund

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- Real Estate Tax revenue assuming no tax increase projects an .5% increase – Assessment Appeals
- Total Local Revenue projected to increase .4% = \$242,030
- Governor Budget – State Budget difficulties
- Basic Ed Subsidy – projected at 2008-09 level – No Increase or Decrease – 11-12 decreased \$2.2 million
- No Charter School Subsidy - Status quo
- Social Security and Retirement increase with increased expenditures
- Overall State Revenue up 3.4% - \$911,296
- Project complete elimination of the Accountability Block Grant (ABG) – Literacy First Program Funding

# Revenue

GENERAL FUND ONLY						
2012-2013						
		Current	Proposed			
		2011-2012	2012-2013	\$	%	% OF
Description		Budget	Budget	Difference	Difference	TOTAL BUDGET
<b>REVENUES</b>						
6000	LOCAL REVENUE	60,644,180	60,886,210	242,030	0.40%	69.0%
7000	STATE REVENUE	26,370,522	27,281,818	911,296	3.46%	30.9%
8000	FEDERAL REVENUE			-		0.0%
9000	OTHER REVENUE	110,000	110,000	-	0.00%	0.1%
	<b>TOTAL PROJECTED REVENUES</b>	<b>87,124,702</b>	<b>88,278,028</b>	<b>1,153,326</b>	<b>1.32%</b>	



# 2012-2013 Expenditure Projections



Wage & Benefit Factors

# Expenditure Discussion Items

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Balance = cost of quality education and budget concerns

12-13 budget year difficulties due to economic reasons and pension funding projections

Wage increases – 11-12 freeze – 12-13 BAEA, 3% increase

Health insurance projected to increase 5% - BCSHT

Retirement Contributions –

11-12 PSERS rate at 8.65% (Budget incr. 5.23%)

12-13 PSERS rate certified at 12.36% (+42.9%)

13-14 PSERS rate projected at 16.69% (+35.0%)

14-15 PSERS rate projected at 21.18% (+26.9%)

15-16 PSERS rate projected at 23.66% (+11.7%)

16-17 PSERS rate projected at 24.50% (+ 3.6%)

17-18 PSERS rate projected at 25.27% (+ 3.1%)



# 2012-2013 Expenditure Projections



Employment & Wages

# Employment Update

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Total of 12 Teachers have submitted retirement with projected savings of \$565,192

All Positions are currently planned for replacement

## New Personnel Requests for 2012-13

2 BASH math teachers – 4<sup>th</sup> year math and BCTC

1 Autistic Support teacher and PT specialist at JH

3 bubble teachers (class size reduction)



# Employment Update

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Due to elimination of the PA Accountability Block Grant the teachers funded in 2011-2012 will be funded by the General Fund in 2012-2013

The 3 Lit First Teachers move to school-wide intervention teachers at BES, CES, and EES. Adding  $\frac{3}{4}$  of the elementary literacy coach, the General Fund will assume salary and benefit costs of \$356,967 in 12-13

Total Professional Staff added to General Fund for 2012-2013 is 10.25 positions

# Employment Update

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Several resignations and retirements and their subsequent replacements hired at a lower cost, produced lower than budgeted expenditures in 11-12, which will carry-over into 12-13

All employee classes with the exception of the BAEA are budgeted for a 3% increase, based on estimates of the Philadelphia CPI-U Index, not yet available

Boyertown EIT Office will be closing on July 1, 2012 and taxes will be processed by Berks EIT Bureau  
3.5 positions will be eliminated

# Budgeted Wage Increases

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Administrative	\$(18,191)	-0.53%
Professional	\$ 20,848	+0.22%
Technicians	\$ 27,250	+3.48%
Clerical	\$ 69,990	+3.26%
Maintenance	\$(32,003)	-6.67%
Custodial	\$(35,104)	-1.47%
Community	\$ 10,000	+100.0%
Para-Prof.	\$ 52,332	+2.46%

Total Overall Wage Increases = \$95,122



# 2012-2013 Expenditure Projections



Employee Benefits

# Benefits

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■ Health Insurance	\$ 403,064
■ Dental Insurance	\$ 38,276
■ Other Insurance	\$ (3,364)
■ FICA & Medicare	\$ 11,333
■ Retirement (PSERS)	\$1,628,041
■ Other Benefits	\$ (21,282)

Total Increase in Benefits = \$2,056,068



# 2012-2013 Expenditure Projections



Other Expenditures

# Professional Services Highlights

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- Outsourcing of tax collection to Berks EIT Bureau based on Act 32 – Shift from salaries & benefits to professional services (+\$300,000)
- Special Education Service from IU with emphasis on Life Skills, Autistic, and Early Intervention (+\$85,000)
- Legal defense and Settlements based on 10-11 SY and deductible increase (+\$160,000)
- Other special education services, including counseling for ES, and services for Speech and Language support (+\$460,000)

# Contracted Services Highlights

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- Water and Sewer Services projected to increase (+\$13,000)
- Equipment maintenance throughout District increased as assets age (+\$78,000)
- IT contracted maintenance (+\$30,000)



# Purchased Services Highlights

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- Transportation Contract increases of 3% plus increased special education transportation (+\$323,402)
- IT connectivity services based on direction from e-rate directive to budget at actual cost (+\$96,000)
- Charter School Tuition budgeted at 11-12 amount of \$1.4 million – adequate???
- Other special needs Tuition to LEA, private placements, and residential placements netting \$0 increase – positive results for ES and AS programs provided by BASD
- Net of reductions in several other 500 accounts

# Supplies/Textbook Highlights

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- Small increases in 610 and 611 accounts to adjust for inflation (+\$30,000)
- Administrative software down (-\$35,000)
- Utilities projected down through increased efficiencies (-\$107,500)
- Textbooks down due to more open source availability (-\$21,000)
- Instructional software down (-\$8,000)

# Equipment Highlights

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- Equipment budget has been cut each year for the last few years
- Equipment has been deemed a controllable expense and limited purchases have been processed
- Based on the age of equipment throughout the District, replacement of older equipment is necessitated – Budget increased \$73,562

# 800 & 900 Account Highlights

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- Based on elimination of debt last February and the established payment schedules for outstanding bond issues, interest expense is projected to decrease (-\$172,000)
- Shift \$ from interest to principal as more debt is extinguished
- Lease obligations completed saving \$326,000
- Technology Reserve Fund transfer maintained at \$1 million
- Budgetary Reserve established for final year of PSERS liability commitment

# Other Expenditures

Professional Services	\$ 2,038,320	+950,375
Contracted Services	\$ 964,095	+121,110
Purchased Services	\$11,291,132	+289,825
Supplies & Textbooks	\$ 4,204,500	-138,854
Equipment	\$ 412,097	+73,562
Interest & Fees	\$ 2,032,510	-179,135
Debt & Other Uses	\$ 6,870,000	-39,603
Total Increase Other Expenditures = \$1,077,280		

# Budget Summary

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	Projected	Difference
Revenue	\$88,278,028	+\$1,153,326
Expenditures	<u>\$90,353,172</u>	+\$3,228,470
Deficit	\$2,075,144	

# Tax Effect

Deficit \$2,075,144

2011 Avg. Mill = 21.69 x 2.1% = .46 mill increase

Act 1 Index Tax Increase

.46 mill x Value of 1 mill (\$2,300,000 est.)= \$1,058,000

Balance of deficit remaining \$1,017,144

Act 1 Exceptions:

Special Education Costs (est.) \$ 681,046

Retirement Contributions (est.) \$1,715,227

Balance of unfunded deficit \$2,396,273

Options

Cut programs, staff, or other expenditures.

Increase taxes above Index by going to referendum.

# Review of Tax Implications

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- Tax Increases are needed to fund the deficit
- Projected tax increase exceeds the Act 1 Index
- Exceptions needed and BASD meets criteria for eligibility
- BASD is a multi-county school district
- Tax increase for multi-county district's are subject to PA School Code mandated equalization calculation based on each County's STEB Market Value
- Review of Tax Equalization methodology



# Other Funds

The Preliminary Budget must add the other funds which for 2012-13 are projected to be:

■ Pottstown Health & Wellness (110)	\$ 60,000
■ Title I (411)	\$ 502,201
■ Title II (421)	\$ 142,103
■ IDEA (520)	\$1,026,494
■ ACCESS (890)	<u>\$1,207,294</u>
TOTAL	\$2,938,902

# Total Preliminary Budget

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	<u>General Fund</u>	<u>Other Funds</u>
Revenue	\$90,353,172	\$2,938,902
Expenditures	\$90,353,172	\$2,938,902
(Projected General Fund Revenue after Tax Increase)		
<b>Total 12-13 Preliminary Budget</b>		<b>\$93,292,074</b>

# Next Steps

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January 24<sup>th</sup> - Preliminary Budget Adoption

January 24<sup>th</sup> - Authorization to Submit  
Exceptions

File necessary PDE reports

February 7<sup>th</sup> - Gov. Budget Address

Evaluate further information as it becomes  
available

Establish budget meetings in March



# Questions & Discussion

