

**BOYERTOWN AREA SCHOOL DISTRICT
BUDGET WORKSHOP
JANUARY 23, 2018
MEETING MINUTES**

The January 23, 2018, Budget Workshop was convened at 5:30 PM by Mrs. Donna Usavage at Washington Elementary School.

Everyone participated in the Pledge of Allegiance to the United States of America and a moment of silence.

The following board members were in attendance:

Clay Breece, Robert Caso, Jill Dennin, Ruth Dierolf, Brandon Foose, David Lewis, Christine Neiman, Donna Usavage

Mrs. Adams, Acting Chief Financial Officer, presented an overview of the 2018-2019 budget. Mrs. Adams gave the current status of the Boyertown real estate tax millage rate in comparison to other school districts in Montgomery County and Berks County. Boyertown has the sixth (6th) lowest rate in Montgomery County and is next to last in Berks County.

Mrs. Adams spoke on the following 2018-2019 budget topics:

2018-2019 BASD Act 1 Index: The Act 1 Index percentage set by the Pennsylvania Department of Education is 2.9%. The current millage rate is 25.02. The maximum amount the millage could be increased would be .73 mills (without exceptions). The amount of real estate tax revenue generated on .73 mills would be \$1,825,000.

2018-2019 Budget Factors – Revenue: 1) Elimination of Per Capita Tax, 2) Continued Economic Factors, 3) Population Growth, 4) Harrisburg Politics, 5) School Funding, 6) Utilization of PSERS Committed Fund Balance, and 7) Use of Other Fund Balance.

2018-2019 Budget Factors – Expenditures: 1) BAEA Negotiations, 2) Projected retirements lower than expected, 3) Additional Staff Requests, 4) Special Education population and needs continue to increase, 5) Student Enrollment, Redistricting, and Efficient Use of Buildings, 6) Health Insurance, and 7) PSERS Liability and Employer Contributions.

2017-2018 Budget and 2018-2019 General Fund Budget Projection: 1) Local Revenue, 2) State Revenue, 3) Other Revenue, and 4) Expenditures. The 2018-2019 projected budget amount is \$115,292,322 which would produce a deficit of \$5,983,697.

Deficit: 1) Revenue generated from real estate tax millage at Act 1 Index percentage, 2) Filing for eligible Special Education Exception, and 3) Revenue generated from maximum allowable millage with Exception.

General Fund 5 Year Budget Projection: 1) 2018-2019 to 2022-2023, 2) Local, State, and Other Revenue, 3) Expenditures, and 4) Deficit amounts and ways to eliminate deficits in the future
Mrs. Adams shared that if all the school districts in Montgomery County and Berks County raised their millage rate to their Act 1 Index rate, Boyertown would still be the sixth (6th) lowest rate in Montgomery County and is next to last in Berks County. (Based on Boyertown using the Special Education Exception)

Choices - Stay at Act 1 Index: 1) Cut existing operations, 2) Consider closing a building, 3) Consider reducing/eliminating non-mandated programs, and 4) No flexibility if unable to reduce budget without impacting programs.

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Choice – Apply for Act 1 Exception: 1) Flexibility to work toward reducing budget without impacting programs, 2) Have a choice in using exception or not, 3) Future impacts to the budget are real, 4) Five Year Projections continue to exceed the Act 1 Index, and 5) Gives you the gift of time to balance the budget at a level the community can live with.

Non-mandated Program Costs: 1) Kindergarten, 2) Music, 3) Fine Arts, 4) Health, Safety, and Physical Education, 5) Library, 6) Athletics. Mrs. Adams stated she was not recommending the reduction and/or elimination of non-mandated programs. Mrs. Adams was only telling board members these are the locations that can be looked at to reduce the budget as approximately 80% of the budget cannot be reduced.

Mrs. Adams shared how millage is calculated and provided an explanation of the impact on the average household.

Mrs. Adams talked about the 2018-2019 budget timeline dates between November 21, 2017 (initial budget presentation) and June 12, 2018 (final budget adoption).

Mrs. Adams asked board members to contact her as soon as possible if additional information is needed and she will provide at the next Budget Workshop scheduled next week.

Discussion/Questions/Comments by board members: 1) How was the increased transportation cost determined, 2) Why the PSERS Exception was not part of the budget calculations, 3) Dollar value of 1 mill, budget size, millage return based on assessed value, and per pupil spending from other school districts in Montgomery and Berks counties, 4) Where did the non-mandated costs come from, 5) Would like Special Education costs to determine if savings can be found, 6) PlanCon funding, and 7) Information on cost to consider reinstating middle school librarians to full-time status.

No Public Comment.

No Committee Comment.

Due to time constraint the 2018-2019 Curriculum Budget and Information Technology Budget scheduled for this evening will be rescheduled to be presented at a future date.

Public Meeting Announcements:

January 23, 2018	Board of School Directors	Washington Elementary	6:30 PM
January 30, 2018	Budget Workshop	Education Center	6:30 PM
January 30, 2018	Facilities Committee	Education Center	7:30 PM

There being no other business for consideration the meeting was adjourned at 7:17 PM moved by Mr. Breece, second by Mr. Caso.