

# 2011-2012 BUDGET PRESENTATION

March 29, 2011  
Boyertown Area School District  
Board of Education

# Budget Then and Now

Budget Process started in September through  
November with Budget Education Public Forums

Act 1 Index 1.4%, BASD Index 1.7%

Rumors of Gov. Corbett's budget reduction

January 18, 2011 deficit was projected at \$4.86  
million

Revenue Assumptions and expenditure cuts included  
in Preliminary Budget reducing deficit to \$2.574  
million

# Budget Then and Now

Several Expenditure reductions included in the Preliminary Budget were rejected

Governor announced budget on March 8<sup>th</sup> as "Day of Reckoning" with larger than expected cuts to education

Current Budget deficit is projected at \$5 million

# Deficit Calculation

January 18	\$ 4,860,000	Prelim Deficit	\$2,575,000
Basic Ed	(500,000)	Gov. Budget	
Activity Fee	(100,000)	Revenue Reduce	1,900,000
Debt Subsidy	( 20,000)	State SS Reimburse	100,000
Personnel Cuts	(680,000)	Net Grant Personnel	125,000
Mentor Stipend	(25,000)	Early Retiree	300,000
Admin Concede	(35,000)	Cyber Charter	250,000
Early Retirees	(300,000)	Transportation	<u>50,000</u>
Health Premium	(300,000)	3/8 Deficit	5,300,000
Transportation	(50,000)	3/22 ERIP Approved	<u>(300,000)</u>
Cyber Option	(250,000)		
Equip Reduce	<u>(25,000)</u>	Total Current Deficit	\$5 million
Prelim Deficit	\$ 2,575,000		

# 2010 Montgomery County Tax Rates

CHELTENHAM	41.60	SOUDERTON	25.93
POTTSTOWN	36.12	METHACTON	25.58
POTTSGROVE	34.38	HATBORO-HORS	24.65
JENKINTOWN	33.52	SPRING-FORD	23.53
NORRISTOWN	29.64	LOWER MERION	22.29
LWR MORELAND	28.84	NORTH PENN	21.96
SPRINGFIELD	28.35	UPPER PERK	21.95
PERK VALLEY	28.14	<b>BOYERTOWN</b>	<b>20.36</b>
ABINGTON	27.80	COLONIAL	18.03
UPR MORELAND	26.77	WISSAHICKON	17.65
UPPER DUBLIN	26.47	UPPER MERION	15.93

# 2010 Berks County Tax Rates

ANTIETAM	32.35
B. HEIGHTS	30.00
EXETER	29.62
DANIEL BOONE	28.42
KUTZTOWN	28.28
WYOMISSING	27.89
TULPEHOCKEN	27.45
FLEETWOOD	27.28
MUHLENBERG	25.56

HAMBURG	25.21
SCH. VALLEY	25.13
C. WEISER	24.32
OLEY VALLEY	23.82
GOV. MIFFLIN	23.20
WILSON	21.95
TWIN VALLEY	21.70
<b>BOYERTOWN</b>	<b>20.77</b>
READING	16.46

# Act 1 Index

Index Calculation for 2011-2012:

ECI Index equals 1.4%

times: Aid Ratio Allow

$(.75 + .4622) \times \underline{1.2122}$

BASD Index (from PDE) 1.70%

The 2012-2013 index could even be lower.

# 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%	???

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



# Actual 3/8/11 Budget Summary

	2010-2011	2011-2012	
	Budget	Projected	Diff.
Revenue	\$85,964,713	\$84,486,073	(1,478,640)
Expense	<u>\$85,964,713</u>	<u>\$89,543,563</u>	<u>3,578,850</u>
Deficit	\$ 0	\$5,057,490	\$5,057,490

# Tax Effect

Deficit \$5,057,490

2010 Avg. Mill = 20.57 x 1.7% = .35 mill increase

Act 1 Index Tax Increase

.35 mill x Value of 1 mill (\$2,300,000 est.) = \$ 838,003

Balance of deficit \$4,219,487

Act 1 Exceptions:

Special Education Costs (approved) \$ 795,635

Retirement Contributions (approved) \$ 786,633

Maintenance of Revenue \$ 382,022

Balance of unfunded deficit \$2,255,197

Options

Cut programs, staff, or other expenditures.

# Budget Reduction Plan

- ▶ Based on direction received by a majority of the School Board, the plan to implement no tax increase gave Administration the duty of reducing the budget by over \$5 million
- ▶ Budget deficits are reduced by increasing revenue or decreasing or eliminating expenditures
- ▶ School Districts have limited ability to increase revenue; expenditures and programs must be evaluated

# Budget Reduction Plan

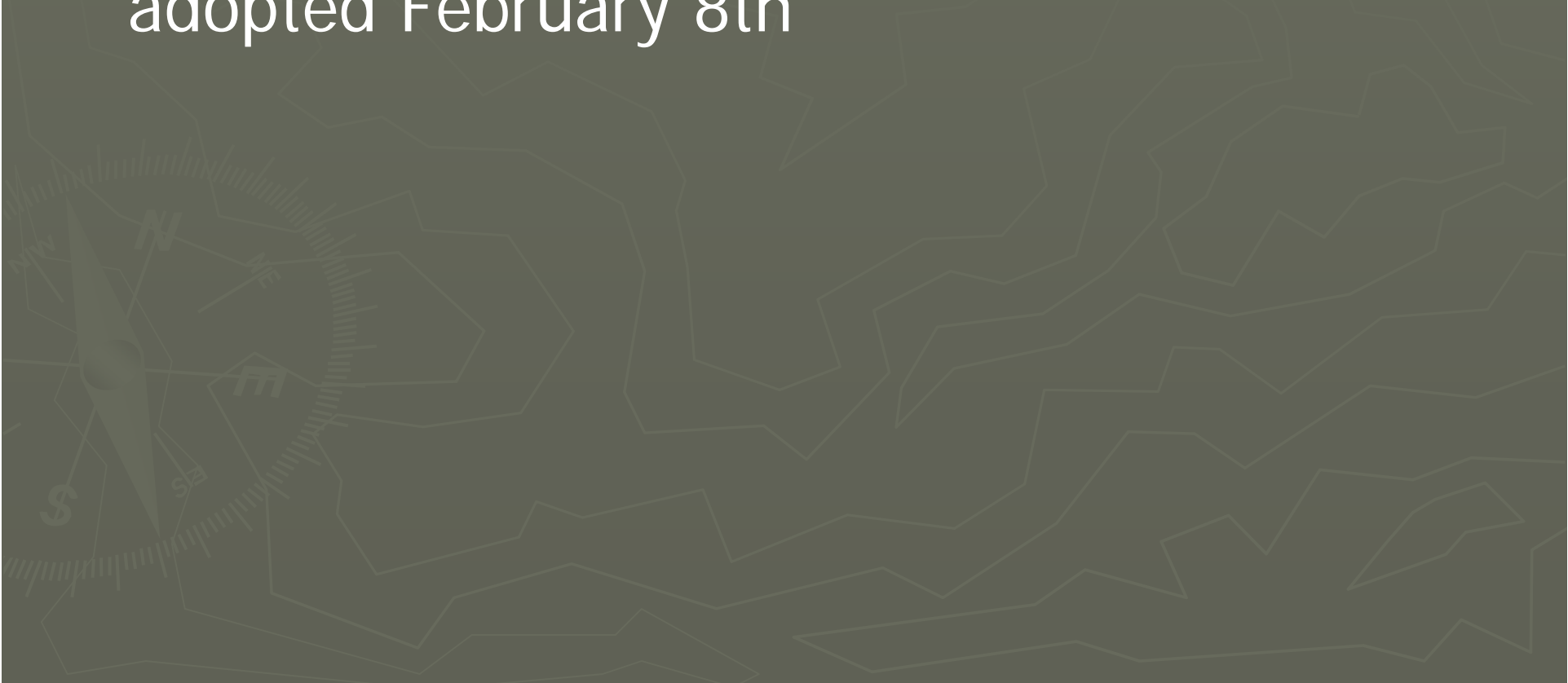
- ▶ Expenditure Reductions were evaluated based on the following criteria:
  - Impact on Strategic Plan and academic goals
  - Impact on systematic interventions
  - Impact on post-school outcomes
  - Impact on physical and emotional well-being of students
  - Impact on teacher/Board relationships

# Budget Reduction Plan

- ▶ Deficit Reduction Ideas have been requested from all parties involved
- ▶ Ideas have been received from Administration, Supervisory, Classified, Professional employees, and the public
- ▶ All ideas received will continue to be evaluated

# Budget Reduction Plan

The following deficit reductions are in addition to those included in the Preliminary Budget adopted February 8th



# Budget Reduction Plan - Expenditures

Cut Special Consideration Funds

Cut Summer Library Services

Reduce BASH Evening Library Hours by 50%

Eliminate Planetarium Program

Cut Maintenance Budget by \$150,000

Increase walking Distance to School

Implement 4 day summer work week – limit building weekend usage

Department Leaders and Elementary Advocates

# Budget Reduction Plan - Expenditures

Eliminate Mid-Day Kindergarten Transportation

Cut Elementary Library Clerks

Reduce Athletic Administration Budget by 50%

Reduce Counselor Summer Days

Reduce Part-Time Elementary Secretary Schedule

Cut Funding for Field Trips including Post Season  
Sports and State & National Competitions

Do not fill Retiree Positions – Possible Transfers



# Budget Reduction Plan - Expenditures

Cut Junior High Homework Help and Math Camp  
Centralize and Reduce Elementary Technology  
Support

Reduce Elementary Before and After School  
Remediation by 20%

Reduce BASH Security Staff

Eliminate 7<sup>th</sup> & 8<sup>th</sup> Grade Sports

Eliminate K-12 Strings Program

# Budget Reduction Plan - Expenditures

Demote all Elementary Art, Music, and Phys. Ed by 20%  
Eliminate Funding of Summer Music – Band Camp  
Reduce Secondary Elective Teachers by 50%

- ▶ Art
- ▶ Music
- ▶ Business Education
- ▶ Health and Physical Education
- ▶ World Language
- ▶ Family & Consumer Science
- ▶ Technology Education

# Budget Reduction Plan - Expenditures

Reduce Curriculum/Professional Development  
work by 25%

Reduce Instructional Para-Professionals Positions  
by 10%

Dual Enrollment Program Unfunded  
Class Size Limit – Bubble Teachers

# Budget Reduction Plan - Revenue

Increased Revenue through YMCA Before and  
After School Day Care



# Questions & Discussion

