

--- IMPACT OF FUTURE DEBT SERVICE ---

Renovation of EAMS/EAHS Complex

Draft Estimated Cost
\$50 million - \$80 million

Increase in YEARLY Debt Service Payment to the EASD Budget
\$3 million - \$4.5 million (30 years)

Renovation of Rheems Elementary

Projected Cost
\$12 million - \$15 million

Increase in YEARLY Debt Service Payment to the EASD Budget
\$700,000 (18 years)

Renovation of Mill Road Elementary

Projected Cost
\$10 million - \$13 million

Increase in YEARLY Debt Service Payment to the EASD Budget
\$600,000 (18 years)

WHAT ARE SOME OPTIONS TO ABSORB THE NEW DEBT SERVICE INTO THE BUDGET?

EASD typically approves a tax increase slightly below the state-approved index. Maintaining a similar philosophy moving forward, **THE CURRENT LEVEL OF TAXATION WOULD BE ENOUGH TO COVER EXISTING BUDGET GROWTH.** To account for any significant increase in debt service, EASD would need to **REDUCE EXPENDITURES OR INCREASE REVENUES** to balance the budget. In addition to the normal budget adjustments that occur each year (i.e. state subsidy, changes to our tax base, attritional staff savings, etc.), to account for an increase in expenditures of \$3 million or more would take identifying several “big ticket” items to act on. While there are many line items in our budget, the four pathways identified below (Increase Revenue; Reduce Debt; Close Buildings; & Reduce Programs, Services & People) are examples of “big ticket” items that could be considered to help balance expenditures and revenues with the increased debt service.

INCREASE REVENUE to Build Capacity



A 3% tax increase generates roughly \$1.1 million. Raising the increase to the index (3.8%) would net an additional **\$300,000** in revenue.

REDUCE DEBT by Refinancing Existing Bonds



Contingent on interest rates and bond refinancing call dates.

CLOSE BUILDINGS to Save on Operating Costs



Operational savings (utilities, supplies, attritional staff savings) if both schools are closed total roughly **\$700,000**.

REDUCE PROGRAMS, SERVICES & PEOPLE



STAFF

The equivalent of 10 full-time employees equals about **\$1,000,000**. Potential to cause increases in class sizes AND/OR reductions to supervision and program opportunities.



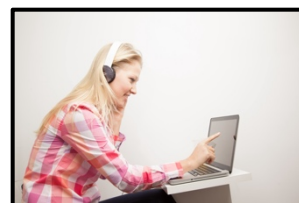
ATHLETICS

EASD's athletic program accounts for roughly **\$1,000,000** of expenditures. Any scale back would need to affect boys' and girls' sports equally.



TECHNOLOGY

Defer replacement of personalized learning devices, which saves **\$275,000** yearly. Could increase repair expenses and decrease reliability of devices for instructional purposes.



INDEPENDENT LEARNING (LLVS)

No longer offer independent learning opportunities saving roughly **\$270,000**. Could cause increases in outside cyber charter costs.



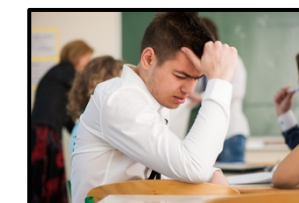
EDUCATIONAL ALTERNATIVES

Stop offering AEDY and Lancaster County Academy as educational alternatives saving about **\$250,000**. Could cause increases in outside cyber charter costs.



LEADER IN ME / SEL

Reduce or eliminate programs that address the social and emotional needs of our students (i.e. the cost for Leader In Me is about **\$200,000** yearly).



CRISIS COUNSELING

Terminate services with ECHOS for both trauma and crisis counseling, saving about **\$185,000**.



MUSIC/THEATER

EASD's music and theater programs account for roughly **\$160,000** of expenditures. Could scale back offerings.



SAFETY & SECURITY

Revisit safety and security initiatives including SRO position saving about **\$100,000** yearly.