



*2021-2022
Budget Development
and
Tentative Preliminary
General Fund Budget*

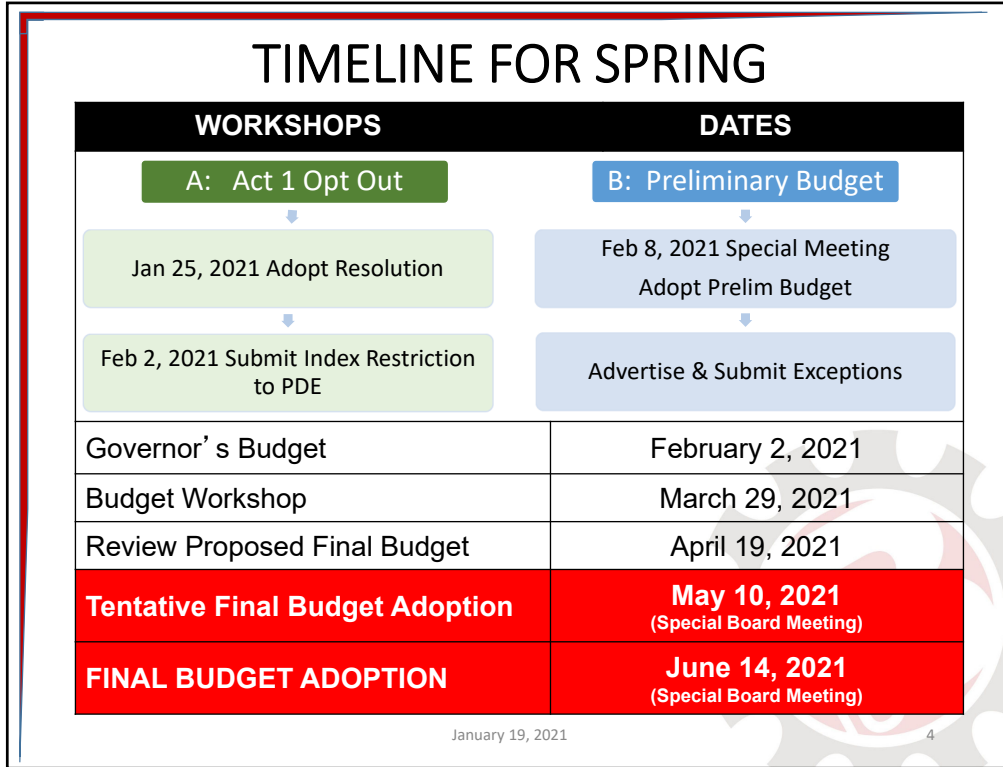
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Why Prepare 2021-22 Budget Now?

- ❖ Act 1 of 2006
 - Limits Local Taxation to an Annual Index (3.7%)
 - Timelines Based Upon Primary Election
 - Board Adopts Preliminary Budget 90 days prior to Primary election (May 18, 2021)
 - Resolution to Not Tax Above Index (3.7%)
 - **Exceptions for Certain Expenditures (3)**
 - Referendum Question if Exceed Index plus Exceptions
 - May-June School Code Timelines Apply

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<h3 style="margin: 0;">What We Know...</h3> <ul style="list-style-type: none"> Structural issues continue Fixed costs continue to grow Public charter school costs continue to grow State funding flat & inadequate to meet mandates Focus on maintaining educational excellence for all BASD students 	<h3 style="margin: 0;">What We Don't Know...</h3> <ul style="list-style-type: none"> How long will the pandemic continue When schools will fully open When/how many charter students return to BASD Local revenue response to COVID <ul style="list-style-type: none"> EIT Mercantile RE Tax Appeals CARES II Funding
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BETHLEHEM
AREA SCHOOL DISTRICT

EQUALITY vs EQUITY

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2021-22 Preliminary Budget The Beginning

	<u>Preliminary Budget</u>	<u>Increase</u>
PSERS	\$40,639,682	\$1,704,363
Charter Schools	\$33,938,600	\$1,703,834
Everything Else	\$235,442,467	\$7,334,416
Initial Deficit		\$10,742,613

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What New Money is Tentative for BASD in 2021-22??

Basic Education Funding (BEF)	\$-0-
Special Education Funding (SEF)	(\$2,857)
Ready to Learn Grant	\$-0-
Federal Programs*	\$523,137
<i>*Addt'l CRRSA ESSER II Included \$5,263,139 + \$97,268 GEER Spec.Ed.</i>	
Pre-K Counts	\$-0-
Tuition Orphans/Group Homes	\$15,000
State Share Social Security	\$118,048
State Share Retirement	<u>\$721,393</u>
Total	\$1,374,721
Retirement Expense	<u>(\$1,704,363)</u>
Net New Money for Programs	<u>(\$329,642)</u>

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COVID Funding

Grant	Award	Exp. Date	Elig Use
CARES ESSER	\$3,218,394	Sept 2022	Local Revenue Loss
GEER Pre-School Funds	\$28,600	Nov 2020	Chromebooks
PCCD ESSER I - Safety	\$720,525	Oct 2020	Sanitation, Remote Instr
ATSI Continuity of Education	\$389,988	Sept 2021	FHS/LHS Training, ESL
CEEG GEER	\$398,450	Sept 2021	Elem Chromebooks
PCCD ESSER II	\$452,553	Sept 2022	BASD Cyber Academy
GEER Special Education	\$177,268	Sept 2021	After Schl/Summer Pgms
CRRSA ESSER II	TBD	Sept 2023	COVID/ESSA/Facilities
Final allocations are to be published in February when enrollment data for the previous school year is finalized.	\$16,156,572	PDE	
	\$14,523,772	PA Senate Democrats	
	\$13,212,692	PA House Appropriations	
	\$12,873,576	Orig est of 4x ESSER I	

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COVID Funding

CAUTION

- All CARES/GEER/ESSER/CRRSA Funding is One-Time, TEMPORARY funding
- Use of this funding to supplant or pay ongoing expenses will further increase the structural deficit
 - i.e., using your savings to pay your utility bills
- Expenses must be resulting from the pandemic whereby they will cease after COVID funding is gone
 - Contact tracing, sanitation, remote learning, etc.
- Support temporary local revenue loss until economy recovery

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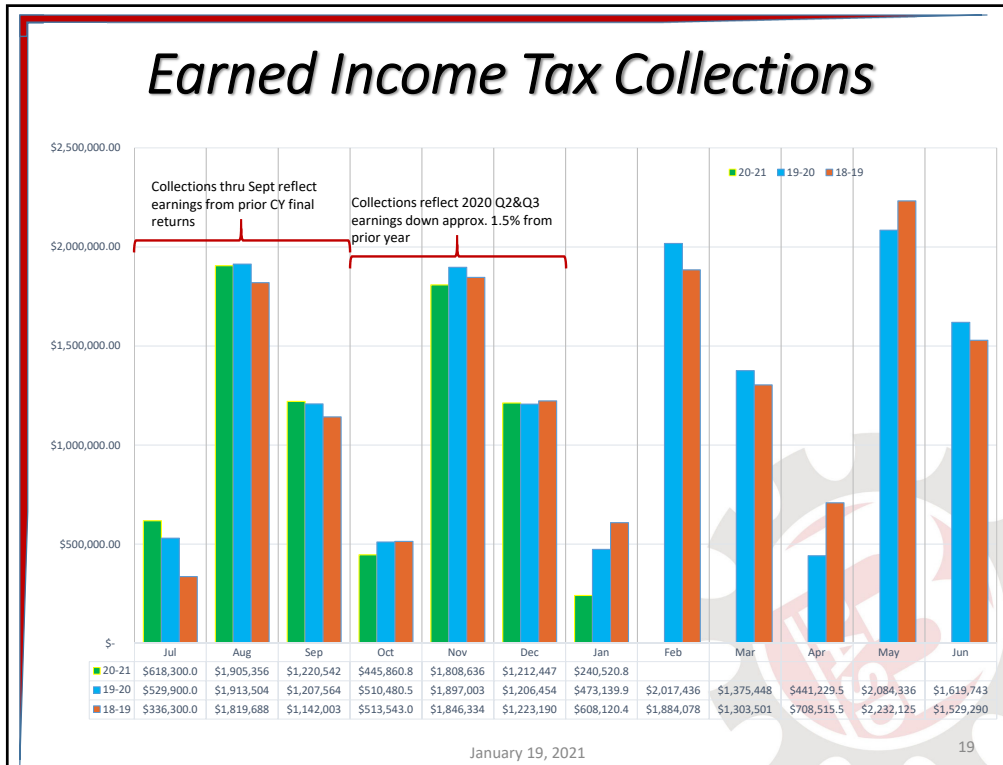
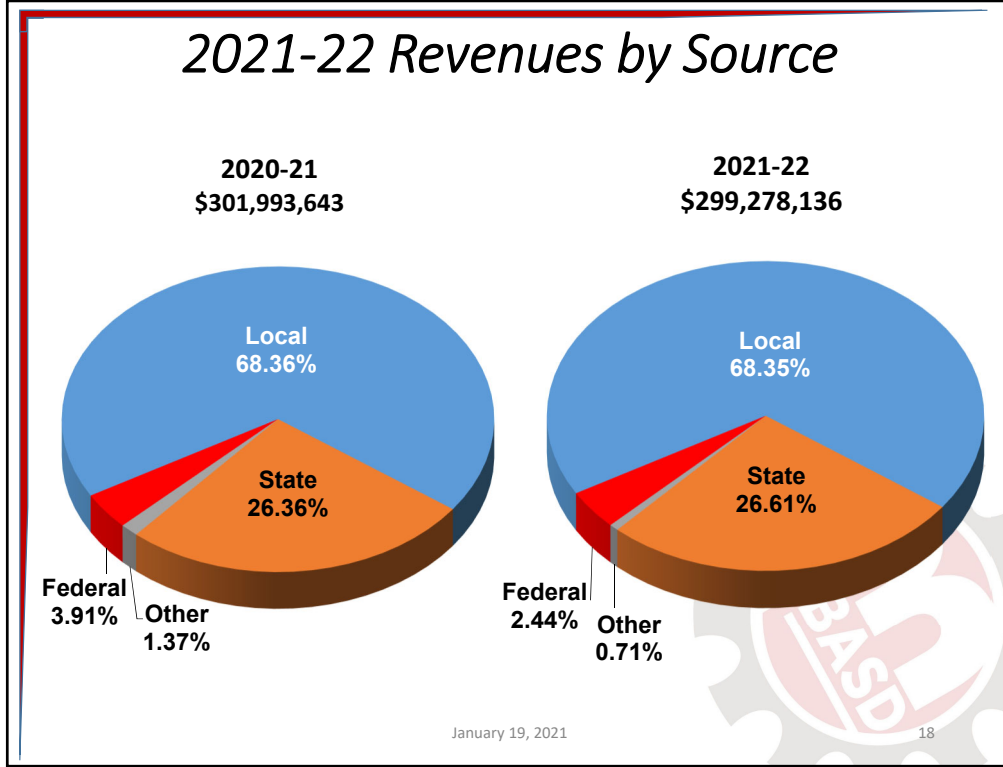
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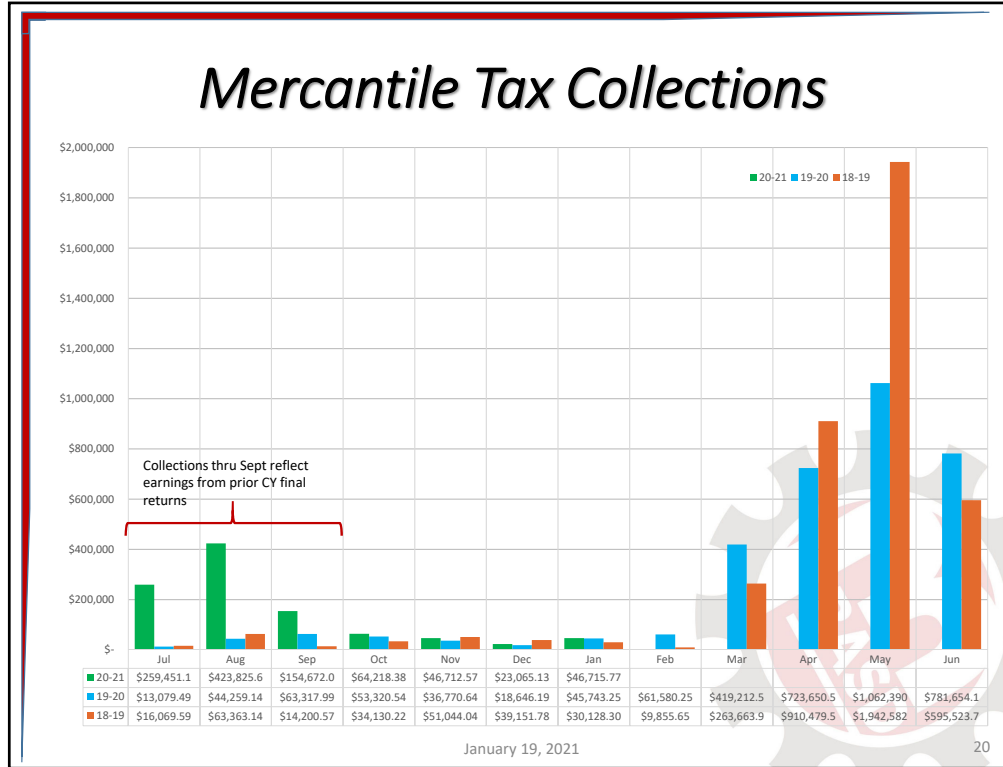
2021-22 Revenue Summary

	<u>2021-22</u> <u>Budget</u>	<u>Dollar</u> <u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues:</u>			
<i>Local</i>	\$204,553,375	(\$1,878,169)	-0.91%
<i>State</i>	\$80,300,408	\$686,180	0.86%
<i>Other</i>	\$2,080,000	(\$2,055,655)	-49.71%
<i>Federal</i>	\$12,344,353	\$532,137	4.50%
Total Revenue	\$299,278,136	(\$2,715,507)	-0.90%

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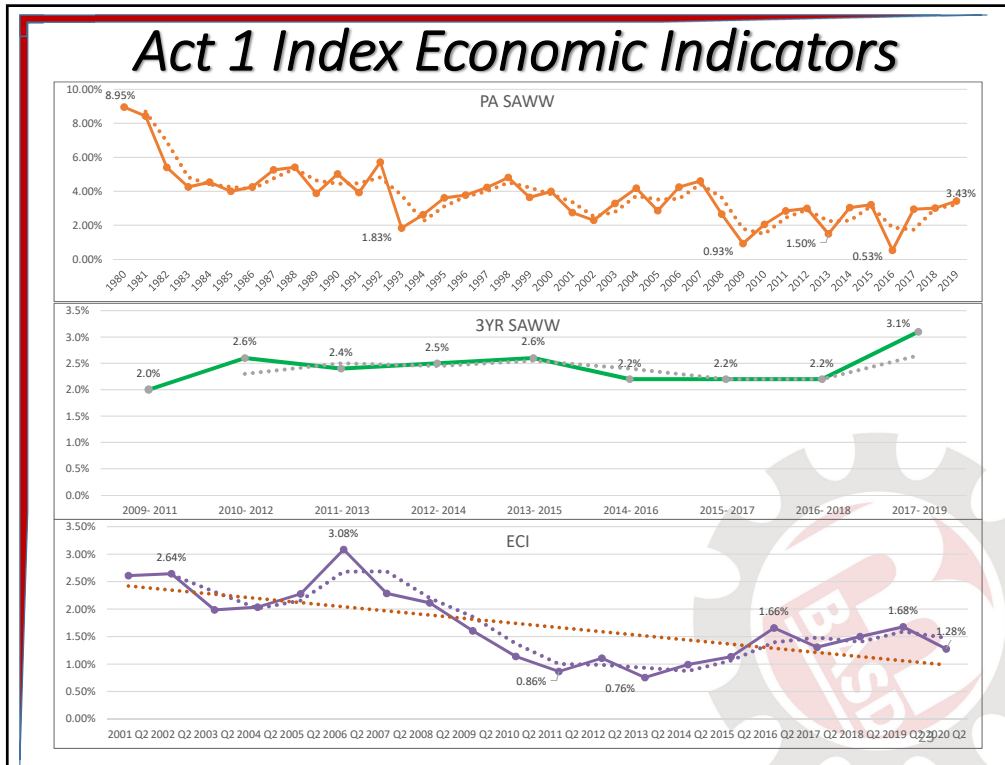
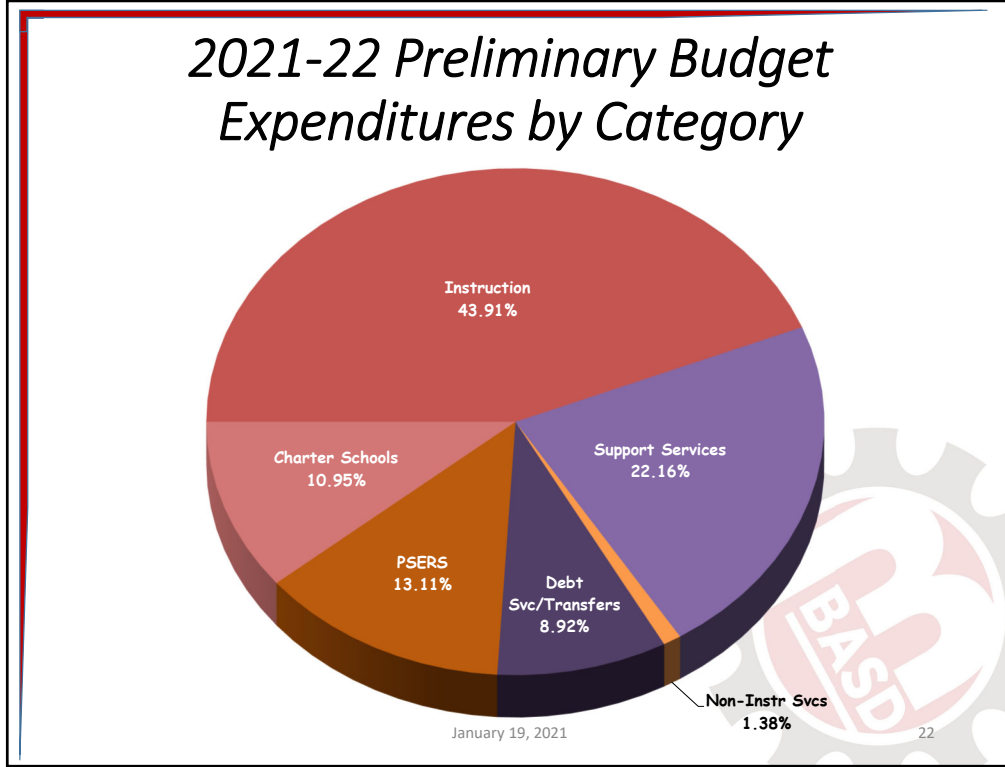




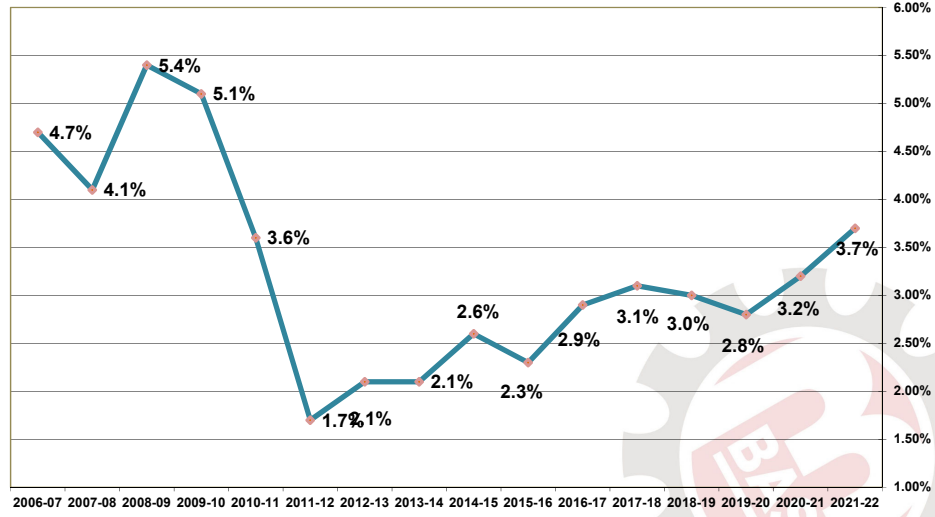
2021-22 Preliminary Budget Expenditure Summary

	<u>2021-22 Budget</u>	<u>Change from 20-21 Budget Dollar Change</u>	<u>Percentage Change</u>
<u>Expenditures:</u>			
Instruction	\$136,126,735	\$4,850,784	3.70%
Support Services	\$68,713,337	(\$265,262)	-0.38%
**Non-Instr Svcs	\$2,939,932	(\$261,548)	-8.17%
**Debt Svc/Transfers	\$27,662,464	\$294,936	1.08%
BASD	\$235,442,467	\$4,618,909	2.00%
PSERS	\$40,639,682	\$1,704,363	4.38%
CHARTER SCHOOLS	\$33,938,600	\$1,703,834	5.29%
Total Expenditures	\$310,020,749	\$8,027,106	2.66%

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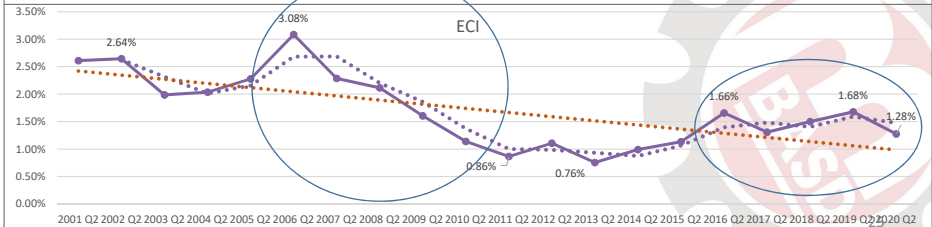
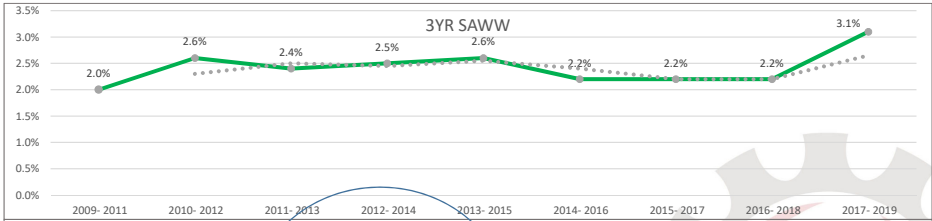
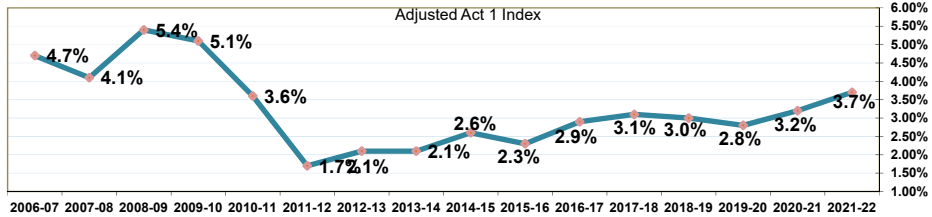
ACT 1 INDEX – BASD HISTORICAL INDEX

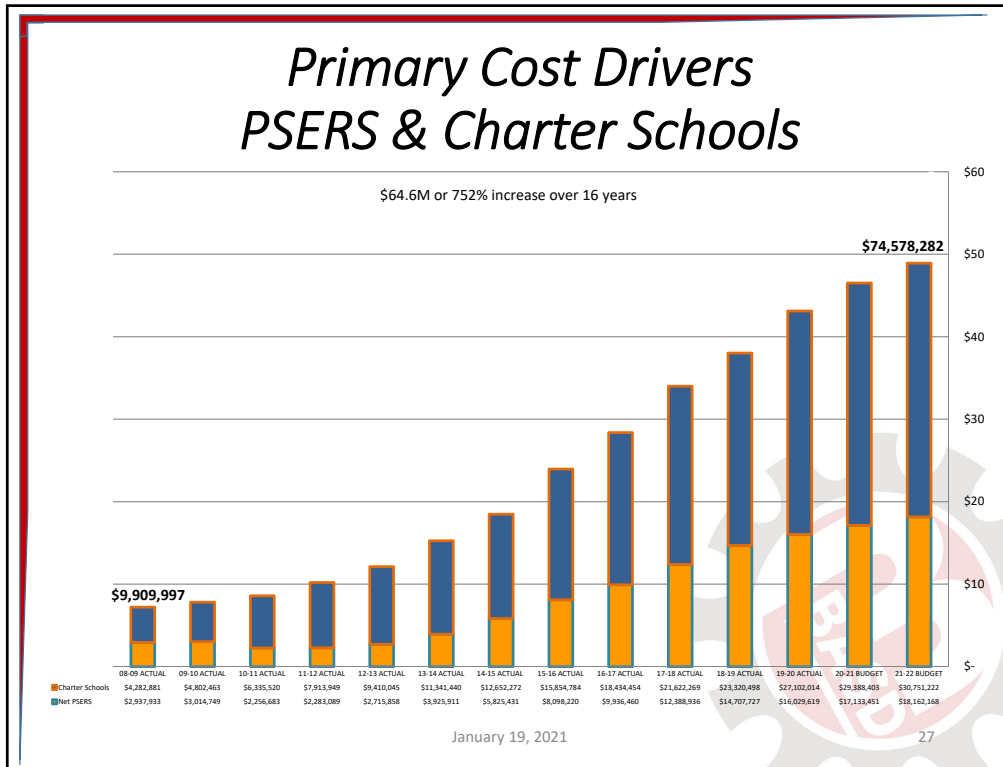
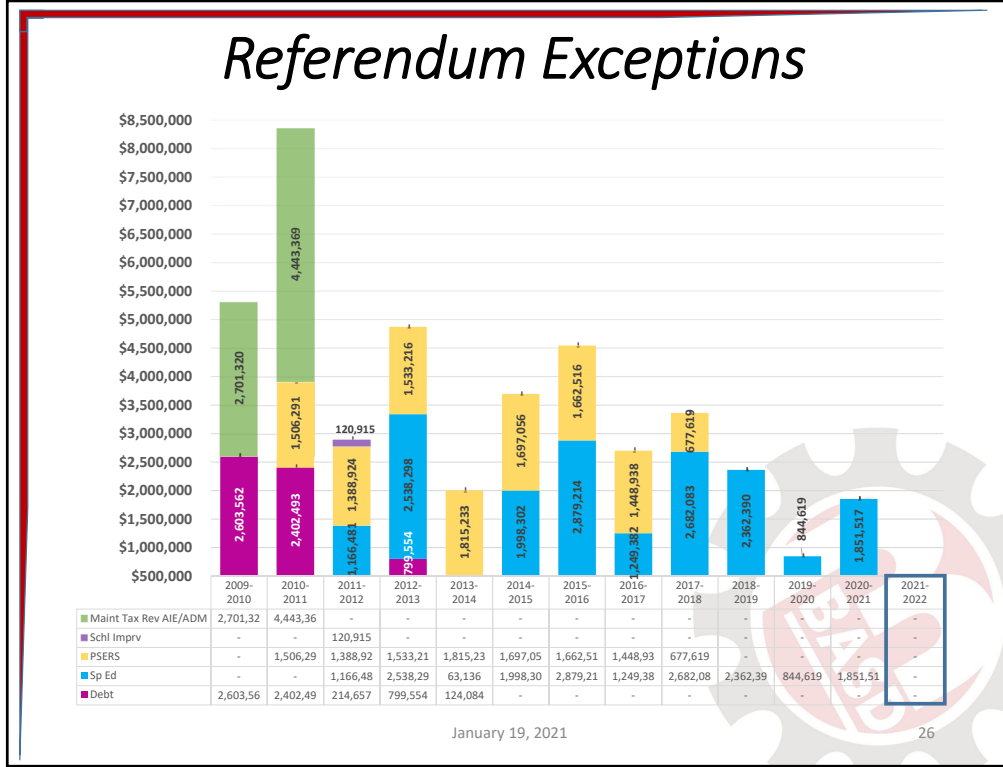


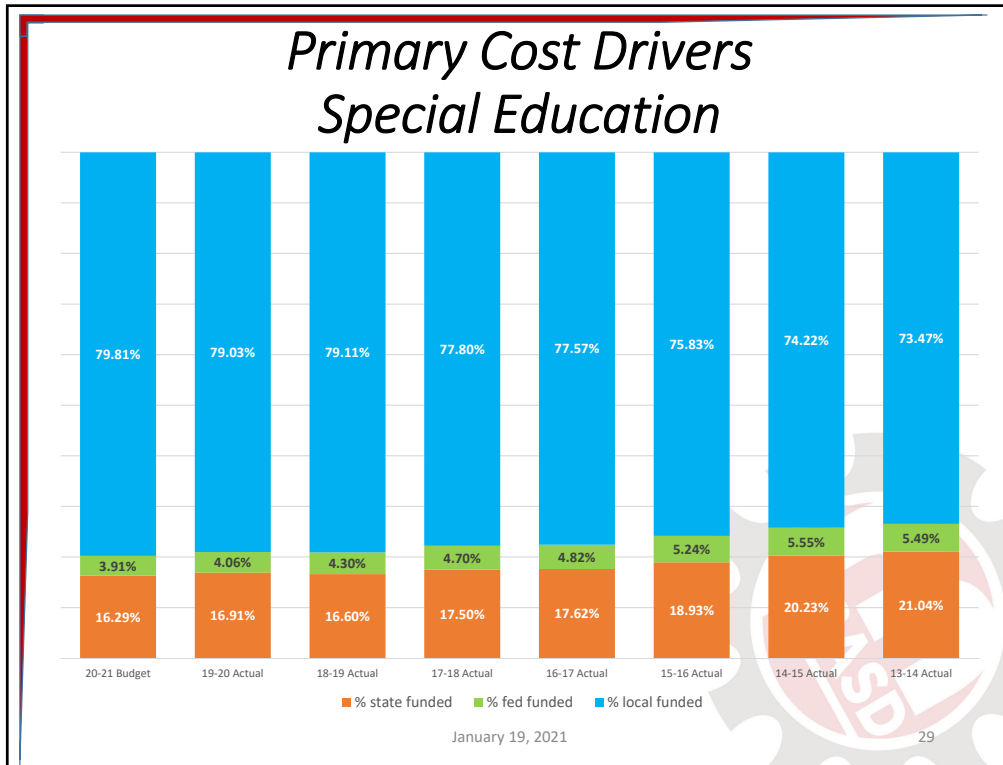
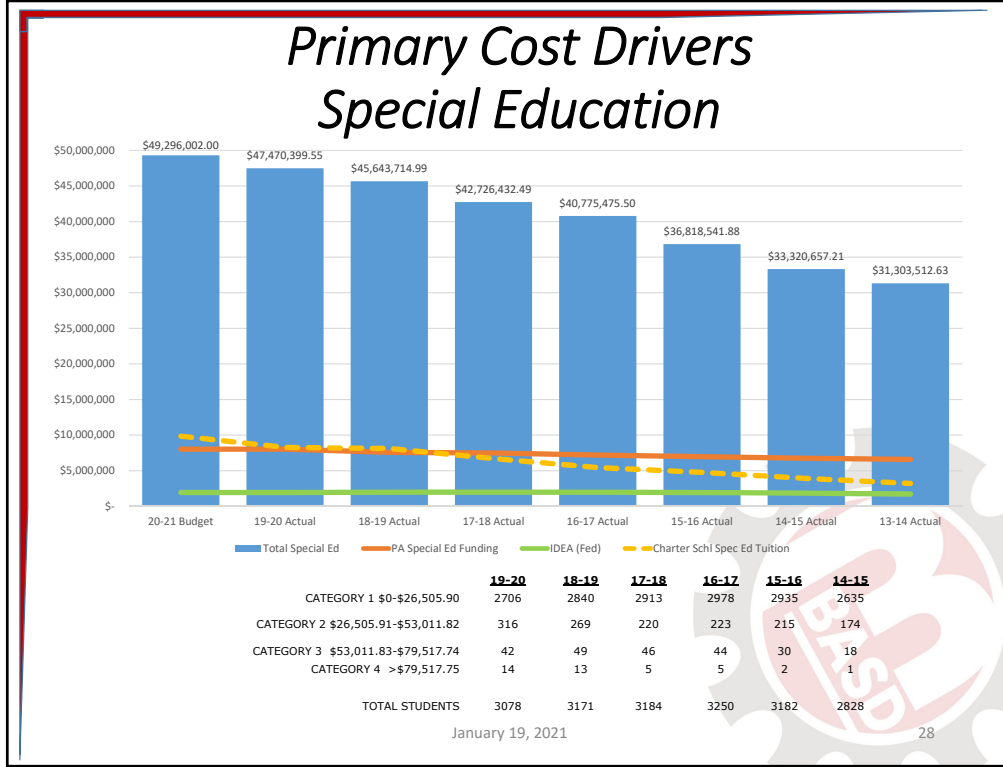
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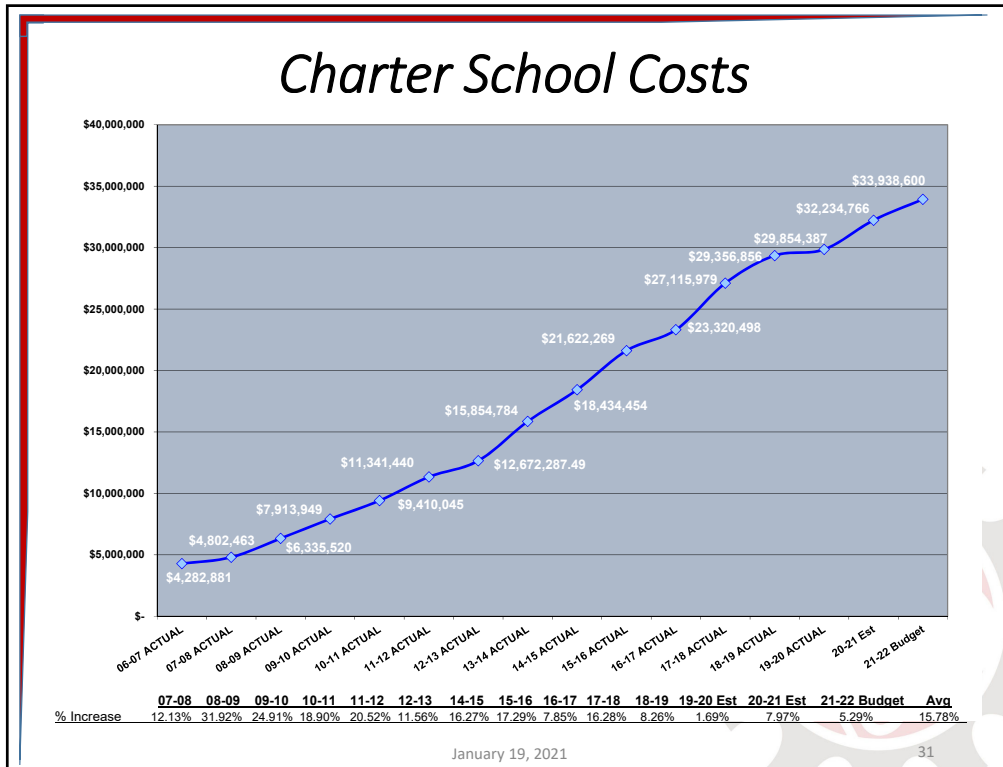
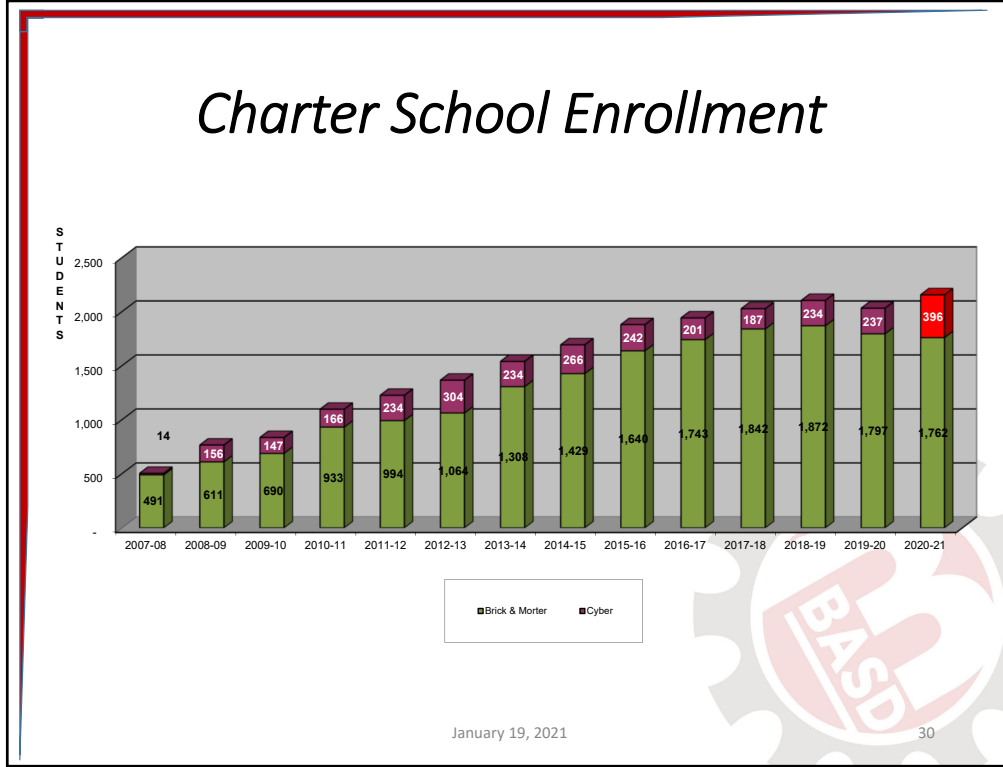
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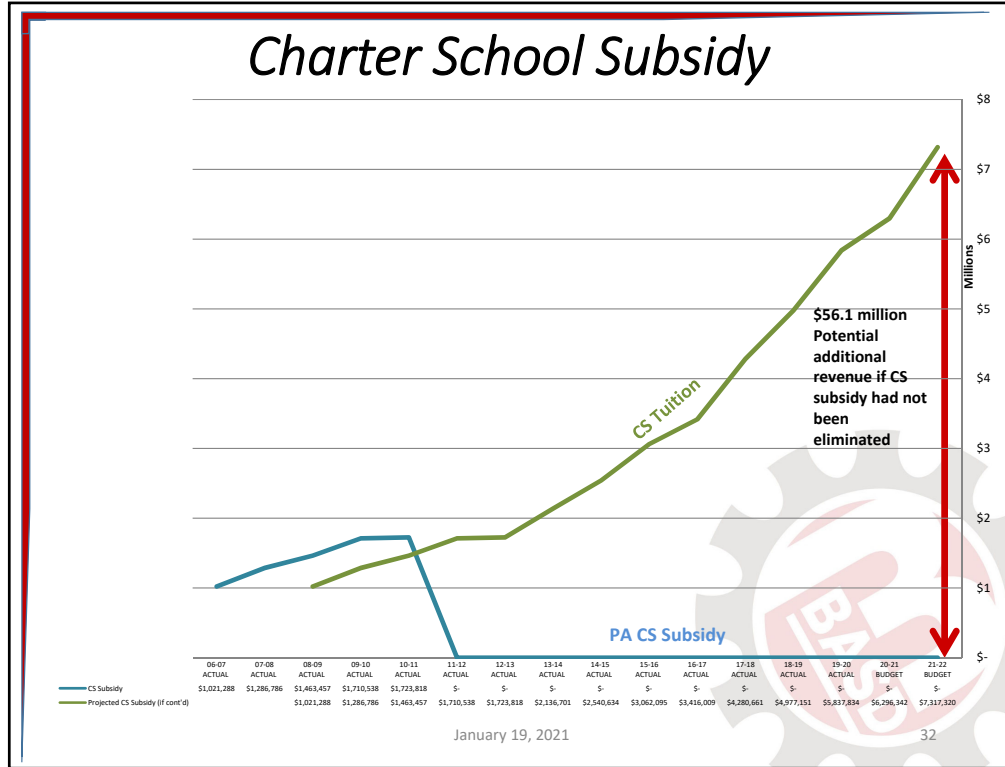
Act 1 Index Economic Indicators







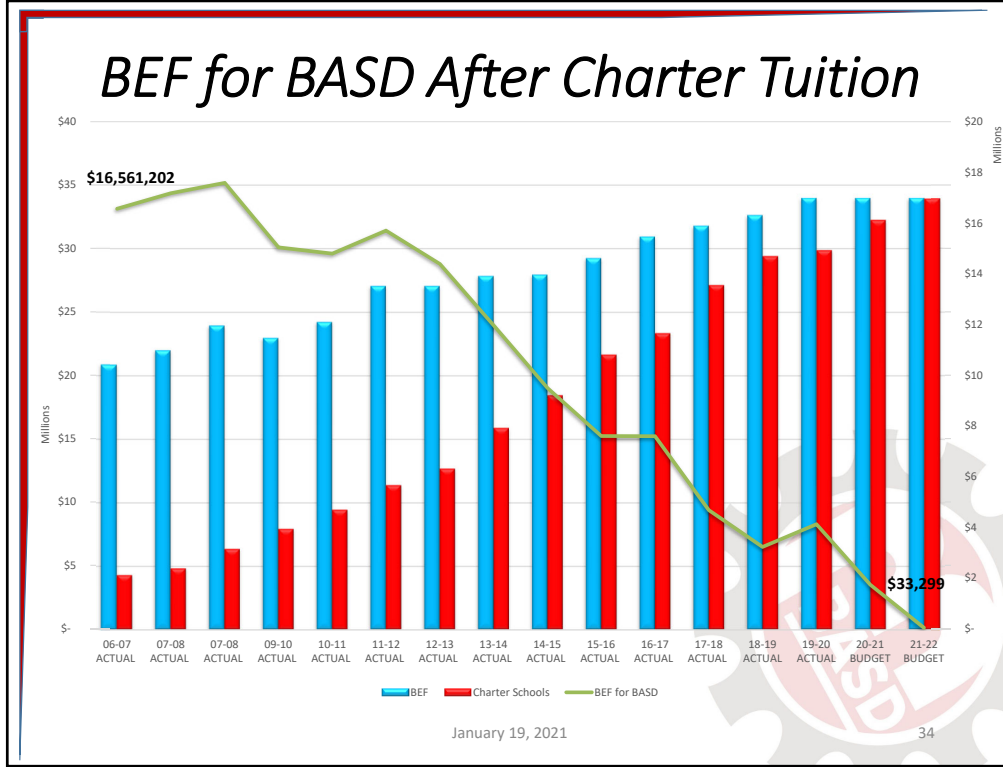




Basic Education Funding (BEF)

	BEF	BEF Increase	PSERS Increase
2014-15 BEF Actual	\$27,927,942	\$ 111,774	\$ 1,838,240
2015-16 BEF Actual	\$29,220,357	\$ 1,292,415	\$ 2,452,477
2016-17 BEF Actual	\$30,914,201	\$ 1,693,844	\$ 2,318,791
2017-18 BEF Actual	\$31,776,627	\$ 862,427	\$ 1,881,443
2018-19 BEF Actual	\$32,610,551	\$ 833,924	\$ 2,129,648
2019-20 BEF Actual	\$33,971,899	\$ 1,361,348	\$ 457,422
2020-21 BEF Budget	\$33,971,899	\$ -	\$ 875,849
2021-22 BEF Budget	\$33,971,899	\$ -	\$ 982,970
		\$ 6,155,731	\$ 12,936,840

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2021-22 Preliminary Budget

Expenditures	\$310,020,749
Revenues	\$299,278,136
Gap	<u>(\$10,742,613)</u>

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Initial Planning Progress Comparison to Last Year

	2020-21 Funding Gap		2021-22 Funding Gap	
	Exp/Rev Gap	Exp Incr	Exp/Rev Gap	Exp Incr
Preliminary Presentation	\$10,841,997	6.89%	\$10,742,613	2.66%
Final Approval	\$ 2,053,155	3.70%	Future work to continue	

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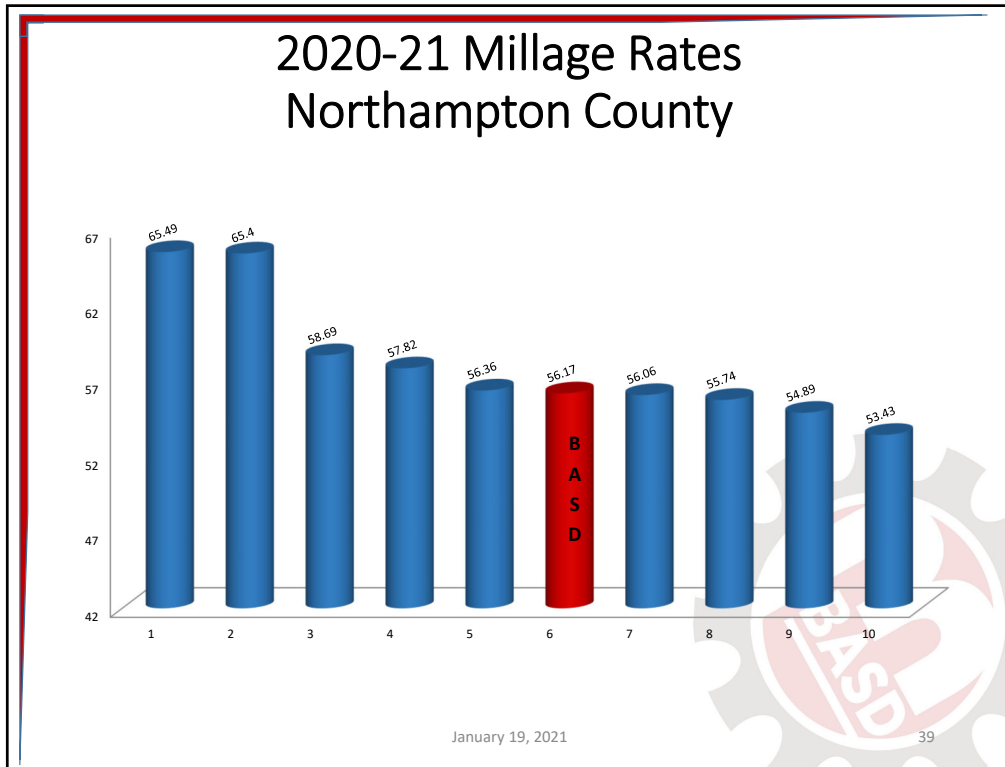
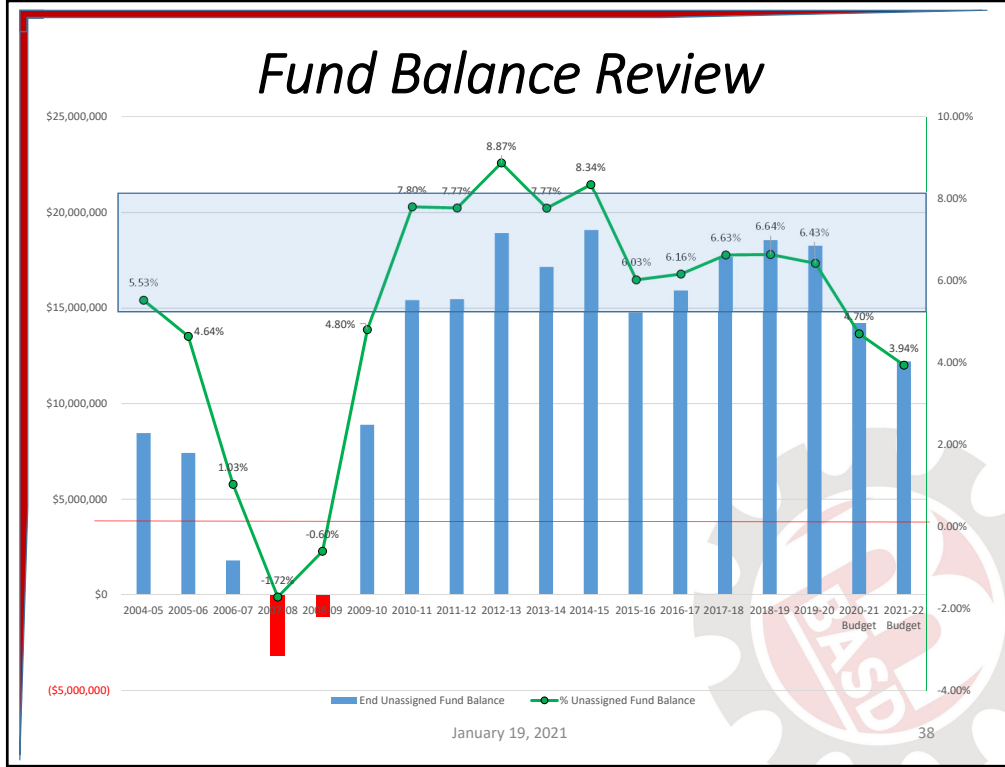
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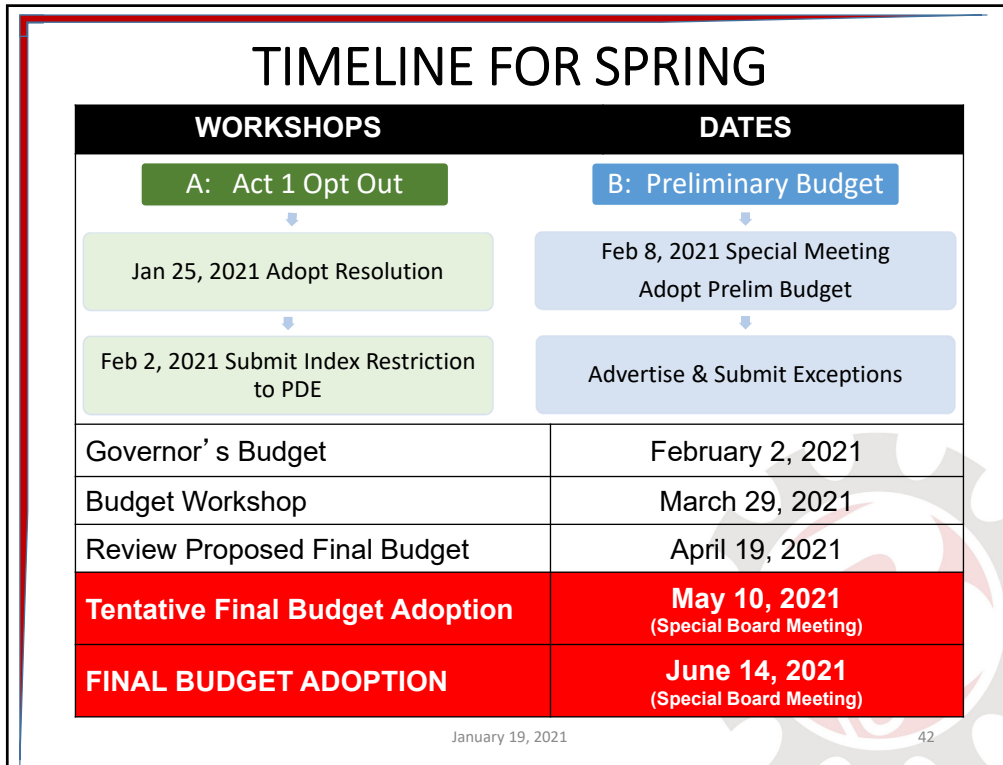
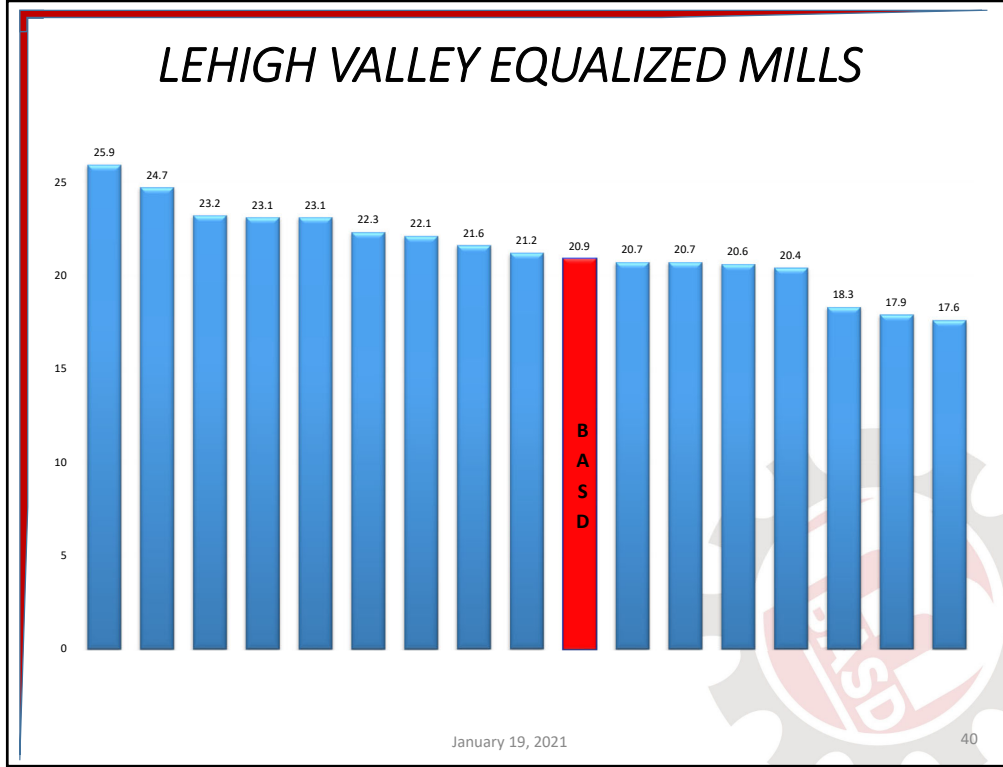
CRRSA ESSER II Considerations *Final Allocation Yet to Be Determined*

- Balance 2021-22 Budget
 - Creates structural deficit for 2022-23 forward when using one time grant for ongoing base expenses
- Split revenue over 2021-22 and 2022-23
 - Again have structural concerns beyond 2023 without sustainable revenue for ongoing costs
- Use a portion of funding for 2021-22 to offset continuing COVID costs, remote learning, cyber tuition (Academy or CS), and reduced local revenue
 - Assumes that local economy rebounds by June 2022
- Fund Farmersville HVAC allowing current resources to be redirected to Freemansburg HVAC planning

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Recommended Next Steps

Adopt Resolution to Opt Out of 2021-22 Budget Act 1 Process and Not Exceed the Act 1 Index

Administration Continues Monitor Local Revenue While Developing Recommendation for Best Utilization of Federal Pandemic Grants

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2021-22 BASD Budget Development

- ❖ Collect Necessary Data and Projections
- ❖ Monitor Local Revenue Trends
- ❖ Analyze and Prioritize Expenditures
- ❖ Board Workshop & Finance Discussions

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