



BRANDYWINE HEIGHTS

AREA SCHOOL DISTRICT

Operational Budget Presentation

2020-21 School Year

February 17, 2020

Operational Budget Presentation - Agenda

- 2020-21 Budget Update
- Tonight's focus areas:
 - Athletics
 - Maintenance
 - Districtwide
 - Superintendent
- Upcoming Meeting Schedule





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DISTRICT

2020-21 Budget Update

Strategic Goals

- Enhance communication and collaboration to increase engagement, awareness, and school pride
- Ensure high quality instruction
- Advance safe and supportive learning environment
- Optimize organizational efficiencies



How do we prioritize all of the things we value? / Objectives:

- Bolster financial stability of district
- Ensure effective and consistent communication
- Strengthen climate and relationships
- Increase engagement and participation
- Advance instructional practices
- Enhance educational opportunities
- Increase student choice
- Develop conducive learning environments
- Promote physical and mental health / wellness
- Improve equitable learning environment
- Advance innovative use of technology
- Recruit and retain highly qualified employees
- Improve schedule efficiencies



What new money is tentative for BHASD in 2020-21?

• Basic Education Funding (BEF)	\$82,030
• Special Education Funding (SEF)	\$12,694
• Ready to Learn Grant	\$0
• Federal Programs	\$0
• State Share Social Security	\$24,107
• State Share Retirement	<u>\$65,000</u>
• Subtotal	\$183,831
• Retirement Expenses	<u>(\$136,262)</u>
• Subtotal	\$47,569
• Refinancing	<u>\$785,000</u>
• <i>New Money for Programs</i>	\$832,569

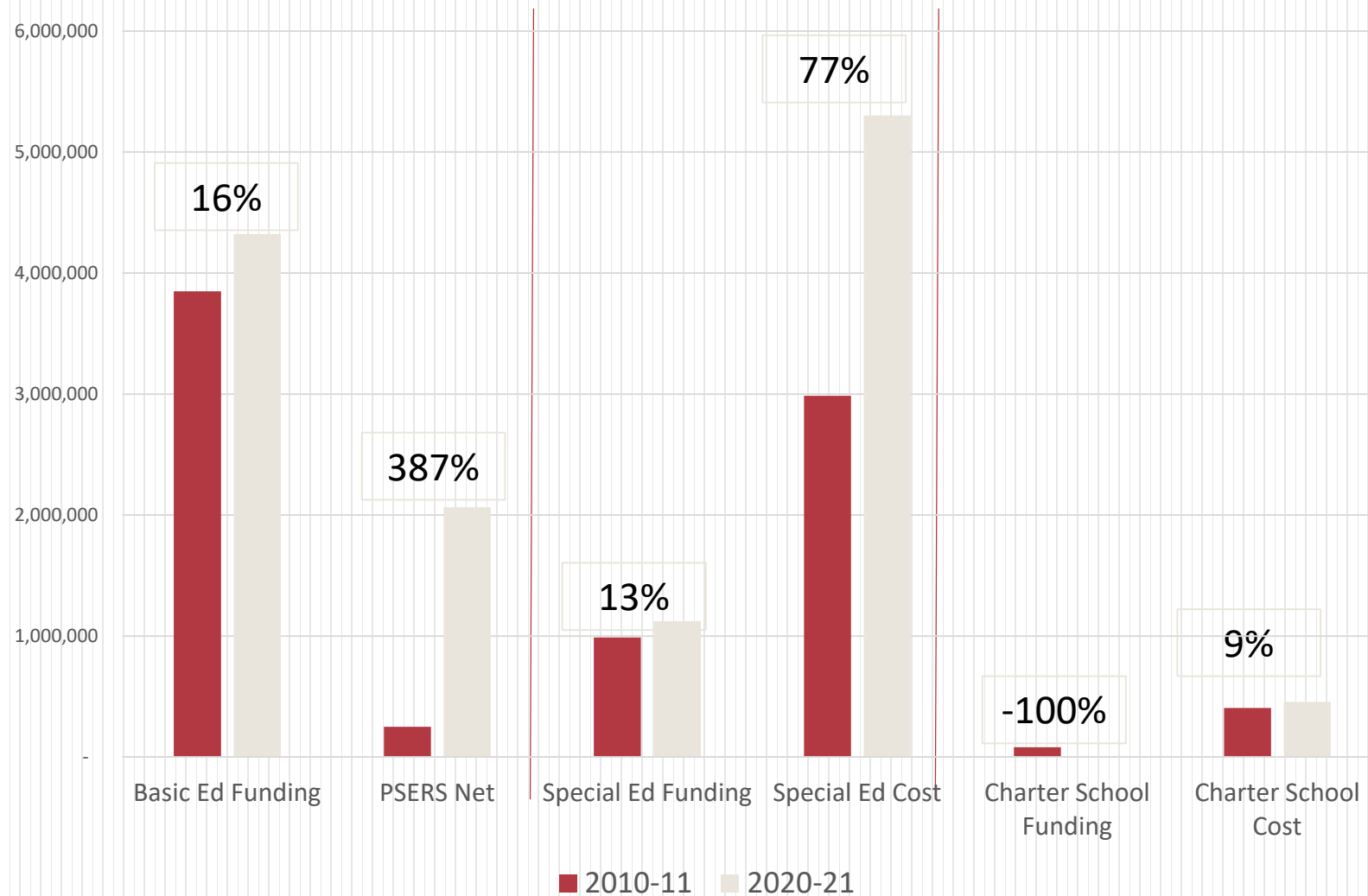


Structural Budget Issues

- Structural deficit is caused by the growth of mandated and contractual expenses exceeding the natural growth of revenues
- Federal funds continue a gradual decline
- Fixed costs of the BHASD (employee salaries & benefits, operating costs, etc.) continue to grow
- BHASD contributions to the PSERS retirement system continue to grow
- Public charter school costs continue to grow
- Act 1 limits millage increases (the “Index”)
- State failure to adequately fund public schools



Unfunded State Mandates



2020-21 Budget Comparison

	2019-20 Budget	2020-21 Budget	% Increase
Revenues	\$32,428,635	\$32,731,534	0.93%
Expenditures	33,215,448	33,450,982	0.71%
Revenues over Expenditures	(786,813)	(719,448)	
Beginning Fund Balance	8,975,443	8,188,630	
Ending Fund Balance	\$8,188,630	\$7,469,182	22.3% of budget



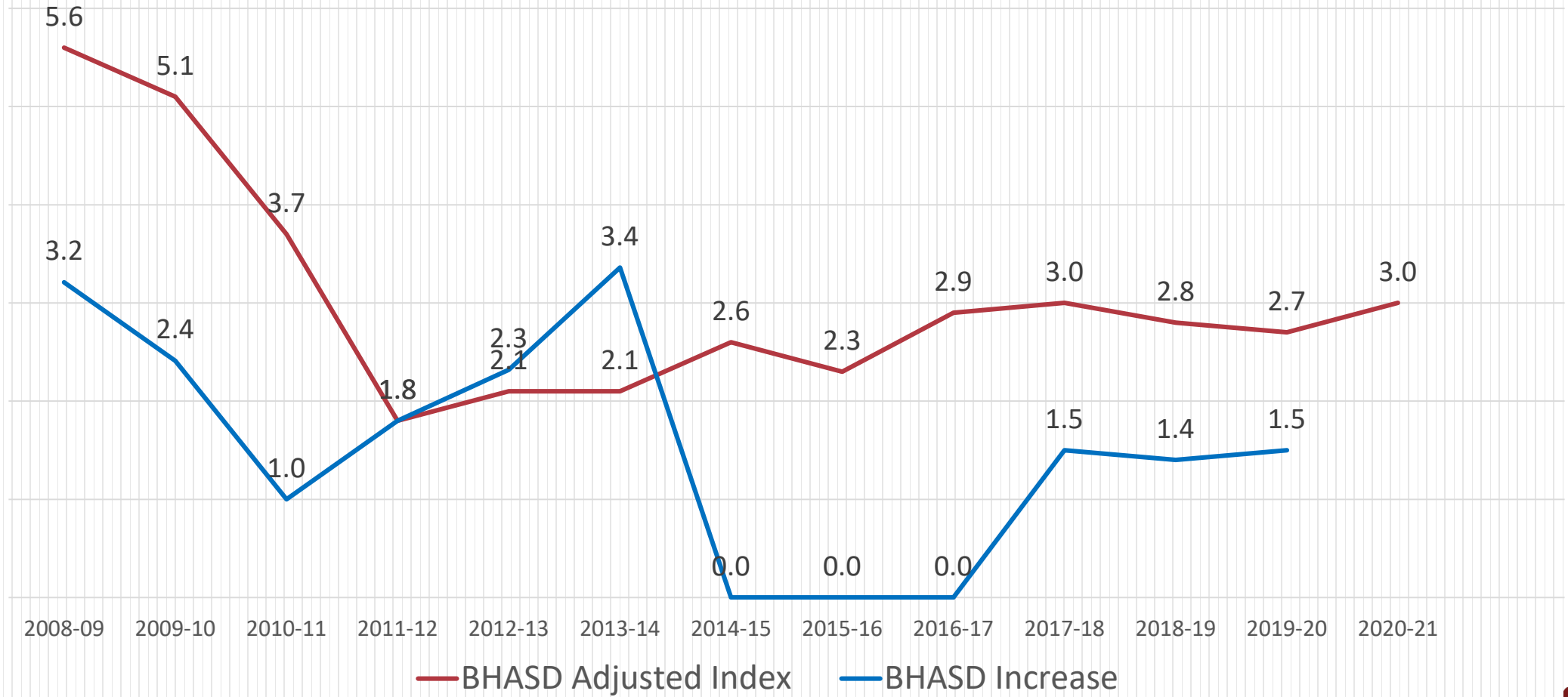
Revenue over Expenditures walk

2019 – 20 Budget: Revenue over Expenditures	(\$786,803)
Refinance Savings	785,000
State Revenue (Preliminary)	249,756
Budget Reserve	150,000
Local Revenue (Updated assessed values)	53,143
BCIU HR Resource	52,728
Admin, Mgr, Support – Salary, Med, Retire	(2,488)
Kutztown University Reading Specialists	(30,000)
Building Maintenance	(40,000)
Community Outreach / Grant Writer	(102,006)
Special Ed Trans & Out of District Placement	(117,190)
SOS Custodial Super & 2 Custodians	(144,000)
Charter School Tuition	(169,000)
Professional – Column/Step, Med, Retire	(615,709)
All Other	(2,879)
2020-21 Budget: Revenue over Expenditures	(\$719,448)

**Good News /
(Bad News)**



Tax Increase History compared to index



Millage Comparison

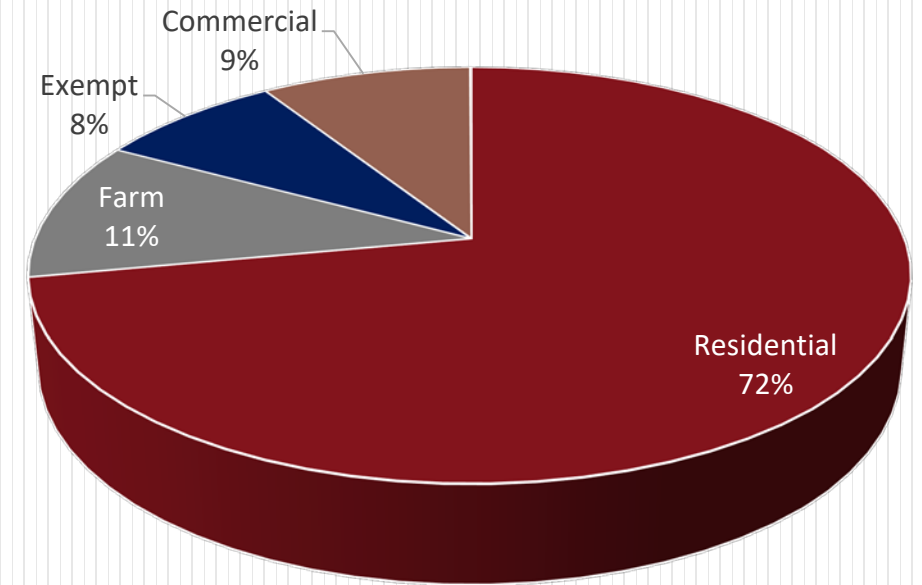
District	2018-19 Millage	2019-20 Millage	Change	% Change
Antietam	39.7400	41.0500	1.3100	3.30%
Brandywine Heights Area	33.2435	33.7422	0.4987	1.50%
Exeter Twp.	32.6214	33.1107	0.4893	1.50%
Fleetwood Area	33.1100	33.1100	0.0000	0.00%
Daniel Boone Area	30.8340	31.9850	1.1510	3.73%
Wyomissing Area	30.6680	31.4340	0.7660	2.50%
Muhlenberg	29.8100	30.7300	0.9200	3.09%
Kutztown Area	29.9543	29.9543	0.0000	0.00%
Conrad Weiser Area	28.8600	29.6500	0.7900	2.74%
Governor Mifflin	28.1000	28.6000	0.5000	1.78%
Oley Valley	27.3406	27.9394	0.5988	2.19%
Schuylkill Valley	27.0700	27.8200	0.7500	2.77%
Twin Valley	27.5465	27.5624	0.0159	0.06%
Boyertown Area	26.3700	27.3300	0.9600	3.64%
Hamburg Area	26.9600	26.9600	0.0000	0.00%
Tulpehocken Area	27.1000	26.8500	-0.2500	-0.92%
Wilson	25.6700	26.2600	0.5900	2.30%
Reading	17.9300	17.9300	0.0000	0.00%



What's the value of a mil?

- Value of 1 mil = \$552,958
- Current millage rate = 33.7422
- Keep assessment base equal for assumption

	New Millage Rate	Revenue Generated	Impact on a Property assessed at \$115,000
1.0% increase	34.0796	\$194,146	\$38.80
1.5% increase	34.2483	\$291,219	\$58.21
2.0% increase	34.4170	\$388,291	\$77.61
2.5% increase	34.5858	\$473,937	\$97.01
3.0% increase	34.7545	\$570,955	\$116.41



- 4,704 Residential parcels
- 62% assessed less than \$115,000
- Average Residential parcel assessed at \$100,000

Potential Deficit Closer Scenario

Revenue over Expenditures	
Deficit with 0% tax increase	(\$719,448)
Revenue from 1.5% tax increase	291,219
Use of PSERS Committed Fund Balance	75,000
Remaining deficit	(\$353,229)



Initial Planning Progress Comparison to Last Year

	2019-20 Funding Gap	2020-21 Funding Gap
February 10 th Presentation		(\$899,448)
February 17 th Presentation	(\$1,216,957)	(\$719,448)
April Presentation	(1,175,907)	Future work to continue
May Proposed Final	(\$862,973)	Future work to continue
June Final Adoption	(\$786,803)	Future work to continue





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Operational Budgets

Athletics Overview

- Overall Budget \$611,068
 - Increase of \$8,338
- Non-salary/benefits budget - \$198,880
 - Increase of \$11,275
- Highlights
 - St. Luke's Athletic Training Services
 - Positive Coaching Alliance – Professional learning
 - Planet High School – Online Registration
 - Off-season/summer strength, conditioning, agility training
 - Two new Programs:
 - HS/MS Track and Field @ Kutztown
 - HS Unified Bocce



St. Luke's Update



- Positive relationships with athletes, coaches, families and administration
- Services to youth sport and community organizations
- Professional learning activities for athletes, coaches and families
- Athlete performance testing
- Improved service and cost savings over previous provider
- Sponsorship dollars provided:
 - Two scoreboards – HS Softball and Baseball
 - Signage – HS Gymnasium, Baseball, and Softball; MS Fence



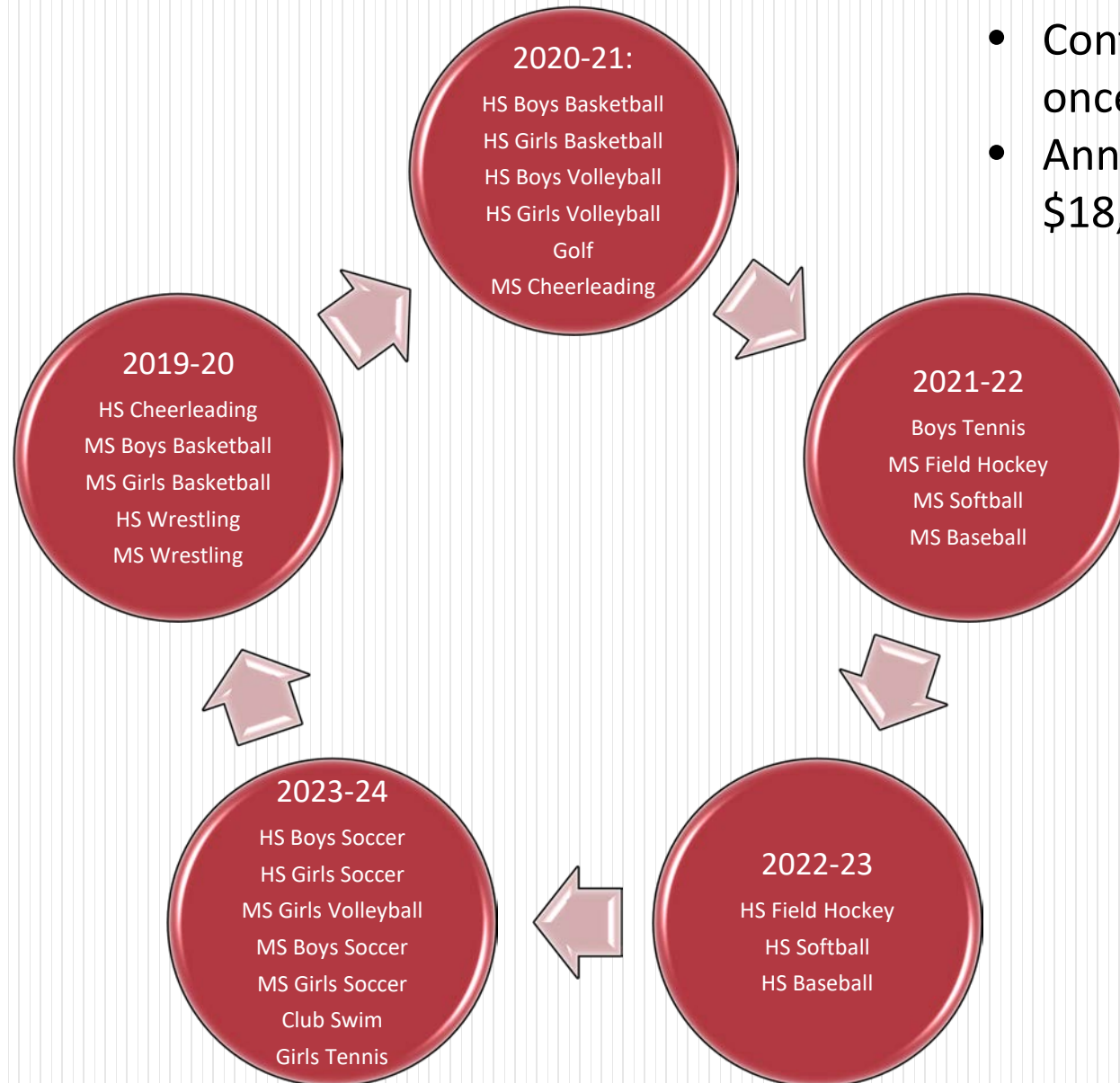
Positive Coaching Alliance



- Research-based workshops led by a PCA Trainer with deep coaching experience
 - Includes Year-round reinforcement of training for leaders, coaches, parents and athletes
- Two Year Partnership includes:
 - Two workshops for coaches each year
 - One workshop for athletes and one workshop for parents each year
- Anticipated benefits to BHASD:
 - Coaches develop athletes as players and as people
 - Reduce players' anxiety, making them more coachable, confident and creative in practice and games
 - Education for parents results in better support for players and coaches
 - Player retention due to parents and players enjoying a more positive experience centered on development of the person and the player.



Uniform Replacement Cycle



- Continuous cycle that repeats itself once complete
- Annual spend of approximately \$18,000



Facility Funding Strategy

Construction Fund

- ~ \$14 million (assuming additional Bond issuance)
- Once a generation type projects (Impossible to budget for in General Fund / Operating Budget)
 - Elementary addition, High School roof, Middle School & High School Enhancements

Capital Reserve

- ~ \$1.5 million
- Large cyclical replacement (Difficult to budget for in General Fund / Operating Budget)
 - Kitchen equipment, High School Chiller, High School Auditorium lights, Macadam, etc.

General Fund / Operating Budget

- ~ \$1.9 million
- Daily opening of buildings, day to day operations
 - Annual maintenance/upkeep, Utilities, Contracted Services, Vehicles, & Supplies

Maintenance Overview

- Overall Budget \$2,788,926
 - Increase of \$87,008
- Non-salary/benefits budget - \$1,994,485
 - Increase of \$193,110
- Highlights
 - Maintenance/Repairs/Upkeep - \$736,675
 - Fire/Burglar alarm, Card access/CCTV, HVAC service contracts, Electric/Plumbing, Waste removal, Rentals, Lawn service, etc.
 - Utilities - \$504,000
 - Natural Gas, Electric, Water/Sewer
 - Outsourced SOS - \$281,000
 - Custodial Supervisor and 2 Custodians - \$144,000
 - Supplies - \$170,600
 - Custodial supplies, Repair parts



District Owned Vehicle Fleet

Type	Vehicle Count	Average Model	Average Mileage	Newest Model	Oldest Model
Maintenance	7	2012	26,327	2018	2005
Vans	8	2008	68,017	2019	2003
Total Vehicles	15	2010	48,561	2019	2003

- Majority of maintenance vehicles in excellent/good condition
 - Used for plowing, salting, general utility, athletics field work, and deliveries
 - Recommend replacing 2005 F-250 with engine issues, rust. Follows vehicle replacement strategy.
- Majority of vans in excellent/good condition
 - Mainly used to transport students – Field trips/Athletics
 - Two 2019 models
 - Recommend selling 2003 Windstar used by Food Service to shuttle food between buildings and an out of service 2003 Venture. Both in poor condition.



Districtwide Overview

- Overall Budget \$6,414,618
 - Decrease of \$716,020
- Refinancing of existing debt anticipated to generate \$785,000 of relief
- BCIU HR resource savings of \$52,728
- Charter School Tuition increase of \$169,000
- BCTC and BCIU costs flat to prior year
- Contracted Transportation costs flat to prior year
- Reduction of Budgetary reserve from \$350,000 to \$200,000



Superintendent Overview

- Overall Budget \$526,790
 - Increase of \$121,633
- Increase primarily driven by addition of new administrative position - Community Outreach / Grant Writer
- Includes School Board budget for meeting advertisements, Bond Insurance, PSBA membership
- Continued memberships for professional organizations and school/community partnerships - BBEC and NE Berks Chamber of Commerce
- Non Salary/Benefit costs flat to prior year



Discussion

- Is the board comfortable with a tax increase?
- Administration will continue to monitor state budget progress
- Administration will continue to prioritize expenditures and look for additional cuts that do not sacrifice strategic priorities
- Personnel budget presentation on March 30th



Upcoming Meetings

- March 2nd – Regular School Board Meeting
 - Budget update if needed
- March 30th – Budget Work Session
 - Salary and Benefits
- April 6th – Regular School Board Meeting
 - Budget update if needed
- May 4th – Regular School Board Meeting
 - Proposed final budget adoption
- June 15th – Regular School Board Meeting
 - Final budget adoption

