

EAST STROUDSBURG AREA SCHOOL DISTRICT

2012-13 Final Budget Discussion

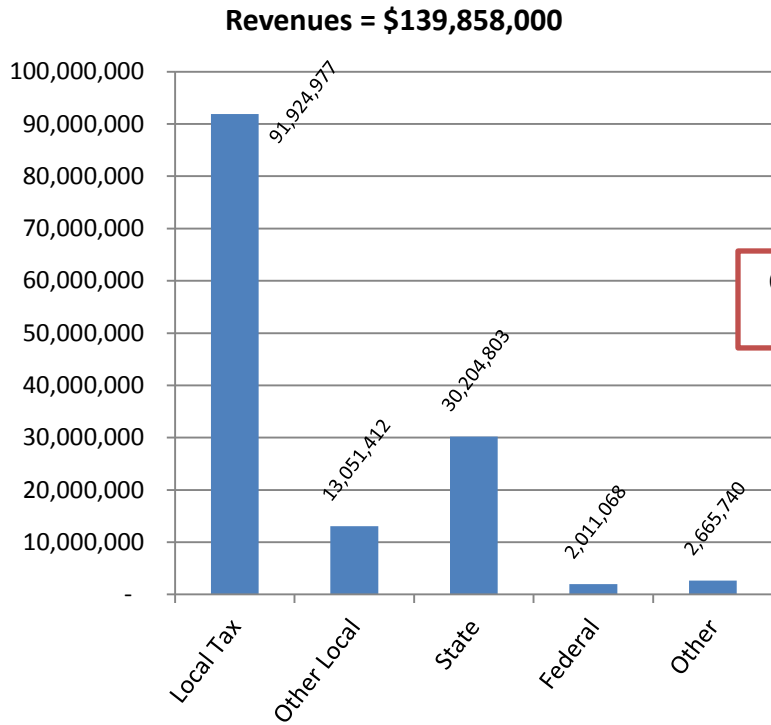
FEBRUARY 27, 2012

ACT 1 Final Timeline

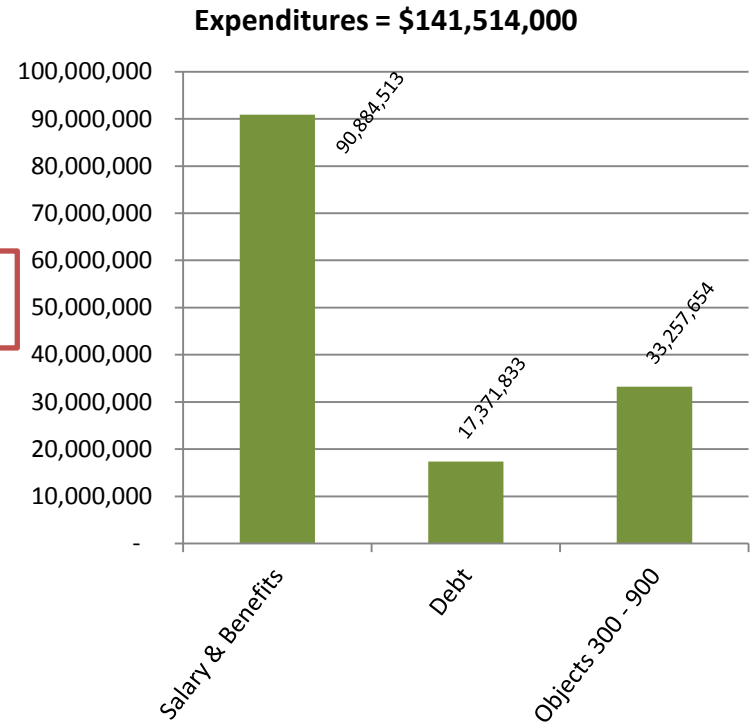
Monday, March 12, 2012	Special Board Meeting Available for Budget Update
Monday, March 19, 2012	Regular Board Meeting
Tuesday, April 3, 2012	Special Board Meeting Available for Budget Update
Monday, April 16, 2012	Regular Board Meeting
Monday, April 30, 2012	Special Board Meeting Available for Budget Update
Monday, May 14, 2012	Special Board Meeting – Adoption of 2012-13 Proposed Final Budget
Monday, May 21, 2012	Regular Board Meeting
Tuesday, May 29, 2012	School District to make 2012-13 Proposed Final Budget on form PDE – 2028 available for public inspection
Thursday, May 31, 2012	PDE deadline to adopt Proposed Final Budget, submit Certificate of Use of PDE 2028
Friday, June 8, 2012	School District must give public notice of its intent to adopt its 2012-13 final budget no later than 10 days prior to adoption.
Monday, June 18, 2012	Regular Board Meeting – Adoption of 2012-13 Final Budget if Proposed Final Budget is adopted at the May 14, 2012 meeting.
Monday, June 25, 2012	Special Board Meeting available if Proposed Final budget is not passed at the May 14 th Special Board Meeting.
Tuesday, June 26 – 30, 2012	Dates available for Final Budget adoption.
Friday, July 13, 2012	Deadline for School District must submit 2012-13 final budget to PDE.

2011-12

Revenues vs. Expenditures



**Operating Deficit =
\$ 1,656,000**

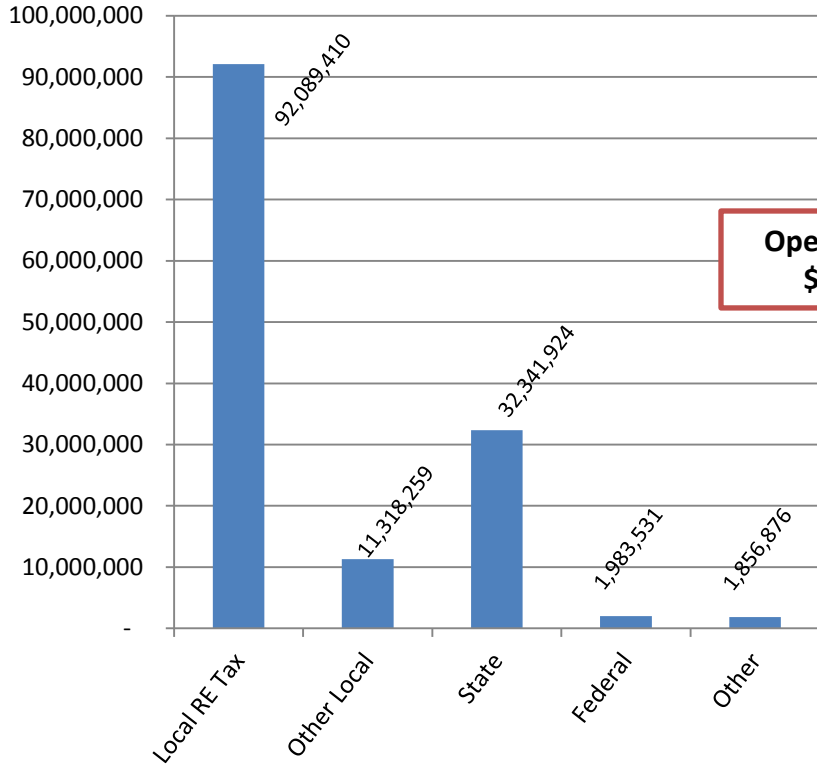


2012-13

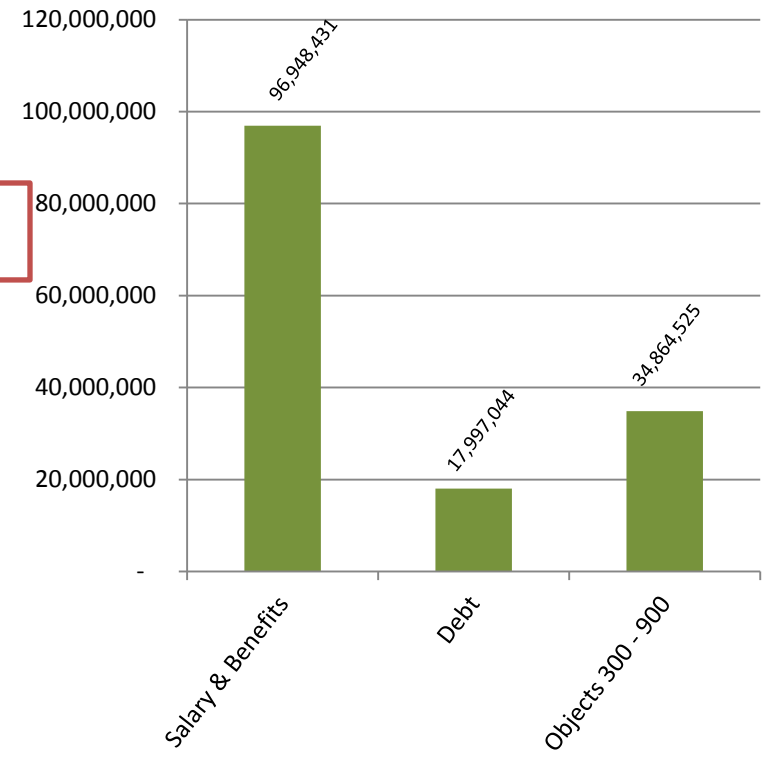
Preliminary Budget Deficit

Tax increase at index of 2.3%

Revenues = \$139,590,000



Expenditures = \$149,810,00



Operating Deficit = \$ 10,220,000

Multi Year Analysis of Assessed Values

	2012-13 Loss in Assessed Values	Nov 1, 2011 *	Nov 1, 2010 *	2009 Assessed Values @	2008 Assessed Values @	2007 Assessed Values @	2006 Assessed Values @
Monroe:							
East Stroudsburg	(1,205,500)	72,100,340	73,305,840	72,545,340	72,239,820	71,697,020	70,485,100
Middle Smithfield	(1,482,290)	223,502,010	224,984,300	222,938,640	215,779,090	203,682,360	187,145,430
Price	184,570	40,291,160	40,106,590	38,690,920	37,360,230	35,925,130	33,721,810
Smithfield	1,279,150	108,150,500	106,871,350	103,221,650	102,751,120	99,194,880	95,973,520
Total Monroe	<u>(1,224,070)</u>	<u>444,044,010</u>	<u>445,268,080</u>	<u>437,396,550</u>	<u>428,130,260</u>	<u>410,499,390</u>	<u>387,325,860</u>
Pike:							
Lehman Twp	(174,190)	183,235,720	183,409,910	182,042,860	179,135,040	171,813,720	166,094,970
Porter Twp	15,880	16,463,910	16,448,030	16,379,120	16,229,550	16,097,220	15,969,120
Total Pike	<u>(158,310)</u>	<u>199,699,630</u>	<u>199,857,940</u>	<u>198,421,980</u>	<u>195,364,590</u>	<u>187,910,940</u>	<u>182,064,090</u>
Total District	<u>(1,382,380)</u>	<u>643,743,640</u>	<u>645,126,020</u>	<u>635,818,530</u>	<u>623,494,850</u>	<u>598,410,330</u>	<u>569,389,950</u>
* Source = November 1 Tax Assessor Certified Values							
@ Source = STEB Assessed Values							

Multi-Year Comparison Revenues

	<i>Actual</i>		Budget		Budget		2012-13 Increase / (Decrease)		2012-13 % Increase
	<i>2010-11</i>		2011-12		2012-13				
Local Tax Revenue	\$ 88,935,845		\$ 91,924,977		\$ 92,089,410		\$ 164,433		0.2%
Other Local Revenue	\$ 15,333,032		\$ 13,051,412		\$ 11,318,259		\$ (1,733,153)		-13.3%
State Revenue	\$ 30,509,265		\$ 30,204,803		\$ 32,341,924		\$ 2,137,121		7.1%
Federal Revenue	\$ 4,922,994		\$ 2,011,068		\$ 1,983,531		\$ (27,537)		-1.4%
Other Revenue	\$ 1,430,212		\$ 2,665,740		\$ 1,856,876		\$ (808,864)		-30.3%
Total	\$ 141,131,348		\$ 139,858,000		\$ 139,590,000		\$ (268,000)		-0.2%

Strategies For a Balanced **Final** Budget

Reducing the Deficit – Revenues

- Improvement in the budgeted collection rate based on January 2012 results – initial results indicate that the collection rate is 87.7% due to HRP/HARA (Fernwood) not paying their taxes in the amount of \$2.8 million at Face. If assuming this payment was received, the collection rate would be 90.4%.
- Delinquent taxes may be increased to \$7.5 million (from \$6.0 million) based on current year results.
- ESASD budgeted revenues appear to be representative of the Governor's proposed budget.

Multi-Year Comparison Expenditures

	<i>Actual</i>		Budget		Budget		2012-13 Increase / (Decrease)	2012-13 % Increase
	<i>2010-11</i>		2011-12		2012-13			
Total Salary	\$ 61,117,830		\$ 63,260,653		\$ 64,933,673		\$ 1,673,020	2.6%
FICA	\$ 4,557,853		\$ 4,839,478		\$ 4,966,841		\$ 127,363	2.6%
PSERS*	\$ 3,342,608	5.64%	\$ 5,407,084	8.65%	\$ 7,946,193	12.36%	\$ 2,539,109	47.0%
Tuition Reimbursement	\$ 247,670		\$ 432,801		\$ 436,919		\$ 4,118	1.0%
Unemployment Comp	\$ 145,470		\$ 273,987		\$ 169,694		\$ (104,293)	-38.1%
Workers Comp	\$ 702,651		\$ 1,092,969		\$ 1,122,245		\$ 29,276	2.7%
Long Term Disability	\$ 117,336		\$ 168,420		\$ 106,880		\$ (61,540)	-36.5%
Medical Insurance	\$ 13,693,810		\$ 15,282,948		\$ 17,129,312		\$ 1,846,364	12.1%
Life Insurance	\$ 121,178		\$ 126,173		\$ 136,674		\$ 10,501	8.3%
Total Benefits	\$ 22,928,576		\$ 27,623,860		\$ 32,014,758		\$ 4,390,898	15.9%
Total Debt	\$ 18,059,861		\$ 17,371,833		\$ 17,997,044		\$ 625,211	3.6%
Total Objects 300-900	\$ 30,232,130		\$ 33,257,654		\$ 34,864,525		\$ 1,606,871	4.8%
Total	\$ 132,338,397		\$ 141,514,000		\$ 149,810,000		\$ 8,296,000	5.9%

*Projected Act 120 of 2010 PSERS Contribution rate:

2013-14 16.75%

2014-15 21.25%

Strategies for a Balanced Final Budget

Reducing the Deficit – Salary and Benefit Items

	Salary and Benefit Items:		
1.	Negotiate Professional Staff salary freeze – one year	^	\$ 1,300,000
2.	Negotiate one year tuition reimbursement suspension – all staff	^	\$ 437,000
3.	Reduction in staff due to retirements	^	\$ 1,000,000
4.	Negotiate Support Staff salary freeze – one year	^	\$ 517,000
5.	Reduce the EBTEP health insurance contribution	^	\$ 0
6.	Reduce the Workers Comp premium	^	\$ 100,000
	Subtotal	^	\$3,354,000

Strategies for a Balanced Final Budget

Reducing the Deficit – Education and Operating Items:

Education and Operating Items:				
7.	Elimination of Behind the Wheel Drivers Education	Salary	*	\$ 203,600
		Supplies	*	\$ 7,400
8.	Elimination of Intermediate Level Athletics	Salary	*	\$ 83,500
		Supplies	*	\$ 248,000
9.	Elimination of Grade 6-10 Science textbooks and Grade 6-10 Math textbooks		*	\$ 478,000
10.	Elimination of all Activity Bus runs		*	\$ 379,000
11.	Reduction in Activity Bus runs – remove 4:30 PM run			\$ 267,000
12.	Reduction in Activity Bus runs – remove 5:30 PM run			\$ 112,000
13.	Negotiate the elimination of In-District Mileage		*	\$ 98,000
14.	Return to ½ Day Kindergarten (Additional transportation costs must be developed)		*	\$ 1,065,000
15.	Elimination of Freshman coaching – football and basketball (boys and girls)		*	\$ 38,000
16.	Reduce utilities budget due to energy savings		*	\$ 300,000

Strategies for a Balanced Final Budget

Reducing the Deficit – Education and Operating Items:

17.	Close Smithfield Elementary Building Staff Reduction- 10 professional + 13.5 support Operating expenses	1	\$,1,572,500
		1	\$ 50,600
18.	Close JM Hill Elementary Building Staff Reduction- 6 professional + 13.5 support Operating expenses	2	\$1,012,000
		2	\$ 50,000
19.	Removal of Teacher on Special Assignment / Dean of Students ESE, HS-S and/or HS-N: At ESE At HS-S At HS-N	*	\$ 109,200
		*	\$ 112,400
		*	\$ 128,200
20.	Elimination of Teaming Concept at Intermediate Level		To be determined
21.	Elimination of Block Scheduling at High School Level		To be determined
22.	Reduction in Graduation Credits - - Reduce Social Studies to 3 from 4 credits - Reduction of 5 teachers	*	\$ 380,000
23.	Reduction in Graduation Credits - - Reduce Electives to 5.6 from 6.6 credits - Reduction of 4.5 teachers	*	\$ 330,000
24.	Elimination of Computer Science teachers at Intermediate Level - Reduction of 2 teachers	*	\$ 136,000
25.	Offering clubs and intramurals on a semester basis	*	\$ 113,000
26.	All ESASD students attending MCTI will be located in HS – South		To be determined

Strategies for a Balanced Final Budget

Reducing the Deficit – Education and Operating Items:

27.	Postpone ITEC replacement plan	*	\$ 200,000
28.	Elimination of Capital Reserve Transfer	*	\$1,000,000
29.	Consolidation of bus runs for Grades 6 – 12		
	- Reduction of 6 - 72 passenger buses	*	\$ 504,600
	- Reduction of 6 bus drivers	*	\$ 207,600
30.	Reduction in Budgetary Reserve to \$300,000	*	\$ 450,000

Strategies for a Balanced **Final** Budget

Subtotal without building closures	*	\$6,571,500
Subtotal with the Closure of Smithfield	1	\$8,194,600
Subtotal with the Closure of JM Hill	2	\$7,633,500
Grand Total with closure of Smithfield Salary & Benefits, Education operating items and Smithfield Closure	1	\$11,548,600
Grand Total with closure of JM Hill Salary & Benefits, Education operating items and JM Hill Closure	2	\$10,987,500

Monroe County Area Schools Graduation Requirements

	PDE*	ESASD	PMSD	PVSD	SASD
English	4	4	4	4	4
Mathematics	3	4	4	4	4
Science	3	4	4	4	4
Social Studies	3	4	4	4	4
Technology		1			0.5
Physical Education		1.6		2	
Health	1**	0.6	4	1	
Driver's Education		0.2			
Humanities	2	2		2	2
Computers			1		
Driver's Ed Theory				0.5	
Graduation Project				0.5	
Computer Lit.				0.5	
Phys. Ed./Driver's Ed./Health					2
Career Planning/Your Life					0.5
Electives	5	6.6	8	6	4
	21.0	28.0	28.0	28.5	25.0

* PDE (Pennsylvania Department of Education) Graduation Requirements obtain from the PA School Code 22 Pa. § 57.31

**Physical Education and Health are combined requiring 1 credit.