

Superintendent's Comments Related to the 2013-2014 Budget

Looking Back at 2012 -2013

Each year unique developments crop up and present fiscal challenges. At the same time, some unexpected events and happenings have a positive impact on the bottom line. The 2012-2013 is no different than any other year. The following list summarizes some of the events or occurrences that had an impact of the operating 2012-2013 Budget.

Unanticipated Positives on the Budget

- Better than anticipated results from the bond refinancing sales.
- Unexpected mid-year retirements (professional and non-certificated staff) saved a considerable amount of money this year.
- A high school librarian was not replaced in the second semester.
- Some special education matters were resolved with less of a financial impact.
- Some revenues exceeded estimates.
- The Secondary Curriculum position was not filled even though a search was completed for a viable candidate.
- Our energy saving strategies led to reduced spending for utilities
- The district received a large increase in Title I funds after the Budget was struck on June 30, 2012
- A good number of Seven Generations students returned to the district.

Unanticipated Negatives on the Budget

- Some revenues did not meet estimates.
- Our estimates for investments did not meet expectations.
- Assessment appeals tended to lower the amount of collected real estate taxes.
- The district received more special education students during the year which increased costs for staff and transportation.
- Overall, the district had to implement more bus runs which led to increased costs.
- Due to a leaky roof, the district had to spend funds to repair the Lincoln School Art Room.
- Although many charter school students returned to the district, we lost more than we anticipated to the new middle level performing arts school in Salisbury which also played a role in increasing our transportation costs.

2013-2014 Budget Highlights

- No local tax rate increase.
- The district has averaged about a 1% increase to the tax rate in the last three budgets.
- Since 2009-2010, the East Penn annual Budget has been less each year than the index and allowable exceptions.
- The Budget is responsive to current conditions in the school district.

- The Budget contains new professional positions:
 - High school Biology (Keystones)
 - Elementary Teacher
 - Special Education (autism)
 - Speech Therapist (paid with ACCESS funds)
- The Budget eliminates one high school librarian position through attrition.
- All existing instructional /curriculum programs remain intact.
- The Budget funds to help meet the PDE’s requirements for the implementation of the Common Core Standards and the Keystone Examinations.
- The Budget has significant savings in Utilities accounts.
- The Budget provides for increased PSERS contributions.
- The Budget honors all employee contracts.
- The Budget includes the continuation of the Senior Citizen Tax Rebate Program.
- The budget maintains focus on “green” solutions.
- Discretionary appropriations show little or no increases and continue with a frugal approach that has been employed in the last four years.
- Charter School costs have stabilized.
- Debt service shows the positive results of bond refinancing sales over the last several years.
- The Budget maintains a 5% Budgetary Reserve as required by Board Policy.
- The Budget provides funds for continued initiatives such as BYOD, Flipped Classrooms, Blended Approach, Digital Content, Instructional Rounds, and work on the overall curriculum improvement cycle.
- The Budget supports PIL requirements through a cost saving approach.
- The Budget supports building based staff development.
- The Budget Includes transportation efficiencies.
- Community resources will be used to save money in projects such as the printed district calendar.
- The Budget provides funds to continue the S.T.E.A.M initiative.

Future Projections and Concerns for 2014-2015 and Beyond

- Signs that enrollment will continue to grow.
- State issues (PSERS, School Funding) are cloudy at best.
- Sequestration may have a negative impact on the local budget.
- Impact on staff training for the implementation new School Performance Profile and Teacher/Principal Effectiveness Models is unknown.
- No sign of special education students lessening.
- Concern that more staff may be needed coupled with a low index.
- Positive signs of commercial growth.
- The prospect of new housing developments may cause the Board to enter into a planning mode for classroom space.

- Revenues are promising.
- There is a lingering concern about tax assessment appeals (appeals not yet resolved).
- The shift to digital content will save money in the long run.
- There is anticipation that BYOD will enable the district to reduce future technology purchases.
- Future staff retirements may ease the cost of adding new teachers.
- There may be another opportunity to refinance existing bonds.
- Districts in PA continue to over pay for cyber charter students.
- Special Education funding may or may not be an ongoing issues.
- Investment income will likely not rebound.
- Consolidation of bus runs may save money.
- The continued shift to sensor lighting will continue to save money.