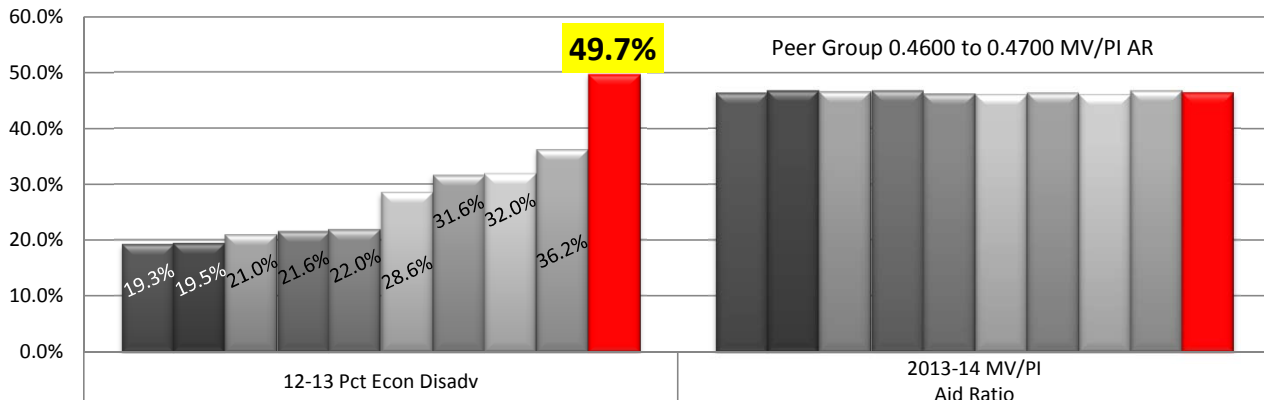


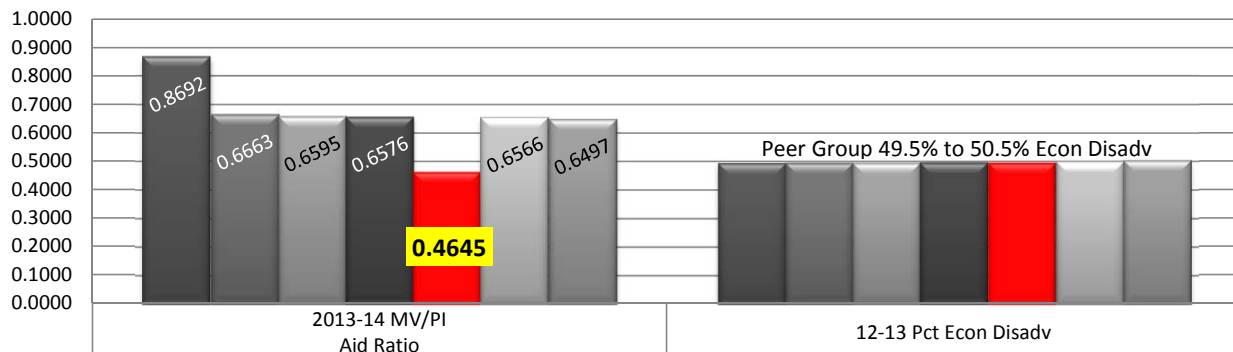
BASD is truly unique when comparing our student population and their educational needs to the traditional wealth indicator of MV/PI aid ratio. While BASD is at the mid-point of the group in wealth as measured by MV/PI, our population is far more economically disadvantaged than our peers thereby creating a funding inequity in the current BEF methodology. The cost of educating a student population of this economic level is far greater than the MV/PI aid ratio would indicate for BEF, state, federal and grant funding. This anomaly is further skewed at the BASD individual building level with 22 schools at varying regional wealth variances.

Economically Disadvantaged Population within MV/PI Aid Ratio Peer Group



	12-13 Pct Econ Disadv	2013-14 MV/PI Aid Ratio
Lower Dauphin	19.3%	0.4642
Palmyra Area	19.5%	0.4681
Brandywine Heights	21.0%	0.4665
Fairfield Area	21.6%	0.4683
Upper Perkiomen	22.0%	0.4624
South Western	28.6%	0.4614
Millcreek Township	31.6%	0.4643
Riverview	32.0%	0.4615
Tulpehocken Area	36.2%	0.4682
Bethlehem Area	49.7%	0.4645

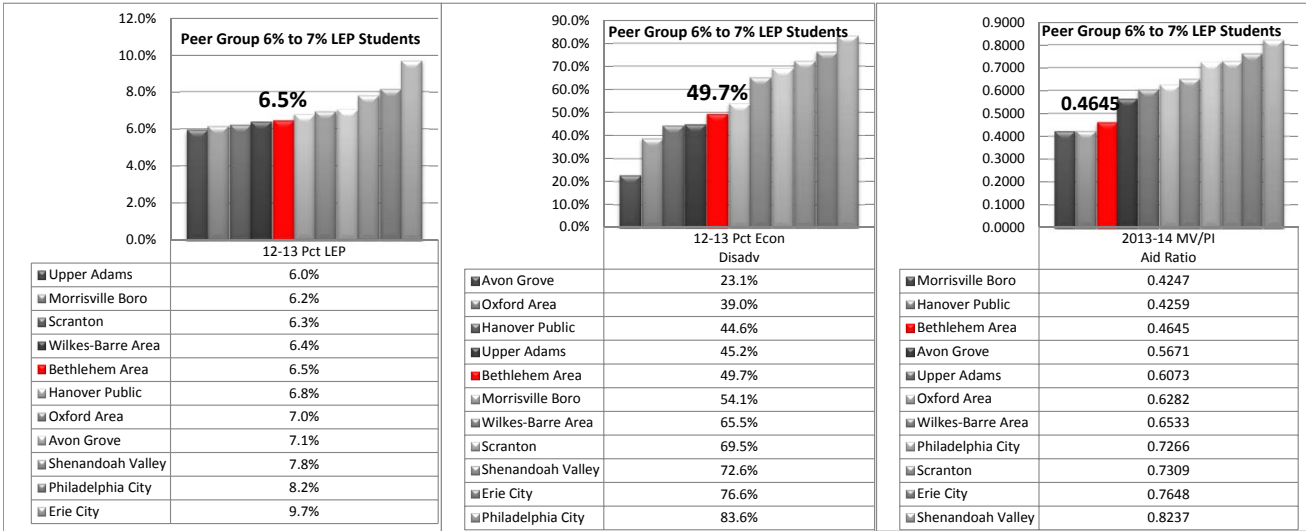
MV/PI Aid Ratio within Economically Disadvantaged Peer Group



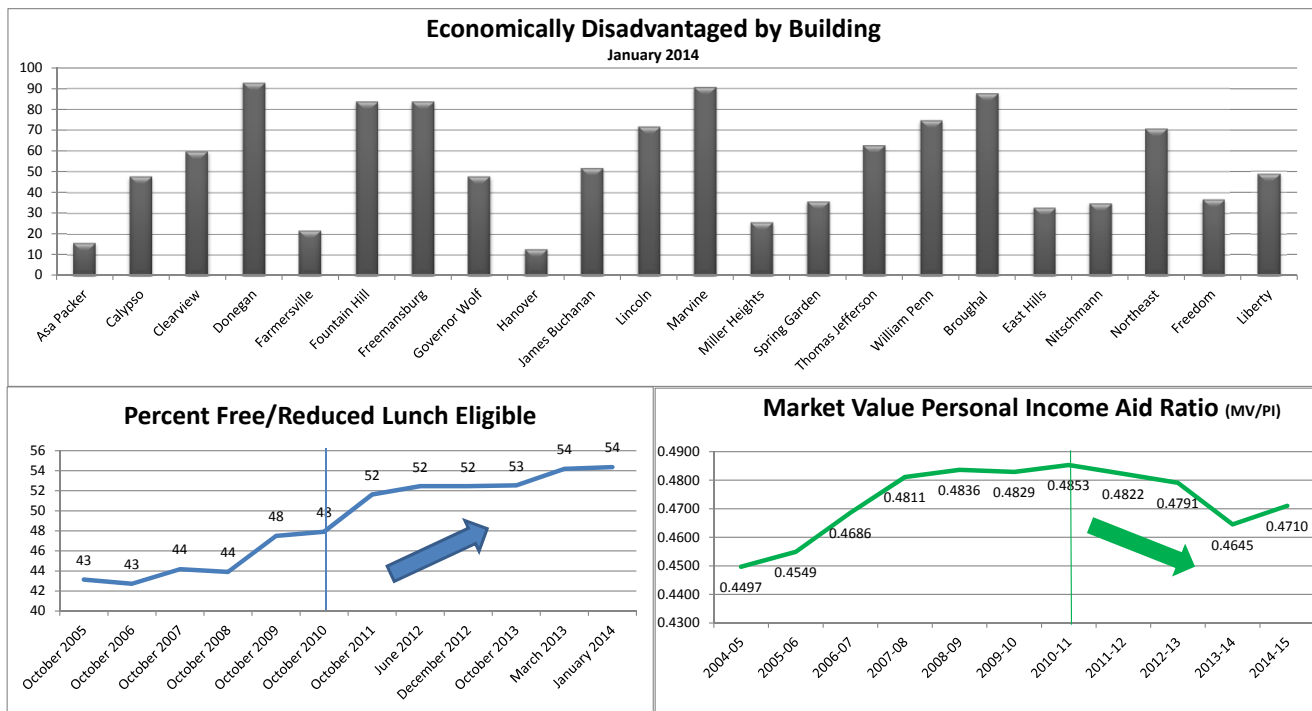
	2013-14 MV/PI Aid Ratio	12-13 Pct Econ Disadv
Duquesne City	0.8692	49.5%
Wyoming Valley West	0.6663	49.6%
Allegheny-Clarion Valley	0.6595	49.6%
Shikellamy	0.6576	49.7%
Bethlehem Area	0.4645	49.7%
Laurel Highlands	0.6566	50.0%
Steel Valley	0.6497	50.5%

Limited English Proficiency

Another material instructional cost is the additional premium to educate students with Limited English Proficiency (LEP or ELL or ESOL). While BASD had 6.5% of our population with limited english skills, compared to our peer group we were considered to be significantly more wealthy by the MV/PI Aid Ratio which is primarily used to determine subsidy allocations including BEF.



The local economic profile of BASD varies greatly across the 22 district schools with an overall economically disadvantaged percentage of 49.7% in 2012-13 data that has now risen to 54.4% in January 2014. In all but two schools, the poverty population has increased since 2005 and in seven the increase was by more than 50%. One school's poverty rate actually more than doubled over the same time. The range is now from 13% to 93% yet over this same time, according to the MV/PI aid ratio, BASD wealth has continued to grow and increase thereby limiting the increase in state subsidy to fund educational programs over the same time. This has continued to place a greater burden on our local taxpayers who are becoming more impoverished with less ability to pay for mandated increases such as PSERS and charter school tuition without additional state funding. Amendments to the BEF allocation formula is necessary to take these unique local variances into consideration.





Bethlehem Area School District
BEF Funding Commission Information

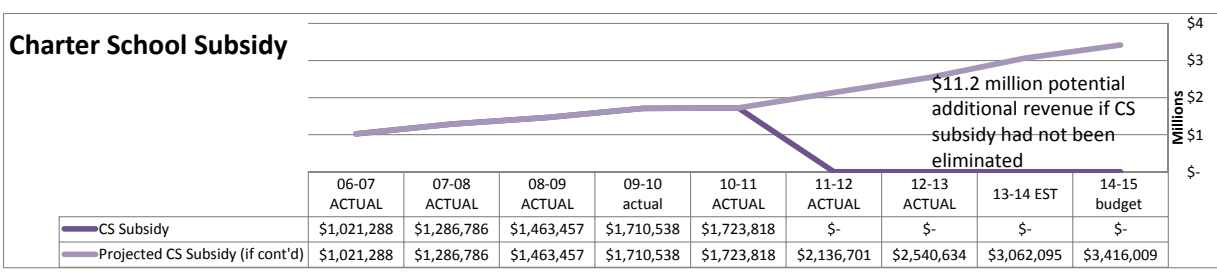
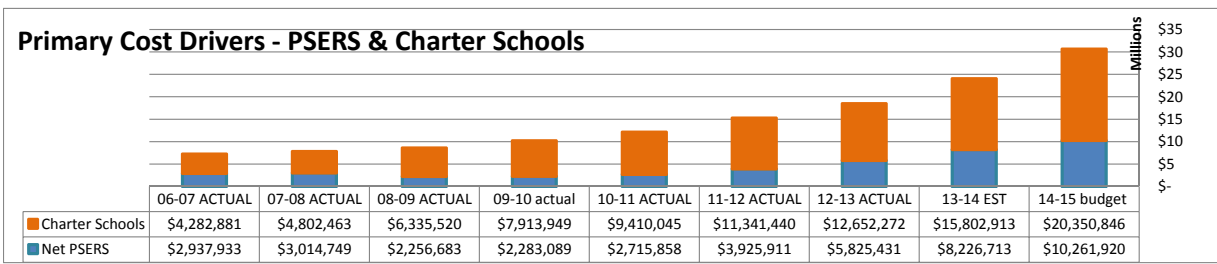
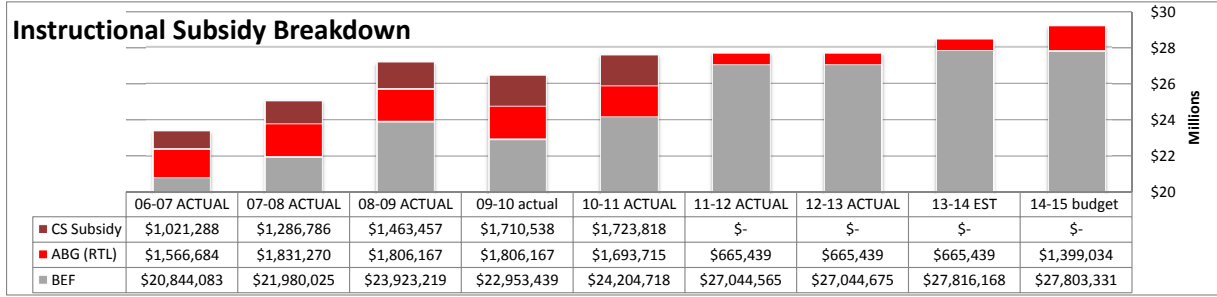
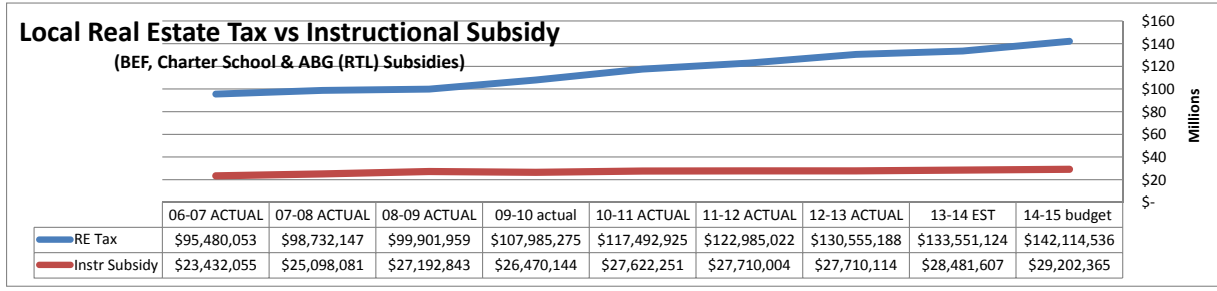
09/08/2014

	<u>14-15 budget</u>	<u>13-14 EST</u>	<u>12-13 ACTUAL</u>	<u>11-12 ACTUAL</u>	<u>10-11 ACTUAL</u>	<u>09-10 actual</u>	<u>08-09 ACTUAL</u>	<u>07-08 ACTUAL</u>	<u>06-07 ACTUAL</u>	<u>8 Yr Incr</u>
RE Tax	\$ 140,514,536	\$ 133,078,821	\$ 129,105,493	\$ 120,300,669	\$ 116,442,908	\$ 105,221,193	\$ 98,618,083	\$ 97,165,864	\$ 92,632,278	51.69%
Interim RE	\$ 1,600,000	\$ 472,303	\$ 1,449,694	\$ 2,684,352	\$ 1,050,017	\$ 2,764,082	\$ 1,283,876	\$ 1,566,283	\$ 2,847,775	-43.82%
Local Total	\$ 142,114,536	\$ 133,551,124	\$ 130,555,188	\$ 122,985,022	\$ 117,492,925	\$ 107,985,275	\$ 99,901,959	\$ 98,732,147	\$ 95,480,053	48.84%
Tax Millage	50.99	48.36	47.09	44.92	44.17	41.60	39.58	37.56	36.58	39.39%

	<u>14-15 budget</u>	<u>13-14 EST</u>	<u>12-13 ACTUAL</u>	<u>11-12 ACTUAL</u>	<u>10-11 ACTUAL</u>	<u>09-10 actual</u>	<u>08-09 ACTUAL</u>	<u>07-08 ACTUAL</u>	<u>06-07 ACTUAL</u>	
BEF	\$ 27,803,331	\$ 27,816,168	\$ 27,044,675	\$ 27,044,565	\$ 24,204,718	\$ 22,953,439	\$ 23,923,219	\$ 21,980,025	\$ 20,844,083	33.39%
CS Subsidy	\$ -	\$ -	\$ -	\$ -	\$ 1,723,818	\$ 1,710,538	\$ 1,463,457	\$ 1,286,786	\$ 1,021,288	-100.00%
ABG (RTL)	\$ 1,399,034	\$ 665,439	\$ 665,439	\$ 665,439	\$ 1,693,715	\$ 1,806,167	\$ 1,806,167	\$ 1,831,270	\$ 1,566,684	-10.70%
Instr Subsidy	\$ 29,202,365	\$ 28,481,607	\$ 27,710,114	\$ 27,710,004	\$ 27,622,251	\$ 26,470,144	\$ 27,192,843	\$ 25,098,081	\$ 23,432,055	24.63%
PSERS Subsidy	\$ 10,284,515	\$ 7,897,500	\$ 5,566,150	\$ 3,847,384	\$ 2,544,069	\$ 2,210,071	\$ 2,261,958	\$ 3,172,473	\$ 2,689,183	282.44%
PA Grand Total	\$ 39,486,880	\$ 36,379,107	\$ 33,276,264	\$ 31,557,387	\$ 30,166,320	\$ 28,680,215	\$ 29,454,801	\$ 28,270,554	\$ 26,121,238	

<i>Projected CS Subsidy (if cont'd)</i>	\$ 3,416,009	\$ 3,062,095	\$ 2,540,634	\$ 2,136,701	\$ 1,723,818	\$ 1,710,538	\$ 1,463,457	\$ 1,286,786	\$ 1,021,288	
	27.00%	27.00%	27.00%	27.00%	27.21%	27.00%	30.47%	30.04%		

	<u>14-15 budget</u>	<u>13-14 EST</u>	<u>12-13 ACTUAL</u>	<u>11-12 ACTUAL</u>	<u>10-11 ACTUAL</u>	<u>09-10 actual</u>	<u>08-09 ACTUAL</u>	<u>07-08 ACTUAL</u>	<u>06-07 ACTUAL</u>	
PSERS	\$ 20,546,435	\$ 16,124,213	\$ 11,391,581	\$ 7,773,294	\$ 5,259,927	\$ 4,493,160	\$ 4,518,641	\$ 6,187,222	\$ 5,627,116	265.13%
Charter Schools	\$ 20,350,846	\$ 15,802,913	\$ 12,652,272	\$ 11,341,440	\$ 9,410,045	\$ 7,913,949	\$ 6,335,520	\$ 4,802,463	\$ 4,282,881	375.17%
Exp Total	\$ 40,897,281	\$ 31,927,125	\$ 24,043,853	\$ 19,114,734	\$ 14,669,971	\$ 12,407,109	\$ 10,854,160	\$ 10,989,685	\$ 9,909,997	
Net PSERS	\$ 10,261,920	\$ 8,226,713	\$ 5,825,431	\$ 3,925,911	\$ 2,715,858	\$ 2,283,089	\$ 2,256,683	\$ 3,014,749	\$ 2,937,933	249.29%
Net CS	\$ 20,350,846	\$ 15,802,913	\$ 12,652,272	\$ 11,341,440	\$ 7,686,226	\$ 6,203,411	\$ 4,872,062	\$ 3,515,677	\$ 3,261,593	523.95%
Net CS if Subsidy	\$ 16,934,837	\$ 12,740,818	\$ 10,111,637	\$ 9,204,739	\$ 7,686,226	\$ 6,203,411	\$ 4,872,062	\$ 3,515,677	\$ 3,261,593	419.22%



While BEF funding increased 33% over the last eight years from 2006-07 to the present, other subsidies for instructional programs has been reduced or eliminated. In 2010-11, the Accountability Block Grant was cut by 61% at the same time as the federal stimulus money went away. Also in the same year, the subsidy for Charter Schools was eliminated realizing a net increase in state subsidy for basic instructional programs only increased 24.6% since 2006-07. At the same time, to maintain sound educational programs for students, revenue from local real estate taxes increased by 48.9% to make up the loss in state funding. Over the same period, real estate growth and development declined by 44% and local poverty has increased by 26% as evidenced by student economically disadvantaged rates.

Also during this same period, the mandatory pension costs increased by 249% and mandated tuition payments to charter schools increased by 524%. The net cost increase for just these two costs, PSERS and Charter Schools, increased by \$24.4 million since 2006-07 yet the basic education subsidies increased only \$5.77 million. The difference to fund the gap of \$18.6 million for these two items alone has come from substantial budgetary reductions and educational program reductions including furloughs and program eliminations annually. While other costs beyond these two areas also continue to rise such as healthcare, fuel, wages, increased newly mandated programs and overall inflationary increases have continued to rise as well, the impact has been a total of \$32.3 in reductions over the past five years alone ranging from \$2.3 million to \$11.4 million per year or \$6.5 million per year on average cut from the district's budget to pay for ongoing increases primarily in mandated costs that have not been covered by sufficient state subsidy.

To demonstrate the frugality of BASD budgeting in this climate, in 2014-15 the budget for BASD programs including all support costs and debt service only increased 0.25% to be able to fund a 26% PSERS increase and 47% increase in Charter School tuition that still required a 4.99% local tax increase.