



**NORRISTOWN AREA SCHOOL DISTRICT
2010-11 GENERAL FUND BUDGET DISCUSSIONS**

**Responses to Community Questions
Raised At Our Budget Committee Meeting - April 7, 2010**

1. Has NASD considered introducing any other medical plans (other than BCBS Personal Choice) to its employees?

Answer / Response: Yes, like many of our neighboring School Districts, NASD successfully introduced the BCBS Keystone C1-F1-01 medical plan to several employee groups during the 2009-10 school year. It should be noted that this product is extremely comparable to the Personal Choice plan that has been the standard plan in our District for the past decade; and the transition was nearly transparent. The decision to migrate to this plan has provided savings opportunities to both NASD as an employer and to our participating staff members.

During the Districts' negotiations with NESPA (one of our support organizations), the C1-F1-01 plan was introduced. When a contract could not be reached; both parties entered into a process called "Fact Finding". The Fact Finder examined all of the issues related to the wage and benefit offers of both the District and NESPA; as well as the economic cases presented and argued by both sides as related to these offers. The Fact Finder, in his decision, recommended the implementation of the C1-F1-01 plan as part of his recommendations. While it is typically inappropriate to discuss negotiations publicly, the Fact Finders Report is a public document and was accepted by the School Board at a public meeting. NESPA rejected the Fact Finders Report last spring; in essence rejecting the C1-F1-01 plan. It is no secret that health care plan design remains a stumbling block in the negotiations with this group.

2. Regarding the NASD students that attend the Technical High School; are the students able to achieve certification or accreditation in the technical fields offered at the tech school if they only attend the school for 2 years?

Answer / Response: As a follow up to the March Board meeting, below you will find a list of two and three year programs and the number of Norristown Area School District students enrolled in each program. Presently, there are 248 students from our district attending the Central Montco Technical High School:

- Grade 10 – 35 students
- Grade 11 – 95 students
- Grade 12 – 108 students

	Grade 10	Grade 11	Grade 12	Comments/Time to Acquire Pre-requisites for Certification
Two Year Programs				
Allied Health			2	2 years
Biomedical Technology		4	2	1 year
Pre-Nursing		1	3	
Three Year Programs				
Automotive Technology	1	17	12	1-2 years based on
Collision Repair	4	4	5	1 year
Construction Technology	5	9	7	2 years
Cosmetology	3	12	16	Program requires 1250 in order to take State Boards 3 years
Culinary Arts	11	20	16	1 year
Early Childhood Education		3	6	3 years-CDA Ready 1 year-Pediatric/Infant First Aid/CPR
Engineering Technology	1	1	1	2 years
Health Occupation		8	13	1 year First Aid 2 years Red Cross
Networking	3	8	3	3 months-3 years based on certification
Public Safety	1	4	4	1 year
Visual Communication	6	4	17	

3. How much money has been budgeted for 2010-11 teacher salary increases?

Answer / Response: Because negotiations with EANA are currently in progress, it would be inappropriate to publicly comment on their 2010-11 wages.

4. Regarding the response posted to Question #1 from the March 3, 2010 Budget Committee Meeting, can the Districts response be expanded to include several years worth of historical data in these categories?

Answer / Response: The data provided has been expanded and can be found in the chart below:

Object Code & Description	2008-09 Actual	2009-10 Final Adopted Budget	2010-11 Preliminary Budget
100- Wages	\$ 59,581,195	\$ 61,920,055	\$ 63,990,000
200- Employee Benefits	\$ 19,027,787	\$ 26,267,265	\$ 26,671,500
300- Purchased Professional & Technical Svcs	\$ 3,308,086	\$ 4,036,000	\$ 3,886,000
400- Purchased Property Svcs	\$ 2,300,827	\$ 2,931,000	\$ 2,891,500
500- Other Purchases Svcs	\$ 18,020,970	\$ 20,183,650	\$ 20,636,800
600- Supplies	\$ 4,201,114	\$ 4,051,250	\$ 3,884,100
700- Property	\$ 1,660,727	\$ 587,500	\$ 521,850
800- Other Objects	\$ 3,482,595	\$ 3,375,500	\$ 3,335,500
900- Other Uses of Funds	\$ 2,425,619	\$ 2,357,000	\$ 3,435,300
TOTAL PRELIMINARY EXPENSES:	\$ 114,008,920	\$ 125,709,220	\$ 129,252,550

5. Regarding the response posted to Question #2 from the March 3, 2010 Budget Committee Meeting, can the response be incorporated into the Budget Document itself?

Answer / Response: Yes – we will add the requested line item detail to our 2010-11 Final Budget Document which will be available in June 2010.

6. Several School Board members discussed the possibility (and implications) of reducing local contributions to several of our community partners; such as the Norristown Municipal Library, Family Services, etc. Can spending on these items be reviewed?

Answer / Response: We can certainly revisit and discuss these budgeted expenditures. For the upcoming 2010-11 school year, we currently have budgeted the following payments:

- Family Center - \$ 36,000
- PAL – Police Athletic League \$ 5,000
- Norristown Public Library \$ 13,500

Additionally, it has been suggested that the School Board's annual contribution to the NAHS DECA Club trip to their organizations National Competition be reviewed; for the 2010-11 year this has been budgeted at \$ 10,000.

7. There was discussion about PILOT payments, which are Payments Received In-Lieu of Taxes, and whether or not we can generate more revenue by soliciting such payments.

Answer / Response: As you know, NASD does not receive school tax payments on properties owned by non-profit or tax-exempt organizations; such as churches and hospitals, as well as federal, state, and county owned properties. We do currently receive about \$ 12,000 in PILOT revenue each year – from payments received from several local churches.

As we shared that evening, the District has very recently approached several larger non-profit entities within the District about PILOT payments. Typically, though, we do not actively solicit PILOT payments on an annual basis; further discussion and direction would be needed to implement such an initiative.

8. In which categories or areas do most Principals spend their Building Budgets?

Answer / Response: As shared, most of the funds allocated to our buildings are spent on consumable materials in Regular Education (Function 1100) and Special Education (Function 1200). Funding is also used to purchase fresh materials for our libraries (Function 2200), and for general office supplies (Function 2300).

9. **Again, regarding the medical plans being offered by NASD to its employees, please share which groups have implemented any other plans that the BCBS Personal Choice product line?**

Answer / Response: NASD staff in our MMAP group, which is our Middle-Management & Auxiliary Personnel group, and the Districts executive or cabinet-level team have both migrated from the Personal Choice product to the Keystone C1-F1-01 product line.

10. **Several community members voiced opinions regarding the upcoming teacher negotiations, and offered suggestions, strategies and/or expectations. These included issues such as contract length, wage freezes, and performance-based pay.**

Answer / Response: Again, negotiations with EANA are currently ongoing and, therefore, it would be inappropriate to publicly comment on this matter.

11. **There was discussion about implementing a rebate program for senior citizens; and whether or not such a program was feasible for NASD?**

Answer / Response: This topic was last discussed by our School Board in 2005. At that time, we looked closely at implementing a program that closely mirrored the program offered to our senior citizens by the Pa Property Tax Rebate Program – which is funded by the Pa Lottery Program.

To qualify for the program we were discussing, the taxpayer:

- A. Must own & reside in home
- B. Must pay their taxes first & apply for the rebate
- C. Must be 65 years of age (or older), or 50 years of age (or older) and a widow(er), or 18 years of age (or older) and totally disabled
- D. AND – must have total household income less than \$ 15,000

At the time, we estimated that 875 taxpayers would qualify for this program; and that the financial exposure to NASD was about \$ 375,000 annually. This would have created an additional budget shortfall of that amount, and as a result, this program was not implemented.

We have asked our tax collector to begin gathering taxpayer data so that we can reevaluate this program again for implementation in the 2010-11 school year. However, given the current projected budget shortfall for 2010-11, we may need to delay the implementation of any local rebate program until our financial position is more stable.

12. **Do we expect to receive gambling revenue (profits) to be available for distribution to our taxpayers in 2010-11?**

Answer / Response: Yes, all indications from Harrisburg are that gambling in Pennsylvania remains profitable. Act 1 of 2006 outlines the timetable for when School Districts will be notified about the allocation of funds for property tax relief, as follows:

- April 15, 2010 – Deadline for the Secretary of the Budget to certify the total amount of revenue in the Property Tax Relief Fund and the Property Tax Relief Reserve Fund and the total amount for distribution in 2010-11
- April 20, 2010 – Deadline for the Secretary of the Budget to notify the Department of Education whether it is authorized to provide school districts with property tax allocations
- May 1, 2010 – Deadline for the Department of Education to notify school districts of the amount of their state allocation for property tax reduction funding. **This is when NASD will be notified of the amount of property tax relief which will be available here in our District for the 2010-11 school year.**

13. **How much money has been budgeted for legal fees for 2010-11?**

Answer / Response: At this point, we have budgeted \$ 350,000 for next years legal fees. Please keep in mind that this includes legal fees for labor negotiations, other personnel and property matters, all of our assessment appeals, all special education case work, and the cost of the solicitor at our meetings.

- 14. Are the textbook and material purchases that were discussed tonight being done in reaction to recent criticism, or were these already in the planning stages?**

Answer / Response: No, purchases are not made in reaction to criticism. Last year we aggressively reviewed all of the materials in our schools and realized that textbooks and other materials had to be replaced. Textbook purchases are made for 2 reasons. First, to replace books that are older and quite worn from years of continued use. This was the case when we purchased reading and social studies textbooks in grades 5 and 6 last year. The second reason is to provide books for new or redesigned courses. Last year we purchased textbooks for new Advanced Placement textbooks at the high school and the 4th grade reading and social studies textbooks. We also purchased Algebra I books for our middle schools and new textbooks for various high school courses.

The high cost of textbooks requires us to have a roll-out plan for a limited number of textbook purchases each year. For the 2010-2011 school year, the plan indicates a need for grade 7 and 8 Social Studies and English textbooks, grade 3 Reading books, and Social Studies materials for kindergarten and grade 1.

- 15. Why aren't there enough textbooks available for students to take them home?**

Answer / Response: We use textbooks as resource material for teachers and for students. There are class sets of textbooks in every classroom and all students have access to them. Textbooks are very expensive ranging in cost from \$72.00 to \$150.00 each. Each teacher who teaches a particular subject often receives a class set of books that they use with each group he/she teaches throughout the day. A class set may cost \$8,000.00 or more. Buying enough textbooks for each student in the grade would add another \$7,000.00 to the cost for each teacher. The extra expense is not necessary for a few reasons:

- All of the textbooks purchased since 2008 are available to students and parents on-line. The entire textbook is on-line allowing students who have access at home or at the libraries to review any part of the text.
- Students who request to borrow a textbook for home use are always granted the option.
- Though it varies from classroom to classroom textbooks are most often used as one source of information and students usually do not need the book for homework. The purpose of homework is to ensure that students reinforce and reflect on what they learned in school. This is most effectively accomplished through homework that allows students to practice and apply what they learned in the classroom in a variety of ways.

- 16. Paul Fly Elementary School raises a significant amount of money through school fundraisers, why aren't they using this money to buy more textbooks – so that each student does have a textbook to take home?**

Answer / Response: Profits from school fundraisers are usually directed toward a specific purchase that is determined before the fundraiser begins. Most fundraisers are done in partnership with Parent Councils who provide most of the work necessary for a successful fundraiser. Each school group chooses the purpose of fundraisers and suggestions may come from anyone in the school community. This is a question that could be asked at a Parent Council meeting.

- 17. On the NASD website, there is a place for the community to submit Budget ideas, comments, questions, and/or suggestions. This form does not allow the person submitting an entry to capture or print their entry – can this be corrected?**

Answer / Response: This issue has already been corrected. We encourage all community members to visit our website, which contains valuable information about the 2010-11 budget process, as well as the opportunity to submit feedback to the School Board electronically.

- 18. At a recent School Board meeting, there was some discussion about surveying community members about the District's programs; is this going to be done soon?**

Answer / Response: This process is not going to be done at this time, as the concept needs more discussion and refinement before it can be effectively initiated.

19. Does the District work with other local entities (like other public school districts) on joint economic issues; such as purchasing?

Answer / Response: Yes – there are many joint efforts that NASD participates in. From the purchasing perspective, we work with the Montgomery County Intermediate Unit (MCIU), the Central Susquehanna Intermediate Unit (CSIU), and the Pa Department of General Services for joint purchasing opportunities. Through the CSIU, we participate in the Pa Joint Purchasing Council and the Association of Educational Purchasing Agencies, which are very effective joint purchasing programs.

On another front, it should be noted that we work with our neighboring school districts on shared transportation issues; such as the transportation of homeless students and the transportation of non-public students. For the 2010-11 school year, we are looking to expand partnerships related to non-public transportation as a way to reduce spending. (For example, if both NASD & Methacton SD only have a handful of students to attend the same non-public school, which is outside both boundaries; we are looking to share one bus to that facility and looking to share the cost of that one bus)

And one last example for your reference deals with health care; which is such a significant factor in our budget. Members of the NASD Administrative staff are active participants in a County-Wide consortium working on health care. This consortium has been spearheaded by the Montgomery County Intermediate Unit and has been working diligently to identify and explore opportunities to reduce health care costs for all Montgomery County School Districts. Through the efforts of this consortium, NASD moved to a self-funded prescription program in January 2010.

20. Can NASD permit senior citizens to pay their annual school tax bill in 12 equal monthly installments, and can preauthorized ACH payments be permitted for this monthly payment?

Answer / Response: Act 1 does allow taxpayers to make their school tax payments in “installments”; however, it does not allow for payment in 12 equal monthly installments. The full amount of the tax bill must be made between July 1 and December 31 of the given year, so there is not a legal opportunity to make the monthly payments as requested.

In response to the request for ACH payments (which are pre-authorized electronic withdrawals from personal bank accounts – very similar to electronic checks), at this time there is a fee associated with these transactions, and as a result, we are unable to offer such payments right now.

We will review this topic again next spring as we prepare for the next cycle of tax bill collection.

21. Has the District received approval from PDE for the Act 1 “Exceptions” that were requested?

Answer / Response: NASD filed for two “exceptions” under Act 1; the exception related to spending for PSERS (Retirement) and the exception related to spending for No Child Left Behind (NCLB). These exceptions, and the process, were discussed at our March 22, 2010 School Board meeting. The presentation from that meeting can be found on our website at: <http://www.nasd.k12.pa.us/Pubs/Budget/2010-11/Presentation032210.pdf>

The Pa Department of Education has approved both our exception requests. A copy of this approval notice can also be found on our website at : <http://www.nasd.k12.pa.us/Pubs/Budget/2010-11/PDE%20Exception%20Approval.pdf>

The approval of these exceptions allows for NASD to raise the 2010-11 school tax millage rate from 28.417 mills to 31.1435 mills, or by about 9.5%. Please be assured that we do intend raise the school taxes to that level. As you learned at the Budget Committee meeting on 4/7/10, the needed tax increase is already down to 6.7% - and we still have much work to do over the next few months.

22. There was brief discussion about a new housing development in East Norriton Township, and when NASD would see new tax revenue from such growth.

As part of our annual budget process, we reach out to all of our local municipalities and to the Montgomery County Board of Assessment as needed to project assessment changes (increases and decreases) and to project our interim and current real estate tax revenues. New developments are often the key to interim real estate tax collections; as we work closely to get these properties on our tax rolls as quickly as possible. These mid-year assessment changes generate our interim tax revenue.

We are currently in the midst of this out-reach process; and our final projections will reflect any positive growth related to new developments.