

# **NORRISTOWN AREA SCHOOL DISTRICT 2011-12 Preliminary Budget**



**Presented January 24, 2011**

**Scheduled To Be Adopted  
February 14, 2011**

# NORRISTOWN AREA SCHOOL DISTRICT 2011-12 Preliminary Budget

January 24, 2011 Presentation Overview



## Act 1 of 2006

Guides  
Annual  
Process &  
Timeline

## 2011-12 Revenue

Loss of  
Stimulus  
Funding

Limited Info  
Available  
About State  
Funding

## 2011-12 Expenses

Significantly  
Impacted by  
PSERS

Medical  
Increases  
Estimates

NESPA  
contract  
unresolved

## Next Steps

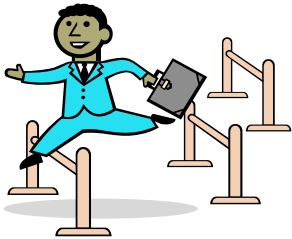
Annual  
Program  
Review

Annual  
Position  
Review  
(Staff Audit)

# NASD 2011-12 PRELIMINARY BUDGET

## ACT 1 of 2006

- Requires NASD to:
  - Place our 2011-12 Preliminary Annual Budget on “Public Display” by January 27, 2011
  - Adopt our 2011-12 Preliminary Annual Budget by February 16, 2011
  - This document will be discussed publicly on January 24, 2011, and is scheduled for adoption on February 14, 2011
    - **Compliance Issue At This Point**
    - By no means is this is our 2011-12 Final Budget



# NASD 2011-12 PRELIMINARY BUDGET

## REVENUES:

Preliminary projections indicate we may have a \$5 million shortfall

- Locally, we are losing a \$400k payment from Montgomery County
- Federal stimulus dollars (Title I and IDEA, totalling +/- \$1.7 million) and those stimulus dollars used to partially fund our Basic Education Funding (from PA- equals early \$1.3 million) all come to end
- From the state revenue perspective, there is much uncertainty about revenues for 2011-12
  - For example, Pa Dept of Education has yet to release \$387 million in federal “Ed Jobs Program” funds
  - New Governor is given an extended timeline to prepare annual Commonwealth Budget, so subsidy information will be delayed
    - Preliminary information indicates that our EAP and ABG funding is in jeopardy.
    - Also appears that school vouchers and school choice initiatives will be introduced quickly; impact to NASD programs and funding can not yet be determined



# NASD 2011-12 PRELIMINARY BUDGET

## EXPENSES:

Preliminary projections indicate total spending will grow by 2.3%

- One of the primary factors driving increase is PSERS mandated contributions (Public School Employees Retirement System)
  - Employer Contribution Rate increasing by nearly 53%
  - From 5.64% to 8.65%
  - Expenses will rise by \$1.9 million
- Impact of other contributing factors are only estimates at this point; more accurate data will be available as we move through the next few months
  - BCBS “First Look” medical premium increases:
    - 9.2% - 15.48% increase
  - NASD has moved to a self-funded drug program
    - Rates are projected to **drop** by 14%
  - NASD continues to work towards self-funding medical program as well



# NASD 2011-12 PRELIMINARY BUDGET

## EXPENSES:

Preliminary projections indicate total spending will grow by 2.3%

- Other “unknowns”
  - Staffing levels for 2011-12
    - Not yet finalized; annual position audit to begin shortly
    - Retirement information not available at this point
  - NESPA (support union) agreement remains unresolved
    - Since July 1, 2009
  - Energy savings that may result from the QSCB projects
    - Gotwals Elementary School
    - Norristown Area High School
    - Both being equipped with energy efficient mechanical systems



# NASD 2011-12 PRELIMINARY BUDGET

## NEXT STEPS:

- Program Review
  - NASD is committed to providing quality student learning, to continuing a broad range of curricular offerings, to developing a learning environment that challenges critical thinking, and to providing professional development opportunities for staff
    - Programs will be reviewed over the next six months to assess their effectiveness
    - Critical in planning for next year
- Position Review (Staff Audit)
  - Third year
  - Opportunities for savings through attrition, position realignment, etc.



# NASD 2011-12 PRELIMINARY BUDGET

## NEXT STEPS:

- In 2009-10, we were able to reduce our needed tax increase from **6.45%** (projected at the time the Preliminary Budget was adopted) to a **0.00%** tax increase by the end of June when the Final Budget was adopted
- In 2010-11, we were able to similarly reduce our needed tax increase from **11.95%** (projected at the time the Preliminary Budget was adopted) to a **4.29%** tax increase by the end of June.
- For 2011-12, our preliminary budget includes a proposed tax increase of **6.78%**, we again expect to be able to reduce this projected tax increase as we work towards final budget adoption in June 2011.
- However, at this point, we need to comply with the legal hurdle as prescribed by Act 1
  - Act 1 requires us to adopt a Preliminary Budget by Feb 16, 2011



# NASD 2011-12 PRELIMINARY BUDGET

## NEXT STEPS:

- As we move throughout the next few months, we will continue to share regular updates about our Budget.
- We will again use the District website to post materials and information
  - <http://www.nasd.k12.pa.us>
  - Budget information on the left side of our home page



# Thank You!

