

NORRISTOWN AREA SCHOOL DISTRICT
2011-12 GENERAL FUND BUDGET

STATE REVENUE DISCUSSION
MARCH 21, 2011



NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS

- As you know, Governor Corbett revealed his budget plan for our Commonwealth earlier this month.
- While we expected cuts to Basic Education Funding; we were blindsided by some of the other "cuts" contained in the Governor's Proposal.
- To share some specifics:



NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS

• Basic Education Funding:

2008-09 Subsidy Rec'd by NASD:	\$ 9,354,126
2009-10	\$ 9,522,467
2010-11 Estimated	\$ 11,274,000
2011-12 Projected (Under New Governor)	\$10,434,000
Variance	(\$ 840,000)



NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS

• Charter School Reimbursement

2008-09 Subsidy Rec'd by NASD:	\$ 1,314,968
2009-10	\$1,266,737
2010-11 Estimated	\$ 1,292,500
2011-12 Projected (Under New Governor)	0
Variance	(\$ 1,292,500)



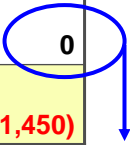
**FUNDING
ELIMINATED**

NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS



- Educational Assistance Program Funding:

2008-09 Subsidy Rec'd by NASD:	\$ 672,653
2009-10	\$571,819
2010-11 Estimated	\$ 571,450
2011-12 Projected (Under New Governor)	0
Variance	(\$ 571,450)



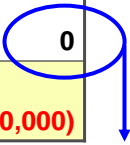
**FUNDING
ELIMINATED**

NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS



- "Extra Grants" (Varied Over Yrs - Safe Schools, Disruptive Youth, SOS Science, GTO, etc)

2008-09 Subsidy Rec'd by NASD:	\$ 18,703
2009-10	\$89,213
2010-11 Estimated	\$ 90,000
2011-12 Projected (Under New Governor)	0
Variance	(\$ 90,000)



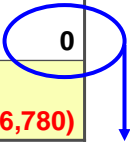
**FUNDING
ELIMINATED**

NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS



• Accountability Block Grant:

2008-09 Subsidy Rec'd by NASD:	\$ 756,780
2009-10	\$ 756,780
2010-11 Estimated	\$ 756,780
2011-12 Projected (Under New Governor)	0
Variance	(\$ 756,780)



**FUNDING
ELIMINATED**

NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS



• Social Security Reimbursements:

2008-09 Subsidy Rec'd by NASD:	\$1,920,970
2009-10	\$ 1,964,849
2010-11 Estimated	\$ 2,285,000
2011-12 Projected (Under New Governor)	\$ 1,900,000
Variance	(\$ 385,000)



**NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS**

- Cumulative effect to NASD=
 - Loss of \$3.9 million in revenue for 2011-12
 - When we prepared our Preliminary Budget (that was adopted in February), we reduced our state revenue by \$ 1.2 million – so this is an additional loss of \$ 2.7 million



**NORRISTOWN AREA SCHOOL DISTRICT
2011-12 BUDGET DISCUSSIONS**

- What is the impact to NASD ?



NORRISTOWN AREA SCHOOL DISTRICT 2011-12 BUDGET DISCUSSIONS

Mil Increase		Additional RE Tax Revenue Generated/(Mil Value 2,500,000)	New Millage Rate	Average RE Tax Bill (29,193 x New Millage Rate)	Average Tax Bill Increase	% Increase of Tax/Milage
Current			29.67	\$ 3,888.95		
0.250		\$ 627,500	29.97	\$ 3,861.19	\$ 32.24	0.84%
0.415	ACT 1 TAX LIMIT - APPROVALS NEEDED TO EXCEED THIS	\$ 1,041,650	30.052	\$ 3,882.51	\$ 53.56	1.400%
0.500		\$ 1,250,000	30.137	\$ 3,893.49	\$ 64.54	1.667%
1.000		\$ 2,510,000	30.637	\$ 3,958.09	\$ 129.14	3.374%
1.500		\$ 3,765,000	31.137	\$ 4,022.68	\$ 193.73	5.061%
2.000		\$ 5,020,000	31.637	\$ 4,087.28	\$ 258.33	6.748%
2.011	SHORTFALL IN 2011-12 PRELIMINARY BUDGET	\$ 5,048,467	31.648	\$ 4,088.74	\$ 259.79	6.787%
					\$ 29.93	5%
					\$ 35.22	9%
					\$ 37.52	10.22%
3.107	SHORTFALL IN 2011-12 PRELIMINARY BUDGET - AFTER RELEASE OF STATE REVENUE PROJECTIONS	\$ 7,791,697	32.744	\$ 4,280.25	\$ 401.30	10.482%

NEEDED LOCAL TAX INCREASE JUMPED FROM 6.78% TO 10.48%

NORRISTOWN AREA SCHOOL DISTRICT 2011-12 BUDGET DISCUSSIONS

- Our community CAN NOT afford a 10.48% tax increase.
- We are going to have to explore some tough options to help close the shortfall.
 - At this point, nothing is off-limits.
 - Spending freeze has already been implemented
 - Hiring freeze is being considered



NORRISTOWN AREA SCHOOL DISTRICT 2011-12 BUDGET DISCUSSIONS

- All programs are up for review and scrutiny - Particularly Non-Mandated
- Some of the areas to be reviewed include:



Pre-Kindergarten	Full Day Kindergarten
Summer School	After School Tutorial / Intervention Programs
Field Trips	Extra-Curricular / Athletic Opportunities
Travel / Conferences (Not grant funded)	After School "Late" Transportation
Class Size	Burnside Property

Regretfully, 2011-12 staffing level decisions will be central to closing the budget shortfall.

Thank You!

