

# NORRISTOWN AREA SCHOOL DISTRICT 2011-12 GENERAL FUND BUDGET



**BUDGET COMMITTEE MEETING**  
**MAY 2, 2011**

# NORRISTOWN AREA SCHOOL DISTRICT 2011-12 BUDGET DISCUSSIONS

- Background Information:

- Act 1 of 2006 guides our budgeting timeline
- Act 1 also establishes an annual “index”, or threshold, that Districts must generally limit their annual tax increase to:
  - For 2011-12, our index = 1.4%
- If the School District wants/needs to raise taxes beyond this level:
  - The District can seek “exceptions”
  - Or can ask the voters for permission through a referendum, or ballot question;



# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS

- Timetable:

January 2011	Required By Law To Adopt Preliminary Budget Preliminary Budget – 6.78% Tax Increase
February 2011	Internal Cost Cutting Strategies (Program Review / Position Review) Initiated
March 3, 2011	NASD Filed For “Act 1 Exceptions” (3 exceptions sought)
March 8, 2011	Governor Corbett revealed 2011-12 Commonwealth Budget – <b>DRASTIC CUTS TO EDUCATION FUNDING!</b> NASD Revenue Loss of \$4 Million Needed Tax Increase Jumped to 10.48%
March 9, 2011	NASD implemented spending freeze
March 23, 2011	PDE approved exceptions Will Allow NASD to raise taxes by 6.26%



# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS

- Timetable (Continued):

April 2011	NASD Focus: EANA Contract Modifications - Partnering with our Teachers Association to find ways to deal with the state funding crisis
May 2, 2011	NASD approved EANA Contract modifications - Included Wage & Benefit Concessions
May 2011 – June 2011	Still much work to be done to get budget / tax increase down to an acceptable level  We have no intention of asking our local community to make up the state revenue shortfall.
June 30, 2011	Deadline for adoption of 2011-12 Final Budget



# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Revenues:

- Local Economy Still Struggling (Stagnant From Recession)
- Loss in Federal Stimulus Dollars
- Unprecedented Cuts In State Funding For Public Education

	2009-10 Revenues (Actual)	2010-11 Revenues (Budgeted)	2011-12 Revenues (Projected)	Variance	
Local Revenues	\$83,257,001	\$86,458,295	\$ 85,826,800 (Before any tax increase)	(\$ 631,495)	Primary Factor = Loss in County Dollars (\$400,000)
State Revenues	\$25,474,330	\$29,122,975	\$24,849,500	(\$4,273,475)	Devastating Impact to NASD
Federal Revenues	\$ 9,716,330	\$ 9,371,350	\$7,480,000	(\$1,891,350)	Loss of ARRA Stimulus Dollars

### SIGNIFICANT CHALLENGE

**- HOW DO WE MAKE UP FOR THIS LOST REVENUE ?**

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS

- Revenues (Continued):
  - We have long recognized that we can not ask our taxpayers to fund the shortfalls imposed on us by state & federal officials
  - So, immediately after the release of the Commonwealth Budget data, we began working on a plan to reduce our 2011-12 Expenses
    - To minimize the impact locally



# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Staffing:
  - Staffing (wages & benefits) is where we spend the most money; so this is where we have focused the most attention to date
  - Updates can be shared as follows:

### ✓ Staffing Item # 1: 2010-11 Medical / Drug Costs

#### 2010-11 Spending Projections Can Be Reduced By \$1,358,000

When our teachers contract was settled in October, a change in both medical & drug coverage was agreed upon

Subsequently, when our support contract was settled in February, it also included a change in both medical and drug coverage

Financial impact is now available

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Staffing (continued):

### ✓ Staffing Item # 2: 2011-12 Wage & Benefit Costs

#### 2011-12 Spending Projections Can Be Reduced By \$1,200,000

Our teachers association, in response to the unprecedented financial challenges we are facing, agreed just last week, to additional wage & benefit concessions

- Salary scale freeze for 2011-12
- Additional changes in health care language

### ✓ Staffing Item # 3: 2011-12 Wage Costs

#### 2011-12 Spending Projections Can Be Reduced By \$12,000

Also in response to the unprecedented financial challenges, the "Cabinet" or Executive Management team also voluntarily offers not to take a wage increase in 2011-12

- Salary freeze for 2011-12
  - Chief Academic Officer, Chief Financial Officer, Director of Human Resources, and Director of InfoTechnology
- Item will appear on May agenda for School Board's acceptance
- Reminder: Cabinet moved to Keystone Plan in July 2011

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Staffing (continued):

### ✓ Staffing Item # 4: 2010-11 Wage & Benefit Costs

#### Impact Not Yet Identified

We have scheduled meetings with our MMAP (Middle-Management) and AAS (Administrative/Principal) groups for next week to discuss our challenges and concerns in hopes that they, too, may choose to partner with us during these economically challenging times

### ✓ Staffing Item # 5: 2011-12 Wage & Benefit Costs

#### 2011-12 Spending Projections Can Be Reduced By \$100,000

Just received word that our workers comp premium will be reduced for next year

- Can reduce budget by \$100k

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Staffing (continued):

### ✓ Staffing Item # 6: 2010-11 Wage & Benefit Costs

#### 2010-11 Spending Projections Can Be Reduced By \$60,000

Delay in posting for “Director of Pupil Services” has generated savings for NASD

- “Cabinet” level position which has been vacant since Jan 2011
- Position just posted recently

### ✓ Staffing Item # 7: 2011-12 Wage & Benefit Costs

#### 2011-12 Spending Projections “May” Be Able To Be Reduced By \$225,000 (est)

In the fall, we talked about possibly outsourcing our grounds crew efforts (not snow removal) for 2011-12 as a cost savings measure

- All current staff would be transferred to open positions in other departments/areas - so no layoffs would be required
- Admin would like authorization to solicit proposals so that an informed decision could be made

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Staffing (continued):

### ✓ Staffing Item # 8: 2011-12 Wage & Benefit Costs

#### 2011-12 Spending Projections Can Be Reduced By \$ 1,450,000

NASD has a significant number of professional staff retiring (teachers). As a result, we have the opportunity to realign staff without furloughs. At this point, we are recommending the following positions be eliminated for the 2011-12 school year:

- 5 PRISM Teachers
- 2 Speech Clinicians
- 2 Physical Education / Health Teachers
- 1 Technology Education Teacher
- 1 Biology Teacher
- 1 PSSA English Teacher
- 1 PSSA Math Teacher
- 1 Math Coach
- 1 SLC Coordinator

Note – To implement fully, some staff transfers will be needed

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS

- Staffing (continued):

✓ Staffing Item # 9: 2011-12 Wage & Benefit Costs

2011-12 Spending Projections Can Be Reduced By \$35,000

Propose replacing the retiring Home & School Visitor with a Social Worker

- NASD would like to take advantage of the opportunity created by this retirement to significantly change the duties and responsibilities of this position. It is believed that a Social Worker could better address the needs of our students, families, and community.



# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Program Changes:

- ✓ Program Item # 1: 2011 Summer School

- 2011-12 Spending Projections Can Be Reduced By \$205,000

- NASD School Board has already approved a very limited summer school program for the Summer of 2011. As a result, local dollars spent on summer school significantly reduced

- ✓ Program Item # 2: EAP After School / Summer Intervention

- 2011-12 Spending Projections Can Be Reduced By \$571,000

- This funding (EAP) will no longer flow to NASD under the Governors Budget; as a result, we will discontinue this program entirely

- ✓ Program Item # 3: 21st Century After School / Summer Program

- 2011-12 Spending Projections Can Be Reduced By \$ 212,000

- This grant program (21st Century) will be coming to an end; as a result, we will discontinue this program entirely

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Programs (continued):

### ✓ Program Item # 4: Teen Day Care Program

2011-12 Spending Projections Can Be Reduced By \$240,000

NASD is the only public school district in Montgomery County still offering an on-site day care option for students. While controversial, we should consider eliminating this program. Current staff could be transferred to vacant positions; therefore, no furloughs would be needed

\* Not A Mandated Program \*

### ✓ Program Item # 5: Teen Parenting Program

2011-12 Spending Projections Can Be Reduced By \$ 55,000

Again, we believe that we may be the last District offering such a program. Students would remain in traditional learning environment if this program were discontinued. Again, current staff could be reassigned to vacancies; so no furloughs would be needed

\* Not A Mandated Program \*

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



### • Programs (continued):

#### ✓ Program Item # 6: CARES Program

##### 2011-12 Spending Projections Can Be Reduced By \$ 50,000

Students would remain in traditional learning environment if this program were discontinued. Again, current staff could be reassigned to vacancies; so no furloughs would be needed. Admin would recommend hiring 1 Behavior Specialist as an alternative (savings above are shown "net")

\* Not A Mandated Program \*

#### ✓ Program Item # 7: After School Transportation

##### 2011-12 Spending Projections Can Be Reduced By \$85,000

Few Montgomery County Schools are continuing to offer extensive (if any) after school student transportation; we would like to consider altering our after school schedule for 2011-12 to:

- 2 buses departing NAHS at 5:45 each day (down from 6 busses at various times)
- 2 buses departing Eisen at 5:30 each day (no change - some Stewart students also use these buses)
- 2 buses departing ENMS at 5:30 each day (down from 5 busses)

\* Not A Mandated Program/Service \*

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- **Athletic Program**

- Not A Financially Self Supporting Program (like Food Service)
- Does require a significant amount of local dollars; as a result, we are recommending some program changes for your consideration:

✓ **Athletic Item # 1: Increase in Ticket Prices**

**2011-12 Revenues Can Be Increased By \$ 5,000**

Athletic Budget will be discussed on 5/18/11; to minimize local impact, an increase in ticket prices is being recommended

- To \$3 (student) and \$5 (adult) – From \$2 / \$4

✓ **Athletic Item # 2: District-Paid Physicals**

**2011-12 Spending Projections Can Be Reduced By \$ 13,000**

Students will be required to pay for their own PIAA required annual physicals - we can continue to provide these on-site, but would no longer pay for them

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Athletics (continued):

✓ Athletic Item # 3: Middle School Program Modifications

2011-12 Spending Projections Can Be Reduced By \$ 45,000

By combining 7th & 8th grade teams, we could reduce our spending on coaches, supplies, officials, and transportation

✓ Athletic Item # 4: "Extended Season" Coaching Payments

2011-12 Spending Projections Can Be Reduced By \$ 12,000

Coaches would not longer receive additional stipend for extended seasons

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS



- Other:

- ✓ Item # 1 - Utility Budgets

2011-12 Spending Projections Can Be Reduced By \$ 68,000 (early estimate)

Upgrades to Gotwals & NAHS mechanical systems will result in utility savings. Projects are to be completed by September 2011, so a full year of savings will not be achieved until 2012-13

- ✓ Item # 2: Building Budgets

2011-12 Spending Projections Can Be Reduced By \$ 46,000

Recommend that building budgets for 2011-12 be reduced by 5%

# NORRISTOWN AREA SCHOOL DISTRICT

## 2011-12 BUDGET DISCUSSIONS

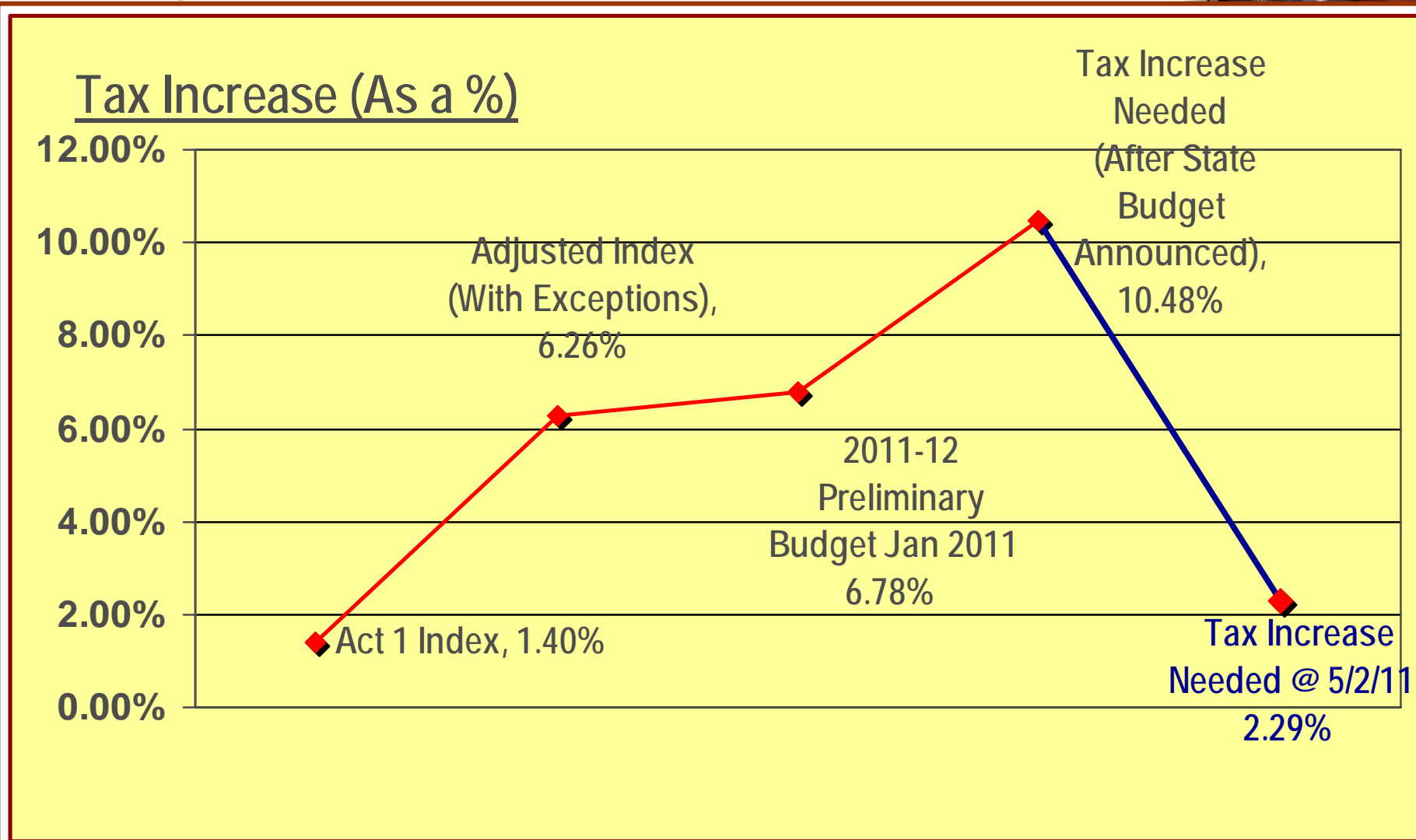
- Over \$ 6 million worth of items, issues and/or recommendations presented tonight.
- Bring needed 2011-12 Tax Increase down to 2.29%
  - And we are still not done
  - Still have some final staffing & program decisions to be made



# NORRISTOWN AREA SCHOOL DISTRICT 2011-12 BUDGET DISCUSSIONS



- Taxpayer Impact:



# NORRISTOWN AREA SCHOOL DISTRICT 2011-12 BUDGET DISCUSSIONS

- Final Budget Required To Be Adopted By June 30, 2011
- Next Meeting Date ?
- Questions / Comments / Suggestions ?



Thank You!

