

NORRISTOWN AREA SCHOOL DISTRICT
2012-13 PRELIMINARY BUDGET

**Scheduled for Adoption:
January 23, 2012**

January 17, 2012 Presentation



NASD 2012-13 PRELIMINARY BUDGET

Discussion Overview


- 1 Adoption Requirements / Implications
- 2 Brief Review of Revenues / Expenses
- 3 Next Steps / Projected Timetable
- 4 Questions / Answers



NASD 2012-13 PRELIMINARY BUDGET

Adoption Requirements

- **Act 1 Requires NASD to:**
 - Place our 2012-13 Preliminary Budget on “Public Display” by January 5, 2012
 - **We did this on December 5, 2011**
 - Adopt our 2012-13 Preliminary Annual Budget by January 25, 2012
 - **We plan on approving this on January 23, 2012**



**REMINDER:
DATES ARE
ACCELERATED THIS
YEAR BECAUSE 2012
IS A PRESIDENTIAL
ELECTION YEAR**

NASD 2012-13 PRELIMINARY BUDGET

Implications of Adoption:

- By adopting our 2012-13 Preliminary Budget next week we are merely complying with a legislatively imposed deadline
- It is important to remember that taxes are not raised with the adoption of the Preliminary Budget, and spending plans are not finalized
- For our purposes, we view this almost as the kick-off to the planning/development cycle for the 2012-13 school year; as we will spend the next six months scrutinizing items like:
 - Our staffing levels
 - Our programs
 - Our spending
 - And our revenue sources



NASD 2012-13 PRELIMINARY BUDGET

From 12/5 Presentation

REVENUES:

- **Preliminary projections indicate we may have a \$5+ million shortfall (which translates to about a 7% tax increase)**
 - However, information about state and federal revenues for 2012-13 is not yet available
 - And, because the Budget Adoption date is accelerated, there is some uncertainty in the local revenue levels and projections
- **However, NASD can not raise taxes by 7% without a referendum**
 - Act 1 regulations have changed - making local authority much more limited than in prior years.
 - Due to the elimination of many of the Act 1 Exceptions
 - **Administration is not recommending a budget referendum**
 - February 9th is the date to notify PDE of any intent to submit our 2012-13 Budget for an April 24th referendum
 - **Instead, we are committed to reducing the needed tax increase to a level that is acceptable under Act 1**
 - Act 1 changes illustrated on next page



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From 12/5 Presentation

EXPENSES:

- **One of the primary factors driving the increase is PSERS mandated contributions (Public School Employees Retirement System)**
 - Employer Contribution Rate increasing by over 40%
 - From 8.65% to 12.36%
 - Expenses will rise by \$2.3 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:
 - 10+% increase
 - Continue to work towards self-funding
 - Staffing levels for 2012-13
 - Not yet finalized; annual position audit to begin shortly
 - Retirement information not available at this time
 - Program recommendations for 2012-13
 - Again, because of the early timetable, program review and recommendations are not yet available



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From 12/5 Presentation

EXPENSES:

- For the first time in many years, we are asking the to Board to consider including some Capital Dollars in the 2012-13 year:
 - \$100k for technology
 - \$1.5 Million for roof replacement project at Whitehall Elementary School
 - \$250k for an energy savings project designed to provide air conditioning for Eisenhower and Stewart Middle Schools
- Will be the subject of much more discussion over the next few months
 - Technology Education Committee
 - Facilities Committee



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From 12/5 Presentation

NEXT STEPS:

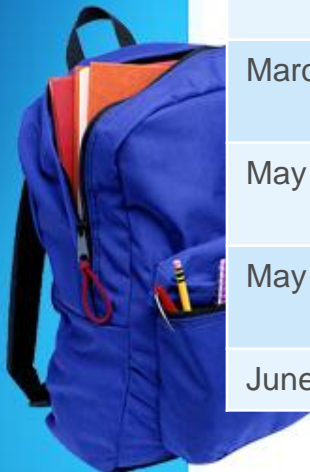
- In 2009-10, we were able to reduce our needed tax increase from **6.45%** (projected at the time the Preliminary Budget was adopted) to a **0.00%** tax increase by the end of June when the Final Budget was adopted
- In 2010-11, we were able to similarly reduce our needed tax increase from **11.95%** (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 included a proposed tax increase of **6.78%**, (projected at the time the Preliminary Budget was adopted) which was reduced to a **2.19%** tax increase by the end of June.
- For 2012-13, preliminary projections indicate a need for a **7.09%** tax increase, but we are already committing to reduce this to **3.68%**; and hope to be able to reduce this further as we work towards final budget adoption in June 2012.
- At this point, we need to comply with the Act 1 timetable and adopt our Preliminary Budget in January 2012



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NEXT STEPS / PROJECTED TIMETABLE: (FROM A BROAD PERSPECTIVE)

Date	Activity	Level
January 23, 2012	Adoption of 2012-13 Preliminary Budget	School Board Action Needed
February 9, 2012	Deadline to file for Act 1 Exceptions (filing for 2 exceptions this year; PSERS & Special Ed)	Filed By Administration School Bd Approval Not Needed
February 15, 2012	Regional Meeting For School Board Members Regarding Health Care; Bucks-Montco Consortium	School Board (Invitation Forthcoming)
January –February 2012	Evaluation / Determination of Preliminary 2012-13 Staffing Levels, Program Enhancements, Department Budgets & Revenue Sources	Administration – Including Principals and Department Leaders
February 27, 2012	PDE Petitions for Alteration/Curtailment of Programs (IF NEEDED)	School Board Action Needed To Submit to PDE
March 2012	Health Care Decision Needed (Self-Funding or Remaining Fully-Funded)	School Board Action Needed
March – April 2012	Continued Refinement of Staffing / Programs / Department Goals / Revenues	Administration – Including Principals and Department Leaders
May 1, 2012	PDE Certifies Property Tax Relief Available Via Gaming Profits	PDE
May 31, 2012	Deadline to Adopt 2012-13 Proposed Final Budget (NEW)	School Board Action Needed
June 30, 2012	Deadline to Adopt 2012-13 Final Budget	School Board Action Needed



Questions?

