



NORRISTOWN AREA SCHOOL DISTRICT
2009-10 BUDGET
FREQUENTLY ASKED QUESTIONS & ANSWERS

RESPONSES TO QUESTIONS RAISED AT 3/16/09 BUDGET MEETING

PLEASE NOTE THIS SERIES OF QUESTIONS & ANSWERS ADDRESSES QUESTIONS RELATED TO BOTH OUR 2009-10 BUDGET & TO OUR PROPOSED ATHLETIC PROJECT.

WE HAVE TRIED TO ORGANIZE THEM BY CONTENT FOR OUR READERS.

QUESTIONS RELATED TO OUR 2009-10 PRELIMINARY GENERAL FUND BUDGET:

Q: How many special education students attend charter schools?

A: As you will see, of the 385 students currently enrolled in charter schools, 47 students, or about 12% have been identified as special education. Be reminded that we currently pay \$10,542 annually for each regular education student enrolled in a charter school, and \$28,075 for each special education student.

	Enrollment Feb 09	
	Reg Ed	Spec Ed
Pa Distance Learning Charter School	3	0
Freire Charter School	1	0
Pa Leadership Charter School	7	0
Commonwealth Connections Academy	6	0
Pa Cyber Charter School	7	0
Agora Charter School	10	0
Pa Virtual Charter School	16	3
Achievement House Charter School	1	0
Dr. Robert Ketterer Charter School	0	1
Renaissance Charter School	287	43
	338	47

Q: Further Information on the expense detail for budget category 2100-200 (on Pg 17 of the 2009-10 Preliminary Budget) was requested.

A: Budget Category 2100-200 is comprised of the accounts that are used to record our employee benefit expenses for our staff involved with Pupil Personnel Services. This is done in accordance with the guidelines established by the Pa Department of Education. Our chart of accounts, or coding system, is defined by PDE, and can be found on the internet by following this link:
http://www.pde.state.pa.us/school_acct/lib/school_acct/coa07-2008.pdf.

As you will see, Function 2100 is defined to include "Activities designed to assess and improve the well-being of students to supplement the teaching process and to meet the applicable provisions of Article XIII of the Public School Code of 1949, as amended, and Chapter 7 of the State Board of Education Regulations. Included in this subfunction are program coordination, consultation, and services to the pupil personnel staff of an LEA.

The 200 category of this area (2100-200) refers to the object code, or second tier of our required account code structure. According to PDE, we must record the following expenses to object code 200: "Amounts paid by the LEA on behalf of employees; these amounts are not included in gross salary, but are in addition to that amount. Such payments are fringe benefit payments; and, while not paid directly to employees, are part of the cost of personnel services."

Our specific expenses in this area include:

Sub - Category	2007-08 Actual Expenses	2008-09 Budgeted Expenses	2009-10 Budgeted Expenses (Preliminary)
Medical, Dental, Vision Insurance	\$ 527,989	\$ 618,500	\$ 709,400
Life Insurance	4,201	5,000	5,000
Disability	13,568	16,000	17,000
Social Security	225,699	235,000	244,000
Retirement	229,150	235,000	235,000
Tuition Reimbursement	12,312	16,000	17,500
Unemployment Comp	1,886	2,500	2,500
Workers Comp	31,665	36,000	38,000
Severance Benefits	8,099	10,000	20,000
Totals (As Shown In Budget Document)	\$ 1,054,569	\$ 1,174,000	\$ 1,288,400

It is important to remember that benefit costs vary with staff changes, for example, medical costs may increase/decrease as our staff composition changes. Often recruiting and attracting younger and more inexperienced staff means, that while their salary may be less, trends have shown that they will quickly migrate from an employee with single medical coverage to an employee with family medical coverage during their tenure at NASD.

It should also be noted that the 2009-10 Preliminary figures are based on "First Look" Rate information from Blue Cross and Blue Shield, and that our ongoing negotiations with our support associations may affect our benefit expense projections.

Q: Further Information on the expense detail for budget category 2700-500 (on Pg 23 of the 2009-10 Preliminary Budget) was requested.

A: Budget Category 2700-500 is comprised of the accounts that we use to record our contracted Transportation Costs. Again, this is done in accordance with the guidelines established by the Pa Department of Education.

As you will see, Function 2700 is defined to include "Expenditures include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school and from school to school."

The 500 category of this area (2700-500) refers to the object code, or second tier of our required account code structure. According to PDE, we must record the following expenses to object code 500: "Amounts

paid for services not provided by LEA personnel but rendered by organizations or personnel, other than Professional and Technical Services and Purchased Property Services.”

Our specific expenses in this area include:

Sub - Category	2007-08 Actual Expenses	2008-09 Budgeted Expenses	2009-10 Budgeted Expenses (Preliminary)
Student Transportation – Contracted Carriers	\$ 5,535,348	\$ 6,810,000	\$ 6,667,500
Pupil Transportation Insurance	81,208	90,000	90,000
Travel/Mileage	1,757	2,500	2,500
Totals (As Shown In Budget Document)	\$ 5,618,313	\$6,902,500	\$ 6,760,000

Note: As you will see in the 2009-10 Preliminary Budget document, we do not anticipate spending all of the funds budgeted for the current 2008-09 school year. Please also keep in mind that the specialized transportation which we provide for our special education student population can be very expensive. A change in the special education student population can cause a significant variance in transportation expenses in any given year.

Our contracted expenses have also been influenced greatly by the unstable fuel market. Many carriers implemented or increased their fuel surcharges at the beginning of the 2008-09 school year. As the market has stabilized, so too, have these costs.

Q: Is student data available by municipality?

A: As we have shared on several occasions, neither our student database nor our transportation database specifically tracks our student population by municipality. At the present time, we do not have a need to record and analyze our student data in this manner. The Administrative team is concerned about the safety, academic progress, and general well-being of all NASD students, regardless of where they reside.

QUESTIONS RELATED TO OUR PROPOSED ATHLETIC PROJECT:

Our funding plan for this project includes the use of a small part of our 2004 Bond Proceeds, which is set aside in our “Bond Fund”. There seemed to be lots of questions and confusion about bonds, so we are hoping this series of responses helps to clarify this issue. We recognize that some of these may appear to be repetitive in nature and content, but again, are hoping that by including these we are able to assist everyone to further understand the funding plan for our project.

Q: What is a bond issue?

A: A bond issue is essentially a long-term loan and is similar to a home mortgage. A bond issue is a way to borrow money to fund capital improvements, such as constructing, improving or maintaining facilities and purchasing buses, technology or school sites. Bond money *cannot* be used for salaries or teaching supplies.

Q: How can bond money be used?

A: Bond money can be used for new schools and facilities, expansion and renovations of existing facilities, furniture, technology, equipment, buses and other support vehicles, and new school sites.

Q: What can bond money NOT be used for?

A: Bonds can only be used for capital improvements and related costs. Bond funds **MAY NOT** be used for operating expenses such as: salaries and benefits, transportation costs, utilities, textbooks or other supplies.

Q: What is a bond?

A: Bonds are debts incurred by a school district and sold by the District to competing lenders to raise funds to pay for the costs of construction, renovations and equipment. They are repaid over a period of years. Bond money is similar to a home mortgage. If you were to purchase a new home using your annual income, you would probably not have money left to cover your daily living expenses or furnish the home. Approximately 70% of the District's general operating expenses are used for staff salaries and benefits, which must be competitive to attract and retain quality teachers. Additional funds are not available to pay for building new schools, extensive renovations of our older facilities, technology upgrades, buses and major instructional program needs.

Q: What is the difference between a bond issue and a tax levy?

A: A bond issue is used when a school district wants to build schools, make capital improvements or purchase large amounts of equipment. The operating tax levy provides funds for operating the schools, paying staff and educating students.

Q: Specifically, where is the \$1.2 million in bond money coming from for this proposed athletic project?

A: In 2004, the District issued \$ 45 million in general obligation bonds. Of this \$45 million, \$ 1.2 million was set aside for an athletic project. The larger projects associated with this borrowing included:

- ENMS expansion and renovation project
- HVAC system upgrades at 3 of our elementary schools (Marshall St, Cole Manor, and Hancock). This included the addition of building wide air conditioning systems in each of these buildings.
- Technology infrastructure and systems
- Various roof, boilers, and mechanical upgrades at various buildings

Q: What firm has been contracted to design our project, and at what cost?

A: The following information from our website answers this question. This action was taken at a public meeting, and these minutes have been on our website for quite some time.

Meeting:	10/27/2008 Norristown Area School District Board of School Directors' Regular Meeting - 7:00 PM
Category:	5. Business Office Recommendations
Agenda:	Action
Type:	
Agenda Item Content	
NAHS Athletic Project	
Recommend that a contract for engineering & architectural services related to the potential construction of a new multipurpose athletic complex be awarded to CMX of Exton, PA. Pricing for their services is outlined below:	
Site ID & Feasibility	\$ 7,900
Schematic Design	\$ 36,975
Design Development	\$ 67,625
Construction Documents	\$121,925
Fundraising & Grant writing	\$ 11,700
Act 1 Assistance	\$ 3,900
Construction Administration	\$ 19,975
Total	\$270,000

Q: Several property owners noted that surveyors were on site, and wanted to know what the purpose of their activity was.

A: CMX has confirmed that their stream and wetland ecologists were on the site on November 19, 20 and December 4. Flagging (likely pink) was placed to delineate the top of stream bank and isolated wetland areas. These flags were collected using a GPS data collection unit. No encroachment into neighboring properties was necessary for this work.

The boundary survey work was done on December 24, 29, 30 and 31 and January 8, 9, 12 and 13. The topographic work was done on December 13, 20 and 27. Boundary stakes (placed at property corners or control points) are colored either orange or pink. CMX has noted that in several instances, where fences, sheds, etc were problematic for the survey crews, it was necessary for crews to briefly encroach on to adjacent properties. CMX believes this was extremely limited, particularly because the boundary work was being done before the thick shrubbery and undergrowth in the area are still dormant.

Q: Have we completed a traffic impact study for this project, and if so, are copies available?

A: We have not engaged a firm yet to complete such a study. It was only very recently that West Norriton Township indicated that a traffic study was needed. We expect to engage a professional firm for this purpose very shortly.

Q: Will the District save on annual transportation expenses if the NAHS track & field are upgraded and all events are held at NAHS?

A: It is estimated that we could save approximately \$20,000 if we could use the NAHS site to host home track meets and home football games. We spend about \$ 7,500 each year to transport the football team, cheerleaders, and band to and from Roosevelt Field for home football games. Additionally, we spend nearly \$12,500 annually to transport the track teams and cross country team to events that we could host at home if our facilities were adequate.

Q: Is it more expensive to maintain a synthetic field as opposed to a natural turf field?

A: Studies have shown that it is four to nine times *less expensive* to maintain a synthetic field.

Q: How much does NASD spend each year to maintain Roosevelt Field?

A: During the 2008-09 school year, we estimate that we will spend approximately \$ 39,600 at Roosevelt Field. This includes costs for seed, fertilizer, field paint, cinders for the track, utilities, and District staff time.

Q: How much would it cost to renovate Roosevelt Field, rather than to upgrade the NAHS site?

A: As we have shared, our plan is to upgrade the facilities on the site of NAHS – in phases! Phase 1 includes the installation of a synthetic track and a synthetic multi-sport field, fencing, as well as addressing stormwater management issues. Phase 1 is estimated to cost approximately \$1.8 million. Stormwater management and land development issues may affect this cost estimate.

Phase 2 (and beyond) will include the addition of bleachers, lighting, and a support building (locker rooms, concession stands, storage space). The schedule for implementation or construction of Phase 2 remains very uncertain at this point. While very sketchy, Phase 2 is estimated to cost an additional \$ 2.4 million. These items may be constructed or added to site on a piece meal basis over time as funding becomes available. **As you can see, the total estimated cost of the NAHS athletic project is roughly \$4.2 million.**

To upgrade the site at Roosevelt Field, in a comparable manner is estimated to cost about \$ 4.9 million, or about \$ 700,000 more than our plan to upgrade the NAHS site. The additional costs are attributable to demolition work that would need to be performed, as well as some environmental issues that are expected to have a financial impact; such as asbestos, lead, and oil tank removal. It is important to note that this cost estimate includes the demolition of the existing structures, and construction of new structures.

To renovate the site at Roosevelt Field, without demolishing the existing structures, is estimated to cost about \$3.6 million. The masonry (concrete) on the existing structures would be repaired, screening would be added to minimize the gap in between the seating, bathrooms and bleachers would be painted, guard rails added to the site, and the exterior wall be removed for the addition of a fence. A synthetic track and field would be added, and the existing light poles would be removed. A new lighting system would be implemented on this site. This renovation would provide the existing facility with a “face-lift”, but would not address all of the long-term issues on the site.

IMPORTANT

Please keep in mind the following additional factors that also contributed to the decision to upgrade the NAHS site, as opposed to renovating/reconstructing the Roosevelt site:

- It is extremely important to remember that upgrading or reconstructing the Roosevelt site still would not address issues related to spectator parking.
- There is also no feasible way to design a project at the Roosevelt site that can accommodate field events such as javelin, shotput, etc. The space on site is simply inadequate.
- Additionally, student transportation expenses would not be alleviated if the Roosevelt site was chosen. Teams would still need to be transported back & forth for all events.

For additional information, we encourage you to visit our website: www.nasd.k12.pa.us