



**NORRISTOWN AREA  
SCHOOL DISTRICT**

**2009-10 FINAL BUDGET DISCUSSION**  
**JUNE 15, 2009**

A logo featuring three stylized human figures in orange, green, and blue, standing on a white circular base. Above them, the word "SUCCESS" is written in red, bold, capital letters on a white, curved banner.

# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

## OVERVIEW

	Projected Millage Increase	Total 2009-10 Budget
January 2009 (First Public Discussion)	6.455% (\$256 avg taxpayer)	\$ 124,938,885

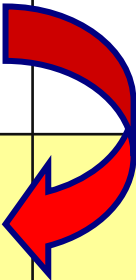
- Soon after presenting these figures, we quickly learned of new state revenue earmarked for NASD under Governor Rendell's Proposed Budget
- Eagerly embarked on conducting an internal "staff audit"
- Shared updated information publicly in February

**SUCCESS**

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February 2009 (Adoption of Preliminary Budget)	3.566% (\$150 avg taxpayer)	\$ 124,185,885



- Administration recognized need for continued scrutiny
- Action Plan shared in February 2009



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# **NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET**

## **Our Administrative Action Plan included:**

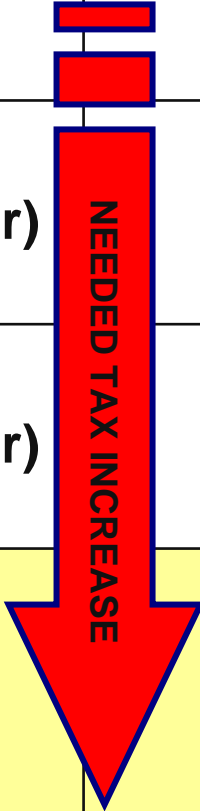
- **Working with staff at all levels (teachers, administrators, and support staff) to maximize the results we are getting from our existing resources**
- **Aggressively pursuing alternative revenue sources**
- **“Zero-Based” budget development has been used in several key functional areas**
- **Performing Staff Audit – Preliminary Results under review starting in February**

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# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

## Property Tax Relief (Slot Machine Profits)

- In addition to announcing **NO TAX INCREASE** in May 2009, we also shared information about Property Tax Relief:
  - Act 1, in addition to changing our budget timetable, legalized slot gaming in Pa
  - With profits to be distributed to taxpayers as tax relief
    - Through homestead / farmstead application process
  - This year, all eligible NASD properties received a **\$228 credit** on their 2008-09 tax bill as a result of profitable gaming
  - We recently learned that there are profits to be distributed in 2009-10 as a tax credit = **\$217 per eligible property**



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# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

## Why is the 2009-10 Total Proposed Final Budget increasing? (even though local millage rate is not)

- **Due to New Non-Local Funding**
  - ARRA (American Recovery & Reinvestment Act) Stimulus Funds are earmarked for NASD
  - These MUST be used for “NEW” expenses; therefore, our “Total 2009-10 Budget” will increase
  - Both budgeted revenues & expenses increase as a result of this action



# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

## What are the significant changes that occurred from the Preliminary Budget adopted in February to the Final Budget which is scheduled for adoption on June 22<sup>nd</sup>?

- **2008-09 Updated Projected Revenues & Expenses Available**
- **Estimates released earlier updated-Good News & Bad News**
- **Bad News:**
  - Certain revenue line items are showing effects of lagging economy:
    - Current Real Estate Taxes Collections Down Slightly
    - Real Estate Transfer Tax Down Significantly
    - Interest/Investment Earnings Down
- **Good News:**
  - Spending Freeze Implemented on a District-Wide Basis helped offset effect of lagging revenues
  - \$ 400,000 Retroactive Financial Settlement Received from BCBS in May 2009 also helped reduce current year expenses



# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

What are the significant changes that occurred from the Preliminary Budget adopted in February to the Final Budget which is scheduled for adoption on June 22<sup>nd</sup>?

- **2009-10 Updated Projected Revenues & Expenses Also Available**
  - Estimates released earlier have been updated
  - **Blue Cross / Blue Shield “2nd Look”** at next years renewal rates were received last week
    - Our medical rates will renew at 20.10% as projected under our “1st look”
    - But, our prescription drug renewal rates will renew at rates less than the 5.15% originally projected
    - Approx \$400,000 savings associated with this rate reduction
  - **Utility Projections**
    - Also reduced as we were able to lock in our vehicle fuel and natural gas (for bldg heat) while market prices were relatively low
  - **Life & Disability Rates** - we received favorable pricing with approx \$60,000 in savings



# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

**What are the significant changes that occurred from the Preliminary Budget adopted in February to the Final Budget which is scheduled for adoption on June 22<sup>nd</sup>?**

- **2009-10 Updated Projected Revenues & Expenses Also Available**
  - Estimates released earlier have been updated (continued)
  - **Transportation Expenses**
    - Savings will be achieved next year as the decision has been made to combine several special education runs at the middle school level
  - **Building Budgets**
    - Administration is recommending reducing all building level budgets by 10% across the Board
  - **Staffing Level Changes**
    - Largest single cost savings item!
    - Administration is recommending reducing personnel expenses by nearly \$1 million
    - Via attrition, restructuring, and realignment
    - No furloughs or layoffs planned



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# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

- **2009-10 Recommended Staffing Level Changes = \$ 938,800**

Eliminating 6 Reading Coach positions (grant funded); staff will return to contracted classroom positions - need for long-term substitutes will be eliminated

Eliminating Middle School Professional Development position (grant funded)

Eliminating the Technology Integrator Mentor position (grant funded)

Eliminating 1 Physical Education position via attrition

Eliminating 1 Science position via attrition

Shifting the funding of an ESL long term sub position at WES to Title I funds rather than local funds

Eliminating 1 kindergarten paraprofessional position via attrition

Eliminating 1 shared elementary paraprofessional position via attrition

Eliminating 3 additional paraprofessional positions assigned to our Fast Forward program - current staff to be reassigned to vacant positions (FF program eliminated)

Shifting the funding of 3 instructional support positions to Title I funds rather than local funds

Eliminating 1 Secretarial position via attrition (may result in a series of staff reassignments)



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# **NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET**

- **In May, we also reviewed state funding issues in greater depth**
- **Budget battle looming in Harrisburg right now**
- **Education funding is a target**
  - Last week, we held a joint meeting with community members from East Norriton, West Norriton, and Norristown to rally support
  - On Friday, the Secretary of Education visited NASD to help further engage local communities in the need for continued support for promised funding
  - Contact your legislators!



# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

## NASD Proposed Final 2009-10 Budget

- If Governors Budget is approved as presented AND recommended staffing changes are implemented:

**Norristown Area School District  
will not need a tax increase  
in 2009-10**

- The final 2009-10 Budget that was placed on display on 5/26/09 calls for our tax rate to remain at 28.417 mills



# NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

## NASD Proposed Final 2009-10 Budget

- **Closing Thoughts:**
  - If we receive less state funding than estimated in Governors Proposed Budget:
    - We may need to re-open our budget in July or August
    - Impact to taxpayers unknown
    - Contact your legislators!
  - Projected Fund Balance at 6/30/2010 is \$750,000
    - Very risky - especially in an unstable economy
    - May not be able to adequately fund an emergency or contingency
- **Final Budget to be adopted on June 22, 2009**



Thank You!