



**NORRISTOWN AREA
SCHOOL DISTRICT**

2009-10 FINAL BUDGET DISCUSSION

MAY 26, 2009



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

OVERVIEW

- **Act 1 requires that the FINAL BUDGETS for Pa Public School Districts be available and on display for public inspection for 20 days prior to its adoption**
 - The adoption of our Final 2009-10 Budget is scheduled for June 22, 2009
 - Therefore, to comply with Act 1, the most up-to-date version of our 2009-10 General Fund Budget is being made available to our community this evening



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

OVERVIEW

- **Discussion Items:**
 - **State Budget & Stimulus Funding**
 - Governors Proposed Budget -vs- Senate Bill 850
 - **Property Tax Relief via Slot Machines**
 - For Eligible Homesteads & Farmsteads
 - **NASD 2009-10 Proposed Final Budget**
 - Brief overview of 2008-09 Revenue & Expenses (updated)
 - Brief overview of 2009-10 Revenue & Expenses (updated)
 - Recommended program, spending & staffing reductions



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

State Budget Issues & Implications

- **Pennsylvania Budget & Stimulus Funding**
 - Budget process not progressing smoothly or quickly in Harrisburg
 - Again, Pa Budget is not expected to be passed until sometime in July (well after our mandated deadline to approve our annual budget)
 - Senate Appropriations Committee recently introduced Senate Bill 850
 - [Drastically Reduces Education Funding](#)

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NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET State Budget Issues & Implications

Comparison of Proposals - Basic Education, Special Education, & American Recovery & Reinvestment Act (ARRA) Stimulus Funding

		Governors Proposal	Governors Proposal (Adjusted)	Senate Bill 850	Variance
Basic & Spec Ed Funding	Basic Education Funding	\$ 12,327,100 (includes EAP & ABG Funding)	\$ 10,897,667 (excludes EAP & ABG Funding)	Breakdown not available	
	Special Education	\$ 3,921,692	\$ 3,921,692		
	Totals	\$ 16,248,792	\$ 14,819,359		\$ 13,290,248
			(NOTE - ADJUSTED TO REMOVE EAP & ABG TO COMPARE THE BASIC ED PROPOSALS - THESE FUNDING SOURCES ARE SEPARATE LINE ITEMS UNDER SB 850)		
Stimulus Funding	ARRA Title I	\$ 1,074,738	\$ 1,074,738	Breakdown not available	
	ARRA Title IID	\$ 58,700	\$ 58,700		
	ARRA IDEA (Spec Ed)	\$ 1,905,286	\$ 1,905,286		
	ARRA State Fiscal Stabilization \$\$	\$ 1,548,100	\$ 1,548,100		
	Totals	\$ 4,586,824	\$ 4,586,824		\$ 3,066,300
				\$ (3,049,635)	
				Less Revenue To NASD Under SB 850	



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

State Budget Issues & Implications

- **Senate Bill 850 also proposes to:**
 - ❖ Reduce Accountability Block Grant Funding
 - Which we use for our full day kindergarten program
 - ❖ Reduce Pre-K Counts Funding by 50%
 - Which we had targeted to apply for in 2009-10 to further expand and enhance our Pre-K pilot program
 - ❖ Reduce funding available for charter school reimbursements
 - Already underfunded & burdensome to our local community
 - ❖ Eliminate funding for “Science - Its Elementary”
 - ❖ Eliminate funding for Classrooms for the Future





NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

State Budget Issues & Implications

- Brief overview of NASD Preliminary Stimulus Plan
- Not all applications & guidelines are available yet; and again, this funding may not all flow to NASD if state budget process concludes with changes being made to Governor's proposal
- Based on Governors Proposal, NASD is slated to receive:
 - **ARRA Funding as part of Basic Education = \$1,529,111**
 - **ARRA Title I Funding = \$1,074,738**
 - **ARRA Title IID Funding = \$58,700**
 - **ARRA IDEA Funding = \$1,905,286**
 - **ARRA State Fiscal Stabilization Grant = \$1,548,100**



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

State Budget Issues & Implications

- **ARRA Funding as a component of Basic Education = \$1,529,111**
 - Will come with some restrictions - to be spent on expanding and enhancing programs targeted at improving student achievement
 - This funding is **not available** under SB 850
- **ARRA Title I Funding = \$1,074,738**
 - All restricted (can not be used to reduce taxes)
 - ONE TIME FUNDING -Must be spent over the next 2 years
 - Will be used:
 - To improve science labs in our middle & high schools
 - To purchase supplemental literacy and math materials & training
 - To provide ongoing professional development to all staff, particularly in reading and social studies
 - To purchase computer hardware, both SmartBoards and computers to enhance the educational experience. Computers will be purchased specifically to support the Read180 Reading intervention program being introduced in 2009-10.
 - This funding is available under SB 850



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

State Budget Issues & Implications

- **ARRA Title IID Funding = \$58,700**
 - All restricted - to be spent on expanding and enhancing programs via technology
 - ONE TIME FUNDING -Must be spent over the next 2 years
 - It appears that this funding is available under SB 850
- **ARRA IDEA Funding = \$1,905,286**
 - Not all restricted
 - (50% can be used to reduce taxes in 2009-10 & 2010-11)
 - ONE TIME FUNDING -Must be spent over the next 2 years
 - Remaining 50% will be used:
 - To purchase supplemental materials & supplies for NASD special ed program
 - To absorb out-of-district tuition costs for placement of newly identified students
 - To purchase assistive technology devices for newly identified students
 - This funding is available under SB 850



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

State Budget Issues & Implications

- **ARRA State Fiscal Stabilization Grant = \$1,548,100**
 - Final guidelines not yet available
 - It appears that a portion of this money can be used to reduce taxes, although threshold is not clear
 - It also appears that this funding is targeted to be used for school modernization and/or construction
 - We have begun to identify some preliminary projects:
 - First priority - Stewart Middle School - Window & Roof Replacement
 - Alternate Plan - Cole Manor Roof Replacement
 - Final decision can not be made until guidelines & funding levels are finalized
 - ONE TIME FUNDING -Must be spent over the next 2 years
 - This funding is **not available** under SB 850

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NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

Property Tax Relief (Slot Machine Profits)

- **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

Property Tax Relief (Slot Machine Profits)

- **Summary of tax relief available:**

School District	2009			2008			Change in:		
	Total Property Tax Reduction Allocation	Number of Approved Homesteads and Farmsteads	Estimated Tax Relief per Homestead and Farmstead	Total Property Tax Reduction Allocation	Number of Approved Homesteads and Farmsteads	Tax Relief per Homestead and Farmstead	Total Property Tax Reduction Allocation	Number of Approved Homesteads	Tax Relief per Homestead and Farmstead
Abington SD	\$4,405,287.71	15,364	\$287	\$4,625,208.11	14,658	\$316	\$ (219,920)	706	\$ (29)
Bryn Athyn SD	\$6,137.83	190	\$32	\$11,184.09	179	\$62	\$ (5,046)	11	\$ (30)
Cheltenham Township SD	\$3,029,081.20	7,967	\$380	\$3,220,579.12	7,620	\$423	\$ (191,498)	347	\$ (43)
Colonial SD	\$2,553,670.07	10,290	\$248	\$2,617,230.54	9,956	\$263	\$ (63,560)	334	\$ (15)
Hatboro-Horsham SD	\$2,248,140.81	8,166	\$275	\$2,166,959.87	7,863	\$276	\$ 81,181	303	\$ (1)
Jenkintown SD	\$360,619.08	1,179	\$306	\$423,535.50	1,135	\$373	\$ (62,916)	44	\$ (67)
Lower Merion SD	\$3,473,514.61	15,521	\$224	\$3,473,618.35	15,012	\$231	\$ (104)	509	\$ (7)
Lower Moreland Township SD	\$1,334,420.71	3,493	\$382	\$1,256,828.95	3,335	\$377	\$ 77,592	158	\$ 5
Methacton SD	\$1,981,534.04	8,234	\$241	\$1,913,751.37	7,906	\$242	\$ 67,783	328	\$ (1)
Norristown Area SD	\$2,640,496.91	12,169	\$217	\$2,685,791.19	11,780	\$228	\$ (45,294)	389	\$ (11)
North Penn SD	\$4,620,586.62	24,621	\$188	\$4,636,339.60	23,907	\$194	\$ (15,753)	714	\$ (6)
Perkiomen Valley SD	\$1,731,188.23	8,857	\$195	\$1,711,115.83	8,401	\$204	\$ 20,072	456	\$ (9)
Pottsgrove SD	\$1,513,597.97	5,424	\$279	\$1,504,700.49	5,150	\$292	\$ 8,897	274	\$ (13)
Pottstown SD	\$1,625,172.16	4,280	\$380	\$1,615,143.15	4,060	\$398	\$ 10,029	220	\$ (18)
Souderton Area SD	\$2,107,217.49	11,054	\$191	\$2,082,501.27	10,563	\$197	\$ 24,716	491	\$ (6)
Springfield Township SD	\$1,788,183.87	5,416	\$330	\$1,744,958.68	5,279	\$331	\$ 43,225	137	\$ (1)
Spring-Ford Area SD	\$2,325,733.25	11,712	\$199	\$2,283,435.32	11,030	\$207	\$ 42,298	682	\$ (8)
Upper Dublin SD	\$2,259,944.60	7,230	\$313	\$2,210,585.00	6,851	\$323	\$ 49,360	379	\$ (10)
Upper Merion Area SD	\$611,334.41	8,384	\$73	\$611,352.67	8,167	\$75	\$ (18)	217	\$ (2)
Upper Moreland Township SD	\$1,107,183.29	5,323	\$208	\$1,148,844.12	5,118	\$224	\$ (41,661)	205	\$ (16)
Upper Perkiomen SD	\$1,103,990.04	5,755	\$192	\$1,102,554.06	5,356	\$206	\$ 1,436	399	\$ (14)
Wissahickon SD	\$2,582,564.33	9,075	\$285	\$2,466,163.73	8,747	\$282	\$ 116,401	328	\$ 3



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

NASD Proposed Final 2009-10 Budget

- **2008-09 Updated Projected Revenues & Expenses Available**
 - Estimates released earlier have been 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

NASD Proposed Final 2009-10 Budget

- **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**
 - As shared in April 2009, District solicited quotes for these products; received favorable pricing with approx \$60,000 in savings



NORRISTOWN AREA SCHOOL DISTRICT 2009-10 FINAL BUDGET

NASD Proposed Final 2009-10 Budget

- **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 Integraton 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)



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 being placed on display tonight 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!