

Budget Development 2010-11

Board of Education Meeting
January 25, 2010
Superintendent Valerie A. Goger



Budget Building

- ❑ Fall – Administrators/Depts. submit budget requests
- ❑ Finance Committee – December – March
- ❑ Board meetings:
 - Jan. 11 – Budget projection
 - Jan. 25 – Budget update and discussion with legislators**
 - Feb. 15 - Board discussion
 - March 15 – Board discussion
 - March TBD – Public Hearing, adopt final budget to be submitted to voters
- ❑ April 20 – Election



School Funding Reform Act of 2008

- ❑ Three year funding formula
- ❑ Determines ‘Adequacy’ and ‘Fair Share’
- ❑ Our budget is below ‘Adequacy’
- ❑ Our taxes are below ‘Fair Share’
- ❑ Eligible for 20% state aid increase for three years -
received 20% first year, only 5% second year –
loss of \$676,000
- ❑ Next year?



New Jersey Next Year

- ❑ State budget deficit of \$10 Billion
- ❑ State aid expected to be reduced
- ❑ Currently receive \$4.7M (10% cut = \$470K)
- ❑ Recommendation that current year aid also be reduced – districts may be forced to subsidize Trenton's shortfall with local tax \$



March 2009 Projections

	2009-10	2010-11
Revenue	\$82,154,000	\$85,198,000
Costs	\$85,073,000	\$86,754,000
Shortfall	\$ 2,919,000	\$ 1,556,000



What We Did

Budget shortfall = \$2,919,000

Actions:

Accepted \$800K cap waiver

Infused new revenue \$700K

Cut spending \$1.4M



Programmatic Review to Get to \$1.4M

- ❑ 8 period day at Ridge
- ❑ Middle school cycles, world language, comm. Arts
- ❑ Half-day kindergarten
- ❑ Guidance
- ❑ Administration
- ❑ Elementary Spanish, guidance, class size, enrichment
- ❑ Operations
- ❑ Support
- ❑ Extracurricular



Decisions

Delay reduction in 9 period day schedule at least one year

Delay reduction to half-day kindergarten at least one year

Keep elementary class sizes at or below 25 in grades K-2

Reduce staffing where possible



Staffing Reductions

- ❑ 5 high school (electives)
- ❑ 1 middle school (guidance)
- ❑ 5 elementary (classroom)
- ❑ 2 elementary (enrichment)
- ❑ 2 elementary (Spanish)
- ❑ 11 administrators to 10 month positions
(supervisors and elementary asst. principals)
- ❑ Middle school intramurals



Transportation

Subscription busing actual cost \$675

- Current fee was \$473
- 450 students @ \$202
- Additional revenue \$ 90,000

Freshmen scrimmages \$ 8,000

WAMS intramural buses \$17,000



Impact of Instructional Reductions

- ❑ Elementary enrichment eliminated (limited math enrichment program CML maintained)
- ❑ Elementary Spanish eliminated (limited Latin program in 4th grade)
- ❑ Larger elementary class sizes (CH K = 24, LC grade 4 = 26, MP K = 23, OS grade 3 = 25)
- ❑ Larger high school class sizes (32% have more than 26 students – difficult to differentiate instruction)
- ❑ Reduced elem. computer lab/media center time



Impact of Administrative Summer Reductions

- ❑ Parental inquiries
- ❑ Student placements
- ❑ Curriculum specialists' input on new hires
- ❑ Program evaluations not completed
- ❑ Reduced staff development (100 teachers took summer Staff College courses in 2008, only 20 in 2009)
- ❑ Curriculum implemented before review
- ❑ Tablet PC training delayed
- ❑ Instructional support scheduling



Impact of Administrative Summer Reductions (continued)

- ❑ Curriculum writing/training pull-outs
- ❑ Check in/distribution of supplies
- ❑ Elementary master scheduling
- ❑ Reviewing resumes/hiring
- ❑ Input on teaching assignments/room changes
- ❑ Software/hardware updates

Classroom Supplies

Costs Per Pupil/2 Year Reduction

	2007-08	2008-09	2009-10	2 Year Loss
Elem.	\$140	\$133	\$88	\$139,122
Annin	\$81	\$56	\$38	\$94,180
Ridge	\$59	\$47	\$35	\$60,804



2010-11 Assumptions

- 4% tax cap
- Health insurance up 10% (\$573K over cap)
- 10% decrease in state aid (\$473K)
- Energy savings (-10% electric & -25% gas)
- Transportation up 8% (\$175K over cap)
- Negotiations year
- Extraordinary aid uncertain (\$800K)



2010-11 Budget Shortfall Projection

December 2009 projection \$1,346,000

Current projection \$ 893,000

Current projection assumes 4% cap, cap waiver
request of \$500K, and 10% state aid cut



What Has Changed ...

Increased revenue projection

- + \$ 50,000 interest revenue
- + \$ 30,000 subscription busing
- + \$150,000 extraordinary special ed. aid

Reduced expenditures \$224,000

salaries 3%

utilities (25% heating decrease 10% electric)



Special Education Extraordinary Aid

□ 2009	\$ 2,407,000
□ 2008	\$ 425,000
□ 2007	\$ 170,000
□ 2006	\$ 161,000
□ 2005	\$ 272,000
□ 2004	\$ 295,000
□ 2003	\$ 320,000
□ 2002	\$ 78,000



Possible Gap Closers

- Governor does not reduce state aid
- State aid for special education extraordinary costs fully funded
- Negotiated gains in salary and health care costs
- Larger cap waiver
- Programmatic changes



New Jersey Department of Education Comparative Spending Guide

- Annual statistical report
- 11th year
- 15 spending categories
- Significant costs not included - - apples to oranges:
 - Tuition
 - Transportation

Comparative Costs Per Pupil

NJDOE Comparative Spending Guide March 2009

Princeton	\$17,290
Millburn	\$14,695
State Average	\$13,539
Livingston	\$13,467
Holmdel	\$13,195
Chatham	\$12,250
Bernards	\$12,119
Montgomery	\$11,611
Hillsborough	\$10,807



Tuition & Transportation Costs Excluded from Comparison

TUITION

□ Livingston - 109 students	\$ 6.6 M
□ Princeton – 73 students	\$ 4.6 M
□ Bernards – 36 students	\$ 2.8 M

TRANSPORTATION

□ Hillsborough -	\$ 6.5 M
□ Montgomery -	\$ 5.3M
□ Bernards -	\$ 4.4M

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If We Were Just Average...

- ❑ State average is \$1,420 higher per pupil than our cost per pupil
- ❑ Multiplied by our 5,741 pupils
- ❑ Our budget would be \$8,152,220 larger
- ❑ Enrichment, class size, elementary world language, intramurals, school clubs, curriculum, electives, busing, athletic equipment, musical instruments, facilities, school offices, supplies, media centers, etc.

Administrative Costs Per Pupil

NJDOE Comparative Spending Guide March 2009

Livingston	\$1,547
Chatham	\$1,452
State Average	\$1,430
Princeton	\$1,423
Millburn	\$1,396
Montgomery	\$1,192
Holmdel	\$1,069
Hillsborough	\$1,023
Bernards	\$1,002



Timetable

- Budget guidelines not released yet
- Initial budget due February 15 if requesting waivers?
- State aid notification late-March ?
- Public Hearing March ?
- Budget vote April 20 ?