

Proposed School Budget Review

2010-2011 School Year



A Budget Message

The proposed 2010-2011 budget represents the culmination of months of work by the Board, school administration and officials at the County and State level. It also incorporates tough decisions necessitated when the State Government unexpectedly withheld from the district \$1.6 million in current state aid payments and reduced aid next year by \$3.9 million. The fiscal responsibility of this tremendous burden shift has been again placed on the shoulders of the residents of Bernards Township. As proposed, the 2010-2011 budget continues academic programs at the 2009-2010 levels and addresses contractual obligations for more than 700 employees.

Enrollment continues to play a role in staffing projections. According to demographic studies, the number of elementary classes will begin to decrease slowly next year, allowing us to realize some savings in classroom teachers. Enrollment at both the middle and high school continues to grow, with an eventual high school enrollment projected at 1,900 students by 2013-2014. The proposed budget contains no plans for increased staffing at the middle or high school levels.

In the area of cost mitigation, the Board has taken several positive steps involving energy, administration, use of surplus funds, and staffing. Projected savings effected by an energy savings program allowed the utilities line item to be reduced by \$202,000. The positions of elementary assistant principals and curriculum supervisors have been reduced to ten months, and an administrative vacancy will not be filled, realizing administrative savings of approximately \$234,000. Beginning in September, teachers and support staff will contribute 1.5% of their base salary towards health coverage costs, enabling the Board to reduce that budget line item by almost half a million dollars. Further cost containment efforts are ongoing and will be implemented as the Board approves them.

This budget framework increases actual spending by 2.35%. But while the school district asks voters to approve a tax levy to support the budget for the upcoming school year, the township actually collects taxes on a calendar year. Therefore, tax bills each year reflect taxes to support half of one school year, and half of the next. This budget proposes to increase taxes over the next four quarters by 5.07%, or \$383 on the average home valued at \$581,192. Much of the increased taxes are directly attributable to the loss of \$5.6 million in state aid that by current law is the responsibility of the taxpayers of Bernards Township. The Board has attempted to mitigate this loss by applying \$2.2 million of surplus funds as additional revenue.

We invite your review of this plan, and encourage you to voice your opinion on Election Day, April 20.

Sincerely,

William Koch
Board of Education President

Valerie A. Goger, D.Litt.
Superintendent of Schools

Bernards Township School District 2010 – 2011 BUDGET SUMMARY

SOURCES OF REVENUE

The Bernards Township School District receives funding for the annual budget primarily from two sources: local property taxes and state aid. The district is limited with respect to other sources of income.

General Fund	Original 2009-2010	Proposed 2010-2011	\$ Change	% Change
Fund Balance	\$1,136,606	\$2,238,113	\$1,101,507	96.91%
Local Tax Levy	\$70,156,926	\$73,710,723	\$3,553,797	5.07%
Tuition	\$677,733	\$658,224	-\$19,509	-2.88%
Transportation	\$240,000	\$270,000	\$30,000	12.50%
Miscellaneous	\$150,500	\$200,000	\$49,500	32.89%
State Aid	<u>\$5,380,331</u>	<u>\$2,564,651</u>	<u>-\$2,815,680</u>	<u>-52.33%</u>
Total General Fund	\$77,742,096	\$79,641,711	\$1,899,615	2.44%
State and Federal Grants	\$1,000,000	\$1,050,000	\$50,000	5.00%
Special Revenue				
Fund Balance	\$1		-\$1	-100.00%
Local Tax Levy - Debt Service	\$5,500,706	\$5,591,242	\$90,536	1.65%
State Aid - Debt Service	<u>\$367,146</u>	<u>\$317,074</u>	<u>-\$50,072</u>	<u>-13.64%</u>
Total Debt Service	\$5,867,853	\$5,908,316	\$40,463	0.69%
Grand Total All Revenues	\$84,609,949	\$86,600,027	\$1,990,078	2.35%

DID YOU KNOW?

- Ridge High School was awarded the National Blue Ribbon designation for excellence and achievement.
- The William Annin Middle School was awarded the International Technology Education Middle School Program Excellence award.
- The district participates in a joint insurance fund with over 350 school districts for workers' compensation and liability insurance.
- By out-sourcing custodial, maintenance and grounds services, student transportation and food service, the district realizes significant savings annually.
- The district takes advantage of cooperative purchasing groups for basic supplies, electricity, propane and natural gas. In addition, the district shares services with the Township to contain snow removal costs.
- The district's comparative cost per pupil of \$12,487 is \$1,373 below the state average for 2009.
- The district's administrative cost per pupil of \$1,014 is \$383 below the state average for 2009.

“Why would the school tax levy look different than the actual tax collection?”

2010-2011 School Year Local Tax Levy			
Tax Levy	2009-2010	2010-2011	% Change
Base Budget	\$70,156,926	\$73,710,723	5.07%
Debt Service	\$5,500,706	\$5,591,242	1.65%
Total	\$75,657,632	\$79,301,965	4.82%

Bernards Township collects taxes on a calendar year not on a school year; tax collection lags half a year behind the school year calculation of tax impact. You will note that the 2010-2011 debt service aid is \$50,072 less than the debt service aid in 2009-2010. The loss in debt service aid was part of the overall reduction in school aid from the State.

2010 Calendar Year School Tax Collection			
	2009-2010	2010-2011	\$ Change
Average Home	\$615,926	\$581,192	-\$34,734
Base Budget	\$6,183	\$6,504	\$321
Debt Service	\$485	\$502	\$17
Total	\$6,668	\$7,006	\$338

Budget Expenditures

	Original 2009/2010	Proposed 2010/2011	\$ Change	% Change
Instruction	\$38,131,336	\$37,837,442	-\$293,894	-0.77%
Extracurricular	\$1,284,519	\$1,334,095	\$49,576	3.86%
Support Services	\$8,901,226	\$8,886,196	-\$15,030	-0.17%
Administration	\$5,285,750	\$5,180,006	-\$105,744	-2.00%
Operations & Maintenance	\$7,898,078	\$8,589,380	\$691,302	8.75%
Transportation	\$4,104,536	\$5,026,988	\$922,452	22.47%
Employee Benefits	\$11,776,376	\$12,608,379	\$832,003	7.07%
Capital Outlay	\$360,275	\$179,225	-\$181,050	-50.25%
Grants	\$1,000,000	\$1,050,000	\$50,000	5.00%
Debt	\$5,867,853	\$5,908,316	\$40,463	0.69%
Total Budget	\$84,609,949	\$86,600,027	\$1,990,078	2.35%

INSTRUCTION

This account contains salaries, textbooks, supplies, equipment, related services, and out-of-district special education tuition. The decrease reflects the bulk of the staffing reductions that were required to balance this budget. Ultimately, this figure is tied to the outcome of negotiations with the teachers and staff bargaining unit.

EXTRACURRICULAR

The extracurricular account includes salaries for extra-curricular advisors, athletic coaches, and trainers as well as supplies, league fees, physician fees, police coverage, etc. The increase here is related to negotiations; this figure is likely to change as negotiations are concluded.

SUPPORT SERVICES

This section includes all costs associated with the media centers, guidance offices, health offices, curriculum, staff development, occupational and physical therapy services, speech, and the child study team.

ADMINISTRATION

The administration account includes costs associated with the offices of the superintendent, principal, business administrator, and the technology department. It includes such items as legal fees, auditors' fees, election expenses, Board expenses, district telephone, internet, postage costs, and insurance.

DEBT SERVICE

Principal and interest payments for the district's outstanding bond issues are budgeted here.

OPERATIONS & MAINTENANCE

The operation and maintenance account includes district-wide custodial, maintenance and grounds services as well as costs for the repair and upkeep of the buildings, utilities, supplies, liability insurance, and major repair projects. The increase here is for necessary repairs in the district.

TRANSPORTATION

All transportation services have been privatized and cover all costs associated with transporting students to and from school. The large increase is reflective of the fact that a large portion of the current year expense was paid for with grant funds that must be replaced by general funds for next year.

EMPLOYEE BENEFITS

This category includes the costs for all staff benefits such as social security, pension, unemployment, workers' compensation insurance, disability, and health insurance. The increase here would have been notably higher if not for the recent 1.5% of base salary contribution required for most staff.


GRANTS

Included here are all the restricted state and federal funds to be used for No Child Left Behind (NCLB), Individuals with Disabilities Education Improvement Act (IDEIA), non-public nursing technology, textbook and handicap services, state and federal mandates, etc.

CAPITAL OUTLAY

Capital projects continue to be delayed and dealt with on an emergent basis. Eventually projects that have been delayed to avoid program cuts will have to be dealt with. A second question or referendum may be needed to address work in the future.

School Year	General Tax Levy	% of Increase
2004-05	\$54,379,909	7.7%
2005-06	\$58,065,146	6.8%
2006-07	\$61,313,765	5.6%
2007-08	\$63,779,923	4.0%
2008-09	\$66,837,438	4.8%
2009-10	\$70,156,926	5.0%
2010-11	\$73,710,723	5.1%



VOTE for 3 members
to serve 3-year terms
on the Board of Education:
William Koch
Elaine Kusel
Michael Byrne
Louis Carlucci



And one member
for a 2-year term:
Audrey
Cohen-Sherwyn

QUESTION ON THE BALLOT

Question: **RESOLVED**, that there should be raised
for General Funds \$73,710,723 for the ensuing school
year (2010-2011).

OUT OF TOWN ON APRIL 20? YOU CAN STILL VOTE!

Absentee ballots can be obtained by applying in person until 3:00 PM on April
19, 2010. Simply report in person to the Somerset County Clerk's office:
Administration Building - 20 Grove Street
P.O. Box 3000
Somerville, NJ 08876-1262

**REMEMBER TO VOTE—Board of Education Election and Budget
TUESDAY, APRIL 20, 2010—2:00 p.m. to 9:00 p.m.**

Please Note: Polling locations are no longer in the schools.

Districts 2, 4 and 7 – Vote at Basking Ridge Firehouse
Districts 12 and 14 – Vote at Liberty Corner Firehouse
Districts 16 and 20 – Vote at Fellowship Village
Districts 21, 22, 23 and 24 – Vote at Hills Recreation Center
District 3 – Vote at Ridge Oak Senior Housing
Districts 9, 10 and 17 – Vote at Community Center

Districts 1 and 6 – Vote at Bernards Township Library
Districts 13 and 18 – Vote at Society Hill at Bernards II
Clubhouse
Districts 5 and 8 – Vote at Somerset Hills Lutheran Church
Districts 11, 15 and 19 – Vote at Spring Ridge Clubhouse

**POSTAL PATRON
BASKING RIDGE, NJ 07920**

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