



# Budget Development 2010-11

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Board of Education Meeting

February 15, 2010

Business Administrator Nick Markarian



# Budget Building

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- ❑ 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, adopt preliminary budget to be submitted to Executive County Superintendent for permission to advertise**
  - March 15 – Board discussion
  - March 31 – Public Hearing, adopt final budget to be submitted to voters
- ❑ April 20 – Election



# ARAMARK Refund

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- Received funds toward 2008-09 fund balance
- Helped fill revenue shortfall in 2008-09 budget
- Balance went to surplus
- Gave us what is called “Excess Surplus” (amount exceeding 2% of budget) \$1.7M



# Governor's Executive Order

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- Non-payment of state aid equal to or less than 'excess surplus' to fill state revenue shortfall
- No state aid payments March – June
- Going into 2010-11 with no excess surplus, nothing to supplement tax cap



# 2010-11 Assumptions

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- ❑ 4% tax cap vs. 3% tax cap
- ❑ Health insurance up 9% (c. \$500K over cap)
- ❑ 10% decrease in state aid (c. \$500K)
- ❑ Energy savings (-10% electric & -25% gas)
- ❑ Transportation up 8% (c. \$175K over cap)
- ❑ Negotiations year
- ❑ Extraordinary aid uncertain (\$800K)



# All Kinds of Possibilities

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And right now, so many unknowns...



# Best Case for One Year

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- 4% tax cap
- Use all of extraordinary aid reserve to replace excess surplus lost to Trenton - \$1.6M
- Qualify for maximum cap waivers of \$1.5M
- Don't cut any programs
- Problem - creates 'funding cliff' for 2011-12 of \$1.6M



# Good Case for One Year

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- 4% tax cap
- Use all of extraordinary aid reserve to replace excess surplus lost to Trenton - \$1.6M
- Qualify for minimum cap waivers of \$950K
- Cut \$500K in programs
- Problem - creates ‘funding cliff’ for 2011-12 of \$1.6M





# Bad Case for One Year

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- 3% tax cap
- Use all of extraordinary aid reserve to replace excess surplus lost to Trenton - \$1.6M
- Qualify for minimum cap waiver \$950K
- **Cut \$1.2M in programs**
- Problem - creates 'funding cliff' for 2011-12 of \$1.6M



# Worst Case for One Year

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- 3% tax cap
- Use half of extraordinary aid reserve to replace excess surplus lost to Trenton - \$800K
- Qualify for minimum cap waiver \$950K
- **Cut \$2M in programs**
- This softens ‘funding cliff’ for 2011-12 to \$800K



# Programmatic Review to Get to \$1.2M or \$2M

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



# Possible Gap Closers

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- Governor fully funds state aid
- State aid for special education extraordinary costs fully funded
- Negotiated gains in salary and health care costs
- Programmatic changes



# Timetable

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- Initial budget due February 25
- Governor's budget address March 16
- State aid notification late-March
- Public Hearing March 31
- Budget vote April 20 ?