

2010-2011 Budget Planning

Work Session #6

Board of Education Meeting

March 2, 2010

Presented by Dr. Lee Seitz, Superintendent

Clarifiers

- The following information is based on projections and is subject to change
- The administration has not recommended, nor has the Board of Education made any decisions regarding areas that will be reduced in the 2010-2011 budget
- Due to the recession and the financial crisis facing the State, we must be able to live with all reductions for 3 to 5 years

The 2010-2011 Budget...

- is our financial plan to achieve our district's mission, strategic aims, and objectives
 - **Safe and Open Environment**
 - **High Student Achievement**
 - **Highest Performing Workforce**
 - **Meet or Exceed State and Federal Mandates**

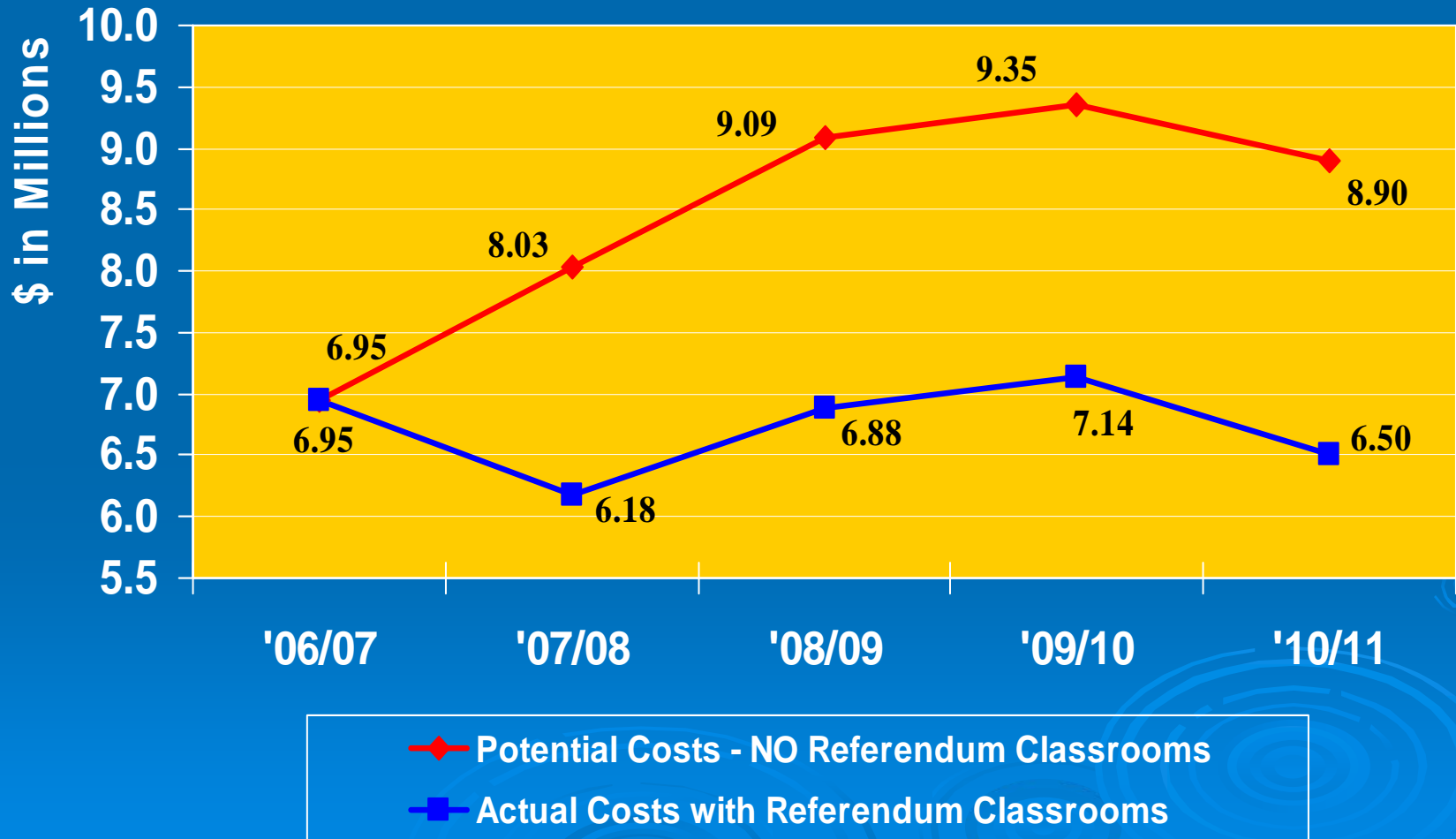
Is the District Being Run Efficiently?

	<u>PTHSD</u>	<u>Morris Cty Ave.</u>
➤ Salaries	1.90%	4.50%
➤ Energy (Electric/Gas	No Inc	5.50%
➤ Energy (other)	2.00%	4.00%
➤ Health Insurance*	9.3%	25.00%
➤ Insurance	- 6.00%	5.00%
➤ Sp Ed Tuition	-7.60%	6.00%
➤ Telephone Service	-14.50%	7.00%
➤ PERS Pension	-10.00%	1.00%

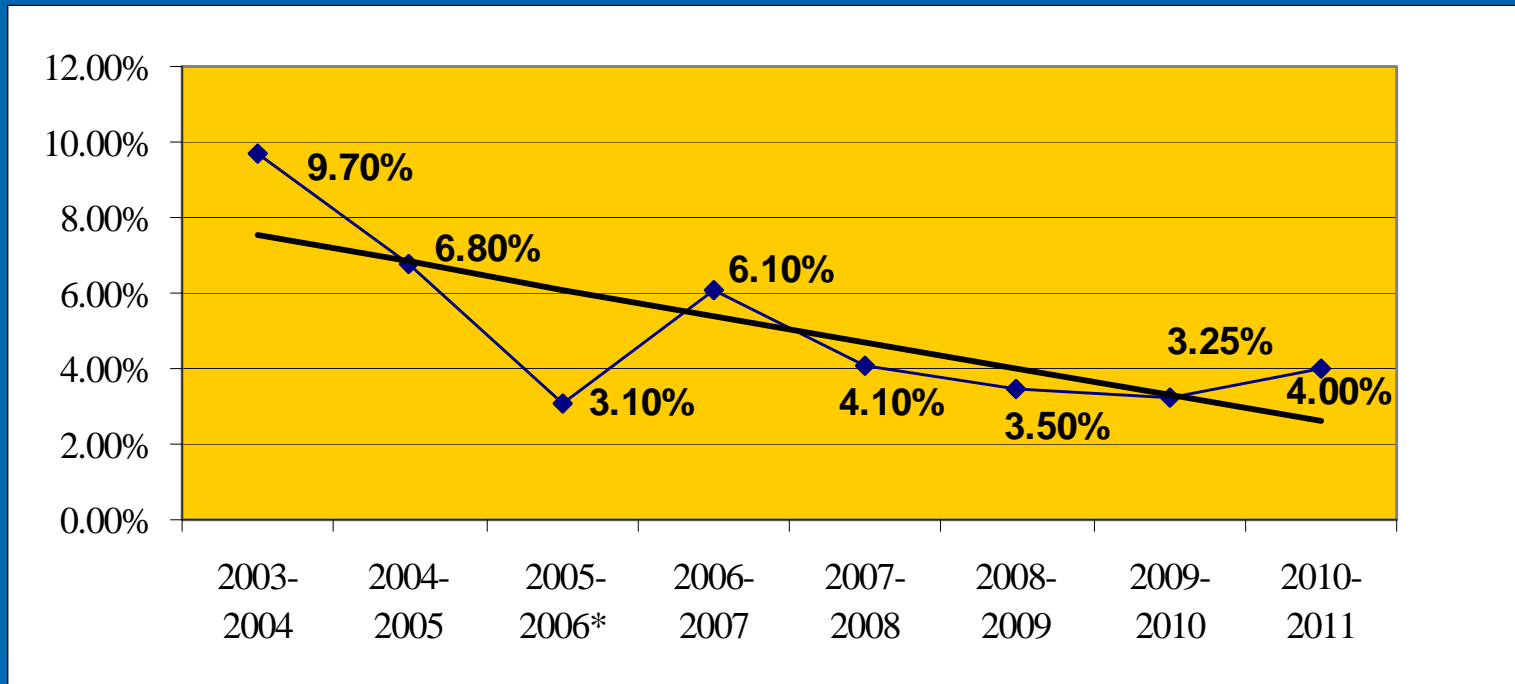
Source: Morris County Association of School Business Administrators

* Average increase - 3.176% per year over 5 years

Controlling Special Education Out-of-District Tuition Costs

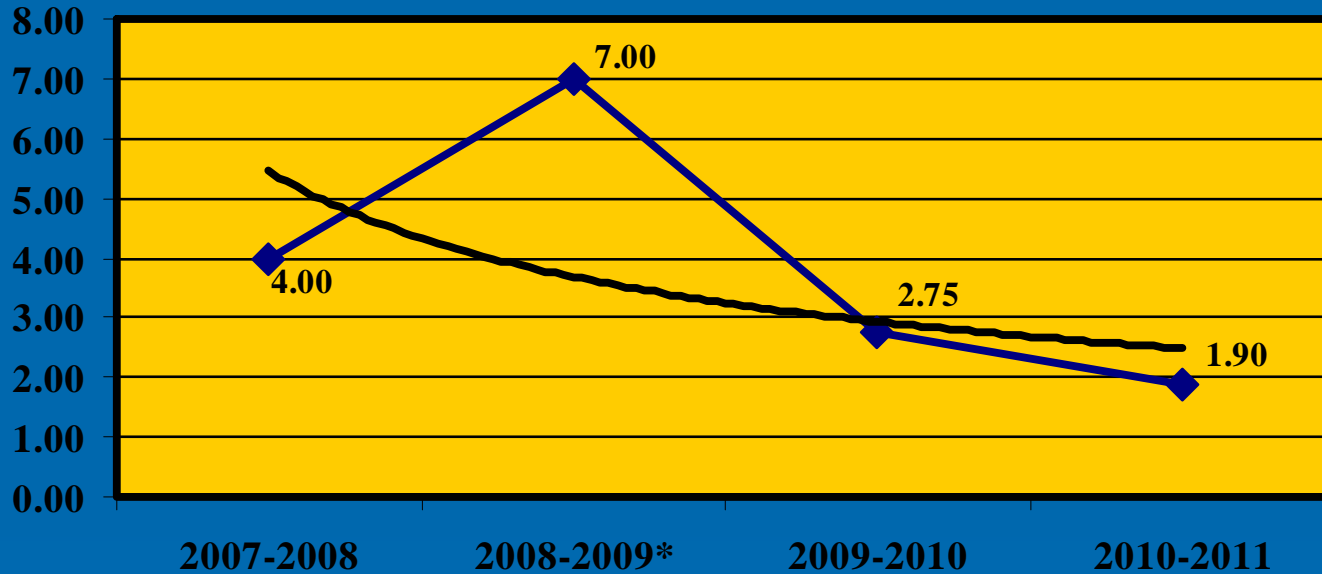


Property Tax Levy History



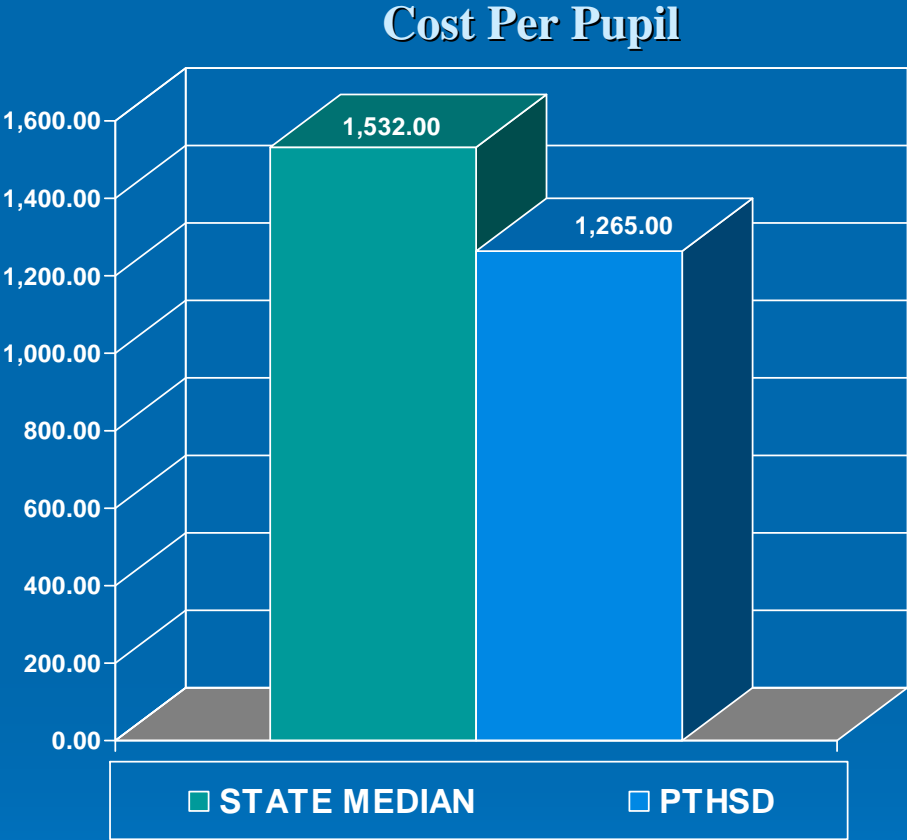
***Note:** This was the year our surplus was reduced from 6% to 3% and we appropriated over 3.1 Million in fund balance.

Salary Increases



*3rd Team added to Central Middle School

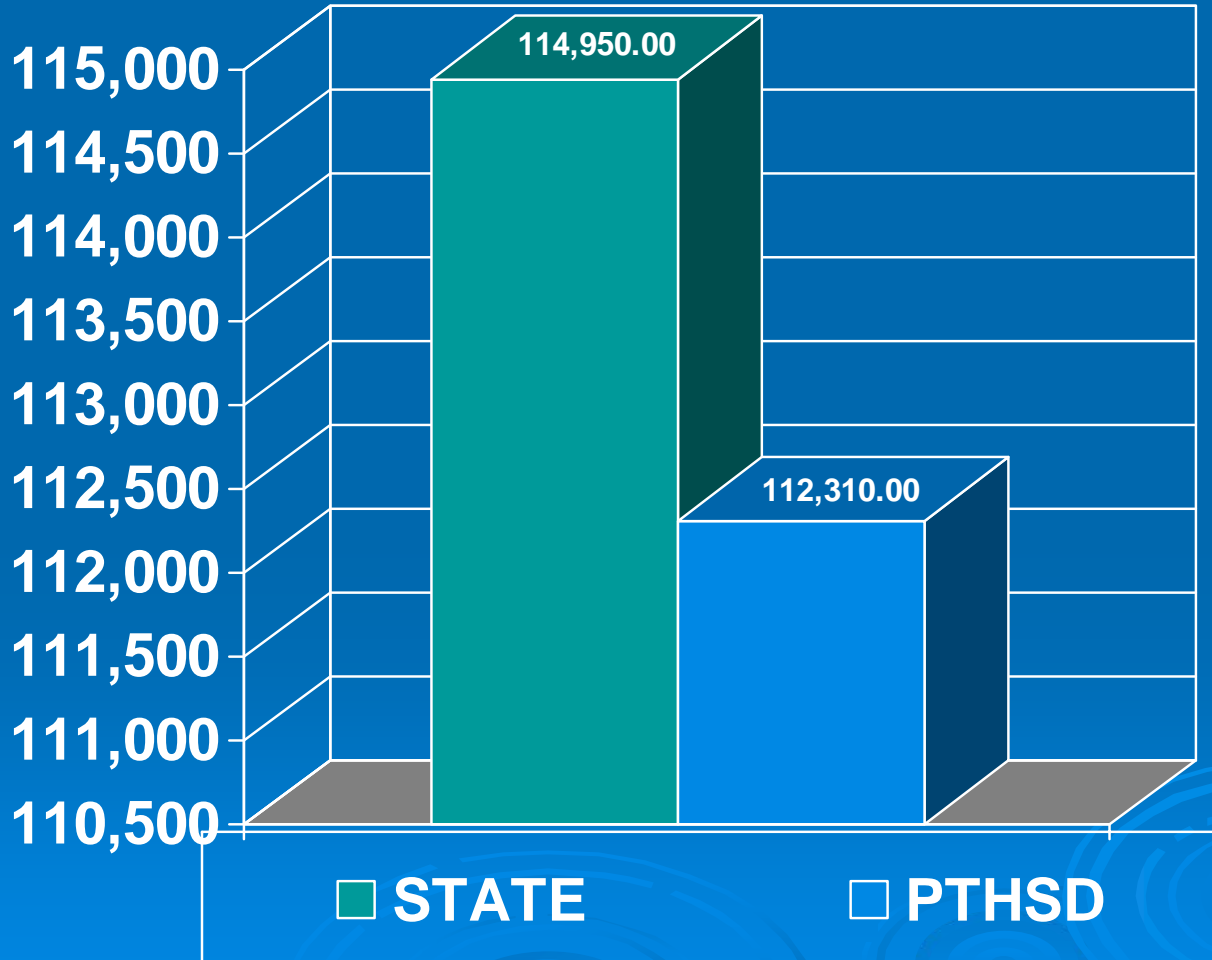
Cost Containment - Administrative Services



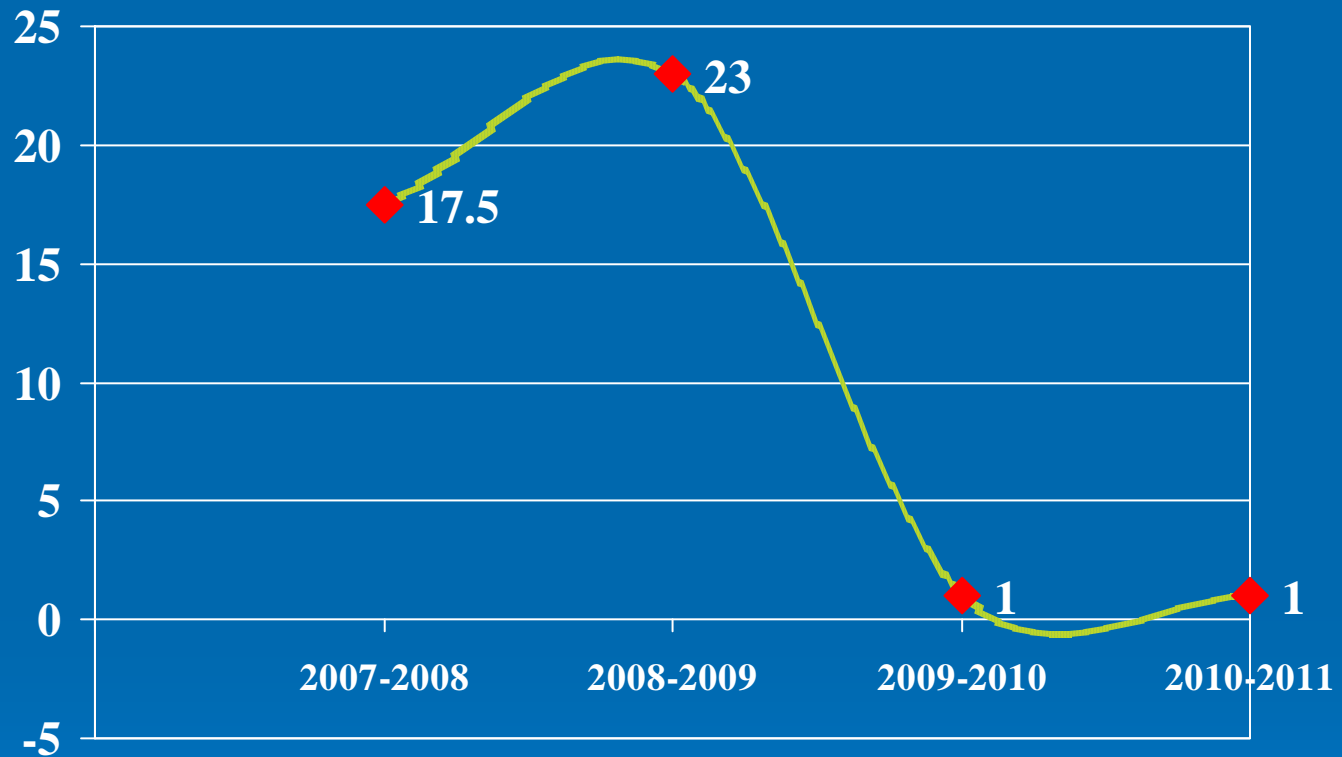
Source: NJ Dept. of Education - Comparative Spending Guide

Cost Containment - Administrative Salaries

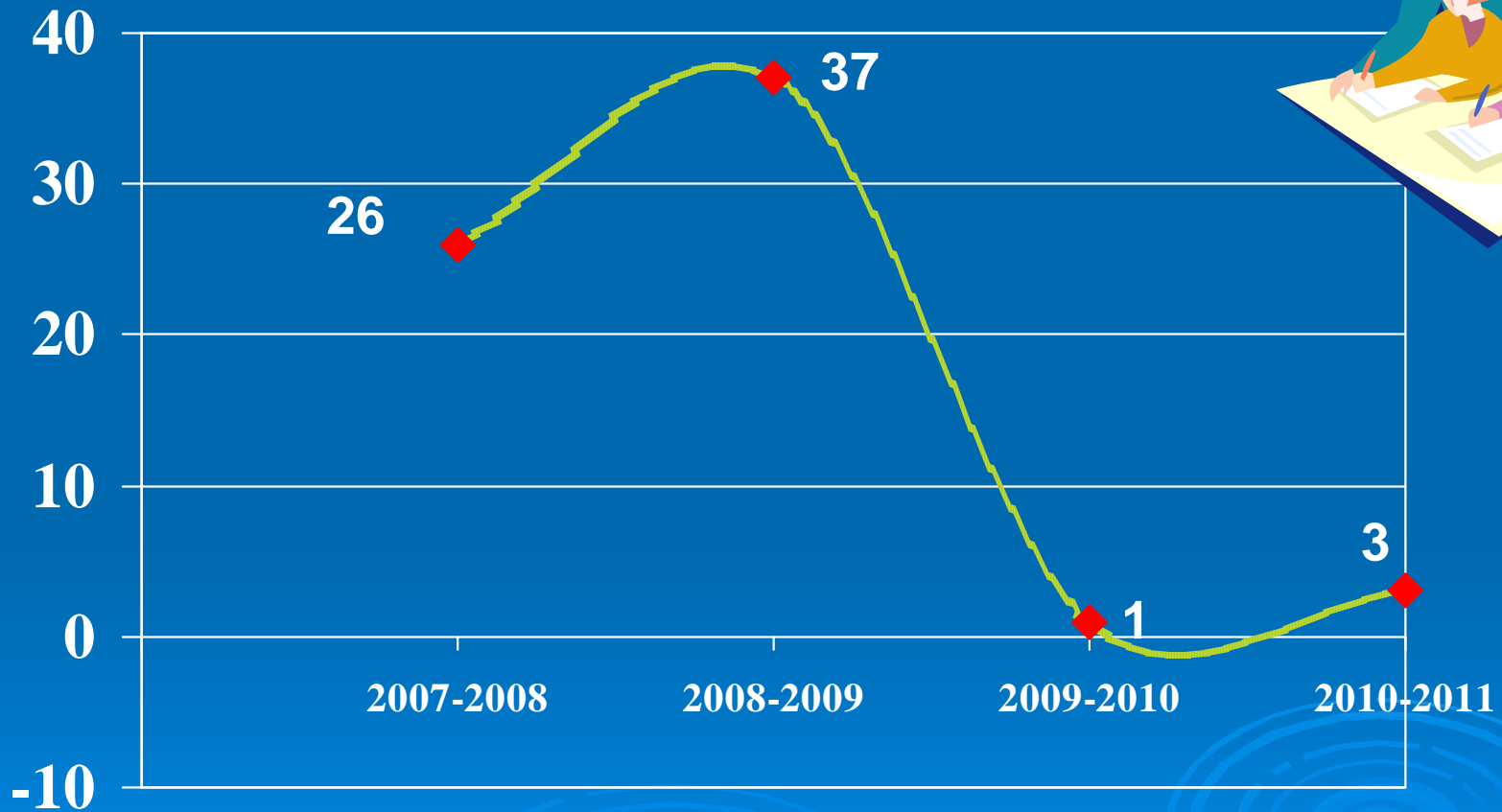
Median Administrator Salary



New Teaching Positions



New Paraprofessional Positions



The 2010-2011 Tentative Budget

- Upgrades to technology infrastructure*
- Upgrades to existing computers*
- Purchase of classroom computers*
- Preventative maintenance for facilities*
- Maintains the high quality of our instructional programs
 - Television Production
 - Personal Finance

***Required for either NJQSAC, ARRA, and/or NCLB**

2010-2011 Budget Driver

Anticipated Budget Scenario

➤ Projected 2010-2011 Budget **\$128,455,929**

➤ Anticipated Revenue with reductions in:

- State Aid
- Fund Balance
- Special Education Aid

\$125,341,213

Total Cuts Required

\$3,114,716

Without the State's cut in aid, we would be \$946,982 below cap

Impact of Fund Balance Reduction on 2010-11 Budget

	<u>Full Fund Bal</u>	<u>Partial Fund Bal</u>
➤ State aid	\$6,240,199	\$6,240,199
➤ Fund balance app	\$3,200,000	\$811,390
➤ Property tax funding	\$115,957,971	\$115,957,971
➤ Misc. revenue	<u>\$2,331,653</u>	<u>\$2,331,653</u>
Total 10-11 Budget	\$127,729,823	\$125,341,213

A difference of \$2,388,610

The Criteria for Determining Reductions

- **Keep Programs/Services that align with student needs and community expectations**
- **Maintains current level of service at reduced cost**
- **Identify areas that we can reduce or eliminate for three-to-five years**

We Are Considering The Following Cuts

Eliminate capital projects	-\$1,000,000
Freeze senior administrator's salaries	-\$25,000
Reduction in Health Benefits Premiums	-\$560,000
Reduction in Custodial Costs**	-\$1,100,000
2 Secretaries	-\$90,000
Reduce All Supplies	-\$165,000
Eliminate 4PM Late Bus	-\$50,000
Total Amount of Reductions	-\$2,990,000

**** Reductions to be achieved through negotiations with Local 1 or outsourcing**

2010-2011 Personnel Staffing Levels

- **No Additional**
 - **Administrators**
 - **Maintenance Workers**
 - **Drivers**
 - **Noontime Aides**
 - **Tech's**

2010-2011 Tentative Budget Variables

- On-going negotiations with health insurance providers. Latest quote is a 9.3% increase
- On-going negotiations with various district associations with the objective of reducing custodial costs and reopening contracts
- Direction from the State regarding:
 - Budget Cap
 - State Aid
 - S-1701 restrictions and options
 - Budget Vote/Election Timeline

What if the Budget Fails?

- **Last year the Town Council was very clear about future defeated budgets**
- **Even if we are somehow able to keep some or all of our custodians in the 2010-2011 budget, cuts by the Town Council could result in...**
 - **Outsourcing the custodians**
 - **Additional staff reductions across the board**
 - **Increase in class size**
 - **Reduction in programs**

Possible Second Round of Cuts

½ Day kindergarten (12 teaching positions)	-\$500,000
1 Administrator	-\$125,000
Outsource custodians	-\$500,000
14 Teaching positions	-\$840,000
6 Secretaries	-\$360,000
Freeze non-affiliated salaries(40 staff, 115 aides)	-\$68,000
Courtesy Busing	-\$275,000
Eliminate some field trips	-\$120,000
Reduce Co-curricular Activities	<u>-\$300,000</u>

Total of possible reductions **\$3,088,000**

Comments, Questions, Recommendations