

2011-2012 Budget Work Session #2

**Board of Education Meeting
Parsippany Hills High School
February 10, 2011**

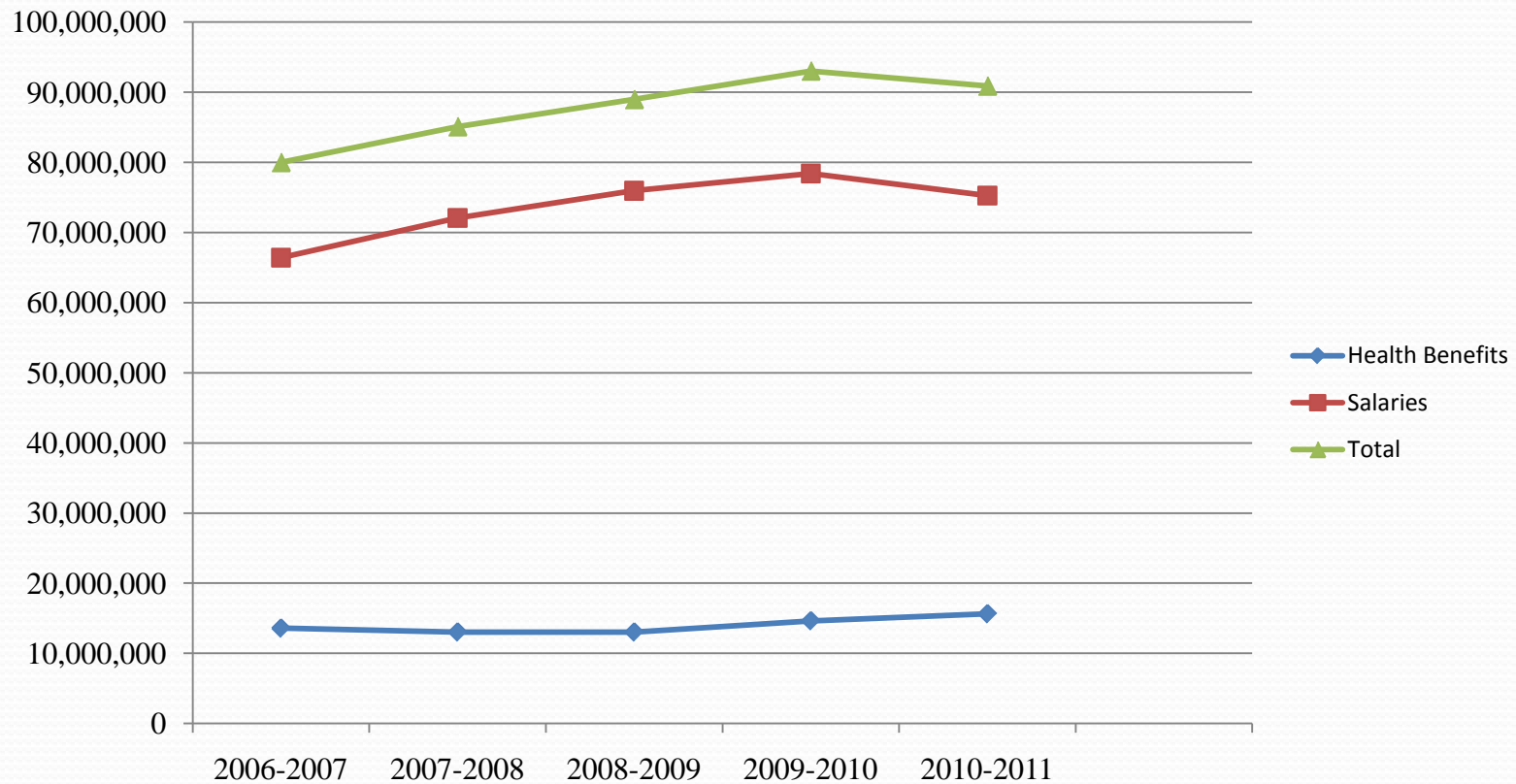
Presented by Dr. Lee Seitz, Superintendent

The 2011-2012 Budget...

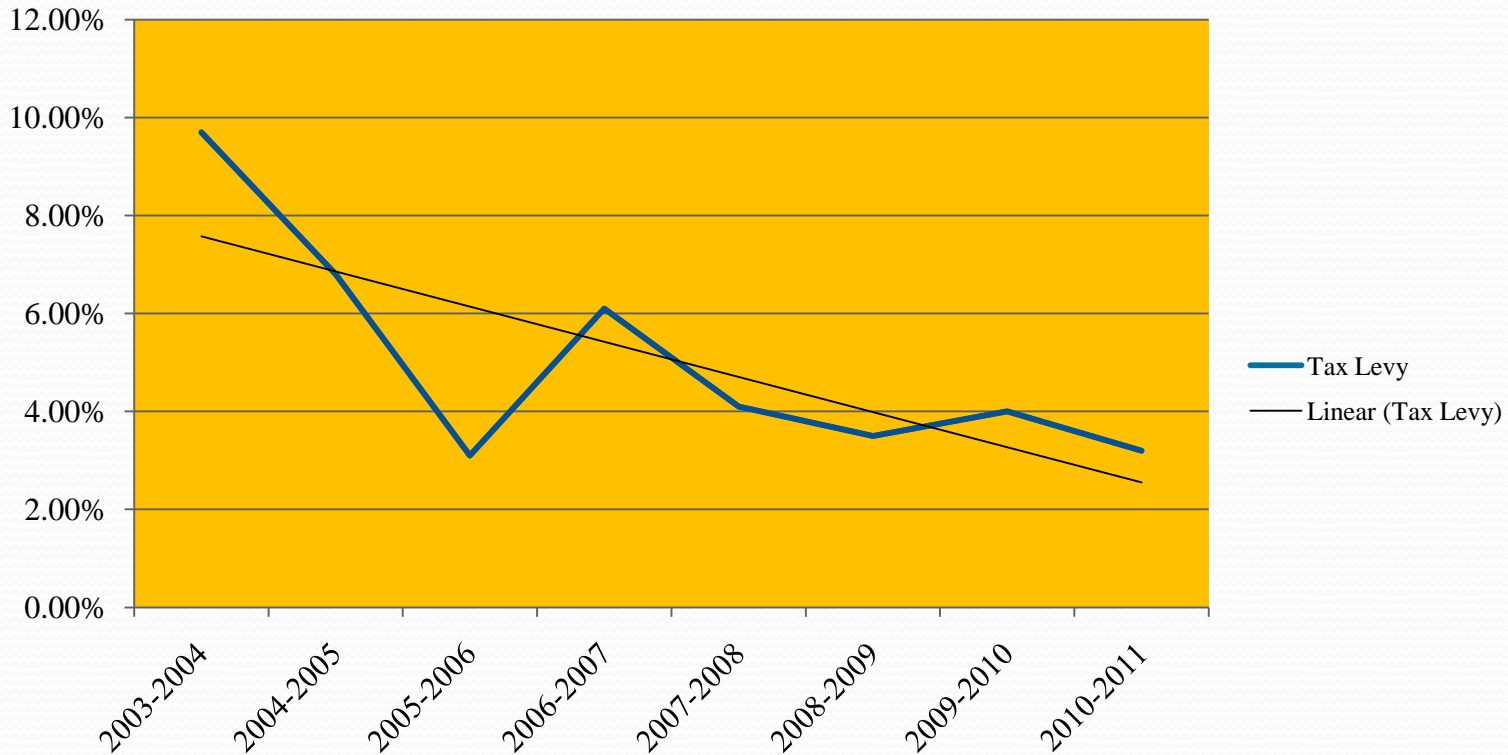
Is our financial plan to achieve our district's mission, strategic aims, and objectives

- Safe and Open Environment
- High Student Achievement
- Highest Performing Workforce
- Meet or Exceed State and Federal Mandates

Budget History – 2006 - 2011



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.**

The Process

- February 24, 2011 - Board of Education adopts preliminary budget that...
 - Establishes the maximum 2011-2012 budget
 - Once adopted, preliminary budget cannot be increased
 - All items in the preliminary budget can be changed between now and final adoption on March 29th
 - Preliminary Budget can be reduced
 - Final Budget must be approved by March 29th

The Process

- March 29, 2011 – Board of Education adopts final budget
- April 27, 2011 – Final Budget is submitted to the voters for approval
- May 20, 2011 – Final Budget must be submitted to the State

The Challenges

- 2% limit on property tax increase
- Community expectations that want the district to:
 - Increase student achievement
 - Maintain all current programs
 - Increase the use of technology
 - Reduce the cost of public education
 - Significantly reduce property taxes
- Continued decline in property values

The Objectives

- In developing the 2011-2012 budget the district is looking to...
 - Maintain all instructional and co-curricular programs
 - Increase the use of technology in our classrooms to enhance instruction and increase student achievement
 - Maintain current class sizes throughout the district

The Objectives

- In developing the 2011-2012 budget the district is looking to...
 - Expand special education services through the implementation of the ESS Program
 - Improve the efficiency of our schools to reduce energy costs and improve learning conditions

2011-2012 Budget

In developing the 2011-2012 budget the district is looking at...

- All Staffing Levels (certificated & non-certificated)
- All Curricular and non-curricular Programs
 - Non-mandated programs
 - Mandated programs
- Contractual Relief Through Negotiations
- Areas we can reduce from 10-11 levels
- Additional Revenues

2011-2012 Budget

- Areas Being Reduced

• Out-of-District Tuition	\$870,000
• Energy Costs (Gas & Electric)	<u>\$300,000</u>
• TOTAL	\$1,170,000

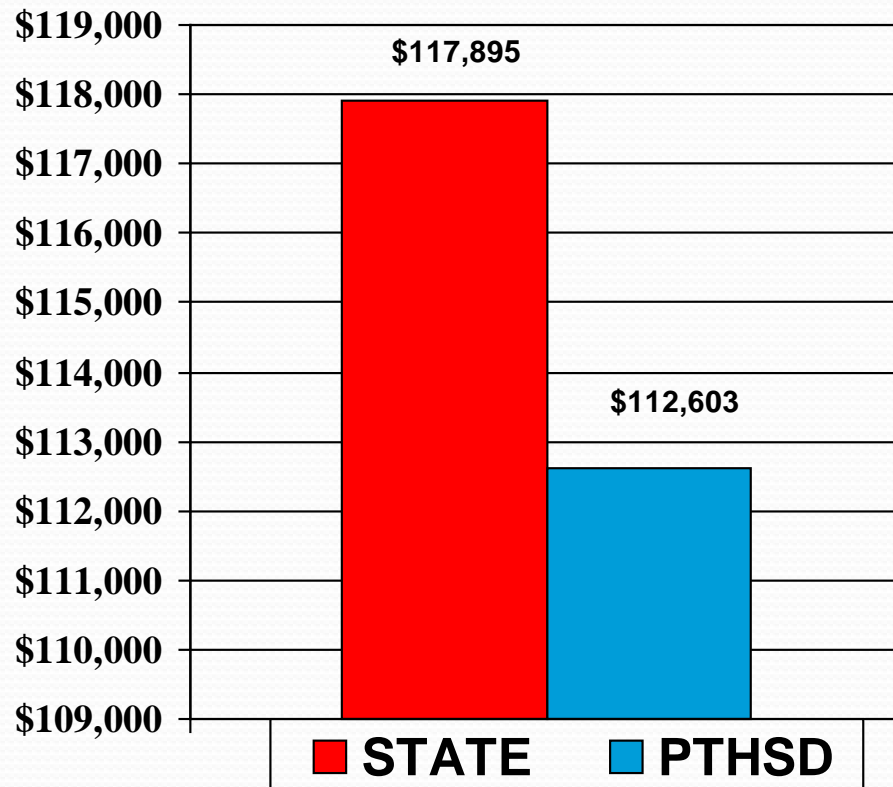
- Additional Revenues

• Surplus in excess of 2%	\$1,000,000
• Ed Jobs Funds	<u>\$243,000</u>
• TOTAL	\$1,243,000

Cost Containment - Administrative Salaries

Source 2010 School Report Card

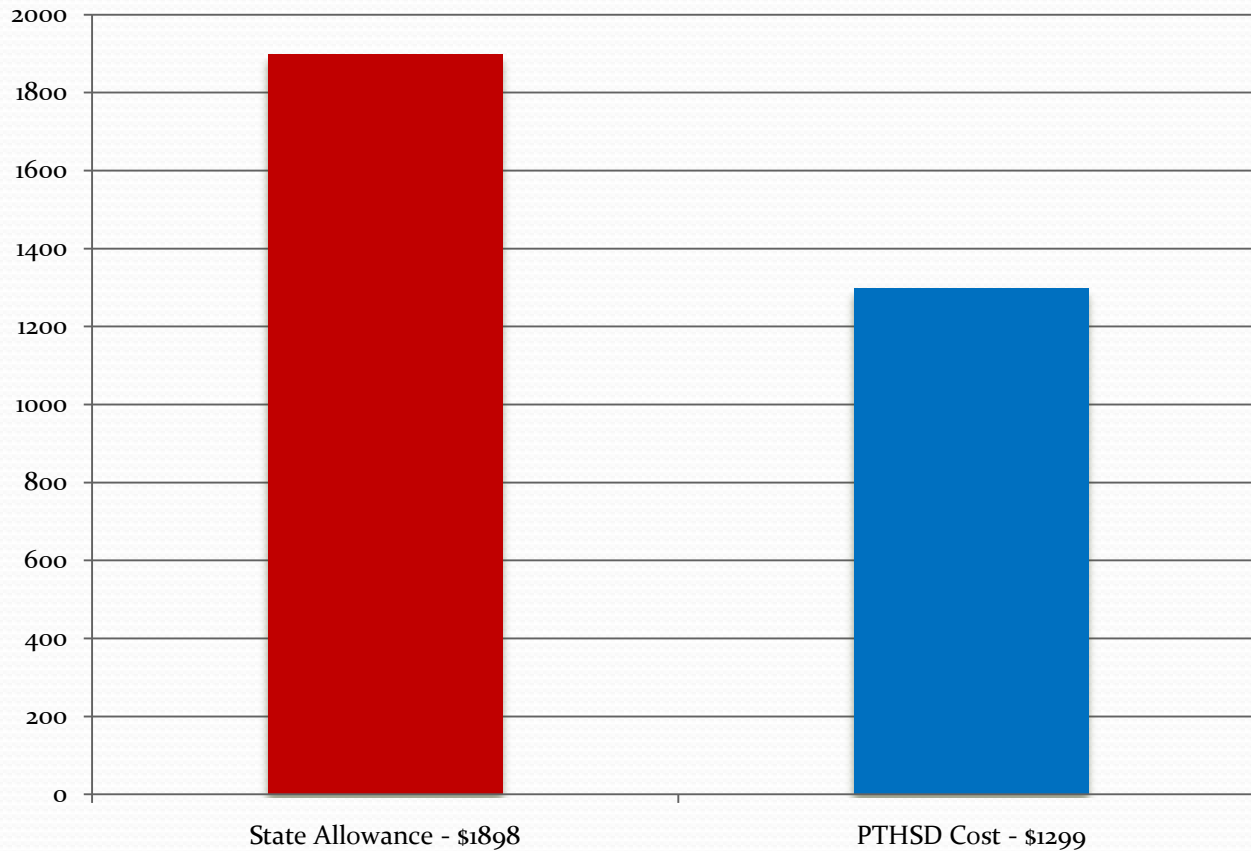
Median Administrator Salary



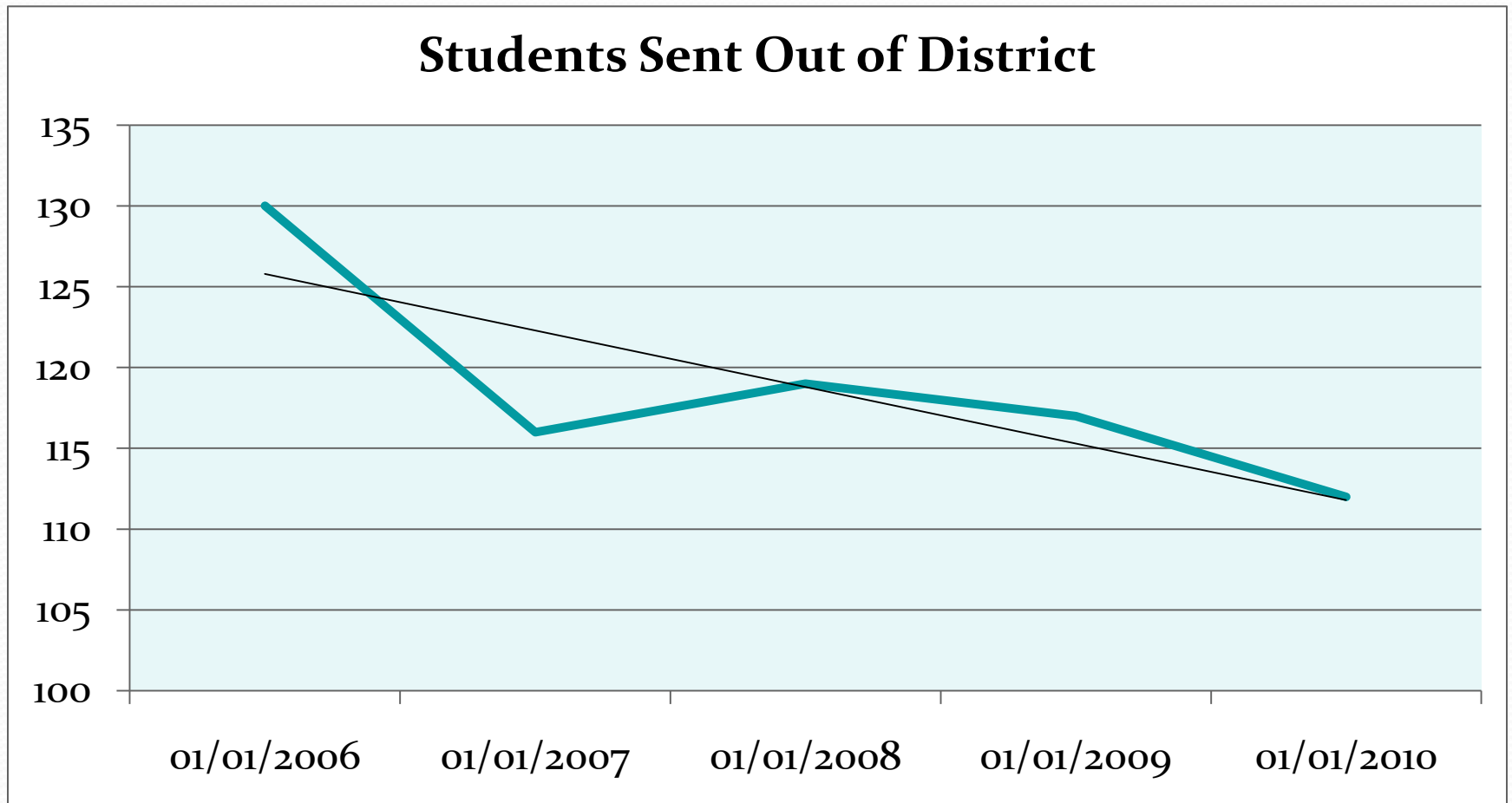
PTHSD
Administrator
Salaries are over
\$5,000 less than
the state average

Administrative Cost Comparison

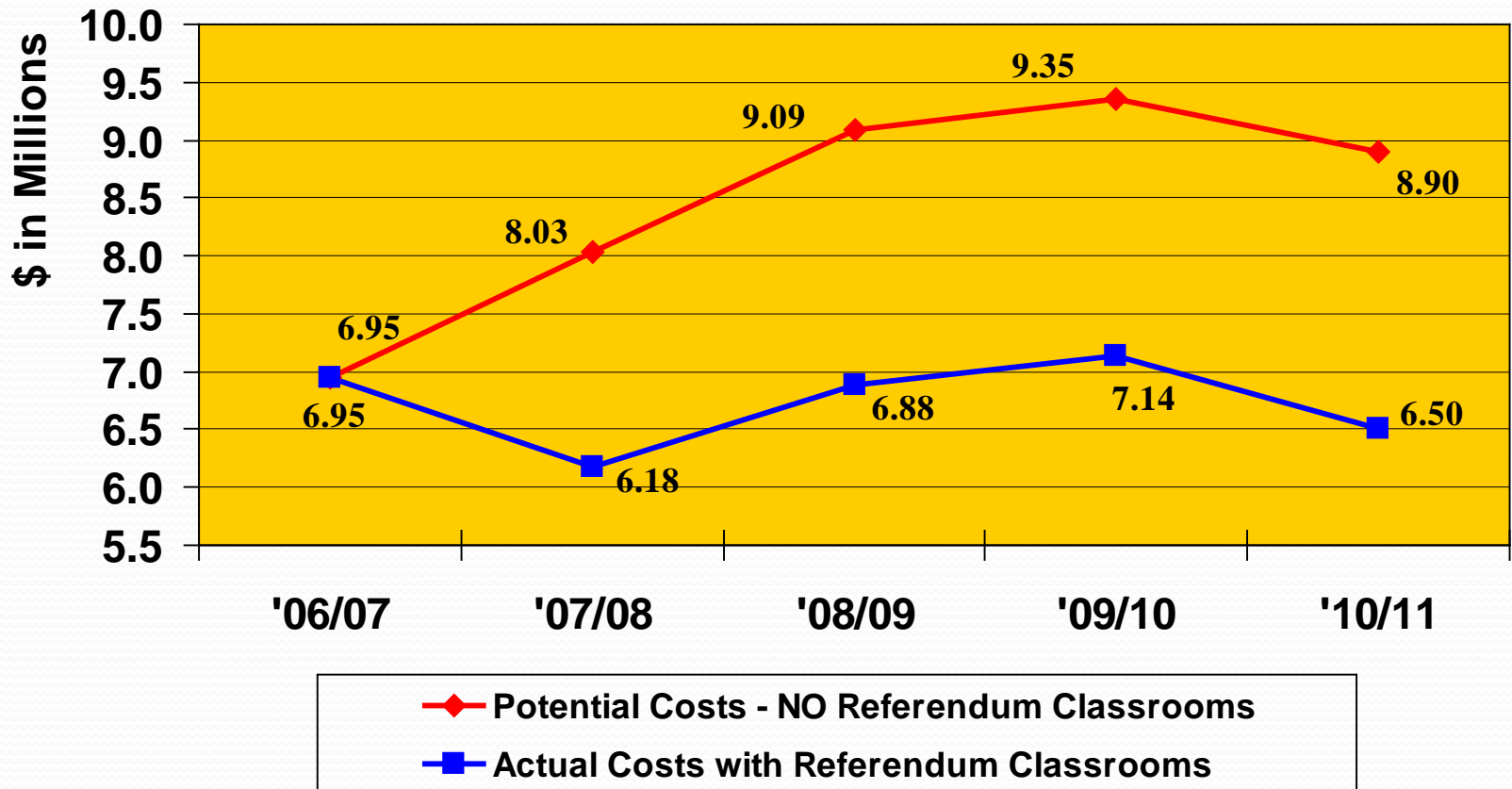
PTHSD spends \$4,372,700 LESS than the State of New Jersey Permits



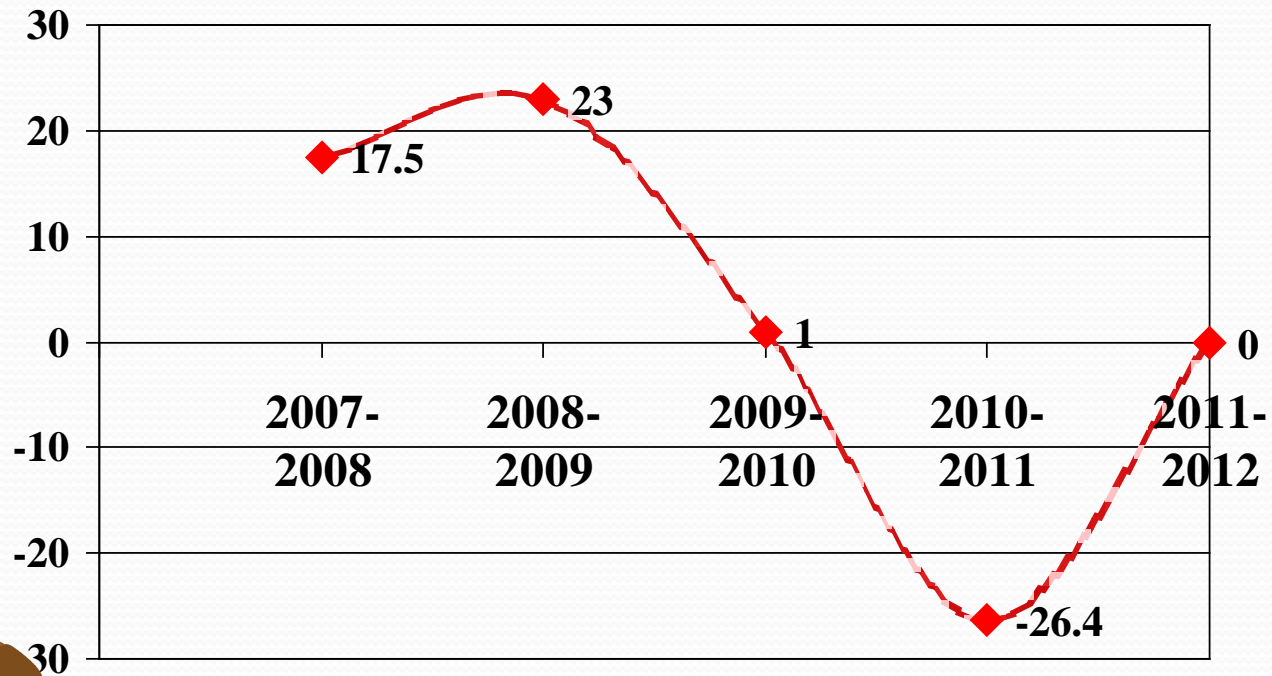
Special Education Students Sent Out-of-District



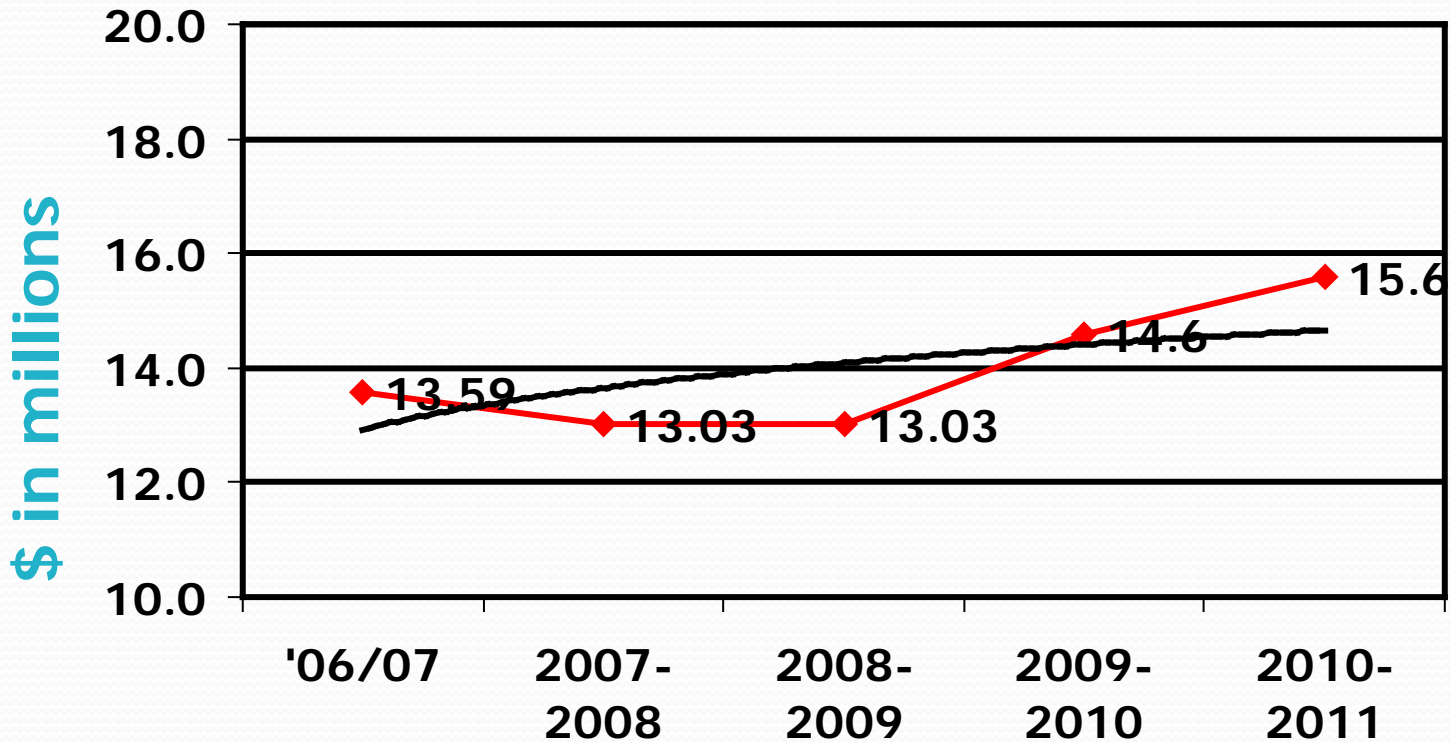
Controlling Special Education Out-of-District Tuition Costs



New Teaching Positions



Cost Containment of Health Benefits



 **Budgeted Health Benefit Costs**

Preliminary 2011-2012 Budget Projections

Subject To Change

	<u>Best Case Scenario</u>
Funding Level	10-11 Funding
Revenues	124,441,595
Expenditures	<u>126,368,103</u>
Amount Over Budget	1,926,508

2011-2012 Budget Drivers

• 15% Inc Health Benefits	\$2,344,568
• Employee Contribution (1.5%) (<u>\$900,000</u>)	
• Total Projected Increase	\$1,444,568
• Capital Outlay	\$1,100,000
• ADS Payroll Processing	\$84,000
• Athletic Field Maintenance	\$70,000
• Water/Sewer	\$60,000

How Does The District Decide What To Cut?

- The following criteria are used in the decision-making process:
 - Recognize that while all programs and positions are valuable, we may not be able to maintain all of our programs and staffing at their current levels
 - Maintain programs and services that align with student needs, community expectations and the State's Core Curriculum Content Standards
 - When possible, maintain current level of service at the same or reduced cost
 - Select areas that we can reduce or eliminate for 5 years

The Following Items Are Under Consideration For Possible Reduction

- Three Kindergarten Options (Cost To Parent/Guardian)
 - Half Day District Program, No Half Day Childcare Program
 - Cost Per Student \$0
 - Half Day or Full Day Tuition Based Kindergarten Program w/out Transportation
 - Half Day Cost per student \$3,468
 - Full Day Cost Per Student \$6,936
 - Half Day District Kindergarten/Half Day Tuition Based Day Care Program
 - Half Day Child Care Program \$1,280

The Following Items Are Under Consideration For Possible Reduction

- All three options would...
 - Be offered at all 10 elementary schools
 - Have AM and PM sessions as appropriate
 - Provide transportation for a fee
 - Be aligned with SKIP
- Projected reduction in 2011-2012 budget
 - Half Day District Kindergarten Program \$ 996,000
 - Tuition based kindergarten program \$1,992,000

The Following Items Are Under Consideration For Possible Reduction

- | | |
|--|-----------|
| • Contractual Costs (salary and benefits) | TBD |
| • PTHEA, ESAPTH, Local 1, | |
| • Elementary Office Assistance | \$100,000 |
| • Reduce One Contingency Special
Education Seat | \$51,000 |
| • Elementary School Counselors (5) | \$350,000 |
| • K-2 Art (2.5) | \$150,000 |

The Following Items Are Under Consideration For Possible Reduction

- Late Bus \$ 50,000
- Instrumental Music
 - Grade 4 – (2.7) \$162,000
 - Grade 5 – (2.7) \$162,000
- High School Co-Curricular Programs \$100,000
- Pay-To-Play Fees \$100,000
- Gifted and Talented Program \$165,000

The Following Items Are Under Consideration For Possible Reduction

- Class Size
 - Elementary
 - Max 26 (Reduction of 2 teachers) \$120,000
 - Max 27 (Reduction of 7 teachers) \$420,000
 - Secondary
 - MS – (Reduction of 2 teachers) \$120,000
 - HS – (Reduction of 2 teachers) \$120,000



Comments, Questions, Recommendations