

# 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 4<sup>th</sup> 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
- 11<sup>th</sup> 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
<b>Bernards</b>	<b>\$12,119</b>
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

# Comparative Costs Per Pupil

NJDOE Comparative Spending Guide March 2009

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



# 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
<b>State Average</b>	<b>\$1,430</b>
Princeton	\$1,423
Millburn	\$1,396
Montgomery	\$1,192
Holmdel	\$1,069
Hillsborough	\$1,023
<b>Bernards</b>	<b>\$1,002</b>



# 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 ?