

# Bernards Township Public Schools

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2007 – 2008

Budget Public Hearing

March 26, 2007

# Overview



- ⌘ Goals/achievements
- ⌘ Challenges
- ⌘ Budget drivers
- ⌘ Enrollment
- ⌘ Special education
- ⌘ Budget details
- ⌘ Tax impact
- ⌘ Public Forum
- ⌘ Board Forum
- ⌘ Adopt budget to bring to the voters

# 2006-2008 District Goals



- ⌘ To promote active and relevant student learning
- ⌘ To promote the improvement of instruction through relevant assessment
- ⌘ To differentiate instruction to address the needs of all students

# Recognition



- ⌘ Successful Practices Network
- ⌘ National Model Schools Conference
- ⌘ Rutgers Partnership
- ⌘ 9<sup>th</sup> Grade Transition Project (Princeton Center)
- ⌘ Newsweek 91<sup>st</sup> of 1,000 top U.S. high schools
- ⌘ Passed all 32 NJDOE monitoring indicators with flying colors
- ⌘ Continued high grades School Report Card

# Recognition



- ⌘ Newsweek ranked Ridge 2nd highest in NJ, tied with High Tech
- ⌘ 36 Edward J. Bloustein Distinguished Scholars
- ⌘ National Merit Scholarship Program
  - ☑ 29 Commended students
  - ☑ 5 Semi-finalists
  - ☑ 5 Finalists

# Recognition




- ⌘ 9 All State Choir members
- ⌘ Wind Ensemble – Gold rating CJMEA
- ⌘ Student artwork [www.artsonia.com](http://www.artsonia.com)
- ⌘ Forensics 6<sup>th</sup> consecutive state championship
- ⌘ Chosen to present best practices at Model Schools Conference

# Challenges



- ⌘ NCLB – meeting AYP
- ⌘ Rigor and Relevance initiative
- ⌘ Construction
- ⌘ Balancing  
effectiveness/efficiency

# Quality Education Below Average Cost



- ⌘ Among highest SAT scores in Ridge history
- ⌘ All schools meet AYP (NCLB Adequate Yearly Progress)
- ⌘ All schools among highest test results
- ⌘ Accommodated another 100+ students
- ⌘ Autistic students mainstreamed
- ⌘ With 37% non-tenured faculty
- ⌘ With 28% non-tenured administrators

# New Legislation



## Impact on local school districts

- ☑ Contains property tax at about 4%
- ☑ Permits use of other revenue to increase budget
- ☑ Reduces surplus to 2% of the operating budget

# Effect of 2006-07 Flat Budget



- ⌘ Flat funding following budget defeat
- ⌘ Loss of staff training, novice and experienced teachers
- ⌘ Textbook adoptions postponed
- ⌘ Maintenance projects postponed
- ⌘ Parent funding of libraries, printer/copier costs, classroom supplies

# Effect of 2006-07 Flat Budget on Curriculum

- ⌘ Trade books 2 year phase-in
- ⌘ Com Arts texts 2 year phase-in
- ⌘ College prep & AP math texts delayed
- ⌘ Psychology & 7<sup>th</sup> grade geography texts delayed
- ⌘ 7<sup>th</sup> grade Spanish texts delayed
- ⌘ Science curriculum writing canceled
- ⌘ Writing projects connected to text adoption canceled
- ⌘ Lang Arts program evaluation revisions not all implemented
- ⌘ Math program evaluation delayed, scheduled for school year
- ⌘ Total reduction: \$207,138

# Eliminated H.S. Electives



- ⌘ Research I Honors
- ⌘ Theatrical Experience
- ⌘ Women in Literature
- ⌘ Foreign and Domestic Policy Honors
- ⌘ Social Studies Research
- ⌘ Advanced Web Design
- ⌘ Advanced CAD Architecture I & II
- ⌘ Advanced CAD Machine I & II
- ⌘ Industrial Design
- ⌘ Robotics II
- ⌘ World Literature

# NJDOE Comparative Cost Per Pupil

District	Cost	Outside Placements
Montgomery	\$ 9,596	64 (1.28%)
Hillsborough	\$ 9,684	55 (.71%)
<b>Bernards</b>	<b>\$10,676</b>	<b>35 (.65%)</b>
Holmdel	\$11,110	27 (.75%)
Chatham	\$11,201	50 (1.47%)
Millburn	\$12,403	34 (.74%)
Livingston	\$12,518	115 (2.12%)
Princeton	\$14,098	82 (2.31%)
State	\$11,857	NA

# NJDOE Comparative Administrative Costs

District	Cost Per Pupil
Bernards	\$ 844
Holmdel	\$ 883
Hillsborough	\$ 920
Montgomery	\$1,051
Chatham	\$1,265
Millburn	\$1,308
Princeton	\$1,314
Livingston	\$1,507
State	\$1,271

# Major Budget Drivers



1. Employee Salaries/Benefits
2. Federal & State Mandates
3. Energy Costs/Containment
4. Liability & Other Insurance Costs/Containment
5. Enrollment
6. New positions
7. State Aid

# Driver #1

## Salaries/Employee Benefits



- ⌘ Approximately 70% of the budget
- ⌘ Estimated Health Premium increase of 9%
- ⌘ Cost Containment: Savings of \$300K
  - ☑ Negotiated employee co-pays
  - ☑ Premium “caps”
  - ☑ Mandatory managed care for new employees
  - ☑ 100% employee paid vision plan
  - ☑ Currently in contract negotiations

# Driver #2

## Federal & State Mandates



### ⌘ Regular Education

- ☑ English as a Second language (ESL)
  - ☑ Required services based on test results.
  - ☑ Students must be tested annually.
  - ☑ Budget for teachers, supplies etc. - \$140,000
- ☑ Core Curriculum Standards
  - ☑ K-8 World Language - \$740,000
    - Teachers, supplies, textbooks etc.

# Federal & State Mandates (con't)



## ⌘ Core Curriculum Standards (con't)

### ☑ Gifted and Talented

- ☑ SEM, Reach, honors classes

### ☑ NCLB

#### ☑ Instructional Support

- Reading Specialists and teachers @ elementary level.
- 2 FTE at middle and high school levels.

### ☑ Transportation

#### ☑ Regular, special education and private school.

- \$2.9 million (net of curricular, co-curricular, athletics, state aid and subscription fees).

# Federal & State Mandates (con't)



## ⌘ Special Education

### ☑ Class size – Replacement Class

#### ☑ Elementary and middle school

- 1 teacher per 1-6 students
- 1 teacher & aide per 7-9 students
- Above 9 students, additional class and teacher

#### ☑ High school

- 1 teacher per 9 students
- 1 teacher & aide per 10-12 students

# Driver #3 Energy Costs (Heat & Electric)

- ⌘ Estimated 12% increase in heat & electric rates/new construction
- ⌘ Cost Containment.
  - ☑ Installed computer regulated HVAC control system.
  - ☑ Ongoing replacement of unit ventilator actuators.
  - ☑ Ongoing lighting retrofit with energy efficient ballasts.
  - ☑ Outdoor lighting set with timers, rather than ineffective photo sensors.

## Driver # 4 Liability & Other Insurance Costs/Containment

⌘ \$500,000 in general liability, student accident, auto, boiler, workers compensation and other insurances.

☑ Estimated premium increase of 8%.

⌘ Cost Containment:

☑ Joint insurance pool (NJSBAIG) with over 350 school districts.

☑ Regionalized insurance pool of 50 school districts for property and casualty coverage

☑ Reduced financial exposure through larger “umbrella” coverage.

# Liability & Other Insurance (con't)



## ⌘ Cost Containment (con't)

### ☑ Worker's Compensation

- ☑ Ability to "lock in" multi year rates which are approx. 20% to 30% below state rates.
  - ☑ Lower rate realized through mandatory managed care of worker's compensation claims.
- 
- ☑ The district has saved approximately \$121,000 over the past three years through workers compensation rates and liability insurance premium discounts.

# Driver #5 Enrollment

## Application For State School Aid (ASSA)

\*Enrollment based on October 15 Count

	10/15/02	10/15/03	10/15/04	10/15/05	10/15/06
<b>Cedar Hill</b>	606	624	678	649	639
<b>Liberty Corner</b>	552	608	607	610	614
<b>Mount Prospect</b>	597	626	683	689	714
<b>Oak Street</b>	607	605	593	593	616
<b>William Annin</b>	1,173	1,193	1,222	1,260	1,274
<b>Ridge HS</b>	1,210	1,331	1,442	1,530	1,607
<b>Total</b>	<b>4,745</b>	<b>4,987</b>	<b>5,225</b>	<b>5,331</b>	<b>5,464</b>
<b>Change</b>	226	242	238	106	123

# Enrollment (con't)

## Projected Enrollment 2007/08

	<b>10/15/2006 Enrollment</b>	<b>Projected Enrollment</b>	<b>Change</b>
<b>Cedar Hill</b>	639	583	(56)
<b>Liberty Corner</b>	614	594	(20)
<b>Mount Prospect</b>	714	755	41
<b>Oak Street</b>	616	582	(34)
<b>William Annin</b>	1,274	1,304	30
<b>Ridge HS</b>	1,607	1,657	50
<b>Total</b>	5,464	5,475	11

# Enrollment Increases



## ⌘ Elementary Schools

Decrease of 69 students

## ⌘ Middle School

Increase of 30 students

## ⌘ High School

Increase of 50 students

# Net Staffing Estimate



⌘ Cedar Hill (27 vs. 26)	(1)
⌘ Liberty Corner (25 vs. 25)	0
⌘ Oak Street (28 vs. 27)	(1)
⌘ Mount Prospect (33 vs. 32)	(1)
Total	(3)

Restore world language program to full time, add primary reading specialist

# 6-8 Projected Staffing Changes



- ⌘ Relatively slight enrollment increase of 30 students will be absorbed

# 9-12 Current Class Size

w/o 50 Projected New Students



Class Size	# Sections	% Sections
10-14	44	9%
15-20	153	32%
21-25	142	28%
26-30	137	28%
30+	8	2%

# Projected Staffing Needs 9-12 Not Budgeted



## ⌘ 4 Regular Education Teachers

### ⌘ Rationale:

- ☑ Ridge average class size = 25.0
- ☑ State average class size = 19.2
- ☑ Current ratios indicate the need for 4 additional staff members
- ☑ Delay new staffing until new wing opens for budget cap allowance

# Driver #6

## New Positions Budgeted



### ⌘ Enrollment & Growth

- ☑ WAMS guidance counselor - \$65,000
- ☑ Clerical assistance - \$22,000
- ☑ Computer technician - \$40,000  
(grant funds)
- ☑ 1 Special Education Teacher -  
\$50,000 (grant funds)

# Driver #6

## Additional Positions Under Consideration



Some funding available:

- ⌘ RH guidance counselor or
- ⌘ Guidance Director
- ⌘ Primary reading specialist
- ⌘ Student Assistance Counselor

# Driver #7 State Aid (con't)



- ⌘ District only receives about 5% in aid.
- ⌘ Taxpayer bears 91% of the burden.
- ⌘ This year the district received \$115K additional state aid

How Much Longer Will We Have To  
Subsidize State Problems?

# 2007-08

## Another Flat Budget



Except for:

⌘ Salaries/benefits

⌘ Utilities

⌘ Transportation

Same allocations as current year.

For the second consecutive year.

# 2007/08 Proposed Budget




⌘ Comprised of three components:

<b>General Fund</b>	<b>\$69,738,502</b>
<b>Special Revenue Fund</b>	<b>950,000</b>
<b>Debt Service Fund</b>	<b>5,461,181</b>
<b>Total</b>	<b>\$76,149,683</b>

# 2007/08 Proposed Budget

## Total Revenues at a Glance



	<b>2007/2008 Proposed</b>	<b>Percent of Total</b>
Fund Balance*	\$1,076,430	1.41%
Tax Levy*	\$69,241,104	91.16%
Tuition, Miscellaneous & Transportation Fees	\$914,854	.87%
State Aid	\$3,967,295	5.29%
Grants (State & Federal)	\$950,000	1.27%
<b>Total</b>	<b>\$76,149,683</b>	<b>100.00%</b>

\*General Fund & Debt Service

# 2007/08 Proposed Budget

## Year to Year Revenue Comparison

	<b>Budget 2006/07</b>	<b>Proposed 2007/08</b>	<b>Variance \$</b>	<b>Variance %</b>
Fund Balance*	974,817	1,076,430	101,613	10.40%
Tax Levy*	66,975,032	69,241,104	2,266,072	3.38%
Tuition, Miscellaneous & Transportation Fees	1,020,365	914,854	(105,511)	(10.34%)
State Aid	3,851,743	3,967,295	115,552	2.99%
Grants (State & Federal)	1,809,556	950,000	(859,556)	(47.50%)
Total Revenues	\$74,631,513	76,149,683	1,518,170	2.03%

\*General Fund & Debt Service

# 2007/08 Proposed Budget

## Total Budget Expenditures at a Glance

<b>Category</b>	<b>2007/2008 Proposed</b>	<b>Percent of Total</b>
Instruction	\$33,933,703	44.56%
Extra-curricular	\$1,016,299	1.34%
Support Services	\$8,176,435	10.74%
Administration	\$4,602,188	6.04%
Operations & Maintenance	\$8,370,237	10.99%
Transportation	\$4,218,828	5.54%
Employee Benefits	\$9,420,812	12.37%
Grants	\$950,000	1.25%
Debt	5,461,181	7.17%
<b>Total</b>	<b>\$76,149,683</b>	<b>100%</b>

# 2007/08 Proposed Budget

## Year to Year Total Budget Spending Comparison

	<b>Current 2006/07</b>	<b>Proposed 2007/08</b>	<b>\$ Change</b>	<b>% Change</b>
Instruction	32,786,051	33,933,703	1,147,652	3.50%
Extra-Curricular	1,008,296	1,016,299	8,003	.79%
Support Services	7,769,814	8,176,435	405,621	5.23%
Administration	4,788,770	4,602,188	(186,582)	(3.90%)
Operations & Maintenance	8,275,752	8,370,237	94,486	1.14%
Transportation	3,992,796	4,218,828	226,032	5.66%
Employee Benefits	8,539,211	9,420,812	881,601	10.32%
Grants	1,809,556	950,000	(859,556)	(47.50%)
Debt	5,661,267	5,461,181	(200,086)	(3.53%)
<b>Total Budget</b>	<b>\$74,631,513</b>	<b>\$76,149,683</b>	<b>1,518,170</b>	<b>2.03%</b>

# 2007/08 Proposed Budget

## Year to Year Tax Levy Comparison

	<b>Current</b>	<b>Proposed</b>	<b>\$</b>	<b>%</b>
	<b>2006/07</b>	<b>2007/08</b>	<b>Change</b>	<b>Change</b>
<b>General Fund</b>	61,313,765	63,779,923	2,466,158	4.02%
<b>Debt Service</b>	<u>5,661,267</u>	<u>5,461,181</u>	<u>(200,086)</u>	<u>(.0353%)</u>
	66,975,032	69,241,104	2,266,072	3.38%

# CALENDAR YEAR TAX COMPARISON

	2006	2007	CHANGE
General Fund			
06/07	\$ 29,032,573	\$ 30,656,882	5.59%
07/08	\$ 30,656,882	\$ 31,889,961	4.02%
Sub Total	\$ 59,689,455	\$ 62,546,844	4.79%
Debt Service			
06/07	\$ 2,140,598	\$ 3,256,088	52.11%
07/08	\$ 2,405,179	\$ 2,457,531	2.18%
Sub Total	\$ 4,545,777	\$ 5,713,619	25.69%
TOTAL	\$ 64,235,232	\$ 68,260,463	6.27%

# ASSESSED VALUATION

(in millions)

	Residential	Other	Total
Jan. 2006	\$6,195	\$829	\$7,024
%	88.2%	11.8%	100.0%
Net Additions	\$51	\$103	\$154
Revaluation 06 to 07	(\$35)	\$3	(\$32)
Jan. 2007	\$6,211	\$935	\$7,146
% of Tax	86.9%	13.1%	100.0%
Valuation change	0.3%	12.8%	1.7%

# IMPACT OF SHIFT IN RATABLES ON RESIDENTIAL SCHOOL TAX

	2006	2007	CHANGE
Total Assessed Valuation	\$ 7,024,455,357	\$ 7,145,579,652	1.72%
School Tax Rate	\$ 0.915	\$ 0.956	4.48%
Total School Tax	\$ 64,273,767	\$ 68,311,741	6.28%
Residential Valuation Only	\$ 6,195,479,100	\$ 6,211,176,500	0.25%
School Tax Rate	\$ 0.915	\$ 0.956	4.48%
School Tax Residential Only	\$56,688,634	\$59,378,847	4.75%

# IMPACT OF SHIFT IN RATABLES ON RESIDENTIAL TOTAL TAX

	2006	2007	CHANGE
Total Assessed Valuation	\$ 7,024,455,357	\$ 7,145,579,652	1.72%
Total Tax Rate	\$ 1.488	\$ 1.524	2.42%
Total Tax	\$ 104,523,896	\$ 108,898,634	4.19%
Residential Valuation Only	\$ 6,195,479,100	\$ 6,211,176,500	0.25%
Total Tax Rate	\$ 1.488	\$ 1.524	2.42%
Total Tax Residential Only	\$ 92,188,729	\$ 94,658,330	2.68%

# TAX RATE COMPARISONS

	2006	2007	CHANGE
Municipal Rate	\$ 0.235	\$ 0.225	(4.26%)
School Rate	\$ 0.915	\$ 0.956	4.48%
County Rate	\$ 0.268	\$ 0.273	1.87%
Municipal Open Space	\$ 0.040	\$ 0.040	0.00%
County Open Space	\$ 0.030	\$ 0.030	0.00%
TOTAL	\$ 1.488	\$ 1.524	2.42%

# ESTIMATED SCHOOL TAX INCREASE

	Valuation Jan. 2006	Revaluation Estimate	Valuation Jan. 2007	Change
Average Residential	\$650,000	(0.56%)	\$646,328	(\$3,672)
School Tax Rate	0.915		0.956	
School Tax	\$5,948		\$6,179	\$231
Increase				3.89%

# ESTIMATED SCHOOL TAX INCREASE

	Valuation Jan. 2006	Revaluation Estimate	Valuation Jan. 2007	Change
Estimated Condo	\$350,000	(4.00%)	\$336,000	(\$14,000)
School Tax Rate	0.915		0.956	
School Tax	\$3,203		\$3,212	\$9
Increase				0.30%

# ESTIMATED SCHOOL TAX INCREASE

	Valuation Jan. 2006	Revaluation Estimate	Valuation Jan. 2007	Change
Single Family	\$500,000	1.00%	\$505,000	\$5,000
School Tax Rate	0.915		0.956	
School Tax	\$4,575		\$4,828	\$253
Increase				5.53%

# TAX LEVY HISTORY

	<b>General Tax Levy</b>	<b>% of Increase</b>
1998-99	30,128,190	16.5%
1999-00	32,459,687	7.7%
2000-01	37,263,741	14.8%
2001-02	43,045,190	15.5%
2002-03	46,138,805	7.2%
2003-04	50,491,299	9.4%
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%

# Budget Q & A



Q: What were some of the items evaluated for budget inclusion/reduction?

- ⌘ Half day kindergarten
- ⌘ 9 vs. 8 period day
- ⌘ WAMS team model
- ⌘ Elementary guidance/Assistant Principals
- ⌘ Class size
- ⌘ 3<sup>rd</sup> grade instrumental music
- ⌘ Elementary physical education

# Budget Q & A



Q: Why isn't there a second question on the ballot this year?

- ⌘ If defeated, program or position cannot be funded for 2007-08 by any source whatsoever
- ⌘ New state formula allows additional revenue or fund balance to increase budget
- ⌘ Increased chance of success
- ⌘ Break for the taxpayer

# Budget Q & A



Q: What happens in the event of a budget defeat?

- ⌘ Budget reviewed by municipality
- ⌘ Municipality certifies tax levy
- ⌘ Board makes budget reductions if necessary

# Where Do We Go From Here?



- ⌘ Adopt final budget Monday March 26
- ⌘ Determine tax levy to submit to voters
- ⌘ Election April 17
- ⌘ Vote at regular election sites, NOT at schools

# 2007/08 Ballot Question



What will be on the ballot?

- ⌘ RESOLVED, that there should be raised for General Funds \$63,779,923 for the ensuing school year (2007-2008).
- ⌘ VOTE for 3 members to serve 3-year terms on the Board of Education

# Bernards Township Public Schools

A thick, horizontal yellow brushstroke with a textured, painterly appearance, spanning across the width of the slide below the main title.

2007 – 2008

Budget Public Hearing

March 26, 2007