

Proposed School Budget Review

2007-2008 School Year



A Budget Message

The budget being submitted for voter approval is a basic, lean budget that fits within the legislative cap. For several months, New Jersey public school districts have been bracing for the drastic program reductions anticipated to be necessary under the new state restrictions on school budgets. Press reports touted dire consequences of the legislative committee work over the summer and fall months. Through the efforts of parents and school officials across the state, legislators learned about the many intricacies of school budgeting, and the far-reaching effects of uninformed legislative actions. The final regulations enabled the state to reach its goal of property tax containment but allowed districts to supplement their budgets with other revenue sources. Until now, district budgets were capped regardless of how Boards of Education structured their revenue.

In order to meet our tax cap, and not eliminate any current programs, the Board will utilize surplus funds and interest earned on the bond proceeds as a responsible supplement. The proposed 2007-2008 budget continues all academic programs and extracurricular activities at the 2006-07 levels. It addresses all contractual obligations for more than 700 employees to cover salary and health benefit increases, high energy consumption with the addition of new construction space, and pension contributions which the state shifted out of its budget over to local school districts.

The proposed budget contains minimal funding for new staff, including a middle school guidance counselor, office/nursing clerk at Mount Prospect, district computer technician, and a teacher for multiply disabled students. The latter two positions would be completely funded through federal grants. The Board is also studying the feasibility of hiring a high school guidance counselor in lieu of filling the position of Director of Guidance, instituting an intensive primary reading program, and restoring some of the funds taken away from staff training and the purchase of library books in recent budgets.

The proposed 2007-2008 budget increase is 3.8% with a tax levy increase of 4.02%. These are the lowest in years. When adding the previously voter approved school debt service, it generates a total combined 2007 school tax increase of 6.3% on a total assessment basis. Thanks to a favorable shift in township rates and reductions in the municipal government, the total taxes on residential properties (municipal, school, county and open space) are estimated to increase by only 2.5% in 2007. We urge you to vote on April 17.

Sincerely,

Louis Carlucci
Board of Education President

Valerie A. Goger, D.Litt.
Superintendent of Schools

Bernards Township School District 2007 – 2008 BUDGET SUMMARY

SOURCES OF REVENUE

The Bernards Township School District receives funding for the annual budget primarily from two sources: local property taxes and state aid. The district is limited with respect to other sources of income.

General Fund	Current 2006-2007	Proposed 2007-2008	\$ Change	% Change
Fund Balance	\$974,817	\$1,076,430	\$101,613	10.4
Local Tax Levy	\$61,313,765	\$63,779,923	\$2,466,158	4.02
Tuition	\$454,834	\$366,138	(\$88,696)	(19.5)
Transportation	\$240,500	\$165,000	(\$75,500)	(31.4)
Miscellaneous	\$325,031	\$383,716	\$58,685	1.8
State Aid	<u>\$3,851,743</u>	<u>\$3,967,295</u>	<u>\$115,552</u>	<u>3.0</u>
Total General Fund	\$67,160,690	\$69,738,502	\$2,577,812	3.8
Special Revenue Fund				
State and Federal Grants	\$1,809,556	\$950,000	(\$859,556)	(47.5)
Debt Service Fund				
Fund Balance	\$0	\$0		
Local Tax Levy	<u>\$5,661,267</u>	<u>\$5,461,181</u>	<u>(\$200,086)</u>	<u>(3.5)</u>
Total Debt Service	\$5,661,267	\$5,461,181	(\$200,086)	(3.5)
Grand Total All Revenues	\$74,631,513	\$76,149,683	\$1,518,170	2.0%

DID YOU KNOW?

- The district has realized a savings of over \$300,000 in a 2-year period by negotiating co-pays, higher deductibles and managed care options in employee benefits.
- The district has saved more than \$2.7 million over a 10-year period through privatization of custodial, maintenance and grounds services.
- The district has saved more than \$117,000 over a 3-year period on liability insurance and workers compensation premiums through participation in a joint insurance fund with over 350 school districts.
- The district has offset taxes by more than \$200,000 by instituting subscription intramural busing at Annin.
- Refinancing prior debt in 2002, 2004, and 2006 has resulted in future budget savings of \$2,379,751.
- The district has saved \$651,000 over 3 years by participating in a purchasing consortium of 357 school districts.
- *Newsweek* magazine ranked Ridge High School 91st among the top 1,000 high schools in the United States.
- The district's comparative cost per pupil of \$10,676 is \$1,181 below the state average for 2006.
- The district's administrative cost per pupil of \$844 is \$466 below the state average for 2006.

"Why would the school tax levy look different than the actual tax impact?"

2007-08 School Year Local Tax Levy

Tax Levy	2006-2007	2007-2008	% Change
Base Budget	\$61,313,765	\$63,779,923	4.02%
Debt Service	\$5,661,267	\$5,461,181	(0.0353%)
Total	\$66,975,032	\$69,241,104	3.38%

Because Bernards Township collects taxes on a calendar year rather than a school year, tax collection lags half a year behind the school year calculation of tax impact. You will note that while debt service in the 2007-08 budget is decreasing, the calendar year tax collection is now catching up to a complete year of the 2006 referendum debt obligation. In future years, debt service should remain fairly flat.

2007 Calendar Year School Tax Collection

	2006	2007	\$ Change
Average Home	\$653,049	\$654,566	\$1,517
Base Budget	\$5,551	\$5,730	\$179
Debt Service	\$424	\$523	\$99
Total	\$5,975	\$6,253	\$278

Budget Expenditures

	Current 2006/07	Proposed 2007/08	\$ Change	% Change
Instruction	\$32,786,051	\$33,933,703	\$1,147,652	3.50%
Extracurricular	\$1,008,296	\$1,016,299	\$8,003	.79%
Support Services	\$7,769,814	\$8,176,435	\$406,621	5.23%
Administration	\$4,788,770	\$4,602,188	(\$186,582)	(3.90%)
Operations & Maintenance	\$8,275,752	\$8,370,237	\$94,485	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)	(52.50%)
Debt	\$5,661,267	\$5,461,181	(\$200,086)	(3.53%)
Total Budget	\$74,631,513	\$76,149,683	\$1,518,170	2.0%

INSTRUCTION

The instruction area includes salaries, textbooks, supplies, equipment, related services, and out-of-district special education tuition. The proposed budget includes an additional middle school guidance counselor, restoration of the elementary world language program, and contractual salary increases.

EXTRACURRICULAR

The extracurricular account includes salaries for extra-curricular advisors, athletic coaches, and trainers as well as supplies, league fees, physician fees, police coverage, etc.

SUPPORT SERVICES

This section includes all costs associated with the media centers, guidance offices, health offices, curriculum, staff development, occupational and physical therapy services, speech, and the child study team. One clerk for Mount Prospect School's projected enrollment of 755 students is also included.

ADMINISTRATION

The administration account includes costs associated with the superintendent's office, principals' offices, business administrator's office, and the technology department. It includes such things as legal and auditing fees, election expenses, board expenses, district telephone, postage costs, and insurance.

OPERATIONS & MAINTENANCE

The operations and maintenance account includes district-wide custodial, maintenance and grounds services as well as costs for the repair and upkeep of the buildings, utilities, supplies, liability insurance and major repair projects.

TRANSPORTATION

All transportation services have been privatized and cover all costs associated with transporting students to and from school. Costs include: management fees, vendor transportation contracts, non-public school transportation, aid-in-lieu payments, special education routes, athletics, and field trips.

EMPLOYEE BENEFITS

This category includes the costs for all staff benefits including social security, pension, unemployment, workers compensation insurance, disability, and health insurance.

GRANTS

Included here are all the restricted state and federal funds to be used for No Child Left Behind (NCLB), Individuals with Disabilities Education Improvement Act (IDEIA), non-public nursing, technology, textbook and handicap services, and state and federal mandates.

DEBT

Included here are the principal interest payments for the district's previous bond issues and also payments for the 2005 school construction bond issue.

School Year	General Tax Levy	% of Increase
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%



