

# *Proposed School Budget Review*

## *2009-2010 School Year*



### A Budget Message

The proposed 2009-2010 budget represents the culmination of months of work by the Board, school administration and officials at the County and State level. The budget addresses all contractual obligations for more than 700 employees to cover salary and health benefit increases as well as our other budget driver of operations, maintenance and facility costs. The Board was faced with tough decisions in this budget season where current year staffing needs combined with declining budget year revenues to create a \$2.9 million shortfall. In order to close the \$2.9 million gap, several measures were taken. On the revenue side, an additional \$1.5 million was added through an \$800,000 tax cap waiver, a surplus funds investment of \$500,000, and an increase of \$200,000 in extraordinary special education aid. On the expenditure side, \$1.4 million was cut from the budget by reducing operations expenses in the amount of \$650,000 and by reducing staffing costs across all grades levels and administration for the balance. Ultimately the budget cuts, while painful, do allow the district to maintain excellence in education and simultaneously present a budget that is palatable in our difficult economic climate.

Total enrollment continues to grow modestly. However, according to demographic projections, the number of elementary students will begin to decline slightly next year with possibly fewer classes in 2010-2011. Enrollment at the middle school continues to rise with an expected peak of approximately 1,457 students in 2010-2011. The high school expects 1,721 students next year, reaching a maximum of close to 1,929 students in 2013-2014. Enrollment will be monitored closely as it is difficult to predict how many families may move into the district for our excellent programs or who may switch their students from private schools to public schools for economic reasons.

The tax impact of this proposed spending is similar to that of the tax increases in recent years. While the school district asks voters to approve a tax levy to support the budget for the upcoming school year, the Township actually collects taxes on a calendar year. Therefore, tax bills each year reflect taxes to support half of one school year, and half of the next.

The tax increase necessary to support next year's budget reflects an increase of 4.96%, while the tax collection increase on the average home is 3.00%. The average home will see an increase of about \$194 for the calendar year 2009 as a result of this proposed budget.

We invite your review of this plan, and encourage you to voice your opinion on Election Day, April 21.

Sincerely,

William Koch  
Board of Education President

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

## Bernards Township School District 2009 – 2010 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 2008-2009	Proposed 2009-2010	\$ Change	% Change
Fund Balance	\$3,533,129	\$1,136,606	-\$2,396,523	-67.83%
Local Tax Levy	\$66,837,438	\$70,156,926	\$3,319,488	4.97%
Tuition	\$517,260	\$677,733	\$160,473	31.02%
Transportation	\$292,000	\$240,000	-\$52,000	-17.81%
Miscellaneous	\$661,736	\$150,500	-\$511,236	-77.26%
State Aid	<u>\$4,954,568</u>	<u>\$5,380,331</u>	<u>\$425,763</u>	<u>8.59%</u>
<b>Total General Fund</b>	<b>\$76,796,131</b>	<b>\$77,742,096</b>	<b>\$945,965</b>	<b>1.23%</b>
State and Federal Grants	<b>\$950,000</b>	<b>\$1,000,000</b>	<b>\$50,000</b>	<b>5.26%</b>
Special Revenue				
Fund Balance		\$1	\$1	100%
Local Tax Levy - Debt Service	\$5,243,926	\$5,500,706	\$256,780	4.90%
State Aid - Debt Service	<u>\$1,038,703</u>	<u>\$367,146</u>	<u>-\$671,557</u>	<u>-64.65%</u>
<b>Total Debt Service</b>	<b>\$6,282,629</b>	<b>\$5,867,853</b>	<b>-\$414,776</b>	<b>-6.60%</b>
<b>Grand Total All Revenues</b>	<b>\$84,028,760</b>	<b>\$84,609,949</b>	<b>\$581,189</b>	<b>0.69%</b>

### DID YOU KNOW?

- The district participates in a joint insurance fund with over 350 school districts for workers compensation and liability insurance.
- By out-sourcing custodial, maintenance and grounds services, student transportation and food service, the district realizes significant savings annually.
- The district takes advantage of cooperative purchasing groups for basic supplies, electricity, propane and natural gas. In addition, the district shares services with the Township to contain snow removal costs.
- In-house programs for special needs students save the district thousands of dollars every month.
- Newsweek magazine ranked Ridge High School 137th among the top 1,300 high schools in the United States, and #1 in NJ for comprehensive public high schools.
- The district's comparative cost per pupil of \$12,119 is \$1,420 below the state average for 2008.
- The district's administrative cost per pupil of \$1,002 is \$421 below the state average for 2008.

**“Why would the school tax levy look different than the actual tax collection?”**

2009-10 School Year Local Tax Levy			
Tax Levy	2008-2009	2009-2010	% Change
<b>Base Budget</b>	\$66,837,438	\$70,156,926	4.97%
<b>Debt Service</b>	\$ 5,243,925	\$5,500,706	4.90%
<b>Total</b>	\$72,081,363	\$75,657,632	4.96%

Bernards Township collects taxes on a calendar year not on a school year, tax collection lags half of a year behind the school year calculation of tax impact. You will note that the amount of taxes necessary to pay next year's debt is lower than the total amount owed. This is because the state is giving us debt service aid associated with the recent referendum.

2009 Calendar Year School Tax Collection			
	2008-09	2009-2010	\$ Change
<b>Average Home</b>	\$652,110	\$615,926	-\$36,184
<b>Base Budget</b>	\$5,961	\$6183	\$222
<b>Debt Service</b>	\$513	\$485	-\$28
<b>Total</b>	\$6,474	\$6,668	\$194

## *Budget Expenditures*

	Current 08/09	Proposed 09/10	\$ Change	% Change
Instruction	\$36,432,239	\$37,882,132	\$1,449,893	3.98%
Extra-Curricular	\$996,149	\$1,280,050	\$283,901	28.50%
Support Services	\$8,508,684	\$9,128,302	\$619,618	7.28%
Administration	\$4,834,736	\$4,685,663	-\$149,073	-3.08%
Operations & Maintenance	\$8,238,584	\$8,383,484	\$144,900	1.76%
Transportation	\$4,243,043	\$4,399,106	\$156,063	3.68%
Employee Benefits	\$10,641,190	\$11,832,359	\$1,191,169	11.19%
Capital Outlay	\$2,901,506	\$151,000	-\$2,750,506	-94.80%
Grants	\$950,000	\$1,000,000	\$50,000	5.26%
Debt	\$6,282,629	\$5,867,853	-\$414,776	-6.60%
Total Budget	\$84,028,760	\$84,609,949	\$581,189	0.69%

### **INSTRUCTION**

This account contains salaries, textbooks, supplies, equipment, related services, and out-of-district special education tuition. The proposed budget includes staffing reductions in all buildings in order to maximize efficiency and reduce overall costs.

### **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. A significant increase is noted in this area as a result of the realignment of accounts to more accurately address expenditures.

### **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. No additional support staff are planned for in this budget.

### **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 fees, auditors' fees, election expenses, Board expenses, district telephone, postage costs, and insurance. Administrative cost savings will be realized through the negotiation process currently underway.

### **DEBT SERVICE**

Principal and interest payments for the district's outstanding bond issues are budgeted here.

### **OPERATIONS & MAINTENANCE**

The operation 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. Significant funds were cut in this area to balance this budget.

### **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, state and federal mandates, etc.

### **CAPITAL OUTLAY**

Since the building referendum has ended there is no interest income windfall as there was for the 2008-2009 budget hence the drastic drop off in this area. A conservative approach to the use of 2008-2009 funds may present the opportunity to front load some capital investment projects prior to July 1, 2009.

School Year	General Tax Levy	% of Increase
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%
2008-09	\$66,837,438	4.8%
2009-10	\$70,156,926	5.0%



**VOTE for 3 members  
to serve 3-year terms  
on the Board of Education:**

Lisa Winter

Robin McKeon

Susan Cauldwell Carlsson

**And one member for a 2-  
year term:**

Beverly Darvin  
Cwerner



## QUESTION ON THE BALLOT

Question: RESOLVED, that there should be raised for General Funds \$70,156,926 for the ensuing school year (2009-2010).

## OUT OF TOWN ON APRIL 21? YOU CAN STILL VOTE!

Absentee ballots can be obtained by applying in person until 3:00 PM on April 20, 2009. Simply report in person to the Somerset County Clerks office:

Administration Building - 20 Grove Street

P.O. Box 3000

Somerville, NJ 08876-1262

## REMEMBER TO VOTE—Board of Education Election and Budget

**TUESDAY, APRIL 21, 2009—2:00 p.m. to 9:00 p.m.**

**Please Note: Polling locations are no longer in the schools.**

Districts 2, 4 and 7 – Vote at Basking Ridge Firehouse

Districts 12 and 14 – Vote at Liberty Corner Firehouse

Districts 16 and 20 – Vote at Fellowship Village

Districts 21, 22, 23 and 24 – Vote at Hills Recreation Center

District 3 – Vote at Ridge Oak Senior Housing

Districts 9, 10 and 17 – Vote at Community Center

Districts 1 and 6 – Vote at Bernards Township Library

Districts 13 and 18 – Vote at Society Hill at Bernards II  
Clubhouse

Districts 5 and 8 – Vote at Somerset Hills Lutheran Church

Districts 11, 15 and 19 – Vote at Spring Ridge Clubhouse

## **BERNARDS TOWNSHIP PUBLIC SCHOOL DISTRICT**

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