

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT



**FINANCIAL CHALLENGES AHEAD
FEBRUARY 22, 2010**

CURRENT YEAR BUDGET
2009-2010
STATE AID CUT

\$1,027,829

Represents 9%

February-May

(Not including June payments)

CURRENT YEAR BUDGET

2009-2010

STATE AID CUT

How did They Calculate the Cut?

\$550,000

**Excess Surplus-
*Legal Reserve for Taxpayer Relief***

\$477,829

**25% from Capital Reserve,
Emergency Reserve, Maintenance
Reserve, and projected unreserved fund
(Extraordinary Aid, non-public transportation)**

\$1,027,829

CURRENT YEAR BUDGET

2009-2010

STATE AID CUT

| Category | Excess Surplus | Capital Reserve | Emergency Reserve | Maintenance Reserve | Unreserved Fund |
|------------------|-----------------------|------------------------|--------------------------|----------------------------|------------------------|
| CUT | \$550,000 | \$317,011 | \$62,501.75 | \$0 | \$98,316.25 |
| Remaining | \$0 | \$951,034 | \$187,505.25 | \$0 | \$294,948.75 |

2010-2011

PROPOSED SCHOOL BUDGET



**MATAWAN-ABERDEEN
REGIONAL SCHOOL DISTRICT**

2010-2011

PROPOSED SCHOOL BUDGET

- *Worst Economic times in decades for the state.*
- *Budget Proposal moves away from sound educational principles, just financial hardship.*
- *Presents many challenges next year.*
- *Defeated Budget would not only wipe out what we have accomplished in two years, but would set the district back more than five years and present many more financial challenges in the future.*
- *Fiscal focus is to maintain as many programs, staff and financial opportunities as possible.*

REVENUES

2009-2010

| | |
|------------------------------|-------------------|
| Local Tax Levy | \$43,801,859 |
| Budgeted Fund Balance | \$ 630,272 |
| State Aid | \$13,346,405 |
| Misc. Revenue | <u>\$ 643,050</u> |
| Fund 10 | \$ 58,421,586 |

REVENUES

2010-2011

Revenue Reality:

1. **Loss of 13% of State Aid**
2. **Misc. Revenues down**
3. **Excess Surplus Cut in 2009-2010**
4. **Increase in Tax levy of 2%**
(Board Goal)

REVENUES

2010-2011

| | |
|------------------------------------|-------------------|
| Local Tax Levy (2%) | \$44,677,896 |
| Budgeted Fund Balance (Cut) | \$ 0 |
| State Aid (13% CUT) | \$11,636,339 |
| Misc. Revenue (Down) | <u>\$ 289,000</u> |
| Fund 10 | \$ 56,603,235 |

2010-2011 PROPOSED SCHOOL BUDGET

- Bad News- \$6,140,672

Financial Challenge

\$ 3.5 million in expenditure increases

(Salary/Health Benefits, SE tuition)

\$ 2.6 million loss in Revenue

(State Aid, Misc. Revenue, Excess Surplus)

- Good News- Introduce a budget \$1,818,351 less than last year for a combined two year total of \$2,418,351.

PROPOSED

\$5,264,684 IN CUTS!

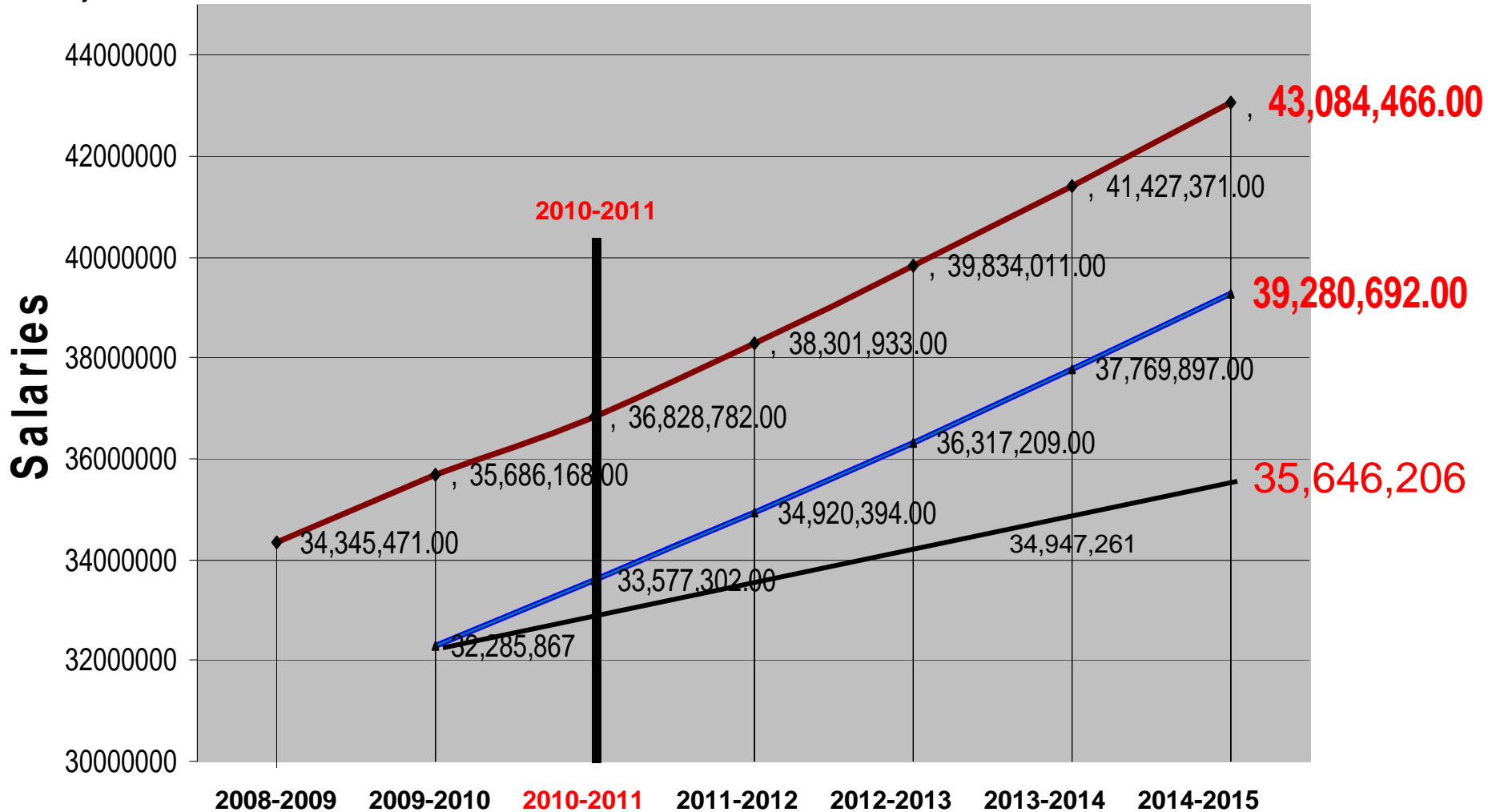
- \$2,751,480 Salaries
(Loss of 37 jobs)
32 layoffs
5 retirements not replaced
- \$32,708 Salaries
(Loss of 1 Lunch Aide per School)
- \$500,000 Privatize custodial staff
(Loss of 36 jobs/Savings of \$700,000 in second year)
- \$773,681 Health benefits waiver
(2 months)
- \$200,000 ARRA funds
- \$111,860 Technology
- \$200,000 Emergency Reserve
- \$100,000 Retirement breakage
- \$32,270 Stipends for clubs and athletics
- \$55,000 Bus
- \$30,000 Tuition
- \$50,000 Work Study Program
- \$40,000 Curriculum Writing
- \$25,000 Overtime
- \$123,200 Supplies/Misc expenditures
- \$61,185 Workshops
- \$62,500 CST services/supplies
- \$25,000 NWEA (NCLB)
- \$50,800 Summer School
- \$40,000 RTI

TOTAL loss of jobs in District
78 Employees

SALARY PROJECTIONS

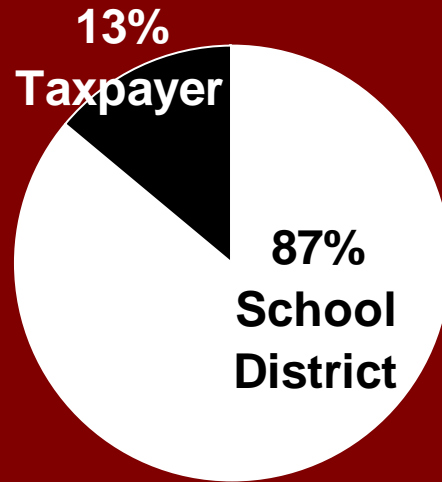
---Projected with 4% increase

----Projected with 2% increase



With proposed staffing reductions-salary projections revert back 3-5 years for a savings of approximately \$4-7 million in the next 5 years.

The \$6.1 million Challenge



- The school district proposed cuts of \$5,264,684 or **87%** of the financial challenge.
- Asking the taxpayers to assist in supporting their local school district in difficult times for \$876,037 or **13%** of the financial challenge.

FURTHER CONSIDERATIONS

- Senate Bill-S3
- Possibility of a lower cap on tax levy
- State Aid Cut (Higher or lower)
- Negotiations with MRTA
- 2011-2012 Budget

2010-2011 BUDGET TIMELINE

| | |
|--------------------------|---|
| February 22, 2010 | Board of Education begin to finalize 2010-2011 budget |
| March 1, 2010 | Meet with MC Executive County Superintendent to review preliminary budget |
| March 1, 2010 | Nominating petitions filed for school board seats |
| March 8, 2010 | COW (Action) Submit preliminary budget to County |
| March 10, 2010 | Drawing of names for school board candidates |
| March 16, 2010 | Governor Christie's Budget Message |
| March 18, 2010 | State Aid numbers are released |
| March 22, 2010 | Public Hearing on 2010-2011 school budget (Action) |
| April 20, 2010 | School board/budget election (1:00 p.m.-9:00 p.m.) |